

FOR SALE



MAPLE MANOR

1409-1415 W. MAPLE AVE., INDEPENDENCE, MO 64050

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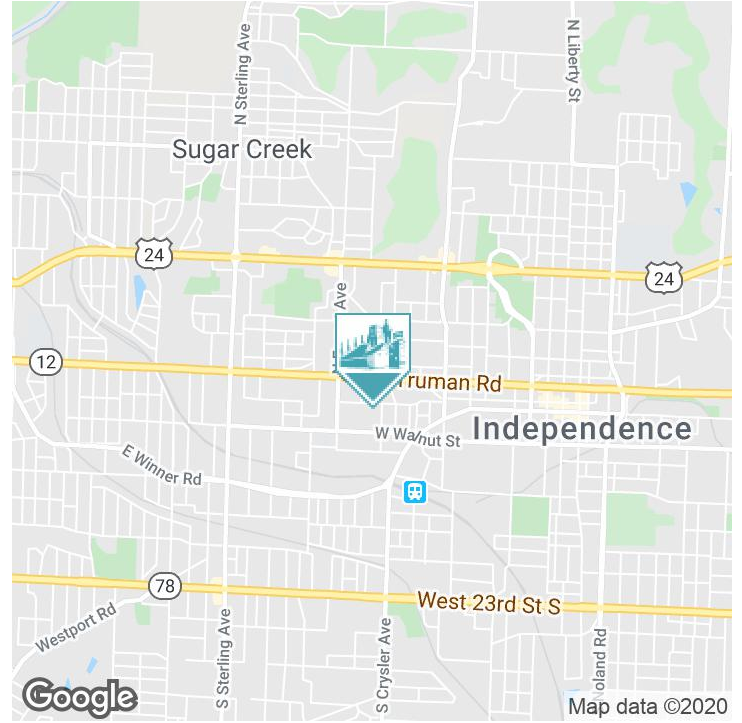
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Legal questions should be discussed by the party with an attorney. Tax questions should be discussed by the party with a certified public accountant or tax attorney. Title questions should be discussed by the party with a title officer or attorney. 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 Clemons Real Estate, LLC in compliance with all applicable fair housing and equal opportunity laws.

EXECUTIVE SUMMARY



OFFERING SUMMARY

Sale Price:	\$2,000,000
Building Size:	38,490 SF
Lot Size:	1.66 Acres
Unit Count:	40
Price / Unit:	\$50,000
Cap Rate:	7.5%
Year Built:	1969
Renovated:	2018
Parking Spaces:	65
Zoning:	R-3

PROPERTY OVERVIEW

The subject offering, Maple Manor Apartments, is a four-building, low-rise apartment complex located just off of Truman Road in Independence, Missouri. The four buildings at 1409-1415 Maple Ave. have brick exteriors and mansard-style roofs. Access to the on-site parking lot (65 spaces) is available to all residents.

In total, Maple Manor consists of 8 one-bedroom units, 24 two-bedroom units, and 8 three-bedroom units, all of which are separately metered for electric. There are 17 units receiving HUD Section 8 housing support which also have their utilities paid for by the landlord.

The current owners have invested significant capital into the asset within the past 3 years. This includes adding new roofs and siding to all 4 buildings and updating the units with newer appliances and durable finishes. Laundry facilities are located onsite.

With affordable housing becoming a growing need in recent years, Maple Manor provides a necessary affordable housing option for this market. The property should maintain a high level of occupancy and demand in the future.

COMPLETE HIGHLIGHTS



LOCATION INFORMATION

Building Name	Maple Manor
Street Address	1409-1415 W. Maple Ave.
City, State, Zip	Independence, MO 64050
County	Jackson

BUILDING INFORMATION

Year Built	1969
Year Last Renovated	2018

PROPERTY HIGHLIGHTS

- Located near downtown Independence, MO and one block south of Truman Road
- Located in an established submarket, with easy access to entertainment, retail, and job opportunities
- Significant revenue upside for investors in reducing operational and management expenses
- Separately metered for electric
- Onsite parking available for 65 spaces
- Affordable housing, especially for families (2BR/3BR) is in high demand in the Kansas City market

LOCATION



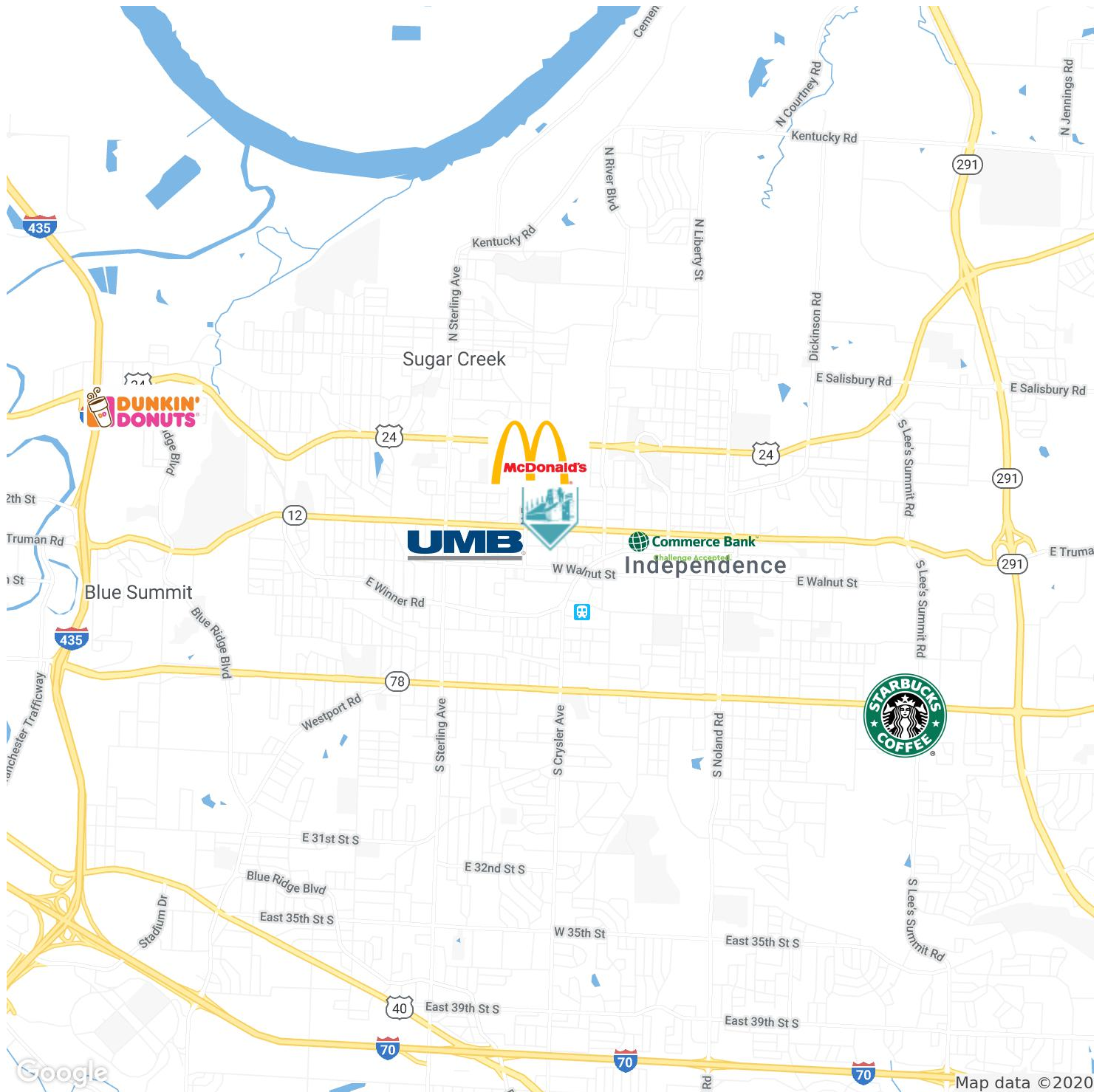
LOCATION

Maple Manor is a 40 unit multifamily property in Independence, MO, just under one mile west of downtown Independence, and the former home of U.S. President Harry Truman. It is located directly across the street from Graceland University at Independence Nursing School, and is just minutes from the homes of the Kansas City Royals and Kansas City Chiefs at Kauffman and Arrowhead Stadiums.

Independence is the fifth-largest city in the state of Missouri and encompasses over 78 square miles. It is the county seat of Jackson County, and the current population is approximately 117,255.

Independence residents enjoy over 40 parks, excellent schools, historic sites, and outstanding shopping facilities that offer a wide variety of retail choices.

RETAILER MAP



MAPLE MANOR
1409-1415 W. MAPLE AVE., INDEPENDENCE, MO 64050

FINANCIAL SUMMARY

Maple Manor				
FINANCIAL OVERVIEW				
PROPERTY SUMMARY			PROPERTY INCOME: STABILIZED	
	Total	\$ Per Unit	Annual	Per Unit Avg
Number of units	40			
Purchase Price	\$ 2,000,000	\$ 50,000		
Total			Net Operating Income	\$ 149,518
			Cap Rate	7.48%
			Annual Debt Service	\$ (97,513)
			Operating Cash Flow	\$ 52,006
			Debt Service Coverage Ratio	1.53
			Gross Rent Multiplier	6.42
			Internal Rate of Return	22.20%
			Year 1 Cash-on-Cash Return	10.40%
			First Year Principal Reduction	\$ 34,428
FINANCING ASSUMPTIONS			DISPOSITION	
Initial Equity	\$ 500,000		Anticipated Sale Year	Year 5
Loan Amount	\$ 1,500,000		Cap Rate at Sale	7.00%
Loan-to-Value	75%		Sale Price Per Unit	\$ 58,791
Interest Rate	4.25%		Gross Cap of Proforma Yr NOI	\$ 2,351,630
Amortization	25	YR	Net Proceeds (Minus Equity Invested)	\$ 445,288
Annual Payment	\$ 97,513		Yield on Equity	89.06%
ACQUISITION / DISPOSITION TIMELINE				
Acquisition Month/Year	May-20			
Months to Stabilization	18			
Anticipated Hold after Stabilization	TBD			
UNIT MIX / RENT SCHEDULE				
Unit Mix / Rent Schedule				
Units	Type	SF	Mkt Rent	Annual Rent
8	1BR/1BA	632	\$ 633	\$ 60,744
24	2BR/1BA	782	\$ 643	\$ 185,100
8	3BR/1BA	911	\$ 625	\$ 60,000
40			\$ 1,900	\$ 305,844

PROFORMA DETAILS

Maple Manor				Yr 5			
<i>Snapshot</i>		<i>Assumptions</i>		<i>Stabilized</i>	<i>Per Unit</i>	<i>Proforma</i>	<i>Per Unit</i>
Gross Potential Rent				\$ 305,844	\$ 7,646	\$ 331,056	\$ 8,276
Other Income: Utility bill back				\$ 5,760	\$ 144	\$ 6,235	\$ 156
Gross Potential Income				\$ 311,604	\$ 7,790	\$ 337,291	\$ 8,432
Less: Vacancy @		10%		\$ (30,584)	\$ (765)	\$ (33,106)	\$ (828)
Effective Gross Income				\$ 281,020	\$ 7,026	\$ 304,185	\$ 7,605
Real Estate Taxes				\$ (18,000)	\$ (450)	\$ (19,105)	\$ (478)
Property Insurance				\$ (9,000)	\$ (225)	\$ (9,552)	\$ (239)
Utilities				\$ (25,816)	\$ (645)	\$ (27,400)	\$ (685)
Management @		7.0%		\$ (19,671)	\$ (492)	\$ (20,879)	\$ (522)
Leasing @		3.0%		\$ (8,431)	\$ (211)	\$ (8,948)	\$ (224)
Maintenance @		18.0%		\$ (50,584)	\$ (1,265)	\$ (53,688)	\$ (1,342)
Total Expenses:				\$ (131,502)	\$ (3,288)	\$ (139,571)	\$ (3,489)
NOI				\$ 149,518	\$ 3,738	\$ 164,614	\$ 4,115
Cap Rate to Cost				7.48%		8.23%	
Annual Debt Service				\$ (97,513)	\$ (2,438)	\$ (97,513)	\$ (2,438)
Operating Cash Flow				\$ 52,006	\$ 1,300	\$ 67,101	\$ 1,678
Cash-on-Cash Return				10.40%		13.42%	
DISPOSITION							
Anticipated Cap Rate at Sale				7.00%			
Gross Cap of Proforma YR NOI				\$ 2,351,630			
Disposition Costs @		4%		\$ (94,065)			
Net Sale Proceeds before eTax and Debt Repayment				\$ 2,257,565			
Less Loan Principal Remaining				\$ (1,312,277)			
Net Sales Proceeds (After Debt)				\$ 945,288			
Net Profit (Minus Equity) **				\$ 445,288			
Yield on Equity				89%			

RENT ROLL

Affordable Rent Roll

Property: Maple Manor Apartments (14maplem) Sort by: Unit
As of 2/3/2020

Unit	Unit Type	Sqft	Bed Rms	Tenant	Program	Contract No.	Tran Type	Effective Date	Market Rent	Gross Rent
Maple Manor Apartments (14maplem)										
1409-A	14-1bed	632	1	VACANT		MO16M000155			677	0
1409-B	14-1bed	632	1						677	500
1409-C	14-1bed	632	1		Sec 8	MO16M000155 AR		09/01/19	677	677
1409-D	14-1bed	632	1		Sec 8	MO16M000155 AR		01/01/20	677	677
1409-E	14-1bed	632	1		Sec 8	MO16M000155 AR		12/01/19	677	677
1409-F	14-1bed	632	1		Sec 8	MO16M000155 AR		02/01/20	677	677
1409-G	14-1bed	632	1						500	500
1409-H	14-1bed	632	1		None	BMIR			500	500
1411-A	14-3bed	911	3						625	625
1411-B	14-3bed	911	3	VACANT					625	0
1411-C	14-3bed	911	3						625	625
1411-D	14-3bed	911	3	VACANT					625	0
1411-E	14-3bed	911	3						625	625
1411-F	14-3bed	911	3		None	BMIR			625	625
1411-G	14-3bed	911	3						625	625
1411-H	14-3bed	911	3						625	625
1413-A	14-2bed	782	2		Sec 8	MO16M000155 AR		03/01/19	755	755
1413-B	14-2bed	782	2						575	575
1413-C	14-2bed	782	2		Sec 8	MO16M000155 AR		10/01/19	755	755
1413-D	14-2bed	782	2		BMIR	BMIR MI		06/01/12	575	575
1413-E	14-2bed	782	2	VACANT					565	0
1413-F	14-2bed	782	2						565	565
1413-G	14-2bed	782	2						565	565
1413-H	14-2bed	782	2						565	565
1413-I	14-2bed	782	2			MO16M000155			550	550
1413-J	14-2bed	782	2						550	540
1413-K	14-2bed	782	2		Sec 8	MO16M000155 MI		03/22/19	755	755
1413-L	14-2bed	782	2						550	540
1415-A	14-2bed	782	2		Sec 8	MO16M000155 AR		02/01/20	755	755
1415-B	14-2bed	782	2		Sec 8	MO16M000155 AR		10/01/19	755	755
1415-C	14-2bed	782	2						575	575

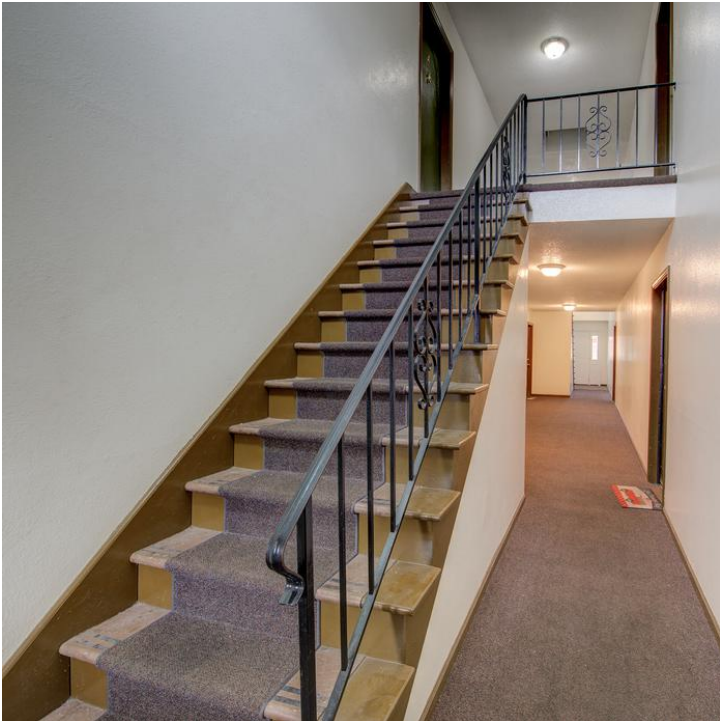
RENT ROLL

Affordable Rent Roll

Property: Maple Manor Apartments (14maplem) Sort by: Unit
As of 2/3/2020

Unit	Unit Type	Sqft	Bed Rms	Tenant	Program	Contract No.	Tran Type	Effective Date	Market Rent	Gross Rent
Maple Manor Apartments (14maplem)										
1415-D	14-2bed	782	2						575	575
1415-E	14-2bed	782	2						565	565
1415-F	14-2bed	782	2		None	MO16M000155			755	613
1415-G	14-2bed	782	2		Sec 8	MO16M000155 MI		04/25/19	755	755
1415-H	14-2bed	782	2		Sec 8	MO16M000155 AR		06/01/19	755	755
1415-I	14-2bed	782	2		None	MO16M000155 MI		09/15/19	755	755
1415-J	14-2bed	782	2		Sec 8	MO16M000155 AR		07/01/19	755	755
1415-K	14-2bed	782	2						550	550
1415-L	14-2bed	782	2		Sec 8	MO16M000155 AR		01/01/20	755	755
Total :		31,112	80		Number of Units:	40			25,692	22,861
Grand Total :		<u>31,112</u>	<u>80</u>		Total Units:	<u>40</u>			<u>25,692</u>	<u>22,861</u>

ADDITIONAL PHOTOS



PHOTOS



PHOTOS



WHY INVEST IN KC?



MARKET OVERVIEW

The Kansas City Metropolitan Area is in the midst of a large-scale transformation from quiet Midwestern city into a modern live-work-play environment. The heart of downtown has experienced \$9+ billion in investment since 2001, including a new convention hotel, a state-of-the-art sports arena, a performing arts center, a new streetcar, and an eight-block restaurant and entertainment district. Unprecedented levels of investment in private and public projects have made Kansas City a major entertainment hub, and have enhanced the appeal of the metro as a residential, cultural and business destination.

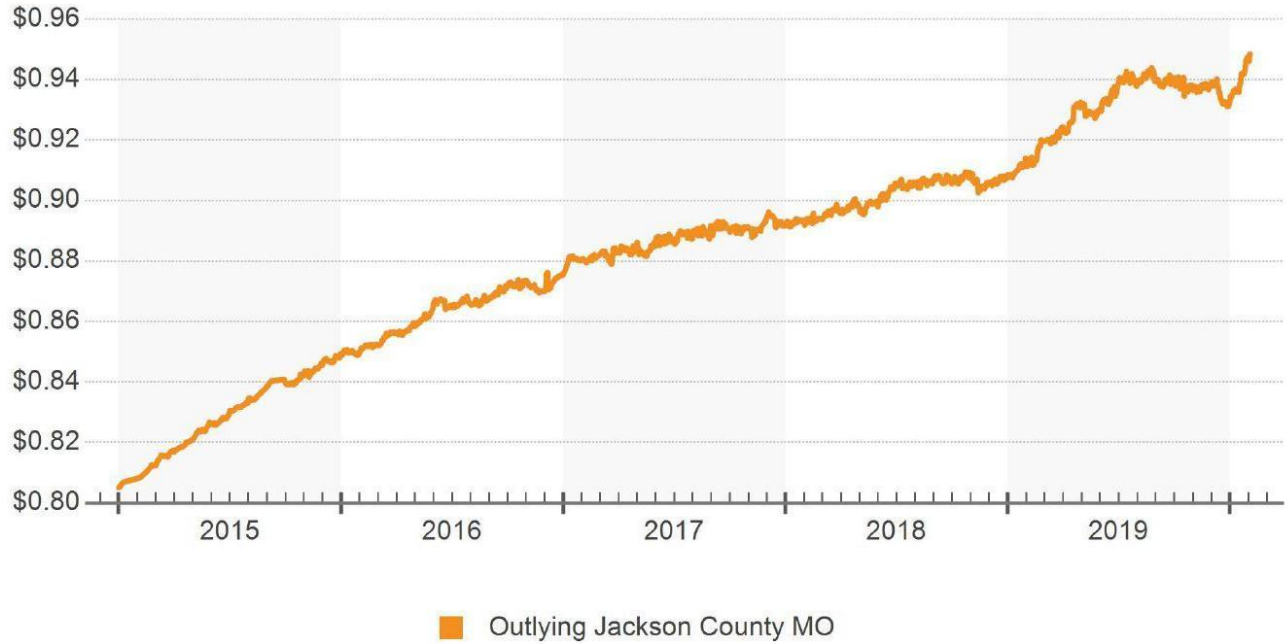
The Kansas City apartment market remained in a strong position in 2019. The metro saw its strongest absorption of the cycle throughout 2017–18 and outpaced deliveries across 2019. The break in the influx of new supply across much of 2019 helped year-over-year rent gains pick up to their strongest pace since 2016. Though investment activity slowed slightly in 2019, the average price per unit remained elevated. Several institutional investors have been active in the market, acquiring assets.

The Kansas City area continues to be known nationally and internationally for its championship-winning sports teams, art, culture, and ease of living. Outstanding venues and attractions populate the metro area, including the Nelson-Atkins Museum of Art, the Kauffman Center for the Performing Arts, the World War I Museum and Memorial, the Negro Leagues Baseball Museum, Kauffman and Arrowhead Stadiums, and the Truman Library.

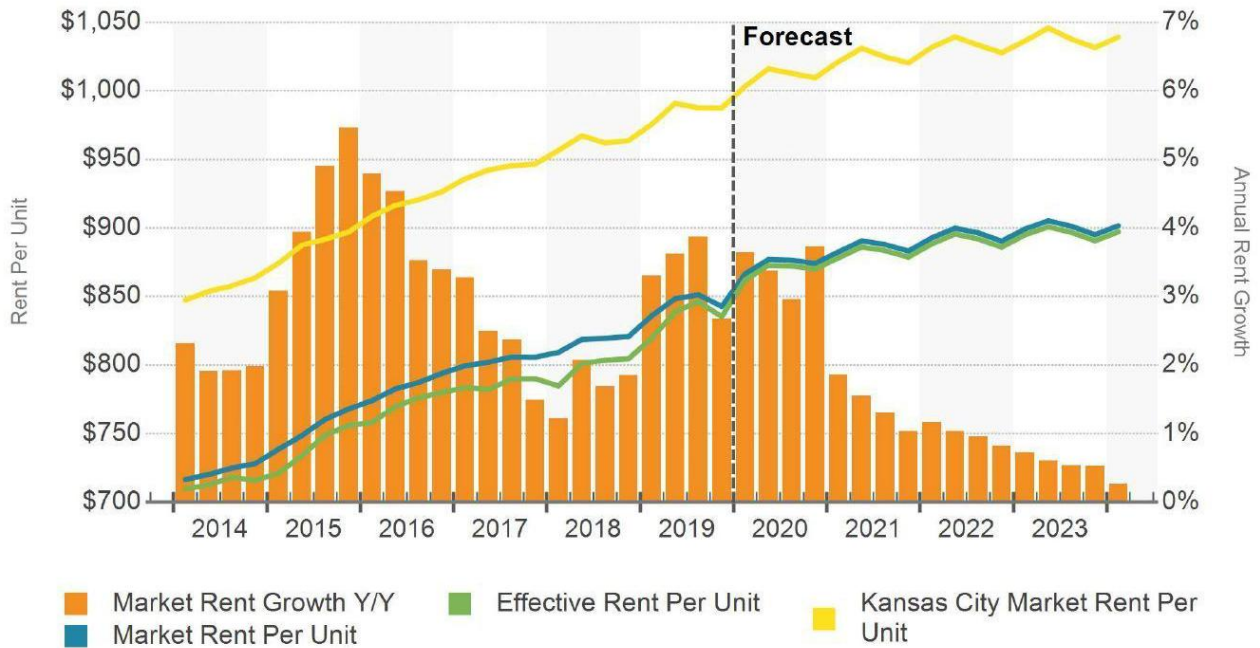


JACKSON COUNTY MARKET RENTS

DAILY ASKING RENT PER SF

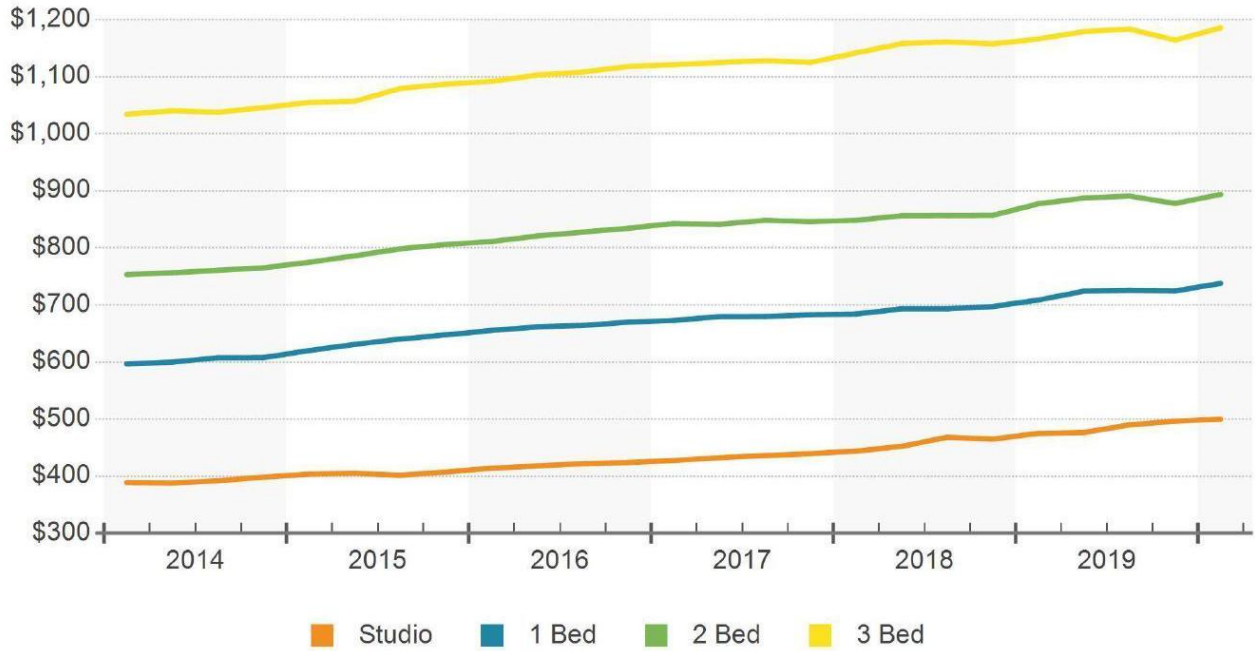


MARKET RENT PER UNIT & RENT GROWTH



JACKSON COUNTY MARKET RENTS

MARKET RENT PER UNIT BY BEDROOM



ADVISOR BIO



LOGAN FREEMAN

Commercial & Investment Sales

logan@clemonsrealestate.com

Direct: 573.694.9669

PROFESSIONAL BACKGROUND

Logan found his niche in the real estate industry acting as an investment property specialist and representing out-of-state investors. Sourcing off-market properties is Logan's specialty. He is well versed and has the team to help his clients all the way through the acquisition process to stabilization including construction, leasing, management and professional services.

Logan has completed multiple joint venture projects, equity partnerships, and works as a developer. Completing over 120 transactions in less than a year, Logan has found a reliable process and uses his priorities to guide his profit-producing activities.

KEY PROJECTS

Aided an out-of-state investment fund to complete 120 acquisitions in 12 months. During this project, Logan worked to source, negotiate, estimate rehabs, and close each transaction. He brought with him hard work, clear communication, and a sound methodology to find off-market properties to fit the client's criteria.

10,000 SF Commercial Project in the Kansas City Crossroads. Logan found an off-market property in the booming arts district of Kansas City, negotiated for 6 months, and closed well below market value.

EDUCATION

EDUCATION, MEMBERSHIPS, AND AWARDS

- Master of Business Administration from UCM
- Bachelor of Applied Science from UCM
- Founder of CareKitKC

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Direct: 913.231.1086

PROFESSIONAL BACKGROUND

Thomas joined Clemons in 2016, and specializes in investment sales. He has a strong focus on urban neighborhoods within Kansas City, from the River Market to Brookside. Thomas assists his clients in evaluating all asset classes, including Multi-Family, Office, Retail, and Mixed-Use projects. He is an expert in analyzing proformas and financial statements to predict future operating potential. In addition, Thomas is well versed in macro-economic indicators which allows him to strategically advise his clients in market acquisition and disposition strategies in the Midwest.

KEY ASSIGNMENTS

Beacon Hill School (30,000sf Education Facility): Thomas assisted his client in identifying a rare special use building, and maximized the client's return while improving the neighborhood's access to education. Thomas formed a strategic plan to acquire, reposition, and sell the asset to an owner occupant who was specifically seeking this style of property within the urban core of Kansas City.

Emerson Manor (61-Unit Mult-Family): Thomas assisted his client in disposing of a distressed asset by securing a contract to close within 2 weeks to meet their financial deadlines. Thomas's in depth knowledge of active buyers in the market allowed him to identify a capable party within a very short timeframe for his client.

EDUCATION

Thomas graduated from the University of Kansas in 2015 with a degree in Business Administration and a concentration in Entrepreneurship. Prior to Clemons, Thomas worked in the Advertising Technology Industry.

MEMBERSHIPS

- Broadway Westport Council Board Member
- BS in Business Administration with a Concentration in Entrepreneurship - University of Kansas (2015)
- Honors Program - University of Kansas

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