

Park Hill Retail

SEC Eudora St & Colfax Ave
Denver, Colorado 80220



Confidential Offering Memorandum Presented By
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Market Overview



PARK HILL
SUSHI CO
TEMAKI & SASHIMI

Offering Summary

Address	4900 East Colfax Avenue Denver, Colorado 80220		
Offering Price	\$2,270,000		
Parcel ID	06061-07-029-000 06061-07-028-000	Building Size	8,548 SF - Retail 1,087 SF - Residential
Land Area	18,369 SF	Zoning	U-MS-3
Cap Rate	7.25%	2019 Taxes	\$26,668.91
Occupancy	100.0%	Year Built	1927
Tenants	6	Construction	Masonry, Wood

Key Highlights

- Fully leased retail & residential house
- Highly desired location for traffic & visibility
- Strong demographics in the surrounding area
- Excellent occupancy history - low vacancy
- Low maintenance and ease of management

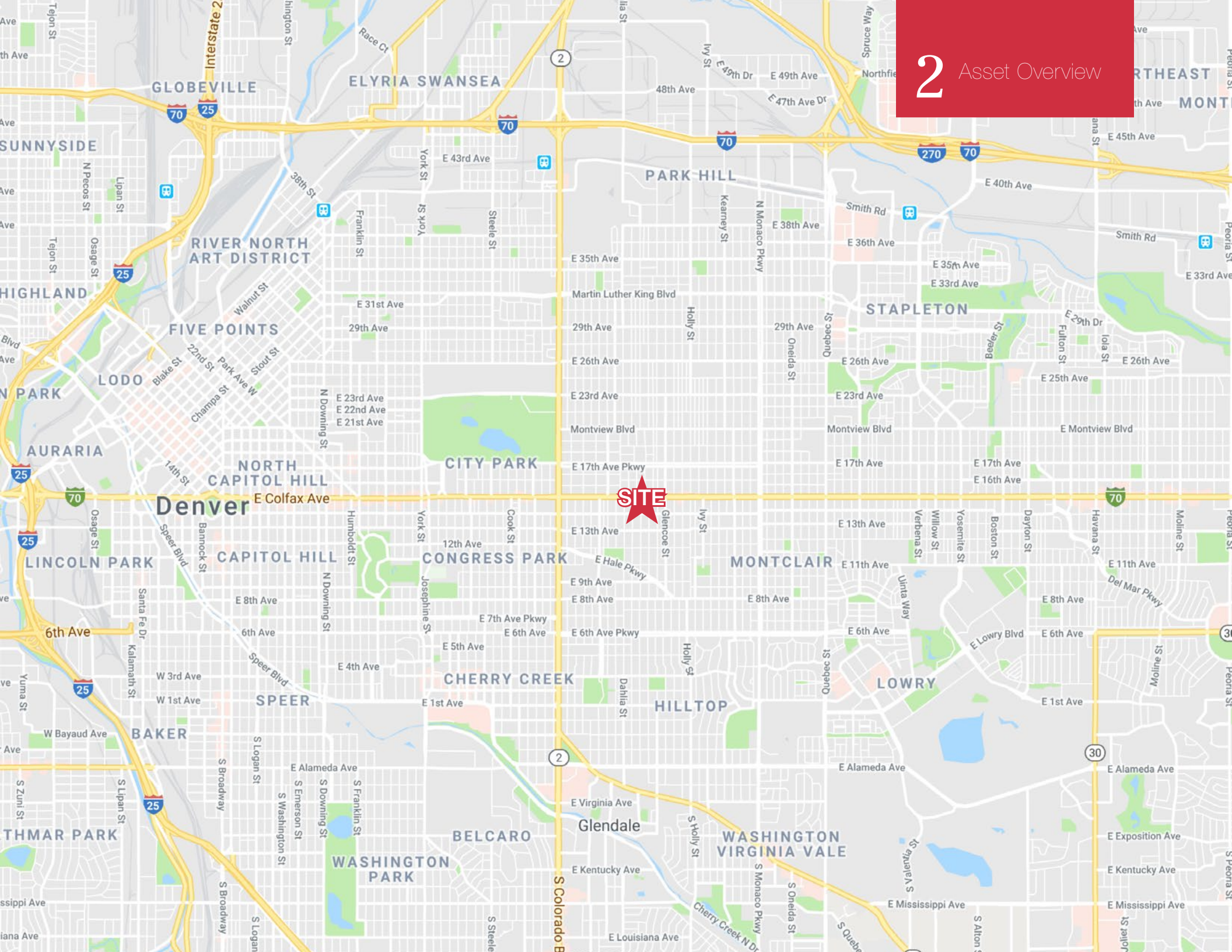


Property Description

NAI Shames Makovsky is pleased to exclusively offer the sale of 4900 E. Colfax Avenue, consisting of two buildings totalling 9,635 SF on 18,369 SF of ground located on the desirable East Colfax retail corridor surrounded by some of Central Denver's most affluent neighborhoods, providing the immediate trade area with outstanding demographics.

The SEC of Colfax and Eudora features a unique tenant mix, in a strong trade area. Poised for growth, the Colfax-Mayfair Business Improvement District offers various investment programs and is located in the Denver Enterprise Zone. This stretch of East Colfax continues to grow at a rapid rate, creating more walkability and stronger tenants moving into the area. The SEC corner of Colfax and Eudora is a great opportunity for an investor to enjoy the cash flow the fully leased property is producing, as appreciation in the area continues to rise.

2 Asset Overview





E Colfax Ave

Eudora St

1,405 SF

TATTOO SHOP		
500 SF	500 SF	500 SF

3,233 SF

RESIDENTIAL HOUSE

1,087 SF

Tenant Legend

#1490	The Game Lounge	3,233 SF
#4900	Park Hill Sushi	1,405 SF
#4914	Tattoo Shop	500 SF
#4916	Victory Clothing	500 SF
#4918	City Donuts	500 SF
House	Residential House	1,087 SF

Income & Operating Expenses

	2019	2020	2021	2022	2023
Base Rent Revenue					
Park Hill Sushi Co.	\$ 34,774	\$ 36,179	\$ 37,584	\$ 38,989	\$ 39,134
The Game Lounge, LLC	\$ 66,276	\$ 69,510	\$ 72,743	\$ 75,975	\$ 84,281
City Donuts, LLC	\$ 12,515	\$ 12,762	\$ 13,016	\$ 13,495	\$ 13,900
Tattoo Shop	\$ 7,292	\$ 12,719	\$ 13,100	\$ 13,493	\$ 14,069
Victory Clothing	\$ 7,292	\$ 12,719	\$ 13,100	\$ 13,493	\$ 14,069
David Rumbaugh	\$ 18,000	\$ 18,000	\$ 18,000	\$ 18,000	\$ 18,000
Stephen Flentie	\$ 10,200	\$ 10,200	\$ 10,200	\$ 10,200	\$ 10,200
Expense Reimbursement Revenue	\$ 71,723	\$ 74,379	\$ 76,632	\$ 78,957	\$ 81,531
General Vacancy Factor - 3.00%	\$ (6,842)	\$ (7,394)	\$ (7,631)	\$ (7,878)	\$ (8,256)
Total Gross Revenue	\$ 221,229	\$ 239,072	\$ 246,743	\$ 254,724	\$ 266,928
	TRUE	TRUE	TRUE	TRUE	TRUE
Operating Expenses					
Utilities	\$ (5,388)	\$ (5,550)	\$ (5,716)	\$ (5,888)	\$ (6,064)
Insurance	\$ (2,500)	\$ (2,575)	\$ (2,652)	\$ (2,732)	\$ (2,814)
CAM	\$ (12,740)	\$ (13,122)	\$ (13,516)	\$ (13,921)	\$ (14,339)
Property Mgmt Fee - 4.50%	\$ (9,955)	\$ (10,758)	\$ (11,103)	\$ (11,463)	\$ (12,012)
Property Taxes	\$ (41,139)	\$ (42,373)	\$ (43,645)	\$ (44,954)	\$ (46,303)
Owner Expenses	\$ -	\$ -	\$ -	\$ -	\$ -
Total Operating Expenses	\$ (71,723)	\$ (74,379)	\$ (76,632)	\$ (78,957)	\$ (81,531)
Net Operating Income	\$ 149,506	\$ 164,693	\$ 170,110	\$ 175,767	\$ 185,397
Cash Flow After Leasing, Capital, & Reserves	\$ 149,506	\$ 164,693	\$ 170,110	\$ 175,767	\$ 185,397

Assumptions Summary

Property Detail

Name of Property	Colfax Central, LLC
Address	4900 E. Colfax Ave.
Property Type	Retail
Building Class	B
Building SF	N/A
Land SF	15,613 SF
Acres	0.36
Zoning	U-MS-3
Year Built (Renov.)	1932
Occupancy	100.0%

Debt Terms

Current Debt Balance	N/A
Interest Rate	N/A
Debt Maturity	N/A

Market Leasing Assumptions

Starting Base Rent	\$25.00 PSF
Lease Term	5 Years
Tenant Improvement Allowance	\$.00 PSF
Leasing Commissions	0.00%
Free Rent	0
Rent Growth	0.0%

Near Term Lease Expirations

Year	SF	% of Total SF
Vacant	0	0.0%
MTM	0	0.0%
2019	0	0.0%
2020	0	0.0%
2021	494	8.1%
2022	1,000	16.3%
2023	4,638	75.6%
Total	6,132	100.0%

Rent Roll

Tenant	Suite	Leased SF	2019 Rent PSF	2019 Annual Rent	Lease Ends	Options
Park Hill Sushi Co.	4900	1,405	\$24.75	\$ 34,773.72	3/31/2023	N/A
The Game Lounge, LLC	1490	3,233	\$20.50	\$ 66,276.48	6/30/2023	N/A
City Donuts, LLC	4918	494	\$25.33	\$ 12,514.64	4/30/2021	N/A
Tattoo Shop	4914	500	\$14.58	\$ 7,291.62	5/31/2022	N/A
Victory Clothing	4916	500	\$14.58	\$ 7,291.62	5/31/2022	N/A
David Rumbaugh	1476	0	N/A	\$ 18,000.00	9/30/2019	N/A
Stephen Flentie	1476	0	N/A	\$ 10,200.00	11/30/2019	N/A
TOTAL:		6,132		\$ 156,348.08		

Annual Cash Flows

	2019	2020	2021	2022	2023
Base Rent Revenue	\$156,348	\$172,087	\$177,741	\$183,645	\$193,652
Expense Reimbursement Revenue	\$71,723	\$74,379	\$76,632	\$78,957	\$81,531
General Vacancy Factor - 3.00%	(\$6,842)	(\$7,394)	(\$7,631)	(\$7,878)	(\$8,256)
Total Gross Revenue	\$221,229	\$239,072	\$246,743	\$254,724	\$266,928
PSF	\$36.08	\$38.99	\$40.24	\$41.54	\$43.53
Operating Expenses					
Utilities	(\$5,388)	(\$5,550)	(\$5,716)	(\$5,888)	(\$6,064)
Insurance	(\$2,500)	(\$2,575)	(\$2,652)	(\$2,732)	(\$2,814)
CAM	(\$12,740)	(\$13,122)	(\$13,516)	(\$13,921)	(\$14,339)
Property Mgmt Fee - 4.50%	(\$9,955)	(\$10,758)	(\$11,103)	(\$11,463)	(\$12,012)
Property Taxes	(\$41,139)	(\$42,373)	(\$43,645)	(\$44,954)	(\$46,303)
Owner Expenses	\$0	\$0	\$0	\$0	\$0
Total Operating Expenses	(\$71,723)	(\$74,379)	(\$76,632)	(\$78,957)	(\$81,531)
PSF	(\$11.70)	(\$12.13)	(\$12.50)	(\$12.88)	(\$13.30)
Net Operating Income	\$149,506	\$164,693	\$170,110	\$175,767	\$185,397
PSF	\$24.38	\$26.86	\$27.74	\$28.66	\$30.23
Total Leasing, Capital, & Reserves	\$0	\$0	\$0	\$0	\$0
Cash Flow After Leasing, Capital, & Reserves	\$149,506	\$164,693	\$170,110	\$175,767	\$185,397

Tenant Rent Roll

Park Hill Sushi Rent Schedule

Start	End	Monthly	Annual	# of Months
2/1/2017	3/31/2017	\$0.00	\$0.00	2
4/1/2017	3/31/2019	\$2,810.00	\$33,720.00	24
4/1/2019	3/31/2020	\$2,927.08	\$35,125.00	12
4/1/2020	3/31/2021	\$3,044.17	\$36,530.00	12
4/1/2021	3/31/2022	\$3,161.25	\$37,935.00	12
4/1/2022	3/31/2023	\$3,278.33	\$39,340.00	12
				74

The Game Lounge Rent Schedule

Start	End	Monthly	Annual	# of Months
3/14/2018	6/30/2018	\$0.00	\$0.00	4
7/1/2018	6/30/2019	\$5,388.33	\$64,660.00	12
7/1/2019	6/30/2020	\$5,657.75	\$67,893.00	12
7/1/2020	6/30/2021	\$5,927.17	\$71,126.00	12
7/1/2021	6/30/2022	\$6,196.58	\$74,359.00	12
7/1/2022	6/30/2023	\$6,466.00	\$77,592.00	12

City Donuts, LLC Rent Schedule

Start	End	Monthly	Annual	# of Months
5/1/2018	4/30/2019	\$1,029.17	\$12,350.00	12
5/1/2019	4/30/2020	\$1,049.75	\$12,597.00	12
5/1/2020	4/30/2021	\$1,070.33	\$12,844.00	12

Tattoo Shop Rent Schedule

Start	End	Monthly	Annual	# of Months
3/1/2019	5/31/2019	\$0.00	\$0.00	3
6/1/2019	5/31/2020	\$1,041.66	\$12,499.92	12
6/1/2020	5/31/2021	\$1,072.91	\$12,874.92	12
6/1/2021	5/31/2022	\$1,105.00	\$13,260.00	12

PARK HILL SUSHI CO



SQUARE FEET	1,405 SF
LEASE EXPIRATION	3/31/2023
TENANT SINCE	2018
LEASE OPTIONS	Two (2) 5-year options

Fresh sushi restaurant that features temaki, sashimi, sake, and much more. Sister location to Cherry Hills Sushi Co.

THE GAME LOUNGE



SQUARE FEET	3,233 SF
LEASE EXPIRATION	6/30/2023
TENANT SINCE	2018
LEASE OPTIONS	Two (2) 5-year options

Restaurant that features food and drinks, tons of fun board games to play for free or to buy, and great vinyl music.

CITY DONUTS



SQUARE FEET	500 SF
LEASE EXPIRATION	4/31/2021
TENANT SINCE	2017
LEASE OPTIONS	One (1) 5-year option

Donuts, coffee, etc.

VICTORY CLOTHING



SQUARE FEET	500 SF
LEASE EXPIRATION	5/31/2022
TENANT SINCE	2019
LEASE OPTIONS	None

Urban streetwear company.

RESIDENTIAL HOUSE

SQUARE FEET	1,087 SF
LEASE EXPIRATION	N/A
TENANT SINCE	N/A
LEASE OPTIONS	None
N/A	

TATTOO SHOP

SQUARE FEET	500 SF
LEASE EXPIRATION	5/31/2022
TENANT SINCE	2019
LEASE OPTIONS	One (1) 3-year option
Tattoo parlor.	

Base Rent Revenue	Suite	SF	End Date	2019	2020	2021	2022	2023
Park Hill Sushi Co.	4900	1,405 SF	3/31/2023	\$ 34,773.72	\$ 36,178.77	\$ 37,583.76	\$ 38,988.72	\$ 39,133.87
				\$ 24.75	\$ 25.75	\$ 26.75	\$ 27.75	\$ 27.85
The Game Lounge, LLC	1490	3,233 SF	6/30/2023	\$ 66,276.48	\$ 69,509.52	\$ 72,742.50	\$ 75,975.48	\$ 84,280.62
				\$ 20.50	\$ 21.50	\$ 22.50	\$ 23.50	\$ 26.07
City Donuts, LLC	4918	494 SF	4/30/2021	\$ 12,514.64	\$ 12,761.64	\$ 13,016.06	\$ 13,495.18	\$ 13,900.03
				\$ 25.33	\$ 25.83	\$ 26.35	\$ 27.32	\$ 28.14
Tattoo Shop	4914	500 SF	5/31/2022	\$ 7,291.62	\$ 12,718.67	\$ 13,099.55	\$ 13,492.80	\$ 14,068.86
				\$ 14.58	\$ 25.44	\$ 26.20	\$ 26.99	\$ 28.14
Victory Clothing	4916	500 SF	5/31/2022	\$ 7,291.62	\$ 12,718.67	\$ 13,099.55	\$ 13,492.80	\$ 14,068.86
				\$ 14.58	\$ 25.44	\$ 26.20	\$ 26.99	\$ 28.14
David Rumbaugh	1476	SF	9/30/2019	\$ 18,000.00	\$ 18,000.00	\$ 18,000.00	\$ 18,000.00	\$ 18,000.00
Stephen Flentie	1476	SF	11/30/2019	\$ 10,200.00	\$ 10,200.00	\$ 10,200.00	\$ 10,200.00	\$ 10,200.00
Total Base Rent Revenue	6,132 SF			\$ 156,348.08	\$ 172,087.27	\$ 177,741.42	\$ 183,644.98	\$ 193,652.25
Expense Reimbursement Revenue								
Park Hill Sushi Co.	4900	1,405		\$ 16,433.51	\$ 17,042.06	\$ 17,558.46	\$ 18,091.19	\$ 18,680.96
				\$ 11.70	\$ 12.13	\$ 12.50	\$ 12.88	\$ 13.30
The Game Lounge, LLC	1490	3,233		\$ 37,814.61	\$ 39,214.93	\$ 40,403.20	\$ 41,629.05	\$ 42,986.16
				\$ 11.70	\$ 12.13	\$ 12.50	\$ 12.88	\$ 13.30
City Donuts, LLC	4918	494		\$ 5,778.04	\$ 5,992.01	\$ 6,173.58	\$ 6,360.89	\$ 6,568.25
				\$ 11.70	\$ 12.13	\$ 12.50	\$ 12.88	\$ 13.30
Tattoo Shop	4914	500		\$ 5,848.22	\$ 6,064.79	\$ 6,248.56	\$ 6,438.15	\$ 6,648.03
				\$ 11.70	\$ 12.13	\$ 12.50	\$ 12.88	\$ 13.30
Victory Clothing	4916	500		\$ 5,848.22	\$ 6,064.79	\$ 6,248.56	\$ 6,438.15	\$ 6,648.03
				\$ 11.84	\$ 12.13	\$ 12.50	\$ 12.88	\$ 13.30
David Rumbaugh	1476			\$ -	\$ -	\$ -	\$ -	\$ -
Stephen Flentie	1476			\$ -	\$ -	\$ -	\$ -	\$ -
Total Expense Reimbursement Revenue				\$ 71,722.61	\$ 74,378.57	\$ 76,632.37	\$ 78,957.41	\$ 81,531.43
General Vacancy Factor - 3.00%				\$ (6,842.12)	\$ (7,393.98)	\$ (7,631.21)	\$ (7,878.07)	\$ (8,255.51)
Total Gross Revenue				\$ 221,228.56	\$ 239,071.87	\$ 246,742.58	\$ 254,724.32	\$ 266,928.17
Operating Expenses			Annual Growth Rate:	3.00%	3.00%	3.00%	3.00%	3.00%
Utilities				\$ (5,388.00)	\$ (5,549.64)	\$ (5,716.13)	\$ (5,887.61)	\$ (6,064.24)
Insurance				\$ (2,500.00)	\$ (2,575.00)	\$ (2,652.25)	\$ (2,731.82)	\$ (2,813.77)
CAM				\$ (12,740.00)	\$ (13,122.20)	\$ (13,515.87)	\$ (13,921.34)	\$ (14,338.98)
Property Mgmt Fee - 4.50%				\$ (9,955.29)	\$ (10,758.23)	\$ (11,103.42)	\$ (11,462.59)	\$ (12,011.77)
Property Taxes				\$ (41,139.32)	\$ (42,373.50)	\$ (43,644.70)	\$ (44,954.05)	\$ (46,302.67)
Owner Expenses				\$ -	\$ -	\$ -	\$ -	\$ -
Total Operating Expenses				\$ (71,722.61)	\$ (74,378.57)	\$ (76,632.37)	\$ (78,957.41)	\$ (81,531.43)
Net Operating Income				\$ 149,505.96	\$ 164,693.29	\$ 170,110.21	\$ 175,766.91	\$ 185,396.74
Cash Flow After Leasing, Capital, & Reserves				\$ 149,505.96	\$ 164,693.29	\$ 170,110.21	\$ 175,766.91	\$ 185,396.74

Park Hill Sushi Rent Schedule

Start	End	Monthly	Annual	# of Months
2/1/2017	3/31/2017	\$0.00	\$0.00	2
4/1/2017	3/31/2019	\$2,810.00	\$33,720.00	24
4/1/2019	3/31/2020	\$2,927.08	\$35,125.00	12
4/1/2020	3/31/2021	\$3,044.17	\$36,530.00	12
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The Game Lounge Rent Schedule

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7/1/2020	6/30/2021	\$5,927.17	\$71,126.00	12
7/1/2021	6/30/2022	\$6,196.58	\$74,359.00	12
7/1/2022	6/30/2023	\$6,466.00	\$77,592.00	12

City Donuts, LLC Rent Schedule

Start	End	Monthly	Annual	# of Months
5/1/2018	4/30/2019	\$1,029.17	\$12,350.00	12
5/1/2019	4/30/2020	\$1,049.75	\$12,597.00	12
5/1/2020	4/30/2021	\$1,070.33	\$12,844.00	12

Tattoo Shop Rent Schedule

Start	End	Monthly	Annual	# of Months
3/1/2019	5/31/2019	\$0.00	\$0.00	3
6/1/2019	5/31/2020	\$1,041.66	\$12,499.92	12
6/1/2020	5/31/2021	\$1,072.91	\$12,874.92	12
6/1/2021	5/31/2022	\$1,105.00	\$13,260.00	12



Denver Retail Market Report

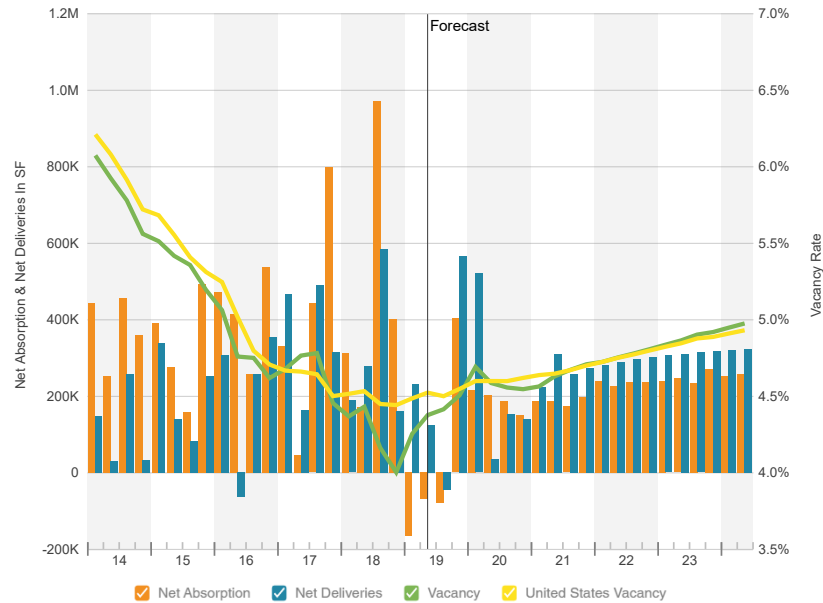
Denver retail fundamentals are on firm footing even with the rise of e-commerce and evolving buying patterns. Trade area demographics are buttressing strong consumer demand as the metro has experienced robust growth in population, employment, and buying power this cycle.

Retail rents in Denver's downtown and near-downtown submarkets have seen truly outsized rent gains this cycle, and these submarkets continued to generally lead the way over the past few years. Rents in the Downtown submarket have surpassed the peak of last cycle by 50%, the third-best performance out of roughly 2,000 submarkets in the National Retail Index. But renewed strength in a number of suburban retail submarkets, many of which saw lackluster rent growth earlier in the cycle, has emerged as the cycle has progressed.

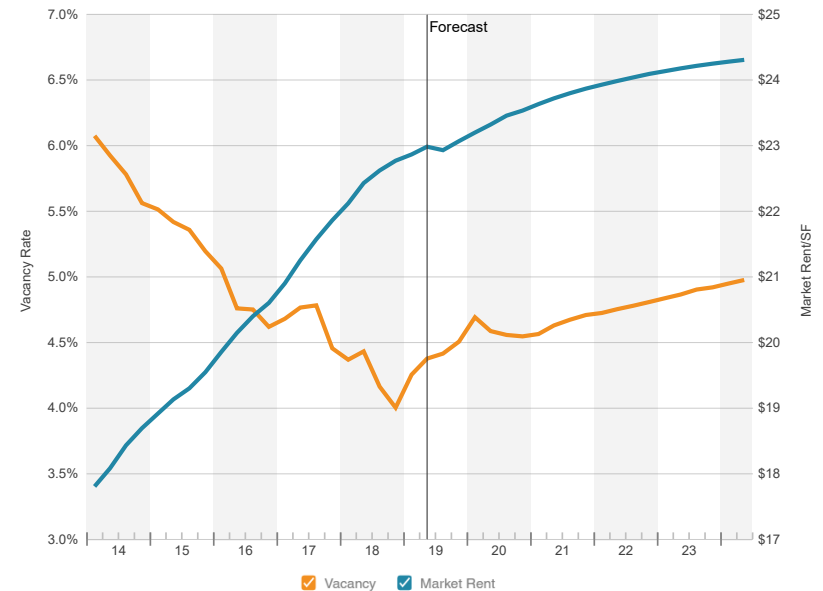
With excellent demographic trends but limited supply, the change in buying power per SF of retail in Denver outperformed nearly all major metros since the recession. Today, vacancies that peaked at 9% during the downturn are historically tight, in the low-to-mid 4% range in 19Q3, or the lowest in at least 15 years.

Although leading retail indicators have been encouraging, development activity has been rather minimal. Since 2010, Denver's retail stock has only grown by 5.4%—near the national average despite far superior demographic trends.

Net Absorption, Deliveries, & Vacancy



Vacancy & Market Rent PSF



*Source: CoStar

Retail rents in Denver increased at a year-over-year rate of at least 4% continuously from mid-2014 through mid-2018, and have grown by just over 5% annually on average over the past five years. Following the national trend, rent growth has fallen off of the peak growth rates observed earlier in the cycle, and signs of a rent growth slowdown have firmed in 2019 to-date.

Vacancies that peaked at 9% during the downturn are now historically tight, ending 2018 at around 4.5%—the lowest in at least 15 years. Vacancies have continued to trend downwards in 2019 to-date. With the market nearly at capacity, vacancy compression has slowed, and the market has recently posted some of its weakest quarterly absorption totals in years.

Although Denver’s overall employment growth has shown signs of a slight slowdown along with the national index, the greater Denver area is adding tech jobs at an accelerating pace. Employment in Professional, Scientific & Technical Services grew by more than 8% year-over-year as of July, a new high watermark for the cycle. Corporate expansions and relocations by tech companies such as Amazon, Slack, and Conga are driving employment gains as the war for talent rages on in a historically tight U.S. job market.

Investment activity is on pace to slow significantly from 2018, a year which set or neared record highs in several different measurables. Dollar sales volume in 2018 was roughly tied for the second-highest this cycle (\$1.5 billion), as was the total number of deals. The inventory turnover—just over 7%—was the highest in more than a decade. On average, cap rates in the Denver metro remain flat in the 6.6%-6.7% range over the past three years.

The logo features the letters 'NAI' in a bold, white, sans-serif font, followed by the name 'Shames Makovsky' in a similar white font. The background is a solid red rectangle.

NAI Shames Makovsky

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