

TEXAS SHORT-TERM RENTAL PORTFOLIO

Arlington STR Portfolio

13|7 Frameworks LLC · 5 Texas markets · scaling 4 → 22 properties

A **tax-driven** short-term-rental portfolio. The entry tranche is below its debt-service covenant at 70% LTV; returns depend on the OBBBA depreciation shield, **not** operating cash flow.

ENTRY TRANCHE	FULL PORTFOLIO	TARGET IRR	DSCR @ 70% LTV
\$2.2M 4 operating STRs	\$12M 22 properties	15–25% Levered, after-tax	0.86x Sub-covenant

Central risk: at 0.86x DSCR the entry tranche does **not** cover debt service from operations at 70% LTV. Returns are tax-driven, not cash-yield-driven: the OBBBA bonus-depreciation shield contributes **+1,260 bps** of IRR. Without the shield the deal does not stand on operating cash flow.

ENTRY TRANCHE

4 operating STRs in Arlington TX near AT&T Stadium, ~\$550K avg/door = **\$2.2M**.

Est. gross revenue: **\$384K/yr** conservative · **\$432K/yr** expected.

THE TAX THESIS

- OBBBA 100% bonus depreciation on personal property (trailer-chassis units).
- +1,260 bps IRR uplift vs. no shield.
- Gated on REPS qualification (§469(c)(7)); mandatory §1.469-9(g) grouping election once >3 properties.
- A licensed CPA must confirm OBBBA classification for **every** property purchase before commitment.

22-PROPERTY MARKET ALLOCATION

Market	Props	ADR	Occ.
Arlington / DFW	6	\$196–300	55–65%
Galveston	5	\$309–351	46–50%
Hill Country	5	\$284–289	42%
Port Aransas	3	\$378–459	33–50%
Abilene (Stargate)	3	\$153	68%

DOWNSIDE GRID & CONSIDERATIONS

- Arlington ordinance tightening (15–25%): revenue –\$240K/yr on 4 properties.
- +200 bps rate shock: DSCR drops to ~1.10x (covenant breach).
- Named coastal hurricane: \$300K–\$600K aggregate exposure.
- Six conditions precedent must all be satisfied before the entry tranche is underwritten.

Not tax advice. Every property purchase must be confirmed by a licensed CPA for OBBBA classification before commitment. Figures are modeled estimates, not guaranteed returns. This material is for discussion purposes only and does not constitute legal, tax, or investment advice, nor an offer to sell or a solicitation to buy any security. Consult your own licensed advisors.

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