

THE BIRCHWOOD



236 Units | Built 1977

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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. Any and all due diligence of this nature is the responsibility of the buyer party. WITHOUT RECOURSE, This document should not be construed or interpreted as an affidavit of truth and should not be relied upon by any party.

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COVERE Global
Marty H Cleckler
Principal & Managing Director
WITHOUT PREJUDICE UCC § 1-308

THE BIRCHWOOD

THE OPPORTUNITY

The Birchwood is a 236-unit garden-style apartment built in 1977. It features a market attractive unit mix of one-, two- and three-bedroom units.

This well-located asset is positioned along South Loop 289 across the loop from the South Plains Mall. The South Plains Mall is the largest shopping center between Fort Worth and Albuquerque at 1.2 million square feet. As such, it is the only super regional mall in West Texas.

This desirable southwest Lubbock location provides easy access to all major employers and all major shopping areas within the city.

Market rents indicate room to grow rents while the property is 57% classic units. Recently updated pool, fitness facility, and clubhouse draw tenants to the property.



Market Rent vs Current Rent by Unit Type			
Unit Description	Market Rent	Current Rent	Upside/Unit/Mo.
A1: 1bd 1ba	\$1.52	\$1.20	\$170.65
A2: 1bd 1ba	\$1.34	\$1.11	\$145.60
A3: 1bd 1ba	\$1.25	\$1.10	\$103.40
B1: 2bd 2ba	\$1.13	\$0.88	\$232.50
C1: 3bd 2ba	\$1.08	\$0.84	\$248.50

THE BIRCHWOOD

LOCATION

Address: 6402 Albany Ave
Primary Frontage: Albany Ave
Secondary Frontage: Loop 289
Tertiary Frontage: 66th Street
Market MSA: Lubbock

IMPROVEMENT DETAILS

Year Built: 1977
Number of Units: 236
Number of Buildings: 1
Stories: 2
Style: Garden/Low-Rise
Construction: Wooden Frame
Exterior: Brick, Hardy Board
Roof: Pitched (comp)
Pool: Yes

Clubhouse/Office: The property has an updated clubhouse/office with business center, and fitness facility.



THE BIRCHWOOD

IMPROVEMENT DETAILS (Con't)

Laundry: 3 rooms, CSC Service Works, Inc.
10-year lease from March 2019

SITE DETAILS

Zoning: Multifamily District City of Lubbock

Site Size: 8.1290

Density: 29.0 units per acre

In Flood Plain: 1

FEMA Map#: 48303C0295G

Parking: 360 spaces

Covered Parking: --



THE BIRCHWOOD



EMPLOYEE DETAILS

Personnel: 2 Total Employees

1 Property Manager

1 Maintenance

UNIT DETAILS

Model Unit: None

Employee Units: One (1) Total: #117 100% Off Rent for Maintenance Employee

Down Units: Four (4) Winter Storm Units. Waiting on insurance claim. Building 3.

Twenty-four (24) Units in Building 8 down from Electrical Meter Replacement. Meters have been replaced and units are ready for renovation.

Two (2) Units in Building 10.

MECHANICAL SYSTEM DETAILS

Electric: Individual, Resident Paid

HVAC: Individual, Electric Cooling, Gas Heating

Hot Water: Four (4) total boilers. All replaced in last year. Plus, One (1) Reserve Tank.

Water/Sewer/Trash: Master, Resident Paid via RUBS of \$40/Mo.

Heating: Gas, Resident Paid via RUBS

THE BIRCHWOOD

Lubbock is the largest city between Fort Worth and El Paso serving a regional population of over

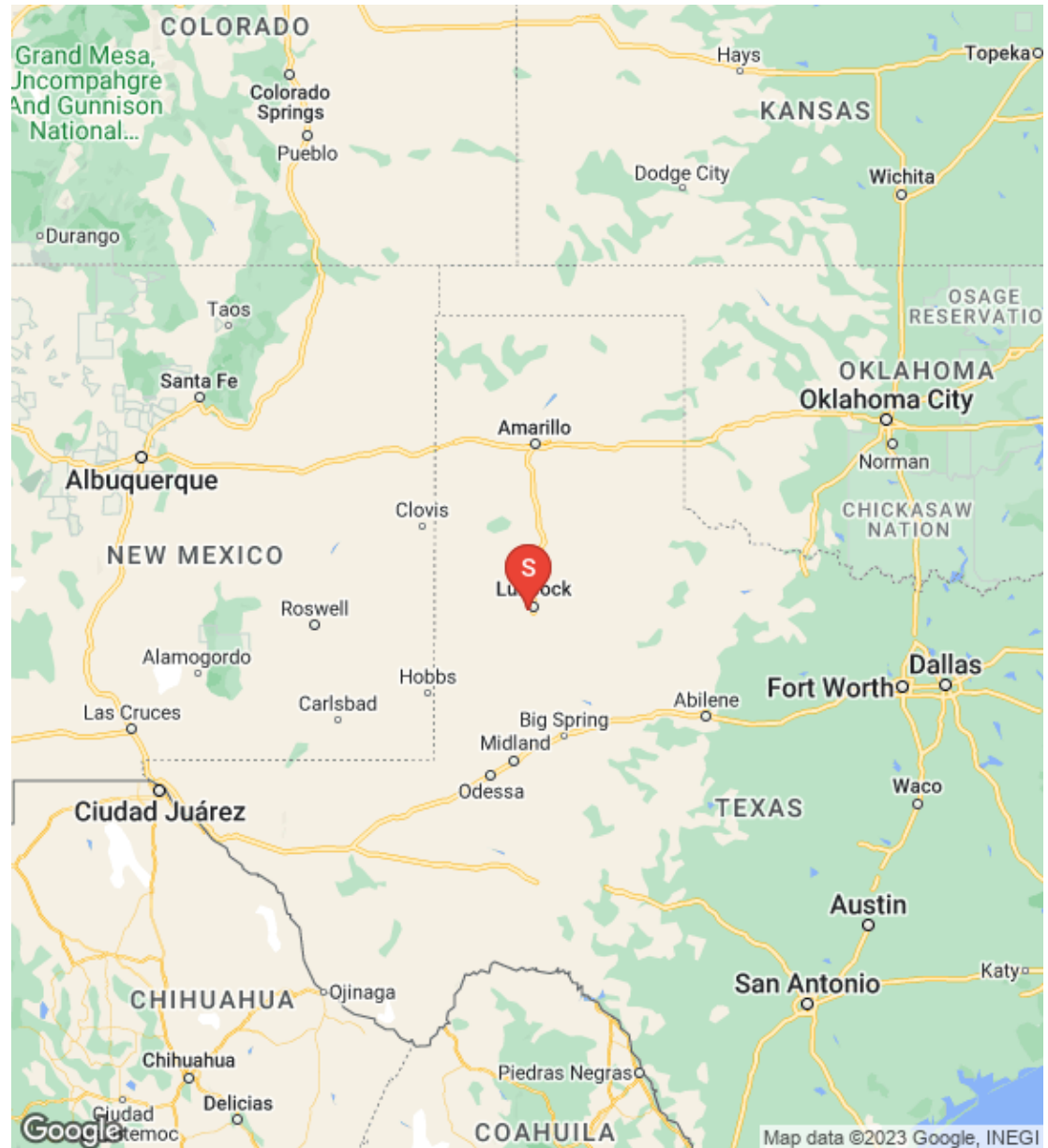
650,000.

Lubbock serves as the center point for retail, medical, education, and agriculture for the region.

As home to Texas Tech University, Texas Tech Health Sciences Center & Medical School, University Medical Center, and Covenant Medical Center, Lubbock's economic base is foundationally equipped to weather economic ups and downs.

The Lubbock multifamily market is currently seeing rents increase at slightly less than inflation with very little addition to supply. This puts the market in position for high value growth over the next few years.

The following graph illustrates Lubbock's current market position.



Employment Center Distance		
Employer		Distance from Subject
South Plains Mall	Super Regional Mall (1.2 million SF)	0.32 (Miles)
Texas Tech University	Carnegie Tier 1 Research University	4.42 (Miles)
Texas Tech Health Sciences	Tier 1 Health and Educational Center	4.31 (Miles)
University Medical Center	County Hospital & Level 1 Trauma	4.16 (Miles)
Covenant Health System	Largest Regional Hospital	3.01 (Miles)
West End	Largest Outdoor Shopping Center	2.25 (Miles)

Major Employer Details	
1.	Texas Tech University (6,635 employees and 41,000 students)
2.	Covenant Health System (5,570 employees)
3.	Texas Tech Health Science Center & Medical School (5,017 employees and 1,844 students)
4.	University Medical Center (4,375 employees)
5.	United Supermarkets Headquarters (4,199 employees)

Source: [Lubbock Economic Development Corporation](#)

Market Renter Characteristics		
Renter Occupied Units	37,489 units	
Percent Renters in Market	40.5% of Households Rent	
12 Mo. Rent Change	+ 5.7% (year over year)	
Occupancy	90.3%	
2018 Multifamily Permits	69 units	+ 0.2% added to supply
2019 Multifamily Permits	589 units	+ 1.6% added to supply
2020 Multifamily Permits	1,576 units	+ 4.1% added to supply
2021 Multifamily Permits	241 units	+ 0.6% added to supply
2022 Multifamily Permits	212 units	+ 0.5% added to supply

Source: [data.census.gov](#); ALN Data; Texas Real Estate Center

THE BIRCHWOOD

Multi-Family Rent Roll								
Unit Description	Category	Total Units	SF	Avg Current PGI Rent/Month	PGI Market Rent/Month	Current Per SF	Market Rent/SF	Rent Upside
A1: 1bd 1ba		64	540	\$649	\$820	\$1.20	\$1.52	\$170.65
A2: 1bd 1ba		52	635	\$708	\$854	\$1.11	\$1.34	\$145.60
A3: 1bd 1ba		48	688	\$759	\$862	\$1.10	\$1.25	\$103.40
B1: 2bd 2ba		48	925	\$814	\$1,047	\$0.88	\$1.13	\$232.50
C1: 3bd 2ba		24	1,065	\$899	\$1,148	\$0.84	\$1.08	\$248.50
Totals		236	170,564	\$175,432	\$216,012			
					<i>Monthly Upside</i>	<i>\$40,580</i>		

REAL ESTATE MARKET CYCLE CHARACTERISTICS

Understanding the Real Estate Cycle is paramount in making solid investment decisions. At COVERE Global we not only monitor the real estate cycle, we teach it and advise our clients with it. By understanding the current status of a market, investors can see into the future and know what to expect. This knowledge reduces risk improving returns. *Source: Glenn Mueller, Ph.D., Real Estate Finance, 1996.*

PHASE 2 EXPANSION

Markets Exhibiting Phase 6 thru 11

PHASE 3 HYPERSUPPLY

Markets Exhibiting Phase 11 thru 14



PHASE 1 RECOVERY

Markets Exhibiting Phase 1 thru 6

PHASE 4 RECESSION

Markets Exhibiting Phase 14 thru 1

THE BIRCHWOOD

INTERIOR AMENITIES



- 9' Ceilings
- All Electric Kitchen
- Refrigerator
- Oven/Stovetop
- Dishwasher
- Disposal
- Walk-in Closets
- Hardwood Flooring
- Ceiling Fans

COMMON AREA AMENITIES



- Clubhouse
- Shimmering Pool
- Fitness Center
- Business Center
- Laundry Facilities
- Picnic Area with BBQ
- Play Area
- High Speed Internet
- Short Term Leases Available

Area Land Use Trends

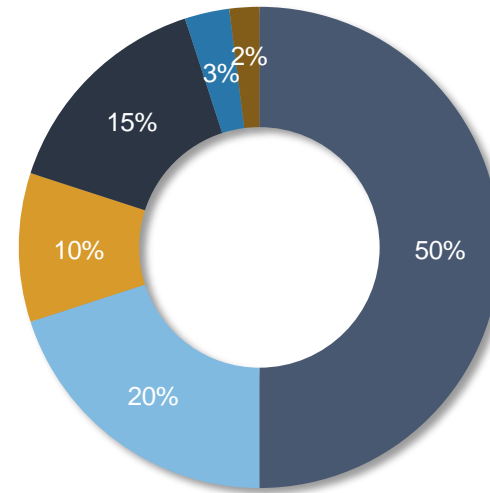
Area Land Use

Single-Family	50%
Retail	20%
Multifamily	10%
Office	15%
Industrial	3%
Vacant	2%
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	100%

Subject Land Use

Multifamily

Area Land Use



Supply/Demand

	Under	In Bal.	Over
Single-Family	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Retail	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Multifamily	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Office	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Industrial	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Vacant	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Area Vacancy

Single-Family	6%
Retail	8%
Multifamily	8%
Office	12%
Industrial	3%
Vacant	2%



Change in Land Use

Not Likely

Age Range for Multi-Family	1970 to 2020
Rent Range for Multi-Family	\$0.90 to \$1.45 / square foot

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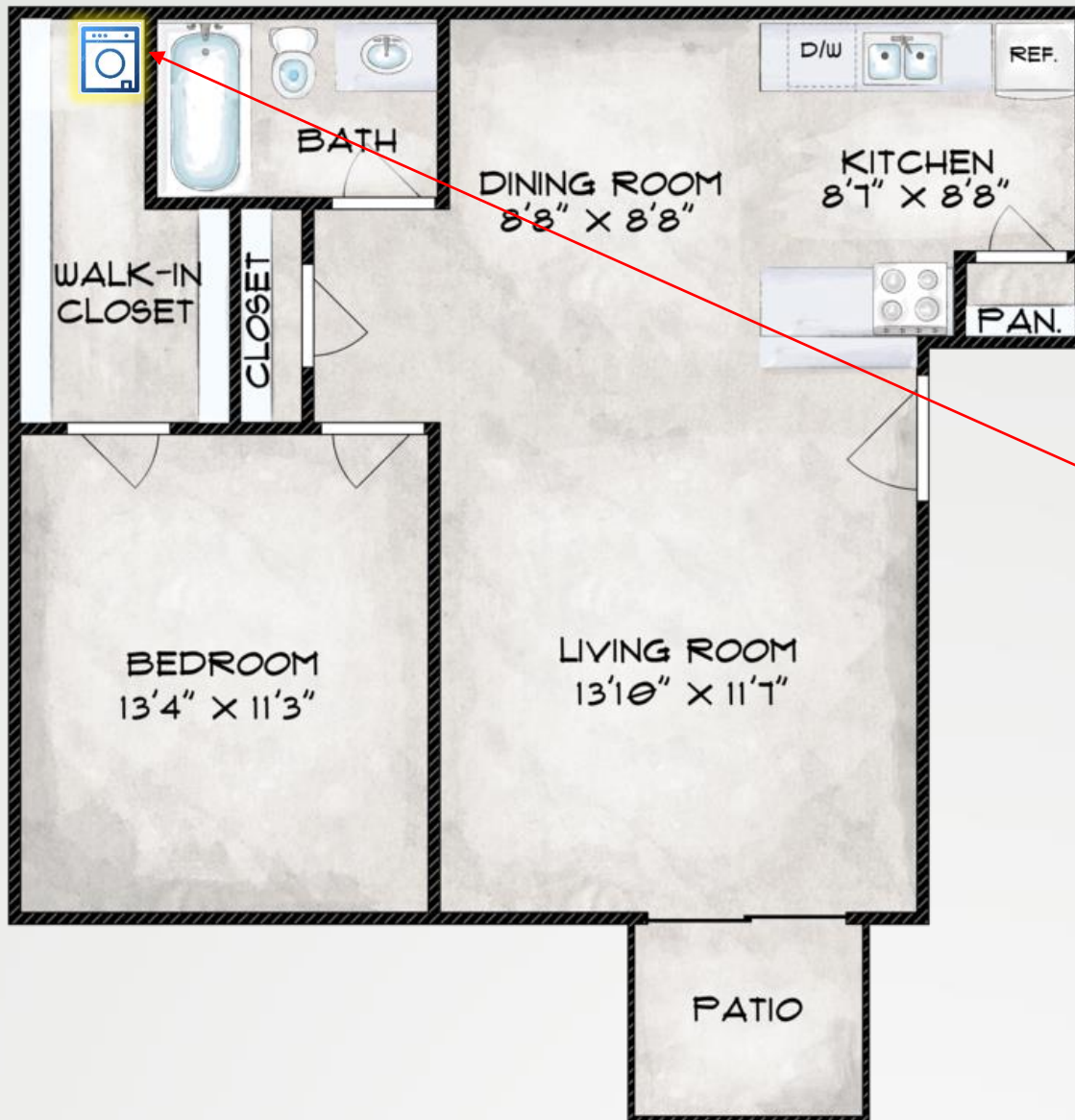




E1 & A1 Units 1 Bed / 1 Bath 540 SF

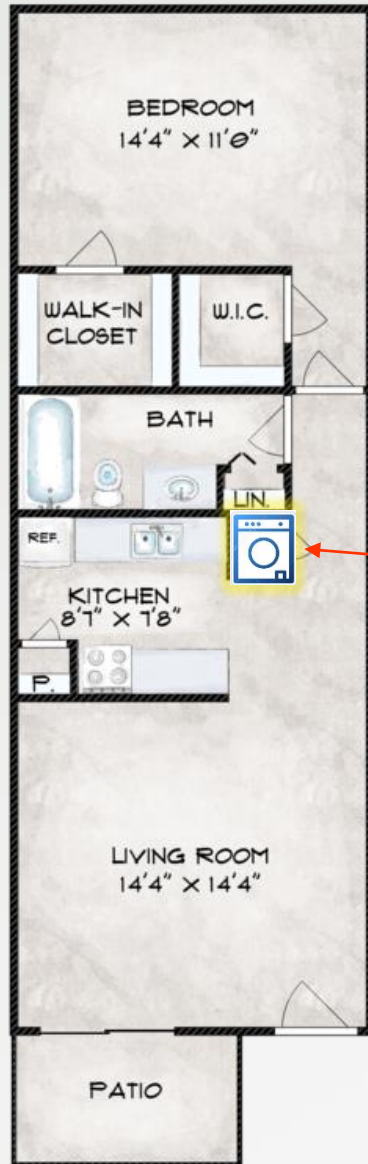
25 of the E1 units were converted to A1 units by altering the HVAC vents and adding a barn door to the bedroom.

Potential Washer Dryer Addition



A2 Units
1 Bed / 1 Bath
635 SF

Potential Washer Dryer
Addition



A3 Units
1 Bed / 1 Bath
688 SF

Potential Washer Dryer
Addition



Potential
Washer Dryer
Addition

B1 Units
2 Bed / 2 Bath
925 SF

Potential
Washer Dryer
Addition



Potential
Washer Dryer
Addition

Potential Washer
Dryer Addition

C1 Units
3 Bed / 2 Bath
1,065 SF

THE BIRCHWOOD





Information About Brokerage Services

Texas law requires all real estate licensees 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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Buyer/Tenant/Seller/Landlord Initials

Date

Regulated by the Texas Real Estate Commission

TXR-2501

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Procuring 15,000+ Texas-focused global investors.

COVEREkō-věr
(verb) to magically unite...