



### SOLSTICE ESTATES RV PARK 5588 S Stockton Ave • Monahans, TX 79756

Broker of Record – Timothy A. Speck  
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SOLSTICE ESTATES RV PARK  
Monahans, TX  
ACT ID ZAA0050556

**Marcus & Millichap**



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11-2-2015

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.

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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.

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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.

- 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.

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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.

Marcus & Millichap
Licensed Broker /Broker Firm Name or Primary Assumed Business Name
Tim A. Speck
Designated Broker of Firm
Licensed Supervisor of Sales Agent/Associate
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# INVESTMENT OVERVIEW



### EXECUTIVE SUMMARY

#### VITAL DATA

			CURRENT	YEAR 1
Total Price	\$1,275,000	CAP Rate	10.48%	12.57%
Real Estate Price	\$1,275,000	GRM	5.53	4.73
Down Payment	100% / \$1,275,000	Net Operating Income	\$133,561	\$160,295
Home Inventory Price	\$0	Net Cash Flow After Debt Service	10.48% / \$133,561	12.57% / \$160,295
Loan Type	All Cash	Total Return	10.48% / \$133,561	0.00% / \$160,295
Total Spaces	30			
Price/Space	\$42,500			
Spaces/Acre	5.00			
Vacant Spaces	6			
Year Built / Renovated	2019			
Lot Size	6.49 acre(s)			
Types of Ownership	Fee Simple			

#### DEMOGRAPHICS

	20-Miles	50-Miles
2018 Estimate Pop	11,208	218,248
2010 Census Pop	10,300	192,398
2018 Estimate HH	4,224	77,559
2010 Census HH	3,877	67,476
Median HH Income	\$55,485	\$54,220
Per Capita Income	\$26,255	\$27,996
Average HH Income	\$69,307	\$77,631

#### SPACE MIX

NO. OF SPACES	SPACE TYPE	LOT RENT	POH RENT
30	RV	\$800	\$0
<b>30</b>		<b>\$24,000</b>	<b>\$0</b>

**INVESTMENT OVERVIEW**

Solstice Estates RV Park located in Monahans TX is a long term stay property with 30 concrete pad sites located on 6.49 acres with direct access to state highway 18. The park is averaging 90% occupancy since March 2019, bringing in an average of \$20,000 gross income per month with low recurring expenses. All sites have full water, sewer, and both 30/50 amp electric outputs. The park was built the end of 2018 and has been fully operational since February of 2019.

**INVESTMENT HIGHLIGHTS**

- New Built Long Term Stay RV Park in Outstanding Location Directly on HWY 18
- All RV Sites Have Concrete Pads and Full Hookups
- Gated Security Pad Controlled Access
- Average Occupancy 90% and Offered at 10.5% CAP on current 12.5% Pro Forma
- Three Acres Left to Develop up to an Additional 30 RV Sites

### PROPERTY OVERVIEW

There is 24/7 gated security access into the park with a brick privacy wall built along the entire length of the property along highway 18. Additionally an aluminum privacy fence is built along the perimeter of three sides of the property. RV sites currently occupy approximately 3.5 acres of the property leaving three acres left to be developed with up to 30 more RV sites. Solstice Estates RV Park has paved roads, two water wells, and dedicated fiber optic internet. Ownership built and installed a state-of-the-art Nano filtration water system with seven step filtration process plus ultra violet light and final filtration on discharge, resulting in perfect water quality. A full list of property structures and infrastructure is available upon request.



### Property Amenities

- 24/7 Gated Access
- Concrete Sites
- Paved Roads
- Property Fully Fenced
- Dedicated Fiber Optic Internet Line



### PROPERTY SUMMARY

#### THE OFFERING

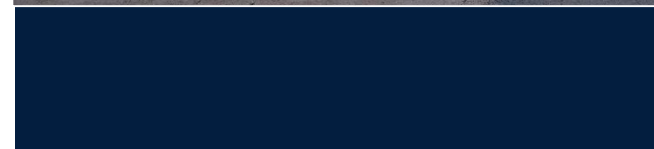
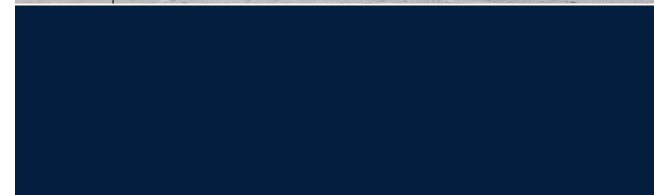
Property	Solstice Estates RV Park
Price	\$1,275,000
Property Address	5588 S Stockton Ave, Monahans, TX
Type of Park	Long Term Stay RV Park

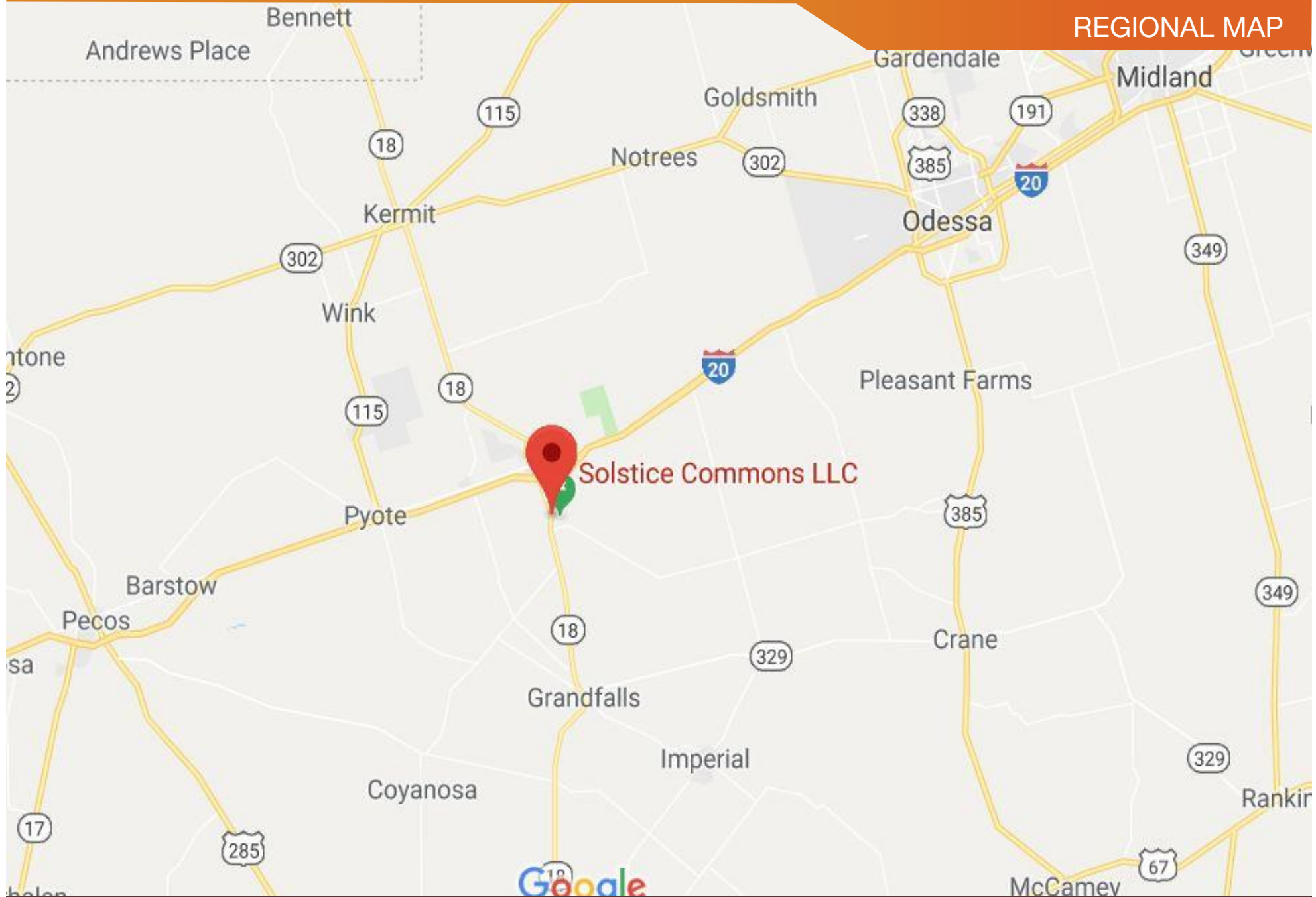
#### SITE DESCRIPTION

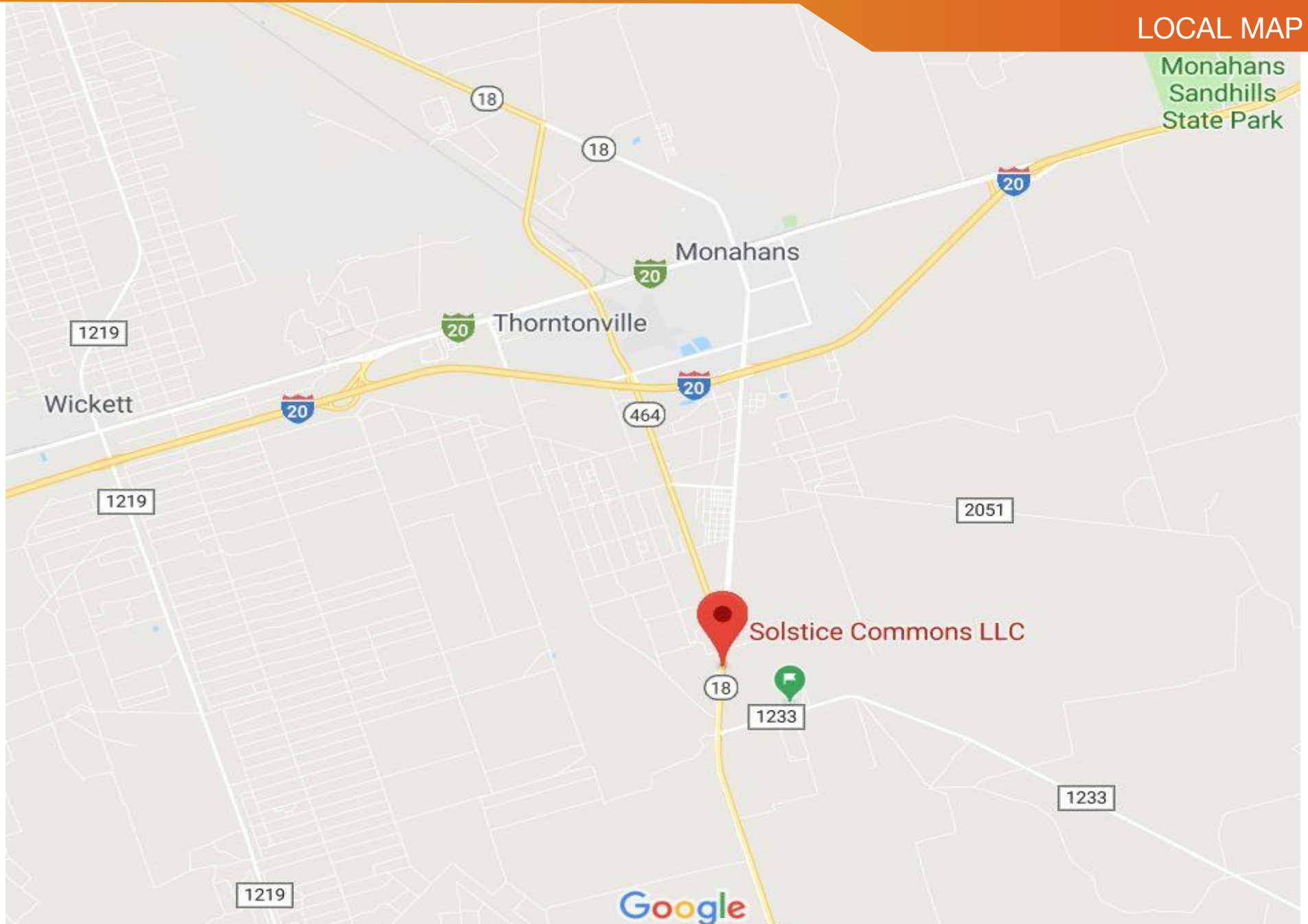
Number of Spaces	30
Vacant Spaces	6
Vacant Homes	0
Year Built/Renovated	2019
Lot Size	6.49 acre(s)
Type of Ownership	Fee Simple
Spaces/Acre	5.00
Parking	Yes
RV Storage	Yes
Landscaping	Palm Trees

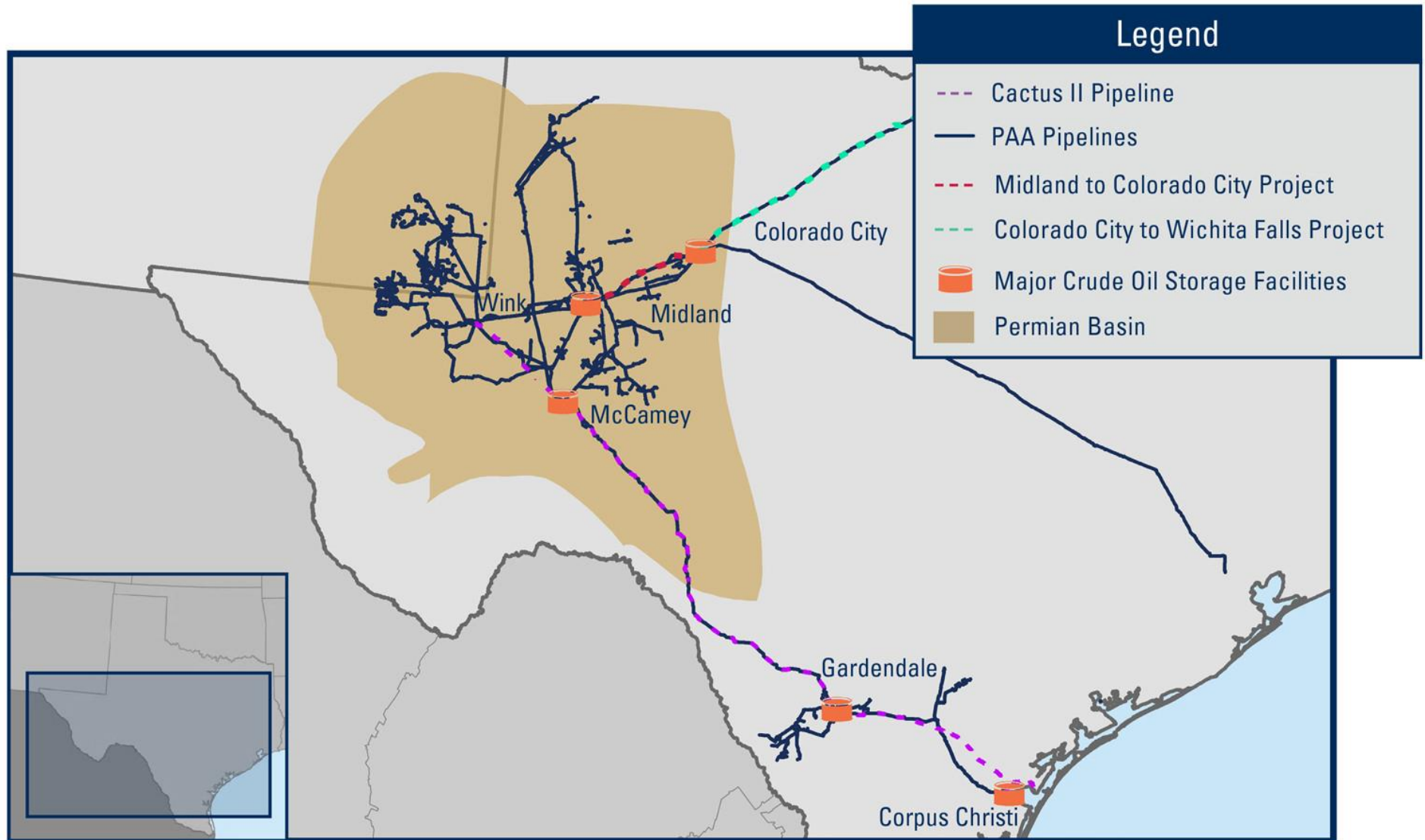
#### UTILITIES

	Paid By	Other
Water	Landlord	
Electric	Landlord	
Gas	Landlord	
Sewer	Landlord	
Trash	Landlord	
Cable TV	Landlord	









# Permian Basin Pipeline Map



<https://rbnenergy.com/bigger-oil-pipelines-are-coming-to-west-texas-to-ease-bottleneck>

**FINANCIAL**  
**ANALYSIS**



**RENT ROLL SUMMARY**

As of September, 2019

Space Type	# of Spaces	Rental Range	Current		Potential	
			Average Rent	Monthly Income	Average Rent	Monthly Income
RV - Standard	30	\$800 - \$800	\$640	\$19,200	\$800	\$24,000
<b>Totals/Weighted Averages</b>	<b>30</b>		<b>\$640</b>	<b>\$19,200</b>	<b>\$800</b>	<b>\$24,000</b>
<b>Gross Annualized Rents</b>			<b>\$230,400</b>		<b>\$288,000</b>	

Notes: Prices for spaces range from \$700 to \$900 per month depending on availability and start date. The average is \$800 per month

RENT ROLL DETAIL

As of September, 2019

Space	Space Type	Current Site Rent / Month	Current Home Rent / Month	Total Current Rent / Month	Scheduled Rent / Month	Potential Rent / Month
1	RV - Standard	\$800	N/A	\$800	\$800	\$800
2	RV - Standard	\$800	N/A	\$800	\$800	\$800
3	RV - Standard	\$800	N/A	\$800	\$800	\$800
4	RV - Standard	\$800	N/A	\$800	\$800	\$800
5	RV - Standard	\$800	N/A	\$800	\$800	\$800
6	RV - Standard	\$800	N/A	\$800	\$800	\$800
7	RV - Standard	\$800	N/A	\$800	\$800	\$800
8	RV - Standard	\$800	N/A	\$800	\$800	\$800
9	RV - Standard	\$800	N/A	\$800	\$800	\$800
10	RV - Standard	\$800	N/A	\$800	\$800	\$800
11	RV - Standard	\$800	N/A	\$800	\$800	\$800
12	RV - Standard	\$800	N/A	\$800	\$800	\$800
13	RV - Standard	\$800	N/A	\$800	\$800	\$800
14	RV - Standard	\$800	N/A	\$800	\$800	\$800
15	RV - Standard	\$800	N/A	\$800	\$800	\$800
16	RV - Standard	\$800	N/A	\$800	\$800	\$800
17	RV - Standard	\$800	N/A	\$800	\$800	\$800
18	RV - Standard	\$800	N/A	\$800	\$800	\$800
19	RV - Standard	\$800	N/A	\$800	\$800	\$800
20	RV - Standard	\$800	N/A	\$800	\$800	\$800
21	RV - Standard	\$800	N/A	\$800	\$800	\$800
22	RV - Standard	\$800	N/A	\$800	\$800	\$800
23	RV - Standard	\$800	N/A	\$800	\$800	\$800
24	RV - Standard	\$800	N/A	\$800	\$800	\$800
25	RV - Standard	Vacant	N/A	\$0	\$800	\$800
26	RV - Standard	Vacant	N/A	\$0	\$800	\$800
27	RV - Standard	Vacant	N/A	\$0	\$800	\$800
28	RV - Standard	Vacant	N/A	\$0	\$800	\$800
29	RV - Standard	Vacant	N/A	\$0	\$800	\$800
30	RV - Standard	Vacant	N/A	\$0	\$800	\$800
<b>Total</b>		<b>\$19,200</b>	<b>\$0</b>	<b>\$19,200</b>	<b>\$24,000</b>	<b>\$24,000</b>



## OPERATING STATEMENT

Income	Current		Year 1		Per Space	Notes
<b>Gross Current Site Rent</b>	230,400		269,568		8,986	
<b>Physical Vacancy</b>	(26,726)	11.6%	(20,218)	7.5%	(674)	[1]
<b>Total Vacancy</b>	<b>(\$26,726)</b>	<b>11.6%</b>	<b>(\$20,218)</b>	<b>7.5%</b>	<b>(\$674)</b>	
<b>Effective Gross Income</b>	<b>\$203,674</b>		<b>\$249,350</b>		<b>\$8,312</b>	
Expenses	Current		Year 1		Per Space	Notes
Real Estate Taxes	10,500		15,000		500	[2]
Insurance	0		3,000		100	[3]
Utilities - Electric	28,000		24,000		800	[4]
Utilities - Water & Sewer	1		1		0	[5]
Utilities - Gas	1		1		0	[6]
Water Testing	1,225		600		20	[7]
Internet	12,228		12,300		410	
Trash Removal	3,892		4,000		133	
Repairs & Maintenance	5,400		5,500		183	[8]
Office Supplies	1,130		1,150		38	
Marketing & Advertising	5,100		2,500		83	[9]
Merchant Fees	1,336		1,500		50	
Other / Misc. Expenses	1,300		1,500		50	[10]
Operating Reserves	0		0		0	
Management Fee	0	0.0%	18,003	7.2%	600	[11]
<b>Total Expenses</b>	<b>\$70,113</b>		<b>\$89,055</b>		<b>\$2,969</b>	
<b>Expenses as % of EGI</b>	<b>34.4%</b>		<b>35.7%</b>			
<b>Net Operating Income</b>	<b>\$133,561</b>		<b>\$160,295</b>		<b>\$5,343</b>	

Notes and assumptions to the above analysis are on the following page.

## NOTES

## Notes to Operating Statement

- [1] Park currently has 26 available sites with 24 occupied - 4 new additional sites will be added by Oct 15, 2019 and occupied by Oct 31, 2019
- [2] Increased based on potential sale price
- [3] \$250 per month is average for a park this size and type
- [4] New contract from electric provider reducing rate from 8.3 cents to 3.5 cents per KW hour. Contract expires June 30, 2029
- [5] Private septic system and two wells on property, no direct utility expense
- [6] No gas utility at the property
- [7] Current owner performs bi-monthly professional water testing buyer could do quarterly
- [8] Since park is new there will be very little construction expense and no CapX, only basic upkeep and repairs and road maintenance
- [9] Highway billboard was paid 05/2019 to 09/2019 - future expense would be website update and SEO
- [10] Travel and contract labor expense
- [11] Expense to pay local manager \$1500 per month

### PRICING DETAIL

Summary		
<b>Price</b>	<b>\$1,275,000</b>	
Down Payment	\$1,275,000	100%
Number of Spaces	30	
Price Per Space	\$42,500	
Spaces/Acre	5	
Lot Size	6.49 Acres	
Approx. Year Built	2019	
Occupancy	88%	

Returns	Current	Year 1
<b>CAP Rate</b>	<b>10.48%</b>	<b>12.57%</b>
GRM	5.53	4.73
Cash-on-Cash	10.48%	12.57%
Debt Coverage Ratio	N/A	N/A

Financing	1st Loan
Loan Amount	\$0
Loan Type	Free and Clear
Interest Rate	N/A
Amortization	N/A
Year Due	N/A

Loan information is subject to change. Contact your Marcus & Millichap Capital Corporation representative.

# of Spaces	Space Type	Current Rents	Market Rents
30	RV	\$800	\$800

### Operating Data

Income		Current		Year 1
<b>Gross Scheduled Rent</b>		<b>\$230,400</b>		<b>\$269,568</b>
Less: Vacancy/Deductions (GPR)	11.6%	\$26,726	7.5%	\$20,218
Total Effective Rental Income		\$203,674		\$249,350
Other Income		\$0		\$0
Effective Gross Income		\$203,674		\$249,350
Less: Expenses	34.4%	\$70,113	35.7%	\$89,055
<b>Net Operating Income</b>		<b>\$133,561</b>		<b>\$160,295</b>
Cash Flow		\$133,561		\$160,295
Debt Service		\$0		\$0
Net Cash Flow After Debt Service	10.48%	\$133,561	12.57%	\$160,295
Principal Reduction		\$0		\$0
<b>Total Return</b>	<b>10.48%</b>	<b>\$133,561</b>	<b>12.57%</b>	<b>\$160,295</b>

Expenses	Current	Year 1		
Real Estate Taxes	\$10,500	\$15,000		
Insurance	\$0	\$3,000		
Utilities - Electric	\$28,000	\$24,000		
Utilities - Water & Sewer	\$1	\$1		
Utilities - Gas	\$1	\$1		
Water Testing	\$1,225	\$600		
Internet	\$12,228	\$12,300		
Trash Removal	\$3,892	\$4,000		
Repairs & Maintenance	\$5,400	\$5,500		
Office Supplies	\$1,130	\$1,150		
Marketing & Advertising	\$5,100	\$2,500		
Merchant Fees	\$1,336	\$1,500		
Other / Misc. Expenses	\$1,300	\$1,500		
Management Fee	\$0	\$18,003		
<b>Total Expenses</b>	<b>34.42%</b>	<b>\$70,113</b>	<b>35.71%</b>	<b>\$89,055</b>
<b>Expenses/Space</b>		<b>\$2,337</b>		<b>\$2,969</b>

## MARCUS & MILLICHAP CAPITAL CORPORATION CAPABILITIES

MMCC—our fully integrated, dedicated financing arm—is committed to providing superior capital market expertise, precisely managed execution, and unparalleled access to capital sources providing the most competitive rates and terms.

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**Closed 1,678  
debt and equity  
financings  
in 2018**



**National platform  
operating  
within the firm's  
brokerage  
offices**



**\$6.24 billion  
total national  
volume in 2018**



**Access to  
more capital  
sources than  
any other firm  
in the industry**

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to enhance value**

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buyer pool by expanding  
finance options**

**Our ability to enhance  
seller control**

- **Through buyer qualification support**
- **Our ability to manage buyers finance expectations**
- **Ability to monitor and manage buyer/lender progress, insuring timely, predictable closings**
- **By relying on a world class set of debt/equity sources and presenting a tightly underwritten credit file**

**MARKET**  
**OVERVIEW**



# Forbes

## Why The Permian Basin May Become The World's Most Productive Oil Field

Dec 27, 2018, 10:01am

[Robert Rapier](#)

### A Rapidly Rising Production Rate

Permian Basin production has increased by 3 million BPD.

### A Soaring DUC Inventory (“Drilled but Uncompleted”)

By the end of 2018, with Permian Basin production at 3.8 million BPD, the number of DUC wells had soared to 4,039.

### An Enormous Resource

The new estimated mean of undiscovered, technically recoverable resources in the Permian basin are 46.3 billion barrels of oil, 281 Tcf of natural gas (17.5 times higher than the 2016 estimate!), and 19.9 billion barrels of NGLs.

<https://www.forbes.com/sites/rrapier/2018/12/27/why-the-permian-basina-may-become-the-worlds-most-productive-oil-field/#70f191ba5ccb>

## This Texas area is expected to double oil output to 8 million barrels in just four years, boosting US exports

Published 8:43 AM ET Fri, 8 March 2019 Updated 5:13 PM ET Fri, 8 March 2019

[Patti Dorn](#)

- A shortage of pipeline space created a bottleneck for oil coming from the hottest US shale basin, but that is about to end with a big expansion of capacity that will help send more US crude into the Gulf Coast and out onto the world market.
- The oil and gas industry is building out pipelines as drillers expect to up their output from the Permian to where it could double over the next four years, to 8 million barrels a day. That's more than all of the oil the U.S. produced just six years ago.

<https://www.cnbc.com/2019/03/08/permian-oil-output-doubling-to-8-millionbarrels-boosting-exports.html>



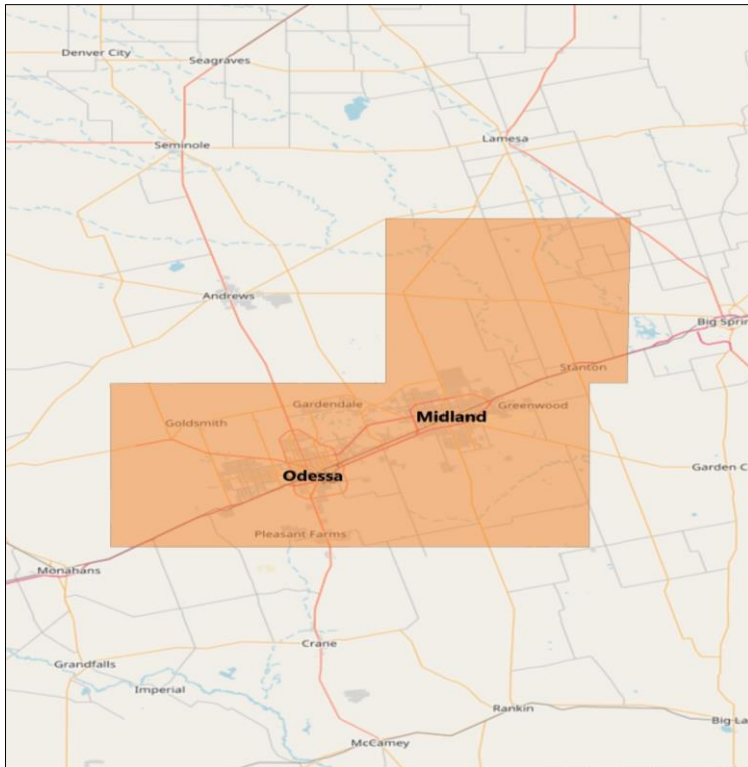
- Plains All American Pipeline announced the successful conclusion of the recent open season for its \$1.1 billion, 585,000 barrel-per-day capacity Cactus II pipeline, extending from the **Permian Basin to the Texas Gulf Coast**.
- Lilis Energy, Inc. Announces Five Year Agreement for Firm Oil Pipeline Takeaway and pricing on a long haul pipeline to the Gulf Coast commencing **July 1, 2019 through June 30, 2024**. “We have made significant advancements on our Permian Basin infrastructure and takeaway strategy. This agreement completes substantially all of the necessary takeaway and movement of crude, complementing our in-place agreements for natural gas, NGL’s and water
- **Largest Texas solar farm to be built in West Texas for \$400 million**. Innergex Renewable Energy Inc. will build the 250 megawatt Phoebe solar farm in Winkler County, which is on the border of New Mexico, after buying the project from Longroad Energy Partners. Innergex said the solar farm will cost nearly \$400 million and is expected to be completed by the third quarter of 2019. The project has a 12 year power purchase agreement with Shell Energy North America, which is Shell's North America wholesale energy marketer and trader.
- The Jupiter Pipeline will be a 650-mile, 36-inch-diameter crude oil pipeline with origination points near Crane, Texas and Gardendale / Three Rivers, Texas, and an offtake point in Brownsville, Texas. As designed, it will be the **only pipeline out of the Permian Basin that will access all three deep water ports in Texas**
- The **Permian Basin is the largest crude oil-producing region in the United States**, providing critical energy resources for the U.S. The Permian Basin is home to Plains All American’s largest asset base. With more than **4,700 miles of pipeline and 18 million barrels of crude oil storage capacity**, our extensive network of gathering and long-haul lines connects producers to local refineries, U.S. refining centers in the mid-continent and Gulf Coast regions, as well as dock facilities that enable crude oil export to markets around the world. Including our U.S. Control Center, we employ more than 400 employees in the region.
- 2019 U.S. Oil Pipeline Report: **Permian Production Spurs New Projects**. Production in the Permian Basin has been especially strong. Earlier this year, both ExxonMobil and Chevron announced plans to increase activity in the Permian Basin of West Texas and southeastern New Mexico. ExxonMobil plans to produce more than 1 million barrels per day (bpd) of oil-equivalent in the **Permian by as early as 2024 — an increase of nearly 80 percent**.

- Solar Farms are popping up all over Texas. ERCOT, the state's power grid operator, **expects the number of Texas solar farms to double over the next 4 years** to help replace coal plants and meet new demand. New West TX solar farms are 200+ megawatts and able to power up to 100,000 homes
- Facebook is building a massive solar farm in West Texas that's believed to be **one of the largest solar projects in the nation** and the social media giant's first direct investment in renewable energy. The project budget is \$416 million and will generate 379 megawatts
- Enel Green Power North America 497-megawatt-hour Roadrunner solar project in Upton County, near Midland, will be built in two phases, and is expected to generate around 1.2 terawatt hours annually when it's fully operational. Officials for the company anticipate the **2,770-acre project will create more than 500 jobs in the Permian Basin and contribute more than \$60 million in property taxes over the next 30 years.**
- The High Lonesome project will be **the largest wind farm in the world** for Italian company Enel Green Power. When completed by the end of the year, the 450 megawatt project represents **a \$600 million investment** and, once fully operational, will generate about 1.7 terawatt hours annually. Business development director with Enel Green Power North America, said in an email that the **oil and gas industry has been accepting of renewable energy.**
- **Three frac sand mines open in West Texas, 23 more in the works.** Local sand mines could slash transportation costs by approximately 40 percent, lowering the breakeven cost of an oil well.
- **Texas Frac Sand Mining Tries To Meet Booming Demand.** Frac sand mining continues to increase to support the surging Texas oil industry. With local supplies of frac sand limited, costs have been rising fast. In fact, about half of 2018 demand for the product will be in West Texas. Part of the reason for the increasing demand is that the sand demanded for each well is increasing as wells get deeper and longer. The sand consumption per well has increased from 1,500 tons to 25,000 tons over



### MIDLAND-ODESSA OVERVIEW

Located in West Texas, the Midland-Odessa metro is considered to be an energy capital as the Permian Basin is one of the biggest oil fields in the world and is home to some of the largest petroleum-producing companies. The metro consists of Martin, Midland and Ector counties. The public sector is a top job provider, but the private sector is driving the economic growth. The two largest cities are Midland with nearly 140,000 residents and Odessa with roughly 140,000 residents.



\* Forecast

Sources: Marcus & Millichap Research Services; BLS; Bureau of Economic Analysis; Experian; Fortune; Moody's Analytics; U.S. Census Bureau



### METRO HIGHLIGHTS



#### ENERGY HUB

Mining and petroleum extraction is the leading job provider in the metro. Companies are extracting approximately 3.8 million barrels per day.



#### AFFORDABLE HOUSING

Midland-Odessa median home prices are more than \$50,000 lower than the national median home price. Lower home prices and an elevated median household income contribute to an above-average homeownership rate.



#### HIGHER EDUCATION

University of Texas, Permian Basin has more than 7,500 students enrolled. Texas Tech's Health Sciences Center offers MD, Nursing, and Physical Therapy programs in Odessa.



### ECONOMY

- The oil and energy sector drives the Midland-Odessa economy. The Permian Basin covers more than 86,000 square miles and is believed to contain as much as 46 billion barrels of oil.
- Petroleum powerhouses such as ExxonMobil, Chevron, and Occidental Petroleum have major operations in the area.
- Odessa has become a regional distribution hub for many companies outside of the energy industry. Family Dollar has its Texas Distribution Center in Odessa.
- Of the top 10 employers in Midland-Odessa, four are in the healthcare field. This sector is driven in part by Texas Tech University Health Sciences Center.

### DEMOGRAPHICS

