

Private lakeside home on cul-de-sac; near Tx Tech

★ 4.97 (221 reviews) · Superhost · Lubbock, Texas, United States

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AirBnB Investment Opportunity

Successful and turn-key, 2 Bedroom AirBnB in ideal Texas location

Exclusively offered through Saber Equity Diversification Fund



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Sponsor Team



Charlie Rushton



Kyle Hauge

Focused on finding Commercial Real Estate Opportunities in Sun Belt Markets
Large network of brokers, syndicators, investors and strategic partners
Look for opportunistic, value-add opportunities across multiple asset classes
Multi-family, Self-Storage, Hospitality, AirBnB, & Development



SABER EQUITY

Co-Sponsor & Property Manager



Cathy Fierro

AirBNB Superhost and Short Term Rental expert based in Lubbock, TX

Has owned and managed the subject property for 4 years

Over 10 years of real estate experience as Real Estate Broker and Multifamily Leasing agent

Incredible source of local market knowledge, vendor relationships, and STR technology



Executive Summary

- 2BR/1BA purchased Off-Market through buyout
- Located in Lubbock, TX near hospitals and Texas Tech University
- 4 year operational history as successful AirBNB
- Previous owner/Superhost/property manager staying on as part of sponsor team
- Record high revenue in 2021 YTD
- Consistent year round bookings and occupancy
- Recent full renovation and upgrades
- 4.97 out of 5 stars – over 220 reviews on AirBnB

LUBBOCK, TX

FAST FACTS

- ❖ Lubbock is the 11th largest MSA in Texas
- ❖ 6.2% Projected Growth through 2024
- ❖ Home to Texas Tech University, a Tier One Carnegie Designated University
- ❖ Fewer regulations, no corporate income tax and low cost of living make Lubbock an ideal place for businesses to grow and prosper



Median Household
Income

50k



Average
Age

30



Average Commute
in Minutes

18



**MSA
POPULATION
322,831**

LUBBOCK ON A NATIONAL LEVEL

	INDEX	RANK (Out of 270)
Composite	92.5	107
Grocery	98.6	143
Housing	86.0	138
Utilities	93.1	77
Transportation	91.2	49
Health Care	100.2	151

**REGIONAL
POPULATION
642,916**

Source: 2019 Envionics Analytics Estimates.

LUBBOCK AT THE STATE LEVEL

	INDEX	RANK (Out of 270)
Composite	92.5	14
Grocery	98.6	26
Housing	86.0	15
Utilities	93.1	4
Transportation	91.2	11
Health Care	100.2	19

CZER COLI 2818 Annual



LUBBOCK WORKFORCE

LUBBOCK'S GREATEST STRENGTH IS ITS EDUCATED, DIVERSE AND SKILLED WORKFORCE.

Indeed.com ranked Lubbock third in the country for high adjusted salaries, above average opportunities, low unemployment and high projected growth.

53,692

College students currently enrolled in higher education institutions in the Lubbock area

12,658

In the college graduation class of 2016-2017

29.69%

Area residents age 25+ that have a bachelor's degree or higher in the city of Lubbock

Source: Texas Workforce Commission, University Admissions Offices & Evironics Analytics 2019 Est.

COLLEGES & UNIVERSITIES 2017/18 DEGREES

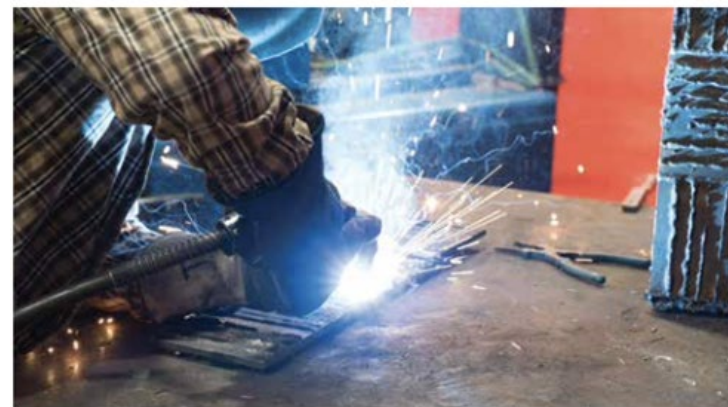
	ENROLLMENT (Fall 2018)
Texas Tech University	38,246
Texas Tech Health Sciences Center (Lubbock Campus)	3,845
Wayland Baptist University (Lubbock Campus)	496
Lubbock Christian University	1,805
South Plains College (Includes Levelland Campus)	9,300
TOTAL	53,692

Source: University Admissions Offices



THE LUBBOCK LABOR POOL

Jobs in Lubbock County grew by 10,266 (7.2%) over the last five years. This outpaced the national growth rate of 6.5%.



LABOR FORCE
164,347
(Lubbock MSA)

Source: Laus Report March 2019 Tx LMI

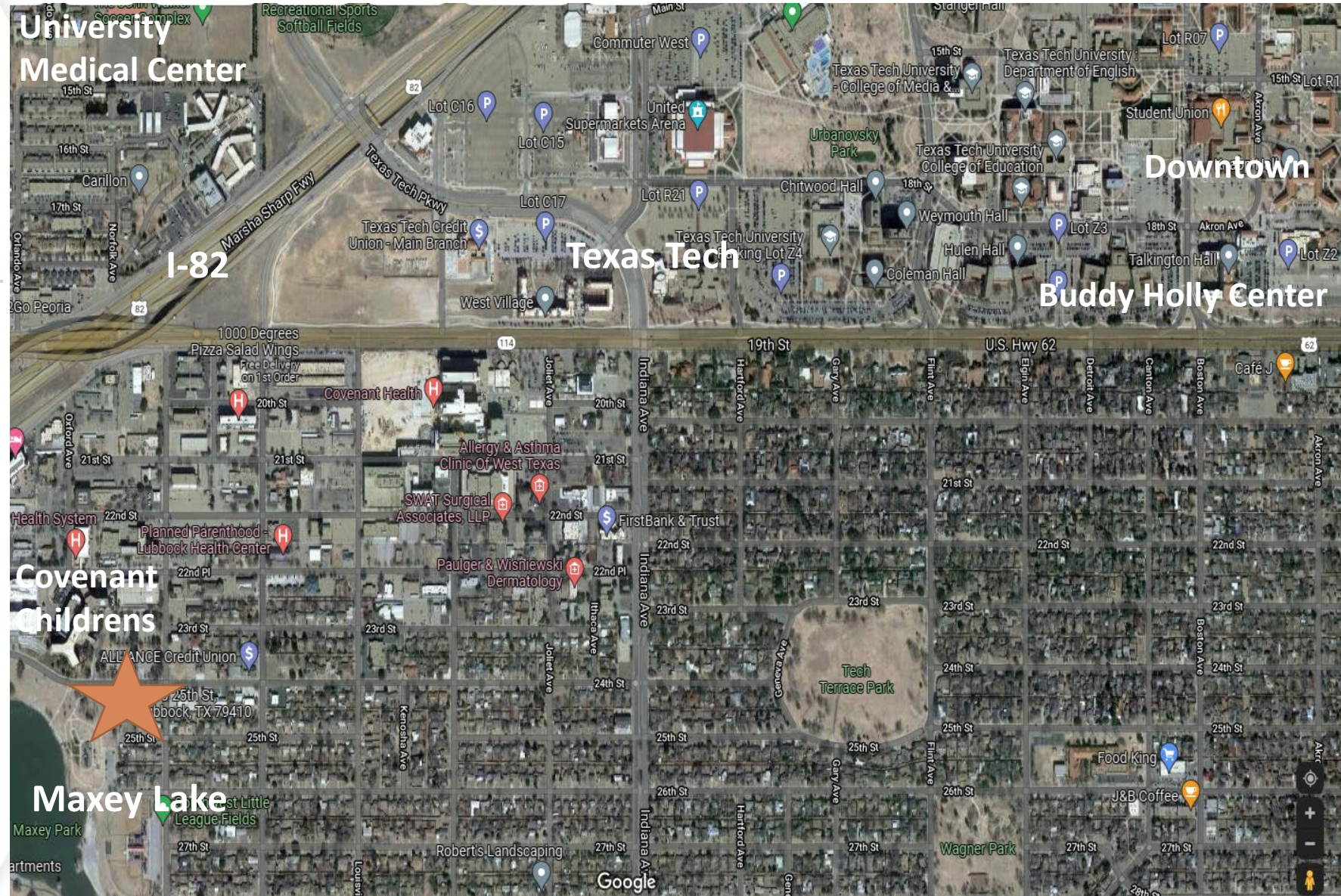
Why do travelers visit Lubbock?

- Texas Tech University and Health Science Center
 - Over 50k enrolled students
 - Visitors include friends, families, prospective students, sports teams, event attendees, nurses, doctors, vendors, etc.
- Covenant Childrens and Covenant Hospital
- University Medical Center
- Major Employers
 - Anthem Health Care, HEB retailers, Allied Universal, Louis Dreyfus Co., and numerous other large employers and a booming tech and healthcare sector
- Music, Arts and Entertainment
 - Buddy Holly Center, Street Fairs, Concerts



Introduction to the Property 4010 25th St., Lubbock, TX 79410

Borders Maxey Lake Park
Short walk to Covenant
Childrens and Covenant Health
System
2 Miles to Texas Tech and
University Medical Center
Surrounded by retail,
restaurants and entertainment
Easy access off I-82
Quiet, friendly neighborhood
Dead end street



Private lakeside home on cul-de-sac; near Tx Tech

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Share Save



Entire residential home hosted by Cathy And Valentina

6 guests · 2 bedrooms · 3 beds · 1 bath



Entire home

You'll have the house to yourself.

One upfront price, no surprises. Explore and book with prices that include fees from the start.



Select dates

Prices may vary by date

★ 4.97 (221 reviews)

Show all photos



Interior Photos:

(AirBnB # 23208072)



SABER EQUITY

Exterior Photos:



- Complete buyout process with current owners to purchase property interest
- Take out new debt (estimated 60% LTV, 3.5%)
- Maximize Revenue through short term rental platforms
- Create relationships with Hospitals and University to become preferred AirBnB for their employees/guests
- Refinance in year 3 with partial capital return
- 4-5 year hold strategy

Business Plan



Financial Summary

Acquisition

- Purchase Price: \$165,000
- Initial repairs/updates: \$5,000
- Operating Reserves: \$2,500
- Closing/Loan costs: \$6,187

Total: \$176,187

Financial Summary

Historical & Projected Revenue (AirBnB & VRBO)

2018: \$20,971

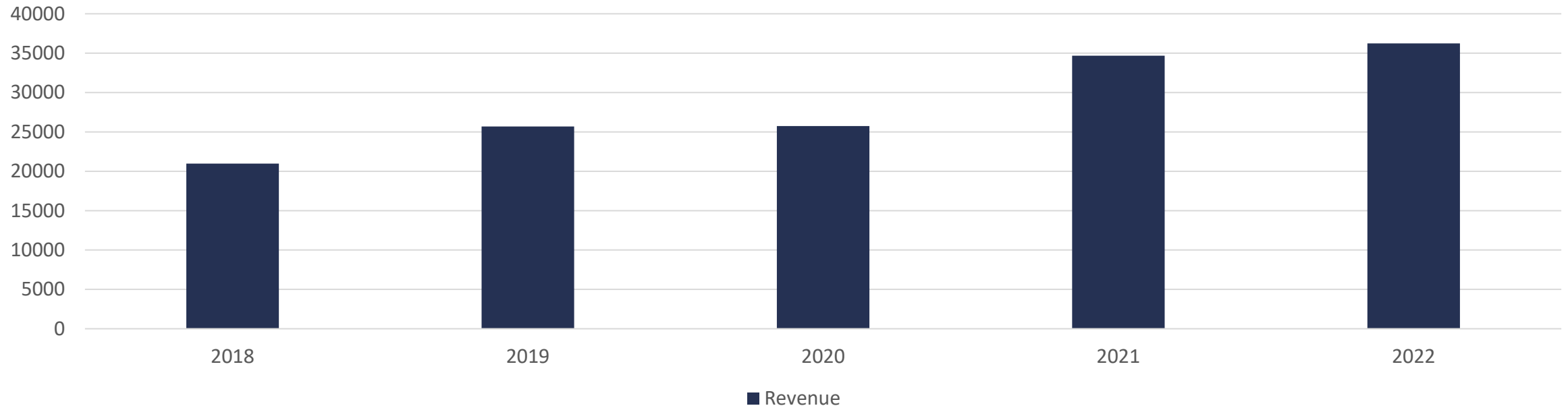
2019: \$25,686

2020: \$25,739

2021 projected: \$34,680

2022 projected: \$36,250

Revenue



Financial Summary

- Projections:
- Cash on Cash: 9.7%
- IRR: 21.5%

PURCHASE		
# Units	1	
Asking Price	\$165,000	
Purchase Price	\$165,000	
Price Per Unit	\$165,000	
Earnest Money Deposit (EMD)	\$1,650	1%
Down Payment	\$57,750	35%
1st Mortgage	\$107,250	
Interest Rate	4.00%	
Amortization	30	
Interest Only (in months)	0	
2nd Mortgage (or Capital Improvement Funding)	\$0	
Interest Rate	0.00%	
Amortization	0	
Interest Only (in months)	0	
Closing Costs	\$6,270	3.8%
Acquisition Fee	\$4,950	3.0%
Repairs	\$5,000	
Operating Reserves	\$2,500	
Total Member Capital Needed to Close	\$76,470	
Current Market Cap Rate	8.50%	
KEY INDICATORS		
Cash on Cash Return (Average)	9.7%	
Debt Coverage Ratio (Year 1)	2.40	
Gross Rent Multiplier	4.76	
INVESTOR RETURNS		
Member Equity	70%	
Manager Equity	30%	
Preferred Return to Members	0.0%	
Asset Management Fee	2.0%	
Capital Transaction Fee to Mgr	0.0%	
Cash Flow to Members (Year 1)	\$5,534	
Member Cash on Cash Return (Year 1)	7.24%	
Average Annual Return	21.50%	
Total Return on Investment	82.18%	
IRR	21.50%	

Profit and Loss Projection

FINANCIAL ASSUMPTIONS			Year 1		Year 2		Year 3		Year 4		Year 5	
Annual Rent Escalator			3.00%		3.00%		3.00%		3.00%		3.00%	
Annual Expense Escalator			2.00%		2.00%		2.00%		2.00%		2.00%	
			REFINANCE!						SALE!			
INCOME			1		2		3		4		5	
Average Monthly Rent			\$2,890		\$2,977		\$3,066		\$3,158		\$3,253	
Gross Potential Income			\$34,680		\$36,250		\$37,337.50		\$38,458		\$39,611.35	
- Vacancy			\$0 0.00%		\$0 0.00%		\$0 0.00%		\$0 0.00%		\$0 0.00%	
- Concessions, Loss to Lease, Bad Debt			\$0 0.00%		\$0 0.00%		\$0 0.00%		\$0 0.00%		\$0 0.00%	
Effective Gross Income			\$34,680		\$36,250		\$37,338		\$38,458		\$39,611	
Other Income			\$0		\$3,500		\$3,500		\$3,605		\$3,713	
Total Net Income			\$34,680		\$39,750		\$40,838		\$42,063		\$43,325	
EXPENSES												
Advertising			\$750 2.16%		\$765 1.92%		\$780 1.91%		\$796 1.89%		\$812 1.87%	
Contract Services			\$50 0.14%		\$51 0.13%		\$52 0.13%		\$53 0.13%		\$54 0.12%	
Gas & Electric			\$1,050 3.03%		\$1,071 2.69%		\$1,092 2.68%		\$1,114 2.65%		\$1,137 2.62%	
General/Admin			\$500 1.44%		\$510 1.28%		\$520 1.27%		\$531 1.26%		\$541 1.25%	
Insurance			\$950 2.74%		\$969 2.44%		\$988 2.42%		\$1,008 2.40%		\$1,028 2.37%	
Legal			\$250 0.72%		\$255 0.64%		\$260 0.64%		\$265 0.63%		\$271 0.62%	
Real Estate Taxes			\$1,850 5.33%		\$1,887 4.75%		\$1,925 4.71%		\$1,963 4.67%		\$2,002 4.62%	
Trash Removal			\$750 2.16%		\$765 1.92%		\$780 1.91%		\$796 1.89%		\$812 1.87%	
Management Fee			\$6,936 20.00%		\$7,950 20.00%		\$8,168 20.00%		\$8,413 20.00%		\$8,665 20.00%	
Payroll			\$0 0.00%		\$0 0.00%		\$0 0.00%		\$0 0.00%		\$0 0.00%	
Repairs and Maintenance			\$2,500 7.21%		\$2,550 6.42%		\$2,601 6.37%		\$2,653 6.31%		\$2,706 6.25%	
Turnover			\$250 0.72%		\$255 0.64%		\$260 0.64%		\$265 0.63%		\$271 0.62%	
Water and Sewer			\$1,100 3.17%		\$1,122 2.82%		\$1,144 2.80%		\$1,167 2.78%		\$1,191 2.75%	
Deposit to Replacement Reserve			\$3,000 8.65%		\$3,000 7.55%		\$3,000 7.35%		\$3,000 7.13%		\$3,000 6.92%	
Total Expenses			\$19,936 57.49%		\$21,150 53.21%		\$21,572 52.82%		\$22,025 52.36%		\$22,489 51.91%	
Net Operating Income (NOI)			\$14,744		\$18,600		\$19,266		\$20,038		\$20,835	
Debt Service												
Principal			\$1,889		\$1,966		\$2,046		\$3,460		\$3,601	
Interest			\$4,256		\$4,179		\$4,099		\$7,796		\$7,655	
Total Debt Service			\$6,144		\$6,144		\$6,144		\$11,255		\$11,255	
Cash Flow available for Distribution			\$8,600		\$12,456		\$13,122		\$8,783		\$9,580	
Distributions from Cash Flow												
Asset Mgt Fee 2.0%			\$694		\$795		\$817		\$841		\$866	
Members Preferred Return Due			\$0		\$0		\$0		\$0		\$0	
Members Preferred Return Deficiency			\$0		\$0		\$0		\$0		\$0	
Members Preferred Return Paid 0%			\$0		\$0		\$0		\$0		\$0	
Excess Cash Flow to Members 70%			\$5,534		\$8,162		\$8,613		\$5,559		\$6,099	
Excess Cash Flow to Mgr 30%			\$2,372		\$3,498		\$3,691		\$2,382		\$2,614	
Total Distributions to Members			\$5,534		\$8,162		\$8,613		\$5,559		\$6,099	

SUMMARY:

Why we love this AirBnB Opportunity



Off-Market acquisition at competitive price point



Attractive location next to lake, trails and walking



Near state of the art university and hospitals



Attractive to a variety of different guests and travelers



Successful history, ratings and property manager



Year over year rent growth and trends

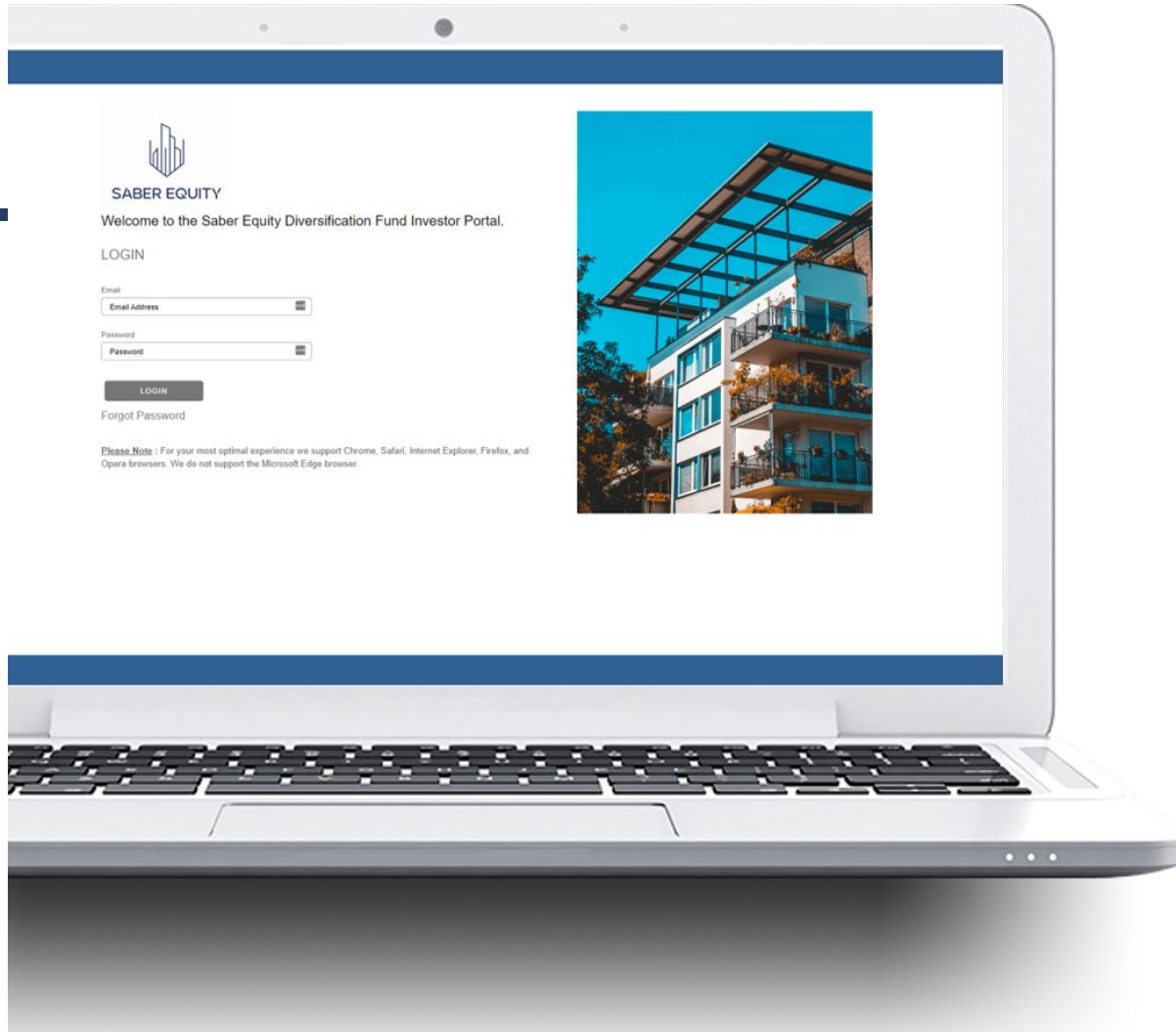


Several large companies headquartered here or with
large operation/logistic centers



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*Accredited Investors Only
\$25k Fund Entry Minimum
\$5k Deal Allocation Minimum



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