A Colorado Real Estate Journal Publication

February 2021

RETAIL PROPERTIES *Quarterly*

Vacant property provides opportunities even in pandemic

During the two-month holiday season, The Art Place featured ceramics artists working and selling, a printmaker and painter displaying their artwork, a vintage clothing connoisseur, photographers and others, all housed in a pop-up store in a previously vacant building in River North.

As we move along the cusp of the old to new year, it's time to reimagine the use of traditional commercial real estate by reactivating vacant or underutilized space, creating revenue for owners, flexible terms for renters and increased neighborhood vibrancy. And that's what our team set out to do with the creation of The Art Place, a River North pop-up featuring local artists and brands in a high-traffic store.

Tim Sack
Activation director, Reactiv, tim@reactiv.io

We envisioned the project as a collaborative, community-oriented retail space featuring artists, makers and entrepreneurs. Knowing that they are accustomed to temporarily activating and selling at pop-up markets/bazaars, it would be easy to pivot them into vacant commercial spaces. We leased a vacant store in the heart of RiNo with a three-fold goal: generate income for the owner, give creatives a space to sell during holiday months and engage the community.

The property offered local brands in need of a suitable retail presence an interactive space to create and sell their wares without the burden of high cost and onerous terms. Meanwhile, it offered holiday shoppers and people wandering RiNo an opportunity to buy unique, local items in an interactive retail experience.

Last year was a strain on everyone, perhaps more so for budding artists and small, local independents. The project helped them get exposure, drive income in an energizing environment and bring excitement to the community. The store was extremely well received, with shoppers commenting that it provided a way for them to support the local community with their dollars.

Inside the storefront, shoppers found special holiday gifts, some of which were made on site by artists demonstrating their talents in person. Retail is about discovery and a

Please see Page 20

INSIDE

Contents

Letter from the Editor

Holiday buying prompts hope

In the midst of the holiday season, reports on consumer spending seemed muddled. However, a report from the National Retail Federation from mid-January sheds light on the overall numbers – it turns out that 2020 holiday spending was one season for the record books. Spending during November and December grew 8.3% over the same period in 2019 to $789.4 billion.

Six out of the nine retail categories saw gains. However, the leading category was online and other nonstore sales, which was up 23.9%. The other retail sectors that reported year-over-year increases included building materials and garden supply stores; sporting goods; grocery and beverage; health and personal care; and furniture and home furnishing. Meanwhile, three sectors saw retail sales decrease: clothing and clothing accessory stores (14.9%); electronics and appliance stores (14.4%); and general merchandise (0.1%).

Interestingly, holiday-related spending increased the most in the third and fourth weeks of December, which was too late for online orders to be delivered on time for Christmas, so many consumers took advantage of ordering something online and picking it up in store or via new curbside pickup options, the report states. This option has been evolving and improving over the course of the past year, and this trend is explored throughout this issue. One important aspect for retail property owners or managers with tenants seeking out these kinds of services is how lease provisions need to change. Considerations are explored on Page 13.

The NRF report attributes the increase in spending, which was more than double the 3.5% average holiday increase over the previous five years, to a variety of factors.

"Despite unprecedented challenges, consumers and retailers demonstrated incredible resilience this holiday season," said NRF President and CEO Matthew Shay. "Faced with rising transmission of the virus, state restrictions on retailers and heightened political and economic uncertainty, consumers chose to spend on gifts that lifted the spirits of their families and friends and provided a sense of normalcy given the challenging year," he said. The assoction believes President "Biden's stimulus proposal, with direct payments to families and individuals, further aid for small businesses and tools to keep businesses open, will keep the economy growing," the report states.

The report also cites consumer encouragement of vaccine news as a potential indicator that this pent-up spending could continue. This would be great news for brick-and-mortar retailers as well as restaurants, which did not benefit from the holiday sales bump but are getting creative to thrive post-pandemic. A number of pandemic-induced restaurant trends that are here for the long term are explored in this issue as well.

Michelle Z. Askeland
maskeland@crej.com
303-623-1148, Ext. 104

Market Update

Net-leased properties remain fluid amid uncertainty

While real estate transaction volume fell across the board amid a global pandemic, net-leased inventory occupied by retailers deemed essential continued to trade consistently, often at record low cap rates. In 2020, a flurry of retail bankruptcies and a soaring stock market resulted in investors flocking to net-leased tenants with strong balance sheets and demonstrable success in spite of restrictions put in place by state and local governments to counter the pandemic. Net-leased assets provided investors with a safe haven in a tumultuous and uncertain year and will continue to do so in 2021.

■ **Demand for essential business tenants.** Investors are now relying on essential retail tenants to carry them through down cycles like we have seen in the past year. Retailers such as 7-Eleven, Dollar General, Walgreens and similar grocery, convenience and pharmacy retailers are examples of highly sought-after tenants during the pandemic. Even during what has been a devastating year for many businesses across the state and country, well-located net-leased properties still are selling at aggressive prices. A recent example is a 7-Eleven that our team sold in Denver, located at West Seventh Avenue and Kalamath Street, which ended up selling for $3.03 million at a 4.52% cap rate to an all-cash, 1031 exchange buyer based in California.

James Rassenfoss
Senior associate, Net Leased Properties Group, Marcus & Millichap, james.rassenfoss@marcusmillichap.com

Drew Isaac
Senior vice president investments, National Retail Group, Marcus & Millichap, drew.isaac@marcusmillichap.com

A 7-Eleven located at West Seventh Avenue and Kalamath Street in Denver sold for $3.03 million at a 4.52% cap rate to an all-cash, 1031 exchange buyer based in California.

Not only are these investment properties in high demand, but also many of these national retailers are expanding their footprint. According to a GlobeSt.com article, 7-Eleven is planning 6,000 new openings, Dollar General is planning 1,000 new stores and Dollar Tree is expecting to open 500 new stores.

Other investors continue to seek fast-food and coffee investments with tenants that include Starbucks, Burger King, Wendy's, Taco Bell and Chick-fil-A. As indoor dining came to a halt, these operators tapped into their drive-thru business to become profitable again. As a result, we now are seeing more restaurant operators rushing to change their footprint to include drive-thru windows. Companies that traditionally focused on in-store dining, like Chipotle, are starting to experiment with drive-thru locations.

■ **Interest rates.** Just as "pandemic-proof" retail bolstered net-leased transactions during this time, record low interest rates and lenders who remained aggressive helped private and institutional investors alike as they pushed deals across the finish line.

However, as 2021 moves along we have seen rising interest rates. The 10-year Treasury, at 0.52% in late August, is now at 1.1% as of late January. This includes a 20 basis-point augment in the last two weeks alone. While this seems worrisome for some investors, John Chang, the director of research at Marcus & Millichap, points out that investors should keep this rise in perspective.

"I have to remind everyone that a year ago, before the onset of COVID, the 10-year Treasury was in the 1.8% range," Chang said. "So rates are still quite low by comparison."

Net-lease cap rates often directly correlate with interest rate movement, so it will be interesting to see if the market shifts with rising rates in the coming months. If money remains relatively cheap, we should not see too drastic of a shift in transaction prices and volume.

■ **Potential challenges ahead for the net-lease sector.** Despite a solid showing during the downturn, certain retailers and net-leased asset types have struggled. Sit-down restaurant concepts have been hit extremely hard. This goes for both smaller local concepts and big national brands.

Those who are not closing their doors are making big changes to

Please see Rassenfoss, Page 21

Market Update

Northern Colorado retail fares well amid pandemic

Melissa Moran, CCIM, CRRP
Vice president, retail, CBRE, melissa.moran@cbre.com

Undoubtedly, COVID-19 shook the retail industry to its core, with more than 30 national bankruptcies, downtrodden sales performance for brick-and-mortar merchants, and restaurants and landlords scrambling to seek innovation to survive. However, from a retail leasing perspective, the spotlight shone brightly on the Northern Front Range and the communities dotting the landscape along Interstate 25. At a time when the world gathered in a collective cocoon, Northern Colorado increased in attractiveness to those seeking breathing room, opportunity, a focus on family, access to lifestyle, and single-family home prices that are on average $110,000 less than the Denver suburbs (Douglas County). According to a January Zonda Market Report, there were 2,177 housing starts in Northern Colorado in 2020, 26.9% above the 10-year average, and it took a mere 11 days on average for a newly listed home to go under contract.

The saying "retail follows rooftops" was alive and well "up north." New tenants emerged, leases were executed and construction was in full swing. According to CoStar, the Northern Colorado retail market saw 62,600 square feet of positive net absorption last year. In my portfolio alone, I leased more than 61,000 sf of retail space. A 25,000-sf apparel merchant will open its second location in the market at Front Range Village; JAX Outdoor Gear, and Farm & Ranch opened in the former 95,000-sf Kmart building in West Loveland; At Home was under construction at Johnstown Plaza; a top fitness brand found a new 13,000-sf home on Harmony Road in Fort Collins; and Lululemon and Modern Market opened new locations at Foothills Mall. These are just a few of the many examples of positive retail leasing momentum.

Several market fundamentals point to continued retail leasing performance, most notably unemployment. Fort Collins-Loveland unemployment peaked at 11.1% in April, and has since rebounded to 5.2% in November, according the U.S. Bureau of Labor Statistics. This is 1.2 points below Colorado's 6.2% unemployment rate; the national unemployment rate was 6.7% in November. Greeley's unemployment performance more closely mirrored the state trend at 6.4% in November. More people employed equates to more retail spending, so regional retailers will benefit from Northern Colorado's steady employment.

Labor market diversity is a key indicator as well. With more than 20 Fortune 500 companies and Colorado State University's enormous presence with 30,000 students and 7,000 employees, employment stability helped Northern Colorado during the Great Recession and continues to show its steady strength.

alm2s

Near Colorado State University, 1232 W. Elizabeth St. is completing an exterior renovation to meet the growing retail market in the highest population density in Fort Collins (in a 1-mile radius).

While the 165,800 total jobs in 2020 decreased by 6,500 jobs (7%) in the Fort Collins metropolitan statistical area, Zonda projects the area to capture another 13,000 jobs in 2021. Net in-migration to the state also is a predictability measure. A third-quarter CBRE report conveyed that 23% of Colorado's out-of-state transplants move to Northern Colorado.

This is not to minimize the very real impact COVID-19 has had on existing merchants, restaurants and landlords. Fort Collins sales tax collections in December were down 3.3% year to date over the prior year. Restaurants and bars (-16.4%), clothing and accessories (-27.1%), sporting goods, books, hobbies and music (-13.7%) all took a major hit. The fallout of the economic devastation to these merchants may not be seen until the middle of 2021. Additionally, many local and national landlords offered rent deference to struggling tenants, or they simply did not collect rent; they too may encounter irreparable damage in the near future. However, grocers, building materials and supplies, and liquor sales saw double-digit increases year over year.

The microbrew industry just might help Northern Colorado put on its beer goggles during the pandemic. Home to more than 20 craft breweries, Fort Collins produces approximately 70% of all beer brewed in Colorado, with New Belgium Brewing, Anheuser-Busch, Odell's and many others located in the area. It's also no surprise that fast food continued to thrive as evidenced by long vehicle queue lines imped-

Please see Moran, Page 21

Market Update

Denver area retailers riding the pandemic wave

Anthony Palumbo
Vice president, Impact Commercial Real Estate, anthony@impactcommercial.co

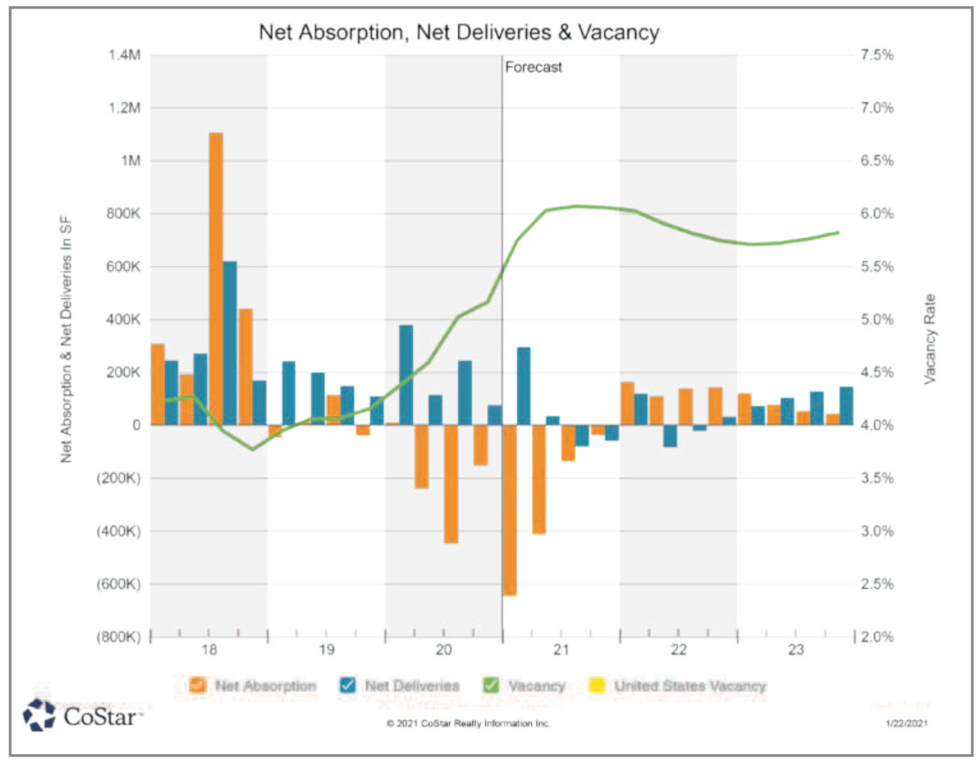
Residents in the community and leaders both in business and local government continue to collaborate to foster creative solutions, allowing small businesses and those integral to the livelihood of the economy to resume, while keeping people safe from the spread of COVID-19.

With the closure of all Colorado nonessential businesses and lockdowns initially imposed in March last year and further extended into 2021, we are beginning to see the full effects of the pandemic on the retail sector. Your favorite restaurant and shop may have opened recently for limited in-person dining and shopping while hundreds will never open their doors again. Small local gyms as well as bars and restaurants that have been around for generations have been forced to close permanently, while big-box retailers such as Home Depot, Lowe's, Walmart and Target, to name a few, have been allowed to remain open unscathed since the start of the outbreak. Small businesses and retailers ranging from 1,000 to 15,000 square feet essentially have been strangled by ongoing capacity limits and social distancing practices.

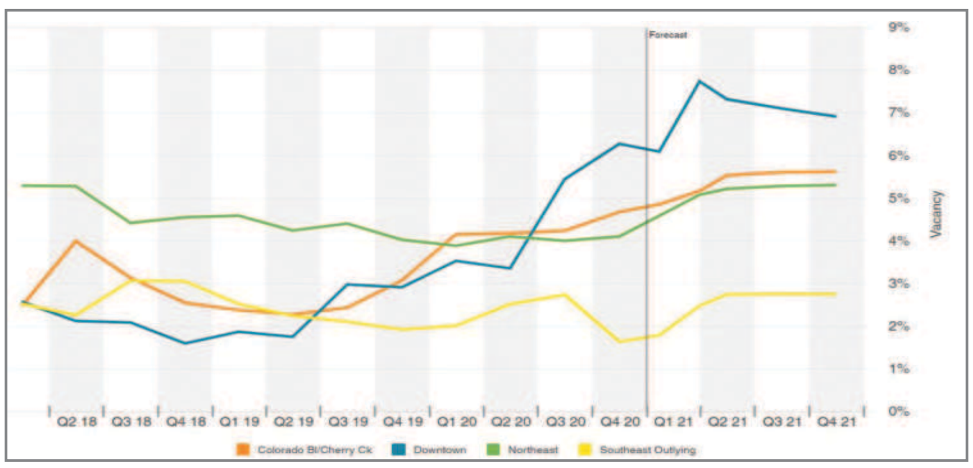
CoStar's data provides a clear picture of how hard the overall Denver retail market has been hit since early 2020, after consistent absorption resulting in over a combined 450,000 sf of net deliveries being absorbed quite well as we started 2020. Steady net deliveries throughout 2020 that already were well under construction in their development cycle now are being forced to compete with existing space. Whether recently vacated, or on the market for a while, there no doubt will be continued downward pressure on retail pricing. The closure of 10 24-Hour Fitness locations in the fourth quarter only added to the total of over 1.48 million sf of negative net absorption in the Denver retail sector from second-quarter 2020 projected through the end of first-quarter 2021. While government policies and stimulus up to this point have held off additional retailers going dark as forecasted, CoStar predicts that there will be a slew of new closures coming in 2021, as many as 14% more than occurred in 2020, as the COVID-19 pandemic rages on.

The downtown and Colorado Boulevard/Cherry Creek submarkets have seen vacancy rates skyrocket. In downtown, office workers, political protests and continued changing social distancing rules and regulations have stalled the return

Please see Palumbo, Page 21



Denver retail net absorption, deliveries and vacancies



CoStar

The Denver metro area retail vacancy rates by submarket

Colorado Retail Developers and Investors Directory

Alberta Development Partners, LLC
Donald Provost, Founding Principal
303-771-4004
www.albdev.com

AmCap
Ira Shwartz, President of Leasing & Managing Principal
303-321-1500
www.amcap.com

Amterre Property Group, LLC
Michael Kranzdorf, President
720-304-3200
www.amterre.com

Armstrong Capital Development
Bryan Armstrong, Partner
303-799-4030
www.acd-co.com

Asana Partners
Brian Purcell, Managing Director
704-423-1660
www.asanapartners.com

Baceline Investments
Doug Arnold, Founder
303-615-9544
www.bacelineinvestments.com

Bow River Capital Partners
Drew Lacey, Vice President, Real Estate
303-861-8466
www.bowrivercapital.com

Brixmor
Daniel Sutherland, VP, Acquisitions & Dispositions
858-202-1138
www.brixmor.com

Broad Street Realty
Tom Yockey, Founder & Director
301-828-1200
www.broadstreetllc.net

Brookfield Properties Retail Group
John Cournoyer, Executive Vice President
312-960-5000
Pamela Schenck Kelly, Senior General Manager, Park Meadows
720-420-7120
www.brookfieldpropertiesretail.com

Cadence Capital Investments
William Rothaker, Founder/Chairman
Lucy Dinneen, Managing Director- Rocky Mountain and Northwest Markets
720-493-5100
www.cadencecap.com

CentrePoint Properties
Tucker Manion, President
303-297-3137
www.cpointproperties.com

City Street Investors
Joseph Vostrejs, Founder and Principal
Pat McHenry, Founder and Principal
720-510-1665
www.citystreetinvestors.com

CNA Enterprises
Mike Tantraphol, CFO, Director of Acquisitions & Dispositions
310-557-0777
www.cnaenterprises.com

Confluent Development
Marshall Burton, President & CEO
Celeste Tanner, Chief Development Officer
Nick Kitaeff, Development Director
303-573-6500
www.confluentdev.com

Continuum Partners
Mark Falcone, CEO/Founder
Roger Pecsok, Development Director
303-573-0050
www.continuumpartners.com

Craig Realty Group
Steven Craig, President & CEO
949-224-4100
www.craigrealtygroup.com

DePaul Real Estate Advisors
Paul DeCrescentis, President
303-333-9799
www.depaulrea.com

DPC Companies
Chris King, President & CEO
303-796-8288
www.dpccompanies.com

Drake Real Estate Services LLC
Jon Hauser, Managing Partner
303-825-8500
www.drakeres.com

Equity Ventures Commercial Development
Mark McPherson, President & Founder
720-502-5190
www.evcdev.com

Evergreen
Tyler Carlson, Managing Principal
303-757-0401
www.evgre.com

Gart Properties
Mark Sidell, President
303-399-2555
www.gartproperties.com

Gerrity Group
Ron Mourey, Managing Director
858-369-7000
www.gerritygroup.com

Hampton Partners Investment
Jeffrey Robinson, Managing Partner
303-694-1085
www.hamptonpartners.net

Holland Partner Group
Scott Menefee, Senior Development Director
720-452-3800
www.hollandpartnergroup.com

Hutensky Capital Partners
George Demuth, Senior Vice President
860-527-2222
www.hcpfund.com

Jordon Perlmutter & Co.
Jay Perlmutter, Principal
Sean Perlmutter, Acquisitions & Development
303-595-9919
www.jp-co.com

Kelmore Development
Robert Koontz, Owner
303-779-1800
www.kelmoredevelopment.com

Kentro Group
Jimmy Balafas, Co-Founder/Managing Partner
George Balafas, Co-Founder/Managing Partner
Chris Viscardi, Director of Development
303-500-0944
www.kentrogroup.com

Kimco Realty
Brittany Garnick, Leasing Representative
720-931-6519
www.kimcorealty.com

Kornfeld Real Estate
Brad Kornfeld, Principal
720-528-4107
www.kcenters.com

Kratt Commercial Properties
Kevin Kratt, President and Founder
719-632-5000
www.krattcommercialproperties.com

Kroenke Group, The
Corey Weimann. Attorney
573-449-8323

LCP Development
Jonathan Bush, Principal
303-797-9119
www.lcpdevelopment.net
M&J Wilkow
Gregg Wilkow, Executive Vice President
312-726-9622
www.wilkow.com

Macerich
www.macerich.com

McWhinney
McWhinney
Troy McWhinney, CIO & Co-Founder
Don Larsen, SVP of Construction & Development Management
970-962-9990
www.mcwhinney.com

Miller Real Estate Investments
Steve Shoflick, Principal
David Goldberg, Principal
303-799-6300
www.millerre.com

Namdar Realty Group
Gil Loloi, Acquisitions & Dispositions
516-773-0040
www.namdarrealtygroup.com

NewMark Merrill Mountain States
Alex Staneski, Vice President of Leasing & Acquisitions
720-438-2500
www.newmarkmerrill.com

Phillips Edison & Company
K.C. Bills, Vice President
801-521-6970
www.phillipsedison.com

Regency Centers
Snowden Leftwich, SVP, Senior Market Officer
Will Damrath, Vice President, Regional Officer
303-300-5300
www.regencycenters.com

Sidford Capital
Brad Brooks, Managing Principal
303-255-4700
www.sidfordcapital.com

Simon Property Group
www.simon.com

SITE Centers
Dan Branigan, Vice President of Transactions
216-755-5500
www.sitecenters.com

Starwood Retail Partners
312-242-3200
www.starwoodretail.com

Staenberg Group, The
Michael Staenberg, President
314-429-0900
www.tsgproperties.com

United Properties
Jamie Pollock, SVP, Asset Management
720-898-8866
www.uproperties.com

Verdad Real Estate
Herndon Luce, Development Partner
303-500-5513
www.verdad.com

Vestar
Clint Marchuck, Vice President of Acquisitions
602-866-0900
www.vestar.com

Wall Development Group
Jimmy Wall, Founder & President
303-848-2827
www.walldevgroup.com

Weingarten Realty
Timothy Frakes
602-263-1166
www.weingarten.com

Western Centers
Arnie Meranski, President
Brian Pesch, Chief Operating Officer
303-306-1000
www.westerncenters.com

Westfield Company, The
Jonathan Alpert, Partner
303-298-1111
www.westfield-co.com

WestStar
Michael Hayutin , Principal
720-941-9200
www.weststarmanagement.com

Westwood Financial Corp.
Eric Shulman, Vice President, Transactions
310-820-5443
www.westfin.com

Woodbury Corp.
Josh Woodbury, VP Acquisitions, Director
801-485-7770
www.woodburycorp.com

Please help with additions or revisions to this directory by contacting Lori Golightly at lgolightly@crej.com or 303-623-1148 ext. 102

Investment Market

Colorado is being flooded by net-lease demand

Approaching the one-year mark of the pandemic, commercial real estate investment is in an odd position. Businesses we've always relied on to be sound, such as restaurants and fitness centers, are hanging on by a thread, and businesses that traditionally have been sought after in net lease, like convenience stores and drugstores, are considered "essential" and are even more attractive today. For those interested in investing in commercial real estate today, the historically underappreciated net-lease market is thriving and is predicted to grow significantly in 2021.

Hayden Salvas
Associate director, B+E Net Lease, hsalvas@benetlease.com

Within the net-lease sector, a triple-net lease is a lease in which the tenant is responsible for structural maintenance, general repairs, property taxes and insurance costs. Generally, net leases are long term and can range from five to 25 years, making the cash flow to investors fairly predictable. The value of a net-leased asset is dependent upon three main variables: lease structure, credit of the tenant and the quality of the real estate. Net lease currently is one of the bright spots of the larger commercial real estate market, especially in the state of Colorado, which has seen growing interest from out-of-state investors.

According to our proprietary database, there were 2,932 single-tenant net-leased properties on the market nationally, with an average cap rate of 6.19% and average remaining lease term of 10.7 years as of Jan. 22. In Colorado, there are just 48 properties on the market with the average cap rate 5.75% and the average remaining lease term 12.8 years. Lack of supply and rising demand for net-leased assets in Colorado have compressed cap rates, especially within the "essential" business segment.

The net-lease landscape in Colorado currently is dominated by the "essential" business category with convenience stores (41%), drugstores/pharmacies (14%) and quick-service restaurants/fast food (11%) combining to make up 66% of on-market net-leased retail properties in the state. The top three tenants on the market in Colorado based on the percent of total available inventory are Kum & Go (19%), 7-Eleven (15%) and Walgreens (13%).

Nationally, 7-Eleven real estate has been one of the largest beneficiaries of the flight to quality with cap rates dropping dramatically. From December to January, asking cap rates dropped from 4.95% to 4.89%. Looking back even further to January 2020, we found the average asking cap rate nationally for a 7-Eleven property to be 6.4%. This was partially due to the average lease term on those properties being less than it is today. However, much of this can be explained by investors shifting focus to high-quality assets that are perceived as low risk.

The 7-Eleven located at 3500 Highway 52 in Frederick is a great case study on the cap rate compression we've been tracking. In April, less than a month after most of the country was placed under stay-at-home orders, we were hired to represent a family office group that was outside of the state of Colorado. The group was looking for a long-term net-lease investment for a 1031 exchange that could weather the uncertainty brought on by the COVID-19 pandemic. After sifting through thousands of potential opportunities, we narrowed the search to essential businesses in Colorado. We were able to successfully negotiate a purchase price of $3.99 million, reflective of a 5.2% cap rate. This particular 7-Eleven is located just off of Interstate 25, which sees a traffic count of around 123,000 vehicles per day. The 2.1-acre property features a 3,499-square-foot convenience store, 12 gas pumps and a separate diesel fuel island.

A 7-Eleven located at 3500 Highway 52 in Frederick showcases the cap rate compression, as the property was sold twice in a matter of months and the latter sale saw a 44-basis-point difference in the acquisition cap rate.

For the next few months, we closely monitored market conditions and saw the average asking cap rate decline for similar assets. In October, we brought the property back out to market. After just a few weeks of marketing, we were able to generate multiple offers and ultimately find another 1031 exchange buyer from California, selling the property for $4.35 million with a 4.77% cap rate, a 44-basis-point difference in the acquisition cap rate.

We saw a common theme among prospective buyers. Many were private individuals from California or New York seeking net-lease investments in Colorado. Investors from historically booming metropolitan

Please see Salvas, Page 21

Retail asset investment may present opportunity

A record 12,200 stores closed in 2020 due to both rapid e-commerce adoption and COVID-19. The pandemic brought worldwide operating restrictions for retailers, and it is hard to imagine a more dire situation for the industry; however, investors must consider several factors before writing off retail as an investment class. In fact, investing in retail assets today – especially in Colorado – may be the best opportunity to outperform benchmarks in 2021.

Jason Schmidt
Managing director, capital markets, JLL, jason.schmidt@am.jll.com

Ever since the Time Magazine July 1998 cover stated, "Kiss Your Mall Goodbye," critics have been predicting retail's demise, coining the phrase "retail apocalypse" to describe the industry's downfall. It was not until more than a decade later that we then saw the first major casualty with Blockbuster Video in 2010, followed by Borders Bookstore, Sports Authority, Sears, Toys "R" Us and others.

Twenty years of concern for the retail sector has helped retail maintain a healthy state. According to CoStar, 50 million square feet of new retail space is being constructed nationally, an amount equal to the 2007 Great Financial Crisis. In fact, 2021 started with an all-time low of 5 million sf of retail in the pipeline.

Denver is an excellent example of a constrained market. The last decade saw tremendous economic growth for Denver, yet the Denver market experienced a mere 5.4% cumulative growth in new retail construction. The constrained environment has had a meaningful impact during these difficult times. According the JLL research, vacancy only rose 50 basis points in 2020 to an overall vacancy of 5%, which is healthy compared to other product types and well below the Great Financial Crisis's vacancy. Additionally, during the height of the pandemic, national fourth-quarter year-to-year rent only dropped 0.7%.

As the most dynamic property sector, retail is accustomed to change. This proved to be true in 2019 when net positive absorption was more than 8 million sf during which the market experienced 9,200 store closings.

Denver is a good case study. Over the last decade, redevelopment and reinvestment touched nearly every mall along the Front Range in addition to developers who revitalized Denver's iconic retail communities, including Lower Downtown, River North, Cherry Creek and the central business district. Retail locations often are irreplaceable and best suited to evolve to meet the surrounding community's needs. Even though these needs will continue to evolve and perhaps be accentuated by the pandemic, the precepts in real estate (location, accessibility, visibility, population density, etc.) are what have made retail real estate viable for generations and will into the future.

COVID-19 accelerated preexisting trends, as seen with the growth of e-commerce. According to James Thomson of Buy Box, a company that helps brands with internet presence, most of its clients saw 35% to 40% e-commerce gains in 2020. These effects are quickly experiencing diminishing returns. Thomson projects a 2% to 3% growth rate in 2021.

The retail industry has waited over two decades to understand the impacts of the e-commerce phenomenon, and finally, it is finding an equilibrium. The pandemic accelerated our understanding of the next retail landscape and with that understanding comes opportunity.

The acceleration of e-commerce also reveals the importance of brick-and-mortar retail. In a CNBC article published Dec. 24, Joel Bines with the consulting firm AlixPartners stated, "The ecosystem of a store is going nowhere. At a macro level, the store is still critically important and will still be the epicenter of consumer activity for the foreseeable future."

Even with the pandemic, only 14.4% of all sales in 2020 happened online. The same article states, according to eMarketer, this number should grow to 19.2% by 2024.

Moreover, e-commerce companies with a physical presence are experiencing more growth than their counterparts. An International Council of Shopping Centers study shows that customers who first shopped at a brick-and-mortar store before visiting that retailer's website within 15 days increased their spending by an average of 167%. The industry has seen this play out with both internet-based retailers looking for a physical presence and traditional retailers that have invested in technology. For example, 88% of people who spent money over Thanksgiving last year did so at retailers with a physical presence.

Another silver lining to COVID-19 is the change in landlord-tenant relationship dynamics. Traditional dialogue in the industry was around which party had leverage: the landlord or tenant. Lately, the two parties have needed to work together to ensure that tenants remain durable and landlords remain solvent. In their willingness to work with tenants on temporary rent relief, landlords created value in other meaningful ways, including extending lease terms or modifying lease structures such as co-tenancy, use or building restrictions. Others have been right-sizing tenants or creating new opportunity by freeing up real estate tied up by previously struggling tenancy.

Although society has become more adaptive to e-commerce, perhaps the most important thing learned during the pandemic is people are not meant to be isolated. Once the economy fully reopens and it is safe to shop and socialize, retail will experience a quick recovery. The pandemic has accelerated trends, making the retail industry stronger by solidifying new patterns and sluffing off weakness. This development happened against the safeguard of decades of cautious growth, and this is no truer than in Colorado, where in-migration and job growth have been strong. With the heightened concerns with lifestyle and wellness, Colorado will continue to outperform the nation and its retail will not just recover but thrive, creating exceptional opportunity for investment. ▲

Investment Market

Retail lending options forecast to continue improving

Peter Keepper
Principal, Essex Financial Group, peterk@essexfg.com

Retail investor sentiment appears to be slowly improving as recent economic projections indicate a higher probability of a V-shaped recovery commencing in the next few months. The cloud of uncertainty will be hanging around for some brick-and-mortar retailers longer than others with omnichannel sales. However, some experts are predicting the hardest-hit tenants like restaurants and health clubs will come back quickly when occupancy restrictions are fully lifted. Experiential retail is another good example of where rapid improvement could result from pent-up demand. Most grocery and essential tenants performed well during the pandemic and cap rates on these properties held or declined due to a scarcity of properties on the market combined with lower yields on alternative investments like multifamily and industrial.

Uncertainty with accelerating e-commerce trends over the past few years reduced lender demand in 2020 and many balance sheet lenders were overweighted with retail in their mortgage portfolios well before the pandemic hit. For example, commercial mortgage-backed security loan pools securitized in 2019 consisted of 40% to 50% retail. This year's securitizations are anticipated to have no more than 20% retail and the collateral will be higher quality with essential tenants.

Lending transaction activity that did occur consisted of pandemic-resistant properties such as quick-serve restaurants with drive-thru, single-credit tenants on long-term leases, and grocery- and drug-anchored centers with minimal in-line tenant risk. Lending activity in 2021 isn't anticipated to increase until pricing discovery occurs combined with demand for higher risk-adjusted returns.

We recently surveyed all types of retail lenders, including debt funds, banks, insurance companies, CMBS and private lenders. Following are some key takeaways:

- A select few insurance companies are quoting neighborhood centers with no anchor (nonrecourse).
- The majority of all nonrecourse lenders generally are avoiding retail without a top-tier grocery store anchor included in the collateral.
- All will quote grocery- or drug-anchored centers with essential tenants. The debt-service coverage ratio typically needs to be 1.0x or higher on combined income.
- Banks require recourse unless very low leverage with essential tenants.
- Several insurance companies anticipate they'll be back in the market later this year but with more conservative underwriting.
- The herd demand is at an all-time high for industrial and multifamily. Commercial real estate lenders need higher yielding mortgages to increase weighted average portfolio returns.
- Sponsorship experience, financial strength and track record are very important.
- Minimum debt yields are up from 9% to 10% prepandemic to 10% to 12% (debt yield equals underwritten net operating income divided by loan amount) for unanchored properties.
- Spread premium is 75 to 100 basis points higher on average compared to preferred property types with the exception of grocery- and essential tenant-anchored centers.

Overall average loan-to-value ratios are down more than 10% compared to year-end 2019. However, an improving retail market combined with a fierce competition for preferred alternative property types like industrial are forecast to positively influence retail lending demand through the year.

The good news is the doom and gloom at the peak of the pandemic appears to be in the rearview mirror especially in states that have partially lifted indoor dining restrictions. Over the past few months insurance companies have proven to be the best lenders offering nonrecourse financing at the highest proceeds and lowest rates. If investors are concerned about interest rates going up in the meantime, proceeds currently are available as high as 60% to 65%. ▲

Retail Financing Terms, Underwriting Trends and Forecast

Banks *

Date	Jan-20	Feb-21	4Q 21 Forecast
10-Year Treasury	**1.75%**	**1.10%**	**1.50%**
Max LTV	55-60%	< 50%	0.5
Spread (swapped)	150-225	300-400 bps	275-350 bps
Term	2-10 years	2-10 years	2-10 years
Max Amortization	30 years	25 years	25 Years
Min. Debt Yield	10.00%	12% +	11-12%
Average 10-yr Fixed	3.75%	4.50%	4.50%
Interest Only	1-2 years	None	None
Min. DSCR	2	3.0x	2.5x
Focus & Notes	• Rates and terms above are non-recourse. Recourse loans up to 65-70%. • E-commerce driving more conservative terms with permanent loans. • Reserving retail financing for existing borrower relationships. Out of state borrowers often used their local bank. • Credit unions reducing retail exposure and scrutinizing borrower's retail portfolio and financial condition.	• Banks continue providing releif to borrowers with interest only or P&I deferment. Most aren't lending on retail. • Regional and local banks requring partial to full recourse. • Non-recourse exceptions are financially strong bank customers at less than 50% LTV with credit tenants • Collateral enhancements like 1 year of debt service or a year of rent on a supsect tenant may be required • Not counting income from tenants in rent deferrment or delinquency	• More (10-20%) banks in market with collateral enhancements and partial recourse • Collateral enhancements loosen but underwriting doesn't change. • Continued focus on existing borrower relationships

Retail Financing Terms, Underwriting Trends and Forecast

CMBS

Date	Jan-20	Feb-21	4Q 21 Forecast
10-Year Treasury	**1.75%**	**1.10%**	**1.50%**
Max LTV	70%	50-55%	60-65%
Spread	175-250	325-400 bps	225-300 bps
Term	5, 7, 10 Years	5, 7, 10 Years	5, 7, 10 Years
Max Amortization	30 years	30 years	30 Years
Min. Debt Yield	8.50%	11% on NCF	10.5-11% NCF
Average 10-yr Fixed	3.75%	4.50%	4.25%
Interest Only	1-2 yrs	None	1-2 yrs, 10-yrs at <50%
Min. DSCR	1.50x	2.0x	1.75x
Focus & Notes	• Bond investors requiring less retail % in loan pools as e-commerce evolves, spreads widen • Neighborhood strip centers in secondary markets • Power centers require more structuring around major tenant lease expirations • Primary source for non-recourse moderate leverage on class B malls with high debt yields • Highest non-recourse proceeds for class B and C retail • 10-year i-o at 65% LTV	• CMBS pools limited to 20% retail • Shop space underwritten down by as much as 50% if tenants in rent deferrement and/or delinquent • Aggressive for 10-year i-o on strong grocery anchored centers at +/- 55% LTV • CMBS debt funds not doing traditional retail value-add. Repurpose plans considered • If material tenants not paying structuring is typically 1 year of gross rent escrowed and released after 95% T-12 contract rent collections. • Experienced borrower focus • No cash outs • 10-year i-o 50% LTV with 3.0 DSCR	• Retail % in CMBS pools increasing as securitized lenders struggle competing for MF and industrial • Shop space underwriting improving especially with restuarants • LTV increases to 60% for 10-year i-o on essential tenant anchored centers • Power centers or big box typically must have essentials > 1.0 DSCR • CMBS debt funds quoting traditional value add retail with strong sponsors • DSCR ratios decline

Retail Financing Terms, Underwriting Trends and Forecast

Life Company

Date	Pre-Covid Jan. 2020	Feb-21	4Q 21 Forecast
10-Year Treasury	**1.75%**	**1.10%**	**1.50%**
Max LTV	60-65%	50-60%	55-60%
Spread	175-250	230-300 bps	200-270 bps
Term	5-30 Years	5-30 Years	5-30 Years
Max Amortization	30 years	25 Years	25-30 Years
Min. Debt Yield	9.00%	11-12%	11.00%
Average 10-yr Fixed	3.65%	4.00%	3.75%
Interest Only	1-2 yrs	None	None
Min. DSCR	1.50x	2.0x	1.5x
Focus & Notes	• Grocery-anchored centers preferred • Neighborhood strip centers in good demographic areas with tenant mix that serves the surrounding rooftops. • Power centers must have good credit, WALT, class A location • Primary markets preferred, select few will go to tertiary markets • Avoiding single tenant exposure	• Grocery store + essential tenant income > 1.0 DSCR • Approx. 10% quoting neighborhood strip centers in good demographic areas • No power centers or big box risk unless very low leverage with credit tenants and long WALT • Life Co debt funds will consider change of use business plans (last mile distribution, fulfillment centers) • No CTL unless high credit investment grade essential tenant on long term lease • Experienced borrower focus • No cash outs • Tenants in rent deferment or delinquency generally not counted	• Grocery store + essential tenant income + local/no credit with good story > 1.0 DSCR • 20% quoting neighborhood strip centers in good demographic areas • No power centers or big box risk unless very low leverage with credit tenants • Life Co debt funds active with viable repurpose business plans. • No CTL unless investment grade credit essential tenant on long term lease • Experienced borrower focus continues • Select few will consider cash outs on low leverage loan requests • Income from tenants formerly in rent deferment can be underwritten

Retail Financing Terms, Underwriting Trends and Forecast

Debt Funds

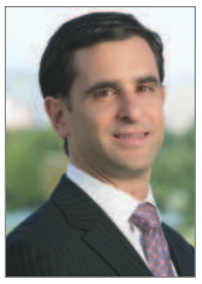
Date	Jan-20	Feb-21	4Q 21 Forecast
10-Year Treasury	**1.75%**	**1.10%**	**1.50%**
Max LTC / Stabilized LTV	70% / 65%	65% / 60%	65% / 60%
Spread (swapped)	150-225	350-500 bps	300-450 bps
Term	2-5 years	2-5 years	2-5 years
Max Amortization	30 years	n/a - interest only yrs 1-3	n/a - interest only yrs 1-3
Min. Stabilized Debt Yield	10.00%	11-12%	11-12%
Average Rate	5.50%	5.00%	4.75%
Interest Only	3 yrs then amortizing yrs 4-5	3 yrs	3 yrs
Min. DSCR	1	2.0x	1.5x
Focus & Notes	• Minimal debt fund demand for value-add retail due to uncertainty with leasing activity and demand.	• Simple business plans only such as grocery store expansion, QSR pad developments (no spec) etc • DSCR on essentials > 1.0x to acheive average rate above. • Un-anchored centers with no essentials are generally not financeable • Class A retail focus with exerienced investors	• Simple business plans only investment criteria continues • More debt funds re-enter market seeking higher risk adjusted returns as foot traffic and dining in accelerate

Law

Curbside pickup prompts lease provision changes

As we enter 2021, it seems that one thing about the ongoing pandemic is clear – the way tenants are doing business is changing fundamentally for the long term. Customers are realizing that curbside pickup for both retail purchases and food orders makes life easier, pandemic or not. With this change come a number of lease-related issues that landlords and tenants alike will need to consider in order to determine what lease provisions might need to be modified. Some of those issues include signage placement, use and common area restrictions in Covenants, Conditions & Restrictions and adequacy of insurance to cover the new curbside operations.

The location of tenant signage in the common areas and on the premises typically is a heavily negotiated concept within a lease. Landlords like to have control over the types of signage that a tenant can put up and where such signage can be situated, as landlords try to maintain a cohesive look throughout the shopping center and among the various tenants. However, the switch to curbside pickup requires some flexibility by landlords, as tenants will require very clear and directional signage in order to drive customers toward the particular curbside areas.

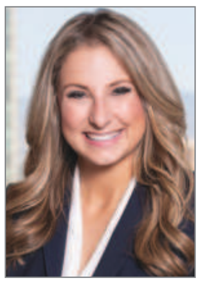


Tal Diamant
Shareholder, Brownstein Hyatt Farber Schreck LLP, tdiamant@bhfs.com

These new curbside-specific signage specifications may not be covered under the existing lease provision and may require an amendment between the parties. The foregoing signage modifications also may be limited by overarching signage criteria for the shopping center that, at a minimum, will require landlord and/or third-party consent, and also may have to be modified.

Furthermore, the ability of tenants to use areas on the exterior of their premises for sales or for tenant-dedicated takeout space likely is limited by not only existing anchor leases but also any CC&Rs that encumber the shopping center. CC&Rs are common in mid-size to large retail projects where several stakeholders seek to develop and own multiple parcels, while creating a harmonious atmosphere in the shopping center. Often, cross parking rights between parcel owners within the shopping center prohibit "exclusive parking," which most certainly includes spaces designated for takeout purposes related to a specific tenant. CC&Rs and certain national tenant leases often restrict outdoor sales in certain protected areas and, consequentially, may restrict a tenant's ability to sell products and food at the curbside. Tenants should work with their landlords to determine required CC&Rs and lease approvals and amendments, with the view that such changes really benefit all shopping center owners and occupants.

Curbside pickup appears to be here to stay, requiring updates to leases and insurance policies.



Elizabeth Bhappu Kudla
Associate, Brownstein Hyatt Farber Schreck LLP, ebhappukudla@bhfs.com

Another lease provision that landlords and tenants need to scrutinize is the insurance section. The most common method of allocating liability between the landlord and tenant is to have the tenant cover occurrences within the leased premises, while the landlord covers occurrences in the common areas of the shopping center or building. The landlord's and tenant's insurance policies should then track those allocations by covering the corresponding geographic area. Although this split makes sense in a traditional context, it may not ensure protection of a business that is offering curbside pickup, at least not by the tenant's insurance; and logically it is the tenant who should be responsible for claims in these new areas in which they wish to operate. The landlord's current insurance will cover said claims, but the landlord should not be subject to increased premiums based on additional activities mostly benefiting the tenant.

In order to ensure that the tenant, not the landlord, is bearing the risk resulting from the tenant's expanded outdoor operations, the parties likely will need to amend the definition of "premises" in the lease to encompass the new curbside spaces. Insurance agents usually look to such a premises definition in the lease when issuing their applicable coverage. Further, the landlord (and anyone with current or future management responsibilities over the property in question, such as the property manager, an affiliate of landlord or the lender) should be named as an additional insured under the tenant's liability policy. This step allows the landlord the right to make a direct claim with the insurance company under the policy and avoid the middleman. It is very important for the parties to specifically include the foregoing concepts in the insurance policies and to share proof thereof with each other, as a small mistake can have dire consequences.

Ultimately, as curbside pickup gains traction, both landlords and tenants will need to work through the lease provisions and other governing documents in order to permit more expansive outdoor activities. As is often the case when facing permanent large-scale shifts in the retail industry, it behooves the landlord and tenant to proactively work together through these operational changes in order to achieve win-win outcomes. ▲

CROSBIE REAL ESTATE GROUP

Our Tenants are Expanding!

WELLS FARGO	MURPHY OIL CORPORATION	ANYTIME FITNESS	tropical SMOOTHIE CAFE eat better. feel better.
2,000 - 3,000 SF	1 AC Pads	4,500 - 5,000 SF	1,200 - 1,800 SF
at&t	PET SUPPLIES PLUS GREAT PRICES. NO BEGGING.	SUPERCUTS	NAVY FEDERAL Credit Union
1,500 - 2,000 SF	4,500 - 6,000 SF	+/- 1,000 SF	3,500 - 5,000 SF & ATMs
DENVER BISCUIT CO	CREDIT UNION OF COLORADO	AVIS Budget	Sweet Basil Cafe
2,000 - 3,000 SF	¾ AC Pad or Vacant Bank	Vacant Car Dealership	4,000 - 7,000 SF (2nd Gen. Restaurant)

and many more!

For more information, give us a call at 303 398 2111

Crosbie Real Estate Group, LLC | 2795 Speer Blvd #10 | Denver, CO 80211 | www.creginc.com

Blue West Capital New Hire & Promotion News

Blue West Capital Announces Addition of Carly Kelly (Gallagher)

Blue West Capital is pleased to announce that Carly Kelly (Gallagher) has joined the company as a Director of Investment Sales. In this role, Carly will focus on the generation and execution of commercial real estate acquisitions and dispositions. Carly brings over ten years of experience and has completed over $800 million of transactions throughout the United States on behalf of private clients, public REITs, and institutional advisors.

Recently Promoted

ZACH WRIGHT
Director & Partner

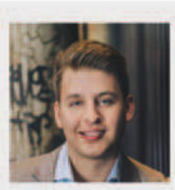
BRANDON GAYESKI
Associate Director

ROBERT EDWARDS
Managing Partner
720.966.1630

TOM ETHINGTON
Managing Partner
720.966.1624

ZACH WRIGHT
Director & Partner
720.966.1628

CARLY KELLY
Director
720.828.6290



BRANDON GAYESKI
Associate Director
720.966.1627

SHAWN DICKMANN
Associate
720.828.8310

BRANDON WRIGHT
Analyst
720.828.7457

MELANIE WILLIFORD
Director of Operations
720.989.1631

BLUE WEST CAPITAL

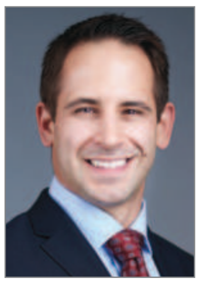
Trends

Reevaluating retail trends for a post-pandemic world

Much has changed over the last 12 months since I wrote "Predictions for what the new decade will bring" for this publication last year. No one could have predicted the year and events that transpired, from politics to COVID-19 and everything in between. Industries are changing and adapting at lightning speed, and arguably, none more notable than retail. Consumer and retail trends have accelerated at a rate that otherwise could have taken years. Steve Lamar, president and CEO of the American Apparel and Footwear Association, recently told CNBC that "[Retail] implemented 10 years of innovation in the last 10 months … we've really seen a great deal of innovation on every angle: retail, supply chain, sourcing, technology, you name it."

With that in mind, I thought it would be appropriate to revisit some of last year's predictions and current trends.

■ **The economy and downturn.** Starting with the most obvious, economic growth most certainly hit a speed bump. Prior to the pandemic, Colorado was experiencing record growth in jobs, industry diversity and population growth, and was consistently ranked as a top place to live in the U.S. Although the economy came to a screeching stop, Rich Wobbekind, senior economist and associate dean for business and government relations at University of Colorado Boulder, is optimistic that "this recovery's going to be substantially quicker" since financial markets are much healthier than during the 2008 recession. Wobbekind predicted that it should take about two years to get the nation's gross domestic product back to prepandemic levels. Colorado should see consumer spending and confidence continue to accelerate throughout the year, with stronger growth in the second half of 2021 as more of the population receives the COVID-19 vaccination.



Alex Staneski
Vice president of leasing and acquisitions, NewMark Merrill Mountain States, astaneski@newmarkmerrill.com

■ **Location and convenience still are key.** Well-located and convenient real estate performed better than others. As the stay-at-home orders dragged on, more consumers began to flock to the suburbs, driving the need for retailers to serve their customers differently. With growing digital sales and more than $1 million digital sales annually per store, Chipotle is looking for sites with both strong residential and daytime populations to serve order-ahead customers who want convenience near their home and cost savings of delivery fees. Established, grocery-anchored centers performed well throughout the pandemic with center stores up more than 10% on average in 2020, according to SuperMarket News. Strong performance by the grocery segment led to pre-COVID-19 and sometimes premium investment pricing for single-tenant grocery assets in the capital markets.

■ **Retail footprints and drive-thrus.** As retailers and restaurants limited customer counts in-store or suspended indoor dining altogether, it was obvious that some stores were set up for success while others struggled. Drive-thru service thrived (very well, actually), causing traffic congestion in centers across the country. Retailers without drive-thrus searched for ways to serve customers through curbside options, with the acronym BOPIS (buy online, pick up in store) gaining traction rapidly. According to SuperMarket News, 34% of grocery stores think that the most important factor in capturing sales from competitors will be the availability of delivery and curbside pickup options with a focus toward millennials. Drive-thrus and curbside will become staples for future retail prototype design. Some retailers, such as Starbucks, are even contemplating drive-thru-only locations. These design needs will stress the ability to optimize smaller footprints to account for stacking and parking needs. Tenants that are not able to accommodate these needs likely will continue to focus on smaller retail footprints.

Zebra Projects Ltd.

Drive-thru service thrived in 2020, and drive-thrus and curbside pickup areas will become staples for future retail prototype design.

■ **Placemaking and experience.** Lifestyle centers have taken the brunt of the pandemic in the retail world. However, landlords and tenants have become much more creative and hands-on by creating outdoor dining solutions, drive-in movies or even conducting outdoor concert series. Although necessity-based and grocery retail performed well, landlords will need to continue to be more hands-on operators and partner with tenants to keep shopping centers thriving.

■ **Technology leads the way.** One of the biggest retail changes and acceleration has been the adoption of technology by retailers. Grocery stores such as Amazon Fresh are using "just walk out" camera technology and smart grocery carts called "Dash Carts" to capture consumer sales. Kroger announced

Please see Staneski, Page 20

Owner Insights

Stakeholder cooperation helps all those involved

Brian Pesch
Chief operating officer, Western Centers, brian@westerncenters.com

We're all very aware of the challenges the retail industry has faced due to the pandemic, from businesses closing to enforcing mask mandates to Paycheck Protection Program loans, and much, much more. As the owner and manager of more than 20 retail centers along the Front Range and also in the mountains, our team has been on the proverbial "front lines." Unfortunately we've witnessed some bad news; but we've also seen – and been part of – some of the prudent, creative and thoughtful ways landlords and tenants are working together through the pandemic.

We still have a ways to go before the impacts of the pandemic are no longer as evident. Many people believe the full impact will never subside, and much of the retail landscape always will carry a scar due to all the unforeseen challenges and adversity of the past year. Maybe some of the positive things that became evident in 2020 will provide encouragement as we move forward into 2021.

■ **Mom-and-pop shops enduring**. Within the first month of the pandemic, there was a wave of communication from big corporate retailers that they would be shutting down and ceasing to pay rent. They had reasons that were justified from their big-picture point of view, and landlords were forced to submit. At the same time, mom-and-pop stores were doing everything they could to continue to pay their rent. Obviously, they had the ability to be more agile, but still were facing the same dilemma as the large retailers given the lack of customers. These are the retailers who found ways to reinvent their business to keep income coming in. For example, curbside pickup and outdoor seating became a new way of promoting and delivering products and services. Many of the small tenants we work with on a daily basis have endured due to their creativity and tenacity.

■ **Landlords providing**. Fortunately, many retail landlords and property owners worked diligently to help their tenants get by. Some of these efforts included deferred rents, extending leases, and letting a tenant close shop and reopen during the waves of shutdowns and confusion. Constant and personal communication with tenants – letting them know they weren't going to be thrown out of their space – helped to build confidence and resolve. Adding to these efforts, landlords and property owners found creative ways to reimagine their retail properties.

For example, parking lots and sidewalks were turned into space for outdoor dining for restaurateurs. Lanes were created for delivery and pickup services. Temporary signage was installed to better direct customers and communicate the new "look" more effectively. Subleases were approved more easily so that rent requirements could be alleviated. Tenants also worked with landlords to get licenses for liquor takeout and outdoor dining. Additionally, landlords bridged the gap to specialty services from accountants, information technology professionals and lenders. As an example, a Montessori school in Aurora was able to get a "study-from-home" system established thanks to the help of a landlord's tech team. With the cooperation and concern of their landlords, as well as the cooperation of fellow small-business owners, the feelings of desperation among many tenants subsided and gave them hope for the future.

Many local centers are working together to help everyone.

■ **Municipalities and banks assisting.** Municipalities and local banks throughout the state also were delivering help to retailers located in their cities and towns. They established grant programs, helped to make the process of receiving PPP loans less cumbersome, went to great lengths to make stimulus checks available, streamlined regulations, provided zero percent interest loans and helped small-business owners by establishing renewed and creative marketing plans to promote businesses. Equally important was how hard these professionals worked to communicate all that was being made available to small-business owners and make sure they received the help and support they needed. For example, the executive team at FirstBank worked late nights and early mornings to beat the PPP deadline and help make sure customers could qualify.

Needless to say, 2020 threw all sorts of challenges at all aspects of the retail industry. However, by working together and finding ways to help one another, many tenants and landlords found ways to make it through the difficult times. A lot of work remains, but hopefully the more we learn from experience, the more ways we can find not only to survive but also thrive in 2021. ▲

Restaurant Trends

A few silver linings for Denver's restaurant industry

It is common knowledge that this pandemic has had devastating effects on the Denver restaurant industry. Even as I write this, Denver County remains on level orange, meaning that restaurants can only have up to 25% capacity for indoor dining and must stop alcohol sales by 10 p.m. Despite these ongoing changes, as the vaccine begins widespread rollouts, we can look at the silver linings the last year brought to the Denver restaurant industry as it changes toward a post-pandemic future.

This pandemic has forced surviving restaurants to be creative and innovative in a multitude of ways. Even before the COVID-19 era, the Denver restaurant market was saturated with competition among restaurateurs for well-located sites in addition to massive build-out costs. Denver dining sat atop a bubble. To make it through the pandemic, the Denver restaurant industry needed to adapt. Restaurants that adapted to third-party delivery services and takeout business led the charge as restaurateurs needed to provide quality food that created an exceptional to-go experience for the customer. A more efficient online ordering system, along with the raw quality of the food being provided, is how these restaurants were able to stay afloat during these difficult times.

Another notable benefactor to restaurants' livelihood during this time have been the rise of ghost kitchens. The idea of a professional food preparation and cooking facility set up for delivery-only meals has excelled since the start of the pandemic. Additionally, restauranteurs have found creative ways to utilize their patio or outdoor space while respecting COVID-19 protocols. Many restaurants utilized tents and igloos as the weather got colder and these new, unique experiences ended up attracting customers while giving them the confidence that they are in a safe dining environment. These creative innovations were necessitated by the pandemic, but likely will remain for the foreseeable future in the restaurant industry.

Paul Nora
Associate adviser, Pinnacle Real Estate Advisors LLC, pnora@pinnaclerea.com

Streamlined point of sale both online and in restaurants are innovations that Kevin Brown, managing partner of Via Baci, believes are here to stay. Peter Newlin, CEO of Birdcall, believes that these changes were inevitably going to happen at some point in the future and the pandemic simply accelerated the process to adapt to the customer of the future.

"To get through this pandemic, restaurants are going to have to adapt … it is about keeping a positive attitude and making adjustments daily … (a restaurant) cannot force their way through a pandemic," said Newlin.

> Although the reviews vary, the majority of restaurant owners deemed the Paycheck Protection Program loans incredibly helpful to get through the difficult times.

A heightened sense of community is yet another silver lining that has come out of this pandemic. Although the reviews vary, the majority of restaurant owners deemed the Paycheck Protection Program loans incredibly helpful to get through the difficult times. But from a more intimate standpoint, the shared hardships brought on by the pandemic sparked a whole movement of supporting local business, which in turn helped keep many of these neighborhood restaurants open. These restaurants felt that support and many of them decided to give back as well. Newlin, along with his partners at Birdcall and help from The Tuchman Family Foundation & TTEC Holdings, started Fuel Hope Kitchen. The mission statement of Fuel Hope Kitchen is "Delivering meals to frontline heroes working at hospitals in remote regions of Colorado – from the Pawnee National Grassland to the Rio Grande National Forest."

Through this foundation, over 106,000 meals have been delivered to health care workers with a goal of delivering an additional 200,000 meals. In turn, this has put restaurant workers back in uniform, with over 10,000 hours worked to provide these meals to first responders in the health care system.

As we look toward the future, there is a sense of optimism in the Denver restaurant industry. It is no secret that consumers are itching to have the restaurant experience again. We saw that this summer before the second shutdown, as people consistently filled restaurants and bars to the permitted capacity. As of the past month, an increasing number of restaurant tenants have been touring potential spaces with the anticipation of a "restaurant rush" coming right as their build-out is complete. Quite a few of the safety protocols will stick around for the foreseeable future: thorough sanitization of tables and chairs between each use, masks being utilized in the common areas, socially distanced seating and the city allowing makeshift outdoor dining spaces.

There is a lot of hope on the horizon for the Denver restaurant industry. An optimistic outlook, embracing the importance of community and remaining innovative will be the cornerstones for success in Denver restaurants as the world shifts into a post-pandemic era. ▲

Mindful design solutions for pandemic challenges

The current health crisis has affected the restaurant and retail scene tremendously. Last year really tested the food service industry, with many places forced to close or reinvent themselves. These challenges affected not only running successful businesses, but also the personal and cultural aspects of why they exist in the first place. The habits of dining with friends and family, celebrating a special occasion, or even the creation of new personal or business relationships have been communal activitives for as long as humans have existed. One of my fondest memories as a teenager was going to the local hot dog stand with friends, sitting on a bench, enjoying a messy hot dog and just laughing away. There was no "thoughtfully designed space" here – but the simple act of being together was relevant and joyful. The need to socialize over a meal is inherent in our nature, and the pandemic has taken a toll on this bonding, meaningful experience.

Cecilia Hanover
Interior architect, Design Studio Interior Solutions, ceciliah@dsinteriorsolutions.com

As restaurants slowly work to emerge from this tremendous setback and reignite their own literal and figurative fires, there are a number of design solutions to address the many struggles with which they have been confronted – both now and into the future.

■ **Maintain the allure.** Dining out provides people with simple pleasures that keep them coming back. This is at the core of what restaurants provide. As restaurant owners and operators redesign their spaces and reimagine how their dining rooms, kitchens, front-of-house and bar spaces will look in the weeks, months and perhaps even years ahead, this should be at the forefront of their minds. For example, social distancing will continue to be an expected function of a restaurant's design, but it doesn't need to lead to a cold and uninviting environment.

Floor plans and furnishings can be put into place so that people are able to see and be seen, while also providing safety and comfort for those customers. Bars might not be lined with multiple bar stools, but the bar still can be surrounded by groups of high tops, or counter shapes can evolve to provide ample spacing between guests. Bench seating and banquets can grow to accommodate groups without clustering them together. Making the kitchen more of the experience, with sightlines that show chefs in action, will help guests visualize how their food is being prepared. Even a few well-designed outdoor pods that have style and character can help avoid a feeling of being sterile and uber-hygienic.

■ **Creative dining spaces.** A great deal of thought has gone into designing and creating unique dining spaces to address the challenges brought on by the pandemic.

Nguyen Thai Thach

This plant-filled coffee shop, Tropical Forest café, by Tayone Design Studio in Hanoi, Vietnam is an example of biophilic design, combining a local coffee shop with a plant store.

For example, outdoor dining pods, yurts, fully built-out rooms with heaters, and even recycled gondolas can be spotted on city streets and in mountain towns. Some restaurants have the ability to increase their outdoor dining space by putting socially distanced/protected seating on rooftops, taking advantage of the views. We also want to interact with nature now more than ever and the principles of biophilic design will become increasingly relevant.

The use of thoughtful materials – work by local artists, specialty furniture, a minimalist approach to décor with surfaces that can be easily sanitized – all can contribute to the feeling of trust and the safety of community.

Some hotels are working to reserve rooms and cater meals to customers willing to rent a room for a couple of hours to enjoy a luxurious meal in a quiet and private setting. Visual elements also have been added to dining spaces, such as spice rack displays and indoor gardens that showcase the ingredients used in meals, adding to the overall dining experience.

■ **Build customer loyalty.** Getting people to return to an establishment takes a great deal of planning and effort on multiple fronts. First and foremost, customers want to feel comfortable and safe in a restaurant. Addressing this demand

Please see Hanover, Page 20

Project Spotlight

Continued from Page 1

sense of wonder at finding something new and unique, so it's not surprising that shoppers were delighted to buy handmade holiday gifts created by local artists rather than production-made gifts from mass retailers.

"The Art Place was a phenomenal way to connect with new customers and expose people to ceramic art during COVID when fine arts events were canceled," said Erin Reilly, a ceramics artist. "I found so many new supporters, including tourists and Denverites who loved engaging with the artist. Customers and passers-by loved watching me work at the potter's wheel."

Many factors contributed to the project's success, including a variety of affordable spaces to rent in flexible ways: 10-by-10-foot floor space for studio work/display; wall/shelf space by the square foot for displaying/selling goods; daily pop-ups for sampling items; and flexible terms from one day to one month.

The Art Place featured ceramics artists working and selling, a printmaker and painter displaying their artwork, a vintage clothing connoisseur, photographers and more. We worked diligently to locate and book talent to provide the most exciting retail experience possible.

During a two-month period, this small-but-mighty store welcomed hundreds of shoppers and hosted 19 artists and vendors, offering them tremendous flexibility in how they utilized the space. It provided photography studio space for two photographers and 10 photo shoots. The store generated over $17,000 in sales for the tenants and $5,000 in newfound income for the owner of the once-vacant space.

"I enjoy selling prints when the effort is minimal," said creative Adam Vicarel. "A true instance of passive income, I literally dropped my prints off … and for the ensuing month, I regularly received Venmo notifications from happy art buyers and more money in my pocket!"

As the new year unfolds and the pandemic wanes, it follows that in-person shopping and gallery-hopping will rebound gradually. While online shopping is here to stay, consumers still crave discovery, interaction and the tactile experience of seeing and touching merchandise. The majority of retail purchases in the U.S. continue to be made in brick-and-mortar stores; furthermore, stores draw consumers into the brand story and product experience.

This project transformed a vacant property into a bright and lively retail space with a host of benefits, including property protection for the owner. Regrettably, unused commercial spaces sometimes fall victim to vandalism, so flexible use of vacant/underutilized space offers another benefit: It helps preserve property and prevent vandalism.

Importantly, space sharing can breathe new life into stagnant properties and neighborhoods, helping to reimagine and reinvent commercial retail.▲

Staneski

Continued from Page 16

plans to deploy its own smart cart, "KroGo," to streamline the customer and retail shopping experience. Seamless technology integration has allowed retailers to serve customers even when locations were closed. Retailers with clunky technology quickly deployed software teams to update smartphone apps and ordering services. Restaurants quickly utilized QSR technology to create paperless menus and partnered with third-party delivery to combat the spread of COVID-19. Fitness users, such as Planet Fitness and Life Time Fitness, created premium online workout options to engage users when in-person training was not available. Approximately 72% of gyms now are offering on-demand and livestream group workouts, up from 25% in 2019, according to fitness research firm ClubIntel.

COVID-19 most certainly has changed the way that consumers think about and satisfy retail needs. People still purchase many of their retail products and services in stores, and some current setbacks will be temporary once it is safe to shop and socialize. Landlords and tenants will need to continue to collaborate to create a more diverse and inclusive environment to shop, and those who do or continue to do this should outperform their competitors. ▲

Hanover

Continued from Page 19

will require a higher level of transparency and cleanliness. Educating people about cleaning procedures – even to the extent of making the cleaning exercise part of the presentation as customers enter the restaurant – has become more commonplace. Making it evident that there are designated pickup stations for food and that there is a strict process in place for seating tables and customer interaction can further ease diner concerns. Beyond the health and safety considerations, restaurants also are moving toward building loyalty and customer confidence with an updated approach to branding – whether that means stepping up the restaurant's online presence, creating more functional takeout stations or designing QR code/paperless menus for easier, touchless browsing.

People want a feeling of togetherness, and nothing provides that more than the experience of dining out. While the pandemic continues to present unexpected challenges, it also is providing the opportunity for restaurants to find new ways to do things better. People who feel comfortable and confident with a restaurant's care and concern will return again, and again. ▲

Rassenfoss

Continued from Page 4

try to keep them open. According to new data from the advisory firm BDO, 47% of retailers have begun to rethink their store layouts to comply with restrictions while still maximizing activity and client interactions. Retail tenants that are in the day care and fitness business face the toughest uphill battle, while as previously mentioned, fast-casual restaurants more often are opting to find sites with drive-thru infrastructure.

Another potential roadblock in the net-leased sector is the potential for higher capital gains taxes and 1031 exchange law changes at the federal level. Under a new administration, many are curious about what degree of tax code reform could make its way into effect. While this is a legitimate concern for investors, with more pressing issues facing the country, we do not see tax reform being addressed until much later. In our opinion, 1031 reform is unlikely to happen in the immediate future. This is mainly because tax revenue created by real estate sales would decline significantly in a post-1031 world, due to decreasing transaction volume and job and income loss throughout the real estate sector as a whole. There is a reason that the 1031 has remained part of the tax code since 1921. These exchanges are a primary driver of demand for net-leased properties and remained so throughout 2020 and into 2021. ▲

Moran

Continued from Page 6

ing traffic on major thoroughfares. As new concepts circle the market, demand is high for the rare available site that will allow restaurant drive-thru per strict zoning standards throughout the region.

Where there's a will, there's a way. Touted by Bloomberg in 2018 as the No. 2 city on the top "Brain Concentration" index (second to Boulder), Fort Collins and the surrounding communities have some of the most innovative, solution-oriented business owners and thought leaders in the nation. In Larimer County, nearly 48% of the population holds bachelor's degrees and higher. I like to tell my family to make friends with salad … well these merchants are making friends with e-commerce. Blurring the line between digital and brick-and-mortar is how merchants will survive. Easing the point of purchase, introducing comparative shopping technology, smacking a great big sign on a building (this is real estate after all) and offering curbside pickup are all ways retailers are getting through the worst to come out ahead.

Most retail brokers, landlords and economic development managers swoon over new-to-market concepts, indie retail and fabulous new chef-driven concepts, hoping to catch the eye of a new or iconic brand. The tertiary markets that make up Northern Colorado – Fort Collins, Greeley, Loveland, Johnstown – are no different. We often look to larger, highly dense city centers like Denver for inspiration and hope that we may, at least from a retail perspective, walk the same path.

As Northern Colorado navigates emergence from a pandemic world, I am inspired by the positive leasing momentum in one of the worst years in history for retail. So, if you're reading, Apple, take another look in Northern Colorado. ▲

Palumbo

Continued from Page 8

of both employees to their offices and customers frequenting these businesses in the dense urban core, while retail concentrated on Colorado Boulevard and in the Cherry Creek area – typically hubs of retail activity and commerce – have faced similar challenges.

While the small-business community has been devastated, there is some hope for small-business owners, particularly those in Douglas County, for example, where restaurants, bars, caterers, movie theaters, gyms and rec centers are eligible to receive grants ranging from \$3,500 for those with revenue less than \$500,000 up to a \$7,000 grant for those small businesses with revenue between \$1 million and \$2.5 million. Businesses that are well funded and have resources are poised to take advantage of the continued Small Business Administration program for small-business loans that has been extended into the end of 2021, and landlords looking to revamp their properties are well positioned to repurpose their assets to meet the current demand in other sectors. ▲

Salvas

Continued from Page 10

markets have grown concerned about local long-term growth prospects due to increased regulations and the rising cost of doing business. Alternatively, they see how fast Colorado is growing and find it a far more friendly place to do business. In 2020, only about 52% of net-lease real estate buyers in the state were actually from Colorado. Over 20% of them came from California, and we expect that number to steadily increase over the next several years, according to data from CoStar.

Our view is that this trend will continue to place downward pressure on cap rates in the state, especially as other segments like gyms, entertainment and restaurants start to bounce back in the post-pandemic world we hope to see toward the back half of 2021. ▲

HIRING THE RIGHT

PROPERTY MANAGEMENT COMPANY

is ESSENTIAL to the PERFORMANCE of your INVESTMENT and to the value of your property

Use CREJ's Property Management Directory to find the right management company to care for your property.

	Industrial Distribution	Industrial Flex	MOB	Office < 100,000 sf	Office > 100,000 sf	Retail	Senior	Metro Denver	Colorado Springs	Boulder	Fort Collins / Northern Front Range	Other	Contact
COMMERCIAL DIRECTORY													
1st Commercial Realty Group 1st-Comm.com	●	●	●	●	●	●		●	●	●	●		**Tom Newman** t.newman@1st-comm.com
Bespoke Holdings Inc. bespokeholdingsco.com	●	●	●	●	●			●	●	●	●		**Mark Berry** mberry@bespokeholdingsco.com
CBRE cbre.com	●	●	●	●	●	●		●	●	●	●		**Simon Gordon** simon.gordon@cbre.com
Colliers International colliers.com	●	●		●	●	●		●					**Robert Miller** robert.miller@colliers.com
Drake Asset Management drakeam.com		●				●		●	●		●		**Perry Radic** perry@drakeam.com
Dunton Commercial dunton-commercial.com	●	●	●	●	●	●		●	●		●		**Nate Melchior** nmelchior@dunton-commercial.com
Elevate Real Estate Services elevateres.com		●	●	●	●	●		●		●	●		**Dan Meitus** dmeitus@elevateres.com
ELKCO Properties, Inc. elkcoproperties.net					●	●	●	●	●		●		**Ken Cilia** ken@elkco.net
Griffis/Blessing griffisblessing.com	●	●	●	●	●	●		●	●				**Kerry Egleston** kerry@gb85.com
JLL us.jll.com	●	●	●	●	●			●		●			**Paul F. Schloff** Paul.Schloff@am.jll.com
Newmark Knight Frank ngkf.com	●	●	●	●	●	●		●	●	●	●	Land, Association Mgmt.	**Josh Shoemaker** jshoemaker@ngkf.com
NewMark Merrill Mountain States https://www.newmarkmerrill.com/						●		●	●	●	●	Retail / Community Engagement	**Alex Staneski** astaneski@nmc-mountainstates.com
Olive Real Estate Management Services olivereg.com	●	●	●	●	●	●			●			Association Mgmt.	**David Hewett** dhewett@Olivereg.com
Panorama Commercial Group panoramacommercialgroup.com	●	●	●	●	●	●		●	●	●	●		**Don Palik** don@panoramaproperty.com
Prime West Real Estate Services, LLC www.primew.com	●	●	●	●	●	●	●	●	●	●	●	Associations	**Brie Martin** brie.martin@primew.com
Revesco Property Services, LLC revescoproperties.com				●	●	●		●	●	●	●		**Brian Fishman** bfishman@revescoproperties.com
RISE Commercial Property Services RISEcps.com	●	●	●	●	●	●		●	●	●	●	Association Mgmt.	**T.J. Tarbell** ttarbell@RISEcps.com
Sessions Group LLC sessionsllc.com	●	●		●		●		●		●	●	Association Mgmt.	**Kade Sessions** kade@sessionsllc.com
Stream streamrealty.com		●	●		●	●			●				**Tom Bahn, CPM** tom.bahn@streamrealty.com
Transwestern transwestern.com		●		●	●	●		●	●				**Rene Wineland** rene.wineland@transwestern.com
Western Asset Services westernassetservices.com	●	●	●	●		●		●					**Lisa A. McInroy** lmcinroy@westdevgrp.com
Wheelhouse Commercial wheelhousecommercial.com	●	●	●	●	●	●		●	●		●	Mixed-Use: MF/Retail	**Mark Kennedy** mkennedy@wheelhousecommercial.com
Vector Property Services, LLC vectorproperty.com				●	●			●					**Linda Mott** linda.mott@vectorproperty.com
Zocalo Community Development zocalodevelopment.com						●		●		●			**Madeline Grawey** madeline@zocalodevelopment.com

The BOSS Directory

BUILDING OPERATING SERVICES & SUPPLIERS

ACCESS CONTROL SYSTEMS

Advantage Security, Inc.
Manny Arias
marias@advantagesecurityinc.com
303-755-4407
www.advantagesecurityinc.com

Fire Alarm Services, Inc.
Shannon Smith
shannon@fasonline.cc
303-466-8800
www.fasonline.cc

Mathias Lock & Key
Dispatch
303-292-9746
dispatch@mathias1901.com

ACOUSTICAL CEILINGS & TREATMENTS

Heartland Acoustics & Interiors
Jason Gordon, LEED AP
jason@heartland-acoustics.com
303-694-6611
www.heartland-acoustics.com

ASPHALT & PAVING

Apex Pavement Solutions
Brian Pike
bpike@apexpvmt.com
303-273-1417
www.apexpvmt.com

Asphalt Coatings Company, Inc.
Judson Vandertoll
jvandertoll@asphaltcoatings.net
303-340-4750
www.asphaltcoatingscompany.com

Avery Asphalt, Inc.
Andy Avery
andy@averyasphaltinc.com
303-744-0366
www.averyasphalt.com

Brown Brothers Asphalt & Concrete
Shawn Bartlett
bartletts@asphaltconcrete.net
303-781-9999
www.brownbrosasphaltconcrete.com

Coatings, Inc.
Drew Leskinen
aleskinen@coatingsinc.net
303-423-4303
www.coatingsinc.net

Economy Asphalt & Concrete Services, LLC
Scott Hardy
scotth@economypavinginc.com
303-809-5950
www.economypavinginc.com

Foothills Paving & Maintenance, Inc.
Michael Horn
mikeh@foothillspaving.com
303-462-5600
www.foothillspaving.com

CCTV/DIGITAL VIDEO SURVEILLANCE SYSTEMS

Advantage Security, Inc.
Jeff Rauske
jrauske@advantagesecurityinc.com
303-755-4407
www.advantagesecurityinc.com

Fire Alarm Services, Inc.
Shannon Smith
shannon@fasonline.cc
303-466-8800
www.fasonline.cc

Mathias Lock & Key
Dispatch
303-292-9746
dispatch@mathias1901.com
www.mathias-security.com

CONCRETE

Avery Asphalt, Inc.
Andy Avery
andy@averyasphaltinc.com
303-744-0366
www.averyasphalt.com

Brown Brothers Asphalt & Concrete
Shawn Bartlett
bartletts@asphaltconcrete.net
303-781-9999
www.brownbrosasphaltconcrete.com

Economy Asphalt & Concrete Services, LLC
Scott Hardy
scotth@economypavinginc.com
303-809-5950
www.economypavinginc.com

Foothills Paving & Maintenance, Inc.
Michael Horn
mikeh@foothillspaving.com
303-462-5600
www.foothillspaving.com

DISASTER RESTORATION

ASR Companies
Jason Luce
jluce@asrcompanies.com
720-519-5433
www.asrcompanies.com

BluSKY Restoration Contractors
Dan Flanagan
dflanagan@goblusky.com
303-789-4258
goblusky.com/

Doors and Frames

Mathias Lock & Key
Dispatch
303-292-9746
dispatch@mathias1901.com

ELECTRICAL

Encore Electric
Encore Electric Service Team
303-934-1414
serviceteam@encorelectric.com

RK Mechanical
Marc Paolicelli
marcp@rkmi.com
303-785-6851
www.rkmi.com

EMPLOYMENT STAFFING

Real Estate Personnel
Dan Grantham
dangrant@realtyjobs.com
303-832-2380
www.realtyjobs.com

EVENT & HOLIDAY DÉCOR

SavATree
Matt Schovel
mschovel@savatree.com
Denver – 303-337-6200
Fort Collins – 970-221-1287
savatree.com

EXERCISE EQUIPMENT

Advanced Exercise
Jody Huddleson
jhuddleson@advancedexercise.com
303-996-0048
www.advancedexercise.com

EXTERIOR LANDSCAPING

Arrowhead Landscape Services, Inc.
Graham Howard
ghoward@arrowheadcares.com
303-432-8282
www.arrowheadcares.com

Bartlett Tree Experts
Konstanze Fabian
kfabian@bartlett.com
303-353-0520
www.bartlett.com

GroundMasters Landcape Services, Inc.
Kimberly Jewell
kim@groundmastersls.com
303-750-8867
www.groundmastersls.com

Martinson Services
Andrea Nataf
anataf@martinsonservices.com
303-424-3708
www.martinsonservices.com

Snow Pros Inc. Sitesource CAM
Connie Rabb
connie@sitesourcecam.com
303-948-5117
www.sitesourcecam.com

FACILITY MAINTENANCE

CAM – Common Area Maintenance Services
Shanae Dix, CSP
shanae@camcolorado.com
303-295-2424
www.camcolorado.com

Horizon Property Services, Inc.
Gene Blanton
gblanton@horizonpropertyservices.net
720-298-4323
www.horizonpropertyservices.net

MC Buiilding Services
Jim McLure
jmclure@mccommercialrealestate.com
303-758-3336
mccommercialrealestate.com

Snow Pros Inc. Sitesource CAM
Connie Rabb
connie@sitesourcecam.com
303-948-5117
www.sitesourcecam.com

FENCING

CAM – Common Area Maintenance Services
Shanae Dix, CSP
shanae@camcolorado.com
303-295-2424
www.camcolorado.com

FIRE PROTECTION

Fire Alarm Services, Inc.
Shannon Smith
shannon@fasonline.cc
303-466-8800
www.fasonline.cc

Frontier Fire Protection
Todd Harrison
tharrison@frontierfireprotection.com
303-629-0221
www.frontierfireprotection.com

Integrity Fire Safety Services
Cody Refosco
cody.refosco@integrityfiresafetyservices.com
303-557-1820
www.integrityfiresafetyservices.com/

Western States Fire Protection Company
Kevin Olmstead
kevin.olmstead@wsfp.us
303-792-0022
www.wsfp.com

FIRE STOPPING/FIRE PROOFING

Alternate Resistance Specialists, LLC
Stephen Kohara
stephen@arscolo.com
720-767-1661

FURNITURE FOR PUBLIC SPACES

Streetscapes
James Shaffer
james@streetscapes.biz
303-475-9262
www.streetscapes.biz

GLASS

Horizon Glass
Lou Sigman
lsigman@horizonglass.net
303-293-9377
www.horizonglass.net

LIGHTING/INSTALLATION & MAINTENANCE

CAM – Common Area Maintenance Services
Shanae Dix, CSP
shanae@camcolorado.com
303-295-2424
www.camcolorado.com

LOCKSMITHS

Mathias Lock & Key
Dispatch
303-292-9746
dispatch@mathias1901.com

MECHANICAL/HVAC

CMI Mechanical, Inc.
Rick Dassow
rdassow@coloradomechanical.com
303-364-3443
www.coloradomechanical.com

Murphy Company
Paul Gillett
pgillett@murphynet.com
720-257-1615
www.murphynet.com

RK Mechanical
Marc Paolicelli
marcp@rkmi.com
303-785-6851
www.rkmi.com

Tolin Mechanical Systems Company
Tom Padilla
tpadilla@tolin.com
303-455-2825
www.servicelogic.com

METAL ROOFING/WALL PANELS

B&M Roofing of Colorado, Inc.
Rami Zarifa
rzarifa@bmroofing.com
303-443-5843
www.bmroofing.com

Bauen Corporation
Joey Andrews
jandrews@bauenroofing.com
303-297-3311
www.bauenroofing.com

Douglass Colony Group
Kate Faulkner
kfaulkner@douglasscolony.com
303-288-2635
www.douglasscolony.com

The BOSS Directory

BUILDING OPERATING SERVICES & SUPPLIERS

Superior Roofing
Mary Ayon
mayon@superiorroofing.com
303-476-6513
www.superiorroofing.com

METAL SERVICES

Reidy Metal Services Inc.
Kelly Reidy
kreidy@aol.com
303-361-9000
www.reidymetal.com

MOVING & STORAGE

Buehler Companies
Tami Anderson
tami@buehlercompanies.com
303-667-7438
www.buehlercompanies.com

Cowboy Moving & Storage
Michael Folsom
mike@cowboymoving.com
303-789-2200
www.cowboymoving.com

PAINTING

Denver Commercial Coatings
Jim Diaz
jim@dccpaint.com
303-861-2030
www.denvercommercialcoatings.com

Ponderosa Painting & Remodeling, Inc.
Bob Murphy
r.murphy@comcast.net
303-887-4973

Preferred Painting, Inc.
Chris Miller
chris@preferredpainting.com
303-695-0147
www.preferredpainting.com

PARKING LOT STRIPING

CAM – Common Area Maintenance Services
Shanae Dix, CSP
shanae@camcolorado.com
303-295-2424
www.camcolorado.com

Martinson Services
Andrea Nataf
anataf@martinsonservices.com
303-424-3708
www.martinsonservices.com

PLUMBING

MAI Mechanical
Grant Blackstone
deb@mai-mechanical.com
303-289-9866
www.mai-mechanical.com

Murphy Company
Paul Gillett
pgillett@murphynet.com
720-257-1615
www.murphynet.com

RK Mechanical
Marc Paolicelli
303-785-6851
www.rkmi.com

PRESSURE WASHING

CAM – Common Area Maintenance Services
Shanae Dix, CSP
shanae@camcolorado.com
303-295-2424
www.camcolorado.com

Rocky Mountain Squeegee Squad
Bruce Sompolski
brucesompolski@squeegeesquad.com
720-408-0014

Snow Pros Inc. Sitesource CAM
Connie Rabb
connie@sitesourcecam.com
303-948-5117
www.sitesourcecam.com

Top Gun Pressure Washing Inc.
James Ballen
jamesballen@topgunpressurewashing.com
720-540-4880
www.topgunpressurewashing.com

PROPERTY IMPROVEMENT/ TENANT FINISH

CAM – Common Area Maintenance Services
Shanae Dix, CSP
shanae@camcolorado.com
303-295-2424
www.camcolorado.com

Facilities Contracting, Inc.
Michael McKesson
mmckesson@facilitiescontracting.com
303-798-7111
www.facilitiescontracting.com

ROOFING

B&M Roofing of Colorado, Inc.
Rami Zarifa
rzarifa@bmroofing.com
303-443-5843
www.bmroofing.com

Bauen Corporation
Brett Sowers
bsowers@bauenroofing.com
303-297-3311
www.bauenroofing.com

CIG Construction
Janice Stitzer
janice@cigconstruction.com
720-897-1886
cigconstruction.com

CRW, Inc. – Commercial Roofing & Waterproofing
Pete Holt
pete@crwroofing.com
720-348-0438
www.crwroofing.com

Douglass Colony Group
Kate Faulkner
kfaulkner@douglasscolony.com
303-288-2635
www.douglasscolony.com

Flynn BEC LP
Lauren Fry
Lauren.Fry@Flynncompanies.com
303-287-3043
www.flynncompanies.com

Superior Roofing
Mary Ayon
mayon@superiorroofing.com
303-476-6513
www.superiorroofing.com

WeatherSure Systems, Inc.
Dave Homerding
daveh@weathersuresystems.com
303-781-5454
weathersuresystems.com

Western Roofing, Inc.
Curtis Nicholson
cnicholson@westernroofingco.com
303-279-4141
www.westernroofingco.com

Roof Anchorage/ Fall Protection

Applied Technical Services, Inc. (ATS)
Stefanie Horner
SHorner@atslab.com
571-302-6692
atslab.com

SECURITY SERVICES

Advantage Security, Inc.
Jeff Rauske
jrauske@advantagesecurityinc.com
303-755-4407
www.advantagesecurityinc.com

Allied Universal
Lorie Libby
lorie.libby@aus.com
303-369-7388
www.aus.com

SIGNAGE

DTC Signs & Graphics
Jana Lundvall
jana@signaramadtc.com
720-259-0087
www.dtcsignsandgraphics.com

SNOW REMOVAL

CAM – Common Area Maintenance Services
Shanae Dix, CSP
shanae@camcolorado.com
303-295-2424
www.camcolorado.com

Facilities Contracting, Inc.
Michael McKesson
mmckesson@facilitiescontracting.com
303-798-7111
www.facilitiescontracting.com

Martinson Services
Andrea Nataf
anataf@martinsonservices.com
303-424-3708
www.martinsonservices.com

SMS, Snow Management Services, LLC
Kimberly Jewell
Kim@smssnow.com
303-750-8867
www.smssnow.com

Snow Pros Inc. Sitesource CAM
Connie Rabb
connie@sitesourcecam.com
303-948-5117
www.sitesourcecam.com

SOLAR

Douglass Colony Group
Kate Faulkner
kfaulkner@douglasscolony.com
303-288-2635
www.douglasscolony.com

SOUND MASKING

adi Workplace Acoustics
Steve Johnson
steve@adiacoustics.com
303-989-9700
www.adiacoustics.com

Margenau Associates
Adam Faleck
afaleck@margenauassoc.com
303-979-2728
www.margenauassoc.com

SWEEPING

CAM – Common Area Maintenance Services
Shanae Dix, CSP
shanae@camcolorado.com
303-295-2424
www.camcolorado.com

Martinson Services
Andrea Nataf
anataf@martinsonservices.com
303-424-3708
www.martinsonservices.com

Top Gun Pressure Washing Inc.
James Ballen
jamesballen@topgunpressurewashing.com
720-540-4880
www.topgunpressurewashing.com

TREE AND LAWN CARE

Bartlett Tree Experts
Konstanze Fabian
kfabian@bartlett.com
303-353-0520
www.bartlett.com

SavATree
Matt Schovel
mschovel@savatree.com
Denver: 303-337-6200
Fort Collins: 970-221-1287
North Metro Denver:
303-422-1715
savatree.com

WEATHERPROOFING

ASR Companies
Jason Luce
jluce@asrcompanies.com
720-519-5433
www.asrcompanies.com

Douglass Colony Group
Kate Faulkner
kfaulkner@douglasscolony.com
303-288-2635
www.douglasscolony.com

WeatherSure Systems, Inc.
Dave Homerding
daveh@weathersuresystems.com
303-781-5454
weathersuresystems.com

WINDOW CLEANING

Bob Popp Building Services Inc.
Bob Popp
bobpoppservices1@aol.com
303-751-3113
www.bobpoppbuildingservices.com

Rocky Mountain Squeegee Squad
Bruce Sompolski
brucesompolski@squeegeesquad.com
720-408-0014

RETAIL PROPERTIES QUARTERLY

To reserve ad space, please contact Lori Golightly at 303-623-1148 ext. 102 or lgolightly@crej.com.

For editorial content, please contact Michelle Askeland at 303-623-1148 ext. 104 or maskeland@crej.com.

RETAIL PROPERTIES QUARTERLY

Colorado's Only Shopping Centers Publication

While the Colorado Real Estate Journal continues to run a retail news section in each issue of the newspaper, Retail Properties Quarterly features the most interesting projects and people, trends and analyses, and covers development, investment, leasing, finance, design, construction and management. The publication is mailed with the Colorado Real Estate Journal newspaper, a 3,500-plus distribution that includes developers, investors, brokers, site selectors, lenders, contractors, architects and property managers.

2021 AD RATES

Full-page	$995
Half-page	$595
Quarter-page	$395

PREPAY DISCOUNT:
Receive a 10% discount for four-time insertion orders prepaid prior to the first issue.

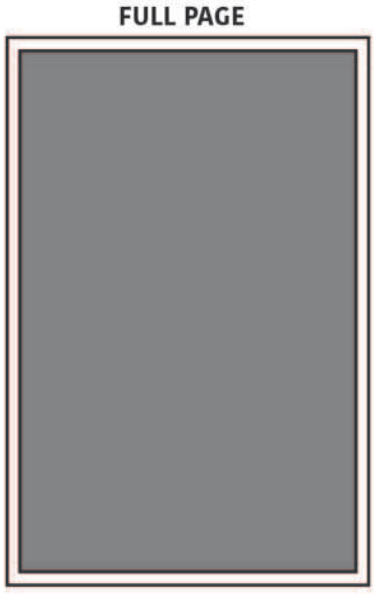
COLOR: Color is available for $200 additional per ad. Color is FREE if you participate in four consecutive issues ($800 value).

AD SPECIFICATIONS

- E-mail a high-resolution, press ready PDF file to Heather Lewis at hlewis@crej.com
- All images within the ad should be 300dpi or greater at full size; All fonts should either be embedded inthe PDF document, or converted to outlines
- Full-color ads should be setup using CMYK process color; **NO SPOT COLORS.** Spot colors should be setup using CMYK build.

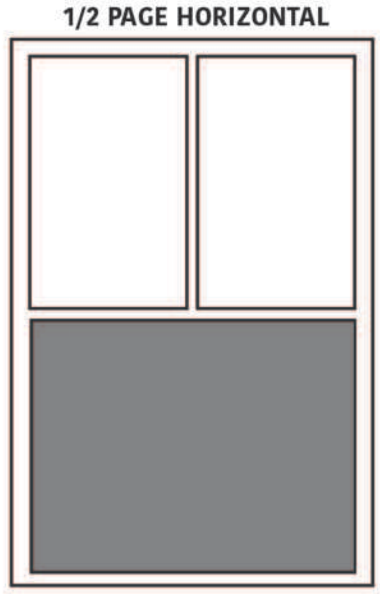
ISSUE DATE	SPACE RESERVATION DEADLINE	MATERIAL DEADLINE
February 17	January 27	February 3
May 19	April 28	May 5
August 18	July 28	August 4
November 17	October 27	November 3

FULL PAGE



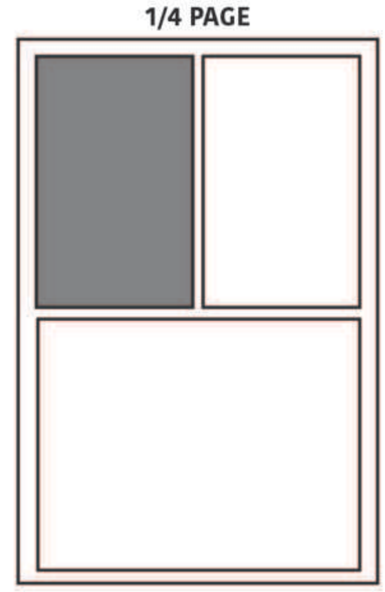
10.25"w x 15.5"h

1/2 PAGE HORIZONTAL



1/2: 10.25"w x 7.25" h

1/4 PAGE



1/4: 5"w x 7.25"h