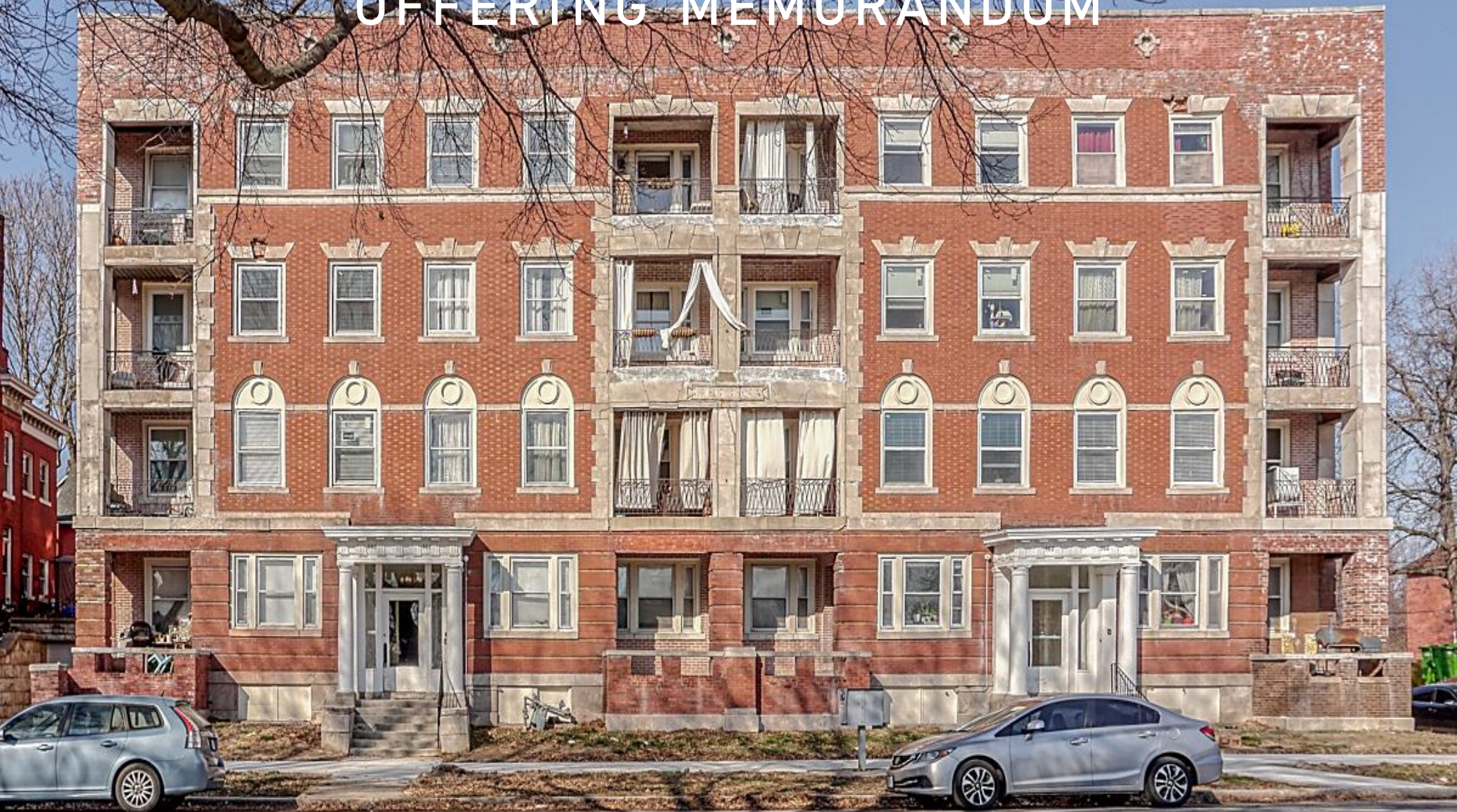


# 500 GLADSTONE BOULEVARD

## OFFERING MEMORANDUM



COMPASS REALTY GROUP

# EXCLUSIVE MULTI-FAMILY OFFERING

500 GLADSTONE BLVD | KANSAS CITY, MO 64124 | 16 UNITS | HISTORIC BUILDING | EXTENSIVE REHAB



COMPASS REALTY GROUP

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Guided property tours will be arranged on a reserved basis as requested by potential investors. Do not explore property unaccompanied or disturb tenants. Property Tours to be scheduled through the Compass Realty Group broker. Tours will require approval by broker, management and owner. Broker and Owner reserve the right to set tour times and dates. Please do not contact third party management or tenants.

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## PROPERTY DESCRIPTION

The 16 units at 500 Gladstone Boulevard are a historic, mid-rise apartment complex standing 4-stories located in one of City's first neighborhoods in Northeast Kansas City, Missouri. Located in a historic district, 500 Gladstone is listed on the KC Register of Historic Places and combines history with modern new amenities. All units at the complex are three-bedroom, one-bathroom units with mostly identical footprints and two total floorplans. 5 units have an approximate unit size of 1,450 sf (+/-) and the remaining 11 have an approximate unit size 1,343 sf (+/-). All units feature balconies/patios, central air, fully equipped kitchens, high ceilings, washer/dryer, hardwood floors, decorative fireplaces, original woodwork, keycode entry (front/rear) and Google Fiber. The property features a newly asphalted parking lot at the rear (11 spaces), new windows, new sidewalks, extensive façade work and is separately metered for gas and electric. The Scarritt Point neighborhood, including 500 Gladstone Blvd lies within a designated Opportunity Zone.

Since acquisition (February 2020), the property has underwent & completed significant rehab/renovation projects. 8 units at the property now feature high-end finishes and fixtures including stainless steel appliances, quartz countertops, custom cabinetry, designer bathrooms, and the addition of washer/dryer to all units. All units have been touched to some degree, but all do not have uniform finishes/updates. Additional improvements include full updates to the common area hallways (paint/fixtures/carpet), a new back stairwell (south side), extensive roof/skylight work, and new fencing bordering the parking lot. Updated units are receiving rents exceeding \$1,100 and all units currently have RUBS of \$35 to \$50 for water bill-backs. Over 80% of the units now have rents exceeding \$1,000. The building's location provides easy access to all of Kansas City's major urban economic hubs, multiple education institutions, numerous parks, and many popular entertainment and dining destinations. Kansas City's urban core is experiencing unprecedented economic growth and the asset presents a unique opportunity in the rapidly gentrifying northeast. A new owner could continue to operate "as is" or choose to update the remaining units presenting 16 uniform units.

OFFERING & PROPERTY SUMMARY	
ASKING PRICE	MARKET
TERMS	Free & Clear
ADDRESS	500-506 Gladstone Boulevard Kansas City, MO 64124
COUNTY	Jackson County
NEIGHBORHOOD	Scarritt Point Historic District
ZONING	R-7.5
YEAR BUILT	1904 (KC Register of Historic Places)
YEARS RENOVATED	2020-2023
OPPORTUNITY ZONE	29095000900
CONSTRUCTION/EXTERIOR	Brick Exteriors   Stone/Masonry Foundation   Flat Roof   Mid-Rise Complex
SITE SIZE	0.33 acres or 14,285 sf (County)
NET RENTABLE AREA	22,023 sq. ft. (+/-)
STORIES	4
OCCUPANCY	93%
UNITS	16
3 BEDROOM 1 BATHROOM	16
AVERAGE UNIT SIZE	1,343-1,450 sq. ft. (+/-)
AVERAGE UNIT RENT	\$1,069

UTILITIES & AMENITIES SUMMARY	
METERING	Separate (Electric & Gas)
HEAT	Forced Air Gas Furnaces
A/C	Central Air
HOT WATER	Common Hot Water
ENTRY	Front & Rear Secured (Keycode to Units)
LAUNDRY	Washer/Dryer in units
UTILITIES	Tenants responsible for gas/electric
PARKING	11 off-street parking & ample street parking
INTERNET	Google Fiber



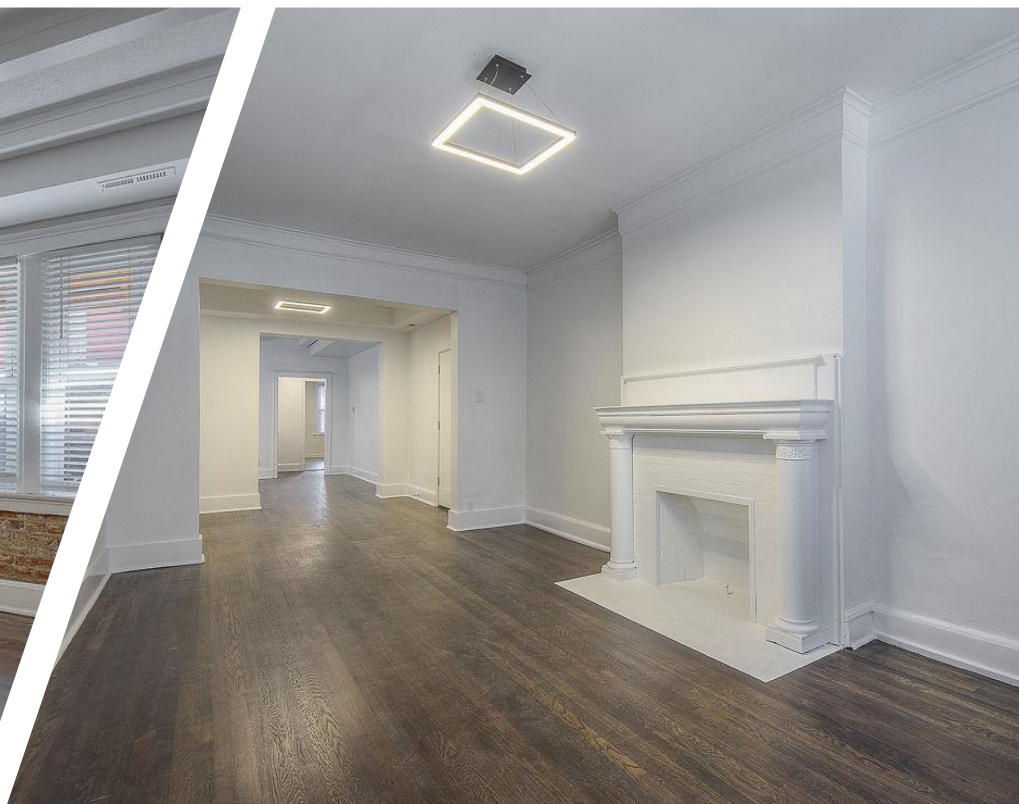
## PROPERTY HIGHLIGHTS

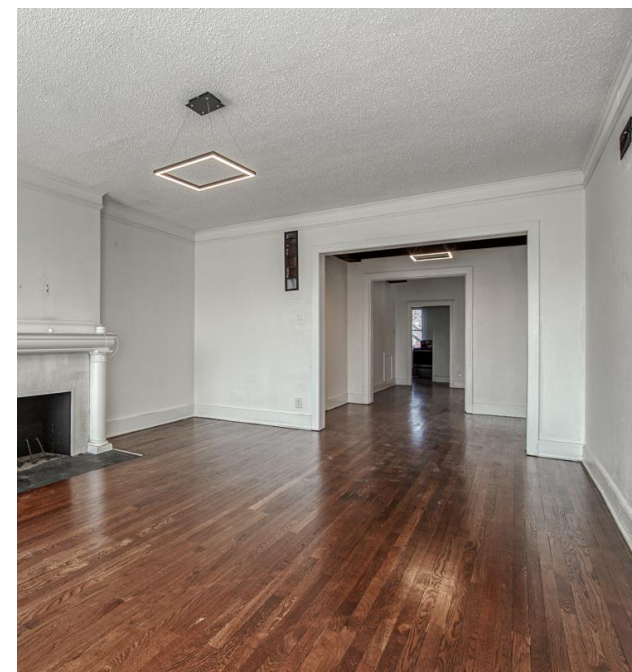
- ❖ 16 UNITS - ALL 3-BR UNITS
- ❖ 11 OFF-STREET PARKING SPACES (NEWER ASPHALT OVERLAY)
- ❖ HISTORIC OPPORTUNITY IN THE NORTHEAST (KC REGISTER OF HISTORIC PLACES)
- ❖ NEWER WINDOWS
- ❖ UPDATED COMMON AREA HALLWAYS (FIXTURES/PAINT/CARPET)
- ❖ NEW REAR SOUTH STAIRWELL
- ❖ EXTENSIVE UNIT RENOVATIONS TO OVER HALF THE UNITS
- ❖ SEPARATELY METERED GAS/ELECTRIC
- ❖ REPAIRED SIDEWALKS, SKYLIGHTS & CLEANED OUT FULL BASEMENT

## UNIT HIGHLIGHTS

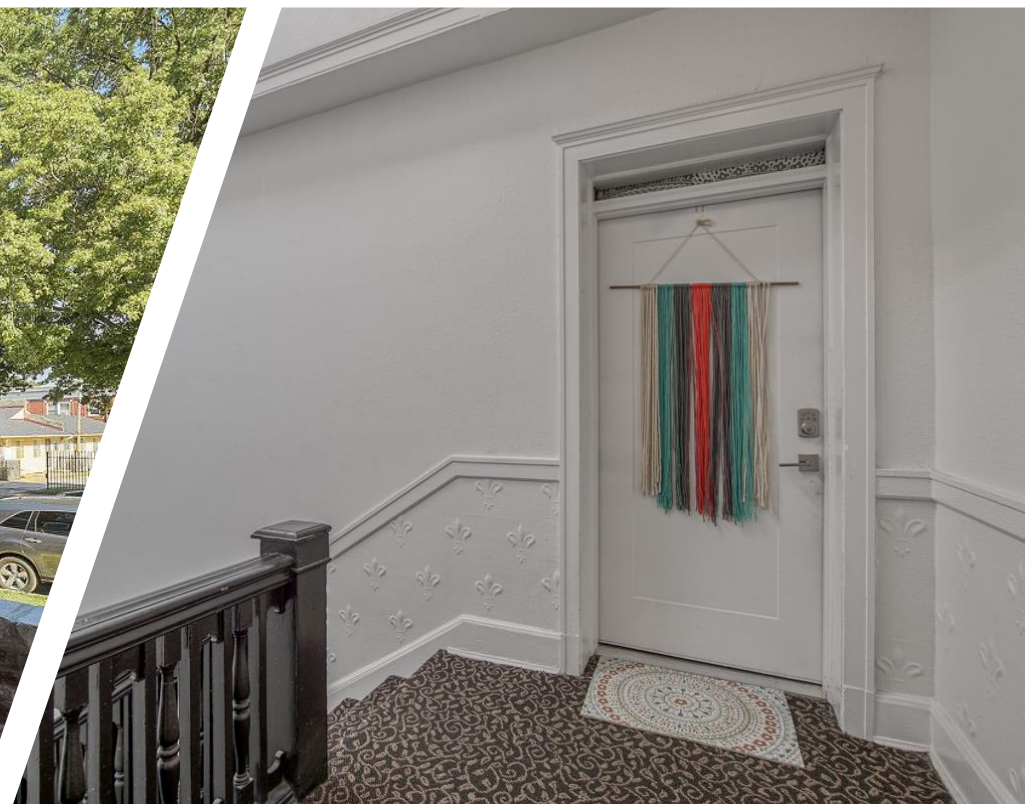
- ❖ 3-BR/1-BA UNITS - 1,343-1,450 SF (+/-)
- ❖ HARDWOOD FLOORS
- ❖ CENTRAL AIR
- ❖ DECORATIVE FIREPLACES
- ❖ BALCONIES/PATIOS
- ❖ WASHER/DRYER IN UNIT
- ❖ FULLY EQUIPPED KITCHENS
- ❖ HIGH CEILINGS & ORIGINAL WOODWORK
- ❖ 9 OF 16 UNITS HAVE BEEN REMODELED WITH HIGH-END FINISHES & RENTS EXCEEDING \$1,000
- ❖ GOOGLE FIBER
- ❖ KEYCODE ENTRY (FRONT & REAR)













## NEIGHBORHOOD AND SUBMARKET OVERVIEW

500 GLADSTONE RESIDES IN THE SCARRITT POINT HISTORIC DISTRICT JUST TWO MILES EAST OF DOWNTOWN KANSAS CITY & THE RIVER MARKET. THE NEIGHBORHOOD IS LOCATED ON HIGH BLUFFS OVERLOOKING THE EAST BOTTOMS AREA AND MISSOURI RIVER FEATURING BROAD BOULEVARDS, LARGE SHADE TREES AND MANY ORIGINAL RED GRANITE STREET CROSSINGS. SCARRITT POINT IS ONE OF KANSAS CITY'S FIRST NEIGHBORHOODS AND IS HOME TO KESSLER PARK, THE KANSAS CITY MUSEUM AND THE MULTI-GENERATIONAL PLAYSACE, THE CONCOURSE. SINCE 2006, GREATER KANSAS CITY LOCAL INITIATIVES SUPPORT CORPORATION HAS PARTNERED WITH SCARRITT RENAISSANCE BY PROVIDING TECHNICAL ASSISTANCE AND INVESTING \$1.2 MILLION TO SUPPORT DEVELOPMENT, PROGRAMMING AND TO BUILD THE CAPACITY OF THE NEIGHBORHOOD. IN 2016, SRNA COMPLETED A SHOW PIECE EMBANKMENT SLIDE IN CONCOURSE PARK TO COMPLEMENT ITS EXISTING CHILDREN'S PLAYGROUND. SRNA ALSO UNDERTAKES RECURRING PROJECTS THAT BUILD NEIGHBORHOOD CAPACITY THROUGH ENGAGEMENT AND BEAUTIFICATION. THE COMPLEX SITS SEVERAL BLOCKS EAST OF KANSAS CITY UNIVERSITY OF MEDICINE & BIOSCIENCE WITHIN A DESIGNATED OPPORTUNITY ZONE ON A MAJOR STREET, GLADSTONE BOULEVARD. THE UNIVERSITY HAS UNDERGONE A \$60 MILLION EXPANSION PLAN HIGHLIGHTED BY A NEW 56,000 SF MEDICAL SIMULATION BUILDING. THE NEW EXPANSION BUILDING IS NOW OPEN 2020 AND KCU MAINTAINS ONE OF THE LARGEST MEDICAL SCHOOLS IN THE NATION BY ENROLLMENT. ATTRACTIONS IN THE IMMEDIATE AREA INCLUDE THE NEGRO LEAGUES BASEBALL MUSEUM, THE AMERICAN JAZZ MUSEUM, BALLY'S KANSAS CITY, J. RIEGER & CO. AND THE HISTORIC GATES & ARTHUR BRYANT'S BARBECUE. THE NORTHEAST SECTION OF KANSAS CITY, MISSOURI HAS SEEN A GREAT DEAL OF REHABILITATION AD REVITALIZATION OVER THE LAST 10 YEARS AND MANY VERY LARGE TURN OF THE CENTURY HOMES ARE LOCATED IN THIS SECTION OF THE CITY, AND MORE SPECIFICALLY ON GLADSTONE BOULEVARD.

500 GLADSTONE BLVD  
KANSAS CITY, MO HISTORIC DISTRICT

16 UNITS

AREA HIGHLIGHTS



CONCOURSE PARK



KC UNIVERSITY-MEDICINE



GATES BBQ



DOWNTOWN KANSAS CITY



NEGRO LEAGUES BASEBALL MUSEUM



KC POWER & LIGHT DISTRICT



J. RIEGER & CO DISTILLERY



KANSAS CITY INTERNATIONAL AIRPORT



KC RIVER MARKET DISTRICT

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 and continues to gain attention as a centralized hub for high-tech, innovation, arts and lifestyle.
- 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.

### 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 WWII Museum & Memorial, the only national WWII museum.

### SPORTS

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

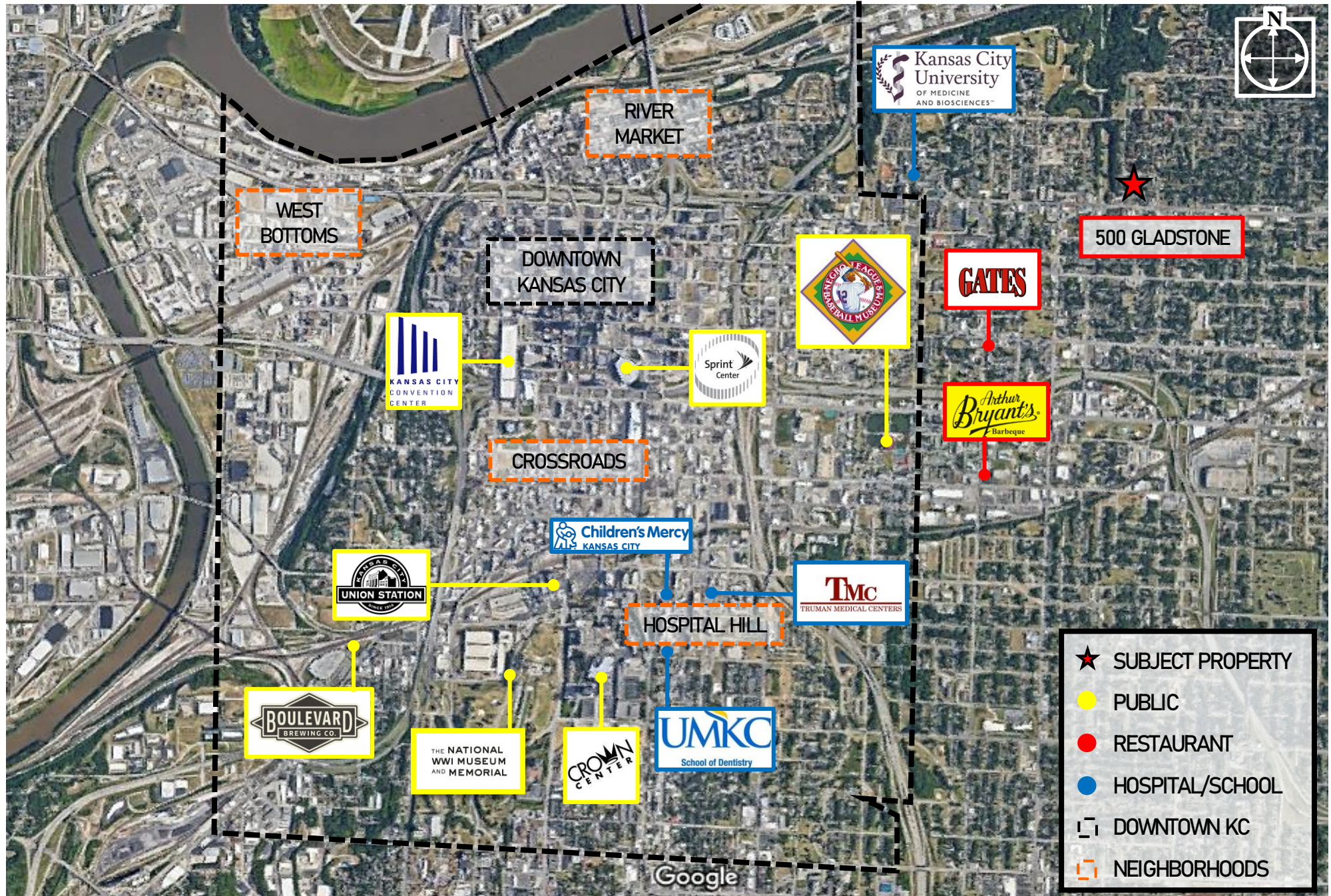
Education is an important part of the Kansas City landscape, which features top-ranked private and public schools and an array of choices in the field of higher education. The city is home to major colleges and universities, like the University of Kansas, KU Medical Center, University of Missouri Kansas 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. Kansas City 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 General Motors Fairfax facility in Kansas City, Kansas is ranked as the most productive auto assembly plant in North America. The Ford Motor assembly plant in Kansas City builds the popular F-150 pickup truck and the Hybrid, Ford Escape. Kansas City is the second largest railroad hub in the nation in both volume and tonnage. The area is also home to YRC Worldwide, the largest trucking company in the nation.

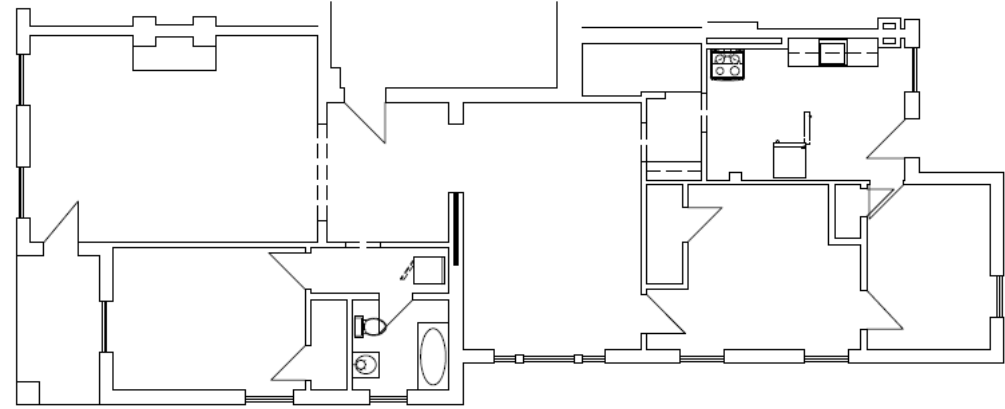
In short, Kansas City has increasingly become the place to be for high-tech business, quality education, vibrant arts, entertainment and lifestyle. Kansas City is the beating heart of America.



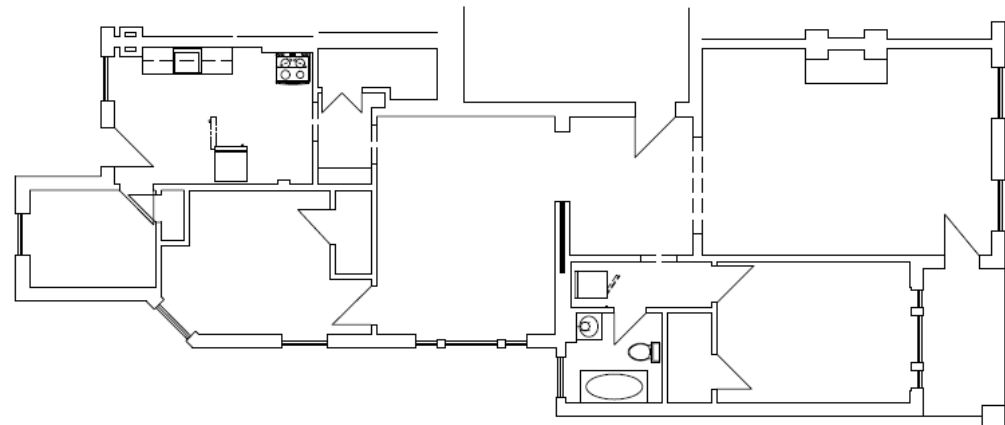
MARCH 2023 RENT ROLL BREAKDOWN

UNIT #	UNIT TYPE	UNIT SF	MARKET RENT	RENT	ANNUAL RENT	RENT PER SF
1	3x1	1,343 +/-	\$1,150	\$800	\$9,600	\$0.60
2	3x1	1,450 +/-	\$1,150	\$1,115	\$13,380	\$0.77
3	3x1	1,450 +/-	\$1,150	\$1,195	\$14,340	\$0.82
4	3x1	1,343 +/-	\$1,150	\$1,100	\$13,200	\$0.82
5	3x1	1,343 +/-	\$1,150	\$1,075	\$12,900	\$0.80
6	3x1	1,450 +/-	\$1,150	\$1,050	\$12,600	\$0.72
7	3x1	1,343 +/-	\$1,150	\$1,025	\$12,300	\$0.76
8	3x1	1,343 +/-	\$1,150	\$1,095	\$13,140	\$0.82
9	3x1	1,343 +/-	\$1,150	\$1,195	\$14,340	\$0.89
10	3x1	1,343 +/-	\$1,150	\$1,150	\$13,800	\$0.86
11	3x1	1,343 +/-	\$1,150	\$970	\$11,640	\$0.72
12	3x1	1,450 +/-	\$1,150	\$1,130	\$13,560	\$0.78
13	3x1	1,343 +/-	\$1,150	\$850	\$10,200	\$0.63
14	3x1	1,343 +/-	\$1,150	\$1,150	\$13,800	\$0.86
15	3x1	1,343 +/-	\$1,150	\$1,055	\$12,660	\$0.79
16	3x1	1,450 +/-	\$1,150	\$1,150	\$13,800	\$0.79
16		22023 +/-	\$18,400	\$17,105	\$205,260	\$0.78

3-BR | 1-BA UNIT | 1,450 SF +/-  
# OF UNITS : 5 (4 RENOVATED)  
AVERAGE RENT : \$1,128



3-BR | 1-BA UNIT | 1,343 SF +/-  
# OF UNITS : 11 (4 RENOVATED)  
AVERAGE RENT : \$1,042



**TRUE FINANCIALS & PRO-FORMA BREAKDOWN**

	ACTUAL FINANCIALS T-3 INCOME / T-3 EXPENSES			PROPERTY PRO-FORMA MARKET RENTS / PRO-FORMA EXPENSES		
	TOTAL	PER UNIT	% GPI	TOTAL	PER UNIT	% GPI
TOTAL GROSS POTENTIAL	\$205,260	\$12,829	\$17,105	\$220,800	\$13,800	\$18,400
VACANCY & CREDLIT LOSSES	\$0	\$0	0.00%	-\$11,040	-\$690.00	-5.00%
OTHER INCOME	\$11,800	\$738	5.75%	\$10,000	\$625.00	4.53%
<b>TOTAL OPERATING INCOME</b>	<b>\$217,060</b>	<b>\$13,566</b>	<b>% AGI</b>	<b>\$219,760</b>	<b>\$13,735</b>	<b>% AGI</b>
SUPPLIES (R&M)	\$3,874	\$242	1.78%	\$8,000	\$500	3.64%
GENERAL R&M	\$8,339	\$521	3.84%	\$8,000	\$500	3.64%
SUPER SALARY	\$15,697	\$981	7.23%	-	-	#VALUE!
PROPERTY MANAGEMENT	\$8,995	\$562	4.14%	\$17,581	\$1,099	8.00%
INSURANCE	\$11,724	\$733	5.40%	\$12,000	\$750	5.46%
PROPERTY TAX (2022)	\$14,018	\$876	6.46%	\$16,121	\$1,008	7.34%
ELECTRICITY	\$15,099	\$944	6.96%	\$12,000	\$750	5.46%
TELECOM - UTILITIES	\$1,020	\$64	0.47%	\$1,200	\$75	0.55%
GAS	\$0	\$0	0.00%	\$4,800	\$300	2.18%
WATER & SEWER	\$16,789	\$1,049	7.73%	\$16,000	\$1,000	7.28%
TRASH DISPOSAL	\$10,632	\$665	4.90%	\$6,400	\$400	2.91%
REPLACEMENT RESERVES	-	-		\$4,000	\$250	1.82%
<b>TOTAL OPERATING EXPENSES</b>	<b>\$106,187</b>	<b>\$6,637</b>	<b>48.92%</b>	<b>\$106,101</b>	<b>\$6,631</b>	<b>48.28%</b>
<b>NET OPERATING INCOME</b>	<b>\$110,873</b>			<b>\$113,659</b>		

*THE ABOVE BREAKDOWN REPRESENTS THE TRAILING 3-MONTH FINANCIAL PERFORMANCE (ANNUALIZED). SINCE OWNERSHIP, THE PROPERTY HAS BEEN UNDER EXTENSIVE REHAB AND 9 UNITS HAVE BEEN FULLY RENOVATED AS WELL AS MANY OTHER CAPITAL EXPENDITURES. THE PROPERTY IS JUST NOW BECOMING STABILIZED WITH REVENUES & EXPENSES. THE PROPERTY PRO-FORMA (ON THE RIGHT) ASSUMES THE COMPLETION OF RENOVATIONS/UPGRADES TO ALL UNITS WITH RENTS @ \$1,150. WE ACCOUNTED FOR THE NEW 2023 TAX ASSESSMENT FOR OUR PRO-FORMA AND INCLUDED REPLACEMENT RESERVES OF \$250/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

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