OFFERING MEMORANDUM

THE NEW ENGLAND BUILDING

503 S Kansas Ave, Topeka, KS 66603

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KANSAS COMMERCIAL REAL ESTATE SERVICES, INC

The New England Building is a 92,198$^{+/-}$ SF office building in downtown Topeka, Kansas. This six-story building was built in 1911 and has been renovated many times over the years, with the most recent being in 2020. It is 100% leased by two State of Kansas tenants, the Kansas Department of Aging and Disability Services and the Kansas Department for Children and Families.

Topeka is the state capital of Kansas and is 60 miles west of Kansas City. The major thoroughfares are I-70, I-470, and the Kansas Turnpike (I-335).

INVESTMENT SUMMARY

Sale Price	**$4,200,000.00**
Total Building Size	92,198$^{+/-}$ SF
2024 Taxes	$161,574.78
Year 1 NOI	$561,094
Cap Rate	10.4%
Land Size per Shawnee County	15,000$^{+/-}$ SF
Zoning	C5
Year Built	1911

KANSAS COMMERCIAL
REAL ESTATE SERVICES INC

Kansas Department for Children and Families

The Kansas Department for Children and Families is available to assist with child care and child support, employment education and training, food and cash assistance, support for youth who have experienced foster care and more.

Square Feet: 25,377 $^{+/-}$ SF of office space, $11.55/SF/YR

1,968 $^{+/-}$ SF of floor space for records and property storage, $3.50/SF/YR

Five year renewal option with at least 90 days notice, $12/SF/YR

The tenant pays electricity, water, gas, heat, telephone, custodial, and trash removal within the leased space.

Base Rent: $299,992/year

$24,999.33/month

Lease Terms: 2/1/2025 - 1/31/2030, Flat rate

Kansas Department of Aging and Disability Services

Protecting Kansans, Promoting Recovery & Supporting Self-Sufficiency. KDADS is responsible for investigating allegations of abuse, neglect, exploitation, or failure to provide adequate care and services to residents in adult care homes.

Square Feet: 55,595 $^{+/-}$ SF of office space, $11.50/SF/YR

3,721 $^{+/-}$ SF of floor space for records and property storage, $3.50/SF/YR

Five year renewal option with at least 90 days notice, $12/SF/YR

The tenant pays electricity, water, gas, heat, telephone, custodial, and trash removal within the leased space.

Base Rent: $652,180/year

$54,348.33/month

Lease Terms: 2/1/2025 - 1/31/2030, Flat rate

GROSS INCOME: $952,172/year

$79,347.67/month

Beginning 2/1/2025

Property: 503 S. Kansas

Total Sq. Footage	86,661
KDADS Square Feet:	55,595
KDADS Storage	3,721
DCF	25,377
DCF Storage	1,968

		2024 Expenses - 2025 Income Actual	/sf/yr
Income			
KDADS		$639,343	$11.50
Storage		$12,837	$3.45
DCF		$293,104	$11.55
DCF Storage		$6,888.00	$3.50
Gross Income		$952,172	$10.99
Less 8% Vacancy		$0	
Operating Income		$952,172	$10.99
Expenses			
Repairs & Maintenance		$20,164	$0.23
HVAC		$44,513	$0.51
HVAC Repairs		$59,313	$0.68
Elevator		$21,466	$0.25
Telephone/Internet		$6,240	$0.07
Software		$1,851	$0.02
Property Management		$28,830	$0.33
Insurance		$28,593	$0.33
Property Accounting Fees		$14,400	$0.17
Property Tax		$149,300	$1.72
Electric Labor & Repair		$1,903	$0.02
Plumbing		$7,446	$0.09
Fire & Safety		$4,594	$0.05
Transaction Fees		$10	$0.00
Pest Control		$2,132	$0.02
Roofing (Instalation & Repairs)		$325	$0.00
Total Estimated Expenses		$391,078	$4.51
Operating Expense Ratio		41.07%	
Net Operating Income		$561,094	$6.47
Value with Cap Rate of	**9.0%**	**$6,234,376**	**$112.14**
Value with Cap Rate of	**9.5%**	**$5,906,251**	**$106.24**
Value with Cap Rate of	**10.0%**	**$5,610,938**	**$100.93**
Value with Cap Rate of	**10.4%**	**$5,395,133**	**$97.04**
Value with Cap Rate of	**11.0%**	**$5,100,853**	**$91.75**

INVESTMENT HIGHLIGHTS

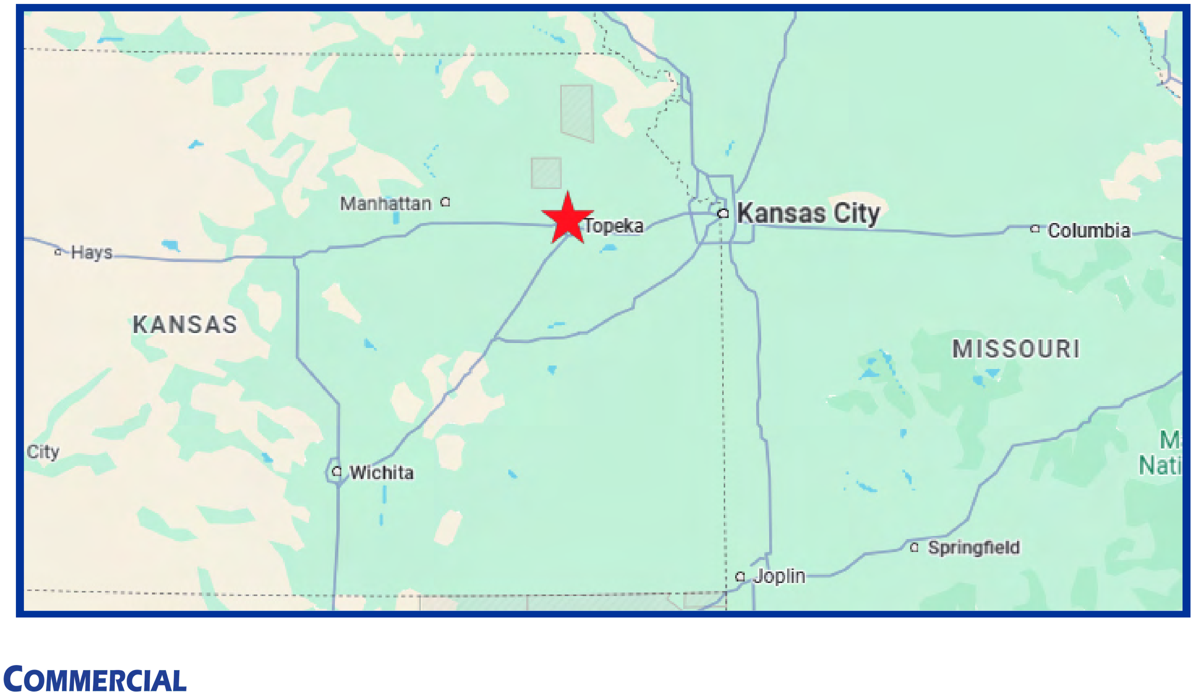
- The New England Building is in an Opportunity Zone, offering significant tax advantages to investors. One of the key benefits is the ability to temporarily defer taxes on capital gains that have already been earned, providing a potential for tax savings in short term.
  There is an opportunity for a step-up in basis on previously earned capital gains if the property is held for 5-7 years, which can further reduce capital gains. For long-term investors, holding the property for at least 10 years could result in the permanent exclusion of taxable income on any new gains earned from the property. It is recommended to consult your tax advisor to understand these benefits.

- Improvements and upgrades:

✓ Cooling tower replacement, 2019	$113,000
✓ Elevator cab refresh, 2020	$310,000
✓ East & West elevator driver replacements, 2022	$60,000
✓ Security cameras, 2024	$33,000
✓ Access control badge reader system, 2024	$65,000
✓ Bottle filler water fountains, 2024	$20,000
✓ North exterior stairwell repair, 2024	$54,000
✓ Gates and handrails (north stairwell), 2024	$60,000

- The Kansas Department of Aging and Disability Services and the Kansas Department for Children and Families lease 100% of the building. Their leases are until January 31, 2030.

- Downtown Topeka has resurged in the last ten years due to public and private investments leading to improvements in the district. Many restaurants and shops are within walking distance. Evergy Plaza and the Topeka Performing Arts Center host hundreds of events annually. A new locally owned boutique hotel opened on Kansas Avenue in 2019, and the Kansas State Capitol Building is only four blocks away.



Building Size

Total Area: 92,198$^{+/-}$ SF
Land Size: 15,820$^{+/-}$ SF

Building Features

Number of Floors: Six (lower level is partially finished)
Approximate Floor Size: 15,366$^{+/-}$ SF
Ceiling Height: 9'

Construction Details

Construction: Reinforced concrete

Roof: PVC Membrane, 2013

HVAC: Central air and heat. Two gas-fired hydronic boilers, two roof-mounted forced draft Evapco cooling towers with air handling units, variable air volume terminals, and vertical water-cooled package air condition units.

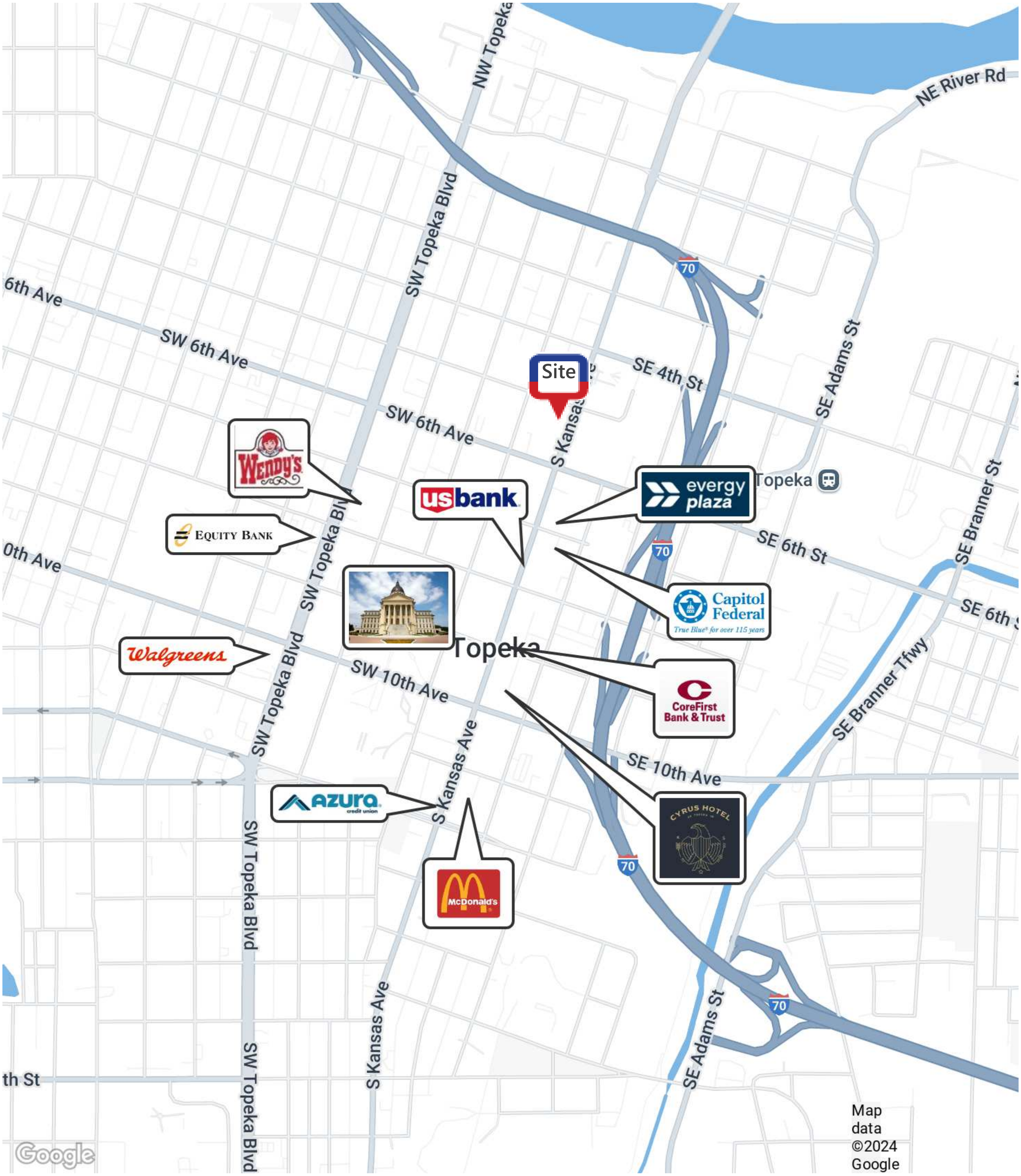
Electrical: 3,000 amps with 277/480 volt, stepped down to 20BY/120 volt, 3-phase, 4-wire service.

Lighting: Recessed and surface fluorescent fixtures

Fire Sprinklers: Automatic fire protection wetpipe system to protect elevator lobbies

Elevator: Two OTIS manufactured overhead traction elevators. Interior cab renovations completed in 2021.

AERIAL MAP



NW Topeka
NE River Rd
SW Topeka Blvd
6th Ave
SW 6th Ave
SE 4th St
SE Adams St
Site
S Kansas
Topeka
SE 6th St
SE Branner St
0th Ave
SW 10th Ave
SE 10th Ave
SE Branner Tfwy
S Kansas Ave
SE Adams St
th St
70
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