

401 N. Kuner Road

Brighton, Colorado

Marcus & Millichap
THE KRAMER GROUP

OFFERING MEMORANDUM



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Section One

EXECUTIVE SUMMARY

Offering Summary

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EXECUTIVE SUMMARY *OFFERING SUMMARY*

Asking Price	\$4,500,000
Price/SF	\$8.71/SF
Price/SF Acre	\$379,746/Acre
Type	Land
Land	11.85 Acres
Zoning	I-3
Land Rented	3 acres out of 11.85
Current Income	\$234,960



INVESTMENT HIGHLIGHTS **EXECUTIVE SUMMARY**

The Kramer Group of Marcus & Millichap is pleased to present 401 N Kuner Rd, located in Brighton, CO. This is an industrial property on 11.85 acres. On the site itself, there are existing structures which is a mix between office and warehouse space totaling 6,700 RBA. This is an excellent opportunity to develop further industrial assets on rare I-3 zoning with direct interstate access.

- Rare I-3 Zoning (Outdoor Storage Permitted & Heavy Industrial Uses)
- Ample Yard Space (509,486 SF)
- Direct Interstate Access (HWY 85)



Section Two

PROPERTY INFORMATION

Local Map

Regional Map

PROPERTY INFORMATION LOCAL MAP



401 N. Kuner Rd.

REGIONAL MAP **PROPERTY INFORMATION**



401 N. Kuner Rd.

Section Three

FINANCIAL ANALYSIS

Tenant Summary

FINANCIAL ANALYSIS *Tenant Summary*

Tenant Name	Lot #	Total Rent Per Month	Total Rent Per Year
American Demolition Inc	#0 YARD & OFFICE	\$3,500	\$42,000
A & E Trucking	#1-3	\$525	\$6,300
AVAILABLE ON 2/1/2023 (FRONT LOT) \$175	#5	\$0	\$0
AVAILABLE ON 2/1/2023 (FRONT LOT) \$175	#6	\$0	\$0
C&F Logistics	#7	\$150	\$1,800
Villalongin Trucking LLC	#8 & #9	\$350	\$4,200
James Bingham J&JB Trucking	#10	\$150	\$1,800
AVAILABLE ON 2/1/2023 (FRONT LOT) \$175	#11	\$0	\$0
AVAILABLE ON 2/1/2023 (FRONT LOT) \$175	#12	\$0	\$0
JME TRUCKING (JRO Construction)	#39-#41	\$525	\$6,300
AARON TRUCKING	#13	\$150	\$1,800
Cross Life Transportation	#14-20	\$1,200	\$14,400
Heredia Trucking	#21	\$175	\$2,100
Above All Office Installers	#22-24	\$375	\$4,500
3LJ Trucking	#25	\$125	\$1,500
Ideal Furniture	#26	\$100	\$1,200
Correas Trucking	#38	\$150	\$1,800
Kanelo Diesel Services	#42	\$200	\$2,400
Double J Transportation	#43 & #44	\$330	\$3,960
AVAILABLE ON 1/1/2023 (FRONT LOT) \$175	#45	\$0	\$0
Betty's Trucking	#49	\$100	\$1,200
Flow Zone LLC	Whole Pit	\$7,500	\$90,000
J & M Auction, Inc.	#47-#48 & OFFICE	\$1,200	\$14,400
Don's Electric & Service	OFFICE #4	\$625	\$7,500
Mile High Locksmith	OFFICE	\$300	\$3,600
West Freigh Lines LLC	OFFICE AND NORTH SIDE SPOTS	\$1,850	\$22,200
Total		\$19,580	\$234,960

Notes: Approximately 3 Acres of the property's 11.85 Acres are currently leased.



Section Four

MARKET OVERVIEW

Denver Market Overview

Demographics

MARKET OVERVIEW *Colorado*

DENVER

The Denver-Aurora-Lakewood metro is at the center of Colorado's Front Range, nestled at the convergence of the Great Plains and the majestic Rocky Mountains. The market consists of 10 counties: Broomfield, Arapahoe, Denver, Adams, Douglas, Jefferson, Clear Creek, Elbert, Gilpin and Park. Denver, which is both a county and a city, is the largest of each, with approximately 723,600 residents. Denver also houses the state capitol. The eastern and northern reaches of the metro are expected to attract most future development, as land in these areas is relatively flat and affordable. Denver's elevation of 5,280 feet above sea level earns it the nickname "Mile High City."

METRO HIGHLIGHTS



MAJOR TRANSPORTATION CENTER

Denver serves as the vital transportation gateway to the West, with a well-developed infrastructure. The region is accessed by three interstates and two freight rail lines.



EMPHASIS ON SKILLED JOBS

Denver's highly educated labor force attracts tech employers. Roughly 42 percent of residents age 25 and older hold at least a bachelor's degree.



GROWING ALTERNATIVE-ENERGY SECTOR

The National Renewable Energy Laboratory located in Golden helps lure energy-related businesses to the region.

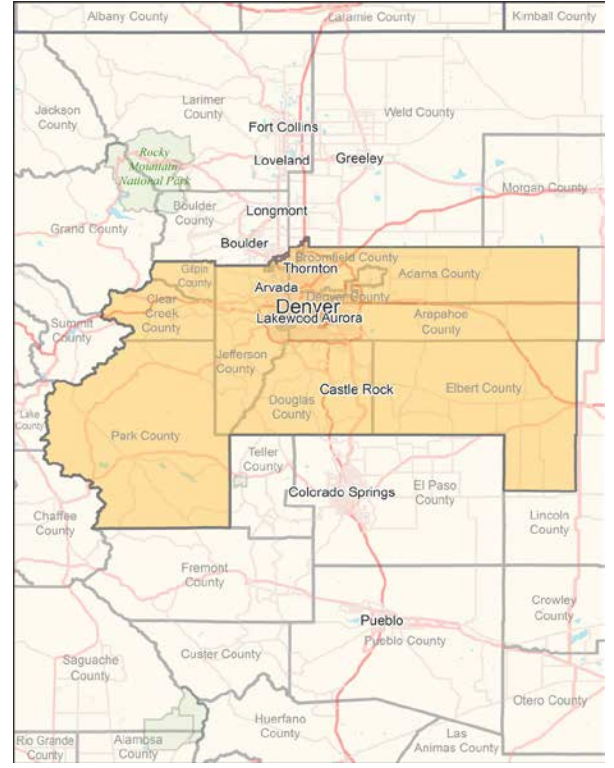
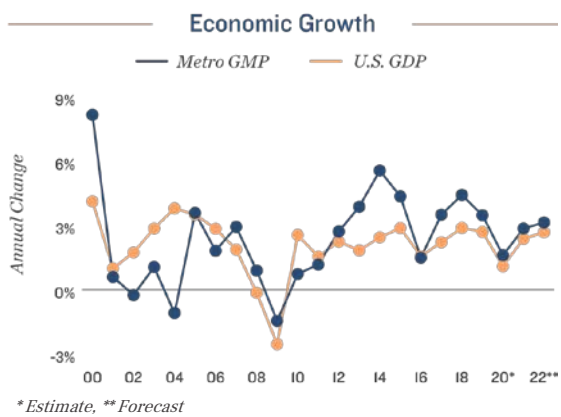


MARKET OVERVIEW

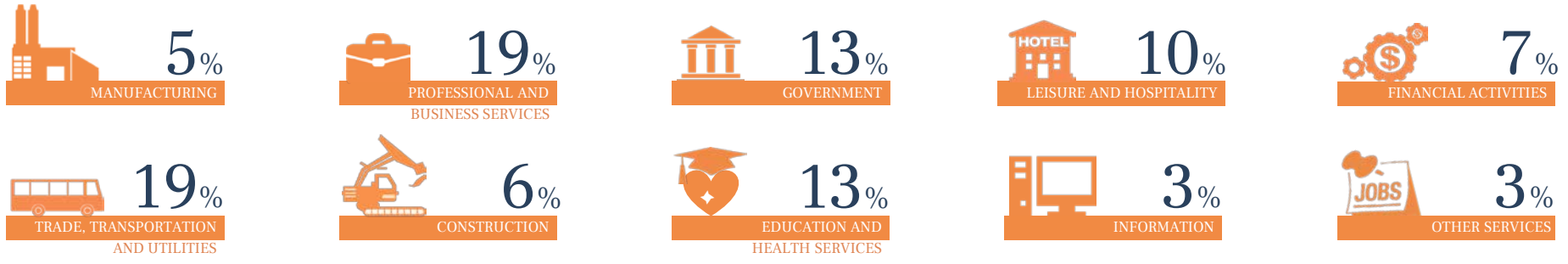
ECONOMY

- Key drivers of the region's economy include aerospace, bioscience, energy, financial services, healthcare, aviation, information technology and telecommunications.
- Denver's economy is expanding, with the annual change in gross metropolitan product (GMP) expected to reach 2.9 percent this year.
- Many of Denver's largest employers are in population-serving businesses such as retail and healthcare, and their expansion will track population and income growth.
- There are 10 Fortune 500 companies located in the metro, including Newmont Corp., Arrow Electronics, DISH Network, DaVita, Molson Coors Brewing and Liberty Media.

MAJOR AREA PRIVATE EMPLOYERS
HealthONE
CenturyLink
Children's Hospital Colorado
Charles Schwab
Lockheed Martin Corp.
Comcast Corp.
Frontier Airlines
Wells Fargo
United Airlines Inc.
University of Colorado Health



SHARE OF 2020 TOTAL EMPLOYMENT

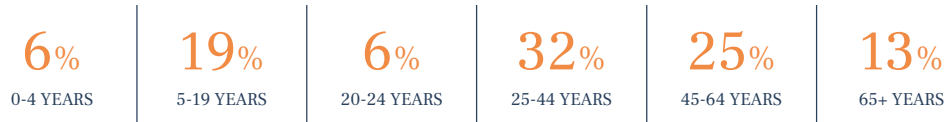


MARKET OVERVIEW

DEMOGRAPHICS

- The metro is expected to add 206,600 new residents during the next five years as the market benefits from household migration trends that emerge from the health crisis.
- Gains in higher-paying employment sectors keep the median household income well above the national median.
- Elevated incomes have allowed 63 percent of households to own their homes, nearly matching the national rate.

2020 Population by Age



QUALITY OF LIFE

The Denver metro area offers residents urban and rural surroundings, in addition to exciting nightlife and outdoor fun. Five professional sports teams play in venues within a short walk or drive of downtown Denver. The local arts community is vibrant and the city's large park system provides relaxing opportunities to enjoy the outdoors. The allure of the Rocky Mountains keeps residents active. Rocky Mountain National Park is less than two hours from the metro and offers numerous campsites and hiking trails. Avid skiers and snowboarders are close to world-class ski resorts, such as Vail, Beaver Creek and Copper Mountain. The Denver metro will continue to grow as the area's high quality of life attracts new residents.

* Forecast

Sources: Marcus & Millichap Research Services; BLS; Bureau of Economic Analysis; Experian; Fortune; Moody's Analytics; U.S. Census Bureau

SPORTS



EDUCATION



ARTS & ENTERTAINMENT



Industrial vacancy in Denver decreased on an overall basis for the third consecutive quarter in the first quarter 2022, declining 20 bps QOQ to end March 2022 at 5.9%. Direct vacancy followed a similar pattern, falling 30 bps QOQ to end the first quarter 2022 at 5.5%. Both overall and direct vacancy rates were down on a YOY basis as well, declining 80 bps and 70 bps—respectively—compared to first quarter 2021. While the overall vacancy rate continues to hover above the five-year historical average of 5.6%, the decrease in vacancy over the last several quarters is a telling indication of industrial demand in Denver, particularly considering the volume of speculative projects currently under construction across the market. That being said, it is likely that vacancy may experience a slight increase throughout the balance of 2022 given the more than 8.8 million square feet (msf) of speculative development due to deliver in 2022, only 8.0% of which is currently pre-leased.

Industrial asking rates experienced another uptick during the first quarter 2022, with direct asking rates increasing by \$0.41 per square foot (psf) to end March 2022 for an average of \$10.43 psf on a triple net (NNN) basis. Overall NNN rates also increased QOQ, growing \$0.28 psf to end the first quarter 2022 at \$10.39 psf NNN. The first quarter 2022 represented the fourth consecutive quarter of rental rate increases within the Denver market, with overall and direct asking rates increasing by \$1.10 psf and \$1.06 psf respectively compared to the first quarter 2021. Despite the slightly-higher vacancy rate compared to the five-year average, Denver remains favorable to landlords, who continue to capitalize on Denver's growth while demand remains high. Experts in the market have predicted increases of 50-100 bps in typical rental rate escalations over the next several years, which will likely provide a boost to asking rates as well.

Despite a QOQ decrease in net absorption, the first quarter 2022 nevertheless represented a solid performance in terms of absorption for the Denver market, with over 1.2 msf in net absorption recorded. As with previous quarters, net absorption in the first quarter 2022 was given a boost from build-to-suit (BTS) move-ins, most notably Subaru, who occupied their 555,000-sf BTS facility at Majestic Commercenter upon its completion in March. Also of note was FedEx, who occupied approximately 182,000 sf at North Central Logistics Center, Building C. FedEx previously occupied Building B at North Central Logistics Park for approximately 290,000 sf during the fourth quarter 2021.

Office vacancy showed more signs of stabilizing in the first quarter 2022 as the metro-wide rate clocked in at approximately 19.9% for a second straight quarter. On an annual basis, overall vacancy is up just 120 basis points (bps) over the past 12 months, a stark contrast to the 470-basis-point increase seen over the previous 12-month period. The biggest trend in vacancy this quarter was the bifurcation in performance in the Central Business District (CBD) and non-CBD submarkets. After trending in the same direction during the current cycle, vacancy in the CBD continued to increase, but has dropped considerably in submarkets outside the CBD. CBD vacancy rose to 24.9% in the first quarter 2022, an increase of 420 bps YOY. Over the same period, non-CBD vacancy has risen just 20 bps YOY to 18.1% following a decline of 40 bps in the first quarter 2022. Direct vacancy stood at 17.6%, up from 16.0% a year earlier. Direct vacancy for Class A space was stable at 17.3% but rose 200 bps YOY. Class B direct vacancy dropped 10 bps during the quarter to 19.3% but is up 140 bps YOY. The higher increase in Class A direct vacancy over the past year is linked to the delivery of some new construction that still sits vacant. Sublease vacancy increased 10 bps in the first quarter 2022 and is up 30 bps YOY.

DIFFERENT BROKERAGE RELATIONSHIPS ARE AVAILABLE WHICH INCLUDE SELLER AGENCY, BUYER AGENCY OR TRANSACTION-BROKERAGE.

BROKERAGE DISCLOSURE TO BUYER DEFINITIONS OF WORKING RELATIONSHIPS

Seller's Agent: A seller's agent works solely on behalf of the seller to promote the interests of the seller with the utmost good faith, loyalty and fidelity. The agent negotiates on behalf of and acts as an advocate for the seller. The seller's agent must disclose to potential buyers all adverse material facts actually known by the seller's agent about the property. A separate written listing agreement is required which sets forth the duties and obligations of the broker and the seller.

Buyer's Agent: A buyer's agent works solely on behalf of the buyer to promote the interests of the buyer with the utmost good faith, loyalty and fidelity. The agent negotiates on behalf of and acts as an advocate for the buyer. The buyer's agent must disclose to potential sellers all adverse material facts actually known by the buyer's agent, including the buyer's financial ability to perform the terms of the transaction and, if a residential property, whether the buyer intends to occupy the property. A separate written buyer agency agreement is required which sets forth the duties and obligations of the broker and the buyer.

Transaction-Broker: A transaction-broker assists the buyer or seller or both throughout a real estate transaction by performing terms of any written or oral agreement, fully informing the parties, presenting all offers and assisting the parties with any contracts, including the closing of the transaction, without being an agent or advocate for any of the parties. A transaction-broker must use reasonable skill and care in the performance of any oral or written agreement, and must make the same disclosures as agents about all adverse material facts actually known by the transaction-broker concerning a property or a buyer's financial ability to perform the terms of a transaction and, if a residential property, whether the buyer intends to occupy the property. No written agreement is required.

Customer: A customer is a party to a real estate transaction with whom the broker has no brokerage relationship because such party has not engaged or employed the broker, either as the party's agent or as the party's transaction-broker.

RELATIONSHIP BETWEEN BROKER AND BUYER

Broker and Buyer referenced below have NOT entered into a buyer agency agreement. The working relationship specified below is for a specific property described as:

401 N Kuner Rd

or real estate which substantially meets the following requirements:

Buyer understands that Buyer is not liable for Broker's acts or omissions that have not been approved, directed, or ratified by Buyer.

CHECK ONE BOX ONLY:

Multiple-Person Firm. Broker, referenced below, is designated by Brokerage Firm to serve as Broker. If more than one individual is so designated, then references in this document to Broker shall include all persons so designated, including substitute or additional brokers. The brokerage relationship exists only with Broker and does not extend to the employing broker, Brokerage Firm or to any other brokers employed or engaged by Brokerage Firm who are not so designated.

One-Person Firm. If Broker is a real estate brokerage firm with only one licensed natural person, then any references to Broker or Brokerage Firm mean both the licensed natural person and brokerage firm who shall serve as Broker.

CHECK ONE BOX ONLY:

Customer. Broker is the seller's agent seller's transaction-broker and Buyer is a customer. Broker intends to perform the following list of tasks: Show a property Prepare and Convey written offers, counteroffers and agreements to amend or extend the contract. Broker is not the agent or transaction-broker of Buyer.

Customer for Broker's Listings – Transaction-Brokerage for Other Properties. When Broker is the seller's agent or seller's transaction-broker, Buyer is a customer. When Broker is not the seller's agent or seller's transaction-broker, Broker is a transaction-broker assisting Buyer in the transaction. Broker is not the agent of Buyer.

Transaction-Brokerage Only. Broker is a transaction-broker assisting the Buyer in the transaction. Broker is not the agent of Buyer.

Buyer consents to Broker's disclosure of Buyer's confidential information to the supervising broker or designee for the purpose of proper supervision, provided such supervising broker or designee does not further disclose such information without consent of Buyer, or use such information to the detriment of Buyer.

DISCLOSURE OF SETTLEMENT SERVICE COSTS. Buyer acknowledges that costs, quality, and extent of service vary between different settlement service providers (e.g., attorneys, lenders, inspectors and title companies).

THIS IS NOT A CONTRACT. IT IS BROKER'S DISCLOSURE OF BROKER'S WORKING RELATIONSHIP.

If this is a residential transaction, the following provision applies:

MEGAN'S LAW. If the presence of a registered sex offender is a matter of concern to Buyer, Buyer understands that Buyer must contact local law enforcement officials regarding obtaining such information.

BUYER ACKNOWLEDGMENT:

Buyer acknowledges receipt of this document on _____.

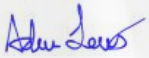
Buyer

Buyer

BROKER ACKNOWLEDGMENT:

On _____, Broker provided _____ (Buyer) with this document via Attachment to emailed Offering Memorandum and retained a copy for Broker's records.

Brokerage Firm's Name: Marcus & Millichap Real Estate Investment Services of Atlanta, Inc.


Broker

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