

OFFERING MEMORANDUM

Pagosa Manor

Pagosa Springs, CO

Live here.
Work here.
Build something
of your own.

Presented By
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Galles Properties

The Opportunity

What if your home could also be your business? Pagosa Manor offers a lifestyle entrepreneur the framework to live in downtown Pagosa Springs while building an intimate hospitality business around a fully restored 1903 landmark.

The concept: occupy the private two-bedroom / one-bath lock-off and operate three primary guest rooms in the rest of the home. Each guest room has private-bath access, and one upstairs room includes an attached sitting/overflow room that may add flexibility for families, subject to applicable occupancy and licensing requirements.

Address:	157 S 6th Street, Pagosa Springs, CO 81147
Zoning:	Mixed-Use Residential
Year Built:	1903; Substantially Restored In 2023
Lot Size:	.34 Acres; 2 Lots
Building Size:	3,024 SF; 6 Bedrooms; 6 Baths
Parcel Number	5569913316012







What Makes This Property Different

This is not simply a three-room investment property. The buyer receives a private downtown residence, a turn-key furnished historic asset, two city lots, and the opportunity to create an owner-operated business in a year-round mountain destination.

Highlights

- Built in 1903; substantially restored in 2023.
- Mixed-Use Residential zoning = residential/business flexibility.
- Two kitchens, three living areas, three dining spaces, two laundry areas, butler's pantry and office.
- Two private lock-off living spaces, including the proposed owner's 2BR/1BA quarters.
- Two downtown city lots; future development or separate and sell the second lot, subject to applicable approvals.
- Offered fully furnished and turnkey.
- Directly across from the River Walk; walkable to downtown dining, shopping, the San Juan River and geothermal soaking attractions.

Illustrative Operating Model

The following model is intended to help a prospective lifestyle entrepreneur understand one possible owner-occupied B&B configuration, is not historical operating performance and is not a guarantee of future results.

BASE ASSUMPTION	ILLUSTRATIVE INPUT
Primary guest rooms	3
Available room nights / year	1,095
Projected occupancy	50%
Projected occupied room nights	~548
Blended ADR	~$283
Projected annual room revenue	~$155,000
Operating expense assumption	45% of gross revenue
Projected NOI	~$85,250
Offering price	$1,350,000
Illustrative capitalization rate	6.31%

OCCUPANCY	GROSS REVENUE	EST. NOI (55%)	CAP @ $1.395M
40%	$124,000	$68,200	5.05%
45%	$139,400	$76,670	5.68%
50%	$155,000	$85,250	6.31%
55%	$170,500	$93,775	6.95%
60%	$185,900	$102,245	7.57%

THE DIFFERENTIATOR:

The projected income is generated while the owner retains use of a separate 2-bedroom residence. No value is assigned in this model to that housing benefit, appreciation, ancillary revenue, or potential future value associated with the second lot.

Home + Business + Mountain Town Lifestyle

Built For An Owner-Operator

Hospitality is part of Pagosa Manor's history. The property has previously operated as a boarding house, restaurant and bed & breakfast, and original room numbers remain on doors. The next owner can reinterpret that history for today's boutique-travel market.

Potential Guest Configuration

SPACE	PROPOSED USE	POSITIONING
Private 2BR / 1BA lock-off	Owner residence	Separation between private life and guest operation
Main-floor bedroom + bath	Guest Room 1	Convenient main-level accommodation
Upstairs bedroom + bath	Guest Room 2	Private guest accommodation
Upstairs bedroom + bath + flex room	Guest Room 3	Potential premium/family-friendly configuration

THE GUEST EXPERIENCE

Morning
Breakfast at Pagosa Manor, Coffee on the covered Porch & a walk along the San Juan River.

Day
Soak in the geothermal pools, hike, fish, bike, ski or head to the Mountains.

Evening
A short trek takes you to dinner In historic downtown - return to a property that feels connected to the story of Pagosa Springs.

A Lovingly Restored Historic Asset

Built in 1903, Pagosa Manor retains distinctive craftsmanship while major infrastructure was addressed during the 2023 restoration.

Major Real Estate Improvements

- New water & sewer lines
- Updated electrical
- New roof

Historic Character

- Original stained glass windows
- Intricate hardwood floors
- Custom built-ins
- Coffered ceilings and crown molding
- Gingerbread trim
- Widow's watch with downtown & mountain views

Topography & Landscaping

Mature trees, lilacs, roses, fruit trees and perennial gardens enhance multiple gathering areas. The covered front porch overlooks the San Juan River and the Hot Springs.







Mixed-Use Residential (MU-R) Potential Uses

POTENTIAL USE	MU-R STATUS	WHAT IT COULD MEAN FOR PAGOSA MANOR
BED & BREAKFAST / INN	C CONDITIONAL	Potential boutique B&B or inn opportunity, subject to Town approval.
LIVE/WORK DWELLING	P PERMITTED	Opportunity to combine a residence with an eligible business/work use.
SINGLE-FAMILY RESIDENCE	P PERMITTED	Continue using Pagosa Manor as a private residence.
MULTI-FAMILY DWELLING	P PERMITTED	Potential residential configuration subject to applicable building and development requirements.
TOWNHOUSE	P PERMITTED	Potential residential development option, subject to applicable development standards.
VACATION RENTAL	C CONDITIONAL	Potential short-term rental use, subject to Town approval and licensing requirements.
BUSINESS / PROFESSIONAL OFFICE (≤ 4,000 SF)	C CONDITIONAL	Potential professional or business office use.
RESTAURANT (NO DRIVE-THROUGH)	C CONDITIONAL	Potential restaurant use (no drive-through), subject to approval. Reflects the property's history as a restaurant.
GENERAL PERSONAL SERVICES	P PERMITTED	Potential for certain service-oriented businesses.
ART GALLERY	P PERMITTED	Potential gallery or arts-oriented use.
GENERAL RETAIL (≤ 4,000 SF)	C CONDITIONAL	Potential small-scale retail use.
MEDICAL / DENTAL OFFICE OR CLINIC	P PERMITTED	Potential professional healthcare-related use.

P = PERMITTED USE

C = CONDITIONAL USE

This table highlights selected MU-R uses that may be relevant to Pagosa Manor and is not a complete list of uses allowed within the MU-R zoning district. Conditional uses require Town approval. All proposed uses are subject to applicable Town of Pagosa Springs regulations, development standards, licensing requirements and other approvals. Buyers should independently verify their intended use with the Town of Pagosa Springs.

Q & A

A Conversation With The Sellers

What do you know about the property that isn't obvious from walking through it?

You may not realize the house has been completely remodeled and updated. Most of the trim, rosettes, beadboard, and cabinetry have been made to match the original accents. The stained glass pendant lighting was made in Turkey. The brass chandeliers with the exeption of the one in the Penny Room, and the hand painted hanging lamps upstairs are all antiques. The kitchen was expanded in 2018 and all new cabinets, appliances, and tile were installed. All of the tile and hardwood flooring throughout the house is new, with the exeption of the re-purposed circle sawn wood flooring in some of the rooms. This special wood flooring was original to the old addition, formerly a stable back in the day, when it was used as plywood from top plate to bottom plate in the framing of the walls. This original wood was milled at the old Sullenberger Mill where the High School now sits. The formal entry features an antique bed frame repurposed into a bench with storage and a heated penny floor containing over 12,000 pennies. The diamond shape in the middle of the penny floor consists of pennies with the years of the current owner's birthdates, year the town was incorporated, year of the original build of the house, and year the house was completed. The front porch, fencing, addition, roof, landscaping, water, sewer, and gas lines are all new, as well as the furnace and on demand water heater. Underground water and sewer hookups are already in place for an RV or future development. A single electric line runs out to the shed, and the shed is moveable. Plans have already been approved by the Town for a garage with a living space above. A buyer would need a Conditional Use Permit (CUP) for certain things such as a B&B, and Town Planning has said they will fast track that application. There are no B&B's in downtown Pagosa Springs, so a buyer who has been dreaming of owning and operation a B&B in this beautiful and very convenient location would have the corner of the market.



Q & A

A Conversation With The Sellers

What do you know about the second lot and its development potential?

Separating the two lots is a possibility, although both lots are connected by some of the same underground utilities.

What do you know about the history of the property as a boarding house, restaurant, and B&B?

The history of the house is extensive, some of which we have learned through stories told to us by others, and some through our own intriguing discoveries. We learned that the original owner also owned an Opera House and Hardware store at the time. Among other items in the walls and ceiling during the remodel, we found Opera tickets dating back to 1896, stagecoach tickets, and bills of lading and receipts from a hardware store, which also carried women's corsets from Ann Arbor, MI. By talking with town locals and receiving letters from a past resident, we learned the house used to be a Boarding House and how it was operated, and also in the 1980's was formerly a restaurant frequented by the town. When we purchased the house in 2015, there were a total of nine sinks on the main floor alone, which was due to the configuration of the rooms as a Boarding House and former Bed & Breakfast. Riley Hill, another past owner, named the house "Hill House" which became Hill House Manor in it's B&B days. All paperwork, letters, and findings we have will be made available to the new owner!



Q & A

A Conversation With The Sellers

What do you like best about living in downtown Pagosa Springs?

What's not to love about the location?! As if the house doesn't have enough going for it already, its prime location tops it off! First of all, the Riverwalk, river, and free soaking pools are right out the front door. We have restaurants, shops, Natural Grocer's, The Hot Springs, Post Office, Reservoir Hill, Library, parks, fishing, rafting, and tubing all within very close proximity. The Hot Air Balloon Festival can be watched from the front porch, as well as being able to hear music from several venues right from the house. No need to worry about driving and finding a place to park for downtown events such as Music Festivals, Passport to Food and Wine, Beerfest, Winterfest, and the 4th of July parade, fireworks, and festivities as they are all within a very short distance.
Come live it and love it!

Would you be willing to share the story behind why you restored Pagosa Manor and what you hoped the property would eventually become?

Originally, we had planned to have a B&B ourselves and realized it had fallen out of zoning, so we decided to remodel and make it our home with the addition of vacation rentals. We wanted to restore the house and bring it back to life, so it could be the shining gem of Pagosa it once was.



Financial Information





PRICING SUMMARY

The Real Estate and furnishings are offered together as a turn-key package.

$1,350,000

SHOWINGS

In-person and video preview showings can be arranged through Listing Broker.

FF & E

A full Inventory list can be provided upon request.

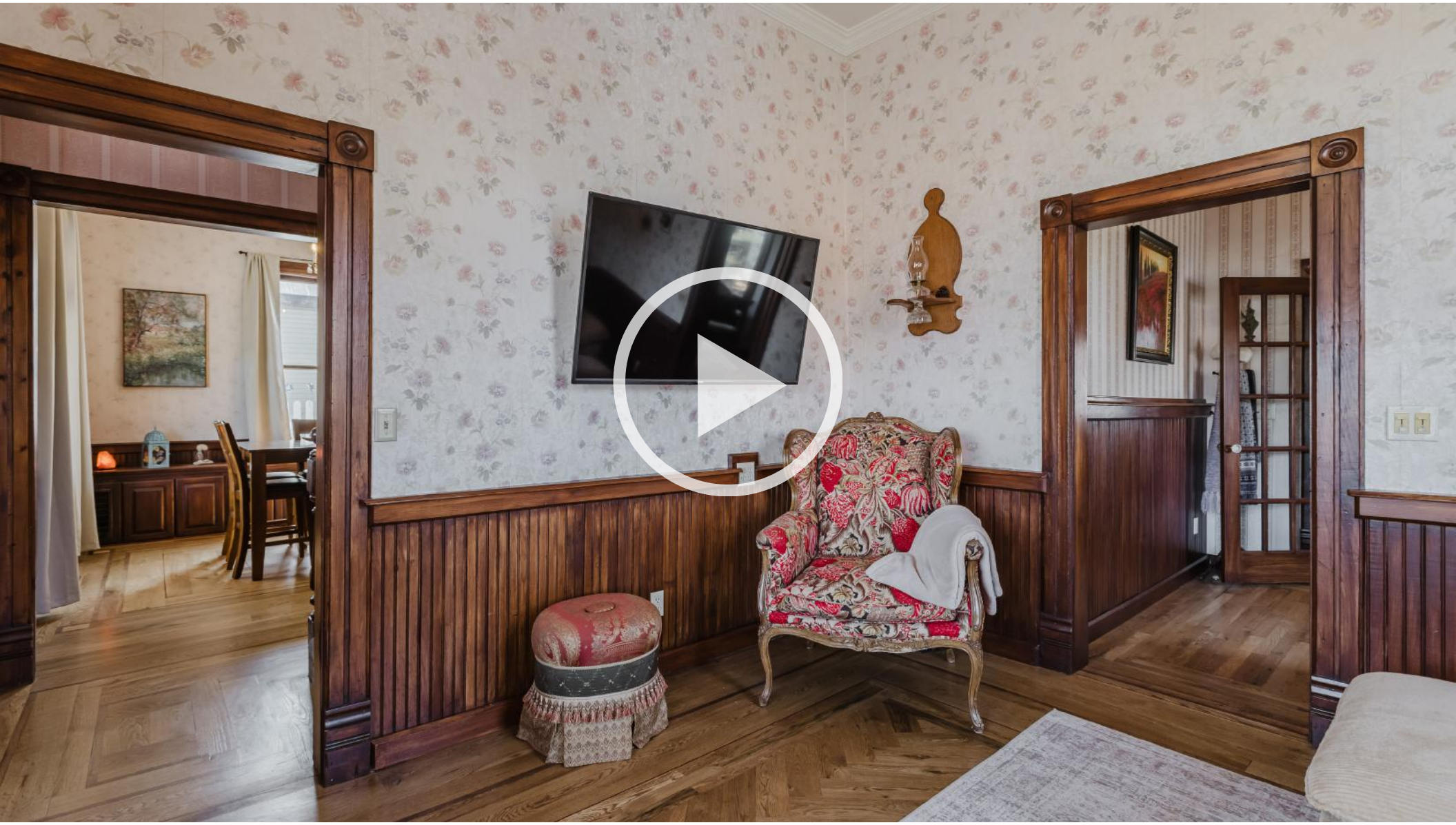
TAXES

$3399.48 (2025)

OFFER INFORMATION

Complete offer information will be provided upon request by Listing Broker.

Video Tour



360 Degree Tour




Entry


Parlor


Main Dining Room


Main Living Room


Office


Owner's Unit


Main Kitchen


Pantry


Owner's Kitchen


Owner's Bedroom


Main Floor Bedroom

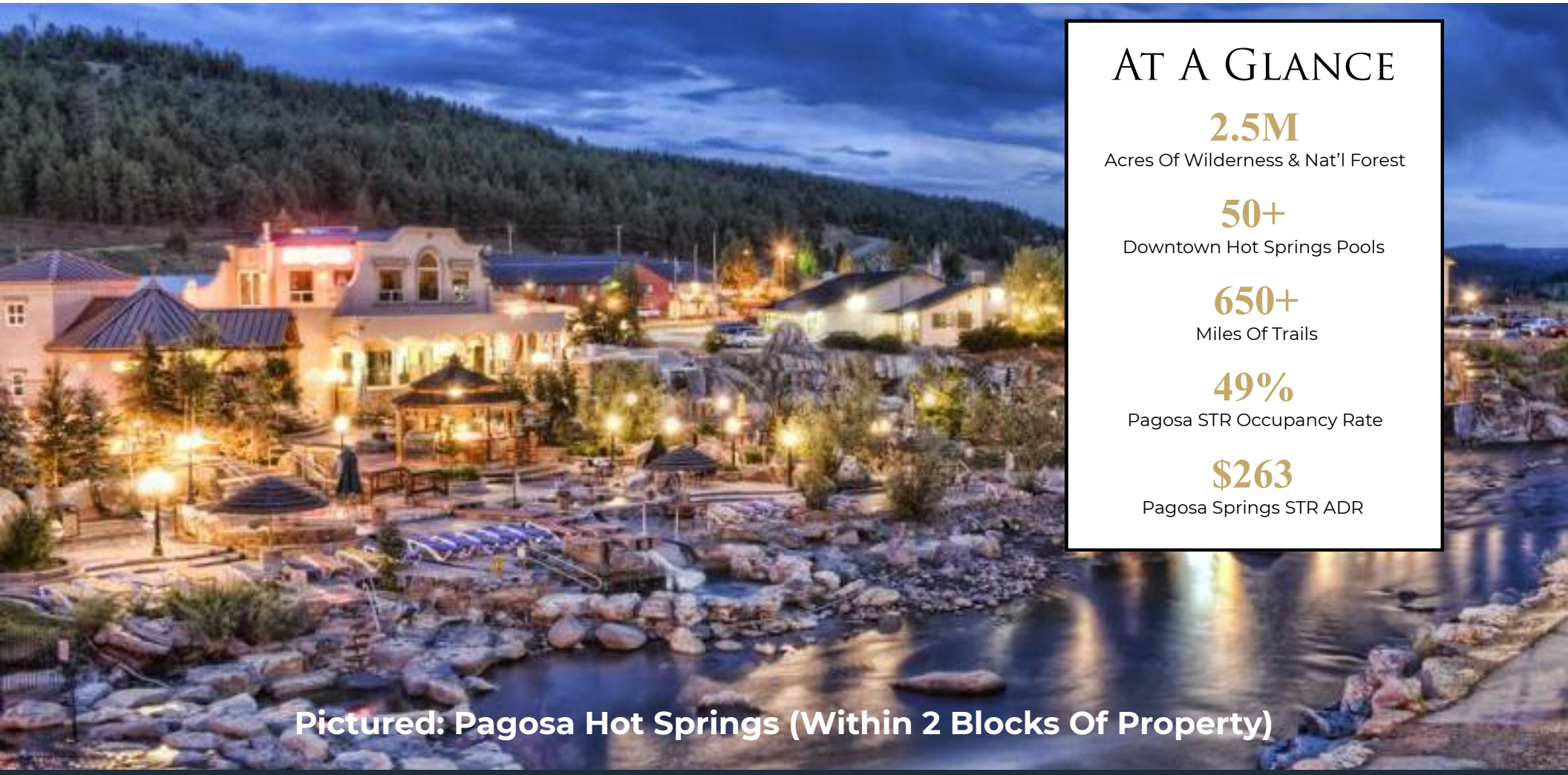

Main Floor Bathroom

Location Overview



Pagosa Springs, Colorado

With millions of acres of National Forest and wilderness land surrounding this beautiful area, year-round recreational opportunities abound. From soaking in the world famous Hot Springs and mountain biking, hiking and fishing in the many lakes and rivers, to skiing at Wolf Creek Ski Area, snowmobiling and hunting, this beautiful corner of the world will take your breath away.



At A Glance

2.5M
Acres Of Wilderness & Nat'l Forest

50+
Downtown Hot Springs Pools

650+
Miles Of Trails

49%
Pagosa STR Occupancy Rate

$263
Pagosa Springs STR ADR

Pictured: Pagosa Hot Springs (Within 2 Blocks Of Property)



Why Pagosa Springs

Together with its year-round recreation, unparalleled mountain views and 300+ days of sunshine per year, the relative recent “discovery” of this corner of Colorado renders Pagosa Springs one of least crowded of the state’s popular mountain resort towns.

Year-round Demand Drivers

Geothermal Tourism: Pagosa Springs is home to the world's deepest geothermal hot spring aquifer, and official destination materials cite more than 50 hot springs pools in downtown.

Winter: Wolf Creek Ski Area is approximately 23 miles from Pagosa Springs and markets itself as 'The Most Snow in Colorado,' with 430 natural inches of annual snowfall listed in its stats.

Warm Seasons: hiking, fishing, river recreation, mountain biking, festivals, scenic drives and access to national forest and wilderness support a broader four-season lodging story.

Current STR Market: AirDNA reports 1,587 active listings, 49% occupancy and a $263 ADR through June 2026. Occupancy was up 4.2% year over year.

A Downtown B&B Gap: Current market research has not identified a traditional B&B operating in the downtown core. Established B&B options exist in the greater Pagosa Springs area; for example, Elkwood Manor states it is 2.5 miles from downtown. Pagosa Manor could therefore be positioned differently: an intimate historic B&B experience with walkability to the River Walk, river, restaurants, shops and hot springs.

Location

PROXIMITY TO AMENITIES & POINTS OF INTEREST

Pagosa Springs Medical Center	4 Miles
City Market	4 Miles
Natural Grocers	.2 Mile
Pagosa Hot Springs	.7 Mile
Wolf Creek Ski Area	25 Miles
Historic Downtown District	.3 Mile
Archuleta County Airport (Private)	4.8 Miles
La Plata County Airport (Commercial)	68 Miles

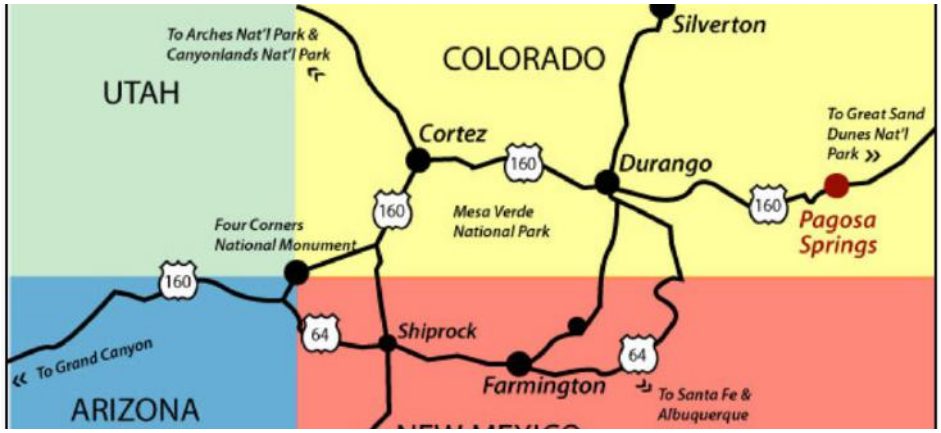
FLYING TO PAGOSA SPRINGS

Commercial air service is available at La Plata County Airport in Durango with direct flights to Denver, Phoenix and seasonally to Dallas. Private air service is available in Pagosa Springs at Stevens Field.

DRIVING TO PAGOSA SPRINGS

Albuquerque	214 Miles
Santa Fe	152 Miles
Denver	277 Miles





Stevens Field in Pagosa Springs offers an 8,100 foot runway for private aircraft, while Durango offers commercial air service an hour away.



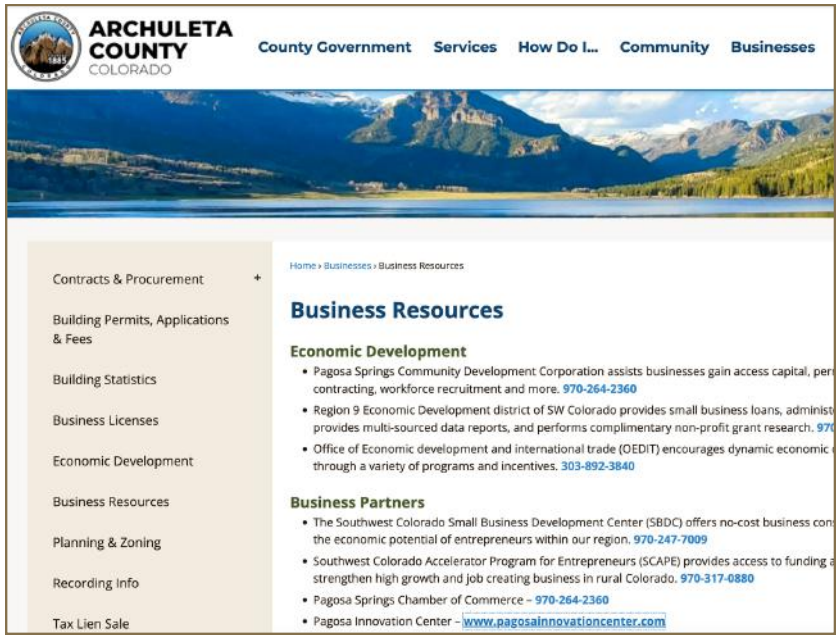
Business Resources

Archuleta County offers Economic Development and Small Business resources.

Below are some links to Business Resources for Archuleta County:

- Archuleta County Business Resources
- Pagosa Springs Chamber Of Commerce
- Pagosa Springs Community Development Corporation
- Enterprise Zone Business Tax Credits

For more information and resources, please do not hesitate to contact us.





Confidentiality & Disclaimer

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WHO'S WHO IN LUXURY REAL ESTATE

GALLES PROPERTIES

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