

## Revesco buys Castle Rock center

by John Rebchook

Denver-based Revesco Properties recently paid \$20.6 million for the Shoppes at Castle Rock, which is anchored by a Sprouts Farmers Market, as well as other big-box tenants.

The 105,528-square-foot power center was 100 percent leased when it was sold.

The center, visible from Interstate 25, was listed and sold by Brad Lyons and Matthew Henrichs of the Denver office of CBRE.

"It generated a significant amount of interest, right out of the gate," Lyons said. "It has a top-tier location along that southeast Denver corridor and has a lot of traffic and direct access from Founders Parkway and Interstate 25. Being situated on the northeast corner of Interstate 25 and Founders Parkway, the Shoppes at Castle Rock is in the retail epicenter of the Castle Rock and Castle Pines trade areas. The strong demographics and large barriers to entry have created a dynamic environment for retailers to operate, which has contributed to the huge success of this submarket."

In addition to Sprouts, tenants include Michaels, OfficeMax, Big 5 Sporting Goods, Dollar Tree, Starbucks, Chipotle and Jimmy John's.

The center, built between 2005 and 2009, also benefits from its proximity to a nearby Home Depot, Lyons said.

The average daily traffic



CBRE handled the sale of the Shoppes at Castle Rock.

count along I-25 and Founders Parkway is 113,000 vehicles, Lyons said. Within a one-mile radius, the average family income is about \$90,264 and within a three-mile radius it is \$115,878, "among the highest in the metro area."

He said the sellers decided to take advantage of improving conditions for well-anchored retail projects and will be deploying the capital into other opportunities.

Although there was interest from buyers all across the country, it was purchased by Revesco, which recently purchased a retail center in Fort Collins anchored by a 24-Hour Fitness.

"We really liked the demographics of that Castle Rock submarket," said Rhys Duggan, president and CEO of Revesco.

"We also really like grocery-anchored centers," Duggan said. "We really like the Sprouts

concept."

He said he thinks Revesco purchased the center at, or just below, the replacement cost.

"We do see a bit of upside through some re-tenanting opportunities," Duggan said. "We like centers that can use a couple of fixes. We think this center that can be better managed and we see some opportunities to change the tenant mix a bit."

Revesco is aggressively shopping for other retail opportunities in the Denver area, as well as some markets outside of Colorado.

"We are all retail," Duggan said. "We are 100 percent focused on retail. We really like grocery-anchored centers. That is our preference, but not a requirement. We like centers located in areas with strong demographics that may need one or two fixes."▲