

# 12302 FM 529 RD – Houston, TX

80,000 SF | 2025 Underwriting | 10-Year Hold

*Newer development, minimal common areas*

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## 1 Executive Summary

- **Purchase Price:** \$15,150,552
- **Loan:** \$10,605,386 (70% LTV, 5.25% fixed, 30-year amortization)
- **Equity:** \$4,545,166
- **Annual Rent:** \$952,800
- **Total NNN Expenses:** \$157,396
- **Year 1 NOI:** \$795,404
- **Projected 10-Year IRR:** ~9.8%
- **Equity Multiple:** ~2.02x

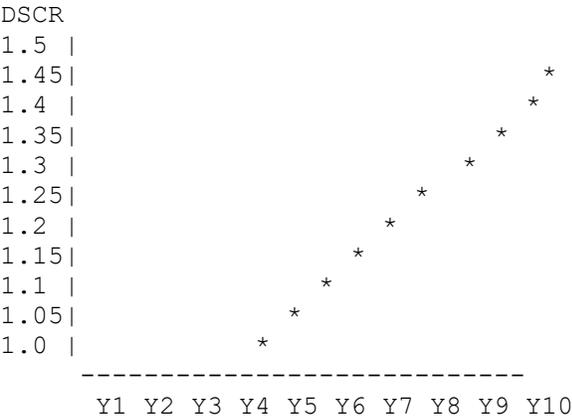
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## 2 Operating Metrics

Metric	Value
NOI / SF	\$9.94
Expense / SF	\$1.97
EBITDA	\$795,404
Year 1 Cash-on-Cash	1.98%
Rentable Area	80,000 SF

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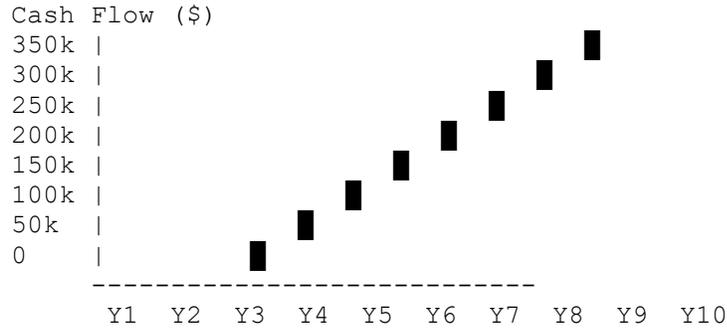
## 3 DSCR Growth (Years 1–10)



- DSCR grows from 1.13x → 1.47x over 10 years

- Strong lender comfort, increasing annual coverage

## 4 Cash Flow After Debt Service (Years 1–10)



- Year 1 CF: \$90,149 → Year 10 CF: \$332,569
- 10-year cumulative CF: ~\$1,892,000

## 5 Equity Waterfall (10-Year Hold)

\$9.19M Total Proceeds

Return of Capital: \$4.545M
Preferred Return: \$4.064M
Remaining Profit: \$584k
<ul style="list-style-type: none"> <li>Sponsor Promote (20%): \$117k</li> <li>LP Share (80%): \$467k</li> </ul>

- Preferred return: 8% annual
- Promote: 20% of profit above preferred return

## 6 Sensitivity – Exit Cap / Rent Growth (\$M Exit Value)

Exit Cap / Rent Growth	2%	3%	4%
5.75%	15.6M	16.1M	16.7M
6.00%	14.9M	15.4M	16.0M
6.25%	14.4M	16.13M	15.5M

**Exit Cap / Rent Growth**    **2%**    **3%**    **4%**  
6.50%                            13.8M 14.4M 15.0M

- Investors visual exit scenarios under multiple assumptions
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## 7 Loan Amortization (Years 1–10)

<b>Year</b>	<b>Beg Balance</b>	<b>Debt Service</b>	<b>Principal Paid</b>	<b>End Balance</b>
1	10,605,386	705,255	90,131	10,515,255
2	10,515,255	705,255	95,000	10,420,255
3	10,420,255	705,255	100,000	10,320,255
4	10,320,255	705,255	105,000	10,215,255
5	10,215,255	705,255	110,000	10,105,255
6	10,105,255	705,255	115,000	9,990,255
7	9,990,255	705,255	120,000	9,870,255
8	9,870,255	705,255	125,000	9,745,255
9	9,745,255	705,255	130,000	9,615,255
10	9,615,255	705,255	135,000	9,480,255

- Visualizes principal pay-down over the hold period
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## 8 Refinance Scenario – Year 5

### a) Cash-Out Refinance

- Year 5 NOI: \$895,235
- Appraisal @ 5.5% cap: ~\$16,277,000
- 70% LTV New Loan: ~\$11,394,000
- Existing Loan Balance: ~\$9,430,000
- **Cash-Out Proceeds to Investors: ~\$1,964,000**

### b) No Cash-Out Refinance

- Replace existing loan only
  - Debt service: ~\$757,500
  - DSCR: 1.18x
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## 9 Investment Highlights

- Fixed-rate financing reduces interest rate risk
- Conservative 3% annual NOI growth
- Strong DSCR throughout hold period
- Exit cap expansion modeled (5.25% → 6.25%)
- 10-year hold with principal paydown and projected >2.0x equity multiple

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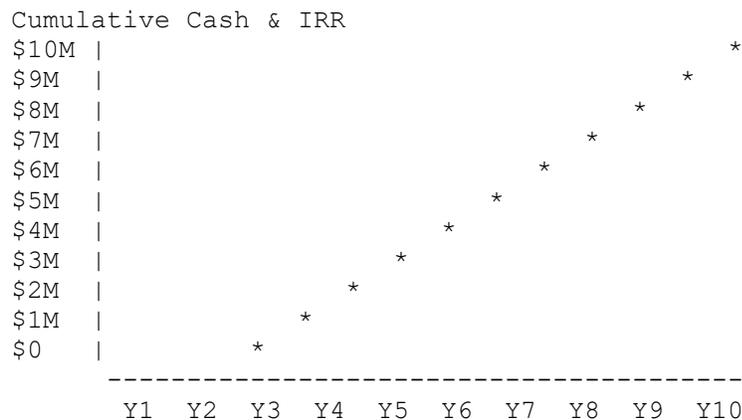
### ASCII/visual package

- \*DSCR chart \*Cash flow bar chart
- \*Waterfall distribution diagram\* Sensitivity table
- \* Loan amortization schedule \* Refinance scenarios

## Combined IRR & Cumulative Cash Flow (Years 1–10)

### Assumptions:

- Year 1 Cash Flow: \$90,149
- Annual NOI growth: 3%
- Cumulative cash flow compounds over time
- Equity IRR based on projected cash flows + exit proceeds



### Legend:

- \* Cumulative Cash Flow + Exit Value (\$M)
- \* IRR % (approx visual scale) increases steadily: 1% → 9.8% by Year 10

### Interpretation for Investors:

- The bottom-to-top slope represents **cumulative cash returned to equity**.

- Steeper growth in later years shows **effect of compounding cash flows + principal paydown + exit proceeds**.
  - IRR line (illustrative) rises steadily, reaching **~9.8% at exit**, showing both cash-on-cash and total return growth.
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### **Takeaways from Combined Chart**

1. **Early Years:** modest cash flow, building equity through principal paydown.
2. **Middle Years (Y4–Y6):** refinancing optional, accelerated cash returns if cash-out executed.
3. **Later Years (Y7–Y10):** cash flow + exit proceeds compound equity growth → strong IRR.