

# THE NEW ENGLAND BUILDING

503 S Kansas Ave, Topeka, KS 66603

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The New England Building is a 92,198<sup>+/-</sup> SF office building in downtown Topeka, Kansas. This six-story building was built in 1911 and has been renovated many times over the years, with the most recent being in 2020. It is 100% leased by two State of Kansas tenants, the Kansas Department of Aging and Disability Services and the Kansas Department for Children and Families.

Topeka is the state capital of Kansas and is 60 miles west of Kansas City. The major thoroughfares are I-70, I-470, and the Kansas Turnpike (I-335).

# INVESTMENT SUMMARY

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<b>Sale Price</b>	<b>\$4,500,000.00</b>
<b>Total Building Size</b>	92,198 <sup>+/-</sup> SF
<b>2024 Taxes</b>	\$161,574.78
<b>Year 1 NOI</b>	\$561,094
<b>Cap Rate</b>	10.4%
<b>Land Size per Shawnee County</b>	15,000 <sup>+/-</sup> SF
<b>Zoning</b>	C5
<b>Year Built</b>	1911

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## Kansas Department for Children and Families

The Kansas Department for Children and Families is available to assist with child care and child support, employment education and training, food and cash assistance, support for youth who have experienced foster care and more.

**Square Feet:** 25,377<sup>+/-</sup> SF of office space, \$11.55/SF/YR

1,968<sup>+/-</sup> SF of floor space for records and property storage, \$3.50/SF/YR

Five year renewal option with at least 90 days notice, \$12/SF/YR

The tenant pays electricity, water, gas, heat, telephone, custodial, and trash removal within the leased space.

**Base Rent:** \$299,992/year

\$24,999.33/month

**Lease Terms:** 2/1/2025 - 1/31/2030, Flat rate



## Kansas Department of Aging and Disability Services

Protecting Kansans, Promoting Recovery & Supporting Self-Sufficiency. KDADS is responsible for investigating allegations of abuse, neglect, exploitation, or failure to provide adequate care and services to residents in adult care homes.

**Square Feet:** 55,595<sup>+/-</sup> SF of office space, \$11.50/SF/YR

3,721<sup>+/-</sup> SF of floor space for records and property storage, \$3.50/SF/YR

Five year renewal option with at least 90 days notice, \$12/SF/YR

The tenant pays electricity, water, gas, heat, telephone, custodial, and trash removal within the leased space.

**Base Rent:** \$652,180/year

\$54,348.33/month

**Lease Terms:** 2/1/2025 - 1/31/2030, Flat rate

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**GROSS INCOME:** \$952,172/year

\$79,347.67/month

# INCOME & EXPENSES

## Beginning 2/1/2025

Property: 503 S. Kansas

Total Sq. Footage	86,661		
KDADS Square Feet:	55,595		
KDADS Storage	3,721		
DCF	25,377		
DCF Storage	1,968		
		2024 Expenses	
		- 2025 Income	
		Actual	/sf/yr
<b>Income</b>			
KDADS	\$639,343	\$11.50	
Storage	\$12,837	\$3.45	
DCF	\$293,104	\$11.55	
DCF Storage	\$6,888.00	\$3.50	
Gross Income	\$952,172	\$10.99	
Less 8% Vacancy	\$0		
<b>Operating Income</b>	<b>\$952,172</b>	<b>\$10.99</b>	
<b>Expenses</b>			
Repairs & Maintenance	\$20,164	\$0.23	
HVAC	\$44,513	\$0.51	
HVAC Repairs	\$59,313	\$0.68	
Elevator	\$21,466	\$0.25	
Telephone/Internet	\$6,240	\$0.07	
Software	\$1,851	\$0.02	
Property Management	\$28,830	\$0.33	
Insurance	\$28,593	\$0.33	
Property Accounting Fees	\$14,400	\$0.17	
Property Tax	\$149,300	\$1.72	
Electric Labor & Repair	\$1,903	\$0.02	
Plumbing	\$7,446	\$0.09	
Fire & Safety	\$4,594	\$0.05	
Transaction Fees	\$10	\$0.00	
Pest Control	\$2,132	\$0.02	
Roofing (Instalation & Repairs)	\$325	\$0.00	
<b>Total Estimated Expenses</b>	<b>\$391,078</b>	<b>\$4.51</b>	
<b>Operating Expense Ratio</b>	<b>41.07%</b>		
<b>Net Operating Income</b>	<b>\$561,094</b>	<b>\$6.47</b>	

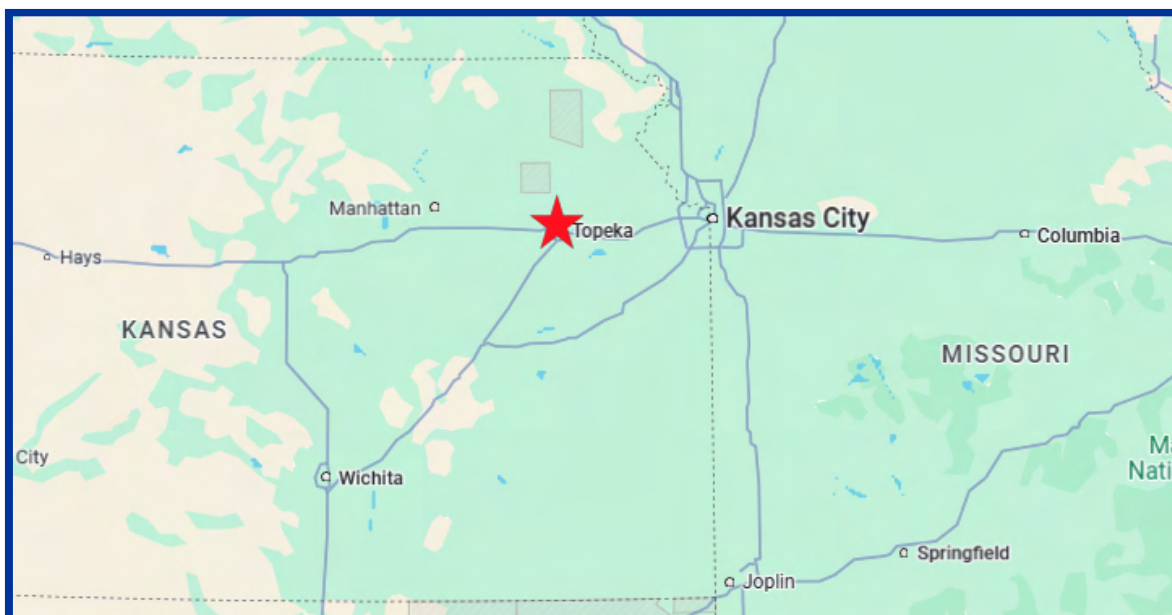
Value with Cap Rate of	9.0%	\$6,234,376	\$112.14
Value with Cap Rate of	9.5%	\$5,906,251	\$106.24
Value with Cap Rate of	10.0%	\$5,610,938	\$100.93
Value with Cap Rate of	10.4%	\$5,395,133	\$97.04
Value with Cap Rate of	11.0%	\$5,100,853	\$91.75



# INVESTMENT HIGHLIGHTS

- The New England Building is in an Opportunity Zone, offering significant tax advantages to investors. One of the key benefits is the ability to temporarily defer taxes on capital gains that have already been earned, providing a potential for tax savings in short term.  
There is an opportunity for a step-up in basis on previously earned capital gains if the property is held for 5-7 years, which can further reduce capital gains. For long-term investors, holding the property for at least 10 years could result in the permanent exclusion of taxable income on any new gains earned from the property. It is recommended to consult your tax advisor to understand these benefits.
- Improvements and upgrades:

✓ Cooling tower replacement, 2019	\$113,000
✓ Elevator cab refresh, 2020	\$310,000
✓ East & West elevator driver replacements, 2022	\$60,000
✓ Security cameras, 2024	\$33,000
✓ Access control badge reader system, 2024	\$65,000
✓ Bottle filler water fountains, 2024	\$20,000
✓ North exterior stairwell repair, 2024	\$54,000
✓ Gates and handrails (north stairwell), 2024	\$60,000
- The Kansas Department of Aging and Disability Services and the Kansas Department for Children and Families lease 100% of the building. Their leases are until January 31, 2030.
- Downtown Topeka has resurged in the last ten years due to public and private investments leading to improvements in the district. Many restaurants and shops are within walking distance. Everygy Plaza and the Topeka Performing Arts Center host hundreds of events annually. A new locally owned boutique hotel opened on Kansas Avenue in 2019, and the Kansas State Capitol Building is only four blocks away.



## Building Size

Total Area: 92,198<sup>+/-</sup> SF

Land Size: 15,820<sup>+/-</sup> SF

## Building Features

Number of Floors: Six (lower level is partially finished)

Approximate Floor Size: 15,366<sup>+/-</sup> SF

Ceiling Height: 9'

## Construction Details

Construction: Reinforced concrete

Roof: PVC Membrane, 2013

HVAC: Central air and heat. Two gas-fired hydronic boilers, two roof-mounted forced draft Evapco cooling towers with air handling units, variable air volume terminals, and vertical water-cooled package air condition units.

Electrical: 3,000 amps with 277/480 volt, stepped down to 208Y/120 volt, 3-phase, 4-wire service.

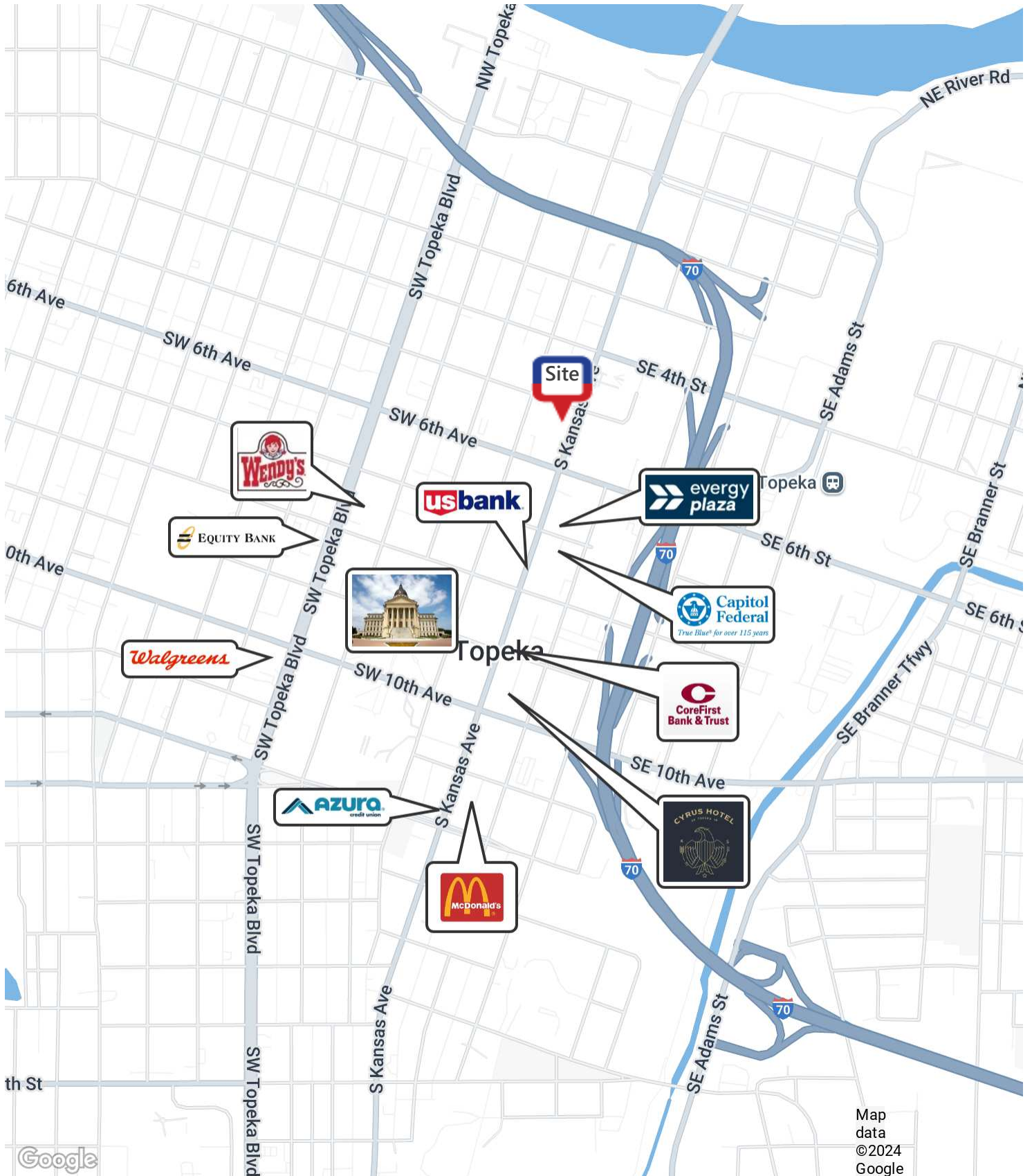
Lighting: Recessed and surface fluorescent fixtures

Fire Sprinklers: Automatic fire protection wetpipe system to protect elevator lobbies

Elevator: Two OTIS manufactured overhead traction elevators. Interior cab renovations completed in 2021.



# AERIAL MAP





For more information contact:

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