

# EXCLUSIVE MULTIFAMILY OFFERING



Bradshaw & Hargis Group

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**PRICE: \$3,890,000 | 94 UNITS**

**20-1 Bedroom/1 Bathroom**

**54-2 Bedroom/1 Bathroom**

**20-3 Bedroom/1.5 Bathroom**

## **Summit Oak**

805 SW Mill Street | Lee's Summit, MO 64081

- Strong Class A-Lee's Summit High Growth Location
- Renovations and Rehab just Completed
- All New HVAC, Windows, Siding & Roof Overlays
- All Electric Complex
- New Off Street Parking Lot & Easy Highway Access
- Large Mature Trees with Ample Green space

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## PROPERTY DESCRIPTION

Summit Oak is a 94 unit garden style complex located in Lee's Summit, Missouri, consisting of 8 buildings which were constructed in 1972. The complex features a large central courtyard with children's play equipment and scenic grounds with large mature trees. Summit Oak has a unit mix is 20 one bedroom one bathroom units, 54 two bedroom one bath units, 20 three bedroom one and one half bathroom units. The average unit size is 820 square feet. Summit Oak has a dedicated office and maintenance room. The complex is wood frame built on concrete foundation. Conversion to an all electric property has just been completed. All 8 buildings have laundry facilities and tenant storage areas on the ground level. A major renovation project began in August 2009 and was completed in September 2010. Current ownership purchased Summit Oak, which was vacant and in foreclosure, in the summer of 2009. The renovation includes new HVAC systems, new windows, new roof overlays, new mansards, new stucco siding, new trash enclosures, new asphalt parking lot and each unit made ready and renovated.

The Summit Oak individual apartment units feature electric central air and heat, new carpet, new vinyl, new paint, fully equipped kitchens and hard wired smoke detectors. The units are spacious and have excellent window lighting and are cable, internet and phone ready. The entrances to all the buildings are secured entry. The hallways, stairwells and common areas have been renovated and painted.

Due to construction loan restraints, the property started leasing units in April, 2010. Summit Oak had 90 apartment units rented by mid July 2010. The complex was still in the middle of the renovation and repositioning while made ready units were being rented using stringent tenant screening guidelines. The units were rented at well below market rates, as information contained in this offering packet will demonstrate. Rents are now being increased for new tenants.

Summit Oak is located just blocks off the intersection of Missouri 150, US 50 and 3<sup>rd</sup> Street. The property is within 1.5 miles of major shopping and dining destinations Summit Fair, Summit Woods Crossing and historic downtown Lee's Summit. The complex enjoys close and easy access to the major highway arteries feeding all directions of Kansas City.





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## **Renovation Highlights**

**New Electric HVAC (Central Air and Heat) in all Units**

**New Windows Throughout**

**New Stucco Siding**

**New Roof Overlays**

**All Units Made Ready**

**All Common Areas, Hallways and Stairwells Renovated**

**New Hard Wired Smoke Detectors**

**New Asphalt Parking Lot**

**New Trash Enclosures**



## **Unit Amenities**

All new electric HVAC

Central Air & Heat

Fully equipped kitchens

Cable, phone & internet ready

Extra storage in each basement

Laundry facilities in each building

All new energy efficient windows

## **Common Area Amenities**

On-site management office

On-site maintenance facility

Quality Lee's Summit schools

Large mature trees

Excellent green space & central courtyard

Easy access to highways

Children's playground

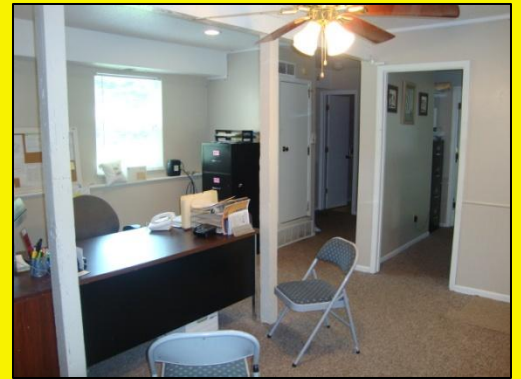
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## Common Areas & On-Site Office

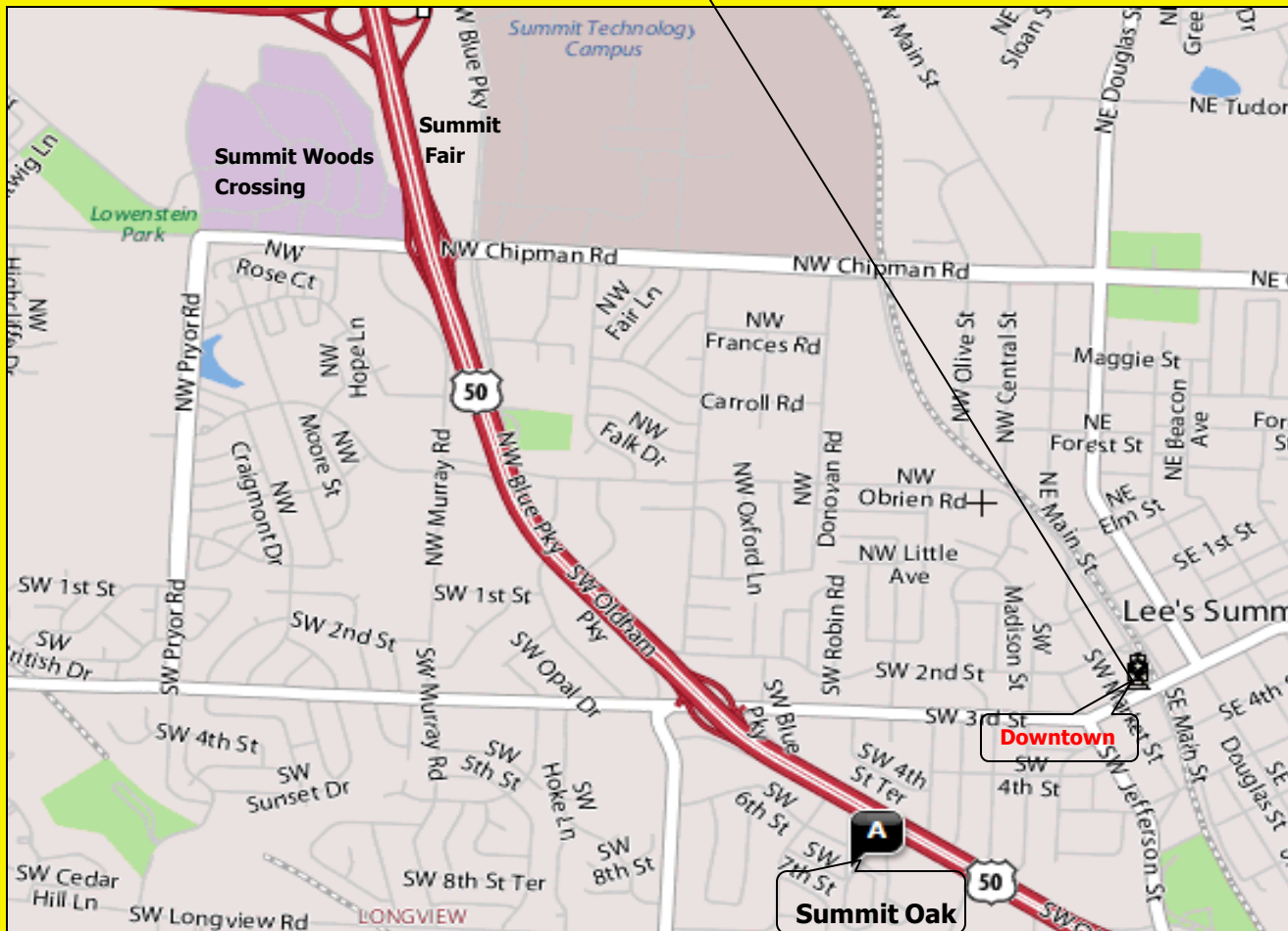


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## Location Map & Sub Market Information



Summit Oak is within 5 blocks of the Cedar Creek Mall which features Walgreens, Ace Hardware, Firestone, Blockbuster and a Hy-Vee Grocery Store. The apartment complex neighbors Duncan Estates, a senior housing property with the Lee's Summit Housing Authority that is very highly regarded and well maintained. Within 1.5 miles of Summit Oak is Summit Fair, a new open-air lifestyle center, offering shopping destinations Macy's, JC Penney, DSW, Red Lobster and Olive Garden. Also within 1.5 miles of Summit Oak is Summit Woods Crossing which offers the shopping venues Best Buy, Old Navy, Bed Bath & Beyond, Dicks Sporting Goods, Pier 1 Imports, Kohl's, Target and Lowes along with casual eateries Longhorns, Chili's, Houlihans, and Panera Bread. The newly revitalized historic downtown Lee's Summit features a charming, quaint and vibrant area with unique shopping and great dining opportunities.





## Lee's Summit, Missouri Information

Summit Oak is located in the Kansas City suburb of Lee's Summit in Jackson County, Missouri. Lee's Summit located in the Southeast section of the Kansas City metropolitan area and is a mere 20 minutes from the city center. Lee's Summit is a charming suburb of over 96,000+ residents that enjoy award winning public schools, great neighborhoods, many outdoor recreation opportunities, excellent shopping and working venues, excellent health care availability, a low crime rate as well as a thriving business community. The historic downtown district takes visitors back in time with its charm and many unique shops and eclectic eateries. CNN Money ranked Lee's Summit 27th in the nation making the Top 100 "Best Places to Live". Lee's Summit received the 2010 Capstone Award for Infrastructure for the I-470 and 350/50 Highway interchange project that provides Lee's Summit residents with easy access to the metro area highway arteries.

Lee's Summit features four lakes, an extensive park system and many golf courses. The park system includes 27 parks comprising over 1,200 acres. The park system includes The Family and Outdoor Aquatic and Recreation Center, Legacy Park, the 18,000 square foot Gamber Center for senior citizens and Happy Trails Park, a dog friendly park. Longview Lake and Longview Lake Park are located adjacent to the western edge of Lee's Summit. Longview Lake is a 930 acre boating lake featuring a full service marina and beach. Longview Lake Park is over 5000 acres of camp grounds, trails, a sports complex, family picnic areas, a golf course, fishing ponds and a horse park.

In addition to award winning public schools, Lee's Summit provides easy access to residents as the home of Metropolitan Community College-Longview with an enrollment of over 7,000 students. Baker University and the University of Central Missouri also have facilities and a campus in Lee's Summit. Many other higher education opportunities exist within 20 minutes from Lee's Summit.

Lee's Summit has become one of the major healthcare hubs of Kansas City featuring three hospitals including Lee's Summit Medical Center and Truman Medical Center Lakewood. In January 2006 a new state of the art full service hospital, St. Luke's East-Lee's Summit, also opened its doors. Lee's Summit is home to John Knox Village, the regions largest retirement community offering a range of services from 1400 independent living options to a skilled nursing facility. John Knox Village also provides numerous outreach programs that serve 16 counties in Kansas and Missouri.

Lee's Summit offers new shopping and dining destinations with Summit Fair, an open-air lifestyle center currently being completed, and Summit Woods Crossing. Shopping options in Summit Fair and Summit Woods Crossing include Macy's, JC Penney, DSW, Old Navy, Best Buy, Kohl's, Lowes, Target, Borders and Dick's Sporting Goods among many others. Dining options for Summit Fair and Summit Oak include Red Lobster, Olive Garden, On the Border, Jason's Deli, Chili's, Houlihans, Longhorns and Panera Bread among many additional options.

New Longview is one of Lee's Summit newest developments. New Longview is one of Kansas City's fastest growing Traditional Neighborhood Design communities. New Longview is lauded for its tree lined boulevards, walking and biking paths and trails. The original Longview Mansion is a centerpiece of the development and is still operational for special events and meetings. The mixed use development features homes, retail, office and multi-family on just over 260 acres of the historic R.A. Long country estate. New Longview has won numerous awards for its efforts in restoration of buildings original to the site and replication on all new buildings.

Lee's Summit is truly one of the thriving Kansas City suburbs. Lee's Summit is a community rich in ingredients that give residents a high quality of life and has a strong demand for affordable rental housing.

## Kansas City Information

The Kansas City Metropolitan Area is home to 2.4 Million people and is dissected North to South by the Kansas and Missouri State Line. Expansion Management Magazine ranks Kansas City as #3 on the "hottest cities" for expansions and relocations list and #2 in best places in the United States to locate a company. Kansas City is ranked #3 in U.S. cities for European Investment. A 2010 Brookings Institution study ranked Kansas City 26th in the country in export-related jobs. The Kansas City area is home to such companies as: Hallmark, H&R Block, Black & Veatch, DST Systems, Russell Stover, YRC Worldwide, Garmin and Sprint Nextel Corporation. 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.

Money Magazine examined over 1,300 cities and chose the best places to live in 2010. Three of the metro's cities ranked in the top 100. Kansas City, Missouri was named one of only 10 All-American Cities for 2006.

According to POLICOM, the Kansas City Metropolitan Area ranks #10 for economic strength out of 361 statistical areas in the United States.

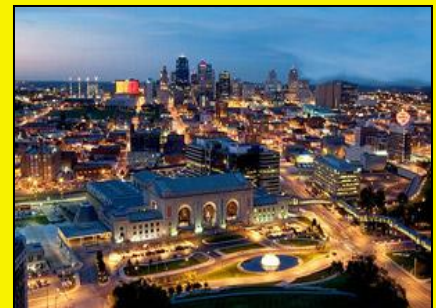
The General Motors Fairfax facility in Kansas City, Kansas is ranked as the most productive auto assembly plant in North America (HARGOUR CONSULTING REPORT). The expanding Ford Motor assembly plant in Kansas City builds the popular F-150 pickup truck and the Hybrid, Ford Escape. Kansas City also has 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.

Kansas City is among the nation's top Real Estate markets: In November 2006, Kansas City was ranked #16 in (EXPANSION MANAGEMENT MAGAZINE'S ANNUAL TOP 40) Real Estate Markets.

For the sports fan, the Kansas City area has it all including the NFL's Chiefs, MLB's Royals, MLS's Wizards, Arena Football's Brigade, the T-Bones a minor league baseball team, several of the finest golf courses in the United States, the Kansas Speedway NASCAR's newest track, the new College Basketball Hall of Fame and much more. Kansas City is also currently developing the world's largest outdoor water park 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.





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## PROPERTY INFORMATION

Number of Units	94
Year Constructed	1972
Type of Buildings	2/3 Story
Parking	180 M/L Spaces Off Street
Metering	Separate Electrical
HVAC	All Electric
Hot Water	Common
Roofs	Flat
Exterior	Stucco



## INVESTMENT INFORMATION

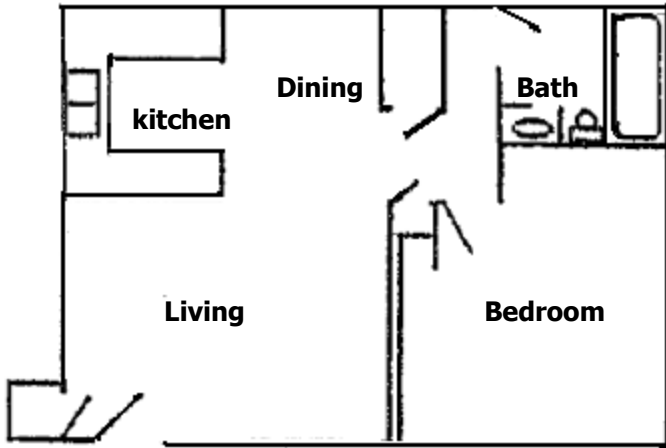
Price	\$3,890,000
Price/Unit	\$41,383
Cap Rate	9.20%
Loan Amount	\$3,112,000
Down Payment	\$778,000
Interest Rate	6.00%
Amortization	30 Years
Monthly Payments	\$18,658.01



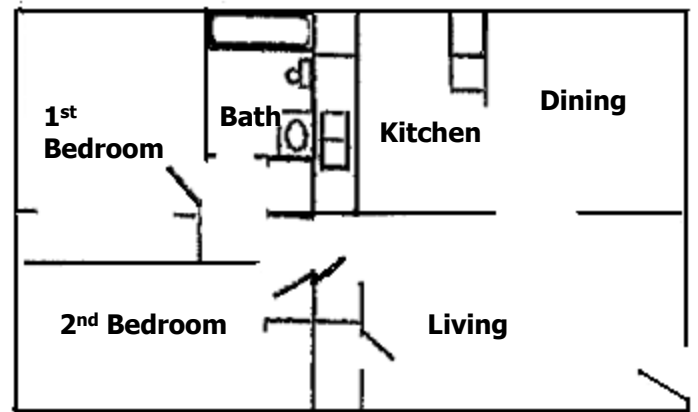
This property summary includes assumptions, which represent a projection of future events and assumptions which may or may not occur. Absolutely no tax or legal advice is being implied or given. These projections may not and should not be relied upon to indicate results, which might be obtained. Income 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 factors having to do with the valuation of property.

## Summit Oak Unit Layout & Information

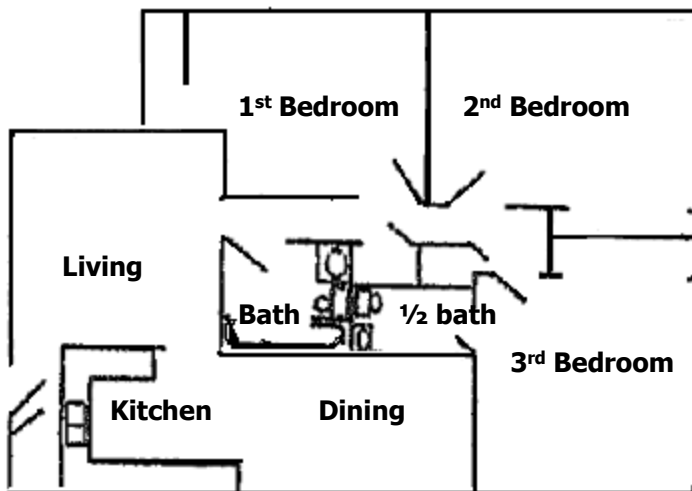
**1 Bedroom 1 Bathroom  
630 Square Feet**



**2 bedroom 1 Bathroom  
816 Square Feet**



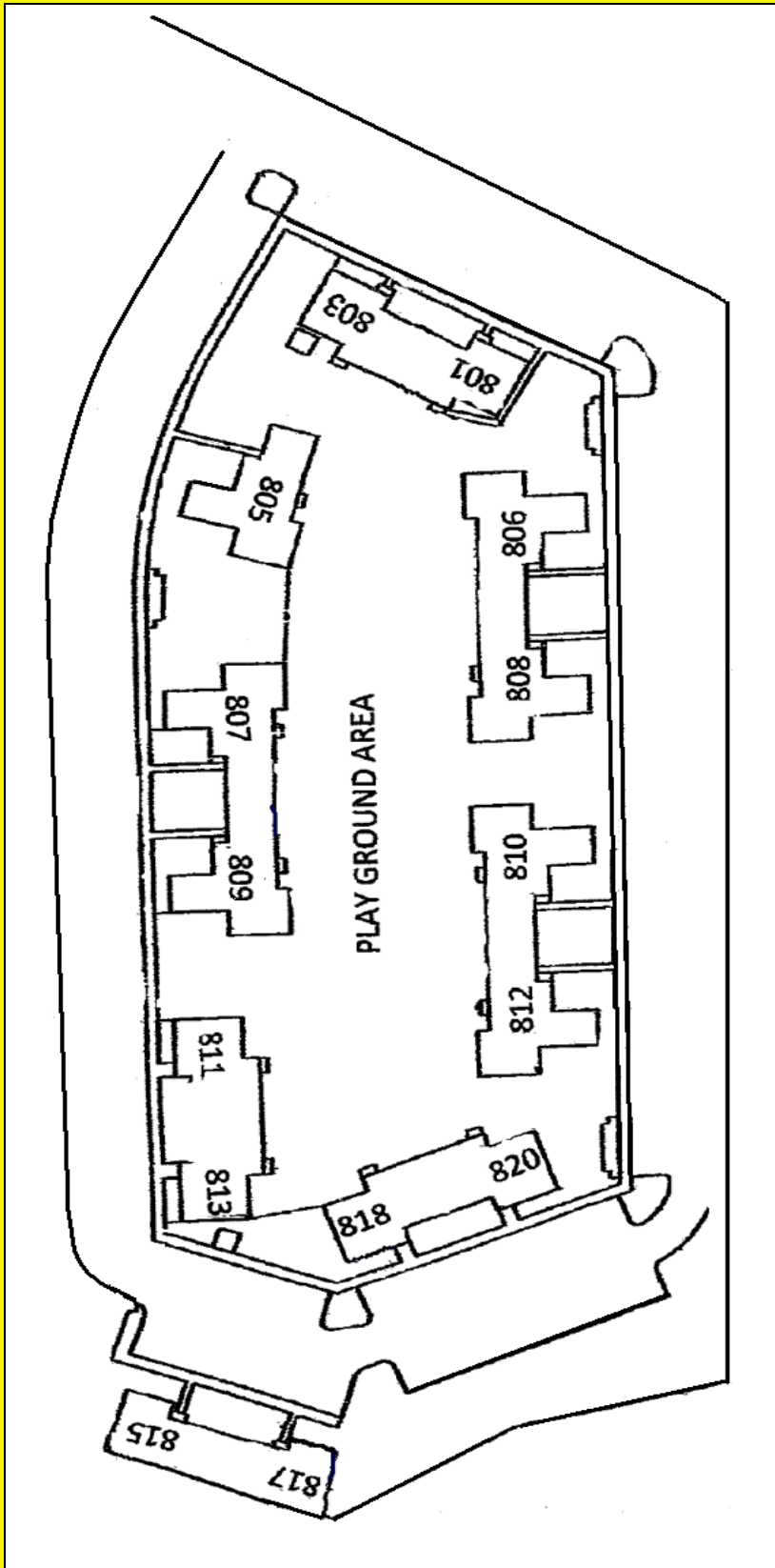
**3 Bedroom 1.5 Bathroom  
1,020 Square Feet**





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## **Summit Oak Site Plan**



## **Site Details**

**Land in Use Area in Acres – 6.06**

**Land in Use Area in SF – 264,030**

**Current Zoning – RP-4**

**Year Improvements Constructed – 1972**

**Gross Building Area – 100,257 SF**

**Gross Livable Area – 77,065 SF**

**Number of Units – 94**

**Number of Parking Spaces – 180 M/L**

**Tax ID – 61-420-06-45-00-0-00-000**



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## Rent Comparables

### Subject Property: Summit Oak

805 Southwest Mill Street

Lee's Summit, MO

	SF	Rent Current	Rent Market	Rent SF Current	Rent SF Market
1 Bedroom 1 Bathroom	630	\$425	\$ 520	\$ .67	\$ .83
2 Bedroom 1 Bathroom	816	\$500	\$ 625	\$ .61	\$ .77
3 Bedroom 1.5 Bathroom	1020	\$625	\$ 725	\$ .61	\$ .74

### Avanti East

416 SE 3<sup>rd</sup>

Lee's Summit, MO

	SF	Rent Current	Rent SF
Studio	572	\$ 550	\$ .96
1 Bedroom 1 Bathroom	676	\$ 595	\$ .88
1 Bedroom 1 Bathroom	695	\$ 625	\$ .90
2 Bedroom 1 Bathroom	808	\$ 646	\$ .80
2 Bedroom 2 Bathroom	944	\$ 660	\$ .70



### Summit East

217 NE Independence Ave

Lee's Summit, MO

	SF	Rent Current	Rent SF
1 Bedroom 1 Bathroom	577-723	\$ 550	\$ .95 - .76
2 Bedroom 1.5 Bathroom	900	\$ 615	\$ .68



### Pheasant Run

1102 NE Independence Ave

Lee's Summit, MO

	SF	Rent Current	Rent SF
1 Bedroom 1 Bathroom	600	\$ 610 - 650	\$ 1.02 - 1.08
2 Bedroom 1.5 Bathroom	800	\$ 710 - 750	\$ .89 - .94





## Rent Comparables

### The Oaks Apartment

1403 SW 3<sup>rd</sup> Street

Lee's Summit, MO

	SF	Rent Current	Rent SF
Studio	500	\$ 480	\$ .96
1 Bedroom 1 Bathroom	540	\$ 500	\$ .93
1 Bedroom 1 Bathroom	740	\$ 500 – 665	\$ .68 - .90
2 Bedroom 1 Bathroom	950	\$ 750 – 770	\$ .79 - .81



## New Parking Lot & Trash Enclosures



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Due to construction loan restraints ownership of Summit Oak made the decision in April 2010 to start leasing units well before the renovation was completed. Due to the ongoing renovation and in order to fill the units quickly while still using strong tenant screening procedures, ownership leased units at a rate roughly equivalent to 2 months free on a 12 month lease. Management was able to lease 90 units in approximately 90 days. Rental rates were reduced to:

1 Bedroom 1 Bathroom	\$425
2 Bedroom 1 Bathroom	\$500
3 Bedroom 1.5 Bathroom	\$625
Average Rent	\$511

The current market rental rates based on comparable Lee's Summit complexes are currently:

1 Bedroom 1 Bathroom	\$520
2 Bedroom 1 Bathroom	\$625
3 Bedroom 1.5 Bathroom	\$725
Average rent	\$624

The proforma (following page) shows financials that are annualized with current expenses, rental rates and financials for the property with market rental rates and expenses. The current side of the proforma demonstrates annualized current expenses. On the market side of the proforma we have increased the rents to market rate, increased repairs and maintenance expenses as years progress past the rehab date, added replacement reserves, added additional management and administration expenses and increased property taxes that may eventually be reassessed. The subject property is in Jackson County, Missouri. Jackson County does not reassess commercial property at sale.





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MULTI - FAMILY STAT / PROFORMA SHEET											
Property Address:		Summit Oak					BRICE BRADSHAW Phone: 913-901-6305 Fax: 913-901-6450  www.kccommercial.net				
City:	Lee's Summit		State:	MO		Zip:					
Date:			Listing Price:		\$3,890,000						
MLS No.											
Directions:											
Unit Description			Current Rental Data			Market Rental Data					
# of Units	# Bed	# Bath	Unit Rent	Mo. Rent	Yearly Rent	Unit Rent	Mo. Rent	Yearly Rent			
20	1	1	\$425	\$8,500	\$102,000	\$520	\$10,400	\$124,800			
46	2	1	\$500	\$23,000	\$276,000	\$625	\$28,750	\$345,000			
19	3	1.5	\$625	\$11,875	\$142,500	\$725	\$13,775	\$165,300			
8	2	1	\$575	\$4,600	\$55,200	\$625	\$5,000	\$60,000			
1	3	1.5	\$685	\$685	\$8,220	\$725	\$725	\$8,700			
			\$0	\$0	\$0	\$0	\$0	\$0			
TOTALS				\$48,660	\$583,920	TOTALS	\$58,650	\$703,800			
PROFORMA					↓			↓			
6	GROSS SCHEDULED INCOME:				\$583,920	% GSI	% GSI	\$703,800			
7	Vacancy, Loss to Lease & Credit Losses:				\$29,196	← 5.0%	5.0% →	\$35,190			
8	Other Income:				\$12,000	← 2.1%	1.7% →	\$12,000			
9	ADJUSTED GROSS INCOME (L6-(L7+L8)):				\$566,724	% AGI	% AGI	\$680,610			
10	Accounting & Legal:				\$1,500	← 0.3%	0.2% →	\$1,500			
11	Advertising:				\$1,000	← 0.2%	0.1% →	\$1,000			
12	Repair & Maintenance:				\$47,000	← 8.3%	9.7% →	\$65,800			
13	Insurance:				\$18,100	← 3.2%	2.7% →	\$18,100			
14	Management & Administration:				\$33,283	← 6.0%	8.5% →	\$56,832			
15	Taxes:				\$20,930	← 3.7%	5.9% →	\$40,000			
16	Water:				\$24,600	← 4.3%	3.6% →	\$24,600			
17	Trash:				\$4,225	← 0.7%	0.6% →	\$4,225			
18	Electric:				\$39,600	← 7.0%	5.8% →	\$39,600			
19	Replacement Reserves:				\$0	← 0.0%	3.5% →	\$23,500			
20	Cleaning, Lawn Care & Snow Removal:				\$18,800	← 3.3%	2.8% →	\$18,800			
21	Total Expenses(sum L10 - L20):				\$209,038	← 36.9%	43.2% →	\$293,957			
22	Net Operating Income(L9 minus L21):				\$357,686			\$386,653			
23	Less Annual Debt Service:				223,896	← 39.5%	32.9% →	223,896			
24	Net Income (Cash Flow) L22-L23):				133,789			162,757			
25	CAP RATE (NOI ÷ PURCHASE PRICE):				9.20%			9.94%			
26	RETURN ON INVESTMENT (NI ÷ DOWN):				17.20%			20.92%			
Estimated Financing											
Purchase Price:		\$3,890,000	6.00%	Interest							
20% Down:		\$ 778,000	30	Years Amortized							
Amount Financed:		\$3,112,000	\$ 18,658.01	P&I Monthly Payment							
Description:											
This property 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 and Nichols and Nichols Realtors/Hargis Real Estate Group 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 factors having to do with the valuation of property.											