

PONDEROSA

APARTMENTS



2940 W ARKANSAS AVE, DENVER, CO 80219 | CONFIDENTIAL OFFERING MEMORANDUM



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EXECUTIVE SUMMARY



EXECUTIVE SUMMARY

Ponderosa Apartments represents a quality multifamily investment opportunity situated within a high-demand, transit-oriented Denver submarket. The property distinguishes itself by offering an exceptional 7% CAP rate based on actual trailing 12 month numbers, providing investors with immediate and robust cash flow that outperforms typical market yields for stabilized assets. This strong day-one return is coupled with a significant reduction in risk, as ownership has recently addressed the property's major infrastructure needs. These critical capital improvements include the installation of a new boiler system, a full electrical upgrade with the replacement of all electrical panels, and the professional resurfacing of the asphalt parking lot.

The asset features a strategic unit mix consisting of large two-bedroom and three-bedroom floor plans. The spacious layouts allow the property to attract and retain a stable, long-term tenant base. Further enhancing the investment thesis is a proven value-add track record; with 50% of the units already fully renovated, there is a clear proof of concept regarding the rent premiums achievable in the local market. A new owner can focus on finishing the remaining classic units to capture additional upside and drive net operating income.

PROPERTY DESCRIPTION

SALE PRICE:	\$3,600,000 (\$180,000/UNIT)
BUILDING TYPE:	APARTMENT
UNITS:	20
BUILDING SIZE:	18,482 SF
LOT SIZE:	40,729 SF
PARKING:	2:1 OFF STREET
ZONING:	E-MU-2.5
YOC:	1961
PROPERTY TAXES:	\$20,495



PROPERTY HIGHLIGHTS

7% CAP RATE ON ACTUAL NUMBERS, 9.5% CASH ON CASH RETURN

(19) 2BR/1BA & (1) 3BR/2BA UNITS

NEW BOILER

UPDATED WINDOWS

NEW PARKING LOT ASPHALT RESURFACING

ALL ELECTRIC PANELS REPLACED

50% OF THE UNITS HAVE BEEN FULLY RENOVATED WITH NEW FLOORING, CABINETS, COUNTERTOPS, APPLIANCES, AND FULL BATHROOM REMODELS









LOCATION OVERVIEW



AERIAL MAP



PONDEROSA
APARTMENTS



FINANCIAL ANALYSIS



RENT ROLL

UNIT	TYPE	RENT	UTILITIES
10	2BD/1BA	\$1,470	\$95
11	2BD/1BA	\$1,495	\$95
12	2BD/1BA	\$1,455	\$95
13	2BD/1BA	\$1,475	\$95
14	2BD/1BA	\$1,390	\$95
15	2BD/1BA	\$1,500	\$95
16	2BD/1BA	\$1,525	\$95
17	2BD/1BA	\$1,350	\$95
18	2BD/1BA	\$1,500	\$95
19	2BD/1BA	\$1,450	\$95
20	2BD/1BA	\$1,550	\$95
21	2BD/1BA	\$1,645	\$95
22	2BD/1BA	\$1,510	\$95
23	2BD/1BA	\$1,400	\$95
24	3BD/1BA	\$1,700	\$0
25	2BD/1BA	\$1,465	\$95
26	2BD/1BA	\$1,350	\$95
27	2BD/1BA	\$1,550	\$95
28	2BD/1BA	\$1,425	\$95
29	2BD/1BA	\$1,475	\$95
20		\$29,680	\$1,805



FINANCIAL ANALYSIS

UNIT MIX AND AVERAGE RENT SCHEDULE

UNIT TYPE	No. of Units	Approx. SF	Current Rent	Monthly Income	Current Rent/SF	Pro Forma Rent	Monthly Income	Pro Forma Rent/SF
2 Bed 1 Bath	19	876	\$1,473	\$27,980	\$1.68	\$1,473	\$27,980	\$1.68
3 Bed 2 Bath	1	1,400	\$1,700	\$1,700	\$1.21	\$1,700	\$1,700	\$1.21
TOTAL	20	18,044		\$29,680			\$29,680	

INCOME

		Current	Pro Forma
Gross Potential Rent		\$356,160	\$356,160
Other Income			
Utility Reimbursement	(Actual - Trailing 12 Months/ Estimated: \$95/Unit/Mo)	\$21,010	\$21,660
Late Fees/NSF	(Actual - Trailing 12 Months)	\$320	\$320
Laundry Income	(Actual - Trailing 12 Months)	\$9,163	\$9,163
Misc Income	(Actual - Trailing 12 Months)	\$648	\$648
Total Other Income		\$31,141	\$31,791
Gross Potential Income		\$387,301	\$387,951
Vacancy/Collection Loss	(Actual - Trailing 12 Months/ Estimated)	8.00% (\$30,984)	7.00% (\$27,157)
EFFECTIVE GROSS INCOME		\$356,317	\$360,794

EXPENSES

Taxes	(Actual - 2025/ Estimated 2026/2027)	\$20,495	\$17,421
Insurance	(Actual - Trailing 12 Months)	\$17,281	\$18,482
Gas & Electric	(Actual - Trailing 12 Months)	\$11,883	\$11,883
Water & Sewer	(Actual - Trailing 12 Months)	\$11,520	\$11,520
Trash	(Actual - Trailing 12 Months)	\$1,303	\$1,303
Maintenance & Repairs	(Actual - Trailing 12 Months/ Estimated: \$900/Unit/Yr)	\$14,277	\$18,000
Management Fee	(Actual - Trailing 12 Months/ Estimated: 7%)	\$20,400	\$25,256
Administrative	(Actual - Trailing 12 Months)	\$4,072	\$4,072
TOTAL EXPENSES		\$101,231	\$107,936
Expenses per Unit		\$5,062	\$5,397
Expenses per SF		\$5.61	\$5.98
% OF EGI		28.4%	29.9%
NET OPERATING INCOME		\$255,086	\$252,858

PRICING SUMMARY

Investment Summary

Price:	\$3,600,000
Price/Unit:	\$180,000
Price/SF:	\$195
Current CAP Rate:	7.09%

Current

CASH FLOW INDICATORS

Net Operating Income		\$255,086
Debt Service		(\$134,550)
Net Cash Flow	9.57%	\$120,536
Principal Reduction		\$0
Total Return	9.57%	\$120,536

Pro Forma

CASH FLOW INDICATORS

Net Operating Income		\$252,858
Debt Service		(\$134,550)
Net Cash Flow	9.39%	\$118,308
Principal Reduction		\$0
Total Return	9.39%	\$118,308

Proposed Financing

Loan Amount:	65%	\$2,340,000
Down Payment:	35%	\$1,260,000
Interest:	5.75%	
Amortization:	Interest Only	

VALUE INDICATORS

CAP Rate	7.09%
Price Per Unit	\$180,000
Price Per Foot	\$195

VALUE INDICATORS

CAP Rate	7.02%
Price Per Unit	\$180,000
Price Per Foot	\$195



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