

*Madison*

**CHASE**

**APARTMENT HOMES**



# Presented By:

## INVESTMENT SALES

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### Listing Agent

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Realtor | CCIM

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## MARKETING

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Realtor | Director of Operations & Marketing

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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.



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**PROPERTY**

Address	300 Madison Ave
Market	Childress
# of Units	80
Year Built	2000
Average Unit Size	696
Net Rentable Area	22,272
# of Stories	2
# of Buildings	5 Apartment, 1 Office

**TAX INFORMATION Childress CAD**

Parcel ID	R19898
Current Assessed Value (2024)	\$2,182,179
Improvement Allocation	84%
Tax Rate	2.25%
Land Area	7.7 Acres

**MECHANICAL**

HVAC	Individual HVAC
Electricity	Individually Metered
Type of Wiring	Copper
Hot Water	Individual Electric

**CONSTRUCTION**

Style	Garden
Foundation	Concrete Slab
Framing	Wood
Exterior	Brick and Hardi
Roof	Pitched Composition
Parking	Ashpalt

**LAUNDRY**

Washer/Dryer Connections	In Each Unit
Contracted Company	None
Contract Term Remaining	None

**UTILITIES/PAID BY**

Electricity	Separately Metered, paid by tenant
Water and Sewer	Owner
Trash	Owner
Gas	None
Telephone	Owner
Cable	Owner
Internet	Owner

**FEES & DEPOSITS**

Application Fee	\$25
Administrative Fee	\$100
Security Deposit	\$300
Non-Refundable Pet Fee	\$500
Refundable Pet Deposit	\$250
Monthly Pet Rent	\$100
Month-to-Month Lease Fee	\$50

**COMMUNITY AMENITIES**

Pool	
Fitness Room	

**APARTMENT FEATURES**

Vinyl Plank Flooring	
In unit washer/dryer connections	

**PERSONNEL**

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

**SCHOOLS**

Elementary	Childress Elementary School
Junior High	Childress Junior High School
High School	Childress High School
Colleges and Universities	Clarendon College - Childress Center

Madison Chase is a very well-kept 80 unit property built in 2000. It's the newest, and only market-rate apartment complex in Childress. Rents are currently lower than most of the other properties in town, which are tax credit and subsidized. There is significant opportunity to increase rents since it's the nicest place in town and maintains high occupancy!



## Highlights

Opportunity to increase rents above competition, which are subsidized and tax credit properties.

**Only \$43,750/unit for 2000 construction!!!**

Value add opportunities:

- Start billing back for water/sewer/trash
- Water conservation project to lower water bill
- Market demographics support higher rents

## Performance Metrics

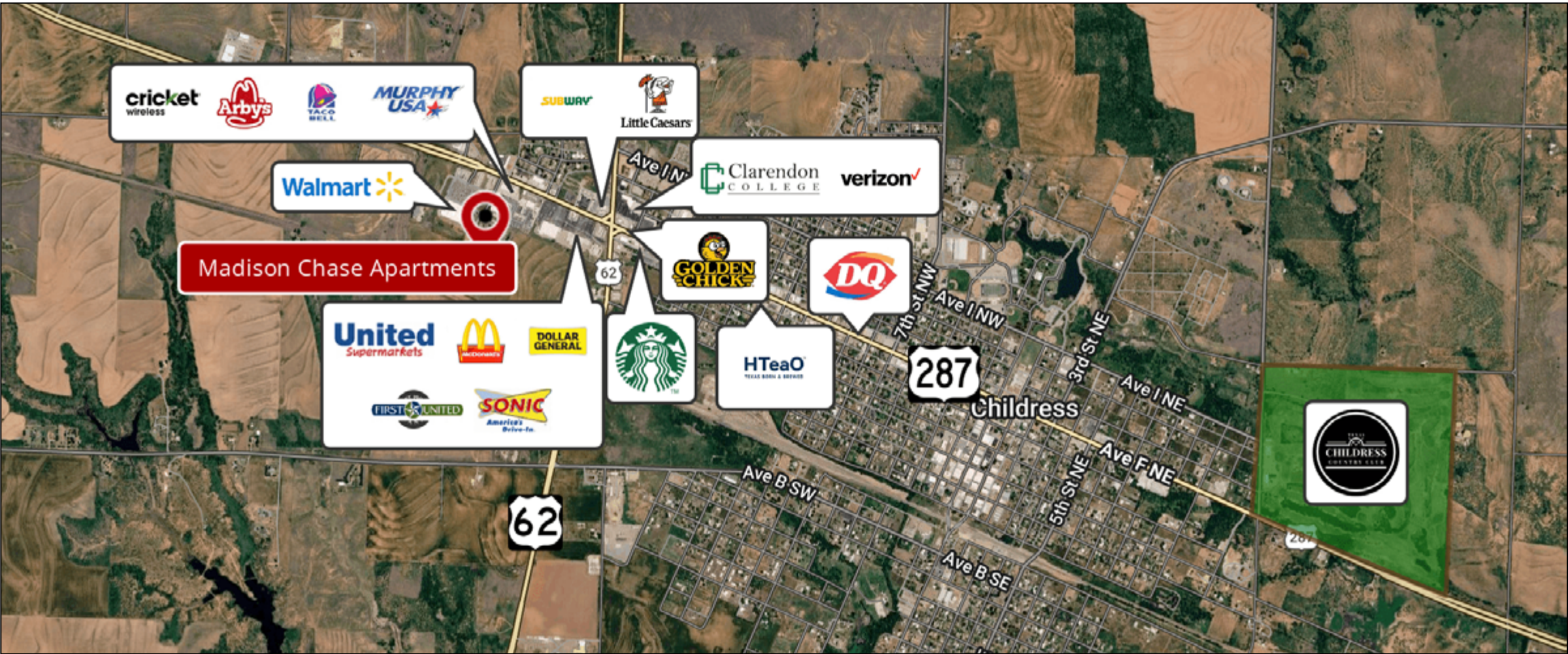
Projected 5 Year Average Cash on Cash Return	10.0%
Projected 5 Year Levered IRR	19.7%
Projected Value Add IRR	32.2%
Projected Value Add	\$2,482,000

Improvement	Units Available for Upgrade	Initial Investment		Monthly Additional Potential Cash Flow		Additional Capitalized Value	ROI
		Per Unit	Total	Per Unit	Total		
Rent Premium on upgraded unit	80	\$3,500	\$280,000	\$50	\$4,000	\$685,714	17%
Covered Parking	80	\$1,500	\$120,000	\$25	\$2,000	\$342,857	20%
Rent Washer/Dryers to tenant	80	\$1,000	\$80,000	\$50	\$4,000	\$685,714	60%
<b>Total Value Add Potential</b>		<b>\$6,375</b>	<b>\$510,000</b>	<b>\$181</b>	<b>\$14,473</b>	<b>\$2,481,041</b>	<b>34%</b>

<b>Cap Rate</b>	<b>7.0%</b>
<b>Breakeven in Months</b>	<b>35</b>

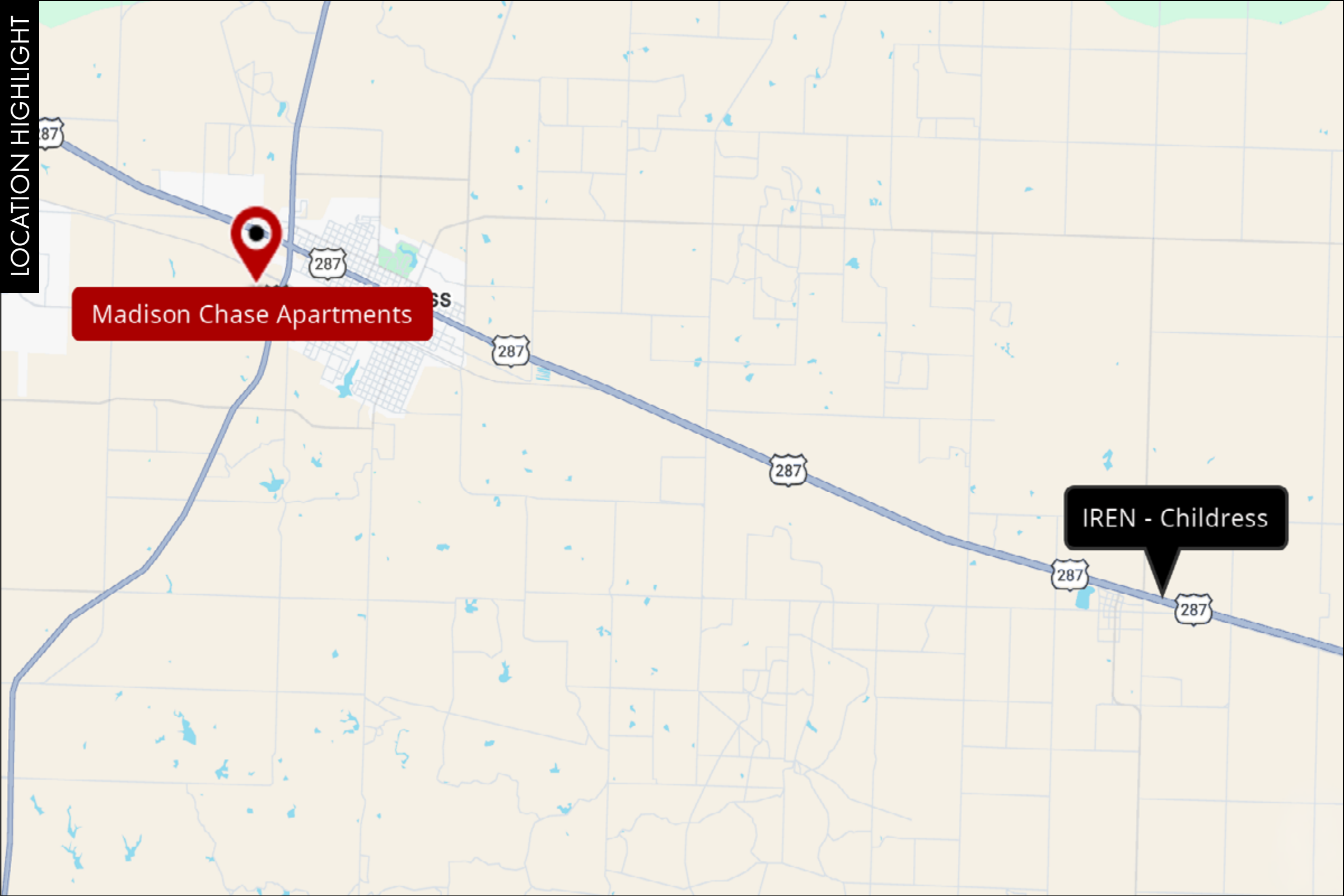
	Investment	Year 1	Year 2	Year 3	Year 4	Year 5
Projected Cash Flow without Value Add	-\$941,137	\$55,578	\$69,461	\$77,535	\$85,851	\$94,417
Additional Cash Flow with Value Add	-\$510,000	\$0	\$173,673	\$173,673	\$173,673	\$173,673
Projected Cash on Cash Return		5.9%	7.4%	8.2%	9.1%	10.0%
Cash on Cash Return with Value Add		3.8%	16.8%	17.3%	17.9%	18.5%
Projected Sales Proceeds		\$1,115,082	\$1,332,071	\$1,474,139	\$1,621,848	\$1,775,463
Sales Proceeds with Value Add		\$1,115,082	\$3,639,439	\$3,781,507	\$3,929,216	\$4,082,831
<b>Projected IRR</b>						<b>19.7%</b>
<b>Projected IRR w/ Value Add</b>						<b>32.2%</b>

Childress is located at the intersection of Highways 287 and 62 and is about halfway between Amarillo and Wichita Falls, TX. The population of Childress is a little over 6,000. Because of its location, close to 31,000 vehicles per day go through Childress ([childresstexas.com](http://childresstexas.com)). There are several restaurants, hotels, and businesses in town. The property is located next to a Wal Mart, Holiday Inn, Tractor Supply, and McDonald's. It's less than a mile away from a Starbucks. There's also a regional Medical Center a few blocks away. The IREN data center is being built east of town, and the new Childress Hall luxury golf course is also under construction.

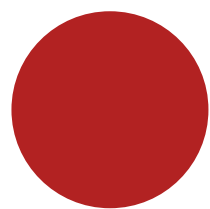


Madison Chase Apartments

IREN - Childress



Childress serves as the economic center of the southeastern Texas Panhandle, strategically positioned at the intersection of U.S. Highways 287, 83, and 62. Known as the “Gateway to the Panhandle,” the city’s economy benefits from a diverse employment base anchored by healthcare, education, government services, and agriculture.



**5,812**

Population



**35.1**

Median Age



**2.5%**

2025  
Unemployment  
Rate



**-0.04%**

2024-2029  
Population: Annual  
Growth Rate

With a regional draw extending into Southwest Oklahoma, Childress functions as the retail, healthcare, and service hub for a five-county area. The market enjoys exceptional connectivity, with over 31,000 vehicles traveling through town daily on major thoroughfares that link the region to destinations across the country. The city’s mid-continent location makes it

ideally positioned for commerce and shipping, with easy access to both coasts.

Named for George C. Childress, author of the Texas Declaration of Independence, the city has evolved from its railroad heritage into an economically progressive community. With a median age of 35.6 years and a workforce characterized by strong rural values, Childress offers employers a capable, reliable labor pool. The city combines small-town atmosphere with modern infrastructure, including robust digital connectivity for business operations. Recent investments in healthcare facilities and community amenities signal continued commitment to growth and quality of life for residents and businesses alike.



**\$124,625**

Median Home Value



**\$56,068**

Median Household  
Income



**2.40**

Household Size



**33.2%**

% Rentals



**19.4%**

Vacant Housing Units



**625**

Rental Unit Demand



**Childress Regional Medical Center**

The critical access hospital serves as the primary healthcare provider for 30,000 residents across a five county area. Recognized as a Level IV Trauma Center by the Texas Department of State Health Services, CRMC offers comprehensive services including surgical, obstetrical, radiology, and rehabilitation care. The facility operates 24-hour emergency services with a paramedic ambulance service, reinforcing Childress’s position as the regional healthcare destination.



**Childress Independent School District**

The school district serves approximately 1,116 students across elementary, middle, and high school campuses with an annual

operating budget of approximately \$10 million. Consistently recognized by the Texas Education Agency for educational excellence, CISD provides quality instruction while serving as a major local employer for educators and support staff.



**Agriculture & Agribusiness**

Childress remains an important agribusiness center, as evidenced by multiple cotton gins and grain elevators serving the region. The area’s agricultural heritage continues to drive economic activity, with local farms and ranches contributing to both the regional and global food and fiber markets. The first commercially producing oil well in the area was drilled in 1961, adding energy production to the local economy.

**CITY OF CHILDRRESS**  
*FULL STEAM AHEAD*

# Madison Chase

300 Madison Ave

Property Overview	
Units	80
Occupancy	92%
Year Built	2000
Utilities	Tenants pay electric, Owner pays water/sewer/trash

Unit Type	No. of Units	Avg. SF	Asking Rent	Rent/SF	Proforma Rent	Rent/SF
1 Bed / 1 Bath	32	696	\$749	\$1.08	\$800	\$1.15
2 Bed / 2 Bath	40	946	\$849	\$0.90	\$900	\$0.95
3 Bed / 2 Bath	8	1,096	\$949	\$0.87	\$1,000	\$0.91
<b>Totals / Avg.</b>	<b>80</b>	<b>861</b>	<b>\$819</b>	<b>\$0.95</b>	<b>\$870</b>	<b>\$1.01</b>

<b>GPR</b>	<b>\$786,240</b>	<b>\$835,200</b>
<b>GPR / Month</b>	<b>\$65,520</b>	<b>\$69,600</b>











Property	Year Built	Unit Type	# of Units	SF	Market Rent	Market Rent/SF
<b>1 Madison Crossing - Vernon 2000</b>						
		1 Bed / 1 Bath	32	696	\$ 749	\$ 1.08
		2 Bed / 1 Bath	56	964	\$ 849	\$ 0.88
		3 Bed / 2 Bath	24	1,096	\$ 949	\$ 0.87
		<b>Total/Avg.</b>	<b>112</b>	<b>916</b>	<b>\$ 842</b>	<b>\$ 0.92</b>
<b>2 Fairview Manor 2004</b>						
		1 Bed / 1 Bath	16	550	\$ 767	\$ 1.39
		2 Bed / 1 Bath	32	950	\$ 1,010	\$ 1.06
		<b>Total/Avg.</b>	<b>48</b>	<b>817</b>	<b>\$ 929</b>	<b>\$ 1.14</b>
<b>3 Greenview Apartments 1993</b>						
		1 Bed / 1 Bath	26	750	\$ 923	\$ 1.23
		2 Bed / 1 Bath	6	1,000	\$ 1,103	\$ 1.10
		<b>Total/Avg.</b>	<b>32</b>	<b>797</b>	<b>\$ 957</b>	<b>\$ 1.20</b>
<b>4 Childress Manor 2023</b>						
		1 Bed / 1 Bath	20	750	\$ 812	\$ 1.08
		2 Bed / 2 Bath	22	1,000	\$ 917	\$ 0.92
		3 Bed / 1.5 Bath	8	1,250	\$ 1,048	\$ 0.84
		<b>Total/Avg.</b>	<b>50</b>	<b>940</b>	<b>\$ 896</b>	<b>\$ 0.95</b>
<b>* Madison Chase 2000</b>						
		1 Bed / 1 Bath	32	696	\$ 749	\$ 1.08
		2 Bed / 2 Bath	40	946	\$ 849	\$ 0.90
		3 Bed / 2 Bath	8	1,096	\$ 949	\$ 0.87
		<b>Total/Avg.</b>	<b>80</b>	<b>861</b>	<b>\$ 819</b>	<b>\$ 0.95</b>

## One-Bedroom Unit Summary

	Year Built	Unit Type	# of Units	SF	Market Rent	Market Rent/SF
Greenview Apartments	1993	1 Bed / 1 Bath	26	750	\$ 923	\$ 1.23
Childress Manor	2023	1 Bed / 1 Bath	20	750	\$ 812	\$ 1.08
Fairview Manor	2004	1 Bed / 1 Bath	16	550	\$ 767	\$ 1.39
Madison Crossing - Vernon	2000	1 Bed / 1 Bath	32	696	\$ 749	\$ 1.08
<b>Madison Chase</b>	<b>2000</b>	<b>1 Bed / 1 Bath</b>	<b>32</b>	<b>696</b>	<b>\$ 749</b>	<b>\$ 1.08</b>
<b>Totals/Averages</b>			<b>94</b>	<b>698</b>	<b>\$ 814</b>	<b>\$ 1.17</b>

## Two-Bedroom Unit Summary

	Year Built	Unit Type	# of Units	SF	Market Rent	Market Rent/SF
Greenview Apartments	1993	2 Bed / 1 Bath	6	1,000	\$ 1,103	\$ 1.10
Fairview Manor	2004	2 Bed / 1 Bath	32	950	\$ 1,010	\$ 1.06
Childress Manor	2023	2 Bed / 2 Bath	22	1,000	\$ 917	\$ 0.92
Madison Crossing - Vernon	2000	2 Bed / 1 Bath	56	964	\$ 849	\$ 0.88
<b>Madison Chase</b>	<b>2000</b>	<b>2 Bed / 2 Bath</b>	<b>40</b>	<b>946</b>	<b>\$ 849</b>	<b>\$ 0.90</b>
<b>Totals/Averages</b>			<b>116</b>	<b>969</b>	<b>\$ 919</b>	<b>\$ 0.95</b>

## Three-Bedroom Unit Summary

	Year Built	Unit Type	# of Units	SF	Market Rent	Market Rent/SF
Childress Manor	2023	3 Bed / 1.5 Bath	8	1,250	\$ 1,048	\$ 0.84
Madison Crossing - Vernon	2000	3 Bed / 2 Bath	24	1,096	\$ 949	\$ 0.87
<b>Madison Chase</b>	<b>2000</b>	<b>3 Bed / 2 Bath</b>	<b>8</b>	<b>1,096</b>	<b>\$ 949</b>	<b>\$ 0.87</b>
<b>Totals/Averages</b>			<b>32</b>	<b>1,135</b>	<b>\$ 974</b>	<b>\$ 0.86</b>

	Feb T12	Feb T6	Feb T3	Stabilized
<b>Rental Income</b>				
Gross Potential Rent	\$ 786,240	\$ 786,240	\$ 786,240	\$ 835,200
Economic Vacancy	\$ (51,196)	\$ (57,070)	\$ (41,844)	\$ (91,872)
Concessions	\$ (33,110)	\$ (31,479)	\$ (40,916)	\$ -
<b>Net Rental Income</b>	<b>\$ 701,935</b>	<b>\$ 697,691</b>	<b>\$ 703,480</b>	<b>\$ 743,328</b>
Utility Reimbursement	\$ -	\$ -	\$ -	\$ 100,637
MTM Charges	\$ 750	\$ 1,500	\$ 1,400	\$ 750
Cleaning	\$ 1,911	\$ 782	\$ 1,564	\$ 1,911
App Fees	\$ 5,715	\$ 3,900	\$ 5,500	\$ 5,715
Late Fees	\$ 7,703	\$ 7,419	\$ 9,104	\$ 7,703
Pet Fees	\$ 1,750	\$ 1,400	\$ 2,800	\$ 1,750
Reletting Fees	\$ 2,265	\$ 1,208	\$ 1,200	\$ 2,265
Misc. Other Income	\$ 3,303	\$ 3,268	\$ 2,620	\$ 3,303
<b>Total Other Income</b>	<b>\$ 23,397</b>	<b>\$ 19,477</b>	<b>\$ 24,188</b>	<b>\$ 124,034</b>
<b>Gross Operating Income</b>	<b>\$ 725,332</b>	<b>\$ 717,169</b>	<b>\$ 727,668</b>	<b>\$ 867,362</b>
<b>Operating Expenses</b>				
Admin	\$ 20,746	\$ 23,588	\$ 27,077	\$ 20,000
Contract Services	\$ 8,293	\$ 5,846	\$ 6,004	\$ 8,293
Payroll	\$ 152,489	\$ 138,140	\$ 125,145	\$ 112,000
Repairs & Maintenance	\$ 59,255	\$ 52,444	\$ 73,763	\$ 56,000
Management Fee	\$ 30,000	\$ 30,000	\$ 30,000	\$ 34,694
Property Taxes	\$ 37,321	\$ 37,321	\$ 37,321	\$ 51,097
Insurance	\$ 72,084	\$ 72,084	\$ 72,084	\$ 65,000
Landscaping	\$ 12,677	\$ 12,369	\$ 12,543	\$ 12,677
Turnover	\$ 6,885	\$ 6,586	\$ 6,225	\$ 6,885
Renter's Insurance	\$ 8,032	\$ 8,076	\$ 7,920	\$ -
Electric - Common	\$ 10,070	\$ 8,575	\$ 9,088	\$ 10,372
Electric - Vacant	\$ 4,354	\$ 3,200	\$ 5,385	\$ 4,484
Water & Sewer	\$ 130,274	\$ 121,434	\$ 115,382	\$ 134,182
Replacement Reserves	\$ -	\$ -	\$ -	\$ 16,000
<b>Total Operating Expenses</b>	<b>\$ 552,479</b>	<b>\$ 519,662</b>	<b>\$ 527,936</b>	<b>\$ 531,685</b>
<b>Net Operating Income (NOI)</b>	<b>\$ 172,852</b>	<b>\$ 197,507</b>	<b>\$ 199,732</b>	<b>\$ 335,676</b>

Projected  
11.0%  
  
75.0%  
T12  
T12  
T12  
T12  
T12  
T12  
T12  
T12

Month: Feb	T12	T6	T3	Proforma
<b>Economic Occupancy</b>	89%	89%	89%	89%
remove concessions for employees				
water, sewer, and trash bill		current %:	0%	
<b>Other Income</b>	3%	2%	3%	15%
<b>Gross Income</b>	92%	91%	93%	104%
per unit				
T12				
\$1,400				
per unit				
\$700				
4%				
65%				
sales price * tax rate				
ACV estimate				
T12				
T12				
start billing residents				
T12 + 3%				
T12 + 3%				
T12 + 3%				
\$200				
per unit				
<b>Expenses</b>	70%	66%	67%	64%
<b>NOI</b>	22%	25%	25%	40%

Income	Feb T3 Rent / T12 Other	% of GPR	Per Unit	Stabilized	% of GPR	Per Unit
<b>Gross Potential Rent</b>	<b>\$786,240</b>	<b>100.0%</b>	<b>\$9,828</b>	<b>\$835,200</b>	<b>100.0%</b>	<b>\$10,440</b>
Economic Vacancy	-\$41,844	-5.3%	-\$523	-\$91,872	-11.0%	-\$1,148
<b>Net Rental Income</b>	<b>\$703,480</b>	<b>89.5%</b>	<b>\$8,794</b>	<b>\$743,328</b>	<b>89.0%</b>	<b>\$9,292</b>
Utility Reimbursement	\$0	0.0%	\$0	\$100,637	12.0%	\$1,258
MTM Charges	\$750	0.1%	\$9	\$750	0.1%	\$9
Cleaning	\$1,911	0.2%	\$24	\$1,911	0.2%	\$24
App Fees	\$5,715	0.7%	\$71	\$5,715	0.7%	\$71
Late Fees	\$7,703	1.0%	\$96	\$7,703	0.9%	\$96
Pet Fees	\$1,750	0.2%	\$22	\$1,750	0.2%	\$22
Reletting Fees	\$2,265	0.3%	\$28	\$2,265	0.3%	\$28
Misc. Other Income	\$3,303	0.4%	\$41	\$3,303	0.4%	\$41
<b>Total Other Income</b>	<b>\$23,397</b>	<b>3.0%</b>	<b>\$292</b>	<b>\$124,034</b>	<b>14.9%</b>	<b>\$1,550</b>
<b>Total Operating Income</b>	<b>\$726,877</b>	<b>92.4%</b>	<b>\$9,086</b>	<b>\$867,362</b>	<b>103.9%</b>	<b>\$10,842</b>
Expenses	T12	% of GPR	Per Unit	Stabilized	% of GPR	Per Unit
Admin	\$20,746	2.6%	\$259	\$20,000	2.4%	\$250
Contract Services	\$8,293	1.1%	\$104	\$8,293	1.0%	\$104
Payroll	\$152,489	19.4%	\$1,906	\$112,000	13.4%	\$1,400
Repairs & Maintenance	\$59,255	7.5%	\$741	\$56,000	6.7%	\$700
Management Fee	\$30,000	3.8%	\$375	\$34,694	4.2%	\$434
Property Taxes	\$37,321	4.7%	\$467	\$51,097	6.1%	\$639
Insurance	\$72,084	9.2%	\$901	\$65,000	7.8%	\$813
Landscaping	\$12,677	1.6%	\$158	\$12,677	1.5%	\$158
Turnover	\$6,885	0.9%	\$86	\$6,885	0.8%	\$86
Electric - Common	\$10,070	1.3%	\$126	\$10,372	1.2%	\$130
Electric - Vacant	\$4,354	0.6%	\$54	\$4,484	0.5%	\$56
Water & Sewer	\$130,274	16.6%	\$1,628	\$134,182	16.1%	\$1,677
Replacement Reserves	\$0	0.0%	\$0	\$16,000	1.9%	\$200
<b>Total Expenses</b>	<b>\$552,479</b>	<b>70.3%</b>	<b>\$6,906</b>	<b>\$531,685</b>	<b>63.7%</b>	<b>\$6,646</b>
<b>Net Operating Income</b>	<b>\$174,397</b>	<b>22.2%</b>	<b>\$2,180</b>	<b>\$335,676</b>	<b>40.2%</b>	<b>\$4,196</b>

<b>Income</b>	<b>Feb T3 Rent / T12 Other</b>	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>	<b>Year 4</b>	<b>Year 5</b>
Gross Potential Rent	\$ 786,240	\$ 835,200	\$ 835,200	\$ 860,256	\$ 886,064	\$ 912,646
Economic Vacancy	\$ (41,844)	\$ (91,872)	\$ (125,280)	\$ (129,038)	\$ (132,910)	\$ (136,897)
Concessions	\$ (40,916)	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Net Rental Income</b>	<b>\$ 703,480</b>	<b>\$ 743,328</b>	<b>\$ 709,920</b>	<b>\$ 731,218</b>	<b>\$ 753,154</b>	<b>\$ 775,749</b>
Utility Reimbursement	\$ -	\$ 40,255	\$ 103,656	\$ 106,765	\$ 109,968	\$ 113,267
App Fees	\$ 5,715	\$ 5,715	\$ 5,715	\$ 5,715	\$ 5,715	\$ 5,715
Late Fees	\$ 7,703	\$ 7,703	\$ 7,703	\$ 7,703	\$ 7,703	\$ 7,703
Pet Fees	\$ 1,750	\$ 1,750	\$ 1,750	\$ 1,750	\$ 1,750	\$ 1,750
Reletting Fees	\$ 2,265	\$ 2,265	\$ 2,265	\$ 2,265	\$ 2,265	\$ 2,265
Misc. Other Income	\$ 3,303	\$ 3,303	\$ 3,303	\$ 3,303	\$ 3,303	\$ 3,303
<b>Total Other Income</b>	<b>\$ 23,397</b>	<b>\$ 63,652</b>	<b>\$ 127,053</b>	<b>\$ 130,162</b>	<b>\$ 133,365</b>	<b>\$ 136,664</b>
<b>Total Operating Income</b>	<b>\$ 726,877</b>	<b>\$ 806,980</b>	<b>\$ 836,973</b>	<b>\$ 861,380</b>	<b>\$ 886,519</b>	<b>\$ 912,413</b>
<b>Expenses</b>	<b>T12</b>					
Admin	\$ 20,746	\$ 20,000	\$ 20,600	\$ 21,218	\$ 21,855	\$ 22,510
Contract Services	\$ 8,293	\$ 8,293	\$ 8,542	\$ 8,798	\$ 9,062	\$ 9,334
Payroll	\$ 152,489	\$ 112,000	\$ 115,360	\$ 118,821	\$ 122,385	\$ 126,057
Repairs & Maintenance	\$ 59,255	\$ 56,000	\$ 57,680	\$ 59,410	\$ 61,193	\$ 63,028
Management Fee	\$ 30,000	\$ 32,279	\$ 33,479	\$ 34,455	\$ 35,461	\$ 36,497
Property Taxes	\$ 37,321	\$ 51,097	\$ 52,630	\$ 54,209	\$ 55,835	\$ 57,510
Insurance	\$ 72,084	\$ 65,000	\$ 66,950	\$ 68,959	\$ 71,027	\$ 73,158
Landscaping	\$ 12,677	\$ 12,677	\$ 13,058	\$ 13,449	\$ 13,853	\$ 14,269
Turnover	\$ 6,885	\$ 6,885	\$ 7,092	\$ 7,304	\$ 7,524	\$ 7,749
Electric - Common	\$ 10,070	\$ 10,372	\$ 10,683	\$ 11,004	\$ 11,334	\$ 11,674
Electric - Vacant	\$ 4,354	\$ 4,484	\$ 4,619	\$ 4,757	\$ 4,900	\$ 5,047
Water & Sewer	\$ 130,274	\$ 134,182	\$ 138,208	\$ 142,354	\$ 146,625	\$ 151,023
Replacement Reserves	\$ -	\$ 16,000	\$ 16,480	\$ 16,974	\$ 17,484	\$ 18,008
<b>Total Expenses</b>	<b>\$ 552,479</b>	<b>\$ 529,270</b>	<b>\$ 545,380</b>	<b>\$ 561,713</b>	<b>\$ 578,536</b>	<b>\$ 595,864</b>
<b>Net Operating Income</b>	<b>\$ 174,397</b>	<b>\$ 277,710</b>	<b>\$ 291,593</b>	<b>\$ 299,667</b>	<b>\$ 307,983</b>	<b>\$ 316,549</b>

	Current	Year 1	Year 2	Year 3	Year 4	Year 5
Net Operating Income	\$ 174,397	\$ 277,710	\$ 291,593	\$ 299,667	\$ 307,983	\$ 316,549

#### Cash Flows

Annual Debt Service	\$ 222,132	\$ 222,132	\$ 222,132	\$ 222,132	\$ 222,132	\$ 222,132
Cash Flow	\$ 55,578	\$ 69,461	\$ 77,535	\$ 85,851	\$ 94,417	

#### Debt Paydown

Loan Paydown	\$ 30,416	\$ 32,534	\$ 34,800	\$ 37,223	\$ 39,814	
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#### Sales Analysis

Projected Sales Price	\$ 3,967,279	\$ 4,165,616	\$ 4,280,959	\$ 4,399,761	\$ 4,522,128	
Cost of Sale	\$ 277,710	\$ 291,593	\$ 299,667	\$ 307,983	\$ 316,549	
Loan Balance	\$ 2,823,584	\$ 2,791,049	\$ 2,756,250	\$ 2,719,027	\$ 2,679,213	
Refunded Reserves and Prepaids	\$ 249,097	\$ 249,097	\$ 249,097	\$ 249,097	\$ 249,097	
Sales Proceeds	\$ 1,115,082	\$ 1,332,071	\$ 1,474,139	\$ 1,621,848	\$ 1,775,463	

#### Return Metrics

DSCR	0.79	1.25	1.31	1.35	1.39	1.43
Cap Rate / Yield on Cost	5.0%	7.9%	8.3%	8.6%	8.8%	9.0%
Total Return		9.1%	10.8%	11.9%	13.1%	14.3%
Equity Multiple		1.2	1.5	1.8	2.0	2.3
Cash on Cash Return		5.9%	7.4%	8.2%	9.1%	10.0%
Average Cash on Cash Return		5.9%	6.6%	7.2%	7.7%	8.1%
Unlevered IRR		11.9%	12.0%	11.3%	11.0%	10.8%
Levered IRR		24.4%	25.0%	22.3%	20.7%	19.7%

#### Assumptions:

Rental and Other Income Growth				3.0%	3.0%	3.0%
Utility Reimbursement %		30.0%	75.0%	75.0%	75.0%	75.0%
Economic Vacancy		11.0%	15.0%	15.0%	15.0%	15.0%
Expense Growth		3.0%	3.0%	3.0%	3.0%	3.0%
Property Tax Assessment %		65.0%	65.0%	65.0%	65.0%	65.0%
Exit Cap Rate		7.0%	7.0%	7.0%	7.0%	7.0%
Cost of Sale		7.0%	7.0%	7.0%	7.0%	7.0%

Contract Purchase Price	\$	3,500,000
Initial Improvements	\$	-
Reserves and Prepaid Expenses	\$	249,097
Closing Costs	\$	46,040

Price/Unit	\$43,750
Price/SF	\$51
GRM	4.5
Current Cap Rate	5.0%
Proforma Cap Rate	9.6%
5 Yr IRR	19.7%
5 Yr Avg Cash on Cash	8.1%

**Improvements, Reserves, and Prepaids**

Operating Reserves	\$	133,000
Tax and Insurance Prepaids	\$	116,097

**Closing Costs**

Loan Origination Fee	\$	28,540
Title	\$	8,750
Legal	\$	8,750

<b>Total Cost</b>	<b>\$</b>	<b>3,795,137</b>
<b>Initial Investment</b>	<b>\$</b>	<b>941,137</b>
Down Payment as % of Cost		25%

**Investment Hold Period** 5 years

**Proposed Financing**

**Credit Union**

Loan to Value:	82%
Loan Amount:	\$2,854,000
Interest Rate:	6.75%
Amortization:	360
Term:	5
Years of Interest Only:	-
Loan Starting Year:	1
Amortized Monthly Payment:	\$18,511
Annual Debt Service:	\$222,132

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## 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
_____	_____	_____	_____
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Greg Broward

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