

189-191 E 7th St

Saint Paul, MN 55105

Mixed-Use
Investment Opportunity

Offering Memorandum

Historic Mixed-Use Asset Located in the Heart of Downtown Saint Paul's Entertainment and Cultural District



MATTHEWS™

EXCLUSIVELY LISTED BY



Thomas Bagnoli

Associate

(612) 276-5686

thomas.bagnoli@matthews.com

License No. 40945713 (MN)



Kurt Sauer

Market Leader

(612) 385-0688

kurt.sauer@matthews.com

License No. 40841921 (MN)

Kurt Sauer

Broker of Record

Broker License No. 40628602 (MN)

Firm License No. 41005445 (MN)

Table of Contents

04

Property
Overview

12

Financial
Overview

17

Market
Overview

MATTHEWSTM



WALKABLE URBAN INFILL LOCATION

Positioned within walking distance of CHS Field, Union Depot, the Capitol Complex, and Downtown Saint Paul's vibrant dining and entertainment district.

- CHS Field (St. Paul Saints Baseball) 0.4 mi
- Grand Casino Arena (Minnesota Wild NHL arena; formerly Xcel Energy Center) 0.8 mi
- RiverCentre Convention Complex 0.8 mi
- Minnesota State Capitol Complex 0.9 mi
- Union Depot Transit Hub 0.5 mi
- Downtown Saint Paul Business District Walkable
- Science Museum of Minnesota 1.0 mi
- Ordway Center for the Performing Arts 0.9 mi

Subject Property

PROPERTY OVERVIEW

189-191 E 7th St
Saint Paul, MN 55105



EXECUTIVE SUMMARY

189-191 E 7th St
Saint Paul, MN 55105

189-191 E 7th St
Saint Paul, MN 55105

20
Total SRO (Single Room Occupancy)

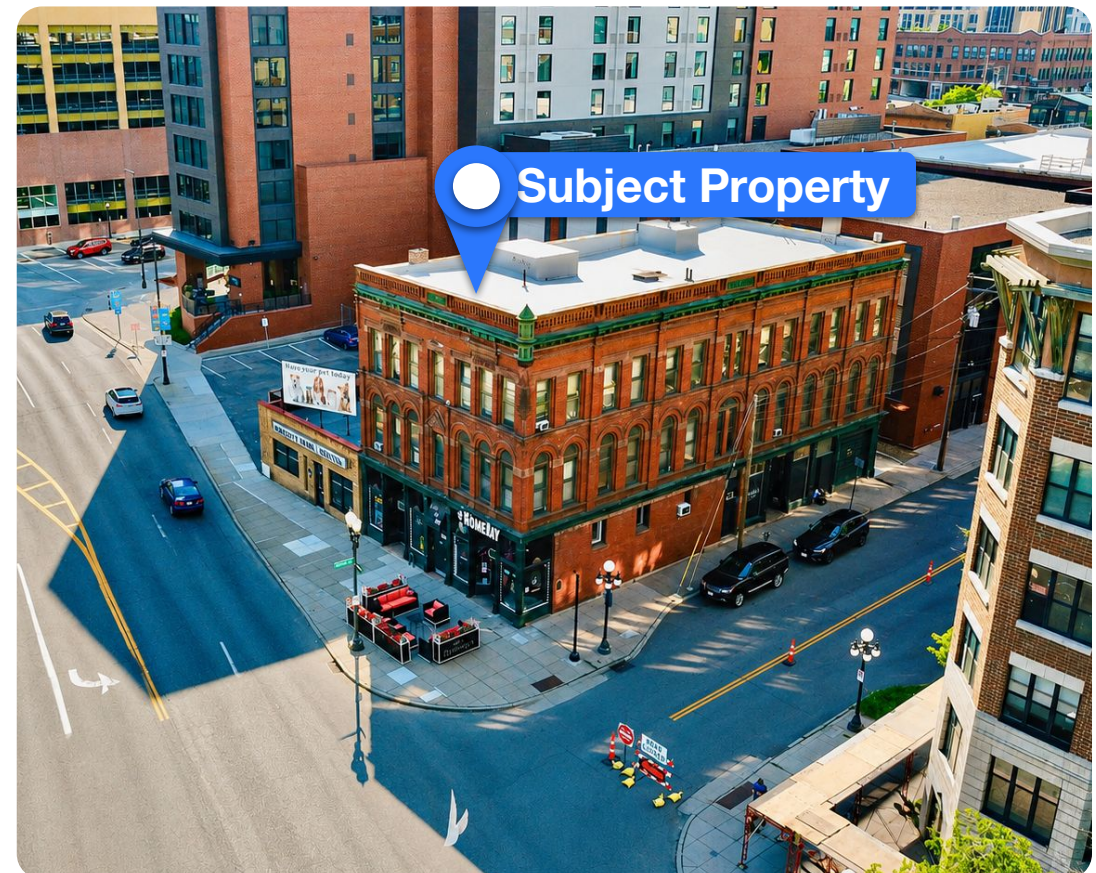
2
Retail/Office Space

±9,800
GLA (SF)

±467
Avg SF

The Opportunity

189-191 E 7th St presents a unique opportunity to acquire a historic multifamily asset in the heart of Downtown Saint Paul's vibrant entertainment, cultural, and business district. The 22 Unit Mixed Use property benefits from a highly walkable location within close proximity to CHS Field, Mears Park, the Saint Paul Farmers Market, restaurants, nightlife, and major employment centers. Originally constructed in 1889, the building offers historic character, a stable long-term tenant base, and significant value-add potential through rent repositioning, lease optimization, and utility expense recovery. Recent capital improvements, including a new rubber roof in 2022 and a new boiler in 2025, reduce near-term capital needs, while interior and exterior security systems enhance tenant safety and operational oversight. Owned and maintained by the same owner for approximately 40 years, the property has demonstrated consistent stewardship and strong in-place performance. Additionally, the asset may qualify for both Federal and Minnesota Historic Rehabilitation Tax Credits, offering up to 40% of eligible rehabilitation costs in tax incentives and creating a compelling opportunity for investors seeking stable cash flow with long-term upside in one of Saint Paul's most desirable urban neighborhoods.



INVESTMENT HIGHLIGHTS

Property Highlights

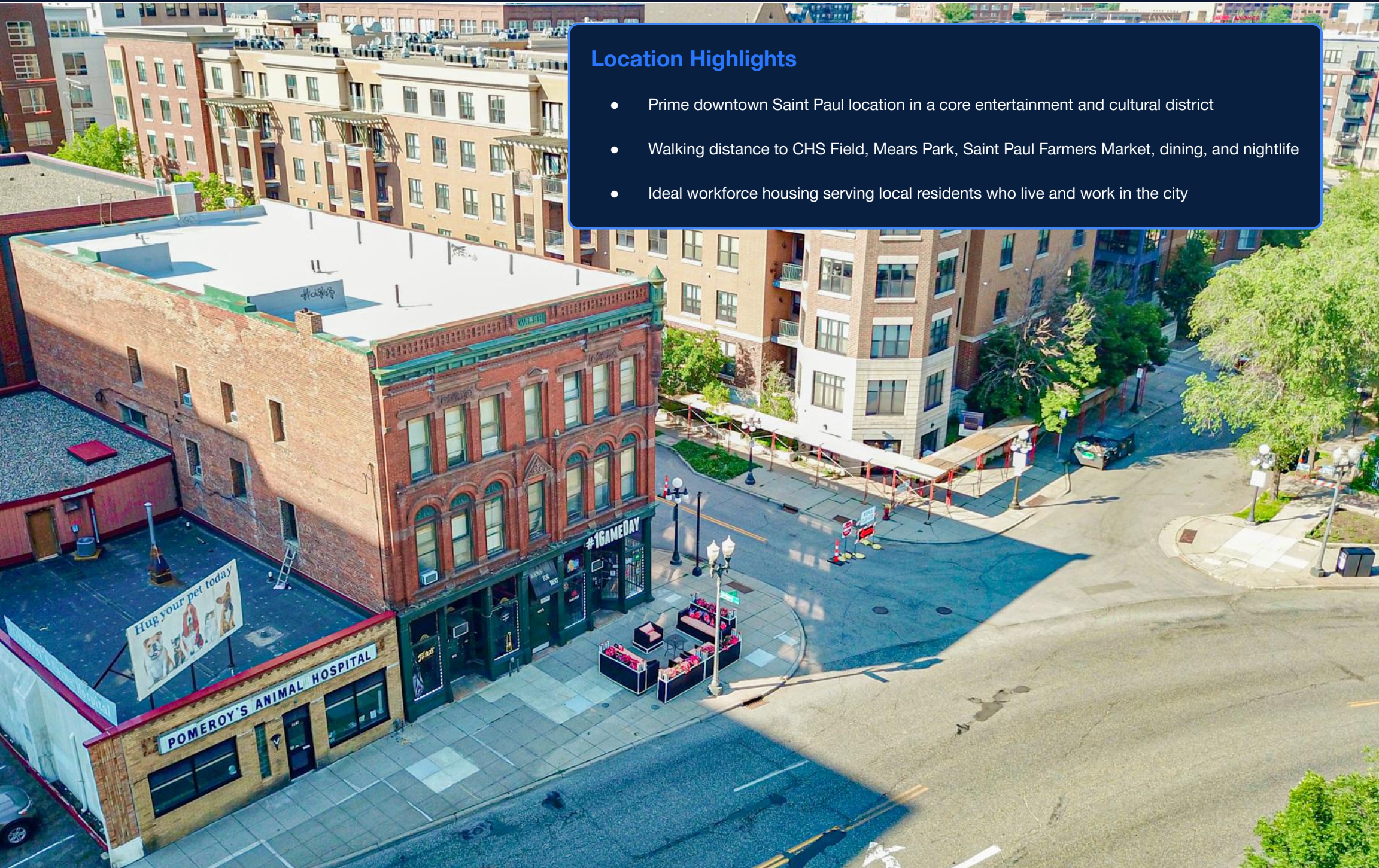
- **22-unit dormitory-style multifamily building**
- Long-term, stable tenant base with below-market rents and upside potential
- Shared kitchen and common areas supporting efficient building operations
- Historic asset built in 1885 with strong character and neighborhood presence
- Owned and operated by same owner for ~40 years with consistent stewardship
- Recent **capital improvements including new rubber roof (2022) and new boiler (2025)**
- Interior and exterior surveillance cameras enhance tenant safety and provide efficient property oversight.
- Large main-level **garage stall for off-street parking and/or storage**
- Strong in-place performance with additional value-add through rent repositioning on month-to-month leases
- New Ownership Can Increase Revenue by Bringing Retail and Residential Units to Market and Implementing RUBS to Recover Utility Expenses and Enhance Cash Flow.
- Eligible for the 20% Federal Historic Rehabilitation Tax Credit and 20% Minnesota Historic Structure Rehabilitation Tax Credit, offering up to 40% of qualified rehabilitation costs in tax credit incentives.



INVESTMENT HIGHLIGHTS

Location Highlights

- Prime downtown Saint Paul location in a core entertainment and cultural district
- Walking distance to CHS Field, Mears Park, Saint Paul Farmers Market, dining, and nightlife
- Ideal workforce housing serving local residents who live and work in the city





Bar Highlights

- Multiple Large-Screen TVs Throughout
- Game-Day Viewing from Every Seat
- Spacious Seating for Fans & Groups
- Dedicated Sports Lounge Atmosphere
- Pool Table & Dart Board Entertainment
- Arcade Games for Added Guest Engagement
- LED Accent Lighting Creates an Energetic Vibe
- Ideal for Watch Parties & Sporting Events





Law Office Highlights

- Professional Reception & Check-In Area
- Client-Friendly Front Desk
- Open Administrative Workspace
- Excellent First Impression for Clients



Dorm Photos

Individual Living Quarters

Fridge & Microwave

AC Units

Bright Room with Large Windows

Dedicated Kitchen & Dining Area

Common Areas on second and third floors kept clean by on site caretakers





Minnesota Department of Revenue
±1,400 Employees



Regions Hospital
±554 Beds | Proposed Expansion to ±639 Beds
±5,000 Employees



Minnesota State Capitol
±15,000 Employees



Saint Paul College
±11,200 Students
±500 Employees

Subject Property




St. Paul Farmers' Market
The primary outdoor market runs from late April through November

Downtown St Paul

Theaters

FIRST AVENUE & 7th St entry
history theatre

Downtown Restaurants




Saint Paul RiverCentre
±500 Employees



Children's Minnesota
±133 Beds | ±4,100 Employees



Grand Casino Arena
±500 Employees

Harriet Island Regional Park
Hosts regular free live music series, yoga classes, and rotating food trucks



St. Paul Downtown Airport

±144,000 VPD

±157,000 VPD

±159,000 VPD

±79,000 VPD

±79,000 VPD



FINANCIAL OVERVIEW

189-191 E 7th St
Saint Paul, MN 55105



FINANCIAL SUMMARY

\$1,350,000

List Price

\$64,286

Price Per Unit

\$137.76

Price Per SF

10.33

Historical Cap Rate

6.35

Historical GRM

Unit Mix

Total Units	Unit Mix	Unit Mix %	Avg. SF	Current Avg. Rent PSF	Current Avg. Rent	Market Avg. Rent	Market Rent PSF	Current Max Rent	Total Current Monthly Rent	Market Monthly Rent
20	SRO	90%	350	\$1.94	\$680	\$700	\$2.00	\$680	\$12,920	\$13,300
1	Retail	5%	1,260	\$1.67	\$2,100	\$2,230	\$1.77	\$2,100	\$2,100	\$2,230
1	Retail	5%	1,890	\$1.43	\$2,700	\$3,080	\$1.63	\$2,700	\$2,700	\$3,080
22	Average		467	\$1.91	\$844	\$886	\$1.97	\$844	\$17,720	\$18,610
	Total		9,800	\$40.01	\$17,720	\$18,610	\$41.40	\$8,678	\$212,640	\$223,320

BAR

LAW OFFICE

FINANCIAL SUMMARY

Financing New Loan

Term	10 Years	Amortization Period	30 Years
Loan Amount	\$945,000	LTV	70.0%
Down Payment (30%)	\$405,000	Interest	6.65%
Yearly Payment	\$72,799	Monthly Payment	\$6,067
Debt Coverage Limit	1.25x	Closing Costs	1.0%
Payoff or Refinance Months	120 Months	Interest Only (Years)	0 Year(s)

Valuation

Unlevered IRR	13.3%	Levered IRR	23.16%
Unlevered Profits	\$2,202,367	Levered Profits	\$1,688,051
Unlevered Equity Multiple	2.62x	Levered Equity Multiple	5.03x
Unlevered Avg Cash on Cash	11.2%	Levered Avg Cash on Cash	19.0%

FINANCIAL SUMMARY

		T-12	Per Unit	Year 1 Adjusted	Per Unit	Market	Per Unit
Gross Potential Rent	Pro Forma Estimates	\$212,640	\$9,665	\$223,320	Market Rent	\$223,320	5%
Less Vacancy	7.0%	\$0	0.00%	\$15,632	7.0%	-\$11,166	-5.0%
Loss/Gain to Lease	Actual	\$0	0.00%	-\$10,680	-4.8%	-\$2,233	-1.0%
Less Concessions	-0.25%	\$0	0.00%	-\$558	-0.3%	-\$558	-0.25%
Less Change in Delinquency	-0.25%	\$0	0.00%	-\$558	-0.3%	-\$558	-0.25%
Expense/Utility Reimbursement	30% Collected	\$0	\$0	\$4,737	\$226	\$4,737	\$226
Other Income	2% Over Actual	\$3,888	\$185	\$3,966	\$189	\$3,966	\$189
Laundry Fees	2% Over Actual	\$1,824	\$87	\$1,860	\$89	\$1,860	\$89
Gross Operating Income		\$218,352		\$206,725		\$219,368	
Expenses		\$78,866	36.1%	\$107,571	48.44%	\$108,456	47.05%
Net Operating Income		\$139,486	\$6,642	\$99,155	\$4,722	\$110,912	\$5,282
Loan Payments		\$72,799		\$72,799		\$72,799	
Pre-Tax Cash Flow		\$66,687	16.5%	\$26,356	6.51%	\$38,114	9.41%
Plus Principal Reduction		\$10,265		\$10,265		\$10,265	
Total Return Before Taxes		\$76,953	19.00%	\$36,621	9.04%	\$48,379	11.95%

FINANCIAL SUMMARY

Pro Forma Annual Operating Summary

	Pro Forma Estimates		% of Current SGI	T-12	Per Unit	Year 1 Adjusted	Per Unit	Market	Per Unit	% of SGI
Real Estate Taxes	5.00%	Over Actual	13.67%	\$29,058	\$1,384	\$30,511	\$1,453	\$30,511	\$1,453	13.7%
Property Management Fee	7.0%	x GOI	2.26%	\$4,800	\$229	\$14,471	\$689	\$15,356	\$731	6.9%
Insurance	\$800	Per Unit	7.76%	\$16,500	\$786	\$16,800	\$800	\$16,800	\$800	7.5%
Payroll	\$250	Per Unit	0.69%	\$1,464	\$70	\$5,250	\$250	\$5,250	\$250	2.4%
General and Administrative	\$150	Per Unit	0.00%	\$0	\$0	\$3,150	\$150	\$3,150	\$150	1.4%
Contract Services	\$100	Per Unit	0.00%	\$0	\$0	\$2,100	\$100	\$2,100	\$100	0.9%
Turnover	\$150	Per Unit	0.00%	\$0	\$0	\$3,150	\$150	\$3,150	\$150	1.4%
Repairs & Maintenance	\$300	Per Unit	2.26%	\$4,800	\$229	\$6,300	\$300	\$6,300	\$300	2.8%
Electricity	2%	Over Actual	3.18%	\$6,762	\$322	\$6,897	\$328	\$6,897	\$328	3.1%
Water/Sewer	2%	Over Actual	2.04%	\$4,340	\$207	\$4,427	\$211	\$4,427	\$211	2.0%
Trash Removal	2%	Over Actual	2.06%	\$4,380	\$209	\$4,468	\$213	\$4,468	\$213	2.0%
Other Utilities/Fuel/Gas	2%	Over Actual	3.18%	\$6,762	\$322	\$6,897	\$328	\$6,897	\$328	3.1%
Reserves	\$150	Per Unit	0.00%	\$0	\$0	\$3,150	\$150	\$3,150	\$150	1.4%
Total Expenses			36.12%	\$78,866	\$3,756	\$107,571	\$5,122	\$108,456	\$5,165	48.6%
				Current	Per Unit	% of SGI				
Non-controllable expenses: Taxes, Ins., Reserves				\$45,558	\$2,169	20.4%				
Total Expense without Taxes & Reserves				\$49,808	\$2,372	22.30%				

RENT ROLL

Unit Mix	Unit #	# of Units	SF	Current Rent	Current Rent/SF	Market Rent	Market Rent/SF	Loss to Lease	Upside (%)	Occupied/Vacant
SRO	2	1	350	\$680	\$1.94	\$700	\$2.00	-\$20	3%	Occupied
SRO	3	1	350	\$680	\$1.94	\$700	\$2.00	-\$20	3%	Occupied
SRO	4	1	350	\$680	\$1.94	\$700	\$2.00	-\$20	3%	Occupied
SRO	5	1	350	\$680	\$1.94	\$700	\$2.00	-\$20	3%	Occupied
SRO	6	1	350	\$680	\$1.94	\$700	\$2.00	-\$20	3%	Vacant
SRO	7	1	350	\$680	\$1.94	\$700	\$2.00	-\$20	3%	Occupied
SRO	8	1	350	\$680	\$1.94	\$700	\$2.00	-\$20	3%	Occupied
SRO	9	1	350	\$680	\$1.94	\$700	\$2.00	-\$20	3%	Occupied
SRO	10	1	350	\$680	\$1.94	\$700	\$2.00	-\$20	3%	Vacant
SRO	11	1	350	\$680	\$1.94	\$700	\$2.00	-\$20	3%	Occupied
SRO	12	1	350	\$680	\$1.94	\$700	\$2.00	-\$20	3%	Occupied
SRO	13	1	350	\$680	\$1.94	\$700	\$2.00	-\$20	3%	Vacant
SRO	14	1	350	\$680	\$1.94	\$700	\$2.00	-\$20	3%	Vacant
SRO	15	1	350	\$680	\$1.94	\$700	\$2.00	-\$20	3%	Occupied
SRO	16	1	350	\$680	\$1.94	\$700	\$2.00	-\$20	3%	Occupied
SRO	17	1	350	\$680	\$1.94	\$700	\$2.00	-\$20	3%	Occupied
SRO	18	1	350	\$680	\$1.94	\$700	\$2.00	-\$20	3%	Occupied
SRO	19	1	350	\$680	\$1.94	\$700	\$2.00	-\$20	3%	Occupied
SRO	20	1	350	\$680	\$1.94	\$700	\$2.00	-\$20	3%	Occupied
Retail	21	1	1,260	\$2,100	\$1.67	\$2,230	\$1.77	-\$130	6%	Occupied
Retail	22	1	1,890	\$2,700	\$1.43	\$3,080	\$1.63	-\$380	14%	Occupied
Totals		22	9,800	\$17,720	\$40.01	\$18,610	\$1.97	-\$890	5%	4
Averages			467	\$844	\$1.91	\$886	\$1.97	-\$42		19.05%

 BAR

 LAW OFFICE

Tenant	Type	Address	Lease Term	PPSF	GLA (SF)	Lot Size (AC)	Year Built
Bar	Single Tenant	191 7th St E	12 Mo	\$1.67	±1,260	±0.07	1885
Law Office	Single Tenant	461 N Temperance St	12 Mo	\$1.43	±1,890	±0.07	1885

MARKET OVERVIEW

189-191 E 7th St
Saint Paul, MN 55105



SAINT PAUL, MN

307,000

Total Population

\$73,000

Median HH Income

125,000

of Households

163,000

Employed Population

44%

% Bachelor's Degree



Neighborhood Overview

Located in Saint Paul's established West Seventh corridor near Highland Park and the Macalester-Groveland neighborhood, 189-191 E 7th St sits in one of the city's most accessible and stable residential areas. The neighborhood features tree-lined streets, early-to-mid-20th-century homes, and walkable access to retail along West 7th Street. Residents also enjoy proximity to the Mississippi River, regional parks, neighborhood dining and shopping, and convenient access to the Prime Summit Hill neighborhood and the Grand & Lexington retail corridor along Grand Avenue.

The neighborhood's location between Downtown Saint Paul and Minneapolis–Saint Paul International Airport positions it strategically within the Twin Cities metro. Strong commuter access via I-35E and Shepard Road supports steady housing demand from healthcare, government, and corporate employees across both downtowns. Highland Park's ongoing mixed-use redevelopment and the broader West Seventh revitalization continue to enhance long-term neighborhood stability and investment appeal.

Property Demographics

Population	1-Mile	3-Mile	5-Mile
------------	--------	--------	--------

Current Year Estimate 22,728 168,235 370,331

Households	1-Mile	3-Mile	5-Mile
------------	--------	--------	--------

Current Year Estimate 10,404 73,408 154,931

Income	1-Mile	3-Mile	5-Mile
--------	--------	--------	--------

Average Household Income \$153,970 \$122,207 \$114,427

MATTHEWS™

EXCLUSIVELY LISTED BY



Thomas Bagnoli

Associate

(612) 276-5685

thomas.bagnoli@matthews.com

License No. 40945713 (MN)



Kurt Sauer

Market Leader

(612) 385-0688

kurt.sauer@matthews.com

License No. 40841921 (MN)

Kurt Sauer Broker of Record | Broker License No. 40628602 (MN) | Firm License No. 41005445 (MN)

189-191 E 7th St | Saint Paul, MN 55105

This Offering Memorandum contains select information pertaining to the business and affairs of the property owner and its tenant for real property located at 189-191 E 7th St | Saint Paul, MN 55105 (“Property”). The Offering Memorandum may not be all-inclusive or contain all of the information a prospective purchaser may desire. The information contained in this Offering Memorandum is confidential and furnished solely for the purpose of a review by a prospective purchaser of the Property. It is not to be used for any other purpose or made available to any other person without the written consent of Seller or Matthews™. The material and information in the Offering Memorandum is unverified. Matthews™. has not made any investigation, and makes no warranty or representation, with respect to square footage, income and expenses, the future financial performance of the property, future rent, and real estate value market conditions, the condition or financial prospects of any tenant, or the tenants’ plans or intentions to continue to occupy space at the property. All prospective purchasers should conduct their own thorough due diligence investigation of each of these areas with the assistance of their accounting, construction, and legal professionals, and seek expert opinions regarding volatile market conditions given the unpredictable changes resulting from the continuing COVID-19 pandemic. The information is based in part upon information supplied by the Owner and in part upon financial information obtained from sources the Owner deems reliable. Neither owner, nor their officers, employees, or real estate agents make any representation or warranty, express or implied, as to the accuracy or completeness of this Offering Memorandum, or any of its content, and no legal liability is assumed or shall be implied with respect thereto. Prospective purchasers should make their own projections and form their own conclusions without reliance upon the material contained herein.

By acknowledging your receipt of this Offering Memorandum for the Property, you agree:

1. The Offering Memorandum and its contents are confidential;
2. You will hold it and treat it in the strictest of confidence; and
3. You will not, directly or indirectly, disclose or permit anyone else to disclose this Offering Memorandum or its contents in any fashion or manner.

Matthews Real Estate Investment Service™. is not affiliated with, sponsored by, or endorsed by any commercial tenant or lessee in the Offering Memorandum. The presence of any entity’s name or logo, including any commercial tenant’s name or logo, is informational only and does not indicate or suggest any affiliation and/or endorsement of Matthews™., the property, or the seller by such entity.

Owner and Matthews™. expressly reserve the right, at their sole discretion, to reject any and all expressions of interest or offers to purchase the Property and to terminate discussions with any person or entity reviewing this Offering Memorandum or making an offer to purchase the Property unless and until a written agreement for the purchase and sale of the Property has been fully executed and delivered.

If you wish not to pursue negotiations leading to the acquisition of the Property or in the future you discontinue such negotiations, then you agree to purge all materials relating to this Property including this Offering Memorandum.

A prospective purchaser’s sole and exclusive rights with respect to this prospective transaction, the Property, or information provided herein or in connection with the sale of the Property shall be limited to those expressly provided in an executed Purchase Agreement and shall be subject to the terms thereof. In no event shall a prospective purchaser have any other claims against Owner or Matthews™. or any of their affiliates or any of their respective officers, directors, shareholders, owners, employees, or agents for any damages, liability, or causes of action relating to this solicitation process or the marketing or sale of the Property.

This Offering Memorandum shall not be deemed to represent the state of affairs of the Property or constitute an indication that there has been no change in the state of affairs of the Property since the date of this Offering Memorandum.