

KELBURN STREET HOMES



Apartments For Sale

Kelburn Street Homes

OVERVIEW

Units:	8
Avg Rent:	\$759
Avg Size:	699
Date Built:	1950
Date Rehabbed:	2018*
Rentable Sq. Ft.:	5,588
Acreage:	0.58
Occupancy:	88%
Class:	C

PRICING

Terms:	All Cash
Asking Price	\$700,000
Price Per Unit	\$87,500
Price Per Sq. Ft	\$125.27
Stabilized NOI	\$50,434



INVESTMENT HIGHLIGHTS

- ◆ Located in the near Northwest Houston area
 - ◆ Two Duplex Buildings
 - ◆ Four Single Family Homes
- ◆ Easy access to Hwy 59 and Hardy Toll Rd
 - ◆ * Only one duplex has been rehabbed
- ◆ 9315 & 9317 & 9319 Kelburn St Houston, TX 77016

FOR INFORMATION ABOUT THIS PROPERTY PLEASE CONTACT

TOM WILKINSON

Broker/Vice President
twilk4@ketent.com
713-355-4646 ext 102



KET ENTERPRISES INCORPORATED

1770 St. James Place | Suite 382 | Houston, TX 77056
www.ketent.com
Broker License #406902

Financial Information	Proposed Loan Parameters		Operating Information		
Asking Price	\$700,000	New Loan @ 70% of Value	\$490,000	Est Mkt Rent (Mar-22)	\$6,075
Price Per Unit	\$87,500	Amortization (months)	360	Estimated Collections	\$5,105
Price Per Sq. Ft.	\$125.27	Debt Service	\$24,500	Physical Occ (Mar-22)	88%
Stabilized NOI	\$50,434	Monthly Int Only	\$2,042	Est Ins per Unit per Yr	\$763
Stabilized Value Capped @ 6.75%	\$747,166	Interest Rate	5.00%	Property Tax Information	
Est Rehab/Upgrade @ \$5,000/unit	\$40,000	Date Due	10 Years	Tax Rate (2021)	2.330662
		Est Res for Repl/Unit/Yr	\$300	2022 Prelim Tax Assessmen	\$306,984
		Yield Maintenance	Pre-Payment Penalty	Est 2022 Taxes	\$7,155
		Transfer Fee	1%+app+legal	Est Future Tax Assessment	\$500,000
				Est Future Taxes	\$11,653

Current Street Rent with a 20% Increase	87,480	\$7,290 / Mo		
Estimated Gross Scheduled Income	87,480	\$7,290 / Mo	Number of Units	8
Estimated Loss to Lease (2% of Total Street Rent)	(1,750)	2%	Avg Unit Size	699
Estimated Vacancy (5% of Total Street Rent)	(4,374)	5%		
Est Concessions and Rental Losses (3% of Total Street Rent)	(2,624)	3%	Net Rentable Area	5,588
Estimated Utilities Income	1,500	\$188 / Unit / Yr	Land Area (Acres)	0.58
Estimated Other Income	0	\$ / Unit / Yr	Units per Acre	13.829
Estimated Total Rental Income	80,232			
ESTIMATED TOTAL PRO-FORMA INCOME	80,232	\$6,686 / Mo		

	MODIFIED ACTUALS T8 May '22		PRO-FORMA	
2022 Estimated Income	\$61,260		\$80,232	
EXPENSE	FIXED EXPENSES		FIXED EXPENSES	
Fixed Expenses	Fixed Expenses		Fixed Expenses	
Taxes	\$5,765	\$721 per Unit	\$11,653	\$1,457 per Unit
Insurance	\$5,084	\$636 per Unit	\$6,104	\$763 per Unit
Total Fixed Expense		\$10,849		\$17,757
		\$1,356 per Unit		\$2,220 per Unit
Utilities	Utilities		Utilities	
Water & Sewer	\$2,400	\$300 per Unit per owner estimate	\$900	\$113 per Unit net of utility billings
Total Utilities		\$2,400		\$900
		\$300 per Unit		\$113 per Unit
Other Expenses	Other Expenses		Other Expenses	
General & Admin & Marketing	\$900	\$113 per Unit	\$900	\$113 per Unit
Repairs & Maintenance	\$1,824	\$228 per Unit	\$1,824	\$228 per Unit
Labor Costs	\$0	\$ per Unit	\$0	\$ per Unit
Contract Services	\$0	\$ per Unit	\$0	\$ per Unit
Management Fees	\$4,592	7.50% \$574 per Unit	\$6,017	7.50% \$752 per Unit
Total Other Expense		\$7,315		\$8,741
		\$914 per Unit		\$1,093 per Unit
Total Operating Expense		\$20,564		\$27,398
		\$2,571 per Unit		\$1,093 per Unit
Reserve for Replacement		\$2,400		\$2,400
		\$300 per Unit		\$300 per Unit
Total Expense		\$22,964		\$29,798
		\$2,871 per Unit		\$3,725 per Unit
Net Operating Income (Actual Underwriting)		\$38,296		\$50,434
Asking Price		\$700,000		\$700,000
Cap Rate		5.47%		7.20%
Proposed Debt		490,000		490,000
Equity		210,000		210,000
Estimated Debt Service		24,500		24,500
Cash Flow		13,796		25,934
Cash on Cash		6.57%		12.35%

NOTES: ACTUALS: Income and Expenses are Estimated. PRO FORMA: Income is Pro Forma as Noted. Taxes were calculated using 2021 Tax Rate & Future Assessment. Insurance is estimated. Management Fees calculated as 7.5% of Gross Income, Other expenses are Estimated for the Pro Forma.

DISCLAIMER: The information contained herein has been obtained from sources that we deem reliable. We have no reason to doubt the accuracy of the information, but we have not verified it and make no guaranty, warranty or representation about it. It is your responsibility to independently confirm its accuracy and completeness. We have not determined whether the property complies with deed restrictions or any city licensing or ordinances including life safety compliance or if the property lies within a flood plain. THE PROSPECTIVE BUYER SHOULD CAREFULLY VERIFY EACH ITEM OF INCOME OR EXPENSE AND PERFORM OR HAVE PERFORMED ANY INSPECTIONS TO VERIFY POSSIBLE CONTAMINATION BY ASBESTOS, LEAD PAINT, MOLD OR ANY OTHER HAZARDOUS SUBSTANCES. The owner reserves the right to withdraw this listing or change the price at anytime without notice during the marketing period. THIS IS A BROKER PRICE OPINION OR COMPARATIVE MARKET ANALYSIS AND SHOULD NOT BE CONSIDERED AN APPRAISAL. This represents an estimated sales price for this property. It is not the same as an opinion of value in an appraisal developed by a licensed appraiser under the Uniform Standards of Professional Appraisal Practice. In making any decision that relies upon my work, you should know that I have not followed the guidelines for development or an appraisal or analysis contained in the Uniform Standards of Professional Appraisal Practice of the Appraisal Foundation.

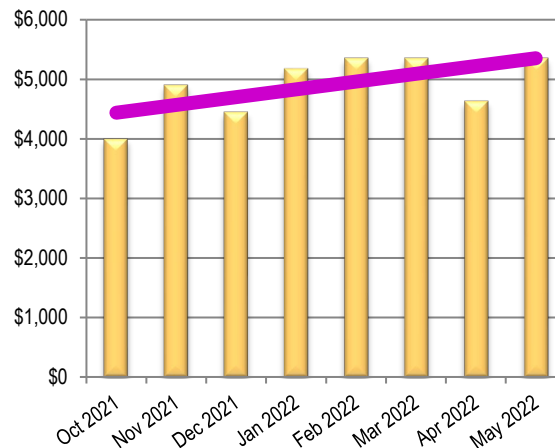
PROPERTY INFORMATION				EXISTING MORTGAGE		TAXING AUTHORITY - HARRIS COUNTY	
Age:	1950	# of Stories:	2	Mortgage Balance	\$0.00	ACCT NO: 0710300120326;0710300120328	
Rehabbed:	2018*	Buildings:	6	Amortization		Houston ISD	\$1.094400
		Units/Acre	13.83	P & I		Harris County	\$0.376930
Elec Meter:	Indiv	Open Parking:	Yes	Type		Harris County Flood Control	\$0.033490
A/C Type:	window units?	Covered Parking:	No	Assumable		Port of Houston Authority	\$0.008720
Water:	RUBS	Garage Parking:	No	Monthly Escrow		Harris County Hospital District	\$0.162210
Gas:	N/A			Origination Date		Harris County Education Dept	\$0.004990
EWG:		Construction Quality:	C-	Due Date		Houston Community College	\$0.099092
		Submarket:	Eastex/Tidwell	Interest Rate		City of Houston	\$0.550830
Wiring:	Copper?						
Roof:	Pitched	Concessions:	No reported concessions	Yield Maintenance			
Materials:	Wood			Transfer Fee		2021 Tax Rate/\$100	\$2.330662
Paving:	Gravel					2022 Prelim Tax Assessment	\$306,984
Resident pays for E(Elec); W(Water);G(Gas)						HCAD Improvement Sq.Ft.	5,588

COLLECTIONS

Est 3 Mo Avg \$5,105

June 2021	
July 2021	
Aug 2021	
Sept 2021	
Oct 2021	\$3,995
Nov 2021	\$4,895
Dec 2021	\$4,445
Jan 2022	\$5,170
Feb 2022	\$5,345
Mar 2022	\$5,345
Apr 2022	\$4,625
May 2022	\$5,345

6 Mo Avg	\$5,046
3 Mo Avg	\$5,105
Mo Avg	\$4,896



FINANCIAL HIGHLIGHTS

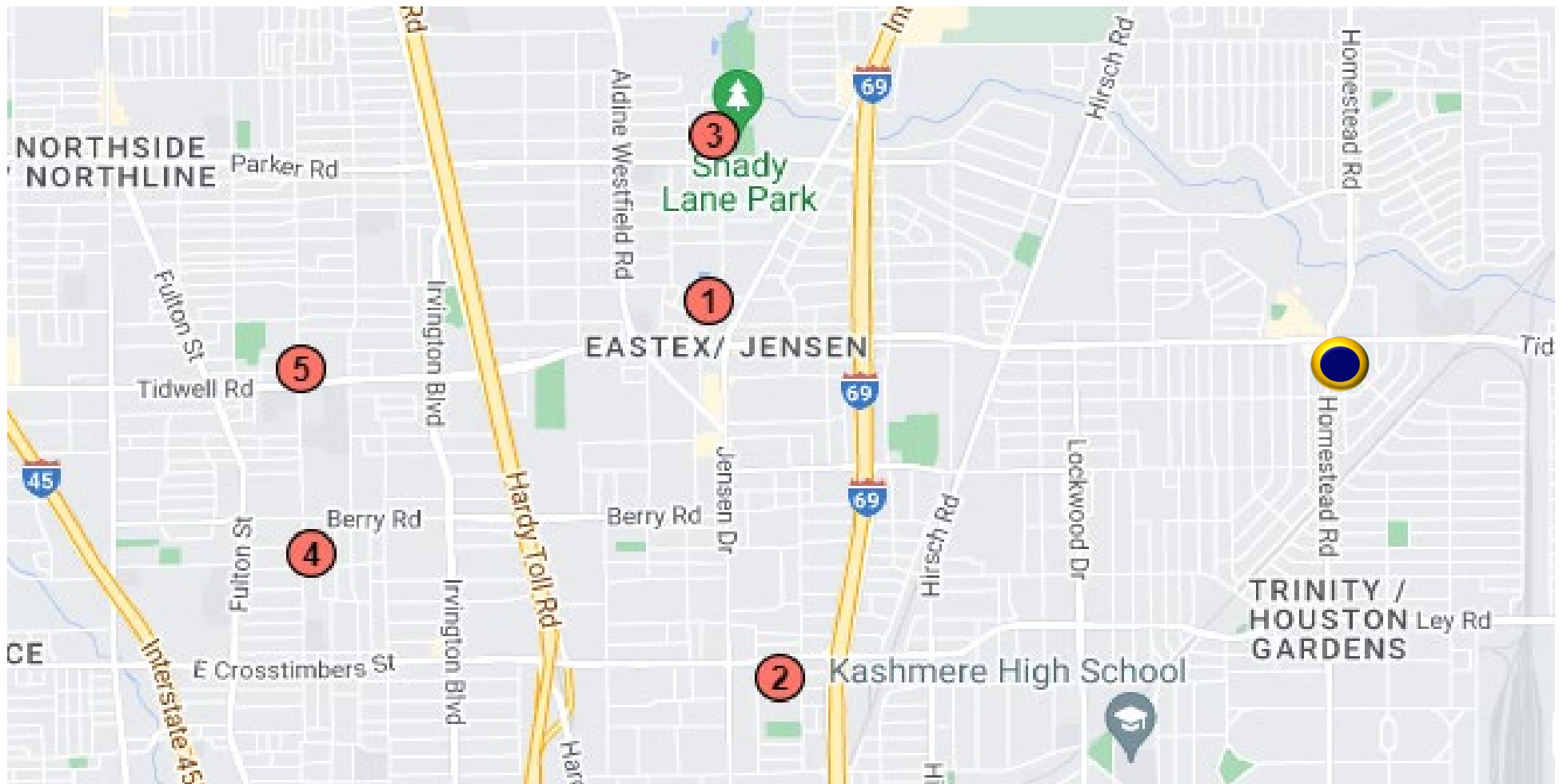
Only a 5/22 T8 and Rent Roll were provided to the Broker. Proforma Income and Expenses are estimated. Per owner, one unit was renovated and it gets a \$230 rent bump (9319 Kelburn, Duplex 2). The new rent went from \$720 to \$950. This asset is ideal for a smaller buyer to continue rehabbing the units. Seller estimates \$40K to finish the rehab.

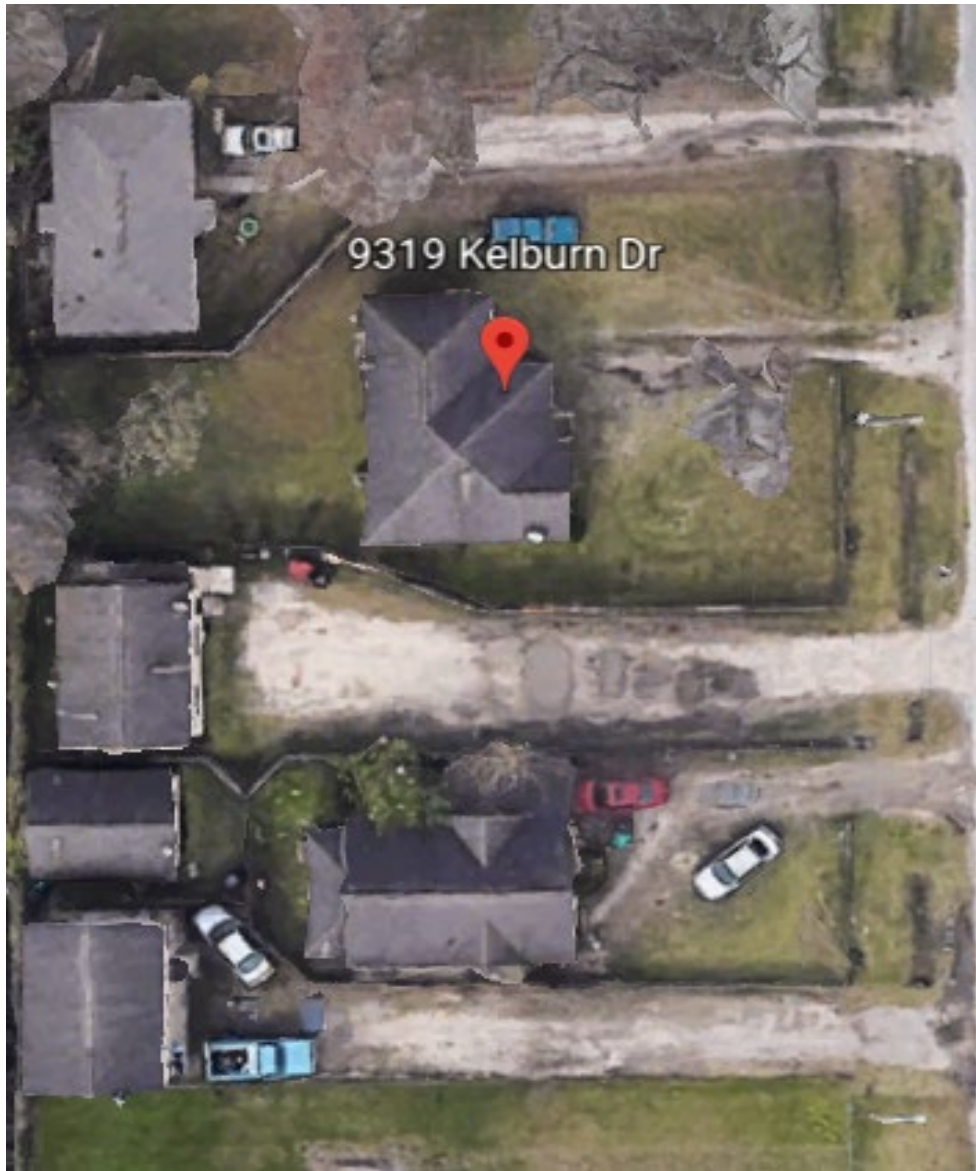


2022 KET RENT COMPARABLE TAX ANALYSIS

Property	Address	Yr Built	Units	Impr Sq.Ft.	Impr Value	Impr Value/Unit	Impr Value/Sq.Ft.
Avenue Casita	2635 Tim	1965	84	66,130	\$5,168,998	\$61,536	\$78.16
Silver Glen	7601 Curry	1972	160	129,204	\$9,032,950	\$56,456	\$69.91
Parker Square	10300 Shady Lane	1974	175	148,266	\$9,361,699	\$53,495	\$63.14
Village Park North	8210 Bauman	1967	100	84,670	\$5,060,942	\$50,609	\$59.77
Tidwell Park	9400 Bauman	1975	128	105,191	\$11,902,691	\$92,990	\$113.15
Kelburn Street Homes	9315 & 9319 Kelburn St	1950	8	5,588	\$306,984	\$38,373	\$54.94
Averages		1967	109	89,842	\$6,805,711	\$58,910	\$73.18

Kelburn Street Homes





Kelburn Street Homes

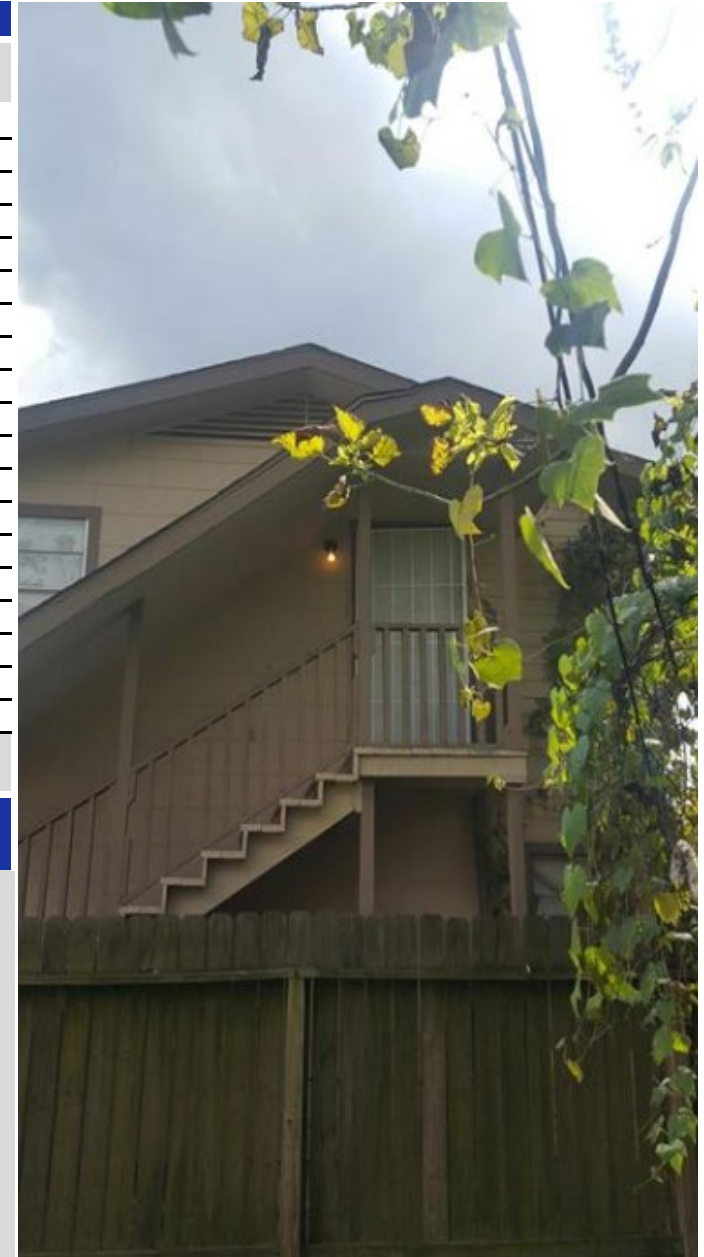
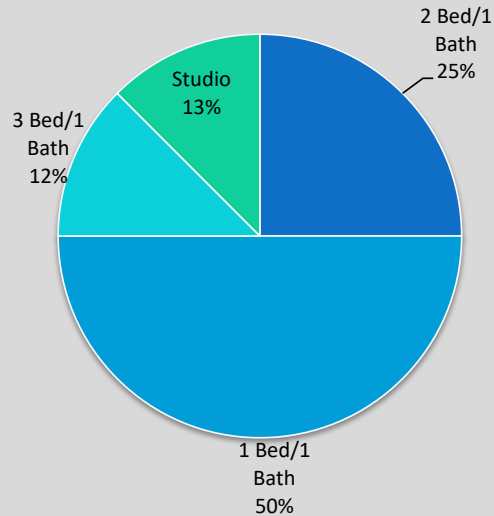
UNIT MIX

Address	Type	No. Units	Est. Sq Ft	Total Sq Ft	Actual Rent	Total Rent	+EWG	Rent/SF
9315 Kelburn	2 Bed/1 Bath	1	804	804	\$830	\$830	+W	\$1.03
9315 1/2 Kelburn	1 Bed/1 Bath	1	520	520	\$950	\$950	+W	\$1.83
9315 1/2 Kelburn projected 950	1 Bed/1 Bath	1	520	520	\$460	\$460	+W	\$0.88
9317 Kelburn (projected 625)	Studio	1	352	352	\$400	\$400	+W	\$1.14
9319 Kelburn (projected 1000)	2 Bed/1 Bath	1	760	760	\$610	\$610	+W	\$0.80
9319 1/2 Kelburn projected 1150	3 Bed/1 Bath	1	1,232	1,232	\$975	\$975	+W	\$0.79
9319 Kelburn #1	1 Bed/1 Bath	1	700	700	\$900	\$900	+W	\$1.29
9319 Kelburn#2	1 Bed/1 Bath	1	700	700	\$950	\$950	+W	\$1.36

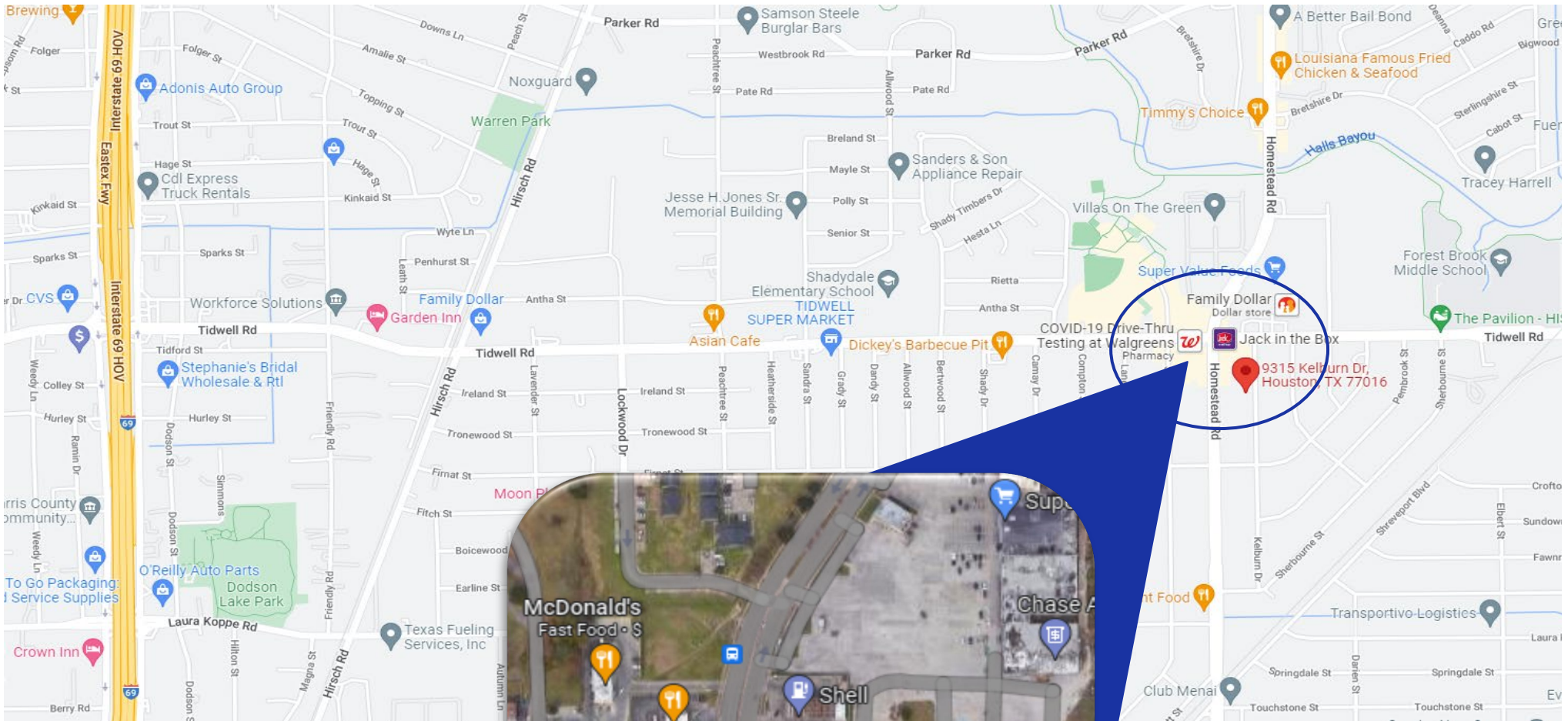
note: square footages shown are from the HCAD records

Estimated Sq.Ft./3/22 RR/TDJC Rents	8	699	5,588	\$759	\$6,075	+W	\$1.09
TOTALS AND AVERAGES	Total Units	Average Sq. Ft.	Total Sq. Feet	Actual Rent/Unit	Total Rent	+EWG	Average Rent/ SF

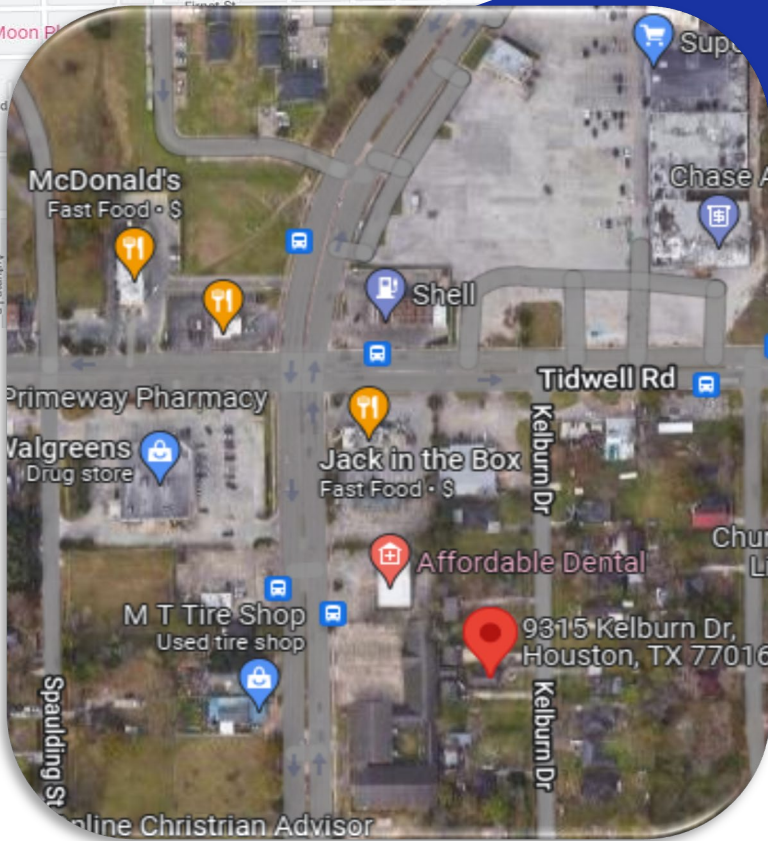
UNITS BY TYPE



Kelburn Street Homes



Subject is located near Walgreens, Jack in the Box, Family Dollar, McDonald's, retail, and Houston Metro Bus Line, including MESA Transit Center.



Kelburn Street Homes

RENT COMPARABLES (2022 ADS)

Property Name	Yr Blt	Rehabbed	Occ	#Units	Avg SF	Avg Rent	EWG	P/SF
1 Avenue Casita 2635 Tim	1965	2018	92%	84	924	\$844	EG	0.913
2 Silver Glen 7601 Curry	1972	2013	98%	160	835	\$1,396	E	1.672
3 Parker Square 10300 Shady Lane	1974	N/A	95%	175	841	\$915	E	1.088
4 Village Park North 8210 Bauman	1967	N/A	89%	100	790	\$911	E	1.153
5 Tidwell Park 9400 Bauman	1975	N/A	98%	128	747	\$972	EWG	1.301
*Resident Pays E(Electric), W(Water), G(Gas)								
Totals/Averages Comps	1971		94%	129	827	\$1,014		\$1.225
Kelburn Street Homes	1950	2018*	88%	8	699	\$818	M	\$1.087

Submarket:

I-69 North

Houston

□ I-69 North

■ Kelburn Street Homes

Occupancy:

94%

91%

occupancy

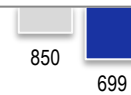


of Operating Units:

4,329

695,174

avg sf



of Operating Apartments:

29

2,946

avg rent

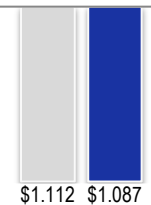


Average Size (sqft):

850

886

avg rent/sf



Average Rental Rate (\$/sqft):

\$1.112

\$1.284

Average Rent: (\$/mo)

\$945

\$1,138



Avenue Casita

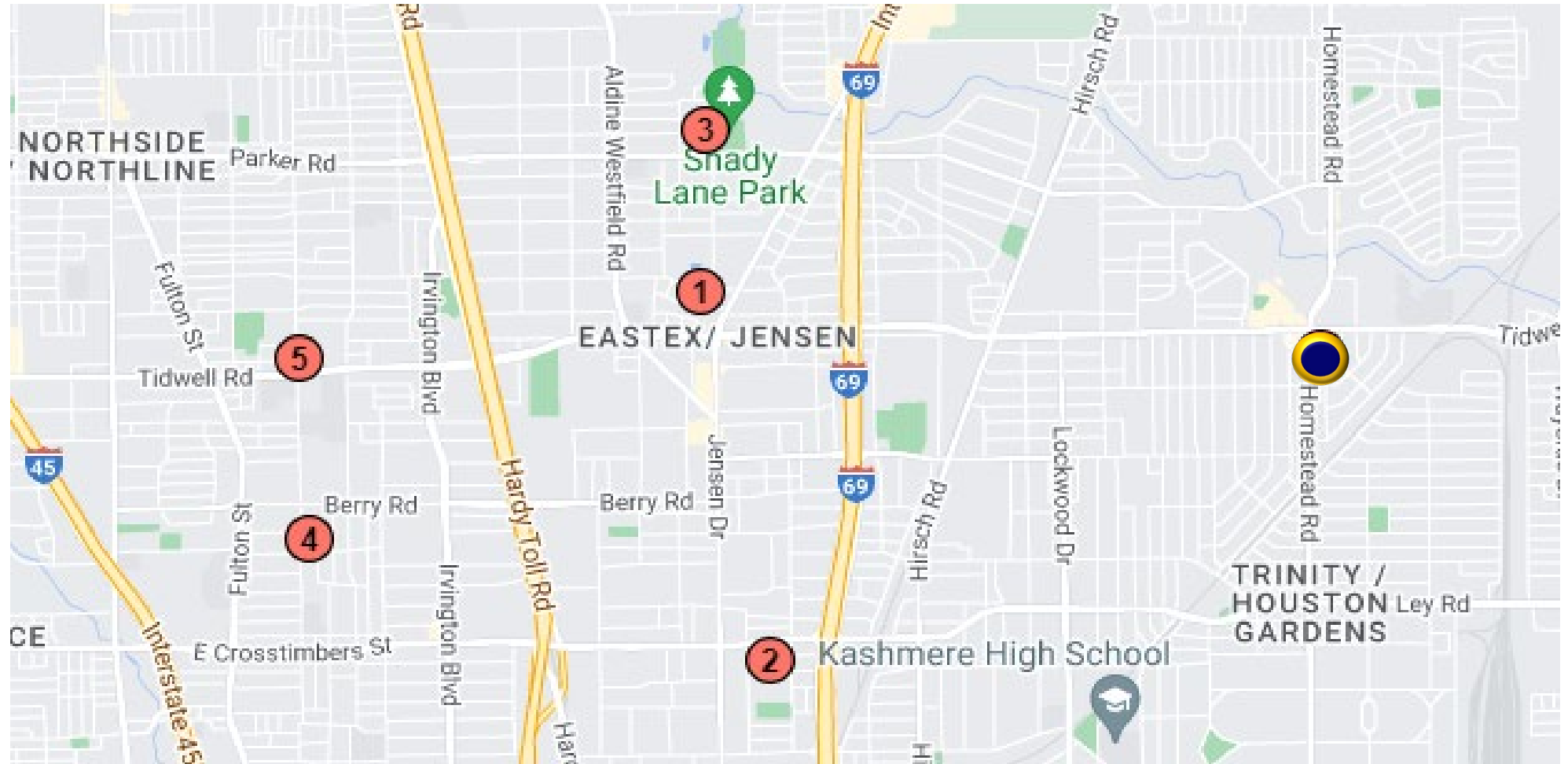
Silver Glen

Parker Square

Village Park North

Tidwell Park

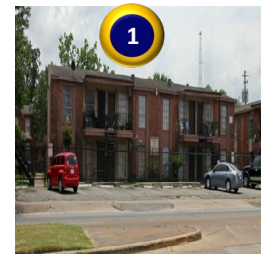
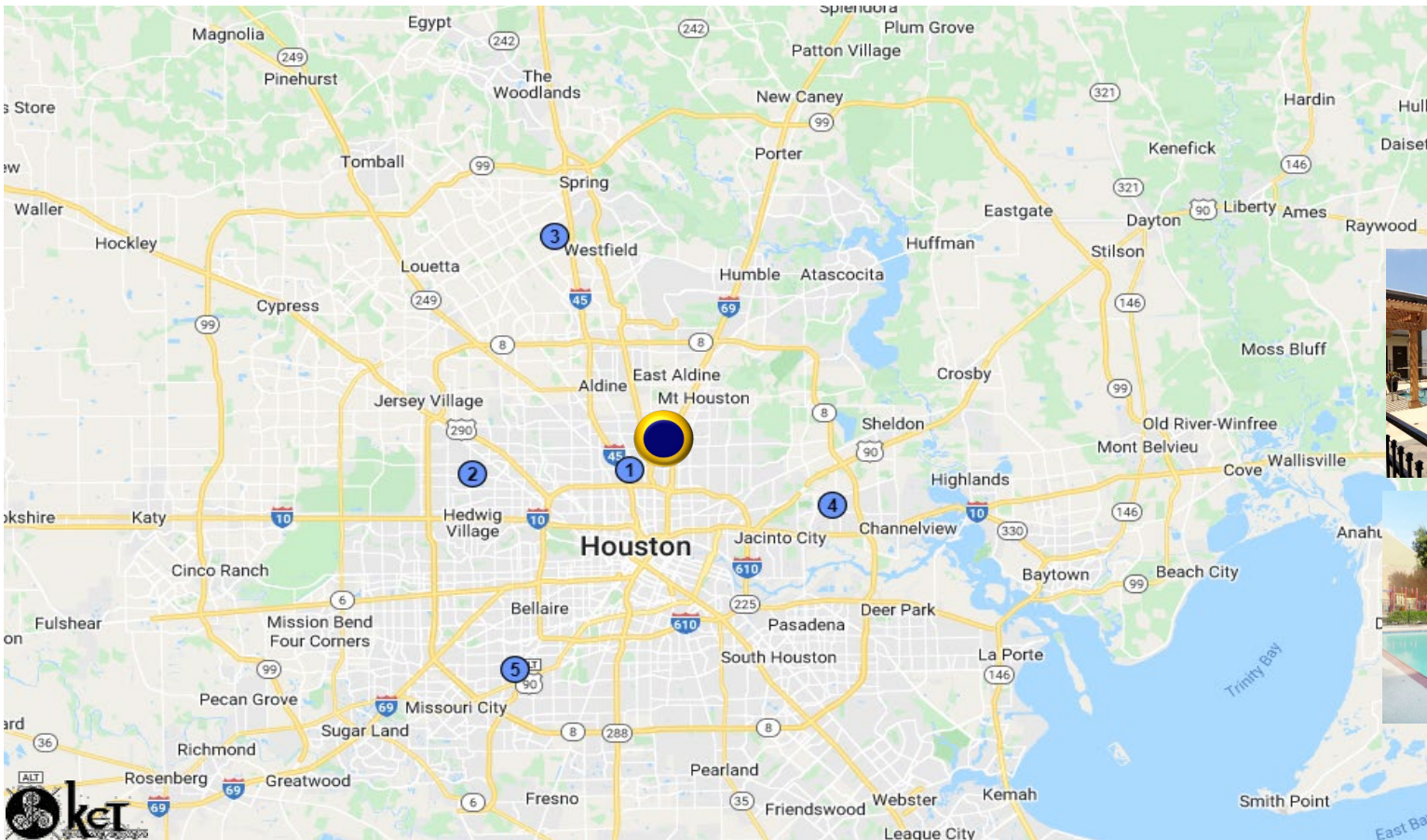
Kelburn Street Homes



Kelburn Street Homes

SALES COMPARABLES (Sorted by Price/Sq. Ft.)

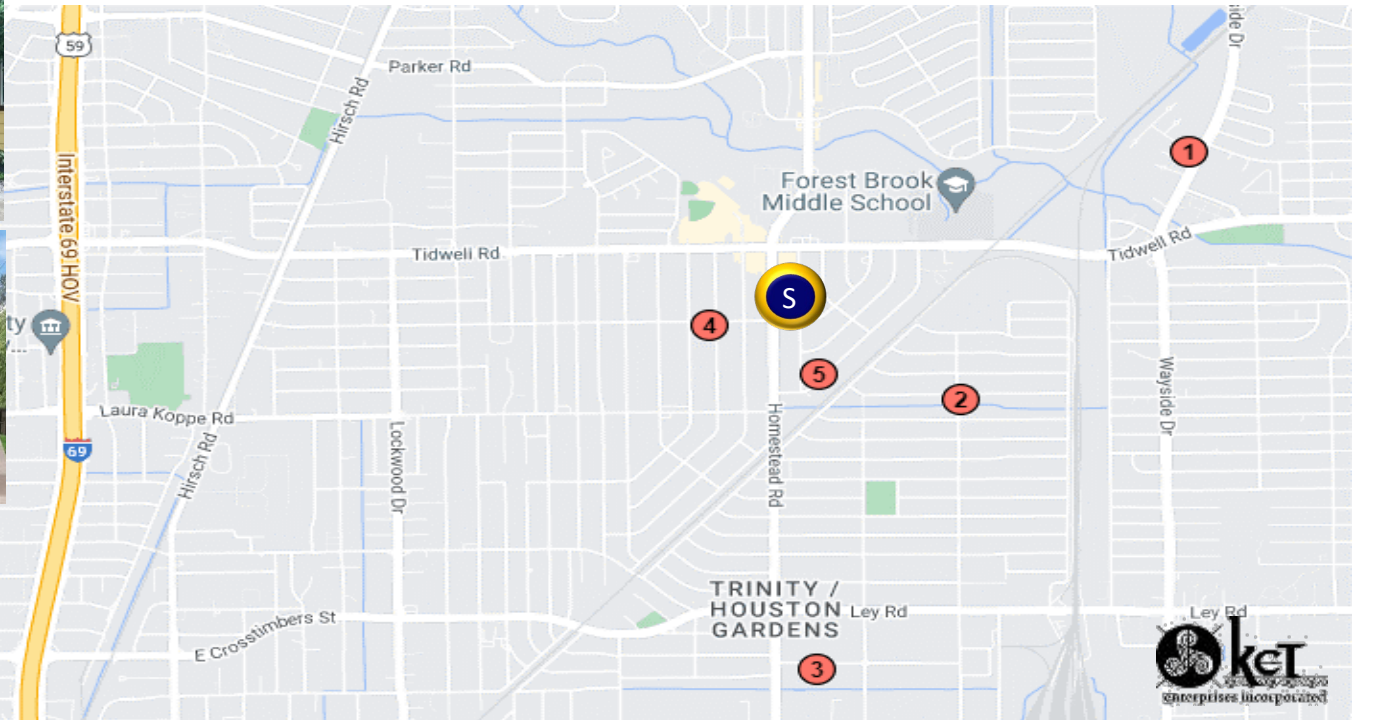
Property Name	Address	Date Sold	Price	Sq. Ft.	Price/Unit	Price/SF	Built	Units
1 Northline Terrace	122 East Crosstimbers Street	1/19	\$3,250,000	33,540	\$63,725	\$96.90	1956	51
2 Spring Brook Village	3402 Blalock	5/21	\$8,550,000	74,272	\$82,212	\$115.12	1972	104
3 Cypress Parc	18001 Cypress Trace	8/21	\$16,000,000	237,636	\$80,000	\$67.33	1979	200
4 The Graham	250 Uvalde	11/21	\$40,500,000	422,922	\$90,807	\$95.76	1977	446
5 Spring Village	11810 Chimney Rock	12/20	\$11,400,000	139,508	\$86,364	\$81.72	1964	132
Totals/Averages Comps			\$15,940,000	181,576	\$80,622	\$91.36	1970	187
Kelburn Street Homes			\$700,000	5,588	\$87,500	\$125.27	1950	8



Kelburn Street Homes

SALES COMPARABLES (Sorted by Price/Sq. Ft.)

	Address	Date Sold	Price	Sq. Ft.	Price/Unit	Price/SF	Built	Remodeled	Units
1	7886 Locksley Rd	06/03/22	\$110,000	928	\$110,000	\$118.53	1956	No	1
2	8622 Elbert St	02/09/22	\$182,500	1,872	\$91,250	\$97.49	1967	Yes	2
3	7142 Finch Street	07/15/21	\$385,000	1,760	\$128,333	\$218.75	1950	Yes	3
4	9117 Lanewood Dr	01/19/22	\$174,000	1,619	\$174,000	\$107.47	1946	No	1
5	8921 Sherbourne St	04/21/22	\$123,000	700	\$123,000	\$175.71	1955	No	1
Totals/Averages Comps			\$194,900	1,376	\$125,317	\$143.59	1955		2
Kelburn Street Homes			\$700,000	5,588			1950		8

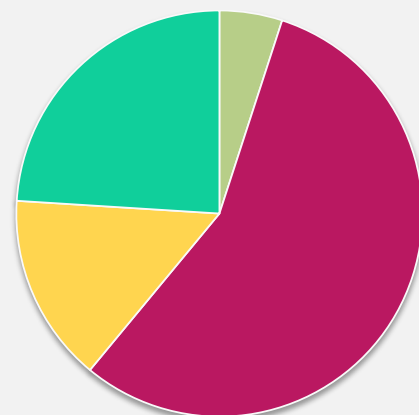


SUMMARY PROFILE

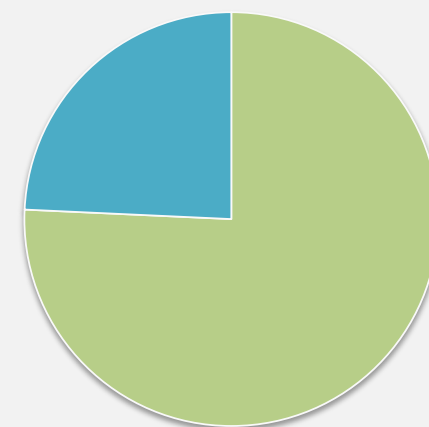
2000-2010 Census, 2021 Estimates with 2026 Projections
 Calculated using Weighted Block Centroid from Block Groups

	1 Mile Radius	2 Mile Radius	3 Mile Radius
Kelburn Street Homes			
Population			
2021 Estimated Population	10,947	39,327	84,405
2026 Projected Population	10,928	39,300	84,723
2010 Census Population	11,002	38,566	83,451
2000 Census Population	10,745	3,687	79,831
Projected Annual Growth 2021 to 2026	-	-	-
Historical Annual Growth 2000 to 2021	0.2%	0.6%	0.5%
2021 Median Age	40.8	39.2	36.1
Households			
2021 Estimated Households	3,860	13,417	27,131
2026 Projected Households	3,949	13,749	27,887
2010 Census Households	3,888	13,196	26,876
2000 Census Households	3,718	12,321	25,228
Projected Annual Growth 2021 to 2026	0.5%	0.5%	0.6%
Historical Annual Growth 2000 to 2021	0.3%	0.8%	0.7%
Race and Ethnicity			
2021 Estimated White	6.6%	8.1%	12.1%
2021 Estimated Black or African American	73.7%	65.7%	51.8%
2021 Estimated Asian or Pacific Islander	0.3%	0.4%	0.4%
2021 Estimated American Indian or Native Alaskan	0.6%	0.7%	1.0%
2021 Estimated Other Races	18.8%	25.0%	34.7%
2021 Estimated Hispanic	24.3%	31.4%	44.4%
Income			
2021 Estimated Average Household Income	\$46,711	\$49,688	\$47,426
2021 Estimated Median Household Income	\$35,189	\$39,214	\$38,915
2021 Estimated Per Capita Income	\$16,495	\$16,973	\$15,307
Education (Age 25+)			
2021 Estimated Elementary (Grade Level 0 to 8)	14.2%	14.2%	17.7%
2021 Estimated Some High School (Grade Level 9 to 11)	13.9%	14.0%	15.9%
2021 Estimated High School Graduate	38.5%	37.8%	36.0%
2021 Estimated Some College	19.8%	19.9%	17.7%
2021 Estimated Associates Degree Only	3.7%	4.5%	4.3%
2021 Estimated Bachelors Degree Only	6.9%	6.8%	5.9%
2021 Estimated Graduate Degree	2.9%	2.8%	2.5%
Business			
2021 Estimated Total Businesses	289	858	2,209
2021 Estimated Total Employees	2,431	6,479	20,007
2021 Estimated Employee Population per Business	8.4	7.6	9.1
2021 Estimated Residential Population per Business	37.9	45.9	38.2

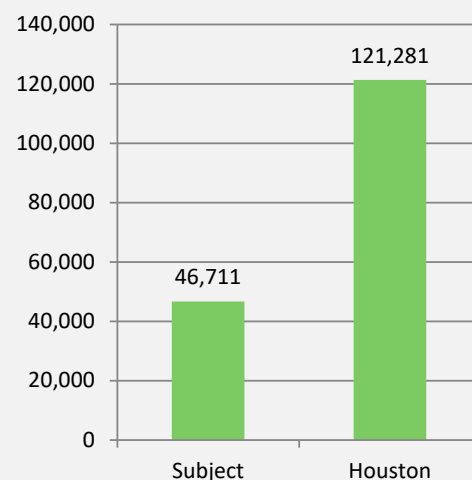
1 Mile Radius



White Black Other Hispanic



Non-Hispanic Hispanic



HOUSTON

2021

[Unexpected Optimism]



HOUSTON

quick facts

Though a relatively young city compared with counterparts like Boston, New York and Los Angeles, Houston is the one of the fastest growing big cities in the country. Ranked fourth in the U.S. by total population, Houston is luring more residents from around the globe drawn by its mix of cultural amenities, world-class restaurants, diverse communities and a low cost of living. Aided by the absence of city or state income tax and affordable housing prices, Houston's cost of living is far below the national average.

The 9-county Greater Houston area is one of the largest and most diverse business regions in the nation. Houston's strategic, central location coupled with the infrastructure of four of the country's largest ports, two international airports and major highway and rail service make this a dynamic hub for a large cross-section of industries that connects companies to the world.

Houston
\$121,281
Average Income

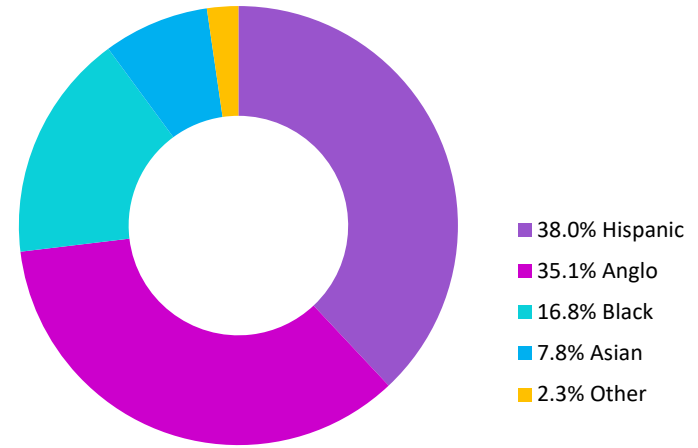
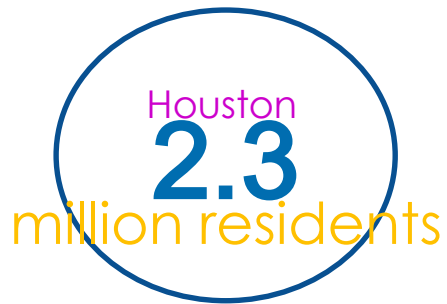
- Houston is the nation's **4th** most populous city
- If Houston were a country, it would rank as the **27th** largest economy in the world - exceeding Austria's and Iran's Gross Domestic Product.
- Houston ranks **3rd** in the U.S. for manufacturing GDP and has the highest industry GDP within the city
- More than 500 institutions are devoted to the performing and visual arts, science and history in the Houston area.
- The 9-county Houston MSA had a population of 7,066,141 residents as of July, 2019, according to estimates by the U.S. Census Bureau
- If metro Houston were a state, it would have the 15th largest population in the U.S. behind Arizona, and ahead of Massachusetts and Tennessee.

Houston
1.4%
Projected Growth

Houston
88,196
Businessess

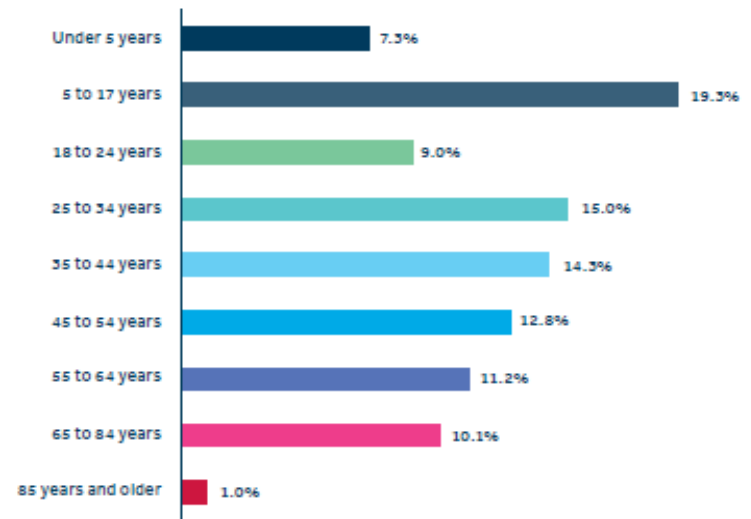
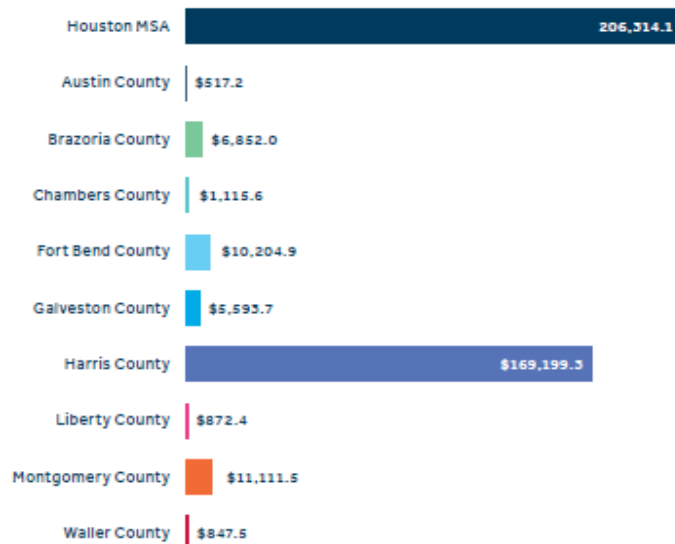
Houston
34.6
Median Age

HOUSTON quick facts



Total Wages

Age Distribution



HOUSTON

quick facts

15 foreign governments

maintain trade and commercial offices in Houston

41 active foreign chambers of commerce

17.3% of the region's economy is tied to exports

exports support 330,000 jobs

2 international airports
George Bush Intercontinental (IAH)
William P. Hobby Airports (HOU)

IAH ranked **5th** in nation in number of international flights per week prior to COVID-19

Prior to COVID-19, Houston Airport System

67 international destinations | **117** domestic destinations

184 nonstop destinations

\$197 billion

in trade was handled by the Houston-Galveston Customs Districts in '20

\$67 billion in imports (in '20)

\$130 billion in exports (in '20)

Houston has the largest export market in the U.S.

Port Houston ranks

1st in foreign tonnage for 23 straight years

Largest Gulf Coast container port

1st in total waterborne tonnage

5,000+

Houston companies doing business abroad

1,700+

Houston establishments report foreign ownership

78 nations

have consular representation in Houston

3rd largest representation in the nation

16 foreign banks

are located in Houston from 9 nations

HOUSTON MSA

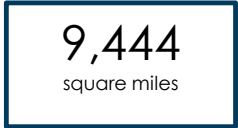
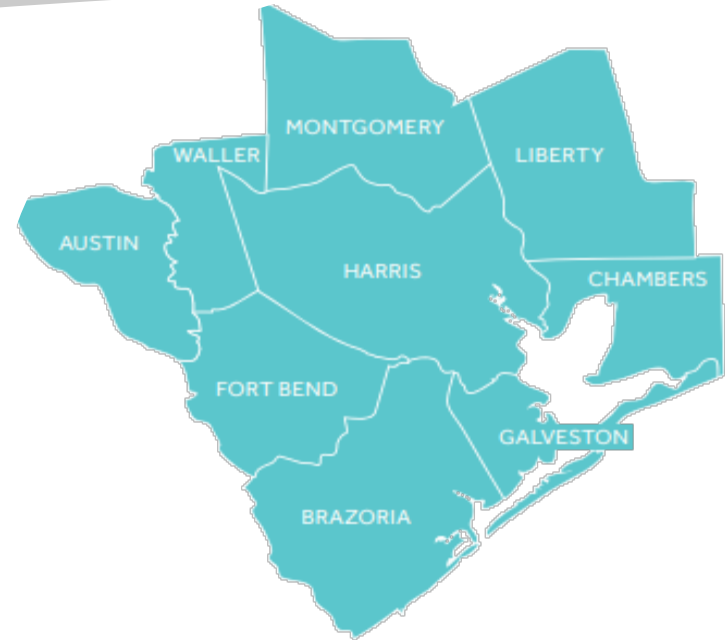
The Houston - The Woodlands - Sugar Land Metropolitan Statistical (MSA)

contains nine Texas counties: Austin, Brazoria, Chambers, Fort Bend, Galveston, Harris, Liberty, Montgomery and Waller. Within these nine counties area 124 incorporated cities and 33 Census Designated Places (CDP).

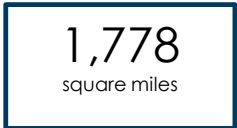
The county seat or administrative center of Harris County is the City of Houston. Harris County contains the bulk of the city in addition to all or part of 33 incorporated cities and 12 CDPs. Small portions of Houston spread into adjacent Montgomery and Fort Bend counties.

The nine-county Houston-The Woodlands-Sugar Land MSA covers 9,444 square miles, is the nation's 5th largest metro area. An area larger than five states: New Hampshire, New Jersey, Connecticut, Delaware and Rhode Island. The 9-county Houston MSA had a population of 7,066,141 residents as of July, 2019, according to estimates by the U.S. Census Bureau.

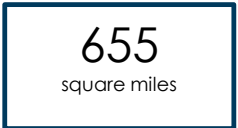
Harris County covers 1,778 square miles, enough space to fit the cities of Austin, Boston, Chicago, Dallas, New York City and Seattle with room still to spare.



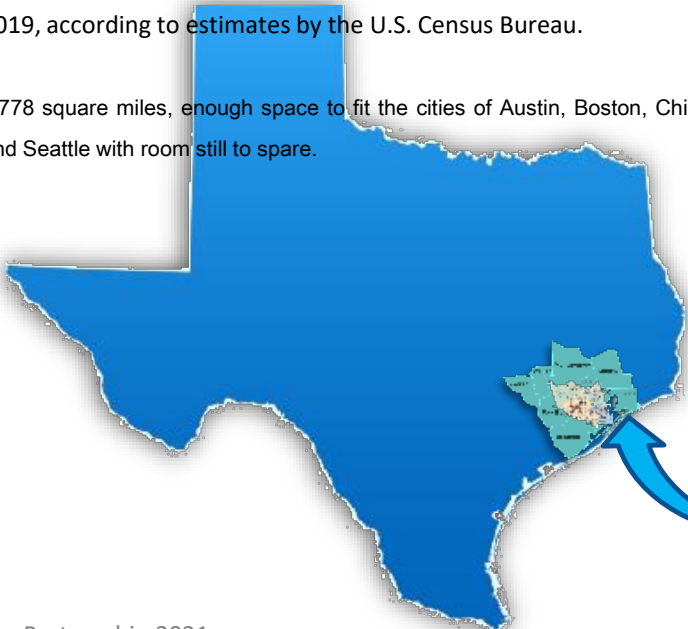
HOUSTON MSA



HARRIS COUNTY



HOUSTON



Source: Greater Houston Partnership 2021

HARRIS COUNTY

Harris County, Texas - is the third largest county in the United States by population ranking behind only Los Angeles County (Los Angeles, CA and Cook County (Chicago, IL). Its county seat is Houston, Texas, also the fourth largest city in the nation.

- Harris County is part of the Houston-Woodlands-Sugarland MSA with a total population of approximately 7.0 million.

- Harris County ranks first among Texas counties with a current population of approximately 4.7 million residents.

- Harris County is the largest of the 12 counties in the Greater Houston region. Almost three-quarters of the county are covered by the city of Houston and thirty smaller communities; only about 27 percent of the county is rural. The county comprises 1,778 square miles and is the largest Texas county east of the Nueces River. Harris County transportation systems serve intrastate and interstate needs with six major railroads hauling freight to distribution centers and to the port; Amtrak provides passenger rail service while METRO provides light rail and passenger bus service. Buses, trucks and passenger cars utilize a network of highways including Interstate 10 east and west and Interstate 45 north and south. U.S. Highway 59 crosses the county from northeast to southwest and goes to the Rio Grande valley, and U.S. 290 leads to West Texas via Austin. Loop 610 encircles the heart of Houston, and a second loop, Beltway 8, allows traffic to move around the perimeter of the urban sector. Two major airports, George Bush Intercontinental and William P. Hobby, are within the city of Houston. Leading sectors include health care, trade, service and education.



HARRIS COUNTY STATS

4,713,325 Population

116,146 Businesses

2,308,089 Employment

\$53,188 Per Capita Income

33.1 Median Age



THE ECONOMY

HOUSTON economy

From '10 to '19, Houston endured two economic downturns (the Great Recession and the Fracking Bust) and two major storms (hurricanes Ike and Harvey), and yet the region demonstrated remarkable growth over that period, gaining 1.5 million residents, creating more than 560,000 jobs, and adding \$140 billion (in nominal dollars) to its gross domestic product (GDP).

Optimism for 2021

Houston lost 120,000 jobs in the Great Recession but was among the first to recover, recouping all the jobs lost in less than two years. Houston went on to lead the nation in job growth, averaging 100,000 per year during the height of the fracking boom ('10-'14). Population growth exceeded 170,000 new residents in some years.

In March '20, the COVID-19 pandemic arrived in Houston. The first blow came when the Houston Livestock Show & Rodeo shut down 10 days early. Calls from Houston Mayor Sylvester Turner and Harris County Judge Lena Hidalgo to close all bars and limit restaurants to takeout and delivery soon followed. In a matter of days, local employers were following Stay Home-Work Safe guidelines requiring much of the region's population to work remotely. Business closures and furloughs resulted in over 600,000 claims being filed for unemployment benefits. More than 350,000 jobs were lost in March and April. The region's unemployment rate hit 14.2%.

Trying to balance public health concerns with economic needs, Texas Governor Greg Abbott began gradually easing restriction on May 1, 2020, and Houston businesses started the slow process of reopening. A survey of Partnership members found that by mid-June 40% had brought back furloughed employees or those who had been working from home. Roughly half hoped to resume normal operations by early August '20. However, a surge in COVID-19 cases that began in late June created new public health concerns and delayed the full reopening of the Texas economy. On March 2, 2021, Governor Greg Abbott issued an Executive Order lifting the mask mandate in Texas and increasing capacity of all businesses and facilities in the state to 100

Though the U.S. economy may not fully recover until late '21, according to many economists, Houston's long-term outlook remains bright. The region's population is expected to surpass 8.0 million and payroll employment to approach 4.0 million by the end of the decade.

Economic Drivers

Energy

As the Energy Capital of the World, Houston is the headquarters and the intellectual capital for virtually every segment of the energy industry including exploration, production, transmission, marketing, supply, and technology. Houston employs nearly a third of the nation's jobs in oil and gas extraction. Home to 4,600 energy-related firms, the region remains at the forefront of foreign investment in energy - particularly in Mexico.

The critical mass created by such a high concentration of companies and thought leaders in one geographic area yields opportunities for all sectors of the energy industry, including a growing focus on energy tech and renewable forms of energy.

PetroChemical & Refining

Houston's high concentration of energy expertise and experience has meant a large number of relocations to the Houston region in recent decades. The region offers access to 3 million workers and more engineers than any other U.S. metro. With more than 600 exploration and production firms, 1,100 oilfield service companies and more than 180 pipeline transportation establishments, Houston is truly the Energy Capital of the World. Additionally, new energy technologies such as hydraulic fracturing and deep-water offshore technology began or are centered in Houston. On top of this, Houston's petrochemical sector is experiencing record level growth with \$50 billion in dollars of facility construction underway.

Aerospace & Aviation

Years before the historic Apollo 11 mission in 1969, Houston was a pioneering hub in the aerospace and aviation sector. But the mission didn't stop at the moon. Over the decades, Houston scientists and engineers have helped with some of the world's biggest space endeavors, including running mission control for the International Space Station for nearly 20 years. Some of the sharpest minds in aerospace and aviation technology continue to chart a vibrant future for Houston centered around NASA's Johnson Space Center and one of the world's only truly urban commercial spaceports. Every manned U.S. space mission since 1961 has been planned and executed from JSC. Every astronaut has lived and trained in the Houston area, every manned mission controlled here. The missions of tomorrow—to the moon, to Mars and beyond—are being planned today by scientists and engineers who call Houston home.



44
out of
128

US publicly traded oil and gas companies are located in Houston

26.7%

The Gulf Coast accounts for 26.7% of US crude oil

\$2.9 billion

Total Trade in Aviation

Economic Drivers

Advanced Manufacturing

With its central location within the U.S. and the Americas, Houston is an important industrial base with access to global markets. That access is aided by our world-class infrastructure around two international airports, four deep water seaports, rail and highways that all help companies minimize their transportation and distribution costs domestically and internationally. The skilled workforce in this sector includes more than 230,000 industrial workers in specialties such as fabricated metal, machinery and chemical manufacturing. Emerging and growing industries like medical devices, therapeutics, and food and beverage have taken root in the region as well.

Life Sciences & Bio-Technology

Health care and life sciences are major industry sectors in Houston driven by world-class institutions and professional talent. Houston is home to the largest medical complex in the world, the Texas Medical Center, which provides clinical health care, research and education at its 61 institutions. TMC's presence is a major force in the broader region's thriving life sciences sector. Houston has more than 1,760 life sciences companies, cutting edge hospitals, health facilities and research institutions with a workforce of more than 320,000 people in health care, biotech and related fields in the area

Texas Medical Center

Houston is home to the largest medical center in the world—Texas Medical Center (TMC). Home to the brightest minds in medicine, TMC nurtures cross-institutional collaboration, creativity and innovation through its 61 member institutions. From some of the world's leading hospitals to the top research facilities, Houston institutions are making an impact worldwide. In the field of health and medical technology, the Texas Medical Center's Innovation Institute coordinates the efforts of several life science-focused incubator and accelerator programs. The organization aims to help startup companies commercialize new medical technologies by providing access to the vast resources of the world's largest medical center. Venture capital and private equity investment in Houston life science startups totaled \$161 million in '18. Additionally, the TMC Venture Fund aims to invest \$25 million in early stage health care tech companies in Houston

Headquarters Capital

Houston is home to more than 20 Fortune 500 company headquarters and one of the largest concentrations of U.S. headquarters locations for companies from around the world. Houston's success as a top global market for headquarters is driven by its business-friendly climate, high-growth population and proximity to diverse professional and corporate services talent.

1 in 3

Nearly 1 in 3
manufacturers in Texas
call Houston Home

\$5.2 billion

Projected economic impact
of TMC's new research
campus TMC3

#4

Houston ranks #4 among
US metro areas in
Fortune 500
headquarters

20

Houston is home to 20
Forbes Global 2000
headquarters

Economic Drivers

Foreign Trade

The Houston-Galveston Customs District handled 341.6 million metric tons (“MT”) of goods and commodities in '20, a 7.2 percent increase over '19. These shipments were valued at \$196.9 billion, down 16.5 percent from '19. Throughout the year, the coronavirus affected both global and domestic economic activity. In '20, Houston's top import, crude and refined products, increased in weight by 10.4 percent compared to '19, from 235.1 million MT to 259.6 million MT. However, the value decreased by 18.7 percent, from \$106.8 billion to \$86.9 billion.

Houston ranked first in total tonnage and sixth in overall value of shipments among U.S. customs districts in '20. Houston and New Orleans have been the busiest two customs districts in tonnage for decades. Houston has held the top spot in nine of the past 12 years.

Houston exported to 214 countries and imported from 194 in '20. In '19, the U.S.-China trade war nudged China from second to third place among Houston's top trading partners. However, in '20, China became Houston's #1 trading partner, overtaking

Transportation & Logistics

Whether by land, air or sea, Houston offers an impressive array of logistical and distribution channels to move goods around the country and the world. Because Houston is equidistant from the east and west coasts and just hours by air from any metro in the country, the region serves as an ideal base for companies that need national distribution of their products. Houston is also home to the No. 1 foreign trading port in the U.S. by tonnage and the largest container port on the Gulf Coast making this a capital of global trade.

The region's extensive highway system is well-integrated with the Houston Airport System, four deep water seaports and the mainline railroads serving the city. Houston is at the crossroads of Interstate Highways 10, 45 and 69. I-69 is known as the "NAFTA superhighway" that will link Canada, the U.S. industrial Midwest, Texas and Mexico once complete.

Ports

Houston was the top U.S. metro exporter in 2019 by weight, and is home to a number of ports, including the ports of Houston, Galveston, Freeport and Texas City. The Port of Houston is the number one port in the U.S. in terms of foreign waterborne tonnage, and the number one break bulk port in America. An environmental and security leader, Port Houston was the first U.S. port to achieve both ISO14001 and ISO28000 certifications. Port Houston is the largest container port on the Gulf Coast, handling 69% of Gulf Coast container traffic in 2018 and ranked the sixth largest U.S. container port by total TEUs in 2018. The region's ports are investing heavily to increase container and breakbulk cargo capacity

Railroads

As one of the nation's busiest rail centers, the Houston region has three class-one railways with a rail network of more than 800 miles of track. Fourteen mainline tracks radiate from Houston and approximately 2,200 trains per week travel within the Houston region's rail network. The widespread coverage of BNSF, KCS and Union Pacific and others connects Houston with all major markets across the county

1st

Houston ranked 1st in tonnage

6th

Houston ranked 6th in overall value of shipments

\$196.9 billion

Houston handled \$196.9 billion of shipments year-to-date

800 miles

Houston has a rail network of more than 8700 miles of

Economic Drivers

Highways

Houston's extensive highway system is well integrated with the Port of Houston, Houston Intercontinental Airport (IAH), Hobby Airport, Ellington Airport, and the mainline railroads serving the city. Houston is at the crossroads of Interstate Highways 10, 45 and 69. When connections are complete, I-69 will link Canada, the U.S. industrial Midwest, Texas and Mexico.

Houston has a "three-loop system," enabling easy connections across the region including Interstate 610, Beltway 8 and Highway 99.

Airports

The Houston Airport System ranks as one of the largest multi-airport systems in North America. The system is comprised of George Bush Intercontinental Airport (IAH), William P. Hobby Airport (HOU) and Ellington Airport (EFD). Scheduled and charter passenger carriers fly directly to approximately 180+ domestic and international destinations from Houston.

Employment

On March 4, 2020, health officials announced they'd identified the first COVID-19 case in Houston. A week later Houston Mayor Sylvester Turner declared a public health emergency for the city. The Houston Livestock Show and Rodeo quickly shut down. Employers sent employees home. The virus quickly took its toll on the economy.

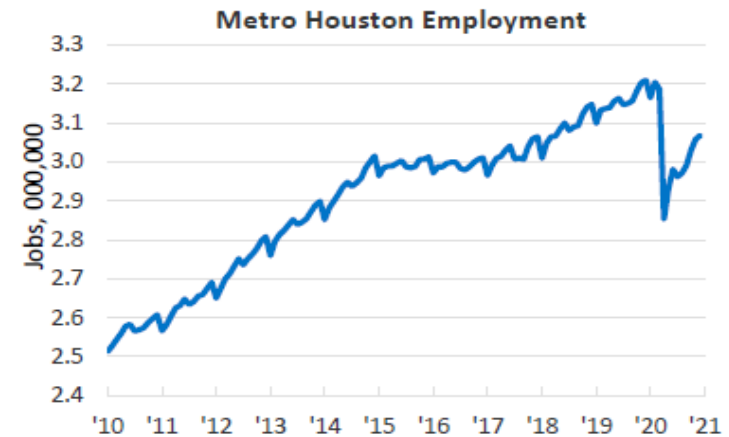
In March and April, employers laid off 350,200 workers in Houston. That exceeded the combined losses of the '80s energy bust (226,100 jobs) and the Great Recession (120,500 jobs). Houston saw a surge in applications for unemployment benefits, from fewer than 3,000 the first week of March to over 70,000 the first week of April. In early May, believing the worst to be over, elected officials allowed some businesses to reopen and furloughed employees were called back to the office. The region added 78,200 jobs in May and another 48,500 in June. Those were the best and second-best months on record for job growth.

As of December 2020, Houston had recouped 214,500 jobs, nearly two-thirds of the losses, leaving the metro area 135,700 jobs shy of where it stood in February '20.

In a typical year, one in which high oil prices aren't overstimulating the economy nor low oil prices impeding growth, the region creates 60,000 to 70,000 jobs. This suggests it may take Houston two to three years of normal growth to return to pre-COVID employment levels. Anything which can speed up growth, like a robust federal stimulus package or significant investment in local infrastructure, could help shorten the timeline.

180

Houston's airport system flies directly to approximately 180+ destinations



Source: Texas Workforce Commission

2021 MULTIFAMILY OUTLOOK

Steady Recovery Expected by Year End



U. S. Multifamily - Q4 2020

Q4 SURPRISES ON THE UPSIDE



Vacancy Rate
4.5%



Completions*
279,600 Units



Net Absorption*
190,600 Units



Y-o-Y Rent Change
-4.2%



Acquisitions Volume*
\$139 Billion

Arrows indicate from the same quarter in the previous year.

*Total past four quarters.

Source: CBRE Q4 2020 U.S. Multifamily Summary

Multifamily Investment Remains Strong Despite Recession

Key Points

Sales Volume

Despite a slow start to 2020 due to COVID-19, activity picked up substantially in the second half with volume for the year totaling \$138.7 billion. Sales volume was particularly strong in the fourth quarter with \$56.7 billion in transactions led by \$24.9 billion in December alone.

Rent Collections

Multifamily rent collections have been resilient since the pandemic began, never dropping below 91.7% in 2020, according to NCREIF. Several markets improved collections in 4Q20 compared to the average since the on set of COVID-19.

Total Returns

Total returns accelerated in the second half of 2020, with 4Q20 returns rising 162 basis points from the 2Q20 low of 0.6%. While multifamily values were negatively impacted by the COVID-19 pandemic, according to NCREIF's Appreciation Index, the income generation for multifamily properties remained strong, keeping total returns up in 2020.

Rent Growth

Quarterly rent growth for the US multifamily market fell to -0.6% in 4Q, while annualized rent growth dropped to 0.1%. Suburban markets greatly outperformed urban markets. Additionally, 6 of the top 10 markets in terms of annualized effective rent growth are located in the Sunbelt region.

Supply and Demand

New supply totaled 344,380 units in 2020, outpacing demand by 48,265. The pipeline of new supply for 2021 projects to grow even higher, at 2.2% inventory growth for the year. This would make new supply for 2021 14.7% larger than 2020 new supply; however, there was greater demand for apartments located in the Sunbelt region.

Debt Markets

GSE debt accounted for nearly half of all multifamily debt outstanding at 48.8%, followed by banks and thrifts at 29.0%. 2020 was a record year for GSE lending, as volume was up 7.2% year-over-year. \$61.8 billion was financed by Fannie and Freddie in 4Q20, 73.1% higher than the 4Q19 volume.

✓ Q4 net absorption totaled 55,600 units, far better than expected

✓ A high level of new deliveries far outpaced demand in Q4

✓ Certain multifamily segments performed better than average in Q4, including suburban submarkets, smaller markets, and Class B and C assets

✓ Overall multifamily fundamentals should stabilize by Q2 2021. Steady recovery is expected through the second half of 2021

Houston Multifamily Outlook 2021

Apartments capture household formation as home prices soar!



Apartments capture household formation as home prices soar. Over the past five years roughly 212,000 households were created in Houston, ranking the metro as 2nd among major U.S. markets behind only Dallas/Fort Worth. This trend is expected to accelerate over the next five years, resulting in the formation of an additional 240,000 households through 2025.

After the median home price jumped by 13.4 percent last year to \$281,800, many people searching for residences will opt to rent. The suburbs in particular are garnering more attention from tenants who are prioritizing space after the rapid adoption of remote work and the quarantine experience. Net absorption in the suburbs totaled 12,270 units last year, led by the Katy submarket, where a net of 3,270 doors were leased. [Source: Marcus & Millichap Q1/21 Houston Market Report](#)

Houston ranks **2nd** among major US markets!

During recessions, Houston is the last-in and first-out. The reality is that Houston economy is expanding by 2% and the region continues to post stellar job growth and record low

unemployment
Source: Co-Star

Northwest Houston is adding the bulk of new inventory. Greater Heights-Washington Avenue will add nearly 3,300 units to local stock this year after the submarket gained 2,460 units last year. The area's inventory is set to grow by almost 40 percent in just a two-year stretch, likely intensifying near-term headwinds after the corridor's vacancy rate jumped 280 basis points to 8.8 percent last year. Farther northwest, the Spring-Tomball submarket is poised to add nearly 1,800 rentals this year, though it is necessitated by the area's below-market vacancy rate of 6.3 percent. Metrowide, other factors including resident displacement from the winter storm could also increase occupancy in 2021. [Source: Marcus & Millichap Q1/21 Houston Market Report](#)

Houston Employment

"Houston is forecast to generate the **4th** most jobs in the U.S. between 2019 and 2025, after creating the **2nd** most jobs in the country since 2010"

Source: PWC Emerging Trends in Real Estate 2021

Houston Multifamily Outlook 2021

Employment

The metro will fall short of recovering all of the 138,000 positions lost last year but will add back a significant share. Employment will grow by 2.7% in 2021, buoyed by the recovering oil and gas industries alongside a broader economic diversification.

Construction

This year, completions will drop by roughly 800 units relative to 2020's total, but they will remain above the trailing-five-year average of 14,960 units. Projects delivered in 2021 will grow the market's inventory by 2.5%.

Vacancy

Construction in the metro will induce some headwinds, pushing the vacancy rate up near 7.3%. This is projected to be the highest year-end vacancy recording in Houston since 2016; however, the increase in availability will be less extreme than in 2020.

Rent

Vacancy rising to a probable multiyear high will suppress rent as competition for tenants intensifies, particularly in areas with rapid inventory growth. The average effective rent creeps down to \$1,086 per month this year, the lowest it has been since first quarter 2018.



82,700 JOBS
will be created



18,020 UNITS
will be completed










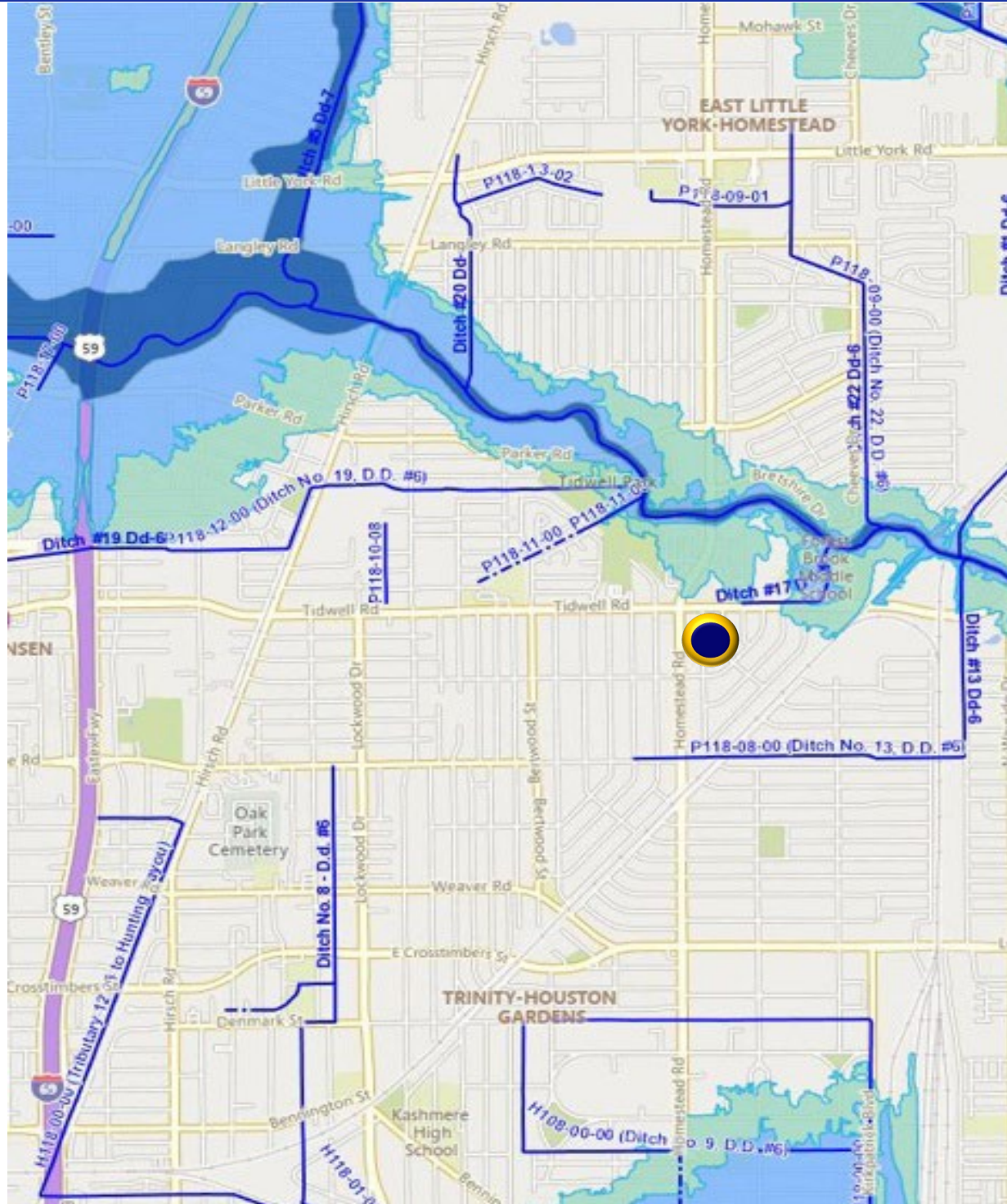
30 BASIS POINT
increase in vacancy



.08% DECREASE
in effective rent

MAP VIEW OPTIONS - Select One

- Mapped Floodplains
 -  Floodway
 -  1% (100-year) Floodplain
 -  0.2% (500-year) Floodplain
 -  1% (100-year) Coastal Floodplain
- Watersheds (color-coded)
- Ponding
- Channels (Bayous and Creeks)
 -  Open Channels
 -  Enclosed Channels
-  Harris County Boundary





Information About Brokerage Services

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

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.

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

KET ENTERPRISES INCORPORATED	0406902	TWILK4@KETENT.COM	713-355-4646
Licensed Broker /Broker Firm Name or Primary Assumed Business Name	License No.	Email	Phone
TOM WILKINSON	0173897	TWILK4@KETENT.COM	713-355-4646
Designated Broker of Firm	License No.	Email	Phone
N/A	N/A	N/A	N/A
Licensed Supervisor of Sales Agent/ Associate	License No.	Email	Phone
N/A	N/A	N/A	N/A
Sales Agent/Associate's Name	License No.	Email	Phone

Buyer/Tenant/Seller/Landlord Initials

Date

ed by the Texas Real Estate Commission

Information available at www.trec.texas.gov

IABS 1-0



TOM WILKINSON

Broker/Vice President

twilk4@ketent.com

713-355-4646 ext 102



ENTERPRISES INCORPORATED

1770 St. James Place | Suite 382
Houston, TX 77056

www.ketent.com
713-355-4646

Broker License #0406902



DISCLAIMER & NON-ENDORSEMENT NOTICE

Disclaimer: The information contained in this Memorandum reflects material from sources deemed to be reliable, including data such as operating statements, rent rolls, etc. However, we (KET Enterprises Incorporated or any of the owners or officers, directors, employees, agents or representatives of any such entities) have not verified its accuracy and make no guarantee or representation about it. It is submitted subject to the possibility of errors, omissions, change of rental or other conditions. We include projections, opinions, assumptions or estimates for example only, and they may not represent current or future performance of the property. We make no representations or warranties, expressed or implied, as to the validity, accuracy or completeness of the information provided or to be provided, and nothing herein shall be deemed to constitute a representation, warranty or promise by any such parties as to the future performance of the Property or any other matters set forth herein. You and your tax and legal advisors should verify the information and rely on his accountants or attorneys for legal and tax advice. Rates of return vary daily. No representations are made concerning environmental issues, if any.

Non-Endorsement Notice: KET Enterprises Incorporated is not affiliated with, sponsored by, or endorsed by any commercial tenant or lessee identified in this marketing package. The presence of any corporation's logo or name is not intended to indicate or imply affiliation with, or sponsorship or endorsement by KET Enterprises Incorporated or any of the owners or officers, directors, employees, agents or representatives of any such entities, and is solely included for the purpose of providing tenant lessee information about this listing to prospective customers.

ALL PROPERTY SHOWINGS ARE BY APPOINTMENT ONLY