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Chipotle Mexican Grill, Mad Greens, Floyd's Barbershop and Firehouse Subs occupy the retail strip center space at Harmony School Shops.

## Harmony School Shops sells for \$18 million to Revesco Properties

by *Jill Jamieson-Nichols*

Harmony School Shops, a fully leased shopping center smack-dab in the middle of Fort Collins' Harmony Road retail corridor, has a new owner.

The \$18 million acquisition by Revesco Properties included 85,354 square feet of fully leased retail space and two undeveloped pads. Harmony School Shops includes a collection of large and mid-box stores and a high-visibility strip center fronting Harmony Road.

"The lure of it is that it's on the growth side and the tech side of Fort Collins," said CBRE broker Dan Grooters, who represented the seller with CBRE broker Riki Hashimoto. Located at Harmony and Timberline Road, the fully occupied center is near housing and major employers, including Poudre Valley Hospital, Intel, Hewlett-Packard and Avago Technologies.

"It was one of the first larger

Class B deals to transact along the Front Range," said Grooters, adding the center didn't have the large, credit tenants institutional investors are looking for, but drew "significant activity," including eight offers, from local and West Coast groups.

The buyer also was able to secure a new commercial mortgage-backed securities loan for the acquisition, "which we haven't seen a lot of," said Grooters, adding CMBS loans are just starting to come back into the market.

Harmony School Shops is anchored by 24 Hour Fitness and Office Depot. Pet Club and Regency Beauty Institute adjoin the big boxes, while the smaller inline building houses Chipotle, Mad Greens, Firehouse Subs and Floyd's Barbershop. The vacant pad sites total 40,000 and 12,000 sf.

CFM Realty developed Harmony School Shops in 2007 and was the seller.

The acquisition was Revesco Properties' first purchase in Colorado, although partners Rhys Duggan and Brian Cuje developed and invested in retail centers here for more than a decade with Southwestern Investment Group. Revesco Properties also has an office in Vancouver, British Columbia, Canada. Its U.S. efforts are focused on acquiring retail centers in Colorado, Houston and Phoenix.

"We're in the market, and we're active and looking for properties," said Duggan.

Although Revesco is targeting grocery-anchored centers, the lack of a grocer was not a deterrent in the Harmony School Shops deal.

"We really liked the quality of construction and its location on Harmony," said Duggan. The property offered solid cash flow without lease rollover for the next five years and is located in a market with strong employment and demographics, he said.▲