1425 N DALLAS AVE

Lancaster, TX | Dallas–Fort Worth Metroplex
Class B Multi-Tenant Office | Regions Bank Anchored | Value-Add

DWG CAPITAL GROUP
Investment Sales | Capital Markets
Investor Snapshot | September 2026

$465,003	**$242,403**	**June 2030**	**81.1%**	**9.0% Cap**
SCHEDULED ANNUAL RENT	REGIONS ANNUAL RENT	REGIONS EXPIRATION	OCC. EXCL. 4TH FLOOR	PRICING GUIDANCE

$2,700,000	**9.0% Cap**	**~12%**	**~$78 / SF**	**Regions Bank**
OFFERING PRICE	IN-PLACE CAP RATE	STABILIZED ROC	PRICE / SF (IN-PLACE)	ANCHOR

EXECUTIVE SUMMARY

1425 N Dallas Ave is a ±34,650 SF, four-story Class B office building on 3.92 acres in Lancaster, anchored by Regions Bank through June 2030 at $242,403 of annual rent. The September 1, 2026 rent roll totals $465,003 of scheduled annual rent across approximately 28 tenants, reflecting several new leases executed in 2026 and a materially more diversified income profile: Regions now represents 52% of scheduled rent. The building is the largest office property serving East Lancaster's expanding warehouse and logistics base. Remaining upside includes first floor lease-up, mark-to-market on affordable legacy rents, and a ±6,800 SF unfinished fourth floor with elevator service and plumbing infrastructure in place. Pricing is guided at a 9.0% going-in cap rate on verified in-place NOI.

INVESTMENT OVERVIEW

Building Size	±34,650 SF | Four Stories | Built 1974
Land Area	±3.92 Acres | 122 surface spaces (3.21 / 1,000 SF)
Current Scheduled Annual Rent	$465,003 ($38,750.25 / month, September 1, 2026 rent roll)
Regions Bank Annual Rent	$242,403 | 9,506 SF | 52% of scheduled rent
Regions Lease Expiration	June 14, 2030 (tenant since 2005)
Current Occupancy	81.1% excluding unfinished 4th floor | 65.5% of total building area
Fourth Floor Opportunity	±6,800 SF contiguous, unfinished; elevator served; roughed for plumbing
Fourth Floor Buildout Estimate	$150,000–$200,000 (ownership estimate, subject to tenant requirements)
Pricing	9.0% going-in cap rate | $2,700,000 offering price

UPDATED INCOME & VALUE SUPPORT

1425 N Dallas Ave is offered at $2,700,000 on approximately $243,662 of in-place NOI, a true 9.0% going-in cap rate. On a stabilized basis, with the remaining ±12,301 SF leased at market, NOI grows to approximately $312,200, a ~12% return on cost against the $2.70MM entry basis. Applying an 8.0% future market cap to that stabilized NOI implies an exit value of approximately $3.9M, creating roughly $1.2M of value through leasing and stabilization execution.

PRICING & STABILIZED RETURN SUMMARY

	IN-PLACE	**PRO FORMA / STABILIZED**
Offering Price	$2,700,000	$2,700,000
Price / SF	~$78 / SF	~$113 / SF
Net Operating Income	~$243,662	~$312,200
Cap Rate / Return on Cost	9.0% (going-in cap)	~12% (return on cost)
Expense Ratio (% of EGR)	~47.6%	46.5%
NOI Growth	—	+~$68,500 / yr
Value Creation	—	~$1,200,000 (at 8.0% exit cap)

Regions Bank generates $242,403 of credit-backed base rent through June 2030, on its own covering nearly the full in-place NOI; lease-up of the remaining ±12,301 SF drives the stabilized case, implying an exit value of approximately $3.9M at an 8.0% cap and ~$1.2M of value creation before financing benefit.

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CURRENT INCOME | SEPTEMBER 1, 2026 RENT ROLL

TENANT	SF	EXPIRATION	ANNUAL RENT
Regions Bank (NYSE: RF) | Anchor	**9,506**	**June 14, 2030**	**$242,403**
Malik Study Group	950	Nov 2026	$15,600
Grace Deliverance Church	782	May 2027	$15,000
MileOne Driving School	700	June 2027	$10,800
R & R Taxes	745	Mar 2026	$10,800
Supreme Ready Mix	400	Aug 2027	$8,400
MDQ	950	MTM	$8,400
All Other Tenants (±21)	—	Various	$153,600
TOTAL CURRENT SCHEDULED ANNUAL RENT			**$465,003**

VALUE-ADD OPPORTUNITY

The asset now combines in-place cash flow and demonstrated leasing momentum with defined remaining upside. Leases with four new tenants were executed in 2026, adding approximately $43,200 of annual rent, and the tenant base has broadened well beyond the anchor. The next owner underwrites three levers: lease-up of remaining first floor availability, continued mark-to-market on affordable legacy rents, and completion of the ±6,800 SF fourth floor.

OWNERSHIP / LEASING UPDATE

Recent Leasing Momentum	Four new tenants executed in 2026 (±$43,200 annual rent). September rent roll totals $465,003 of scheduled annual rent across ±28 tenants.
Tenant Retention	Ownership reports consistent collections, strong tenant relationships, and no anticipated meaningful turnover, with extensions being pursued proactively.
Embedded Rent Growth	Third floor executive suites achieve approximately $30–$40 / SF, well above legacy rents across the tenant base. Larger users targeted for first floor availability.
Fourth Floor	±6,800 SF unfinished contiguous floor; elevator service and plumbing rough-in in place. Ownership estimates $150,000–$200,000 to complete.

REGIONS BANK ANCHOR

Regions Bank (NYSE: RF) has anchored the property since 2005 and occupies 9,506 SF through June 14, 2030 at $242,403 of current annual rent, approximately 52% of scheduled income. Ownership reports that Regions is planning to refurbish and update its space and, based on its relationship and discussions with the bank, that this branch is believed to be Regions' most profitable location in North Texas and a primary banking location in Lancaster. These statements reflect ownership's direct dialogue with Regions rather than published bank disclosure. The anchor profile is strategically important, productive, and receiving continued investment from the tenant.

DIVERSIFIED LOCAL TENANT ECOSYSTEM

Beyond the anchor, the building serves a diversified local tenant base tied to the substantial warehouse and industrial development surrounding East Lancaster, including transportation and trucking operators, cement carriers, welders, accountants and tax consultants, media production, a truck driving school, religious organizations, and a Dairy Queen franchisee tenant dating to 2008. Ownership views the property as the primary larger-scale office option serving East Lancaster and the surrounding industrial base.

INVESTMENT HIGHLIGHTS

- 9.0% going-in cap rate on ~$243,662 of in-place NOI; ~12% stabilized return on cost with ~$1.2M of value creation at an 8.0% exit.
- Regions Bank anchor through June 2030 at $242,403 annual rent; on-site since 2005.
- $465,003 of current scheduled annual rent per the September 1, 2026 rent roll.
- Four new tenant leases executed in 2026; Regions concentration reduced to 52% of scheduled rent.
- Executive suites achieving approximately $30–$40 / SF, demonstrating rent upside within the asset.
- ±6,800 SF unfinished fourth floor with elevator and plumbing infrastructure; $150K–$200K estimated buildout.
- Largest office building serving East Lancaster's expanding warehouse and logistics corridor.
- 122 surface spaces (3.21 / 1,000 SF), a leasing advantage in the submarket.