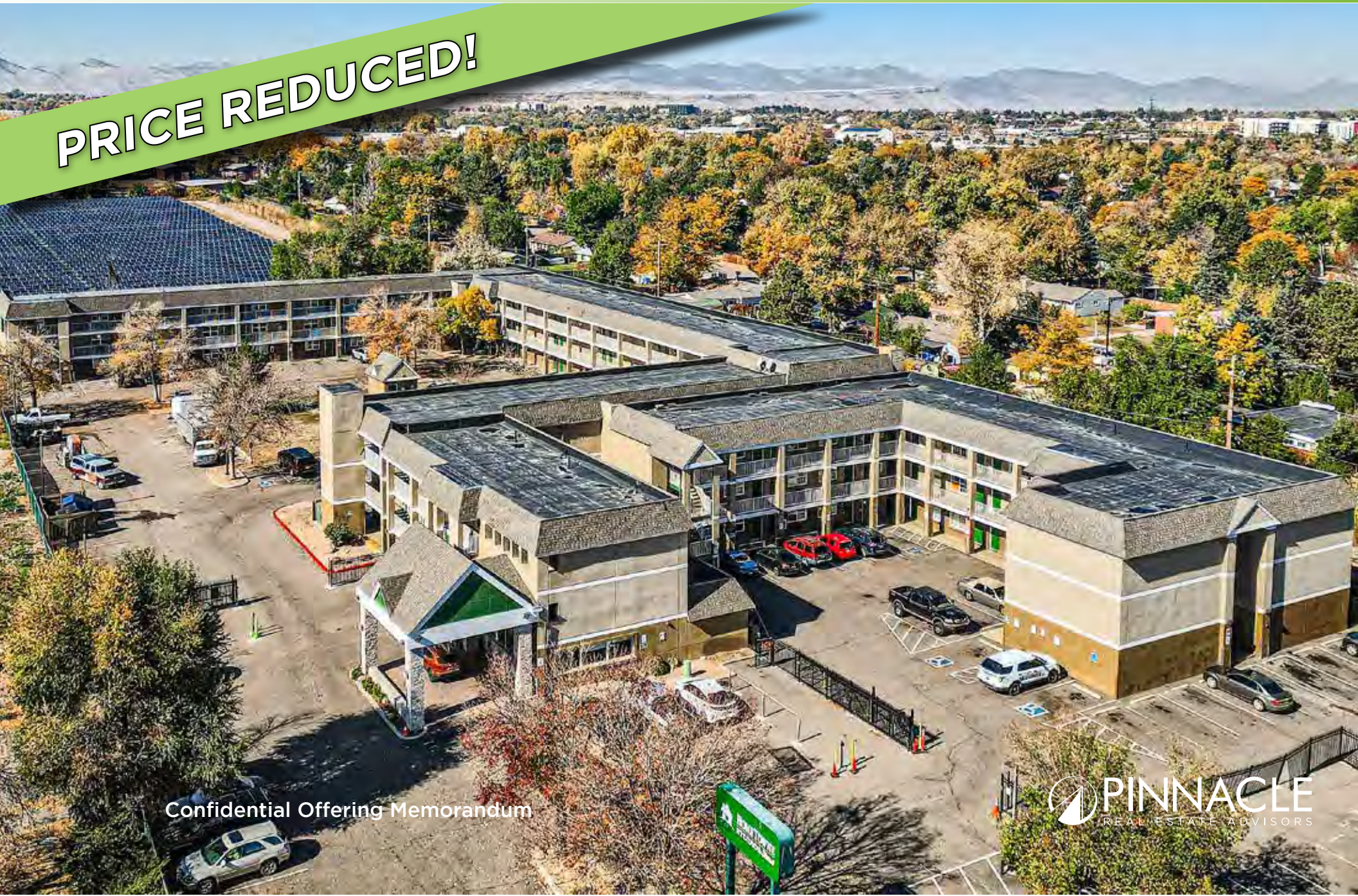


# HOMETOWNE STUDIOS

715 KIPLING STREET, LAKEWOOD, CO 80215

**IN** THE NEWELL TEAM

**PRICE REDUCED!**



Confidential Offering Memorandum

**PINNACLE**  
REAL ESTATE ADVISORS

# HOMETOWNE STUDIOS

715 Kipling Street  
Lakewood, CO 80215



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## INVESTMENT CONTACTS

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# EXECUTIVE SUMMARY



# Property Overview

## HomeTowne Studios

715 Kipling Street, Lakewood, CO 80215

Units:	147
Year Built/Renovated:	1971/2019
List Price:	<del>\$11,500,000</del> \$10,250,000
Price/Unit:	\$69,728
Price/SF:	\$127.93
Building Type:	Brick
Building Size:	80,120 SF
Lot Size:	2.37 Acres
Roof:	Flat with Mansard (2017)
Zoning:	C-R
Heating:	Hot Water Boilers (2022)
Parking:	1.01 Spaces/Unit



## Property Features

- \$1,250,000 Price Reduction!!
- Excellent Multifamily Conversion Opportunity: 19.43% Leveraged IRR
- Recent Capital Improvements Include Newer Boiler & Roof
- Good Mix of Studios, 1Bd/1Ba & 2Bd/1Ba Units
- Priced Well Below Replacement Cost
- Located in an Opportunity Zone
- Walk to Public Transportation, Restaurants, Retail and Places of Employment
- One Mile to Oak Street Light Rail Station
- Less than One Mile to Denver Federal Center, a 600 Acre, 4.1m SF Office/Research Campus
- Quick Access to US Hwy 6, Downtown Denver & Rocky Mtns



# Exterior Photos



# Interior Photos



# Interior Photos



# FINANCIAL ANALYSIS



# Unit Mix

Unit Type	Units	% Total	Average Unit SF	Total SF	Ext. Stay Nightly Rent	Ext. Stay Monthly Rent	Ext. Stay Rent/SF	Ext. Stay Annual Rent	Apt Monthly Avg Rent	Apt Monthly Total Rent	Apt Rent/SF	Apt Annual Rent (Yrs 2&3)
Studio	87	59.18%	300	26,100	\$50	\$132,313	\$5.07	\$1,587,750	\$995	\$86,565	\$3.32	\$1,038,780
1 Bed 1 Bath	46	31.29%	575	26,450	\$55	\$76,954	\$2.91	\$923,450	\$1,275	\$58,650	\$2.22	\$703,800
2 Bed 1 Bath	14	9.52%	650	9,100	\$58	\$24,698	\$2.71	\$296,380	\$1,550	\$21,700	\$2.38	\$260,400
<b>Total</b>	<b>147</b>	<b>100.00%</b>	<b>419</b>	<b>61,650</b>	<b>\$52</b>	<b>\$233,965</b>	<b>\$3.80</b>	<b>\$2,807,580</b>	<b>\$1,135</b>	<b>\$166,915</b>	<b>\$2.71</b>	<b>\$2,002,980</b>



# 3 Year Cash Flow

	Trailing 12 Months	Year 1	Year 2	Year 3
Gross Potential Rent	\$2,807,580	\$2,807,580	\$2,002,980	\$2,002,980
Vacancy/Collection Loss	(\$1,052,105)	(\$1,403,790)	(\$500,745)	(\$100,149)
<b>Total Rental Income</b>	<b>\$1,755,475</b>	<b>\$1,403,790</b>	<b>\$1,502,235</b>	<b>\$1,902,831</b>
Damages	\$1,196	\$1,196	\$0	\$0
No Show Fees	\$5,199	\$5,199	\$0	\$0
Laundry Income	\$2,647	\$2,647	\$9,261	\$12,348
Cancellation Fees	\$9,187	\$9,187	\$0	\$0
Utility Billback	\$0	\$0	\$132,300	\$176,400
Misc Income	\$65,515	\$65,515	\$13,230	\$17,640
<b>Total Other Income</b>	<b>\$83,744</b>	<b>\$83,744</b>	<b>\$154,791</b>	<b>\$206,388</b>
<b>EFFECTIVE GROSS INCOME</b>	<b>\$1,839,219</b>	<b>\$1,487,534</b>	<b>\$1,657,026</b>	<b>\$2,109,219</b>
Property Taxes	\$90,000	\$112,500	\$70,000	\$70,000
Insurance	\$114,000	\$114,000	\$95,550	\$95,550
Gas & Electric	\$113,363	\$113,363	\$90,000	\$120,000
Water & Sewer	\$71,620	\$71,620	\$52,500	\$70,000
Trash	\$8,104	\$8,104	\$13,500	\$18,000
Maintenance & Repairs	\$107,988	\$107,988	\$60,638	\$80,850
Supplies	\$41,823	\$41,823	\$0	\$0
Payroll/Contract	\$616,873	\$616,873	\$200,000	\$200,000
Telephone/Internet/Cable	\$73,971	\$73,971	\$0	\$0
Management Fee	\$101,651	\$101,651	\$49,711	\$63,037
Legal & Professional	\$18,075	\$18,075	\$15,000	\$20,000
Franchise Fee	\$98,925	\$98,925	\$0	\$0
Administrative	\$30,943	\$36,750	\$36,750	\$36,750
Advertisement	\$15,173	\$24,000	\$24,000	\$6,000
<b>TOTAL EXPENSES</b>	<b>\$1,502,509</b>	<b>\$1,539,643</b>	<b>\$707,648</b>	<b>\$780,187</b>
% Total Income	81.69%	103.50%	42.71%	36.99%
\$ / Unit	\$10,221	\$10,474	\$4,814	\$5,307
\$ / SF	\$28.41	\$29.11	\$13.38	\$14.75
<b>Net Operating Income</b>	<b>\$336,710</b>	<b>(\$52,109)</b>	<b>\$949,378</b>	<b>\$1,329,032</b>
Annual CAP Rate		-0.51%	9.26%	12.97%
Debt Service - 1st Mortgage		(\$552,813)	(\$588,502)	(\$624,191)
Debt Coverage Ratio		(0.09)	1.61	2.13
<b>Net Cash Flow</b>		<b>(\$604,922)</b>	<b>\$360,876</b>	<b>\$704,841</b>
Annual Cash On Cash Return		-7.93%	4.73%	9.24%
Capital Improvements (Loan Draws)		(\$3,333,334)	(\$1,666,667)	

## Assumptions

### Year 1:

#### Income

- 50% Occupied as Extended Stay Business Operations Continue

#### Expenses

- Taxes: 2025 Commercial Rate - Estimate
- Other Expenses Remain as Extended Stay Business Operations Continue
- Convert 50%+ of Units and Lease 50% as Traditional Apartments
- Loan Draw/CapEx: \$3,333,334
- Heavy Advertising Expense During Lease Up

50% of Apartment Units Leased at End of Year 1/Beginning of Year 2

### Year 2:

#### Income

- Extended Stay Business Operations Cease
- 75% Traditional Apartment Occupancy (50% at Beginning of Year 2 Trending to 100% by End of Year 2)

#### Expenses

- Taxes Changed to Residential Rate - Estimate
- Apartment Insurance Policy - Estimate
- Gas & Electric, Water/Sewer, Trash, Operational Maintenance & Repairs & Legal Decreased Due to 25% Vacancy
- Payroll & Admin at 100% Capacity
- 3% Management Fee
- Convert Remaining <= 50% of Units and Lease Remaining 50% as Traditional Apartments
- Loan Draw/CapEx: \$1,666,667
- Heavy Advertising Expense During Lease Up

100% of Apartment Units Leased by End of Year 2

### Year 3:

Operating as Fully Stabilized Market-Rate Apartment Property

#### Income

- 100% Occupied
- 5% Vacancy/Collection Loss
- \$100/Unit/Month Utility Billback
- \$10/Unit/Month Miscellaneous Income
- \$7/Unit/Month Laundry Income

#### Expenses

- Typical Annual Apartment Expenses For Asset Type, Size & Unit Mix

# Pricing Summary & Assumptions



Marketing Details		Returns		Apartment Exit Price Details	
Price:	\$10,250,000	IRR - Leveraged	19.43%	Exit Price	\$21,902,445
Price/Unit:	\$69,728	IRR - Unleveraged	19.12%	Exit Price/Unit:	\$148,996
Price/SF:	\$127.93			Exit Price/SF:	\$273.37
Renovation Cost:	\$5,000,000				

Loan Details			Reversion Value: Year 3	
Construction Loan:	\$7,625,000	50% LTC	Year 4 NOI (3% Increase)	\$1,368,903
Equity Required:	\$7,625,000	50% LTC	Exit CAP Rate	6.25%
Interest Rate:	7.25%		Exit Price	\$21,902,445
Term/Amortization:	3 Years	18 Months I/O	Less: Selling Expense	(\$250,000)
Monthly/Annual Payment:	\$46,068	\$552,813	Gross Sale Proceeds	\$21,652,445
<i>Quote provided by Bank of Colorado</i>			Ending Loan Balance:	(\$8,936,410)
			<u>Net Proceeds</u>	\$12,716,035

Discounted Cash Flow Analysis		Year 1	Year 2	Year 3
IRR - Leveraged Cash Flow	(\$7,625,000)	(\$604,922)	\$360,876	\$13,420,875
IRR - Unleveraged Cash Flow	(\$10,250,000)	(\$3,385,443)	(\$717,289)	\$22,981,476

# SALES COMPARABLES



# Hospitality Comparable Sales

**La Quinta Inn & Suites**  
7190 W Hampden Avenue, Lakewood



Units:	128
Year Built:	1998
Sale Price:	\$10,750,000
Sale Date:	07/17/2024
Price/Unit:	\$83,984
Price/SF:	\$160.61

**Motel 6**  
9920 W 49th Avenue, Wheat Ridge

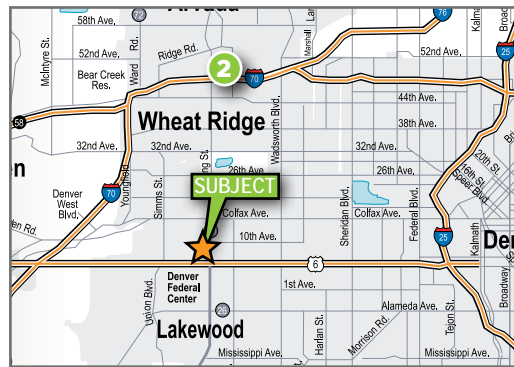
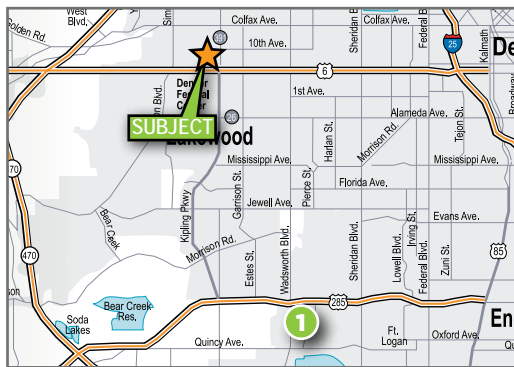


Units:	94
Year Built:	1980
Sale Price:	\$6,150,000
Sale Date:	08/15/2024
Price/Unit:	\$65,426
Price/SF:	\$268.02

**Best Western**  
3440 S Vance Street, Lakewood



Units:	112
Year Built:	1986
Sale Price:	\$7,200,000
Sale Date:	06/13/2025
Price/Unit:	\$64,286
Price/SF:	\$140.02



# Apartment Comparable Sales

## 1 Willowbrook Crossing 7135 Raleigh Street, Westminister



Number of Units:	95
Year Built:	1973
Sale Price:	\$13,500,000
Sale Date:	10/31/2024
Price/Unit:	\$142,105
Price/SF:	\$200.32

Unit Mix:	
7	Studio
88	1Bd/1Ba

## 2 The Atrii 5100 Leetsdale Drive, Denver



Number of Units:	197
Year Built:	1974
Sale Price:	\$32,500,000
Sale Date:	03/06/2025
Price/Unit:	\$164,975
Price/SF:	\$260.67

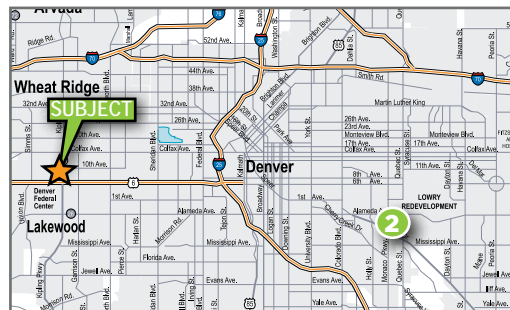
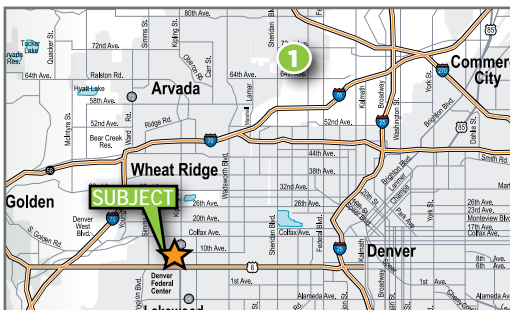
Unit Mix:	
141	1Bd/1Ba
56	2Bd/1Ba

## 3 Green Mountain Village 12641 W Mississippi Ave, Lakewood



Number of Units:	80
Year Built:	1972
Sale Price:	\$15,100,000
Sale Date:	06/25/2025
Price/Unit:	\$188,750
Price/SF:	\$300.03

Unit Mix:	
60	1Bd/1Ba
20	2Bd/1Ba



# LOCATION OVERVIEW



# Location Overview



## POPULATION

2 mile	47,786
5 mile	309,459
10 mile	1,056,245



## HOUSEHOLDS

2 mile	20,254
5 mile	130,614
10 mile	463,265



## AVERAGE HH INCOME

2 mile	\$91,414
5 mile	\$102,167
10 mile	\$111,097

# Location Overview



HomeTowne Studios

# Location Overview



## CITY OF LAKEWOOD



Lakewood is Colorado's fifth-largest city, with a population of more than 156,000. Located between the Rocky Mountain foothills and downtown Denver, it combines urban convenience with easy access to nature, offering 114 parks and 240 miles of trails. The city's economy is supported by major employers including the Denver Federal Center, Red Rocks Community College, St. Anthony Hospital, and Colorado Christian University. Lakewood is served by the RTD W Line, with seven light rail stations providing direct access to downtown Denver. Educational attainment is notably high—45.3% of residents hold a bachelor's degree or higher—reflecting a skilled, professional workforce and contributing to strong home values and household incomes.



**156,868**

Population

**\$548,200**

Median Home Value

**\$85,789**

Median HH Income

**75,000+**

Jobs



The RTD W Line, also known as the West Rail Line, is a 12.1-mile light rail route connecting Denver’s Union Station to the Jefferson County Government Center in Golden. Opened in April 2013 as the first project under RTD’s FasTracks expansion plan, it serves communities along the west corridor, including key stops in Denver, Lakewood, and Golden.

The line features 15 stations, with six offering park-and-ride facilities, providing nearly 5,000 parking spaces for commuters. Trains operate every 7.5 minutes during peak hours between Union Station and the Federal Center, and every 15 minutes during off-peak times and along the full route to Golden. In 2024, the line recorded an annual ridership of over 3.2 million, reflecting its role as a vital transit link for commuters, students, and visitors traveling between downtown Denver and the western suburbs.

# Location Overview

## DENVER FEDERAL CENTER & SURROUNDING AREA

The Denver Federal Center (DFC) is a premier federal campus and the largest employment hub in Lakewood, serving as a powerful economic engine for the west Denver metro area. Spanning 670 acres, the DFC features over 4.1 million square feet of office, laboratory, and warehouse space across 90 buildings, and is home to 28 federal agencies including the EPA, FEMA, and U.S. Geological Survey. More than 6,000 employees work on-site, with the surrounding Union Boulevard employment corridor supporting an additional 13,000+ jobs—making it one of the region’s most concentrated job centers.

Originally developed as a World War II munitions plant, the site has since been transformed into a modern, sustainable government campus guided by the GSA’s 2007 Master Site Plan. Its strategic location is complemented by the RTD W-Line light rail station, enhancing connectivity to downtown Denver and fueling transit-oriented development.

Major recent investments and land redevelopment have positioned this corridor as one of Lakewood’s most dynamic and in-demand districts—ideal for businesses, mixed-use projects, and forward-looking development.



# GSA

## 28

FEDERAL AGENCIES

## 44

BUILDINGS

## 6,000+

EMPLOYEES



# Location Overview



## St. Anthony Hospital



St. Anthony Hospital provides the expertise you need to manage your health and wellness.

St. Anthony Hospital, a flagship facility of CommonSpirit Health, is a leading regional medical center serving the west Denver metro and foothills communities. Located just south of the Denver Federal Center, this state-of-the-art Level I Trauma Center anchors a rapidly growing medical and wellness district in the heart of Lakewood.

Opened in 2011, the hospital features:

- 1 million+ square feet of medical space
- 300+ inpatient beds
- Level I Trauma designation, with 24/7 emergency and flight-for-life services
- A full range of specialties, including cardiovascular, neuroscience, orthopedic, oncology, and stroke care
- Advanced surgical suites and outpatient care facilities

The hospital campus is surrounded by complementary medical office buildings, outpatient clinics, rehabilitation centers, pharmacies, and wellness providers—forming a thriving healthcare ecosystem. Its close proximity to the RTD W-Line light rail, US-6, and Union Boulevard corridor makes it highly accessible for patients, staff, and visitors.

The surrounding area is a hub of commercial, hospitality, and residential development, with nearby hotels, restaurants, apartments, and retail amenities that support the hospital's 2,000+ employees and tens of thousands of annual visitors. As a center of innovation, high-acuity care, and economic vitality, St. Anthony Hospital plays a pivotal role in the long-term growth and livability of the Lakewood community.



# Location Overview

## OPPORTUNITY ZONES

**715 Kipling Street** is located in an “**Opportunity Zone.**” Opportunity Zones were enacted as part of the 2017 tax reform package (Tax Cuts and Jobs Act) to address uneven economic recovery and persistent lack of growth that have left many communities across the country behind. In the broadest sense, the newly enacted federal Opportunity Zone (OZ) program provides a federal tax incentive for investors to invest in low-income urban and rural communities through favorable treatment of reinvested capital gains and forgiveness of tax on new capital gains.

In Colorado, Opportunity Zones may help address a number of challenges:

- Promoting economic vitality in parts of the state that have not shared in the general prosperity over the past few years
- Funding the development of workforce and affordable housing in areas with escalating prices and inventory shortages
- Funding new infrastructure to support population and economic growth
- Investing in startup businesses that have potential for rapid increases in scale and the ability to “export” outside the state of Colorado
- Upgrading the capability of existing underutilized assets through capital improvement investments

This economic and community development tax incentive program provides a new impetus for private investors to support distressed communities through private equity investments in businesses and real estate ventures. The incentive is deferral, reduction and potential elimination of certain federal capital gains taxes. U.S. investors currently hold trillions of dollars in unrealized capital gains in stocks and mutual funds alone—this is a significant untapped resource for economic development.



### Opportunity for Investors

The Opportunity Fund creates an additional incentive to invest in communities by deferring and possibly eliminating the capital gain tax on long-term investments. Some investors have a social investment drive – they want their capital to improve communities they know and love. Volatility in the stock-market has many investors sitting on unrealized capital gains; they can transfer these into Opportunity Funds putting the full value of the capital gain to work.

### Benefits of an Opportunity Zone Investment:

- 1. Deferral.** No up-front tax bill on the rolled-over capital gain and investors can defer their original tax bill until the earlier of a) December 31, 2026 or b) the sale of the Opportunity Zone investment
- 2. Reduction of tax on the rolled-over capital gain investment for long-term holding.**
  - A 5 year holding increases the rolled-over capital gains basis by 10%
  - A 7 year holding increases the rolled-over capital gain investment basis 5% for a total of 15%
- 3. Tax-free appreciation.** If an Opportunity Fund investment is held for 10 years, the taxpayer pays no capital gains tax on appreciation

*Source: Colorado Office of Economic Development and International Trade (Jan 2019)*

# Disclaimer

This confidential Offering Memorandum, has been prepared by Pinnacle Real Estate Advisors, LLC (“Pinnacle REA”) for use by a limited number of qualified parties. This Offering Memorandum has been provided to you at your request based upon your assurances that you are a knowledgeable and sophisticated investor in commercial real estate projects and developments. Pinnacle REA recommends you, as a potential buyer/investor, should perform your own independent examination and inspection of the property located at 715 Kipling Street in Lakewood, Colorado (the “Property”) and of all of the information provided herein related to the Property. By accepting this Offering Memorandum, you acknowledge and agree that you shall rely solely upon your own examination and investigation of the Property and you shall not rely on any statements made in this Offering Memorandum or upon any other materials, statements or information provided by Pinnacle REA or its brokers.

Pinnacle REA makes no guarantee, warranty or representation about the completeness or accuracy of the information set forth in this Offering Memorandum. You are responsible to independently verify its accuracy and completeness. Pinnacle REA has prepared the information concerning the Property based upon assumptions relating to the general economy, its knowledge of other similar properties in the market, and on other market assumptions including factors beyond the control of the Pinnacle REA and the Owner of the Property. Pinnacle Real Estate Advisors make no representation or warranty as to either the accuracy or completeness of the information contained herein, and the information set forth in this Offering Memorandum is not intended to be a promise or representation as to the future performance of the Property. Although the information contained herein is believed to be accurate, Pinnacle REA and the Property Owner disclaim any responsibility or liability for any inaccuracies. Further, Pinnacle REA and the Property Owner disclaim any and all liability for any express or implied representations and warranties contained in, or for any omissions from, the Offering Memorandum and for any other

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