

OFFERING MEMORANDUM

CONSERVATIVE PRO FORMA CAP RATE: 7.7%



INVESTMENT ADVISORS



Travis Purvis
Principal/Lead Agent
832-832-0661
Travis@NorthPeakCRE.com



Matt Lewallen
Principal
303-210-1623
Matt@NorthPeakCRE.com



NORTHPEAK®
COMMERCIAL ADVISORS

NorthPeak Commercial Advisors
4576 Research Forest Dr., Suite 200
The Woodlands, TX 77381
832-832-0661 • NorthPeakCRE.com





PROPERTY SUMMARY



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EXECUTIVE SUMMARY

PROPERTY DETAILS

Address	2508-2512 Southmore Blvd. Houston, TX 77004
Price	\$2,775,000
# of Units	20
Building Size	15,396 SF
Lot Size	0.66 AC
Year Built	1935/1965
Renovated	2016-2019
Building Type	Vintage Multifamily (Brick / Wood Frame)
Parking	32 Off-Street Parking Spaces (20 Secured / Gated)

PROPERTY HIGHLIGHTS

- Renovated 20-unit multifamily asset
- ~\$1.7M invested into renovations and capital improvements
- Major upgrades to plumbing, electrical, roofing, HVAC, structural, and fire sprinkler systems
- Fully leased with stable in-place cash flow
- Minutes from the Texas Medical Center, University of Houston, Hermann Park, and Downtown Houston
- Strong demand drivers from healthcare, university, and urban employment growth
- Attractive size for private investors and 1031 exchange buyers

Contempo Apartments is a renovated 20-unit multifamily investment opportunity located along Southmore Blvd. in Houston's rapidly evolving East End Houston submarket, positioned between the Texas Medical Center, Museum District, University of Houston, and Downtown Houston corridors. The property consists of three buildings totaling approximately 15,396 SF on 0.66 acres and includes sixteen two-bedroom units and four one-bedroom units.

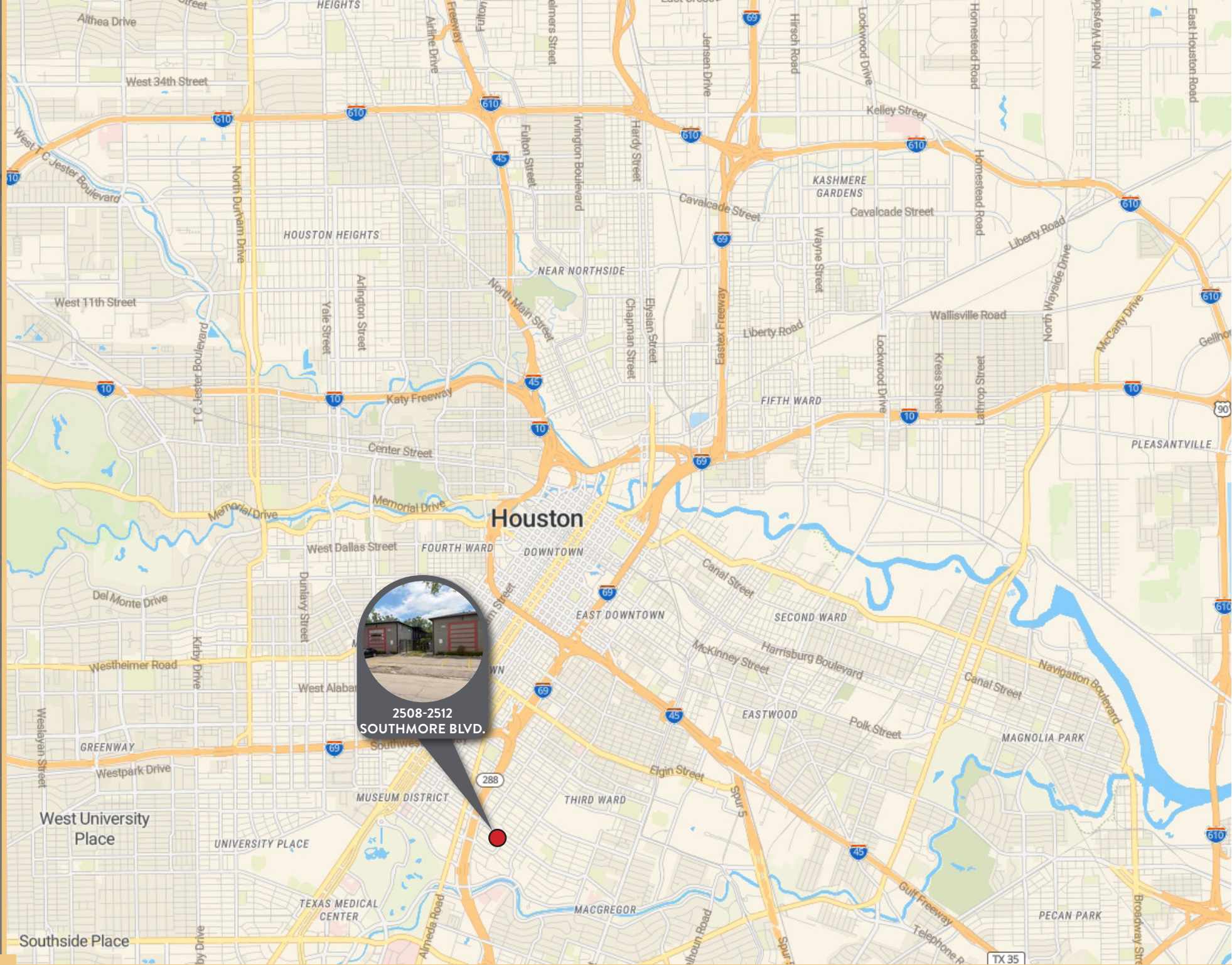
Originally constructed in 1935 and 1965, the asset has undergone substantial renovations and capital improvements over the past decade, with ownership investing approximately \$1.7 million into both interior upgrades and major building systems. Improvements include significant plumbing, electrical, roofing, structural, HVAC, fire sprinkler, landscaping, and interior renovation work, helping reduce near-term capital expenditure exposure for future ownership. The property is currently fully leased with strong in-place cash flow and is being marketed primarily as a stabilized, in-place investment opportunity rather than a heavy value-add story.

What makes Contempo Apartments particularly compelling is the combination of stabilization, infrastructure investment, and location within one of Houston's most institutionally anchored urban corridors. The property is located approximately 1.2 miles from the Houston Museum of Natural Science, 1.7 miles from University of Houston, 2.2 miles from the Texas Medical Center, and approximately 3.5 miles from Downtown Houston and Daikin Park. Residents benefit from immediate access to healthcare, education, employment, and entertainment destinations, while investors benefit from durable renter demand supported by the surrounding Medical Center, university, and urban employment base. The asset's approachable size and renovated condition position it well for private investors and 1031 exchange buyers seeking a quality multifamily opportunity inside Loop 610.





LOCATION
OVERVIEW



2508-2512
SOUTHMORE BLVD.



SOUTH CENTRAL HOUSTON

South Central Houston is a dynamic urban corridor that perfectly captures the city's spirit of growth and connectivity. Known for its rich cultural heritage and proximity to the world-renowned Texas Medical Center and the Museum District, this area offers residents an unmatched lifestyle of convenience. Tree-lined streets in historic pockets blend seamlessly with sleek new developments, creating a diverse architectural landscape that appeals to both traditionalists and modernists alike. With immediate access to major thoroughfares and the METRORail, the neighborhood serves as a central hub where the energy of downtown meets the prestige of Houston's top employment and educational centers.

For savvy real estate investors and homebuyers, South Central Houston represents a premier opportunity to secure property in one of the city's most rapidly appreciating sectors. The area is currently undergoing a sophisticated revitalization, with luxury townhomes and contemporary mid-rises steadily increasing the local property values. Beyond the financial upside, the neighborhood is a lifestyle destination, boasting easy access to the sprawling green spaces of Hermann Park and a burgeoning culinary scene. Purchasing a property here isn't just a real estate transaction; it's an investment in a vibrant, walkable future within the heart of the fourth-largest city in the country



INVESTMENT ANALYSIS



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UNIT MIX & INVESTMENT ANALYSIS

UNIT TYPE	NO. OF UNITS	APPROX. SF	CURRENT RENT	MONTHLY INCOME	PRO FORMA RENT	PRO FORMA MONTHLY INCOME
1Bd/1Ba	4	849	\$1,303	\$5,212	\$1,305	\$5,220
2Bd/1Ba	16	750	\$1,180	\$18,880	\$1,350	\$21,600
TOTALS	20	15,396		\$24,092		\$26,820

INCOME	CURRENT	PRO FORMA
Gross Scheduled Income (GSI)	\$289,032	\$321,840
Other Income	\$11,000	\$21,600*
Gross Operating Income	\$300,032	\$343,440

EXPENSES	CURRENT	PRO FORMA
Property Taxes	\$40,000	\$34,738
Insurance	\$20,622	\$20,622
Utilities	\$13,530	\$7,556
Management Fee	\$24,406	\$27,218
Repairs & Maintenance	\$21,006	\$29,007
Contract Services	\$10,625	\$10,625
TOTAL EXPENSES	\$130,189	\$129,766
TOTAL EXPENSES / UNIT	\$6,509	\$6,488
NET OPERATING INCOME	\$169,843	\$213,674

* Parking revenue is attributed to the substantial increase

FINANCIAL ANALYSIS	CURRENT	PRO FORMA
Net Operating Income	\$169,843	\$213,674
Projected Debt Service	(\$139,755)	(\$139,755)
Before Tax Cash Flow	\$30,088	\$73,919
Cash-on-Cash Return	3.6%	8.9%
Principal Reduction	\$23,854	\$23,854
Total Return	\$53,942	\$97,773
CAP RATE	6.1%	7.7%

INVESTMENT SUMMARY		FINANCING	
List Price	\$2,775,000	Down Payment (35%)	\$985,125
Price/Unit	\$138,750	Loan Amount (65%)	\$1,789,875
Price/SF	\$180	Interest Rate	6.0%
		Amortization	30 years

- Offering is being marketed primarily as a stabilized, in-place investment opportunity rather than a heavy value-add play
- Current underwriting reflects approximately a 6.0% cap rate at the asking price based on in-place operations
- Underwriting assumptions remain intentionally disciplined, including normalized vacancy assumptions within the pro forma analysis
- Ownership has made substantial investments into both interiors and major building systems, reducing near-term capital expenditure exposure for future ownership
- Investors continue to target smaller renovated inner-loop multifamily assets with strong long-term demographic and employment fundamentals

DISCLOSURE AND CONFIDENTIALITY AGREEMENT

This confidential Offering Memorandum has been prepared by NorthPeak Commercial Advisors, LLC (NorthPeak Commercial Advisors) for use by a limited number of qualified parties. This Offering Memorandum has been provided to you at your request based upon your assurances that you are a knowledgeable and sophisticated investor in commercial real estate projects and developments. NorthPeak Commercial Advisors recommends you, as a potential buyer/investor, should perform your own independent examination and inspection of the property described herein as 2508-2512 Southmore Blvd., Houston, TX 77004 (the “Property”) and of all of the information provided herein related to the Property. By accepting this Offering Memorandum, you acknowledge and agree that you shall rely solely upon your own examination and investigation of the Property and you shall not rely on any statements made in this Offering Memorandum or upon any other materials, statements or information provided by NorthPeak Commercial Advisors or its brokers.

NorthPeak Commercial Advisors makes no guarantee, warranty, or representation about the completeness or accuracy of the information set forth in this Offering Memorandum. You are responsible to independently verify its accuracy and completeness. NorthPeak Commercial Advisors has prepared the information concerning the Property based upon assumptions relating to the general economy, its knowledge of other similar properties in the market, and on other market assumptions including factors beyond the control of the NorthPeak Commercial Advisors and the Owner of the Property. NorthPeak Commercial Advisors make no representation or warranty as to either the accuracy or completeness of the information contained herein. The information set forth in this Offering Memorandum is not intended to be a promise or representation as to the future performance of the Property. Although the information contained herein is believed to be accurate, NorthPeak Commercial Advisors and the Property Owner disclaim any responsibility or liability for any inaccuracies. Further, NorthPeak Commercial Advisors and the Property Owner disclaim any and all liability for any express or implied representations and warranties contained in, or for any omissions from, the Offering Memorandum and for any other written or oral communication transmitted or made available to you. NorthPeak Commercial Advisors shall make available to you, as a qualified prospective investor, additional information concerning the Property and an opportunity to inspect the Property upon written request.

This Offering Memorandum and its contents are intended to remain confidential except for such information which is in the public domain or is otherwise available to the public. By accepting this Offering Memorandum, you agree that you will hold and treat Offering Memorandum in the strictest confidence, that you will not photocopy, duplicate, or distribute it. You agree you will not disclose this Offering Memorandum or its contents to any other person or entity, except to outside advisors retained by you and from whom you have obtained an agreement of confidentiality, without the prior written authorization of NorthPeak Commercial Advisors. You agree that you will use the information in this Offering Memorandum for the sole purpose of evaluating your interest in the Property. If you determine you have no interest in the property, kindly return the Offering Memorandum to NorthPeak Commercial Advisors at your earliest convenience.





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.



11-03-2025

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.

WRITTEN AGREEMENTS ARE REQUIRED IN CERTAIN SITUATIONS: A license holder who performs brokerage activity for a prospective buyer of residential property must enter into a written agreement with the buyer before showing any residential property to the buyer or if no residential property will be shown, before presenting an offer on behalf of the buyer. This written agreement must contain specific information required by Texas law. For more information on these requirements, see section 1101.563 of the Texas Occupations Code. **Even if a written agreement is not required, to avoid disputes, all agreements between you and a broker should be in writing and clearly establish: (i) the broker's duties and responsibilities to you and your obligations under the agreement; and (ii) the amount or rate of compensation the broker will receive and how this amount is determined.**

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 by the buyer or buyer's agent. **An owner's agent fees are not set by law and are fully negotiable.**

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. **A buyer/tenant's agent fees are not set by law and are fully negotiable.**

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:
 - that the owner will accept a price less than the written asking price;
 - that the buyer/tenant will pay a price greater than the price submitted in a written offer; and
 - 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.

A LICENSE HOLDER CAN SHOW PROPERTY TO A BUYER/TENANT WITHOUT REPRESENTING THE BUYER/TENANT IF:

- The broker has not agreed with the buyer/tenant, either orally or in writing, to represent the buyer/tenant;
- The broker is not otherwise acting as the buyer/tenant's agent at the time of showing the property;
- The broker does not provide the buyer/tenant opinions or advice regarding the property or real estate transactions generally; and
- The broker does not perform any other act of real estate brokerage for the buyer/tenant.

Before showing a residential property to an unrepresented prospective buyer, a license holder must enter into a written agreement that contains the information required by section 1101.563 of the Texas Occupations Code. The agreement may not be exclusive and must be limited to no more than 14 days.

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.

NorthPeak Commercial Advisors LLC	9016138-BB	matt@northpeakcre.com	303-210-1621
Name of Sponsoring Broker (Licensed Individual or Business Entity)	License No.	Email	Phone
Matthew Lewallen	841724-B	matt@northpeakcre.com	303-210-1621
Name of Designated Broker of Licensed Business Entity, if applicable	License No.	Email	Phone
Matthew Lewallen	841724-B	matt@northpeakcre.com	303-210-1621
Name of Licensed Supervisor of Sales Agent/Associate, if applicable	License No.	Email	Phone
Travis Purvis	839363-SA	travis@northpeakcre.com	832-832-0661
Name of Sales Agent/Associate	License No.	Email	Phone

Buyer/Tenant/Seller/Landlord Initials

Date

Regulated by the Texas Real Estate Commission

Information available at www.trec.texas.gov

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INVESTMENT ADVISORS:

TRAVIS PURVIS

Principal / Lead Agent

832-832-0661

Travis@NorthPeakCRE.com

MATT LEWALLEN

Principal

303-210-1623

Matt@NorthPeakCRE.com



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4576 Research Forest Dr., Suite 200

The Woodlands, TX 77381

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