

**OFFERING  
MEMORANDUM**

**Grand Vue Townhomes, Kansas City, Missouri**





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 8787 Renner Blvd, Lenexa, KS

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# EXECUTIVE SUMMARY

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Zeal Property Advisors, LLC is pleased to exclusively present for sale Grand Vue Townhomes (“The Property”), a 40-unit townhome community located just off Interstate 49 and Blue Ridge Blvd in Kansas City, Missouri. The Property provides the rare opportunity to add value through the renovation of exterior and unit interiors in tandem to achieve a projected \$300+ rent premium.

The Property is offered as a fee simple sale and allows prospective investors the opportunity to acquire an asset at a favorable basis with ability to add value and execute a substantial cash out refinance once stabilized. The Property is additionally offered free and clear of existing debt and in as/is condition. Please reach out to the brokers for additional information or to discuss offering procedures.

## INVESTMENT HIGHLIGHTS

- Deep Value-Add Opportunity
- \$300 Rent Premium
- 100% 2BR and 3BR Units
- 1,250 Average SF Units
- Excellent Proximity to Highway
- LIHTC Burn-Off Opportunity
- Easy to Manage



**PRICE:** **\$3,500,000**



**NOI:** **\$265,109**



**CAP RATE:** **7.6%**



# PROPERTY OVERVIEW

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## PROPERTY OVERVIEW

Grand Vue Townhomes is a 40-unit townhome community built in 1991 and encompasses 4.03 AC. The Property consists of all 2BR and 3BR townhome style units with approximately 50,108 rentable square feet across 13 buildings. The Property boasts an amenable unit mix of multiple floorplans for both 2BR and 3BR unit types. Grand Vue Townhomes consists of an impressive average SF of 1,250+ designed to attract long term tenants at an affordable price point. The Property additionally boasts submarket strengths such as supply constraints and low cost of living.

## AFFORDABLE RESTRICTIONS

Grand Vue Townhomes currently consists of 12 units that operate under the Section 42 Low Income Housing Tax Credit (LIHTC) program (“Regina Terrace”). There is a Land Use Restriction Agreement (LURA) in effect that restricts 100% of Regina Terrace to 60% or less of the Area Median Income (AMI). The Extended Use Period expires December 31, 2023 and ownership proposes to close with the LURA burned off. Regina Terrace is subject to MHDC’s 3-year decontrol period. Regina Terrace occupied units are restricted to a maximum of 7% rental increase annually while in the decontrol period, and vacant units immediately become market rate units.

<b>Address</b>	11720 Newton Ave, Kansas City, MO 64134	<b>Water/Sewer</b>	Separately Metered   Paid By Tenant
<b>Units</b>	40	<b>Electric</b>	Separately Metered   Paid By Tenant
<b>Year Built</b>	1991	<b>Gas</b>	None
<b>Lot Size</b>	4.03 AC	<b>HVAC</b>	Central Air Electric Furnace
<b>RSF</b>	50,108	<b>Hot Water</b>	Individual   Electric
<b>Number of Buildings</b>	13 Buildings   2-3 Stories	<b>Laundry</b>	In Unit Washer + Dryer
<b>Parking</b>	Individual Driveways With Off Street Availability	<b>Safety</b>	N/A
<b>Wiring</b>	Copper	<b>Plumbing</b>	PVC
<b>Roofs</b>	Pitched   Mixed Age	<b>Exterior</b>	Brick Veneer + Wood
<b>Windows</b>	Vinyl Dual Pane	<b>Construction Type</b>	Combination



# PROPERTY PHOTOS



# EXTERIOR PHOTOS



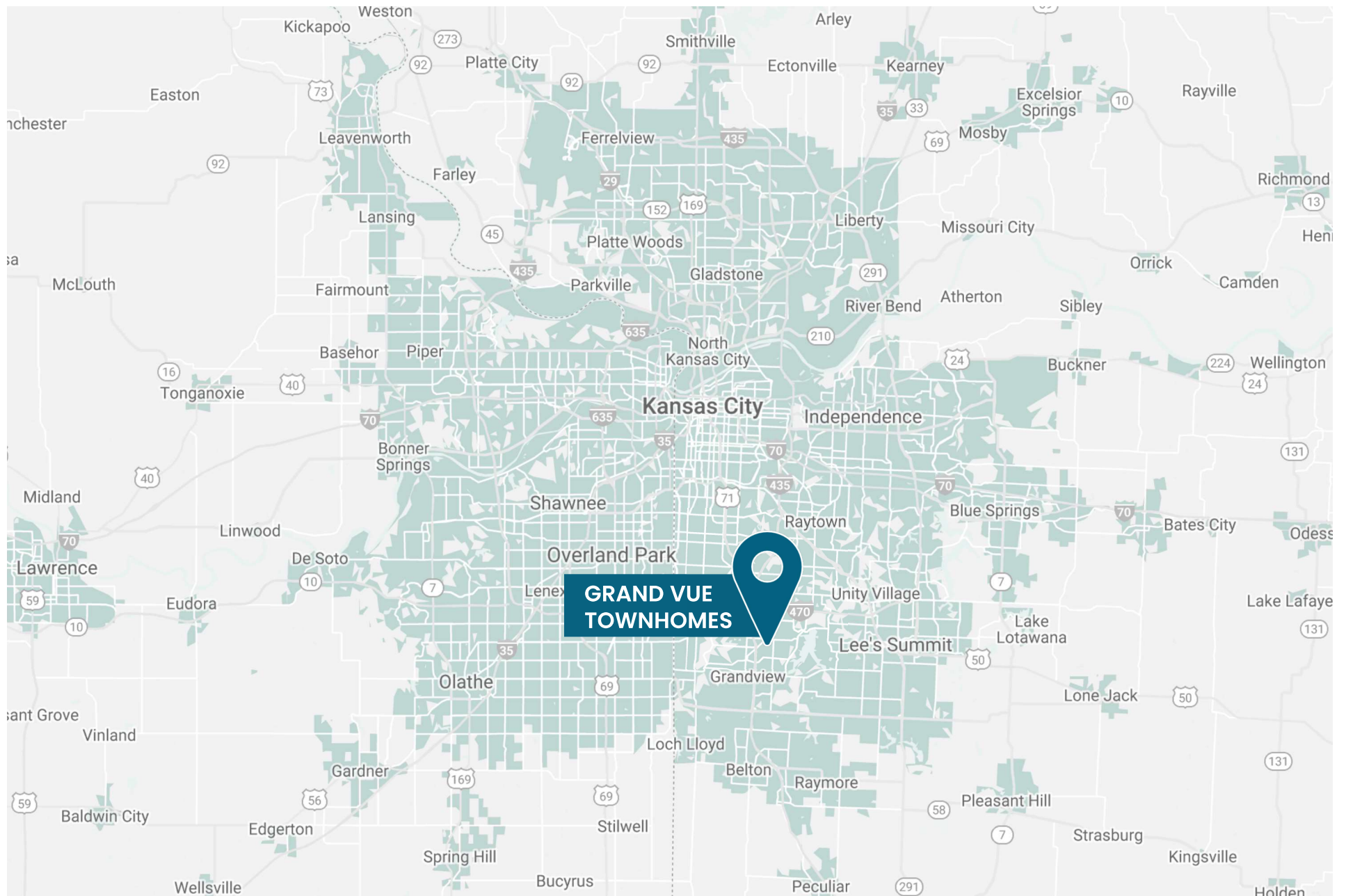
# UNIT INTERIOR PHOTOS





AERIALS

# REGIONAL MAP

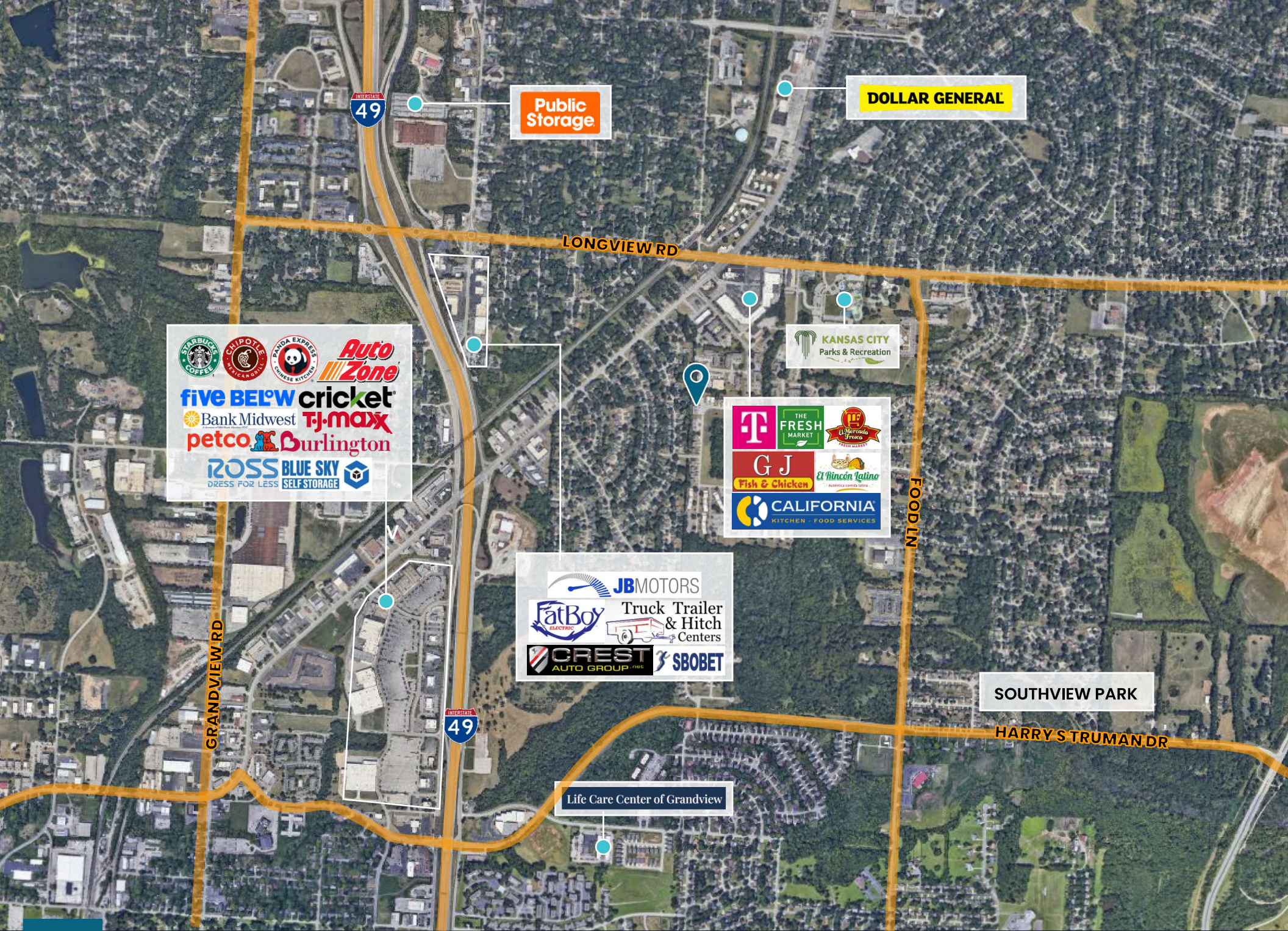


**GRAND VUE  
TOWNHOMES**

# AERIAL



**GRAND VUE  
TOWNHOMES**



Public Storage

DOLLAR GENERAL

**five BELOW** **cricket**  
 Bank Midwest **TJ-maxx**  
**petco** **Burlington**  
**ROSS** **BLUE SKY** **SELF STORAGE**

KANSAS CITY Parks & Recreation

Life Care Center of Grandview

SOUTHVIEW PARK



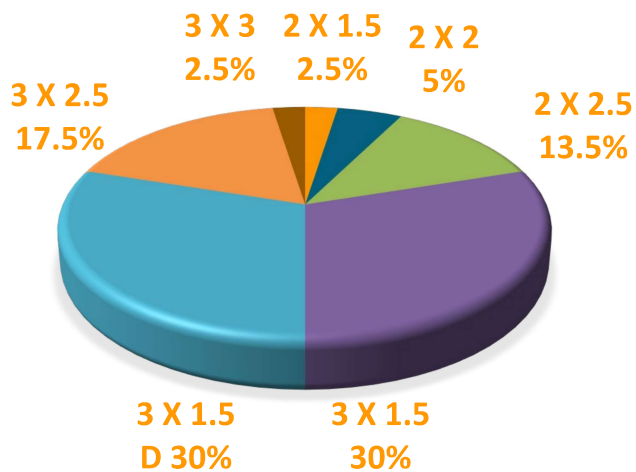
# FINANCIALS



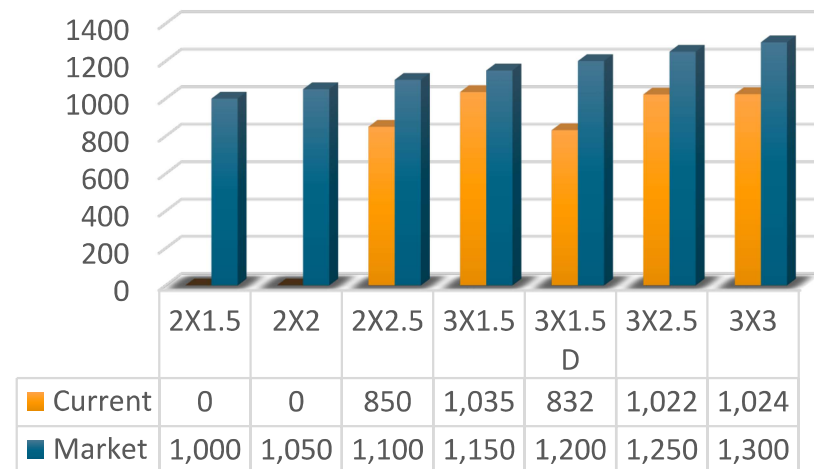
# RENT ROLL SUMMARY

Unit Type	Count	% Total	Size (SF)	Avg Rent	Avg Rent / SF	Market Rent
2 X 1.5	1	2.5%	1,112	N/A	N/A	\$1,000
2 X 2	2	5.0%	1,475	N/A	N/A	\$1,050
2 X 2.5	5	12.5%	1,120	\$850	\$0.76	\$1,100
3 X 1.5	12	30%	1,150	\$1,035	\$0.90	\$1,150
3 X 1.5 D	12	30%	1,300	\$832	\$0.64	\$1,200
3 X 2.5	7	17.5%	1,372	\$1,022	\$0.74	\$1,250
3 X 3	1	2.5%	1,442	\$1,024	\$0.71	\$1,300
<b>TOTAL / AVERAGE</b>	<b>40</b>	<b>100%</b>	<b>1,252</b>	<b>\$905</b>	<b>\$0.72</b>	<b>\$1,171</b>

## UNIT MIX



## UNIT RENT





# FINANCIAL ANALYSIS

	T-8 Aug	Year 1	Pro Forma	Notes	Per Unit
<b>INCOME</b>					
Gross Scheduled Rent	\$483,483	\$483,483	\$562,200	[1]	\$14,055
Physical Vacancy	(173,760) 35.9%	(33,843) 7.0%	(28,110) 5.0%	[2]	(702)
Concessions	(18,816) 3.9%	(4,834) 1.0%	(2,811) 0.5%		(70)
Bad Debt	(62,850) 13.0%	(24,174) 5.0%	(5,622) 1.0%	[3]	(140)
Total Vacancy	(255,426) 52.8%	(62,851) 13.0%	(36,543) 6.5%		(913)
Economic Occupancy	47.2%	87.0%	93.5%		
Effective Rental Income	228,057	420,632	525,657		13,141
Utility Reimbursement	None	None	None		0
Other Income	65,641	21,600	21,600		540
Effective Gross Income	\$293,698	\$442,232	\$547,257		\$13,681
<b>EXPENSES</b>					
Real Estate Taxes	59,745	59,745	52,668	[4]	1,316
Insurance	43,453	26,000	26,000	[5]	650
Utilities	17,723	7,000	7,000	[6]	175
Trash Removal	None	1,000	1,000		25
Repairs and Maintenance	147,436	16,000	16,000		400
Contract Services	16,265	12,000	12,000		300
Turnover	140,219	11,000	11,000		275
Marketing / Advertising	1,596	4,000	4,000		100
Payroll	None	None	None		0
General and Administration	9,502	5,000	5,000		125
Management Fee	30,000 (10.2%)	35,378 (8.0%)	38,308 (7.0%)		958
Replacement Reserves	None	None	10,000		250
Total Expenses	\$465,939	\$177,123	\$182,976		\$4,575
<b>Net Operating Income</b>	<b>-</b>	<b>\$265,109</b>	<b>\$364,281</b>		<b>\$9,107</b>

## Notes

- [1] Pro Forma GSR reflects unit mix section market rents annualized.  
 [2] Occupancy can be brought to submarket standard once LIHTC restrictions burn off.  
 [3] Pro Forma bad debt is reduced to submarket standard upon the expiration of the LIHTC program.

- [4] Jackson County reassesses every odd year. Pro Forma tax formula results in a reduction based upon asking price.  
 [5] Insurance is expected to decrease upon implementation of exterior/interior upgrade program.  
 [6] All utilities are separately metered.

## PRICING SUMMARY

SUMMARY		
PRICE	\$3,500,000	
Down Payment	\$1,493,650	42.6%
Number of Units	40	
Price Per Unit	\$87,500	
Rentable SF	50,108	
Price Per SF	\$69.85	
Lot Size	4.03 Acres	
Year Built	1991	
Type of Ownership	Fee Simple	

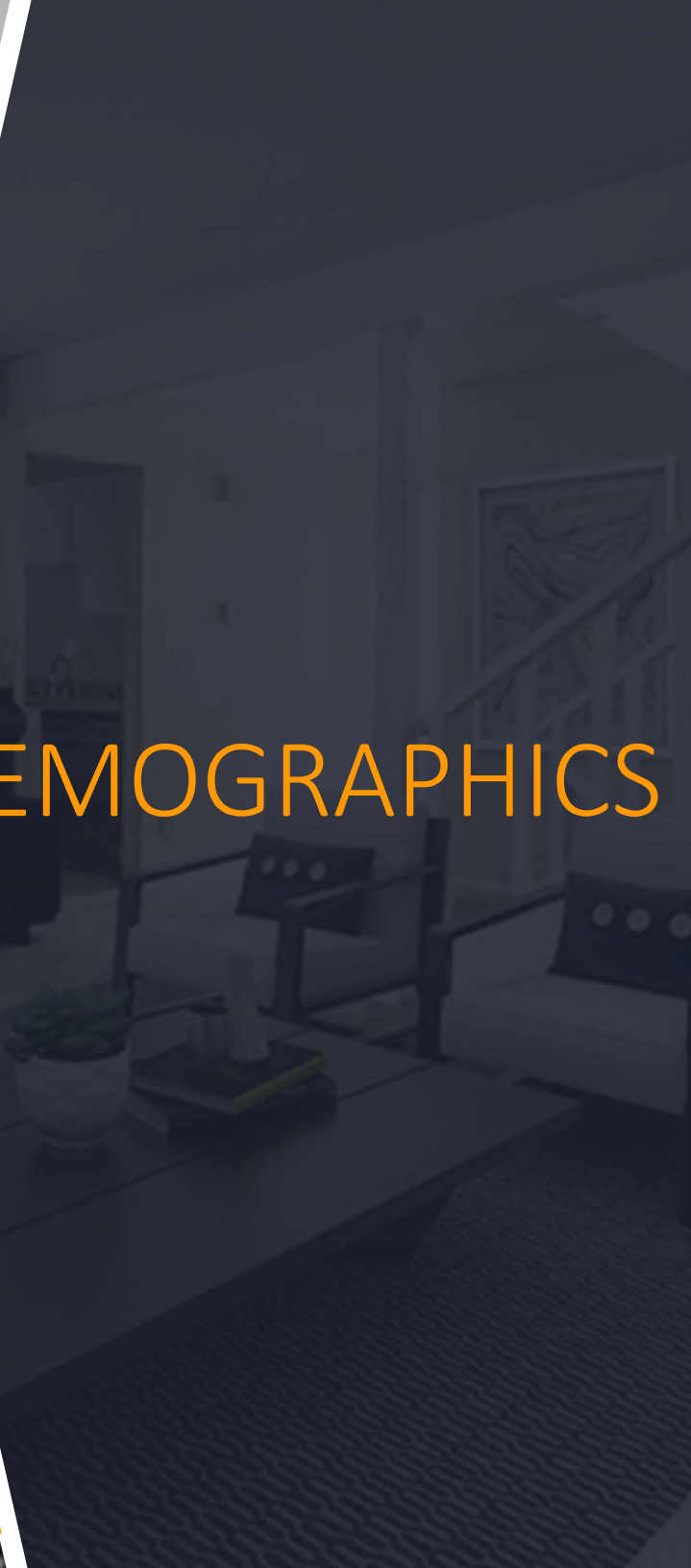
RETURNS	Year 1	Pro Forma
CAP RATE	7.6%	10.4%
Cash Flow	\$60,359	\$72,412
Cash-on-Cash	4.0%	14.7%
DSCR	1.25x (Stabilized)	1.27x
	Acquisition	Refinance
<b>Proposed Financing</b>	<b>Bank</b>	<b>Agency</b>
Loan Amount	\$2,730,000	\$3,750,000
Loan Type	65% LTC	Cash-Out Refi
Interest Rate	7.50%	6.75%
Amortization	25-Years	30-Years
Pre-Payment Penalty	None	YM
Term	5-Years	10-Years
Interest Only	24 Months	1-2 Years
Debt Service	\$204,750 (I/O)	\$291,869 (P+I)

### Sources and Uses of Funds

Uses of Funds – Close of Escrow		Sources of Funds – Close of Escrow	
Purchase Price	\$3,500,000	First Mortgage	\$2,730,000
Financing Costs	\$13,650	Equity	\$1,493,650
Due Diligence and Closing Costs	\$10,000		
CapEx + Unit Upgrades	\$700,000		
<b>Total Uses of Funds:</b>	<b>\$4,223,650</b>	<b>Total Sources of Funds:</b>	<b>\$4,223,650</b>

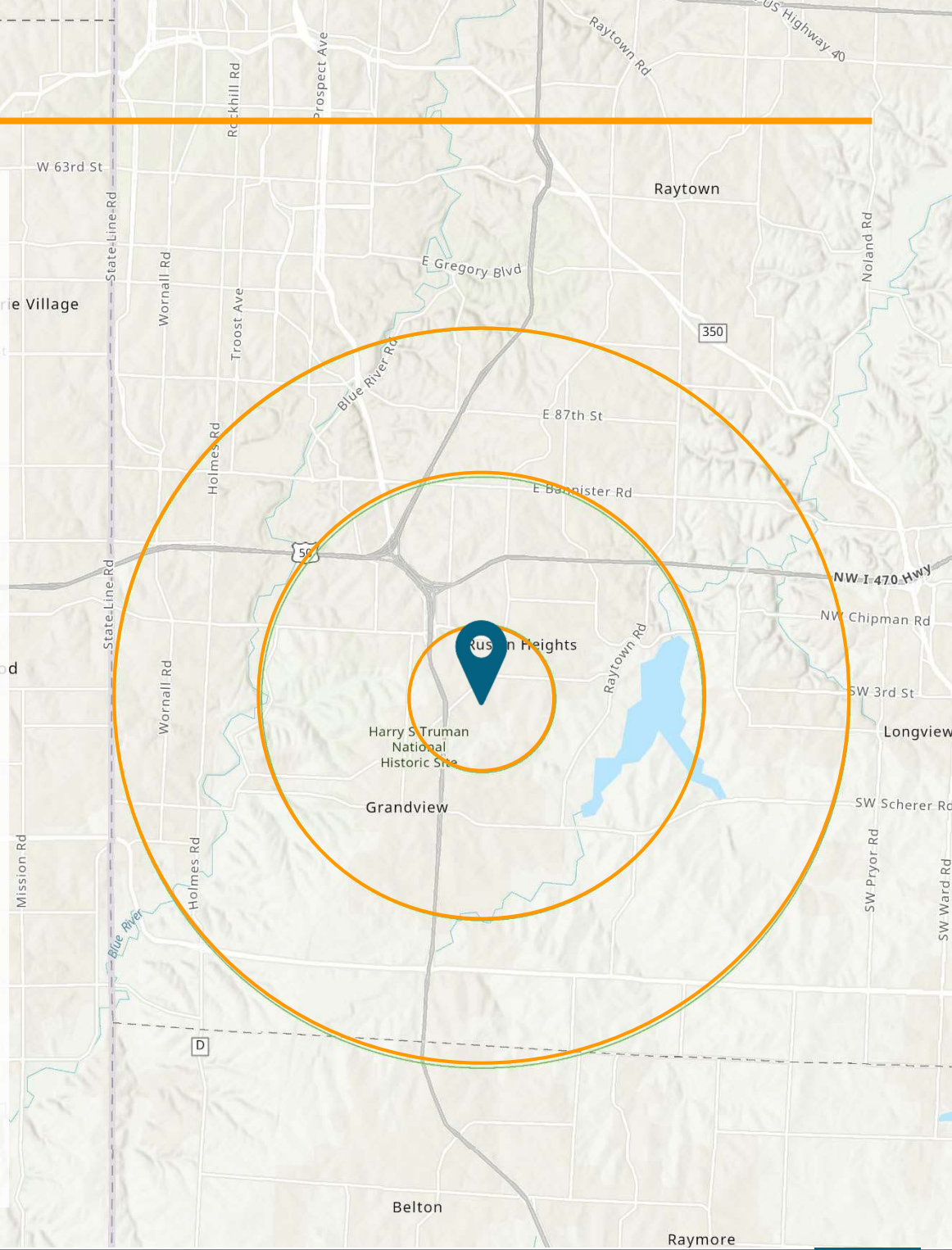


# DEMOGRAPHICS




# DEMOGRAPHIC SUMMARY


2023 SUMMARY	1 MILE	3 MILES	5 MILES
Population	8,718	50,539	111,726
Households	3,567	20,224	46,627
Families	2,094	12,530	28,694
Average Household Size	2.44	2.48	2.36
Owner Occupied Housing Units	1,698	10,872	26,118
Renter Occupied Housing Units	1,869	9,352	20,509
Median Age	35.2	35.8	37.8
Median Household Income	\$46,379	\$53,850	\$59,739
Average Household Income	\$63,279	\$70,938	\$87,376
2028 SUMMARY	1 MILE	3 MILES	5 MILES
Population	8,482	49,691	112,567
Households	3,506	20,053	47,389
Families	2,062	12,444	29,308
Average Household Size	2.41	2.46	2.34
Owner Occupied Housing Units	1,697	10,920	26,384
Renter Occupied Housing Units	1,809	9,133	21,005
Median Age	35.5	36.4	38.6
Median Household Income	\$52,916	\$60,616	\$67,830
Average Household Income	\$73,200	\$82,024	\$100,474





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