

Park Avenue Apartments

117 3rd Street East

Park Rapids, MN 56470

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PRICING

\$2,600,000

CAP RATE: 8.57%

CASH ON CASH: 9.21%

DSCR: 1.48

NUMBER OF UNITS (unit breakdown)



40 TOTAL UNITS

- 8 - Studio
- 15 - 2 bed
- 4 - 4 bed
- 3 - 1 bed
- 8 - 3 bed
- 1 - 5 bed
- 1 - offline 1 bed

- Converted from a High School to Residential Units Approximately 20 Years Ago
- Located at the intersection of 3rd Street East and Washington Avenue South, this downtown Park Rapids property offers excellent visibility and convenient access to surrounding businesses, restaurants, and community amenities.
- New Sprinkler System, Security Cameras, 75% Roof Replacement, and Parking Lot Improvements
- New Electrical and Plumbing Completed Between 2004–2007
- Opportunity to Develop Additional Residential Units
- Includes Three Parcels

An NDA will be required to receive further information.

Park Rapids Market Overview

NAI Sioux Falls is pleased to present the opportunity to acquire a 40-unit multifamily property in Park Rapids, MN. This investment offers stable workforce housing fundamentals in a regional hub community known for year-round tourism, strong local employment, and limited housing inventory. The property consists of 8 studio units, 3 one-bedroom units, 15 two-bedroom units, 8 three-bedroom units, 4 four-bedroom units, 1 five-bedroom unit, and 1 currently offline one-bedroom unit.

Park Rapids is located along U.S. Highway 71 and serves as a gateway to Itasca State Park and Minnesota's lake country. The community benefits from a diversified economic base supported by healthcare, tourism, retail trade, education, manufacturing, and regional services. Major local demand drivers include CHI St. Joseph's Health, public schools, county and municipal services, and the area's strong tourism economy. The city serves as a commercial and service center for the surrounding lakes region, drawing residents and visitors from across north-central Minnesota. Seasonal tourism activity, combined with a stable year-round population base, helps support consistent housing demand throughout the market.

For investors, the property offers an attractive acquisition opportunity relative to larger metro markets, with consistent demand from local workforce tenants, limited new multifamily development, and potential for operational and rent upside. The area's constrained housing supply and barriers to new development continue to support occupancy and long-term rental growth. Park Rapids' role as a regional service center, combined with tourism-supported employment and historically resilient occupancy trends, positions this 40-unit asset as a compelling long-term multifamily investment.



FINANCIALS & COMPARABLES

Property Name	Park Avenue	
Location	Park Rapids	
Type of Property	Multifamily	
Size of Property	40	(Sq. Ft./Units)
	\$65,000.00	

Purpose of analysis _____

Assessed/Appraised Values		
Land	260,800	12%
Improvements	1,864,200	88%
Personal Property	0	0%
Total	2,125,000	100%

Adjusted Basis as of 29-Jun-26 \$2,600,000

Annual Property Operating Data

Purchase Price	2,600,000
Plus Acquisition Costs	
Plus Loan Fees/Costs	
Less Mortgages	1,820,000
Equals Initial Investment	780,000

	Balance	Periodic Pmt	Pmts/Yr	Interest	Amort Period	Loan Term
1st	\$1,820,000	\$12,575	12	6.75%	25	5
2nd			12			

ALL FIGURES ARE ANNUAL		%	
		of GOI	
Total	\$/month		
	\$ 36,147		\$ 433,761
Less: Vacancy & Cr. Losses	5%		\$ 21,688
EFFECTIVE RENTAL INCOME			\$ 412,073
Plus: Other Income (collectable)			\$ 39,660
GROSS OPERATING INCOME			\$ 451,733
OPERATING EXPENSES:			
Real Estate Taxes - 1201		9.56%	\$ 43,164.00
Insurance		7.82%	\$ 35,304.00
Repairs		6.64%	\$ 30,000.00
Snow and Lawncare		3.87%	\$ 17,500.00
Maangement Fee		7.69%	\$ 34,738.76
Legal		0.67%	\$ 3,007.26
Cleaning and Maintenance		5.24%	\$ 23,675.64
Utilities:			
Utilities		9.21%	\$ 41,602.54
TOTAL OPERATING EXPENSES		50.69%	\$ 228,992.20
NET OPERATING INCOME			\$ 222,741
Less: Annual Debt Service			\$ 150,895
Less: Participation Payments (from Assumptions)			
Less: Leasing Commissions			
Less: Funded Reserves			
CASH FLOW BEFORE TAXES			\$ 71,846

COMMENTS/FOOTNOTES

2026 Quote Annualized
Broker Estimation
Broker Estimation

Cash on Cash	9.21%
Cap Rate	8.57%
DSCR	1.48

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The statements and figures herein, while not guaranteed, are secured from sources we believe authoritative.

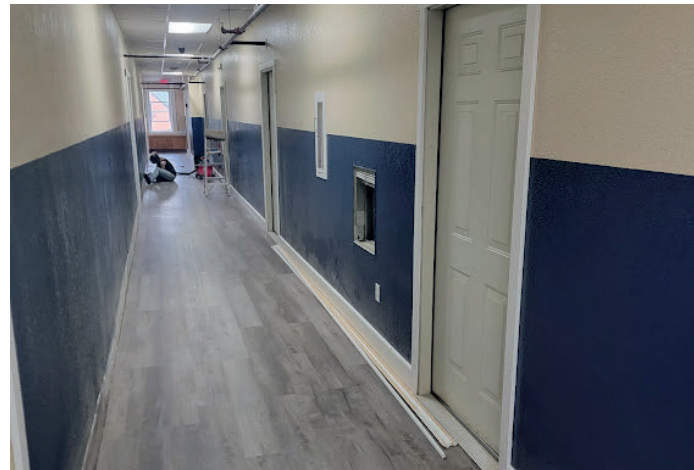
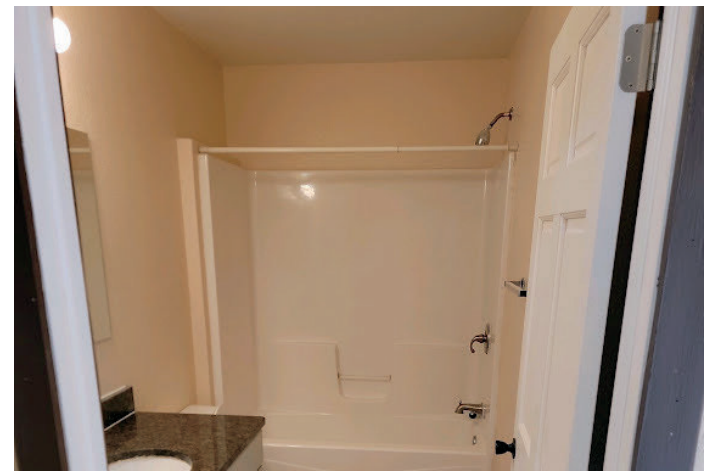
Prepared for: **Prospective Buyers**

Prepared by: **Marcus Benson**

Address	Type	Size	Price
200 Eastern Ave S, Park Rapids, MN 56470	Multifamily	12,364 SF	\$3.41M
501 Gilbert Ave S, Park Rapids, MN 56470	Multifamily	16,208 SF	\$400K
510 Heartland St, Park Rapids, MN 56470	Multifamily	11,346 SF	\$110K
514 Heartland St, Park Rapids, MN 56470	Multifamily	12,608 SF	\$110K
201 Henrietta Ave S, Park Rapids, MN 56470	Multifamily	7,073 SF	\$325K
112 Main St W, Nevis, MN 56467	Multifamily	6,842 SF	\$385K
109 State 34, Nevis, MN 56467	Multifamily	4,928 SF	\$248K
610 6th St W, Park Rapids, MN 56470	Multifamily	7,104 SF	\$800K
313 1st St E, Park Rapids, MN 56470	Multifamily	7,580 SF	\$385K
105 1st St E, Park Rapids, MN 56470	Multifamily	12,562 SF	\$370K



PHOTOS









FLOOR PLANS

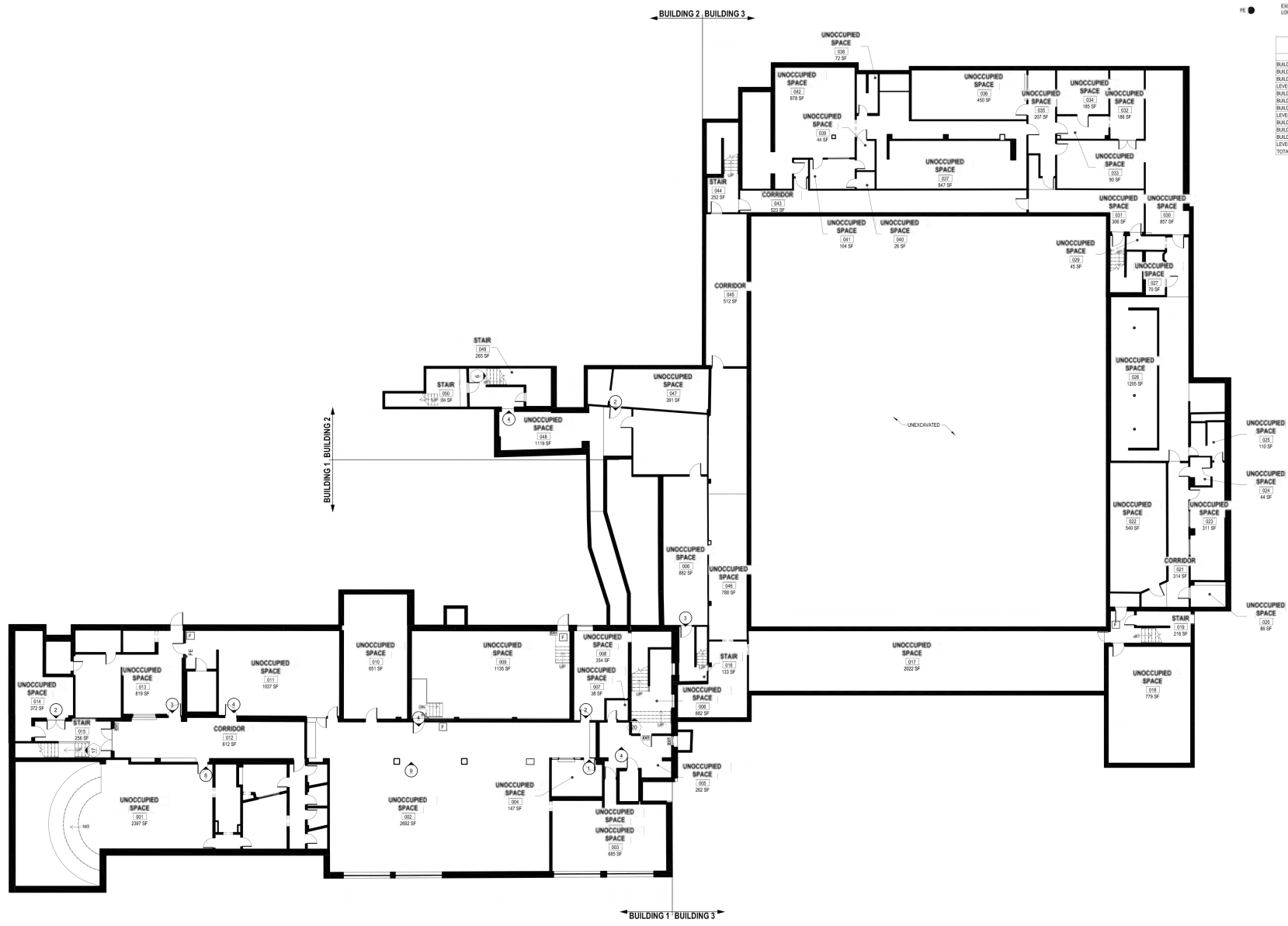
BASEMENT FLOOR PLAN

CODE PLAN KEY

- TRAVEL DISTANCE (TD)
- 200 FEET MAX (R2 OCCUPANCY)
- COMMON PATH DISTANCE (CPD)
- 100 FEET MAX (R2 OCCUPANCY)
- EXIT LOCATION
- OCCUPANT LOAD
- OCCUPANT LOAD (QUANTITATIVE ALONG EGRESS PATH)
- EXISTING EXIT SIGN LOCATION
- EXISTING FIRE ALARM PULL DOWN LOCATION
- EXISTING FIRE BLANKET LOCATION
- EXISTING FIRE EXTINGUISHER LOCATION

BUILDING AREA

BUILDING	AREA
BUILDING 1	11500 SF
BUILDING 2	1999 SF
BUILDING 3	13219 SF
LEVEL 1 TOTAL	26718 SF
BUILDING 1	11500 SF
BUILDING 2	2400 SF
BUILDING 3	30198 SF
LEVEL 1 TOTAL	63898 SF
BUILDING 1	11545 SF
BUILDING 2	7101 SF
BUILDING 3	5813 SF
LEVEL 2 TOTAL	24459 SF
TOTAL	10291 SF



CODE PLAN - BASEMENT
3/22 - 1-0'



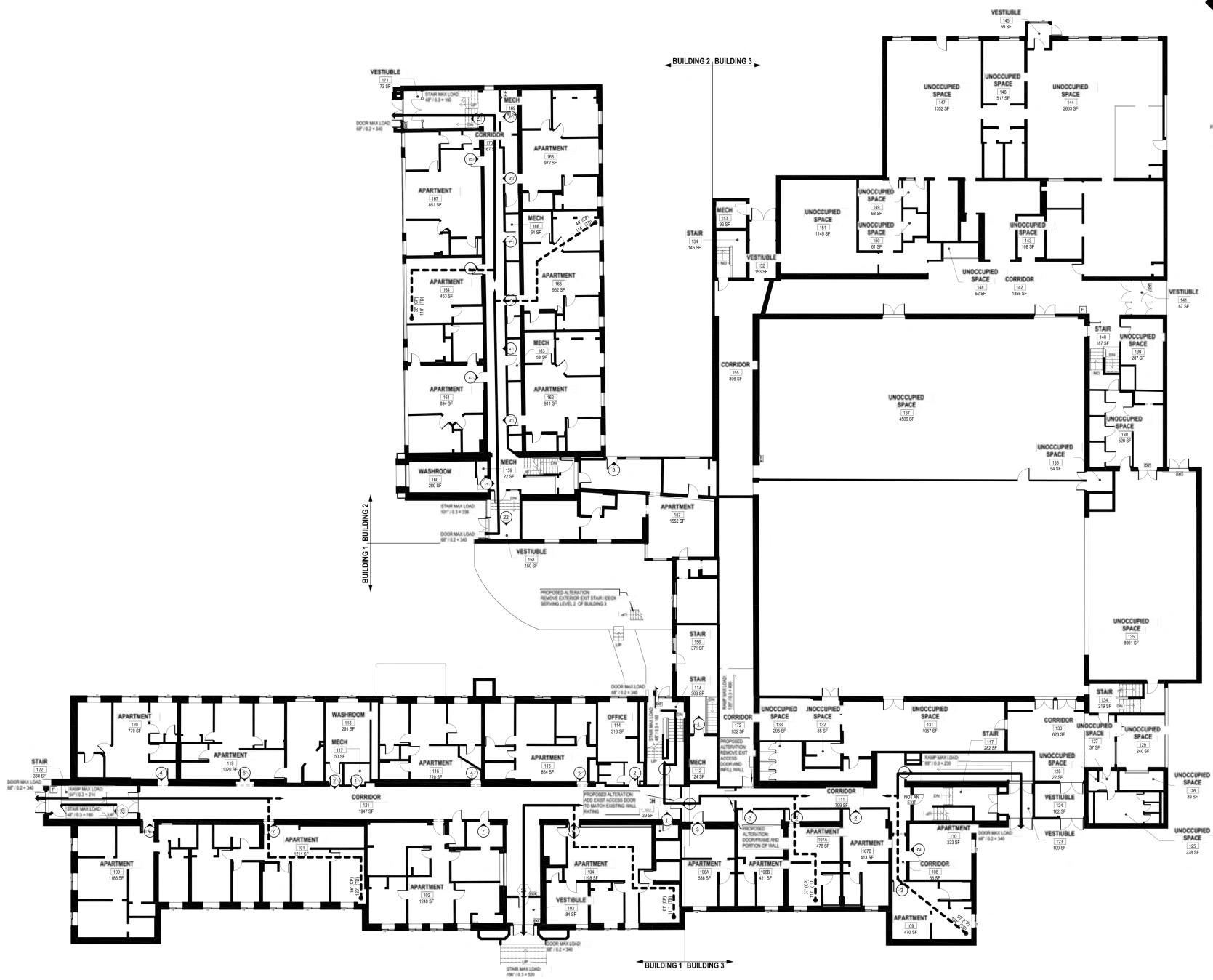
FIRST LEVEL

CODE PLAN KEY

- TRAVEL DISTANCE (TD) 200 FEET MAX (R2 OCCUPANCY)
- COMMON PATH DISTANCE (CPD) 120 FEET MAX (R2 OCCUPANCY)
- EXIT LOCATION
- EXIT OCCUPANCY LOAD
- OCCUPANT LOAD
- OCCUPANT LOAD (CUMULATIVE ALONG EGRESS PATH)
- EXISTING EXIT SIGN LOCATION
- EXISTING FIRE ALARM PULL DOWN LOCATION
- EXISTING FIRE BLANKET LOCATION
- EXISTING FIRE EXTINGUISHER LOCATION

BUILDING AREA

BUILDING	AREA
BUILDING 1	11649 SF
BUILDING 2	1969 SF
BUILDING 3	12219 SF
LEVEL 0 TOTAL	26836 SF
BUILDING 1	11533 SF
BUILDING 2	3495 SF
BUILDING 3	39198 SF
LEVEL 1 TOTAL	54226 SF
BUILDING 1	11545 SF
BUILDING 2	7747 SF
BUILDING 3	5813 SF
LEVEL 2 TOTAL	24465 SF
TOTAL	102391 SF



CODE PLAN - LEVEL 1
 3/02" = 1'-0"
 PROJECT NORTH



NOT FOR CONSTRUCTION

Project Owner

Park Rapids Apartments
 Park Rapids, MN 56470

This drawing is a representation of the proposed project and is not intended to be used for construction. It is the responsibility of the user to verify the accuracy of the information provided. The user shall be responsible for obtaining all necessary permits and approvals from the appropriate authorities. The user shall be responsible for ensuring that the project is completed in accordance with the applicable laws and regulations. The user shall be responsible for ensuring that the project is completed in accordance with the applicable laws and regulations.

SEH Project Checked By: [Signature] Date: [Date]

REVISION SCHEDULE

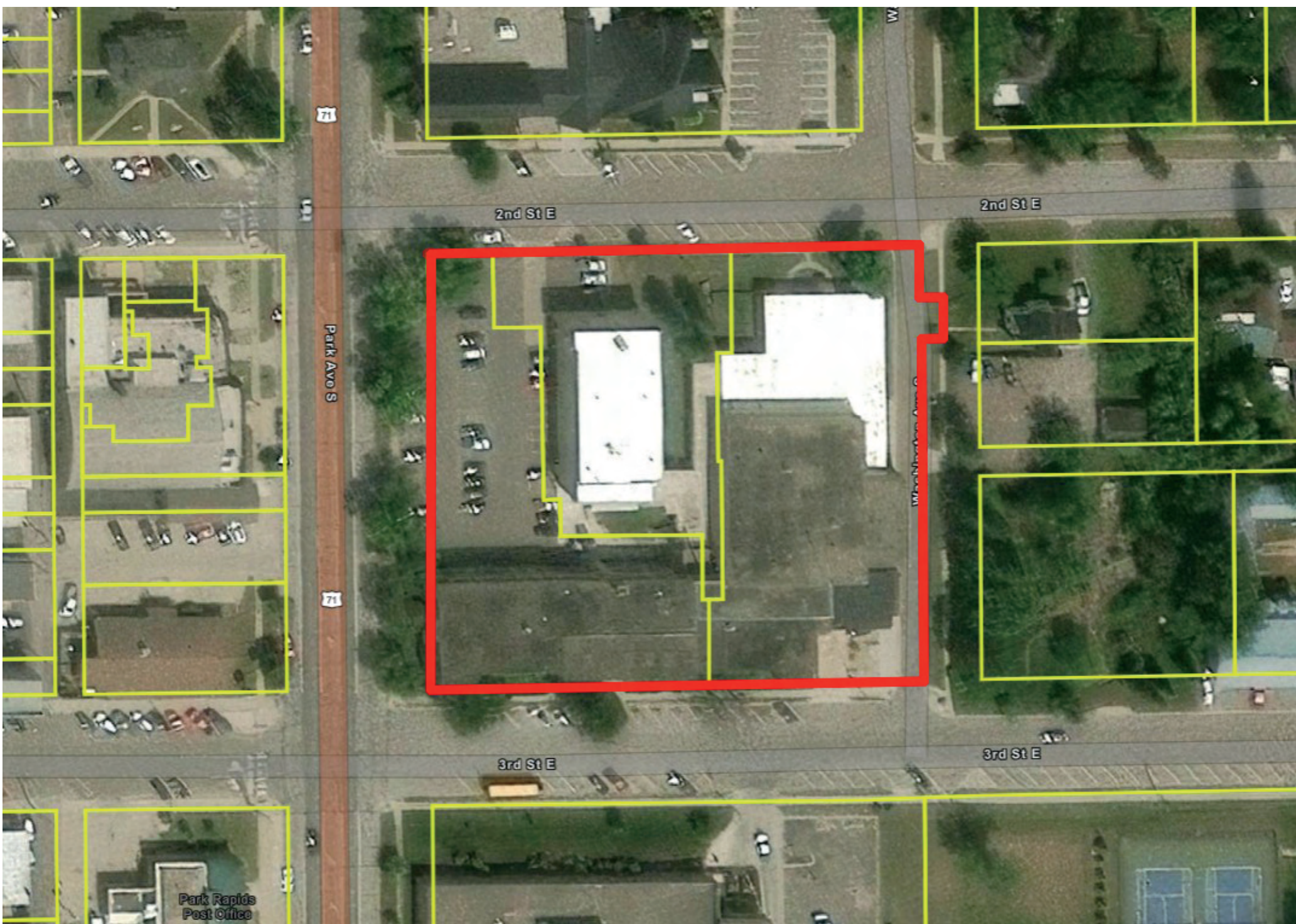
REV #	DESCRIPTION	DATE

CODE PLAN - LEVEL 1

A002



PARCEL IMAGE





DEMOGRAPHICS



KEY FACTS

5,794

Population



Average Household Size

44.3

Median Age

\$58,914

Median Household Income

EDUCATION

6.9%

No High School Diploma



25.8%
High School Graduate



38.0%
Some College/
Associate's Degree



29.3%
Bachelor's/Grad/
Prof Degree

BUSINESS



529

Total Businesses



5,174

Total Employees

EMPLOYMENT



46.4%

White Collar



33.4%

Blue Collar



20.0%

Services



3.4%

Unemployment Rate

INCOME



\$58,914

Median Household Income



\$33,335

Per Capita Income



\$101,265

Median Net Worth

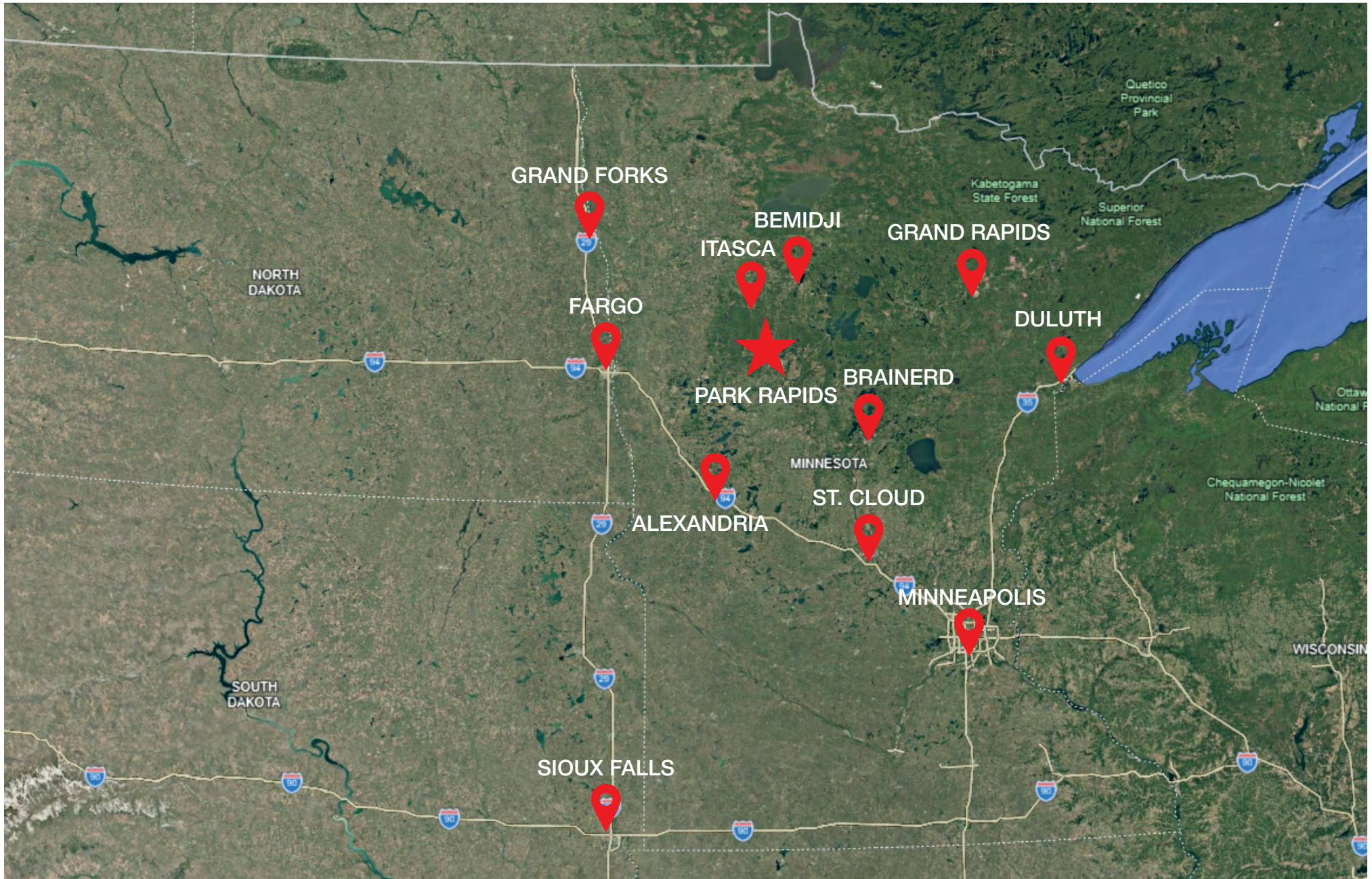
2025 Households by income (Esri)

The largest group: \$50,000 - \$74,999 (18.6%)

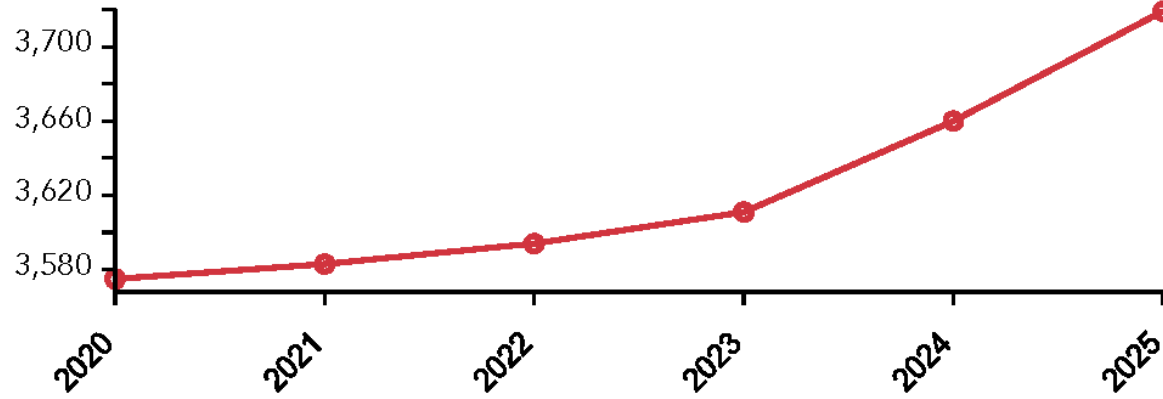
The smallest group: \$200,000+ (3.8%)

Indicator	Value	Diff		
<\$15,000	15.6%	+6.4%		
\$15,000 - \$24,999	8.0%	+2.1%		
\$25,000 - \$34,999	8.3%	+2.2%		
\$35,000 - \$49,999	12.4%	+2.1%		
\$50,000 - \$74,999	18.6%	-1.6%		
\$75,000 - \$99,999	12.3%	-1.1%		
\$100,000 - \$149,999	14.3%	-5.2%		
\$150,000 - \$199,999	6.7%	-3.6%		
\$200,000+	3.8%	-1.3%		

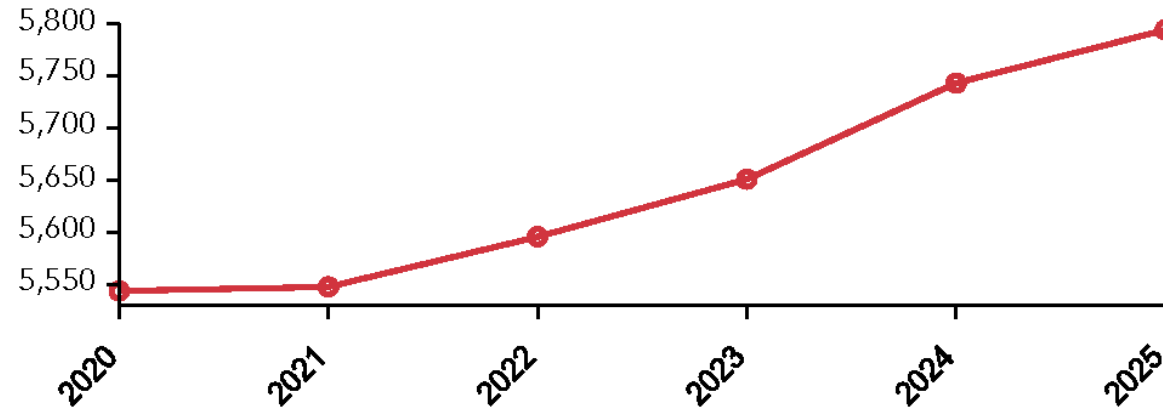
Bars show deviation from Hubbard County



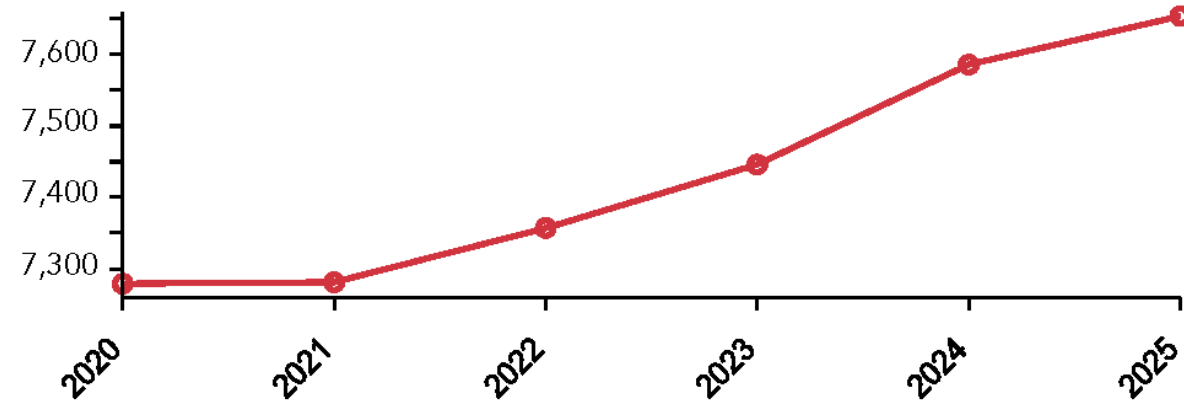
Historical Trends: Population (1-Mile Radius)



Historical Trends: Population (3-Mile Radius)



Historical Trends: Population (5-Mile Radius)





BROKER PROFILE



Marcus Benson

Broker Associate

NAI Sioux Falls

c 605 403 0333

mbenson@naisiouxfalls.com

Scope of Service

Marcus, a proud native of Park Rapids, Minnesota, embodies the values of hard work and community that his hometown is known for. His deep-rooted commitment to his community is a testament to his reliability and dedication, which he brings to his professional pursuits.

Marcus stayed busy throughout college in many on-campus activities and with the SDSU swim team for all four years. He enjoys watching sports, specifically the Jacks, and spending time outside with friends and family.

Marcus offers a unique perspective on the multifamily market that can help achieve longevity goals. He also has previous experience in sales, banking, and real estate.

Marcus has been with the NAI Sioux Falls team since May 2024

Education

He attended South Dakota State University, where he majored in Business Economics and minored in Human Resources and Management

Professional Affiliations & Designations

Licensed Real Estate Broker, State of South Dakota