10188
EAST FRONTAGE

CO I 80504

DRAW TALENT FROM DENVER, BOULDER, AND FORT COLLINS

CBRE

OFFERING MEMORANDUM

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01 EXECUTIVE SUMMARY

10188 EAST FRONTAGE

EXECUTIVE SUMMARY

TWO STORY PRISTINE OFFICE BUILDING IN CENTRAL FRONT RANGE LOCATION.

Excellent opportunity to own this pristine two level, 41,661 SF office building with I-25 frontage at central location point between Denver, Boulder and Fort Collins. Current owner is relocating and has beautifully maintained and updated the property. Property is sprinkled, serviced by elevator, three staircases and features private perimeter offices as well as some open space. There is a large divisible training room and break room/kitchens on each level. Several conference rooms allow for small and large meetings and multiple copy/work rooms can also afford for a multiple tenant building if next owner does not need entire space. Large open air patio with removable canopy is a wonderful building amenity.

- Built in 2010
- Two story elevator serviced office building
- Two kitchens/ break rooms
- Large training room
- Large outdoor canopied patio
- Perimeter private offices
- Conference room with retractable wall
- Two large stairwells at either end of the building
- Priced at $5,999,500 ($144/SF)
- Excellent Signage & Visibility from I-25
- Easily multi-tenanted
- Multiple conference rooms
- Sprinklered
- Ample surface parking (resurfaced 2019)

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02 PROPERTY DESCRIPTION

10188
EAST FRONTAGE

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PROPERTY DESCRIPTION

Constructed in 2010 and LEED certified Silver, 10188 E I-25 Frontage Rd. offers attractive design and quality construction in an area with limited new, quality product available. Originally designed and constructed for an owner-occupant, the property has been impeccably maintained since completion by the current owner-occupant. With a nearly 3.4/1,000 parking ratio, this Class A value owner-user investment is an incredible opportunity for an owner-occupant trying to enter the supply constrained Longmont/ Firestone office market at less than half the replacement value.

An owner-user can immediately occupy and use the space for office. The two story Class A building is quality steel frame construction with a stucco facade. The building features massive windows providing abundant natural light to the central core of the building. The first floor includes a central common area with a large conference/training room and break room/ kitchenette. The second floor is built out as office with another breakroom/ kitchenette. There is excellent ceiling height throughout the building. The building is surrounded by well-manicured landscaping and a designated 2,200 SF outdoor area, creating an attractive natural setting. The property is located directly off the E I-25 Frontage Rd. The top floor of the subject property offers dramatic Front Range views. The building is serviced by one Schindler Group Otis elevator in addition to three stairwells – one at the end of each wing and another just off the main entrance.

PROPERTY ADDRESS
10188 E I-25 Frontage Rd.

PRICE
$5,999,500

YEAR BUILT
2010

CONSTRUCTION TYPE
Steel Frame with Stucco Exterior

BUILDING CLASS
A

TOTAL BUILDING AREA
41,661 SF

NUMBER OF BUILDINGS
1

FLOORS
2

ELEVATORS
1

ZONING
PUD EC/RC
(Employment Center – Regional Commercial)

PARKING
3.36/1000 (140 Surface Parking Spots)

LAND AREA
2.86 Acres (124,586 SF)

STRUCTURAL
Structural Steel Frame with stucco exterior

CELLINGS
Suspended acoustical tile

ADA COMPLAINT
All common areas of the property have accessibility

ELEVATOR
Schindler Elevator Corporation, annually inspected, installed in 2010

FIRE & SAFETY
Fully sprinklered building with monitored fire safety and alarm systems

HVAC
Two Roof Top Units, Sanyo Air Conditioner, 2 Leibert Computer Room AC Units and Building Automation System, all serviced quarterly by WESTCO Systems Inc.

SIGNAGE
Building and Monument signage

RESTROOMS
Men's and Women's four stall, triple lavatory restrooms on each level

LIGHTING
Entire building on LED lighting (creating 30% savings in annual utility costs)

LEGAL DESCRIPTION
L1 FLATIRON PUD II 1ST AMD

PARCEL
131311303001 Weld County, Colorado

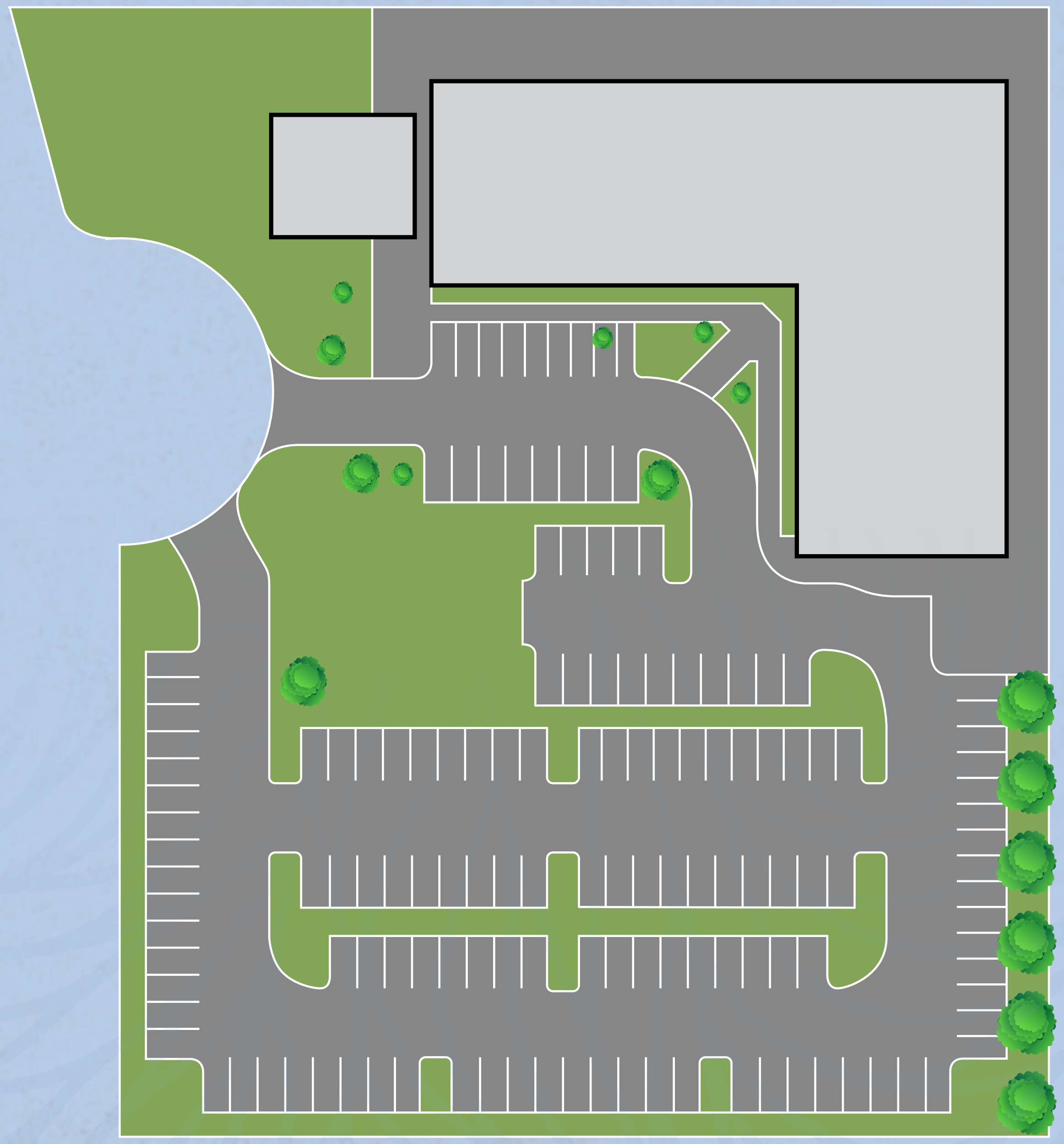
ZONED
PUD EC/RC
(Employment Center – Regional Commercial)

Visible from I-25 and offering an incredible signage opportunity for any business, this property is centrally located to attract talented employees from three thriving cities in central Colorado which all have excellent higher education graduates.

FIRESTONE GROWTH

Firestone City Centre's 32-acre expansion is expected to deliver by the end of the year with 12 new outparcels, retail, restaurants, and entertainment. Two additional development include Firestone Junction - a 300-unit apartment community within Firestone City Centre breaking ground June 2023 - and Barefoot Lakes - a 2,000 home community within walking distance that is about a third the way through development as of May 2023.

SITE PLAN



FLOOR PLAN
1ST FLOOR

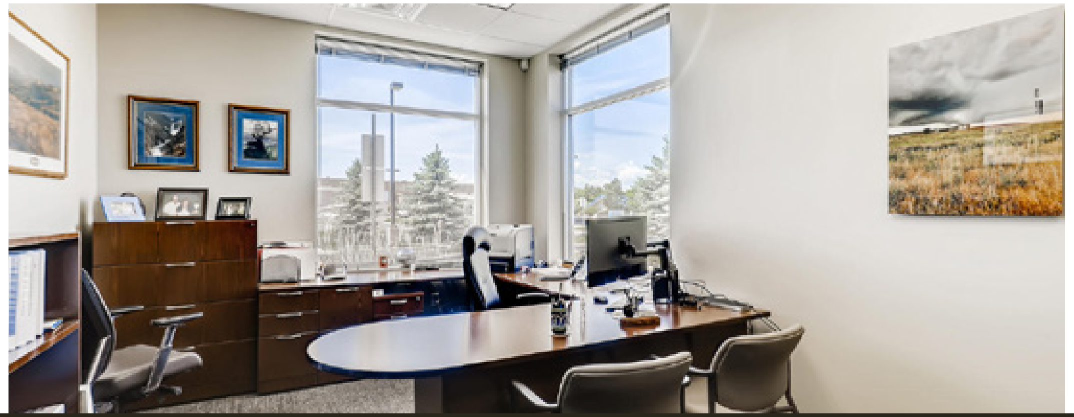
FLOOR PLAN
2ND FLOOR










03 MARKET OVERVIEW

10188 EAST FRONTAGE

MARKET OVERVIEW

Inventory SF		Under Construction SF		12 MO Net Absorption		Vacancy Rate	
3.5M	+0%	3.5M	-	64.6K	-79.4%	10.3%	-79.4%
Prior Period 3.5M		Prior Period 0		Prior Period (36K)		Prior Period 8.4%	

Market Rent/SF		Market Sale Price/SF		Market Cap Rate	
$23.79	+0%	213$	+1.2%	7.3%	+0.1%
Prior Period $23.74		Prior Period $211		Prior Period 7.2%	

The Class A Longmont/Firestone office market has become a destination for national tenants on the north side of Metro Denver. Its access to the broad talent base of North Denver, Longmont, Boulder and Ft. Collins has led developers, users and owners to invest in the market. The Longmont/Firestone office market is historically characterized by high and stable occupancy rates, strong net absorption and limited numbers of large blocks of available space, all of which contribute to significant increases in rental rates in strong economic times. Most consider the Longmont/Firestone office market to be a rare combination of excellent access to the talent bases of Colorado's two largest Universities, with CU Boulder and Colorado State University minutes away, but also a rare area that has quick access to Denver International Airport. 10188 E I-25 Frontage Rd. is located within the Firestone/Longmont office market that reported a direct vacancy rate of 9.6% at the end of the first quarter 2020 with an average rental rate of $22.63 per square foot annually (full service gross) for all space. The submarket has seen steady rental growth in the past 5 years increasing on an average annual basis by 6.2% from the end of Q1 2015 to the end of Q1 2020. The City of Firestone and Longmont are stable communities located 30 miles north of Downtown Denver. The subject property is easily accessible from I-25 at the Longmont/Firestone CO 119 Exit. The communities include abundant housing options with access to numerous major amenity centers including The Promenade Shops at Centerra minutes North and Denver Premium Outlets minutes South on I-25.

Key Metrics

Availability	
Vacant SF	358K
Sublet SF	22.9K
Availability Rate	11.5%
Available SF	398K
Available Asking Rent/SF	$22.76
Occupancy Rate	89.7%
Percent Leased Rate	91.4%

Sales Past Year	
Asking Price Per SF	$187
Sale to Asking Price Differential	-6.8%
Sales Volume	$36.3M
Properties Sold	26
Months to Sale	7.3
For Sale Listings	23
Total For Sale SF	70.2K

Inventory	
Existing Buildings	307
Under Construction Avg SF	-
12 Mo Demolished SF	0
12 Mo Occupancy % at Delivery	-
12 Mo Construction Starts SF	0
12 Mo Delivered SF	0
12 Mo Avg Delivered SF	-

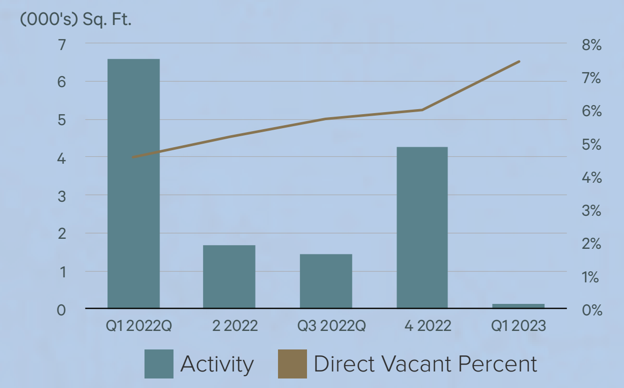
Demand	
12 Mo Net Absorp % of Inventory	-1.9%
12 Mo Leased SF	117K
Months on Market	5.9
Months to Lease	0.3
Months Vacant	0.7
24 Mo Lease Renewal Rate	62.5%
Population Growth 5 Yrs	3.2%

LONGMONT OFFICE OVERVIEW

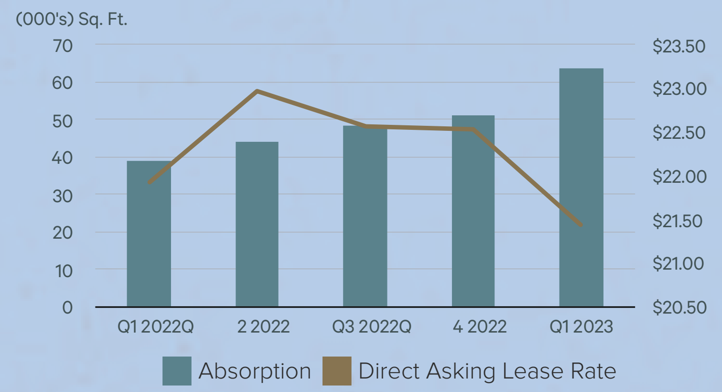
ANNUAL STATS	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
# of Buildings	44	44	44	42	40	40	38	38	38	38
Total NRA	974,909	974,909	974,909	929,909	898,549	898,549	847,597	850,557	850,557	850,557
Under Construction SF	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0
Direct Vacant %	8.0%	10.7%	10.1%	16.2%	6.0%	4.5%	4.8%	4.3%	6.0%	7.5%
Total Available SF	87,115	186,630	148,756	179,509	111,232	67,433	68,871	56,259	86,559	93,392
Sublease Available SF	N/A	4,733	3,891	6,825	3,891	N/A	4,613	8,628	12,489	7,883
YTD Change in Avail.	(14,786)	99,515	(37,874)	30,753	(68,277)	(43,799)	1,438	(16,543)	30,299	6,833
Direct Asking Lease Rate (FSG)	$17.07	$15.35	$16.89	$18.60	$21.15	$21.09	$20.63	$20.72	$22.52	$21.44
Net Absorption SF	(5,402)	(27,025)	5,909	(51,651)	96,663	13,585	(4,046)	7,647	(9,030)	(12,426)

	Q1 2022	Q2 2022	Q3 2022	Q4 2022	Q1 2023
Total NRA	898,549	898,549	898,549	898,549	935,425
Total NRA	850,557	850,557	850,557	850,557	850,557
Under Construction SF	N/A	N/A	N/A	N/A	N/A
Direct Vacant %	4.6%	5.2%	5.7%	6.0%	7.5%
Sublease Vacant %	0.0%	0.3%	0.3%	0.7%	0.4%
Direct Available %	5.7%	6.8%	8.3%	8.7%	10.1%
Sublease Available %	0.8%	1.1%	1.1%	1.5%	0.9%
Sublease Available SF	6,802	9,339	9,339	12,489	7,883
Net Absorption SF	3,241	(5,244)	(4,516)	(2,511)	(12,426)
Direct Asking Lease Rate (FSG)	$21.93	$22.96	$22.56	$22.52	$21.44

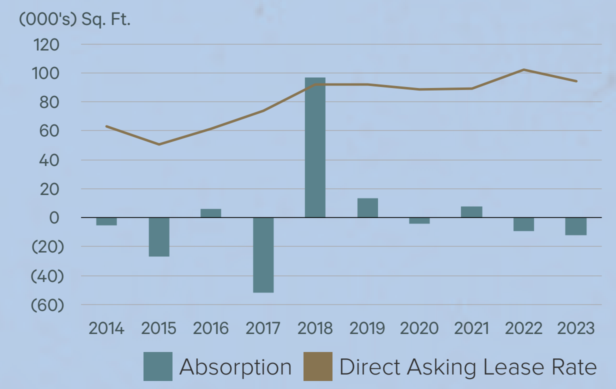
ACTIVITY VS. DIRECT VACANT PERCENT



ABSORPTION VS. DIRECT ASKING LEASE RATE



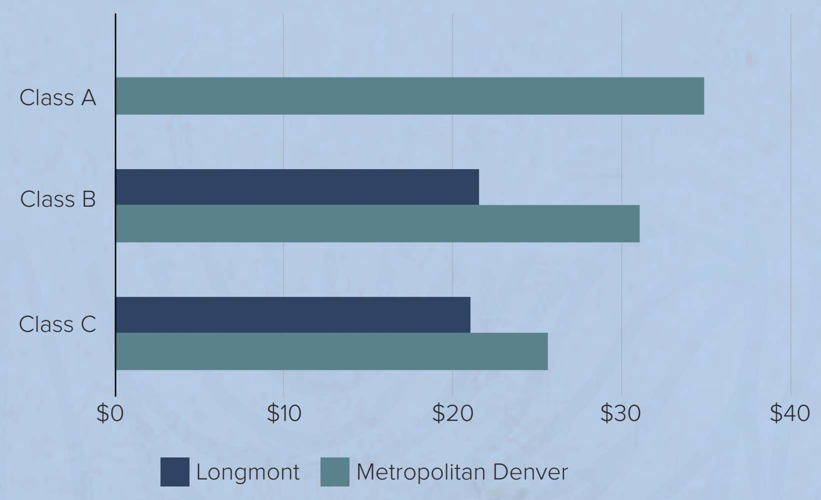
ABSORPTION VS. DIRECT ASKING LEASE RATE



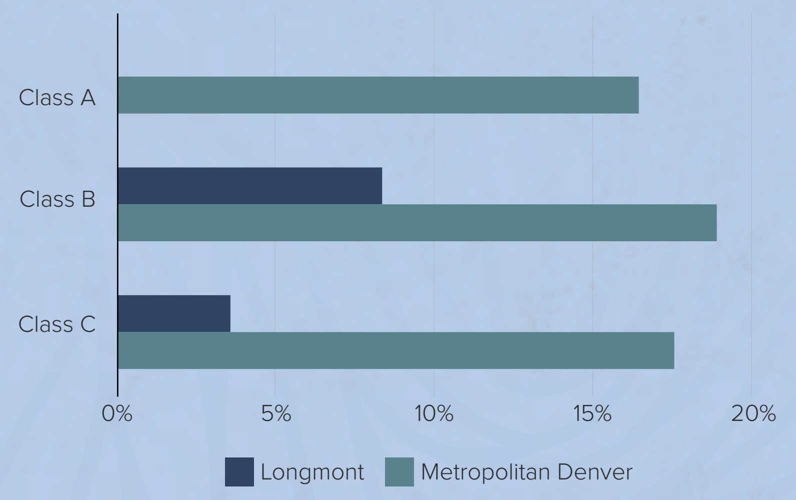
CLASS STATISTICS	NET RENTABLE AREA	DIRECT ASKING LEASE RATES	DIRECT VACANCY
Metropolitan Denver	118,278,463	$28.82	11.6%
Class A	51,124,084	$31.84	10.3%
Class B	52,900,502	$27.47	12.7%
Class C	14,253,877	$23.60	12.3%
Longmont	935,425	$21.68	2.6%
Class A	N/A	N/A	#DIV/0!
Class B	781,124	$21.24	2.5%
Class C	154,301	$25.36	3.1%

TRENDS AT A GLANCE*	YEAR OVER YEAR	QUARTER OVER QUARTER
Construction	—	—
Vacancy	↓	↓
Absorption	↑	↑
Lease Rates	↑	↑
Activity	↑	↑

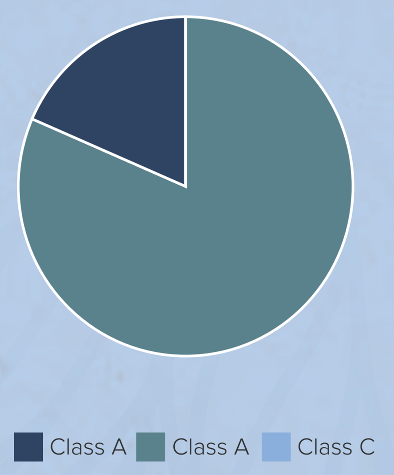
DIRECT ASKING LEASE RATES



DIRECT VACANCY



LONGMONT NRA BY CLASS



Metro Denver's office market started the first quarter of the year with steady fundamentals. Positive net absorption of 415,355 sq. ft. was recorded in Q1 2020, as occupancy of leased spaced in existing Class A and B buildings drove activity in the metro Denver area. Direct vacancy decreased by 49 basis points (bps) year-over-year to 11.6% in Q1 2020, a mere 2 bps increase over Q4 2019. The average direct asking lease rate this quarter was $28.82 per sq. ft. full service gross (FSG), a 1.6% increase on the year and up $0.20 from the previous quarter. Development activity rose 22.5% quarter-over-quarter to 3.7 million sq. ft. Three new projects broke ground in Q1 2020, adding 564,000 sq. ft. to metro Denver's office construction pipeline. Investment sales totaled $827.9 million this quarter, a 58.0% increase from Q4 2019.

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Your receipt of this Memorandum constitutes your acknowledgement that (i) it is a confidential Memorandum solely for your limited use and benefit in determining whether you desire to express further interest in the acquisition of the Property, (ii) you will hold it in the strictest confidence, (iii) you will not disclose it or its contents to any third party without the prior written authorization of the owner of the Property ("Owner") or CBRE, Inc., and (iv) you will not use any part of this Memorandum in any manner detrimental to the Owner or CBRE, Inc.

If after reviewing this Memorandum, you have no further interest in purchasing the Property, kindly return it to CBRE, Inc.

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The Owner expressly reserves the right, at its sole discretion, to reject any or all expressions of interest or offers to purchase the Property, and/or to terminate discussions at any time with or without notice to you. All offers, counteroffers, and negotiations shall be non-binding and neither CBRE, Inc. nor the Owner shall have any legal commitment or obligation except as set forth in a fully executed, definitive purchase and sale agreement delivered by the Owner.

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