Exclusive Multi-Family Offering

2708 Holmes Street | Kansas City, MO 64109 | Value-Add Opportunity

2708 Holmes

Offering Memorandum

Marketed by : Brice Bradshaw

Property Details : 5 Units

Neighborhood: Longfellow

Nearby: Crown Center & Plaza

Price : $499,000

REECE COMMERCIAL

Exclusively Marketed by:
Brice Bradshaw
KCCommercial.net
Reece Commercial
913.901.6305
BBradshaw@ReeceCommercial.com

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 Reece Commercial 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.

Confidentiality and Disclaimer of Reliance

These materials have been prepared by Reece Commercial and are being provided to you for the sole and limited purpose of conducting preliminary evaluations of the property. They may not be used for any other purpose or made available to any other person or third party without the prior written consent of Reece Commercial.

While the materials provide a summary of the available information and details of the property, the information is not a substitute for you completing a thorough due diligence investigation of your own and by professionals of your choosing. Reece Commercial has not conducted any investigation and does not make any warranty or representation, with respect to the income, expenses, the projected financial performance or future uses of the property. To the extent any such information is provided, it is acknowledged to be estimated and not reliable for making future projections. All features, plans, square footages are approximate and may be subject to change without notice. Further, no representations or warranties either express or implied, are made as to the accuracy of the information or with respect to the suitability, usability, feasibility, merchantability or physical condition of the property and improvements – including but not limited to the presence or absence of any environmental conditions or compliance with State, Federal or local regulations.

The materials are not all inclusive and Reece Commercial has assembled such information for the convenience of the parties. These materials are delivered to prospective purchasers and investors with the understanding that such parties are responsible and liable for conducting independent investigations they deem appropriate and without any reliance upon Reece Commercial and the information set forth herein..

SITE DESCRIPTION

Address	2708 Holmes Street Kansas City, MO 64109
County	Jackson County
Neighborhood	Longfellow
Zoning	R-1.5
Parking	8 off-street parking spaces
Stories	3
# of Units	5
Year Built	1920

2708 Holmes | 5 Units

OFFERING & PROPERTY SUMMARY	
Asking Price	$499,000
Terms	Free & Clear
Address	2708 Holmes Street Kansas City, MO 64109
County	Jackson County
Neighborhood	Longfellow
Zoning	R-1.5
Year Built	1920 (previous appraisal)
Occupancy	100%
Construction/Exterior	Stone and masonry (foundation), wood frame (structural), brick exterior
Land Area	6,400 sq. ft. or 0.15 acres (previous appraisal)
Gross Building Area	4,320 sq. ft. (per plat)
Net Rentable Area	3,900 sq. ft. (previous appraisal)
Stories	3
Units	5
1 Bedroom 1 Bathroom	4
Average 1 Bedroom Size	650 sq. ft. (+/-)
Average 1 Bedroom Rent	$780
2 Bedroom 2 Bathroom	1
Average 2 Bedroom Size	1,300 sq. ft. (+/-)
Average 2 Bedroom Rent	$1,225

UTILITIES & AMENITIES SUMMARY	
Metering	Separate (Gas/Electric)
Heat	Forced Air Gas Furnaces
A/C	Central Air
Hot Water	Individual
Laundry	Washer/Dryer in units
Entry	Front & Rear Secured Entry
Parking	8 off-street parking spaces

Property Summary

The property at 2708 Holmes is a stately 5 unit, low-rise apartment complex ideally located several blocks south of Crown Center in the Midtown area of Kansas City, Missouri. The property stands 3-stories with a brick exterior, balconies, a picnic/courtyard area and 8 off-street parking spaces located at the rear of the building. The complex is comprised of 4 1-Bedroom/1-Bathroom units and 1 2-Bedroom/2-Bathroom unit (3rd Floor unit). The 1-Bedroom units have an average unit size of 650 square feet, while the 2-Bedroom unit has an approximate unit size of 1,300 square feet. The 3rd floor unit was converted into a singular unit (previously two separate 1-bedroom units), and has been extensively renovated with granite countertops, new cabinets and updates to fixtures and appliances. All units at 2708 Holmes feature hardwood, vinyl and ceramic tile flooring, galley kitchens with oak stained cabinets, decorative fireplaces, great window lighting, dishwashers, ranges, balconies, stackable washers/dryers, central air and accessible Google Fiber. Improvements to units have consisted of updates to lighting and fixtures, several newer ranges in kitchens, refinished hardwood floors, and 2 new water heaters. The roof of the complex is a flat TPO roof (1/3 of the roof has been replaced as of 2016). Windows within the rental units have been recently replaced, and the double windows in the front stairwell are original. The complex is separately metered for gas and electric, and each unit possesses individual hot water heaters. 4 of the 5 HVAC units can be found on the north side of the building at ground level, with the 5th unit located on the roof (the 3rd Floor unit has a combined furnace/HVAC rooftop unit). All other furnaces, excluding the 3rd Floor, are located in the basement which is accessed through a private walkout door at the rear of the building. Residents possess front and rear secured entry (rear access off of an open stairwell) and are responsible for paying electricity and gas. In January, Children's Mercy announced they would begin construction and recruitment for a cutting edge, new research facility. The 375,000-square-foot structure will stand nine-stories encased in glass costing an estimated $200 million. The facility will be built on the current Adele campus, at 24th and Gillham, in Hospital Hill, five blocks from the complex. Completion of the tower is expected in 2020, providing 3,000 jobs for scientists, assistants and lab technicians.

PROPERTY & UNIT HIGHLIGHTS
Newer TPO Roof
Recently replaced windows within units
Central Air
Newer Washer/Dryer in units (stackable)
Hardwood, vinyl and ceramic tile flooring
Separately metered for gas and electric
Individual hot water heaters
New ranges in kitchens (select units)
Recently remodeled 3rd floor unit
Dishwashers
Decorative fireplaces
Balconies/Patios
Front & Rear secured entry
Picnic/Courtyard area at rear
Off-street parking (8 spaces)
Accessible Google Fiber

Living area Pictures

Kitchen Pictures

Bedroom Pictures

Bathroom Pictures

Neighborhood & Submarket Summary

The complex at 2708 Holmes Street is well located in the quaint Longfellow neighborhood in the Midtown section of Kansas City, Missouri. Longfellow's close proximity to Downtown, Hospital Hill and Crown Center might be its greatest asset with more than 88,000 employees in those areas. Hospital Hill, situated immediately north of Longfellow, is comprised of Truman Medical Center, Children's Mercy Hospital, and the University of Missouri-Kansas City School of Medicine. These three medical facilities alone make up three of the city's largest employers in the area with nearly 7,000 employees and 2,500 students. Other major employment centers such as Crown Center, Downtown Kansas City, and the Country Club Plaza are all within four miles of the Longfellow neighborhood. Longfellow is a walking-friendly neighborhood inhabited by 1,950 residents featuring many historic homes, including Victorian-style houses, as well as apartments in historic buildings and modern complexes. The spirit of commerce in the community is displayed through the esteemed collection of independent shops, restaurants and businesses that reinforce one another. Attractions with the closest proximity to the neighborhood include the National World War I Museum, the Negro League Baseball Museum, the Power & Light District and Union Station. The Crossroads Art District, located just northwest of 2708 Holmes, is Kansas City's diverse enclave of creative businesses, boutique shops, unique restaurants, studios and art galleries. Kansas City's Power & Light District is the Midwest's premier entertainment epicenter. It is home to more than 50 distinctive and charismatic restaurants, bars, shops, and entertainment venues, offering something for everyone. Longfellow is located within Kansas City's commerce corridor, which extends through Midtown north to Downtown Kansas City. The Country Club Plaza is the south border. 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 Country Club plaza is the south border of the commerce corridor. The complex is ideally situated only minutes from the Westport Entertainment District, St. Luke's Hospital, the River Market, the IRS office complex, the University of Kansas Medical Center, Municipal Auditorium, the Sprint Center, Penn Valley Community College, 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, Medicine, Nursing and Pharmacy. Rental demand is very strong in Midtown neighborhoods which feature multi-family housing, many charming, upscale historic homes and numerous parks due to the high quality of life and area amenities. The Longfellow neighborhood lies within a designated Opportunity Zone which is determined by the chief executives of every U.S. state and territory. The program provides a tax incentive for investors to re-invest their unrealized capital gains into Opportunity Funds that are dedicated to investing into Opportunity Zones.

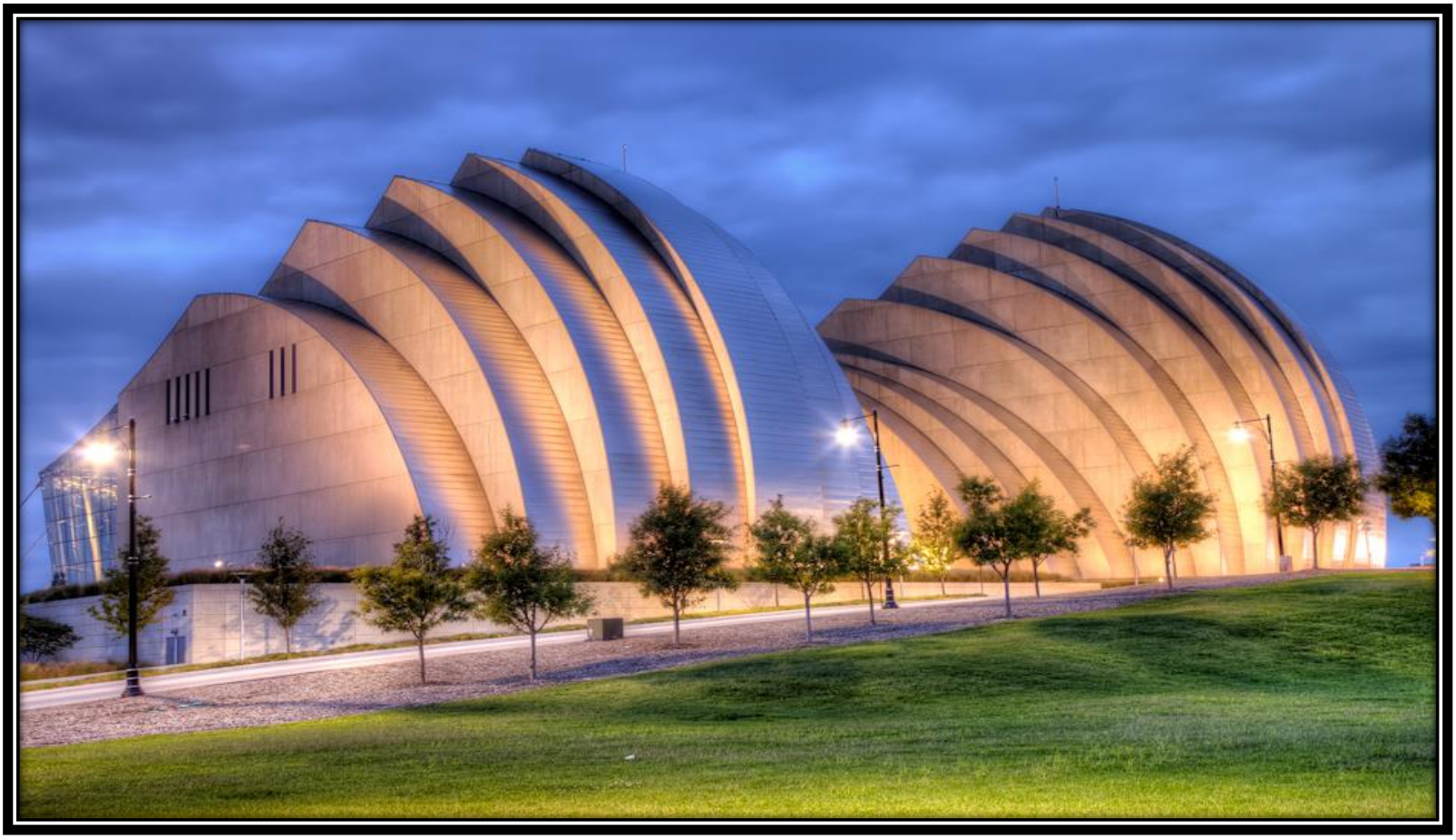
2708 Holmes | 5 Units

Union Station

National WWI Museum

Crown Center

2708 Holmes | 5 Units



Kauffman Center of Performing Arts

Kansas City
Convention Center

Sprint Center

TRUMAN MEDICAL CENTER

CHILDREN'S MERCY ADELE HALL CAMPUS

2708 Holmes | 5 Units

American Royal

Negro League Baseball Museum

College Basketball Experience

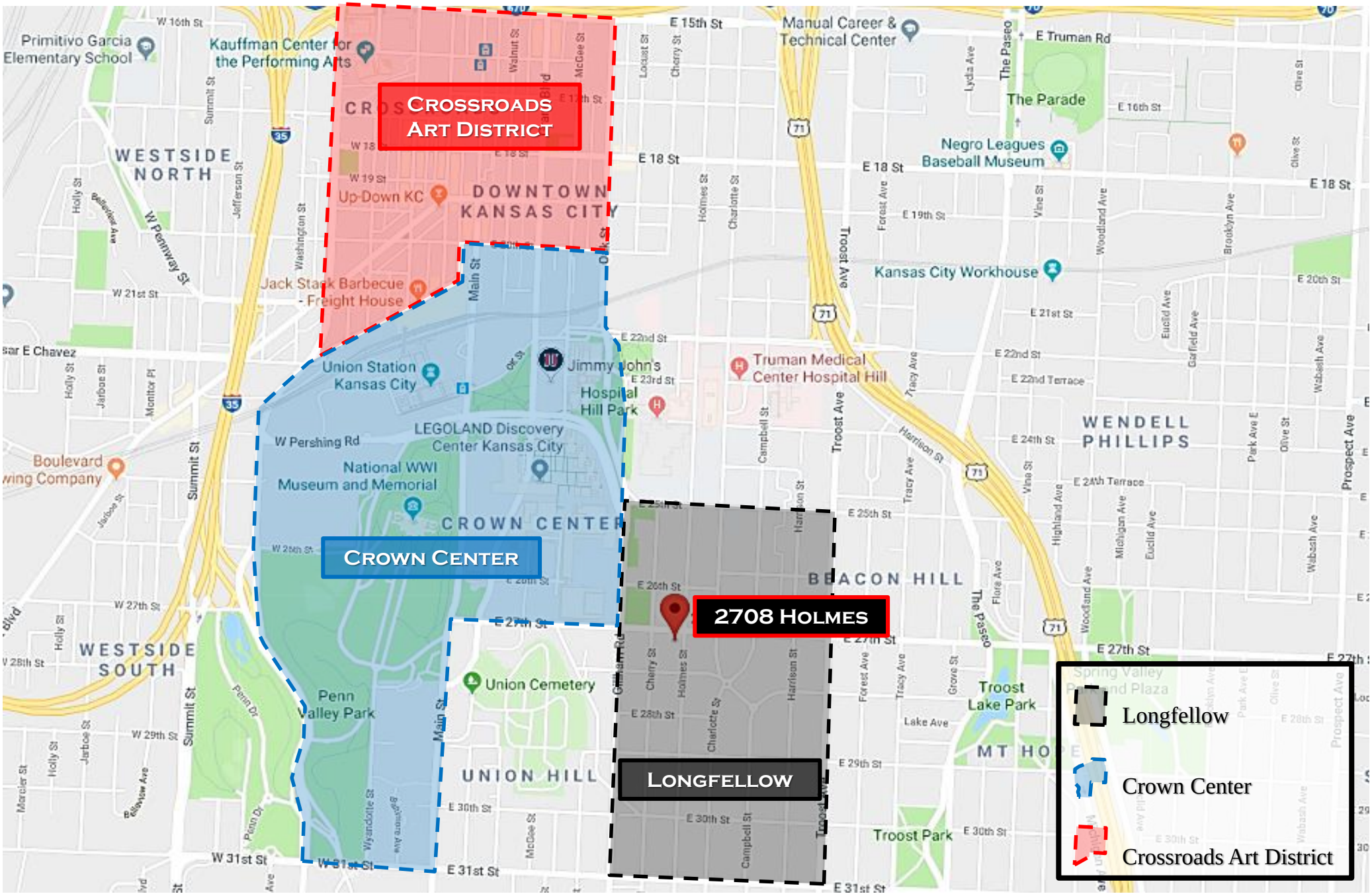
Power & Light District

Kansas City Information

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 WWI Museum & Memorial, the only WWI 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 3rd 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.


Crossroads Art District
Crown Center
2708 Holmes
Longfellow
Primitivo Garcia Elementary School
Kauffman Center for the Performing Arts
Manual Career & Technical Center
The Parade
Negro Leagues Baseball Museum
Kansas City Workhouse
Jack Stack Barbecue - Freight House
Union Station Kansas City
Jimmy John's
Truman Medical Center Hospital Hill
Hospital Hill Park
LEGOLAND Discovery Center Kansas City
National WWI Museum and Memorial
Boulevard wing Company
Union Cemetery
Penn Valley Park
Troost Lake Park
Troost Park
WESTSIDE NORTH
DOWNTOWN KANSAS CITY
CROWN CENTER
WESTSIDE SOUTH
UNION HILL
BEACON HILL
WENDELL PHILLIPS
Longfellow
Crown Center
Crossroads Art District

West Bottoms
Kansas City Convention Center
Arvest Bank Theatre at the Midland
Power & Light District
Sprint Center
Negro League Baseball Museum
Arthur Bryant's Barbeque
Kauffman Center for the Performing Arts
Crossroads
Fiorella's Jack Stack Barbecue
Westin Hotels & Resorts
Sheraton
American Royal
Kansas City Union Station
Children's Mercy Kansas City
TMC Truman Medical Centers
UMKC School of Dentistry
Boulevard Brewing Co.
Longfellow
The National WWI Museum and Memorial
Crown Center
2708 Holmes
Public
Restaurant
Hotel
Hospital/School

West Bottoms
Kansas City Convention Center
Kauffman Center for the Performing Arts
Power & Light District
Sprint Center
Crossroads
Fiorella's Jack Stack Barbecue
Sheraton
Westin Hotels & Resorts
Children's Mercy Kansas City
TMC Truman Medical Centers
Union Station
Crown Center
The National WWI Museum and Memorial
UMKC School of Dentistry
2708 Holmes
N
Public
Restaurant
Hotel
Hospital/School

Current Unit Mix

Apt #	Unit Type	Unit SF	*Market Rent*	Rent	Annual Rent	Rent Per SF
1S	1 Bd./ 1 Ba.	650 +/-	*$795*	$675	$8,100	$1.04
1N	1 Bd./ 1 Ba.	650 +/-	*$825*	$795	$9,540	$1.22
2S	1 Bd./ 1 Ba.	650 +/-	*$850*	$825	$9,900	$1.27
2N	1 Bd./ 1 Ba.	650 +/-	*$850*	$825	$9,900	$1.27
3	2 Bd./ 1 Ba.	1300 +/-	*$1,350*	$1,225	$14,700	$0.94
5		**3,900 +/-**	***$4,670***	**$4,345**	**$52,140**	**$1.11**

Trailing 12 Actual Financial Performance

Gross Scheduled Income - Current Rents	**$52,140**	**% GSI**	**Per Unit**
Vacancy & Credit Losses	$2,607	5.00%	$521.40
Other Income	$500	0.96%	$100.00
Adjusted Gross Income	**$50,033**	**% AGI**	**Per Unit**
Repairs, Maintenance, Cleaning & Lawn	$4,200	8.39%	$840.00
Management	$4,003	8.00%	$800.53
Insurance	$2,250	4.50%	$450.00
Tax	$3,840	7.67%	$767.91
Utilities	$4,700	9.39%	$940.00
Replacement Reserves	$1,000	2.00%	$200.00
Total Expenses	**$19,992**	**39.96%**	**$3,998.44**
Net Operating Income	**$30,041**		**$6,008.16**

* Current ownership self manages the property. For our CAP rate calculations, we added a "Management" fee of 8% of our "Adjusted Gross Income" amount to project future performance for prospective investors looking to assign 3rd party management.

Market Rent Unit Mix

Apt #	Unit Type	Unit SF	Market Rent	Annual Rent	Rent Per SF
1S	1 Bd./ 1 Ba.	650 +/-	$795	$9,540	$1.22
1N	1 Bd./ 1 Ba.	650 +/-	$825	$9,900	$1.27
2S	1 Bd./ 1 Ba.	650 +/-	$850	$10,200	$1.31
2N	1 Bd./ 1 Ba.	650 +/-	$850	$10,200	$1.31
3	2 Bd./ 1 Ba.	1300 +/-	$1,350	$16,200	$1.04
5		**3,900 +/-**	**$4,670**	**$56,040**	**$1.20**

Trailing 12 Actual Financial Performance (Market Rents in place)

Gross Scheduled Income - Market Rents	**$56,040**	**% GSI**	**Per Unit**
Vacancy & Credit Losses	$2,802	5.00%	$560.40
Other Income	$500	0.89%	$100.00
Adjusted Gross Income	**$53,738**	**% AGI**	**Per Unit**
Repairs, Maintenance, Cleaning & Lawn	$4,200	7.82%	$840.00
Management	$4,299	8.00%	$859.81
Insurance	$2,250	4.19%	$450.00
Tax	$3,840	7.14%	$767.91
Utilities	$4,700	8.75%	$940.00
Replacement Reserves	$1,000	1.86%	$200.00
Total Expenses	**$20,289**	**37.75%**	**$4,057.72**
Net Operating Income	**$33,449**	**62.25%**	**$6,689.88**

Our proforma assumes full occupancy of units at current rents. Our 'Gross Scheduled Income' revenue category encompasses annualized market rents. Additionally, our proforma assumes static vacancy (5%) and management (8%) charges. For our CAP rate calculations, we added replacement reserves of $200 per unit to account for expenditures.

Sources of Information

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

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.

Exclusively marketed by:
Brice Bradshaw
913.901.6305
bbradshaw@reececommercial.com

REECE
COMMERCIAL REAL ESTATE
a Berkshire Hathaway Affiliate