

# 4517 FOREST AVENUE

## OFFERING MEMORANDUM

KANSAS CITY, MISSOURI 64110



COMPASS REALTY GROUP



# EXCLUSIVE MULTI-FAMILY OFFERING

4517 FOREST AVE | KANSAS CITY, MO 64110 | 4 UNITS | VALUE-ADD OPPORTUNITY | \$299,000



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COMPASS REALTY GROUP

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4517 Forest is a 4-unit complex located just east of the Nelson-Atkins museum near the Country Club Plaza in Kansas City, Missouri. Located on a one-way street (Forest Avenue), the property is neighbored by vacant lots on each side (south lots owned by local development group) and street parking is provided to the tenants. The property boasts an emerging/gentrifying location near the shops on the Plaza, Westport, UMKC and the Art Institute. The neighborhood of Manheim Park has experience extensive revitalization recently anchored by the Troost Revitalization project stretching from 24<sup>th</sup> to 52<sup>nd</sup> Street. Its close proximity to many of the city's main attractions make it a draw for tenants seeking a sense of history amongst urban life. New construction homes have been developed on the street and in the immediate neighborhood with plans for future development.

The property is separately metered for gas and electric and has common water/hot water. All units at the property at two-bedroom, one-bathroom units with an approximate size of 800 square feet (+/-). The property has internal basement access in the front hallway as well as external rear access. All units at the complex feature window units, hardwood/vinyl/carpet flooring, decorative fireplaces, excellent storage (many closets) and tall ceilings. The property has a history of high occupancy with below market rents and has 3<sup>rd</sup> party management in place. New ownership can add value by remodeling kitchens & bathrooms, installing washer/dryer in all units and raising rents to market rates, or continue to manage the property as-is with small incremental improvements over time.

UNIT #	UNIT TYPE	UNIT SF	RENT	ANNUAL RENT	RENT PER SF	MARKET RENT
1N	2x1	800	\$695	\$8,340	\$0.87	\$795
<b>1S</b>	<b>2x1</b>	<b>800</b>	<b>\$695</b>	<b>\$8,340</b>	<b>\$0.87</b>	<b>\$795</b>
2N	2x1	800	\$625	\$7,500	\$0.78	\$795
2S	2x1	800	\$695	\$8,340	\$0.87	\$795
4		3200	\$2,710	\$32,520	\$0.85	\$3,180

## OFFERING SUMMARY

### 4-PLEX NEAR THE COUNTRY CLUB PLAZA

ASKING PRICE	\$299,000
ADDRESS	4517 Forest Avenue, Kansas City, MO 64110
NEIGHBORHOOD	Manheim Park
COUNTY	Jackson County
YEAR BUILT	1925
2023 PROPERTY TAX	\$3,000.67
# OF BUILDINGS	1
STORIES	2
# OF UNITS	4
UNIT TYPE	2BR / 1BA units
AVERAGE UNIT SIZE	800 SF (+/-)
AVERAGE UNIT RENT	\$672
ZONING	R-1.5
OCCUPANCY	75%





## ASSET OVERVIEW

- VALUE-ADD OPPORTUNITY IN MANHEIM PARK
- GOOD LOCATION NEAR NELSON-ATKINS, UMKC, COUNTRY CLUB PLAZA & WESTPORT
- INTERIOR BASEMENT ACCESS WITH COMMON LAUNDRY
- NEIGHBORS VACANT LOTS ON BOTH SIDES (SOUTH VACANT LOTS OWNED BY LOCAL DEVELOPMENT/REAL ESTATE COMPANY)
- ACROSS STREET FROM NEW CONSTRUCTION RESIDENTIAL HOMES
- ONE-WAY STREET PARKING ON FOREST
- 3<sup>RD</sup> PARTY MANAGED WITH HISTORY OF HIGH OCCUPANCY & BELOW MARKET RENTS

## UNIT HIGHLIGHTS

- 4 UNITS (ALL 2BR/1BA UNITS)
- 800 SF (+/-)
- HARDWOOD, VINYL & CARPET FLOORING
- DECORATIVE FIREPLACES
- WINDOW UNITS
- SEPARATELY METERED FOR GAS/ELECTRIC
- TALL CEILINGS, GALLEY KITCHENS AND EXCELLENT STORAGE SPACE
- COMMON HOT WATER





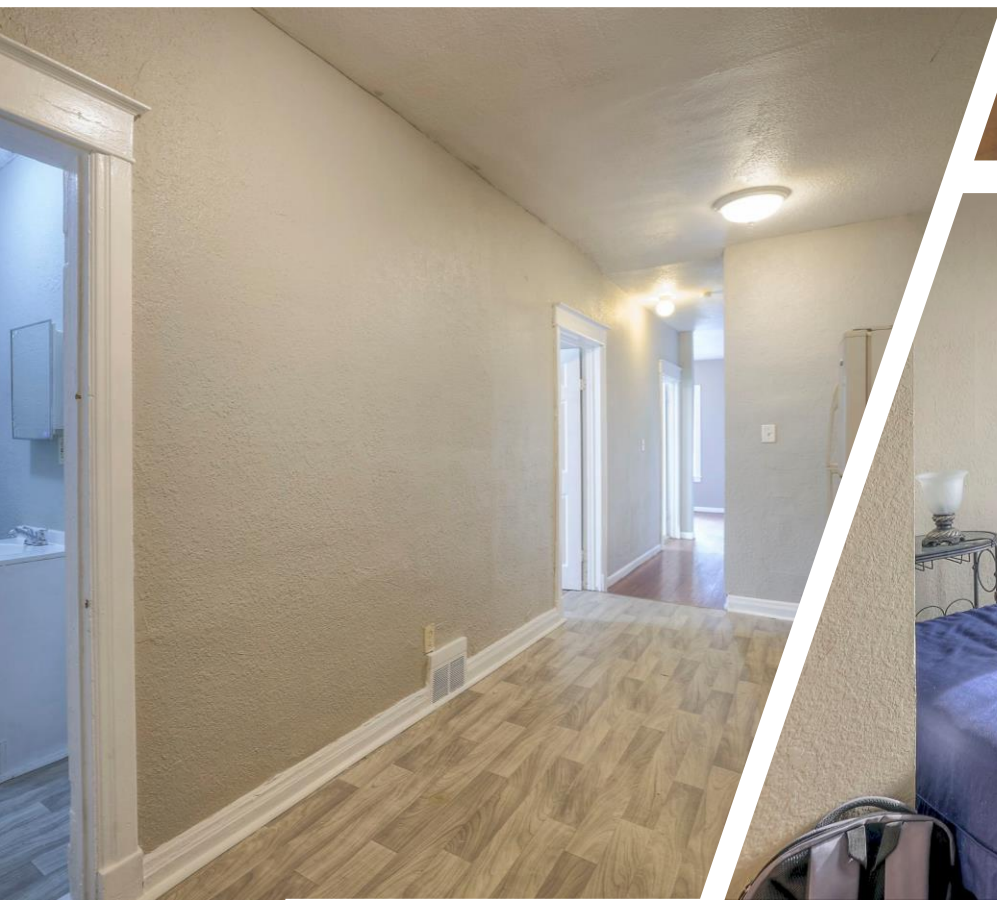
# BUILDING SUMMARY

## 4-PLEX NEAR THE COUNTRY CLUB PLAZA

SITE SIZE	6,506 SF or 0.149 acres (public record)
GROSS BUILDING AREA	5,280 SF +/- (public record; includes basement)
NET RENTABLE AREA	3,200 SF +/-
METERING	Separate Gas & Electric
COOLING	Window Units
HEATING	Forced Air Gas Furnaces
WATER/ HOT WATER	Common Hot Water Tank
LAUNDRY	Potential to add to basement or unit (no machines currently)
PARKING	Street Parking on Forest (One-Way)
UTILITIES	Tenants responsible for gas & electric
CONSTRUCTION	Concrete
EXTERIOR	Brick Veneer
ROOF	Flat (Tar & Gravel)
MANAGEMENT	3 <sup>rd</sup> Party Managed























MARTINI CORNER



COUNTRY CLUB PLAZA



WESTPORT DISTRICT

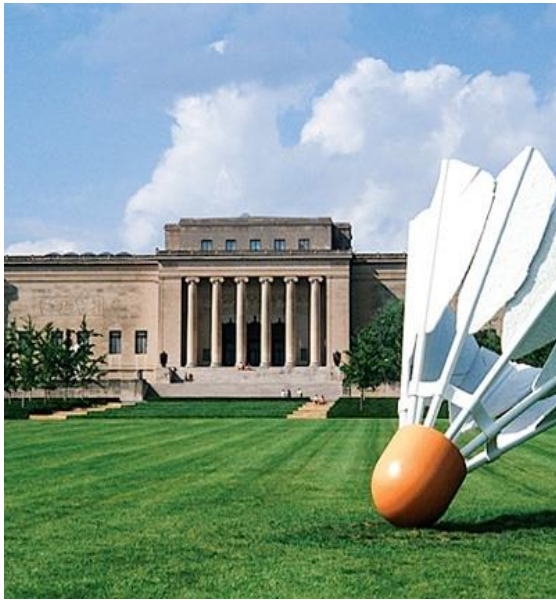


WESTPORT PLEXPOD



UNIVERSITY OF MISSOURI-KANSAS CITY





**NELSON-ATKINS MUSEUM**



**AMERICAN CENTURY TOWERS**



**KANSAS CITY ART INSTITUTE**



**KEMPER MUSEUM OF CONTEMPORARY ART**



**ROCKHURST UNIVERSITY**



# KANSAS CITY MSA OVERVIEW

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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 "America's Favorite Places," Travel and Leisure magazine readers voted Kansas City #24.
- 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.



# FINANCIAL BREAKDOWN

## ACTUAL & PRO-FORMA BREAKDOWNS

	PROPERTY PRO-FORMA (minor updates) MARKET RENTS OF \$795 + RUBS			PROPERTY PRO-FORMA (moderate updates) MARKET RENTS OF \$895 + RUBS		
	TOTAL	PER UNIT	% GPI	TOTAL	PER UNIT	% GPI
TOTAL GROSS POTENTIAL	\$38,160	\$9,540	-	\$42,960	\$10,740	-
VACANCY & LOSS TO LEASE	-\$1,908	-\$477	-5.00%	-\$2,148	-\$537	-5.00%
OTHER INCOME	\$1,200	\$300	3.14%	\$1,200	\$300	2.79%
ADJUSTED GROSS INCOME	\$37,452	\$9,363	% AGI	\$42,012	\$10,503	% AGI
CLEANING, LAWN & PEST	\$1,000	\$250	2.67%	\$1,000	\$250	2.38%
INSURANCE	\$2,400	\$600	6.41%	\$2,400	\$600	5.71%
LEGAL & PROFESSIONAL	\$300	\$75	0.80%	\$300	\$75	0.80%
PROPERTY MANAGEMENT	\$2,996	\$749	8.00%	\$3,361	\$840	8.00%
REPAIRS & SUPPLIES	\$3,000	\$750	8.01%	\$3,000	\$750	7.14%
UTILITIES	\$5,000	\$1,250	13.35%	\$5,000	\$1,250	11.90%
PROPERTY TAX 2023	\$3,001	\$750	8.01%	\$3,400	\$850	9.08%
REPLACEMENT RESERVES	\$1,000	\$250	2.67%	\$1,000	\$250	2.38%
TOTAL OPERATING EXPENSES	\$17,697	\$4,424	47.25%	\$18,461	\$4,615	49.29%
NET OPERATING INCOME	\$19,755	\$4,939		\$23,551	\$5,888	

The above breakdown represents two different proformas with differentiated finish/market rents. The property proformas assumes varying levels of renovations/upgrades to all units to present a more uniform product. The Gray Table assumes current in-place market rents with minimal updates to units. The green table assumes moderate, more labor/capital intensive updates to all units for a more uniform product. We accounted for the new 2023 tax assessment and included replacement reserves of \$250/unit to account for expenditures.



## SOURCES OF INFORMATION

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- 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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