



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:	80%
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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Houston, TX 77056
www.ketent.com





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 (Aug-23)	\$53,484
Avg Unit Size	746	Price Per Unit		Amortization (months)	360	3 Mo Avg	\$42,829
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	\$306,889	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					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	53,761	\$867 / Unit / Yr
Estimated Other Income	18,945	\$306 / Unit / Yr
Estimated Total Rental Income	778,695	
ESTIMATED TOTAL PRO-FORMA INCOME	778,695	\$64,891 / Mo

3 Mo Avg Income Annualized \$513,952

EXPENSE

Fixed Expenses

Taxes

Insurance

Total Fixed Expense

Utilities

Electricity

Water & Sewer

Gas

Telephone

Trash Removal

Total Utilities

Other Expenses

General & Admin & Marketing

Repairs & Maintenance

Labor Costs

Contract Services

Management Fees

Total Other Expense

Total Operating Expense

Reserve for Replacement

Total Expense

Net Operating Income (Actual Underwriting)

Asking Price

Jan '23 thru Sept '23 Expenses		
Fixed Expenses		
\$71,997	\$1,161 per Unit	9/23 trailing operating statement <i>Per owner</i>
\$55,576	\$896 per Unit	

Utilities	
\$41,765	\$674 per Unit
\$47,517	\$766 per Unit
\$9,729	\$157 per Unit
\$2,960	\$48 per Unit
\$9,617	\$155 per Unit

Other Expenses		
\$9,525	\$154 per Unit	
\$27,152	\$438 per Unit	
\$101,197	\$1,632 per Unit	
\$0	\$ per Unit	
\$23,523	4.58%	
	\$379 per Unit	

Estimated Expenses	
Estimated Fixed Expenses	
\$52,637	\$849 per Unit
\$93,000	\$1,500 per Unit

Estimated Utilities	
\$41,765	\$674 per Unit
\$47,517	\$766 per Unit
\$9,729	\$157 per Unit
\$2,960	\$48 per Unit
\$9,617	\$155 per Unit

Estimated Other Expenses		
\$20,000	\$323 per Unit	
\$27,152	\$438 per Unit	
\$101,197	\$1,632 per Unit	
\$12,200	\$197 per Unit	
\$35,431	4.55%	
	\$571 per Unit	

127,573 \$2,058 per Unit

145,637 \$2,349 per Unit

111,589 \$1,800 per Unit

111,589 \$1,800 per Unit

161,397 \$2,603 per Unit

195,980 \$3,161 per Unit

400,560 \$6,461 per Unit

453,206 \$7,310 per Unit

18,600 \$300 per Unit

18,600 \$300 per Unit

419,160 \$6,761 per Unit

471,806 \$7,610 per Unit

94,792

306,889

Market

Market

NOTES: ACTUALS: Income and Expenses were calculated based on the 9/23 trailing 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 4.6% 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.

BAYBERRY 838 OAK ST HOUSTON, TX 77018

SITE VISIT PHOTOS



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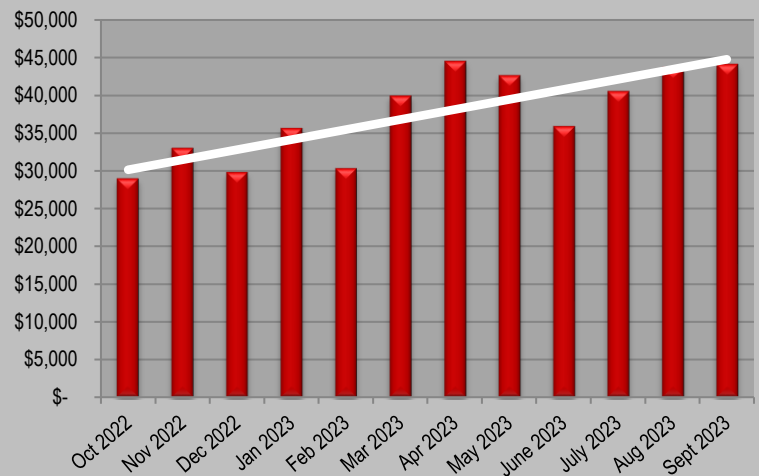
Keymap: 452G

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	*In Select Units		24 months I.O.		2023 Tax Assessment	\$4,875,083
						CAD Improvement SqFt	46,644

COLLECTIONS

Total	\$	449,602		
Oct 2022	\$	29,017	12 Mo Avg	\$37,467
Nov 2022	\$	33,064		
Dec 2022	\$	29,838		
Jan 2023	\$	35,691	9 Mo Avg	\$39,743
Feb 2023	\$	30,344		
Mar 2023	\$	39,985		
Apr 2023	\$	44,582	6 Mo Avg	\$41,944
May 2023	\$	42,672		
June 2023	\$	35,921		
July 2023	\$	40,585	3 Mo Avg	\$42,829
Aug 2023	\$	43,728		
Sept 2023	\$	44,175		



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 managment 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. Area occupancies are rising.

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 plubing is old.

Water conservation is in progress.

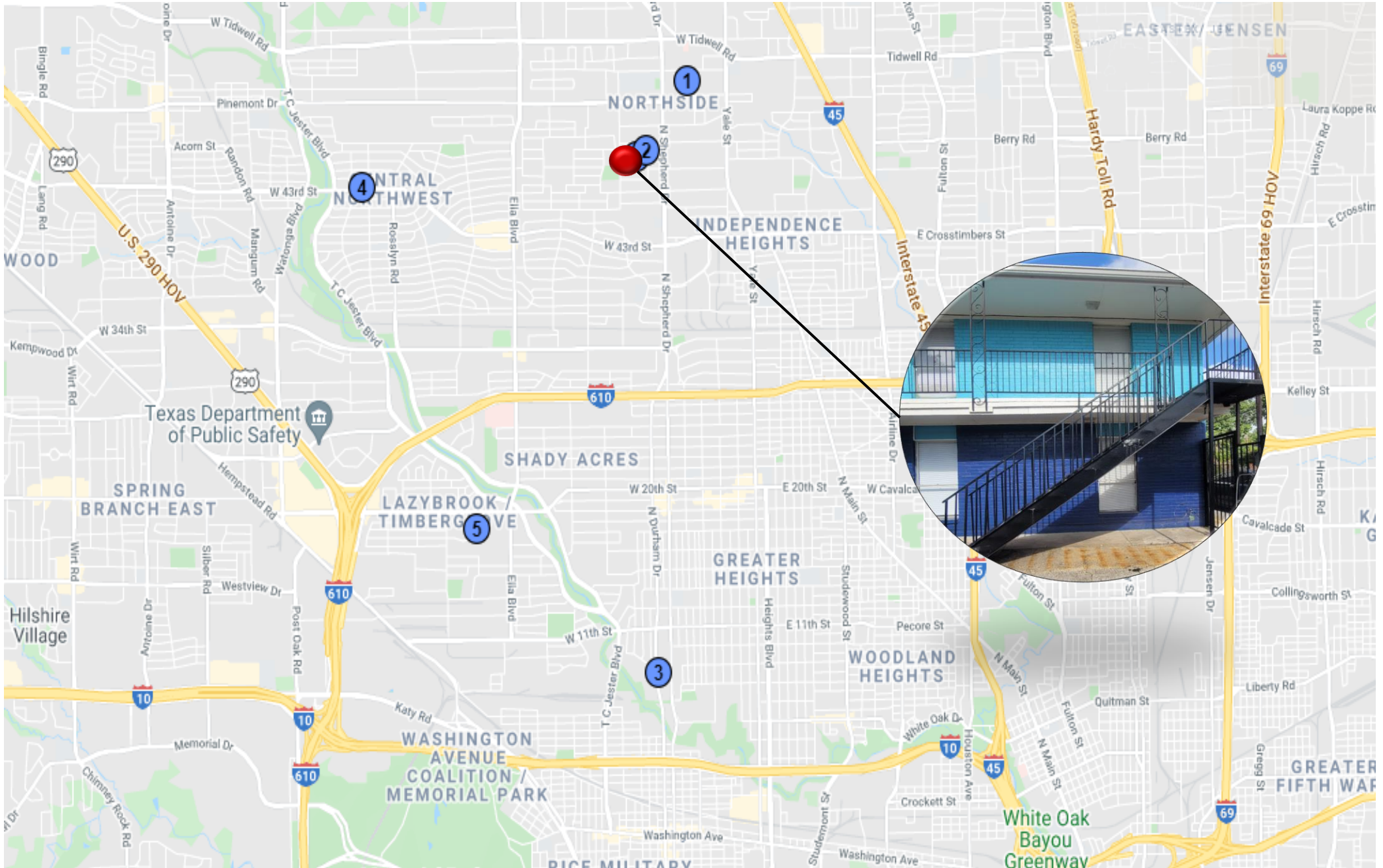
Once the property stabilizes, rental increases should be available. A 2-bedroom unit was recently converted to an efficiency and the new office. Secondary income includes a laundry facility, reserved parking at \$25/month, covered parking spaces for \$35/month and pet fees for \$15/month.

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



UNIT MIX						
Type	No. Units	Sq Ft	Total SqFt	Market Rent	Total Rent	Rent/SF
1 Bed/1 Bath	3	329	987	\$589	\$1,767	\$1.79
1 Bed/1 Bath	26	640	16,640	\$825	\$21,450	\$1.29
2 Bed/1 Bath	29	848	24,592	\$899	\$26,071	\$1.06
3 Bed/1 Bath	4	1,014	4,056	\$1,049	\$4,196	\$1.03
	62	746	46,275	\$863	\$53,484	\$1.16
TOTALS AND AVERAGES	Total Units	Average Sq. Ft.	Total Sq. Feet	Average Rent/Unit	Total Rent	Average Rent/ SF

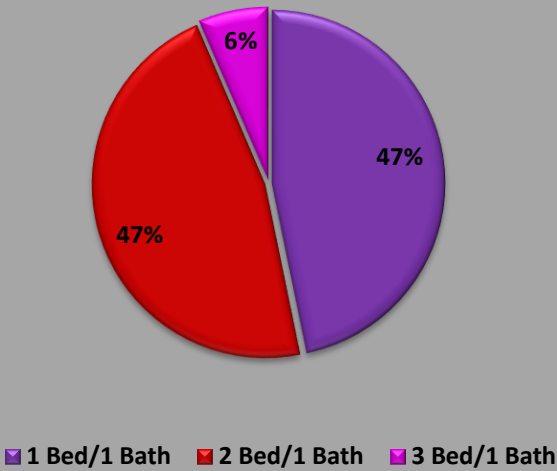
Source: Owner's 9/25/23 Rent Roll

Apartment Amenities

- Cable Ready
- Mini Vertical Blinds
- Walk-in Closets
- 1 Laundry Room
- Mini Blinds
- Patios/Balconies
- Access Gates



Units By Type



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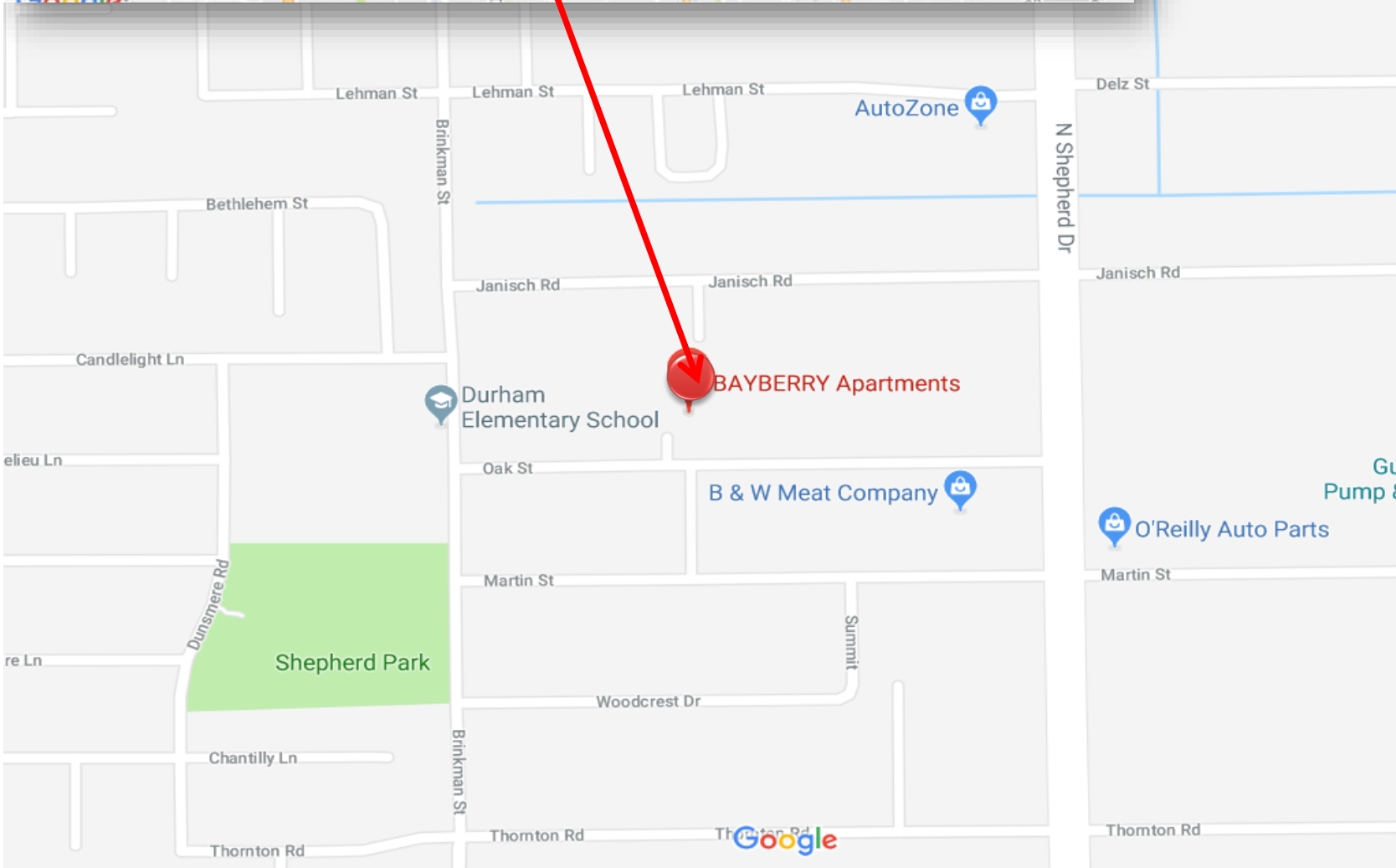
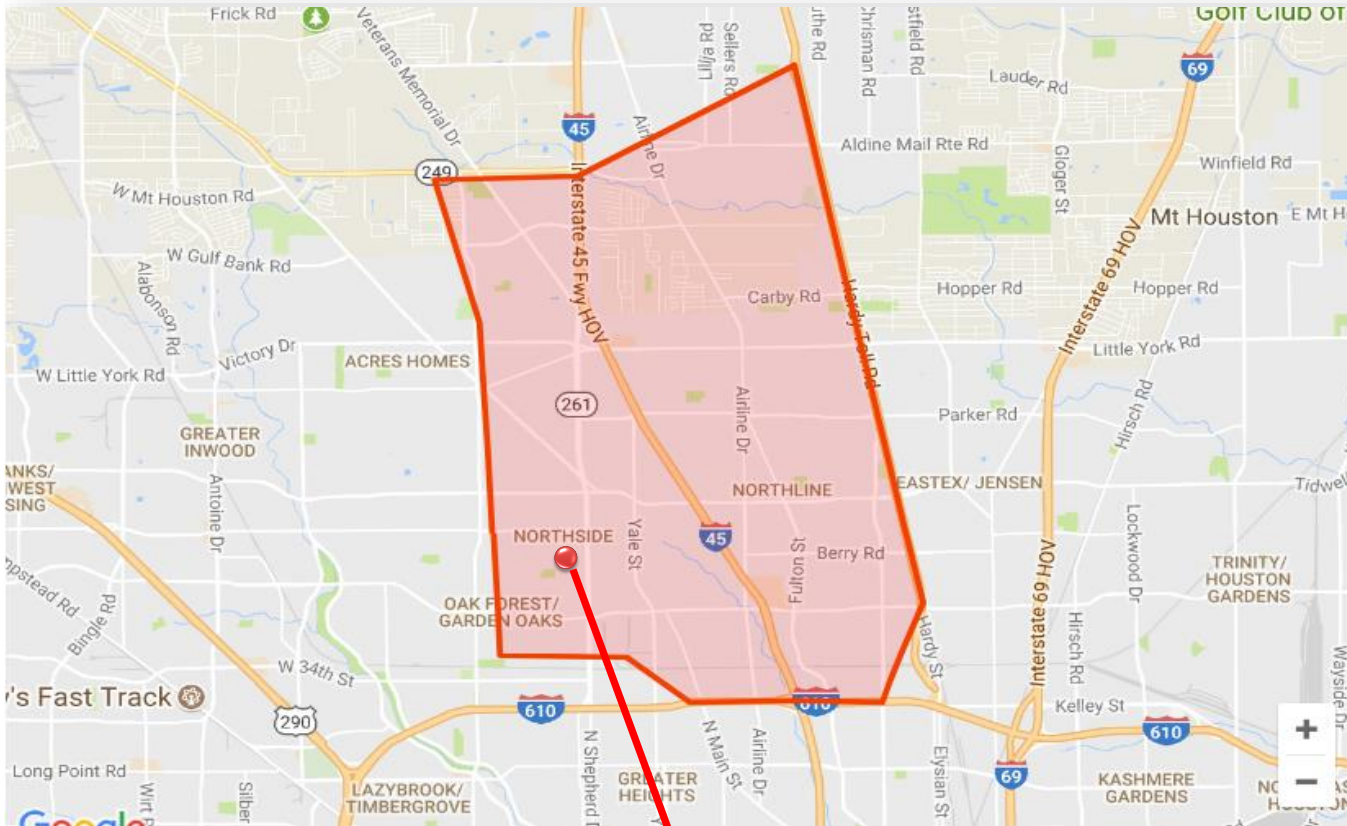
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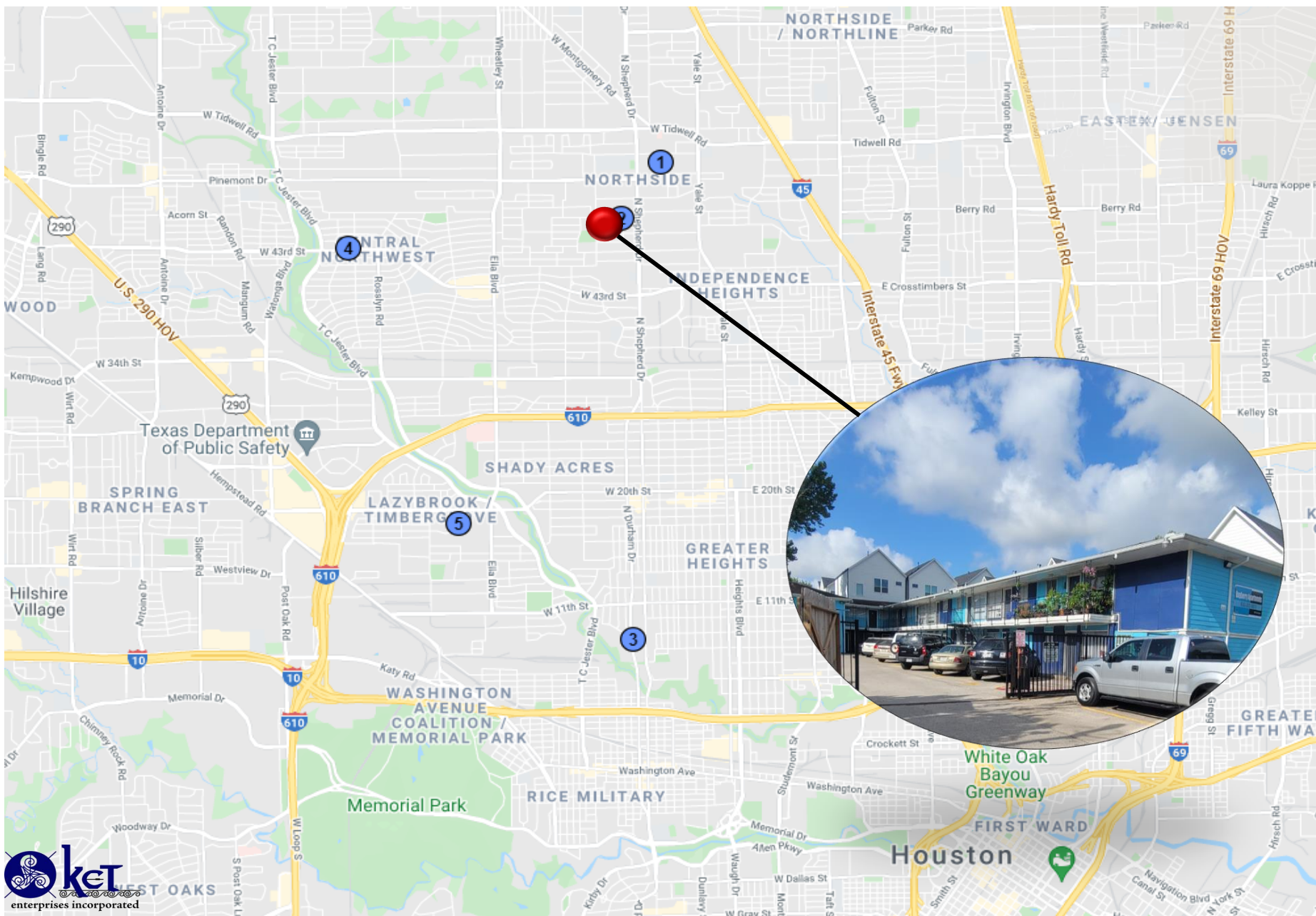
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RENT COMPARABLES (2023 MRI Apartment Data)

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)		93%	6,672	842	\$793		\$0.94
Houston Market Avgs		90%	565,277	883	\$1,051		\$1.19



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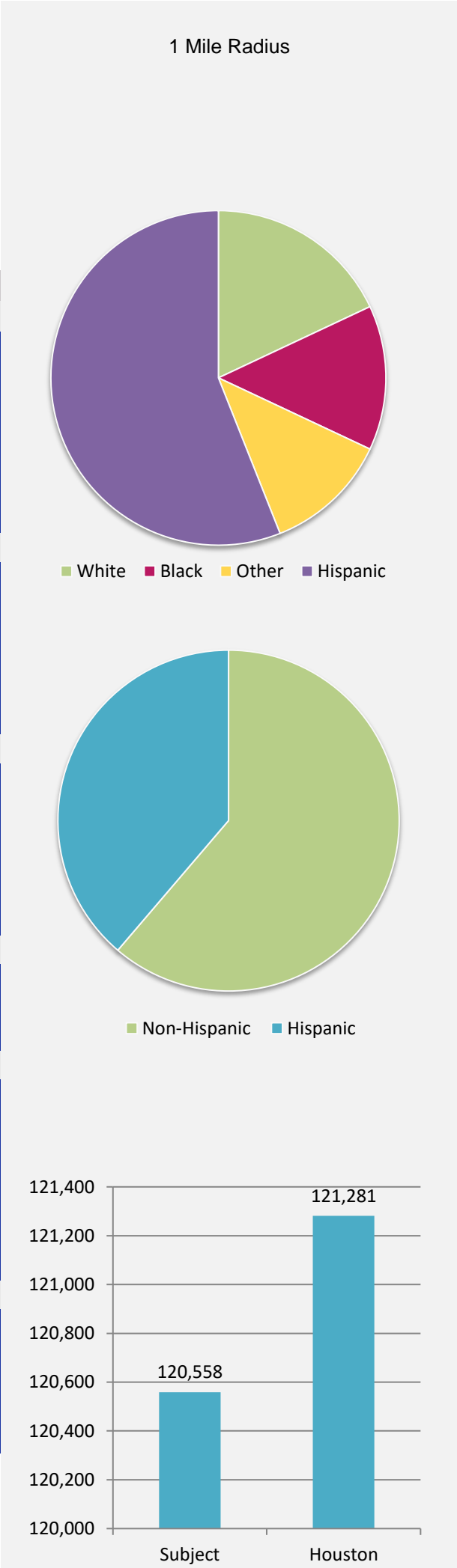
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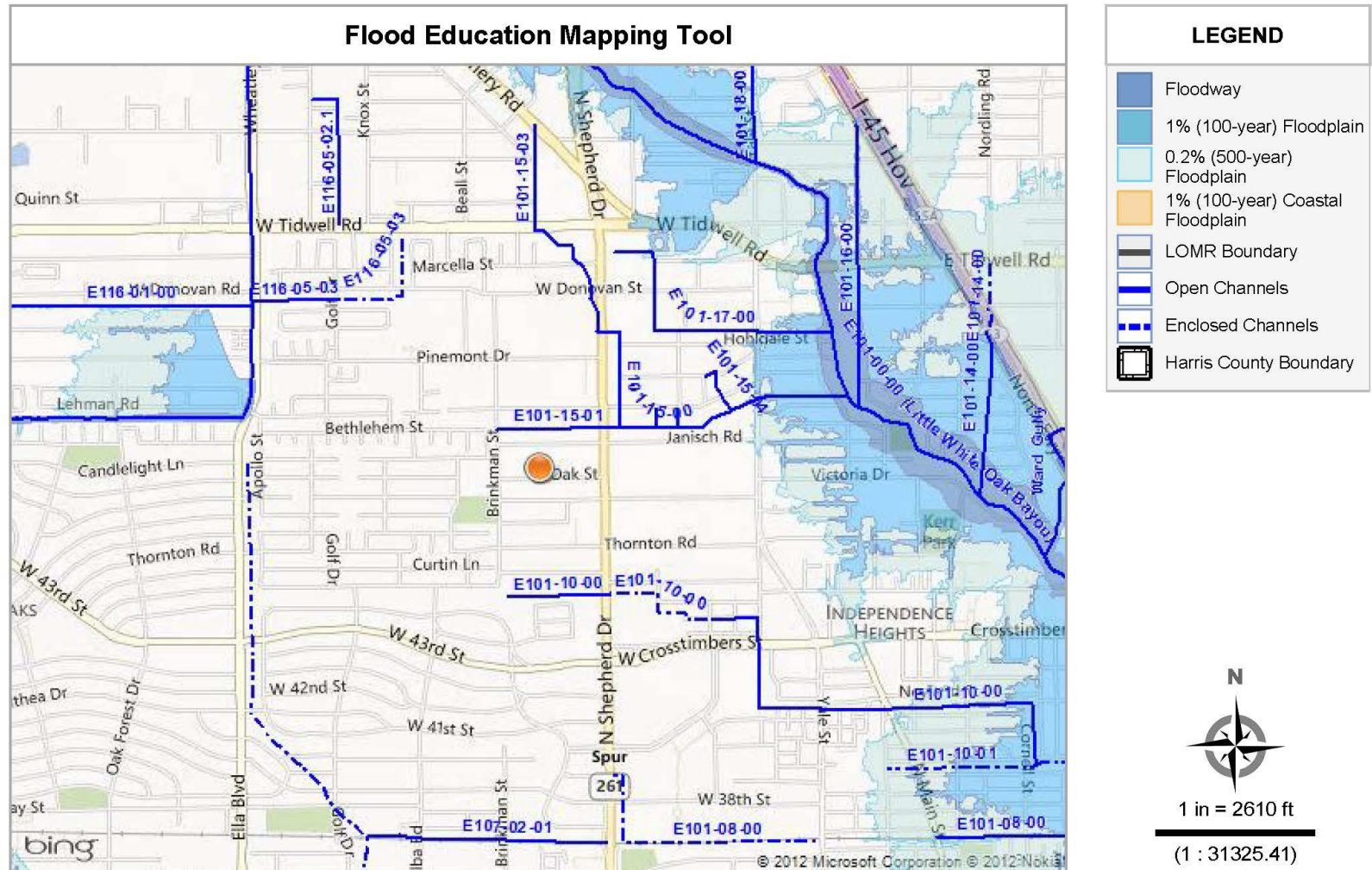


SUMMARY PROFILE

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
BAYBERRY 838 OAK ST HOUSTON, TX 77018			
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





DISCLAIMER: The Harris County Flood Control District's Flood Education Mapping Tool is for general information purposes only and may not be suitable for legal, engineering or surveying purposes. The floodplains shown on this mapping tool are those delineated on the Federal Emergency Management Agency's (FEMA) effective Flood Insurance Rate Map (FIRM or floodplain map) for Harris County that was adopted in 2007, as well as updates that have been made through a Letter of Map Revision (LOMR) since 2007. This mapping tool is not an effective FIRM. The effective FIRM is produced, maintained and published by FEMA and not by the Harris County Flood Control District. Please visit FEMA's Map Service Center at www.msc.fema.gov to view the effective FIRM for Harris County. For an official floodplain determination, please contact an insurance agent or mortgage lender. This map is a representation and approximation of the relative location of geographic information, land marks and physical addresses.



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