



McCune Construction Consulting, Inc.

## Property Condition Assessment

Subject Property Address:

**114 North Houston, Denison, TX**



Prepared for:

**Mr. Cam Anderson**

**CAE Commercial Properties, LLC**

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Prepared by:

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**June 15, 2023**



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**Report Summary:**

McCune Construction Consulting, Inc. (McCune) is pleased to provide you with this Property Condition Assessment (PCA) for the subject property. The PCA is based on McCune’s visual observation of the subject property and the opinions of third-party consultants. The primary objective of the PCA is to provide the client with a visual review (aka inspection) of the property. Areas of the property reviewed include, but may not be limited to, the building envelop (shell), foundation, interior finishes, air conditioning & heating, plumbing and electrical systems. Site improvements may also be included.

**Scope & Qualification:**

It is important to realize, the physical condition of some improvements may not have been identified in the report due to their not being exposed to view, and/or due to such conditions being concealed from view. Unexpected repairs to such items may become necessary. The Property Assessment report is not and should not be considered as a guarantee or warranty of any kind. The Limitations section of each component of the report should be thoroughly examined as issues may arise within the course of the site review which may have adversely impacted the visual inspection.

**McCune’s Scope:**

McCune’s scope of services for this assessment included a visit to the property and observation of the improvements. The purpose of observations is to assess the physical condition of the property and to identify components which are damaged, in disrepair, and/or prevent the property from being considered in “good” condition. The assessment was performed in general accordance with Industry Standards, in as much as a visual review of the property permits.

Opinions of costs for recommended repairs are categorized into two categories, i.e., Short-term, and Long-term.



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- Short-term: those items requiring immediate attention and/or repair or replacement to remedy physical deficiencies.
- Long-term: those items requiring repair or replacement to remedy physical deficiencies, such as deferred maintenance, which are beyond the scope of regular maintenance and should be undertaken on a priority basis.

The PCA also includes a *Valuation Summary* which provides recommended repairs and upgrades which are not considered “deferred maintenance.” As it is our understanding the property is scheduled for complete restoration, recommended repairs include trade work normally associated with a complete restoration of a property with such characteristics. The scope of Work included in the Valuation Summary should not be considered all-inclusive.

The report excludes information and/or reporting pertaining to ADA Compliance and potential microbial growth or potential growth issues. No comment is offered on environmental conditions or asbestos containing materials, as no testing or inspections for such were performed as part of this assessment.

**Description of Property:**

The property is commonly referred to as THE PEANUT BUILDING. The property is located at 114 North Houston Avenue, Denison, TX. (It is an 18,200 square foot building (27,000 sq ft including the basement) located on approximately .48-acre lot, and originally constructed in 1900. The building is a Class-B Structure, is a two-story building with a basement. The ground floor is partially finished-out, the upper level is not finished-out, and the basement is also not finished-out.

The foundation is generally supported by a foundation constructed of rock and bearing on subgrade footings. The roof is a combination of metal and a common built-up type roofing





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system, and the façade is generally masonry (brick) with cast-stone and/or sheet metal cornice.

**LINK to interesting historical information:**

<http://mixerreviews.blogspot.com/2020/01/some-history-explored-behind-peanut.html>

**Field Notes:**

- Site Utilities to the property include:
  - Electrical Services (Service Provider unknown) – active
  - Water & Sewer (City of Denison) – not currently active
  
- Interviews:
  - Mr. Josh Long greeted and escorted me throughout the property and provided access to the various areas of the building. The history of property and its renovation was discussed.
  
- Inspection & Certificate Documents:
  - Certificate of Occupancy documents were not observed.
  - Fire Department Inspection Certificates (fire sprinkler) was observed (see photos).
  - Elevator inspection was not observed.

**Building:**

- Foundations: The foundation is a rock foundation. No significant structural / foundation issues were observed. McCune recommends a licensed structural engineer review prior to any modification to the foundation.
- Structural: The structure is primarily wood framed with wood floor decking. No significant structural issues were observed, except as otherwise suggested herein. It is



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McCune's professional opinion; the building structure is generally in good condition. Notwithstanding the masonry parapet walls (which obviously require repair) the remainder of the overall structure appears to be in relatively good condition. McCune recommends a licensed structural engineer be engaged to design and oversee any modifications to the building structure.

- Building Envelope: With minor exceptions (noted herein & pictured) the exterior envelope of the building appears to be in good condition, with the following exceptions:
  - Walls on the ground level and upper level were generally in fair to good condition with minor cracking and a few missing bricks. The parapets are in very poor condition and should be completely rehabbed. .
  - Front Entrance is generally in fair condition.
  - Fenestrations (windows) appear to be in fair condition with the exception of trim around windows which has come loose and needs to be repaired.
- Roof: The roof is generally in VERY poor condition. Evidence of leaking, and flooding, was observed (see report and photos). McCune recommends full replacement. Also see attached Roof Report.
- Interior (Tenant) Finishes are in poor to fair condition. According to Owner's representative all existing finishes are schedule to be demolished.
- Toilet Specialties: Not reviewed.
- Residential Kitchen Equipment: NA
- Conveyance / Elevators: There is a very old "freight elevator" which does not appear to be functional. McCune did not assess. McCune recommends the system should be inspected and evaluated by a licensed professional, prior to operation.

**MEP Systems:**

- HVAC System: There is no Air Conditioning in the building (evidence of removal).



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- Unit heater present (not operated). McCune recommends the heater should be inspected and evaluated by a licensed professional, prior to operation.
  
- Plumbing:
  - All water and sewer systems, i.e., piping, vents, hot water heaters, valves and fixtures appear enacted, but not in working condition, as there is currently no water or sewer services to building.
  - Valves, water closets, urinals and lavatories were not assessed.
  - McCune recommends the system should be inspected and evaluated by a licensed professional.
- Electrical Systems:
  - Electrical Service: No issues observed.
  - Electrical distribution system equipment / panels appear to have been recently updated and in working condition. McCune recommends a licensed electrician evaluate the entire building and make repairs necessary to bring property up to code.
  - Devices: Multiple devices (switches, outlets, j-boxes were observed. Several open J-boxes and device boxes were open and conductors exposed. None were assessed for active electrical current. McCune recommends a licensed electrician evaluate the entire building and make repairs necessary to bring property up to code.
  - Lighting: Only limited functioning lighting was observed. McCune recommends a licensed electrician evaluate the entire building and make repairs necessary to bring property up to code.
  - Emergency Lighting: Not inspected
  - Site (parking lot); NA



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- Fire Suppression Systems: A Grinnell riser, main and branch lines and heads were observed (see photos). System did not appear to be active. McCune recommends the system should be inspected and evaluated by a licensed professional.
- Fire Alarm System: None observed.

**Site Improvements:**

- Pavement:
  - The concrete pavement in front of the building is generally in poor to fair condition with some areas needing attention (pictured).
- Walks & Flatwork:
  - Walks and flatwork are generally in poor to fair condition. McCune recommends these sidewalks should be removed and replaced.
- Drainage:
  - The property appears to have good positive surface drainage.
- Stairs: Wood Stairs to all levels are accessible and usable but are in poor to fair condition. Steps and handrail components are missing, which creates safety hazards. McCune recommends these conditions should be corrected.
- Landscaping: Overgrown – not completely reviewed.
- Irrigation Systems: NA

**Conclusion:**

Given the age of the property (approx. 125 years old) the structure is generally considered to be in fair to good condition. Structure has “good bones” but requires immediate rehab (repair) to masonry façade (particularly above the roof line), entrances, windows and roof repairs noted herein. This work is necessary to weatherproof structure and to make-ready for pending restoration.



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**Valuations:**

This summary of improvements along with McCune's opinion regarding needed actions, and corresponding values for each item summarized. The estimated cost / value for work related to items listed, which require immediate attention:

- Parapet Wall / Masonry Façade Restoration. \$85,000.00 (based on 1680Sf @ \$50/SF)
- Main Entrance Restoration / Replacement: \$4,000.00 (Based on 30 SF @ \$125/SF)
- Window Restoration: \$22,500.00 (Based on 300Sf @ \$75/SF)
- Partial Roof Decking repairs & complete re-roof: \$157,500.00 (Based on 10,500 SF @ \$15/SF)
- Ground / second level floor deck repairs / replacement (+/- 5,000 SF): \$50,000
- Electrical Service to Property: should be evaluated by licensed electrician but appears sufficient to facilitate rehab of property: \$6,000 (evaluation & minor repairs).
- Water & Sewer: should be evaluated by a licensed plumber but appears sufficient to facilitate rehab of property: \$3,000 (evaluation & minor repairs).
- Fire Sprinkler: should be inspected and evaluated by a licensed fire sprinkler contractor (and perhaps Fire Marshall's office). System will likely require replacement: \$135,000.00 (underground and vault not included).
- Elevator: Complete replacement of shaft system and equipment: \$175,000.00

**Texas Accessibility Standards / America for Disabilities Act (ADA):** Not assessed; McCune recommends a RAS Examiner review design prior to construction, and plans be submitted to TDLR to ensure compliance with ADA and TAS (Architectural Barriers Standards).

<https://www.tdlr.texas.gov/ab/techmemos.htm>

**Fair Housing Standards & Guidelines:** Not assessed. McCune recommends qualified expert / consultant review design prior to construction to ensure compliance.



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[https://www.hud.gov/program\\_offices/fair\\_housing\\_equal\\_opp/fair\\_housing\\_rights\\_and\\_obligations](https://www.hud.gov/program_offices/fair_housing_equal_opp/fair_housing_rights_and_obligations)

**Governing Codes & Ordinances:** Not specifically assessed. It is highly unlikely the plumbing, air conditioning, electrical, fire or life safety systems of the property are compliant with current codes and ordinances. McCune recommends these systems should be assessed by a qualified expert and brought up to current code, where applicable.

**Useful Life or Remaining Useful Life (RUL) of Building:** Not addressed.

**Photos:** Photos of the subject property are attached for reference.

Thank you for the opportunity to provide you with this PCA. Should you have any questions or need additional review work performed, do not hesitate to contact me.

Prepared by:

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*“You can have everything in life you want, if you just help enough other people get what they want”*

*Zig Zilar*

**Attachments:**

- Roof Report
- Photos





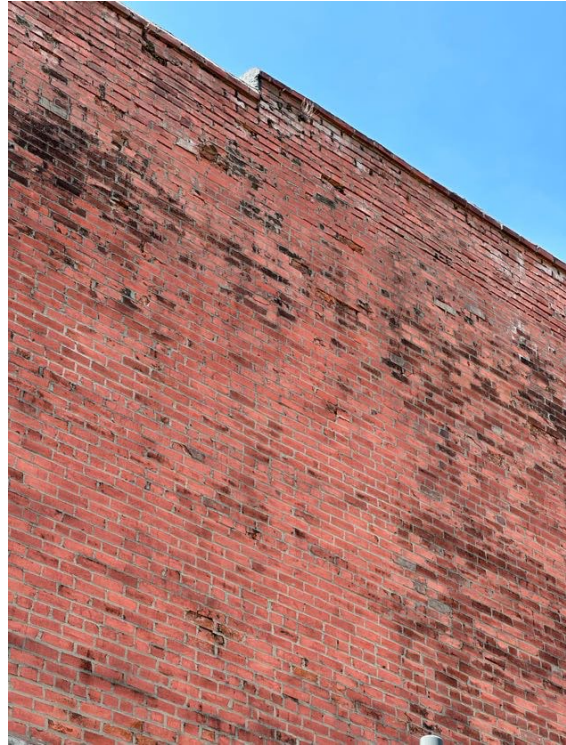
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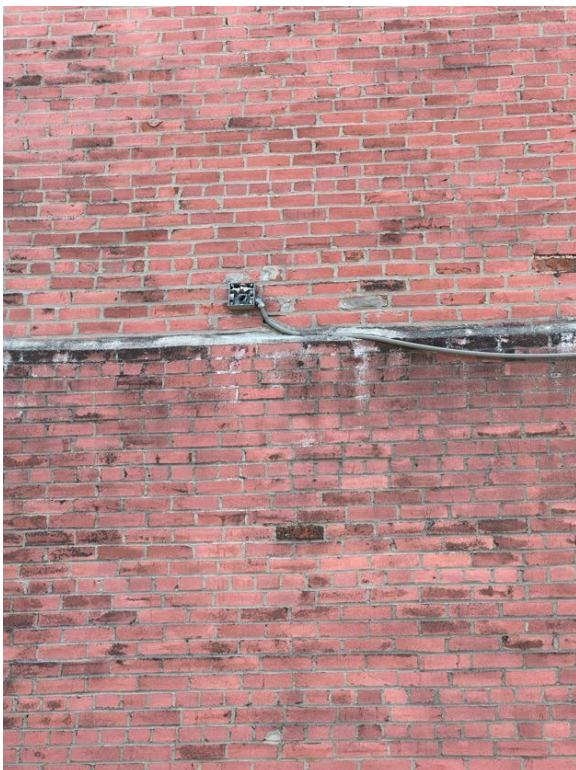
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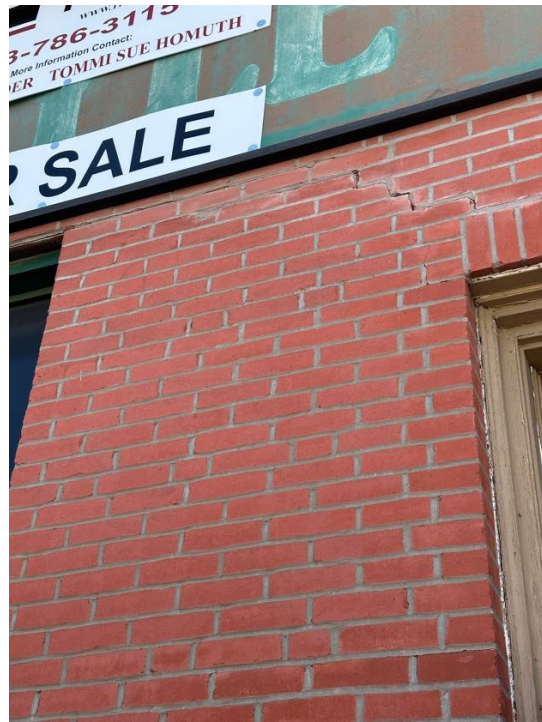
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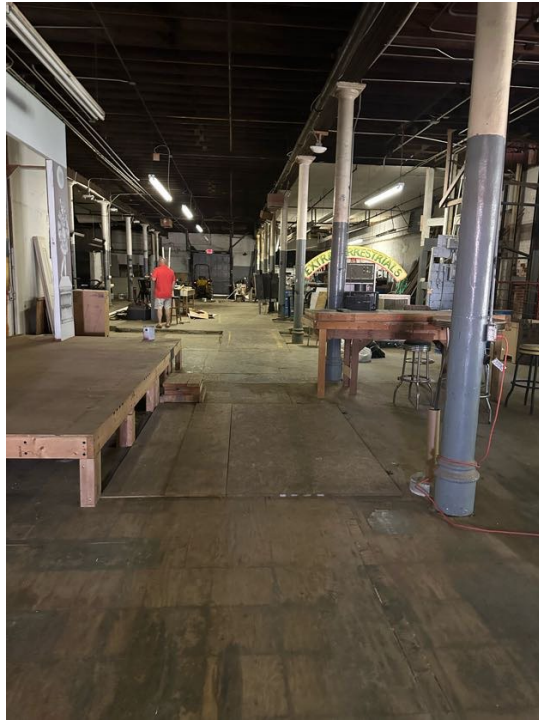
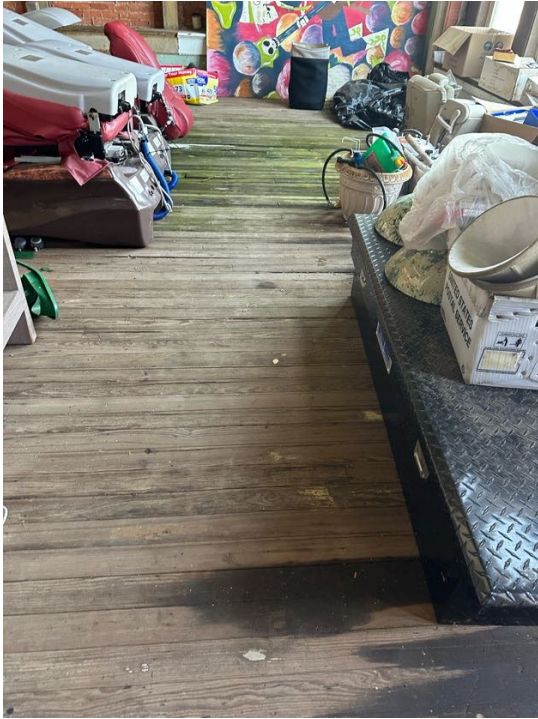
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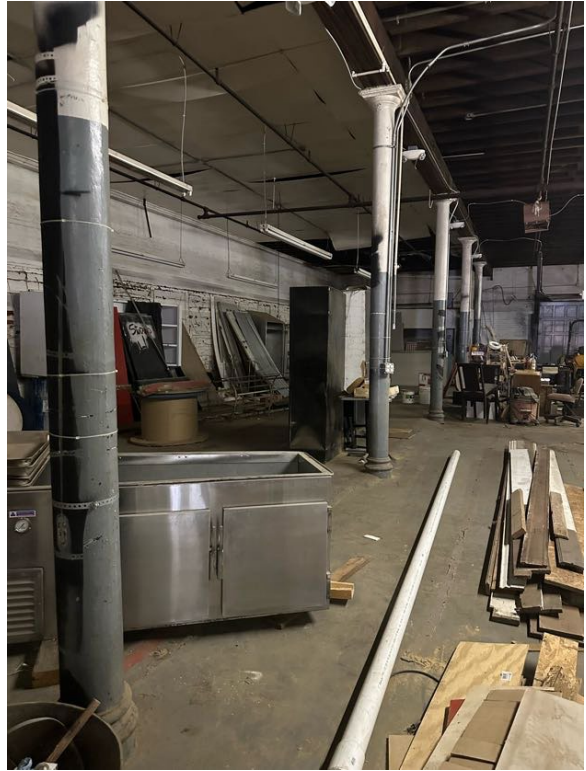
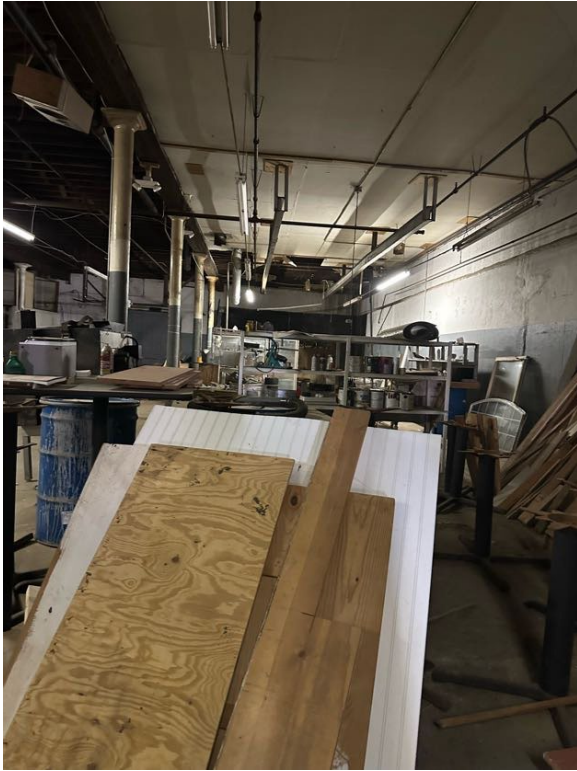
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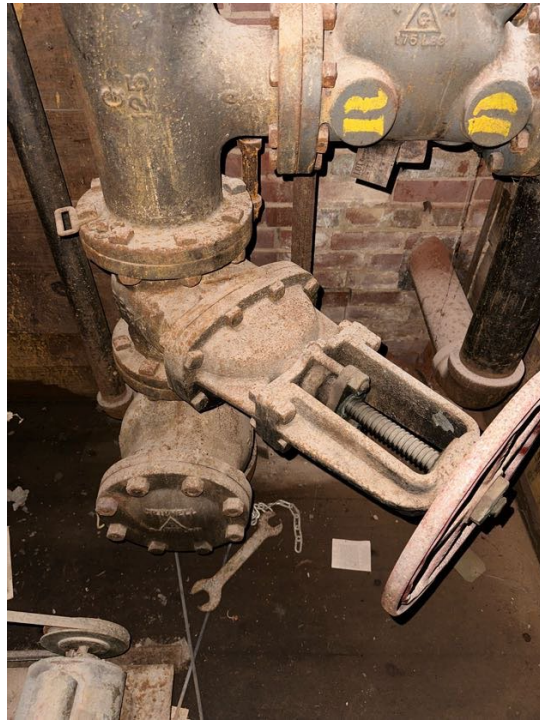
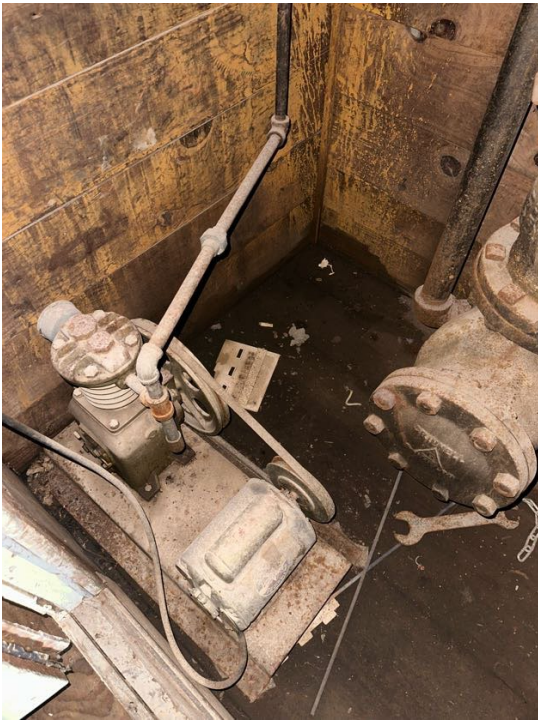
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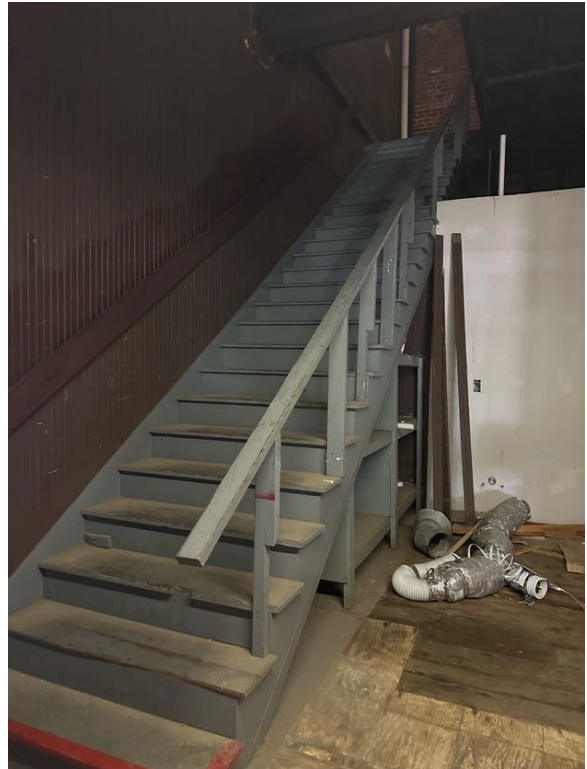
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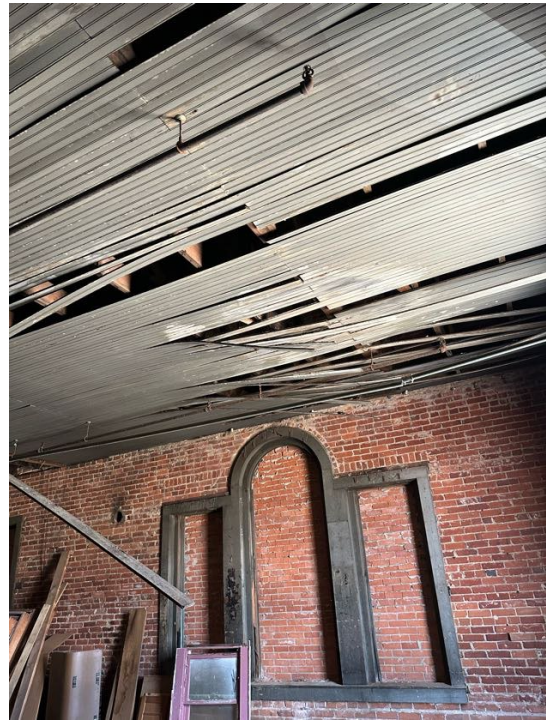
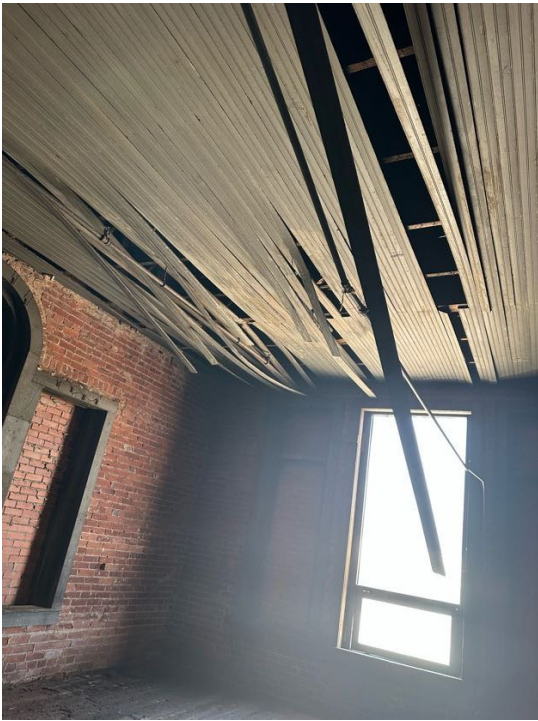
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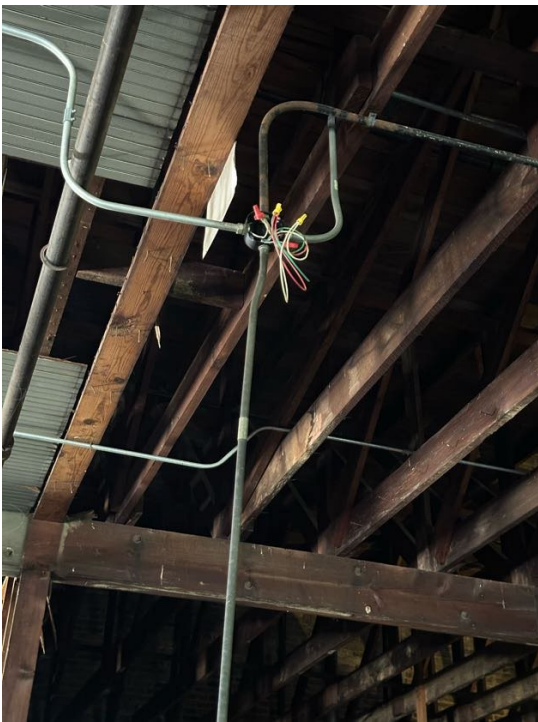
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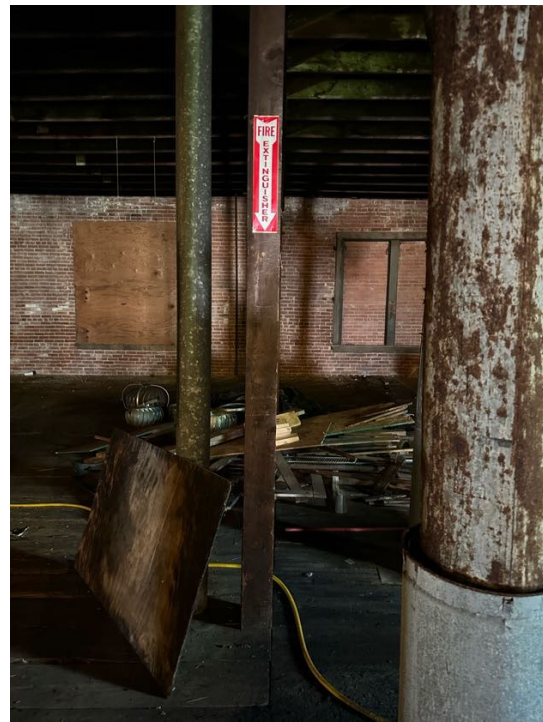
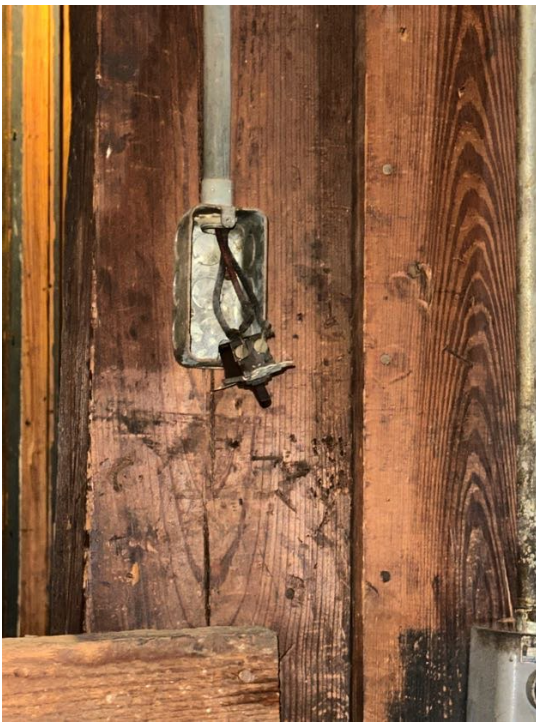
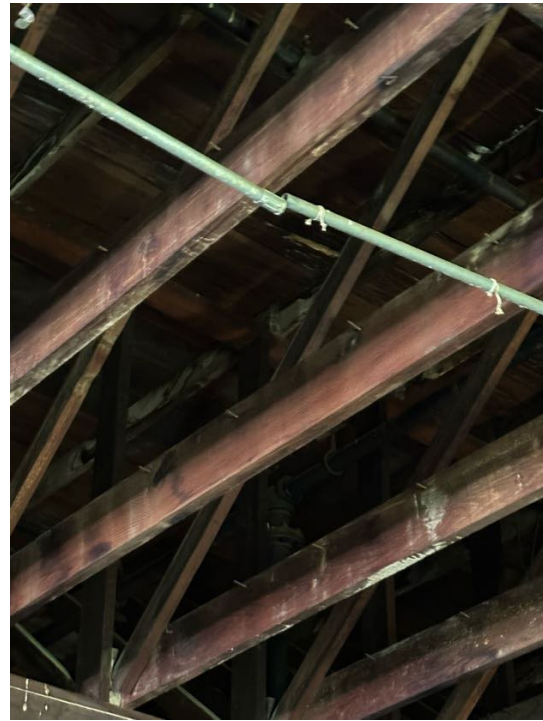
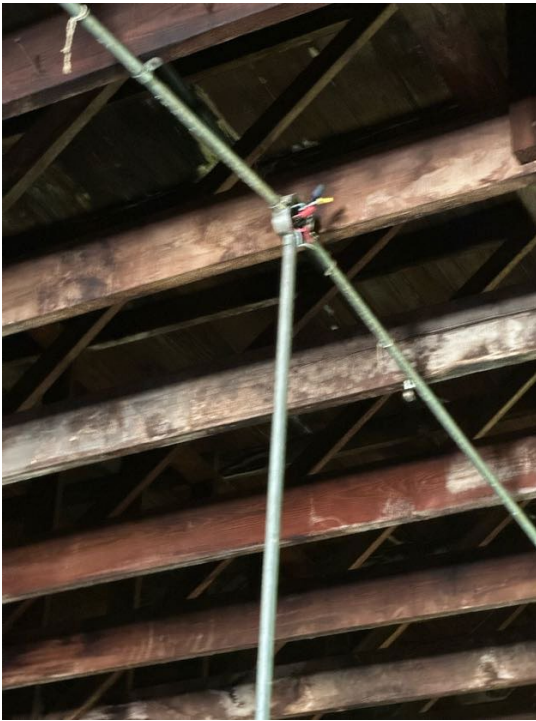
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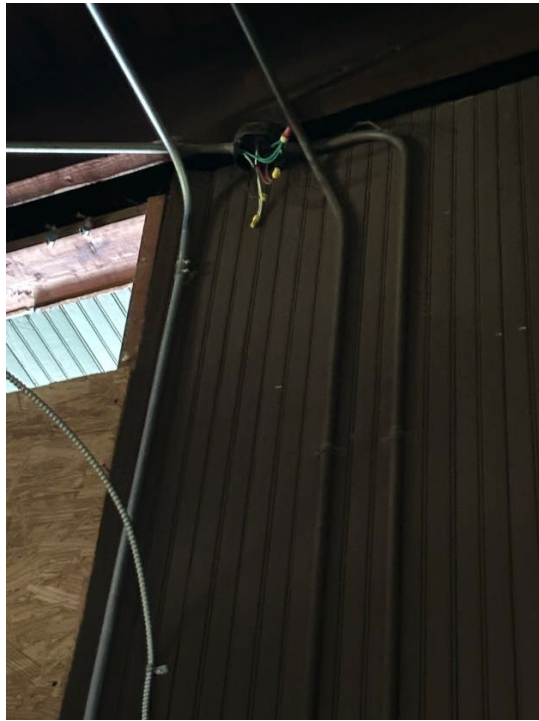
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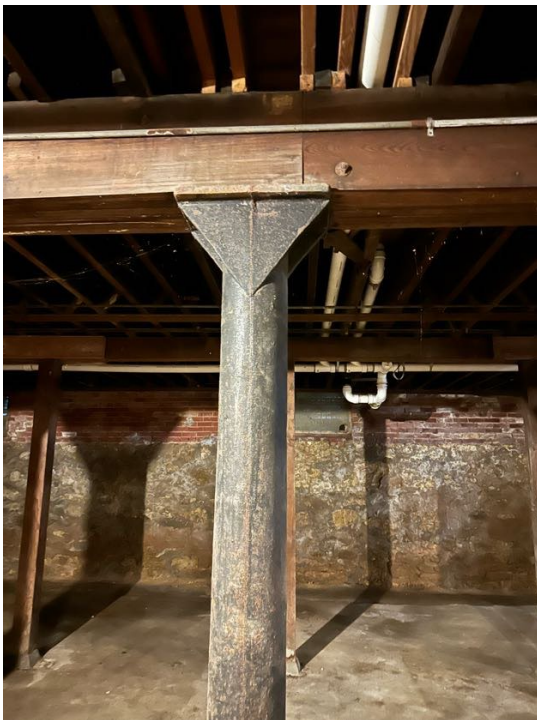


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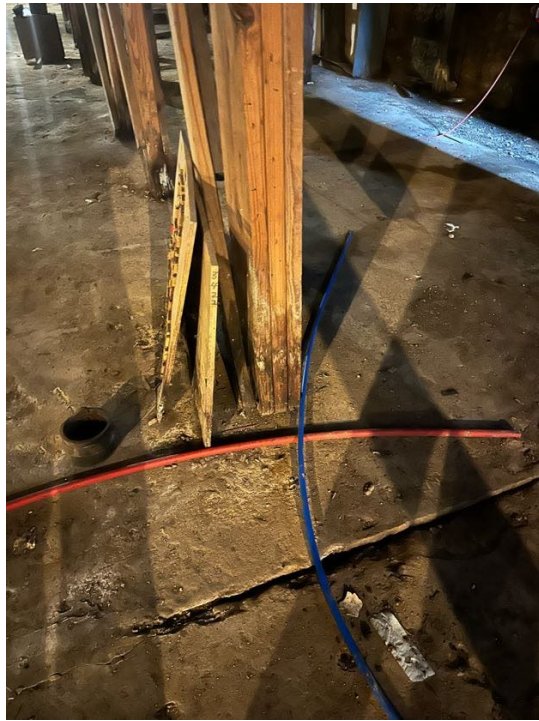
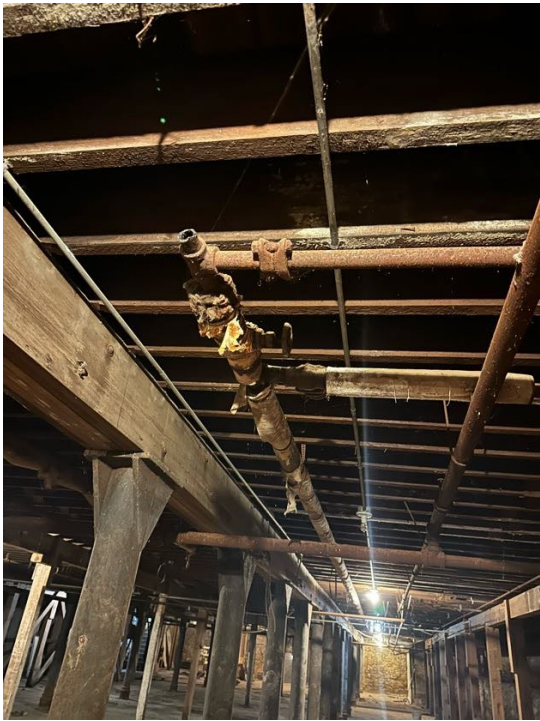
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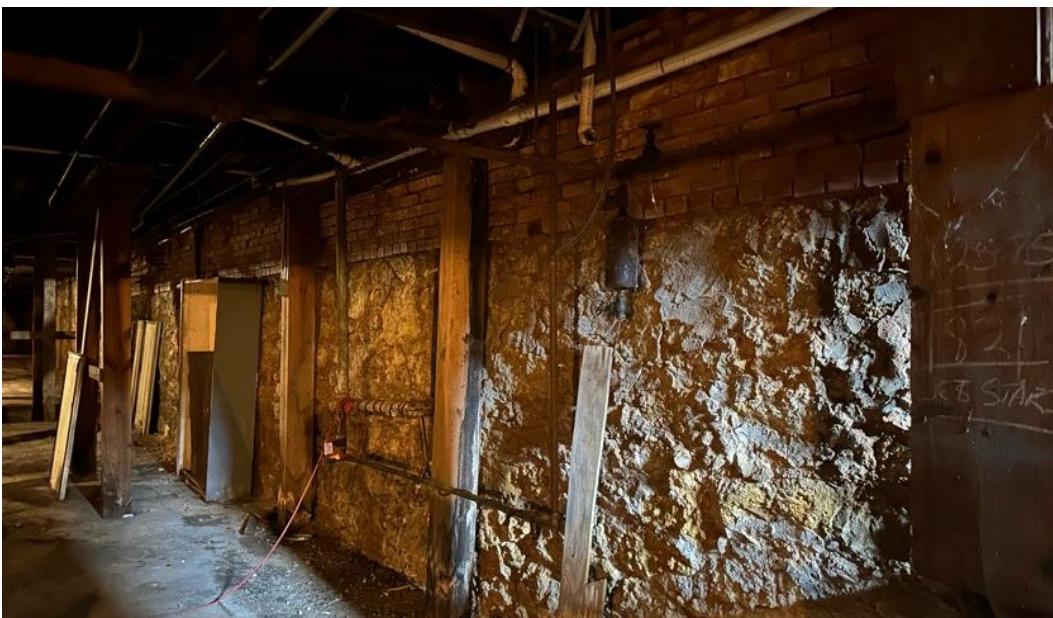
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**END OF REPORT**