



411-413
PANHANDLE STREET
—
DENTON, TEXAS
OFFERING MEMORANDUM

MATTHEWS[™]
REAL ESTATE INVESTMENT SERVICES

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PANHANDLE STREET
DENTON, TEXAS

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PROPERTY OVERVIEW

OPPORTUNITY

- » 411-413 Panhandle Street is a great value-add opportunity with 15% rental upside potential
- » The property has been maintained extremely well and has had the necessary repairs made by the current ownership that will allow the next investor to take over and continue operations
- » The building is located within close proximity to TWU which allows an investor to demand higher rents than a conventional apartment community for this submarket
- » This is a phenomenal opportunity for an investor to acquire a light, value-add property with rental upside potential in a thriving, student housing market

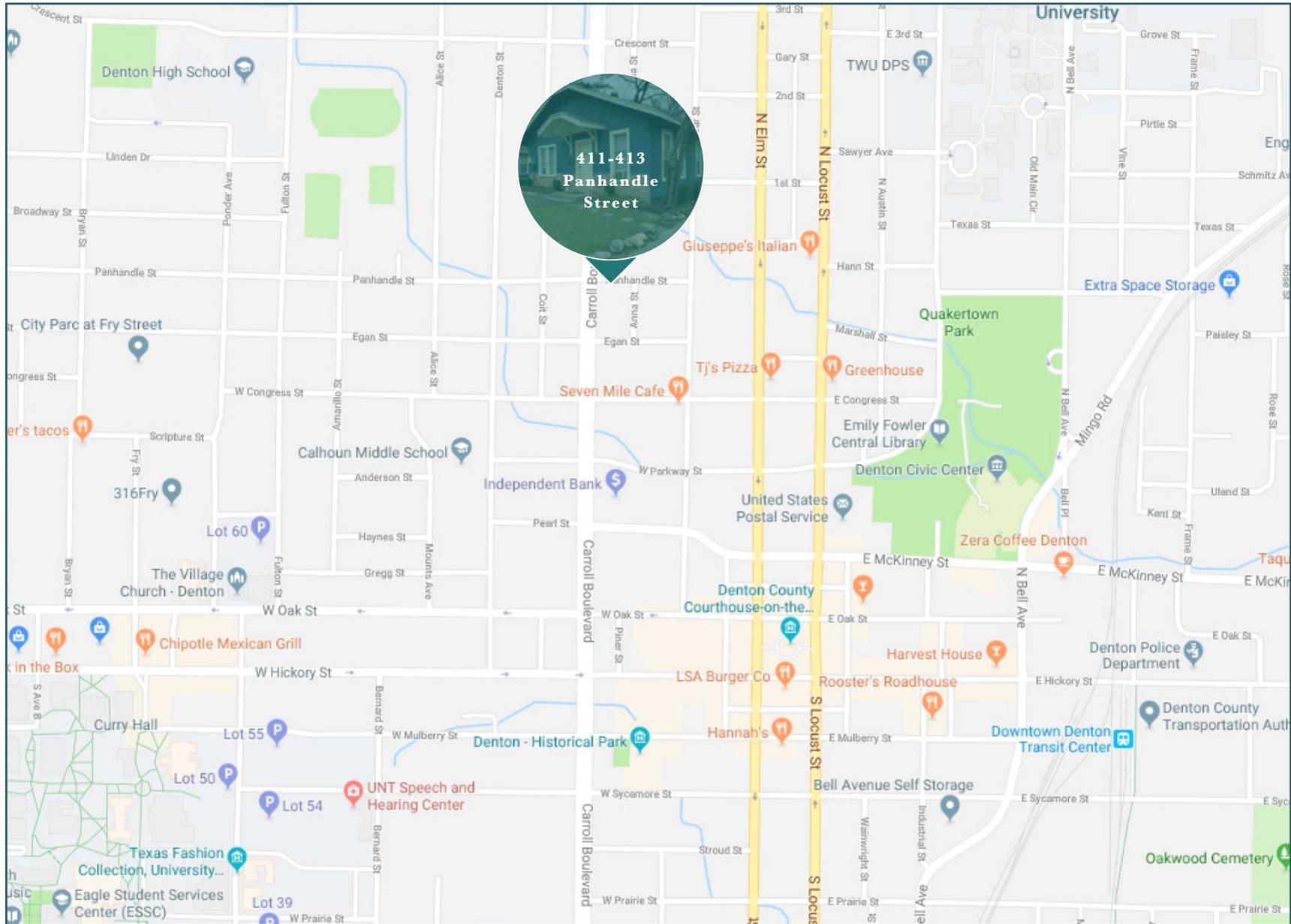
PROPERTY DESCRIPTION

- » 411-413 Panhandle Street are two large duplexes that make up a wonderful 4-unit apartment community located in Denton, TX
- » The front units in both buildings are comprised of 3 bed 2 bath units and the rear buildings are comprised of spacious 2 bed 1 bath units
- » This community is located steps away from the Texas Woman's University (TWU) that houses roughly 15,000 female students
- » There is ample parking the front and rear of the property for each resident

PARCEL MAP



REGIONAL MAP





An aerial photograph of a city, likely a downtown area, with a central building featuring a prominent dome. The image is overlaid with a dark teal color. The text '08' is positioned above 'AREA OVERVIEW' in a white, serif font. The background shows a dense urban landscape with various buildings, streets, and parking lots filled with cars. A large, multi-story building with a central dome is the focal point of the image. The overall scene is captured from a high angle, providing a comprehensive view of the city's layout.

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AREA OVERVIEW

Denton, TX

Denton is enjoying a time of rapid growth as residents and businesses are drawn to the authenticity and opportunity that Denton offers. As businesses locate and expand here, new jobs are created and Denton’s tax base is expanded and diversified. The city of Denton is located within the Dallas/ Fort Worth Metroplex. The Metroplex is by population, the largest metropolitan area in Texas, the largest in the South, the fourth largest in the United States, and the tenth-largest in the Americas. Denton is known for its active music life; the North Texas State Fair and Rodeo and the Denton Arts and Jazz Festival attract over 300,000 people to the city each year.

- One of the Top 25 Fastest Growing American Cities
- The City of Denton has a population of 117,187 and was ranked 7th among the fastest growing cities with populations of 100,000 or greater
- Rand McNally ranked Denton #1 Small Town in the US. and USA Today ranked Denton #1 on the 2012 Top Ten Best Small Towns in America list
- Denton is characterized as a college town with over 50,000 university students
- Most Wind Energy in the Nation - leads the nation by providing 40 percent wind energy to every customer
- Denton ranked highest in education and social and civic capital, meaning the city has a high number of involved and educated community members
- Top 10 US City for Data Security
- #6 High Tech Hotspot in the US. Martin Prosperity Institute has identified an index that acknowledges the huge number of digital and tech jobs in more traditional industries like film, news, publishing, and telecommunications
- One of America’s Best Main Streets. Downtown Denton has been a Texas Certified Main Street since 1990 and, over the years, has received many awards. Most recently, Fodor.com and Yahoo Travel have highlighted Denton on their lists of America’s Best Main Streets and Great American Main Streets to visit in 2014

Demographics

	1 MILE	3 MILE	5 MILE
POPULATION			
2010 Census	15,510	59,363	100,781
2019 Estimate	17,472	69,083	121,264
2024 Projection	18,284	73,894	131,211
POPULATION GROWTH			
Percent Change: 2010 to 2019	12.65%	16.37%	20.32%
Percent Change: 2019 to 2024	4.65%	6.96%	8.20%
HOUSEHOLDS			
2010 Census	5,140	23,052	38,277
2019 Estimate	5,791	26,980	46,168
2024 Projection	6,233	29,222	50,326
HOUSEHOLD GROWTH			
Percent Change: 2010 to 2019	12.66%	17.04%	20.62%
Percent Change: 2019 to 2024	7.63%	8.31%	9.01%
INCOME			
Average Household Income	\$40,993	\$57,197	\$71,693
Median Household Income	\$26,129	\$40,774	\$51,636



Courthouse on the Square

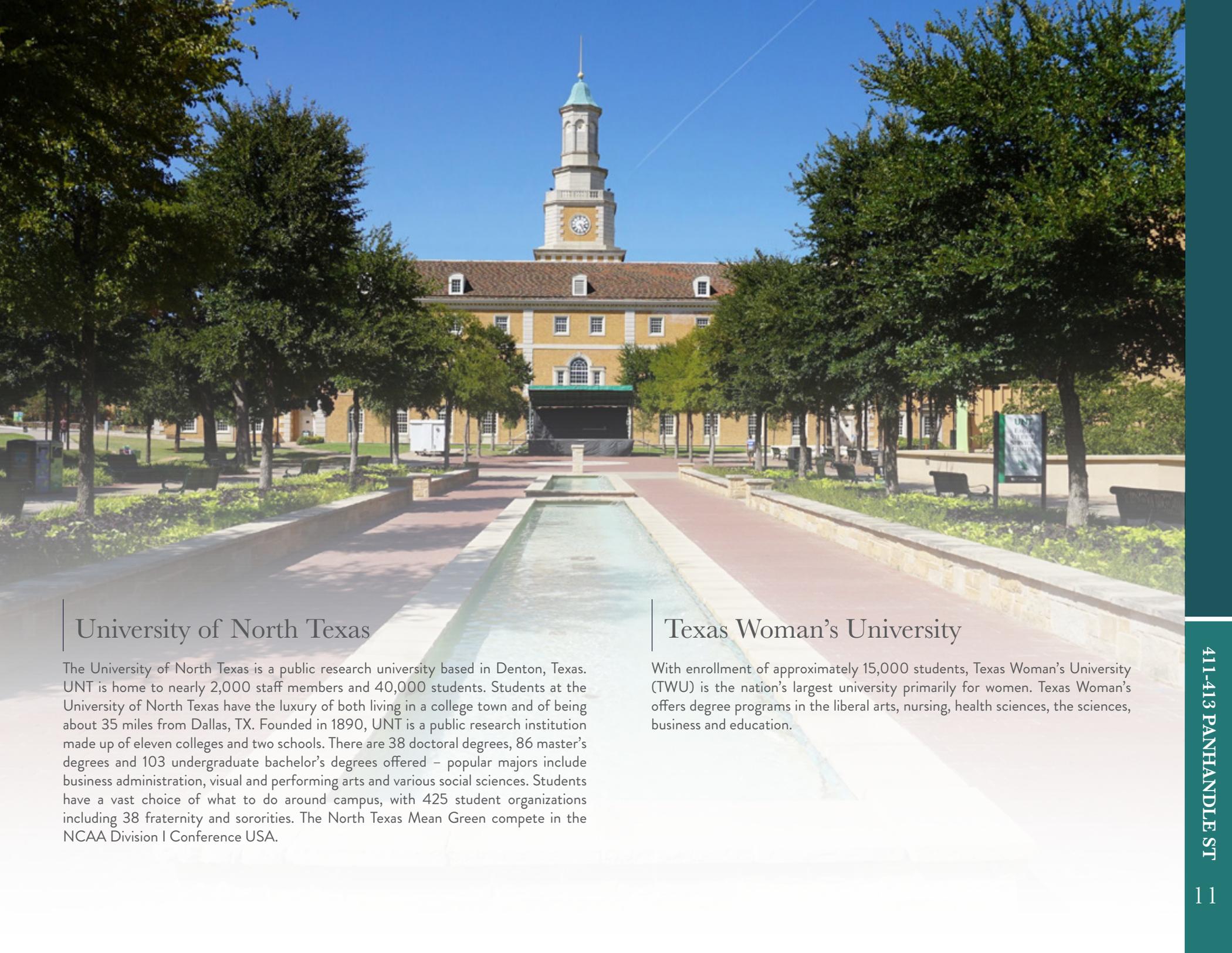
The historic Courthouse-on-the-Square was built in 1896, making the building at the center of the town more than 100 years old. The building itself is beautiful with architectural details that make the courthouse shine as an icon for Denton County. The best part about the Courthouse-on-the-Square is that everything in Denton seems to revolve around it. With something going on every day on the Square, there is no such thing as a dull day in downtown Denton. Whether you're looking for a place to listen to live music, grab a drink, or even an old-fashioned ice cream sundae, you only have to walk a few steps from the Courthouse to find it.

Arts & Jazz Festival

The Denton Arts & Jazz Festival is a free 2½-day event held the last weekend of every April in the city of Denton, Texas. Produced by the Denton Festival Foundation, and sponsored by the City of Denton and corporate sponsors, it brings over 200,000 people each year for live music, fine art, food, drink, crafts, and recreation. The festival is held in Quakertown Park, a natural space in the heart of the city just off the town square. The festival features seven stages, 2,300 artists and 250+ arts and crafts booths. Nationally recognized musicians headline the festival each year on the main stage, such as Ravi Coltrane, Jack DeJohnette, and Aaron Neville. The Showcase Stage also draws large crowds, featuring big bands, vocal ensembles, and student jazz groups of the renowned University of North Texas College of Music.

North Texas State Fair & Rodeo

The North Texas State Fair and Rodeo is held each year in Denton, Texas. The event is an annual nine-day fair and rodeo offering activities for all ages including live concerts, horse and livestock shows, contests, cook-offs, food, games and more. The fair also showcases the best of Texas Country music, with nightly free concerts with admission to the fair. The fair brings in over 100,000 people annually during its 9-day run.



University of North Texas

The University of North Texas is a public research university based in Denton, Texas. UNT is home to nearly 2,000 staff members and 40,000 students. Students at the University of North Texas have the luxury of both living in a college town and of being about 35 miles from Dallas, TX. Founded in 1890, UNT is a public research institution made up of eleven colleges and two schools. There are 38 doctoral degrees, 86 master's degrees and 103 undergraduate bachelor's degrees offered – popular majors include business administration, visual and performing arts and various social sciences. Students have a vast choice of what to do around campus, with 425 student organizations including 38 fraternity and sororities. The North Texas Mean Green compete in the NCAA Division I Conference USA.

Texas Woman's University

With enrollment of approximately 15,000 students, Texas Woman's University (TWU) is the nation's largest university primarily for women. Texas Woman's offers degree programs in the liberal arts, nursing, health sciences, the sciences, business and education.



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FINANCIAL OVERVIEW

INVESTMENT SUMMARY

411-413 PANHANDLE STREET DENTON, TX 76201	
Number of Units:	4
Year Built:	1975
APN:	R28369 & R28368
Gross Sq. Ft.:	3,792
Average S.F. Per Unit:	948
Lot Size (Acres):	0.36
Density:	11

List Price	Price/Unit	Price/Foot	CURRENT		MARKET	
			CAP	GRM	CAP	GRM
\$695,000	\$173,750	\$183.28	6.52%	10.74	6.54%	9.37

UNIT MIX

Total	Unit	Unit Mix	Current Avg Rent	Current Monthly Rent	Market Rent	Market Monthly Rent
2	2+1	50%	\$1,208	\$2,415	\$1,400	\$2,800
2	3+2	50%	\$1,448	\$2,895	\$1,650	\$3,300
Scheduled Monthly Rent:				\$5,310		\$6,100
Scheduled Yearly Rent:				\$63,720		\$73,200

ANNUALIZED OPERATING DATA

	Current		Market	
Scheduled Gross Income:	\$63,720		\$73,200	15% Upside
Less Vacancy Reserve:	\$3,186	5.0%	\$3,660	5.0%
Other Income: Deposit Forfeiture	\$1,000		\$1,000	
Gross Operating Income:	\$61,534		\$70,540	
Expenses:	\$16,187	25.4%	\$25,070	34.25%*
Net Operating Income:	\$45,347		\$45,470	
Loan Payments:	\$0		\$0	
Pre-Tax Cash Flow:	\$45,347	6.5%	\$45,470	6.54%**
Plus Principal Reduction:	\$0		\$0	
Total Return Before Taxes:	\$45,347	6.52%	\$45,470	6.54%**

* As a percent of Scheduled Gross Income

** As a percent of Down Payment

Other income is estimated at \$12 per unit per month

ANNUAL OPERATING EXPENSES

			% of SGI	Current	Per Unit	Market	Per Unit	% of SGI
Property Taxes	2.420%	x Sale Price	8.15%	\$5,014	\$1,254	\$13,455	\$3,364	18.4%
Off-Site Management	5.0%	x GOI	4.90%	\$3,015	\$754	\$3,456	\$864	4.7%
Insurance	Actual	2018	7.66%	\$4,712	\$1,178	\$4,712	\$1,178	6.4%
Repairs & Maintenance	Actual	2018	2.38%	\$1,464	\$366	\$1,464	\$366	2.0%
Landscaping	Actual	2018	2.74%	\$1,686	\$422	\$1,686	\$422	2.3%
Utilities	Actual	2018	0.48%	\$296	\$74	\$296	\$74	0.4%
Total Expenses			26.31%	\$16,187	\$4,047	\$25,070	\$6,267	34.2%

	<u>Current</u>	<u>Per Unit</u>	<u>% of SGI</u>
Non-controllable expenses: Taxes, Ins., Reserves:	\$9,726	\$2,432	15.3%
Total Expense without Taxes	\$11,173	\$2,793	17.53%

RENT ROLL

#	Unit	Mix	Rent	Market Rent
1	101	3+2	\$1,450	\$1,650
2	102	3+2	\$1,445	\$1,650
3	103	2+1	\$1,215	\$1,400
4	104	2+1	\$1,200	\$1,400
TOTALS			\$5,310	\$6,100
AVERAGES			\$1,328	\$1,525



Confidentiality Agreement & Disclaimer

This Offering Memorandum contains select information pertaining to the business and affairs located at **411-413 Panhandle Street | Denton, TX 76201** (“Property”). It has been prepared by Matthews Real Estate Investment Services. This Offering Memorandum may not be all-inclusive or contain all of the information a prospective purchaser may desire. The information contained in this Offering Memorandum is confidential and furnished solely for the purpose of a review by a prospective purchaser of the Property. It is not to be used for any other purpose or made available to any other person without the written consent of Seller or Matthews Real Estate Investment Services. The material is based in part upon information supplied by the Seller and in part upon financial information obtained from sources it deems reliable. Owner, nor their officers, employees, or agents makes any representation or warranty, express or implied, as to the accuracy or completeness of this Offering Memorandum or any of its contents and no legal liability is assumed or shall be implied with respect thereto. Prospective purchasers should make their own projections and form their own conclusions without reliance upon the material contained herein and conduct their own due diligence.

By acknowledging your receipt of this Offering Memorandum for the Property, you agree:

1. The Offering Memorandum and its contents are confidential;
2. You will hold it and treat it in the strictest of confidence; and
3. You will not, directly or indirectly, disclose or permit anyone else to disclose this Offering Memorandum or its contents in any fashion or manner detrimental to the interest of the Seller.

Owner and Matthews Real Estate Investment Services expressly reserve the right, at their sole discretion, to reject any and all expressions of interest or offers to purchase the Property and to terminate discussions with any person or entity reviewing this Offering Memorandum or making an offer to purchase the Property unless and until a written agreement for the purchase and sale of the Property has been fully executed and delivered.

If you wish not to pursue negotiations leading to the acquisition of the Property or in the future you discontinue such negotiations, then you agree to purge all materials relating to this Property including this Offering Memorandum.

A prospective purchaser’s sole and exclusive rights with respect to this prospective transaction, the Property, or information provided herein or in connection with the sale of the Property shall be limited to those expressly provided in an executed Purchase Agreement and shall be subject to the terms thereof. In no event shall a prospective purchaser have any other claims against Seller or Matthews Real Estate Investment Services or any of their affiliates or any of their respective officers, Directors, shareholders, owners, employees, or agents for any damages, liability, or causes of action relating to this solicitation process or the marketing or sale of the Property.

This Offering Memorandum shall not be deemed to represent the state of affairs of the Property or constitute an indication that there has been no change in the state of affairs of the Property since the date this Offering Memorandum.



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.

Kyle Matthews/Matthews Retail Group Inc.	678067	kyle.matthews@matthews.com	(310) 919-5757
Licensed Broker /Broker Firm Name or Primary Assumed Business Name	License No.	Email	Phone
Kyle Matthews	678067	kyle.matthews@matthews.com	(310) 919-5757
Designated Broker of Firm	License No.	Email	Phone
_____ 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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