



Verdad Real Estate Trades Net Leased Starbucks & Shake Shack Properties in Greenwood Village

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7979-7999 East Arapahoe Road, Greenwood Village. Credit: Marcus & Millichap.

Dallas-based [Verdad Real Estate Development & Construction Services](#) has sold its drive-thru Starbucks and Shake Shack properties located at 7979-7999 East Arapahoe Road in Greenwood Village. The properties traded in individual transactions to separate buyers.

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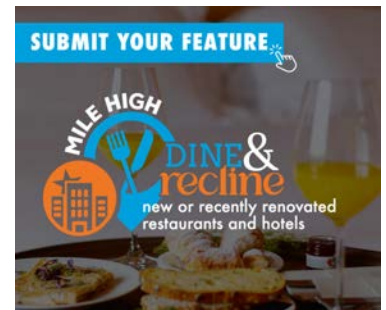
Starbucks sold for \$3,012,950 at a 4.07% cap rate while the neighboring Shake Shack property sold for \$5,943,000 at a 4.3% cap rate. Starbucks occupies the property on a rare 20-year absolute triple-net (NNN) ground lease. Shake Shack controls the property on an absolute triple-net (NNN) ground lease and debuted as the first Shake Shack with a drive-thru.

Investment specialists [Drew Isaac](#), Ian Hicks, and James Rassenfoss in Marcus & Millichap's Denver office had the exclusive listing to market both properties on behalf of the seller. Isaac and Hicks procured the Starbucks buyer, 368 Realty LLC, a New York-based limited liability company that purchased the property in a 1031 exchange. Isaac, Hicks, and Rassenfoss secured the Shake Shack buyer, Bowes Family Partnership, a Colorado-based partnership in a 1031 exchange that the Isaac Group previously sold and advised.

"I remember when I previously sold this property as a vacant Macaroni Grill, the consensus opinion from the market was that a drive-thru would be very difficult to get approved. Credit to Herndon Luce at Verdad for not only getting one drive-thru done, but two," said Isaac.

"In addition to our Verdad team and local consultants, we are very fortunate to have partners like Starbucks and Shake Shack on a project like this. We all committed to a plan early and stuck with it, which is easier said than done for companies of their size —the speed of trust can be a powerful thing when you have partners like them," said Herndon Luce, Real Estate Acquisitions for Verdad Real Estate Development. "The City of Greenwood Village deserves praise as well. City Staff was receptive to our development proposal and provided top-notch communication which is music to the ears of any real estate developer these days. I would welcome another project with all parties involved any day of the week,"

Greenwood Village is one of Denver's premier neighborhoods, with an average household income of \$220,158 and an average home value of \$1,566,634. "Denver submarkets like Greenwood Village highlight why Colorado continues to be an attractive investment opportunity for local and nationwide private investors," commented Hicks. The Denver Tech Center (DTC) is a part of Greenwood Village, including over 25 million square feet of office, residential, and mixed-use buildings.



“The buyers were looking for an exchange property that would provide long-term cashflow and no management. They ultimately chose this Shake Shack because of the corporate credit, long-term lease, excellent demographics, and high traffic counts along Arapahoe road,” said Rassenfoss.

Since Texas-based Verdad Real Estate & Construction Services started its business in 2009, single-tenant retail development has been its specialty. The company has helped some of the most respected brands in America successfully execute their growth strategies. Verdad has a Denver office located at 1772 Platte St.



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By Cadie Crean, Confluent Development

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