



FOR SALE

HORSESHOE LODGES

8005 East Highway 80, Midland, TX 79705

Bethany Babcock

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Confidentiality and Restricted Use Agreement

This Confidential Offering Memorandum ("COM") is provided by Foresite Commercial Real Estate, solely for your consideration of the opportunity to acquire the commercial property described herein (the "Property"). This COM may be used only as stated herein and shall not be used for any other purpose, or in any other manner, without prior written authorization and consent of Foresite Commercial Real Estate.

This COM does not constitute or pertain to an offer of a security or an offer of any investment contract. This COM contains descriptive materials, financial information and other data compiled for the convenience of parties who may be interested in the Property. Such information is not all inclusive and is not represented to include all information that may be material to an evaluation of the acquisition opportunity presented. Foresite Commercial Real Estate has not independently verified any of the information contained herein and makes no representations or warranties of any kind concerning the accuracy or completeness thereof. All summaries and discussions of documentation and/or financial information contained herein are qualified in their entirety by reference to the actual documents and/or financial statements, which upon request may be made available. An interested party must conduct its own independent investigation and verification of any information the party deems material to consideration of the opportunity, or otherwise appropriate, without reliance upon Foresite Commercial Real Estate.

The Property may be financed or withdrawn from the market without notice, and its owner(s) reserve(s) the right to negotiate with any number of interested parties at any time. The Property is offered and sold by its owner(s) as is, where is, and with all faults, without representation or warranty of any kind except for any customary warranties of title.

BY ACCEPTING THIS COM, YOU AGREE THAT: (1) all information contained herein, and all other information you have received or may hereafter receive from Foresite Commercial Real Estate relating to the Property, whether oral, written or in any other form (collectively, the "Information"), is strictly confidential; (2) you will not copy or reproduce, and claim as your own without attribution to Foresite Commercial Real Estate, all or any part of this COM or the Information; (3) upon request by Foresite Commercial Real Estate at any time, you will return and/or certify your complete destruction of all copies of this COM and the Information; (4) for yourself and all your affiliates, officers, employees, representatives, agents and principals, you hereby release and agree to indemnify and hold harmless comp all of its affiliates, officers, employees, representatives, agents and principals, from and with respect to any and all claims and liabilities arising from or related to the receipt or use of this COM and/or any other Information concerning the Property; (5) you will not provide this COM or any of the Information to any other party unless you first obtain such party's acceptance and approval of all terms, conditions, limitations and agreements set forth herein, as being applicable to such party as well as to you; and (6) monetary damages alone will not be an adequate remedy for a violation of these terms and that Foresite Commercial Real Estate shall be entitled to equitable relief, including, but not limited to, injunctive relief and specific performance, in connection with such a violation and shall not be required to post a bond when obtaining such relief.

PREPARED BY



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TABLE OF CONTENTS

PROPERTY INFORMATION	3
LOCATION INFORMATION	10
FINANCIAL ANALYSIS	14
DEMOGRAPHICS	17



SECTION 1

PROPERTY INFORMATION

FOR SALE

HORSESHOE LODGES



OFFERING SUMMARY

Sale Price:	\$3,200,000
Number Of Units:	89
Cap Rate:	20.0%
NOI:	\$640,000
Available SF:	
Lot Size:	9.98 Acres
Market:	Midland-Odessa
Price / SF:	\$7.36

PROPERTY OVERVIEW

Horseshoe Lodges is an 89 unit residential rental complex consisting of cabins and RV spaces with common area amenities specifically designed for the area workforce needs. Built in 2018, the facility is located in the heart of the Permian Basin, the United States' premiere play for oil and natural gas extraction.

It is located adjacent to 6 oil and gas employers on the city limits of Midland, TX with 139,000 residents and two airports. It offers easy access to numerous dining and entertainment options in the Midland/Odessa MSA and is driving distance from almost anywhere in the Permian Basin.

The facility has maintained a greater than 95% occupancy consistently since its opening. The final eight cabins and 22 RV spaces will be available for occupancy in May of 2019, and are expected to reach full occupancy almost immediately.

The development has its own private water system serviced by two wells on the property.

PROPERTY INFORMATION || EXECUTIVE SUMMARY

FOR SALE

HORSESHOE LODGES



LOCATION INFORMATION

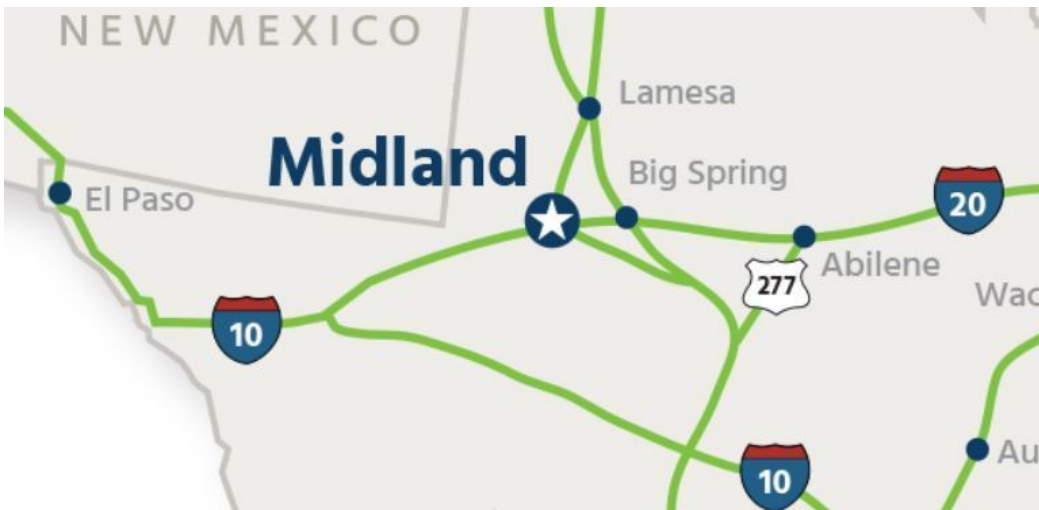
Building Name	Horseshoe Lodges
Street Address	8005 East Highway 80
City, State, Zip	Midland, TX 79705
Asset Type	Full Service Cabins and RV Spaces
Market	Midland-Odessa
Year Built	2017-19
Lot Size	9.979 Acres

FINANCIAL INFORMATION

Projected 2019 NOI	\$640,000.00
Cap Rate	20.0

PROPERTY AMENITIES

- Pillow Top Mattresses
- 40 inch Flat Screen TV
- Free Cable
- Free Wireless Internet
- Stove/Refrigerator/Microwave
- Free Continental Breakfast
- Free Laundry Facility
- Free Ice



ABOUT MIDLAND

Midland is located in the heart of the Permian Basin, the center of American oil and gas production. Midland's economy has traditionally been heavily influenced by the oil and gas industry, but is now more diversified by a growing number of aerospace, distribution, and business service companies.

The unemployment rate in Midland is an impressive 2.3%.



MARKET HIGHLIGHTS

- Midland residents have the 2nd highest personal income in the entire country - the median household income is 29% higher than average in the state of Texas.
- Midland was rated #5 for the Fastest Growing Metros - WalletHub ranked Midland, Texas highly due to sustained jobs and economic growth.
- Midland has posted some of the highest job growth in the nation - According to the Bureau of Labor Statistics, job growth in Midland is outpacing the rest of the country. The unemployment rate is 2.3%.
- Midland is a cultural hub for the region - People choose to live in Midland for more than the employment opportunities. #5 There are highly-rated schools in Midland - Families enjoy that Midland is one of the 50 safest cities in Texas with highly-rated schools.

FOR SALE

HORSESHOE LODGES

Forbes

Why The Permian Basin May Become The World's Most Productive Oil Field

Dec 27, 2018, 10:01am

[Robert Rapier](#)

A Rapidly Rising Production Rate

Permian Basin production has increased by 3 million BPD.

A Soaring DUC Inventory ("Drilled but Uncompleted")

By the end of 2018, with Permian Basin production at 3.8 million BPD, the number of DUC wells had soared to 4,039.

An Enormous Resource

The new estimated mean of undiscovered, technically recoverable resources in the Permian basin are 46.3 billion barrels of oil, 281 Tcf of natural gas (17.5 times higher than the 2016 estimate!), and 19.9 billion barrels of NGLs.

<https://www.forbes.com/sites/rrapier/2018/12/27/why-the-permian-basin-may-become-the-worlds-most-productive-oil-field/#70f191ba5ccb>



This Texas area is expected to double oil output to 8 million barrels in just four years, boosting US exports

Published 8:43 AM ET Fri, 8 March 2019 Updated 5:13 PM ET Fri, 8 March 2019

[Patti Domm](#)

- A shortage of pipeline space created a bottleneck for oil coming from the hottest US shale basin, but that is about to end with a big expansion of capacity that will help send more US crude into the Gulf Coast and out onto the world market.
- The oil and gas industry is building out pipelines as drillers expect to up their output from the Permian to where it could double over the next four years, to 8 million barrels a day. That's more than all of the oil the U.S. produced just six years ago.

<https://www.cnbc.com/2019/03/08/permian-oil-output-doubling-to-8-million-barrels-boosting-exports.html>

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HORSESHOE LODGES



PROPERTY INFORMATION || ADDITIONAL PHOTOS

10999 I-10 W, STE 175 || SAN ANTONIO, TX 78230 || 210.816.2734 || FORESITECRE.COM

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[PROPERTY INFORMATION](#) || [ADDITIONAL PHOTOS](#)

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SECTION 2

LOCATION INFORMATION

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HORSESHOE LODGES

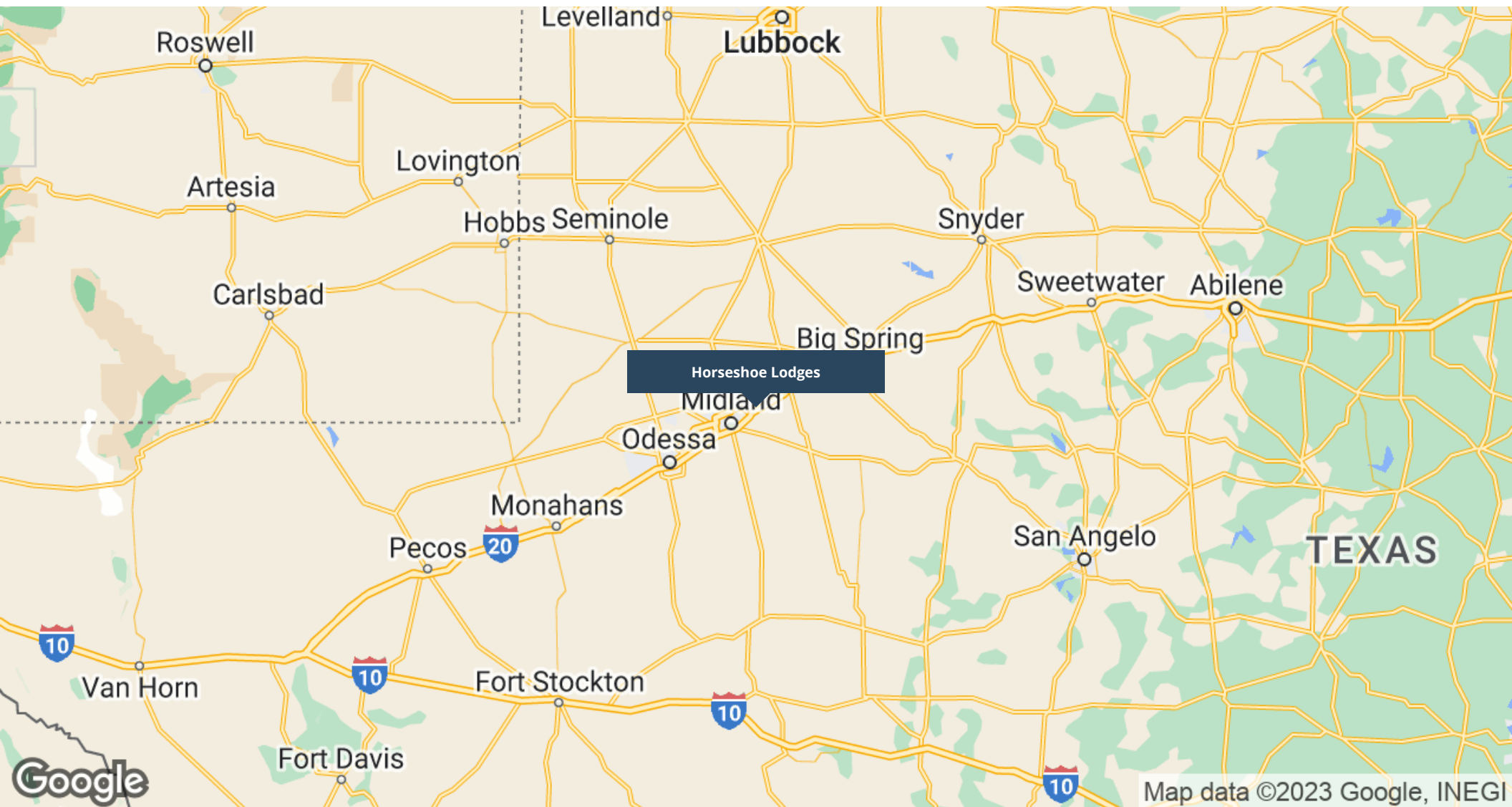


LOCATION INFORMATION || REGIONAL MAP

10999 I-10 W, STE 175 || SAN ANTONIO, TX 78230 || 210.816.2734 || [FORESITECRE.COM](https://foresitecre.com)

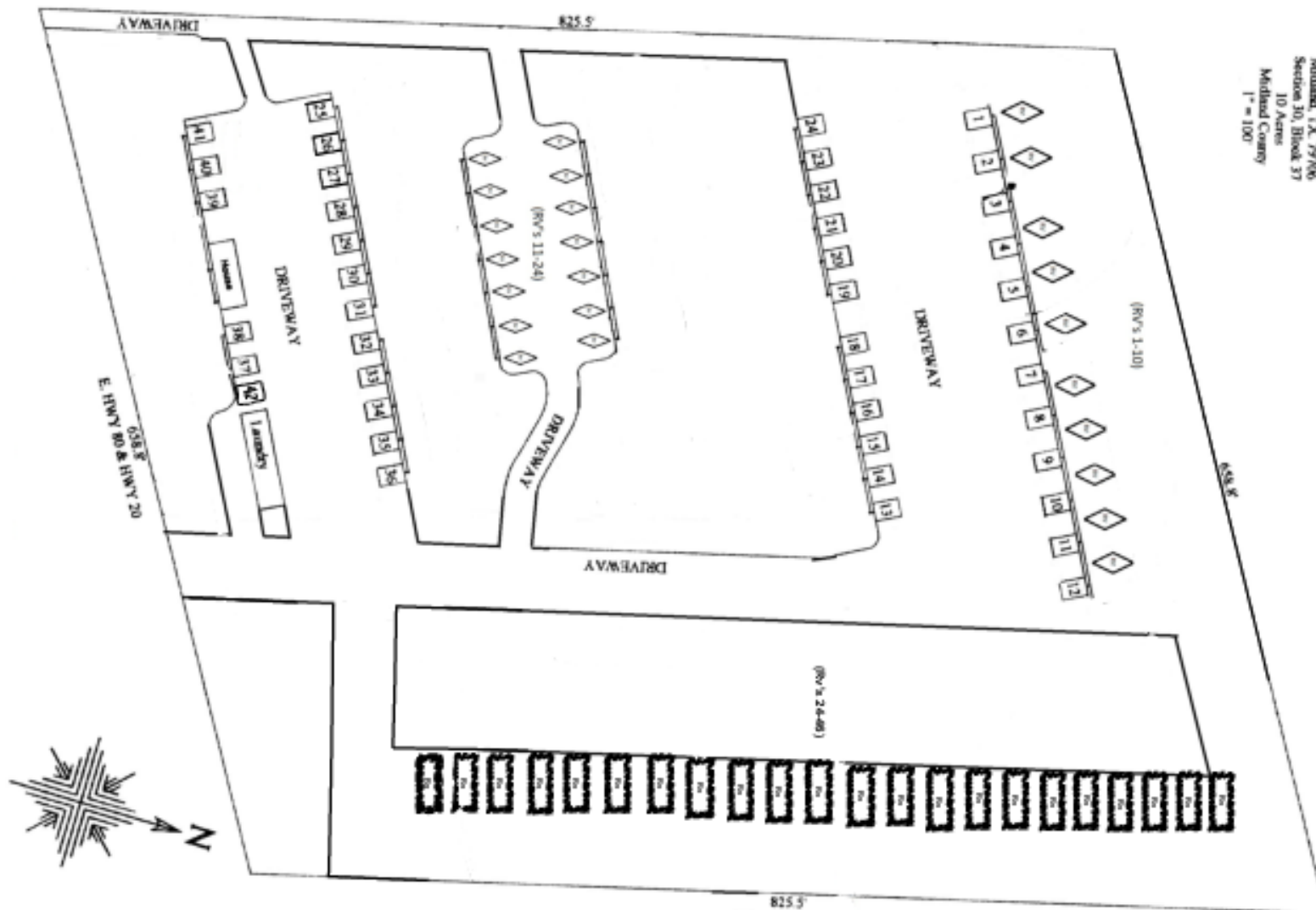
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LOCATION INFORMATION || SITE PLAN

SECTION 3

FINANCIAL ANALYSIS



FOR SALE

HORSESHOE LODGES

UNIT TYPE	COUNT	% TOTAL	SIZE (SF)	RENT	INCLUDED IN RENT	LEASE LENGTH	DEPOSIT
Cabins	42	47.2		\$1,700	Full Service *	Monthly	N/A
House	1	1.1		\$3,000	Full Service *	Monthly	N/A
RV Spaces	46	51.7		\$600	Full Service *	Monthly	N/A
Totals/Averages	89	100%	0	\$102,000			\$0

* Full Service leases include all utilities, satellite TV, internet, laundry and clubhouse facilities, continental breakfast.

FOR SALE

HORSESHOE LODGES

INVESTMENT OVERVIEW

CURRENT

Price	\$3,200,000
Price per Unit	\$35,955
GRM	2.6
CAP Rate	20.0%
Cash-on-Cash Return (yr 1)	20.0 %
Total Return (yr 1)	\$640,000
Debt Coverage Ratio	-

OPERATING DATA

CURRENT

Gross Scheduled Income	\$1,224,000
Total Scheduled Income	\$1,224,000
Vacancy Cost	\$61,200
Gross Income	\$1,162,800
Operating Expenses	-
Net Operating Income	\$640,000
Pre-Tax Cash Flow	\$640,000

FINANCING DATA

CURRENT

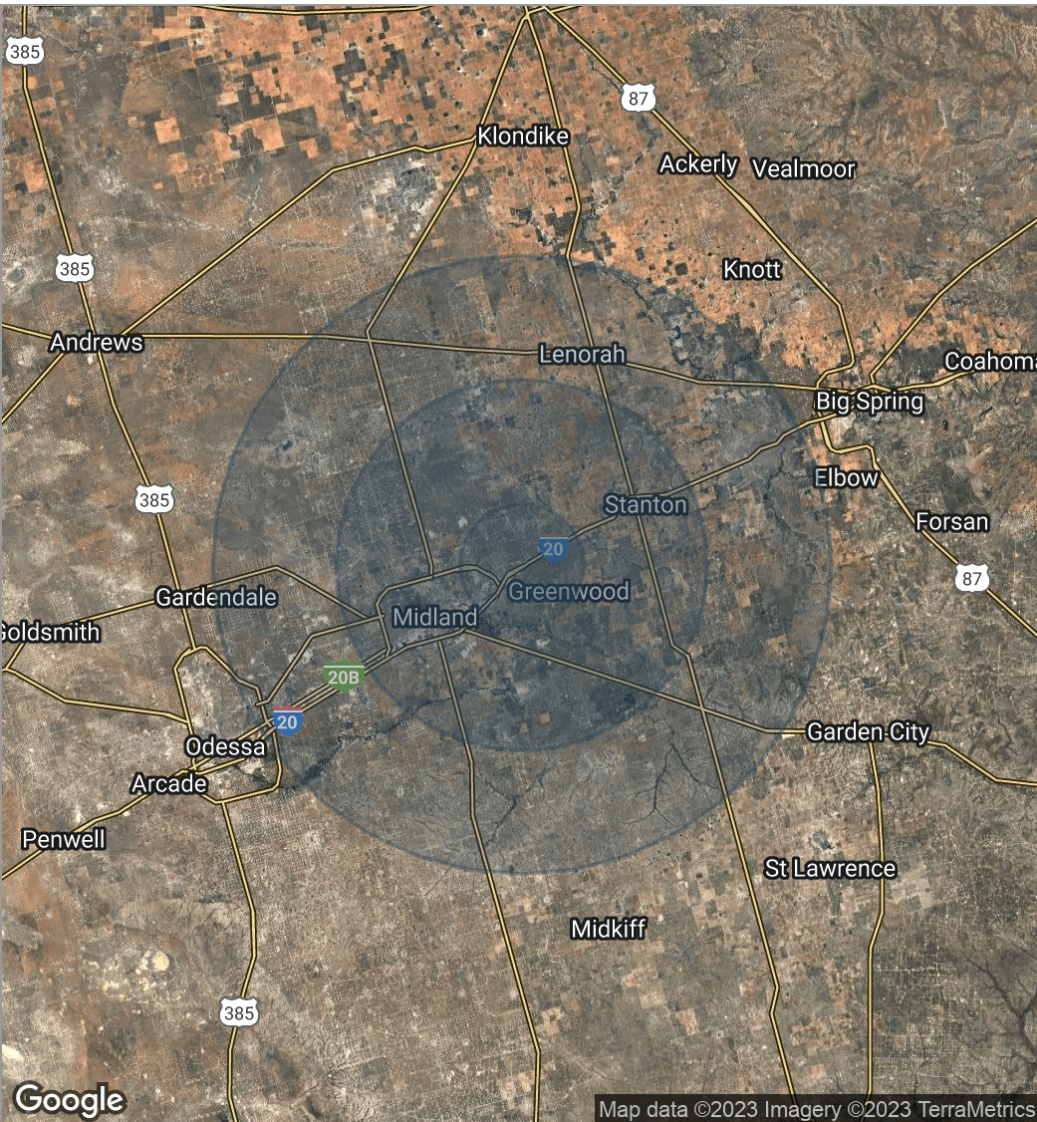
Down Payment	\$3,200,000
Loan Amount	-
Debt Service	-
Debt Service Monthly	-
Principal Reduction (yr 1)	-
Loan Amortization Period	15 Years

SECTION 4

DEMOGRAPHICS

FOR SALE

HORSESHOE LODGES



POPULATION	5 MILES	15 MILES	25 MILES
Total population	3,634	135,752	157,323
Median age	38.9	33.6	34.2
Median age (Male)	38.5	31.9	32.6
Median age (Female)	38.6	35.3	35.9
HOUSEHOLDS & INCOME	5 MILES	15 MILES	25 MILES
Total households	1,226	50,819	58,579
# of persons per HH	3.0	2.7	2.7
Average HH income	\$136,140	\$79,057	\$81,496
Average house value	\$256,787	\$161,024	\$166,443
ETHNICITY (%)	5 MILES	15 MILES	25 MILES
Hispanic	24.3%	37.2%	36.5%
RACE (%)	5 MILES	15 MILES	25 MILES
White	92.7%	83.9%	85.3%
Black	1.2%	7.5%	6.2%
Asian	2.5%	1.1%	1.3%
Hawaiian	0.0%	0.0%	0.0%
American Indian	1.1%	0.7%	0.6%
Other	1.4%	4.9%	4.8%

* Demographic data derived from 2020 ACS - US Census



Information About Brokerage Services

Texas law requires all real estate license holders to give the following information about brokerage services to prospective buyers, tenants, sellers and landlords.

11-2-2015



TYPES OF REAL ESTATE LICENSE HOLDERS:

- **A BROKER** is responsible for all brokerage activities, including acts performed by sales agents sponsored by the broker.
- **A SALES AGENT** must be sponsored by a broker and works with clients on behalf of the broker.

A BROKER'S MINIMUM DUTIES REQUIRED BY LAW (A client is the person or party that the broker represents):

- Put the interests of the client above all others, including the broker's own interests;
- Inform the client of any material information about the property or transaction received by the broker;
- Answer the client's questions and present any offer to or counter-offer from the client; and
- Treat all parties to a real estate transaction honestly and fairly.

A LICENSE HOLDER CAN REPRESENT A PARTY IN A REAL ESTATE TRANSACTION:

AS AGENT FOR OWNER (SELLER/LANDLORD): The broker becomes the property owner's agent through an agreement with the owner, usually in a written listing to sell or property management agreement. An owner's agent must perform the broker's minimum duties above and must inform the owner of any material information about the property or transaction known by the agent, including information disclosed to the agent or subagent by the buyer or buyer's agent.

AS AGENT FOR BUYER/TENANT: The broker becomes the buyer/tenant's agent by agreeing to represent the buyer, usually through a written representation agreement. A buyer's agent must perform the broker's minimum duties above and must inform the buyer of any material information about the property or transaction known by the agent, including information disclosed to the agent by the seller or seller's agent.

AS AGENT FOR BOTH - INTERMEDIARY: To act as an intermediary between the parties the broker must first obtain the written agreement of *each party* to the transaction. The written agreement must state who will pay the broker and, in conspicuous bold or underlined print, set forth the broker's obligations as an intermediary. A broker who acts as an intermediary:

- Must treat all parties to the transaction impartially and fairly;
- May, with the parties' written consent, appoint a different license holder associated with the broker to each party (owner and buyer) to communicate with, provide opinions and advice to, and carry out the instructions of each party to the transaction.
- Must not, unless specifically authorized in writing to do so by the party, disclose:
 - that the owner will accept a price less than the written asking price;
 - that the buyer/tenant will pay a price greater than the price submitted in a written offer; and
 - any confidential information or any other information that a party specifically instructs the broker in writing not to disclose, unless required to do so by law.

AS SUBAGENT: A license holder acts as a subagent when aiding a buyer in a transaction without an agreement to represent the buyer. A subagent can assist the buyer but does not represent the buyer and must place the interests of the owner first.

TO AVOID DISPUTES, ALL AGREEMENTS BETWEEN YOU AND A BROKER SHOULD BE IN WRITING AND CLEARLY ESTABLISH:

- The broker's duties and responsibilities to you, and your obligations under the representation agreement.
- Who will pay the broker for services provided to you, when payment will be made and how the payment will be calculated.

LICENSE HOLDER CONTACT INFORMATION: This notice is being provided for information purposes. It does not create an obligation for you to use the broker's services. Please acknowledge receipt of this notice below and retain a copy for your records.

FORESITE REAL ESTATE, INC.	9003568	bbabcock@foresitecre.com	(210) 816-2734
Licensed Broker /Broker Firm Name or Primary Assumed Business Name	License No.	Email	Phone
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Designated Broker of Firm	License No.	Email	Phone
Licensed Supervisor of Sales Agent/ Associate	License No.	Email	Phone
BETHANY BABCOCK	598255	BBABCOCK@FORESITECRE.COM	(210) 816- 2734
Sales Agent/Associate's Name	License No.	Email	Phone

Buyer/Tenant/Seller/Landlord Initials

Date

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