

RARE 99-YEAR GROUND LEASE FOR SALE

GRAND JUNCTION, COLORADO



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DISCLOSURE STATEMENT

This information package has been prepared to provide summary information to prospective purchasers and to establish a preliminary level of interest in the property described herein. It does not, however, purport to present all material information regarding the subject property, and it is not a substitute for a thorough due diligence investigation by buyer. DePaul Real Estate Advisors and Seller strongly recommend that any prospective purchaser conducts a thorough, in-depth investigation of every aspect of the property and the overall transaction. Prospective purchasers should seek advice, including but not limited to, engineering, tax, financial, environmental, title, managers, and legal on all matters that may affect the decision to purchase the property and the subsequent consequences of ownership. DePaul Real Estate Advisors makes no representations or warranties on the operating history, financial reports, leases, square footage, age, any environmental conditions or hazards, the property's compliance or lack thereof with respect to any location city, county, state or Federal regulation, or any other aspect of the property, and makes no warranty or representation with respect to the financial condition or business prospects of the property or any tenant, or any tenant's plans or intentions to continue or renew its occupancy of the subject property. All references to square footage and income and expense figures are approximate and shall be verified by Buyer.

The information contained in this information package has been obtained from sources we believe to be reliable; however, DePaul Real Estate Advisors and Seller make no warranty or representation whatsoever regarding the accuracy or completeness of the information provided. Any proformas, projections, opinions, assumptions, or estimates used are for example only and do not necessarily represent the current or future performance of the property.

All information herein is subject to change without any requirement for notice made by DePaul Real Estate Advisors or the Seller to any prospective purchaser. Further, this offering may be retracted at any time without notice.

Presented By:

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INVESTMENT OVERVIEW



PURCHASE PRICE	\$1,850,000
PRICE PER SQ. FT.	\$43
NOI: \$101,423	CAP RATE: 5.5%
LEASE TERM	99 years 80+/- years remaining

PROPERTY DETAILS

PROJECT	Grand Junction Industrial Land Lease
LOCATION	<u>702 23 & 708 23 1/10 Rd.</u> <u>Grand Junction, CO 81505</u>
PURCHASE PRICE	\$1,850,000 5.5% cap rate
LEASE TERM	99 years, 80+/- years remaining Expires 2104 and 2105
LANDLORD EXPENSES	None. Absolute Net.
CONFIGURATION	26 units across 4 buildings
LAND AREA	2.62 acres
CONSTRUCTION	2005-2006
BUILDING SIZE	43,045 SF
YEAR BUILT	2005-2006
ZONING	I-2

DePaul Real Estate Advisors is pleased to present for sale the *fee interest* in an absolute net land lease in Grand Junction, Colorado. The property consists of 2.62 acres of industrial land in a vibrant industrial park in Colorado's largest western slope metropolitan area.

Long Lease Term

The land is leased to two warehouse condominium associations. The leases run through July 2104 (79.4 years remaining) and November 2105 (80.7 years remaining).

Zero Landowner Expenses

The leases are structured as *absolute net* to landlord, whereby the lessees are responsible for all maintenance and repairs, insurance, and taxes on both land and improvements. This hands-off investment is ideal for property owners seeking reliable income with no management duties.

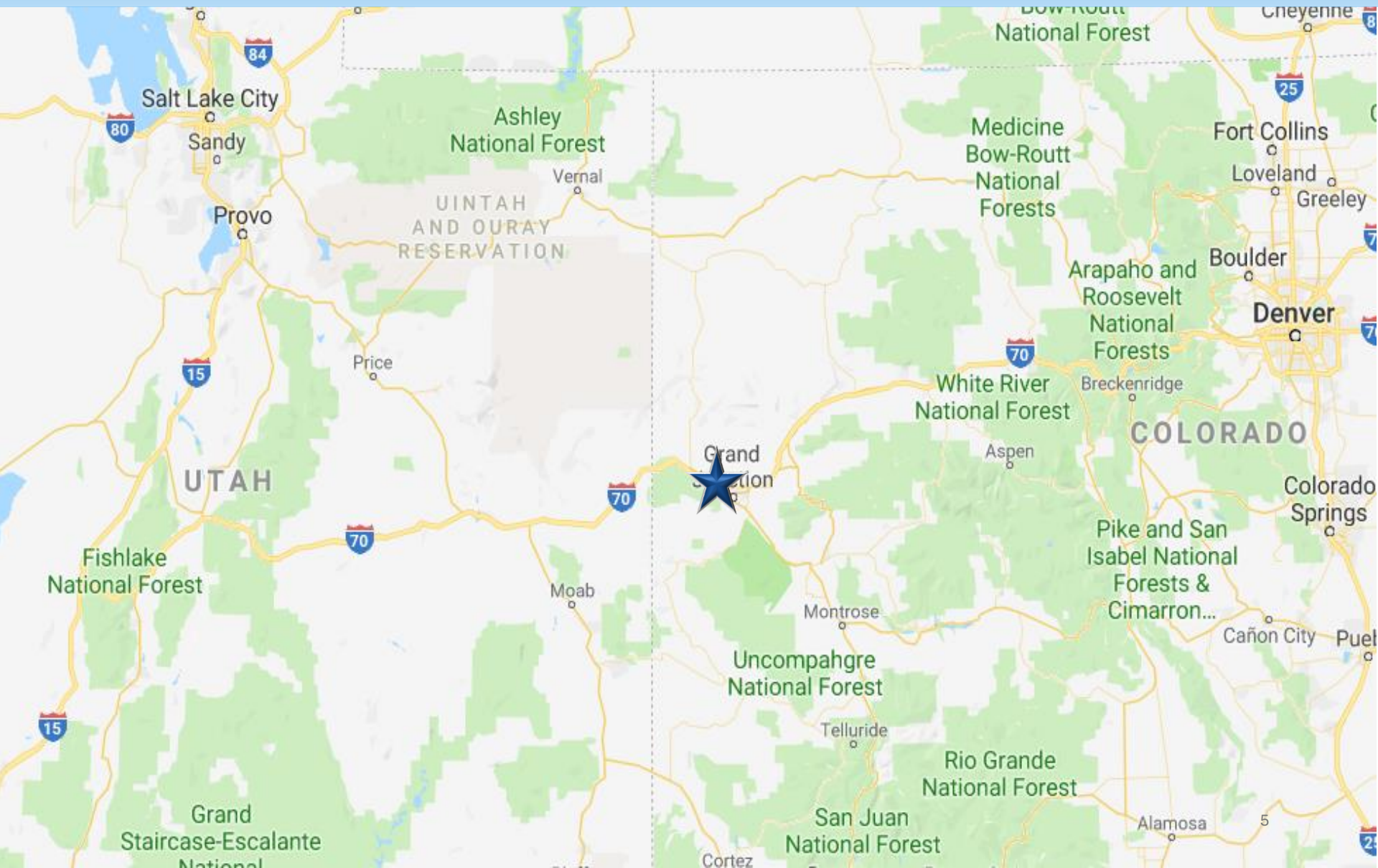
Scheduled Rent Increases

The leases call for rent increases every five years calculated based CPI increases. The current CPI increases are 23% over a five-year period. CPI rent adjustments are the ideal inflation hedge.

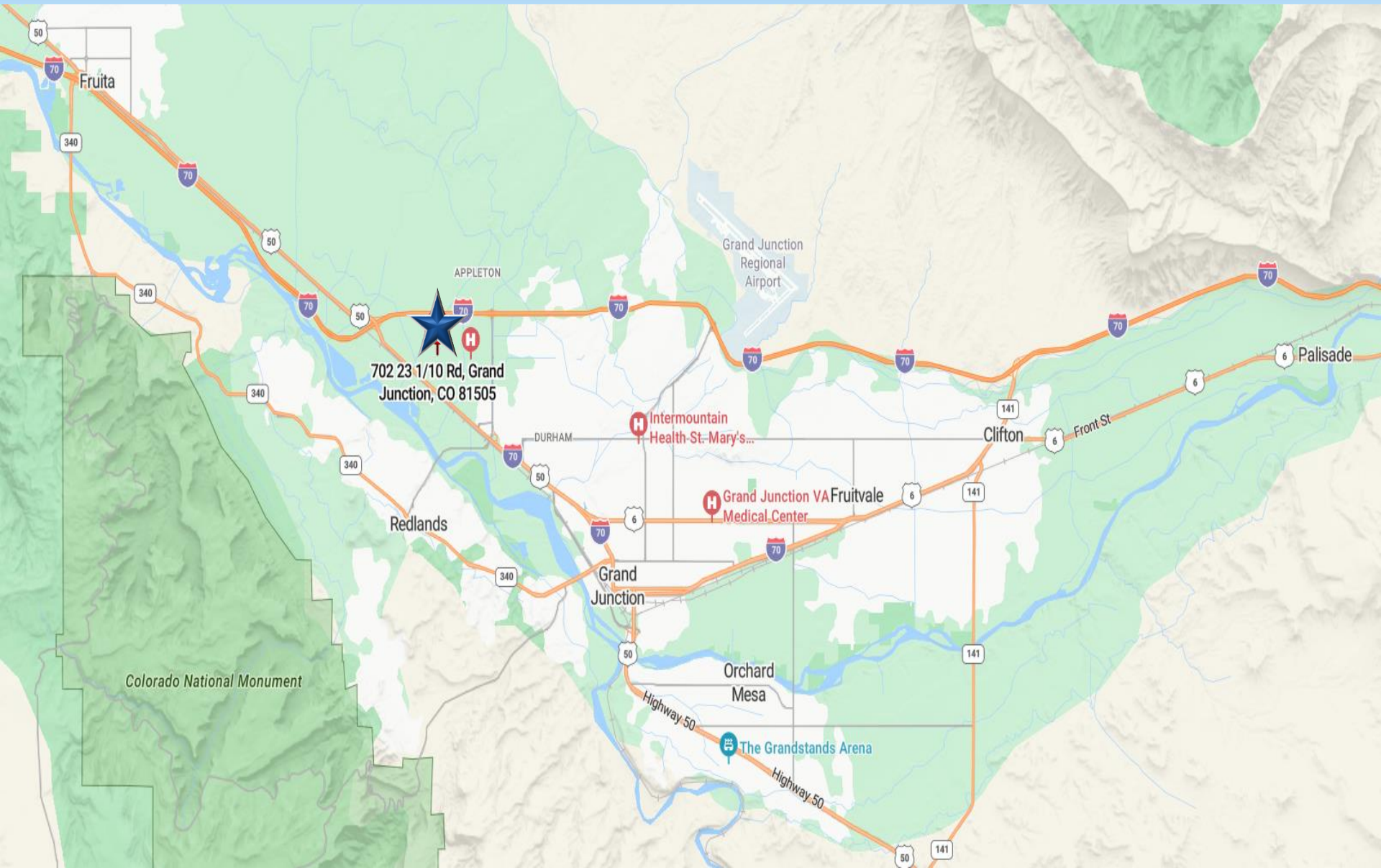
Quality Improvements

The improvements (owned by others) consist of four small bay industrial buildings with high clearance warehouses. Each of the 26 units has oversized drive in doors and certain units have dock-high loading.

LOCATION



EXCELLENT ACCESS



INFILL INDUSTRIAL SITE



VIBRANT BUSINESS PARK



Grand Park Drive

23 Road

708

702

G Road

CPI Increases

The 99-year ground lease features rent increases every five years. The rent increase calculation is based on the corresponding increase in the Consumer Price Index (CPI). The average *annual* CPI increase over the last 25 years (2000–2024) is approximately 2.5% per year. Some years, CPI shows notable peaks: 4.7% in 2000, 9.1% in 2022. Measured in five-year increments, the increases can be substantial. The last recent increase dated December 2021 resulted in a 13% rent bump. The current 2025 rent increases are estimated to exceed 23%.

CPI based rent increases are the best inflation hedge, ensuring the property owner's income stream is not de-valued relative to the broader inflation.

Key Influences on Future CPI

1. Monetary Policy: The Fed's commitment to a 2% PCE target has wavered in recent years, with suggestions that CPI closer to the 3% range may be acceptable.
2. Global Events: Geopolitical tensions (e.g., Middle East, Russia, and China conflicts), supply chain disruptions, or energy price shocks could push inflation higher.
3. Fiscal Policy and Tariffs: Proposed tariffs could increase consumer prices short-term.
4. Demographics and Labor: Aging populations and wage pressures could influence service costs, a major CPI component.

In the ground lease sector, CPI-based rent increases is "above market" compared to the majority of available investment properties, whose rent increases range from flat (no increases) to 10% each five years.

CPI Increases

RENT ROLL								
<i>April 2025</i>								
ADDRESS	LAND AREA	LEASE TERM		CURRENT RENT		RENT INCREASES		
	SQ. FT.	START	EXPIRATION	MONTHLY	ANNUAL	DATE	%	ANNUAL
708 23 1/10 Rd	55,321	8/1/2005	7/31/2104	\$4,537	\$54,440*	8/1/2015		\$ 39,398
						8/1/2020	113%	\$ 44,364
						8/1/2025*	123%	\$ 54,440
						* estimated rent increase August 2025		
702 23 1/10 Rd	58,737	12/1/2006	11/30/2105	\$3,915	\$46,983**	12/1/2015		\$ 33,728
						12/1/2020	113%	\$ 38,198
						12/1/2025**	123%	\$ 46,983
						** estimated rent increase December 2025		
TOTAL	114,058	square feet		\$8,452	\$101,423			
	2.62	acres						

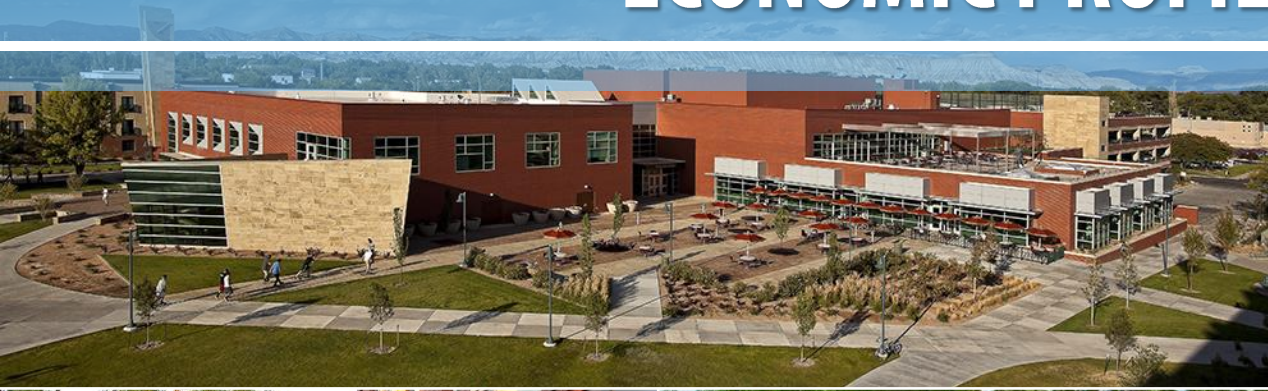
COMPARABLE LAND LEASE SALES

Property	Lease Term Remaining	Rent Increases	Sale Price	Price PSF on building	Sale Date	Cap Rate
Subject Property Grand Junction Warehouse Condos	80 years	CPI each 5 years	\$1.685 million	\$40 psf	TBD	5.5%
US Bank 1333 Higley Rd Mesa AZ	9 years	15% each five years	\$3.23 million	\$718 psf	February 2025	5.2%
El Pollo Loco 3964 W 4700 S West Valley UT	18 years	10% each five years	\$1.82 million	\$760 psf	February 2025	4.66%
7 Brew Coffee 1930 E Platte Avenue Colorado Springs CO	14 years	10% each five years	\$1.08 million	\$2,118 psf	May 2024	5.75%
AutoZone 17540 S Golden Road Golden CO	18 years		\$1.087 million	\$145 psf	April 2024	4.6%

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Chick Fil A 30 W Ocotillo Road Queen Creek AZ	15 years	10% each five years	\$4.22 million	\$937 psf	March 2024	4.15%
Scooter's Coffee 1752 US Hwy 395 Minden NV	15 years	10% each five years	\$1.36 million	\$2,010 psf	April 2024	5.5%
Dunkin' 11121 Grand Avenue Youngtown AZ	20 years	10% each five years	\$1.8 million	\$466 psf	December 2023	5.56%
Black Rifle Coffee 5105 Power Road Mesa AZ	19 years	10% each five years	\$3.19 million	\$1,138 psf	December 2023	4.71%

ECONOMIC PROFILE



GRAND JUNCTION | COLORADO

ECONOMIC PROFILE

Grand Junction, Colorado is a vibrant city nestled in the heart of the Grand Valley, where the Colorado and Gunnison Rivers converge. As the largest city on Colorado's Western Slope, with a population of around 65,000 (and a metropolitan area exceeding 150,000), it has long served as an economic and cultural hub between Denver and Salt Lake City.

Grand Junction's economy is more stable and diverse than ever. Health care leads as the largest employment sector with over 5,800 jobs, bolstered by five hospitals and Colorado Mesa University's talent pipeline. Retail trade (around 4,150 jobs) and educational services (nearly 2,800 jobs) also play significant roles, reflecting the city's status as a regional service and education center. Tourism has surged, driven by natural attractions like the Colorado National Monument, Grand Mesa, and extensive mountain biking trails, drawing outdoor enthusiasts year-round. Agriculture remains vital, with the Grand Valley's wineries and orchards—producing peaches and grapes—adding both economic value and cultural charm.

Energy persists as a contributor, with natural gas and oil activity rebounding when prices spike, though it's less dominant than in past decades. Recent investments, like Amazon's 38,000-square-foot last-mile delivery facility opened in 2024, signal a new wave of growth, bringing jobs and faster logistics to the Western Slope. The Grand Junction Economic Partnership (GJEP) has been instrumental, recruiting businesses like Morgan Mining and ExoPower Inc. With a median household income of \$62,993 (up 7% from 2021 to 2022) and a cost of living below the national average, the city balances growth with affordability.

Grand Junction is positioning itself for a dynamic future. The GJEP's efforts to diversify beyond traditional sectors are bearing fruit, with emerging industries like aerospace, advanced manufacturing, and cybersecurity gaining traction. Companies like West Star Aviation and DT Swiss already anchor a growing aerospace and manufacturing presence, while initiatives like the RAPIDS Tech Hub aim to establish a cyber center of excellence focused on water management and infrastructure security. This could create high-paying jobs and elevate the region's profile nationally.

Retail and logistics will expand with arrivals like Costco and Five Below, catering to a growing population and boosting tax revenue. Tourism is expected to climb, leveraging the area's natural beauty and proximity to Interstate 70. Housing development, historic revitalization, and sustainable energy projects—like solar and cleantech—promise to balance growth with the region's Western ethos. With its blend of small-town charm and big-city potential, Grand Junction's economy seems set to thrive, adapting to global trends while staying rooted in its rugged, resourceful past.

DEMOGRAPHIC DATA

	3 MILE	5 MILES	10 MILES
POPULATION			
2029 Projection	20,529	59,556	151,817
2024 ESTIMATE	19,461	56,481	144,597
2020 Census	18,093	52,416	137,997
Growth 2024-2029	5.49%	5.44%	1.0%
Growth 2020-2024	7.56%	7.76%	1.2%
Median Age	45.00	43.60	41.2
Average Age	43.70	43.70	41.6
Median Age, Male	43.40	41.50	39.5
Median Age, Female	46.90	46.00	43
Average Age, Male	43.00	42.50	40.5
Average Age, Female	44.40	44.80	42.7
2024 POPULATION BY RACE			
White	84.85%	83.19%	79.97%
Black	0.60%	0.98%	0.97%
Am. Indian & Alaskan	0.23%	0.33%	0.42%
Asian	1.00%	0.80%	0.58%
Hawaiian & Pacific Island	0.08%	0.13%	0.11%
Other	13.24%	14.57%	17.94%
2024 POPULATION HISPANIC ORIGIN	10.23%	12.30%	16.15%
2024 POPULATION BY EDUCATION			
Some High School, No Diploma	3.36%	5.68%	5.73%
High School Grad (Including Equivalency)	15.45%	18.25%	18.99%
Some College, No Degree	30.95%	28.99%	24.81%
Associates Degree	8.38%	6.97%	4.58%
Bachelor Degree	27.68%	25.70%	13.89%
Advanced Degree	14.18%	14.41%	7.24%

	3 MILE	5 MILES	10 MILES
HOUSEHOLDS			
2029 Projection	8,353	25,074	61,514
2024 ESTIMATE	7,911	23,732	58,532
2020 Census	7,347	21,966	55,889
Growth 2024-2029	5.59%	5.65%	1.0%
Growth 2020-2024	7.68%	8.04%	1.7%
Owner Occupied	79.51%	66.54%	73.20%
Renter Occupied	20.49%	33.46%	31.89%
2024 HOUSEHOLDS BY HOUSEHOLD INCOME			
<\$25,000	9.56%	16.27%	17.13%
\$25,000 - \$50,000	16.57%	19.09%	22.03%
\$50,000 - \$75,000	13.98%	16.34%	18.89%
\$75,000 - \$100,000	15.75%	12.30%	11.59%
\$100,000 - \$125,000	10.09%	9.18%	8.93%
\$125,000 - \$150,000	10.86%	8.82%	7.99%
\$150,000 - \$200,000	9.54%	6.49%	5.65%
\$200,000+	13.66%	11.50%	7.78%
2024 AVERAGE HOUSEHOLD INCOME	\$115,647	\$99,694	\$87,446
2024 MEDIAN HOUSEHOLD INCOME	\$90,710	\$72,475	\$63,638
2024 HOUSEHOLDS BY MARITAL STATUS			
Married	4,526	11,138	27,427
Married No Children	3,052	7,808	18,260
Married w/Children	1,474	3,331	9,167

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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:

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 BROKERAGE DISCLOSURE TO BUYER 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 _____ and retained a copy for Broker's records.

Brokerage Firm: _____



Broker