

# 422 Belgrade Ave

Mankato, MN 56003

Mixed-Use  
Investment Opportunity

Offering Memorandum



±3 miles away from MSU and steps from Downtown Mankato

**MATTHEWS**™

EXCLUSIVELY LISTED BY



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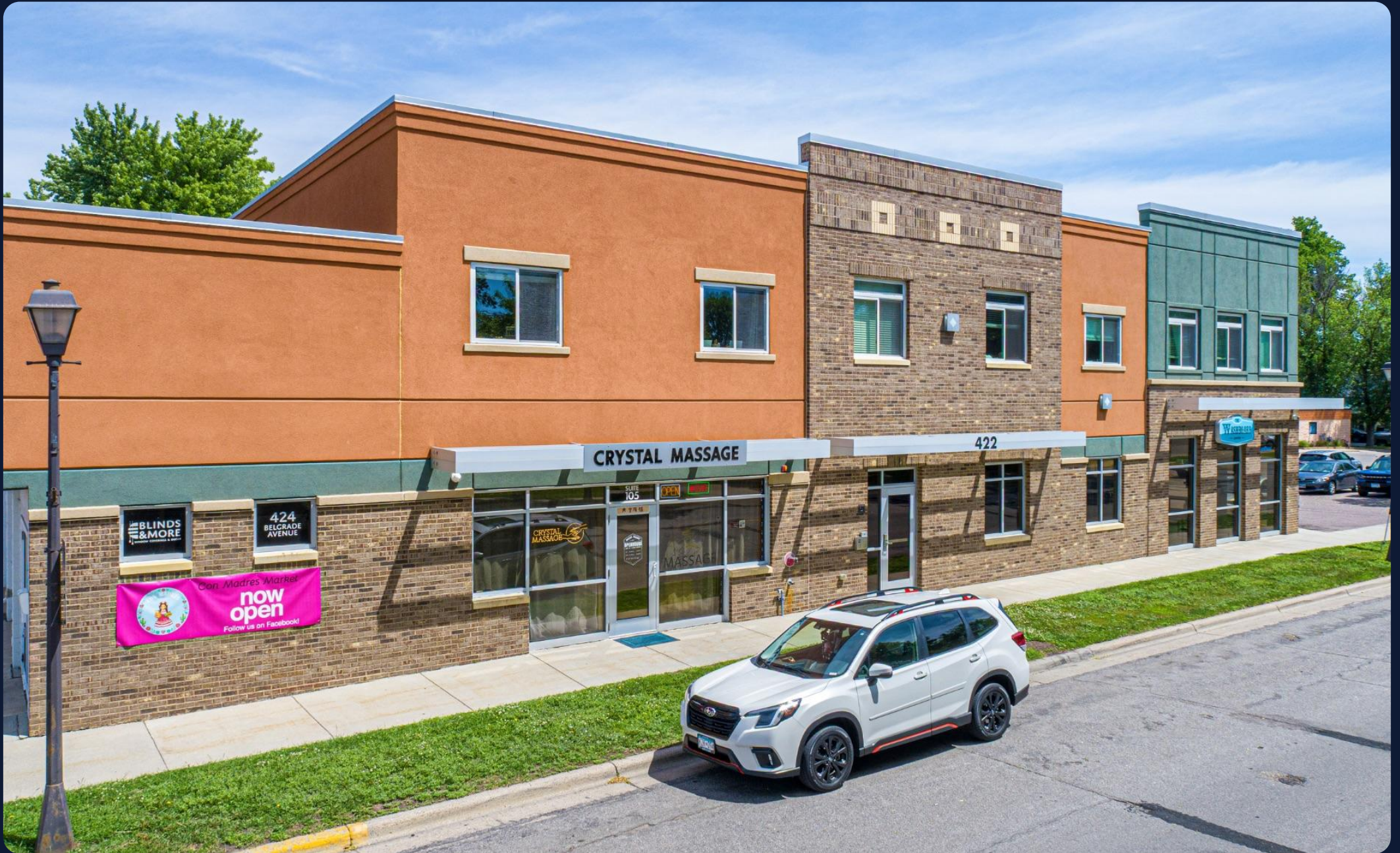
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# PROPERTY OVERVIEW

422 Belgrade Ave  
North Mankato, MN 56003



# EXECUTIVE SUMMARY

**9**

Total Apartments

**6**

Total Retail units

**±24,102 SF**

Building Size

**2013**

Year Built

**±1,138 SF**

Avg Apartment Size

**±1,991 SF**

Avg Retail Size



# INVESTMENT HIGHLIGHTS

## Premium North Mankato Location

Built in 2013, this mixed-use asset is in a premium North Mankato location just steps from downtown.

## Exceptional Value-Add Opportunity

The property offers a compelling value-add opportunity through potential upside in both apartment and retail rental rates.

## Modern Amenities & Quality Construction

Additional highlights include ample off-street parking, in-unit laundry, large, updated apartment units, and high-quality retail and office space on the main floor.

## Newer Construction Advantage

Newer construction built in 2013, significantly reducing near-term capital expenditure risk.

## Walkable, Amenity-Rich Surroundings

Located near restaurants, coffee shops, banks, trails, and professional services, creating a walkable mixed-use environment attractive to both residents and businesses.

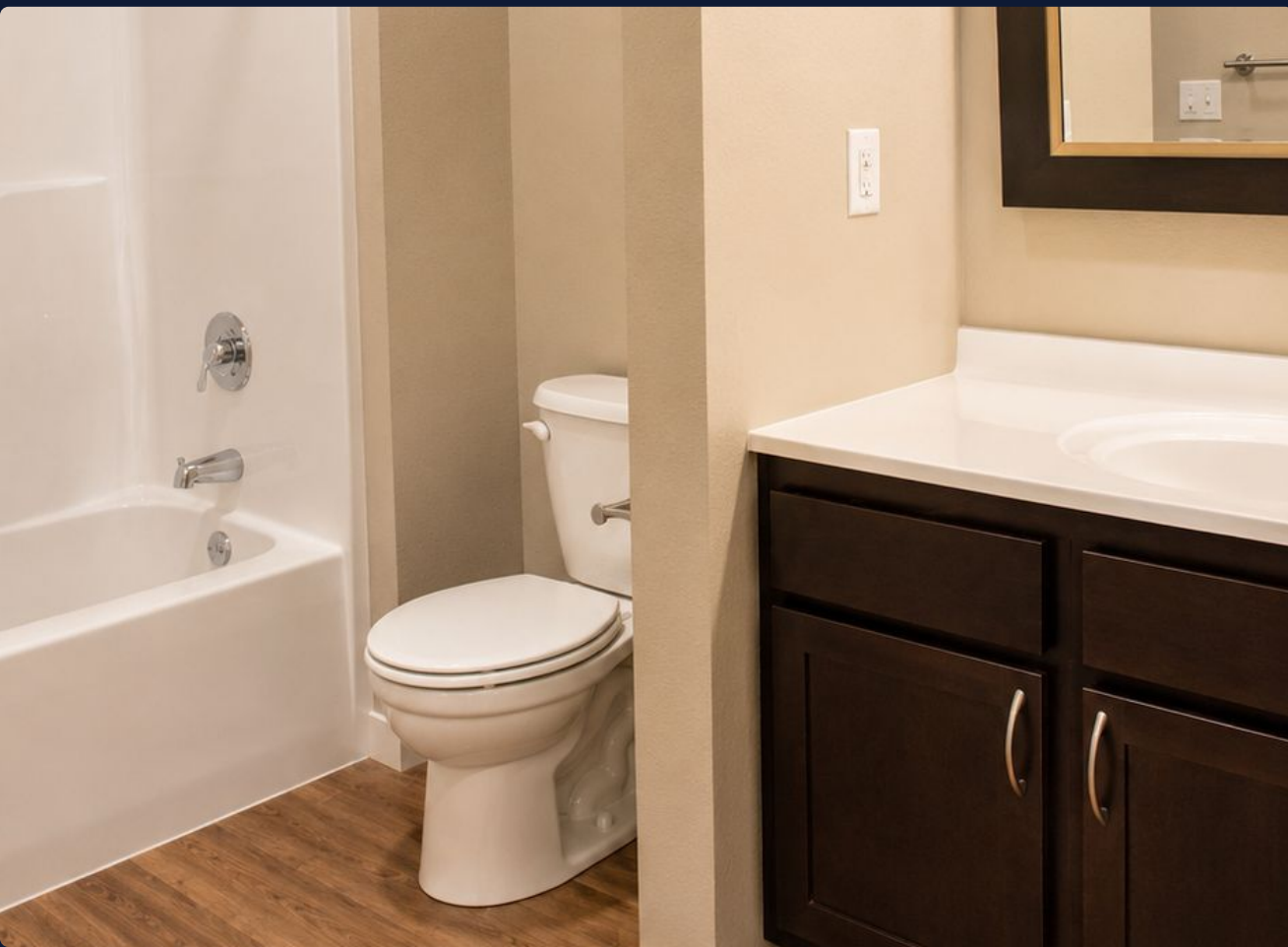
## Strong Accessibility

Strong accessibility with quick connections to Highway 169 and proximity to downtown Mankato, enhancing both commuter convenience and retail traffic exposure.

## Supportive Market Fundamentals

Lower North Mankato corridor continues to benefit from surrounding residential density and ongoing commercial activity, supporting long-term leasing demand.









**Bluff Park**  
±2 Miles Away

**Monroe Elementary School**  
±405 Students



**Goodyear Neighborhood Connector Trail**  
±3.5 Miles Away

**TAYLOR**  
±12.3K Employees

**Subject Property**

**NUMBER 4**  
AMERICAN BAR & KITCHEN



**MAYO CLINIC HEALTH SYSTEM**  
±240 Beds  
±3.3K Employees

**Hoover Elementary School**  
±500 Students

Belgrade Ave

±22,274 VPD

**Roosevelt Elementary**  
±333 Students

**Downtown Mankato**  
±2 Miles Away

**Ylvisaker Fine Arts Center**  
±957 Students

**Minnesota River Trail**  
±2 Miles Away



±21,500 VPD



**Mankato West High School**  
±1,230 Students



**Minnesota State University, Mankato**  
±15,721 Students  
±1,600 Employees

**Rasmussen Woods**  
±2 Miles Away

**Jefferson Elementary School**  
±204 Students

Google Earth

# INVESTMENT SUMMARY

**\$2,900,000**

List Price

**\$322,222**

Price Per Unit

**\$283.12**

Price Per SF

**6.88%**

Cap Rate

**9.10**

GRM

**Loan Amount**

\$1,868,750

**Term**

±5yr

**Down Payment**

\$1,006,250

**Interest**

6.05%

**Yearly Payment**

\$135,171

**Monthly Payment**

\$11,264

**Debt Coverage**

1.43%

## Annual Operating Summary

	Pro Forma Estimates		T-12	Per Unit	Year 1 Adjusted	Per Unit	Year 3 Stabilized	Per Unit
<b>Gross Potential Rent</b>	-	-	\$124,620	-	\$132,495	Market Rent	\$140,564	22% Upside
<b>Less Vacancy</b>	-5.0%	-	\$0	0.00%	-\$6,625	-5.0%	-\$7,028	-5.0%
<b>Loss/Gain to Lease</b>	-2%	-	\$0	0.00%	-\$2,650	-2.0%	-\$2,811	-2.0%
<b>Less Concessions</b>	0.50%	-	\$0	0.00%	-\$662	0.50%	-\$703	-0.50%
<b>Less Change in Delinquency</b>	0.50%	-	\$0	0.00%	-\$662	0.50%	-\$703	-0.50%
<b>Commercial Rent</b>	2%	% over actual	\$191,243	\$21,249	\$202,926	\$22,547	\$211,124	\$23,458
<b>Gross Operating Income</b>	-	-	<b>\$315,863</b>	-	<b>\$324,821</b>	-	<b>\$340,443</b>	-
<b>Expenses</b>	-	-	\$116,410	36.9%	\$130,949	39.51%	\$137,554	39.59%
<b>Net Operating Income</b>	-	-	<b>\$199,453</b>	<b>\$22,161</b>	<b>\$193,872</b>	<b>\$21,541</b>	<b>\$202,889</b>	<b>\$22,543</b>
<b>Loan Payments</b>	-	-	\$135,171	-	\$135,171	-	\$135,171	-
<b>Pre-Tax Cash Flow</b>	-	-	\$64,282	6.4%	\$58,702	5.83%	\$67,719	6.73%
<b>Plus Principal Reduction</b>	-	-	\$22,735	-	\$22,735	-	\$22,735	-
<b>Total Return Before Taxes</b>	-	-	<b>\$87,017</b>	<b>8.65%</b>	<b>\$81,437</b>	<b>8.09%</b>	<b>\$90,454</b>	<b>8.99%</b>

## Pro Forma Annual Operating Expenses

	Pro Forma Estimates	T-12	Per Unit	Year 1 Adjusted	Per Unit	Year 3 Stabilized	Per Unit
<b>Real Estate Taxes</b>	% of Purchase Price	\$62,220	\$6,913	\$71,499	\$7,944	\$75,119	\$8,347
<b>Property Management Fee</b>	3.0%x GOI	\$7,680	\$853	\$9,745	\$1,083	\$10,213	\$1,135
<b>Insurance</b>	3.0% Over Actual	\$26,512	\$2,946	\$27,307	\$3,034	\$28,690	\$3,188
<b>Contract Services</b>	3.0% Over Actual	\$2,500	\$278	\$2,575	\$286	\$2,705	\$301
<b>Landscaping/Grounds</b>	3.0% Over Actual	\$700	\$78	\$721	\$80	\$758	\$84
<b>Other Utilities/Fuel/Gas</b>	3.0% Over Actual	\$14,258	\$1,584	\$14,686	\$1,632	\$15,429	\$1,714
<b>Janitorial</b>	3.0% Over Actual	\$1,580	\$176	\$1,627	\$181	\$1,710	\$190
<b>Internet</b>	3.0% Over Actual	\$960	\$107	\$989	\$110	\$1,039	\$115
<b>Reserves</b>	\$200 Per Unit	\$0	\$0	\$1,800	\$200	\$1,891	\$210
<b>Total Expenses</b>		<b>\$116,410</b>	<b>\$12,934</b>	<b>\$130,949</b>	<b>\$14,550</b>	<b>\$137,554</b>	<b>\$15,284</b>
		<b>Current</b>	<b>Per Unit</b>	<b>% of SGI</b>			
<b>Non-controllable expenses: Taxes, Ins., Reserves</b>		\$89,432	\$9,937	67.5%			
<b>Total Expense without Taxes &amp; Reserves</b>		\$51,650	\$5,739	38.98%			

# RENT ROLL APARTMENTS

Unit Mix	Unit #	# Of Units	SF	Current Rent	Current Rent/SF	Market Rent	Market Rent/SF	Loss To Lease	Upside (%)	Occupied/ Vacant
2+1A	201	1	±1,307	\$1,260	\$0.96	\$1,298	\$0.99	-\$38	3%	Occupied
2+1B	202	1	±1,079	\$0	\$0.0	\$1,179	\$1.09	-\$0	-	Vacant
3+1	203	1	±1,389	\$1,425	\$1.03	\$1,468	\$1.06	-\$43	3%	Occupied
2+1A	204	1	±1,094	\$1,276	\$1.17	\$1,314	\$1.20	-\$38	3%	Occupied
1+1	205	1	±810	\$980	\$1.21	\$1,009	\$1.25	\$29	3%	Occupied
2+1B	206	1	±1,233	\$1,145	\$0.93	\$1,179	\$0.96	-\$34	3%	Occupied
2+1B	207	1	±1,083	\$1,145	\$1.06	\$1,179	\$1.09	-\$34	3%	Occupied
2+1B	208	1	±1,247	\$1,145	\$0.92	\$1,179	\$0.95	-\$34	3%	Occupied
2+1B	209	1	±1,001	\$1,199	\$1.20	\$1,235	\$1.23	-\$36	3%	Occupied
<b>Totals</b>		<b>9</b>	<b>±10,243</b>	<b>\$9,575</b>	<b>-</b>	<b>\$11,041</b>	<b>-</b>	<b>-\$287</b>	<b>15%</b>	<b>1</b>
<b>Averages</b>			<b>±1,138</b>	<b>\$1,197</b>	<b>\$1.06</b>	<b>\$1,227</b>	<b>\$1.09</b>	<b>-\$32</b>	<b>-</b>	<b>-</b>

# RENT ROLL RETAIL

Suite #	Tenant	GLA (SF)	% of GLA	Term Remaining	Annual Rent	Rent PSF	Monthly Rent	Lease Type
101	The Washboard	±2,118	17.08%	1.7 Years	\$44,520	\$21.02	\$3,710	NNN
102	South Central Multi Housing	±2,261	18.24%	7.8 Years	\$37,980	\$16.80	\$3,165	Gross
103	Cannabis & Glass	±1,804	14.55%	4.4 Years	\$28,860	\$16.00	\$2,405	NNN
104	Dept. of Ag.	±2,488	20.07%	3.0 Years	\$51,672	\$20.77	\$4,306	Gross
105	Wellness Spa Massage	±1,546	12.47%	0.3 Years	\$22,200	\$14.36	\$1,850	Gross
106	Dept. of Age. Garage	±453	3.65%	3.0 Years	\$2,268	\$5.01	\$189	Gross
Basement	Brunton Architects	±1,728	13.94%	0.6 Years	\$6,000	\$3.47	\$500	Gross
<b>Totals</b>		<b>±12,398</b>	<b>100%</b>		<b>\$193,500</b>	<b>\$15.61</b>	<b>\$16,125</b>	

# MARKET OVERVIEW

**422 Belgrade Ave**  
North Mankato, MN 56003



# Mankato -North Mankato, MN

**104,900**

Total Population

**\$68,500**

Median HH Income

**23,800**

# of Households

**60,000**

Employed Population



## Neighborhood Overview

Mankato, located in south-central Minnesota, is a vibrant and rapidly growing regional center known for its strong economy, excellent quality of life, and diverse amenities. Home to over 45,000 residents and serving a regional population of more than 100,000, Mankato blends small-town charm with the conveniences of a larger city.

The city is anchored by Minnesota State University, Mankato, one of the largest universities in the state, which fuels the local economy and provides a steady demand for housing. Major employers such as Mayo Clinic Health System, Taylor Corporation, and Verizon contribute to a stable and diverse job market, making Mankato an attractive location for professionals, students, and families alike.

Residents and visitors enjoy a wide range of amenities, including an expanding downtown district with restaurants, breweries, and shopping, as well as abundant outdoor recreation. The city is known for its extensive trail system, proximity to the Minnesota River, and year-round events that make it a lively community.

Population	1-Mile	3-Mile	5-Mile
Five-Year Projection	17,333	52,417	67,942
Current Year Estimate	16,985	50,953	65,855
Growth Current Year-Five-Year	2.04%	2.87%	3.16%
Households	1-Mile	3-Mile	5-Mile
Five-Year Projection	6,644	21,080	27,288
Current Year Estimate	6,483	20,367	26,300
Growth Current Year-Five-Year	2.48%	3.5%	3.75%
Income	1-Mile	3-Mile	5-Mile
Average Household Income	\$73,700	\$70,100	\$75,500

# Minnesota State University

**±15,271**

Student Enrollment

**±1,600**

Staff Count

**±130**

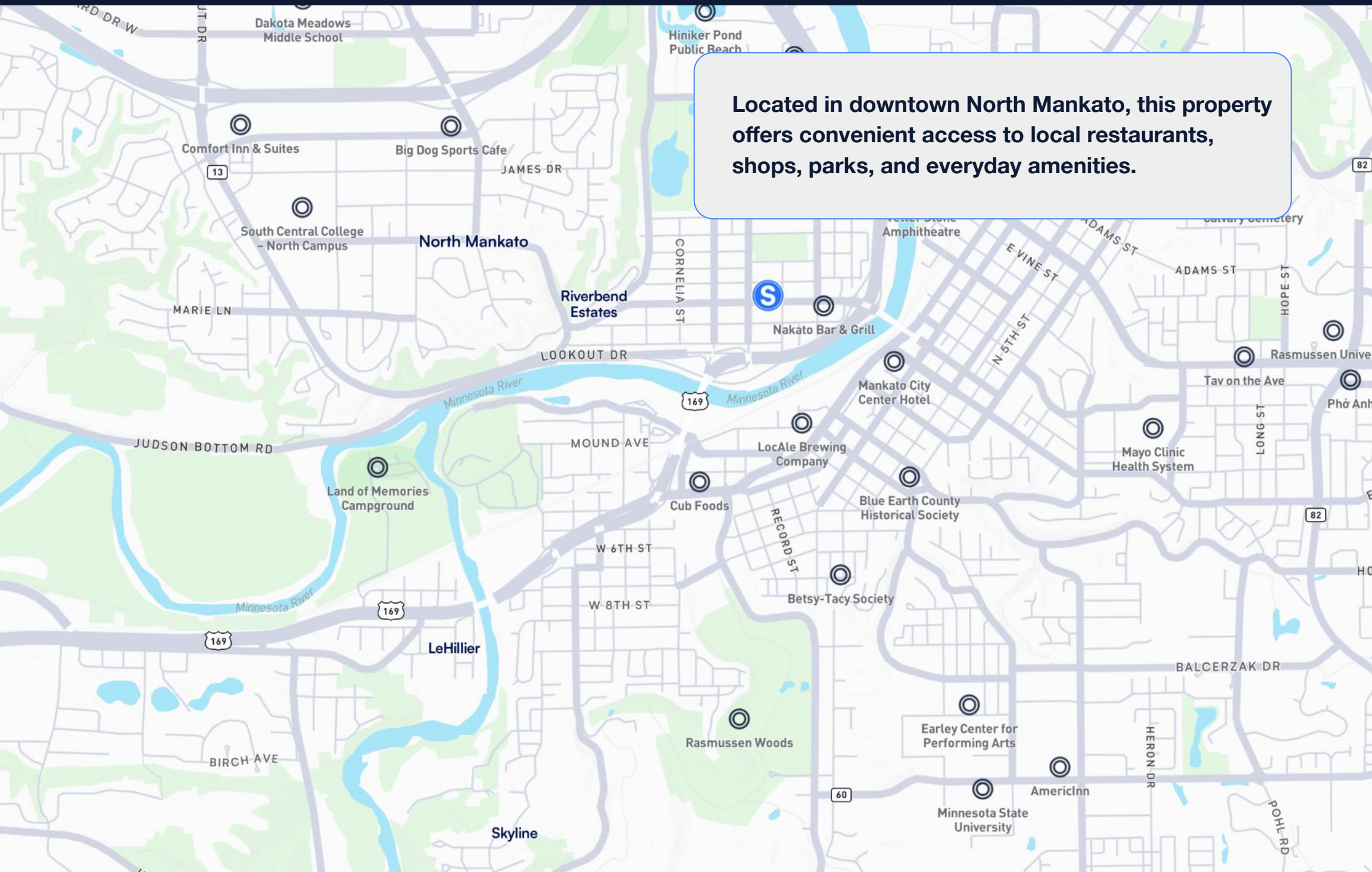
Major/Programs

Minnesota State University, Mankato is a public university located in Mankato, Minnesota. It serves more than 15,000 students and offers over 130 undergraduate majors and 85 graduate programs. Known for its strong academic programs and affordable tuition, the university employs around 1,600 faculty and staff members and is one of the largest universities in Minnesota.



# REGIONAL MAP

Located in downtown North Mankato, this property offers convenient access to local restaurants, shops, parks, and everyday amenities.



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This Offering Memorandum contains select information pertaining to the business and affairs of the property owner and its tenant for real property located at 422 Belgrade Ave, North Mankato, MN 56003, Mankato, MN, 56003 ("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.

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2. You will hold it and treat it in the strictest of confidence; and
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