

OFFERING MEMORANDUM

Crescent Heights Apartments, Lawrence, Kansas



PREPARED BY

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

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



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



8787 Renner Blvd,
Lenexa, KS





CONTENTS

| | | | |
|-----------|-------------------|-----------|--------------|
| 04 | Executive Summary | 12 | Aerials |
| 06 | Property Overview | 16 | Financials |
| 08 | Property Photos | 20 | Demographics |



EXECUTIVE SUMMARY



EXECUTIVE SUMMARY



Zeal Property Advisors, LLC is pleased to present the exclusive offering of Crescent Heights Apartments (“The Property”), a 44-unit apartment community located just off Iowa and 25th Street in Lawrence, Kansas. The Property boasts desirable characteristics such as individual utilities (including water), washer + dryer hookups in unit, large floorplans and 100% two-bedroom unit mix. The Property offers prospective investors management upside through the growth of rents where a \$200 rent premium has been identified through market rent comp analysis.

The Property is offered as a fee simple sale and offers prospective investors the opportunity to acquire an asset with value-add components and the ability to assume the current low interest rate non-recourse loan. Offers free and clear of existing debt will be considered as well. Please reach out to the advisor team to discuss offering procedures or to schedule a tour.

INVESTMENT HIGHLIGHTS

- Assumable Low Interest Rate Loan
- Ability to Grow Rents to Market
- Stabilized Asset
- All Utilities Individually Metered
- Washer + Dryer Hook-Ups
- 100% Two Bedroom Units



PRICE: Market



NOI: \$214,860



CAP RATE: N/A



PROPERTY OVERVIEW



PROPERTY OVERVIEW

PROPERTY OVERVIEW

Crescent Heights Apartments is a 44-unit apartment community built in 1963 with renovations in 2022 and encompasses 1.65 AC. The Property consists of a very investor friendly unit mix of all two-bedroom units with approximately 900 square feet per unit totaling 39,600 rentable square feet in total. Crescent Heights also carries favorable property characteristics such as individual water heaters and furnaces in addition to all separately metered utilities eliminating any pass-through inefficiencies. The Property also offers prospective investors the ability to own an asset with submarket advantages such as in unit washers and dryers with ample courtyard space and a plethora of parking availability. In addition, the Property boasts submarket strengths such as supply constraints and low cost of living.

CONDITION

Crescent Heights Apartments has been renovated by the current ownership over the last several years. Large scale capex work includes items such as rip off and replaced roofs in 2021 with transferrable warranty, among other items more detailed in the CapEx Summary. Approximately 85% of units have been upgraded with vinyl flooring in kitchen, bath, utility room and living room entry strip, upgraded carpet in living room and bedrooms, bathroom modernization including tub surround, fixtures and appliances as necessary. Mechanical systems have been repaired and replaced as necessary and are all in good working condition.

| | | | |
|----------------------------|---|--------------------------|--|
| Address | 1904 West 25 th Street, Lawrence, Kansas 66046 | Water/Sewer | Separately Metered Paid by Tenant |
| Units | 44 | Electric | Separately Metered Paid by Tenant |
| Year Built | 1963 2022 | Gas | Separately Metered Paid By Tenant |
| Lot Size | 1.65 AC | HVAC | Central Air Gas Furnace |
| RSF | 39,600 | Hot Water | Individual 40 Gal Electric |
| Number of Buildings | 6 Buildings 2 Stories | Laundry | In Unit Washer + Dryer Hook Ups |
| Parking | 50 Surface Spaces + Off Street | Safety | Wired + Battery Smoke Detector In Unit + Hallway |
| Wiring | Copper | Plumbing | Combination |
| Roofs | Pitched Composition Shingle Replaced 2021 | Exterior | Brick |
| Windows | Dual Pane Windows | Construction Type | Masonry |



PROPERTY PHOTOS



EXTERIOR PHOTOS



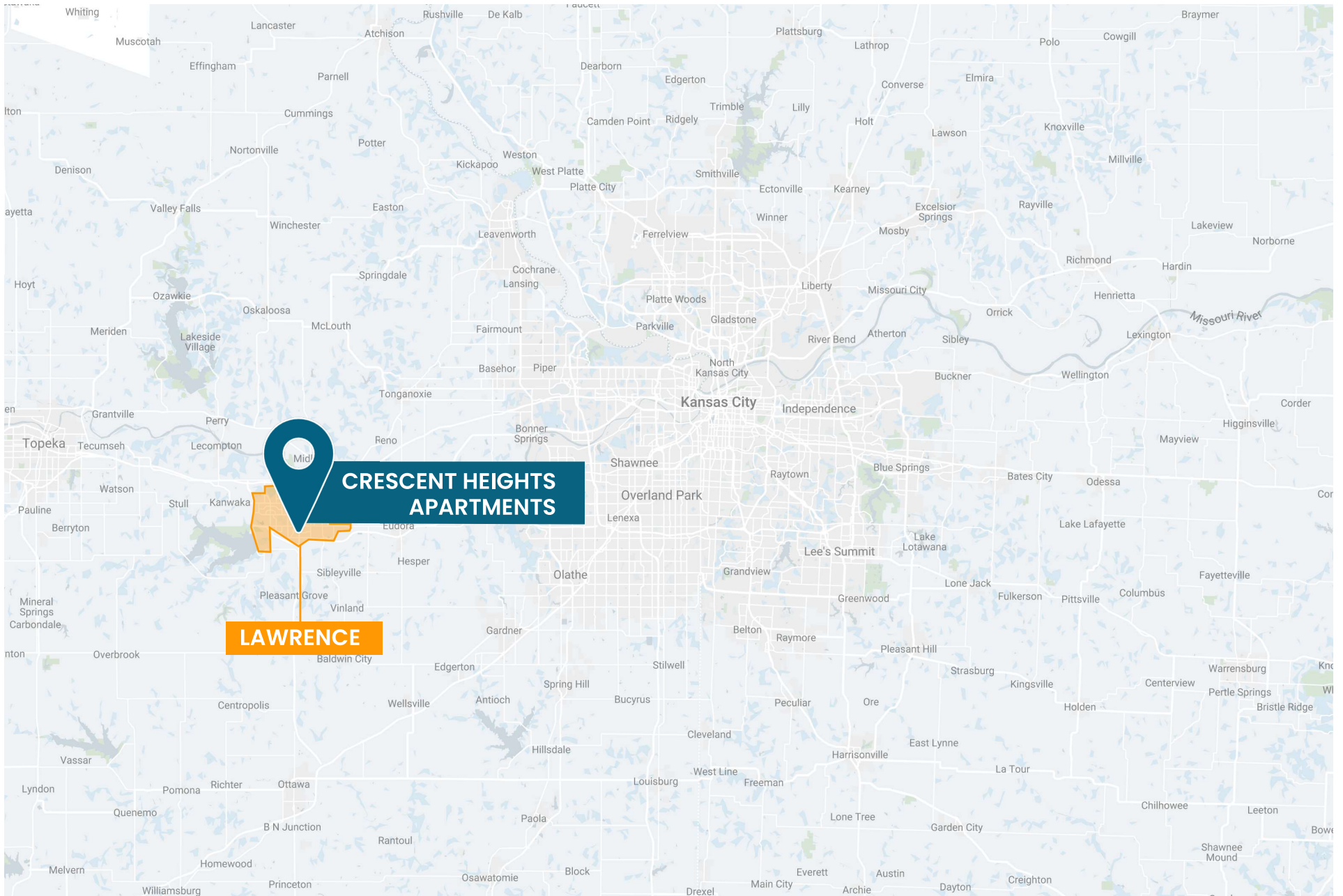
UNIT INTERIOR PHOTOS





AERIALS

REGIONAL MAP



**CRESCENT HEIGHTS
APARTMENTS**

LAWRENCE

KASOLD DR

IOWA ST

W 23RD ST

W 31ST ST

10

Quality Inn & Suites | verizon | chji's | TEXAS | SEARS | jiffylube | Firestone | Canes | BRIDGESTONE

The mattress HUB | planet fitness | DQ | Foods Co | Advance Auto Parts

SHERWIN WILLIAMS | JO-ANN fabric and craft stores | Paradise Floors | McALISTER'S DELI | FACTORY DIRECT APPLIANCE | DOLLAR TREE

BOOT BARN | DICK'S SPORTING GOODS | PET SMART | ULTA BEAUTY | Chick-fil-e | MIDAS

SUBARU | DALE WILLEY | NISSAN | HYUNDAI | HONDA

STARBUCKS COFFEE | SUPERCUTS | TARGET | McDonald's | Z's | Casey's | T Mobile | petco | SONIC

HomeGoods | Holiday Inn Express | Culver's | HOBBY LOBBY

Freddy's STEAKBURGERS

CRUNCH | JJ | Little Caesars | TACO BELL | Walgreens | T Mobile

STARBUCKS COFFEE | usbank | HARBOR FREIGHT

Applebee's | Presotea | cricket wireless | GAME NUT | POPEYES | Papa Murphy's

BUFFALO WILD WINGS | tropical CAFE

Advance Auto Parts | DALE WILLEY

Wally's

SUBWAY

Perkins

KING BUFFET

Arby's

MENARDS

The UPS Store

FIREHOUSE SUBS

BEST BUY

Ford | DUNKIN' DONUTS

McMACHO | Wendy's | ACE Hardware

BILLY MILLS MIDDLE SCHOOL

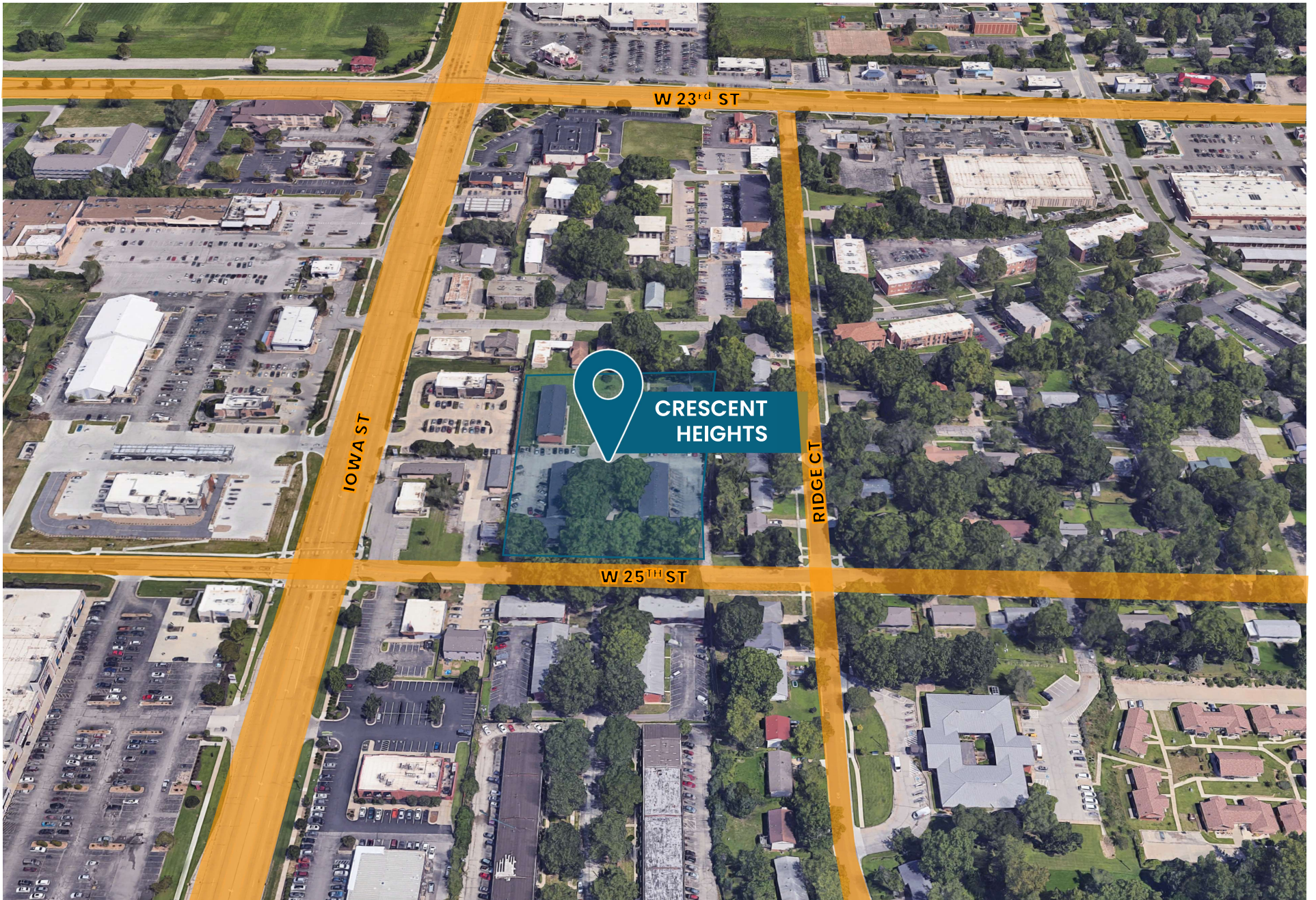
O'Reilly AUTO PARTS

Checkers LOW FOOD PRICES

IHOP | WORLD MARKET | Michaels | GameStop | T.J. MAXX | Bath & Body Works | SALLY BEAUTY | FAMOUS footwear | BED BATH & BEYOND | MATTRESS FIRM | maurices | ROSS

PANDA EXPRESS | VW | TOYOTA | Walmart | SUBWAY

AERIAL





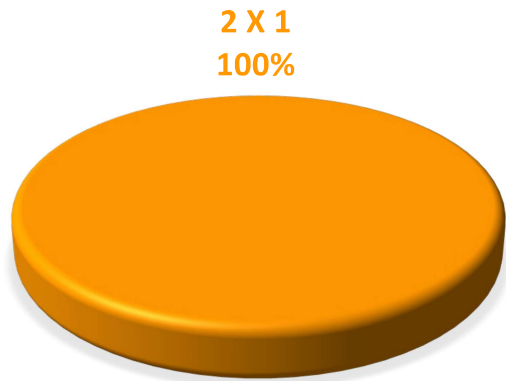
FINANCIALS



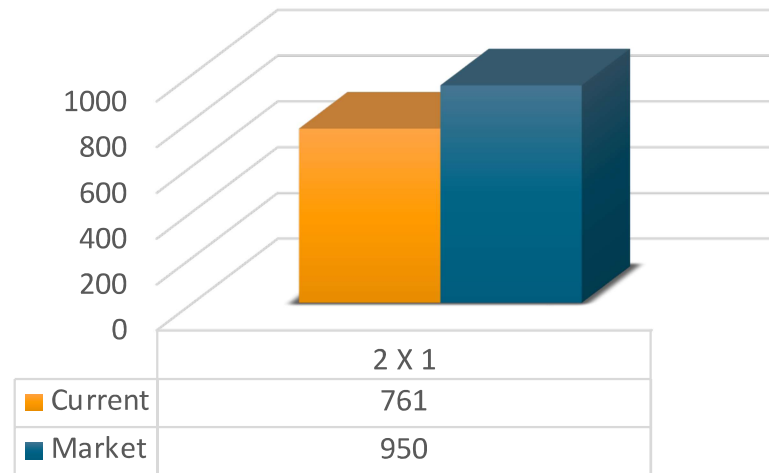
RENT ROLL SUMMARY

| Unit Type | Count | % Total | Size (SF) | Avg Rent | Avg Rent / SF | Market Rent |
|------------------------|-----------|-------------|------------|--------------|---------------|--------------|
| 2 X 1 W+D | 44 | 100% | 900 | \$761 | \$0.85 | \$950 |
| TOTAL / AVERAGE | 44 | 100% | 900 | \$761 | \$0.85 | \$950 |

UNIT MIX



UNIT RENT



FINANCIAL ANALYSIS

| | August T3 | Year 1 | Pro Forma | Notes | Per Unit |
|-----------------------------|------------------|------------------|------------------|-------|----------------|
| INCOME | | | | | |
| Gross Scheduled Rent | \$383,536 | \$396,528 | \$501,600 | | \$11,400 |
| Physical Vacancy | (27,036) 7.0% | (19,826) 5.0% | (25,080) 5.0% | | (570) |
| Leasing Office | (9,132) 2.4% | None | None | [1] | 0 |
| Concessions | None | (1,982) 0.5% | (2,508) 0.5% | | (57) |
| Bad Debt | None | (3,965) 1.0% | (5,016) 1.0% | | (114) |
| Total Vacancy | (36,168) 9.4% | (25,773) 6.5% | (32,604) 6.5% | | (741) |
| Economic Occupancy | 90.6% | 93.5% | 93.5% | | |
| Effective Rental Income | 347,368 | 370,755 | 468,996 | | 10,659 |
| Utility Reimbursement | 6,188 | 6,300 | 6,500 | | 147 |
| Other Income | 37,468 | 37,468 | 37,468 | | 851 |
| Effective Gross Income | \$391,024 | \$414,523 | \$512,964 | | \$11,658 |
| EXPENSES | | | | | |
| Real Estate Taxes | 32,689 | 57,247 | 57,247 | [2] | 1,301 |
| Insurance | 34,574 | 20,900 | 20,900 | | 475 |
| Utilities | 16,460 | 10,000 | 7,500 | [3] | 170 |
| Trash Removal | 4,596 | 4,400 | 4,400 | | 100 |
| Repairs and Maintenance | 53,012 | 19,800 | 19,800 | | 450 |
| Contract Services | 12,106 | 15,400 | 15,400 | | 350 |
| Turnover | R&M | 16,500 | 16,500 | | 375 |
| Marketing / Advertising | 2,735 | 6,600 | 6,600 | | 150 |
| Payroll | 51,550 | None | None | [4] | 0 |
| General and Administration | 19,004 | 8,800 | 8,800 | | 200 |
| Management Fee | 16,382 (4.2%) | 29,016 (7.0%) | 30,777 (6.0%) | | 700 |
| Replacement Reserves | None | 11,000 | 11,000 | | 250 |
| Total Expenses | \$243,108 | \$199,663 | \$198,924 | | \$4,521 |
| Net Operating Income | \$147,916 | \$214,860 | \$314,040 | | \$7,137 |

Notes

[1] Leasing Office is proposed to be converted back into a rentable unit and utilize off site leasing/management moving forward.

[2] Real Estate Taxes reflect 2023 tax bill and a reassessment in Year 1 and Pro Forma.

[3] All utilities are separately metered. Pro Forma reduction in utilities represent vacant unit utilities and common area electric.

[4] Payroll is absorbed by management company upon acquisition per management quote.

PRICING SUMMARY

SUMMARY

| Price | Market |
|-------------------|-------------|
| Down Payment | TBD |
| Number of Units | 44 |
| Price Per Unit | TBD |
| Rentable SF | 39,600 |
| Price Per SF | TBD |
| Lot Size | 1.65 Acres |
| Year Built | 1963 2022 |
| Type of Ownership | Fee Simple |

ASSUMABLE DEBT

| Loan Type | Freddie Mac SBL | |
|---------------------|-------------------|-----------|
| Position | First Loan | |
| Loan Amount | \$2,137,000 | |
| Origination | 04/28/2022 | |
| Term | 05/01/2042 | 20-Years |
| Interest Rate | 3.97% Fixed | |
| Amortization | 30-Years | |
| Interest Only | 04/30/2023 | 12-Months |
| Pre Payment Penalty | Yield Maintenance | |
| Recourse | None | |
| Debt Service | \$121,985 (P+I) | |

| Unit Type | Unit Count | Size (SF) | Current Rents | Pro Forma Rents |
|------------------------|------------|------------|---------------|-----------------|
| 2 X 1 W+D | 44 | 900 | \$761 | \$950 |
| Total / Average | 44 | 900 | \$761 | \$950 |

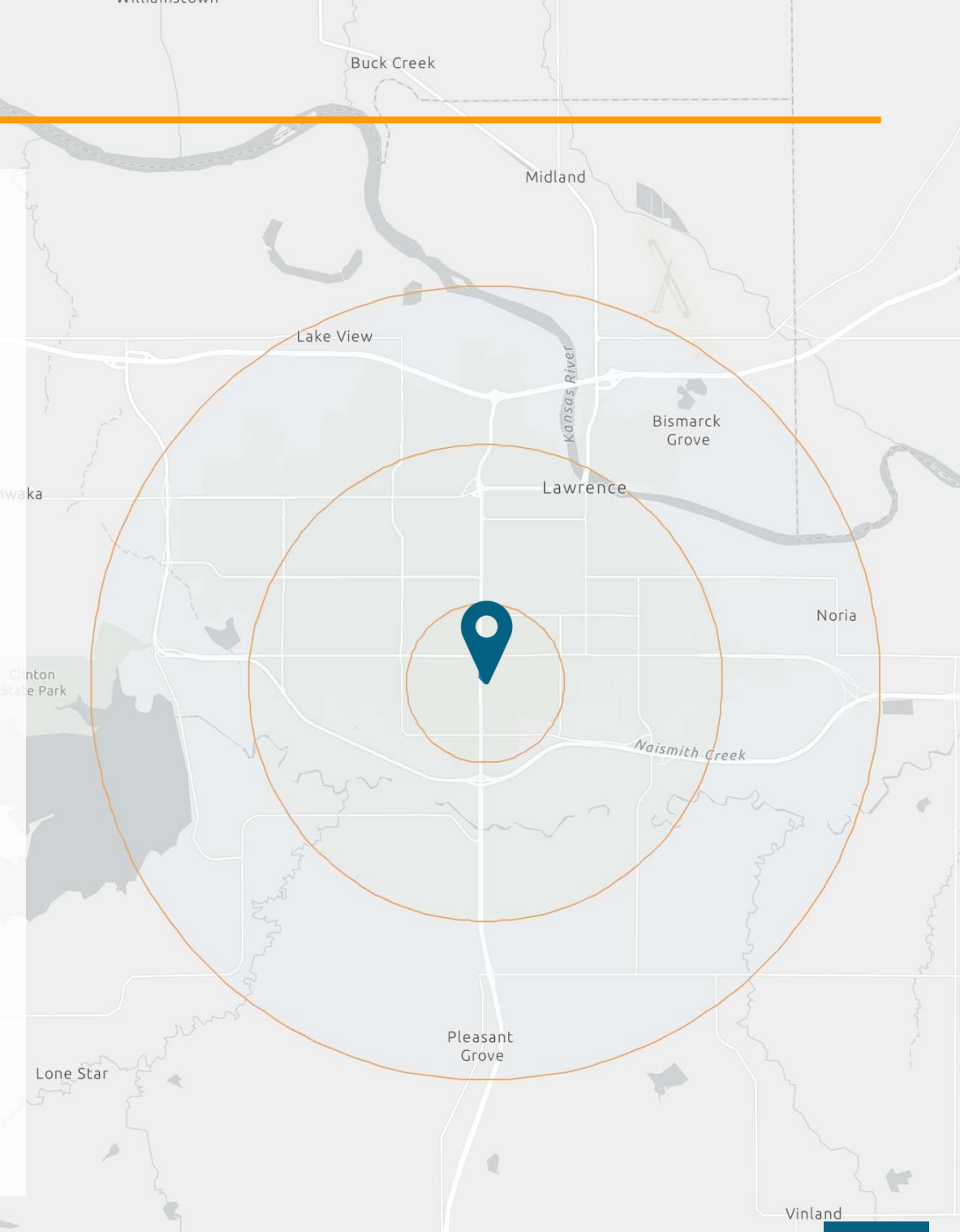


DEMOGRAPHICS




DEMOGRAPHIC SUMMARY


| 2023 SUMMARY | 1 MILE | 3 MILES | 5 MILES |
|-------------------------------|----------|----------|----------|
| Population | 13,774 | 72,204 | 98,464 |
| Households | 5,912 | 30,166 | 41,577 |
| Families | 2,567 | 12,848 | 19,589 |
| Average Household Size | 2.12 | 2.14 | 2.18 |
| Owner Occupied Housing Units | 1,911 | 12,816 | 19,733 |
| Renter Occupied Housing Units | 4,001 | 17,350 | 21,844 |
| Median Age | 27.5 | 27.8 | 30.1 |
| Median Household Income | \$39,795 | \$50,321 | \$55,095 |
| Average Household Income | \$57,781 | \$73,656 | \$83,303 |
| 2028 SUMMARY | 1 MILE | 3 MILES | 5 MILES |
| Population | 14,197 | 72,897 | 99,528 |
| Households | 6,186 | 30,894 | 42,632 |
| Families | 2,687 | 13,127 | 20,049 |
| Average Household Size | 2.09 | 2.12 | 2.15 |
| Owner Occupied Housing Units | 2,080 | 13,525 | 20,736 |
| Renter Occupied Housing Units | 4,106 | 17,369 | 21,896 |
| Median Age | 27.8 | 28.1 | 30.2 |
| Median Household Income | \$44,943 | \$54,768 | \$60,620 |
| Average Household Income | \$65,454 | \$82,963 | \$94,176 |





ZEAL
PROPERTY ADVISORS

 www.zealpropertyadvisors.com

 8787 Renner Blvd
Lenexa, Kansas 66219