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Fund makes foray into SE Denver with Plaza Quebec

By Jill Jamieson-Nichols

A \$50 million fund sponsored by Palisades Mexico Partners has acquired Plaza Quebec in its foray into the Denver market.

Palisades Private Capital Fund I paid \$12.75 million for the 94,394 square foot Class A office building at 6025 S. Quebec St. in Centennial.

It is “a nice project” to establish the company in the Denver metro area, said Joaquin de Monet, founder and managing principal of Palisades Capital Realty Advisors, a Los Angeles-based investment management and advisory firm.



“We are very interested in the southeastern submarket of Denver and we plan to be more active there”, said de Monet, noting the three-story building, is a relatively small asset with only three vacancies. “We plan to quickly upgrade the existing spec suites, improve the lobby and conference room amenities as well as some exterior and landscaping upgrades to improve the building’s market position,” he said.

Palisades Mexico Partners is a partnership between de Monet and Finsa Global Equities, owned by Sergio Arguelles, president and CEO of Monterrey, Mexico-based FINSA, one of the foremost industrial real estate development firms in the Americas.

Built in 1984 and renovated in 2009, Plaza Quebec is just off Interstate 25. It has freeway access via the “relatively uncongested” Orchard Road interchange and is with walking distance of Greenwood Athletic Club, noted Mike Winn of CBRE, who represented seller Crown-Denver VI LLC, an affiliate of Crown West Realty LLC, with CBRE’s Tim Richey and Chad Flynn.

Situated on an elevated site with unobstructed mountain views, the property offers a park-like campus, is well built and generated strong interest from investors, he said. “The fact that it was only 85 percent leased and had rents that were below market was attractive to every one of those investors,” said Winn.

“Plaza Quebec offers a secure and growing cash flow with the opportunity to increase occupancy and increase rents as the market continues to improve,” said Arguelles.

The building has 71 covered parking spaces and a parking ratio of 3.2 per 1,000 sf. Cherry Creek Mortgage Co. and Peoples National Bank are among the tenants.

“We are very pleased to have secured a high-quality initial acquisition in the state of Colorado, one of the 10 fastest-growing states in the nation in 2013,” said de Monet. “Plaza Quebec is an excellent strategic fit in the fund’s portfolio and attracts loyal tenants with its great western views, newly renovated lobby and common areas and many amenities.”

Brad Zampa of CBRE arranged financing for the acquisition.

Palisades Private Capital Fund I, on target to grow to \$100 million in the first part of 2015, is focused on value-add Class A and B office assets in growing Western Suburban markets. It is initially acquiring institutional-quality office assets in Southern California, Arizona, Colorado and Texas. With Plaza Quebec, it has acquired five properties valued at more than \$100 million since July.

The capital campaign attracts high-net-worth individuals and family investors in the U. S., Mexico and Latin America. Palisades Capital Realty Advisors is sourcing investments and managing the fund, improving the assets, creating value and capturing rent growth over the targeted hold period of three to five years.