

**OFFERING MEMORANDUM**

# **GOLFVIEW APARTMENTS**

917 WEST 35TH AVE, GARY, IN 46408



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Legal questions should be discussed by the party with an attorney. Tax questions should be discussed by the party with a certified public accountant or tax attorney. Title questions should be discussed by the party with a title officer or attorney. Questions regarding the condition of the property and whether the property complies with applicable governmental requirements should be discussed by the party with appropriate engineers, architects, contractors, other consultants and governmental agencies. All properties and services are marketed by LM Commercial Real Estate in compliance with all applicable fair housing and equal opportunity laws.

# SECTION 1

## PROPERTY INFORMATION

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## EXECUTIVE SUMMARY



### PROPERTY OVERVIEW

LM Commercial is pleased to present the sale of 917 W 35th Ave in Gary, Indiana. This is a 10 unit building comprised of all 2 Bedroom/1 Bathroom units. The building has a brand new central boiler system, sleeved wall A/C units, and tenants are responsible for their own electric bills. The units are around 900 SQFT and have a great unit layout for the tenants.

### LOCATION OVERVIEW

The property is located on a very popular street of 35th Ave in Gary, Indiana next to the beautiful South Gleason Golf Course, and a few blocks from Indiana University Northwest. This is a very sought after rental market because of the central location near I-65 & I-80. There are many popular restaurants and shopping strip malls close by, along with a few city parks like the North Gleason Park Pavilion.

In the past few years Gary, Indiana has stimulated over 100 Million Dollars in private investment, small business owners have embraced Gary as a place to plant and grow, and has created more than 2000 new jobs as a result. Many new youth programs have been adopted to insure the growth of the next generation.



917 WEST 35TH AVE, GARY, IN 46408

# INVESTMENT OVERVIEW

|                    |                    |
|--------------------|--------------------|
| Sale Price:        | \$400,000          |
| Number of Units:   | 10                 |
| Price Per Unit:    | \$40,000           |
| NOI:               | \$48,907           |
| Cap Rate:          | 12.23%             |
| Building SF:       | 10,323 SF          |
| Land SF:           | 6,752 SF           |
| Unit Type:         | 2 Bed/1 Bath       |
| Heating System:    | Boiler/Radiator    |
| Air Conditioning:  | Sleeved Wall Units |
| Roof:              | Flat               |
| Parking:           | Street Parking     |
| Year Built:        | 1951               |
| Real Estate Taxes: | \$3880             |
| Laundry:           | 2 Washers/2 Dryers |



FOR SALE

917 WEST 35TH AVE, GARY, IN 46408

## ADDITIONAL PHOTOS





917 WEST 35TH AVE, GARY, IN 46408

## ADDITIONAL PHOTOS



# SECTION 2

## LOCATION INFORMATION

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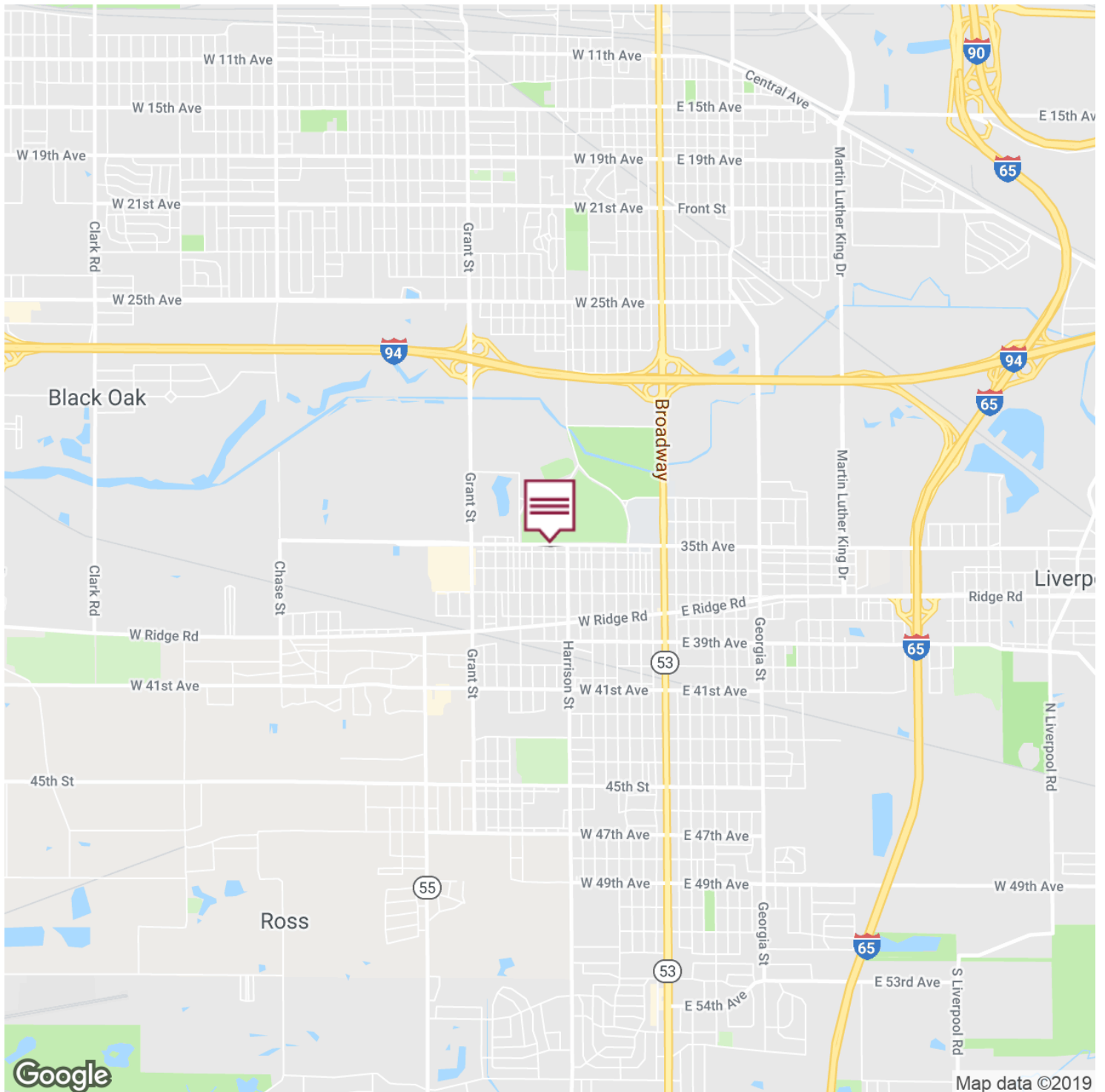
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FOR SALE

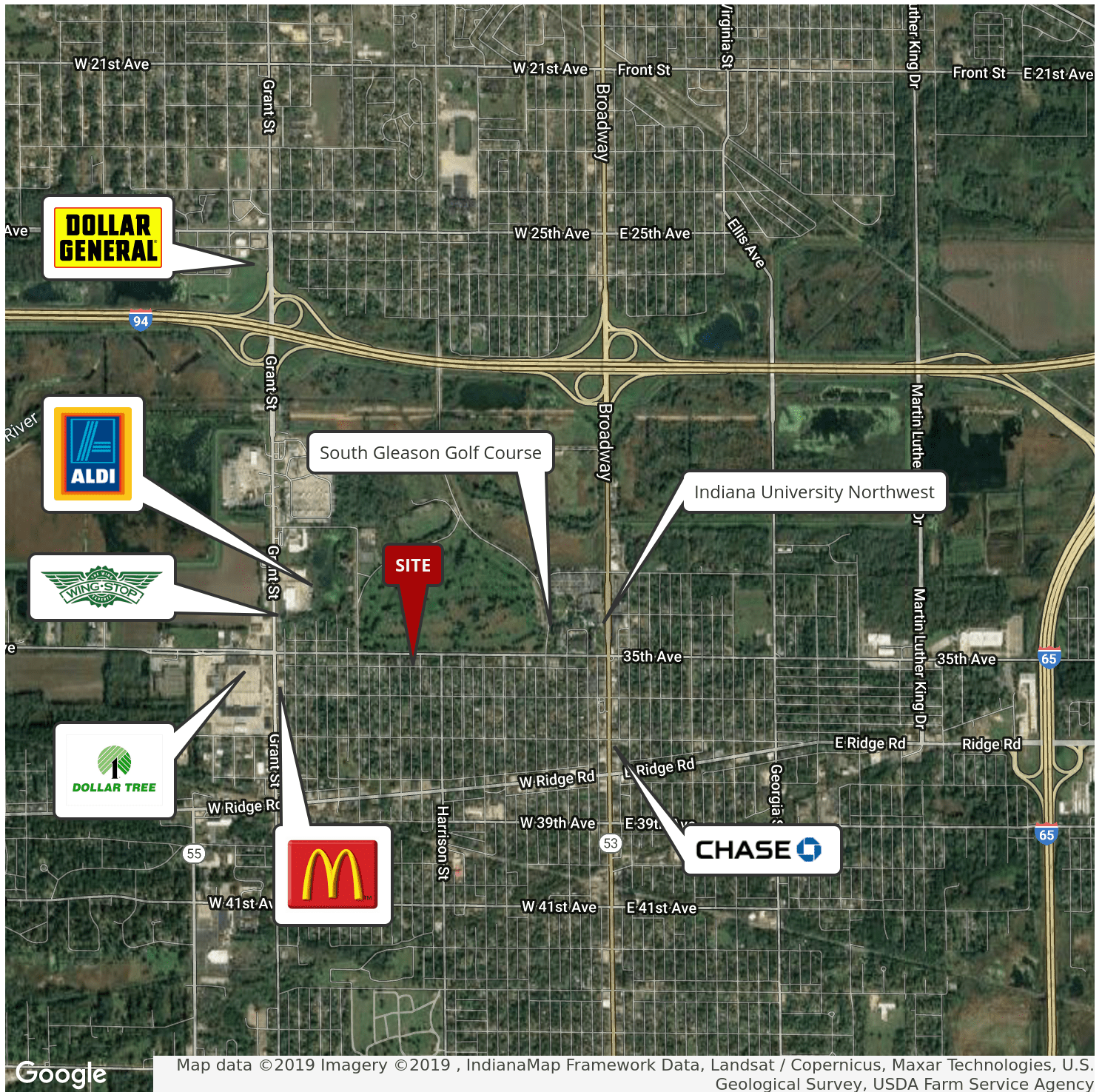
917 WEST 35TH AVE, GARY, IN 46408

## REGIONAL MAP



917 WEST 35TH AVE, GARY, IN 46408

## RETAILER MAP





FOR SALE

917 WEST 35TH AVE, GARY, IN 46408

## AERIAL MAPS





917 WEST 35TH AVE, GARY, IN 46408

## CITY INFORMATION



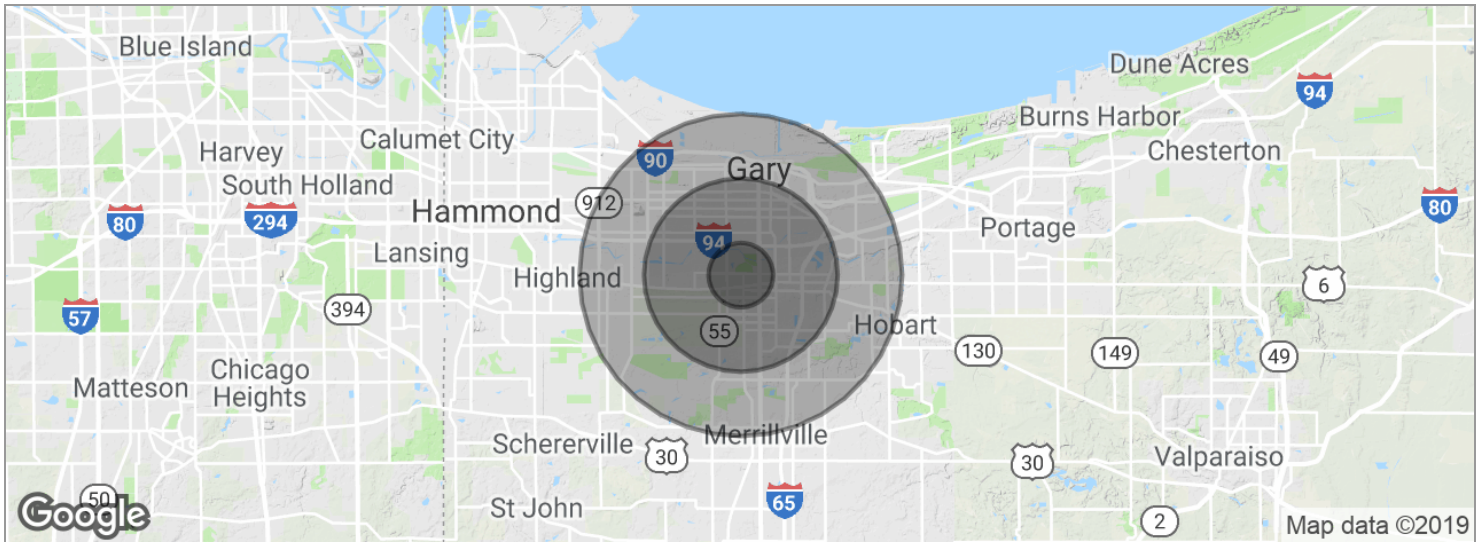
### GARY, IN

Gary, Indiana is located on the beautiful shores of Lake Michigan and on three major Interstates. The city is located in Lake County, and is just 25 miles from downtown Chicago, Illinois. It is adjacent to the Indiana Dunes National Park and borders Lake Michigan. It is home to Miller Beach, which has five miles of sugar sand beach to enjoy. There is also scenic hiking, biking and shopping at historic downtown Lake Street.

The city is also known for its large steel mills, as well as being the birthplace of the Jackson 5 music group. Three school districts serve the city, and multiple charter schools are located within the city as well. Gary is also home to two state college campuses - Indiana University Northwest and Ivy Tech Community College Northwest.

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# DEMOGRAPHICS MAP



| POPULATION          | 1 MILE   | 3 MILES  | 5 MILES  |
|---------------------|----------|----------|----------|
| Total population    | 8,101    | 71,861   | 144,378  |
| Median age          | 39.4     | 37.6     | 37.4     |
| Median age (male)   | 32.3     | 35.2     | 34.6     |
| Median age (Female) | 42.2     | 38.7     | 39.1     |
| HOUSEHOLDS & INCOME | 1 MILE   | 3 MILES  | 5 MILES  |
| Total households    | 3,062    | 26,687   | 54,470   |
| # of persons per HH | 2.6      | 2.7      | 2.7      |
| Average HH income   | \$37,887 | \$40,809 | \$44,266 |
| Average house value | \$75,151 | \$82,048 | \$92,057 |

\* Demographic data derived from 2010 US Census

# SECTION 3

## FINANCIAL ANALYSIS

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# FINANCIAL SUMMARY

| INVESTMENT OVERVIEW        | ACTUALS   | PRO FORMA |
|----------------------------|-----------|-----------|
| Price                      | \$400,000 | \$400,000 |
| Price per Unit             | \$40,000  | \$40,000  |
| GRM                        | 5.7       | 5.1       |
| CAP Rate                   | 12.2%     | 13.5%     |
| Cash-on-Cash Return (yr 1) | 30.67 %   | 35.73 %   |
| Total Return (yr 1)        | \$35,506  | \$40,571  |
| Debt Coverage Ratio        | 2.68      | 2.96      |
| OPERATING DATA             | ACTUALS   | PRO FORMA |
| Gross Scheduled Income     | \$70,200  | \$78,000  |
| Other Income               | \$1,500   | \$1,500   |
| Total Scheduled Income     | \$71,700  | \$79,500  |
| Vacancy Cost               | \$3,510   | \$3,900   |
| Gross Income               | \$68,190  | \$75,600  |
| Operating Expenses         | \$19,283  | \$21,628  |
| Net Operating Income       | \$48,907  | \$53,972  |
| Pre-Tax Cash Flow          | \$30,666  | \$35,731  |
| FINANCING DATA             | ACTUALS   | PRO FORMA |
| Down Payment               | \$100,000 | \$100,000 |
| Loan Amount                | \$300,000 | \$300,000 |
| Debt Service               | \$18,241  | \$18,241  |
| Debt Service Monthly       | \$1,520   | \$1,520   |
| Principal Reduction (yr 1) | \$4,840   | \$4,840   |

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# INCOME & EXPENSES

## UNIT MIX

| UNIT TYPE              | COUNT     | % TOTAL     | SIZE (SF)    | RENT           | RENT/SF       | MARKET RENT    | MARKET RENT/SF |
|------------------------|-----------|-------------|--------------|----------------|---------------|----------------|----------------|
| 2 Bed / 1 Bath         | 10        | 100.0       | 900          | \$585          | \$0.65        | \$650          | \$0.72         |
| <b>Totals/Averages</b> | <b>10</b> | <b>100%</b> | <b>9,000</b> | <b>\$5,850</b> | <b>\$0.65</b> | <b>\$6,500</b> | <b>\$0.72</b>  |

## INCOME SUMMARY

|                     | ACTUALS         | PRO FORMA       |
|---------------------|-----------------|-----------------|
| Rental Income       | \$70,200        | \$78,000        |
| Laundry Income      | \$1,500         | \$1,500         |
| <b>Gross Income</b> | <b>\$71,700</b> | <b>\$79,500</b> |

## EXPENSE SUMMARY

|                             | ACTUALS         | PRO FORMA       |
|-----------------------------|-----------------|-----------------|
| Taxes                       | \$3,880         | \$4,180         |
| Insurance                   | \$6,050         | \$6,500         |
| Water/Sewer                 | \$1,016         | \$1,050         |
| Nipsco (Gas/Electric)       | \$4,769         | \$4,998         |
| Repairs & Maintenance       | \$1,875         | \$2,500         |
| Garbage                     | \$768           | \$900           |
| Landscaping                 | \$550           | \$1,000         |
| Snow Plow                   | \$375           | \$500           |
| <b>Gross Expenses</b>       | <b>\$19,283</b> | <b>\$21,628</b> |
| <b>Net Operating Income</b> | <b>\$48,907</b> | <b>\$53,972</b> |

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# RENT ROLL

| UNIT<br>NUMBER  | UNIT<br>BED | UNIT<br>BATH | UNIT<br>SIZE (SF) | CURRENT<br>RENT | CURRENT<br>RENT (PER SF) | MARKET<br>RENT | MARKET<br>RENT/SF |
|-----------------|-------------|--------------|-------------------|-----------------|--------------------------|----------------|-------------------|
| 1               | 2           | 1            | 900               | \$585           | \$0.65                   | \$650          | \$0.72            |
| 2               | 2           | 1            | 900               | \$585           | \$0.65                   | \$650          | \$0.72            |
| 3               | 2           | 1            | 900               | \$585           | \$0.65                   | \$650          | \$0.72            |
| 4               | 2           | 1            | 900               | \$585           | \$0.65                   | \$650          | \$0.72            |
| 5               | 2           | 1            | 900               | \$585           | \$0.65                   | \$650          | \$0.72            |
| 6               | 2           | 1            | 900               | \$585           | \$0.65                   | \$650          | \$0.72            |
| 7               | 2           | 1            | 900               | \$585           | \$0.65                   | \$650          | \$0.72            |
| 8               | 2           | 1            | 900               | \$585           | \$0.65                   | \$650          | \$0.72            |
| 9               | 2           | 1            | 900               | \$585           | \$0.65                   | \$650          | \$0.72            |
| 10              | 2           | 1            | 900               | \$585           | \$0.65                   | \$650          | \$0.72            |
| Totals/Averages |             |              | 9,000             | \$5,850         | \$0.65                   | \$6,500        | \$0.72            |



# SECTION 4

## ADVISOR BIOS

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## ADVISOR BIOS

### ANDREW O'CONNELL

Director Of Investment Sales



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### PROFESSIONAL BACKGROUND

Andrew O'Connell is Director of Investment Sales, a Multi-Family Investment Specialist in the firm's Burr Ridge office. Mr. O'Connell specializes in Multi-Family properties throughout Suburban Chicagoland, primarily in DuPage, SW Cook, Will, Kendall and Kane Counties. He represents private investors, corporate and institutional buyers and sellers comprehensively throughout the investment sales process. Andrew has more than 12 years of experience in commercial real estate marketing and underwriting distressed assets and structured debt transactions for institutional commercial real estate firms.

### ANTHONY SPANGLER

Multi-Family Investment Broker



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### PROFESSIONAL BACKGROUND

Anthony is a Commercial Broker specializing in Multi-Family properties primarily in northern Indiana and the south suburbs of Chicago. Anthony's detailed and hands-on experience provides a thorough knowledge base for meeting client needs, assisting with real estate issues and interfacing with building owners. As a Lansing, Illinois native, he is very familiar with the northern Indiana and south suburban Chicagoland markets.