

7-Unit, Mixed-Use Buy and Hold or Development Opportunity

OFFERING MEMORANDUM | 883 PAYNE AVENUE | SAINT PAUL, MN 55130

Exclusively Listed by

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Table of Contents



01 - Property Information

Executive Summary	4
Redevelopment Potential	5
Property Photos	6
Additional Photos	7

02 - Financial Analysis

Pro Forma Summary	9
Tenant Mix Report	11

03 - Location Information

Regional Map	13
Location Maps	14
Aerial Map	15

04 - Trade Area Overview

Business Map	17
Demographics	18
Professional Bio	19
Disclaimer	20

Disclaimer

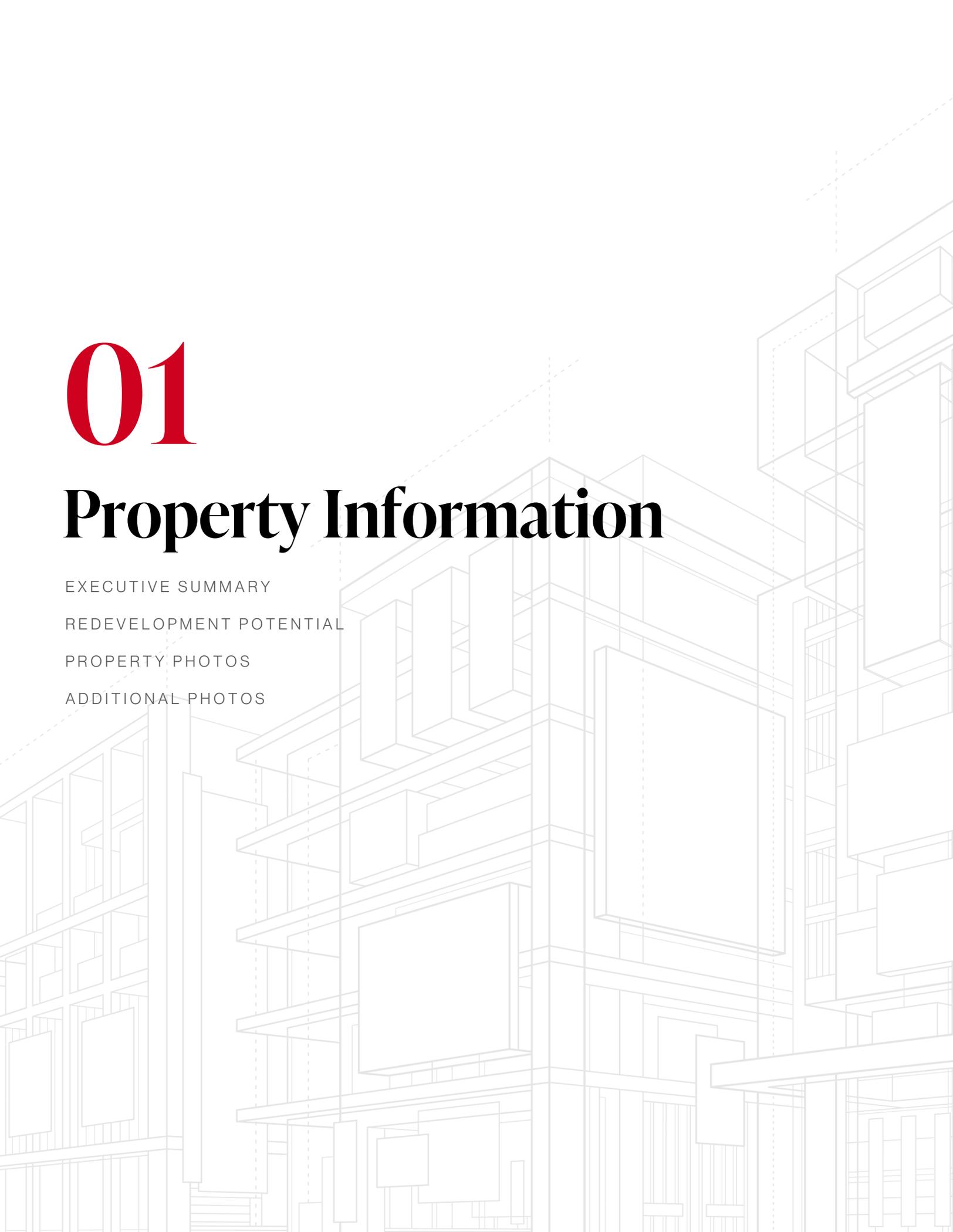
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The background of the page is a light gray architectural wireframe of a modern building. The lines are thin and create a sense of depth and structure. The building has multiple levels, with various rectangular volumes and protrusions. Dotted lines are used to indicate vertical and horizontal alignments across the structure.

01

Property Information

EXECUTIVE SUMMARY

REDEVELOPMENT POTENTIAL

PROPERTY PHOTOS

ADDITIONAL PHOTOS

Executive Summary



Property Overview

Off-market mixed-use investment on busy Payne Avenue with seven units: two street-level restaurant spaces and five apartments. Current gross rents are about \$193,000 with in-place NOI near \$88,000 and upside to roughly \$94,000 at market. Both commercial tenants, East Side Thai and Pa'l Mar Mexican Restaurant & Seafood—are well-known East Side destinations, with over \$350,000 of restaurant improvements completed in 2020. The sale includes the building and its dedicated parking lot, a rare feature on Payne that also serves as a future infill site for additional housing or a larger mixed-use redevelopment as the corridor continues to improve.

Property Highlights

- Strong Mixed-Use Cash Flow
- Seven-unit asset (two commercial + five residential) producing \$192,792 in current gross rent with upside to \$202,692 at market, per the Pro Forma Summary.
- Healthy In-Place Financial Performance
- Current NOI of \$88,315 with a stabilized market NOI of \$98,215, supported by modest operating expenses of \$104,477.
- Established Restaurant Tenancy
- Two highly recognizable East Side restaurants—East Side Thai and Pa'l Mar Mexican Restaurant & Seafood—anchor the commercial level, one with \$350K+ in 2020 upgrades, reducing future cap-ex risk.
- Residential Value-Add Upside
- Five apartments with below-market rents, offering predictable rent-growth potential as units turn and are modernized.
- Rare Parking Lot Included
- Dedicated on-site parking—uncommon on Payne Avenue—supports existing commercial demand and provides a high-value redevelopment opportunity for housing or expanded mixed-use density.
- Positioned in a High-Growth Corridor
- Located on busy Payne Ave, steps from the Hamm's Brewery redevelopment and LEDC's Plaza del Sol project—two major investments expected to

Price:	\$1,495,000
Number of Units	7
Building SF:	12,156
Occupancy:	100%
Renovated:	5,904
Year Built:	1906
Zoning:	B2 Community Business

Redevelopment Potential

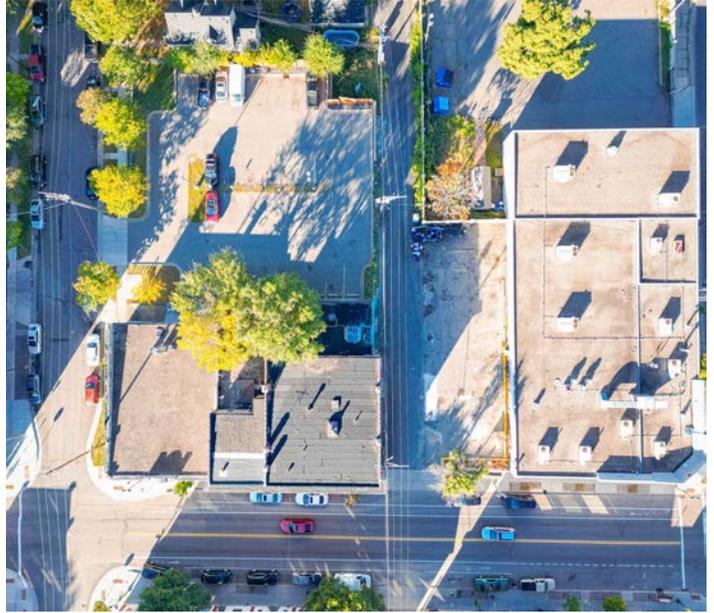


Redevelopment Potential

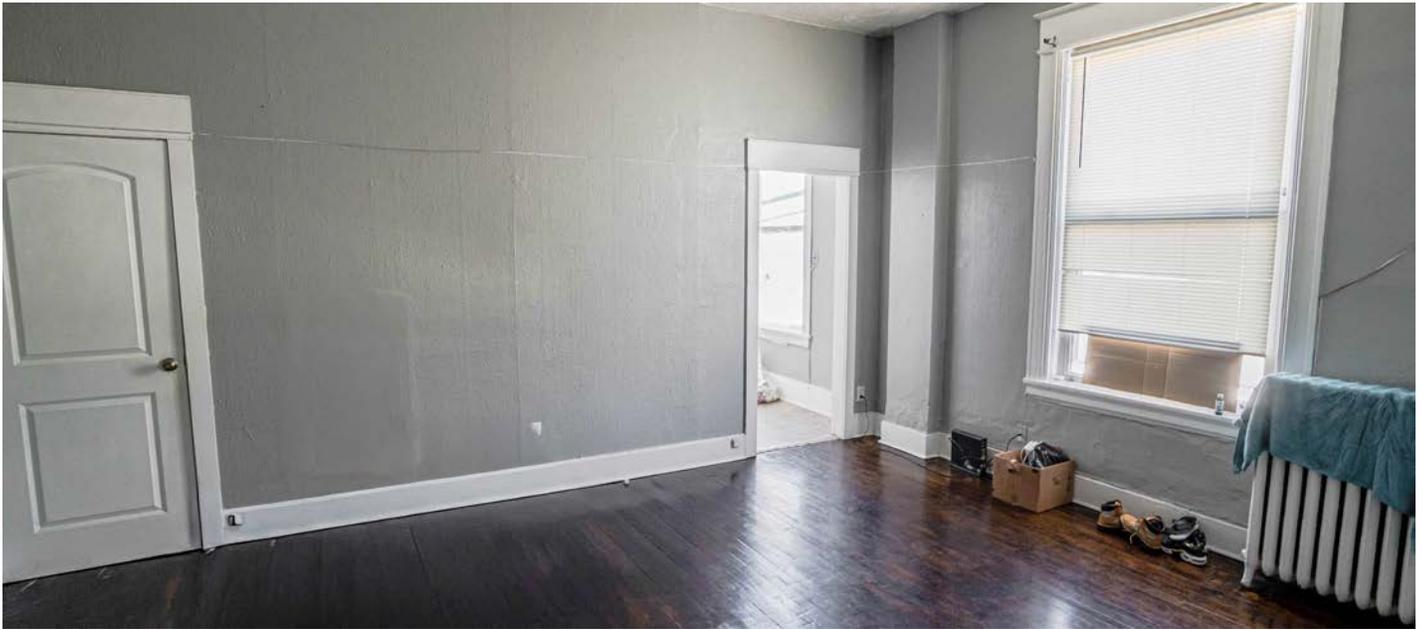
A future owner of 883 Payne Ave controls a rare dual asset: a stabilized cash-flowing mixed-use building and a true redevelopment site with its own surface parking lot on one of the East Side's highest-traffic commercial corridors. Over time, the existing structure and parking area could be transformed into a larger mixed-use project with new residential units above modern commercial space. This mirrors several recent Saint Paul infill projects—such as the mixed-use redevelopment on Grand Avenue—where older restaurant and retail buildings were replaced with multi-story apartment communities featuring ground-floor commercial and structured parking. Payne Avenue has similar fundamentals: strong restaurant anchors, growing foot traffic, and proximity to major catalytic investments like the Hamm's Brewery redevelopment and Plaza del Sol.

Saint Paul is one of the most active municipalities in Minnesota when it comes to incentivizing density, infill housing, and mixed-use redevelopment. The city frequently deploys tax-increment financing (TIF), Low-Income Housing Tax Credits (LIHTC), and other gap-financing tools to support projects that would not pencil without assistance—especially those that add residential units, redevelop underutilized lots, or replace surface parking. A developer with the right vision could leverage these programs to create a financially feasible project at 883 Payne, replacing the parking lot with structured parking and multiple levels of new housing while preserving or enhancing the corridor's commercial vibrancy. This location sits squarely in the city's long-term strategy for added density paired with walkable neighborhood retail, making it an attractive opportunity for an experienced infill or mixed-use developer.

Property Photos



Additional Photos



The background of the page is a light gray architectural wireframe of a modern building. The lines are thin and create a complex, three-dimensional grid of rectangular shapes, representing the structure of a multi-story building. The perspective is from a low angle, looking up at the building's facade. Dotted lines are also visible, suggesting hidden or structural elements.

02

Financial Analysis

PRO FORMA SUMMARY

TENANT MIX REPORT

Pro Forma Summary



Income

Description	Actual	Per Unit	Market	Per Unit
Gross Potential Rent	\$192,792	\$27,542	\$202,692	\$28,956
- Less: Vacancy	\$0	\$0	\$0	\$0
Effective Gross Income	\$192,792	\$27,542	\$202,692	\$28,956

Operating Expenses

Description	Actual	Per Unit	Market	Per Unit
Building Insurance	\$13,227	\$1,890	\$13,227	\$1,890
Maintenance	\$9,460	\$1,351	\$9,460	\$1,351
Cash Reserves (5% Gross Rents)	\$9,640	\$1,377	\$9,640	\$1,377
Taxes - Real Estate	\$22,870	\$3,267	\$22,870	\$3,267
Trash Removal	\$27,402	\$3,915	\$27,402	\$3,915
Utilities Water/Sewer	\$12,000	\$1,714	\$12,000	\$1,714
Utility - Gas	\$9,878	\$1,411	\$9,878	\$1,411
Total Expenses	(\$104,477)	(\$14,925)	(\$104,477)	(\$14,925)
Net Operating Income	\$88,315	\$12,616	\$98,215	\$14,031

Pro Forma Summary



Investment Summary

Price	\$1,495,000
Year Built	1906
Tenants	7
Price/Unit	\$213,571
RSF	1
Price/RSF	\$1,495,000.00
Lot Size	12,156 sf
Floors	2
APN	29-29-22-42-0189
Cap Rate	5.91%
Market Cap Rate	6.57%
GRM	7.75
Market GRM	7.38

Financing Summary

Loan 1 (Adjustable)	\$1,121,250
Initial Equity	\$373,750
Interest Rate	6.25%
Term	25 years
Monthly Payment	\$7,397
DCR	1.0

Unit Mix & Annual Scheduled Income

Type	Units	Actual	Total	Market	Total
Restaurant 1	1	\$33,300	\$33,300	\$33,300	\$33,300
Restaurant 2	1	\$101,592	\$101,592	\$101,592	\$101,592
2 Bed/1 Bath	1	\$15,600	\$15,600	\$17,400	\$17,400
1 Bed/1 Bath	1	\$10,800	\$10,800	\$12,600	\$12,600
1 Bed/1 Bath	1	\$10,200	\$10,200	\$12,600	\$12,600
1 Bed/1 Bath	1	\$10,200	\$10,200	\$12,600	\$12,600
1 Bed/1 Bath	1	\$11,100	\$11,100	\$12,600	\$12,600
Totals	7		\$192,792		\$202,692

Annualized Income

Description	Actual	Market
Gross Potential Rent	\$192,792	\$202,692
- Less: Vacancy	\$0	\$0
Effective Gross Income	\$192,792	\$202,692
- Less: Expenses	(\$104,477)	(\$104,477)
Net Operating Income	\$88,315	\$98,215
- Debt Service	(\$88,759)	(\$88,759)
Net Cash Flow after Debt Service	(\$444)	\$9,456
+ Principal Reduction	\$19,225	\$19,225
Total Return	\$18,781	\$28,681

Annualized Expenses

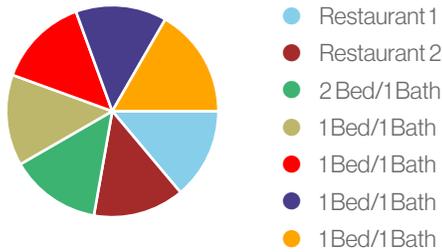
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Utilities Water/Sewer	\$12,000	\$12,000
Utility - Gas	\$9,878	\$9,878
Total Expenses	\$104,477	\$104,477
Expenses Per RSF	\$104,477.00	\$104,477.00
Expenses Per Unit	\$14,925	\$14,925

Tenant Mix Report

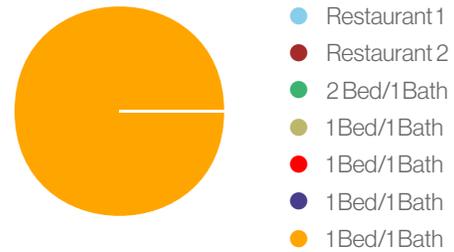


Suite	Tenants	Approx. SF	Avg. Rents	Monthly	Mkt Rents	Monthly
A	Restaurant 1	0	\$2,775	\$2,775	\$2,775	\$2,775
B	Restaurant 2	0	\$8,466	\$8,466	\$8,466	\$8,466
1	2 Bed/1 Bath	0	\$1,300	\$1,300	\$1,450	\$1,450
2	1 Bed/1 Bath	0	\$900	\$900	\$1,050	\$1,050
3	1 Bed/1 Bath	0	\$850	\$850	\$1,050	\$1,050
4	1 Bed/1 Bath	0	\$850	\$850	\$1,050	\$1,050
5	1 Bed/1 Bath	0	\$925	\$925	\$1,050	\$1,050
7		0		\$16,066		\$16,891

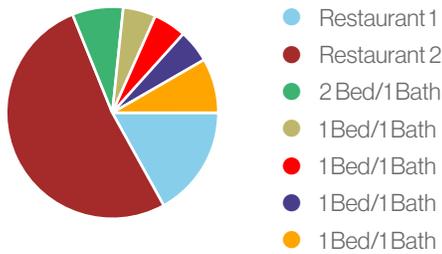
TENANT MIX



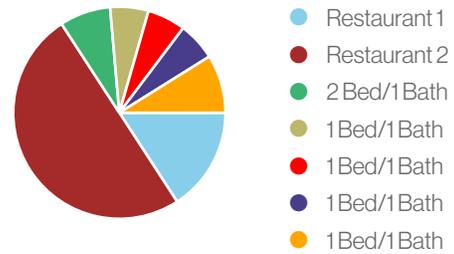
TENANT MIX SQUARE FEET



TENANT MIX INCOME



TENANT MIX MARKET INCOME



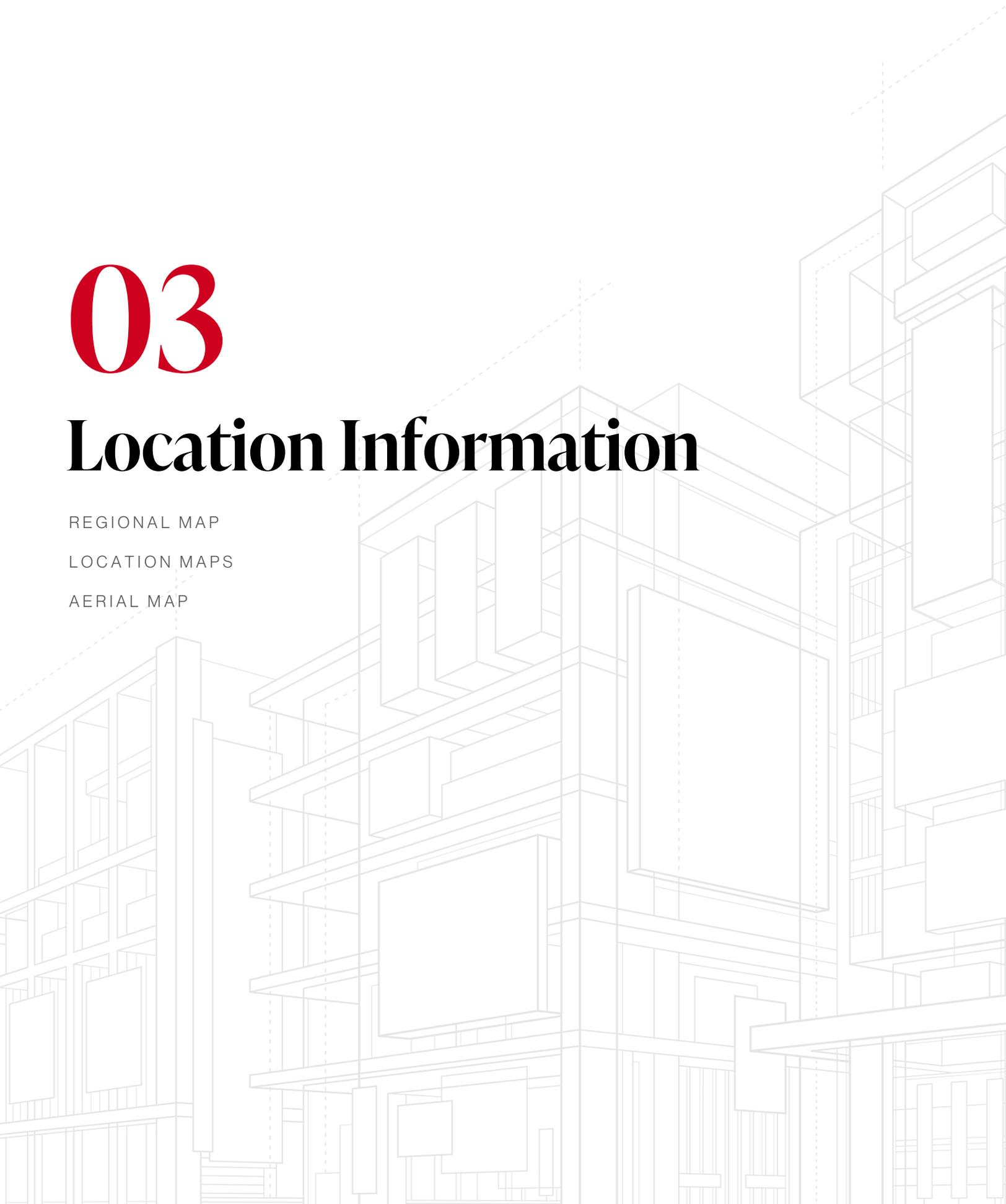
03

Location Information

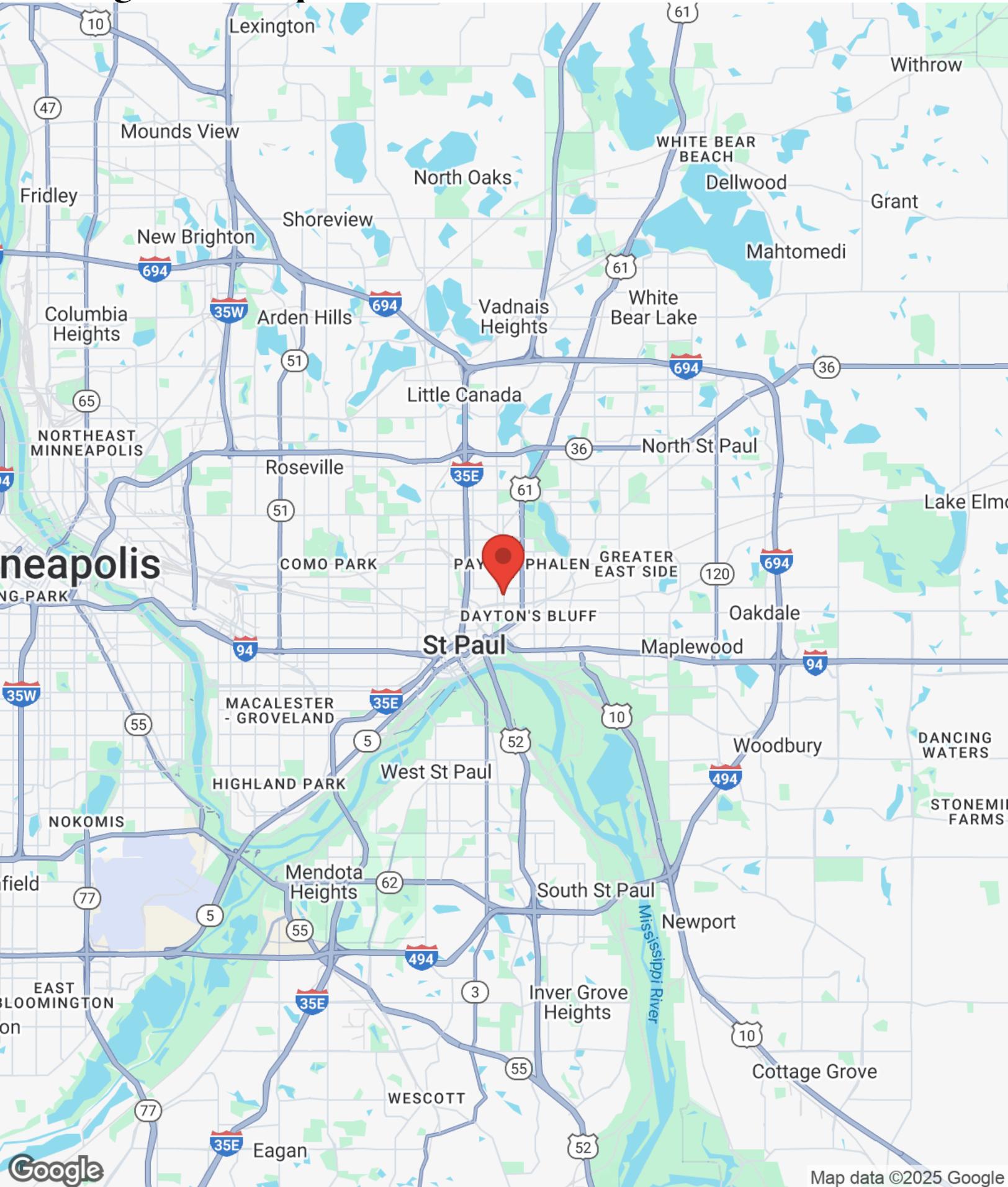
REGIONAL MAP

LOCATION MAPS

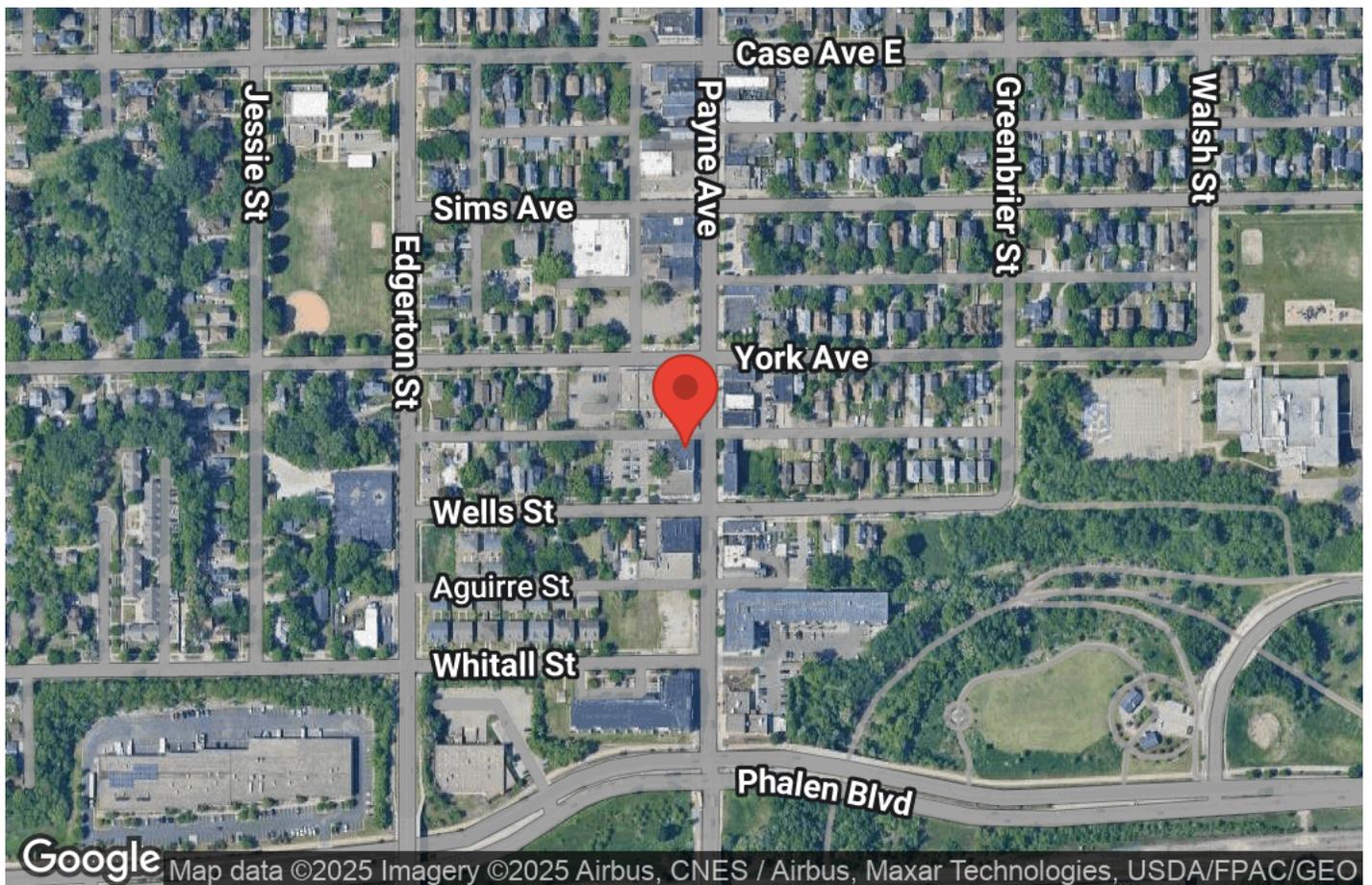
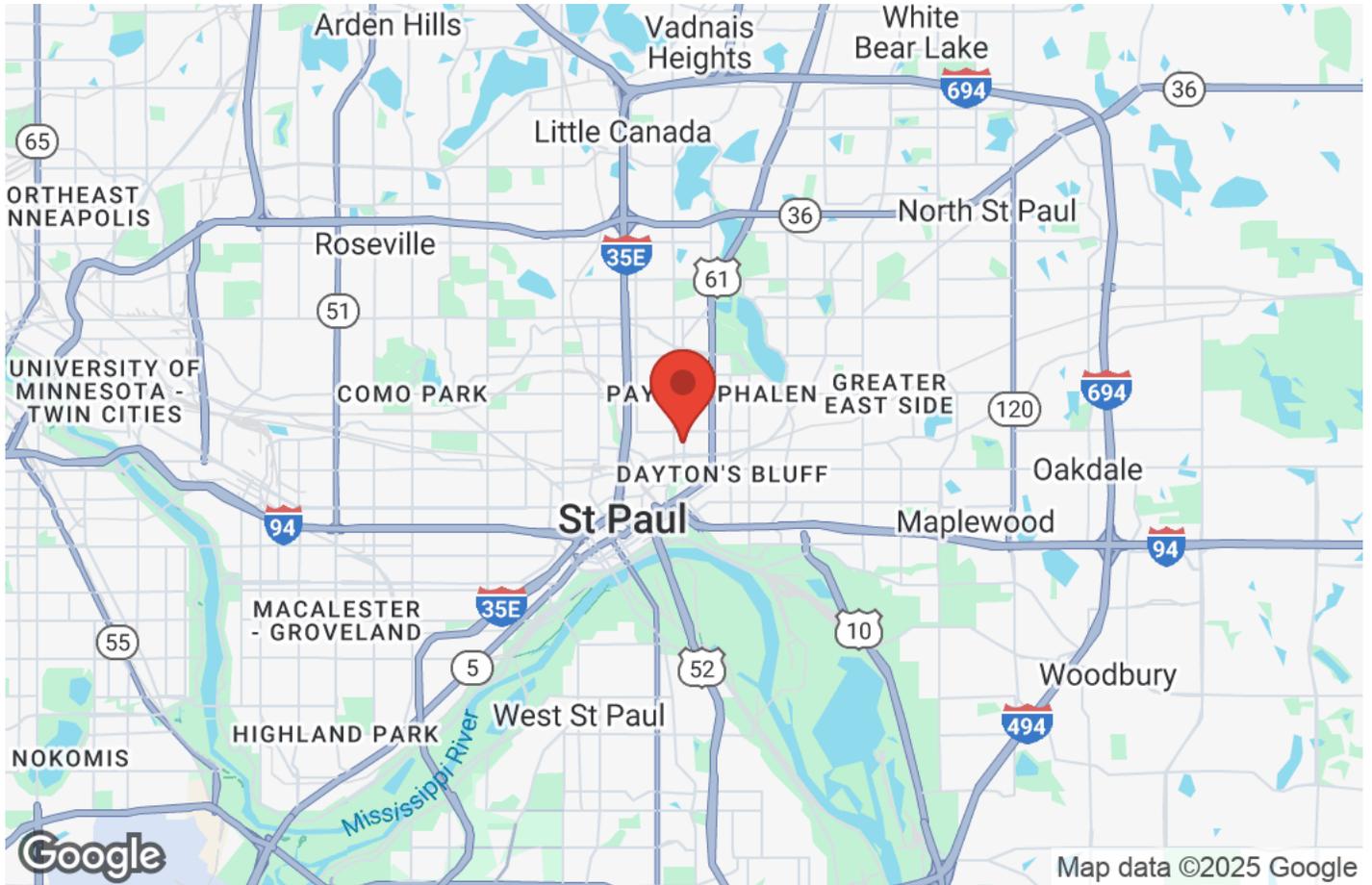
AERIAL MAP



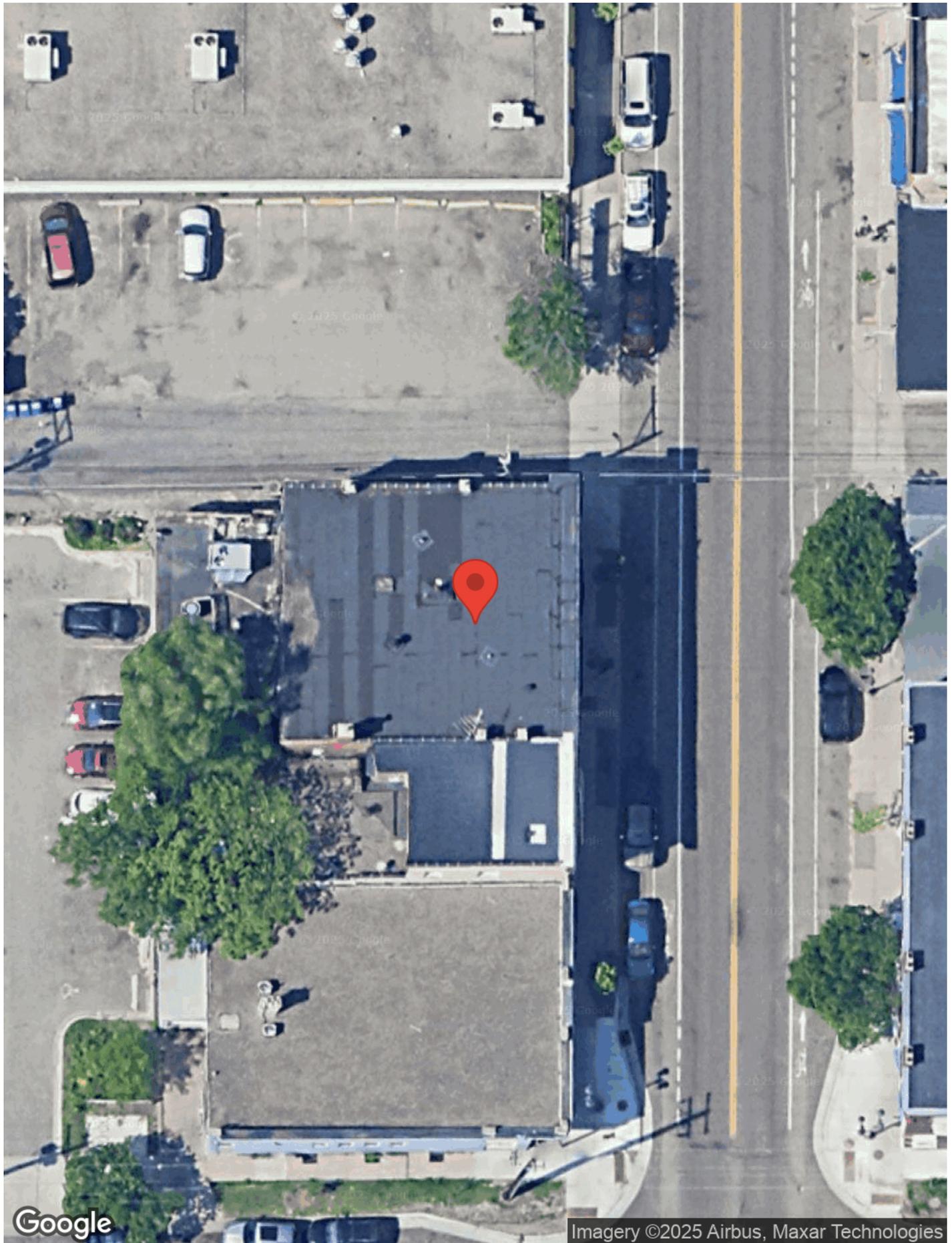
Regional Map



Location Maps



Aerial Map



The background of the page is a light gray architectural wireframe of a modern building. The lines are thin and create a complex, three-dimensional grid of rectangular shapes, representing the structure of a skyscraper or a multi-story office building. The perspective is from a low angle, looking up at the building, which gives it a sense of height and scale. The wireframe is composed of solid lines for the main structure and dashed lines for some internal or hidden elements, creating a technical and precise aesthetic.

04

Trade Area Overview

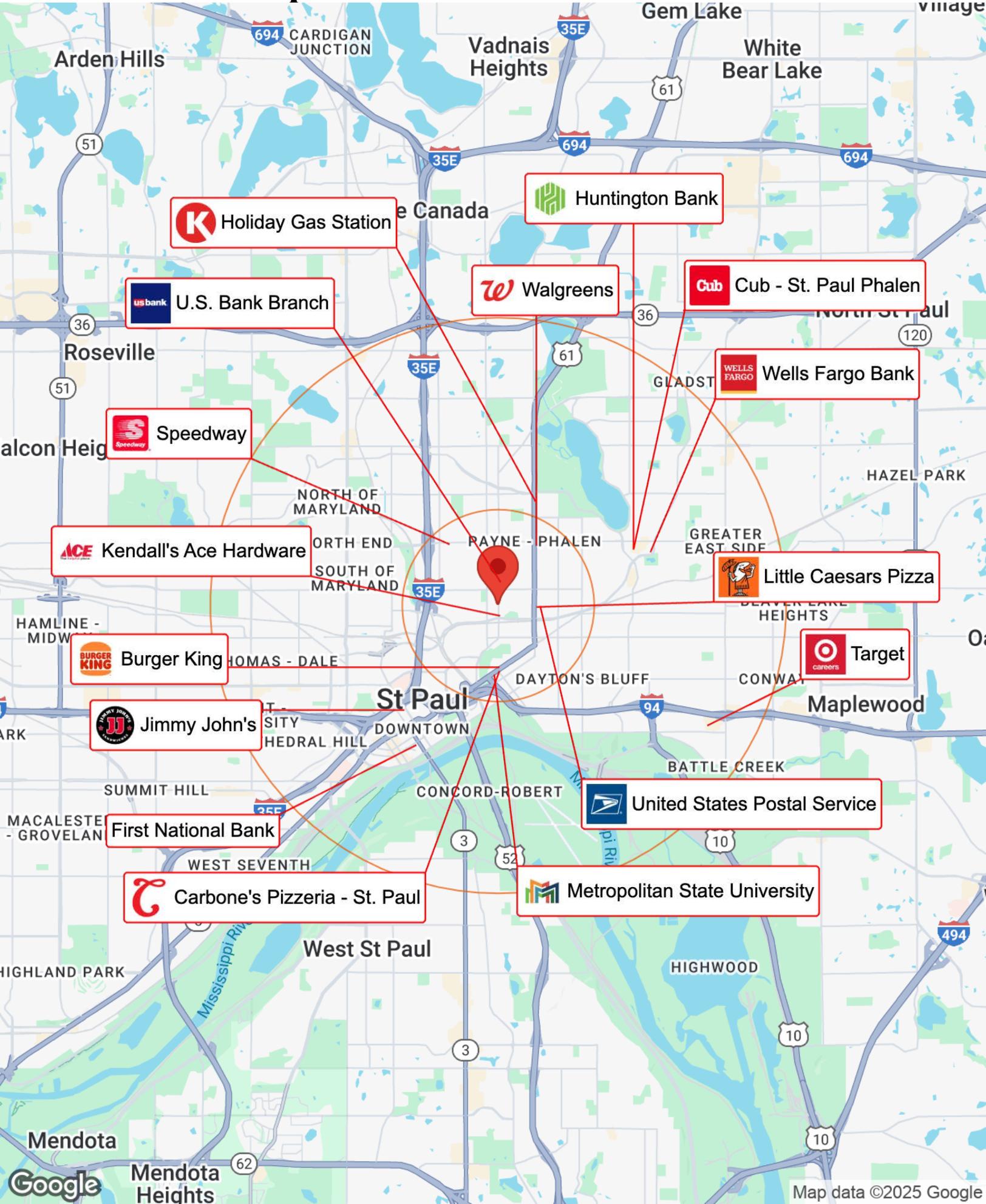
BUSINESS MAP

DEMOGRAPHICS

PROFESSIONAL BIO

DISCLAIMER

Business Map



Holiday Gas Station

Huntington Bank

U.S. Bank Branch

Walgreens

Cub - St. Paul Phalen

Speedway

Wells Fargo Bank

Kendall's Ace Hardware

Little Caesars Pizza

Burger King

Target

Jimmy John's

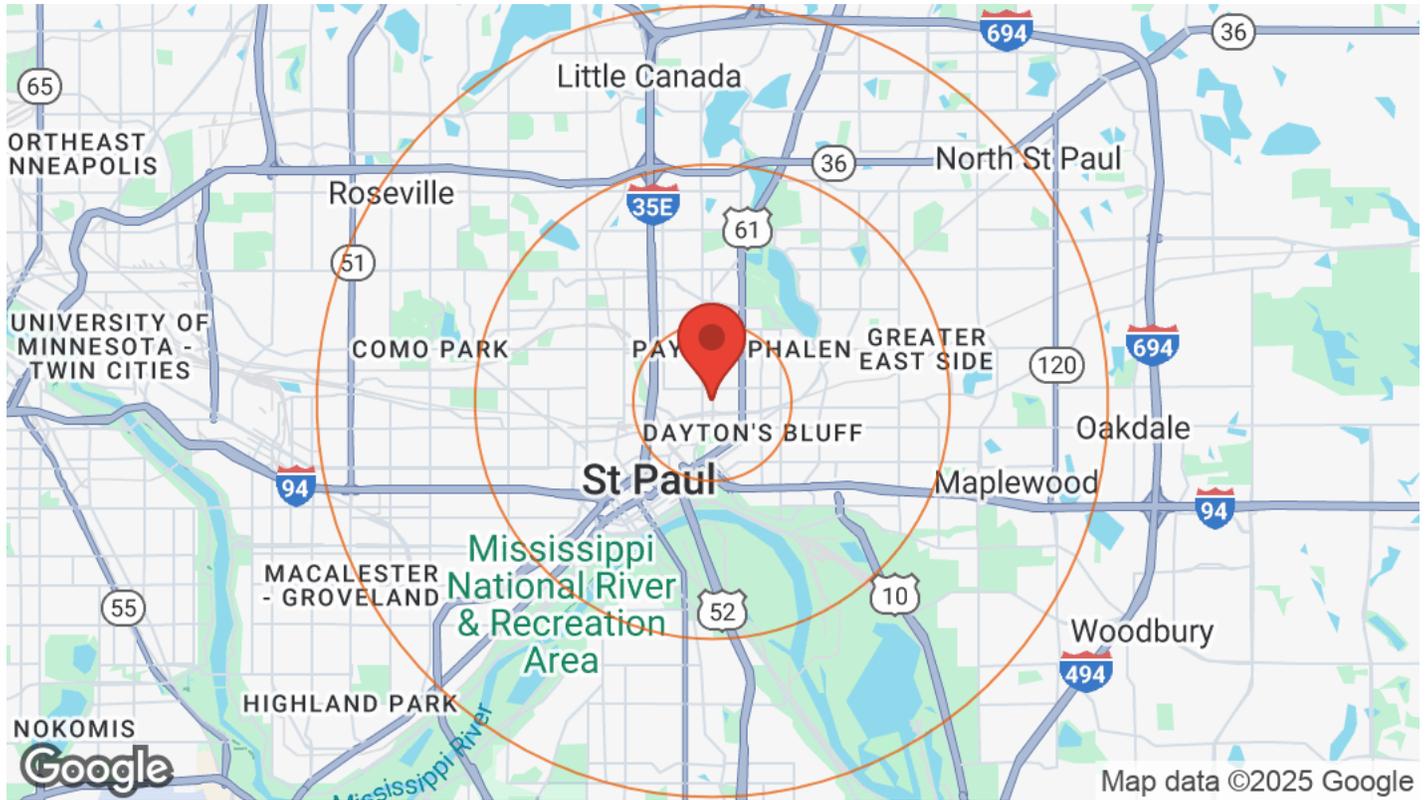
United States Postal Service

First National Bank

Carbone's Pizzeria - St. Paul

Metropolitan State University

Demographics



Category	Sub-category	1 Mile	3 Miles	5 Miles
Population	Male	13,349	86,531	176,005
	Female	12,679	84,438	175,249
	Total Population	26,028	170,969	351,254
Age	Ages 0-14	6,521	38,760	70,584
	Ages 15-24	4,099	24,498	47,388
	Ages 25-54	11,477	75,418	149,564
	Ages 55-64	1,982	15,254	35,948
	Ages 65+	1,948	17,039	47,771
Race	White	7,564	62,387	173,309
	Black	5,333	33,117	58,238
	Am In/AK Nat	180	940	1,581
	Hawaiian	3	34	105
	Hispanic	3,175	19,781	36,741
	Asian	8,834	48,538	68,565
	Multi-Racial	893	5,813	12,048
	Other	47	359	667
Income	Median	\$68,050	\$69,030	\$78,222
	< \$15,000	793	6,167	11,030
	\$15,000-\$24,999	589	4,656	8,680
	\$25,000-\$34,999	600	4,846	9,358
	\$35,000-\$49,999	891	6,874	14,258
	\$50,000-\$74,999	1,542	11,119	23,053
	\$75,000-\$99,999	1,233	8,814	20,285
	\$100,000-\$149,999	1,225	10,607	24,286
	\$150,000-\$199,999	647	5,136	13,667
> \$200,000	433	4,325	13,373	
Housing	Total Units	8,844	68,857	150,953
	Occupied	7,953	62,543	137,990
	Owner Occupied	3,701	28,359	73,450
	Renter Occupied	4,252	34,184	64,540
	Vacant	890	6,313	12,963

Professional Bio



Bringing a fresh perspective to the Twin Cities real estate market, William Schultz is a broker with Keller Williams/KW Commercial, specializing in multifamily and commercial real estate. With an investment-first background, William entered the real estate industry after successfully acquiring and managing his own rental properties—an experience that continues to shape his client-first, investor-minded approach.

A member of the Keller Williams North Region Agent Leadership Council (ALC) and President-Elect of the Minnesota Real Estate Exchangors (MREE), William is deeply involved in the real estate community. He also remains active in industry associations such as the Minnesota Multi Housing Association (MHA) and the National Council of Exchangors (NCE). Voted Rookie of the Year in 2023 at the Keller Williams Premier Twin Cities market center, William prioritizes communication, transparency, and execution. Drawing from his construction and restoration experience, he provides clients with expert guidance and creative deal strategies to help them build wealth and achieve their real estate goals.

William Schultz

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Off-Market Deal

Build The Future of East Saint Paul

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