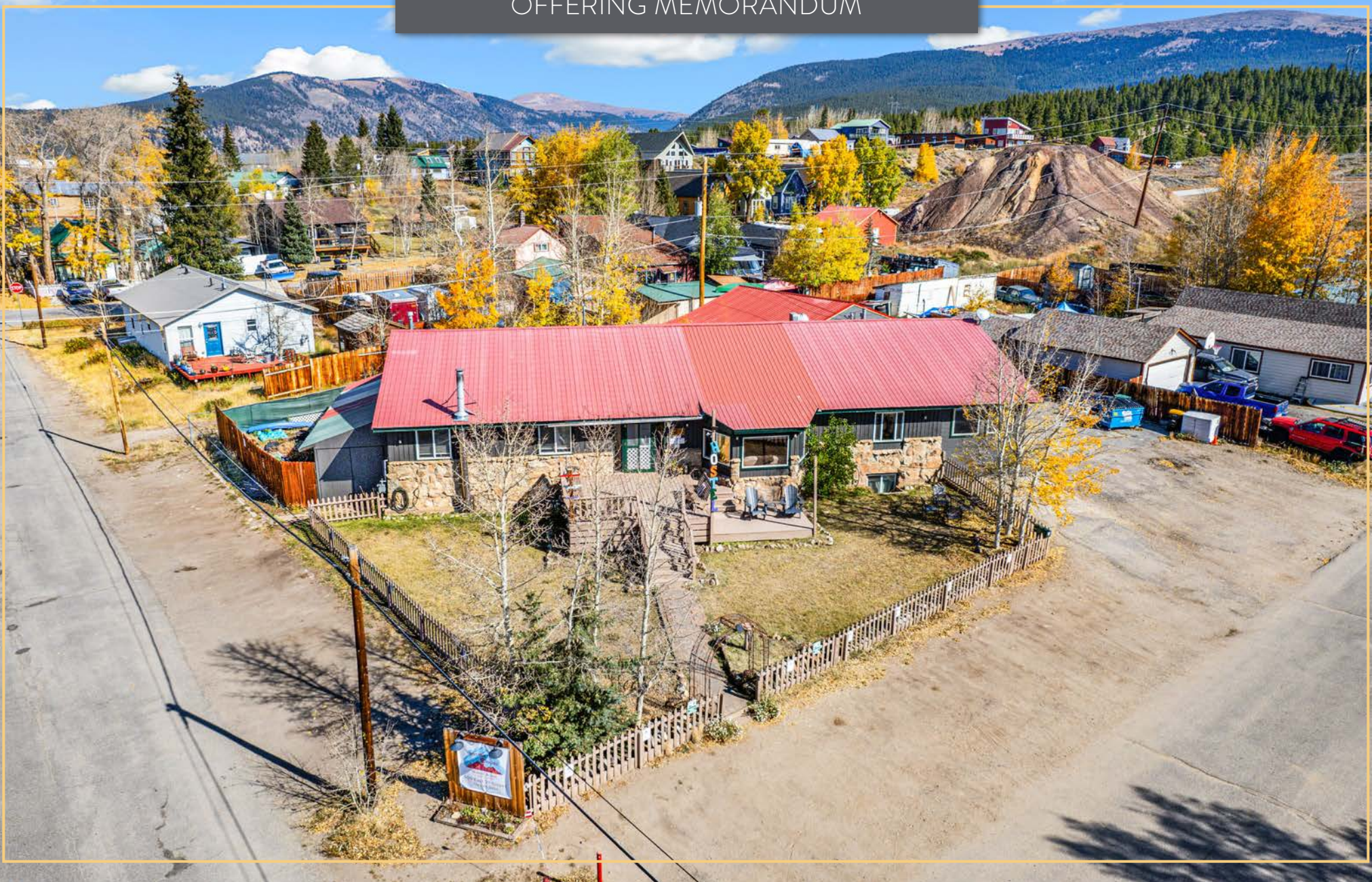


OFFERING MEMORANDUM



**INN THE CLOUDS HOSTEL & INN**

500 E 7th St. | Leadville, CO 80461

**Price: \$1,500,000 | Rooms: 14**

# INVESTMENT ADVISOR



**Dan Hawthorne**  
**Senior Advisor**

406-531-4246

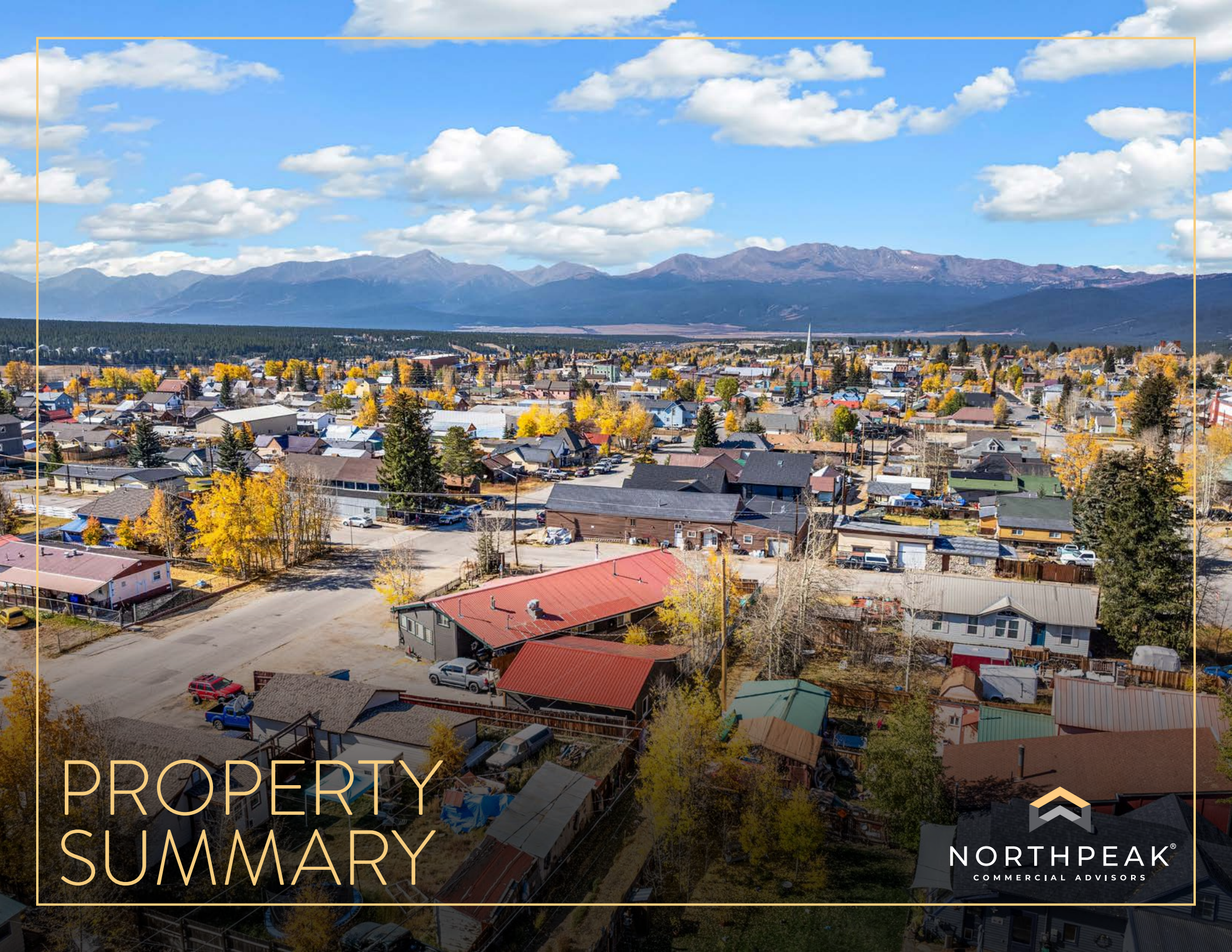
Dan@NorthPeakCRE.com



**NORTHPEAK**<sup>®</sup>  
COMMERCIAL ADVISORS

NorthPeak Commercial Advisors  
1720 S Bellaire St. Suite 701  
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# PROPERTY SUMMARY



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# EXECUTIVE SUMMARY

## PROPERTY DETAILS

Address	<b>500 E 7th St.</b> Leadville, CO 80461
Price	\$1,500,000
# of Rooms	14
# of Beds	45
Building Size	7,587 SF
Lot Size	10,752 SF
Year Built	1970
Roof	Pitched/Metal
HVAC	Furnace & Electric

## PROPERTY HIGHLIGHTS

- Prime location in Leadville, CO, close proximity to renowned ski resorts for year-round recreational opportunities
- Spacious lot over 10,000 SF
- Newly remodeled building (#2) including an additional room
- On-site laundry facilities
- Diverse mix of accommodations, offering flexible lodging options, ideal for solo travelers, groups, and families alike
- High demand for affordable lodging in Leadville, CO.
- Historically high occupancy

**Inn the Clouds Hostel & Inn** is a hospitality property featuring 14 rooms located in the heart of Leadville, CO. This well-established property offers tremendous potential for a new owner seeking to enter or expand their presence in the thriving hospitality industry.

This well-established property offers both dorm-style accommodations and private ensuite rooms catering to a wide range of travelers. Property is composed of two buildings total and resides on a sizable corner lot of over 10,000 SF.

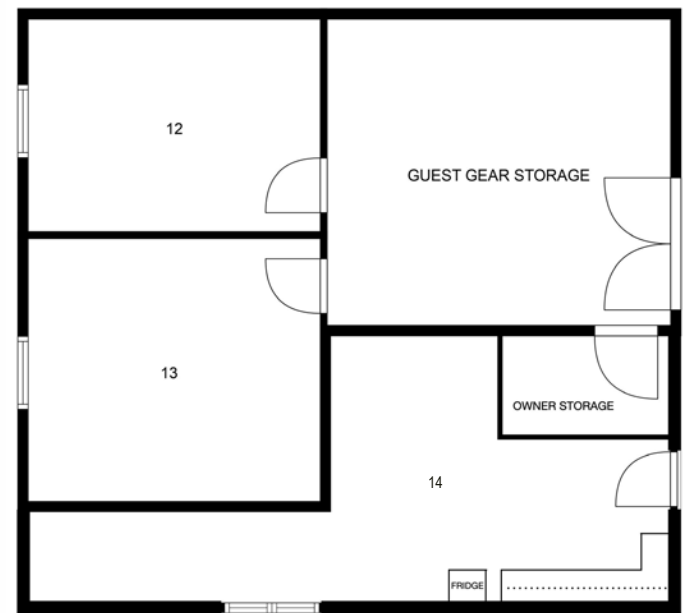
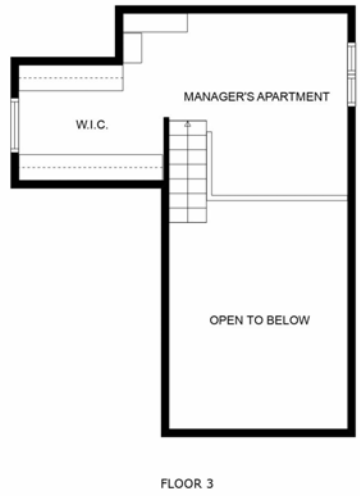
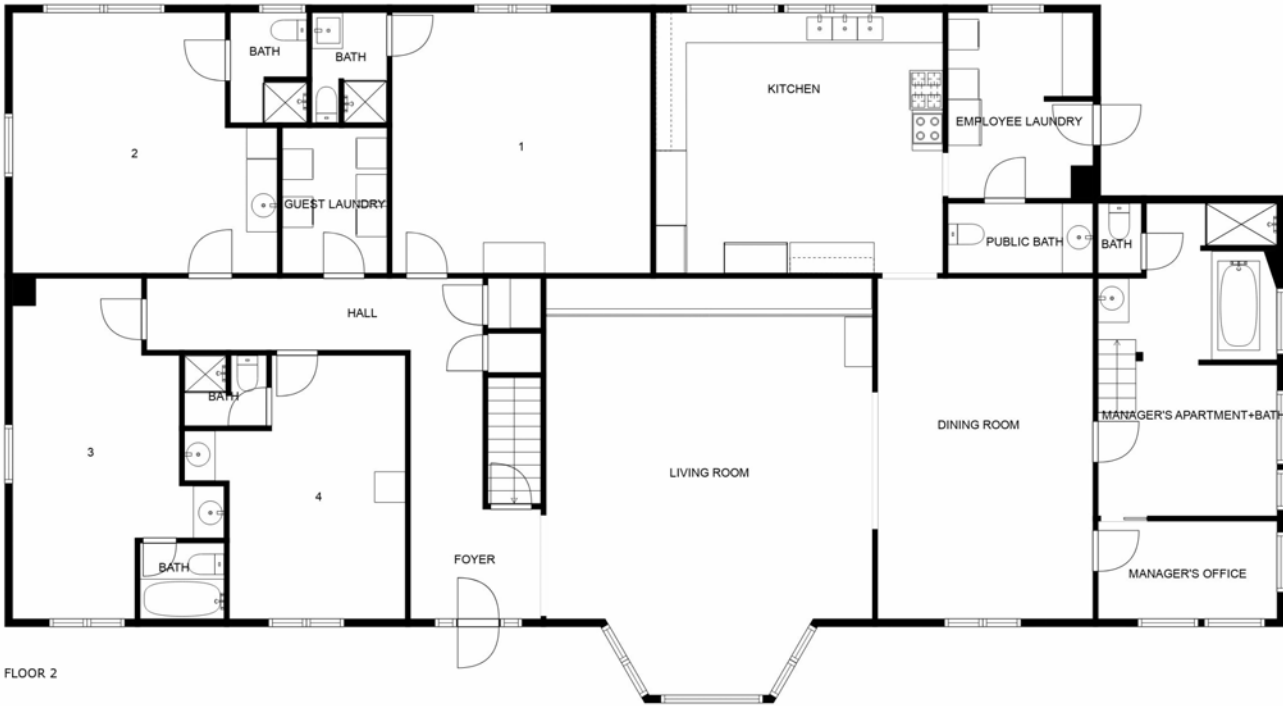
The main building houses 11 rooms and the second building houses 3 rooms. There are multiple common areas for guests to enjoy which include two family rooms, spacious kitchen, and dining room. There is a manager's office bordering the only apartment unit on site, which is currently used as the manager's living quarters. There is a coin-operated laundry room (2 washers & 2 dryers) for guests along with an employee laundry facility (1 washer & 1 dryer).

Heating is a mix of furnace and electric heat. The main building is heated by two furnaces, one of which is new. The second building is heated through electric. There is ample off-street parking surrounding the building.



# ROOM BREAKDOWN

ROOM BREAKDOWN				
ROOM #	BEDS	SLEEP COUNT	BATHROOM	LOCATION
1	5	10	Private	Building 1
2	4	8	Private	Building 1
3	2	4	Private	Building 1
4	3	4	Private	Building 1
5	1	2	Shared	Building 1
6	1	2	Shared	Building 1
7	1	2	Shared	Building 1
8	6	6	Shared	Building 1
9	8	8	Shared	Building 1
10	6	6	Shared	Building 1
11	4	4	Shared	Building 1
12	1	2	Shared	Building 2
13	1	2	Shared	Building 2
14	2	4	Shared	Building 2
<b>TOTAL</b>	<b>45</b>	<b>64</b>		









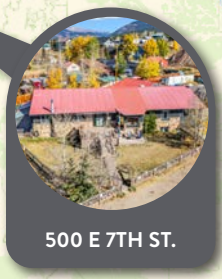
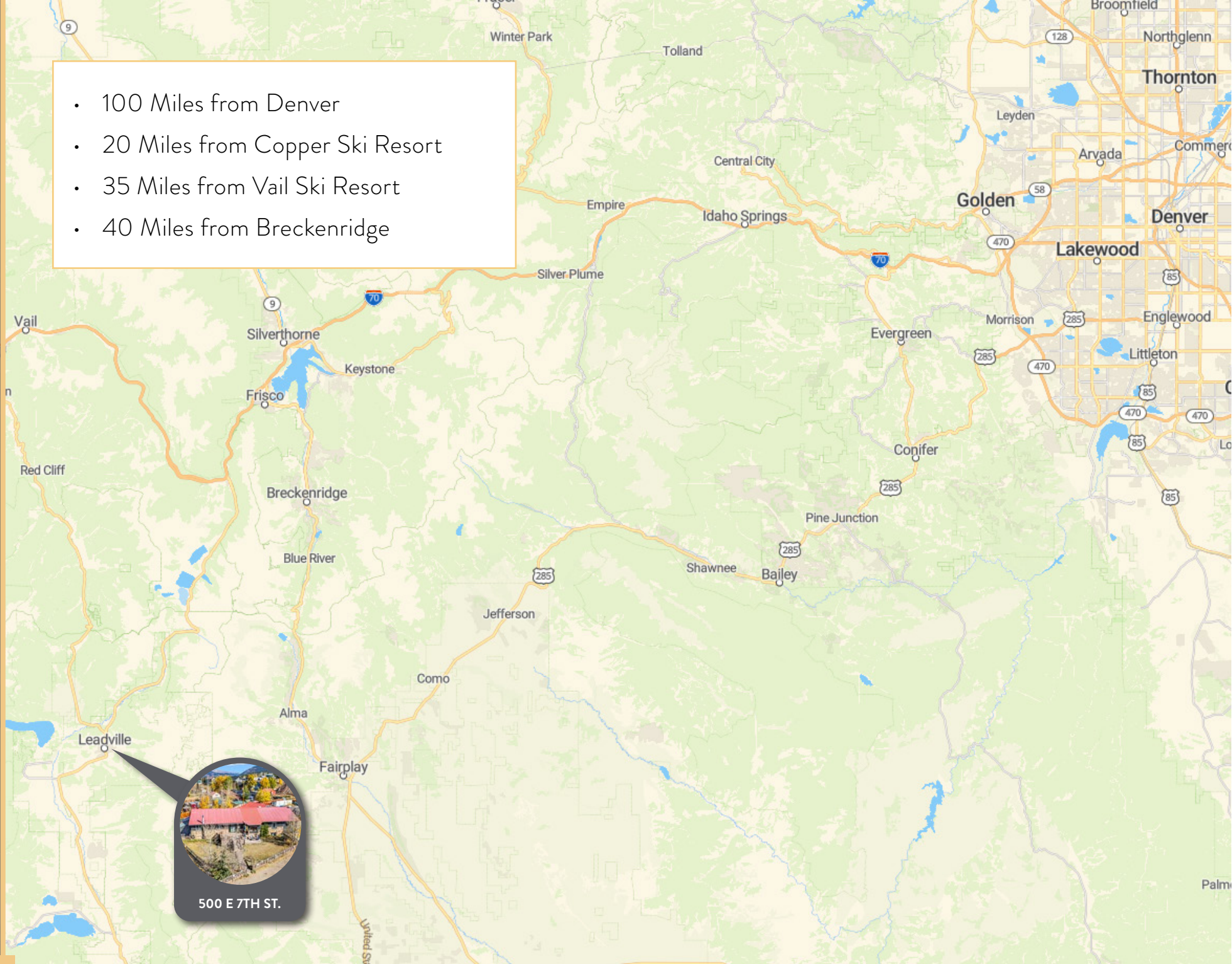


# LOCATION OVERVIEW



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- 100 Miles from Denver
- 20 Miles from Copper Ski Resort
- 35 Miles from Vail Ski Resort
- 40 Miles from Breckenridge



500 E 7TH ST.

# LEADVILLE HOSPITALITY MARKET

## SUMMARY

- Hotels: 7
- Total Rooms: 189

Source: CoStar



### Inn the Clouds Hostel & Inn #1

500 E 7th St  
Leadville, CO 80461

Rooms	14
Year Built	1970
Class	Economy
Operation Type	Independent



### Leadville Motor Lodge #2

1 Harrison Ave.  
Leadville, CO 80461

Rooms	14
Year Built	1931
Class	Economy
Operation Type	Independent



### Old Tale Inn #3

207 Elm St  
Leadville, CO 80461

Rooms	11
Year Built	1965
Class	Economy
Operation Type	Independent



### Timberline Motel #4

216 Harrison Ave  
Leadville, CO 80461

Rooms	15
Year Built	1953
Class	Economy
Operation Type	Independent



### Delaware Hotel #5

700 Harrison Ave.  
Leadville, CO 80461

Rooms	36
Year Built	1885
Class	Economy
Operation Type	Independent



### Columbine Inn & Suites #6

2019 N Poplar St  
Leadville, CO 80461

Rooms	41
Year Built	1998
Class	Economy
Operation Type	Independent



### Rodeway Inn Leadville #7

1128 Us Highway 24  
Leadville, CO 80461

Rooms	58
Year Built	1979
Class	Economy
Operation Type	Franchise



# INVESTMENT ANALYSIS



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# REVENUE & OCCUPANCY

GROSS REVENUE - FULL OWNERSHIP							
	2018	2019	2020	2021	2022	2023	2024
January	\$-	\$26,216.15	\$23,155.58	\$17,768.94	\$29,861.63	\$31,879.67	\$35,780.38
February	\$-	\$25,398.48	\$18,645.15	\$18,859.59	\$28,278.75	\$29,722.80	\$32,314.56
March	\$-	\$23,914.56	\$13,957.83	\$30,816.10	\$29,537.22	\$35,226.61	\$41,231.23
April	\$-	\$12,860.64	\$856.08	\$11,702.46	\$13,306.61	\$19,351.26	\$23,648.29
May	\$-	\$15,399.61	\$76.27	\$13,127.53	\$14,054.59	\$16,997.93	\$19,096.32
June	\$8,520.00	\$22,166.89	\$19,168.12	\$34,904.23	\$33,632.33	\$39,487.19	\$36,003.26
July	\$35,946.80	\$28,546.34	\$30,204.87	\$47,405.96	\$42,512.82	\$54,126.67	\$60,091.26
August	\$33,877.06	\$26,574.22	\$26,669.28	\$42,643.91	\$43,039.22	\$53,281.05	\$62,212.00
September	\$21,995.83	\$18,962.58	\$22,424.91	\$31,288.37	\$30,697.57	\$39,013.68	\$42,455.64
October	\$9,765.26	\$11,731.91	\$14,941.92	\$16,056.66	\$20,719.68	\$22,969.13	\$22,969.13
November	\$14,635.56	\$8,621.57	\$12,517.28	\$10,643.33	\$14,892.14	\$12,691.02	\$12,691.02
December	\$10,954.97	\$15,253.72	\$19,946.33	\$24,837.37	\$27,302.00	\$30,503.06	\$30,503.06
<b>TOTAL</b>	<b>\$135,695.48</b>	<b>\$235,646.67</b>	<b>\$202,563.62</b>	<b>\$300,054.45</b>	<b>\$327,834.56</b>	<b>\$385,250.07</b>	<b>\$418,996.15</b>

2023  
REVENUE

OCCUPANCY - 2023													
ROOM #	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEPT	OCT	NOV	DEC	AVG
Room 1	94%	86%	94%	57%	77%	97%	100%	97%	90%	58%	30%	68%	79%
Room 2	84%	79%	97%	50%	58%	97%	100%	100%	97%	71%	33%	65%	78%
Room 3	90%	96%	100%	70%	81%	100%	100%	100%	93%	68%	43%	68%	84%
Room 4	94%	100%	97%	70%	84%	77%	100%	97%	100%	55%	23%	68%	80%
Room 5	97%	96%	90%	67%	45%	93%	100%	100%	93%	68%	27%	84%	80%
Room 6	100%	96%	90%	80%	68%	97%	100%	100%	97%	87%	57%	87%	88%
Room 7	97%	96%	100%	80%	77%	100%	100%	97%	93%	100%	63%	90%	91%
Room 8	54%	61%	69%	36%	16%	59%	94%	83%	62%	26%	26%	53%	53%
Room 9	69%	66%	73%	43%	18%	56%	92%	83%	54%	26%	14%	42%	53%
Room 10	81%	61%	75%	39%	29%	74%	85%	81%	57%	31%	26%	63%	59%
Room 11	77%	86%	84%	60%	48%	67%	97%	87%	83%	74%	50%	55%	72%
Silver Rush 12	-	-	100%	57%	61%	93%	100%	94%	97%	55%	13%	81%	75%
Baby Doe 13	-	-	100%	53%	35%	90%	100%	94%	93%	77%	53%	61%	76%
14	-	-	-	-	70%	97%	100%	94%	97%	42%	23%	52%	72%
<b>AVG</b>	<b>85%</b>	<b>84%</b>	<b>90%</b>	<b>59%</b>	<b>55%</b>	<b>86%</b>	<b>98%</b>	<b>93%</b>	<b>86%</b>	<b>60%</b>	<b>34%</b>	<b>67%</b>	<b>74%</b>

2023	
Lodging	\$391,789
Gross Lodging Income	\$391,789
Cancellations (5.52%)	(\$21,629.85)
<b>Total Lodging Income</b>	<b>\$370,159</b>
<b>Other Income</b>	
Retail	\$1,681
Dog Fee	\$3,455
Vending Machines	\$614
Meals Service	\$5,337
Shuttle Service	\$903
Showers	\$3,102
<b>Other Income Total</b>	<b>\$15,091</b>
<b>Gross Rental Income</b>	<b>\$385,250</b>

EXPENSES		
	% ERI	TOTAL
Property Tax	3.1%	\$12,121
Insurance	3.6%	\$13,844
Gas/Electric	2.3%	\$9,029
Trash/Recycling	0.7%	\$2,800
Water/Sewer	1.0%	\$3,913
Internet/Cable	0.9%	\$3,509
Management	26.6%	\$102,310
Landscaping/Snow	0.6%	\$2,330
Supplies	2.7%	\$10,291
Repairs/Maint.	0.4%	\$1,421
Professional Fees	0.5%	\$1,953
<b>TOTAL EXPENSES</b>	<b>42%</b>	<b>\$163,521</b>
<b>NET OPERATING INCOME</b>		<b>\$221,729</b>

MARKET INCOME	
Lodging	\$427,500
Gross Lodging Income	\$427,500
Cancellations (5.52%)	(\$23,601.39)
<b>Total Lodging Income</b>	<b>\$403,899</b>
<b>Other Income</b>	
Retail	\$1,681
Dog Fee	\$3,455
Vending Machines	\$614
Meals Service	\$5,337
Shuttle Service	\$903
Showers	\$3,102
<b>Other Income Total</b>	<b>\$15,091</b>
<b>Gross Rental Income</b>	<b>\$418,990</b>

EXPENSES		
	% ERI	TOTAL
Property Tax	2.9%	\$12,121
Insurance	3.3%	\$13,844
Gas/Electric	2.2%	\$9,029
Trash	0.7%	\$2,800
Water/Sewer	0.9%	\$3,913
Internet/Cable	0.8%	\$3,509
Management (25%)	25.0%	\$104,747
Landscaping/Snow	0.6%	\$2,330
Supplies	2.5%	\$10,291
Repairs/Maint. (\$500/Room)	1.7%	\$7,000
Professional Fees	0.5%	\$2,000
<b>TOTAL EXPENSES</b>	<b>41%</b>	<b>\$171,584</b>
<b>NET OPERATING INCOME</b>		<b>\$247,406</b>

INVESTMENT SUMMARY	
List Price	\$1,500,000
Price/Room	\$107,143
Price / SF	\$198
Current Cap Rate	14.8%
Pro Forma Cap Rate	16.5%

FINANCING	
Loan Amount	\$975,000
Down Payment	\$525,000
Interest Rate	7.00%
Amortization	30 Years

- Seller will consider seller-financing
- Assumable SBA Loan:
  - **Loan Balance:** \$195,000
  - **Interest Rate:** 3.75%
  - **Term:** 27 Years

**UNDERWRITING ASSUMPTIONS/NOTES:**

- **Proforma Income:** September 30th, 2024 YTD Revenue + October – December 2023 Revenue (8.76% Increase)
- **Proforma Management Expense:** 25%
- **Proforma Repairs & Maintenance:** \$500/Room/Year

# DISCLOSURE AND CONFIDENTIALITY AGREEMENT

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This confidential Offering Memorandum has been prepared by NorthPeak Commercial Advisors, LLC (NorthPeak Commercial Advisors) 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. NorthPeak Commercial Advisors recommends you, as a potential buyer/investor, should perform your own independent examination and inspection of the property described herein as 500 E 7th St., Leadville, CO 80461 (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 NorthPeak Commercial Advisors or its brokers.

NorthPeak Commercial Advisors 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. NorthPeak Commercial Advisors 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 NorthPeak Commercial Advisors and the Owner of the Property. NorthPeak Commercial Advisors make no representation or warranty as to either the accuracy or completeness of the information contained herein. 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, NorthPeak Commercial Advisors and the Property Owner disclaim any responsibility or liability for any inaccuracies. Further, NorthPeak Commercial Advisors 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 written or oral communication transmitted or made available to you. NorthPeak Commercial Advisors shall make available to you, as a qualified prospective investor, additional information concerning the Property and an opportunity to inspect the Property upon written request.

This Offering Memorandum and its contents are intended to remain confidential except for such information which is in the public domain or is otherwise available to the public. By accepting this Offering Memorandum, you agree that you will hold and treat Offering Memorandum in the strictest confidence, that you will not photocopy, duplicate, or distribute it. You agree you will not disclose this Offering Memorandum or its contents to any other person or entity, except to outside advisors retained by you and from whom you have obtained an agreement of confidentiality, without the prior written authorization of NorthPeak Commercial Advisors. You agree that you will use the information in this Offering Memorandum for the sole purpose of evaluating your interest in the Property. If you determine you have no interest in the property, kindly return the Offering Memorandum to NorthPeak Commercial Advisors at your earliest convenience.



INVESTMENT ADVISOR:

**DAN HAWTHORNE**

Advisor

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