

JEFFERSON APARTMENTS

925 N 26th St, Waco, TX 76707

Multifamily
Investment Opportunity

Offering Memorandum



MATTHEWS™

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PROPERTY OVERVIEW

Jefferson Apartments
925 N 26th St, Waco, TX 76707



EXECUTIVE SUMMARY

925 N 26th St

Waco, TX 76707

20

Total Units

±680

Avg SF

±13,600

Total Rentable SF



INVESTMENT HIGHLIGHTS

Value-Add Potential

Current in-place rents are below market rates, providing a clear value-add opportunity for investors. By aligning rents with the market during lease renewals, investors can realize substantial Net Operating Income (NOI) growth.

Additional NOI upside can be achieved through targeted cosmetic improvements to unit interiors, further enhancing the asset's competitive position in the market.

Economic Base and Market Dynamics

Waco's multifamily market benefits from a diversified and expanding economic foundation, supported by several key drivers:

- Baylor University contributes to consistent demand for rental housing due to its stable enrollment figures.
- An expanding healthcare corridor enhances local employment opportunities, reinforcing economic growth.
- The city's tourism industry has witnessed significant growth over the past decade, further increasing rental demand across various property vintages.

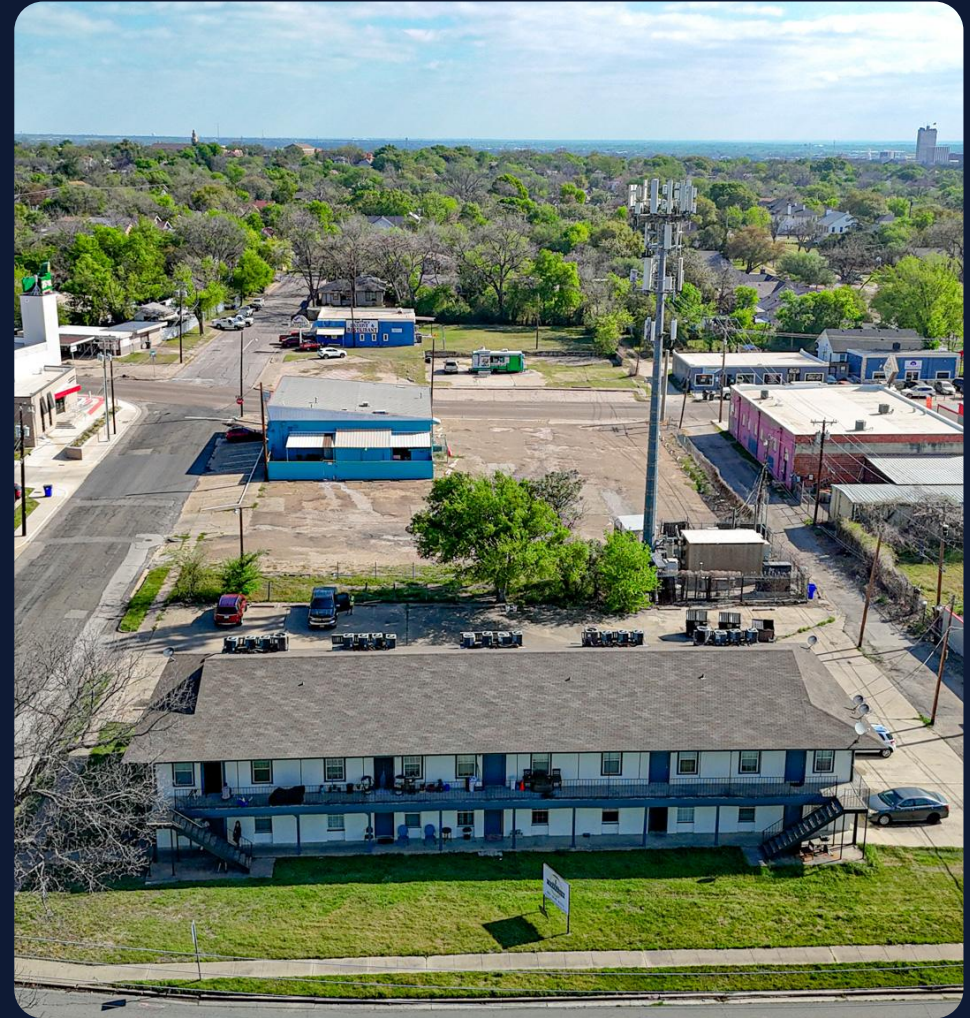
Location Advantages

Waco's strategic position along the I-35 corridor places it between Austin and Dallas, two of the fastest-growing metropolitan areas in the United States. This location offers several key advantages:

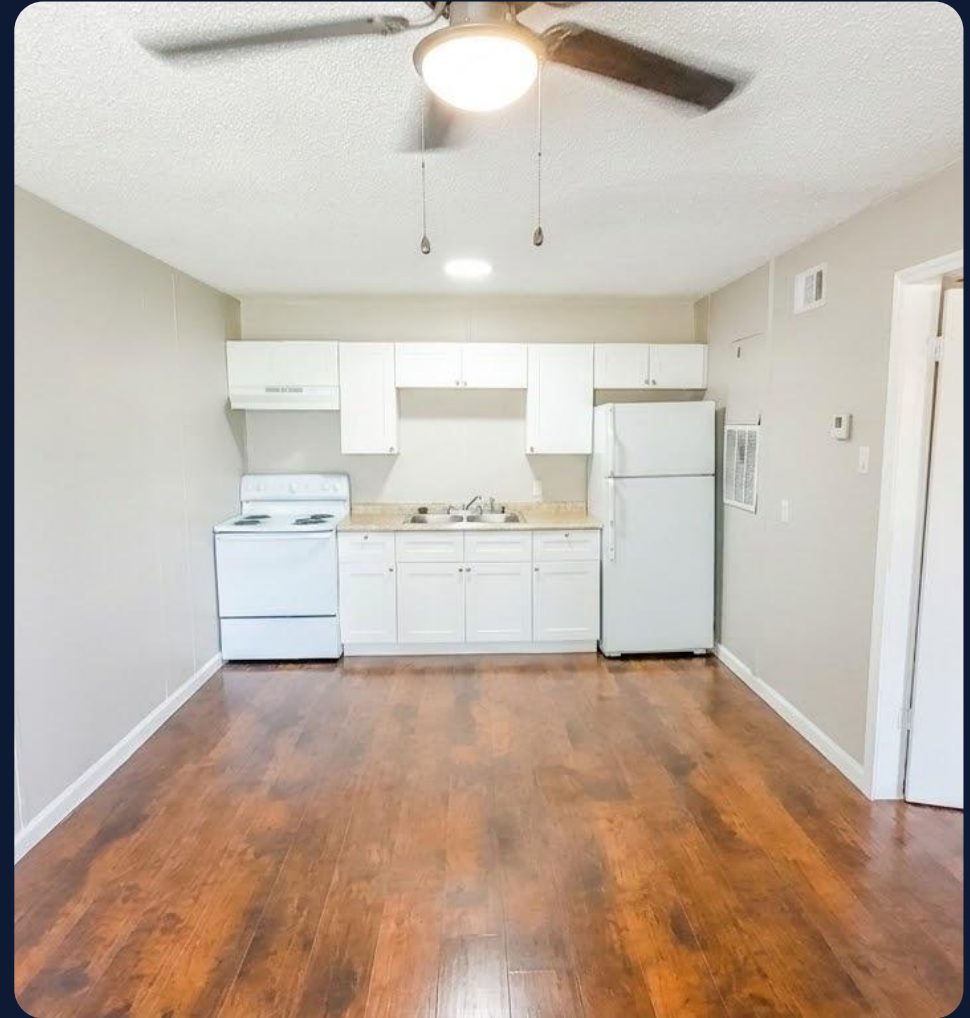
- The city benefits from population spillover as residents seek more affordable living options compared to the larger, pricier metros.
- Economic activity from both Austin and Dallas extends into Waco, creating a robust environment for business and employment growth.



PROPERTY PHOTOS



INTERIOR PHOTOS



FINANCIAL OVERVIEW

Jefferson Apartments
925 N 26th St, Waco, TX 76707



FINANCIAL SUMMARY

\$1,000,000

List Price

\$50,000

Price Per Unit

\$73.53

Price Per SF

7.47

GRM

Unit Mix

Total Units	Unit Mix	Unit Mix %	Avg. SF	Current Avg. Rent PSF	Current Avg. Rent	Market Avg. Rent	Market Rent PSF	Current Max Rent	Total Current Monthly Rent	Market Monthly Rent
20	1+1	100%	680	\$0.93	\$630	\$719	\$1.06	\$800	\$12,594	\$14,375
Total			13,600		\$12,594	\$14,375			\$151,128	\$172,500

Annual Operating Summary

		T-12	Per Unit	Year 1 Adjusted	Per Unit	Year 3 Stabilized	Per Unit
Gross Potential Rent	Pro Forma Estimates	\$133,805		\$172,500	Market Rent	\$183,005	21% Upside
Less Vacancy	-5.0%	\$0	0.00%	-\$8,625	-5.0%	-\$9,150	-5.0%
Loss/Gain to Lease	Actual	\$0	0.00%	-\$21,372	-12.4%	-\$22,674	-12.4%
Less Concessions	-0.50%	\$0	0.00%	-\$863	-0.5%	-\$915	-0.5%
Less Change in Delinquency	-0.50%	\$0	0.00%	-\$863	-0.5%	-\$915	-0.5%
Other Income	2.00%	\$132	\$7	\$135	\$7	\$140	\$7
Gross Operating Income		\$133,937		\$140,913		\$149,492	
Expenses		\$92,556	69.1%	\$72,054	48.18%	\$75,817	47.79%
Net Operating Income		\$41,381	\$2,069	\$68,859	\$3,443	\$73,675	\$3,684
Loan Payments		\$45,519		\$45,519		\$45,519	
Pre-Tax Cash Flow		-\$4,138	-1.2%	\$23,341	6.67%	\$28,156	8.04%
Plus Principal Reduction		\$8,362		\$8,362		\$8,362	
Total Return Before Taxes		\$4,224	1.21%	\$31,702	9.06%	\$36,518	10.43%

Pro Forma Annual Operating Expenses

	Pro Forma Estimates	% of Current SGI	T-12	Per Unit	Year 1 Adjusted	Per Unit	Year 3 Stabilized	Per Unit	% of SGI
Real Estate Taxes	1.87%	10.00%	\$13,383	\$669	\$12,777	\$639	\$13,424	\$671	7.3%
Property Management Fee	8.0% GOI	7.85%	\$10,502	\$525	\$11,273	\$564	\$11,959	\$598	6.5%
Insurance	\$500 Per Unit	6.87%	\$9,197	\$460	\$10,000	\$500	\$10,506	\$525	5.7%
Payroll	\$0 Per Unit	0.34%	\$448	\$22	\$0	\$0	\$0	\$0	0.0%
General and Administrative	\$150 Per Unit	2.64%	\$3,532	\$177	\$3,000	\$150	\$3,152	\$158	1.7%
Contract Services	\$100 Per Unit	1.18%	\$1,578	\$79	\$2,000	\$100	\$2,101	\$105	1.1%
Landscaping/Grounds	\$150 Per Unit	0.00%	\$0	\$0	\$3,000	\$150	\$3,152	\$158	1.7%
Turnover	\$500 Per Unit	13.66%	\$18,273	\$914	\$10,000	\$500	\$10,506	\$525	5.7%
Repairs & Maintenance	\$500 Per Unit	13.98%	\$18,701	\$935	\$10,000	\$500	\$10,506	\$525	5.7%
Electricity	2% Over Actual	1.09%	\$1,454	\$73	\$1,483	\$74	\$1,558	\$78	0.9%
Water/Sewer	2% Over Actual	10.72%	\$14,343	\$717	\$14,630	\$732	\$15,371	\$769	8.4%
Gas	2% Over ctual	0.86%	\$1,145	\$57	\$1,168	\$58	\$1,227	\$61	0.7%
Marketing/Advertising	\$25 Per Unit	0.00%	\$0	\$0	\$500	\$25	\$525	\$26	0.3%
Reserves	\$250 Per Unit	0.00%	\$0	\$0	\$5,000	\$250	\$5,253	\$263	2.9%
Total Expenses		69.10%	\$92,556	\$4,628	\$84,331	\$4,217	\$88,716	\$4,436	48.5%
			Current	Per Unit	% of SGI				
Non-Controllable Expenses Taxes, Ins., Reserves			\$22,580	\$1,129	13.1%				
Total Expense without Taxes & Reserves			\$79,174	\$3,959	45.90%				

Financing Inquiries

For financing options reach out to:

Mark Johnson
+1 (806) 543-7505
mark.johnson@matthews.com

RENT ROLL

Unit Mix	Unit #	# of Units	SF	Current Rent	Current Rent/SF	Market Rent	Market Rent/SF	Loss to Lease
1+1	1	1	680	\$750	\$1.10	\$750	\$1.10	\$0
1+1	2	1	680	\$675	\$0.99	\$725	\$1.07	-\$50
1+1	3	1	680	\$675	\$0.99	\$725	\$1.07	-\$50
1+1	4	1	680	\$800	\$1.18	\$800	\$1.18	\$0
1+1	5	1	680	\$220	\$0.32	\$600	\$0.88	-\$380
1+1	6	1	680	\$217	\$0.32	\$600	\$0.88	-\$383
1+1	7	1	680	\$650	\$0.96	\$750	\$1.10	-\$100
1+1	8	1	680	\$650	\$0.96	\$725	\$1.07	-\$75
1+1	9	1	680	\$237	\$0.35	\$600	\$0.88	-\$363
1+1	10	1	680	\$750	\$1.10	\$750	\$1.10	\$0
1+1	11	1	680	\$675	\$0.99	\$725	\$1.07	-\$50
1+1	12	1	680	\$675	\$0.99	\$725	\$1.07	-\$50
1+1	13	1	680	\$695	\$1.02	\$725	\$1.07	-\$30
1+1	14	1	680	\$675	\$0.99	\$725	\$1.07	-\$50
1+1	15	1	680	\$650	\$0.96	\$725	\$1.07	-\$75
1+1	16	1	680	\$800	\$1.18	\$800	\$1.18	\$0
1+1	17	1	680	\$700	\$1.03	\$725	\$1.07	-\$25
1+1	18	1	680	\$675	\$0.99	\$725	\$1.07	-\$50
1+1	19	1	680	\$750	\$1.10	\$750	\$1.10	\$0
1+1	20	1	680	\$675	\$0.99	\$725	\$1.07	-\$50
Totals		20	13,600	\$12,594	\$18.52	\$14,375	\$1.06	-\$1,781
Averages			680	\$630	\$0.93	\$719	\$1.06	-\$89

MARKET OVERVIEW

Jefferson Apartments
925 N 26th St, Waco, TX 76707



WACO, TEXAS

WACO, TX

Waco sits at the heart of Central Texas and continues to demonstrate steady population growth and economic diversification. As of recent estimates, the city's population is approximately 146,600 residents, representing about a 4.6% increase since 2020 and continued annual growth trends. The median age in the city is relatively young at around 29–32 years, reflecting a balanced age mix with a strong presence of working-age adults and families.

Accessibility is a core strength of the market. Waco lies on Interstate 35, a major north-south corridor linking Dallas–Fort Worth and Austin–San Antonio, which enhances regional connectivity for residents, workers, and distribution logistics. Average commute times are relatively short, generally under 20–22 minutes, supporting labor mobility throughout the metro.

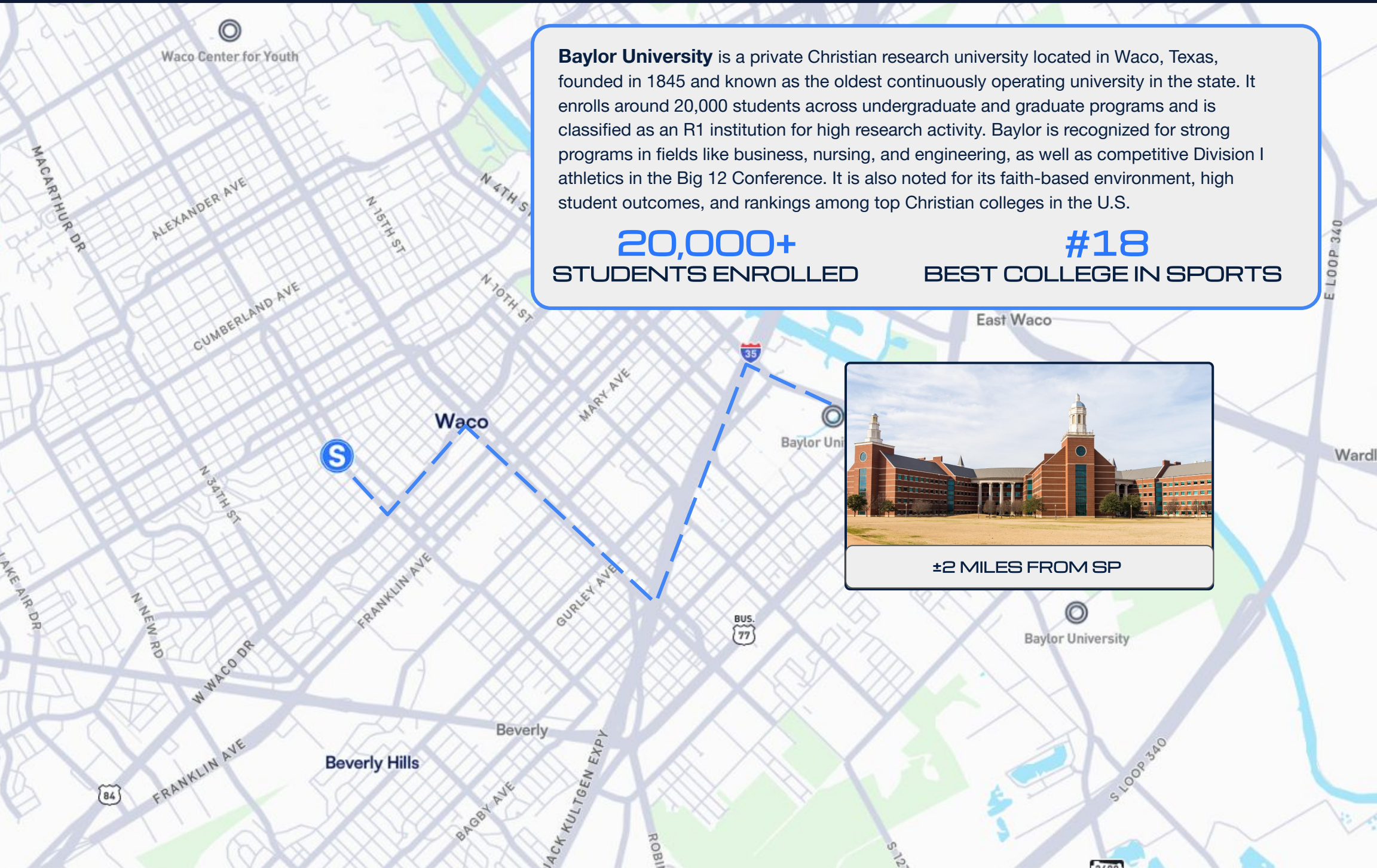
144,232
POPULATION

\$54,540
AVG HOUSEHOLD
INCOME

32
MEDIAN AGE



REGIONAL MAP



Baylor University is a private Christian research university located in Waco, Texas, founded in 1845 and known as the oldest continuously operating university in the state. It enrolls around 20,000 students across undergraduate and graduate programs and is classified as an R1 institution for high research activity. Baylor is recognized for strong programs in fields like business, nursing, and engineering, as well as competitive Division I athletics in the Big 12 Conference. It is also noted for its faith-based environment, high student outcomes, and rankings among top Christian colleges in the U.S.

20,000+
STUDENTS ENROLLED

#18
BEST COLLEGE IN SPORTS



±2 MILES FROM SP

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This Offering Memorandum contains select information pertaining to the business and affairs of the property owner and its tenant for real property located at 925 N 26TH ST, WACO, TX 76707 ("Property"). The Offering Memorandum may not be all-inclusive or contain all of the information a prospective purchaser may desire. The information contained in this Offering Memorandum is confidential and furnished solely for the purpose of a review by a prospective purchaser of the Property. It is not to be used for any other purpose or made available to any other person without the written consent of Seller or Matthews™. The material and information in the Offering Memorandum is unverified. Matthews™. has not made any investigation, and makes no warranty or representation, with respect to square footage, income and expenses, the future financial performance of the property, future rent, and real estate value market conditions, the condition or financial prospects of any tenant, or the tenants' plans or intentions to continue to occupy space at the property. All prospective purchasers should conduct their own thorough due diligence investigation of each of these areas with the assistance of their accounting, construction, and legal professionals, and seek expert opinions regarding volatile market conditions given the unpredictable changes resulting from the continuing COVID-19 pandemic. The information is based in part upon information supplied by the Owner and in part upon financial information obtained from sources the Owner deems reliable. Neither owner, nor their officers, employees, or real estate agents make any representation or warranty, express or implied, as to the accuracy or completeness of this Offering Memorandum, or any of its content, and no legal liability is assumed or shall be implied with respect thereto. Prospective purchasers should make their own projections and form their own conclusions without reliance upon the material contained herein.

By acknowledging your receipt of this Offering Memorandum for the Property, you agree:

1. The Offering Memorandum and its contents are confidential;
2. You will hold it and treat it in the strictest of confidence; and
3. You will not, directly or indirectly, disclose or permit anyone else to disclose this Offering Memorandum or its contents in any fashion or manner.

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Owner and Matthews™. expressly reserve the right, at their sole discretion, to reject any and all expressions of interest or offers to purchase the Property and to terminate discussions with any person or entity reviewing this Offering Memorandum or making an offer to purchase the Property unless and until a written agreement for the purchase and sale of the Property has been fully executed and delivered.

If you wish not to pursue negotiations leading to the acquisition of the Property or in the future you discontinue such negotiations, then you agree to purge all materials relating to this Property including this Offering Memorandum.

A prospective purchaser's sole and exclusive rights with respect to this prospective transaction, the Property, or information provided herein or in connection with the sale of the Property shall be limited to those expressly provided in an executed Purchase Agreement and shall be subject to the terms thereof. In no event shall a prospective purchaser have any other claims against Owner or Matthews™. or any of their affiliates or any of their respective officers, directors, shareholders, owners, employees, or agents for any damages, liability, or causes of action relating to this solicitation process or the marketing or sale of the Property.

This Offering Memorandum shall not be deemed to represent the state of affairs of the Property or constitute an indication that there has been no change in the state of affairs of the Property since the date of this Offering Memorandum.

Net Lease Disclaimer – There are many different types of leases, including gross, net, single net ("N"), double net ("NN"), and triple net ("NNN") leases. The distinctions between different types of leases or within the same type of leases, such as "Bondable NNN," "Absolute NNN," "True NNN," or other NNN leases, are not always clear. Labels given to different leases may mean different things to different people and are not defined legal terms. Buyers cannot rely on the labels or marketing descriptions given to any lease when making their purchasing decisions. Buyers must closely review all lease terms and are advised to seek legal counsel to determine the landlord and tenant's respective rights and duties under the lease to ensure the lease, regardless of how labeled or described, meets the buyers' particular needs.



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:
 - o that the owner will accept a price less than the written asking price;
 - o that the buyer/tenant will pay a price greater than the price submitted in a written offer; and
 - o 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.

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Buyer/Tenant/Seller/Landlord Initials

Date

APOLLO OM TEMPLATE SECTION

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Use the export to PDF feature and make sure that you've created a Box folder for that proposal in Atlas

[Multifamily OM Template](#)

Financial Summary

\$000,000
List Price

\$000,000
Price Per Unit

\$000,000
Price Per SF

0,000
Avg Unit Size (SF)

00.00%
Cap Rate

Unit Mix

Unit Mix	Unit Count	Unit SF	Total SF	Current Rent	Current \$/SF	Current Monthly Rent	Market Rent	Market \$/SF	Market Monthly Rent
Eff.	0	0	0	\$0	\$0.00	\$0.00	\$0	\$0.00	\$0
Studio	0	0	0	\$0	\$0.00	\$0.00	\$0	\$0.00	\$0
0	0	0	0	\$0	\$0.00	\$0.00	\$0	\$0.00	\$0
1+1.5	0	0	0	\$0	\$0.00	\$0.00	\$0	\$0.00	\$0
2+1	0	0	0	\$0	\$0.00	\$0.00	\$0	\$0.00	\$0
2+1.5	0	0	0	\$0	\$0.00	\$0.00	\$0	\$0.00	\$0
2+2	34	1,194	40,588	\$1,028	\$0.86	\$34,949.00	\$1,107	\$0.93	\$37,646
3+1	0	0	0	\$0	\$0.00	\$0.00	\$0	\$0.00	\$0
3+1.5	0	0	0	\$0	\$0.00	\$0.00	\$0	\$0.00	\$0
3+2	70	1,185	82,916	\$1,177	\$0.99	\$82,408.00	\$1,268	\$1.07	\$88,728
3+2.5	0	0	0	\$0	\$0.00	\$0.00	\$0	\$0.00	\$0
3+3	0	0	0	\$0	\$0.00	\$0.00	\$0	\$0.00	\$0
4+2	0	0	0	\$0	\$0.00	\$0.00	\$0	\$0.00	\$0
4+2.5	0	0	0	\$0	\$0.00	\$0.00	\$0	\$0.00	\$0
4+3	0	0	0	\$0	\$0.00	\$0.00	\$0	\$0.00	\$0
4+3.5	0	0	0	\$0	\$0.00	\$0.00	\$0	\$0.00	\$0
4+4	0	0	0	\$0	\$0.00	\$0.00	\$0	\$0.00	\$0
Total/Average	104	1,188	123,504.00	\$1,128	\$0.95	\$117,357.00	\$2,374.80	\$1.02	\$126,374.85

Cash Flow

Operating Data	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11
Income											
Gross Potential Rent	\$1,516,498	\$1,561,993	\$1,608,853	\$1,657,119	\$1,706,832	\$1,758,037	\$1,810,778	\$1,865,101	\$1,921,055	\$1,978,686	\$2,038,047
Renovation Income	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Loss/Gain to Lease	(\$15,165)	(\$15,620)	(\$16,088)	(\$16,571)	(\$17,068)	(\$17,580)	(\$18,108)	(\$18,651)	(\$19,211)	(\$19,787)	(\$20,380)
Gross Potential Income	\$1,501,333	\$1,546,373	\$1,592,764	\$1,640,547	\$1,689,764	\$1,740,457	\$1,792,670	\$1,846,450	\$1,901,844	\$1,958,899	\$2,017,666
Less Vacancy	(\$75,283)	(\$77,319)	(\$79,638)	(\$82,027)	(\$84,488)	(\$87,023)	(\$89,634)	(\$92,323)	(\$95,092)	(\$97,945)	(\$100,883)
Less Concessions	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Less Change in Delinquency	(\$15,165)	(\$15,620)	(\$16,088)	(\$16,571)	(\$17,068)	(\$17,580)	(\$18,108)	(\$18,651)	(\$19,211)	(\$19,787)	(\$20,380)
Other Income	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Utility Reimbursement (Water/Trash/Other)	\$39,458	\$40,642	\$41,861	\$43,117	\$44,411	\$45,743	\$47,116	\$48,529	\$49,985	\$51,485	\$53,030
Effective Gross Income	\$1,410,343	\$1,452,654	\$1,496,233	\$1,541,120	\$1,587,354	\$1,634,974	\$1,684,024	\$1,734,544	\$1,786,581	\$1,840,178	\$1,895,383
Expenses											
Property Management Fee	\$54,614	\$58,106	\$59,849	\$61,645	\$63,494	\$65,399	\$67,361	\$69,382	\$71,463	\$73,607	\$75,815
Real Estate Taxes	\$124,001	\$130,201	\$136,711	\$143,546	\$150,724	\$158,260	\$166,173	\$174,482	\$183,206	\$192,366	\$201,984
Insurance	\$154,000	\$159,000	\$163,988	\$169,028	\$172,900	\$176,500	\$180,012	\$185,435	\$190,071	\$194,823	\$199,693
Payroll	\$106,000	\$106,000	\$109,265	\$111,997	\$114,797	\$117,669	\$120,612	\$123,628	\$126,719	\$129,886	\$133,133
General and Administrative	\$15,000	\$15,690	\$16,390	\$16,799	\$17,302	\$17,810	\$18,092	\$18,649	\$19,209	\$19,785	\$19,999
Landscaping/Grounds	\$10,000	\$10,460	\$10,927	\$11,100	\$11,347	\$11,598	\$11,854	\$12,115	\$12,381	\$12,652	\$12,928
Contract Services	\$7,800	\$7,995	\$8,198	\$8,406	\$8,620	\$8,838	\$9,062	\$9,291	\$9,526	\$9,766	\$10,013
Turnover	\$21,200	\$21,621	\$22,053	\$22,492	\$22,939	\$23,393	\$23,854	\$24,323	\$24,800	\$25,284	\$25,776
Repairs & Maintenance	\$28,700	\$29,395	\$30,103	\$30,755	\$31,503	\$32,262	\$33,031	\$33,812	\$34,602	\$35,404	\$36,216
Electricity	\$29,768	\$30,541	\$31,324	\$32,206	\$33,122	\$34,057	\$35,010	\$35,980	\$36,970	\$37,979	\$39,008
Water/Sewer	\$104,500	\$108,000	\$110,000	\$113,000	\$111,998	\$114,797	\$117,667	\$120,609	\$123,626	\$126,715	\$129,883
Trash Removal	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other Utilities/Fuel/Gas	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Marketing/Advertising	\$5,200	\$5,350	\$5,463	\$5,740	\$5,883	\$6,030	\$6,181	\$6,336	\$6,494	\$6,656	\$6,656
Reserves	\$36,400	\$37,492	\$38,617	\$39,776	\$40,969	\$42,198	\$43,463	\$44,765	\$46,104	\$47,481	\$48,895
Total Expenses	\$693,865	\$729,350	\$764,034	\$801,176	\$780,917	\$804,581	\$829,954	\$856,153	\$883,104	\$910,827	\$939,339
Net Operating Income	\$716,479	\$723,304	\$732,199	\$739,944	\$806,437	\$830,393	\$854,070	\$878,391	\$903,476	\$929,351	\$956,044
Debt Service	(\$425,120)	(\$425,120)	(\$425,120)	(\$425,120)	(\$425,120)	(\$425,120)	(\$425,120)	(\$425,120)	(\$425,120)	(\$425,120)	(\$425,120)
Interest Payments	(\$425,120)	(\$419,293)	(\$413,694)	(\$407,316)	(\$400,139)	(\$392,148)	(\$383,323)	(\$373,647)	(\$363,098)	(\$351,652)	(\$339,280)
Net Cash Flow After DS	\$291,359	\$298,184	\$307,079	\$314,824	\$381,317	\$405,273	\$428,950	\$453,271	\$478,356	\$504,231	\$530,924
Debt Coverage Ratio	1.40x	1.44x	1.48x	1.52x	1.67x	1.72x	1.77x	1.82x	1.87x	1.92x	1.97x

Financials (Historical)

Financials (Historical)	T-1	T-3	T-6	T-9	T-12
Gross Potential Rent	\$1,404,348	\$1,420,896	\$1,398,328	\$1,352,716	\$1,332,731
Gross Potential Rent	\$1,404,348	\$1,420,896	\$1,398,328	\$1,352,716	\$1,332,731
Financials (Historical)	T-1	T-3	T-6	T-9	T-12
Real Estate Taxes	\$115,819	\$115,819	\$115,819	\$115,819	\$115,819
Property Management Fee	\$0	\$0	\$0	\$0	\$0
Insurance	\$155,000	\$155,000	\$155,000	\$155,000	\$155,000
Payroll	\$76,800	\$76,800	\$76,800	\$76,800	\$76,800
General and Administrative	\$7,717	\$7,717	\$7,717	\$7,717	\$7,717
Contract Services	\$27,049	\$27,049	\$27,049	\$27,049	\$27,049
Landscaping/Grounds	\$7,200	\$7,200	\$7,200	\$7,200	\$7,200
Turnover	\$0	\$0	\$0	\$0	\$0
Repairs & Maintenance	\$23,233	\$23,233	\$23,233	\$23,233	\$23,233
Electricity	\$29,202	\$29,202	\$29,202	\$29,202	\$29,202
Water/Sewer	\$99,475	\$99,475	\$99,475	\$99,475	\$99,475
Total Expenses	\$541,494	\$541,494	\$541,494	\$541,494	\$541,494
Net Operating Income	\$862,854	\$879,402	\$856,834	\$811,222	\$791,237
Cap Rate	9.08%	9.26%	9.02%	8.54%	8.33%

Financial Summary

Annual Operating Summary

Category	Total	Per Unit	Proforma	Per Unit	Year 3 Stabilized	Per Unit
Gross Potential Rent	\$353,880		\$403,200	Market Rent	\$427,755	21%
Less Vacancy	-\$17,694	-5.00%	-\$20,160	-5.0%	-\$21,388	-5.0%
Loss/Gain to Lease	\$0	0.00%	-\$46,368	-11.5%	-\$12,833	-3.0%
Less Change in Delinquency	\$0	0.00%	-\$2,016	-0.5%	-\$2,139	-0.5%
Gross Operating Income	\$336,186		\$334,656		\$391,396	
Expenses	\$138,652	39.2%	\$144,549	40.74%	\$154,653	37.47%
Net Operating Income	\$197,534	\$6,173	\$190,107	\$5,941	\$236,743	\$7,398
Loan Payments	\$145,592		\$145,592		\$145,592	
Pre-Tax Cash Flow	\$51,942	6.2%	\$44,514	5.27%	\$91,150	10.79%
Plus Principal Reduction	\$23,090		\$23,090		\$23,090	
Total Return Before Taxes	\$75,032	8.88%	\$67,605	8.01%	\$114,241	13.53%

Financial Summary

Pro Forma Annual Operating Summary

Category	Pro Forma Estimates	% of Current SGI	Total	Per Unit	Pro Forma	Per Unit	Year 3 Stabilized	Per Unit	% of SGI
Real Estate Taxes	% of Purchase Price	8.55%	\$30,245	\$945	\$41,379	\$1,293	\$43,474	\$1,359	10.2%
Property Management Fee	7.0% × GOI	8.30%	\$29,368	\$918	\$23,426	\$732	\$27,398	\$856	6.4%
Insurance	\$700.00 Per Unit	6.40%	\$22,652	\$708	\$22,400	\$700	\$23,534	\$735	5.5%
Repairs & Maintenance	\$500.00 Per Unit	8.95%	\$31,683	\$990	\$16,000	\$500	\$16,810	\$525	3.9%
Turnover	\$200.00 Per Unit	0.00%	\$0	\$0	\$6,400	\$200	\$6,724	\$210	1.6%
Electricity	\$0.02 × Over Actual	0.56%	\$1,985	\$62	\$2,025	\$63	\$2,127	\$66	0.5%
Water and Sewer	\$0.02 × Over Actual	2.84%	\$10,056	\$314	\$10,257	\$321	\$10,776	\$337	2.5%
Trash Removal	\$0.02 × Over Actual	1.40%	\$4,963	\$155	\$5,062	\$158	\$5,319	\$166	1.2%
Contract Services	\$200.00 Per Unit	1.81%	\$6,420	\$201	\$6,400	\$200	\$6,724	\$210	1.6%
General Administration	\$150.00 Per Unit	0.36%	\$1,280	\$40	\$4,800	\$150	\$5,043	\$158	1.2%
Reserves	\$200.00 Per Unit	0.00%	\$0	\$0	\$6,400	\$200	\$6,724	\$210	1.6%
Total Expenses	41.24%		\$138,652	\$4,333	\$144,549	\$4,517	\$154,653	\$4,833	36.2%
			Current	Per Unit	% of SGI				
Non-controllable expenses: Taxes, Ins., Reserves			\$62,953	\$1,967	15.6%				
Total Expense without Taxes & Reserves			\$108,407	\$3,388	26.89%				

Rent Roll

Unit Mix	Unit #	# of Units	Rent Assumptions				
			SF	Current Rent	Current Rent/SF	Market Rent	Market Rent/SF
2+1.5	1	1	800	\$975	\$1.22	\$1,050	\$1.31
2+1.5	2	1	800	\$900	\$1.13	\$1,050	\$1.31
2+1.5	3	1	800	\$900	\$1.13	\$1,050	\$1.31
2+1.5	4	1	800	\$825	\$1.03	\$1,050	\$1.31
2+1.5	5	1	800	\$900	\$1.13	\$1,050	\$1.31
2+1.5	6	1	800	\$900	\$1.13	\$1,050	\$1.31
2+1.5	7	1	800	\$1,050	\$1.31	\$1,050	\$1.31
2+1.5	8	1	800	\$975	\$1.22	\$1,050	\$1.31
2+1.5	9	1	800	\$1,050	\$1.31	\$1,050	\$1.31
2+1.5	10	1	800	\$975	\$1.22	\$1,050	\$1.31
2+1.5	11	1	800	\$950	\$1.19	\$1,050	\$1.31
2+1.5	12	1	800	\$975	\$1.22	\$1,050	\$1.31
2+1.5	13	1	800	\$875	\$1.09	\$1,050	\$1.31
2+1.5	14	1	800	\$940	\$1.18	\$1,050	\$1.31
2+1.5	15	1	800	\$975	\$1.22	\$1,050	\$1.31
2+1.5	21	1	800	\$975	\$1.22	\$1,050	\$1.31
2+1.5	22	1	800	\$900	\$1.13	\$1,050	\$1.31
2+1.5	23	1	800	\$975	\$1.22	\$1,050	\$1.31
2+1.5	24	1	800	\$900	\$1.13	\$1,050	\$1.31
2+1.5	25	1	800	\$950	\$1.19	\$1,050	\$1.31
2+1.5	26	1	800	\$900	\$1.13	\$1,050	\$1.31
2+1.5	27	1	800	\$900	\$1.13	\$1,050	\$1.31
2+1.5	28	1	800	\$1,050	\$1.31	\$1,050	\$1.31
2+1.5	29	1	800	\$875	\$1.09	\$1,050	\$1.31
2+1.5	30	1	800	\$925	\$1.16	\$1,050	\$1.31
2+1.5	31	1	800	\$900	\$1.13	\$1,050	\$1.31
2+1.5	32	1	800	\$825	\$1.03	\$1,050	\$1.31

Sales Comparables

Two Bedroom

	Property Name	Address	Zip Code	Year Built	Units	Unit Mix	Avg Unit Size (SF)	Rent Per Unit	Rent PSF
S	Subject Property	3500 Turtle Creek Dr	77641	1978	34	2 x 2	1,128	\$11,028	\$0.94
1	Carriage Park Apartments	5252 Twin City Hwy, Groves, TX	77619	2007	80	2 x 2	950	\$1,000	\$1.05
2	Ambroise Village	3901 TX-73, Port Arthur, TX	77642	2007	30	2 x 2	960	\$1,100	\$1.15
3	Sunset Way	3280 Central Mall Dr	77642	2010	40	2 x 2	963	\$1,000	\$1.04
4	Cedar Ridge Apartments	7601 9th Avenue, Port Arthur	77642	1982	88	2 x 2	884	\$1,000	\$1.13

Three Bedroom

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2	Ambroise Village	3901 TX-73, Port Arthur, TX	77642	2007	30	2 x 2	960	\$1,100	\$1.15
3	Sunset Way	3280 Central Mall Dr	77642	2010	40	2 x 2	963	\$1,000	\$1.04
4	Cedar Ridge Apartments	7601 9th Avenue, Port Arthur	77642	1982	88	2 x 2	884	\$1,000	\$1.13