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OFFERING
MEMORANDUM

1675 WEST YALE AVENUE

ENGLEWOOD, CO 80110

Marcus & Millichap
TAG INDUSTRIAL GROUP

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TAG INDUSTRIAL GROUP

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Market Analysis • Demographic Analysis

The background of the slide is a dark blue gradient. On the left and right sides, there are vertical panels showing images of industrial buildings. The left panel shows the interior of a large warehouse with a high, corrugated metal roof and a series of vertical support columns. The right panel shows the exterior of a similar building with a corrugated metal facade and a row of windows near the ground.

SECTION 1

INVESTMENT OVERVIEW

Marcus & Millichap

1675 WEST YALE AVENUE

ENGLEWOOD, CO 80110

INVESTMENT HIGHLIGHTS

- This Stand Alone Property Features 13,483 Square Feet of Flex Space Situated on .52 Acres with a Gated Lot
 - Masonry Construction with 17' Clear Height, Four Grade Level Doors, and 10,483 Square Feet of Warehouse Space
 - 100% Leased at Sale with 3 Tenants and 94% of the Space is on NNN Leases
 - No New Construction in the Area and Market Vacancy of 1.8% Creates a Limited Supply for Businesses in Need of Flex Space (CoStar)
 - Proximate to Santa Fe Drive for Easy Access to I-25
-

INVESTMENT OVERVIEW

Marcus & Millichap is pleased to present the opportunity to acquire the property located at 1675 West Yale Avenue in Englewood, Colorado. The subject property consists of approximately 13,483 square feet of space and is situated on 0.52 acres of land. The asset features masonry construction with 17' clear height, four grade-level doors, a gated lot, and 10,483 square feet of warehouse space. At sale, the subject property will be 100 percent leased with three tenants. There are new, three-year, NNN leases for Units A & B and 94 percent of the space is triple-net leased. With no new construction in the area and market vacancy of 1.8 percent, there is limited supply for businesses in need of flex space in Englewood (CoStar). The subject property is proximate to Santa Fe Drive for easy access to Interstate 25.

The City of Englewood is centrally located within the Denver Metropolitan area. Just south of Denver, Englewood is ideally situated for citizens, business people, and visitors. Englewood offers a small-town atmosphere of community with all the benefits of a larger metropolitan area nearby. Englewood is home to 1,602 businesses within industrial, manufacturing, and service sectors. Englewood has a full-time employment base of 24,800 jobs with 8,800 jobs in the industrial and commercial zoned land area. (englewoodco.gov)

A confluence of events turned Denver into one of the most active industrial markets in the country in the past decade. Robust demand in this regional market with strong economic growth this cycle is stemming from the growth of retail sales, employment, and industrial production in the metro area and the greater Colorado region. Furthermore, the emergence of the marijuana industry's presence with the passing of Amendment 64 in November 2012 created a new demand driver this cycle, with new and relatively unsophisticated tenants operating with entirely different profit margins. Vacancies were below the long-term average even after 2019 shattered records with more than six million square feet of deliveries. Entering 2020, around 5.5 million square feet was under construction. Industrial rents are more than 60 percent above the peak of the previous cycle, one of the best performances in the nation.

Investors remained enthusiastic about Denver's industrial fundamentals by setting a record high for sales volume for the second straight year. More than \$1.7 billion worth of assets traded in 2019, more than \$200 million more than the previous year. Pricing continues to climb upward, albeit at a more modest pace than in past years, according to CoStar's Pricing Trends (CoStar).



PROPERTY DETAILS

1675 WEST YALE AVENUE,
ENGLEWOOD, CO 80110

Number of Suites	4
Number of Buildings	1
Total Square Feet	13,483
Warehouse Square Feet	10,483
Office Square Feet	3,000
Year Built	1980
Lot Size	0.52 Acres
Type of Ownership	Fee Simple
Clear Height	17'
Building Class	C
Tenancy	Multi
Grade Level Doors	4
Construction	Masonry
Zoning	I-2
Submarket	Lower South Central Industrial
Market Vacancy	1.80%

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OFFERING HIGHLIGHTS

1675 WEST YALE AVENUE
ENGLEWOOD, CO 80110

OFFERING PRICE
\$1,800,000

CAP RATE
7.27%

Offering Price	\$1,800,000
Cap Rate	7.27%
Price/SF	\$133.50
Total Square Feet	13,483
Occupancy	100%



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OPERATING STATEMENT

Income	Current	Per SF	Pro Forma	Per SF
Scheduled Base Rental Income	132,600	9.83	132,600	9.83
Expense Reimbursement Income				
Net Lease Reimbursement				
CAM	1,035	0.08	1,035	0.08
Insurance	5,174	0.38	5,174	0.38
Real estate Taxes	22,116	1.64	22,116	1.64
Total Reimbursement Income	\$28,325 94.1%	\$2.10	\$28,325 94.1%	\$2.10
Effective Gross Revenue	\$160,925	\$11.94	\$160,925	\$11.94

Operating Expenses	Current	Per SF	Pro Forma	Per SF
Water	1,100	0.08	1,100	0.08
Insurance	5,500	0.41	5,500	0.41
Real Estate Taxes	23,511	1.74	23,511	1.74
Total Expenses	\$30,111	\$2.23	\$30,111	\$2.23
Expenses as % of EGR	18.7%		18.7%	
Net Operating Income	\$130,814	\$9.70	\$130,814	\$9.70

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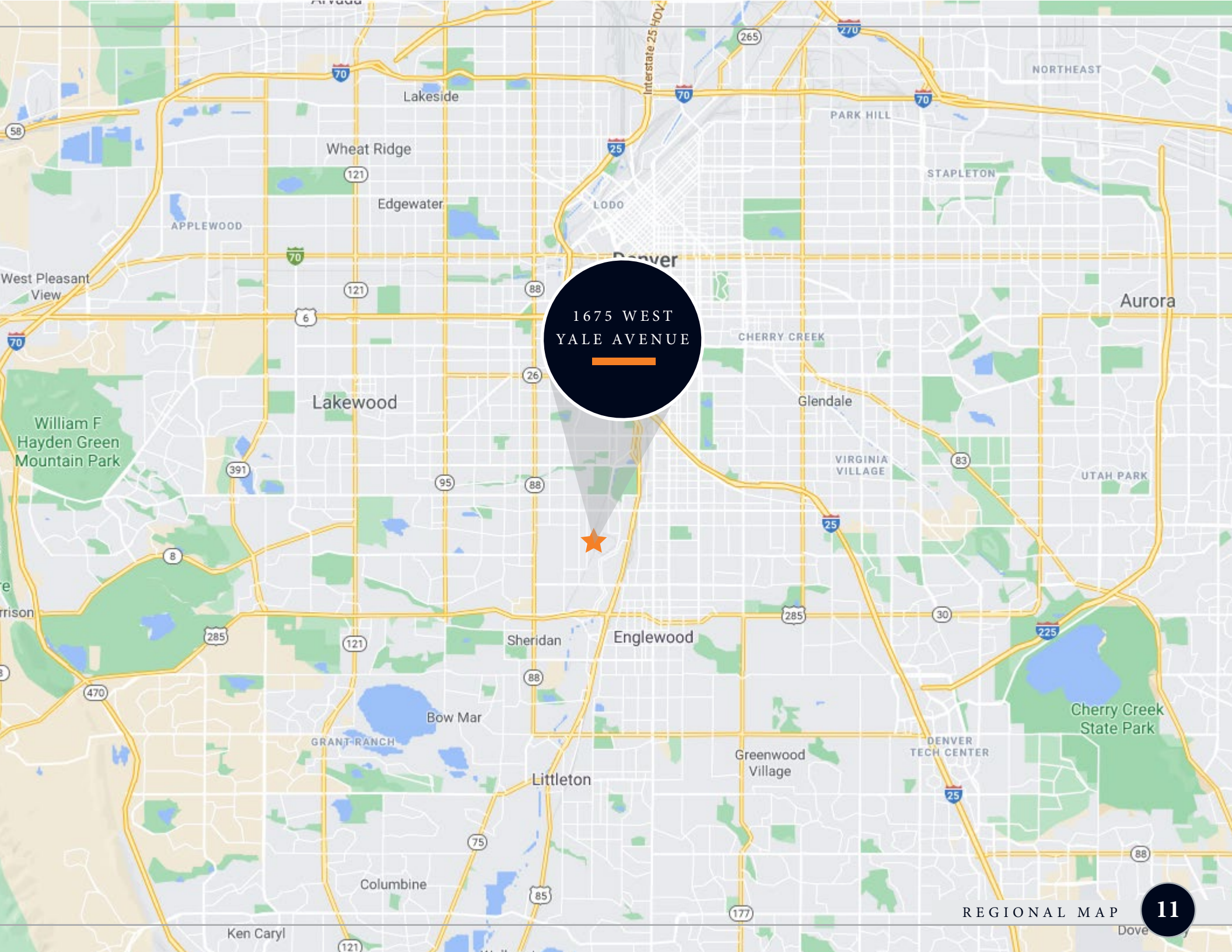
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RENT ROLL

Tenant Name	Suite	Square Feet	% Bldg Share	Lease Dates		Annual Rent per Sq. Ft.	Total Rent Per Month	Total Rent Per Year	Pro Forma Rent Per Year	Lease Type	Renewal Options and Option Year Rental Information
Ruush Envelopes Inc.	A	2,919	21.6%		MTM	\$9.87	\$2,400	\$28,800	\$28,800	NNN	
Ruush Envelopes Inc.	B	2,844	21.1%		MTM	\$10.13	\$2,400	\$28,800	\$28,800	NNN	
Superior Mechanical Corporation	C	2,844	21.1%	1/1/20	12/31/24	\$8.65	\$2,050	\$24,600	\$24,600	NNN	5 year renewal option with a 10% increase. Requires 60 day notice before term end.
Superior Mechanical Corporation	D	4,076	30.2%	1/1/20	12/31/24	\$8.68	\$2,950	\$35,400	\$35,400	NNN	
Energy Insulation Services	D	800	5.9%		MTM	\$18.75	\$1,250	\$15,000	\$15,000	Gross	
Total		13,483				\$9.83	\$11,050	\$132,600	\$132,600		
Occupied Tenants: 5				Unoccupied Tenants: 0		Occupied GLA: 100.00%		Unoccupied GLA: 0.00%			
				Total Current Rents: \$11,050		Occupied Current Rents: \$11,050		Unoccupied Current Rents: \$0			

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1675 WEST
YALE AVENUE

Service Uniform

1675 WEST
YALE AVENUE

Media Audio
Visual (MAV)

IPAX, Inc

W Harvard Gulch Trail

S Raritan St

W Yale Ave

S Raritan Cir

S Raritan Cir
W Harvard Gulch Trail



MARCUS & MILLICHAP CAPITAL CORPORATION CAPABILITIES

MMCC—our fully integrated, dedicated financing arm—is committed to providing superior capital market expertise, precisely managed execution, and unparalleled access to capital sources, providing the most competitive rates and terms.

We leverage out prominent capital market relationships with commercial banks, life insurance companies, CMBS, private and public debt/equity funds, Fannie Mae, Freddie Mac, and HUD to provide our clients with the greatest range of financing options.

Our dedicated, knowledgeable experts understand the challenges of financing and work tirelessly to resolve all potential issues for the benefit of our clients.



Closed 1,707 debt and equity financings in 2017



National platform operating within the firm's brokerage offices



\$5.63 billion total national volume in 2017



Access to more capital sources than any other firm in the industry

WHY MMCC?

Optimum financing solutions to enhance value

Enhanced control through MMCC's ability to qualify investor finance contingencies

Enhanced control through quickly identifying potential debt/equity sources, processing, and closing buyer's finance alternatives

Enhanced control through MMCC's ability to monitor investor/due diligence and underwriting to ensure timely, predictable closings



SECTION 2

MARKET OVERVIEW

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DENVER

COLORADO

The Denver-Aurora-Lakewood metro is at the center of Colorado's Front Range, nestled at the convergence of the Great Plains and the majestic Rocky Mountains. The market consists of 10 counties: Broomfield, Arapahoe, Denver, Adams, Douglas, Jefferson, Clear Creek, Elbert, Gilpin and Park. Denver, which is both a county and a city, is the largest of each, with approximately 723,600 residents. Denver also houses the state capitol. The eastern and northern reaches of the metro are expected to receive the majority of future development, as land in these areas is relatively flat and more affordable. Denver's elevation of 5,280 feet above sea level provides it with the nickname "Mile-High City."



MAJOR
TRANSPORTATION
CENTER



EMPHASIS ON
SKILLED JOBS

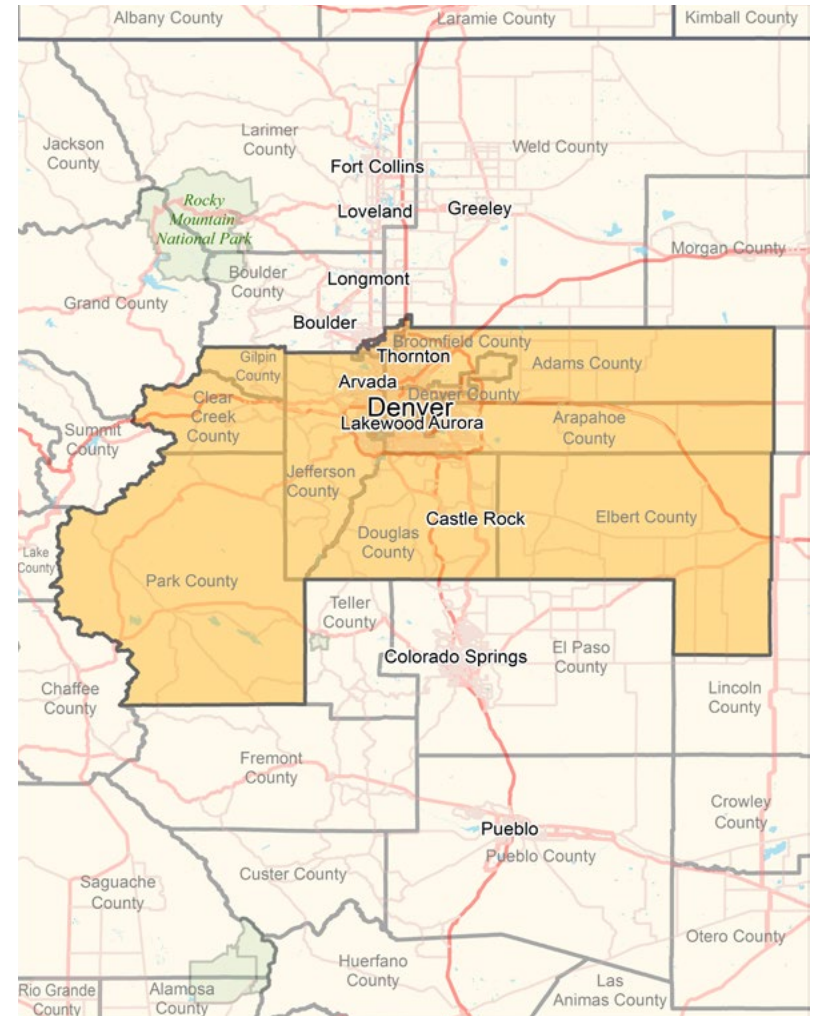
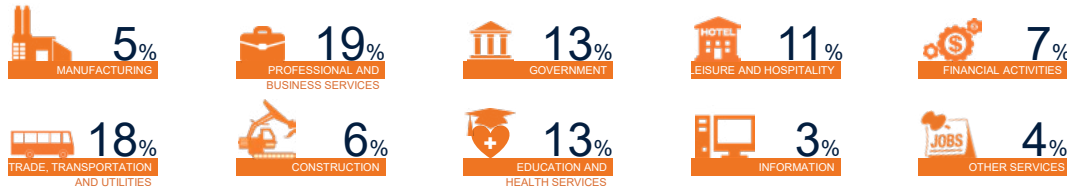


GROWING
ALTERNATIVE-ENERGY
SECTOR

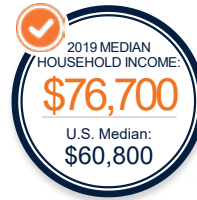
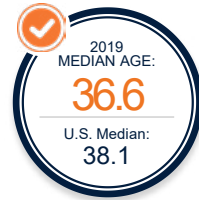
METROPLEX GROWTH

ECONOMY

Key drivers of the region's economy include aerospace, bioscience, energy, financial services, healthcare, aviation, information technology and telecommunications. Denver's economy is expanding, with the annual change in gross metropolitan product (GMP) expected to reach 2.4 percent this year. Many of Denver's largest employers are in population-serving businesses such as retail and healthcare, and their expansion will track population and income growth. There are 10 Fortune 500 companies located in the metro, including Newmont Corp., Arrow Electronics, DISH Network, DaVita, Molson Coors Brewing and Liberty Media.



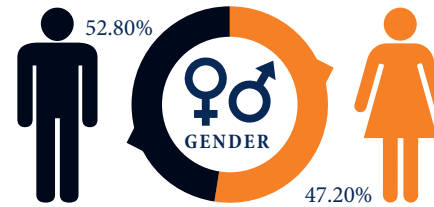
METROPLEX GROWTH



The Denver metro area offers residents urban and rural surroundings, in addition to exciting nightlife and outdoor fun. Five professional sports teams play in venues within a short walk or drive of downtown Denver. The local arts community is vibrant and the city's large park system provides relaxing opportunities to enjoy the outdoors. The allure of the Rocky Mountains keeps residents active. Rocky Mountain National Park is less than two hours from the metro and offers numerous campsites and hiking trails. Avid skiers and snowboarders are close to world-class ski resorts, such as Vail, Beaver Creek and Copper Mountain. The Denver metro will continue to grow as the area's high quality of life attracts new residents.



DEMOGRAPHICS



DEMOGRAPHICS

POPULATION	1 Miles	3 Miles	5 Miles
■ 2024 Projection			
Total Population	13,222	162,476	437,075
■ 2019 Estimate			
Total Population	12,111	155,510	416,648
■ 2010 Census			
Total Population	9,983	140,295	373,311
■ 2000 Census			
Total Population	9,592	138,377	369,992
■ Daytime Population			
2019 Estimate	18,807	171,135	470,473
HOUSEHOLDS	1 Miles	3 Miles	5 Miles
■ 2024 Projection			
Total Households	4,883	65,669	195,709
■ 2019 Estimate			
Total Households	4,439	62,318	184,608
Average (Mean) Household Size	2.65	2.43	2.22
■ 2010 Census			
Total Households	3,644	55,328	162,779
■ 2000 Census			
Total Households	3,409	55,550	160,527

HOUSEHOLDS BY INCOME	1 Miles	3 Miles	5 Miles
■ 2019 Estimate			
\$200,000 or More	1.31%	5.27%	8.13%
\$150,000 - \$199,000	2.30%	4.58%	5.59%
\$100,000 - \$149,000	9.09%	13.42%	13.88%
\$75,000 - \$99,999	11.80%	13.48%	12.62%
\$50,000 - \$74,999	20.40%	20.21%	18.49%
\$35,000 - \$49,999	14.73%	13.55%	13.08%
\$25,000 - \$34,999	11.64%	9.02%	8.80%
\$15,000 - \$24,999	12.34%	8.86%	8.61%
Under \$15,000	16.36%	11.62%	10.80%
Average Household Income	\$56,461	\$81,533	\$94,060
Median Household Income	\$44,065	\$58,278	\$60,819
Per Capita Income	\$20,809	\$33,057	\$41,909
POPULATION PROFILE	1 Miles	3 Miles	5 Miles
■ Population By Age			
2019 Estimate Total Population	12,111	155,510	416,648
Under 20	26.04%	23.96%	21.48%
20 to 34 Years	28.82%	27.54%	27.93%
35 to 39 Years	8.36%	7.87%	7.97%
40 to 49 Years	13.27%	12.51%	12.46%
50 to 64 Years	15.55%	16.32%	16.63%
Age 65+	7.95%	11.78%	13.53%
Median Age	32.52	34.16	35.34
■ Population 25+ by Education Level			
2019 Estimate Population Age 25+	8,095	106,729	299,938
Elementary (0-8)	8.94%	5.84%	4.33%
Some High School (9-11)	12.77%	10.08%	7.76%
High School Graduate (12)	30.79%	25.24%	20.51%
Some College (13-15)	19.72%	18.33%	18.43%
Associate Degree Only	6.91%	5.42%	5.50%
Bachelors Degree Only	13.92%	21.10%	26.37%
Graduate Degree	4.85%	12.16%	15.75%
■ Time Travel to Work			
Average Travel Time in Minutes	30	28	28

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