

# Virginia Firm Buys Advanced Energy Industries' R&D Buildings in Fort Collins

Capital Square 1031 Pays \$30.65 Million for Two Properties in Prospect East Business Park



Advanced Energy Industries has leased the two buildings in Prospect East Business Park since 1987. (Cress Capital)

**By Allison Ross**

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A pair of Fort Collins, Colorado, research and development buildings that have been fully occupied for nearly three decades have sold in a \$30.65 million deal.

Capital Square 1031, in its first investment in the Denver market, paid \$265 per square foot for [1625 Sharp Point Drive](#) and [2424 Midpoint Drive](#). Located within the Prospect East Business Park, the buildings since 1987 have been fully leased to Advanced Energy

Industries, a global engineering firm that designs and manufactures power conversion equipment used in devices such as medical equipment, semiconductors, plasma displays and data center computing.

Advanced Energy Industries has occupied the two buildings since the properties were completed, and recently signed a 15-year extension with annual rental increases of 2.5% and two, 5-year renewal options, according to a release from Capital Square 1031. The company also plans to invest millions of dollars into upgrades at the the facilities, Whitson Huffman, chief investment officer at Capital Square 1031, said in the release.

Capital Square 1031 is a Virginia firm that specializes in tax-advantaged real estate investments. Following the purchase, the company launched a Delaware statutory trust, or DST, offering of the property. Named CS1031 Colorado Power, the investment vehicle seeks to raise \$16.9 million in equity from accredited investors and has a \$50,000 investment minimum.

Alexandra Huffman and Dean Huber with Walker & Dunlop sourced a \$18.39 million acquisition loan for the company, which was financed by Citigroup with a 3.87% fixed rate, 10-year loan.

The seller was Cress Capital, a California firm that acquired the properties in 2017 as part of a 23-building portfolio in the Prospect East Business Park. Following the sale, Cress now owns and manages 20 buildings, totaling 365,000 square feet, in the Fort Collins business park.

"This successful sale and record pricing for this building type in Fort Collins in the midst of a global pandemic illustrates the continued strength of the Fort Collins commercial real estate market," Ryan Parkin, a managing partner with Cress, said in a statement.

## For the Record

Jeremy Ballenger, James Bolt, Tyler Carner, Will Pike, and Peter Kelly of CBRE represented Cress Capital. Capital Square 1031 negotiated the purchase in-house.

Please see CoStar COMPS #5403947 for more information on this transaction.



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