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## Cornerstone leads renovations

by Jennifer Hayes

A commercial real estate firm is looking to corner the central Denver apartment market.

Denver-based Cornerstone Apartment Services Inc., which specializes in investment brokerage and property management for apartment investors, currently has 10 renovation projects under way in its central Denver apartment portfolio.

"The apartment renovation market is back," said Cornerstone Apartments' Jim Lorenzen, explaining that condo converters who were crowding out apartment renovators by being willing to pay more for apartment properties several years ago have been pushed to the sidelines by a soft condominium market.

"It's a strong apartment market," he added, noting Cornerstone Apartment's monthly portfolio review revealed 97 percent income collected over the past several months and over the last six months, economic vacancies have been 1 percent to 3 percent.

The resurgence of renovating apartments also stems from the number of interested renters looking to the central market for hip, infill space.

The "millennium generation," as Lorenzen refers to it, is seeking upgraded apartments in urban locations with amenities like WiFi, hardwood floors and upgraded appliances, for example.

"There isn't much new product in the central market," said Lorenzen, noting the cost of new infill development surpasses suburban development and, as such, not much new product has come on line in the

central market since the 1970s.

Additionally, the rent gap between what new product has been built and the existing product is significant, he added. Cornerstone Apartment Services' managed properties in the central market are running \$1.25 to \$1.50 per square foot with newer apartments \$2 per sf plus tenants paying all the utilities.

Cornerstone Apartment Services' properties currently under renovation are:

- Grant Place, a 40-unit community at 321 E. 18th Ave. Work at the community will include new awnings to the exterior while unit work will include the addition of hardwood floors, new lighting fixtures, two-tone paint and bathroom upgrades.

- Sherman Street, an 83-unit property at 1240 Sherman St. Work will focus on the common areas and amenities, landscaping and signage. Units will be updated with new kitchens, bathrooms and light fixtures.

- Beekman Place, a 13-unit apartment property at 1136 Pearl St. Units will receive hardwood floors and updated bathrooms and lighting. The exterior will get a new treatment and new common areas.

- Aspen Arms, a 34-unit property at 335 Sherman St. New awnings, exterior paint and landscaping will be added as well as hardwood floors, updated baths and lighting in the units.

- Florence, a 23-unit community at 136 S. Emerson St. Units at the property will have new hardwood floors and updated baths and lighting while the exterior of the property will have new awnings installed.

- Washington Park, a 23-unit



Cornerstone Apartment Services Inc. manages and is marketing for sale the 20-unit Jackson Apartments in Cherry Creek, which recently underwent a significant renovation.

property at 161 S. Emerson St. The exterior will be painted while new hardwood flooring, updated baths and lighting will be added to unit interiors.

- Logan Court, a 35-unit apartment property at 166 S. Logan St. Work at the community will include new exterior paint, hardwood floor installation in the units as well as new dishwashers, baths, lighting and updating kitchens.

- Lincoln Center, a 50-unit property at 621 S. Lincoln St. Units at the community will be renovated with new bathrooms and lighting as well as have hardwood floors added.

- The Flats, a 17-unit property at 1338 Franklin St. Renovations to the property will include exterior paint and landscaping while unit work will include the addition of hardwood floors, new baths, dishwashers, updated kitchens, new lighting and appliances.

- Kingston House, a 43-unit community at 1300 Monroe St. New balconies, new exterior finishes and a redesigned courtyard area are in the

works. As well, unit work will include the addition of hardwood floors and stained concrete floors, new kitchens and bathrooms, and new lighting.

The renovation of the properties follows the completion of work at the Jackson Apartments in Cherry Creek. Cornerstone Apartment manages and is marketing for sale the 20-unit community at 195 Jackson St., owned by Everett Clark of Clark Companies Inc.

The one- and two-bedroom community underwent an extensive renovation, which included entirely retrofitting the electrical and mechanical systems, upgraded kitchens, refinished hardwood floors, two-tone paint treatment in the unit's coved ceilings and re-landscaping the exterior, for example. Lorenzen and Greg Johnson of Cornerstone are marketing the property for \$3.75 million.

Cornerstone Apartments is looking to add to its management portfolio. Currently it manages around 30 buildings, seven of which it owns.▲