



## MULTIFAMILY DEVELOPMENT

162 APARTMENTS | BREAK GROUND: FALL 2023 | PROJECT COMPLETION: FALL 2025



TARGET INVESTOR  
RETURN

**18%**  
IRR



TARGET INVESTOR  
EQUITY MULTIPLE

**1.58x**  
OVER A 4 YEAR HOLD



Permit- and Construction-ready:  
No other projects in supply-  
constrained market



Prime location within  
Durango and the Three Springs  
master-planned development



Strong rent growth  
of over 28% in past  
3 years



Fully amenitized, luxury  
community located on a  
4.67-acre site

Affinity at Three Springs represents a tremendous opportunity to invest in a ground-up, multifamily development project in a supply-constrained market. Durango, Colorado has a vibrant economic base with unemployment rates below pre-pandemic levels and favorable demographics. Within a 3-mile radius, over 70% of the population works in white-collar occupations with an average household income of \$95k and household net-worth of \$995k. The Durango multifamily market has been chronically undersupplied, with only two market-rate multifamily communities of scale having been delivered over the past 20 years. This has resulted in a current vacancy rate less than 3% and rent growth of over 28% in the past 3 years.

Affinity at Three Springs will set the standard for luxury living in Durango. The project will sit on a 4.67-acre site and contain a rich amenity package, including a clubhouse, fitness center, resort-style pool, dog park, pet spa, fire pits, and barbeque area. The site is strategically located at the main roundabout entrance to the Three Springs master-planned development and adjacent to the Mercy Regional Medical Center, one of the region's largest employers. Residents will have access to an extensive network of pedestrian trails and open space developed by Three Springs. The buildings will also be equipped with sustainable elements such as high-efficiency HVAC systems, smart home controls, EnergyStar efficient appliances, and LED light fixtures.

# STRONG INVESTMENT



## BRAND NEW STATE-OF-THE-ART GREEN BUILDING

- Affinity at Three Springs will set the standard for luxury living in Durango
- The project will sit on a 4.67-acre site and contain a rich amenity package, including a clubhouse, fitness center, dog park, resort-style-pool, fire pits, barbeque area, and community wide Wi-Fi
- Attractive, contemporary finishes throughout with high ceilings and full height windows giving unobstructed views of the gorgeous mountain scenery
- Sustainable elements include high-efficiency HVAC, EnergyStar appliances, and built to U.S. Green Building Standards



## DRIVEN BY ROBUST LOCAL ECONOMY

- Average household income within a 5-mile radius: \$99,173
- Future job growth over the next ten years is predicted to be 43.2%, which is higher than the US average of 33.5%
- Adjacent to one of the region's largest employers, Mercy Regional Medical Center, which serves the four corners
- The Durango-La Plata County Airport is currently undergoing a \$36M expansion and renovation due to increased passenger traffic and demand
- Fort Lewis College has over 3,300 full time students and over 500 faculty and staff members



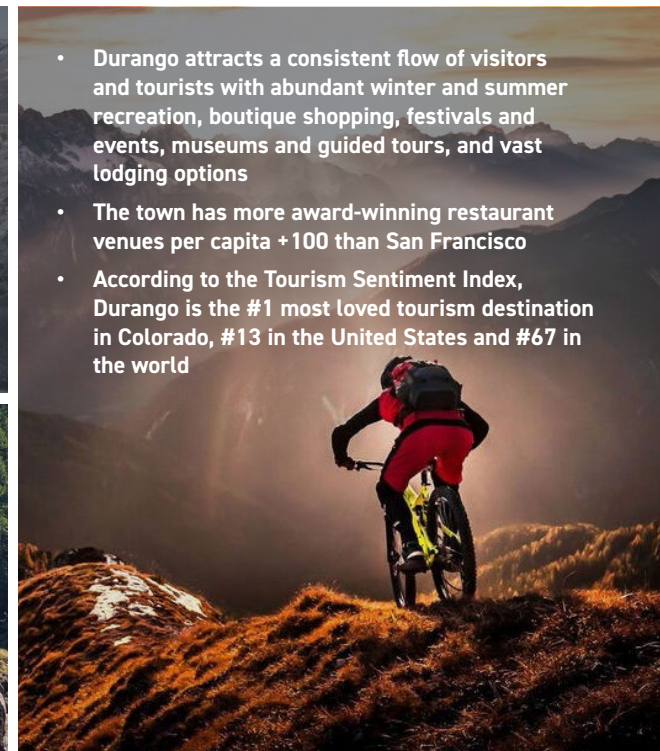
## DESIRABLE MOUNTAIN LOCATION

- Durango is known for its high quality of life and its unrivaled access to recreational activities, such as world-class skiing, mountain biking, fishing and hiking
- Nestled in the foothills of La Plata Mountains, Durango has frequently been used as a television and film set for its inspiring, dynamic scenery



## STELLAR MARKET FUNDAMENTALS

- Market vacancy of sub 3%
- Rent growth of 28% in past 3 years
- Durango benefits from a strong demographic profile, creating high demand in constrained-supply area
- The population's high average household income helps ensure resident's ability to absorb future rent increases



- Durango attracts a consistent flow of visitors and tourists with abundant winter and summer recreation, boutique shopping, festivals and events, museums and guided tours, and vast lodging options
- The town has more award-winning restaurant venues per capita +100 than San Francisco
- According to the Tourism Sentiment Index, Durango is the #1 most loved tourism destination in Colorado, #13 in the United States and #67 in the world



WATERFALL STRUCTURE

**10%**

PREFERRED RETURN, PARI PASSU

**20%/80%**

GP/LP SPLIT UP TO A 12% RETURN

**30%/70%**

GP/LP SPLIT UP TO A 16% RETURN

**40%/60%**

GP/LP SPLIT ABOVE A 16% RETURN

LP EQUITY INVESTMENT

**\$29.3M**

IRR

**18%**

EQUITY MULTIPLE

**1.58x**

HOLD PERIOD

**4 yrs.**



# PROJECTED DISTRIBUTION SCHEDULE



PROJECTED DISTRIBUTION SCHEDULE				
	Year 1	Year 2	Year 3	Year 4
	7/31/24	7/31/25	7/31/26	7/31/27
Equity Investment	(\$29,295,126)			
Return of Cash		-	\$15,062,801 <sup>1</sup>	\$31,176,688 <sup>2</sup>
Cumulative Total	(\$29,295,126)	(\$29,295,126)	(\$14,232,325)	\$16,944,364

<sup>1</sup>Permanent loan refinance proceeds based on a 62% LTV loan.

<sup>2</sup>Sale proceeds based on a 4.75% exit cap rate.

The site was acquired off-market in September 2021. The project is now fully entitled and permit ready. Construction will commence in October 2023. The first building will be delivered by month 15 and the property will be stabilized by month 25. A refinance to long-term, fixed rate permanent debt will occur shortly after stabilization.

## PROJECT COSTS

Item	Budget \$	Per Unit	PSF	% of Budget
Acquisition Costs	\$3,070,658	\$18,955	\$21.07	4.1%
Hard Costs	\$58,516,335	\$361,212	\$401.46	77.6%
Soft Costs	\$11,475,777	\$70,838	\$78.73	15.2%
Finance Costs	\$2,353,014	\$14,525	\$16.14	3.1%
<b>Total:</b>	<b>\$75,415,784</b>	<b>\$465,530</b>	<b>\$517.40</b>	<b>100.0%</b>

## PROPERTY SUMMARY

<b>Total Site Area:</b>	4.67 acres
<b>Total Units:</b>	162
One Bedroom: 93 units - 793 SF average unit size	
Two Bedroom: 69 units - 1,044 SF average unit size	

## RENTS

<b>One Bedroom:</b> \$2,304 per month (\$2.91/SF)
<b>Two Bedroom:</b> \$2,906 per month (\$2.78/SF)

## FINANCIAL DATA

<b>Total Project Cost:</b>	\$75.4M
<b>Equity Required:</b>	\$32.3M
<b>NOI Projection:</b>	\$4.4M (Stabilized)
<b>Return on Cost:</b>	5.40%
<b>* Kingsbarn Capital &amp; Development co-investment:</b>	\$5.4M









### ONE-BEDROOM UNIT

One-bedroom units range from 741 SF to 816 SF, averaging 793 SF



## TWO-BEDROOM UNIT

Two-bedroom units range from 1,000 SF to 1,091 SF, averaging 1,044 SF





# Durango, Colorado

Nestled in the foothills of La Plata Mountains, Durango has frequently been used as a television and film set for its inspiring, dynamic scenery. The city is also known for its high quality of life and its unrivaled access to recreational activities, such as world-class skiing, mountain biking, fishing, and hiking.

Durango is a scenic, resort-style market located in Southwest Colorado founded in 1880 by the Denver & Rio Grande Railroad. The community is home to a melting pot of residents – world-class physicians at Durango’s medical centers, small-business owners & entrepreneurs, professional outdoor athletes and remote employees. Regarded as one of the more sophisticated, socially minded communities in Colorado, the town has more award-winning restaurant venues per capita than San Francisco and supports 100+ non-profit organizations. Durango also attracts a consistent flow of visitors and tourists with abundant winter & summer recreation, boutique shopping, festivals & events, museums & guided tours, and vast lodging options.

## The mid- and long-term picture for Durango is bright for many reasons...

- » Ranked #7 “2021 Family-Friendly Travel Guide” — *KOALA*
- » 20 of the Best Small Towns in Colorado — *BuzzFeed, 2021*
- » **Positive Job Growth:** The Durango metro area has seen the job market increase by 1.3% over the last year. Future job growth over the next ten years is predicted to be 43.2%, which is higher than the US average of 33.5%.

### THE MAJOR EMPLOYERS IN DURANGO:



**1,545**  
Employees

Mercy Regional  
Medical Center  
+ Centura Health.

**941**  
Employees



**850**  
Employees



**788**  
Employees



**680**  
Employees

Driven by its robust local economy, Durango benefits from a strong demographic profile, creating strong demand for apartment homes. Additionally, the population's high average household income helps ensure residents' ability to absorb future rent increases.

## MARKET AREA DEMOGRAPHICS

	3-Mile	5-Mile
Population (2021 Est.)	4,695	20,997
Population Growth (2010 - 2021 Est.)	47%	11%
% of Population in White Collar Occupations	69%	69%
Median Age	36.8	35.9
Average Household Income	\$82,017	\$99,173
% Owner Occupied Housing	54%	52%
% Renter Occupied Housing	46%	48%

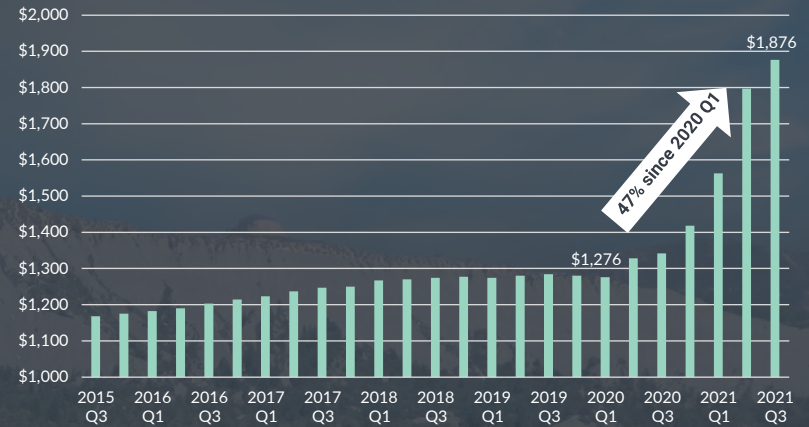
**\$99,173**  
AVERAGE HOUSEHOLD  
INCOME WITHIN A  
5-MILE RADIUS



# MULTIFAMILY MARKET OVERVIEW

The Durango multifamily market experienced positive growth throughout the last decade as a sought-after mountain city with constrained new supply. However, as Durango quickly became a hot destination as a result of the pandemic, rents increased over 45% and vacancy decreased 170 bps, exhibiting no signs of future softening.

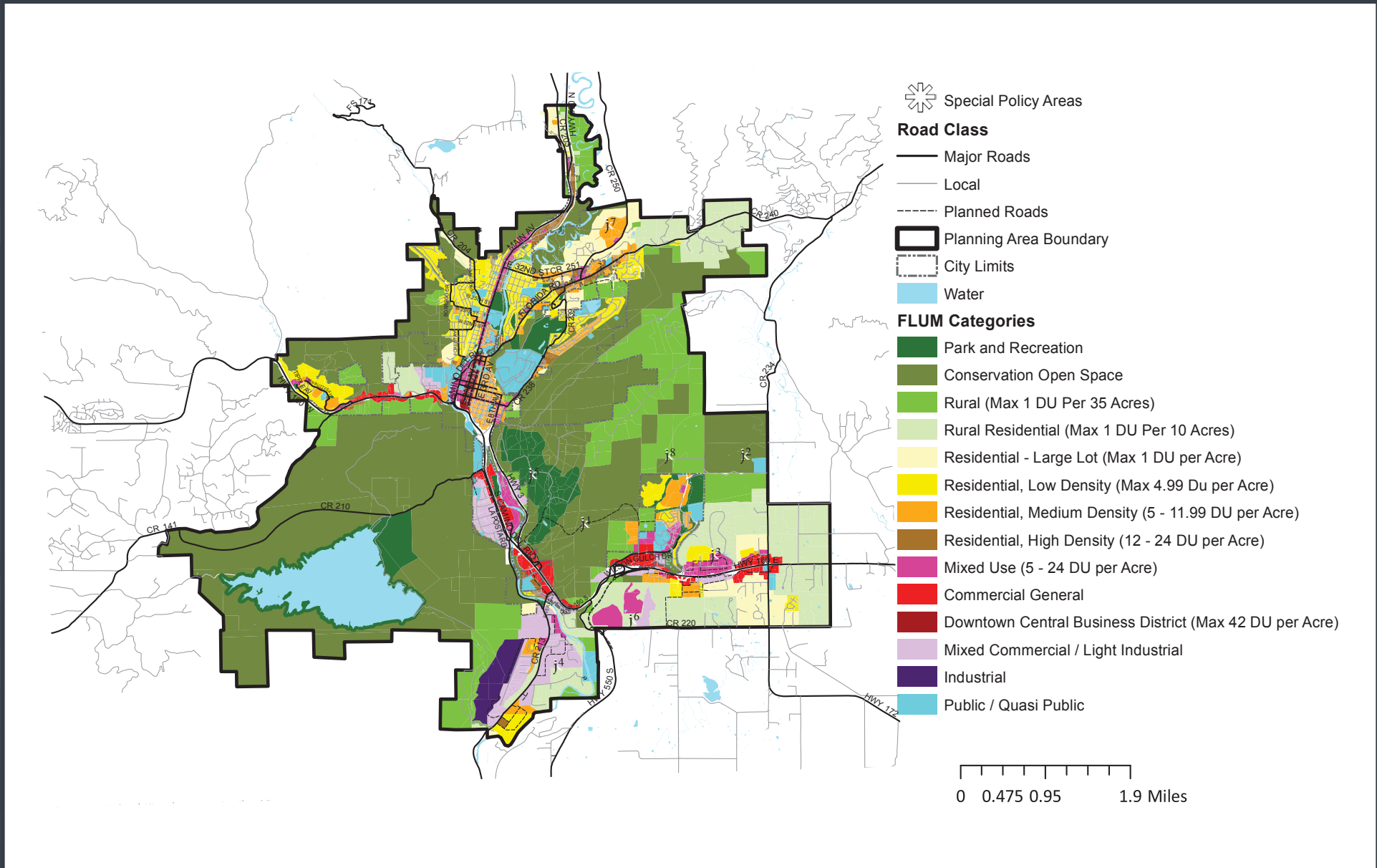
### Durango Market Rents



### EXISTING APARTMENT SUPPLY IN DURANGO

Property		# Units	Market Rent/Unit	YOC
Confluence at Three Springs	Market-Rate	171	\$2,037	2016 & 2018
Rocket Pointe	Market-Rate	194	\$2,248	2019
1304 Apartments	Market-Rate	20	\$3,644	2017
Lumien	Affordable	50	Rent-Restricted	2015
Lightner Creek Village	Portion of Condo Project	35	\$1,047	2008
Pinion Terrace	Affordable	65	Rent-Restricted	2006
Cedar View I & II	Affordable	53	Rent-Restricted	2006
Valle de Merced	Affordable	45	Rent-Restricted	2005
Springtree Village	Affordable	27	Rent-Restricted	2003
Skyline	Market-Rate	112	\$1,960	2002
Merced de Las Animas	Affordable	50	Rent-Restricted	1998
Mercy Housing	Affordable	50	Rent-Restricted	1998
Westwood Apartments	25% Affordable	48	Rent-Restricted	1998
Riverbridge Apartments	Market-Rate	40	\$1,341	1996
Mountain Vista Apartments	Affordable	34	Rent-Restricted	1989
Tamarin Apartments	Affordable	67	Rent-Restricted	1979
Mountain Sun	Market-Rate	97	\$948	1973
Animas Village	Affordable	60	Rent-Restricted	1973
Durango Housing	Affordable	16	Rent-Restricted	1971
<b>Total Apartment Supply</b>		<b>1,234</b>		
<b>Total Market-Rate Supply</b>		<b>634</b>		

Durango's Future Land Use Map indicates virtually no additional vacant land slated for high-density multifamily development; thus, future multifamily development is expected to be limited to smaller infill sites.









## VILLAGE 1

- » 600,000 SF
- » Commercial Space
- » 135,000 SF Light Industrial Space
- » 1,183 Residential Dwellings
- » 300 Lodging Units (at full build-out)

Occupying the southern half of the Project, Village 1 features the major village center office & retail development, a school, two neighborhood parks, residential housing, drainage & storm water detention facilities, wetlands, and open space dedications. Village 1 encompasses approximately 291 acres (exclusive of the Mercy Regional Medical Center) featuring 600,000 SF of Office & Retail space, 135,000 SF of light Industrial space, 1,183 residential dwellings, and 300 lodging units at full build-out. Confluence is the only market rate multifamily community within the Three Springs master development. Virtually all other residential supply is for sale product (single family or townhomes) further sheltering Confluence from competition and making it the only option for those seeking a traditional rental experience in Durango's most sought-after neighborhood.

## VILLAGE 2

- » 105,000 SF
- » Commercial Space
- » 24,000 SF Light Industrial Space
- » 1,100 Residential Dwellings (at full build-out)

North of Village 1, Village 2 will feature a mixed-use neighborhood center, a variety of residential housing, a school, a community park, and third neighborhood park, and open space dedications. Village 2 encompasses approximately 330 acres featuring 105,000 SF of Office & Retail Space, 24,000 SF of light Industrial Space, and 1,100 residential dwellings.

## THREE SPRINGS GATE WAY

- » Highway 160 Average
- » Daily Traffic Count = 27,000 Vehicles

Three Springs Gateway is an additional 37-acre parcel just south of the Three Springs Master Development and is future home to over 250,000 SF of retail. In 2015, the Wilson Gulch Drive project extended Wilson Gulch Drive 4,000 feet to connect it to the U.S. Highway 160 interchange at the bottom of Grandview Hill. The \$8.2 million project provides a direct route from Three Springs to Downtown Durango, forming a high-traffic corridor directly adjacent to Three Springs Gateway. Additionally, The U.S. 550 / Highway 160 project began August 2020, and will realign U.S. Highway 550 directly into the existing U.S. Highway 160 Grandview Interchange. The \$98.6 million project will further enhance visibility and connectivity to Three Springs.

Kingsbarn has an experienced management team with over 100 combined years real estate experience and over \$10 billion of acquisitions and syndicated offerings

## PROVEN TRACK RECORD

- » 272 property acquisitions in 29 states
- » Total value of properties exceeds \$1.93 billion

**272**  
PROPERTIES

**\$1.01**  
BILLION  
EQUITY

**9.1M**  
SQ. FT.

**\$1.93<sup>+</sup>**  
BILLION  
ASSETS UNDER  
MANAGEMENT

**1.5B**  
DEVELOPMENT  
PIPELINE



**JEFF PORI**  
CEO

Jeff Pori is a real estate entrepreneur, investor and developer. Jeff's comprehensive 30-year career in commercial real estate includes construction and development, syndication, finance, brokerage, and asset management. Jeff has excelled in creating tax-advantaged, syndicated real estate offerings that are income-driven and possess solid real estate fundamentals. As a principal in a publicly traded construction and development company, Jeff was integral to the construction and development of 125 commercial and multi-family properties and more than 1,000 single family homes. Additionally, Jeff held the primary responsibility for the oversight and management of a portfolio of more than 2,000 apartment units, most of which were developed utilizing Low-Income Housing Tax Credits (LIHTC), and 30 commercial properties that encompassed over 2,000,000 sq. ft. of retail centers, office parks and industrial facilities.

As Chief Investment Officer of Kingsbarn and President of Kingsbarn Capital & Development, Phil Mader brings over 30-years of experience in real estate development, investment management, land development and urban planning. Phil has deep experience as an investor, developer and operator for prominent international and domestic private equity, homebuilding and multifamily firms. Phil has held executive positions at BlackRock, Taylor Woodrow Homes, Prometheus Real Estate Group, and Essex Property Trust. As a former Managing Director and Senior Portfolio Manager for BlackRock, the world's largest investment management firm, Phil led and managed the Residential Fund of \$400+ Million and the firm's U.S. Land and Housing Strategy. Under his management, it achieved the highest returns of BlackRock's closed-ended, full-cycle, real estate funds. Phil has a proven business acumen focused on leadership, business and investment analysis and strategy, and execution. He has directed the overall development of 37 single family and multifamily communities, spread across 7,000+ lots, homes, condominiums and apartments, valued at over \$2 billion.



**PHILIP MADER**  
CHIEF INVESTMENT OFFICER  
& PRESIDENT

## EXECUTIVE TEAM





Kingsbarn Capital & Development was founded as Kingsbarn Realty Capital's real estate development arm to expand its product offerings to include ground-up development and other real estate-related private equity opportunities. Kingsbarn Realty Capital ("Kingsbarn") is a real estate-centric investment house that provides institutional and accredited investors access to an array of alternative investments. Kingsbarn offers investments in private equity, exchange-traded funds, traditional investment funds, private placements, and Delaware Statutory Trusts (DSTs). Kingsbarn's management team has wide-ranging experience developing, managing, operating, and sponsoring a diversified portfolio of stabilized, income-driven properties as well as ground-up construction, value-added offerings, opportunity zone investments, and entitlement projects. Kingsbarn has over \$1.5 billion of assets under management throughout the United States.

For more information about this investment opportunity please call:

800.242.1000 ■ KBDev.com

**JEFF PORI**

*Chief Executive Officer*

**Kingsbarn Capital & Development**  
1645 Village Center Circle, Suite 200  
Las Vegas, NV 89134

o: 702.454.9000 | d: 702.454.9003

[jpori@Kingsbarn.com](mailto:jpori@Kingsbarn.com)

**PHIL MADER**

*President*

**Kingsbarn Capital & Development**  
1645 Village Center Circle, Suite 200  
Las Vegas, NV 89134

o: 702.454.9000 | c: 650.400.3956

[pmader@Kingsbarn.com](mailto:pmader@Kingsbarn.com)

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