

The Brownwood Cottages
401 Main St, Brownwood, TX 76801



PROPERTY OVERVIEW

The *Brownwood Cottages* is a great Multi-Family property which includes five Duplexes (so 10 units total), a brand-new concrete off-street 4,000-sqft parking lot in the back on a 21,300-sqft lot. It is located on its own block on Main street, right in downtown Brownwood, walking distance to all shops, coffee places, and restaurants. It is also 5-min walking distance to Howard Payne University campus, and 7-min driving to Hendrick Medical Center.

Each unit is 2be1ba and 720 sqft, which is the perfect size for single, retiree, or small family.

Each unit was recently renovated and is fully equipped with Oven and Fridge, but also Dishwasher and Washer/Dryer connections. In addition, there is Central Air, Private entrance with porch, and Private off-street parking.

Capitalization method values this property at **\$1,070,000 to \$1,170,000**, while the Comparison method values it at **\$1,100,000 to \$1,125,000** (see details in following pages).

The **discounted asking price is \$1,095,000**, enabling excellent cash flow despite current high interest rates. At this price, DSCR is well above 1.2 to finance with a traditional loan 70% LTV at 6.0% over 30 yrs.

The *Brownwood Cottages* presents multiple advantages compared to other similar multi-family assets:

1. *Location (the Street)* - The property is situated on Main street, right in the heart of downtown Brownwood. As a result, units are very easy to rent and a simple "For Rent" sign on the lot generate great visibility. There are more demand than units and there is a standing **waiting list** for this property.
2. *Location (the City)* - Brownwood real estate has started and is projected to see its value rising, **Award-winning downtown revitalization** effort [page 3-4]
3. *Location (the County)* - Brownwood is located 70 miles from Abilene, which was picked as the first data center of the \$500 billion dollars project in February 2025, and which is projected to create **more than 100,000 jobs in the region** in coming years [page 5]
4. It offers Tenants privacy and comfort of living in a Duplex, while providing the economy of scale and ease of management to Owners (by having 5 of them on a same lot)
5. Both Electricity AND Water are **individually metered** and directly paid by tenants
6. Brown County has **very low Property Tax** compared to other Counties in Texas (Property Tax is \$5,787, which is less than 7% of the scheduled income!)
7. The local Housing Authority has a waiting list of tenants that are ready to move in, if the Buyers are open to Section 8
8. All buildings were **recently fully renovated** (\$124k of improvements have been made in 2020-2025, including Plumbing in 2023, HVAC in 2020, Parking lot 2020, Appliances, Flooring) and Maintenance budget shall be minimal going forward (less than 5% of income).
9. Online Marketing is fully set up and is included in the sale. It includes Posts on major rental websites – such as Zillow.com and Apartments.com.

DOWNTOWN BROWNWOOD: GROWTH THROUGH REVITALIZATION

The City of Brownwood has invested over **\$25 million** in downtown revitalization — including the **Brownwood Event Center Complex**, street upgrades, and public-space improvements [1].

The former warehouse district is transforming into a **destination for retail, dining, and mixed-use redevelopment** [2].

Public investment is stimulating **private capital inflows** — new hospitality, multifamily, and commercial conversions [3].

This renewal increases **foot traffic, rental yields, and long-term appreciation potential** for downtown properties [4].

Supported by the **Brownwood Municipal Development District (BMDD)**, the project aligns with the broader **Texas secondary-city growth trend** [5].



Brownwood event center



Aerial of downtown Brownwood



City investment plan rendering

BROWNWOOD EVENT CENTER: A CATALYST FOR REAL ESTATE VALUE

The **Brownwood Event Center** and Ice House Stage won the **People's Choice Award for Best New Construction** (2024) [6].

Hosting concerts, weddings, and conventions, the center generates steady visitor inflows and boosts downtown spending [7].

Nearby properties report **rising occupancy** and **higher \$/sq ft valuations** as downtown activity intensifies [8].

Increased hospitality demand supports **short-term rentals and boutique hotels**, strengthening investor ROI [9].

As a civic anchor, the Event Center secures Downtown Brownwood's position as an **emerging real-estate micro-market** in Central Texas [10].



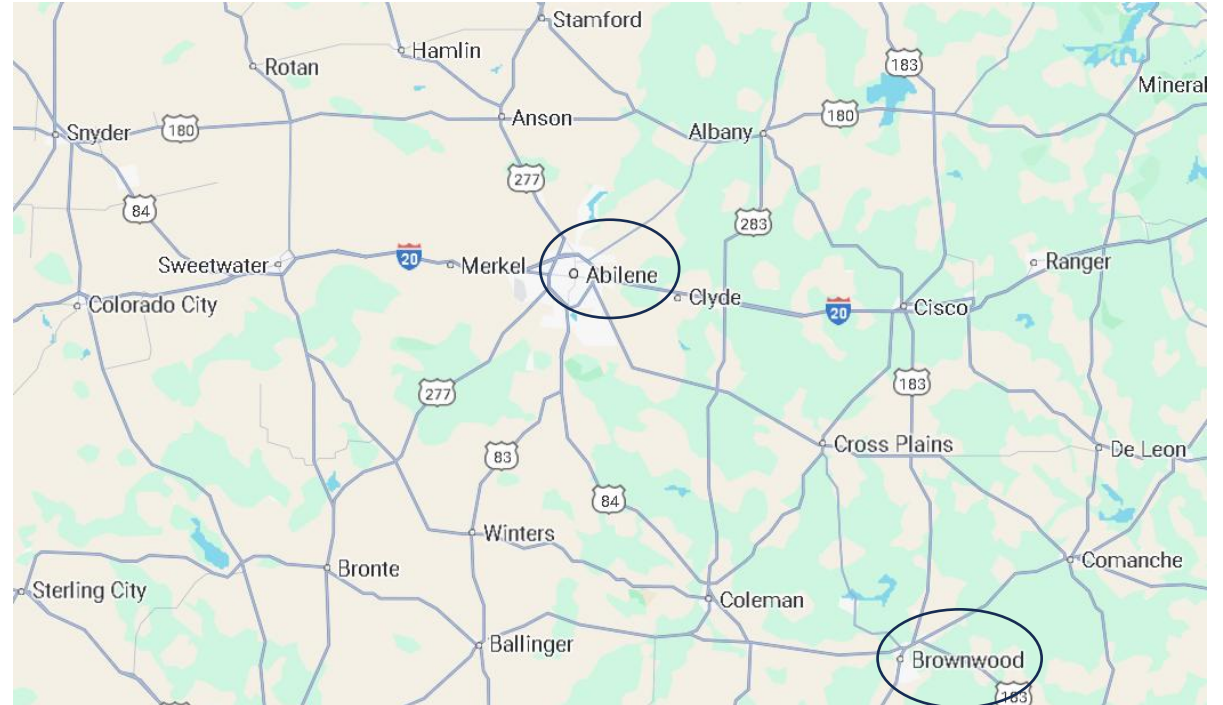
Best Economic Game Changer: Brownwood Event Center Complex

The Stargate \$500 billion Project in Abilene is projected to create more than 100,000 jobs in the region

Brownwood is the biggest city in a 100 miles radius from Abilene, which was picked by the Government as the first data center of the \$500 billion dollars project in February 2025, and which is projected to create more than 100,000 jobs in the region. See News articles in the appendix



A rendering of the data center campus, commonly known as the first Stargate Project, in Abilene, Texas, being developed by Crusoe Energy



Google Maps - Brownwood is located 70 miles from Abilene

PROPERTY PICTURES



PROPERTY PICTURES



POTENTIAL VALUE ADD : SHORT/MID TERM RENTALS

Brownwood presents strong potential for short-term rental investment due to a steady flow of visitors tied to its major healthcare and education institutions.

The city is home to *Hendrick Medical Center*, a key regional hospital that regularly attracts **traveling nurses, medical professionals, visiting specialists, and family members of patients**. These individuals often seek fully furnished, flexible, and comfortable accommodations for assignments or extended stays, making short-term rentals a highly appealing alternative to hotels.

In addition, Brownwood is home to *Howard Payne University*, which generates consistent year-round visitation. **Parents, alumni, prospective students, and supporters** travel to the city for sporting events, campus tours, orientations, family weekends, and graduation ceremonies. These recurring events create predictable spikes in demand for lodging, especially on weekends and during key moments in the academic calendar. Well-located short-term rentals can benefit significantly from this reliable and repeated influx of visitors.

Finally, Brownwood's central location in Texas and its appealing small-town character further enhance its attractiveness. Visitors value the lower cost of living, reduced congestion, and access to nearby outdoor recreation such as Lake Brownwood and state parks. This combination of institutional demand, event-driven travel, and lifestyle appeal positions Brownwood as an overlooked yet highly promising market for short-term rental investment.



Hendrick Medical Center



Howard Payne University

POTENTIAL VALUE ADD : SHORT/MID TERM RENTALS

Brownwood demonstrates compelling short-term rental potential based on several quantifiable factors:

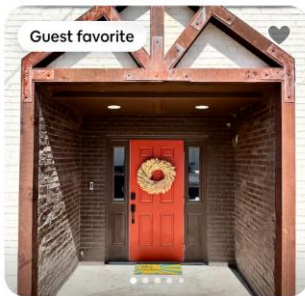
Market Performance — According to AirDNA [1], short term rental listings in Brownwood have a **very high investability score** (82/100), and an average daily rate around **\$224.70/night**. Price searches on Airbnb and local hotels (see caption on the right) confirm it. An Owner reports **an occupancy of 69%** with January and April being low months, and June to December being full / near full.

Extended-Stay and Healthcare Demand — Hendrick Medical Center is a 200-bed acute care hospital serving the region, which supports a workforce of over 500 employees [2]. Its 2025 Community Health Needs Assessment highlights “healthcare workforce recruitment and retention” as a top priority, indicating ongoing demand for housing tailored to **traveling nurses and contractors** [3]

University-Driven Foot Traffic — Howard Payne University enrolls 1,000 students [4], brings multiple events during the year (ex: its Homecoming weekend draws over 1,000 alumni, and family members, per the university’s press coverage [4])

Local Tourism Growth — Brownwood’s economic development agency reported **\$62.2 million in direct visitor spending** in 2022, driven in part by sporting events and downtown attractions; that year, 48 events accounted for 6,876 hotel nights and 33,216 visitors [5]

These data points suggest short-term rentals in Brownwood can capture both the extended-stay demand tied to the hospital and more transient visitor demand associated with university events and regional tourism. Because Short Term Rental revenue per unit appears strong and Brownwood is actively promoting visitor-based growth, an investor could reasonably project meaningful upside with well-managed, event- and location-oriented properties.



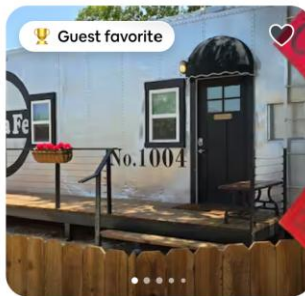
Guest favorite

Apartment in Brownwood ★ 4.95 (62)

Jordan's Downtown Hideaway

2 bedrooms · 2 beds

~~\$368~~ for 2 nights



Guest favorite


Train in Brownwood ★ 4.97 (35)

Historic Stay in Santa Fe Railcar - Dep...

1 bedroom · 1 king bed

~~\$484~~ ~~\$404~~ for 2 nights

Free cancellation



Guest favorite

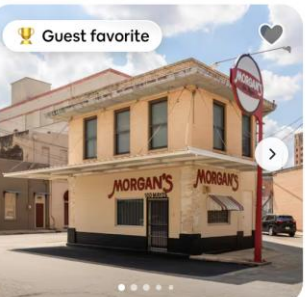
Home in Brownwood ★ 4.97 (67)

Station A : Cozy & Convenient -...

1 bedroom · 1 queen bed

~~\$377~~ ~~\$335~~ for 2 nights

Free cancellation



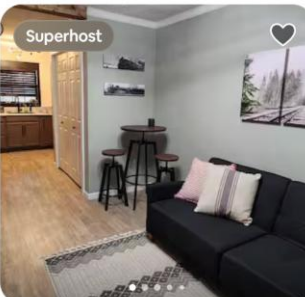
Guest favorite

Place to stay in Brownwo... ★ 4.95 (21)

Morgan's on Mayes

3 beds

~~\$725~~ ~~\$581~~ for 2 nights




Superhost

Home in Brownwood ★ 4.89 (53)

Station B : Cozy & Convenient -...

1 bedroom · 2 queen beds

~~\$413~~ ~~\$352~~ for 2 nights



Home in Brownwood ★ 4.39 (66)

Home Sweet Home

2 bedrooms · 2 beds

~~\$411~~ for 2 nights

Airbnb listings for a weekend in Brownwood, TX

FINANCIALS – ACTUALS T-12 & PROJECTED T+12

FINANCIALS - ACTUALS T-12 & PROJECTED T+12																			
	2024 11	2024 12	2025 1	2025 2	2025 3	2025 4	2025 5	2025 6	2025 7	2025 8	2025 9	2025 10	<u>Actuals T-12</u>		<u>Projected T+12</u>		<u>Comments</u>		
Rental Income																			
Market Rent	\$8,200	\$8,200	\$8,200	\$8,200	\$8,150	\$8,150	\$8,150	\$8,200	\$8,250	\$8,250	\$8,250	\$8,500	\$98,700		\$102,000		Market rent has constantly risen over the last 5 years and is expected to keep rising by 5-10% per annum. However it is not added in the projection to remain conservative.		
Remodel Loss	(\$820)	(\$820)	(\$820)	(\$820)	\$0	\$0	\$0	\$0	\$0	(\$1,650)	(\$1,650)	(\$850)	8% (\$7,430)		\$0		\$124k of unit renovation / improvements have been spent in the last 4 years		
Loss/Gain to Lease	(\$365)	(\$365)	(\$365)	(\$305)	(\$289)	(\$280)	(\$250)	(\$300)	(\$313)	(\$206)	(\$206)	(\$432)	4% (\$3,675)		\$0		Current average rent is about 5-10% under Market rent and will be captured over the next 12 months at each lease renewal.		
Gross potential rent	\$7,015	\$7,015	\$7,015	\$7,075	\$7,861	\$7,870	\$7,900	\$7,900	\$7,938	\$6,394	\$6,394	\$7,218	\$87,595		\$102,000				
Vacancy Loss	\$0	\$0	\$0	\$0	(\$786)	(\$770)	(\$790)	(\$733)	(\$343)	(\$799)	(\$799)	\$2	6% (\$5,018)		5% (\$5,100)		Occupancy is above 93-95% over the last 5 years		
Tenants Charges	\$50	\$25	\$85	\$25	\$25	\$25	\$200	\$120	\$50	\$100	\$100	\$0	\$805		\$805				
Effective Gross Income	\$7,065	\$7,040	\$7,100	\$7,100	\$7,100	\$7,125	\$7,310	\$7,288	\$7,645	\$5,695	\$5,695	\$7,220	\$83,383		\$97,705				
Operating Expenses																			
Repairs & Maintenance	\$366	\$113	\$236	\$131	\$290	\$295	\$1,697	\$402	\$12	\$61	\$662	\$797	6% \$5,062		5% \$4,845				
Utilities	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		\$0				
Tax	\$0	\$0	\$5,784	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$5,784		\$5,784		Brown County has very low Property Tax compared to other Counties in Texas (Property Tax is \$5,787, which is less than 7% of the scheduled income!)		
Insurance	\$0	\$0	\$2,717	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$2,717		\$2,717				
Management fees	\$351	\$351	\$351	\$354	\$354	\$355	\$356	\$358	\$380	\$280	\$280	\$361	5% \$4,129		5% \$4,845				
Total Expenses	\$717	\$463	\$9,087	\$485	\$644	\$650	\$2,052	\$761	\$392	\$341	\$941	\$1,158	\$17,691		\$18,190				
Net Operating Income	\$6,348	\$6,577	(\$1,987)	\$6,615	\$6,456	\$6,475	\$5,258	\$6,527	\$7,253	\$5,354	\$4,754	\$6,062	\$65,692		\$79,515				
Overall Capitalization Value	7.0%													\$1,135,926					

Buyer Financing

LTV	80%
Loan amount	\$799,200
Amortization	30
Interest Rate	6.000%
Mortgage	\$57,499
Cash Flow	\$22,016
DSCR	1.4

Lenders require a DSCR above 1.0. A DSCR above 1.2 is considered very solid.
A DSCR of 1.4 is unheard of.

FINANCIALS – RENT ROLL

RENT ROLL

Appartments	10
Tot Rent (Current)	\$97,380
Tot Rent (Market)	\$102,000

Building address		Current rent	Market rent
401 Main St #1-2, Brownwood, TX 76801	101	\$815	\$850
401 Main St #1-2, Brownwood, TX 76801	102	\$850	\$850
401 Main St #3-4, Brownwood, TX 76801	103	\$825	\$850
401 Main St #3-4, Brownwood, TX 76801	104	\$795	\$850
401 Main St #5-6, Brownwood, TX 76801	105	\$820	\$850
401 Main St #5-6, Brownwood, TX 76801	106	\$795	\$850
401 Main St #7-8, Brownwood, TX 76801	107	\$820	\$850
401 Main St #7-8, Brownwood, TX 76801	108	\$850	\$850
401 Main St #9-10, Brownwood, TX 76801	109	\$795	\$850
401 Main St #9-10, Brownwood, TX 76801	110	\$750	\$850

OFFERING INSTRUCTIONS

Offering Procedures

- Letter of Intent
- Resume and/or Business Letter Indicating Recent or Current Assets Owned and Purchased
- Transaction References
- Banking References
- Source of Equity for Acquisition

Property Tours

Prospective investors are encouraged to visit the subject property during Due Diligence period and after 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.

Offer Due Date

Seller will look at all offers as they are submitted

Communications

All communications, inquiries and requests, including property tours, should be addressed to the listing agent.

APPENDIX

Brownwood downtown earns multiple finalist spots in Texas Downtown President's Awards



Inside the Intermession Bookshop, a finalist for the Best Downtown Business award (Courtesy City of Brownwood)

BROWNWOOD, Texas — Brownwood's downtown area is earning statewide recognition in the Texas Downtown President's Awards.

The awards honor outstanding businesses in downtowns across Texas, with the competition seeing over 140 entries this year.

Downtown Brownwood businesses are finalists in four categories:

- Best New Construction: Brownwood Event Center Complex – Icehouse Stage and Reunion Lawn
- Best Downtown Business: Intermession Bookshop
- Best Downtown Partner: Brownwood Lyric Theatre
- Best Economic Game Changer: Brownwood Event Center Complex

“Our downtown momentum is the result of teamwork: vision from the city, courage from investors, and the day-to-day commitment of local businesses,” said Brownwood Mayor Stephen Haynes. “This recognition belongs to all of Brownwood.”



APPENDIX – REFERENCES ON BROWNWOOD DOWNTOWN REVITALIZATION

1. City of Brownwood, Downtown Revitalization & Multipurpose Event Center Project (official page). <https://www.brownwoodtexas.gov/575/Multipurpose-Event-Center-Complex-Projec>
2. Brownwood Municipal Development District – Downtown Brownwood Initiative Update (2024). <https://www.brownwoodtexas.gov/DocumentCenter/View/7918>
3. Brownwood News, Downtown Investment Momentum (May 2024). <https://www.brownwoodnews.com/>
4. Simpleview TX Tourism – Downtown Brownwood Redevelopment Profile (2024). <https://www.brownwoodtexas.org/>
5. Texas Economic Development Office – Small-City Growth Report 2024. <https://gov.texas.gov/business>
6. City of Brownwood Facebook Post (Aug 2024): Event Center Complex Wins People’s Choice Award. <https://www.facebook.com/brownwoodtexas.gov/posts/1243573704470451>
7. Brownwood Event Center Preview Event Announcement (June 2024). <https://brownwoodeventcenter.com/save-the-date-brownwood-event-center-complex-preview-event>
8. Brownwood Board of Realtors – Market Trends Q2 2024. <https://www.brownwoodrealtors.com/>
9. AirDNA Market Dashboard – Brownwood TX Short-Term Rental Metrics (2024). <https://www.airdna.co/>
10. Brownwood Chamber of Commerce – Downtown as an Economic Anchor (2024). <https://www.brownwoodchamber.org/>

APPENDIX – REFERENCES ON STARGATE PROJECTS NEAR BROWNWOOD

OpenAI and Oracle to deploy 64,000 GB200 GPUs at Stargate Abilene data center by 2026 – report

Chips will be installed in phases, with 16,000 expected to be in place by end of summer 2024

Local leaders highlight project Stargate's role in boosting the local economy

March 07,

by Copeland Welch | Wed, February 5th 2025 at 3:59 PM
Updated Thu, February 6th 2025 at 5:03 AM

OpenAI
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STC/Scott Martin

TOPICS: PROJECT STARGATE ABILENE LOCAL ECONOMY LANICUM DATA CENTER COMMUNITY ENGAGEMENT COMMERCIAL YAC BASE JOB MARKET

ABILENE, Texas — Project Stargate was a key topic at the 2025 State of the City address and we learned more about what it means for the future of Abilene's economy.

RELATED | Community leaders discuss growth and development at Abilene's State of the City Address

"Lanicum is building a master development for a data center," Misty Mayo, the president and CEO of the Development Corporation of Abilene said. "Everyone has a phone, I know you probably have your phone in your hand right now, those phones require data. It's a giant electronic filing cabinet. I say that with hesitation to the Lanicum folks because that's a little dismissive of how complicated it is and what a complex type of industry it is."

Mayo said this project has been in the works for years.



The city of Abilene has a population of nearly 130,000. STC/Scott Martin

Abilene chosen as first site for Trump's historic \$500 billion AI infrastructure project

by Copeland Welch & Felicity Neptune | Wed, January 22nd 2025 at 4:14 PM
Updated Thu, January 23rd 2025 at 6:06 PM



During his first day back in the White House, President Donald Trump announced a multi-billion-dollar artificial intelligence investment in the United States stating it will create over 1 million jobs immediately." (The National Desk)

TOPICS: ABILENE PROJECT STARGATE AI INFRASTRUCTURE PRESIDENT TRUMP SOFTBANK OPEN AI ORACLE AMERICAN JOBS

ABILENE, Texas — Abilene has been selected as the first location for what President Trump is referring to as "the largest AI infrastructure project by far, in history."

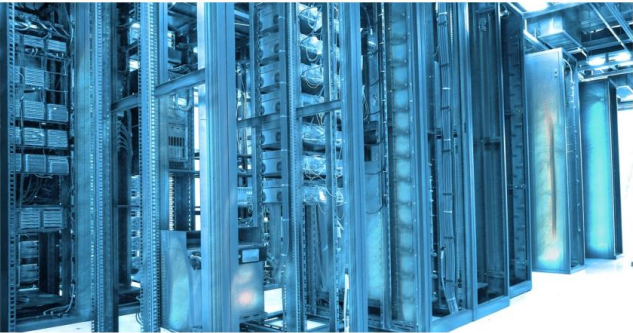
At President Trump's first press conference of his second term, he announced Project Stargate, a joint venture of three companies, Softbank, Open AI and Oracle.

"A new American company that will invest 500 billion dollars at least in AI infrastructure in the United States and moving very quickly, very rapidly creating over 100,000 American jobs almost immediately," President Trump said.

OpenAI Chooses Abilene for Stargate Data Center

The city is the immediate beneficiary of a tranche of the four-year, \$500 billion master plan that's expected to buttress the regional economy.

February 07, 2025 - Tribune News Service



OpenAI is expanding its push to construct data centers as a \$500 billion "Stargate" initiative with the U.S. government takes shape. Work in Abilene is already underway as part of its joint venture with Oracle and SoftBank, OpenAI said in a call on Thursday.

The cost and specifics of the facility were not immediately disclosed.

Meanwhile, the maker of ChatGPT technology is weighing at least 16 future locations that are expected to flourish across the country, including Arizona, California, New York, Pennsylvania and Utah. Each campus will be able to generate at least 1 gigawatt of capacity and will be linked.

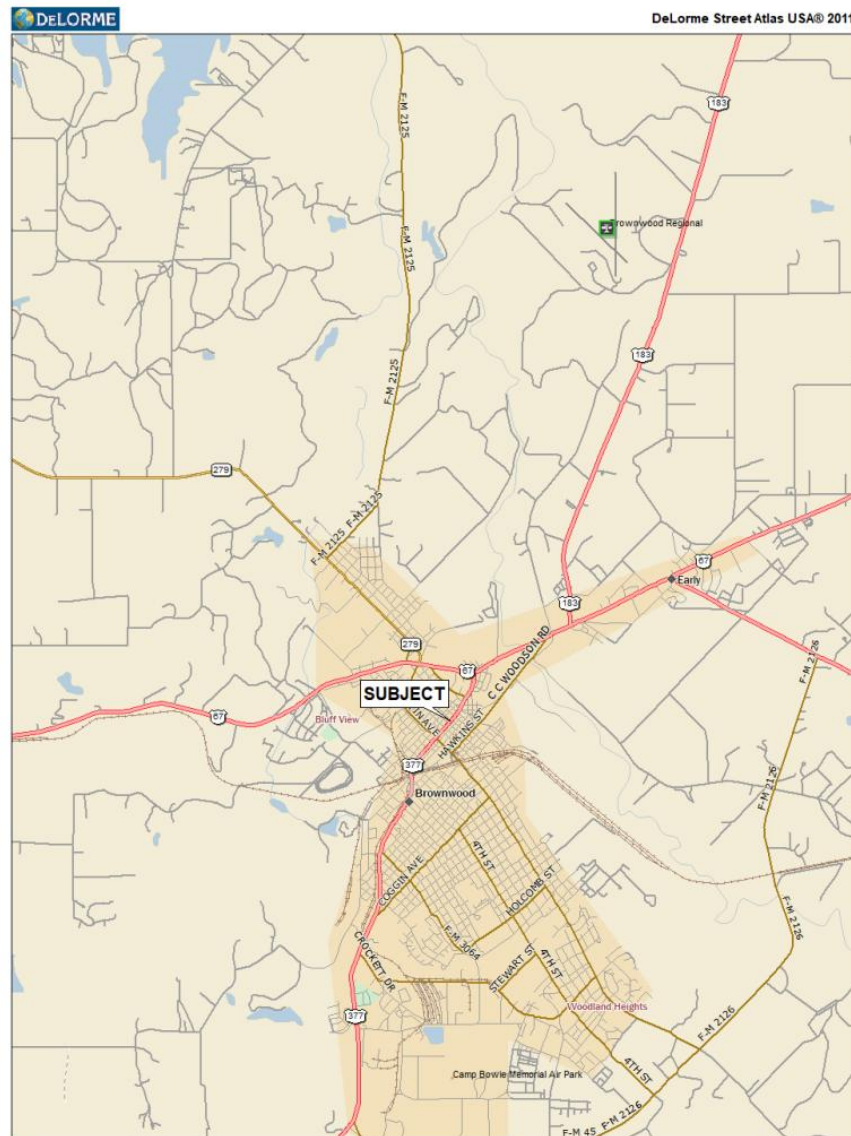
However, the Abilene site is seen as the linchpin of a massive infrastructure build-out, adding to the Dallas-Fort Worth area's economic momentum.

The city is the immediate beneficiary of a tranche of the four-year, \$500 billion master plan that's expected to buttress the regional economy.



STATE OF TEXAS
REGISTERED
★
CHARLES POLASKI
2276
PROFESSIONAL
LAND SURVEYOR

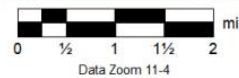
AREA MAP



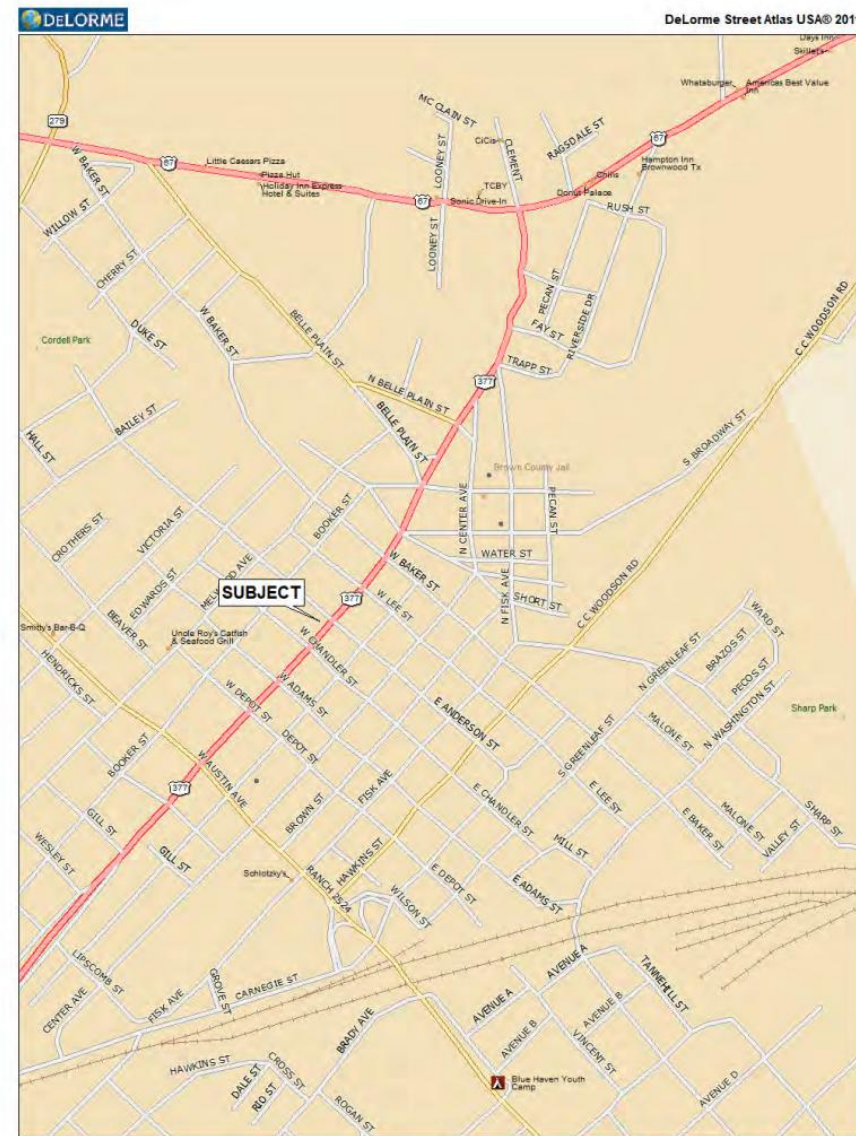
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www.delorme.com



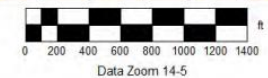
NEIGHBORHOOD MAP



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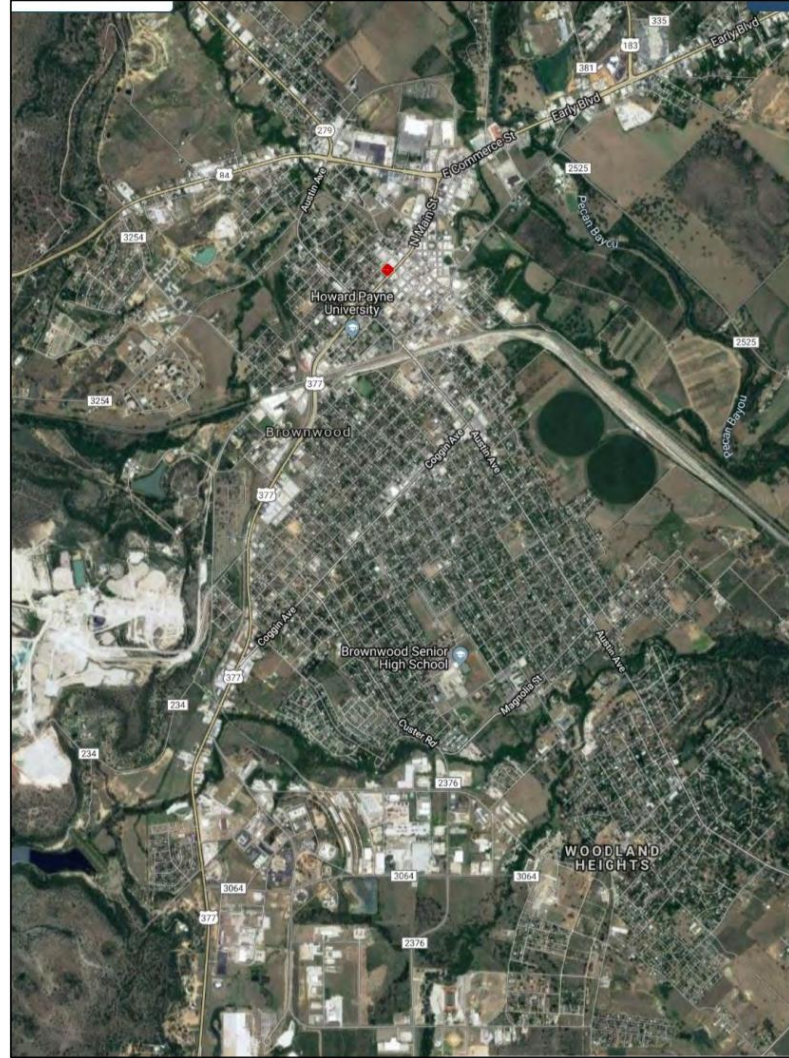


MAPS

AERIAL MAP NEAR

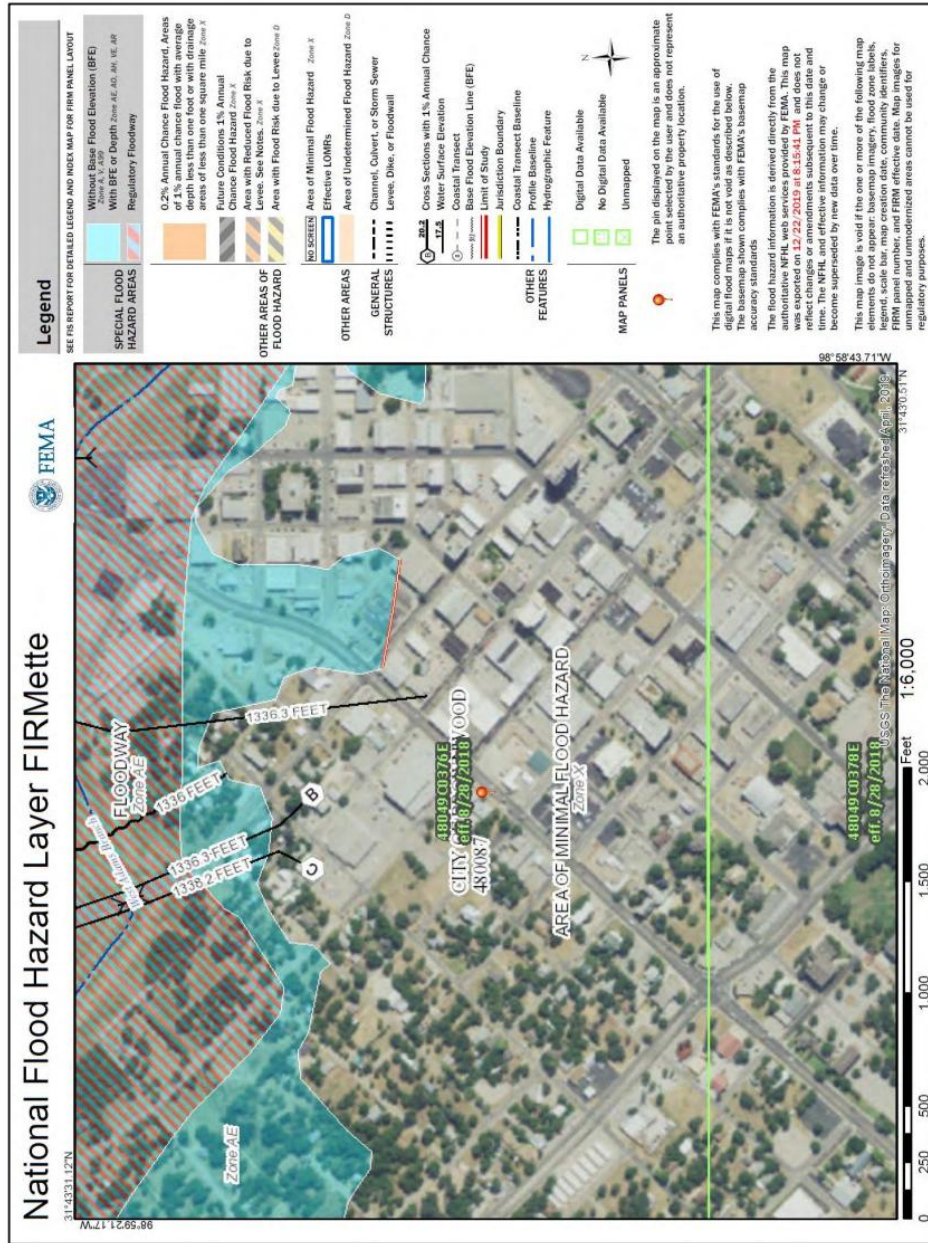


AERIAL MAP FAR



BROWNWOOD FLOOD & ZONING MAPS

FLOOD MAP



ZONING MAP

