SVN
COMMERCIAL REAL ESTATE ADVISORS

LEASE

Summit Apartments

3000 N J ST

McAllen, TX 78501

PRESENTED BY:

ZACHARY SUNDERLAND
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SECTION 1

Property Information

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PROPERTY SUMMARY

LEASE RATE	NEGOTIABLE

OFFERING SUMMARY

BUILDING SIZE:	15,200 SF
CAP RATE:	5.0%
NOI:	$87,552
YEAR BUILT:	1994

PROPERTY OVERVIEW

PROPERTY HIGHLIGHTS

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COMMUNITY PHOTOS

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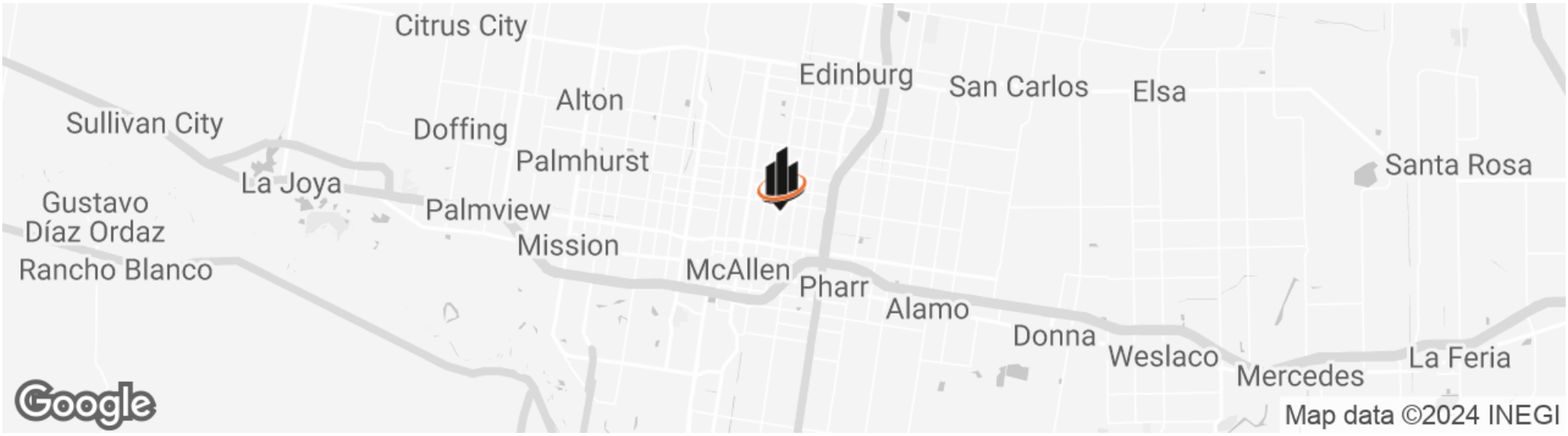
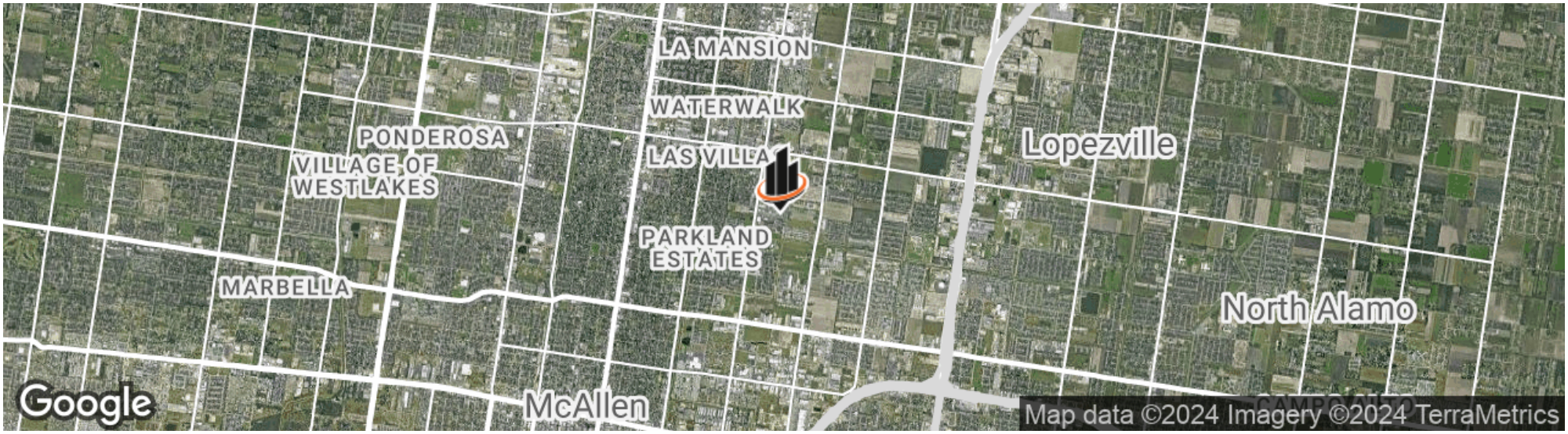
REGIONAL AND LOCAL MAPS





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AERIAL HIGHLIGHT

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DEMOGRAPHICS & RETAILER MAP

POPULATION	1 MILE	2 MILES	3 MILES
TOTAL POPULATION	11,539	36,515	82,490
AVERAGE AGE	30.7	33.0	33.9
AVERAGE AGE (MALE)	28.8	30.2	30.7
AVERAGE AGE (FEMALE)	33.8	36.3	37.0

HOUSEHOLDS & INCOME	1 MILE	2 MILES	3 MILES
TOTAL HOUSEHOLDS	4,916	14,257	32,345
# OF PERSONS PER HH	2.3	2.6	2.6
AVERAGE HH INCOME	$51,384	$61,740	$56,700
AVERAGE HOUSE VALUE	$178,464	$209,467	$185,994

** Demographic data derived from 2020 ACS - US Census*

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SECTION 2

Financial Analysis

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ACTUAL '21 VS. PRO FORMA

Revenue			
Actual 2021		**Pro Forma**	
Scheduled	$128,640	$153,600	Scheduled
Annual Vacancy	-$5,616	-$11,520	Annual Vacancy
Other Income	$0	$0	Other Income
Gross Income	**$123,024**	**$142,080**	**Gross Income**

Operating Expenses			
Actual 2021		**Pro Forma**	
Management	-$5,959	-$11,366	Management
Property Taxes	-$14,442	-$18,053	Property Taxes
Insurance	-$8,250	-$6,400	Insurance
Utilities	-$1,263	-$1,263	Utilities
Maintenance	-$17,272	-$11,366	Maintenance
Miscellaneous	$0	$0	Miscellaneous
Total Expenses	**-$47,186**	**-$48,448**	**Total Expenses**

Net Operating Income			
Actual 2021		**Pro Forma**	
NOI	**$75,838**	**$93,632**	**NOI**

PL Inputs/Assumptions				
Account	**Est./Actual**		**Forecasted**	**Calculation**
Vacancy		4.37%	7.50%	% of Scheduled
Management	*		8.00%	% of Gross Income
Property Taxes		$14,442.00	25.00%	Actual/% Increase
Insurance	*		$400.00	Door/Yr
Utilities	*	*		No Change
Maintenance	*		8.00%	% of Gross Income
Miscellaneous		$0	$0	N/A

* BROKER COMMENTS

Actual 2021 figures sourced from seller-provided Form 8825:

'21 Gross Income sourced from line 2 "Gross Rents"
'21 Management reflects lines 4 & 13 ("Auto", "Wages")
'21 Insurance reported actual from line 7
'21 Utility total actual from line 12 (individual total wtr/elc/trs unknown)
'21 Maintenance reflects lines 5 & 10 ("Cleaning and Mnt", "Repairs")
'21 40% expense ratio

'22 Scheduled = $800/door/m
'22 Projected modest tax increase of 25%
'22 Maintenance < '21 because interior improvements in '21

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2021 HISTORICAL COLLECTIONS

Historical Collections for 2021: The Summit Apartments													
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	
1	$ 725.00	$ 725.00	$ 725.00	$ 725.00	$ 725.00	$ 725.00	$ 725.00	$ 725.00	$ 725.00	$ 500.00	$ 725.00	$ 725.00	
2	$ 626.00	$ 626.00	$ 626.00	$ 626.00	$ 626.00	$ 626.00	$ 646.00	$ 626.00	$ 625.00	$ 625.00	$ 625.00	$ 625.00	
3	$ 650.00	$ 650.00	$ 650.00	$ 650.00	$ 650.00	$ 650.00	$ 650.00	$ 650.00	$ 650.00	$ 675.00	$ 675.00	$ 680.00	
4	$ 665.00	$ 635.00	$ 665.00	$ 665.00	$ 665.00	$ 665.00	$ 665.00	$ 665.00	$ 665.00	$ 665.00	$ 665.00	$ 680.00	
5	$ 665.00	$ 665.00	$ 665.00	$ 665.00	$ 865.00	$ 665.00	$ 665.00	$ 665.00	$ 665.00	$ 665.00	$ 665.00	$ 680.00	
6	$ -	$ -	$ 500.00	$ 930.00	$ 665.00	$ 665.00	$ 665.00	$ 665.00	$ 665.00	$ 685.00	$ 680.00	$ 680.00	
7	$ -	$ 810.00	$ 665.00	$ 665.00	$ 665.00	$ 825.00	$ 665.00	$ 665.00	$ 665.00	$ 685.00	$ -	$ 100.00	
8	$ 250.00	$ 195.00	$ 695.00	$ 695.00	$ 695.00	$ 695.00	$ 695.00	$ 695.00	$ 695.00	$ 630.00	$ 695.00	$ 395.00	
9	$ 630.00	$ 630.00	$ 630.00	$ 630.00	$ 630.00	$ 630.00	$ 630.00	$ 630.00	$ 630.00	$ 680.00	$ 680.00	$ 680.00	
10	$ 665.00	$ 665.00	$ 665.00	$ 665.00	$ 665.00	$ 665.00	$ 665.00	$ 665.00	$ 665.00	$ 680.00	$ 700.00	$ 680.00	
11	$ -	$ -	$ -	$ 1,025.00	$ -	$ 725.00	$ 725.00	$ 725.00	$ 725.00	$ 725.00	$ 725.00	$ 725.00	
12	$ 650.00	$ 650.00	$ 650.00	$ 650.00	$ 650.00	$ 650.00	$ 650.00	$ 650.00	$ 650.00	$ 680.00	$ 700.00	$ 650.00	
13	$ 650.00	$ 646.00	$ 646.00	$ 661.00	$ 639.00	$ 650.00	$ 650.00	$ 650.00	$ 650.00	$ 680.00	$ 680.00	$ 680.00	
14	$ 725.00	$ 725.00	$ 729.00	$ 725.00	$ 725.00	$ 725.00	$ 799.00	$ 725.00	$ 725.00	$ 500.00	$ 942.00	$ 725.00	
15	$ 625.00	$ -	$ 500.00	$ 665.00	$ 665.00	$ 665.00	$ 665.00	$ 665.00	$ 665.00	$ 680.00	$ 680.00	$ 680.00	
16	$ 645.00	$ 645.00	$ 645.00	$ 645.00	$ 645.00	$ 686.00	$ 645.00	$ 645.00	$ 645.00	$ 645.00	$ 645.00	$ 645.00	
Min	$ 625.00	$ 626.00	$ 500.00	$ 626.00	$ 626.00	$ 626.00	$ 630.00	$ 626.00	$ 625.00	$ 500.00	$ 625.00	$ 395.00	
Avg	$ 660.08	$ 672.67	$ 643.73	$ 684.13	$ 678.33	$ 682.00	$ 675.31	$ 669.44	$ 669.38	$ 650.00	$ 698.80	$ 662.00	**$ 670.00**
Max	$ 725.00	$ 810.00	$ 729.00	$ 930.00	$ 865.00	$ 825.00	$ 799.00	$ 725.00	$ 725.00	$ 725.00	$ 942.00	$ 725.00	
Total	**$ 8,171.00**	**$ 8,267.00**	**$ 9,656.00**	**$ 11,287.00**	**$ 10,175.00**	**$ 10,912.00**	**$ 10,805.00**	**$ 10,711.00**	**$ 10,710.00**	**$ 10,400.00**	**$ 10,482.00**	**$ 10,030.00**	**$ 121,606.00**

11 Single Unit Vacancies Divided by (16 units x 12 months) = **5.73%**

Section 8/Voucher/Housing (About 4 units or 25% of complex is occupied by section 8 tenants at any given time)

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2022 YTD COLLECTIONS

2022 YTD Collections for The Summit Apartments													
	Jan		Feb		Mar		Apr		May		Jun	Jul	
1	$	725.00	$	725.00	$	725.00	$	725.00	$	725.00	$ 725.00		
2	$	625.00	$	625.00	$	625.00	$	625.00	$	595.00	$ 625.00		
3	$	700.00	$	700.00	$	700.00	$	700.00	$	700.00	$ 700.00		
4	$	680.00	$	680.00	$	680.00	$	685.00	$	680.00	$ 680.00		
5	$	680.00	$	700.00	$	700.00	$	700.00	$	700.00	$ 700.00		
6	$	700.00	$	700.00	$	700.00	$	700.00	$	700.00	$ 700.00		
7	$	725.00	$	725.00	$	725.00	$	725.00	$	725.00	$ 725.00		
8	$	930.00	$	630.00	$	630.00	$	730.00	$	380.00	$ 630.00		
9	$	745.00	$	680.00	$	680.00	$	680.00	$	680.00	$ 680.00		
10	$	680.00	$	680.00	$	680.00	$	680.00	$	700.00	$ 725.00		
11	$	775.00	$	725.00	$	725.00	$	725.00	$	725.00	$ 725.00		
12	$	675.00	$	700.00	$	700.00	$	700.00	$	750.00	$ 700.00		
13	$	680.00	$	680.00	$	680.00	$	680.00	$	680.00	$ 680.00		
14	$	725.00	$	725.00	$	725.00	$	725.00	$	725.00	$ 725.00		
15	$	680.00	$	700.00	$	700.00	$	700.00	$	700.00	$ 700.00		
16	$	520.00	$	1,000.00	$	700.00	$	600.00	$	700.00	$ 725.00		
Min	$	520.00	$	625.00	$	625.00	$	600.00	$	380.00	$ 625.00		
Avg	$	702.81	$	710.94	$	692.19	$	692.50	$	679.06	$ 696.56		$ 700.00
Max	$	930.00	$	1,000.00	$	725.00	$	730.00	$	750.00	$ 725.00		
Total	**$**	**11,245.00**	**$**	**11,375.00**	**$**	**11,075.00**	**$**	**11,080.00**	**$**	**10,865.00**	**$ 11,145.00**		**$ 133,570.00** Annualized Total

0 Vacancies in 2022

Section 8/Voucher/Housing (About 2 units or 13% of complex is occupied by section 8 tenants at any given time)

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SECTION 3

Sale Comparables

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SALE COMPS

VALLEY GARDEN APARTMENTS

2125 Kerria Avenue, McAllen, TX 78501

Sold 2/8/2022

DETAILS

PRICE:	$1,340,000
NO. UNITS:	16
YEAR BUILT:	1980
PRICE/SF:	$110.42
PRICE/UNIT:	$83,750
GRM:	9.41

UNIT MIX

UNIT TYPE:	COUNT:	RENT:	SIZE SF:	RENT/SF:	% OF TOTAL:
1/1	8	$660	680 SF	$0.97	50 %
2/2	8	$750	820 SF	$0.91	50 %
TOTALS	**16**	**$11,280**	**12,000 SF**	**$0.94**	**100%**

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EBONY HEIGHTS APARTMENTS

1010 S 12th Avenue, Edinburg, TX 78539

Sold 4/14/2022

DETAILS

PRICE:	$1,700,000
NO. UNITS:	30
YEAR BUILT:	1999
PRICE/SF:	$96.37
PRICE/UNIT:	$56,667
GRM:	8.63

UNIT MIX

UNIT TYPE:	COUNT:	RENT:	SIZE SF:	RENT/SF:	% OF TOTAL:
2/1	30	$550	588 SF	$0.94	100 %
TOTALS	**30**	**$16,500**	**17,640 SF**	**$0.94**	**100%**

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LAS VIOLETAS APARMENTS

2210 W Elisa Ln, Edinburg, TX 78541

Sold 1/11/2022

DETAILS

PRICE:	$1,400,000
NO. UNITS:	20
YEAR BUILT:	1995
PRICE/SF:	$77.78
PRICE/UNIT:	$70,000
GRM:	9.33

UNIT MIX

UNIT TYPE:	COUNT:	RENT:	SIZE SF:	RENT/SF:	% OF TOTAL:
2/2	20	$610	900 SF	$0.68	100 %
TOTALS	**20**	**$12,200**	**18,000 SF**	**$0.68**	**100%**

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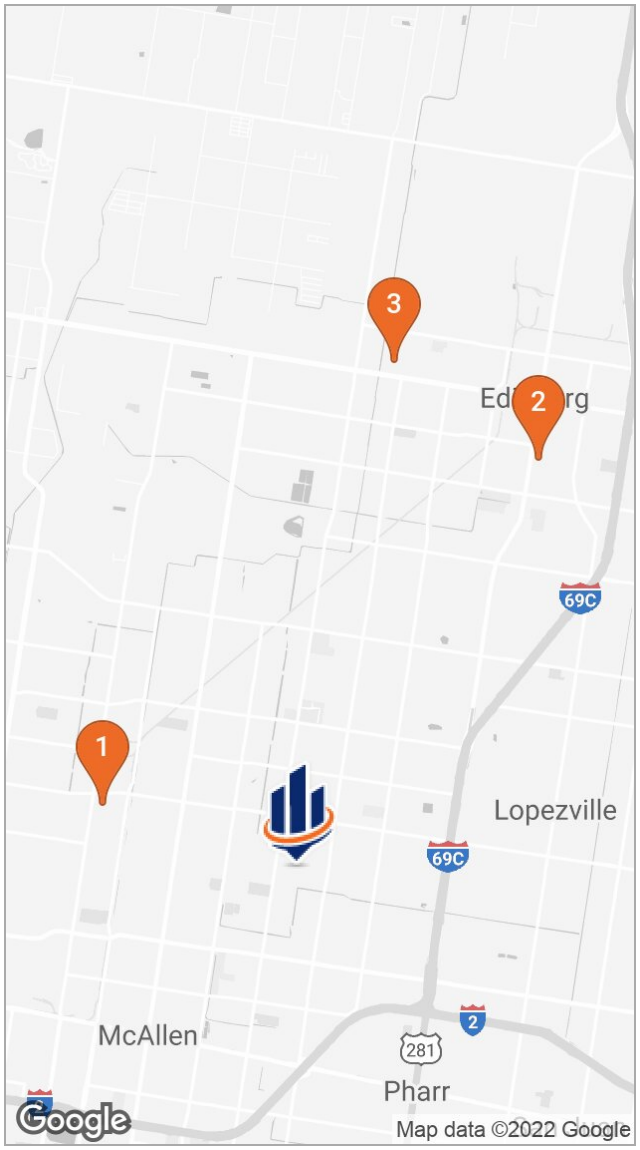
SALE COMPS MAP & SUMMARY

	NAME/ADDRESS	PRICE	PRICE/SF	PRICE/UNIT	GRM
★	**Summit Apartments** 3000 N J St McAllen, TX	$2,000,000	$131.58	$125,000	13.02
1	**Valley Garden Apartments** 2125 Kerria Avenue McAllen, TX	$1,340,000	$110.42	$83,750	9.41
2	**Ebony Heights Apartments** 1010 S 12th Avenue Edinburg, TX	$1,700,000	$96.37	$56,667	8.63
3	**Las Violetas Aparments** 2210 W Elisa Ln Edinburg, TX	$1,400,000	$77.78	$70,000	9.33
	AVERAGES	**$1,480,000**	**$94.86**	**$70,139**	**9.12**



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NOTES ON COMPARABLES

- All of the presented comparable sales closed in the first half of 2022 and likely do not reflect the rapidly rising interest rate environment of Q3 '22.
- The lack of financial operating data on the selected comps render calculating cap rates impossible/dubious.
- Valley Gardens advertised recent improvements: Roof replaced in 2012, all new double pane windows, all new toilets, all new AC units, all new electrical panels.
- Valley Gardens NOT individually metered for water, all others ARE individually metered for water.
- Ebony Heights' units are small (apx. 600 sf/ 2 bed/1 bath) but was advertised as having enough vacant land to build 10 additional units.
- Las Violetas are located in a subdivision that has many other nearly identical apartment complexes. The competitiveness created by the commoditization of this product likely reduced the attractiveness of the asset on a per sf basis.
- On average, the three properties closed for 10% LESS than the advertised list price.
- Although the list price for The Summit Apartments leaves room for buyer negotiation, the price premium over the comparables is justified by the currently below-market rents and changing macroeconomic conditions favoring multifamily assets.

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SECTION 4

About Svn

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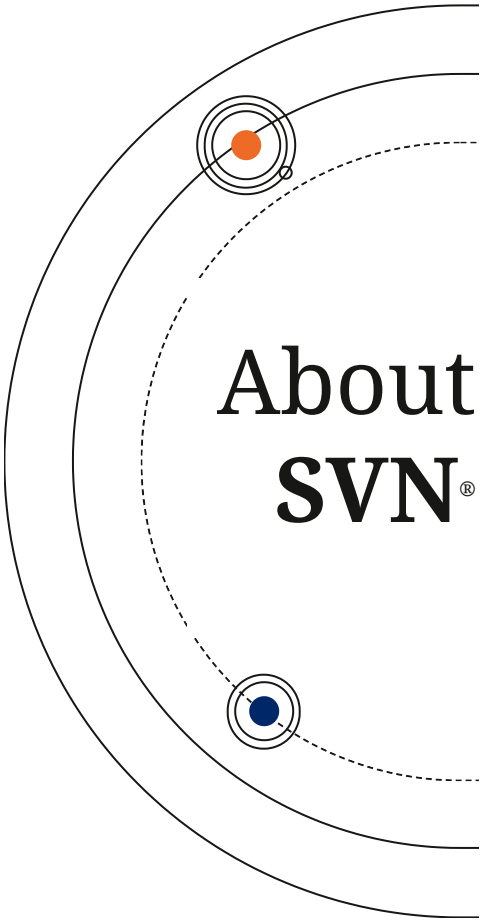

About SVN®

The SVN® brand was founded in 1987 out of a desire to improve the commercial real estate industry for all stakeholders through cooperation and organized competition.

The SVN organization is comprised of over 2,000 Advisors and staff in over 200 offices across the globe. Expanded geographic coverage and amplified outreach to traditional, cross-market and emerging owners and tenants is how we differentiate ourselves from the competition. Our proactive promotion of properties and fee sharing with the entire commercial real estate industry is our way of putting clients' needs first. This is our unique Shared Value Network® and just one of the many ways that SVN Advisors create amazing value with our clients, colleagues, and communities.

Our robust global platform, combined with the entrepreneurial drive of our business owners and their dedicated SVN Advisors, assures representation that creates maximum value for our clients.

This is the SVN Difference.

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SVN® core covenants

A company's core values provide clarity on what is truly important for organizational success, personal and professional conduct and what to expect from each other. At SVN our Core Covenants personify our values and culture, and differentiate us from the competition.

AS MEMBER OF THE SVN® SHARED VALUE NETWORK, WE EACH COMMIT TO DO THE FOLLOWING:

1. Create amazing value with my clients, colleagues and communities.
2. Cooperate proactively and place my clients' best interests above my own.
3. Include, respect and support all members of the commercial real estate industry.
4. Honor my commitments.
5. Personify and uphold the SVN brand.
6. Resolve conflicts quickly, positively and effectively.
7. Take personal responsibility for achieving my own potential.
8. Excel in my market area and specialty.
9. Focus on the positive and the possible.
10. Nurture my career while valuing the importance of family, health and community.

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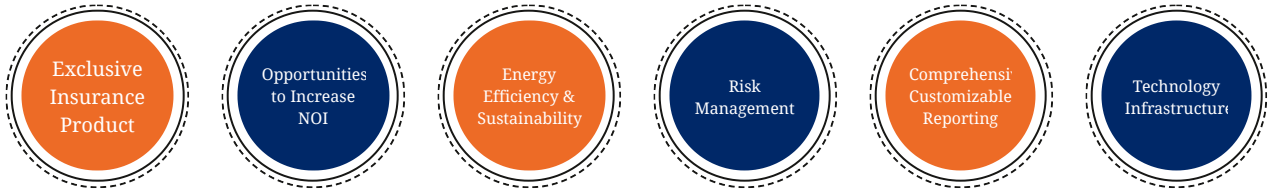


40,000,000+
SF of commercial properties under management

5,000+
Beds of student housing under management

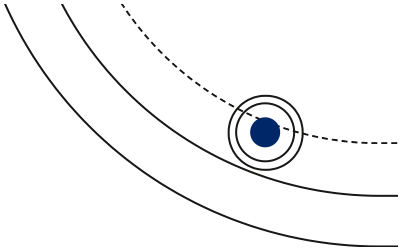
20,000+
Units of multifamily under management

10TH
Largest management firm in America

Global Reach. Local Expertise

Whether you own a single asset or multiple assets spread out across multiple markets in multiple states, we can help. Our network of over 2,000 Advisors and staff in 200 global offices spread across 500+ markets provide expertise in primary, secondary, and tertiary markets to manage, lease, and sell your asset.

SVN® property **management**



Exclusive insurance product

SVN® Property Management clients have access to our exclusive Master Insurance Program, which has provided significant savings to property owners on their premiums as well as more comprehensive coverage on their asset.

Opportunities to increase NOI

Property owners can increase NOI by leveraging national vendor relationships and our community of Advisors who assist with leasing.

Risk management

Our SVN® Property Management professionals put your asset first through the consistent monitoring and documenting of the condition and activity at your property, regardless of the type of lease on the property.

Comprehensive, customizable reporting

We provide our clients with comprehensive, customizable reports each month. Whether you are an individual property investor or an institutional investor with a portfolio, we report the timely information you need to make important decisions.

Technological infrastructure

At SVN® we pride ourselves on partnering with the best-in-class products and vendors to assist our Advisors and staff more efficiently.

Retail | **Office** | **Industrial** | **Multifamily** | **Self-Storage** | **Medical Office** | **SFR/BFR Portfolio**

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ADVISOR BIO

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Managing Director

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PROFESSIONAL BACKGROUND

First licensed in 2014 and then brokered in 2018, I am quickly approaching a decade of experience in real estate sales/leasing/management. In March of '22 I franchised my brokerage with SVN International in order to gain access to a wider community of CRE professionals and a greater pool of resources that are enhancing my opportunities for success and accelerating my growth. I love the time flexibility and financial freedom that this industry offers to its most determined practitioners, and I love how no two days in the business ever feel the same. My specialties include multifamily sales (seller rep), multifamily management, retail/office sales/leasing, and financial modelling. In the evenings after work I enjoy playing video games, and on windy weekends I drive to South Padre Island with my Blue Heeler for some kiteboarding.

EDUCATION

University of Texas at Austin - BBA in Finance

MEMBERSHIPS

NAR - National Association of Realtors®
TAR - Texas Association of Realtors®
BBOR - Brownsville Board of Realtors®

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