

Marcus & Millichap
TAG INDUSTRIAL GROUP

2426-2428 SOUTH FEDERAL BOULEVARD
DENVER, CO 80219

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ALL PROPERTY SHOWINGS ARE BY APPOINTMENT ONLY.
PLEASE CONSULT YOUR MARCUS & MILLICHAP AGENT FOR MORE DETAILS.

Marcus & Millichap
TAG INDUSTRIAL GROUP

OFFICES THROUGHOUT THE U.S. AND CANADA
www.marcusmillichap.com

2426-2428 SOUTH FEDERAL BOULEVARD DENVER, CO 80219

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Marcus & Millichap





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Marcus & Millichap

The background of the slide is a dark, blue-toned photograph of an industrial interior. It shows a large, open space with a high ceiling, featuring a complex network of steel beams and trusses. Several large, white, dome-shaped pendant lights are suspended from the ceiling. In the lower left, a large industrial door with horizontal panels is visible. The overall atmosphere is industrial and modern.

SECTION 1

INVESTMENT OVERVIEW

Marcus & Millichap

OFFERING SUMMARY

- Buddy Boy Brands is a Strong Tenant with \$25 Million Annual Revenue
- This Location is One of Seven Buddy Boy Dispensaries in the Denver Area
- Ideal Location on South Federal with High Visibility & Ample Parking
- Two-Tenant Freestanding Retail Shop: Lease In Place and 4,230 Square Feet Available for Immediate Occupancy
 - 84' of Frontage on Federal Boulevard
 - Additional Revenue from Billboard & Yard Lease

Marcus & Millichap is pleased to present the opportunity to acquire the property located at 2426-2428 South Federal Boulevard in Denver, Colorado, leased to Buddy Boy Brands. The subject property consists of approximately 6,684 square feet of retail space and is situated on 0.89 acres of land. The two-tenant asset features a free-standing retail shop with ample parking. With 84' of frontage on Federal Boulevard, the property has an ideal location with high visibility. The asset offers a lease with over four years remaining and 4,230 square feet of available space for immediate occupancy. Buddy Boy Brands operates seven dispensaries in the Denver area, generating an annual revenue of \$25 million. Buddy Boy Brands offers quality medical and recreational marijuana, edibles, concentrates, and paraphernalia. The property is offered in tandem with another Buddy Boy property, priced separately, located at 5050 York Street, in Denver, Colorado.

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

2426-2428 SOUTH FEDERAL BOULEVARD, DENVER, CO 80219

Number of Suites	2
Number of Buildings	1
Total Square Feet	6,684
Year Built	1956
Lot Size	0.89 Acres
Type of Ownership	Fee Simple
Frontage	84' Federal Boulevard
Parking Spaces	32
Parking Surface	Asphalt
Building Class	C
Tenancy	Multi Tenant
Traffic	34,000 Vehicles Per Day
Rail Served	No
Construction	Masonry
Zoning	B2
Market	Denver
Submarket	West Submarket

This information has been secured from sources we believe to be reliable, but we make no representations or warranties, express or implied, as to the accuracy of the information. References to square footage or age are approximate. Buyer must verify the information and bears all risk for any inaccuracies. Marcus & Millichap is a service mark of Marcus & Millichap Real Estate Investment Services, Inc. © 2021 Marcus & Millichap. All rights reserved. (Activity ID: ZAC0050553)





OFFERING HIGHLIGHTS

2426-2428 SOUTH FEDERAL BOULEVARD

DENVER, CO 80219

OFFERING PRICE
\$1,500,000

CAP RATE
5.40%

Offering Price	\$1,500,000
Cap Rate	5.40%
Pro-Forma Cap Rate	11.50%
Price/SF	\$224.42
Total Square Feet	6,684
Rental Rate	\$44.22
Lease Type	Modified Gross
Lease Term	8-Year Term
Tenancy	Multi Tenant
Occupancy	36.71%

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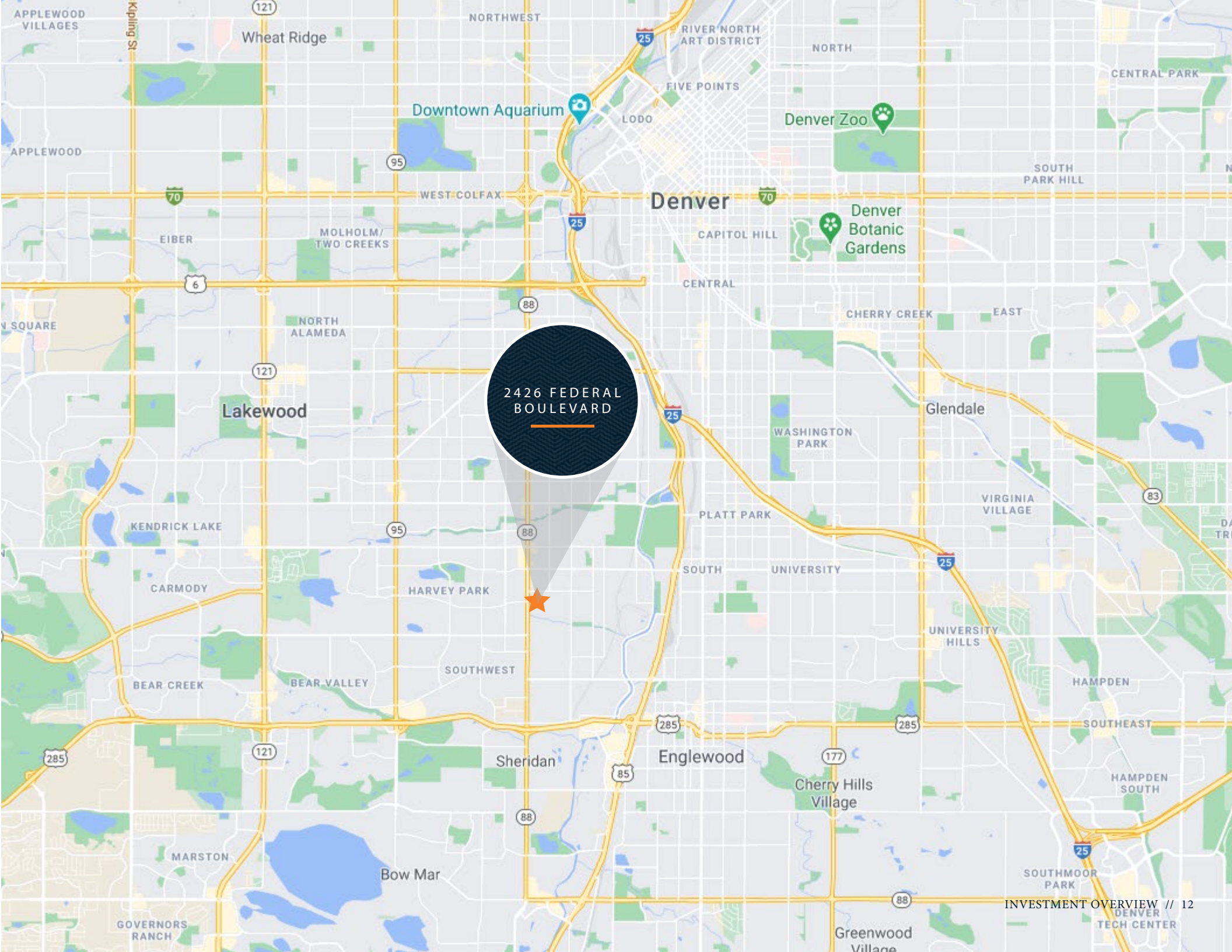
RENT ROLL

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	Changes on	Rent Increase	Lease Type
Buddy Boy Brands	A	2,454	36.7%	1/17/18	1/1/26	\$32.00	\$6,544	\$78,528	\$78,528	N/A	N/A	Modified Gross
Vacant	B	4,230	63.3%			\$0.00	\$0	\$0	\$71,880	N/A	\$5,990	NNN
Billboard	0	0	0.0%			\$0.00	\$0	\$0	\$2,500	Jun-2021	\$208	
Global One, Inc	Back Yard	0	0.0%			\$0.00	\$2,500	\$30,000	\$30,600	Jun-2022	\$2,550	Modified Gross
Total		6,684				\$44.22	\$9,044	\$108,528	\$183,508			
Occupied Tenants: 2				Unoccupied Tenants: 2		Occupied GLA: 36.70%		Unoccupied GLA: 63.30%				
				Total Current Rents: \$9,252		Occupied Current Rents: \$9,044		Unoccupied Current Rents: \$208				

OPERATING STATEMENT

Income	Current	Per SF	Pro Forma	Per SF
Scheduled Base Rental Income	111,024	16.61	178,704	26.74
Expense Reimbursement Income				
Net Lease Reimbursement				
CAM	0	0.00	3,164	0.47
Insurance	0	0.00	3,032	0.45
Real estate Taxes	0	0.00	18,074	2.70
Total Reimbursement Income	\$0 0.0%	\$0.00	\$24,270 63.3%	\$3.63
Effective Gross Revenue	\$111,024	\$16.61	\$202,974	\$30.37

Operating Expenses	Current	Per SF	Pro Forma	Per SF
Repairs & Maintenance	5,000	0.75	5,000	0.75
Insurance	4,791	0.72	4,791	0.72
Real Estate Taxes	28,559	4.27	28,559	4.27
Total Expenses	\$38,350	\$5.74	\$38,350	\$5.74
Expenses as % of EGR	34.5%		18.9%	
Net Operating Income	\$72,674	\$10.87	\$164,624	\$24.63



2426 FEDERAL
BOULEVARD



Mile-High Sod Farm, Inc

2426 FEDERAL
BOULEVARD

Buddy Boy South Federal

AutoZone Auto Parts

88

S Federal Blvd

88



TENANT SUMMARY

TENANT

Buddy Boy Brands

HEADQUARTERS

Denver, CO

DATE FOUNDED

2014

REVENUE

\$25 Million

EMPLOYEES

50+

www.buddyboybrands.com



Since 2014, Buddy Boy Brands has cultivated and provided metro Denver quality medical and recreational marijuana, edibles, concentrates, and paraphernalia. Buddy Boy Brands operates seven dispensaries in the Denver area including Commerce City, Englewood, Wheat Ridge, Dupont, Arvada, Littleton, and Broomfield. All seven of its locations serve medical patients 18 years and older, with five locations offering cannabis products for recreational use.

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 1,944 debt
and equity
financings in 2019



National platform operating
within the firm's
brokerage offices



\$7.18 billion total
national volume
in 2019



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

.....

The background of the slide is a dark, blue-toned photograph of an industrial interior. It shows a large, multi-level structure with metal beams, pipes, and several pendant lights hanging from the ceiling. The lighting is dim, creating a moody atmosphere. The structure appears to be a large warehouse or a factory interior.

SECTION 2

MARKET OVERVIEW

Marcus & Millichap

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 attract most future development, as land in these areas is relatively flat and affordable. Denver's elevation of 5,280 feet above sea level earns it the nickname "Mile High City."



MAJOR
TRANSPORTATION
CENTER



EMPHASIS ON
SKILLED JOBS

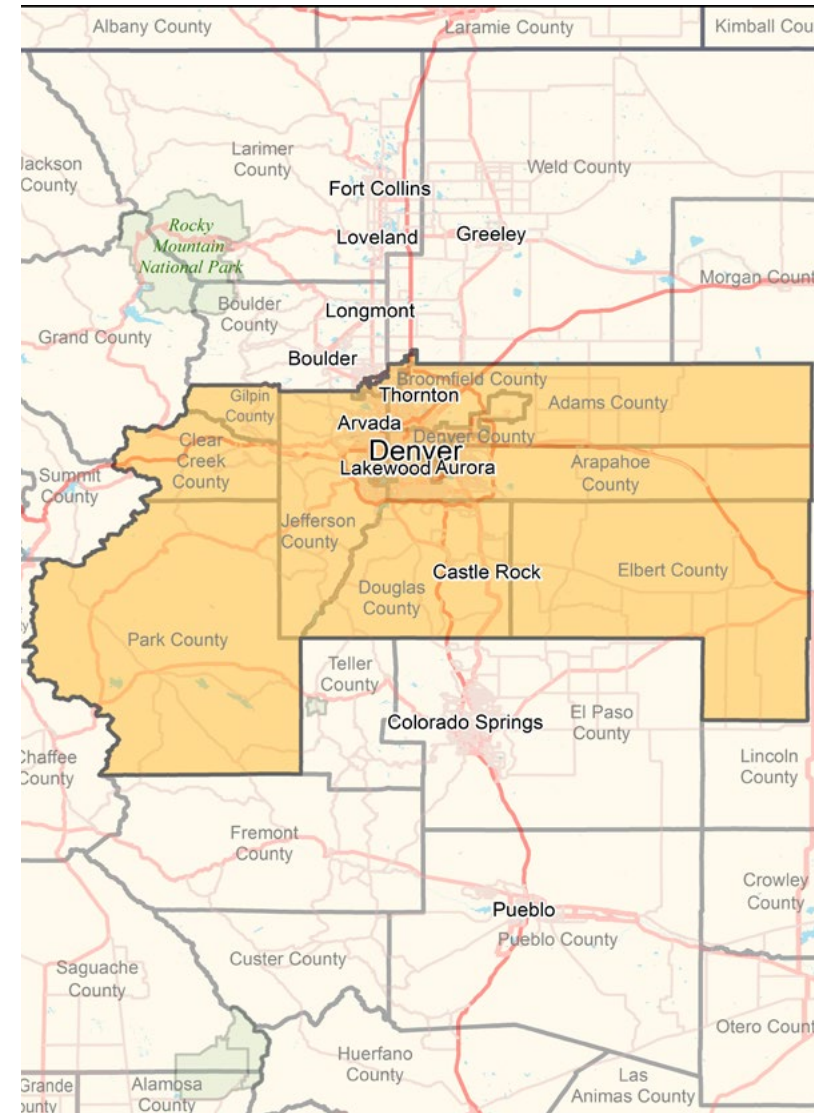
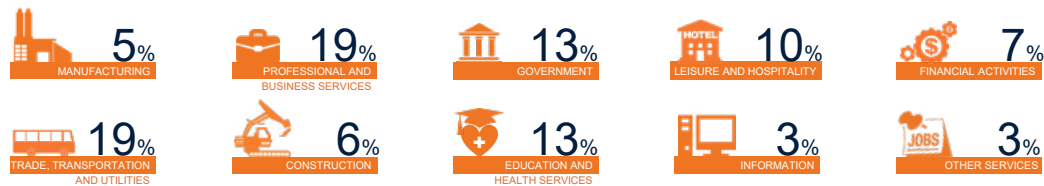


GROWING
ALTERNATIVE-ENERGY
SECTOR

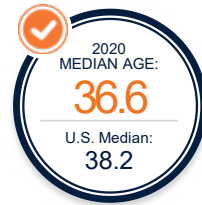
METROPLEX GROWTH

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 2.9 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



420,874

Total Population
Within 5 miles



51.10%



48.90%



\$94,547

Average Household Income
Within 5 miles



6,636

Employees
Within 1 mile

DEMOGRAPHICS

POPULATION	1 Miles	3 Miles	5 Miles
■ 2025 Projection			
Total Population	24,934	165,786	439,642
■ 2020 Estimate			
Total Population	23,549	159,787	420,874
■ 2010 Census			
Total Population	20,559	144,787	375,760
■ 2000 Census			
Total Population	19,930	142,047	368,686
■ Daytime Population			
2020 Estimate	22,346	155,778	470,221
HOUSEHOLDS	1 Miles	3 Miles	5 Miles
■ 2025 Projection			
Total Households	8,496	63,682	191,486
■ 2020 Estimate			
Total Households	8,010	60,938	181,470
Average (Mean) Household Size	2.89	2.60	2.27
■ 2010 Census			
Total Households	6,969	54,460	159,800
■ 2000 Census			
Total Households	7,121	54,232	156,261

HOUSEHOLDS BY INCOME	1 Miles	3 Miles	5 Miles
■ 2020 Estimate			
\$200,000 or More	1.02%	3.38%	7.85%
\$150,000 - \$199,000	2.13%	4.30%	6.05%
\$100,000 - \$149,000	11.00%	14.18%	15.13%
\$75,000 - \$99,999	13.74%	13.46%	12.99%
\$50,000 - \$74,999	22.09%	19.96%	17.94%
\$35,000 - \$49,999	13.28%	13.95%	12.68%
\$25,000 - \$34,999	9.84%	9.48%	8.36%
\$15,000 - \$24,999	10.63%	9.72%	8.37%
Under \$15,000	16.26%	11.54%	10.63%
Average Household Income	\$58,966	\$74,014	\$94,547
Median Household Income	\$49,959	\$56,610	\$63,214
Per Capita Income	\$20,202	\$28,356	\$41,048
POPULATION PROFILE	1 Miles	3 Miles	5 Miles
■ Population By Age			
2020 Estimate Total Population	23,549	159,787	420,874
Under 20	28.22%	24.99%	21.79%
20 to 34 Years	25.37%	25.91%	27.98%
35 to 39 Years	7.91%	8.13%	8.22%
40 to 49 Years	12.94%	12.67%	12.42%
50 to 64 Years	15.48%	15.85%	16.13%
Age 65+	10.06%	12.45%	13.45%
Median Age	33.03	34.51	35.12
■ Population 25+ by Education Level			
2020 Estimate Population Age 25+	15,426	109,963	301,864
Elementary (0-8)	11.52%	7.48%	4.33%
Some High School (9-11)	14.02%	11.65%	7.74%
High School Graduate (12)	30.67%	27.24%	21.25%
Some College (13-15)	17.92%	18.87%	18.58%
Associate Degree Only	6.51%	5.57%	5.74%
Bachelors Degree Only	12.47%	18.22%	26.03%
Graduate Degree	4.34%	8.70%	14.91%
■ Time Travel to Work			
Average Travel Time in Minutes	31	29	28

The printed portions of this form, except differentiated additions, have been approved by the Colorado Real Estate Commission.
(BDB24-10-19) (Mandatory 1-20)

DIFFERENT BROKERAGE RELATIONSHIPS ARE AVAILABLE WHICH INCLUDE SELLER AGENCY, BUYER AGENCY OR TRANSACTION-BROKERAGE.

BROKERAGE DISCLOSURE TO BUYER DEFINITIONS OF WORKING RELATIONSHIPS

Seller's Agent: A seller's agent works solely on behalf of the seller to promote the interests of the seller with the utmost good faith, loyalty and fidelity. The agent negotiates on behalf of and acts as an advocate for the seller. The seller's agent must disclose to potential buyers all adverse material facts actually known by the seller's agent about the property. A separate written listing agreement is required which sets forth the duties and obligations of the broker and the seller.

Buyer's Agent: A buyer's agent works solely on behalf of the buyer to promote the interests of the buyer with the utmost good faith, loyalty and fidelity. The agent negotiates on behalf of and acts as an advocate for the buyer. The buyer's agent must disclose to potential sellers all adverse material facts actually known by the buyer's agent, including the buyer's financial ability to perform the terms of the transaction and, if a residential property, whether the buyer intends to occupy the property. A separate written buyer agency agreement is required which sets forth the duties and obligations of the broker and the buyer.

Transaction-Broker: A transaction-broker assists the buyer or seller or both throughout a real estate transaction by performing terms of any written or oral agreement, fully informing the parties, presenting all offers and assisting the parties with any contracts, including the closing of the transaction, without being an agent or advocate for any of the parties. A transaction-broker must use reasonable skill and care in the performance of any oral or written agreement, and must make the same disclosures as agents about all adverse material facts actually known by the transaction-broker concerning a property or a buyer's financial ability to perform the terms of a transaction and, if a residential property, whether the buyer intends to occupy the property. No written agreement is required.

Customer: A customer is a party to a real estate transaction with whom the broker has no brokerage relationship because such party has not engaged or employed the broker, either as the party's agent or as the party's transaction-broker.

RELATIONSHIP BETWEEN BROKER AND BUYER

Broker and Buyer referenced below have NOT entered into a buyer agency agreement. The working relationship specified below is for a specific property described as:

2426 S Federal Blvd, Denver, CO 80219

or real estate which substantially meets the following requirements:

Buyer understands that Buyer is not liable for Broker's acts or omissions that have not been approved, directed, or ratified by Buyer.

CHECK ONE BOX ONLY:

☒ **Multiple-Person Firm.** Broker, referenced below, is designated by Brokerage Firm to serve as Broker. If more than one individual is so designated, then references in this document to Broker shall include all persons so designated, including substitute or additional brokers. The brokerage relationship exists only with Broker and does not extend to the employing broker, Brokerage Firm or to any other brokers employed or engaged by Brokerage Firm who are not so designated.

☐ **One-Person Firm.** If Broker is a real estate brokerage firm with only one licensed natural person, then any references to Broker or Brokerage Firm mean both the licensed natural person and brokerage firm who shall serve as Broker.

CHECK ONE BOX ONLY:

☒ **Customer.** Broker is the ☒ seller's agent ☐ seller's transaction-broker and Buyer is a customer. Broker intends to perform the following list of tasks: ☒ Show a property ☒ Prepare and Convey written offers, counteroffers and agreements to amend or extend the contract. Broker is not the agent or transaction-broker of Buyer.

☐ **Customer for Broker's Listings – Transaction-Brokerage for Other Properties.** When Broker is the seller's agent or seller's transaction-broker, Buyer is a customer. When Broker is not the seller's agent or seller's transaction-broker, Broker is a transaction-broker assisting Buyer in the transaction. Broker is not the agent of Buyer.

☐ **Transaction-Brokerage Only.** Broker is a transaction-broker assisting the Buyer in the transaction. Broker is not the agent of Buyer.

Buyer consents to Broker's disclosure of Buyer's confidential information to the supervising broker or designee for the purpose of proper supervision, provided such supervising broker or designee does not further disclose such information without consent of Buyer, or use such information to the detriment of Buyer.

DISCLOSURE OF SETTLEMENT SERVICE COSTS. Buyer acknowledges that costs, quality, and extent of service vary between different settlement service providers (e.g., attorneys, lenders, inspectors and title companies).

THIS IS NOT A CONTRACT. IT IS BROKER'S DISCLOSURE OF BROKER'S WORKING RELATIONSHIP.

If this is a residential transaction, the following provision applies:

MEGAN'S LAW. If the presence of a registered sex offender is a matter of concern to Buyer, Buyer understands that Buyer must contact local law enforcement officials regarding obtaining such information.

BUYER ACKNOWLEDGMENT:

Buyer acknowledges receipt of this document on _____.

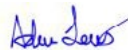
Buyer

Buyer

BROKER ACKNOWLEDGMENT:

On _____, Broker provided _____ (Buyer) with this document via Attachment to emailed Offering Memorandum and retained a copy for Broker's records.

Brokerage Firm's Name: Marcus & Millichap Real Estate Investment Services of Atlanta, Inc.


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2426-2428 SOUTH FEDERAL BOULEVARD

DENVER, CO 80219

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