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Senior Advisor

Kyle Malnati, is a commercial real estate broker specializing in multifamily and investment sales. Kyle had a breakout year in 2007 and was named Pinnacle's **Rookie of the Year** for completing 10 transactions totaling \$9,849,400. In 2008 Kyle sold 12 properties totaling \$12,864,000 and was given the **Senior Advisor** distinction. *Kyle continued his success in 2009 by being named Pinnacle's Top Producer.* Kyle has also been honored by DMCAR as a Heavy Hitter for two different categories. He was in the Top Ten for the "Multifamily Sales" category (2008 & 2009) and in the Top Three in the "Young Brokers of Denver" category. Kyle was also a key player in the successful creation of Pinnacle Real Estate Advisors, LLC. Prior to his experience with Pinnacle, Kyle was a Broker Associate with another boutique brokerage firm in Denver, Colorado. Kyle teamed with Jeff Johnson and Matt Ritter previously as the Transaction Manager for their team and personally oversaw the successful closing of more than \$69,000,000 in investment real estate in two years. Kyle graduated from the University of Wyoming in 2004 with a B.S. in Finance and a Minor in Banking and Financial Services.

Malnati Recent Transactions

<p>SOLD: 1/29/2010 1638 High St. Price: \$357,500 Units: 5 Price/SF: \$103.77 Price/Unit: \$71,500 Cap Rate: 8.33% Lender: N/A - Cash</p> 	<p>SOLD: 3/24/2010 3810 E. 17th Ave. Price: \$540,000 Units: 6 Price/SF: \$119.52 Price/Unit: \$90,000 Cap Rate: 7.76% Lender: 1st Bank</p> 	<p>SOLD: 5/11/2010 20 S. Pearl St. Price: \$870,000 Units: 12 Price/SF: \$94.16 Price/Unit: \$72,500 Cap Rate: 6.88% Lender: N/A - Cash</p> 
<p>SOLD: 5/25/2010 1410 Humboldt St. Price: \$800,000 Units: 12 Price/SF: \$85.97 Price/Unit: \$66,667 Cap Rate: 4.33% Lender: N/A - Cash</p> 	<p>SOLD: 6/21/2010 12014 E. 14th Ave. Price: \$355,000 Units: 8 Price/SF: \$79.99 Price/Unit: \$44,375 Cap Rate: 9.43% Lender: Adams B&T</p> 	<p>SOLD: 7/30/2010 1536 Vine St. Price: \$875,000 Units: 12 Price/SF: \$102.63 Price/Unit: \$72,917 Cap Rate: 7.83% Lender: Steele Street</p> 
<p>SOLD: 8/31/2010 3690 S. Fox St. Price: \$714,400 Units: 14 Price/SF: \$89.00 Price/Unit: \$51,243 Cap Rate: 8.37% Lender: N/A - Cash</p> 	<p>SOLD: 9/23/2010 375 S. Pennsylvania Price: \$315,000 Units: 1 Price/SF: \$232.47 Lender: Beacon</p> 	<p>SOLD: 9/29/2010 1436 Williams St. Price: \$1,050,000 Units: 12 Price/SF: \$113.04 Price/Unit: \$87,500 Cap Rate: 6.87% Lender: Adams B&T</p> 
<p>SOLD: 9/29/2010 1217 E. 14th Ave. Price: \$325,000 Units: 4 Price/SF: \$111.23 Price/Unit: \$81,250 Cap Rate: 7.79% Lender: 1st Bank</p> 	<p>LISTING 2441 S. York St. Price: \$1,275,000 Units: 17 Price/SF: \$142.84 Price/Unit: \$75,000</p> 	<p>LISTING 1607-13 York St. Price: \$339,000 Units: 4 Price/SF: \$133.89 Price/Unit: \$84,750</p> 
<p>NEW LISTING 3305-19 S. Clarkson Price: \$1,200,000 Units: 17 + 6,250 Lot Price/SF: \$86.87 Price/Unit: \$58,824</p> 	<p>NEW LISTING 2401-15 Stout St. Price: \$1,175,000 Units: 17 Price/SF: \$112.62 Price/Unit: \$69,118</p> 	<p>NEW LISTING 150 S. Clarkson St. Price: \$1,875,000 Units: 25 Price/SF: \$140.07 Price/Unit: \$75,000</p> 

The 2009 Top Producer



Central Denver Apartment Market Report Kyle Malnati - Senior Advisor

2010 — 3rd Quarter

Sales of apartment buildings in Central Denver have steadily increased during 2010 and especially heated up during this Summer. The transactions recapped in this report for 1Q2010 and 2Q2010 added up to a total of 20 sales. As of 9/30/10 the sales data is not fully complete or verified, but there have already been another 7 sales in Central Denver during 3Q2010 bringing the Year-to-Date total to approximately 27. There were a total of only 29 sales in all of 2009. Sales volume increases can still be attributed to strong, lower leveraged Buyers and, just as importantly, to banks beginning to lend again. Here are some key statistics about the apartment market in Central Denver:

- Multifamily Mortgage Interest Rates:
(as of September 27, 2010)
 - 4.40% fixed for 3 years
 - 4.50% fixed for 5 years
 - 4.96% fixed for 7 years
- Apartment Vacancy Rates in Central Denver (Von Stroh's Report 8/19/10)
 - 6.9% for all of Central Denver
 - 7.0% for 9 to 50 unit buildings
 - 4.7% for 51 to 99 unit buildings
 - 6.5% for 100 to 199 unit buildings

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Central Denver Neighborhoods

In order to provide you, the apartment owner, with detailed and relevant information, I have divided the Central Denver area into five distinct neighborhoods. This allows us to focus on trends within a specific neighborhood and not rely on Metro Denver's generalized statistics. Although this requires more work and research, I have found that property owners in our market will appreciate and can benefit from the most accurate information.

Featured Listing

- 17 Units
- Curtis Park
- Near Light Rail
- 9 Off-Street Spaces
- Huge Rent Upside
- On-Site Laundry
- Large Corner Lot










The purpose of this newsletter is to provide insight on the direction of the market and to recap the apartment transactions occurring in the 1st and 2nd Quarters of 2010 in Central Denver's neighborhoods. This newsletter is the 15th issue of a quarterly publication which focuses exclusively on the apartment market in Central Denver's neighborhoods. The Central Denver Apartment Market Report is an ongoing service provided by Kyle Malnati.

Central Denver Neighborhoods Neighborhood Sales - 1st and 2nd Quarters 2010:

****Pinnacle Real Estate Advisors, LLC Transactions vs. Other Brokerage Firm Transactions****

Capitol Hill Sales: 7 properties sold: Averages - \$94.65/SF - \$70,703/unit
Area Description: Bounded by Broadway, York St., Colfax Ave. & 8th Ave.

<p>03/26/2010 321-9 E. 11th Ave. Price: \$1,247,000 Units: 19 Price/SF: \$93.51 Price/Unit: \$65,632</p> 	<p>03/26/2010 900 Washington St. Price: \$1,725,000 Units: 26 Price/SF: \$97.46 Price/Unit: \$66,346</p> 	<p>04/16/2010 1070 Marion St. Price: \$555,000 Units: 6 Price/SF: \$104.05 Price/Unit: \$92,500</p> 
<p>05/10/2010 2202-4 E. 14th Ave. Price: \$630,000 Units: 6 Price/SF: \$103.19 Price/Unit: \$105,000</p> 	<p>05/25/2010 1410 Humboldt St. Price: \$800,000 Units: 12 Price/SF: \$85.97 Price/Unit: \$66,667</p> 	<p>06/17/2010 1449 Emerson St. Price: \$330,000 Units: 5 Price/SF: \$69.83 Price/Unit: \$66,000</p> 
<p>06/25/2010 1148 Washington St. Price: \$581,333 Units: 9 Price/SF: \$105.31 Price/Unit: \$64,593</p> 	<p>Neighborhood Market Share PINNACLE - 71%</p>	

Congress Park Sales: 2 properties sold: Averages - \$103.16/SF - \$82,083/unit
Area Description: Bounded by York St., Colorado Blvd., Colfax Ave. & 8th Ave.

<p>03/10/2010 1400 Detroit St. Price: \$630,000 Units: 6 Price/SF: \$97.48 Price/Unit: \$105,000</p> 	<p>03/25/2010 1401 Detroit St. Price: \$355,000 Units: 6 Price/SF: \$115.07 Price/Unit: \$59,167</p> 	<p>Neighborhood Market Share PINNACLE - 50%</p>
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Governor's Park Sales: 1 property sold: Averages - \$199.05/SF - \$142,000/unit
Area Description: Bounded by Broadway, Speer Blvd., Corona St. & 8th Ave.

06/30/2010
666 Washington St.
Price: \$710,000
Units: 5
Price/SF: \$199.05
Price/Unit: \$142,000



Interest Rates*

*as of September 30, 2010

	Current*	Last Qtrr.	1 Yr. Ago
Prime -	3.25%	3.25%	3.25%
Fed Funds -	0.25%	0.25%	0.25%
5 Year Treasury -	2.87%	2.57%	2.45%
10 Year Treasury -	2.48%	3.85%	3.31%
1 Year LIBOR -	0.78%	0.94%	1.24%

IMPORTANT: The provided statistics were obtained from CoStar and are assumed reliable, but not guaranteed. **Kyle Malnati can provide you with a FREE, detailed analysis showing what your property is worth TODAY.** Statistical data can be extremely skewed without a large enough sample size. Even when statistics are correctly applied, the results can be difficult to interpret since they do not take into account important factors such as: unit mix, condo conversion potential, year of construction, and property condition.

Central Denver Neighborhoods Neighborhood Sales - 1st and 2nd Quarters 2010:

Uptown Sales: 5 properties sold: Averages - \$125.35/SF - \$79,837/unit
Area Description: Bounded by Broadway, Colorado Blvd., 20th Ave. & Colfax Ave.

<p>01/20/2010 1580 Pennsylvania Price: \$1,240,000 Units: 17 Price/SF: \$162.09 Price/Unit: \$72,941</p> 	<p>01/29/2010 1638 High St. Price: \$357,500 Units: 5 Price/SF: \$103.77 Price/Unit: \$71,500</p> 	<p>03/05/2010 1521 Humboldt St. Price: \$895,000 Units: 13 Price/SF: \$109.41 Price/Unit: \$68,846</p> 
<p>03/24/2010 3810 E. 17th Ave. Price: \$540,000 Units: 6 Price/SF: \$119.52 Price/Unit: \$90,000</p> 	<p>06/09/2010 3014 E. 17th Ave. Price: \$640,000 Units: 5 Price/SF: \$116.24 Price/Unit: \$128,000</p> 	<p>Neighborhood Market Share PINNACLE - 80%</p>

Washington Park Sales: 5 properties sold: Averages - \$106.86/SF - \$68,400/unit
Area Description: Bounded by Broadway, University Blvd., Speer Blvd. & Mississippi Ave.

<p>04/19/2010 594-8 S. Lincoln St. Price: \$700,000 Units: 10 Price/SF: \$83.38 Price/Unit: \$70,000</p> 	<p>04/30/2010 8 S. Logan St. Price: \$880,000 Units: 14 Price/SF: \$122.27 Price/Unit: \$62,857</p> 	<p>05/11/2010 20 S. Pearl St. Price: \$870,000 Units: 12 Price/SF: \$94.16 Price/Unit: \$72,500</p> 
<p>05/14/2010 136 Washington St. Price: \$1,130,000 Units: 17 Price/SF: \$118.67 Price/Unit: \$66,471</p> 	<p>06/14/2010 60 Corona St. Price: \$1,550,000 Units: 22 Price/SF: \$113.54 Price/Unit: \$70,455</p> 	<p>Neighborhood Market Share PINNACLE - 40%</p>

2007 - Present: Multifamily Market Share*



*Source: CoStar Realty Information, Inc. Transactions are calculated by totaling each buyer represented and each seller represented by all brokers at each firm during the stated time frame. Pie chart is based on recorded transactions from the top 8 brokerage houses. Metro Denver multi-family transactions, 5-200 units, in Adams, Denver, Douglas and Jefferson counties. Please feel free to call us to see the raw data.

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