



STATE OF TEXAS LEASED OFFICE - LUFKIN

1210 SOUTH CHESTNUT
LUFKIN, TX 75901

Wes Hallmark, CCIM, SIOR
Senior Investment Advisor
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Property Summary



OFFERING SUMMARY

Sale Price: \$2,800,000

Cap Rate: 8.35%

Year Built: 2002

Building Size: 28,000 SF

PROPERTY OVERVIEW

This was a build to suit and lease in 2002. New 5 year lease renewal through 9/30/2022. The lease states that it may be renewed up to 5 times for periods up to 60 months each for a total of 300 months. Originally through 2012, it has been renewed once for a 10 year period.

All tenants are stable with a strong history and all of the leases are guaranteed by the State of Texas, with an AAA credit rating. Annual rent increases are available based on the Consumer Price Index changes, with no early termination clauses.

Texas Health and Human Services Commission (HHSC), oversees several state departments such as: Texas Department of Aging and Disability Services, Texas Dept. of State Health Services and Texas Dept. of Family and Protective Services, along with itself.

HHSC provides many benefits and services throughout Texas including: Medicaid, Children's Health Insurance Program, Texas Women's Health Program, temporary assistance for needy families, SNAP food benefits and nutritional programs, family violence services, refugee services, and disaster assistance.

This is an excellent opportunity for potential investors looking for great cash flow, and the ability to create equity through mortgage reduction from tenant paid rents. This type of asset is appealing to banks and financial institutions, and debt quotes are available.

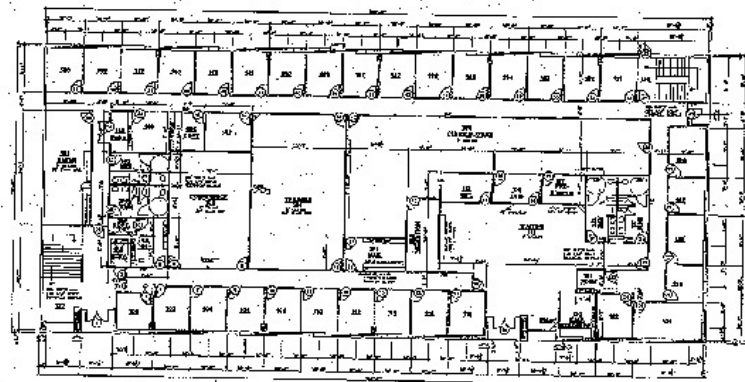
PROPERTY HIGHLIGHTS

- The area is primarily newer commercial development
- Annual rent increases.
- New 5 year lease renewal

Additional Photos



Floor Plans



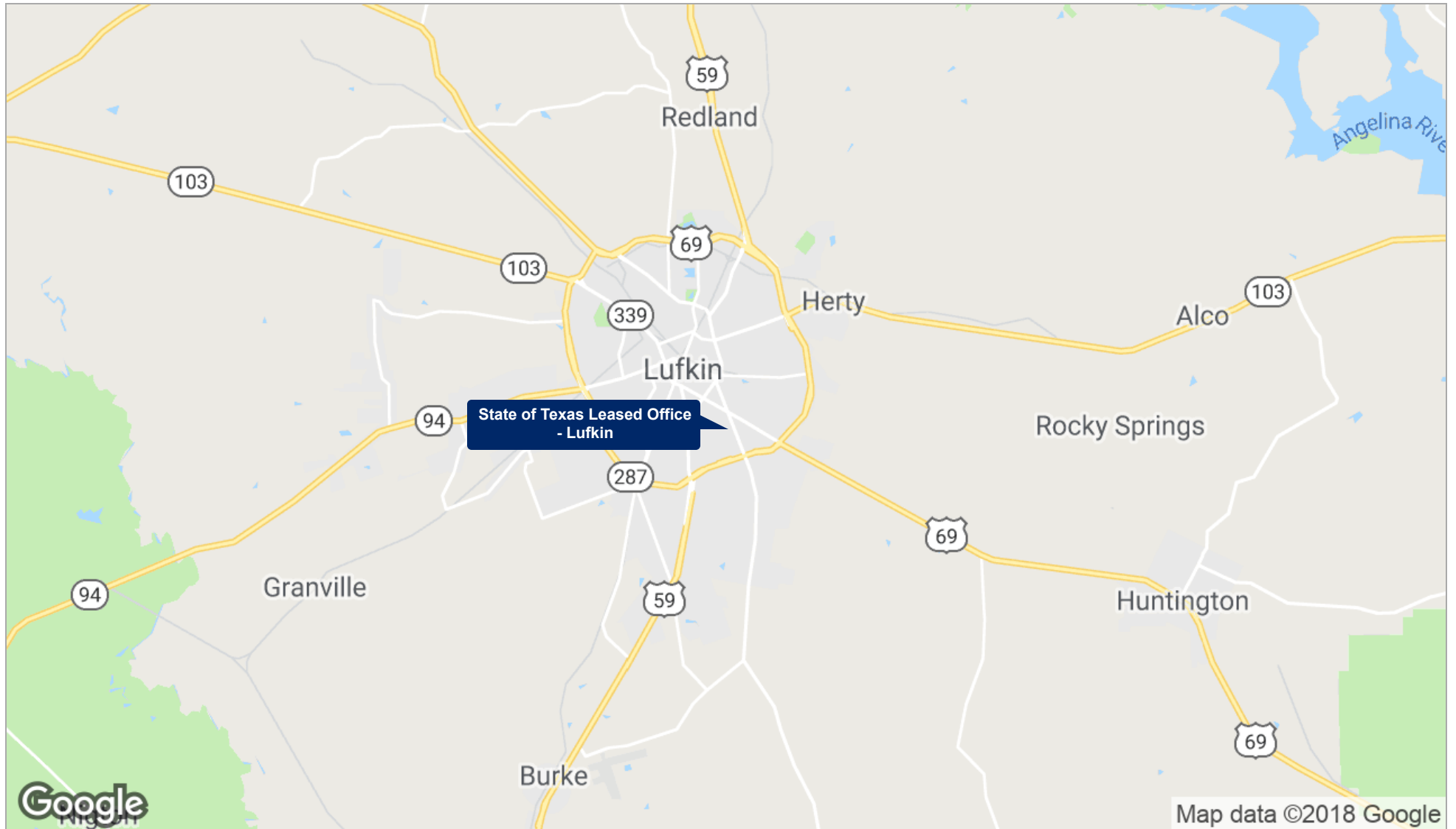
FIRST FLOOR

NOTES:
1. ALL WORK SHALL BE IN ACCORDANCE WITH THE LATEST EDITIONS OF THE BUILDING CODES AND SPECIFICATIONS.
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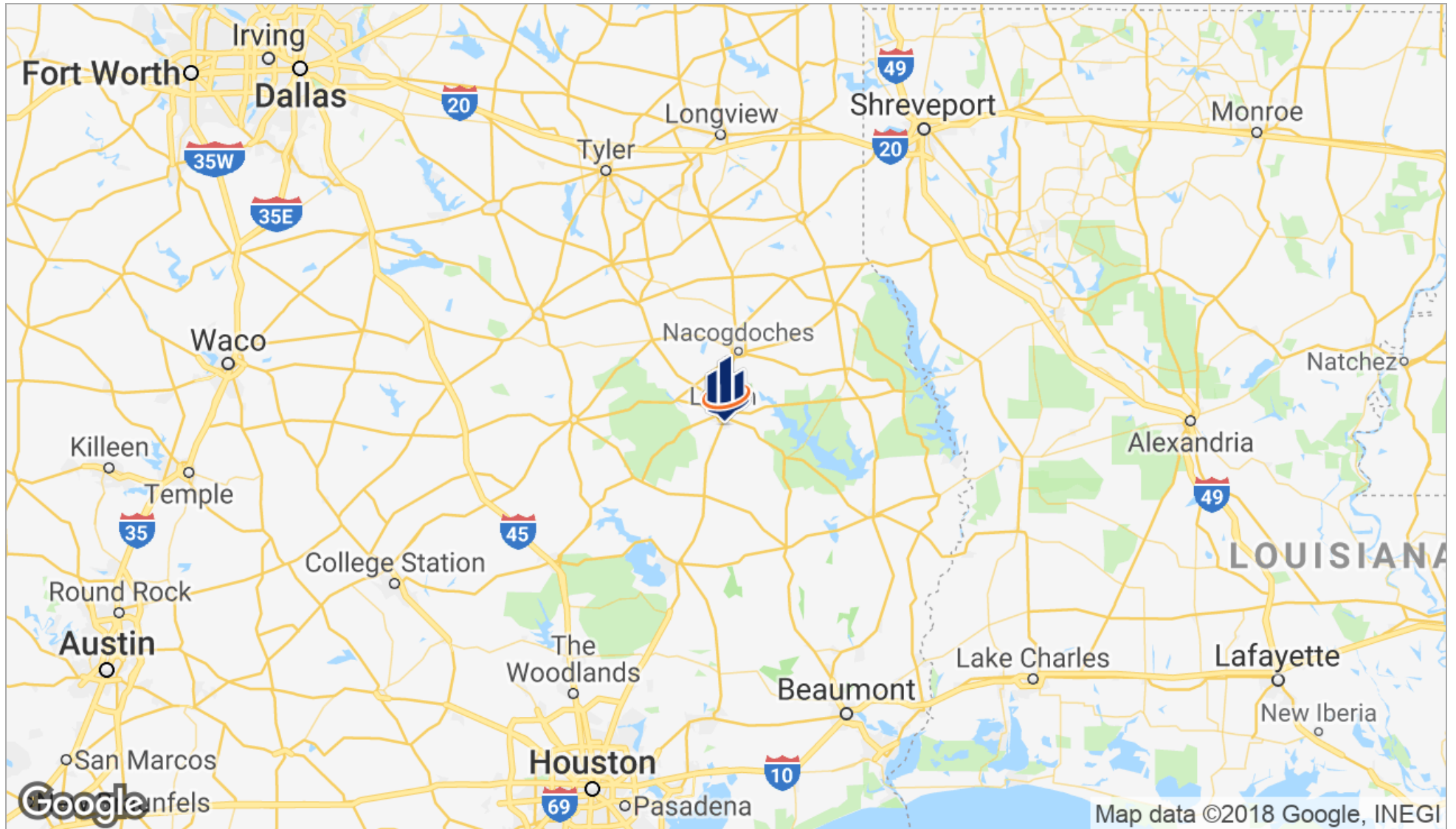
NEW OFFICE
TEXAS DEPARTMENT OF HUMAN RESOURCES
TEXAS DEPARTMENT OF REVENUE
REGULATORY SERVICES - LUFKIN, TEXAS

AS-BUILT 2/11/17
OWNER / CLIENT
DATE: 2/11/17
PROJECT NO.: 17-001
DRAWN BY: JML
CHECKED BY: JML

Regional Map



Location Maps



Aerial Map



State of Texas Leased Office
- Lufkin

Google

Imagery ©2018 , DigitalGlobe, Texas Orthoimagery Program, USDA Farm Service Agency

Financial Summary

INVESTMENT OVERVIEW

Price	\$2,800,000
Price per SF	\$100.00
CAP Rate	8.4%
Cash-on-Cash Return [yr 1]	13.35 %
Total Return [%]	16.6%
Total Return [yr 1]	\$124,076
Debt Coverage Ratio	1.51

OPERATING DATA

Gross Scheduled Income	\$343,028
Total Scheduled Income	\$343,028
Vacancy Cost	\$0
Gross Income	\$343,028
Operating Expenses	\$110,361
Net Operating Income	\$233,665
Pre-Tax Cash Flow	\$78,456

FINANCING DATA

Down Payment	\$587,500
Loan Amount	\$2,212,500
Debt Service	\$155,209
Debt Service Monthly	\$12,934
Principal Reduction [yr 1]	\$45,620

Income & Expenses

INCOME SUMMARY

PER SF

Gross Income	\$343,028	\$12.25
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EXPENSE SUMMARY

PER SF

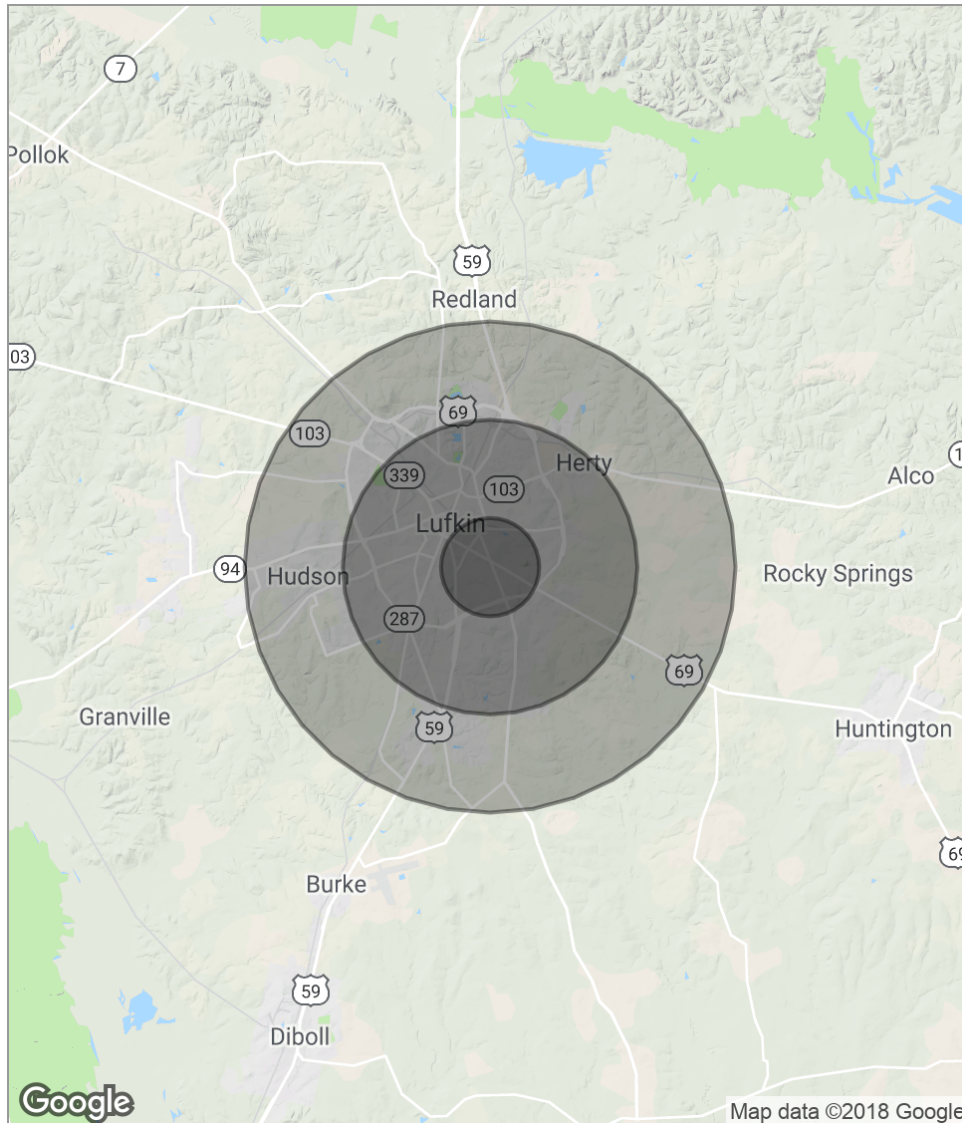
Janitorial	\$33,671	\$1.20
Insurance	\$8,075	\$0.29
Maintenance	\$19,645	\$0.70
Pest Control	\$500	\$0.02
Taxes	\$43,325	\$1.55
Replacement Reserve 1.5%	\$5,145	\$0.18
Gross Expenses	\$110,361	\$3.94
Net Operating Income	\$233,665	\$8.35

Demographics Report

	1 MILE	3 MILES	5 MILES
Total population	3,564	28,359	47,557
Median age	32.9	34.0	35.0
Median age (male)	31.2	31.9	33.1
Median age (female)	34.0	35.8	36.9
Total households	1,294	10,315	17,820
Total persons per HH	2.8	2.7	2.7
Average HH income	\$50,627	\$53,885	\$55,923
Average house value	\$150,438	\$134,899	\$125,151

** Demographic data derived from 2010 US Census*

Demographics Map



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Advisor Bio & Contact 1

WES HALLMARK, CCIM, SIOR

Senior Investment Advisor

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PROFESSIONAL BACKGROUND

W. Wesley Hallmark, CCIM, SIOR serves as a Senior Associate for SVN. Specializing in the management, leasing and brokerage of office, retail, industrial and income producing properties in West Texas. He serves the Lubbock, Amarillo, Midland/ Odessa, San Angelo and Abilene markets. With over 35 years of experience, Hallmark has completed over 2000 commercial real estate sales and leasing transactions, valued at over \$300 million.

With an extensive background in commercial real estate, Hallmark is the founder and owner of Wes Hallmark & Associates, LLC, a SVN affiliate. Some of Hallmark's major accomplishments include the completion of a \$55 million tenant representation deal for SW Bell wireless [AT & T]. This transaction involved securing a 230,000 square foot call center in Lubbock, Texas, which created over 1600 new jobs for the city. Hallmark's major clients have included GE, Allstate Insurance, General Motors, Federal Express, Owens Corning Fiberglass, Travelers Insurance, Bank of America, Wells Fargo Bank, Cox Communications, the U.S. Government, State of Texas and City of Lubbock, to name a few.

Hallmark has consistently stayed active within the Lubbock community and the commercial real estate industry. Hallmark is involved with the Lubbock Board of Realtors, North Texas Commercial Association of Realtors, the Texas Association of Realtors, the National Association of Realtors [NAR] and the CCIM Institute, [Certified Commercial & Investment Member] and SIOR [The Society of Industrial & Office Realtors]. He also served The Lubbock Housing Finance Corporation, an issuer of tax-exempt mortgage revenue bonds for the City of Lubbock. Hallmark held not only the Director position in the corporation, but every officer level position within the corporation as well.

Hallmark received his bachelor's degree in Advertising and Marketing from Texas Tech University.