

OFFERING MEMORANDUM

**704 12TH STREET,
WEST DES MOINES, IA 50265**

MULTIFAMILY FOR SALE & LEASE

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TEAM by 

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EXECUTIVE SUMMARY

704 12TH STREET, WEST DES MOINES, IA 50265

PROPERTY OVERVIEW

The KataLYST Team as part of KW Commercial is pleased to bring to market this 11-plex located in Valley Junction, West Des Moines, IA. This property was recently purchased as part of a larger portfolio and prior to the sale had only one owner over the last 30+ years who took immaculate care of the property and truly showed pride of ownership!

With great unit mixes and low rents that are estimated to be 30%+ below market, this property offers significant value-add through repositioning!



PROPERTY SUMMARY

PROPERTY HIGHLIGHTS

- Located in the quiet and historical Valley Junction neighborhood of West Des Moines, IA, close to shopping, farmer's markets, and easy access to the marketplace via Grand Ave.
- This 11-unit multifamily property offers a Pro-Forma CAP Rate of 8.05% and a gross rent multiplier (GRM) of 7.21, making it a solid investment with significant upside potential.
- The property has great unit mixes with rents estimated to be 30%+ below market, providing substantial value-add potential through repositioning.
- With only one owner over the last 30+ years, the property has been meticulously cared for, showing true pride of ownership.

LOCATION OVERVIEW

Located in the quiet and historical Valley Junction neighborhood, this property is close to shopping, farmer's markets, and is easy access to the rest of the West Des Moines marketplace via Grand Ave.



OFFERING OVERVIEW

Address	704 12th Street
City, State, Zip Code	West Des Moines, IA 50265
Building SF	9,179 SF
Pro-Forma CAP Rate	8.05%
Lot Size	0.39 Acres
NOI	\$83,389
Price / SF	\$119.84
Price / Unit	\$100,00
Price	\$1,100,000
Year Built	1965

LOCATION INFORMATION

Property Type

Multifamily

Address

704 12th Street

City, State, Zip Code

West Des Moines, IA 50265



A photograph of a single-story house with a light-colored exterior and a central front door. A paved path leads from the foreground to the door. The house is surrounded by green grass and large trees. The image is overlaid with a dark blue gradient and white text.

EXTERIOR PHOTOS

704 12TH STREET, WEST DES MOINES, IA 50265



704 12TH STREET, WEST DES MOINES, IA 50265



The image shows the exterior of a single-story house with a light-colored facade and a central front door. A paved path leads from the foreground to the door. The house is surrounded by green grass and large trees. The entire scene is overlaid with a dark, semi-transparent filter. Centered over the house is the text 'INTERIOR PHOTOS' in a large, white, serif font. Below it, in a smaller, white, sans-serif font, is the address '704 12TH STREET, WEST DES MOINES, IA 50265'.

INTERIOR PHOTOS

704 12TH STREET, WEST DES MOINES, IA 50265



















Please Do Not Wash
Before 8:00 am and
after 10:00 pm.
Thank you.

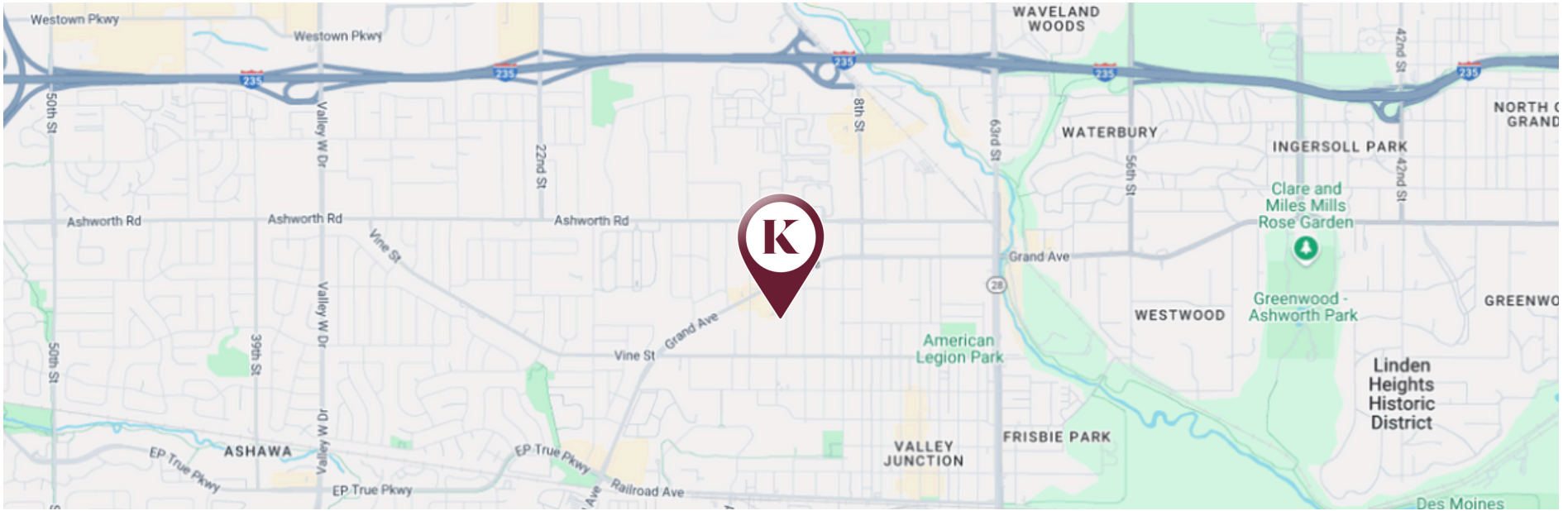
Please wipe off
machines and dryers
after using. Also,
please empty the lint
traps.
Thank You.



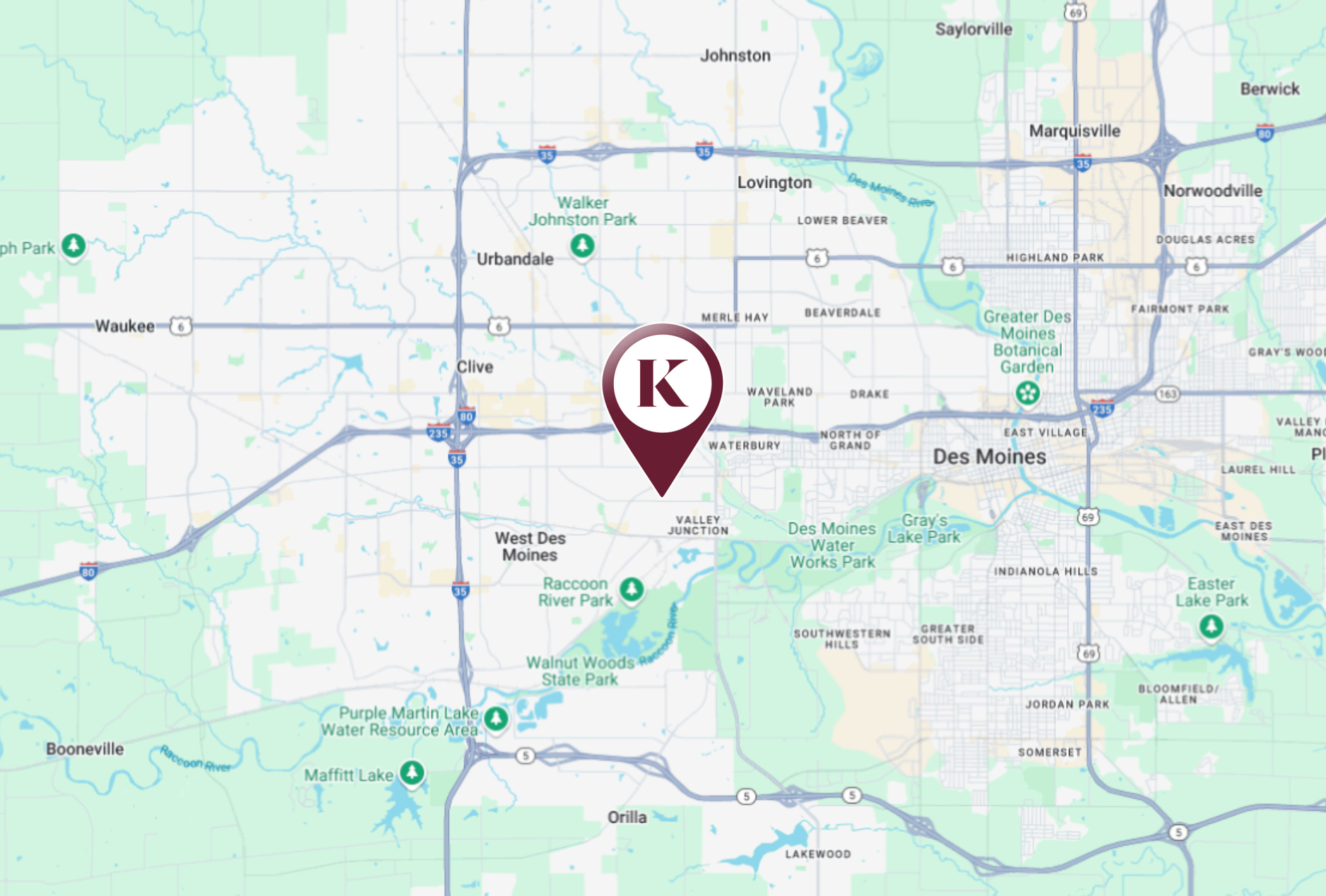
LOCATION MAPS

704 12TH STREET, WEST DES MOINES, IA 50265

LOCATION MAPS



REGIONAL MAP



An aerial photograph of a single-story house with a light-colored exterior and a dark roof. The house is surrounded by a well-maintained green lawn and several large, mature trees. A paved walkway leads from the foreground towards the front door. The text 'AERIAL PHOTOS' is overlaid in large, white, serif font across the center of the image. Below it, the address '704 12TH STREET, WEST DES MOINES, IA 50265' is written in a smaller, white, sans-serif font. The entire image is framed by a thin white border.

AERIAL PHOTOS

704 12TH STREET, WEST DES MOINES, IA 50265

An aerial photograph of a residential neighborhood in West Des Moines, Iowa. The image shows a mix of single-family homes with various roof colors and styles, interspersed with green trees. A large, light-colored commercial building with a flat roof and a parking lot is visible on the right side. A dark red rectangular box is superimposed over the center of the image, containing white text. The property at 704 12th Street is highlighted in a bright red color.

704 12TH STREET,
WEST DES MOINES, IA 50265

Google Earth



704 12TH STREET,
WEST DES MOINES, IA 50265

Google Earth



FINANCIAL ANALYSIS

704 12TH STREET, WEST DES MOINES, IA 50265

INVESTMENT DETAILS

ANALYSIS

Analysis Date

August 2024

PROPERTY

Property Type	Multifamily
Address	704 12th Street
City, State, Zip Code	West Des Moines, IA 50265
Year Built	1965

INCOME & EXPENSE

Gross Operating Income	\$147,204
Monthly GOI	\$12,267
Total Annual Expenses	(\$63,815)
Monthly Expenses	(\$5,318)

PURCHASE INFORMATION

Purchase Price	\$1,100,000
Units	11
Total Rentable SF	8,900
Lot Size	0.370 acres
Resale Valuation	3.00% (Annual Appreciation)
Resale Expenses	6.00%

FINANCIAL INFORMATION

Initial Equity	\$330,000
LT Capital Gain	20.00%
Federal Tax Rate	37.50%
Discount Rate	8.00%

LOANS

Type	Debt	Term	Amort	Rate	Payment	LO Costs
Fixed	\$770,000	25 Years	25 Years	6.75%	\$5,320	-

PRO-FORMA SUMMARY

INVESTMENT SUMMARY

Price	\$1,100,000
Year Built	1965
Units	11
Price/Unit	\$100,000
RSF	8,900
Price/RSF	\$123.60
Lot Size	0.37 AC
Floors	2
Pro-Forma Cap Rate	8.05%
GRM	7.21
Market GRM	7.21

FINANCIAL SUMMARY

Loan 1 (Fixed)	\$770,000
Initial Equity	\$330,000
Interest Rate	6.75%
Term	25 Years
Monthly Payment	\$5,320
DCR	1.31

UNIT MIX & ANNUAL SCHEDULED INCOME

Type	Units	Market	Total
1BD/1BA	1	\$10,800	\$10,800
2BD/1BA	7	\$13,200	\$92,400
3BD/1BA	3	\$15,600	\$46,800
Totals	11		\$150,000

ANNUALIZED INCOME

Description	Market
Gross Potential Rent	\$150,000
- Less: Vacancy	\$0
+ Misc. Income	\$2,640
Effective Gross Income	\$152,640
- Less: Expenses	(\$63,815)
Net Operating Income	\$88,825
- Replacement Reserves	\$0
- Debt Service	\$63,840
Net Cash Flow After Debt Service	\$24,985
+ Principal Reduction	\$12,239
Total Return	\$37,224

ANNUALIZED EXPENSES

Description	Market
Total Expenses	\$63,815
Expenses Per RSF	\$7.17
Expenses Per Unit	\$5,801

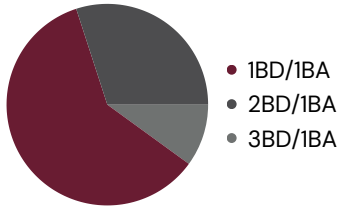
ANNUAL PROPERTY OPERATING DATA

DESCRIPTION YEAR ENDING	YEAR 1 04/2025	YEAR 2 04/2026	YEAR 3 04/2027	YEAR 4 04/2028	YEAR 5 04/2029
Income					
Rental Income	\$150,000	\$156,300	\$162,865	\$169,705	\$176,833
Laundry Income	\$2,640	\$2,719	\$2,801	\$2,885	\$2,971
Gross Scheduled Income	\$152,640	\$159,019	\$165,665	\$172,590	\$179,804
Turnover Vacancy	(\$5,436)	(\$5,664)	(\$5,902)	(\$6,150)	(\$6,408)
Gross Operating Income	\$147,204	\$153,355	\$159,763	\$166,440	\$173,395
Expenses					
Building Insurance	(\$6,600)	(\$6,600)	(\$6,600)	(\$6,600)	(\$6,600)
General Supplies	(\$5,250)	(\$5,250)	(\$5,250)	(\$5,250)	(\$5,250)
Grounds Maintenance	(\$1,600)	(\$1,600)	(\$1,600)	(\$1,600)	(\$1,600)
Janitorial	(\$1,200)	(\$1,200)	(\$1,200)	(\$1,200)	(\$1,200)
Management Fees	(\$12,000)	(\$12,000)	(\$12,000)	(\$12,000)	(\$12,000)
Misc	(\$832)	(\$832)	(\$832)	(\$832)	(\$832)
Repairs	(\$5,250)	(\$5,250)	(\$5,250)	(\$5,250)	(\$5,250)
Taxes - Real Estate	(\$14,902)	(\$14,902)	(\$14,902)	(\$14,902)	(\$14,902)
Trash Removal	(\$1,800)	(\$1,800)	(\$1,800)	(\$1,800)	(\$1,800)
Utility - Gas	(\$9,760)	(\$9,760)	(\$9,760)	(\$9,760)	(\$9,760)
Utility - Water/Sewer	(\$4,620)	(\$4,620)	(\$4,620)	(\$4,620)	(\$4,620)
Total Operating Expenses	(\$63,815)	(\$63,815)	(\$63,815)	(\$63,815)	(\$63,815)
Operating Expense Ratio	43.35%	41.61%	39.94%	38.34%	36.80%
Net Operating Income	\$83,389	\$89,540	\$95,948	\$102,625	\$109,581

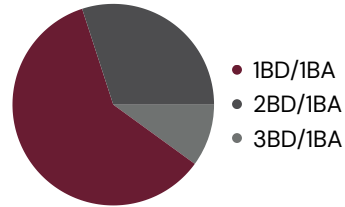
UNIT MIX REPORT

UNITS	TYPE	APPROX. SF	AVG. RENTS	MONTHLY	MKT RENTS	MONTHLY
1	1BD/1BA	750	\$900	\$900	\$900	\$900
7	2BD/1BA	800	\$1,100	\$7,700	\$1,100	\$7,700
3	3BD/1BA	850	\$1,300	\$3,900	\$1,300	\$3,900
11		8,900		\$12,500		\$12,500

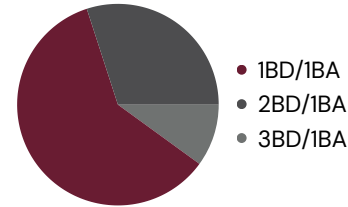
UNIT MIX



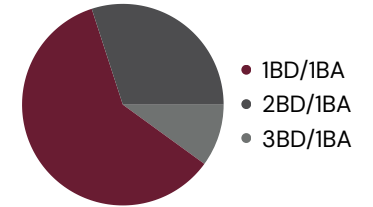
UNIT MIX SQUARE FEET



UNIT MIX INCOME



UNIT MIX MARKET INCOME

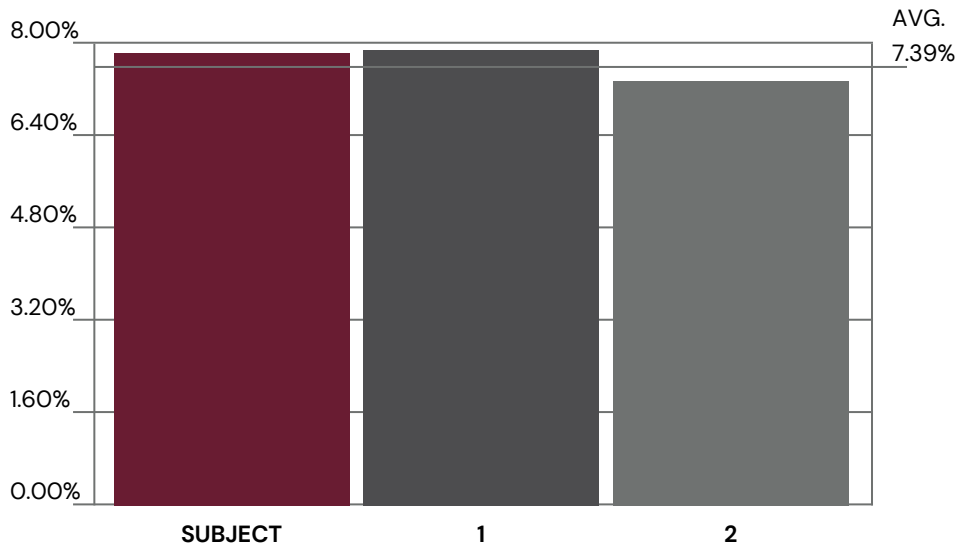


SALE COMPARABLES

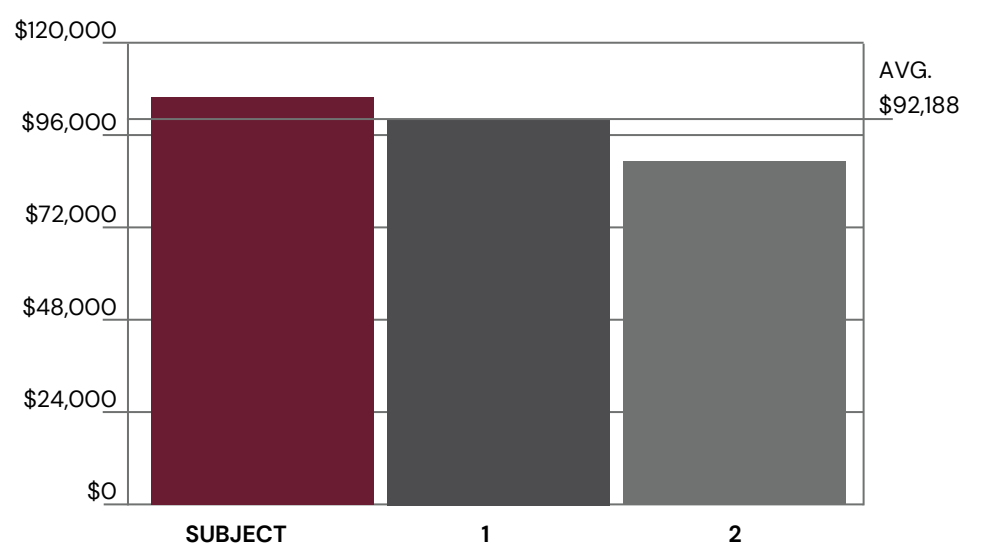
704 12TH STREET, WEST DES MOINES, IA 50265

SALE COMPARABLES

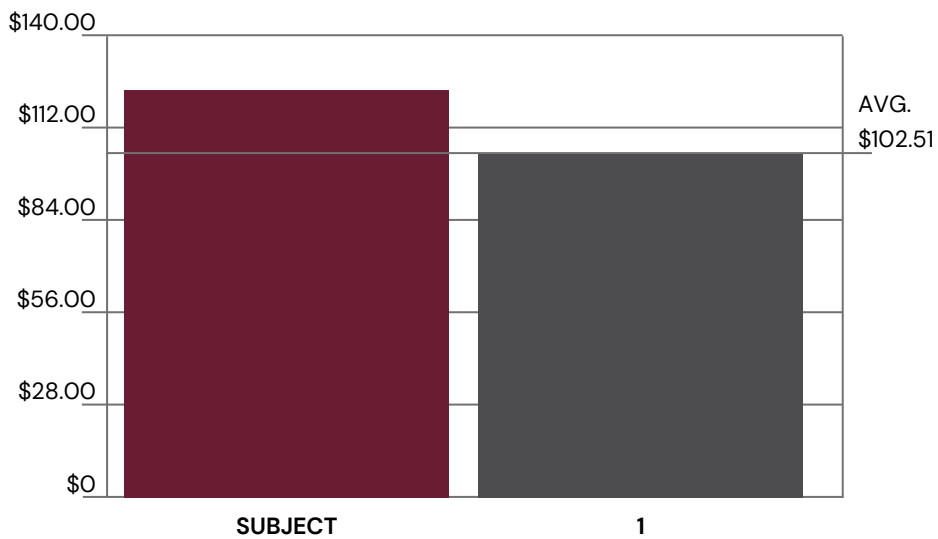
Cap Rate



Price Per Unit



Price Per SF



SALE COMPARABLES

SUBJECT PROPERTY



**704 12TH STREET,
WEST DES MOINES, IA 50265**

Sale Price	\$1,100,000
Units	11
Price/Unit	\$100,000
Price/SF	\$123.60
Acres	0.370
Cap Rate	8.05%
GRM	7.21
Year Built	1965

UNITS	TYPE	APPROX. SF	AVG. RENTS
1	1BD/1BA	750	\$900
7	2BD/1BA	800	\$1,100
3	3BD/1BA	850	\$1,300

01



**1616 VINE STREET
WEST DES MOINES, IA 50265**

Sale Price	\$775,000
Units	8
Price/Unit	\$96,875
Price/SF	\$102.51
Acres	0.550
Cap Rate	7.65%
Year Built	1978
Sale Date	6/26/2024

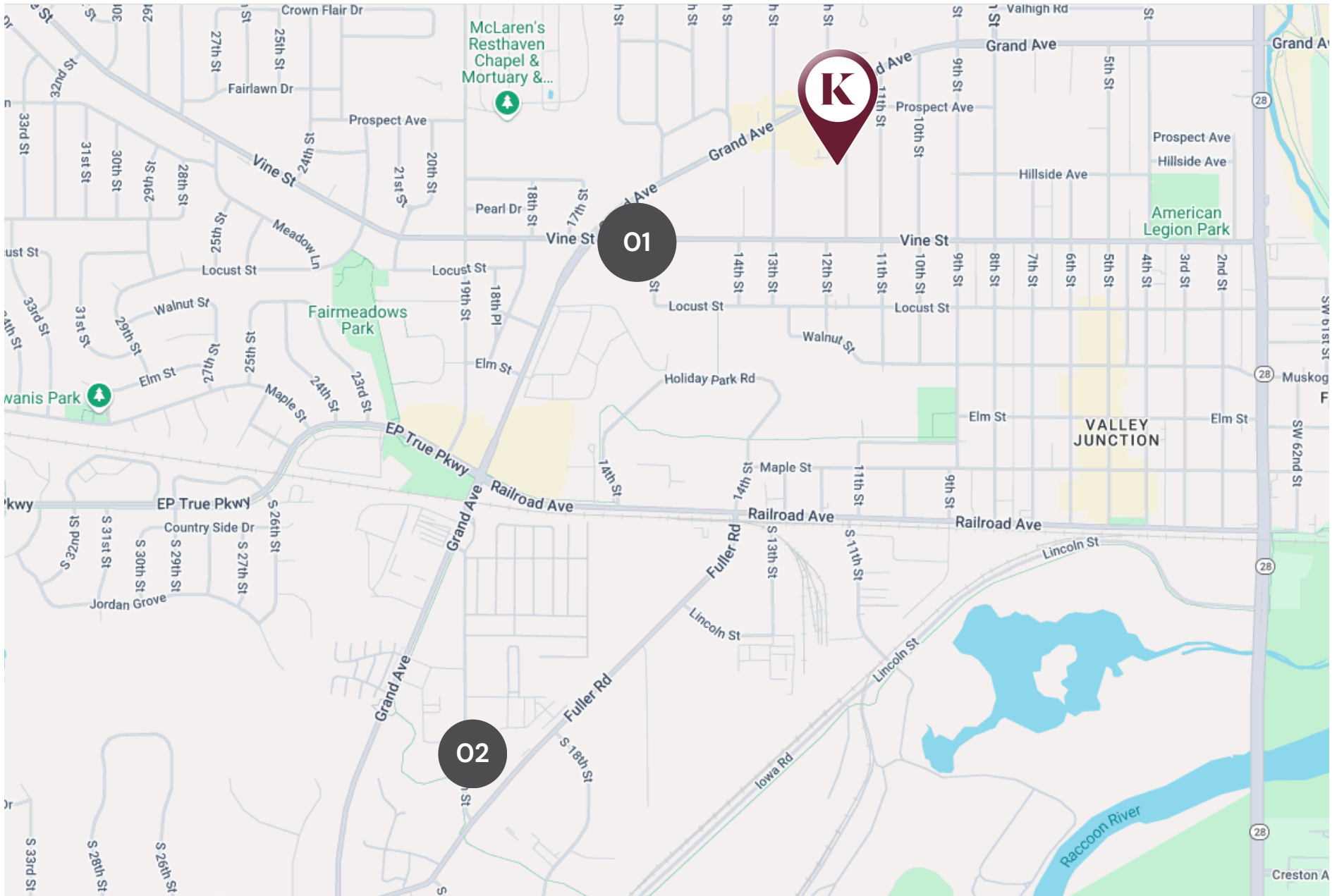
02



**484 SOUTH 19TH STREET
WEST DES MOINES, IA 50265**

Sale Price	\$700,000
Units	8
Price/Unit	\$87,500
Cap Rate	7.13%
Year Built	1979
Sale Date	1/12/2024

SALE COMPARABLES

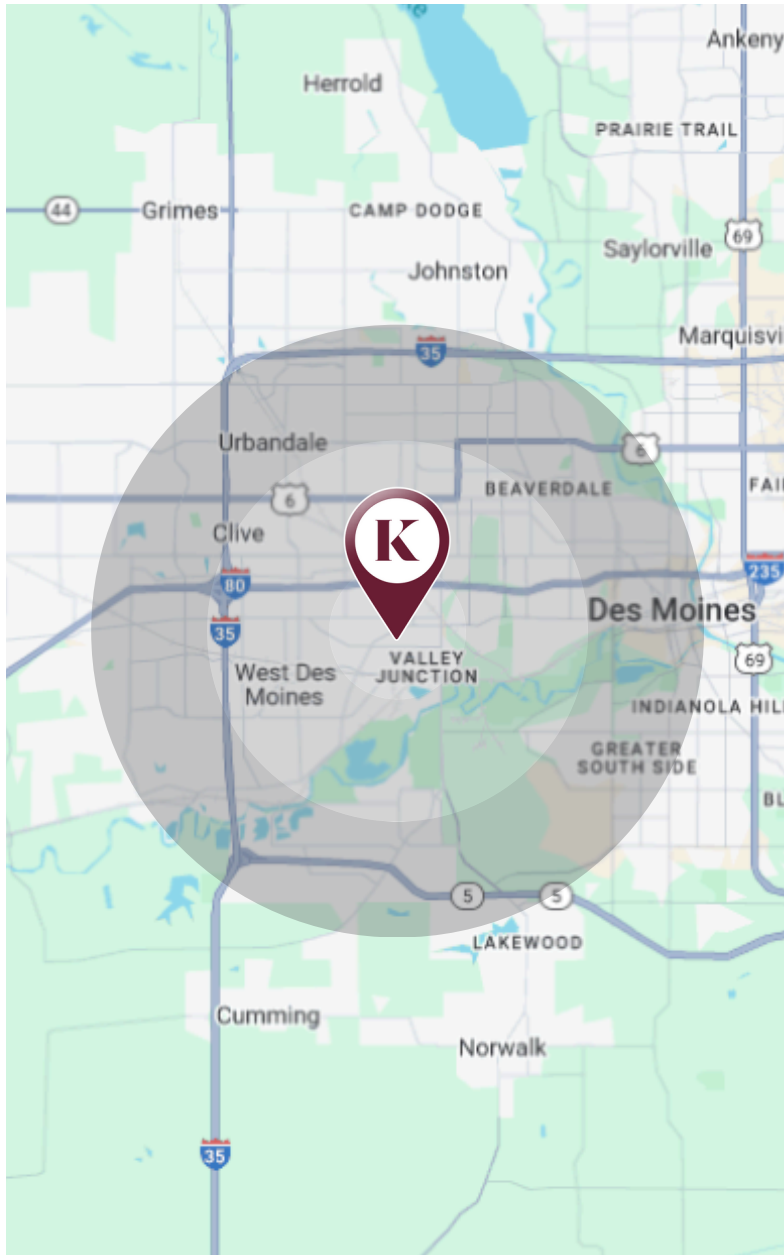




DEMOGRAPHICS

704 12TH STREET, WEST DES MOINES, IA 50265

DEMOGRAPHICS

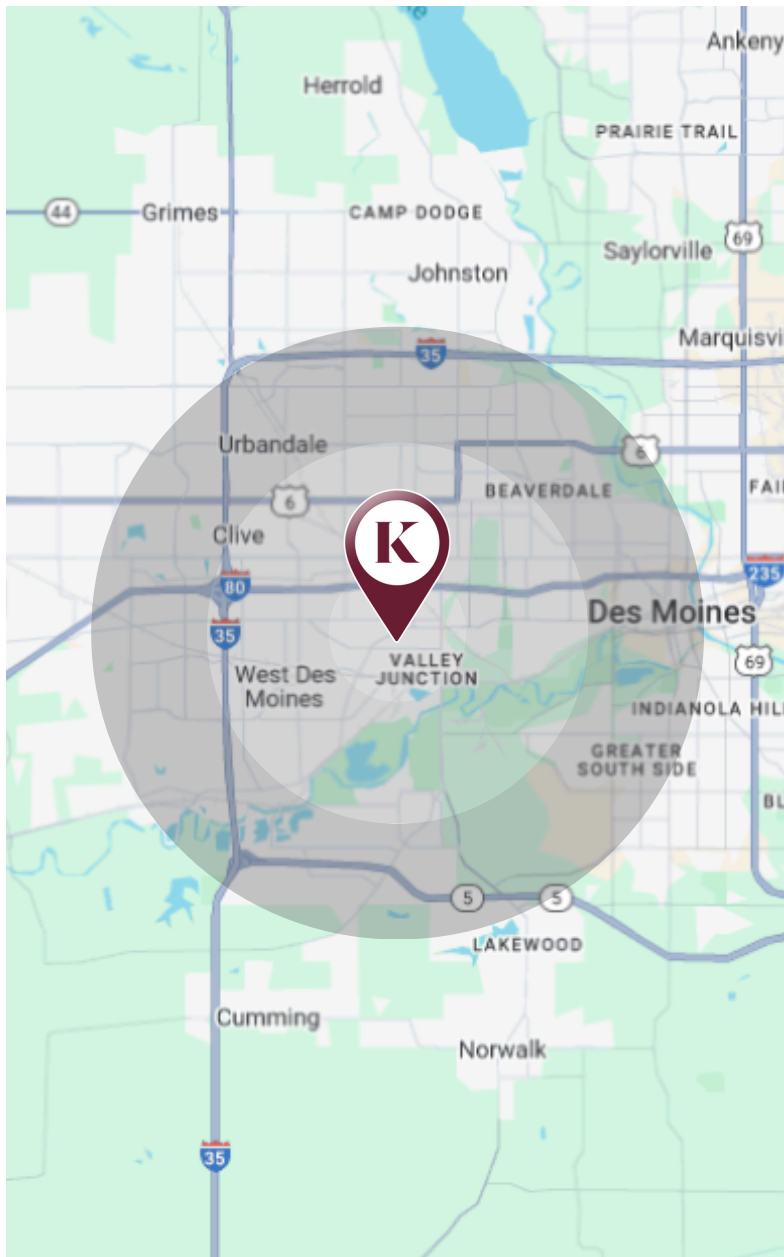


POPULATION	1 MILE	3 MILES	5 MILES
Male	5,360	38,457	94,914
Female	5,464	40,416	100,120
Total Population	10,824	78,873	195,034

AGE	1 MILE	3 MILES	5 MILES
Ages 0-14	2,143	15,383	40,029
Ages 15-24	1,182	9,252	23,605
Ages 25-34	4,640	31,490	78,782
Ages 35-44	1,188	9,847	23,205
Ages 45-54	1,671	12,901	29,413

RACE	1 MILE	3 MILES	5 MILES
White	9,743	72,107	167,393
Black	283	2,166	13,293
AM In/ AK Nat	N/A	6	61
Hawaiian	3	7	46
Hispanic	1,000	4,711	13,046
Multi-Racial	1,098	5,796	17,840

DEMOGRAPHICS



INCOME	1 MILE	3 MILES	5 MILES
Median	\$51,130	\$61,376	\$58,378
< \$15,000	167	2,358	8,433
\$15,000-\$24,999	634	3,003	7,576
\$25,000-\$34,999	540	3,412	7,964
\$35,000-\$49,999	1,173	5,206	12,373
\$50,000-\$74,999	1,252	7,071	16,098
\$75,000-\$99,999	699	5,034	11,445
\$100,000-\$149,999	340	5,166	11,323
\$150,000-\$199,999	33	1,811	3,576
> \$200,000	70	1,591	3,843

HOUSING	1 MILE	3 MILES	5 MILES
Total Units	5,253	36,345	87,723
Occupied Owner	4,861	34,221	81,755
Occupied Renter	2,329	22,300	51,308
Occupied	2,532	11,921	30,447
Vacant	392	2,124	5,968



MEET KATALYST TEAM

704 12TH STREET, WEST DES MOINES, IA 50265

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."



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