

FOR SALE

WESTMORE "GARDEN STYLE" APARTMENT PROPERTY

5510 – 58TH AVENUE

CITY OF KENOSHA, KENOSHA COUNTY WI



Pitts Brothers & Associates, LLC

6309 – 60th Street, Suite 100

Kenosha, WI 53144

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OFFERING MEMORANDUM

CONFIDENTIALITY & DISCLAIMER

The information contained in the following Offering Memorandum is proprietary and strictly confidential. It is intended to be reviewed only by the party receiving it from Pitts Brothers & Associates, LLC and should not be made available to any other person or entity without the written consent of Pitts Brothers & Associates, LLC. This Offering Memorandum has been prepared to provide summary, unverified information to prospective purchasers, and to establish only a preliminary level of interest in the subject property. The information contained herein is not a substitute for a thorough due diligence investigation. Pitts Brothers & Associates, LLC has not made any investigation, and makes no warranty or representation, with respect to the income or expenses of the subject property, the future projected financial performance of the property, the size and square footage of the property and improvements, the presence or absence of potentially hazardous substances such as PCBs, asbestos or lead based paints, compliance with State and Federal regulations, the physical condition of the improvements thereon, or the financial condition or business prospects of any tenant, or any tenant’s plans or intentions to continue to occupy the subject property. The information contained in this Offering Memorandum has been obtained from sources we believe to be reliable; however, Pitts Brothers & Associates, LLC has not verified, and will not verify, and of the information contained herein, nor has Pitts Brothers & Associates, LLC conducted any investigation regarding these matters and makes no warranty or representation whatsoever regarding the accuracy or completeness of the information provided. All potential buyers must take appropriate measures to verify all of the information set forth herein.

ALL PROPERTY SHOWINGS ARE BY APPOINTMENT ONLY.

PLEASE CONTACT PITTS BROTHERS & ASSOICATES, LLC FOR MORE DETAILS.



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LOT SIZE

- ± 0.910 Acres, or 39,654 Sq. Ft.

BUILDING CHARACTERISTICS

- No. of Units Twenty (20)

Unit Mix:

Unit Type	No. of Units
1 BR/1.0 BA	Twelve (12)
3 BR/1.0 BA	Four (4)
3 BR/2.0 BA	Four (4)
Total	Twenty (20)

- Average Unit Size 790 square feet
- No. of Buildings One (1)
- No. of Stories Two (2)
- Year Built 1966
- Gross Building Area 20,356 square feet
- Basement 10,178 square feet
- Parking Spaces Twenty-one (21)

BUILDING FEATURES

UTILITIES

- | | |
|-------------|--------------------------|
| Water/Sewer | Municipal, landlord paid |
| Electric | Separate, tenant paid |
| Heat | Gas boiler |

CONSTRUCTION

- | | |
|----------------|-------------------------|
| Roof | Gable, asphalt shingled |
| Exterior walls | Brick and vinyl |
| Parking | Asphalt paved lot |

ECONOMICS

- Asking price: \$1,350,000
- Price / Unit: \$67,500
- Price / Sq. Ft.: \$66.32
- NOI: \$89,300 (Pro Forma)
- Cap Rate: 6.61% (Pro Forma)
- GRM: 7.21 (Pro Forma)
- Real Estate Taxes: \$24,598 (2019)



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Below are the current occupancy and vacancy rates for the apartment complex.

SUBJECT RENTAL INFORMATION					
Unit Type	No. of Units	Units Occupied	Units Available	Occupancy %	Vacancy %
1 BR/1.0 BA	12	12	0	100.0%	0.0%
3 BR/1.0 BA	4	4	0	100.0%	0.0%
3 BR/2.0 BA	4	4	0	100.0%	0.0%
Total/Average	20	20	0	100.0%	0.0%

Source: Rent Roll

The following table shows the subject's unit mix and rental rates for the apartment complex.

SUBJECT RENTAL INFORMATION					
Unit Type	No. of Units	Unit Size (Sq. Ft.)	Rental Range / Month	Rent / Sq. Ft. /Month	Rent / Sq. Ft. Per Year
1 BR/1.0 BA	12	650	\$630	\$0.97	\$11.63
3 BR/1.0/2.0 BA	8	1,000	\$790 - \$825	\$0.79 - \$0.83	\$9.48 – \$9.90
Total/Average	20	790	\$700	\$0.89	\$10.63

Source: Rent Roll



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OPERATING STATEMENT (PRO FORMA)

SUMMARY OF INCOME & EXPENSES			
	Units	Monthly Rent	Total
Revenue:			
Style Unit:			
1 BR/1.0 BA	12	\$700.00	\$100,800
3 BR/1.0 BA	4	\$900.00	\$43,200
3 BR/2.0 BA	4	\$900.00	\$43,200
Potential Gross Income			\$187,200
Less:			
Vacancy & Collection		6.0%	(\$11,232)
Income After Vacancy			\$175,968
Other Income			\$2,820
Effective Gross Income			\$178,788
Less Expenses:			
Operating Expenses			
Utilities			(\$18,600)
Maintenance/Repairs/Professional Fees/Supplies/Reserve			(\$30,000)
Real Estate Taxes			(\$24,000)
Insurance			(\$8,000)
Operating Expenses			(\$80,600)
Management Fee	5.0%		(\$8,939.40)
Total Operating Expenses			(\$89,539.40)
Net Operating Income			\$89,248.60



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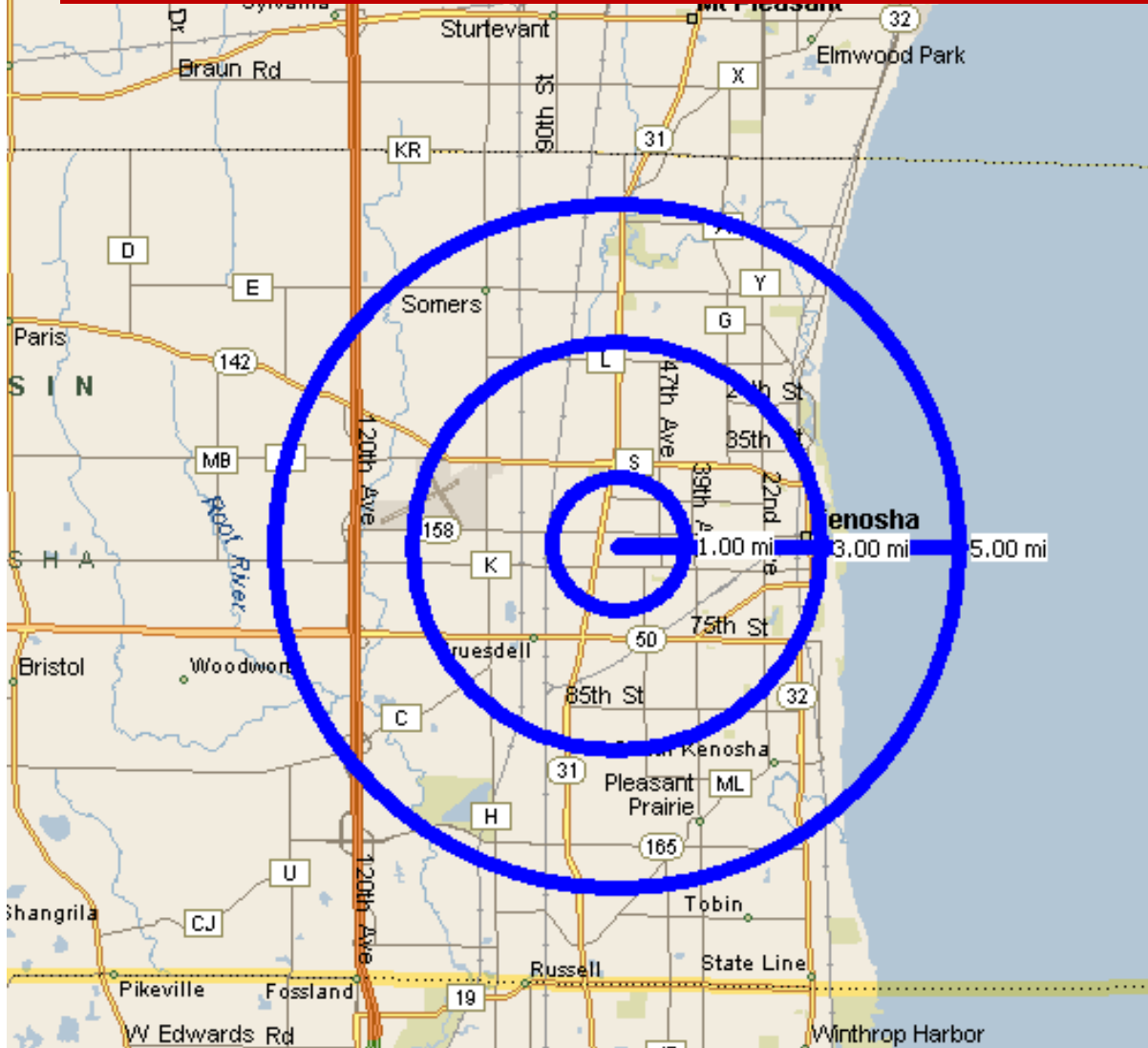
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DEMOGRAPHICS

1, 3- & 5-MILE RADIUS



POPULATION

1 Mile:	10,308
3 Miles:	80,005
5 Miles:	121,662



HOUSEHOLDS

1 Mile:	3,694
3 Miles:	29,421
5 Miles:	46,117



AVERAGE HH INCOME

1 Mile:	\$70,015
3 Miles:	\$72,278
5 Miles:	\$76,512



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STATE OF WISCONSIN BROKER DISCLOSURE *To Non-Residential Customers Wisconsin*

Law requires all real estate licensees to give the following information about brokerage services to prospective customers.

Prior to negotiating on your behalf, the Broker must provide you the following disclosure statement:

BROKER DISCLOSURE TO CUSTOMERS

You are the customer of the broker. The broker is either an agent of another party in the transaction or a subagent of another broker who is the agent of another party in the transaction. The broker, or a salesperson acting on the behalf of the broker, may provide brokerage services to you. Whenever the broker is providing brokerage services to you, the broker owes you, the customer the following duties:

- *The duty to prove brokerage services to you fairly and honestly.*
- *The duty to exercise reasonable skill and care in providing brokerage services to you.*
- *The duty to provide you with accurate information about market conditions within a reasonable time if you request it, unless disclosure of the information is prohibited by law.*
- *The duty to disclose to you in writing certain material adverse facts about a property, unless disclosure of the information is prohibited by law (see “Definition of Material Adverse Facts” below).*
- *The duty to protect your confidentiality. Unless the law requires it, the broker will not disclose your confidential information of other parties.*
- *The duty to safeguard trust funds and other property the broker holds.*
- *The duty, when negotiating, to present contract proposals in an objective and unbiased manner and disclose the advantages and disadvantages of the proposals.*

Please review this information carefully. A broker or salesperson can answer your questions about brokerage services, but if you need legal advice, tax advice, or a professional home inspection, contact an attorney, tax advisor, or home inspector. This disclosure is required by section 452.135 of the Wisconsin Statutes and is for information only. It is a plain language summary of a broker’s duties to a customer under section 452.133(I) of the Wisconsin Statutes.

CONFIDENTIALITY NOTICE TO CUSTOMERS

Broker will keep confidential any information given to broker in confidence, or any information obtained by broker that he or she knows a reasonable person would want to be kept confidential by law, or authorize the broker to disclose particular information. A broker shall continue to keep the information confidential after broker is no longer providing brokerage services to you.



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The following information is required to be disclosed by law.

1. Material adverse facts, as defined in section 452.01(5g) of the Wisconsin statutes (see “definition of material adverse facts” below).
2. Any facts known by the broker that contradict any information included in a written inspection report on the property or real estate that is the subject of the transaction. To ensure that the broker is aware of what specific information below. At a later time, you may also provide the broker with other information that you consider to be confidential.

CONFIDENTIAL INFORMATION:

NON-CONFIDENTIAL INFORMATION (The following information may be disclosed by Broker):

(Insert information you authorize to broker to disclose such as financial qualification information)

CONSENT TO TELEPHONE SOLICITATION

I/We agree that the Broker and any affiliated settlement service providers (for example, a mortgage company or title company) may call our/my home or cell phone numbers regarding issues, goods and services related to the real estate transaction until I/we withdraw this consent in writing.

List Home/Cell Numbers: _____

SEX OFFENDER REGISTRY

Notice: You may obtain information about the sex offender registry and persons registered with the registry by contacting the Wisconsin Department of Corrections on the internet at <http://offender.doc.state.wi.us/public/> or by phone at (608)240-5830.

DEFINITION OF MATERIAL ADVERSE FACTS

A “material adverse fact” is defined in Wis. Stat. 452.01 (5g) as an adverse fact that a party indicates is of such significance, or that is generally recognized by a competent licensee as being of such significance to a reasonable party that it affects or would affect the party’s decision to enter into a contract or agreement concerning a transaction or affects or would affect the party’s decision about the terms of such a contract or agreement.

An “adverse fact” is defined in Wis. Stat. 452.01(Ie) as a condition or occurrence that a competent licensee generally recognizes will significantly adversely affect the value of the property, significantly reduce the structural integrity of improvements to real estate, or present a significant health risk to occupants of the property, or information that indicates that a party to a transaction is not able to or does not intend to meet his or her obligations under a contract or agreement made concerning the transaction.



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