Exclusive Multi-Family Offering

2729 Campbell Street | Kansas City, MO 64109 | 16 Units | Value-Add Opportunity

2729 Campbell

OFFERING MEMORANDUM

Marketed by : Brice Bradshaw

Property Details : 16 Units

Neighborhood : Longfellow

Nearby : Hospital Hill & Crown Center

Price : Market

Unit Mix : (8) 1-BR Units/(8) Studio Units

Zoning : (8) R-2.5; Opportunity Zone

REECE COMMERCIAL

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2729 Campbell | 16 Units

SITE DESCRIPTION

Address	2729 Campbell Street Kansas City, MO 64109
County	Jackson County
Neighborhood	Longfellow
Zoning	R-2.5; Opportunity Zone
Parking	7 off-street parking spaces
Stories	2
# of Units	16
Year Built	1925

2729 Campbell | 16 Units

OFFERING & PROPERTY SUMMARY	
Asking Price	Market
Terms	Free & Clear
Address	2729 Campbell Street Kansas City, MO 64109
County	Jackson County
Neighborhood	Longfellow
Zoning	R-2.5; Opportunity Zone (29095004300)
Year Built	1925 (previous appraisal)
Occupancy	87%
Construction/Exterior	Brick (exterior), Stone (Foundation) and Flat Torch-Down Roof
Site Size	11,198 sq. ft. or 0.26 acres (previous appraisal)
Gross Building Area	9,048 sq. ft. (previous appraisal)
Net Rentable Area	9,600 sq. ft. (+/-)
Stories	2
Units	16
1 Bedroom 1 Bathroom	8
Average 1 Bedroom Size	650 sq. ft. (+/-)
Average 1 Bedroom Rent	$610
Studio Units	8
Average Studio Size	550 sq. ft. (+/-)
Average Studio Rent	$511

UTILITIES & AMENITIES SUMMARY	
Metering	Separate (Electric)
Heat	PTAC Units (Electric)
A/C	PTAC Units (Electric)
Hot Water	Common
Laundry	Basement Laundry
Entry	Front & Rear Secured Entry (keypad)
Parking	7 off-street parking spaces
Storage	Storage lockers in basement
Internet	Google Fiber

2729 Campbell | 16 Units

Property Summary

2729 Campbell is a stately 16 unit, low-rise apartment complex ideally located several blocks east of Crown Center in the Midtown area of Kansas City, Missouri. 2729 Campbell stands 2-stories with a brick exterior, balconies and 7 off-street parking spaces located at the rear of the building. Residents possess front and rear secured entry (keypad) and are responsible for paying electricity. The owner is responsible for gas, trash, water and hot water. Of the 16 total units at Campbell, 8 are studio units and 8 are one bedroom one bathroom units. The studio units have an approximate unit size of 550 square feet, while the one bedroom units have an approximate unit size of 650 square feet. The complex is separately metered for electric and has 3 hot water tanks (1 newer) that work in sequence. Units at 2729 Campbell feature hardwood and carpet flooring, Google Fiber, balconies (1 bedroom units only), and PTAC units (heating/cooling). The property underwent a significant rehab in 2005, consisting of a new roof, window replacement, new rear balconies, electrical upgrades, and plumbing upgrades. Recent improvements include new front and rear exterior doors and updates to the hallways consisting of new LED lighting and paint. The basement level of 2729 offers laundry machines and storage lockers for tenants and is accessed from within the building. In January 2018, Children's Mercy announced they would begin construction and recruitment for a cutting edge, new research facility. The 375,000-square-foot structure will stand nine-stories encased in glass costing an estimated $200 million. The facility will be built on the current Adele campus, at 24th and Gillham, in Hospital Hill, five blocks from the complex. Completion of the tower is expected in 2020, providing 3,000 jobs for scientists, assistants and lab technicians. Additionally, Truman Medical Center has begun construction on a $70 million, 80,000 square foot medical office building at 22nd and Charlotte Street (2019). With this new addition, Charlotte Street will convert from a one-way street to a two-way street and a new 4-story parking garage is expected in April.

PROPERTY & UNIT HIGHLIGHTS
Significant Rehab in 2005 +/-
New Front & Rear Exterior Doors
New LED Lighting in hallways
Updates to interior hallways & landscaping
Google Fiber
Secured Entry (keypad)
Off-street parking
Balconies (1BR Units)
Large Closet Areas (Studio Units)
Hardwood & carpet flooring
PTAC Units
Laundry equipment in basement
Storage lockers in basement
Opportunity Zone (29095004300)

2729 Campbell | 16 Units

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Neighborhood & Submarket Summary

The complex at 2729 Campbell Street is well located in the quaint Longfellow neighborhood in the Midtown section of Kansas City, Missouri. Longfellow's close proximity to Downtown, Hospital Hill, Union Hill and Crown Center might be its greatest asset with more than 88,000 employees in those areas. Hospital Hill, situated immediately north of Longfellow, is comprised of Truman Medical Center, Children's Mercy Hospital, and the University of Missouri-Kansas City School of Medicine. These three medical facilities alone make up three of the city's largest employers in the area with nearly 7,000 employees and 2,500 students. Other major employment centers such as Crown Center, Downtown Kansas City, and the Country Club Plaza are all within four miles of the Longfellow neighborhood. In January 2018, Children's Mercy announced they would begin construction and recruitment for a cutting edge, new research facility. The 375,000-square-foot structure will stand nine-stories encased in glass costing an estimated $200 million. The facility will be built on the current Adele campus, at 24th and Gillham, in Hospital Hill, five blocks from 2729 Campbell. Completion of the tower is expected in 2020, providing 3,000 jobs for scientists, assistants and lab technicians. Additionally, Truman Medical Center has begun construction on a $70 million, 80,000 square foot medical office building at 22nd and Charlotte Street (2019). With this new addition, Charlotte Street will convert from a one-way street to a two-way street and a new 4-story parking garage is expected in April. Bus stops will be reconfigured and moved closer to the campus creating a seamless transportation experience for patients and residents in the area.

Longfellow is a walking-friendly neighborhood inhabited by 1,950 residents featuring many historic homes, including Victorian-style houses, as well as apartments in historic buildings and modern complexes. The spirit of commerce in the community is displayed through the esteemed collection of independent shops, restaurants and businesses that reinforce one another. Attractions with the closest proximity to the neighborhood include the National World War I Museum, the Negro League Baseball Museum, the Power & Light District and Union Station. The Crossroads Art District, located just northwest of 2729 Campbell, is Kansas City's diverse enclave of creative businesses, boutique shops, unique restaurants, studios and art galleries. Kansas City's Power & Light District is the Midwest's premier entertainment epicenter. It is home to more than 50 distinctive and charismatic restaurants, bars, shops, and entertainment venues, offering something for everyone. Longfellow is located within Kansas City's commerce corridor, which extends through Midtown north to Downtown Kansas City. The Country Club Plaza is the south border. The corridor is home to the World Headquarters of Hallmark Cards, American Century Investments, Lockton Insurance, and Russell Stover Candies. Three of Kansas City's largest law firms Polsinelli PC, Dentons, and Husch Blackwell Sanders LLP are located on the Country Club Plaza. The Country Club plaza is the south border of the commerce corridor. The complex is ideally situated only minutes from the Westport Entertainment District, St. Luke's Hospital, the River Market, the IRS office complex, the University of Kansas Medical Center, Municipal Auditorium, the Sprint Center, Penn Valley Community College, the Federal Reserve Bank, the Stowers Institute for Medical Research, the University of Missouri-Kansas City (UMKC) main campus, and the separate campuses of UMKC Schools of Dentistry, Medicine, Nursing and Pharmacy. Rental demand is very strong in Midtown neighborhoods which feature multi-family housing, many charming, upscale historic homes and numerous parks due to the high quality of life and area amenities. The Longfellow neighborhood lies within a designated Opportunity Zone which is determined by the chief executives of every U.S. state and territory. The program provides a tax incentive for investors to re-invest their unrealized capital gains into Opportunity Funds that are dedicated to investing into Opportunity Zones.

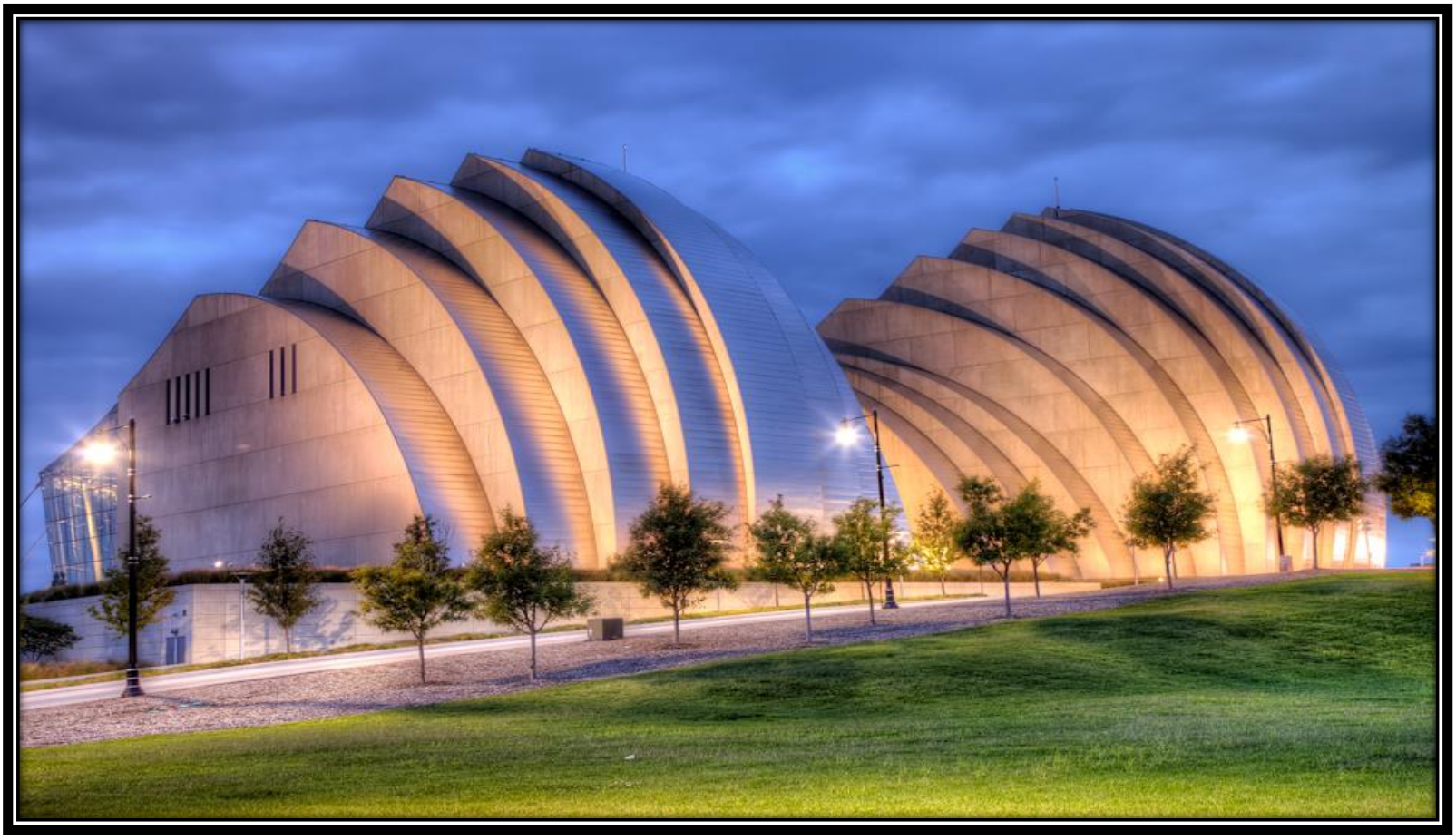
2729 Campbell | 16 Units

Union Station

National WWI Museum

Crown Center

2729 Campbell | 16 Units



Kauffman Center of Performing Arts

Kansas City
Convention Center

Sprint Center

2729 Campbell | 16 Units

Truman Medical Center

Children's Mercy Adele Hall Campus

2729 Campbell | 16 Units

American Royal

Negro League Baseball Museum

College Basketball Experience

Power & Light District

Kansas City Information

The Kansas City Metropolitan Area is home to 2.1 million people and is dissected North to South by the Kansas and Missouri State Line. U.S. News recently analyzed 100 cities in the United States to try and find the best places to live based on quality of life and the job market in each city, as well as the value of living there and people's desire to live there. Kansas City ranked #49 on the list and continues to gain attraction throughout the country. The Huffington Post recently named Kansas City as the “Coolest” City in America and, for the fifth year in a row, named Kansas City the #1 affordable getaway. In Travel + Leisure's "America's Favorite Places" survey, readers voted Kansas City #24 while the Culture Trip voted Kansas City as one of the "12 Best U.S. cities for culture." Kansas City is famous for its musical heritage and has been a great jazz city since the 1930's. The history of the city's music and art heritage can be explored at the American Jazz Museum, the Kauffman Center, the Kemper Museum of Contemporary Art and the Nelson-Atkins Museum of Art. The Nelson-Atkins Museum of Art was named the #1 best museum in the U.S. by both *USA Today* and Yelp. Additionally, Yelp's #5 best museum in the country went to the National WWI Museum & Memorial, the only WWI museum in the country.

ZipRecruiter, an online job platform, concluded that Kansas City is the 4th best metro area in the country to find a job in 2017. The Kansas City area is home to such companies as: Hallmark, H&R Block, Black & Veatch, Seaboard, DST Systems, Russell Stovers, Garmin and Sprint. Kansas City is also home to an expanding Biotechnology Industry including the Stowers Institute for Medical Research, the Kansas Life Sciences Innovation Center, the Biotechnology Development Center, XenoTech and Proteon Therapeutics. Forbes ranked Kansas City as the 3rd best city for renters out of 46 cities because they have the most investor interest, while also declaring Kansas City to have the best “rental affordability” among the 46 city list. WalletHub reaffirmed Forbes lofty ranking by putting Kansas City in its Top 50 for "Best Real-Estate Markets" for large cities. The General Motors Fairfax facility in Kansas City, Kansas is ranked as the most productive auto assembly plant in North America (HARGOUR CONSULTING REPORT). The recently expanded Ford Motor assembly plant in Kansas City builds the popular F- 150 pickup truck and the Hybrid, Ford Escape. Kansas City also has a large Harley Davidson assembly plant near the airport. Kansas City is the second largest U.S. railroad hub in terms of volume (measured in units) and the biggest in terms of tonnage. The area is also home to YRC Worldwide, the largest trucking company in the nation.

For the sports fan, the Kansas City area has it all including the NFL’s Chiefs, MLB’s Royals, MLS’s Sporting Kansas City, the T-Bones a minor league baseball team, several of the finest golf courses in the United States, the Kansas Speedway one of NASCAR’s newest tracks, the College Basketball Hall of Fame and much more. Kansas City is home to Schlitterbahn Waterpark near the Kansas Speedway and is home to Worlds of Fun, Oceans of Fun and the Great Wolf Lodge, which are all large entertainment parks and destinations. Education is also an integral piece of the Kansas City metropolitan area. The area has a number of major colleges and universities such as the University of Kansas, Kansas University Medical Center, the University of Missouri Kansas City and Rockhurst University along with many others. The area is proud to have 3 of the top 10 Public School Districts in the United States.

2729 Campbell | 16 Units

Map Overview

West Bottoms
Kansas City Convention Center
Kauffman Center for the Performing Arts
Power & Light District
Sprint Center
Crossroads
Fiorella's Jack Stack Barbecue
Sheraton
Westin Hotels & Resorts
Hospital Hill
Children's Mercy Kansas City
TMC Truman Medical Centers
Union Station
Crown Center
The National WWI Museum and Memorial
UMKC School of Dentistry
2729 Campbell
N
Public
Restaurant
Hotel
Hospital/School

West Bottoms
Arvest Bank Theatre at the Midland
Kansas City Convention Center
Power & Light District
Sprint Center
Negro League Baseball Museum
Arthur Bryant's Barbeque
Kauffman Center for the Performing Arts
Crossroads
Fiorella's Jack Stack Barbecue
Westin Hotels & Resorts
Sheraton
American Royal
Kansas City Union Station
Children's Mercy Kansas City
TMC Truman Medical Centers
UMKC School of Dentistry
Boulevard Brewing Co.
Longfellow
The National WWI Museum and Memorial
Crown Center
2729 Campbell
Public
Restaurant
Hotel
Hospital/School

Current Rent Roll

2729 Campbell (16 Units) - Rent Roll (5/6/19)						
Unit	Unit Type	Square Footage	*Market Rent*	Rent	Annual Rent	Rent Per SF
101	1 Bd./ 1 Ba.	650 +/-	*$675*	$560	$6,720	$0.86
102	1 Bd./ 1 Ba.	650 +/-	*$675*	$650	$7,800	$1.00
103	Studio	550 +/-	*$595*	$455	$5,460	$0.83
104	Studio	550 +/-	*$595*	$495	$5,940	$0.90
105	Studio	550 +/-	*$595*	$495	$5,940	$0.90
106	Studio	550 +/-	*$595*	$525	$6,300	$0.95
107	1 Bd./ 1 Ba.	650 +/-	*$675*	$650	$7,800	$1.00
108	1 Bd./ 1 Ba.	650 +/-	*$675*	$595	$7,140	$0.92
201	1 Bd./ 1 Ba.	650 +/-	*$675*	$615	$7,380	$0.95
202	1 Bd./ 1 Ba.	650 +/-	*$675*	$675	$8,100	$1.04
203	Studio	550 +/-	*$595*	$525	$6,300	$0.95
204	Studio	550 +/-	*$595*	$525	$6,300	$0.95
205	Studio	550 +/-	*$595*	$525	$6,300	$0.95
206	Studio	550 +/-	*$595*	$545	$6,540	$0.99
207	1 Bd./ 1 Ba.	650 +/-	*$675*	$560	$6,720	$0.86
208	1 Bd./ 1 Ba.	650 +/-	*$675*	$575	$6,900	$0.88
16	**16**	**9,600 +/-**	***$10,160***	**$8,970**	**$107,640**	**$0.93**

Trailing 12 Actual Financial Performance

2729 Campbell (16 Units) T12 P&L (May 2018 - April 2019)			
Rents Received	**$88,702**	**% GSI**	**Per Unit**
Other Income	$3,210	3.62%	$200.63
Adjusted Gross Income	**$91,912**	**% AGI**	**Per Unit**
Cleaning & Maintenance	$11,575	12.59%	$723.41
Repairs & Appliances	$1,090	1.19%	$68.13
Management Fee *	$20,001	21.76%	$1,250.06
Insurance	$6,228	6.78%	$389.25
Real Estate Tax	$7,000	7.62%	$437.50
Utilities	$8,635	9.40%	$539.71
Other Expenses	$820	0.89%	$51.28
Total Expenses	**$55,349**	**60.22%**	**$3,459.33**
Net Operating Income	**$36,563**		

* The Management Fee incurred in the last 12 months greatly exceeds the normal averages in the area. The current ownership structure charges themselves a "1st Party Management Fee" as they owner manage. Typically, market rates for 'Management Fees' range in the 8% to 9% range including lease up fees which is a very common rate with 3rd Party Management groups. The property's size and location does not warrant a >21% management expense.

Property Pro-Forma – Market Rents (Middle End)

2729 Campbell (16 Units) - Pro-Forma Unit Mix (Market Rents)					
# of Units	Unit Type	Unit(s) SF	Unit(s) Rent	Total Monthly Rent	Unit(s) Yearly Rent
8	Studio	550 +/-	$595	$4,760	$57,120
8	1 Bd./ 1 Ba.	650 +/-	$675	$5,400	$64,800
16				**$10,160**	**$121,920**

2019 Pro-Forma (Middle-End Finishes; Current Market Rents)			
Gross Potential Income - Market Rents	**$121,920**	**% GSI**	**Expense Per Unit**
Vacancy & Credit Losses	$6,096	5.00%	$381.00
Other Income	$3,600	2.95%	$225.00
Adjusted Gross Income	**$119,424**	**% AGI**	**Expense Per Unit**
Repairs & Maintenance	$11,500	9.63%	$718.75
Cleaning, Lawn, Pest & Snow Removal	$3,000	2.51%	$187.50
Administration & Legal	$400	0.33%	$25.00
Insurance	$5,600	4.69%	$350.00
Real Estate Taxes	$7,000	5.86%	$437.50
Utilities	$11,000	9.21%	$687.50
Management Fee	$9,554	8.00%	$597.12
Replacement Reserves	$3,200	2.68%	$200.00
Total Expenses	**$51,254**	**42.92%**	**$3,203.37**
Net Operating Income	**$68,170**		**$4,260.63**

Property Pro-Forma – Market Rents (High End)

2729 Campbell (16 Units) - Pro-Forma Unit Mix (High-End) *Granite, Stainless Steel Appliances, Central Air, New Fixtures, Washer/Dyer in unit (B+ FINISHES)*					
# of Units	Unit Type	Unit(s) SF	Unit(s) Rent	Total Monthly Rent	Unit(s) Yearly Rent
8	Studio	550 +/-	$675	$5,400	$64,800
8	1 Bd./ 1 Ba.	650 +/-	$795	$6,360	$76,320
16				**$11,760**	**$141,120**

2019 Pro-Forma (High-End Finishes; B+ Market Rents)			
Gross Potential Income - High-End Rents	**$141,120**	**% GSI**	**Per Unit**
Vacancy & Credit Losses	$7,056	5.00%	$441.00
Other Income	$3,600	2.55%	$225.00
Adjusted Gross Income	**$137,664**	**% AGI**	**Per Unit**
Total Expenses (Pro-Forma)	**$51,200**	**37.19%**	**$3,200.00**
Net Operating Income	**$86,464**		**$5,404.00**

Sources of Information

This offering memorandum was prepared by the Broker solely for the use of perspective purchasers of the property. Neither the Owner nor Broker makes any representation or warranty as to the completeness or the accuracy of the material contained in this offering memorandum. All information is based on surveys, public records and old appraisals. The financial summary includes assumptions, which represent a projection of future events and assumptions which may or may not occur. Absolutely no tax or legal advice is being implied or given. These projections may not and should not be relied upon to indicate results, which might be obtained. Income collected and expenses incurred will vary depending upon the type of management employed. Therefore, all information provided is solely for the purpose of permitting parties to determine whether or not the property is of such type and general character as might interest them in this purchase, and Reece Commercial/KCCommercial.net makes no warranty as to the accuracy of such information. Interested persons are expected to acquaint themselves with the property and arrive at their own conclusions as to physical condition, number and occupancy of revenue producing units, estimates of operating costs, tax matters, and any factor having to do with the valuation of property. All information outlined in this offering memorandum was obtained from a number of sources, including but not limited to the following:

- The Jackson County Assessor's Office and online databases
- The City of Kansas City, Missouri
- Loopnet, CoStar, and Multiple Listing Services (MLS)
- Market participants and property managers familiar with the market area
- Public records, surveys, and appraisals

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