

1240 4th Ave E

SHAKOPEE, MN



VERY CLEAN & WELL MAINTAINED 24-UNITS
WELL LOCATED IN THE GROWING CITY OF
SHAKOPEE. THE UNIT MIX IS 23 TWO-BED &
1 ONE-BED APARTMENTS WITH RESIDENTS
PAYING UNIT ELECTRIC. OWNER PAYS FOR
HEAT, WATER, AND TRASH. THIS WOULD BE
AN IDEAL PROPERTY TO IMPLEMENT A RUBS
PROGRAM TO CAPTURE A HIGHER RETURN
ON YOUR INVESTMENT. TOTAL 1.38 ACRES



ACF Apartment

CASH FLOW, INC.

Nathan Newes-Opatz

MULTI-FAMILY BROKER

651-263-3653

nopatz@apartmentcashflow.com

www.apartmentcashflow.com



PROPERTY DETAILS

1240 4th Ave East, Shakopee MN 55379

Sales Price	Market
Unit Mix	23 - Two Bedroom, One Bath / 975 SqFt. Approx. 1 - One Bedroom, One Bath / 850 SqFt Approx.
Property ID #	27-906-0170 - Scott County
Heating	New Weil-McLain Hot Water Boiler Installed in 2021 Water Softener System & Water Heater New in 2021
Roofs	Flat White EPDM Roofs / Replaced in Last 10 Years
Property Type	Three Story Garden Style / Brick Exterior Sided Constructed in 1971
Lot Size	Sits on a Little Over 1.38 Acres
Parking	24 - Detached Garages / 28 - Surface Parking Spaces
Kitchen Amenities	Full Size Fridge / 30" Electric Range
Laundry Facilities	Leased Coin Operated Washers & Dryers / Four Each
Amenities	Balconies / Patios / Large Eat-In-Kitchens Walk-In Closets / Newer Windows / Garage Openers



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PROPERTY FINANCIALS

1240 4th Ave East, Shakopee MN 55379

SCHEDULED ANNUAL INCOME	\$361,680.00	*@ Current Rents
LESS VACANCY (1.50%)	\$ 5,425.20	- *Market
GARAGE & PARKING RENTS	\$ 16,680.00	*24 Garages / 21 Rented
LAUNDRY & MISC. INCOME	\$ 10,000.00	

GROSS OPERATING INCOME \$382,934.80

****Rents August 1, 2023:
AVG. 2-BD \$1,255 / AVG. GAR \$64
MARKET RENTS
2-BD \$1,350 / GAR \$65**

EXPENSES:	ANNUAL	SOURCE	% GOI
PROPERTY TAXES 2023	\$40,582.00	SCOTT COUNTY	10.60 %
PROPERTY INSURANCE	\$14,000.00	SELLER	3.65 %
GAS UTILITIES - CENTERPOINT	\$15,384.00	12 MONTH AVG.	4.01 %
WATER & ELECTRIC UTILITIES	\$14,772.00	12 MONTH AVG.	3.86 %
MANAGEMENT/CARETAKING	\$22,198.07	MARKET 6%	5.80 %
MAINTENANCE LABOR & REPAIRS	\$10,800.00	\$450 PER UNIT	2.82 %
RUBBISH	\$ 5,748.00	12 MONTH AVG.	1.50 %
CLEANING	\$ 3,000.00	\$250/MONTH	0.78 %
SUPPLIES & MISCELLANEOUS	\$ 2,400.00	ESTIMATED	0.63 %
LAWN & SNOW REMOVAL	\$ 4,800.00	ESTIMATED	1.25 %
ACCOUNTING	\$ 1,500.00	ESTIMATED	0.39 %
ADVERTISING	\$ 600.00	CRAIGSLIST/ZILLOW	0.16 %
TOTAL EXPENSES	\$135,784.07		35.46%

NET OPERATING INCOME \$247,150.73 (NOI)



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PROPOSED FINANCING

1240 4th Ave East, Shakopee MN 55379



SALES PRICE \$3,800,000.00

DOWN PAYMENT (30%) \$1,140,000.00

NEW FINANCING (70% LTV) \$2,660,000.00

MONTHLY DEBT SERVICE \$ 15,948.04

*PROPOSED FINANCING AT 6.0%, AMORTIZED OVER 30 YRS.

NET OPERATING INCOME \$247,150.73

ANNUAL DEBT SERVICE (Minus) \$191,376.48

1ST YEAR CASH FLOW BEFORE TAXES \$ 55,774.25

CAPITALIZATION RATE 6.50 %

DEBT COVERAGE RATIO 1.29 %

TIMES GROSS 9.92

**NEW FINANCING - NO CONTRACT FOR DEED OR ASSUMPTION

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PROFORMA-IMPLEMENTING RUBS - YEAR 1 & 2

SCHEDULED ANNUAL INCOME	\$403,000.00	*RAISE RENTS TO \$1400
LESS VACANCY (3.0%)	\$ 12,090.00 -	*Market
GARAGE & PARKING RENTS	\$ 21,600.00	*24 Garages / \$75 Each
LAUNDRY & MISC. INCOME	\$ 9,000.00	

GROSS OPERATING INCOME \$421,510.00

EXPENSES:	ANNUAL	SOURCE	% GOI
PROPERTY TAXES 2023	\$40,582.00	SCOTT COUNTY	9.62 %
PROPERTY INSURANCE	\$14,000.00	SELLER	3.32 %
GAS UTILITIES - CENTERPOINT	\$ 0.00	RUBS	0.00 %
WATER & ELECTRIC UTILITIES	\$ 0.00	RUBS	0.00 %
RUBBISH	\$ 0.00	RUBS	0.00 %
MANAGEMENT/CARETAKING	\$25,290.60	MARKET	6.00 %
MAINTENANCE LABOR & REPAIRS	\$10,800.00	\$450 PER UNIT	2.56 %
CLEANING	\$ 3,000.00	\$250/MONTH	0.71 %
SUPPLIES & MISCELLANEOUS	\$ 2,400.00	ESTIMATED	0.57 %
LAWN & SNOW REMOVAL	\$ 4,800.00	ESTIMATED	1.14 %
ACCOUNTING	\$ 1,500.00	ESTIMATED	0.35 %
ADVERTISING	\$ 600.00	CRAIGSLIST/ZILLOW	0.14 %
TOTAL EXPENSES	\$102,972.60		24.43 %

NET OPERATING INCOME (NOI) \$318,537.40

CAP RATE 8.38%

RUBS: Ratio Utility Billing Explained:

RUBS stands for Ratio Utility Billing System. It is a cost-effective and fair alternative to submeters. RUBS is a popular utility management solution, and essentially divides the bill among your residents based on certain criteria. Different utility types can often influence the type of RUBS formula a property uses.

How do you calculate utility charges using RUBS formula?

If you are thinking about your apartment utility management and want to implement RUBS, here are the different formulas and calculations to consider.

1. Occupants per unit
2. Square footage of unit
3. A combination of square footage and occupants per unit

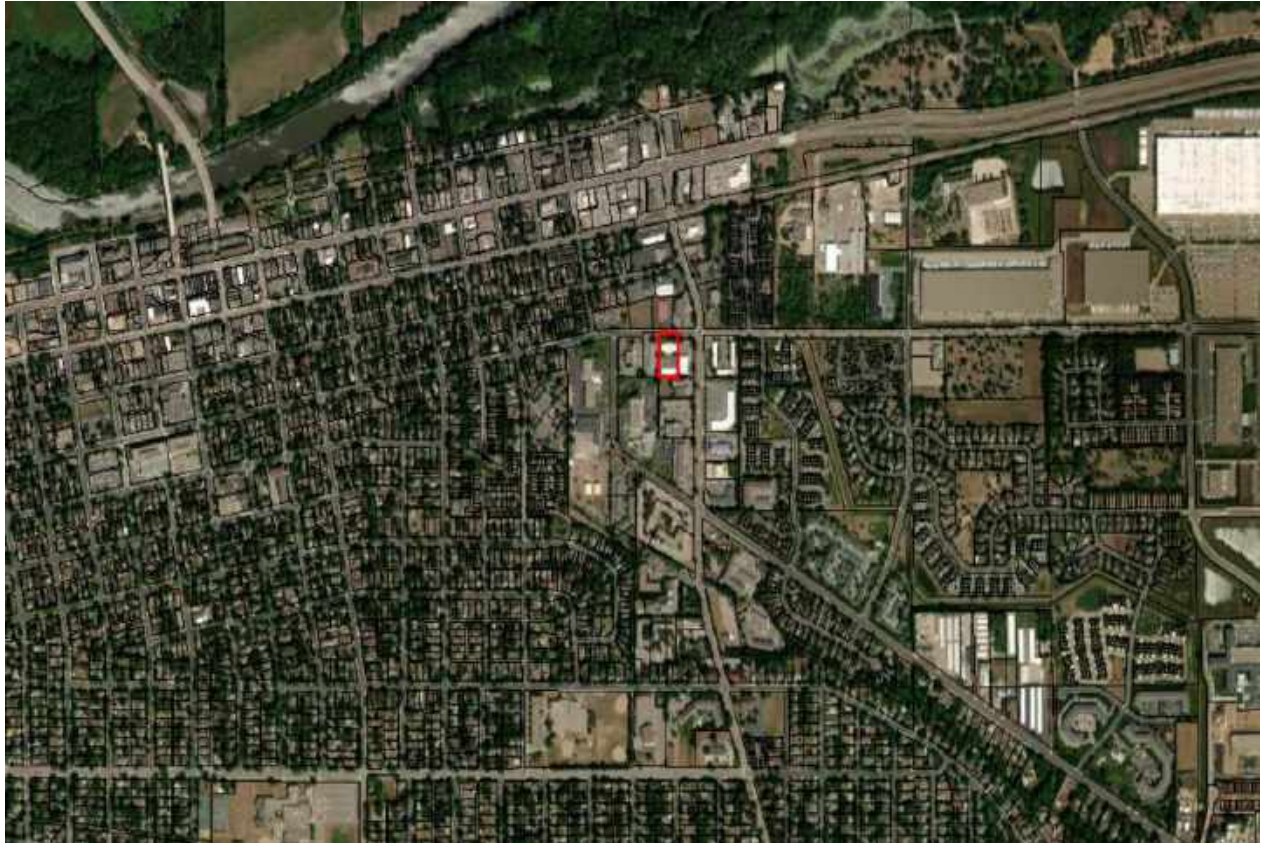
Occupants per Unit

This calculation evenly splits the utility bill between each occupant in a unit, and is commonly used for water bills. The logic behind this method is, if more people live in a unit, they will consume more of a given utility. For example, a single occupant in a one bedroom unit most likely uses less water than two people in a one bedroom unit.

ADDITIONAL PHOTOS



AERIAL PHOTOS



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