

# EXCLUSIVE MULTI-FAMILY OFFERING

3802-3808 WASHINGTON | 501-515 W. 38<sup>TH</sup> ST | KCMO 64111 | 24 UNITS | 2 BUILDINGS | VALUE-ADD



## WASHINGTON APTS OFFERING MEMORANDUM

MARKETED BY : Brice Bradshaw & Parker Beck

PROPERTY DETAILS : 24 Units | Off-Street Parking | Laundry | Garages

UNIT MIX : All 1-Bedroom | 1-Bathroom Units – 525 SF +/-

YEAR BUILT : 1949

PRICE : MARKET

ZONING : R-1.5 | Valentine Neighborhood





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## PROPERTY DESCRIPTION

The 24 units at the corner of 38<sup>th</sup> and Washington are a charming 2-story colonial brick apartment complex comprised of 2 buildings, 8 individual garages and 18 centralized parking spaces. The Washington apartments are ideally located in the historic Valentine neighborhood blocks from Westport and the new KC Streetcar Expansion in Kansas City, Missouri. The individual garages located at the rear of the building are a rare amenity in this area and provide tenants not only parking, but individual storage lockers and a designated laundry room with 2 sets of machines (owner-owned). The garages also feature a newer roof and are accessed via a freshly asphalted alleyway at the west side of the complex. All units at the complex are one-bedroom, one-bathroom units with mostly identical footprints and an approximate unit size of 525 sf (+/-). Washington apartment units feature hardwood floors, window units (air), forced air gas furnaces (heat), ceiling fans, Google Fiber, individual hot water heaters, excellent natural lighting, large bedrooms and front/rear access.

Firewalls separate the 24 units into 6 pods and the buildings are on a crawl space with pitched asphalt roofs. The property is separately metered for gas/electric with mostly galvanized plumbing supply line, cast iron drain lines, and 60-amp electrical service. The exterior features new modern horizontal fencing enclosing the courtyard parking lot & picnic area. The property is owner-managed, stabilized, has a history of high occupancy and currently has below market rents. The Washington Apartments has many possibilities, a new owner could continue to operate it “as is” or add value by remodeling kitchens & bathrooms, adding washer/dryer to units and creating additional income segments through the addition of garage fees. The property is owner-managed and neighboring complexes that have been substantially upgraded are achieving rent price points in the \$900+ per month range for one-bedrooms, allowing a new buyer many options with management & finishes. The Westport/Midtown area is one of Kansas City’s strongest rental markets and continues to improve with further new development.

### OFFERING & PROPERTY SUMMARY

ASKING PRICE	MARKET
TERMS	Free & Clear
ADDRESS	3802-3808 Washington & 501-515 W. 38 <sup>th</sup> St. Kansas City, MO 64111
COUNTY	Jackson County
NEIGHBORHOOD	Valentine
ZONING	R-1.5
YEAR BUILT	1949
# OF BUILDINGS	2
CONSTRUCTION/EXTERIOR	Brick Exteriors   Pitched Asphalt Roofs   Crawl Space Foundation
SITE SIZE	0.79 acres or 34,519 sf (County)
NET RENTABLE AREA	12,600 sq. ft. (+/-)
STORIES	2
OCCUPANCY	96%
UNITS	24
1 BEDROOM 1 BATHROOM	24
AVERAGE UNIT SIZE	525 sq. ft. (+/-)
AVERAGE UNIT RENT	\$616

### UTILITIES & AMENITIES SUMMARY

METERING	Separate (Electric & Gas)
HEAT	Forced Air Gas Furnaces
A/C	Window Units
HOT WATER	Individual Hot Water Heaters
ENTRY	Front & Rear Secured
UTILITIES	Tenants responsible for all utilities
PARKING	18 off-street parking & 8 individual garages
INTERNET	Google Fiber





## PROPERTY HIGHLIGHTS

- ❖ 24 UNITS – ALL 1-BR UNITS
- ❖ 2 BULIDINGS ON CRAWL SPACES
- ❖ 18 OFF-STREET PARKING SPACES
- ❖ 8 LARGE INDIVIDUAL GARAGES WITH STORAGE LOCKERS & LAUNDRY
- ❖ EXCELLENT LOCATION IN HEART OF MIDTOWN NEAR KC STREETCAR EXPANSION
- ❖ UPDATED FENCING AROUND PROPERTY
- ❖ SEPARATELY METERED (GAS/ELECTRIC)
- ❖ RARE VALUE-ADD OPPORTUNITY BY WESTPORT
- ❖ GALVANIZED SUPPLY LINES, CAST IRON DRAIN LINES & 60-AMP ELECTRICAL

## UNIT HIGHLIGHTS

- ❖ 1-BR UNITS – 525 SF (+/-)
- ❖ HARDWOOD FLOORS
- ❖ WINDOW UNITS
- ❖ FORCED AIR GAS FURNACES
- ❖ INDIVIDUAL HOT WATER HEATERS
- ❖ GOOGLE FIBER
- ❖ FRONT/REAR ACCESS
- ❖ EXCELLENT NATURAL LIGHTING
- ❖ CEILING FANS







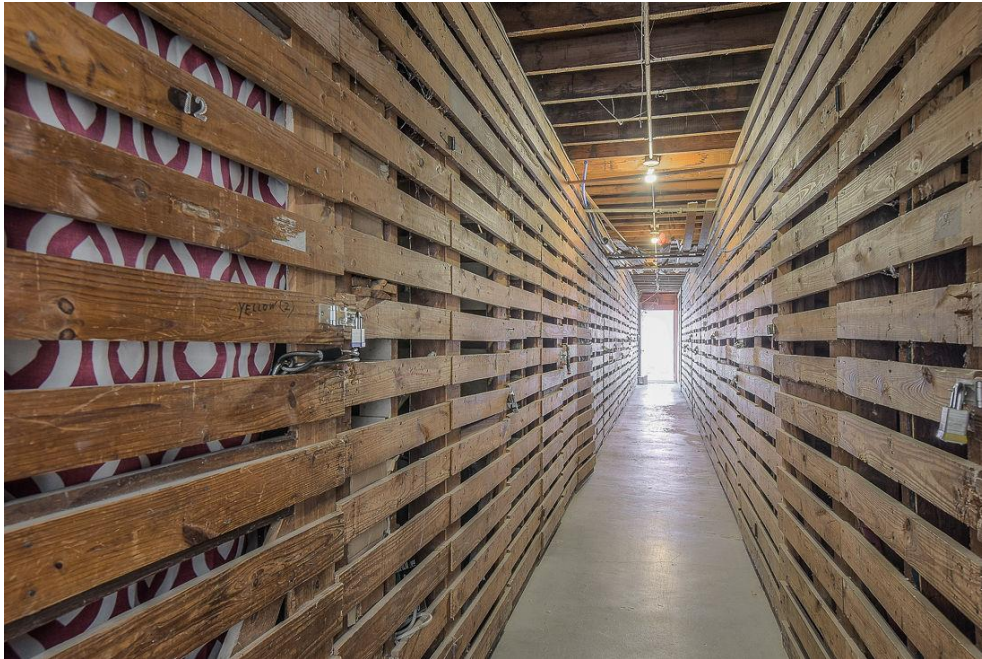








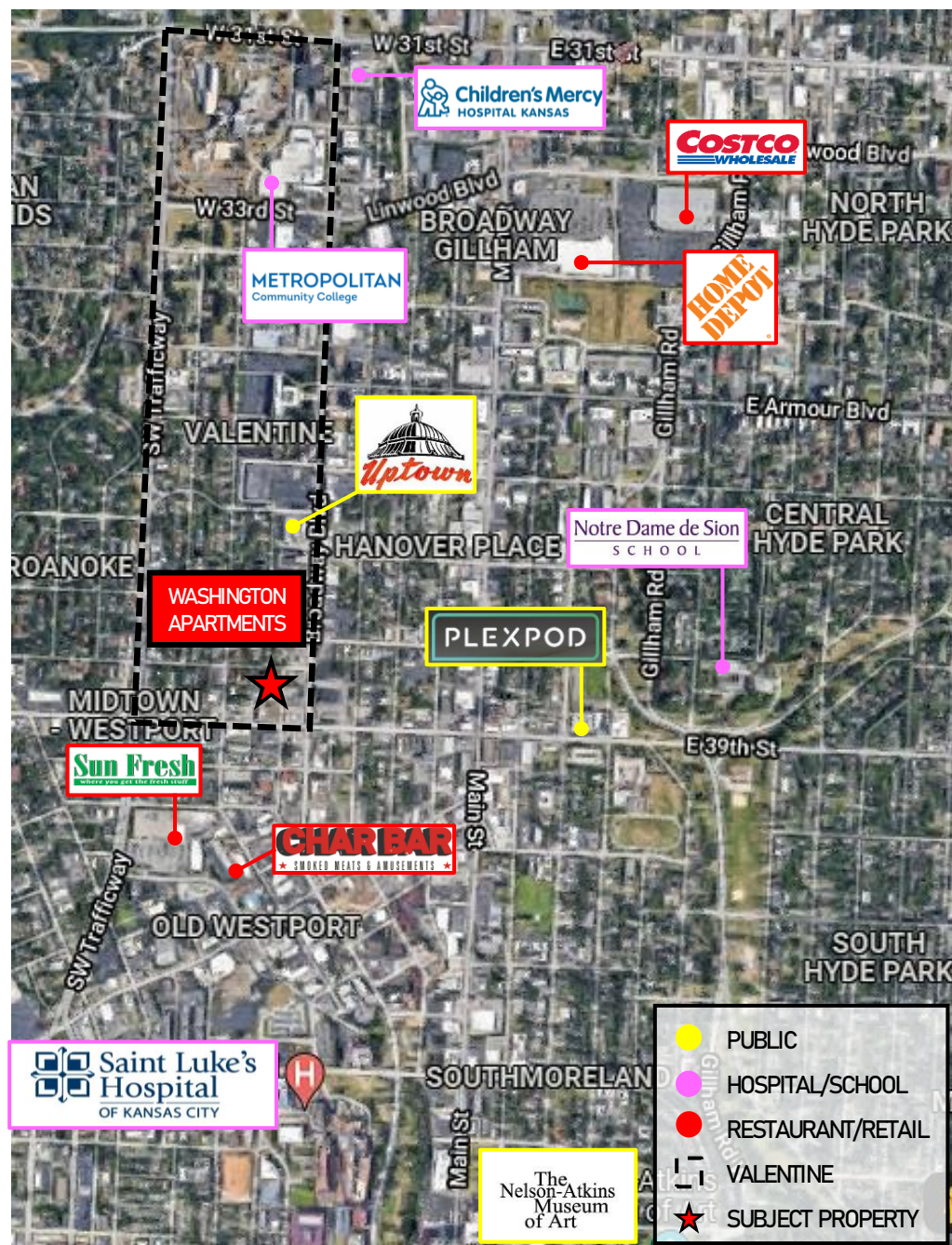






The Washington Apartments are located just a few blocks north of Westport in the Midtown/Hyde Park area of Kansas City, Missouri. Hyde Park is a vibrant residential/commercial community where businesses, neighborhoods and institutions reinforce one another. The Washington Apartments are stationed in the Valentine neighborhood, a subdivision of the Hyde Park area. A historic neighborhood in Kansas City, MO, Valentine is inhabited by nearly 1,200 residents, 800 homes and many local businesses as well as Metropolitan Community College. Broad streets, soaring trees and a selection of exceptional coffee shops, theaters and stores make the neighborhood ideal for residents who prefer the quieter side of town. 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 the Crossroads, Country Club Plaza, and Westport make Valentine an ideal neighborhood. 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 southeast of the complex. 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. Additionally, the planned 3.5-mile extension of Kansas City's streetcar down Main Street continues to drive investors/residents to the area. Two proposed stops are within blocks of the complex at Armour & Main Street and 39<sup>th</sup> & Main Street.

The Country Club Plaza, located minutes south of Valentine, 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. Valentine 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. Rental demand is very strong and quite stable near the Country Club Plaza and Westport due to the high quality of life and area amenities.







**MARTINI CORNER**



**COUNTRY CLUB PLAZA**



**WESTPORT DISTRICT**



**UNION STATION**



**CHILDREN'S MERCY HOSPITAL**





**NELSON-ATKINS MUSEUM**



**AMERICAN CENTURY TOWERS**



**KANSAS CITY ART INSTITUTE**



**WESTPORT PLEXPOD**



**UNIVERSITY OF KANSAS MEDICAL CENTER**



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 3<sup>rd</sup> 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.







**OCTOBER 2021 RENT ROLL BREAKDOWN**

UNIT #	UNIT TYPE	UNIT SF	MARKET RENT	RENT	ANNUAL RENT	RENT PER SF
501-1	1x1	525 +/-	<i>\$950</i>	\$650	\$7,800	\$1.24
503-2	1x1	525 +/-	<i>\$950</i>	\$713	\$8,556	\$1.36
501-3	1x1	525 +/-	<i>\$950</i>	\$600	\$7,200	\$1.14
503-4	1x1	525 +/-	<i>\$950</i>	\$580	\$6,960	\$1.10
505-5	1x1	525 +/-	<i>\$950</i>	\$585	\$7,020	\$1.11
507-6	1x1	525 +/-	<i>\$950</i>	\$620	\$7,440	\$1.18
505-7	1x1	525 +/-	<i>\$950</i>	\$600	\$7,200	\$1.14
507-8	1x1	525 +/-	<i>\$950</i>	\$650	\$7,800	\$1.24
509-9	1x1	525 +/-	<i>\$950</i>	\$600	\$7,200	\$1.14
511-10	1x1	525 +/-	<i>\$950</i>	\$580	\$6,960	\$1.10
509-11	1x1	525 +/-	<i>\$950</i>	\$650	\$7,800	\$1.24
511-12	1x1	525 +/-	<i>\$950</i>	\$600	\$7,200	\$1.14
513-13	1x1	525 +/-	<i>\$950</i>	\$600	\$7,200	\$1.14
515-14	1x1	525 +/-	<i>\$950</i>	\$650	\$7,800	\$1.24
513-15	1x1	525 +/-	<i>\$950</i>	\$713	\$8,556	\$1.36
515-16	1x1	525 +/-	<i>\$950</i>	\$600	\$7,200	\$1.14
3802-1	1x1	525 +/-	<i>\$950</i>	\$600	\$7,200	\$1.14
3804-2	1x1	525 +/-	<i>\$950</i>	\$625	\$7,500	\$1.19
3802-3	1x1	525 +/-	<i>\$950</i>	\$600	\$7,200	\$1.14
3804-4	1x1	525 +/-	<i>\$950</i>	\$580	\$6,960	\$1.10
3806-5	1x1	525 +/-	<i>\$950</i>	\$600	\$7,200	\$1.14
3808-6	1x1	525 +/-	<i>\$950</i>	\$580	\$6,960	\$1.10
3806-7	1x1	525 +/-	<i>\$950</i>	\$600	\$7,200	\$1.14
3808-8	1x1	525 +/-	<i>\$950</i>	\$600	\$7,200	\$1.14
24		12,600 +/-	<i>\$22,800</i>	\$14,776	\$177,312	\$1.17

*\* MARKET RENTS ASSUME SIGNIFICANT UNIT REHABS INCLUDING KITCHEN AND BATHROOM REMODEL & ADDITION OF WASHER/DRYER IN UNITS.*



**OCTOBER 2021 UNIT MIX**

# OF UNITS	UNIT TYPE	UNIT SF	RENT	MONTHLY RENT	ANNUAL RENT	RENT PER SF
11	1x1	525 +/-	\$600	\$6,600	\$79,200	\$1.14
4	1x1	525 +/-	\$650	\$2,600	\$31,200	\$1.24
4	1x1	525 +/-	\$580	\$2,320	\$27,840	\$1.10
2	1x1	525 +/-	\$713	\$1,426	\$17,112	\$1.36
1	1x1	525 +/-	\$625	\$625	\$7,500	\$1.19
1	1x1	525 +/-	\$620	\$620	\$7,440	\$1.18
1	1x1	525 +/-	\$585	\$585	\$7,020	\$1.11
24				\$14,776	\$177,312	\$1.17

**2020 ACTUAL FINANCIAL PERFORMANCE**

ADJUSTED GROSS INCOME	\$159,590	% AGI	PER UNIT
ADMINISTRATIVE EXPENSE	\$1,600	1.00%	\$66.67
MANAGEMENT FEE	\$12,767	8.00%	\$531.97
UTILITIES	\$20,120	12.61%	\$838.33
REPAIRS & MAINTENANCE	\$22,800	14.29%	\$950.00
CLEANING/LAWNCARE/SNOW REMOVAL	\$6,000	3.76%	\$250.00
PROPERTY INSURANCE	\$8,126	5.09%	\$338.58
PROPERTY TAX	\$10,056	6.30%	\$419.00
TOTAL EXPENSES	\$81,469	51.05%	\$3,394.55
NET OPERATING INCOME	\$78,121		

\* ADJUSTMENTS WERE MADE IN THE ABOVE BREAKDOWN TO ACCOUNT FOR OWNER MANAGEMENT

**PRO-FORMA RENT ROLL**

# OF UNITS	UNIT TYPE	UNIT SF	MKT RENT	MONTHLY RENT	ANNUAL RENT	RENT PER SF
24	1x1	525 +/-	\$950	\$22,800	\$273,600	\$1.81
8	GARAGE		\$75	\$600	\$7,200	
32				\$23,400	\$280,800	

**PROPERTY PRO-FORMA**

POTENTIAL INCOME - MKT RENTS + GARAGES	\$280,800	% GPI	PER UNIT
VACANCY & CREDIT LOSSES	\$14,040	5.00%	\$585.00
OTHER INCOME	\$4,800	1.71%	\$200.00
ADJUSTED GROSS INCOME	\$271,560	% AGI	PER UNIT
ADMINISTRATIVE EXPENSE	\$1,600	0.59%	\$66.67
MANAGEMENT FEE	\$21,725	8.00%	\$905.20
UTILITIES	\$26,000	9.57%	\$1,083.33
REPAIRS & MAINTENANCE	\$18,000	6.63%	\$750.00
CLEANING/LAWNCARE/SNOW REMOVAL	\$8,000	2.95%	\$333.33
PROPERTY INSURANCE	\$14,000	5.16%	\$583.33
PROPERTY TAX	\$10,056	3.70%	\$419.00
REPLACEMENT RESERVES	\$6,000	2.24%	\$250.00
TOTAL EXPENSES	\$105,381	38.81%	\$4,390.87
NET OPERATING INCOME	\$166,179		\$6,924.13

THE PROPERTY PRO-FORMA ABOVE ASSUMES SIGNIFICANT RENOVATIONS INCLUDING EXTENSIVE UNIT UPDATES, THE ADDITION OF WASHER/DRYER IN UNIT & THE IMPLEMENTATION OF GARAGE FEES FOR ADDITIONAL INCOME. 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 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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