

3556 S. LYNN STREET

OFFERING MEMORANDUM

3556-3558 S. LYNN ST | INDEPENDENCE, MO | 64055



COMPASS REALTY GROUP

EXCLUSIVE MULTI-FAMILY OFFERING

3556-3558 S LYNN STREET | INDEPENDENCE, MO 64055 | 4 UNITS | 1969 | \$440,000



COMPASS REALTY GROUP

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COMPASS REALTY GROUP

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3556 S. Lynn Street is a 4-unit, brick exterior building located at the end of a quiet cul-de-sac in Independence, Missouri. Built in 1969, the property dwells in a neighborhood of rental properties and provides tenants 6 off-street parking spaces at the front of the building. The Lynn property stands 2-stories on a slab with a pitched composition shingle roof on nearly a quarter acre lot. The building is separately metered for gas, electric and water (tenants responsible for all utilities + trash) and the building has completed significant renovations over the last year to both the interior and exterior. All units at the property are two-bedroom, one-bathroom units with an approximate unit size of 750 square-feet (+/-). All units have front/rear access and are identical footprints. All units feature central air, washer/dryer hookups, vinyl flooring, carpeted bedroom, ceiling fans, good closet space and individual mechanical rooms

Three of the four units have been renovated to present a uniform product consisting of newer paint, countertops (kitchen/bathroom), matching appliances/fixtures, updates to flooring and newer cabinets (\$10,000/unit). 3556 Lynn has excellent commuter accessibility to highways/interstates and nearby shops/restaurants. The building has a history of high occupancy (100% currently) with efficient 3rd party management in place. The neighboring property, 3560 S. Lynn Street is also available for sale providing opportunity for new ownership to take advantages of the synergies of owning adjacent properties. 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 or look to enhance finishes and provide laundry equipment in units to increase rents. Two of the units (3556A & 3558 A) are being rented out as Airbnb units through a 3rd party leaser, another potential avenue to explore.

OFFERING SUMMARY

4-PLEX IN COMMUNITY OF RENTAL PROPERTIES

| | |
|--------------|-----------|
| ASKING PRICE | \$440,000 |
|--------------|-----------|

| | |
|---------|---|
| ADDRESS | 3556-3558 S Lynn St, Independence, MO 64055 |
|---------|---|

| | |
|--------------|-----------------|
| NEIGHBORHOOD | Harvest Village |
|--------------|-----------------|

| | |
|--------|----------------|
| COUNTY | Jackson County |
|--------|----------------|

| | |
|------------|------|
| YEAR BUILT | 1969 |
|------------|------|

| | |
|----------------|---|
| # OF BUILDINGS | 1 |
|----------------|---|

| | |
|---------|---|
| STORIES | 2 |
|---------|---|

| | |
|------------|---|
| # OF UNITS | 4 |
|------------|---|

| | |
|-----------|-------------|
| UNIT TYPE | 2 BR / 1 BA |
|-----------|-------------|

| | |
|-------------------|--------------|
| AVERAGE UNIT SIZE | 750 SF (+/-) |
|-------------------|--------------|

| | |
|-------------------|-------|
| AVERAGE UNIT RENT | \$900 |
|-------------------|-------|

| | |
|-------------|-------|
| MARKET RENT | \$995 |
|-------------|-------|

| | |
|-------------------|------------|
| 2022 PROPERTY TAX | \$3,719.20 |
|-------------------|------------|

| | |
|-----------|------|
| OCCUPANCY | 100% |
|-----------|------|



ASSET OVERVIEW

- CUL-DE-SAC LOCATION IN NEIGHBORHOOD OF RENTAL PROPERTIES
- 6 OFF-STREET PARKING SPACES (FRONT OF BUILDING)
- SIGNIFICANT CAPITAL IMPROVEMENTS OVER LAST 12 MONTHS (\$30,000+ IN UNIT RENOVATIONS)
- ALL UTILITIES SEPARATELY METERED
- STABILIZED ASSET WITH VALUE-ADD POTENTIAL
- EXCELLENT HIGHWAY ACCESS
- 3RD PARTY MANAGEMENT IN PLACE WITH HISTORY OF HIGH OCCUPANCY (100%)

UNIT HIGHLIGHTS

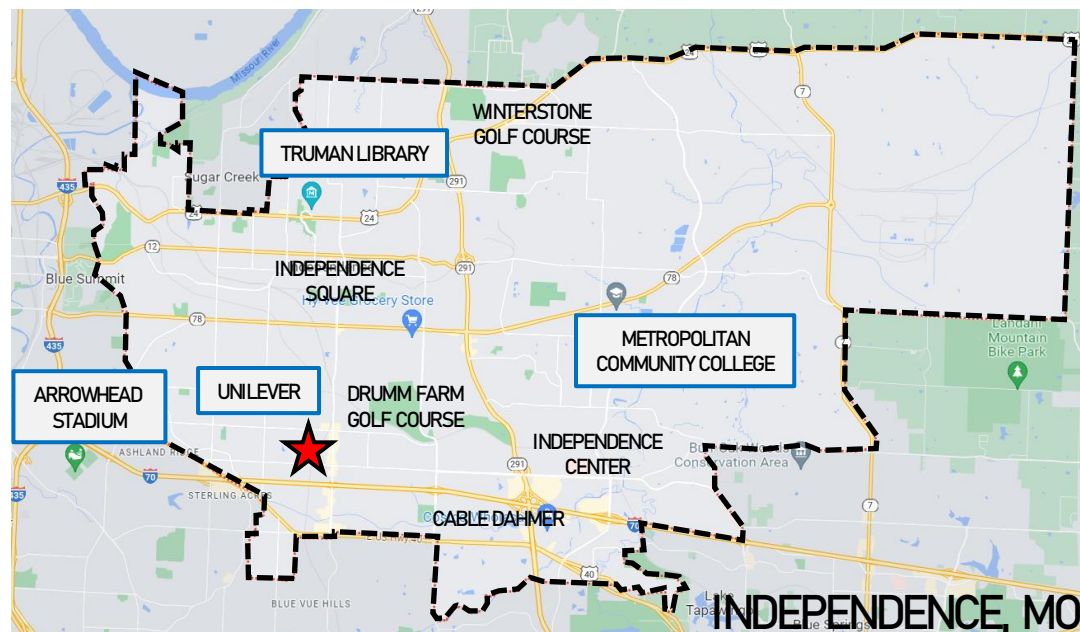
- 4 UNITS (ALL 2BR / 1BA)
- 750 SF (+/-)
- WASHER/DRYER HOOKUPS
- CENTRAL AIR
- VINYL FLOORING, CARPETED BEDROOMS, NEWER PAINT & GOOD CLOSET SPACE
- TENANTS RESPONSIBLE FOR ALL UTILITIES + TRASH
- 2 AIRBNB UNITS (3556 A & 3558 A)
- INDIVIDUAL MECHANICAL ROOMS



BUILDING SUMMARY

4-PLEX IN COMMUNITY OF RENTAL PROPERTIES

| | |
|----------------------|--|
| SITE SIZE | 9,396 SF or 0.216 acres (public record) |
| BUILDING SQUARE FEET | 3,468 SF +/- (public record) |
| NET RENTABLE AREA | 3,000 SF +/- |
| METERING | Separate Gas/Electric/Water |
| COOLING | Central Air (all units) |
| WATER/ HOT WATER | Individual Hot Water Heaters |
| LAUNDRY | Washer/Dryer Hookups |
| PARKING | 6 Off-Street Spaces (front of building) |
| UTILITIES | Tenants responsible for gas, water & electric |
| INTERNET | Google Fiber |
| ROOF | Pitched Composition Shingle |
| BASEMENT | Slab |
| 2022-2023 CAPEX | \$30,000 |
| SCOPE OF WORK | 3 unit renovations consisting of new countertops, LVP flooring, paint, fixtures & closet doors |



| UNIT # | TYPE | SQUARE FEET | RENT | ANNUAL RENT | RENT PER SF | FINISH |
|--------|------|-------------|---------|-------------|-------------|---------------|
| 3556 A | 2x1 | 750 | \$950 | \$11,400 | \$1.27 | Renovated |
| 3556 B | 2x1 | 750 | \$850 | \$10,200 | \$1.13 | Renovated |
| 3558 A | 2x1 | 750 | \$950 | \$11,400 | \$1.27 | Renovated |
| 3558 B | 2x1 | 750 | \$850 | \$10,200 | \$1.13 | Not Renovated |
| 4 | | 3000 | \$3,600 | \$43,200 | \$1.20 | 3 RENOVATED |



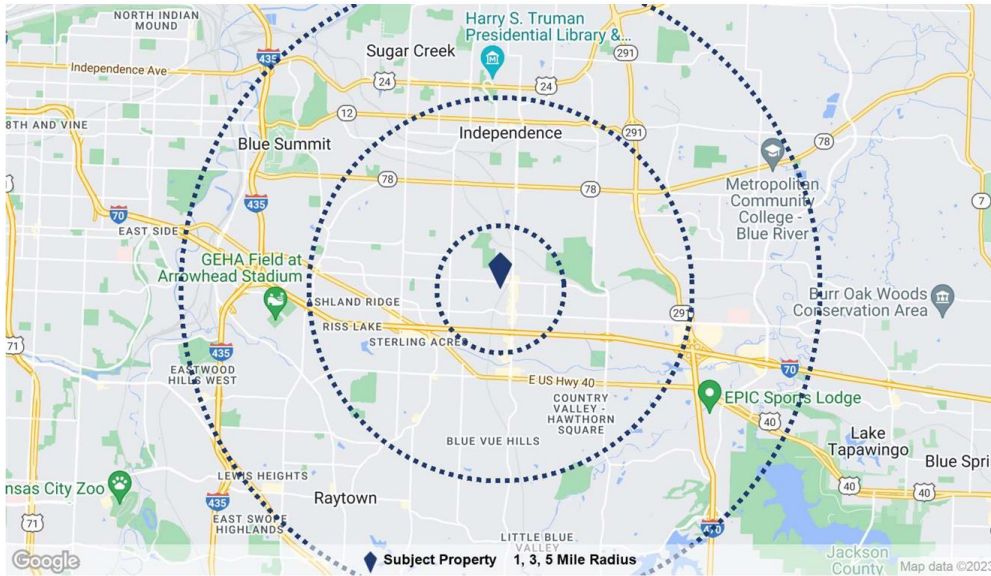
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NEIGHBORHOOD OVERVIEW

DEMOGRAPHIC SUMMARY



| POPULATION | 1 MILE | 3 MILE | 5 MILE |
|----------------------------|-----------|-----------|-----------|
| 2023 Population | 8,852 | 78,606 | 156,163 |
| 2028 Population | 8,919 | 79,447 | 158,179 |
| Pop Growth 2023-2028 | 0.80% | 1.10% | 1.30% |
| 2023 Average Age | 42 | 41 | 40 |
| HOUSEHOLDS | | | |
| 2023 Households | 3,781 | 33,957 | 65,694 |
| 2028 Households | 3,809 | 34,329 | 66,570 |
| Household Growth 2023-2028 | 0.70% | 1.10% | 1.30% |
| Median Household Income | \$62,757 | \$50,586 | \$52,767 |
| Average Household Size | 2.3 | 2.3 | 2.3 |
| Average HH Vehicles | 2 | 2 | 2 |
| HOUSING | | | |
| Median Home Value | \$144,843 | \$137,287 | \$136,483 |
| Median Year Built | 1963 | 1964 | 1965 |

Independence is the fifth largest city in the state of Missouri and covers nearly 80 square miles with a population of over 120,000. It is the county seat of Jackson County and is home to over 40 parks, excellent schools including the Metropolitan Community College Blue River Campus, and a variety of shopping facilities. The subject is located within a community of rental properties near the shops/restaurants off Noland Rd with excellent highway access to I-70 & 435. The surrounding area of the subject property is rooted in American History near historic Independence Square. The recently renovated Harry S. Truman library, museum and historic site are miles north as well as the National Frontier's Trail Museum. The city offers a multitude of recreational options including 3 public golf courses, the Independence Center, City Community Center, Cable Dahmer Arena, Silverstein Eye Center Arena, Adventure Oasis Aquatic Center and Top Hat Winery. The Cable Dahmer Arena is home of the Kansas City Mavericks, a minor-league hockey team as well as the Kansas City Comets of the Major Arena Soccer League. The Independence Center, one of the areas finest shopping malls, is anchored by Dillard's and Dick's Sporting Goods and is home to more than 100 popular retail stores and restaurants and provides over 1-million square feet. It's one of the only fully-enclosed shopping malls in the area. Other destinations just outside of Independence include GEHA Field at Arrowhead Stadium and Kauffman Stadium, home of the Kansas City Chiefs and Royals. Federal Opportunity Zones have been established in Western Independence. Investments made through Opportunity Zone Funds for projects located in or adjacent to designated Opportunity Zones may take advantage of tax abatement on reinvested capital gains. The law excludes from taxable income capital gains on Opportunity Zone investments held for at least 10 years.

3556-3558 S. LYNN ST
INDEPENDENCE, MISSOURI 64055

4 UNITS

AREA HIGHLIGHTS



HARRY S. TRUMAN LIBRARY & MUSEUM



METROPOLITAN COMMUNITY COLLEGE



ARROWHEAD STADIUM



VAILE MANSION



CABLE DAHMER ARENA



NATIONAL FRONTIER TRAILS MUSEUM



TRUMAN NATIONAL HISTORIC SITE



KAUFFMAN STADIUM



DRUMM FARM GOLF



OASIS WATER PARK

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.

FINANCIAL BREAKDOWN

ACTUAL PERFORMANCE & PRO-FORMA

| | 2022 ACTUAL FINANCIAL PERFORMANCE | | | PROFORMA W/ CURRENT RENTS ANNUALIZED | | |
|--------------------------|-----------------------------------|----------|--------|--------------------------------------|----------|--------|
| | TOTAL | PER UNIT | % GPI | TOTAL | PER UNIT | % GPI |
| TOTAL GROSS POTENTIAL | \$32,605 | \$8,151 | | \$43,200 | \$10,800 | |
| VACANCY & CREDIT LOSSES | | \$0 | 0.00% | -\$2,160 | -\$540 | -5.00% |
| OTHER INCOME | \$3,560 | \$890 | 10.92% | \$800 | \$200 | 1.85% |
| ADJUSTED GROSS INCOME | \$36,165 | \$9,041 | % AGI | \$41,840 | \$10,460 | % AGI |
| ADMIN & LEGAL | \$300 | \$75 | 0.83% | \$300 | \$75 | 0.72% |
| REPAIRS & MAINTENANCE | - | - | - | \$2,400 | \$600 | 5.74% |
| MANAGEMENT/LEASING | \$4,431 | \$1,108 | 12.25% | \$3,347 | \$837 | 8.00% |
| UTILITIES | \$1,142 | \$286 | 3.16% | \$400 | \$100 | 0.96% |
| INSURANCE | \$1,960 | \$490 | 5.42% | \$2,000 | \$500 | 4.78% |
| PROPERTY TAX 2022 | \$3,719 | \$930 | 10.28% | \$4,519 | \$1,130 | 10.80% |
| LAWN CARE | \$588 | \$147 | 1.63% | \$600 | \$150 | 1.43% |
| TRASH | \$872 | \$218 | 2.41% | - | - | - |
| REPLACEMENT RESERVES | - | - | - | \$1,000 | \$250 | 2.39% |
| TOTAL OPERATING EXPENSES | \$13,013 | \$3,253 | 35.98% | \$14,566 | \$3,642 | 34.81% |
| NET OPERATING INCOME | \$23,152 | \$5,788 | 64.02% | \$27,274 | \$6,818 | 65.19% |

3556 S. Lynn was not stabilized for a majority of the 2022 calendar year. The property underwent significant unit renovations/make-readies and a majority of the units were taken out of service to create a uniform product. This resulted in higher vacancy and less revenues collected. The property is now stabilized at 100% occupancy and the second table (pro-forma) depicts what the properties performance may look like going forward. We added replacement reserves of \$250/unit and increased taxes based on Jackson County's new 2023 assessments. Rents are annualized based on the amount currently being collected by ownership and management is fixed at 8%.

SALES COMPARABLES 2023

1 1122-1130 N. COTTAGE STREET

INDEPENDENCE, MISSOURI 64050

YEAR BUILT 1960
OF UNITS 4
SOLD PRICE \$440,000
SALE DATE 3/17/23

JACKSON COUNTY

2-BEDROOM / 1-BATHROOM UNITS 4
2-BEDROOM RENT \$995
2-BEDROOM UNIT SIZE 792 SF
DISTANCE TO SUBJECT 4.7 MILES



PROPERTY NOTES Updated units (3 of 4), detached garage parking, central air, washer/dryer hookups, community of rentals

2 517 N. SPRING STREET

INDEPENDENCE, MISSOURI 64050

YEAR BUILT 1976
OF UNITS 4
SOLD PRICE \$425,000
SALE DATE 2/10/23

JACKSON COUNTY

2-BEDROOM / 1-BATHROOM UNITS 4
2-BEDROOM RENT \$650-\$850
2-BEDROOM UNIT SIZE 736 SF
DISTANCE TO SUBJECT 2.8 MILES



PROPERTY NOTES Units not updated, garage/off-street parking, community of rentals, central air, 100% occupancy

3 18800 E. MANOR COURT

INDEPENDENCE, MISSOURI 64058

YEAR BUILT 1986
OF UNITS 4
SOLD PRICE \$480,000
SALE DATE 6/01/23

JACKSON COUNTY

2-BEDROOM / 1.5-BATHROOM UNITS 4
2-BEDROOM RENT \$1,000
2-BEDROOM UNIT SIZE 1050 SF
DISTANCE TO SUBJECT 7.7 MILES



PROPERTY NOTES Garage parking, updated units, washer/dryer hookups, central air, multiple levels, community of rentals

4 17314 E SUSQUEHANNA DRIVE

INDEPENDENCE, MISSOURI 64056

YEAR BUILT 1999
OF UNITS 4
SOLD PRICE \$525,000
SALE DATE 5/06/22

JACKSON COUNTY

3-BEDROOM / 2-BATHROOM UNITS 4
3-BEDROOM RENT \$875-\$1250
3-BEDROOM UNIT SIZE 1576 SF
DISTANCE TO SUBJECT 6.4 MILES



PROPERTY NOTES 2 units renovated, garage & surface parking, townhome style (multiple living levels), central air, rental community



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 Independence, 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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