

**OFFERING
MEMORANDUM**

Victory Park Apartments, Grandview, Missouri



PREPARED BY

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Exclusively Presented By:

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EXECUTIVE SUMMARY

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Zeal Property Advisors, LLC is pleased to present the exclusive offering of Victory Park Apartments (“The Property”), a 104-unit apartment community located within an Opportunity Zone in Grandview, Missouri. The Property underwent an extensive renovation by the current ownership in 2021 inclusive of major capital improvements to the mechanical systems, exterior and interior. Victory Park is currently in post renovation lease-up allowing prospective investors to capitalize on multiple operational value-add components such as growing rents to market and implementing RUBS throughout the property.

The Property is offered as a fee simple sale and offers prospective investors the opportunity to acquire a workforce housing asset with little to no deferred maintenance. Victory Park is offered free and clear of existing debt with attractive 80% LTV options identified.

INVESTMENT HIGHLIGHTS

- Offered Free and Clear
- Opportunity Zone
- Extensive Renovation in 2021
- Economic Scale
- Ability to Grow Rents to Market
- Little to No Deferred Maintenance
- Ability to Add Amenities



PRICE: **Market**



NOI: **\$447,636**



CAP RATE: **N/A**



PROPERTY OVERVIEW

PROPERTY OVERVIEW

Victory Park Apartments is a 104-unit workforce housing apartment community built in 1972 with major renovations in 2021 by the current ownership. The Property encompasses 4.84 AC with approximately 73,200 rentable square feet. 2021 capital improvements include 3 new roofs with 20-year transferrable warranty, water heaters replaced with the remaining in good condition, updated electrical, main plumbing stacks, dual pane vinyl windows, entry doors, siding & wood rot repaired/replaced, all buildings painted, new carpet in interior corridors, monument signage and landscaping/tree trimming.

2021 unit renovations include upgraded grey LVT flooring in living room, kitchen and bath (majority of units), Formica countertops, majority black and white appliances with select stainless steel, sink + faucets, fixtures, vanity + tubs, toilets and new modern paint scheme.

Victory Park Apartments offers newly renovated units, clean central laundry facilities, leasing office + maintenance room and ample outdoor courtyard space with ability to add gated dog park and indoor entertainment space via bonus room and boasts submarket strengths such as supply constraints and low cost of living.

| | | | |
|----------------------------|---|--------------------------|--|
| Address | 12322 3 rd Street, Grandview, MO 64030 | Water/Sewer | Per Building Metered Paid by Owner |
| Units | 104 | Electric | Separately Metered Paid by Tenant |
| Year Built | 1972 / 2021 | Gas | None |
| Lot Size | 4.84 AC | HVAC | Central Air Electric Furnace |
| RSF | 73,200 | Hot Water | Individual 40 Gal Electric |
| Number of Buildings | 5 Buildings 3 Stories | Laundry | Common 5 Facilities - CSC |
| Parking | 200 Surface Spaces With Off Street | Safety | Fire Extinguisher Hallway + Unit Smoke Detector Wired + Battery |
| Wiring | Mostly Copper + Aluminum | Plumbing | Mostly Copper + PEX |
| Electrical Panels | 60 Replaced 40 Zinsco | HWT | 50% Replaced 40% Within 5 Years of Age 10% Good Working Order |
| Roofs | TPO 3 New Roofs - 20-Year Transferrable Warranty 2 Roofs - Within 5 Years of Age | Exterior | Vinyl |
| Windows | Dual Pane Vinyl Windows | Construction Type | Wood |



PROPERTY PHOTOS

EXTERIOR & COMMON AREA PHOTOS



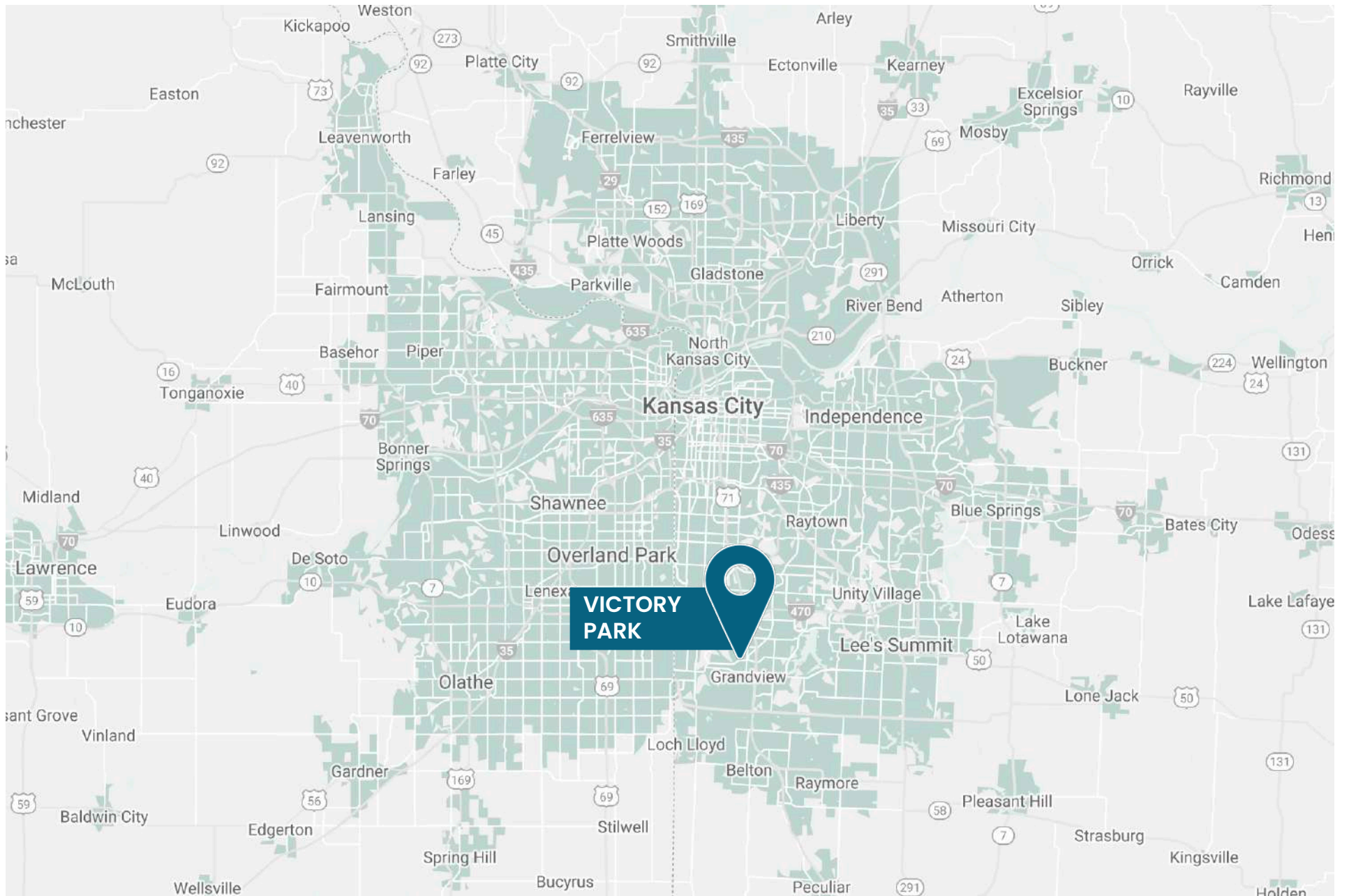
UNIT INTERIOR PHOTOS





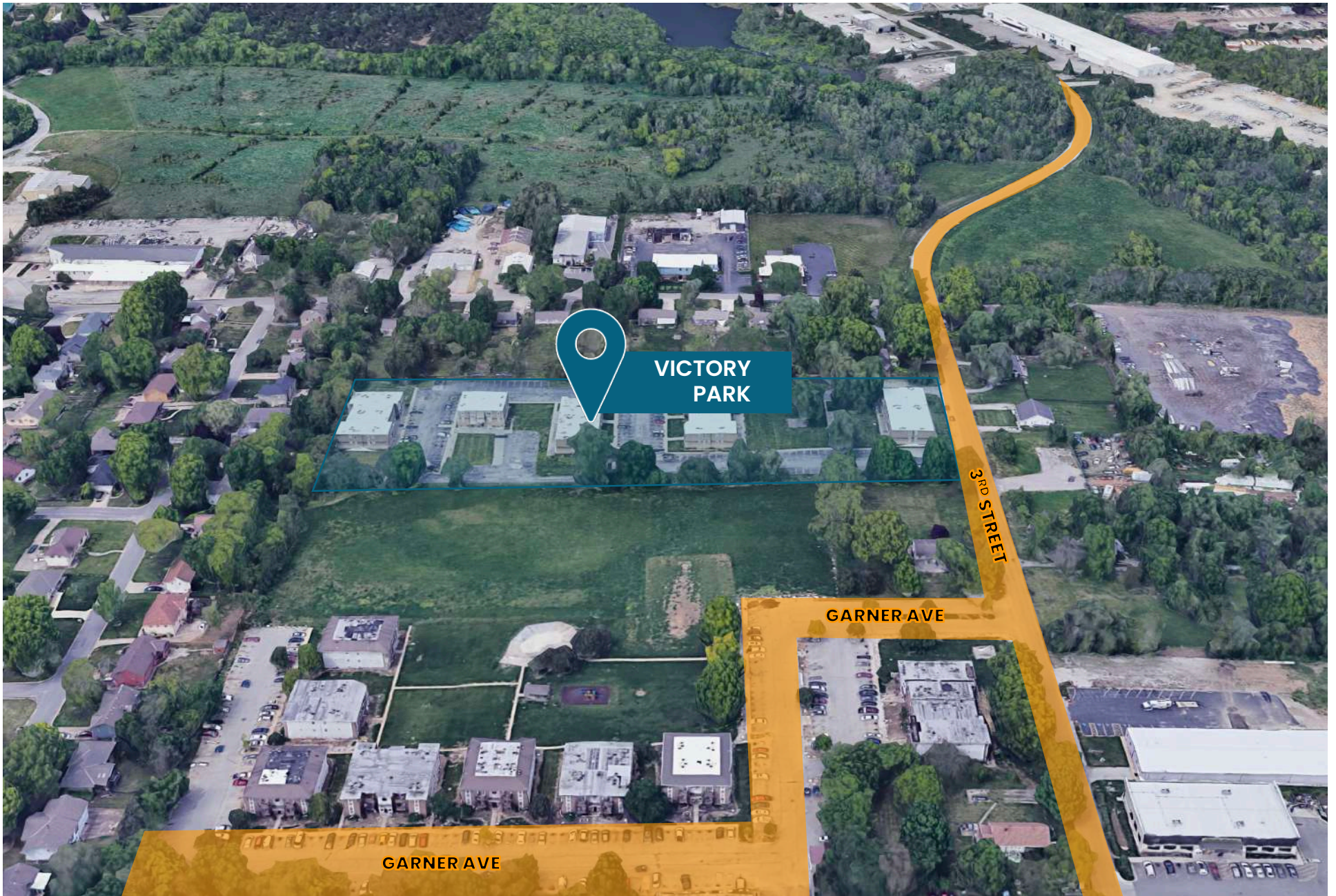
AERIALS

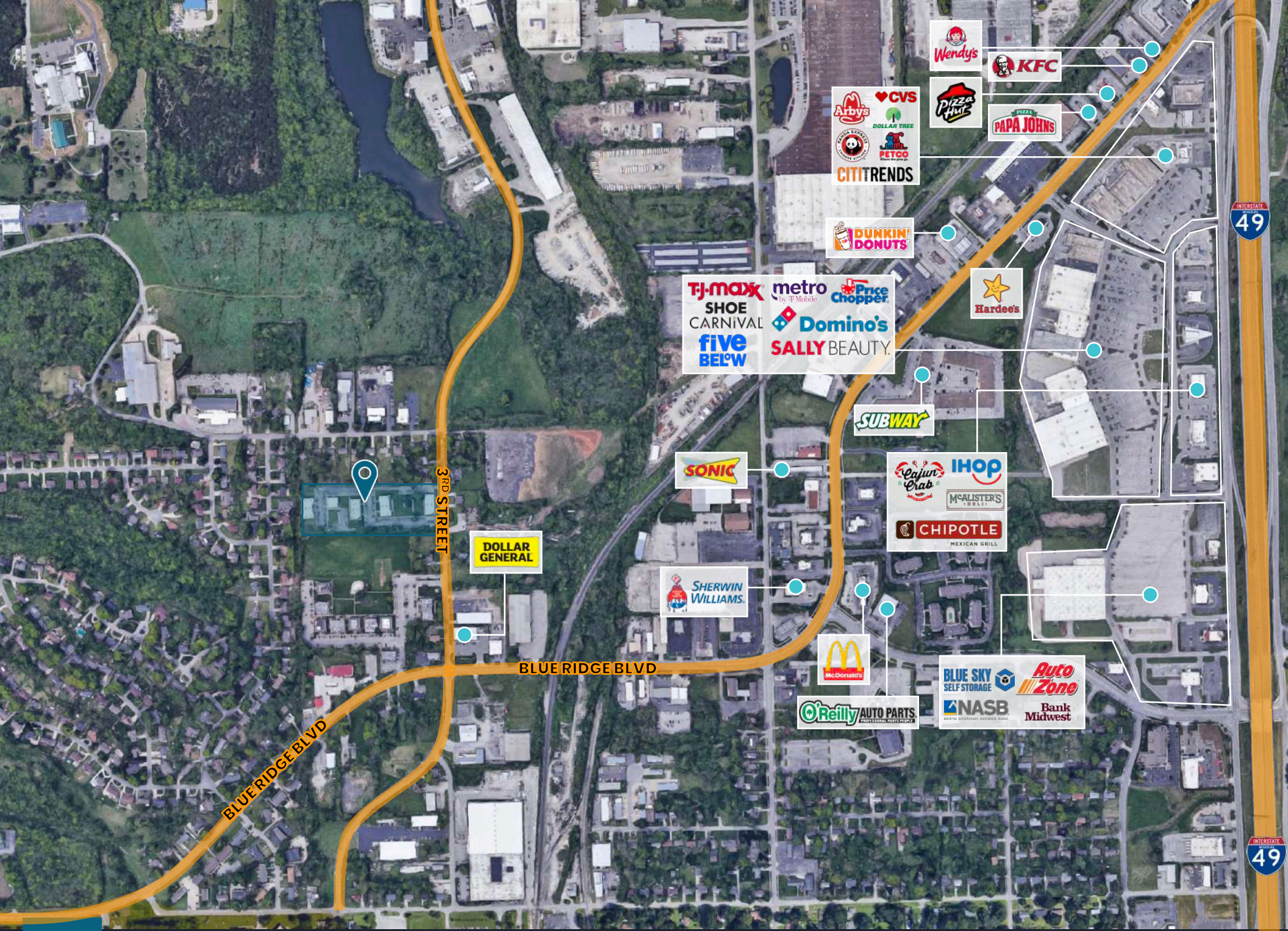
REGIONAL MAP



**VICTORY
PARK**

AERIAL







VICTORY
PARK APARTMENTS

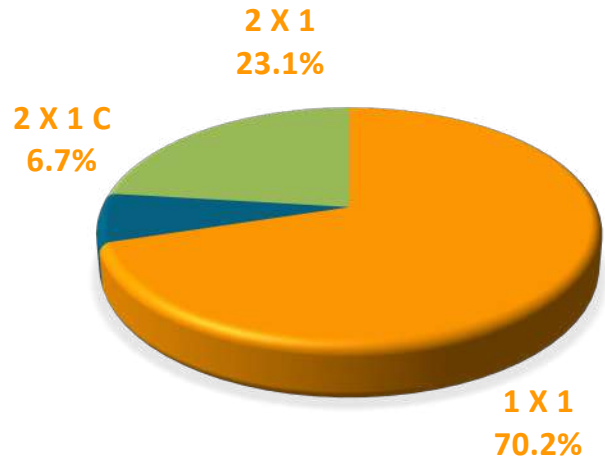
12322

FINANCIALS

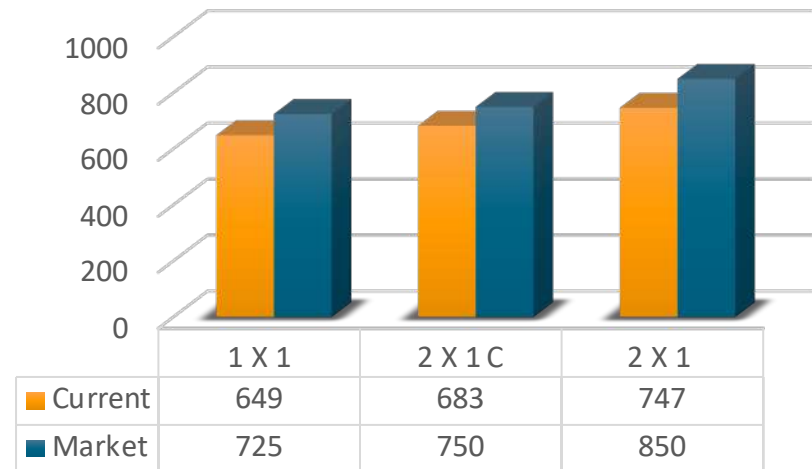
RENT ROLL SUMMARY

| Unit Type | Count | % Total | Size (SF) | Avg Rent | Avg Rent / SF | Market Rent |
|------------------------|------------|-------------|------------|--------------|---------------|--------------|
| 1 X 1 | 73 | 70.2% | 675 | \$649 | \$0.96 | \$725 |
| 2 X 1 Converted | 7 | 6.7% | 675 | \$683 | \$1.01 | \$750 |
| 2 X 1 | 24 | 23.1% | 800 | \$747 | \$0.93 | \$850 |
| TOTAL / AVERAGE | 104 | 100% | 704 | \$673 | \$0.97 | \$755 |

UNIT MIX



UNIT RENT



FINANCIAL ANALYSIS

| | T-1 | Year 1 | Pro Forma | Notes | Per Unit |
|-----------------------------|------------------|------------------|------------------|-------|----------------|
| INCOME | | | | | |
| Gross Scheduled Rent | \$841,032 | \$844,200 | \$943,200 | [1] | \$9,069 |
| Physical Vacancy | (242,217) 28.8% | (42,210) 5.0% | (47,160) 5.0% | | (453) |
| Concessions | None | (4,221) 0.5% | (4,716) 0.5% | | (45) |
| Bad Debt | (31,200) 3.7% | (4,221) 0.5% | (4,716) 0.5% | | (45) |
| Total Vacancy | (273,417) 32.5% | (50,652) 6.0% | (56,592) 6.0% | | (544) |
| Economic Occupancy | 67.5% | 94.0% | 94.0% | | |
| Effective Rental Income | 567,615 | 793,548 | 886,608 | | 8,525 |
| Utility Reimbursement | None | 33,516 | 33,516 | [2] | 322 |
| Other Income | None | 43,680 | 43,680 | [3] | 420 |
| Effective Gross Income | \$567,615 | \$870,744 | \$963,804 | | \$9,267 |
| EXPENSES | | | | | |
| Real Estate Taxes | 35,857 | 94,832 | 94,832 | [4] | 911 |
| Insurance | 25,152 | 39,000 | 39,000 | | 375 |
| Utilities | 70,428 | 42,600 | 42,600 | [5] | 409 |
| Trash Removal | 11,464 | 10,800 | 10,800 | | 104 |
| Repairs and Maintenance | 54,648 | 33,800 | 33,800 | | 325 |
| Contract Services | 12,600 | 20,800 | 20,800 | | 200 |
| Turnover | R&M | 23,400 | 23,400 | | 225 |
| Marketing / Advertising | 10,400 | 10,400 | 10,400 | | 100 |
| Payroll | 48,000 | 104,000 | 104,000 | [6] | 1,000 |
| General and Administration | 7,200 | 13,000 | 13,000 | | 125 |
| Management Fee | 36,800 (6.5%) | 30,476 (3.5%) | 33,733 (3.5%) | | 324 |
| Replacement Reserves | None | None | 23,400 | | 225 |
| Total Expenses | \$312,549 | \$423,108 | \$449,765 | | \$4,324 |
| Net Operating Income | \$255,066 | \$447,636 | \$514,039 | | \$4,938 |

Notes

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

[2] Utility Reimbursement reflects RUBS program for water at 95% physical occupancy.

[3] Other Income reflects implementation of app, admin, late, NSF, Pet fees and laundry income.

[4] Real Estate Taxes calculated after receiving input from Jackson County tax assessors office.

[5] Utilities are estimated at \$6,600 for annual common area utilities and \$36K for water/sewer per results of low flow study.

[6] Payroll increased to submarket standards.

PRICING SUMMARY

| Summary | |
|-------------------|------------|
| Price | Market |
| Number of Units | 104 |
| Price Per Unit | N/A |
| Rentable SF | 73,200 |
| Price Per SF | N/A |
| Lot Size | 4.84 Acres |
| Year Built | 1972/2021 |
| Type of Ownership | Fee Simple |

For More Information Regarding Financing This Asset:



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| Debt Analysis | | |
|-----------------------------|------------------------------|-------------------------|
| Loan Type | Bank | Bridge |
| Proposed Financing | First Loan | First Loan |
| Loan Amount | 75-80% of Total Project Cost | 80% LTV 100% of CapEx |
| Term | 5-Years Fixed | 3-Years Fixed |
| Interest Rate | 4.50% | 5.0% |
| Amortization | 25-Years | N/A |
| Interest Only | 12-24 Months | Full Term |
| Pre-Payment Penalty | None | None |
| Debt Service Coverage Ratio | 1.25x (Stabilized NOI) | 1.0x |
| Recourse | Yes | No |

| Unit Type | Unit Count | Size (SF) | Current Rents | Pro Forma Rents |
|------------------------|------------|------------|---------------|-----------------|
| 1 X 1 | 73 | 675 | \$649 | \$725 |
| 2 X 1 Converted | 7 | 675 | \$683 | \$750 |
| 2 X 1 | 24 | 800 | \$747 | \$850 |
| Total / Average | 104 | 704 | \$680 | \$755 |



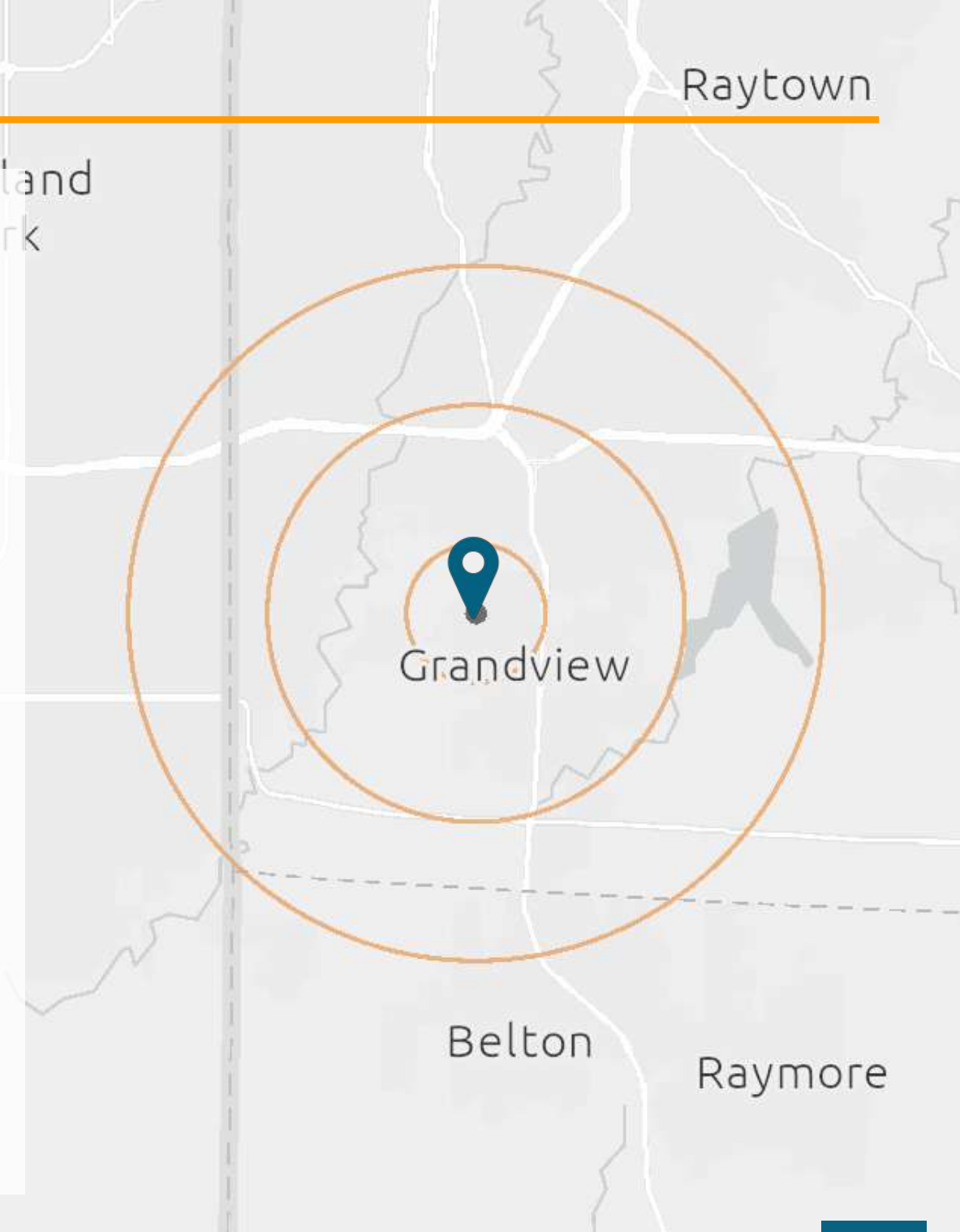
VP VICTORY
PARK APARTMENTS

12322 E 3RD ST

DEMOGRAPHICS


DEMOGRAPHIC SUMMARY


| 2021 SUMMARY | 1 MILE | 3 MILES | 5 MILES |
|-------------------------------|----------|----------|----------|
| Population | 3,706 | 51,334 | 112,590 |
| Households | 1,587 | 20,458 | 45,630 |
| Families | 843 | 12,491 | 28,104 |
| Average Household Size | 2.34 | 2.46 | 2.43 |
| Owner Occupied Housing Units | 641 | 11,696 | 26,870 |
| Renter Occupied Housing Units | 947 | 8,762 | 18,760 |
| Median Age | 36.5 | 36.2 | 38.1 |
| Median Household Income | \$38,290 | \$51,617 | \$57,741 |
| Average Household Income | \$52,015 | \$65,359 | \$85,798 |
| 2026 SUMMARY | 1 MILE | 3 MILES | 5 MILES |
| Population | 3,784 | 52,245 | 115,255 |
| Households | 1,616 | 20,816 | 46,718 |
| Families | 860 | 12,699 | 28,736 |
| Average Household Size | 2.34 | 2.46 | 2.43 |
| Owner Occupied Housing Units | 667 | 12,060 | 27,841 |
| Renter Occupied Housing Units | 949 | 8,756 | 18,877 |
| Median Age | 37.5 | 37.0 | 38.7 |
| Median Household Income | \$43,951 | \$55,600 | \$63,256 |
| Average Household Income | \$59,385 | \$72,920 | \$94,681 |





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