



CONSTITUTION
SQUARE
apartment homes

The Offering

Constitution Square | 3015 Greenridge Dr. | Houston, TX 77057



OVERVIEW

Total Units:	80
Avg Mkt Rent/Unit:	\$1,137
Avg Mkt Rent/SF:	\$1.57
Avg Unit SF:	768
Date Built:	1971
Date Renovated:	2022
Total SF:	57,948
Total Acreage:	2.00
Occupancy:	88%
Class:	B-
Terms:	All Cash

INVESTMENT HIGHLIGHTS

- ◆ ASKING PRICE IS MARKET
- ◆ Located in the Uptown Houston/Galleria area of Houston
- ◆ Stable area occupancy
- ◆ Close-in area
- ◆ Blue collar and white collar profile
- ◆ Ideal for a smaller owner
- ◆ Value add potential
- ◆ Interior & exterior rehab could produce increase in income

PRICING

Asking Price	MARKET
Stabilized NOI	\$ 761,225



FOR MORE INFORMATION PLEASE
CONTACT

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CONSTITUTION SQUARE APARTMENT HOMES

Constitution Square is a two story apartment community located in the Galleria submarket of Houston, Texas. The asset was built in 1971 and per HCAD, was remodeled in 2014. Residents enjoy amenities which include a gated, controlled-access community, assigned covered parking, sparkling pool, relaxing spa, and fitness center. Apartment homes include a variety of spacious 1 and 2 bedroom floor plans, with fully-equipped kitchens, washer and dryer, air conditioning, ceiling fans, track lighting, and crown molding.

Constitution Square is located in the Galleria/Uptown Houston submarket which comprises the area east of Interstate 610 between I-10 and I-69, a large swath of the city that blends the relaxed pace of the suburbs with urban glitz and energy. One of the area's most famous attractions is the stunning Galleria, the largest shopping mall in Texas, which employs thousands in its high-end boutiques. Nearby, a thriving dining and entertainment district supplies the neighborhood with an eclectic variety of off-hours attractions. Memorial Park sits right across the highway, and locals love to stroll through the Houston Arboretum and hit the links of the Memorial Park Golf Course.

The local housing market ranges from single-family homes to high-rise condominiums, with many surprisingly affordable apartments in the mix as well; while the section closest to Interstate 610 and the Galleria tends to be more urbanized, most of the neighborhood is suburban in nature. The fairly tight layout means that corporate offices and residences are close enough together for many folks to be able to walk or bike to work.



80
units



1971
year built



2022
rehabbed



88%
occupancy

Unit	Appliances	Carpet	Floor	Paint	Counter	LED Lights	Unit	Appliances	Carpet	Floor	Paint	Counter	LED Lights
1	--	--	Cermaic	New	old	Yes	41	New	Old	Old	Old	Old	Yes
2	New	New	New Vinyl	New	Granite	Yes	42	New	New	New Vinyl	New	Granite	Yes
3	New	New	Porceilne Tiles	New	Granite	Yes	43	Stove New, re: Old	Old	Old	Old	Old	Yes
4	Old	Old	Old	New	Granite	Yes	44	Old	Old	New Vinyl	Old	Old	Yes
5	New	New	Porceilne Tiles	old	Granite	Yes	45	Old	Old	Porceilne Tile: Old	Old	Old	Yes
6	New	New	Porceilne Tiles	New	Granite	Yes	46	Old	Old	Old	Old	Old	No
7	New	New	Porceilne Tiles	New	old	Yes	47	Old	Old	Old	Old	Old	Yes
8	New	New	New Vinyl	New	Granite	Yes	48	New	New	New Vinyl	New	Granite	Yes
9	Old	Old	Old	old	old	Yes	49	Old	Old	Old	Old	Old	Yes
10	Stove New, rest old	Old	Old	old	Granite	Yes	50	Old	Old	Old	New	Granite	Yes
11	New	New	Old	New	Granite	Yes	51	New	New	New Vinyl	New	Granite	Yes
12	New except DW	New	New Vinyl	New	Granite	Yes	52	New	New	New Vinyl	New	Granite	Yes
13	Old	New	Cermaic	New	Granite	Yes	53	Old	Old	Old	Old	Old	No
14	New	New	New Vinyl	New	Granite	Yes	54	Old	Old	Old	Old	Granite	No
15	New	New	Cermaic	New	Granite	Yes	55	Old	Old	Old	Old	Old	No
16	New	New	New Vinyl	New	Granite	Yes	56	New	New	New Vinyl	New	Granite	Yes
17	Old	Old	Old	Old	Old	Yes	57	New	New	Cermaic	New	Old	Yes
18	Old	Old	Old	Old	Old	Yes	58	Old	Old	Old	Old	Old	Yes
19	New	New	Porceilne Tiles	New	Granite	Yes	59	New	New	Cermaic	New	Granite	Yes
20	New	New	New Vinyl	New	Granite	Yes	60	New	New	New Vinyl	New	Granite	Yes
21	New	New	Porceilne Tiles	New	Granite	Yes	61	Old	Old	Old	New	Granite	Yes
22	Old	Old	Old	Old	Granite	Yes	62	Old	Old	Old	Old	Old	Yes
23	New	New	Porceilne Tiles	New	Granite	Yes	63	New	New	Cermaic	New	Granite	Yes
24	New	New	New Vinyl	New	Granite	Yes	64	New	New	New Vinyl	New	Old	Yes
25	Old	Old	Old	Old	Old	Yes	65	Old	Old	Old	Old	Old	Yes
26						Yes	66	New	New	New Vinyl	New	Granite	Yes
27	Old	Old	Porceilne Tiles	Old	Old	Yes	67	Old	Old	Old	Old	Old	Yes
28	New	New	New Vinyl	New	Granite	Yes	68	New	New	New Vinyl	New	Granite	Yes
29	New	New	Porceilne Tiles	New	Granite	Yes	69	New	New	Porceilne Tile: New	New	Granite	Yes
30	New	New	New Vinyl	New	Granite	Yes	70	Old	Old	Old	Old	Old	Yes
31	New	New	Porceilne Tiles	New	Granite	Yes	71	New	New	Porceilne Tile: New	New	Old	Yes
32	New	New	New Vinyl	New	Granite	Yes	72	New	New	New Vinyl	New	Granite	Yes
33	New	New	Porceilne Tiles	New	Old	Yes	73	New	New	Porceilne Tile: New	New	Granite	Yes
34	New	New	New Vinyl	New	Old	Yes	74	New	New	New Vinyl	New	Granite	Yes
35	New	New	Porceilne Tiles	New	Granite	Yes	75	Old	Old	Old	Old	Granite	Yes
36	New	New	New Vinyl	New	Granite	Yes	76	New	New	New Vinyl	New	Granite	Yes
37	New	New	Porceilne Tiles	New	Granite	Yes	77	Old	New	Porceilne Tile: Old	Old	Old	Yes
38	New	New	New Vinyl	New	Granite	Yes	78	New	New	New Vinyl	New	Granite	Yes
39	New	New	Porceilne Tiles	New	Granite	Yes	79	Old	Old	Old	Old	Granite	Yes
40	Old	Old	New Vinyl	New	Granite	Yes	80	New	New	New Vinyl	New	Granite	Yes

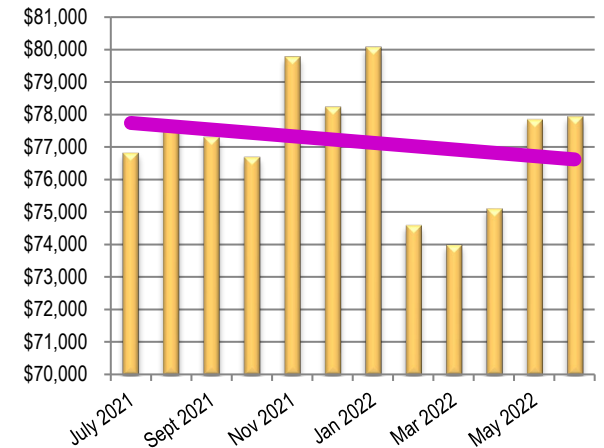
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PROPERTY INFORMATION				EXISTING MORTGAGE		TAXING AUTHORITY - HARRIS COUNTY	
Age:	1971	# of Stories:	2	Mortgage Balance	ACCT NO: 0690430000049		
Rehabbed:	2022	Buildings:	10	Amortization	Houston ISD	\$1.094400	
		Units/Acre	40.00	P & I	Harris County	\$0.376930	
Elec Meter:	Indiv	Open Parking:	Yes	Type	Harris County Flood Control	\$0.033490	
A/C Type:	HVAC	Covered Parking:	Yes	Assumable	Port of Houston Authority	\$0.008720	
Water:	Master	Garage Parking:	No	Monthly Escrow	Harris County Hospital District	\$0.162210	
Gas:	N/A			Origination Date	Harris County Education Dept	\$0.004990	
EWG:	EW	Construction Quality:	B-	Due Date	Houston Community College	\$0.099092	
		Submarket:	Galleria	Interest Rate	City of Houston	\$0.550830	
Wiring:	Alum/PT?						
Roof:	Pitched	Concessions:	Currently there are no leasing concessions in place	Yield Maintenance			
Materials:	Brick/Wood			Transfer Fee		2021 Tax Rate/\$100	\$2.330662
Paving:	Asphalt					2022 Tax Assessment	\$6,723,654
Resident pays for E(Elec); W(Water);G(Gas)						HCAD Improvement Sq.Ft.	58,792

COLLECTIONS

Total \$ **926,179**

July 2021	\$	76,824	12 Mo Avg	\$	77,182
Aug 2021	\$	77,744			
Sept 2021	\$	77,311			
Oct 2021	\$	76,695	9 Mo Avg	\$	77,144
Nov 2021	\$	79,773			
Dec 2021	\$	78,232			
Jan 2022	\$	80,069	6 Mo Avg	\$	76,600
Feb 2022	\$	74,613			
Mar 2022	\$	74,005			
Apr 2022	\$	75,120	3 Mo Avg	\$	76,971
May 2022	\$	77,851			
June 2022	\$	77,942			

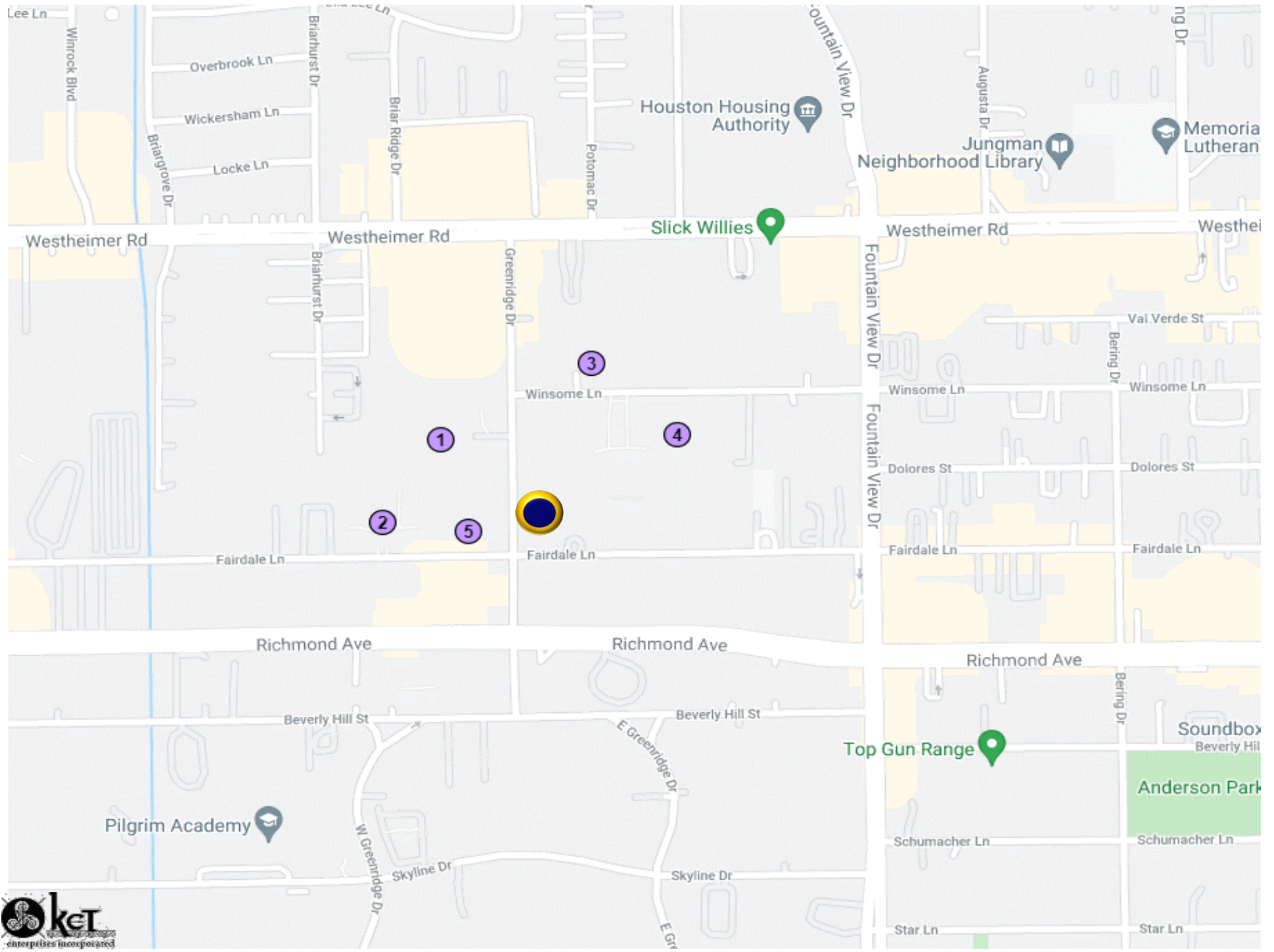


FINANCIAL HIGHLIGHTS

2022 KET RENT COMPARABLE TAX ANALYSIS

Property	Address	Yr Built	Units	Impr Sq.Ft.	Impr Value	Impr Value/Unit	Impr Value/Sq.Ft.
Greenridge Place 0410330050002	3000 Greenridge	1978	396	330,704	\$44,193,688	\$111,600	\$133.64
The Gallery 0690430000072	6220 Fairdale	1972	98	81,299	\$9,130,264	\$93,166	\$112.30
The Ridley 0690430000020	2815 Greenridge	1971	405	311,623	\$38,997,150	\$96,289	\$125.14
Montebello Gardens 0690430000039	6041 Winsome	1974	109	76,320	\$10,864,670	\$99,676	\$142.36
Tiffany Square 0690430000076	3030 Greenridge Tax Credit/Subsidized	1973	83	67,044	\$5,348,823	\$64,444	\$79.78
Constitution Square	3015 Greenridge Dr.	1971	80	58,792	\$6,723,654	\$84,046	\$114.36
Averages		1973	195	154,297	\$19,209,708	\$91,537	\$117.93

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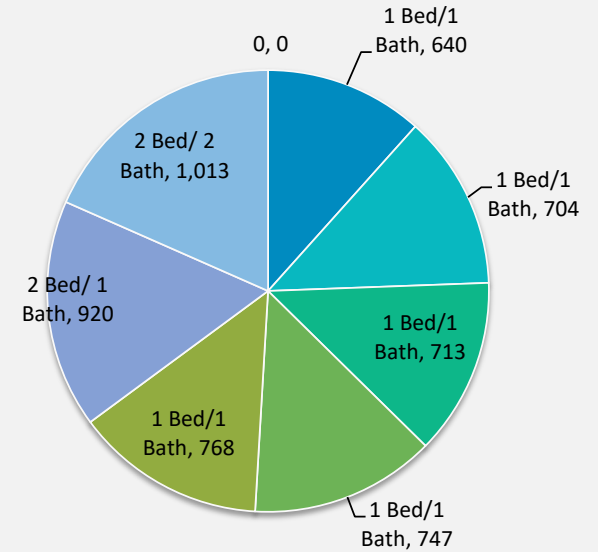
UNIT MIX

Floorplan	Type	No. Units	Sq Ft	Total SqFt	Market Rent	Total Rent	+EWG	Rent/SF
	1 Bed/1 Bath	19	640	12,160	\$1,100	\$20,900	+EW	\$1.72
	1 Bed/1 Bath	27	704	19,008	\$1,125	\$30,375	+EW	\$1.60
	1 Bed/1 Bath	8	713	5,704	\$1,140	\$9,120	+EW	\$1.60
	1 Bed/1 Bath	8	747	5,976	\$1,150	\$9,200	+EW	\$1.54
	1 Bed/1 Bath	6	768	4,608	\$1,170	\$7,020	+EW	\$1.52
	2 Bed/ 1 Bath	7	920	6,440	\$1,250	\$8,750	+EW	\$1.36
	2 Bed/ 2 Bath	4	1,013	4,052	\$1,400	\$5,600	+EW	\$1.38
	Office	1	640	640	\$0	\$0	+EW	\$0.00

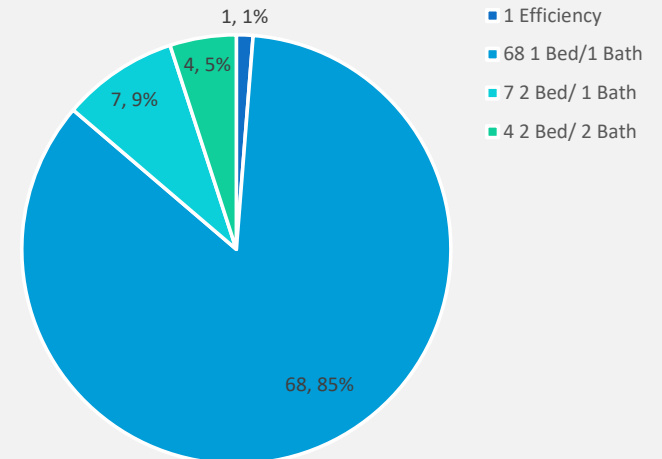
Source: Owner's 6/23/22 Rent Roll

	80	768	57,948	\$1,137	\$90,965	+EW	\$1.57
TOTALS AND AVERAGES	Total Units	Average Sq. Ft.	Total Sq. Feet	Average Rent/Unit	Total Rent	+EWG	Average Rent/ SF

UNITS BY SIZE



UNITS BY TYPE





APARTMENT AMENITIES

- Dishwasher
- Disposal
- Ice Maker
- Pantry
- Kitchen
- Microwave
- Oven
- Range
- Refrigerator
- Breakfast Nook
- Crown Molding
- Vaulted Ceiling*
- Bay Window*
- Views
- Walk-In Closets
- Balcony
- Patio
- Garden
- In Unit Washer & dryer
- High-Speed Internet Access
- Ceiling Fans
- Cable Ready
- Smoke Free

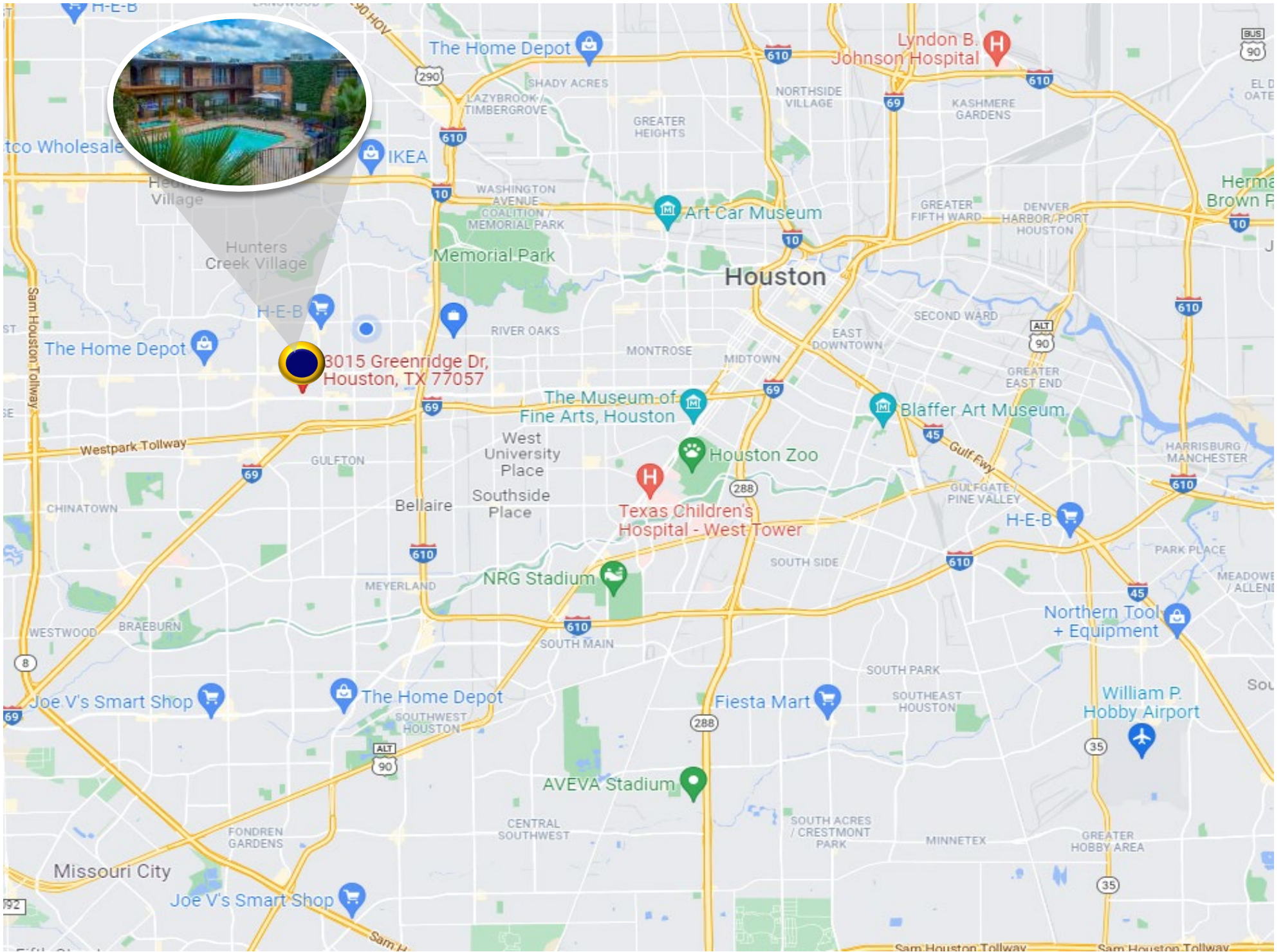


COMMUNITY AMENITIES

- Package Service
- Laundry Facilities
- Controlled Access
- Gated
- Property Manager On-Site
- Laundry Service
- Fitness Center
- Spa
- Pool
- Courtyard
- Grill
- Picnic Area
- Public Transportation



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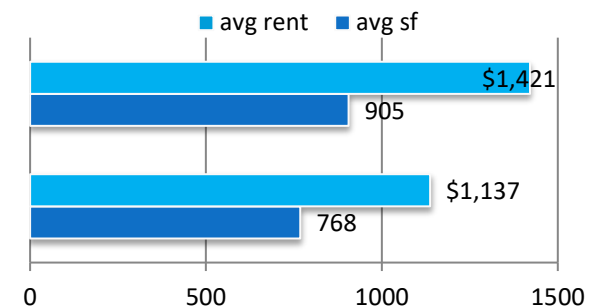
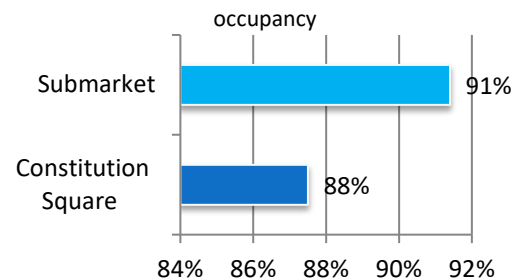


RENT COMPARABLES (2021 ADS)

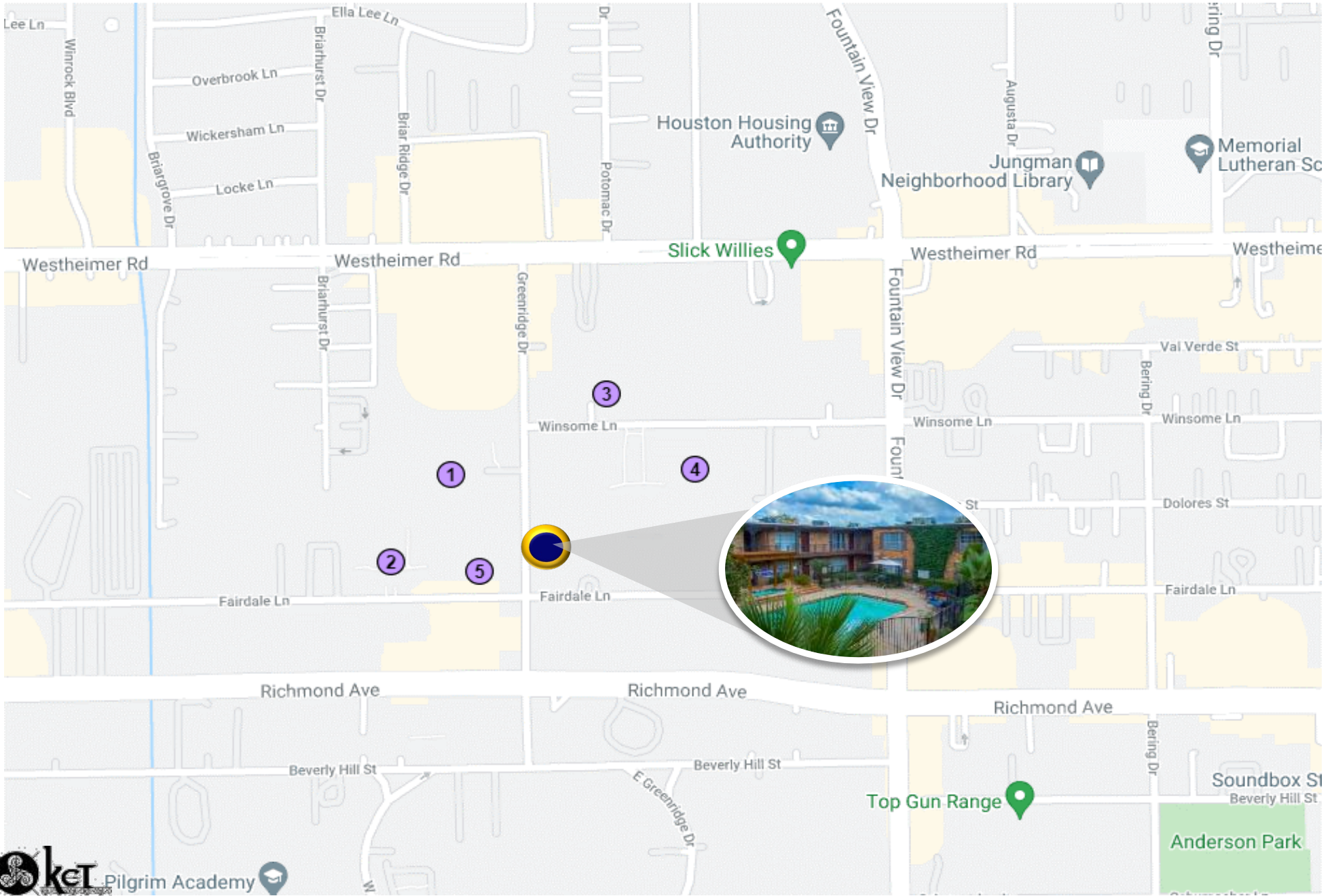


Property Name	Yr Blt	Reahbbed	Occ	#Units	Avg SF	Avg Rent	EWG	P/SF
1 Greenridge Place 3000 Greenridge	1978	N/A	99%	396	827	\$1,126	+EW	1.362
2 The Gallery 6220 Fairdale	1972	N/A	98%	98	767	\$962	+EW	1.254
3 The Ridley 2815 Greenridge	1971	2019	91%	405	743	\$1,008	+EWG	1.357
4 Montebello Gardens 6041 Winsome	1974	2018	95%	109	644	\$1,018	+EWG	1.581
5 Tiffany Square 3030 Greenridge	1973	N/A	92%	83	759	\$856	+EWG	1.128
<i>*Resident Pays E(Electric), W(Water), G(Gas)</i>								
Totals/Averages Comps	1974		95%	218	748	\$1,000		\$1.336
Constitution Square 3015 Greenridge Dr.	1971	2022	88%	80	768	\$1,137	+EW	\$1.570
Submarket	Galleria/Uptown		91%		905	\$1,421		\$1.570

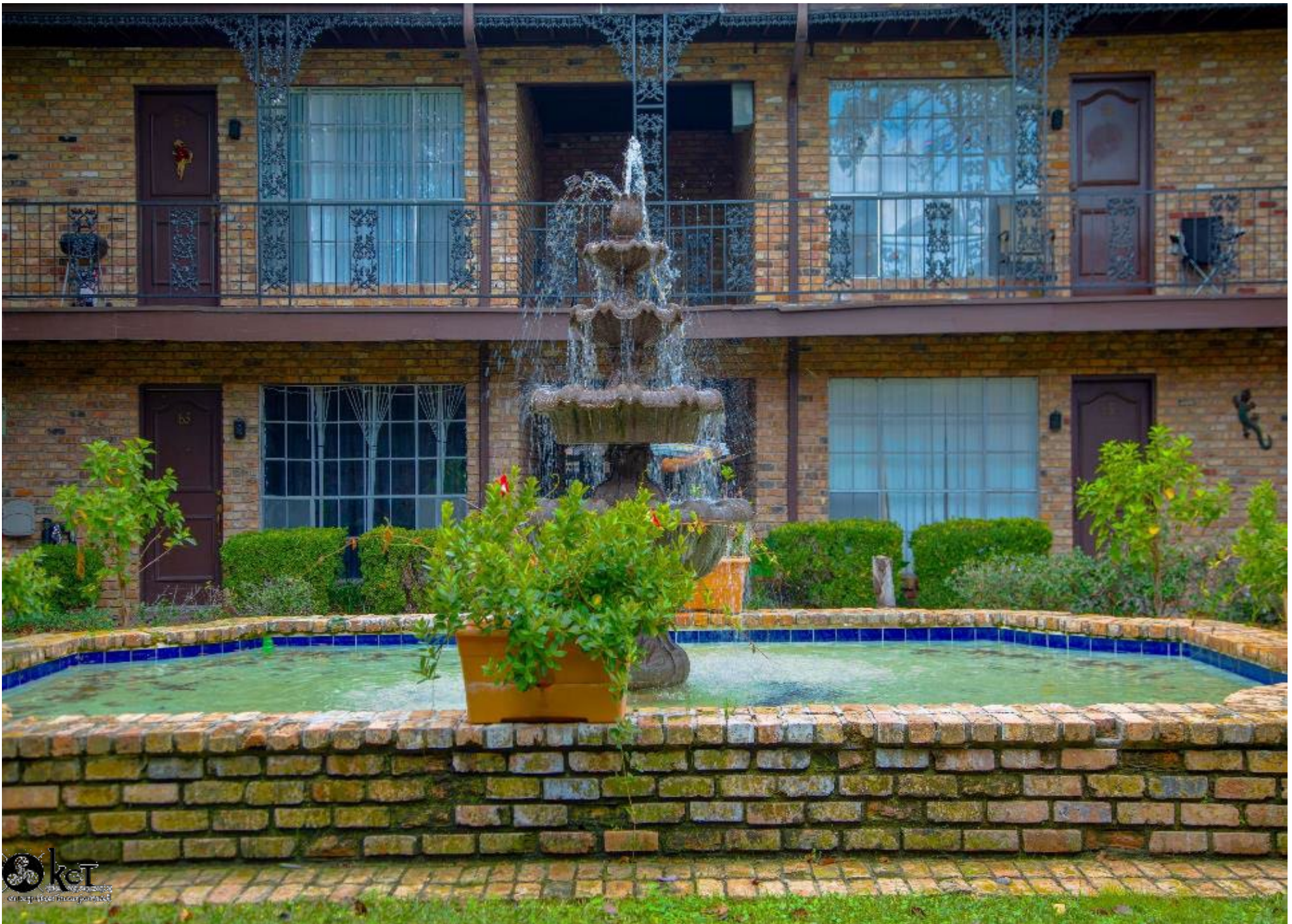
Submarket:	Galleria/Uptown	Houston
Occupancy:	91%	92%
# of Operating Units:	24,776	708,551
# of Operating Apartments:	241	2,994
Average Size (sqft):	905	889
Average Rental Rate (\$/sqft):	\$1.570	\$1.350
Average Rent: (\$/mo)	\$1,421	\$1,201



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Uptown/Galleria

The Galleria is one of the most dynamic commercial centers in the U.S., and is just minutes from the Property. Located in the heart of Uptown Houston, The Galleria is positioned at the highly coveted intersection of Westheimer Road and Post Oak Boulevard, just west of Loop 610. Uptown's Galleria area is famed for its shopping and retail options. The area consists of more than four million square feet of space, and is ranked as the fourth largest retail complex in the country and first in Houston. Uptown is a high traffic area, and recently reported annual retail sales volume of \$2 billion. The area hosts approximately 200,000 office workers and shoppers daily, and over 24 million people from around the world visit the area each year. There are more than 375 fine stores and restaurants, an impressive ice rink, and two Westin hotels. This first class shopping destination showcases the best names in retail, including Neiman Marcus, Cartier, Gucci, Macy's, Tiffany & Co., Saks Fifth Avenue, Ralph Lauren Collection, Louis Vuitton and Houston's only Nordstrom.

This unique area weaves together a large, vital business district, acclaimed retail stores, luxury hotels, modern condominium and apartment towers, prestigious residential neighborhoods and lush, green parks. The Uptown District lies in convenient proximity to two of Houston's largest and most important employment centers and economic drivers, being eight miles due west of the Houston CBD and five miles northwest of the Texas Medical Center. The city's two major airports are each within a thirty-minute drive; Houston George Bush Intercontinental Airport is located 23 miles to the northeast and William P. Hobby Airport is only 20 miles to the southeast. The Uptown District benefits from excellent accessibility being located along the western frontage of the heavily trafficked West Loop (IH 610), this location is a major cause for its success. The area also features exceptional access being bordered by both U.S. Hwy 59/I-69 Corridor (Southwest Freeway), Westpark Tollway to the south and by the Katy Freeway (IH 10) to the north. Major east-west roadways that bisect the area include Westheimer Road, Richmond Avenue (east/west) and San Felipe Street, Post Oak Boulevard (north/south). This extensive transportation network provides convenient access to and from Houston MSA's other major business centers.



Uptown/Galleria

- 32.1 million square feet of office space
- 4.2 million square feet of retail space
- 7,100 hotel rooms
- 100+ restaurants
- Booming residential market

RETAIL: The area offers 4.2 million square feet of retail space that is celebrated worldwide as an international fashion marketplace and sees \$2 billion in retail sales annually, the highest volume of any Houston retail shopping district.

HOSPITALITY: More than 30 full-service hotels also comprise one of Houston's top hotel districts. With more than 7,000 hotel rooms, representing more than 10% of the city's inventory, the area accommodates leisure and business travelers with a variety of business-class hotels to premier luxury lodging.

EMPLOYERS: Uptown is one of the nation's largest business districts and home to approximately 2,000 companies.

PROMINENT EMPLOYERS:

- Air Liquide America
- AON Risk Services of Texas, Inc.
- Apache Corporation
- BHP Billiton
- Bechtel Corporation
- CBRE
- Clear Channel
- Dow Chemical
- Duke Energy
- General Electric
- Hines
- Marathon Oil Corporation
- Schlumberger
- Stewart Title Guaranty Company
- GDF Suez Energy Resources, NA

With \$1 billion in new commercial activity planned for the next five years, the area seamlessly blends office, retail, hotel, entertainment and residential development into a dynamic mixed-use urban center.

Uptown/Galleria is one of the fastest moving markets in the U.S. It is surrounded by both existing and current construction of the most prestigious retail, residential, multifamily and condominium developments, as well as hotel and office buildings, that the City of Houston has to offer.

Post Oak Boulevard Beautification and Transit:

The area benefits from the beautification of Post Oak Boulevard and the future Uptown Bus Rapid Transit System (BRT). Uptown Houston has rebuilt Post Oak Boulevard into an exquisitely designed Grand Boulevard, meanwhile preserving existing automobile access, substantially improving transit service and creating a beautifully landscaped pedestrian environment. This iconic location will serve as the gateway to Uptown Houston and the Galleria.

HOUSTON

2022

[The Rebound]



HOUSTON quick facts

Though a relatively young city compared with counterparts like Boston, New York and Los Angeles, Houston is the 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.

The 9-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.

Houston
\$118,000
Average Income

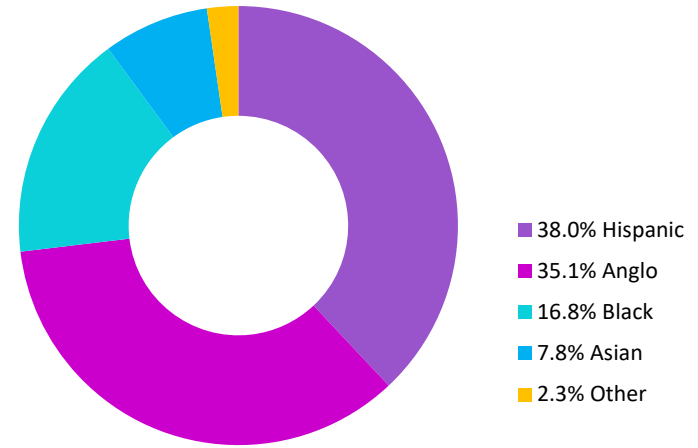
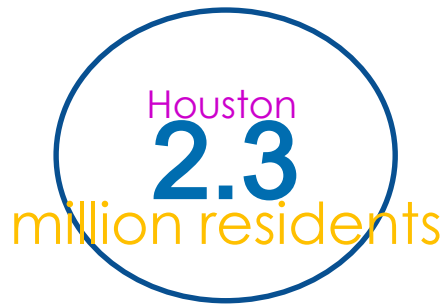
- Houston is the nation's **4th** most populous city
- If Houston were a country, it would rank as the **27th** largest economy in the world - exceeding Austria's and Nigeria's Gross Domestic Product.
- Houston ranks **3rd** in the U.S. for manufacturing GDP and has the highest industry GDP within the city
- More than 500 institutions are devoted to the performing and visual arts, science and history in the Houston area.
- The 9-county Houston MSA had a population of **7,154,478** residents as of July, 2020, according to estimates by the U.S. Census Bureau
- If metro Houston were a state, it would have the 15th largest population in the U.S. behind Arizona, and ahead of Massachusetts and Tennessee.

Houston
1.4%
Projected Growth

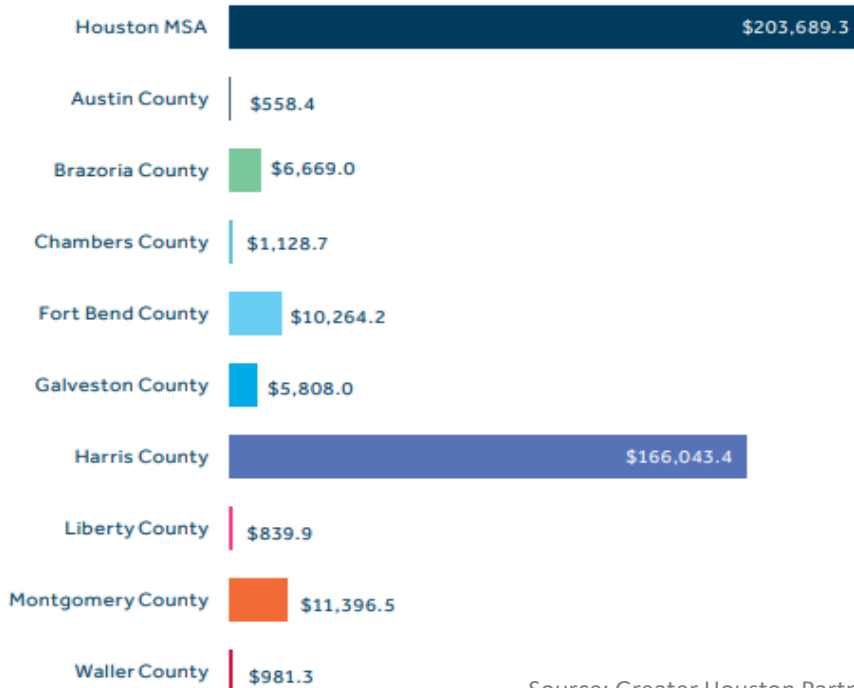
Houston MSA
Businesses
160,000

Houston
34.9
Median Age

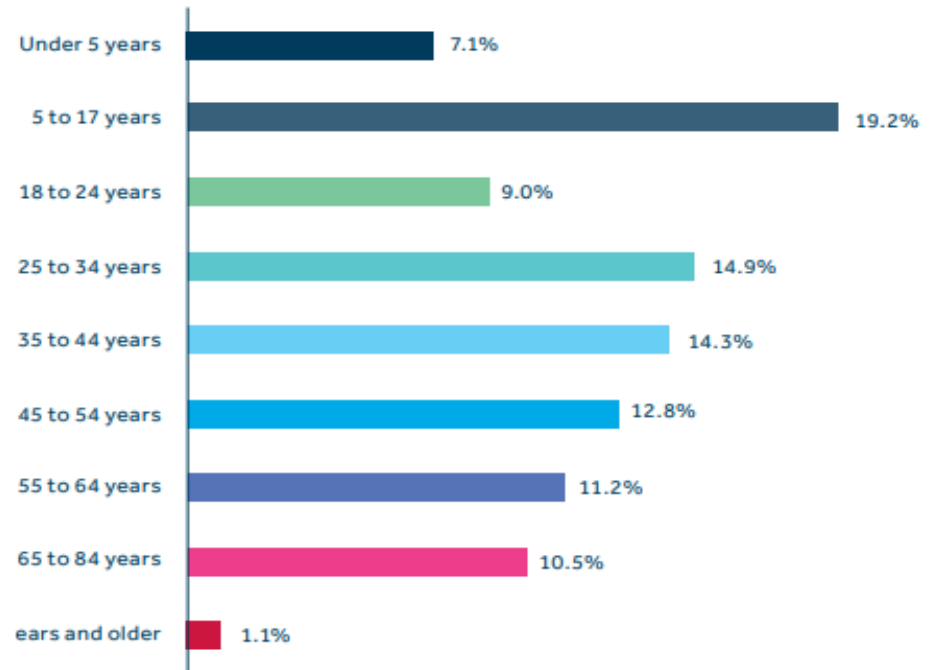
HOUSTON quick facts



Total Wages (Metro Houston, (\$ Millions))



Age Distribution



Source: Greater Houston Partnership 2022

HOUSTON

quick facts

Top 20 Employers



HOUSTON MSA

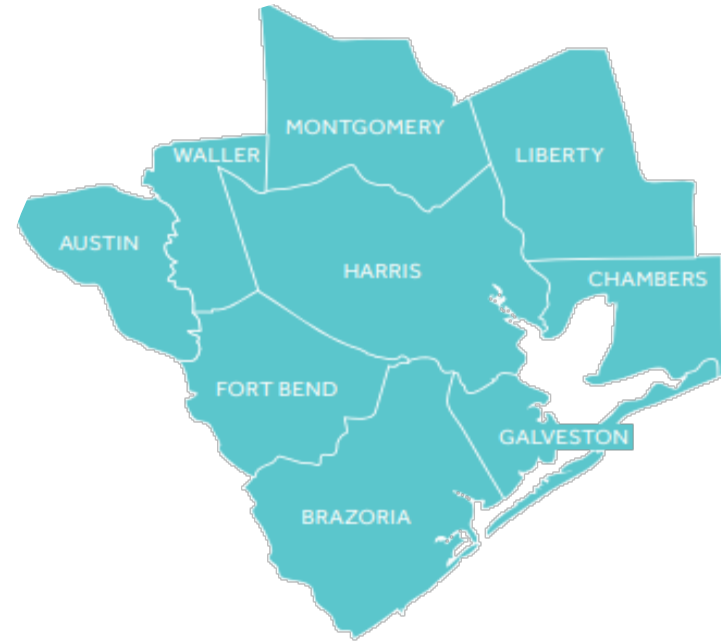
The Houston - The Woodlands - Sugar Land Metropolitan Statistical (MSA)

contains nine Texas counties: Austin, Brazoria, Chambers, Fort Bend, Galveston, Harris, Liberty, Montgomery and Waller. Within these nine counties area 124 incorporated cities and 33 Census Designated Places (CDP).

The county seat or administrative center of Harris County is the City of Houston. Harris County contains the bulk of the city in addition to all or part of 33 incorporated cities and 12 CDPs. Small portions of Houston spread into adjacent Montgomery and Fort Bend counties.

The nine-county Houston-The Woodlands-Sugar Land MSA covers 9,444 square miles, is the nation's 5th largest metro area. An area larger than five states: New Hampshire, New Jersey, Connecticut, Delaware and Rhode Island. The 9-county Houston MSA had a population of 7,154,478 residents as of July, 2019, according to estimates by the U.S. Census Bureau.

Harris County covers 1,778 square miles, enough space to fit the cities of Austin, Boston, Chicago, Dallas, New York City and Seattle with room still to spare.



9,444
square miles

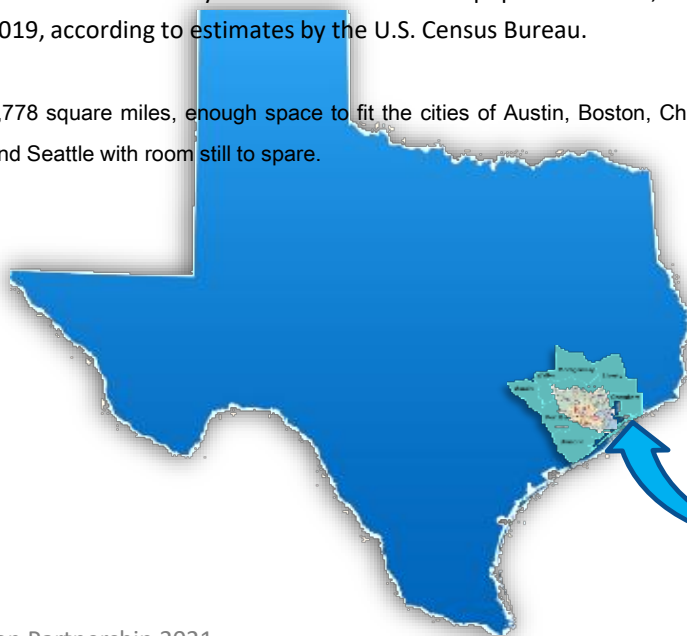
HOUSTON
MSA

1,778
square miles

HARRIS
COUNTY

655
square miles

HOUSTON



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 7.1 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 12 counties in the Greater Houston region. 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/I-69 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, a second loop, Beltway 8, allows traffic to move around the perimeter of the urban sector. A third loop, SH 99, the Grand Parkway, is a 180+ mile circumferential scenic highway which, when completed, will be the longest highway loop in the United States, traversing seven counties and encircling the Greater Houston region.

- 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

4,738,253 Population

116,146 Businesses

2,308,089 Employment

\$53,188 Per Capita Income

33.1 Median Age

2022



THE ECONOMY

HOUSTON economy

Strong gains but still recovering losses. Houston's job growth in 2021 ranks among its best years ever, and 2022 will match or exceed it.

A return to normalcy?

Through the first 11 months of 2021, the region created more than 130,000 jobs. 2021 will go on the books as the best year for job creating. The previous record was 1981 when the metro area created 126,900 jobs.

The region will see growth across all sectors of the economy. The greatest job gains will occur in administrative services (primarily outsourcing and contract workers), professional services (legal, accounting, management consulting, public relations, IT), and health care.

Construction, energy, manufacturing, and wholesale trade struggled prior to the pandemic and they continued to shed jobs as the economy reopened. We're starting to see improvement in those sectors, however. Rather than being a drag on Houston's recovery, as they have been the last 12 to 18 months, they will provide some lift to job growth in 2022.

Several factors will drive growth in 2022: the ongoing U.S. expansion, growth in the global economy, the need to restock inventories drawn down during the pandemic, the return of global oil demand to pre-pandemic levels, and an influx of newcomers to Houston. According to Patrick Jankowski, senior vice president of research, Greater Houston Partnership, "I'm seeing more out-of-state license plates on Houston's streets than I've seen in several years."

According to Jankowski, the Houston area will add at least 100,000 residents in 2022 through a combination of natural increase – that is, over deaths – and in-migration, both from other parts of the U.S. and abroad. That population growth will help to drive additional economic activity. "People are moving here," Jankowski said. "That's going to drive the demand for housing (up), whether it's a single-family home or apartment. Those people are going to be eating in restaurants. They're going to need new doctors. They're going to be needing to their houses."

"People are moving here," Jankowski said. "That's going to drive the demand for housing (up), whether it's a single-family home or apartment. Those people are going to be eating in restaurants. They're going to need new doctors. They're going to be needing to their houses."

Other leading areas of job growth will include restaurants and bars, government – specifically, school districts and community colleges, and transportation and warehousing. Job categories that are still struggling include energy, manufacturing, construction, and wholesale trade. The slowdown in the energy sector has had an indirect effect on the other three categories, Jankowski said.

The Partnership projects global crude oil demand will reach pre-COVID levels sometime next year. That will help improve job growth in energy, manufacturing and wholesale trade sectors. However, construction may still remain a problem due to overbuilding in the office sector: there are about 70 million square feet of office space in the Houston area, Jankowski said.

The Partnership forecasts the metro Houston jobs picture will also benefit from more traffic through the Port of Houston due to an increase in global trade. The World Trade Organization is projecting global trade will increase by 4.7% in 2022.

One potential headwind for the region is the continued effect of the pandemic, which could grow worse with the arrival of the omicron variant. But Jankowski said the effect would not be as bad as it has been. "We've found ways to work around it," Jankowski said. "I don't think we're going to see a government shutdown. I don't think you're to see people totally staying away from the stores, but they're going to adjust their behavior. They're going to wear a mask. They're to get their boosters. They're going to be a little bit more careful. It might slow things down, but a new variant won't derail things. There's just too much pent-up demand out there."

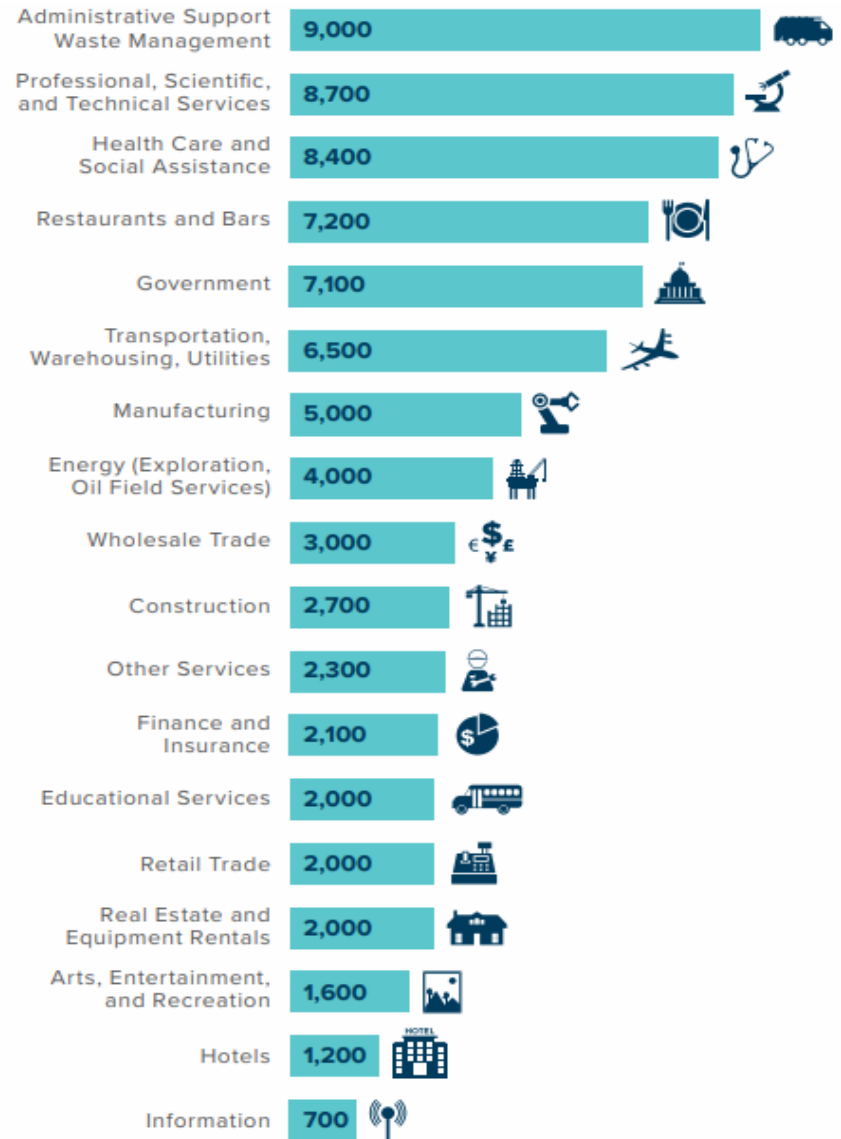
A more likely headwind to growth is the lack of available workers. It seems every other shop, restaurants, and warehouse has a "Help Wanted" signs posted outside. Job growth would be even stronger if more residents entered the workforce.

"Only eight times in the past 21 years has annual growth exceeded 75,500 jobs," Jankowski says. "Those years tend to coincide with rising oil prices or prices at an unsustainably high level. Factor out the booms (and the busts) and metro Houston typically creates 65,000 to 70,000 jobs in a 'normal' year. Measured against that '22 looks to be one of the better years for job growth in Houston."

Source: Greater Houston Partnership 2022

METRO HOUSTON FORECAST - PROJECTED JOB GAINS/ LOSSES

December '21 - December '22



Economic Drivers

2022

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 4,650 energy-related firms are located within the Houston metro area, including over 600 exploration and production firms, 740 oilfield service companies, nearly 90 pipeline transportation firms, and hundreds of manufacturers and wholesalers of energy-sector products.

Two-thirds of the global-integrated oil companies (e.g., ExxonMobil, Shell, Chevron) have operations here. More than half of all oil field service firms based outside of North America (e.g. ENI, TechnipFMC, Transocean) have offices in Houston, and around one-fifth of the world’s national oil companies (e.g., Saudi Aramco, PetroChina, Gazprom) have operations in Houston.

New Energy

Houston is well positioned to lead the transition to low-carbon and no-carbon energy. Houston has a large, diverse, and technically oriented workforce. It has the most highly developed of energy infrastructure in the nation. A large and expanding renewable generation capacity is already in place. The local culture supports innovation and growth. And the region’s extensive port, rail and aviation infrastructure offer a platform for large-scale decarbonization initiatives. The strategy sets out three initial objectives for the region: jumpstarting emerging technologies and markets where Houston has a strategic advantage, attracting and supporting companies in established yet rapidly growing “New Energy” industries, and creating an environment that encourages investment in and deployment of a wide range of value chains. The later includes everything from nature-based solutions, to cleaner production of natural gas, oil, and petrochemicals, to breakthroughs in energy efficiency, geothermal energy, and advanced materials.

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 '20, the Houston metro had a crude operating capacity of 2.7 million barrels of refined petroleum products per calendar day representing 14.0 percent of overall U.S. capacity, according to the U.S. Energy Information Administration. Oil refiners in the region employed 8,079 in '20, equivalent to 3.6 percent of the Houston region’s total manufacturing workforce.

44
out of
113

US publicly traded oil and gas companies are located in Houston

13

13 of the nation’s 20 largest oil pipeline operators have corporate or divisional headquarters in Houston

\$1.9 billion

Total Trade in Aviation

Economic Drivers

Aerospace & Aviation

Years before the historic Apollo 11 mission in 1969, Houston was a pioneering hub in the aerospace and aviation sector. But the mission didn't stop at the moon. Over the decades, Houston scientists and engineers have helped with some of the world's biggest space endeavors, including running mission control for the International Space Station for nearly 20 years. Some of the sharpest minds in aerospace and aviation technology continue to chart a vibrant future for Houston centered around NASA's Johnson Space Center and one of the world's only truly urban commercial spaceports. Every manned U.S. space mission since 1961 has been planned and executed from JSC. Every astronaut has lived and trained in the Houston area, every manned mission controlled here. The missions of tomorrow—to the moon, to Mars and beyond—are being planned today by scientists and engineers who call Houston home.

Ellington Field, located 18 miles southeast of downtown Houston, became a Federal Aviation Administration (FAA) designated spaceport in '15. In '20, Phase 1 construction of the spaceport development was underway, an \$18.8 million project designed to provide infrastructure and utilities. One of only 10 spaceports in the U.S., the project is intended to help attract the relocation of aerospace companies. Axiom Space, the world's first commercial space station builder, announced in '20 that it will build a 14-acre headquarters campus at Ellington Field to train private astronauts and establish a private space station. The company also leased office space in the Clear Lake area near JSC.

Bio-Tech and Life Science

Houston's health care industry includes 158,690 health care practitioners and technical occupations, including 12,190 medical doctors and 61,100 nurses. As a hub for medical device manufacturing, pharmaceuticals, and health research, the Houston region is home to more than 18,960 life science and biotech researchers. More than 1,860 clinical trials were active in the Houston region in '20, representing 19.9 percent of all trials in the U.S. In '20, Houston medical institutions and life science firms received \$833.9 million in National Institutes of Health (NIH) grant funding, up 16.3 percent from '19. In the last five years, the region received nearly \$3.5 billion in NIH funding, an average of \$690.8 million per year. **The Texas Medical Center's** Innovation Institute is the epicenter of Houston's life science startup activity. The organization aims to help early stage companies commercialize new medical technologies by providing access to the vast resources of the world's largest medical center. The Innovation Institute's accelerator program, TMCx, focuses on early-stage companies making breakthroughs in medical devices, digital health care services, diagnostics and therapeutics. A related entity, TMCx+, offers a rotating incubator program for seed-stage companies. Additionally, the Texas Medical Center launched the TMC Venture Fund in '17. The fund has invested in 30 Houston health startups in the last three years.

Advanced Manufacturing

The 6,723 manufacturing establishments in the Houston region employed 223,706, or about 1 in 13 Houston-area workers in '20, according to the Texas Workforce Commission. The average annual wage was \$88,574. The value of goods manufactured in metro Houston topped \$86.0 billion in '19 and accounted for 16.8 percent of the region's total GDP, according to the Bureau of Economic Analysis.

110+

Active astronauts and astronauts in training

11,000+

JSC employees

\$5.56 billion
annual budget

\$5.2 billion

Projected economic impact of Texas Medical Center's (TMC) new research campus TMC3

23

Houston is home to 23 Fortune 500 Companies

Economic Drivers

Headquarters Capital

Houston is home to more than 20 Fortune 500 company headquarters and one of the largest concentrations of U.S. headquarters locations for companies from around the world. Houston's success as a top global market for headquarters is driven by its business-friendly climate, high-growth population and proximity to diverse professional and corporate services talent.

Construction

The construction industry in Houston employed an average of 224,344 people in the four quarters ending Q3/20, according to the Texas Workforce Commission. Nearly half of all construction employment occurred as specialty trade contractors (e.g., electrical work, plumbing, site preparation, painting). The remaining types of construction employment, building construction and heavy and civil engineering construction accounted for 23.0 percent and 28.5 percent of construction employment, respectively. Annual wages in the industry averaged \$76,947. The Houston metro area was home to nearly 11,696 construction establishments in the four quarters ending Q3/20. Of that total, 60.4 percent were specialty trade contractors, 29.6 percent were in building construction, and 10.0 percent were heavy and civil engineering construction establishments.

City of Houston building permits totaled nearly \$6.5 billion in '20 with nearly \$2.8 billion for residential and nearly \$3.8 billion for commercial building permits, according to city data.

Port of Houston/Foreign Trade

The Houston region has four seaports which handled 230.1 million metric tons of foreign trade in '20. Of these four ports, the Port of Houston is the largest and ranks first in foreign trade tonnage among all U.S. seaports. Port Freeport ranks 15th in the U.S., Port of Texas City ranks 22nd and Port of Galveston ranks 43rd. In '19, the Port of Houston ranked first in total tonnage (domestic and foreign)—after 27 consecutive years in second place—and first in foreign tonnage (exports and imports) for the 24th consecutive year, according to the most recent data available from the U.S. Army Corps of Engineers. Globally, the Port of Houston ranked as the 16th largest port in the world by total tonnage.

Foreign trade in '20 totaled 180.5 million metric tons valued at \$126.5 billion. Imports totaled 47.9 million metric tons, valued at \$52.5 billion. Exports totaled 132.6 million metric tons, valued at \$74.0 billion. The Port of Houston traded with 212 countries in '20. Of those, trade with 32 countries exceeded one billion dollars each while trade with 152 additional countries exceeded one million dollars. The Port's top trading partner by value is China and by weight is Mexico.

1st

Houston ranked 1st in tonnage in US

16th

Houston ranked 16th largest port in the world by tonnage

\$126.5 billion

Foreign trade in '20 totaled 180.5 million metric tons valued at \$126.5 billion.

Economic Drivers

Highways

Houston's extensive highway system is well integrated with the Port of Houston, Houston Intercontinental Airport (IAH), Hobby Airport, Ellington Airport, and the mainline railroads serving the city. Houston is at the crossroads of Interstate Highways 10, 45 and 69. When connections are complete, I-69 will link Canada, the U.S. industrial Midwest, Texas and Mexico.

There are 3,355 centerline miles and 11,084 lane miles of freeways and expressways in operation, according to the Texas Department of Transportation (TxDOT) Houston District. The Houston District includes Brazoria, Fort Bend, Galveston, Harris, Montgomery, and Waller Counties. Corridors: Houston's major thoroughfares include Beltway 8, Fort Bend Tollway, Grand Parkway 99, Hardy Tollway, I-10, I-45, I-610, SH 6, SH 146, SH 225, SH 288, US 59/I-69, US 90, US 290 and the Westpark Tollway.

Motor Freight Lines

The region's extensive highway system is well-integrated with the Houston Airport System, four deep water seaports and the mainline railroads serving the city. Houston is at the crossroads of Interstate Highways 10, 45 and 69. I-69 is known as the "NAFTA superhighway" that will link Canada, the U.S. industrial Midwest, Texas and Mexico once complete. 1,469 long-distance trucking establishments operate in the Houston MSA.

Railroads

The Houston area is served by BNSF Railway Company, Kansas City Southern Railway Company and Union Pacific Railroad Company. Businesses along the Houston ship channel are served by the Galveston Railroad, Port Terminal Railroad Association and Texas City Terminal Railway Company. Eight mainline tracks and five branch line tracks radiate from Houston.

Amtrak provides passenger service three times per week in Houston via the Sunset Limited route that travels from New Orleans to San Antonio and Los Angeles.

Airports

The Houston Airport System ranks as one of the largest multi-airport systems in North America. The system is comprised of George Bush Intercontinental Airport (IAH), William P. Hobby Airport (HOU) and Ellington Airport (EFD). Scheduled and charter passenger carriers fly directly to approximately 180+ domestic and international destinations from Houston. Houston is the international air gateway to the southern United States and Latin America. In '15, Hobby Airport added direct flights to Mexico, making Houston the only city in Texas with two international airports – one of only eight such cities nationwide.

According to J.D. Power's '20 Airport Satisfaction rankings, George Bush Intercontinental (IAH) ranked 13th among "mega airports" in the U.S. and William P. Hobby Airport (HOU) ranked 4th among "large" airports in the US.



Houston has a rail network of more than 8,700 miles of



J.D. Power's ranked George Bush Intercontinental 13th among "Mega Airports" in the U. S.

2022 MULTIFAMILY OUTLOOK

Red-Hot Real Estate Market to Continue in 2022



U. S. Multifamily - 2022 Outlook

Experts Expect a "Golden Age" For Apartment Owners



Arrows indicate from the same quarter in the previous year.

*Total past four quarters.

*Source: Newmark Q3 2021 U.S. Multifamily Summary

Apartment demand skyrocketed in 2021 on the heels of a housing market that boxed out many buyers. Rents rose, occupancy rates shot up to 97% for market-rate apartments, and institutional capital poured into rentals. Experts predict 2022 will yield handsome payouts for landlords.

Source: CRE Daily Newsroom

Trends to watch

Investors Still Favor Multifamily

The U.S. multifamily sector is poised to finish 2021 with overall occupancy and net effective rents above pre-pandemic levels. While certain markets face challenges, the overall health of the sector will lead to a record 2022.

The growing economy is boosting household formation, which had been artificially suppressed by the pandemic. New households are catalyzing demand for rentals, which is expected to match the pace of new deliveries in 2022. We forecast multifamily occupancy levels to remain above 95% for the foreseeable future.

Construction will remain elevated in the near term. Completions in 2021 will likely reach a new high, and another 300,000+ units will be delivered in 2022. For context, deliveries averaged 206,000 units annually since 2010 and 171,000 per year since 1994.

Despite strong demand, the volume of new Class A product coming online will limit the performance of higher-quality assets. However, Class A rents were most negatively affected during the crisis and there is more room to recover. Overall, an 8% growth in urban effective rents in 2022 is projected. These exceptional growth rates will moderate to 3% in 2023 and slightly below that in subsequent years.

These strong fundamentals, together with the expectation that debt will remain available and at a relatively low cost, is welcome news to developers as construction costs rise. Source: CBRE Market Outlook 2022

According to data from CoStar, real estate owners are investing heavily in multifamily. Analysts from CoStar and Walker & Dunlop predict that raising rents will make a considerable difference on the balance sheets of landlords in 2022. CRE analytics provider Green Street projects a 13.5% increase in net operating income for publicly traded landlords, but other analysts question whether tenants will continue paying these rates.

Thomas Grimes Jr., COO of Mid-America, believes renters will stay put. His company, specializing in middle-income buildings in Sunbelt markets, raised rents for renewal tenants by 13% in 2021. Other analysts doubt sustainability.

Housing analysts say that the cure for rising rents in an increase in the supply of multifamily housing, but inflation and supply chain bottlenecks are choking fresh housing starts. Source: CRE Daily Newsroom

The rise of single-family rentals

The single-family rental market will gain traction with both renters and investors as more millennials reach child-rearing life stages. Urban apartment operators will rely more on Gen Z to backfill the resulting vacancies.

Return to the office will spur urban demand


Rising office occupancy will boost urban multifamily demand. CBRE projects that U.S. office workers will spend an average of 3.4 days per week in the office going forward, down a full day from the 4.4-per-week average in 2018. While living near the office may not be as important in the future, it will remain a key consideration for many renters.

Source: CBRE Market Outlook 2022


Houston Multifamily Outlook 2022



The Multifamily Market Witnessed a Remarkable Rebound

 Vacancy Rate*
7.0%

 Delivered Units*
15,925 Units

 Net Absorption*
39,155 Units

 Rent Growth*
+9.6%

*Total past four quarters. Source: CoStar Houston Multifamily Market Report 1-5-22

High-Quality Suburban Rentals
Attracting Residents Priced Out
of Homeownership!

Affordability gap doubles that of the U.S.

The metro's median single-family home price surged 19 percent during the past year as migration to the market accelerated. This widened Houston's affordability gap, or the difference between an average rental rate and a mortgage payment on a median priced home. The margin is now \$890 per month in the metro, compared with the U.S. average of \$451 per month. Upper-tier apartments serve as an appealing alternative to homeownership, while also offering greater flexibility and lower maintenance. Suburbs like the Woodlands and Katy have been top choices for residents seeking rentals higher on the quality spectrum. Class A vacancy fell by at least 250 basis points and Class B availability decreased by 200 basis points or more in both of these submarkets over the past year.

Source: Marcus & Millichap Q3/21 Houston Market Report

Houston ranks **3rd** among
major US markets!

Vacancy

Houston's multifamily market witnessed a remarkable rebound in 2021. Vacancies have been trending down since peaking at the end of 2021 and are currently 7.0% and the lowest they've been since 2014. About 19,000 units are underway and construction starts slowed significantly in 2021, falling to a four-year low.

Supply-side risk is most pronounced in Neartown/River Oaks, a submarket in the urban core that is very receptive to additional density. It is home to some of the most affluent neighborhoods in Houston, as well as a strong base of office-using jobs, particularly in the financial services sector. Around 3,600 units are underway, and new supply will inevitably weigh on the submarket's vacancy rate, which is anticipated to underperform the Houston average by around 150 bps over the next couple of years.

Strong demand has helped push multifamily rents by 9.6%, the strongest year-over-year growth rate on record, a trend prevalent in both urban and suburban communities.

The Neartown/River Oaks Submarket welcomed the most deliveries out of Houston submarkets. Another fellow urban submarket that ranked high among the top 10 in Houston in terms of new supply last year was the Heights.

Source: CoStar Houston Multifamily Market Report 1-5-22

Rents

Apartment rents in Houston have witnessed a remarkable rebound in 2021. Robust demand and tightening availabilities have supported strong rent growth as the year has progressed and, as of 1st Qtr 2022, not only have all pandemic effects been erased, but new record highs in both average asking and annual rent growth rates have been reached. Rent growth is now pervasive across nearly all Houston submarkets. Fast growing suburban submarkets such as Cinco Ranch and The Woodlands posted some of the strongest gains over the past year. Meanwhile, rising vaccination rates and a return to the office are leading to resurgent demand for urban rentals and supply-heavy submarkets such as the Heights and Neartown/River are staging an impressive recovery.

Houston Multifamily Outlook 2022

Rents cont.

With asking rents and demand surging, concessions are abating. Around 20% of Houston area apartment communities offered some concession in November, compared with more than 45% seen in January, 2021. Concessions currently vary widely by location. The most generous concessions are still primarily concentrated in lease-ups or newer, expensive buildings in supply-heavy areas. New apartment complexes in areas such as Downtown and Neartown/River Oaks have offered concessions of up to 3 months of free rent during the past year. From a quality perspective, the strongest asking rent growth over the past 12 months has been in assets rated 4 & 5 Star, 11.5%. Houston's 3 Star segment has increased by 9.0% during that time.

Sales

Sales activity has surged over the past few quarters. CoStar estimates that multifamily investment volume in Houston exceeded \$2 billion during the third quarter 2021, more than twice the quarterly average seen between 2017 and 2019.

A mix of private and institutional buyers continue to drive transaction volume. Meanwhile, REITS continue to make up a small share of the buyer pool. Out-of-state buyers drove investment in 2021 accounting for more than 70% of buyer volume by 3rd Qtr 2021.

Sales cont.

Value-add trades are common, and submarkets with a large amount of workforce housing inventory continue to garner plenty of sales activity. Investors looking to acquire older assets with the purpose of renovating and raising rents have plenty of options in submarkets such as Southwest Houston -- which is home to a large amount of renters-by-necessity and the highest household density in the metro -- which are popular with investors.

Houston cap rates have continued to compress since the start of the pandemic and, at 5.6%, are only slightly above the national benchmark of 5.3%. Source: CoStar Houston Multifamily Market Report 1-5-22

Average multifamily properties traded within a range of \$100,000 - \$150,000 in 2021 Source: CoStar

Houston cap rates continue to compress to 5.6% Source: CoStar



75,500 JOBS
will be created



15,000 UNITS
will be completed



16,000 UNITS
will be absorbed



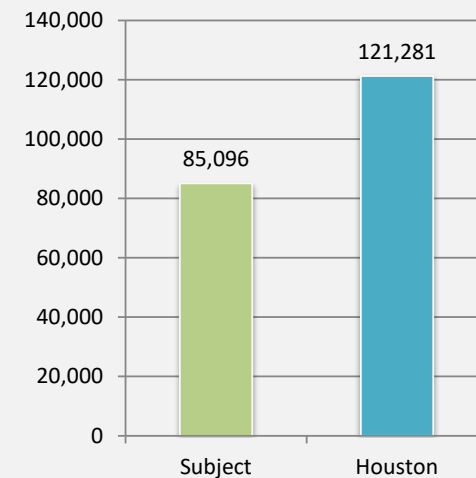
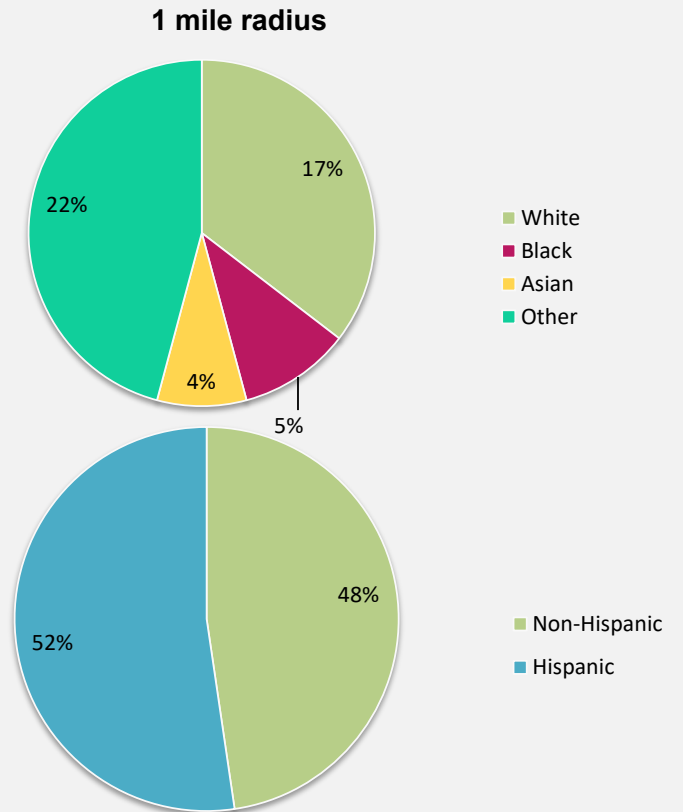
9.6% INCREASE
in effective rent

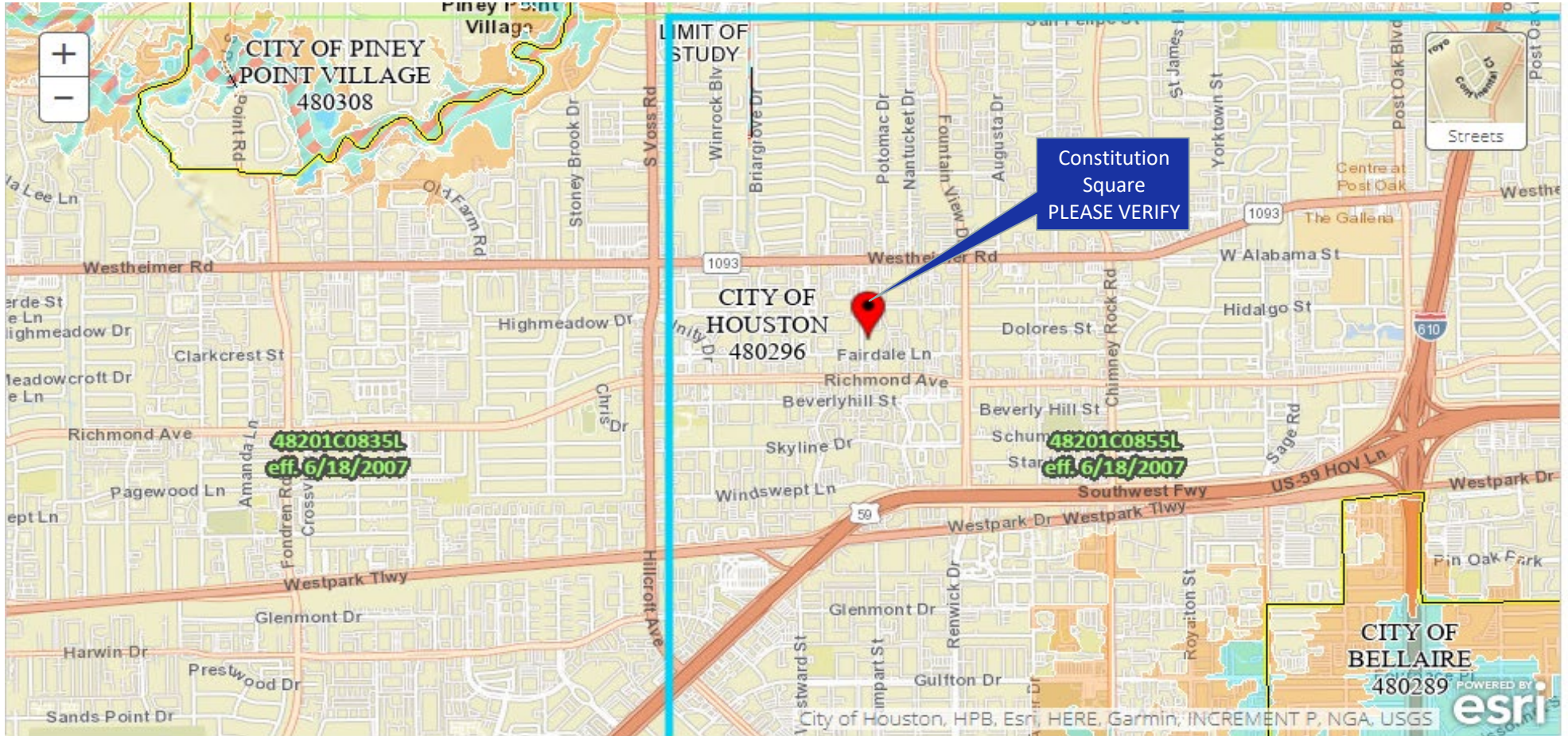
DEMOGRAPHIC SUMMARY PROFILE

2000-2010 Census, 2021 Estimates with 2026 Projections

Calculated using Weighted Block Centroid from Block Groups

Constitution Square 3015 Greenridge Dr. Houston, TX 77057	1 Mile	2 Miles	3 Miles
Population			
2021 Estimated Population	39,270	128,664	219,133
2026 Projected Population	41,621	136,979	230,521
2020 Census Population	38,061	125,349	218,330
2010 Census Population	36,075	112,463	198,614
Projected Annual Growth 2021 to 2026	1.2%	1.3%	1.0%
Historical Annual Growth 2010 to 2021	0.8%	1.3%	0.9%
2021 Median Age	31.2	33.2	35.2
Households			
2021 Estimated Households	17,987	59,434	99,978
2026 Projected Households	19,354	64,693	108,144
2020 Census Households	17,385	57,590	99,379
2010 Census Households	16,114	50,263	87,484
Projected Annual Growth 2021 to 2026	1.5%	1.8%	1.6%
Historical Annual Growth 2010 to 2021	1.1%	1.7%	1.3%
Race and Ethnicity			
2021 Estimated White	35.4%	36.6%	40.6%
2021 Estimated Black or African American	10.9%	11.3%	10.9%
2021 Estimated Asian or Pacific Islander	7.9%	10.3%	10.2%
2021 Estimated American Indian or Native Alaskan	2.6%	1.7%	1.5%
2021 Estimated Other Races	43.3%	40.1%	36.8%
2021 Estimated Hispanic	52.3%	47.5%	43.6%
Income			
2021 Estimated Average Household Income	\$85,096	\$95,431	\$121,826
2021 Estimated Median Household Income	\$62,552	\$67,235	\$78,885
2021 Estimated Per Capita Income	\$38,978	\$44,130	\$55,630
Education (Age 25+)			
2021 Estimated Elementary (Grade Level 0 to 8)	13.7%	11.1%	10.4%
2021 Estimated Some High School (Grade Level 9 to 11)	4.8%	5.3%	4.7%
2021 Estimated High School Graduate	16.8%	17.3%	16.5%
2021 Estimated Some College	15.9%	14.9%	14.5%
2021 Estimated Associates Degree Only	5.8%	5.8%	5.4%
2021 Estimated Bachelors Degree Only	27.0%	28.3%	28.8%
2021 Estimated Graduate Degree	15.9%	17.2%	19.6%
Business			
2021 Estimated Total Businesses	3,399	13,116	24,027
2021 Estimated Total Employees	23,588	134,088	234,556
2021 Estimated Employee Population per Business	6.9	10.2	9.8
2021 Estimated Residential Population per Business	11.6	9.8	9.1





- PIN**
 - Approximate location based on user input and does not represent an authoritative property location
- MAP PANELS**
 - Selected FloodMap Boundary
 - Digital Data Available
 - No Digital Data Available
 - Unmapped
- OTHER AREAS**
 - NO SCREEN Area of Minimal Flood Hazard Zone X
 - Effective LOMRs
 - Area of Undetermined Flood Hazard Zone D
 - Otherwise Protected Area
 - Coastal Barrier Resource System Area

- SPECIAL FLOOD HAZARD AREAS**
 - Without Base Flood Elevation (BFE) Zone A, V, A99
 - With BFE or Depth
 - Regulatory Floodway Zone AE, AO, AH, VE, AR
- OTHER AREAS OF FLOOD HAZARD**
 - 0.2% Annual Chance Flood Hazard, Areas of 1% annual chance flood with average depth less than one foot or with drainage areas of less than one square mile Zone X
 - Future Conditions 1% Annual Chance Flood Hazard Zone X
 - Area with Reduced Flood Risk due to Levee. See Notes. Zone X
 - Area with Flood Risk due to Levee Zone D

- OTHER FEATURES**
 - 20.2 Cross Sections with 1% Annual Chance Water Surface Elevation
 - 17.5 Cross Sections with 1% Annual Chance Water Surface Elevation
 - Coastal Transect
 - Base Flood Elevation Line (BFE)
 - Limit of Study
 - Jurisdiction Boundary
 - Coastal Transect Baseline
 - Profile Baseline
 - Hydrographic Feature
- GENERAL STRUCTURES**
 - Channel, Culvert, or Storm Sewer
 - Levee, Dike, or Floodwall



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.

11-2-2015



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.

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Licensed Broker /Broker Firm Name or Primary Assumed Business Name	License No.	Email	Phone
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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

Approved by the Texas Real Estate Commission

Information available at www.trec.texas.gov

IABS 1-0



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Broker/Senior Associate

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