



Boston Ridge
2702 44th Street, Lubbock, TX 79413

OFFERING MEMORANDUM



Marty Cleckler, MAI • Office 817.438.2575 • Mobile 806.438.8500
mcleckler@westmarkcommercial.com

4105 84th Street, Lubbock, TX 79423
www.westmarkcommercial.com



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EACH PARTY SHALL CONDUCT ITS OWN INDEPENDENT INVESTIGATION AND DUE DILIGENCE.

PRESENTED BY

Marty Cleckler, MAI, Managing Director

Any party contemplating or under contract or in escrow for a transaction is urged to verify all information and to conduct their own inspections and investigations including through appropriate third party independent professionals selected by such party. All financial data should be verified by the party including by obtaining and reading applicable documents and reports and consulting appropriate independent professionals. WestMark Commercial | TCN Worldwide makes no warranties and/or representations regarding the veracity, completeness, or relevance of any financial data or assumptions. WestMark Commercial | TCN Worldwide does not serve as a financial advisor to any party regarding any proposed transaction. All data and assumptions regarding financial performance, including that used for financial modeling purposes, may differ from actual data or performance. Any estimates of market rents and/or projected rents that may be provided to a party do not necessarily mean that rents can be established at or increased to that level. Parties must evaluate any applicable contractual and governmental limitations as well as market conditions, vacancy factors and other issues in order to determine rents from or for the property.

Legal questions should be discussed by the party with an attorney. Tax questions should be discussed by the party with a certified public accountant or tax attorney. Title questions should be discussed by the party with a title officer or attorney. Questions regarding the condition of the property and whether the property complies with applicable governmental requirements should be discussed by the party with appropriate engineers, architects, contractors, other consultants and governmental agencies. All properties and services are marketed by WestMark Commercial | TCN Worldwide in compliance with all applicable fair housing and equal opportunity laws.

1 • PROPERTY INFORMATION



16 UNITS



732 SF
(average)



BUILT 1947



1.3 MILES
(to all major
employers)



\$198
(per month
below market)



EXECUTIVE SUMMARY



OFFERING SUMMARY

Sale Price: \$900,000

Number Of Units: 16

Lot Size: 1.44 Acres

Year Built: 1947

Building Size: 12,680 SF

Zoning: B-2

PROPERTY OVERVIEW

16 unit value add with simple paint color scheme and adding fenced yards. 1.7 miles from Texas Tech, Covenant and all major employers with 20,000 employees.

7 buildings: 2 triplexes, 4 duplexes, 2-unit shop. Two units have WD connections. Interiors are in great condition. Several remodeled interiors with new vinyl plank, paint, carpet, etc.

Roofs replaced in 2015. Central HVAC. Tenant pays electric. RUBS allocation for water, sewer, trash.

LOCATION OVERVIEW

Conveniently located on Boston Ave near Texas Tech University and not far from Lubbock Christian University, Boston Ridge is a great community for families and students.

Located less than 2 miles South on Boston Ave from Texas Tech University.

ADDITIONAL PHOTOS



ADDITIONAL PHOTOS



2 • LOCATION INFORMATION



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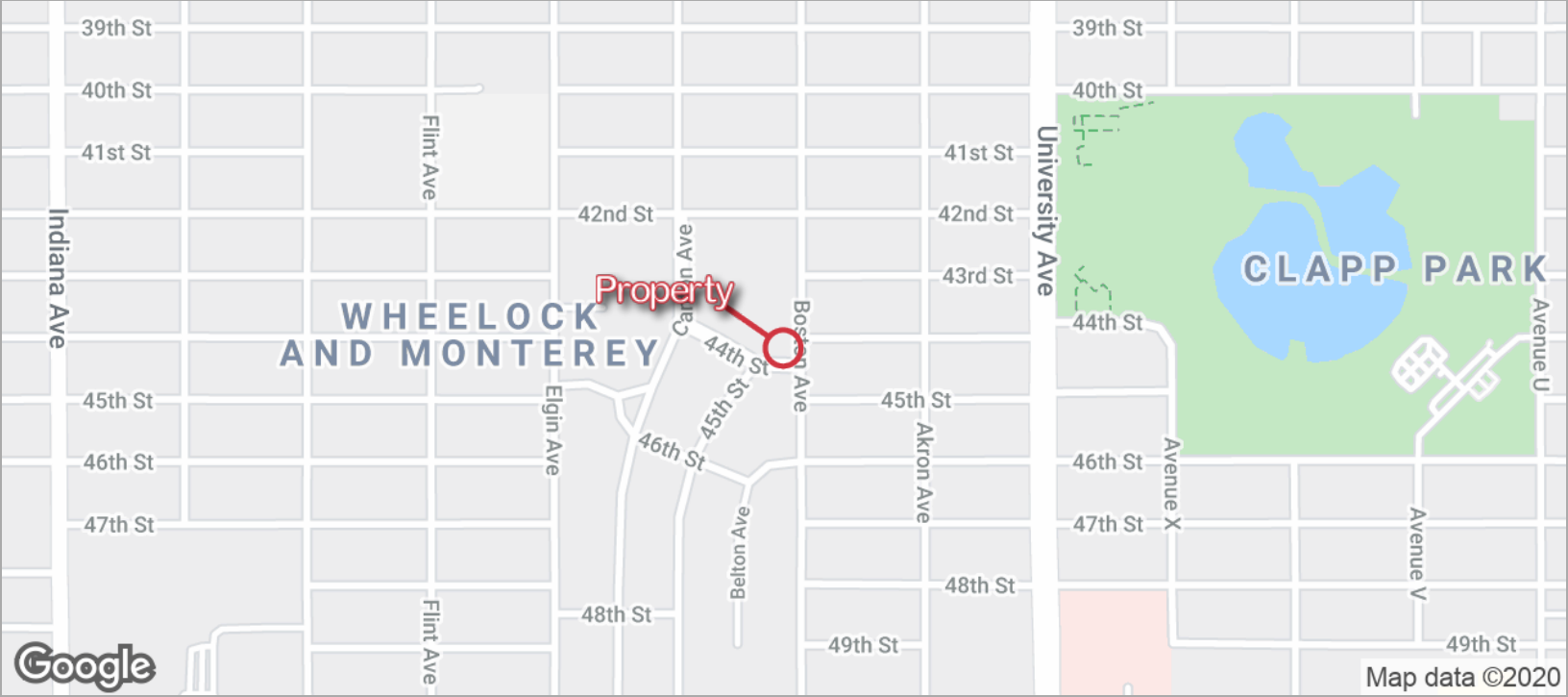
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REGIONAL MAP



LOCATION MAPS



AERIAL MAP



Google

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3 • LUBBOCK MARKET INFORMATION



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LUBBOCK FACTS

LUBBOCK FAST FACTS



TEXAS TECH UNIVERSITY SYSTEM

Texas Tech University has been adding 1,500 to 1,800 student each fall for the past ten years with a Fall 2017 enrollment reaching 36,996. The Board of Regents just announced the addition of a new Veterinary School and plans to reach 44,500 by 2025.



TTU System @TTUSystem · May 17

By 2025, #TexasTech projects it will enroll 44,500 students with 20% of the student population being graduate students. The university has a goal to attain a 90% one-year retention rate in the same time period.



Out of 200 cities, *ValuePenguin* ranks Lubbock as the 24th Best City for Small Business in the US in 2017.



MILLENNIAL MONEY®

Millennial Money ranks Lubbock 68th on its list of the Top 150 Cities for Millennials in 2017.

Garner

Economics LLC
solutions that work

Lubbock ranks in the Top 15 for US Metro Areas with the Fastest Growing Creative Sectors, per *EMSI Q2 2016 Dataset*, *Garner Economics*.



WalletHub ranks Lubbock No. 1 in 2015 for most Recession-Recovered City.

Lubbock is 15th Best City to Start a Business in 2016 according to *WalletHub*.

WalletHub named Lubbock No. 10 best city for US Veterans in 2015.

LUBBOCK FACTS



Lubbock ranks No. 1 in the Top 10 US Cities with the shortest commutes to work, per *SafeCo Insurance*.



In June 2015, *Fortune.com* listed Lubbock as one of the Top 10 Cities to find a job.



In 2015, *Business.com* ranks Lubbock No. 4 in US for Best City to get a job.

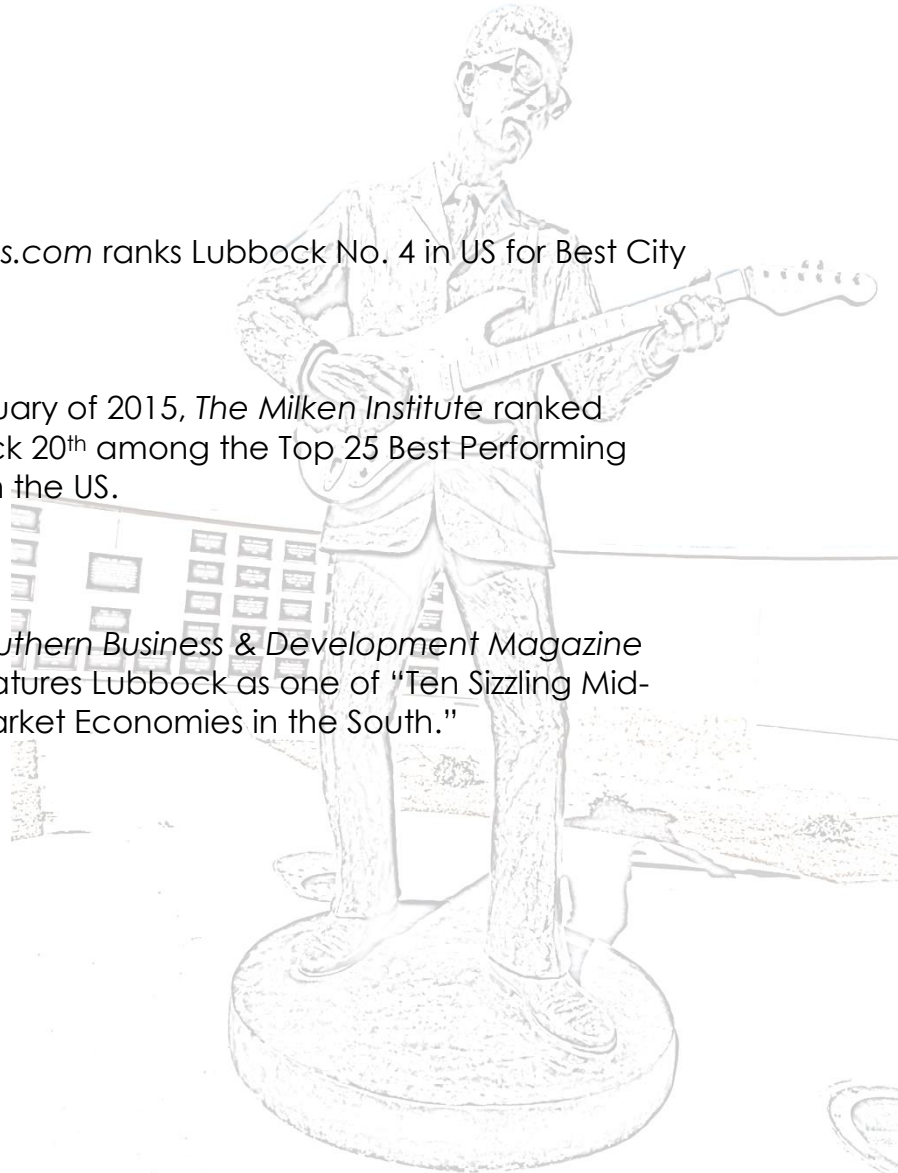


MILKEN INSTITUTE
Building Meaningful Lives

In February of 2015, *The Milken Institute* ranked Lubbock 20th among the Top 25 Best Performing Cities in the US.



Southern Business & Development Magazine features Lubbock as one of "Ten Sizzling Mid-Market Economies in the South."



EMPLOYER MAP



EMPLOYER DISCUSSION



Texas Tech University is a public research university in Lubbock, Texas. Established on February 10, 1923, and called until 1969 Texas Technological College, it is the main institution of the four-institution Texas Tech University System. The university's student enrollment is the seventh-largest in Texas as of the Fall 2019 semester.

The university offers degrees in more than 150 courses of study through 13 colleges and hosts 60 research centers and institutes. Texas Tech University has awarded over 200,000 degrees since 1927, including over 40,000 graduate and professional degrees. The Carnegie Foundation classifies Texas Tech as having "highest research activity". Research projects in the areas of epidemiology, pulsed power, grid computing, nanophotonics, atmospheric sciences, and wind energy are among the most prominent at the university.

The Spanish Renaissance-themed campus, described by author James Michener as "the most beautiful west of the Mississippi until you get to Stanford", has been awarded the Grand Award for excellence in grounds-keeping, and has been noted for possessing a public art collection among the ten best in the United States.

6,635

Employees

38,247

Students

EMPLOYER DISCUSSION



The Texas Tech University Health Sciences Center (TTUHSC) is a multi-campus institution based in Lubbock with additional campuses located in Abilene, Amarillo, Dallas, El Paso and the Permian Basin. TTUHSC serves more than 100 counties in the western portion of Texas. The university is a separate

institution from Texas Tech University; both universities are among four universities that are part of the Texas Tech University System.



5,017

Employees

1,844

Students

EMPLOYER DISCUSSION



Covenant Health System is a Lubbock health care provider which serves West Texas and Eastern New Mexico. It has 1,300 beds in its five primary acute-care and specialty hospitals; it also manages a dozen affiliated community hospitals.

More than 700 physicians treat over 38,000 annual admissions, and over 100,000 emergency room visits through a number of specialty treatment centers. Covenant Heart and Vascular Institute, Covenant NeuroScience Institute, Joe Arrington Cancer Research and Treatment Center, and Women's Hospital. The health system has a school of nursing, school of radiography, and school of surgical technology.

Covenant Health announced March 24, 2019 a \$450 million building and renovation plan for the Lubbock hospital system.



Consistently ranked as a top-tier healthcare provider regionally, Covenant Health is embarking on a capital improvement project called "Keeping the Covenant" to bring the latest in facility design and advanced technology to better serve the people of the West Texas and Eastern New Mexico region.

The construction project will provide the community with state-of-the art facilities designed from patient/family-centered design elements.

4,570

Employees

EMPLOYER DISCUSSION



University Medical Center in Lubbock is a public, non-profit 500-bed hospital. UMC is the primary hospital of the MC Health System and is owned by the taxpayers of Lubbock County. It serves as the primary teaching hospital for the Texas Tech University Health Sciences Center (TTUHSC).

UMC had the first **Level 1 Trauma Center in West Texas**, the John A. Griswold Trauma Center, and it is still the only Level 1 Trauma Center in the region. Lubbock's 911 Emergency Medical Service is provided through University Medical Center, serving over 300,000 people (city and county) with MICU (paramedic-staffed) ambulances. UMC EMS responds to over 31,000 911 calls per year through a priority dispatch system.



4,375

Employees

MARKET SUMMARY

2nd Half 2019 Outlook

DEAR
VALUED CLIENTS

Economic growth in Texas has overshadowed the rest of the nation since the Great Recession. This growth has provided apartment investors with opportunities for an extended period of time. While record breaking new construction has simply kept pace with demand, apartments have yet again out performed all asset classes. Investors seeking yield have given Class C apartments the renovations they desperately needed and secondary and tertiary markets have gained an extra boost from interested investors.

The question today is where is my next opportunity. This report is designed to guide you market by market.

- 1 The LUBBOCK market is in Late Recovery. Late Recovery is marked by slightly higher than normal vacancy, little new construction, and rent growth below inflation.
- 2 Employment and population growth should create absorption of 942 units while there are 180 units planned over the next 12 months. This should push occupancy up 2.5%.
- 3 Over the last 5 years, the LUBBOCK market added 15.6% to supply and another 0.6% will be added in the next 12 months.
- 4 The renter affordability gap indicates that market rents are \$382 per unit lower than owning an average home in the market. This is a measure of maximum potential rent growth during a Late Expansion phase. Gaps of more than \$200 per month show potential for value add rent growth in recovery and expansion phases.



MARTY H CLECKLER, MAI

Managing Director | Investment Sales
TCN Worldwide | WestMark Commercial

TCN Worldwide Real Estate Services

5,000+ Professionals | 160 Offices | 24 Countries
\$63.7 Billion in Transactions (2018)

MARKET SUMMARY

LUBBOCK CURRENT CONDITIONS

2nd Half 2019

PROPERTY TYPE	% of MKT	OCC	AVG SF	RENT/MO	YEAR OVER YEAR CHANGE	
Conventional	64%	87.9%	830	\$ 0.92	Occupancy Change	-1.5%
Affordable	12%	87.3%	944	\$ 0.67	Asking Rent Change	2.4%
Senior	5%	88.8%	786	\$ 2.19	Effective Rent Change	2.1%
Student Housing	19%	86.6%	1,180	\$ 1.27		

87.9% **-1.5%**
Occupancy Occupancy Change



\$ 0.92 **+2.4%**
Rent (psf per month) Rent Change

29% **0.6**
Properties Offering Concessions Months Free



3,731

Vacant Units

Thought: Not all vacancy is created equal. For more insight, consider the markets' largest construction decade as well.

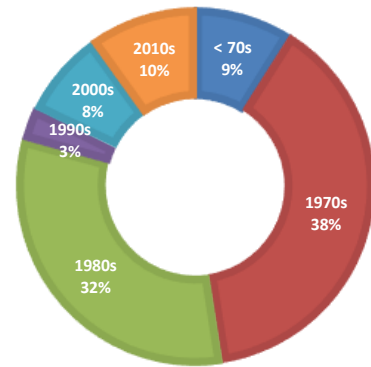
MARKET SUMMARY

LUBBOCK MARKET SUPPLY

2nd Half 2019



SUPPLY DISTRIBUTION



1970s



Largest Property Decade

A market's supply distribution tells us where the opportunities potentially lie.

FIVE YEAR PERMIT ACTIVITY



2014	1,101
2015	826
2016	1,227
2017	766
2018	231

4,151

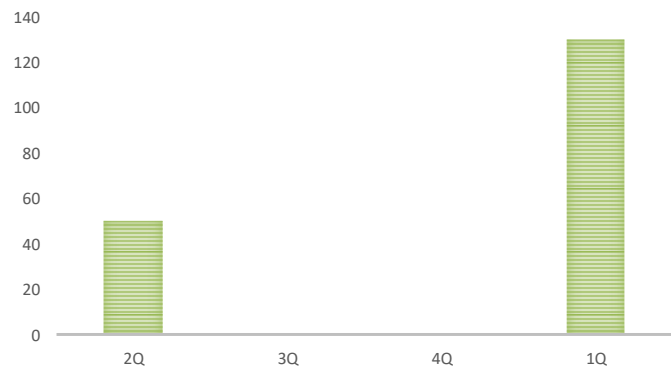
Units Added in Last 5 Years
That's 15.6%



180

Units Planned Over the Next 12 Months
That's another 0.6%

FUTURE SUPPLY



MARKET SUMMARY

LUBBOCK MARKET DEMAND

2nd Half 2019

Affordability Gap

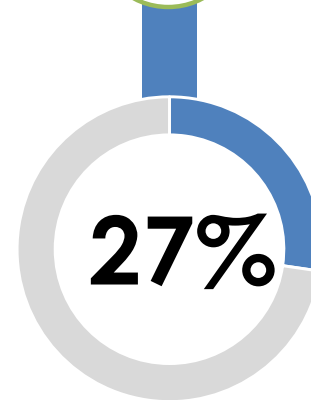
\$382



Average Effective Rent vs. Average Mortgage Payment
Renting is \$382 less per unit per month than owning.

The Affordability Gap measures the difference in the Market Average Mortgage Payment and the Market Average Effective Rent. It illustrates how much rent can increase before a tenant thinks about purchasing a home.

Percent of Population Age 20-34



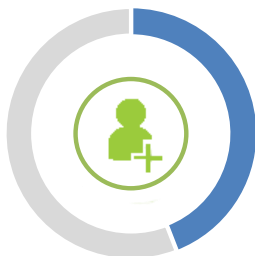
3,632

New Jobs Last Year



2.3%

Employment Growth



44.1%

Rent

vs

55.9%

Own

Future rental absorption is a function of job growth and the renter percentage above.

942

12 Month Absorption Estimate

MARKET SUMMARY

LUBBOCK MARKET OUTLOOK

2nd Half 2019

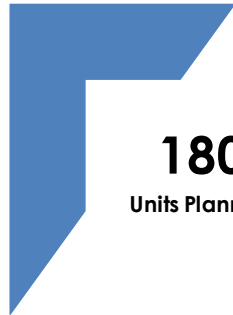
Apartment Cycle

Late Recovery



Business Cycle

Expansion



180
Units Planned

Versus



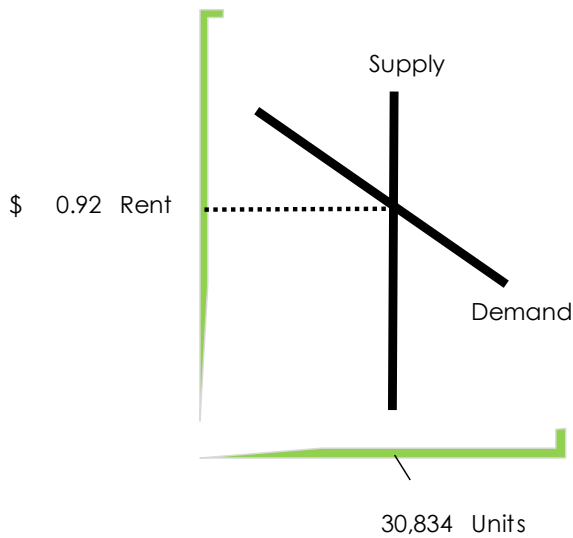
942
Estimated Absorption



WHAT TO EXPECT



CURRENT MARKET



Positive

Change in Rent



Up 2.5%

Occupancy



Fading

Concessions

Economic Fact: Large additions to supply without corresponding demand for those units causes a shift in the market which lowers rent and pushes occupancy downward. Employment growth will

MARKET SUMMARY



CONTACTS

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\$63.7 Billion in Transactions (2018)



4 • FINANCIAL ANALYSIS



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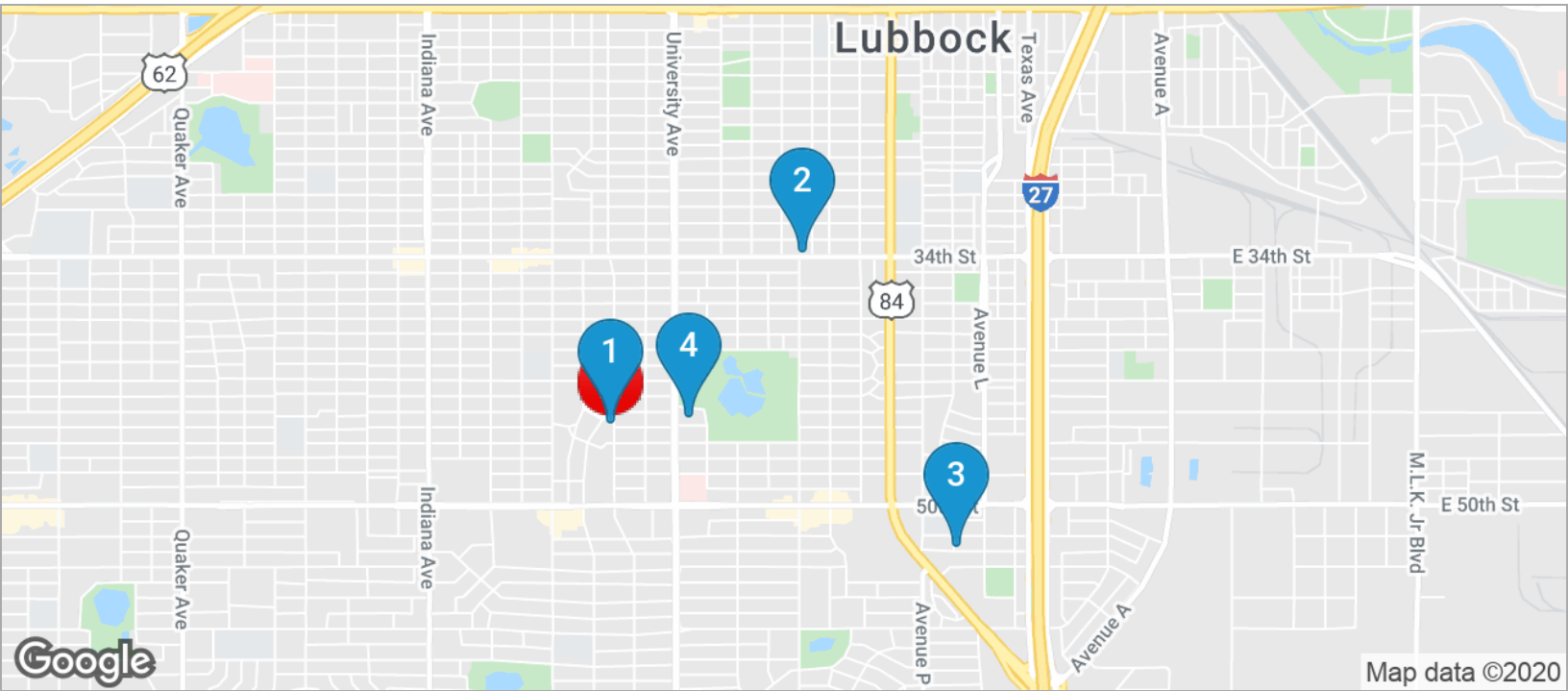
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UNIT MIX SUMMARY

UNIT TYPE	COUNT	% TOTAL	SIZE (SF)
2 Bed/1 Bath	6	37.5	725
2 Bed/1 Bath	6	37.5	733
2 Bed/1 Bath	2	12.5	750
Shop/1 Bath/OH Door	2	12.5	1,216
Totals/Averages	16	100%	12,680

RENT COMPS MAP



SUBJECT PROPERTY

2702 44th Street | Lubbock, TX 79413



1

BOSTON CREEK

2701 44th Street
Lubbock, TX 79413



3

GREENBRIER APARTMENTS

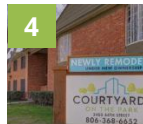
1322 53rd Street
Lubbock, TX 79412



2

SIENNA TOWNHOMES

2102 34th Street
Lubbock, TX 79411

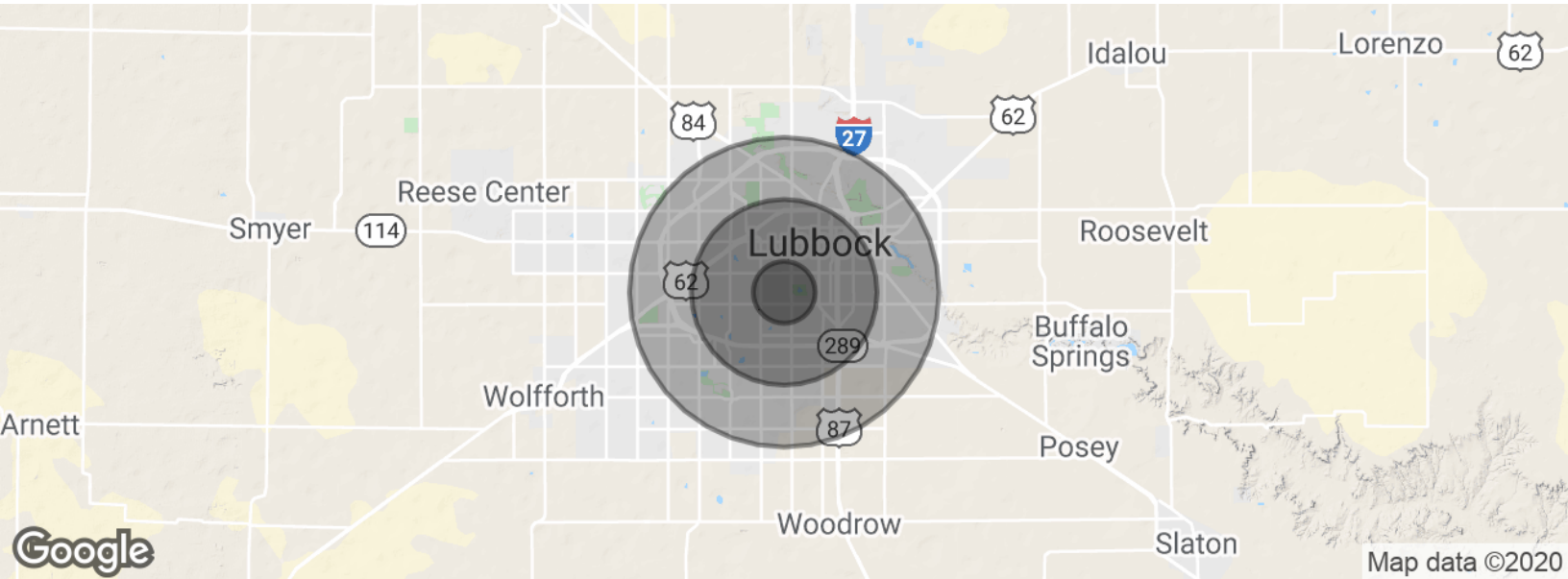


4

COURTYARDS ON THE PARK

2400 44th Street
Lubbock, TX 79412

DEMOGRAPHICS MAP & REPORT



POPULATION

	1 MILE	3 MILES	5 MILES
Total population	14,669	110,094	210,095
Median age	29.2	30.5	31.6
Median age (Male)	27.9	29.3	30.6
Median age (Female)	30.7	32.0	32.8

HOUSEHOLDS & INCOME

	1 MILE	3 MILES	5 MILES
Total households	5,923	42,327	82,240
# of persons per HH	2.5	2.6	2.6
Average HH income	\$44,044	\$49,436	\$56,443
Average house value	\$108,491	\$134,680	\$140,229

* Demographic data derived from 2010 US Census

5 • ADVISOR BIOS

WestMark
COMMERCIAL

TCN
WORLDWIDE
REAL ESTATE SERVICES

MULTIFAMILY INVESTMENTS

ADVISOR BIO

MARTY CLECKLER, MAI

Managing Director

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PRIMARY SPECIALTIES

- Multifamily Investment Sales
- Multifamily Land Development
- Multifamily Syndication
- Auction/Tender Offerings

EXPERIENCE

Current

- TCN Worldwide | WestMark Commercial / WestMark Farm & Ranch / WMCbid.com, Managing Director, April 2013 – Present
- Heath Property Advisors, Owner, March 2014 - Present

Previous

- Valbridge Property Advisors (Blosser Appraisal), Senior Appraiser, October 2009 – March 2014
- Lonestar Commercial, Owner/Partner, July 2003 – September 2009
- Texas Tech University Rawls College of Business, Lecturer Real Estate Development (FIN 4336), January 1998 – December 1999
- Westar Commercial Realty, Manager, August 1996 – March 2000
- Coldwell Banker Commercial, Retail Specialist, August 1995 – August 1996
- Real Estate Research Corporation, Appraiser, May 1993 - August 1995

PUBLISHED

- Rags to Riches Real Estate Secrets, Reached Amazon Kindle's #1 in Real Estate and #10 in Non Fiction categories in 6 months.

LICENSES & MEMBERSHIPS

- Certified General Appraiser No. TX—1380173-G
- Real Estate Broker No. TX—0421600
- Member ICSC, International Council of Shopping Centers
- MAI Member, Appraisal Institute

REAL ESTATE EDUCATION

- Bachelor of Business Administration in Economics, Texas Tech University
- Master of Land Economics and Real Estate, Texas A&M University



Information About Brokerage Services

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

TYPES OF REAL ESTATE LICENSE HOLDERS:

- **A BROKER** is responsible for all brokerage activities, including acts performed by sales agents sponsored by the broker.
- **A SALES AGENT** must be sponsored by a broker and works with clients on behalf of the broker.

A BROKER'S MINIMUM DUTIES REQUIRED BY LAW (A client is the person or party that the broker represents):

- Put the interests of the client above all others, including the broker's own interests;
- Inform the client of any material information about the property or transaction received by the broker;
- Answer the client's questions and present any offer to or counter-offer from the client; and
- Treat all parties to a real estate transaction honestly and fairly.

A LICENSE HOLDER CAN REPRESENT A PARTY IN A REAL ESTATE TRANSACTION:

AS AGENT FOR OWNER (SELLER/LANDLORD): The broker becomes the property owner's agent through an agreement with the owner, usually in a written listing to sell or property management agreement. An owner's agent must perform the broker's minimum duties above and must inform the owner of any material information about the property or transaction known by the agent, including information disclosed to the agent or subagent by the buyer or buyer's agent.

AS AGENT FOR BUYER/TENANT: The broker becomes the buyer/tenant's agent by agreeing to represent the buyer, usually through a written representation agreement. A buyer's agent must perform the broker's minimum duties above and must inform the buyer of any material information about the property or transaction known by the agent, including information disclosed to the agent by the seller or seller's agent.

AS AGENT FOR BOTH - INTERMEDIARY: To act as an intermediary between the parties the broker must first obtain the written agreement of *each party* to the transaction. The written agreement must state who will pay the broker and, in conspicuous bold or underlined print, set forth the broker's obligations as an intermediary. A broker who acts as an intermediary:

- Must treat all parties to the transaction impartially and fairly;
- May, with the parties' written consent, appoint a different license holder associated with the broker to each party (owner and buyer) to communicate with, provide opinions and advice to, and carry out the instructions of each party to the transaction.
- Must not, unless specifically authorized in writing to do so by the party, disclose:
 - that the owner will accept a price less than the written asking price;
 - that the buyer/tenant will pay a price greater than the price submitted in a written offer; and
 - 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.

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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
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Buyer/Tenant/Seller/Landlord Initials

Date