

ZEPHYR FLATS

1360 ZEPHYR STREET, LAKEWOOD, CO 80214

INI THE NEWELL TEAM

Confidential Offering Memorandum



PINNACLE
REAL ESTATE ADVISORS

ZEPHYR FLATS

1360 Zephyr Street
Lakewood, CO 80214

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One Broadway, Suite A300
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EXECUTIVE SUMMARY



Zephyr Flats

1360 Zephyr Street, Lakewood, CO 80214

Units:	11
Year Built:	1937-1960
List Price:	\$2,115,000
Price/Unit:	\$192,273
Price/SF:	\$276.40
Building Type:	Brick
Building Size:	7,004 SF
Lot Size:	0.63 Acres
Roof:	Newer - Pitched
Heating:	Forced Air
Parking:	Off-Street
Current CAP Rate:	6.69%
Cash on Cash Return:	8.96%

Property Features

- Four Single-Story Buildings
- Great Unit Mix: (7) 1Bd/1Ba; (2) 2Bd/1Ba & (2) 3Bd/1Ba Units
- 6.69% Current CAP Rate!
- Newer Parking Lots & Roofs on All Buildings
- Each Unit Contains Private Fenced Yard and Lives Like Private Single-Family Rental
- Short Walk to Wadsworth Light Rail Station
- Large 27,392 SF Lot Zoned M-R-U (Mixed Use - Residential - Urban) Offers Potential for Redevelopment
- On-Site Laundry & Storage Units
- Near Retail Center at Wadsworth Blvd & W Colfax Avenue

Property Overview



FINANCIAL ANALYSIS



Income & Expenses Analysis



UNIT MIX AND AVERAGE RENT SCHEDULE								
UNIT TYPE	No. of Units	Approx. SF	Current Rent	Monthly Income	Current Rent/SF	Pro Forma Rent	Monthly Income	Pro Forma Rent/SF
1 Bed 1 Bath	7	575	\$1,265	\$8,855	\$2.20	\$1,325	\$9,275	\$2.30
2 Bed 1 Bath	2	775	\$1,463	\$2,925	\$1.89	\$1,525	\$3,050	\$1.97
3 Bed 1 Bath	2	950	\$1,935	\$3,870	\$2.04	\$1,975	\$3,950	\$2.08
TOTAL	11	7,475		\$15,650			\$16,275	

INCOME		Current	Pro Forma
Gross Potential Rent		\$187,801	\$195,300
Other Income			
Utility Reimbursement	(Actual - Trailing 12 Months/ Estimated: \$115/Unit/Month)	\$11,691	\$15,180
Late Fees/NSF	(Actual - Trailing 12 Months)	\$812	\$812
Application/Admin Income	(Actual - Trailing 12 Months)	\$105	\$105
Laundry Income	(Actual - Trailing 12 Months/ Estimated: \$10/Unit/Month)	\$0	\$1,320
Pet Fees	(Actual - Trailing 12 Months)	\$984	\$984
Lease Break Fee	(Actual - Trailing 12 Months)	\$1,850	\$1,850
Miscellaneous Income	(Actual - Trailing 12 Months)	\$3,787	\$3,787
Total Other Income		\$19,229	\$24,038
Gross Potential Income		\$207,030	\$219,338
Vacancy/Collection Loss	(Estimated) 5.00%	(\$10,351)	5.00% (\$10,967)
EFFECTIVE GROSS INCOME		\$196,678	\$208,371

EXPENSES			
Taxes	(Actual - 2024)	\$8,617	\$8,617
Insurance	(Actual - 2024)	\$10,431	\$10,431
Gas & Electric	(Actual - Trailing 12 Months)	\$6,135	\$6,135
Water & Sewer	(Actual - Trailing 12 Months)	\$8,403	\$8,403
Trash	(Actual - Trailing 12 Months)	\$978	\$978
Maintenance & Repairs	(Actual - Trailing 12 Months/ Estimated: \$650/Unit/Year)	\$3,461	\$7,150
Snow Removal/Landscaping	(Actual - Trailing 12 Months/ Estimated: \$250/Month)	\$3,652	\$3,000
Management Fee	(Actual - Trailing 12 Months/ Estimated: 6%)	\$10,998	\$12,502
Administrative	(Actual - Trailing 12 Months)	\$2,488	\$2,488
TOTAL EXPENSES		\$55,163	\$59,704
Expenses per Unit		\$5,015	\$5,428
Expenses per SF		\$7.38	\$7.99
% OF EGI		28.0%	28.7%
NET OPERATING INCOME		\$141,515	\$148,667

Pricing Analysis



Investment Summary

Price:	\$2,115,000
Price/Unit:	\$192,273
Price/SF:	\$276.40
Current CAP Rate:	6.69%

Proposed Financing

Loan Amount:	69%	\$1,450,000
Down Payment:	31%	\$665,000
Interest:	5.65%	
Amortization:	Interest Only	
Monthly Payment:		(\$6,827)

Current

CASH FLOW INDICATORS

Net Operating Income		\$141,515
Debt Service		(\$81,925)
Net Cash Flow	8.96%	\$59,590
Principal Reduction		\$0
Total Return	8.96%	\$59,590

VALUE INDICATORS

CAP Rate	6.69%
Price Per Unit	\$192,273
Price Per Foot	\$276.40

Pro Forma

CASH FLOW INDICATORS

Net Operating Income		\$148,667
Debt Service		(\$81,925)
Net Cash Flow	10.04%	\$66,742
Principal Reduction		\$0
Total Return	10.04%	\$66,742

VALUE INDICATORS

CAP Rate	7.03%
Price Per Unit	\$192,273
Price Per Foot	\$276.40



1360 Zephyr Street

1360 Zephyr Street
Lakewood, CO 80214

Conventional Debt Guidance



Terms	Agency Option Freddie Mac SBL
Estimated Loan Amount	\$1,350,000 to \$1,450,000
Loan Term	5-, 7-, or 10-years
Amortization	30 years
Interest Only Period	1 to 3 years
Estimated Rate	5.65% to 6.15%
Fixed or Floating	Fixed
Index	Whole rated quoted w/o index
Quoted Spread over Index	Not applicable
Rate Lock	Rate lock at application
Prepayment	Optionality: Yield Maintenance, 5,4,3,2,1% style prepay, or 3,2,1% style prepay. Softer prepay structure adds to loan interest rate
LTV Constraint Max	65.00%
DCR Constraint Min	1.20x
Recourse	Non-recourse
Origination Fee	Standard Loan Brokerage / Origination Fee
Comments	
	Max proceeds and lowest quoted rate includes points paid to lender up to 3.0% of the loan amount
Above quotes are debt service coverage constrained in a 1.20x to 1.25x range.	
For additional inquiries, please contact: Patrick O'Malley Senior Vice President, Debt & Equity pomalley@northmarq.com 303.225.2126 D / 520.260.1463 C	

SALES COMPARABLES



Comparable Sales



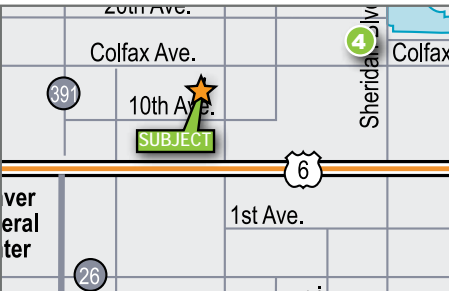
**1690 Eaton Street
Lakewood, CO**

1



Number of Units:	16
Year Built:	1961
Sale Price:	\$3,700,000
Sale Date:	02/26/2024
Price/Unit:	\$231,250
Price/SF:	\$242.05

Unit Mix:	
16	2Bd/1Ba



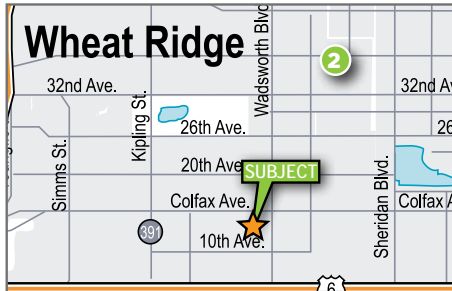
**6580 W 38th Avenue
Wheat Ridge, CO**

2



Number of Units:	14
Year Built:	1955
Sale Price:	\$2,780,000
Sale Date:	07/19/2024
Price/Unit:	\$198,929
Price/SF:	\$308.25

Unit Mix:	
3	1Bd/1Ba
10	2Bd/1Ba
1	5Bd/2Ba



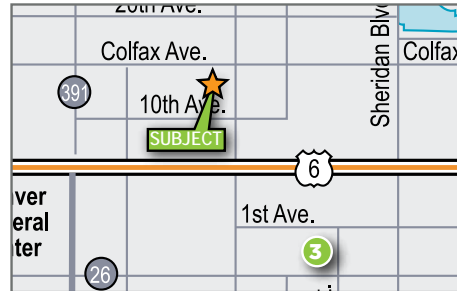
**162-174 S Ingalls Street
Lakewood, CO**

3



Number of Units:	7
Year Built:	1961
Sale Price:	\$1,335,000
Sale Date:	09/04/2024
Price/Unit:	\$190,714
Price/SF:	\$229.54

Unit Mix:	
2	1Bd/1Ba
5	2Bd/1Ba



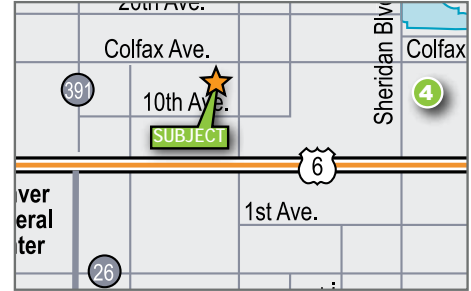
**4851 W 11th Avenue
Denver, CO**

4

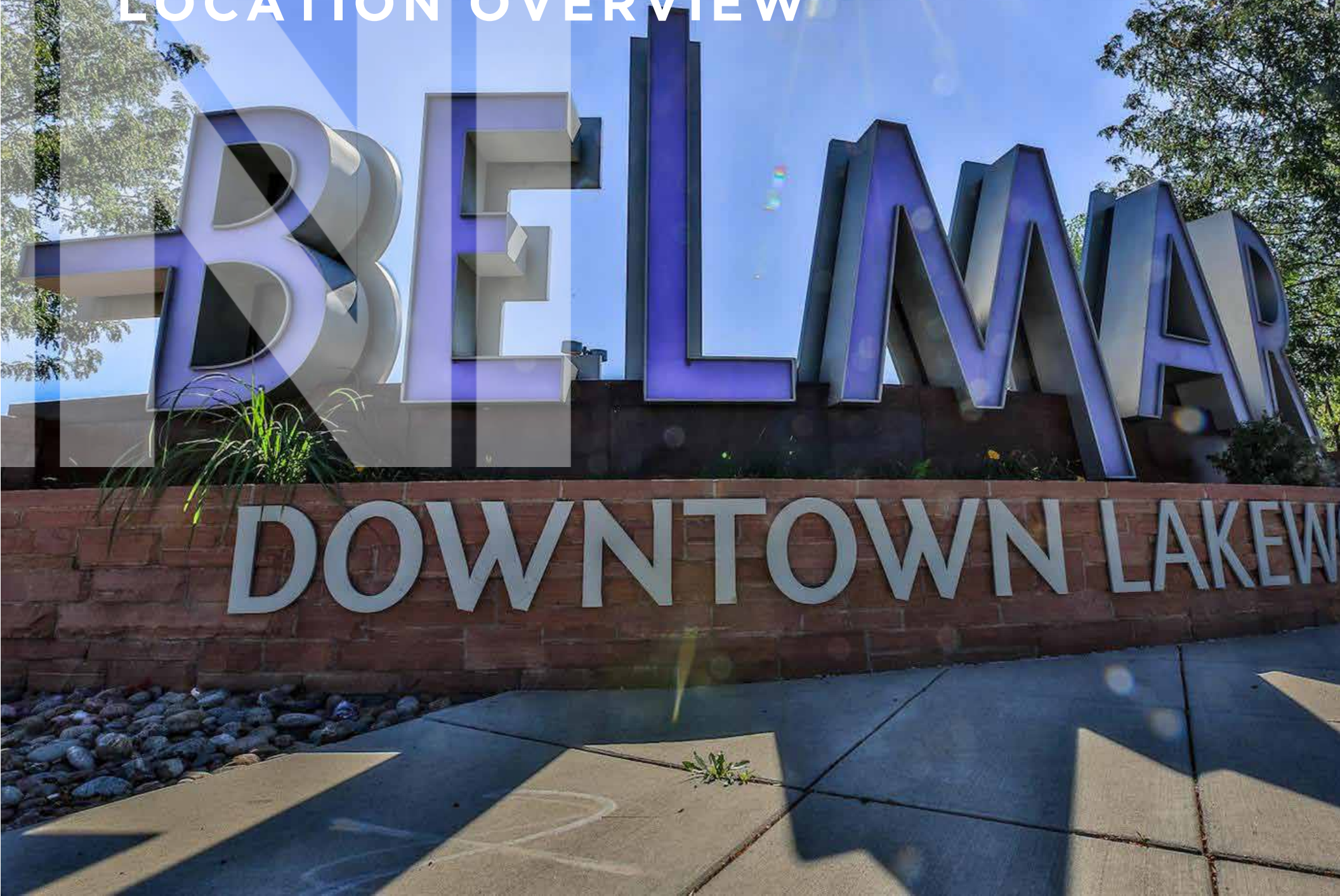


Number of Units:	6
Year Built:	1942
Sale Price:	\$1,400,000
Sale Date:	10/01/2024
Price/Unit:	\$233,333
Price/SF:	\$327.56

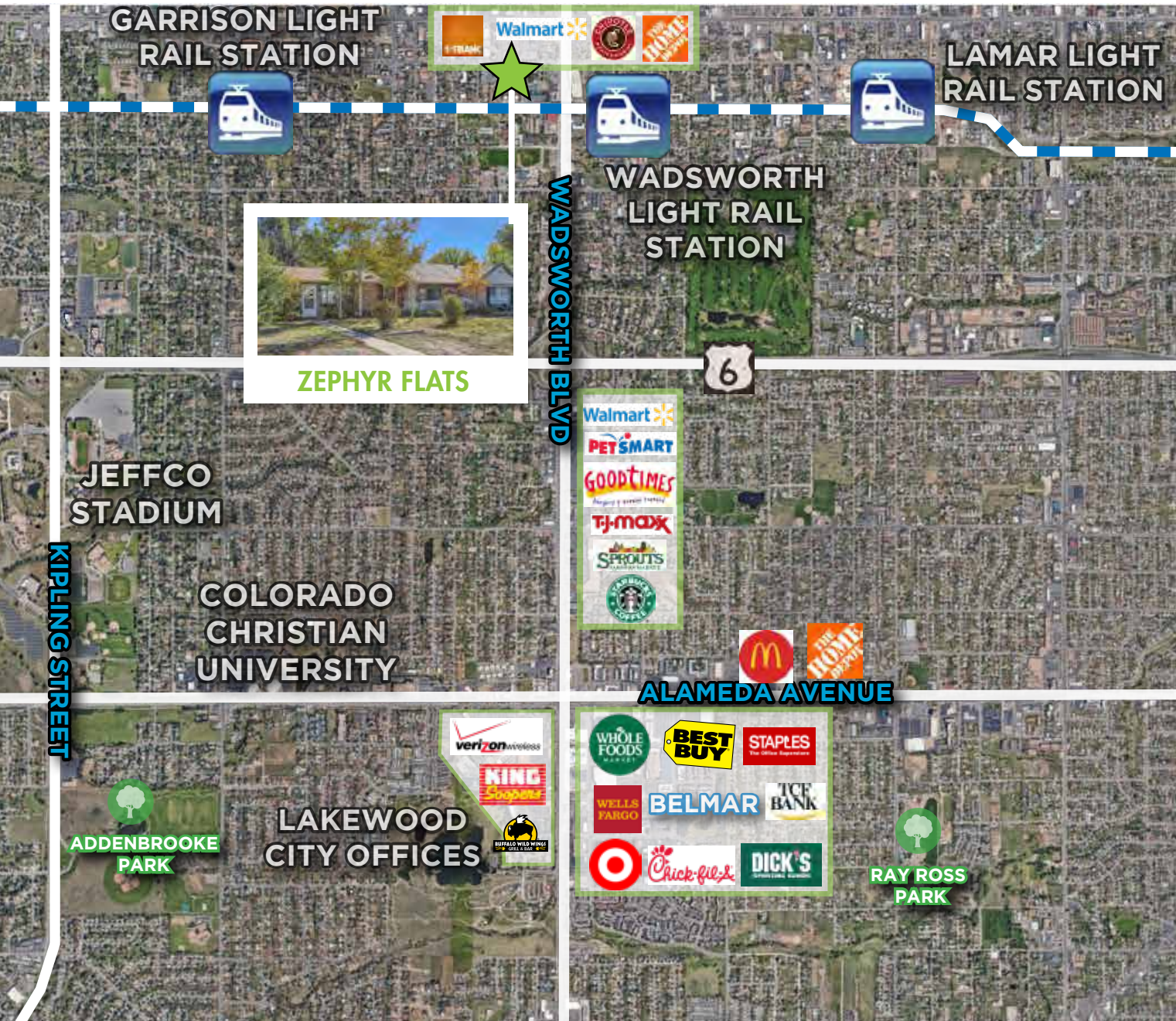
Unit Mix:	
2	1Bd/1Ba
4	2Bd/1Ba



LOCATION OVERVIEW



Location Overview - Lakewood



POPULATION

2 mile	57,250
5 mile	383,833
10 mile	1,162,525



HOUSEHOLDS

2 mile	24,584
5 mile	167,653
10 mile	504,232



AVERAGE HH INCOME

2 mile	\$85,877
5 mile	\$103,824
10 mile	\$109,841



Location Overview



RTD W LINE

Light Rail/Denver West Line

The West Rail Line is a 12.1-mile light rail transit corridor located between the Auraria Campus in downtown Denver and the Jefferson County Government Center in Golden. It serves Denver, Lakewood, the Federal Center, Golden, and Jefferson County.

The West Rail Line travels through a series of parks in Denver, through residential neighborhoods along 13th Avenue in Lakewood, through the Lakewood Industrial Park, onto the Federal Center site, and along 6th Avenue to the Jefferson County Government Center on the western end of the project.

The city of Lakewood has rezoned much of the areas surrounding the light rail stations and the West Colfax corridor to accommodate for mixed-use and higher density projects.

There are 11 stations along the line: six with parking (Decatur | Federal, Sheridan, Lakewood | Wadsworth, Oak, Federal Center and Jefferson County Government Center | Golden); and six walkup/Kiss-n-Ride stations (Auraria West, Knox, Perry, Lamar, Garrison and Red Rocks College).

Jefferson County Government Center Station

The Jefferson County Government Center Station is at the end of the line and located north of 6th Avenue and west of Johnson Road. Trains depart every 15-30 minutes and it is forecasted that 1,443 individuals will board or exit the light rail station on an average weekday in 2030.



RTD W LINE



Disclaimer



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Pinnacle REA makes no guarantee, warranty or representation about the completeness or accuracy of the information set forth in this Offering Memorandum. You are responsible to independently verify its accuracy and completeness. Pinnacle REA has prepared the information concerning the Property based upon assumptions relating to the general economy, its knowledge of other similar properties in the market, and on other market assumptions including factors beyond the control of the Pinnacle REA and the Owner of the Property. Pinnacle Real Estate Advisors make no representation or warranty as to either the accuracy or completeness of the information contained herein, and the information set forth in this Offering Memorandum is not intended to be a promise or representation as to the future performance of the Property. Although the information contained herein is believed to be accurate, Pinnacle REA and the Property Owner disclaim any responsibility or liability for any inaccuracies. Further, Pinnacle REA and the Property Owner disclaim any and all liability for any express or implied representations and warranties contained in, or for any omissions from, the Offering Memorandum and for any other

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