

the *Courtyard* **APARTMENTS**



OFFERING MEMORANDUM

1031 N Sumner St
Pampa, TX 79065

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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WELCOME TO

PAMPA

EXECUTIVE SUMMARY

The Courtyard Apartments is a two-story 48 unit apartment community located in Pampa, TX. It's brick construction, has pitched roofs, and is made up of 40 one bedroom units and 8 two bedroom units. There is an immense opportunity to start allocating utilities back to the tenant by implementing RUBS.

Property Name	Courtyard Pampa
Address	1031 N Sumner Street Pampa TX
Market	Pampa
No. Of Units	48
Year Built	1979
Average Unit Size	483
Net Rentable Area	23,200
# of Buildings	1
# of Stories	2

TAX INFORMATION	Gray CAD
Parcel ID	R8920
Current Assessed Value (2023)	\$735,220
Improvement Allocation	90%
Tax Rate	2.60%
Land Area	1.54 Acres



UTILITIES	
Electricity	Owner
Water and Sewer	Owner
Trash	Owner
Gas	Owner
Telephone	Tenant
Cable	Tenant
Internet	Tenant

CONSTRUCTION	
Style	Garden
Foundation	Concrete Slab
Framing	Wood
Exterior	Brick with siding
Roof	Pitched Composition
HVAC	Chiller/Boiler
Electricity	Master Metered
Type of Wiring	Assumed Copper
Hot Water	100 gal heaters
Fire Protection	Smoke Detectors



A Strategic Hub for Industry and Transportation at the Heart of the U.S.

Pampa is located in the eastern Texas Panhandle approximately 55 miles northeast of Amarillo, Tx. It is centrally located in the U.S. at the crossroads of U.S. HWY 60 and Texas HWY 70. Texas HWY 152 also crosses through Pampa and I-40 is only twenty minutes to the south intersecting with HWY 70. In addition, it is on the main east / west BNSF Rail line between Chicago and Los Angeles. This rail line serves the Pampa EDC industrial park, and Pampa Energy Center. Due to Pampa's location and natural resources, there is a diversified economy which includes the following industries: agriculture, distribution, manufacturing, oil & gas, transportation, wind energy, healthcare, education, and retail.



Walmart

TSC TRACTOR SUPPLY CO

Pampa Regional Medical Center

STARBUCKS COFFEE

Harvesters

Pizza Hut

Courtyard Apartments

FirstBank & Trust TEXAS
a division of HTLF Bank

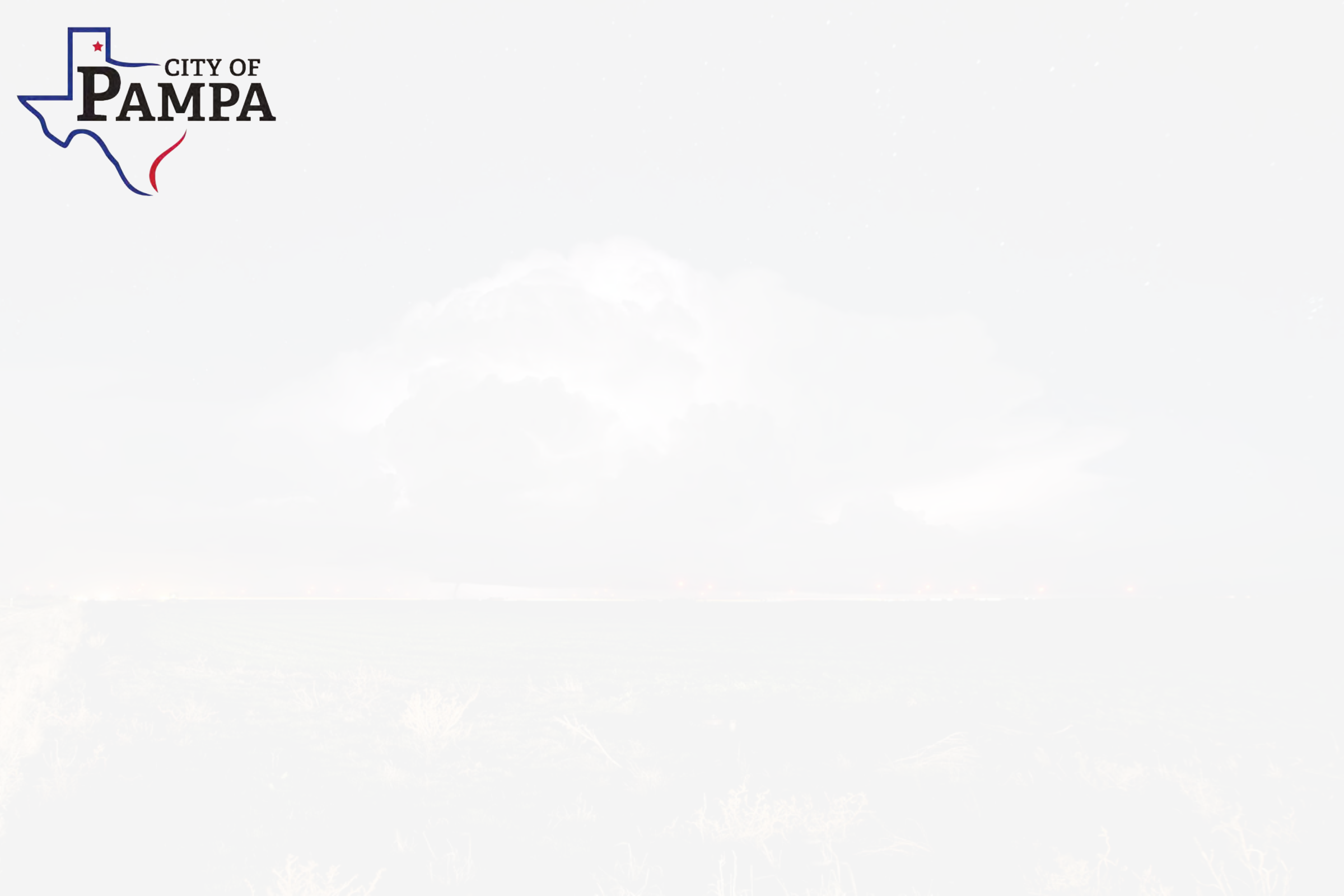
verizon

SONIC
America's Drive-In.

TACO BELL

Wendy's
McDonald's
HAPPY STATE BANK
AMERICAN OWNED

ALLSUP'S



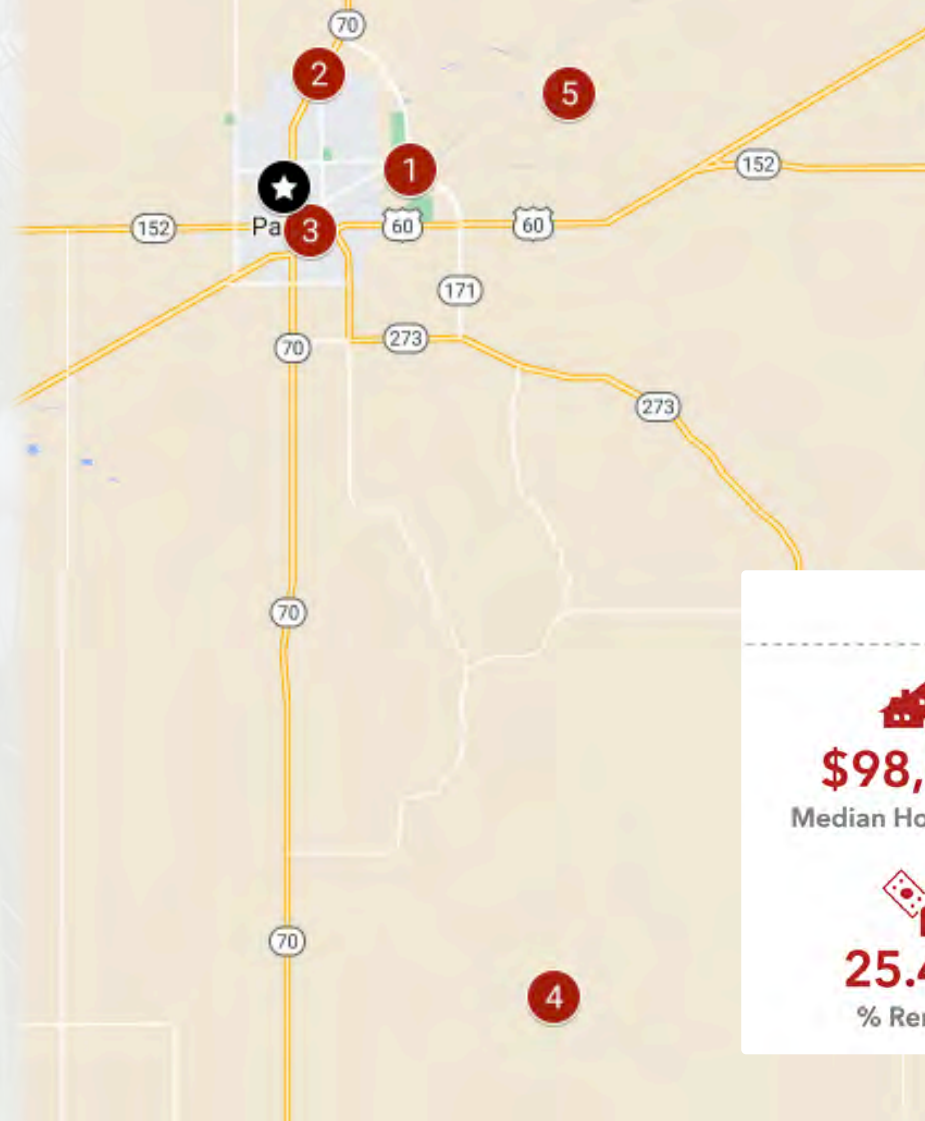
Employer	Type	Employees
Pampa ISD	Education	508
Pampa Regional Medical Center	Medical	325
Texas Dept. of Criminal Justice	Government	322
Hunting	Manufacturer	264
Wal-Mart	Retail	227
City of Pampa	Government	183
United Supermarket	Retail	150
Gray County	Government	140
Cabot Corporation	Chemicals Company	125



16,645
Population



4.8%
2023
Unemployment
Rate



HOUSING STATS

\$98,664
Median Home Value

\$51,391
Median Household
Income

2.50
Household Size

25.4%
% Rentals

21.8%
Vacant Housing Units

1,671
Rental Unit Demand

Courtyard Pampa

1031 N Sumner Street Pampa TX

Property Overview

Units	48
Occupancy	94%
Year Built	1979
Utilities	All Bills Paid

Unit Type	No. of Units	Avg. SF	Asking Rent	Rent/SF	Proforma Rent	Rent/SF
1 Bed / 1 Bath	40	450	\$621	\$1.38	\$643	\$1.43
2 Bed / 1 Bath	8	650	\$720	\$1.11	\$745	\$1.15
Totals / Avg.	48	483	\$638	\$1.32	\$660	\$1.37

GPR	\$367,200	\$380,052
GPR / Month	\$30,600	\$31,671





	March T12	March T6	March T3	Stabilized
Rental Income				
Gross Potential Rent	\$ 343,663	\$ 341,067	\$ 339,217	\$ 380,052
Vacancy	\$ -	\$ -	\$ -	\$ (30,404)
Loss to Lease	\$ -	\$ -	\$ -	\$ (7,601)
Concessions	\$ (4,161)	\$ (4,268)	\$ (4,300)	\$ (3,801)
Bad Debt / Delinquency	\$ -	\$ -	\$ -	\$ (3,801)
Net Rental Income	\$ 339,503	\$ 336,799	\$ 334,917	\$ 334,446
Utility Reimbursement	\$ -	\$ -	\$ -	\$ 26,349
App Fees	\$ 1,236	\$ 1,892	\$ 2,380	\$ 840
Admin Fees	\$ -	\$ -	\$ -	\$ 4,800
Late Fees	\$ 3,309	\$ 3,482	\$ 2,731	\$ 3,309
Pet Fees	\$ 3,943	\$ 4,705	\$ 4,480	\$ 3,943
Misc. Other Income	\$ 2,869	\$ 4,195	\$ 3,716	\$ 2,869
Total Other Income	\$ 14,303	\$ 16,829	\$ 15,944	\$ 45,056
Gross Operating Income	\$ 353,806	\$ 353,628	\$ 350,861	\$ 379,501
Operating Expenses				
Admin	\$ 3,789	\$ 3,996	\$ 2,824	\$ 7,200
Advertising	\$ 2,393	\$ 4,046	\$ 2,566	\$ 2,400
Contract Services	\$ 1,432	\$ 2,500	\$ 1,596	\$ 1,475
Repairs & Maintenance	\$ 36,576	\$ 38,756	\$ 36,186	\$ 28,800
Management Fee	\$ 22,802	\$ 23,023	\$ 23,630	\$ 22,770
Property Taxes	\$ 19,711	\$ 19,711	\$ 19,711	\$ 55,120
Insurance	\$ 19,853	\$ 19,853	\$ 19,853	\$ 38,400
Landscaping	\$ 5,617	\$ 4,365	\$ 4,023	\$ 5,786
Turnover	\$ 9,879	\$ 11,538	\$ 10,916	\$ 10,175
Cable & Internet	\$ 1,271	\$ 1,287	\$ 972	\$ 1,310
Gas	\$ 2,500	\$ 3,317	\$ 1,284	\$ 2,575
Electric - Common	\$ 18,138	\$ 19,539	\$ 21,612	\$ 18,683
Water & Sewer	\$ 12,139	\$ 11,437	\$ 12,942	\$ 12,503
Replacement Reserves	\$ -	\$ -	\$ -	\$ 14,400
Total Operating Expenses	\$ 157,433	\$ 165,478	\$ 160,371	\$ 222,967
Net Operating Income (NOI)	\$ 196,372	\$ 188,150	\$ 190,490	\$ 156,534



	March T3 Rent /			Stabilized		
Income	T12 Other	% of GPR	Per Unit	% of GPR	Per Unit	
Gross Potential Rent	\$339,217	100.0%	\$7,067	\$380,052	100.0%	\$7,918
Vacancy	\$0	0.0%	\$0	-\$30,404	-8.0%	-\$633
Loss to Lease	\$0	0.0%	\$0	-\$7,601	-2.0%	-\$158
Concessions	-\$4,300	-1.3%	-\$90	-\$3,801	-1.0%	-\$79
Bad Debt / Delinquency	\$0	0.0%	\$0	-\$3,801	-1.0%	-\$79
Net Rental Income	\$334,917	98.7%	\$6,977	\$334,446	88.0%	\$6,968
Utility Reimbursement	\$0	0.0%	\$0	\$26,349	6.9%	\$549
App Fees	\$1,236	0.4%	\$26	\$840	0.2%	\$18
Admin Fees	\$0	0.0%	\$0	\$4,800	1.3%	\$100
Pet Fees	\$3,943	1.2%	\$82	\$3,943	1.0%	\$82
Misc. Other Income	\$2,869	0.8%	\$60	\$2,869	0.8%	\$60
Total Other Income	\$14,303	4.2%	\$298	\$45,056	11.9%	\$939
Total Operating Income	\$349,220	102.9%	\$7,275	\$379,501	99.9%	\$7,906
Expenses	March T12	% of GPR	Per Unit	Stabilized	% of GPR	Per Unit
Admin	\$3,789	1.1%	\$79	\$7,200	1.9%	\$150
Advertising	\$2,393	0.7%	\$50	\$2,400	0.6%	\$50
Contract Services	\$1,432	0.4%	\$30	\$1,475	0.4%	\$31
Repairs & Maintenance	\$36,576	10.8%	\$762	\$28,800	7.6%	\$600
Management Fee	\$22,802	6.7%	\$475	\$22,770	6.0%	\$474
Property Taxes	\$19,711	5.8%	\$411	\$55,120	14.5%	\$1,148
Insurance	\$19,853	5.9%	\$414	\$38,400	10.1%	\$800
Gas	\$2,500	0.7%	\$52	\$2,575	0.7%	\$54
Electric - Common	\$18,138	5.3%	\$378	\$18,683	4.9%	\$389
Water & Sewer	\$12,139	3.6%	\$253	\$12,503	3.3%	\$260
Trash	\$1,331	0.4%	\$28	\$1,371	0.4%	\$29
Replacement Reserves	\$0	0.0%	\$0	\$14,400	3.8%	\$300
Total Expenses	\$157,433	46.4%	\$3,280	\$222,967	58.7%	\$4,645
Net Operating Income	\$191,787	56.5%	\$3,996	\$156,534	41.2%	\$3,261

Income	March T3 Rent / T12 Other	Year 1	Year 2	Year 3	Year 4	Year 5
Gross Potential Rent	\$ 339,217	\$ 380,052	\$ 393,354	\$ 407,121	\$ 421,370	\$ 436,118
Vacancy	\$ -	\$ (30,404)	\$ (31,468)	\$ (32,570)	\$ (33,710)	\$ (34,889)
Loss to Lease	\$ -	\$ (7,601)	\$ (7,867)	\$ (8,142)	\$ (8,427)	\$ (8,722)
Concessions	\$ (4,300)	\$ (3,801)	\$ (3,934)	\$ (4,071)	\$ (4,214)	\$ (4,361)
Bad Debt / Delinquency	\$ -	\$ (3,801)	\$ (3,934)	\$ (4,071)	\$ (4,214)	\$ (4,361)
Net Rental Income	\$ 334,917	\$ 334,446	\$ 346,151	\$ 358,267	\$ 370,806	\$ 383,784
Utility Reimbursement	\$ -	\$ 26,349	\$ 27,139	\$ 27,953	\$ 28,792	\$ 29,656
App Fees	\$ 1,236	\$ 840	\$ 869	\$ 900	\$ 931	\$ 964
Admin Fees	\$ -	\$ 4,800	\$ 4,968	\$ 5,142	\$ 5,322	\$ 5,508
Pet Fees	\$ 3,943	\$ 3,943	\$ 4,080	\$ 4,223	\$ 4,371	\$ 4,524
Misc. Other Income	\$ 2,869	\$ 2,869	\$ 2,969	\$ 3,073	\$ 3,181	\$ 3,292
Total Other Income	\$ 14,303	\$ 45,056	\$ 46,501	\$ 47,993	\$ 49,533	\$ 51,122
Total Operating Income	\$ 349,220	\$ 379,501	\$ 392,652	\$ 406,259	\$ 420,339	\$ 434,906
Expenses	March T12					
Admin	\$ 3,789	\$ 7,200	\$ 7,416	\$ 7,638	\$ 7,868	\$ 8,104
Advertising	\$ 2,393	\$ 2,400	\$ 2,472	\$ 2,546	\$ 2,623	\$ 2,701
Contract Services	\$ 1,432	\$ 1,475	\$ 1,519	\$ 1,565	\$ 1,612	\$ 1,660
Repairs & Maintenance	\$ 36,576	\$ 28,800	\$ 29,664	\$ 30,554	\$ 31,471	\$ 32,415
Management Fee	\$ 22,802	\$ 22,770	\$ 23,559	\$ 24,376	\$ 25,220	\$ 26,094
Property Taxes	\$ 19,711	\$ 55,120	\$ 56,774	\$ 58,477	\$ 60,231	\$ 62,038
Insurance	\$ 19,853	\$ 38,400	\$ 39,552	\$ 40,739	\$ 41,961	\$ 43,220
Landscaping	\$ 5,617	\$ 5,786	\$ 5,959	\$ 6,138	\$ 6,322	\$ 6,512
Turnover	\$ 9,879	\$ 10,175	\$ 10,480	\$ 10,795	\$ 11,119	\$ 11,452
Cable & Internet	\$ 1,271	\$ 1,310	\$ 1,349	\$ 1,389	\$ 1,431	\$ 1,474
Gas	\$ 2,500	\$ 2,575	\$ 2,652	\$ 2,731	\$ 2,813	\$ 2,898
Electric - Common	\$ 18,138	\$ 18,683	\$ 19,243	\$ 19,820	\$ 20,415	\$ 21,027
Water & Sewer	\$ 12,139	\$ 12,503	\$ 12,878	\$ 13,264	\$ 13,662	\$ 14,072
Trash	\$ 1,331	\$ 1,371	\$ 1,413	\$ 1,455	\$ 1,499	\$ 1,544
Replacement Reserves	\$ -	\$ 14,400	\$ 14,832	\$ 15,277	\$ 15,735	\$ 16,207
Total Expenses	\$ 157,433	\$ 222,967	\$ 229,762	\$ 236,765	\$ 243,981	\$ 251,418
Net Operating Income	\$ 191,787	\$ 156,534	\$ 162,890	\$ 169,495	\$ 176,357	\$ 183,488

Proposed Financing

	Bank
Loan to Value:	55%
Loan Amount:	\$1,554,000
Interest Rate:	7.50%
Amortization:	360
Term:	5
Years of Interest Only:	2
Loan Starting Year:	1
Amortized Monthly Payment:	\$10,866
Annual Debt Service:	\$130,390



	Current	Year 1	Year 2	Year 3	Year 4	Year 5
Net Operating Income	\$ 191,787	\$ 156,534	\$ 162,890	\$ 169,495	\$ 176,357	\$ 183,488

Cash Flows

Annual Debt Service	\$ 116,550	\$ 116,550	\$ 130,390	\$ 130,390	\$ 130,390
Cash Flow	\$ 39,984	\$ 46,340	\$ 39,105	\$ 45,968	\$ 53,099

Debt Paydown

Loan Paydown	\$ -	\$ -	\$ 14,325	\$ 15,437	\$ 16,636
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Sales Analysis

Projected Sales Price	\$ 2,498,946	\$ 2,564,319	\$ 2,631,658	\$ 2,701,025	\$ 2,598,748
Cost of Sale	\$ 149,937	\$ 153,859	\$ 157,899	\$ 162,061	\$ 155,925
Loan Balance	\$ 1,554,000	\$ 1,554,000	\$ 1,539,675	\$ 1,524,237	\$ 1,507,601
Refunded Reserves and Prepays	\$ 149,520	\$ 149,520	\$ 149,520	\$ 149,520	\$ 149,520
Sales Proceeds	\$ 944,529	\$ 1,005,979	\$ 1,083,604	\$ 1,164,246	\$ 1,084,742

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%
Concessions	1.0%	1.0%	1.0%	1.0%	1.0%
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	7.0%	7.1%	7.2%	7.3%	7.4%
Cost of Sale	6.0%	6.0%	6.0%	6.0%	6.0%

**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.*



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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All data and assumptions regarding financial performance, including that used for financial modeling purposes, may differ from actual data or performance. Any estimates of market rents and/or projected rents that may be provided to a party do not necessarily mean that rents can be established at or increased to that level. Parties must evaluate any applicable contractual and governmental limitations as well as market conditions, vacancy factors and other issues in order to determine rents from or for the property. Legal questions should be discussed by the party with an attorney. Tax questions should be discussed by the party with a certified public accountant or tax attorney. Title questions should be discussed by the party with a title officer or attorney. Questions regarding the condition of the property and whether the property complies with applicable governmental requirements should be discussed by the party with appropriate engineers, architects, contractors, other consultants and governmental agencies. All properties and services are marketed by Keller Williams Lubbock in compliance with all applicable fair housing and equal opportunity laws.



The **GO** Getters
multifamily real estate team

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