



THE Edgemere Apartments

Address	2500 W 26th St, Plainview, TX 79072
# of Units	40
# of Stories	2
# of Buildings	3
Year Built	1959
Average Unit Size	816
Net Rentable Area	32,640
Parking	Asphalt

OFFERING MEMORANDUM

2500 W 26th St
Plainview, TX 79072

The **GO** Getters
multifamily real estate team



Presented

By:

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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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PLAINVIEW TX
explore the opportunities



EXECUTIVE SUMMARY

The Go-Getters Multifamily Team is proud to present the Edgemere Apartments, a 40-unit complex situated in Plainview, TX. Constructed in 1959, this property predominantly features two-bedroom units, appealing to a varied tenant demographic. This complex offers multiple value-add opportunities, including the potential implementation of RUBS to optimize utility expense management, as well as opportunities for interior renovations to enhance unit appeal. This property represents an exceptional investment opportunity for those seeking to boost NOI.

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TAX INFORMATION	Hale CAD
Parcel ID	15375
Improvement Allocation	90%
Tax Rate	2.79%
Land Area	2.03 Acres
Foundation	Concrete Slab
Framing	Wood
Roof	Pitched/Shingle

MECHANICAL	
HVAC	PTAC
Electricity	Mastered Metered
Type of Wiring	Aluminum

LAUNDRY	
Washer/Dryer Connections	No
On-Site Facility	Yes

UTILITIES/PAID BY	
Electricity	Owner
Water and Sewer	Owner
Trash	Owner
Gas	Owner

PERSONNEL	
Management Company	Off-Site
Maintenance	Off-Site
Leasing Office	None

SCHOOLS	
Elementary	Edgemere Elementary School
Junior High	Plainview Junior High School
High School	Plainview High School
Colleges and Universities	Wayland Baptist University

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.

Reduce Utility Expenses through Water Conservation Program

Invest approximately \$375/unit to install low-flow toilets, low-flow showerheads, and replace the aerators in the kitchen and bathrooms. This will reduce the consumption by approximately 35%.

Add Washer and Dryer Connections in Units

Invest approximately \$2000/unit to install washer and dryer connections. This will increase rents by approximately \$100/unit.

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	40	\$3,500	\$140,000	\$50	\$2,000	\$366,412	17%
Reduce utility expenses: low flow toilets	40	\$375	\$15,000	\$20	\$794	\$145,521	64%
Washer Dryer connections in unit	40	\$2,000	\$80,000	\$100	\$4,000	\$732,824	60%
Total Value Add Potential		\$7,875	\$315,000	\$270	\$6,794	\$1,244,758	26%

Cap Rate	6.6%
Breakeven in Months	46

	Investment	Year 1	Year 2	Year 3	Year 4	Year 5
Projected Cash Flow without Value Add	-\$663,469	\$33,043	\$25,514	\$30,766	\$36,225	\$41,899
Additional Cash Flow with Value Add	-\$315,000	\$0	\$81,532	\$81,532	\$81,532	\$81,532
Projected Cash on Cash Return		5.0%	3.8%	4.6%	5.5%	6.3%
Cash on Cash Return with Value Add		3.4%	10.9%	11.5%	12.0%	12.6%
Projected Sales Proceeds		\$695,221	\$753,728	\$814,665	\$878,142	\$944,273
Sales Proceeds with Value Add		\$695,221	\$1,911,352	\$1,972,290	\$2,035,766	\$2,101,897
Projected IRR						11.7%
Projected IRR w/ Value Add						23.6%

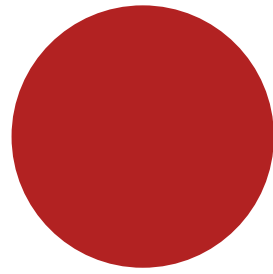
Plainview, Texas, presents an exceptional opportunity for investment and growth, thanks to its strategic location and robust, diverse economy. The city is home to several key employers that drive its economic vitality, making it an attractive destination for both businesses and residents. Among the notable employers are Covenant Hospital, Walmart Distribution Center, United Supermarkets, and Wayland Baptist University.





PLAINVIEW, TX

explore the opportunities



19,539

Population



35.6

Median Age



7.1%

2024
Unemployment
Rate

HOUSING STATS



\$120,353

Median Home Value



\$52,103

Median Household
Income



2.63

Household Size



38.8%

% Rentals



14.3%

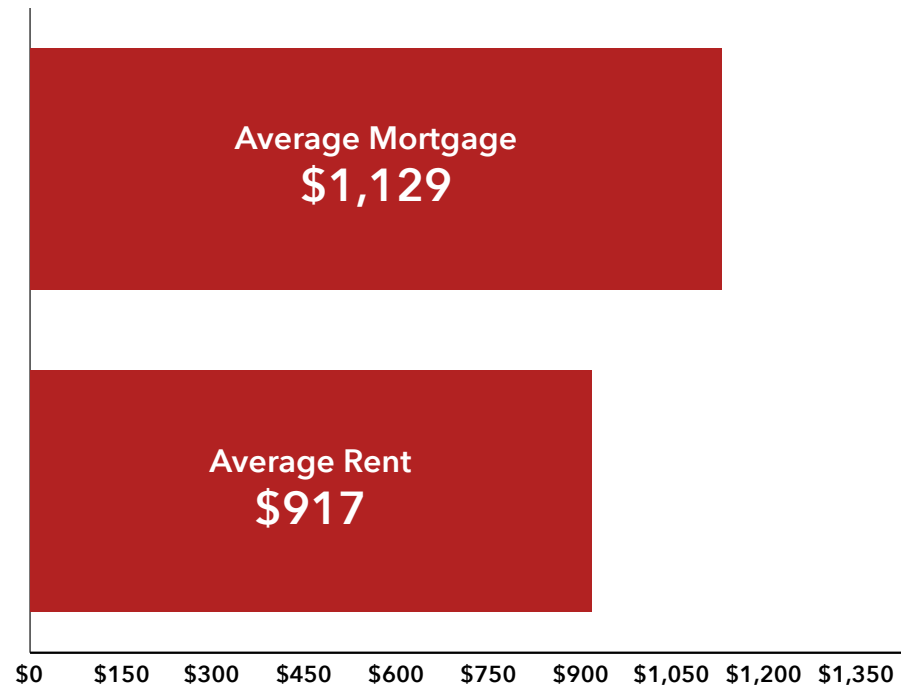
Vacant Housing Units



2,825

Rental Unit Demand

Housing Costs



Walmart Distribution Center: The distribution center site in Hale County now spans 1 million square feet and contains 20 miles of conveyor belts. The Walmart Distribution Center was built after a group of local business people traveled to Bentonville, Arkansas, which is known as the birthplace of Walmart, and personally convinced founder Sam Walton on the Plainview community as a growing and proactive place to do business. The land for the distribution center was donated after the Plainview community raised the funds.

Panhandle Popcorn Company: A staple in the Panhandle for over 60 years, Panhandle Popcorn was founded by the Glen A. Beard family after they moved to Plainview, Texas, in 1942. For nearly 15 years, the company worked with local farmers to grow and process special hybrids of popcorn before they changed the name to Panhandle Popcorn Company in 1956. Glen and his son Allen expanded the business from one type of popcorn to an entire line of gourmet popcorn, including Buttery Flavored, Cheddar Cheese, and Caramel popcorn as well as popcorn supplies and concession equipment. Owned today by Jim Mock, you can stop by if you find yourself on Interstate 27, or you can find Panhandle Popcorn in a number of supermarkets across West Texas.

Azteca Milling: A lot of farming happens on the South Plains, and perhaps this is why Azteca Milling is the largest corn milling operation of its kind in the world. They produce over 50 different kinds of corn masa, which is in turn used in the production of corn tortillas, tostada and taco shells, tortilla chips, and tamales.

Casa Rica Tortillas: Casa Rica takes pride in making authentic, home-style tortillas. They still practice the ancient Aztec art of making nixtamal corn tortillas as it yields the healthiest, tastiest tortillas. Started in 1985 by the Longoria and Musquiz families, the demand for tortillas quickly grew, and in 1996, Casa Rica moved into their current location in Plainview on Interstate 27, where they continue to serve the West Texas community. Their products can be found in local Walmarts, United Supermarkets, Thriftway, Albertsons, and more.

Other Local Industries Include:

CHS, Inc.

Plainview Bio-Energy, a division of White Energy

Pioneer Seed

Gebo's Distribution Center

For more information, visit plainviewcdc.org/doing-business/industries-employers/

Edgemere Apartments

2500 W 26th St, Plainview, TX 79072

Property Overview	
Units	40
Occupancy	90%
Year Built	1959
Utilities	All Bills Paid

Unit Type	No. of Units	Avg. SF	Asking Rent	Rent/SF	Proforma Rent	Rent/SF
1 Bed / 1 Bath	1	740	\$600	\$0.81	\$650	\$0.88
2 Bed / 1 Bath	23	740	\$622	\$0.84	\$650	\$0.88
2 Bed / 1.5 Bath	16	930	\$715	\$0.77	\$750	\$0.81
Totals / Avg.	40	816	\$659	\$0.81	\$690	\$0.85

GPR	\$316,152	\$331,200
GPR / Month	\$26,346	\$27,600

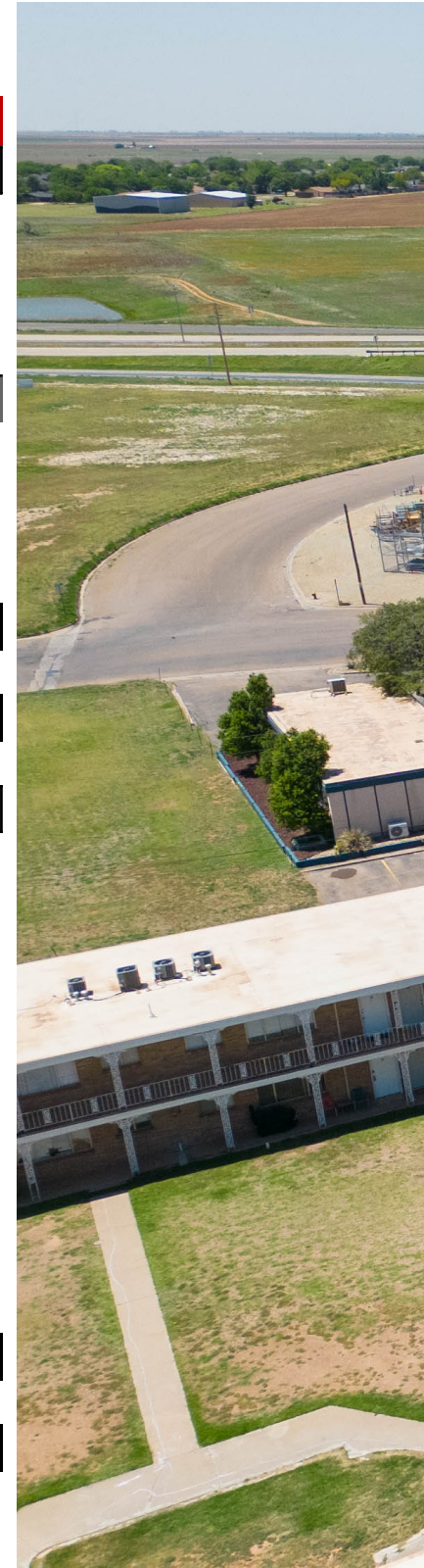








	Jun T12	Jun T6	Jun T3	Stabilized
Rental Income				
Gross Potential Rent	\$ 314,775	\$ 315,950	\$ 314,500	\$ 331,200
Vacancy	\$ (45,548)	\$ (44,906)	\$ (45,388)	\$ (26,496)
Loss to Lease	\$ -	\$ -	\$ -	\$ (6,624)
Bad Debt / Delinquency	\$ -	\$ -	\$ -	\$ (3,312)
Net Rental Income	\$ <u>269,227</u>	\$ <u>271,044</u>	\$ <u>269,112</u>	\$ <u>294,768</u>
Utility Reimbursement	\$ -	\$ -	\$ -	\$ 17,872
Late Fees	\$ 5,781	\$ 4,542	\$ 3,312	\$ 3,312
Misc. Other Income	\$ 2,966	\$ 5,202	\$ 7,404	\$ 7,404
Total Other Income	\$ <u>8,747</u>	\$ <u>9,744</u>	\$ <u>10,716</u>	\$ <u>28,588</u>
Gross Operating Income	\$ <u>277,974</u>	\$ <u>280,788</u>	\$ <u>279,828</u>	\$ <u>323,356</u>
Operating Expenses				
Admin	\$ 256	\$ -	\$ -	\$ 256
Advertising	\$ -	\$ -	\$ -	\$ 2,000
Repairs & Maintenance	\$ 28,119	\$ 32,712	\$ 29,960	\$ 26,000
Management Fee	\$ 30,000	\$ 30,000	\$ 30,000	\$ 32,336
Property Taxes	\$ 25,150	\$ 25,150	\$ 25,150	\$ 37,679
Insurance	\$ 21,148	\$ 21,148	\$ 21,148	\$ 32,000
Landscaping	\$ 4,040	\$ 3,900	\$ 7,800	
Gas	\$ 13,939	\$ 15,908	\$ 10,388	\$ 14,357
Electric - Common	\$ 23,618	\$ 19,828	\$ 24,900	\$ 24,327
Water & Sewer	\$ 23,135	\$ 22,240	\$ 19,836	\$ 23,829
Replacement Reserves	\$ -	\$ -	\$ -	\$ 8,000
Total Operating Expenses	\$ <u>169,405</u>	\$ <u>170,886</u>	\$ <u>169,182</u>	\$ <u>200,783</u>
Net Operating Income (NOI)	\$ <u>108,569</u>	\$ <u>109,902</u>	\$ <u>110,646</u>	\$ <u>122,573</u>





Income	Stabilized	% of GPR	Per Unit
Gross Potential Rent	\$331,200	100.0%	\$8,280
Vacancy	-\$26,496	-8.0%	-\$662
Loss to Lease	-\$6,624	-2.0%	-\$166
Bad Debt / Delinquency	-\$3,312	-1.0%	-\$83
Net Rental Income	\$294,768	89.0%	\$7,369
Utility Reimbursement	\$17,872	5.4%	\$447
Late Fees	\$3,312	1.0%	\$83
Misc. Other Income	\$7,404	2.2%	\$185
Total Other Income	\$28,588	8.6%	\$715
Total Operating Income	\$323,356	97.6%	\$8,084

Expenses	Stabilized	% of GPR	Per Unit
Admin	\$256	0.1%	\$6
Advertising	\$2,000	0.6%	\$50
Repairs & Maintenance	\$26,000	7.9%	\$650
Management Fee	\$32,336	9.8%	\$808
Property Taxes	\$37,679	11.4%	\$942
Insurance	\$32,000	9.7%	\$800
Gas	\$14,357	4.3%	\$359
Electric - Common	\$24,327	7.3%	\$608
Water & Sewer	\$23,829	7.2%	\$596
Replacement Reserves	\$8,000	2.4%	\$200
Total Expenses	\$200,783	60.6%	\$5,020

Net Operating Income	\$122,573	37.0%	\$3,064
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Income	Year 1	Year 2	Year 3	Year 4	Year 5
Gross Potential Rent	\$ 331,200	\$ 342,792	\$ 354,790	\$ 367,207	\$ 380,060
Vacancy	\$ (26,496)	\$ (27,423)	\$ (28,383)	\$ (29,377)	\$ (30,405)
Loss to Lease	\$ (6,624)	\$ (6,856)	\$ (7,096)	\$ (7,344)	\$ (7,601)
Bad Debt / Delinquency	\$ (3,312)	\$ (3,428)	\$ (3,548)	\$ (3,672)	\$ (3,801)
Net Rental Income	\$ 294,768	\$ 305,085	\$ 315,763	\$ 326,815	\$ 338,253
Utility Reimbursement	\$ 17,872	\$ 18,408	\$ 18,960	\$ 19,529	\$ 20,115
Late Fees	\$ 3,312	\$ 3,428	\$ 3,548	\$ 3,672	\$ 3,801
Misc. Other Income	\$ 7,404	\$ 7,663	\$ 7,931	\$ 8,209	\$ 8,496
Total Other Income	\$ 28,588	\$ 29,499	\$ 30,439	\$ 31,410	\$ 32,412
Total Operating Income	\$ 323,356	\$ 334,584	\$ 346,202	\$ 358,225	\$ 370,665
Expenses					
Admin	\$ 256	\$ 264	\$ 272	\$ 280	\$ 288
Advertising	\$ 2,000	\$ 2,060	\$ 2,122	\$ 2,185	\$ 2,251
Repairs & Maintenance	\$ 26,000	\$ 26,780	\$ 27,583	\$ 28,411	\$ 29,263
Management Fee	\$ 32,336	\$ 33,458	\$ 34,620	\$ 35,822	\$ 37,066
Property Taxes	\$ 37,679	\$ 38,809	\$ 39,973	\$ 41,172	\$ 42,407
Insurance	\$ 32,000	\$ 32,960	\$ 33,949	\$ 34,967	\$ 36,016
Gas	\$ 14,357	\$ 14,788	\$ 15,232	\$ 15,688	\$ 16,159
Electric - Common	\$ 24,327	\$ 25,056	\$ 25,808	\$ 26,582	\$ 27,380
Water & Sewer	\$ 23,829	\$ 24,544	\$ 25,280	\$ 26,039	\$ 26,820
Replacement Reserves	\$ 8,000	\$ 8,240	\$ 8,487	\$ 8,742	\$ 9,004
Total Expenses	\$ 200,783	\$ 206,959	\$ 213,326	\$ 219,889	\$ 226,655
Net Operating Income	\$ 122,573	\$ 127,625	\$ 132,876	\$ 138,335	\$ 144,009

	Year 1	Year 2	Year 3	Year 4	Year 5
Net Operating Income	\$ 122,573	\$ 127,625	\$ 132,876	\$ 138,335	\$ 144,009

Cash Flows

Annual Debt Service	\$ 89,530	\$ 102,111	\$ 102,111	\$ 102,111	\$ 102,111
Cash Flow	\$ 33,043	\$ 25,514	\$ 30,766	\$ 36,225	\$ 41,899

Debt Paydown

Loan Paydown	\$ -	\$ 12,992	\$ 13,931	\$ 14,939	\$ 16,018
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Sales Analysis

Projected Sales Price	\$ 1,993,056	\$ 2,041,997	\$ 2,092,541	\$ 2,144,732	\$ 2,198,617
Cost of Sale	\$ 139,514	\$ 142,940	\$ 146,478	\$ 150,131	\$ 153,903
Loan Balance	\$ 1,279,000	\$ 1,266,008	\$ 1,252,076	\$ 1,237,138	\$ 1,221,119
Refunded Reserves and Prepaids	\$ 120,679	\$ 120,679	\$ 120,679	\$ 120,679	\$ 120,679
Sales Proceeds	\$ 695,221	\$ 753,728	\$ 814,665	\$ 878,142	\$ 944,273

Return Metrics

DSCR	1.37	1.25	1.30	1.35	1.41
Cap Rate / Yield on Cost	6.8%	7.1%	7.4%	7.7%	8.0%
Total Return	5.0%	5.8%	6.7%	7.7%	8.7%
Equity Multiple	1.1	1.2	1.4	1.5	1.7
Cash on Cash Return	5.0%	3.8%	4.6%	5.5%	6.3%
Average Cash on Cash Return	5.0%	4.4%	4.5%	4.7%	5.0%
Unlevered IRR	8.7%	8.7%	8.8%	8.8%	8.9%
Levered IRR	9.8%	10.9%	11.3%	11.5%	11.7%

Assumptions:

Rental and Other Income Growth	3.5%	3.5%	3.5%	3.5%	3.5%
Utility Reimbursement %	75.0%	75.0%	75.0%	75.0%	75.0%
Vacancy	8.0%	8.0%	8.0%	8.0%	8.0%
Loss to Lease	2.0%	2.0%	2.0%	2.0%	2.0%
Bad Debt	1.0%	1.0%	1.0%	1.0%	1.0%
Expense Growth	3.0%	3.0%	3.0%	3.0%	3.0%
Property Tax Assessment %	75.0%	75.0%	75.0%	75.0%	75.0%
Exit Cap Rate	6.2%	6.3%	6.4%	6.5%	6.6%
Cost of Sale	7.0%	7.0%	7.0%	7.0%	7.0%

Proposed Financing

Bank

Loan to Value:	66%
Loan Amount:	\$1,279,000
Interest Rate:	7.00%
Amortization:	360
Term:	5
Years of Interest Only:	1
Loan Starting Year:	1
Amortized Monthly Payment:	\$8,509
Annual Debt Service:	\$102,111





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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Buyer/Tenant/Seller/Landlord Initials

Date

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The **GO** Getters
multifamily real estate team

KW COMMERCIALSM