



COSTA AZUL
APARTMENTS

COSTA AZUL 3404 9TH AVENUE N TEXAS CITY, TX 77590

APARTMENTS FOR SALE

MARKET

Units:	240
Avg Size:	741
Date Built:	1979
Rentable Sq. Ft.:	177,744
Acreage:	7.95
Occupancy:	90%
Class:	B-

SALIENT FACTS:

- ◆ Available on a New Loan or Assumption Basis
- ◆ Located in Texas City, off I-45 S
- ◆ Texas City is a suburb of Houston
- ◆ The local market maintains high occupancy
- ◆ Value add candidate!

For More Information Please Contact:

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Physical Information	Financial Information	Existing Loan Parameters	Operating Information
Number of Units240	Asking PriceMARKET	Mortgage Balance\$10,962,000	Est Mkt Rent (Jul-23)\$215,385
Avg Unit Size741		Amortization (months)360	3 Mo Avg\$211,002
Net Rentable Area177,744		Debt Service\$710,182	Physical Occ (Aug-23)90%
Land Area (Acres)7.95	Stabilized NOI\$1,388,295	P & I (est)\$59,182	Est Ins per Unit per Yr\$1,500
Units per Acre30.189		Interest Rate5.05%	Property Tax Information
Date Built1979		Date Due10/1/2028	Tax Rate (2023)2.44495
Water Meter / MasterRUBS		Est Res for Repl/Unit/Yr\$300	2023 Tax Assessment\$15,800,000
Elec MeterIndiv		Yield MaintenanceYes	Est 2023 Taxes\$386,302
Roof StylePitched		Freddie Mac debt potentially resizable until Aug 2023	Est Future Tax Assessment\$15,800,000
A/C Type:HVAC-Indiv			Est Future Taxes\$386,302

INCOME	MODIFIED ACTUALS	PRO-FORMA
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PRO-FORMA INCOME		
Current Street Rent with a 20% Increase	3,101,544	\$258,462 / Mo
Estimated Gross Scheduled Income	3,101,544	\$258,462 / Mo
Estimated Loss to Lease (2% of Total Street Rent)	(62,031)	2%
Estimated Vacancy (4% of Total Street Rent)	(124,062)	4%
Estimated Concessions and Other Rental Losses (3% of Total Street Rent)	(93,046)	3%
Estimated Utilities Income	173,938	\$725 / Unit / Yr
Estimated Other Income	128,586	\$536 / Unit / Yr
Estimated Total Rental Income	3,124,930	
ESTIMATED TOTAL PRO-FORMA INCOME	3,124,930	\$260,411 / Mo

3 Mo Avg Income Annualized\$2,532,023

EXPENSE	Aug '22 thru Jul '23 Expenses	Estimated Expenses
Fixed Expenses	Fixed Expenses	Estimated Fixed Expenses
Taxes	\$494,704 \$2,061 per Unit	\$386,302 \$1,610 per Unit
Insurance	\$190,147 \$792 per Unit	\$360,000 \$1,500 per Unit
Total Fixed Expense	684,852 \$2,854 per Unit	746,302 \$3,110 per Unit
Utilities	Utilities	Estimated Utilities
Electricity	\$17,213 \$72 per Unit	\$17,213 \$72 per Unit
Water & Sewer	\$197,785 \$824 per Unit	\$197,785 \$824 per Unit
Gas	\$35,868 \$149 per Unit	\$35,868 \$149 per Unit
Utility Billing	\$8,427 \$35 per Unit	\$8,427 \$35 per Unit
Trash	\$27,211 \$113 per Unit	\$27,211 \$113 per Unit
Total Utilities	286,503 \$1,194 per Unit	286,503 \$1,194 per Unit
Other Expenses	Other Expenses	Estimated Other Expenses
General & Admin & Marketing	\$67,634 \$282 per Unit	\$62,400 \$260 per Unit
Repairs & Maintenance	\$57,222 \$238 per Unit	\$96,000 \$400 per Unit
Labor Costs	\$309,373 \$1,289 per Unit	\$309,373 \$1,289 per Unit
Contract Services	\$54,683 \$228 per Unit	\$54,683 \$228 per Unit
Management Fees	\$86,687 3.42% \$361 per Unit	\$109,373 3.50% \$456 per Unit
Total Other Expense	575,600 \$2,398 per Unit	631,829 \$2,633 per Unit
Total Operating Expense	1,546,955 \$6,446 per Unit	1,664,634 \$6,936 per Unit
Reserve for Replacement	72,000 \$300 per Unit	72,000 \$300 per Unit
Total Expense	1,618,955 \$6,746 per Unit	1,736,634 \$7,236 per Unit
Net Operating Income (Actual Underwriting)	913,068	1,388,295
Asking Price	MARKET	MARKET

Existing Debt	10,962,000	10,962,000
Estimated Debt Service	710,182	710,182
Cash Flow	202,887	678,114

NOTES: ACTUALS: Income and Expenses calculated using owner's 7/23 operating statement. PRO FORMA: Income is Pro Forma as Noted. Taxes were calculated using 2022 Tax Rate & Future Assessment. Insurance is estimated. Management Fees calculated as 3.5% 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.

9/15/2023

CostaAzul

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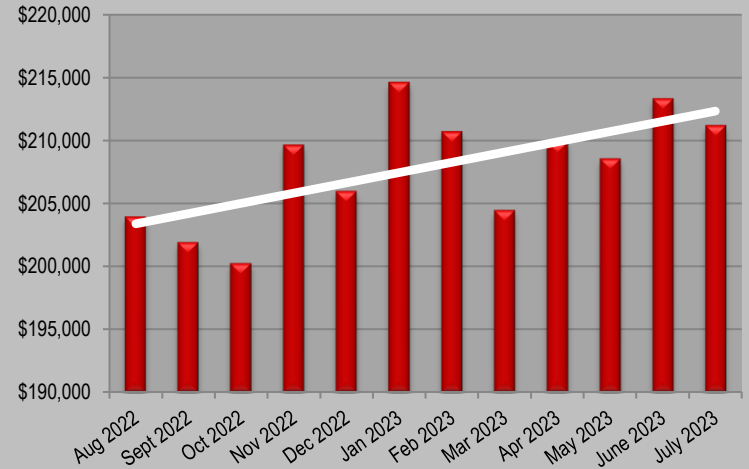
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PROPERTY INFORMATION		AMENITIES		EXISTING MORTGAGE		TAXING AUTHORITY - GALVESTON COUNTY	
Age:	1979	Access Gates	Park & Ride Nearby	Mortgage Balance	\$10,962,000	ACCT NO: R175073	
Elec Meter:	Indiv	Cable Ready	Walk-In Closets	Amortization	360	TEXAS CITY	\$0.490000
A/C Type:	HVAC-Indiv	Club House	School Bus Pick-up	P & I (est)	\$59,182	GALVESTON COUNTY	\$0.367587
Water:	RUBS	Laundry Rooms	Shuttle Route	Type	Freddie Mac	MAINLAND COLLEGE	\$0.267620
Wiring:	Copper	Mini Blinds	Patios/Balconies	Assumable	Yes	CO ROAD & FLOOD	\$0.008443
Roof:	Pitched	Pool		Monthly Escrow	Yes	TEXAS CITY ISD	\$1.311300
Paving:	Concrete	Bookshelves		Origination Date	Sep-18		
Materials:	Brick/Wood	Outside Storage		Due Date	Oct-28		
# of Stories:	2	Ceiling Fans		Interest Rate	5.05%		
Parking:	Open			Prepayment fee	Yes		
Buildings:	16			Yield Maintenance	Yes - Apr 2028	2023 Tax Rate/\$100	\$2.444950
Units/Acre:	30.19			Transfer Fee	1%+app+legal	2023 Tax Assessment	\$15,800,000
		*In Select Units		Loan is resizable until Aug 2023		CAD Improvement Sq.Ft.	205,260

COLLECTIONS

Total **\$2,494,274**

Aug 2022	\$203,936	12 Mo Avg	\$207,856
Sept 2022	\$201,888		
Oct 2022	\$200,245	9 Mo Avg	\$209,800
Nov 2022	\$209,626		
Dec 2022	\$205,970		
Jan 2023	\$214,598	6 Mo Avg	\$209,668
Feb 2023	\$210,681		
Mar 2023	\$204,442		
Apr 2023	\$209,881	3 Mo Avg	\$211,002
May 2023	\$208,550		
June 2023	\$213,289		
July 2023	\$211,166		



PLEASE DO NOT VISIT THE SITE WITHOUT AN APPOINTMENT MADE THROUGH THE BROKER.

PROPERTY HIGHLIGHTS

The Costa Azul Apartments, is a two story, garden-style, apartment community located in the Dickinson/Galveston submarket of Houston, Texas. The asset was built in 1979 and per ADS Online was rehabbed in 2019. Residents enjoy ample amenities which include: mini-blinds, kitchen pantries, ceiling fans, patios and balconies, walk-in closets.

As of Aug, 2023 delinquencies total \$18,291.77 across 30 accounts. Not a 10 year hold. Per owner, there have been no insurance claims made in the last 5 years. The Brokers feel that this asset is a good candidate for a "Value Add" program. Seller prefers to sell on Assumption.

Texas City is located about 35 miles southeast of Houston and about 10 miles north of Galveston Island. The Texas City Industrial Complex which employs thousands of people is less than 5 minutes away. The property is located in an established neighborhood with no new multifamily construction reportedly being planned in the immediate area.

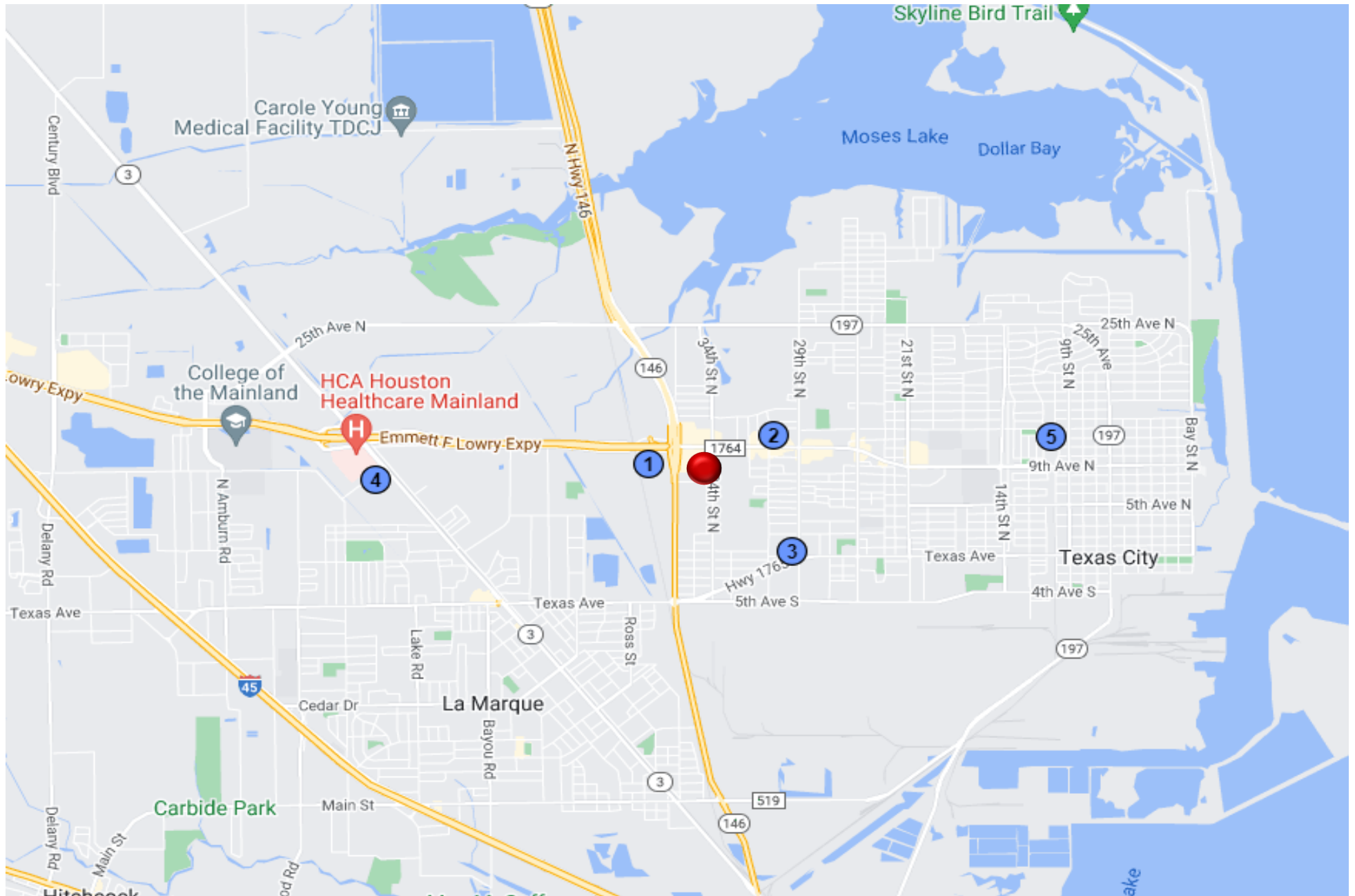
Disclaimer: The information contained in this Memorandum reflects material from sources deemed to be reliable, including data such as operating statements, rent roll, etc. provided by the Owner. Notwithstanding, KET Enterprises Incorporated does not make any warranties about the information contained in this marketing package. Every prospective purchaser should verify the information and rely on his accountants or attorneys for legal and tax advice. This offer is "As-Is, Where-Is". Answers to specific inquiries will have to be supplied by the Owner and are available upon request. Rates of return vary daily. No representations are made concerning environmental issues, if any.

2023 RENT COMPARABLES TAX ANALYSIS

	Property	Address	Yr Built	Units	Impr Sq.Ft.	Impr Value	Impr Value/Unit	Impr Value/Sq.Ft.
1	Stone Ridge	1115 Highway 146	1986	248	171,099	\$14,989,600	\$60,442	\$87.61
	R213797							
2	Crossings At 31st St	1320 N 31st St	1970	90	80,170	\$6,500,000	\$72,222	\$81.08
	R511798							
3	Five Points At Texas	2902 Texas Ave	1973	79	50,552	\$4,351,560	\$55,083	\$86.08
	R187413							
4	Meadows On The Mainland	6601 Memorial Dr	1972	80	75,640	\$5,717,600	\$71,470	\$75.59
	R219550							
5	Pointe Ann	1225 10th St North	1974	64	68,608	\$4,521,000	\$70,641	\$65.90
	R363362							
	Costa Azul	3404 9th Ave N	1979	240	177,744	\$15,800,000	\$65,833	\$88.89
Averages			1976	134	103,969	\$8,646,627	\$65,949	\$80.86

Source: 2023 Galveston CAD

2023 RENT COMPARABLES TAX ANALYSIS



UNIT MIX								
Floorplan		Type	No. Units	Sq Ft	Total SqFt	Avg Market Rent	Total Rent	Rent/SF
1A		1 Bed/1 Bath	16	558	8,928	\$737	\$11,791	\$1.32
1A-Dwn		1 Bed/1 Bath	16	558	8,928	\$788	\$12,608	\$1.41
1B		1 Bed/1 Bath	32	632	20,224	\$753	\$24,083	\$1.19
1B-Dwn		1 Bed/1 Bath	32	632	20,224	\$803	\$25,698	\$1.27
2A		2 Bed/1 Bath	40	785	31,400	\$944	\$37,754	\$1.20
2A-Dwn		2 Bed/1 Bath	40	785	31,400	\$994	\$39,744	\$1.27
2B		2 Bed/2 Bath	32	885	28,320	\$966	\$30,928	\$1.09
2B-Dwn		2 Bed/2 Bath	32	885	28,320	\$1,024	\$32,779	\$1.16
Source: 8/23 RR			240	741	177,744	\$897	\$215,385	\$1.21

TOTALS AND AVERAGES			Total Units	Average Sq. Ft.	Total Sq. Feet	Average Rent/Unit	Total Rent	Average Rent/ SF
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Apartment Amenities

All Electric Kitchens

Walk-in Closets

Fireplaces*

Washer/Dryer Connections*

Community Amenities

Pool

Fitness Center

Sports Court

Dog Park

Pavilion

3 Laundry Rooms

UNITS BY TYPE

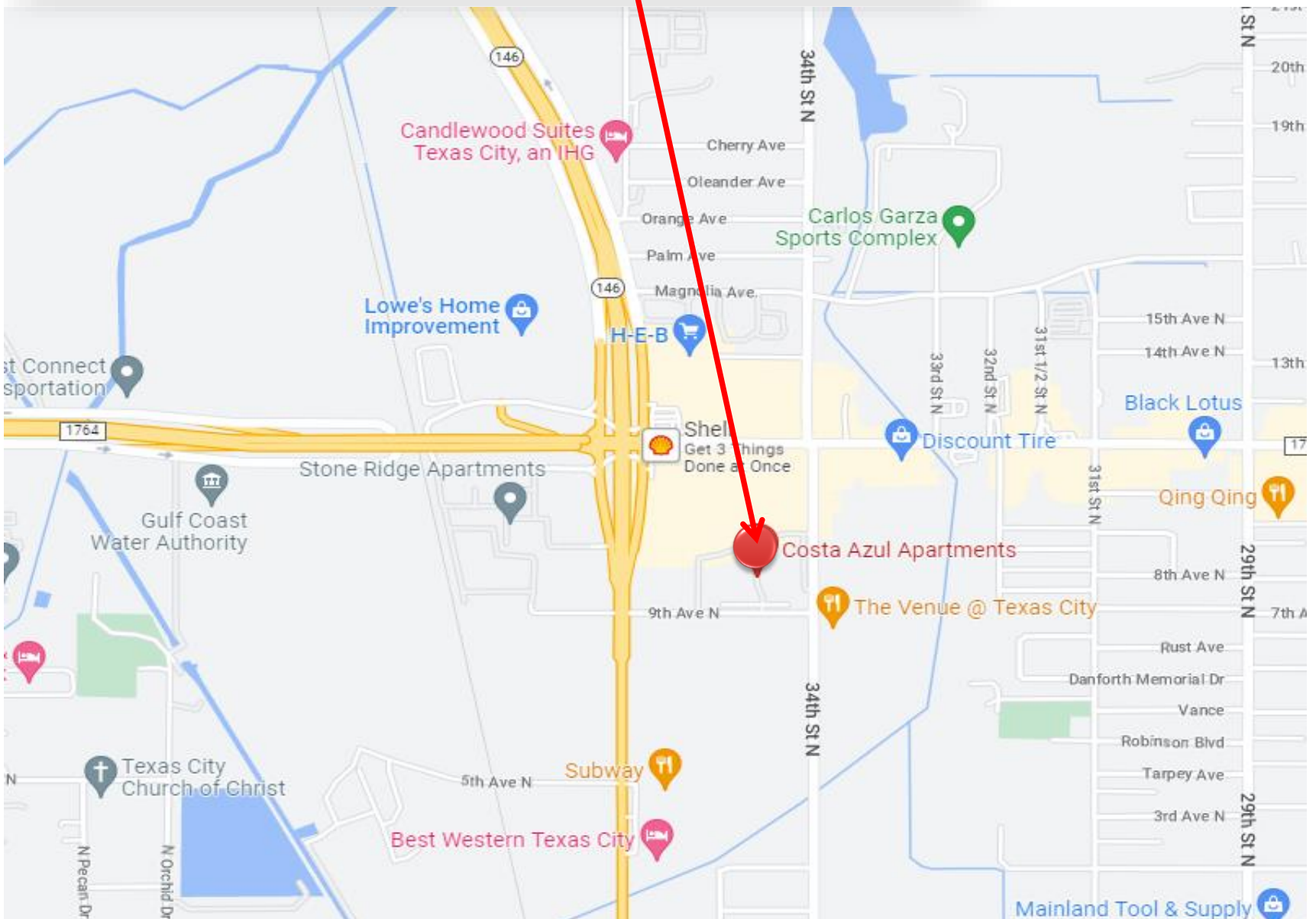
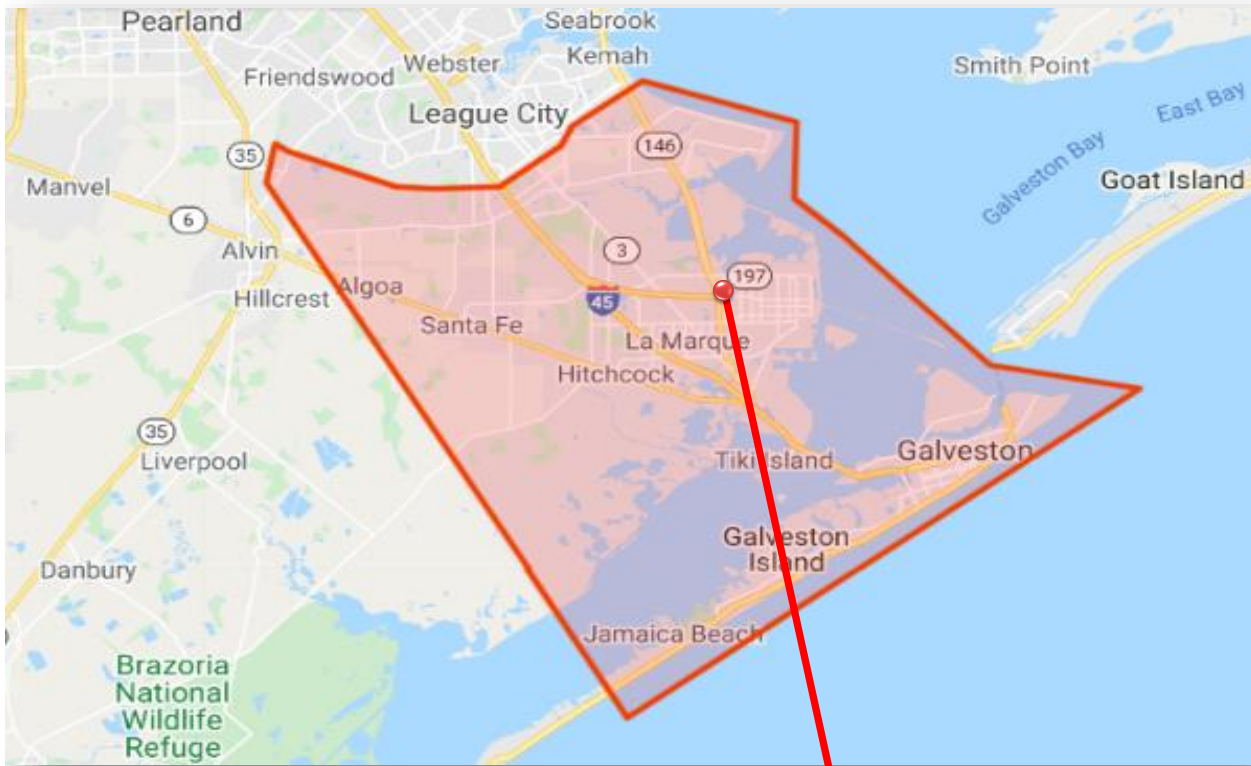
Unit Type	Percentage
1 Bed/1 Bath	40%
2 Bed/1 Bath	33%
2 Bed/2 Bath	27%

1 Bed/1 Bath

2 Bed/1 Bath

2 Bed/2 Bath

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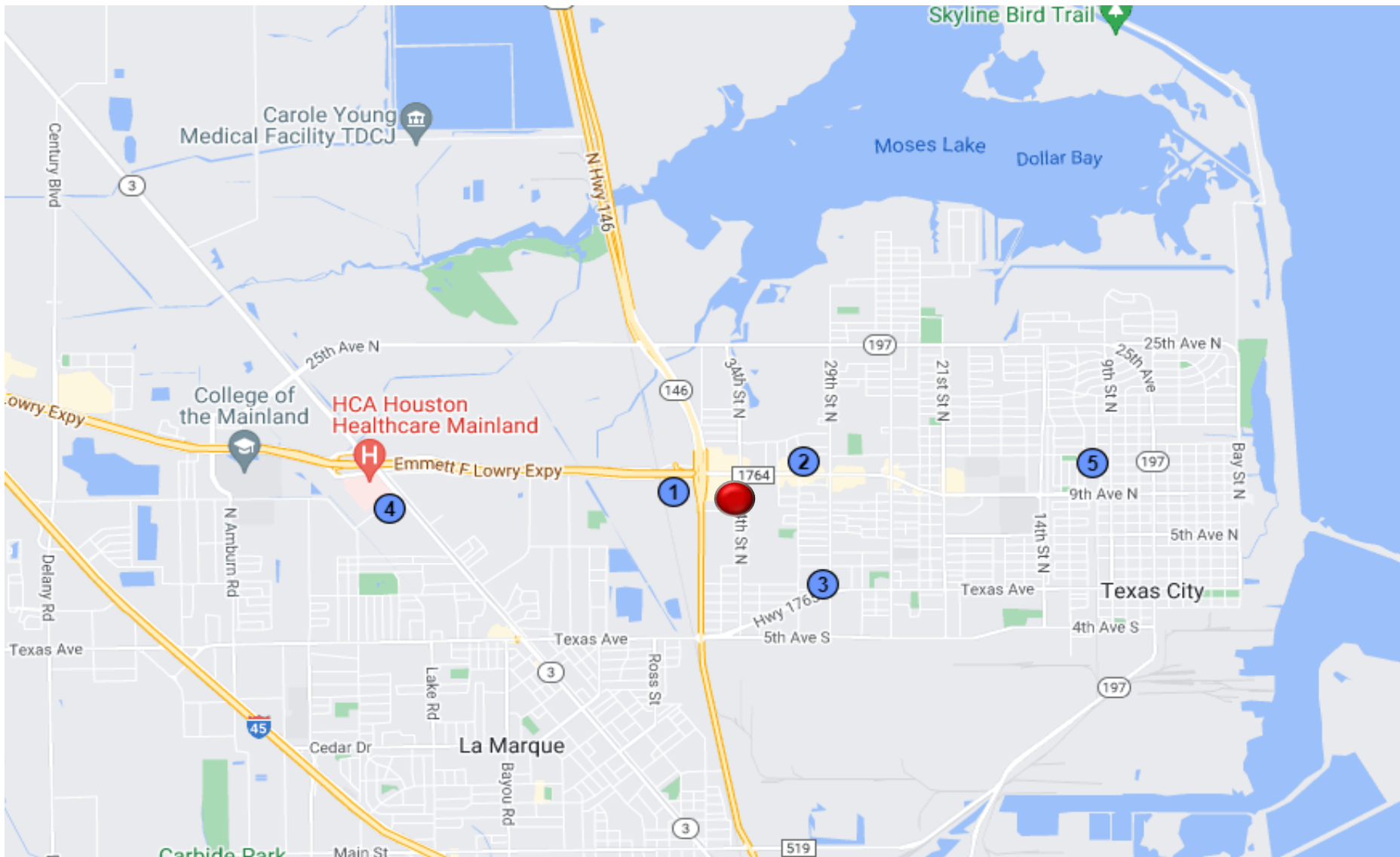
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RENT COMPARABLES (2023 MRI Apartment Data)

Property Name	Yr Blt	Rehabbed	Occ	#Units	Avg SF	Avg Rent	EWG	P/SF
1 Stone Ridge 1115 Highway 146	1986	2018	90%	248	699	\$965	EW	1.380
2 Crossings At 31st St 1320 N 31st St	1970	2017	99%	90	795	\$1,288	N/A	1.620
3 Five Points At Texas 2902 Texas Ave	1973	N/A	76%	79	714	\$857	N/A	1.200
4 Meadows On The Mainland 6601 Memorial Dr	1972	N/A	90%	80	840	\$1,176	N/A	1.400
5 Pointe Ann 1225 10th St North	1974	N/A	77%	64	948	\$1,052	EW	1.110
*Resident Pays E(Electric), W(Water), G(Gas)								
Totals/Averages Comps	1975	2018	86%	112	799	\$1,073		\$1.342
Costa Azul 3404 9th Ave N	1979	2019	90%	240	741	\$897	EWG	\$1.212
Sub-Market Averages(Dickinson/Galveston)			92%	12,840	880	\$1,190		\$1.350
Houston Market Avgs			90%	734,748	891	\$1,281		\$1.440

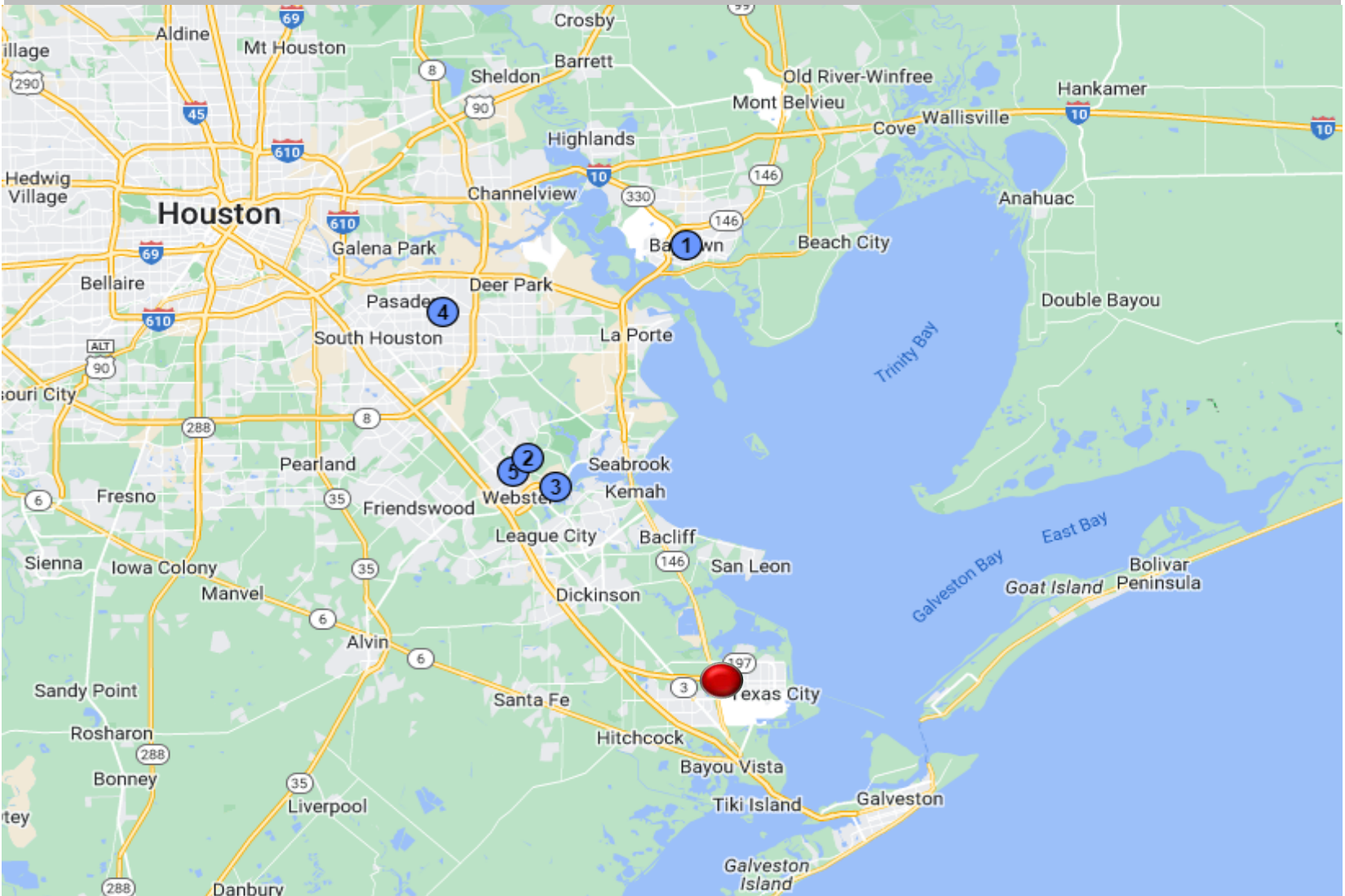


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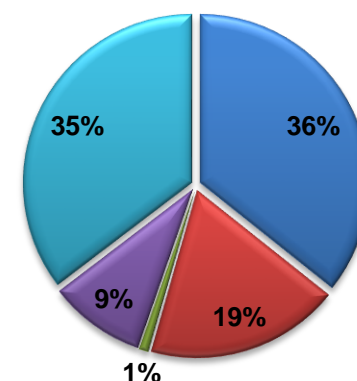
SALES COMPARABLES

Property Name	Date Sold	Price	Sq. Ft.	Price/Unit	Price/SF	Built	Units
1 Bay House 2041 San Sebastian	1/23	\$21,000,000	166,344	\$110,526	\$126.24	1965	190
2 The Cove 2000 Bay Area Blvd	5/22	\$36,000,000	221,928	\$116,883	\$162.21	1979	308
3 The Sapphire 2002 San Sebastian	9/20	\$25,000,000	230,995	\$100,806	\$108.23	1967	248
4 The Addison 2001 Burke	12/21	\$17,900,000	179,110	\$88,614	\$99.94	1970	202
5 Riviera at Clear Lake 16457 El Camino Real	6/21	\$25,350,000	174,981	\$86,519	\$144.87	1968	293
Totals/Averages Comps		\$25,050,000	194,672	\$100,670	\$128.30	1970	248

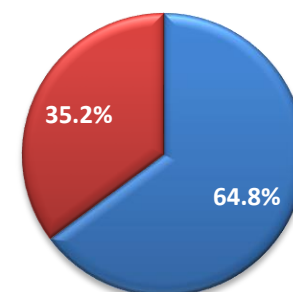
Costa Azul 3404 9th Ave N	MARKET	177,744				1979	240
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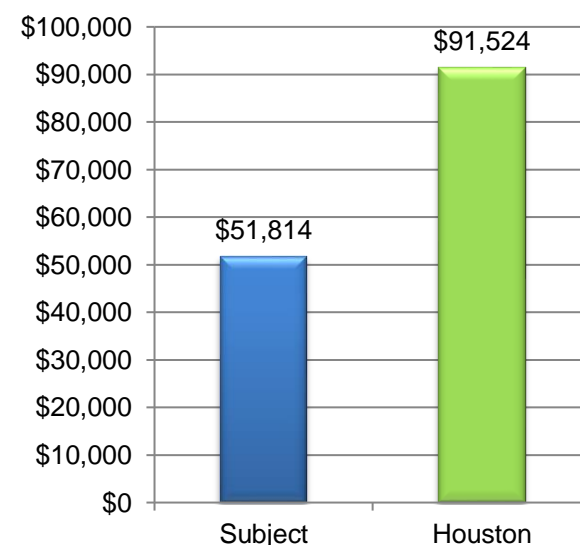
	1 Mile Radius	2 Mile Radius	3 Mile Radius
POPULATION	2020 Estimated Population	6,755	22,164
	2025 Projected Population	7,063	23,495
	2010 Census Population	5,887	20,407
	2000 Census Population	5,941	20,374
	Projected Annual Growth 2020 to 2025	0.9%	1.2%
	Historical Annual Growth 2000 to 2020	0.7%	0.4%
	2020 Median Age	35.2	36.7
HOUSEHOLDS	2020 Estimated Households	2,810	8,704
	2025 Projected Households	2,911	9,158
	2010 Census Households	2,340	7,761
	2000 Census Households	2,334	7,749
	Projected Annual Growth 2020 to 2025	0.7%	1.0%
	Historical Annual Growth 2000 to 2020	1.0%	0.6%
RACE AND ETHNICITY	2020 Estimated White	54.8%	57.8%
	2020 Estimated Black or African American	28.7%	25.6%
	2020 Estimated Asian or Pacific Islander	1.4%	1.1%
	2020 Estimated American Indian or Native Alaskan	0.9%	0.8%
	2020 Estimated Other Races	14.3%	14.7%
	2020 Estimated Hispanic	35.2%	34.5%
			31.5%
INCOME	2020 Estimated Average Household Income	\$51,814	\$62,010
	2020 Estimated Median Household Income	\$38,515	\$48,101
	2020 Estimated Per Capita Income	\$21,582	\$24,405
EDUCATION (AGE 25+)	2020 Estimated Elementary (Grade Level 0 to 8)	4.2%	6.0%
	2020 Estimated Some High School (Grade Level 9 to 11)	18.7%	14.5%
	2020 Estimated High School Graduate	31.1%	35.0%
	2020 Estimated Some College	27.5%	24.6%
	2020 Estimated Associates Degree Only	6.9%	7.4%
	2020 Estimated Bachelors Degree Only	8.8%	9.3%
	2020 Estimated Graduate Degree	2.8%	3.2%
BUSINESS	2020 Estimated Total Businesses	322	787
	2020 Estimated Total Employees	2,988	7,556
	2020 Estimated Employee Population per Business	9.3	9.6
	2020 Estimated Residential Population per Business	21.0	28.1



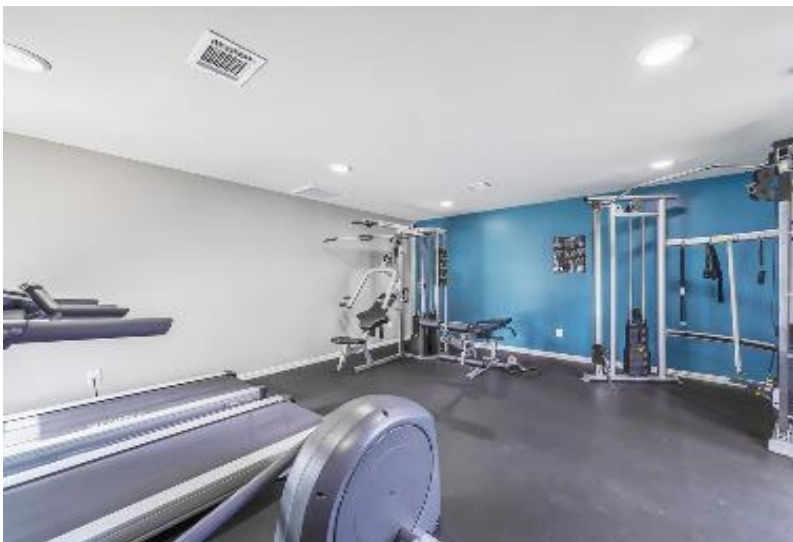
White Black Asian Other Hispanic



Non-Hispanic
Hispanic



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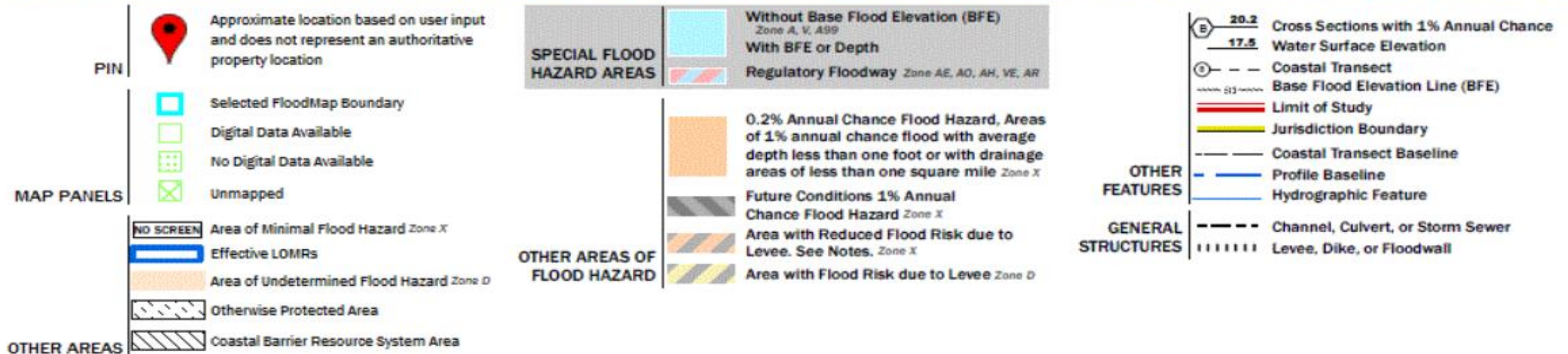
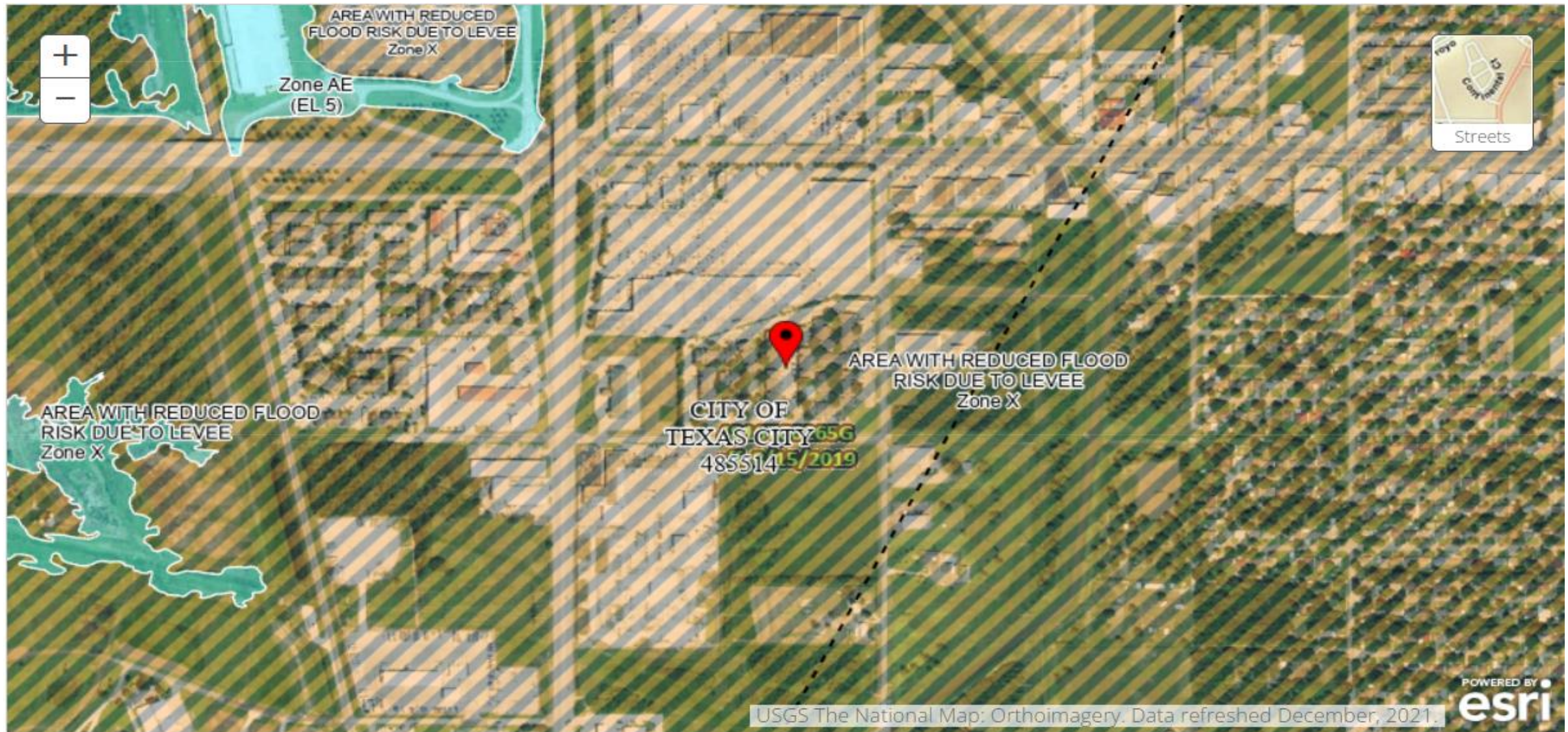
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Information About Brokerage Services

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:
 - 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.

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