

# OFFERING MEMORANDUM

Lakeview Duplexes, Olathe, Kansas



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# EXECUTIVE SUMMARY

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Zeal Property Advisors, LLC is pleased to announce the exclusive offering of Lakeview Duplexes (“The Property”), a 62-unit duplex community located just off HW I-35 and 135<sup>th</sup> Street in Olathe, Kansas. The Property is exceptionally well-located near downtown Olathe and within 1 mile of Olathe North Highschool. Lakeview was built in 1952 and has been partially renovated with proven stabilized rents.

The Property is offered as a fee simple sale and offers prospective investors the opportunity to acquire a well-located asset with strong demographics and value add components such as unit renovation and operational upside. Lakeview is offered free and clear of existing debt with attractive bridge financing inclusive of 80% LTV with ability to finance 100% of CapEx.

## INVESTMENT HIGHLIGHTS

- Stabilized Asset with Value-Add Components
- Operational Upside
- Excellent Johnson County Location
- Strong Demographics
- Ability to Renovate Units With Proven Rents
- Easy to Run Duplexes



PRICE: **\$6,450,000**



NOI: **\$401,131**



CAP RATE: **6.2%**



# PROPERTY OVERVIEW

## PROPERTY OVERVIEW

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Lakeview Duplexes is a 62-unit duplex community built in 1952 with roofs less than 10 years old, HVAC in great condition and new electric meters. The unit mix consists of 50 two-bedroom / one-bath duplex units at 720 SF and 12 three-bedroom / one-bath single family units at 864 SF. The Property encompasses 37 buildings situated on 8.54 acres with approx. 46,368 rentable square feet. Lakeview is located within walking distance to Ridgeview Elementary and within 1 mile from Olathe North Highschool (AAA School District). The Property offers residents a quiet neighborhood setting while also being minutes from various retail shopping centers on 135<sup>th</sup> street.

**Address** 502 S Ridgeview Rd, Olathe, KS 66061

**Units** 62

**Year Built** 1952

**Lot Size** 8.54 AC

**RSF** 46,368

**# of Buildings** 37

**Parking** 62 pull up spaces with street parking

**Water/Sewer** Separately Metered

**Electric** Separately Metered

**Gas** Separately Metered

**HVAC** Central

**Hot Water** Per Unit

**Trash** Waste Management

**Laundry** Per Unit





PROPERTY  
PHOTOS

## UNIT INTERIOR PHOTOS RENOVATED



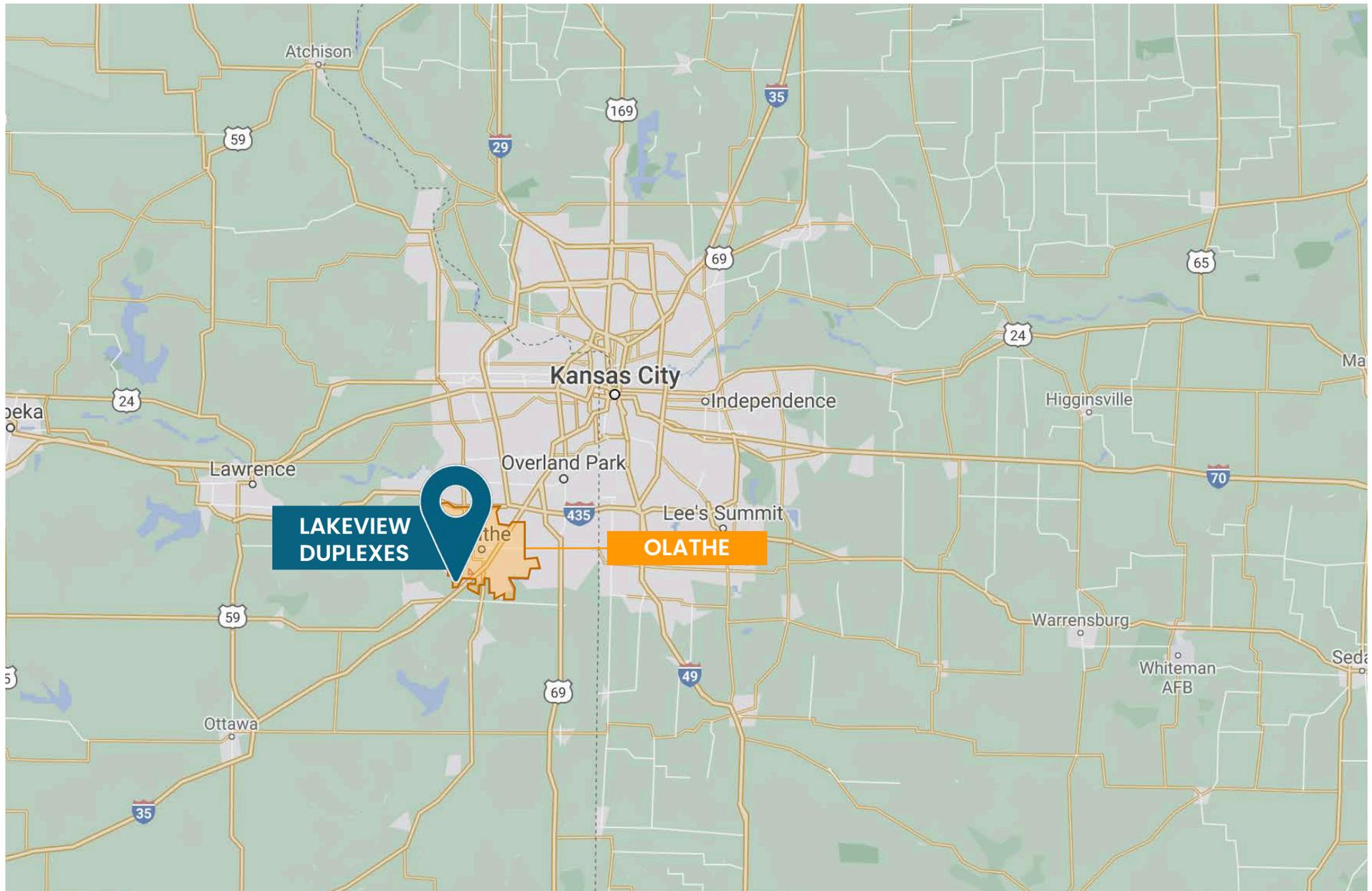
## UNIT INTERIOR PHOTOS UNRENOVATED

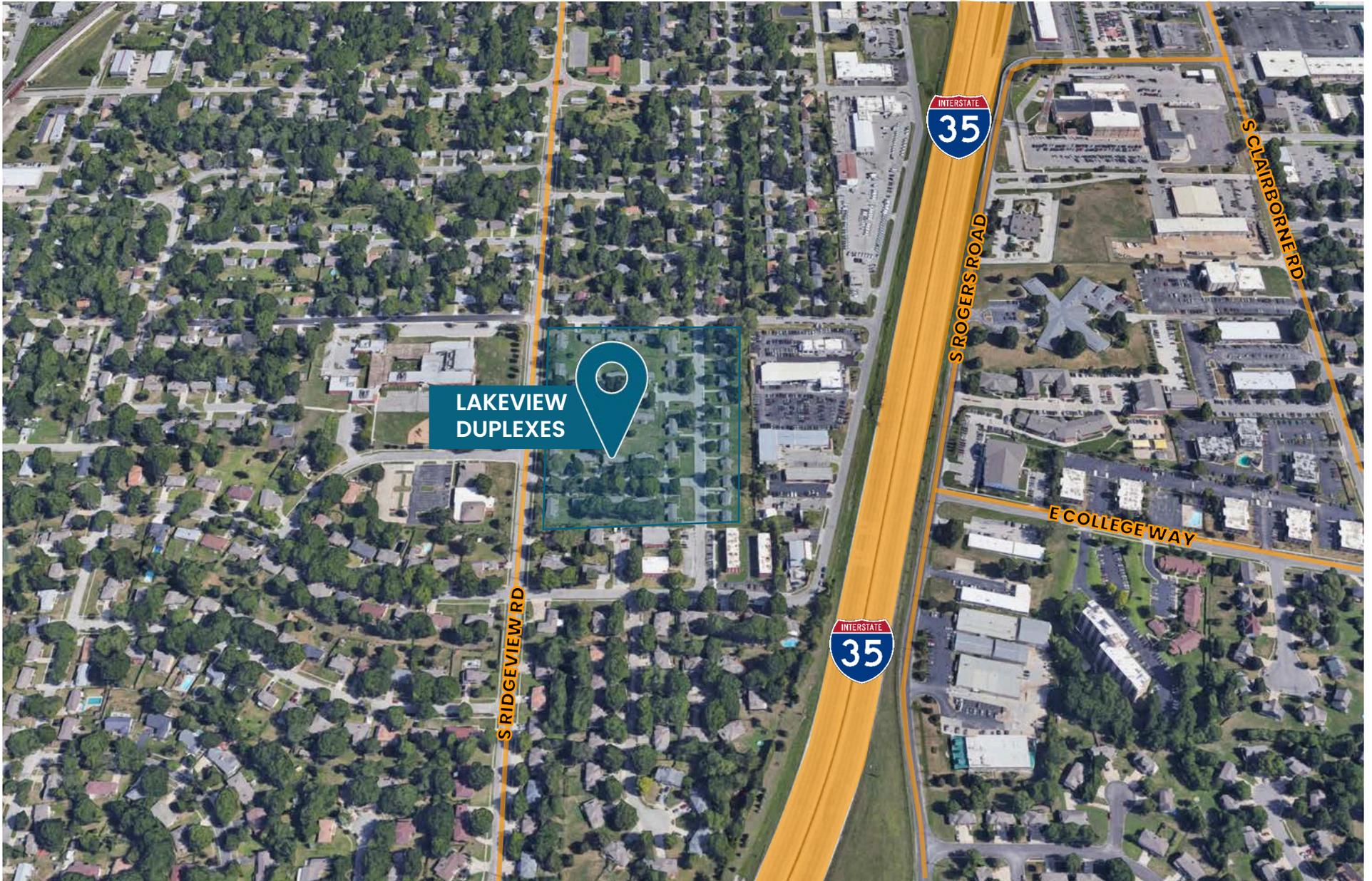


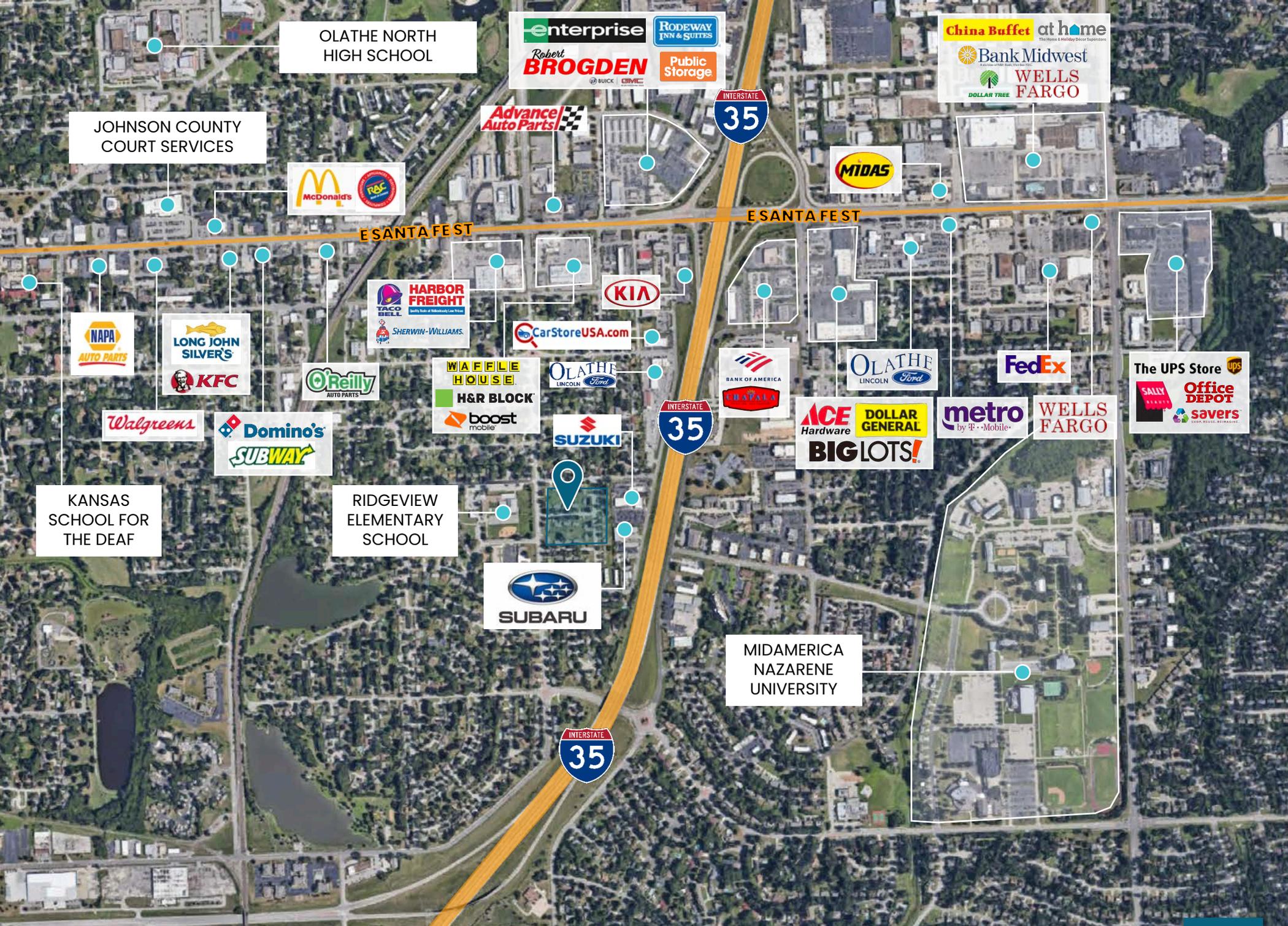


AERIALS

# REGIONAL MAP







OLATHE NORTH HIGH SCHOOL

JOHNSON COUNTY COURT SERVICES



E SANTA FE ST

E SANTA FE ST



KANSAS SCHOOL FOR THE DEAF

RIDGEVIEW ELEMENTARY SCHOOL



MIDAMERICA NAZARENE UNIVERSITY



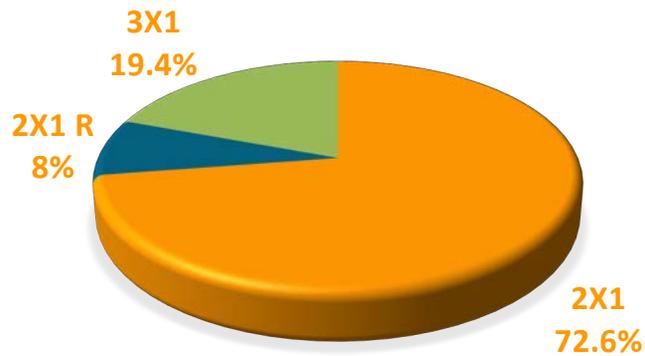


# FINANCIALS

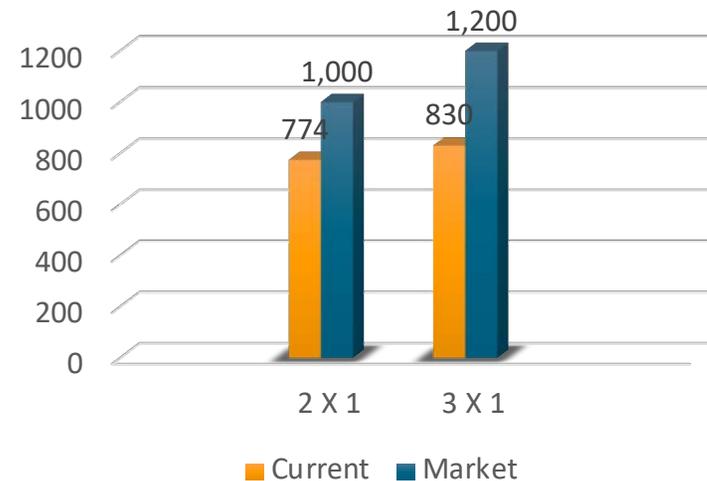
# RENT ROLL SUMMARY

	Count	% Total	Size (SF)	Avg Rent	Avg Rent / SF	Market Rent
<b>UNIT TYPE</b>						
2 x 1	45	72.6	720	\$774	\$1.08	\$1,000
2 x 1 Renovated	5	8.0	720	\$1,002	\$1.39	\$1,000
3 x 1	12	19.4	864	\$830	\$0.96	\$1,200
<b>TOTAL / AVERAGE</b>	<b>62</b>	<b>100%</b>	<b>748</b>	<b>\$803</b>	<b>\$1.07</b>	<b>\$1,038</b>

### UNIT MIX



### UNIT RENT



## FINANCIAL ANALYSIS

	T-12	Year 1	Pro Forma	Notes	Per Unit
<b>INCOME</b>					
Gross Scheduled Rent	\$588,866	\$606,531	\$772,272	[1]	\$9,782
Physical Vacancy	(26,460) 4.5%	(30,326) 5%	(38,613) 5%		(489)
Concessions	(3,686) 0.6%	(3,032) 0.5%	(7,722) 1%		(48)
Bad Debt	(9,037) 1.5%	(6,065) 1%	(7,722) 1%		(97)
Down Units	(1,560) 0.3%	None	None		0
Total Vacancy	(40,743) 6.9%	(39,423) 6.5%	(54,057) 7%		(635)
Economic Occupancy	93.1%	93.5%	93%		
Effective Rental Income	548,123	567,108	718,215		9,146
Other Income	22,822	41,422	58,162	[2]	668
Effective Gross Income	\$570,945	\$608,530	\$776,377		\$9,815
<b>EXPENSES</b>					
Real Estate Taxes	50,424	65,000	65,000	[3]	1,048
Insurance	30,064	25,000	25,000		403
Utilities	5,785	5,785	5,785		93
Trash Removal	2,132	2,132	2,132		34
Repairs and Maintenance	25,206	21,700	21,700		350
Contract Services	4,747	12,400	12,400		200
Turnover	8,842	9,300	9,300		150
Marketing / Advertising	1,876	5,000	5,000		80
Payroll	24,523	None	None	[4]	0
General and Administration	73,824	12,400	12,400		200
Management Fee	None	48,682 (8%)	62,110 (8%)	[5]	785
Replacement Reserves	33,086	None	18,600		300
Total Expenses	\$260,509	\$207,399	\$239,427		\$3,345
<b>Net Operating Income</b>	<b>\$310,436</b>	<b>\$401,131</b>	<b>\$536,950</b>		<b>\$6,469</b>

### Notes

[1] Pro Forma GSR reflects unit mix section market rents annualized.

[2] Other Income increase reflects taking 50% of Washer/Dryers in house at \$50 per month in Year 1 and 100% in Pro Forma.

[3] Real Estate Taxes calculated after receiving input from Johnson County assessor's office.

[4] Payroll absorbed by management company.

[5] Management Fee includes Payroll.

## PRICING SUMMARY

SUMMARY		
PRICE	\$6,450,000	
Down Payment	\$1,368,600	21%
Number of Units	62	
Price Per Unit	\$104,032	
Rentable SF	46,368	
Price Per SF	\$139.10	
Lot Size	8.54 Acres	
Year Built	1953	
Type of Ownership	Fee Simple	

RETURNS	Year 1	Pro Forma
CAP RATE	6.2%	8.3%
Cash Flow	\$152,081	\$207,285
Cash-on-Cash	11%	14.3%
DSCR	1.61%	1.63%
	Acquisition	R+T Refinance
<b>Proposed Financing</b>	<b>First Loan</b>	<b>First Loan</b>
Loan Amount	80% LTC	\$5,860,000
Loan Type	Bridge	Freddie Mac
Interest Rate	4.25%	3.85%
Amortization	N/A	30-Years
Pre-Payment Penalty	None	YM
Term	3-Years	10-Years
Interest Only	Full Term	2-3 Years
Debt Service	\$249,050 (I/O)	\$329,665 (P+I)

### Sources and Uses of Funds

Uses of Funds – Close of Escrow		Sources of Funds – Close of Escrow	
Purchase Price	\$6,450,000	First Mortgage	\$5,860,000
Financing Costs	\$58,600	Equity	\$1,368,600
Capital Improvements	\$700,000		
Due Diligence and Closing Costs	\$20,000		
<b>Total Uses of Funds:</b>	<b>\$7,228,600</b>	<b>Total Sources of Funds:</b>	<b>\$7,228,600</b>

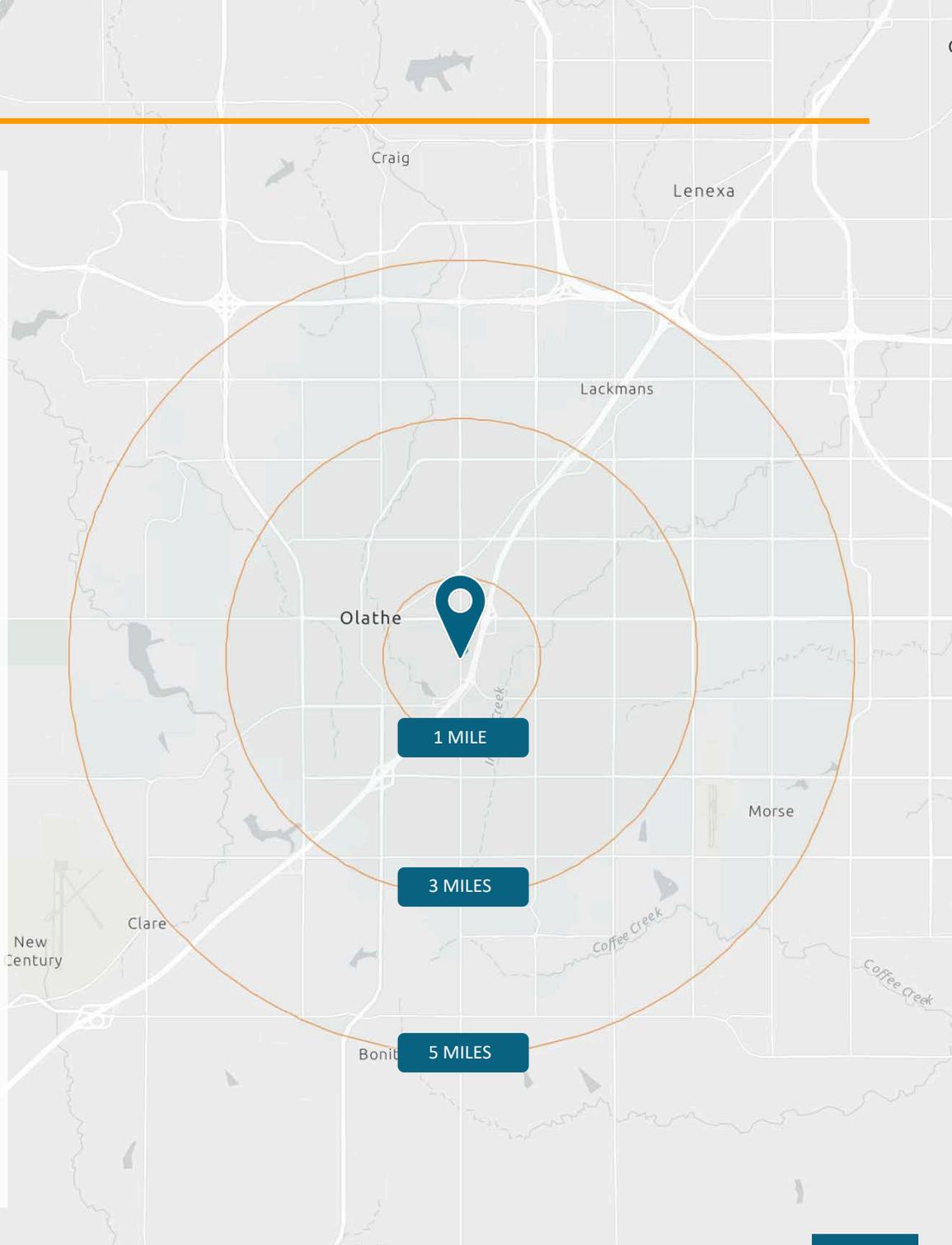


# DEMOGRAPHICS

# DEMOGRAPHIC SUMMARY

De Soto

2020 SUMMARY	1 MILE	3 MILES	5 MILES
Population	11,773	103,030	169,994
Households	4,413	36,245	60,162
Families	2,666	26,447	44,352
Average Household Size	2.51	2.81	2.80
Owner Occupied Housing Units	2,008	25,524	42,507
Renter Occupied Housing Units	2,405	10,721	17,655
Median Age	32.8	33.8	34.8
Median Household Income	\$45,871	\$80,392	\$92,619
Average Household Income	\$64,249	\$95,933	\$114,924
2025 SUMMARY	1 MILE	3 MILES	5 MILES
Population	12,014	107,079	179,735
Households	4,497	37,617	63,472
Families	2,698	27,379	46,735
Average Household Size	2.52	2.81	2.81
Owner Occupied Housing Units	2,084	26,412	44,641
Renter Occupied Housing Units	2,413	11,205	18,831
Median Age	33.0	34.3	35.5
Median Household Income	\$48,853	\$86,044	\$100,899
Average Household Income	\$69,683	\$106,164	\$128,291





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