

# Springtime Apartments

**24**  
Units

**1984**  
YOC

**1,132**  
AVG SF

**92%**  
Occupancy

**\$1,000**  
AVG Asking Rent



## OFFERING MEMORANDUM

Springtime | 7303 Ave X | Lubbock, TX 79423

# CONTACTS

## INVESTMENT SALES

**Greg Brownd, CCIM | Listing Agent**  
(806) 777-4459  
gregbrownd@kwcommercial.com

**Grant Roehm, Realtor**  
(281) 520-5809  
grant.roehm@kwcommercial.com

**Ryan Franckhauser, Realtor**  
(214) 735-3750  
ryan.franckhauser@kwcommercial.com

**Jaxton Hoelting, Realtor**  
(806) 318-8799  
jaxtonhoelting@kwcommercial.com

## MARKETING

**Lisa Anderson**  
(806) 777-4682  
andersonlisa@kw.com

GoGettersMultifamily.com



# OFFER PROCESS

## OFFERING PROCEDURES

- Letter of Intent
- Resume and/or Business Letter Indicating Assets Owned
- Transaction References
- Banking References
- Source of Equity for Acquisition

## PROPERTY TOURS

Prospective investors are encouraged to visit the subject property prior to submitting an offer. Please DO NOT contact the on-site management or staff without prior approval. All property showings are by appointment only. Please contact us for more details.

## SALES CONDITIONS

Interested prospective investors should be aware that the owner of the property is selling the property in as-is, where-is condition with all faults, if any, and without representations or warranties of any kind of nature, expressed or implied, written or oral.

## COMMUNICATIONS

All communications, inquiries and requests, including property tours, should be addressed to the listing agent.



# CONTENTS

EXECUTIVE SUMMARY	4
PROPERTY OVERVIEW	5
ADDITIONAL PHOTOS	6
VALUE ADD PROPOSITION	8
AFFORDABILITY AND LOAN INFORMATION	9
LOCATION OVERVIEW	10
EDUCATION	12
HEALTHCARE	13
CULTURE & ATTRACTIONS	14
CITY DEMOGRAPHICS	15
TOP EMPLOYERS	16
AREA DEMOGRAPHICS	17
RETAIL MAP	18
RENT COMPARABLES	20
SUBJECT PROPERTY	21
ONE BEDROOM COMPARISON	22
THREE BEDROOM COMPARISON	23
HISTORIC & PROFORMA FINANCIALS	29
UNDERWRITING NOTES	30
OWNER FINANCIALS	31
CASH FLOWS	32
MEDIA	34



# EXECUTIVE SUMMARY



## Property

Springtime is a 24 unit, mid 80s construction property that has an even mix of one and three bedroom units. It's brick construction and the roofs have recently been replaced. The one bedroom units include stackable washers/dryers and the three bedroom units have connections for them. The top three things that the new buyer could do to improve the NOI is to start charging for washers/dryers, stop providing free cable, and start billing back for the water/sewer/trash bill - like the other properties in the area. This is a desirable property, especially since it offers 3 BR townhome style units that aren't very common in the market.

## Location

Springtime is located in Lubbock, TX one block south of Loop 289 and a block east of University. Lubbock has a population of apx. 270,000 and is the "Hub City" of the South Plains region. The area economy is driven by Texas Tech University, the hospitals which serve the region, and agriculture. Several large employers are located within a 5-10 drive from the property. There are plenty of retailers nearby and the residents here have multiple dining options within walking distance.

## Highlights

- Assumable financing available**
- Convenient location with easy access to loop and South Lubbock**
- Good unit mix with one and three bedroom units**
- Easy low capital investment value add opportunities**

## Performance Metrics

Projected 5 Year Average Cash on Cash Return	8.4%
Projected 5 Year Levered IRR	15.9%
Projected Value Add IRR	20.6%
Projected Value Add	\$611,000

## ADDRESS

7303 Avenue X  
Lubbock, Texas, 79423

## STYLE

Townhome

## # OF UNITS

24

## NRA

26,412 SF

## YOC

1984

## AVG UNIT SIZE

1,132 SF

## AVERAGE RENT/UNIT

\$1,000

## OCCUPANCY

92%

## SCHOOLS

Atkins Middle  
Monterey High School  
Texas Tech, Lubbock Christian,  
South Plains, Wayland



# PROPERTY OVERVIEW

Property Name	Springtime
Address	7303 Avenue X
Market	Lubbock
No. Of Units	24
Year Built	1984
Average Unit Size	1,032
Net Rentable Area	24,768
# of Buildings	6
# of Stories	2

TAX INFORMATION	Lubbock CAD
Parcel ID	R124414
Current Assessed Value (2023)	\$1,225,611
Improvement Allocation	95%
Tax Rate	2.02%
Land Area	1.3 Acres
Density	19 Units per Acre

## UTILITIES

Electricity	Paid by Tenant
Water and Sewer	Paid by Owner
Trash	Paid by Owner
Gas	None
Telephone	Paid by Tenant
Cable	Paid by Owner
Internet	Paid by Owner

## CONSTRUCTION

Foundation	Concrete Slab
Framing	Wood
Exterior	Brick & siding
Roof	Pitched composition
HVAC	Individual HVAC
Electricity	Individually Metered
Type of Wiring	Assumed copper
Hot Water	Individual electric
Fire Protection	Smoke Detectors

## FEES AND DEPOSITS

Application Fee	\$35
Administrative Fee	NA
Security Deposit	\$600
Non-Refundable Pet Fee	NA
Refundable Pet Deposit	\$600
Monthly Pet Rent	\$10/pet
Month-to-Month Lease Fee	NA

## PARKING

Covered Parking	None
Garages	None

## LAUNDRY

Laundry Room	None
Washer/Dryer Connections	1BR have WD, 3BR have connections
Contracted Company	None
Contract Term Remaining	NA

## PERSONNEL

Management Company	Meridian Property Management
Leasing Office	Off-site
Maintenance	Off-site

## APARTMENT FEATURES

Approximately 60-65% of the units have updated vinyl plank or tile flooring
Fenced patios
Washer/Dryer connections

## RECENT CAPITAL IMPROVEMENTS

Replaced roof in 2020
-----------------------

## SCHOOLS

Elementary	Roy W Roberts Elementary School
Junior High	Atkins Middle
High School	Monterey High School
Colleges and Universities	Texas Tech, Lubbock Christian, South Plains, Wayland



# ADDITIONAL PHOTOS







# VALUE ADD PROPOSITION

## Get Rent Premiums on Upgraded Units

Increase rents \$50/unit/mo by investing \$3,500 per unit for upgrades including: vinyl plank flooring, two-tone paint, countertop finishes, and cabinet hardware.

## Add Covered Parking

Invest around \$1500/parking space and build covered parking for a \$25/mo premium/unit.

## Rent Washers and Dryers to Tenants

Get an additional \$50/mo/unit by providing washer and dryers to tenants.

## Value Add Potential

Improvement	Units Available for Upgrade	Initial Investment		Monthly Additional Potential Cash Flow		Additional Capitalized Value	ROI
		Per Unit	Total	Per Unit	Total		
Rent Premium on upgraded unit	24	\$3,500	\$84,000	\$50	\$1,200	\$244,068	17%
Covered Parking	24	\$1,500	\$36,000	\$25	\$600	\$122,034	20%
Rent Washer/Dryers to tenant	24	\$800	\$19,200	\$50	\$1,200	\$244,068	75%
<b>Total Value Add Potential</b>		<b>\$5,800</b>	<b>\$139,200</b>	<b>\$125</b>	<b>\$3,000</b>	<b>\$610,169</b>	<b>26%</b>

## Cap Rate

5.9%

## Breakeven in Months

46

	Investment	Year 1	Year 2	Year 3	Year 4	Year 5
Projected Cash Flow without Value Add	-\$1,001,478	\$55,740	\$67,423	\$72,695	\$78,169	\$83,851
Additional Cash Flow with Value Add	-\$139,200	\$0	\$36,000	\$36,000	\$36,000	\$36,000
Projected Cash on Cash Return		5.6%	6.7%	7.3%	7.8%	8.4%
Cash on Cash Return with Value Add		4.9%	9.1%	9.5%	10.0%	10.5%
Projected Sales Proceeds		\$1,320,933	\$1,391,254	\$1,464,094	\$1,539,553	\$1,617,737
Sales Proceeds with Value Add		\$1,320,933	\$1,964,814	\$2,037,653	\$2,113,113	\$2,191,297
<b>Projected IRR</b>						<b>15.9%</b>
<b>Projected IRR w/ Value Add</b>						<b>20.6%</b>



# AFFORDABILITY AND LOAN INFORMATION

Current Loan	
Type	Freddie SBL
Lender	Lument
LTV	51%
Balance	\$950,505
Interest Rate	5.22%
Years of IO	NA
Amortization	30 yrs
Monthly P&I Payment	\$5,570
Maturity Date	5/1/39
Loan Reprice Date	5/1/29, 3.25% over 6mo Libor
Prepayment Penalty	YM until 2030
Assumption Fee	1% + \$2,500 processing fee and legal fees

Affordability			
	1 mile	3 mile	5 mile
Median Home Value	\$ 164,412	\$ 187,610	\$ 241,376
5 Yr Population Growth	0.03%	0.30%	0.26%
Median Annual Household Income	\$ 53,174	\$ 60,853	\$ 57,864
Median Monthly Household Income	\$ 4,431	\$ 5,071	\$ 4,822
Affordability Factor	30%	30%	30%
Maximum Affordable Rent	\$ 1,329	\$ 1,521	\$ 1,447
Rent at Property	\$ 1,000	\$ 1,000	\$ 1,000
Rent Gap	\$ 329	\$ 521	\$ 447

# LOCATION OVERVIEW

Located on the South Plains of West Texas, Lubbock has long been known as the “Hub City.” The nickname is related to Lubbock’s accessible location on the crossroads of Interstate 27 and four major U.S. highways. Lubbock is in the central time zone and is equal distance to both coasts, allowing for ease of U.S. distribution. Within the city, you will find a well-planned transportation network with an average commute time of 16 minutes.



At 318,679 people (MSA), Lubbock is the 11th largest city in Texas, the 2nd largest west of Interstate 35. With a median age of 31, the city’s residents are youthful and hardworking. Featuring a regional population base of more than 645,647 people, Lubbock’s size affords businesses access to dedicated community leaders and personalized service.



## Plant Agricultural Systems Comes to Lubbock, Texas

The plant will be constructed in two phases. Phase 1 construction will be completed in late 2024, and operational in early 2025. Phase 2 is slated to be completed by early 2026. This investment will result in \$10.6 billion over the next ten years for the state of Texas.

## The Lubbock Economic Development Alliance Announces the Addition of Over 500 Jobs and More Than \$66M into the Lubbock Community

The Lubbock Economic Development Alliance (LEDA) announced the expansion of Tropicale Foods, adding 500 new jobs and \$66.8 million of capital investment into the Lubbock community during a press conference.

Source: Lubbock Economic Development Alliance

## X-FAB Texas Announces Expansion in Lubbock, TX

The Lubbock Economic Development Alliance (LEDA) announced the expansion of X-FAB Texas, a global leader in the manufacturing of analog and mixed-signal semiconductor solutions, with major investments over the next 5 years. Phase one amounts to \$200 million and is expected to create up to 250 additional jobs. Further investment projects will follow based on market demands.

## Leprino Foods Breaks Ground on World-Class Manufacturing Facility

Leprino Foods Company, a world leader in the production of premium-quality cheese and dairy ingredients, breaks ground on its new 850,000 square foot state-of-the-art manufacturing facility located in East Lubbock.

# EDUCATION

With four universities and one of the state's strongest community colleges, there is a continual flow of eager and well-trained individuals entering the workforce. The labor force in Lubbock is distributed over a wide variety of industries and contains a diverse set of skills and knowledge.



Texas Tech University, a Tier One Carnegie Designated University, is home to more than 37,010 undergraduate and graduate students. New private and industry partnerships are offering unparalleled research opportunities in a variety of areas including sustainable energy, wind power, crop science and food safety. Texas Tech is world-renowned for its Wind Science and Engineering Research Center and currently offers the only Ph.D. program in Wind Science and Engineering in the U.S. As Texas Tech moves toward its goal of becoming the state's next national research university, the opportunities for students, faculty and research partners are endless. The Whitacre College of Engineering received two multi-million dollar donations from major oil & gas companies. The university was also awarded a National Research University Designation resulting in an additional \$8 to \$10 million in research funding annually. The university is home to an award-winning chapter of Phi Beta Kappa, a national academic honorary society. From the arts to engineering, and the humanities to the physical sciences, Texas Tech offers 150 undergraduate majors, 100 Master's Degrees and 50 Doctoral programs in 13 colleges and hosts 60 research centers and institutes.



# HEALTHCARE

Lubbock is home to Covenant Health, the region's largest health system, offering the most comprehensive health care services available between Dallas and Phoenix. Lubbock's health care hub serves a population of more than 1.2 million people. It is important to note that the health care sector is a vital component of the Lubbock economy. It employs more than 17,000 people, whose payroll (\$543.3 million) and related contributions produce a \$735.6 million impact to the Lubbock area. Furthermore, Texas Tech University Health Sciences Center (TTUHSC) is consistently ranked in the top 120 medical programs in the country and houses the TTUHSC School of Medicine, TTUHSC School of Nursing and TTUHSC School of Allied Health.



Covenant Health is the largest health care institution in the region with 1,326 licensed beds, more than 5,000 employees and a medical staff of more than 600 physicians at its cornerstone facilities. Other system hospitals are Covenant Hospital Levelland and Covenant Hospital Plainview, along with 12 other affiliated hospitals across the region.



UMC is the primary teaching hospital for the Texas Tech University Health Sciences Center. Through the partnership with Texas Tech, the health system produces groundbreaking research and innovative technology, including a number of nationally-recognized clinical trials in breast and prostate cancer.



# CULTURE & ATTRACTIONS

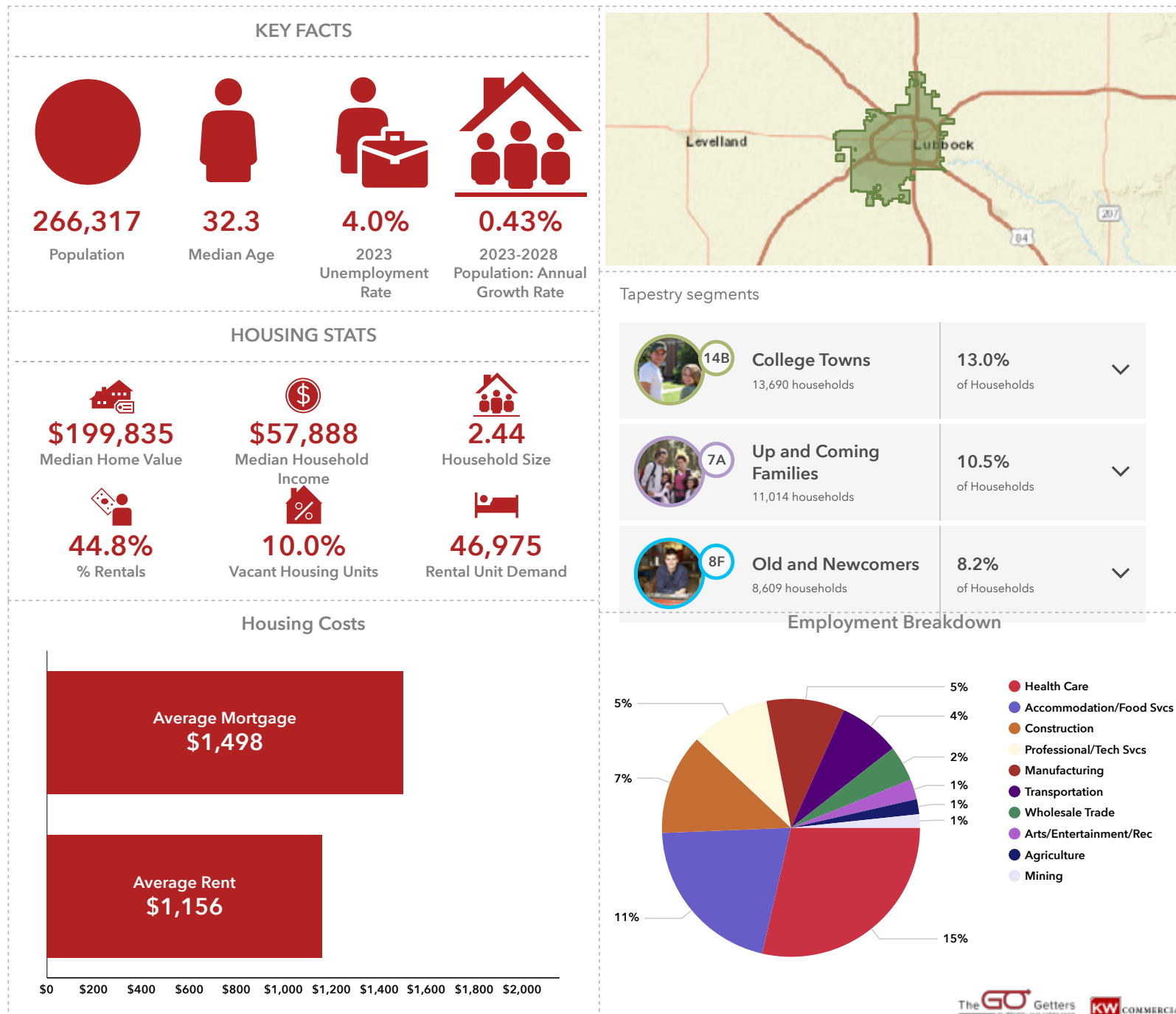
The “Hub City” has long been recognized as a birthplace for original music, producing greats like Buddy Holly & The Crickets, Waylon Jennings, Mac Davis, Roy Orbison, Tanya Tucker and Natalie Maines of the Dixie Chicks. Today, Lubbock continues to launch some of the best musical talent and is home to a diverse music scene ranging from Classical and Country & Western to Bluegrass, Tejano and Rock ‘n’ Roll.

Lubbock’s vibrant art scene includes festivals, shows, performances and exhibitions throughout the year. From art galleries to music to dance, Lubbock’s art culture is thriving. In addition, the Lubbock area hosts numerous special events each year, including the National Cowboy Symposium & Celebration, Lubbock Arts Festival and Lubbock Music Fest.

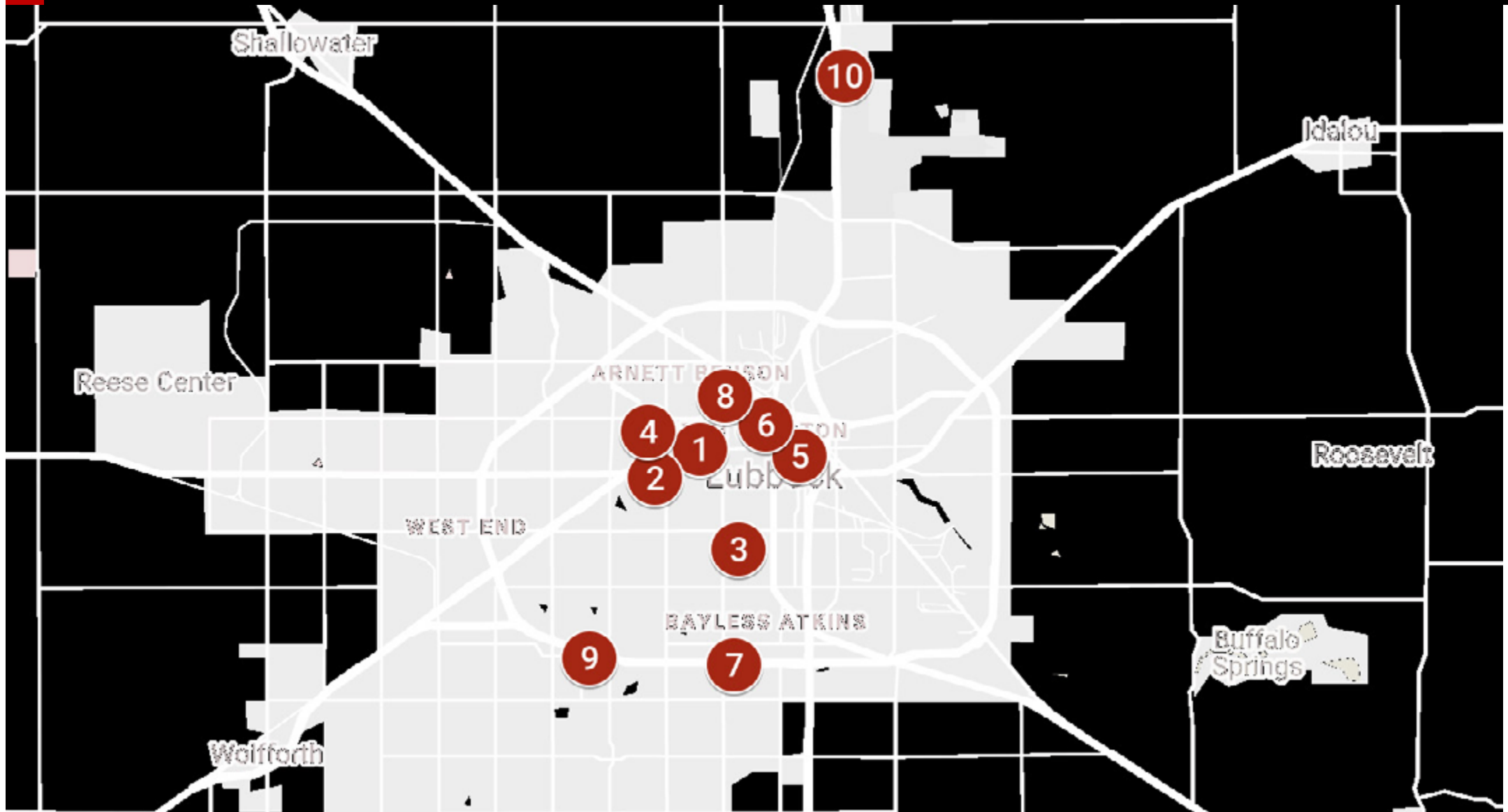




# CITY DEMOGRAPHICS



# TOP EMPLOYERS



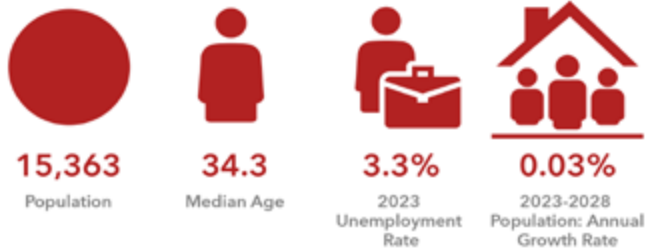
Employer	Employees	Industry	Employer	Employees	Industry
1 Texas Tech	9,250	Education	6 Walmart	1,240	Retail
2 Covenant	5,404	Medical	7 McDonald's	930	Restaurant
3 Lubbock Independent School District	3,815	Education	8 Sonic Drive-In	805	Restaurant
4 University Medical Center	3,200	Medical	9 Daybreak Community Services	768	Medical
5 City of Lubbock	2,355	Government	10 Tyco Fire Products-Lubbock	661	Supplier

\*Source: Site to do Business

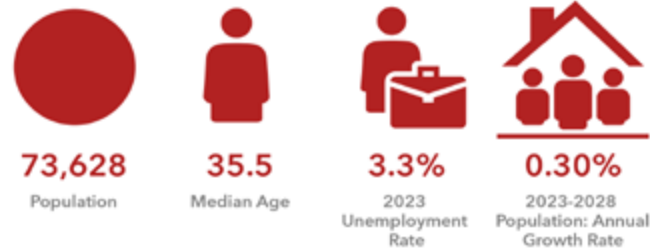


# AREA DEMOGRAPHICS

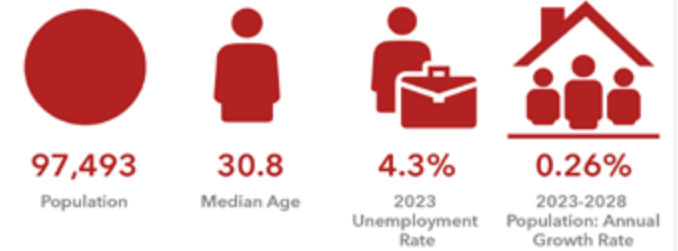
## 1 Mile



## 3 Miles



## 5 Miles



### HOUSING STATS



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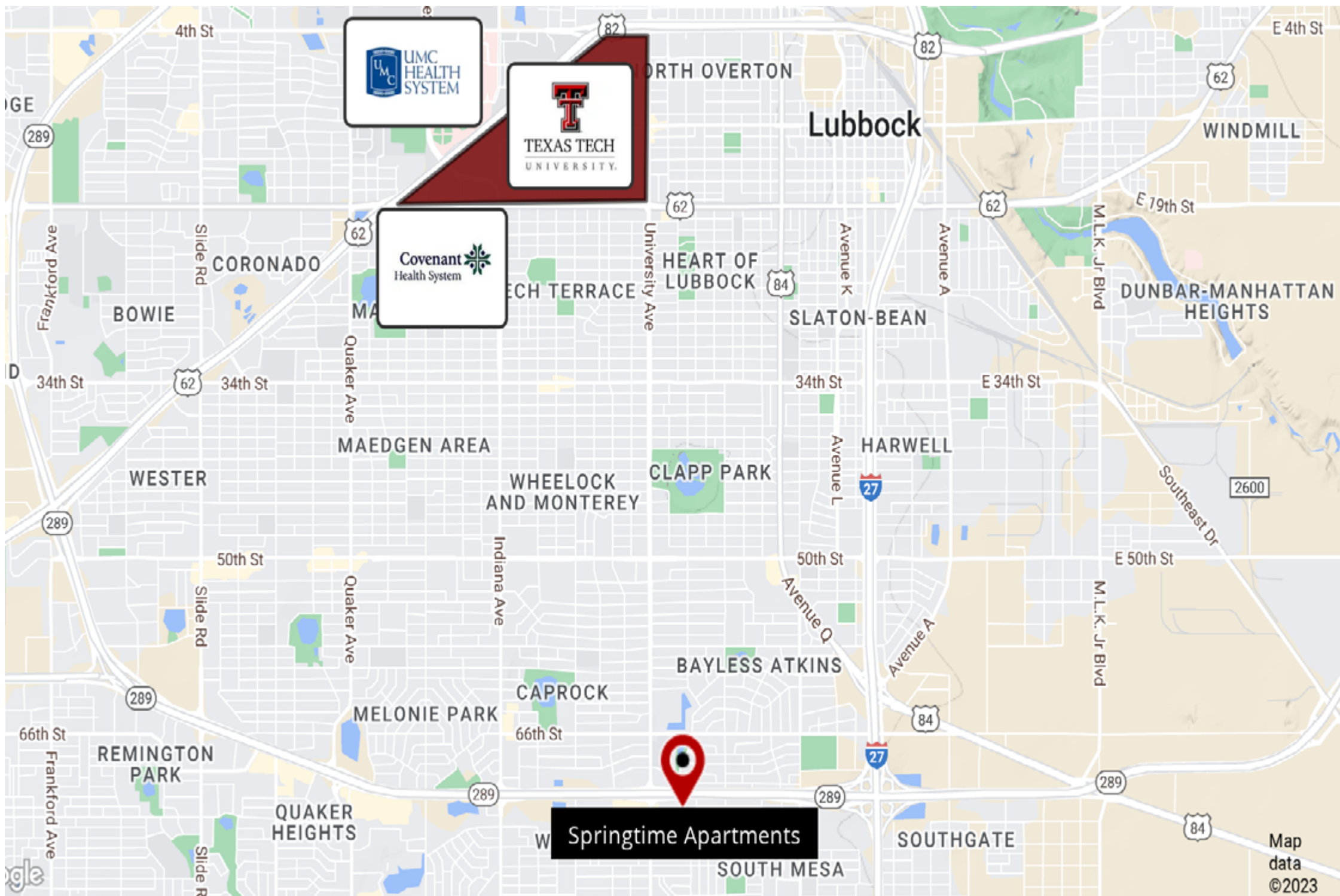




# RETAIL MAP









# RENT COMPARABLES

Property	Year Built	Units	Avg. SF	Avg. Rent	Avg. Rent / SF	Utilities
The Pavillion	1980	52	693	\$842	\$1.22	Tenants Pay Electric   RUBS for Water, Sewer & Gas
Amberwood	1997	24	950	\$850	\$0.89	Tenants Pay Electric   RUBS for Water, Sewer & Gas
Ventura Flats	1975	43	650	\$715	\$1.10	Tenants Pay Electric   RUBS for Water, Sewer & Gas
Sedona Townhomes	1972	16	1336	\$947	\$0.71	Tenants Pay Electric   RUBS for Water, Sewer & Trash
Courtyard Villas	1978	30	772	\$893	\$1.16	Tenants Pay Electric   RUBS for Water, Sewer & Gas
<b>Averages</b>	<b>1980</b>	<b>33</b>	<b>796</b>	<b>\$830</b>	<b>\$1.04</b>	
Subject Property	1984	24	1032	\$1,000	\$0.97	Tenants pay electric   Owner pays water/sewer/trash, cable





# SUBJECT PROPERTY

Springtime  
7303 Avenue X

Property Overview	
Units	24
Occupancy	92%
Year Built	1984
Utilities	Tenants pay electric   Owner pays water/sewer/trash, cable

Unit Type	No. of Units	Avg. SF	Asking Rent	Rent/SF
1 Bed / 1 Bath	12	686	\$750	\$1.09
3 Bed / 2 Bath	12	1378	\$1,250	\$0.91
<b>Totals / Avg.</b>	<b>24</b>	<b>1032</b>	<b>\$1,000</b>	<b>\$0.97</b>

<b>GPR</b>	<b>\$288,000</b>
<b>GPR / Month</b>	<b>\$24,000</b>

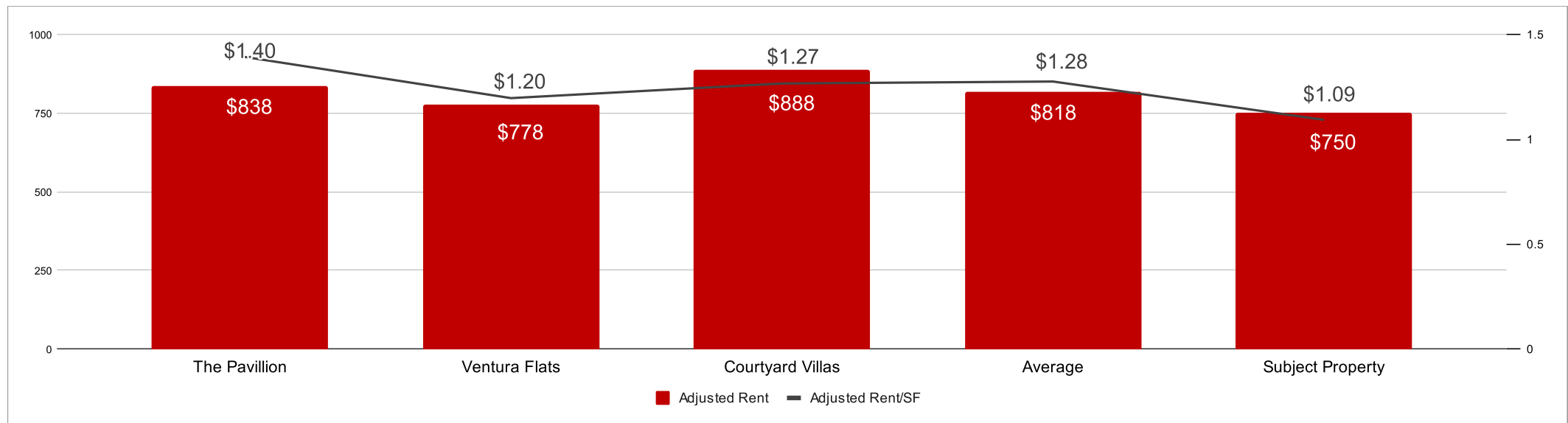


# ONE BEDROOM COMPARISON

One Bedroom Comparison								Pro Forma Projections		
Property	Unit Type	# of Units	SF	Rent	Rent / SF	Adjusted Rent	Adjusted Rent/SF	New Rent	Rent / SF	% Increase
The Pavillion	1 Bed / 1 Bath	32	600	\$775	\$1.29	\$838	\$1.40	\$818	\$1.19	9%
Ventura Flats	1 Bed / 1 Bath	43	650	\$715	\$1.10	\$778	\$1.20			
Courtyard Villas	1 Bed / 1 Bath	16	701	\$825	\$1.18	\$888	\$1.27			
Average		30	641	\$755	\$1.18	\$818	\$1.28			
Subject Property	1 Bed / 1 Bath	12	686	\$750	\$1.09					

\* Water, Sewer, and Trash \$63 adjustment has been made to match the subject property.

\* Utility allowances are based on average HUD Allowances for Lubbock.



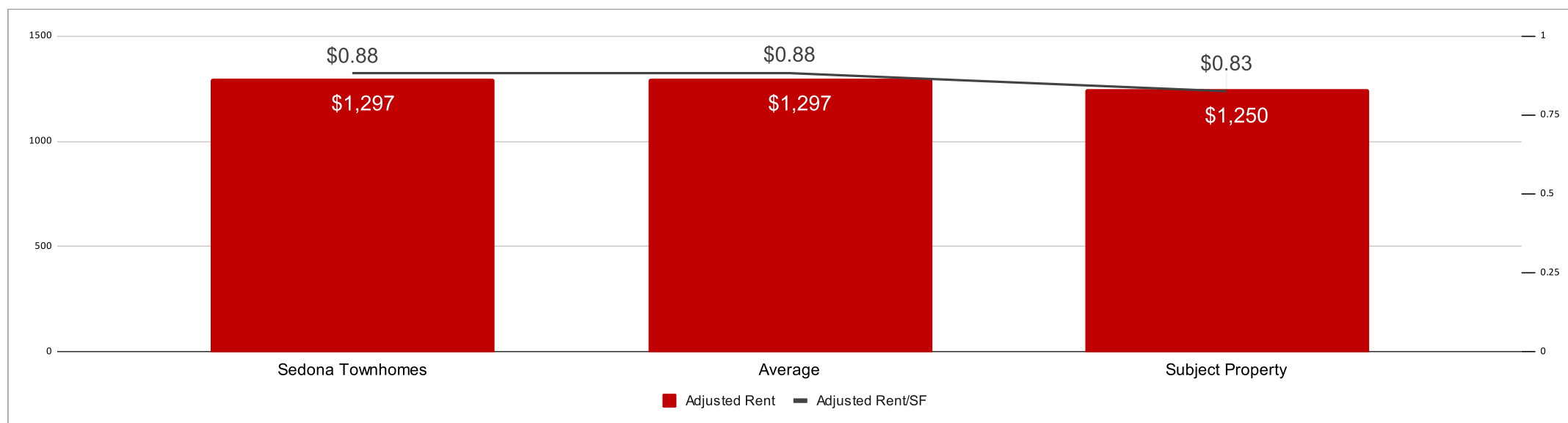


# THREE BEDROOM COMPARISON

Three Bedroom Comparison									Pro Forma Projections		
Property	Unit Type	# of Units	SF	Rent	Rent / SF	Adjusted Rent	Adjusted Rent/SF		New Rent	Rent / SF	% Increase
Sedona Townhomes	3 Bed / 2.5 Bath	7	1470	\$1,200	\$0.82	\$1,297	\$0.88		\$1,297	\$0.86	4%
Average		7	1470	\$1,200	\$0.82	\$1,297	\$0.88				
Subject Property	3 Bed / 2 Bath	12	1515	\$1,250	\$0.83						

\* Water, Sewer, and Trash \$97 adjustment has been made to match the subject property.

\* Utility allowances are based on average HUD Allowances for Lubbock.



# Amberwood

2401 73rd Street Lubbock, TX 79423

Property Overview	
Units	24
Year Built	1997
Utilities	Tenants Pay Electric   RUBS for Water, Sewer & Gas

Unit Type	No. of Units	Avg. SF	Asking Rent	Rent/SF
2 Bed / 2 Bath	24	950	\$850	\$0.89
<b>Totals / Avg.</b>	<b>24</b>	<b>950</b>	<b>\$850</b>	<b>\$0.89</b>





# Ventura Flats

2415-2421 Quinton Ave, Lubbock, TX 79410

Property Overview	
Units	43
Year Built	1975
Utilities	Tenants Pay Electric   RUBS for Water, Sewer & Gas

Unit Type	No. of Units	Avg. SF	Asking Rent	Rent/SF
1 Bed / 1 Bath	43	650	\$715	\$1.10
Totals / Avg.	43	650	\$715	\$1.10





# The Pavillion

2602 82nd St Lubbock, TX 79423

Property Overview	
Units	52
Year Built	1980
Utilities	Tenants Pay Electric   RUBS for Water, Sewer & Gas

Unit Type	No. of Units	Avg. SF	Asking Rent	Rent/SF
1 Bed / 1 Bath	32	600	\$775	\$1.29
2 Bed / 1 Bath	20	841	\$950	\$1.13
<b>Totals / Avg.</b>	<b>52</b>	<b>693</b>	<b>\$842</b>	<b>\$1.22</b>





# Sedona Townhomes

5302 Kenosha Ave Lubbock, TX 79413

Property Overview	
Units	16
Year Built	1972
Utilities	Tenants Pay Electric   RUBS for Water, Sewer & Trash

Unit Type	No. of Units	Avg. SF	Asking Rent	Rent/SF
2 Bed / 1.5 Bath	9	1231	\$750	\$0.61
3 Bed / 2.5 Bath	7	1470	\$1,200	\$0.82
<b>Totals / Avg.</b>	<b>16</b>	<b>1336</b>	<b>\$947</b>	<b>\$0.71</b>



# Courtyard Villas

4619 66th Street Lubbock, TX 79414

Property Overview	
Units	30
Year Built	1978
Utilities	Tenants Pay Electric   RUBS for Water, Sewer & Gas

Unit Type	No. of Units	Avg. SF	Asking Rent	Rent/SF
1 Bed / 1 Bath	16	701	\$825	\$1.18
2 Bed / 2 Bath	14	853	\$970	\$1.14
<b>Totals / Avg.</b>	<b>30</b>	<b>772</b>	<b>\$893</b>	<b>\$1.16</b>





# HISTORIC & PROFORMA FINANCIALS

	Dec T12	Dec T6	Dec T3	Stabilized		Month: Dec	Key Ratios			
							T12	T6	T3	Proforma
<b>Rental Income</b>										
Gross Potential Rents	\$ 288,000	\$ 288,000	\$ 288,000	\$ 288,000						
Vacancy	\$ (55,352)	\$ (48,686)	\$ (45,527)	\$ (23,040)	8.0%					
Loss to Lease	\$ -	\$ -	\$ -	\$ (5,760)	2.0%					
Concessions	\$ -	\$ -	\$ -	\$ (2,880)	1.0%					
Bad Debt / Delinquency	\$ -	\$ -	\$ -	\$ (2,880)	1.0%					
<b>Net Rental Income</b>	<b>\$ 232,648</b>	<b>\$ 239,314</b>	<b>\$ 242,473</b>	<b>\$ 253,440</b>						
Utility Reimbursement	\$ -	\$ -	\$ -	\$ 11,965	75.0%	<b>Economic Occupancy</b>	81%	83%	84%	88%
App Fees	\$ -	\$ -	\$ -	\$ 420	\$35	start allocating water bill				
Admin Fees	\$ -	\$ -	\$ -	\$ 2,400	\$200	per unit * 50% turnover				
Late Fees	\$ 440	\$ 1,537	\$ 3,600	\$ 440	T12	per unit * 50% turnover				
Pet Fees	\$ 1,680	\$ 1,740	\$ 1,440	\$ 1,680	T12					
Misc. Other Income	\$ 1,415	\$ 1,000	\$ (500)	\$ 1,415	T12					
<b>Total Other Income</b>	<b>\$ 3,535</b>	<b>\$ 4,277</b>	<b>\$ 4,540</b>	<b>\$ 18,320</b>		<b>Other Income</b>	1%	1%	2%	6%
<b>Gross Operating Income</b>	<b>\$ 236,183</b>	<b>\$ 243,591</b>	<b>\$ 247,013</b>	<b>\$ 271,760</b>		<b>Gross Income</b>	82%	85%	86%	94%
<b>Operating Expenses</b>										
Admin	\$ 578	\$ 813	\$ 724	\$ 2,400	\$100	per unit				
Advertising	\$ -	\$ -	\$ -	\$ 1,200	\$50	per unit				
Repairs & Maintenance	\$ 19,337	\$ 10,674	\$ 5,034	\$ 16,800	\$700	per unit				
Management Fee	\$ 23,364	\$ 24,025	\$ 24,545	\$ 21,741	8%					
Property Taxes	\$ 23,532	\$ 23,532	\$ 23,532	\$ 28,028	75%	sales price * tax rate				
Insurance	\$ 26,528	\$ 26,528	\$ 26,528	\$ 19,200	\$800	per unit				
Landscaping	\$ 5,720	\$ 7,107	\$ 8,414	\$ 1,200	\$100	per month				
Turnover	\$ 29,093	\$ 22,495	\$ 24,005	\$ 29,093	T12					
Cable & Internet	\$ 9,682	\$ 9,877	\$ 9,957	\$ -		stop paying tenant's cable/internet				
Electric - Vacant	\$ 695	\$ 1,391	\$ 661	\$ 716	T12 + 3%					
Water, Sewer, and Trash	\$ 15,488	\$ 17,246	\$ 18,739	\$ 15,953	T12 + 3%					
Replacement Reserves	\$ -	\$ -	\$ -	\$ 6,000	\$250	per unit				
<b>Total Operating Expenses</b>	<b>\$ 154,018</b>	<b>\$ 143,688</b>	<b>\$ 142,139</b>	<b>\$ 142,330</b>		<b>Expenses</b>	53%	50%	49%	49%
<b>Net Operating Income (NOI)</b>	<b>\$ 82,165</b>	<b>\$ 99,902</b>	<b>\$ 104,874</b>	<b>\$ 129,430</b>		<b>NOI</b>	29%	35%	36%	45%

# UNDERWRITING NOTES

## **Current / Actual**

### **Income**

Vacancy on owner financials includes loss to lease, bad debt, and concessions.

### **Expenses**

All Property Tax and Insurance figures are based on T12, not annualized T6 and T3

## **Stabilized**

### **Income**

Market Rent - Pro Forma Rents grown at 3.5% annually

Vacancy/Credit Loss - 8.0% of Gross Potential Income

Loss to Lease - 2.0% of Gross Potential Income

Concessions - 1.0% of Gross Potential Income

Bad Debt & Delinquency - 1.0% of Gross Potential Income

Other Income - Increased by 3.5% annually

**Utility Reimbursement - start billing back for the water bill**

### **Expenses**

All Expenses grown by 2.0% annually

Used T12 expenses except:

Admin - Adjusted to \$100/unit/yr

Advertising - Adjusted to \$50/unit/yr

Maintenance & Repairs- Adjusted to \$700/unit/yr

Management Fee (8.0%)

Insurance - Adjusted to \$800/unit/yr

Real Estate Taxes - Adjusted to 75% of expected sales price times current tax rate of 2.02%

**Cable & Internet - stop paying cable bill for residents**

Replacement Reserves - \$250 per Unit



# OWNER FINANCIALS

Dec T3 Rent /						
Income	T12 Other	% of GPR	Per Unit	Stabilized	% of GPR	Per Unit
<b>Gross Potential Rents</b>	<b>\$288,000</b>	<b>100.0%</b>	<b>\$12,000</b>	<b>\$288,000</b>	<b>100.0%</b>	<b>\$12,000</b>
Vacancy	-\$45,527	-15.8%	-\$1,897	-\$23,040	-8.0%	-\$960
Loss to Lease	\$0	0.0%	\$0	-\$5,760	-2.0%	-\$240
Concessions	\$0	0.0%	\$0	-\$2,880	-1.0%	-\$120
Bad Debt / Delinquency	\$0	0.0%	\$0	-\$2,880	-1.0%	-\$120
<b>Net Rental Income</b>	<b>\$242,473</b>	<b>84.2%</b>	<b>\$10,103</b>	<b>\$253,440</b>	<b>88.0%</b>	<b>\$10,560</b>
App Fees	\$0	0.0%	\$0	\$420	0.1%	\$18
Admin Fees	\$0	0.0%	\$0	\$2,400	0.8%	\$100
Late Fees	\$440	0.2%	\$18	\$440	0.2%	\$18
Pet Fees	\$1,680	0.6%	\$70	\$1,680	0.6%	\$70
Misc. Other Income	\$1,415	0.5%	\$59	\$1,415	0.5%	\$59
<b>Total Other Income</b>	<b>\$3,535</b>	<b>1.2%</b>	<b>\$147</b>	<b>\$18,320</b>	<b>6.4%</b>	<b>\$763</b>
<b>Total Operating Income</b>	<b>\$246,008</b>	<b>85.4%</b>	<b>\$10,250</b>	<b>\$271,760</b>	<b>94.4%</b>	<b>\$11,323</b>
Expenses	Dec T12	% of GPR	Per Unit	Stabilized	% of GPR	Per Unit
Admin	\$578	0.2%	\$24	\$2,400	0.8%	\$100
Advertising	\$0	0.0%	\$0	\$1,200	0.4%	\$50
Repairs & Maintenance	\$19,337	6.7%	\$806	\$16,800	5.8%	\$700
Management Fee	\$23,364	8.1%	\$974	\$21,741	7.5%	\$906
Property Taxes	\$23,532	8.2%	\$980	\$28,028	9.7%	\$1,168
Insurance	\$26,528	9.2%	\$1,105	\$19,200	6.7%	\$800
Landscaping	\$5,720	2.0%	\$238	\$1,200	0.4%	\$50
Turnover	\$29,093	10.1%	\$1,212	\$29,093	10.1%	\$1,212
Cable & Internet	\$9,682	3.4%	\$403	\$0	0.0%	\$0
Electric - Vacant	\$695	0.2%	\$29	\$716	0.2%	\$30
Water, Sewer, and Trash	\$15,488	5.4%	\$645	\$15,953	5.5%	\$665
Replacement Reserves	\$0	0.0%	\$0	\$6,000	2.1%	\$250
<b>Total Expenses</b>	<b>\$154,018</b>	<b>53.5%</b>	<b>\$6,417</b>	<b>\$142,330</b>	<b>49.4%</b>	<b>\$5,930</b>
<b>Net Operating Income</b>	<b>\$91,990</b>	<b>31.9%</b>	<b>\$3,833</b>	<b>\$129,430</b>	<b>44.9%</b>	<b>\$5,393</b>

# CASH FLOWS

Income	Dec T3 Rent / T12 Other	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
Gross Potential Rents	\$ 288,000	\$ 288,000	\$ 298,080	\$ 308,513	\$ 319,311	\$ 330,487	\$ 342,054
Vacancy	\$ (45,527)	\$ (23,040)	\$ (23,846)	\$ (24,681)	\$ (25,545)	\$ (26,439)	\$ (27,364)
Loss to Lease	\$ -	\$ (5,760)	\$ (5,962)	\$ (6,170)	\$ (6,386)	\$ (6,610)	\$ (6,841)
Concessions	\$ -	\$ (2,880)	\$ (2,981)	\$ (3,085)	\$ (3,193)	\$ (3,305)	\$ (3,421)
Bad Debt / Delinquency	\$ -	\$ (2,880)	\$ (2,981)	\$ (3,085)	\$ (3,193)	\$ (3,305)	\$ (3,421)
<b>Net Rental Income</b>	<b>\$ 242,473</b>	<b>\$ 253,440</b>	<b>\$ 262,310</b>	<b>\$ 271,491</b>	<b>\$ 280,993</b>	<b>\$ 290,828</b>	<b>\$ 301,007</b>
Utility Reimbursement	\$ -	\$ 4,786	\$ 12,324	\$ 12,693	\$ 13,074	\$ 13,466	\$ 13,870
App Fees	\$ -	\$ 420	\$ 435	\$ 450	\$ 466	\$ 482	\$ 499
Admin Fees	\$ -	\$ 2,400	\$ 2,484	\$ 2,571	\$ 2,661	\$ 2,754	\$ 2,850
Late Fees	\$ 440	\$ 440	\$ 455	\$ 471	\$ 488	\$ 505	\$ 523
Pet Fees	\$ 1,680	\$ 1,680	\$ 1,739	\$ 1,800	\$ 1,863	\$ 1,928	\$ 1,995
Misc. Other Income	\$ 1,415	\$ 1,415	\$ 1,465	\$ 1,516	\$ 1,569	\$ 1,624	\$ 1,681
<b>Total Other Income</b>	<b>\$ 3,535</b>	<b>\$ 11,141</b>	<b>\$ 18,901</b>	<b>\$ 19,501</b>	<b>\$ 20,120</b>	<b>\$ 20,759</b>	<b>\$ 21,418</b>
<b>Total Operating Income</b>	<b>\$ 246,008</b>	<b>\$ 264,581</b>	<b>\$ 281,212</b>	<b>\$ 290,992</b>	<b>\$ 301,114</b>	<b>\$ 311,587</b>	<b>\$ 322,425</b>
Expenses	Dec T12						
Admin	\$ 578	\$ 2,400	\$ 2,472	\$ 2,546	\$ 2,623	\$ 2,701	\$ 2,782
Advertising	\$ -	\$ 1,200	\$ 1,236	\$ 1,273	\$ 1,311	\$ 1,351	\$ 1,391
Repairs & Maintenance	\$ 19,337	\$ 16,800	\$ 17,304	\$ 17,823	\$ 18,358	\$ 18,909	\$ 19,476
Management Fee	\$ 23,364	\$ 21,166	\$ 22,497	\$ 23,279	\$ 24,089	\$ 24,927	\$ 25,794
Property Taxes	\$ 23,532	\$ 28,028	\$ 28,868	\$ 29,734	\$ 30,626	\$ 31,545	\$ 32,492
Insurance	\$ 26,528	\$ 19,200	\$ 19,776	\$ 20,369	\$ 20,980	\$ 21,610	\$ 22,258
Landscaping	\$ 5,720	\$ 1,200	\$ 1,236	\$ 1,273	\$ 1,311	\$ 1,351	\$ 1,391
Turnover	\$ 29,093	\$ 29,093	\$ 29,965	\$ 30,864	\$ 31,790	\$ 32,744	\$ 33,726
Cable & Internet	\$ 9,682	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Electric - Vacant	\$ 695	\$ 716	\$ 738	\$ 760	\$ 783	\$ 806	\$ 830
Water, Sewer, and Trash	\$ 15,488	\$ 15,953	\$ 16,432	\$ 16,925	\$ 17,432	\$ 17,955	\$ 18,494
Replacement Reserves	\$ -	\$ 6,000	\$ 6,180	\$ 6,365	\$ 6,556	\$ 6,753	\$ 6,956
<b>Total Expenses</b>	<b>\$ 154,018</b>	<b>\$ 141,756</b>	<b>\$ 146,704</b>	<b>\$ 151,213</b>	<b>\$ 155,860</b>	<b>\$ 160,651</b>	<b>\$ 165,590</b>
<b>Net Operating Income</b>	<b>\$ 91,990</b>	<b>\$ 122,825</b>	<b>\$ 134,507</b>	<b>\$ 139,780</b>	<b>\$ 145,253</b>	<b>\$ 150,936</b>	<b>\$ 156,835</b>



	Current	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
Net Operating Income	\$ 91,990	\$ 122,825	\$ 134,507	\$ 139,780	\$ 145,253	\$ 150,936	\$ 156,835

#### Cash Flows

Annual Debt Service	\$ 67,084	\$ 67,084	\$ 67,084	\$ 67,084	\$ 67,084	\$ 67,084	\$ 67,084
Cash Flow	\$ 55,740	\$ 67,423	\$ 72,695	\$ 78,169	\$ 83,851	\$ 89,751	\$ 89,751

#### Debt Paydown

Loan Paydown	\$ 17,892	\$ 18,849	\$ 19,857	\$ 20,918	\$ 22,037	\$ 23,215	\$ 23,215
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#### Sales Analysis

Projected Sales Price	\$ 2,308,850	\$ 2,363,607	\$ 2,419,972	\$ 2,477,995	\$ 2,537,726	\$ 2,599,219	\$ 2,599,219
Cost of Sale	\$ 138,531	\$ 141,816	\$ 145,198	\$ 148,680	\$ 152,264	\$ 155,953	\$ 155,953
Loan Balance	\$ 932,613	\$ 913,764	\$ 893,907	\$ 872,989	\$ 850,952	\$ 827,738	\$ 827,738
Refunded Reserves and Prepaids	\$ 83,228	\$ 83,228	\$ 83,228	\$ 83,228	\$ 83,228	\$ 83,228	\$ 83,228
Sales Proceeds	\$ 1,320,933	\$ 1,391,254	\$ 1,464,094	\$ 1,539,553	\$ 1,617,737	\$ 1,698,755	\$ 1,698,755

#### Return Metrics

DSCR	1.37	1.83	2.01	2.08	2.17	2.25	2.34
Cap Rate / Yield on Cost	5.0%	6.6%	7.3%	7.6%	7.9%	8.2%	8.5%
Total Return		7.4%	8.6%	9.2%	9.9%	10.6%	11.3%
Equity Multiple		1.4	1.5	1.7	1.8	2.0	2.1
Cash on Cash Return		5.6%	6.7%	7.3%	7.8%	8.4%	9.0%
Average Cash on Cash Return		5.6%	6.1%	6.5%	6.8%	7.1%	7.4%
Levered IRR		37.5%	23.5%	19.2%	17.1%	15.9%	15.1%

#### Assumptions:

Rental and Other Income Growth	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%
Utility Reimbursement %	30.0%	75.0%	75.0%	75.0%	75.0%	75.0%	75.0%
Vacancy	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%
Loss to Lease	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Concessions	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%
Bad Debt	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%
Expense Growth	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Property Tax Assessment %	75.0%	75.0%	75.0%	75.0%	75.0%	75.0%	75.0%
Exit Cap Rate	5.5%	5.6%	5.7%	5.8%	5.9%	6.0%	6.0%
Cost of Sale	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%

\*Projected Sales Price based on following year's tax adjusted NOI

\* This proforma is based on multiple assumptions and is not a guarantee of future performance. Actual results may vary.



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## INVESTMENT SALES

**Greg Brownd, CCIM | Listing Agent**

(806) 777-4459

gregbrownd@kwcommercial.com

**Grant Roehm, Realtor**

(281) 520-5809

grant.roehm@kwcommercial.com

**Ryan Franckhauser, Realtor**

(214) 735-3750

ryan.franckhauser@kwcommercial.com

**Jaxton Hoelting, Realtor**

(806) 318-8799

jaxtonhoelting@kwcommercial.com

## MARKETING

**Lisa Anderson**

(806) 777-4682

andersonlisa@kw.com

