

THE INVESTOR



FOURTH QUARTER 2007



SPECIALIZING IN APARTMENT BROKERAGE

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FOR A LIST OF AVAILABLE
PROPERTIES, VISIT
WWW.RAMPARTREALTY.COM



Stuart Sloat and Rampart Realty, Inc. are proud members of the Apartment Association of Colorado Springs. For more information call: (719) 264-9195

MARKET UPDATE

In the interest of avoiding depression from the daily bombardment of media headlines professing demise in the residential real estate industry, we would like to report a more optimistic view: multi-family investing continues to show promise of large gains. While today's tightened lending market presents challenges to getting deals closed, the bigger picture for multi-family investment, here and now, is much brighter than most press continues to "report". Read on:

Inside The Colorado Springs Apartment Market:

We have seen property values fall, in particular where mismanagement and deferred maintenance play a role. Add to this that many current owners are feeling pressure and need to sell, as extremely low introductory interest rates on their loans expire and payments shoot upward. Meanwhile, area apartment occupancy is at its highest level since 9/11, rents are strong & concessions have dropped substantially.

From a purchase standpoint, interest rates on new loans have dropped in recent months, and are close to record lows. And, we have thousands more soldiers, their families and others entering the rental market over the next two to six years. The result of BRAC 05' & last week's announcement from the Pentagon of a new 4,877 soldier brigade at Ft. Carson, will bring the Post to nearly 30,000. On this point alone, the mid to long term outlook for apartment owners was good, now it's great.

Outside the Apartment World:

El Paso County foreclosures, primarily on single family homes, may hit an all time record by the end of 2007. In addition, a huge number of "teaser" rate locks on Adjustable Rate Mortgages are set to expire in 2008, sending monthly payments through the roof for even more homeowners already struggling to make ends meet. Add to this that tightened lending standards put these homeowners in a difficult position: they



need to refinance their highly leveraged homes, but can't get it done.

From the construction side, single-family homebuilding permits in El Paso County will end the year down nearly 60% from the record set in 2005. This will negatively affect employment, as less construction leads to layoffs in this sector. But, it also slows (or reverses) the migration from "renter" to "homeowner" that had an adverse effect on the apartment rental market in recent years.

In the broader scope, private sector employment in Colorado Springs is finally above 2001 figures, when a rash of layoffs sent vacancy rates soaring. Interestingly, average wages are down significantly, despite improved job numbers, as cluster industries, such as technology, telecom, chip manufacturing, etc., have left. The net effect: more people will rent versus buy, because they can't afford the mortgage payment..

What does all of this mean? If you want to make money in real estate, consider buying apartments now. The multi-family market offers a wealth of opportunity for investors as well as many "deals", due to current market conditions, that were not available a few years ago (see pp. 2-3). Taking advantage of today's positive market conditions and the influx of troops and their families over the next several years can be simplified by an old adage: "Buy low, sell high".

MULTI-FAMILY PROPERTIES AVAILABLE FOR SALE



220 Cheyenne
Single Family
\$174,900

Charming Downtown home! Affordable and Move-in Ready. Great location for rental property. Located on a quiet street. Many original details including a large fireplace on main level. Updated bathrooms, flooring and paint. Fenced back yard with sprinkler system.



423 N Weber
Perfect for Office Conversion
\$244,900

Blocks from the heart of Downtown! Great income potential. Loads of original details including hardwoods, French doors & original woodwork. New roof & exterior paint.



3114 N Hancock
6 Units
\$335,900

Great Potential! Well maintained, turn key investment property. Conveniently located, close to schools, shopping, public transit and UCCS. All units are 1 bed/1 bath with private entrances, park-like outdoor area, on-site laundry.



816 N Weber
6 Units
\$425,000

1/2 block from Colorado College practically guarantees no vacancy! Wrap-around porch, striking entryway with original woodwork, leaded & stained glass. Rents have upside potential. Newer roof, exterior paint, and over 35K of other upgrades!



17 E Madison
6 Units
\$499,900

Old North End gem with phenomenal potential! Five adorable bungalow cottages: 4 single unit, 1 duplex cottage. Hardwood floors, French doors, and common courtyard area. Close to hospital, schools, shopping and more!



Americana Apts.
39 Units
\$1,600,000

Opportunity to acquire a stabilized asset in a desirable rental corridor. Extensive interior renovations & additional development potential on adjacent C-6 lot make it well situated for the influx of troops. Low maintenance stucco siding, plenty of off street parking.

FOR A LIST OF AVAILABLE PROPERTIES, VISIT
WWW.RAMPARTREALTY.COM

4-PLEXES AVAILABLE...



323 E Boulder **\$229,900**
Downtown Location, Zoned C-6



2528 E. St. Vrain **\$234,000**
Large lot, great for owner occupant!



426 Glenview **\$299,900**
Peak Views, Westside Location

2505 Andromeda Drive, Colorado Springs, CO



MODERN MOUNTAIN GETAWAY: Stunning views, spacious floor plan & prestigious D-12 schools!

Wonderfully updated in 2005, including NEW hardwood floors (maple), NEW tile in entry, kitchen & master bath. NEW double vanity, steam shower & heated tile floor featured in master bath. Interior features two huge stone fireplaces, granite counter tops & stainless appliances in kitchen, floor to ceiling windows, two wet bars, 4 bed/ 3 bath with large lower level family room, guest suite & attached, heated two-car garage.

Exterior features mountain & city views, 3 yr. old roof, hot tub, natural gas hook-up for grilling, xeriscaped and wooded lot. Located in desirable Skyway neighborhood, close to parks, open space and minutes from downtown!

NEW Swedish laminate flooring & NEW updated lighting installed through out lower level 11/07!

Fantastic Value: priced at \$405,000

ON THE MOVE

Many changes on the horizon for the Apartment Association of Colorado Springs! The chartered territory has expanded, now covering all of Southern Colorado, in order to offer better services to the rental housing professionals in Pueblo and surrounding areas. As a result the name will change to the **Apartment Association of Southern Colorado (AASC)** effective January 1, 2008.

Also, AASC relocated to the Offices at the Park, located on the Northwest corner of Maizeland and Academy. The new address is 2790 N. Academy Blvd., Suite 227, Colorado Springs, CO 80917. If that weren't enough, AACS will have a new website. The goal is to launch www.aaschq.org early in 2008 if not sooner.



For further
information on
these properties
Call Stuart Sloat at
(719) 632-9300

OWNER ALERT

An owner called a few weeks ago to mention that copper piping had been cut out and stolen from his Downtown apartment building. Unlike theft from a job site or an abandoned property, this building was fully occupied. In the early evening, a tenant was taking a shower when the water simply stopped. Thieves entered the basement from a bulkhead, turned the water off, cut two copper water lines, a copper wire, and fled. Pretty scary from a societal stand point, but a relatively harmless reminder to the rest of us: keep utility areas secure in a world where copper, the metal that supplies the bulk of residential water supply lines and electric lines, is fetching over \$3.30/lb., as scrap metal, tempting thieves to get their hands on whatever they can. In particular many apartment properties built in the 1960s have 4" copper waste-water lines which, if stolen, could be expensive to clean up and repair.

MULTI-FAMILY PROPERTIES: AVAILABLE

Number of Units	Asking Price	Price per Unit	Year Built
16 Units	\$820,000	\$51,250	1961
17 Units	\$980,000	\$57,647	1968
32 Units	\$1,069,000	\$33,406	1963
87 Units	\$2,350,000	\$27,011	1970
78 Units	\$2,520,000	\$32,308	1968
100 Units	\$3,500,000	\$35,000	1984
210 Units	\$6,300,000	\$30,000	1985
147 Units	\$7,500,000	\$51,020	1971
89 Units	\$10,890,000	\$122,360	1989
312 Units	\$12,500,000	\$40,064	1984

ABOUT US:



C. Stuart Sloat

STUART SLOAT has lived in Colorado Springs for fifteen years and specializes in the brokerage of multi-family investment property. Following a successful joint venture that purchased, renovated, and leased properties, he went into real estate brokerage. This kind of personal involvement background in ownership and management of numerous investment properties is just one way Stuart offers additional insight into what it takes to help clients maximize their investments when buying and selling multi-family properties. Stuart is a graduate of The Colorado College.

COMPANY HISTORY: Rampart Realty, Inc., and the trade names Rampart Commercial and Rampart Appraisal, was established as a corporation under the laws of the State of Colorado in September, 1998 by John L. Dworak, Jr. CCIM and Dr. Elizabeth L. Konarski.

MISSION: PERSONAL SERVICE IN A DIGITAL WORLD. Rampart Realty, Inc. is dedicated to profitably serving the real estate needs of our clients by combining professional knowledge of the real estate industry, personal service, and technological innovation.

Visit us on the web at
www.rampartcommercial.com

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Mailing Address Line 5



Specializing in Apartment Brokerage

RECENT MULTI-FAMILY SALES



4331 ERICSON
\$285,000
FOUR-PLEX

Two sides of opportunity: this former foreclosure property was resold in like new condition after extensive renovation breathed new life into it. New windows, new stucco, new furnaces and similar upgrades throughout the interior created an appealing investment at a competitive price. **\$71,250 per unit**



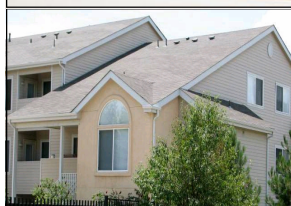
COUNTRY CLUB GARDENS
\$2,030,000
74 UNITS

Zoned R5. Consisting of twelve studios, thirty-nine 1-bed/1-bath units & twenty-three 2-bed/1-bath units, 18,249 total sq. ft. Built in 1969, the property is on a half an acre, with a recreation center and laundry facilities. The cap rate was approximately 8% at the time of sale. The complex was 97% occupied and operating as a 55+ community. **\$27,364 per unit**



CHIMNEY RIDGE
\$18,400,000
286 UNITS

Zoned R5. Built in 1983. Apartments located on 9 acres with 204,587 total building sq. ft. Property is a mix of one and two-bedroom units. Included on the property are indoor and outdoor swimming pools, tennis courts, a fitness center, and on-site laundry. **\$64,336 per unit**



THE WILLOWS AT PRINTERS PARK
\$18,900,000
220 UNITS

Zoned PUD. Built in 2000. A total of 204,535 Sq. Ft. on 12.5 acre lot. Five floor plans consisting of 1,2 & 3 bedroom units, with on-site fitness center, swimming pool and business center. The highest priced sale in the second half of 2007. **\$85,909 per unit**