



NEWPORT

AT CLEAR LAKE

PROPERTY INFORMATION

Property Details

CONSTRUCTION DETAILS

Style	Garden
Building Type	13 two-story residential buildings, leasing office, maintenance shop, gym
Foundation	Concrete post-tension slab
Exterior Walls	Stucco and brick
Roof System	Pitched, composition shingles
Floor Coverings	Carpeting, vinyl faux wood
Paving	Asphalt
Piping	Galvanized
Wiring	Copper

MECHANICAL SYSTEMS

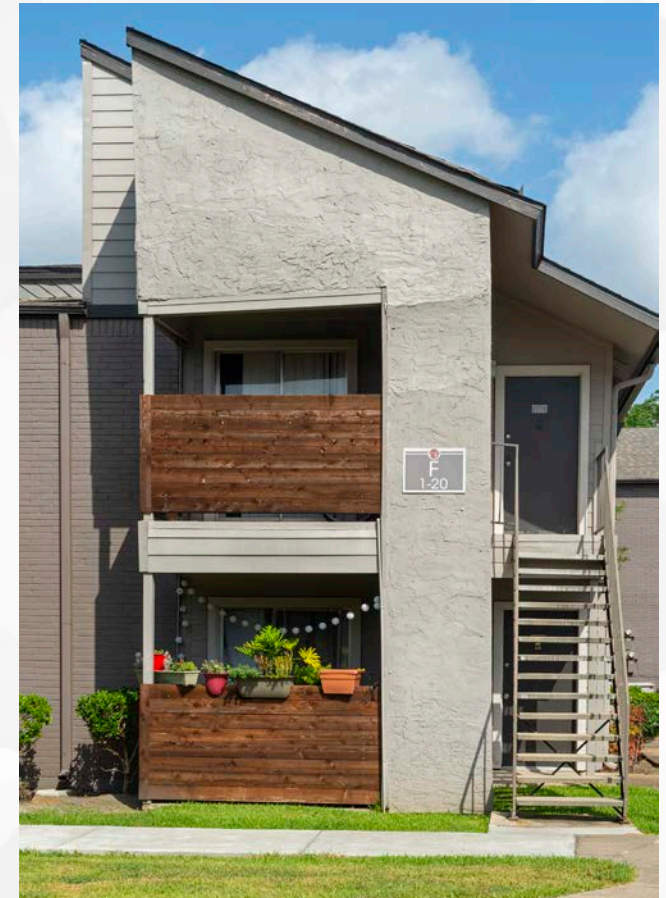
Electricity	Individually metered
Water/Sewer	RUBS
HVAC	Individual climate controlled units
Hot Water	Boiler system, 3 boilers
Washer/Dryer	Connections in 124 units Washer/Dryers in 13 (Deluxe) units

PARKING

Open Surface Spaces	204
Reserved Spaces	11 occupied, \$30/m
Handicap Spaces	13
Total Parking	217 1.51 spaces/unit



Property Details



EDUCATION

School District	Clear Creek ISD
Elementary School	Clear Lake City
Intermediate School	Space City
High School	Clear Lake

FEES & DEPOSITS

Administrative Fee	\$150
Deposit	Rhino (variable)
Pet Rent	\$15-\$25/ pet / month

PERSONNEL

Manager	1 Full-time
Maintenance Supervisor	1 Full-time
Total Employees	2 EMPLOYEES

Unit Mix

Unit Designation	Unit Description	Units	Unit SF	Mkt Rent/ Unit/ Mo	Mkt Rent/ SF/ Mo	Pro Forma Rent/ Unit/ Mo	Pro Forma Rent/ SF/ Mo	Monthly Market Total	Annual Market Total
EFF-P	EFFICIENCY	18	438	\$900	\$2.05	\$963	\$2.20	\$16,200	\$194,400
EFF-PR	EFFICIENCY	2	438	\$925	\$2.11	\$990	\$2.26	\$1,850	\$22,200
A1	1-BED / 1-BATH	6	638	\$917	\$1.44	\$981	\$1.54	\$5,500	\$66,000
A1P	1-BED / 1-BATH	43	638	\$998	\$1.56	\$1,068	\$1.67	\$42,900	\$514,800
A1PR	1-BED / 1-BATH	12	638	\$1,050	\$1.65	\$1,124	\$1.76	\$12,600	\$151,200
A1D	1-BED / 1-BATH	4	638	\$1,100	\$1.72	\$1,177	\$1.84	\$4,400	\$52,800
B1P	2-BED / 2-BATH	14	813	\$1,200	\$1.48	\$1,284	\$1.58	\$16,800	\$201,600
B1PR	2-BED / 2-BATH	5	813	\$1,250	\$1.54	\$1,338	\$1.65	\$6,250	\$75,000
B1D	2-BED / 2-BATH	2	813	\$1,300	\$1.60	\$1,391	\$1.71	\$2,600	\$31,200
B2	2-BED / 2-BATH	1	900	\$1,150	\$1.28	\$1,231	\$1.37	\$1,150	\$13,800
B2P	2-BED / 2-BATH	4	900	\$1,200	\$1.33	\$1,284	\$1.43	\$4,800	\$57,600
B3P	2-BED / 2-BATH	4	928	\$1,275	\$1.37	\$1,364	\$1.47	\$5,100	\$61,200
B3PR	2-BED / 2-BATH	3	928	\$1,325	\$1.43	\$1,418	\$1.53	\$3,975	\$47,700
B3D	2-BED / 2-BATH	1	928	\$1,375	\$1.48	\$1,471	\$1.59	\$1,375	\$16,500
B4TH	2-BED / 2-BATH	1	1,000	\$1,400	\$1.40	\$1,498	\$1.50	\$1,400	\$16,800
B4TH-P	2-BED / 2-BATH	13	1,000	\$1,400	\$1.40	\$1,498	\$1.50	\$18,200	\$218,400
B4TH-PR	2-BED / 2-BATH	2	1,000	\$1,450	\$1.45	\$1,552	\$1.55	\$2,900	\$34,800
B4TH-D	2-BED / 2-BATH	4	1,000	\$1,500	\$1.50	\$1,605	\$1.61	\$6,000	\$72,000
B5TH-P	2-BED / 2-BATH	1	1,250	\$1,600	\$1.28	\$1,712	\$1.37	\$1,600	\$19,200
B5TH-PR	2-BED / 2-BATH	1	1,250	\$1,650	\$1.32	\$1,766	\$1.41	\$1,650	\$19,800
B5TH-D	2-BED / 2-BATH	2	1,250	\$1,700	\$1.36	\$1,819	\$1.46	\$3,400	\$40,800
CP	3-BED / 2-BATH	1	1,350	\$1,700	\$1.26	\$1,819	\$1.35	\$1,700	\$20,400
CPR	3-BED / 2-BATH	1	1,350	\$1,875	\$1.39	\$2,006	\$1.49	\$1,875	\$22,500
Totals/Averages		145	737	\$1,133	\$1.54	\$1,212	\$1.64	\$164,225	\$1,970,700

☐ Classic

☐ Partial (P)

☒ Premium (PR)

☒ Deluxe (D)

Floor Plans



STUDIO 1 BATH
438 SF



1 BEDROOM 1 BATH
A1 | 638 SF



2 BEDROOM 1 BATH
B1 | 813 SF



2 BEDROOM 1.5 BATH
B2 | 900 SF



2 BEDROOM 2 BATH
B3 | 928 SF



2 BEDROOM 1.5 BATH
B4 Townhome | 1,000 SF

Floor Plans & Site Plan



2 BEDROOM 2.5 BATH
B5 Townhome | 1,250 SF



3 BEDROOM 2 BATH
C | 1,040 SF



Community Amenities

Ample Green Space

Business Center

Complimentary Wi-Fi in the Leasing Center

Dog Park

Laundry Facilities

Outdoor Grill and Picnic Areas

Pet-friendly with Pet Stations Throughout Community

Resident Coffee and Tea Bar

Reserved Parking

Sparkling Swimming Pool

Tanning Deck

Walking Distance to Exploration Green, a 200 Acre Park!



Community Amenities



Interior Features

2-inch Faux Wood Blinds

Black and Stainless Steel Appliances*

Ceiling Fans

Central Air Conditioning and Heating

Digital Thermostats

Energy-efficient Appliances

Exterior Storage Closet*

Fireplace*

Fully-equipped Kitchen with Generous
Cabinet Storage

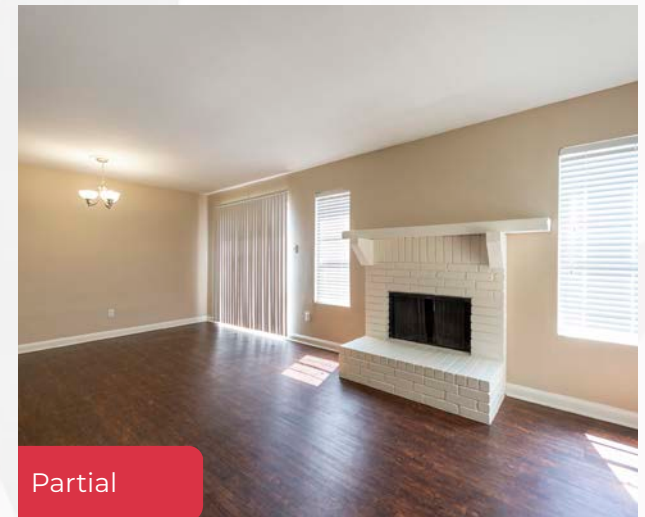
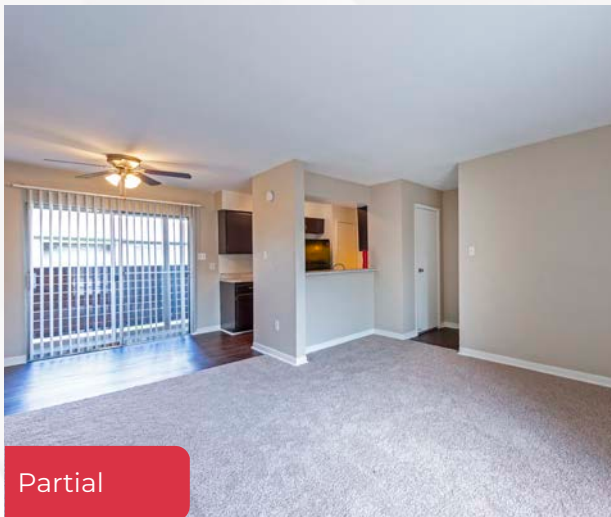
Private Patios

Tastefully Upgraded Units

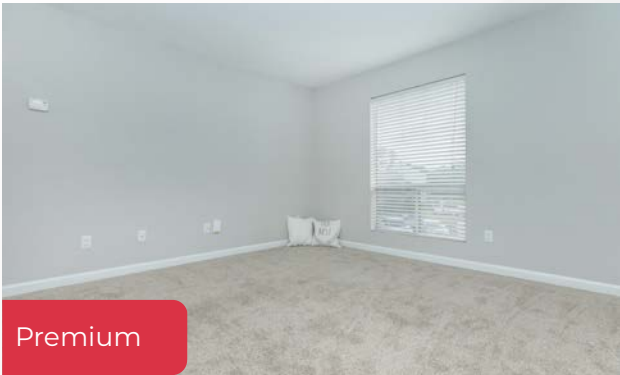
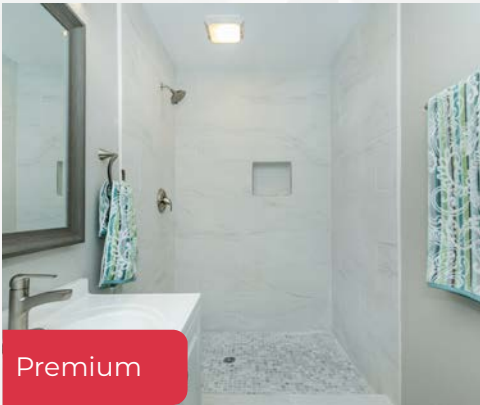
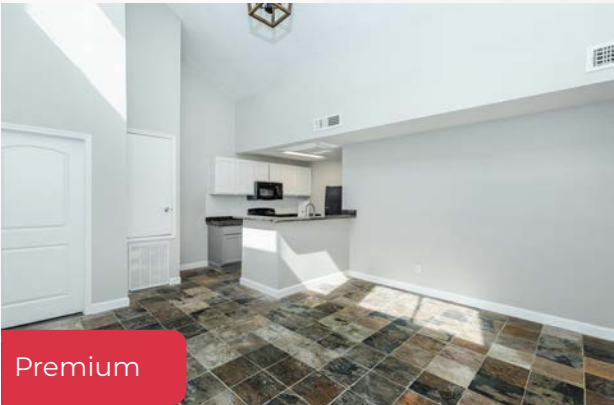
Walk-in Closets*

Washer and Dryer Connections*

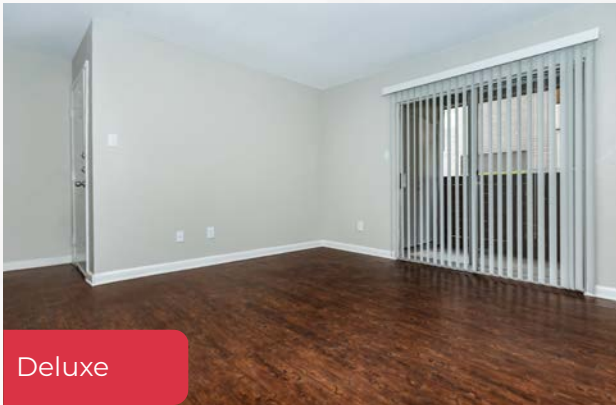
** In Select Apartment Homes*



Interior Features



Interior Features





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FINANCIAL ANALYSIS

Pro Forma Financial Analysis

INCOME	% of GSR	Totals	Per Unit	Per SF
Gross Scheduled Rent	100.00%	\$2,108,649	\$14,542	\$19.72
Less: (Gain)/Loss-to-Lease	8.00%	168,692	1,163	1.58
Gross Potential Income	92.00%	\$1,939,957	\$13,379	\$18.14
Less: Vacancy	5.00%	105,432	727	0.99
Less: Non-Revenue Units	0.75%	15,815	109	0.15
Less: Collection Loss	0.50%	10,543	73	0.10
Less: Concessions	1.00%	21,086	145	0.20
Total Rental Income	84.75%	\$1,787,080	\$12,325	\$16.71
	% of GSR	Totals	Per Unit	Per SF
Plus: Utility Reimbursements	2.95%	62,107	428	0.58
Plus: Trash	1.62%	34,084	235	0.32
Plus: Wifi/Cable Income	6.69%	141,163	974	1.32
Plus: Other	4.71%	99,264	685	0.93
<i>Total Other Income</i>	<i>15.96%</i>	<i>336,619</i>	<i>2,322</i>	<i>3.15</i>
Effective Gross Income	100.71%	\$2,123,699	\$14,646	\$19.86
EXPENSES	% of EGI	Totals	Per Unit	Per SF
Repairs and Maintenance	4.10%	87,000	600	0.81
Payroll	8.19%	174,000	1,200	1.63
Administrative	2.05%	43,500	300	0.41
Marketing	1.37%	29,000	200	0.27
Trash	0.85%	18,125	125	0.17
Internet Expense	4.78%	101,500	700	0.95
Utilities	3.93%	83,498	576	0.78
Total Variable Expenses	25.27%	\$536,623	\$3,701	\$5.02
Taxes	14.79%	314,017	2,166	2.94
Insurance	7.51%	159,500	1,100	1.49
Management Fee	3.00%	63,711	439	0.60
Total Operating Expenses	50.57%	\$1,073,851	\$7,406	\$10.04
Capital Reserves	1.71%	36,250	250	0.34
Total Expenses	52.27%	\$1,110,101	\$7,656	\$10.38
Net Operating Income		\$1,013,597	\$6,990	\$9.48

Underwriting Assumptions

Gross Scheduled Rent (GSR)	Pro Forma Year 1 GSR is projected at \$2,108,649 annually, or \$175,721 per month.
Loss-to-Lease (LTL)	Pro Forma Year 1 LTL is projected at \$168,692 annually, or \$14,058 per month.
Gross Potential Income (GPI)	Pro Forma Year 1 GPI is projected at \$1,939,957 annually, or \$161,663 per month.
Vacancy Loss	In Pro Forma Year 1, the Property is expected to maintain at least a 95% occupancy rate.
Non-Revenue Units	In Pro Forma Year 1, Non-Revenue Units are assumed at 0.75% of GSR.
Collection Loss	In Pro Forma Year 1, Collection Loss is assumed at 0.50% of GSR.
Concessions	In Pro Forma Year 1, Concessions are assumed at 1.00% of GSR.
Total Rental Income	Total Rental Income equals GPI less Vacancy, Non-Revenue Units, Collection Loss, and Concessions. Pro Forma Year 1 totals \$1,787,080 annually, or \$148,923 per month.
Utility Reimbursements	Utility Reimbursements for Pro Forma Year 1 is projected at \$62,107 annually, or \$428 per unit. This value is based off Jul'24 T12 actuals.
Trash	Trash for Pro Forma Year 1 is projected at \$34,084 annually, or \$235 per unit. This value is based off Jul'24 T12 actuals.
WiFi/Cable Income	Wifi/Cable Income for Pro Forma Year 1 is projected at \$141,163 annually, or \$974 per unit. This value is based off Jul'24 T12 actuals.
Other	Other for Pro Forma Year 1 is projected at \$99,264 annually, or \$685 per unit. This value is based off Jul'24 T12 actuals.
Effective Gross Income	Effective Gross Income equals Total Rental Income plus Utility Reimbursements, Other Income, Wifi/Cable Income, and Other and is projected at \$2,123,699 in Pro Forma Year 1, or \$176,975 per month.
Repairs and Maintenance	In Pro Forma Year 1, Repairs and Maintenance expenses are projected at \$87,000 annually, or \$600 per unit, which are in line with surrounding comparable properties and historical Repairs and Maintenance expenses.
Payroll	In Pro Forma Year 1, Payroll expenses are projected at \$174,000 annually, or \$1,200 per unit, which are in line with surrounding comparable properties and historical Payroll expenses.
Administrative	In Pro Forma Year 1, Administrative expenses are projected at \$43,500 or \$300 per unit, which are consistent with historical Administrative expenses and properties of this size.
Marketing	In Pro Forma Year 1, Marketing expenses are projected at \$29,000 annually, or \$200 per unit, which are consistent with historical Marketing expenses and properties of this size.
Trash	In Pro Forma Year 1, Trash expenses are projected at \$18,125 annually, or \$125 per unit, which are consistent with historical Trash expenses and properties of this size.
Internet Expense	In Pro Forma Year 1, Internet Expense expenses are projected at \$101,500 annually, or \$700 per unit, which are consistent with historical Internet Expense expenses and properties of this size.
Utilities	The property has an average Utilities cost for apartment communities of this quality and area. Utilities are based on historical operations and grown 2.50%. They are projected at \$83,498 annually, or \$576 per unit.
Real Estate Taxes*	Newport at Clear Lake is located in Harris County. The 2023 property assessment was \$12,750,000 and the assessment for 2024 increased to \$13,779,452. The Pro Forma Year 1 Tax expense is calculated by multiplying the 2024 assessed value by the 2023 tax rate (2.2789 per \$100). The projected Pro Forma Year 1 taxes are \$314,017 or \$2,166 per unit.
Insurance	In Pro Forma Year 1, Insurance expenses are projected at \$159,500, or \$1,100 per unit. Insurance expenses vary depending on the coverage and deductible selected by the investor, and whether the Property is included on a single-asset or a blanket policy.
Management Fee	Management Fee is projected to be 3.00% of Effective Gross Income, which equals \$63,711 annually, or \$439 per unit in Pro Forma Year 1. This is in line with properties in this submarket of this size and quality.
Capital Reserves	The Property was built in 1979. Pro Forma Year 1 Capital Reserves are projected at \$36,250 annually, or \$250 per unit.
Total Operating Expenses	Total Operating Expenses (including Capital Reserves) in Pro Forma Year 1 are projected to be \$1,110,101 annually, or \$7,656 per unit.
Net Operating Income	Pro Forma Year 1 Net Operating Income (after Capital Reserves) is projected at \$1,013,597.

* The property is currently involved in a tax litigation process, with property consultants advising a valuation of \$13,180,000. This could potentially result in savings exceeding \$14,000.



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MARKET OVERVIEW

Rent Comparables

#	PROPERTY	YOC	OCCUPANCY	UNIT TYPE	# OF UNITS	TOTAL NRA	AVG. SF	MARKET RENT	MARKET RENT PSF	EFFECTIVE RENT	EFFECTIVE RENT PSF	EFF. RENT DELTA (Comp vs. Subject)	EFF. RENT PSF DELTA (Comp vs. Subject)
1	Palms at Clear Lake	1999	94%	1-Bed	144	110,736	769	\$1,282	\$1.67	\$1,282	\$1.67	\$415	\$0.31
				2-Bed	96	111,936	1,166	\$1,606	\$1.38	\$1,606	\$1.38	\$389	\$0.07
				Total/Avg.	240	222,672	928	\$1,412	\$1.52	\$1,412	\$1.52	\$423	\$0.18
2	Palomar	1999	94%	1-Bed	210	171,150	815	\$1,301	\$1.60	\$1,234	\$1.51	\$367	\$0.16
				2-Bed	108	110,808	1,026	\$1,481	\$1.44	\$1,414	\$1.38	\$197	\$0.07
				3-Bed	42	52,626	1,253	\$2,020	\$1.61	\$1,953	\$1.56	\$228	\$0.28
				Total/Avg.	360	334,584	929	\$1,439	\$1.55	\$1,372	\$1.48	\$383	\$0.13
3	The Lynx	2005	94%	1-Bed	232	180,032	776	\$1,261	\$1.63	\$1,156	\$1.49	\$289	\$0.13
				2-Bed	132	159,324	1,207	\$1,587	\$1.31	\$1,504	\$1.25	\$287	-\$0.06
				Total/Avg.	364	339,356	932	\$1,379	\$1.48	\$1,282	\$1.38	\$294	\$0.03
4	Pearce on the Lake	1986	97%	1-Bed	288	179,712	624	\$1,224	\$1.96	\$1,161	\$1.86	\$294	\$0.50
				2-Bed	152	138,928	914	\$1,528	\$1.67	\$1,465	\$1.60	\$248	\$0.30
				Total/Avg.	440	318,640	724	\$1,329	\$1.84	\$1,266	\$1.75	\$278	\$0.40
5	McAlister	1985	97%	1-Bed	128	80,128	626	\$1,037	\$1.66	\$1,037	\$1.66	\$170	\$0.30
				2-Bed	86	84,882	987	\$1,385	\$1.40	\$1,385	\$1.40	\$168	\$0.10
				Total/Avg.	214	165,010	771	\$1,177	\$1.53	\$1,177	\$1.53	\$188	\$0.18
6	Lakeshore	1978	99%	Efficiency	48	24,816	517	\$904	\$1.75	\$904	\$1.75	\$236	\$0.22
				1-Bed	124	90,768	732	\$1,027	\$1.40	\$1,027	\$1.40	\$160	\$0.04
				2-Bed	60	58,500	975	\$1,407	\$1.44	\$1,407	\$1.44	\$190	\$0.14
				Total/Avg.	232	174,084	750	\$1,100	\$1.47	\$1,100	\$1.47	\$111	\$0.12
TOTALS/ AVERAGES		1992	96%	Efficiency	48	24,816	517	\$904	\$1.75	\$904	\$1.75	\$236	\$0.22
				1-Bed	188	812,526	722	\$1,210	\$1.68	\$1,160	\$1.61	\$293	\$0.25
				2-Bed	106	664,378	1,048	\$1,513	\$1.44	\$1,469	\$1.40	\$253	\$0.10
				3-Bed	42	52,626	1,253	\$2,020	\$1.61	\$1,953	\$1.56	\$228	\$0.28
				Total/Avg.	308	1,554,346	840	\$1,325	\$1.58	\$1,278	\$1.52	\$289	\$0.18
SUBJECT	Newport at Clear Lake	1979	97%	Efficiency	20	8,760	438	\$903	\$2.06	\$668	\$1.53		
				1-Bed	65	41,470	638	\$1,006	\$1.58	\$867	\$1.36		
				2-Bed	58	53,997	931	\$1,331	\$1.43	\$1,217	\$1.31		
				3-Bed	2	2,700	1,350	\$1,788	\$1.32	\$1,725	\$1.28		
				Total/Avg.	145	106,927	737	\$1,133	\$1.54	\$988	\$1.34		

* Subject rents and occupancy are based on the current rent roll and may not tie to the financials