

EXCLUSIVE MULTI-FAMILY OFFERING

3531-3537 GILLHAM ROAD | KANSAS CITY, MO 64111 | 14 UNITS | FULL RENOVATION



KAANAPALI OFFERING MEMORANDUM

MARKETED BY : BRICE BRADSHAW

PROPERTY DETAILS : 14 UNITS

NEIGHBORHOOD : CENTRAL HYDE PARK

NEARBY : PLAZA, WESTPORT & CROSSROADS

PRICE : \$1,620,000

RENOVATION : 2017 - 2019



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Exclusively Marketed by:

Brice Bradshaw

KCCommercial.net

Reece Commercial

913.901.6305

BBradshaw@ReeceCommercial.com

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KAANAPALI

Fully rehabbed complex (completed June 2019)

Central Hyde Park (Armour & Gillham) – 100% Occupancy

Converted to all-electric; new electric service, panels & meters

All new HVAC systems & hot water heaters

New roof and fiber coating & new lifetime warranty windows

Central Air, Washer/Dryer, Brazilian marble & stainless steel

15 off-street parking spaces & Secured Keycode Entry

New free tenant storage lockers in basement with LED lighting

New stained wood decks, new flooring in units & Google Fiber

OFFERING & PROPERTY SUMMARY

Asking Price	\$1,620,000
Terms	Free & Clear
Address	3531-3537 Gillham Road Kansas City, MO 64111
County	Jackson County
Neighborhood	Central Hyde Park
Zoning	R-1.5; R-5 (City)
Year Built	1963 (Jackson County)
Renovation	2017-2019
Construction/Exterior	Wood Frame, Concrete Foundation, Brick Exterior and Flat Roof
Land Area	12,582 sq. ft. or 0.29 acres (previous appraisal)
Gross Building Area	12,000 sq. ft. (previous appraisal)
Net Rentable Area	10,840 sq. ft. (+/-)
Stories	2.5
Occupancy	100%
Units	14
1 Bedroom 1 Bathroom	12
Average Unit Size	750 sq. ft. (+/-)
Average Unit Rent	\$995
2 Bedroom 1 Bathroom	2
Average Unit Size	920 sq. ft. (+/-)
Average Unit Rent	\$1,050

UTILITIES & AMENITIES SUMMARY

Metering	Separate (All-electric)
Heat	Central
A/C	Central Air
Hot Water	Individual
Laundry	Washer/Dryer in units
Entry	Secured Entry (Keypad)
Parking	15 off-street parking spaces
Internet	Google Fiber
Landlord Utilities	Landlord pays water & trash (tenant's responsible for electricity)
Storage	New Basement Storage Lockers

Kaanapali, with its west coast flavor architecture and vibe, is a recently redeveloped and redesigned low-rise complex in the Hyde Park area of Midtown. The complex is blocks south of Children's Mercy Hospital and Truman Medical Center, just east of St. Luke's Hospital, and just north of the University of Missouri, Kansas City main campus. The property stands 2.5-stories high and features 14 units with a large common area basement and new tenant storage lockers. Of the 14 units, 12 are one-bedroom units with an approximate unit size of 750 square feet (+/-). The other 2 remaining units are two-bedroom units with an approximate unit size of 920 square feet (+/-).

Kaanapali was redeveloped and redesigned from late 2016 through June of 2019. The many improvements and design changes are thoroughly outlined in the tables to the right and the next page. Kaanapali units are spacious, bright, and all new throughout. The kitchens open to the living/dining area and feature white Brazilian marble countertops, all new cabinetry, all new stainless appliances, new fixtures and new tile flooring. The bathrooms feature new vanities, new showers, all new tile, newly added washers/dryers and all new fixtures. The bedrooms feature new closets, closet doors, fixtures and carpet. New hardwood floors, full conversion to all electric with new service and panel boxes, all new HVAC, new hot water systems and new plumbing are integral to the aesthetic and mechanical updates completed at Kaanapali. The capital improvements are further highlighted with a new roof, newly painted exterior and interior, new decks, new deck railings, new windows and sliders, redesigned front exterior and new doors throughout the exterior and interior of all units. Kaanapali units have a great urban vibe and were well received by tenants looking at the new spaces, resulting in a quick lease up process. All renovations were done with City permits and have cleared City inspections.

Kaanapali units are attractive and modern spaces with an open kitchen, dining and living area. Tenants pay for the all electric mechanicals and enjoy Google Fiber, 15 off-street parking spaces, tenant storage areas and a new front of the building mail center. Twelve units feature a private balcony. The common area basement was refreshed with new paint, along with newly painted floors and the addition of LED lighting. New metal signage and addresses were added to the front to go along with the new decks, new wood accents and new LED lighting. Some concrete flatwork was also completed. Kaanapali offers unique modern architecture, with new infrastructure and attractive units in a superb Midtown location. Kaanapali is located near Westport, Martini Corner, Plexpod Westport Commons, Crown Center, the Country Club Plaza, UMKC, Kansas City Art Institute and the Nelson Adkins Museum of Art. In addition, Kaanapali it is just 4 blocks west of Main Street, Kansas City's central commerce Corridor and the proposed street car expansion

PROPERTY HIGHLIGHTS

Converted to all-electric with all new electrical service, panel boxes & meters
New sliding glass doors, new deck railings & new decking
New lifetime warranty, low E argon filled double pane windows
New Roof (rubber 2016) and fiber coating (2018)
New Plumbing (both supply and drain lines)
All new HVAC systems and hot water heaters
Hallways updated with new fixtures, carpeting, tile and paint
New exterior doors, paint and LED lighting
New landscaping, some new concrete flatwork & new mailbox in front
Newly designed front exterior with wood accents & new metal signage
15 off-street parking spaces (new concrete parking on NW side)
Newly renovated, free tenant storage areas in basement with LED lighting

UNIT HIGHLIGHTS

Newly installed hardwood floors (12 units); New vinyl plank (2 units)
New in unit Washers/Dryers
New Central Air/Heat
New in-unit washers/dryers & all new stainless appliances
All New kitchens with Brazilian marble and new cabinets, fixtures & flooring
Stainless steel appliances, above range microwave & new backsplash (kitchen)
All new bathrooms with new low-flow toilets and vanities
All new bathroom surround tile, floors and fixtures
New carpeting, ceilings fans and fixtures in bedrooms
All new paint throughout unit
Newly renovated, stained wood decks with modernized design (12 units)
New push button entry locks, Google Fiber & new doors in units

CAPITAL IMPROVEMENTS (2017-2019)

New lifetime warranty , low E argon filled, double pane windows

New roof (rubber) 2016 and fiber coating completed 2018

Property converted to all electric

All new electric service, panel boxes and meters

New plumbing both supply and drain lines

New HVAC systems

New hot water heaters

Newly installed hardwood floors in 12 units

New vinyl plank flooring in 2 units

New in unit washers and dryers

Newly designed kitchens with Brazilian marble countertops

All new stainless kitchen appliances including above range microwave

New kitchen cabinets and fixtures

New kitchen floor tile and glass mosaic backsplash

Newly designed bathrooms with low flow toilets

New bathroom floor and shower tile

New bathroom vanities

New ceiling fans and fixtures in bedrooms

New carpeting in bedrooms

All new doors in units

All new apartment entry doors

New push button entry locks to units

New common hallway windows

New bedroom closet mirrored sliding doors

CAPITAL IMPROVEMENTS (2017-2019)

New blinds throughout units

All new paint throughout interior of units

Hallways updated with new fixtures, carpeting, tile and paint

New sliding glass doors

New deck railings and new decking

Exterior painting

New LED exterior lighting

HVAC condensers installed on roof

Newly renovated tenant storage areas

New basement LED lighting

New fire rated basement doors

New basement floor paint

Basement paint

New rear entrance railings

Newly stained front sidewalks

Some new flatwork in drive

New mailbox in front of building

New secure exterior doors

New water spigot

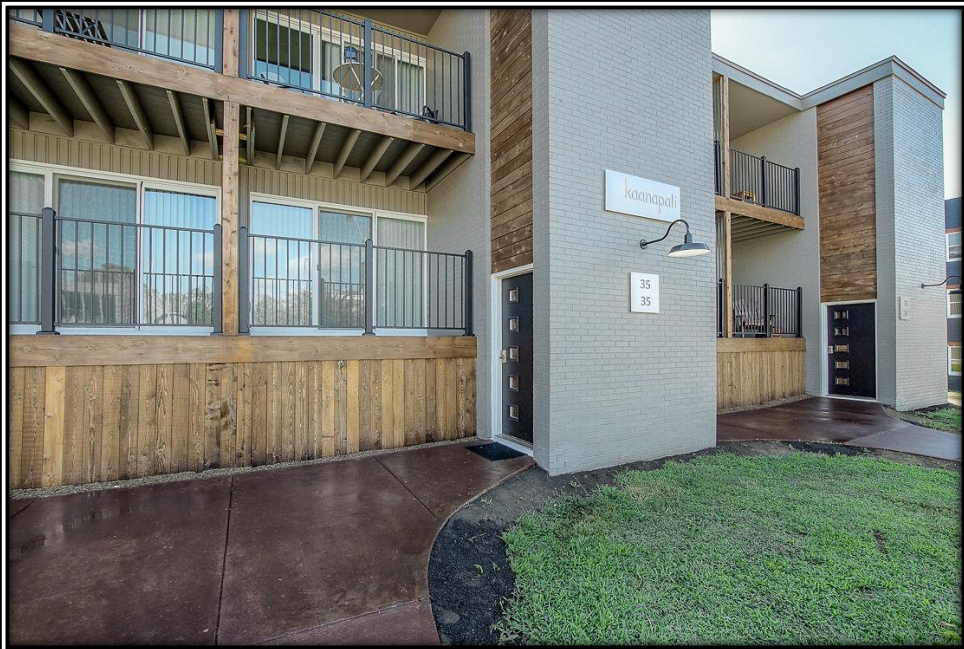
Newly designed front exterior with wood accents

New landscaping

New 3-D metal address signage

New 3-D Kaanapali lit sign

New concrete parking on Northwest front side





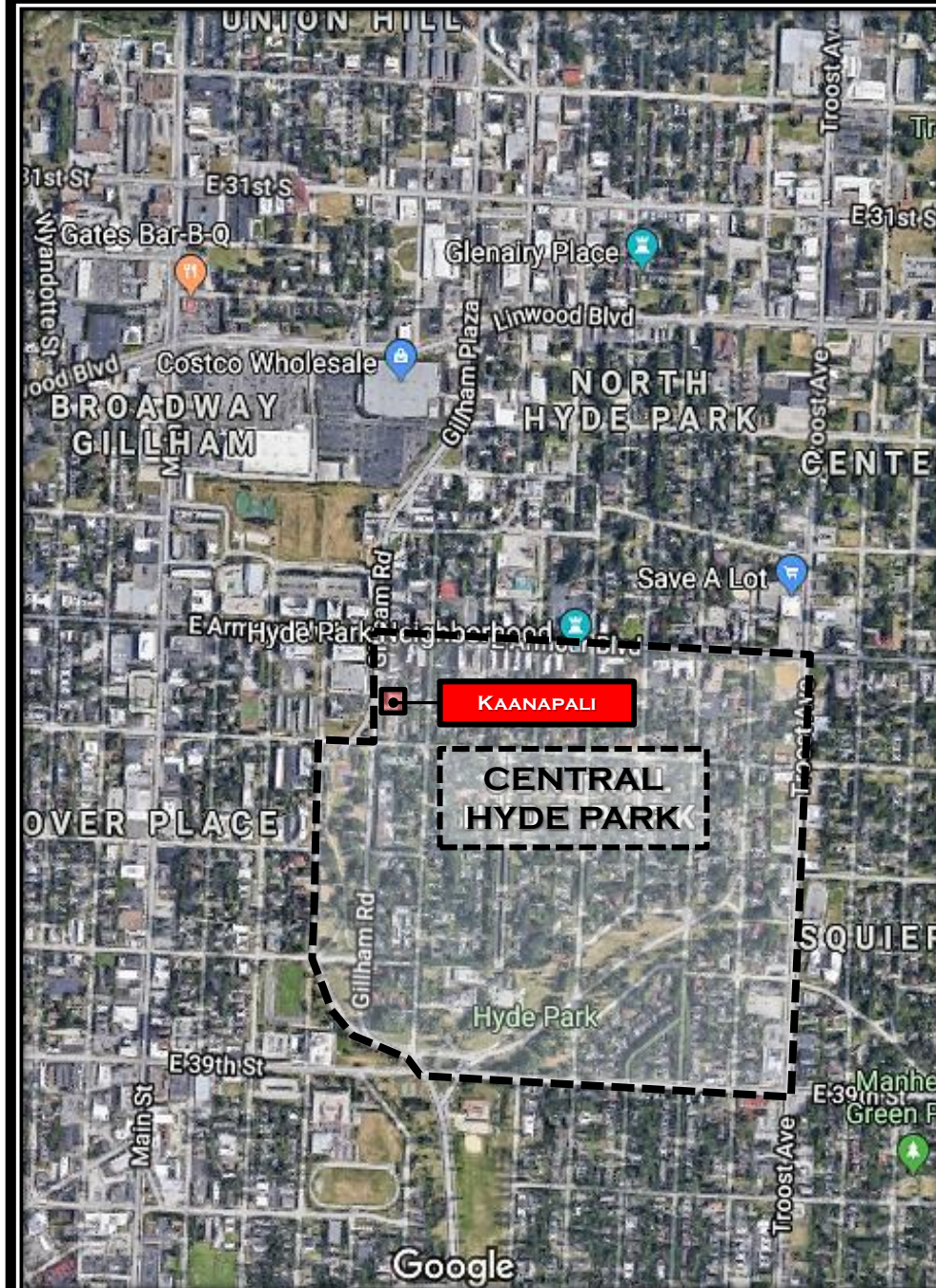




Neighborhood & Submarket Summary

The 14 units at Kaanapali are located in the historic neighborhood of Central Hyde Park near Westport in 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 south of Kaanapali. 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 Kaanapali, 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. Kaanapali 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.

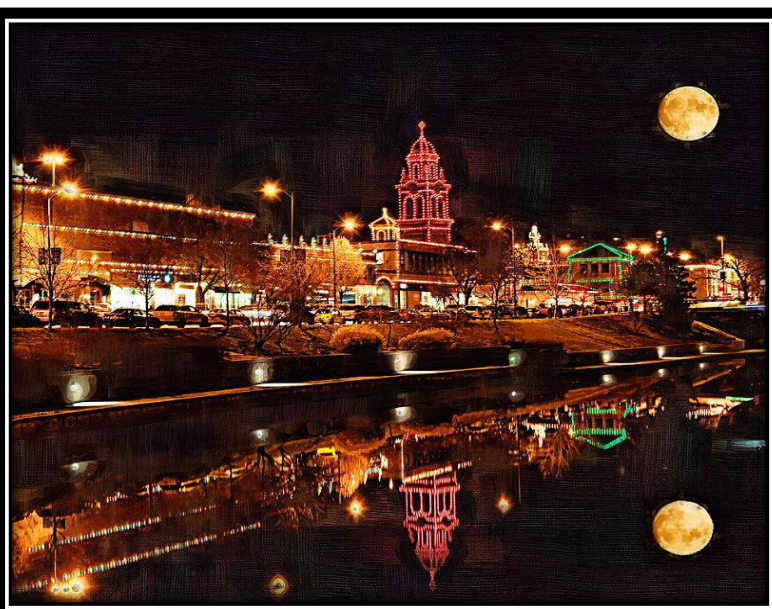
NEIGHBORHOOD OVERVIEW



KAANAPALI | 14 UNITS



COUNTRY CLUB PLAZA



THE BERMUDA | 6 UNITS



UNIVERSITY OF MISSOURI-KANSAS CITY



STOWERS INSTITUTE



AMERICAN CENTURY
TOWERS

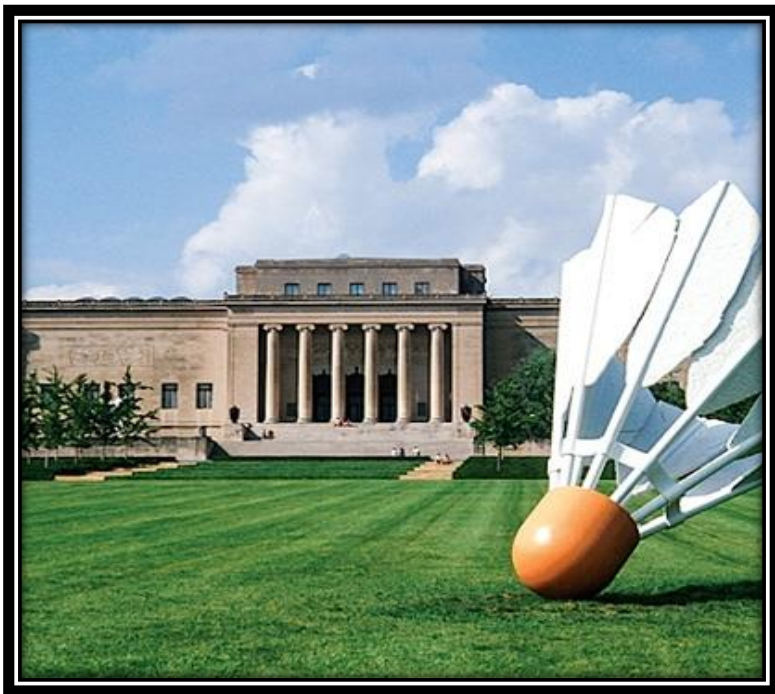
KAANAPALI | 14 UNITS



UNIVERSITY OF KANSAS MEDICAL CENTER



ST. LUKE'S HOSPITAL – KANSAS CITY



NELSON ATKINS MUSEUM



OLD WESTPORT



KEMPER MUSEUM



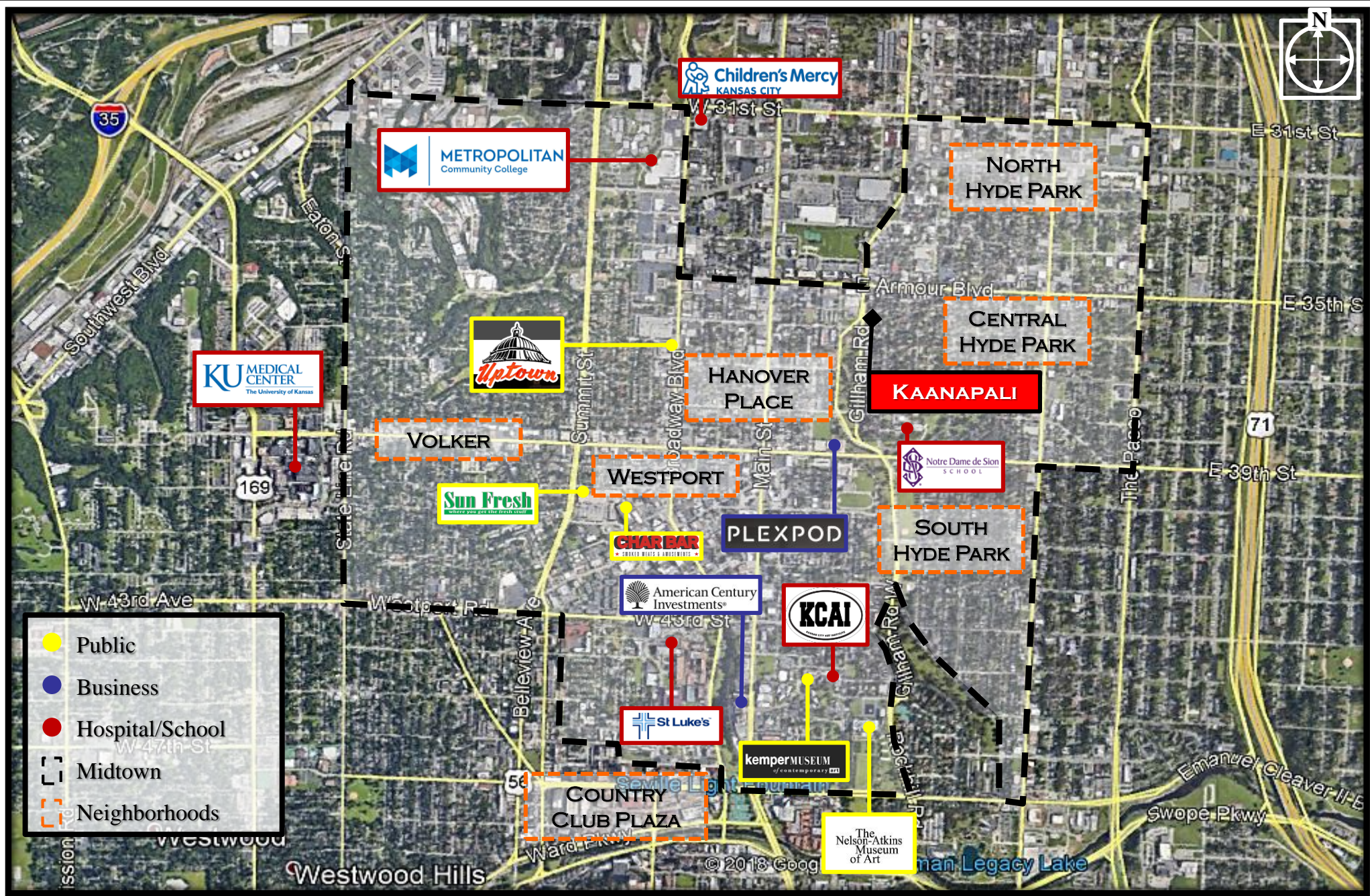
KANSAS CITY ART
INSTITUTE

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.





KAANAPALI - 3531-3537 Gillham - 14 Units - Rent Roll					
Unit #	Unit Type	Unit SF	Rent	Annual Rent	Rent Per SF
3531-1	2x1	920 +/-	\$1,050	\$12,600	\$1.14
3531-2	1x1	750 +/-	\$995	\$11,940	\$1.33
3531-3	1x1	750 +/-	\$995	\$11,940	\$1.33
3531-4	1x1	750 +/-	\$995	\$11,940	\$1.33
3531-5	1x1	750 +/-	\$995	\$11,940	\$1.33
3535-6	1x1	750 +/-	\$995	\$11,940	\$1.33
3535-7	1x1	750 +/-	\$995	\$11,940	\$1.33
3535-8	1x1	750 +/-	\$995	\$11,940	\$1.33
3535-9	1x1	750 +/-	\$995	\$11,940	\$1.33
3537-10	2x1	920 +/-	\$1,050	\$12,600	\$1.14
3537-11	1x1	750 +/-	\$995	\$11,940	\$1.33
3537-12	1x1	750 +/-	\$995	\$11,940	\$1.33
3537-13	1x1	750 +/-	\$995	\$11,940	\$1.33
3537-14	1x1	750 +/-	\$995	\$11,940	\$1.33
14		10840 +/-	\$14,040	\$168,480	\$1.30

Kaanapali (14 Units) - Property Pro-Forma			
Gross Scheduled Income		% GSI	Per Unit
Vacancy & Credit Losses		5.00%	\$601.71
Other Income		0.83%	\$100.00
Adjusted Gross Income		% AGI	Per Unit
Legal & Administrative		0.19%	\$21.43
Repairs & Maintenance		6.19%	\$714.29
Cleaning, Lawn, Pest & Snow Removal		2.48%	\$285.71
Utilities		7.59%	\$875.00
Property Management		8.00%	\$922.61
Building Insurance		3.69%	\$425.00
Property Tax * (2019 Projected Tax)		4.58%	\$528.00
Replacement Reserves		2.17%	\$250.00
Total Expenses		34.88%	\$4,022.03
Net Operating Income			\$7,510.54

The property had undergone and just recently completed a full renovation of the building as of June 2019. The property was fully occupied/stabilized in the middle of June, therefore there is only 1 real month of actual financials. Our proforma assumes full occupancy of units at current rents. Our 'Gross Scheduled Income' revenue category encompasses annualized current rents. Additionally, our proforma assumes static vacancy (5%) and management (8%) charges. 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

Exclusively Marketed by:

Brice Bradshaw
KCCommercial.net
Reece Commercial
913.901.6305 (O)
913.219.7074 (C)

BBradshaw@ReeceCommercial.com



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