

10 Unit • Class C  
Multifamily Investment Opportunity



Excellent  
Upside  
Opportunity

OFFERED BY:

KET Enterprises Incorporated

**MK** | MARK KALIL &  
ASSOCIATES, INC.



811 COLQUITT  
Apartment Homes



**GREAT LOCATION IN THE  
NEARTOWN/MONTROSE DISTRICT!**

# 811 COLQUITT

Apartment Homes

811 Colquitt St., Houston, TX 77006

## \$1,350,000

Units:	10
Avg Size:	610
Date Built:	1959
Rentable Sq. Ft.:	6,100
Acreage:	0.14
Occupancy:	100%
Class:	C

Price Per Unit	\$135,000
Price Per Sq. Ft.	\$221.31
Stabilized NOI	\$95,532

### INVESTMENT HIGHLIGHTS

- ▶ Excellent Upside Potential with Interior and Exterior Upgrades
- ▶ Great Opportunity for the Smaller Investor
- ▶ Clean Property with Minor Deferred Maintenance
- ▶ Excellent Location Near Downtown and the Texas Medical Center
- ▶ This is a Covered Land Play
- ▶ OFF MARKET OFFERING
- ▶ 0% Commission to Outside Agents



**FOR MORE INFORMATION PLEASE CONTACT:**

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Physical Information	Financial Information	Existing Loan Parameters	Operating Information
Number of Units: 10	Asking Price: <b>\$1,350,000</b>	Mortgage Balance: \$740,000	Est Mkt Rent (Oct-17): \$9,590
Avg Unit Size: 610	Price Per Unit: \$135,000	Amortization (months): 300	Avg Mo 2017: \$8,737
Net Rentable Area: 6,100	Price Per Sq. Ft.: \$221.31	P & I: \$2,316	Physical Occ (Oct-17): 100%
Land Area (Acres): 0.14	Stabilized NOI: \$95,532	Debt Service/year: \$27,788	Est Ins per Unit per Yr: \$450
Units per Acre: 69.696	Value Capped @ 6%: \$1,592,206	Origination Date:	<b>Property Tax Information</b>
Date Built: 1959	Est Rehab/Upgrade @ \$8,000/unit: \$80,000	Due Date: 10 Years	2016 Tax Rate/\$100: 2.65356
Water Meter: Metered	Est. Entrepreneurial Profit: \$0	Interest Rate: 3.75%	2017 Tax Assessment: \$517,109
Elec Meter: Indiv	Est. Carry to Stabilization: \$0	Type:	2016 Est Taxes: \$13,722
Roof Style: Pitched	Calculation of Value: \$1,512,206	Prepayment penalty: 5%	Future Est Tax Assessment: \$945,000
HVAC System: HVAC-Indiv	<small>*Current Value is Stabilized Value less Rehab, Profit and Carry</small>	<small>declines 1% a year</small>	Future Est Taxes: \$25,076

**INCOME**

MODIFIED ACTUALS

PRO-FORMA

**PRO-FORMA INCOME**

Current Street Rent with a 45% Increase	166,866	\$13,906 / Mo
Estimated Gross Scheduled Income	166,866	\$13,906 / Mo
Estimated Loss to Lease (2% of Total Street Rent)	(3,337)	2%
Estimated Vacancy (4% of Total Street Rent)	(5,006)	4%
Estimated Concessions and Other Rental Losses (4% of Total Street Rent)	(6,675)	4%
Estimated Utilities Income		\$ / Unit / Yr
Estimated Other Income	1,077	\$108 / Unit / Yr
Estimated Total Rental Income	152,925	
<b>ESTIMATED TOTAL PRO-FORMA INCOME</b>	<b>152,925</b>	<b>\$12,744 / Mo</b>

**Average Month 2017 Annualized**

**\$104,848**

**EXPENSE**

**Fixed Expenses**

Taxes  
Insurance  
Total Fixed Expense

Estimated 2017 Expenses	
Fixed Expenses	
\$12,367	\$1,237 per Unit
\$4,500	\$450 per Unit

Estimated

**16,867 \$1,687 per Unit**

Future Expenses	
Estimated Fixed Expenses	
\$12,367	\$1,237 per Unit
\$4,500	\$450 per Unit

Future Tax Rate & Future Assessment

Estimated

**16,867 \$1,687 per Unit**

**Utilities**

Electricity  
Water & Sewer  
Gas

Utilities	
\$1,000	\$100 per Unit
\$8,000	\$800 per Unit
\$850	\$85 per Unit

Estimated Utilities	
\$1,000	\$100 per Unit
\$8,000	\$800 per Unit
\$850	\$85 per Unit

**9,850 \$985 per Unit**

**9,850 \$985 per Unit**

**Total Utilities**

**Other Expenses**

General & Admin & Marketing  
Repairs & Maintenance  
Labor Costs  
Contract Services  
Management Fees  
Total Other Expense

Other Expenses		
\$0	\$ per Unit	
\$5,500	\$550 per Unit	
\$0	\$ per Unit	
\$1,000	\$100 per Unit	
\$6,291	6.00%	\$629 per Unit

**12,791 \$1,279 per Unit**

Estimated Other Expenses		
\$2,000	\$200 per Unit	
\$5,500	\$550 per Unit	
\$10,000	\$1,000 per Unit	
\$1,000	\$100 per Unit	
\$9,176	6.00%	\$918 per Unit

**27,676 \$2,768 per Unit**

**Total Operating Expense**

**39,508 \$3,951 per Unit**

**54,393 \$5,439 per Unit**

**Reserve for Replacement**

**3,000 \$300 per Unit**

**3,000 \$300 per Unit**

**Total Expense**

**42,508 \$4,251 per Unit**

**57,393 \$5,739 per Unit**

**Net Operating Income (Actual Underwriting)**

**62,340**

**95,532**

**Valuation**

**1,350,000**

**1,592,206 "All In" Cost**

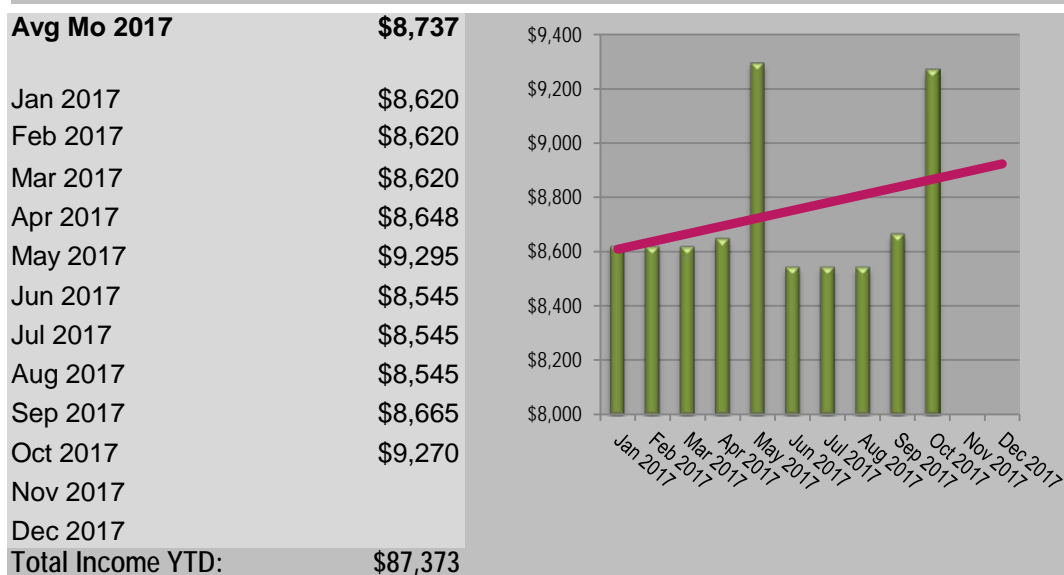
Cap Rate	4.62%	6.00%
Proposed Debt	740,000	740,000
Equity	610,000	852,206
Estimated Debt Service	27,788	27,788
Cash Flow	34,552	67,745
Cash on Cash	5.66%	7.95%

NOTES: ACTUALS: Income and Expenses are Estimated. PRO FORMA: Income is Pro Forma as Noted. Taxes were calculated using Future Tax Rate & Future Assessment. Insurance is estimated. Management Fees calculated as 6.0% 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.

PROPERTY INFORMATION		CURRENT MORTGAGE		TAXING AUTHORITY Harris County	
Age:	1959	Mortgage Balance	\$740,000	ACCT# 0230720000011	
Renovated:	N/A	Servicer		Houston ISD	\$1.206700
Elec Meter:	Indiv	Amortization		Harris County	\$0.416560
A/C Type:	HVAC	P & I	\$2,315.63	Harris County Flood Control	\$0.028290
Water:	Metered	Type		Port of Houston Authority	\$0.013340
Wiring:	Copper?	Assumable	yes	Harris County Hospital District	\$0.171790
Roof:	Pitched	Monthly Escrow		Harris County Education Dept	\$0.005200
Paving:	Concrete	Origination Date		Houston Community College	\$0.100263
Materials:	Brick/Wood	Due Date		City of Houston	\$0.586420
# of Stories:	2	Interest Rate	3.75%	Harris County ID 6	\$0.125000
Buildings:	1	Yield Maintenance*			
Units/Acre:	69.70	Transfer Fee		2016 Tax Rate/\$100	\$2.653563
Open Parking:	9	MIP		2017 Tax Assessment	\$517,109
Street Parking	Yes	Interest Only*			
Quality:	C	Prepayment penalty:	5.00%		
HCAD NRA Sq. Ft.	5,876	(declines 1% a year)			

COLLECTIONS



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

PROPERTY HIGHLIGHTS

811 Colquitt Apartments is a 10 unit apartment building located at 811 Colquitt Street. It contains approximately 6,100 square feet of rentable area and was built in 1959. It is located in the Neartown-Montrose neighborhood. The asset is nestled in a quiet, established, residential neighborhood with an abundance of old oak trees and yesteryear charm.

Residents enjoy a shared laundry facility. There are 9 parking spaces as well as street parking. The units, which range in size from 750 sq. ft. to 1,295 sq. ft., have all tile floors. Electricity is separately metered and paid by the resident. The owner pays gas, water and trash. Water bill is under protest and seller changing insurance out.

The tenant profile is predominately young professionals with income above the average Houston Metro income level. Residents enjoy close proximity to the University of St. Thomas, the Museum of Fine Arts, the Houston Museum of Natural Science, Rothko Chapel, the Houston Zoo, the Texas Medical Center and Downtown Houston.

The broker feels that an interior and exterior upgrade and implementing a RUBS could increase rental income.

**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

UNIT MIX OCTOBER 2017

Unit	Type	No. Units	Sq Ft	Total SqFt	Market Rent	Total Rent	Rent/SF
	1 Bed/1 Bath	1	625	625	\$1,000	\$1,000	\$1.60
	1 Bed/1 Bath	1	625	625	\$1,000	\$1,000	\$1.60
	2 Bed/1 Bath	1	850	850	\$1,295	\$1,295	\$1.52
	Studio	1	475	475	\$750	\$750	\$1.58
	1 Bed/1 Bath	1	625	625	\$1,000	\$1,000	\$1.60
	1 Bed/1 Bath	1	625	625	\$1,000	\$1,000	\$1.60
	2 Bed/1 Bath	1	850	850	\$1,295	\$1,295	\$1.52
	Studio	1	475	475	\$750	\$750	\$1.58
	Studio	1	475	475	\$750	\$750	\$1.58
	Studio	1	475	475	\$750	\$750	\$1.58
		<b>10</b>	<b>610</b>	<b>6,100</b>	<b>\$959</b>	<b>\$9,590</b>	<b>\$1.57</b>
<b>TOTALS AND AVERAGES</b>		<b>Total Units</b>	<b>Average Sq. Ft.</b>	<b>Total Sq. Feet</b>	<b>Average Rent/Unit</b>	<b>Total Rent</b>	<b>Average Rent/ SF</b>

Source: 10/4/17 RR & Owner

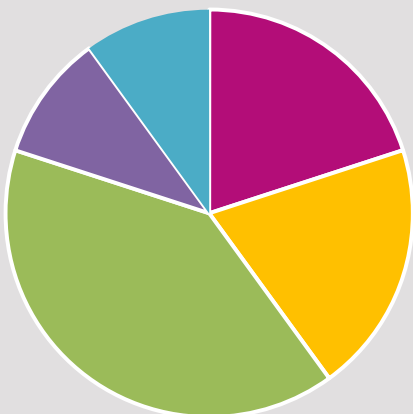
AREA COMMUNITY GARDEN



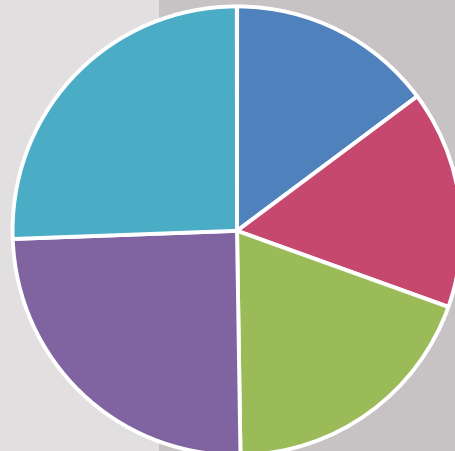
\* Select Units

UNIT TYPE

UNIT SIZE

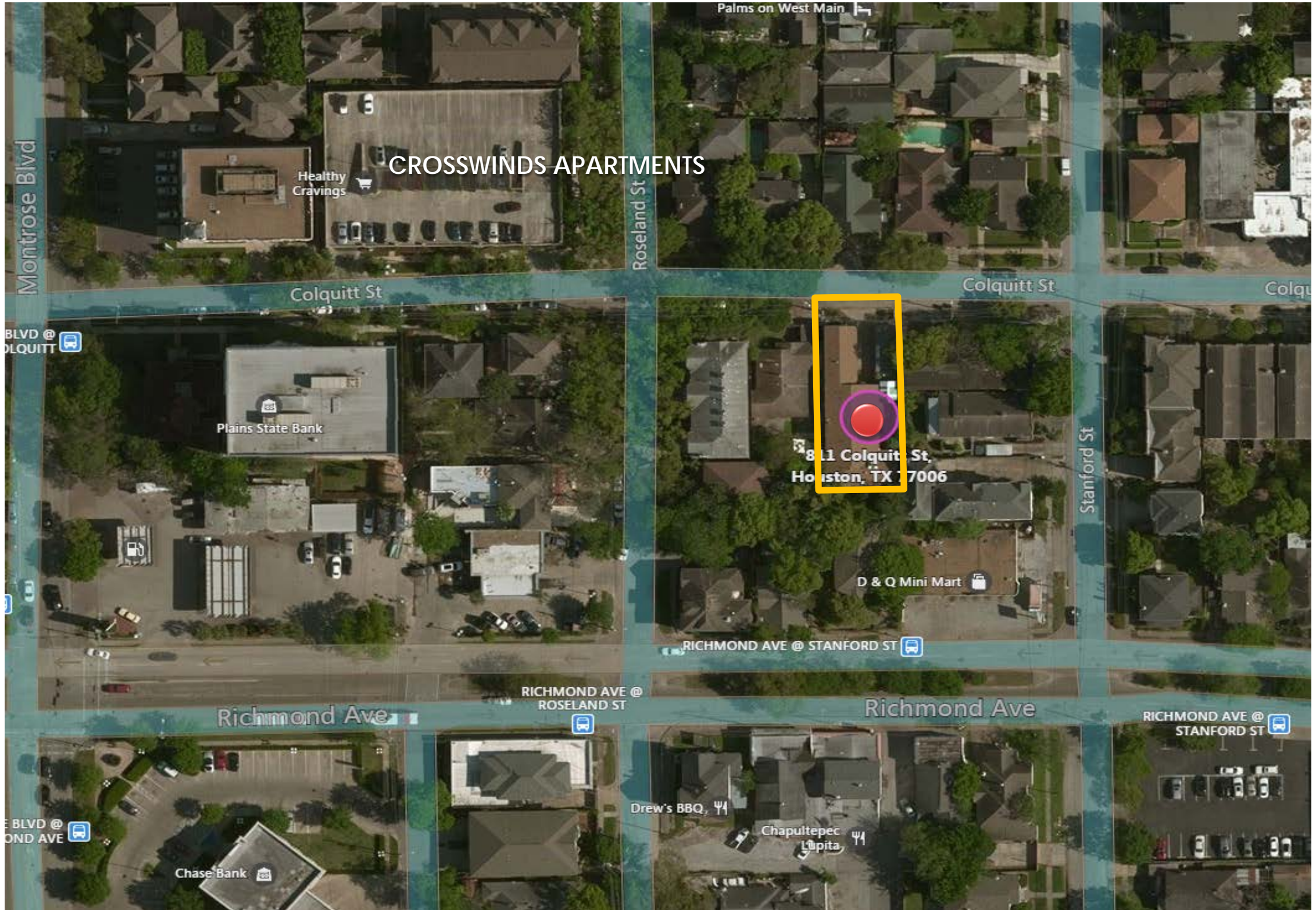


- Studio
- Studio
- 1 Bed/1 Bath
- 2 Bed/2 Bath
- 2 Bed/2 Bath



- Studio
- Studio
- 1 Bed/1 Bath
- 2 Bed/2 Bath
- 2 Bed/2 Bath





Rent Comparables - October 2017

Sorted by Ave Rent

	Property Name	Year Built	Year Renovated	Occ	#Units	Avg SF	Avg Rent	P/SF
1	1901 Whitney 1901 Whitney	1952	N/A	100%	9	396	\$867	2.189
2	3618-3620 Garrott 3618 Garrott	1960	N/A	88%	16	482	\$954	1.979
3	2322 Richton 2322 Richton	1962	N/A	95%	20	612	\$1,132	1.850
4	3602 Garrott 3602 Garrott	1963	N/A	100%	20	574	\$1,137	1.981
5	2300 Park Street 2300 Park Street	1966	N/A	97%	20	627	\$1,241	1.979
<b>Totals/Averages Comps</b>		<b>1961</b>	<b>N/A</b>	<b>93%</b>	<b>17</b>	<b>538</b>	<b>\$1,074</b>	<b>\$2.00</b>
811 Colquitt 811 Colquitt		<b>1959</b>	<b>N/A</b>	<b>100%</b>	<b>10</b>	<b>610</b>	<b>\$959</b>	<b>\$1.57</b>
Sub-Market Averages (Montrose)				76%	12,736	924	\$1,623	\$1.756
Houston Market Averages				90%	630,740	871	\$906	\$1.048



1



2



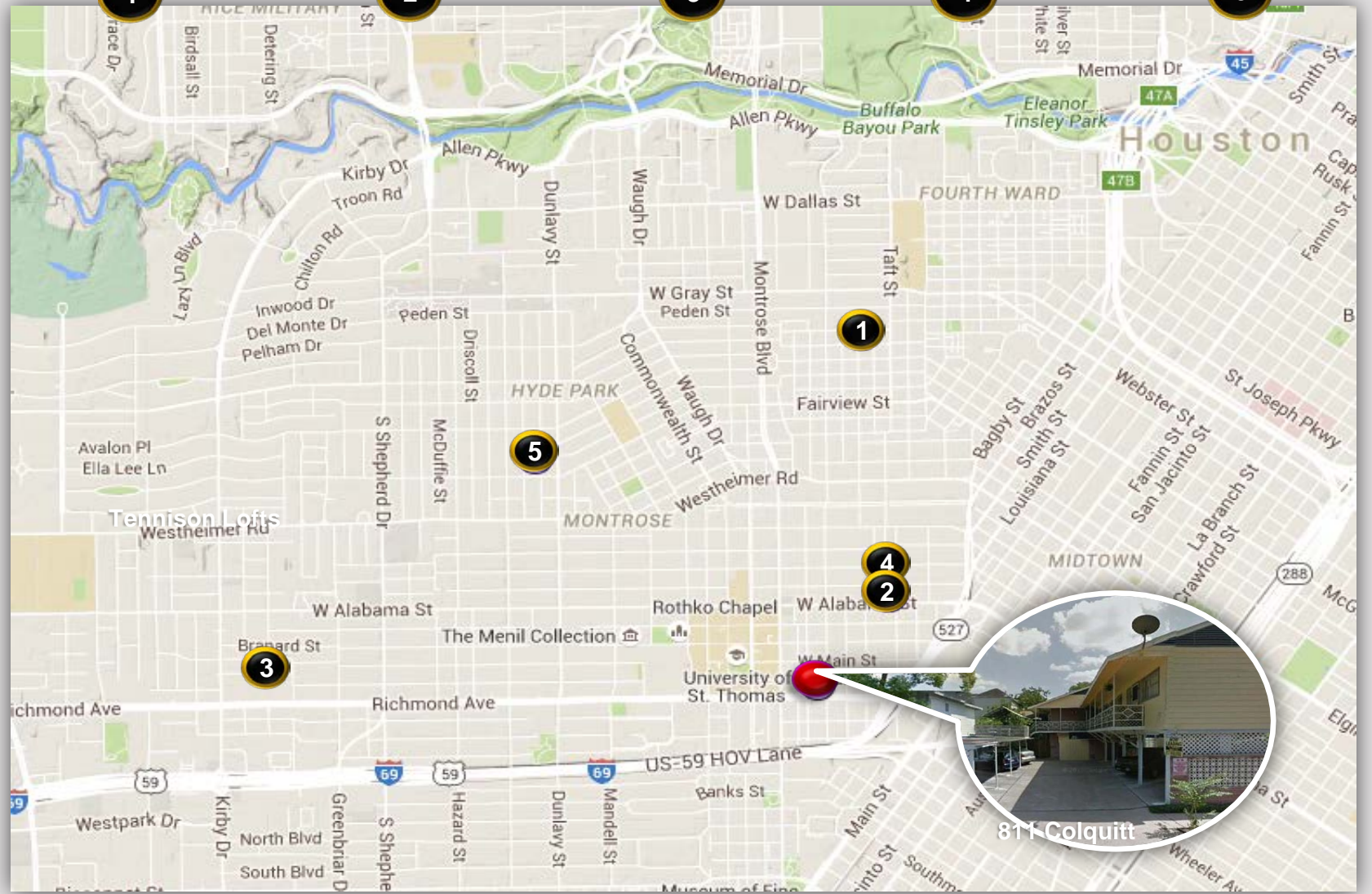
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4



5

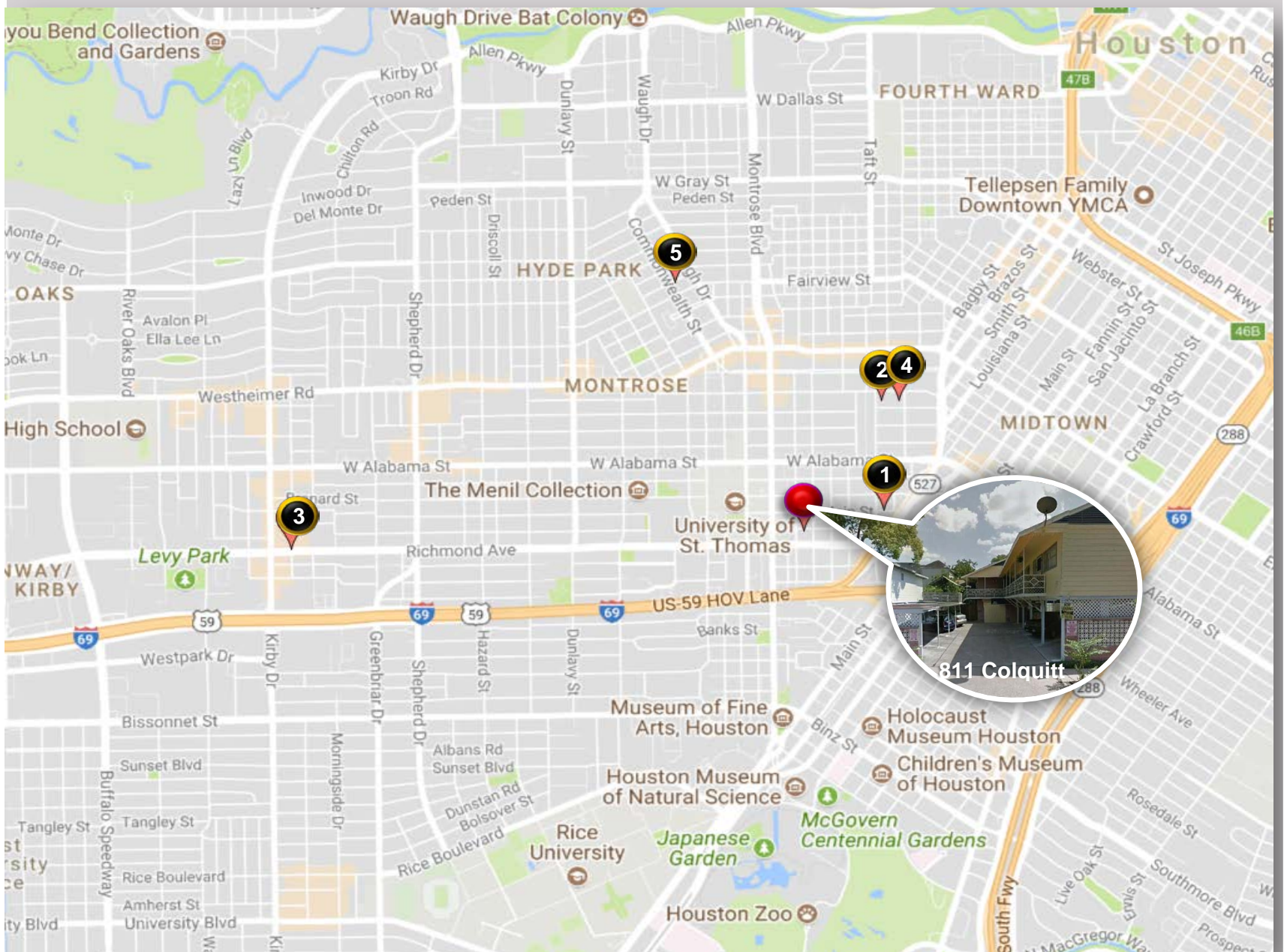




Sales Comparables

Sorted by Price/SF

	Property Name	Date Sold	Price	Total Sq. Ft.	Units	Price/SF	Price/Unit	Built
1	417 W Main 417 W Main	6/17	\$1,380,000	9,680	12	\$142.56	\$115,000	1955
2	201 Emerson 201 Emerson	6/16	\$2,620,000	13,989	20	\$187.29	\$131,000	1961
3	2300 Park 2300 Park	9/15	\$2,360,040	12,533	20	\$188.31	\$118,002	1966
4	239 Emerson 239 Emerson	6/17	\$3,780,000	19,244	28	\$196.42	\$135,000	1965
	2301 Commonwealth 2301 Commonwealth	6/17	\$3,000,000	12,540	24	\$239.23	\$125,000	1959
Totals/Averages Comps			\$2,628,008	13,597	21	\$190.76	\$124,800	1961
811 Colquitt			\$1,350,000	6,100	10	\$221.31	\$135,000	1959



# HOUSTON, TEXAS

## 2017 AT A GLANCE

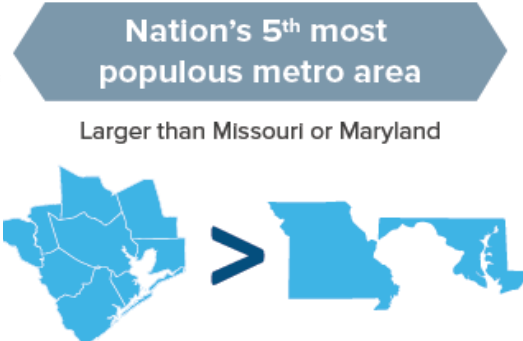
The City of Houston, the largest city in Texas and the fourth largest city in the United States, is located on the coastal prairies of southeast Texas and is home to a diverse array of industries and cultures. Houston is located in Harris County, the nation's third most populous county. The Houston region, officially designated as the Houston - Woodlands - Sugar Land Metropolitan Statistical Area (MSA), comprises Harris County and eight other counties: Austin, Brazoria, Chambers, Fort Bend, Galveston, Liberty, Montgomery, and Waller. The Houston MSA has a population of approximately 6,656,947 according to new U.S. Census Bureau estimates. The nine county metropolitan area is the fifth-largest metropolitan area in the nation and covers 9,444 square miles. The most urbanized portions of the Houston area are in Harris County, the southern part of Montgomery County, and the eastern section of Fort Bend County. Houston is home to the tenth largest port in the world and is in close proximity to Mexico, a key trading partner. It has a temperate climate and an affordable cost of living.

With a population exceeding 2.3 million, the population base includes a wide variety of racial and ethnic groups that give Houston a rich diversity and cosmopolitan feel.

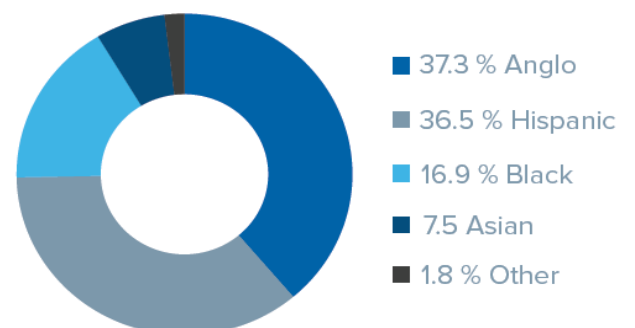
The U.S. Bureau of Economic analysis estimates metro Houston's Gross Domestic Product (GDP) at around \$503.3 billion. If the MSA were an independent nation, its economy would rank 23rd largest in the world, behind Taiwan (\$523.6 billion), but ahead of Sweden (\$499.4 billion).



**6.6**  
million  
residents in the 9-county  
Houston-Woodland-Sugarland MSA



**Race/Ethnicity: Houston MSA**  
Houston today mirrors the U.S. in 5 decades



Source: Greater Houston Partnership Research, December 2016

# \$196.4

billion

In trade was handled by the Houston-Galveston  
Customs Districts in '15

\$86.2  
billion  
In Imports (in '15)

\$110.2  
billion  
In exports (in '15)

Ever since its founding as a port city, Houston has been a dynamic international marketplace, attracting capital and people from all over the world. Today, Houston is the nation's fourth largest economy, and what Forbes calls "[America's next great global city](#)."

# 55.2

million

Houston airport passengers in '15

global travelers 10.8 million  
domestic travelers 44.4 million

190+ nonstop destinations

# 90+

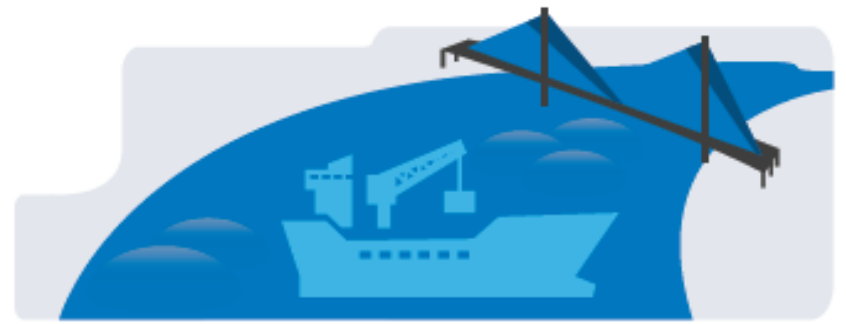
nations

have consular representation  
in Houston

3rd largest representation  
in the nation

# 21

foreign banks  
are located in Houston  
from 9 nations



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

## The Port of Houston ranks

**1<sup>st</sup>** In import tonnage  
for 24 straight years

**Largest** Gulf Coast container port

**2<sup>nd</sup>** In total tonnage  
for 23 straight years

✓Houston's annual trade growth is among the highest in the nation with a total annual trade value growth of 84.6 percent, from \$136.451 million in 2005 to \$251.855 million in 2015; exceeding the nation's growth rate of 45.2 percent during that same period.

✓Houston is already a leading exporter, and our exports have increased 189% since 2003. In fact, Houston is the #1 metro exporter in the top energy related industries. But recent low oil prices have slowed our rate of growth. A plan to boost goods exports can further diversify our economy, help existing companies grow, and create more jobs.

✓Houston's export plan will connect small and medium-sized enterprises to growing markets, while positioning the region as a location of choice for global investors.



# 430

Houston companies  
have offices abroad  
in **144 countries**

**730+** Houston firms  
report foreign ownership

## Despite Setbacks Houston Still has a Strong Economy

From 2010 to 2014, Houston added nearly half a million jobs. This period of phenomenal growth provided the momentum needed to sustain the region through the early stages of the energy downturn that began at the end of '14. As oil prices and rig counts fell through '15 and early '16, Houston's job growth began to slow. In '15, the region added 15,200 jobs, and added 13,400 jobs in the 12-months ending Oct '16. In spite of the energy industry's worst downturn in history, Houston managed to post 12-month net job gains throughout this period.

A strong U.S. economy, momentum from the previous economic boom, robust population growth, and the \$50 billion in petrochemical plant expansions have helped offset losses in upstream energy and manufacturing.

Houston is home to **91,800 engineers and architects**, more than any other U.S. metro area.



Approximately  
**230,000**  
people work in the region's manufacturing industry

**39**

of the 137 publicly-traded oil and gas exploration firms are housed in Houston

**750 800**

exploration and production firms  
oil field service companies  
located in the Houston region



Houston employs nearly **1/3** of the nation's oil and gas extraction jobs

## Houston's Service-Providing Sector Continued to Add Jobs During the Energy Downturn

The goods-producing industries (mining and logging, construction, and manufacturing) peaked at 586,300 jobs in December '14, then fell to 536,400 jobs in October '16. Mining and logging, primarily oil and gas extraction and support activities, lost 25,600 jobs, a 22.9 percent decrease. These losses rippled through the economy, triggering declines in other sectors, particularly durable goods manufacturing, wholesale trade and professional and business services.

Construction, helped by the petrochemical plant expansions on the eastside of Houston, gained 6,100 jobs over the same period.

Manufacturing lost 30,400 jobs and fabricated metal products lost 12,100 jobs. Construction and mining machinery lost 14,200 jobs, and computer and electronics lost 2,300 jobs.

The service-providing industries added 66,600 jobs between December '14 and October '16. Gains in industries that rely on population growth offset losses in sectors tied to energy. Trade, transportation, and utilities lost 1,400 jobs, financial activities added 3,000 jobs, and professional, scientific and technical services cut 7,700 jobs.

Healthcare and social assistance added 24,500 jobs, accommodation and food services added 27,600, and government gained 14,700 jobs.

The service industries account for **4 out of 5** workers in the region

The goods-producing sector accounts for nearly **1 in 5** of the region's jobs

## No Single Industry or Sector Dominates Houston Employment



- 20.7% Trade, Transportation, and Utilities
- 15.5% Professional and Business Services
- 12.9% Educational and Health Services
- 12.3% Government
- 10.9% Leisure and Hospitality
- 7.7% Manufacturing
- 7.2% Construction
- 3.6% Other Services
- 3.3% Finance and Insurance
- 2.9% Mining and Logging (Upstream Energy)
- 1.9% Real Estate and Rental and Leasing
- 1.0% Information

Source: Texas Workforce Commission Aug '16

## The Texas Medical Center is the world's largest medical complex.



**\$3** billion

in construction projects underway

**1,345 acres:**  
Total size of all campuses

**8** million

annual patient visits

**180,000+**

annual surgeries

Source: Greater Houston Partnership Research, December 2016

# 2017 Economic Forecast

## Renowned Real Estate Economist States: 'The Downturn Seems to be Over'

According to an article written by Jim Gaines, a research economist at the Real Estate Center at Texas A&M University, dated January 6, 2017, in the *Houston Business Journal*, "the economic downturn that began in November 2014 seems to be over." Jim Gaines states that there is generally a two-to three-year lag between the time the energy sector goes into a slump and all of its impacts on the economy are felt. Houston's energy slump unofficially began on November 27, 2014, when OPEC announced it would not adjust oil production levels. Gaines said that Houston should see some of the slump's final lag effects in 2016.

Gaines also noted that 2016 is poised to be the best year on-record for Houston home sales. The Greater Houston Partnership recorded that November 2016's home sales were the best November on-record for single-family home sales.

**Much of that boom can be attributed to Houston's population growth. Despite the oil slump, few residents are leaving Houston. In 2016, Houston welcomed 132,000 new residents (45,600 households). Gaines also states that Houston's population is expected to rise to 7.4 million by 2020 and should double to 14 million by 2050.**

Additionally, according to an article dated January 11, 2017, by G. Scott Thomas of *Buffalo Business First*, a sister paper to the *Houston Business Journal*, Houston is on the brink of a population milestone. *Buffalo Business First* has developed a computer formula that uses 15 years of demographic data to estimate the population of any community at any given moment, and according to predictions by *Business First*, Houston will reach 6.9 million on March 13, 2017 and 7.0 million on November 17, 2017.

Source: [www.bizjournals.com](http://www.bizjournals.com), 1/6/16, Cara Smith

## What are other signals the downturn is over?

As stated by the Greater Houston Partnership's '2017 Houston Employment Forecast':

- West Texas Intermediate (WTI) the U.S. benchmark for light, sweet crude, now trades near \$50/barrel. WTI traded as low as \$26 in mid-February 2016.
- The number of drilling rigs working in the U.S. reached 593 in mid-November 2016. Only 404 rigs, the fewest in recent history, were in the field in mid-May 2016.
- After 21 months below 50, the Houston Purchasing Managers Index hit 51.1 in October 2016. Readings above 50 signal pending expansion; below 50, contraction.
- The region created 13,400 jobs in the 12 months ending October 2016. Annualized growth had sunk as low as 3,200 jobs in May 2016.

The forecast also asserts, "the recent downturn could be compared to a tropical storm. The damage done depended on where one stood as the system passed over Houston. Those businesses closest to the energy industry felt the full fury of the storm. Those distant from oil and gas, to extend the metaphor a bit further - on the dry side of the storm - were buffeted but not blown away."

The forecast calls for the strongest job growth in manufacturing, wholesale trade, retail trade, finance and insurance, real estate, business, professional and technical services, other services and government.

Source: Greater Houston Partnership Research, December 2016



## MULTI-FAMILY..... Moving Forward Cautiously



Since December 2014, developers have added more than 37,000 units to local inventory. Another 15,000 units are under construction, the majority scheduled to open in the next 12 months. That equates to 52,000 units delivered in a market that is just beginning to recover. Over the past 12 months, Houston has absorbed about 6,500 units.

The over supply of apartments cut overall occupancy to 88.5% in January 2017, down from 91.5% at its June 2015 peak. Occupancy rates below 90% favor tenants. Rents have responded accordingly, dropping between 2% and 6% depending on the apartment class.

The market absorbed 14,000 Class A units through the first 10 months of 2016, but this performance came at the expense of Class B, C and D properties, which collectively lost 7,500 tenants over the same period. Traditional Class B and C tenants have been enticed into the Class A market with deposit waivers, free rent (as much as 3 months) and other enticements. Whether these tenants renew their leases remains to be seen, but is however, doubtful.

If one uses the industry rule of thumb that for every six jobs created, the market absorbs one unit, then Houston needs to add 156,000 jobs to cut the current surplus in half. Once the economy recovers, growth should return to the long-term trend - 50,000 to 60,000 per year.

Source: Greater Houston Partnership Research, December 2016

## Ignoring Class B and C Apartment Market is a 'Big Mistake'

During the economic downturn some Class B and C tenants were lured into the Class A market with large free rent waivers and other concessions. With the improving conditions, a large portion of these tenants will most likely not renew and will return to the Class B and C market. In an article in the Houston Business Journal, dated September, 28, 2016, by Paul Takahashi, Todd Marix of Holliday, Fenoglio, Fowler (HFF) observed that ignoring the Class B and C apartment market is a 'big mistake'.

As stated by the article, when Todd Marix brought Broadstone Grand Parkway to market he expected to receive bids from six or seven interested buyers - par for the oil downturn.

The 342-unit garden apartment complex, built in 2009, had solid occupancy in the high 90th percentile but was offering two months free rent amid increasing competition from nearby apartments in Katy.

However, Marix's multifamily investment team at HFF received a whopping 18 bids for the property. The deal is still under contract but Marix said it sparked a bidding war between local and out-of-town private equity firms.

"We were shocked by the level of participation," Marix said. "We haven't seen this kind of bidding behavior in a long time. It tells me there's some optimism in the market."

Despite the oil slump, many opportunistic apartment buyers are returning to Houston in search of good deals, according to Marix.

Young apartment investors are also looking to get into the market during the oil slump, Marix said. These buyers are willing to accept lower rents for one or two years and hope that Houston's apartment market will recover around 2018.

"Buyers like Advenir are relatively new to Houston, but they like the recovery aspect," Marix said. "These buyers have patient capital and want to buy in Houston at an advantageous time. They know things will be bumpy for the next year or two but are hoping they will come out the other end with a great deal."

Most of these new Houston buyers are focusing on the city's Class B and C apartment market during the energy downturn, Marix said.

Marix estimates there are about 620,000 apartment units in Houston, of which the majority - two-thirds - are Class B and C apartments.

Source: [www.bizjournals.com](http://www.bizjournals.com), 9/28/16, Paul Takahashi

**SUMMARY PROFILE**

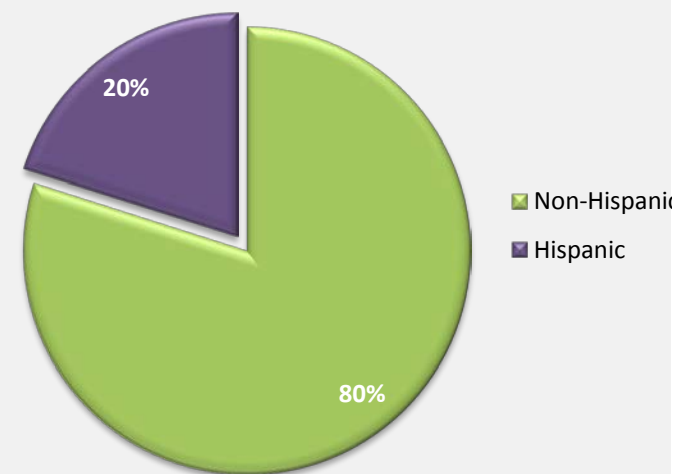
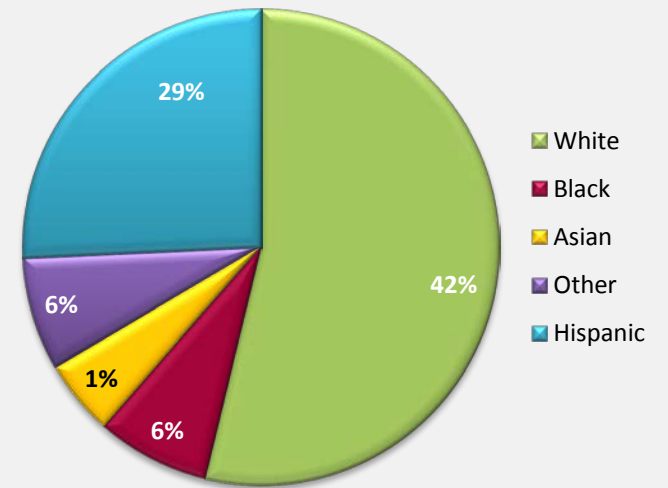
2000-2010 Census, 2015 Estimates with 2020 Projections  
 Calculated using Weighted Block Centroid from Block Groups

1 Mile Radius      3 Mile Radius      5 Mile Radius

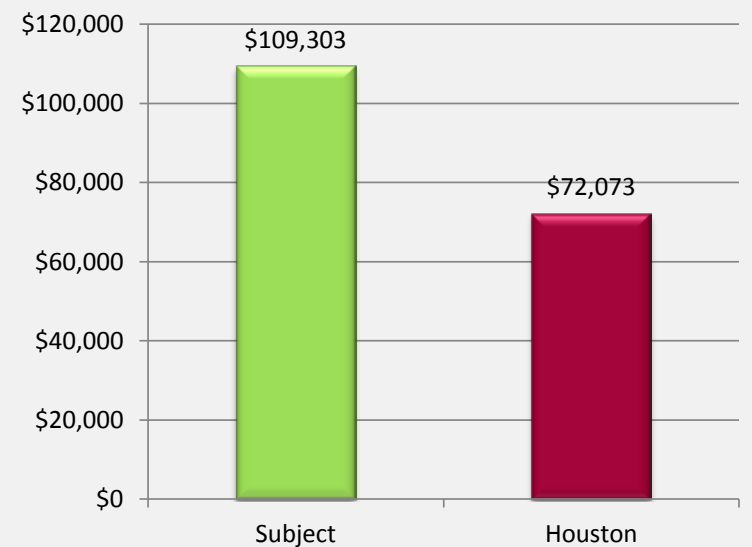
811 Colquitt • 811 Colquitt St. • Houston, TX 77006

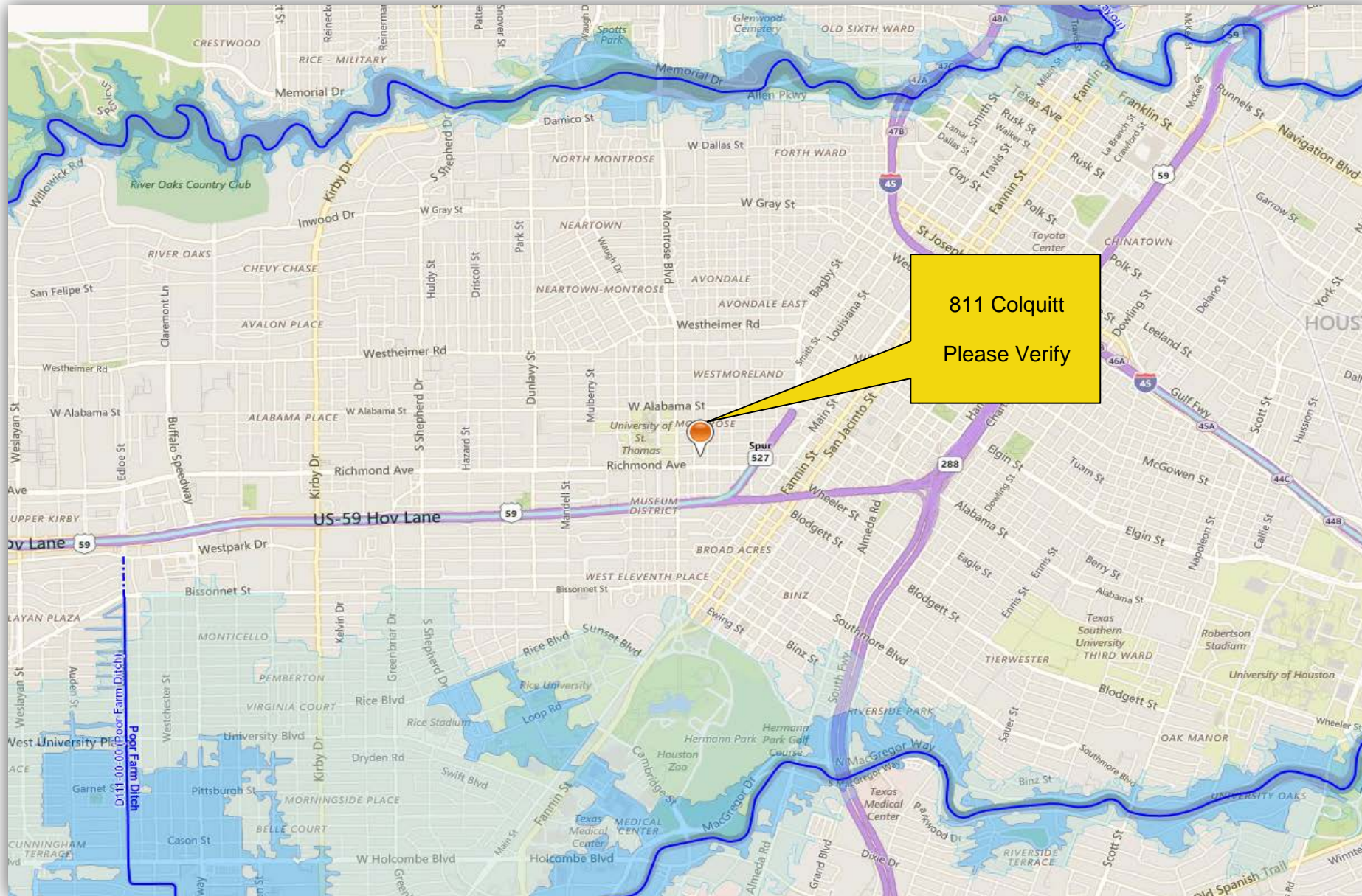
	1 Mile Radius	3 Mile Radius	5 Mile Radius
<b>POPULATION</b>			
2015 Estimated Population	24,702	191,775	450,169
2020 Projected Population	27,692	213,026	505,881
2010 Census Population	21,704	165,734	399,013
2000 Census Population	21,063	142,718	369,609
Projected Annual Growth 2015 to 2020	2.4%	2.2%	2.5%
Historical Annual Growth 2000 to 2015	1.2%	2.3%	1.5%
2015 Median Age	36	34.8	34.9
<b>HOUSEHOLDS</b>			
2015 Estimated Households	14,362	93,004	204,109
2020 Projected Households	15,758	102,073	225,387
2010 Census Households	12,322	76,934	174,970
2000 Census Households	11,379	63,179	152,600
Projected Annual Growth 2015 to 2020	1.9%	2.0%	2.1%
Historical Annual Growth 2000 to 2015	1.7%	3.1%	2.3%
<b>RACE AND ETHNICITY</b>			
2015 Estimated White	71.7%	59.8%	56.9%
2015 Estimated Black or African American	10.8%	23.0%	22.4%
2015 Estimated Asian or Pacific Islander	7.6%	9.8%	8.4%
2015 Estimated American Indian or Native Alaskan	0.5%	0.3%	0.4%
2015 Estimated Other Races	9.5%	7.1%	11.9%
2015 Estimated Hispanic	20.1%	16.8%	28.7%
<b>INCOME</b>			
2015 Estimated Average Household Income	\$109,303	\$121,717	\$110,434
2015 Estimated Median Household Income	\$73,446	\$86,992	\$79,907
2015 Estimated Per Capita Income	\$63,967	\$60,281	\$50,655
<b>EDUCATION (AGE 25+)</b>			
2015 Estimated Elementary (Grade Level 0 to 8)	4.1%	4.2%	8.0%
2015 Estimated Some High School (Grade Level 9 to 11)	2.3%	5.2%	6.9%
2015 Estimated High School Graduate	9.2%	11.5%	14.4%
2015 Estimated Some College	15.6%	15.2%	16.1%
2015 Estimated Associates Degree Only	3.0%	3.9%	3.9%
2015 Estimated Bachelors Degree Only	31.2%	29.3%	26.0%
2015 Estimated Graduate Degree	34.6%	30.7%	24.7%
<b>BUSINESS</b>			
2015 Estimated Total Businesses	2,014	21,274	37,194
2015 Estimated Total Employees	17,355	485,481	697,685
2015 Estimated Employee Population per Business	8.6	22.8	18.8
2015 Estimated Residential Population per Business	12.3	9.0	12.1

Ethnicity - 1 Mile Radius



Average Income Subject - 1 Mile Radius





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

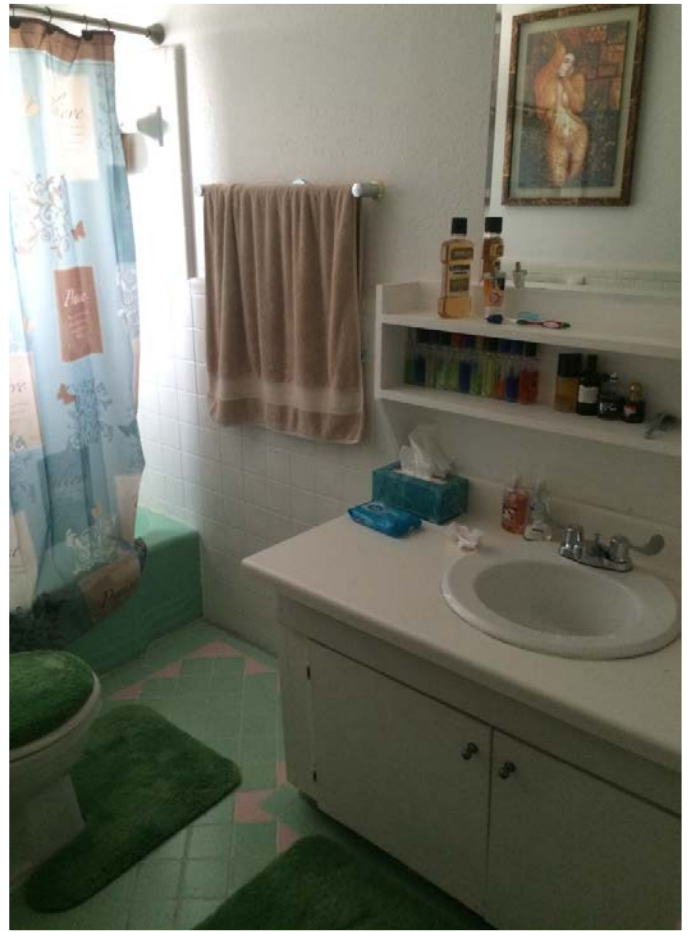
811 Colquitt  
Please Verify



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](http://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	<a href="mailto:TWILK4@KETENT.COM">TWILK4@KETENT.COM</a>	713-355-4646
Licensed Broker /Broker Firm Name or Primary Assumed Business Name	License No.	Email	Phone
TOM WILKINSON	0173897	<a href="mailto:TWILK4@KETENT.COM">TWILK4@KETENT.COM</a>	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