

HULDY 6

2019 Huldy Street
Houston, TX 77019



- ❖ Superior Location in Houston Inner Loop Montrose Submarket
- ❖ Fully Renovated Interiors/Exterior 6 Unit in 2015
- ❖ High Density, High Demographic, High Demand Rental Property
- ❖ Financing Available as Proposed
- ❖ Long-Term Hold, Low Maintenance, Operational Competitive Advantage

Brian Janak, TX Broker / MBA
832-247-6333
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TX License 9000402



HULDY 6

Property Photos



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Real Montrose Living***Investment in Houston's Underserved MultiFamily Niche Market***

HULDY 6 is a recently renovated boutique investment property for Houston's Inner Loop Montrose in-fill urban submarket. This contemporary renovated 6 unit offers a competitive advantage for investors and tenants and is shown by appointment only.

As institutional money has poured in to the core of Houston to meet the housing shortage due to our explosive growth in jobs beyond just energy related industries, the trend by private investors is to make new what is already well located.



The small property like HULDY 6 is preferred by renters and will offer a competitive advantage for an uncertain 2016 supply of rental units coming to market. Tenants prefer the ease of access to/from their units with some of the same interior amenities without the large number of fees or the high density multi-level competing Class A institutional projects that are non-conforming with the Montrose ambiance that this submarket is known for. Each unit is decked out with granite counters, stainless steel appliances including W/D in each unit, and all new piping between the new walls and new flooring. Exteriors have all been completed as well and as an entry level investment property suited for a long-term hold, the property has it's certificate of occupancy from the City of Houston and is a rare find with the high number of rentable space in comparison to the foot print of the land, thus resulting in a lower property tax expense.

Fully occupied with 1 year leases at rental rates just under Class A apartments, the overall demand from prospective tenants upon lease up was unanimous as a place they would want to live at. The location is West Montrose just East of Shepherd and South of Westheimer and in walking distance to cafes, restaurants, shopping, fine dining and many other Montrose area attractions.

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INVESTMENT SUMMARY

Price:	\$1,400,000
Year Built:	1961 / 2015
Units:	6
Price/Unit:	\$233,333
RSF:	5,160
Price/RSF:	\$271.32
Lot Size:	5,596 sf
Floors:	2
Cap Rate:	6.17%
Pro Forma Cap Rate:	6.55%
GRM:	11.2
Pro Forma GRM:	10.59

Available Financing

Loan Amount:	\$1,120,000
Down Payment:	\$280,000
Loan Type:	5yr Fixed
Interest Rate:	5%
Term:	30 years
Monthly Payment:	\$6,012
DCR:	1.2

UNIT MIX & MONTHLY SCHEDULED INCOME

Type	Units	Actual	Total	Pro Forma	Total
2Bdrm 1Bath	4	\$1,695	\$6,780	\$1,795	\$7,180
2Bdrm 1Bath	2	\$1,795	\$3,590	\$1,895	\$3,790
TOTALS	6		\$10,370		\$10,970

ANNUALIZED INCOME

	Actual	Pro Forma
Gross Potential Rent	\$124,440	\$131,640
Loss/Lease/Vacancy	(\$814)	(\$1,975)
Misc. Income	\$600	\$600
Effective Gross Income	\$124,226	\$130,265
Less: Expenses	(\$37,840)	(\$38,498)
Net Operating Income	\$86,386	\$91,767
Debt Service	(\$72,149)	(\$72,149)
Net Cash Flow after Debt Service	\$14,237	\$19,618
Principal Reduction	\$16,524	\$16,524
Total Return	\$30,761	\$36,142

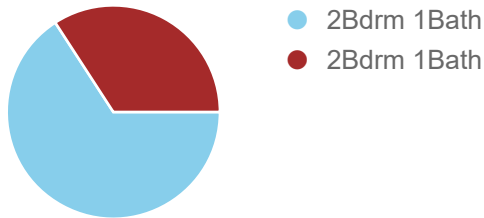
ANNUALIZED EXPENSES

	Actual	Pro Forma
Property Management Fee	\$7,502	\$7,898
Advertising/Leasing	\$3,500	\$300
Building Insurance	\$5,000	\$5,000
Contract Services	\$1,800	\$1,800
Legal/Professional	\$1,500	\$1,500
Repairs & Maintenance	\$1,800	\$1,800
Misc	\$1,200	\$1,200
Taxes - Real Estate	\$15,538	\$19,000
Total Expenses	\$37,840	\$38,498
Expenses Per RSF	\$7.33	\$7.46
Expenses Per Unit	\$6,307	\$6,416

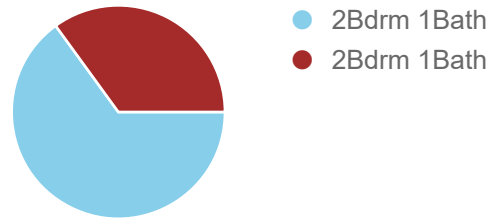
UNIT MIXES

Units	Type	Approx. SqFt	Avg. Rents	Monthly	Mkt Rents	Monthly
4	2Bdrm 1Bath	840	\$1,695	\$6,780	\$1,795	\$7,180
2	2Bdrm 1Bath	900	\$1,795	\$3,590	\$1,895	\$3,790
6		5,160		\$10,370		\$10,970

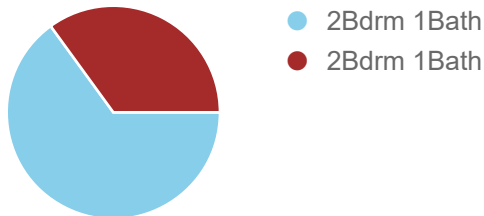
UNIT MIX



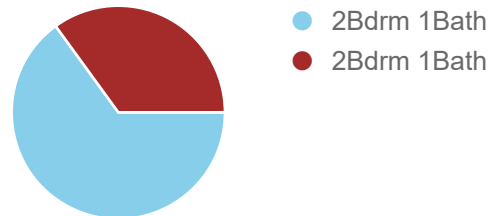
UNIT MIX SQUARE FEET



UNIT MIX INCOME



UNIT MIX MARKET INCOME





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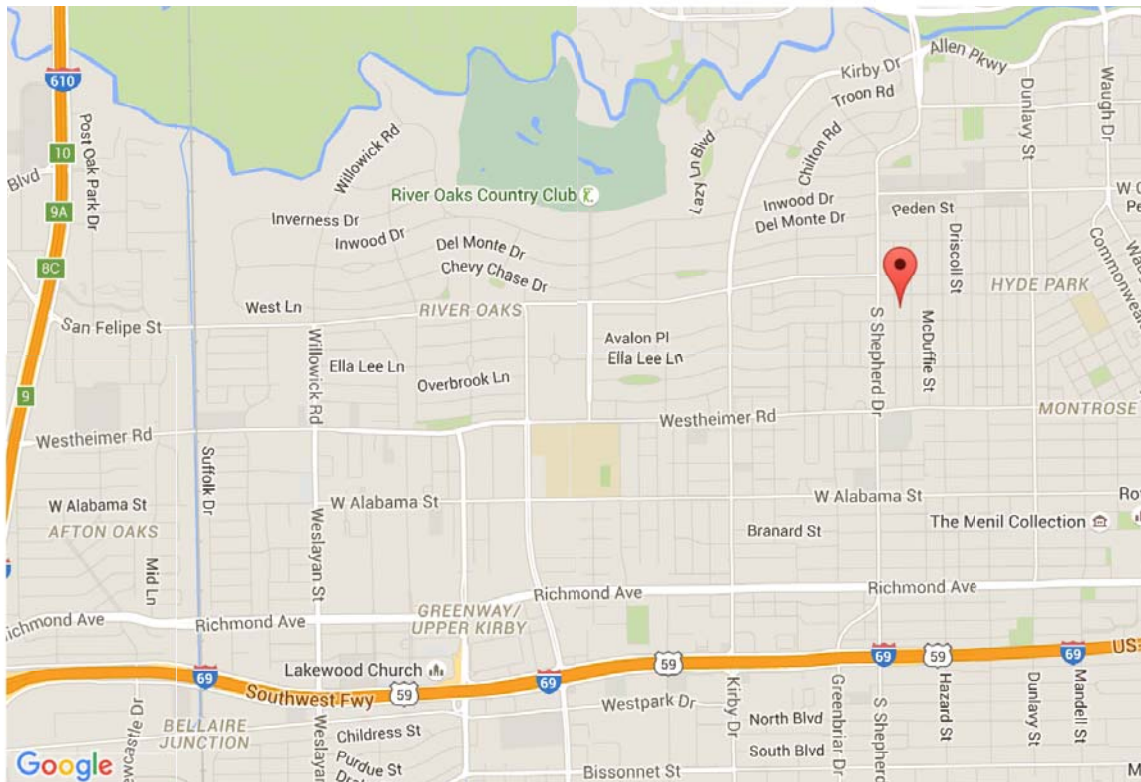
[Overview](#) [Photos](#) [Location](#) [Docs](#) [Contact](#) [Inventory](#)

Location

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[VIEW MAP](#) [STREET VIEW](#)

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The calculations and data presented are deemed to be accurate, but not guaranteed. They are intended for the purpose of illustrative projections and analysis. The information provided is not intended to replace or serve as substitute for any legal, accounting, investment, real estate, tax or



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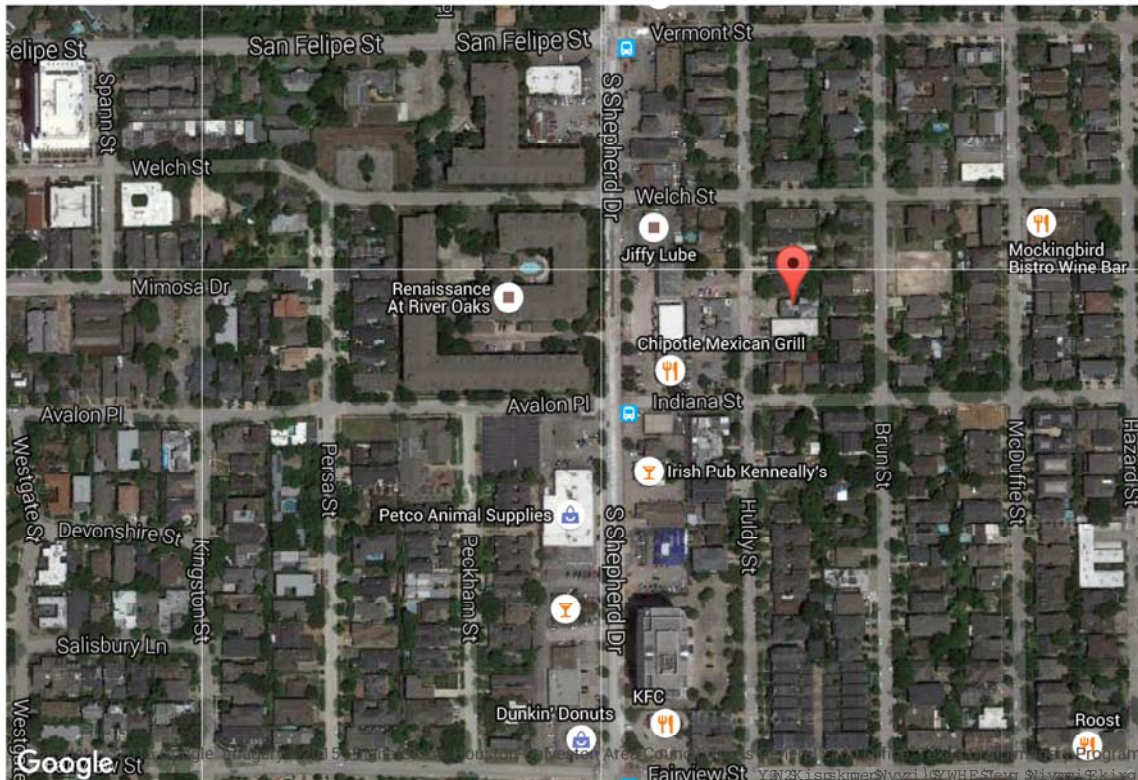


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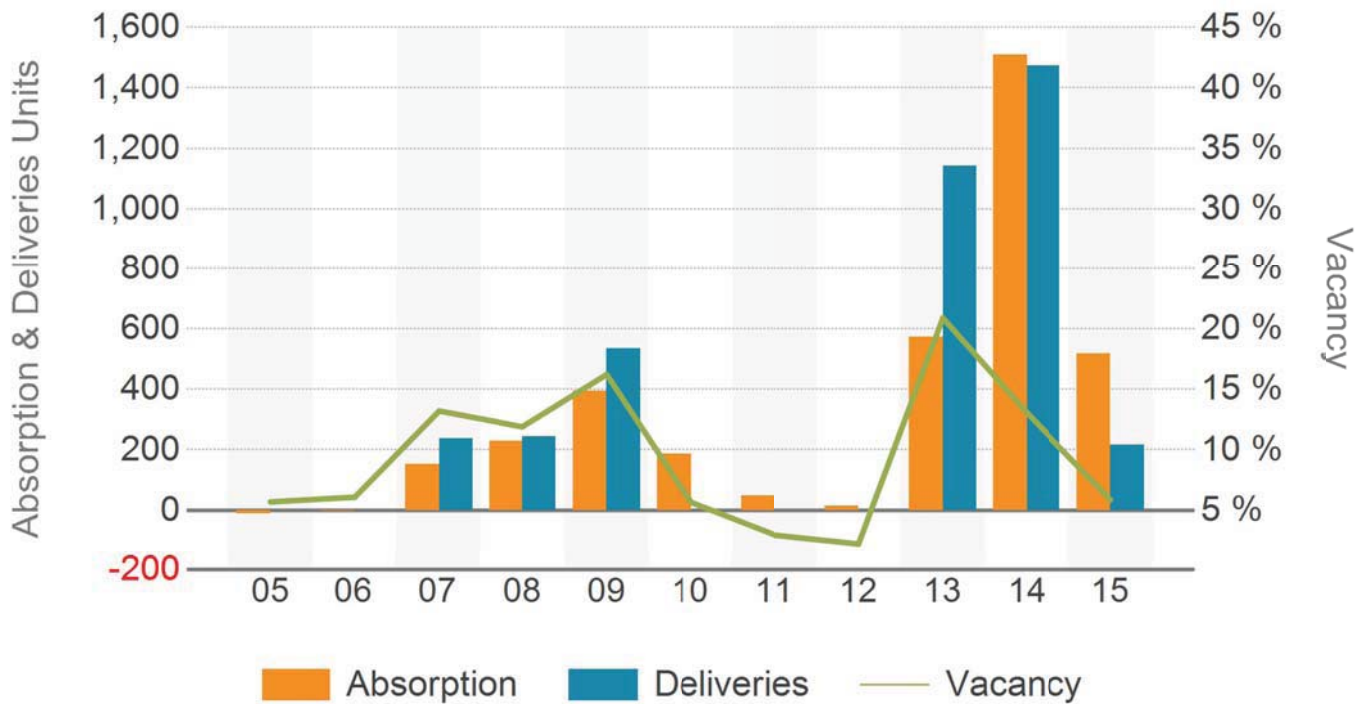
RENT COMPS



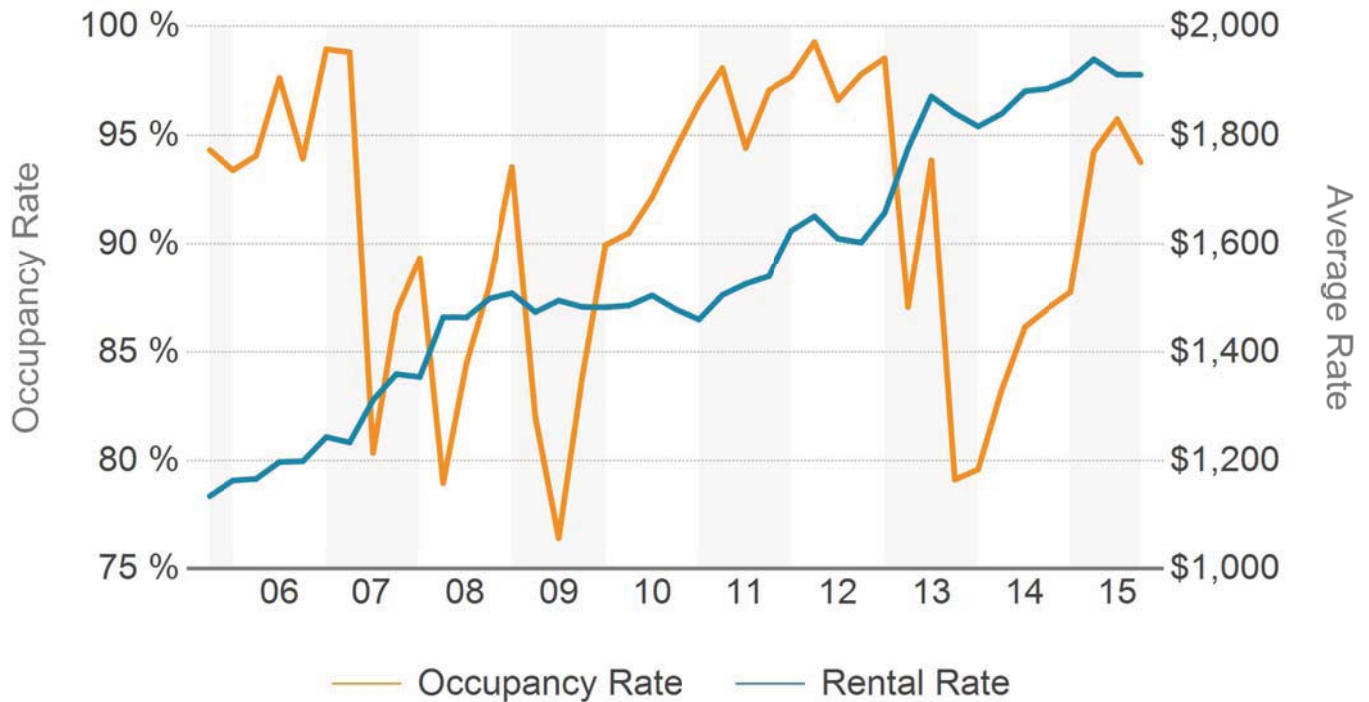
Montrose Rent Comps

Building Name	Building Address	One Bedroom	One Bedroom	Two Bedroom	Two Bedroom
		Asking Rent/Unit	Asking Rent/SF	Asking Rent/Unit	Asking Rent/SF
Metro Midtown	2350 Bagby St	1669	2.35	2041	1.92
City Place Houston Apartments	2700-2716 Brazos St	1719	2.21	2395	1.85
Ashton on West Dallas	1616 W Dallas St	1560	2.03	2248	1.79
The Sovereign at Regent Square	3233 W Dallas St	2674	3.08	4532	3.42
Fairmont Museum District South	4310 Dunlavy St	1570	2.09	2236	1.77
The Fairmont Museum District	4310 Dunlavy St	1720	2.18	2684	2.16
AMLI River Oaks	1340 W Gray St	1685	2.02	2331	1.89
District at Greenbriar	4100 Greenbriar St	1545	2.03	2167	1.95
Gables River Oaks	2724 Kipling St	1605	1.89	2297	1.78
Camden Midtown	2303 Louisiana St	1530	2.16	2051	1.85
City Place Midtown	306 McGowen St	1729	2.24	2377	1.92
Post 510	510 Richmond Ave	1582	2	1996	1.81
Muse at Museum District	1301 Richmond Ave	1855	2.33	2615	2.01
Pearl Midtown	3101 Smith St	1880	2.25	2879	2.17
Camden Travis Street	2700 Travis St	1357	1.85	2106	1.69
The Westheimer	2001 Westheimer Rd	1601	1.86	2078	1.78
21Eleven	2111 Westheimer Rd	1809	2.23	2788	2.24

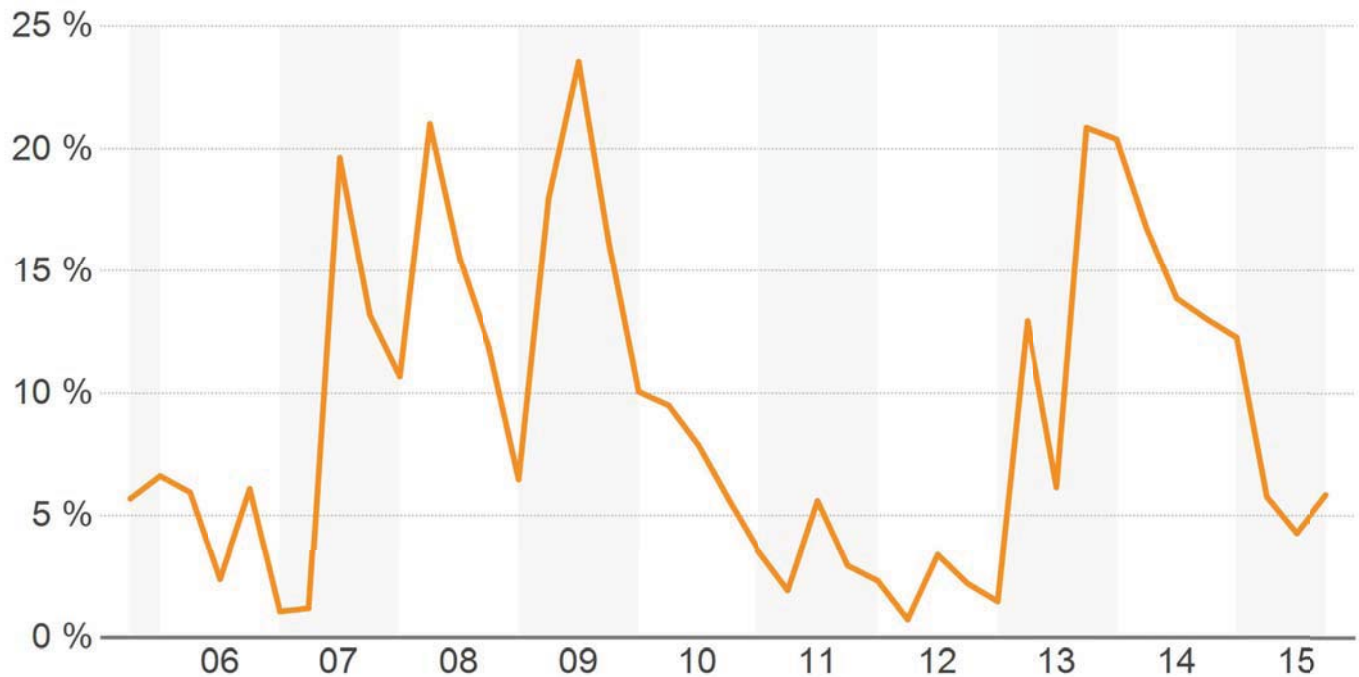
ABSORPTION, DELIVERIES, VACANCY



OCCUPANCY & RENTAL RATES



VACANCY RATE



SUMMARY STATISTICS

Leasing Units	Survey	5-Year Avg	Inventory in Units	Survey	5-Year Avg
Vacant Units	269	249	Existing Units	4,601	2,699
Vacancy Rate	5.8%	9.2%	12 Mo. Const. Starts	0	755
12 Mo. Absorption Units	789	554	Under Construction	0	1,133
			12 Mo. Deliveries	485	755

Rents	Survey	5-Year Avg	Sales	Past Year	5-Year Avg
Studio Asking Rent	\$1,444	\$1,402	Sale Price Per Unit	-	\$199,795
1 Bed Asking Rent	\$1,708	\$1,606	Asking Price Per Unit	-	-
2 Bed Asking Rent	\$2,416	\$2,193	Sales Volume (Mil.)	-	\$49
3+ Bed Asking Rent	\$3,176	\$2,512	Cap Rate	-	5.2%
Concessions	0.6%	1.9%			

Buildings

17

Avg. Rent Per Unit

\$1,910

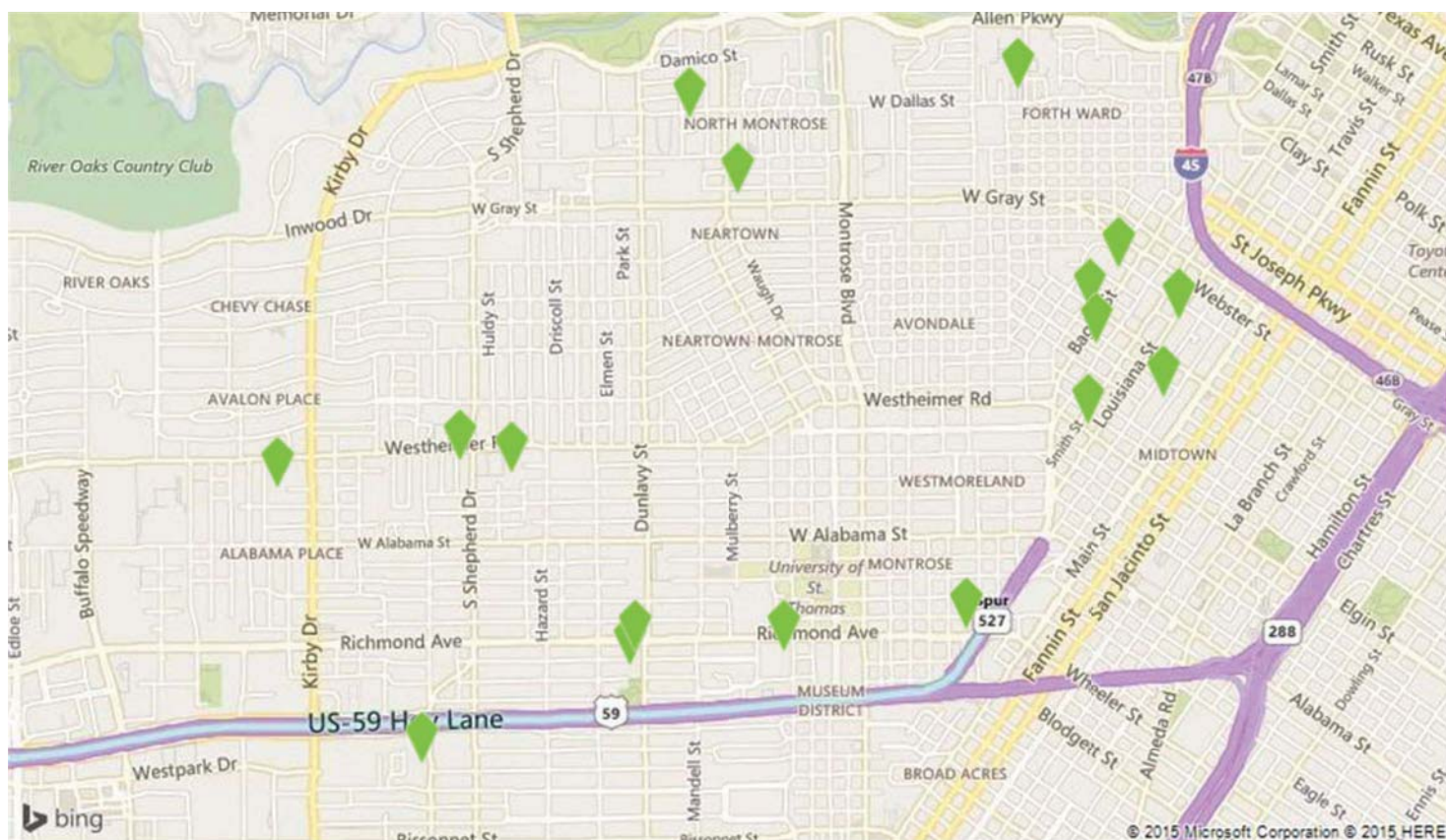
Avg. Rent Per SF

\$2.11

Avg. Vacancy Rate

5.9%

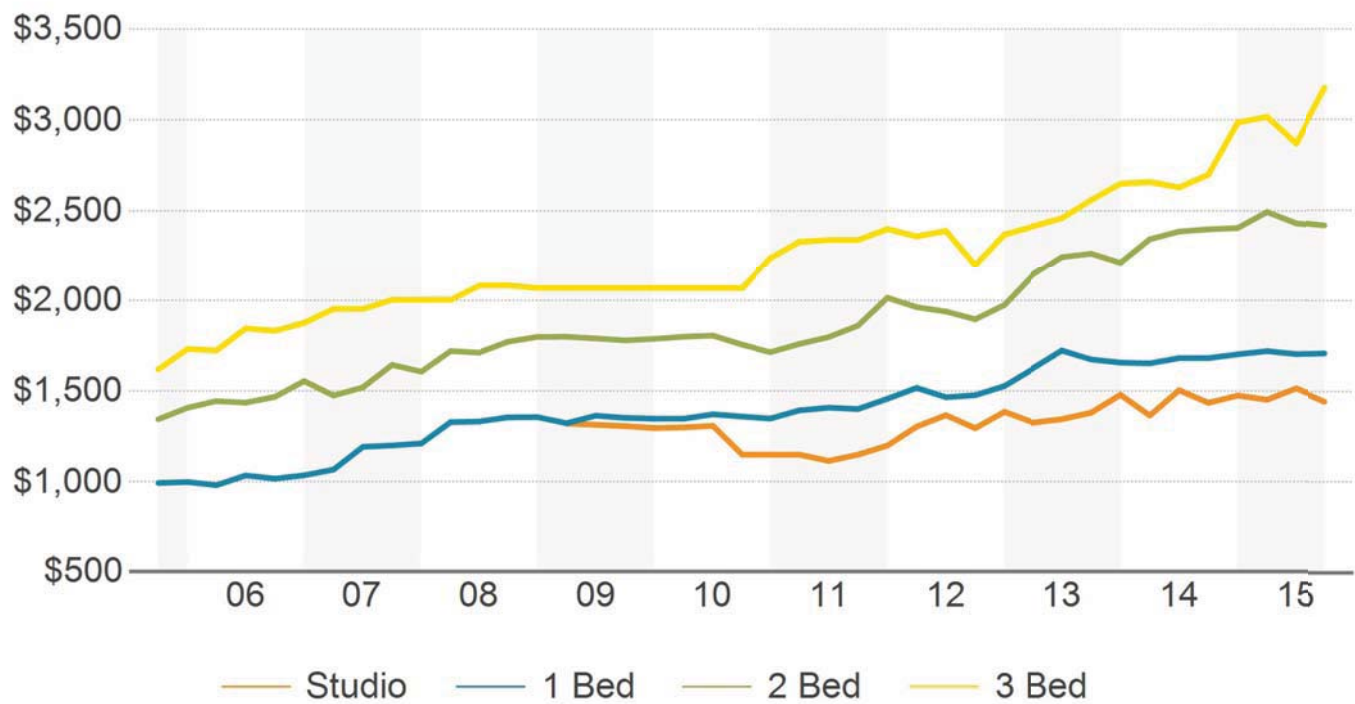
PROPERTIES IN SURVEY



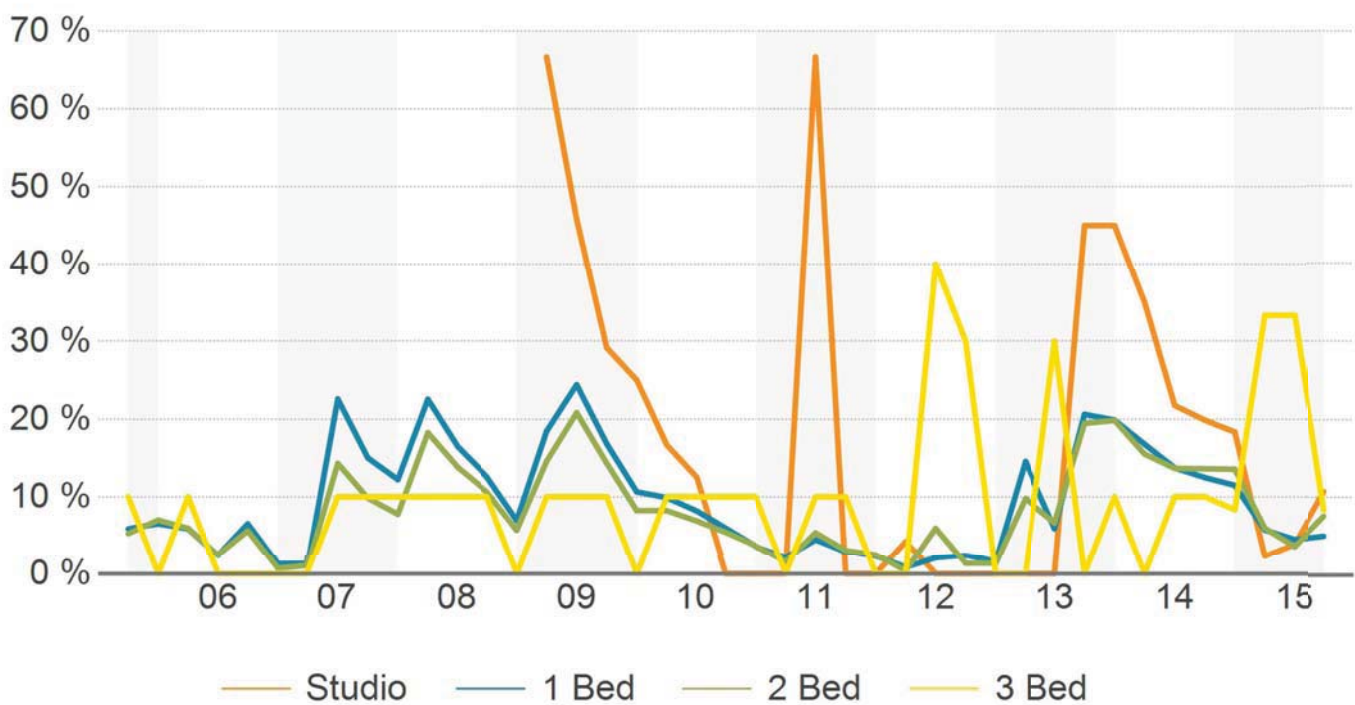
SUMMARY STATISTICS

Unit Breakdown	Low	Average	Median	High
Total Units	154	270	270	419
Studio Units	0	7	0	45
One Bedroom Units	124	184	186	241
Two Bedroom Units	24	78	70	168
Three Bedroom Units	0	0	0	10
Property Attributes	Low	Average	Median	High
Year Built	1998	2010	2013	2015
Number of Floors	3	5	5	21
Average Unit Size	839 SF	906 SF	912 SF	992 SF
Vacancy Rate	0.6%	5.9%	4.8%	19.5%
Star Rating	★★★★★	★★★★★ 4.2	★★★★★	★★★★★

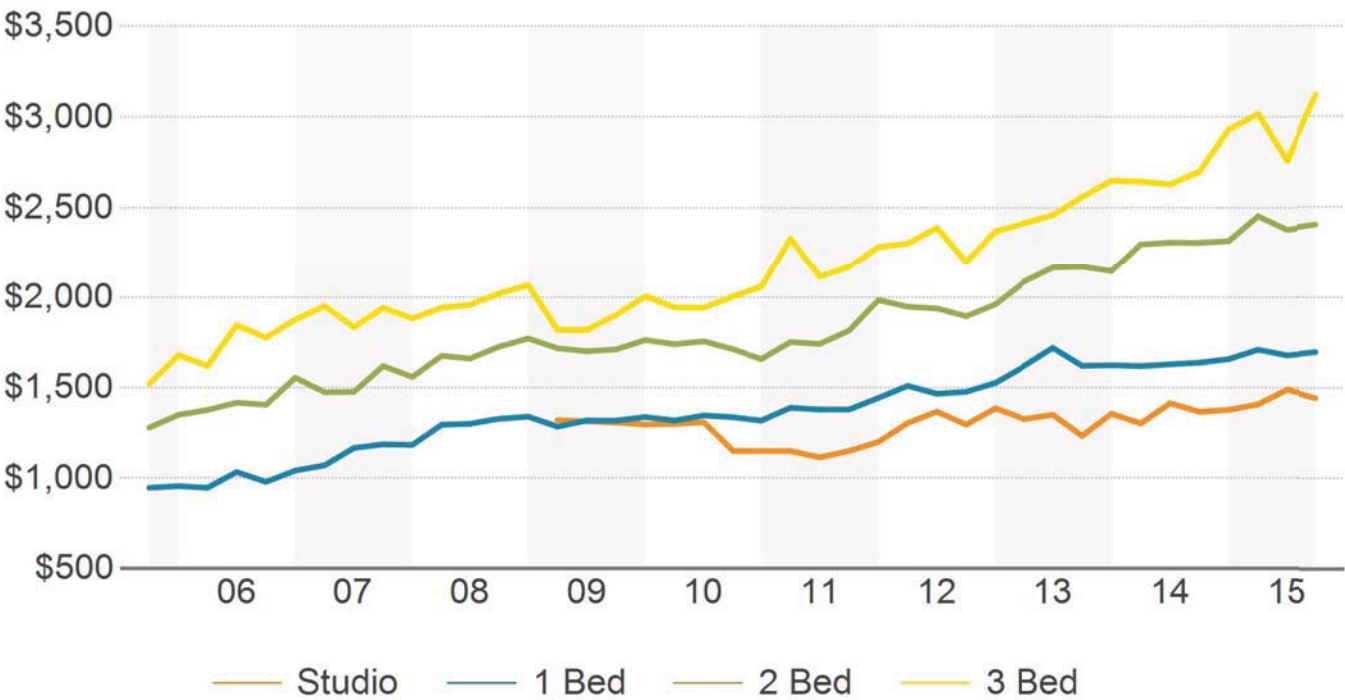
ASKING RENT BY UNIT MIX



VACANCY BY UNIT MIX



EFFECTIVE RENT BY UNIT MIX



ASKING RENT PER UNIT



ASKING RENT PER SF



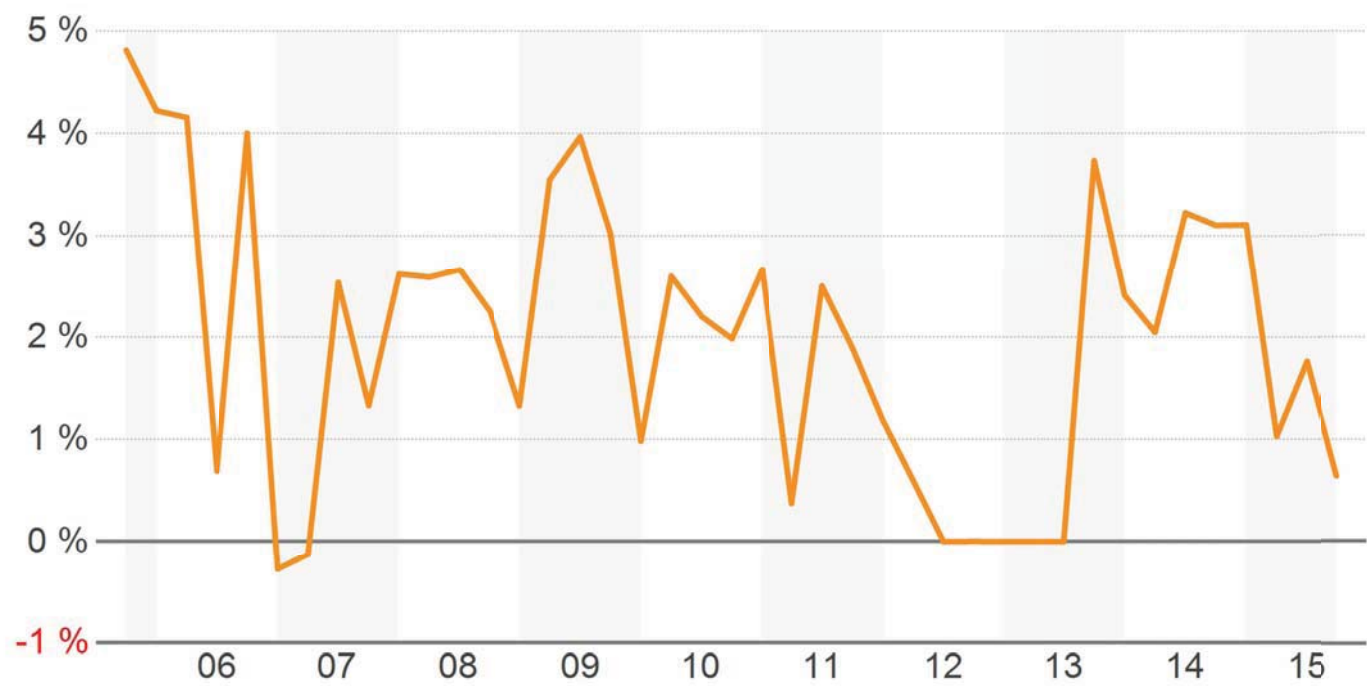
EFFECTIVE RENT PER UNIT



EFFECTIVE RENT PER SF



CONCESSION RATE





TEXAS ASSOCIATION OF REALTORS® COMMERCIAL PROPERTY CONDITION STATEMENT

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CONCERNING THE PROPERTY AT: 2019 Huldy St. Houston, TX 77019

THIS IS A DISCLOSURE OF THE SELLER'S KNOWLEDGE OF THE CONDITION OF THE PROPERTY AS OF THE DATE SIGNED. IT IS NOT A SUBSTITUTE FOR ANY INSPECTIONS OR WARRANTIES A BUYER OR TENANT MAY WISH TO OBTAIN. IT IS NOT A WARRANTY OF ANY KIND BY SELLER, SELLER'S AGENTS, LANDLORD, LANDLORD'S AGENTS OR ANY OTHER AGENT.

PART I - Complete if Property is Improved or Unimproved

Are you (Seller or Landlord) aware of:

Aware **Not
Aware**

- | | | |
|---|--------------------------|-------------------------------------|
| (1) any of the following environmental conditions on or affecting the Property: | | |
| (a) radon gas? | ☐ | ☒ |
| (b) asbestos components: | | |
| (i) friable components? | ☐ | ☒ |
| (ii) non-friable components? | ☐ | ☒ |
| (c) urea-formaldehyde insulation? | ☐ | ☒ |
| (d) endangered species of their habitat? | ☐ | ☒ |
| (e) wetlands? | ☐ | ☒ |
| (f) underground storage tanks? | ☐ | ☒ |
| (g) leaks in any storage tanks (underground or above-ground)? | ☐ | ☒ |
| (h) lead-based paint? | ☐ | ☒ |
| (i) hazardous materials or toxic waste? | ☐ | ☒ |
| (j) open or closed landfills on or under the surface of the Property? | ☐ | ☒ |
| (k) external conditions materially and adversely affecting the Property such as
nearby landfills, smelting plants, burners, storage facilities of toxic or hazardous
materials, refiners, utility transmission lines, mills, feed lots, and the like? | ☐ | ☒ |
| (l) any activity relating to drilling or excavation sites for oil, gas, or other minerals? | ☐ | ☒ |
| (2) previous environmental contamination that was on or that materially and adversely
affected the Property, including but not limited to previous environmental conditions
listed in Paragraph 1(a)-(l)? | ☐ | ☒ |
| (3) any part of the Property lying in a special flood hazard area (A or V Zone)? | ☐ | ☒ |
| (4) any improper drainage onto or away from the Property? | ☐ | ☒ |
| (5) any fault line or near the Property that materially and adversely affects the Property? | ☐ | ☒ |
| (6) air space restrictions or easements on or affecting the Property? | ☐ | ☒ |
| (7) unrecorded or unplatted agreements for easements, utilities, or access on or
to the Property? | ☐ | ☒ |

(TAR-1408) 4-1-14

Initialed by Seller or Landlord: [Signature], _____ and Buyer or Tenant: _____, _____ Page 1 of 4

Inner Loop West, 17419 Astrachan Rd. Richmond, TX 77407
Phone: (832)247-6333

Fax: (888)424-2075

Brian Janak

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Huldy 6

	<u>Aware</u>	<u>Not Aware</u>
(8) special districts in which the Property lies (for example, historical districts, development districts, extraterritorial jurisdictions, or others)?	☐	☒
(9) pending changes in zoning, restrictions, or in physical use of the Property?	☐	☒
The current zoning of the Property is: _____		
(10) your receipt of any notice concerning any likely condemnation, planned streets, highways, railroads, or developments that would materially and adversely affect the Property (including access or visibility)?	☐	☒
(11) lawsuits affecting title to or use or enjoyment of the Property?	☐	☒
(12) your receipt of any written notices of violations of zoning, deed restrictions, or government regulations from EPA, OSHA, TCEQ, or other government agencies?	☐	☒
(13) common areas or facilities affiliated with the Property co-owned with others?	☐	☒
(14) an owners' or tenants' association or maintenance fee or assessment affecting the Property?	☐	☒
If aware, name of association: _____		
Name of manager: _____		
Amount of fee or assessment: \$ _____ per _____		
Are fees current through the date of this notice? ☐ yes ☐ no ☐ unknown		
(15) subsurface structures, hydraulic lifts, or pits on the Property?	☐	☒
(16) intermittent or weather springs that affect the Property?	☐	☒
(17) any material defect in any irrigation system, fences, or signs on the Property?	☐	☒
(18) conditions on or affecting the Property that materially affect the health or safety of an ordinary individual?	☐	☒
(19) any of the following rights vested in others:		
(a) outstanding mineral rights?	☐	☒
(b) timber rights?	☐	☒
(c) water rights?	☐	☒
(d) other rights?	☐	☒

If you are aware of any of the conditions listed above, explain. (Attach additional information if needed.) _____

PART 2 – Complete only if Property is Improved

A. Are you (Seller or Landlord) aware of any material defects in any of the following on the Property?

	<u>Aware</u>	<u>Not Aware</u>	<u>Not Appl.</u>
(1) <u>Structural Items:</u>			
(a) foundation systems (slabs, columns, trusses, bracing, crawl spaces, piers, beams, footings, retaining walls, basement, grading)?	☐	☒	☐
(b) exterior walls?	☐	☒	☐
(c) fireplaces and chimneys?	☐	☒	☐
(d) roof, roof structure, or attic (covering, flashing, skylights, insulation, roof penetrations, ventilation, gutters and downspouts, decking)?	☐	☒	☐
(e) windows, doors, plate glass, or canopies.	☐	☒	☐
(2) <u>Plumbing Systems:</u>			
(a) water heaters or water softeners?	☐	☒	☐
(b) supply or drain lines?	☐	☒	☐
(c) faucets, fixtures, or commodes?	☐	☒	☐
(d) private sewage systems?	☐	☒	☐
(e) pools or spas and equipments?	☐	☐	☒
(f) sprinkler systems?	☐	☐	☒
(g) water coolers?	☐	☐	☒
(h) private water wells?	☐	☐	☒
(i) pumps or sump pumps?	☐	☒	☐
(3) <u>HVAC Systems:</u> any cooling, heating, or ventilation systems?	☐	☒	☐
(4) <u>Electrical Systems:</u> service drops, wiring, connections, conductors, plugs, grounds, power, polarity, switches, light fixtures, or junction boxes?	☐	☒	☐
(5) <u>Other Systems or Items:</u>			
(a) security or fire detection systems?	☐	☒	☐
(b) porches or decks?	☐	☒	☐
(c) gas lines?	☐	☒	☐
(d) garage doors and door operators?	☐	☐	☒
(e) loading doors or docks?	☐	☒	☐
(f) rails or overhead cranes?	☐	☒	☐
(g) elevators or escalators?	☐	☐	☒
(h) parking areas, drives, steps, walkways?	☐	☒	☐
(i) appliances or built-in kitchen equipment?	☐	☒	☐

If you are aware of material defects in any of the items listed under Paragraph A, explain. (Attach additional information if needed.)

B. Are you (Seller or Landlord) aware of:

Aware **Not Aware**

- | | | |
|--|--------------------------|-------------------------------------|
| (1) any of the following water or drainage conditions materially and adversely affecting the Property: | | |
| (a) ground water? | ☐ | ☒ |
| (b) water penetration? | ☐ | ☒ |
| (c) previous flooding or water drainage? | ☐ | ☒ |
| (d) soil erosion or water ponding? | ☐ | ☒ |
| (2) previous structural repair to the foundation systems on the Property? | ☐ | ☒ |
| (3) settling or soil movement materially and adversely affecting the Property? | ☐ | ☒ |
| (4) pest infestation from rodents, insects, or other organisms on the Property? | ☐ | ☒ |
| (5) termite or wood rot damage on the Property needing repair? | ☐ | ☒ |
| (6) mold to the extent that it materially and adversely affects the Property? | ☐ | ☒ |
| (7) mold remediation certificate issued for the Property in the previous 5 years? | ☐ | ☒ |
| if yes, attach a copy of the mold remediation certificate. | | |
| (8) previous termite treatment on the Property? | ☐ | ☒ |
| (9) previous fires that materially affected the Property? | ☐ | ☒ |
| (10) modifications made to the Property without necessary permits or not in compliance with building codes in effect at the time? | ☐ | ☒ |
| (11) any part, system, or component in or on the Property not in compliance with the Americans with Disabilities Act or the Texas Architectural Barrier Statute? | ☐ | ☒ |

If you are aware of any conditions described under Paragraph B, explain. (Attach additional information, if needed.) _____

The undersigned acknowledges receipt of the foregoing statement.

Seller or Landlord: Steve Madden

Buyer or Tenant: _____

By: [Signature]
 By (signature): _____
 Printed Name: STEVEN L. MADDEN
 Title: _____

By: _____
 By (signature): _____
 Printed Name: _____
 Title: _____

By: _____
 By (signature): _____
 Printed Name: _____
 Title: _____

By: _____
 By (signature): _____
 Printed Name: _____
 Title: _____

NOTICE TO BUYER OR TENANT: The broker representing Seller or Landlord, and the broker representing you advise you that this statement was completed by Seller or Landlord, as of the date signed. The brokers have relied on this statement as true and correct and have no reason to believe it to be false or inaccurate. YOU ARE ENCOURAGED TO HAVE AN INSPECTOR OF YOUR CHOICE INSPECT THE PROPERTY.

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

Information About Brokerage Services

Before working with a real estate broker, you should know that the duties of a broker depend on whom the broker represents. If you are a prospective seller or landlord (owner) or a prospective buyer or tenant (buyer), you should know that the broker who lists the property for sale or lease is the owner's agent. A broker who acts as a subagent represents the owner in cooperation with the listing broker. A broker who acts as a buyer's agent represents the buyer. A broker may act as an intermediary between the parties if the parties consent in writing. A broker can assist you in locating a property, preparing a contract or lease, or obtaining financing without representing you. A broker is obligated by law to treat you honestly.

IF THE BROKER REPRESENTS THE OWNER:

The broker becomes the owner's agent by entering into an agreement with the owner, usually through a written - listing agreement, or by agreeing to act as a subagent by accepting an offer of subagency from the listing broker. A subagent may work in a different real estate office. A listing broker or subagent can assist the buyer but does not represent the buyer and must place the interests of the owner first. The buyer should not tell the owner's agent anything the buyer would not want the owner to know because an owner's agent must disclose to the owner any material information known to the agent.

IF THE BROKER REPRESENTS THE BUYER:

The broker becomes the buyer's agent by entering into an agreement to represent the buyer, usually through a written buyer representation agreement. A buyer's agent can assist the owner but does not represent the owner and must place the interests of the buyer first. The owner should not tell a buyer's agent anything the owner would not want the buyer to know because a buyer's agent must disclose to the buyer any material information known to the agent.

IF THE BROKER ACTS AS AN INTERMEDIARY:

A broker may act as an intermediary between the parties if the broker complies with The Texas Real Estate License

Act. The broker must obtain the written consent of each party to the transaction to act as an intermediary. The written consent must state who will pay the broker and, in conspicuous bold or underlined print, set forth the broker's obligations as an intermediary. The broker is required to treat each party honestly and fairly and to comply with The Texas Real Estate License Act. A broker who acts as an intermediary in a transaction:

- (1) shall treat all parties honestly;
- (2) may not disclose that the owner will accept a price less than the asking price unless authorized in writing to do so by the owner;
- (3) may not disclose that the buyer will pay a price greater than the price submitted in a written offer unless authorized in writing to do so by the buyer; and
- (4) may not disclose any confidential information or any information that a party specifically instructs the broker in writing not to disclose unless authorized in writing to disclose the information or required to do so by The Texas Real Estate License Act or a court order or if the information materially relates to the condition of the property.

With the parties' consent, a broker acting as an intermediary between the parties may appoint a person who is licensed under The Texas Real Estate License Act and associated with the broker to communicate with and carry out instructions of one party and another person who is licensed under that Act and associated with the broker to communicate with and carry out instructions of the other party.

If you choose to have a broker represent you,

you should enter into a written agreement with the broker that clearly establishes the broker's obligations and your obligations. The agreement should state how and by whom the broker will be paid. You have the right to choose the type of representation, if any, you wish to receive. Your payment of a fee to a broker does not necessarily establish that the broker represents you. If you have any questions regarding the duties and responsibilities of the broker, you should resolve those questions before proceeding.

Real estate licensee asks that you acknowledge receipt of this information about brokerage services for the licensee's records.

Buyer, Seller, Landlord or Tenant

Date

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