

12302 BOREAS DR

12302 Boreas Dr, Houston, TX 77039



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Houston, TX 77039

\$950,000
PRICE

10
NUMBER OF UNITS

C
CLASS

0.5 AC (21,780 SF)
LAND SIZE

ALDINE - 77039
LOCATION

VALUE ADD
INVESTMENT TYPE

DUPLEX STYLE - MULTIFAMILY
TYPE

ALL 2 BED/1 BATH
UNIT MIX

1985/2007
YEAR BUILT/RENOVATED

ALL BILLS PAID (LANDLORD PAYS WATER AND ELECTRIC
UTILITIES SET UP



PROPERTY SUMMARY

90% occupied, 10 units, value add deal with under market rents & opportunity to optimize utility expenses. Located in Aldine with access to strong renter base seeking rental housing. Quick access to I-69, I-45, Beltway 8, Hardy Toll Road and Downtown Houston. Located directly next to schools & blue collar employment hub.

EXECUTIVE SUMMARY

Boreas Apartments, located in North Houston's bustling Aldine area at 12302 Boreas Dr., offer an outstanding investment opportunity. Featuring 10 spacious units (all 2 Bed & 1 Bath), this property's prime location near schools and major highways like I-69 and I-45 makes it highly desirable for families seeking housing solution with convenience and accessibility.

With the median home price in the area skyrocketing to \$192,702—a remarkable 10% year-over-year increase—Boreas Apartments emerge as a top-notch value-add prospect. Notably, rents at this property are currently under market value, presenting investors with a unique opportunity for immediate upside potential. By strategically renovating both the interior and exterior of the property and implementing RUBS to optimize utility expenses, investors can unlock the full potential of this property, maximizing cash flow and long-term returns. Don't miss out on the chance to capitalize on the area's robust rent growth and secure your investment in Boreas Apartments today!



SUBMARKET SUMMARY

Looking ahead the vacancy rate is anticipated to hold steady in the quarters ahead, aided primarily by a quiet construction pipeline. The area appeals to residents for its affordability and is fortified by an inelastic base of renters-by-necessity. Many renters work within this submarket, often in the industrial sector and employment centered on George Bush International Airport (IAH).

The fact that many of the submarket's jobs are lower paying supports the case for continued affordable housing demand, of which the Aldine/IAH Airport Submarket is home to a sizable portion.

SALES

Sales volume here is driven by private buyers relatively split between out-of-state and local and often executing value-add plays. Trades of well-leased properties consisting of 50 units or fewer is a common sight, not entirely surprising, as 40% of the submarket's marketrate stock consists of properties of this size.

FINANCIALS

Account	Aug-23	Sep-23	Oct-23	23-Nov	Dec-23	Jan-24	Total (T-6)
Rent Income	\$6,411.00	\$6,154.00	\$6,459.00	\$5,944.00	\$5,624.00	\$7,172.00	\$37,764.00
Utilities							
Utilities - water	\$1,352.00	\$0	\$3,642	\$1,979	\$1,619	\$1,647	
Utilities - electricity	\$193.00	\$367	\$276	\$316	\$270	\$0	
Utilities - trash	\$222.00	\$227	\$230	\$229	\$226	\$282	
Total Utilities	\$1,767.00	\$594.00	\$4,148.00	\$2,524.00	\$2,115.00	\$1,929.00	\$13,077.00
Property Maintenance							
Make Ready Maintenance Materials	\$-	\$72	0	0	0	0	
Make Ready Maintenance Labor	\$-	0	1000	0	0	\$520	
Billed Property Maintenance Labor	\$-	0	150	0	0	\$137.5	
Property Maintenance Materials	\$-	0	1014	0	0	\$344	
Landscaping	\$250.00	\$250.00	\$250.00	\$250.00	\$250.00	\$250.00	
Maintenance - other	\$50.00	\$330.74	\$1,249.23	\$319.83	\$404.45	\$274.02	
Total Maintenance	\$300.00	\$652.74	\$3,663.23	\$569.83	\$654.45	\$1,525.52	\$7,365.77
Office Payroll and Expenses							
Mgmt. Fee	\$570.00	\$513	\$608	\$529	\$521	\$706	
Placement Fee	\$-	0	0	0	0	\$1,698	
Total Office and Payroll Expense	\$570.00	\$513.00	\$608.00	\$529.00	\$521.00	\$2,404.00	\$5,145.00
Fixed Cost							
Property Taxes	\$350.00	\$350.00	\$350.00	\$350.00	\$350.00	\$350.00	
Insurance	\$575.00	\$575.00	\$575.00	\$575.00	\$575.00	\$575.00	
Total Taxes & Insurance	\$925.00	\$925.00	\$925.00	\$925.00	\$925.00	\$925.00	\$5,550.00
Total Operating Expense	\$3,562.00	\$2,684.74	\$9,344.23	\$4,547.83	\$4,215.45	\$6,783.52	\$31,137.77
Monthly Net Operating Income	\$2,849.00	\$3,469.26	\$(2,885.23)	\$1,396.17	\$1,408.55	\$388.48	\$6,626.23

CAPEX

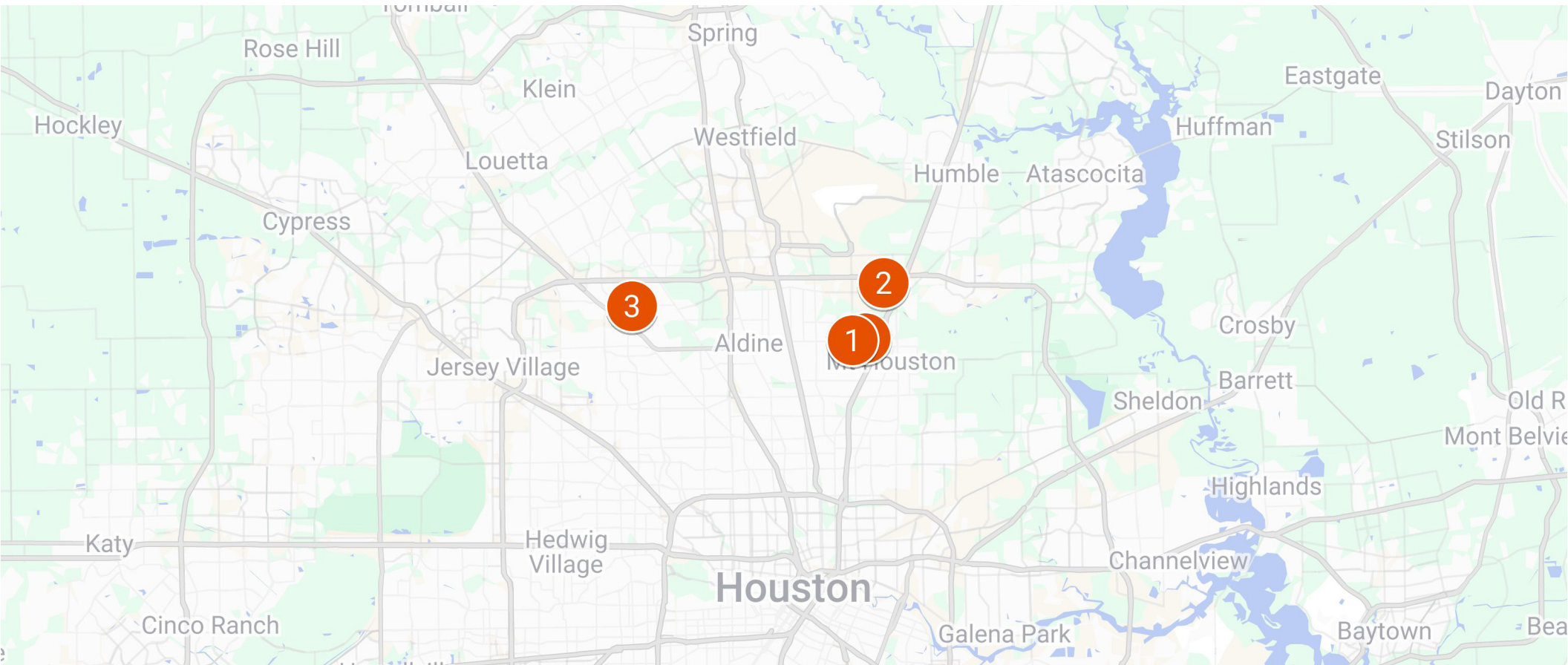
Completed CAPEX	Aug-23	23-Sep	Oct-23	23-Nov	Dec-23	Jan-24	Total
CAPEX Plumbing	\$-	\$-	\$-	\$-	\$1,772.24	\$-	\$1,772.24
CAPEX HVAC	\$4,200.00	\$250.00	\$250.00	\$-	\$-	\$-	\$4,700.00
CAPEX Structural	\$-	\$-	\$-	\$2,149.15	\$-	\$-	\$2,149.15
Total CAPEX	\$4,200.00	\$250.00	\$250.00	\$2,149.15	\$1,722.24	\$-	\$8,571.39

Additional CAPEX/Value Add	Exterior	Interior	Operationally
<p>This property provides an opportunity for a buyer to add value/force appreciation by; enhancing curb appeal of this asset and fixing up the interior by modernizing and addressing any deferred maintenance, not only will the buyer increase rents but also decrease unnecessary expenses.</p>	<p>With smart CAPEX to the exterior of the building, including but not limited to replacement/repair of windows and doors, gutter lining, fascias and soffit, fresh paint of all buildings, etc, this property will attract better tenants when listed online for rent or via referrals, as well as be able retain tenants for longer terms and decreasing turnover cost.</p>	<p>Inside the building, interior units should be modernized to 2024 finishes, with possible upgrades to top of the line appliances and W&D, rental rates and units as a whole can be optimized.</p>	<p>Property is currently all-bills-paid, new buyer should implement a RUBS system passing some of the utilities expense to tenants. Previous owner had tenants paying their own electric. There is currently a leak causing water bill to well exceed average bill, simply fixing this issue would significantly increase cash flow in a short period of time.</p>



RENTAL COMPS

	Address	Unit	Rental Rate
1	"Boreas Apartments" 12302 Boreas Dr, Houston, TX 77039"	2 B/1 B	\$814 (average)
2	"Capewood Apartments" 4335 Aldine Mail Route Rd Houston, TX 77039	2 B/1 B	\$1,037
3	"Farley Apartments" 5407 Farley Dr unit A, Houston, TX 77032	2 B/1 B	\$1,025
4	"La Casita Homes" 3359 Frick Rd, Houston, TX 77086	2 B/1 B	\$1,050



PRO FORMA



Gross Potential Rental Income	\$126,000
Vacancy (9%)	\$11,340
Potenital Gross Revenue	\$114,660
Reserves	\$4,800
Utilities (water only/tenant pays own electric)	\$6,000
Property Maintenance	\$14,000
Insurance	\$6,900
Property Tax	\$6,000
Total Expense	\$37,700
Potential Net Operating Income	\$76,960

Current Rent Averages	New Rents
\$814	\$1,050

PROPERTY PHOTOS



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