

**OFFERING
MEMORANDUM**

Summit Place & Eugene Field Apartments, Saint Joseph, MO



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Exclusively Presented By

AUSTIN R. PAUL

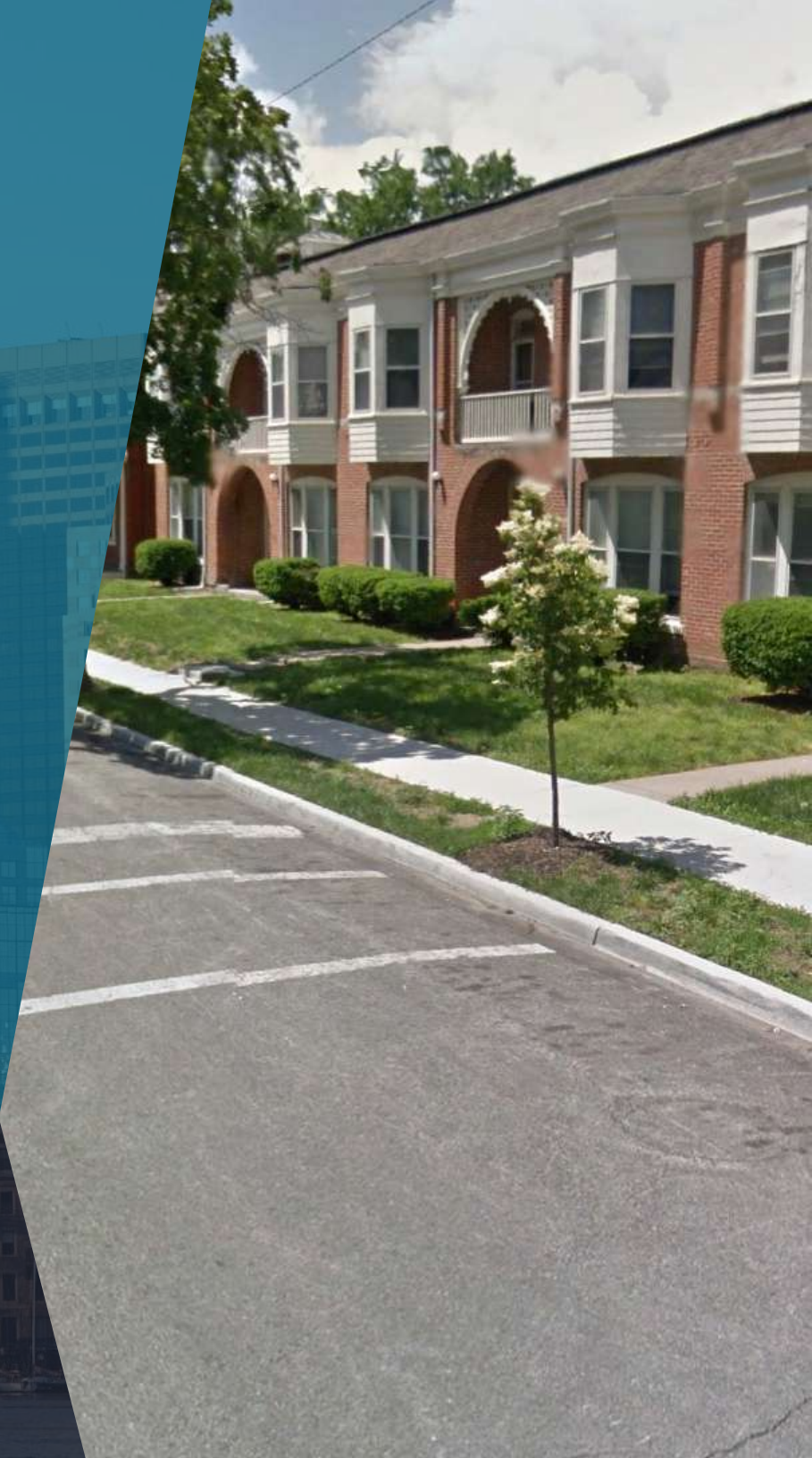
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EXECUTIVE SUMMARY



Zeal Property Advisors is pleased to announce the exclusive offering of Summit Place Apartments and Eugene Field Apartments (“The Properties”), a combined 38-unit apartment offering located in Saint Joseph, Missouri. Summit Place and Eugene Field are located within one block of each other, and walking distance to downtown St Joseph.

The Properties are offered as a fee simple sale and offer prospective investors the opportunity to acquire two well located assets with significant value add through unit upgrades. Investors may also take advantage of Summit Place’s transferrable 100% tax abatement (2 years remaining) followed by 15 years of 50% tax abatement. The Properties are offered free and clear with low-interest debt terms identified.

INVESTMENT HIGHLIGHTS

- Just Blocks From Downtown St Joseph
- Ability to Upgrade Unit Interiors
- 95%+ Economic Occupancy
- 18%+ Stabilized Yield
- Debt Terms Inclusive of 2.62% Rate Fixed
- Transferrable Tax Abatement



PRICE: **\$2,500,000**



NOI: **\$174,923**



CAP RATE: **7.0%**



PROPERTY OVERVIEW

PROPERTY OVERVIEW SUMMIT PLACE

Summit Place consists of 23 market rate units built in 1980 with renovations in 2013 by the current ownership. The Property encompasses just under 1 acre with approximately 23,250 rentable square feet. The unit mix consists of five one-bedroom/one-bath units at 650 SF, 14 two-bedroom/one-bath units at 1,100 SF and four three-bedroom/one-bath units at 1,150 SF. Summit Place has approximately 50 private parking spaces with two points of ingress/egress that can be easily gated for exclusivity plus ample street parking.

Address 516 N 10th Street, St. Joe, MO

Units 23

Year Built 1980 / 2013

Lot Size 0.8 AC

RSF 23,250

of Buildings 2

Parking Street Parking / 50 Surface spaces

Water/Sewer Central Metered

Electric Separately Metered

Gas Separately Metered

HVAC Central

Hot Water Per Unit

Trash Waste Management

Laundry Central



PROPERTY OVERVIEW EUGENE FIELD

Eugene Field consists of 15 market rate units built in 1980. The Property encompasses 0.36 acres with approximately 7,290 rentable square feet. The unit mix consists of efficient units with 10 one-bedroom/one-bath units at 437 AVG SF and five two-bedroom/one-bath units at 584 AVG SF. Community amenities include indoor central laundry facility and private parking.

Address	425 N 11 th Street, St Joseph MO
Units	15
Year Built	1980 / 2013
Lot Size	0.36 AC
RSF	7,920
# of Buildings	1
Parking	Street Parking / 12 surface spaces

Water/Sewer	Central Metered
Electric	Separately Metered
Gas	Laundry Only
HVAC	Central
Hot Water	Per Unit
Trash	Waste Management
Laundry	Central





PROPERTY PHOTOS

EXTERIOR PHOTOS



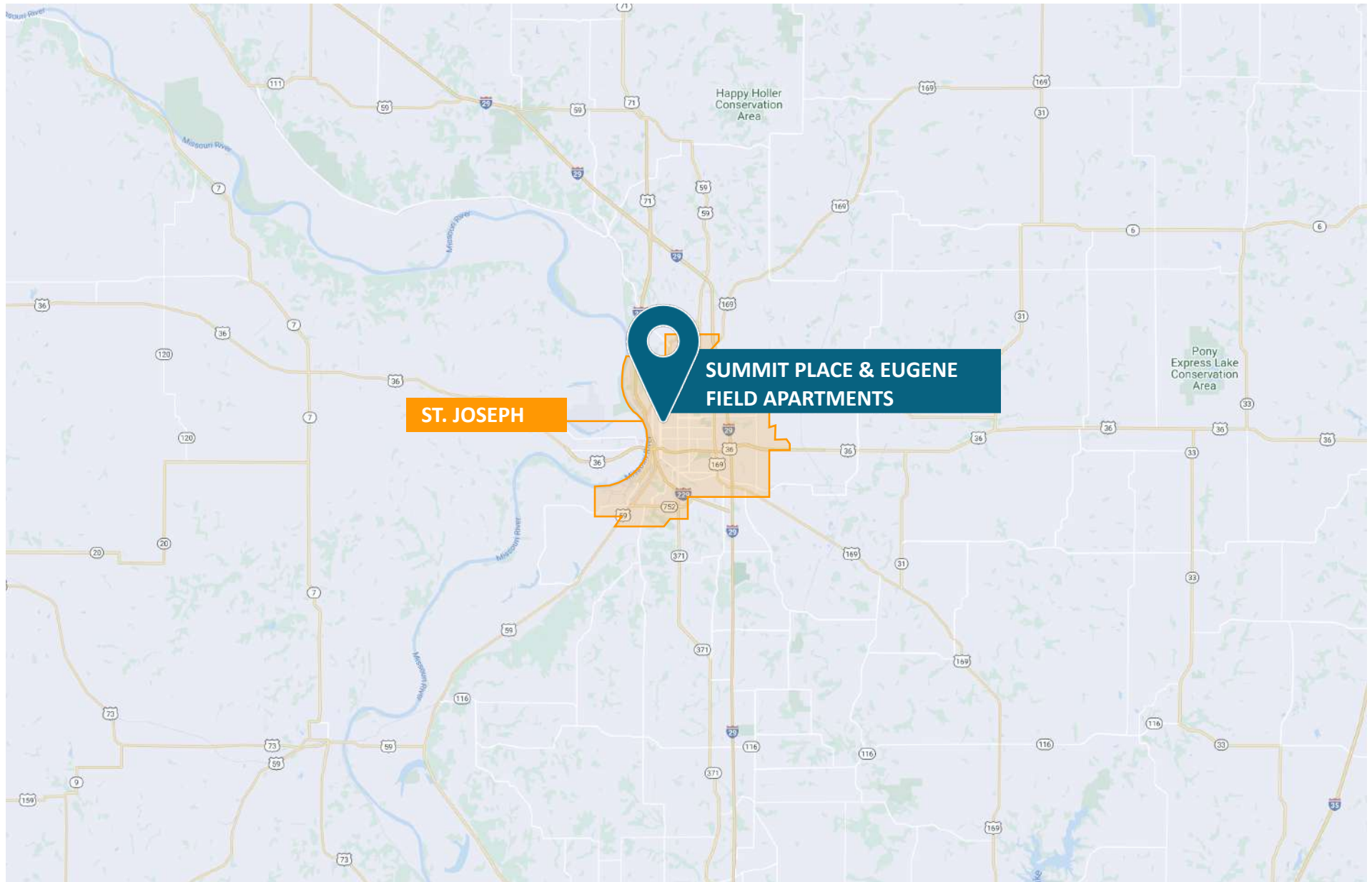
UNIT INTERIOR PHOTOS



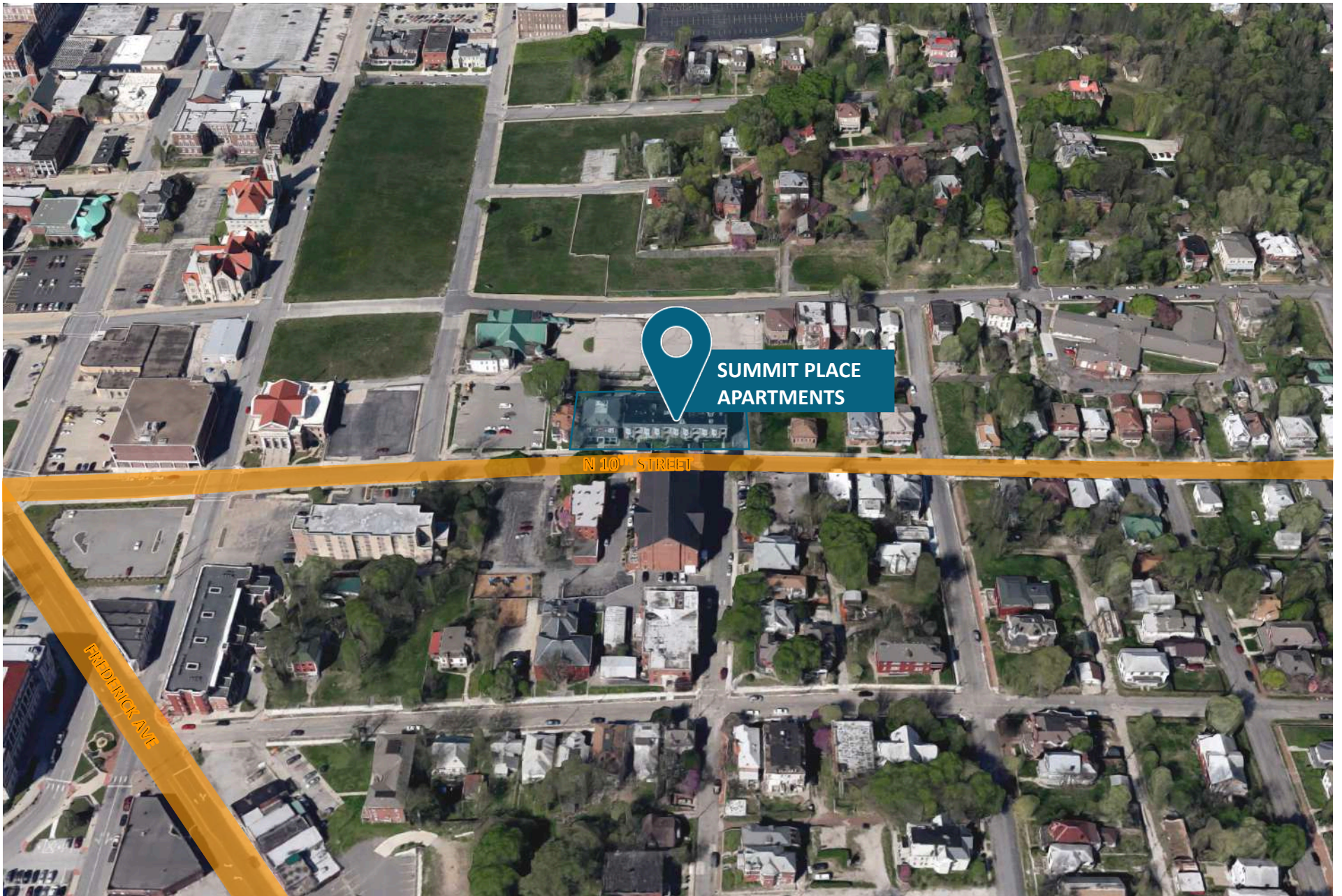


AERIALS

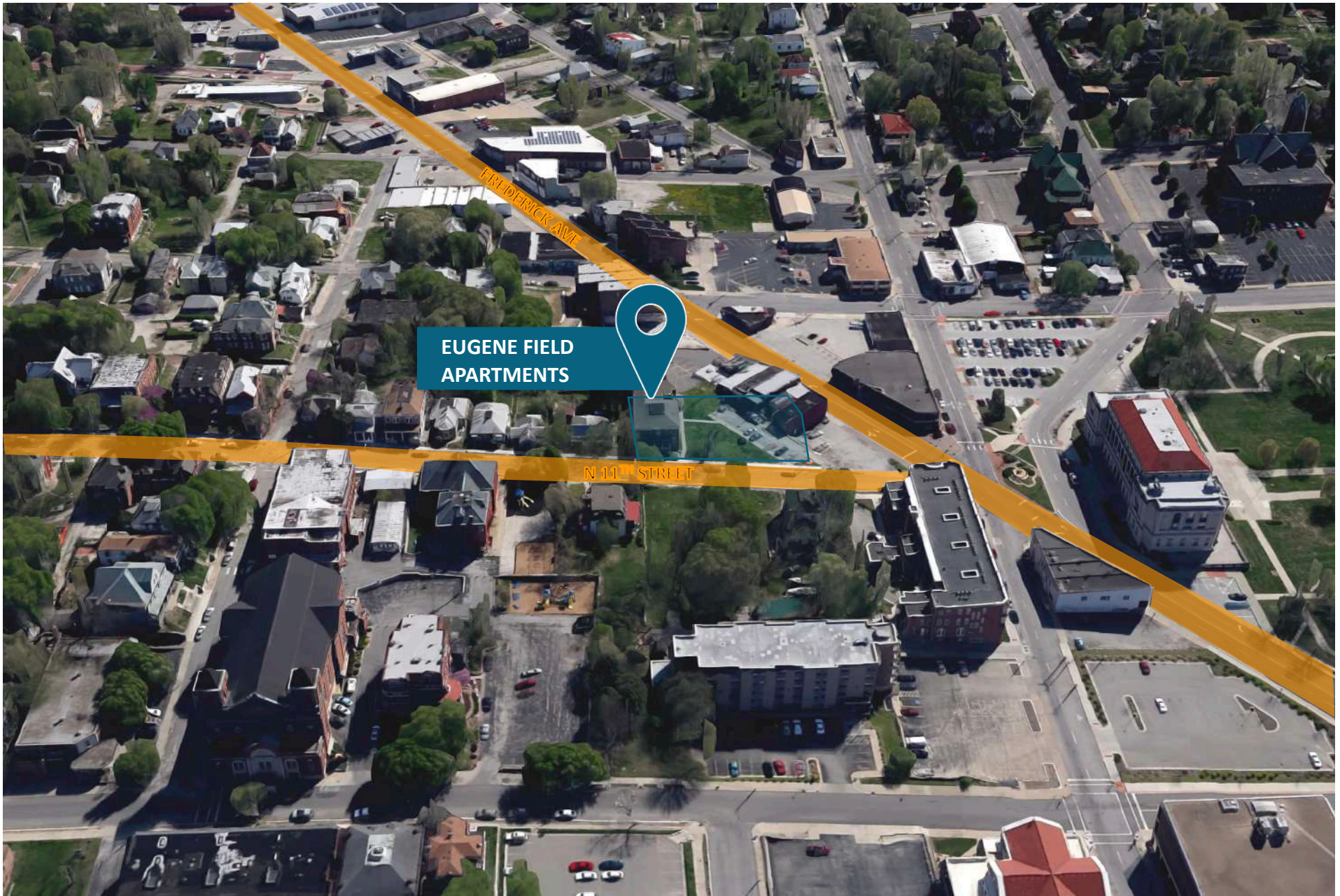
REGIONAL MAP

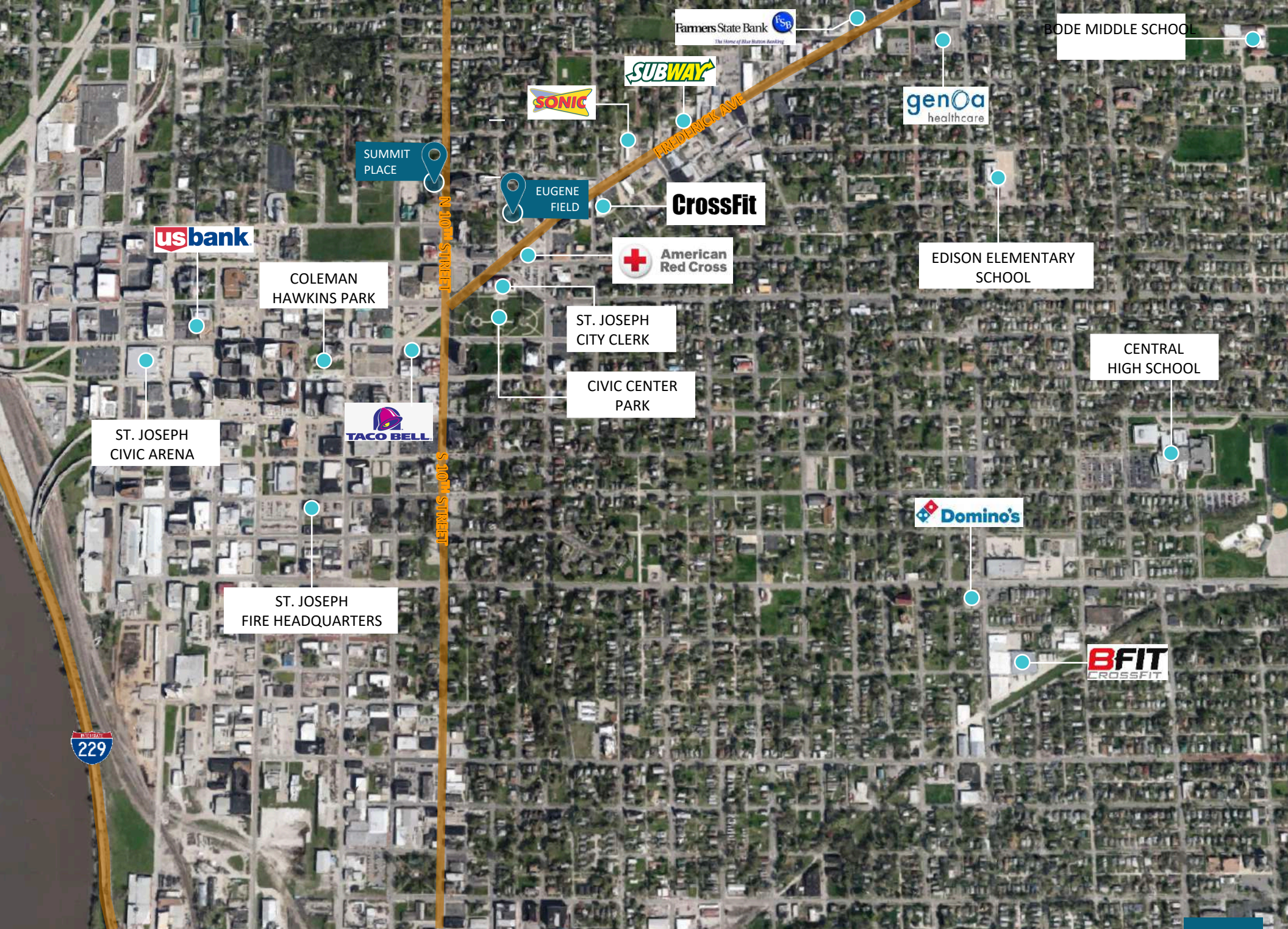


AERIAL – SUMMIT PLACE



AERIAL – EUGENE FIELD







FINANCIALS

RENT ROLL SUMMARY

Summit Place	Count	% Total	Size (SF)	Avg Rent	Avg Rent / SF	Market Rent
Unit Type						
1 x 1	5	21.7	650	\$480	\$0.74	\$600
2 x 1	14	61.0	1,100	\$580	\$0.53	\$725
3 x 1	4	17.3	1,150	\$655	\$0.57	\$780
TOTAL / AVERAGE	23	100%	1,011	\$571	\$0.56	\$707

Eugene Field	Count	% Total	Size (SF)	Avg Rent	Avg Rent / SF	Market Rent
Unit Type						
EF 1 x 1	10	66.6	437 AVG	\$471	\$1.08	\$565
EF 2 x 1	5	33.3	584 AVG	\$511	\$0.88	\$580
TOTAL / AVERAGE	15	100%	486	\$484	\$1.00	\$570

FINANCIAL ANALYSIS (COMBINED)

	T-12	Year 1	Pro Forma	Notes	Per Unit
INCOME					
Gross Scheduled Rent	237,353	244,474	297,732	[1]	6,433
Physical Vacancy	(7,920) 3.3%	(7,334) 3%	(14,886) 5%		(193)
Concessions	(2,870) 1.2%	(2,445) 1%	(2,977) 1%		(64)
Bad Debt	(826) 0.03%	(800) 0.03%	(2,977) 1%		(21)
Total Vacancy	(11,616) 4.9%	(10,579) 4.3%	(20,840) 7%		(278)
Economic Occupancy	95.1%	95.7%	93%		
Effective Rental Income	225,737	233,895	276,892		6,155
Other Income	38,688	38,688	38,688		1,018
Effective Gross Income	\$264,425	\$272,583	\$315,580		\$7,173
EXPENSES					
Real Estate Taxes	2,327	2,327	3,000	[2]	61
Insurance	15,905	9,500	9,500	[3]	250
Utilities	28,497	28,497	28,497		750
Trash Removal	3,759	3,040	3,040		80
Repairs and Maintenance	5,490	5,490	5,490		144
Contract Services	11,412	7,000	7,000		184
Turnover	2,007	3,800	3,800		100
Marketing / Advertising	815	1,000	1,000		26
Payroll	57,355	Mgmt Fee	Mgmt Fee	[4]	0
General and Administration	20,484	7,600	7,600		200
Management Fee	8,640 (3.2%)	21,806 (8%)	25,246 (8%)	[5]	574
Replacement Reserves	5,889	7,600	7,600		200
Total Expenses	\$162,580	\$97,660	\$101,773		\$2,570
Net Operating Income	\$101,845	\$174,923	\$213,807		\$4,603

Notes

[1] Year 1 GSR reflects 3% rental increase.

[2] Summit Place has transferrable 10-year 100% tax abatement followed by 50% 15-year tax abatement.

[3] Insurance reduced to submarket standards.

[4] Payroll absorbed by management company.

[5] Standard third-party management fee with payroll absorption.

PRICING SUMMARY

SUMMARY		
PRICE	\$2,500,000	
Down Payment	\$535,504	20%
Number of Units	38	
Price Per Unit	\$65,789	
Price Per SqFt	\$81.86	
Rentable SqFt	30,540	
Lot Size	1.2 Acres	
Year Built	1980/2013	

RETURNS	Year 1	Pro Forma
CAP RATE	7.0%	8.6%
Cash-on-Cash	11.7%	18.9%
DSCR	1.56%	1.90%
Proposed Financing		First Loan
Loan Amount		\$2,060,800
Loan Type		Bank
Interest Rate		2.62%
Amortization		25-years
Pre Payment		None
Term		5-years
Debt Service		\$112,441

SOURCES AND USES OF FUNDS

Uses of Funds – Close of Escrow		Sources of Funds – Close of Escrow	
Purchase Price	\$2,500,000	First Mortgage	\$2,060,800
Financing Costs	\$10,304	Equity	\$535,504
Due Diligence and Closing Costs:	\$10,000		
Capital Improvements:	\$76,000		
Total Uses of Funds:	\$2,596,304	Total Sources of Funds:	\$2,596,304



AREA OVERVIEW

AREA OVERVIEW

3rd

Highest
manufacturing
GDP in MO

3rd

Largest exporter
in MO

18th

Top Small City in Area
Development Magazine

5th

Most diversified
economy

20th

Top 20 Small City
in the Midwest
Area
Development
Magazine





DEMOGRAPHICS

DEMOGRAPHIC SUMMARY



77,000
POPULATION



35.8
MEDIAN
AGE

\$105,500

MEDIAN PROPERTY
VALUE

\$46,000

MEDIAN HOUSEHOLD
INCOME

UNIVERSITIES



Hillyard
Technical
Center



Missouri
Western
State
University



American
Business &
Tech
University

BUSINESS

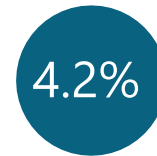


2.2+
LOCATION QUOTIENT IN
MANUFACTURING

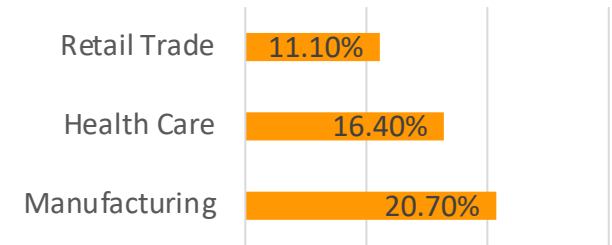


65,000
TOTAL EMPLOYEES

EMPLOYMENT



4.2%
UNEMPLOYMENT
RATE



INCOME



\$46,000
MEDIAN HOUSEHOLD
INCOME



\$23,000
PER CAPITA
INCOME



\$27,000
MEDIAN INCOME
RENTER



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