

**CITYGATE**  
APARTMENT HOMES



**A 241-UNIT CORE-PLUS APARTMENT COMMUNITY LOCATED  
IN THE VIBRANT RiNo ARTS DISTRICT IN DOWNTOWN DENVER**



**JLL**



## THE OFFERING

JLL is pleased to present the exclusive listing of City Gate Apartment Homes (“City Gate”), a 241-unit apartment community located in the heart of the RiNo Arts District neighborhood, one of Denver’s most sought-after and vibrant submarkets, just steps from countless employment and entertainment options. Through a combination of thoughtful design, well-appointed partial renovations to 85% of the units and a market-leading suite of amenities, City Gate caters to an affluent renter pool drawn to the eclectic workspaces, restaurants, bars and nightlife this RiNo neighborhood has to offer.

City Gate presents the opportunity to acquire a high-quality, 2003-vintage Core-Plus asset with significant investor upside within Denver’s most talked about submarket. This three and four story, wrap-style apartment community is comprised of 206 (85%) partially renovated units that are achieving \$150 premiums over classics, along with recently renovated community features that separate City Gate from its competition. Through additional unit upgrades and the expiration of 25 units with affordable rent restrictions that expire at the end of 2022, there is additional income upside in the foreseeable future.

Residents at City Gate benefit from walkable access to over 140,000 jobs and over 40M square feet of office space in Downtown Denver, along with several highly publicized commercial developments currently taking place throughout the RiNo submarket. With a central location in a niche, mixed-use neighborhood, along with a complete suite of high-end amenities, City Gate is well-positioned to attract active, affluent Coloradans seeking a unique urban setting with immediate access to all that the RiNo Arts District has to offer. Overall, the combination of City Gate’s unmatched location, attractive historical operating performance, and proven value-add potential provides a unique opportunity for potential investors.



## Offering Summary

**CITY GATE IS OFFERED UNPRICED AND FREE AND CLEAR OF EXISTING DEBT.**

Address	2890 Brighton Blvd., Denver, CO 80216
Units	241
Year Completed	2003
Average Unit Size	860
Rentable SF	207,326
Site Size / Density	4.6 Acres / 52.4 Units/Acre
Total Parking Spaces	378 Spaces
Parking Spaces per Unit	1.6 Spaces / Unit
*AVG Market Rent	\$1,653
*AVG Market Rent / SF	\$1.92
*Current Occupancy	92%

*\*Based on the October 15, 2020 Rent Roll*

# Investment **Highlights**

## CORE-PLUS ASSET WITH **VALUE-ADD POTENTIAL**

With a full complement of highly-amenitized common area spaces and recently renovated unit interiors, City Gate has proven to be able to compete with newer product in the RiNo submarket.

### Active Coloradans

- Bike Share Station Steps from the Front Door
- Resort-Style Pool and Spa with Water Features
- Fitness Facility with Machines and Free Weights

### Discerning Renters

- Newly-Renovated Clubhouse
- Ultra-High-Speed Google Fiber Internet
- Package Concierge
- Resident Game Room
- Meeting Rooms and Business Center
- NEST Thermostats



## City Gate Renovations

Partial interior renovations to 85% of the units were completed between 2014-2020 and have further elevated City Gate's status within the submarket and solidified the ability to capitalize on strong local demand drivers and effectively compete with nearby new construction properties. There is opportunity to further the unit interior upgrades to take City Gate to the 'next level' and compete with newer product in the immediate area. The installation of upgraded flooring throughout the unit, upgraded kitchen and bath cabinetry, and the addition of tile back splashes in the kitchens are three examples of upgrades that could be added in order to achieve additional rental income. Rents at City Gate average a 10% discount to nearby new construction properties, which will allow for consistent and sustained rent growth at City Gate for years to come.



### Completed Renovations

- Upgraded Appliances
- Vinyl-Plank Flooring and Carpet in the Kitchen and Living Room
- Replaced Fixtures

### Additional Renovation Potential

- Updated Cabinetry
- Quartz Countertops
- Vinyl-Plank Flooring Throughout
- Tile Backsplash
- Premium Lighting Package

# Investment Highlights

## Eclectic and Vibrant Neighborhood

with trendy bars, critically acclaimed restaurants and unique art galleries, City Gate sits within walking distance of all that RiNo offers.

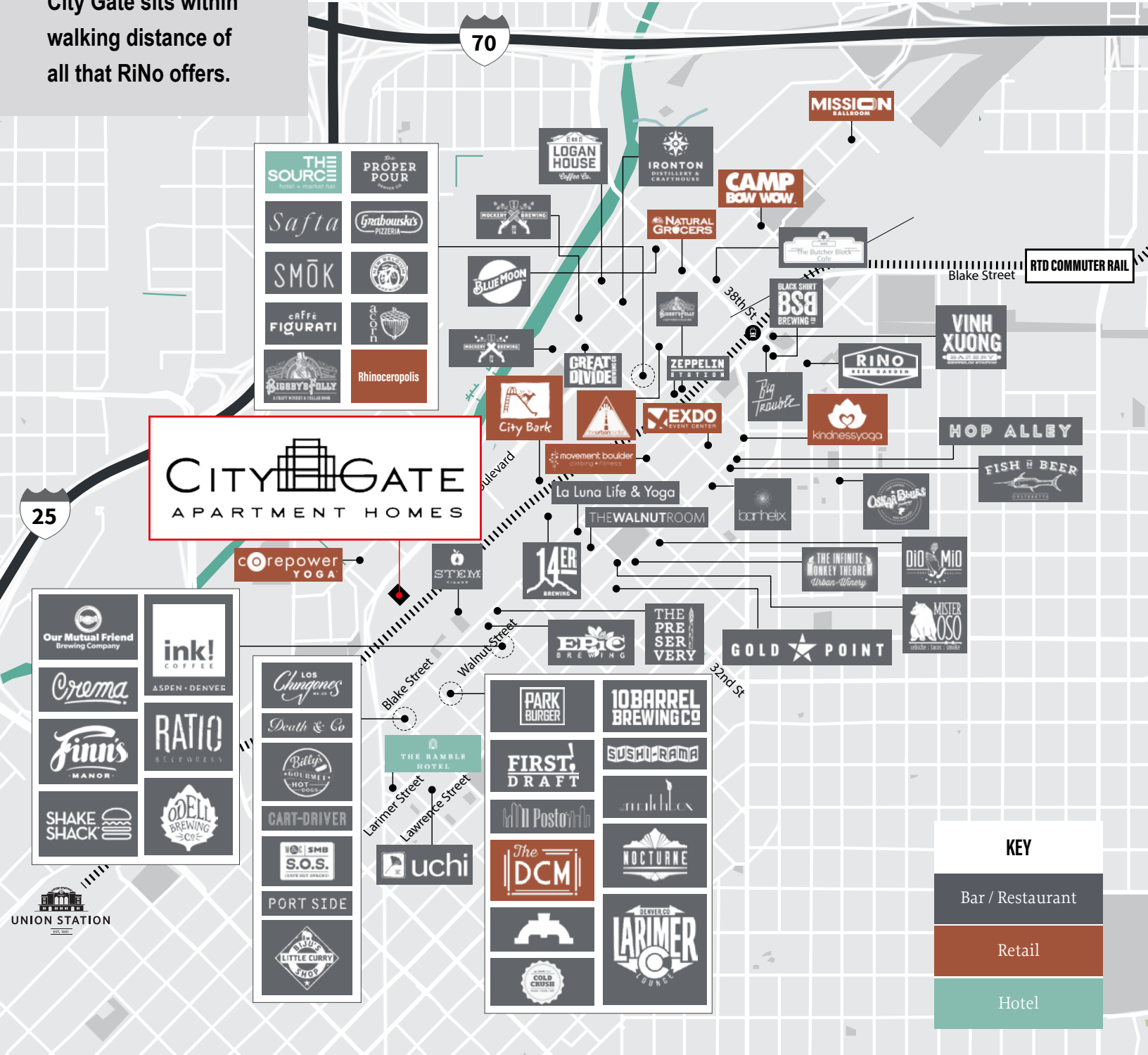
The RiNo neighborhood is one of Denver's hottest destinations for young professionals looking for an urban environment with premier night life, entertainment, and employment out their front doors. RiNo is a haven for art galleries, boutique retail, breweries, critically acclaimed dining and trendy food halls. City Gate's location offers residents convenient access to two light rail stations, extensive new retail and office development, and the state-of-the-art Mission Ballroom. These features have attracted significant investment into the neighborhood, creating extremely high barriers to entry today.

**150+**  
Bars  
+ Restaurants

**50+**  
Art Studios  
+ Galleries

**20+**  
Breweries  
+ Distilleries

**150**  
Hotel rooms completed + 1,000 rooms under construction or proposed



## RiNo HAS ALSO SEEN SIGNIFICANT DEMAND FOR RETAIL AND CREATIVE OFFICE SPACE DEMONSTRATING **QUALITY**, LOCATION AND **PROGRESSIVE DESIGN**.

RiNo's commercial renaissance has turned many neglected buildings into fresh, creative spaces that are unlike anything else found in the market today. These unique spaces offer attractive opportunities for small retail tenants and entrepreneurs to establish a presence that matches their business.

RiNo is full of small boutiques, local coffee shops, and collective market hall concepts that foster small businesses and remain attractive for patrons looking for something beyond the normal urban shopping and dining experience.



RiNo's adjacency to Downtown Denver and its own office development makes it easily accessible to major employment.

One of the top cities in the US for Millennials, Denver has seen robust growth in recent years, with 185,000 jobs added in over the past five years.



Historical occupation by artists has led to walls and alleys with colorful and impactful murals, creating a defined sense of place for the neighborhood.

Edgy and vibrant character makes RiNo distinctly different from other Denver neighborhoods.



## **CORE LOCATION** **NEAR MAJOR** **EMPLOYMENT**

As one of the country's hottest markets driven by leading metrics in job growth, population growth and quality of life, Denver's ability to attract individuals and companies from all over the world has triggered a **17.1%** increase in population since 2010, much of which is driven by millennial in-migration and companies relocating or co-locating their offices to the metro area. Denver has experienced substantial tech employment growth of over **7.5%** in the past 12 months, and also boasts a truly diverse economy with no industry accounting for over **19%** of total employment.

Denver's job market remains supercharged, adding approximately 370,000 non-farm employees to payroll over the past decade. In the last 30 years, Denver has experienced **25 years of positive job growth** and a growth rate 1.8x higher than the national average. According to Moody's, Denver is top-10 in cities best positioned to recover from Coronavirus.



### **NOTABLE OFFICE** **TENANTS IN RiNo**

#### **RiNo District:**

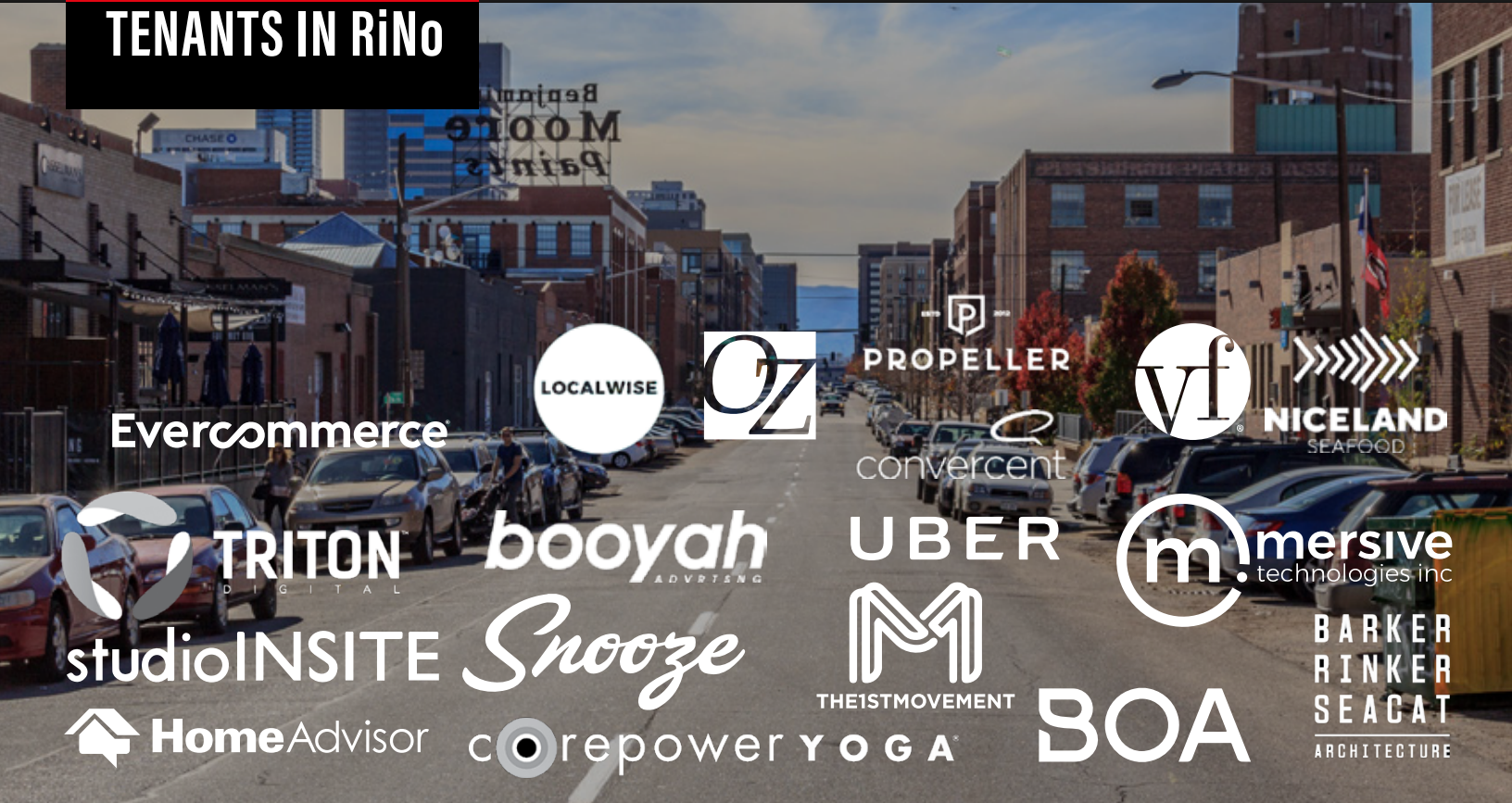
- **2.4M+ Office SF**
- **3.6M+ Office SF Under Construction or Proposed**

#### **Downtown Denver:**

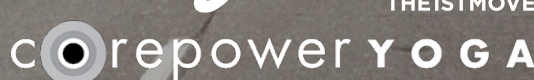
- **140,000+ Employees**
- **40M+ Office SF**

#### **Tech Industry:**

- **Denver is Ranked the 10th Largest Tech Market in U.S.**
- **103% Rate of High-Tech Employment Growth in Downtown Denver (14% YoY Growth)**



Evercommerce



## HISTORICALLY STRONG SUBMARKET FUNDAMENTALS & NEW DEVELOPMENT

City Gate is located within the RiNo Arts District, which is included in Denver's Central Business District (CBD) submarket. Despite adding 11,866 units since 2014, the CBD submarket has seen rents increase 15.7% (from \$1,639 to \$1,896/month), while achieving strong occupancy during that same period. The submarket's ability to achieve substantial rent growth while maintaining strong occupancy over an extended period of time serves as a testament to the area's strong desirability and its affluent renter profile.

### DENVER CBD SUBMARKET TOTAL/AVERAGE

<b>Total Units</b>	23,815
<b>Total Apartments</b>	116
<b>SF/Unit</b>	860
<b>Average Year Built</b>	2012
<b>2Q 2020 Effective Rent/ PSF for Stabilized Assets</b>	\$1,896 / \$2.20
<b>2Q 2020 Effective Rent/ PSF for Assets in Lease-Up</b>	\$2,520 / \$2.81
<b>Average Vacancy (over past 4 Quarters)</b>	6.79%

Prior to Q2 2020, the CBD submarket had averaged an absorption rate of **479 units** per quarter over the past 12 quarters.

### NOTABLE COMMERCIAL DEVELOPMENTS



#### TRAIN DENVER

- The development will include 275,000 SF Class A Office and a 200-room hotel
- Initial plans for a 400-500-seat entertainment venue

#### T3 RiNo



- Six-story, 250,000 SF office building
- Will include 17,000 SF of retail space
- One of the most environmentally friendly and sustainable developments in Denver

#### WORLD TRADE CENTER



- 14-story, 350,000 SF office building
- \$180-million project
- Located within an opportunity zone

#### HUB NORTH



- Eight-story office building with ground-floor retail space
- The second-phase of Hub South, which is 100% occupied to HomeAdvisor, EverCommerce and WeWork

#### MCGREGOR SQUARE



- Comprised of 176-room hotel, restaurants, two-story retail, Class A office and over 100 condos
- Three buildings surround a 29,000 SF open content plaza
- Estimated Completion: January 2021

### New Developments Creating New Demand

In the last 10 years alone, Downtown Denver has added over 4.4M SF of office space, 10,000 residential units and 3,700 hotel rooms, resulting in \$6.6B of total investment.

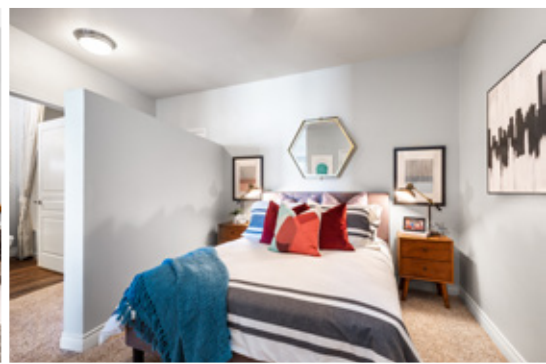
YEAR COMPLETED	TOTAL PROJECTS	TOTAL OFFICE SF	TOTAL RESIDENTIAL UNITS	TOTAL HOTEL ROOMS	TOTAL INVESTMENT
2014	16	275,000	868	482	\$956,300,000
2015	15	499,000	2,052	511	\$694,700,000
2016	7	536,420	850	0	\$326,084,000
2017	13	429,000	1,250	1,045	\$919,900,000
2018	13	1,410,800	1,474	111	\$1,143,560,000
2019	14	90,000	2,553	772	\$777,900,000
2020 YTD	2	198,582	0	0	\$70,350,000
<b>Total Completed</b>	<b>80</b>	<b>3,438,802</b>	<b>9,047</b>	<b>2,921</b>	<b>\$4,888,794,000</b>
<b>Total Under Construction</b>	<b>13</b>	<b>1,189,900</b>	<b>1,469</b>	<b>930</b>	<b>\$1,014,830,000</b>

# DENVER'S HOTTEST NEIGHBORHOOD

# RiNo

**\$2.4M+**  
Office SF

**3.6M+**  
Office SF Under Construction or Proposed





UNIT TYPE	DESCRIPTION	COUNT	SQ. FT.	MARKET RENT*	PSF	ANNUAL RENT
s1	Studio / One Bath	3	548	\$1,065	\$1.94	\$38,340
s1a	Studio / One Bath (Affordable)	1	548	\$1,100	\$2.01	\$13,200
s2a	Studio / One Bath (Affordable)	3	548	\$1,100	\$2.01	\$39,600
s2r	Studio / One Bath	2	548	\$1,180	\$2.15	\$28,320
s1r	Studio / One Bath	34	549	\$1,191	\$2.17	\$486,000
s3a	Studio / One Bath (Affordable)	1	638	\$1,100	\$1.72	\$13,200
s3r	Studio / One Bath	2	638	\$1,140	\$1.79	\$27,360
a1	One Bed / One Bath	3	658	\$1,255	\$1.91	\$45,180
a1a	One Bed / One Bath (Affordable)	8	658	\$1,300	\$1.98	\$124,800
a1r	One Bed / One Bath	33	658	\$1,386	\$2.11	\$548,760
s1l	Studio / One Bath	1	708	\$1,335	\$1.89	\$16,020
a5r	One Bed / One Bath	3	723	\$1,533	\$2.12	\$55,200
a3	One Bed / One Bath	1	748	\$1,340	\$1.79	\$16,080
a3a	One Bed / One Bath (Affordable)	2	748	\$1,300	\$1.74	\$31,200
a3r	One Bed / One Bath	15	748	\$1,491	\$1.99	\$268,440
a4r	One Bed / One Bath	6	750	\$1,540	\$2.05	\$110,880
a51r	One Bed / One Bath	3	801	\$1,615	\$2.02	\$58,140
a1lr	One Bed / One Bath	8	818	\$1,593	\$1.95	\$152,880
a23r	One Bed / One Bath	3	828	\$1,680	\$2.03	\$60,480
a2	One Bed / One Bath	1	881	\$1,420	\$1.61	\$17,040
a2r	One Bed / One Bath	19	881	\$1,549	\$1.76	\$353,220
a3lr	One Bed / One Bath	6	905	\$1,670	\$1.85	\$120,240
b11a	Two Bed / Two Bath (Affordable)	2	1,058	\$1,672	\$1.58	\$40,128
b1a	Two Bed / Two Bath (Affordable)	3	1,059	\$1,672	\$1.58	\$60,192
b1r	Two Bed / Two Bath	3	1,059	\$2,268	\$2.14	\$81,660
b5a	Two Bed / Two Bath (Affordable)	1	1,112	\$1,672	\$1.50	\$20,064
b5r	Two Bed / Two Bath	4	1,112	\$2,330	\$2.10	\$111,840
b3a	Two Bed / Two Bath (Affordable)	1	1,120	\$1,672	\$1.49	\$20,064
b3r	Two Bed / Two Bath	7	1,120	\$1,941	\$1.73	\$163,020
b31a	Two Bed / Two Bath (Affordable)	3	1,121	\$1,672	\$1.49	\$60,192
b31r	Two Bed / Two Bath	9	1,121	\$1,972	\$1.76	\$212,940
b41r	Two Bed / Two Bath	1	1,139	\$2,490	\$2.19	\$29,880
b2r	Two Bed / Two Bath	31	1,186	\$2,098	\$1.77	\$780,600
b1lr	Two Bed / Two Bath	4	1,205	\$2,800	\$2.32	\$134,400
b4r	Two Bed / Two Bath	3	1,219	\$2,438	\$2.00	\$87,780
b5lr	Two Bed / Two Bath	1	1,242	\$2,730	\$2.20	\$32,760
b3l	Two Bed / Two Bath	1	1,346	\$2,565	\$1.91	\$30,780
b3lr	Two Bed / Two Bath	9	1,346	\$2,683	\$1.99	\$289,800
<b>Total / Weighted Average</b>		<b>241</b>	<b>860</b>	<b>\$1,653</b>	<b>\$1.92</b>	<b>\$4,780,680</b>

\*Rents based on the October 15, 2020 Rent Roll



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