

GATEWAY APARTMENTS

3511 South Gateway Boulevard · Sioux Falls, South Dakota



Bender
COMMERCIAL

EXCLUSIVE OFFERING MEMORANDUM

\$3,900,000

\$82,978/UNIT



INVESTMENT HIGHLIGHTS

Price	\$3,900,000
Number of Units	47
Price per Unit	\$82,978
Year Built	1997
Lot Size	1.391 acres

46 1-bedroom units 1 2-bedroom units

- 600 SF
- 900 SF
- \$725 - \$1,000 / mo
- \$910 / mo

PROPERTY DETAILS:

- Well-located asset less than 0.25 miles away from the Empire Mall and Interstate 29 in Sioux Falls, SD.
- Asset has been well maintained and majority of units have been painted and/or had flooring replaced in the last 36 months. Contact broker for improvement list.

Contact Broker for Financials, Rent Roll, and Showing Access.
Nick Gustafson, CCIM: 605-201-2809 or nick@benderco.com

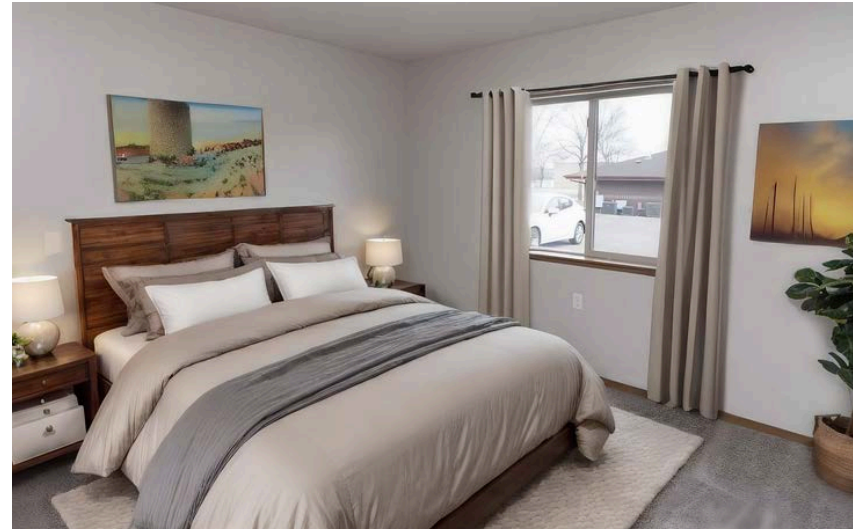
PROPERTY OVERVIEW



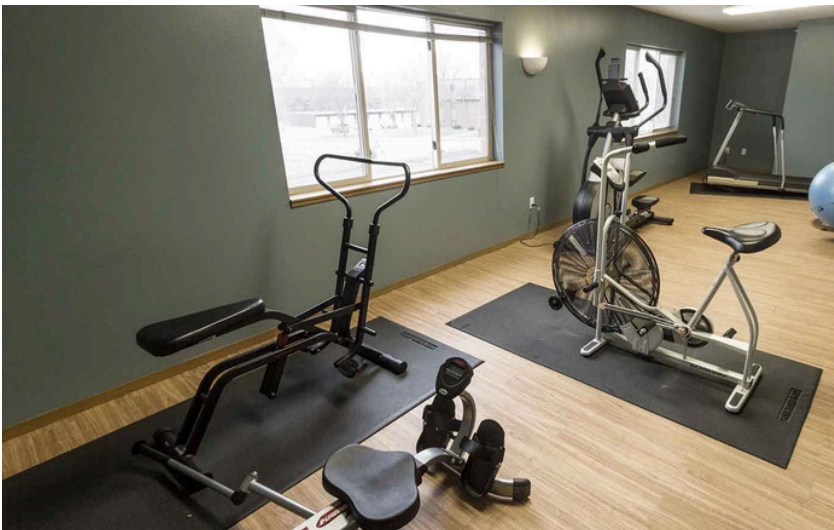
PROPERTY OVERVIEW



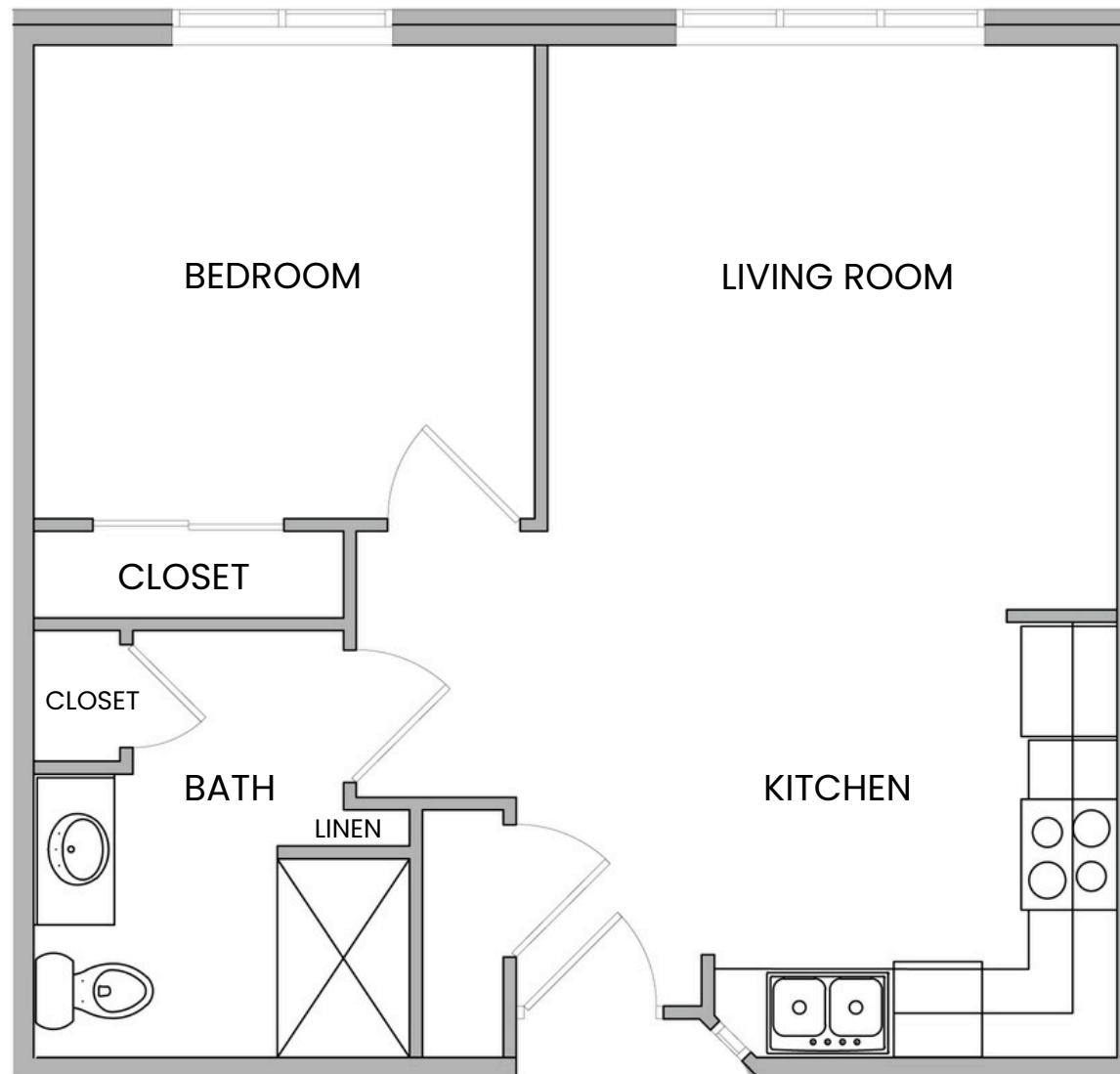
PROPERTY OVERVIEW



PROPERTY OVERVIEW



1 BEDROOM FLOORPLAN



SALE COMPARABLES

APARTMENT ADDRESS	CITY	BUILDING (SQ FT)	LAND (ACRES)	UNITS	YEAR BUILT	SALE PRICE	PRICE PER UNIT	DEAL DATE
2400 S. Sycamore Ave.	Sioux Falls		1.17	12	1985	\$ 1,080,000	\$ 90,000.00	Dec 2023
2401 W. Madison St.	Sioux Falls	9,363	0.73	24	1969	\$ 2,000,000	\$ 83,333.33	Dec 2022
5500 W. 44th St.	Sioux Falls	23,190	1.19	24	1990	\$ 1,900,000	\$ 79,166.67	Jan 2025
3600-3708 S. Willow Ave.	Sioux Falls	35,721	1.52	36	1977	\$ 3,030,000	\$ 84,166.67	Jul 2022
5801 W. Christopher Pl.	Sioux Falls	55,506	3.09	48	1991	\$ 3,665,000	\$ 76,354.17	Feb 2022
3508 & 3532 S. Norton/ 647 S. Main Ave.	Sioux Falls	65,024	1.61	51	1968/ 1991	\$ 4,485,000	\$ 87,941.18	Jan 2022
5001 S. MacArthur Ln.	Sioux Falls	75,384	3.49	72	1991	\$ 6,475,000	\$ 89,930.56	Jan 2022

LEASE COMPARABLES

BUILDING NAME	ADDRESS	STORIES	YR BLT/REN	RENT/SF	1 BEDS	2 BEDS
Bentwood Manor Apartments	5401 W 26th St	3	1983/-	\$0.90	\$756	\$848
Heritage Place Apartments	5005 W Heritage Pl	2	1977/-	\$0.93	\$795	\$825
Teak	3300 S Westbrooke	2	1973/-	\$0.96	\$804	\$930
Creekstone Falls	4605 W Chippewa Cir	2	1990/-	\$0.97	\$866	\$1,068
Autumn Park	4401 W Valhalla Blvd	3	1992/-	\$1.06	\$804	\$882
Bridgewood Estates	2912 S Louise Ave	3	1984/-	\$1.07	\$799	\$931
Penbrooke Place	4100 W Valhalla Blvd	3	1987/-	\$1.09	\$883	\$947
The Oaks Apartments	4008 S Louise Ave	3	1974/-	\$1.14	\$820	\$996
Meadowbrook Apartments	900 S Newcomb Ave	2	2002/-	\$1.15	\$775	\$951
Roosevelt Estates of Sioux Falls	3200 S Theodore Ave	3	2010/-	\$1.20	\$796	\$1,035

PROFORMA

Name Gateway Apartments
 Location 3511 S Gateway Blvd
 Property Type Multi-Family
 Date May 22, 2025
 Units 47

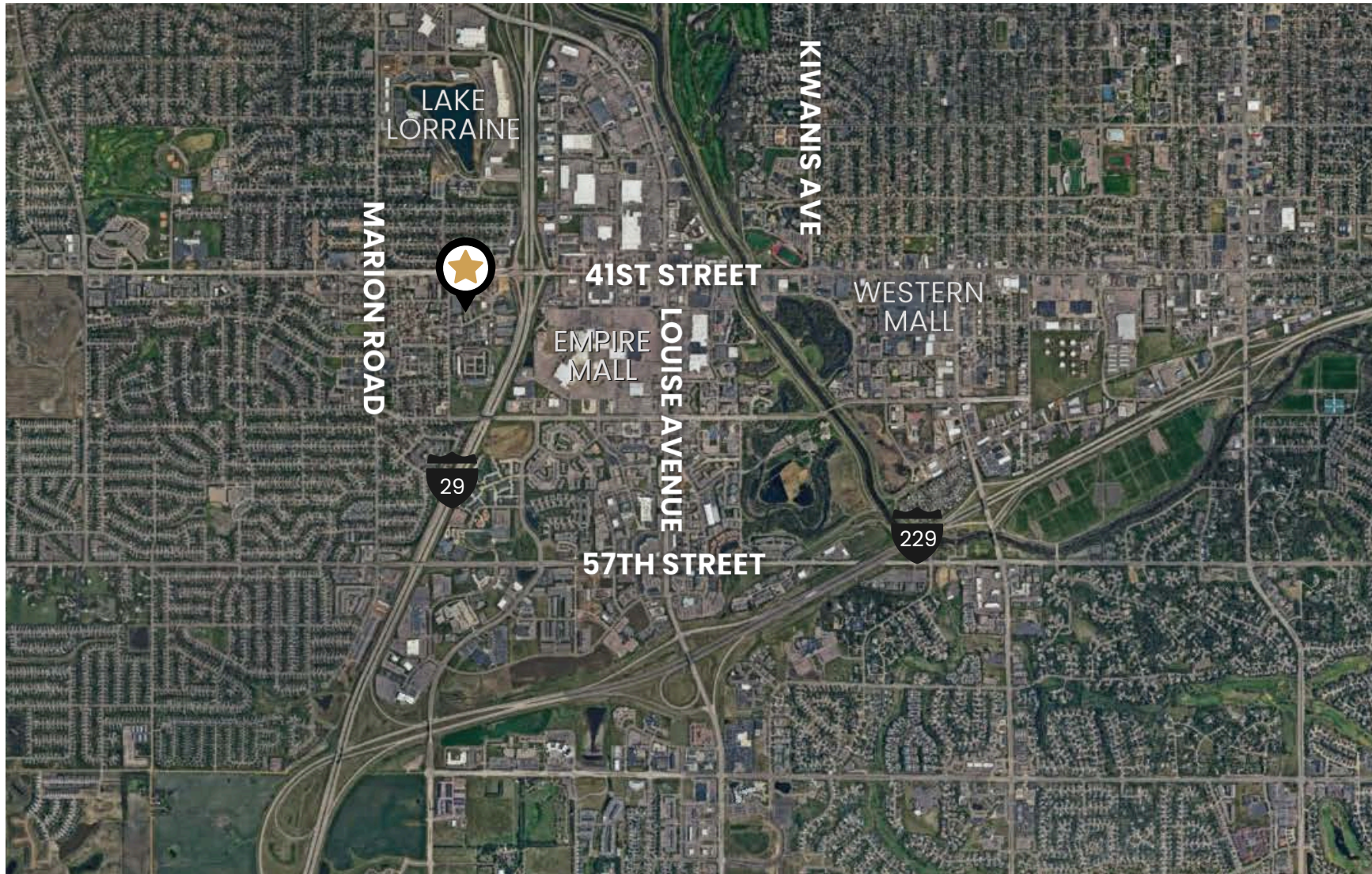
Price \$ 3,900,000
 -Loans 2,535,000
 Down Payment 1,365,000
 +Acq Costs 0
 +Loan Points 25,350
 Investment 1,390,350

Capitalization Rate 6.40%
 Gross Income Multiplier 8.43
 Cash on Cash 4.83%
 Debt Coverage Ratio 1.368
 Price/Unit \$ 82,979

Contact Broker for Financials, Rent Roll, and Showing Access

	\$/UNIT	% OF GI	ANNUAL \$
GROSS INCOME			
Gross Potential Rent		92.8%	\$ 429,240
Pet Fee		0.8%	3,850
RUBS		3.4%	15,540
Late Charges		0.2%	850
Reimbursed Expense Income		1.1%	5,027
Admin Fee		0.3%	1,530
Laundry Income		1.5%	6,746
TOTAL GROSS INCOME	\$ 9,846	100.0%	\$ 462,783
Vacancy & Credit Loss	365	3.7%	17,170
EFFECTIVE INCOME	\$ 9,481	96.3%	\$ 445,613
Less: Operating Expenses			
Maintenance	202	2.1%	9,500
Supplies	85	0.9%	4,000
Common Area Cleaning	259	2.6%	12,186
Carpet Cleaning	26	0.3%	1,215
Painting	13	0.1%	600
HVAC	117	1.2%	5,500
Carpet	51	0.5%	2,400
Unit Cleaning	21	0.2%	1,000
Elevator	103	1.0%	4,839
Appliances	38	0.4%	1,800
Lawn Care	96	1.0%	4,500
Snow Removal	74	0.8%	3,500
Management Fees	562	5.7%	26,397
Leasing Commissions	181	1.8%	8,500
Security	81	0.8%	3,800
Insurance	191	1.9%	9,000
Real Estate Taxes	1011	10.3%	47,500
Electricity	232	2.4%	10,908
Gas	98	1.0%	4,602
Water & Sewer	426	4.3%	20,024
Trash	133	1.4%	6,273
Internet	34	0.3%	1,586
Advertising	138	1.4%	6,500
Total Operating Expenses	\$ 4,173	42.4%	\$ 196,130
NET OPERATING INCOME	\$ 5,308	53.9%	\$ 249,483
Less: Debt Service			
Loan	3,880	39.4%	182,383
Total Debt Service	\$ 3,880	39.4%	\$ 182,383
NET OPERATING CASH FLOW	\$ 1,428	14.5%	\$ 67,100

PROPERTY LOCATION



1 MILE RADIUS DEMOGRAPHICS

KEY FACTS

11,040

Population



Average
Household Size

38.8

Median Age

\$59,521

Median Household
Income

BUSINESS



771

Total Businesses



10,452

Total Employees

EMPLOYMENT



White Collar

58.3%



Blue Collar

24.5%



Services

17.1%



Unemployment
Rate

INCOME



\$59,521
Median Household
Income



\$37,181
Per Capita Income



\$86,223
Median Net Worth

EDUCATION



No High School
Diploma



30.0%
High School
Graduate



35.6%
Some College/
Associate's
Degree



29.6%
Bachelor's/Grad/
Prof Degree

HOUSING STATS



\$234,209
Median Home
Value



\$8,652
Average Spent on
Mortgage & Basics



\$811
Median Contract
Rent

3 MILE RADIUS DEMOGRAPHICS

KEY FACTS

87,784

Population



Average
Household Size

35.2

Median Age

\$74,570

Median Household
Income

BUSINESS



3,922

Total Businesses



51,261

Total Employees

EMPLOYMENT



White Collar

66.0%



Blue Collar

18.4%



Services

15.7%



Unemployment
Rate

INCOME



\$74,570
Median Household
Income



\$41,850
Per Capita Income



\$172,423
Median Net Worth

EDUCATION



No High School
Diploma



21.3%
High School
Graduate



34.9%
Some College/
Associate's
Degree



39.1%
Bachelor's/Grad/
Prof Degree

HOUSING STATS



\$279,068
Median Home
Value



\$11,570
Average Spent on
Mortgage & Basics



\$890
Median Contract
Rent

5 MILE RADIUS DEMOGRAPHICS

KEY FACTS

159,710

Population



Average
Household Size

35.9

Median Age

\$73,464

Median Household
Income

BUSINESS



7,757

Total Businesses



105,312

Total Employees

EMPLOYMENT



White Collar

65.1%



Blue Collar

19.6%



Services

15.3%



1.6%

Unemployment
Rate

INCOME



\$73,464
Median Household
Income



\$41,682
Per Capita Income



\$169,217
Median Net Worth

EDUCATION



No High School
Diploma



22.6%
High School
Graduate



32.5%
Some College/
Associate's
Degree



40.1%
Bachelor's/Grad/
Prof Degree

HOUSING STATS



\$286,586
Median Home
Value



\$11,646
Average Spent on
Mortgage & Basics



\$864
Median Contract
Rent



For more information,
please contact:

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Bender
COMMERCIAL

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