4706 YELLOWSTONE APARTMENTS

APPRAISAL-SUPPORTED MULTIFAMILY ASSET WITH EMBEDDED NOI GROWTH

25 UNITS	HOUSTON, TX 77021	$2,900,000

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BUYER INVESTMENT SNAPSHOT

THE FINANCIAL THESIS AT A GLANCE

$2.90M
ASKING PRICE

$3.25M
2022 THIRD-PARTY APPRAISAL

$349,668
STABILIZED GROSS RENT POTENTIAL

$116K
PRICE / UNIT

$174.9K
PRO FORMA NOI

6.03%
PRO FORMA CAP

25
RENOVATED UNITS

WHY THE OPPORTUNITY STANDS OUT

- **Acquire below prior third-party appraised value.**
  The $2.90M asking price is $350,000 below the December 2022 third-party appraised value of $3.25M.
- **Renovation capital is already deployed.**
  The buyer enters during lease-up and stabilization rather than taking on the property's prior heavy renovation phase.
- **Forward rent potential materially exceeds the appraisal's rent assumptions.**
  The 2022 appraisal used $795 for 1BRs and $1,100 for 2BRs. Current housing-program limits support up to $1,135 for 1BRs and $1,374 for 2BRs, all bills paid.
- **Gross rent potential is approximately 31% above the appraisal's GPR.**
  Current stabilized GPR of $349,668 is $81,888 above the appraisal's $267,780 potential gross rental income.
- **Existing leases demonstrate current rent acceptance.**
  Executed leases include contract rents of $1,025, $1,135 and $1,250, with temporary concessions separately identified.
- **Lease-up creates a visible path to NOI growth.**
  The current business plan is occupancy growth, concession burn-off and lease maturation - not speculative construction.

RENT GROWTH VISIBILITY

Unit Type	2022 Appraisal Rent	Current Supported Rent	Increase
1BR / 1BA	$795	Up to $1,135	**+42.8%**
2BR / 1BA	$1,100	Up to $1,374	**+24.9%**

RENOVATED ASSET + LEASE-UP UPSIDE + DOCUMENTED HISTORICAL VALUATION SUPPORT

Forward rents, NOI and cap rate are underwriting estimates; the 2022 appraisal is historical and not a current appraisal.

EXECUTIVE SUMMARY

4706 Yellowstone Apartments is a renovated 25-unit multifamily property in Houston's 77021 submarket, currently transitioning through lease-up and stabilization. The property is offered at **$2,900,000**, or $116,000 per unit.

A third-party appraisal prepared by Mitchell Valuation concluded a **$3,250,000 market value as of December 6, 2022**. At the time of appraisal, the property was analyzed as 17 one-bedroom and 8 two-bedroom units. Following renovation, two units were built out as efficiencies, resulting in today's 25-unit configuration of 17 one-bedroom, 6 two-bedroom and 2 efficiency units.

The appraisal's income approach underwrote one-bedroom rents at $795 and two-bedroom rents at $1,100. Current leasing and housing-program rent limits support materially higher forward rent potential: up to **$1,135 for one-bedroom units** and **$1,374 for the six two-bedroom units**, all bills paid. The efficiencies are presently underwritten at $800.

$2.90M	25	44%	52%
ASKING PRICE	TOTAL UNITS	EXECUTED LEASES	INCLUDING PENDING

INVESTMENT HIGHLIGHTS

Appraisal-Supported Pricing Third-party $3.25M opinion of value dated December 6, 2022 versus a $2.90M asking price.	**Completed Repositioning** Approximately $1.41M in renovation investment is represented in prior property materials and appraisal cost detail.
Lease-Up Momentum 11 executed leases plus two pending units; operational upside remains as the renovated property stabilizes.	**Rent Growth Visibility** Housing-program limits support up to $1,374 for 2BR units and $1,135 for 1BR units, all bills paid.
All-Bills-Paid Model Electric, water, sewer and trash are included in rent; utilities are explicitly normalized in the underwriting.	**Seller Financing - Selective** Short-term purchase-money financing may be considered; no equity, JV, partnership or profit-sharing structures.

PROPERTY OVERVIEW

Address	4706 Yellowstone Blvd, Houston, TX 77021
Units	25
Current Unit Mix	6 two-bedroom / one-bath; 17 one-bedroom / one-bath; 2 efficiencies
Stories	2
Year Built	1955; recently renovated
Site	Approx. 0.4591 acres / 20,000 SF
Operating Model	All bills paid
2025 Property Taxes	$28,182.94

RENOVATION & REPOSITIONING

The property underwent a substantial renovation and entered occupancy during 2025. The primary remaining value-creation opportunity is lease-up and stabilization rather than a major renovation program. Current financial presentation separates construction-period utility activity from normalized forward utility assumptions.

THIRD-PARTY APPRAISAL SUPPORT

The offering's appraisal-supported positioning is based on an actual third-party appraisal prepared by Mitchell Valuation. The report concluded a **$3,250,000 market value as of December 6, 2022**. The historical appraisal is presented as valuation evidence and is not represented as a current appraisal.

2022 Appraisal Metric	Amount / Assumption
Opinion of Value	$3,250,000
Income Approach Value	$2,925,000
Unit Mix at Appraisal	17 x 1BR; 8 x 2BR
1BR Rent Assumption	$795 / month
2BR Rent Assumption	$1,100 / month
Potential Gross Rental Income	$267,780
Vacancy / Loss to Lease	5%
Effective Gross Income	$254,391
Operating Expenses	$64,285
NOI	$190,106
Capitalization Rate	6.5%

Current configuration: the property remains 25 units, but two units were built out as efficiencies after the appraisal, producing today's 17 one-bedroom / 6 two-bedroom / 2 efficiency mix.

Rent comparison: current contract and housing-program-supported rents exceed the rent assumptions used in the 2022 appraisal, providing a factual basis for forward income growth as leases mature and the property stabilizes.

CURRENT RENT ROLL

Tenant names are intentionally omitted from this public-facing OM. Pending units are shown separately and are not treated as executed leases.

Unit	Status	Contract Rent	Notes
1	Leased	$1,250	
2	Vacant		
3	Leased	$800	Efficiency
4	Vacant		
5	Vacant		
6	Pending	$1,135	
7	Leased	$1,025	
8	Leased	$1,025	
9	Leased	$1,135	
10	Vacant		
11	Leased	$1,250	
12	Leased	$1,250	
13	Pending	$1,135	
14	Vacant		
15	Leased	$1,025	
16	Vacant		
17	Leased	$1,135	Non-renewal planned
18	Vacant		
19	Vacant		
20	Vacant		
21	Leased	$1,250	
22	Vacant		
23	Vacant		
24	Vacant		
25	Leased	$1,250	Temporary concession

Executed leases	**11 units**	**$12,395 / month**	**$148,740 annualized**
Including pending	**13 units**	**$14,665 / month**	**$175,980 annualized**

Concession note: Unit 25 has a $1,250 contractual monthly rent. The temporary concession does not change the stated contractual rent and burns off over the lease term.

STABILIZED PRO FORMA

The forward pro forma uses the current housing-program-supported rent potential of **$1,374 for the six two-bedroom units** and **$1,135 for the seventeen one-bedroom units**, with efficiencies underwritten at $800. These are forward stabilized assumptions and are not presented as the current rent roll.

Unit Type	Units	Stabilized Rent	Monthly GPR	Annual GPR
2BR / 1BA	6	$1,374	$8,244	$98,928
1BR / 1BA	17	$1,135	$19,295	$231,540
Efficiency	2	$800	$1,600	$19,200
TOTAL	**25**		**$29,139**	**$349,668**

Pro Forma Income & Expense	Annual
Gross Potential Rent	$349,668
Less: Vacancy / Credit Loss (8%)	($27,973)
Effective Gross Income	**$321,695**
Property Taxes - 2025 actual	($28,183)
Insurance - current renewal premium	($34,022)
Electric - annualized from recent 6-month usage	($22,005)
Water / Sewer - annualized from recent representative bills	($24,419)
Management allowance (5% EGI)	($16,085)
Repairs / Maintenance reserve (5% EGI)	($16,085)
Admin / Grounds / Pest allowance	($6,000)
Total Operating Expenses	**($146,798)**
PRO FORMA NOI	**$174,897**

Utility normalization: electric is annualized from the most recent six billing months in the provided schedule. Water/sewer excludes inherited prior-owner balances and uses the recent representative operating-period bills/payments. Utilities remain active in vacant units for leasing and showings, so current consumption occurs before stabilized occupancy. Management, maintenance and admin/grounds/pest are underwriting allowances.

VALUATION & YIELD FRAMEWORK

At the $2.90 million asking price, the updated housing-supported stabilized pro forma produces an indicated yield of approximately **6.03%**. The historical appraisal remains separate evidence: it concluded a $3.25 million market value as of December 6, 2022 and an income-approach value of $2.925 million.

Metric	Amount
Asking Price	$2,900,000
Price / Unit	$116,000
Updated Pro Forma NOI	$174,897
Updated Pro Forma Cap Rate	**6.03%**
2022 Third-Party Appraised Value	$3,250,000
Difference: Appraisal vs. Asking	$350,000
Asking Price as % of Appraised Value	89.2%

INVESTMENT CASE

The $2.90 million offering price is supported by a combination of third-party historical valuation, completed renovation, current lease-up, higher present-day rent potential, temporary concession burn-off and remaining occupancy growth. The OM does not rely on the historical appraisal NOI as today's pro forma; the two analyses are intentionally kept separate.

Renovation capital is deployed. The remaining value-creation phase is operational.

CAP RATE SENSITIVITY AT $2.90M

NOI	Yield on $2.90M
$148,924	5.14%
$174,897	6.03%
$190,106	6.56%
$200,000	6.90%
$217,500	7.50%

The $190,106 row is the NOI used in the 2022 appraisal's income approach and is shown for historical comparison only.

STRUCTURED SELLER FINANCING

Seller may selectively consider short-term purchase-money financing for a qualified buyer. Any seller-financed transaction must be a **true purchase and sale** with a defined debt obligation and a clear short-term exit strategy.

Illustrative Structure	Seller Position
Down Payment	20%-30% contemplated; final requirement subject to seller approval
Payment Structure	Interest-only may be considered
Term	Short-term; final term subject to seller approval
Maturity	Balloon / payoff at maturity
Exit Strategy	Buyer must demonstrate credible refinance or sale strategy
Equity / JV	**NOT CONSIDERED**
Partnership / Profit Share	**NOT CONSIDERED**

No joint ventures, equity participation, partnerships, shared ownership, or profit-sharing structures will be considered. Seller financing, if offered, will be documented solely as debt associated with the purchase transaction and is subject to seller approval, buyer qualification and definitive legal documentation.

HOUSTON LOCATION

The property is positioned near major Houston employment, education, medical and entertainment destinations, including the University of Houston, Texas Medical Center, Veterans Hospital and NRG Stadium.

OFFERING CONTACT

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