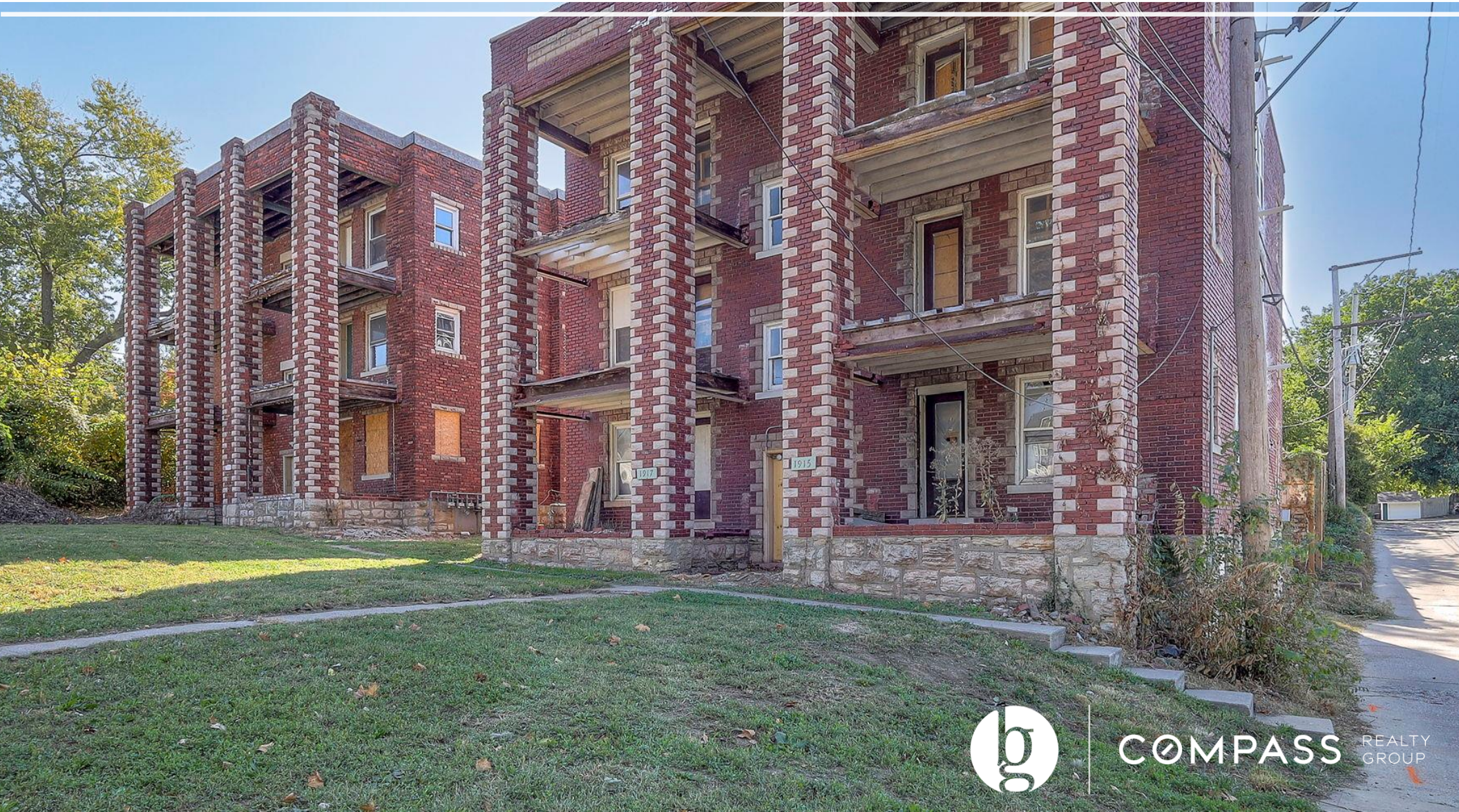


# LEXINGTON AVENUE APTS

## OFFERING MEMORANDUM

1915-1921 LEXINGTON AVENUE | KANSAS CITY, MO 64124



COMPASS REALTY GROUP



# VACANT MULTI-FAMILY OFFERING

12 UNITS | 2 BUILDINGS | KC REGISTER OF HISTORIC PLACES | PENDLETON HEIGHTS | \$599,000



COMPASS REALTY GROUP



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Guided property tours will be arranged on a reserved basis as requested by potential investors. Do not explore property unaccompanied or disturb tenants. Property Tours to be scheduled through the Compass Realty Group broker. Tours will require approval by broker, management and owner. Broker and Owner reserve the right to set tour times and dates. Please do not contact third party management or tenants.

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KCCOMMERCIALNET



The Lexington Avenue apartments are a 12-unit, two building complex located in the historic neighborhood of Pendleton Height in northeast Kansas City, Missouri. Built in 1912, the buildings stand 3 stories with brick exteriors balconies/patios. The properties are a part of Kansas City's Register of Historic Places and positioned within a Designated Opportunity Zone allowing new ownership to potentially take advantage of tax incentives/abatements that go along with these designations. Both buildings are separately parceled and neighbor newly renovated complexes in New View Place Apartments, Mark One Plaza & 221 Garfield, while being situated among Kansas City's oldest Boulevards. The buildings were acquired in 2021 vacant and in poor condition. The project has stalled with current ownership and the buildings remain vacant presenting as an open canvas for finish. The initial project planned for a to-the-studs renovation converting units to 2-bedrooms (previously 1) with high-end finishes, washer/dryer in unit, separate metering (new electric/plumbing), and market rental rates. The scope of work completed between buildings/units varies since acquisition. Both buildings have new TPO roofs with new HVAC systems in place. The buildings have new low-e double pane windows and new goodman forced-air gas furnaces. 1919 Lexington's rehab process is further along than the 1915 building, and the 1915 buildings back stairwell has been removed. The building do not provide tenants with off-street parking and currently have all utilities shut off.

**CAPITAL EXPENDITURES SINCE ACQUISITION**

PERMITS/ARCHITECT PLANS	HVACS/FURNACES
FRAMING/SHEETROCK	WINDOWS
ELECTRICAL/PLUMBING	TUBS/FLOORING
ROOFING	MASONRY

**OFFERING SUMMARY**  
 VACANT BUILDINGS IN PENDELTON HEIGHTS

ASKING PRICE	\$599,000 - (\$49,917/unit)
ADDRESS	1915-1921 Lexington Avenue Kansas City, MO 64124
NEIGHBORHOOD	Pendleton Heights (Historic)
COUNTY	Jackson
YEAR BUILT	1912
# OF STORIES	3
# OF BUILDINGS	2
KC REGISTER OF HISTORIC PLACES	2008
# OF UNITS	12
UNIT MIX (AS IS)	Number - SF
--2BR / 1 BA	12 - 900 SF (+/-)
PROPOSED 2BR RENTS	\$1,195
OCCUPANCY	0% (vacant project)
APN/PARCEL	12-740-23-29-02-0-00-000 12-740-23-29-01-0-00-000
2023 TAX AMOUNTS	\$5,415.78



## ASSET OVERVIEW

- HISTORIC LOCATION IN PENDLETON HEIGHTS NEIGHBORHOOD
- KC REGISTER OF HISTORIC PLACES (2008)
- DESIGNATED OPPORTUNITY ZONE LOCATION
- VACANT BUILDINGS - PURCHASED IN POOR CONDITION IN 2021 & PROJECT HAS STALLED
- POTENTIAL TO TAKE ADVANTAGE OF TAX INCENTIVES/ABATEMENTS
- CAP EXPENDITURES INCLUDE HVACS, ROOFS, FURNACES, FRAMING, ELECTRICAL, PLUMBING, WINDOWS & PERMITS/PLANS
- NEIGHBORS NEWLY RENOVATED COMPLEXES & RESIDENTIAL HOMES

## UNIT HIGHLIGHTS

- 12 UNITS - CONVERTED FROM 1-BED TO 2-BED UNITS
- MOST UNITS FRAMED FOR 2-BEDROOMS
- ESTIMATED UNIT SIZE @ COMPLETION - 900 SF +/-
- BALCONIE/PATIOS (all units)
- DECORATIVE FIREPLACES
- CENTRAL AIR
- ON-STREET PARKING
- PLUMBING & ELECTRICAL WORK STARTED (MOST UNITS)
- UNITS AT VARYING POINTS OF REHAB







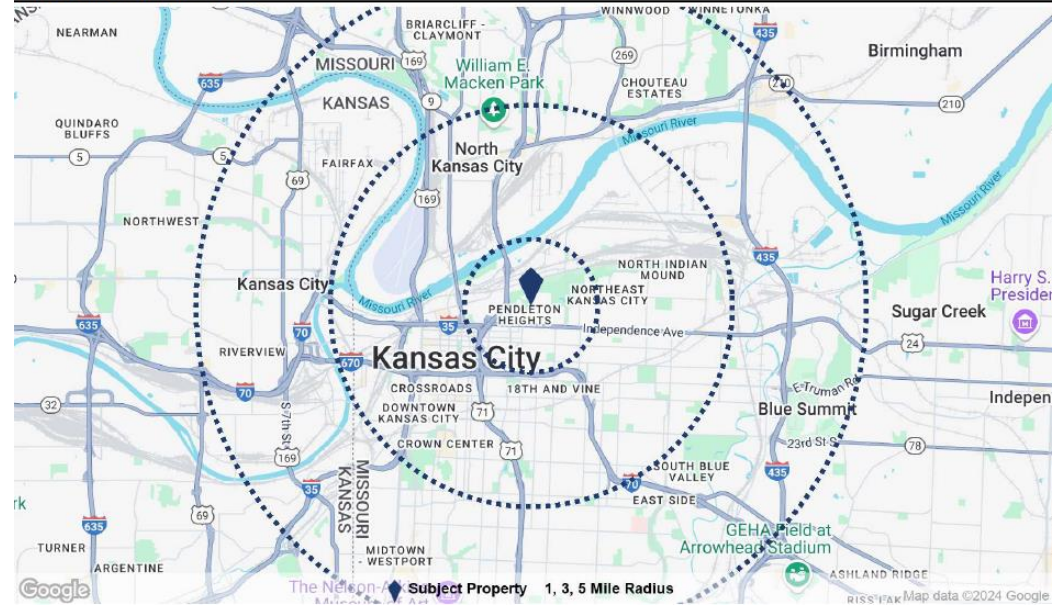
# BUILDING SUMMARY

## VACANT BUILDINGS IN PENDELTON HEIGHTS

SITE SIZE	10,042 SF or 0.231 acres (public record)
GROSS BUILDING AREA	14,076 SF +/- (appraisal)
NET RENTABLE AREA	10,800 SF +/- (appraisal)
ZONING	R-6
OPPORTUNITY ZONE	29095001000
COOLING	Central Air (NEW)
HEATING	Forced-Air Gas Furnaces (NEW)
PARKING	Street Parking
METERING	Separate
FOUNDATION	Stone/Concrete Back-up
EXTERIOR	Brick/Wood Frame
WINDOWS	Double Pane (Low-E) Glass - vinyl frames
ROOF	Flat TPO

Population (1 mi)	Avg. HH Size (1 mi)	Avg. Age (1 mi)	Med. HH Inc. (1 mi)
<b>15,568</b>	<b>2.2</b>	<b>34</b>	<b>\$37,188</b>

DEMOGRAPHIC RADIUS RINGS



	1 MILE	3 MILE	5 MILE
<b>POPULATION</b>			
2024 Population	15,568	93,882	220,276
2029 Population	16,024	96,369	225,073
Pop Growth 2024-2029	2.9%	2.7%	2.2%
2024 Average Age	34	36	37
<b>HOUSEHOLDS</b>			
2024 Households	6,316	41,225	95,844
2029 Households	6,530	42,400	98,093
Household Growth 2024-2029	3.4%	2.9%	2.4%
Median Household Income	\$37,188	\$48,069	\$46,927
Average Household Size	2.2	2.1	2.1
Average HH Vehicles	1	1	1
<b>HOUSING</b>			
Median Home Value	\$185,525	\$141,911	\$140,038
Median Year Built	1961	1956	1956











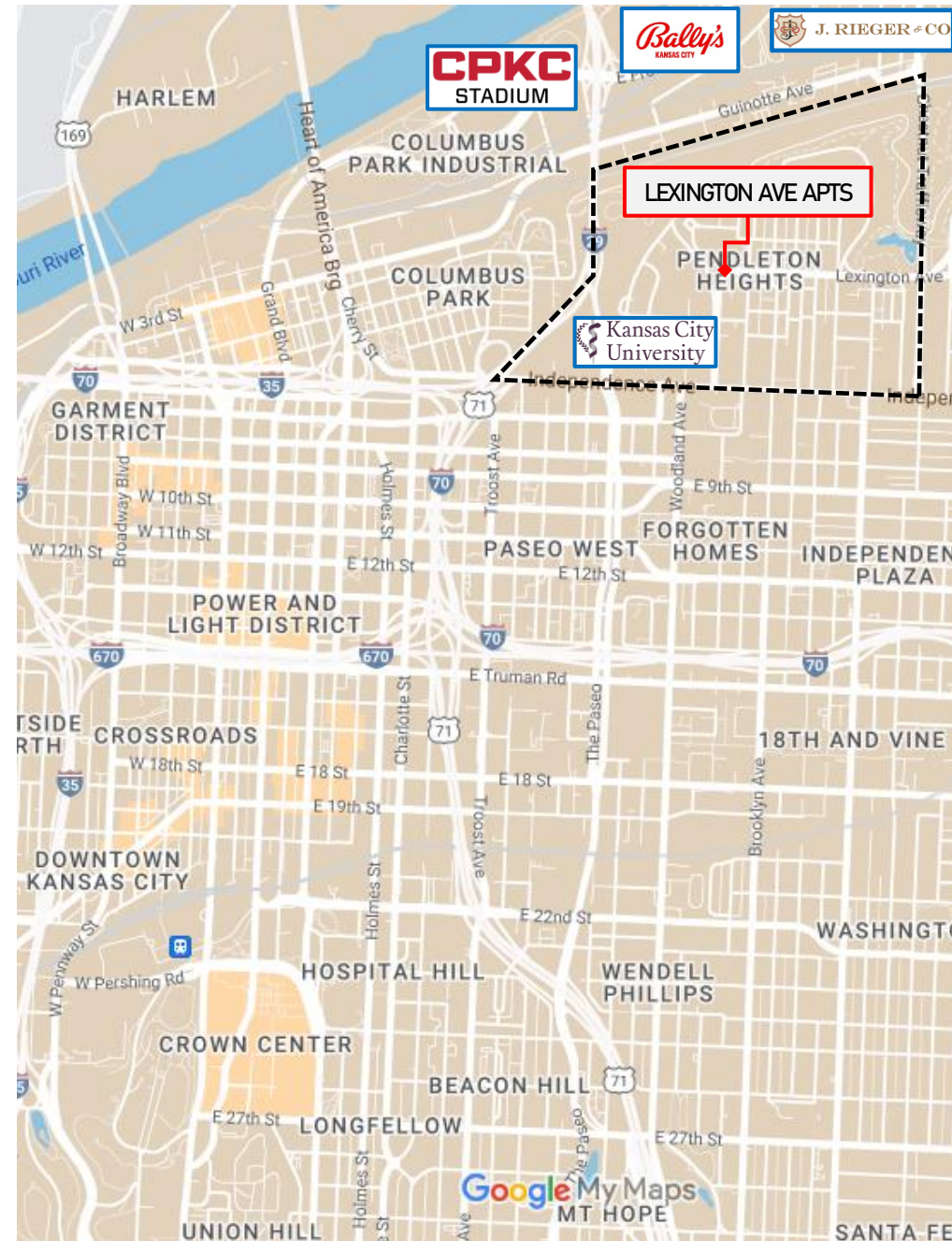




# NEIGHBORHOOD OVERVIEW

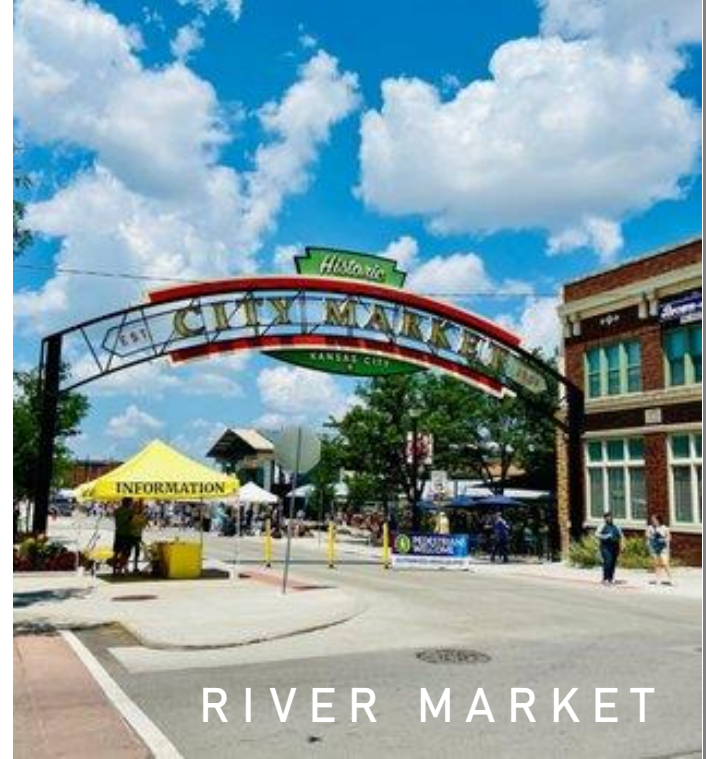
## PENDLETON HEIGHTS | KANSAS CITY MSA

The Lexington Avenue Apartments reside in the Pendleton Heights historic district just two miles east of Downtown Kansas City and the River Market. As Kansas City's first developed suburb and second oldest neighborhood, Pendleton Heights is home to the largest number of true Victorian homes in the city. The neighborhood is located on high bluffs overlooking the East Bottoms area and Missouri river featuring broad Boulevards, large shade trees and many original red granite street crossings. Pendleton Heights is home to the Kansas City University of Medicine & Bioscience and borders the newly developed CPKC Stadium (first designated women's soccer stadium), Bally's Casino and J. Rieger & Co. Distillery. The university has undergone a \$60-million expansion plan highlighted by a new 56,000 square-foot medical simulation building. The new expansion building is now operational, and the university maintains one of the largest medical schools in the nation by enrollment. Other attractions in the immediate area include the Kansas City Museum, Negro Leagues Baseball Museum, the American Jazz Museum, and the historic Gates & Arthur Bryant's barbecue. The northeast section of Kansas City, Missouri has seen a great deal of rehabilitation and revitalization over the last 10 years and many very large turn of the century homes are located in this section of the city, and more specifically in and around Pendleton Heights. Federal Opportunity Zones have been established in Pendleton Heights and throughout the northeast. Investments made through Opportunity Zone Funds for projects located in or adjacent to designated Opportunity Zones may take advantage of tax abatement on reinvested capital gains. The law excludes from taxable income capital gains on Opportunity Zone investments held for at least 10 years.





CPKC STADIUM



RIVER MARKET



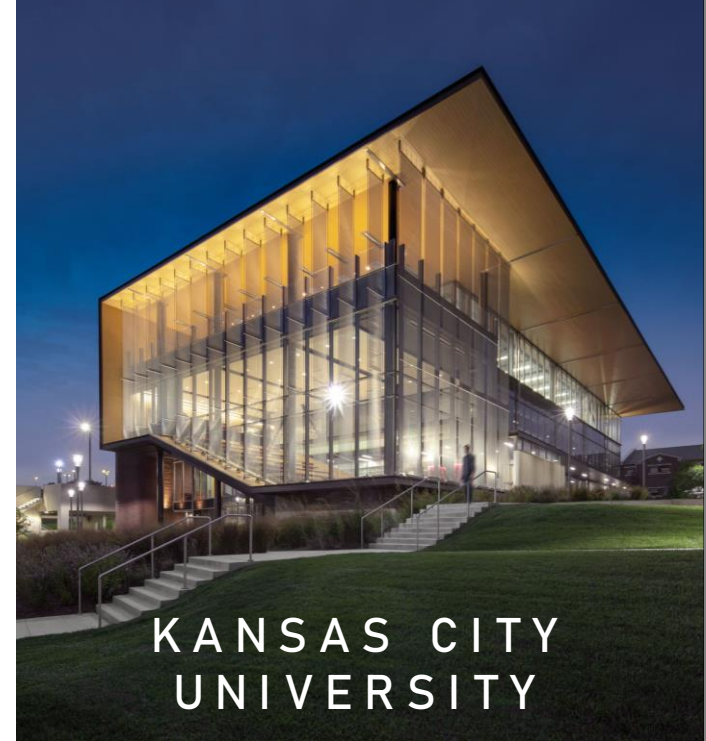
J. RIEGER & CO  
DISTILLERY



POWER & LIGHT  
DISTRICT



# NEGRO LEAGUE BASEBALL MUSEUM



# KANSAS CITY UNIVERSITY

# BALLY'S CASINO



# DOWNTOWN KANSAS CITY



# KANSAS CITY MSA OVERVIEW

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Known as the City of Fountains, Kansas City is home to more than 2.23 million people, divided north to south by the Kansas and Missouri border.

- The Huffington Post named Kansas City the “Coolest City in America” and called it the #1 affordable getaway.
- U.S. News and World Report analyzed 100 American cities to survey the best places to live, based on quality of life and the job market. Kansas City came in at #49.
- Forbes ranked Kansas City the 3rd best city for renters due to investor interest, while also declaring Kansas City to have the best “rental affordability” among its list of 46 cities.
- WalletHub reaffirmed Forbes lofty ranking by putting Kansas City in its Top 50 for “Best Real-Estate Markets.”
- In its list of “Top 10 Best Places to Visit in 2024,” the Wall Street Journal named Kansas City as one of the 10 best in the world.
- Highest Yearly Increase in rents (16.17%) according to Rent.Com in 2023 (#1)

## CULTURE

Among other things, Kansas City is famous for its barbeque and musical heritage. A premier jazz city since the 1930's, Kansas City is the birthplace of Bennie Moten and Charlie “Bird” Parker and the stomping grounds for Count Basie and countless others. The history of the city's music and arts scene can be explored at the American Jazz Museum, the Kauffman Center, the Kemper Museum of Contemporary Art and the Nelson-Atkins Museum of Art. The Nelson-Atkins has been named the best museum in the USA by both USA Today and Yelp. Additionally, Yelp's #5 best museum in the country is the National WWI Museum & Memorial, the only national WWI museum.

## SPORTS

Home of the 2023 NFL Draft, 2023 Super Bowl Champions and future World Cup host city, Kansas City is a quintessential sports town. Kansas City is home to national championship-winning NFL, MLB and Major League Soccer teams: the Kansas City Chiefs, Royals and Sporting KC. Kansas City is home to NASCAR's Kansas Speedway, the College Basketball Hall of Fame and boasts several of the finest golf courses in the U.S. For additional entertainment, Kansas City offers Worlds of Fun, Oceans of Fun and the Great Wolf Lodge as well as premier shopping areas like the Country Club Plaza and the Legends Shopping Center in the Village West area of town.

## EDUCATION

Education is an important part of the Kansas City landscape, which features top-ranked private and public schools and an array of choices in the field of higher education. The city is home to major colleges and universities, like the University of Kansas, KU Medical Center, University of Missouri Kansas City and Rockhurst University, along with many others. The Kansas City area also includes three of the Top 10 Public School Districts in the nation.

## BUSINESS

The Kansas City area is home to major companies like Hallmark Cards, H&R Block, Black & Veatch, Garmin, Seaboard, DST Systems and Russell Stovers. It is ranked among the Top 20 Cities hiring the most workers and has seen extensive growth/development since the turn of the century. The new \$1.5 billion single-terminal was just completed and over \$9+ billion has been invested into Downtown KC since 2001. Kansas City is the epicenter of an ever-expanding biotechnology industry including the Stowers Institute for Medical Research, the Kansas Life Sciences Innovation Center, the Biotechnology Development Center, XenoTech and Proteon Therapeutics (over 245 biotech companies). It's also home to a myriad of top medical centers and hospitals, including the University of Kansas, KU Cancer Center, Saint Luke's, Children's Mercy, Olathe and Overland Park Regional Medical Centers (just to name six). The Metro areas economy is wide-ranging with numerous employment opportunities. KC serves as the headquarters location for several companies including Cerner, T-Mobile(Sprint), AT&T, BNSF Railway, Honeywell, and GEICO.





# FINANCIAL BREAKDOWN

## PROPERTY PRO-FORMA OVERVIEW

UNIT DESCRIPTION			CURRENT RENTAL INFORMATION		
# OF UNITS	UNIT TYPE	UNIT SF	RENT	MONTHLY RENT	ANNUAL RENT
12	2x1	900	\$1,195	\$14,340	\$172,080
<b>12</b>		<b>10800</b>		<b>\$14,340</b>	<b>\$172,080</b>

	TOTAL	PER UNIT	%GPI
<b>GROSS POTENTIAL INCOME (current)</b>	<b>\$172,080</b>	<b>\$14,340</b>	<b>-</b>
VACANCY & LOSS TO LEASE	-\$12,906	-\$1,076	-7.50%
OTHER INCOME + RUBS	\$2,400	\$200	1.39%
<b>ADJUSTED GROSS INCOME</b>	<b>\$161,574</b>	<b>\$13,464.5</b>	<b>%AGI</b>
ADMINISTRATIVE/LEGAL	\$1,200	\$100	0.74%
REPAIRS & MAINTENANCE	\$9,000	\$750	5.57%
CLEANING, LAWN, PEST & SNOW	\$3,000	\$250	1.86%
UTILITIES + TRASH	\$12,000	\$1,000	7.43%
PROPERTY MANAGEMENT	\$12,926	\$1,077	8.00%
PROPERTY TAX	\$6,066	\$505	3.75%
INSURANCE	\$7,200	\$600	4.46%
REPLACEMENT RESERVES	\$3,000	\$250	1.86%
<b>TOTAL OPERATING EXPENSES</b>	<b>\$54,392</b>	<b>\$4,533</b>	<b>33.66%</b>
<b>NET OPERATING INCOME</b>	<b>\$107,182</b>	<b>\$8,932</b>	

THE ABOVE TABLE REPRESENTS A PROPERTY PRO-FORMA WITH PROPOSED MARKET RENTS OF \$1,195 AND 7.5% VACANCY. THE PRO-FORMA ASSUMES THE REHAB PROJECT HAS BEEN COMPLETED WITH HIGH-END FINISHES & WASHER/DRYER IN UNIT. WE ADDED REPLACEMENT RESERVES OF \$250/UNIT TO ACCOUNT FOR EXPENDITURES AND FIXED MANAGEMENT AT 8% TO ACCOUNT FOR 3<sup>RD</sup> PARTY MANAGEMENT. THIS PRO-FORMA DOES NOT ASSUME SEPARATE METERING FOR WATER OR TAX INCENTIVES/ABATEMENTS.



# SOURCES OF INFORMATION

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- The Jackson County Assessor's Office and online databases
- The City of Kansas City, Missouri
- Loopnet, CoStar, Crexi and Multiple Listing Services (MLS)
- Market participants and property managers familiar with the market area
- Public records, surveys, and appraisals

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