

# 717 OAK STREET

LAKEWOOD, CO 80215

**NI** THE NEWELL TEAM

Confidential Offering Memorandum



 **PINNACLE**  
REAL ESTATE ADVISORS



**THE NEWELL TEAM**

717 Oak Street  
Lakewood, CO 80215

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# EXECUTIVE SUMMARY





## 717 Oak Street

Lakewood, CO 80215

Units:	6
Year Built:	1961
List Price:	\$1,275,000
Price/Unit:	\$212,500
Price/SF:	\$254.69
Building Type:	Brick
Building Size:	5,006 SF
Lot Size:	0.29 Acres
Roof:	Pitched
Heating:	Hot Water Boiler
Parking:	6 Off-Street

### Property Features

- Great Unit Mix - Mostly 2Bd Units
- On-Site Laundry and Individual Storage Lockers
- Located in an Opportunity Zone on a Large Lot
- Near Oak Street & Federal Center Light Rail Stations
- Excellent Neighborhood Demographics: \$94k Average Household Income within 2 Mile Radius
- Great Location with Quick Access to 6th Avenue, Denver Federal Center, Belmar Shopping District and St. Anthony Hospital
- Can Be Purchased with 5275 W 1st Avenue & 1360 Zephyr Street

# 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	2	650	\$1,298	\$2,595	\$2.00	\$1,395	\$2,790	\$2.15
2 Bed 1 Bath	4	800	\$1,365	\$5,460	\$1.71	\$1,545	\$6,180	\$1.93
<b>TOTAL</b>	<b>6</b>	<b>4,500</b>		<b>\$8,055</b>			<b>\$8,970</b>	

## INCOME

		Current	Pro Forma
<b>Gross Potential Rent</b>		<b>\$96,660</b>	<b>\$107,640</b>
Other Income			
Utility Reimbursement	(Actual - Trailing 12 Months/ Estimated: \$135/Unit/Month)	\$8,402	\$9,720
Laundry Income	(Estimated: \$10/Unit/Month)	\$720	\$720
Late Fees/NSF	(Actual - Trailing 12 Months)	\$630	\$630
Miscellaneous Income	(Actual - Trailing 12 Months)	\$1,449	\$1,449
<b>Total Other Income</b>		<b>\$11,201</b>	<b>\$12,519</b>
<b>Gross Potential Income</b>		<b>\$107,861</b>	<b>\$120,159</b>
Vacancy/Collection Loss	(Actual - Trailing 12 Months/ Estimated) 2.51%	(\$2,708)	5.00% (\$6,008)
<b>EFFECTIVE GROSS INCOME</b>		<b>\$105,153</b>	<b>\$114,151</b>

## EXPENSES

Taxes	(Actual - 2024)	\$7,742	\$7,742
Insurance	(Actual - 2024)	\$5,040	\$5,040
Gas & Electric	(Actual - Trailing 12 Months)	\$3,455	\$3,455
Water & Sewer	(Actual - Trailing 12 Months)	\$2,383	\$2,383
Trash	(Actual - Trailing 12 Months)	\$1,319	\$1,319
Maintenance & Repairs	(Actual - Trailing 12 Months/ Estimated: \$600/Unit/Year)	\$2,472	\$3,600
Snow Removal/Landscaping	(Actual - Trailing 12 Months)	\$2,816	\$2,816
Management Fee	(Actual - Trailing 12 Months/ Estimated: 6%)	\$4,017	\$6,849
Administrative	(Actual - Trailing 12 Months)	\$1,567	\$1,567
<b>TOTAL EXPENSES</b>		<b>\$30,811</b>	<b>\$34,771</b>
Expenses per Unit		\$5,135	\$5,795
Expenses per SF		\$6.85	\$7.73
% OF EGI		29.3%	30.5%
<b>NET OPERATING INCOME</b>		<b>\$74,342</b>	<b>\$79,380</b>

# Pricing Analysis



## Investment Summary

Price:	\$1,275,000
Price/Unit:	\$212,500
Price/SF:	\$254.69
Current CAP Rate:	5.83%

## Proposed Financing

Loan Amount:	66%	\$840,000
Down Payment:	34%	\$435,000
Interest:	6.15%	
Amortization:	30 Years	
Monthly Payment:		(\$5,118)

## Current

### CASH FLOW INDICATORS

Net Operating Income		\$74,342
Debt Service		(\$61,410)
Net Cash Flow	2.97%	\$12,932
Principal Reduction		\$10,030
Total Return	5.28%	\$22,962

### VALUE INDICATORS

CAP Rate	5.83%
Price Per Unit	\$212,500
Price Per Foot	\$254.69

## Pro Forma

### CASH FLOW INDICATORS

Net Operating Income		\$79,380
Debt Service		(\$61,410)
Net Cash Flow	4.13%	\$17,970
Principal Reduction		\$10,030
Total Return	6.44%	\$28,000

### VALUE INDICATORS

CAP Rate	6.23%
Price Per Unit	\$212,500
Price Per Foot	\$254.69





<b>717 Oak Street</b> 717 Oak Street Lakewood, CO 80215		<b>Conventional Debt Guidance</b> 	
<b>Terms</b>		<b>Bank or Credit Union Option</b>	
<b>Estimated Loan Amount</b>		\$840,000 to \$860,000	
<b>Loan Term</b>		5-year term	
<b>Amortization</b>		25-years to 30-years available	
<b>Interest Only Period</b>		1 to 2 years	
<b>Estimated Rate</b>		6.15% to 6.35%	
<b>Fixed or Floating</b>		Fixed	
<b>Index</b>		5-year UST	
<b>Quoted Spread over Index</b>		225 bps	
<b>Rate Lock</b>		Lender dependent: Lock or float available	
<b>Prepayment</b>		Stepdown prepay structure 0% also available	
<b>LTV Constraint Max</b>		75.00%	
<b>DCR Constraint Min</b>		1.25x	
<b>Recourse</b>		Full Recourse	
<b>Origination Fee</b>		Standard Loan Brokerage / Origination Fee	
<b>Comments</b>			
		More proceeds and better rate may be available depending on borrower/lender relationship. Lender may entertain a rate buydown	
		Above quote is debt service coverage constrained to a 1.25x ratio. As noted above, more aggressive underwriting is possible depending on sponsor and business plan, among other things. Agency Option not available due to small loan size (minimum Agency execution \$1MM)	
<b>For additional inquiries, please contact:</b> Patrick O'Malley Senior Vice President, Debt & Equity <a href="mailto:pomalley@northmarq.com">pomalley@northmarq.com</a> 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

**6650 W 46th Place  
Wheat Ridge, CO**

2



Number of Units:	5
Year Built:	1960
Sale Price:	\$1,100,000
Sale Date:	03/19/2024
Price/Unit:	\$220,000
Price/SF:	\$267.38

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

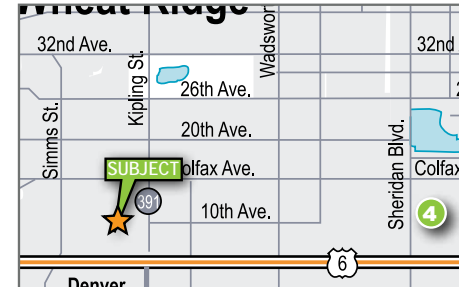
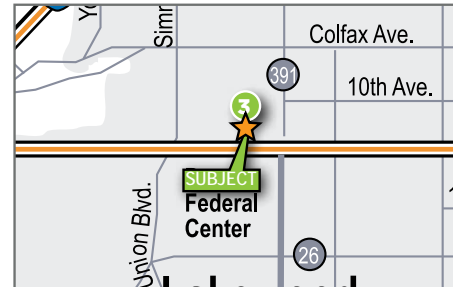
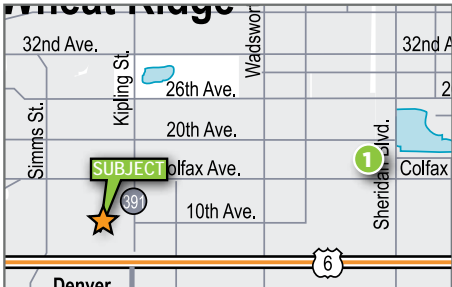
**4851 W 11th Avenue  
Denver, CO**

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



## POPULATION

2 mile	47,573
5 mile	288,979
10 mile	1,107,609



## HOUSEHOLDS

2 mile	20,775
5 mile	121,926
10 mile	445,062



## AVERAGE HH INCOME

2 mile	\$93,987
5 mile	\$102,818
10 mile	\$111,360

# 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



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 717 Oak Street 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.

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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