

Tower Arms

SOUTH



Tower Arms

NORTH



Park TERRACE



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.





TABLE OF CONTENTS

PORTFOLIO OVERVIEW	4
PERFORMANCE METRICS	5
LOCATION OVERVIEW	6
DISTANCE FROM MAJOR MARKET	9
RETAIL HIGHLIGHTS	10
AREA METRICS	11
MAJOR EMPLOYERS	12
TOWER ARMS NORTH & SOUTH	14
PARK TERRACE APARTMENTS	18
UNIT MIX	21
HISTORIC & PROFORMA FINANCIALS	22
FINANCIALS OVERVIEW	23



PROPERTY	TOWER ARMS NORTH	TOWER ARMS SOUTH	PARK TERRACE	PORTFOLIO TOTALS/AVG.
Year Built	1978	1984	1968 - 1973	1968-1984
Units	28	40	46	114
Average Unit Size	665	1,076	896	902
Average Rent	\$685	\$925	\$874	\$845
Rent / SF	\$1.03	\$0.86	\$0.98	\$0.94

Tower Arms
NORTH



Tower Arms
SOUTH



Park
TERRACE



Performance Metrics

Projected 5 Year Average Cash on Cash Return

10.9%

Projected 5 Year Levered IRR

19.7%

MARKET OVERVIEW

Levelland serves as the economic center of Hockley County, positioned 30 miles west of Lubbock with direct access to I-20 and I-40 corridor connections. The city's economy draws strength from its historical foundation in cotton production—the region produces approximately 25 percent of the world's cotton—complemented by established petroleum operations and expanding alternative energy sectors including wind, solar, and biofuels.

The market benefits from strong employment diversity anchored by Covenant Hospital Levelland, South Plains College, and the region's dominant agricultural processing operations including Farmer's Cooperative Compress, the world's largest cotton warehouse. With a regional labor pool exceeding 190,000 workers across nine contiguous counties, Levelland functions as the primary employment hub for Hockley County and surrounding communities.



12,270

Population



35.5

Median Age



5.8%

2025
Unemployment
Rate

The market benefits from strong employment diversity

anchored by Covenant Hospital Levelland, South Plains College, and the region's dominant agricultural processing operations including Farmer's Cooperative Compress, the world's largest cotton warehouse. With a regional labor pool exceeding 190,000 workers across nine contiguous counties, Levelland functions as the primary employment hub for Hockley County and surrounding communities.



\$143,081

Median Home Value



\$50,462

Median Household
Income



2.59

Household Size



32.1%

% Rentals



14.0%

Vacant Housing Units



1,488

Rental Unit Demand

The workforce composition favors stability, with 65 percent employment concentrated in healthcare, education, and professional services. The city maintains a younger demographic profile with a median age of 34.2 years and median household income of \$50,462, supporting consistent rental demand from professionals and educators.



Infrastructure investments signal continued economic momentum. The 243-acre Levelland Industrial Rail Park offers shovel-ready sites with dual rail service, positioning the city for logistics and manufacturing expansion. Recent enrollment growth at South Plains College—up 4.3 percent in Fall 2025 to 9,490 students—reinforces the educational sector's stability and contribution to local housing demand.

REGIONAL EMPLOYMENT DRIVERS



Covenant Hospital Levelland: The 49-bed acute care facility serves as Hockley County’s primary healthcare provider, anchoring the region’s largest employment sector with 1,503 healthcare and social services positions across 42 establishments. Founded in 1971 and affiliated with Covenant Health Systems in Lubbock, the hospital maintains 12 full-time physicians and operates five full-service clinics throughout the county, providing comprehensive medical services to Levelland and surrounding communities.



South Plains College: The public community college enrolled 9,490 students in Fall 2025, representing a 4.3 percent increase from the previous year. As part of the education sector employing 1,012 workers across 11 establishments,

the college serves as a significant economic anchor and workforce development engine. The institution’s 177-acre Levelland campus includes residential facilities for 774 students, contributing to stable rental demand beyond traditional family housing.



Agricultural & Energy Operations: Levelland’s historical economic foundation remains robust through integrated agricultural processing and petroleum operations. Farmer’s Cooperative Compress operates the world’s largest cotton warehouse, processing cotton from the region’s dominant crop that represents 25 percent of global production. The city’s centralized location positions it within 500 miles of major exploration wells and refining facilities, supporting the oil and gas services sector while diversifying into alternative energy development including wind, solar, and biofuel operations.



TOWER ARMS NORTH

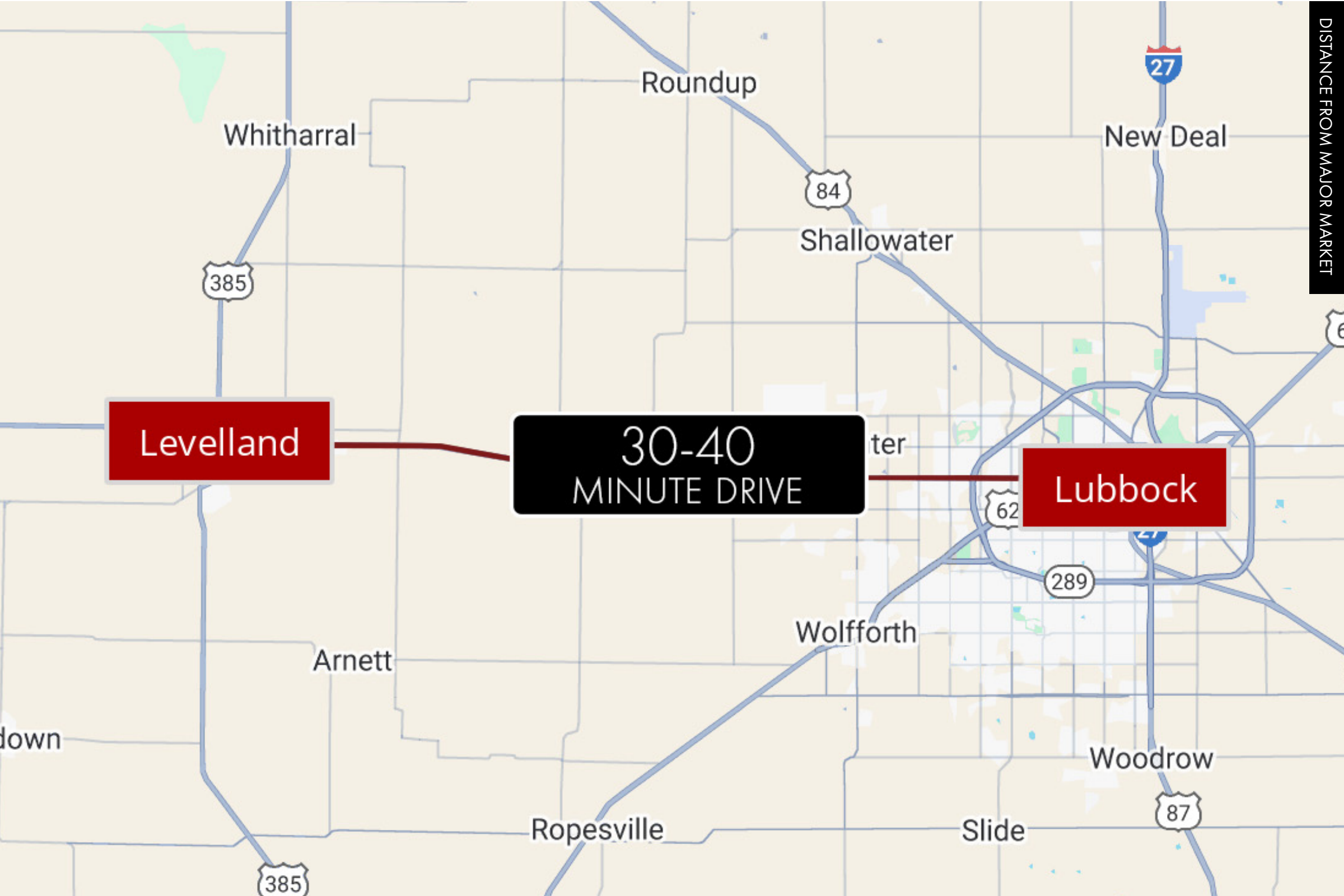
TOWER ARMS SOUTH

PARK TERRACE

MAGNOLIA ST

SOUTH PLAINS COLLEGE

COLLEGE AVENUE



Levelland

30-40
MINUTE DRIVE

Lubbock

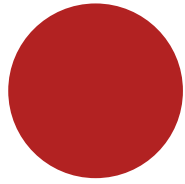
Retail Located Along College Avenue



Park Terrace & Tower Arms



1 mile



6,298

Population



34.7

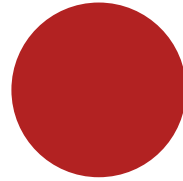
Median Age



6.2%

2025
Unemployment
Rate

3 mile



13,381

Population



36.1

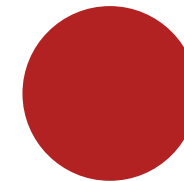
Median Age



5.6%

2025
Unemployment
Rate

5 mile



14,135

Population



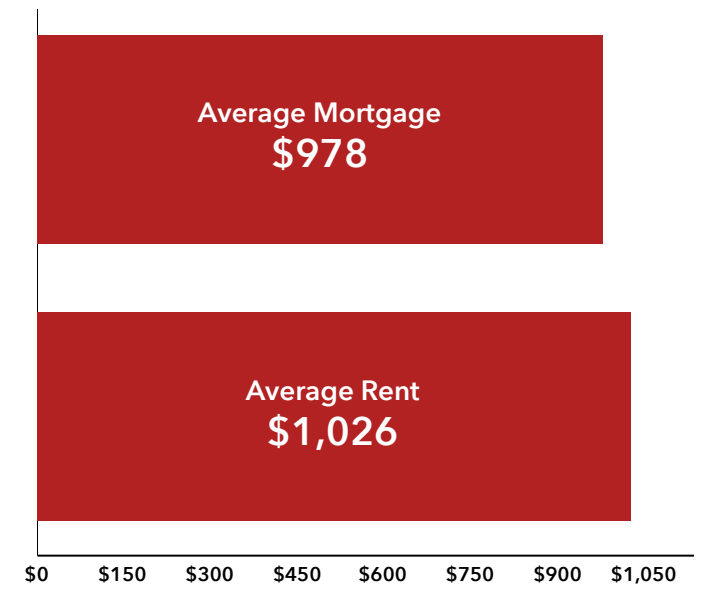
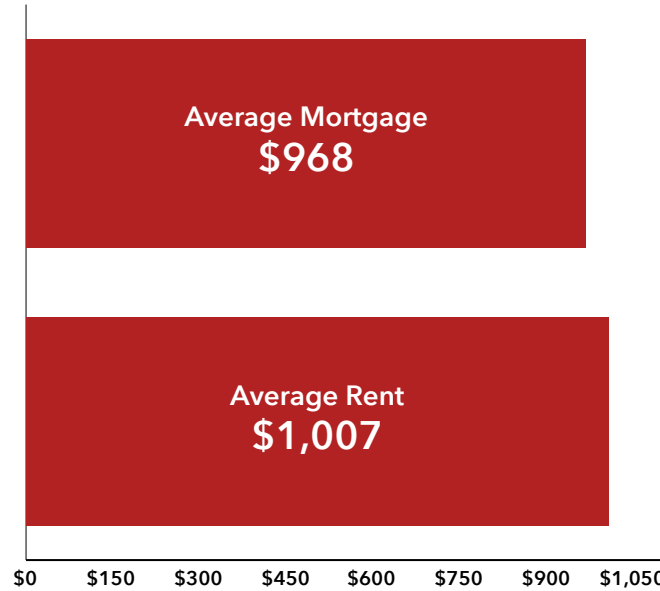
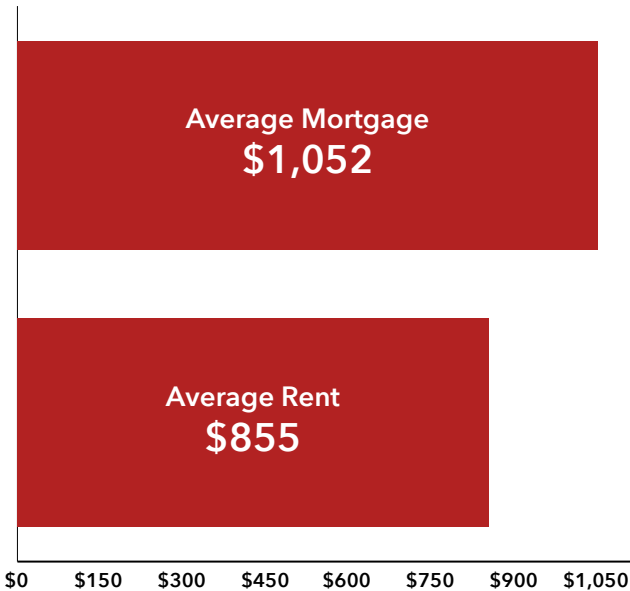
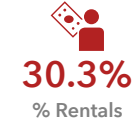
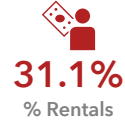
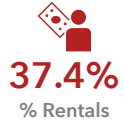
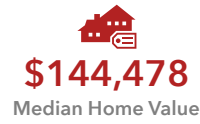
36.5

Median Age

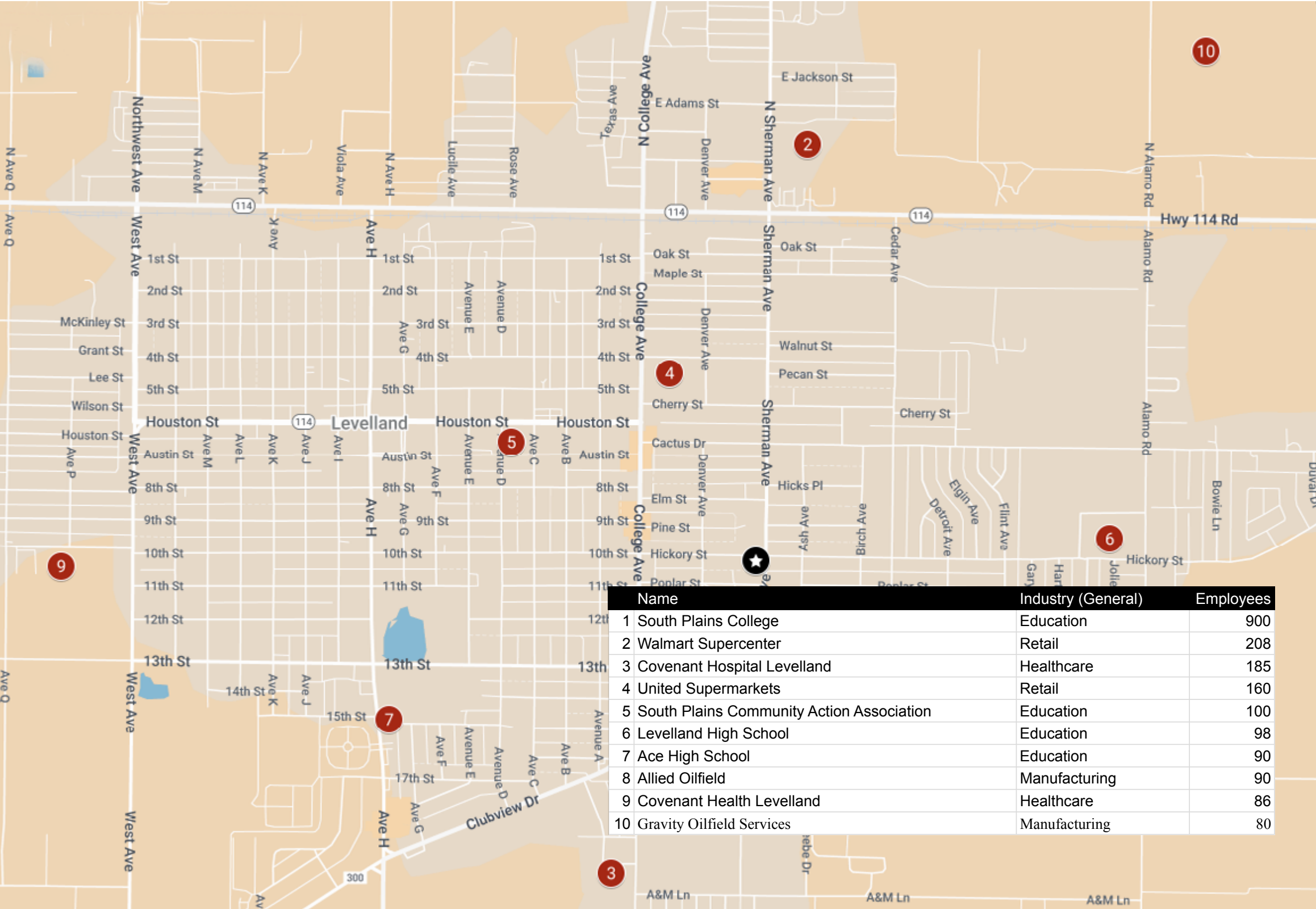


5.4%

2025
Unemployment
Rate



MAJOR EMPLOYERS



Name	Industry (General)	Employees
1 South Plains College	Education	900
2 Walmart Supercenter	Retail	208
3 Covenant Hospital Levelland	Healthcare	185
4 United Supermarkets	Retail	160
5 South Plains Community Action Association	Education	100
6 Levelland High School	Education	98
7 Ace High School	Education	90
8 Allied Oilfield	Manufacturing	90
9 Covenant Health Levelland	Healthcare	86
10 Gravity Oilfield Services	Manufacturing	80

Tower Arms

NORTH



Tower Arms

SOUTH



PROPERTY	Tower Arms
Address	1102 Sherman Avenue
Market	Levelland
# of Units	68
Year Built	N-1978 / S-1984
Average Unit Size	907
Net Rentable Area	61,676
# of Stories	TAN - one, TAS - two
# of Buildings	19

TAX INFORMATION	Hockley CAD
Parcel ID	R10342, R5108
Current Assessed Value (2025)	1,503,622
Improvement Allocation	97%
Tax Rate	2.31%

MECHANICAL	
HVAC	North - through wall units, South - individual
Electricity(Xcel Energy)	Individually Metered
Hot Water	North & South - individual electric

CONSTRUCTION	
Style	Garden
Foundation	Concrete Slab
Framing	Wood
Exterior	Brick, Stucco, Wood Facia and Soffit
Roof	North - Flat w/ slight pitch, South - Pitched Metal
Parking	Ashpalt

UTILITIES/PAID BY	
Electricity	Tenant
Water and Sewer	Tower Arms North - Master metered, allocated with RUBS to resident Tower Arms South - individually metered and paid by resident
Trash	Tower Arms North - Allocated to resident Tower Arms South - Paid directly to city by resident
Gas	The 2 and 3 bedroom units at Park Terrace have gas - tenant pays

PERSONNEL	
Management Company	Owner Managed
Leasing Office	On-Site
Maintenance	On-Site

LAUNDRY	
Washer/Dryer Connections	2 washers / 1 dryer at TA north
On-Site Facility	Yes
Contracted Company	NA
Contract Term Remaining	NA

FEES & DEPOSITS	
Refundable Pet Deposit	\$350
Monthly Pet Rent	\$30/pet/mo, max 2 pets

SCHOOLS	
Elementary	Levelland Intermediate School
Junior High	Levelland Middle
High School	Levelland High School
Colleges and Universities	South Plains College

RECENT CAPITAL IMPROVEMENTS	
Roof Replacements	apx 2 years





Park TERRACE



PROPERTY	Park Terrace
Address	1102 Sherman Avenue
Market	Levelland
# of Units	46
Year Built	1968-1973
Average Unit Size	896
Net Rentable Area	41,199
# of Stories	1

TAX INFORMATION	Hockley CAD
Parcel ID	R5108
Current Assessed Value (2025)	\$1,004,367
Improvement Allocation	99%
Tax Rate	2.37%

MECHANICAL	
HVAC	ll in 1 BRs, individual HVAC in 2 and 3 BR units
Electricity	Submetered
Hot Water	Efficiencies and 1 BRs have single gas boiler, 2 and 3 BRs have individual electric units

CONSTRUCTION	
Style	Garden
Foundation	Concrete Slab
Framing	Wood
Exterior	Brick, Stucco, Wood Facia and Soffit
Roof	Pitched Composition Shingles
Parking	Ashpalt

UTILITIES/PAID BY	
Electricity	Allocated with submeters to residents
Water and Sewer	Allocated with RUBS to resident
Trash	Allocated to resident
Gas	The 2 and 3 bedroom units have gas - Resident pays
Telephone	Resident
Cable	Resident
Internet	Resident

PERSONNEL	
Management Company	Owner Managed
Leasing Office	On-Site
Maintenance	On-Site

LAUNDRY	
Washer/Dryer Connections	In 2&3 BR units
On-Site Facility	Yes, coin operated
Contracted Company	NA
Contract Term Remaining	NA

FEES & DEPOSITS	
Refundable Pet Deposit	\$350
Monthly Pet Rent	\$30/pet/mo, max 2 pets

COMMUNITY AMENITIES	
2&3 Bedroom units have backyards	
Free covered parking	

SCHOOLS	
Elementary	Levelland Intermediate School
Junior High	Levelland Middle
High School	Levelland High School
Colleges and Universities	South Plains College

RECENT CAPITAL IMPROVEMENTS	
Roof Replacements	apx 2 years

Park TERRACE





Park Terrace and Tower Arms

1102 Sherman Avenue

Property Overview	
Units	114
Occupancy	97%
Year Built	1968-1984
Utilities	Tenant Pays All

Unit Type	No. of Units	Avg. SF	Asking Rent	Rent/SF	Proforma Rent	Rent/SF
North - 1 Bed / 1 Bath	28	665	\$685	\$1.03	\$709	\$1.07
South - 1 Bed / 1 Bath	8	740	\$775	\$1.05	\$802	\$1.08
South - 2 Bed / 2 Bath	16	1,010	\$850	\$0.84	\$880	\$0.87
South - 3 Bed / 2.5 Bath	16	1,311	\$1,195	\$0.91	\$1,237	\$0.94
Efficiency	11	409	\$625	\$1.53	\$647	\$1.58
1 Bed / 1 Bath	10	561	\$655	\$1.17	\$678	\$1.21
2 Bed / 1 Bath	6	885	\$806	\$0.91	\$834	\$0.94
2 Bed / 1 Bath	8	1,097	\$880	\$0.80	\$911	\$0.83
3 Bed / 2 Bath	8	1,362	\$1,325	\$0.97	\$1,371	\$1.01
3 Bed / 2 Bath	2	1,858	\$1,395	\$0.75	\$1,444	\$0.78
3 Bed / 2 Bath House	1	2,392	\$1,500	\$0.63	\$1,553	\$0.65
Totals / Avg.	114	902	\$862	\$0.96	\$892	\$0.99

GPR	\$1,179,492	\$1,220,774
GPR / Month	\$98,291	\$101,731



	Dec T12	Dec T6	Dec T3	Stabilized
Rental Income				
Gross Potential Rent	\$ 1,179,492	\$ 1,179,492	\$ 1,179,492	\$ 1,220,774
Economic Vacancy	\$ (184,057)	\$ (179,867)	\$ (207,107)	\$ (183,116)
Net Rental Income	\$ 995,435	\$ 999,625	\$ 972,385	\$ 1,037,658
Utility Reimbursement	\$ 98,261	\$ 97,588	\$ 99,537	\$ 86,112
Late Fees	\$ 11,850	\$ 15,037	\$ 16,581	\$ 11,850
Misc. Other Income	\$ 22,563	\$ 27,108	\$ 35,494	\$ 22,563
Total Other Income	\$ 132,974	\$ 140,134	\$ 152,412	\$ 120,825
Gross Operating Income	\$ 1,128,410	\$ 1,139,759	\$ 1,124,797	\$ 1,158,483
Operating Expenses				
Admin	\$ 15,061	\$ 16,695	\$ 11,842	\$ 15,061
Advertising	\$ 775	\$ 1,050	\$ 1,600	\$ 775
Payroll	\$ -	\$ -	\$ -	\$ 125,400
Repairs & Maintenance	\$ 83,996	\$ 91,977	\$ 81,098	\$ 83,996
Management Fee	\$ 223,500	\$ 216,000	\$ 228,000	\$ 46,339
Property Taxes	\$ 62,297	\$ 62,297	\$ 62,297	\$ 105,105
Insurance	\$ 95,056	\$ 95,056	\$ 95,056	\$ 95,056
Utilities	\$ 104,505	\$ 97,316	\$ 96,301	\$ 107,640
Utility Billing Service	\$ 1,507	\$ 1,190	\$ 1,275	\$ 1,507
Replacement Reserves	\$ -	\$ -	\$ -	\$ 34,200
Total Operating Expenses	\$ 586,696	\$ 581,580	\$ 577,469	\$ 615,079
Net Operating Income (NOI)	\$ 541,713	\$ 558,179	\$ 547,329	\$ 543,404
Capital Expenses	\$ (120,619)	\$ (179,621)	\$ (155,513)	

Projected
15.0%
80.0%
T12
T12
T12
T12
T12 + 3%
T12
T12
\$300

Month: December	T12	T6	T3	Proforma
Economic Occupancy	84%	85%	82%	85%
water, sewer, and trash bill		current %:	94%	
Other Income	11%	12%	13%	10%
Gross Income	96%	97%	95%	95%
per unit				
sales price * tax rate				owner managed, includes owner salary *adjusted for overpayment *adjusted for overpayment
per unit				
Expenses	50%	49%	49%	50%
NOI	46%	47%	46%	45%
Cap Ex	10%	15%	13%	0%

Income	Dec T3 Rent / T12 Other	% of GPR	Per Unit	Stabilized	% of GPR	Per Unit
Gross Potential Rent	\$1,179,492	100.0%	\$10,346	\$1,220,774	100.0%	\$10,709
Economic Vacancy	-\$207,107	-17.6%	-\$1,817	-\$183,116	-15.0%	-\$1,606
Net Rental Income	\$972,385	82.4%	\$8,530	\$1,037,658	85.0%	\$9,102
Utility Reimbursement	\$98,261	8.3%	\$862	\$86,112	7.1%	\$755
Late Fees	\$11,850	1.0%	\$104	\$11,850	1.0%	\$104
Pet Fees	\$300	0.0%	\$3	\$300	0.0%	\$3
Misc. Other Income	\$22,563	1.9%	\$198	\$22,563	1.8%	\$198
Total Other Income	\$132,974	11.3%	\$1,166	\$120,825	9.9%	\$1,060
Total Operating Income	\$1,105,359	93.7%	\$9,696	\$1,158,483	94.9%	\$10,162
Expenses	T12	% of GPR	Per Unit	Stabilized	% of GPR	Per Unit
Admin	\$15,061	1.3%	\$132	\$15,061	1.2%	\$132
Advertising	\$775	0.1%	\$7	\$775	0.1%	\$7
Payroll	\$0	0.0%	\$0	\$125,400	10.3%	\$1,100
Repairs & Maintenance	\$83,996	7.1%	\$737	\$83,996	6.9%	\$737
Management Fee	\$223,500	18.9%	\$1,961	\$46,339	3.8%	\$406
Property Taxes	\$62,297	5.3%	\$546	\$105,105	8.6%	\$922
Insurance	\$95,056	8.1%	\$834	\$95,056	7.8%	\$834
Utilities	\$104,505	8.9%	\$917	\$107,640	8.8%	\$944
Utility Billing Service	\$1,507	0.1%	\$13	\$1,507	0.1%	\$13
Replacement Reserves	\$0	0.0%	\$0	\$34,200	2.8%	\$300
Total Expenses	\$586,696	49.7%	\$5,146	\$615,079	50.4%	\$5,395
Net Operating Income	\$518,663	44.0%	\$4,550	\$543,404	44.5%	\$4,767

Income	Dec T3 Rent /										
	T12 Other	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Gross Potential Rent	\$ 1,179,492	\$ 1,220,774	\$ 1,263,501	\$ 1,307,724	\$ 1,353,494	\$ 1,400,866	\$ 1,449,897	\$ 1,500,643	\$ 1,553,166	\$ 1,607,527	\$ 1,663,790
Economic Vacancy	\$ (207,107)	\$ (183,116)	\$ (189,525)	\$ (196,159)	\$ (203,024)	\$ (210,130)	\$ (217,485)	\$ (225,096)	\$ (232,975)	\$ (241,129)	\$ (249,568)
Net Rental Income	\$ 972,385	\$ 1,037,658	\$ 1,073,976	\$ 1,111,565	\$ 1,150,470	\$ 1,190,737	\$ 1,232,412	\$ 1,275,547	\$ 1,320,191	\$ 1,366,398	\$ 1,414,221
Utility Reimbursement	\$ 98,261	\$ 86,112	\$ 88,695	\$ 91,356	\$ 94,097	\$ 96,920	\$ 99,827	\$ 102,822	\$ 105,907	\$ 109,084	\$ 112,357
Late Fees	\$ 11,850	\$ 11,850	\$ 12,264	\$ 12,694	\$ 13,138	\$ 13,598	\$ 14,074	\$ 14,566	\$ 15,076	\$ 15,604	\$ 16,150
Pet Fees	\$ 300	\$ 300	\$ 311	\$ 321	\$ 333	\$ 344	\$ 356	\$ 369	\$ 382	\$ 395	\$ 409
Misc. Other Income	\$ 22,563	\$ 22,563	\$ 23,353	\$ 24,170	\$ 25,016	\$ 25,892	\$ 26,798	\$ 27,736	\$ 28,707	\$ 29,711	\$ 30,751
Total Other Income	\$ 132,974	\$ 120,825	\$ 124,623	\$ 128,542	\$ 132,584	\$ 136,754	\$ 141,056	\$ 145,493	\$ 150,072	\$ 154,795	\$ 159,667

Total Operating Income	\$ 1,105,359	\$ 1,158,483	\$ 1,198,599	\$ 1,240,107	\$ 1,283,054	\$ 1,327,490	\$ 1,373,468	\$ 1,421,040	\$ 1,470,262	\$ 1,521,192	\$ 1,573,888
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Expenses	T12										
Admin	\$ 15,061	\$ 15,061	\$ 15,513	\$ 15,978	\$ 16,458	\$ 16,951	\$ 17,460	\$ 17,984	\$ 18,523	\$ 19,079	\$ 19,651
Advertising	\$ 775	\$ 775	\$ 798	\$ 822	\$ 847	\$ 872	\$ 898	\$ 925	\$ 953	\$ 982	\$ 1,011
Payroll	\$ -	\$ 125,400	\$ 129,162	\$ 133,037	\$ 137,028	\$ 141,139	\$ 145,373	\$ 149,734	\$ 154,226	\$ 158,853	\$ 163,619
Repairs & Maintenance	\$ 83,996	\$ 83,996	\$ 86,515	\$ 89,111	\$ 91,784	\$ 94,538	\$ 97,374	\$ 100,295	\$ 103,304	\$ 106,403	\$ 109,595
Management Fee	\$ 223,500	\$ 46,339	\$ 47,944	\$ 49,604	\$ 51,322	\$ 53,100	\$ 54,939	\$ 56,842	\$ 58,810	\$ 60,848	\$ 62,956
Property Taxes	\$ 62,297	\$ 105,105	\$ 116,560	\$ 119,380	\$ 124,250	\$ 128,884	\$ 133,780	\$ 138,839	\$ 144,092	\$ 149,538	\$ 155,188
Insurance	\$ 95,056	\$ 95,056	\$ 97,907	\$ 100,844	\$ 103,870	\$ 106,986	\$ 110,195	\$ 113,501	\$ 116,906	\$ 120,414	\$ 124,026
Utilities	\$ 104,505	\$ 107,640	\$ 110,869	\$ 114,195	\$ 117,621	\$ 121,150	\$ 124,784	\$ 128,528	\$ 132,384	\$ 136,355	\$ 140,446
Utility Billing Service	\$ 1,507	\$ 1,507	\$ 1,552	\$ 1,599	\$ 1,647	\$ 1,696	\$ 1,747	\$ 1,800	\$ 1,854	\$ 1,909	\$ 1,967
Replacement Reserves	\$ -	\$ 34,200	\$ 35,226	\$ 36,283	\$ 37,371	\$ 38,492	\$ 39,647	\$ 40,837	\$ 42,062	\$ 43,324	\$ 44,623
Total Expenses	\$ 586,696	\$ 615,079	\$ 642,048	\$ 660,854	\$ 682,198	\$ 703,808	\$ 726,198	\$ 749,285	\$ 773,114	\$ 797,704	\$ 823,082

Net Operating Income	\$ 518,663	\$ 543,404	\$ 556,552	\$ 579,252	\$ 600,856	\$ 623,682	\$ 647,270	\$ 671,755	\$ 697,148	\$ 723,488	\$ 750,807
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Annual Debt Service	\$ 325,500	\$ 325,500	\$ 385,855	\$ 385,855	\$ 385,855	\$ 385,855	\$ 385,855	\$ 385,855	\$ 385,855	\$ 385,855	\$ 385,855
Cash Flow	\$ 217,904	\$ 231,052	\$ 193,397	\$ 215,001	\$ 237,827	\$ 261,414	\$ 285,900	\$ 311,293	\$ 337,632	\$ 364,951	\$ 364,951

Debt Paydown											
Loan Paydown	\$ -	\$ -	\$ 62,100	\$ 66,062	\$ 70,276	\$ 74,759	\$ 79,528	\$ 84,602	\$ 89,999	\$ 95,740	\$ 95,740

Projected Sales Price	\$ 7,762,918	\$ 7,950,739	\$ 8,275,036	\$ 8,583,659	\$ 8,909,748	\$ 9,246,712	\$ 9,596,504	\$ 9,959,264	\$ 10,335,539	\$ 10,725,812	\$ 10,725,812
Cost of Sale	\$ 388,146	\$ 397,537	\$ 413,752	\$ 429,183	\$ 445,487	\$ 462,336	\$ 479,825	\$ 497,963	\$ 516,777	\$ 536,291	\$ 536,291
Loan Balance	\$ 5,250,000	\$ 5,250,000	\$ 5,187,900	\$ 5,121,838	\$ 5,051,561	\$ 4,976,802	\$ 4,897,274	\$ 4,812,672	\$ 4,722,673	\$ 4,626,933	\$ 4,626,933
Refunded Reserves and Prepaids	\$ 354,161	\$ 354,161	\$ 354,161	\$ 354,161	\$ 354,161	\$ 354,161	\$ 354,161	\$ 354,161	\$ 354,161	\$ 354,161	\$ 354,161
Sales Proceeds	\$ 2,478,933	\$ 2,657,362	\$ 3,027,545	\$ 3,386,799	\$ 3,766,860	\$ 4,161,735	\$ 4,573,566	\$ 5,002,789	\$ 5,450,249	\$ 5,916,749	\$ 5,916,749

DSCR	1.59	1.67	1.71	1.50	1.56	1.62	1.68	1.74	1.81	1.88	1.95
Cap Rate / Yield on Cost	7.4%	7.8%	8.0%	8.3%	8.6%	8.9%	9.2%	9.6%	10.0%	10.3%	10.7%
Equity Multiple	1.2	1.4	1.7	1.9	2.2	2.5	2.8	3.2	3.5	3.9	3.9
Cash on Cash Return	9.9%	10.5%	10.8%	8.8%	9.8%	10.9%	11.9%	13.0%	14.2%	15.4%	16.7%
Average Cash on Cash Return	9.9%	10.2%	9.8%	9.8%	10.0%	10.3%	10.7%	11.1%	11.6%	12.1%	12.1%
Unlevered IRR	12.0%	10.8%	10.9%	10.9%	10.9%	10.9%	10.9%	10.9%	10.9%	10.9%	10.9%
Levered IRR	23.0%	19.9%	20.3%	20.0%	19.7%	19.4%	19.1%	18.8%	18.5%	18.3%	18.3%

Rental and Other Income Growth	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%
Utility Reimbursement %	80.0%	80.0%	80.0%	80.0%	80.0%	80.0%	80.0%	80.0%	80.0%	80.0%	80.0%
Economic Vacancy	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%
Expense Growth	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Property Tax Assessment %	65.0%	65.0%	65.0%	65.0%	65.0%	65.0%	65.0%	65.0%	65.0%	65.0%	65.0%
Exit Cap Rate	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%
Cost of Sale	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%

Contract Purchase Price	\$ 7,000,000
Initial Improvements	\$ -
Reserves and Prepaid Expenses	\$ 354,161
Closing Costs	\$ 87,500

Price/Unit	\$61,404
Price/SF	\$68
GRM	5.9
Current Cap Rate	7.4%
Proforma Cap Rate	7.8%
5 Yr IRR	19.7%
5 Yr Avg Cash on Cash	10.0%

Improvements, Reserves, and Prepaids

Operating Reserves	\$ 154,000
Tax and Insurance Prepaids	\$ 200,161

Closing Costs

Loan Origination Fee	\$ 52,500	1%
Title	\$ 17,500	
Legal	\$ 17,500	

Total Cost	\$ 7,441,661
Initial Investment	\$ 2,191,661
Down Payment as % of Cost	29%

Investment Hold Period 10 years

Proposed Financing

Agency

Loan to Value:	75%
Loan Amount:	\$5,250,000
Interest Rate:	6.20%
Amortization:	360
Term:	10
Years of Interest Only:	2
Loan Starting Year:	1
Amortized Monthly Payment:	\$32,155
Annual Debt Service:	\$385,855



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:
 - 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.

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.

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Name of Licensed Supervisor of Sales Agent/Associate, if applicable	License No.	Email	Phone
_____	_____	_____	_____
Name of Sales Agent/Associate	License No.	Email	Phone

Buyer/Tenant/Seller/Landlord Initials _____	Date _____
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IABS 1-2
Commercial

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Tower Arms

SOUTH



Tower Arms

NORTH



Park TERRACE

