

BRENTWOOD PLAZA

OFFERING MEMORANDUM

109 E. 40TH STREET | KANSAS CITY, MO | 64111



COMPASS REALTY GROUP

EXCLUSIVE MULTI-FAMILY OFFERING

109 E 40TH STREET | KANSAS CITY, MO 64111 | 30 UNITS | VALUE-ADD OPPORTUNITY | MARKET PRICE



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COMPASS REALTY GROUP

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Brentwood Plaza is a stately, low-rise 30-unit apartment complex situated just off Main Street in a historic neighborhood near the Nelson-Atkins Museum, the Kemper Museum of Contemporary Art and the Kansas City Art Institute. The brick exterior building stands 3-stories with newer vinyl windows, TPO roof and parking lot on the west side providing tenants 12 off-street spaces. The building is comprised of 18 studio units with an approximate unit size of 390 square-feet (+/-) and 12 1-bed/1-bath units with an approximate unit size of 465 square-feet (+/-). Built in 1924, the property's location is anchored by the Arts District as well as universities, hospitals, local shops/restaurants and businesses. It is well positioned to take advantage of its location next to multiple stops on Main (39th, 43rd, & 45th) of the KC Streetcar Extension line. The extension starts in the Crossroads at Union Station and continues south to UMKC at 51st and will be completed in 2025. The building is currently owner-operated with a history of high occupancy.

Current ownership acquired Brentwood in April of 2023 and has made significant progress in raising rents 25%+ through moderate make-readies, updates to the common area hallways/stairwells (paint, flooring & fixtures) and the implementation of utility fees to 80% of the units (\$55). Other major expenditures include a 30th unit being put back into service (previously laundry room) with more modern finishes, a new sewer line section and updates to all plumbing valves. All units at the property have window units for cooling and radiator heat, mostly hardwood floors (some LVT), functional floorplans, good closet space, vinyl windows and keycode entry. The building is separately metered for electric and is on a common gas boiler. The asset presents an appeal to both the stabilized and value-add investor. Buyer could continue to manage property as-is with small incremental improvements to present a uniform product across all units or look to carry out a significant rehab to all units with modern/high-end finishes including updates to electrical/plumbing/water and conversion to central air. The value-add project allows a new owner maximum flexibility to bring their vision to a great building in a superb location.

OFFERING SUMMARY

30 UNITS TWO-BLOCKS FROM STREETCAR

ASKING PRICE	MARKET
ADDRESS	109 E 40 th Street, KCMO 64111
NEIGHBORHOOD	Southmoreland
COUNTY	Jackson
YEAR BUILT	1924
# OF STORIES	3
OCCUPANCY	90%
PARCEL/APN	30-230-27-03-01-0-00-000
# OF UNITS	30
UNIT MIX (AS IS)	Number - SF
--1 BR / 1 BA	12 - 465 SF (+/-)
--STUDIOS	18 - 390 SF (+/-)
AVERAGE 1BR RENT	\$746
AVERAGE STUDIO RENT	\$676

ASSET OVERVIEW

- 12 OFF-STREET PARKING SPACES
- EXCELLENT LOCATION STEPS OFF MAIN STREET NEAR STREETCAR EXPANSION
- UPDATED COMMON AREAS - flooring, paint & lighting
- VALUE-ADD OPPORTUNITY WITH HISTORY OF HIGH OCCUPANCY (owner-operated)
- TPO ROOF & VINYL WINDOWS
- PUT 30TH UNIT BACK INTO SERVICE - previously laundry room
- SOUTHMORELAND LOCATION (NELSON ATKINS, KCAI, KEMPER MUSEUM)
- IMPLEMENTED RUBS FEES OF \$55



UNIT HIGHLIGHTS

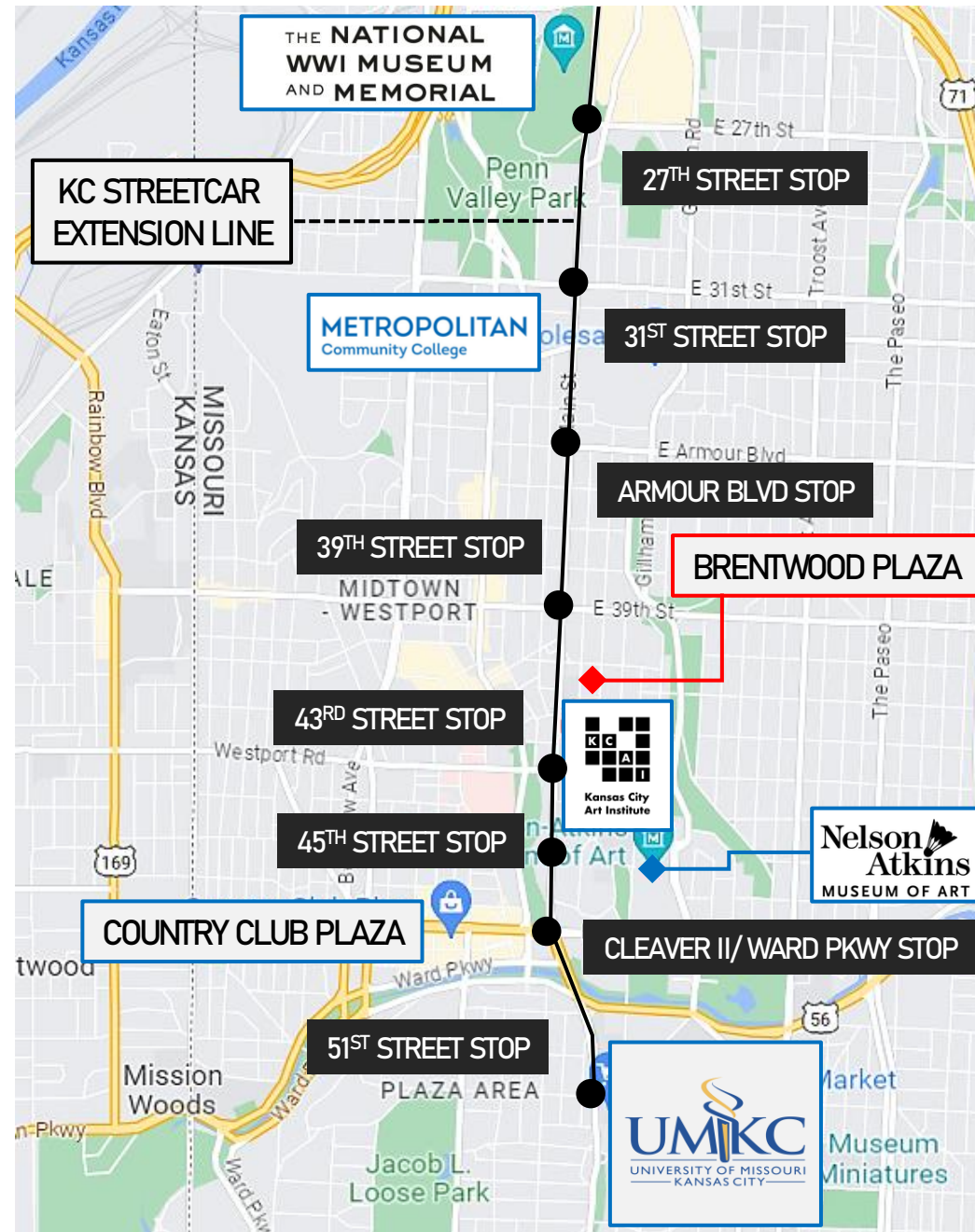
- 30 UNITS - (18) studios | (12) 1x1
- 390 SF - 465 SF
- WINDOW UNITS, RADIATOR & BOILER
- EXCELLENT WINDOW LIGHTING
- SEPARATELY METERED - electric
- HARDWOOD FLOORS
- FUNCTIONAL FLOORPLANS
- COIN OPERATED LAUNDRY IN BASEMENTS
- KEYCODE ENTRY



BUILDING SUMMARY

30 UNITS TWO-BLOCKS FROM STREETCAR

SITE SIZE	9,888 SF or 0.23 acres (public record)
NET RENTABLE AREA	24,000 SF +/-
ELECTRIC METERING	Separate
GAS/HEAT	Radiator/Boiler -
COOLING	Window Units
WATER/ HOT WATER	Central Boiler
LAUNDRY	Designated Laundry Room w/ coin operated machines (3 sets)
PARKING	Parking Lot (12 Spaces)
WINDOWS	Vinyl Replacement Windows
ENTRY	Keycode Entry
ROOF	Flat TPO Roof
BASEMENT	Full Basement Stone Foundation
UTILITIES	Tenants pay electric; landlord pays gas, water/hot water & trash
STREETCAR INFO	Main Street Extension Overview









NEIGHBORHOOD OVERVIEW

SOUTHMORELAND | KANSAS CITY, MO MSA

Brentwood Plaza is located just steps off Main Street next to the “Arts District” in one of Kansas City’s oldest neighborhoods, Southmoreland. The neighborhood serves as a vibrant residential/commercial community where businesses, neighborhoods and institutions reinforce one another. It is known for its vibrant art scene and is home to numerous annual cultural events, coffee shops restaurants, hotels and business parks. The neighborhood is anchored by its renowned art centers: Kemper Museum of Contemporary Art, Kansas City Art Institute, Donald J. Hall Sculpture Park, and the Nelson-Atkins Museum of Art. Other institutions driving rental demand include universities (UMKC & Rockhurst) and Saint Luke’s Medical Plaza. Residents enjoy convenient access to nightlife/entertainment options as well as many local establishments as it neighbors Old Westport, the Country Club Plaza, Valentine and Hyde Park. The neighborhood blends old and new with a multitude of rental options available including luxury condos, brick high-rise apartments and 20th century single family houses.

The 3.5-mile Streetcar extension along Main Street from Union Station to UMKC will create more demand as the neighborhood is well situated with along the line with 4 stops at 39th, 43rd, 45th and 47th. Completion is expected in 2025. The Country Club Plaza, located within walking distance to the subject property, is Kansas City’s premier retail, dining and entertainment destination (over 150 shops and restaurants). The Country Club Plaza, inspired by Spanish Architecture, was first established in 1922 and remains a highly sought after residential and commercial location. It is Kansas City’s premier submarket and highest rent district in the Metro offering a well-balanced mix of urban living and suburban comforts. 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. 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



KC STREETCAR EXPANSION LINE



ST LUKE'S HOSPITAL OF KANSAS CITY



NELSON-ATKINS MUSEUM



AMERICAN CENTURY TOWERS



KANSAS CITY ART INSTITUTE



WESTPORT PLEXPOD



UNIVERSITY OF MISSOURI-KANSAS CITY

KANSAS CITY MSA OVERVIEW

Known as the City of Fountains, Kansas City is home to more than 2 million people, divided north to south by the Kansas and Missouri border.

- The Huffington Post named Kansas City the "Coolest City in America" and called it the #1 affordable getaway.
- U.S. News and World Report analyzed 100 American cities to survey the best places to live, based on quality of life and the job market. Kansas City came in at #49.
- Forbes ranked Kansas City the 3rd best city for renters due to investor interest, while also declaring Kansas City to have the best "rental affordability" among its list of 46 cities.
- WalletHub reaffirmed Forbes lofty ranking by putting Kansas City in its Top 50 for "Best Real-Estate Markets."
- In its list of "Top 10 Best Places to Visit in 2024," the Wall Street Journal named Kansas City as one of the 10 best in the world.
- Highest Yearly Increase in rents (16.17%) according to Rent.Com in 2023 (#1)

CULTURE

Among other things, Kansas City is famous for its barbeque and musical heritage. A premier jazz city since the 1930's, Kansas City is the birthplace of Bennie Moten and Charlie "Bird" Parker and the stomping grounds for Count Basie and countless others. The history of the city's music and arts scene 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 has been named the best museum in the USA by both USA Today and Yelp. Additionally, Yelp's #5 best museum in the country is the National WWI Museum & Memorial, the only national WWI museum.

SPORTS

Home of the 2023 NFL Draft, 2023 Super Bowl Champions and future World Cup host city, Kansas City is a quintessential sports town. Kansas City is home to national championship-winning NFL, MLB and Major League Soccer teams: the Kansas City Chiefs, Royals and Sporting KC. Kansas City is home to NASCAR's Kansas Speedway, the College Basketball Hall of Fame and boasts several of the finest golf courses in the U.S. For additional entertainment, Kansas City offers Worlds of Fun, Oceans of Fun and the Great Wolf Lodge as well as premier shopping areas like the Country Club Plaza and the Legends Shopping Center in the Village West area of town.

EDUCATION

Education is an important part of the Kansas City landscape, which features top-ranked private and public schools and an array of choices in the field of higher education. The city is home to major colleges and universities, like the University of Kansas, KU Medical Center, University of Missouri Kansas City and Rockhurst University, along with many others. The Kansas City area also includes three of the Top 10 Public School Districts in the nation.

BUSINESS

The Kansas City area is home to major companies like Hallmark Cards, H&R Block, Black & Veatch, Garmin, Seaboard, DST Systems and Russell Stovers. It is ranked among the Top 20 Cities hiring the most workers and has seen extensive growth/development since the turn of the century. The new \$1.5 billion single-terminal was just completed and over \$9+ billion has been invested into Downtown KC since 2001. is the epicenter of an ever-expanding biotechnology industry, including the Stowers Institute for Medical Research, the Kansas Life Sciences Innovation Center, the Biotechnology Development Center, XenoTech and Proteon Therapeutics. It's also home to a myriad of top medical centers and hospitals, including the University of Kansas, KU Cancer Center, Saint Luke's, Children's Mercy, Olathe and Overland Park Regional Medical Centers (just to name six). The Metro areas economy is wide-ranging with numerous employment opportunities. KC serves as the headquarters location for several companies including Cerner, T-Mobile(Sprint), AT&T, BNSF Railway, Honeywell, and GEICO.

UNIT #	UNIT TYPE	UNIT SF	RENT	ANNUAL RENT	RENT PER SF	MARKET RENT	OTHER CHARGES
101	1/1.00	465	\$750	\$9,000	\$1.61	\$815	\$70
102	1/1.00	465	\$750	\$9,000	\$1.61	\$815	\$75
103	STUDIO	390	\$695	\$8,340	\$1.78	\$700	\$0
104	STUDIO	390	\$555	\$6,660	\$1.42	\$700	\$15
105	STUDIO	390	\$695	\$8,340	\$1.78	\$700	\$70
106	STUDIO	390	\$695	\$8,340	\$1.78	\$700	\$55
107	STUDIO	390	\$625	\$7,500	\$1.60	\$700	\$15
108	STUDIO	390	\$695	\$8,340	\$1.78	\$700	\$15
109	1/1.00	465	\$750	\$9,000	\$1.61	\$815	\$70
110	1/1.00	465	\$750	\$9,000	\$1.61	\$815	
201	1/1.00	465	\$750	\$9,000	\$1.61	\$815	\$15
202	1/1.00	465	\$650	\$7,800	\$1.40	\$815	
203	STUDIO	390	\$695	\$8,340	\$1.78	\$700	\$65
204	STUDIO	390	\$695	\$8,340	\$1.78	\$700	\$55
205	STUDIO	390	\$695	\$8,340	\$1.78	\$700	\$70
206	STUDIO	390	\$695	\$8,340	\$1.78	\$700	\$70
207	STUDIO	390	\$695	\$8,340	\$1.78	\$700	\$0
208	STUDIO	390	\$655	\$7,860	\$1.68	\$700	\$55
209	1/1.00	465	\$750	\$9,000	\$1.61	\$815	\$55
210	1/1.00	465	\$750	\$9,000	\$1.61	\$815	\$55
301	1/1.00	465	\$750	\$9,000	\$1.61	\$815	\$55
302	1/1.00	465	\$750	\$9,000	\$1.61	\$815	\$15
303	STUDIO	390	\$695	\$8,340	\$1.78	\$700	\$70
304	STUDIO	390	\$695	\$8,340	\$1.78	\$700	\$55
305	STUDIO	390	\$695	\$8,340	\$1.78	\$700	\$65
306	STUDIO	390	\$695	\$8,340	\$1.78	\$700	\$0
307	STUDIO	390	\$655	\$7,860	\$1.68	\$700	\$55
308	STUDIO	390	\$695	\$8,340	\$1.78	\$700	\$65
309	1/1.00	465	\$805	\$9,660	\$1.73	\$815	
310	1/1.00	465	\$750	\$9,000	\$1.61	\$815	\$55
30		12600	\$21,175	\$254,100	\$1.69	\$22,380	\$1,260



CURRENT UNIT MIX

# OF UNITS	UNIT TYPE	UNIT SF	CURRENT RENT	MONTHLY RENT	ANNUAL RENT	RENT PER SF
10	1x1	465	\$750	\$7,500	\$90,000	\$1.61
1	1x1	465	\$805	\$805	\$9,660	\$1.73
1	1x1	465	\$650	\$650	\$7,800	\$1.40
14	STUDIO	390	\$695	\$9,730	\$116,760	\$1.78
2	STUDIO	390	\$655	\$1,310	\$15,720	\$1.68
1	STUDIO	390	\$625	\$625	\$7,500	\$1.60
1	STUDIO	390	\$555	\$555	\$6,660	\$1.42
24	AVG RUBS FEE	-	\$53	\$1,260	\$15,120	-
30 units				\$22,435	\$269,220	\$1.60

MARKET RENT UNIT MIX

CURRENT UNIT CONDITION

# OF UNITS	UNIT TYPE	UNIT SF	IN-PLACE MARKET RENTS	MONTHLY RENT	ANNUAL RENT	RENT PER SF
12	1x1	465	\$815	\$9,780	\$117,360	\$1.75
18	STUDIO	390	\$700	\$12,600	\$151,200	\$1.79
30	RUBS FEE	-	\$55	\$1,650	\$19,800	-
30 units				\$24,030	\$288,360	\$1.77

MARKET RENT UNIT MIX

FULLY UPGRADED UNITS

# OF UNITS	UNIT TYPE	UNIT SF	REHABBED MARKET RENTS	MONTHLY RENT	ANNUAL RENT	RENT PER SF
12	1x1	465	\$1,000	\$12,000	\$144,000	\$2.15
18	STUDIO	390	\$900	\$16,200	\$194,400	\$2.31
30 units				\$28,200	\$338,400	\$2.23

FINANCIAL BREAKDOWN

TRAILING FINANCIAL PERFORMANCE

	APRIL 2023 - DECEMBER 2023 (annualized)		
	TOTAL	PER UNIT	% GPI
RENTAL INCOME	\$213,084	\$7,103	-
VACANCY & LOSS TO LEASE	-	-	-
OTHER INCOME + RUBS	\$18,750	\$625	8.80%
ADJUSTED GROSS INCOME	\$231,834	\$7,728	% AGI
REPAIRS, MAINTENANCE & SUPPLIES	\$4,299	\$143	1.85%
CLEANING, LAWN, SNOW & PEST	\$120	\$4	0.05%
UTILITIES	\$30,825	\$1,027	13.30%
ADMINISTRATIVE	\$4,943	\$165	2.13%
PROPERTY MANAGEMENT	\$19,706	\$657	8.50%
PROPERTY TAX 2023	\$10,575	\$352	4.56%
INSURANCE	\$9,407	\$314	4.06%
REPLACEMENT RESERVES	-	-	-
TOTAL OPERATING EXPENSES	\$79,874	\$2,662	34.45%
NET OPERATING INCOME	\$151,960	\$5,065	

Brentwood Plaza does not have a year's worth of statements as ownership took over in April of 2023. Since owning, there has been a concentrated effort to raise rents and implement rubs across all units (previously \$500-\$600). Generic make-readies have been completed as available, the common areas have been updated and a 30th unit has been put back into service (previously laundry room). A management fee of 8.5% was added to actual performance as these buildings are currently owner-operated.

FINANCIAL BREAKDOWN

PROPERTY PRO-FORMA OVERVIEW

	PROPERTY PRO-FORMA IN PLACE MARKET RENTS 1-bed @ \$815 studio @ \$700			PROPERTY PRO-FORMA REHABBED MARKET RENTS 1-bed @ \$1,000 studio @ \$900		
	TOTAL	PER UNIT	% GPI	TOTAL	PER UNIT	% GPI
TOTAL GROSS POTENTIAL	\$268,560	\$8,952		\$338,400	\$11,280	
VACANCY & CREDIT LOSSES	-\$13,428	-\$448	-5.00%	-\$16,920	-\$564	-5.00%
OTHER INCOME + RUBS	\$19,500	\$650	7.26%	\$7,500	\$250	2.22%
ADJUSTED GROSS INCOME	\$274,632	\$9,154	% AGI	\$328,980	\$10,966	% AGI
ADMIN & LEGAL	\$1,500	\$50	0.55%	\$1,500	\$50	0.46%
REPAIRS & MAINTENANCE	\$22,500	\$750	8.19%	\$22,500	\$750	6.84%
CLEANING, LAWN, SNOW & PEST	\$7,500	\$250	2.73%	\$7,500	\$250	2.28%
UTILITIES	\$36,000	\$1,200	13.11%	\$30,000	\$1,000	9.12%
INSURANCE	\$13,500	\$450	4.92%	\$16,500	\$550	5.02%
PROPERTY TAX 2023	\$10,575	\$353	3.85%	\$10,575	\$353	3.21%
MANAGEMENT	\$23,344	\$778	8.50%	\$27,963	\$932	8.50%
REPLACEMENT RESERVES	\$4,500	\$150	1.64%	\$7,500	\$250	2.28%
TOTAL OPERATING EXPENSES	\$119,419	\$3,981	43.48%	\$124,038	\$4,135	37.70%
NET OPERATING INCOME	\$155,213	\$5,174	56.52%	\$204,942	\$6,831	62.30%

The above breakdown represents two different proformas with differing levels of finish/market rents. The property proformas assumes varying levels of renovations/upgrades to all units to present a more uniform product. Blue Table assumes current in-place market rents + rubs charges that are currently being implemented. The green table assumes full turnkey rehabs with modern/high-end finishes, stainless appliances and updates to electrical/plumbing/water. To account for expenditures, we included replacement reserves of \$150-\$250/unit. Management is fixed at 8.5% and Vacancy/Credit losses at 5.0%.

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 Compass Realty Group/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, Crexi and Multiple Listing Services (MLS)
- Market participants and property managers familiar with the market area
- Public records, surveys, and appraisals

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