La Bella Vista
apartment homes
OFFERED EXCLUSIVELY BY:
<table>
<thead>
<tr>
<th><strong>APARTMENTS FOR SALE</strong></th>
<th><strong>Asking Price</strong></th>
<th><strong>MARKET</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Units: 153</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Avg Size: 855</td>
<td></td>
<td></td>
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<tr>
<td>Date Built: 1964/1969</td>
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<tr>
<td>Rentable Sq. Ft.: 130,755</td>
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<td></td>
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<tr>
<td>Acreage: 5.11</td>
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<td></td>
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<tr>
<td>Occupancy: 79%</td>
<td></td>
<td></td>
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<tr>
<td>Class: C+</td>
<td></td>
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</tr>
</tbody>
</table>

**INVESTMENT HIGHLIGHTS**

- Available All Cash
- Located in the Pasadena Area of SE Houston
- Ideal for Long Term Hold
- Great Drive-by
- Close Proximity to the Houston Ship Channel, an Excellent Petrochemical Job Base
- The Property Needs Extensive Exterior Upgrades
- Area Plants are Booming
- Explosive Area Job Growth
- Blue Collar Profile
- The Ship Channel Reportedly Will Add 100,000 Jobs

**FOR MORE INFORMATION PLEASE CONTACT:**

**KET ENTERPRISES INCORPORATED**

Hashir Saleem  
Broker/Senior Associate  
hashir@ketent.com  
713-355-4646 ext 106

Yakup Altinisik  
Broker/Owner  
realtor.yakup@gmail.com  
832-605-0398

**GOLDENLIGHT REALTY**

Hashir Saleem  
Broker/Senior Associate  
hashir@ketent.com  
713-355-4646 ext 106

Yakup Altinisik  
Broker/Owner  
realtor.yakup@gmail.com  
832-605-0398
### Physical Information
- Number of Units: 153
- Avg Unit Size: 855
- Net Rentable Area: 130,755
- Land Area (Acres): 5.11
- Units per Acre: 29.347
- Date Built: 1964/1969
- Water Meter: RUBS
- Elec Meter: Indiv
- Roof Style: Flat
- Heating/Cooling: Indiv-HVAC

### Financial Information
- Asking Price: MARKET
- Price Per Unit: $930,236
- Price Per Sq. Ft.: $131,417
- Stabilized NOI: $930,236

### Proposed Debt
- Current Mortgage: $1,577,007
- Amortization (Months): 120
- Debt Service: $196
- Monthly Interest Only: $119,470
- Interest Rate: 2.87255%
- Date Due: 2019 Tax Rate & Est Future Assessment: $172,353

### Operating Information
- Est Mkt Rent (Jan-20): $131,417
- 12 Mo Avg: $92,631
- Physical Occ (May-20): 79%
- Est Ins per Unit per Yr: $131,417
- Property Tax Information: $6,000
- Est 2019 Taxes: $8,168
- Est Future Taxes: $324,648

### Pro-Forma Income
- Current Street Rent with a 10% Increase: $131,417
- Estimated Gross Scheduled Income: $131,417
- Estimated Loss to Lease (2% of Total Street Rent): 2%
- Estimated Vacancy (2% of Total Street Rent): 2%
- Estimated Concessions and Other Rental Losses (2% of Total Street Rent): 2%
- Estimated Utilities Income: $163
- Estimated Other Income: $125

### Estimated Total Rental Income
- ESTIMATED TOTAL PRO-FORMA INCOME: $1,111,574

### EXPENSE
- Feb ‘19 thru Jan ‘20 Income: $1,111,574

#### Fixed Expenses
- Taxes: $189,996
- Insurance: $30,000

#### Utilities
- Utilities: $139,129

#### Other Expenses
- General & Admin & Marketing: $6,000
- Repairs & Maintenance: $27,184
- Labor Costs: $101,976
- Contract Services: $9,500
- Management Fees: $32,759

#### Total Operating Expense
- Total Operating Expense: $503,785
- Reserve for Replacement: $38,250

### Net Operating Income (Actual Underwriting)
- Net Operating Income (Actual Underwriting): $465,539

### Notes
- Actuals: Income and Expenses were calculated based on 1/20 Trailing Operating Statement. Pro Forma: Income is Pro Forma as Noted. Taxes were calculated using 2018 Tax Rate & Est Future Assessment. Insurance is estimated. Management Fees calculated as 3.5% of Gross Income. Other expenses are Estimated for the Pro Forma.

### Disclaimer
- The information contained herein has been obtained from sources that we deem reliable. We have no reason to doubt the accuracy of the information, but we have not verified it and make no guaranty, warranty or representation about it. It is your responsibility to independently confirm its accuracy and completeness. We have not determined whether the property complies with deed restrictions or any city licensing or ordinances including life safety compliance or if the property lies within a flood plain. THE PROSPECTIVE PURCHASER 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.
**La Bella Vista ● 3600 S. Shaver ● South Houston, TX 77587**

### Property Overview

<table>
<thead>
<tr>
<th>PROPERTY INFORMATION</th>
<th>CURRENT MORTGAGE</th>
<th>TAXING AUTHORITY</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Age:</strong></td>
<td>Mortgage Balance</td>
<td>Harris County</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Harris County</td>
</tr>
<tr>
<td>1964/1969</td>
<td></td>
<td>Harris County</td>
</tr>
<tr>
<td><strong>Elec Meter:</strong></td>
<td>Debt Service</td>
<td>Harris County</td>
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<tr>
<td>Indiv</td>
<td></td>
<td>Harris County</td>
</tr>
<tr>
<td><strong>A/C Type:</strong></td>
<td>Amortization</td>
<td>Harris County</td>
</tr>
<tr>
<td>Indiv-HVAC</td>
<td></td>
<td>Harris County</td>
</tr>
<tr>
<td><strong>Water:</strong></td>
<td>Monthly Interest Only</td>
<td>Harris County</td>
</tr>
<tr>
<td>RUBS</td>
<td></td>
<td>Harris County</td>
</tr>
<tr>
<td><strong>Wiring:</strong></td>
<td>Type</td>
<td>Harris County</td>
</tr>
<tr>
<td>Copper</td>
<td></td>
<td>Harris County</td>
</tr>
<tr>
<td><strong>Roof:</strong></td>
<td>Assumable</td>
<td>Harris County</td>
</tr>
<tr>
<td>Flat</td>
<td></td>
<td>Harris County</td>
</tr>
<tr>
<td><strong>Paving:</strong></td>
<td>Monthly Escrow</td>
<td>Harris County</td>
</tr>
<tr>
<td>Asphalt</td>
<td></td>
<td>Harris County</td>
</tr>
<tr>
<td><strong>Type:</strong></td>
<td>Origination Date</td>
<td>Harris County</td>
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<td>Harris County</td>
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<td><strong>Interest Rate:</strong></td>
<td>Due Date</td>
<td>Harris County</td>
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<td></td>
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<td>Harris County</td>
</tr>
<tr>
<td><strong>Transfer Fee:</strong></td>
<td>Yield Maintenance</td>
<td>Harris County</td>
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<tr>
<td></td>
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<td>Harris County</td>
</tr>
<tr>
<td><strong>Est Units/Acre:</strong></td>
<td>$0.027290</td>
<td>Harris County</td>
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<td>29.95</td>
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<td>Harris County</td>
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<td><strong>Keymap:</strong></td>
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<td>Harris County</td>
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<tr>
<td>576C</td>
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<td>Harris County</td>
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### Collections

<table>
<thead>
<tr>
<th>Month</th>
<th>Total</th>
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</thead>
<tbody>
<tr>
<td>Feb 2019</td>
<td>$88,476</td>
</tr>
<tr>
<td>Mar 2019</td>
<td>$110,421</td>
</tr>
<tr>
<td>Apr 2019</td>
<td>$104,038</td>
</tr>
<tr>
<td>May 2019</td>
<td>$98,836</td>
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<tr>
<td>June 2019</td>
<td>$88,752</td>
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<td>July 2019</td>
<td>$89,644</td>
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<td>Aug 2019</td>
<td>$106,142</td>
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<tr>
<td>Sept 2019</td>
<td>$95,573</td>
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<tr>
<td>Oct 2019</td>
<td>$97,782</td>
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<tr>
<td>Nov 2019</td>
<td>$75,523</td>
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<tr>
<td>Dec 2019</td>
<td>$75,006</td>
</tr>
<tr>
<td>Jan 2020</td>
<td>$81,381</td>
</tr>
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</table>

**Total:** $1,111,574

**12 Mo Avg:** $92,631

**9 Mo Avg:** $89,849

**6 Mo Avg:** $88,568

**3 Mo Avg:** $77,303

### Property Highlights

**The La Bella Vista Apartments** *(formerly Villas Verde and Genoa Waterfalls)*, is a two story, garden-style, apartment community located in the City of South Houston, near Pasadena, in southeast Harris County, Texas. The asset was built in 1964/1969 and extensively rehabbed in the past two years. Residents enjoy ample amenities which include: mini-blinds, kitchen pantries, ceiling fans, laundry facilities, patios and balconies and walk-in closets.

The owner reports that the exterior and interiors have been extensively rehabbed.

The Houston apartment market is showing strong growth due to the great job growth in our area.

Reserved covered parking is $35 and reserved uncovered parking is $25.

The property bills the tenants for water. One bedrooms are $27, two bedrooms are $37 and three bedrooms are $47. The charge for trash is $5.

**Disclaimer:** The information contained in this Memorandum reflects material from sources deemed to be reliable, including data such as operating statements, rent roll, etc. provided by the Owner. Notwithstanding, KET Enterprises Incorporated does not make any warranties about the information contained in this marketing package. Every prospective purchaser should verify the information and rely on his accountants or attorneys for legal and tax advice. This offer is "As-is, Where-is". Answers to specific inquiries will have to be supplied by the Owner and are available upon request. Rates of return vary daily. No representations are made concerning environmental issues, if any.
<table>
<thead>
<tr>
<th>Unit Type</th>
<th>Bed/Bath</th>
<th>No. Units</th>
<th>Sq Ft</th>
<th>Total SqFt</th>
<th>Market Rent</th>
<th>Total Rent</th>
<th>Rent/SF</th>
</tr>
</thead>
<tbody>
<tr>
<td>Flat</td>
<td>1 Bed/1 Bath</td>
<td>29</td>
<td>665</td>
<td>19,285</td>
<td>$694</td>
<td>$20,135</td>
<td>$1.04</td>
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<tr>
<td>Flat</td>
<td>1 Bed/1 Bath</td>
<td>11</td>
<td>680</td>
<td>7,480</td>
<td>$695</td>
<td>$7,645</td>
<td>$1.02</td>
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<tr>
<td>Office</td>
<td>2 Bed/1 Bath</td>
<td>0</td>
<td>800</td>
<td>0</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
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<tr>
<td>Flat</td>
<td>1 Bed/1 Bath</td>
<td>71</td>
<td>880</td>
<td>62,480</td>
<td>$775</td>
<td>$54,995</td>
<td>$0.88</td>
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<td>Flat</td>
<td>2 Bed/1 Bath</td>
<td>30</td>
<td>900</td>
<td>27,000</td>
<td>$805</td>
<td>$24,150</td>
<td>$0.89</td>
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<tr>
<td>Flat</td>
<td>3 Bed/1 Bath</td>
<td>1</td>
<td>980</td>
<td>980</td>
<td>$955</td>
<td>$955</td>
<td>$0.97</td>
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<tr>
<td>Flat</td>
<td>3 Bed/1 Bath</td>
<td>11</td>
<td>1,230</td>
<td>13,530</td>
<td>$1,054</td>
<td>$11,590</td>
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<td>$775</td>
<td>$54,995</td>
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<td></td>
<td></td>
<td></td>
<td>$1,054</td>
<td>$11,590</td>
<td></td>
</tr>
</tbody>
</table>

Source: Owner's Rent Roll 1/20

**AMENITIES**

- Self-Service Laundry
- Swimming Pool
- Window Coverings
- High Speed Internet
  - A/C
  - Heating
- Smoke Free
- Stove
- Refrigerator
- Patios/Balconies
## Rent Comparables

### La Bella Vista

<table>
<thead>
<tr>
<th>Property Name</th>
<th>Year Built</th>
<th>Occ</th>
<th>#Units</th>
<th>Avg SF</th>
<th>Avg Rent</th>
<th>EWG</th>
<th>P/SF</th>
</tr>
</thead>
<tbody>
<tr>
<td>Empire Village</td>
<td>1978</td>
<td>97%</td>
<td>240</td>
<td>736</td>
<td>$714</td>
<td>+E</td>
<td>0.970</td>
</tr>
<tr>
<td>Copper Ridge</td>
<td>1969</td>
<td>96%</td>
<td>201</td>
<td>879</td>
<td>$744</td>
<td>+E</td>
<td>0.846</td>
</tr>
<tr>
<td>Cherrybrook Place</td>
<td>1969</td>
<td>93%</td>
<td>241</td>
<td>911</td>
<td>$855</td>
<td>+EWG</td>
<td>0.938</td>
</tr>
<tr>
<td>The Berkshire</td>
<td>1975</td>
<td>93%</td>
<td>227</td>
<td>780</td>
<td>$871</td>
<td>+EWG</td>
<td>1.117</td>
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<tr>
<td>Parke on Burke</td>
<td>1978</td>
<td>97%</td>
<td>160</td>
<td>692</td>
<td>$891</td>
<td>+EW</td>
<td>1.287</td>
</tr>
</tbody>
</table>

| Totals/Averages Comps         | 1974       | 95% | 214    | 800    | $825     |     | $1.032|

### Sub-Market Averages - Pasadena/Deer Park/La Porte

<table>
<thead>
<tr>
<th>Property Name</th>
<th>Year Built</th>
<th>Occ</th>
<th>#Units</th>
<th>Avg SF</th>
<th>Avg Rent</th>
<th>EWG</th>
<th>P/SF</th>
</tr>
</thead>
<tbody>
<tr>
<td>La Bella Vista</td>
<td>1964/1969</td>
<td>79%</td>
<td>153</td>
<td>855</td>
<td>$781</td>
<td>+E</td>
<td>$0.91</td>
</tr>
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</table>

### Houston Market Averages

<table>
<thead>
<tr>
<th>Property Name</th>
<th>Year Built</th>
<th>Occ</th>
<th>#Units</th>
<th>Avg SF</th>
<th>Avg Rent</th>
<th>EWG</th>
<th>P/SF</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sub-Market Averages - Pasadena/Deer Park/La Porte</td>
<td>90%</td>
<td>23,254</td>
<td>850</td>
<td>$848</td>
<td>$0.998</td>
<td></td>
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<tr>
<td>Houston Market Averages</td>
<td>90%</td>
<td></td>
<td>646,286</td>
<td>882</td>
<td>$1,025</td>
<td></td>
<td>$1.162</td>
</tr>
</tbody>
</table>

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### Notes
- Resident Pays E(Electric), W(Water), G(Gas)
- The table includes details on property names, year built, occupancy, number of units, average square footage, average rent, expense, and price per square foot.
<table>
<thead>
<tr>
<th>Property Name</th>
<th>Date Sold</th>
<th>Price</th>
<th>Total Sq. Ft.</th>
<th>Price/Unit</th>
<th>Price/SF</th>
<th>Built</th>
<th>Units</th>
</tr>
</thead>
<tbody>
<tr>
<td>Envue Square 123 Winkler Dr.</td>
<td>11/01/17</td>
<td>$9,000,000</td>
<td>120,830</td>
<td>$66,667</td>
<td>$74.48</td>
<td>1970</td>
<td>135</td>
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<tr>
<td>Evergreen 3499 Evergreen</td>
<td>11/01/17</td>
<td>$7,250,000</td>
<td>81,448</td>
<td>$68,396</td>
<td>$89.01</td>
<td>1961</td>
<td>106</td>
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<tr>
<td>Bellestone Villas 8271 Stone St.</td>
<td>10/10/18</td>
<td>$4,200,000</td>
<td>51,600</td>
<td>$70,000</td>
<td>$81.40</td>
<td>1970</td>
<td>60</td>
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<tr>
<td>Casa Cruz 6727 Telephone Rd.</td>
<td>Asking</td>
<td>$18,340,000</td>
<td>121,296</td>
<td>$70,000</td>
<td>$151.20</td>
<td>1972</td>
<td>262</td>
</tr>
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</table>

**Totals/Averages Comps**

|                  | $9,697,500 | 93,794     | $68,766      | $99.02     | 1968     | 141   |

**La Bella Vista**

| 3600 S Shaver   | MARKET     | 130,755    | 1964/1969    | 153        | 106      | 89.01 |

[Image of the property location]
PASADENA, TEXAS is a predominately blue collar community with employment in Pasadena closely linked to the ship-channel industries, Bayport Industrial District, and the NASA/Johnson Space Center in nearby Clear Lake. San Jacinto College and Texas Chiropractic College are located in Pasadena with The Texas Medical Center, the University of Texas Medical Branch (UTMB), the University of Houston and Rice University only a short commute away.

The area has excellent access to I-45 and the Gulf Freeway sub-market, Sam Houston Tollway, Loop 610, State Highway 225 and is approximately 9 miles east of the Houston Central Business District. Houston’s three primary employment centers - the Central Business District, the Galleria/West Loop Corridor and Greenway Plaza - are only about a 20 to 30 minute commute.

Pasadena is part of the Bay Area Houston Market Area. The Bay Area Market encompasses parts of Harris and Galveston counties and spans all or part of twelve cities which include Houston, Pasadena, La Porte, League City, Seabrook, Kemah, Webster, Nassau Bay, Seabrook, Friendswood and several smaller municipalities.

77% of the residents within a 1 mile radius of the Vista del Sol Apartments are Latin American
PETRO-CHEMICAL INDUSTRIES
Houston Ship Channel/Port of Houston

- The Port's $15 billion petrochemical complex is the nation's largest, containing over 430 refining and manufacturing companies and over 35,000 employees.

- The 10th largest port in the world, the Port of Houston is #1 in US foreign tonnage, #1 in North America for break-bulk and project cargo, #1 in North America for steel, #1 port in North America for petroleum, #1 petrochemical complex in North America.

- 25-mile long complex in East Houston with 150 industrial companies; $178.5 billion state-wide economic impact.

- Busiest port in the US with over 8,000 vessel calls linking Houston to 1,053 ports and 203 countries.

- Explosive area job growth fueled by the port, cruise terminal, refining industry, and liquid natural gas terminals - Between 2012 and 2015, the Houston port region spent $35 billion in capital and maintenance investments, creating 110,000 direct jobs and 154,100 indirect jobs.

- Port of Houston projects imports and exports of containerized cargo to increase 11% annually over the next four years.

- New Bayport Container and Cruise Terminal is estimated to generate and support over 30,000 jobs in its first ten years (2007 - 2017) with a $796 million economic impact; expected to generate and support over 60,000 new jobs through 2030 at build out with a total economic impact of $2.43 billion.

- William P. Hobby Airport, just a short distance from the Property, employing over 4,000 has completed a $160 Million renovation.

- Ellington International Airport, located approximately 10 miles south of Pasadena, is undergoing a $500 Million renovation.
When 180 mile State Highway 99, also known as the Grand Parkway, is complete, it will be the longest beltway in the U.S., and the third (outer) loop within Houston-The Woodlands-Sugarland metropolitan area, with Interstate 610 being the first (inner) loop, and Beltway 8 (Sam Houston Tollway) being the second (middle) loop.
The Bay Area Houston Economic Partnership supports the aspirations of 13 cities, Harris and Galveston counties, the Port of Houston Authority, regional businesses, and dozens of other businesses in its service area. BAHEP’s role is complex, but essential to sustaining the region’s economy and high quality of life. The Bay Area Houston is a region that surrounds the Galveston Bay estuary of Southeast Texas in the United States within the Houston MSA. Simply referred to as the “Bay Area”. The Bay Area has a diverse economy with much of it built around aerospace, petrochemicals, healthcare and high tech industries. The region’s economy is closely tied to the rest of the Houston area though the mix of local businesses is somewhat unique. The tourism industry attracts millions of visitors each year with attractions ranging from Space Center Houston, Kemah Boardwalk to the bay itself. Ecotourism, in particular, is a growing sector with destinations such as the Armand Bayou Nature Center.

NASA

For more than four decades, NASA’s Johnson Space Center has led our nation and the world on a continuing adventure of human exploration, discovery and achievement. Although Houston is referred to as “Space City,” JSC is actually located near Clear Lake in the Bay Area Houston. The JSC civil service workforce consists of about 3,000 employees, the majority of whom are professional engineers and scientists. Of these, approximately 110 are astronauts. About 50 companies provide contractor personnel to JSC. More than 12,000 contractors work onsite or in nearby office buildings and other facilities.
AEROSPACE

Houston is home to more than 450 companies with a connection to the space industry and more than 120 that are involved in aviation. From 2009 to 2010, Houston's total trade in aircraft, spacecraft and parts grew 14% to $1.54 billion. NASA's close proximity has cultivated an impressive presence of research, engineering and technology firms. Notable companies include Boeing, Lockheed Martin, Space X, Ares Corporation, MBI Technologies Inc., ATK Launch Systems, MicroTesla Ltd., Barrios Technology, Inc., Neptec USA, Inc., Coleman & Associates, Nimco Instruments, Polygon Aerospace, Hernandez Engineering Inc., Jacobs Engineering, Honeywell Aerospace, S & K Aerospace, Inc., Houston Technology Center, J & P Technologies, L-3 STRATIS and Wyman-Gordon Company.

PETRO/CHEM REFINING

The Bay Area Houston is one of the world's largest manufacturing centers for petrochemicals, and the $15 billion petrochemical complex at the Houston Ship Channel is the largest in the country. Supporting the industry is a complex of several thousand miles of pipeline connecting 200 chemical plants, refinery, salt domes and fractionation plants along the Texas Gulf Coast. Houston has more than 400 chemical manufacturing establishments with more than 35,000 employees. Houston has two of four largest U.S. refineries. ExxonMobil's complex in Baytown is one of the oldest in the area and one of the largest of its kind in the world. Houston dominates the U.S. production of three major resins: polyethylene (38.7% of U.S. capacity); polyvinyl chloride (35.9% of U.S. capacity) and polypropylene (48.4% of U.S. capacity).

BOATING

Bay Area Houston is at home on the water. Thousands of miles of coastline offer residents ample opportunity to enjoy the water through recreational boating and fishing, and in turn have created economic opportunity for industries that cater to this lifestyle. The region is host to several prestigious, long-standing yachting/sailing organizations and marinas such as Lakewood Yacht Club in Seabrook, Houston Yacht Club in Shoreacres, Texas Corinthian Yacht Club and Waterford Yacht Club in Kemah. Our proximity to the water and attractions like the Kemah Boardwalk and nearby Galveston Island bring a considerable amount of tourism dollars into our economy. The inshore bays and offshore waters of the Gulf of Mexico offer some of the world's finest fishing and seafood.

HEALTHCARE

The healthcare industry makes up a significant portion of the Bay Area Houston's economy. A multitude of hospitals, private practices, multi specialty clinics, specialty doctors and emergency care centers serve the region. Some of the major healthcare providers include Bayshore Medical Center, CHRISTUS St. John Hospital, Clear Lake Regional Medical Center, Comerstone Hospital, Devereux Texas Treatment Network, Houston Physicians' Hospital, Innovative Alternatives, Inc., M.D. Anderson Clinical Care Center in the Bay Area, Kindred Healthcare, Memorial Hermann Southeast Hospital, Moody Health Center, New Dimensions Home Healthcare Plus, Inc., San Jacinto Methodist Hospital, St. Luke's Patients Medical Center, Texas Oncology, The Eye Clinic of Texas and The University of Texas Medical Branch, which has over 40 Bay Area locations.

PORT OF HOUSTON

The Port of Houston is a 25-mile-long complex of diversified public and private facilities located just a few hours by ship from the Gulf of Mexico. The port is consistently ranked 1st in the United States in foreign waterborne tonnage; 1st in U.S. imports; 2nd in U.S. export tonnage and 2nd in the U.S. in total tonnage. It is also the nation's leading breakbulk post, handling 65 percent of all major U.S. project cargo. As one of the world's busiest ports, the Port of Houston is a large and vibrant component of the regional economy. A 2007 study by Martin Associates says ship channel-related businesses contribute to more than 785,000 jobs throughout Texas while generating nearly $118 billion of statewide economic impact. Additionally, more than $3.7 billion in state and local tax revenues are generated by business activities related to the port.

Source: www.baygroupmedia.com
Though a relatively young city compared with counterparts like Boston, New York and Los Angeles, Houston is one of the fastest growing big cities in the country. Ranked fourth in the U.S. by total population, Houston is luring more residents from around the globe drawn by its mix of cultural amenities, world-class restaurants, diverse communities and a low cost of living. Aided by the absence of city or state income tax and affordable housing prices, Houston's cost of living is far below the national average.

A thriving international city, Houston’s ties stretch to all corners of the world. The region’s geographic location makes it easy to move both goods and people around the globe.

The 11-county Greater Houston area is one of the largest and most diverse business regions in the nation. Houston’s strategic, central location coupled with the infrastructure of four of the country's largest ports, two international airports and major highway and rail service make this a dynamic hub for a large cross-section of industries that connects companies to the world.

- More than 1.6 million Houstonians, or roughly one in four, were born outside the U.S.
- If Houston were a country, it would rank as the 26th largest economy in the world - exceeding Thailand and Iran's Gross Domestic Product.
- Houston ranks 2nd in the U.S. for manufacturing GDP and has the highest industry GDP within the city.
- More than 500 institutions are devoted to the performing and visual arts, science and history in the Houston area.
The Houston-Woodlands-Sugar Land Metropolitan Statistical Area (MSA) is the nation’s fifth-largest MSA with a total of 6.9 million people. From ’10 to ’17, Houston added 972,000 new residents, a 16.4 percent increase, the fastest rate of population growth among the 10 most populous metros.
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 nine county metropolitan area is the fifth-largest metropolitan area in the nation and covers 9,444 square miles.

The City of Houston lies in three counties: Harris, Fort Bend and Montgomery. Harris County contains the bulk of the City of Houston with small portions of the city lying in Fort Bend and Montgomery counties. Houston is the county seat, or administrative center, of Harris County. Harris County contains all or part of 34 incorporated cities. The Houston MSA includes 124 incorporated communities.
HARRIS COUNTY

Harris County, Texas - is the third largest county in the United States by population ranking behind only Los Angeles County (Los Angeles, CA and Cook County (Chicago, IL). Its county seat is Houston, Texas, also the fourth largest city in the nation.

- Harris County is part of the Houston-Woodlands-Sugarland MSA with a total population of approximately 7.0 million

- Harris County ranks first among Texas counties with a current population of approximately 4.7 million residents.

- Harris County is the largest of the 11 counties in the Greater Houston region (not to be confused with the Houston-Woodlands-Sugarland MSA which consists of 9 counties). Almost three-quarters of the county are covered by the city of Houston and thirty smaller communities; only about 27 percent of the county is rural. The county comprises 1,778 square miles and is the largest Texas county east of the Nueces River. Harris County transportation systems serve intrastate and interstate needs with six major railroads hauling freight to distribution centers and to the port; Amtrak provides passenger rail service while METRO provides light rail and passenger bus service. Buses, trucks and passenger cars utilize a network of highways including Interstate 10 east and west and Interstate 45 north and south. U.S. Highway 59 crosses the county from northeast to southwest and goes to the Rio Grande valley, and U.S. 290 leads to West Texas via Austin. Loop 610 encircles the heart of Houston, and a second loop, Beltway 8, allows traffic to move around the perimeter of the urban sector. Two major airports, George Bush Intercontinental and William P. Hobby, are within the city of Houston. Leading sectors include health care, trade, service and education.

HARRIS COUNTY STATS

<table>
<thead>
<tr>
<th>Population</th>
<th>Businesses</th>
<th>2018 Employment</th>
<th>Per capita Income</th>
<th>Median age</th>
</tr>
</thead>
<tbody>
<tr>
<td>4,698,619</td>
<td>116,146</td>
<td>2,308,089</td>
<td>$53,188</td>
<td>33.1</td>
</tr>
</tbody>
</table>

*Source: April 2020 Economy at a Glance ©2020, Greater Houston Partnership

Houston ranks 2nd in the U.S. for manufacturing GDP. Houston is the nation’s sixth largest metro economy and has grown by $100 billion (inflation-adjusted) over the past decade. The region’s largest industries are manufacturing, accounting for a 16.8 percent share of Houston’s GDP, followed by professional and business services (13.6 percent) and finance, insurance, real estate, rental and leasing (12.9 percent).

The Houston-Woodlands-Sugar Land Metro Area will add 3.3 million residents between ’15 and ’40. Perryman also forecasts that Houston will add an additional 1.6 million jobs during that time frame and account for one-fourth of Texas job growth during that period.
ENERGY
Houston is the leading domestic and international center for virtually every segment of the energy industry—exploration and production, transmission, marketing, service, trading, supply, offshore drilling and technology. More than 4,600 energy-related firms are located within the Houston metro area, including over 500 exploration and production firms, nearly 800 oilfield service companies, more than 90 pipeline transportation firms, and hundreds of manufacturers and wholesalers of energy-sector products.

After starting Monday 4/20/20 around $18 a barrel, West Texas Intermediate, the U.S. crude benchmark, closed 300 percent lower at negative $37 a barrel for delivery for May 2020. The crash of 4/20/20 was a one-of event and not the beginning of a downturn unlike anything the oil industry has ever experienced. For now, however, oil futures contracts that deliver crude in June and beyond were holding steady, with contracts for December delivery trading at $32 a barrel.

The price collapse nevertheless threatens the economies of Houston and Texas. It is likely to worsen an already dismal outlook for the region, with economists predicting that Houston’s unemployment rate would hit 10 percent by the end of the month. Adjusted for inflation, crude now sells for less than it did during the trough of the ’80s energy bust. The North American energy industry can’t earn a profit at current prices. According to a Dallas Fed survey, companies require crude trade at $24 and $35 per barrel just to cover the operating costs of existing wells. Source: MarcusMillichap Staff Writers James Osborne and Sergio Chapa

PETROCHEMICAL & REFINING
The Spaghetti Bowl is a complex of several thousand miles of product pipeline connecting hundreds of chemical plants, refineries, salt domes and fractionation plants along the Texas Gulf Coast. It gives the Houston area an economic advantage through convenient and low-cost transfer of feedstocks, fuel and chemical products among plants, storage terminals and transportation facilities. In 2019, refineries in the Houston region processed nearly 2.6 million barrels of crude oil per calendar day—approximately 45.1 percent of the state’s total production and 13.8 percent of total U.S. capacity with the logistics for moving much of the nation’s petroleum and natural gas across the country are controlled from Houston.

For the week ending April 4, 2020, chemical railcar loadings, the best real-time indicator of U.S. chemical industry activity, fell 8 percent. “We haven’t seen sustained declines of that magnitude since the Great Recession,” notes John Gray, Senior Vice President at the Association of American Railroads. Metro Houston accounts for over 40 percent of the nation’s base petrochemical capacity. U.S. refineries typically run at 90 percent or more of their design capacity. Refinery utilization hit 94.5 percent the last week of December but dropped to 75.6 percent the first week of April. With travel plans cancelled, manufacturing output scaled back, and so many people working from home, the demand for gasoline, diesel and aviation fuels remains well below normal levels.

CONSTRUCTION
Local construction began to slow prior to the COVID-19 outbreak. Dodge Data & Analytics reports that Houston area starts slipped 18.8 percent, or $4.0 billion, in the 12 months ending February ’20 compared to the same period in ’19. Projects now underway will be completed but anecdotal evidence suggests new projects are being put on-hold until the pandemic passes.

*Source: April 2020 Economy at a Glance ©2020, Greater Houston Partnership
**FINANCIAL SERVICES**

Metro Houston’s 97 Federal Deposit Insurance Corporation (FDIC)-insured institutions had 1,450 offices and branches with $240.9 billion in local deposits, according to June ’17 FDIC data. Houston ranked 10th among U.S. metros in total deposits in ’17. Houston’s 10 largest banks (ranked by local deposits) include JPMorgan Chase Bank, Wells Fargo Bank, Bank of America, BBVA Compass Bank, Amegy Bank, Prosperity Bank, Capital One, Frost Bank, Comerica Bank and Woodforest National Bank. A key center for international finance, Houston leads the Southwest U.S. with 20 foreign banks from 10 nations. Five of the nation’s 10 largest FDIC-insured banks, as measured by domestic deposits, operate full-service branches or commercial loan offices in the Houston region.

**NASA & AEROSPACE**

Houston established itself as a global hub for aerospace in 1961 with the arrival of NASA’s human space program. Since then, the Johnson Space Center (JSC) has anchored a thriving aviation industry that includes the world’s leading aerospace companies. NASA’s presence provides a dense concentration of skilled talent that makes Houston a worldwide leader in commercial space flight. In ’15, the Federal Aviation Administration (FAA) designated Ellington Field as an official spaceport, clearing the way for commercial space flight in Houston.

JSC, along with support from dozens of Houston-based businesses, manages the design, development and assembly of the International Space Station; serves as NASA’s lead center for life sciences research and application; selects and trains astronauts; controls human space flights; directs industrial efforts to design, develop, build and upgrade piloted space craft; and oversees many medical, scientific and engineering experiments conducted aboard the space shuttle. JSC manages an annual budget of approximately $4.4 billion in contracts, grants, civil service payroll and procurements. In ’17, NASA awarded service contracts and grants to 161 companies and research organizations in the Houston region. Space Center Houston, the official visitor center of JSC, attracts over one million visitors and generates $73.0 million in economic impact annually. Houston is home to more than 250 companies involved in aircraft or space vehicle manufacturing, research and technology, or other air transportation support activities. Of the 50 largest aerospace manufacturing companies in the U.S., 32 have a presence in the Houston region. Houston’s total trade in aircraft, spacecraft and parts totaled $2.1 billion in ’17, and aircraft, spacecraft, and related parts are Houston’s 17th largest internationally traded commodity.

**EDUCATION**

The Houston MSA contains 60 independent school districts (ISDs) and 40 state-approved charter management organizations. Charter schools and ISDs in the Houston metro area enrolled more than 1.3 million students, approximately one out of every four school-aged children in the state, in Fall ’16. Houston Independent School District (HISD) is the seventh largest public school system in the nation and the largest in Texas. Encompassing 333 square miles within Greater Houston, HISD has more than 280 campuses and enrolled more than 215,000 students during the ’16-’17 academic year. More than 430,000 students enrolled in more than 30 two-year community colleges and four-year or above universities in the Houston region in the Fall ’17 semester. Undergraduates make up 87.1 percent of enrolled students. The region also has 50 trade, vocational and business schools specialized for acupuncture, art, law, health care, funeral, religious and various other disciples that enroll an additional 20,000 students, according to the National Center for Education Statistics. Two institutions in Houston MSA are designated as “Tier I,” the highest ranking for research activity, according to the Carnegie Classification: Rice University and University of Houston.

*Source: April 2020 Economy at a Glance ©2020, Greater Houston Partnership*
HEALTHCARE

Top Employers CHI St. Luke’s, HCA, Harris Health System, Houston Methodist, MD Anderson Cancer Center, Memorial Hermann Healthcare System, Michael E. DeBakey Veterans Affairs Medical Center, Texas Children’s Hospital and UTMB Health. Texas Medical Center Houston’s Texas Medical Center is the world’s largest medical complex by multiple measures: number of hospitals, number of physicians, square footage and patient volume. The Texas Medical Center’s 61 member institutions have been consistently recognized as some of the best hospitals and universities in the nation by U.S. News and World Report. The University of Texas M.D. Anderson Cancer Center, Texas A&M University Health Science Center, and The University of Texas Health Science Center at Houston are developing a state-of-the-art research translation collaborative campus called TMC³. TMC³ will help establish Texas Medical Center as the world’s leader in human health and life science.

Texas Medical Center 3 will provide:

✓ TMC3 will provide an additional $5 Billion to the Texas economy and create 26,000 new jobs upon completion

✓ An Additional 1.5 Million square feet of collaborative campus space

✓ 250,000 square feet of core labs and amenities

✓ 36 Acres

Source: Newmark, Knight, Frank “State of the Houston Economy”, May 2020

AVIATION

The Houston area is served by two major airports: George Bush Intercontinental Airport (IAH) and William P. Hobby Airport (HOU). Houston’s largest airport, IAH, is located approximately 23 miles north of downtown Houston, and currently ranks 15th among United States’ busiest airports with scheduled nonstop domestic and international flights. More than 650 departures leave daily from IAH, which offers service to more Mexican destinations than any other U.S. airport, as well as 74 nonstop international cities, including Beijing. IAH was named the 8th best airport in the country in a 2017 ranking from aviation reviewer SkyTrax. Hobby Airport is located approximately seven miles south of downtown, and offers nonstop flights to more than 50 destinations throughout the United States. It’s also a regional center for corporate and private aviation.

A third site, Ellington Airport (EFD), is a joint-use civil and military airport serving the needs of the U.S. military, NASA, and general aviation. Check individual airlines to see which airports serve a particular carrier.

FOREIGN TRADE

The Houston-Galveston Customs District handled 289.2 million metric tons of goods and commodities in ’18, a 9.0 percent increase over ’17. Those shipments were valued at $233.3 billion, up 21.5 percent from ’17, which was the largest increase among the nation’s 20 busiest districts. Houston ranked first in tonnage and seventh in value among U.S. customs districts in ’18. Houston and New Orleans have been the busiest two districts in tonnage for decades. Houston has held the top spot in seven of the past 10 years. Houston exported to 215 countries and imported from 195 in ’18. Mexico remains the region’s top trading partner, followed by China, Brazil, the Netherlands and South Korea. The district handled goods and commodities from 97 trade categories in ’18—everything from gasoline to live animals to cork. The top five exports, accounting for 81.8 percent of all exports by value, were crude and refined products, chemicals, industrial machinery, plastics and motor vehicles. The top five imports, accounting for 63.2 percent of all imports by value, were crude and refined products, industrial machinery, iron and steel, motor vehicles and chemicals.

*Source: April 2020 Economy at a Glance ©2020, Greater Houston Partnership
According to The Greater Houston Partnership’s April 2020 issue of "The Economy at a Glance", the number of confirmed COVID-19 cases in the U.S. has skyrocketed. On March 15, there were fewer than 4,000 cases in a handful of states. As of April 16, there were early 671,000 cases with outbreaks in every state in the nation.

Worldwide, there were more than 2.1 million cases by mid-April, with 70,000 to 90,000 new cases confirmed each day. The pandemic has wreaked havoc on the global, U.S. and local economies.

GLOBAL OUTLOOK

The International Monetary Fund (IMF) expects the "Great Lockdown Recession" to be the worst downturn since the Great Depression. The global economy will contract 3% or more in 2020, with severe declines in the advanced economies (e.g., Germany, 7.0%, United Kingdom, -6.5%, United States, -5.9%) and nominal growth in a few developing economies (e.g. India, +1.9%, China, +1.0%).

The World Trade Organization (WTO) forecasts merchandise trade to plummet 13 to 32 percent in 2020. Nearly all regions will suffer double-digit declines, with exports from North America and Asia hit hardest.

*Source: April 2020 Economy at a Glance ©2020, Greater Houston Partnership
GLOBAL OUTLOOK (cont)

IHS Market's Purchasing Managers' Indices shows economies were already contracting in March in eight of top 10 market for U.S. exports. Recent reports suggest that China is struggling as well.

U.S. OUTLOOK

There's a 96.4% probability that the U.S. is already in a recession, according to a recent poll of prominent economists by The Wall Street Journal. The group forecasts U.S. gross domestic product (GDP) to shrink between 7.5 and 50% in the 2nd quarter, with 25.3% being the average. The panel sees U.S. unemployment reaching 12.6% by June 2020.

Recent economic data underscore that pessimistic outlook. U.S. retail sales fell 8.7% in March. Housing starts plunged 22.3%. Industrial production, a measure of factory, utility and mining output, fell 5.4%, and more than 33 million workers have filed initial claims for unemployment insurance since the outbreak began. That's nearly three times the 8.8 million jobs lost in the Great Recession.

The good news is it's the fifth straight week in which claims have declined, signaling the worst shock of the coronavirus pandemic to the labor market may be in the past.

THE TEXAS OUTLOOK

Activity at Texas factories fell in March, according to a survey by Federal Reserve Bank of Dallas. The production index, a key measure of state manufacturing conditions, plummeted from 16.4 to -35.3, suggesting a significant contraction is underway. New orders, capacity utilization, production, shipments and employment have all declined.

Texas Manufacturing Outlook Survey March vs. February

<table>
<thead>
<tr>
<th>Percent of Respondents Reporting</th>
<th>Increases</th>
<th>No Change</th>
<th>Decreases</th>
</tr>
</thead>
<tbody>
<tr>
<td>New Orders</td>
<td>10.0</td>
<td>38.7</td>
<td>51.3</td>
</tr>
<tr>
<td>Capacity Utilization</td>
<td>9.9</td>
<td>47.0</td>
<td>43.2</td>
</tr>
<tr>
<td>Production</td>
<td>8.7</td>
<td>47.3</td>
<td>44.0</td>
</tr>
<tr>
<td>Shipments</td>
<td>10.0</td>
<td>45.7</td>
<td>44.0</td>
</tr>
<tr>
<td>Employment</td>
<td>2.6</td>
<td>71.8</td>
<td>25.6</td>
</tr>
</tbody>
</table>

Source: Federal Reserve Bank of Dallas

Texas' service sector saw a similar decline, according to a companion survey. The revenue index, a key measure of service sector conditions, fell from 14.0 in February to 67.0 in March, an all-time low for the survey.

Texas Services Sector Outlook Survey March vs. February

<table>
<thead>
<tr>
<th>Percent of Respondents Reporting</th>
<th>Increases</th>
<th>No Change</th>
<th>Decreases</th>
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</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>2.4</td>
<td>28.2</td>
<td>69.4</td>
</tr>
<tr>
<td>Employment</td>
<td>3.4</td>
<td>69.4</td>
<td>27.2</td>
</tr>
<tr>
<td>Hours Worked</td>
<td>4.2</td>
<td>48.6</td>
<td>47.2</td>
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<tr>
<td>Selling Prices</td>
<td>0.0</td>
<td>55.5</td>
<td>44.5</td>
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<tr>
<td>Capital Spending</td>
<td>8.6</td>
<td>60.2</td>
<td>31.1</td>
</tr>
</tbody>
</table>

Source: Federal Reserve Bank of Dallas

More than 740,000 Texans filed initial claims for unemployment insurance (UI) between March 15 and April 11. That under estimates the extent of the losses. Those applying for benefits have found the Texas Workforce Commission’s phone lines jammed and website servers overloaded. As the backlog is processed and firms shed employees, the number of claims, a surrogate for job losses, will climb.

*Source: April 2020 Economy at a Glance ©2020, Greater Houston Partnership*
Bill Gilmer, Director of the Institute for Regional Forecasting (IRF) at the University of Houston's Bauer College of Business, estimates that 255,000 Houstonians are TEMPORARILY out of work. Furthermore, he anticipates only 58,000 jobs will be lost due to the coronavirus. His predictions also assert that the demand for oil will improve in September 2020.

**Chemicals and Refining**

Chemical railcar loading, the best real-time indicator of U.S. chemical industry activity, fell 8% the week ending April 4, 2020. Per the Association of American Railroads, we haven’t seen sustained declines of that magnitude since the Great Recession. Metro Houston accounts for over 40% of the nation’s base petrochemical capacity. Source: April 2020 Economy at a Glance ©2020, Greater Houston Partnership

**ON A MORE POSITIVE NOTE........**

- ExxonMobil is investing $2 Billion to expand production in Baytown, TX. The specialty elastomer Vistamaxx will add 900 Million pounds of capacity. Operations expect to begin in 2022.

- LyondellBasell Industries is developing a new propane plan that will increase capacity by 35,000 barrels per day and produce up to 1.65 Billion pounds per year of polymer grade propylene. Operations to begin in 2023 with up to 2,000 jobs created.

- LyondellBasell Industries NV has surpassed 20% completion of the world’s largest propylene oxide and tertiary butyl alcohol plant at the Houston-area complex in Channelview, TX. Expected to be up and running in 2021.

Source: Newmark, Knight, Frank “State of the Houston Economy”, May 2020
**Transportation**

With the slump in global trade, container traffic at the Port of Houston slipped 11.5% in March, 2020 compared to March, 2019. Data from the Transportation Safety Administration (TSA) shows that U.S. air passenger volumes have fallen 95% since the middle of March.

**Construction**

Dodge Data & Analytics reports that Houston area starts slipped 18.8% in the 12 months ending February, 2020 compared to the same period in 2019. Projects now underway will be completed but anecdotal evidence suggests new projects are being put on-hold until the pandemic passes.

**Commercial Real Estate**

Houston's commercial real estate sector faced significant challenges before the outbreak of COVID-19. One-fourth of all local office space was vacant at the end of Q1/20. Absorption of new space has been negative nine out of the last 16 quarters. The vacancy rate for warehouse/industrial space has risen for eight consecutive quarters.

For most of Q1, leasing and sales activity continued at the normal, although slow, pace of recent years. Brokerages now report a near halting of activity since mid-March. Tenants are waiting on the sidelines until the pandemic passes.

**Residential Real Estate**

The Houston resale housing market was relatively un-scathed from the COVID-19 crisis in March. Houston area realtors sold 7,566 single-family homes, up 8.2% from March, 2019. Those deals entered the pipeline early in the year, however. Now that those deals have closed, sales will plummet. Spring is typically the peak for homebuying season in Houston. Single family sales of 87,632 in the 12 months ending February '20 set a record for a 12 month period.

The single family home median price (the figure at which half of the homes sold for more and half sold for less) rose 5.2% to $245,000 and the average price climbed 5.9% to $302,648.

New listings in the Houston Association of Realtors Multiple Listing Service are down 4.8% and active listings down 3.2% compared to this time (May 2019). Those trends are expected to continue.

Anecdotal reports suggest Houston homebuilders now operate at 50% to 70% of their pre-COVID-19 capacity. Home showings continue, but by appointment only. Some builders won't allow parents to bring their kids along. Children like to touch thing as they run through the house.

As with the resale market, most transactions entered the pipeline before concerns about the virus changed consumer behavior. Once stay-at-home orders are lifted, months may pass before the pipeline refills. Some developers are moving forward with projects already underway (water, sewage, drainage, paving) while others have halted all work to preserve cash.

*Source: April 2020 Economy at a Glance ©2020, Greater Houston Partnership*
Uncertainty and Volatility characterize the current economic and capital markets environment. Multifamily values are stressed and rental income at risk. The uncertainty creates great challenges in pricing assets and debt options. Forecasting property revenues has become far less clear, and no asset class is immune from the current environment. However, the capital markets have not shut down. Sales and debt financing deals are getting done. The market continues to function, albeit at a significantly reduced level.

What Local Owner/Operator’s are Saying

While some justices of the peace are suspended evictions through April, 2020, apartment owners have begun outlining their own initiatives to assist tenants who may have lost jobs or gotten sick. Houston-based Karya Property Management, which operates some 20,000 apartment units across the country, more than half of which are in the Houston area, is delaying eviction notices. “Typically, we file evictions on the 10th of the month. This month we made the conscious decision of not doing so,” founder Swapnil Agarwal said. Karya’s properties cater to public school teachers, fire fighters, police officers and those paid by the hour in service jobs or retail.

The average rent across all of its properties is $850 a month. “I think we’ll see higher delinquency unless we see federal, state or city support of hourly wage earners,” Agarwal said.

Charleston, S.C. based Greystar, the nation’s largest apartment manager with 150 properties in Houston, will, in some cases, freeze rental rates or slow the speed at which it processes evictions.

Houston-based Camden Property Trust is waiving late fees and taking bolder steps in some cases. “If somebody can’t pay and they visit with us, we’ll hold the eviction proceeding,” said Camden Chief Executive Ric Campo said. source: HoustonChronicle.com 3/18/20
The multifamily market has seen strong rental rate growth in the last decade, even in time of market turmoil.

Source: Newmark, Knight, Frank "State of the Houston Economy", May 2020

In the 2015-16 Oil Crisis, the submarkets that experienced the highest rent growth also had the least amount of supply.

Source: Newmark, Knight, Frank "State of the Houston Economy", May 2020
Houston submarket deliveries for 2020 and current deals under construction total nearly 27,000 units with Alief, Northline, and Hwy 288 South/Pearland West leading the way in fewest total units.

- Of the total supply, infill makes up 42% and urban makes up 56%.
- In 2019, construction levels remained well below the average from 2014 - 2017 of over 16,500 units delivered per year.
- In 2019, demand outpaced supply by nearly 4,000 units.
- Houston's 2019 absorption figures showed 62% growth over 2019 absorption figures.

Source: Newmark, Knight, Frank "State of the Houston Economy", May 2020
IN SUMMARY

We Must Read Past Media Headlines

- Houston economy is at its all time high in levels of employment, consistently growing the past decade
- The Houston MSA has experienced consistent employment gains over the past decade even during volatile times in the oil market
- Houston remains a nationwide power house city ranking in the top 10 for its level of GDP
- Houston's energy sector makes up less of the total economy now than it did years ago, a result of the diversification the city has seen
- Houston ranks 2nd in the U.S. for manufacturing GDP and has the highest industry GDP within the city
- Houston's health care sector continues to dominate globally, employing the second most in Houston (behind the government sector) with an industry share of 10.7%
- Single-family sales (87,632) in the 12 months ending February '20 also set a record for a 12 month period
- The multifamily market has seen strong rental rate growth in the last decade, even in time of market turmoil
- Houston metro non-farm employment is at an all time high
- In economic downturns, the job loss in the Houston metro area has been minimal
- Following every recession is a steady increase in job creation, showing the resiliency of Houston's job market
- Following the oil related recession in 2015 - 2016, the south east side of Houston saw major petrochemical companies announce new expansions that will be online within the next 2 - 4 years
- Less employees being let go in the Houston area than the media outlets have depicted in news article headlines
- As Houston tentatively begins to re-open businesses in mid-May 2020 the economy will slowly but surely begin to recuperate.

Source: Newmark, Knight, Frank "State of the Houston Economy", May 2020
La Bella Vista ● 3600 S. Shaver ● South Houston, TX 77587

Flood Plain Map

PLEASE VERIFY
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

Sales Agent/Associate’s Name
License No. Email Phone

Buyer/Tenant/Seller/Landlord Initials Date

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Information available at www.trec.texas.gov
IABS 1-0
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ALL PROPERTY SHOWINGS ARE BY APPOINTMENT ONLY

FOR INFORMATION PLEASE CONTACT:

KET ENTERPRISES INCORPORATED
4295 San Felipe  I Suite 355
Houston, TX  77027
www.ketent.com
Broker License  #406902

GOLDENLIGHT REALTY
9555 West Sam Houston Pkwy  I Suite 128
Houston, TX  77099
www.goldenlight.com
Broker License  #559747

HASHIR SALEEM
Broker/Senior Associate
KET Enterprises Incorporated
hashir@ketent.com
713-355-4646 ext 106

YAKUP ALTINISIK
Broker/Owner
Goldenlight Realty
realtor.yakup@gmail.com
832-605-0398