

NO. 1 OIL PATCH HOUSING

SANTA RITA HOMES

A HOME TO HANG YOUR HARDHAT



OFFERING MEMORANDUM

1306 E 12th St
Big Lake, TX 76932

The **GO** Getters
multifamily real estate team



Presented

By:

INVESTMENT SALES

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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.



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EXECUTIVE SUMMARY

The Go-Getters Multifamily Team is pleased to present the exclusive listing of the Santa Rita Homes located in Big Lake, TX. Completed in 2019, this 31-unit asset is priced at a 9.1% cap rate. The ideal investor in this opportunity is one who looks for consistent cash flows with low maintenance. This fully-furnished complex is the most desirable place to live for tenants in Big Lake. The consistent performance over the years can be attributed to the local staff, corporate leases, and a lack of competing rental supply in a high-demand market.

Property

Address	1306 E 12th St, Big Lake, TX 76932
# of Units	31
# of Stories	1
# of Buildings	11
Year Built	2014 - 2019
Average Unit Size	861
Net Rentable Area	26,676

TAX INFORMATION

Reagan CAD

Parcel ID	2096
Current Assessed Value (2023)	\$1,219,136
Tax Rate	2.18%
Land Area	1.93 Acres
Density	16.08 Units per Acre

UTILITIES/PAID BY

Electricity (separately metered)	Paid by Owner
Water and Sewer	Paid by Owner
Cable and Internet	Paid by Owner

AMENITIES

Furnished Units
Appliances Furnished
Washer & Dryer in-unit
Maid service available

SCHOOLS

Reagan County Elementary School	1.1 mi
Reagan County Middle School	0.9 mi
Reagan County High School	381 feet



Highlights

- **9.1% Cap Rate (T12)**
- **2019 Construction**
- **100% Occupancy**
- **Local Staff**

Performance Metrics

Projected Year 1 Cash on Cash Return	7.1%
Projected 5 Year Levered IRR	17.5%

Situated Between Two Major Texas MSA's - Midland and San Angelo

The city of Big Lake is located 77 miles southeast of Midland and 71 miles west of San Angelo at the intersection of Highway 137 & Highway 67. Big Lake is known for their abundance of natural resources. Top industry includes oil & gas, wind energy, solar energy, construction and more. The apartments are located directly across the street from Reagan County High School.





Abilene

Midland, Texas

Odessa, Texas

San Angelo

Santa Rita Homes



2,969

Population



35.6

Median Age



3.1%

2023
Unemployment
Rate



\$132,065

Median Home Value



\$64,893

Median Household
Income



2.87

Household Size



29.1%

% Rentals



18.7%

Vacant Housing Units

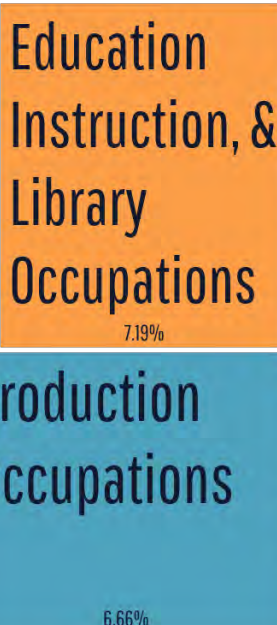
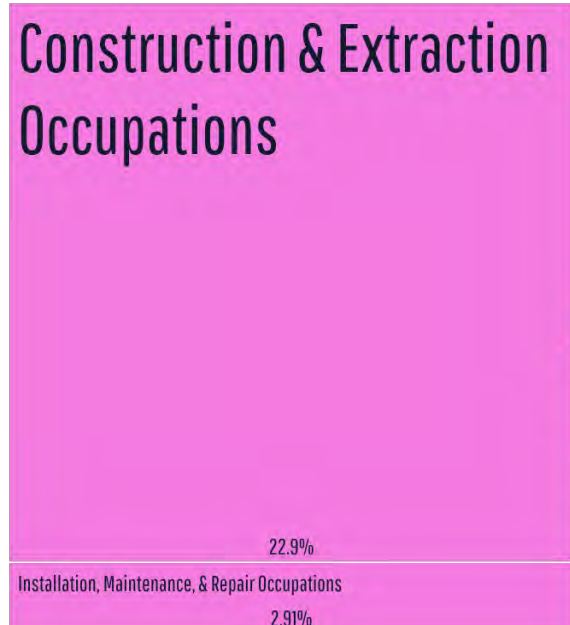
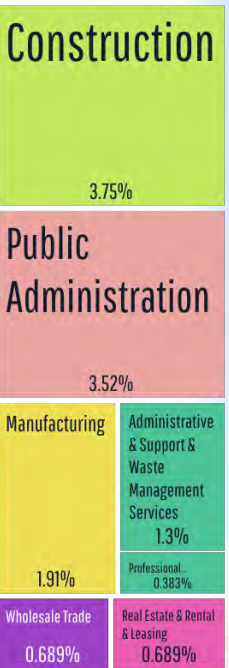
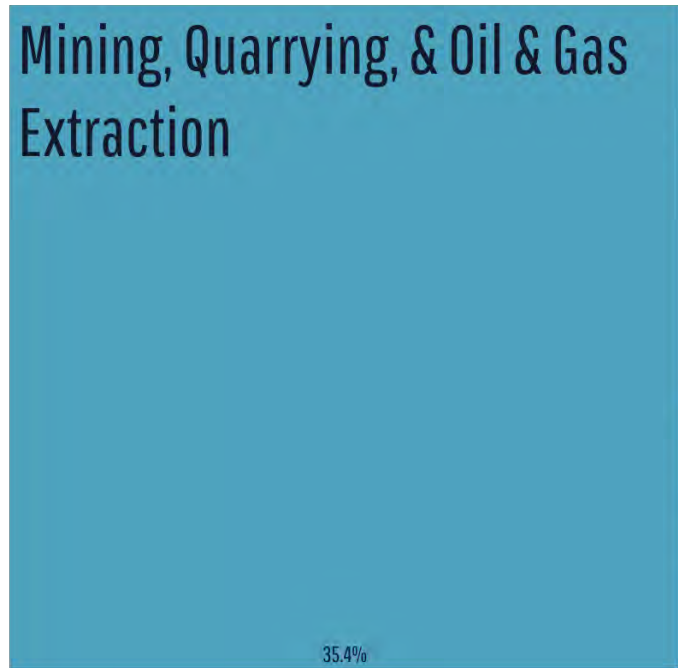


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Rental Unit Demand

Housing Costs





Santa Rita Homes

1306 E 12th St, Big Lake, TX 76932

Property Overview	
Units	31
Occupancy	100%
Year Built	2014 - 2019
Utilities	Owner Pays Utilities
Other	Washer/Dryer in-unit. Furniture in-unit.

Unit Type	No. of Units	Avg. SF	Asking Rent	Rent/SF	Proforma Rent	Rent/SF
1 Bed / 1 Bath	13	720	\$1,350	\$1.88	\$1,450	\$2.01
2 Bed / 2 Bath	18	962	\$2,250	\$2.34	\$2,390	\$2.48
Totals / Avg.	31	861	\$1,873	\$2.18	\$1,996	\$2.32

GPR	\$696,600	\$742,440
GPR / Month	\$58,050	\$61,870





	April T12	Year 1
Rental Income		
Gross Potential Rent	\$ 696,600	\$ 742,440
Economic Vacancy	\$ (19,957)	\$ (59,395)
Net Rental Income	\$ 676,643	\$ 683,045
<hr/>		
Tenant Deposits Retained	\$ 8,402	\$ 8,402
<hr/>		
Total Other Income	\$ 8,402	\$ 8,402
<hr/>		
Gross Operating Income	\$ 685,045	\$ 691,447
<hr/>		
Operating Expenses		
Admin & Advertising	\$ 4,587	\$ 7,750
Payroll	\$ 46,732	\$ 46,500
Repairs & Maintenance	\$ 51,447	\$ 31,000
Management Fee	\$ -	\$ 20,743
Property Taxes	\$ 26,333	\$ 76,752
Insurance	\$ 37,176	\$ 38,750
Cable & Internet	\$ 30,798	\$ 31,722
Electric	\$ 45,473	\$ 46,837
Water & Sewer	\$ 15,281	\$ 15,739
Replacement Reserves	\$ -	\$ 9,300
<hr/>		
Total Operating Expenses	\$ 257,827	\$ 325,094
<hr/>		
Net Operating Income (NOI)	\$ 427,218	\$ 366,353



Income	April T12	% of GPR	Per Unit	Year 1	% of GPR	Per Unit
Gross Potential Rent	\$696,600	100.0%	\$22,471	\$742,440	100.0%	\$23,950
Economic Vacancy	-\$19,957	-2.9%	-\$644	-\$59,395	-8.0%	-\$1,916
Net Rental Income	\$676,643	97.1%	\$21,827	\$683,045	92.0%	\$22,034
Tenant Deposits Retained	\$8,402	1.2%	\$271	\$8,402	1.1%	\$271
Total Other Income	\$8,402	1.2%	\$271	\$8,402	1.1%	\$271
Total Operating Income	\$685,045	98.3%	\$22,098	\$691,447	93.1%	\$22,305
Expenses	April T12	% of GPR	Per Unit	Year 1	% of GPR	Per Unit
Admin & Advertising	\$4,587	0.7%	\$148	\$7,750	1.0%	\$250
Payroll	\$46,732	6.7%	\$1,507	\$46,500	6.3%	\$1,500
Repairs & Maintenance	\$51,447	7.4%	\$1,660	\$31,000	4.2%	\$1,000
Management Fee	\$0	0.0%	\$0	\$20,743	2.8%	\$669
Property Taxes	\$26,333	3.8%	\$849	\$76,752	10.3%	\$2,476
Insurance	\$37,176	5.3%	\$1,199	\$38,750	5.2%	\$1,250
Cable & Internet	\$30,798	4.4%	\$993	\$31,722	4.3%	\$1,023
Electric	\$45,473	6.5%	\$1,467	\$46,837	6.3%	\$1,511
Water & Sewer	\$15,281	2.2%	\$493	\$15,739	2.1%	\$508
Replacement Reserves	\$0	0.0%	\$0	\$9,300	1.3%	\$300
Total Expenses	\$257,827	37.0%	\$8,317	\$325,094	43.8%	\$10,487
Net Operating Income	\$427,218	61.3%	\$13,781	\$366,353	49.3%	\$11,818

Income	April T12	Year 1	Year 2	Year 3	Year 4	Year 5
Gross Potential Rent	\$ 696,600	\$ 742,440	\$ 768,425	\$ 795,320	\$ 823,156	\$ 851,967
Economic Vacancy	\$ (19,957)	\$ (59,395)	\$ (61,474)	\$ (63,626)	\$ (65,853)	\$ (68,157)
Net Rental Income	\$ 676,643	\$ 683,045	\$ 706,951	\$ 731,695	\$ 757,304	\$ 783,810
Tenant Deposits Retained	\$ 8,402	\$ 8,402	\$ 8,696	\$ 9,000	\$ 9,315	\$ 9,641
Total Other Income	\$ 8,402	\$ 8,402	\$ 8,696	\$ 9,000	\$ 9,315	\$ 9,641
Total Operating Income	\$ 685,045	\$ 691,447	\$ 715,647	\$ 740,695	\$ 766,619	\$ 793,451
Expenses	April T12					
Admin & Advertising	\$ 4,587	\$ 7,750	\$ 7,983	\$ 8,222	\$ 8,469	\$ 8,723
Payroll	\$ 46,732	\$ 46,500	\$ 47,895	\$ 49,332	\$ 50,812	\$ 52,336
Repairs & Maintenance	\$ 51,447	\$ 31,000	\$ 31,930	\$ 32,888	\$ 33,875	\$ 34,891
Management Fee	\$ -	\$ 20,743	\$ 21,469	\$ 22,221	\$ 22,999	\$ 23,804
Property Taxes	\$ 26,333	\$ 76,752	\$ 79,054	\$ 81,426	\$ 83,869	\$ 86,385
Insurance	\$ 37,176	\$ 38,750	\$ 39,913	\$ 41,110	\$ 42,343	\$ 43,613
Cable & Internet	\$ 30,798	\$ 31,722	\$ 32,674	\$ 33,654	\$ 34,664	\$ 35,704
Electric	\$ 45,473	\$ 46,837	\$ 48,242	\$ 49,690	\$ 51,180	\$ 52,716
Water & Sewer	\$ 15,281	\$ 15,739	\$ 16,211	\$ 16,697	\$ 17,198	\$ 17,714
Replacement Reserves	\$ -	\$ 9,300	\$ 9,579	\$ 9,866	\$ 10,162	\$ 10,467
Total Expenses	\$ 257,827	\$ 325,094	\$ 334,950	\$ 345,106	\$ 355,570	\$ 366,352
Net Operating Income	\$ 427,218	\$ 366,353	\$ 380,697	\$ 395,589	\$ 411,049	\$ 427,099

	Current	Year 1	Year 2	Year 3	Year 4	Year 5
Net Operating Income	\$ 427,218	\$ 366,353	\$ 380,697	\$ 395,589	\$ 411,049	\$ 427,099

Cash Flows

Annual Debt Service	\$ 272,850	\$ 305,249	\$ 305,249	\$ 305,249	\$ 305,249	\$ 305,249
Cash Flow	\$ 93,503	\$ 75,448	\$ 90,340	\$ 105,800	\$ 121,850	\$ 121,850

Debt Paydown

Loan Paydown	\$ -	\$ 16,455	\$ 34,814	\$ 37,516	\$ 40,429	\$ 40,429
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Sales Analysis

Projected Sales Price	\$ 5,317,004	\$ 5,454,821	\$ 5,596,747	\$ 5,742,907	\$ 5,893,431	\$ 5,893,431
Cost of Sale	\$ 265,850	\$ 272,741	\$ 279,837	\$ 287,145	\$ 294,672	\$ 294,672
Loan Balance	\$ 3,638,000	\$ 3,621,545	\$ 3,586,731	\$ 3,549,215	\$ 3,508,786	\$ 3,508,786
Refunded Reserves and Prepaids	\$ 197,502	\$ 197,502	\$ 197,502	\$ 197,502	\$ 197,502	\$ 197,502
Sales Proceeds	\$ 1,610,656	\$ 1,758,037	\$ 1,927,680	\$ 2,104,048	\$ 2,287,475	\$ 2,287,475

Return Metrics

DSCR	1.57	1.34	1.25	1.30	1.35	1.40
Cash on Cash Return		7.1%	5.7%	6.8%	8.0%	9.2%
Average Cash on Cash Return		7.1%	6.4%	6.6%	6.9%	7.4%
Levered IRR		29.2%	21.5%	19.3%	18.2%	17.5%

Assumptions:

Rental and Other Income Growth	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%
Economic Vacancy	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%
Expense Growth	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%
Exit Cap Rate	7.0%	7.1%	7.2%	7.3%	7.4%	7.4%
Cost of Sale	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%

*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.

Proposed Financing

Bank

Loan to Value:	73%
Loan Amount:	\$3,638,000
Interest Rate:	7.50%
Amortization:	360
Term:	10
Years of Interest Only:	1.5
Loan Starting Year:	1
Amortized Monthly Payment:	\$25,437
Annual Debt Service:	\$305,249



Year 1 Proforma

Income

Gross Potential Rents - Recover Loss-to-Lease from April rent roll

Economic Vacancy - 8.0% of Gross Potential Income (+5% increase from T12)

Other Income - T12 figure

Expenses

All Expenses grown by 3.0% annually

Admin & Advertising - \$250/unit

Payroll - \$1,500/unit

Repairs & Maintenance - \$1,000/unit (T12 figure includes CAPEX items)

Management Fee (4.0%)

Property Taxes - Adjusted to 75% of expected sales price times current tax rate of 2.18%

Insurance - \$1,250/unit

Cable & Internet - T12 + 3.0%

Electric - T12 + 3.0%

Water and Sewer - T12 + 3.0%

Replacement Reserves - \$300 per Unit



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.

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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_____ Sales Agent/Associate's Name	_____ License No.	_____ Email	_____ Phone

Buyer/Tenant/Seller/Landlord Initials

Date

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