

business

Gart Prop. raising \$100 million

Firm talks to potential investor to pitch in half to buy commercial sites

By Margaret Jackson
The Denver Post

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Gart Properties is raising \$100 million to buy distressed commercial real estate.

The [Denver](#) company has gathered about half the amount and is negotiating with a potential investor to plunk down the balance, Gart president Mark Sidell said.

Though declining to identify the investor, Sidell said it's a company that's more active in the multifamily arena.

This is the first time Gart has raised a substantial amount of outside capital. The company generally turns to high net-worth families to invest in individual projects.

The company will probably start buying retail properties that have been turned over to banks by the end of the year, Sidell said.

He predicts the buying spree will last for a few years.

"The opportunity in retail is that everybody is running the other way right now," Sidell said. "For the last 10 years, we've been in value-added real estate."

Gart buys underperforming real estate at a discount, renovates it and leases it to stronger tenants. The company then refinances the property, pays off its investors and continues to enjoy the cash flow that the real estate generates.

Gart isn't the only company taking advantage of a distressed commercial real estate market. A10 Capital recently announced it had raised more than \$100 million in capital over the past two years for its "nearly bankable" loan and distressed-debt financing programs.

A10's lending group originates first-mortgage commercial real estate loans and provides financing to investors for distressed-debt purchases secured by commercial real estate. A10 can also provide capital to assist banks with the resolution of certain commercial real estate loans and assets.

"We're really focused on that commercial property that requires getting over the hump in order to become bankable again," said Alan Welty, executive vice president in A10's Denver office. "Potentially, it's cash out for a variety of reasons . . . to pay off a partner, or the property needs one more tenant to be stabilized and

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banks won't refinance it because it's only 85 percent occupied and the requirements are 90 and above."

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Gart Properties' projects

Retail:

[California Mall](#), Denver

City Center Marketplace, Aurora

Continental Theater, Denver

Denver Pavilions, Denver

Indian Tree Shopping Center, Arvada

The Microcenter Shopping Complex, Denver

Pavilion Shopping Center, [Fort Collins](#)

Sixth Avenue Commons, Denver

The Village Shopping Center, [Boulder](#)

Twin Peaks Square, Longmont

West Vail Mall, Vail

Residential/resort:

The Grand Lodge Crested Butte, Crested Butte

Iron Horse Resort, Winter Park

WaterTower Lofts, Denver

Offices:

299 [Milwaukee](#) , Denver

233 Milwaukee , Denver

299 Executive Suites, Denver

Residential/resort/offices:

Seasons at Avon, Avon

