



PRAIRIE CITY DUPLEXES

WEST STEENHOEK STREET, PRAIRIE CITY, IA 50228

MULTIFAMILY FOR SALE

OFFERING MEMORANDUM

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THE KatalYST
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EXECUTIVE SUMMARY

PRAIRIE CITY DUPLEXES WEST STEENHOEK STREET, PRAIRIE CITY, IA 50228

PROPERTY OVERVIEW

The KataLYST Team as part of KW Commercial is pleased to bring to market these 16-Duplexes built between 2003-2008 and located in adjacent lots on a single street. With low ownership responsibilities, the residents take care of their own utilities and snow removal while ownership is responsible for lawn care and maintenance.

These 16-Duplexes (32 units) consist of 2Bd/2Ba and 3Bd/1Ba unit mixes with on-slab concrete foundations. Boasting no steps and zero entries as well as all electric utilities these units are clean, well maintained, and offer very little for ownership to worry about. Located on the North and South side of Steenhoeck St. as one single ownership. Pets are allowed with \$25 fees per pet and most of the units consists of MTM rents which allows an owner to immediately raise rents. This investment is perfect for a passive investor or a 1031 that will provide little management oversight and a steady stream of income.



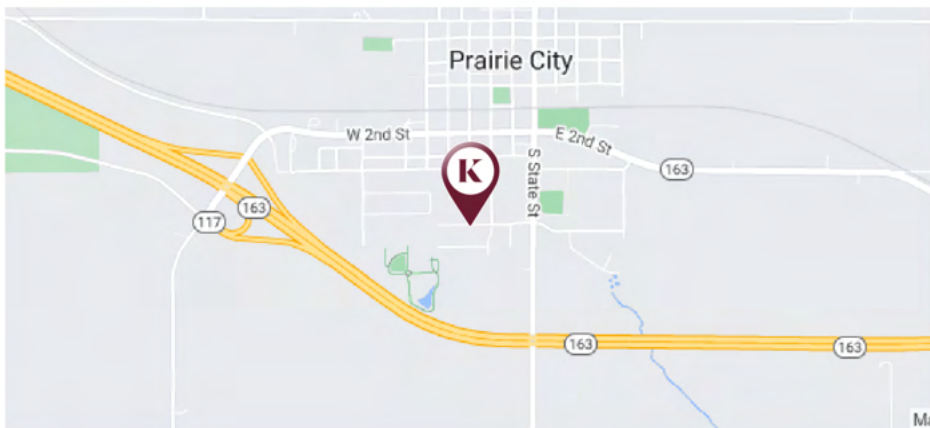
PROPERTY SUMMARY

PROPERTY HIGHLIGHTS

- **Quiet Suburban Market:** Multifamily property situated in the tranquil Prairie City neighborhood.
- **Property Features:** Includes 32 units with a mix of 2Bd/2Ba and 3Bd/1Ba configurations, ensuring versatile rental options.
- **Stable Cap Rate:** Offered at a true 5.23% Cap rate, giving investors peace of mind for years to come.
- **Attractive Tax Benefits:** Offers significant tax advantages, making it an appealing investment.
- **Ideal for Investors:** Perfect opportunity for passive investors or 1031 exchange seekers looking for a profitable and low-maintenance venture.

LOCATION OVERVIEW

Prairie City, IA is located 22-miles East of Des Moines in Jasper County Iowa. Additionally, it is a short drive away from additional communities such as Newton and Pella, IA. As of the 2020 census Prairie City had a population of 1,700 people with the median household income at \$42,750.



OFFERING OVERVIEW

Price	\$4,130,000
Building SF	37,632
CAP Rate	5.23%
Lot Size	4.36 Acres
Price / SF	\$109.75
Year Built	2003
Units	32



- **New roofs on 4 buildings**
- **All electric units with no gas on-site**
- **Short 3-block walk to school and city park**
- **Short 2-block walk to the baseball complex**
- **Pella doctors have new clinic and pharmacy in town**
- **Grocery store on city square within walking distance**
- **Quick 3-block walk to town, restaurants, and bars.**
- **Volunteer fire department with new EMS under construction.**
- **Quick 2-block bike ride from new east west bike trail**

LOCATION INFORMATION

Street Address	West Steenhoek Street
City, State, Zip	Prairie City, IA 50228
County	Jasper
Market	Des Moines



UNIT PHOTOS

PRAIRIE CITY DUPLEXES WEST STEENHOEK STREET, PRAIRIE CITY, IA 50228















INTERIOR PHOTOS

PRAIRIE CITY DUPLEXES WEST STEENHOEK STREET, PRAIRIE CITY, IA 50228





























LOCATION MAPS

PRAIRIE CITY DUPLEXES WEST STEENHOEK STREET, PRAIRIE CITY, IA 50228

LOCATION MAPS



REGIONAL MAP





FINANCIAL ANALYSIS

PRAIRIE CITY DUPLEXES WEST STEENHOEK STREET, PRAIRIE CITY, IA 50228

INVESTMENT DETAILS

ANALYSIS

Analysis Date July 2024

PROPERTY

Property Type Multifamily
 Property Prairie City Duplexes
 Address West Steenhoek Street
 City, State Prairie City, IA 50228
 Year Built 2003

INCOME & EXPENSE

Gross Operating Income \$343,642
 Monthly GOI \$28,637
 Total Annual Expenses (\$127,599)
 Monthly Expenses (\$10,633)

PURCHASE INFORMATION

Purchase Price \$4,130,000
 Units 32
 Total Rentable SF 32,000
 Lot Size 4.36 Acres
 Resale Valuation 2.00% (Annual Appreciation)
 Resale Expenses 6.00%

FINANCIAL INFORMATION

Initial Equity \$2,065,000
 LT Capital Gain 20.00%
 Federal Tax Rate 35.00%
 State Tax Rate 8.5300%

LOANS

Type	Debt	Term	Amort	Rate	Payment	LO Costs
Fixed	\$2,065,000	25 years	25 Years	6.75%	\$14,267	-

ANNUAL PROPERTY OPERATING DATA

DESCRIPTION YEAR ENDING	YEAR 1 06/2025	YEAR 2 06/2026	YEAR 3 06/2027	YEAR 4 06/2028	YEAR 5 06/2029
Key Ratios and Multipliers					
Capitalization Rate	5.23%	5.56%	5.91%	6.27%	6.64%
Gross Rent Multiplier	11.65	11.42	11.20	10.99	10.78
Net Income Multiplier	19.50	18.70	17.96	17.26	16.62
Operating Expense Ratio	37.13%	35.70%	34.33%	33.01%	31.74%
Loan Metrics					
Loan To Value Ratio	48.24%	46.48%	44.71%	42.93%	41.15%
Debt Coverage Ratio	1.26	1.34	1.43	1.51	1.60
Cash-On-Cash Measures					
Before-Tax	2.17%	2.84%	3.53%	4.25%	5.00%
After-Tax	2.97%	3.40%	3.74%	4.09%	4.35%

PRO-FORMA SUMMARY

INVESTMENT SUMMARY

Price	\$4,130,000
Year Built	2003
Units	32
Price / Unit	\$129,063
RSF	32,000
Price / RSF	\$129.06
Lot Size	4.36 Acres
Floors	1
Cap Rate	5.23%
GRM	11.42

FINANCIAL SUMMARY

Loan 1 (Fixed)	\$2,065,000
Initial Equity	\$2,065,000
Interest Rate	6.75%
Term	25 Years
Monthly Payment	\$14,267
DCR	1.26

UNIT MIX & ANNUAL SCHEDULED INCOME

Type	Units	Actual	Total
2Bd / 2Ba	6	\$11,304	\$67,824
3Bd / 1Ba	26	\$11,304	\$293,904
Totals	32		\$361,728

ANNUALIZED INCOME

Description	Actual	Market
Gross Potential Rent	\$361,728	\$0
- Less: Vacancy	(\$18,086)	\$0
Effective Gross Income	\$343,642	\$0
- Less: Expenses	(\$127,599)	(\$127,599)
Net Operating Income	\$216,043	(\$127,599)
- Debt Service	(\$171,208)	(\$171,208)
Net Cash Flow after Debt Service	\$44,835	(\$298,807)
+ Principal Reduction	\$32,824	\$32,824
Total Return	\$77,658	(\$265,983)

ANNUALIZED EXPENSES

Description	Actual	Market
Building Insurance	\$32,501	\$32,501
Maintenance	\$32,000	\$32,000
Taxes - Real Estate	\$63,098	\$63,098
Total Expenses	\$127,599	\$127,599
Expenses Per RSF	\$3.99	\$3.99
Expenses Per Unit	\$3,987	\$3,987

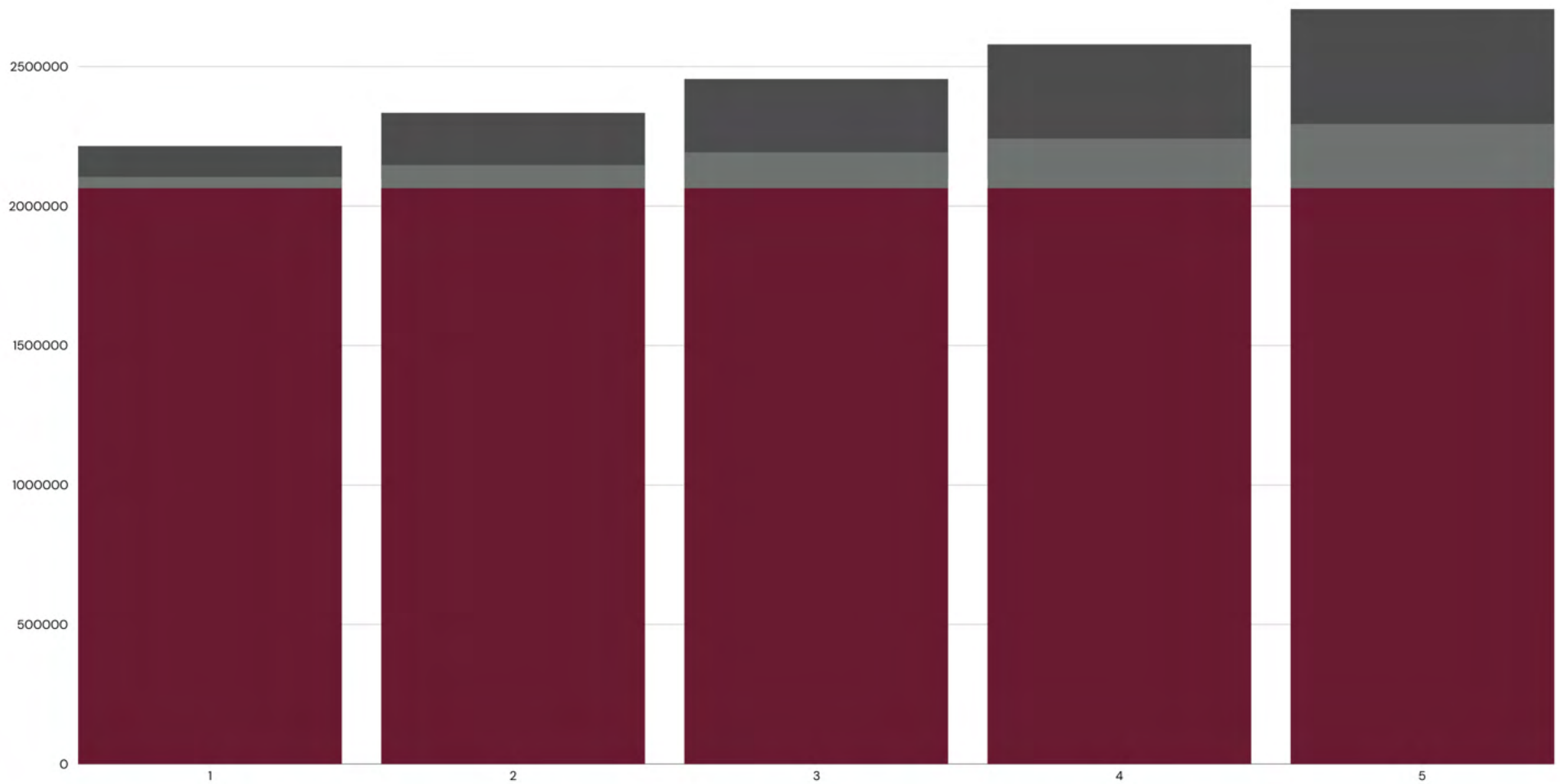
ANNUAL PROPERTY OPERATING DATA

DESCRIPTION YEAR ENDING	YEAR 1 06/2025	YEAR 2 06/2026	YEAR 3 06/2027	YEAR 4 06/2028	YEAR 5 06/2029
Income					
Rental Income	\$361,728	\$376,197	\$391,245	\$406,895	\$423,171
Gross Scheduled Income	\$361,728	\$376,197	\$391,245	\$406,895	\$423,171
Turnover Vacancy	(\$18,086)	(\$18,810)			
			(\$19,562)	(\$20,345)	(\$21,159)
Gross Operating Income	\$343,642	\$357,387	\$371,683	\$386,550	\$402,012
Expenses					
Building Insurance	(\$32,501)	(\$32,501)	(\$32,501)	(\$32,501)	(\$32,501)
Maintenance	(\$32,000)	(\$32,000)	(\$32,000)	(\$32,000)	(\$32,000)
Taxes - Real Estate	(\$63,098)	(\$63,098)	(\$63,098)	(\$63,098)	(\$63,098)
Total Operating Expenses	(\$127,599)	(\$127,599)	(\$127,599)	(\$127,599)	(\$127,599)
Operating Expense Ratio	37.13%	35.70%	34.33%	33.01%	31.74%
Net Operating Income	\$216,043	\$229,788	\$244,084	\$258,951	\$274,413

ANNUAL PROPERTY OPERATING DATA

DESCRIPTION YEAR ENDING	YEAR 1 06/2025	YEAR 2 06/2026	YEAR 3 06/2027	YEAR 4 06/2028	YEAR 5 06/2029
Before-Tax Cash Flow					
Gross Scheduled Income	\$361,728	\$376,197	\$391,245	\$406,895	\$423,171
Turnover Vacancy	(\$18,086)	(\$18,810)	(\$19,562)	(\$20,345)	(\$21,159)
Total Operating Expenses	(\$127,599)	(\$127,599)	(\$127,599)	(\$127,599)	(\$127,599)
Net Operating Income	\$216,043	\$229,788	\$244,084	\$258,951	\$274,413
Loan Payment	(\$171,208)	(\$171,208)	(\$171,208)	(\$171,208)	(\$171,208)
Before-Tax Cash Flow	\$44,835	\$58,580	\$72,876	\$87,743	\$103,205
Cash-On-Cash Return	2.17%	2.84%	3.53%	4.25%	5.00%
Taxable Income					
Net Operating Income	\$216,043	\$229,788	\$244,084	\$258,951	\$274,413
Depreciation	(\$115,460)	(\$120,497)	(\$120,497)	(\$120,497)	(\$115,460)
Loan Interest	(\$138,384)	(\$136,099)	(\$133,654)	(\$131,040)	(\$128,243)
Taxable Income (Loss)	(\$37,802)	(\$26,808)	(\$10,068)	\$7,414	\$30,711
After-Tax Cash Flow					
Before-Tax Cash Flow	\$44,835	\$58,580	\$72,876	\$87,743	\$103,205
Income Taxes	\$16,455	\$11,669	\$4,382	(\$3,228)	(\$13,368)
After-Tax Cash Flow	\$61,290	\$70,250	\$77,258	\$84,516	\$89,837
Cash-On-Cash Return	2.97%	3.40%	3.74%	4.09%	4.35%

PROPERTY EQUITY ANALYSIS

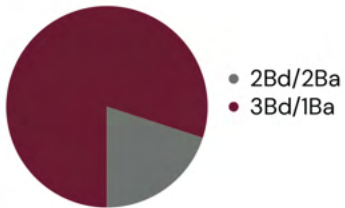


YEAR	INITIAL EQUITY	EQUITY (LOAN REDUCTION)	EQUITY (APPRECIATION)
1	\$2,065,000	\$32,824	\$82,600
2	\$2,065,000	\$67,932	\$166,852
3	\$2,065,000	\$105,486	\$252,789
4	\$2,065,000	\$145,654	\$340,445
5	\$2,065,000	\$188,619	\$429,854

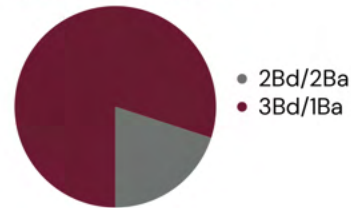
UNIT MIX REPORT

UNITS	TYPE	APPROX. SF	AVG. RENTS	MONTHLY	MKT RENTS	MONTHLY
6	2Bd/2Ba	1,000	\$942	\$5,652	\$942	\$5,652
26	3Bd/1Ba	1,000	\$942	\$24,492	\$942	\$24,492
32		32,000		\$30,144		\$30,144

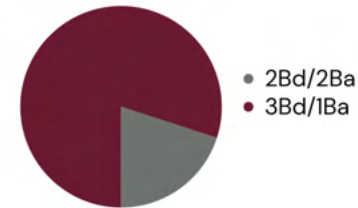
UNIT MIX



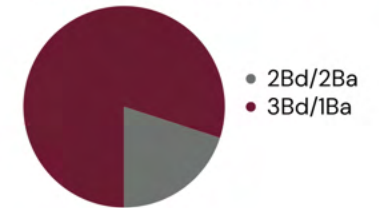
UNIT MIX SQUARE FEET



UNIT MIX INCOME



UNIT MIX MARKET INCOME

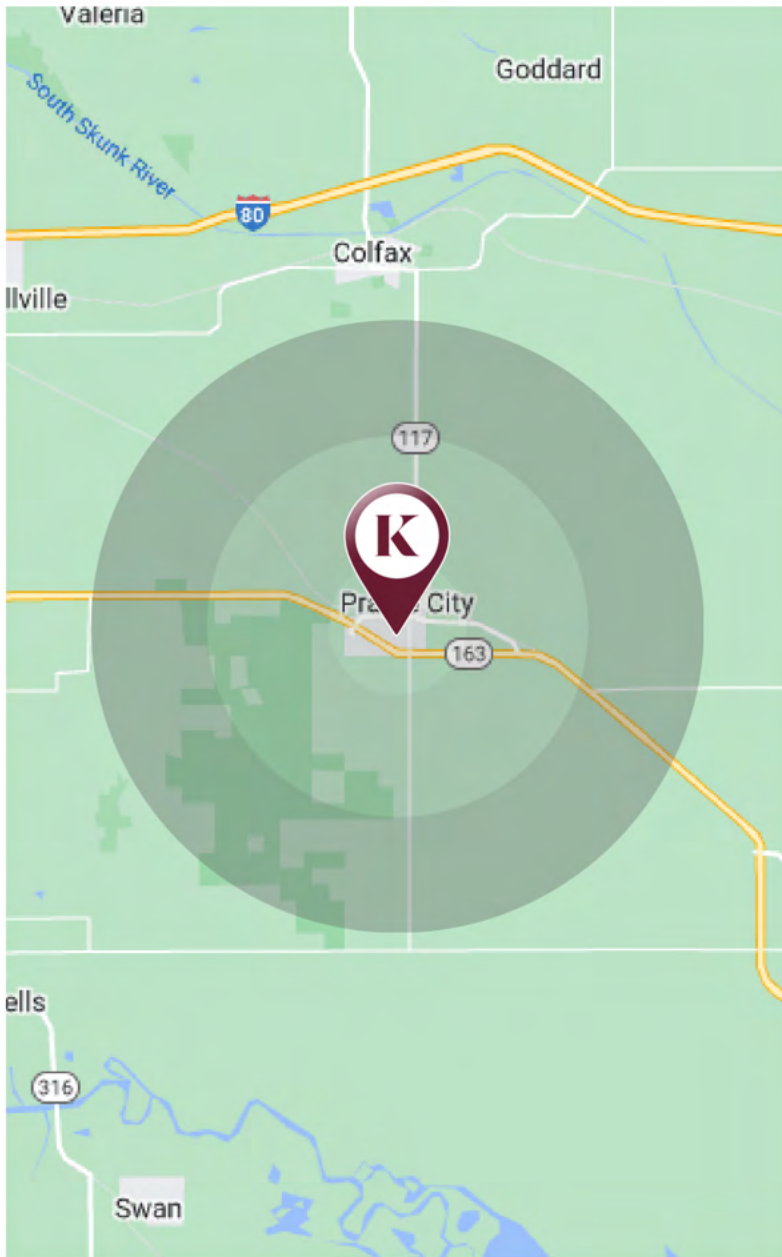




DEMOGRAPHICS

PRAIRIE CITY DUPLEXES WEST STEENHOEK STREET, PRAIRIE CITY, IA 50228

DEMOGRAPHICS

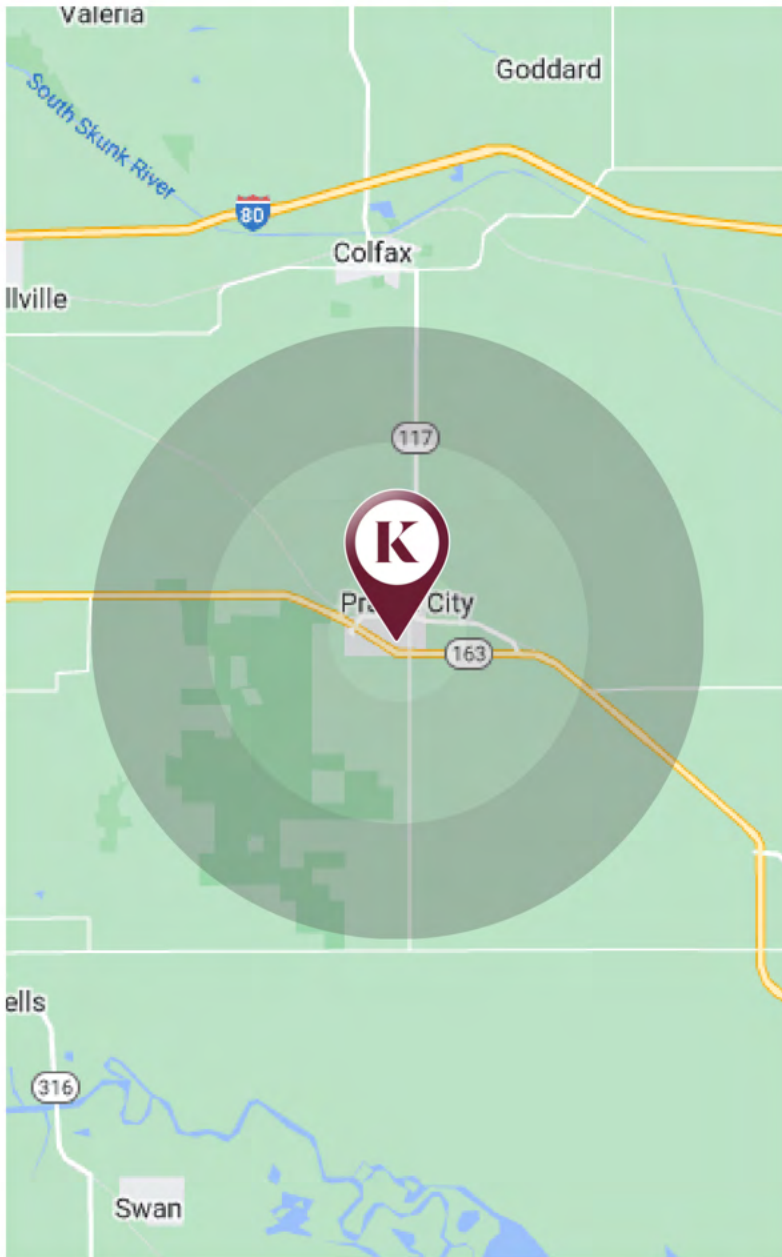


POPULATION	1 MILE	3 MILES	5 MILES
Male	893	1,306	1,306
Female	930	1,286	1,286
Total Population	1,823	2,592	2,592

AGE	1 MILE	3 MILES	5 MILES
Ages 0-14	454	595	595
Ages 15-24	300	428	428
Ages 25-34	561	862	862
Ages 35-44	169	289	289
Ages 45-54	339	418	418
Ages 55-64	169	289	289
Ages 65+	339	418	418

RACE	1 MILE	3 MILES	5 MILES
White	1,810	2,579	2,579
Black	N/A	N/A	N/A
AM In/ AK Nat	N/A	N/A	N/A
Hawaiian	N/A	N/A	N/A
Hispanic	11	13	13
Multi-Racial	24	24	24

DEMOGRAPHICS



INCOME	1 MILE	3 MILES	5 MILES
Median	\$54,711	\$52,770	\$52,770
< \$15,000	72	113	113
\$15,000-\$24,999	43	72	72
\$25,000-\$34,999	118	152	152
\$35,000-\$49,999	90	128	128
\$50,000-\$74,999	110	164	164
\$75,000-\$99,999	165	207	207
\$100,000-\$149,999	73	144	144
\$150,000-\$199,999	7	7	7
> \$200,000	7	7	7

HOUSING	1 MILE	3 MILES	5 MILES
Total Units	753	1,133	1,133
Occupied Owner	702	1,055	1,055
Occupied Renter	533	830	830
Occupied	169	225	225
Vacant	51	78	78



MEET KATALYST TEAM

PRAIRIE CITY DUPLEXES WEST STEENHOEK STREET, PRAIRIE CITY, IA 50228

THE KATALYST TEAM BY KW COMMERCIAL

kata • lyst

(noun) – (ka-tuh-lyst):

an agent that provokes or speeds significant growth in your commercial real estate goals

The Katalyst Team is a specialized team that is part of the nationwide brokerage firm KW Commercial Realty. Based out of Des Moines, IA, the Katalyst Team focuses on commercial real estate assets located throughout the state of Iowa. The team's specialty is advising and working with individual clients who have invested in commercial real estate and are looking to grow their assets, grow their networth, grow their income, and ultimately find success in commercial real estate investing. The team's focus allows it to develop relationships with clients beyond one transaction and be a life-long partner and advisor in their real estate investments.

JARED HUSMANN

PRESIDENT, KATALYST TEAM

Jared's Mother and Father who each respectively participated in Residential and Commercial investment, ownership, and development.

At the age of 18 Jared began his own individual investment career by purchasing his first investment property. Within 6 years he built an investment portfolio of over 72 doors spread around Central Iowa over 30+ properties. Frustrated with Residential properties Jared began his career as a commercial real estate agent and made a commitment to help other owners and investors like himself by providing better services, data, communication, and life-experience than traditional agents who marketed themselves as "Investor-Agents."



THE KatalYST
TEAM by 

HEATHER HELLMAN

DIRECTOR OF OPERATIONS

Heather came to us from working as a strategic analyst for a well-known annuity company in Urbandale. She has a love for numbers and fine-tuning systems. When Heather is not working, she can be found on any day running one of her 4 children to one of their many activities, or volunteering around her hometown of Panora. She enjoys spending time on their farm with all her animals...with chickens being her favorite. The one-time city girl has really adapted to the quiet, country life, and wouldn't have it any other way.



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