



CANFIELD  CONNORS

2300 Lohmans Spur, Ste 184
Lakeway, TX 78734

Bee Creek Mixed Use Commercial

February 2025

FOR SALE: Permitted Project

Strictly private and confidential.

Presented By:
Canfield Connors

INVESTMENT OVERVIEW

BASELINE EQUITY IRR

22.8%

BASELINE EQUITY CASH MULTIPLE

2.3x

BASELINE HOLD PERIOD

72 mo.

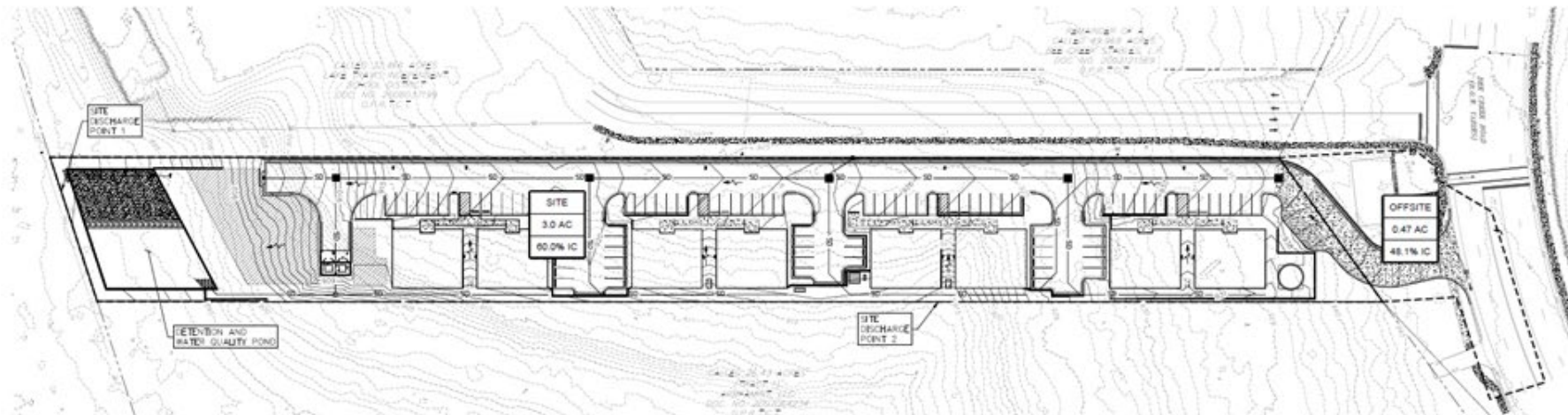
The Lake Travis area has experienced considerable growth over the past ten years. With one of the state's top public-school systems, the beauty of the Texas Hill Country, the recreational lifestyle on Lake Travis, and the numerous area golf courses and other recreational opportunities, the community has been a popular landing place for out-of-state affluent families. This results in housing and incredible commercial development opportunities.

The Austin metro area is yoked with considerable regulation and a high cost of commercial development. New businesses are excluded from developing smaller sites as they are cost prohibitive. There have been recent examples in the market showing considerable demand for this asset class, as it is preferable to being in a larger retail or mixed-use center. A smaller stand-alone unit provides the tenant with better signage, better access for their customers, more presence in the market and a better profile.

We have contracted for an ideal property that lends itself to this 'mixed use village' concept and is in a high traffic corridor.

After analyzing recent comparable projects and market rents, ***our strategy will be to construct eight (8) 3,024 sq ft free-standing, one-story mixed-use buildings with fully completed interiors.*** This approach reduces costs considerably by building everything at the same time and accelerates our leasing.

PROJECT SITE PLAN

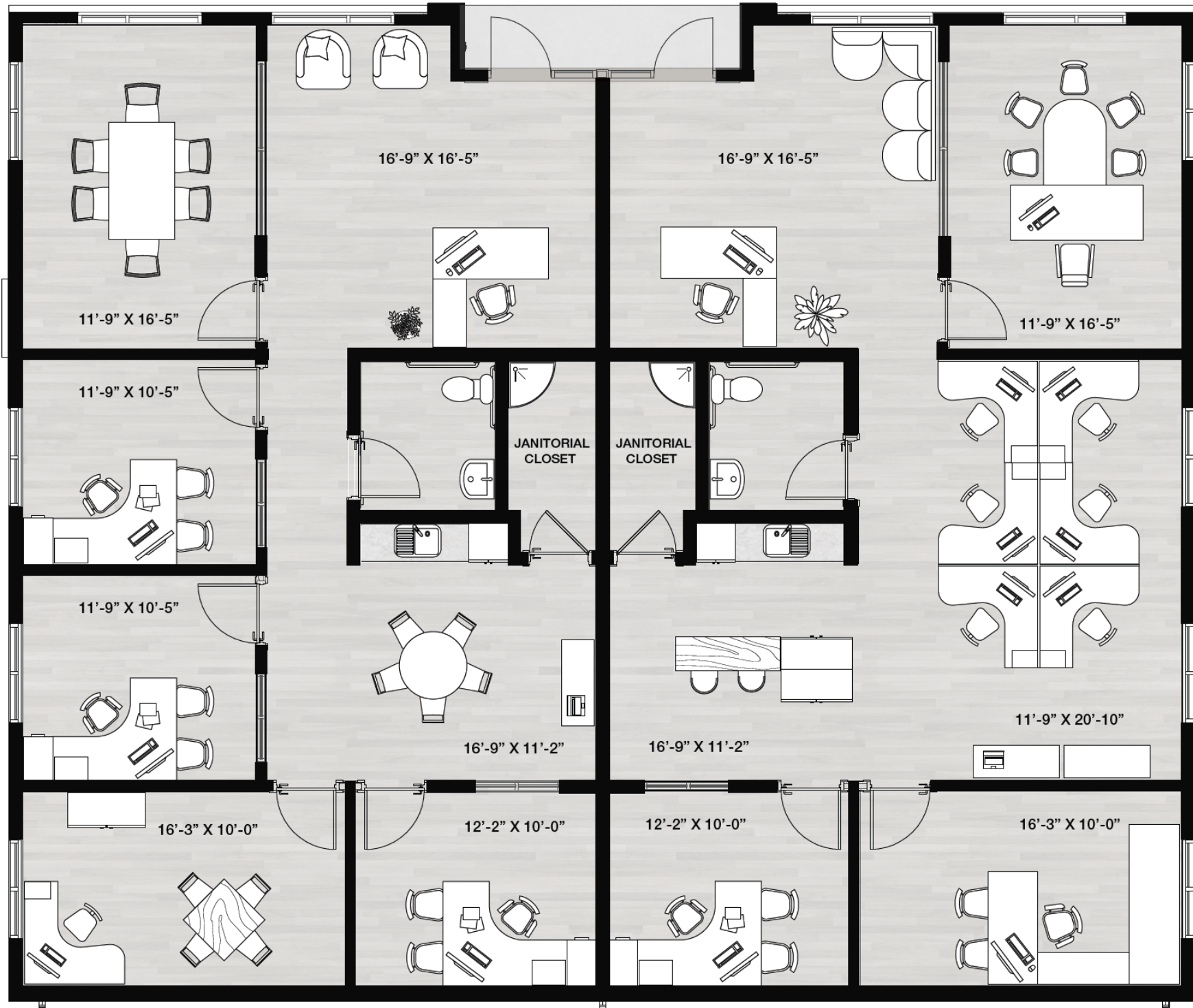


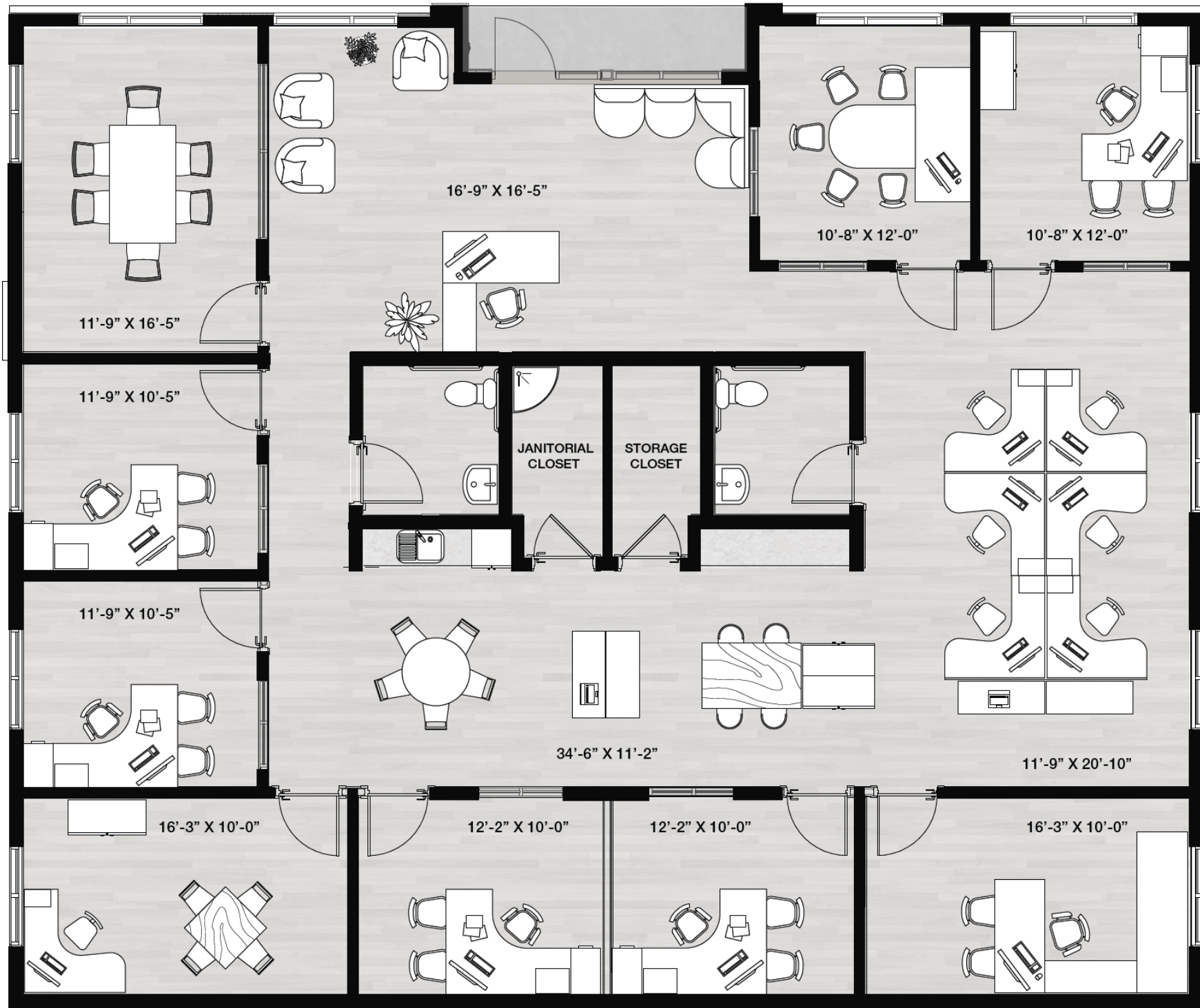












DEVELOPERS: CANFIELD CONNORS

Canfield Connors, LLC is an established mixed use real estate development company, specializing in Central Texas off-market opportunities. Since 2013, Canfield Connors has developed over 115,000 sq ft of mixed use lease space and 244 lots of RV resort units, with 72,000 sq ft of mixed use, 62 residential lots and 13 commercial lots currently under construction. Our specialization is focused around the more affluent western Travis County (Austin) and neighboring communities.

Recent Project Experience: www.canfieldconnors.com

LOCATION AND MARKET OVERVIEW – LAKEWAY, TX

The project is situated on a three-acre site located just off Hwy 71 in Lakeway, Texas. Lakeway is an affluent western suburb of Austin, located on Lake Travis. The project is inside the tri-city Lake Travis Independent School District (ISD) region which includes the city of Lakeway and Bee Cave, as well as the unincorporated area Spicewood. Lake Travis ISD is in the top 10% of Texas public schools with a 10/10 overall rating by Public Schools Review (<https://www.publicschoolreview.com/texas/lake-travis-independent-school-district/4826470-school-district>).

Average household incomes (2021 census):

Lakeway	\$142,566
Bee Cave	\$100,179
Spicewood	\$146,910

The site is located next to the Lake Travis Middle School and has signage exposure to a very high-traffic intersection.

The Lake Travis region has absorbed much of the incredible growth that Austin has experienced over the past five years. The three districts noted above that experienced more growth than Lake Travis are starter home communities.

SUBMARKET CONCLUSIONS

Below is a Costar report for the project zip code and the three other zip codes between the project and the Austin CBD. The report forecasts a negative net absorption of over 3% in the next 12 months. It’s inaccurate to predict that there is an unmet demand for mixed use space in the Austin (or most any other) macro market. But there are a few key indicators to highlight, that are specific to this project:

- 1. **Size of our Rental Suites** – We are renting small, 1,500-3,000 sq ft., stand-alone buildings vs. large multi-tenant buildings. This gives the tenant their own presence, signage opportunity and a non-shared-entrance.

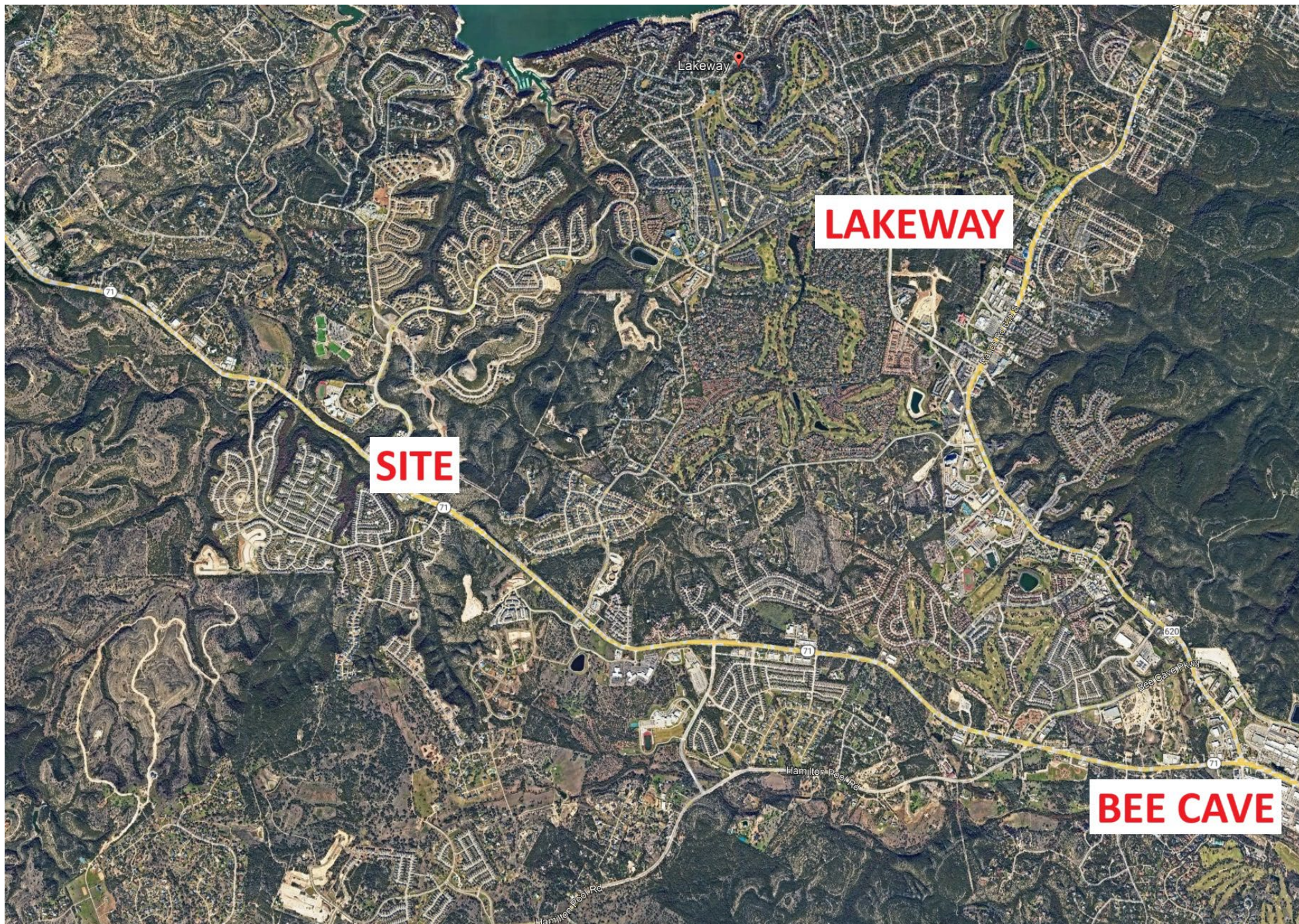
- 2. Interior Buildouts** – All of our suites will have a fully built out and flexible interior buildout. This will allow the tenants to occupy the space immendiatly, accelerate the lease-up and make the lease commitment more accessible to a broader tenant base.
- 3. Submarket Location** – We are located in a high-density rooftop location, in a prime location on the growth corridor.
- 4. Comparable Submarket Project to Comp** – There is a comparable project, recently completed in our submarket (<https://cherrypeaklakeway.com/>) that consisted of 16, similar freestanding mixed use suites. All 16 were pre-sold ahead of construction.
- 5. Lease Rate** – Our lease rate is sized to our sub-sub market and is significantly lower than the CoStar submarket (3 mile radius of project) of \$41.40/ft. We are in a very competitive position to raise rents over time, after stabilization.

Search Analytics

INVENTORY SF 61.1K +109.4% <small>Prior Period 29.2K</small>	UNDER CONSTRUCTION SF 0 -100.0% <small>Prior Period 25.8K</small>	12 MO NET ABSORPTION SF 19.5K - <small>Prior Period 0</small>	VACANCY RATE 22.4% +18.1% <small>Prior Period 4.3%</small>	MARKET ASKING RENT/SF \$41.40 +2.6% <small>Prior Period \$40.35</small>	MARKET SALE PRICE/SF \$559 +2.6% <small>Prior Period \$545</small>	MARKET CAP RATE 5.7% +0.1% <small>Prior Period 5.6%</small>
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Key Metrics

Availability		Inventory	
Vacant SF	13.7K ↑	Existing Buildings	6 ↑
Sublet SF	0 ↓	Under Construction Avg SF	-
Availability Rate	25.3% ↑	12 Mo Demolished SF	0 ↓
Available SF Total	15.4K ↑	12 Mo Occupancy % at Delivery	77.1%
Available Asking Rent/SF	\$41.17 ↑	12 Mo Construction Starts SF	6.1K ↓
Occupancy Rate	77.6% ↓	12 Mo Delivered SF	31.9K ↑
Percent Leased Rate	81.7% ↓	12 Mo Avg Delivered SF	8K
Sales Past Year		Demand	
Asking Price Per SF	-	12 Mo Net Absorp % of Inventory	33.9%
Sale to Asking Price Differential	-	12 Mo Leased SF	5.7K ↑
Sales Volume	\$0 ↓	Months on Market	4.4 ↓
Properties Sold	0 ↓	Months to Lease	-
Months to Sale	-	Months Vacant	8.3
For Sale Listings	-	24 Mo Lease Renewal Rate	62.0%
Total For Sale SF	-	Population Growth 5 Yrs	9.6%



CONSULTANTS

Miller Gray Civil Engineering & Planning. Miller Gray is an Austin-based civil engineering firm established in 2014.

We have two current contracts with Miller Gray.

<https://miller-gray.com/>

Motif Architects Architecture, Landscaping & Planning. Motif is a boutique firm located in Lakeway that we have a long history with. We currently have four contracts engaged with Motif.

<https://www.motifbuild.com/>

Wet Rock Groundwater Services Hydrologist. Wet Rock was formed in 2002. From the very beginning we saw as key elements to success the application of sound science and technology in addition to making each client's satisfaction a top priority. This combination of science and client care has been the driving force in the continuing success of the business.

<https://wetrockgs.com>

Peak Design Build Builder. Peak Design Build creates luxury modern homes, comfortable commercial interiors, and thoughtful developments in the Austin area.

<https://peak-development.com>

EXHIBIT A

FINANCIALS


Bee Creek Commercial Village

Project Sources & Uses

2/5/2025

5-Feb-25

			BUYOUT
Land			\$ 850,000
Hard Costs			
Estimated Pricing			\$ 6,741,467
Spec-Level TI			\$ 1,110,847
Pond			\$ -
Well & Equip			\$ 406,504
Test Well			\$ 64,126
Well Contingency			\$ 47,063
Plugging of Existing Well			\$ 20,000
Fire Tank			\$ -
Septic			\$ -
Landscaping Allowance			\$ -
Telecom			\$ 10,000
PEC/Transformers			\$ 150,000
Permits (city of lakewy, demo, well capping, septic)			\$ 157,046
Testing			\$ 35,000
Contingency			\$ 279,392
Soft Costs			
Architectural - Shell			\$ 96,315
MEP			\$ 28,000
Structural			\$ 32,800
Architectural - Interior			\$ 20,000
Engineering			\$ 206,918
Landscape Arch			\$ 22,650
Hydro Eng			\$ 75,000
Surveying			\$ 10,000
OSSF Design			\$ -
Geotech			\$ -
Fire Tank Engineering			\$ 7,800
Fire Tank Design			\$ -
Permits			\$ 114,000
Taxes During Construction			\$ 8,200
Senior Interest During Construction			\$ 203,842
PACE Capitalized Interest			\$ -
Leasing			\$ 138,055
Contingency			\$ 48,179
Pre-Finance Totals			\$10,883,205
Finance Costs			
Loan Origination Points 1%			\$ 60,000
Loan Fees, Legal 0.5%			\$ 45,000
Appraisal			\$ 7,520
Total Project Cost			\$10,995,725
Price/Ft (no land)			\$ 419
Equity Required	26%		\$ 2,890,000
PACE Financing	25%		\$ 2,791,930
Loan Requested	50%		\$ 5,497,862

Bee Creek Commercial Village Investment Analysis (75% Leveraged)																			
USE OF FUNDS / PROJECT COSTS						PROJECT ASSUMPTIONS													
						Investment Period 5 Years													
						Equity Required 26% \$ 2,890,000													
						PACE Financing 25% \$ 2,791,930													
						Debt Required 50% \$ 5,497,862													
						Interest Rate 7.50%													
						AM Term 25													
						Sales Price CAP Rate 5.5%													
PROJECTED FIVE (5) YEAR HOLD			Year 1*	Year 2	Year 3	Year 4	Year 5												
Year																			
Total Rental & Ancillary Income			\$653,184	\$897,039	\$923,951	\$951,669	\$980,219												
Gross Operating Income			\$653,184	\$897,039	\$923,951	\$951,669	\$980,219												
Less Vacancy			5% \$ -	\$ -	\$ -	\$ -	\$ -												
Operating Expenses			\$ (25,848)	\$ -	\$ -	\$ -	\$ -												
Total Net Revenue			\$ 627,336	\$ 897,039	\$ 923,951	\$ 951,669	\$ 980,219												
PACE Debt Service			\$ -	\$ (267,448)	\$ (342,038)	\$ (342,038)	\$ (342,038)												
Senior Debt Service			\$ (412,340)	\$ (412,340)	\$ (429,553)	\$ (429,553)	\$ (429,553)												
Refi Cost 1%			\$ -	\$ -	\$ (54,141)	\$ -	\$ -												
Cash Flow after Debt Service			\$ 214,997	\$ 217,252	\$ 98,219	\$ 180,079	\$ 208,629												
<div><div>CANFIELD  CONNORS</div><div><div>SALE OF PROPERTY</div><div>YR 5</div><div>Sales Price (5.5% CAP Rate)</div><div>\$ 17,822,166</div><div>Less Sale/Loan Costs @ 8%</div><div>\$ (1,425,773)</div><div>PACE Loan Discount</div><div>\$ (3,128,656)</div><div>Less Senior Loan Payoff</div><div>\$ (5,163,043)</div><div>Net Cash Sales Proceeds</div><div>\$8,104,694</div></div></div>																			
										Yr. 1		Yr. 2		Yr. 3		Yr. 4		Yr. 5	
										NET CASH FLOW									
										Cash Flows			\$ (2,890,000)	\$ 214,997	\$ 217,252	\$ 98,219	\$ 180,079	\$ 8,313,323	
										Equity Capital Account			\$ (2,890,000)	\$ (2,890,000)	\$ (2,890,000)	\$ (2,890,000)	\$ (2,890,000)	\$ (2,890,000)	
										Preferred Return Accum. 10%			\$ 433,500	\$ 722,500	\$ 796,503	\$ 868,252	\$ 1,059,033	\$ 1,167,954	
										1st Waterfall - Preferred Return Paid			\$ 214,997	\$ 217,252	\$ 98,219	\$ 180,079	\$ 180,079	\$ 1,167,954	
2nd Waterfall - Return of Capital			\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,890,000											
3rd Waterfall - Pro Rata																			
65% to Equity			\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,765,990											
35% to GP			\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,489,379											
TOTAL CASH FLOW TO LP INVESTOR			\$ 214,997	\$ 217,252	\$ 98,219	\$ 180,079	\$ 6,823,944												
EQUITY PERFORMANCE			\$ (2,890,000)	\$ 214,997	\$ 217,252	\$ 98,219	\$ 180,079	\$ 6,823,944											
Equity IRR / Net Profit			22.8%																
Equity ROE / Annual ROE			7.4%	7.5%	3.4%	6.2%	236.1%												

Bee Creek Commercial Village
Rental Analysis and Cash Flows
2/5/2025



			Year 1				Year 2				Year 3				Year 4				Year 5				
	Building	Suite	Sq Ft	\$ Rate/Ft	\$ NNN	Annual Net Rent	Annual NNN	\$ Rate/Ft	\$ NNN	Annual Net Rent	Annual NNN	\$ Rate/Ft	\$ NNN	Annual Net Rent	Annual NNN	\$ Rate/Ft	\$ NNN	Annual Net Rent	Annual NNN	\$ Rate/Ft	\$ NNN	Annual Net Rent	Annual NNN
Commercial Bldgs.	1		3,024	\$ 36.00	\$ 4.27	\$ 108,864.00	\$ 12,923.88	\$ 37.08	\$10.83	\$ 112,129.92	\$ 32,757.40	\$ 38.19	\$11.16	\$ 115,493.82	\$ 33,740.12	\$ 39.34	\$12.23	\$ 118,958.63	\$ 36,978.23	\$ 40.52	\$11.90	\$ 122,527.39	\$35,979.52
	2		3,024	\$ 36.00	\$ 4.27	\$ 108,864.00	\$ 12,923.88	\$ 37.08	\$10.83	\$ 112,129.92	\$ 32,757.40	\$ 38.19	\$11.16	\$ 115,493.82	\$ 33,740.12	\$ 39.34	\$12.23	\$ 118,958.63	\$ 36,978.23	\$ 40.52	\$11.90	\$ 122,527.39	\$35,979.52
	3		3,024	\$ 36.00	\$ 4.27	\$ 108,864.00	\$ 12,923.88	\$ 37.08	\$10.83	\$ 112,129.92	\$ 32,757.40	\$ 38.19	\$11.16	\$ 115,493.82	\$ 33,740.12	\$ 39.34	\$12.23	\$ 118,958.63	\$ 36,978.23	\$ 40.52	\$11.90	\$ 122,527.39	\$35,979.52
	4		3,024	\$ 36.00	\$ 4.27	\$ 108,864.00	\$ 12,923.88	\$ 37.08	\$10.83	\$ 112,129.92	\$ 32,757.40	\$ 38.19	\$11.16	\$ 115,493.82	\$ 33,740.12	\$ 39.34	\$12.23	\$ 118,958.63	\$ 36,978.23	\$ 40.52	\$11.90	\$ 122,527.39	\$35,979.52
	5		3,024	\$ 36.00	\$ 4.27	\$ 108,864.00	\$ 12,923.88	\$ 37.08	\$10.83	\$ 112,129.92	\$ 32,757.40	\$ 38.19	\$11.16	\$ 115,493.82	\$ 33,740.12	\$ 39.34	\$12.23	\$ 118,958.63	\$ 36,978.23	\$ 40.52	\$11.90	\$ 122,527.39	\$35,979.52
	6		3,024	\$ 36.00	\$ 4.27	\$ -	\$ -	\$ 37.08	\$10.83	\$ 112,129.92	\$ 32,757.40	\$ 38.19	\$11.16	\$ 115,493.82	\$ 33,740.12	\$ 39.34	\$12.23	\$ 118,958.63	\$ 36,978.23	\$ 40.52	\$11.90	\$ 122,527.39	\$35,979.52
	7		3,024	\$ 36.00	\$ 4.27	\$ -	\$ -	\$ 37.08	\$10.83	\$ 112,129.92	\$ 32,757.40	\$ 38.19	\$11.16	\$ 115,493.82	\$ 33,740.12	\$ 39.34	\$12.23	\$ 118,958.63	\$ 36,978.23	\$ 40.52	\$11.90	\$ 122,527.39	\$35,979.52
	8		3,024	\$ 36.00	\$ 4.27	\$ 108,864.00	\$ 12,923.88	\$ 37.08	\$10.83	\$ 112,129.92	\$ 32,757.40	\$ 38.19	\$11.16	\$ 115,493.82	\$ 33,740.12	\$ 39.34	\$12.23	\$ 118,958.63	\$ 36,978.23	\$ 40.52	\$11.90	\$ 122,527.39	\$35,979.52
24,192																							
NNN Collected			\$ 653,184 \$ 77,543				\$ 897,039 \$ 262,059				\$ 923,951 \$ 269,921				\$ 951,669 \$ 295,826				\$ 980,219 \$ 287,836				
NNN Exp			\$ 77,543				\$ 262,059				\$ 269,921				\$ 295,826				\$ 287,836				
Net Rev - pre debt service			\$ (103,391)				\$ (262,059)				\$ (269,921)				\$ (295,826)				\$ (287,836)				
Debt Service - Senior			\$ 627,336				\$ 897,039				\$ 923,951				\$ 951,669				\$ 980,219				
PACE Debt Service			\$ (412,340)				\$ (412,340)				\$ (429,553)				\$ (429,553)				\$ (429,553)				
			\$ -				\$ (267,448)				\$ (267,448)				\$ (267,448)				\$ (267,448)				
			\$ 214,997				\$ 217,252				\$ 226,950				\$ 254,669				\$ 283,219				
DSCR			1.32				2.15				2.22				2.28								

Assumptions:
3% annual rent increases