

Tohme Properties

**Offering Memorandum
New Rehabbed 8 Unit Apartment Building**

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TOHME CAPITAL

Property Description

Living in Galveston: Coastal Charm with a Historic Touch

Galveston is a thriving coastal city with a unique blend of historical charm, strong economic drivers, and a growing demand for rental housing, making it an excellent location for multifamily property investments. 45 minutes from Houston, Galveston's tourism industry attracts over 7 million visitors annually, supporting a robust short- and long-term rental market, while major employers like UTMB and the Port of Galveston ensure a steady influx of professionals and students seeking housing.

With limited land availability, a favorable climate for appreciation, and proximity to Houston, Galveston offers investors a rare opportunity to capitalize on high occupancy rates, consistent rental income, and long-term value growth.

1811 21st Apartments

This boutique 8-unit building combines modern style with practical design, offering a coastal living experience that feels both refined and comfortable. Each apartment features sleek stainless steel appliances, granite countertops, and thoughtfully designed layouts that maximize natural light. Large windows create bright, airy interiors that feel spacious yet cozy, while open floorplans make everyday living and entertaining effortless. With a focus on both style and function, these homes are designed to meet the needs of students, professionals, and anyone seeking modern comfort in Galveston.

Ideally located near Galveston's most iconic destinations, this property puts you right where you want to be. UTMB is just minutes away, while the historic Hotel Galvez and the lively Pleasure Pier are within walking distance, offering entertainment, dining, and relaxation at your doorstep. Residents can also enjoy easy access to the Strand's shops, restaurants, and cafes, along with the scenic seawall and beach just blocks away. Blending convenience, charm, and location, this 8-unit community offers the perfect mix of modern living and island lifestyle.



Property Highlights



Tourism growth:

Galveston has experienced significant growth in its tourism sector over the past decade, solidifying its status as a premier destination on the Gulf Coast. Visitor numbers have risen from approximately 4.5 million in 2009 to over 8.1 million in 2022, marking an increase of more than 80%. This surge in tourism has led to a substantial economic impact, with visitor spending reaching \$1.2 billion in 2022, a 27% increase from the previous year.

UTMB growth:

Over the past decade, the University of Texas Medical Branch (UTMB) has experienced significant growth across various facets of its operations. UTMB has been in Galveston over 100 years and is one of the oldest medical school and hospital systems in Texas. In terms of student enrollment, UTMB's fall semester began with 3,200 students and nearly 900 faculty members, marking a 42% increase in enrollment since 2006. Financially, UTMB's endowment has also seen substantial growth.

Appreciation:

Over the past decade, Galveston has experienced significant growth in real estate values. Home appreciation rates have been among the highest in the nation, with properties appreciating by approximately 131.93%, averaging an annual increase of 8.78%. This robust appreciation places Galveston in the top 20% of U.S. cities for real estate value growth, highlighting its strong investment potential.

Resilient Market:

The healthcare sector is typically less affected by economic downturns, providing a stable source of rental income even during uncertain times. This, combined with the property's prime location and unique features, enhances its investment appeal.

Low Vacancy Rates:

With a target demographic that values quality housing and convenience, the property is likely to experience low vacancy rates. This minimizes the risk of income loss associated with prolonged vacancies.

Galveston Growth:

Port of Galveston Expansion: Construction has commenced on the port's fourth cruise terminal, a \$151 million project at Pier 16, featuring a 165,000-square-foot terminal and a \$55 million parking garage, slated to open in November 2025.

West Galveston Mixed-Use Development: A \$250 million mixed-use project is planned for the western end of the Seawall, aiming to enhance residential, commercial, and recreational spaces, further boosting the local economy.

Margaritaville: The \$250 million Galveston development will span 300,000 square feet and bring hundreds of jobs to the island.



Property Pictures



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Property Location



Property Location



Investment Summary & P&L

| Revenue Details | |
|-----------------|-------------|
| Address | 1811 21st |
| Units | 8 |
| Revenue: | 134k/year |
| Expenses | |
| Utilities: | 6.6k/year |
| Insurance: | 18.4k/year |
| Taxes: | 7k/year |
| Total Expenses: | 32k/year |
| NOI: | 102.4k/year |



P&L 2026 - projected

| | May 2026 | June 2026 | July 2026 | August 2026 | September 2026 | October 2026 | November 2026 | December 2026 | January 2027 | February 2027 | March 2027 | April 2027 | Total |
|--|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|--------------------|
| Income | Actual | Projected | Projected | Projected | Projected | Projected | Projected | Projected | Projected | Projected | Projected | Projected | |
| Rental Income | \$11,087.00 | \$11,087.00 | \$11,087.00 | \$11,087.00 | \$11,087.00 | \$11,087.00 | \$11,087.00 | \$11,087.00 | \$11,087.00 | \$11,087.00 | \$11,087.00 | \$11,087.00 | \$133,044.00 |
| Pet fee | \$120.00 | \$120.00 | \$120.00 | \$120.00 | \$120.00 | \$120.00 | \$120.00 | \$120.00 | \$120.00 | \$120.00 | \$120.00 | \$120.00 | \$1,440.00 |
| Late fee | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$99.90 | \$99.90 | \$99.90 | \$99.90 | \$99.90 | \$499.50 |
| Maintenance | \$0.00 | \$0.00 | \$0.00 | \$185.00 | \$0.00 | \$0.00 | \$85.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$270.00 |
| Total | \$11,207.00 | \$11,207.00 | \$11,207.00 | \$11,207.00 | \$11,207.00 | \$11,207.00 | \$11,207.00 | \$11,207.00 | \$11,207.00 | \$11,207.00 | \$11,207.00 | \$11,207.00 | \$134,484.00 |
| | | | | | | | | | | | | | |
| Expenses | | | | | | | | | | | | | |
| Utilities | | | | | | | | | | | | | |
| Water / Sewage (monthly average) | \$250.00 | \$250.00 | \$250.00 | \$250.00 | \$250.00 | \$250.00 | \$250.00 | \$250.00 | \$250.00 | \$250.00 | \$250.00 | \$250.00 | \$3,000.00 |
| Electric (monthly average for unit 6 (tenant pays electric flat fee through rent)) | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$90.00 | \$90.00 | \$90.00 | \$90.00 | \$90.00 | \$450.00 |
| Trash (monthly average) | \$210.00 | \$210.00 | \$210.00 | \$210.00 | \$210.00 | \$210.00 | \$210.00 | \$210.00 | \$210.00 | \$210.00 | \$210.00 | \$210.00 | \$2,520.00 |
| Lawnservice (monthly average) | \$50.00 | \$50.00 | \$50.00 | \$75.00 | \$75.00 | \$75.00 | \$75.00 | \$75.00 | \$75.00 | \$75.00 | \$50.00 | \$50.00 | \$775.00 |
| Insurance | | | | | | | | | | | | | \$0.00 |
| Flood | \$408.00 | \$408.00 | \$408.00 | \$408.00 | \$408.00 | \$408.00 | \$408.00 | \$408.00 | \$408.00 | \$408.00 | \$408.00 | \$408.00 | \$4,896.00 |
| Windstorm | \$808.00 | \$808.00 | \$808.00 | \$808.00 | \$808.00 | \$808.00 | \$808.00 | \$808.00 | \$808.00 | \$808.00 | \$808.00 | \$808.00 | \$9,696.00 |
| Fire / Liability | \$313.00 | \$313.00 | \$313.00 | \$313.00 | \$313.00 | \$313.00 | \$313.00 | \$313.00 | \$313.00 | \$313.00 | \$313.00 | \$313.00 | \$3,756.00 |
| Taxes | \$583.33 | \$583.33 | \$583.33 | \$583.33 | \$583.33 | \$583.33 | \$583.33 | \$583.33 | \$583.33 | \$583.33 | \$583.33 | \$583.33 | \$6,999.96 |
| Total Expenses | \$2,622.33 | \$2,622.33 | \$2,622.33 | \$2,647.33 | \$2,647.33 | \$2,647.33 | \$2,647.33 | \$2,737.33 | \$2,737.33 | \$2,737.33 | \$2,712.33 | \$2,712.33 | \$32,092.96 |
| NOI | \$8,584.67 | \$8,584.67 | \$8,584.67 | \$8,559.67 | \$8,559.67 | \$8,559.67 | \$8,559.67 | \$8,469.67 | \$8,469.67 | \$8,469.67 | \$8,494.67 | \$8,494.67 | \$102,391.04 |



Rent Roll

| Unit | Status | Unit Type | Rent | Total Charges | Move In | Lease end |
|------|--------|-----------|-----------|---------------|------------|------------|
| 1 | leased | 2/1 | \$1675.00 | \$1675.00 | 6/7/2023 | 6/30/2027 |
| 2 | leased | 2/1 | \$1601.00 | \$1601.00 | 05/15/2026 | 05/30/2027 |
| 3 | leased | 2/1 | \$1489.00 | \$1489.00 | 9/1/2025 | 8/31/2026 |
| 4 | leased | 2/1 | \$1601.00 | \$1601.00 | 06/05/2026 | 06/30/2027 |
| 5 | leased | 1/1 | \$1274.00 | \$1274.00 | 1/1/2026 | 12/31/2026 |
| 6 | leased | 1/1 | \$999.00 | \$999.00 | 8/1/2025 | 7/31/2026 |
| 7 | leased | 1/1 | \$1174.00 | \$1174.00 | 6/16/2025 | 6/19/2026 |
| 8 | leased | 1/1 | \$1274.00 | \$1274.00 | 3/3/2025 | 1/31/2027 |

