

OFFERING MEMORANDUM

**3 1 3 1**

**W. 19<sup>TH</sup> AVENUE  
DENVER, CO 80204**



VALUE-ADD INVESTMENT OR REDEVELOPMENT OPPORTUNITY | FULLY OCCUPIED UNITS

EXCLUSIVELY LISTED BY

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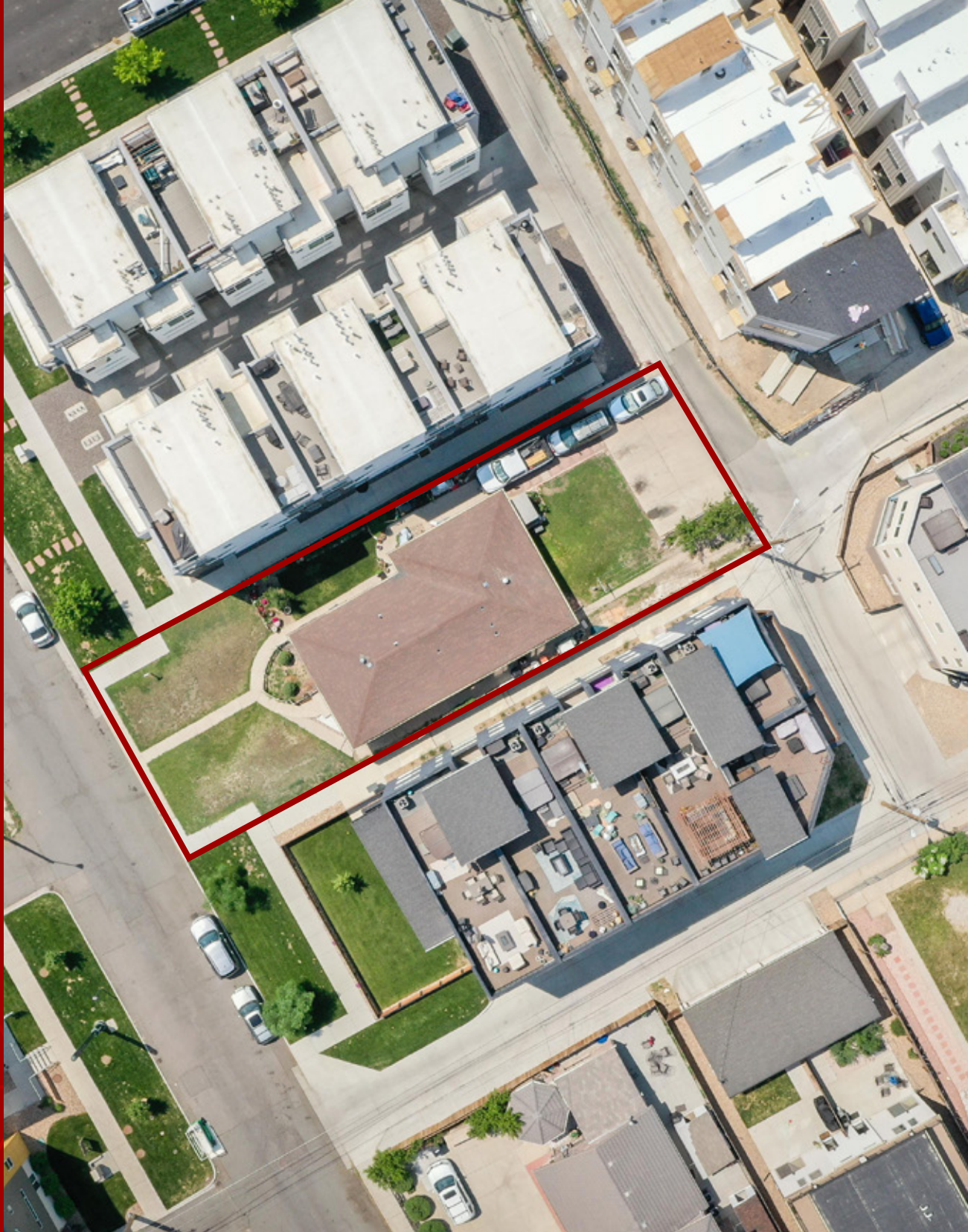
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# Offering Summary

# 3 1 3 1

W. 19<sup>TH</sup> AVENUE  
DENVER, CO 80204

**FOUR-UNIT MULTIFAMILY  
VALUE- ADD OR  
REDEVELOPMENT  
OPPORTUNITY**

## THE OFFERING

Location, Location, Location! 3131 W. 19<sup>th</sup> Avenue, Denver, Colorado 80204, is an excellent value-add investment or redevelopment opportunity. New construction row homes and condos surround this entire neighborhood, and this is an ideal property to collect rental income while waiting to develop for future use. This property has four fully occupied units with month-to-month tenants, each consisting of 2 bedroom / 1 bathroom units. With a 6,500-square-foot lot zoned G-MU-3, the possibilities are endless. The property features a large backyard and seven off-street parking spaces. 19<sup>th</sup> and Grove is just minutes from Empower field, Jefferson Park, Children's Museum, and I-70 & I-25 Fwy. The

*Note: Buyer and Buyers agent are responsible for due diligence and verifying zoning, use, square footage, etc. You don't want to miss this fantastic opportunity.*





## INVESTMENT HIGHLIGHTS

- 📍 Minutes from Downtown Denver
- 📍 Easy access to I-70 and I-25 Fwy
- 📍 ±6,500 Sq. Ft. Lot w/ Zoning G-MU-3
- 📍 Four Rented (2b/1b) Units
- 📍 Seven Parking Spaces

## PROPERTY DESCRIPTION



## PROPERTY CHARACTERISTICS

|                        |                                 |
|------------------------|---------------------------------|
| Street Address         | 3131 W. 19 <sup>th</sup> Avenue |
| City , State, Zip Code | Denver, Colorado, 80204         |
| County                 | Denver                          |
| Building Size          | ±3,136 SF                       |
| Lot Size               | ±6,500 SF                       |
| Units                  | 2                               |
| Zoning                 | G-MU-3                          |
| APN                    | 02323-02-004-000                |
| Year Built / Renovated | 1958                            |

## FINANCIAL OVERVIEW

|                    |                    |
|--------------------|--------------------|
| <b>Sales Price</b> | <b>\$1,100,000</b> |
| Current Cap Rate   | 3.99%              |
| Current GRM        | 17.97              |
| Price/Unit         | \$275,000          |
| Price/SF           | \$350.77           |
| Pro Forma Cap Rate | 8.05%              |
| Pro Forma GRM      | 10.07              |

EXTERIOR PHOTOS





3 1 3 1

W. 19<sup>TH</sup> AVENUE  
DENVER, CO 80204



# Financial Analysis

An aerial photograph of a modern residential development, likely a multi-unit housing project. The buildings are multi-story, with a mix of light-colored (white, grey) and dark-colored (dark blue, black) facades. They are arranged in a grid-like pattern along a central street. The surrounding area includes green spaces, trees, and other residential buildings. In the background, a river and distant mountains are visible under a clear sky. A semi-transparent hexagonal grid pattern is overlaid on the entire image, creating a geometric design element.

## RENT ROLL

| UNIT NUMBER  | UNIT MIX       | SQ. FT.      | CURRENT        | PRO FORMA      |
|--------------|----------------|--------------|----------------|----------------|
| 3131         | 2 Bed / 1 Bath | 784          | \$1,500        | \$2,400        |
| 3132         | 2 Bed / 1 Bath | 784          | \$1,100        | \$2,400        |
| 3133         | 2 Bed / 1 Bath | 784          | \$1,500        | \$2,150        |
| 3134         | 2 Bed / 1 Bath | 784          | \$1,000        | \$2,150        |
| <b>TOTAL</b> |                | <b>3,136</b> | <b>\$5,100</b> | <b>\$9,100</b> |

## PRICING ANALYSIS

|                        |            |                    |
|------------------------|------------|--------------------|
| <b>PRICE</b>           |            | <b>\$1,100,000</b> |
| <b>DOWN PAYMENT</b>    | <b>20%</b> | <b>\$220,000</b>   |
| Number of Units        |            | 2                  |
| Price Per Unit         |            | \$275,000          |
| Price Per SF           |            | \$350.77           |
| Lot Size               |            | ±6,500 SF          |
| Year Built / Renovated |            | 1958               |

|                |                |                  |
|----------------|----------------|------------------|
| <b>RETURNS</b> | <b>CURRENT</b> | <b>PRO FORMA</b> |
| Cap Rate       | 3.99%          | 8.05%            |
| GRM            | 17.97          | 10.07            |

## RENT ROLL AVERAGES

| UNITS | UNIT TYPE      | SQ. FT. | CURRENT RENT | \$/SF  | PRO FORMA RENT | \$/SF  |
|-------|----------------|---------|--------------|--------|----------------|--------|
| 4     | 2 Bed / 1 Bath | 784     | \$1,275      | \$1.63 | \$2,275        | \$2.90 |






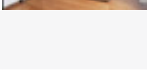
## OPERATING DATA

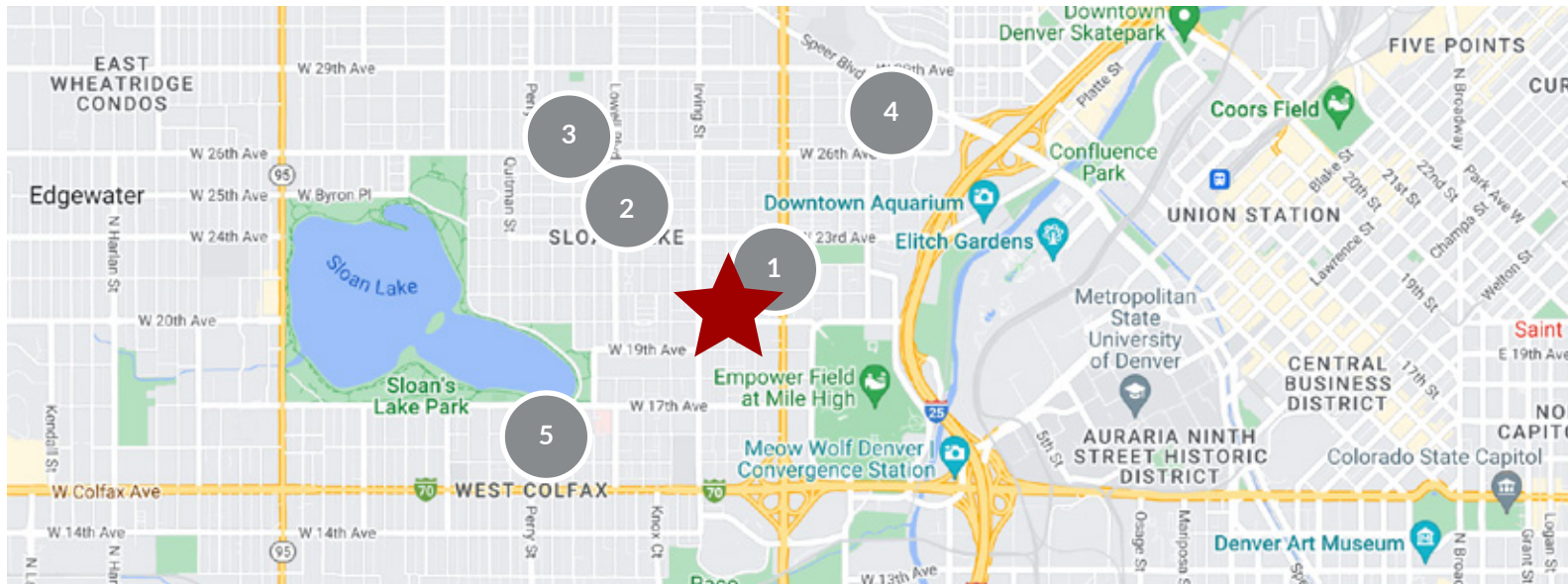
| INCOME                              |         | PER UNIT | CURRENT         | PRO FORMA       |
|-------------------------------------|---------|----------|-----------------|-----------------|
| <b>Scheduled Gross Income (SGI)</b> |         |          | \$61,200        | \$109,200       |
| Vacancy                             | (3.00%) |          | (\$1,836)       | (\$3,276)       |
| Gross Operating Income (GOI)        |         |          | \$59,364        | \$105,924       |
| EXPENSES                            |         |          |                 |                 |
| Property Tax 495                    | (0.55%) | \$1,513  | \$6,050         | \$6,050         |
| Insurance                           |         | \$2,500  | \$2,500         | \$2,500         |
| Utilities                           |         | \$300    | \$1,200         | \$1,200         |
| Off-Site Management                 | (4.00%) | \$594    | \$2,375         | \$4,237         |
| Landscape                           |         | \$150    | \$600           | \$600           |
| License and Fees                    |         | \$125    | \$500           | \$500           |
| Repairs and Maintenance             |         | \$313    | \$1,250         | \$1,250         |
| Replacement Reserves                |         | \$250    | \$1,000         | \$1,000         |
| <b>TOTAL EXPENSES</b>               |         |          | <b>\$15,475</b> | <b>\$17,337</b> |
| Per Unit                            |         |          | \$3,869         | \$4,334         |
| Per SF                              |         |          | \$4.93          | \$5.53          |
| % of SGI                            |         |          | 26.07%          | 16.37%          |
| <b>Net Operating Income</b>         |         |          | <b>\$43,889</b> | <b>\$88,587</b> |

## FINANCIAL SUMMARY

| <b>FINANCIAL SUMMARY</b>  | <b>CURRENT</b> | <b>PRO FORMA</b> |
|---------------------------|----------------|------------------|
| Debt Service              | (\$59,959)     | (\$59,959)       |
| Projected Net Cash Flow   | (\$16,069)     | \$28,629         |
| Cash-on-Cash Return       | -7.30%         | 13.01%           |
| Debt Service Coverage     | 0.73           | 1.48             |
| Principal Reduction       | \$11,854       | \$11,854         |
| Total Return (\$)         | (\$4,215)      | \$40,483         |
| Total Return (%)          | -1.92%         | 18.40%           |
| <b>PROPOSED FINANCING</b> |                |                  |
| Loan Amount               | \$880,000      |                  |
| Down Payment              | \$220,000      |                  |
| Interest Rate             | 5.50%          |                  |
| Monthly Payment           | (\$4,997)      |                  |
| Loan-to-Value             | 80%            |                  |
| Amortization (Years)      | 30             |                  |
| Proposed/Existing         | Proposed       |                  |

# RENT COMPARABLES

|                     | ADDRESS   | ZIP CODE | SQ. FT. | UNITS TYPE     | RENT           |
|---------------------|---|----------|---------|----------------|----------------|
| S                   |  3131 W. 19 <sup>th</sup> Avenue | 80204    | 784     | 2 Bed / 1 Bath | \$1,275        |
| 1                   |  2046 Grove Street               | 80211    | 729     | 2 Bed / 1 Bath | \$2,380        |
| 2                   |  2324 Lowell Boulevard           | 80211    | 697     | 2 Bed / 2 Bath | \$2,200        |
| 3                   |  3821 W. 25 <sup>th</sup> Avenue | 80211    | 800     | 2 Bed / 2 Bath | \$2,500        |
| 4                   |  2633 Bryant Street              | 80211    | 920     | 2 Bed / 1 Bath | \$2,550        |
| 5                   |  3916 W. Conejos Place           | 80204    | 729     | 2 Bed / 1 Bath | \$2,300        |
| <b>Average Rent</b> |   |          |         |                | <b>\$2,386</b> |



# Market Overview



# DENVER,

## COLORADO

Overview

Nicknamed the Mile-High City for its 5280-foot elevation, one mile above sea level. Denver's location can be described as "city mountain west," combining the best of urban excitement, the great outdoors, and western independence. With its proximity to the Rocky Mountains and 300 days of sun per year, it is known as a hiker's paradise, with dozens of challenging trails within a 30-mile radius of the city, in addition to offering downhill skiing during the winter. Offering more than 5,000 acres of parks, trails, golf courses, and playgrounds is usually enough to start winning people over.

The Denver area is growing in population much faster than most of the country, increasing by 20% from 2010 to 2018. It's no wonder; it rates as the second-best place to live in the United States, according to U.S. News & World Report. Offering good nightlife, including over 100 local and national breweries in the Denver metro area, including Coors and New Belgium Brewing Company, music from indie rock to country, and an increasingly cutting edge-food scene. Denverites love their pro sports; it's truly a sports person meccas being they are one of the only two cities to have seven professional sports teams. Denver has all four of the "Majors"—the Broncos, Rockies, Nuggets, and Avalanche. There are also the Colorado Rapids of MLS and a Central Hockey League franchise, the Denver Cutthroats.

"#2 Best Places  
to Live!"

-U.S. News & World Report 2019

# DENVER, METRO AREA



## Overview

Located on the front range of the Rocky Mountains, the Denver Metro is a thriving urban epicenter famous for its breathtaking views, world class dining, champion sports teams, exhilarating recreation, and eclectic arts and entertainment. It's no wonder this metropolis is one of the biggest in the nation!

## Attractions

- ↪ Denver Art Museum
- ↪ Denver Museum of Nature and Science
- ↪ Denver Zoo
- ↪ Denver Aquarium
- ↪ Six-Flags Elitch Gardens
- ↪ Hyland Hills Water World

## State Parks

- ↪ Castlewood Canyon State Park
- ↪ Roxborough State Park
- ↪ Cherry Creek State Park
- ↪ Chatfield State Park
- ↪ Barr Lake State Park
- ↪ Boyd Lake State Park
- ↪ St. Vrain State Park
- ↪ Staunton State Park
- ↪ El Dorado Canyone State Park
- ↪ Golden Gate Canyon State Park

# DENVER,

## COLORADO

Overview

Jobs have been plentiful in Denver in recent years, and unemployment rates in the metro area are near historic lows. Major employers in Denver include city, county, and state government (Denver is the capital), the airport, public schools, the University of Colorado System, and several large healthcare organizations, including Centura Health, HealthONE, and SCL Health System. Other big businesses include telecom companies (Comcast, CenturyLink, Dish Network), Wells Fargo, Xcel Energy, and Ball Corporation. Public transportation is good and includes buses, commuter rails, and a light rail. And thanks to its high-volume international airport, Denver benefits from ease of access, drawing business and recreational travelers.

It's a healthy city too, frequently rating highly on measures of population health and fitness.

Denver is a city in the spotlight right now, and quality of life and happiness indicates that it's doing something to earn attention. It's a growing city for business, and its central location makes it an ideal hub between the east and west coast. It's an attractive location for single life, family, and business.

"Consistently ranked one of the best places to **live, work & invest**"

# Employment

in the Denver Metro Area



## MAJOR EMPLOYERS

Denver International Airport  
HealthONE Corporation  
Lockheed Martin  
Centura Health  
SCL Health Systems  
Century Link  
Kaiser Permanente  
Liberty Tax Service  
Western Union Co  
Comcast Corporation  
University of Colorado Health  
Children's Hospital Colorado  
United Airlines  
Wells Fargo

## FORTUNE 500 COMPANIES

Ball Corporation  
Dish Network  
Level 3  
Liberty Interactive  
Newmont Mining  
Arrow Electronics  
Davita Healthcare Partners  
Envision Healthcare Holdings Inc.  
Western Union Co  
CH2M

## INDUSTRY

Aviation  
Healthcare  
Aviation/Aerospace  
Healthcare  
Healthcare  
Telecommunications  
Healthcare  
Financial Services  
Financial Services  
Telecommunications  
Healthcare  
Healthcare  
Aviation  
Financial Services  
Advanced Manufacturing  
Telecommunications  
Telecommunications  
Telecommunications  
Energy  
Advanced Manufacturing  
Healthcare  
Healthcare  
Financial Services  
Infrastructure Engineering

Source: [www.choosecolorado.com](http://www.choosecolorado.com)

# TRANSPORTATION

RTD

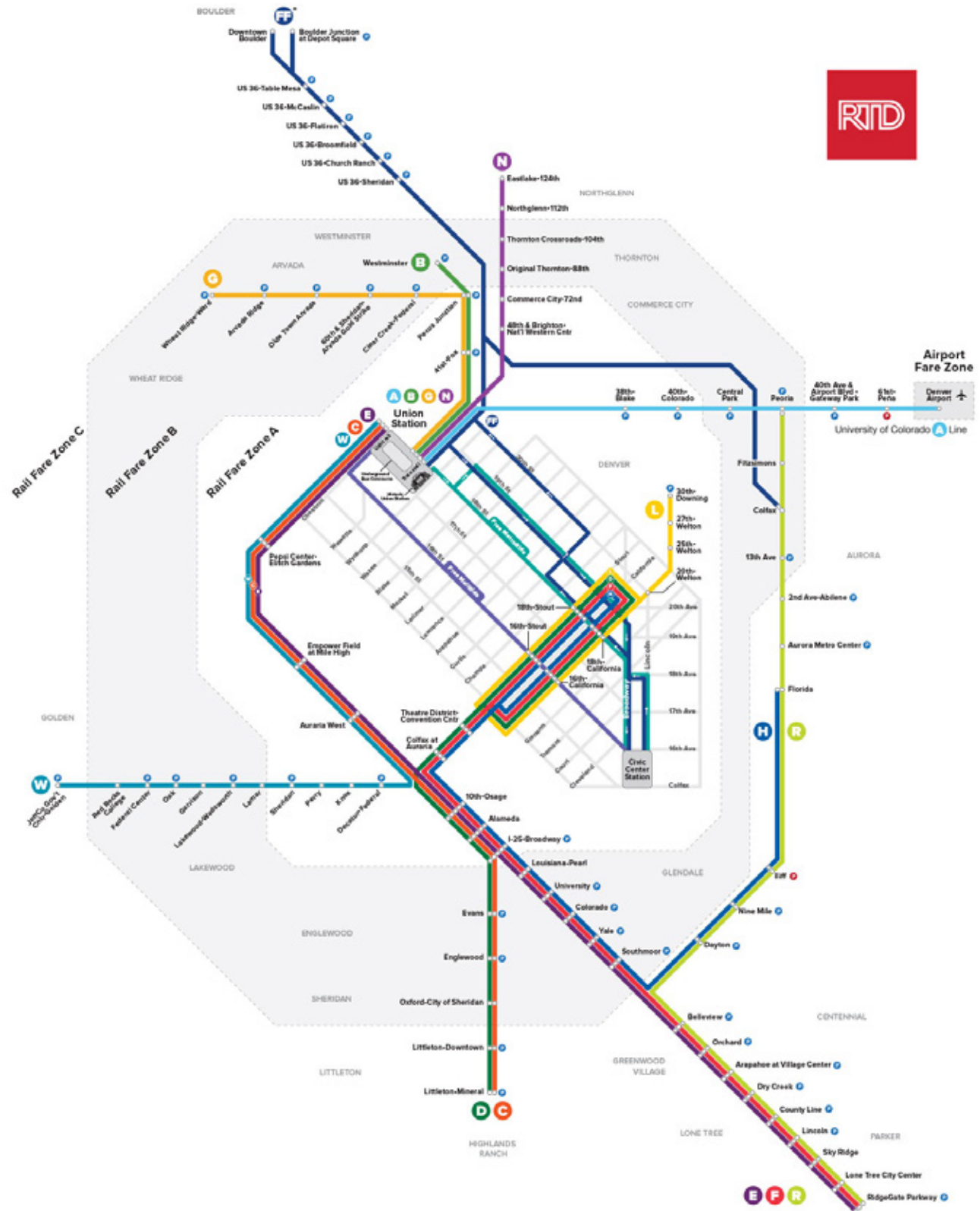
The Regional Transportation District (RTD) operates 365 days a year to quickly connect travelers to their destination. As part of RTD, the 58-mile rail system features nine rail lines servicing 62 stations along the Denver metro's North, East, Southeast, Southwest, and West rail corridors.

Popular destinations include:

- Denver International Airport (DIA)
- Theatre District
- Convention Center
- Sports Authority Field at Mile High
- Pepsi Center
- 16th Street Mall
- Park Meadows Mall

RTD's rail system has transformed people's commutes and the communities they live in. The 23-mile stretch from Downtown Denver to DIA is now just a 30-minute ride via light rail. The light rail is also attributed with revitalizing neighborhoods across the Denver metro, including Five Points and West Colfax. An average of 64,000 people utilize the light rail each day, making it eighth-largest system in the country, even though Denver is 21st in the nation in terms of population.

Source: <https://www.rtd-denver.com/services/rail>



# Development

## DENVER GROWTH

Ranked as the top place to live in the U.S. by U.S. News & World Report, the city of Denver is home to over 705,439 residents (as of May 2019). An estimated 2.9 million people live in Denver Metro as a whole, with more people moving to the area each year, as this number is expected to grow by 12.6 percent over the next five years, compared to 3.7 percent nationally. Currently 100+ people are immigrating to the city each day. The Denver Metro accounts for over half of the population in the entire state of Colorado, which is home to an estimated 5.5 million people.

### Construction

As one of the fastest-growing metros in the nation, Denver is thriving with new construction. This new construction will help accommodate the population growth throughout the metro. Some current projects include:



◀ **17<sup>th</sup> & Peal Apartments**  
315-unit apartment  
9,000 SF of retail



◀ **Block 162**  
680,000 sq.ft. office tower  
separate tower hotel



◀ **Alexan 20th St. Station**  
358-unit apartment  
Street level retail



◀ **Tabor Center Tower Two**  
33 story  
700,000 sq.ft. office tower

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