

WEST 1ST FLATS

5275 W 1ST AVENUE, LAKEWOOD, CO 80226

NI THE NEWELL TEAM



Confidential Offering Memorandum

PINNACLE
REAL ESTATE ADVISORS

WEST 1ST FLATS

5275 W 1st Avenue
Lakewood, CO 80226

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One Broadway, Suite A300
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THE NEWELL TEAM

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EXECUTIVE SUMMARY



West 1st Flats

5275 W 1st Avenue, Lakewood, CO 80226

Units:	32
Year Built:	1961
List Price:	\$6,400,000
Price/Unit:	\$200,000
Price/SF:	\$214.98
Building Type:	Brick
Building Size:	29,770 SF
Lot Size:	1.34 Acres
Roof:	Pitched
Heating:	Hot Water Boiler
Parking:	26 Carports & 30 Off-Street
Current CAP Rate:	6.42%
Cash on Cash Return:	8.00%

Property Features

- Great Unit Mix & Mostly 2Bd Units
- 6.42% Current CAP Rate!
- Recent Capital Improvements Include: Newer Windows and Sewer Line, Exterior Painting and Lighting & Newer Roof
- Huge 1.34 Acre Lot
- Large Storage Area with Potential to Add 3 Studio Units
- Less than 2 Miles from Belmar Shopping District
- Quick Access to Sheridan Blvd & 6th Avenue Freeway
- On-Site Fenced-In Dog Run
- 26 Covered Carport Parking Spaces & 30 Off-Street Parking Spaces
- Can be Purchased with 1360 Zephyr Street & 717 Oak Street

Property Overview



FINANCIAL ANALYSIS

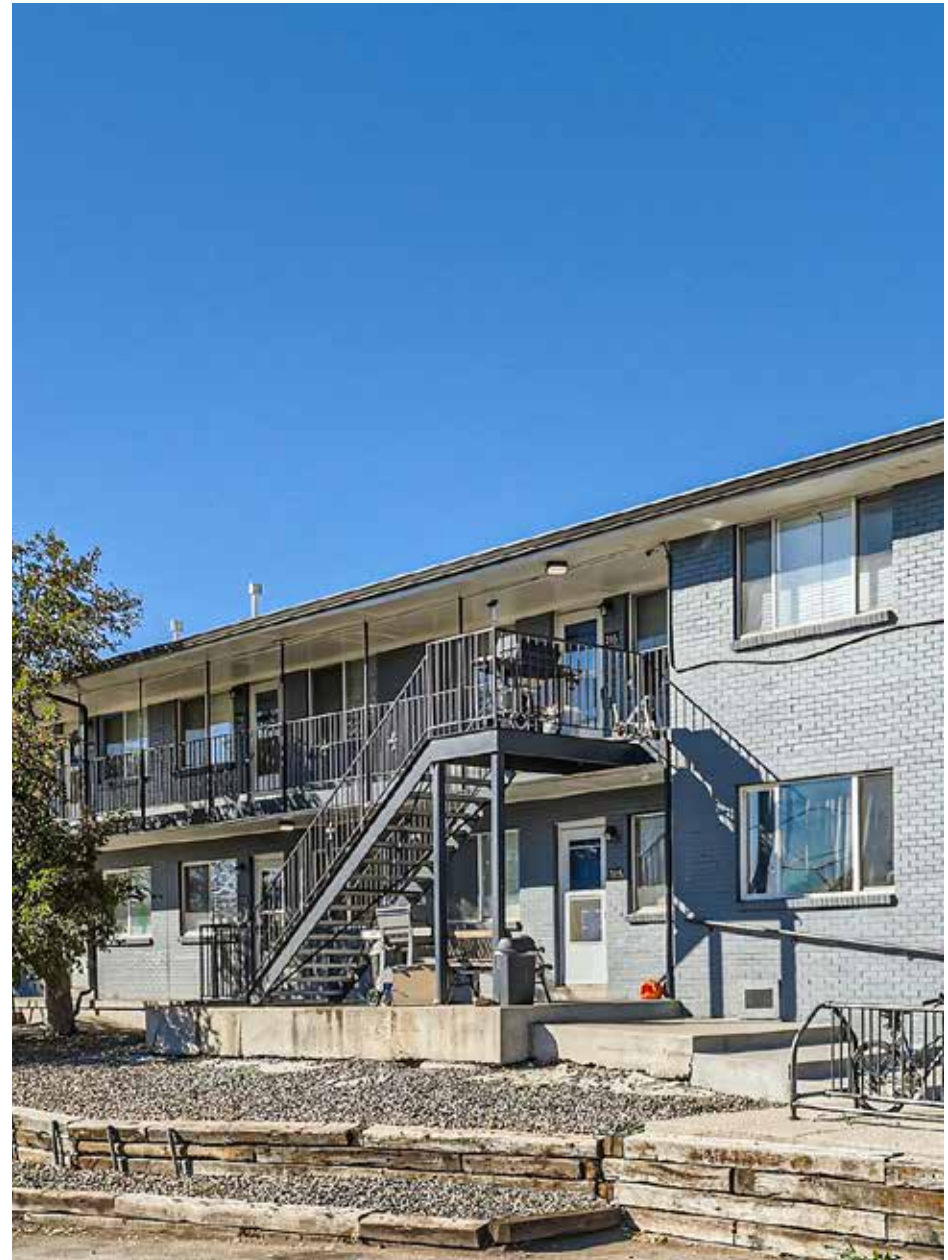
WEST 1ST FLATS
5275



Rent Roll



Unit	Type	Rent
101	3Bd/1Ba	\$1,650
102	2Bd/1Ba	\$1,449
103	2Bd/1Ba	\$1,355
104	2Bd/1Ba	\$1,475
105	2Bd/1Ba	\$1,495
106	1Bd/1Ba	\$1,145
107	1Bd/1Ba	\$1,185
108	1Bd/1Ba	\$1,186
109	1Bd/1Ba	\$1,295
110	1Bd/1Ba	\$1,275
111	2Bd/1Ba	\$1,245
112	2Bd/1Ba	\$1,245
114	2Bd/1Ba	\$1,245
115	2Bd/1Ba	\$1,295
116	3Bd/1Ba	\$1,495
201	3Bd/1Ba	\$1,925
202	2Bd/1Ba	\$1,500
203	2Bd/1Ba	\$1,500
204	2Bd/1Ba	\$1,500
205	2Bd/1Ba	\$1,495
206	1Bd/1Ba	\$1,095
207	1Bd/1Ba	\$1,185
208	1Bd/1Ba	\$1,225
209	1Bd/1Ba	\$1,295
210	1Bd/1Ba	\$1,245
211	2Bd/1Ba	\$1,495
212	2Bd/1Ba	\$1,475
214	2Bd/1Ba	\$1,295
215	2Bd/1Ba	\$1,449
216	3Bd/1Ba	\$1,945
B1	3Bd/1Ba	\$1,450
B2	2Bd/1Ba	\$1,245
32		\$44,354



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	10	650	\$1,213	\$12,131	\$1.87	\$1,300	\$13,000	\$2.00
2 Bed 1 Bath	17	800	\$1,398	\$23,758	\$1.75	\$1,500	\$25,500	\$1.88
3 Bed 1 Bath	5	900	\$1,693	\$8,465	\$1.88	\$1,945	\$9,725	\$2.16
TOTAL	32	24,600		\$44,354			\$48,225	

INCOME		Current	Pro Forma
Gross Potential Rent		\$532,248	\$578,700
Other Income			
Utility Reimbursement	(Actual - T3 Annualized/ Estimated: \$135/Unit/Month)	\$47,108	\$51,840
Late Fees/NSF	(Actual - Trailing 3 Months Annualized)	\$3,576	\$3,576
Application/Admin Income	(Actual - Trailing 3 Months Annualized)	\$292	\$292
Laundry Income	(Actual - T3 Annualized/ Estimated: \$10/Unit/Month)	\$0	\$3,840
Pet Fees	(Actual - Trailing 3 Months Annualized)	\$1,040	\$1,040
Parking Income	(Actual - T3 Annualized/ Estimated: \$50/Carport/Month)	\$2,124	\$15,600
Miscellaneous Income	(Actual - Trailing 3 Months Annualized)	\$29,644	\$29,644
Total Other Income		\$83,784	\$105,832
Gross Potential Income		\$616,032	\$684,532
Vacancy/Collection Loss	(Estimated)	5.00% (\$30,802)	5.00% (\$34,227)
EFFECTIVE GROSS INCOME		\$585,230	\$650,305

EXPENSES		Current	Pro Forma
Taxes	(Actual - 2024)	\$43,606	\$43,606
Insurance	(Actual - Trailing 12 Months/ Actual - 2024/2025 Renewal)	\$16,812	\$20,224
Gas & Electric	(Actual - Trailing 12 Months)	\$20,459	\$20,459
Water & Sewer	(Actual - Trailing 12 Months)	\$16,373	\$16,373
Trash	(Actual - Trailing 12 Months)	\$5,423	\$5,423
Maintenance & Repairs	(Actual - Trailing 12 Months/ Estimated: \$650/Unit/Year)	\$15,614	\$20,800
Snow Removal/Landscaping	(Actual - Trailing 12 Months)	\$6,496	\$6,496
Management Fee	(Actual - Trailing 12 Months/ Estimated: 6%)	\$36,141	\$39,018
Administrative	(Actual - Trailing 12 Months)	\$13,291	\$13,291
TOTAL EXPENSES		\$174,215	\$185,690
Expenses per Unit		\$5,444	\$5,803
Expenses per SF		\$7.08	\$7.55
% OF EGI		29.8%	28.6%
NET OPERATING INCOME		\$411,015	\$464,615

Pricing Summary



Investment Summary

Price:	\$6,400,000
Price/Unit:	\$200,000
Price/SF:	\$214.98
Current CAP Rate:	6.42%

Proposed Financing

Loan Amount:	67%	\$4,300,000
Down Payment:	33%	\$2,100,000
Interest:	5.65%	
Amortization:	Interest Only	
Monthly Payment:		(\$20,246)

Current

CASH FLOW INDICATORS

Net Operating Income		\$411,015
Debt Service		(\$242,950)
Net Cash Flow	8.00%	\$168,065
Principal Reduction		\$0
Total Return	8.00%	\$168,065

VALUE INDICATORS

CAP Rate	6.42%
Price Per Unit	\$200,000
Price Per Foot	\$214.98

Pro Forma

CASH FLOW INDICATORS

Net Operating Income		\$464,615
Debt Service		(\$242,950)
Net Cash Flow	10.56%	\$221,665
Principal Reduction		\$0
Total Return	10.56%	\$221,665

VALUE INDICATORS

CAP Rate	7.26%
Price Per Unit	\$200,000
Price Per Foot	\$214.98



5275 W 1st Ave

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Conventional Debt Guidance



Terms	Agency Option Freddie Mac SBL
Estimated Loan Amount	\$4,100,000 to \$4,300,000
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
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pomalley@northmarq.com
303.225.2126 D / 520.260.1463 C

SALES COMPARABLES



Sales Comparables



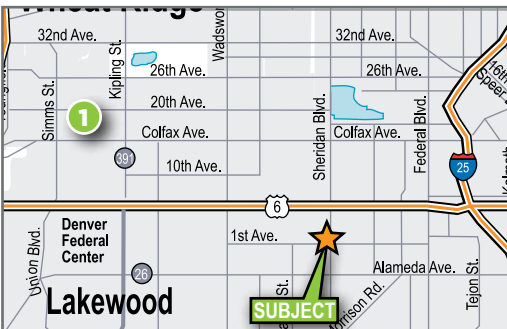
**1975 Oak Street
Lakewood, CO**

1



Number of Units:	42
Year Built:	1973
Sale Price:	\$10,050,000
Sale Date:	02/14/2024
Price/Unit:	\$239,286
Price/SF:	\$298.19

Unit Mix:	
14	1Bd/1Ba
24	2Bd/1Ba
4	3Bd/1Ba



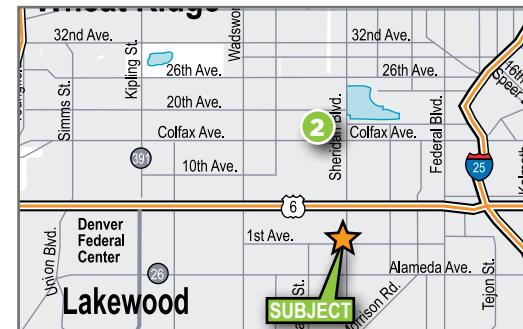
**1690 Eaton Street
Lakewood, CO**

2



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



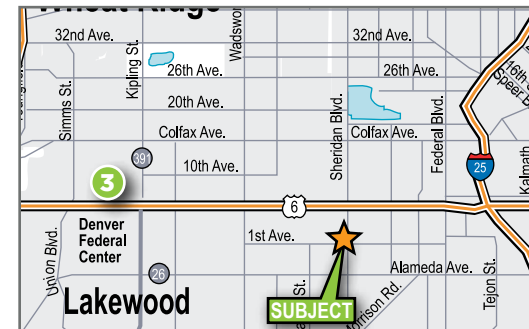
**757-761 Oak Street
Lakewood, CO**

3



Number of Units:	12
Year Built:	1961
Sale Price:	\$2,525,000
Sale Date:	09/16/2024
Price/Unit:	\$210,417
Price/SF:	\$235.37

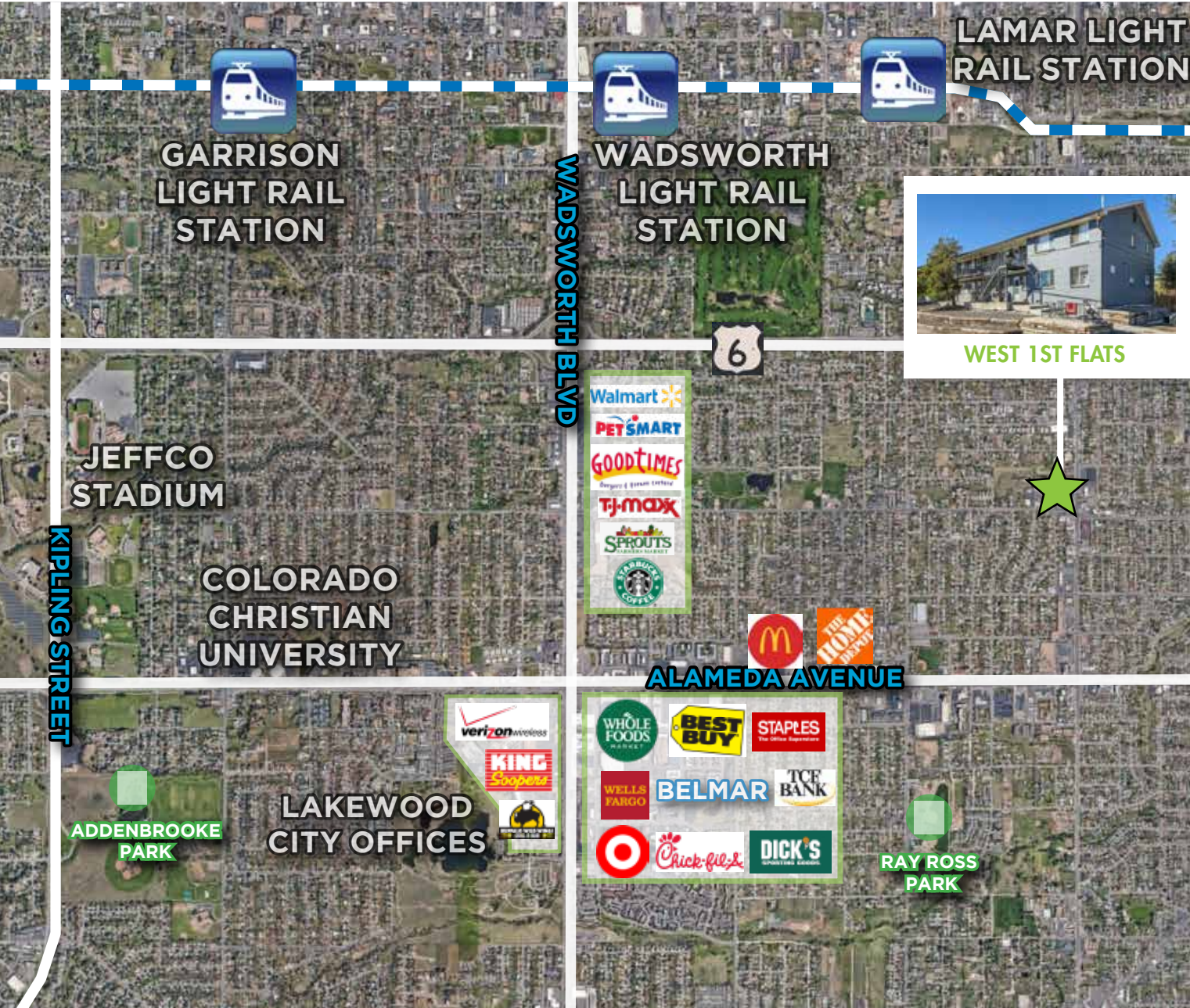
Unit Mix:	
12	2Bd/1Ba



LOCATION OVERVIEW



Location Overview



POPULATION	
2 mile	87,244
5 mile	479,885
10 mile	1,292,909
HOUSEHOLDS	
2 mile	33,978
5 mile	221,905
10 mile	562,312
AVERAGE HH INCOME	
2 mile	\$77,963
5 mile	\$104,573
10 mile	\$108,827

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



BELMAR SHOPPING DISTRICT

Located 2 Miles from West 1st Flats is Belmar Shopping District. Belmar opened in 2004 and is a vibrant reinvention of downtown Lakewood that resembles an old town village center. The district is based around a central plaza, surrounded by restaurants and shops, that hosts concerts during the summer months and transforms into an ice skating rink during the winter.



Belmar covers 22 square city blocks and provides over 80 galleries that include restaurants, boutiques, coffee shops, movie theatre, bowling alley and art galleries. Some of the best national brands at Belmar include Nordstrom Rack, Sephora, Dicks, Lululemon, Target, Loft, Whole Foods, and Best Buy. The shopping Center hosts many fast food and sit-down dining options that include P.F. Chang's China Bistro, Chick-Fil-A and Ted's Montana Grill.

This confidential Offering Memorandum, has been prepared by Pinnacle Real Estate Advisors, LLC (“Pinnacle REA”) for use by a limited number of qualified parties. This Offering Memorandum has been provided to you at your request based upon your assurances that you are a knowledgeable and sophisticated investor in commercial real estate projects and developments. Pinnacle REA recommends you, as a potential buyer/investor, should perform your own independent examination and inspection of the property located at 5275 W 1st Avenue in Lakewood, Colorado (the “Property”) and of all of the information provided herein related to the Property. By accepting this Offering Memorandum, you acknowledge and agree that you shall rely solely upon your own examination and investigation of the Property and you shall not rely on any statements made in this Offering Memorandum or upon any other materials, statements or information provided by Pinnacle REA or its brokers.

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WEST 1ST
FLATS

Units Available
For Leasing

303-862-5446



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