



# U.S. Department of Veterans Affairs - Domiciliary

4455 Horizon Hill Blvd | San Antonio, TX 78229

Offering Memorandum



# Disclaimer

Colliers International Brokerage Company (“Broker”) has been retained as the exclusive advisor and broker for this offering.

This Offering Memorandum has been prepared by Broker for use by a limited number of parties and does not purport to provide a necessarily accurate summary of the Property or any of the documents related thereto, nor does it purport to be all-inclusive or to contain all of the information which prospective Buyers may need or desire. All projections have been developed by Broker and designated sources and are based upon assumptions relating to the general economy, competition, and other factors beyond the control of the Seller and therefore are subject to variation. No representation is made by Broker or the Seller as to the accuracy or completeness of the information contained herein, and nothing contained herein shall be relied on as a promise or representation as to the future performance of the Property. Although the information contained herein is believed to be correct, the Seller and its employees disclaim any responsibility for inaccuracies and expect prospective purchasers to exercise independent due diligence in verifying all such information. Further, Broker, the Seller and its employees disclaim any and all liability for representations and warranties, expressed and implied, contained in or omitted from the Offering Memorandum or any other written or oral communication transmitted or made available to the Buyer. The Offering Memorandum does not constitute a representation that there has been no change in the business or affairs of the Property or the Owner since the date of preparation of the Offering Memorandum. Analysis and verification of the information contained in the Offering Memorandum are solely the responsibility of the prospective Buyer. Additional information and an opportunity to inspect the Property will be made available upon written request to interested and qualified prospective Buyers.

By accepting the Offering Memorandum, you agree to indemnify, defend, protect and hold Seller and Broker and any affiliate of Seller or Broker harmless from and against any and all claims, damages, demands, liabilities, losses, costs or expenses (including reasonable attorney's fees, collectively “Claims”) arising, directly or indirectly from any actions or omissions of Buyer, its employees, officers, directors or agents.

Buyer shall indemnify and hold Seller and Broker harmless from and against any claims, causes of action or liabilities, including, without limitation, reasonable attorney's fees and court costs which may be incurred with respect to any claims for other real estate commissions, broker's fees or finder's fees in relation to or in connection with the Property to the extent claimed, through or under Seller.

The Seller and Broker each expressly reserve the right, at their sole discretion, to reject any or all expressions of interest or offers regarding the Property and/or to terminate discussions with any entity at any time with or without notice. The Seller shall have no legal commitment or obligations to any entity reviewing the Offering Memorandum or making an offer to purchase the Property unless a written agreement for the purchase of the Property has been fully executed, delivered, and approved by the Seller and its legal counsel, and any conditions to the Seller's obligation thereunder have been satisfied or waived.

The Offering Memorandum and the contents, except such information which is a matter of public record or is provided in sources available to the public, are of a confidential nature. By accepting the Offering Memorandum, you agree that you will hold and treat it in the strictest confidence, that you will not photocopy or duplicate it, that you will not disclose the Offering Memorandum or any of the contents to any other entity (except to outside advisors retained by you, if necessary, for your determination of whether or not to make an offer and from whom you have obtained an agreement of confidentiality) without prior written authorization of the Seller or Broker, and that you will not use the Offering Memorandum or any of the contents in any fashion or manner detrimental to the interest of the Seller or Broker.

No employee of seller or at the Subject Property is to be contacted without the written approval of the listing agents and doing so would be a violation of this confidentiality agreement.

Broker has created cash flow projections for the Property using Argus Financial Software. Neither Broker nor the Seller make any representation, warranty or guaranty of the economic value of the Property through the cash flow projections contained in this Offering or the associated Argus computer files.

Broker and their prospective buyers agree not to contact the tenants, their employees or customers of any business on the Property without prior permission from the Landlord.

# U.S. Department of Veterans Affairs - Domiciliary

4455 Horizon Hill Blvd | San Antonio, TX 78229



## Exclusive Investment Advisory Team

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# Investment Overview

The Ficke Team of Colliers is pleased to present to qualified investors the South Texas Veterans Healthcare System Villa Serena (VA) located at 4455 Horizon Hill Boulevard in San Antonio, Texas. Originally built in 1997, the VA just invested over \$1.45 million in tenant improvements to upgrade new flooring, paint, cabinets, security and surveillance systems, which are just some of the improvements completed, illustrating the VAs commitment to this location. This facility consists of 29,556 rentable square feet on two floors with 50 parking spaces and is situated on 2.61 acres. The VA lease requires the tenant to pay direct for Janitorial, Landscaping, and Utilities. The current lease expires April 30, 2027.

Part of the South Texas Veteran Health Care System, Villa Serena offers help for Veterans with chronic mental illness or substance abuse addictions by providing inpatient and outpatient treatments. San Antonio is home to nearly 100,000 military Veterans. This makes up around 9% of the city's population. The number of Veterans in San Antonio has grown by almost 20% since 2000. This Veterans Affairs domiciliary offers investors an opportunity to acquire a facility tailored to the VAs specifications, offering stabilized cash flow guaranteed by the U.S. Government (S&P AA+ credit rating).

San Antonio is a city in and the county seat of Bexar County, Texas. The city is the seventh-most populous in the United States, the second-largest in the Southern United States, and the second-most populous in Texas after Houston. It is the 17th-most populous city in North America, with 1,434,625 residents as of 2020. Downtown San Antonio and Downtown Austin are approximately 80 miles apart, both falling along the Interstate 35 corridor. Some observers expect the two metropolitan regions to form a new metroplex similar to Dallas and Fort Worth.

## Investment Highlights



Lease guaranteed by the U.S. Government (S&P AA+ credit rating)



VA investing in October 2023 tenant improvements of \$1.45 M



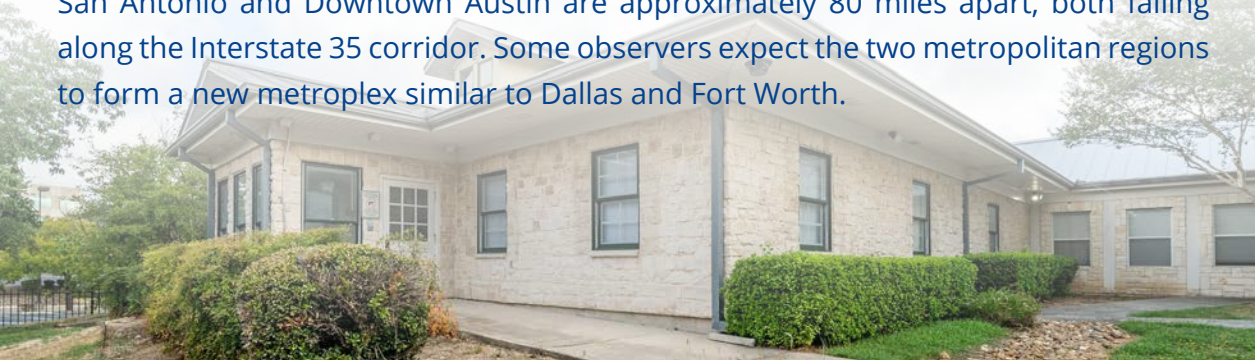
Tenant responsible for janitorial, landscaping, and utilities



Remaining Term of 3.19 Years



San Antonio is home to about 100,000 Veterans



# Tenant Overview

4455 Horizon Hill Blvd | San Antonio, TX 78229



The VA is a government run military benefit system with Cabinet level status. It is the United States government’s second largest department, after the United States Department of Defense. The VA employs nearly 320,000 people at approximately 1,700 Veterans Affairs medical facilities, clinics, and benefits offices and is responsible for administering programs of veterans benefits for veterans, their families, and survivors. The VA is headquartered in Washington, D.C.

## Service Areas & Benefits

- Audiology
- Cardiology
- Dermatology
- Diabetic
- Dietary Care
- Hypertension Education
- Mental Health Care
- Nursing
- Occupational Therapy
- Optometry
- Primary Care
- Pharmaceutical
- Phlebotomy
- Psychiatry
- Physiology
- Podiatry
- Social Work
- Smoking Cessation
- Specialty Care
- Social Work
- Wound Care

Square Feet	% Building Share	Lease Commencement	Firm Lease Expiration	Soft Lease Expiration	Annual Rent PSF	Total Rent Per Month
29,556	100%	5/1/2017	4/30/2022	4/30/2027	\$23.52	\$57,923.87
29,556	100%				\$23.52	\$57,923.87

# Property Overview

4455 Horizon Hill Blvd | San Antonio, TX 78229

## Property Summary

Property Address	4455 Horizon Hill Blvd.   San Antonio, TX 78229
Lot Size	2.61 acres
Rentable Square Feet	29,556
Year Built/Renovated	1997 / 2023
Ownership Type	Fee Simple

## Lease Summary

Lease Type	Modified Gross
Rentable Square Feet	29,556
Lease Commencement	05/1/2017
Lease Expiration (Firm)	04/30/2022
Term Remaining (Firm)	0.00
Lease Expiration (Total)	04/30/2027
Term Remaining (Total)	3.19 years



# Financials Rent Schedule

4455 Horizon Hill Blvd | San Antonio, TX 78229

Rentable Square Feet	29,556
Real Estate Tax Base	\$90,000
Real Estate Tax Percentage	100%

5/1/2022 - 4/30/2027 (Soft Term)	\$/SF	Annual	Monthly
Shell Rent	\$20.23	\$597,791.14	\$49,815.93
Operating Costs	\$3.29	\$97,295.33	\$8,107.94
<b>Total</b>	<b>\$23.52</b>	<b>\$695,086.47</b>	<b>\$57,923.87</b>



# Financials Pro Forma Cash Flow

4455 Horizon Hill Blvd | San Antonio, TX 78229

For the Years Ending		Year 1 Year 2 Year 3 Year 4 Year 5 Year 6 Year 7 Year 8 Year 9 Year 10 Year 11											Total	
		Dec-2024	Dec-2025	Dec-2026	Dec-2027	Dec-2028	Dec-2029	Dec-2030	Dec-2031	Dec-2032	Dec-2033	Dec-2034		
<b>Rental Revenue</b>		<b>\$/SF</b>												
Scheduled Base Rent	[1]	\$20.23	597,791	597,791	597,791	637,644	657,570	657,570	657,570	657,570	657,570	657,570	657,570	7,034,009
<b>Total Rental Revenue</b>		<b>\$20.23</b>	<b>597,791</b>	<b>597,791</b>	<b>597,791</b>	<b>637,644</b>	<b>657,570</b>	<b>657,570</b>	<b>657,570</b>	<b>657,570</b>	<b>657,570</b>	<b>657,570</b>	<b>657,570</b>	<b>7,034,009</b>
<b>Other Tenant Revenue</b>														
OpEx Rent	[2]	\$4.07	120,184	124,390	128,744	133,250	137,914	142,741	147,737	152,908	158,259	163,798	169,531	1,579,457
RE Tax Reimbursement	[3]	\$0.10	3,065	5,857	8,732	11,694	14,745	17,887	21,124	24,458	27,892	31,428	35,071	201,954
<b>Total Other Tenant Revenue</b>		<b>\$4.17</b>	<b>123,249</b>	<b>130,247</b>	<b>137,476</b>	<b>144,944</b>	<b>152,659</b>	<b>160,628</b>	<b>168,861</b>	<b>177,365</b>	<b>186,151</b>	<b>195,227</b>	<b>204,603</b>	<b>1,781,411</b>
<b>Effective Gross Revenue</b>		<b>\$24.40</b>	<b>721,040</b>	<b>728,038</b>	<b>735,268</b>	<b>782,588</b>	<b>810,229</b>	<b>818,199</b>	<b>826,431</b>	<b>834,936</b>	<b>843,721</b>	<b>852,797</b>	<b>862,173</b>	<b>8,815,420</b>
<b>Operating Expenses</b>	[4]													
HVAC Maintenance		\$0.54	15,965	16,444	16,937	17,445	17,969	18,508	19,063	19,635	20,224	20,831	21,456	204,476
Elevator Maintenance		\$0.22	6,380	6,572	6,769	6,972	7,181	7,397	7,619	7,847	8,083	8,325	8,575	81,719
Security/Life Safety		\$0.25	7,270	7,488	7,713	7,945	8,183	8,428	8,681	8,942	9,210	9,486	9,771	93,118
Ground & Lot		\$0.11	3,182	3,278	3,376	3,478	3,582	3,689	3,800	3,914	4,031	4,152	4,277	40,760
General R&M		\$1.30	38,316	39,465	40,649	41,869	43,125	44,419	45,751	47,124	48,538	49,994	51,493	490,743
Property Insurance		\$0.48	14,043	14,465	14,899	15,346	15,806	16,280	16,768	17,271	17,790	18,323	18,873	179,864
Real Estate Taxes		\$3.15	93,065	95,857	98,732	101,694	104,745	107,887	111,124	114,458	117,892	121,428	125,071	1,191,954
Management Fee	[5]	\$0.73	21,631	21,841	22,058	23,478	24,307	24,546	24,793	25,048	25,312	25,584	25,865	264,463
<b>Total Operating Expenses</b>		<b>\$6.76</b>	<b>199,853</b>	<b>205,410</b>	<b>211,134</b>	<b>218,226</b>	<b>224,898</b>	<b>231,154</b>	<b>237,600</b>	<b>244,239</b>	<b>251,078</b>	<b>258,124</b>	<b>265,381</b>	<b>2,547,097</b>
<b>Net Operating Income</b>		<b>\$17.63</b>	<b>521,186</b>	<b>522,628</b>	<b>524,134</b>	<b>564,362</b>	<b>585,332</b>	<b>587,044</b>	<b>588,832</b>	<b>590,697</b>	<b>592,643</b>	<b>594,673</b>	<b>596,792</b>	<b>6,268,323</b>

## Notes to Cash Flow

1. Analysis assumes Tenant will renew at 110% of previous shell rate with tax base resets for 10 Years/5 Firm - Subsequent renewal keep established tax base
2. Veterans Affairs Domiciliary - Initial OpEx Base is \$97,295 - Cash Flow illustrates most recent increases and assumes future CPI increases are 3.5% annually
3. Veterans Affairs Domiciliary - Real Estate Tax Base is \$90,000, tenant pays any overage above this amount to the landlord
4. Operating Expenses Source: 2023 Budget and T12 (Aug 2023) provided by ownership - Assume 3.0% YoY Growth | Tenant pays janitorial, landscaping, and utilities directly to service providers
5. Assume the Management Fee is 3.0% of Effective Gross Revenue





# San Antonio, TX Demographics



## Bexar County



San Antonio population

# 1.452 M+

### San Antonio Overview | 5 Mile Radius



#### Population

In the identified area, the current year population is 348,775. The 2010 Census population count in the area was 340,208, and 354,610 in 2020, a 0.4% annual growth rate. The rate of growth since 2020 was -0.5% annually. The five-year projection for the population in the area is 342,239 representing a change of -0.4% annually. Currently, the population is 49.0% male and 51.0% female.



#### Households

The household count in this area has changed from 149,639 in 2020 to 149,516 in the current year, a change of -0.01% annually. The five-year projection of households is 149,186, a change of -0.04% annually from the current year total. Average household size is currently 2.31, compared to 2.35 in the year 2020. The number of families in the current year is 79,319 in the specified area.



#### Households by income (Average)

Current average household income is \$79,251 in this area, compared to \$107,008 for all U.S. households. Average household income is projected to be \$87,963 in five years, compared to \$122,048 for all U.S. households



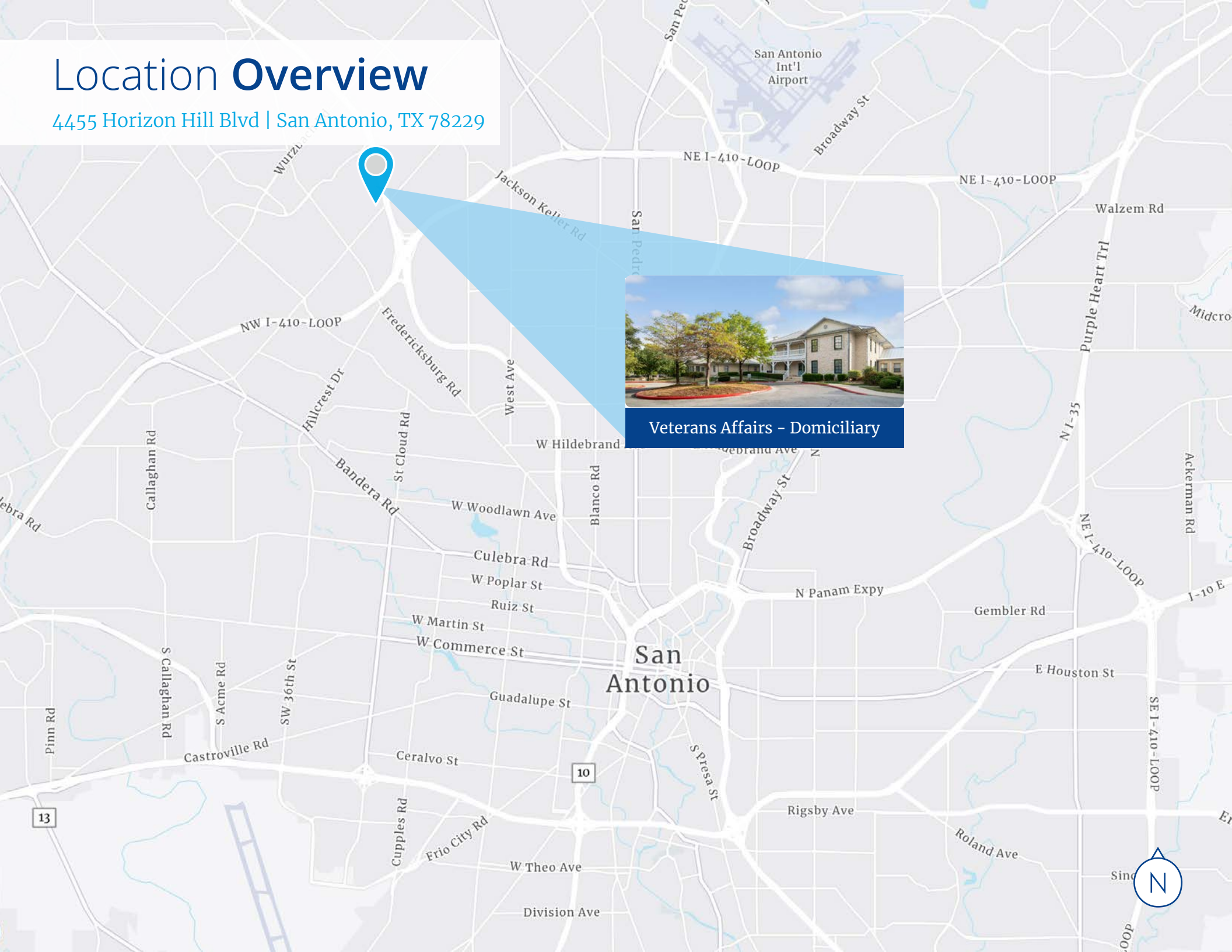
#### Housing

Currently 44.0% of the 166,387 housing units in the area are owner occupied; 56.0% renter occupied; and 10.1% are vacant. 64.6% of the housing units in the US are owner occupied; 35.4% are renter occupied; and 10.0% are vacant. In 2010, there were 154,686 housing units in the area - 42.0% owner occupied, 49.1% renter occupied, and 8.9% vacant. The annual rate of change in housing units since 2020 is 0.1%. Median home value in the area is \$234,049, compared to a median home value of \$308,943 for the U.S. In five years, median home value in the area is projected to change to \$273,912, compared to a median home value of \$350,006 in the US.

Source: ESRI

# Location Overview

4455 Horizon Hill Blvd | San Antonio, TX 78229



Veterans Affairs - Domiciliary



# Pricing Details

**Purchase Price:**  
**\$5,956,000**  
**(\$201.52/sf)**

**NOI:**  
**\$521,186**

**Cap Rate:**  
**8.75%**



# Offering **Instructions**

4455 Horizon Hill Blvd | San Antonio, TX 78229

Offers should be submitted via email to:

**Geoff.Ficke@colliers.com** , **Zack.Ficke@colliers.com** &

**Debra.VanderWeit@colliers.com** Please include the following:

1. Purchase price
2. Source of debt and equity
3. Earnest money deposit
4. Due diligence and closing timelines
5. Detailed list of contingencies including investment committee, appraisal, and/or Lender approval that may be required
6. Detailed list of closing cost responsibilities

**Property Tours**

By Appointment Only

**Form of PSA**

TBD

**Title & Escrow**

TBD



Thank you.

Colliers | Dallas-Fort Worth  
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