

NAI Partners

INVESTMENT SALES

1212 E Harrison Ave
Harlingen, TX 78550



OFFERING MEMORANDUM

CONFIDENTIALITY NON-ENDORSEMENT NOTICE

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TEAM FOR MORE DETAILS.**



INVESTMENT
OVERVIEW



The Murphy Group as part of NAI Partners is pleased to announce the 1212 Building in Harlingen, Texas for sale. This property represents a value-add opportunity to renovate individual suites, increase occupancy and stabilize the asset.

The 1212 Building is located on Harrison Avenue which is one of the primary thoroughfares in the city. The strategic location benefits from multiple access points including an additional parking lot in the rear of the building that has access from Tyler Ave. There are approximately 15,000 vehicles per day (VPD) that frequent Harrison avenue and an additional 7,500 VPD that pass-through this immediate area on Tyler Rd. The property's convenient location allows visitors quick access to 77 Sunshine strip, downtown Harlingen, Valley International Airport, and major highways such as Interstate 2 and Interstate 69E.

The 1212 Building is a long-standing retail and office location that benefits both tenant options. The high visibility and traffic count are attractive to retail tenants, while the proximity to essential Harlingen staples could be equally attractive to office tenants.

INVESTMENT HIGHLIGHTS

- Value-add opportunity to increase value to \$1.7 MM – \$2 MM
- Appeal to a wide variety of tenants including retail and office
- Mostly cosmetic, interior renovation and marketing
- Priced far below replacement cost at \$42/ SF
- High traffic and high visibility asset

OFFERING SUMMARY

Asking Price	\$825,000
Rentable Square Feet	19,260
Price/ Square Foot	\$42.83
Current Occupancy	22.5%
Year Built	1980
Lot Acreage Size	0.80

PRO FORMA

CAP Rate	13.80%
Net Operating Income	\$155,240

*Based on \$1,125,000 Total Project Cost



Population - 2020

1 mile	3 miles	5 Miles
11,136	58,513	92,789



Average household Income

1 mile	3 miles	5 Miles
\$34,432	\$38,703	\$39,531



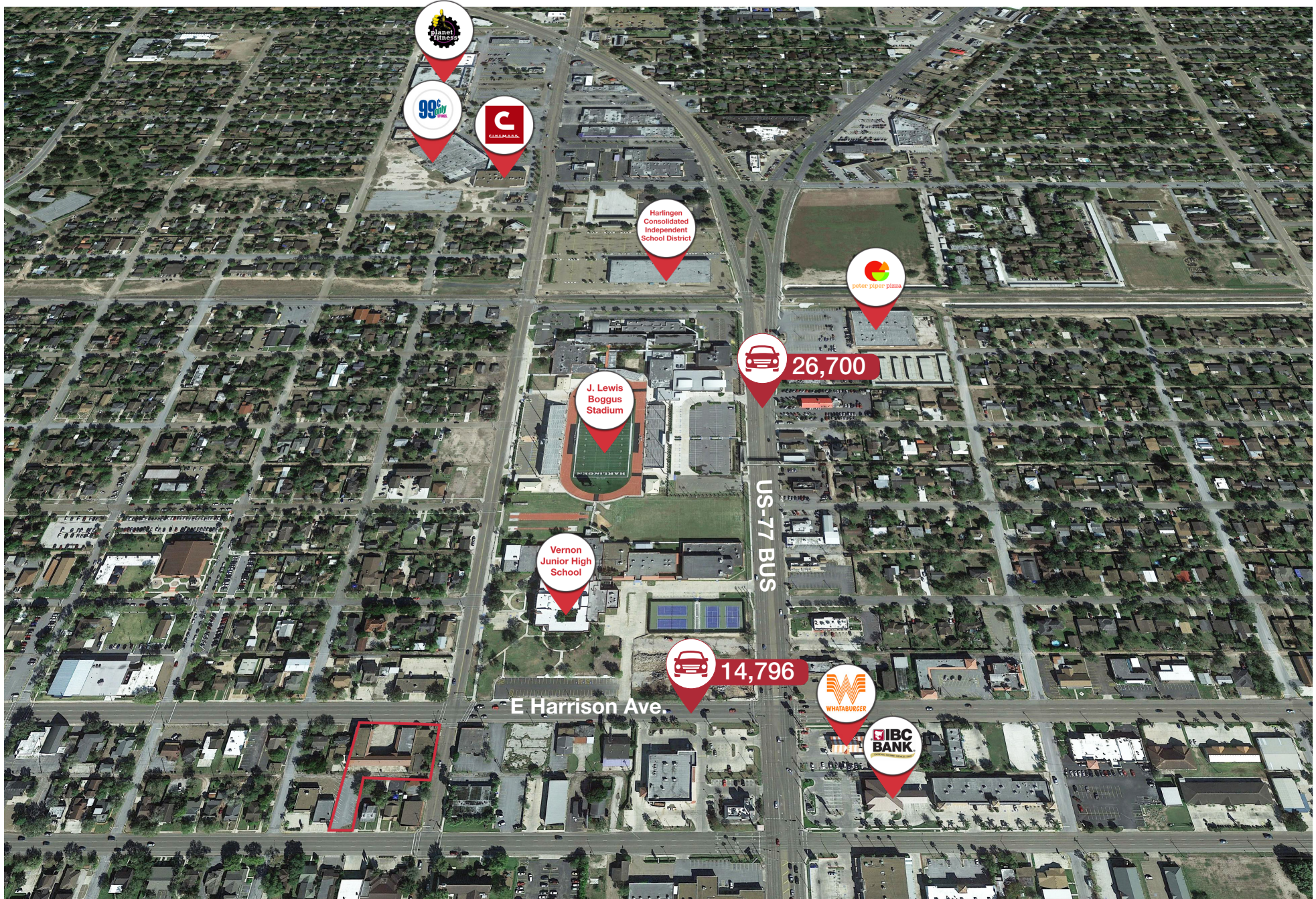
Vehicles Per Day

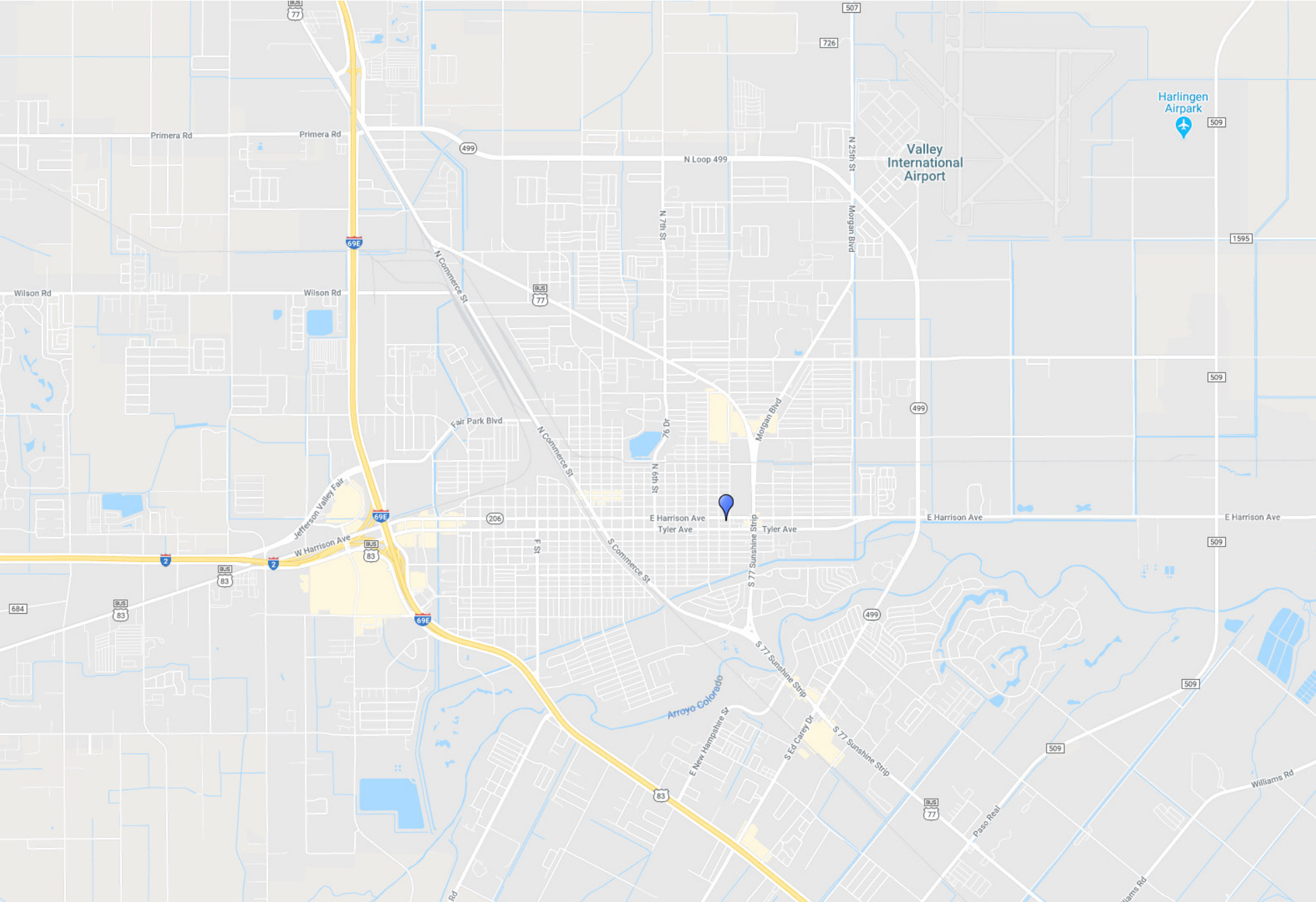
S 13th St & E Tyler Ave	E Harrison Ave & Sunshine Strip	US Hwy 77
5,008	14,796	26,700

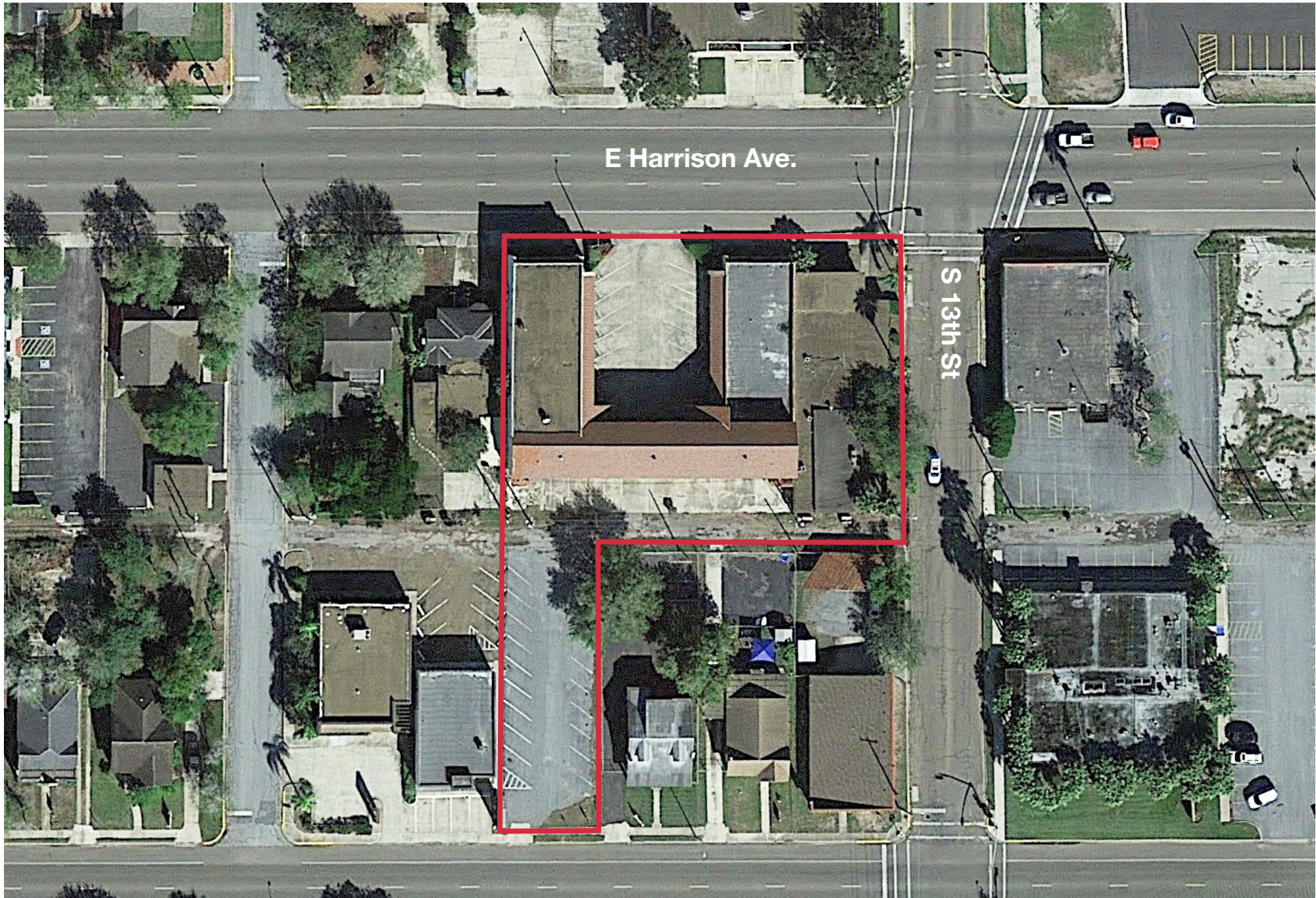


Population Growth 2020-2025

1 mile	3 miles	5 Miles
(0.55%)	^0.42%	^0.83%











FINANCIAL
ANALYSIS

OPERATING STATEMENT

Income	Current		Per SF	Pro Forma		Per SF	Notes
Scheduled Base Rental Income	48,060		2.50	273,354		14.19	
Expense Reimbursement Income							
Total Reimbursement Income	\$0	0.0%	\$0.00	\$0	0.0%	\$0.00	
Potential Gross Revenue	48,060		2.50	273,354		14.19	
General Vacancy	0	0.0%	0.00	(27,335)	10.0%	(1.42)	
Effective Gross Revenue	\$48,060		\$2.50	\$246,019		\$12.77	
Operating Expenses	Current		Per SF	Pro Forma		Per SF	
Electric	5,100		0.26	15,300		0.79	
Janitorial	2,880		0.15	8,640		0.45	
Water	1,230		0.06	3,690		0.19	
Sewer	1,230		0.06	3,690		0.19	
Trash Removal	820		0.04	1,640		0.09	
Repairs & Maintenance	1,500		0.08	4,378		0.23	
Landscaping	960		0.05	1,152		0.06	
Insurance	15,409		0.80	15,409		0.80	
Real Estate Taxes	12,374		0.64	18,880		0.98	
Management Fee	3,043	6.3%	0.16	18,000	7.3%	0.93	
Total Expenses	\$44,546		\$2.31	\$90,779		\$4.71	
Expenses as % of EGR	92.7%			36.9%			
Net Operating Income	\$3,514		(\$0.18)	\$155,240		\$8.06	

TENANT SUMMARY

Tenant Name	Square Feet	% Bldg Share	Lease Comm.	Lease Exp.	Annual Rent /SF	Total Rent/ Month	Total Rent/ Year	Pro Forma Annual Rent/ SF Year	Pro Forma Total Rent Per Month	Pro Forma Rent Per Year	
LGRV AHEC	360	1.9%	2/12/19	2/19/21	\$16.67	\$500	\$6,000	\$16.67	\$500	\$6,000	
Servimax	290	1.5%	5/1/19	4/30/21	\$15.72	\$380	\$4,560	\$15.72	\$380	\$4,560	
Lord & Moe Meat	520	2.7%	6/1/19	5/31/22	\$15.58	\$675	\$8,100	\$15.58	\$675	\$8,100	
Texas Air	250	1.3%	11/1/16	10/31/21	\$15.60	\$325	\$3,900	\$15.60	\$325	\$3,900	
Blue Ribbon	750	3.9%	10/1/17	9/30/22	\$14.80	\$925	\$11,100	\$14.80	\$925	\$11,100	
New Tenant	420	2.2%	11/1/20	10/31/21	\$11.43	\$400	\$4,800	\$15.00	\$525	\$6,300	
Vacant	690	3.6%	1/0/00	1/0/00	\$0.00	\$0	\$0	\$14.99	\$862	\$10,344	
Vacant	1,465	7.6%		1/0/00	\$0.00	\$0	\$0	\$15.00	\$1,831	\$21,975	
Vacant	1,438	7.5%		1/0/00	\$0.00	\$0	\$0	\$15.00	\$1,798	\$21,570	
Vacant	1,180	6.1%		1/0/00	\$0.00	\$0	\$0	\$15.00	\$1,475	\$17,700	
Vacant	1,413	7.3%		1/0/00	\$0.00	\$0	\$0	\$15.00	\$1,766	\$21,195	
Vacant	918	4.8%		1/0/00	\$0.00	\$0	\$0	\$15.00	\$1,148	\$13,770	
Vacant	1,586	8.2%		1/0/00	\$0.00	\$0	\$0	\$15.00	\$1,983	\$23,790	
Vacant	711	3.7%		1/0/00	\$0.00	\$0	\$0	\$15.00	\$889	\$10,665	
Vacant	639	3.3%		1/0/00	\$0.00	\$0	\$0	\$15.00	\$799	\$9,585	
Vacant	1,289	6.7%		1/0/00	\$0.00	\$0	\$0	\$15.00	\$1,611	\$19,335	
Vacant	509	2.6%		1/0/00	\$0.00	\$0	\$0	\$15.00	\$636	\$7,635	
Vacant	820	4.3%		1/0/00	\$0.00	\$0	\$0	\$15.00	\$1,025	\$12,300	
Vacant	2,262	11.7%		1/0/00	\$0.00	\$0	\$0	\$15.00	\$2,828	\$33,930	
Single Family Residence	1,750	9.1%		1/0/00	\$0.00	\$0	\$0	\$5.49	\$800	\$9,600	
Total	19,260				\$11.07	\$2,805	\$33,660	\$14.19	\$22,780	\$273,360	
Occupied Tenants: 7			Unoccupied Tenants: 13			Occupied Rentable SF: 22.50%			Unoccupied Rentable SF: 77.50%		
Total Current Rents: \$4,005											

NAIPartners

INVESTMENT SALES

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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:
 - o that the owner will accept a price less than the written asking price;
 - o that the buyer/tenant will pay a price greater than the price submitted in a written offer; and
 - o 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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Sales Agent/Associate's Name	License No.	Email	Phone

Buyer/Tenant/Seller/Landlord Initials _____ Date _____