

EXCLUSIVE MULTI-FAMILY OFFERING

16 W. 37TH STREET | KANSAS CITY, MO 64111 | 12 UNITS | HANOVER PLACE | MAIN STREET LOCATION

16 W. 37TH OFFERING MEMORANDUM

MARKETED BY : BRICE BRADSHAW

PROPERTY DETAILS : 12 UNITS — ALL STUDIOS

NEARBY : MAIN STREET, WESTPORT & PLEXPOD

PRICE : MARKET

YEAR BUILT : 1925



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The property at 16 W. 37th is a stately low-rise apartment complex located right off Main Street in the Midtown area of Kansas City, Missouri. Built in 1925, the complex stands 3-stories with a brick exterior and features gated front entry, as well as secured rear entry via the back stairwell. The back stairwell can be accessed from the common area hallways on each level. 16 W. 37th is comprised of 12 studio units, all of which have an approximate unit size of 425 sq. ft. (+/-). All units at the complex featured open floorplans with hardwood floors (main area), vinyl (kitchens/bathrooms), window units, built-in kitchen pantries, tub/shower, ovens/ranges, and refrigerators. 4 studio units feature brand new hardwoods and another 2 units hardwoods have been refinished. Most of the units at the complex possess ceiling fans and all have Google Fiber. The property has common hot water (paid by landlord) and is separately metered for gas and electric (paid by tenant).

Plans of the new streetcar expansion have driven growth and redevelopment in the area around Main Street. In the Spring of 2018, Exact Partners announced they would be redeveloping the historic Hawthorne Hotel, built in 1928 at 3835 Main St. The former 11-story hotel will be redeveloped into 118 lofts with hotel-style amenities. The complex is projected to be completed in early 2020 and will go by The Netherlands. Additionally, the same group has proposed the redevelopment of the neighboring building to The Netherlands, Monarch. The group's proposal includes a 60-room hotel above the commercial space with a projected completion date of 2020. The property's location right off Main Street, near the soon to be completed streetcar expansion in Midtown, provides a strong pool of qualified tenants.

16 W. 37th is situated only several blocks from the new Plexpod Campus (old Westport Middle School) and has a close proximity to Westport, the Country Club Plaza, Kansas City's Central Commerce Corridor, KCAI, the Nelson-Atkins Museum, Saint Luke's Hospital and KU Medical. The property is well positioned for new owners to continue unit by unit updates and further increase rents. Minor updates to kitchens and bathrooms along with the addition of washers/dryers to units would result in higher rents. Updates to the "existing" storage lockers in the basement could also allow for other income opportunities, as storage is at a premium for studio units.

OFFERING & PROPERTY SUMMARY

Asking Price	MARKET
Terms	Free & Clear
Address	16 W. 37 th Street Kansas City, MO 64111
County	Jackson County
Neighborhood	Hanover Place
Zoning	R-6
Year Built/Rehab	1925/early 2000's
Occupancy	100%
Construction/Exterior	Low-Rise Complex, Brick (exterior), Stone/Masonry (Construction) and Flat Roof
Site Size	3,837.42 sq. ft. or 0.09 acres (Jackson County)
Net Rentable Area	5,100 sq. ft. (+/-)
Stories	3
Units	12
Studio Units	12
Average Studio Size	425 sq. ft. (+/-)
Average Studio Rent	\$580

UNIT & UTILITIES SUMMARY

Metering	Separate Gas & Electric
Heat	Forced Air Gas
A/C	Window Units
Hot Water	Common (Gas)
Entry	Gated Front Secured & Rear Secured Entry
Internet	Available Google Fiber
Tenant Charges	Electric & Gas
Landlord Charges	Hot Water
Basement	Space for potential additional storage
Flooring	Hardwoods (4 brand new/2 refinished)
Kitchens	Vinyl, built-in pantry, oven & refrigerator
Bathrooms	Vinyl, tub/shower & vanity
Fixtures	Ceiling Fans in most units







Neighborhood & Submarket Summary

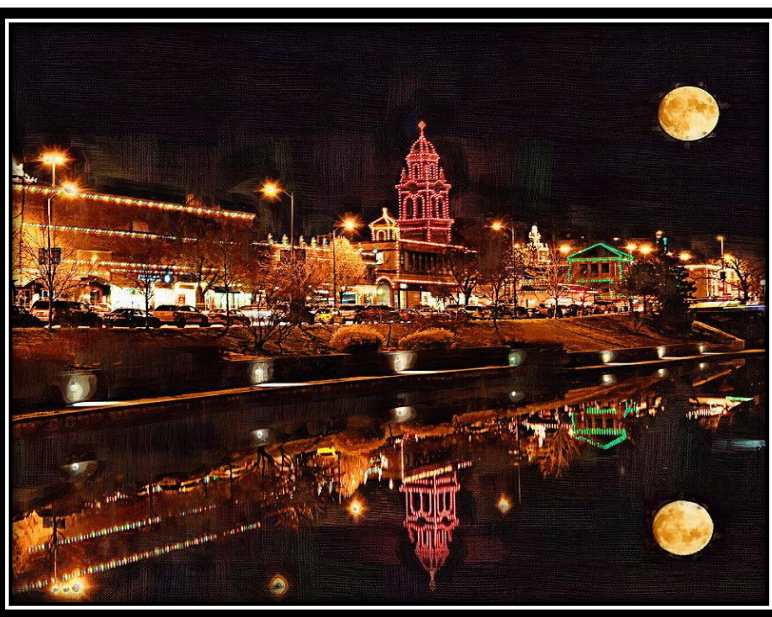
The 12 units at 16 W. 37th are located just a few blocks east of the famed Uptown Theater near Westport in the Midtown area of Hyde Park in Kansas City, Missouri. Hyde Park is a vibrant residential/commercial community where businesses, neighborhoods and institutions reinforce one another. Located just north of Westport, 16 W. 37th is situated in the neighborhood of Hanover Place, a subdivision of the Hyde Park area. It is inhabited by nearly 2,500 residents, 1,400 homes and 200 businesses. Broad streets, soaring trees and a selection of exceptional coffee shops, theaters and stores make the neighborhood ideal for residents who prefer the quieter side of town. Home to some of the oldest buildings in the city, Hyde Park's storied history combined with its thriving arts and entertainment movement attracts lifelong residents. The convenience of its close proximity to the Crossroads, Country Club Plaza, and Westport make Hanover Place an ideal location. The Sustainable Development Partners Kansas City have recently announced its partnership with Plexpod to develop the world's largest co-working facility at the Westport Commons (previously Westport Middle School) two blocks south of the subject property. Development of the entrepreneurial center has completed and the facility encompasses a next-gen workspace for entrepreneurs, start-ups, and growth stage companies of all sizes. The Crossroads Art District, located north of the property, is Kansas City's diverse enclave of creative businesses, boutique shops, unique restaurants, studios and art galleries. The Country Club Plaza is Kansas City's premier retail, dining and entertainment destination. The Country Club Plaza, inspired by Spanish Architecture, was first established in 1922 and remains a highly sought after residential and commercial location. The Country Club Plaza is the south border of Kansas City's commerce corridor which extends through Midtown north to Downtown Kansas City. 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. Warwick Plaza is just minutes away from the Nelson-Atkins Museum of Art, the Kemper Museum of Modern Art, the Kansas City Art Institute, and the James C. Olson Performing Arts Center at UMKC. The complex is ideally situated only minutes from Downtown, the Westport Entertainment District, St. Luke's Hospital, Crown Center, Union Station, the IRS office complex, the University of Kansas Medical Center, Children's Mercy Hospital, Truman Medical 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, Nursing, Pharmacy and Medicine. Rental demand is very strong and quite stable near the Country Club Plaza and Westport due to the high quality of life and area amenities.



16 W. 37TH ST. | 12 UNITS



COUNTRY CLUB PLAZA



16 W. 37TH ST. | 12 UNITS



UNIVERSITY OF MISSOURI-KANSAS CITY



STOWERS INSTITUTE



AMERICAN CENTURY
TOWERS

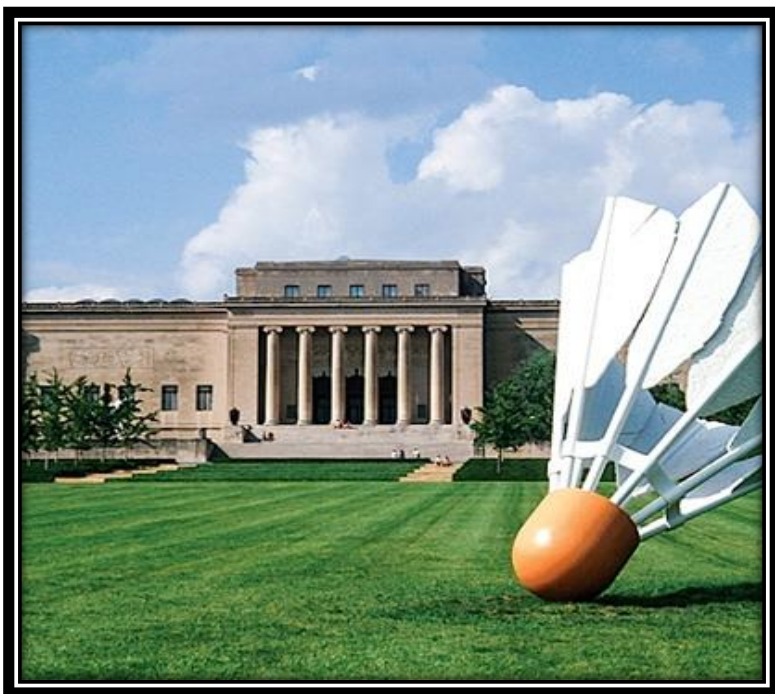
16 W. 37TH ST. | 12 UNITS



UNIVERSITY OF KANSAS MEDICAL CENTER



ST. LUKE'S HOSPITAL – KANSAS CITY



NELSON ATKINS MUSEUM



OLD WESTPORT



KEMPER MUSEUM



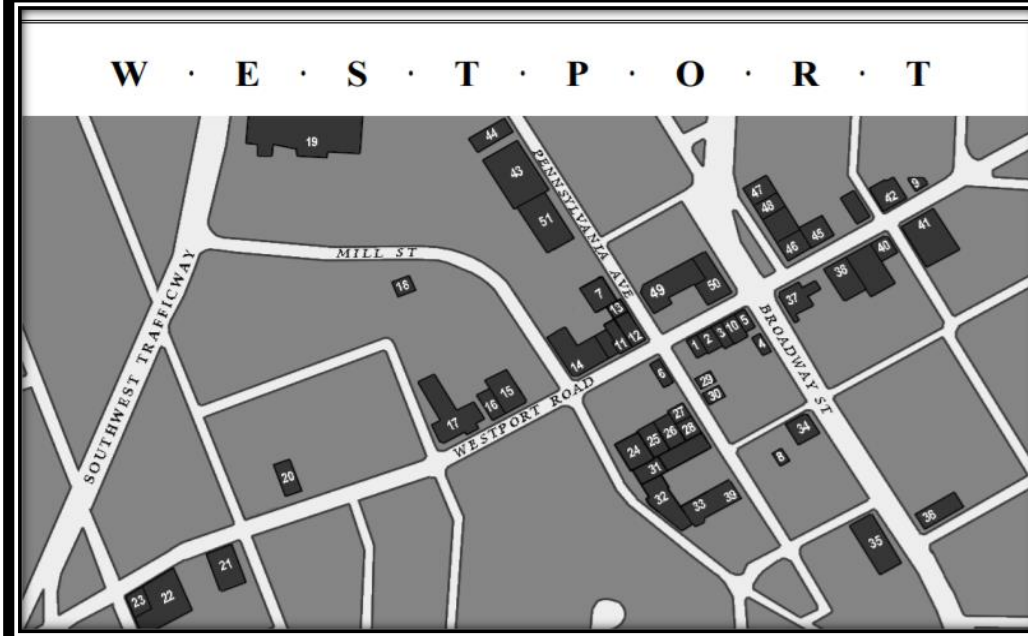
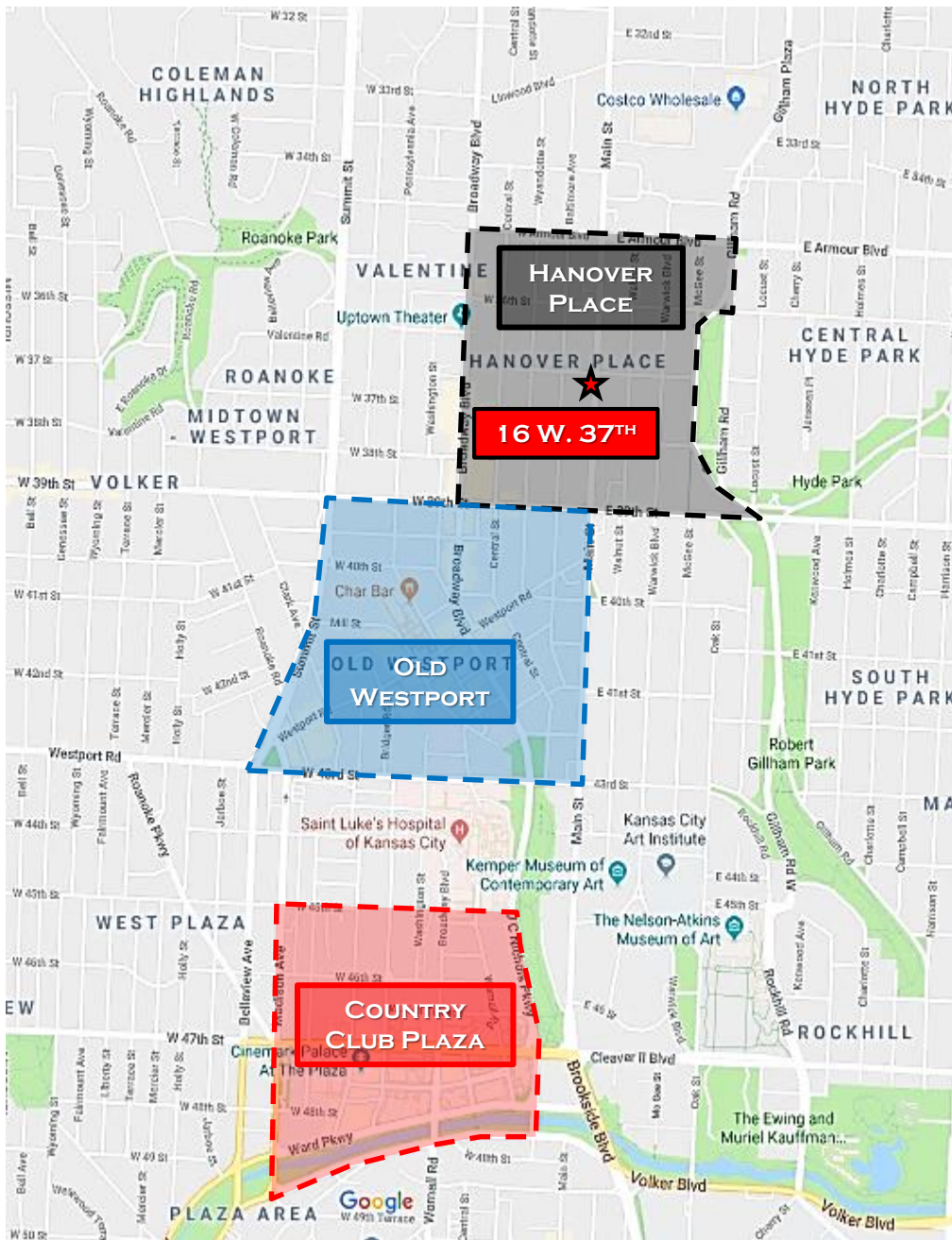
KANSAS CITY ART
INSTITUTE

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.



1. JERUSALEM CAFÉ
2. MATSU
3. BLAYNEY'S
4. BROADWAY CAFÉ
5. STARBUCK'S COFFEE
6. HARRY'S BAR & TABLES
7. TIZER'S
8. MESA WRAPS
9. MARIO'S IN WESTPORT
10. CHINA ONE EXPRESS
11. JOHNNY DARE'S
12. KELLY'S WESTPORT INN
13. JOE'S PIZZA BUY THE SLICE
14. AMERICA'S PUB
15. CHILI'S
16. FUJI
17. QUARTERAGE HOTEL
18. BOSTON MARKET
19. SUNFRESH
20. NAPOLEON BAKERY
21. HOLIDAY INN EXPRESS
22. WESTPORT FLEA MARKET
23. SPIVIE'S BOOKS
24. PANERA BREAD
25. CACTUS CAFÉ
26. BUZZARD BEACH

27. FIDEL'S
28. TORRE'S PIZZA
29. HARPO'S
30. TEA DROPS
31. MURRAY'S ICE CREAM
32. CALIFORNO'S
33. RE-RUNS
34. STREETSIDE RECORDS
35. THE MUSIC EXCHANGE
36. GOJO'S
37. BANK OF AMERICA
38. LOMAVISTA
39. THAI PLACE
40. BROADWAY ROASTING COMPANY
41. ARIZONA TRADING COMPANY
42. VIDEO MANIA
43. WESTPORT BEACH CLUB
44. WESTPORT COFFEE HOUSE
45. DAVE'S STAGE COACH
46. THE CORNER
47. FREAKS TATTOO
48. ZOWIE!
49. MCCOY'S PUBLIC HOUSE
50. THE HURRICANE
51. BEAUMONT CLUB





16 W. 37th Street - 12 Studios - Current Rent Roll						
Unit #	Unit Type	Unit SF	Market Rent	Rent	Annual Rent	Rent Per SF
1	Studio	425 +/-	\$625	\$520	\$6,240	\$1.22
2	Studio	425 +/-	\$625	\$595	\$7,140	\$1.40
3	Studio	425 +/-	\$625	\$500	\$6,000	\$1.18
4	Studio	425 +/-	\$625	\$595	\$7,140	\$1.40
5	Studio	425 +/-	\$625	\$625	\$7,500	\$1.47
6	Studio	425 +/-	\$625	\$625	\$7,500	\$1.47
7	Studio	425 +/-	\$625	\$625	\$7,500	\$1.47
8	Studio	425 +/-	\$625	\$625	\$7,500	\$1.47
9	Studio	425 +/-	\$625	\$525	\$6,300	\$1.24
10	Studio	425 +/-	\$625	\$520	\$6,240	\$1.22
11	Studio	425 +/-	\$625	\$625	\$7,500	\$1.47
12	Studio	425 +/-	\$625	\$575	\$6,900	\$1.35
12		5,100 +/-	\$7,500	\$6,955	\$83,460	\$1.36

16 W. 37th Street - 12 Studios - Current Unit Mix						
# of Units	Unit Type	Unit SF	Rent	Monthly Rent	Annual Rent	Rent Per SF
5	Studio	425 +/-	\$625	\$3,125	\$37,500	\$1.47
2	Studio	425 +/-	\$595	\$1,190	\$14,280	\$1.40
2	Studio	425 +/-	\$520	\$1,040	\$12,480	\$1.22
1	Studio	425 +/-	\$575	\$575	\$6,900	\$1.35
1	Studio	425 +/-	\$525	\$525	\$6,300	\$1.24
1	Studio	425 +/-	\$500	\$500	\$6,000	\$1.18
12				\$6,955	\$83,460	\$1.36

Current Financial Performance - YTD P&L through August 2019 - Annualized			
Adjusted Gross Income	\$72,515	% AGI	Expense Per Unit
Repairs & Maintenance	\$10,000	13.79%	\$833.33
Utilities	\$7,500	10.34%	\$625.00
Management	\$6,110	8.43%	\$509.13
Insurance (2018)	\$2,762	3.81%	\$230.17
Property Tax (2019 Projected)	\$2,600	3.59%	\$216.67
Total Expenses	\$28,972	39.95%	\$2,414.29
Net Operating Income	\$43,543		\$3,628.58

The financial breakdown above encompasses the YTD financial performance from January 2019 to August 2019. We annualized the current 2019 revenues and expenses based on the owner reported statements. The property is owner-managed and without off-street parking, major green areas/common areas or laundry, resulting in minimal cost for lawn, landscaping and snow removal. For our financial breakdown, we included the projected 2019 tax amount post assessment as well as 2018 insurance .

16 W. 37th Street - 12 Studios - Current Unit Mix						
# of Units	Unit Type	Unit SF	Rent	Monthly Rent	Annual Rent	Rent Per SF
5	Studio	425 +/-	\$625	\$3,125	\$37,500	\$1.47
2	Studio	425 +/-	\$595	\$1,190	\$14,280	\$1.40
2	Studio	425 +/-	\$520	\$1,040	\$12,480	\$1.22
1	Studio	425 +/-	\$575	\$575	\$6,900	\$1.35
1	Studio	425 +/-	\$525	\$525	\$6,300	\$1.24
1	Studio	425 +/-	\$500	\$500	\$6,000	\$1.18
12				\$6,955	\$83,460	\$1.36

16 W. 37th Street - Property Pro-Forma - In-Place Currents Rents Annualized			
Gross Potential Income - Current Rents	\$83,460	% GPI	Per Unit
Vacancy & Credit Losses	\$5,008	6.00%	\$417.30
Other Income	\$900	1.08%	\$75.00
Adjusted Gross Income	\$79,352	% AGI	Per Unit
Administrative & Legal	\$500	0.63%	\$41.67
Repairs & Maintenance	\$9,000	11.34%	\$750.00
Cleaning, Lawn and Snow Removal	\$3,000	3.78%	\$250.00
Management	\$7,142	9.00%	\$595.14
Insurance	\$4,000	5.04%	\$333.33
Property Tax (2019 Projected)	\$2,600	3.28%	\$216.67
Utilities	\$8,100	10.21%	\$675.00
Replacement Reserves	\$1,800	2.27%	\$150.00
Total Expenses	\$36,142	45.55%	\$3,011.81
Net Operating Income	\$43,211		\$3,600.89

The pro-forma above assumes full occupancy at the current rental rates being achieved in the unit mix at the top. We used a fixed 6% for 'Vacancy & Credit Losses' and 9% for the 'Management Fee'. We increased taxes from the previous year to account for the new assessments. For our CAP rate calculations, we added replacement reserves of \$150 per unit to account for expenditures. The property is well positioned for new owners to continue updates and increase rents. Minor updates to kitchens, bathrooms, fixtures, and installation of washers/dryers in all units would result in higher rents.

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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