

CHALFONTE

OFFERING MEMORANDUM

MARKETED BY : Brice Bradshaw

PROPERTY DETAILS : 5-Stories - 10 Units (All 2x1)

NEARBY : Hyde Park, Westport & Troost Redevelopment

YEAR BUILT : 1900 (KC Register of Historic Places)

PRICE : MARKET

RENOVATION : Completed Late 2019



EXCLUSIVE MULTI-FAMILY OFFERING

1110 E. ARMOUR BLVD | KANSAS CITY, MO 64109 | 10 UNITS | MIDTOWN LOCATION | TURNKEY INVESTMENT

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OFFERING SUMMARY



OFFERING & PROPERTY SUMMARY

Asking Price	MARKET
Terms	Free & Clear
Address	1110 E. Armour Boulevard Kansas City, MO 64109
County	Jackson County
Neighborhood	Center City
Nearby	Westport, Martini Corner, Hyde Park & Country Club Plaza
Zoning	B3-2 & R-0.5
Year Built	1900 (previous appraisal)
Year Renovated	2017-2019 (Completed Late 2019)
Construction/Exterior	Masonry/Concrete (Construction/Foundation), Brick Exterior and Flat TPO Roof
Land Area	8,594 sq. ft. or 0.20 acres (previous appraisal)
Gross Building Area	17,960 sq. ft. (previous appraisal)
Net Rentable Area	17,000 sq. ft. (+/-)
Occupancy	90%
Stories	5
Units	10
2 Bedroom 1 Bathroom	10
Average Unit Size	1,700 sq. ft. (+/-)
Average Unit Rent	\$1,255

UTILITIES & AMENITIES SUMMARY

Metering	Separate Gas & Electric
Heat	Forced Air Gas Furnaces
A/C	Central Air
Hot Water	New Hot Water Heater Systems (Tankless)
Laundry	Stackable Washer/Dryer in all units
Entry	Secured Front & Rear Access
Parking	Secure Gated Parking Lot – 12+ Spaces
Elevator	1 – Permitted with recent mechanical updates & emergency phone
Internet	Cable/Internet Ready
Landlord Utilities	Water/Hot Water, Sewer & Trash
Storage	Basement Storage Lockers & Management Storage Areas

The Chalfonte is a historic, recently renovated apartment complex located in the Midtown area of Kansas City, Missouri. The complex stands 5-stories featuring secured/gated off-street parking, new metal/concrete fire escapes, an elevator, new TPO roof and was placed on the Kansas City Register of Historic Places in 1999. The property is comprised of (10) 2-Bedroom/1-Bathroom units (plus a den) with an approximate unit size of 1,700 sf, some of the largest units in the city. Chalfonte is separately metered for gas and electric and features a new tankless hot water heater system. Tenants have front and rear access to the building and the new gated parking lot possesses 12+ spaces at the rear. The basement is access via a walkout at the back and provides tenants with individual storage lockers and additional spaces for management storage.

In 2019, an extensive renovation project was completed at Chalfonte. All units were renovated with upscale finishes including granite countertops, stainless steel appliances, refinished hardwood flooring, high-end cabinetry, new tile flooring, new windows in all units and must balcony/sun room areas, new electric panel boxes, new stackable washer/dryer installation, many new light fixtures, and new faux wood blinds. Additional improvements at Chalfonte include all new HVAC systems and furnaces in all units, electrical and plumbing updates, all new plumbing fixtures, mechanical updates on the elevator, new paint throughout common hallways, a new mailbox and updates to landscaping (*a breakdown of all capital improvements can be found in the table to the right*). The property is now stabilized and possesses a strong opportunity for future lease upside with MAC Properties' newly approved 340-unit apartment project of the neighboring lots ([340 UNIT PROJECT - Armour & Troost](#)).

Chalfonte's location provides easy access to all of Kansas City's major urban economic hubs, multiple education institutions, numerous parks, and many popular entertainment and dining destinations. Kansas City's urban core is experiencing unprecedented economic growth and the Chalfonte presents a unique opportunity in the rapidly gentrifying Troost Corridor. The Midtown/Hyde Park area is one of Kansas City's strongest rental markets and continues to improve with further new development. *Business Facilities*, the leading source of intelligence for area economic development, ranked Kansas City in its Top 10 (Large Metro Areas) for economic growth potential in 2019 with the runway for continued expansion looks strong.

CAPITAL IMPROVEMENTS - 2019

All New Windows in units & most balcony/sun room areas
New TPO Roof
New Metal & Concrete Fire Escapes (5-Stories) on both sides of complex (city permitted)
All New HVAC systems in all units
New Furnaces in all units
All New Ductwork to Kitchens
New Electrical in Kitchens & Bathrooms
New Electrical Panel Boxes in Units
New Plumbing Supply Lines as Needed (Top 3 Floors)
Newly Designed Kitchens including granite, backsplash, tile flooring, stainless steel appliances, above-range microwaves, ice makers, gas stoves & high-end cabinetry
Newly Designed Bathrooms including floor tile, vanity, bathtub, tile surround & commodes
New Stackable Washers/Dryers in all units
Many New Light Fixtures (some older period fixtures were repurposed)
New Faux Wood Blinds
Newly Refinished Hardwood Floors
All New Plumbing Fixtures
New Hot Water System
New Security Gate for Parking Lot (12+ Spaces)
New Elevator Updates on Mechanicals (emergency phone added)
New Paint in Common Hallways
New Mailbox
New Landscaping

MAC PROPERTIES 340 UNIT PROJECT AT ARMOUR AND TROOST



An aerial rendering of how the intersection of Armour and Troost will appear when the Armour Corners project is completed (Image from Helix)

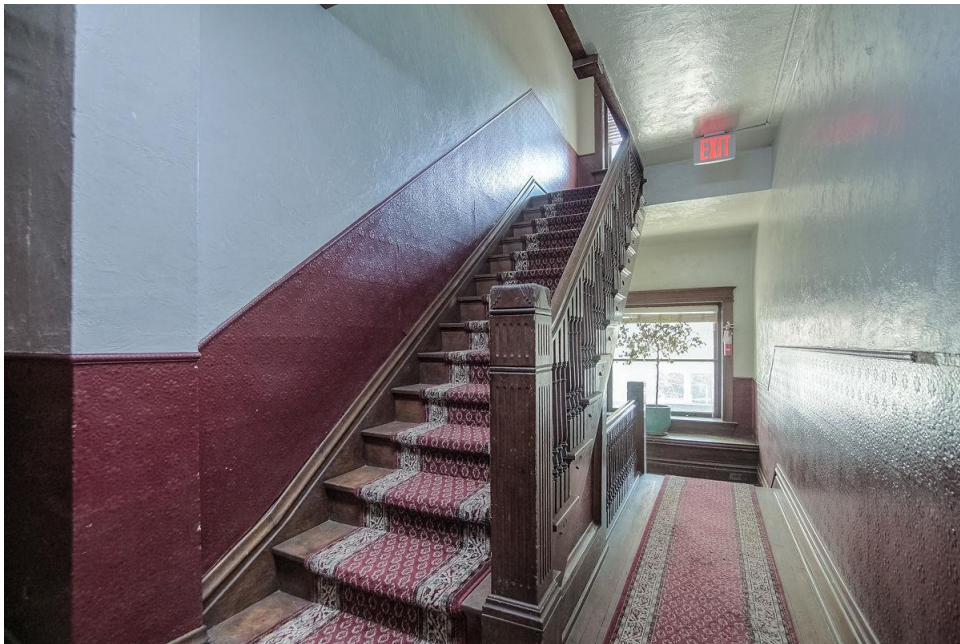
PICTURE SOURCE: <https://www.flatlandkc.org/news-issues/mac-properties-big-apartment-project-at-troost-and-armour-in-kansas-city-gains-momentum/>











CHALFONTE APARTMENTS

KANSAS CITY, MO – MIDTOWN

10 UNITS

NEIGHBORHOOD/SUBMARKET SUMMARY

The 10 units at Chalfonte are located next to Hyde Park near explosive developments in Midtown Kansas City, Missouri. Midtown is a vibrant residential/commercial community where businesses, neighborhoods and institutions reinforce one another. Sitting close to the city center, Midtown is home to some of the oldest buildings in the city and its storied history, combined with thriving redevelopment in neighboring areas, attracts new residents. Extensive new developments in the Troost corridor, Hospital Hill, Armour Boulevard and 39th Street have taken place over the last several years highlighted by the Plexpod (previously Westport Middle School), Children's Mercy state-of-the-art 375,000 sf research facility, and the construction of 800 market-rate apartment units and hotel along Troost. In the more immediate area, MAC Properties' plan to revitalize the intersection of Troost and Armour with a 340-unit apartment project has been approved. The approved project is directly adjacent to the subject property with rents scheduled in the \$1,000+ range for 1 & 2-bedroom units.

Hyde Park boasts a rich history and has a close proximity to Penn Valley Park, museums, local shops, restaurants, gastropubs, breweries and vibrant nightlife. Highlights of the neighborhood include Thelma's Kitchen, Kansas City's first pay-what-you-can community café, Martini Corner, an enclave of local bars, restaurants and apartments, and Gate's Barbeque. The neighborhood hosts sought after schools, such as Académie Lafayette Cherry Street campus and Notre Dame de Sion, as well as numerous historic churches and businesses. The convenience of its close proximity to Westport, Downtown and the Country Club Plaza make Hyde Park an ideal location. The Country Club Plaza is Kansas City's premier retail, dining and entertainment destination. 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.

Chalfonte is just minutes away from the Nelson-Atkins Museum of Art, the Kemper Museum of Modern Art, National WWI Museum, the Kansas City Art Institute, and the James C. Olson Performing Arts Center at UMKC. The complex is ideally situated only minutes from Children's Mercy Hospital, the Crossroads, St. Luke's Hospital, Crown Center, Union Station, the IRS office complex, the University of Kansas Medical Center, 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.



CHALFONTE APARTMENTS

KANSAS CITY, MO – MIDTOWN

10 UNITS

AREA HIGHLIGHTS



MARTINI CORNER



COUNTRY CLUB PLAZA



WESTPORT DISTRICT



UNION STATION



CHILDREN'S MERCY HOSPITAL



PENN VALLEY PARK



GATES BARBECUE



ACADEMIE LAFAYETTE



WESTPORT PLEXPOD

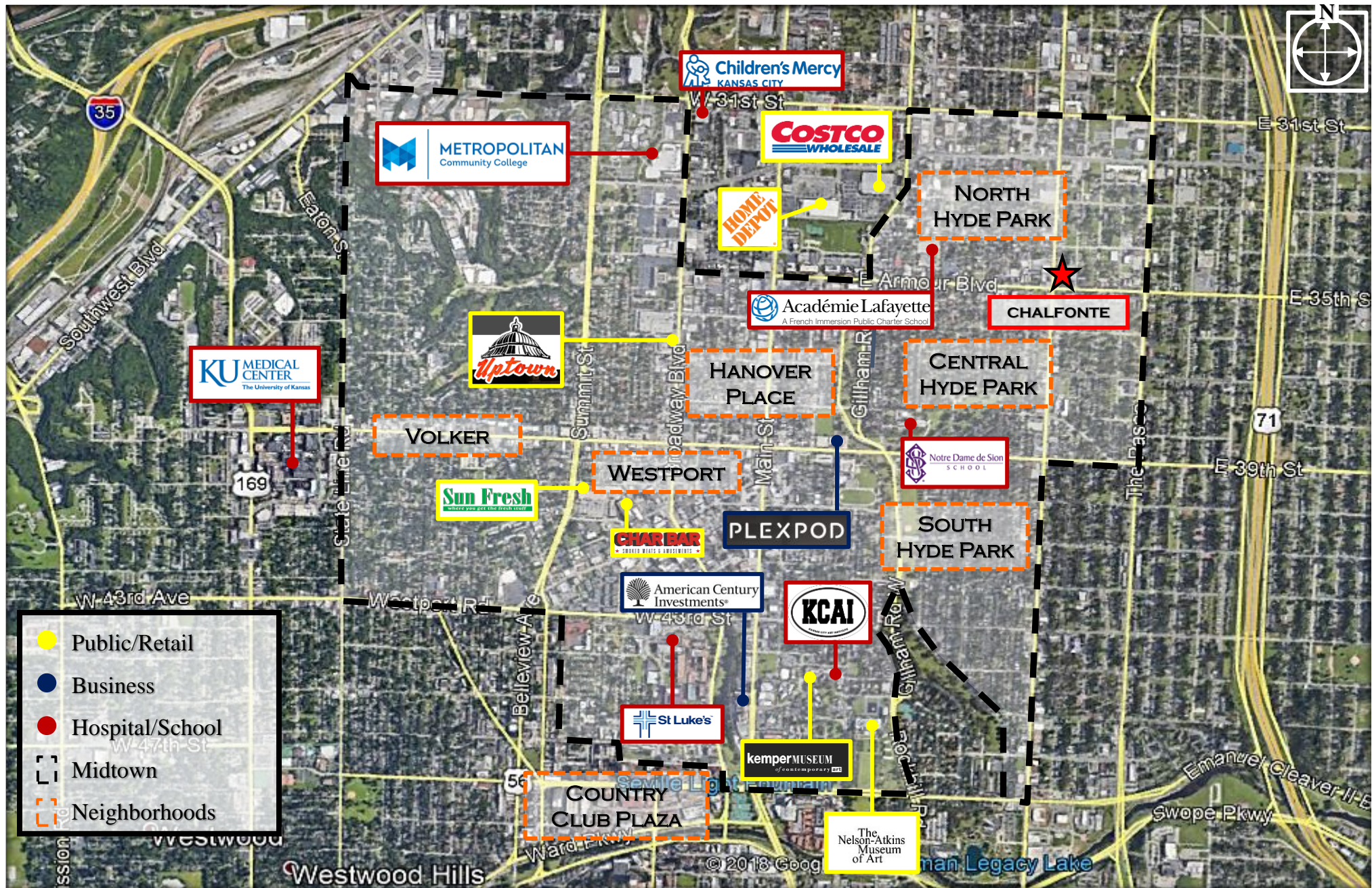


WORLD WAR I MUSEUM & MEMORIAL

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 WWII Museum & Memorial, the only WWII 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.



RENT ROLL AS OF JULY 1ST, 2020

UNIT TYPE	UNIT SF	RENT	ANNUAL RENT	RENT PER SF
2x1	1,700 +/-	\$1,245	\$14,940	\$0.73
2x1	1,700 +/-	\$1,245	\$14,940	\$0.73
2x1	1,700 +/-	\$1,095	\$13,140	\$0.64
2x1	1,700 +/-	\$1,295	\$15,540	\$0.76
2x1	1,700 +/-	\$1,295	\$15,540	\$0.76
2x1	1,700 +/-	\$1,295	\$15,540	\$0.76
2x1	1,700 +/-	\$1,295	\$15,540	\$0.76
2x1	1,700 +/-	\$1,295	\$15,540	\$0.76
2x1	1,700 +/-	\$1,245	\$14,940	\$0.73
2x1	1,700 +/-	\$1,245	\$14,940	\$0.73
10	17,000 +/-	\$12,550	\$150,600	\$0.74

CHALFONTE T12 EXPENSES – MAY 2020

GROSS SCHEDULED INCOME – July 1 Rents	\$150,600	% GSI	PER UNIT
VACANCY & CREDIT LOSSES	\$7,530	5.00%	\$753
OTHER INCOME	\$2,000	1.33%	\$200
ADJUSTED GROSS INCOME	\$145,070	% AGI	PER UNIT
GENERAL/ADMIN	\$506	0.35%	\$51
REPAIRS & MAINTENANCE	\$23,870	16.45%	\$2,387
UTILITIES	\$9,833	6.78%	\$983
MANAGEMENT	\$11,539	7.95%	\$1,154
CONTRACT SERVICES	\$1,512	1.04%	\$151
PROPERTY TAX	\$9,267	6.39%	\$927
INSURANCE	\$5,473	3.77%	\$547
TOTAL EXPENSES	\$61,999	42.74%	\$6,200
NET OPERATING INCOME	\$83,071		\$8,307

PRO-FORMA RENT ROLL

UNIT TYPE	UNIT SF	MARKET RENT	ANNUAL RENT	RENT PER SF
2x1	1,700 +/-	\$1,295	\$15,540	\$0.76
2x1	1,700 +/-	\$1,295	\$15,540	\$0.76
2x1	1,700 +/-	\$1,295	\$15,540	\$0.76
2x1	1,700 +/-	\$1,295	\$15,540	\$0.76
2x1	1,700 +/-	\$1,295	\$15,540	\$0.76
2x1	1,700 +/-	\$1,295	\$15,540	\$0.76
2x1	1,700 +/-	\$1,295	\$15,540	\$0.76
2x1	1,700 +/-	\$1,295	\$15,540	\$0.76
2x1	1,700 +/-	\$1,295	\$15,540	\$0.76
2x1	1,700 +/-	\$1,295	\$15,540	\$0.76
10	17,000	\$12,950	\$155,400	\$0.76

CHALFONTE PROFORMA – \$1295 RENTS

GROSS SCHEDULED INCOME – Market Rents	\$155,400	% GSI	PER UNIT
VACANCY & CREDIT LOSSES	\$7,770	5.00%	\$777
OTHER INCOME	\$2,000	1.29%	\$200
ADJUSTED GROSS INCOME	\$149,630	% AGI	PER UNIT
GENERAL/ADMIN	\$750	0.50%	\$75
REPAIRS & MAINTENANCE	\$15,000	10.02%	\$1,500
UTILITIES	\$10,500	7.02%	\$1,050
MANAGEMENT	\$13,467	9.00%	\$1,347
CONTRACT SERVICES	\$3,000	2.00%	\$300
PROPERTY TAX	\$10,000	6.68%	\$1,000
INSURANCE	\$5,500	3.68%	\$550
REPLACEMENT RESERVES	\$2,500	1.67%	\$250
TOTAL EXPENSES	\$60,717	40.58%	\$6,072
NET OPERATING INCOME	\$88,913		\$8,891

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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