

## Gart Prop. raising \$100 million

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

**By Margaret Jackson**

*The Denver Post*

Posted: 07/25/2009 01:00:00 AM MDT

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

*Margaret Jackson: 303-954-1473 or [mjackson@denverpost.com](mailto:mjackson@denverpost.com)*

## **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