



# ARBA

SAN MARCOS



240 Unit / 748 Bed Value-Add Student Housing  
Community Serving the Booming  
Texas State University



# The Offering

Jones Lang LaSalle Americas, Inc. ("JLL") is pleased to present Arba San Marcos – a 240-unit / 748-bed value-add student housing opportunity serving Texas State University (TXST).

Arba offers a compelling platform for a new owner to execute a proven value-add strategy, with comparable properties in the market achieving rent premiums of up to \$100 per bed, per month post-renovation. Applying those same premiums by floorplan at Arba would drive \$857,760 in additional annual revenue, providing a clear and actionable path to upside.

## OPPORTUNITY HIGHLIGHTS

- ♦ **PROVEN VALUE-ADD STRATEGY** with 13% rent growth potential
- ♦ **SUSTAINED ENROLLMENT GROWTH:** 9% past five years; 22% projected by 2033
- ♦ **PRICES AT A 50% DISCOUNT TO REPLACEMENT COST,** with no new feasibly supply since 2021

### Value-Add Snapshot

LAYOUT	UNITS	BEDS	AY 25/26 RENT	RENOVATION PREMIUMS ACHIEVED AT COMPS	AY 25/26 + RENOVATION PREMIUM	TOTAL ANNUAL PREMIUM
2x2	76	152	\$830	\$90	\$920	\$164,160
3x3	60	180	\$704	\$90	\$794	\$194,400
4x4	104	416	\$684	\$100	\$784	\$499,200
Total	240	748				\$857,760

The property is exceptionally well-positioned to benefit from TXST’s sustained enrollment growth, with Fall 2024 enrollment reaching a record 40,678 students – up 5% year-over-year. First-year enrollment also hit a new high of 8,195 students, reinforcing long-term demand momentum.

Market fundamentals remain highly favorable: the student housing supply in San Marcos currently falls short by over 10,000 beds, a deficit expected to double as enrollment is projected to exceed 50,000 students by 2033.

In July 2025, TXST announced its move to the Pac-12 athletic conference beginning in the 2026-2027 academic year, a milestone that elevates the University’s national profile, affirms its long-term growth trajectory, and enhances the visibility and liquidity of TXST student housing assets like Arba.



2014  
YEAR BUILT



240  
UNITS



748  
BEDS



96%  
AY 24/25 OCCUPANCY



95%  
PRELEASE OCCUPANCY  
(7/28/2025)



LOCATED ON  
CAMPUS SHUTTLE ROUTE



# Investment Highlights



## PROVEN VALUE-ADD OPPORTUNITY

Despite being one of the newest non-pedestrian assets in the market, **Arba**, offering **13% revenue growth**, presents meaningful value-add upside. A new owner can execute targeted renovations to units and amenities, **unlocking \$100 per bed, per month premiums**—a level already achieved at comparable properties.



## HIGH BARRIERS TO ENTRY AND DEEP DISCOUNT TO REPLACEMENT COST

San Marcos' restrictive zoning and burdensome permitting process have effectively **constrained new supply**. On a cost basis, **rents would need to rise 130% above Arba's current levels to pencil a 6.75% return on cost for new development**—highlighting Arba's compelling **below-replacement-cost advantage**.



## RECORD ENROLLMENT GROWTH WITH A LONG RUNWAY AHEAD

Texas State University (TXST) continues to post record-setting growth, with Fall **2024 full-time enrollment reaching 40,678 (+4.6% YoY)**, driven by all-time highs in freshman, graduate, and international cohorts.

- ♦ **FALL 2025 APPLICATIONS EXCEEDED 46,000 (+17% YOY), RANKING #3 IN TEXAS.**
- ♦ **FIRST-YEAR ENROLLMENT HIT A RECORD 8,165 (+3.5% YOY).**
- ♦ **TXST IS TARGETING 50,000 STUDENTS BY 2033, SIGNALING A STRONG PIPELINE AHEAD.**

Enrollment is expected to grow organically as larger freshman classes replace smaller senior cohorts. With UT Austin's enrollment capped and Texas A&M limiting freshman intake, TXST is emerging as the state's primary outlet for rising in-state demand. At the macro level, **Texas leads the nation in population growth and ranks #2 nationally in 18-24-year-old growth**, reinforcing long-term demand for higher education and student housing.



## TXST JOINS TO POWER FIVE - PAC-12 MOVE SIGNALS INSTITUTIONAL MOMENTUM

In July 2025, **TXST announced its official move to the Pac-12 Conference, beginning in the 2026-27 academic year**. This transition into a Power 5 athletic conference enhances the university's national visibility, institutional prestige, and student housing liquidity within the market - all while supporting enrollment growth toward its **50,000-student goal by 2033**.



## \$675 MILLION CAMPUS INVESTMENT FUELS LONG-TERM DEMAND

Texas State University's 2025-2035 **Campus Master Plan allocates \$675 million toward infrastructure and academic enhancements**. These investments support the **University's pursuit of R1 research status**, strengthening its national profile and ability to attract high-caliber students and faculty, further reinforcing demand for quality off-campus housing.



## STRONG REGIONAL DEMAND DRIVERS IN BOOMING CORRIDOR

Located between Austin and San Antonio, **San Marcos has grown 103% since 2010 and is projected to reach 142,000 residents by 2035**. With muted multifamily deliveries ahead and the conventional market poised for a rebound in occupancy, **demand from young professionals and workforce renters is tightening supply across the I-35 corridor**. This pressure increasingly pushes student renters out of conventional product, redirecting them to purpose-built communities like Arba. The result is stronger absorption, deeper demand, and enhanced rent growth potential for well-positioned student housing assets.



# 13% Revenue Growth Potential Through Executing Proven Value-Add Plan





# Value Add Case Study

The Outpost is a comparable student housing property and provides insight into the value-add premiums that can be achieved at Arba. Following unit upgrades, The Outpost is achieving \$90/bed/month higher rents than standard units in the 2BR and 3BR floorplans and \$100/bed/month in the 4BRs. The same renovation premiums will create \$857,760 in additional annual revenue at Arba while still being a material discount to top of market rents.

## The Outpost

LAYOUT	CODE	AY 25/26 RENT	PREMIUM OVER STANDARD
2x2	Standard	\$875	
2x2	Premium	\$885	\$10
2x2	Platinum	\$955	\$80
TOTAL COMBINED VALUE-ADD RENT INCREASE:			\$90
3x3	Standard	\$785	
3x3	Premium	\$800	\$15
3x3	Platinum	\$860	\$75
TOTAL COMBINED VALUE-ADD RENT INCREASE:			\$90
4x4	Standard	\$755	
4x4	Premium	\$775	\$20
4x4	Platinum	\$835	\$80
TOTAL COMBINED VALUE-ADD RENT INCREASE:			\$100

### THERE ARE TWO RENOVATION TIERS AT THE OUTPOST:

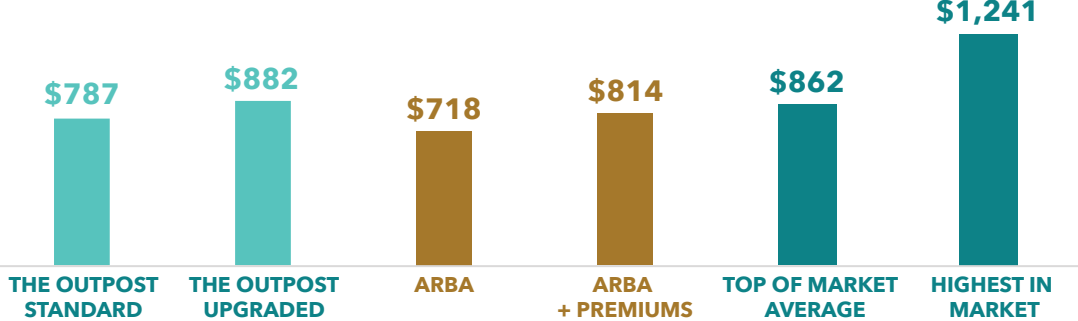
- PREMIUM** - Light renovations by previous owner
- PLATINUM** - More substantial renovations by current owner

There are features in a Premium unit that the Platinum units don't have, notably stainless steel appliances, making the true value-add premium the sum of both upgrade tiers over the Standard Units.

## ARBA

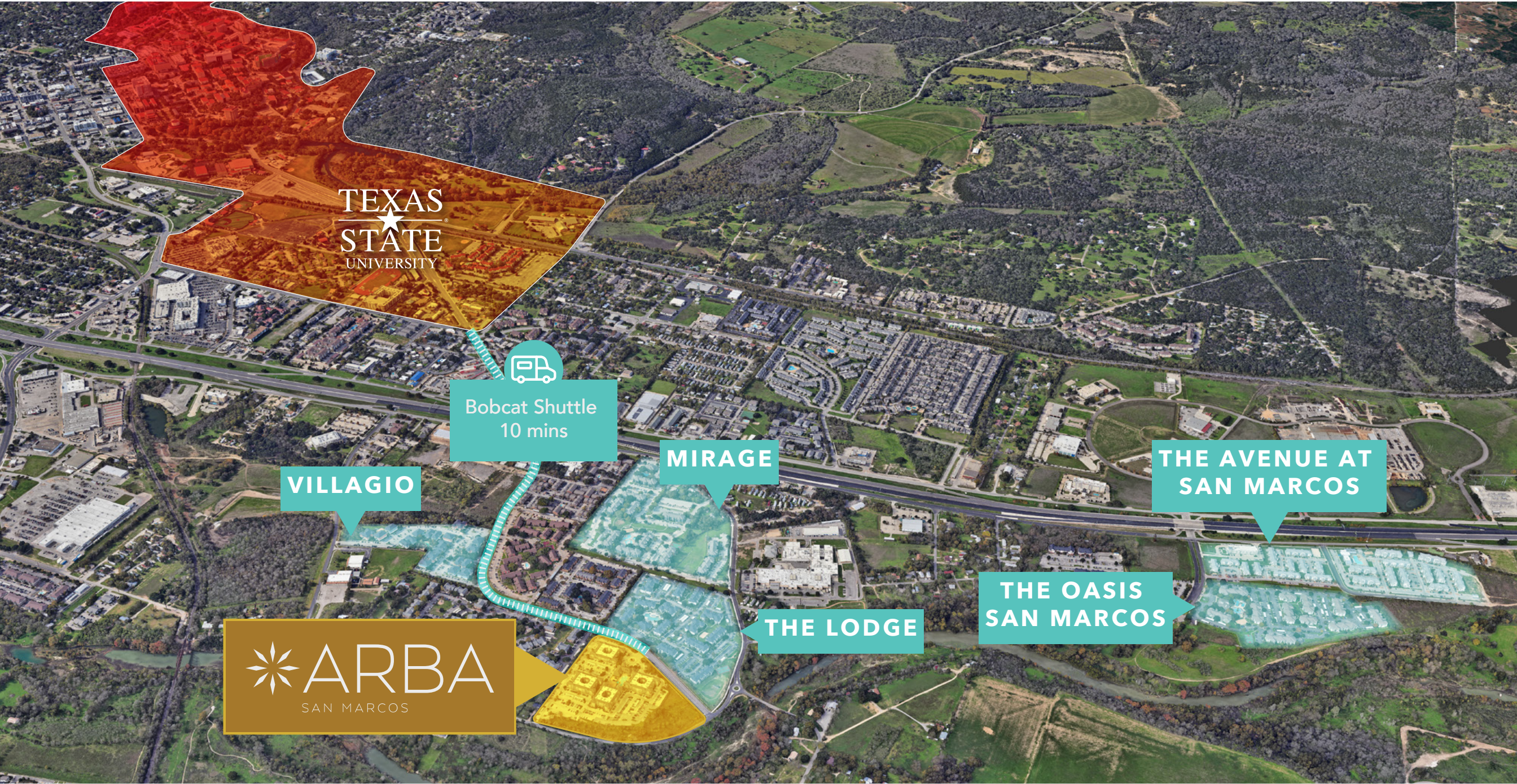
LAYOUT	BEDS	PREMIUM PER BED	TOTAL PREMIUM ANNUALLY
2x2	152	\$90	\$164,160
3x3	180	\$90	\$194,400
4x4	416	\$100	\$499,200
TOTAL VALUE-ADD ADDITIONAL REVENUE ANNUALLY:			\$857,760

## AVG. RENT/BED



For purposes of comparison, weighted averages assume the same unit mix as Arba.





TEXAS  
STATE  
UNIVERSITY



Bobcat Shuttle  
10 mins

VILLAGGIO

MIRAGE

THE AVENUE AT  
SAN MARCOS

THE OASIS  
SAN MARCOS

THE LODGE

ARBA  
SAN MARCOS



# Rent Comp Table

PROPERTY SUMMARY	ARBA SAN MARCOS			COMP SET AVERAGES			1. UPTOWN SQUARE			2. THE OASIS			3. THE VILLAGIO			4. THE OUTPOST			5. MIRAGE			6. THE LODGE		
YEAR BUILT				2005			2015			2005			2005			2004			2001			2001		
UNITS	240			246			316			240			180			162			288			288		
BEDS	748			632			512			672			492			486			816			816		
2024-2025 AY OCCUPANCY	94%			95%			97%			98%			90%			99%			94%			94%		
DISTANCE TO CAMPUS	1.10 Miles			1.00 Miles			0.70 Miles			1.60 Miles			0.70 Miles			0.70 Miles			0.90 Miles			1.10 Miles		
FURNISHED Y/N	Y			Y			Y			Y			Y			Y			Y			Y		
2025-2026 ACADEMIC YEAR	RENT	AVG. UNIT SF	\$/SF	RENT	AVG. UNIT SF	\$/SF	RENT	AVG. UNIT SF	\$/SF	RENT	AVG. UNIT SF	\$/SF	RENT	AVG. UNIT SF	\$/SF	RENT	AVG. UNIT SF	\$/SF	RENT	AVG. UNIT SF	\$/SF	RENT	AVG. UNIT SF	\$/SF
2 BED / 2 BATH	\$824	843	\$1.96	\$835	859	\$1.95	\$874	960	\$1.82	\$840	816	\$2.06	\$756	842	\$1.80	\$875	868	\$2.02	\$829	807	\$2.05	\$795	880	\$1.81
3 BED / 3 BATH	\$704	1,107	\$1.91	\$746	1,137	\$1.97	-	-	-	\$790	1,089	\$2.18	\$665	1,182	\$1.69	\$785	1,140	\$2.07	\$745	1,135	\$1.97	\$695	1,197	\$1.74
4 BED / 4 BATH	\$682	1,286	\$2.12	\$701	1,405	\$1.99	-	-	-	\$690	1,364	\$2.02	\$658	1,394	\$1.89	\$725	1,421	\$2.04	\$729	1,442	\$2.02	\$665	1,408	\$1.89
FEES																								
ADMIN FEE	\$0			\$52			\$100			\$10			\$50			\$0			\$150			\$0		
APPLICATION FEE	\$50			\$56			\$35			\$10			\$35			\$20			\$50			\$185		
COMMUNITY/ADMIN FEE	\$35			\$45			\$65			\$35			N/A			N/A			\$35			N/A		
PET FEE	\$250			\$250			\$250			\$200			\$200			\$350			\$250			\$250		
PET RENT	\$25			\$25			\$30			\$20			\$20			\$20			\$35			\$25		
UTILITIES																								
ELECTRIC	Tenant			Tenant			Tenant			Tenant			Tenant			Tenant			Tenant			Tenant		
WATER/SEWER	Tenant			Tenant			Tenant			Property			Tenant			Tenant			Tenant			Tenant		
TRASH	Property			Property			Property			Property			Property			\$10/month			Property			Tenant		
CABLE/INTERNET	Property			Property			Property			Property			Property			\$10/month			\$85 one-time Telecom Fee			Property		
PARKING																								
RESERVED PARKING PER MONTH	\$25			\$24			\$35-\$50			\$25			\$0			\$30			\$35			\$30		





# Contacts

## STUDENT HOUSING INVESTMENT ADVISORY

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TO CONTACT  
DEAL TEAM

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