



APPRAISAL REPORT

**MIXED-USE BUILDING**  
5001 South Cooper Street,  
Arlington, Tarrant County, Texas



August 27, 2025



**MIXED-USE BUILDING**

5001 South Cooper Street,  
Arlington, Tarrant County, Texas

In accordance with your request and authorization, we have completed an Appraisal Report of the captioned property for the purpose of developing an opinion of the market value of the subject property. It is our intent to comply with 12 CFR, Subpart C - Subsection 34.42(g), Department of the Treasury, Office of the Comptroller of the Currency, as well as the Uniform Standards of Professional Appraisal Practice (USPAP) and FIRREA.

It should be noted that the undersigned have experience in appraising properties considered similar to the subject, in the subject market area, and therefore comply with the Competency Rule as outlined in USPAP.

The following report, plus the Addenda, sets forth our findings and conclusions. Maps, plats and photographs that are considered essential to explain the reasoning followed in making the appraisal have been included and the conclusions are expressed therein. Also, no hazardous materials or waste were noted upon inspection of the subject property. Please refer to the Basic Assumptions and Limiting Conditions section of this report.

USPAP Standards Rule 1-2(h) states that an appraiser must identify the scope of work necessary to complete an assignment. The scope of work is acceptable when it is consistent with: (1) the expectations of participants in the market for the same or similar appraisal services; and (2) what the appraiser's peers' actions would be in performing the same or similar assignment in compliance with USPAP. In the case of the subject property, both of these USPAP criteria have been met.

---

**NOTEWORTHY POINTS**

- The subject is improved with a 97,432 SF multi-tenant mixed-use building that is currently 97% occupied and is configured into thirty-one (31) total suites. Reader is referred to the *Property History* section for further details.
- The subject is not currently listed nor under contract of sale.
- The Sales and Income Approaches (Direct and Yield Capitalization) to value were fully developed and utilized herein. It is noted and emphasized that the omission of the Cost Approach to value was not considered to, in any way, reduce the validity of the value conclusions herein. The Cost Approach displays minimal applicability due to the subjectivity of estimating the subject's depreciation. The Cost Approach was deemed to be unnecessary for credible assignment results.



The appraisal, subject to the assumptions and limiting conditions as expressed herein and conducted according to the Uniform Standards of Professional Appraisal Practice, led us to develop the following opinion of value:

VALUE CONCLUSIONS			
Status	Interest	Date	Value
As Is	Leased Fee	August 26, 2025	\$32,000,000

Support and explanation for our value conclusion is explained in detail in the contents of the attached report. It has been a pleasure to assist you, and if we can be of service to you in the future, please let us know.

Lowery Property Advisors, LLC

**MARK LOWERY, MAI, AI-GRS, CCIM, MRICS**  
Texas State Certified General Real Estate Appraiser  
Certificate No. TX1334103-G  
mark@lowerypa.com

**KELSEY REGAN**  
Texas State Certified General Real Estate Appraiser  
Certificate No. TX1381208-G  
kelsey@lowerypa.com

**HUNTYR SICOLA**  
Texas State Certified General Real Estate Appraiser  
Certificate No. TX1381577-G  
hsicola@lowerypa.com



# CONTENTS

SALIENT DATA .....	1
SUBJECT PHOTOS .....	2
INTRODUCTION .....	7
SCOPE OF WORK .....	8
REGIONAL.....	9
NEIGHBORHOOD.....	16
DEMOGRAPHICS.....	20
MARKET ANALYSIS.....	22
ECONOMIC UPDATE.....	32
SITE DESCRIPTION .....	40
IMPROVEMENTS .....	45
PROPERTY HISTORY .....	47
REAL ESTATE TAXES .....	50
HIGHEST & BEST USE .....	51
SALES APPROACH.....	54
INCOME APPROACH.....	65
INCOME APPROACH – YIELD CAPITALIZATION “AS IS LEASED FEE” .....	91
INCOME APPROACH RECONCILIATION.....	99
RECONCILIATION.....	100
MARKETING / EXPOSURE TIME .....	101
ASSUMPTIONS & LIMITING CONDITIONS .....	102
CERTIFICATION .....	104
ADDENDUM.....	105



## SALIENT DATA

### GENERAL

Dates of Valuation	August 26, 2025 "As Is"
Date of Inspection	August 26, 2025
Property Rights	Leased Fee

### SITE

Location	Northeast corner of South Cooper Street and Wimbledon Drive. The physical address associated with the subject is 5001 South Cooper Street, Arlington, Tarrant County, Texas.
Site Description	One (1) parcel totaling 6.597-acres (287,365 SF) and is rectangular in shape with generally level topography and adequate drainage. No flood plain is noted. Reader is referred to the <i>Site Description</i> section for additional details.
Legal Description	Lot 7R2, Block A. Stephens Addition, , an addition to the City of Arlington, Tarrant County, Texas.
Zoning	"PD" – Planned Development District

### IMPROVEMENTS

General Description	Two-story, 97,432 SF, multi-tenant mixed use building of masonry construction with a stone/stucco veneer and a flat built-up roof system. The subject is currently configured for 31 tenants. It is noted that the first floor is configured with 21 retail suites, and the second floor is configured with 10 office suites. The retail suites display an average suite size of 2,272 SF and the office suites display an average suite size of 4,972 SF. The improvements are of good quality construction and are in good condition. Reader is referred to the <i>Improvements</i> section for further details.
Retail Suites	47,711 SF
Office Suites	49,721 SF
<b>Net Leasable Area</b>	<b>97,432 SF (Per provided rent roll)</b>
Years of Construction	2009
Quality of Construction	Good
Condition of Improvements	Good
Land to Building Ratio	2.95:1

### HIGHEST & BEST USE

As Vacant	Commercial development
As Improved	Continued use as a multi-tenant office/retail facility





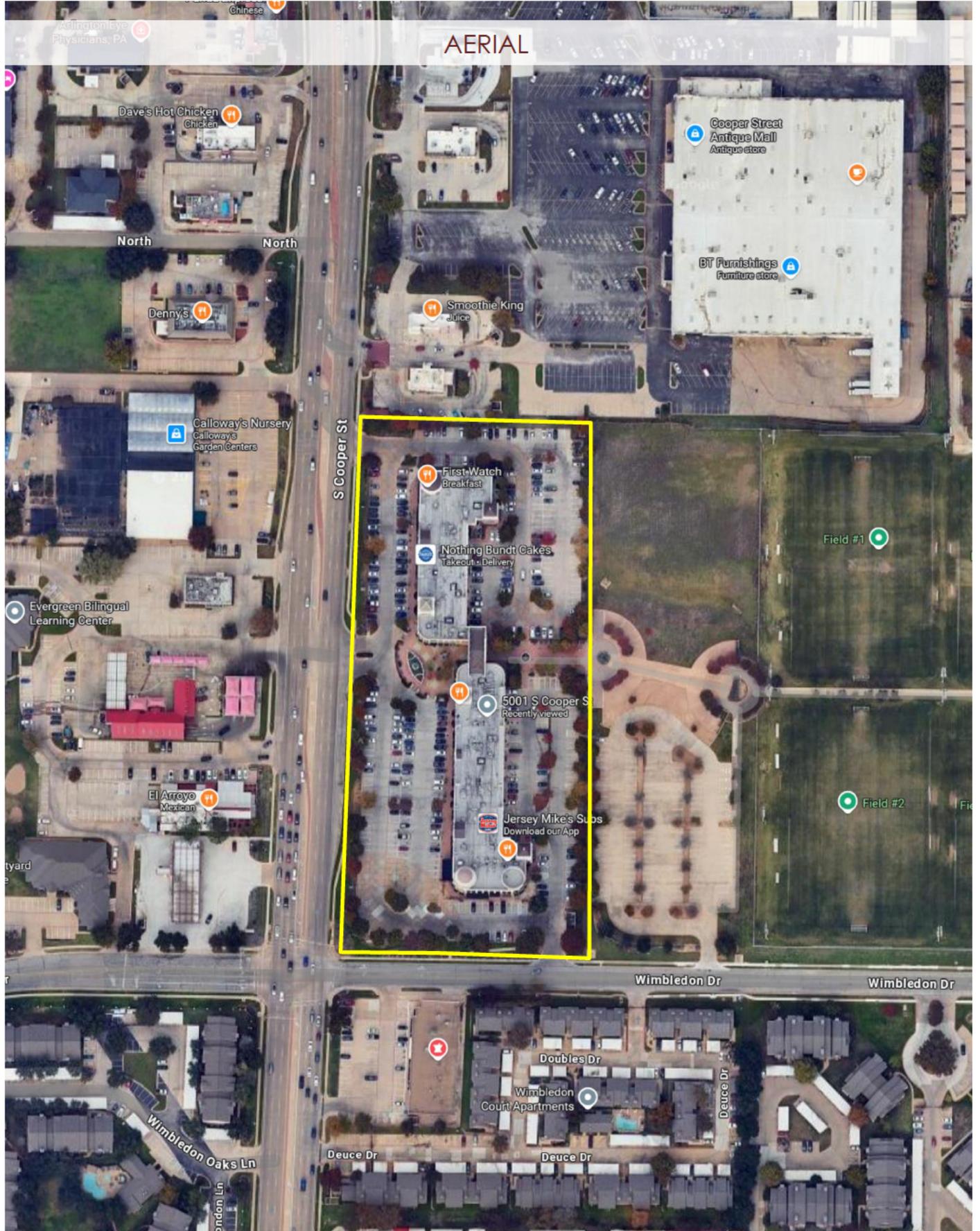
# SUBJECT PHOTOS













## INTRODUCTION

This is an Appraisal Report, which is intended to comply with the reporting requirements set forth under Standards Rule 2-2(a) of the Uniform Standards of Professional Appraisal Practice for an Appraisal Report. Supporting documentation concerning the data, reasoning and analyses is retained in the appraiser's file. The depth of discussion contained in this report is specific to the needs of the client and for the intended use stated below. The appraiser is not responsible for unauthorized use of this report. Furthermore, as agreed upon with the client prior to the preparation of this appraisal, this is an appraisal as set forth by USPAP.

### TYPE OF VALUE

The value definition employed in this report is *Market Value* as defined in 12 CFR - Part 34.42 (FIRREA), Department of the Treasury, Office of the Comptroller of the Currency.

*Market value* means the most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

- Buyer and seller are typically motivated;
- Both parties are well informed or well advised, and acting in what they consider their own best interests;
- A reasonable time is allowed for exposure in the open market;
- Payment is made in terms of cash in US dollars or in terms of financial arrangements comparable thereto; and
- The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

<b>Intended Use</b>	To assist with loan underwriting and-or credit decision by Bank and-or lender participants.
<b>Intended User</b>	
<b>Client</b>	
<b>Interest Valued</b>	Leased Fee
<b>Date of Valuation</b>	August 26, 2025 "As Is"
<b>Date of Inspection</b>	August 26, 2025
<b>Date of Report</b>	August 27, 2025





## SCOPE OF WORK

The scope of the assignment relates to the extent and manner in which research is conducted, data is gathered, and analysis is applied. In preparing this appraisal, the appraisers did the following:

- Inspected the subject property;
- Searched the applicable market area for comparable market data. We utilized multiple sources including but not limited to: Costar, Loopnet, area brokers, local MLS, as well as our proprietary database.
- Interviewed landowners and local brokers familiar with the subject area and considered their insight of the current market and transactions;
- Obtained information from surrounding counties and area jurisdictions regarding zoning, taxes, property history, flood plain, utilities, etc.
- Developed an opinion of the market value via the Sales and Income Approaches (Direct Capitalization & Yield Capitalization). It is noted and emphasized that the omission of the Cost Approach to value is not considered to, in any way, reduce the validity of the value conclusions herein. The Cost Approach was omitted due to the subjectivity of estimating the depreciation of the subject improvements. The Cost Approach was not deemed necessary for credible assignment results. The inclusion or exclusion of approaches to value was determined by LPA and not our client.
- To develop the opinion of value, the appraiser performed an appraisal process, as defined by the Uniform Standards of Professional Appraisal Practice.

### Extraordinary Assumptions & Hypothetical Conditions

It is emphasized that per USPAP, *“the use of extraordinary assumptions and or hypothetical conditions may have affected assignment results.”* These terms are defined as follows:

**Extraordinary Assumption** *“an assignment-specific assumption as of the effective date regarding uncertain information used in an analysis which, if found to be false, could alter the appraiser’s opinions or conclusions.”* This report is made with the following extraordinary assumption(s).

- **None**

**Hypothetical Condition**, *“a condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results, but is used for the purpose of analysis.”* This report is made with the following hypothetical condition(s).

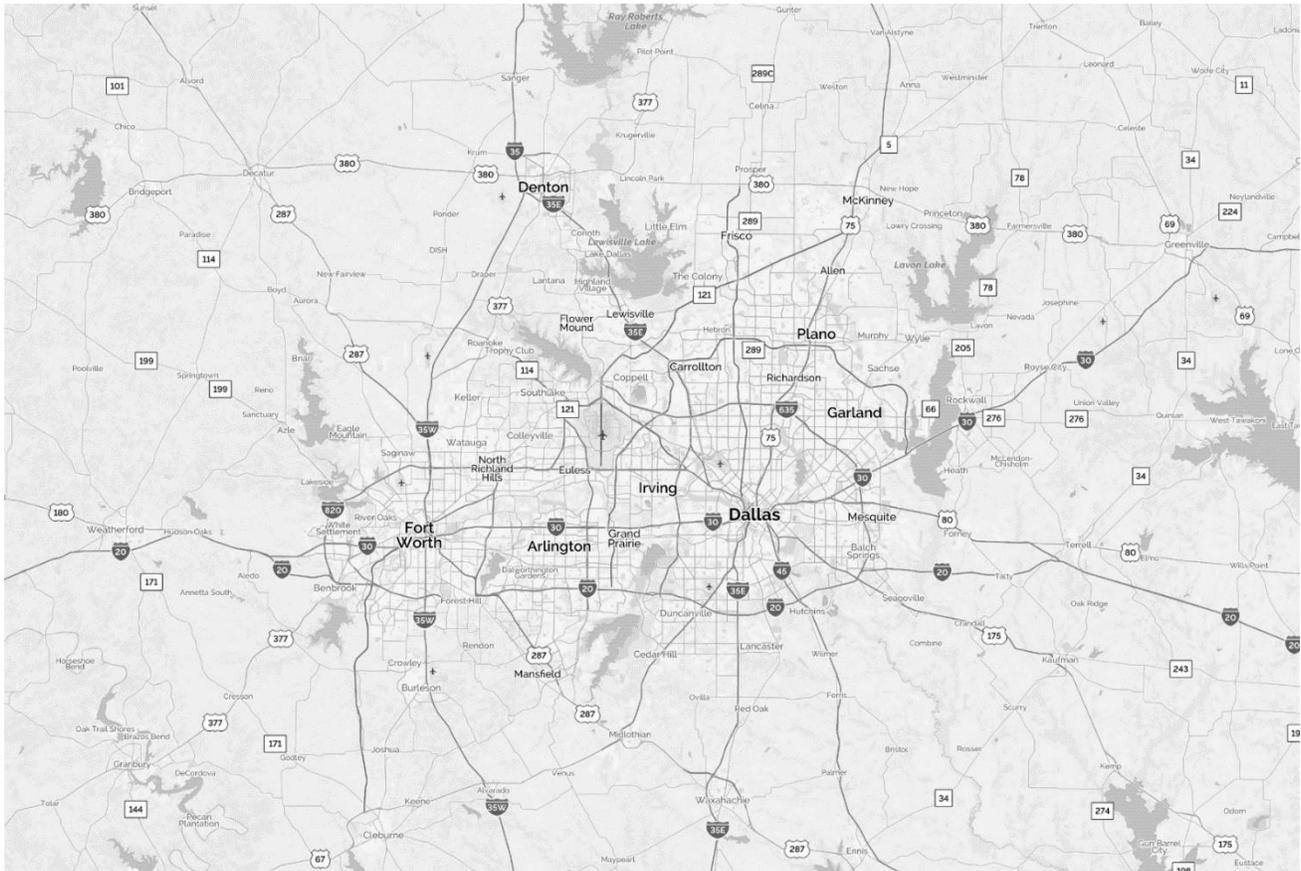
- **None**





## REGIONAL

The subject is located within the Dallas/Fort Worth Consolidated Metropolitan Statistical Area (CMSA), otherwise more commonly referred to as the Metroplex. The CMSA is made up of twelve contiguous counties in North Central Texas.



## DEMOGRAPHICS

Based on estimates from Moody's Analytics, the current population of the DFW area is 8,276,500, making it the largest metropolitan area in the South. The Dallas–Fort Worth–Arlington MSA is, by population, the largest metropolitan area in Texas, the largest in the South, the fourth largest in the United States, and the tenth largest in the Americas. The NCTCOG considers 16 counties to be part of the DFW Metroplex. Most of the total growth of the area occurred in the four largest counties, including Dallas, Tarrant, Collin, and Denton. The Metroplex is projected to have fourth largest gross metropolitan product (GMP) in the United States with a projected total of \$620.6 Billion and is approximately the tenth largest by GMP in the world.



## ECONOMICS

### Dallas – Plano – Irving MSA

Revised data indicate that job growth in Dallas-Plano-Irving has come to a standstill recently, falling behind the national average. This is unusual for an area known for its rapid expansion. The primary area of decline has been in essential professional services, with notable decreases also seen in hospitality and transportation services. Financial services have decelerated, though they are still slightly outperforming the national industry. The unemployment rate has been stable in the range of 3.8%, essentially equal to the national rate. However, labor force growth has slowed, though it is still a bit above the national pace. The housing market is sending mixed signals, with new permits for single-family units rising while permits for multifamily units are falling. House prices are rising faster than the Texas average but more slowly than the national average.

The slowdown in professional services will continue over the coming quarters, consistent with the national deceleration in economic activity. Elevated costs of borrowing and weak global economic activity are taking their toll. However, ultimately the metro division's fundamental strengths will return the industry to growth. Over the past several decades, numerous large employers have either relocated to or expanded in Dallas. These include Toyota, AT&T, Texas Instruments, defense manufacturers, airlines, major banks and others. Drivers have included a lower cost of doing business than in most other comparably large metro areas and the well-developed transportation network. Consequently, there has been a significant influx of young professionals, and the presence of a highly educated workforce has further attracted more business relocations. In particular, high-tech employment is an above-average share of the total, and the absolute number of such workers exceeds that in Austin.

Financial services will advance, albeit slowly, even in the high-interest-rate environment. Employment managed to grow by nearly 2% over the course of 2023, twice the national average, though it has decelerated more recently. Elevated borrowing costs have limited gains in conventional lending for mortgages and car loans. Longer term, the prospects are more promising. The reason is that local banks also engage in investment banking and portfolio management. Over the years, the metro division has grown into a major financial hub, with industry employment now second only to New York City. As a result, large institutions continue to invest. In October 2023, Goldman broke ground on a new 800,000 sq. ft. building in Dallas that will have the capacity to house up to 5,000 employees. In September, Wells Fargo broke ground on its new campus. Both companies project sizable increases in local payrolls.



Homebuilding will advance at a moderate pace over the coming year, despite still-high mortgage rates in the range of 7%. One reason is that house prices have continued to rise because of the low supply of homes on the market, though since Dallas's housing is more overvalued than the national average, increases will be less than the national average. More fundamentally, demographics remain strong, with population growth of 2% in 2023, far above the national average.

## Strengths

- More corporate expansions and relocations than expected boost growth.
- Population growth boosts personal services more than expected.

## Weaknesses

- Interest rates curb affordability, slowing the housing market.
- Office development lags longer than expected because of potential for remote work.

2019	2020	2021	2022	2023	INDICATORS	2024	2025	2026	2027	2028
389.4	391.5	431.1	449.9	469.9	Gross metro product (C12\$ bil)	488.5	501.2	515.2	531.2	548.3
4.2	0.5	10.1	4.4	4.5	% change	4.0	2.6	2.8	3.1	3.2
2,691.7	2,611.5	2,744.1	2,932.5	3,031.7	Total employment (ths)	3,075.6	3,115.5	3,144.7	3,171.7	3,199.6
2.8	-3.0	5.1	6.9	3.4	% change	1.4	1.3	0.9	0.9	0.9
3.3	7.1	5.0	3.5	3.7	Unemployment rate (%)	3.7	3.7	3.6	3.6	3.6
6.7	5.6	11.2	6.7	6.2	Personal income growth (%)	6.1	5.4	5.4	5.4	5.5
73.8	75.9	80.0	85.6	89.8	Median household income (\$ ths)	92.5	95.7	98.9	102.2	105.6
5,081.4	5,151.2	5,222.8	5,323.4	5,425.3	Population (ths)	5,512.2	5,589.5	5,663.3	5,737.8	5,813.0
1.6	1.4	1.4	1.9	1.9	% change	1.6	1.4	1.3	1.3	1.3
46.3	41.2	50.6	72.8	68.5	Net migration (ths)	52.6	44.7	41.7	42.9	44.0
25,311	31,769	38,575	31,097	30,442	Single-family permits (#)	28,864	27,835	29,468	29,384	28,879
18,295	11,029	18,846	25,267	19,014	Multifamily permits (#)	18,893	20,401	20,789	21,038	20,716
4.1	3.8	15.0	22.6	3.9	FHFA house price (1995Q1=100)	1.4	-0.9	-0.1	0.6	1.3

Moody's Analytics



## Fort Worth – Arlington MSA

Revised data shows that Fort Worth-Arlington job growth has been slower than that of the U.S. in recent months. Just about every private-sector industry is underperforming its national counterpart, especially core manufacturing. The weak April Texas Manufacturing Outlook Survey corroborates this trend. The unemployment rate has been stable in the range of 3.8% for the past year. On the positive side, labor force growth has been modestly higher than that of the nation. Housing market data have been subdued. House price increases have been much slower than the national average and single-family permits have been flat for a year.

The near-term prospects for a strong revival of heavy industry are low. One reason is that exports, a major source of the demand for manufacturing, have been slow over the past year because global growth has been relatively soft. Further, high interest rates resulting from the Federal Reserve's fight against inflation have kept the value of the dollar elevated, making U.S. goods less competitive. Also contributing to the weakness has been the slow pace of energy exploration, even though Fort Worth produces equipment and supplies for drilling.

Additionally, there have been technical problems in the delivery of Lockheed's F-35 joint strike fighter, the largest segment of the metro division's factory output. Specifically, delays in federal certification of Technology Refresh 3 (TR-3) upgrades have held up shipments of the aircraft. The original expectation had been that more than 150 planes would be delivered in 2024, but that has been scaled back to about 100. The good news is that demand remains high. In addition to the Department of Defense, the Czech Republic and Greece have bought planes in the past half year. Lockheed still estimates that 2,000 planes will ultimately be delivered, with about 1,000 built to date, supporting manufacturing in the metro division in coming years.

Homebuilding will grow slowly over the coming year, as mortgage rates remain elevated for longer than expected. New permits for single-family homes dropped by more than half during 2022, more than the national decline. Subsequently, after a modest recovery in early 2023, they have been flat. New multifamily permits have had a comparable drop. House price increases have also been much slower than the national or Texas averages, in the 2% range. Longer term, once interest rates finally decline, the Fort Worth housing market should grow at an above-average pace, lifted by strong demographics. Population rose 1.8% in 2023, much more than the national rate. Additionally, Fort Worth has better affordability than neighboring Dallas, supporting the ability to live in Fort Worth and commute.



High interest rates will also take their toll on financial institutions in the near term. Revised data show that following the early-2023 failures of several banks outside of Fort Worth, local institutions shed jobs during the second half of the year. Longer term, the prospects are better. In recent years, a number of community banks headquartered in slow-growing states like Missouri, Arkansas, Oklahoma and Pennsylvania set up new regional operations in Fort Worth to take advantage of the metro division's trend growth.

## Strengths

- Homebuilding rebounds more than expected because of low supply of existing homes for sale.
- Military aircraft deliveries rebound more strongly as technical issues resolve.

## Weaknesses

- Banking weakens because of elevated interest rates.
- Energy-related manufacturing slow to rebound because of decline in oil prices.

2019	2020	2021	2022	2023	INDICATORS	2024	2025	2026	2027	2028
145.0	139.2	149.9	154.9	163.7	Gross metro product (C12\$ bil)	171.0	175.7	180.9	186.8	193.0
1.6	-4.0	7.7	3.4	5.7	% change	4.5	2.7	2.9	3.3	3.4
1,096.4	1,056.2	1,097.7	1,159.3	1,196.9	Total employment (ths)	1,217.1	1,233.4	1,245.5	1,256.7	1,268.3
2.8	-3.7	3.9	5.6	3.2	% change	1.7	1.3	1.0	0.9	0.9
3.3	7.3	5.2	3.6	3.7	Unemployment rate (%)	3.7	3.5	3.5	3.5	3.5
2.9	5.3	12.9	4.4	5.8	Personal income growth (%)	6.0	4.9	5.0	5.1	5.2
68.4	70.5	72.7	75.9	79.0	Median household income (\$ ths)	81.2	84.0	86.8	89.7	92.7
2,557.8	2,586.2	2,618.7	2,669.3	2,720.6	Population (ths)	2,764.3	2,803.2	2,840.4	2,877.9	2,915.7
1.2	1.1	1.3	1.9	1.9	% change	1.6	1.4	1.3	1.3	1.3
16.4	17.7	25.0	40.8	38.2	Net migration (ths)	30.2	26.2	24.8	25.4	26.1
9,849	12,646	13,649	12,979	11,901	Single-family permits (#)	11,688	11,969	12,720	12,698	12,466
9,500	5,778	7,927	8,982	5,359	Multifamily permits (#)	6,382	5,620	6,297	6,891	6,915
4.9	4.5	15.3	21.7	3.2	FHFA house price (% Change)	-0.3	-1.3	-0.1	0.7	1.4

Moody's Analytics



## TRANSPORTATION

### Dallas / Fort Worth International Airport



The Dallas/Fort Worth International Airport, located between the cities of Dallas and Fort Worth, is the largest and busiest airport in the state of Texas. DFW is the second largest airport in the country and sixth largest in the world. It is the fourth busiest airport in the world in terms of aircraft movements and the fifteenth busiest airport in the world in terms of passenger traffic. Every major city in the continental U.S. can be reached within four hours. American Airlines, based in Fort Worth, has its headquarters adjacent to DFW Airport. As of January 2020, DFW Airport has service to a total of 260 destinations, including 67 international and 193 domestic destinations with the U.S. In surpassing 200+ total destinations, DFW joined a select group of airports worldwide with that distinction. As of January 2020, the airport has more non-stop domestic destinations than any other airport in the U.S. In March 2020, DFW earned the title of Best Large Airport by Airports Council International, for the second year in a row.

### Dallas Love Field Airport



Love Field Airport (IATA airport code: DAL) is a city-owned public airport six (6) miles northwest of downtown Dallas, Texas. It was Dallas' main airport until 1974 when Dallas/Fort Worth International Airport (DFW) opened. All Southwest Airlines' flights to and from Dallas go through Love Field, with the airline's corporate headquarters being located close by the airport. Southwest Airlines is the largest carrier in the world in terms of passengers carried. Seven full service fixed base operators (FBOs) provide general aviation service: fuel, maintenance, hangar rentals, and charters. Some also provide meeting rooms, car rentals, limousine service and restaurants. The Love Field Modernization Program (LFMP), a \$519 million modernization project, began in early 2009 to construct a new building that would house 20 gates at DAL, as well as a remodeled lobby, an expanded baggage claim area and a new ticketing wing. The newly renovated Love Field Airport re-opened in the Fall of 2014. A new seven story parking garage connected to the existing terminal opened in November 2018. Its capacity is 5,300 cars and cost \$208 million to construct.



## Texas Department of Transportation



The Dallas-Fort Worth area has thousands of lane-miles of freeways and interstates. The Metroplex has the second largest number of freeway-miles per capita in the nation, behind only the Kansas City Metropolitan Area. Like most major metropolitan areas in Texas, most interstates and freeways have frontage roads where most of the city's businesses are located. these access roads have slip ramps that merge onto the freeways and interstates. North-south Interstates include I-35, which stretches all the way to Minnesota and I-45, which provides easy access to Houston. East-west routes include I-30, which connects DFW to Little Rock, Arkansas, and I-20, which stretches all the way to South Carolina. I-35 splits into I-35E and I-35W from Denton to Hillsboro: I-35W goes through Fort Worth while I-35E goes through Dallas. HOV lanes currently exist along I-35E, I-30, I-635, US 67, and US 75. I-20 bypasses both Dallas and Fort Worth to the south while its loop, I-820, loops around Fort Worth. I-635 splits to the north of I-20 and loops around east and north Dallas, ending at SH 121 north of DFW Airport. I-35E, Loop 12, and Spur 408 ultimately connect to I-20 southwest of Dallas, completing the west bypass loop around Dallas.

## Dallas Area Rapid Transit



Dallas Area Rapid Transit, which includes light rail and bus service, features the nation's longest light-rail network and enables easy access to key job centers in Dallas and its suburbs. DART also provides convenient light-rail access to Dallas Fort Worth International Airport and interfaces with the Texas Railway Express (TRE). The TRE is an intercity commuter train that transports passengers between downtown Dallas and Fort Worth, with stops at several "mid-cities" suburbs in between. Fort Worth residents are served by the T, which also connects to the TRE. The Denton County Transportation Authority (DCTA) operates its A-Train, which connects DART riders in Carrollton to five stations ending in Denton. Additional public transportation options in the area include the TEXRail commuter rail line extending from downtown Fort Worth into Terminal B at the Dallas Fort Worth International Airport, which opened in January 2019, and an on-demand ridesharing provided by a partnership between Arlington and Via that launched in December 2017. Via is an on-demand transit system that services the city of Arlington which takes multiple passengers heading in the same direction and books them into a shared vehicle.

## CONCLUSION

Dallas-Plano-Irving will advance no faster than the nation over the coming year, as elevated interest rates limit gains in professional and financial services. Longer term, above-average population growth and the concentration of corporate headquarters, technology businesses and financial services will contribute to an above-average performance. Fort Worth-Arlington will grow more slowly than the nation over the coming year, as manufacturing lags. Longer term, above-average population growth, a diversified manufacturing base, and lower business costs and costs of living relative to Dallas will support above-average gains.



# NEIGHBORHOOD

A neighborhood is typically a segment of a community, city or town which is a homogeneous grouping of individuals, buildings or business enterprises within the larger community. A neighborhood has three stages of life and possibly a fourth. They are (1) integration (the development stage), (2) equilibrium (the static stage), (3) disintegration (the declining or decaying stage), and possibly (4) a redevelopment or rejuvenation state or period and continuance of the neighborhood life cycle.





## ACCESS

Access to the subject neighborhood is considered good due to the presence of the Dallas/Fort Worth freeway system. Interstate 30 is the primary east/west traffic route and is located north of the neighborhood area. This high speed, multi-lane, paved thoroughfare provides direct access to the Dallas Central Business District (CBD) from the east and the Fort Worth Central Business District from the west. In addition, Highway 360 is located east of the subject neighborhood, and it provides high-speed access from Mansfield to the south and Grapevine to the north.

## AT&T STADIUM / GLOBE LIFE PARK



The subject is located in the immediate vicinity of AT&T Stadium and Globe Life Park. Home to the Dallas Cowboys and the Texas Rangers, respectively, these arenas are massive attractions in the North Texas region, bringing substantial economic viability to the north Arlington submarket. AT&T Stadium commonly hosts events well outside the sports spectrum, including concerts, motocross races and monster truck rallies. The stadium has hosted notable events to the likes of Super Bowl XLV (2011) and the 2014 NCAA Men's Final Four. In 2015, AT&T Stadium hosted the NCAA Football National Championship Game. The Rangers are building a new stadium that is expected to open in 2021. The cost of the new stadium is estimated to cost \$1 billion dollars.

## GENERAL MOTORS ASSEMBLY PLANT

**GMC** The Arlington plant was opened in 1954 to assemble both automobiles and aircraft but has focused on the former use for most of its history. The factory was the site of assembly for many large GM cars, including the 1980s Chevrolet Monte Carlo, 1994-96 Chevrolet Impala SS, and late-model Chevrolet Silverado pickup trucks. The plant occupies 250 acres. Arlington Assembly was the last GM B-body manufacturing facility prior to GM ending rear-wheel drive production and converting the plant to SUV production. The light trucks that were produced at Arlington are now assembled at GM's Flint and Fort Wayne plants in the United States and at the Silo plant in Mexico. The Arlington assembly plant employs 4,500 workers. There is a \$1.4 billion expansion to the assembly plant.



## GREAT SOUTHWEST INDUSTRIAL DISTRICT

The Great Southwest Industrial District (GSWID) is a more than 8,000-acre industrial park in Arlington and Grand Prairie, Texas. Real estate mogul *Angus G. Wynne, Jr.*, established the GSWID in 1956, and it continues to be one of the largest master-planned industrial parks in Texas. At the turn of the twentieth century the GSWID remained a major contributor to the area's economy, despite the fact that parts of the park needed major renovations, including transportation improvements and upgrades to warehouse and manufacturing facilities. Regardless of the necessary improvements, in 1997 the GSWID had an occupancy rate of more than 96 percent in more than 800 buildings on its nearly 8,200 acres. The following year it reportedly provided employment to 30,000 people and contributed roughly \$30 million to the local economy. By 2003, however, the vacancy rate had increased to nearly 20 percent, and city leaders in Arlington considered measures to get the GSWID back on track. That year, the Arlington Independent School District passed a triple freeport tax exemption for the GSWID, which allowed businesses to forgo city, county and school district taxes on any inventory that left Texas within 175 days. The tax exemption provided businesses incentive to relocate to the GSWID. Additionally, a bond measure was passed around that time that provided funds for much needed improvements to roads and infrastructure within the GSWID. In 2014 the GSWID consisted of more than 8,000 acres, with 3,611 in Arlington and 5,500 in Grand Prairie, and a total assessed value of \$1.2 billion. General Motors was the largest landholder in the district, and in 2013 there were only sixteen vacant buildings out of 456 buildings within the Arlington portion. The GSWID continued to be a vital asset to the economic, commercial, and industrial growth of the Arlington and Grand Prairie communities in the 2020s.

*Source: Texas State Historical Association*

## UTILITIES

The subject neighborhood is adequately served by all the typical utilities, including water, sewer, electric service, natural gas, private well and septic and public telephone. No shortages of utility service in the developed portions of the neighborhood were reported and lack of utilities has not been detrimental in the development of the area. Major utility companies servicing the neighborhood include the city of Arlington, Atmos Gas Company, and TXU Electric Company.

## NUISANCES & HAZARDS

Nuisances and hazards are limited in the subject neighborhood. Vibration, smoke, smog, odors and intense noise are basically related to vehicular traffic along the major thoroughfares. As in any area, traffic density poses problems ranging from congestion to noise. These problems are not severe and are a natural part of most communities.



## LIFE CYCLE

Each neighborhood has a unique and dynamic quality all its own, given man's unique imagination, design and development of an area. This quality is described as a "life cycle," which is identified in *The Appraisal of Real Estate* as evolving through the following four stages.

Growth	Neighborhood gains public favor and acceptance
Stability	Equilibrium without marked gains or losses
Decline	Diminishing demand
Revitalization	Renewal, modernization and increasing demand

The subject neighborhood appears to be in the **stability** period of its life cycle. The immediate area is a well-established area within the subject's region and is considered to be approximately 80% developed. Properties appear to range in age from new to over 40 years.

## CONCLUSION

The subject neighborhood is located in Arlington, Tarrant County, Texas. Demand for virtually all types of real estate in this area has been mostly stable in recent years. The future growth of the neighborhood relies heavily upon the overall strength of the real estate market within the entire North Texas area. The subject property displays good locational attributes in the defined neighborhood and should benefit from any positive economic conditions experienced by the immediate area.





# DEMOGRAPHICS

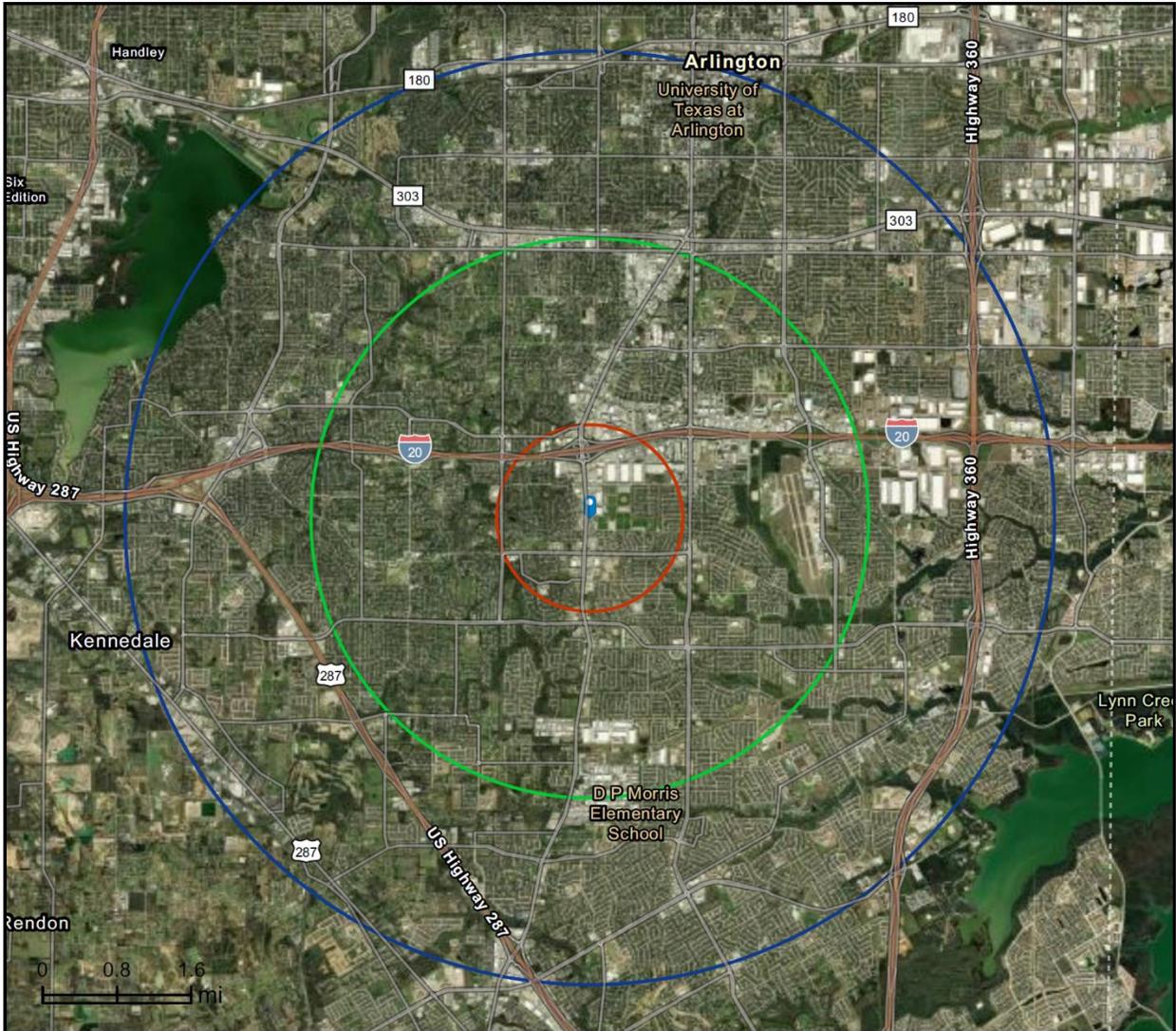
The following pages summarize data generated by the STDB.



## Site Map

5001 S Cooper St, Arlington, Texas, 76017  
Rings: 1, 3, 5 mile radii

Prepared by Esri  
Latitude: 32.66499  
Longitude: -97.13349





## Executive Summary

5001 S Cooper St, Arlington, Texas, 76017  
Rings: 1, 3, 5 mile radii

Prepared by Esri  
Latitude: 32.66499  
Longitude: -97.13349

	1 mile	3 miles	5 miles
<b>Population</b>			
2010 Population	12,018	109,830	306,215
2020 Population	12,434	113,493	330,174
2025 Population	12,792	114,077	332,024
2030 Population	13,236	114,788	333,936
2010-2020 Annual Rate	0.34%	0.33%	0.76%
2020-2025 Annual Rate	0.54%	0.10%	0.11%
<b>Mortgage Income</b>			
2025 Percent of Income for Mortgage	24.4%	23.5%	24.9%
<b>Median Household Income</b>			
2025 Median Household Income	\$85,415	\$88,302	\$84,487
2030 Median Household Income	\$95,923	\$98,288	\$93,857
2025-2030 Annual Rate	2.35%	2.17%	2.13%
<b>Average Household Income</b>			
2025 Average Household Income	\$109,818	\$111,514	\$107,751
2030 Average Household Income	\$118,788	\$121,720	\$118,027
2025-2030 Annual Rate	1.58%	1.77%	1.84%
<b>Per Capita Income</b>			
2025 Per Capita Income	\$40,405	\$39,772	\$38,283
2030 Per Capita Income	\$44,067	\$44,105	\$42,560
2025-2030 Annual Rate	1.75%	2.09%	2.14%
<b>GINI Index</b>			
2025 Gini Index	41.0	40.4	41.7
<b>Households by Income</b>			
Current median household income is \$84,487 in the area, compared to \$81,624 for all U.S. households. Median household income is projected to be \$93,857 in five years, compared to \$92,476 all U.S. households.			
Current average household income is \$107,751 in this area, compared to \$116,179 for all U.S. households. Average household income is projected to be \$118,027 in five years, compared to \$128,612 for all U.S. households.			
Current per capita income is \$38,283 in the area, compared to the U.S. per capita income of \$45,360. The per capita income is projected to be \$42,560 in five years, compared to \$50,744 for all U.S. households.			
<b>Housing</b>			
2025 Housing Affordability Index	84	87	82
2010 Total Housing Units	4,728	40,511	113,390
2010 Owner Occupied Housing Units	2,967	27,196	71,088
2010 Renter Occupied Housing Units	1,574	11,439	36,112
2010 Vacant Housing Units	186	1,876	6,190
2020 Total Housing Units	4,850	41,525	119,707
2020 Owner Occupied Housing Units	2,821	25,916	70,435
2020 Renter Occupied Housing Units	1,845	13,806	43,782
2020 Vacant Housing Units	193	1,766	5,694
2025 Total Housing Units	4,881	42,581	122,848
2025 Owner Occupied Housing Units	2,898	26,725	72,741
2025 Renter Occupied Housing Units	1,839	14,087	44,855
2025 Vacant Housing Units	144	1,769	5,252
2030 Total Housing Units	5,111	43,840	126,142
2030 Owner Occupied Housing Units	2,979	27,502	75,009
2030 Renter Occupied Housing Units	1,962	14,216	45,040
2030 Vacant Housing Units	170	2,122	6,093
<b>Socioeconomic Status Index</b>			
2025 Socioeconomic Status Index	49.7	48.0	47.6



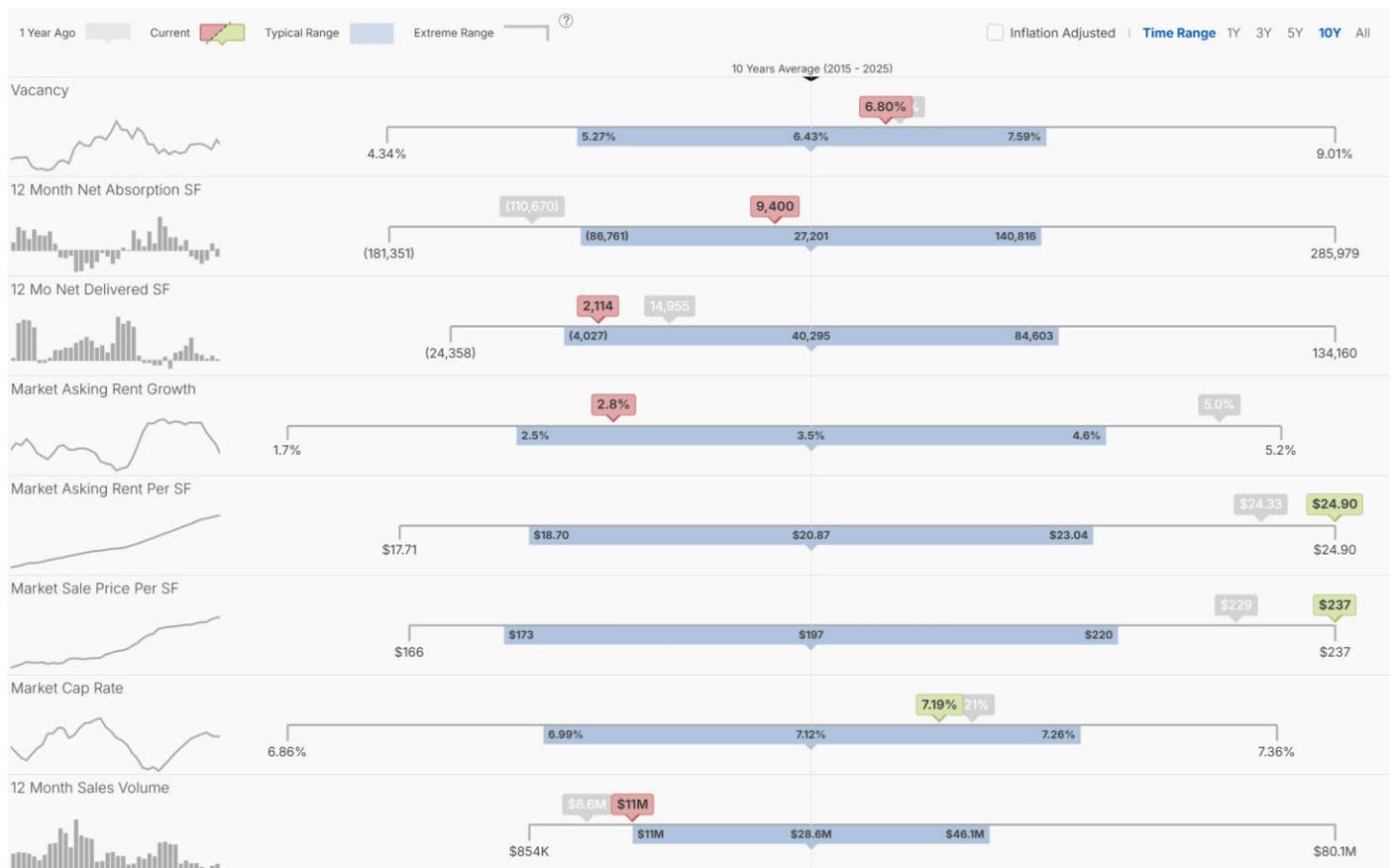


## MARKET ANALYSIS

The subject property lies within the Arlington retail/office submarket. As mentioned previously, performance of retail space in the area has been mostly stable to slightly growing in recent years.

**The following information was the result of an analytic search via Costar Property.**

The search revealed historical rental and absorption information for retail/office developments within a typical radius of the subject. The most notable statistics indicated by the survey are summarized as follows:



It is noted that the market is currently +/- 6.80% vacant with a 10-year average of 6.43%. Based on market data, an overall stabilized occupancy rate of +/- 95% is considered to be reasonable and well supported for use herein.





## DFW RETAIL MARKET OVERVIEW

### Summary

Signs of stability have emerged in Dallas-Fort Worth's office market, tracing the national trend. Improving leasing activity, slowing occupancy losses and more users renewing have paved the way for rising demand as net absorption registered 1.8 million SF in the past year. Of the top 10 markets, Dallas-Fort Worth joins New York and Houston for markets where demand has turned positive. Even so, an additional 3.0 million SF in new supply pushed vacancy higher to 17.9%, expanding roughly 380 basis points since the end of 2019.

Local contacts confirm that sharp declines in tenant move-outs have eased in the past year, with more occupiers willing to maintain their footprints. Meanwhile, the prospects for office attendance are improving as several large occupiers, including Caterpillar, AT&T, Southwest Airlines, Toyota, and JP Morgan, enact stricter employee attendance policies.

Whether these encouraging signals gain traction is uncertain, as greater economic uncertainty has tilted the outlook to the downside over the near term. Softer employment growth over recent months and oscillating trade policy have sowed wider macroeconomic anxiety. Even so, the long-run structural drivers in Dallas-Fort Worth remain intact. The region is a leader in population growth, offering a stark contrast to coastal markets facing outmigration. Its relative affordability, central location, and strong air connectivity via DFW International Airport continue to attract new regional offices of out-of-market companies. Additionally, industry diversification has helped insulate the market during economic downturns, reinforcing its resilience.

Slack in availability among first-generation spaces is expected to decline, with the pipeline for new space tapering quickly and construction starts falling to their lowest level in a decade. In turn, the 4.6 million SF under construction is roughly 38% below pre-2020 norms, while pre-leasing stands at 70%. The greatest threat to vacancy stems from speculative projects in premier suburban office nodes in Collin County, which benefit from strong demographic and economic tailwinds.

Facing a glut of available space, tenants maintain pricing power, outside of trophy buildings in premier submarkets. TI allowances have doubled compared to pre-pandemic norms, according to local contacts. With negotiating power expected to remain in favor of tenants over the next 12 to 24 months, the outlook calls for muted rent growth. As Dallas-Fort Worth offers rents already at a 20% to 50% discount to some expensive coastal markets, it should remain an attractive option for major occupiers.

Still, the market continues to struggle with excessive availability, hindering a material recovery in the near term. Overbuilding during the 1980s has kept vacancies structurally high, with 42% of total vacant space coming from buildings from that decade alone. While occupancy losses have slowed among these buildings, they remain uncompetitive among tenants seeking newer spaces, keeping availability and vacancy structurally elevated. Looking ahead, with softer office-using employment, continued expiration of pre-2020 leases over the current environment is anticipated to keep vacancies elevated and rent growth muted.





## Leasing

Leasing activity in Dallas–Fort Worth is rebounding, supported by larger transactions and a growing number of occupiers expanding their footprints. Approximately 19 million square feet was leased over the 12 months ending in the second quarter of 2025, aligning with the region's annual average from 2015 to 2019.

Despite recent leasing momentum, total available office space stands at 82.5 million square feet, roughly 15 million square feet above pre-2020 levels. Aging, uncompetitive properties remain particularly vulnerable, as tenant demand increasingly favors modern buildings. Leasing has been characterized by several large commitments, including AT&T, GEICO, Lockton, and Sally Beauty, each securing more than 100,000 SF. In the largest lease transaction in two years, Toyota Financial Services committed to a full-building lease at Southstone Yards (240,000 SF) in anticipation of a broader return-to-office initiative.

Tenant preferences remain strongly influenced by proximity to major highways and access to retail and lifestyle amenities. Six submarkets along the Dallas North Tollway corridor, spanning from Uptown/Turtle Creek to Frisco, account for 41% of total leasing volume, while accounting for 29% of inventory.

Roughly halfway along this corridor, Preston Center has emerged as a bellwether for demand for well-located office space. Situated between Dallas proper and affluent northern suburbs, the submarket offers a central location, proximity to high-end retail and dining and near affluent residential neighborhoods. Limited new construction has resulted in vacancy tightening to near-historic lows of 6%, with upward pressure on asking rents extending to well-placed, albeit, older buildings.

In suburban markets, demand is concentrated in newer office towers and mixed-use developments such as The Star in Frisco, home to the Dallas Cowboys headquarters. There, TIAA recently leased 525,000 square feet to relocate 1,000 employees from Denver. However, despite healthy tenant interest, vacancy remains elevated in areas like Frisco/Prosper and Upper Tollway/West Plano, ranging from 17% to 24%, due to ongoing speculative development and protracted lease-up periods.

Meanwhile, Downtown Dallas continues hemorrhage tenants to neighboring Uptown, with firms such as Deloitte, Sidley Austin, and Bank of America relocating to newer towers. Vacancy in downtown has climbed to 27% and is expected to be tested as Goldman Sachs prepares to move to its new Uptown campus in 2028.



Although the recent uptick in leasing reflects improved tenant confidence, the risk of economic slowdown may hinder continued progress. As one local broker observed, “business does not like uncertainty,” underscoring ongoing caution among occupiers. Given modest growth in knowledge-based employment, the vacancy rate, currently near 18%, is expected to remain relatively stable in the near term. Even so, the long-term structural advantages remain intact. Demographic tailwinds prevail as Dallas–Fort Worth remains a leader for in-migration, and office-using employment is projected to outpace the national average. These factors, combined with the region's pro-business climate, position the market for greater resilience compared to many coastal peers.

## Rent

While office rent growth has slipped in Dallas-Fort Worth to 1.5%, the market outpaced the national performance over the past four years. Despite elevated availability, face rents remain firm, reflecting landlords' resistance to reducing rents, and instead are deploying discounts through rent abatements and tenant improvement packages.

Market rents of \$32 per SF offer tenants relative value compared to the U.S. average of \$36 per SF and coastal markets such as New York or Los Angeles, where rents are easily double, providing Dallas-Fort Worth an economic development edge. At the top end, 4 & 5 Star market rents are \$38 per SF, led by submarkets with greater concentrations of high-end spaces, including Uptown/Turtle Creek, Preston Center and Frisco/The Colony where average market rents can start at \$40 and rise closer to \$80 per SF NNN. Market participants share that national tenants can budget for pricier rents, while there remains a solid base of local tenants where rents in the \$30 per SF range are more palatable.

Tenants continue to demand TI allowances for buildout, which have generally doubled post-2020 ranging from \$60 to \$80 per SF for existing spaces. For new construction, that threshold can exceed \$100 per SF for longer-term leases. In terms of free rent, market participants say these offerings vary widely and are usually contingent on ownership and impacted by the status of debt of that ownership group, which generally translates to one month per year of term.

New construction in premier urban submarkets like Uptown/Turtle Creek pushes the threshold for asking rents in Dallas-Fort Worth, ranging from \$70 to \$80 per SF NNN. For example, pre-leasing rates for Granite Properties' 23Springs have climbed 30% to \$70 per SF triple net since pre-leasing began in 2022. Rates for new trophy buildings are expected to climb higher as options for new space become more scarce.





A similar theme rings true in premier suburban submarkets in Collin County. For example, The Star is a mixed-use destination in Frisco that serves as headquarters for Dr. Pepper Keurig and doubles as the Dallas Cowboys' practice facility. The center is 90% leased, with rents starting at \$40 per SF NNN, or as much as 45% above average, asking triple nets in the submarket.

Elevated sublease availability offers tenants value at a relative discount to direct space. Led by Downtown Dallas, the central business district reports the steepest average discounts of 38% while discounts become more shallow in higher-quality suburban nodes. In downtown, Harwood Tower advertises some of the lowest sublease rates at \$11 per SF triple net, a 54% discount to direct triple nets in the submarket. Granite Park in suburban Upper Tollway/West Plano advertises \$26.50 per SF NNN, just a 6% discount compared to the submarket.

With greater availability and softer lease volume in the market, pricing power should remain firmly in favor of tenants, outside of pockets of trophy buildings in prime submarkets like Uptown. At the same time, with construction activity declining and a dearth of new space on the market, local contacts have suggested rent growth could rise in commodity buildings in prime locations. Looking ahead, the outlook calls for rent growth to remain muted over the next year or so before recovering in 2026 and beyond, though still outperforming the national norm.



## Construction

The pipeline for new space is rapidly declining with 4.6 million SF underway, below the pre-pandemic average of 8 million SF. Development is characterised by tall, glass towers within Uptown/Turtle Creek in the urban core and a mix of speculative and mixed-use projects in fast-growing parts of Collin County, including Frisco/The Colony and Upper Tollway/West Plano.

Options for new office space are tapering. Few speculative projects have broken ground, and those that have are part of larger suburban mixed-use districts. Pre-leasing for these projects stands at 72% with suburban office nodes like Frisco/The Colony bearing the greatest supply-side risk.

Among market-moving speculative projects, Granite Properties delivered 23Springs in mid-2025. The 26-story, 626,000 SF tower in the center of Uptown/Turtle Creek, which boasts walkability scores north of 90%, near plentiful dining options, and high-end residential towers. The building delivered 64% leased with Bank OZK, Deloitte, and law firm Sidley Austin, each taking over 100,000 SF. With fewer large blocks of trophy space in prime locations in Uptown, local contacts suggest the balance of space could be taken up relatively quickly. Meanwhile, available space for new buildings, defined as 3 years or less, fell 30% in the past year. That decline ranks among the steepest among major markets, behind San Francisco, Los Angeles and New York. Local contacts confirm that location is paramount for users and may be forced to move down the quality spectrum in the most sought-after locations. Financial services firms account for a third of the current pipeline, driven by corporate expansion and economic incentives. Goldman Sachs secured \$18 million from the City of Dallas, through an incentive package that includes tax abatements job grants with a commitment that Goldman Sachs will create roughly 5,000 jobs by the end of 2028. Its 800,000 SF Uptown/Turtle Creek project, set to open in 2028, consolidating local operations with a capacity for 8,000 employees, its largest office outside New York. Wells Fargo is consolidating 3,000 employees in Las Colinas with a \$30 million incentive from Irving. KDC is developing two 425,000 SF buildings on Lake Carolyn, enhancing a growing district with dining, retail, residential, and entertainment options, with an expected completion in 2025.

As a major hub for corporate headquarters, owner-occupied buildings have served as a stabilizing force in Dallas-Fort Worth. Among buildings 20,000 square feet or greater, around 18% of the inventory is identified as owner-occupied. The market has a strong track record of seeking to land or expand new companies to the area with a robust cross-section of industries, galvanizing the region's corporate diversity.

The current pipeline is expected to decline further as the prospects for new office developments remain thin, with tighter lending standards and demand remaining in flux, with newer buildings taking longer to lease up. Market participants expect the construction slowdown will fuel competition for second-and third-generation buildings in premier locations.



## Sales

As the Dallas-Fort Worth office market is regaining its footing, sales volume reveals continued improvement. Annual sales volume continues to make progress through 25Q2, rising 16% year-over-year to \$4.2 billion and 44% the trough reported in 24Q1. Even so, prices have declined 35% to 45% from the peak in 2021 based on feedback from local contacts. Despite the recent momentum, market participants confirm between buyers and sellers expectations are broadly misaligned. Owners have recoiled at offers from potential buyers, leading to a dearth of transaction activity. As Texas is a non-disclosure state, fewer deals have further clouded pricing. Yet, trophy assets have weathered the structural headwinds facing the office segment. In July 2025, Cousins purchased The Link at Uptown for \$218 million, or \$747 per SF at a 6.7% cap rate. Located in the heart of Uptown, the 5 Star building completed in 2021 and is 97% leased with a reported WALT of roughly nine years. The transaction confirms the premium top end buildings carry at the highest end of the pricing spectrum, and underscores how well-occupied, well-located assets are reinforced by buyer confidence as the broader office segment navigates rebalancing fundamentals.

Meanwhile, underscoring declining office values for commodity Class A assets, Louisville-based Real Capital Solutions acquired The Tower at Park Lane from CBRE Investment Management for \$66 million, \$130 per SF, down from CBRE Investment Management's 2017 purchase price of \$120 million, or \$236 per SF. The drop reflects softer occupancy, with the 510,000 SF, 5 Star building just over 50% leased to tenants like East Texas A&M Commerce, Match.com, and TopGolf. This is Real Capital Solution's first entrance in Dallas, and is seeking well-located assets near mixed-use developments. Located along U.S. 75, the property benefits from its mixed-use setting near the Shops at Park Lane, anchored by Whole Foods, and across from NorthPark Mall, the region's top shopping destination.

At the same time, users remain a dominate group in the buy side given the region's diverse pool of corporate users. Owner-occupiers accounted for roughly 20% of deals in the past 12 months, up from the historical average of 5%. Notable recent purchases include Fisher Investments, Triumph Financial, and Associa, all expanding their presence in North Texas while boosting net absorption for aging corporate campuses and commodity Class A buildings. One of the largest examples is Energy Transfer, which purchased Preston Commons from KBS for around \$150 million, or roughly \$360 per SF. Recently growing through acquisitions, the energy firm currently occupies space in adjacent buildings Preston Commons complex, and is anticipated to make the office complex its headquarters, favoring the buildings' excellent location. Located in the Preston Center Submarket, local contacts share assets here have held up relatively well given a stable bedrock of demand and lack of speculative construction. Vacancy rates in Preston Center are holding near record lows and rents are rising given its excellent location and access to the Dallas North Tollway and near affluent neighborhoods.



Meanwhile, office distress is growing with more properties facing foreclosure. With \$833 million in CMBS loans maturing through 2025 and 2026, market participants expect to see more distress and foreclosures for obsolete assets as lenders become less forgiving on loan extensions, reducing their tolerance for distressed debt. Delinquencies on Dallas-Fort Worth's \$2.7 billion CMBS loan balance have risen to 13%, five percentage points above the national average.

As office pricing is expected to have a more protracted recovery with distress manifesting in the background, local observers have opined that this period remains “a generational opportunity” to acquire office assets.

## SOUTH ARLINGTON RETAIL SUBMARKET

### **Summary**

The South Arlington retail submarket has a vacancy rate of 4.2% as of the third quarter of 2025. Over the past year, the submarket's vacancy rate has changed by -0.8%, a result of 37,000 SF of net delivered space and 190,000 SF of net absorption. South Arlington's vacancy rate of 4.2% compares to the submarket's five-year average of 5.4% and the 10-year average of 5.2%.

Among the retail subtypes, neighborhood center vacancy stands at 6.3%, strip center vacancy is 5.8%, mall vacancy is 4.3%, and general retail vacancy is 2.3%. The South Arlington retail submarket has roughly 740,000 SF of space listed as available, for an availability rate of 4.0%.

As of the third quarter of 2025, there is 39,000 SF of retail space under construction in South Arlington. In comparison, the submarket has averaged 44,000 SF of under construction inventory over the past 10 years. The South Arlington retail submarket contains roughly 18.5 million SF of inventory.

Market rents in South Arlington are \$22.00/SF. Rents have changed by 3.2% year over year in South Arlington, compared to a change of 4.0% across the wider Dallas-Fort Worth market. Annual rent growth of 3.2% in South Arlington compares to the submarket's five-year average of 4.4% and its 10-year average of 3.9%

### **Sales**

Over the past year, 72 retail properties traded in South Arlington, accounting for 590,000 SF of inventory turnover. Retail sales volume in South Arlington has totaled \$21.8 million over the past year. Average annual sales volume over the past five years is \$27.7 million and \$37.6 million over the past 10 years.

Estimated retail market pricing in South Arlington is \$248/SF compared to the market average of \$280/SF. The estimated market cap rate for South Arlington retail matches the market average of 6.6%.





## Conclusion

The overall submarket vacancy for the subject's submarket is +/- 5% based on the surrounding market and the subject's historical reception in the market. Thus, a market vacancy rate of +/- 5% is concluded for the subject's marketing area

## ARLINGTON/MANSFIELD OFFICE SUBMARKET

### Summary

Arlington/Mansfield's office inventory of 15.1 million SF pales in comparison to its industrial stock of about 50 million SF. The primary office node in the submarket is in Arlington and runs along I-30, near Highway 360. The tenant base in Arlington/Mansfield comprises healthcare-related tenants, call centers, and municipal organizations. The largest tenants in the submarket include D.R. Horton's headquarters, Martin Sprocket & Gear, Lockheed Martin, and GM Financial. Meanwhile, higher education and entertainment define this part of Dallas-Fort Worth. The area is home to the Dallas Cowboys, Texas Rangers, and the original Six Flags.

The Arlington/Mansfield Submarket is geared toward distribution and manufacturing functions. The City of Arlington has one of the most educated labor forces in Texas, ranking second in the state for the percentage of adults with a bachelor's degree or higher, which is a result of the high concentration of institutions of higher learning found in the area.

At 11.5%, the vacancy rate in the Arlington/Mansfield submarket trends significantly below the Dallas-Fort Worth market average of 17.9%. Vacancy in the submarket has averaged 9.8% over the past decade, holding relatively steady in recent years thanks to a lack of supply-side pressures.

Availability in Arlington/Mansfield is 13.7%, below the market average of 18.9%.

### Sales

Deal activity has slowed down considerably compared to the post-pandemic boom in 2021 and 2022, but overall deal volume continues to hold relatively steady. There have been 63 transactions with a confirmed sales volume of \$11.3 million in the past year. While this is lower than the 10-year average of around \$34.4 million in annual deal volume, it remains somewhat competitive relative to other submarkets which have grappled with higher vacancies in the last several years. Although cap rates remain rare in comps, reported movement has rates continuing to expand over the last several quarters, tracing a similar path to the Dallas-Fort Worth average. Medical office assets remain popular and have helped boost deal activity as broader office sales have slowed. Generally, most medical deals have involved smaller assets.

Few large office assets have traded in the past 12 to 18 months. One exception is Skymark Tower, which was acquired by Texas Trust Credit Union in May 2024. Plans for the building remain undisclosed, though the credit union's headquarters are also in Arlington. This transaction could serve as another example of a local tenant opportunistically acquiring buildings as office values remain depressed.





## Conclusion

The overall submarket vacancy for the subject's submarket is +/- 5% based on the surrounding market and the subject's historical reception in the market. Thus, a market vacancy rate of **+/- 5%** is concluded for the subject's marketing area





## ECONOMIC UPDATE

LPA is committed to monitoring the current economic environment. The following section analyzes several current economic factors such as interest rates, inflation, gas prices, unemployment, emerging technologies, etc. and their effects on commercial real estate.

### CURRENT ECONOMIC CONDITIONS

As the effects of the pandemic subsided, the commercial real estate market entered a new chapter marked by renewed activity, evolving interest rates, and shifting patterns of demand. Remote work continued to reshape office usage - with vacancy rates exceeding 20% in several major metros - while development adapted to rising construction costs, which climbed more than 30% between 2021 and 2023. At the same time, tighter lending standards promoted more strategic investment. Federal Reserve policy - including 11 rate hikes that pushed the federal funds rate above 5% - along with global developments and renewed tariffs, contributed to more deliberate investor decision-making, renewed transaction momentum, and sector-wide realignment. The timeline below highlights key events over the past several years that have had a significant impact on commercial real estate across the United States:

Mar 2021	American Rescue Plan injects capital, boosting retail and industrial demand.
Mar 2022	Fed begins aggressive rate hikes, slowing CRE transactions.
Jul 2023	Job growth rebounds, lifting demand across CRE sectors.
May 2023	Consumer spending holds strong, supporting retail assets.
Apr 2024	Cities introduce incentives for office-to-residential conversions.
Oct 2024	GDP growth beats forecasts, signaling broad momentum.
Feb 2025	New steel and aluminum tariffs push construction costs higher.
Apr 2025	Manufacturing growth and reshoring spur demand for industrial space.
Jun 2025	Fed signals rate cuts, improving outlook for CRE financing.
Aug 2025	AI, cybersecurity, and next-gen payments are reshaping CRE finance operations.



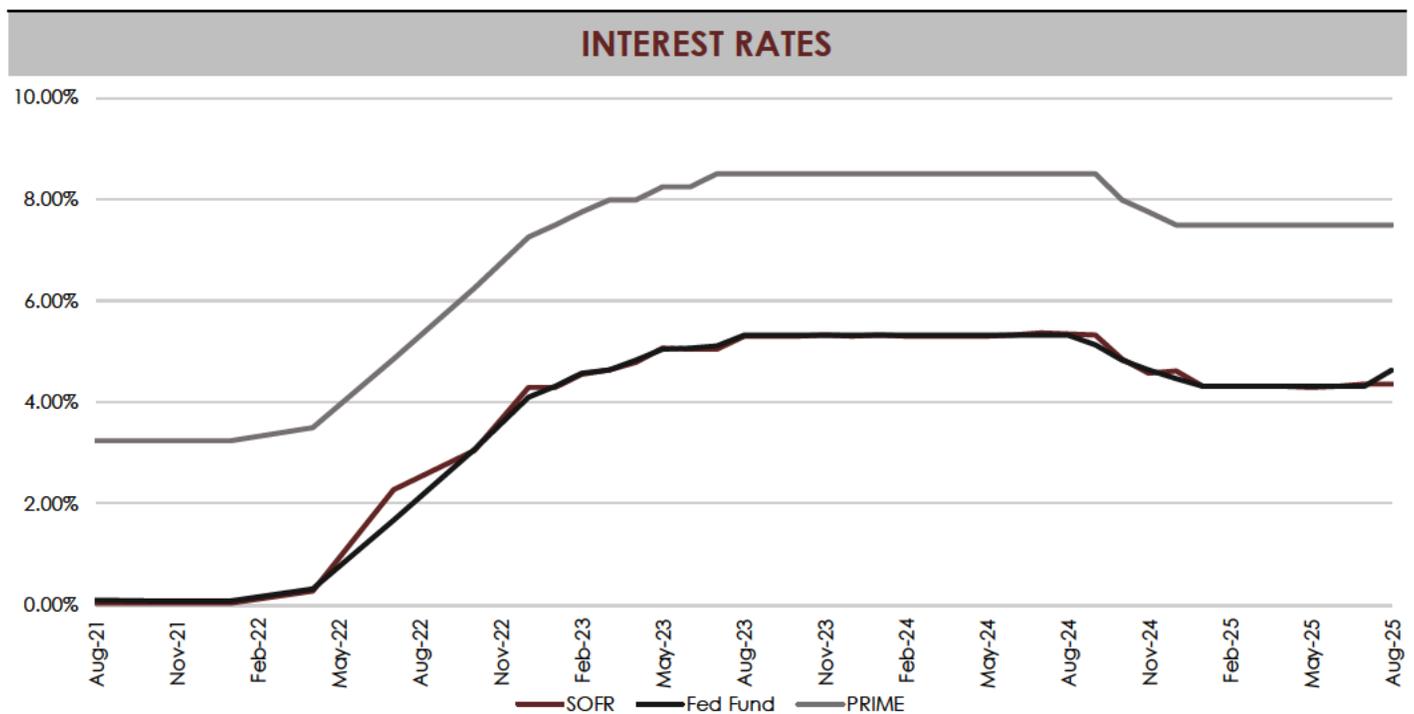


## INTEREST RATES

**Prime Rate** is individually determined by banks and often used as a reference rate (also known as the base rate) for several types of loans. Examples of the types of loans using this rate include credit card loans and small business loans. The prime rate is used by banks to lend to consumers and are fixed and typically do not change over extended periods of time.

**Secured Overnight Financing Rate** is a benchmark interest rate that institutions utilize for business and consumer loans. The Secured Overnight Financing Rate (SOFR) is the dominant benchmark rate after the US LIBOR panels ended on June 30, 2023. Unlike its predecessor, SOFR incorporates actual lending transaction data amongst institutions making it a more reliable source.

**Federal Funds Rate** is set by the Federal Open Market Committee (FOMC). This rate is the target at which excess reserves are lent and borrowed amongst commercial banks overnight. This rate influences short-term rates on credit cards and consumer loans as well as piquing investors' interest by impacting the stock market.



### FedPrimeRate

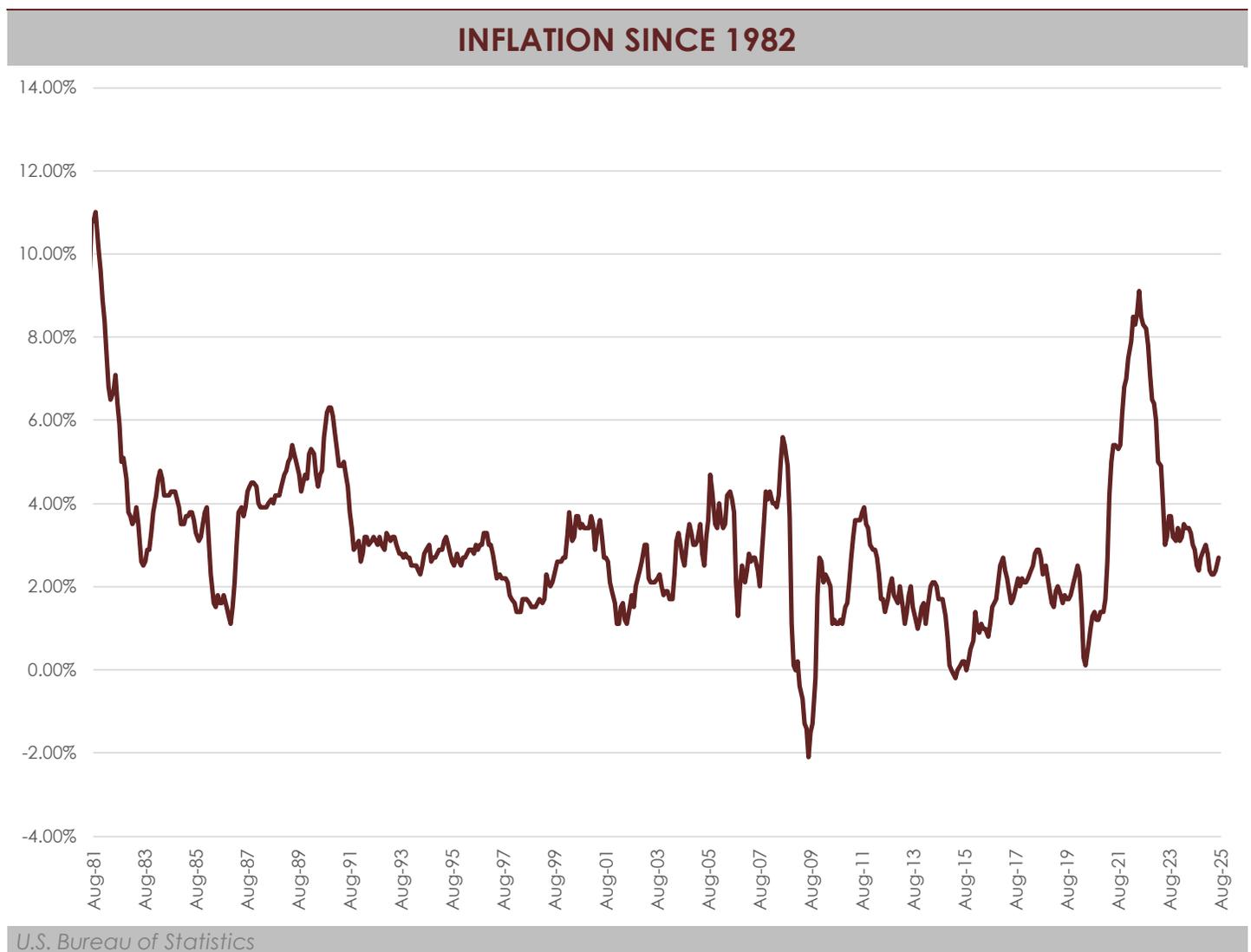
To combat higher than average inflation, the Federal Reserve began raising interest rates in early 2022, maintaining a tightening stance through much of 2023. In September 2024, rates were cut by 50 basis points for the first time in four years, followed by an additional 25-basis-point cut in November and another 25-basis-point cut in December, marking a strategic shift in monetary policy aimed at easing financial pressures. Entering 2025, interest rates remain below their peak levels of 2023, and their movements continue to influence capitalization rates, which often track in the same direction. LPA remains committed to monitoring and analyzing the ongoing impact of these rate adjustments on commercial real estate markets.





## INFLATION

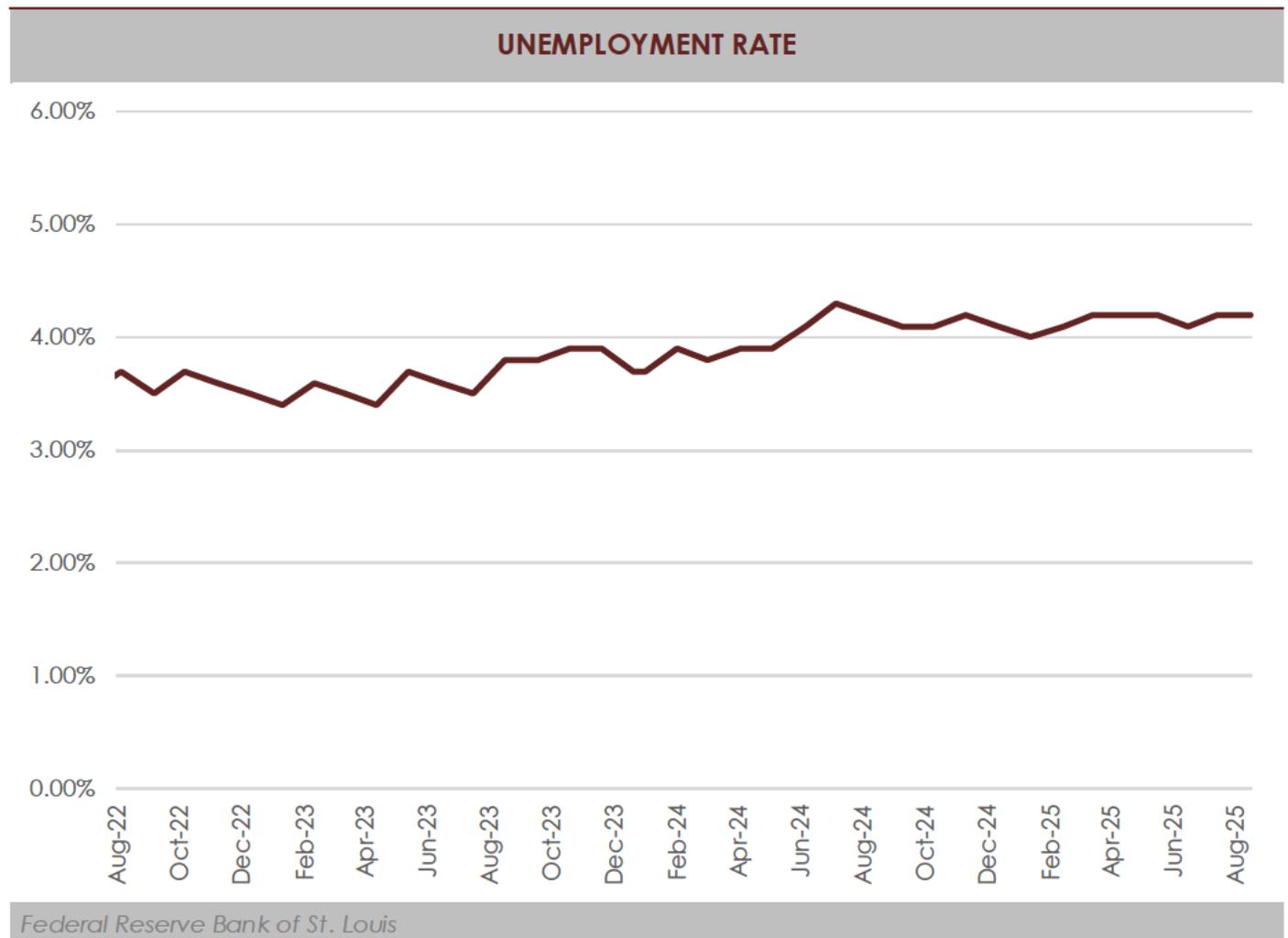
Inflation has played a significant role in shaping the U.S. economy since the beginning of 2021. It measures the rate of increase in prices over time, most commonly tracked through the Consumer Price Index (CPI), which reflects changes in the cost of a basket of goods and services. After reaching historic highs in 2022, inflation began to ease in 2023 and carried into 2024, marking a period of gradual stabilization. Throughout 2024 and into 2025, inflation remained a central focus for both households and businesses, as shifts in prices continued to affect consumer spending and overall economic activity. Even as conditions moderated, the persistence of inflation in 2025 underscored its lasting influence on the post-pandemic economy. The below chart using data from the U.S. Bureau of Statistics illustrates the inflation rate from 1981 through 2025, highlighting the recent surge and subsequent moderation following the COVID-19 pandemic.





## UNEMPLOYMENT

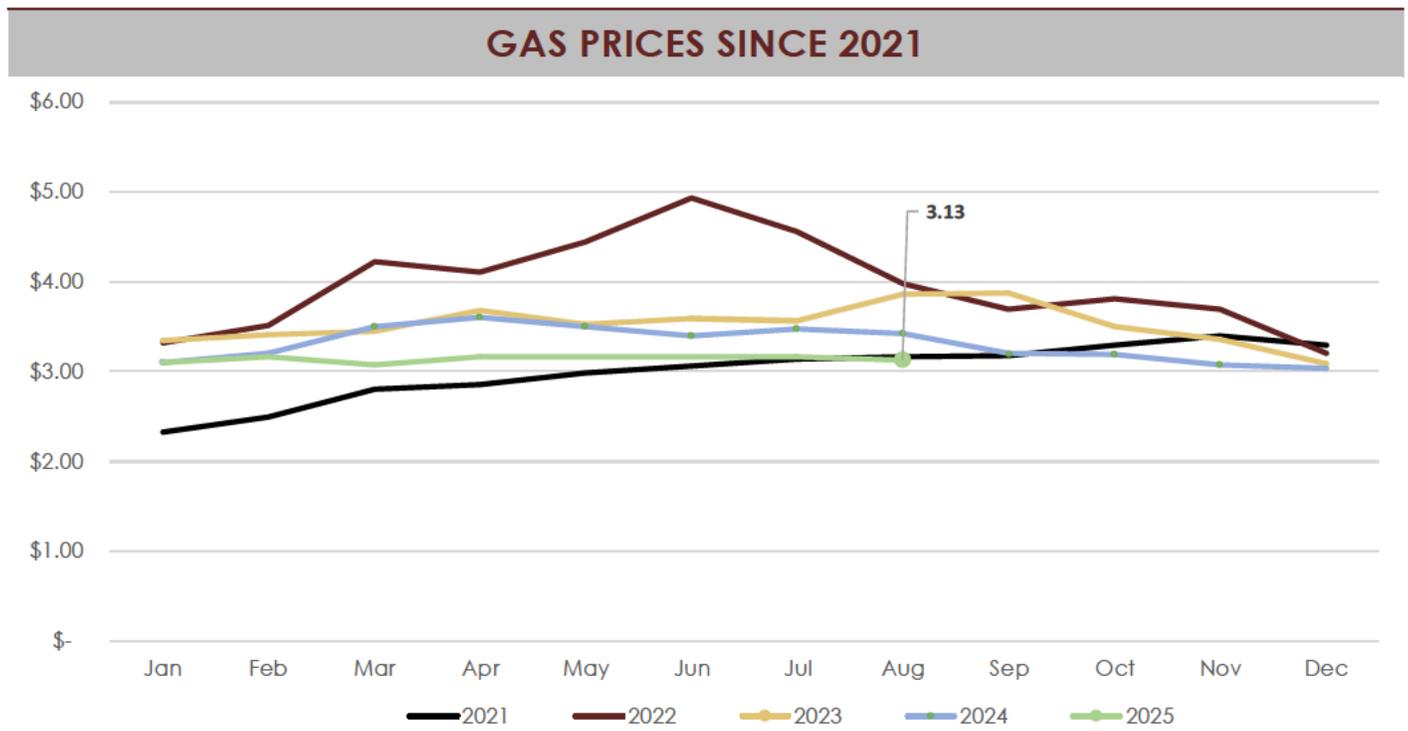
The COVID-19 pandemic accelerated existing trends of slow labor force growth and heightened demand for skilled workers. Unemployment initially spiked in 2020 but steadily declined in the years that followed, returning to pre-pandemic levels by 2023. In 2022, the U.S. labor market experienced one of its strongest years of job growth in decades, led by the leisure and hospitality sector along with professional and business services. Entering 2024 and continuing into 2025, unemployment has remained low by historical standards, holding close to pre-pandemic averages. While the labor market in 2025 remains resilient, many industries continue to face staffing challenges as workers have shifted careers or sought more flexible arrangements. The chart below shows the monthly unemployment rate from August 2022 through 2025.





## GAS PRICES

Since early 2022, the national average gas price has remained above pre-pandemic levels, with periods of both sharp increases and temporary declines. Prices began to ease in 2023 but continued to fluctuate through 2024 and into 2025, showing more stability than in the immediate years following the pandemic. While volatility has moderated, gas prices in 2025 remain elevated compared to pre-pandemic levels and continue to influence transportation costs, consumer spending, and overall economic conditions. The chart below illustrates national average gas prices per gallon over the past five years, highlighting the spikes that followed the pandemic and the more recent patterns of stabilization.



*U.S. Energy Information Administration*

The sharp increase in prices can be attributed in part to the Russia–Ukraine conflict, which disrupted global energy markets as sanctions on Russian oil reshaped supply chains. Additional pressures extended into 2025 as refinery closures during the COVID-19 pandemic and a slower recovery in production continued to affect supply and demand imbalances.

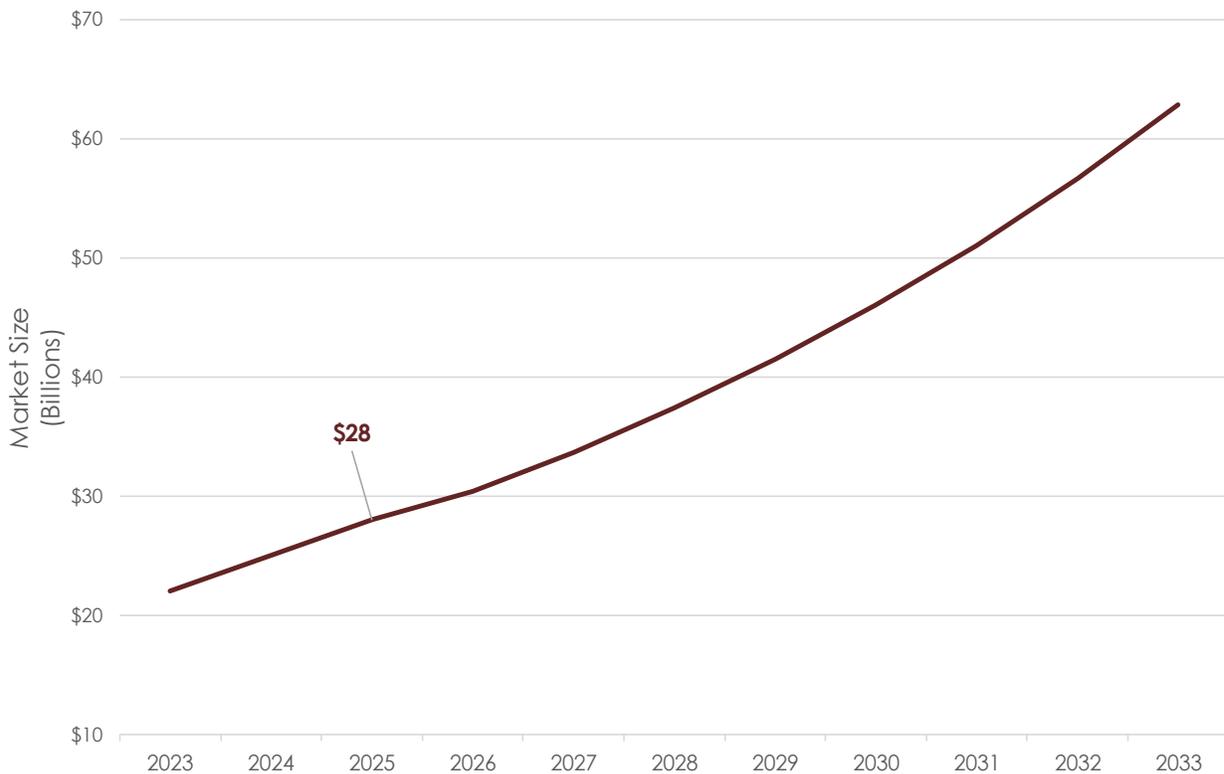
Some reasons for the sharp decreases in prices include inflationary pressures reducing demand, consumers limiting driving due to higher costs, and government measures such as the release of emergency oil reserves. These influences carried into 2025 as prices adjusted, reinforcing the trend of ongoing fluctuations even as conditions stabilized compared to prior years.



## EMERGING TECHNOLOGY

Technological advancements in proptech are transforming commercial real estate operations and influencing property valuations. Smart buildings, equipped with Internet of Things (IoT) and automation, enhance energy efficiency, security, and occupant comfort, increasing their market value. These attributes are highly valued, leading to higher valuations. Proptech solutions create operational efficiencies, reducing costs and errors, and streamlining property management. These efficiencies improve financial performance, making properties more attractive to investors. By automating tasks, these technologies reduce costs and errors, leading to better financial performance and, consequently, higher property valuations.

### U.S. SMART BUILDING MARKET SIZE



Precedence Research

The U.S. smart building market is poised for substantial growth, driven by technological advancements and strategic investments. Key details include:

- 2024 Market Size: Reached USD 24.66 billion.
- 2034 Projection: Expected to grow to USD 68.67 billion.
- Growth Rate: Anticipated CAGR of 10.70% from 2025 to 2034.

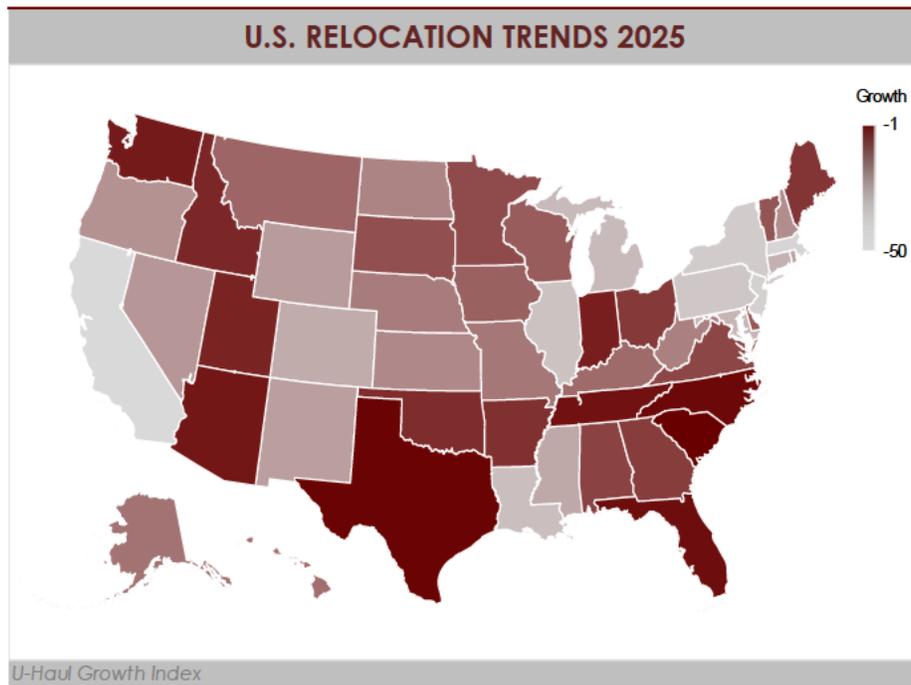




- Regional Share: North America captured a 35% revenue share in 2024.

## RELOCATION TRENDS

Relocation trends between states in the US significantly impact the commercial real estate sector. Population influxes in states like Texas and Florida boost demand for office spaces, retail outlets, and residential developments, leading to higher property values and rental rates. Consequently, developers and investors capitalize on these opportunities by initiating new construction projects or refurbishing existing properties to meet rising demand. States with population outflows, like New York and California, face challenges in the commercial real estate market as dynamics in office, retail, and industrial real estate rapidly evolve.



<b>Office Sector</b>	As companies relocate or downsize, vacancies rise, reducing rental rates and property values. Landlords must innovate leasing strategies or reposition assets to attract and retain tenants.
<b>Retail Sector</b>	Retail real estate growth is slow due to declining population and consumer spending. Property owners need creative approaches to maintain occupancy and attract tenants.
<b>Industrial Sector</b>	Demand for logistics facilities is growing as e-commerce and population increase. Areas with significant population growth are seeing more investment in industrial real estate to support logistics infrastructure.



## CONCLUSION

---

The current economic environment is ever changing. LPA is working diligently to capture and analyze current market data to reliably quantify impacts on real property values, national and regional. As the situation evolves, LPA is committed to monitoring current events and how they impact the commercial real estate market.





## SITE DESCRIPTION

### PHYSICAL

---

#### **Location**

Northeast corner of South Cooper Street and Wimbledon Drive. The physical address associated with the subject is 5001 South Cooper Street, Arlington, Tarrant County, Texas.

#### **Legal Description**

Lot 7R2, Block A. Stephens Addition, , an addition to the City of Arlington, Tarrant County, Texas.

#### **Size / Configuration / Flood Zone**

One (1) parcel totaling 6.597-acres (287,365 SF) and is rectangular in shape with generally level topography and adequate drainage. No flood plain is noted.

#### **Frontage / Accessibility**

The subject's site displays adequate frontage along to support the subject improvements. The subject site is considered to possess ample access to the subject's traffic carrier.

#### **Utilities**

Public water and sewer service are provided by the subject's municipality. According to city officials, these utilities are sufficient for the development in the area. In addition, the city provides fire and police protection along with garbage pick-up. Electrical and natural gas are provided by the region's typical providers. At the present time, all utilities appear to be sufficient for area development patterns.



## LEGAL

---

### Zoning / Restrictions

The subject property is zoned “PD” – Planned Development District. The subject’s zoning classifications provides for a variety of commercial uses including the subject’s use.

It is noted the subject’s use is a **legally conforming use.**

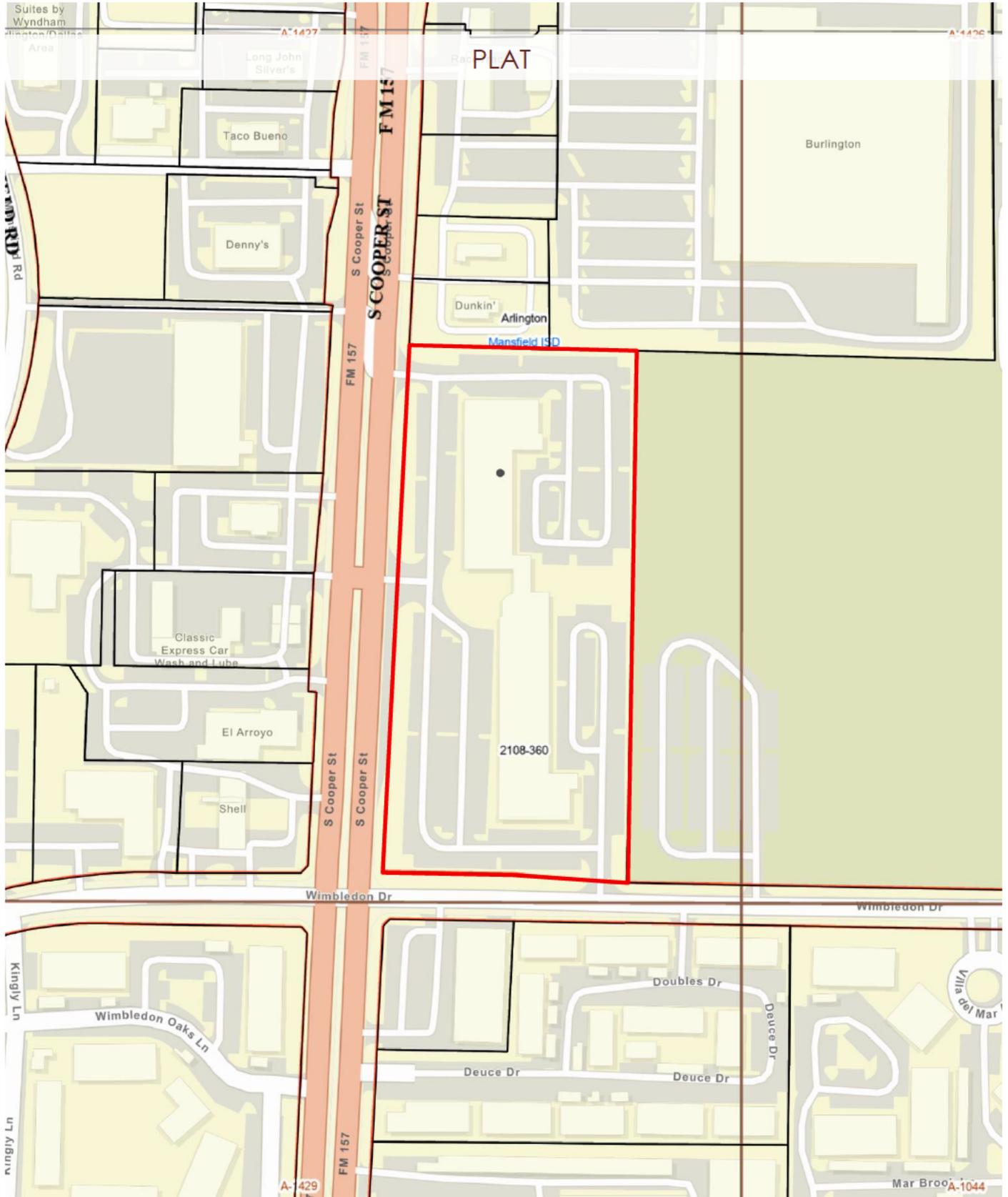
### Easements / Encroachments

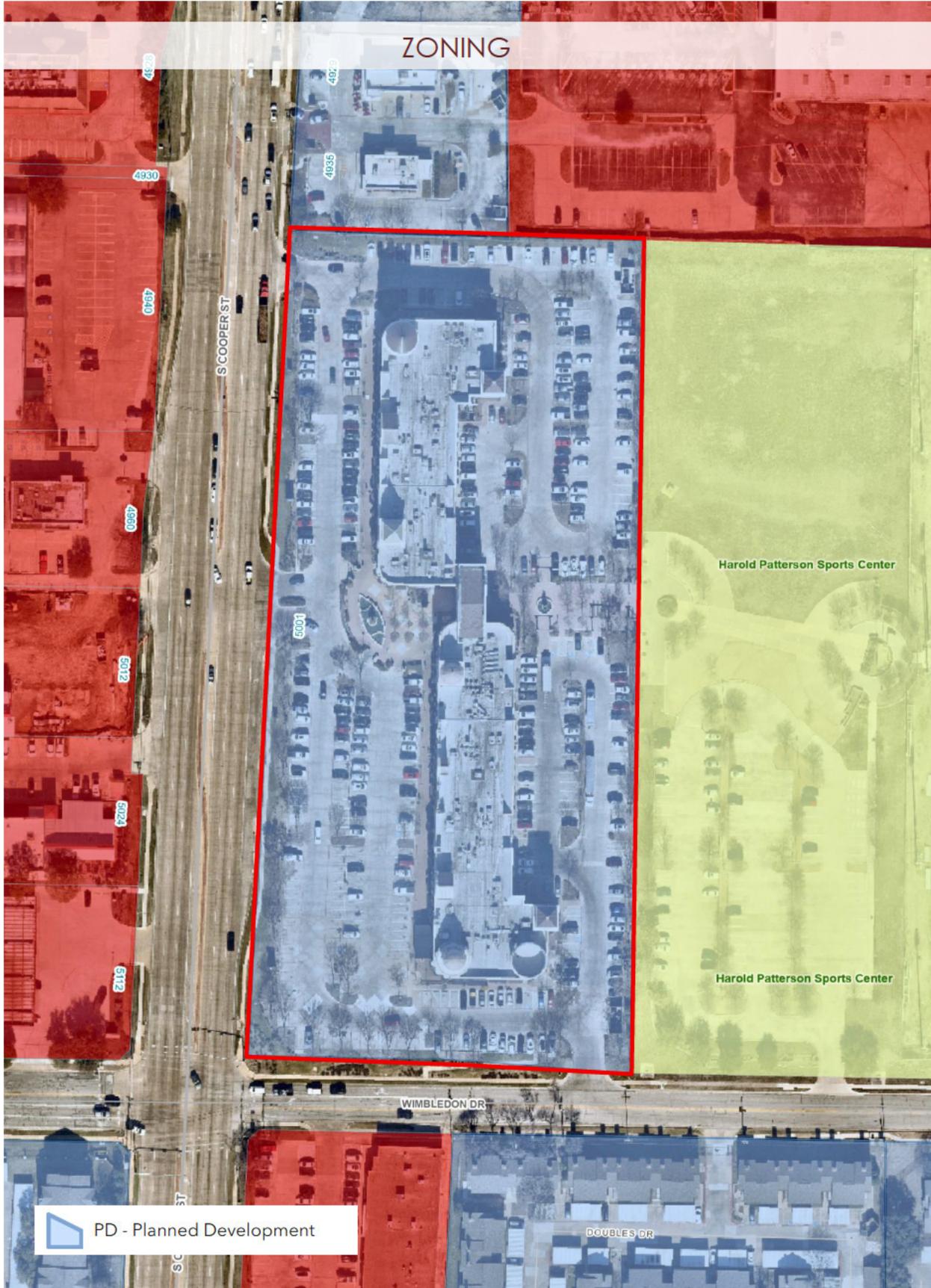
The subject site is encumbered by typical utility easements. Due to the general location of these easements, they are not considered detrimental toward development and/or the site’s overall marketability. No other detrimental easements and/or encroachments were noted upon physical inspection of the subject tract. It should be noted, however, that if a current survey map, or a registered surveyor determines that adverse easements exist, these factors might impact the market value and/or the marketability of the subject property. Therefore, it is assumed that no easements and/or encroachments exist, which would adversely affect the marketability or desirability of the site.

## CONCLUSION

---

Given the physical and legal characteristics, the subject site is capable of being developed with numerous uses.







Map data ©2025 Imagery ©2025 Airbus, Maxar Technologies

<b>MAP DATA</b>		<b>MAP LEGEND</b>		Powered by CoreLogic®
FEMA Special Flood Hazard Area: <b>No</b>		Areas inundated by 500-year flooding	Protected Areas	
Map Number: <b>48439C0345K</b>		Areas inundated by 100-year flooding	Floodway	
Zone: <b>X</b>		Velocity Hazard	Subject Area	
Map Date: <b>September 25, 2009</b>				
FIPS: <b>48439</b>				





## IMPROVEMENTS

Two-story, 97,432 SF, multi-tenant mixed use building of masonry construction with a stone/stucco veneer and a flat built-up roof system. The subject is currently configured for 31 tenants. It is noted that the first floor is configured with 21 retail suites, and the second floor is configured with 10 office suites. The retail suites display an average suite size of 2,272 SF and the office suites display an average suite size of 4,972 SF. The improvements are of good quality construction and are in good condition.



### PROPERTY

Retail Suites	47,711 SF
Office Suites	49,721 SF
<b>Net Leasable Area</b>	<b>97,432 SF (Per provided rent roll)</b>
Years of Construction	2009
Quality of Construction	Good
Condition of Improvements	Good
Land to Building Ratio	2.95:1

### STRUCTURAL

Foundation	Reinforced concrete slab.
Exterior Walls	Stone/Stucco
Roof	Flat
Ceilings	Suspended acoustical ceiling panels throughout.
Floors	The subject is of commercial grade flooring.
Partitions & Wall Finish	Partition walls are framed in wood studs covered with gypsum drywall finish, taped, sanded, painted and textured with various veneers.



HVAC	HVAC is assigned to all areas.
Electrical	All electrical is assumed to comply with city building codes.
Plumbing	Assumed to comply with city building codes.
Site Improvements	Adequate concrete parking/paving and landscaping.

## REMAINING ECONOMIC LIFE

---

### Effective Age

Effective age is defined as "the age indicated by the condition and utility of a structure." (*The Dictionary of Real Estate Appraisal*). Effective age can be greater or less than actual age. Maintenance and remodeling influence the effective age of a structure. Taking into consideration the current condition of the subject improvements, the effective age of the property is considered to be **10 years**.

### Economic Life

Economic life is defined as "the period over which improvements to real property contribute to property value." (*The Dictionary of Real Estate Appraisal*). Generally, economic life and physical life vary, with the economic life of a structure being of shorter duration. Remaining economic life is the number of years remaining in the economic life of a structure, as of the date of the appraisal.

The Marshall Valuation Service rates various types of properties and analyzes them regarding mortality and ages at which major reconstruction and modernization has occurred. Subject property is classified as a Good Class C Retail Shopping Center. Since the effective age has been estimated at 10 years and the total economic life is estimated to be 45 years; the indicated remaining economic life of the structures is **35 years**.



## PROPERTY HISTORY

Ownership of the subject property is currently vested in *Village at Sports Ctr LTD* as evidenced by the county deed records. No real property sale transactions related to the subject have occurred within the three years prior to the date of this appraisal report. The subject is not under contract nor listed for sale.

The subject is a 97,432 SF multi-tenant mixed use building that is currently 97% occupied and is configured into thirty-one (31) total suites. Reader is referred to the *Addendum* for further details regarding specific leases and future rental escalations/reimbursements.

The subject's in-line retail suites display an effective rate of **\$31.61/SF NNN**, which is generally in-line with market. The subject's office suites display an effective rate of **\$17.07/SF NNN**. It is noted that office suites 210, 208, 209, 211, and 205 display gross with base year expense reimbursement lease structures, while the remaining suites are leased on NNN bases. Thus, an adjustment is necessary to conclude a NNN equivalent effective lease rate for comparison with the other subject leases. Per the 2025 operating statement, the subject displays a NNN charge of \$676,678. Therefore, for the purposes of our analysis the NNN charge of \$6.95/SF has been deducted from the gross lease structures base rent herein. It is noted that over base year NNN and utilities/janitorial reimbursements are analyzed in additional income herein.





IN-PLACE RENT ROLL							
Suite	Tenant	Start Date	End Date	Size (SF)	Monthly Rent	Annual Rent	Rent /SF
<b>Retail Suites</b>							
125	Chipotle	Jan-09	Dec-29	2,482	\$7,665.24	\$91,983	\$37.06
121	Skyline Nail & Spa	Jan-10	Dec-25	3,237	\$8,632.00	\$103,584	\$32.00
101	First Watch	Apr-17	May-30	4,595	\$12,636.25	\$151,635	\$33.00
103	Gold Rush	Dec-24	Apr-30	1,637	\$4,092.50	\$49,110	\$30.00
163	Arlington Chop House	Jun-19	Jun-29	2,048	\$5,256.53	\$63,078	\$30.80
117	Sports Clips	Jan-25	Jan-30	1,200	\$3,000.00	\$36,000	\$30.00
115	Cinnaholics	Mar-21	Mar-26	1,547	\$3,609.67	\$43,316	\$28.00
167	Yummilicious Frozen Yogart	Feb-10	Jan-30	1,903	\$4,995.38	\$59,945	\$31.50
173	Ideal Dental	Aug-10	Jul-30	2,154	\$5,415.52	\$64,986	\$30.17
187	Pho 95	Jun-10	May-30	2,601	\$6,844.97	\$82,140	\$31.58
155	Mr Hibachi	Jan-22	Dec-32	5,668	\$16,106.57	\$193,279	\$34.10
159	Frieddaze	Apr-11	Mar-26	1,423	\$3,557.50	\$42,690	\$30.00
183	Greedy's	Mar-22	Sep-29	3,177	\$9,133.88	\$109,607	\$34.50
175	Flavors Wings & Daquires	May-19	Aug-29	2,304	\$5,913.60	\$70,963	\$30.80
111	Nothing Bundt Cakes	Aug-11	Jul-26	1,822	\$4,448.72	\$53,385	\$29.30
109	Baylor Rehabilitation	Sep-16	Jul-26	2,125	\$5,307.19	\$63,686	\$29.97
107	Pokeworks	Jul-23	Jul-30	1,658	\$4,075.92	\$48,911	\$29.50
177	Depil Brazil Waxing	Feb-16	Jun-26	1,562	\$3,514.50	\$42,174	\$27.00
181	Artisan Vapors	Mar-13	Aug-28	1,643	\$3,833.67	\$46,004	\$28.00
171	Jersey Mikes	May-19	May-29	1,466	\$3,616.13	\$43,394	\$29.60
169	Mathnasium	Apr-24	Apr-34	1,459	\$4,007.39	\$48,089	\$32.96
				47,711	\$125,663.11	\$1,507,957	\$31.61
<b>Office Suites</b>							
201	Urology Partners of North Texas	Jun-19	Jul-26	2,567	\$3,422.67	\$41,072	\$16.00
<b>212</b>	<b>Vacant</b>	<b>N/A</b>	<b>N/A</b>	<b>2,798</b>	<b>\$0.00</b>	<b>\$-</b>	<b>\$-</b>
210	LG4 Consulting	Nov-16	Oct-26	670	\$1,011.70	\$12,140	\$18.12
208	MRG Ultrasound	Jan-14	Dec-27	672	\$1,010.80	\$12,130	\$18.05
209	Bryeans and Garcia	Apr-22	Apr-28	1,040	\$1,696.93	\$20,363	\$19.58
211	State Farm Insurance	Dec-16	Dec-29	1,345	\$1,911.02	\$22,932	\$17.05
205	Century 21 Judge Fite	Jul-13	Jun-26	3,030	\$4,196.55	\$50,359	\$16.62
275	Womens Health Services	Dec-16	Apr-34	5,717	\$8,323.00	\$99,876	\$17.47
200,225,250,251,215	Urology Partners of North Texas	Jun-19	Jul-26	30,181	\$42,706.12	\$512,473	\$16.98
206	Urology Partners of North Texas	Nov-24	Jul-26	1,701	\$2,480.63	\$29,768	\$17.50
				46,923	\$66,759.42	\$801,113	\$17.07
<b>TOTAL</b>				<b>97,432</b>			
<b>Vacant</b>				<b>2.9%</b>	<b>2,798</b>		
<b>Occupied</b>				<b>97.1%</b>	<b>\$192,422.54</b>	<b>\$2,309,070</b>	<b>\$24.40</b>
The effective lease rate is considered to be generally in-line with current market conditions.						Effective Lease Rate	<b>\$24.40</b>
Net Leasable Area (SF)							<b>97,432</b>
<b>Potential Gross Rental Income - Actuals</b>							<b>\$2,377,342</b>



# Account: 41416465

## Address: 5001 S COOPER ST

[Export Property Page](#)

### Location

**Address:** [5001 S COOPER ST](#)  
**City:** ARLINGTON  
**Georeference:** [40288--7R2](#)  
**Subdivision:** [STEPHENS, A ADDITION](#)  
**Neighborhood Code:** [RET-](#)  
[Arlington/Centreport General](#)  
**Latitude:** 32.6643873375  
**Longitude:** -97.133415561  
**TAD Map:** 2108-360  
**MAPSCO:** TAR-096T



This map, content, and location of property is provided by Google Services.

### Property Data

**Legal Description:** STEPHENS, A ADDITION Lot 7R2

**Jurisdictions:**

- CITY OF ARLINGTON (024)
- TARRANT COUNTY (220)
- TARRANT COUNTY HOSPITAL (224)
- TARRANT COUNTY COLLEGE (225)
- MANSFIELD ISD (908)

**State Code:** F1

**Year Built:** 2009

**Personal Property Account:** Multi

**Agent:** JAMES A RYFFEL (00246)

**Site Number:** [80873129](#)

**Site Name:** The Village at Sports Center

**Site Class:** RETNBHD - Retail-Neighborhood Shopping Center

**Parcels:** 1

**Primary Building Name:** VILLAGE AT SPORTS CENTER / 41416465

**Primary Building Type:** Commercial

**Gross Building Area<sup>\*\*\*</sup>:** 88,837

**Net Leasable Area<sup>\*\*\*</sup>:** 88,837

**Percent Complete:** 100%

**Land Sqft<sup>\*</sup>:** 287,365

**Land Acres<sup>\*</sup>:** 6.5970

**Pool:** N

**Notice Sent Date:** 4/15/2025

**Notice Value:** \$14,695,417

**Protest Deadline Date:** 5/15/2025

### Owner Information

**Current Owner:**

VILLAGE AT SPORTS CTR LTD

**Primary Owner Address:**

2500 NE GRN OAKS BLVD STE 200  
 ARLINGTON, TX 76006-3000

**Deed Date:** 9/17/2008

**Deed Volume:** 0000000

**Deed Page:** 0000000

**Instrument:** [D208370626](#)





## REAL ESTATE TAXES

The subject property is located in the City of Arlington, Tarrant County, Texas and is taxed based on values established by the county tax assessors. The tax rates are applied to the assessed value of the subject property, and the taxes for the subject property are then estimated. The taxes are estimated per \$100 of assessed value. This property is subject to taxes for the City of Arlington, Mansfield Independent School District, and Tarrant County.

The subject displays a current assessment of \$14,695,417, which is considered favorable; however, is utilized herein.

Taxes for the subject are calculated as follows:

PROPERTY TAX CALCULATION			
Acct #: 41416465			
Authority	Assessed Value	Rate / \$100	Tax Liability
City	\$14,695,417	\$0.5998000	\$88,143
County	\$14,695,417	\$0.4822800	\$70,873
School	\$14,695,417	\$1.1469000	\$168,542
		<b>\$2.2289800</b>	<b>\$327,558</b>



## HIGHEST & BEST USE

The Appraisal Institute defines highest and best use as follows: "The reasonably probable and legal use of vacant land or an improved property, which is physically possible, appropriately supported, financially feasible, and that results in the highest value."

The four criteria the highest and best use must meet are:

PHYSICALLY POSSIBLE		LEGALLY PERMISSIBLE	
1	What uses of the site in question are physically possible?	2	What uses are permitted by zoning and deed restrictions?
FINANCIALLY FEASIBLE		MAXIMALLY PRODUCTIVE	
3	Which possible and permissible uses will produce a net return to the owner of the site?	4	Among the financially feasible uses that are physically possible and legally permissible, which use will produce the highest net return or the highest present worth?

There are two types of highest and best use studies. The first is the highest and best use of the land or site as though vacant. The second is the highest and best use of the property as improved. The highest and best use of land or a site as though vacant assumes that the parcel is vacant or can be made vacant by demolishing any improvements. The question to be answered in this analysis is: If the land is, or were vacant, what use should be made of it?

The highest and best use of a property as improved pertains to the use that should be made of an improved property in light of its improvements. Should it be maintained as it is, or be renovated, expanded, demolished, or partly demolished? Should it be replaced with a different type or intensity of use, or should it be held as an interim use? The improvements should be retained as long as they have some value and the return from the property exceeds the return that would be realized by a new use, after deducting the costs of demolishing the old building and constructing a new one.



## HIGHEST & BEST USE - AS IF VACANT

---

### Physically Possible

The site consists of one (1) parcel totaling 6.597-acres (287,365 SF) and is rectangular in shape. The physical address associated with the subject is 5001 South Cooper Street, Arlington, Tarrant County, Texas. Accessibility to the site is via curb cuts along the traffic carrier. Overall, access is considered average. The property has all necessary utilities in place and is relatively level in regards to topography. The site is primarily surrounded by commercial and residential uses. Access to the subject's neighborhood is considered good due to its location near area primary traffic carriers.

The principle of conformity is an important consideration in determining the physically possible uses of a site. Conformity is the appraisal principle that holds that real property value is created and sustained when the characteristics of a property conform to the demands of its market. The styles and uses of the properties in an area may conform for several reasons, including economic pressures; the shared preferences of owners for certain types of structures, amenities, services; and the enforcement of uniform standards by zoning ordinances.

Based on the subject's physical characteristics and the principle of conformity, the subject site would most likely be developed with commercial use.

### Legally Permissible

As mentioned previously, the subject site is zoned as "PD" – Planned Development District by the subject's municipality. The commercial zoning district provides for a uniform set of standards for development, including parking and building setbacks. According to city officials, the subject is a legal conforming use. Other than zoning, no private deed restrictions were uncovered during a normal investigation, which would further limit the potential uses of the subject site. Nonetheless, a title policy is strongly suggested in order to guarantee the absence of adverse restrictions. No other legal restrictions or covenants were found to be imposed on the subject property at the time of the appraisal, which would further restrict its development. The site's zoning requirements support the physical indication that the site's most probable use, as if vacant, would be for some form of commercial use.

### Financially Feasible and Maximally Productive

The prior consideration of physically possible uses and legally permissible does not significantly narrow the use of the subject property. Based on market data presented in this report, it appears that development is likely feasible.

After considering legal, physical and financial alternatives, it is our opinion that the highest and best use of the subject site, as if vacant, is for a commercial development.





## HIGHEST & BEST USE - AS IMPROVED

---

### **Physically Possible**

The subject property is a 97,432 SF mixed-use building. The subject's improvements are generally in line with similar commercial developments for the area. The improvements and site area create a land-to-building ratio considered reasonable for this type of development. The overall value of the buildings as improved exceeds the value of the property as vacant; therefore, a prudent purchaser would leave the existing improvements intact. Based on this information, the physical possibilities of the subject would be for use as a multi-tenant office/retail building.

### **Legally Permissible**

As previously outlined, the subject site is zoned as "PD" – Planned Development District by the subject's municipality. The commercial zoning district has numerous uses, which include the subject's use as an office/warehouse building. Based upon our inspection of the subject property, it appears that the subject property is in compliance with all of the zoning restrictions. Considering the nature of the area and age of improvements surrounding the subject, a zoning change affecting the subject property is unlikely in the foreseeable future. Other than zoning, no other legal restrictions or covenants were found to be imposed on the subject property at the time of the appraisal, which would further restrict its development. Based on this information, the subject's use conforms to the legal restrictions and further supports the physical indication that the subject's highest and best use is for use as a multi-tenant office/retail building.

### **Financially Feasible and Maximally Productive**

It does appear feasible to construct a speculative multi-tenant office/retail building under current market conditions. Is there another use that would produce a higher return to the property on a long-term basis? In this particular case, it does not appear that there is a reasonable alternative use that could out-perform the subject's use. The use conforms to the surrounding land uses and produces sufficient income to offset all costs of operation (not considering debt service) and return a net profit to the owner. Therefore, it is our opinion that the highest and best use of the site as improved is continued use as a multi-tenant office/retail building.



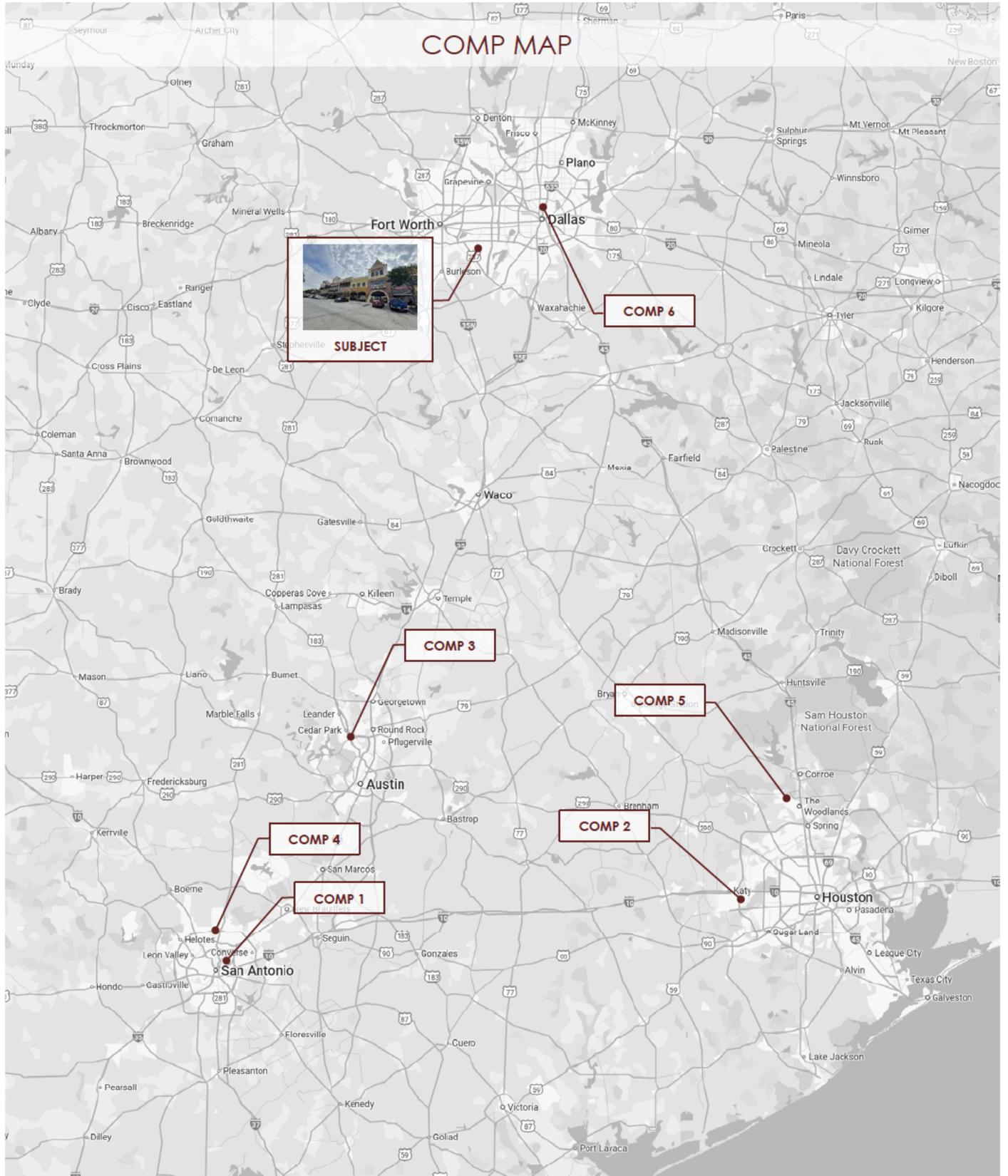
## SALES APPROACH

The principles of real estate appraisal are basic to the sales comparison approach; however, one of the most important is the principle of substitution. "As applied to the sales comparison approach, the principle of substitution holds that the value of a property tends to be set by the price that would be paid to acquire a substitute property of similar utility and desirability."

The sales comparison approach is a method of estimating market value whereby a subject property is compared with comparable properties that have sold recently. One premise of the sales comparison approach is that the market will determine a price for the property being appraised in the same manner that it determines the prices of comparable, competitive properties. Essentially, the sales comparison approach is a systematic procedure for carrying out comparative shopping. As applied to real estate, the comparison is applied to the unique characteristics of the economic good that cause real estate prices to vary.

**NOTE: A larger geographical map has been researched given the unique characteristics of the subject.**







COMPARABLE 1



**PROPERTY IDENTIFICATION**

**Property Type** Mixed Use  
**Address / Location** 5120 Broadway  
 Alamo Heights, Texas

**PHYSICAL DATA**

**Building Type** Mixed Use  
**Constr. Type** Masonry  
**Size (SF)** 53,111  
**Stories** 2  
**Year Built** 1938/1965  
**Condition** Average  
**Land Size (SF)** 89,711  
**Land to Build** 1.69

**SALE DATA**

**Sale Price** **\$19,300,000**  
**Grantor** Stewart Center Inc  
**Grantee** Big Sky Real Property #1 Inc  
**Sale Date** Pending  
**Record Data** Pending  
**Verification** Contract

**INCOME ANALYSIS**

<b>Potential Gross Income</b>	\$1,327,775
<b>Less: Vacancy</b>	-\$66,389
<b>Effective Gross Income</b>	<u>\$1,261,386</u>
<b>Less: Expenses</b>	-\$63,069
<b>Net Operating Income</b>	<u>\$1,198,317</u>

**INDICATORS**

<b>Sale Price / SF</b>	<b>\$363.39</b>
<b>Occupancy (%)</b>	95%
<b>Gross Income Multiplier</b>	14.54
<b>Effective Gross Multiplier</b>	15.30
<b>Expenses / SF</b>	\$(1.19)
<b>Overall Cap Rate</b>	<b>6.21%</b>
<b>NOI / SF</b>	\$22.56

**INPUTS**

<b>Rent / SF</b>	\$25.00
<b>Vacancy (%)</b>	5.00%
<b>OER</b>	5.00%

**COMMENTS**

Property is located on the north corner of Broadway and Cleveland Court. The property is configured for 57 suites. It is noted that the first floor is configured into 12 retail suites and the second floor is configured into 45 executive. The subject was 84.1% occupied by 48 tenants at the time of sale. The first-floor retail suites are leased at an effective rental rate of \$21.51/SF NNN and the second-floor office suites are leased at an effective rental rate of \$20.43/SF Full Service office suites. Income and expenses are based on pro forma.





COMPARABLE 2



**PROPERTY IDENTIFICATION**

**Property Type** Mixed Use  
**Address / Location** 2717 Commercial Center Blvd  
 Katy, Texas

**PHYSICAL DATA**

**Building Type** Mixed Use  
**Constr. Type** Masonry  
**Size (SF)** 70,506  
**Stories** 1  
**Year Built** 2014  
**Condition** Good  
**Land Size (SF)** 173,060  
**Land to Build** 2.45

**SALE DATA**

**Sale Price** **\$27,782,691**  
**Grantor** PR II Lacanterra LP  
**Grantee** Brixmor Lacanterra LLC  
**Sale Date** June 24, 2025  
**Record Data** 2025067938  
**Verification** Costar

**INCOME ANALYSIS**

<b>Potential Gross Income</b>	\$1,974,168
<b>Less: Vacancy</b>	-\$98,708
<b>Effective Gross Income</b>	\$1,875,460
<b>Less: Expenses</b>	-\$93,773
<b>Net Operating Income</b>	\$1,781,687

**INDICATORS**

<b>Sale Price / SF</b>	<b>\$394.05</b>
<b>Occupancy (%)</b>	95%
<b>Gross Income Multiplier</b>	14.07
<b>Effective Gross Multiplier</b>	14.81
<b>Expenses / SF</b>	\$(1.33)
<b>Overall Cap Rate</b>	<b>6.41%</b>
<b>NOI / SF</b>	\$25.27

**INPUTS**

<b>Rent / SF</b>	\$28.00
<b>Vacancy (%)</b>	5.00%
<b>OER</b>	5.00%

**COMMENTS**

Property is located on the east side of Commercial Center Blvd, just north of Westheimer Parkway. Property consists of 50% of second floor office space and 50% of first floor retail space. Income and expenses based on market proforma.





## COMPARABLE 3



## PROPERTY IDENTIFICATION

<b>Property Type</b>	Retail
<b>Address / Location</b>	10900 Lakeline Mall Road & 14005 North Research Boulevard Austin, Texas

## PHYSICAL DATA

<b>Building Type</b>	Retail
<b>Constr. Type</b>	Masonry
<b>Size (SF)</b>	91,049
<b>Stories</b>	1
<b>Year Built</b>	2004
<b>Condition</b>	Good
<b>Land Size (SF)</b>	487,741
<b>Land to Build</b>	11.20

## SALE DATA

<b>Sale Price</b>	<b>\$27,000,000</b>
<b>Grantor</b>	Pebb Autsin LLC
<b>Grantee</b>	Walden Park Station LLC
<b>Sale Date</b>	June 27, 2024
<b>Record Data</b>	2024051074 & 2024051075
<b>Verification</b>	Broker

## INCOME ANALYSIS

<b>Potential Gross Income</b>	\$2,094,127
<b>Less: Vacancy</b>	-\$104,706
<b>Effective Gross Income</b>	\$1,989,421
<b>Less: Expenses</b>	-\$99,471
<b>Net Operating Income</b>	\$1,889,950

## INDICATORS

<b>Sale Price / SF</b>	<b>\$296.54</b>
<b>Occupancy (%)</b>	95%
<b>Gross Income Multiplier</b>	12.89
<b>Effective Gross Multiplier</b>	13.57
<b>Expenses / SF</b>	\$(1.09)
<b>Overall Cap Rate</b>	<b>7.00%</b>
<b>NOI / SF</b>	\$20.76

## INPUTS

<b>Rent / SF</b>	\$23.00
<b>Vacancy (%)</b>	5.00%
<b>OER</b>	5.00%

## COMMENTS

The property is located at the northwest corner of Lakeline Mall Drive and North Lake Creek Drive as well as the east side of Highway 183A. The property includes two strip centers divided by a parcel improved with a shadow anchored *Target*. The property was 98% occupied by tenants including *Home Goods*, *Kirklands*, *Ulta*, *First Watch* and *Massage Envy*. Income and expenses are based on market proforma  
Source: Ben Klimesh 303-260-4319





## COMPARABLE 4



## PROPERTY IDENTIFICATION

<b>Property Type</b>	Retail Center
<b>Address / Location</b>	434 North Loop 1604 West, San Antonio, Texas

## PHYSICAL DATA

<b>Building Type</b>	Retail Center
<b>Constr. Type</b>	Masonry
<b>Size (SF)</b>	74,107
<b>Stories</b>	2
<b>Year Built</b>	2006
<b>Condition</b>	Good
<b>Land Size (SF)</b>	361,984
<b>Land to Build</b>	4.88

## SALE DATA

<b>Sale Price</b>	<b>\$26,250,000</b>
<b>Grantor</b>	Ridge Bluff Partners LTD
<b>Grantee</b>	Fortuna Heritage LLC
<b>Sale Date</b>	November 20, 2023
<b>Record Data</b>	20230212912
<b>Verification</b>	Broker

## INCOME ANALYSIS

<b>Potential Gross Income</b>	\$1,936,942
<b>Less: Vacancy</b>	-\$60,045
<b>Effective Gross Income</b>	\$1,876,897
<b>Less: Expenses</b>	-\$93,845
<b>Net Operating Income</b>	\$1,783,052

## INDICATORS

<b>Sale Price / SF</b>	<b>\$354.22</b>
<b>Occupancy (%)</b>	97%
<b>Gross Income Multiplier</b>	13.55
<b>Effective Gross Multiplier</b>	13.99
<b>Expenses / SF</b>	\$(1.27)
<b>Overall Cap Rate</b>	<b>6.79%</b>
<b>NOI / SF</b>	\$24.06

## INPUTS

<b>Rent / SF</b>	\$26.14
<b>Vacancy (%)</b>	3.10%
<b>OER</b>	5.00%

## COMMENTS

The property is located along the south side of of North Loop 1604 West, east of Blanco Road. The property was 96.9% occupied at the time of sale. The property reportedly sold for \$28,250,000; however, included a *P. Terry's* ground lease site. A capitalized contributory value of \$2,000,000 was deducted from the overall purchase price to account for the contributory value of the ground lease and an adjusted purchase price of \$26,250,000 is utilized herein. Income and vacancy are based on reported NOI and actual vacancy, while expenses are based on market pro-forma.

Source: Ryan Gomez (858) 822-9811





COMPARABLE 5



**PROPERTY IDENTIFICATION**

**Property Type** Retail  
**Address / Location** 525, 535, & 545 Woodland Square  
 Boulevard & 295 & 315 Enclave Drive,  
 Conroe, Texas

**PHYSICAL DATA**

**Building Type** Shopping Center  
**Constr. Type** Masonry  
**Size (SF)** 77,274  
**Stories** 2  
**Year Built** 2018  
**Condition** Excellent  
**Land Size (SF)** 269,088  
**Land to Build** 3.48

**SALE DATA**

**Sale Price** **\$33,236,000**  
**Grantor** Marcel Town Cente LLC  
**Grantee** Town Center WL LLC  
**Sale Date** August 24, 2022  
**Record Data** 106450  
**Verification** Broker

**INCOME ANALYSIS**

<b>Potential Gross Income</b>	\$2,410,949
<b>Less: Vacancy</b>	-\$120,547
<b>Effective Gross Income</b>	\$2,290,401
<b>Less: Expenses</b>	-\$114,520
<b>Net Operating Income</b>	\$2,175,881

**INDICATORS**

<b>Sale Price / SF</b>	<b>\$430.11</b>
<b>Occupancy (%)</b>	95%
<b>Gross Income Multiplier</b>	13.79
<b>Effective Gross Multiplier</b>	14.51
<b>Expenses / SF</b>	\$(1.48)
<b>Overall Cap Rate</b>	<b>6.55%</b>
<b>NOI / SF</b>	\$28.16

**INPUTS**

<b>Rent / SF</b>	\$31.20
<b>Vacancy (%)</b>	5.00%
<b>OER</b>	5.00%

**COMMENTS**

Property is located on the east side of Woodland Square Boulevard, south of Enclave Drive. The property consists of 5 buildings sold together in a portfolio. Consists of various office and retail users. Income and expenses are based on actual reported cap rate of 6.55%. Broker: David Lucas (415) 274-7390





## COMPARABLE 6



## PROPERTY IDENTIFICATION

<b>Property Type</b>	Mixed Use
<b>Address /</b>	3001 Knox Street,
<b>Location</b>	Dallas, Texas

## PHYSICAL DATA

<b>Building Type</b>	Class C Office/Retail Strip Center
<b>Constr. Type</b>	Masonry
<b>Size (SF)</b>	84,360
<b>Stories</b>	4
<b>Year Built</b>	2003
<b>Condition</b>	Good
<b>Land Size (SF)</b>	87,172
<b>Land to Build</b>	1.03

## SALE DATA

<b>Sale Price</b>	<b>\$32,800,000</b>
<b>Grantor</b>	Knox Park Village Dallas, LLC
<b>Grantee</b>	Knox Park Village, LLC
<b>Sale Date</b>	March 14, 2022
<b>Record Data</b>	202200070932
<b>Verification</b>	Broker

## INCOME ANALYSIS

<b>Potential Gross Income</b>	\$2,788,098
<b>Less: Vacancy</b>	-\$501,858
<b>Effective Gross Income</b>	\$2,286,240
<b>Less: Expenses</b>	-\$800,184
<b>Net Operating Income</b>	\$1,486,056

## INDICATORS

<b>Sale Price / SF</b>	<b>\$388.81</b>
<b>Occupancy (%)</b>	82%
<b>Gross Income Multiplier</b>	11.76
<b>Effective Gross Multiplier</b>	14.35
<b>Expenses / SF</b>	\$(9.49)
<b>Overall Cap Rate</b>	<b>4.53%</b>
<b>NOI / SF</b>	\$17.62

## INPUTS

<b>Rent / SF</b>	\$33.05
<b>Vacancy (%)</b>	18.00%
<b>OER</b>	35.00%

## COMMENTS

Property is located on the southwest corner of Knox Street and North Central Expressway. Property displays a retail strip center on the first floor with office space on floors 2-4. Property was 82.0% leased at the time of sale. Income and expenses are based on actual reported cap rate. Broker: Tommy Tucker (214)-960-2887.





## IMPROVED SALES SUMMARY

The market data included in this analysis is considered to be the best available in today's market and to be indicative of current market trends. The following factors were analyzed in determining a final market value for the subject property, via the sales price per square foot method of valuation.

### Property Rights

All comparables were sold as leased fee at market transactions. With respect to this factor, no adjustments were indicated.

### Financing

Financing terms are significant, since cash or financing often influences the consideration paid for a particular property. The transaction price of one property may differ from that of an identical property due to different financing arrangements. All the sales data utilized herein were based on cash to the seller or terms considered to be cash equivalent, therefore, no adjustments for this factor were warranted. It is important to analyze the sales according to cash equivalency, as we are estimating the current market value of the subject property.

### Conditions of Sale

Adjustments for conditions of sale typically reflect the motivations of the buyer and the seller. For example, a buyer may pay more than market value for a property located adjacent to one already owned for assemblage purposes or additional parking. Conversely, a sale may be transacted at below market value because the seller needs cash in a hurry. A financial, business, or family relationship between the parties may also affect the price of the property. When non-market conditions of sale are detected in a transaction, the sale must be adjusted accordingly. With respect to this factor, no adjustments were indicated.

### Market Conditions

Each of the previous sales have been given consideration for the lapse of time between the date of sale and the effective date of this appraisal. Sales that occur at times with inferior market conditions warrant upward adjustments to account for value gains, while sales that occur at times of superior market conditions warrant downward adjustments to account for value losses; sales that occur at times with relatively similar market conditions warrant no adjustment as overall values have remained relatively stable. With respect to this factor, Comparables 5 and 6 indicate downward adjustment for favorable market conditions.

### Location

The locational attributes considered to have primary influence within the subject area include frontage on and accessibility to major traffic arteries, visibility or exposure to major streams of traffic, and proximity to existing development. With respect to this factor, Comparables 1, 2, and 6 indicate downward adjustments for their superior overall locations.





### **Quality / Condition**

The overall site characteristics of each sale have been compared to the subject site. These include traits such as type of construction, age of building, physical features, and overall condition of property. With respect to this factor, Comparables 1 and 3 indicate upward adjustments for their inferior overall condition and/or age. Comparables 2 and 5 indicate downward adjustments for their superior overall condition and/or age.

### **Size**

Size is a factor that must be considered when comparing comparables. Typically, but not always, larger comparables sell for a lower unit value and, therefore, when making comparisons on a unit basis, the larger comparable tends to be adjusted upward and the smaller comparable tends to be adjusted downward to accurately reflect the difference. With respect to this factor, materially larger improvements are adjusted upward accordingly, and materially smaller improvements are adjusted downward accordingly.

### **Land to Building**

The appraisers have also given consideration to the land to building ratio associated with the subject property in comparison to the available market data. With respect to this factor, materially larger land to building ratios were adjusted downward accordingly and materially smaller land to building ratios were adjusted upward accordingly.



## CONCLUSION

In the final analysis of the subject property, similar weight was given to all of the sales. The following is the adjustment table with the concluded value via the Sales Approach.

	SUBJECT	1	2	3	4	5	6
Date	<b>Current</b>	Pending	Jun-25	Jun-24	Nov-23	Aug-22	Mar-22
Sale Price		\$19,300,000	\$27,782,691	\$27,000,000	\$26,250,000	\$33,236,000	\$32,800,000
SIZE - SF	<b>97,432</b>	53,111	70,506	91,049	74,107	77,274	84,360
Unit Price		<b>\$363.39</b>	<b>\$394.05</b>	<b>\$296.54</b>	<b>\$354.22</b>	<b>\$430.11</b>	<b>\$388.81</b>
<b>TRANSACTION</b>							
Property Rights	<b>Leased Fee</b>	Similar 0% \$363.39	Similar 0% \$394.05	Similar 0% \$296.54	Similar 0% \$354.22	Similar 0% \$430.11	Similar 0% \$388.81
Financing Terms	<b>Cash</b>	Similar 0% \$363.39	Similar 0% \$394.05	Similar 0% \$296.54	Similar 0% \$354.22	Similar 0% \$430.11	Similar 0% \$388.81
Conditions of Sale	<b>Arm's Length</b>	Similar 0% \$363.39	Similar 0% \$394.05	Similar 0% \$296.54	Similar 0% \$354.22	Similar 0% \$430.11	Similar 0% \$388.81
Market Conditions	<b>Current</b>	Pending 0% \$363.39	Jun-25 0% \$394.05	Jun-24 0% \$296.54	Nov-23 0% \$354.22	Aug-22 -5% \$408.60	Mar-22 -5% \$369.37
<b>PROPERTY</b>							
Location	<b>Average</b>	Superior -5%	Superior -5%	Similar 0%	Similar 0%	Similar 0%	Superior -10%
Quality / Condition	<b>Good</b>	Inferior 5%	Superior -5%	Inferior 5%	Similar 0%	Superior -10%	Similar 0%
Size - SF	<b>97,432</b>	53,111 -8%	70,506 -5%	91,049 0%	74,107 -5%	77,274 0%	84,360 0%
Land-to-Building	<b>2.95</b>	1.69 0%	2.45 0%	11.20 -5%	4.88 0%	3.48 0%	1.03 0%
Total Adjustment		-8%	-15%	0%	-5%	-10%	-10%
Adjusted \$ / SF		<b>\$334.32</b>	<b>\$334.94</b>	<b>\$296.54</b>	<b>\$336.51</b>	<b>\$367.74</b>	<b>\$332.43</b>
<b>Adjusted Mean \$ / SF</b>							<b>\$333.75</b>
<b>A value generally in-line with the mean is concluded.</b>						Concluded Unit Value	<b>\$334.00</b>
Improvement Size (SF)							<b>97,432</b>
Value Indication "As Is"							<b>\$32,542,288</b>
<b>Concluded Value - "As Is"</b>							<b>\$32,550,000</b>





## INCOME APPROACH

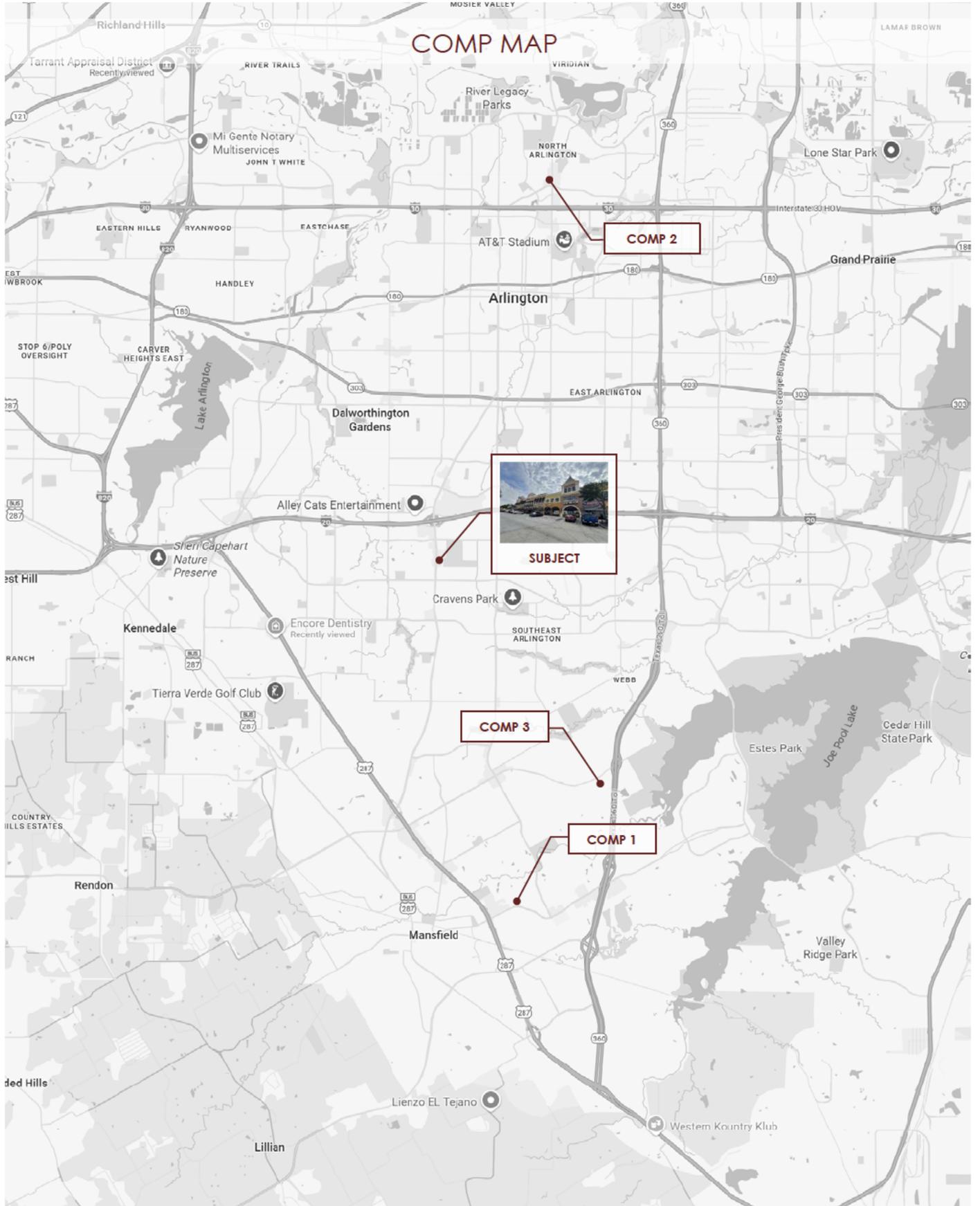
The principle of anticipation is fundamental to the income approach. Because value is created by the expectation of benefits to be derived in the future, value may be defined as the present worth of all rights to these future benefits. All income capitalization methods, techniques, and procedures attempt to forecast future benefits and estimate their present value." Although the principle of anticipation is essential to this approach, the principle of substitution is also very important. This principle may be used to test the validity of the approach and the reliability of the assumptions and data used in its application.

"Income-producing real estate is typically purchased as an investment, and from the investor's point of view earning power is the critical element affecting property value. One basic investment premise is that the higher the earnings, the higher the value. An investor who purchases income-producing real estate is essentially trading present dollars for the right to receive future dollars. The income capitalization approach to value consists of methods, techniques, and mathematical procedures that an appraiser uses to analyze a property's capacity to generate benefits (i.e., usually the monetary benefits of income and reversion) and convert these benefits into an indication of present value." (*The Appraisal of Real Estate, Appraisal Institute*).



## RETAIL SUITES







COMPARABLE 1



**PROPERTY IDENTIFICATION**

**Property Type** Retail  
**Address / Location** 1831 E Broad Street,  
 Mansfield, Texas

**GENERAL LEASE DATA**

**Tenant Structure** Multiple  
**Lease Term** Negotiable  
**Expense Structure** NNN

**PHYSICAL DATA**

**Rentable SF** 16,384  
**Constr. Type** Masonry  
**Stories** 1  
**Year Built** 2009  
**Condition** Good  
**Occupancy** 100.0%

**LEASE ANALYSIS**

**Suite Size (SF)** 3,000  
**Actual Rent / SF** **\$35.00**  
**Tenant Type** Retail  
**Verification** Broker

**COMMENTS**

A 3,000 SF suite was leased in December 2024 for \$35.00/SF NNN for a negotiable term.  
 Broker: Cody Johnson 214-696-6677





COMPARABLE 2



**PROPERTY IDENTIFICATION**

**Property Type** Retail  
**Address / Location** 2111-2131 N Collins Street,  
 Arlington, Texas

**GENERAL LEASE DATA**

**Tenant Structure** Multiple  
**Lease Term** Negotiable  
**Expense Structure** NNN

**PHYSICAL DATA**

**Rentable SF** 16,384  
**Constr. Type** Masonry  
**Stories** 1  
**Year Built** 1987 / 1991  
**Condition** Average  
**Occupancy** 100.0%

**LEASE ANALYSIS**

**Suite Size (SF)** 2,160  
**Actual Rent / SF** **\$29.00**  
**Tenant Type** Retail  
**Verification** Broker

**COMMENTS**

A 2,160 SF suite was leased in May 2025 for \$29.00/SF NNN for a negotiable term.  
 Broker: Ashely Selers 513-633-0723



COMPARABLE 3



**PROPERTY IDENTIFICATION**

**Property Type** Retail  
**Address / Location** 1450 Debbie Lane,  
Arlington, Texas

**GENERAL LEASE DATA**

**Tenant Structure** Multiple  
**Lease Term** Negotiable  
**Expense Structure** NNN

**PHYSICAL DATA**

**Rentable SF** 12,900  
**Constr. Type** Masonry  
**Stories** 1  
**Year Built** 2017  
**Condition** Good  
**Occupancy** 100.0%

**LEASE ANALYSIS**

**Suite Size (SF)** 3,000  
**Actual Rent / SF** **\$32.00**  
**Tenant Type** Retail  
**Verification** Broker

**COMMENTS**

A 3,000 SF suite was leased in July 2025 for \$32.00/SF NNN for a negotiable term.  
Broker: Ethan Wiley 817-680-7240



## MARKET RENT SUMMARY & ANALYSIS

According to the properties surveyed and listed above, as well as information provided by local brokers, market lease rates for space in similar locations as that of the subject.

TRIPLE NET LEASE	GROSS LEASE	FULL SERVICE LEASE
<p>1</p> <p>Lessee (tenant) is responsible for a pro-rate share of all operating expenses related to common area maintenance (CAM), exterior and structural maintenance, insurance and real estate taxes. Specific details vary according to the lease agreement provisions and local market perceptions.</p>	<p>2</p> <p>A lease in which the tenant pays stipulated rent and in addition, pays for utilities and typically some maintenance; landlord is responsible for all property taxes and general insurance expenses.</p>	<p>3</p> <p>A lease in which the landlord receives stipulated rent and is obligated to pay all of the operating expenses including janitorial, utilities and others; details vary by property manager.</p>

A triple-net lease will typically, but not always indicate a lower market rent as compared to lease structured on a gross basis. This is because fewer expenses are passed through to the landlord. Moreover, a gross lease will command a higher rental rate compared to a NNN lease as nearly all expenses are included in the rental rate of a gross lease. A full-service lease will typically, but not always, indicate a higher market rent as compared to lease structured on a gross basis. This is due to the higher expenses incurred by the landlord to operate the property encumbered by a full-service lease. Moreover, a gross lease will command a lower rental rate compared to a full-service lease as the tenant has to pay the utility expenses, in addition to the required rent.



## RENT ADJUSTMENT SUMMARY

The market data included in this analysis is considered to be the best available in today's market and to be indicative of current market trends. The following factors were analyzed in determining a final market value for the subject property, via the income approach to valuation. The following criteria and subsequent adjustment grid have been implemented in order to reconcile the quality and quantity of the data available and analyzed within this approach to value.

### Lease Structure

A full service lease will typically, but not always, indicate a higher market rent as compared to lease structured on a gross basis. This is due to the higher expenses incurred by the landlord to operate the property encumbered by a full service lease. Moreover, a gross lease will command a lower rental rate compared to a full service lease as the tenant has to pay the utility expenses, in addition to the required rent. With respect to this factor, no adjustments were indicated.

### Location

Differences in value occur due to varying degrees of accessibility, exposure and surrounding development to a site. Access is often determined by corner locations, natural barriers, ease of entrance on and off of major thoroughfares, etc. Surrounding development also plays an important part of locational influences for a property. With respect to this factor, Comparable 1 indicates an upward adjustment for its inferior overall location.

### Quality / Condition

The overall site characteristics of each sale have been compared to the subject site. These include traits such as type of construction, age of building, physical features, and overall condition of property. With respect to this factor, Comparables 1 and 3 indicate downward adjustments for their superior overall condition. Comparable 2 indicates an upward adjustment for its inferior overall condition.

### Suite Size

Size is a factor that must be considered when comparing property improvements. Typically, but not always, larger improvements sell for a lower unit value and, therefore, when making comparisons on a unit basis such as price per square foot, the larger improvement must be adjusted upward, and the smaller improvement must be adjusted downward to accurately reflect the difference. With respect to this factor, materially larger improvements were adjusted upward accordingly, and materially smaller improvements were adjusted downward accordingly. **NOTE: We have utilized the average suite size of 2,272 SF.**





**POTENTIAL GROSS RENTAL INCOME – RETAIL SUITES**

**Market Rents**

In this analysis of the subject property, similar weight was given to all of the comparables. The following criteria and subsequent adjustment grid have been implemented in order to reconcile the quality and quantity of the data available and analyzed within this approach to value.

	SUBJECT	1	2	3
Condition	<b>Good</b>	Superior	Inferior	Superior
Suite - Size (SF)	<b>2,272</b>	3,000	2,160	3,000
Annual Rent / SF		<b>\$35.00</b>	<b>\$29.00</b>	<b>\$32.00</b>
<b>LEASE</b>				
Lease Structure	<b>NNN</b>	NNN 0%	NNN 0%	NNN 0%
		<b>\$35.00</b>	<b>\$29.00</b>	<b>\$32.00</b>
<b>PROPERTY</b>				
Location	<b>Average</b>	Similar 0%	Similar 0%	Inferior 5%
Quality/Condition	<b>Good</b>	Superior -5%	Inferior 10%	Superior -10%
Suite Size - SF	<b>2,272</b>	3,000 0%	2,160 0%	3,000 0%
Total Adjustment		-5%	10%	-5%
Adjusted Rent / SF		<b>\$33.25</b>	<b>\$31.90</b>	<b>\$30.40</b>
<b>Adjusted Mean Rent / SF</b>				<b>\$31.85</b>

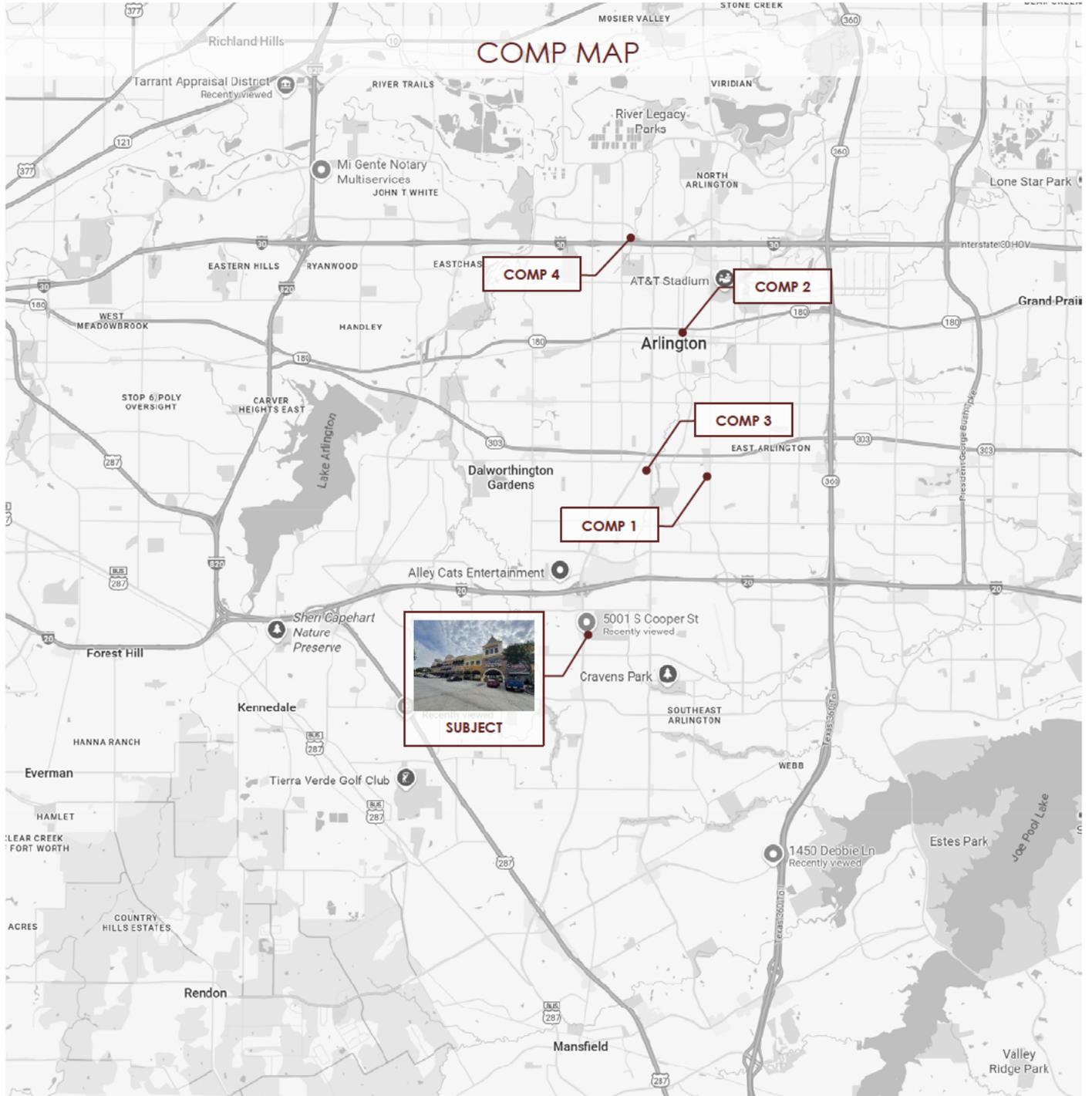
**CONCLUSION**

The retail suites are currently 100% leased at an effective rate of **\$31.61/SF NNN**, which is generally in-line with market. The current lease rates are considered reasonable and utilized herein.



## OFFICE SUITES







COMPARABLE 1



**PROPERTY IDENTIFICATION**

**Property Type** Office  
**Address / Location** 2440-2442 S Collins St,  
 Arlington, Texas

**GENERAL LEASE DATA**

**Tenant Structure** Multiple  
**Lease Term** Neogtiable  
**Expense Structure** NNN

**PHYSICAL DATA**

**Rentable SF** 28,000  
**Constr. Type** Masonry  
**Stories** 1  
**Year Built** 1986  
**Condition** Average  
**Occupancy** 100.0%

**LEASE ANALYSIS**

**Suite Size (SF)** 2,530  
**Actual Rent / SF** **\$17.00**  
**Tenant Type** Medical  
**Verification** Broker

**COMMENTS**

A 2,530 SF suite leased in June 2025 to a medical tenant for \$17.00/SF NNN.  
 Source: Mimi Tran 817-682-7501



COMPARABLE 2



**PROPERTY IDENTIFICATION**

**Property Type** Office  
**Address / Location** 255 N Center Street,  
 Arlington, Texas

**GENERAL LEASE DATA**

**Tenant Structure** Multiple  
**Lease Term** 3 Years  
**Expense Structure** MG

**PHYSICAL DATA**

**Rentable SF** 15,275  
**Constr. Type** Masonry  
**Stories** 1  
**Year Built** 1928 / 2008 Reno  
**Condition** Good  
**Occupancy** 100.0%

**LEASE ANALYSIS**

**Suite Size (SF)** 5,514  
**Actual Rent / SF** **\$21.00**  
**Tenant Type** Office  
**Verification** Broker

**COMMENTS**

A 5,514 SF suite leased in September 2024 for \$21.00/SF Modified Gross.  
 Broker: Renee Guy-Efimoff 817-435-8345





COMPARABLE 3



**PROPERTY IDENTIFICATION**

**Property Type** Office  
**Address / Location** 701 Secretary Drive,  
 Arlington, Texas

**GENERAL LEASE DATA**

**Tenant Structure** Multiple  
**Lease Term** Negotiable  
**Expense Structure** NNN

**PHYSICAL DATA**

**Rentable SF** 3,250  
**Constr. Type** Masonry  
**Stories** 1  
**Year Built** 2017  
**Condition** Excellent  
**Occupancy** 100.0%

**LEASE ANALYSIS**

**Suite Size (SF)** 3,250  
**Actual Rent / SF** **\$20.00**  
**Tenant Type** Medical  
**Verification** Broker

**COMMENTS**

A 3,250 SF suite leased in February 2024 for \$20.00/SF NNN.  
 Broker: Jason Harrell 817-259-3545



COMPARABLE 4



**PROPERTY IDENTIFICATION**

**Property Type** Office  
**Address / Location** 2304 W Interstate 20  
 Arlington, Texas

**GENERAL LEASE DATA**

**Tenant Structure** Multiple  
**Lease Term** 3 Years  
**Expense Structure** MG

**PHYSICAL DATA**

**Rentable SF** 22,008  
**Constr. Type** Masonry  
**Stories** 1  
**Year Built** 2000  
**Condition** Average  
**Occupancy** 100.0%

**LEASE ANALYSIS**

**Suite Size (SF)** 2,401  
**Actual Rent / SF** **\$23.00**  
**Tenant Type** Office  
**Verification** Broker

**COMMENTS**

A 2,401 SF suite leased n August 2023 for \$23.00/SF Modified Gross.  
 Broker: Eric English 817-860-0074



## MARKET RENT SUMMARY & ANALYSIS

According to the properties surveyed and listed above, as well as information provided by local brokers, market lease rates for space in similar locations as that of the subject.

TRIPLE NET LEASE	GROSS LEASE	FULL SERVICE LEASE
<p>1</p> <p>Lessee (tenant) is responsible for a pro-rate share of all operating expenses related to common area maintenance (CAM), exterior and structural maintenance, insurance and real estate taxes. Specific details vary according to the lease agreement provisions and local market perceptions.</p>	<p>2</p> <p>A lease in which the tenant pays stipulated rent and in addition, pays for utilities and typically some maintenance; landlord is responsible for all property taxes and general insurance expenses.</p>	<p>3</p> <p>A lease in which the landlord receives stipulated rent and is obligated to pay all of the operating expenses including janitorial, utilities and others; details vary by property manager.</p>

A triple-net lease will typically, but not always indicate a lower market rent as compared to lease structured on a gross basis. This is because fewer expenses are passed through to the landlord. Moreover, a gross lease will command a higher rental rate compared to a NNN lease as nearly all expenses are included in the rental rate of a gross lease. A full-service lease will typically, but not always, indicate a higher market rent as compared to lease structured on a gross basis. This is due to the higher expenses incurred by the landlord to operate the property encumbered by a full-service lease. Moreover, a gross lease will command a lower rental rate compared to a full-service lease as the tenant has to pay the utility expenses, in addition to the required rent.



## RENT ADJUSTMENT SUMMARY

The market data included in this analysis is considered to be the best available in today's market and to be indicative of current market trends. The following factors were analyzed in determining a final market value for the subject property, via the income approach to valuation. The following criteria and subsequent adjustment grid have been implemented in order to reconcile the quality and quantity of the data available and analyzed within this approach to value.

### Lease Structure

A full service lease will typically, but not always, indicate a higher market rent as compared to lease structured on a gross basis. This is due to the higher expenses incurred by the landlord to operate the property encumbered by a full service lease. Moreover, a gross lease will command a lower rental rate compared to a full service lease as the tenant has to pay the utility expenses, in addition to the required rent. With respect to this factor, Comparables 2 and 4 indicate downward adjustments for their Modified Gross lease structures.

### Location

Differences in value occur due to varying degrees of accessibility, exposure and surrounding development to a site. Access is often determined by corner locations, natural barriers, ease of entrance on and off of major thoroughfares, etc. Surrounding development also plays an important part of locational influences for a property. With respect to this factor, Comparable 2 indicates a downward adjustment for its superior overall location and surrounding development.

### Quality / Condition

The overall site characteristics of each sale have been compared to the subject site. These include traits such as type of construction, age of building, physical features, and overall condition of property. With respect to this factor, Comparables 1, 2, and 4 indicated upward adjustments for being of inferior condition as compared to the subject. Comparable 3 indicates a downward adjustment for its superior overall condition.

### Suite Size

Size is a factor that must be considered when comparing property improvements. Typically, but not always, larger improvements sell for a lower unit value and, therefore, when making comparisons on a unit basis such as price per square foot, the larger improvement must be adjusted upward, and the smaller improvement must be adjusted downward to accurately reflect the difference. With respect to this factor, materially larger improvements were adjusted upward accordingly, and materially smaller improvements were adjusted downward accordingly. **NOTE: We have utilized the average office suite size of 4,972 SF.**





**POTENTIAL GROSS RENTAL INCOME – OFFICE SUITES**

**Market Rents**

In this analysis of the subject property, similar weight was given to all of the comparables. The following criteria and subsequent adjustment grid have been implemented in order to reconcile the quality and quantity of the data available and analyzed within this approach to value.

	SUBJECT	1	2	3	4
Condition	<b>Good</b>	Inferior	Inferior	Superior	Inferior
Size (SF)	<b>4,972</b>	2,530	5,514	3,250	2,401
Annual Rent / SF		<b>\$17.00</b>	<b>\$21.00</b>	<b>\$20.00</b>	<b>\$23.00</b>

**LEASE ADJUSTMENTS**

Lease Structure	<b>NNN</b>	NNN 0%	Modified Gross -20%	NNN 0%	Modified Gross -20%
		<b>\$17.00</b>	<b>\$16.80</b>	<b>\$20.00</b>	<b>\$18.40</b>

**PROPERTY ADJUSTMENTS**

Location	<b>Average</b>	Similar 0%	Superior -5%	Similar 0%	Similar 0%
Quality/Condition	<b>Good</b>	Inferior 10%	Inferior 5%	Superior -10%	Inferior 5%
Size - SF	<b>4,972</b>	2,530 -10%	5,514 0%	3,250 -5%	2,401 -10%
Total Adjustment		0%	0%	-15%	-5%
Adjusted Rent / SF		<b>\$17.00</b>	<b>\$16.80</b>	<b>\$17.00</b>	<b>\$17.48</b>
<b>Adjusted Mean Rent / SF</b>					<b>\$17.07</b>

**CONCLUSION**

The office suites are currently leased at an effective rate of **\$17.07/SF NNN**, which is generally in-line with market. The current lease rates are considered reasonable and utilized herein.





## OVERALL FINANCIAL ANALYSIS





## CONCLUSION – POTENTIAL GROSS RENTAL INCOME

For purposes of this analysis, the in-place rental rates for the retail suites and office suites are considered reasonable and well supported by the market. The market supported rates are considered for the vacant suites herein. Potential gross income is broken down as follows:

IN-PLACE RENT ROLL							
Suite	Tenant	Start Date	End Date	Size (SF)	Monthly Rent	Annual Rent	Rent /SF
Retail Suites							
125	Chipotle	Jan-09	Dec-29	2,482	\$7,665.24	\$91,983	\$37.06
121	Skyline Nail & Spa	Jan-10	Dec-25	3,237	\$8,632.00	\$103,584	\$32.00
101	First Watch	Apr-17	May-30	4,595	\$12,636.25	\$151,635	\$33.00
103	Gold Rush	Dec-24	Apr-30	1,637	\$4,092.50	\$49,110	\$30.00
163	Arlington Chop House	Jun-19	Jun-29	2,048	\$5,256.53	\$63,078	\$30.80
117	Sports Clips	Jan-25	Jan-30	1,200	\$3,000.00	\$36,000	\$30.00
115	Cinnaholics	Mar-21	Mar-26	1,547	\$3,609.67	\$43,316	\$28.00
167	Yummilicious Frozen Yogart	Feb-10	Jan-30	1,903	\$4,995.38	\$59,945	\$31.50
173	Ideal Dental	Aug-10	Jul-30	2,154	\$5,415.52	\$64,986	\$30.17
187	Pho 95	Jun-10	May-30	2,601	\$6,844.97	\$82,140	\$31.58
155	Mr Hibachi	Jan-22	Dec-32	5,668	\$16,106.57	\$193,279	\$34.10
159	Frieddaze	Apr-11	Mar-26	1,423	\$3,557.50	\$42,690	\$30.00
183	Greedy's	Mar-22	Sep-29	3,177	\$9,133.88	\$109,607	\$34.50
175	Flavors Wings & Daquires	May-19	Aug-29	2,304	\$5,913.60	\$70,963	\$30.80
111	Nothing Bundt Cakes	Aug-11	Jul-26	1,822	\$4,448.72	\$53,385	\$29.30
109	Baylor Rehabilitation	Sep-16	Jul-26	2,125	\$5,307.19	\$63,686	\$29.97
107	Pokeworks	Jul-23	Jul-30	1,658	\$4,075.92	\$48,911	\$29.50
177	Depil Brazil Waxing	Feb-16	Jun-26	1,562	\$3,514.50	\$42,174	\$27.00
181	Artisan V apors	Mar-13	Aug-28	1,643	\$3,833.67	\$46,004	\$28.00
171	Jersey Mikes	May-19	May-29	1,466	\$3,616.13	\$43,394	\$29.60
169	Mathnasium	Apr-24	Apr-34	1,459	\$4,007.39	\$48,089	\$32.96
				47,711	\$125,663.11	\$1,507,957	\$31.61
Office Suites							
201	Urology Partners of North Texas	Jun-19	Jul-26	2,567	\$3,422.67	\$41,072	\$16.00
212	Spec	N/A	N/A	2,798	\$3,980.16	\$47,762	\$17.07
210	LG4 Consulting	Nov-16	Oct-26	670	\$1,011.70	\$12,140	\$18.12
208	MRG Ultrasound	Jan-14	Dec-27	672	\$1,010.80	\$12,130	\$18.05
209	Bryeans and Garcia	Apr-22	Apr-28	1,040	\$1,696.93	\$20,363	\$19.58
211	State Farm Insurance	Dec-16	Dec-29	1,345	\$1,911.02	\$22,932	\$17.05
205	Century 21 Judge Fite	Jul-13	Jun-26	3,030	\$4,196.55	\$50,359	\$16.62
275	Womens Health Services	Dec-16	Apr-34	5,717	\$8,323.00	\$99,876	\$17.47
200,225,250,251,215	Urology Partners of North Texas	Jun-19	Jul-26	30,181	\$42,706.12	\$512,473	\$16.98
206	Urology Partners of North Texas	Nov-24	Jul-26	1,701	\$2,480.63	\$29,768	\$17.50
				49,721	\$70,739.58	\$848,875	\$17.07
<b>TOTAL</b>				97,432			
<b>Vacant</b>				<b>0</b>			
<b>Occupied</b>				<b>97,432</b>	<b>\$196,402.69</b>	<b>\$2,356,832</b>	<b>\$24.19</b>
The effective lease rate is considered to be generally in-line with current market conditions.						Effective Lease Rate	<b>\$24.19</b>
Net Leasable Area (SF)							<b>97,432</b>
<b>Potential Gross Rental Income - Actuals</b>							<b>\$2,356,832</b>



## FINANCIAL ANALYSIS

### Additional Income

The subject receives additional income from over base year NNN charges, utilities, and janitorial services. Per the provided historical expenses, an additional income of +/- \$200,000 has been utilized herein.

### Reimbursable Income

This item represents the subject's expenses which will be collected from the tenant by the landlord. The projected property taxes previously estimated in this report are considered reasonable, as well as common area maintenance, insurance, which are detailed below. The total annual reimbursement is indicated by the sum of these expenses in the pro forma income statement herein.

### Vacancy / Collection Loss

Vacancy and collection must be deducted from the Gross Annual Income to derive the Effective Gross Income. Based on the market analysis included herein, the subject's immediate market area is trending toward an occupancy rate of +/- 95%. Therefore, a **5%** vacancy/collection loss factor is deemed applicable and included herein.

### Effective Gross Income

The effective gross income is that amount of total income that will be realized after vacancy and collection loss deductions.

### Operating Expenses

To estimate the net income generated by the subject improvements, the expenses incurred in producing this income must be deducted. Expenses are based on the actual expenses incurred from the calendar years 2022, 2023, 2024. See the Addendum of this report for further details.

SUBJECT HISTORICAL EXPENSES							
	2022		2023		2024		
Effective Gross Income	\$3,026,526		\$3,927,636		\$2,347,270		
	Total	\$ / SF	Total	\$ / SF	Total	\$ / SF	Avg
Real Estate Taxes	\$297,408	\$3.05	\$283,404	\$2.91	\$297,023	\$3.05	\$3.00
CAM	\$147,415	\$1.51	\$231,792	\$2.38	\$141,095	\$1.45	\$1.78
Insurance	\$56,411	\$0.58	\$71,780	\$0.74	\$61,702	\$0.63	\$0.65
Utilities	\$177,338	\$1.82	\$188,636	\$1.94	\$173,282	\$1.78	\$1.84
Management	\$102,024	\$1.05	\$104,453	\$1.07	\$100,800	\$1.03	\$1.05
<b>Total / OER</b>	<b>\$780,596</b>	<b>25.79%</b>	<b>\$880,065</b>	<b>22.41%</b>	<b>\$773,902</b>	<b>32.97%</b>	<b>27.06%</b>





## Real Estate Taxes

This item covers any real property taxes that will be due to the county and city. The property taxes estimated previously in this report are considered reasonable for use herein.

## CAM (Common Area Maintenance)

This expense includes general maintenance of the subject site and common area. Specifically, for the subject, this includes maintenance of air-conditioning, as well as lawn care. It also includes all other general (non-structural) maintenance. Based on our experience and surveyed data, CAM expenses generally range from \$1.00-\$3.00/SF for property similar to the subject. For purposes of this analysis, a CAM expense of **\$1.50/SF** is considered reasonable and utilized herein.

## Insurance

The BOMA (Building Owners and Managers Assoc.) report properties similar to the subject property ranged from \$0.50-\$1.50/SF for insurance expense. For purposes of this analysis, an insurance expense of **\$0.75/SF** is considered reasonable and is utilized herein as the historical expenses displayed atypically lower than market expenses.

## Management / Leasing

Management fees are typically estimated on a percentage of the effective gross income projected for a building. Typically, properties of comparable size to the subject are managed by a real estate management company or managed by an owner/operator. This expense must be deducted from the effective gross income to produce an accurate net income estimate. A reasonable management and leasing expense of **3.0%** of effective gross income. **This expense is fully passed through to the tenants.**

## Reserves for Replacement / Miscellaneous

This includes replacement of short-lived items that possibly would require replacement before the end of the term of ownership. Furthermore, this item is also intended as a catch-all category for items not included in the other categories above, but are an annual expense charged to the property. It is a deduction from effective gross income on an annual basis and is set aside annually to replace items as they wear out. Such reserve items include HVAC (only short-life components), roofing, parking surface, etc.





Prudent and responsible owners would be well advised to set aside a portion of net operating income to allow for such items. However, this expense item is seldom, if ever, set aside by property owners; they are usually deducted from the net operating income in the year of their occurrence. Since this analysis assumes prudent management, the reserve allowance must be recognized in the Income Capitalization Approach to value. It is also assumed that a prudent property owner or manager would set aside reserves in an interest-bearing account (coinciding with current certificates of deposit returns) until such items need replacing or repairing. Therefore, a reasonable replacement reserves/miscellaneous expense of **1.00%** of effective gross income is utilized herein.





### Capitalization Rate

In considering the subject property, the direct capitalization of the income by use of an overall capitalization rate is considered the most appropriate method of converting the subjects estimated net operating income into an indication of value. The capitalization of income is the process of translating the net annual income into an expression of capital worth. The most important factor in the capitalization is the selection of the appropriate capitalization rate and the methodology of extracting to be used.

CAPITALIZATION SURVEYS					
Realty Rates - Investor Survey - Retail 2025					
Method	All Types	Anchored Centers	Unanchored Centers	Free Standing	C-Stores
<b>Minimum</b>					
DCR Technique	5.16%	5.16%	5.52%	5.77%	5.57%
Band of Investment Technique	6.19%	6.19%	6.78%	6.20%	6.94%
Surveyed Rates	5.82%	5.82%	6.37%	6.09%	6.52%
<b>Maximum</b>					
DCR Technique	14.05%	13.95%	14.05%	12.63%	9.46%
Band of Investment Technique	14.91%	13.56%	14.91%	13.99%	14.40%
Surveyed Rates	14.02%	12.75%	14.02%	13.38%	13.54%
<b>Average</b>					
DCR Technique	8.98%	8.69%	9.14%	8.06%	7.10%
Band of Investment Technique	10.19%	9.13%	10.22%	8.98%	10.13%
Surveyed Rates	9.75%	9.97%	10.64%	10.30%	8.28%
(C) RealtyRates.com					

PWC Survey - Retail 2025		
	Power Center	Strip Shopping Center
Current	6.75%	6.91%
Last Quarter	6.88%	7.40%
1 Year Ago	6.72%	7.33%
3 Years Ago	6.43%	7.00%
(C) PWC		

CAPITALIZATION SURVEYS				
Realty Rates - Investor Survey - Office 2025				
Method	All Types	CBD	Suburban	Medical
<b>Minimum</b>				
DCR Technique	5.35%	6.03%	5.35%	6.71%
Band of Investment Technique	6.31%	7.06%	6.31%	7.19%
Surveyed Rates	5.93%	6.63%	5.93%	6.76%
<b>Maximum</b>				
DCR Technique	14.68%	14.68%	14.59%	10.58%
Band of Investment Technique	14.54%	14.54%	13.37%	14.02%
Surveyed Rates	13.67%	13.67%	12.57%	13.18%
<b>Average</b>				
DCR Technique	9.39%	9.89%	9.13%	8.53%
Band of Investment Technique	9.58%	10.33%	9.20%	10.14%
Surveyed Rates	9.70%	9.88%	9.11%	8.63%
(C) RealtyRates.com				

PWC Survey - Office 2025				
	National CBD	National Suburban	Dallas Office	National Medical
Current	7.28%	8.16%	10.38%	7.16%
Last Quarter	7.28%	7.95%	10.08%	7.20%
1 Year Ago	6.94%	6.54%	9.42%	7.39%
3 Years Ago	5.70%	6.03%	6.56%	6.36%
(C) PWC				





## Market Capitalization Rates

Although there are dissimilarities between the subject and available comparables, it is believed that the overall rates provided represent a reasonable range. Overall rates developed from the sales of buildings in the Sales Comparison Approach are summarized as follows:

Sale No.	Date	Sale Price	Size	YOC	Annual Rent	NOI	Cap Rate
1	Pending	\$19,300,000	53,111	1938	\$1,327,775	\$1,198,317	<b>6.21%</b>
2	Jun-25	\$27,782,691	70,506	2014	\$1,974,168	\$1,781,687	<b>6.41%</b>
3	Jun-24	\$27,000,000	91,049	2004	\$2,094,127	\$1,889,950	<b>7.00%</b>
4	Nov-23	\$26,250,000	74,107	2006	\$1,936,942	\$1,783,052	<b>6.79%</b>
5	Aug-22	\$33,236,000	77,274	2018	\$2,410,949	\$2,175,881	<b>6.55%</b>
6	Mar-22	\$32,800,000	84,360	2003	\$2,788,098	\$1,486,056	<b>4.53%</b>
<b>Standard Deviation</b>							<b>0.89%</b>
<b>Average</b>							<b>6.25%</b>

Overall, a concluded Cap Rate of **6.50%** is deemed conservative yet reliable considering these factors along with the market data.





**CONCLUSION**

Survey and market data were considered in the selection of the capitalization rate, which is presented below. The conclusions and value opinion of the direct capitalization method are illustrated below.



**INCOME**

Potential Gross Rental Income	97,432 SF	\$ 2,356,832
Additional Income		\$ 200,000
NNN Reimbursement Income		\$ 637,828
Potential Gross Income		\$ 3,194,660
Less: Vacancy and Collection Loss	5%	\$ (159,733)
Effective Gross Rental Income		\$ 3,034,927

**EXPENSES**

Real Estate Taxes		\$ 327,558
CAM	\$ 1.50	\$ 146,148
Insurance	\$ 0.75	\$ 73,074
Management	3%	\$ 91,048
Misc/Reserves	1%	\$ 30,349
Total Expenses and Reserves		\$ (668,177)

<b>Net Operating Income</b>		<b>\$ 2,366,750</b>
-----------------------------	--	---------------------

Capitalization Rate		6.50%
---------------------	--	-------

Value Indication		\$ 36,411,535
<b>Concluded Value</b>		<b>\$ 36,400,000</b>





## INCOME APPROACH – YIELD CAPITALIZATION “AS IS LEASED FEE”

The following discounted cash flow has been projected and summarized by means of **Argus Discounted Cash Flow**. The inputs and assumptions necessary for analysis of the “**As Is**” value are as follows:

- 1) **Occupancy** - Stabilized Occupancy is assumed to be +/- 95% for the subject's space as previously concluded in the market analysis herein. For purposes of the discounted cash flow analysis, a general vacancy of **5%** is considered for the holding period.
- 2) **In-Place Income** - The subject's current in place rental rates have been discussed previously herein to be in-line with market. Therefore, we have utilized the market supported rental rate of **\$31.61/SF NNN** for the retail suites and **\$17.07/SF NNN** for the office suites. The market rental rate conclusion was previously supported in the direct capitalization income approach herein.
- 3) **Operating Expenses** - The majority of expenses were estimated/projected based on our research/analysis of comparable building surveys, interviews with building owners/managers, as well as from actual expense information from comparable buildings in the subject's market area. It is also noted that the expense projection inputs utilized in the following analysis are the same as those concluded in the direct capitalization income approach herein. (NOTE: reserves are typically calculated as a percentage of EGI).
- 4) **CPI Rate** - The majority of rental rates and operating expenses are projected to increase at an annual CPI rate of 2.00-3.00%. The CPI expense rates, as well as a portion of the market rent estimates of appreciation are based on historical trends of the CPI (Consumer Price Index). Thus, the estimates utilized herein were made in light of past market indications as well as historical trends in the CPI over the past 10 to 50 years. We assumed a standard CPI rate of 3%.
- 5) **Tenant Improvements & Leasing Costs** - Potential tenants looking in the marketplace for space similar to the subject often require a certain level of finish out for their space. Based on our research and analysis in the subject's marketplace, a typical tenant allowance for the space similar to the subject's space is considered to be +/- \$0.00-\$20.00/SF which is considered reasonable for new leases, with **\$5.00/SF** allowance indicated for renewal leases. For purposes of this analysis, we have utilized a minimal **\$10.00/SF** tenant improvement allowance. We have also assumed a **6.00%** leasing commission cost for new leases and **3.00%** for lease renewals. It is noted that there is a 70-80% renewal probability for the occupied suites and a 3-month turnover vacancy period.





- 6) Capitalization** - The overall rate derived in the stabilized income model is **6.50%**. The market generally recognizes three types of "cap rates:" the "going in" rate based on the first year's income, the "stabilized" rate based on the investments' typical operating year, and the "reversion or terminal" rate which is based on what a buyer would generally expect upon resale of the investment. Typically, terminal cap rates will be equal to or higher than stabilized going in rates due to the risks associated with a future sale, and the continual aging of the asset. The terminal cap rate typically ranges from 0.25-1.50% higher than the going in rate in a stabilized market. The premium is due to the additional risk in projecting future cash flows and additionally due to the depreciation associated with buildings over the holding period. It is noted however that given the subject's size, location, and the current strength of the Houston economy, as well as other characteristics regarding the subject property, no minimal time related risk is considered herein. Therefore, the terminal capitalization rate applied to the reversionary year's NOI estimate in order to derive an appropriate reversion is estimated at **7.00%**.
- 7) Discount Rate** - A discount rate is "a rate of return used to convert future payments or receipts into present value." The discount rate represents an anticipated return by a prudent investor to compensate for risk of invested funds. In order to calculate the appropriate discount rate to be applied to the subject property's estimated income stream, we reviewed the most recent *PwC, Realty Rates, Integra Realty Resources, and Henry S. Miller* surveys. These surveys are presented on the following pages.



**REALTY RATES SURVEY**

<b>CAPITALIZATION SURVEYS</b>					
Realty Rates - Investor Survey - Retail 2025					
Method	All Types	Anchored Centers	Unanchored Centers	Free Standing	C-Stores
<b>Minimum</b>					
DCR Technique	5.18%	5.18%	5.53%	5.79%	5.58%
Band of Investment Technique	6.18%	6.18%	6.74%	6.19%	6.90%
Surveyed Rates	5.81%	5.81%	6.34%	6.07%	6.49%
<b>Maximum</b>					
DCR Technique	14.07%	13.96%	14.07%	12.63%	9.47%
Band of Investment Technique	14.86%	13.52%	14.86%	13.93%	14.35%
Surveyed Rates	13.96%	12.71%	13.96%	13.34%	13.48%
<b>Average</b>					
DCR Technique	8.98%	8.71%	9.15%	8.07%	7.11%
Band of Investment Technique	10.16%	9.10%	10.17%	8.95%	10.08%
Surveyed Rates	9.72%	9.95%	10.61%	10.28%	8.25%
(C) RealtyRates.com					

PWC Survey - Retail 2025		
	Power Center	Strip Shopping Center
Current	6.88%	7.40%
Last Quarter	6.78%	7.25%
1 Year Ago	6.75%	7.42%
3 Years Ago	6.53%	7.15%
(C) PWC		

<b>DISCOUNT RATES</b>									
Realty Rates - Investor Survey - Retail 2025									
	New Development			Acquisitions			Recapitalizations		
	Min	Max	Avg	Min	Max	Avg	Min	Max	Avg
Retail	9.94%	18.27%	14.16%	8.55%	15.71%	12.17%	9.74%	17.90%	13.87%
Anchored	9.94%	17.08%	14.30%	8.55%	14.68%	12.30%	9.74%	16.73%	14.02%
Un-Anchored	10.30%	18.27%	14.81%	8.85%	15.71%	12.73%	10.09%	17.90%	14.51%
Convenience/Gas	10.52%	18.37%	12.50%	9.05%	15.80%	10.75%	10.31%	18.00%	12.25%
Free Standing	10.12%	18.03%	14.74%	8.70%	15.51%	12.68%	9.91%	17.67%	14.44%
(C) RealtyRates.com									





**HENRY S. MILLER SURVEY**

<b>DISCOUNT RATES</b>			
Henry S. Miller - Trends Report - 2025			
	Average	Low	High
<b>Apartments</b>			
Class A	7.20%	6.00%	9.00%
Class B	7.81%	7.00%	18.00%
Class C	9.56%	7.50%	12.00%
<b>Office</b>			
Class A	8.70%	6.00%	11.00%
Class B	9.97%	7.00%	15.00%
Class C	11.47%	8.00%	20.00%
Medical	7.92%	5.00%	10.00%
<b>Industrial</b>			
Bulk	7.29%	5.00%	13.00%
Distribution	7.36%	5.00%	12.00%
Flex	8.19%	6.00%	12.00%
<b>Retail</b>			
Community	7.80%	5.00%	12.00%
Strip Center	7.98%	5.25%	11.00%
Freestanding	8.32%	5.00%	12.00%
Restaurant	8.40%	5.00%	15.00%
<b>Net Leases</b>			
All	6.94%	5.00%	8.00%





PWC REAL ESTATE INVESTOR SURVEY

## NATIONAL STRIP SHOPPING CENTER MARKET

First Quarter 2025

	CURRENT	LAST QUARTER	1 YEAR AGO	3 YEARS AGO	5 YEARS AGO
<b>DISCOUNT RATE (IRR)<sup>a</sup></b>					
Range	6.50% – 12.00%	6.50% – 11.00%	6.75% – 11.00%	6.50% – 11.00%	5.50% – 11.00%
Average	8.36%	8.40%	8.69%	8.42%	7.71%
Change (Basis Points)		- 4	- 33	- 6	+ 65
<b>OVERALL CAP RATE (OAR)<sup>a</sup></b>					
Range	5.50% – 10.00%	5.50% – 10.00%	5.25% – 10.00%	5.00% – 10.00%	4.50% – 10.00%
Average	7.40%	7.25%	7.42%	7.15%	6.81%
Change (Basis Points)		+ 15	- 2	+ 25	+ 59
<b>RESIDUAL CAP RATE</b>					
Range	5.50% – 10.00%	5.25% – 10.00%	5.25% – 10.00%	5.00% – 10.00%	4.75% – 10.00%
Average	7.50%	7.48%	7.38%	7.25%	6.92%
Change (Basis Points)		+ 2	+ 12	+ 25	+ 58
<b>MARKET RENT CHANGE<sup>b</sup></b>					
Range	0.00% – 5.00%	0.00% – 4.00%	0.00% – 3.00%	0.00% – 3.00%	0.00% – 3.00%
Average	1.80%	1.40%	1.30%	1.21%	1.58%
Change (Basis Points)		+ 40	+ 50	+ 59	+ 22
<b>EXPENSE CHANGE<sup>b</sup></b>					
Range	2.00% – 5.00%	2.00% – 5.00%	2.00% – 3.00%	0.00% – 4.00%	0.00% – 5.00%
Average	3.00%	3.00%	2.70%	2.63%	2.75%
Change (Basis Points)		0	+ 30	+ 37	+ 25
<b>MARKETING TIME<sup>c</sup></b>					
Range	3 – 15	3 – 15	1 – 18	2 – 18	2 – 18
Average	8.2	8.2	8.8	6.8	7.4
Change (▼, ▲, =)		=	▼	▲	▲
<b>FORECAST VALUE CHANGE<sup>d</sup></b>					
Range	0.0% – 10.0%	0.0% – 10.0%	(20.0%) – 5.0%	(5.0%) – 5.0%	(3.0%) – 5.0%
Average	2.8%	2.8%	(3.6%)	1.7%	1.8%
Change (▼, ▲, =)		=	▲	▲	▲

a. Rate on unleveraged, all-cash transactions; assumes stabilized occupancy

b. Year-one rate of change c. Months d. Over next 12 months

Source: PwC Investor Survey; survey conducted by PwC during January 2025





## DISCOUNT RATE CONCLUSION

The preceding page indicated average discount rates for the retail market, according to PWC ranging from 6.50% - 12.00%, with an average of 8.36% while Henry S. Miller indicates an average of 7.80%. Realty Rates indicates a range of 8.55% to 15.71% with an average of 12.17%. Based on all available surveyed and market data, a discount rate of +/- **7.50%** is considered reasonable and is utilized herein for our analysis.

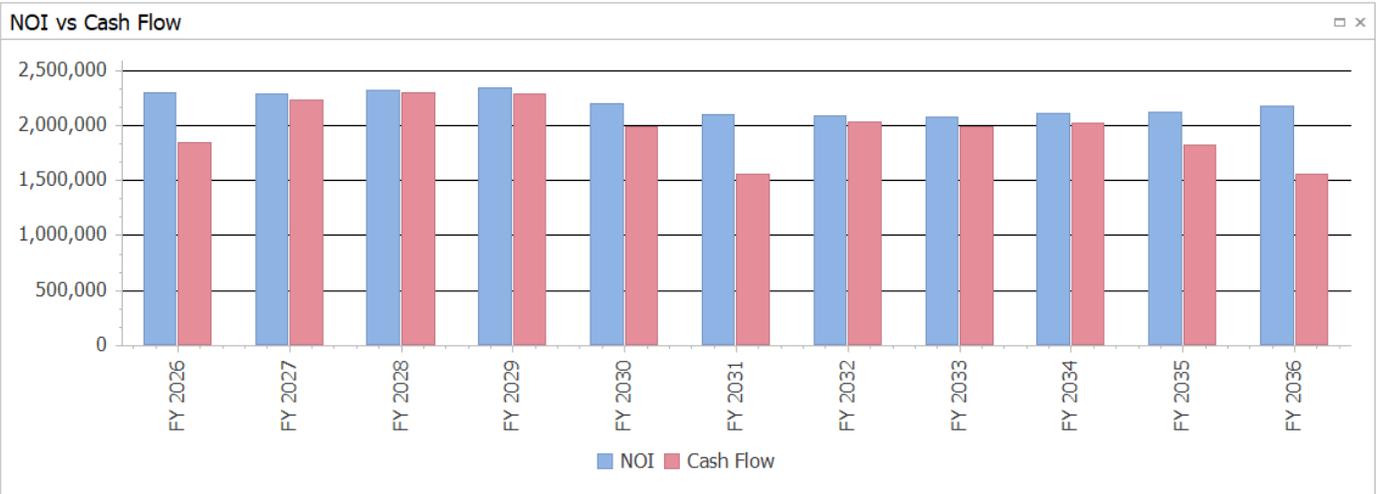
- 8) Absorption** - The discounted cash flow analysis assumes a general vacancy and collection loss factor of **5%**. The subject property currently displays an occupancy of **97.1%** as of the date of this report.
- 9) Reversion** - Future price at the terminal year of the holding period, was derived by capitalizing the reversionary year's anticipated income at a market derived capitalization rate. It is noted that a 1.00% sales commission was netted off of the sale price which indicated a terminal cap rate of **7.50%**.

The following discounted cash flow analysis measures income per market rents. Our analysis was performed utilizing Argus software, a discounted cash flow spreadsheet program. This program was tested for reasonableness and errors in conjunction with standard professional appraisal practice as well as USPAP Statement 2.





	Forecast											
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Total
For the Years Ending	Aug-2026	Aug-2027	Aug-2028	Aug-2029	Aug-2030	Aug-2031	Aug-2032	Aug-2033	Aug-2034	Aug-2035	Aug-2036	Total
<b>Rental Revenue</b>												
Potential Base Rent	2,323,471	2,289,401	2,330,666	2,349,906	2,189,823	2,076,225	2,068,633	2,055,690	2,077,246	2,094,109	2,143,408	23,998,577
Absorption & Turnover Vacancy	-28,216	-875	0	-4,040	-10,196	-3,528	0	-5,079	-2,189	0	0	-54,122
Scheduled Base Rent	2,295,255	2,288,526	2,330,666	2,345,866	2,179,626	2,072,698	2,068,633	2,050,611	2,075,057	2,094,109	2,143,408	23,944,455
<b>Total Rental Revenue</b>	<b>2,295,255</b>	<b>2,288,526</b>	<b>2,330,666</b>	<b>2,345,866</b>	<b>2,179,626</b>	<b>2,072,698</b>	<b>2,068,633</b>	<b>2,050,611</b>	<b>2,075,057</b>	<b>2,094,109</b>	<b>2,143,408</b>	<b>23,944,455</b>
<b>Other Tenant Revenue</b>												
Total Expense Recoveries	607,773	627,765	640,541	650,991	655,773	667,707	680,413	690,525	704,928	719,180	733,775	7,379,369
<b>Total Other Tenant Revenue</b>	<b>607,773</b>	<b>627,765</b>	<b>640,541</b>	<b>650,991</b>	<b>655,773</b>	<b>667,707</b>	<b>680,413</b>	<b>690,525</b>	<b>704,928</b>	<b>719,180</b>	<b>733,775</b>	<b>7,379,369</b>
<b>Total Tenant Revenue</b>	<b>2,903,028</b>	<b>2,916,290</b>	<b>2,971,207</b>	<b>2,996,857</b>	<b>2,835,399</b>	<b>2,740,404</b>	<b>2,749,045</b>	<b>2,741,136</b>	<b>2,779,985</b>	<b>2,813,289</b>	<b>2,877,182</b>	<b>31,323,824</b>
<b>Other Revenue</b>												
Additional Income	200,000	204,000	208,080	212,242	216,486	220,816	225,232	229,737	234,332	239,019	243,799	2,433,743
<b>Total Other Revenue</b>	<b>200,000</b>	<b>204,000</b>	<b>208,080</b>	<b>212,242</b>	<b>216,486</b>	<b>220,816</b>	<b>225,232</b>	<b>229,737</b>	<b>234,332</b>	<b>239,019</b>	<b>243,799</b>	<b>2,433,743</b>
<b>Potential Gross Revenue</b>	<b>3,103,028</b>	<b>3,120,290</b>	<b>3,179,287</b>	<b>3,209,099</b>	<b>3,051,885</b>	<b>2,961,221</b>	<b>2,974,278</b>	<b>2,970,873</b>	<b>3,014,317</b>	<b>3,052,308</b>	<b>3,120,981</b>	<b>33,757,567</b>
<b>Vacancy &amp; Credit Loss</b>												
Vacancy Allowance	-133,841	-155,183	-158,964	-156,617	-142,908	-144,710	-148,714	-143,719	-148,637	-152,615	-156,049	-1,641,957
<b>Total Vacancy &amp; Credit Loss</b>	<b>-133,841</b>	<b>-155,183</b>	<b>-158,964</b>	<b>-156,617</b>	<b>-142,908</b>	<b>-144,710</b>	<b>-148,714</b>	<b>-143,719</b>	<b>-148,637</b>	<b>-152,615</b>	<b>-156,049</b>	<b>-1,641,957</b>
<b>Effective Gross Revenue</b>	<b>2,969,187</b>	<b>2,965,107</b>	<b>3,020,323</b>	<b>3,052,482</b>	<b>2,908,977</b>	<b>2,816,511</b>	<b>2,825,564</b>	<b>2,827,154</b>	<b>2,865,680</b>	<b>2,899,692</b>	<b>2,964,932</b>	<b>32,115,610</b>
<b>Operating Expenses</b>												
Real Estate Taxes	327,558	334,109	340,791	347,607	354,559	361,650	368,884	376,261	383,786	391,462	399,291	3,985,960
CAM	146,148	149,071	152,052	155,093	158,195	161,359	164,586	167,878	171,236	174,660	178,154	1,778,433
Insurance	73,074	74,535	76,026	77,547	79,098	80,680	82,293	83,939	85,618	87,330	89,077	889,217
Management	89,076	88,953	90,610	91,574	87,269	84,495	84,767	84,815	85,970	86,991	88,948	963,468
Misc/Reserves	29,692	29,651	30,203	30,525	29,090	28,165	28,256	28,272	28,657	28,997	29,649	321,156
<b>Total Operating Expenses</b>	<b>665,547</b>	<b>676,320</b>	<b>689,683</b>	<b>702,347</b>	<b>708,211</b>	<b>716,350</b>	<b>728,786</b>	<b>741,164</b>	<b>755,267</b>	<b>769,440</b>	<b>785,119</b>	<b>7,938,234</b>
<b>Net Operating Income</b>	<b>2,303,640</b>	<b>2,288,787</b>	<b>2,330,640</b>	<b>2,350,135</b>	<b>2,200,766</b>	<b>2,100,161</b>	<b>2,096,778</b>	<b>2,085,990</b>	<b>2,110,413</b>	<b>2,130,252</b>	<b>2,179,813</b>	<b>24,177,376</b>
<b>Leasing Costs</b>												
Tenant Improvements	281,902	35,066	18,144	40,132	133,406	337,545	38,716	62,352	55,420	191,701	384,101	1,578,486
Leasing Commissions	167,785	19,504	10,076	22,253	73,863	203,187	21,373	34,373	30,509	105,389	234,145	922,458
<b>Total Leasing Costs</b>	<b>449,687</b>	<b>54,570</b>	<b>28,220</b>	<b>62,385</b>	<b>207,269</b>	<b>540,732</b>	<b>60,089</b>	<b>96,726</b>	<b>85,929</b>	<b>297,090</b>	<b>618,246</b>	<b>2,500,944</b>
<b>Total Leasing &amp; Capital Costs</b>	<b>449,687</b>	<b>54,570</b>	<b>28,220</b>	<b>62,385</b>	<b>207,269</b>	<b>540,732</b>	<b>60,089</b>	<b>96,726</b>	<b>85,929</b>	<b>297,090</b>	<b>618,246</b>	<b>2,500,944</b>
<b>Cash Flow Before Debt Service</b>	<b>1,853,952</b>	<b>2,234,217</b>	<b>2,302,420</b>	<b>2,287,750</b>	<b>1,993,497</b>	<b>1,559,429</b>	<b>2,036,689</b>	<b>1,989,264</b>	<b>2,024,484</b>	<b>1,833,162</b>	<b>1,561,567</b>	<b>21,676,432</b>
<b>Cash Flow Available for Distribution</b>	<b>1,853,952</b>	<b>2,234,217</b>	<b>2,302,420</b>	<b>2,287,750</b>	<b>1,993,497</b>	<b>1,559,429</b>	<b>2,036,689</b>	<b>1,989,264</b>	<b>2,024,484</b>	<b>1,833,162</b>	<b>1,561,567</b>	<b>21,676,432</b>





<b>Analysis Period</b>	<b>Period Ending</b>	<b>Cash Flow Before Debt Service</b>	<b>P.V. of Cash Flow @ 6.50%</b>	<b>P.V. of Cash Flow @ 7.00%</b>	<b>P.V. of Cash Flow @ 7.50%</b>	<b>P.V. of Cash Flow @ 8.00%</b>	<b>P.V. of Cash Flow @ 8.50%</b>	<b>NOI to Book Value</b>
Year 1	Aug-2026	1,853,952	1,740,800	1,732,666	1,724,607	1,716,623	1,708,712	512.28%
Year 2	Aug-2027	2,234,217	1,969,818	1,951,451	1,933,341	1,915,481	1,897,867	453.89%
Year 3	Aug-2028	2,302,420	1,906,056	1,879,460	1,853,357	1,827,735	1,802,583	437.70%
Year 4	Aug-2029	2,287,750	1,778,321	1,745,314	1,713,069	1,681,565	1,650,782	395.07%
Year 5	Aug-2030	1,993,497	1,455,015	1,421,336	1,388,587	1,356,740	1,325,766	274.36%
Year 6	Aug-2031	1,559,429	1,068,730	1,039,114	1,010,450	982,705	955,845	156.39%
Year 7	Aug-2032	2,036,689	1,310,622	1,268,348	1,227,624	1,188,389	1,150,579	149.45%
Year 8	Aug-2033	1,989,264	1,201,976	1,157,770	1,115,385	1,074,738	1,035,749	139.10%
Year 9	Aug-2034	2,024,484	1,148,597	1,101,185	1,055,937	1,012,746	971,509	133.10%
Year 10	Aug-2035	1,833,162	976,573	931,887	889,439	849,109	810,781	113.15%
<b>Totals</b>		<b>20,114,865</b>	<b>14,556,509</b>	<b>14,228,530</b>	<b>13,911,797</b>	<b>13,605,830</b>	<b>13,310,173</b>	
Property Resale @ 6.50% Cap		32,529,517	17,329,321	16,536,357	15,783,124	15,067,460	14,387,331	
<b>Total Unleveraged Present Value</b>			<b>31,885,830</b>	<b>30,764,887</b>	<b>29,694,921</b>	<b>28,673,290</b>	<b>27,697,503</b>	
<b>Percentage Value Distribution</b>								
Income			45.65%	46.25%	46.85%	47.45%	48.06%	
Net Sale Price			54.35%	53.75%	53.15%	52.55%	51.94%	
			100.00%	100.00%	100.00%	100.00%	100.00%	

\* Results displayed are based on Forecast data only



## INCOME APPROACH RECONCILIATION

In the preceding sections of this report, an indication of value has been developed via Direct Capitalization and via a Discounted Cash Flow (DCF) model in estimating the subject's "As Complete & Stabilized" market value. Both of these methods have been fully developed and have been given consideration in reconciling the concluded value of the Income Approach herein.

The following opinions of value were derived via the two income methods:

<b>DIRECT CAPITALIZATION</b>	<b>\$ 36,400,000</b>
<b>YIELD CAPITALIZATION</b>	<b>\$ 29,700,000</b>

Primary weight was placed on the discounted cash flow / yield capitalization method. The projected annual cash flows for the ten-year forecast period are considered to display greater applicability as they follow the most probable income stream. The final value is rounded. Therefore, the final value concluded herein via the Income Approach is as follows:

INCOME APPROACH - VALUE CONCLUSIONS			
Status	Interest	Date	Value
As Is	Leased Fee	August 26, 2025	\$32,000,000



## RECONCILIATION

In the preceding sections of this report, an indication of value based upon separate appraisal approaches or techniques has been derived by processing data considered applicable and significant to each approach with respect to the subject. The following opinions of value were developed:

<b>SALES APPROACH</b>	<b>\$ 32,550,000</b>
<b>INCOME APPROACH</b>	<b>\$ 32,000,000</b>

*Primary weight is placed on Income Approach to value given as the most likely buyer would be most concerned with the income-producing potential of the subject, rather than the per SF acquisition price. Secondary weight is placed on the Sales Comparison Approach. The final result was rounded.*

This appraisal, subject to the assumptions and limiting conditions as expressed herein and conducted according to the Uniform Standards of Professional Appraisal Practice, led us to the opinion that the subject property has a market value of:

VALUE CONCLUSIONS			
Status	Interest	Date	Value
As Is	Leased Fee	August 26, 2025	\$32,000,000





## MARKETING / EXPOSURE TIME

Consideration has been given to a reasonable estimated exposure and marketing period estimate for the subject property.

*Exposure Time* as it relates to the subject is utilized in establishing market value. The Comment to Standards Rule 1-2 (c) of USPAP states that when estimating market value, the appraiser should be specific as to the estimate of exposure time linked to the value estimate.

Reasonable exposure time is one of a series of conditions in most market value definitions. Exposure time is always presumed to precede the effective date of the appraisal. Exposure time may be defined as follows: the estimated length of time the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal.

*Marketing Time* is a function of various factors including, prevailing market conditions, the price of the product being marketed, the competitive position of the property in the market, and the amount and quality of marketing effort allocated to the property. It is strongly emphasized that the appraisers have no control of the aforementioned factors, nor can the appraisers anticipate or predict any of them. Therefore, it assumed that the property will receive an adequate marketing effort.

Therefore, an estimated marketing time of +/- **12 months** and the estimated exposure time of +/- **12 months** is considered reasonable.





## ASSUMPTIONS & LIMITING CONDITIONS

"Report" signifies the appraisal or consulting report and its conclusions, to which these Assumptions and Limiting Conditions are annexed.

"Property" signifies the subject of the Report.

"LPA" means Lowery Property Advisors, LLC, or its subsidiary that issued the Report.

"Appraiser(s)" means the employee(s) of LPA who prepared and signed the Report.

The Report has been made subject to the following assumptions and limiting conditions:

- Unless otherwise specifically noted in the body of the report, it is assumed that the title to the property or properties appraised is clear and marketable and that there are no recorded or unrecorded matters or exceptions to title that would adversely affect marketability or value. LPA is not aware of any title defects nor has it been advised of any representations relative to the condition of the title. LPA has not reviewed any documents dealing with liens, encumbrances, easements, deed restrictions, clouds and other conditions that may affect the quality of the title. Insurance against financial loss resulting in claims that may arise out of defects in the subject's title should be sought from a reputable title company which specializes in real property.
- Unless otherwise stated in this report, the existence of hazardous material, which may or may not be present on the property was not observed by the appraisers. LPA has no knowledge of the existence of such materials on or in the property. LPA, however, is not qualified to detect such substances. The presence of substances such as asbestos, urea formaldehyde foam insulation, contaminated groundwater or other potentially hazardous materials may affect the value of the property. The value estimate is predicated on the assumption that there is no such material on or in the property that would constitute a loss in value. No responsibility is assumed for any such conditions, or for any expertise or engineering knowledge required to discover them. The client is urged to retain an expert in this field, if desired. LPA has inspected as thoroughly as possible by observation. However, it was impossible to personally inspect conditions beneath the soil. Therefore, no representation is made as to these matters unless specially considered in the appraisal.
- The property is appraised free and clear of any or all liens or encumbrances unless otherwise stated.
- Responsible ownership and competent property management are assumed.
- The information furnished by others is believed to be reliable. However, LPA gives no warranty for its accuracy.
- LPA assumes that all engineering is correct. The plot plans and illustrative material in this report are included only to assist the reader in visualizing the property.
- If provided, the estimated insurable value is included at the request of the client and has not been performed by a qualified insurance agent or risk management underwriter. The cost estimate should not be solely relied upon for insurable value purposes. The appraisers are not familiar with the definition of insurable value from the actual insurance provider, the local government underwriting regulations, or the types of insurance coverage available. LPA has followed traditional appraisal standards to develop a reasonable calculation based upon industry practices and industry accepted publications such as the Marshall Valuation Service handbook. Actual construction costs can vary greatly from this estimate. These factors can impact cost estimates and are beyond the scope of the intended use of this appraisal. The appraisers are not cost experts in cost estimating for insurance purposes.
- LPA assumes that there are no hidden or unapparent conditions of the property, subsoil, or structures that render it more or less valuable. No responsibility is assumed for such conditions or for arranging for engineering studies that may be required to discover them.
- It is assumed that there is full compliance with all applicable federal, state and local environmental regulations and laws unless noncompliance is stated, defined, and considered in the Appraisal Report.
- All applicable zoning and use regulations and restrictions are assumed to have been complied with, unless a nonconformity has been stated, defined, and considered in the Appraisal Report.
- Required licenses, certificates of occupancy, consents, or other legislative or administrative authority from any local, state, or national government or private entity or organization are assumed to have been or can be obtained or renewed for any use on which the value estimate contained in this report is based.





- The utilization of the land and improvements is assumed to be within the boundaries or property lines of the property described and that there is no encroachment or trespass unless noted in the report.
- All information, comments and conclusions pertaining to subject and other properties described represent the opinion of the appraiser formed after a personal examination of each.
- The appraiser has no interest, present or prospective, in the subject property.
- Sketches in this report are included to assist the reader in visualizing the property.
- LPA assumes that there are no hidden or unapparent conditions of the appraised property, which would render it more or less valuable. Furthermore, the appraisers assume that there are no potentially harmful asbestos or other materials and/or site contaminants in, on, or near soil, subsoil, or structure of the appraised property and that there has been no disposal, discharge, leakage, or spillage of pollutants or contaminant which would render it more or less valuable, whether or not these materials or contaminants are apparent or hidden and unapparent.
- No responsibility is assumed by the appraisers for these conditions. In addition, no responsibility is assumed by LPA for the cost of engineering and/or laboratory studies which might be required to discover such materials or contaminants. And no such engineering or laboratory studies have been ordered for the appraised property.
- Disclosure by the appraiser of the contents of this Appraisal Report is subject to review in accordance with the by-laws and regulations of The Appraisal Institute.
- The distribution, if any, of the total valuation in this report between land and improvements applies only under the stated program of utilization. The separate allocations for land and buildings must not be used in conjunction with any other appraisal and are invalid if so used.
- Possession of this report, or a copy thereof, does not carry with it the right of publication, unless prior arrangements have been made.
- The appraiser, by reason of this appraisal, is not required to give further consultation, testimony, or be in attendance in court with reference to the property in question unless arrangements have been previously made.
- Neither all nor any part of the contents of this report (especially any conclusions as to value, the identity of the appraiser, or the firm with which the appraiser is connected) shall be disseminated to the public through advertising, public relations, news, sales, or other media without prior written consent and approval of the appraiser.
- This appraisal was made in accordance with the Code of Professional Ethics and Uniform Standards of Professional Appraisal Practice as promulgated by the Appraisal Foundation and the Appraisal Institute.
- Acceptance of and/or use of this report constitutes acceptance of all assumptions and limiting conditions stipulated.
- The *Americans with Disabilities Act* ("ADA") became effective July 26, 1990. LPA has not made a specific compliance survey and analysis of this property to determine whether or not it is in conformity with the various detailed requirements of the ADA. It is possible that a compliance survey of the property, together with a detailed analysis of the requirements of the ADA, could reveal that the property is not in compliance with one or more of the requirements of the Act. If so, this fact could have a negative effect upon the value of the property. Since we have no direct evidence relating to this issue, we did not consider possible non-compliance with the requirements of ADA in estimating the value of the property.
- Unless otherwise noted in the body of the report, it is assumed that there are no mineral deposits or subsurface rights of value involved in this appraisal, whether they are gas, liquid, or solid. Nor are the rights associated with extraction or exploration of such elements considered unless otherwise stated in this Appraisal Report. Unless otherwise stated, it is also assumed that there are no air or developments rights of value that may be transferred.
- By use of this Appraisal Report, each party that uses this Appraisal Report agrees to be bound by all of the Assumptions and Limiting Conditions, Hypothetical Conditions and Extraordinary Assumptions stated herein





## CERTIFICATION

We certify to the best of our knowledge and belief:

- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and is our personal, impartial and unbiased professional analyses, opinions, and conclusions.
- We have no present or prospective interest in the property that is the subject of this report and have no personal interest in or bias with respect to the parties involved with this assignment.
- Our engagement in this assignment was not contingent upon developing or reporting predetermined results.
- We have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- Our compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- Our analyses, opinions, and conclusions were developed, and this report has been prepared in conformity with the Uniform Standards of Professional Appraisal Practice.
- Huntyr Sicola made a personal inspection of the property that is the subject of this report, Mark Lowery, MAI, CCIM, MRICS, AI-GRS, ASA and Kelsey Regan, did not make a personal inspection of the property that is the subject of this report.
- No one provided significant real property appraisal assistance to the person (s) signing this certification.
- This appraisal assignment was not based upon a requested minimum valuation, a specific valuation, or the approval of a loan.
- As of the date of this report, Mark Lowery, MAI, CCIM, MRICS, AI-GRS, ASA have completed the continuing education program for Designated Members of the Appraisal Institute. Moreover, the reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics & Standards of Professional Appraisal Practice of the Appraisal Institute, which include the Uniform Standards of Professional Appraisal Practice.
- The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
- We **have not** provided any services, as an appraiser or in any other capacity regarding the property that is the subject of this report within a three-year period immediately preceding acceptance of this assignment.

**MARK LOWERY, MAI, CCIM, MRICS, AI-GRS, ASA**  
Certificate No. TX1334103-G

**KELSEY REGAN**  
Certificate No. TX1381208-G

**HUNTYR SICOLA**  
Certificate No. TX1381577-G





# ADDENDUM











## THE VILLAGE AT SPORTS CENTER, LTD

2500 NE Green Oaks Blvd. Ste 200 • Arlington, Tx 76006 • 817 395-0111 • 817 649-8863 (Fax) • mojoy@oakhollowgroup.com

Date Prepared: December 2022  
 Property Name: The Village @ Sports Center  
 Property Address: 5001 & 5005 S. Cooper St., Arlington Texas 76017

### INCOME AND OPERATING STATEMENT Annual

#### INCOME

BASE RENT	\$2,402,995.00
EXPENSE RECOVER:	
NNN Charges	\$608,837.00
Over Base Year NNN	\$36,497.00
Utilities, Janitorial	\$139,916.00
<b>TOTAL INCOME</b>	<b>\$3,188,245.00</b>

#### OPERATING EXPENSES

MAINTENANCE and REPAIRS	\$28,116.00
TAXES	\$297,408.00
INSURANCE	\$56,411.00
UTILITIES	
Water	\$98,867.00
Electric	\$78,471.00
GROUNDS MAINTENANCE / LANDSCAPE	\$105,923.00
JANITORIAL	\$22,547.00
TRASH REMOVAL	\$83,520.00
FIRE ALARM / MONITORING SERVICES	\$5,188.00
FOUNTAIN MAINTENANCE	\$4,218.00
BUILDING SECURITY	\$37,150.00
WINDOW CLEANING	\$9,158.00
PEST CONTROL	\$2,023.00
ANNUAL INSPECTIONS	\$1,408.00
ACCOUNTING	\$5,110.00
MANAGEMENT FEE	\$102,023.84
<b>TOTAL EXPENSES</b>	<b>\$937,541.84</b>
<b>NOI - Net Operating Income</b>	<b>\$2,250,703.16</b>





## THE VILLAGE AT SPORTS CENTER, LTD

2500 NE Green Oaks Blvd. Ste 200 • Arlington, Tx 76006 • 817 395-0111 • 817 649-8863 (Fax) • mojoy@oakhollowgroup.com

Date Prepared: December 2023  
 Property Name: The Village @ Sports Center  
 Property Address: 5001 & 5005 S. Cooper St., Arlington Texas 76017

### INCOME AND OPERATING STATEMENT Rolling 12 Month Period

#### INCOME

BASE RENT	\$2,332,633.00
EXPENSE RECOVER:	
NNN Charges	\$718,590.00
Over Base Year NNN	\$51,643.00
Utilities, Janitorial	\$161,287.00
TOTAL INCOME	\$3,264,153.00

#### OPERATING EXPENSES

MAINTENANCE and REPAIRS	\$117,969.00
TAXES	\$283,404.00
INSURANCE	\$71,780.00
UTILITIES	
Water	\$90,699.00
Electric	\$97,937.00
GROUNDS MAINTENANCE / LANDSCAPE	\$91,666.00
JANITORIAL	\$21,506.00
TRASH REMOVAL	\$69,927.00
FIRE ALARM / MONITORING SERVICES	\$5,221.00
FOUNTAIN MAINTENANCE	\$11,236.00
BUILDING SECURITY	\$43,219.00
WINDOW CLEANING	\$10,921.00
PEST CONTROL	\$1,426.00
ANNUAL INSPECTIONS	\$1,635.00
ACCOUNTING	\$6,605.00
MANAGEMENT FEE	\$104,452.90
	\$1,029,603.90
 <b>NOI - Net Operating Income</b>	 <b>\$2,234,549.10</b>





## THE VILLAGE AT SPORTS CENTER, LTD

2500 NE Green Oaks Blvd. Ste 200 • Arlington, Tx 76006 • 817 395-0111 • 817 649-8863 (Fax) • [mojy@oakhollowgroup.com](mailto:mojy@oakhollowgroup.com)

Date Prepared: December 2024  
 Property Name: The Village @ Sports Center  
 Property Address: 5001 & 5005 S. Cooper St., Arlington Texas 76017

### INCOME AND OPERATING STATEMENT

Rolling 12 Month Period

#### INCOME

BASE RENT	\$2,347,270.00
EXPENSE RECOVER:	
NNN Charges	\$678,815.00
Over Base Year NNN	\$17,526.00
Utilities, Janitorial	\$106,398.00
TOTAL INCOME	\$3,150,009.00

#### OPERATING EXPENSES

MAINTENANCE and REPAIRS	\$30,750.00
TAXES	\$297,023.00
INSURANCE	\$61,702.00
UTILITIES	
Water	\$87,427.00
Electric	\$85,855.00
GROUNDS MAINTENANCE / LANDSCAPE	\$66,382.00
JANITORIAL	\$22,553.00
TRASH REMOVAL	\$57,909.00
FIRE ALARM / MONITORING SERVICES	\$5,252.00
FOUNTAIN MAINTENANCE	\$12,025.00
BUILDING SECURITY	\$44,293.00
WINDOW CLEANING	\$9,385.00
PEST CONTROL	\$1,275.00
ANNUAL INSPECTIONS	\$1,555.00
ACCOUNTING	\$5,620.00
MANAGEMENT FEE	\$100,800.29
	\$889,806.29

**NOI - Net Operating Income** **\$2,260,202.71**





## THE VILLAGE AT SPORTS CENTER, LTD

2500 NE Green Oaks Blvd. Ste 200 • Arlington, Tx 76006 • 817 395-0111 • 817 649-8863 (Fax) • mojoy@oakhollowgroup.com

Date Prepared: June 30, 2025  
 Property Name: The Village @ Sports Center  
 Property Address: 5001 & 5005 S. Cooper St., Arlington Texas 76017

### INCOME AND OPERATING STATEMENT Rolling 12 Month Period

#### INCOME

BASE RENT	\$2,326,285.00
EXPENSE RECOVER:	
NNN Charges	\$676,768.00
Over Base Year NNN	\$15,452.00
Utilities, Janitorial	\$205,132.00
TOTAL INCOME	\$3,223,637.00

#### OPERATING EXPENSES

MAINTENANCE and REPAIRS	\$12,520.00
TAXES	\$294,903.00
INSURANCE	\$60,571.00
UTILITIES	
Water	\$94,230.00
Electric	\$95,940.00
GROUNDS MAINTENANCE / LANDSCAPE	\$12,860.16
JANITORIAL	\$13,518.00
TRASH REMOVAL	\$59,845.00
FIRE ALARM / MONITORING SERVICES	\$5,248.00
FOUNTAIN MAINTENANCE	\$5,821.00
BUILDING SECURITY	\$35,533.00
WINDOW CLEANING	\$7,336.00
PEST CONTROL	\$1,279.00
ANNUAL INSPECTIONS	\$1,635.00
ACCOUNTING	\$6,200.00
MANAGEMENT FEE	\$102,968.00
	\$810,407.16
<b>NOI - Net Operating Income</b>	<b>\$2,413,229.84</b>
Sales Price at 5.7% CAP rate:	\$42,337,365.61





The Village @ Sports Center

The Village at Sports Center, Ltd.

2500 NE Green Oaks Blvd Suite 200 • Arlington, TX 76006 • 817 395-0111 • 817 649-8863 (Fax) • mojy@oakhollovgroup.com  
 Building Address: 5001 & 5005 S. Cooper Street  
 Total Bid rentable area (1st & 2nd floor): 97,432 RSF  
**RETAIL - CONFIDENTIAL RENT ROLL**  
 June 2025  
 (100.00% Retail and 94.37% Office Occupancy)  
 Total Retail rentable area (1st & 2nd floor): 47,711 S.F.  
 Total Office rentable area (2nd & 3rd floor): 49,721 S.F.

Tenant	Suite No.	Primary Lease Term	Total S.F.	Year	Rates	Monthly Base Rent	NNN Charges, S.F (Taxes, Insurance, CAM)	Monthly NNN Charges	Tenant's Monthly Suite Electricity (Common Areas)	Tenant's Monthly Suite Water Charges (B-C-D)	Monthly Total expense (B-C-D)	Monthly Gross Income (A-E)	Monthly NNN Charges (over Base year)	Annual Total Expense Recovery	Annual Base Rent	Annual Gross Income	Security Deposit
Chipotle Mexican Rest.	125	1-01-2009 to 12-31-2029	2,482	Yr 1-5 Yr 6-10 Yr 11-15 Yr 16-20 Yr 21-25	\$28.00 \$31.00 \$32.23 \$37.06 \$38.92	\$6,666.67	\$7.45	\$1,540.91	\$48.92	\$244.91	\$1,834.73	\$8,501.40	\$22,016.79	\$80,000.04	\$102,016.83	\$0.00	
Skyline Nail & Spa	121	01-20-10 to 12-31-2025	3,237	Yr 1-5 Yr 6-10	\$28.00 \$32.00	\$8,632.00	\$7.29	\$1,966.48	\$63.80	\$319.41	\$2,340.68	\$10,981.68	\$28,196.16	\$103,584.00	\$131,780.16	\$9,104.06	
Firma Watch	101	4-26-2017 to 05-31-2030	4,595	Yr 1-5 Yr 6-10	\$33.00 \$33.00	\$12,636.25	\$7.29	\$2,791.46	\$90.56	\$453.40	\$3,338.43	\$15,971.68	\$40,025.13	\$151,635.00	\$191,660.13	\$8,940.48	
Good Rush	103	12-09-2024 to 04-08-2030	1,637	Yr 1 Yr 2 Yr 3 Yr 4 Yr 5	\$30.00 \$30.60 \$31.21 \$31.84 \$32.48	\$4,992.50	\$7.29	\$994.48	\$32.26	\$161.53	\$1,188.27	\$5,280.77	\$14,259.22	\$49,110.00	\$63,369.22	\$4,338.06	
Arlington Chop House	163	06-30-2019 to 6-29-2029	2,048	Yr 1-5 Yr 6-10	\$28.00 \$30.80	\$5,256.53	\$7.29	\$1,244.16	\$28.05	\$198.18	\$1,470.39	\$6,726.92	\$17,644.65	\$63,078.40	\$80,723.05	\$5,458.33	
Sport Clips 4321 Clips, LLC	117	01-01-2055 to 12-31-2030	1,200	Yr 1 Yr 2 Yr 3 Yr 4 Yr 5	\$30.00 \$30.90 \$31.83 \$32.78 \$33.76	\$3,000.00	\$7.29	\$729.00	\$23.65	\$210.86	\$963.51	\$3,963.51	\$11,562.14	\$36,000.00	\$47,562.14	\$3,838.00	
Crumbolics	115	3-9-2021 to 3-9-2026	1,547	Yr 1 Yr 2 Yr 3 Yr 4 Yr 5	\$28.00 \$31.50 \$32.45 \$33.42 \$34.42	\$3,609.67	\$7.29	\$939.80	\$30.49	\$152.65	\$1,122.94	\$4,732.61	\$13,475.27	\$43,316.00	\$56,791.27	\$3,500.00	
Yummilicious Frozen Yogurt	167	2-19-2010 to 1-31-2030	1,903	Yr 1 Yr 2 Yr 3 Yr 4 Yr 5	\$31.50 \$32.45 \$33.42 \$34.42 \$35.45	\$4,995.38	\$7.29	\$1,156.07	\$37.51	\$265.03	\$1,458.61	\$6,453.99	\$17,503.32	\$59,944.50	\$77,447.82	\$3,175.00	
Ideal Dental	173	8-10-2010 to 7-31-2030	2,154	Yr 7-12 Yr 13 Yr 14 Yr 15 Yr 16 Yr 17	\$26.00 \$29.00 \$29.58 \$30.17 \$30.77 \$31.39	\$4,667.00	\$7.29	\$1,308.56	\$42.45	\$299.99	\$1,651.00	\$6,318.00	\$19,811.96	\$56,004.00	\$75,815.96	\$4,981.13	
Pao 95	187	06-02-2010 to 05-30-2030	2,601	Yr 1 Yr 2 Yr 3 Yr 4 Yr 5	\$30.36 \$30.36 \$30.36 \$30.96 \$31.58	\$6,580.53	\$7.29	\$1,580.11	\$90.56	\$453.40	\$2,124.07	\$8,704.60	\$25,488.87	\$78,966.36	\$104,455.23	\$3,127.50	
Mt. Hushu	155	1-15-2022 to 12-30-2032	5,668	Yr 1-5 Yr 6-10	\$34.10 \$37.51	\$16,106.57	\$7.29	\$3,443.31	\$111.71	\$799.39	\$4,344.41	\$20,450.97	\$52,132.87	\$193,278.80	\$245,411.67	\$16,885.92	
Frieddaze	159	4-1-2011 to 3-31-2026	1,423	Yr 1, 4 & 5 Yr 6-15	\$26.00 \$29.00 \$30.00	\$3,557.50	\$7.29	\$864.47	\$28.05	\$198.18	\$1,090.70	\$4,648.20	\$13,088.40	\$42,090.00	\$55,778.40	\$4,002.19	





**The Village @ Sports Center**

2500 NE Green Oaks Blvd, Suite 200 • Arlington, Tx 76006

817 295-0111 • 817 649-8865 (Fax)

myj@oukhollovgroup.com

**RETAIL - CONFIDENTIAL RENT ROLL - June 2025**

**THE VILLAGE AT SPORTS CENTER, LTD.**

Tenant	% of Total S.F.	Site No.	Lease Term	Total S.F.	Year	Rates	A												
							Monthly Base Rent	NNN (Taxes, Insurance, CAM)	Monthly NNN Charges	Tenant's Monthly Share Electricity	Monthly Electric Expense (Common Areas)	Tenant's Monthly Share Water Charges	Monthly Total Expense (B+C+D)	Monthly Gross Income (A+B)	Monthly NNN Charges (over base year)	Annual Total Expense/Recovery	Annual Base Rent	Annual Gross Income	Security Deposit
Greedy's	6.66%	183	03-31-2022 to 9-27-2029	3,177	Yr 1	\$33,000	\$9,001.50	\$7.29	\$1,930.03	\$62.61	\$442.46	\$2,435.11	\$11,436.61	\$29,221.26	\$108,018.00	\$137,239.26	\$10,428.51		
					Yr 2	\$33,500	\$9,001.50	\$7.29	\$1,930.03	\$62.61	\$442.46	\$2,435.11	\$11,436.61	\$29,221.26	\$108,018.00	\$137,239.26	\$10,428.51		
					Yr 3	\$34,000	\$9,001.50	\$7.29	\$1,930.03	\$62.61	\$442.46	\$2,435.11	\$11,436.61	\$29,221.26	\$108,018.00	\$137,239.26	\$10,428.51		
					Yr 4	\$34,500	\$9,001.50	\$7.29	\$1,930.03	\$62.61	\$442.46	\$2,435.11	\$11,436.61	\$29,221.26	\$108,018.00	\$137,239.26	\$10,428.51		
					Yr 5	\$35,000	\$9,001.50	\$7.29	\$1,930.03	\$62.61	\$442.46	\$2,435.11	\$11,436.61	\$29,221.26	\$108,018.00	\$137,239.26	\$10,428.51		
					Yr 6	\$35,500	\$9,001.50	\$7.29	\$1,930.03	\$62.61	\$442.46	\$2,435.11	\$11,436.61	\$29,221.26	\$108,018.00	\$137,239.26	\$10,428.51		
					Yr 7	\$36,000	\$9,001.50	\$7.29	\$1,930.03	\$62.61	\$442.46	\$2,435.11	\$11,436.61	\$29,221.26	\$108,018.00	\$137,239.26	\$10,428.51		
Elavon Wings & Daquiras	4.83%	175	5-16-2019 to 8-15-2029	2,304	Mnth 1-3	\$0.00		\$7.29	\$1,309.68	\$49.27	\$333.26	\$1,782.21	\$7,695.81	\$21,386.52	\$70,963.20	\$92,349.72	\$5,416.67		
					Mnth 3-63	\$28.00		\$7.29	\$1,309.68	\$49.27	\$333.26	\$1,782.21	\$7,695.81	\$21,386.52	\$70,963.20	\$92,349.72	\$5,416.67		
Nothing Bundt Cakes	3.82%	111	08-14-2011 to 7-31-2026	1,822	Yr 1 & 2	\$23,500	\$4,448.72	\$7.29	\$1,106.87	\$35.91	\$179.78	\$1,322.56	\$5,271.27	\$15,870.68	\$53,384.60	\$69,255.28	\$4,441.12		
					Yr 3, 4 & 5	\$25,000	\$4,448.72	\$7.29	\$1,106.87	\$35.91	\$179.78	\$1,322.56	\$5,271.27	\$15,870.68	\$53,384.60	\$69,255.28	\$4,441.12		
					Yr 6-10	\$26,600	\$4,448.72	\$7.29	\$1,106.87	\$35.91	\$179.78	\$1,322.56	\$5,271.27	\$15,870.68	\$53,384.60	\$69,255.28	\$4,441.12		
					Yr 11-15	\$29,300	\$4,448.72	\$7.29	\$1,106.87	\$35.91	\$179.78	\$1,322.56	\$5,271.27	\$15,870.68	\$53,384.60	\$69,255.28	\$4,441.12		
Bayler Rehabilitation	4.45%	109	09-01-2016 to 07-31-2026	2,125	Yr 1	\$24,000	\$4,075.92	\$7.29	\$1,007.24	\$32.68	\$163.60	\$1,203.51	\$5,279.43	\$14,442.15	\$48,911.00	\$63,353.15	\$4,670.04		
					Yr 2	\$24,600	\$4,075.92	\$7.29	\$1,007.24	\$32.68	\$163.60	\$1,203.51	\$5,279.43	\$14,442.15	\$48,911.00	\$63,353.15	\$4,670.04		
					Yr 3	\$25,222	\$4,075.92	\$7.29	\$1,007.24	\$32.68	\$163.60	\$1,203.51	\$5,279.43	\$14,442.15	\$48,911.00	\$63,353.15	\$4,670.04		
					Yr 4	\$25,858	\$4,075.92	\$7.29	\$1,007.24	\$32.68	\$163.60	\$1,203.51	\$5,279.43	\$14,442.15	\$48,911.00	\$63,353.15	\$4,670.04		
					Yr 5	\$26,495	\$4,075.92	\$7.29	\$1,007.24	\$32.68	\$163.60	\$1,203.51	\$5,279.43	\$14,442.15	\$48,911.00	\$63,353.15	\$4,670.04		
					Yr 6	\$27,131	\$4,075.92	\$7.29	\$1,007.24	\$32.68	\$163.60	\$1,203.51	\$5,279.43	\$14,442.15	\$48,911.00	\$63,353.15	\$4,670.04		
Polenavoods	3.48%	107	07-15-2023 to 07-15-2030	1,658	Yr 1	\$29,000	\$4,075.92	\$7.29	\$1,007.24	\$32.68	\$163.60	\$1,203.51	\$5,279.43	\$14,442.15	\$48,911.00	\$63,353.15	\$4,670.04		
					Yr 2	\$29,600	\$4,075.92	\$7.29	\$1,007.24	\$32.68	\$163.60	\$1,203.51	\$5,279.43	\$14,442.15	\$48,911.00	\$63,353.15	\$4,670.04		
					Yr 3	\$30,000	\$4,075.92	\$7.29	\$1,007.24	\$32.68	\$163.60	\$1,203.51	\$5,279.43	\$14,442.15	\$48,911.00	\$63,353.15	\$4,670.04		
					Yr 4	\$30,500	\$4,075.92	\$7.29	\$1,007.24	\$32.68	\$163.60	\$1,203.51	\$5,279.43	\$14,442.15	\$48,911.00	\$63,353.15	\$4,670.04		
Dejell Brazil Wearing	3.27%	177	2-10-2016 to 06-10-2026	1,562	Yr 1	\$25,000	\$3,144.50	\$7.29	\$948.92	\$32.38	\$217.54	\$1,198.84	\$4,713.34	\$14,386.05	\$42,174.00	\$56,560.05	\$3,742.30		
					Yr 2	\$26,000	\$3,144.50	\$7.29	\$948.92	\$32.38	\$217.54	\$1,198.84	\$4,713.34	\$14,386.05	\$42,174.00	\$56,560.05	\$3,742.30		
					Yr 3	\$27,000	\$3,144.50	\$7.29	\$948.92	\$32.38	\$217.54	\$1,198.84	\$4,713.34	\$14,386.05	\$42,174.00	\$56,560.05	\$3,742.30		
					Yr 4	\$28,000	\$3,144.50	\$7.29	\$948.92	\$32.38	\$217.54	\$1,198.84	\$4,713.34	\$14,386.05	\$42,174.00	\$56,560.05	\$3,742.30		
					Yr 5	\$29,000	\$3,144.50	\$7.29	\$948.92	\$32.38	\$217.54	\$1,198.84	\$4,713.34	\$14,386.05	\$42,174.00	\$56,560.05	\$3,742.30		
					Yr 6	\$30,000	\$3,144.50	\$7.29	\$948.92	\$32.38	\$217.54	\$1,198.84	\$4,713.34	\$14,386.05	\$42,174.00	\$56,560.05	\$3,742.30		
					Yr 7	\$32,000	\$3,144.50	\$7.29	\$948.92	\$32.38	\$217.54	\$1,198.84	\$4,713.34	\$14,386.05	\$42,174.00	\$56,560.05	\$3,742.30		
Artisan Vapors	3.44%	181	3-01-2013 to 8-30-2028	1,643	Yr 1-5	\$24,000	\$3,833.67	\$7.29	\$998.12	\$32.38	\$228.82	\$1,229.33	\$5,092.99	\$15,111.91	\$46,004.00	\$61,115.91	\$4,073.27		
					Yr 6-10	\$27,000	\$3,833.67	\$7.29	\$998.12	\$32.38	\$228.82	\$1,229.33	\$5,092.99	\$15,111.91	\$46,004.00	\$61,115.91	\$4,073.27		
Jersey Milks	3.07%	171	5-02-2019 to 5-01-2029	1,466	Yr 1-5	\$27,000	\$3,616.13	\$7.29	\$890.60	\$28.89	\$204.17	\$1,123.66	\$4,739.79	\$13,483.91	\$43,393.60	\$56,877.51	\$4,015.62		
					Yr 6-10	\$29,600	\$3,616.13	\$7.29	\$890.60	\$28.89	\$204.17	\$1,123.66	\$4,739.79	\$13,483.91	\$43,393.60	\$56,877.51	\$4,015.62		
Mathnasium	3.06%	169	4-04-2024 to 4-04-2034	1,459	Yr 1	\$32,000	\$3,890.67	\$7.29	\$886.34	\$28.75	\$203.20	\$1,118.29	\$5,008.96	\$13,419.52	\$46,688.00	\$60,107.52	\$4,909.54		
					Yr 2	\$32,960	\$3,890.67	\$7.29	\$886.34	\$28.75	\$203.20	\$1,118.29	\$5,008.96	\$13,419.52	\$46,688.00	\$60,107.52	\$4,909.54		
					Yr 3	\$33,950	\$3,890.67	\$7.29	\$886.34	\$28.75	\$203.20	\$1,118.29	\$5,008.96	\$13,419.52	\$46,688.00	\$60,107.52	\$4,909.54		
					Yr 4	\$34,970	\$3,890.67	\$7.29	\$886.34	\$28.75	\$203.20	\$1,118.29	\$5,008.96	\$13,419.52	\$46,688.00	\$60,107.52	\$4,909.54		
					Yr 5	\$36,020	\$3,890.67	\$7.29	\$886.34	\$28.75	\$203.20	\$1,118.29	\$5,008.96	\$13,419.52	\$46,688.00	\$60,107.52	\$4,909.54		
					Yr 6	\$37,110	\$3,890.67	\$7.29	\$886.34	\$28.75	\$203.20	\$1,118.29	\$5,008.96	\$13,419.52	\$46,688.00	\$60,107.52	\$4,909.54		
					Yr 7	\$38,220	\$3,890.67	\$7.29	\$886.34	\$28.75	\$203.20	\$1,118.29	\$5,008.96	\$13,419.52	\$46,688.00	\$60,107.52	\$4,909.54		
Subtotal (Leased Area)	100.00%			46,511	Yr 1	\$46,511	\$123,273.21	\$7.29	\$29,017.53	\$903.54	\$5,803.38	\$35,804.45	\$159,137.66	\$430,273.36	\$1,479,278.50	\$1,909,651.86	\$14,315.97		
					Yr 2	\$46,511	\$123,273.21	\$7.29	\$29,017.53	\$903.54	\$5,803.38	\$35,804.45	\$159,137.66	\$430,273.36	\$1,479,278.50	\$1,909,651.86	\$14,315.97		
					Yr 10	\$46,511	\$123,273.21	\$7.29	\$29,017.53	\$903.54	\$5,803.38	\$35,804.45	\$159,137.66	\$430,273.36	\$1,479,278.50	\$1,909,651.86	\$14,315.97		
Vacant Space	0.00%																		
<b>Total Retail</b>	<b>100.00%</b>			<b>47,171</b>			<b>\$123,273.21</b>	<b>\$7.29</b>	<b>\$29,017.53</b>	<b>\$903.54</b>	<b>\$5,803.38</b>	<b>\$35,804.45</b>	<b>\$159,137.66</b>	<b>\$430,273.36</b>	<b>\$1,479,278.50</b>	<b>\$1,909,651.86</b>	<b>\$14,315.97</b>		



The Village @ Sports Center

2500 NE Green Oaks Blvd, Suite 200 • Arlington, TX 76006 • 817 395-0111 • 817 649-8863 (fax) • mojy@oakholldowgroup.com

THE VILLAGE AT SPORTS CENTER, LTD.

OFFICE - CONFIDENTIAL RENT ROLL - June 2025

Tenant	Suite No.	Lease Term	Total S.F.	Year	Rates	A		B		C		D		E		F		G		Annual Total Expense Recovery	Annual Base Rent	Annual Gross Income	Security Deposit
						Monthly Base Rent	Tenant's Monthly Janitorial	Monthly NNN Charges	Tenant's Monthly Suite Alterations	Monthly Electric Expense (Common Areas)	Tenant's Monthly Suite Water Charges	Monthly Total Expense (B+C+D+G)	Monthly Gross Income (A+B)	Monthly NNN Charges (over base year)									
Urology Partners of North Texas	201	6-20-2019 to 7-20-2026	2,567		\$16.00		\$3,422.67		By Tenant	\$1,749.84		By Tenant	\$324.35	\$197.24	\$2,271.43	\$5,694.10			\$27,257.15	\$41,072.00	\$68,329.15	\$4,770.35	
Vacant Space	212		0																				
LCG Consulting	210	11-4-2016 to 10-31-2026	670		\$20.60		\$1,400.00		By Tenant	Incl in rent		By Tenant			\$109.43	\$1,509.43	\$109.43		\$1,313.16	\$16,800.00	\$18,113.16	\$1,150.00	
MRCO Ultrasound	208	1-1-2014 to 12-31-2027	672		\$21.43		\$1,400.00		By Tenant	Incl in rent		By Tenant	Incl in base Year NNN	Incl in base Year NNN	\$161.28	\$1,561.28	\$161.28		\$1,935.36	\$16,800.00	\$18,735.36	\$1,200.00	
Byrsana and Garcia, PLLC	209	4-01-2022 to 4-01-2028	1,040	Yr 1 Yr 2 Yr 3	\$25.50 \$26.01 \$26.53		\$2,210.00		By Tenant	Incl in rent		By Tenant	\$131.09	\$77.55	\$188.64	\$2,398.64	\$2,398.64		\$2,263.68	\$26,520.00	\$28,783.68	\$4,015.62	
State Farm Insurance	211	12-01-2016 to 12-31-2029	1,345		\$24.00		\$2,690.00		By Tenant	Incl in rent		By Tenant	\$169.54	\$74.45	\$433.48	\$3,123.48	\$189.49		\$5,201.76	\$32,280.00	\$37,481.76	\$2,353.75	
Melba Johnson Agent				Yr 1	\$22.07																		
Century 21 Judge Fine	205	07-15-2013 to 06-30-2026	3,030	Yr 2,3,84 Yr 5,10	\$22.57 \$23.57		\$5,951.43		By Tenant	Incl in rent		By Tenant	\$346.30	\$167.67	\$1,341.46	\$7,292.89	\$827.49		\$16,097.52	\$71,417.16	\$87,514.68	\$0.00	
Women's Health Services	275	12-01-2016 to 4-01-2024	5,717	Yr 1-11 Yr 12 Yr 13 Yr 14 Yr 15 Yr 16 Yr 17 Yr 18 Yr 19 Yr 20	\$16.97 \$17.47 \$17.97 \$18.47 \$18.97 \$19.47 \$19.97 \$20.47 \$20.47 \$21.47		\$8,323.00		By Tenant	\$3,897.09		By Tenant	\$858.03	\$279.51	\$5,034.63	\$13,357.63	\$827.49		\$60,415.54	\$99,875.99	\$160,291.53	\$9,528.33	
Urology Partners of North Texas	200 225 250 251 215	6-20-2019 to 7-20-2026	30,181	Month 7-37 Month 38-49 Month 50-61 Month 62-73 Month 64-85	\$0.00 \$16.00 \$16.32 \$16.65 \$16.98 \$17.13 \$17.85				By Tenant	\$20,573.38		By Tenant	\$4,191.92	\$2,160.53	\$26,925.83	\$69,631.95			\$323,109.98	\$512,473.38	\$835,583.36	\$41,914.71	
Urology Partners of North Texas	206	11-15-2024 to 7-20-2026	1,701	Month 64-85	\$17.50 \$17.85		\$2,480.63		By Tenant	\$1,159.52		By Tenant	\$1,275.73	\$13.52	\$2,448.77	\$4,959.39			\$29,385.21	\$29,767.50	\$59,152.71		



The Village @ Sports Center

2300 NE Green Oaks Blvd, Suite 200 • Arlington, TX 76006 • 817 395-0111 • 817 649-8863 (Fax) • mjy@oakshillowgroup.com

THE VILLAGE AT SPORTS CENTER, LTD.

OFFICE & RETAIL TOTALS - CONFIDENTIAL RENT ROLL - June 2025

Tenant	%	Suite No.	Lease Term	Total S.F.	Year	Rates	A		B		C		D		E		F		G		Annual Total Expense Recovery	Annual Base Rent	Annual Gross Income	Security Deposit	
							Monthly Base Rent	Tenant's Monthly Suite Amortial	Monthly NNN Charges	Tenant's Monthly Suite Electricity	Monthly Electric Expense (Common Areas)	Tenant's Monthly State Water Charges	Monthly Total expense recovery (B+C+D+E)	Monthly Gross Income (A+E)	Monthly NNN Charges (per year)										
Subtotal (Leased Area)	94.37%			46,923		\$18.00	\$70,883.84	\$27,379.82	\$0.00	\$7,296.96	\$2,950.47	\$38,914.95	\$109,498.78	\$1,287.69	\$466,979.35	\$847,006.03	\$1,313,985.58	\$64,932.76							
Vacant Space	5.63%			2,798																					
<b>Total Office</b>	<b>100.00%</b>			<b>49,721</b>			<b>\$70,883.84</b>	<b>\$27,379.82</b>	<b>\$0.00</b>	<b>\$7,296.96</b>	<b>\$2,950.47</b>	<b>\$38,914.95</b>	<b>\$109,498.78</b>	<b>\$1,287.69</b>	<b>\$466,979.35</b>	<b>\$847,006.03</b>	<b>\$1,313,985.58</b>	<b>\$64,932.76</b>							
<b>COMBINED RETAIL AND OFFICE (TOTAL BUILDING) - RENT ROLL</b>																									
Total bid Leased (A&B) both flrs	100.00%			93,434			\$193,887.04	\$56,397.35	\$0.00	\$8,260.50	\$8,833.85	\$74,779.39	\$268,636.44	\$1,287.69	\$897,352.72	\$2,326,384.53	\$3,223,637.25	\$179,248.73							
Total bid Vacant (A&B) both flrs	0.00%			2,798																					
<b>Building Total (A&amp;B) Both Floors</b>	<b>100.00%</b>			<b>97,432</b>																					
Mechanical	3.19%			1,587																					



# MARK LOWERY, MAI, AI-GRS, CCIM, MRICS

## DFW OFFICE

105 Decker Court #1000  
Irving, Texas 75062

cell 214.300.8466

ofc 214.347.8558 x 301

mark@lowerypa.com

## EXPERIENCE

Mark is the owner and founder of LPA and serves as President and CEO. LPA is a commercial appraisal and consulting firm completing a wide range of projects throughout the southwest. Property types include, but are not limited to office, retail, industrial, multi-family, retail, self-storage, hotel / motel, carwashes, vacant land, daycare, subdivisions, etc.

Mark began his appraisal career with Wells Fargo Bank focusing primarily on residential appraisal review. In 2002, he moved to BRG, Inc. as a Senior Appraiser recruiting and training multiple appraisers. In 2010, Mark founded LPA which has grown to include multiple offices.

Mark has experience with litigation support for legal matters in both federal and state courts. Numerous clients, including attorneys, insurance companies, and lenders nationwide have relied on his expertise in a review appraiser capacity. Mark has been called upon as guest lecturer at his beloved alma mater, Texas A&M.

## PROFESSIONAL ASSOCIATIONS

- Appraisal Institute
  - National Nominating 2023
  - University Relations 2022
  - President North Texas 2020
  - Vice President North Texas 2019
  - Secretary North Texas 2018
  - Treasurer North Texas 2017
  - President Central Texas 2016
- Member Royal Institute of Chartered Surveyors – (MRICS)
- CCIM Institute – Designated Member
- North Texas Association of Government Guaranteed Lenders
- Urban Land Institute
- Society of Texas A&M Real Estate Professionals
- Aggie100 List – 2013, 2014, 2015, 2022
- American Society of Appraisers – Designated (ASA)
- Appraisal Foundation (IAC Member)

## LICENSES

Texas General Appr.  
1334103

Texas Broker License  
0515247

Oklahoma General Appr.  
13395CGA

Georgia General Appr.  
440980

Louisiana General Appr.  
G4147

New Mexico General Appr.  
03688-G

Colorado General Appr.  
CG200003533

## EDUCATION

BBA – Texas A&M University – Finance, Real Estate Emphasis

Coursework for MAI designation

Coursework for CCIM designation

Coursework for AI-GRS designation



Appraiser: **Mark Rayburn Lowery**  
License #: **TX 1334103 G**

**Certified General  
Real Estate Appraiser**

License Expires: **09/30/2026**

Having provided satisfactory evidence of the qualifications required by the Texas Appraiser Licensing and Certification Act, Occupations Code, Chapter 1103, authorization is granted to use this title:  
Certified General Real Estate Appraiser

For additional information or to file a complaint please contact TALCB at [www.talcb.texas.gov](http://www.talcb.texas.gov).

*Chelsea Buchholtz*  
Chelsea Buchholtz  
Executive Director

# KELSEY REGAN

## DFW OFFICE

105 Decker Court #1000  
Irving, Texas 75062

mobile 214.991.1150  
ofc 214.347.8558 x 314  
kelsey@lowerypa.com

## EXPERIENCE

June 2020 to Present; Managing Director at Lowery Property Advisors

Property types appraised include; retail, office, industrial, multi-family, subdivisions, mixed-use developments, restaurants, land, RV parks, mobile home parks, day cares, religious facilities, and other types of special use commercial properties.

## EDUCATION

BS Finance (Specialization: Real Estate) – The University of Alabama

Successfully completed the following courses administered by McKissock Appraisal Education and The Appraisal Institute:

- Basic Appraisal Principles
- Basic Appraisal Procedures
- Texas Supervisor-Trainee Course
- 15-hour National USPAP Course
- General Appraiser Income Approach
- General Appraiser Market Analysis Highest and Best Use
- General Appraiser Sales Comparison Approach
- General Appraiser Site Valuation and Cost Approach
- General Report Writing & Case Studies
- Statistics, Modeling and Finance
- Commercial Appraisal Review – Subject Matter Elective
- Expert Witness for Commercial Appraisers – Subject Matter Elective
- Advanced Market Analysis and Highest & Best Use
- 7-Hour USPAP Update Course

Successfully completed the following applicable courses at The University of Alabama:

- Principles of Real Estate
- Real Estate Finance and Investments
- Real Estate Management
- Real & Personal Property Law

## LICENSES

Texas General Appraiser  
1381208-G



Appraiser: **Kelsey Regan**  
License #: **TX 1381208 G**

**Certified General  
Real Estate Appraiser**

License Expires: **07/31/2026**

Having provided satisfactory evidence of the qualifications required by the Texas Appraiser Licensing and Certification Act, Occupations Code, Chapter 1103, authorization is granted to use this title:  
Certified General Real Estate Appraiser

For additional information or to file a complaint please contact TALCB at [www.talcb.texas.gov](http://www.talcb.texas.gov).

Chelsea Buchholz  
Executive Director

## DFW OFFICE

105 Decker Court #1000  
Irving, Texas 75062

cell 936.870.7531  
ofc 214.347.8558 x 314  
hsicola@lowerypa.com

## EXPERIENCE

September 2022 to Present; Director at Lowery Property Advisors

May 2022 to August 2022; Intern at Lowery Property Advisors

Property types appraised include; retail, office, industrial, multi-family, mixed-use developments, restaurants, land, RV parks, mobile home parks, day cares, religious facilities, and other types of special use commercial properties.

## EDUCATION

BS Agricultural Economics (Specialization: Finance/Real Estate) – Texas A&M University

Successfully completed the following courses administered by McKissock Appraisal Education and The Appraisal Institute:

- Texas Supervisor-Trainee Course
- 15-hour National USPAP Course
- General Appraiser Cost Approach
- General Appraiser Sales Comparison Approach
- General Appraiser Land and Site Valuation
- 7-Hour USPAP Update Course

Successfully completed the following applicable courses at Texas A&M University:

- Land Economics
- Real Estate Development Analysis
- Real Property Analysis
- Survey of Accounting Principals
- Survey of Managerial and Cost Accounting Principals
- Financial Management
- Rural Real Estate and Financial Analysis
- Economic Analysis for Agribusiness Management
- Principles of Economics
- Micro Economic Theory

## LICENSES

Texas General Appraiser  
TX 1381577-G



Appraiser: **Huntyr Nicole Sicola**  
License #: **TX 1381577 G**

**Certified General  
Real Estate Appraiser**

License Expires: **05/31/2027**

Having provided satisfactory evidence of the qualifications required by the Texas Appraiser Licensing and Certification Act, Occupations Code, Chapter 1103, authorization is granted to use this title:  
Certified General Real Estate Appraiser

For additional information or to file a complaint please contact TALCB at [www.talcb.texas.gov](http://www.talcb.texas.gov).

  
Chelsea Buchholtz  
Executive Director