

# SUNNY VIEW NORTH APTS

## OFFERING MEMORANDUM



COMPASS REALTY GROUP



# EXCLUSIVE MULTI-FAMILY OFFERING

4220-4222 HARRISON | KANSAS CITY, MO 64110 | 6 UNITS | VALUE-ADD OPPORTUNITY | MARKET



COMPASS REALTY GROUP



# TABLE OF CONTENTS

|    |                             |
|----|-----------------------------|
| 1  | PROPERTY & OFFERING SUMMARY |
| 2  | HIGHLIGHTS & IMPROVEMENTS   |
| 3  | BUILDING/UNIT PICTURES      |
| 7  | NEIGHBORHOOD OVERVIEW       |
| 8  | AREA HIGHLIGHTS             |
| 10 | KANSAS CITY OVERVIEW        |
| 11 | MAP OVERVIEW                |
| 12 | FINANCIAL BREAKDOWN         |

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Sunny View Apartments are a charming 6-unit historic building ideally located in the South Hyde Park neighborhood of Kansas City, Missouri. The building stands 3-stories with a stately partial brick exterior and provide tenants with front & rear access, off-street parking (5 spaces) and ample street parking. Extensive real estate gentrification/investment has taken place on Harrison in between 43<sup>rd</sup> and 40<sup>th</sup> over the last several years allowing new ownership the ability to add value to an already thriving/improving area. Built in 1915, the complex consists of 6 two-bedroom/one-bathroom units with an approximate unit size of 1,000 square-feet (mirror image floorplans). All units at the complex feature central air/heat, decorative fireplaces, separate dining areas, fully equipped kitchens, spacious sunrooms, and new windows. Over the last two years, Sunny View has had updates to the roof, back stairwell and has replaced several HVAC systems for the North side units. Plans to add central air to the remaining 3 units have begun with a proposed completion date prior to closing. The complex features a full basement with individual storage units for tenants and laundry facilities located in its sister building. Sunny View is separately metered units for gas and electric (tenant's responsibility) and has common hot water (landlord pays). Each apartment offers an extra storage space in the rear of the unit. The property is currently owner-managed and 100% occupied with a history of high occupancy since being held. 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/uniform improvements. The neighborhood hosts sought after schools, such as the Academie Lafayette Cherry Street campus and Notre Dame de Sion, as well as numerous historic churches and businesses. The complex is just north of the University of Missouri-Kansas City's main campus and east of the Kansas City Art Institute and the neighborhood makes it a draw for tenants seeking a sense of history amongst urban life.

**OFFERING & PROPERTY SUMMARY**

|                       |                                                                                |
|-----------------------|--------------------------------------------------------------------------------|
| ASKING PRICE          | MARKET                                                                         |
| TERMS                 | Free & Clear                                                                   |
| ADDRESS               | 4220-4222 Harrison Street<br>Kansas City, MO 64110                             |
| COUNTY                | Jackson County                                                                 |
| NEIGHBORHOOD          | South Hyde Park                                                                |
| ZONING                | R-5                                                                            |
| YEAR BUILT            | 1915                                                                           |
| # OF BUILDINGS        | 1                                                                              |
| CONSTRUCTION/EXTERIOR | Brick & Stone Exteriors   Concrete Construction  <br>Flat Roof   Vinyl Windows |
| SITE SIZE             | 0.158 acres or 6,865 sf (County)                                               |
| GROSS BUILDING AREA   | 6,822 sq. ft. (+/-)                                                            |
| NET RENTABLE AREA     | 6,000 sq. ft. (+/-)                                                            |
| STORIES               | 3                                                                              |
| OCCUPANCY             | 100%                                                                           |
| UNITS                 | 6                                                                              |
| 2 BEDROOM 1 BATHROOM  | 6                                                                              |
| AVERAGE UNIT SIZE     | 1000 sq. ft. (+/-)                                                             |
| AVERAGE UNIT RENT     | \$888                                                                          |

**UTILITIES & AMENITIES SUMMARY**

|               |                                                           |
|---------------|-----------------------------------------------------------|
| METERING      | Separate Gas/Electric                                     |
| LAUNDRY       | Laundry located in adjacent sister building               |
| A/C           | Central Air                                               |
| HOT WATER     | Common Hot Water                                          |
| UTILITIES     | Tenants pay for electric/gas; Landlord pays water & trash |
| PARKING       | Off-street parking at rear & ample on-street parking      |
| TENANT ACCESS | Front & rear secured entry                                |

| UNIT # | UNIT TYPE | UNIT SF   | RENT    | ANNUAL RENT | RENT PER SF | MARKET RENT |
|--------|-----------|-----------|---------|-------------|-------------|-------------|
| 1N     | 2x1       | 900 +/-   | \$875   | \$10,500    | \$0.88      | \$1,295     |
| 1S     | 2x1       | 900 +/-   | \$900   | \$10,800    | \$0.90      | \$1,295     |
| 2N     | 2x1       | 900 +/-   | \$875   | \$10,500    | \$0.88      | \$1,295     |
| 2S     | 2x1       | 900 +/-   | \$900   | \$10,800    | \$0.90      | \$1,295     |
| 3N     | 2x1       | 900 +/-   | \$900   | \$10,800    | \$0.90      | \$1,295     |
| 3S     | 2x1       | 900 +/-   | \$875   | \$10,500    | \$0.88      | \$1,295     |
| 6      |           | 5,400 +/- | \$5,325 | \$63,900    | \$0.89      | \$7,770     |



## PROPERTY HIGHLIGHTS

- ❖ 6 UNITS (IDENTICAL FLOORPLANS)
- ❖ OFF-STREET PARKING (5 SPACES) & AMPLE ON-STREET PARKING
- ❖ NEW WINDOWS IN 2022
- ❖ EXCELLENT LOCATION IN MIDTOWN NEAR KC STREETCAR EXPANSION
- ❖ EXTENSIVE WORK TO ROOF, REAR STAIRWELL & HVACS (LAST 5 YEARS)
- ❖ SEPARATELY METERED FOR GAS & ELECTRIC
- ❖ RARE VALUE-ADD OPPORTUNITY IN SOUTH HYDE PARK
- ❖ OWNER-MANAGED PROPERTY WITH HISTORY OF HIGH OCCUPANCY

## UNIT HIGHLIGHTS

- ❖ 2-BEDROOM 1-BATHROOM UNITS
- ❖ 1000 SF (+/-)
- ❖ HARDWOOD FLOORS
- ❖ CENTRAL AIR
- ❖ DECORATIVE FIREPLACES
- ❖ GOOGLE FIBER
- ❖ SUNROOMS
- ❖ CEILING FANS
- ❖ FULLY EQUIPPED KITCHENS



















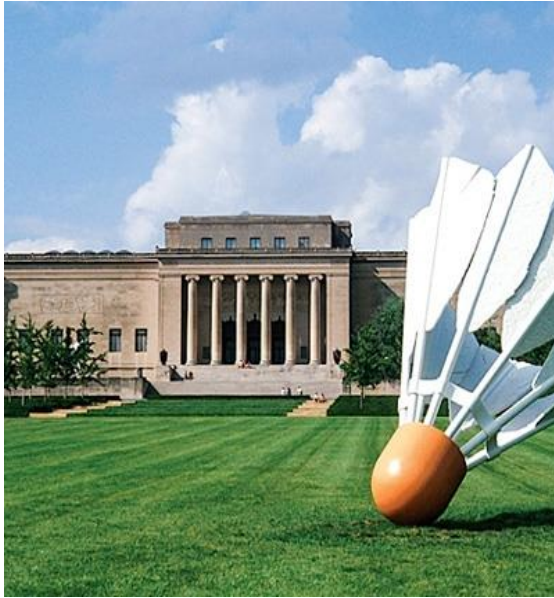


Sunny View North is located just a few blocks east of the Nelson-Atkins Museum of Art in one of Kansas City's oldest neighborhoods, South Hyde Park. Residents delight in the neighborhoods historic charm just as much as its vibrant atmosphere. Hyde Park is a vibrant residential/commercial community where businesses, neighborhoods and institutions reinforce one another. Home to some of the oldest buildings in the city, Hyde Park's storied history combined with its thriving arts and entertainment movement attracts lifelong residents. The convenience of its close proximity to Downtown, Country Club Plaza, and Westport makes South Hyde Park an ideal neighborhood with an easy commute to many of KC's most desirable areas. The Sustainable Development Partners Kansas City have recently announced its partnership with Plexpod to develop the world's largest co-working facility at the Westport Commons (previously Westport Middle School) a couple blocks east of the complex. Development of the entrepreneurial center has completed, and the facility encompasses a next-gen workspace for entrepreneurs, start-ups, and growth stage companies of all sizes. Additionally, the planned 3.5-mile extension of Kansas City's streetcar down Main Street continues to drive investors/residents to the area.

The Country Club Plaza, located just west of Hyde Park, is Kansas City's premier retail, dining and entertainment destination. The Country Club Plaza, inspired by Spanish Architecture, was first established in 1922 and remains a highly sought after residential and commercial location. 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. Three of Kansas City's largest law firms Polsinelli PC, Dentons and Husch Blackwell Sanders LLP are located on the Country Club Plaza. The complex is just minutes away from the Nelson-Atkins Museum of Art, the Kemper Museum of Modern Art, the Kansas City Art Institute, and the James C. Olson Performing Arts Center at UMKC. Westport has a close proximity to St. Luke's Hospital, Crown Center, Union Station, the IRS office complex, the University of Kansas Medical Center, Children's Mercy Hospital, Truman Medical Center, 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, Nursing, Pharmacy and Medicine. 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.







**NELSON-ATKINS MUSEUM**



**AMERICAN CENTURY TOWERS**



**KANSAS CITY ART INSTITUTE**



**WESTPORT PLEXPOD**



**UNIVERSITY OF MISSOURI-KANSAS CITY**





**MARTINI CORNER**



**COUNTRY CLUB PLAZA**



**WESTPORT DISTRICT**



**UNION STATION**



**ST LUKE'S HOSPITAL OF KC**



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.







|                            | DECEMBER 2022<br>T-12 ACTUAL |          |        | PROPERTY PRO-FORMA<br>RENTS @ \$995 |          |        | PROPERTY PRO-FORMA<br>RENTS @ \$1295 |          |        |
|----------------------------|------------------------------|----------|--------|-------------------------------------|----------|--------|--------------------------------------|----------|--------|
|                            | TOTAL                        | PER UNIT | % GPI  | TOTAL                               | PER UNIT | % GPI  | TOTAL                                | PER UNIT | % GPI  |
| TOTAL GROSS POTENTIAL      | \$57,783                     | \$9,631  |        | \$71,640                            | \$11,940 |        | \$93,240                             | \$15,540 |        |
| VACANCY & CREDLIT LOSSES   |                              |          |        | -\$3,582                            | -\$597   | -5.00% | -\$4,662                             | -\$777   | -5.00% |
| OTHER INCOME               | \$605                        | \$101    | 1.05%  | \$900                               | \$150    | 1.26%  | \$900                                | \$150    | 0.97%  |
| ADJUSTED GROSS INCOME      | \$58,388                     | \$9,731  | % AGI  | \$68,958                            | \$11,493 | % AGI  | \$89,478                             | \$14,913 | % AGI  |
| GENERAL EXPENSES           | \$219                        | \$36     | 0.37%  | \$250                               | \$42     | 0.36%  | \$250                                | \$42     | 0.28%  |
| REPAIRS & MAINTENANCE      | \$2,203                      | \$367    | 3.77%  | \$5,000                             | \$833    | 7.25%  | \$5,000                              | \$833    | 5.59%  |
| MATERIALS, LABOR & GROUNDS | \$4,855                      | \$809    | 8.32%  | \$1,500                             | \$250    | 2.18%  | \$1,000                              | \$167    | 1.12%  |
| UTILITIES                  | \$5,108                      | \$851    | 8.75%  | \$6,062                             | \$1,010  | 8.79%  | \$6,062                              | \$1,010  | 6.77%  |
| MANAGEMENT/LEASING         | \$1,708                      | \$285    | 2.93%  | \$5,861                             | \$977    | 8.50%  | \$7,606                              | \$1,268  | 8.50%  |
| CONTRACT SERVICES          | \$2,307                      | \$384    | 3.95%  | \$1,800                             | \$300    | 2.61%  | \$1,200                              | \$200    | 1.34%  |
| PROPERTY TAX               | \$813                        | \$135    | 1.39%  | \$1,600                             | \$267    | 2.32%  | \$1,600                              | \$267    | 1.79%  |
| INSURANCE                  | \$3,405                      | \$568    | 5.83%  | \$3,800                             | \$633    | 5.51%  | \$3,800                              | \$633    | 4.25%  |
| REPLACEMENT RESERVES       | -                            | -        | -      | \$1,500                             | \$250    | 2.18%  | \$1,500                              | \$250    | 1.68%  |
| TOTAL OPERATING EXPENSES   | \$20,618                     | \$3,436  | 35.31% | \$27,373                            | \$4,562  | 39.70% | \$28,018                             | \$4,670  | 31.31% |
| NET OPERATING INCOME       | \$37,770                     | \$6,295  |        | \$41,585                            | \$6,931  |        | \$61,460                             | \$10,243 |        |

THE ABOVE BREAKDOWN REPRESENTS THE 2022 ACTUAL FINANCIAL PERFORMANCE & TWO PRO-FORMAS WITH VARYING LEVELS OF FINISH/MARKET RENTS. THE PROPERTY PRO-FORMAS ASSUMES VARYING LEVELS OF RENOVATIONS/UPGRADES TO ALL UNITS TO PRESENT A MORE UNIFORM PRODUCT. WE ACCOUNTED FOR THE PROJECTED 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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