



287 Acres Total | Commercial | Multi-family | Single-Family Residential Lots | Retail | Entertainment



LONG TERM
REVENUE



TOP MARKET IN THE
COUNTRY



ENTERTAINMENT,
RETAIL & HOTELS

Project Overview

The Avelon Colorado master-planned development comprises 287 acres located between 56th and 64th Avenues, adjacent to E-470, in the City of Aurora, Colorado. The project is one of the few tracts of land in the Denver Metro area that has full access to roads, utilities, and infrastructure sufficient to build out the entire parcel. It is 8.5 miles east of downtown Denver and 10 miles southwest of Denver International Airport. Less than ½ mile to the west is the \$850,000,000, 1,501 room Marriott/ Gaylord Hotel and Conference Center, the largest hotel in Colorado which will open Q4 of 2018.

- The Project will consist of approximately 1,100 single-family residential lots, plus approximately 40 acres of commercial and the potential for multi-family units.
- The commercial land will include office, retail, entertainment and hotel uses.
- The Sponsor has received substantial interest from major homebuilders
- All or most of the residential lots would be sold in the next 12-36 months.
- The Sponsor is in the process of increasing and partially amending the existing zoning (Airport Corporate A).



Phases

The project consists of 2 parcels of land, representing at least two phases. Phase 1 is 135 acres at the southeast corner of Piccadilly and 64th Avenue, and was purchased by the Sponsor in early 2018. Phase 2 is 152 acres directly to the south and is currently held in escrow. It is expected to close Q2 2019.

Qualified Opportunity Zone

The project is located within a designated Qualified Opportunity Zone. The recently passed December 2017 Tax Reform Act created specially designated geographic districts that allows you to receive substantial tax breaks for invested capital. When the investment is held for 5 years, the tax basis in the original investment is increased by 10%, and after 7 years, an additional 5%. Once the investment is held for 10 years, you will recognize no capital gain income on the appreciation of the asset from the time of the initial investment in the QOZ. The Sponsor intends to sell the single family lots to homebuilders before it breaks ground on any of the commercial parcels of the Project. It will likely form a new entity or entities, each of which qualify for QOZ tax treatment, for development of the commercial portions.

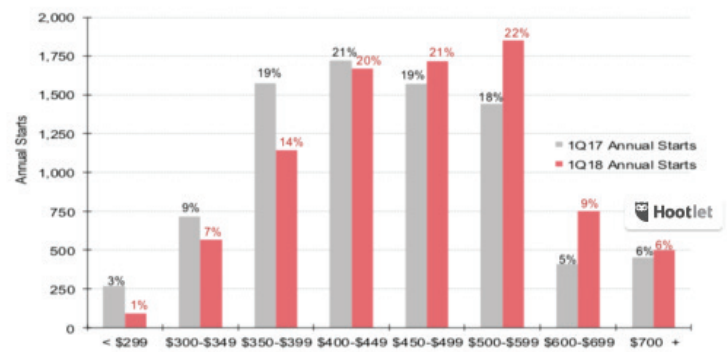
Market Overview

Key drivers besides the job growth, location, and economy are the fact that this is one of the few land projects with minimal offsite utility costs. Recent Colorado HBA data shows a need for an additional 67,000 units to achieve pre-recession levels to meet market normalized demand. In Q1 2018, new home starts were in excess of 12,000 units in the Denver Metro area.

New home inventory is still limited. The demand is great enough that merchant builders will commit to purchase lots, post substantial deposits for development, and contractually commit to purchase, as well as forward pay for platting and development costs.

<https://www.metrostudy.com/denver-housing-1q18-prices-starts-continue-surge-proposals-limit-housing-growth-begin-surface/>

Figure 5: Denver Starts by Price (SFD)



At no time in Denver's history has housing been as expensive as it is now with only 22% of new home starts priced below \$400,000. Starts below \$299,999 are down 66% and are now virtually non-existent.



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Interested in more information about Avelon?
Email info@sebastianpartners.com for an Investor Offering Summary.

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