

# SALE PACKAGE

## Marcy Holmes Five Units

409 7th Street Southeast  
Minneapolis, MN 55414

Metro Group Real Estate  
952-445-5970  
612-239-6390  
jerry@metrogre.com  
www.metrogre.com



# INTRODUCTION LETTER

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January 29, 2025

**Re: FOR SALE - 409 7<sup>th</sup> Street Southeast, Minneapolis, MN 55414**

Dear Investor,

Thank you for expressing an interest in this 5-Unit Apartment property near the University of MN. The building is in a very good location and will make a great investment.

The Seller Offer Price is: **\$431,900**

**Investment Highlights:**

- Value-Add Opportunity
- Great Location in Marcy Holmes Neighborhood
- Zoned UN2 / Urban Neighborhood District
- Large Lot
- New Roof 2023
- Off-Street Parking

Please feel free to contact me about viewing the property.

Thank You,

**METRO GROUP REAL ESTATE**

*Jerry Lindeen*

Jerry Lindeen  
Broker/Owner

**Memberships:** Multiple Listing Service (MLS), Costar, Loopnet, Minnesota Multi Housing Association, Minneapolis Realtors Association, Minnesota Realtors, National Association of Realtors.

[Additional Property Photos](#)  
[Property Location Map](#)  
[Agency Relationships in Real Estate](#)

**Note:** All communication, inquiries and requests for more data should be addressed to Jerry Lindeen, as representatives of the Seller. Management at the property should not be contacted directly.

**Property Visit:** Interested investors are required to schedule a time to meet with Jerry Lindeen or a Representative of Metro Group Real Estate to tour the asset and discuss any potential offers. Please contact Jerry Lindeen to schedule a tour or if you have any questions.

# CONFIDENTIALITY AGREEMENT

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**Metro Group Real Estate** has been engaged to act as the Exclusive Agent of the Seller/Owner in connection with the proposed property sale indicated by the property address above.

This will serve to confirm you agree to the term expressed by Metro Group Real Estate concerning certain material, data and information (the "Offering Materials") which the owner may make available to you as the ("Prospective Purchaser (Buyer) or Broker/Agent") for study in connections with a possible purchase by Prospective Purchaser of the Subject Property with related improvements, located at the above-mentioned address.

1. In connection with your request, Metro Group Real Estate shall provide to the Buyer and its designated representatives, an opportunity to examine the certain confidential records and the Property, as may be reasonably requested by them. In examining the confidential records and Property, Buyer/Buyer's Representative shall act in a manner to prevent disruption to or interference with the activities conducted at the Property and the business of Owner/Seller/Property Management.

2. All information provided or to be provided by Metro Group Real Estate, its officers, directors, employees, affiliates and agents, to Buyer, its officers, directors, affiliates and agents in connections with your evaluation of the Property, whether written or oral, is provided on a strictly confidential basis for the Buyer's use solely in evaluating the possible purchase of the Property and may not be used for any other purpose or disclosed, reproduced or disseminated without the prior written consent of Seller/Owner (except as may be required by law or regulatory or judicial process and except for documents which are recorded in the public records).

3. Buyer agrees to hold in strict confidence all confidential information obtained with respect to the Property. Upon demand by Seller/Owner or Seller's Broker at any time, Buyer shall return to Seller/Owner or Seller's Broker all confidential information provided to Buyer without retaining any copies or abstracts thereof. Any unauthorized disclosure or use of the confidential information by Buyer may cause irreparable harm and result in significant damages to Seller/Owner and such harm and damages may be difficult to ascertain. Therefore, Seller/Owner shall have the right to an immediate injunction against any breach of this letter agreement by Buyer. The provisions of this paragraph shall survive expiration or termination of this letter agreement.

4. Neither Metro Group Real Estate nor the Owner makes any claims or assumes any responsibility for the accuracy or completeness of the Confidential Information. This information was furnished to Metro Group Real Estate by others and has not been independently verified by Metro Group Real Estate. Neither the Owner nor Metro Group Real Estate shall have any liability for any reason to the Prospective Purchaser and/or Broker resulting from the use of the Confidential Information by the Prospective Purchaser and/or Broker.

5. This letter shall be interpreted in accordance with the laws of the State of Minnesota, applicable to agreements made and performed in that state. This letter states the complete agreement between the parties and all prior negotiations and agreements, if any, are merged in this letter. This agreement may not be changed, modified or discharged orally, but only by a written instrument executed by the party against whom enforcement of the change, modification or discharge is sought.

By accepting this Full Sale Package, you agree to the above terms and conditions.

# EXECUTIVE SUMMARY

## OFFER PRICE

# \$431,900

Offer Price/Unit:	\$86,380
Offer Price/Bedroom:	\$53,988
Offer Price/NRSF:	\$121.73
Offer Price/Land SF:	\$48.18
<b>CAP Rate (Proforma):</b>	<b>6.78%</b>
Gross Rent Multiplier:	7.6864
Cash-on-Cash Return	4.07%
Cash-on-Cash Return After Taxes	6.47%

## PROPERTY INFORMATION

Property Name:	Marcy Holmes 5-Units
Property Address:	409 7th Street Southeast Minneapolis, MN 55414
County:	Hennepin
Number of Units:	5
Number of Bedrooms:	8
Building SF:	3,548
Year Built:	1900
PID:	24-029-24-22-0011
Occupancy:	100.00%
Garages:	0
Parking Spaces:	6
Laundry:	2
Stories:	2

## PROFORMA INFORMATION

Total Gross Rent Income	
Other Income	
Gross Potential Income	
Less Vacancy	
Effective Gross Income	
Less Operating Expenses (% of EGI)	
Less Replacement Reserves (% of EGI)	
Net Operating Income (% of EGI)	
Less Debt Service	
Cashflow	
Debt Coverage Ratio	
Break-Even Occupancy	

## POTENTIAL FINANCING ANALYSIS

Loan Amount	\$324,000
Interest Rate	6.500%
Loan Constant	0.0063
Monthly P & I	\$2,048
Amortization	30
Term	5
Loan-to-Value	75%
Down Payment	\$107,900
Purchase Closing Costs	\$8,100
Due at Closing	\$116,000



## UNIT MIX & RENTAL INFORMATION

Unit Type	# of Units	Rent Range	Average
3 Bedroom	1	\$1,180	\$1,180
2 Bedroom	1	\$920	\$920
1 Bedroom	1	\$910	\$920
Studio	2	\$815 - \$820	\$818

## SITE INFORMATION

Lot Size (Acres):	0.2058
Lot Size (SF):	8,964
Lot Dimensions:	54 x 166
Legal Description:	See County
Zoning:	UN2 / Urban Neighborhd Dist
Utilities:	All
Land Value:	\$107,600
Assessed Value:	\$463,000

PROFORMA	/UNIT	/Mon	%
\$55,740	\$11,148	\$4,645.00	99.20%
\$450	\$90	\$37.50	0.80%
\$56,190	\$11,238	\$4,682.50	100.00%
\$1,686	\$337	\$140.48	3.00%
\$54,504	\$10,901	\$4,542.03	97.00%
\$25,207	\$5,041	\$2,100.58	46.25%
\$0	\$0	\$0.00	0.00%
\$29,297	\$5,859	\$2,441.44	53.75%
\$24,575	\$4,915	\$2,047.90	45.09%
\$4,722	\$944	\$393.54	8.66%
	1.19		
	91.34%		

## RENT ROLL

Bldg #	Unit #	Beds	Rent
409	1	3	\$1,180
409	2	Studio	\$815
409	3	2	\$920
409	4	1	\$910
409	5	Studio	\$820
<b>Monthly</b>		<b>8</b>	<b>\$4,645</b>
<b>Annual</b>			<b>\$55,740</b>

## ABOUT

Residential Units:	5
Bedrooms:	8
Year Built:	1900
One Bedroom:	1
Two Bedroom:	1
Three Bedroom:	1
Studio:	2
Stories:	2.00
Building Area:	3,548
Ground Floor:	1,572
Above Ground Floor:	2,560
Basement Area:	988
Lot Size:	8,964
Zone:	UN2 / Urban Neighborhd Dist / formerly R5 / Multiple-family District

Legal Description: COM ON SWLY LINE OF LOT 28 AT A PT DIS 40 FT NWLY FROM MOST SLY COR OF SAID LOT THENCE NWLY ALONG SWLY LINE 54 FT THENCE NELY AT RT ANGLES 166 7/10 FT THENCE SELY PARALLEL WITH SAID SWLY LINE 54 FT THENCE SWLY TO BEG

Approximate parcel size: 37.00 (front) X 165.00

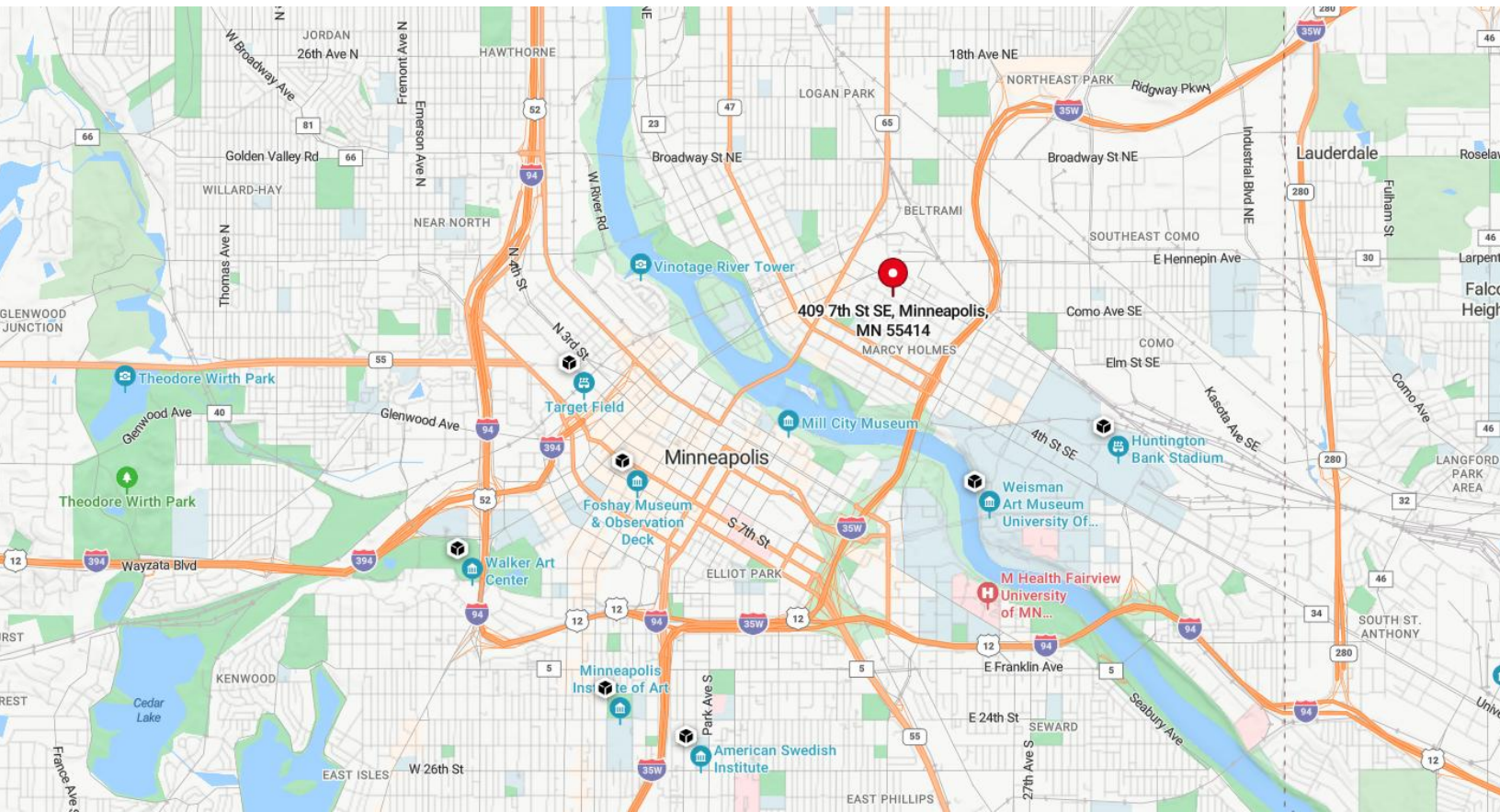
Abstract or Torrens: ABSTRACT



## LOCATION

Marcy-Holmes is the first neighborhood of Minneapolis. It is bordered on the south by the Mississippi River, to the east by the University of Minnesota and 15th Avenue SE, to the north by the railroad tracks that separate it from the Como Neighborhood, and to the west by Central Avenue. Although somewhat confusing to newcomers, the Marcy-Holmes neighborhood is considered part of Southeast Minneapolis, despite its seemingly centralized location within the city today. Every street and avenue within the neighborhood is labeled "SE"- South of East Hennepin Avenue and East of the Mississippi River. Entirely within Minneapolis' Ward 3, The neighborhood is named after Marcy Open School and Holmes Park (themselves named in honor of William L. Marcy and Oliver Wendell Holmes which are located within the neighborhood).

Marcy-Holmes is well known for its diverse community, its commercial districts, St. Anthony Main and Dinkytown, and its immediate proximity to the East Bank of the University of Minnesota-Twin Cities campus.



# PROFORMA

Property Name	Marcy Holmes 5-Units		
Property Address	409 7th Street Southeast		
Number of Units	5		
Garages	0	Expense Inflation Rate	3%
Rentable Square Feet	3,548	Vacancy	3%
Land Size	8,964	Replacement Reserves	\$0
Built	1900	Management Fee	0%

	Proforma	/Unit	/SF	% of GI	/Month
<b>Income</b>					
Gross Potential Rent	\$55,740	\$11,148	\$15.71	99.20%	\$4,645
Laundry Income	\$450	\$90	\$0.13	0.80%	\$38
Misc. Income	\$0	\$0	\$0.00	0.00%	\$0
<b>TOTAL GROSS POTENTIAL INC</b>	<b>\$56,190</b>	<b>\$11,238</b>	<b>\$15.84</b>	<b>100.00%</b>	<b>\$4,683</b>
Vacancy	\$1,686	\$337	\$0.48	3.00%	\$140
Bad Debt	\$0	\$0	\$0.00	0.00%	\$0
Rent Concessions	\$0	\$0	\$0.00	0.00%	\$0
Allowance	\$0	\$0	\$0.00	0.00%	\$0
<b>Total Vacancy</b>	<b>\$1,686</b>	<b>\$337</b>	<b>\$0.48</b>	<b>3.00%</b>	<b>\$140</b>
<b>EFFECTIVE GROSS INCOME</b>	<b>\$54,504</b>	<b>\$10,901</b>	<b>\$15.36</b>	<b>97.00%</b>	<b>\$4,542</b>
<b>Expenses: % of EGI</b>					
Real Estate Taxes	\$8,271	\$1,654	\$2.33	15.17%	\$689
Insurance	\$4,163	\$833	\$1.17	7.64%	\$347
Gas	\$2,679	\$536	\$0.76	4.92%	\$223
Electricity	\$272	\$54	\$0.08	0.50%	\$23
Trash	\$2,486	\$497	\$0.70	4.56%	\$207
Water/Sewer/Trash	\$2,096	\$419	\$0.59	3.85%	\$175
Common Area Maintenance	\$1,000	\$200	\$0.28	1.83%	\$83
Unit Maintenance	\$1,000	\$200	\$0.28	1.83%	\$83
Management Fee	\$0	\$0	\$0.00	0.00%	\$0
Administrative	\$150	\$30	\$0.04	0.28%	\$13
License/Permits	\$190	\$38	\$0.05	0.35%	\$16
Snow Removal	\$1,800	\$360	\$0.51	3.30%	\$150
Yard/Landscaping	\$950	\$190	\$0.27	1.74%	\$79
Supplies	\$150	\$30	\$0.04	0.28%	\$13
Other	\$0	\$0	\$0.00	0.00%	\$0
<b>TOTAL EXPENSES</b>	<b>\$25,207</b>	<b>\$5,041</b>	<b>\$7.10</b>	<b>46.25%</b>	<b>\$2,101</b>
Replacement Reserves	\$0	\$0	\$0.00	0.00%	\$0
<b>TOTAL EXPENSES</b>	<b>\$25,207</b>	<b>\$5,041</b>	<b>\$7.10</b>	<b>46.25%</b>	<b>\$2,101</b>
<b>NET OPERATING INCOME</b>	<b>\$29,297</b>	<b>\$5,859</b>	<b>\$8.26</b>	<b>53.75%</b>	<b>\$2,441</b>
DEBT SERVICE	\$24,575	\$4,915	\$6.93	45.09%	\$2,048
CASH FLOW	\$4,722	\$944	\$1.33	8.66%	\$394

## RENT ROLL

# of Units	Bldg #	Unit #	Beds	Rent	Lease Start	Lease End	Year
1	409	1	3	\$1,180	9/1/2023	8/30/2025	\$14,160
2	409	2	Studio	\$815	6/1/2024	5/31/2025	\$9,780
3	409	3	2	\$920	5/1/2024	4/30/2025	\$11,040
4	409	4	1	\$910	7/15/2024	6/30/2025	\$10,920
5	409	5	Studio	\$820	4/1/2024	3/30/2025	\$9,840
<b>Monthly</b>		<b>8</b>		<b>\$4,645</b>			<b>\$55,740</b>

## AGENCY RELATIONSHIPS IN REAL ESTATE TRANSACTIONS

1. Page 1

2. **MINNESOTA LAW REQUIRES** that early in any relationship, real estate brokers or salespersons discuss with  
3. consumers what type of agency representation or relationship they desire.<sup>(1)</sup> The available options are listed below. This  
4. is **not** a contract. **This is an agency disclosure form only. If you desire representation you must enter into a**  
5. **written contract, according to state law** (a listing contract or a buyer/tenant representation contract). Until such time  
6. as you choose to enter into a written contract for representation, you will be treated as a customer and will not receive  
7. any representation from the broker or salesperson. The broker or salesperson will be acting as a Facilitator (see  
8. paragraph IV on page two (2)), unless the broker or salesperson is representing another party, as described below.

9. **ACKNOWLEDGMENT: I/We acknowledge that I/we have been presented with the below-described options.**  
10. **I/We understand that until I/we have signed a representation contract, I/we am/are not represented by the**  
11. **broker/salesperson. I/We understand that written consent is required for a dual agency relationship.**

12. **THIS IS A DISCLOSURE ONLY, NOT A CONTRACT FOR REPRESENTATION.**

13. \_\_\_\_\_  
(Signature) (Date) (Signature) (Date)

14. I. **Seller's/Landlord's Broker:** A broker who lists a property, or a salesperson who is licensed to the listing broker,  
15. represents the Seller/Landlord and acts on behalf of the Seller/Landlord. A Seller's/Landlord's broker owes to  
16. the Seller/Landlord the fiduciary duties described on page two (2).<sup>(2)</sup> The broker must also disclose to the Buyer  
17. material facts as defined in MN Statute 82.68, Subd. 3, of which the broker is aware that could adversely and  
18. significantly affect the Buyer's use or enjoyment of the property. (MN Statute 82.68, Subd. 3 does not apply to  
19. rental/lease transactions.) If a broker or salesperson working with a Buyer/Tenant as a customer is representing the  
20. Seller/Landlord, he or she must act in the Seller's/Landlord's best interest and must tell the Seller/Landlord any  
21. information disclosed to him or her, except confidential information acquired in a facilitator relationship (see paragraph  
22. IV on page two (2)). In that case, the Buyer/Tenant will not be represented and will not receive advice and counsel  
23. from the broker or salesperson.

24. II. **Buyer's/Tenant's Broker:** A Buyer/Tenant may enter into an agreement for the broker or salesperson to represent  
25. and act on behalf of the Buyer/Tenant. The broker may represent the Buyer/Tenant only, and not the Seller/Landlord,  
26. even if he or she is being paid in whole or in part by the Seller/Landlord. A Buyer's/Tenant's broker owes to the  
27. Buyer/Tenant the fiduciary duties described on page two (2).<sup>(2)</sup> The broker must disclose to the Buyer material facts  
28. as defined in MN Statute 82.68, Subd. 3, of which the broker is aware that could adversely and significantly affect  
29. the Buyer's use or enjoyment of the property. (MN Statute 82.68, Subd. 3 does not apply to rental/lease transactions.)  
30. If a broker or salesperson working with a Seller/Landlord as a customer is representing the Buyer/Tenant, he or  
31. she must act in the Buyer's/Tenant's best interest and must tell the Buyer/Tenant any information disclosed to him  
32. or her, except confidential information acquired in a facilitator relationship (see paragraph IV on page two (2)). In  
33. that case, the Seller/Landlord will not be represented and will not receive advice and counsel from the broker or  
34. salesperson.

35. III. **Dual Agency - Broker Representing both Seller/Landlord and Buyer/Tenant:** Dual agency occurs when one  
36. broker or salesperson represents both parties to a transaction, or when two salespersons licensed to the same  
37. broker each represent a party to the transaction. Dual agency requires the informed consent of all parties, and  
38. means that the broker and salesperson owe the same duties to the Seller/Landlord and the Buyer/Tenant. This  
39. role limits the level of representation the broker and salesperson can provide, and prohibits them from acting  
40. exclusively for either party. In a dual agency, confidential information about price, terms and motivation for pursuing  
41. a transaction will be kept confidential unless one party instructs the broker or salesperson in writing to disclose  
42. specific information about him or her. Other information will be shared. Dual agents may not advocate for one party  
43. to the detriment of the other.<sup>(2)</sup>

44. Within the limitations described above, dual agents owe to both Seller/Landlord and Buyer/Tenant the fiduciary  
45. duties described below.<sup>(2)</sup> Dual agents must disclose to Buyers material facts as defined in MN Statute 82.68, Subd.  
46. 3, of which the broker is aware that could adversely and significantly affect the Buyer's use or enjoyment of the  
47. property. (MN Statute 82.68, Subd. 3 does not apply to rental/lease transactions.)

MN:AGCYDICS-1 (8/19)





## AGENCY RELATIONSHIPS IN REAL ESTATE TRANSACTIONS

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49. IV. **Facilitator:** A broker or salesperson who performs services for a Buyer/Tenant, a Seller/Landlord or both but  
 50. does not represent either in a fiduciary capacity as a Buyer's/Tenant's Broker, Seller's/Landlord's Broker or Dual  
 51. Agent. **THE FACILITATOR BROKER OR SALESPERSON DOES NOT OWE ANY PARTY ANY OF THE FIDUCIARY**  
 52. **DUTIES LISTED BELOW, EXCEPT CONFIDENTIALITY, UNLESS THOSE DUTIES ARE INCLUDED IN A**  
 53. **WRITTEN FACILITATOR SERVICES AGREEMENT.** The facilitator broker or salesperson owes the duty of  
 54. confidentiality to the party but owes no other duty to the party except those duties required by law or contained in  
 55. a written facilitator services agreement, if any. In the event a facilitator broker or salesperson working with a Buyer/  
 56. Tenant shows a property listed by the facilitator broker or salesperson, then the facilitator broker or salesperson  
 57. must act as a Seller's/Landlord's Broker (see paragraph I on page one (1)). In the event a facilitator broker or  
 58. salesperson, working with a Seller/Landlord, accepts a showing of the property by a Buyer/Tenant being represented  
 59. by the facilitator broker or salesperson, then the facilitator broker or salesperson must act as a Buyer's/Tenant's  
 60. Broker (see paragraph II on page one (1)).

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61. <sup>(1)</sup> This disclosure is required by law in any transaction involving property occupied or intended to be occupied by  
 62. one to four families as their residence.

63. <sup>(2)</sup> The fiduciary duties mentioned above are listed below and have the following meanings:

64. **Loyalty** - broker/salesperson will act only in client(s)' best interest.

65. **Obedience** - broker/salesperson will carry out all client(s)' lawful instructions.

66. **Disclosure** - broker/salesperson will disclose to client(s) all material facts of which broker/salesperson has knowledge  
 67. which might reasonably affect the client(s)' use and enjoyment of the property.

68. **Confidentiality** - broker/salesperson will keep client(s)' confidences unless required by law to disclose specific  
 69. information (such as disclosure of material facts to Buyers).

70. **Reasonable Care** - broker/salesperson will use reasonable care in performing duties as an agent.

71. **Accounting** - broker/salesperson will account to client(s) for all client(s)' money and property received as agent.

72. <sup>(3)</sup> If Seller(s)/Landlord(s) elect(s) not to agree to a dual agency relationship, Seller(s)/Landlord(s) may give up the  
 73. opportunity to sell/lease the property to Buyer(s)/Tenant(s) represented by the broker/salesperson. If Buyer(s)/  
 74. Tenant(s) elect(s) not to agree to a dual agency relationship, Buyer(s)/Tenant(s) may give up the opportunity to  
 75. purchase/lease properties listed by the broker.

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76. **NOTICE REGARDING PREDATORY OFFENDER INFORMATION:** Information regarding the predatory offender  
 77. registry and persons registered with the predatory offender registry under MN Statute 243.166 may be  
 78. obtained by contacting the local law enforcement offices in the community where the property is located,  
 79. or the Minnesota Department of Corrections at (651) 361-7200, or from the Department of Corrections Web site at  
 80. [www.corr.state.mn.us](http://www.corr.state.mn.us).

MN:AGCYDISC-2 (8/19)

## ABOUT METRO GROUP REAL ESTATE

**Metro Group Real Estate** is a locally owned Investment Real Estate Sales, Finance Facilitator & Property Management Company focused primarily on Multifamily Real Estate.

Over 25 years of experience in investment real estate transaction management including buying and selling millions of dollars' worth of properties for others as clients and business partners. Commercial real estate finance experience closing millions of dollars of real estate loans for investors and business partners. Experience with 1031 Exchanges, condominium conversions, property flips.

Property operating experience with property and financial management, maintenance, marketing & leasing, property rehab, staff & vendor management.

### Jerry Lindeen - Broker & Owner

**Jerry Lindeen** has over 25 years of business experience in the multifamily and commercial real estate business. He received a Bachelor of Science degree with an emphasis in real estate from St. Cloud State University in Minnesota in 1995.

From the strong encouragement of a local commercial real estate executive, Jerry entered the investment real estate sales business in the Twin Cities area. Since then, Jerry has sold several million dollars' worth of investment real estate from single family housing to 50+ unit apartment properties. Jerry's understanding of finance, investment, networking, and real estate operations has proven valuable in helping investors make wise real estate investment decisions.

### Commercial Real Estate Finance

The first five years of his career were spent in the commercial real estate finance arena, primarily as an analyst/underwriter and a construction real estate lender.

In those first five years he learned the ins-and-outs of commercial real estate finance from construction lending/administration in a direct lender environment to permanent finance working for a national commercial mortgage brokerage organization. He performed commercial real estate financial analysis on all property types, including multifamily, office, retail, industrial and mixed-use. He coordinated and closed millions of dollars of real estate construction and permanently financed real estate, working directly with borrowers, lenders, and third-party service providers.

### Multifamily Housing Investor

Since 1996, Jerry has completed over \$8,000,000 worth of multifamily real estate transactions on the behalf of himself and his equity partners. He is majority owner and managing partner of 5 multifamily properties consisting of 47 market rate apartment units in Northeast Minneapolis, Columbia Heights and St. Cloud, MN and 10 townhomes in Jordan, MN. He has been involved in every aspect of multifamily investment and property management, including acquisition/disposition, 1031 exchanges, condominium conversions, finance, negotiations, underwriting, financial and property operations, marketing and leasing, property rehab and maintenance and vendor and staff management.

### Veteran

Jerry Lindeen was honorably discharged from the MN Army National Guard in 1999 after serving 10 years.

**Memberships:** Multiple Listing Service (MLS), Costar, Loopnet, Minnesota Multi Housing Association, Minneapolis Realtors Association, Minnesota Realtors, National Association of Realtors.

