



VA Compensated Work Therapy/ Transitional Residence

5100 East 24th Street | Kansas City, MO 64128

Offering Memorandum

Colliers

Disclaimer

Colliers International Brokerage Company (“Broker”) has been retained as the exclusive advisor and broker for this offering.

This Offering Memorandum has been prepared by Broker for use by a limited number of parties and does not purport to provide a necessarily accurate summary of the Property or any of the documents related thereto, nor does it purport to be all-inclusive or to contain all of the information which prospective Buyers may need or desire. All projections have been developed by Broker and designated sources and are based upon assumptions relating to the general economy, competition, and other factors beyond the control of the Seller and therefore are subject to variation. No representation is made by Broker or the Seller as to the accuracy or completeness of the information contained herein, and nothing contained herein shall be relied on as a promise or representation as to the future performance of the Property. Although the information contained herein is believed to be correct, the Seller and its employees disclaim any responsibility for inaccuracies and expect prospective purchasers to exercise independent due diligence in verifying all such information. Further, Broker, the Seller and its employees disclaim any and all liability for representations and warranties, expressed and implied, contained in or omitted from the Offering Memorandum or any other written or oral communication transmitted or made available to the Buyer. The Offering Memorandum does not constitute a representation that there has been no change in the business or affairs of the Property or the Owner since the date of preparation of the Offering Memorandum. Analysis and verification of the information contained in the Offering Memorandum are solely the responsibility of the prospective Buyer. Additional information and an opportunity to inspect the Property will be made available upon written request to interested and qualified prospective Buyers.

By accepting the Offering Memorandum, you agree to indemnify, defend, protect and hold Seller and Broker and any affiliate of Seller or Broker harmless from and against any and all claims, damages, demands, liabilities, losses, costs or expenses (including reasonable attorney's fees, collectively “Claims”) arising, directly or indirectly from any actions or omissions of Buyer, its employees, officers, directors or agents.

Buyer shall indemnify and hold Seller and Broker harmless from and against any claims, causes of action or liabilities, including, without limitation, reasonable attorney's fees and court costs which may be incurred with respect to any claims for other real estate commissions, broker's fees or finder's fees in relation to or in connection with the Property to the extent claimed, through or under Seller.

The Seller and Broker each expressly reserve the right, at their sole discretion, to reject any or all expressions of interest or offers regarding the Property and/or to terminate discussions with any entity at any time with or without notice. The Seller shall have no legal commitment or obligations to any entity reviewing the Offering Memorandum or making an offer to purchase the Property unless a written agreement for the purchase of the Property has been fully executed, delivered, and approved by the Seller and its legal counsel, and any conditions to the Seller's obligation thereunder have been satisfied or waived.

The Offering Memorandum and the contents, except such information which is a matter of public record or is provided in sources available to the public, are of a confidential nature. By accepting the Offering Memorandum, you agree that you will hold and treat it in the strictest confidence, that you will not photocopy or duplicate it, that you will not disclose the Offering Memorandum or any of the contents to any other entity (except to outside advisors retained by you, if necessary, for your determination of whether or not to make an offer and from whom you have obtained an agreement of confidentiality) without prior written authorization of the Seller or Broker, and that you will not use the Offering Memorandum or any of the contents in any fashion or manner detrimental to the interest of the Seller or Broker.

No employee of seller or at the Subject Property is to be contacted without the written approval of the listing agents and doing so would be a violation of this confidentiality agreement.

Broker has created cash flow projections for the Property using Argus Financial Software. Neither Broker nor the Seller make any representation, warranty or guaranty of the economic value of the Property through the cash flow projections contained in this Offering or the associated Argus computer files.

Broker and their prospective buyers agree not to contact the tenants, their employees or customers of any business on the Property without prior permission from the Landlord.

VA Compensated Work Therapy/ Transitional Residence

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Investment Overview

The Ficke Team has been exclusively retained to market to qualified investors the Veteran Affairs (VA) Compensated Work Therapy and Transitional Residence located at 5100 E 24th Street, Kansas City, MO.

This single-tenant property consists of 17,500-rentable square feet building that was developed in 1970 and remodeled in 2018 to the VAs strict renovation standards as use for a Compensated Work Therapy/Transitional Residence for local Veterans. The GSA invested \$730,000 for tenant improvements to this building illustrating their commitment to this location. This first-generation lease was executed for 10-years-firm-term effective February 6, 2018, and expiring February 5, 2028. The lease provides for 3% annual Operating Cost Rent escalations. The site includes twenty-two (22) parking spaces of which two (2) are handicapped reserved, and one (1) is designated for van drop-off/ loading area on .70 acres.

This is a mission critical facility helping to reduce Veteran homelessness in Kansas City through the VAs transitional housing programs. This facility is strategically located 1.6 miles from the Kansas City VA Medical Center that supports transportation for medical treatment from this transitional housing facility. This investment is ideal for an investor who is seeking a stable cash flow from a best-in-class investment grade tenant, which is backed by the U.S. Government, AA+ S&P rated.

Kansas City (abbreviated KC or KCMO) is the largest city in Missouri by population and area. As of the 2020 census, the city had a population of 508,090 in 2020, making it the 36th most-populous city in the United States. It is the most populated municipality and central city of the Kansas City metropolitan area, which straddles the Kansas-Missouri state line and has a population of 2,392,035. Most of the city lies within Jackson County, with portions spilling into Clay, Cass, and Platte counties.

Investment Highlights



U.S. Government Guarantee, AA+ S&P rated



Renovate-to-suit for GSA in 2018



3% Annual Operating Cost Rent Escalations



GSA invested \$730,000 for TIs, illustrating their commitment to this location



Remaining Firm Term expires 2/5/2028



22 Parking Spaces



1.6 Miles from the KC VA Medical Center with transportation to this site

Tenant Overview

5100 East 24th St. | Kansas City, MO 64128



VA

U.S. Department
of Veterans Affairs

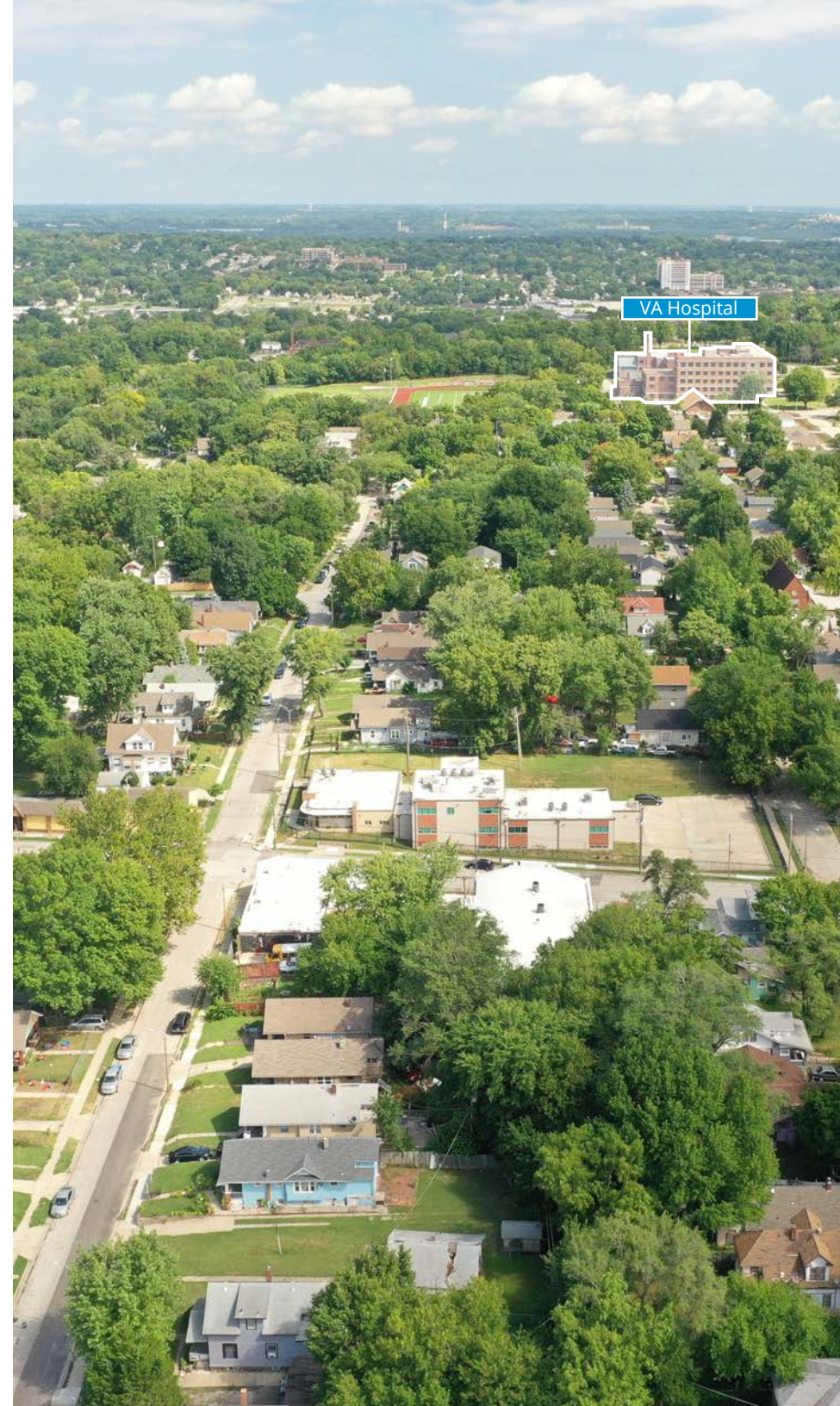
Using the Work-Therapy (CWT) and Compensated Work-Therapy/Transitional Residence (TR) programs, VA provides employment chances and managed therapeutic housing for those homeless ex-soldiers who might have a mental, physical or drug addiction problem.

Compensated Work Therapy (CWT) is a Department of Veterans Affairs (VA) clinical vocational rehabilitation program that provides evidence based and evidence informed vocational rehabilitation services; partnerships with business, industry and government agencies to provide Veteran candidates for employment and Veteran labor, and employment supports to Veterans and employers.

CWT programs strive to maintain highly responsive long-term quality relationships with business, government agencies, and industry promoting employment opportunities for Veterans with physical and mental health challenges.

CWT programs are located within all VA medical centers. Many of the CWT programs are accredited by the Commission on Accreditation of Rehabilitation Facilities (CARF) - an independent accrediting body of health and human service providers. CARF accreditation confirms that CWT programs are committed to continuous quality improvement, accountability for its performance through outcomes evidence, and monitoring the satisfaction of the persons served.

Employment is a critical protective factor against suicide, homelessness and substance use. CWT is a vital employment and therapeutic work program assisting Veterans with job barriers faced from mental health or physical disabilities.



Property & Lease Overview

5100 East 24th St. | Kansas City, MO 64128

Property Overview	
Property Name	U.S. Department of Veterans Affairs - Compensated Work Therapy/Transitional Residence
Address	5100 East 24th Street Kansas City, MO 64128
Building Size (SF)	17,500
Property Type	Office
Tenancy	Single
Year Built / Renovated	1970 / 2018
Building Height	3 Story
Building Class	B
Lot Size	0.70 acres

Lease Overview	
Lease Type	Modified Gross
Square Feet	17,500
Lease Commencement	02/06/18
Lease Expiration (Firm)	02/05/28
Firm Term Remaining	4.8



Financials Rent Schedule

5100 East 24th St. | Kansas City, MO 64128

Rentable Square Feet	17,500
Real Estate Tax Base	\$7,500.00
Real Estate Tax Percentage	100%

02/06/2018 - 02/05/2028 (Firm Term)	\$/SF	Annual	Monthly
Shell Rent	\$16.26	\$284,472	\$23,705.96
Operating Costs Rent ¹	\$9.56	\$167,325	\$13,943.75
	\$9.81	\$171,690	\$14,307.50
	\$10.06	\$176,055	\$14,671.25
	\$10.31	\$180,420	\$15,035.00
	\$10.56	\$184,785	\$15,398.75
Total	\$25.57	\$447,432	\$37,285.96

Notes

1. Operating Costs Rent has 3% fixed increases annually

Financials Pro Forma Cash Flow

5100 East 24th St. | Kansas City, MO 64128

Year	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Year Ending	Dec-23	Dec-24	Dec-25	Dec-26	Dec-27	Dec-28	Dec-29	Dec-30	Dec-31	Dec-32

Income	Income/SF										
Shell Rent ¹	\$16.26	\$284,472	\$284,472	\$284,472	\$284,472	\$284,472	\$291,563	\$312,919	\$312,919	\$312,919	\$312,919
OpEx Base ²	\$9.56	\$167,325	\$167,325	\$176,055	\$180,420	\$184,785	\$216,798	\$224,386	\$232,240	\$240,368	\$248,781
Real Estate Tax Reimbursers	\$0.64	\$11,184	\$11,801	\$12,380	\$12,977	\$13,591	\$14,224	\$2,479	\$671	\$691	\$712
Total Income	\$26.46	\$462,981	\$463,598	\$472,907	\$477,868	\$482,847	\$522,585	\$539,784	\$545,830	\$553,978	\$562,412

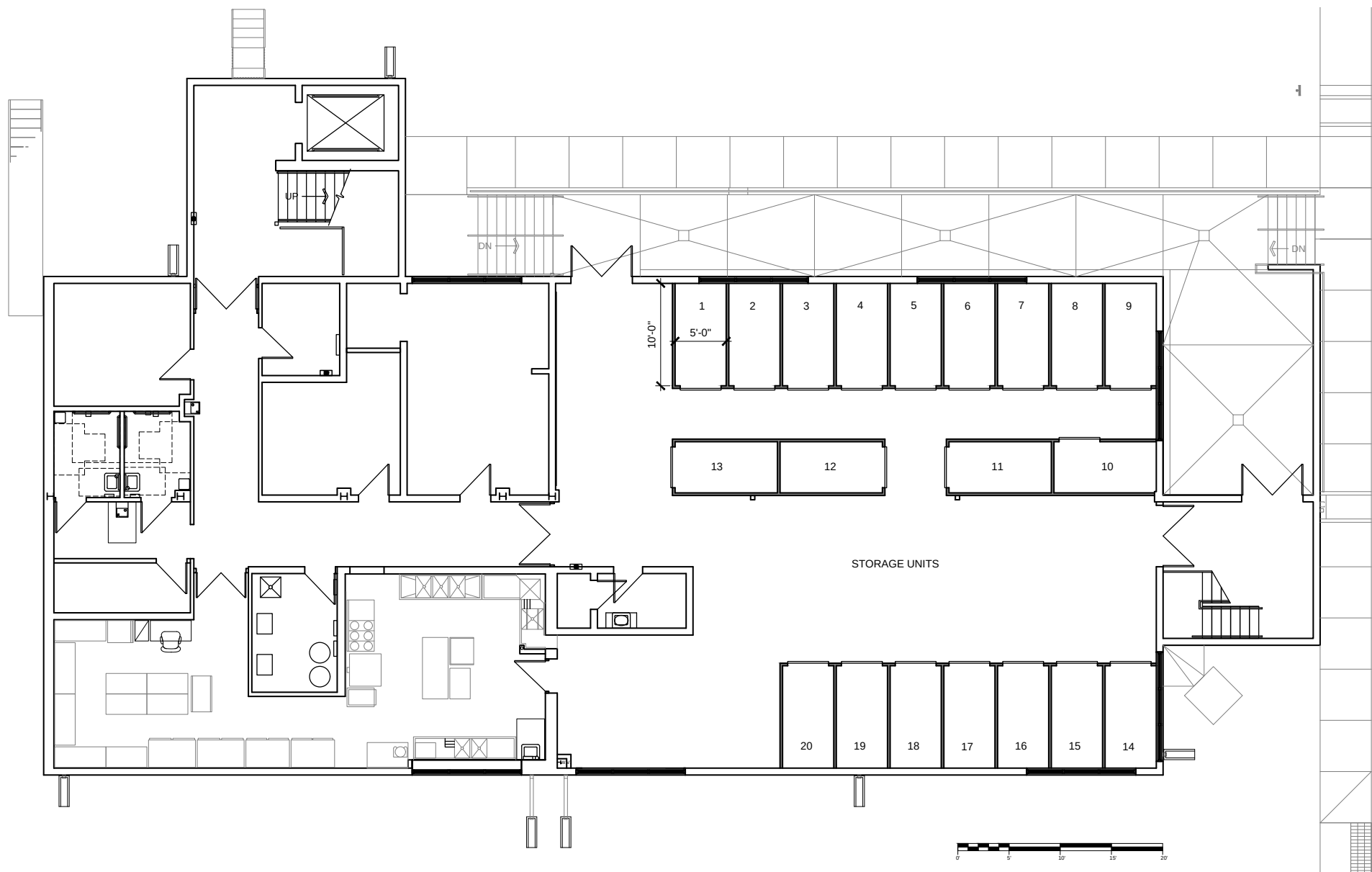
Expenses ⁴	Expense/SF										
Business Licenses and Pern	\$0.05	\$955	\$984	\$1,013	\$1,044	\$1,075	\$1,107	\$1,140	\$1,175	\$1,210	\$1,246
Insurance Expense	\$0.35	\$6,106	\$6,289	\$6,478	\$6,672	\$6,872	\$7,079	\$7,291	\$7,510	\$7,735	\$7,967
Janitorial & Pest Control Ex	\$0.43	\$7,521	\$7,746	\$7,979	\$8,218	\$8,465	\$8,718	\$8,980	\$9,249	\$9,527	\$9,813
Landscaping & Snow Remo	\$0.23	\$4,085	\$4,208	\$4,334	\$4,464	\$4,598	\$4,736	\$4,878	\$5,024	\$5,175	\$5,330
Permit Expense	\$0.01	\$135	\$139	\$143	\$148	\$152	\$157	\$161	\$166	\$171	\$176
Property Taxes	\$1.07	\$18,739	\$19,301	\$19,880	\$20,477	\$21,091	\$21,724	\$22,375	\$23,047	\$23,738	\$24,450
Repairs & Maintenance	\$0.22	\$3,800	\$3,914	\$4,032	\$4,153	\$4,277	\$4,406	\$4,538	\$4,674	\$4,814	\$4,959
Security Monitoring	\$0.13	\$2,268	\$2,336	\$2,406	\$2,478	\$2,553	\$2,629	\$2,708	\$2,789	\$2,873	\$2,959
Trash Disposal	\$0.26	\$4,494	\$4,629	\$4,768	\$4,911	\$5,059	\$5,210	\$5,367	\$5,528	\$5,693	\$5,864
Utilities	\$2.02	\$35,311	\$36,371	\$37,462	\$38,586	\$39,743	\$40,936	\$42,164	\$43,429	\$44,731	\$46,073
Property Management Fee	\$0.79	\$13,889	\$13,908	\$14,187	\$14,336	\$14,485	\$15,678	\$16,194	\$16,375	\$16,619	\$16,872
Total Expenses	\$5.56	\$97,305	\$99,826	\$102,682	\$105,486	\$108,370	\$112,379	\$115,796	\$118,965	\$122,287	\$125,710
<i>Total Expenses/Total Income</i>		21.02%	21.53%	21.71%	22.07%	22.44%	21.50%	21.45%	21.80%	22.07%	22.35%
Net Operating Income (NOI)	\$20.90	\$365,676	\$363,772	\$370,224	\$372,382	\$374,477	\$410,206	\$423,988	\$426,865	\$431,691	\$436,701

Notes to Cash Flow

1. Shell Rent is flat for the remaining term Analysis assumes renewal in 02/2028 with a 10.0% increase in Shell Rent and Tax Base reset
2. Operating Costs Rent has 3% fixed increases annually - Analysis assumes CPI growth of 3.5% in year 7 with new assumed lease
3. Department of Veteran Affairs (VA) Transitional Housing pays tax amount overage over an assumed tax base of \$7,500.00
4. Expense source - 2021 Client P&L; assumed 3.0% YOY increase on all expenses excluding management fee
5. Management Fee is assumed to be 3.0% of EGR

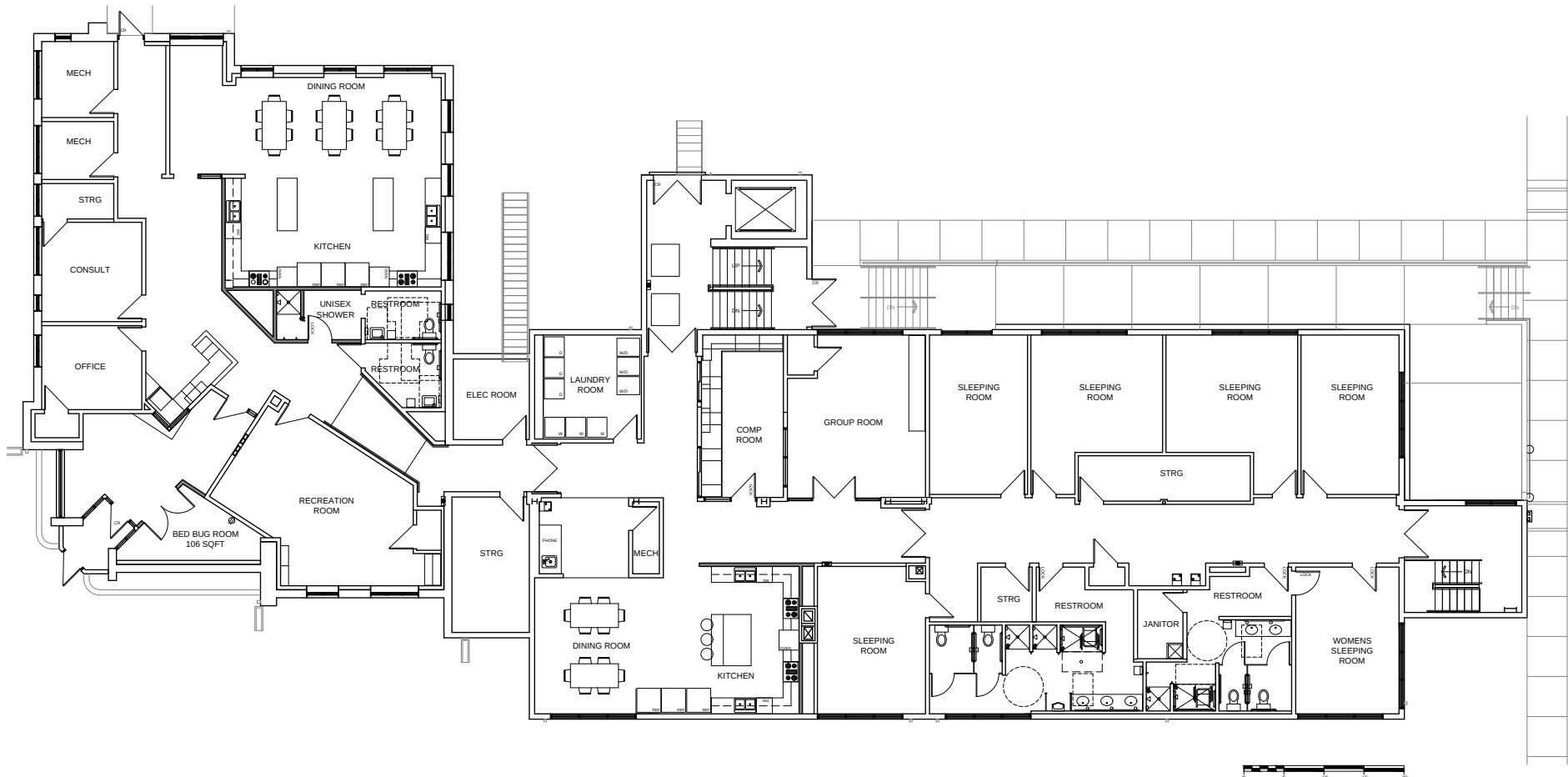
Floor Plan

Lower Level



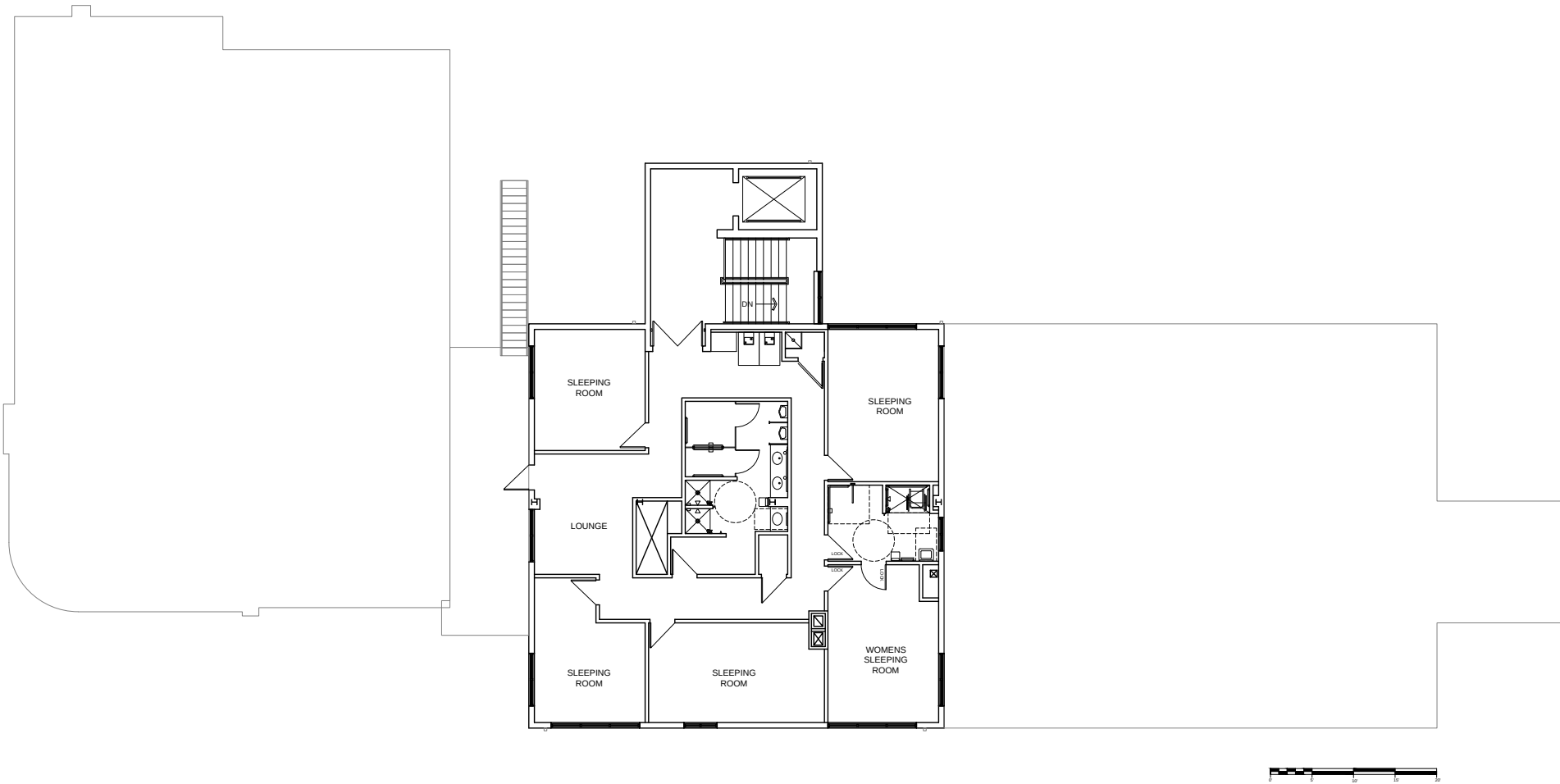
Floor Plan

1st Floor



Floor Plan

2nd floor



Interior





Kansas City, MO Demographics

Kansas City 
Counties



Current County Population

1,711,000+

Kansas City Overview | 5 Mile Radius



Population

In the identified area, the current year population is 208,411. In 2010, the Census count in the area was 190,534. The rate of change since 2010 was 212,696 annually. The five-year projection for the population in the area is 0.41% representing a change of 49.8% annually from 2022 to 2027. Currently, the population is 50.2% male and female.



Households

The household count in this area has changed from 81,680 in 2010 to 93,814 in the current year, a change of 96,709 annually. The five-year projection of households is 0.61%, a change of 2.16 annually from the current year total. Average household size is currently 2.26, compared to 42,224 in the year 2010. The number of families in the current year is in the specified area.



Households by income (Average)

Current average household income is \$65,299 in this area, compared to \$92,435 for all U.S. households. Average household income is projected to be \$78,989 in five years, compared to \$103,679 for all U.S. households



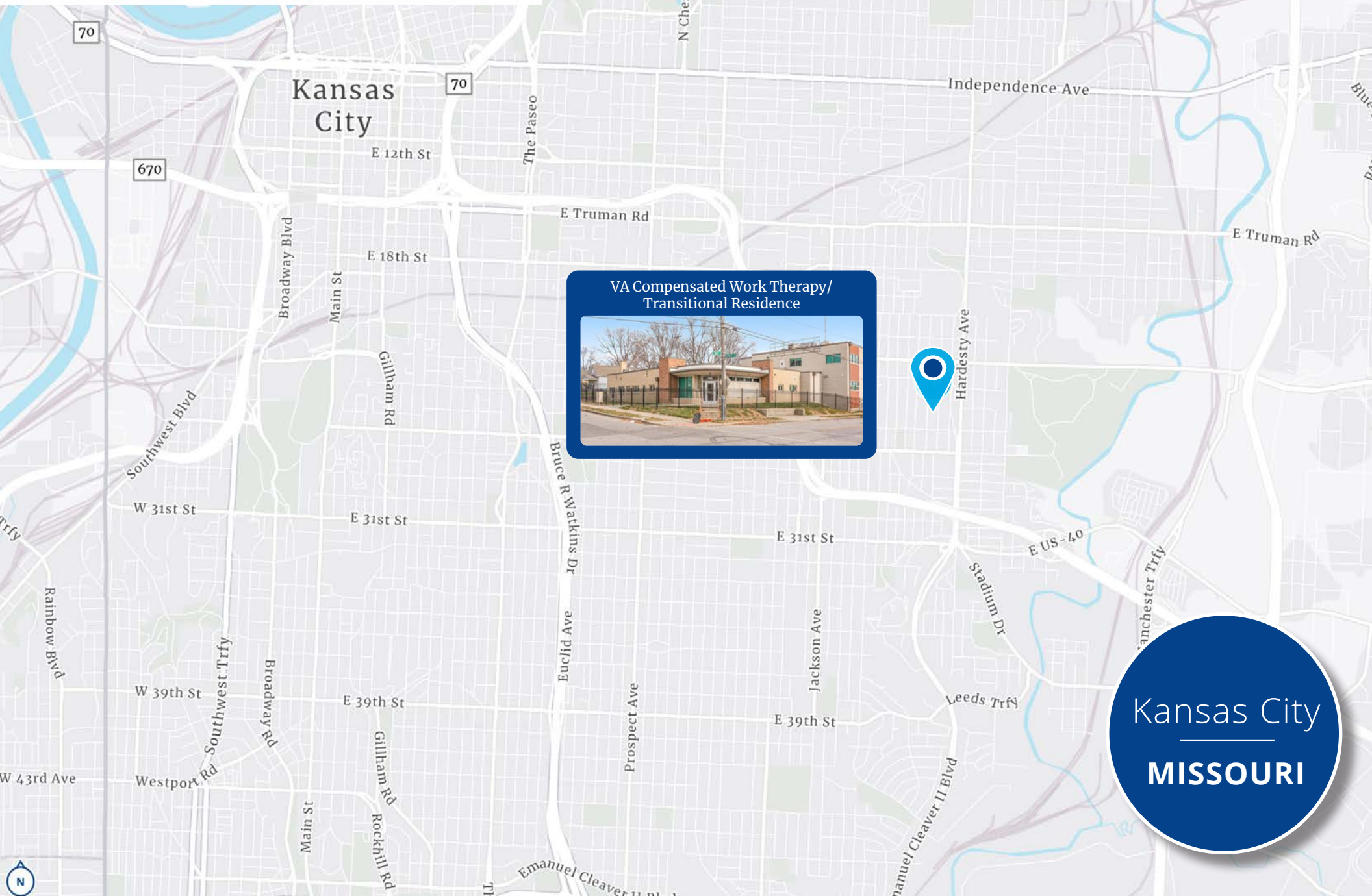
Housing

Currently, 33.7% of the 111,525 housing units in the area are owner occupied; 50.4% renter occupied; and 15.9% are vacant. 57.3% of the housing units in the US are owner occupied; 31.2% are renter occupied; and 11.5% are vacant. In 2010, there were 101,200 housing units in the area - 35.0% owner occupied, 45.7% renter occupied, and 19.3% vacant. The annual rate of change in housing units since 2010 is 4.41%. Median home value in the area is \$125,491, compared to a median home value of \$264,021 for the U.S. In five years, median value is projected to change by 7.24% annually to \$178,000.

Source: ESRI

Location Overview

5100 East 24th St. | Kansas City, MO 64128



VA Compensated Work Therapy/
Transitional Residence

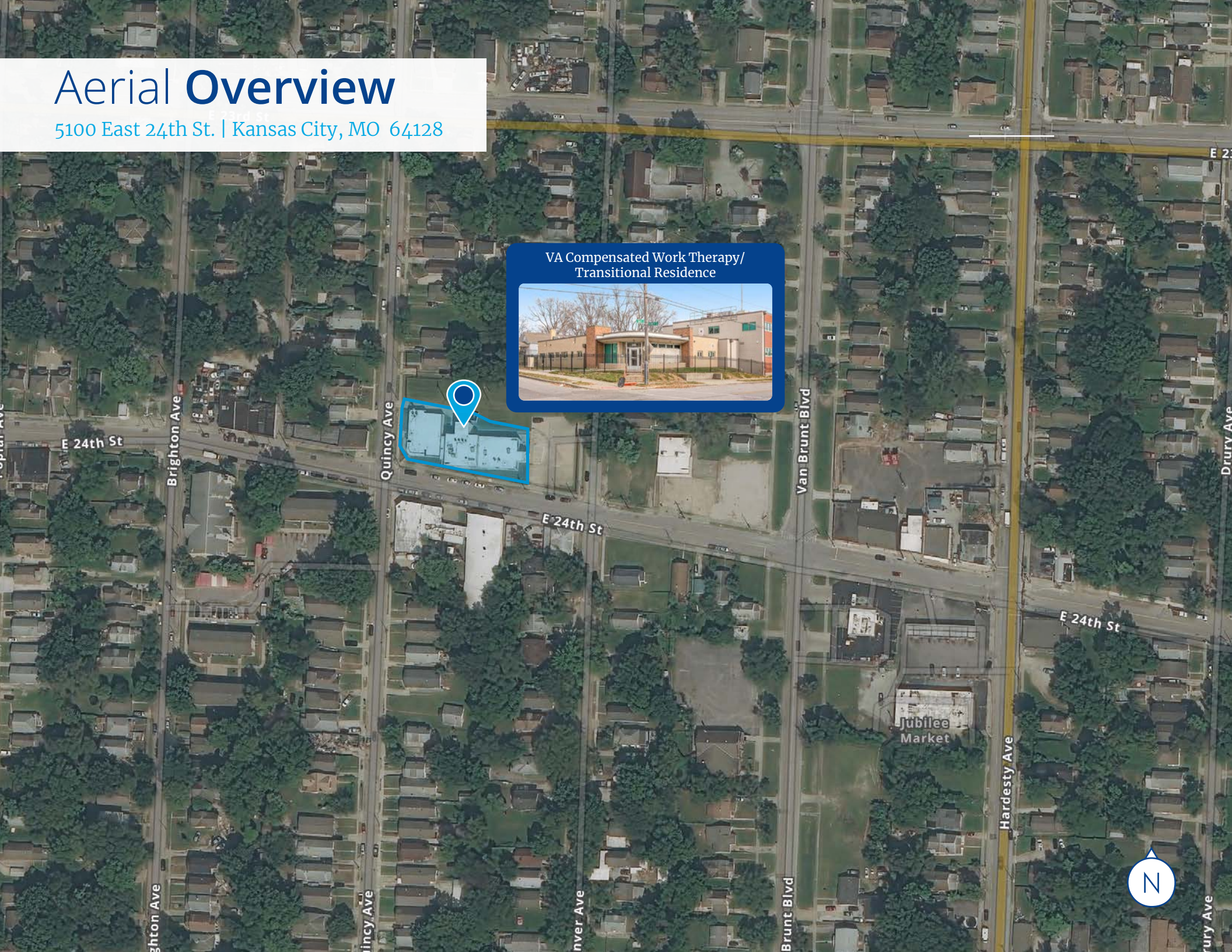
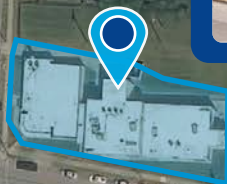


Kansas City
MISSOURI

Aerial Overview

5100 East 24th St. | Kansas City, MO 64128

VA Compensated Work Therapy/
Transitional Residence





Pricing Details

\$4,571,000

(\$261.20/sf)

Sale price

8.00%

CAP Rate

\$365,676

Year 1 NOI

Please contact our Investment
Sales Team for questions or more
information.

Property Tours

By Appointment Only

Form of PSA

Sellers

Title & Escrow

TBD



Offering Instructions

5100 East 24th St. | Kansas City, MO 64128

Offers should be submitted via email to:

Geoff.Ficke@colliers.com , Zack.Ficke@colliers.com and Debra.VanderWeit@colliers.com

Please include the following:

1. Purchase price
2. Source of debt and equity
3. Earnest money deposit
4. Due diligence and closing timelines
5. Detailed list of contingencies including investment committee, appraisal, and/or Lender approval that may be required
6. Detailed list of closing cost responsibilities

Thank you.



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