



BAYBERRY
apartments

BAYBERRY 838 OAK ST HOUSTON, TX 77018

Off Market Offering

Market

Units:	62
Avg Size:	746
Date Built:	1966
Rentable Sq. Ft.:	46,275
Acreage:	1.388
Occupancy:	76%
Pre-Lease:	81%
Class:	C



SALIENT FACTS:

- ◆ Available on an Assumption Basis
- ◆ Located in the Brookhollow area of Houston
- ◆ All Bills Paid Property
- ◆ Value Add Opportunity
- ◆ Approx \$500K Capex was spent on property in 2015-18
- ◆ Just outside Loop 610, west of Shepherd
- ◆ High occupancy area
- ◆ Self Managed Laundry (machines are currently out of service)
- ◆ Long term cash flow or to hold for re-development
- ◆ Suggested Ask: \$60K/door

For More Information Please
Contact:

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BAYBERRY 838 OAK ST HOUSTON, TX 77018

Physical Information	Financial Information	Existing Loan Parameters	Operating Information	
Number of Units: 62	Asking Price: Market	Existing Loan Parameters: \$2,392,000	Est Mkt Rent (Oct-23): \$53,484	
Avg Unit Size: 746	Price Per Unit	Amortization (months): 360	3 Mo Avg: \$44,832	
Net Rentable Area: 46,275	Price Per Sq. Ft.	Debt Service: \$154,440	Physical Occ (Nov-23): 76%	
Land Area (Acres): 1.39	Stabilized NOI: \$303,504	Monthly P&I: \$12,870	Est Ins per Unit per Yr: \$1,500	
Units per Acre: 44.67		Interest Rate: 5.02%	Property Tax Information	
Date Built: 1966		Date Due: 4/1/2026	2023 Tax Rate/\$100: 2.01481	
Water Meter / Master: Master		Est Res for Repl/Unit/Yr: \$300	2023 Tax Assessment: \$4,875,083	
Elec Meter: Master		Yield Maintenance: Yes	2023 Taxes: \$98,224	
Roof Style: Pitched			Est Future Tax Assessment: \$2,612,500	
HVAC System: Indiv HVAC		<i>Assuming existing debt, had 24 mo I.O.</i>	Est Future Taxes: \$52,637	

INCOME

MODIFIED ACTUALS

PRO-FORMA

Property Assessment has been appealed. This value assumes a tax reduction.

PRO-FORMA INCOME

Current Street Rent with a 25% Increase	802,260	\$66,855 / Mo
Estimated Gross Scheduled Income	802,260	\$66,855 / Mo
Estimated Loss to Lease (2% of Total Street Rent)	(16,045)	2%
Estimated Vacancy (7% of Total Street Rent)	(56,158)	7%
Estimated Concessions and Other Rental Losses (3% of Total Street Rent)	(24,068)	3%
Owner Projected Utilities Income (Gas, Water and Electric). Premium added to base rent	56,370	\$909 / Unit / Yr
Estimated Other Income	19,420	\$313 / Unit / Yr
Estimated Total Rental Income	781,778	

ESTIMATED TOTAL PRO-FORMA INCOME

781,778 \$65,148 / Mo

3 Mo Avg Income Annualized

\$537,980

EXPENSE

Fixed Expenses

Jan '23 thru Oct '23 Expenses	Estimated Expenses
Fixed Expenses	Estimated Fixed Expenses
Taxes: \$71,897 \$1,160 per Unit	\$52,637 \$849 per Unit
Insurance: \$60,470 \$975 per Unit	\$93,000 \$1,500 per Unit
Total Fixed Expense	Total Fixed Expense
132,367 \$2,135 per Unit	145,637 \$2,349 per Unit

Utilities

Utilities	Estimated Utilities
Electricity: \$44,124 \$712 per Unit	\$44,124 \$712 per Unit
Water & Sewer: \$54,006 \$871 per Unit	\$54,006 \$871 per Unit
Gas: \$9,335 \$151 per Unit	\$9,335 \$151 per Unit
Telephone: \$2,959 \$48 per Unit	\$2,959 \$48 per Unit
Trash Removal: \$9,540 \$154 per Unit	\$9,540 \$154 per Unit
Total Utilities	Total Utilities
119,964 \$1,935 per Unit	119,964 \$1,935 per Unit

Other Expenses

Other Expenses	Estimated Other Expenses
General & Admin & Marketing: \$10,656 \$172 per Unit	\$20,000 \$323 per Unit
Repairs & Maintenance: \$25,865 \$417 per Unit	\$25,865 \$417 per Unit
Labor Costs: \$100,438 \$1,620 per Unit	\$100,438 \$1,620 per Unit
Contract Services: \$0 \$ per Unit	\$12,200 \$197 per Unit
Management Fees: \$23,569 4.38% \$380 per Unit	\$35,571 4.55% \$574 per Unit
Total Other Expense	Total Other Expense
160,528 \$2,589 per Unit	194,073 \$3,130 per Unit

Total Operating Expense

412,859 \$6,659 per Unit **459,674** \$7,414 per Unit

Reserve for Replacement

18,600 \$300 per Unit **18,600** \$300 per Unit

Total Expense

431,459 \$6,959 per Unit **478,274** \$7,714 per Unit

Net Operating Income (Actual Underwriting)

106,521 **303,504**

Asking Price

Market

Market

NOTES: ACTUALS: Income and Expenses were calculated based on the 10/23 operating statement. **PRO FORMA:** Income is Pro Forma as Noted. Taxes were calculated using 2023 Tax Rate & Est Future Assessment. Insurance is estimated. Management Fees calculated as 4.55% 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 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.

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SITE VISIT PHOTOS



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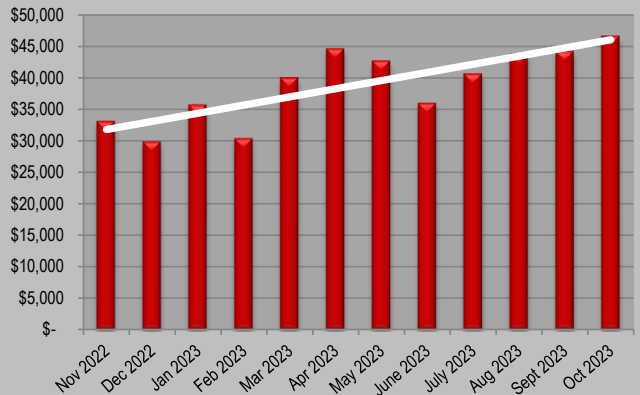
Keymap: 452G

Construction Quality: C

PROPERTY INFORMATION		AMENITIES		EXISTING MORTGAGE		TAXING AUTHORITY - HARRIS COUNTY	
Age:	1966	Access Gates	Park & Ride Nearby	Mortgage Balance	\$2,392,000	ACCT NO: 0670470020088	
Elec Meter:	Master	Cable Ready	School Bus Pick-up	Amortization	360	Houston ISD	\$0.868300
A/C Type:	HVAC	Small Courtyard		P & I	\$12,870	Harris County	\$0.350070
Water:	Master	Laundry Rooms		Type	Freddie Mac	Harris County Flood Control	\$0.031050
Wiring (per mgr):	Copper	Mini Blinds		Assumable	Yes	Port of Houston Authority	\$0.005740
Roof:	Pitched	Bookshelves		Monthly Escrow	Yes	Harris County Hospital District	\$0.143430
Paving:	Concrete	Pantry		Origination Date	5/1/2019	Harris County Education Dept	\$0.004800
Materials:	Brick/Wood	Ceiling Fans		Due Date	4/1/2026	Houston Community College	\$0.092231
# of Stories:	2	Walk-In Closets		Interest Rate	5.02%	City of Houston	\$0.519190
Parking:	Covered & Open	Patios/Balconies		Yield Maintenance	Yes		
Buildings:	3			Transfer Fee	1%+app+legal	2023 Tax Rate/\$100	\$2.014811
Units/Acre:	44.67	<i>*In Select Units</i>		24 months I.O.		2023 Tax Assessment	\$4,875,083
						CAD Improvement SqFt	46,644

COLLECTIONS

Total	\$ 467,177		
Nov 2022	\$ 33,064	12 Mo Avg	\$38,931
Dec 2022	\$ 29,838		
Jan 2023	\$ 35,691	9 Mo Avg	\$40,954
Feb 2023	\$ 30,344		
Mar 2023	\$ 39,985	6 Mo Avg	\$42,279
Apr 2023	\$ 44,582		
May 2023	\$ 42,672	3 Mo Avg	\$44,832
June 2023	\$ 35,921		
July 2023	\$ 40,585		
Aug 2023	\$ 43,728		
Sept 2023	\$ 44,175		
Oct 2023	\$ 46,592		



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

PROPERTY HIGHLIGHTS

The Bayberry Apartments, is a two story, garden-style, apartment community located in the Brookhollow submarket of Houston, Texas. The asset was built in 1966 and per HCAD, was rehabbed in 2016. Physically partially sub metered but being charged to tenants as package "all bills paid" including water/sewer, gas, electric and pest. The utility component is shown in the utility income. Very good location just outside the 610 Loop. In the long run, may be ideal for teardown and conversion to townhomes or patio homes

The property appears to have excellent rental upside! Per owner, as of November 2023, 10 units are delinquent and a new management company has taken over.

Approximately \$100,000 in Capex was previously spent on the property in 2015 and 2016. The owners added security gates, new mailboxes and landscaping. Per owner, new laundry machines were recently added.

Per Owner, the property has Certificates of Occupancy. 1 tenant has a housing voucher. On assumption, the lender may require a capex escrow and 1-2 yrs. of P&I in escrow!

The new owner says he spent an additional \$5,000 - \$6,000 per unit on upgrades in 2017-18. The color scheme has been dramatically changed and there are substantial interior and exterior improvements in progress. 30 units have been upgraded and receive approximately \$100 more in rents and the average make ready cost is \$900. There are 15 vacant units, 2 down units that need extensive work including foundation, 4 units need heavy make-ready at approximately \$6k/unit and the rest are basic make units. Make ready remodel units cost approximately \$6,000 which includes floors, stove, refrigerator, counter resurface, AC and painting. There are 3 gas boilers that were replaced in 2012, the waterlines are copper and the drain lines are cast iron. There is no chiller, HVAC units only and the plumbing is old.

Water conservation is in progress. *Per owner, the October Water/Sewer expense of \$9,367 is higher than normal due to a meter leak on Oak St.*

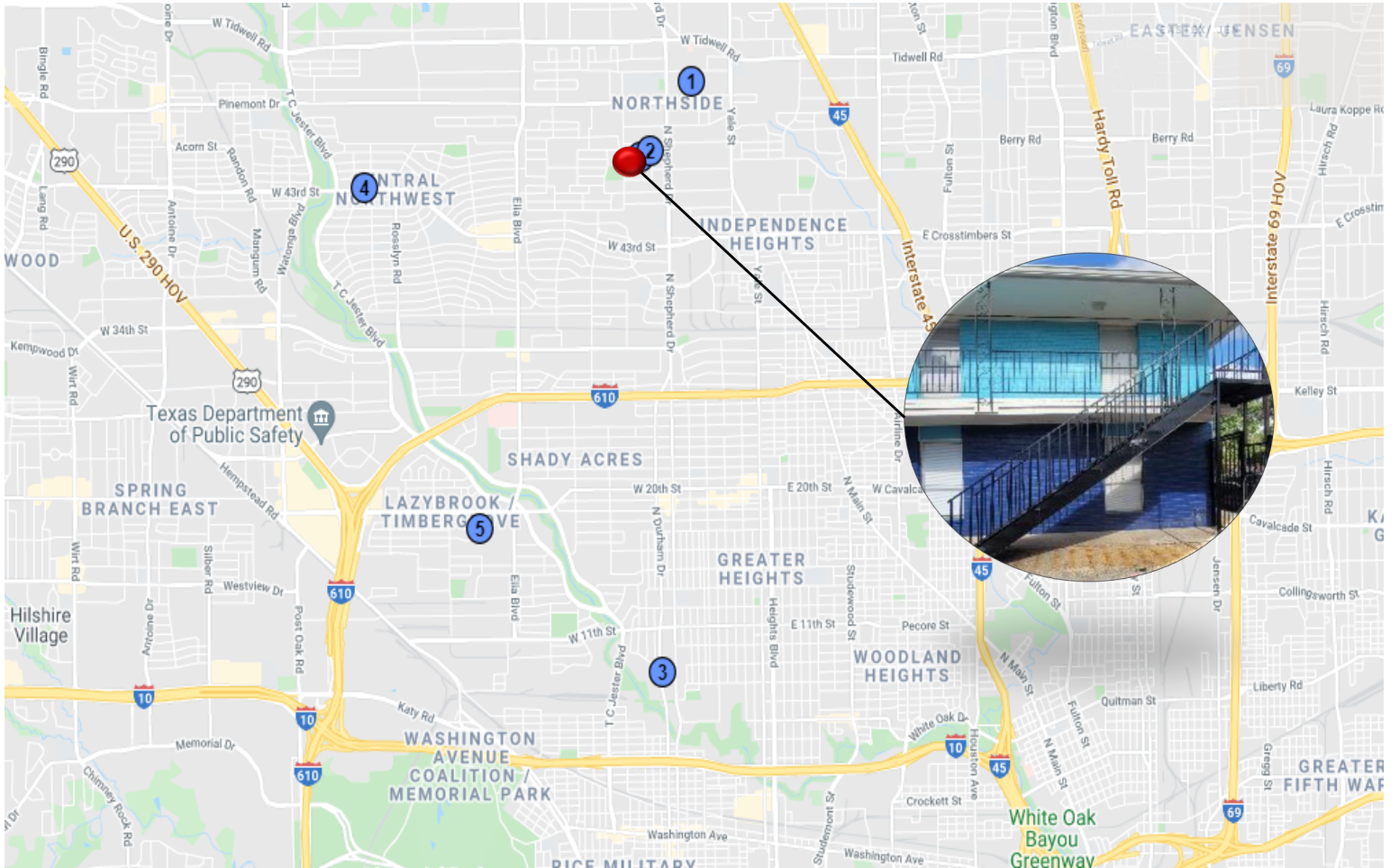
Once the property stabilizes, rental increases should be available. A 2-bedroom unit was recently converted to an efficiency and the new office. Secondary income includes a laundry facility, reserved parking at \$25/month, covered parking spaces for \$35/month and pet fees for \$15/month.

Covered Spaces \$35/mo. Pet Fee \$15/mo.

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2023 KET RENT COMPARABLE TAX ANALYSIS

Property	Address	Yr Built	Units	Impr Sq.Ft.	Impr Value	Impr Value/Unit	Impr Value/Sq.Ft.
1 Donovan Village 0410500030210	601 W Donovan	1967	78	68,048	\$7,578,935	\$97,166	\$111.38
2 Mirabella 0610310000039	816 Oak St.	1970	98	71,234	\$6,642,833	\$67,784	\$93.25
3 Colonial 0400350000005	900 N Durham	1961	156	125,812	\$18,410,173	\$118,014	\$146.33
4 Grove at 43rd 0845310000014	2006 W 43rd	1961	80	55,356	\$10,065,373	\$125,817	\$181.83
5 Oaks of Timbergrove 0440840000080	1700 Seaspray Court	1973	372	363,503	\$49,245,381	\$132,380	\$135.47
Bayberry	838 Oak St	1966	62	46,644	\$4,875,083	\$78,630	\$104.52
Averages		1966	141	121,766	\$16,136,296	\$103,299	\$128.80





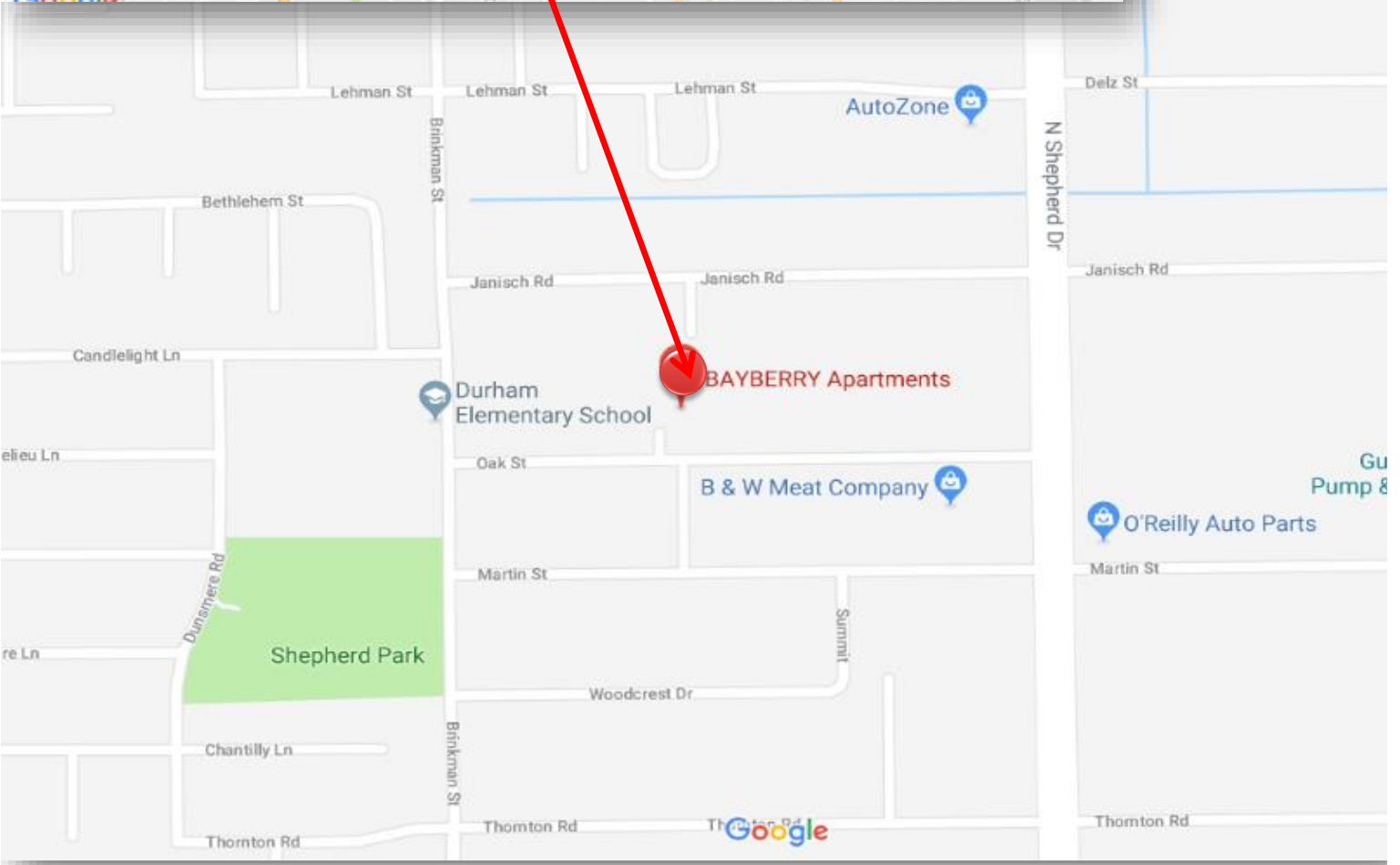




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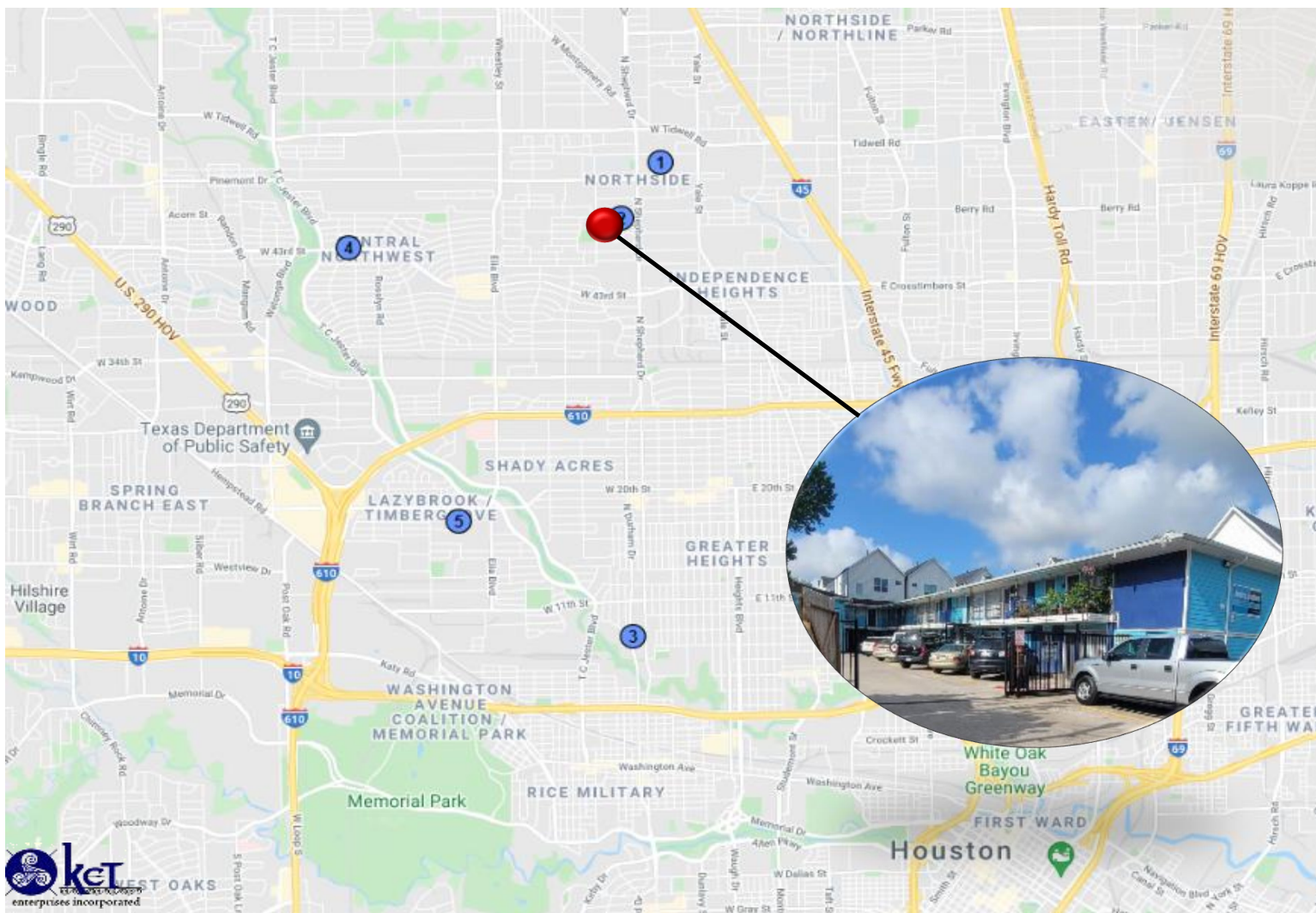
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RENT COMPARABLES (2023 MRI Apartment Data)

Property Name	Yr Blt	Occ	#Units	Avg SF	Avg Rent	EWG	P/SF
1 Donovan Village 601 W Donovan	1967	94%	78	820	\$1,017	EWG	1.240
2 Mirabella 816 Oak St.	1970	92%	98	716	\$1,138	EW	1.590
3 Colonial 900 N Durham	1961	98%	156	700	\$1,274	E	1.820
4 Grove at 43rd 2006 W 43rd	1961	99%	80	658	\$1,078	E	1.640
5 Oaks of Timbergrove 1700 Seaspray Court	1973	80%	372	915	\$1,464	EWG	1.600
<i>EWG - Resident Pays E(Electricity) W(Water) G(Gas)</i>							
Totals/Averages Comps	1966	93%	157	762	\$1,202		1.578
Bayberry 838 Oak St	1966	76%	62	746	\$863	ABP	\$1.16
Sub-Market Averages (Northline)		90%	6,936	845	\$951		\$1.12
Houston Market Avgs		89%	744,240	893	\$1,262		\$1.42







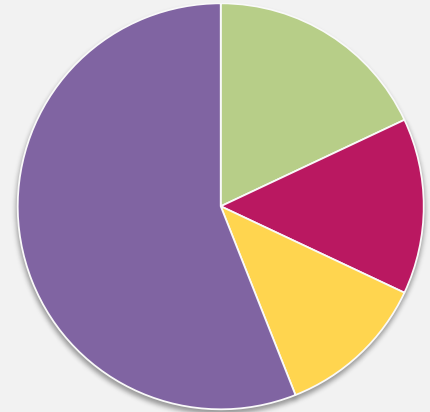


SUMMARY PROFILE

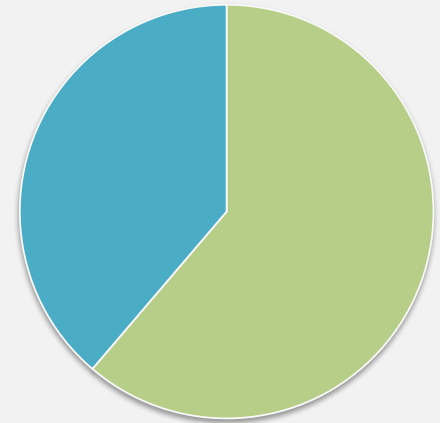
2000-2010 Census, 2021 Estimates with 2026 Projections
 Calculated using Weighted Block Centroid from Block Groups

	1 Mile Radius	2 Mile Radius	3 Mile Radius
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Population			
2023 Estimated Population	14,385	55,047	138,801
2028 Projected Population	15,424	58,698	150,077
2020 Census Population	14,127	53,905	135,626
2010 Census Population	13,491	49,349	126,331
Projected Annual Growth 2023 to 2028	1.4%	1.3%	1.6%
Historical Annual Growth 2010 to 2023	0.5%	0.9%	0.8%
2023 Median Age	40.0	37.0	35.5
Households			
2023 Estimated Households	5,756	21,646	54,250
2028 Projected Households	6,181	23,128	58,902
2020 Census Households	5,582	20,942	52,553
2010 Census Households	5,038	18,288	46,897
Projected Annual Growth 2023 to 2028	1.5%	1.4%	1.7%
Historical Annual Growth 2010 to 2023	1.1%	1.4%	1.2%
Race and Ethnicity			
2023 Estimated White	42.9%	39.8%	40.1%
2023 Estimated Black or African American	22.0%	21.6%	18.8%
2023 Estimated Asian or Pacific Islander	2.8%	3.3%	3.2%
2023 Estimated American Indian or Native Alaskan	1.2%	1.1%	1.2%
2023 Estimated Other Races	31.1%	34.1%	36.7%
2023 Estimated Hispanic	38.8%	43.8%	48.1%
Income			
2023 Estimated Average Household Income	\$120,558	\$134,779	\$126,910
2023 Estimated Median Household Income	\$81,879	\$90,748	\$89,614
2023 Estimated Per Capita Income	\$48,270	\$53,044	\$49,646
Education (Age 25+)			
2023 Estimated Elementary (Grade Level 0 to 8)	9.7%	12.9%	13.9%
2023 Estimated Some High School (Grade Level 9 to 11)	5.9%	8.1%	8.8%
2023 Estimated High School Graduate	20.4%	22.3%	21.9%
2023 Estimated Some College	17.6%	15.0%	14.6%
2023 Estimated Associates Degree Only	5.5%	4.1%	4.6%
2023 Estimated Bachelors Degree Only	23.2%	21.5%	21.4%
2023 Estimated Graduate Degree	17.8%	16.0%	14.9%
Business			
2023 Estimated Total Businesses	736	3,079	8,413
2023 Estimated Total Employees	5,056	23,592	63,965
2023 Estimated Employee Population per Business	6.9	7.7	7.6
2023 Estimated Residential Population per Business	19.5	17.9	16.5

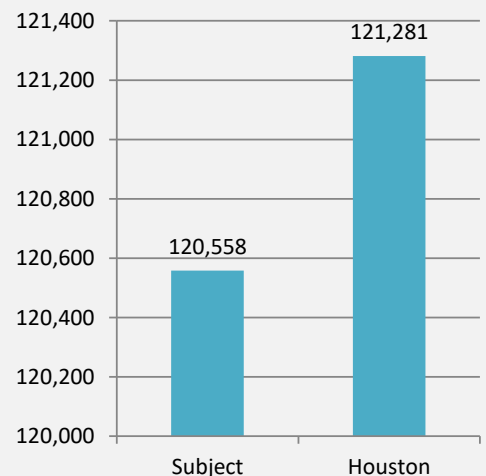
1 Mile Radius

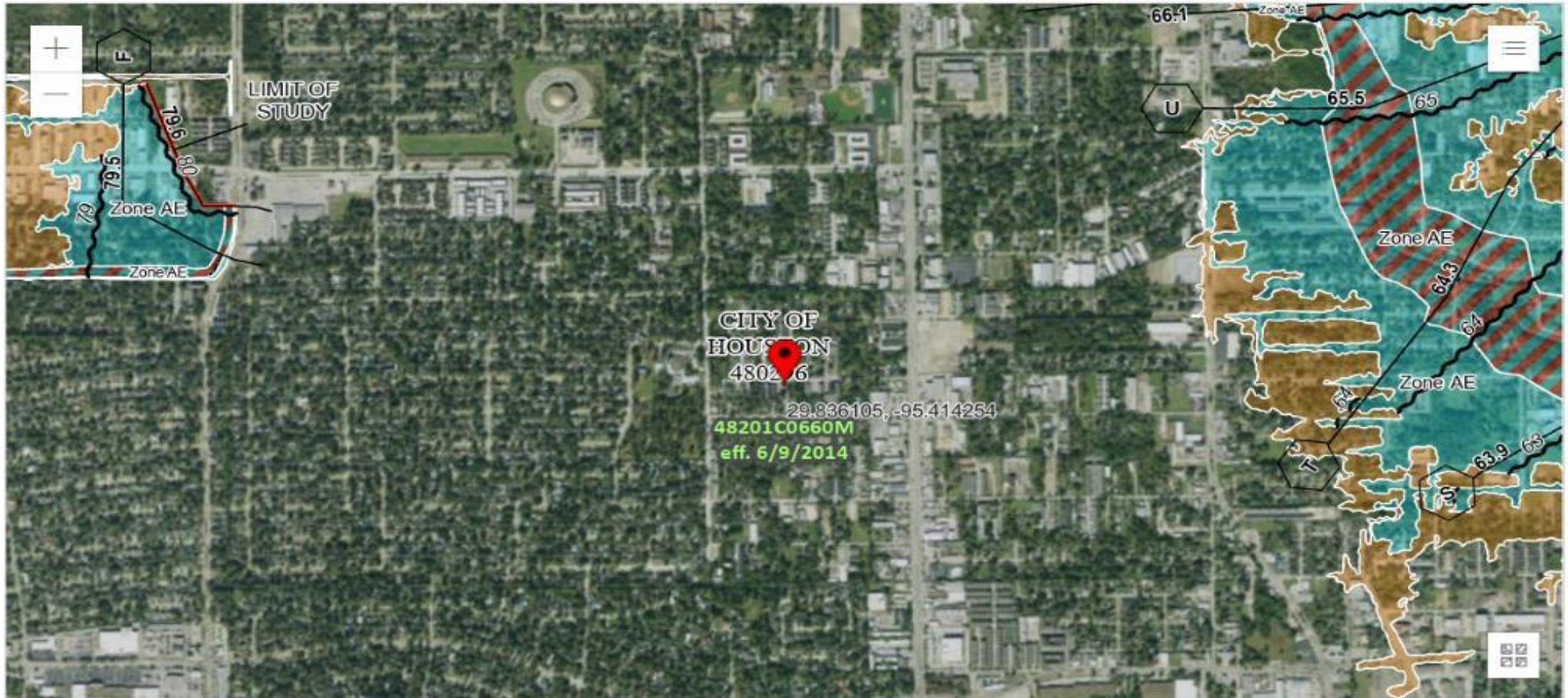


White Black Other Hispanic



Non-Hispanic Hispanic





Esri, USDA Farm Service Agency, Microsoft

Powered by Esri

<p>PIN</p> <ul style="list-style-type: none"> Approximate location based on user input and does not represent an authoritative property location <p>MAP PANELS</p> <ul style="list-style-type: none"> Selected FloodMap Boundary Digital Data Available No Digital Data Available Unmapped <p>OTHER AREAS</p> <ul style="list-style-type: none"> Area of Minimal Flood Hazard Zone X Effective LOMRs Area of Undetermined Flood Hazard Zone D Otherwise Protected Area Coastal Barrier Resource System Area 	<p>SPECIAL FLOOD HAZARD AREAS</p> <ul style="list-style-type: none"> Without Base Flood Elevation (BFE) Zone A, V, A59 With BFE or Depth Regulatory Floodway Zone AE, AO, AH, VE, AR <p>OTHER AREAS OF FLOOD HAZARD</p> <ul style="list-style-type: none"> 0.2% Annual Chance Flood Hazard, Areas of 1% annual chance flood with average depth less than one foot or with drainage areas of less than one square mile Zone X Future Conditions 1% Annual Chance Flood Hazard Zone X Area with Reduced Flood Risk due to Levee. See Notes. Zone X Area with Flood Risk due to Levee Zone D 	<p>OTHER FEATURES</p> <ul style="list-style-type: none"> Cross Sections with 1% Annual Chance Water Surface Elevation Coastal Transect Base Flood Elevation Line (BFE) Limit of Study Jurisdiction Boundary Coastal Transect Baseline Profile Baseline Hydrographic Feature <p>GENERAL STRUCTURES</p> <ul style="list-style-type: none"> Channel, Culvert, or Storm Sewer Levee, Dike, or Floodwall
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11-2-2015



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.



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