



KEVIN RILES COMMERCIAL
BROKERAGE - DEVELOPMENT - CONSULTING

Morely Apartments 6 Units Near Hobby Airport 8% Cap Rate

HOUSTON, TX 77061

PRICE: \$335,000

6-Plex - Morley Apartments 7518 Morley Street

KEVIN RILES, CCIM

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PROPERTY SUMMARY

6-Plex - Morley Apartments
7518 Morley Street | Houston, TX 77061

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Property Summary

Lot Size:	14,200 Sq. Ft.
Price:	\$335,000
Rentable SF:	3,016
Type:	MultiFamily
Year Built:	1980

Property Overview

EXCELLENT INVESTMENT OPPORTUNITY! Kevin Riles Commercial is pleased to present this 6 Unit apartment complex just blocks from HOBBY AIRPORT! This is an awesome opportunity to own a small multifamily in a very strong C class market. This property has Five two bedroom one bath units (2/1s) and a One Bedroom One Bathroom unit (1/1). Long terms tenants with strong rental history. There is room to raise rents as well.

Location Overview

Only 2 Blocks from Hobby Airport

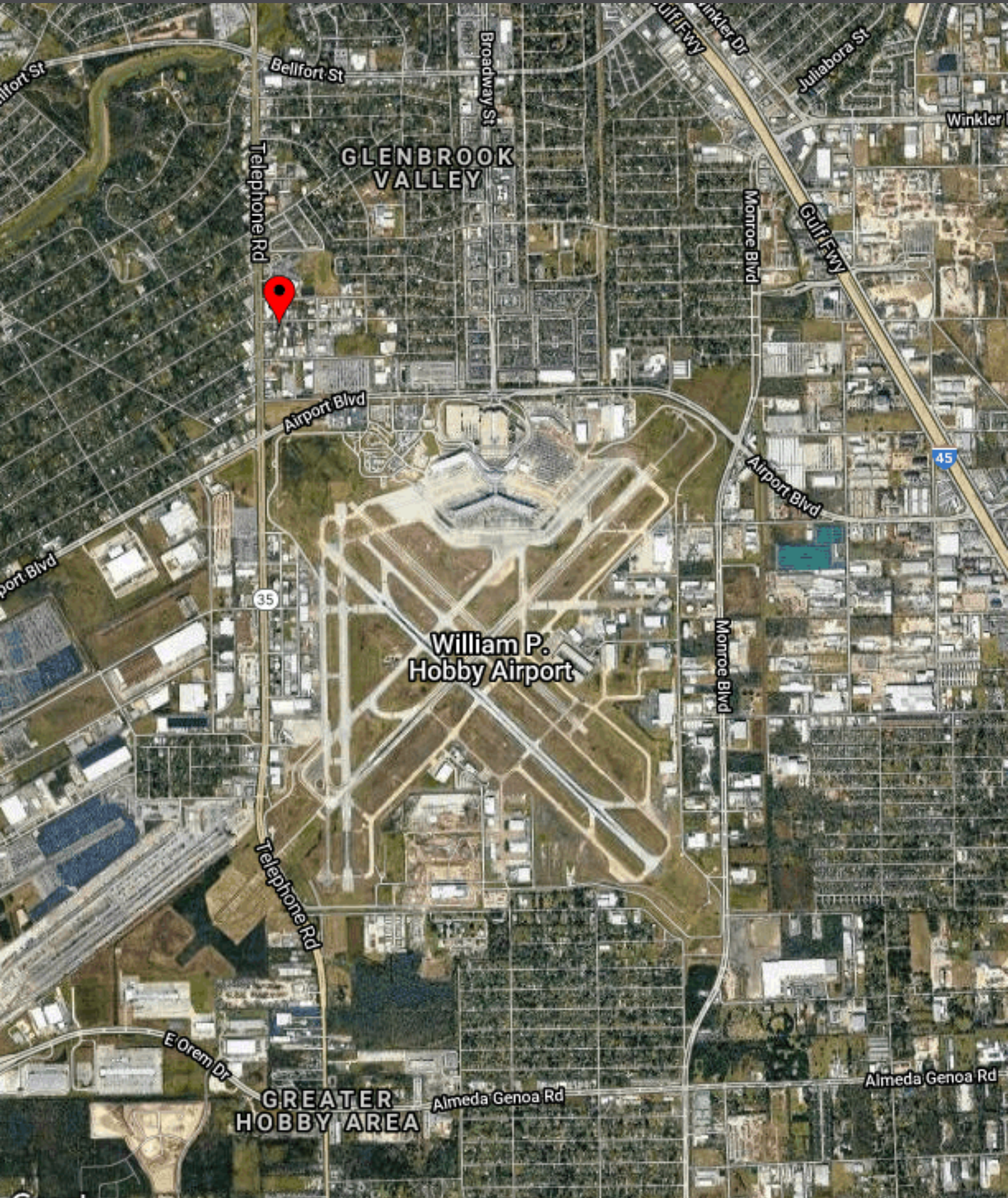
PROPERTY PHOTOS

6-Plex - Morley Apartments
7518 Morley Street | Houston, TX 77061



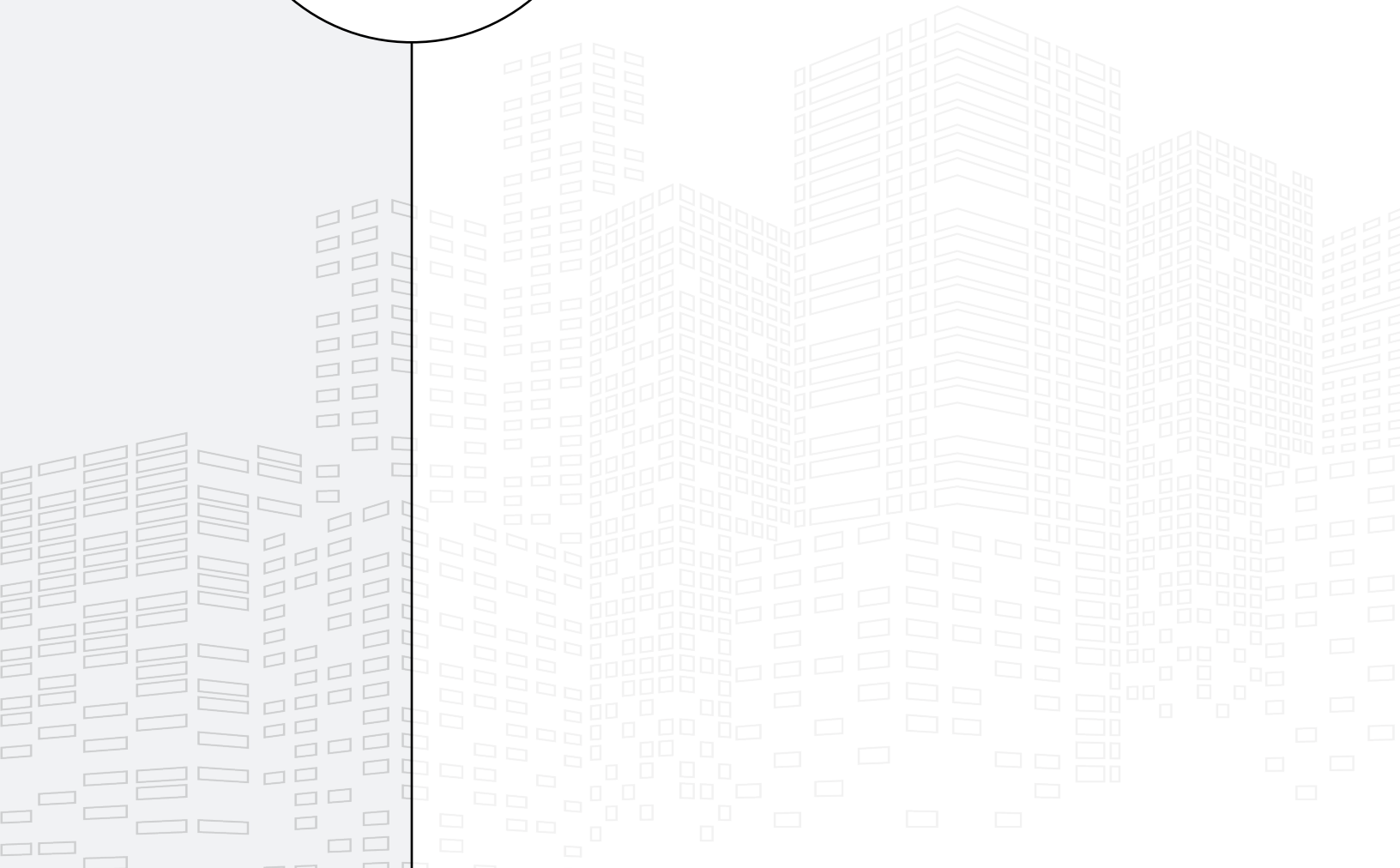
REGIONAL MAP

6-Plex - Morley Apartments
7518 Morley Street | Houston, TX 77061



SECTION I

Financials



FINANCIAL INDICATORS

6-Plex - Morley Apartments
7518 Morley Street | Houston, TX 77061

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Description	Year 1	Year 2	Year 3	Year 4	Year 5
Gross Income per Sq. Ft.	\$17.51	\$18.03	\$18.57	\$19.13	\$19.70
Expenses per Sq. Ft.	(\$7.84)	(\$7.84)	(\$7.84)	(\$7.84)	(\$7.84)
Gross Rent Multiplier	6.34	6.16	5.98	5.81	5.64
Capitalization Rate	7.92%	8.37%	8.83%	9.31%	9.80%
Operating Expense Ratio	47.12%	45.75%	44.42%	43.12%	41.87%
Net Income Multiplier	12.63	11.95	11.33	10.75	10.21
Loan To Value Ratio	77.47%	74.83%	72.07%	69.18%	66.16%
Debt Coverage Ratio	1.30	1.38	1.45	1.53	1.61
Cash-On-Cash Return b/t	8.02%	9.98%	11.99%	14.06%	16.20%
Cash-On-Cash Return a/t	8.02%	9.98%	11.99%	14.06%	16.20%

* b/t = before taxes; a/t = after taxes

PRO FORMA SUMMARY

6-Plex - Morley Apartments
7518 Morley Street | Houston, TX 77061

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Investment Summary

Price	\$335,000
Year Built	1980
Units	6
Price/Unit	\$55,833
RSF	3,016
Price/RSF	\$111.07
Lot Size	14,200 sf
Floors	1
APN	0740390070001
Cap Rate	7.92%
Market Cap Rate	9.79%
GRM	6.34
Market GRM	5.64

Financing Summary

Loan Amount	\$268,000
Down Payment	\$67,000
Loan Type	Fixed
Interest Rate	4.5%
Term	20 years
Monthly Payment	\$1,696
DCR	1.3

Unit Mix & Annual Scheduled Income

Type	Units	Actual	Total	Market	Total
Two Bedroom Units	4	\$9,300	\$37,200	\$9,900	\$39,600
Two Bedroom Units	1	\$9,600	\$9,600	\$9,900	\$9,900
Two Bedroom Units	1	\$6,000	\$6,000	\$9,900	\$9,900
Totals	6		\$52,800		\$59,400

Annualized Income

Description	Actual	Market
Gross Potential Rent	\$52,800	\$59,400
- Less: Vacancy	(\$2,640)	(\$2,970)
Effective Gross Income	\$50,160	\$56,430
- Less: Expenses	(\$23,636)	(\$23,636)
Net Operating Income	\$26,524	\$32,794
- Debt Service	(\$20,346)	(\$20,346)
Net Cash Flow after Debt Service	\$6,178	\$12,448
+ Principal Reduction	\$8,459	\$8,459
Total Return	\$14,637	\$20,907

Annualized Expenses

Description	Actual	Market
Building Insurance	\$3,572	\$3,572
Lawn Care	\$800	\$800
Repairs	\$2,160	\$2,160
Pest Control	\$433	\$433
Taxes - Real Estate	\$7,023	\$7,023
Utility - Electricity	\$7,355	\$7,355
Utility - Water	\$2,293	\$2,293
Total Expenses	\$23,636	\$23,636
Expenses Per RSF	\$7.84	\$7.84
Expenses Per Unit	\$3,939	\$3,939

Rent Roll - 3/3/2020

Unit	First Name	Last Name	MI Date	Lease Start	Lease End	Rent	Security	# Occup
A	Ameenat	Kukoui	???	2/1/2020	1/31/2021	800	0	2
B	Loreal	Beasley	3/1/2018	3/1/2020	3/29/2021	775	250	4
C	Raul	Hernandez	1/1/2020	1/1/2020	12/31/2020	775	250	3
D	Bettie	Holmes	???	2/1/2020	1/31/2021	775	250	2
E	Lakesha	Pierce	3/7/2020	3/7/2020	2/28/2021	775	250	4
F	Sonny	Gonzales	???	MTM		500	0	1



Kevin Riles, CCIM

Broker

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Kevin Riles, CCIM is an award winning Commercial Real Estate Broker based in Houston, TX. He has general commercial real estate brokerage expertise with the following specialties:

- Multifamily/Apartment Brokerage
- Small to Medium Business Real Estate
- Retail & Industrial Tenant Representation
- Distressed Commercial Real Estate
- Religious, Church & Non-Profit Real Estate

He also serves as a Assistant Professor of Real Estate at Prairie View A&M University (a Texas A&M System School). Kevin is the author of two books - Confessions of a Top Producer: 9 Tools for Sales Success & Abundance and 40 Acres & a Mule: The African American Guide to Building Wealth through Real Estate . He also serves as President and CEO of Kevin Riles Commercial