

Berthoud Village  
TOWNHOMES

# OFFERING MEMORANDUM

1602 N. 4th Street / Berthoud, Colorado



FOR MORE INFORMATION, PLEASE CONTACT:

**Travis Ackerman**  
**Director**

+1 970 267 7720 Main

+1 970 222 6452 Cell

[travis.ackerman@cushwake.com](mailto:travis.ackerman@cushwake.com)

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# CONFIDENTIALITY AGREEMENT

1602 N. 4th Street / Berthoud, Colorado



## CONFIDENTIALITY AGREEMENT & DISCLAIMER

THIS IS A CONFIDENTIAL MEMORANDUM intended solely for your limited use to determine whether you wish to express an interest in the Property located at 1602 N. 4th Street, Berthoud, Colorado 80513, as more particularly described herein ("Property"). This confidential memorandum contains brief, selected information pertaining to the business affairs of the Property's owner ("Owner") and has been prepared by Cushman & Wakefield, the Owner's exclusive agent, primarily from information supplied by the Owner. Although representatives of the Owner have reviewed this confidential memorandum, it does not purport to be all-inclusive or contain all of the information that a potential investor may desire. Neither the Owner, nor any of its members, officers, directors, employees or agents, nor Cushman & Wakefield make any representation or warranty, expressed or implied, as to the accuracy or completeness of any of the information contained herein. The Owner,

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# Berthoud Village TOWNHOMES

## EXECUTIVE SUMMARY

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Berthoud Apartments is a 31-unit complex, located near Centennial Park in Berthoud, Colorado. Built in 1998, occupancy has been extremely high since construction finished. Given the outstanding condition of these town home style units, this is an outstanding opportunity for anyone looking to add value to an already thriving multi-family housing complex.

### PROPERTY SUMMARY

#### 1602 N. 4th Street, Berthoud, Colorado 80513

Seven (7) one bedroom, one bathroom units

Twenty-four (24) two bedroom, one bathroom units

Convenient on-site parking

Central northern Colorado location

Rapidly growing community

#### OFFERING SUMMARY

List Price	\$5,750,000
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Price/SF	\$214.11
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Year 1 NOI	\$315,375
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Cap Rate	5.48%
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## PROPERTY SPECIFICS

### SALES PRICE

\$5,750,000

### PRICING

\$214.00/SF

### YEAR BUILT

1998

### BUILDINGS

6

### SQUARE FEET

26,434 SF

### UNITS

31

### TOTAL PROPERTY SIZE

3.2 Acres

### NOTES

- Units are split between 6 buildings
- Half the units have been updated and all have new water heaters
- Trash and water currently paid by the Landlord (Upside if passed through to the tenant)
- Potential to build more units on-site - zoning allows up to 24 units/acre
- Potential to convert to condos (see page 9)

### STORIES

2 (Garden level)

### LEGAL

Lot 1, Berthoud Apartments Sub

### PROPERTY CONDITION

Clean, maintained and updated

### MARKET LEASE RATES

One Bedroom: \$1,150/month per unit  
Two Bedroom: \$1,400/month per unit  
(Note: currently under-rented)

### NEW IN 2017

HVAC

Exterior siding, paint and windows



## Berthoud Village TOWNHOMES

# PROPERTY OVERVIEW

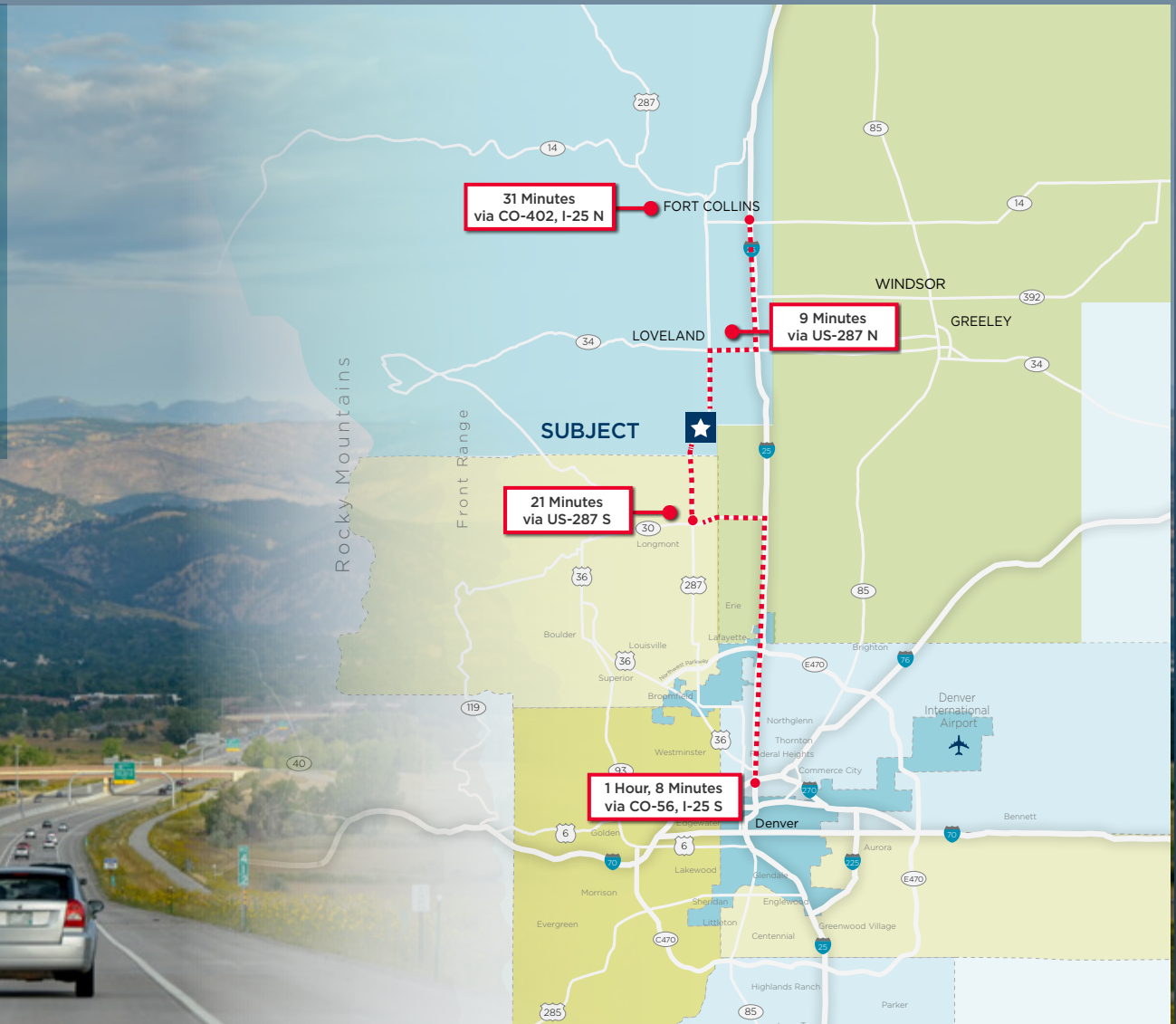
1602 N. 4th Street / Berthoud, Colorado



### LOCATION

The Property is conveniently located between larger metropolitan areas such as Denver (50 miles), Boulder (30 miles), Fort Collins (27 miles), Longmont (11 miles) and Loveland (7 miles). This provides residents of Berthoud the best of living in a small town while having easy access to the resources of larger cities.

Source: [www.berthoud.org/residents](http://www.berthoud.org/residents)



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# PROPERTY OVERVIEW

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# Berthoud Village TOWNHOMES

# FINANCIAL ANALYSIS

1602 N. 4th Street / Berthoud, Colorado



**PURCHASE PRICE** \$ 5,750,000

**CAP Rate** 5.48%

## FINANCING:

LOAN AMOUNT: \$ 4,312,500.00  
EQUITY \$: \$ 1,437,500.00  
EQUITY %: 25.00%  
TERM (YRS): 25  
INTEREST RATE: 4.50%

**2019 CAP Rate** 5.95%

TENANT:	Units	Total Rental Rate	2019 Rental Rate	2018	2019	2020	2021	2022	2023	2024	2025	2026
1502	6	\$ 5,725.00	\$ 6,300.00	68,700	75,600	77,868	80,204	82,610	85,088	87,641	90,270	92,978
1504	6	\$ 6,000.00	\$ 6,300.00	72,000	75,600	77,868	80,204	82,610	85,088	87,641	90,270	92,978
1506	6	\$ 5,550.00	\$ 6,300.00	66,600	75,600	77,868	80,204	82,610	85,088	87,641	90,270	92,978
1604	6	\$ 6,350.00	\$ 6,550.00	76,200	78,600	80,958	83,387	85,888	88,465	91,119	93,853	96,668
1606	6	\$ 5,925.00	\$ 6,300.00	71,100	75,600	77,868	80,204	82,610	85,088	87,641	90,270	92,978
1602	1	\$ 1,025.00	\$ 1,200.00	12,300	14,400	14,832	15,277	15,735	16,207	16,694	17,194	17,710

Total Units 31  
Total Sq. Ft. 26,434

## POTENTIAL RENTAL INCOME:

Less Vacancy: 0.00%

## GROSS OPERATING INCOME:

Property Tax	\$ 14,930.73
Insurance	\$ 13,562.00
Utilities	
- Water	\$ 9,558.06
- Gas/Electric	\$ 2,804.52
- Trash	\$ 3,690.13
Expenses	
- Plumbing	\$ 3,729.45
- Appliance repair	\$ 566.94
- Carpet cleaning	\$ 365.00
- Pest Control	\$ 566.94
- Office Supplies/Postage	\$ 1,611.25
- Legal	\$ 140.00

366,900 395,400 407,262 419,480 432,064 445,026 458,377 472,128 486,292

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366,900 395,400 407,262 419,480 432,064 445,026 458,377 472,128 486,292

14,931	15,379	15,840	16,315	16,805	17,309	17,828	18,363	18,914
13,562	13,969	14,388	14,820	15,264	15,722	16,194	16,680	17,180
9,558	9,845	10,140	10,444	10,758	11,080	11,413	11,755	12,108
2,805	2,889	2,975	3,065	3,157	3,251	3,349	3,449	3,553
3,690	3,801	3,915	4,032	4,153	4,278	4,406	4,538	4,675
3,729	3,841	3,957	4,075	4,198	4,323	4,453	4,587	4,724
567	584	601	620	638	657	677	697	718
365	376	387	399	411	423	436	449	462
567	584	601	620	638	657	677	697	718
1,611	1,660	1,709	1,761	1,813	1,868	1,924	1,982	2,041
140	144	149	153	158	162	167	172	177
51,525	53,071	54,663	56,303	57,992	59,732	61,524	63,369	65,270

## NET OPERATING INCOME (NOI):

315,375 342,329 352,599 363,177 374,072 385,295 396,853 408,759 421,022

## BUILDING VALUATION:

VALUE PER Sq. Ft.: CAP = 4.75%

6,639,473 7,206,931 7,423,139 7,645,833 7,875,208 8,111,464 8,354,808 8,605,453 8,863,616  
251.17 272.64 280.82 289.24 297.92 306.86 316.06 325.54 335.31

## ANNUAL DEBT SERVICE:

PRINCIPAL	95,535	99,924	104,515	109,316	114,338	119,591	125,085	130,831	136,841
INTEREST	192,108	187,719	183,129	178,327	173,305	168,053	162,559	156,812	150,802
TOTAL DEBT SERVICE (ANNUAL):	287,643	287,643	287,643	287,643	287,643	287,643	287,643	287,643	287,643

## DEBT SERVICE COVERAGE RATIO:

LOAN TO VALUE RATIO: 1.10 1.19 1.23 1.26 1.30 1.34 1.38 1.42 1.46  
65.0% 58.5% 55.5% 52.5% 49.6% 46.7% 43.9% 41.2% 38.5%

## Capital Expenditures:

15,000 15,000 15,000 15,000 15,000 15,000 15,000 15,000 15,000

## NET CASH FLOW:

12,732 39,686 49,956 60,534 71,429 82,651 94,210 106,116 118,378

## CASH ON CASH ROI

0.89% 2.76% 3.48% 4.21% 4.97% 5.75% 6.55% 7.38% 8.24%

## LEVERAGED ROI

7.53% 9.71% 10.75% 11.82% 12.92% 14.07% 15.26% 16.48% 17.75%

## CASH FLOW + PRINCIPAL EQUITY GAIN:

108,267 139,610 154,470 169,850 185,767 202,242 219,295 236,947 255,220

BUILDING VALUE (SALE): CAP = 4.75% 7,206,931 7,423,139 7,645,833 7,875,208 8,111,464 8,354,808 8,605,453 8,863,616 9,129,525

LESS PURCHASE PRICE: -5,750,000 -5,750,000 -5,750,000 -5,750,000 -5,750,000 -5,750,000 -5,750,000 -5,750,000 -5,750,000

LESS SELLING EXPENSES: COMM. % 3.00% -216,208 -222,694 -229,375 -236,256 -243,344 -250,644 -258,164 -265,908 -273,886

ESTIMATED GAIN ON SALE OF BLDG IF SOLD: 1,240,723 1,450,445 1,666,458 1,888,952 2,118,121 2,354,164 2,597,289 2,847,708 3,105,639



## Proforma Condo Conversion Summary

Unit Type	Quantity	Value	Total
1 Bedroom	7	\$189,000.00	\$1,323,000.00
2 Bedroom	24	\$229,000.00	\$5,496,000.00
			<b>\$6,819,000.00</b>
	Estimated Expense		\$69,000.00
	Net		\$6,750,000.00
	Profit (Gross)		\$1,000,000.00

Current Zoning	12 Units per Acre
Proposed Zoning	24 Units per Acre
Current Total Units	38.4 Units (7 Additional)
Proposed Total Units	76.8 Units (46 Additional)

# Berthoud Village TOWNHOMES

## MARKET OVERVIEW

1602 N. 4th Street / Berthoud, Colorado



### LARIMER COUNTY MEDIA ACCOLADES



**Fort Collins #17**  
**Best Places for Business and Careers**, Forbes 2017

As home to Colorado State University, Ft. Collins has attracted many high-tech companies and promotes up and coming industries within the area such as clean energy, bioscience, and agri-tech business. With unemployment at 2.1%, the area ranked 17th for job growth and 10th in education across the county.



**Loveland #11, Small Communities**  
**Well-Being Rankings and Access to Health Care in the U.S.**

Gallup/Healthways, 2017



**Fort Collins #16**  
**Top 100 Best Places to Live in the U.S.**, Livability.com, 2017

The city has high-ranking schools, a thriving arts scene and multiple outdoor recreation opportunities, and the median income for families tops \$100,000. Fort Collins has a charming Old Town downtown district as well as a thriving beer culture with more than 15 microbreweries.

### DEMOGRAPHIC PROFILE

	1 Mile	3 Miles	5 Miles
2017 Population	7,911	63,789	86,805
Median Age	47.4	41.3	41.5
Average Household Income	\$71,733	\$79,134	\$81,390

Source: Esri, 2017

**"GATEWAY  
TO THE ROCKIES"**

**"GARDEN SPOT  
OF COLORADO"**

### THE CITY OF BERTHOUD

Berthoud is strategically located just 40 minutes north of Denver and 20 minutes south of Fort Collins along I-25. Convenient to businesses and retail, Berthoud is in the heart of the Front Range community with easy access to highways and major arterials. Berthoud is also strategically located between the campuses of Colorado State University in Fort Collins and Colorado University at Boulder. The Front Range Community College is within 20 minutes with campuses in Longmont and Fort Collins. Berthoud is well positioned in the middle of it all.

With a variety of active development sites, there really is something for everyone in the Colorado commercial, industrial and residential development industry. **Source: [www.berthoud.org](http://www.berthoud.org)**



### MAJOR LARIMER & WELD COUNTY EMPLOYERS

- UC Health: Poudre Valley Hospital
- JBS Swift & Company
- Banner Health: North Colorado Medical Center
- Vestas
- Broadcom Ltd.
- Woodward Inc.
- Banner Health: McKee Medical Center
- State Farm Insurance Companies
- Qualfon
- Hewlett Packard
- Hach Company
- TeleTech
- Anheuser-Busch Fort Collins Brewery
- Halliburton Energy Services, Inc.
- Tolmar, Inc.
- Anadarko Petroleum
- Select Energy Services
- Noble Energy
- Agrium
- Leprino Foods



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# THE TEAM

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### Travis Ackerman

Director

+1 970 267 7720 Main

+1 970 222 6452 Cell

[travis.ackerman@cushwake.com](mailto:travis.ackerman@cushwake.com)

Travis Ackerman is a Director at Cushman & Wakefield and one of the most active commercial brokers in Northern Colorado. Travis' team is active in all aspects of commercial real estate whether it be industrial, retail, office, multi-family or land. As a result, they are able to provide insight and advisory services on all facets of the Northern Colorado Market

## Cushman & Wakefield

772 Whalers Way, Suite 200  
Fort Collins, Colorado 80525  
[cushmanwakefield.com](http://cushmanwakefield.com)

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