

Price Per Square Foot Doesn't Tell Full Story of Sales Volume Increase

When properties sold for about \$100 PSF in 2010, we were only selling about \$750M. Last year at \$160 PSF, we sold over \$2 B. While this represents a 60% increase in price PSF over this decade, total sales volume rose an impressive 260%.



Cap rates hold steady at 6.5% range



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Colorado investors buy the majority of investment deals made in NoCO tri-county region during last month of summer 2019

Lodging properties continued their prominence in sold deals for the month of August in our tri-county northern Colorado district. Topping off the charts was the Marriott Courtyard in Louisville. This 154 room hotel sold for \$16 million as part of a portfolio deal acquired by a Chicago based equity company. They also picked up the Residence Inn in Louisville. This is an 88 room property which had \$9 million allocated to its sale. Unrelated to the portfolio sale, the Super 8 motel in Greeley sold for \$3.8 million. An individual investor from Arizona bought the property for about \$78,000 per key. Finally, the Wild Basin Lodge in Allenspark sold for \$3.5 million or almost \$390,000 per key. A Colorado individual investor bought this mountain lodge property.

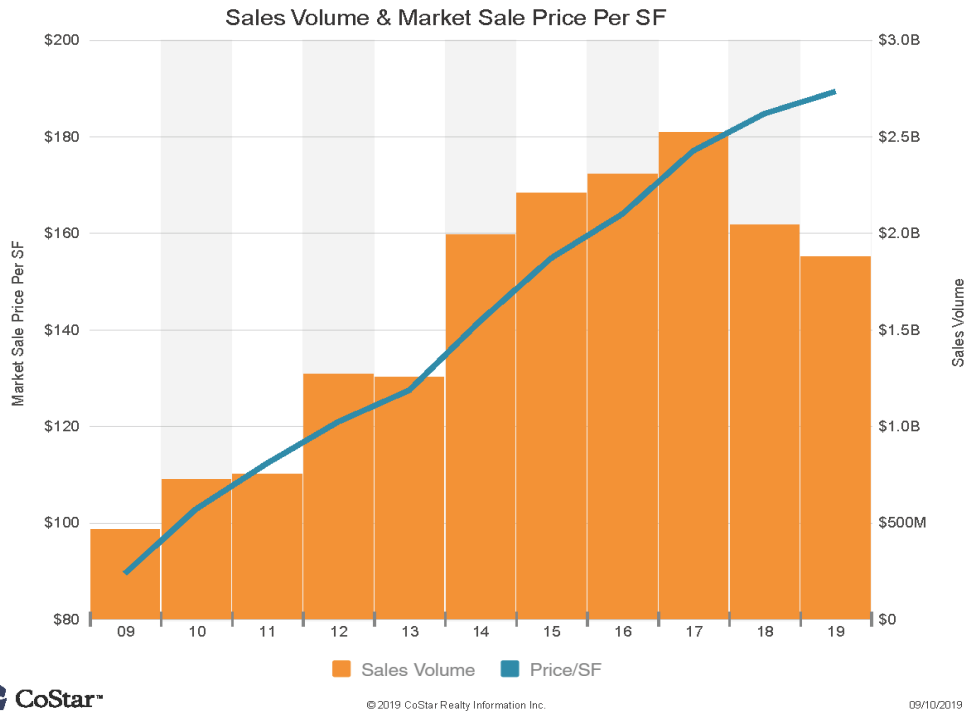
A two building sales-leaseback arrangement was made for two Boulder properties to a Connecticut firm, with MKS Instruments staying on as a tenant. Combined, the sales price was about \$8.8 million for 47,000 SF of buildings, or a PSF price of about \$190. The sales-leaseback provision provided capital to the Tenant [former owner], while providing an income stream from rents to the buying entity.

On the apartment side, 24 units on Crittendon st. in Wellington sold for \$5 million to a local investor. Reported cap rate was 6.42%, and price per room was about \$208,000. A 44 unit apartment on 15th St. in Greeley sold to a major apartment operator in Greeley as well. This property sold for \$4.8 million, \$108,000 per unit, and a reported 5% cap rate. A 24 unit apartment on Shields st. near CSU sold to another Colorado buyer at \$4.6 million, a reported 5.5% cap rate, and \$192,000 per unit. Colorado buyers seem most active for properties under 50 units.

Rounding out the month in other property types: A 4 property office portfolio in Fort Collins at Horsetooth and Shields streets, sold for \$8.85 million to a local developer/investor, Alex Schuman. With current occupancy, the 60,000 SF property's sale cap rate was reported at 5.5%.

A 3 adjacent commercial condominium sale featured in downtown Boulder at 9th and Pearl. The street front property had been used for offices thus far. It sold for \$2.7 million to an entity related to locally prominent developer/owner Bill Reynolds.

Two single tenant net lease sales of note: Greeley's Family Dollar store on 22nd st. sold for a 6.15% cap rate, or \$1.8 million. An individual trust bought the property. Also, Buffalo Wild Wings in Centerra business park in Loveland, sold to a local individual investor for \$1.7 million, or almost \$300 PSF.



Market Cap Rate

