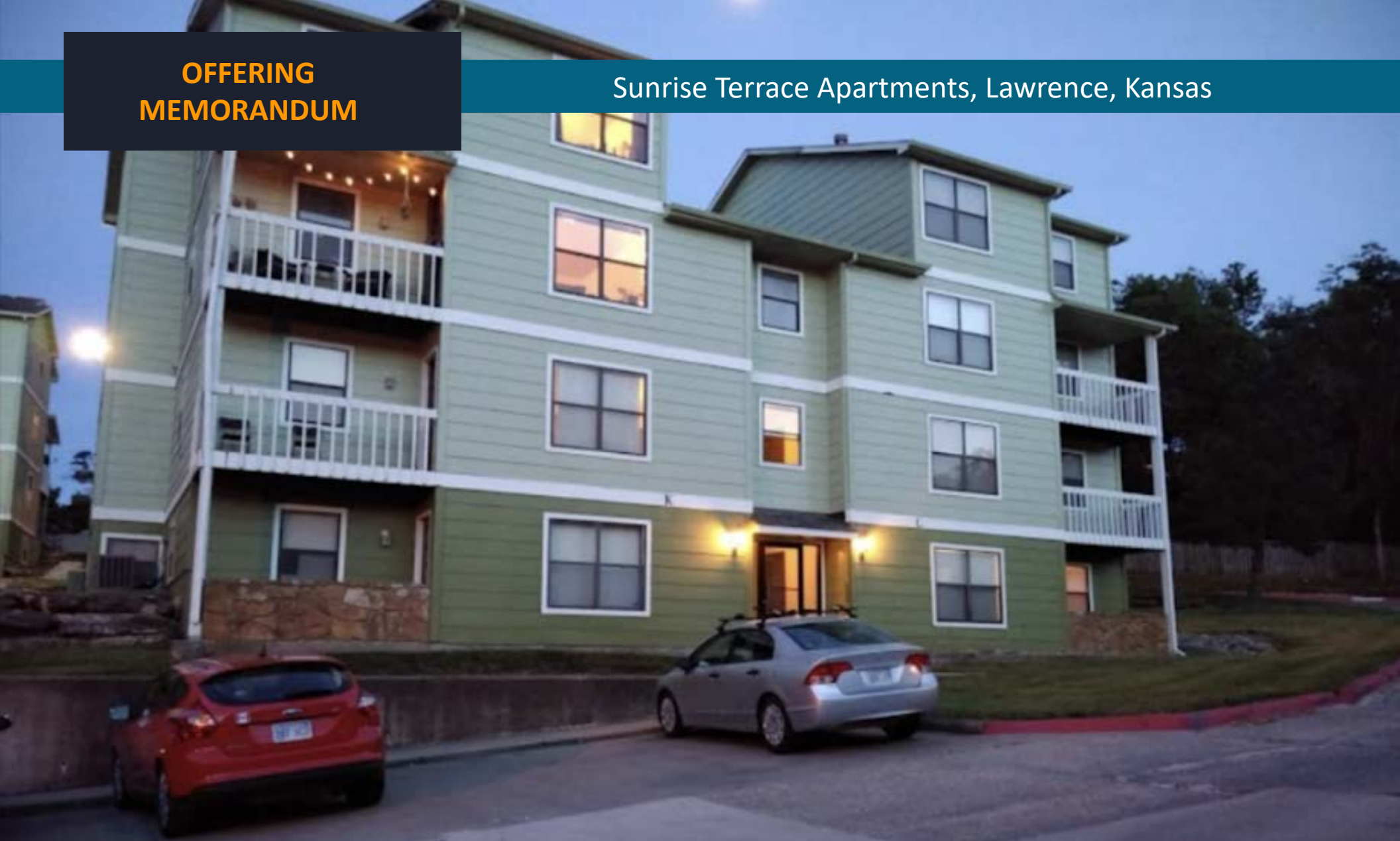


**OFFERING  
MEMORANDUM**

Sunrise Terrace Apartments, Lawrence, Kansas



PREPARED BY

AUSTIN R. PAUL | Principal  
417-389-6638  
Apaul@ZealPropertyAdvisors.com

KEITEN J. NUSPL | Director of Brokerage  
636-669-4291  
Knuspl@ZealPropertyAdvisors.com



[www.ZealPropertyAdvisors.com](http://www.ZealPropertyAdvisors.com)



8787 Renner Blvd, Lenexa, KS



# Non-Disclosure and Confidentiality Notice

All materials and information received or derived from Zeal Property Advisors its directors, officers, agents, advisors, affiliates and/or any third party sources are provided without representation or warranty as to completeness, veracity, or accuracy, condition of the property, compliance or lack of compliance with applicable governmental requirements, developability or suitability, financial performance of the property, projected financial performance of the property for any party's intended use or any and all other matters.


Neither Zeal Property Advisors its directors, officers, agents, advisors, or affiliates makes any representation or warranty, express or implied, as to accuracy or completeness of the any materials or information provided, derived, or received. Materials and information from any source, whether written or verbal, that may be furnished for review are not a substitute for a party's active conduct of its own due diligence to determine these and other matters of significance to such party. Zeal Property Advisors will not investigate or verify any such matters or conduct due diligence for a party unless otherwise agreed in writing.


EACH PARTY SHALL CONDUCT ITS OWN INDEPENDENT INVESTIGATION AND DUE DILIGENCE.

Any party contemplating or under contract or in escrow for a transaction is urged to verify all information and to conduct their own inspections and investigations including through appropriate third party independent professionals selected by such party. All financial data should be verified by the party including by obtaining and reading applicable documents and reports and consulting appropriate independent professionals. Zeal Property Advisors makes no warranties and/or representations regarding the veracity, completeness, or relevance of any financial data or assumptions. Zeal Property Advisors does not serve as a financial advisor to any party regarding any proposed transaction. All data and assumptions regarding financial performance, including that used for financial modeling purposes, may differ from actual data or performance. Any estimates of market rents and/or projected rents that may be provided to a party do not necessarily mean that rents can be established at or increased to that level. Parties must evaluate any applicable contractual and governmental limitations as well as market conditions, vacancy factors and other issues in order to determine rents from or for the property.

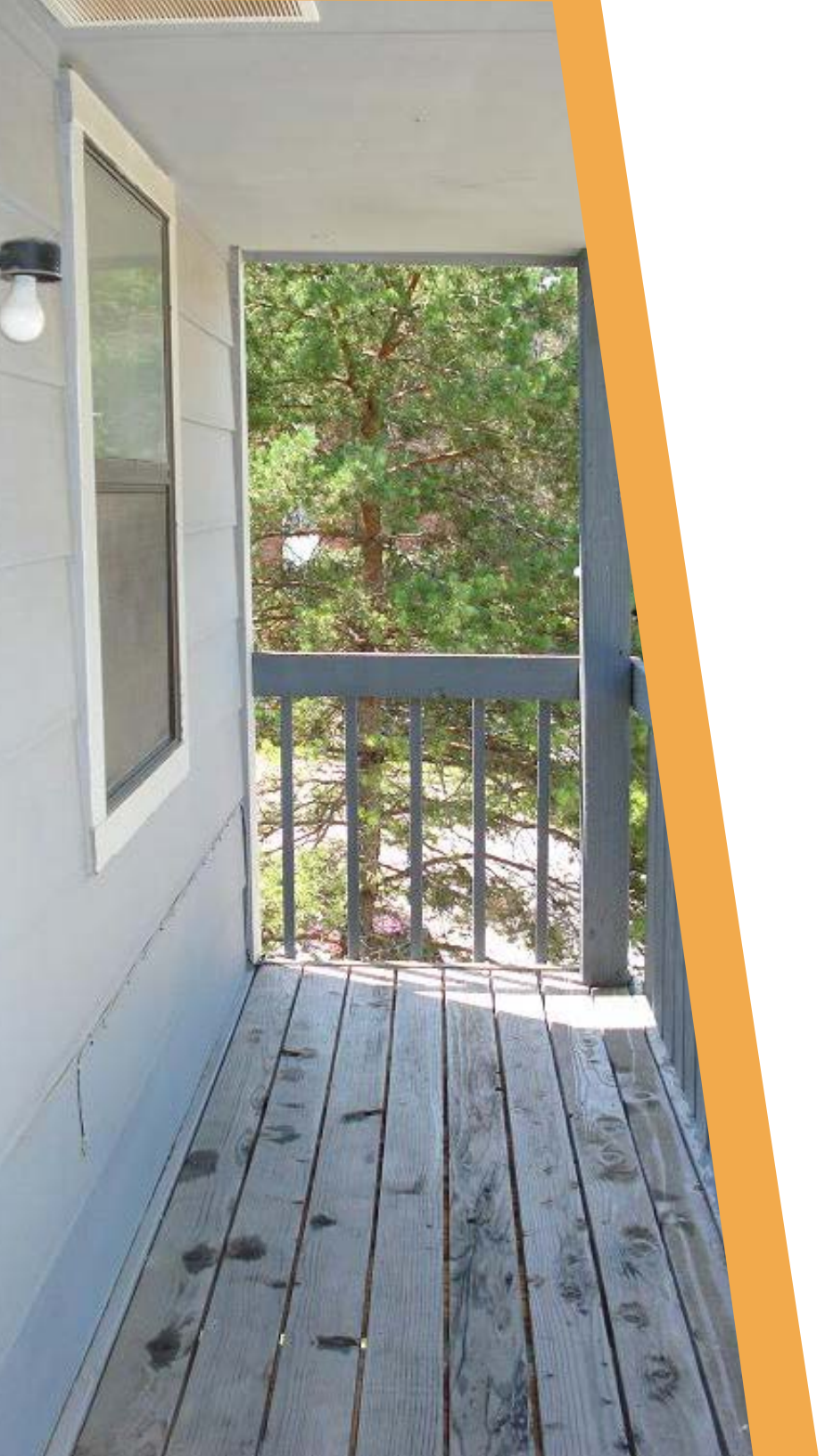
Exclusively Presented By  
AUSTIN R. PAUL | KEITEN J. NUSPL



 [www.ZealPropertyAdvisors.com](http://www.ZealPropertyAdvisors.com)

 8787 Renner Blvd,  
Lenexa, KS





# CONTENTS

<b>04</b>	Executive Summary	<b>12</b>	Aerials
<b>06</b>	Property Overview	<b>16</b>	Financials
<b>08</b>	Property Photos	<b>20</b>	Demographics





# EXECUTIVE SUMMARY

02.25.2005

# EXECUTIVE SUMMARY



Zeal Property Advisors, LLC is pleased to announce the exclusive offering of Sunrise Terrace Apartments (“The Property”), a 47-unit apartment community located in Lawrence, Kansas. The Property is within walking distance to the University of Kansas and consists primarily of students. Sunrise Terrace offers an attractive unit mix including washer/dryer hook ups and large two-bedroom and three-bedroom apartments with patio/balcony options.

The Property is offered as a fee simple sale and offers prospective investors the opportunity to acquire a well-located asset with the ability to enhance rents through unit renovations. Sunrise Terrace Apartments is offered free and clear of existing debt with attractive bank debt options inclusive of 80% LTV and ability to finance renovations.

## INVESTMENT HIGHLIGHTS

- Walking Distance to University of Kansas
- Operational Upside
- Ability to Increase Rents Immediately
- Value Add Components
- Washer/Dryer Hook Ups
- 15% Stabilized Cash on Cash



**PRICE:** \$4,000,000



**NOI:** \$186,877



**CAP RATE:** 4.7% / 8.2%





# PROPERTY OVERVIEW

02.25.2005

## PROPERTY OVERVIEW

---

Sunrise Terrace Apartments is a 47-unit apartment community located in Lawrence, Kansas. The Property encompasses 2.44 AC with approximately 38,496 rentable square feet. The unit mix consists of six studio units at 412 SF, 18 one-bedroom/one-bath units at 595 average SF, four two-bedroom/two-bath units at 1,242 average SF and 19 three-bedroom/two-bath units at 1,070 average SF. Sunrise Terrace offers washer/dryer hook ups in 30 of 47 units, walking distance to the University of Kansas, patio and balcony options and separately metered utilities.

<b>Address</b>	951 Arkansas Street, Lawrence, KS	<b>Water/Sewer</b>	Separately Metered
<b>Units</b>	47	<b>Electric</b>	Separately Metered
<b>Year Built</b>	1984	<b>Gas</b>	Separately Metered
<b>Lot Size</b>	2.44 AC	<b>HVAC</b>	Central
<b>RSF</b>	38,496	<b>Hot Water</b>	Per Unit
<b># of Buildings</b>	5	<b>Trash</b>	Included With Water
<b>Parking</b>	85 Surface Spaces	<b>Laundry</b>	Per Unit + Common Area





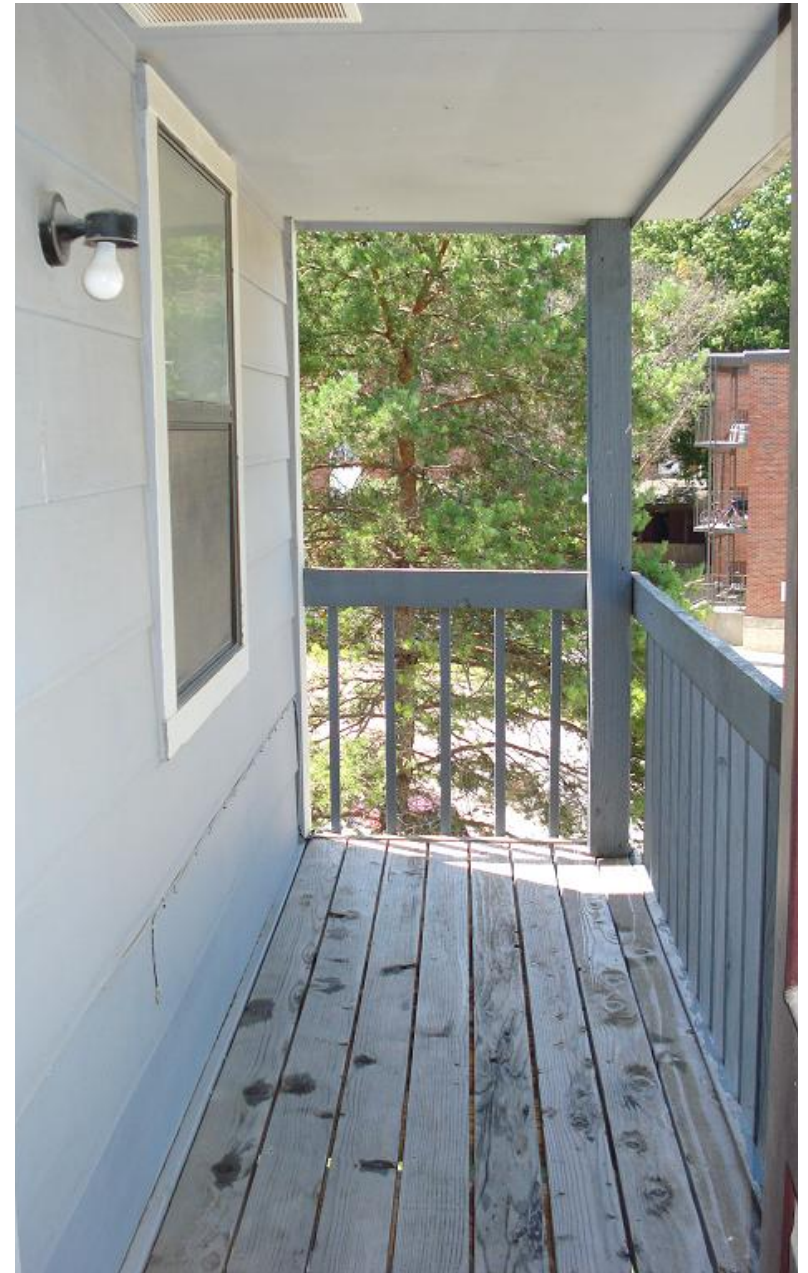


PROPERTY  
PHOTOS

02.25.2005



## EXTERIOR PHOTOS





## UNIT INTERIOR PHOTOS





## UNIT INTERIOR PHOTOS



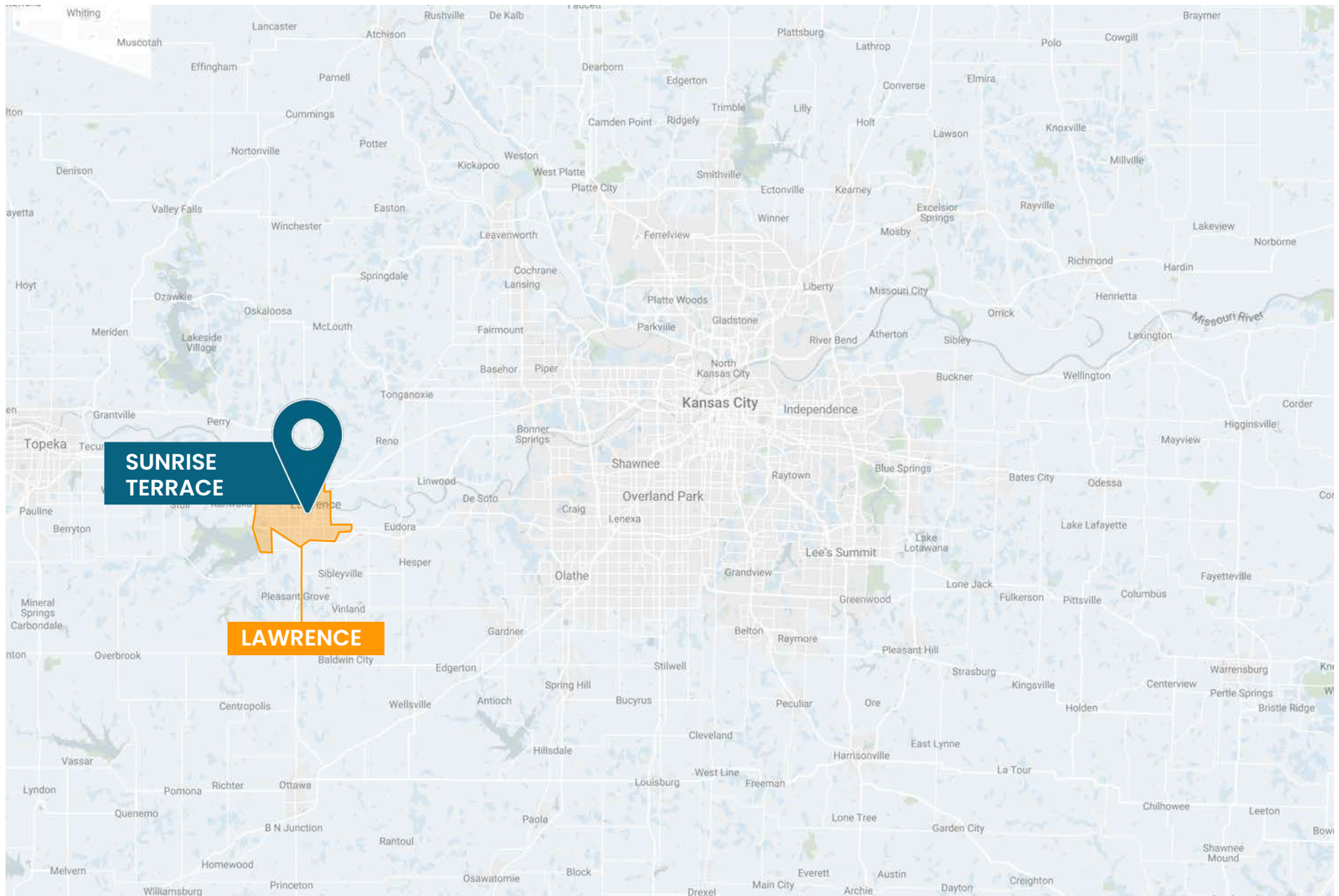


# AERIALS

02.25.2005



# REGIONAL MAP



**SUNRISE  
TERRACE**

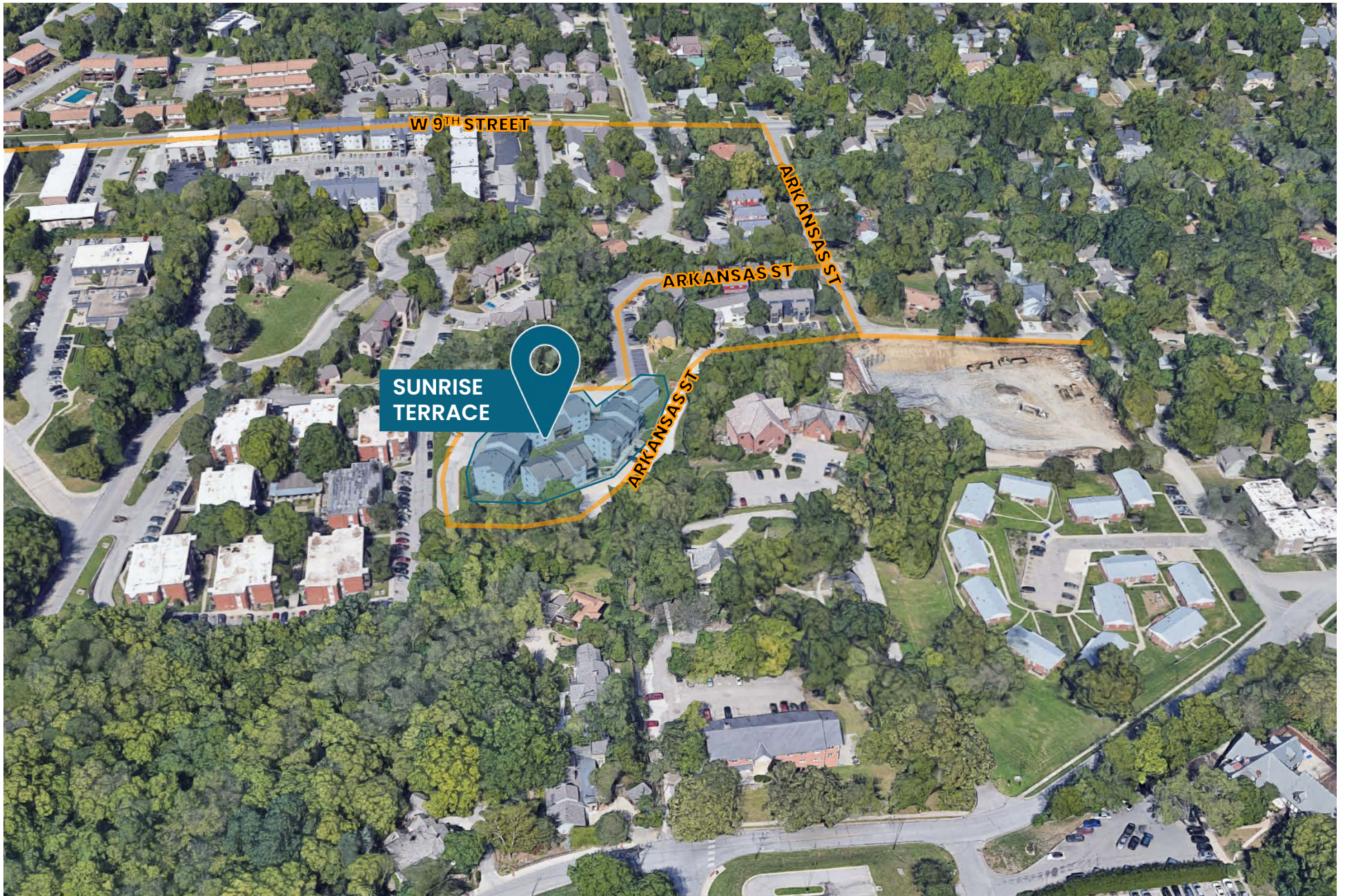
**LAWRENCE**







# AERIAL







# FINANCIALS

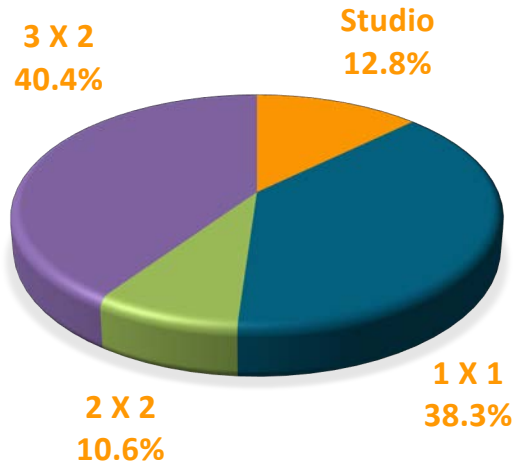
02.25.2005



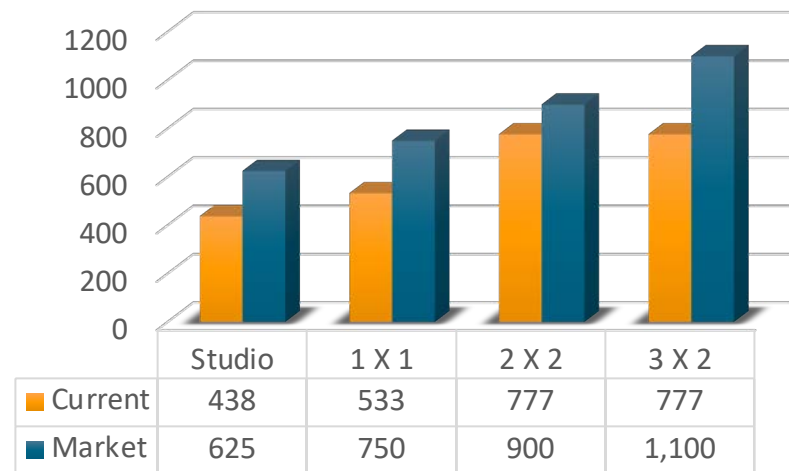
# RENT ROLL SUMMARY

Unit Type	Count	% Total	Avg Size (SF)	Avg Rent	Avg Rent / SF	Market Rent
Studio	6	12.8%	412	\$438	\$1.06	\$625
1 X 1	18	38.3%	595	\$533	\$0.89	\$750
2 X 2	4	8.5%	1,242	\$777	\$0.62	\$900
3 X 2	19	40.4%	1,070	\$777	\$0.72	\$1,100
<b>TOTAL / AVERAGE</b>	<b>47</b>	<b>100%</b>	<b>819</b>	<b>\$603</b>	<b>\$0.73</b>	<b>\$888</b>

## UNIT MIX



## UNIT RENT





## FINANCIAL ANALYSIS

	T-12	Year 1	Pro Forma	Notes	Per Unit
<b>INCOME</b>					
Gross Scheduled Rent	\$311,169	\$320,935	\$501,000	[1]	\$10,659
Physical Vacancy	(21,193) 6.8%	(16,046) 5%	(25,050) 5%		(532)
Down Unit	(8,400) 2.7%	None	None		0
Concessions	None	None	(5,010) 1%		(106)
Bad Debt	None	(1,604) 0.5%	(5,010) 1%		(106)
Total Vacancy	(29,593) 9.5%	(17,650) 5.5%	(35,070) 7%		(746)
Economic Occupancy	90.5%	94.5%	93%		
Effective Rental Income	281,576	303,285	465,930		9,913
Utility Reimbursement	196	None	None		0
Other Income	342	15,000	15,000	[2]	319
Effective Gross Income	\$282,114	\$318,285	\$480,930		\$10,232
<b>EXPENSES</b>					
Real Estate Taxes	35,788	52,086	52,086	[3]	1,108
Insurance	23,421	16,450	16,450		350
Utilities	11,143	2,000	2,000	[4]	42
Trash Removal	Utility	Utility	Utility		0
Repairs and Maintenance	39,609	16,450	16,450	[5]	350
Contract Services	15,186	9,400	9,400		200
Turnover	1,932	8,225	8,225		175
Marketing / Advertising	None	3,000	3,000	[6]	64
Payroll	None	None	None	[7]	0
General and Administration	3,762	4,700	4,700		100
Management Fee	18,041 (6.4%)	19,097 (6%)	28,855 (6%)		613
Replacement Reserves	None	None	11,750		250
Total Expenses	\$148,882	\$131,408	\$152,916		\$2,795
<b>Net Operating Income</b>	<b>\$133,232</b>	<b>\$186,877</b>	<b>\$328,014</b>		<b>\$3,976</b>

### Notes

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

[2] Other Income increase includes app/admin/late/pet/NSF fees.

[3] Real Estate Taxes calculated after receiving input from Douglas County tax assessors office.

[4] Utilities are all separately metered.

[5] R&M reduced to submarket standards.

[6] M&A increased to submarket standards.

[7] Payroll is absorbed by management company.



## PRICING SUMMARY

SUMMARY		
PRICE	\$4,000,000	
Down Payment	\$821,000	20.5%
Number of Units	47	
Price Per Unit	\$85,106	
Rentable SF	38,496	
Price Per SF	\$103.90	
Lot Size	2.44 Acres	
Year Built	1984	
Type of Ownership	Fee Simple	

RETURNS	Year 1	Refinance
CAP RATE	4.7%	8.2%
Cash Flow	\$38,127	\$131,114
Cash-on-Cash	4.6%	15%
DSCR	1.43%	1.65%
	Acquisition	R+T Refinance
<b>Proposed Financing</b>	<b>First Loan</b>	<b>First Loan</b>
Loan Amount	\$3,500,000	\$3,500,000
Loan Type	Bank	Freddie Mac SBL
Interest Rate	4.25%	3.85%
Amortization	25-Years	30-Years
Pre-Payment Penalty	None	YM
Term	5-Years	10-Years
Interest Only	18-24 Months	2-3 Years
Debt Service	\$148,750 (I/O)	\$196,900 (P+I)

### Sources and Uses of Funds

Uses of Funds – Close of Escrow		Sources of Funds – Close of Escrow	
Purchase Price	\$4,000,000	First Mortgage	\$3,500,000
Financing Costs	\$17,500	Equity	\$821,000
Due Diligence and Closing Costs	\$3,500		
Unit Upgrades + CAPEX	\$300,000		
<b>Total Uses of Funds:</b>	<b>\$4,321,000</b>	<b>Total Sources of Funds:</b>	<b>\$4,321,000</b>





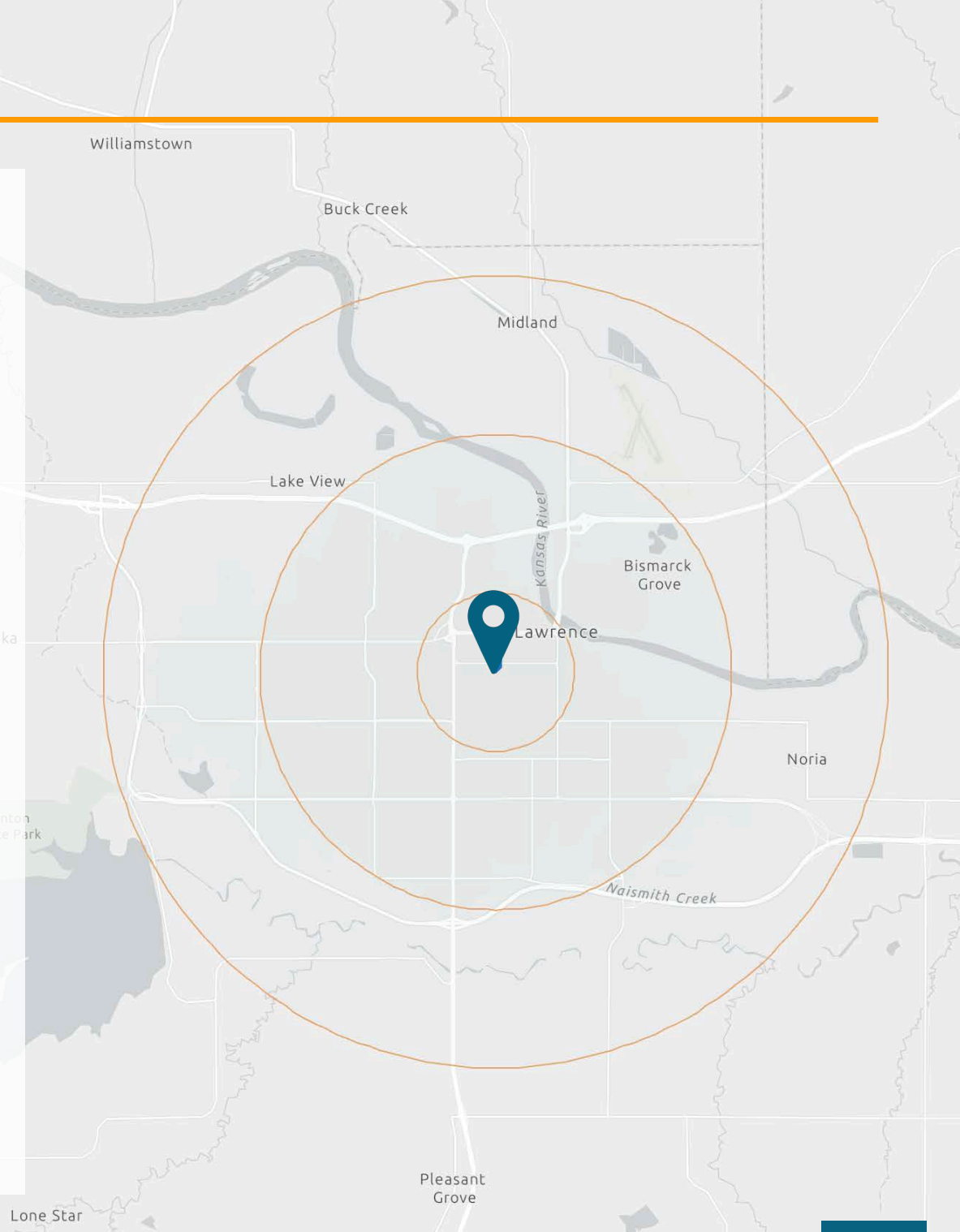
# DEMOGRAPHICS

02.25.2005



# DEMOGRAPHIC SUMMARY


2020 SUMMARY	1 MILE	3 MILES	5 MILES
Population	20,873	82,170	98,957
Households	7,053	33,389	40,131
Families	1,908	15,342	19,267
Average Household Size	2.09	2.23	2.27
Owner Occupied Housing Units	2,129	17,470	21,554
Renter Occupied Housing Units	4,924	15,918	18,577
Median Age	23.2	28.2	29.1
Median Household Income	\$30,888	\$50,028	\$53,011
Average Household Income	\$48,666	\$69,090	\$74,550
2025 SUMMARY	1 MILE	3 MILES	5 MILES
Population	21,414	85,777	104,129
Households	7,325	35,077	42,491
Families	1,950	16,004	20,290
Average Household Size	2.09	2.22	2.26
Owner Occupied Housing Units	2,213	18,374	22,696
Renter Occupied Housing Units	5,112	16,703	19,795
Median Age	23.3	28.6	29.5
Median Household Income	\$31,661	\$52,086	\$55,734
Average Household Income	\$50,725	\$74,820	\$81,580








**ZEAL**  
PROPERTY ADVISORS

 [www.ZealPropertyAdvisors.com](http://www.ZealPropertyAdvisors.com)

 8787 Renner Blvd, Lenexa, KS