

# Samuel Drive:

## 3Q 2024 Update

This confidential investment briefing is an overview of our current funds and does not constitute an offer.



CONFIDENTIAL

# A love letter from our attorney...



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# Letter from Investment Committee to our Limited Partners



- A significant portion of our investor base is actively involved in the rental market, and many call Colorado “home”.
- This market has become incrementally more difficult, partly due to the high interest rate environment, but increasingly due to the shifting regulatory environment in multiple states. The recent change in Colorado eviction laws is just the latest example.
- In our view, these regulatory changes are permanent. This adds risk to the business model with no commensurate returns. Passive real estate investment opportunities outside the active rental business have never been timelier.
- As a testament to this concern, most Ironton GPs have started to thin their personal rental holdings with multiple sales to date, including one having liquidated eight rental units since April '23, and a second GP with three properties actively for sale.
- We are happy to brainstorm these developments in the context of your real estate investment strategy any time.

# Samuel Drive Apartments

## Single-Asset Syndication in Westminster, Colorado



### Investment Profile

**Asset class:** Multifamily.

**Geography:** Colorado.

**Strategy:** Value-Add.

### Investment Metrics

- Expected 3-year hold.
- 13-18% LP IRR projected; ***Prior history suggests potential for sizeable upside.***

### Sponsor

Terrance Doyle (Project Sponsor)

- Founder, VareCo, 2014.
- Directed the growth of its portfolio through 1000+ real estate transactions and its current AUM of more than \$80M.
- Terrance's experienced team will manage all facets of the renovation, lease-up, property management, and sale.

### Description

- Renovate exterior.
- Improve all interior units.
- \$930,000 capital improvement budget.
- The business plan is one that is very familiar to the Sponsor.
- Raise current rents from \$815 to \$1,300-\$1,400.

# Samuel Drive Apartments

## Single-Asset Syndication in Westminster, Colorado



### 3Q Update

“Midtown Gardens” has been relisted with North Peak Commercial Advisors for \$7.45M (\$219k/unit), priced at a 6.3% cap rate.

Nearby comps have traded in 2023 and 2024 in the range of \$215k - \$317k per unit, priced at 4.40% - 5.45% cap rate demonstrating competitive pricing in the market.

FINANCIAL ANALYSIS	CURRENT	PRO FORMA
Net Operating Income	\$467,693	\$499,508
Projected Debt Service	(\$300,310)	(\$300,310)
Before Tax Cash Flow	\$167,384	\$199,199
Cash-on-Cash Return	7.4%	8.8%
Principal Reduction	\$65,994	\$65,994
Total Return	\$233,378	\$265,193
<b>CAP RATE</b>	<b>6.28%</b>	<b>6.70%</b>

INVESTMENT SUMMARY		FINANCING	
List Price	\$7,450,000	Loan Amount	\$5,177,750
Price/Unit	\$219,118	Down Payment	\$2,272,250
Price/SF	\$404	Interest Rate	5.80%
		Amortization	30 Years

# Comparable Sales



<b>SUBJECT PROPERTY</b>	
7121-7141 Samuel Dr, Denver, CO	
Sale Date	JUST LISTED
Year Built/Renov.	1970-72/2023
Price/Unit	\$219,118
Price/SF	\$404
Cap Rate	6.3% - 6.7%
Unit Mix	32 - 1 Bd / 1 Ba 2 - 2 Bd / 1 Ba



7120 Hooker St Westminster, CO 80030		#1
Sale Date	3/14/24	
Year Built	1961	
Price/Unit	\$215,625	
Price/SF	\$290	
Cap Rate	N/A	
Unit Mix	4 - 1 Bd / 1 Ba 12 - 2 Bd / 2 Ba	



960 Pearl St Denver, CO 80203		#2
Sale Date	11/14/24	
Year Built	1924	
Price/Unit	\$217,187	
Price/SF	\$333	
Cap Rate	5.02%	
Unit Mix	14 - Studio 1 - 1 Bd / 1 Ba 1 - 2 Bd / 1 Ba	



1410-1414 Marion St Denver, CO 80218		#3
Sale Date	5/9/23	
Year Built	1896	
Price/Unit	\$250,000	
Price/SF	\$189	
Cap Rate	4.40%	
Unit Mix	34 - 1 Bd / 1 Ba 4 - 2 Bd / 2 Ba 1 - 3 Bd / 1 Ba 1 - 4 Bd / 2 Ba	



999 Pearl St Denver, CO 80203		#4
Sale Date	5/30/24	
Year Built	1961	
Price/Unit	\$315,000	
Price/SF	\$414	
Cap Rate	5.45%	
Unit Mix	7 - 1 Bd / 1 Ba 9 - 2 Bd / 1 Ba	



758 Clarkson St Denver, CO 80218		#5
Sale Date	9/12/23	
Year Built	1966	
Price/Unit	\$294,118	
Price/SF	\$412	
Cap Rate	5.26%	
Unit Mix	17 - 1 Bd / 1 Ba	



1280 Albion St Denver, CO 80220		#6
Sale Date	5/7/24	
Year Built	1947	
Price/Unit	\$254,167	
Price/SF	\$385	
Cap Rate	4.70%	
Unit Mix	13 - 1 Bd / 1 Ba 11 - 2 Bd / 1 Ba	



1301 E 33rd Ave Denver, CO 80205		#7
Sale Date	8/21/24	
Year Built	1961	
Price/Unit	\$238,333	
Price/SF	\$333	
Cap Rate	4.90%	
Unit Mix	1 - 1 Bd / 1 Ba 14 - 2 Bd / 1 Ba	

# Acquisition - Before Renovations



All figures are for discussion; past results do not predict future returns.  
This presentation does not constitute an offer. For accredited investor use only.



# Acquisition - Post-Renovation



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# Ironton Capital – Current Funds Overview

For Accredited Investors for Informational Purposes Only – Not an Offer to Invest



	National Diversified Funds (NDFs)	Short Term Income Funds (STIs)	Medium Term Income Funds (MTIs)	Single Asset Funds
Sector	<ul style="list-style-type: none"> <li>Real Estate</li> </ul>	<ul style="list-style-type: none"> <li>Real estate (~80%)</li> <li>Medical Receivables (~20%)</li> </ul>	<ul style="list-style-type: none"> <li>Medical Receivables</li> </ul>	<ul style="list-style-type: none"> <li>Mainly Real Estate</li> </ul>
Target Returns	<ul style="list-style-type: none"> <li>16%+</li> <li>5-6 year timeline</li> </ul>	<ul style="list-style-type: none"> <li>8-9%</li> </ul>	<ul style="list-style-type: none"> <li>11-13% fixed (based on assets under management AUM)</li> </ul>	<ul style="list-style-type: none"> <li>15-20%</li> <li>1-5 year timeline</li> </ul>
Liquidity	<ul style="list-style-type: none"> <li>Cash distributed as individual projects cash flow</li> </ul>	<ul style="list-style-type: none"> <li>Quarterly dividends</li> <li>Principal back with 30-day notice</li> </ul>	<ul style="list-style-type: none"> <li>Quarterly dividends</li> <li>Access to principal after one year lockup</li> </ul>	<ul style="list-style-type: none"> <li>Varies</li> </ul>
Fund Size	<ul style="list-style-type: none"> <li>\$10-20M</li> </ul>	<ul style="list-style-type: none"> <li>\$200M+</li> </ul>	<ul style="list-style-type: none"> <li>\$100M+</li> </ul>	<ul style="list-style-type: none"> <li>\$1-10M</li> </ul>
Individual Investments	<ul style="list-style-type: none"> <li>10-15</li> </ul>	<ul style="list-style-type: none"> <li>200-400</li> </ul>	<ul style="list-style-type: none"> <li>25,000+</li> </ul>	<ul style="list-style-type: none"> <li>Varies</li> </ul>
Tax Advantages	<ul style="list-style-type: none"> <li>Targeting depreciation tax shelter</li> </ul>	<ul style="list-style-type: none"> <li>REIT income treatment</li> </ul>	<ul style="list-style-type: none"> <li>No tax advantage</li> </ul>	<ul style="list-style-type: none"> <li>Varies</li> </ul>
Min Investment	<ul style="list-style-type: none"> <li>\$50K</li> </ul>	<ul style="list-style-type: none"> <li>\$50K</li> </ul>	<ul style="list-style-type: none"> <li>\$50K</li> </ul>	<ul style="list-style-type: none"> <li>\$50K</li> </ul>

# Thank you for your investment!



**We would love to hop on the phone with you and answer all your questions!**

Please use this direct link to book a 15 minute call with our Investors Relations Team. If you want to talk to a particular team member, you will be able to choose their name from the dropdown menu and find a time that fits your schedule.

<https://ironontoncapital.com/booknow>

## **What is your family's favorite charity?**

The GP's have donated over \$250,000 to these charities in the past five years. We are excited to give more as we succeed together. We plan to donate at least 10% of our profits either to local charities, or non-profits chosen by the limited partners so let our IR team know your family's favorite charity!

