EXCLUSIVE MULTIFAMILY OFFERING

912-914 E. 39TH STREET | KANSAS CITY, MO 64109 | 6 UNITS | RECENTLY RENOVATED UNITS



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Exclusively Marketed by:

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OFFERING & PROPERTY SUMMARY				
Asking Price	\$579,000			
Terms	Free & Clear			
Address	912-914 E. 39th Street Kansas City, MO 64109			
County	Jackson County			
Neighborhood	Central Hyde Park			
Zoning	R-5			
Year Built	1913 (previous appraisal)			
Occupancy	100%			
Construction/Exterior	Garden Low-Rise Complex, Brick (exterior), Stone/Masonry (Construction) and Flat TPO Roof			
Site Size	3,487 sq. ft. or 0.08 acres (previous appraisal)			
Gross Building Area	6,000 sq. ft. (previous appraisal)			
Net Rentable Area	6,000 sq. ft. (+/-)			
Stories	3			
Units	6			
2 Bedroom 1 Bathroom	6			
Average 1 Bedroom Size	1,000 sq. ft. (+/-)			
Average 1 Bedroom Rent	\$895			

	UTILITIES & AMENITIES SUMMARY					
Metering	Separate (All-Electric units)					
Heat	Central					
A/C	Central Air					
Hot Water	Common (Gas)					
Laundry	Stackable Washer/Dryer in units					
Entry	Front & Rear Secured Entry					
Parking	On-street Parking					
Internet	Google Fiber					
Roof	Flat TPO Roofs (Newer as of 2017/2018)					
Tenant Charges	Electric, Gas, \$25 Water Utility RUBS					

Property Summary

The Bermuda apartment complex is a stately garden style, low-rise apartment complex ideally located in the Central Hyde Park neighborhood of Kansas City, Missouri. Built in 1913, the complex stands 3-stories with a brick exterior and features a newer roof (flat TPO), new gutters and downspouts, and updated tuckpointing. The Bermuda is comprised of six 2-Bedroom/1-Bathroom units, all of which have an approximate unit size of 1,000 square feet. All units at the complex feature hardwood and tile flooring, central air/heat, Google Fiber, stackable washer/dryer, ceiling fans, built-in shelves, fully equipped kitchens, and access to the basement. The floorplan consist of a large living/dining area at the entrance with a small sunroom at the front of each unit. The kitchens are located at the rear of the unit and is attached to a small mudroom with a stackable washer/dryer and the door to access the basement via the back stairwell. The bedrooms are on the far side of the units and are connected by the bathroom. All kitchens and bathrooms have tile flooring and most bedrooms are carpeted. The complex is separately metered for electric and has 2 hot water heaters that work in sequence to service all units (gas). Tenants are responsible for electric and gas, while the landlord is responsible for water/sewer/trash. Currently, management has implemented a RUBS utility charge (water) to tenants of \$30 per month.

Back in 2011, the complex underwent a significant rehab, however, there is still potential to add value. Continued unit by unit improvements including updates to the kitchens and bathrooms will allow for higher rents to be achieved. The complexes locations in Hyde Park provides a strong pool of qualified tenants The Bermuda is situated only several blocks off Main Street, near the soon to be completed street car expansion, and just east of the new Plexpod Campus (old Westport Middle School). Its 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 provide the complex with an exceptional rental market.

SITE DESCRIPTION					
ADDRESS	912-914 E. 39 [™] STREET KANSAS CITY, MO 64109				
COUNTY	JACKSON COUNTY				
NEIGHBORHOOD	CENTRAL HYDE PARK				
ZONING	R-5				
STYLE	GARDEN LOW-RISE				
STORIES	3				
# of Units	6				
YEAR BUILT	1913				

PROPERTY & UNIT HIGHLIGHTS
Hardwood, Carpet & Tile Flooring
Central Air
Google Fiber
Large Sun Rooms
Stackable Washer/Dryer (in-unit)
Mud Rooms for Laundry
Built-in Shelves & Original Moldings
Dishwashers & Disposals
Fully Equipped Kitchens
½ Newer Roof (2017)
New Gutters & Downspouts
Recent Updates to Tuckpointing
Front & Rear Secured Entry
Access to basement via units
On-street parking
Separately Metered for Electric
Common Hot Water – Gas (2 Tanks in Sequence)
Potential for Value-Add









LIVING AREA PICTURES

























NEIGHBORHOOD OVERVIEW

Neighborhood & Submarket Summary

The 6 units at the Bermuda are located just a few blocks east of the new Plexpod campus near Westport in the Central Hyde Park neighborhood of Kansas City, Missouri. Central Hyde Park is a vibrant residential/commercial community where businesses, neighborhoods and institutions reinforce one another. Sitting close to the city center, the Central Hyde Park neighborhood is inhabited by nearly 1,600 residents and 900 homes. It is home to some of the oldest buildings in the city and its storied history, combined with its thriving arts and entertainment movement, attracts lifelong residents. The neighborhood boasts a rich history and has a close proximity to parks, shops, restaurants, gastropub, breweries and vibrant nightlife. The convenience of its close proximity to the Crossroads, Country Club Plaza, and Westport make Central Hyde Park 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) several blocks east of the Bermuda. 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 Bermuda, 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. The Bermuda 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 in Hyde Park, near the Country Club Plaza, and in Westport due to the high quality of life and area amenities.





COUNTRY CLUB PLAZA







UNIVERSITY OF MISSOURI-KANSAS CITY



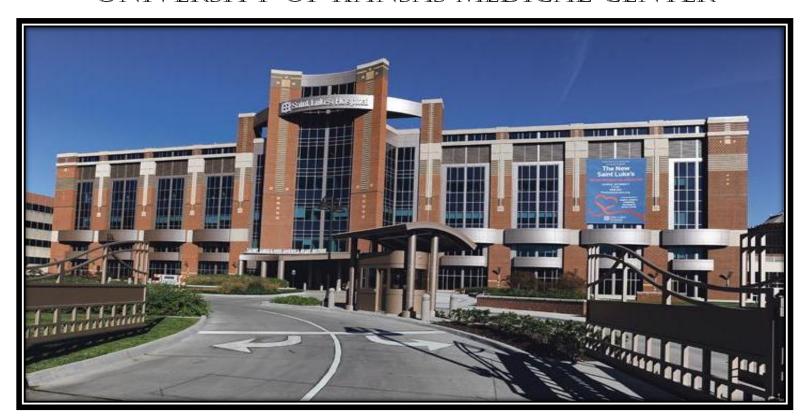
STOWERS INSTITUTE



AMERICAN CENTURY TOWERS



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.



The Bermuda - 912-914 E. 39th (6 Units) - Current Rent Roll							
Unit Type	Unit SF	Market Rent	Rent	Other Charges	Total Rent	Annual Rent	Rent Per SF
2x1	1000 +/-	\$995	\$895	\$25	\$920	\$11,040	\$0.90
2x1	1000 +/-	\$995	\$895	\$35	\$930	\$11,160	\$0.90
2x1	1000 +/-	\$995	\$895	\$25	\$920	\$11,040	\$0.90
2x1	1000 +/-	\$995	\$895	\$45	\$940	\$11,280	\$0.90
2x1	1000 +/-	\$995	\$895	\$35	\$930	\$11,160	\$0.90
2x1	1000 +/-	\$995	\$895	\$25	\$920	\$11,040	\$0.90
	6,000 +/-	\$5,970	\$5,370	\$190	\$5,560	\$66,720	\$0.90

The Bermuda (6 Units) T12 Per	formance (June	e 2018 - M	ay 2019)
Rents Received	\$55,578	% GSI	Per Unit
Other Income (Includes RUBS & Pet Rent)	\$4,164	7.49%	\$693.93
Adjusted Gross Income	\$59,742	% AGI	Per Unit
Repairs & Maintenance	\$5,160	8.64%	\$860.00
Cleaning, Lawn, Pest & Snow Removal	\$3,026	5.07%	\$504.40
Salaries & Payroll	\$3,989	6.68%	\$664.89
Management Fee	\$4,356	7.29%	\$726.02
Marketing & Leasing	\$1,228	2.05%	\$204.59
Insurance	\$2,400	4.02%	\$400.00
Real Estate Tax	\$1,705	2.85%	\$284.24
Utilities	\$6,155	10.30%	\$1,025.81
Unit Turnover	\$2,000	3.35%	\$333.33
Administration	\$299	0.50%	\$49.88
Total Expenses	\$30,319	50.75%	\$5,053.17
Net Operating Income	\$29,423		

The financial breakdown above is the property's trailing 12 actual financial performance through May of 2019. There is approximately \$6,000 of capital expenditures that were included in the T12 P&L statement that have been backed out in our breakdown. These capital expenditures include building repairs, exterior work, turnover expenses, and gutter/downspout work.

The Bermuda - 912-914 E. 39th (6 Units) - Pro-Forma Rent Roll (Market Rents)

Unit Type	Unit SF	Market Rent	Other Charges	Total Rent	Annual Rent	Rent Per SF
2x1	1000 +/-	\$995	\$25	\$1,020	\$12,240	\$1.00
2x1	1000 +/-	\$995	\$25	\$1,020	\$12,240	\$1.00
2x1	1000 +/-	\$995	\$25	\$1,020	\$12,240	\$1.00
2x1	1000 +/-	\$995	\$25	\$1,020	\$12,240	\$1.00
2x1	1000 +/-	\$995	\$25	\$1,020	\$12,240	\$1.00
2x1	1000 +/-	\$995	\$25	\$1,020	\$12,240	\$1.00
	6000 +/-	\$5,970	\$150	\$6,120	\$73,440	\$1.00

The Bermuda (6 Units) Property Pro-Forma (Market Rents in Place)						
Gross Potential Income - Market Rents + Other Charges	\$73,440	% GSI	Per Unit			
Vacancy & Credit Losses	\$3,672	5.00%	\$612.00			
Other Income	\$2,100	2.86%	\$350.00			
Adjusted Gross Income	\$71,868	% AGI	Per Unit			
Repairs & Maintenance	\$5,100	7.10%	\$850.00			
Cleaning, Lawn, Pest & Snow Removal	\$3,000	4.17%	\$500.00			
Management Fee	\$5,749	8.00%	\$958.24			
Insurance	\$2,400	3.34%	\$400.00			
Real Estate Tax	\$2,000	2.78%	\$333.33			
Utilities	\$6,600	9.18%	\$1,100.00			
Replacement Reserves	\$1,500	2.09%	\$250.00			
Total Expenses	\$26,349	36.66%	\$4,391.57			
Net Operating Income	\$45,519					

Our pro-forma assumes full occupancy at market rents of \$995 with a monthly \$25 RUBS utility charge. We used a fixed 5% for vacancy and 8% for the management fee. We increased taxes roughly 15% from the previous year to account for the new assessments. For our CAP rate calculations, we added replacement reserves of \$250 per unit to account for expenditures.

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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