

Southern Park Apartments

810 PAYTON AVE. DES MOINES, IA



OFFERING MEMORANDUM

KW COMMERCIAL

4001 Westown Parkway

West Des Moines, IA 50266

PRESENTED BY:

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810 PAYTON AVE. DES MOINES, IA

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Licensed in IOWA to sell Real Estate.



SOUTHERN PARK

PROPERTY INFORMATION

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EXECUTIVE SUMMARY

PROPERTY DESCRIPTION

PROPERTY DETAILS

ADDITIONAL PHOTOS

Executive Summary



OFFERING SUMMARY

SALE PRICE:	\$3,780,000
NUMBER OF UNITS:	54
CAP RATE:	6.77%
NOI:	\$255,916
LOT SIZE:	2.3 Acres
BUILDING SIZE:	42,570
ZONING:	N3A - Multi Residential
MARKET:	Des Moines
SUBMARKET:	Southwest
PRICE / SF:	\$88.79

PROPERTY OVERVIEW

The KataLYST Team as part of KW Commercial is proud to offer exclusively for sale these units located on the major south corridor of the central business district in Des Moines, IA. With small improvements to income coupled with efficiencies in expense management, this property has the potential to perform at a 6.77% Cap rate or better within 12-18 months!

PROPERTY HIGHLIGHTS

- Actual 5.94% Cap Rate based on Two Years Financials
- Ability to Complete Renovating Units and Raise Rents
- Value-Add Ability in RUB's Implementation
- Value-Add Potential in Developing Garage Units

DEMOGRAPHICS	1 MILE	3 MILES	5 MILES
TOTAL HOUSEHOLDS	4,144	22,142	45,497
TOTAL POPULATION	10,090	54,263	108,556
AVERAGE HH INCOME	\$47,757	\$54,954	\$57,226



Property Description



PROPERTY OVERVIEW

This property consists of 54 units between two buildings and 15 garages. With recent capital improvements of a new boiler system, a new water heater, new roofs, and 32 of the 54 units renovated with new LVP flooring, new countertops, new paint, new appliances, etc. This property offers a path to raised rents and consistent cashflow.

With value-add potential by new ownership in continuing the updating of units and raising rents as well potential to implement a RUB's system and develop/build additional garage units.

LOCATION OVERVIEW

Located at the corner of Payton Ave. and SW 9th. St, a major corridor connecting to the central business district and Hwy 5 to the South, this property is located in Des Moines, IA, the capital city and most populated city within Iowa.

Property Details

SALE PRICE

\$3,780,000

LOCATION INFORMATION

Building Name	Southern Park
Street Address	810 Payton Ave.
City, State, Zip	Des Moines, IA 50315
County/Township	Polk
Market	Des Moines
Submarket	Southwest
Cross Streets	Payton Ave. / SW 9th St.
Side Of Street	South
Road Type	Paved
Market Type	Large
Nearest Highway	Hwy 5
Nearest Airport	DSM International

BUILDING INFORMATION

Building Size	42,570 SF
Occupancy %	95.0
Number Of Floors	3
Year Built	1973
Load Factor	Yes
Framing	Wood
Condition	Good
Number Of Buildings	5

PROPERTY DETAILS

Property Type	Multifamily
Property Subtype	Low-Rise/Garden
Zoning	N3A - Multi Residential
Lot Size	2.3 Acres
Submarket	Southwest

PARKING & TRANSPORTATION

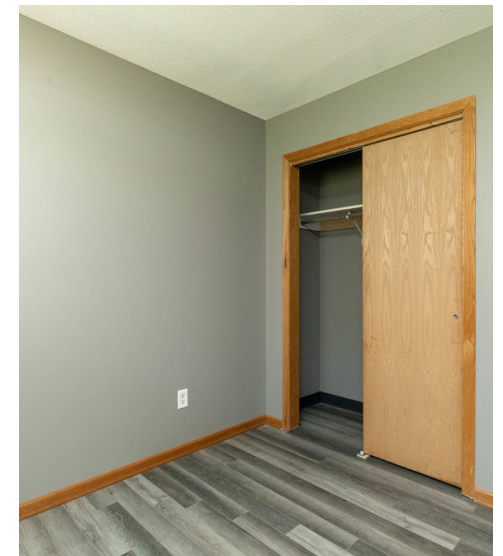
Parking Type	Surface
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UTILITIES & AMENITIES

Number Of Elevators	0
Number Of Escalators	0



Additional Photos



SOUTHERN PARK

LOCATION INFORMATION

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REGIONAL MAP

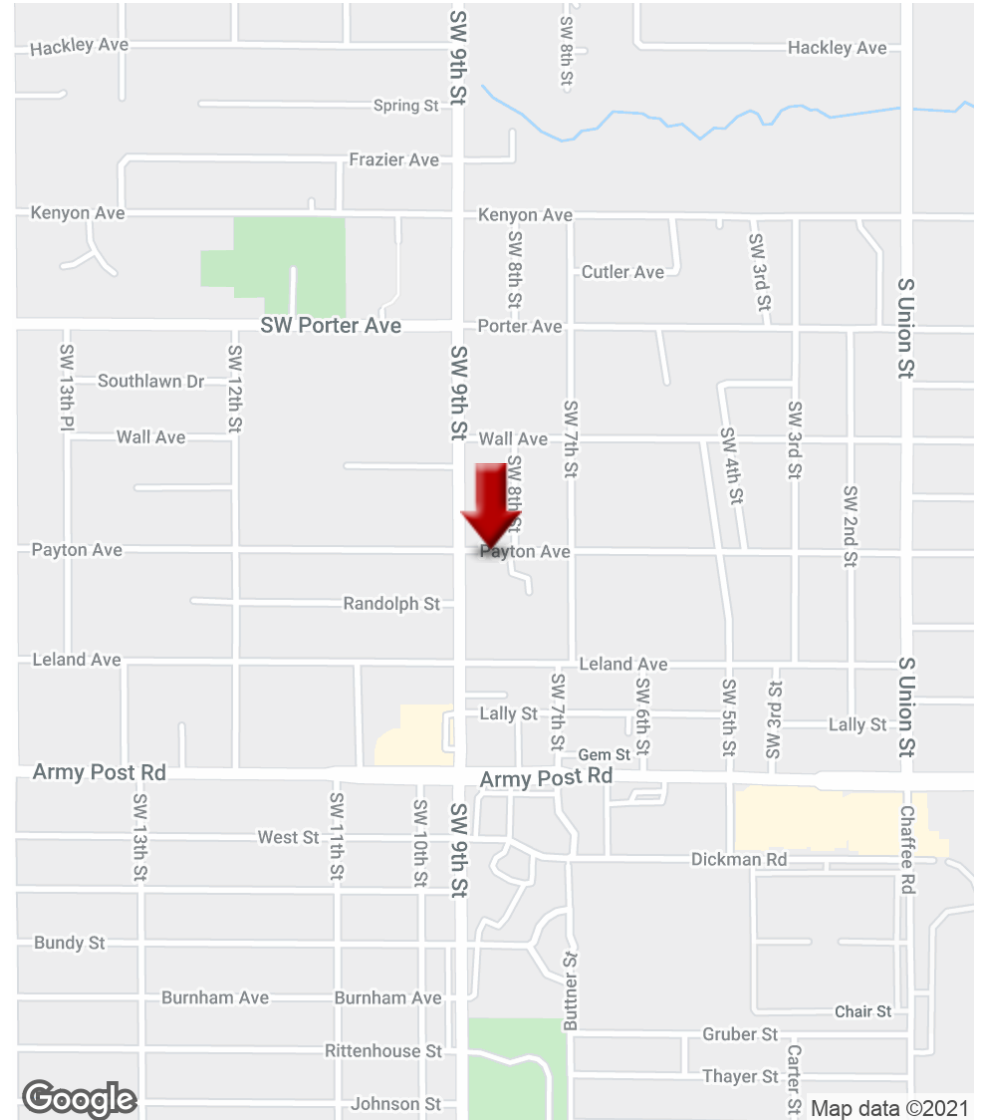
LOCATION MAPS

AERIAL MAP

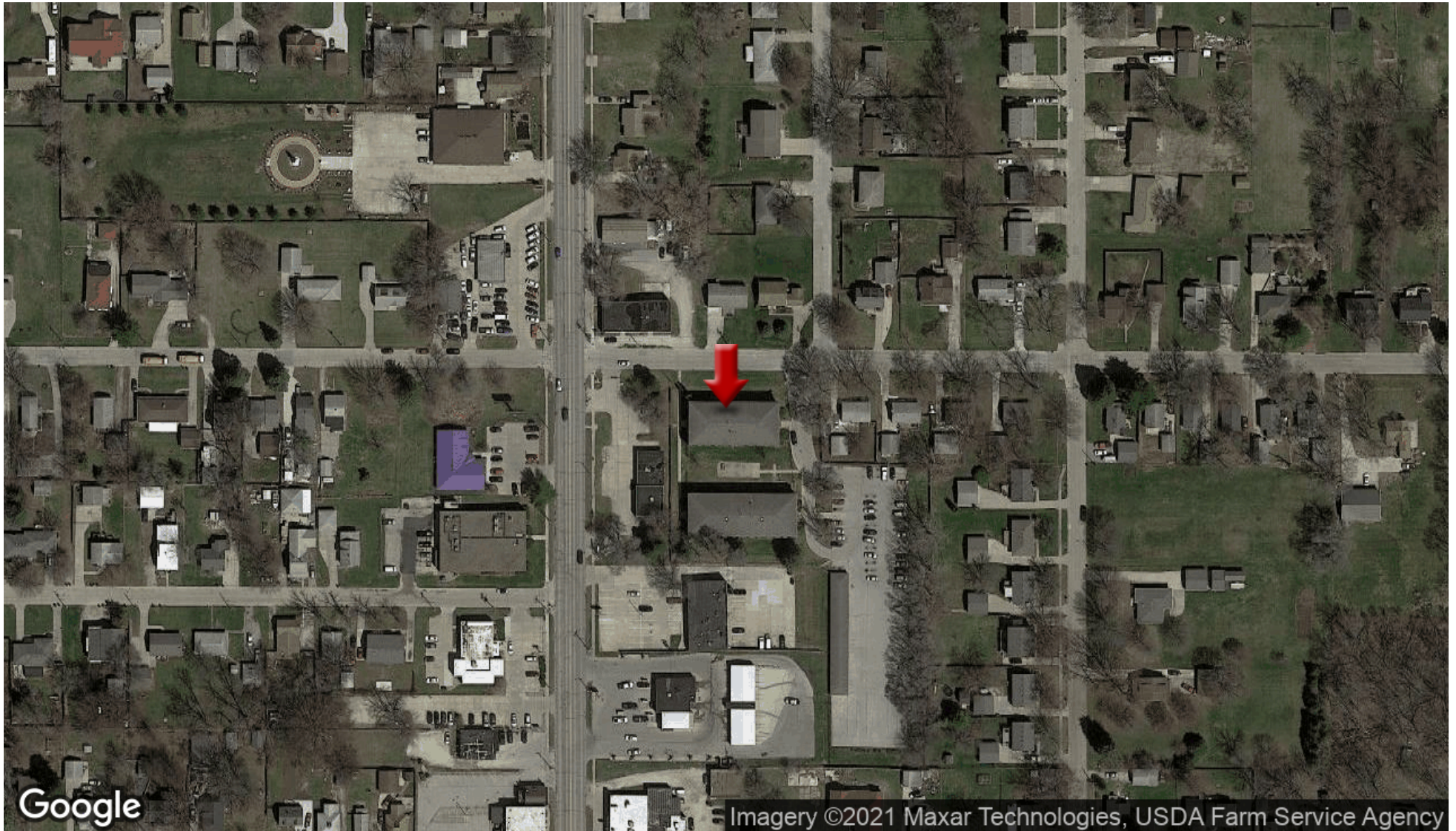
Regional Map



Location Maps



Aerial Map



SOUTHERN PARK

FINANCIAL ANALYSIS

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FINANCIAL SUMMARY

INCOME & EXPENSES

UNIT MIX SUMMARY

Financial Summary

INVESTMENT OVERVIEW

PRO-FORMA

Price	\$3,780,000
Price per Unit	\$70,000
CAP Rate	6.8%
Cash-on-Cash Return (yr 1)	9.06 %
Total Return (yr 1)	\$157,842
Debt Coverage Ratio	1.5

OPERATING DATA

PRO-FORMA

Total Scheduled Income	\$474,481
Vacancy Cost	\$23,190
Gross Income	\$451,291
Operating Expenses	\$195,375
Net Operating Income	\$255,916
Pre-Tax Cash Flow	\$85,604

FINANCING DATA

PRO-FORMA

Down Payment (25%)	\$945,000
Loan Amount (75%)	\$2,835,000
Debt Service (25 yr @ 3.5%)	\$170,312
Debt Service Monthly	\$14,192
Principal Reduction (yr 1)	\$72,238



Income & Expenses

INCOME SUMMARY	PRO-FORMA	PER UNIT	2020 FINANCIALS	PER UNIT
Rental Income	\$463,800	\$8,588	\$417,672	\$7,734
Garage Income	\$6,025	\$111	\$6,025	\$111
Laundry Income	\$4,102	\$75	\$4,102	\$75
Miscellaneous Income	\$553	\$10	\$553	\$10
Gross Income	\$474,481	\$8,786	\$428,354	\$7,932
EXPENSE SUMMARY	PRO-FORMA	PER UNIT	2020 FINANCIALS	PER UNIT
Taxes	\$62,932	\$1,165	\$62,932	\$1,165
Insurance	\$23,995	\$444	\$29,115	\$539
Cleaning	\$4,000	\$74	\$4,000	\$74
Repairs/Maintenance	\$25,000	\$462	\$25,415	\$470
Electricity	\$17,700	\$327	\$17,696	\$327
Water/Sewer	\$25,734	\$476	\$29,368	\$543
Lawn/Snow	\$3,084	\$57	\$3,085	\$57
Trash Service	\$3,330	\$61	\$3,658	\$67
Pest Control	\$2,600	\$48	\$2,600	\$48
Management	\$22,500	\$416	\$21,653	\$400
Miscellaneous	\$4,500	\$83	\$4,439	\$82
Gross Expenses	\$195,375	\$3,618	\$203,961	\$3,777
Net Operating Income	\$255,916	\$4,739	\$224,393	\$4,155

Unit Mix Summary

UNIT TYPE	COUNT	% TOTAL	SIZE (SF)	MARKET RENT	MARKET RENT/SF
Efficiency	4	7.4	324	\$625	\$1.93
1Bd/1Ba	26	48.1	576	\$675	\$1.17
2Bd/1Ba	24	44.4	804	\$775	\$0.96
Totals/Averages	54	100%	35,568	\$38,650	\$1.09

SOUTHERN PARK

SALE COMPARABLES

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SALE COMPS

SALE COMPS SUMMARY

SALE COMPS MAP

Sale Comps



★ Subject Property

810 Payton Ave. | Des Moines, IA 50315

Sale Price:	\$3,780,000	Lot Size:	2.3 Acres	Year Built:	1973
Price PSF:	\$88.79	Building SF:	42,570 SF	CAP:	6.77%
NOI:	\$255,916				

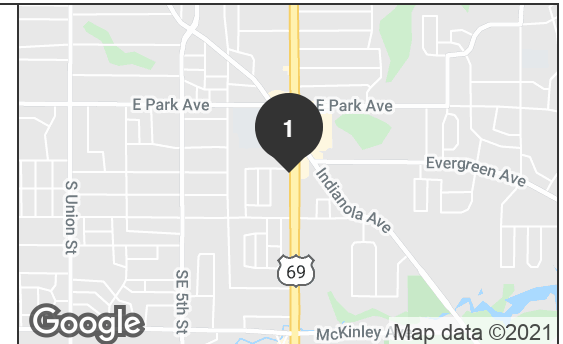


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Southern Knolls

3708 SE 14th St. | Des Moines, IA 50320

Sale Price:	\$5,400,000	Lot Size:	0 SF	Year Built:	1969
Building SF:	82,863 SF	Price PSF:	\$65.17	No. Units:	108
Price / Unit:	\$50,000	CAP:	6.35%		



2

University Park

3727 University Ave. | Des Moines, IA 50311

Sale Price:	\$3,070,000	Lot Size:	0 SF	Year Built:	1965
Building SF:	37,532 SF	Price PSF:	\$81.80	No. Units:	48
Price / Unit:	\$63,958	Closed:	01/15/2021		



Sale Comps








Stanton Estates

2200 Stanton Ave. | Des Moines, IA 50321

Sale Price:	\$4,300,000	Lot Size:	0 SF	Year Built:	1988
Building SF:	47,120 SF	Price PSF:	\$91.26	No. Units:	48
Price / Unit:	\$89,583	CAP:	5.16%	Closed:	10/02/2020



Sale Comps Summary

	SUBJECT PROPERTY	PRICE	BLDG SF	PRICE/SF	PRICE/UNIT	CAP	# OF UNITS	
	 Southern Park 810 Payton Ave. Des Moines, IA 50315	\$3,780,000	42,570 SF	\$88.79	\$70,000	6.77%	54	
	SALE COMPS	PRICE	BLDG SF	PRICE/SF	PRICE/UNIT	CAP	# OF UNITS	CLOSE
1	 Southern Knolls 3708 SE 14th St. Des Moines, IA 50320	\$5,400,000	82,863 SF	\$65.17	\$50,000	6.35%	108	On Market
2	 University Park 3727 University Ave. Des Moines, IA 50311	\$3,070,000	37,532 SF	\$81.80	\$63,958	-	48	01/15/2021
3	 Stanton Estates 2200 Stanton Ave. Des Moines, IA 50321	\$4,300,000	47,120 SF	\$91.26	\$89,583	5.16%	48	10/02/2020
	Totals/Averages	\$4,256,667	55,838 SF	\$76.23	\$62,598	5.76%	68	

Sale Comps Map



SUBJECT PROPERTY
810 Payton Ave. | Des Moines, IA 50315

1 SOUTHERN KNOLLS
3708 SE 14th St.
Des Moines, IA 50320

2 UNIVERSITY PARK
3727 University Ave.
Des Moines, IA 50311

3 STANTON ESTATES
2200 Stanton Ave.
Des Moines, IA 50321

SOUTHERN PARK

RENT COMPARABLES

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RENT COMPS

RENT COMPS SUMMARY

RENT COMPS MAP

CITY INFORMATION

Rent Comps



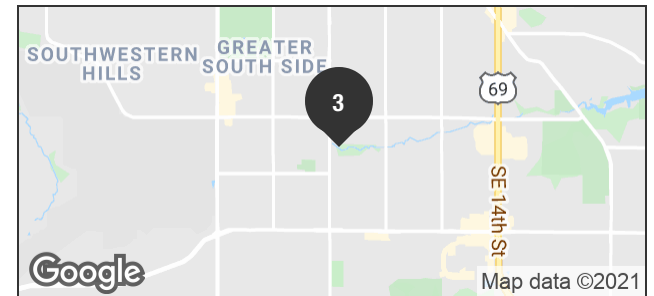
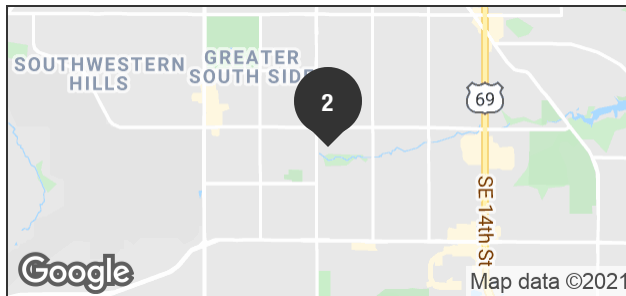
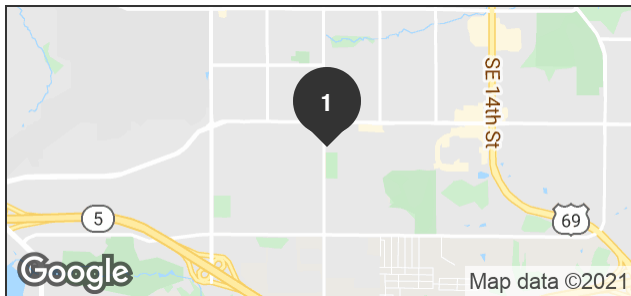
1 Willow Bend Apartments
6800 SW 9th St.
Des Moines, IA 50315



2 Sunburst Apartments
5015 SW 9th St.
Des Moines, IA 50315



3 The Quarters
5209 SW 9th St.
Des Moines, IA 50315



Year Built: 1977 **Bldg Size:** 57,561 SF
Lot Size: 1.09 Acres **No. Units:** 59
Avg. Rent: \$777 **Avg. Rent/SF:** \$0.99
Avg. Size: 788 SF

Year Built: 1977 **Bldg Size:** 86,400 SF
Lot Size: 4.6 Acres **No. Units:** 102
Avg. Rent: \$724 **Avg. Rent/SF:** \$0.96
Avg. Size: 753 SF






Year Built: 1972 **Bldg Size:** 124,264 SF
Lot Size: 3.11 Acres **No. Units:** 85
Avg. Rent: \$767 **Avg. Rent/SF:** \$1.08
Avg. Size: 707 SF

UNIT TYPE	# UNITS	% OF	SIZE SF	RENT	RENT/SF
1Bd/1Ba	12	20.3	715	\$700	\$0.98
2Bd/1Ba	46	78	801	\$795	\$0.99
3Bd/1Ba	1	1.7	1,092	\$921	\$0.84
TOTAL/AVG	59	100%	788	\$777	\$0.99

UNIT TYPE	# UNITS	% OF	SIZE SF	RENT	RENT/SF
1Bd/1Ba	18	17.6	572	\$650	\$1.14
2Bd/1Ba	84	82.4	792	\$740	\$0.93
TOTAL/AVG	102	100%	753	\$724	\$0.96

UNIT TYPE	# UNITS	% OF	SIZE SF	RENT	RENT/SF
0Bd/1Ba	22	25.9	487	\$675	\$1.39
1Bd/1Ba	38	44.7	722	\$750	\$1.04
2Bd/1Ba	25	29.4	880	\$875	\$0.99
TOTAL/AVG	85	100%	707	\$767	\$1.08

Rent Comps Summary

	SUBJECT PROPERTY	RENT/SF	AVAILABLE SF	BLDG SF	# OF UNITS
	 Southern Park 810 Payton Ave. Des Moines, IA 50315	\$1.03	35,568 SF	42,570 SF	54
	RENT COMPS	RENT/SF	AVAILABLE SF	BLDG SF	# OF UNITS
1	 Willow Bend Apartments 6800 SW 9th St. Des Moines, IA 50315	\$0.99	46,518 SF	57,561 SF	59
2	 Sunburst Apartments 5015 SW 9th St. Des Moines, IA 50315	\$0.96	76,824 SF	86,400 SF	102
3	 The Quarters 5209 SW 9th St. Des Moines, IA 50315	\$1.08	60,150 SF	124,264 SF	85
	Totals/Averages	\$1.01	61,164 SF	89,408 SF	82

Rent Comps Map



★ SUBJECT PROPERTY
810 Payton Ave. | Des Moines, IA 50315

1 WILLOW BEND APARTMENTS
6800 SW 9th St.
Des Moines, IA 50315

2 SUNBURST APARTMENTS
5015 SW 9th St.
Des Moines, IA 50315

3 THE QUARTERS
5209 SW 9th St.
Des Moines, IA 50315

City Information



DES MOINES, IA

The largest city in Iowa and the capital city.

CITY INFORMATION

Population:	203,000
MSA:	792,000
Population Growth:	2.0%+ Annually
Website:	https://www.dsmpartnership.com/

CITY HIGHLIGHTS

- One of the fastest growing populations with over 15.1% growth over the last decade.
- One of the lowest unemployment rates in the country with 3.3%.
- #7 Best City for Living the American Dream -SmartAsset 2019
- #3 Best City for High Salaries and Low Cost of Living -The Ascent 2019
- Top Ten Best Place for Businesses and Careers

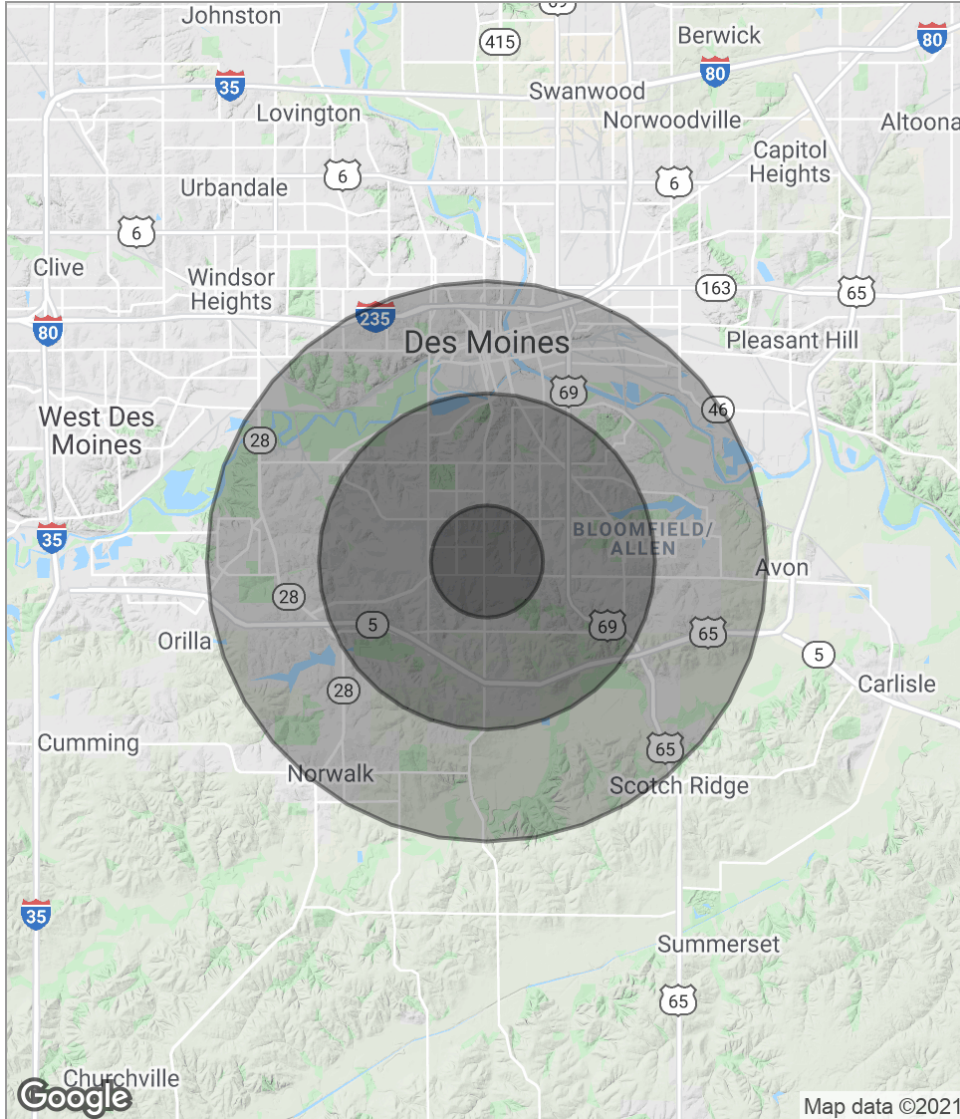
SOUTHERN PARK

DEMOGRAPHICS

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DEMOGRAPHICS MAP

Demographics Map



POPULATION	1 MILE	3 MILES	5 MILES
Total Population	10,090	54,263	108,556
Median Age	35.6	35.3	34.5
Median Age (Male)	35.2	34.5	34.3
Median Age (Female)	36.5	36.6	35.4
HOUSEHOLDS & INCOME	1 MILE	3 MILES	5 MILES
Total Households	4,144	22,142	45,497
# Of Persons Per HH	2.4	2.5	2.4
Average HH Income	\$47,757	\$54,954	\$57,226
Average House Value	\$109,846	\$129,500	\$169,552

** Demographic data derived from 2010 US Census*