

THE KENWOOD APARTMENTS

OFFERING MEMORANDUM



COMPASS REALTY GROUP

THE KENWOOD APARTMENTS

3909 KENWOOD AVENUE | KANSAS CITY, MO 64110 | 13 UNITS | VALUE-ADD | 1966 | UNPRICED



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PROPERTY DESCRIPTION

The Kenwood Apartments are a 13-unit apartment complex located in the South Hyde Park neighborhood of Kansas City, Missouri. Built in 1966, the building stands 2.5 stories with a brick exterior in excellent location across from Gillham Park with views of the new Westport Plexpod. The property provides 10 off-street parking spaces at the rear as well as ample on-street parking (parking available on both sides of Kenwood). Neighboring the property directly to the south are three newly constructed duplexes (2019) with rents exceeding \$2,200/unit. Tenants have access to laundry machines in the basement as well as private storage lockers. The building is separately metered for gas and electric and has common hot water (multiple tanks in sequence). Tenants are responsible for gas and electric while landlord pays water & trash.

3909 Kenwood has a great unit mix consisting of 6 two-bedroom units, 4 one-bedroom units, 2 studio units and 1 three-bedroom unit. There are multiple floorplans for the units including a 2-story one-bedroom unit. Units feature solid layouts with central air, vinyl/carpet flooring, private balconies/patios, separate dining rooms, ample closet space, scenic views and excellent natural lighting. New ownership can add value by remodeling kitchens & bathrooms, installing washer/dryer in all units and raising rents to market rates, or continue to manage the property as-is with small incremental improvements as Kenwood is currently under-rented in its current condition. The property is currently 69% occupied and current ownership has chosen to leave the units vacant to allow for maximum flexibility to prospective purchasers. There is excellent 3rd party management available and in place at this property.

The neighborhood hosts sought after schools, such as the Academie Lafayette Cherry Street campus and Notre Dame de Sion, as well as numerous historic churches and businesses. Its location near the new street-car expansion line will continue to drive further development around the subject property. The complex is north of the University of Missouri-Kansas City's main campus and east of the Kansas City Art Institute. Hyde Park's close proximity to attractions like the state-of-the-art Nelson Atkins Museum of Art, the Country Club Plaza, and the Kemper Museum of Contemporary Art make it a draw for tenants seeking a sense of history amongst urban life.

OFFERING & PROPERTY SUMMARY	
ASKING PRICE	MARKET
TERMS	Free & Clear
ADDRESS	3909 Kenwood Avenue Kansas City, MO 64110
COUNTY	Jackson County
NEIGHBORHOOD	South Hyde Park
ZONING	R-1.5
YEAR BUILT	1966
# OF BUILDINGS	1
CONSTRUCTION/EXTERIOR	Brick Exteriors Wood Frame Flat Roof
SITE SIZE	0.299 acres or 13,010 sf (County)
NET RENTABLE AREA	10,450 sq. ft. (+/-)
STORIES	2.5
OCCUPANCY	69%
UNITS	13
3 BEDROOM 1.5 BATHROOM	1
AVERAGE UNIT SIZE	1,000 sq. ft. (+/-)
AVERAGE UNIT RENT	\$595
2 BEDROOM 1 BATHROOM	6
AVERAGE UNIT SIZE	950 sq. ft. (+/-)
AVERAGE UNIT RENT	\$685
1 BEDROOM 1 BATHROOM	4
AVERAGE UNIT SIZE	700 sq. ft. (+/-)
AVERAGE UNIT RENT	\$611
STUDIO UNITS	2
AVERAGE UNIT SIZE	475 sq. ft. (+/-)
AVERAGE UNIT RENT	\$577
UTILITIES & AMENITIES SUMMARY	
METERING	Separately metered (Gas/Electric)
LAUNDRY	Basement On-Site Laundry (multiple machines)
A/C	Central Air
HOT WATER	Common Hot Water (multiple tanks in sequence)
UTILITIES	Tenants pay for electric/gas; Landlord pays water/trash
PARKING	10 off-street parking spaces at rear
STORAGE	Individual Storage Lockers in Basement



PROPERTY HIGHLIGHTS

- ❖ 13 UNIT BUILDING
- ❖ 10 OFF-STREET PARKING SPACES
- ❖ ON-SITE LAUNDRY & STORAGE LOCKERS
- ❖ SEPARATELY METERED GAS/ELECTRIC
- ❖ EXCELLENT LOCATION IN HEART OF MIDTOWN NEAR KC STREETCAR EXPANSION
- ❖ ACROSS STREET FROM GILLHAM PARK WITH VIEWS OF WESTPORT PLEXPOD
- ❖ RARE VALUE-ADD OPPORTUNITY IN HYDE PARK
- ❖ EXCELLENT LOCATION NEIGHBORING 3 NEW CONSTRUCTION DUPLEXES

UNIT HIGHLIGHTS

- ❖ STUDIOS, 1BR, 2BR & 3BR UNITS
- ❖ BALCONIES/PATIOS
- ❖ CENTRAL AIR
- ❖ VINYL PLANK & CARPET FLOORING
- ❖ LARGE CLOSET SPACES
- ❖ DINING ROOM
- ❖ SCENIC VIEWS
- ❖ EXCELLENT NATURAL LIGHTING



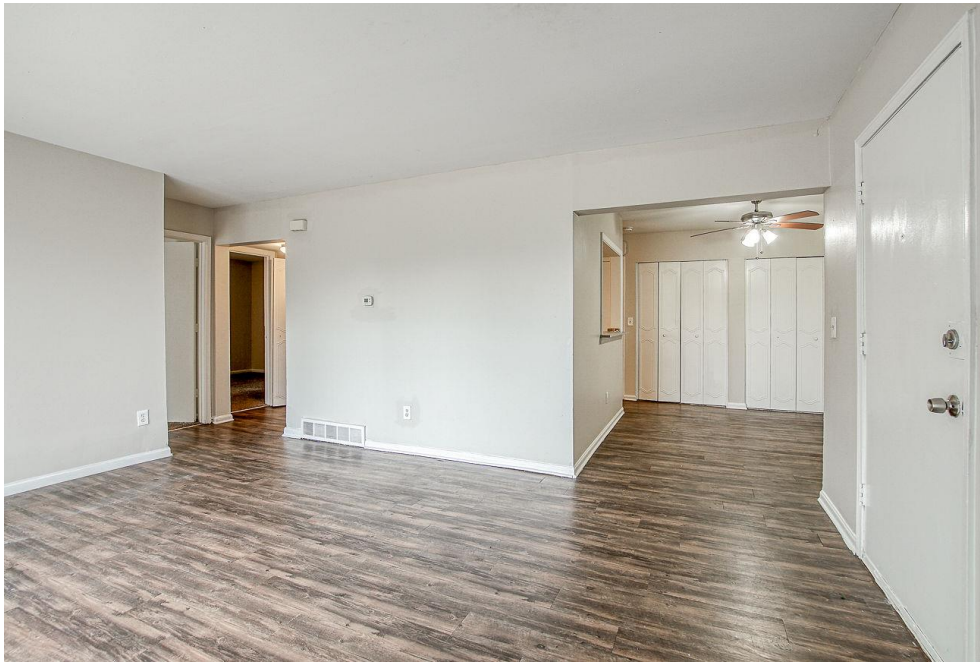
THE VALUE-ADD OPPORTUNITY

POTENTIAL SCOPE OF WORK - EXTERIORS

- ❖ MANSARD
- ❖ ROOF
- ❖ GUTTERS/DOWNSPOUTS
- ❖ EXTERIOR PAINTING
- ❖ DECKS
- ❖ CONCRETE WORK
- ❖ ASPHALT OVERLAY
- ❖ WINDOWS/SLIDERS
- ❖ LED LIGHTING

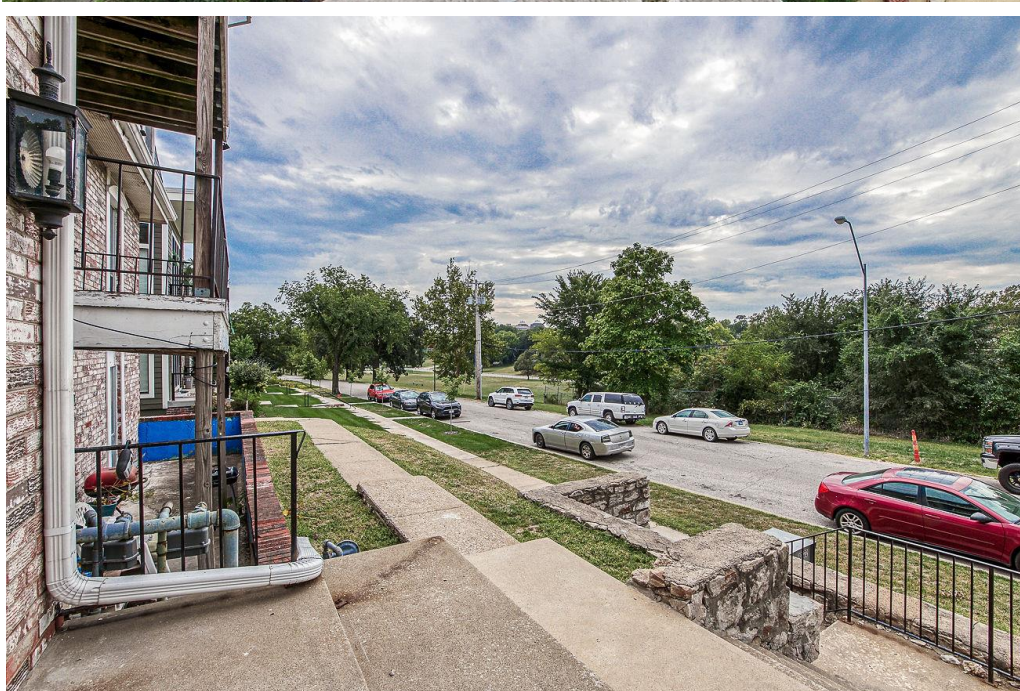
POTENTIAL SCOPE OF WORK - INTERIORS

- ❖ UPDATED KITCHENS/BATHS
- ❖ NEW APPLIANCES
- ❖ INSTALLATION OF WASHER/DRYER TO UNITS
- ❖ NEW FLOORING
- ❖ NEW FIXTURES
- ❖ NEW HVAC AS NEEDED





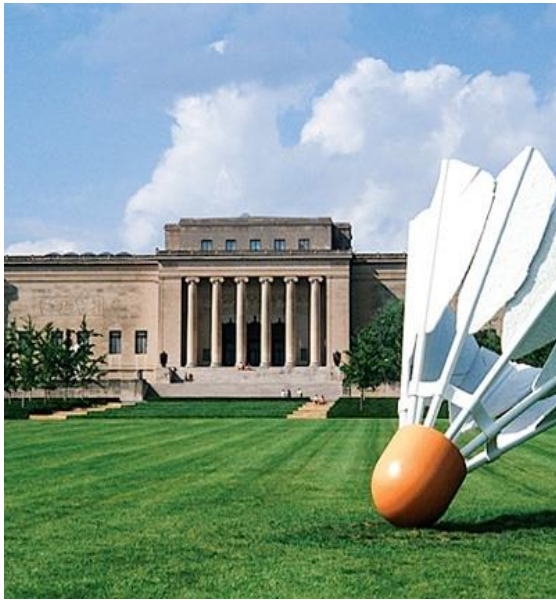




The Kenwood Apartments are located just a few blocks east of the new Westport Plexpod in one of Kansas City's oldest neighborhoods, South Hyde Park. Residents delight in the neighborhoods historic charm just as much as its vibrant atmosphere. Hyde Park is a vibrant residential/commercial community where businesses, neighborhoods and institutions reinforce one another. 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 Downtown, Country Club Plaza, and Westport makes South Hyde Park an ideal neighborhood with an easy commute to many of KC's most desirable areas. The Sustainable Development Partners Kansas City have partnered with Plexpod to develop the world's largest co-working facility at the Westport Commons (previously Westport Middle School) a couple blocks east of the complex. The facility encompasses a next-gen workspace for entrepreneurs, start-ups, and growth stage companies of all sizes. Additionally, the planned 3.5-mile extension of Kansas City's streetcar down Main Street continues to drive investors/residents to the area.

The Country Club Plaza, located just west of Hyde Park, 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. The complex 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. Westport has a close proximity to 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, 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. Midtown development has continued to thrive with new apartments, offices, restaurants and stores opening even amid the coronavirus pandemic. The area has an abundance of financially well-qualified tenants and is highly desirable due to the location.





NELSON-ATKINS MUSEUM



AMERICAN CENTURY TOWERS



KANSAS CITY ART INSTITUTE



WESTPORT PLEXPOD



UNIVERSITY OF MISSOURI-KANSAS CITY



MARTINI CORNER



COUNTRY CLUB PLAZA



WESTPORT DISTRICT



UNION STATION



ST LUKE'S HOSPITAL OF KC

Known as the City of Fountains, Kansas City is home to more than 2 million people, divided north to south by the Kansas and Missouri border.

- The Huffington Post named Kansas City the “Coolest City in America” and called it the #1 affordable getaway.
- U.S. News and World Report analyzed 100 American cities to survey the best places to live, based on quality of life and the job market. Kansas City came in at #49 and continues to gain attention as a centralized hub for high-tech, innovation, arts and lifestyle.
- Forbes ranked Kansas City the 3rd best city for renters due to investor interest, while also declaring Kansas City to have the best “rental affordability” among its list of 46 cities.
- WalletHub reaffirmed Forbes lofty ranking by putting Kansas City in its Top 50 for “Best Real-Estate Markets.”
- In its list of “America's Favorite Places,” Travel and Leisure magazine readers voted Kansas City #24.

CULTURE

Among other things, Kansas City is famous for its barbeque and musical heritage. A premier jazz city since the 1930's, Kansas City is the birthplace of Bennie Moten and Charlie “Bird” Parker and the stomping grounds for Count Basie and countless others.

The history of the city's music and arts scene 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 has been named the best museum in the USA by both USA Today and Yelp. Additionally, Yelp's #5 best museum in the country is the National WWII Museum & Memorial, the only national WWII museum.

SPORTS

Kansas City is home to national championship-winning NFL, MLB and Major League Soccer teams: the Kansas City Chiefs, Royals and Sporting KC. Kansas City is home to NASCAR's Kansas Speedway, the College Basketball Hall of Fame and boasts several of the finest golf courses in the U.S. For additional entertainment, Kansas City offers Worlds of Fun, Oceans of Fun and the Great Wolf Lodge as well as premier shopping areas like the Country Club Plaza and the Legends Shopping Center in the Village West area of town.

EDUCATION

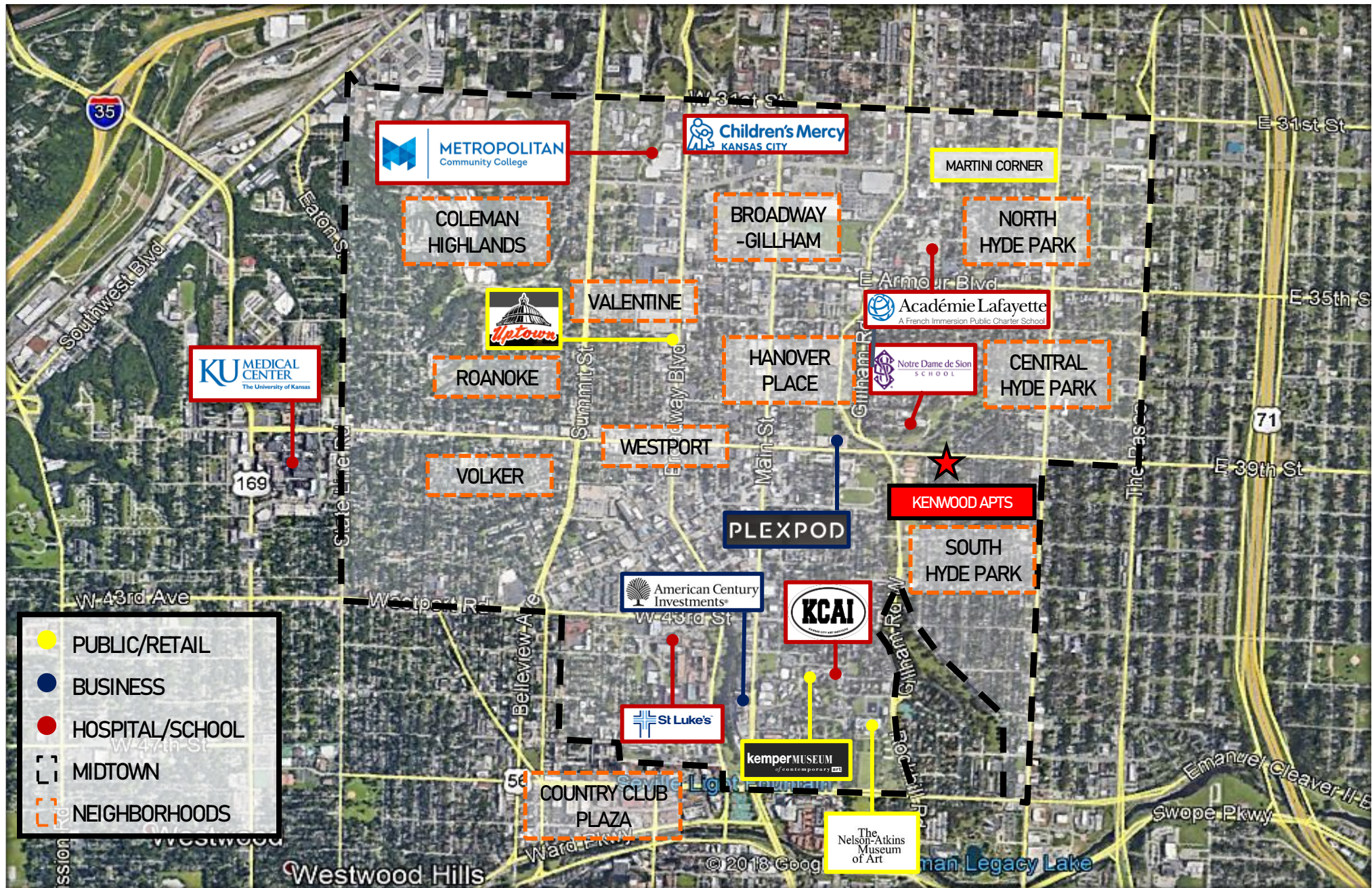
Education is an important part of the Kansas City landscape, which features top-ranked private and public schools and an array of choices in the field of higher education. The city is home to major colleges and universities, like the University of Kansas, KU Medical Center, University of Missouri Kansas City and Rockhurst University, along with many others. The Kansas City area also includes three of the Top 10 Public School Districts in the nation.

BUSINESS

The Kansas City area is home to major companies like Hallmark Cards, H&R Block, Black & Veatch, Garmin, Seaboard, DST Systems and Russell Stovers. Kansas City is the epicenter of an ever-expanding biotechnology industry, including the Stowers Institute for Medical Research, the Kansas Life Sciences Innovation Center, the Biotechnology Development Center, XenoTech and Proteon Therapeutics. It's also home to a myriad of top medical centers and hospitals, including the University of Kansas, KU Cancer Center, Saint Luke's, Children's Mercy, Olathe and Overland Park Regional Medical Centers (just to name six).

The General Motors Fairfax facility in Kansas City, Kansas is ranked as the most productive auto assembly plant in North America. The Ford Motor assembly plant in Kansas City builds the popular F-150 pickup truck and the Hybrid, Ford Escape. Kansas City is the second largest railroad hub in the nation in both volume and tonnage. The area is also home to YRC Worldwide, the largest trucking company in the nation.

In short, Kansas City has increasingly become the place to be for high-tech business, quality education, vibrant arts, entertainment and lifestyle. Kansas City is the beating heart of America.



SEPTEMBER 2022 RENT ROLL

UNIT #	UNIT TYPE	UNIT SF	RENT	ANNUAL RENT	RENT PER SF
3909-1	2x1	950 +/-			
3909-2	2x1	950 +/-	\$645	\$7,740	\$0.68
3909-11	2x1	950 +/-	\$725	\$8,700	\$0.76
3909-12	2x1	950 +/-			
3909-14	studio	475 +/-	\$530	\$6,360	\$1.12
3909-15	1x1	700 +/-	\$625	\$7,500	\$0.89
3909-16	1x1	700 +/-	\$610	\$7,320	\$0.87
3909-17	1x1	700 +/-	\$600	\$7,200	\$0.86
3909-21	2x1	950 +/-		\$0	
3909-22	2x1	950 +/-		\$0	
3909-23	studio	475 +/-	\$625	\$7,500	\$1.32
3909-24	3x1.5	1000 +/-	\$595	\$7,140	\$0.60
3909-25	1x1	700 +/-	\$610	\$7,320	\$0.87
13		10,450 +/-	\$5,565	\$66,780	\$0.88

JUNE 2022 T12 PERFORMANCE

RENTAL INCOME	\$92,424	% RI	PER UNIT
OTHER INCOME	\$3,322	3.59%	\$255.51
ADJUSTED GROSS INCOME	\$95,746	% AGI	PER UNIT
ADMIN EXPENSE	\$2,577	2.69%	\$198.19
MANAGEMENT	\$4,777	4.99%	\$367.50
UTILITIES	\$16,628	17.37%	\$1,279.09
MAINTENANCE	\$14,860	15.52%	\$1,143.07
CLEANING, LAWN & SNOW REMOVAL	\$3,556	3.71%	\$273.53
INSURANCE	\$6,500	6.79%	\$500.00
PROPERTY TAX	\$7,274	7.60%	\$559.52
MAKE-READY EXPENSE	\$3,485	3.64%	\$268.05
TOTAL EXPENSES	\$59,656	62.31%	\$4,588.95
NET OPERATING INCOME	\$36,089		

PRO-FORMA RENT ROLL

UNIT #	UNIT TYPE	UNIT SF	MKT RENT	ANNUAL RENT	RENT PER SF
3909-1	2x1	950 +/-	\$1,195	\$14,340	\$1.26
3909-2	2x1	950 +/-	\$1,195	\$14,340	\$1.26
3909-11	2x1	950 +/-	\$1,195	\$14,340	\$1.26
3909-12	2x1	950 +/-	\$1,195	\$14,340	\$1.26
3909-14	studio	475 +/-	\$850	\$10,200	\$1.79
3909-15	1x1	700 +/-	\$995	\$11,940	\$1.42
3909-16	1x1	700 +/-	\$995	\$11,940	\$1.42
3909-17	1x1	700 +/-	\$995	\$11,940	\$1.42
3909-21	2x1	950 +/-	\$1,195	\$14,340	\$1.26
3909-22	2x1	950 +/-	\$1,195	\$14,340	\$1.26
3909-23	studio	475 +/-	\$850	\$10,200	\$1.79
3909-24	3x1.5	1000 +/-	\$1,295	\$15,540	\$1.30
3909-25	1x1	700 +/-	\$995	\$11,940	\$1.42
13		10,450 +/-	\$14,145	\$169,740	\$1.39

PROPERTY PRO-FORMA

GROSS POTENTIAL INCOME (mkt rents)	\$169,740	% GPI	PER UNIT
VACANCY & CREDIT LOSSES	\$8,487	5.00%	\$653
OTHER INCOME	\$2,600	1.53%	\$200
ADJUSTED GROSS INCOME	\$163,853	% AGI	PER UNIT
ADMIN EXPENSE	\$500	0.31%	\$38
MANAGEMENT	\$13,928	8.50%	\$1,071
UTILITIES	\$12,000	7.32%	\$923
MAINTENANCE	\$9,750	5.95%	\$750
CLEANING, LAWN & SNOW REMOVAL	\$5,200	3.17%	\$400
INSURANCE	\$7,000	4.27%	\$538
PROPERTY TAX	\$8,800	5.37%	\$677
REPLACEMENT RESERVES	\$3,250	1.98%	\$250
TOTAL EXPENSES	\$60,428	36.88%	\$4,648.27
NET OPERATING INCOME	\$103,425		

THE PROPERTY PRO-FORMA ABOVE ASSUMES SIGNIFICANT RENOVATIONS INCLUDING EXTENSIVE UNIT UPDATES, THE ADDITION OF WASHER/DRYER IN UNIT & EXTENSIVE EXTERIOR IMPROVEMENTS. WE INCLUDED REPLACEMENT RESERVES OF \$250/UNIT TO ACCOUNT FOR EXPENDITURES IN OUR PRO-FORMA

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 Compass Realty Group/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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