



9140 WARD PARKWAY

Offering Memorandum



TABLE OF CONTENTS

EXCLUSIVE LISTING AGENTS

MIKE YEGGY

Senior Vice President
+1 816 556 1148
mike.yeggy@colliers.com

ROSS SIMPSON

Senior Vice President
+1 816 556 1157
ross.simpson@colliers.com

1 EXECUTIVE SUMMARY

Offering Summary
Terms of Sale

2 PROPERTY PROFILE

Property Summary
Map
Aerial

3 TENANCY

Rent Roll
Floor Plans

4 FINANCIAL SUMMARY

Pro Forma
Projected Cash Flow

5 MARKET PROFILE

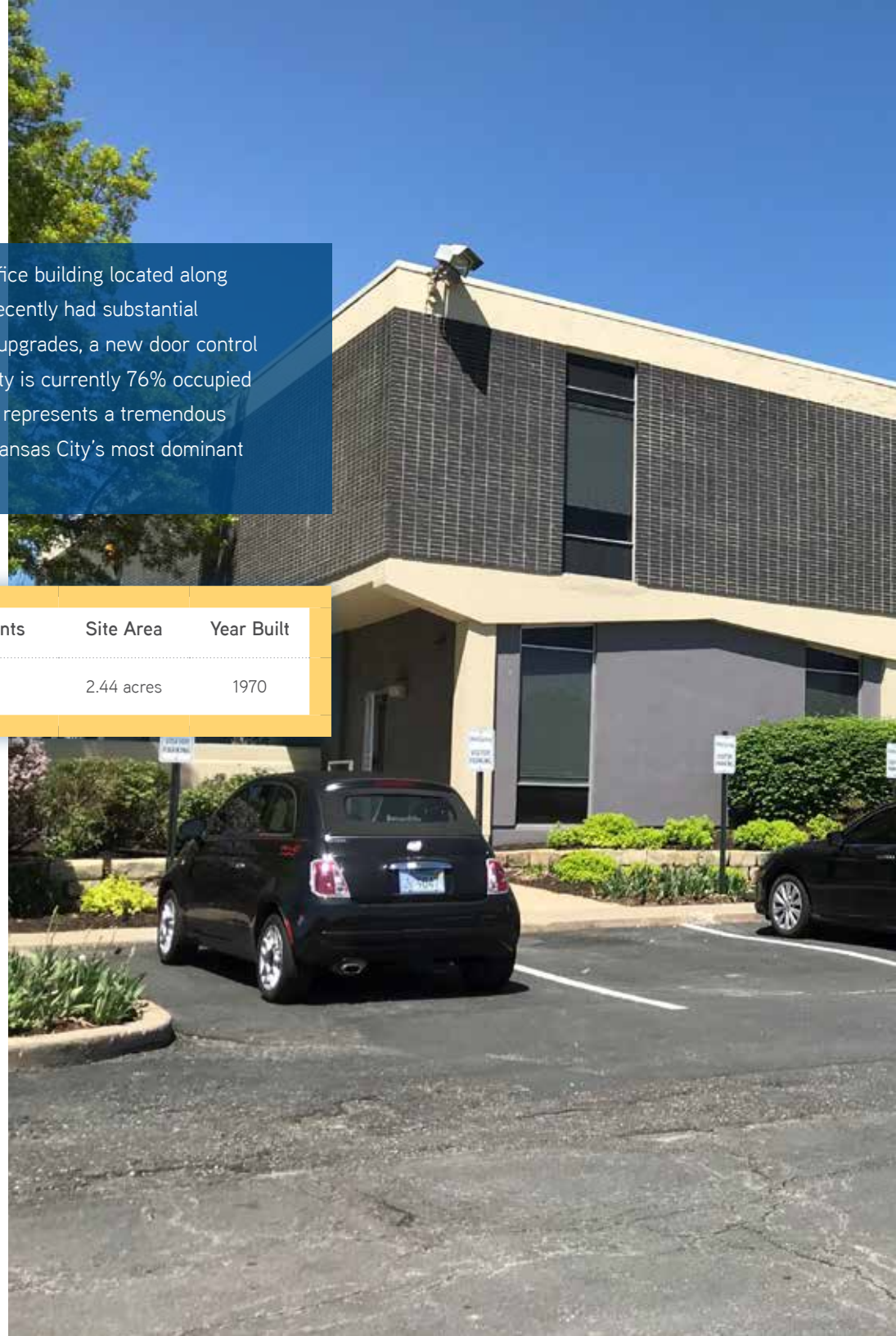
Competitive Set
Economic Overview

6 DISCLAIMER

EXECUTIVE SUMMARY

OFFERING SUMMARY

9140 Ward Parkway (the “Property”) is a 33,687-square-foot multi-tenant office building located along Ward Parkway in Kansas City, Missouri. The Property was built in 1970 and recently had substantial renovations, including an HVAC system upgrade, plumbing upgrades, elevator upgrades, a new door control system, as well as, new monument signage along Ward Parkway. The Property is currently 76% occupied and has 7,923 square feet of vacant space ready to be leased up. The offering represents a tremendous opportunity to redevelop a cash-flowing office building in the heart of one of Kansas City’s most dominant office corridors.



Property Address	Square Feet	Occupancy	Floors	Tenants	Site Area	Year Built
9140 Ward Parkway Kansas City, MO	33,687	76%	2	5	2.44 acres	1970

Purchase Price	\$2,400,000
Price PSF	\$71
In-Place NOI	\$174,974
In-Place Cap Rate	7.29%

OFFERING SUMMARY

VALUE-ADD OPPORTUNITY

The Property is currently 76% occupied, offering a prospective buyer the opportunity to lease-up the 7,923 square feet of vacant space to increase the net operating income. Additionally, several of the existing tenants are paying rents that are below market and are on short-term leases, offering an opportunity to raise rents to market level at lease rollover. The timing of the short-term leases, along with the current vacancies allow a new owner to remain flexible for leasing by combining and dividing the vacancies, and short-term leased spaces to accommodate a wider range of tenants looking to lease space in the market.

STABILIZED TENANCY

The Property's two largest tenants occupy a total of 23,097 square feet (69% of the net rentable area) and have lease expirations of 2021 and 2027. WellSpring School of Allied Health, the largest tenant in the building, has occupied space in the building since 1995 and has been operating since 1988. Baby & Child Associates, a long-standing pediatrics medical practice, and has nine years left on their lease.

ACCESS & VISIBILITY

The Property is situated along the west side of Ward Parkway with excellent visibility. Access to the Property is easy from 92nd Street with parking lots on the east and west side of the building. The first floor space is currently and entirely leased to WellSpring School of Allied Health. They have their own parking lot and entryway along the east side of the building, while the second floor tenants have their own parking lot and entryway on the west side of the building.

STRONG SUBMARKET

The Property is located along the Ward Parkway office corridor, one of the most active office submarkets in the Kansas City metro. The submarket has benefited from the redevelopment of the Ward Parkway Mall, which just opened a \$16 million restaurant pavilion. The Ward Parkway corridor is easy to access from the North Johnson County residential suburbs, as well as from Interstate 435, located just one mile to the south, making it an ideal office submarket.

TERMS OF SALE

OWNERSHIP ENTITY

9140 Partners LLC

INTEREST OFFERED

100 percent fee simple

OFFERING PROCEDURE

Seller and agent will assess the qualifications of any party submitting a non-binding letter of intent, in accordance with seller's objectives. In making this assessment, consideration will be given to a number of factors, including, but not limited to, price, timing of closing, and the perceived ability of the investor to complete the transaction.



GUIDED PROPERTY TOURS

Property inspections will be made by appointment only and arranged through Colliers International | Kansas City. Inquiries should be directed to:

MIKE YEGGY
Senior Vice President
+1 816 556 1148
mike.yeggy@colliers.com

ROSS SIMPSON
Senior Vice President
+1 816 556 1157
ross.simpson@colliers.com

PROPERTY PROFILE

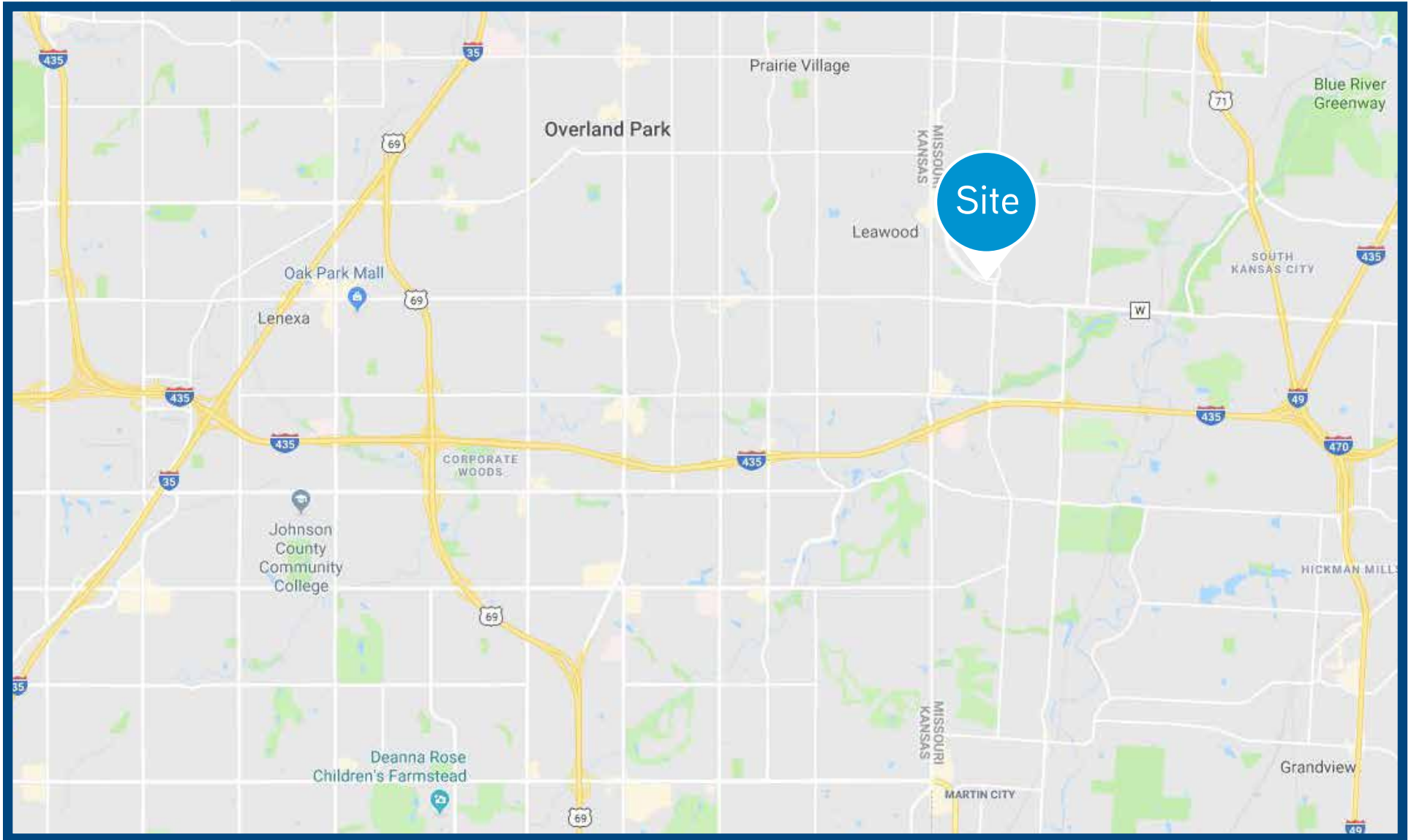
PROPERTY SUMMARY

9140 WARD PARKWAY

LOCATION	
Address	9140 Ward Parkway, Kansas City, Missouri
Submarket	South Kansas City
Assessor's Parcel Number	48-420-01-05-00-0-00-000 48-420-01-06-00-0-00-000
Zoning	B2-2; Neighborhood Business
BUILDING SIZE AND FEATURES	
Year Built	1970
Construction Type	Masonry
Property Type	Multi-Tenant Office
Rentable Square Feet	33,687
Total Land Size	2.44
Parking	128 surface parking spaces / 3.8 ratio
Floors	2
Number of Suites	7
Elevator	1 passenger elevator



PROPERTY MAP



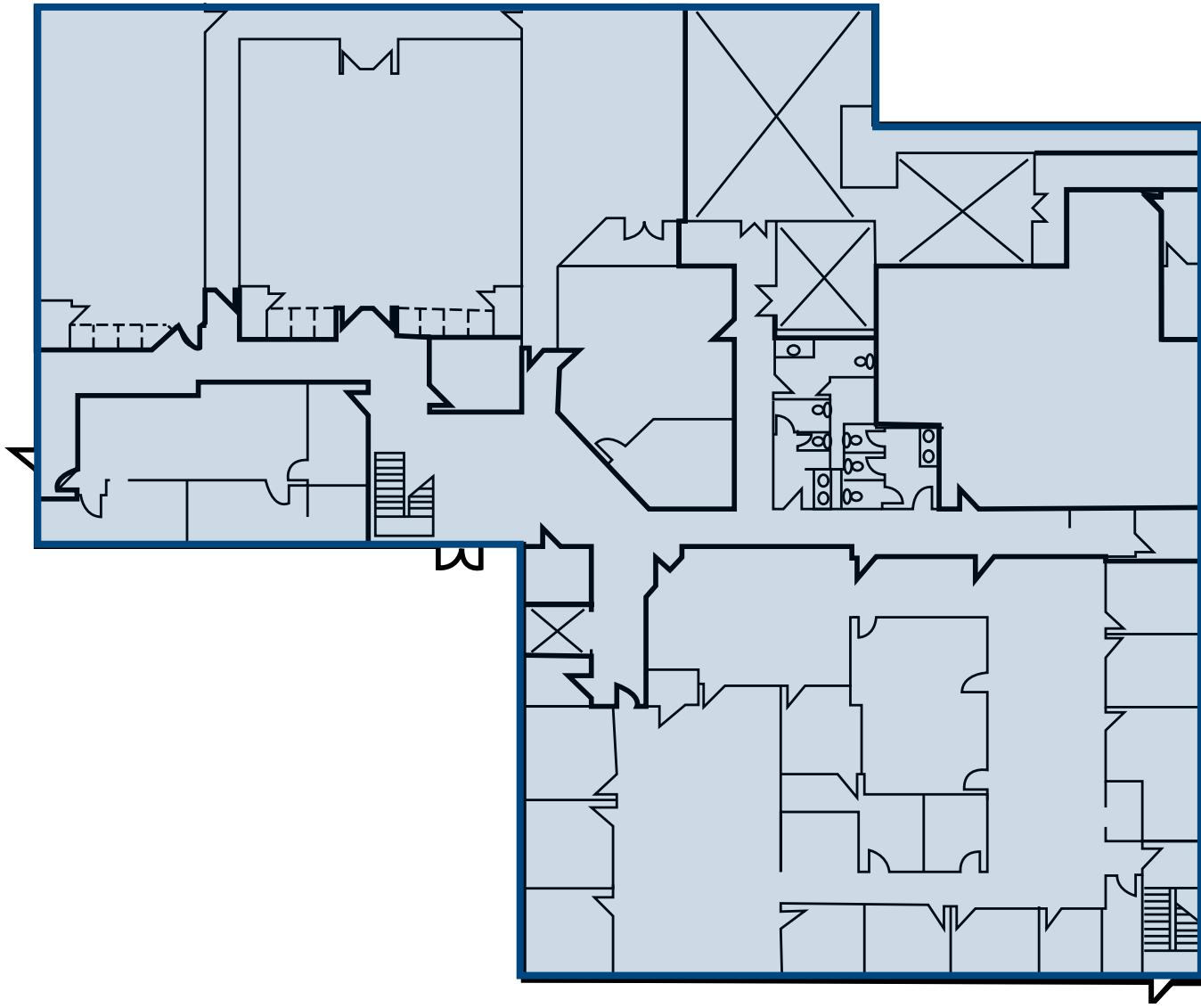
ZOOM AERIAL



TENANCY

FLOOR PLANS

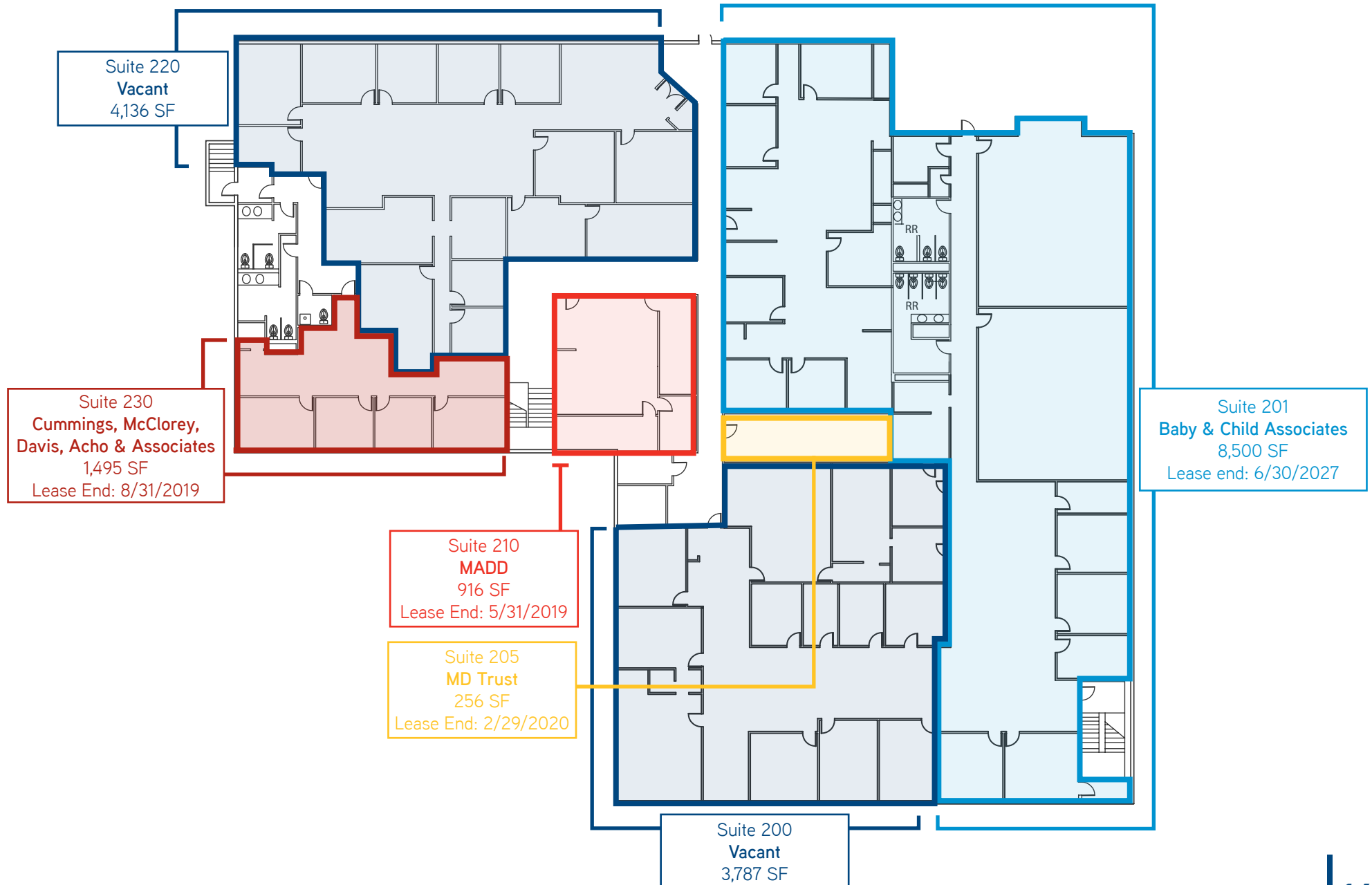
9140 WARD PARKWAY



Suite 100
WellSpring School of Allied Health
14,597 SF
Lease end: 7/31/2021

FLOOR PLANS

9140 WARD PARKWAY



FINANCIAL SUMMARY

PRO FORMA

The following pro forma illustrates the increase in net operating income with the lease-up of the vacant suites at \$20.00 per square foot by the start of the second year as well as the rollover of the short-term leases into market rate leases at \$20.00 per square foot. The change in net operating income represents a 93% increase with the lease-up and conversion of below-market rents.

Revenue		6/1/2018		6/1/2019	
BASE RENT	Square Feet	Annual	PSF	Annual	PSF
WellSpring School of Allied Health	14,597	260,994	17.88	260,994	17.88
Vacancy / Spec Tenant	3,787	0	0.00	75,740	20.00
Baby & Child Associates	8,500	155,833	18.33	159,375	18.75
MD Trust (1)	256	3,968	15.50	4,256	16.63
Mothers Against Drunk Driving	916	10,200	11.14	18,320	20.00
Vacancy / Spec Tenant	4,136	0	0.00	82,720	20.00
Cummings, McClorey, Davis, Acho & Associates	1,495	23,173	15.50	28,272	18.91
TOTAL REVENUE	33,687	454,168	13.48	629,677	18.69

Operating Expenses		6/1/2018		6/1/2019	
EXPENSES		Annual	PSF	Annual	PSF
Administrative		(2,589)	(0.08)	(2,641)	(0.08)
Utilities		(99,256)	(2.95)	(101,241)	(3.01)
Repairs & Maintenance		(52,961)	(1.57)	(54,020)	(1.60)
Janitorial		(32,371)	(0.96)	(33,018)	(0.98)
Grounds		(14,537)	(0.43)	(14,828)	(0.44)
Management Fee		(18,167)	(0.54)	(25,185)	(0.75)
Insurance		(7,238)	(0.21)	(7,383)	(0.22)
Real Estate Taxes		(52,075)	(1.55)	(53,117)	(1.58)
TOTAL EXPENSES		(279,194)	(8.29)	(291,432)	(8.65)

NET OPERATING INCOME	174,974	5.19	338,245	10.04
----------------------	---------	------	---------	-------

PURCHASE PRICE	2,400,000	2,400,000
CAP RATE	7.29%	14.09%

(1) Tenant's rent is shown as a gross rent of \$15.50/SF, which includes the base rent in the amount of \$8.05/SF plus expense charges of \$7.45/SF



CASH FLOW

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
REVENUE										
BASE RENT										
Base Rental Revenue	454,168	629,623	635,384	677,190	690,710	700,548	707,553	717,392	723,688	754,788
Expense Reimbursement Revenue	0	54	1,746	3,980	8,526	13,256	19,300	25,573	31,821	32,992
TOTAL REVENUE	454,168	629,677	637,130	681,169	699,236	713,804	726,853	742,965	755,510	787,780
Total Revenue Per Square Foot	13.48	18.69	18.91	20.22	20.76	21.19	21.58	22.05	22.43	23.39
OPERATING EXPENSES										
EXPENSES										
Administrative	(2,589)	(2,641)	(2,694)	(2,747)	(2,802)	(2,858)	(2,916)	(2,974)	(3,033)	(3,094)
Utilities	(99,256)	(101,241)	(103,266)	(105,331)	(107,438)	(109,587)	(111,778)	(114,014)	(116,294)	(118,620)
Repairs & Maintenance	(52,961)	(54,020)	(55,101)	(56,203)	(57,327)	(58,473)	(59,643)	(60,836)	(62,052)	(63,293)
Janitorial	(32,371)	(33,018)	(33,679)	(34,352)	(35,039)	(35,740)	(36,455)	(37,184)	(37,928)	(38,686)
Grounds	(14,537)	(14,828)	(15,124)	(15,427)	(15,735)	(16,050)	(16,371)	(16,698)	(17,032)	(17,373)
Management Fee	(18,167)	(25,185)	(25,415)	(27,088)	(27,628)	(28,022)	(28,302)	(28,696)	(28,948)	(30,192)
Insurance	(7,238)	(7,383)	(7,530)	(7,681)	(7,835)	(7,991)	(8,151)	(8,314)	(8,480)	(8,650)
Real Estate Taxes	(52,075)	(53,117)	(54,179)	(55,262)	(56,368)	(57,495)	(58,645)	(59,818)	(61,014)	(62,234)
Total Expenses	(279,194)	(291,432)	(296,988)	(304,092)	(310,172)	(316,217)	(322,261)	(328,534)	(334,782)	(342,143)
Total Expenses Per Square Foot	(8.29)	(8.65)	(8.82)	(9.03)	(9.21)	(9.39)	(9.57)	(9.75)	(9.94)	(10.16)
NET OPERATING INCOME	174,974	338,245	340,142	377,078	389,064	397,587	404,592	414,431	420,728	445,637
NOI Per Square Foot	5.19	10.04	10.10	11.19	11.55	11.80	12.01	12.30	12.49	13.23
NOI Growth		93.31%	0.56%	10.86%	3.18%	2.19%	1.76%	2.43%	1.52%	5.92%

OPERATING EXPENSES

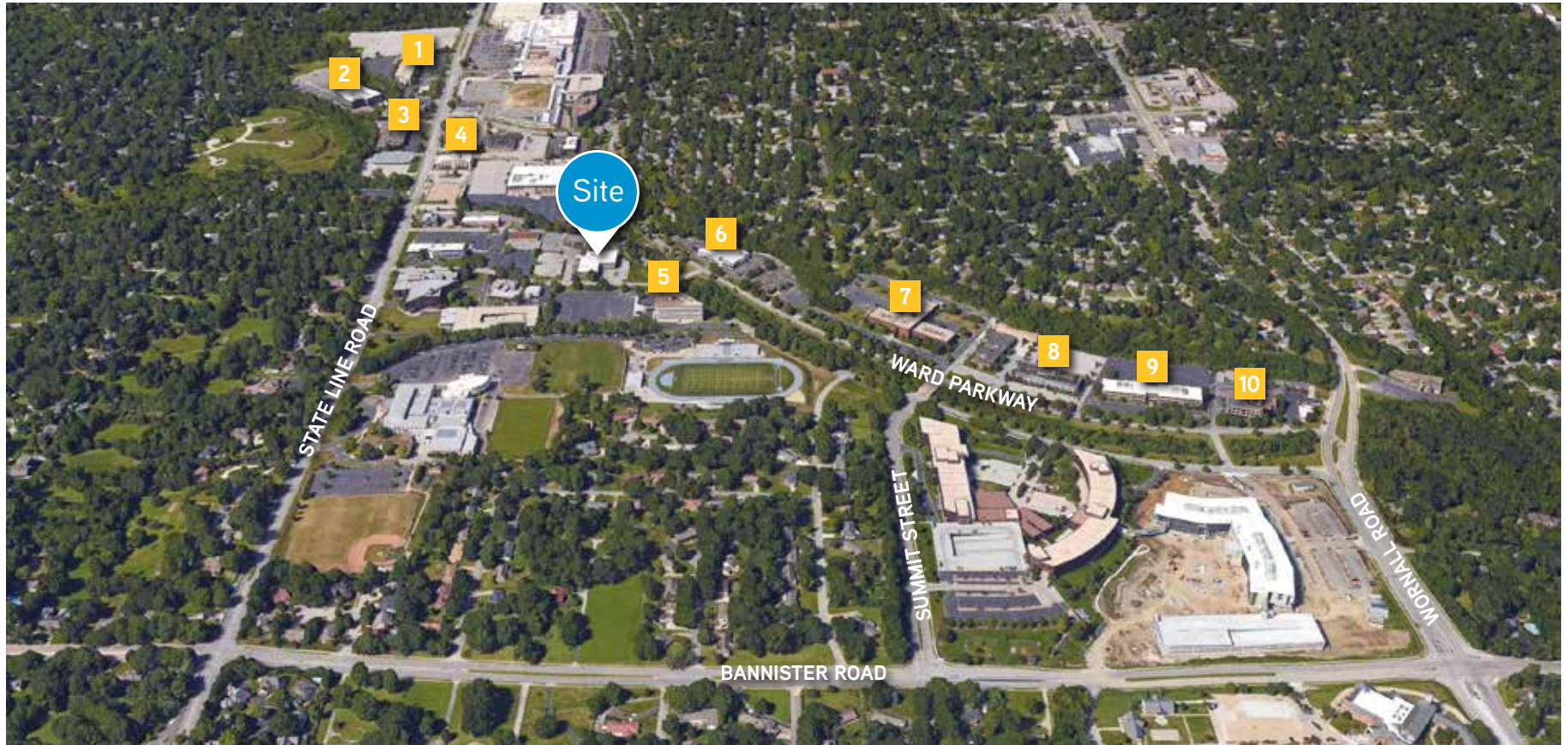
	2016		2017		Pro Forma		Underwriting Notes
	\$/sq ft	Total	\$/sq ft	Total	\$/sq ft	Total	
Administrative	\$0.03	\$1,055	\$0.08	\$2,589	\$0.08	\$2,589	2017 Actual
Utilities	\$3.15	\$106,086	\$2.95	\$99,256	\$2.95	\$99,256	2017 Actual
Repairs & Maintenance	\$1.25	\$42,181	\$2.73	\$92,090	\$1.57	\$52,961	2017 Annualized less Capital Items
Janitorial	\$0.88	\$29,698	\$0.96	\$32,371	\$0.96	\$32,371	2017 Actual
Grounds	\$0.39	\$13,279	\$0.43	\$14,537	\$0.43	\$14,537	2017 Actual
Management Fee	\$0.50	\$16,832	\$0.53	\$17,814	\$0.54	\$18,167	4% of gross revenues
Insurance	\$0.16	\$5,328	\$0.21	\$7,238	\$0.21	\$7,238	2017 Actual
Real Estate Taxes	\$1.24	\$41,801	\$1.55	\$52,075	\$1.55	\$52,075	2017 Actual
Total	\$7.61	\$256,260	\$9.44	\$317,971	\$8.29	\$279,194	

Capital Items	2017	
	\$/sq ft	Total
Plumbing		
SAC Meter Install (August)	\$0.21	\$6,925
Urinal Replacements (May)	\$0.11	\$3,623
HVAC		
System Upgrade (January-August)	\$0.51	\$17,058
Doors & Hardware		
New Door Control System (March & August)	\$0.13	\$4,307
Elevator		
Upgrade (January)	\$0.12	\$3,961
Leasing & Marketing		
Signage	\$0.10	\$3,256
Total	\$1.16	\$39,130



MARKET PROFILE

COMPETITIVE SET



1	8700 State Line
Year Built	1981
Asking Rate	\$17.95

2	2020 W 89th Street
Year Built	1991
Asking Rate	\$21.00

3	8900 State Line
Year Built	1972
Asking Rate	\$18.50

4	9001 State Line
Year Built	1973
Asking Rate	\$18.50

5	9200 Ward Parkway
Year Built	1981
Asking Rate	\$20.50

6	9201 Ward Parkway
Year Built	1979
Asking Rate	\$18.50

7	9221 Ward Parkway
Year Built	1979
Asking Rate	\$20.50

8	9229 Ward Parkway
Year Built	1977
Asking Rate	\$18.50

9	9233 Ward Parkway
Year Built	1974
Asking Rate	\$18.50

10	9237 Ward Parkway
Year Built	1991
Asking Rate	\$18.50

ECONOMIC OVERVIEW

A NEW KANSAS CITY

In recent years, more than \$9 billion has been invested in the Kansas City region. Key projects include a new intermodal facility development, a new performing arts center, new sports venues, and the revitalization of downtown Kansas City, including a streetcar development. While the city already boasts of attractions, such as the Nelson-Atkins Museum of Art, Starlight Theatre, and the Kansas City Repertory Theatre, the local arts community received quite a boost with the recent opening of the Kauffman Center for the Performing Arts. The \$450 million performing arts center is home to the Kansas City Symphony, the Kansas City Ballet and the Lyric Opera. The Kansas City metro also opened the doors to a new natural history museum. The Museum at Prairiefire includes exhibitions through the American Museum of Natural History in New York, and is a regional draw from several Midwestern states. The museum is the first venue outside of New York to continually host traveling exhibitions.

In addition to the arts, Kansas City has several other entertainment options that draw visitors from the region. Sports are an important part of the Kansas City economy and way of life. The National Football League (Chiefs), Major League Baseball (Royals), Major League Soccer (Sporting Kansas City) and NASCAR are all represented here. Sporting Kansas City opened a state-of-the-art, 18,500-seat stadium in Kansas City, Kansas in 2011. The soccer venue also serves as a large-capacity outdoor concert venue. The stadium, along with the planned \$75 million National Training and Coaching Development Center for U.S. Soccer, has spurred multiple commercial development opportunities in the surrounding area. The Kansas City Royals hosted the 2012 Major League Baseball All-Star game at the newly renovated Kauffman Stadium in July 2012, and won the World Championship in 2015. The Sprint Center, an 18,000-seat, \$276 million arena in downtown Kansas City, has the ability to house a National Basketball Association or National Hockey League franchise, if the opportunity would arise. For now, however, it has quickly become one of the most successful venues in the world, in terms of its ability to attract the top shows and artists. Pollstar, the leading concert trade publication, ranked the Sprint Center as the 12th busiest venue in the U.S. for 2016, and 26th busiest worldwide.

In late 2017, citizens of Kansas City overwhelmingly approved a plan to build a new, single terminal at Kansas City International Airport. The plan calls for a \$1 billion development by Maryland-based Edgemoor Infrastructure and Real Estate. The new airport terminal is expected to begin construction by mid-2018 and will be complete in 2021. The completion of the new KCI is expected to increase nonstop flights and will enable airline growth in the coming years.

OFFICE OVERVIEW

The Kansas City office market posted another successful year throughout 2017, as a result of a strong business climate and continued job growth. The overall vacancy rate declined to 9.1%, down from 9.6% this time one year ago. With vacancy rates declining, two partially speculative office developments broke ground in late 2017, a product of strong market fundamentals within Kansas City. By the end of 2017, the Kansas City metro recorded 1.94 million SF of positive absorption related to office product. This figure far exceeds last year's total of 1.28 million SF, but is also partially inflated due to the delivery and occupancy of Cerner's first phase at their new Innovation campus that totaled 805,000 SF.



ECONOMIC OVERVIEW

Based on the Mid-America Regional Council (MARC) data, the Kansas City metro added just over 18,700 jobs throughout 2017. The MARC economic forecast projects job creation to increase to nearly 19,700 in 2018 and add another 18,400 jobs in 2019. The steady creation of new jobs in the market will continue to drive office absorption and demand. Two industry growth sectors that are heavy office users are expected to account for the lion's share of the employment growth in 2018. The professional, scientific and technical sectors are expected to add around 4,600 local jobs in 2018. Anticipated growth related to healthcare and social assistance will add close to 3,800 more positions. Finance, insurance, administrative and government positions are also expected to expand in 2018, which should result in another positive year for the office market throughout 2018.

As a result of solid office fundamentals, and a lack of new office construction, office vacancy rates steadily declined throughout 2017. Vacancy rates declined 50 basis-points relative to this time a year ago, as users continue to grow and absorb additional space. Demand continues to remain strong, while a lack of new construction continues to tighten the market. Average asking rents continue to increase after years of remaining relatively stagnant. Rates continue to be a direct reflection of the current demand levels within the top performing submarkets, such as Downtown, the Country Club Plaza, and South Johnson County.

Average asking rates continue to increase at an accelerated pace relative to historical averages for the Kansas City market. The overall asking rent from the metro has increased to \$18.30/SF across all product classes through year end 2017. Class A rates have risen to an average of \$21.16/SF, while class B rates have increased to \$17.42/SF. Rates continue to be a direct reflection of the current demand levels and top performing submarkets.

The Kansas City market remains a strong secondary market that continues to be sought after from investors all across the county. Driven by the strong market fundamentals, domestic investors continue to place capital into the market. Two office buyers have recently invested heavily within the Kansas City market. Group RMC has favored suburban office product in South Johnson County, while Price Brothers purchased assets in the urban core.

In August 2017, Group RMC closed on one of the largest office investment offerings within the Kansas City market to date. The Corporate Woods portfolio, which included 22 buildings and more than 2.2 million SF of office product sold. Group RMC acquired the portfolio from Stoltz Management for an estimated \$292 million. Previously in 2016, Group RMC purchased another College Boulevard portfolio totaling 5 buildings and more than 800,000 SF. Price Brothers, which acquired two office buildings within the metro in 2016, continued to buy Kansas City office product in 2017. Price Brothers completed the purchase of Valencia Tower on the Country Club Plaza. The 242,000 SF building, which is home to Lockton's headquarters, was purchased for approximately \$75 million.

Stanton Road Capital purchased 2323 Grand located in Crown Center from Assurant. The 10-story, 321,000 SF building sold for around \$35 million. In late 2017, Sterling Office and Trust closed on the purchase of the College Oaks portfolio in South Johnson County. The three-building, 236,000 SF portfolio, which was initially developed for Farmers Insurance, sold for the first time since being built nearly 30 years ago.



DISCLAIMER

This offering memorandum is subject to prior placement and withdrawal, cancellation or modification without notice. The information contained herein has been carefully compiled from sources we consider reliable, and while not guaranteed as to completeness or accuracy, we believe it to be correct as of May 15, 2018.

Neither this offering memorandum nor any part thereof, shall be reproduced or distributed without the written authorization of the owner of 9140 Partners, LLC (the "Owner"), and Colliers International | Kansas City (the "Broker").

Further:

This offering memorandum was prepared by the Broker solely for the use of prospective purchasers of the real property commonly known as 9140 Ward Parkway (the "Property"). Neither the Broker nor the Owner makes any representation or warranty, express or implied, as to the completeness or the accuracy of the material contained in this offering memorandum.

Prospective purchasers of the Property are advised (i) that changes may have occurred in the physical or financial condition of the Property since the time this offering memorandum or the financial statements herein were prepared, and (ii) that the projections contained herein were made by Broker and not by Owner and are based upon assumptions of events beyond the control of Broker and Owner, and therefore, may be subject to variation. Other than historical revenue and operating expense figures for the Property, Owner has not provided, and will not provide, Broker or any prospective purchaser with any income and expense figures, budgets or projections regarding the Property. Prospective purchasers of the Property are advised and encouraged to conduct their own comprehensive review and analysis of the Property.

This offering memorandum is a solicitation of interest only and is not an offer to sell the Property. The Owner and Broker expressly reserve the right, at their sole discretion, to reject any or all expressions of interest or offers to purchase the Property and expressly reserve the right, at their sole discretion, to terminate discussions with any entity at any time with or without notice. The Owner shall have no legal commitment or obligations to any entity reviewing this offering memorandum or making an offer to purchase the Property unless and until such offer for the Property is approved by Owner and the signature of an authorized representative of Owner is affixed to a real estate purchase agreement.

This offering memorandum is confidential. By accepting this offering memorandum, you agree (i) that you will hold and treat this offering memorandum and its contents in the strictest confidence, (ii) that you will not photocopy or duplicate any part of this offering memorandum, (iii) that you will not disclose this offering memorandum or any of its contents to any other entity without the prior written authorization of the Owner, and (iv) that you will not use this offering memorandum in any fashion or manner detrimental to the interest of the Owner or Broker.



MIKE YEGGY
Senior Vice President
+1 816 556 1148
mike.yeggy@colliers.com

ROSS SIMPSON
Senior Vice President
+1 816 556 1157
ross.simpson@colliers.com

