WESTSIDE STATION

Colorado Springs, CO

MMG

CONFIDENTIAL OFFERING MEMORANDUM

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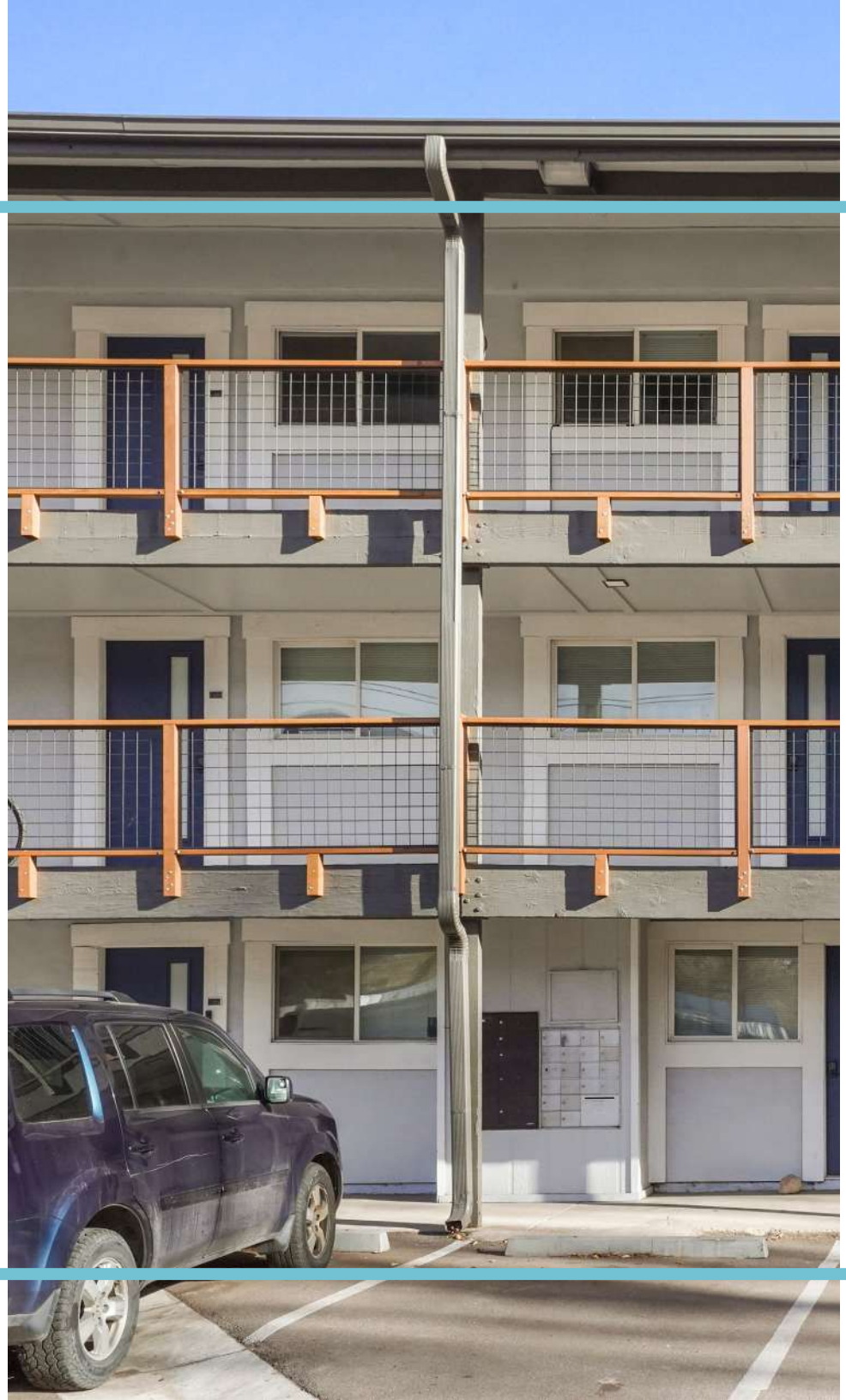

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INVESTMENT RATIONALE

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EXECUTIVE SUMMARY

MMG is pleased to present Westside Station, a 24-unit multifamily property ideally situated in Western Colorado Springs, adjacent to the picturesque Garden of the Gods Park. The property boasts a diverse unit mix, predominantly featuring two-bedroom units, complemented by seven one-bedroom units and a studio. All units have been meticulously renovated to offer modern living with granite countertops, contemporary cabinetry, stainless steel appliances, and new LVP flooring. Westside Station's prime location in Old Colorado City offers residents convenient access to a vibrant neighborhood with trendy dining, nightlife, and entertainment options within walking distance. Additionally, the property provides ample tenant parking, recent exterior enhancements, a communal BBQ area, and a private dog park. This offering presents an exceptional opportunity for investors seeking a well-positioned, updated multifamily asset in a desirable submarket of Colorado Springs.

25 N 31st St
ADDRESS

24
UNITS

100%
OCCUPANCY

1972
YEAR BUILT

0.65
ACREAGE

INVESTMENT HIGHLIGHTS:

» The diverse unit mix features primarily two-bedroom units, with seven one-bedrooms and a single studio as well.

» Units are all thoroughly renovated and feature granite countertops, modern cabinetry, stainless steel appliances and new LVP flooring throughout.

» Westside Station is in highly desirable Old Colorado City and is walking distance to several trendy restaurants, bars and entertainment options.

» There is ample parking for tenants. The building has newer exterior paint, a community BBQ area and a private dog park.

COFFEE
JESUS

ESPRESSO

AMERICA'S #1

9

PROPERTY DESCRIPTION

property details

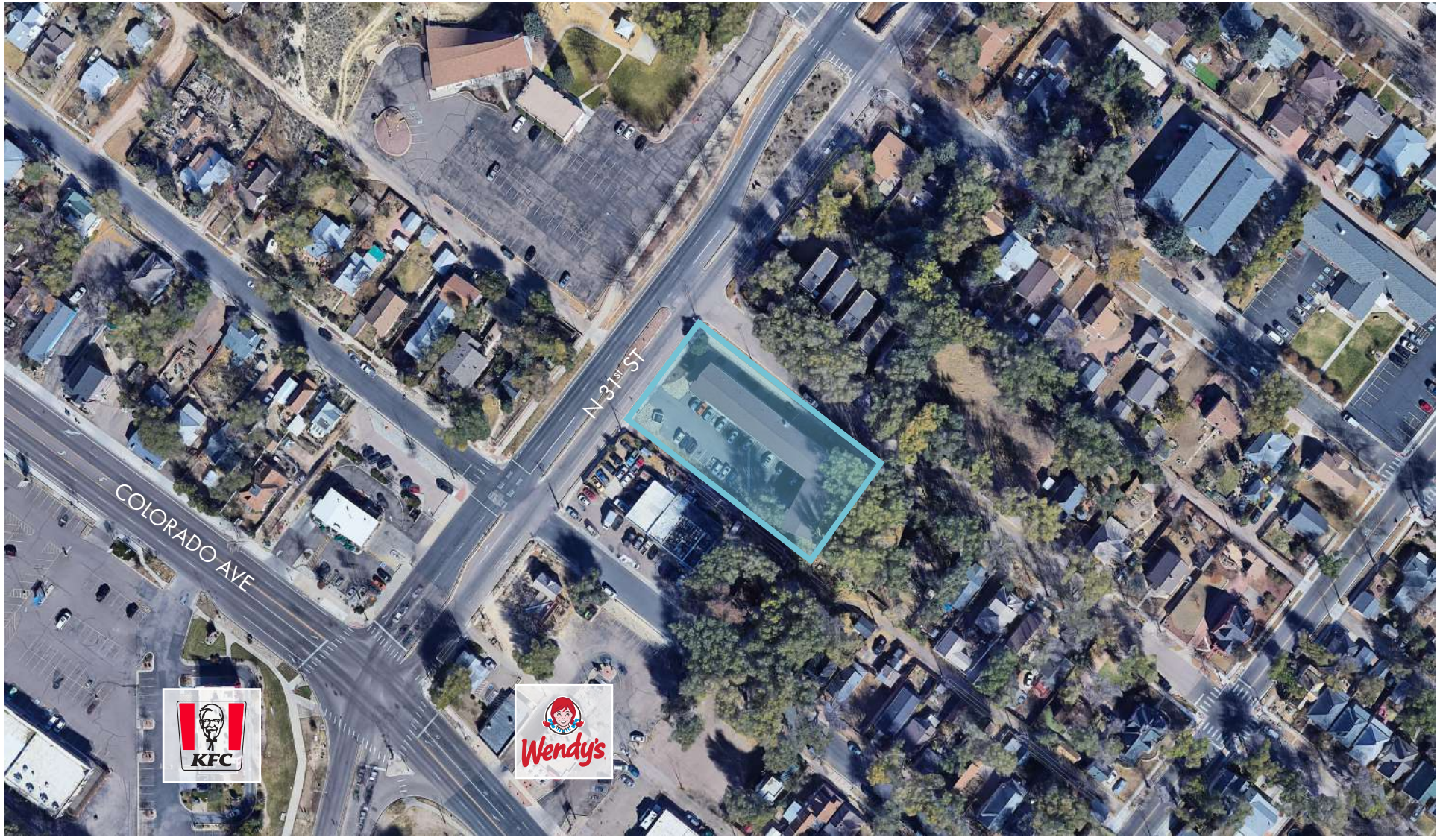
parcel view

PROPERTY DETAILS

24	1972	18,192	0.65	ATLAS
# OF UNITS	**YEAR BUILT**	**RENTABLE SF**	**ACRES**	**MANAGEMENT COMPANY**

UNIT TYPE	# OF UNITS	UNIT SF	TOTAL SF	RENT	RENT/SF
Studio	1	750	750	$1,000	$1.33
1 BR/1 BA	7	750	5,250	$1,225	$1.63
2 BR/1 BA	16	762	12,192	$1,375	$1.80
TOTALS/AVERAGES	**24**	**758**	**18,192**	**$1,316**	**$1.74**

PARCEL VIEW



MARKET OVERVIEW

area overview

nearby amenities

COLORADO SPRINGS, CO

The city of Colorado Springs is driven by the aerospace and defense sectors, which has made its economy incredibly resilient—even throughout the coronavirus pandemic. Over 250 companies like Lockheed Martin and Northrop Grumman call Colorado Springs home and employ more than 111,000 people. The city's aerospace and defense sectors alone generate $7 billion in annual economic impact, which is part of the reason that Colorado has the second largest space economy in the country.

IT and cybersecurity dovetail nicely with the aerospace and defense sectors, with over 360 companies combined in and around Colorado Springs. Those companies have a deep talent pool to choose from, as they can pull from local graduates, departing military personnel and veterans, and people who are simply attracted to all that Colorado Springs has to offer. In fact, Colorado Springs has the most software developers per 1,000 people behind only Seattle, San Francisco, and Austin. Salaries for technology professionals in Colorado Springs are also higher than the national average.

Colorado Springs has a rich sports culture that is in the very DNA of the city. More than 60 national and international sports organizations have their headquarters there, including the U.S. Olympic and Paralympic Committee Headquarters. The sports industry in Colorado Springs runs the gamut from manufacturing R&D, to training, to sports technology and semi-professional teams. The industry generates over $400 million annually and the city is also home to some state-of-the-art facilities. One of three official U.S. Olympic training centers is in Colorado Springs, and two other sports arenas are currently under construction.

#2
TOP CITY FOR DEFENSE JOBS
-CLEARANCEJOBS-

#4
BEST PLACE TO LIVE
-U.S. NEWS AND WORLD REPORT-

TOP EMPLOYERS

Company	Employment
Fort Carson	15,159
U.S. Air Force Academy	6,410
Peterson Space Base	5,542
Colorado Springs School District	3,440
Memorial Hospital	3,100
Penrose—St. Francis Health Services	2,981
City of Colorado Springs	2,424
Hewlett Packard	2,200

POPULATION *Source: U.S. Census Bureau*

	2017	2018	2019	2020	2021
Colorado Springs (City)	464,470	472,666	478,215	480,213	483,956
Colorado Springs (MSA)	723,878	738,939	745,791	756,573	762,793
Colorado	5,607,154	5,695,564	5,758,736	5,784,308	5,812,069

N
24
GARDEN OF THE GODS
MANITOU SPRINGS
PIKES PEAK
pneuma COFFEE HOUSE
INTERSTATE 25
COLORADO SPRINGS
OLD COLORADO CITY
SAFEWAY
Walgreens
Rudy's REAL TEXAS BAR-B-Q
KING Soopers
ACE Hardware
MEMORIAL HOSPITAL
OSKAR BLUES BREWERY
Mother Muffs
Paravicini's Italian Bistro
Jake & Telly's Greek Taverna
Front Range Barbeque
story COFFEE CO
Jives
CIRCLE K
WILD GINGER THAI RESTAURANT
U.S. OLYMPIC & PARALYMPIC TRAINING CENTER
BROADMOOR
115
FORT CARSON

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FINANCIAL ANALYSIS

cash flow analysis

underwriting assumptions

CASH FLOW ANALYSIS

	JULY 2024 T12 INCOME/T12 EXPENSE		JULY 2024 T6 INCOME/T12 EXPENSE		YEAR 1 PRO FORMA		YEAR 2 PRO FORMA	YEAR 3 PRO FORMA
	TOTAL	PER UNIT	TOTAL		TOTAL			
INCOME								
Market Rent	342,684	14,279	342,684	14,279	381,000	15,875	392,430	404,203
GROSS POTENTIAL RENT	***$342,684***	***$14,279***	***$342,684***	***$14,279***	***$381,000***	***$15,875***	***$392,430***	***$404,203***
Vacancy Loss	*23,988*	*999*	23,988	999	(19,050)	(794)	(19,622)	(20,210)
EFFECTIVE RENTAL INCOME	***$366,672***	***$15,278***	***$366,672***	***$15,278***	***$361,950***	***$15,081***	***$372,809***	***$383,993***
Other Income	*4,693*	*196*	*877*	*37*	11,430	476	11,773	12,126
Utility Reimbursement	*37,057*	*1,544*	30,150	1,256	22,860	953	23,317	23,784
EFFECTIVE GROSS INCOME	**$408,422**	**$17,018**	**$397,699**	**$16,571**	**$396,240**	**$16,510**	**$407,899**	**$419,902**
Annual EGI Increase			*-2.6%*		*-0.7%*		*2.9%*	*2.9%*
EXPENSES								
Repairs and Maintenance	14,527	605	14,527	605	13,200	550	13,464	13,733
Turnover/Make-Ready	9,770	407	9,770	407	*7,200*	300	*7,344*	*7,491*
General & Admin	420	18	420	18	0	-	0	0
Marketing	479	20	479	20	2,400	100	2,448	2,497
Contractor Services	10,424	434	10,424	434	9,600	400	9,792	9,988
Utilities	14,659	611	14,659	611	14,952	623	15,251	15,556
Management Fee	28,884	1,204	28,884	1,204	25,756	1,073	26,513	27,294
Insurance	14,400	600	14,400	600	12,000	500	12,000	12,000
Real Estate Taxes	17,912	*746*	17,912	*746*	18,270	761	18,636	19,009
TOTAL OPERATING EXPENSE	***$111,476***	***$4,645***	***$111,476***	***$4,645***	***$103,378***	***$4,307***	***$105,449***	***$107,568***
Expense % of EGI	*27.3%*		*28.0%*		*26.1%*		*25.9%*	*25.6%*
TOTAL EXPENSE - POST RESERVE	**$111,476**	**$4,645**	**$111,476**	**$4,645**	**$103,378**	**$4,307**	**$105,449**	**$107,568**
NET OPERATING INCOME	**$296,946**	**$12,373**	**$286,223**	**$11,926**	**$292,862**	**$12,203**	**$302,450**	**$312,335**

UNDERWRITING ASSUMPTIONS

MARKET RENT

- Market Rent is based on the rents in place at Westside Station , as provided by management. A breakdown of the Market Rent, as of January 2024, is shown in the offering memorandum.

UNIT	# OF EACH	SF	MARKET RENT	PER SF	MONTHLY	ANNUAL
Studio	1	750	$1,000	$1.33	$1,000	$12,000
1 BR/1 BA	7	750	$1,250	$1.67	$8,750	$105,000
2 BR/1 BA	16	762	$1,375	$1.80	$22,000	$264,000
Totals/Averages:	**24**	**758**	**$1,323**	**$1.75**	**$31,750**	**$381,000**

VACANCY LOSS

- The Pro Forma Year One Vacancy Loss is projected to be 5.0% of the Gross Potential Rent, comparable with historical trends and the market average in the submarket.

OTHER INCOME

- The Other Income category includes all other sources of revenue not accounted for in the previous categories. Such items normally include income from application fees, move in fees, pet fees and rent, and other such sources. Other Income in Pro Forma Year One is projected to be 6.0% of Gross Potential Rent.

UTILITY REIMBURSEMENT

- Utility Reimbursement is projected to be $22,860 (6.0% of Gross Potential Rent) annually based on historical T12 figures. This includes Rubbish Income as well.

REPAIRS & MAINTENANCE

- Repairs & Maintenance expenses are projected to be $550 per unit, which are consistent with market averages for product of this quality and vintage in the Colorado Springs market.

UNDERWRITING ASSUMPTIONS

TURNOVER/MAKE-READY

- Turnover/Make Ready expenses are assumed to be $300 per unit, which are consistent with market averages for recently renovated product of this quality and vintage in the Colorado Springs market.

MARKETING

- Marketing expenses are assumed to be $100 per unit for Pro Forma Year One.

CONTRACTOR SERVICES

- Contractor Services are assumed to consist of landscaping, snow removal, and exterminating. Pro Forma Year One is projected to be $400 per unit..

UTILITIES

- Utility expenses typically include water, sewer, trash, electricity, and internet or cable. Utility expenses are project to be $14,952 annually, or $623 per unit, which reflects historical T12 figures trended by 2.0% for inflation.

MANAGEMENT FEE

- Management Fee is assumed to be 6.5% of Effective Gross Income which is consistent with industry norms for an asset of this vintage and quality.

INSURANCE

- Pro Forma Year One estimates annual insurance expenses of $500 per unit.

REAL ESTATE TAXES

- Per Tax Assessor's office, Colorado conducts a property revaluation every two years in order to keep pace with changing market values. For all Colorado counties, tax assessment values are based on comparable properties and any value placed on a property must be equitable as compared to other properties' tax value per unit.

All interested buyers are hereby advised that the ownership of 25 N 31st St is soliciting offers via MMG Real Estate Advisors. Any offers submitted by a prospective buyer may be accepted or rejected in the sole discretion of the Owners. As part of the offer process, the Owners will be evaluating a number of factors above and beyond the price and terms, including the experience, financial health and track record of the purchasers.

This Offering Memorandum package was prepared exclusively by MMG Real Estate Advisors, with all information within having been reviewed by the Owner. The information herein is confidential and provided solely for the purpose of analyzing a potential acquisition of the Property. It is not to be used for any other purpose or made available to another without the express written consent of MMG Real Estate Advisors. While the information relied on to create this package is deemed to be highly reliable, it does not represent all material information regarding the subject Property and buyers should not consider this package as any sort of substitute for a thorough and complete examination of the financials and a rigorous and in-depth due diligence process. MMG Real Estate Advisors and seller have not conducted an analysis of the operating documents and history, the financial records, the individual leases, or the tenants that have signed them. In addition, there has been no in-depth investigation of the physical premises or any potential environmental issues that could potential affect the property, and MMG Real Estate Advisors makes no warranty or representation whatsoever regarding the integrity or accuracy of the aforementioned information. As such, any prospective purchasers are strongly encouraged to conduct their own in-depth investigation of both the financial health and physical soundness of the property. MMG Real Estate Advisors also strongly encourages all prospective purchasers to contact their own personal and corporate tax and legal counsel to determine the consequences of this type of potential investment.

MMG Real Estate Advisors and Seller strongly recommend that prospective purchasers conduct an in-depth investigation of every physical and financial aspect of the property to determine if the property meets their needs and expectations. We also recommend that prospective purchasers consult with their tax, financial and legal advisors on any matter that may affect their decision to purchase the property and the subsequent consequences of ownership.

No commission or finder's fee shall be payable to any party by the Owners nor any affiliate or agent thereof in connection with the sale of the Properties unless otherwise agreed to by the Owners in writing. Any compensation paid to a buyer's broker will be paid by the purchaser and will not be paid by the seller or seller's exclusive agent.

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PROPERTY TOURS

Tours by appointment only. Contact our team to schedule.

ASKING PRICE & TERMS

TBD by Market

SOURCES

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