



# S W M H O L D I N G

Houston's MSA population is projected to grow to 8 million residents in the next 5 years. Houston has a global economy and is the largest city in Texas.

Sovereign Wealth Management Holding is proud to offer this information as a sample acquisition we might take into consideration for our portfolio.

## **Asset is in East Houston.**

Built: 1998

Multifamily Units: 204

Occupancy: 96%

Ave. rent: \$1256.00

Gross Annual Revenue: \$ 3,188,982.00

Operating Expenses: \$ 1,615,161.00 = 50.65%

Net Operating Income: \$ 1,573,821.00

## **Summary:**

A unique, value-add opportunity in Houston, Texas.

Constructed in 1998, the property consists of 204 units averaging 1,107 square feet. The property offers large two to four-bedroom floorplans, giving tenants a single-family-style feel. 76 units are two-bedrooms with 870 SF.

There are 78 three-bedroom units with 1,170 SF.

The 50 four-bedroom units are 1,370 SF townhomes.

The property is currently 96% occupied with occupancy rates in the submarket at 96%.

Asset has an assumable CMBS loan with \$17,097,000, 7.38% interest, and approximately 4.4 years remaining of interest only, allowing for ~65% LTV.

This property can also be purchased free and clear.

## **Capital Expenditures:**

The current owner has renovated over half (103) of the units to include hard surface countertops, full-sized washers/dryers, new HVACs, hot water heaters, cabinetry and fixtures, and low-flow toilets. They also repaired the entry to the parking lot in 2023 and painted the exterior in 2021/2022.

## **Value-Add:**

There are 101 classic units that can be renovated. The owner spent around \$5,000 on renovating 103 units and they are bringing an **average increase of \$175/unit/month**. There is a surplus of parking spaces and carports should be for another revenue stream. Bad debt should be reduced through tenant screening. More water- conserving fixtures can be added to reduce the current water bill. *Our projection yields a \$5.7MM+ in improvement upside.*



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## **Location:**

This property is wrapped around Robinson Elementary with half of the complex on the east side and the other half on the west side of the school. The property has a high level of visibility with 10,958 vehicles passing per day. The property is within walking distance of the Maxey Park dog park. Kroger, Family Dollar, and the Woodforest Square Shopping Center are in a 1-mile radius, and Show-Biz Cinemas is a quick 12-minute drive. The asset is nestled in the triangle of Interstate-10, Hwy-90, and Beltway-8 making this area highly sought after with its ease of access to major employers. With so many units and community amenities, this asset is a perfect home for growing families. Tenants are just 11-miles east of downtown Houston. More than half of (58%) the population is renting.

## **Investment Highlights:**

Assumable CMBS Loan

- 4.4 Years of Interest Only Period Remaining
- ~65% LTV \$175 Average Rent Bumps for Renovated Units \$5.7MM+ In Improvement Upside 1,107 SF Average
- Unit Mix Offers Large Floorplans Great Family Location
- Walking Distance to Robinson Elementary & Maxey Park Dog Park 58% of Houston Residents are Renters 7.3+ Million Residents in Houston MSA (City of Houston 2,304,580) Houston is the 4th Most Populous City in The United States 2nd Fastest Growing Metro In United States

## **Assumable Loan Terms:**

Type CMBS (Non-Agency)  
Original Loan Amount \$17,097,000  
Floating Interest Rate 7.38%  
Amortization (Years) 35 Years  
Origination Date 2/1/2023  
Maturity Date 2/1/2033  
Interest Only (Months @ Origin) 60 Months  
Prepayment Type: Fixed Percentage  
(Stepdown or Fixed %) 1.00%  
Interest Only (Months Remaining) 53 Months  
End of Interest Only Period 2/2/2028  
Prepayment Penalty Estimate \$170,970  
Est. Principal Remaining at Sale \$17,097,000  
Current Monthly Payment \$105,147

## **Maximum Proposed Offer:**

\$ 36,416,605.00

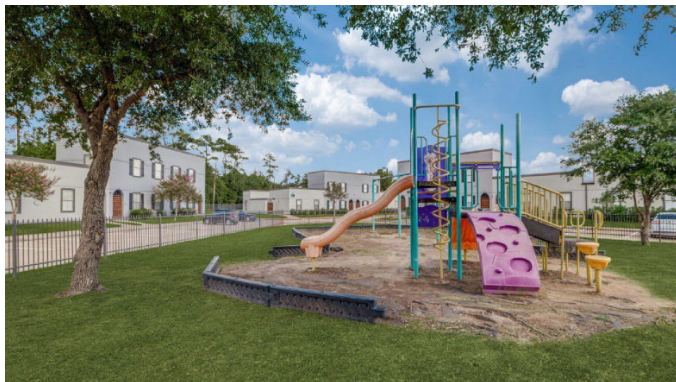
## **Exit Plan:**

1. Refi within 53 months
2. Sale within 53 months





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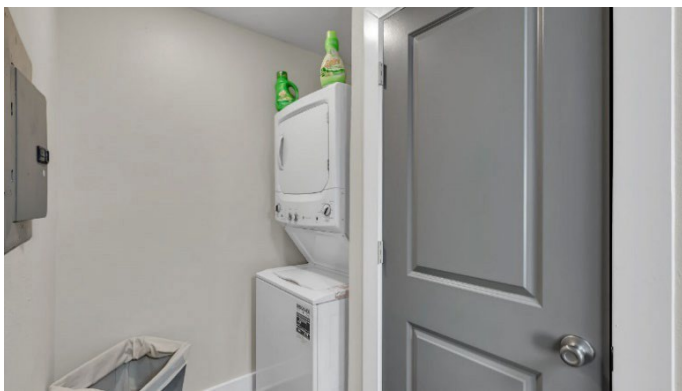
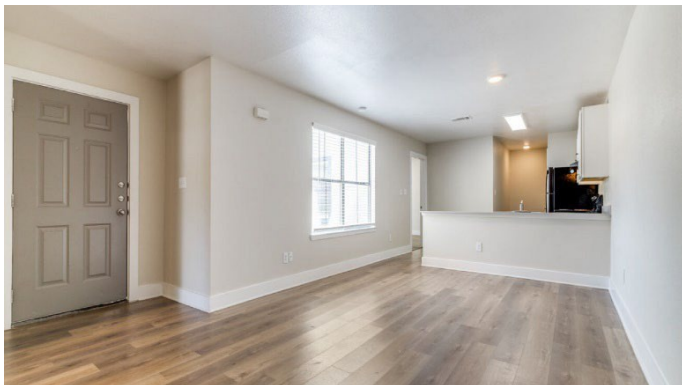
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