

# 62 Units for Sale

Arroyo Apartments

4000 S. Brahma Blvd., Kingsville, TX 78363



## OFFERING SUMMARY

Listed Price:	\$3,906,000
Price Per Unit:	\$63,000
Price Per Sq. Ft.:	\$74.26
Units:	62
Year Built:	1970
Years Renovated:	2024-2025
Land Area:	4.87 acres
NRA:	52,600 sq. ft.
Current Occupancy:	85.48%
Current Cap Rate:	6.18%
Proforma Cap Rate:	9.68%
Proforma Return on Equity:	12.92%

## PROPERTY HIGHLIGHTS

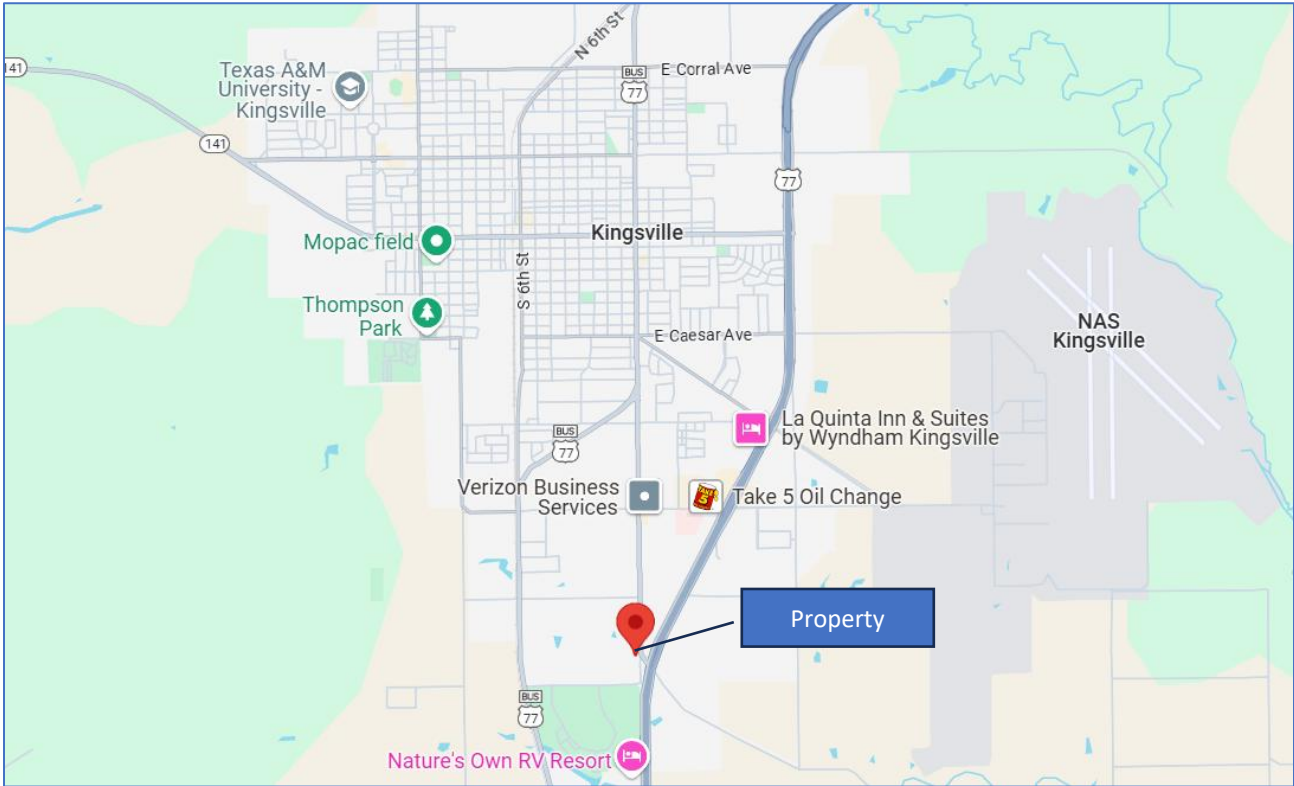
- Excellent location in the city of Kingsville.
- Recently renovated
- Priced below replacement cost.
- Units are in average to good condition with major renovations in the last two years.
- Good upside by continuing renovations, increasing rents\occupancy and implementing better management.
- No limitations on obtaining a new loan.

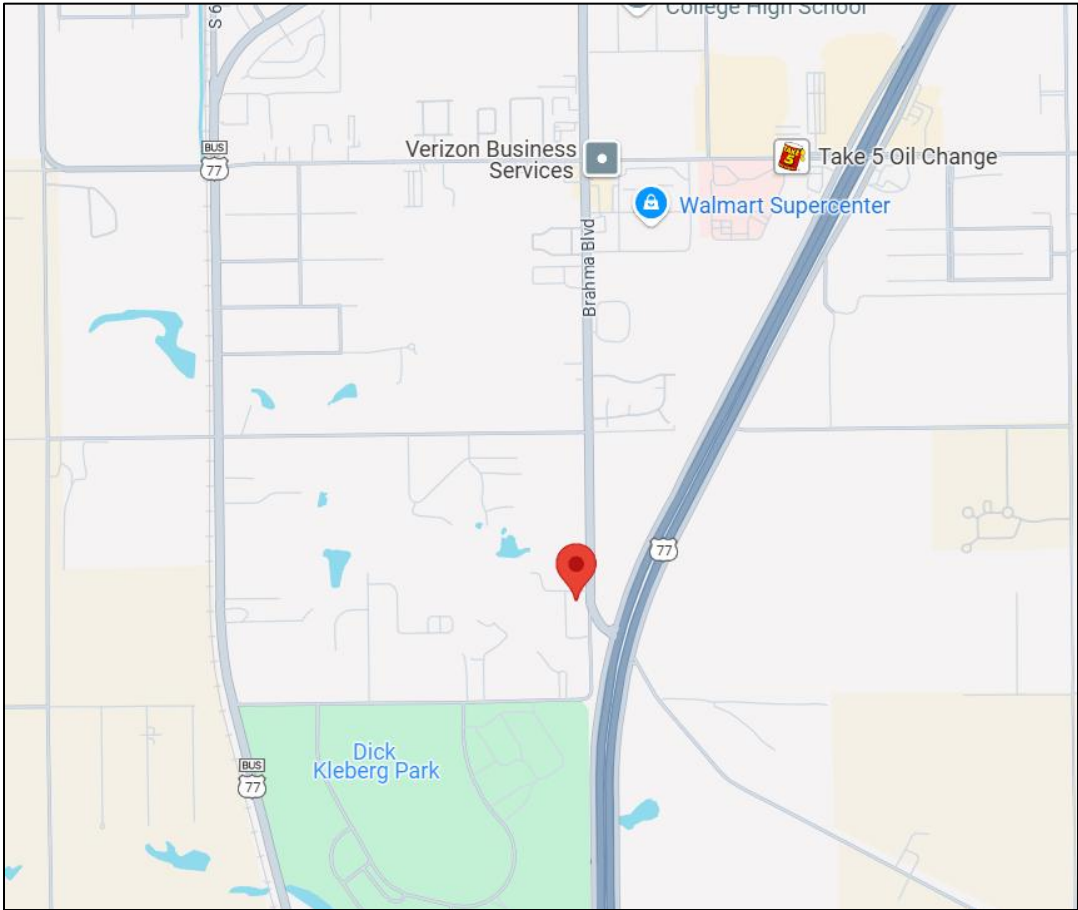
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Demographics >>		
	1 mile	3 miles
Population	2,486	14,992
Households	944	5,601
Median Age	32.80	34.20
Median HH Income	\$82,634	\$55,549
Daytime Employees	951	7,801

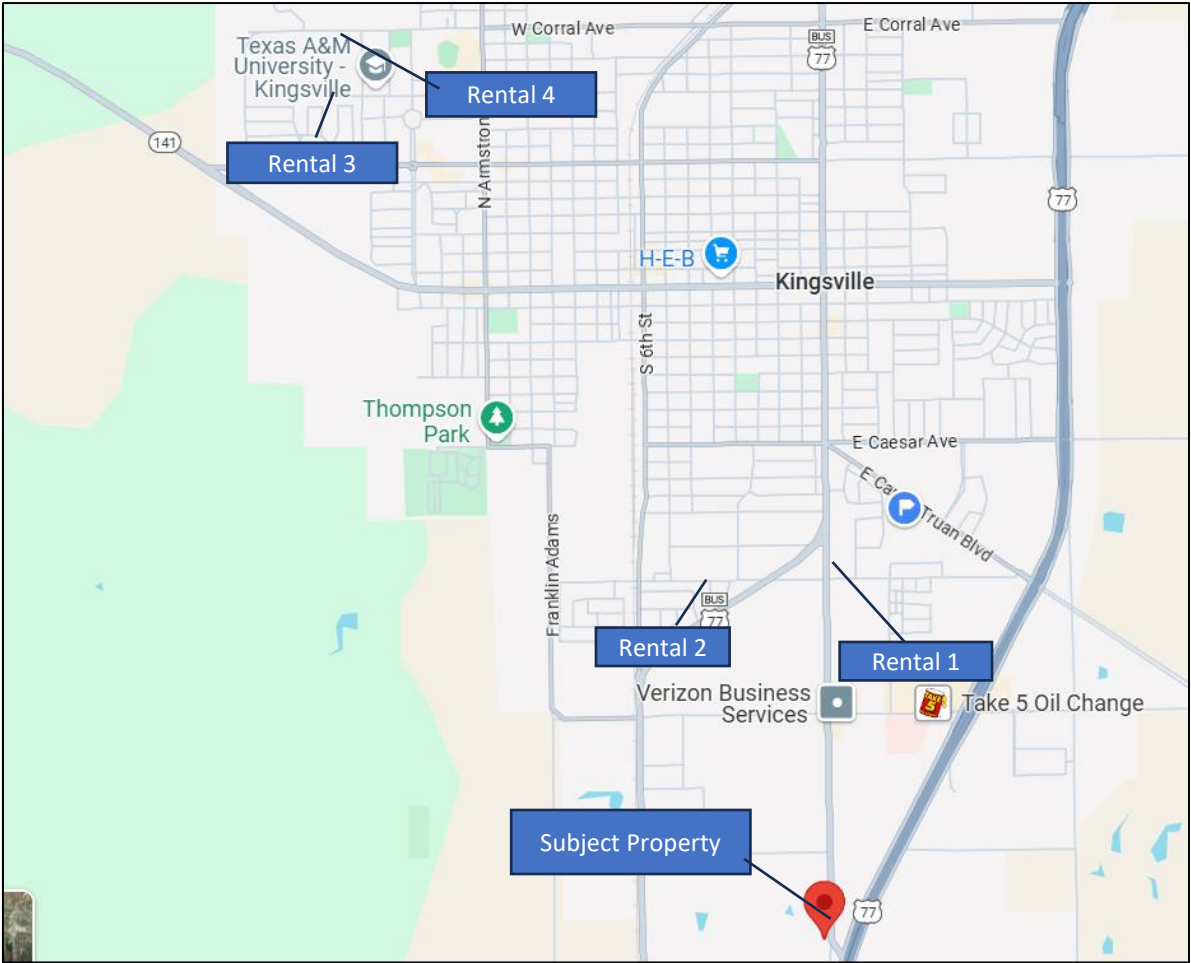
PROPERTY DETAILS:

Number of Units: 62  
Unit Mix:

		Unit	Total
Unit Type	# Units	Sq. Ft.	Sq. Ft.
1\1	10	1100	11000
2\1	52	800	41600
Totals\Ave.	62	848	52600

Net Rentable Area: 52,600 sq. ft.  
Number of Stories: 2  
Number of Buildings: 8  
Land Area: 4.87 acres  
Year Built: 1970 (Renovated 2023-2025)  
Exterior: Brick veneer  
Roof: Flat built up with tile mansards  
HVAC: Individual units  
Electricity: Individual meters  
Gas: None  
Hot Water: Individual units  
Washer\Dryer: Laundry facility  
Amenities: Laundry facility, large park area with trees, pool

Rent Comparables								
Address	Name	Number of Units	Age	GBA	Vacancy	Rent\S. F		
						1 BR	2 BR	3 BR
611 E. Ailsee Ave.	Aviator	40	1973	35,340	5.60%		\$ 1.00	
825 E. Ailsee Ave.	Colonial Arms	41	1964	30,235	2.00%	\$ 1.56	\$ 1.18	\$ 1.32
1414 W. Santa Getrudis	SG Apts	80	1970	71,668	4.10%	\$ 1.15	\$ 1.09	
704 W. Corral Ave.	Seville	30	1966	30,175	4.00%	\$ 1.24	\$ 0.91	



Rent Comparables Map

# INCOME & EXPENSE ANALYSIS

## Income and Expense Analysis

### PROPERTY INFORMATION:

Listed Price	\$ 3,906,000
Number of Units:	62
Net Rentable Area:	52,600

### Actual Income and Expenses

Actual Gross Income	\$ 509,769
Other Income	\$ 40,495
Total Income	\$ 550,264
Less Expenses	\$ 309,063
Net Operating Income	\$ 241,201

### Proforma Income and Expenses

Rental Income	\$ 688,200
Less 6% vacancy	\$ 41,292
Effective Gross Income	\$ 646,908
Other Income	\$ 41,000
Potential Gross Income	\$ 687,908
Total Expense	\$ 310,000
Net Operating Income	\$ 377,908

Proforma Return on Equity:	12.92%	* Assumes new 80% LTV loan at 6.5%, amortized for 30 years. Quoted loan rate.
Current Cap Rate:	6.18%	
Proforma Cap Rate:	9.68%	
Expenses Per Sq. Ft.:	\$ 5.88	
Expense Per Unit:	\$ 4,985	
Expense Percentage:	56.17%	

### UNIT MIX AND MARKET RENT SCHEDULES:

Unit Type	# Units	Unit Sq. Ft.	Total Sq. Ft.	Rent\ Month	Total Rent	Rent\ Sq. Ft.
1\1	10	1100	11000	\$875	\$8,750	\$0.80
2\1	52	800	41600	\$850	\$44,200	\$1.06
Totals\Ave.	62	848	52600		\$52,950	\$1.01

### PROFORMA RENTS AND INCOME

Unit Type	# Units	Unit Sq. Ft.	Total Sq. Ft.	Rent\ Month	Total Rent	Rent\ Sq. Ft.
1\1	10	1100	11000	\$925	\$9,250	\$0.84
2\1	52	800	41600	\$925	\$48,100	\$1.16
Totals\Ave.	62	848	52600		\$57,350	\$1.09

### ASSUMPTIONS:

Proforma income is adjusted to the market 6% vacancy rate.  
Proforma rental rates are increased to market based upon comparable rentals.



Market Conditions >>

<u>Vacancy Rates</u> ⓘ	Current	YOY Change	
Subject Property	5.7%	↑	0.7%
Market Overall	6.9%	↓	-0.1%
<u>Market Rent Per Unit</u> ⓘ			
Market Overall	\$1,008	↑	3.2%
<u>Concessions</u> ⓘ			
Market Overall	0.7%	↑	0.1%
<u>Under Construction Units</u> ⓘ			
Market Overall	0	↔	0.0%

Overview

Kingsville Multi-Family

12 Mo Delivered Units

0

12 Mo Absorption Units

2

Vacancy Rate

6.9%

12 Mo Asking Rent Growth

3.2%

The Kingsville multifamily market has a vacancy rate of 6.9%. This vacancy rate is 0.1% lower than it was this time last year. There have been 2 units of positive absorption and net deliveries were flat in the past year.

Rents have increased 3.2% in the past 12 months and are currently around \$1,010/month. Nothing is under construction in the Kingsville multifamily market. There have been no sales in the past year.

Vacancy is 5.5% in 4 & 5 Star buildings, and absorption has been flat in this asset class over the past year. In 3 Star buildings, 7.8% of space is vacant, and 1 units have been absorbed over the past year. Currently, 6.4% of 1 & 2 Star space is vacant, and 1 unit has been absorbed in this space type over the past 12 months.

Rents are around \$1,330/month in 4 & 5 Star buildings, \$1,110/month in 3 Star buildings, and \$810/month in 1 & 2 Star buildings. Year-over-year rent growth was flat in 4 & 5 Star buildings, 4.0% in 3 Star buildings, and 3.4% in 1 & 2 Star buildings.

The current vacancy is lower than its trailing three-year average of 7.6%. The three-year average for this market is higher than the national trailing three-year average, which is 6.6%. The market is the same size as it was three years ago as nothing has been built or demolished in this period. Rents have increased 11.6% over the past three years, higher than the national average of 9.6%.

The total Kingsville multifamily market comprises roughly 1,900 units of inventory.

INVENTORY UNITS

2,670 +0%

Prior Period 2,670

UNDER CONSTR UNITS

0 -

Prior Period 0

12 MO ABSORP UNITS

0 -100.2%

Prior Period 60

VACANCY RATE

6.9% +0%

Prior Period 6.9%

MKT RENT/UNIT

\$975 +3.2%

Prior Period \$945

MKT SALE PRICE/UNIT

\$98.5K -3.4%

Prior Period \$102K

MKT CAP RATE

7.2% +0.4%

Prior Period 6.8%

Market Summary - Costar

**City Description:** Kingsville is a city in the southern region of the U.S. state of Texas and the county seat of Kleberg County. Located on the U.S. Route 77 corridor between Corpus Christi and Harlingen, Kingsville is the principal city of the Kingsville Micropolitan Statistical Area, which is part of the larger Corpus Christi-Kingsville Combined Statistical Area. The population was 25,402 at the 2020 census.

**Economy:** The main economic driving forces in the city and the surrounding region are agriculture, oil and natural gas production, chemical refining, tourism, and the military. NAS Kingsville has had a large economic impact on the city since it opened in 1942. Today, an estimated one in seven residents of the Kingsville area are in some way associated with the base. The base employs just over 1,600 residents.

**Texas A&M University–Kingsville** is a public research university in Kingsville, Texas. It is the southernmost campus of the Texas A&M University System. The university developed the nation's first doctoral degree in bilingual education. It is classified among "R2: Doctoral Universities – High research activity" and accredited by the Southern Association of Colleges and Schools.

Texas A&M University–Kingsville has a highly diverse student body with 6,357 students pursuing degrees from five academic colleges. The student body is represented by students from 40 U.S. states and more than 35 foreign countries.

**Naval Air Station Kingsville or NAS Kingsville** is a United States Navy Naval Air Station located approximately 3 miles east of Kingsville, Texas in Kleberg County. NAS Kingsville is under the jurisdiction of Navy Region Southeast and is the headquarters of Training Air Wing Two. The station also operates a nearby satellite airfield, NALF Orange Grove.

**King Ranch** is the largest ranch in the United States, spanning over 825,000 acres in South Texas. King Ranch is a major agribusiness with interests in cattle ranching, farming, luxury retail goods, oil and gas production and recreational hunting. The ranch surrounds the city of Kingsville to the north, west and east. The King Ranch is a major employer in the area.



# PROPERTY PHOTOGRAPHS

