

Marcus & Millichap
TAG INDUSTRIAL GROUP

1955 SOUTH QUINCE STREET
DENVER, CO 80231

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All potential buyers are strongly advised to take advantage of their opportunities and obligations to conduct thorough due diligence and seek expert opinions as they may deem necessary, especially given the unpredictable changes resulting from the continuing COVID-19 pandemic. Marcus & Millichap has not been retained to perform, and cannot conduct, due diligence on behalf of any prospective purchaser. Marcus & Millichap's principal expertise is in marketing investment properties and acting as intermediaries between buyers and sellers. Marcus & Millichap and its investment professionals cannot and will not act as lawyers, accountants, contractors, or engineers. All potential buyers are admonished and advised to engage other professionals on legal issues, tax, regulatory, financial, and accounting matters, and for questions involving the property's physical condition or financial outlook. Projections and pro forma financial statements are not guarantees and, given the potential volatility created by COVID-19, all potential buyers should be comfortable with and rely solely on their own projections, analyses, and decision-making.

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

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Marcus & Millichap

The background of the slide is a dark, blue-toned photograph of an industrial interior. It features a complex network of steel beams, pipes, and several large, dome-shaped industrial lights hanging from the ceiling. The lighting is dim, creating a moody atmosphere.

SECTION 1

INVESTMENT OVERVIEW

Marcus & Millichap

OFFERING SUMMARY

- State-of-the-Art 42,392-Square-Foot Industrial Cultivation Asset Situated on 1.92 Acres
- Features 16' Clear Height, One Dock Door, One Drive-in Door, and Three-Phase Heavy Power with 1,200 Amps
- Leased to Bonsai Cultivation, Leading Cannabis Wholesale Company | Over 50 Tons Grown/Sold Since Inception
- Occupant Since 2014, \$1.35 Million in Recent Tenant Improvements Ensuring Lease Fulfillment Through 2033
- Proximate to I-25 and I-225 in Glendale Submarket with No Competing New Supply

Marcus & Millichap is pleased to present the opportunity to acquire the property located at 1955 South Quince Street in Denver, Colorado, leased to Bonsai Cultivation. The subject property consists of approximately 42,392 square feet of industrial space and is situated on 1.92 acres of land. The single-tenant asset features a clear height of 16', one dock-high door, one drive-in door, heavy three-phase power with 1,200 amps and 120 to 208 volts, and 47 parking spaces. With proximity to Interstates 25 and 225, the property can easily access Downtown Denver and the Denver International Airport. Bonsai is signed to a triple-net lease through September 2033 at \$20.21 per square foot with 2.0 percent annual rent escalations and one three-year renewal option. As an occupant since 2014, Bonsai has invested over \$1.35 million into the property since 2021, incentivizing the tenant to serve out the full lease and renew. As a state-of-the-art cultivation facility, the property maintains over 1,000 LED lights, an automated irrigation system, and an automated pre-roll machine. Since it opened market operations, Bonsai Cultivation has served as one of the leading wholesale cannabis producers in Denver.

The subject property sits within the relatively small Glendale submarket, containing 2.7 million square feet. During the third quarter of 2024, net absorption dipped into negative territory for the third straight quarter, however, vacancy rates only rose 20 basis points to 4.6 percent. Annual rent growth continued to decelerate to a 12-year low of 2.1 percent, pushing the average asking rent to about \$14.75 per square foot. Thanks to a lack of available land to develop, no industrial properties have been delivered to Glendale since the start of 2017. Given that supply is a nonfactor, vacancies and rent growth will be determined by demand for the foreseeable future (CoStar).

Denver-Aurora-Lakewood metro is home to three million people among 10 counties. Known as the Mile High City, Denver, which is also a county, serves as the state's capitol and largest city, with approximately 742,800 residents. Metro Denver houses 10 Fortune 500 companies, including Newmont Goldcorp, Arrow Electronics, and DISH Network. Aerospace, financial services, and health care are some of the industries that have driven economic growth in the new millennium. The passage of Amendment 64 in November 2012, created a new industry in marijuana, largely consisting of young thriving businesses. Metro Denver provides a high quality of life with rural and urban amenities. Rocky Mountain National Park is less than two hours driving from the metro area, and the city houses franchises for all four major sports.

PROPERTY DETAILS

1955 SOUTH QUINCE STREET, DENVER, CO 80231

Number of Suites	1
Number of Buildings	1
Total Square Feet	42,392 SF
Year Built	1973
Lot Size	1.92 Acres
Clear Height	16'
Parking Spaces	47
Parking Surface	Concrete
Building Class	B
Tenancy	Single-Tenant
Dock-High Doors	1
Drive-In Doors	1
Construction	Masonry
Power	1,200a/120-208v 3p H
Zoning	I-A
Roof Type	Built Up
Market	CO-Denver MSA
Submarket	Glendale
Market Vacancy	5.40%



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. © 2024 Marcus & Millichap. All rights reserved. (Activity ID: ZAF0050570)



OFFERING HIGHLIGHTS

1955 SOUTH QUINCE STREET

DENVER, CO 80231

OFFERING PRICE	CAP RATE	PRO FORMA CAP RATE
\$8,500,000	10.08%	10.28%

Offering Price	\$8,500,000
Cap Rate	10.08%
Pro Forma Cap Rate	10.28%
Price/SF	\$200.51
Total Square Feet	42,392
Rental Rate	\$20.21
Lease Type	Triple-Net (NNN)
Lease Term	9 Years
Rental Increases	2%
Tenancy	Single
Occupancy	100.00%

FINANCING

LTV	55%
Rate	WSJP + 2.00%
Term	5 Years
Amortization	20 Years

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

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. © 2024 Marcus & Millichap. All rights reserved. (Activity ID: ZAF0050570)

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	Rent Increase	Lease Type	Renewal Options and Option Year Rental Information
Bonsai Cultivation	42,392	100.0%	10/1/23	9/30/33	\$20.21	\$71,400	\$856,800	\$873,936	Oct-2025	2.00%	NNN	One (1) 3-Year Renewal Option. 2% Annual Increases
Total	42,392				\$20.21	\$71,400	\$856,800	\$873,936				





1955 SOUTH
QUINCE STREET



TENANT SUMMARY

“To produce high-quality products, deliver top-notch customer service, maintain dependable delivery schedules, and ensure both operational and financial stability.”

TENANT
Bonsai Cultivation

HEADQUARTERS
Denver, CO

DATE FOUNDED
2015

www.bonsaicultivation.com



Bonsai Cultivation is a leading wholesale grower and distributor of cannabis plants in the Denver market. Since the company's founding, Bonsai has grown and sold over 50 tons of cannabis to more than 400 licensed facilities, both big and small, across Colorado. The company's state-of-the-art facility has the capacity to process up to 250 pounds of flowers weekly. In addition, Bonsai's top-of-the-line automated pre-roll machine produces over 10,000 joints daily for both Bonsai joints and white-label partners. Bonsai differentiates itself from the competition by supporting its highly experienced staff with the motto that "happy people = happy plants."

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 2,143 debt
and equity
financings in 2023



National platform operating
within the firm's
brokerage offices



\$86.3 billion total
national volume
in 2023



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 pipes. Several large, dome-shaped industrial lights are visible, hanging from the ceiling. The overall atmosphere is gritty and industrial.

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 742,800 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



THRIVING
ALTERNATIVE
ENERGY SECTOR

METROPLEX GROWTH

ECONOMY

Key drivers of the local economy include aerospace, bioscience, energy, financial services, health care, aviation, information technology and telecommunications. Denver's economy is expanding, with the annual change in gross metropolitan product expected to exceed 2 percent this year. Many of the largest firms are in population-serving businesses, such as retail and health care, and their expansions will track population and income growth. Denver is home to 10 Fortune 500 companies, including Newmont Goldcorp, Arrow Elec-tronics, DISH Network, DaVita, Qurate Retail Group and VF Corporation.



5%
MANUFACTURING



19%
PROFESSIONAL AND
BUSINESS SERVICES



13%
GOVERNMENT



10%
LEISURE AND HOSPITALITY



8%
FINANCIAL
ACTIVITIES



18%
TRADE, TRANSPORTATION,
AND UTILITIES



7%
CONSTRUCTION



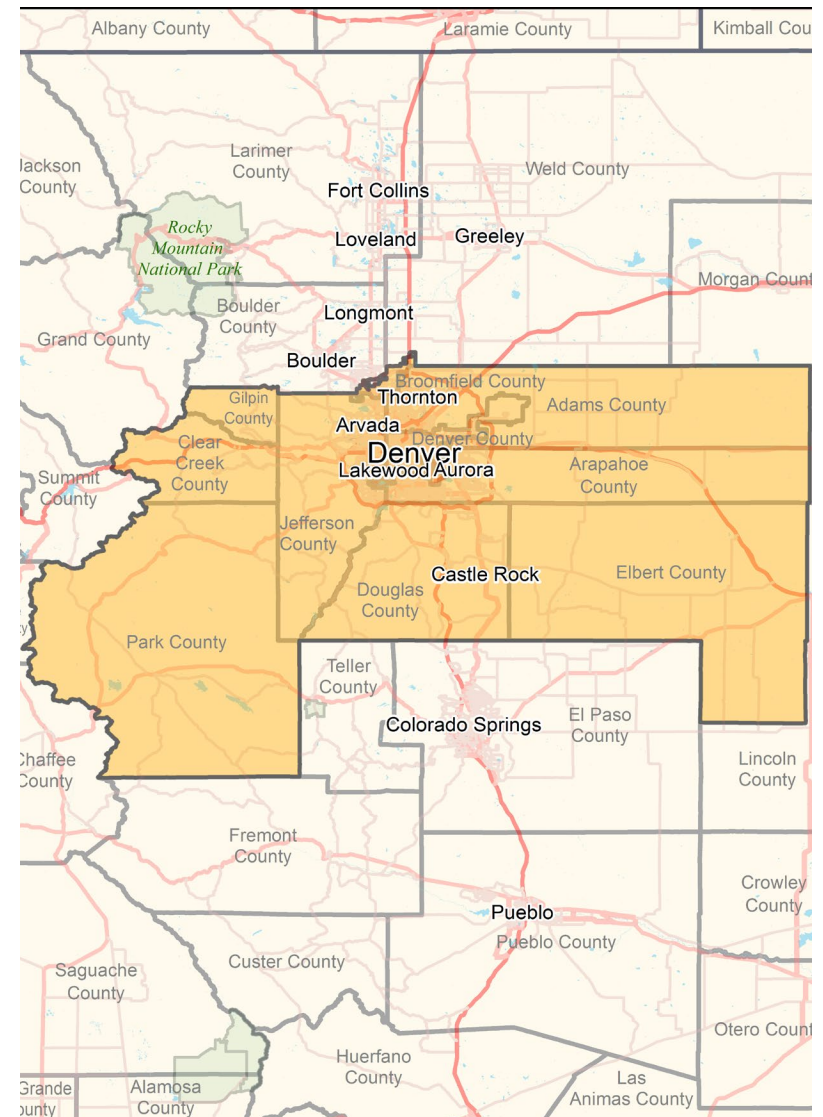
12%
EDUCATION AND
HEALTH SERVICES



3%
INFORMATION



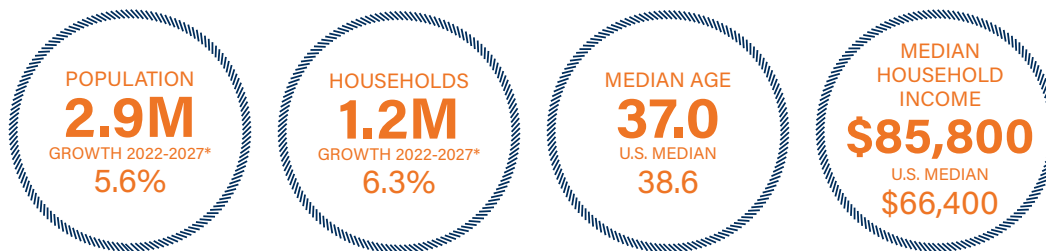
4%
OTHER SERVICES



METROPLEX GROWTH

DEMOGRAPHICS

The metro is expected to add 162,400 new residents during the next five years, as the market benefits from household migration trends that emerged from the health crisis. Gains in higher-paying employment sectors keep the median household income well above the national median. Elevated incomes have allowed 63 percent of households to own their homes, nearly matching the national rate.



QUALITY OF LIFE

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 metropolitan area will continue to grow as the area's high quality of life attracts new residents.



DEMOGRAPHICS



449,416

Total Population
Within 5 Miles



49.3%



50.7%



\$119,139

Average Household Income
Within 5 Miles



269,186

Employees
Within 1 Mile

DEMOGRAPHICS

POPULATION	1 Mile	3 Miles	5 Miles
2028 Projection			
Total Population	24,346	189,800	469,845
2023 Estimate			
Total Population	23,499	180,932	449,416
2020 Census			
Total Population	23,743	183,157	456,155
2010 Census			
Total Population	21,569	161,164	399,512
Daytime Population			
2023 Estimate	18,052	186,777	510,643
HOUSEHOLDS	1 Mile	3 Miles	5 Miles
2028 Projection			
Total Households	11,758	92,288	223,254
2023 Estimate			
Total Households	11,313	87,780	212,744
Average (Mean) Household Size	2.0	2.0	2.1
2020 Census			
Total Households	11,024	84,915	206,357
2010 Census			
Total Households	10,394	78,350	186,091

HOUSEHOLDS BY INCOME	1 Mile	3 Miles	5 Miles
2023 Estimate			
\$200,000 or More	6.3%	11.1%	12.9%
\$150,000-\$199,999	6.2%	7.4%	8.6%
\$100,000-\$149,999	17.4%	16.6%	16.5%
\$75,000-\$99,999	14.3%	13.3%	12.7%
\$50,000-\$74,999	17.8%	17.3%	16.8%
\$35,000-\$49,999	14.3%	12.2%	11.4%
\$25,000-\$34,999	8.4%	7.0%	6.7%
\$15,000-\$24,999	6.3%	6.5%	6.1%
Under \$15,000	9.0%	8.6%	8.3%
Average Household Income	\$88,605	\$109,788	\$119,139
Median Household Income	\$65,902	\$72,480	\$76,263
Per Capita Income	\$43,051	\$53,453	\$56,626
POPULATION PROFILE	1 Mile	3 Miles	5 Miles
Population By Age			
2023 Estimate Total Population	23,499	180,932	449,416
Under 20	19.1%	18.7%	19.6%
20 to 34 Years	28.9%	26.5%	26.4%
35 to 39 Years	9.6%	8.4%	8.8%
40 to 49 Years	13.1%	12.6%	12.8%
50 to 64 Years	15.9%	16.8%	16.5%
Age 65+	13.4%	17.0%	15.9%
Median Age	35.9	37.7	37.1
Population 25+ by Education Level			
2023 Estimate Population Age 25+	17,722	136,980	336,609
Elementary (0-8)	2.2%	2.5%	3.6%
Some High School (9-11)	2.9%	2.9%	3.8%
High School Graduate (12)	16.8%	15.2%	15.4%
Some College (13-15)	19.4%	18.1%	16.9%
Associate Degree Only	7.6%	6.9%	6.4%
Bachelor's Degree Only	32.4%	33.0%	31.8%
Graduate Degree	18.7%	21.3%	22.1%
Travel Time to Work			
Average Travel Time to Work in Minutes	27.0	27.0	27.0

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:

1955 South Quince Street, Denver, Colorado 80231

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.


Broker

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