

1012 North Third Street

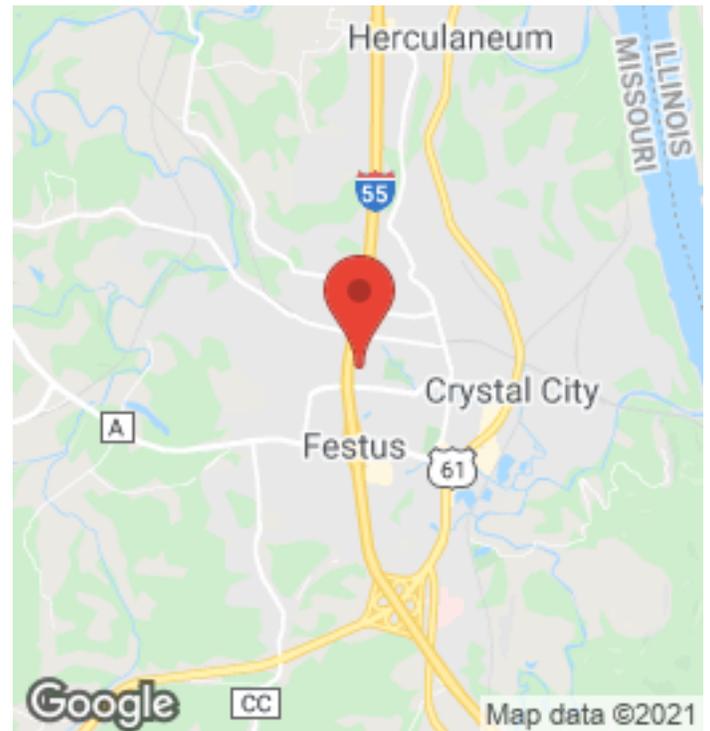
\$835,000



1012 North Third Street

**Property Highlights**

- Value Add Opportunity in Jefferson County
- Great Location Near Riding Trail/ Park
- All 2 Bed / 1 Bath Units
- Great Floor Plans
- Dedicated Laundry Room and Storage
- All Units have Balconies or Patios
- Tenants Pay All Utilities
- Offered at a 7.38% Cap Rate / 12.49% Cash on Cash
- 8.63% Proforma Cap Rate



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# INVESTMENT DETAILS

1012 North Third Street  
1012 North Third Street | Festus, MO 63028

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## Analysis

Analysis Date August 2021

## Property

Property Type MultiFamily  
Property 1012 North Third Street  
Address 1012 North Third Street  
City, State Festus, MO 63028  
Year Built 1980

## Purchase Information

Purchase Price \$835,000  
Units 10  
Total Rentable SF 7,550  
Lot Size 0.350 acres

## Income & Expense

Gross Operating Income \$78,696  
Monthly GOI \$6,558  
Total Annual Expenses (\$17,067)  
Monthly Expenses (\$1,422)

## Financial Information

Initial Equity \$167,000

## Loans

Type	Debt	Term	Amort	Rate	Payment	LO Costs
Balloon	\$668,000	5 years	25 years	3.65%	\$3,398	

**Acquisition Costs**

Purchase Price, Points and Closing Costs	\$835,000
Investment - Cash	\$167,000
First Loan (Balloon)	\$668,000

**Investment Information**

Purchase Price	\$835,000
Price per Unit	\$83,500
Price per SF	\$110.60
Expenses per Unit	(\$1,707)

**Income, Expenses & Cash Flow**

Gross Scheduled Income	\$82,680
Total Vacancy and Credits	(\$3,984)
Operating Expenses	(\$17,067)
Net Operating Income	\$61,629
Debt Service	(\$40,778)
Cash Flow Before Taxes	\$20,851

**Financial Indicators**

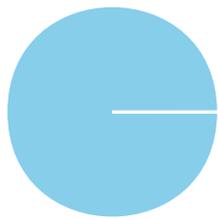
Cash-on-Cash Return Before Taxes	12.49%
Debt Coverage Ratio	1.51
Capitalization Rate	7.38%
Gross Rent Multiplier	10.10
Gross Income / Square Feet	\$10.95
Gross Expenses / Square Feet	(\$2.26)
Operating Expense Ratio	21.69%

# UNIT MIX REPORT

1012 North Third Street  
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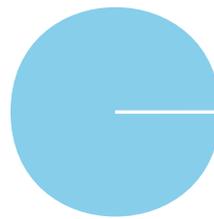
Units	Type	Approx. SF	Avg. Rents	Monthly	Mkt Rents	Monthly
10	2 Bed / 1 Bath	755	\$664	\$6,640	\$750	\$7,500
10		7,550		\$6,640		\$7,500

UNIT MIX



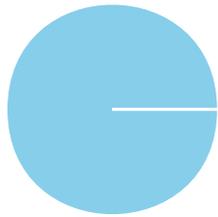
● 2 Bed / 1 Bath

UNIT MIX SQUARE FEET



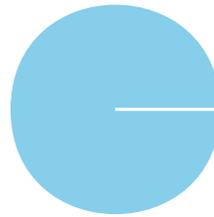
● 2 Bed / 1 Bath

UNIT MIX INCOME



● 2 Bed / 1 Bath

UNIT MIX MARKET INCOME



● 2 Bed / 1 Bath

# PRO FORMA SUMMARY

1012 North Third Street  
1012 North Third Street | Festus, MO 63028

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## Investment Summary

Price	\$835,000
Year Built	1980
Units	10
Price/Unit	\$83,500
RSF	7,550
Price/RSF	\$110.60
Lot Size	0.35 acres
Floors	3
Parking Spaces	1/1
APN	19300603013002
Cap Rate	7.38%
Market Cap Rate	8.63%
GRM	10.1
Market GRM	8.98

## Financing Summary

Loan 1 (Balloon)	\$668,000
Initial Equity	\$167,000
Interest Rate	3.65%
Term	5 years
Monthly Payment	\$3,398
DCR	1.51

## Unit Mix & Annual Scheduled Income

Type	Units	Actual	Total	Market	Total
2 Bed / 1 Bath	10	\$7,968	\$79,680	\$9,000	\$90,000
Totals	10		\$79,680		\$90,000

## Annualized Income

Description	Actual	Market
Gross Potential Rent	\$79,680	\$90,000
- Less: Vacancy	(\$3,984)	(\$4,500)
+ Misc. Income	\$3,000	\$3,000
Effective Gross Income	\$78,696	\$88,500
- Less: Expenses	(\$17,067)	(\$16,415)
Net Operating Income	\$61,629	\$72,085
- Debt Service	(\$40,778)	(\$40,778)
Net Cash Flow after Debt Service	\$20,851	\$31,307
+ Principal Reduction	\$16,673	\$16,673
Total Return	\$37,524	\$47,980

## Annualized Expenses

Description	Actual	Market
Building Insurance	\$4,152	\$3,500
Maintenance and Repairs	\$4,950	\$4,950
Taxes - Real Estate	\$4,845	\$4,845
Utilities	\$3,120	\$3,120
Total Expenses	\$17,067	\$16,415
Expenses Per RSF	\$2.26	\$2.17
Expenses Per Unit	\$1,707	\$1,642

# CASH FLOW ANALYSIS

1012 North Third Street  
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Before-Tax Cash Flow Year Ending	Year 1 07/2022	Year 2 07/2023	Year 3 07/2024	Year 4 07/2025	Year 5 07/2026
Before-Tax Cash Flow					
Gross Scheduled Income	\$82,680	\$84,274	\$85,899	\$87,557	\$89,248
Turnover Vacancy	(\$3,984)	(\$4,064)	(\$4,145)	(\$4,228)	(\$4,312)
Total Operating Expenses	(\$17,067)	(\$17,067)	(\$17,067)	(\$17,067)	(\$17,067)
Net Operating Income	\$61,629	\$63,143	\$64,687	\$66,262	\$67,869
Loan Payment	(\$40,778)	(\$40,778)	(\$40,778)	(\$40,778)	(\$40,778)
Before-Tax Cash Flow	\$20,851	\$22,365	\$23,909	\$25,484	\$27,091
Cash-On-Cash Return	12.49%	13.39%	14.32%	15.26%	16.22%

# ANNUAL PROPERTY OPERATING DATA

1012 North Third Street  
1012 North Third Street | Festus, MO 63028

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Description Year Ending	Year 1 07/2022	Year 2 07/2023	Year 3 07/2024	Year 4 07/2025	Year 5 07/2026
<b>Income</b>					
Rental Income	\$79,680	\$81,274	\$82,899	\$84,557	\$86,248
Coin Operated Washer/dryers	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000
<b>Gross Scheduled Income</b>	<b>\$82,680</b>	<b>\$84,274</b>	<b>\$85,899</b>	<b>\$87,557</b>	<b>\$89,248</b>
Turnover Vacancy	(\$3,984)	(\$4,064)	(\$4,145)	(\$4,228)	(\$4,312)
<b>Gross Operating Income</b>	<b>\$78,696</b>	<b>\$80,210</b>	<b>\$81,754</b>	<b>\$83,329</b>	<b>\$84,936</b>
<b>Expenses</b>					
Building Insurance	(\$4,152)	(\$4,152)	(\$4,152)	(\$4,152)	(\$4,152)
Maintenance and Repairs	(\$4,950)	(\$4,950)	(\$4,950)	(\$4,950)	(\$4,950)
Taxes - Real Estate	(\$4,845)	(\$4,845)	(\$4,845)	(\$4,845)	(\$4,845)
Utilities	(\$3,120)	(\$3,120)	(\$3,120)	(\$3,120)	(\$3,120)
<b>Total Operating Expenses</b>	<b>(\$17,067)</b>	<b>(\$17,067)</b>	<b>(\$17,067)</b>	<b>(\$17,067)</b>	<b>(\$17,067)</b>
<b>Operating Expense Ratio</b>	<b>21.69%</b>	<b>21.28%</b>	<b>20.88%</b>	<b>20.48%</b>	<b>20.09%</b>
<b>Net Operating Income</b>	<b>\$61,629</b>	<b>\$63,143</b>	<b>\$64,687</b>	<b>\$66,262</b>	<b>\$67,869</b>

# INVESTMENT RETURN ANALYSIS

1012 North Third Street  
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Description Year Ending	Year 1 07/2022	Year 2 07/2023	Year 3 07/2024	Year 4 07/2025	Year 5 07/2026
Cash Flow - To Date	\$20,851	\$43,216	\$67,126	\$92,610	\$119,701
Net Resale Proceeds	\$183,673	\$200,964	\$218,898	\$237,497	\$256,787
Invested Capital	(\$167,000)	(\$167,000)	(\$167,000)	(\$167,000)	(\$167,000)
Net Return on Investment	\$37,524	\$77,181	\$119,024	\$163,107	\$209,488
<b>Before Tax Calculations</b>					
PV (NOI + reversion)	\$837,971	\$842,070	\$847,161	\$853,121	\$859,837
<b>After Tax Calculations</b>					
IRR	22.47%	22.05%	21.68%	21.36%	21.06%
Modified IRR	22.47%	21.28%	20.28%	19.43%	18.68%
NPV	\$24,144	\$47,552	\$70,225	\$92,166	\$113,382

<b>Apartment #</b>	<b>Rent Amount</b>	<b>Deposit</b>	<b>Lease Up</b>	<b>Years Rented</b>
1	\$750	\$750	Aug-22	New
2	\$695	\$550	Aug-22	9 Years
3	\$750	\$750	Aug-22	New
4	\$625	\$595	Aug-22	3 Years
5	\$625	\$625	May-22	1 Year
6	\$625	\$595	Feb-22	2 Years
7	\$625	\$625	Jul-22	2 Years
8	\$625	\$625	Aug-22	2 Years
9	\$625	\$595	Jun-22	3 Years
10	\$695	\$695	Jun-22	1 Year
Total:	\$6,640	\$6,405		

# PROPERTY PHOTOS

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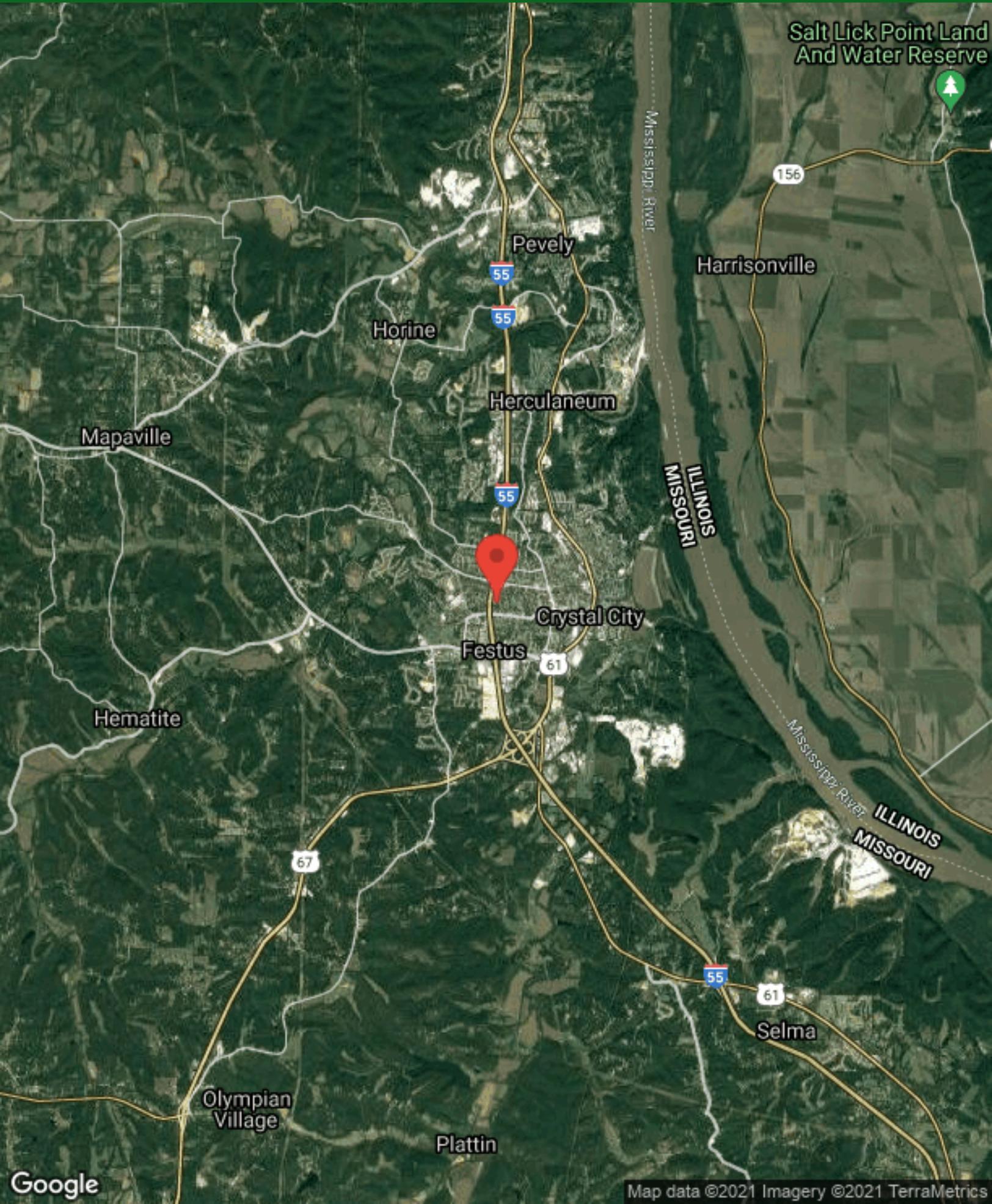
# FINANCIAL INDICATORS

1012 North Third Street  
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Description Year Ending	Year 1 07/2022	Year 2 07/2023	Year 3 07/2024	Year 4 07/2025	Year 5 07/2026
<b>Key Ratios and Multipliers</b>					
Capitalization Rate	7.38%	7.56%	7.75%	7.94%	8.13%
Gross Rent Multiplier	10.10	9.91	9.72	9.54	9.36
Net Income Multiplier	13.55	13.22	12.91	12.60	12.30
Operating Expense Ratio	21.69%	21.28%	20.88%	20.48%	20.09%
<b>Amounts per SF</b>					
Gross Income	\$10.95	\$11.16	\$11.38	\$11.60	\$11.82
Expenses	(\$2.26)	(\$2.26)	(\$2.26)	(\$2.26)	(\$2.26)
<b>Loan Metrics</b>					
Loan To Value Ratio	78.00%	75.93%	73.78%	71.56%	0.00%
Debt Coverage Ratio	1.51	1.55	1.59	1.62	1.66
<b>Cash-On-Cash Measures</b>					
Before-Tax	12.49%	13.39%	14.32%	15.26%	16.22%
After-Tax	12.49%	13.39%	14.32%	15.26%	16.22%

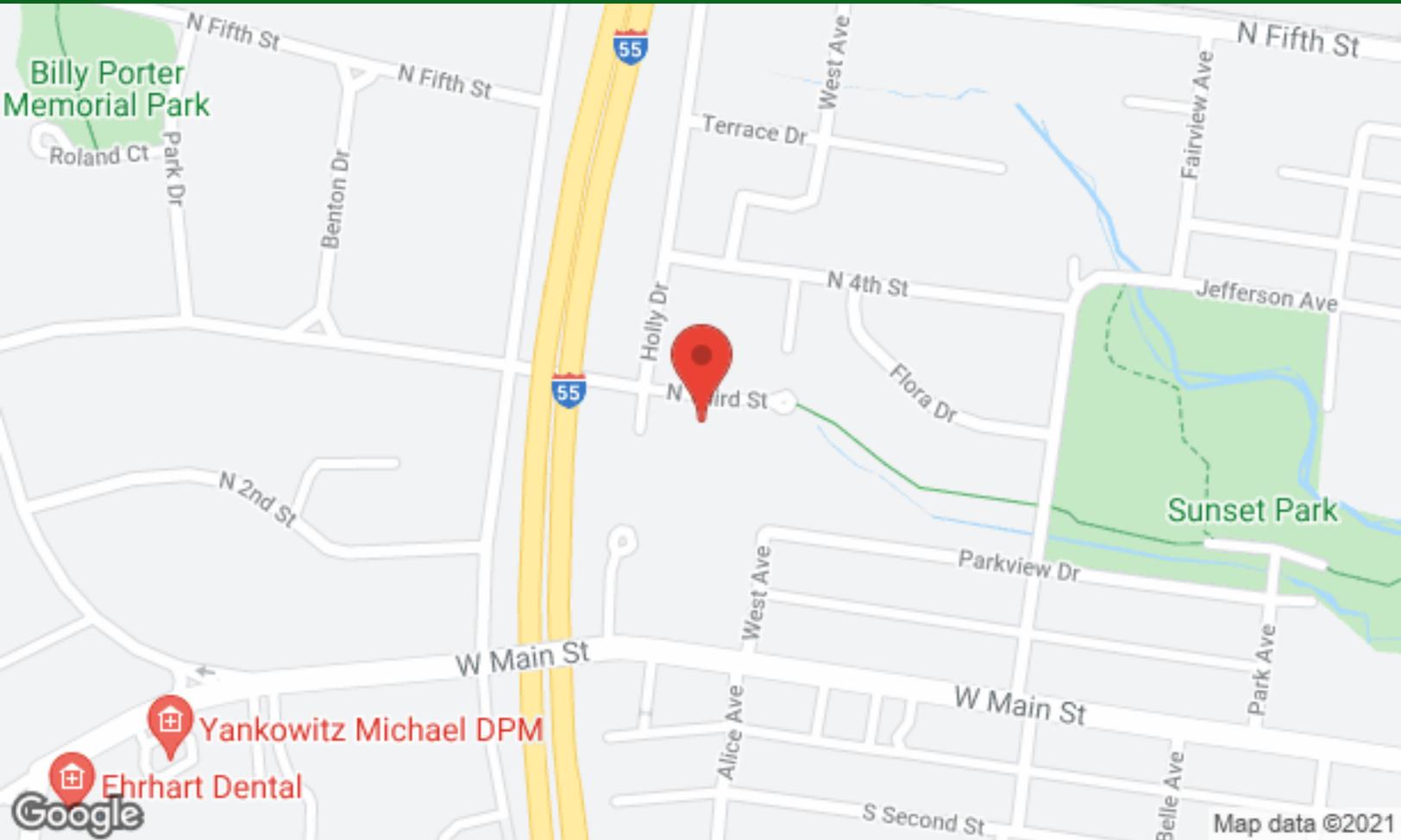
# REGIONAL MAP

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# LOCATION MAP

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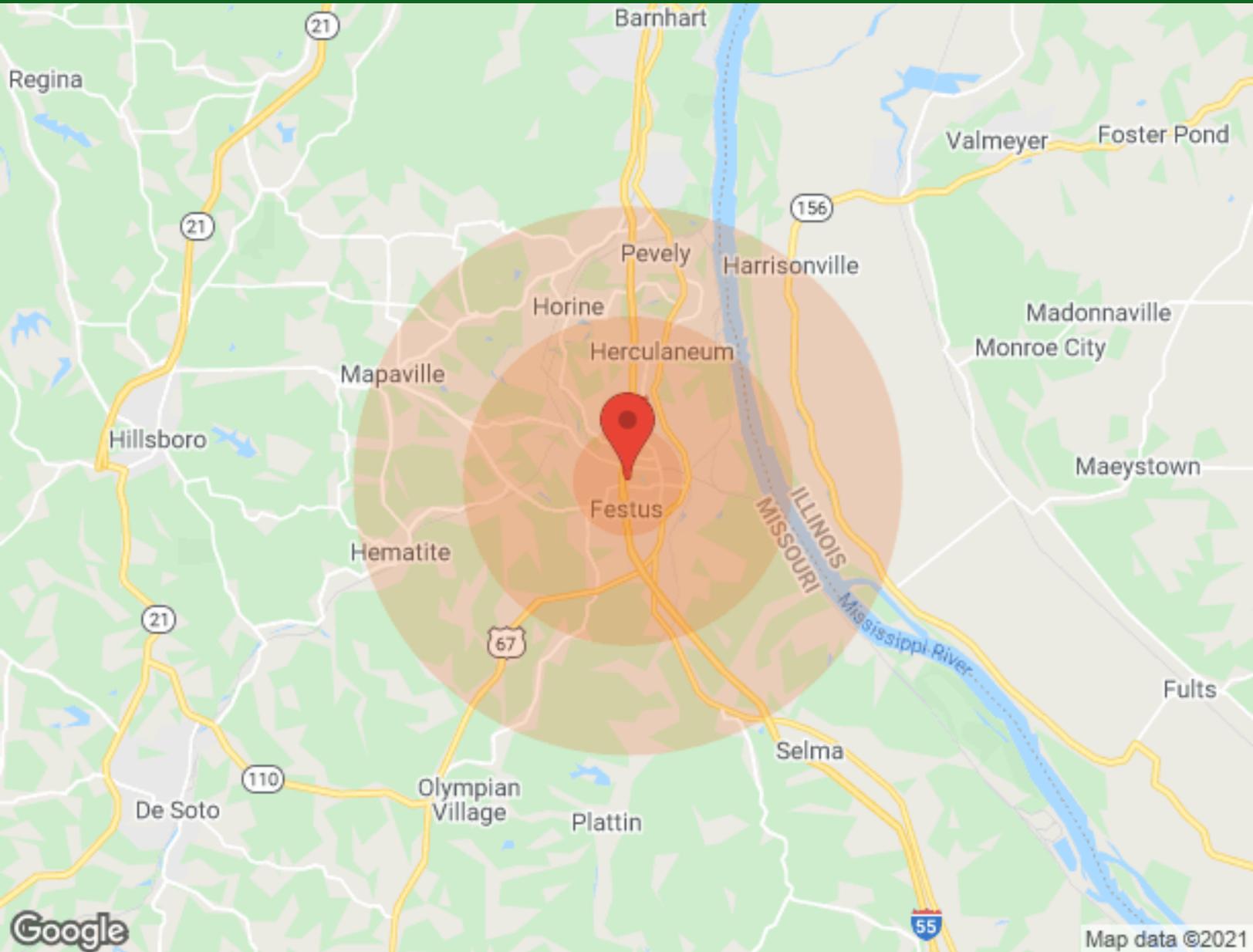
# AERIAL MAP

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# DEMOGRAPHICS

1012 North Third Street  
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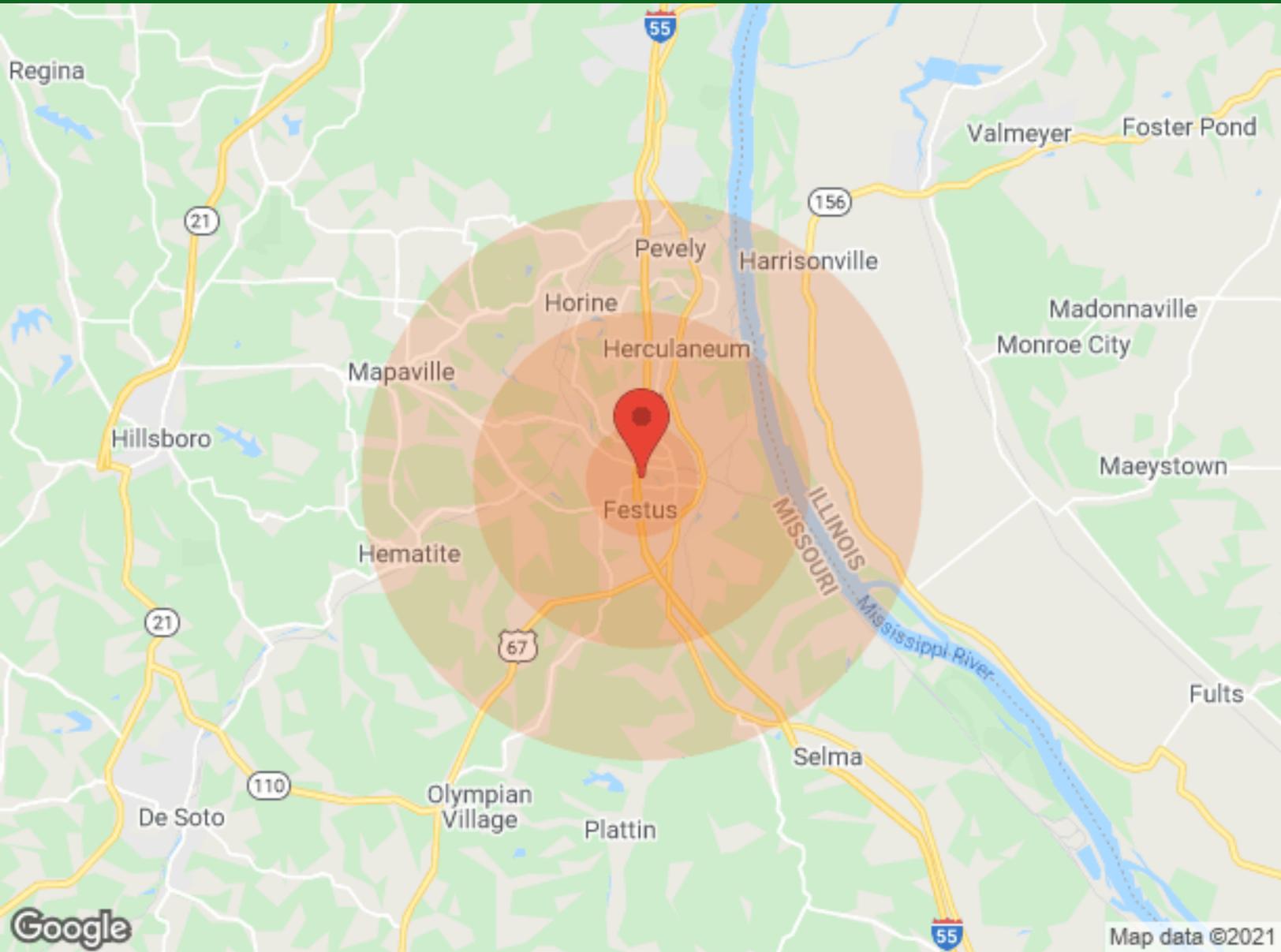


Population	1 Mile	3 Miles	5 Miles
Male	3,724	10,032	17,227
Female	4,037	11,044	18,431
Total Population	7,761	21,076	35,658
Age	1 Mile	3 Miles	5 Miles
Ages 0-14	1,571	4,432	7,467
Ages 15-24	1,025	3,017	5,162
Ages 55-64	936	2,337	4,083
Ages 65+	1,214	3,179	5,157
Race	1 Mile	3 Miles	5 Miles
White	7,518	20,474	34,826
Black	158	340	389
Am In/AK Nat	N/A	2	9
Hawaiian	N/A	N/A	N/A
Hispanic	36	91	182
Multi-Racial	162	412	752

Income	1 Mile	3 Miles	5 Miles
Median	\$37,885	\$37,932	\$37,932
< \$15,000	444	1,049	1,918
\$15,000-\$24,999	575	1,041	1,871
\$25,000-\$34,999	326	950	1,476
\$35,000-\$49,999	398	1,193	1,846
\$50,000-\$74,999	726	1,703	2,688
\$75,000-\$99,999	280	969	1,697
\$10,000-\$149,999	335	1,066	1,711
\$150,000-\$199,999	35	154	295
> \$200,000	96	187	231
Housing	1 Mile	3 Miles	5 Miles
Total Units	3,586	9,100	15,041
Occupied	3,319	8,445	13,946
Owner Occupied	2,139	5,974	10,216
Renter Occupied	1,180	2,471	3,730
Vacant	267	655	1,095

# DETAILED DEMOGRAPHICS

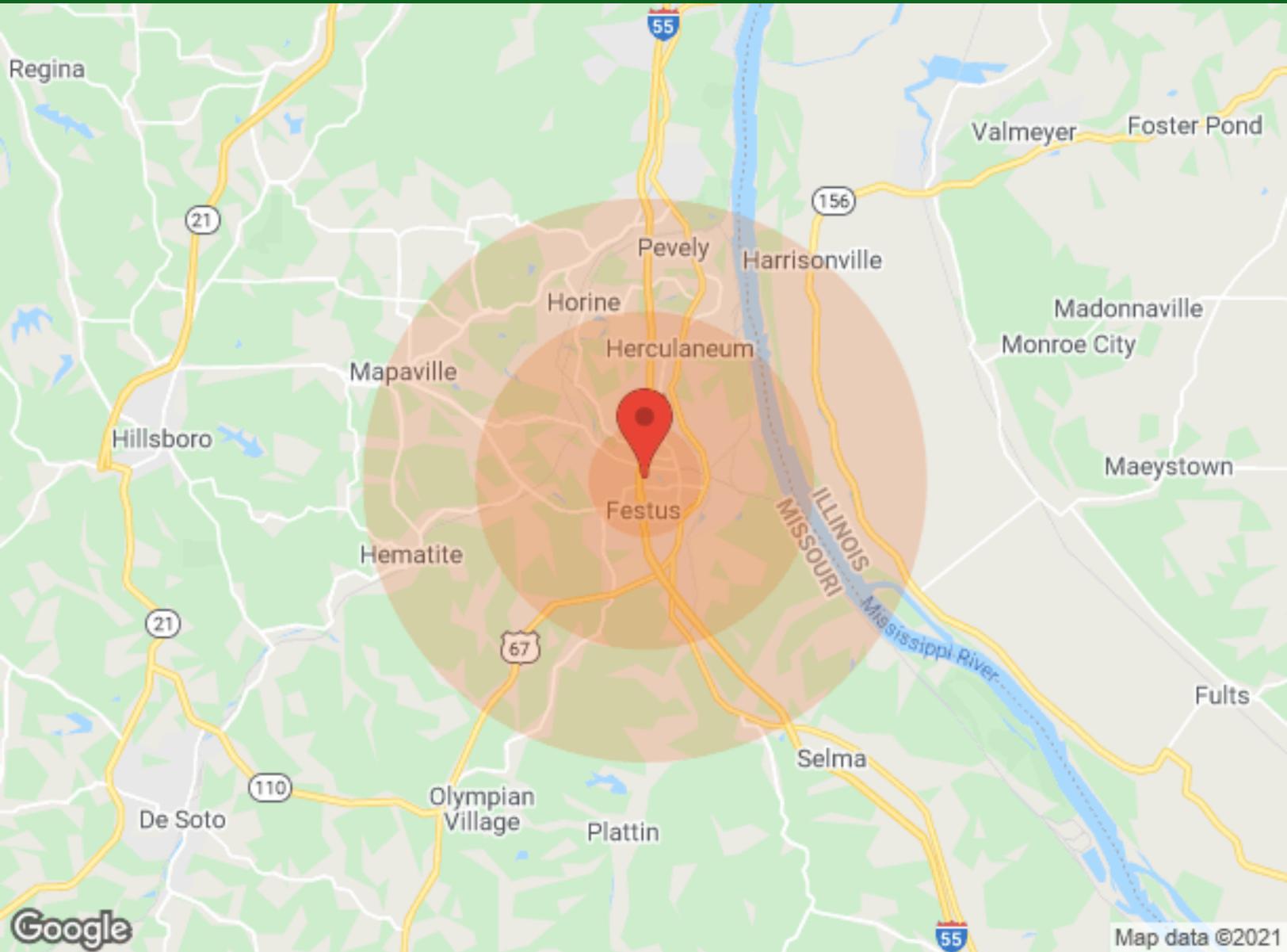
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# DETAILED DEMOGRAPHICS

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Age	1 Mile	3 Miles	5 Miles	Income	1 Mile	3 Miles	5 Miles
Ages 0-4	466	1,276	2,156	Median	\$37,885	\$37,932	\$37,932
Ages 5-9	578	1,627	2,735	< \$10,000	228	495	941
Ages 10-14	527	1,529	2,576	\$10,000-\$14,999	216	554	977
Ages 15-19	517	1,538	2,611	\$15,000-\$19,999	299	585	937
Ages 20-24	508	1,479	2,551	\$20,000-\$24,999	276	456	934
Ages 25-29	503	1,399	2,434	\$25,000-\$29,999	173	630	915
Ages 30-34	508	1,361	2,312	\$30,000-\$34,999	153	320	561
Ages 35-39	499	1,324	2,196	\$35,000-\$39,999	109	486	779
Ages 40-44	488	1,337	2,221	\$40,000-\$44,999	165	376	574
Ages 45-49	502	1,361	2,314	\$45,000-\$49,999	124	331	493
Ages 50-54	515	1,329	2,312	\$50,000-\$60,000	304	679	1,115
Ages 55-59	505	1,247	2,187	\$60,000-\$74,000	422	1,024	1,573
Ages 60-64	431	1,090	1,896	\$75,000-\$99,999	280	969	1,697
Ages 65-69	343	893	1,538	\$10,000-\$124,999	287	768	1,258
Ages 70-74	282	714	1,216	\$125,000-\$149,999	48	298	453
Ages 74-79	215	542	912	\$150,000-\$199,999	35	154	295
Ages 80-84	144	371	596	> \$200,000	96	187	231
Ages 85+	230	659	895				