



3101 PRICE LAREDO, TX.



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DESCRIPTION

- Compass Real Estate Investments is pleased to exclusively offer the Price Apartments, an 8-unit community located in central Laredo, Texas. The lot is .43 acres, with a total of 5,960 rentable square feet. Also located on the property is a Duplex with a total of 2,248 rentable square feet.
- Built in 1995, Price Apartments are metered individually for electricity, and master-metered for water. The asset is constructed of wood-frame, masonry exteriors, concrete slab foundations and shingle roofs. There is exterior lighting throughout the complex. The Duplex located on the property was built in 1960 as a single-family home and renovated into a Duplex in 1995. The Duplex has 1 master water meter, with each unit having its own electrical meter. Gas service to the Duplex is paid in full by the Landlord.
- Interior amenities include a full kitchen appliance package, ceiling fans, mini blinds, smoke detector, and vinyl flooring.

INVESTMENT HIGHLIGHTS

- Appliances
- Ceiling Fans
- Mini-Blinds
- Vinyl Flooring
- Exterior lighting throughout the complex
- Central Location
- Close to Wal-Mart and Target shopping centers
- Close to Haynes Recreational Center



PROPERTY SUMMARY

PROPERTY DESCRIPTION

THE OFFERING	\$450,000.00
Property Address	3101 Price Laredo, TX 78043
Geo ID	663-01954-010
Zoning	R-3
SITE DESCRIPTION	
Number of Units	10
Number of Building	2
Number of Stories	2
Year Built/Renovated	1960/1995
Rentable Square Feet	8,208
Lot Size	.43 Acres
Type of Ownership	Fee Simple
Density	10 Units Per Acre
Parking	18
Parking Ratio	1.8:1
Landscaping	Basic Mature
Topography	Flat/Drainage
UTILITIES	
Water	Owner Paid
Phone	Tenant Paid
Electric	Tenant Paid
Gas	N/A
CONSTRUCTION	
Foundation	Concrete Slab
Framing	Wood
Exterior	Masonry
Parking Surface	Asphalt
Roof	Shingle
MECHANICAL	
HVAC	Central
Wiring	Assuming Copper
Fire Protection	Smoke Detectors

PROPERTY DESCRIPTION



RESIDENTIAL INCOME:

FINANCIAL ANALYSIS

PROJECTED INCOME: YEARS 1-10

	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
INCOME										
Gross Scheduled Income - Residential	79,800	81,077	82,374	83,692	85,031	86,392	87,774	89,178	90,605	92,055
Miscellaneous Income	0	0	0	0	0	0	0	0	0	0
Miscellaneous Income #2	0	0	0	0	0	0	0	0	0	0
TOTAL GROSS INCOME	79,800	81,077	82,374	83,692	85,031	86,392	87,774	89,178	90,605	92,055
VACANCY & CREDIT ALLOWANCE	3,990	4,054	4,119	4,185	4,252	4,320	4,389	4,459	4,530	4,603
GROSS OPERATING INCOME	75,810	77,023	78,255	79,507	80,780	82,072	83,385	84,719	86,075	87,452
OPERATING EXPENSES										
Insurance (fire and liability)	5,669	5,726	5,783	5,841	5,899	5,958	6,018	6,078	6,139	6,200
Repairs and Maintenance	5,850	5,909	5,968	6,027	6,088	6,148	6,210	6,272	6,335	6,398
Taxes - Real Estate	10,507	10,612	10,718	10,825	10,933	11,042	11,153	11,264	11,377	11,491
Trash Removal	1,402	1,416	1,430	1,444	1,459	1,473	1,488	1,503	1,518	1,533
Utilities - Electricity-Security Light	450	455	459	464	468	473	478	482	487	492
Utilities - Sewer and Water	7,005	7,075	7,146	7,217	7,289	7,362	7,436	7,510	7,585	7,661
TOTAL OPERATING EXPENSES	30,882	31,191	31,503	31,818	32,136	32,457	32,782	33,110	33,441	33,775
NET OPERATING INCOME	44,928	45,832	46,752	47,689	48,643	49,615	50,603	51,609	52,634	53,677

FINANCIAL ANALYSIS

SUMMARY CASH: YEARS 1-10

Purchase Price 450,000
Cash Investment 173,175

	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
GROSS INCOME	79,800	81,077	82,374	83,692	85,031	86,392	87,774	89,178	90,605	92,055
- Vacancy & Credit Allowance	3,990	4,054	4,119	4,185	4,252	4,320	4,389	4,459	4,530	4,603
- Operating Expenses	30,882	31,191	31,503	31,818	32,136	32,457	32,782	33,110	33,441	33,775
NET OPERATING INCOME	44,928	45,832	46,752	47,689	48,643	49,615	50,603	51,609	52,634	53,677
- Interest, All Loans	20,113	19,286	18,400	17,449	16,430	15,337	14,165	12,908	11,560	10,116
- Depreciation and Amortization	1,948	2,103	2,246	2,331	2,659	2,862	3,072	3,159	3,352	3,439
+ Interest, Funded Reserves	82	83	84	84	85	86	87	88	89	90
INCOME OR (LOSS)	22,949	24,526	26,190	27,994	29,640	31,502	33,454	35,630	37,810	40,212
(LOSS) UTILIZED THIS YEAR	0	0	0	0	0	0	0	0	0	0
TAXABLE INCOME	22,949	24,526	26,190	27,994	29,640	31,502	33,454	35,630	37,810	40,212
NET OPERATING INCOME	44,928	45,832	46,752	47,689	48,643	49,615	50,603	51,609	52,634	53,677
- Debt Service, All Mortgages	31,549	31,549	31,549	31,549	31,549	31,549	31,549	31,549	31,549	31,549
+ Proceeds of Mortgages, Less Points	0	0	0	0	0	0	0	0	0	0
- Capital Expenditures and Funded Reserves	3,200	3,200	5,700	3,200	13,200	7,700	8,200	3,200	7,700	3,200
CASH FLOW BEFORE TAXES	10,179	11,083	9,504	12,941	3,895	10,366	10,854	16,861	13,385	18,928
Reserves Utilized	0	0	0	0	0	0	0	0	0	0
Reserves Remaining	8,282	8,365	8,448	8,533	8,618	8,704	8,792	8,879	8,968	9,058
NET CASH FLOW AFTER UTILIZING RESERVES	10,179	11,083	9,504	12,941	3,895	10,366	10,854	16,861	13,385	18,928
- Estimated Income Tax Attributable to Property	6,426	6,867	7,333	7,838	8,299	8,821	9,367	9,976	10,587	11,259
CASH FLOW AFTER TAXES AND RESERVES	3,753	4,216	2,170	5,102	(4,405)	1,545	1,487	6,884	2,798	7,668
GAIN OR (LOSS) ON SALE, Real Estate	17,484	25,768	31,787	40,579	39,874	45,064	50,056	60,420	66,658	77,673
GAIN ON SALE, Personal Property	0	0	0	0	0	0	0	0	0	0
PROJECTED SELLING PRICE, incl. personal prop.	509,200	519,500	529,900	540,500	551,300	562,300	573,400	584,800	596,400	608,200
- Costs of Sale	35,644	36,365	37,093	37,835	38,591	39,361	40,138	40,936	41,748	42,574
- Mortgage Payoffs	281,064	268,801	255,652	241,552	226,433	210,221	192,836	174,196	154,207	132,774
+ Balance of Reserve Fund	8,282	8,365	8,448	8,533	8,618	8,704	8,792	8,879	8,968	9,058
BEFORE-TAX SALE PROCEEDS	200,774	222,699	245,604	269,646	294,895	321,423	349,217	378,548	409,413	441,910
- Estimated Total Federal Tax on Sale	4,152	3,535	4,699	6,286	6,484	7,585	8,677	10,583	11,891	13,922
AFTER-TAX SALE PROCEEDS	196,622	219,163	240,905	263,360	288,411	313,838	340,540	367,964	397,522	427,988
Internal Rate of Return, Before Tax	21.81%	19.16%	17.68%	17.06%	15.90%	15.38%	14.94%	14.75%	14.46%	14.30%
Modified Internal Rate of Return, Before Tax	21.81%	18.81%	17.09%	16.28%	14.98%	14.37%	13.86%	13.58%	13.21%	12.97%
Internal Rate of Return, After-Tax	15.71%	14.66%	13.42%	12.93%	11.93%	11.50%	11.15%	11.01%	10.77%	10.66%
Modified Internal Rate of Return, After Tax	15.71%	14.57%	13.27%	12.74%	11.71%	11.09%	10.76%	10.63%	10.39%	10.28%
PV, Net Operating Inc. & Sale Price less Costs of Sale	471,349	478,006	484,100	489,746	494,975	499,815	504,245	508,390	512,221	515,763
PV, CFAT and Sale Proceeds after Taxes	182,159	188,023	189,522	191,890	188,357	187,302	185,663	185,782	183,899	183,275
EQUITY (deducting Costs of Sale)	192,492	214,334	237,155	261,113	286,276	312,718	340,426	369,668	400,445	432,852
RETURN ON EQUITY (CFAT/Equity)	1.95%	1.97%	0.92%	1.95%	-1.54%	0.49%	0.44%	1.86%	0.70%	1.77%

NOTE: If this analysis includes a partial first year, then the IRR, MIRR and PV calculations use estimated full year amounts for cash flow and NOI.
Sale-year depreciation is adjusted within the calculation of resale tax and proceeds.

FINANCIAL ANALYSIS

PROPERTY SUMMARY:

Property Information

Type	Apartment Building
Number of Units	10
Square Footage	8,587

Sources of Funds

Cash Investment	173,175	37.19%
First Mortgage (15 year term, 7.00% rate)	292,500	62.81%

Annualized 1st Year Income & Expenses

Gross Income	79,800	Total:	465,675
Vacancy & Credit Allowance	3,990		
Gross Operating Income	75,810		
Operating Expenses	30,882		
Net Operating Income	44,928		

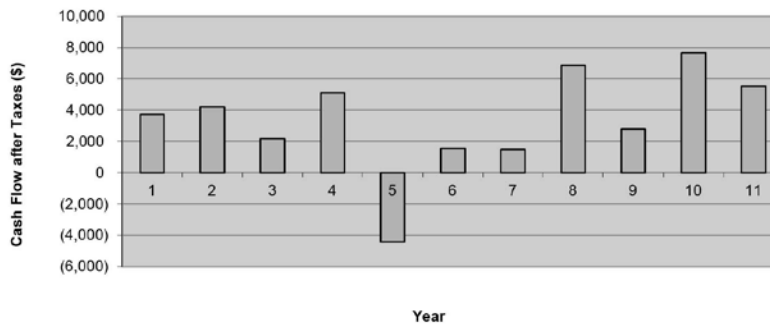
Assumptions

Safe Rate for MIRR	1.00%
Reinvestment Rate for MIRR	5.00%
Discount Rate for PV	10.00%
Capitalization Rate for Resale	9.00%
Holding Period (Years)	11
Depreciable Basis	68,183
Depreciation Type	39-Year
1st Year Marginal Tax Rate	28.00%

Uses of Funds

Purchase Price, Real Property (52.40 per square foot)	450,000	96.63%
Closing Costs	4,550	0.98%
Points	2,925	0.63%
1st Year Capital Improvements	3,200	0.69%
1st Year Funded Reserves	5,000	1.07%
Total:	465,675	

11-Year Projected Cash Flow After Taxes



Financial Measures

	Year 1	Year 6	Year 11		Year 1	Year 6	Year 11
Capitalization Rate	9.91%	10.20%	10.65%	Gross Income Multiplier	6.38	6.51	6.63
Debt Coverage Ratio	1.42	1.57	1.74	Gross Income/sf	9.29	10.06	10.89
Cash on Cash Return	5.88%	5.99%	10.10%	Operating Expense Ratio	40.74%	39.55%	38.39%
IRR before Taxes	21.81%	15.38%	14.10%	Operating Expenses/sf	3.60	3.78	3.97
IRR after Taxes	15.71%	11.50%	10.50%	Projected Selling Price	509,200	562,300	620,200
MIRR before Taxes	21.81%	14.37%	12.71%	After-Tax Sale Proceeds	196,622	313,838	460,500
MIRR after Taxes	15.71%	11.09%	10.12%	PV, NOI+Reversion	471,349	499,815	519,035
Return on Equity	1.95%	0.49%	1.19%	PV, CFAT+Sale Proceeds	182,159	187,302	181,611



Information About Brokerage Services

11-2-2015

Texas law requires all real estate license holders to give the following information about brokerage services to prospective buyers, tenants, sellers and landlords.

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.

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 or subagent by the buyer or buyer's agent.

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.

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:
 - that the owner will accept a price less than the written asking price;
 - that the buyer/tenant will pay a price greater than the price submitted in a written offer; and
 - 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.

AS SUBAGENT: A license holder acts as a subagent when aiding a buyer in a transaction without an agreement to represent the buyer. A subagent can assist the buyer but does not represent the buyer and must place the interests of the owner first.

TO AVOID DISPUTES, ALL AGREEMENTS BETWEEN YOU AND A BROKER SHOULD BE IN WRITING AND CLEARLY ESTABLISH:

- The broker's duties and responsibilities to you, and your obligations under the representation agreement.
- Who will pay the broker for services provided to you, when payment will be made and how the payment will be calculated.

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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Regulated by the Texas Real Estate Commission

Information available at www.trec.texas.gov

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