

## Executive Summary



## Harlingen Park LLC

309 E New Hampshire St  
 Harlingen, TX 78526



### Income, Expenses & Cash Flow Property Overview

Potential Rental Income	\$ 436,200
Other Income	
Total Vacancy and Credits	(21,810)
Operating Expenses	\$ (150,417)
<b>Net Operating Income (NOI)</b>	<b><u>\$ 263,973</u></b>
Debt Service:	
<b>Cash Flow Before Taxes</b>	<b>\$ 263,973</b>

Purchase/Asking Price	\$ 3,100,000
Improvements	
Other	
Closing Costs	
Finance Points	
<b>Total Acquisition Cost</b>	<b><u>\$ 3,100,000</u></b>
Mortgage (s)	
	\$
Down Payment / Investment	
	<b>\$3,100,000</b>

Property Type	Apartments
No. of Units	37
Price Per Unit	\$ 83,784
Total Sq Ft	42,276
Price Per Sq Ft	\$ 73
Income per Unit	\$ 11,789
Expenses per Unit	\$ (4,065)

### Assumptions Loan Information

Rental Growth Rate:	5.00%	Down Payment: \$ 3,100,000	<u>% of Asking</u>	<u>% of Cost</u>
Expense Growth Rate:	5.00%	Initial Loan Balance: \$	100.00%	100.00%
Capitalization Rate (Resale):	0.00%		0.00%	0.00%
		<u>Loan Amount</u>	<u>Interest Rate</u>	<u>Term</u>
		\$	0.00%	0
				<u>Payment</u>
				\$0

### Financial Measurements Notes / Discussion

Financial Measurements	Year 1	Year 3	Year 7	Notes / Discussion
Debt Coverage Ratio (DCR)				Located in South Texas and in the middle of the Rio Grande Valley (RGV), the area is on a fast track of expansion due to rapid business development with SpaceX, the vast expansion of the Port of Brownsville, and other ancillary businesses associated with this area. The University of Texas RGV Medical School has campuses in Brownsville and McAllen. Harlingen is midway between Brownsville and McAllen. Internships and medical vocational programs and jobs are available through two large hospitals, a VA clinic and a Public Health Clinic in Harlingen. There is a 4 year technical college in Harlingen as well and Texas A & M University system, a highly ranked engineering school, will build a 30,000 sq ft tech training facility in the area to provide skills required for the young workforce. It is a great time to invest in South Texas.
Loan-to-Value Ratio (LVR)				
Capitalization Rate Based on Cost	8.52%	9.39%	11.41%	
Capitalization Rate Based on Resale Price				
Gross Rent Multiplier	7.11			
Net Present Value (NPV) - B/ Taxes	13.50%	(2,867,425)	(2,453,222)	
Cash on Cash Return - Before Taxes	<b>8.52%</b>	<b>9.39%</b>	<b>11.41%</b>	
Internal Rate of Return - Before Taxes		<b>-44.67%</b>	<b>-8.06%</b>	
Modified Internal Rate of Return - Before Taxes		<b>-35.49%</b>	<b>-5.10%</b>	

**Disclaimer: All information presented is believed to be accurate.**

The information, calculations and data presented in this report are believed to be accurate but are not guaranteed. The information contained in this report shall not be considered as a substitution for legal, accounting or other professional advice. Please seek proper legal and tax advice as appropriate before making investments.

**Harlingen Park LLC**



**Typical Entrance**



**Great Room Living, Dining & Patio**



**Kitchen**



**Rear Patio**



**Master Bedroom**



**Guest Bedroom**



**Laundry Room**



**Bathroom**

**Harlingen Park LLC**

309 E New Hampshire St

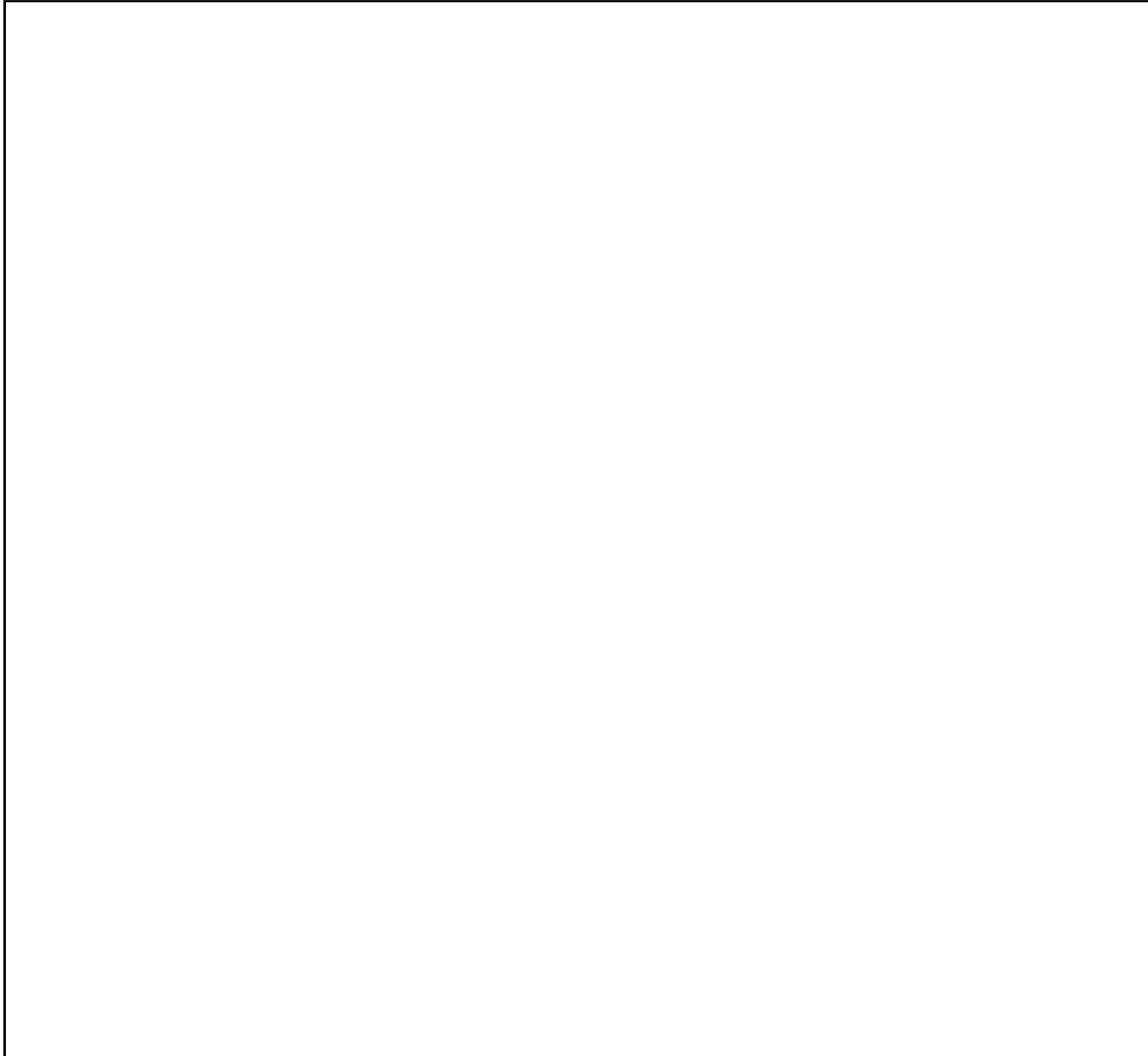
Harlingen, TX 78526

## Map/Aerial View



Cathy Pool

956-561-1023



Satellite View



Street View



Zoom View

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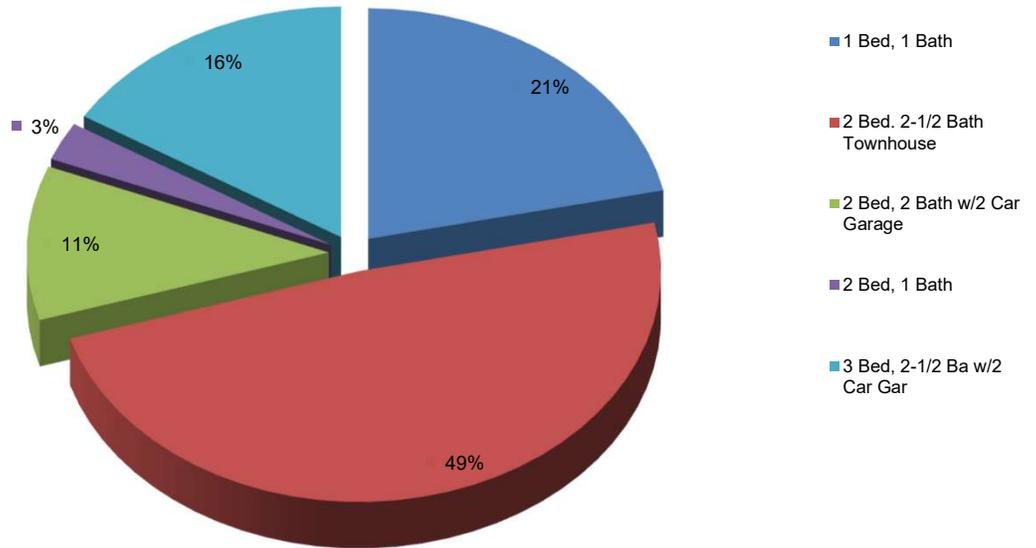
# Rent Roll Summary



Cathy Pool  
956-561-1023

Unit Description	Number of Units	Per unit Sq Ft	Total Sq Ft	Percent of Total	Monthly Rev/ Sq Ft	Rent Per Unit	Monthly Rent	Annual Rent
1 Bed, 1 Bath	8	760	6,080	14.38%	0.990	\$ 750	\$ 6,000	\$ 72,000
2 Bed, 2-1/2 Bath Townhouse	18	1,150	20,700	48.96%	0.820	\$ 949	\$ 17,075	\$ 204,900
2 Bed, 2 Bath w/2 Car Garage	4	1,300	5,200	12.30%	0.830	\$ 1,075	\$ 4,300	\$ 51,600
2 Bed, 1 Bath	1	900	900	2.13%	1.030	\$ 925	\$ 925	\$ 11,100
3 Bed, 2-1/2 Ba w/2 Car Gar	6	1,566	9,396	22.23%	0.860	\$ 1,342	\$ 8,050	\$ 96,600
<b>Totals</b>	<b>37</b>	<b>5,676</b>	<b>42,276</b>	<b>100.0%</b>	<b>0.860</b>	<b>5,040</b>	<b>\$ 36,350</b>	<b>\$ 436,200</b>

**Unit Mix**



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# Annual Expenses



Cathy Pool  
956-561-1023

Expense Description	Annual Amount	Annual Increase	Per Unit	Per Sq Ft	% of Expenses	% of Revenue
Insurance	20,178	5.0%	545.35	0.48	13.4%	4.9%
Yard Care	4,200	5.0%	113.51	0.10	2.8%	1.0%
Management	22,099	5.0%	597.27	0.52	14.7%	5.3%
Office Expenses	1,407	5.0%	38.03	0.03	0.9%	0.3%
Repairs & Maintenance	11,320	5.0%	305.95	0.27	7.5%	2.7%
Supplies & HVAC	21,318	5.0%	576.16	0.50	14.2%	5.1%
Property Taxes	49,768	5.0%	1,345.08	1.18	33.1%	12.0%
Water,Sewer,Trash	20,127	5.0%	543.97	0.48	13.4%	4.9%
<b>Total Annual Operating Expenses</b>	<b>\$ 150,417</b>		<b>\$ 4,065</b>	<b>42,276</b>	<b>100.0%</b>	<b>36.3%</b>