

Marcus & Millichap
TAG INDUSTRIAL GROUP

5050 YORK STREET

DENVER, CO 80216

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

Marcus & Millichap

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

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Marcus & Millichap





TABLE OF CONTENTS

01

INVESTMENT OVERVIEW

SECTION 1

Offering Summary • Property Details • Offering Highlights • Rent Roll • Operating Statement
Regional Map • Aerial Map • Property Photos
Tenant Summary • Acquisition Financing

02

MARKET OVERVIEW

SECTION 2

Market Analysis • Demographic Analysis

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The background of the slide is a dark, blue-toned photograph of an industrial interior. It features a complex network of steel beams, girders, and hanging industrial lights, creating a sense of depth and structure.

SECTION 1

INVESTMENT OVERVIEW

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OFFERING SUMMARY

- Single-Tenant Industrial Cannabis Cultivation Facility With On-Site Dispensary
- Tenant is Buddy Boy Brands, With 7 Dispensaries in the Denver Area and \$25M Annual Revenue
 - Successful Grow Facility In Place With Lease Extension into 2028
 - Property is Nearly 4 Acres on York/Brighton Boulevard
 - Property is Ideally Located Less Than 1 Mile from I-70
 - 10-Minute Drive to Downtown Denver
- Property is Offered in Tandem With Another Buddy Boy Dispensary (Priced Separately)

Marcus & Millichap is pleased to present the opportunity to acquire the property located at 5050 York Street in Denver, Colorado, leased to Buddy Boy Brands. The subject property consists of approximately 18,165 square feet of space and is situated on 3.94 acres of land at the corner of York and Brighton Boulevard. The single tenant asset features a cannabis cultivation facility with an on-site dispensary. The property has operated as a grow facility, in which Buddy Boy Brands serves a lease with an extension into 2028. 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 Dispensary, priced separately, located at 2426 South Federal Boulevard, in Denver, Colorado.

Located less than a mile from Interstate 70, the property is a 10-minute drive to Downtown Denver. The property is situated within Upper North Central submarket, a midsized submarket containing around 10 million square feet of industrial space. Logistics facilities make up nearly 70 percent of the inventory, followed by about 30 percent of specialized space and less than one percent of flex space. At 6.8 percent, the vacancy rate in Upper North Central is commensurate with the overall Denver market. Despite the vacancy rate rising over the past year, industrial rents continue to grow at solid annual pace of 2.5 percent. With industrial rents averaging \$9.98 per square foot, Upper North Central has a slight competitive edge in pricing over the market at large that averages \$10.28. With no projects under construction, there are no supply-side pressures on the vacancy rate or rent growth in the near-term. With a submarket cap rate of 6.4 percent, investment demand remains strong in Upper North Central (CoStar).

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

5050 YORK STREET,
DENVER, CO 80216

Number of Suites	1
Number of Buildings	1
Total Square Feet	18,165
Year Built	1970
Lot Size	3.94 Acres
Type of Ownership	Fee Simple
Clear Height	14'
Parking Spaces	60
Parking Surface	Asphalt
Building Class	C
Tenancy	Owner User
Dock High Doors	54
Grade Level Doors	3
Construction	Masonry
Zoning	I-2
Market	Denver
Submarket	Upper North Central
Assessed Value	\$773,120

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5050 YORK STREET

DENVER, CO 80216

OFFERING PRICE
\$3,300,000

CAP RATE
9.03%

Offering Price	\$3,300,000
Cap Rate	9.03%
Price/SF	\$181.67
Total Square Feet	18,165
Rental Rate	\$19.82
Lease Type	Modified Gross
Lease Term	5-Year Term + 5-Year Renewal
Tenancy	Owner User
Occupancy	100.00%

FINANCING

Loan Amount	\$2,145,000
Loan Type	New
Interest Rate	4.00%
Amortization	25 Years
Year Due	2031

Loan information is subject to change. Contact your Marcus & Millichap Capital Corporation representative.

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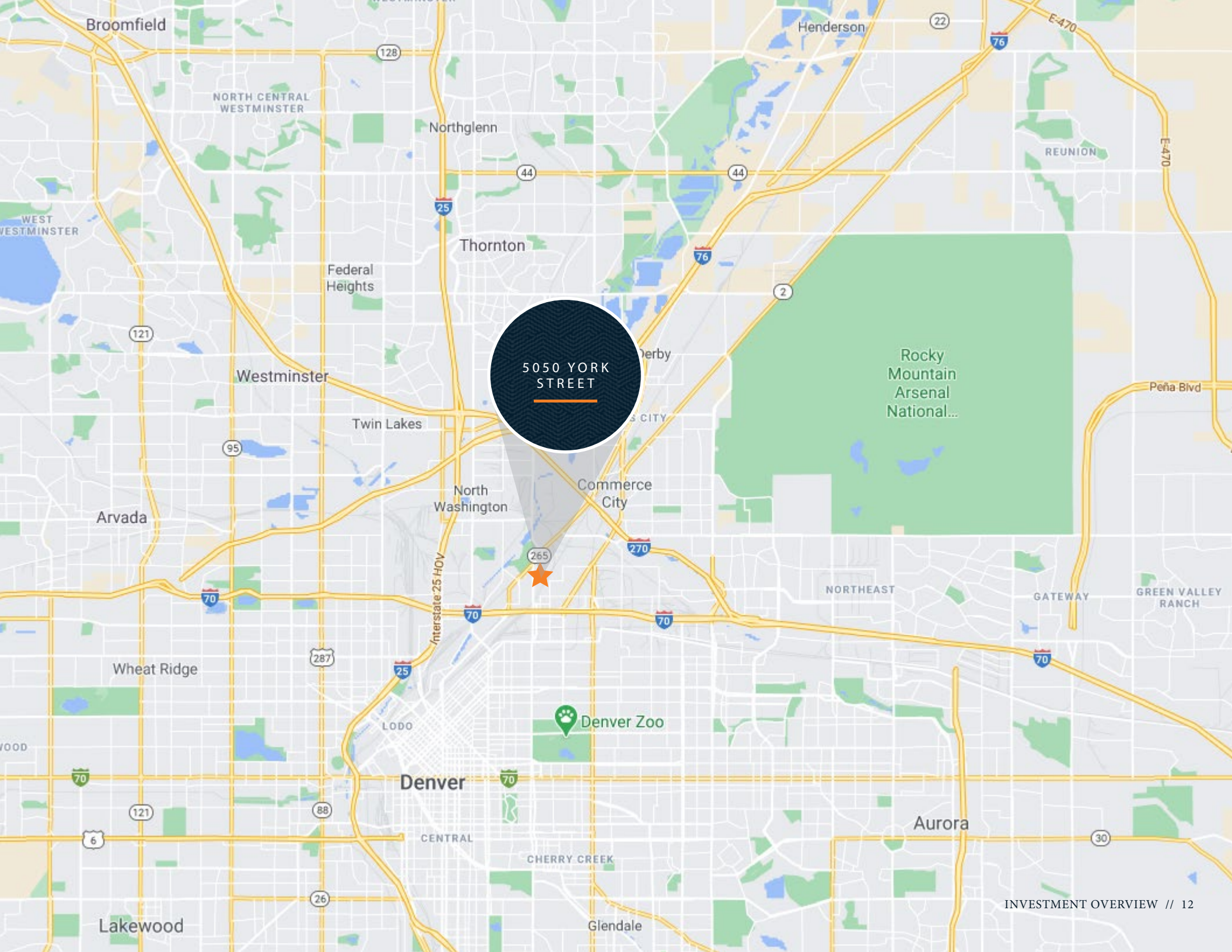
RENT ROLL

Tenant Name	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
			Comm.	Exp.					
Tenant	18,165	100.0%	1/17/18	1/1/23	\$19.82	\$30,000	\$360,000	\$360,000	Jan-2023
Total	18,165				\$19.82	\$30,000	\$360,000	\$360,000	
Occupied Tenants: 1			Unoccupied Tenants: 0		Occupied GLA: 100.00%		Unoccupied GLA: 0.00%		
Total Current Rents: \$30,000					Occupied Current Rents: \$30,000		Unoccupied Current Rents: \$0		

OPERATING STATEMENT

Income	Current		Per SF	Pro Forma		Per SF
Scheduled Base Rental Income	360,000		19.82	360,000		19.82
Expense Reimbursement Income						
Net Lease Reimbursement						
Total Reimbursement Income	\$0	0.0%	\$0.00	\$0	0.0%	\$0.00
Effective Gross Revenue	\$360,000		\$19.82	\$360,000		\$19.82

Operating Expenses	Current		Per SF	Pro Forma		Per SF
Insurance	4,500		0.25	4,500		0.25
Real Estate Taxes	57,362		3.16	57,362		3.16
Total Expenses	\$61,862		\$3.41	\$61,862		\$3.41
Expenses as % of EGR	17.2%			17.2%		
Net Operating Income	\$298,138		\$16.41	\$298,138		\$16.41





5050 YORK
STREET



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 features a complex network of steel beams, girders, and hanging industrial lights, creating a sense of depth and structure.

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 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

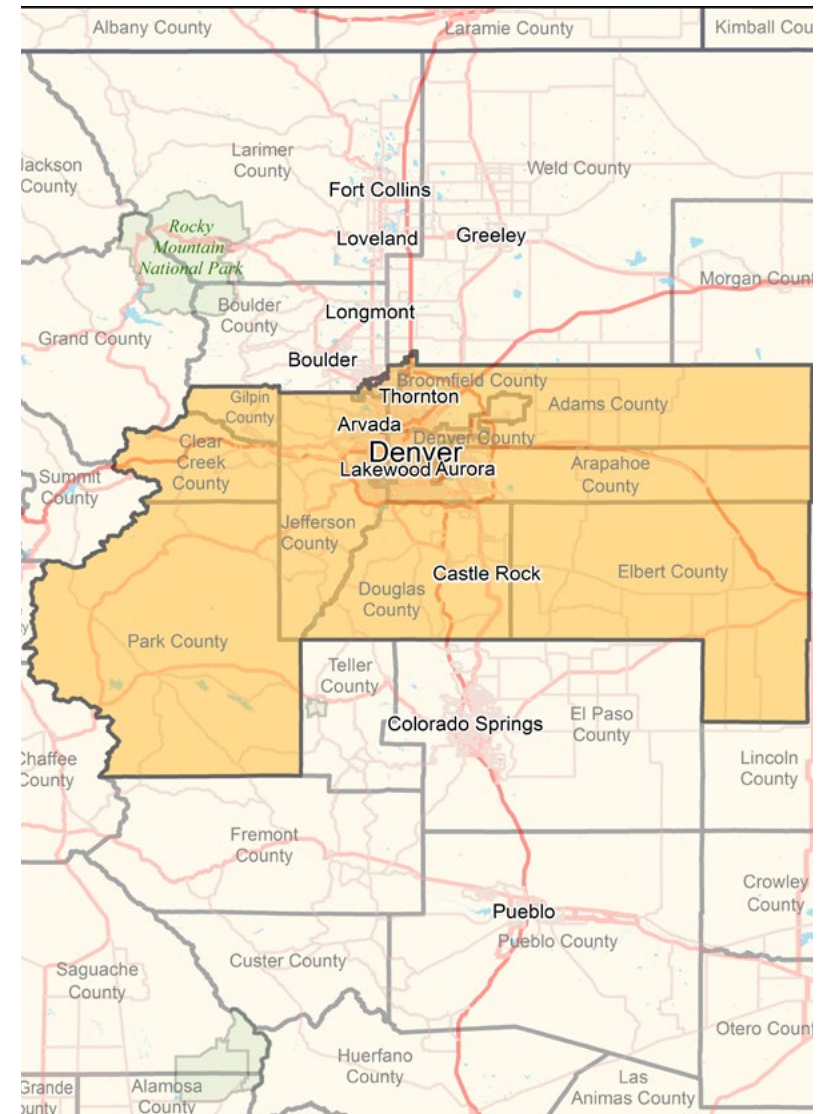


GROWING
ALTERNATIVE-ENERGY
SECTOR

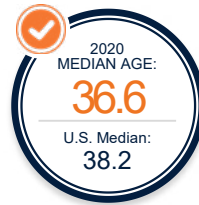
METROPLEX GROWTH

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



391,452

Total Population
Within 5 miles



51.59%



48.41%



\$103,424

Average Household Income
Within 5 miles



5,284

Employees
Within 1 mile

DEMOGRAPHICS

POPULATION	1 Miles	3 Miles	5 Miles
■ 2025 Projection			
Total Population	8,510	104,032	430,138
■ 2020 Estimate			
Total Population	7,592	94,650	391,452
■ 2010 Census			
Total Population	5,878	74,690	313,527
■ 2000 Census			
Total Population	6,141	74,341	301,198
■ Daytime Population			
2020 Estimate	11,343	126,244	576,551
HOUSEHOLDS	1 Miles	3 Miles	5 Miles
■ 2025 Projection			
Total Households	2,307	42,586	201,061
■ 2020 Estimate			
Total Households	2,036	37,231	178,877
Average (Mean) Household Size	3.70	2.45	2.14
■ 2010 Census			
Total Households	1,558	27,909	138,902
■ 2000 Census			
Total Households	1,596	24,507	126,234

HOUSEHOLDS BY INCOME	1 Miles	3 Miles	5 Miles
■ 2020 Estimate			
\$200,000 or More	2.76%	5.39%	9.72%
\$150,000 - \$199,000	1.07%	5.71%	8.01%
\$100,000 - \$149,000	10.14%	15.44%	15.58%
\$75,000 - \$99,999	9.19%	12.72%	12.33%
\$50,000 - \$74,999	19.85%	17.51%	16.40%
\$35,000 - \$49,999	13.03%	11.74%	11.23%
\$25,000 - \$34,999	13.18%	8.87%	7.66%
\$15,000 - \$24,999	13.22%	9.18%	7.63%
Under \$15,000	17.57%	13.45%	11.46%
Average Household Income	\$61,215	\$84,061	\$103,424
Median Household Income	\$43,343	\$59,586	\$67,861
Per Capita Income	\$16,488	\$33,530	\$47,713
POPULATION PROFILE	1 Miles	3 Miles	5 Miles
■ Population By Age			
2020 Estimate Total Population	7,592	94,650	391,452
Under 20	34.91%	23.66%	20.72%
20 to 34 Years	25.71%	31.26%	30.66%
35 to 39 Years	7.39%	8.55%	9.42%
40 to 49 Years	12.20%	13.11%	13.60%
50 to 64 Years	12.61%	14.42%	15.13%
Age 65+	7.20%	9.02%	10.45%
Median Age	28.99	32.71	34.38
■ Population 25+ by Education Level			
2020 Estimate Population Age 25+	4,402	65,498	286,009
Elementary (0-8)	19.81%	9.30%	5.38%
Some High School (9-11)	21.00%	11.26%	8.01%
High School Graduate (12)	28.47%	21.46%	17.96%
Some College (13-15)	14.44%	16.46%	16.25%
Associate Degree Only	3.06%	5.01%	5.13%
Bachelors Degree Only	6.80%	22.40%	27.69%
Graduate Degree	1.50%	11.68%	17.90%
■ Time Travel to Work			
Average Travel Time in Minutes	28	27	27

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:

5050 N York Street, Denver, CO 80216

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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