

An aerial photograph of a suburban neighborhood. In the center, a rectangular area is outlined in blue, showing a planned development of several long, single-story buildings with dark roofs, likely townhomes or small-unit apartments. To the left of this area are several large, white, rectangular storage units. To the right is a residential area with single-family homes and a large pond. The background shows more commercial buildings and parking lots.

NEW ASSUMABLE FINANCING

Louetta Creek

18620 LOUETTA CREEK DR | SPRING, TX | 44 UNITS

Confidential Offering Memorandum

**AVISON
YOUNG**

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An aerial photograph of a suburban area in Houston, Texas. The image shows a mix of residential houses, commercial buildings, and parking lots. A blue rectangular box highlights a specific property in the lower-middle section of the image. A blue line with a circular end points from the text 'LOUETTA CREEK' to this highlighted property.

LOUETTA CREEK

Confidential Offering Memorandum

This confidential memorandum is intended solely for your own use in evaluating the financing of Louetta Creek (the "Property") located in Houston, TX and is not to be used for any other purpose or made available to any other party without the prior written consent of the Sponsor, or its agent, Avison Young.

This confidential memorandum contains brief selected summary information pertaining to the Property and has been prepared by Avison Young from information supplied by the Sponsor. This confidential memorandum does not purport to be all-inclusive or to contain all the information that a prospective investor may desire or deem relevant in determining whether to pursue negotiations to finance the Property. Neither the Sponsor, Avison Young, nor any of their respective owners, directors, employees, representatives, or agents make any representation or warranty expressed or implied as to the accuracy or completeness of this confidential memorandum or any of its contents and no legal liability is assumed or to be implied with respect thereto.

The Sponsor reserves the right to withdraw the Property from the market or change the terms of the potential acquisition at any time, and will have no legal obligation unless and until written agreements have been approved and executed by all parties.

An aerial photograph of a suburban neighborhood. In the center, there is a large, irregularly shaped pond. To the left of the pond, a new residential development is visible, featuring a long row of townhouses with dark roofs and a large, rectangular building with a red roof. The surrounding area is filled with single-family homes, many with swimming pools, and various commercial buildings and parking lots. A major road runs horizontally across the bottom of the image. The overall scene depicts a mix of established and new housing in a suburban setting.

01

Executive summary

The opportunity

Louetta Creek is a 22 building, 44 unit, single plat build-for-rent community in the Spring submarket of Houston, TX. This high growth market offer renters a best-in-class, single-family living experience with exceptional connectivity to nearby retail, entertainment, high quality schools, and employment drivers. The residences consist of 3-4 bedroom homes, with large floor plans (1,891 Avg SF), high end finishes and attached garages. The development is newly completed and now stabilized. The property offers investors a unique opportunity to acquire a build-for-rent community in one of Houston's most desirable submarkets from highly reputable developer.



Investment highlights

- Unique opportunity to acquire a high-quality BFR property in the nation's 4th largest city
- 44 units in a high-growth suburban location
- The community is fully built and stabilized with rent upside
- Demonstrated discount of rent vs. own
- Limited supply of competitive rentals in market
- Seasonally-adjusted BFR/SFR rent growth on new leases has maintained over 10% growth over the last 4 quarters, with supply-side constraints supporting higher forward looking projected growth vs. traditional multifamily

Property Information	
Property Name	Louetta Creek
Address	18620 Louetta Creek Dr
Location	Spring, TX
Units	44
Year Built	2022
Net Rentable Area	83,218
Leased %	93%
Acreage	4.10 AC
Stories	2

*Populated from July 30, 2024

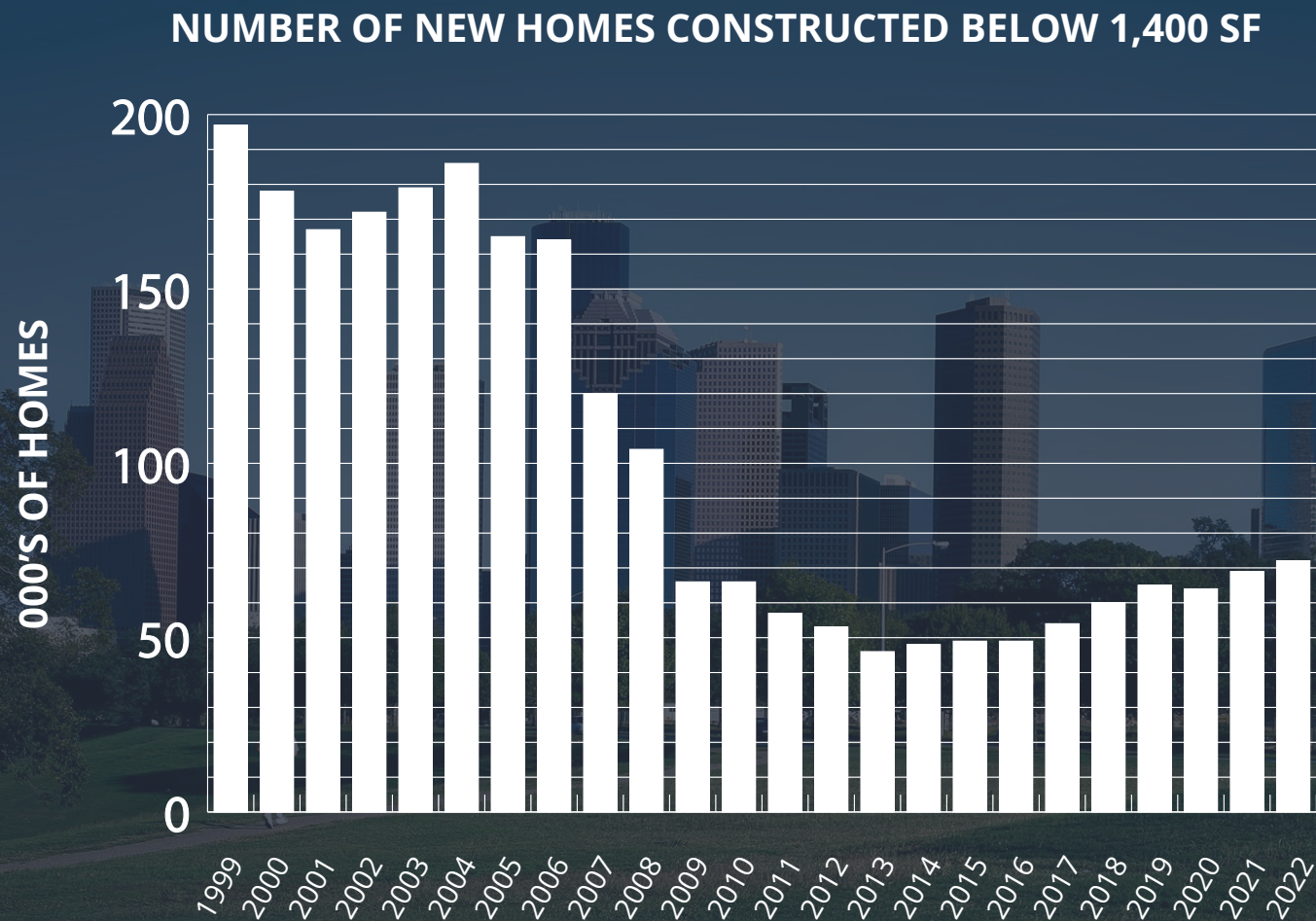
Rent vs. own comparison

			Louetta Creek
Rent vs. Own Comparison			1 Mile
Median Home Value			\$352,000
Equity	10%		\$35,200
Debt			\$316,800
Rate	7.25%		
Term	30 Years		
PMI	1.0%		\$264
Payment			\$2,161
Taxes			\$703
Insurance			\$86
Maintenance			\$417
Total Monthly Cost			\$3,366
Current Market Rents			\$2,145
Discount to Ownership, Monthly			\$1,221



Supply and demand

The availability of entry-level housing has hit historic lows, dropping below 100,000 deliveries during the Great Financial Crisis and failing to rebound despite strong demand for high-quality, smaller homes. Newly constructed build-for-rent communities serve as a middle ground for households seeking to transition from apartment living to larger spaces but facing challenges in affording down payments and mortgages, particularly in environments of rising interest rates.

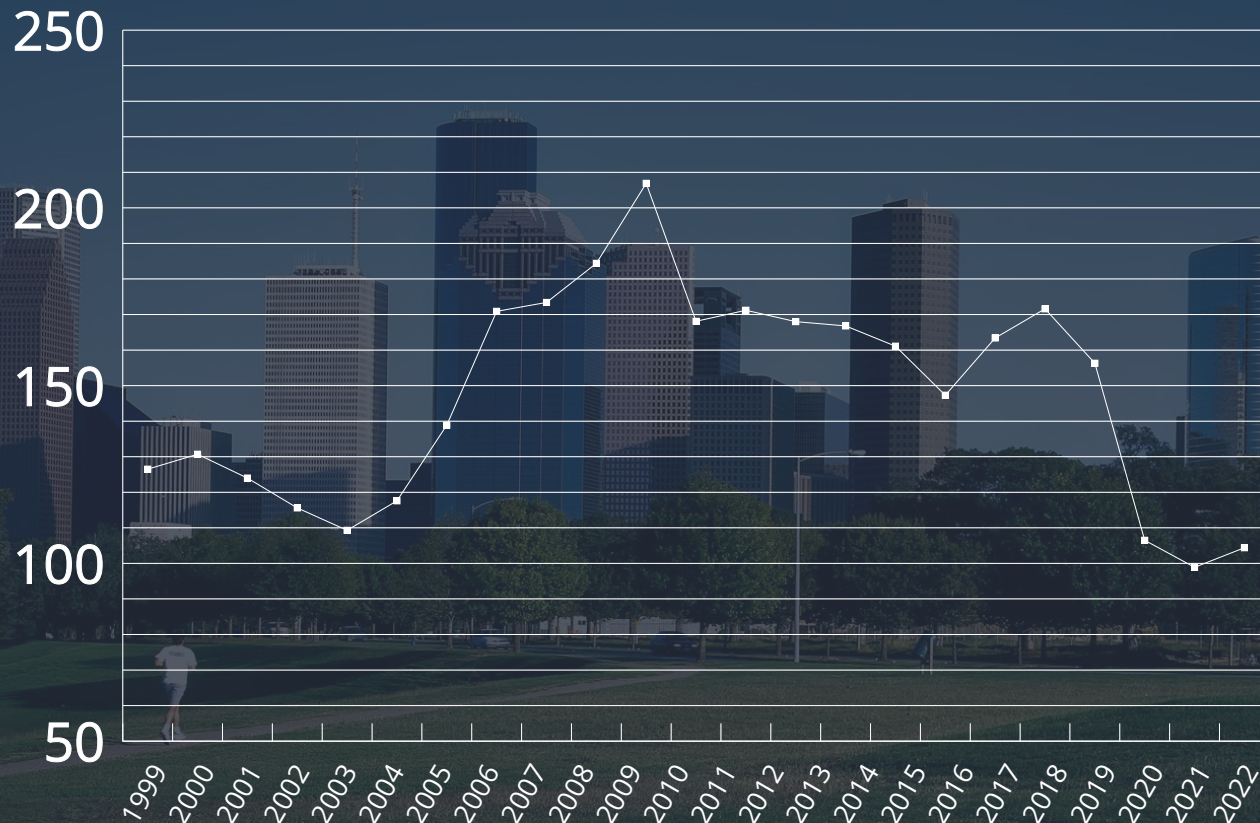


Supply & demand

Build-for-Rent properties present an ideal solution for addressing the housing deficit and affordability challenges in the single-family dwelling market. The decline in home ownership, now at 65.7% of households compared to 69.2% in 2005, underscores the need for alternative housing options.

A significant portion of renters in both Single-Family Rental (SFR) and Build-for-Rent (BFR) properties are comprised of two key demographics: Millennials seeking affordable housing with more space, privacy, better schools, and family-friendly neighborhoods, and Baby Boomers downsizing from larger homes in search of mobility and community. These growing renter demographics, coupled with favorable economic conditions, are poised to generate consistent cash flows for SFR and BFR investments.

HOME AFFORDABILITY INDEX



Current Housing Shortage & Price Escalation Caused by Confluence of Factors

Factors Contributing to Housing Shortage

- New home construction has increased to 7.2 million units short of what is needed to meet household-formation growth.
- Increase in the number of households due to high divorce rates as well as younger generations staying single longer and delaying marriage/family.
- Older adults are aging in place more than earlier generations and not selling their homes.
- Many Millennials are starting families and want to buy a house after years of renting but face a lack of sellers to meet their demand.
- Single-person households are increasing.

Work from Home Trend Feeds Suburban Boom

The ability to do jobs remotely has drawn droves of people from cities to the suburbs, where they can enjoy more living space and escape the daily commute to work.

- 6% of people worked from home pre-pandemic.
- 15% of people are working from home today.

145.9M

TOTAL HOUSING UNITS

44.5M

RENTER-OCCUPIED
HOUSING UNITS

14M

SINGLE-FAMILY
RENTAL UNITS

72M

MILLENNIALS
(An indication of New Household Formations
Underway)

5.8%

YOY DECLINE IN 2023 SINGLE
FAMILY STARTS
(An indication of Limited New Inventory)

Louetta Creek

02

Property
overview

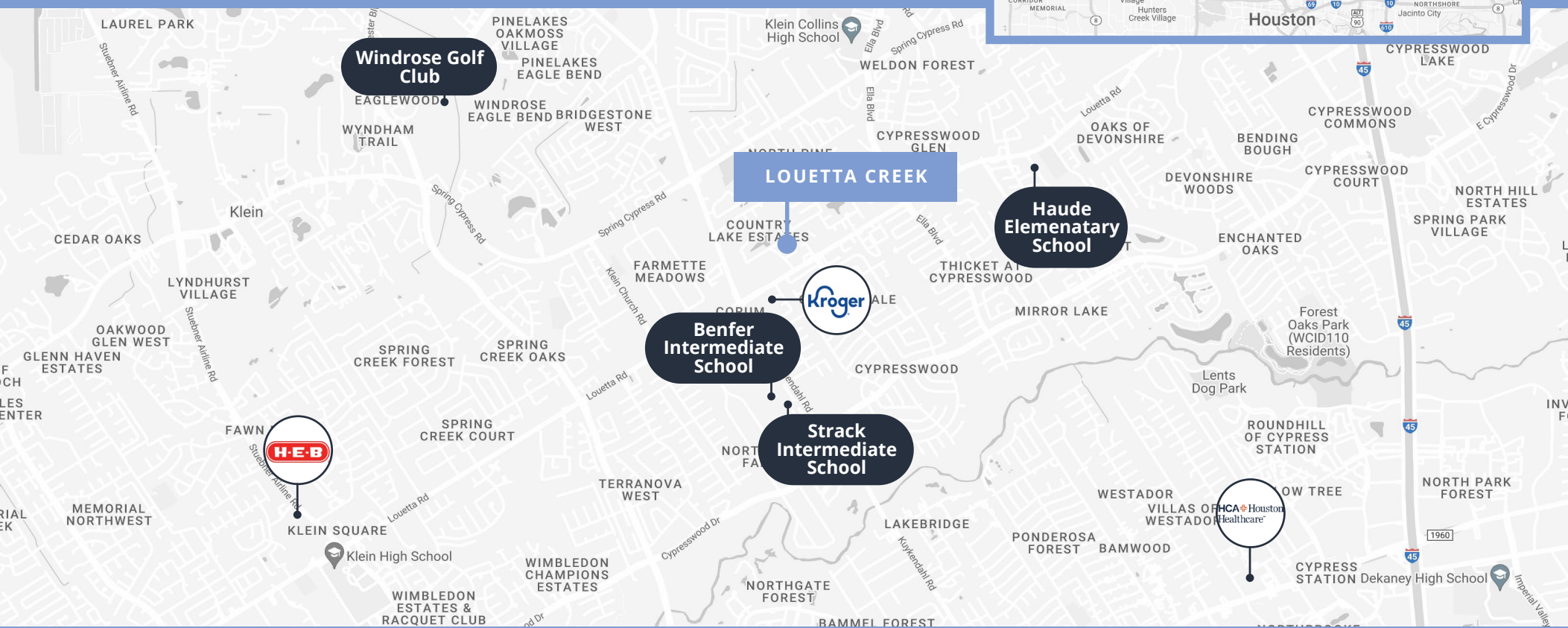
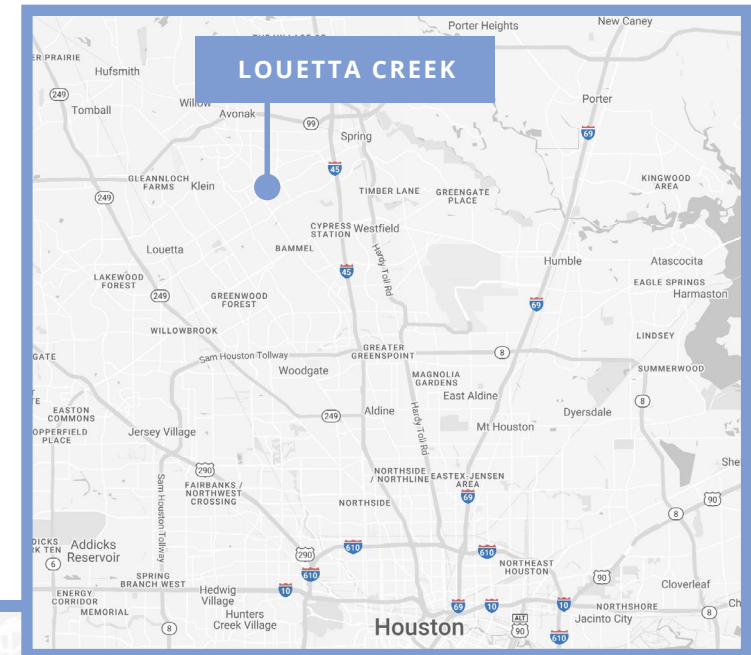


Property highlights



Property highlights

- 44 unit, newly constructed duplex community in Spring, TX, just 26 miles north of Houston, TX.
- Located off I-45 with access to shopping, entertainment, and the major job centers of Houston and the Woodlands.
- The property is in the highly rated Klein ISD (Rated 89/100 by the Texas Education Agency).
- Opportunity to increase rents with the in place rents 18% below the competitive set, and boost income with new valet trash and internet charges started by the current owner.
- Monthly rents are a \$1,221 discount to the cost of ownership in the area, which equates to a staggering 58% discount.



Property description

Construction

Year built	2021
# of Units	44 (22 duplexes)
Stories	2
Framing	Wood
Foundation	Slab
Exerior Walls	Hardie Plank
Interior Walls	Sheetrock
Roof	Gable roof/asphalt shingles
Flooring	Vinyl/carpet mix



Utilities

Electrical	Individually submetered
Water/Sewer	Individually submetered
HVAC	Individual AC units
Hot Water	Electric

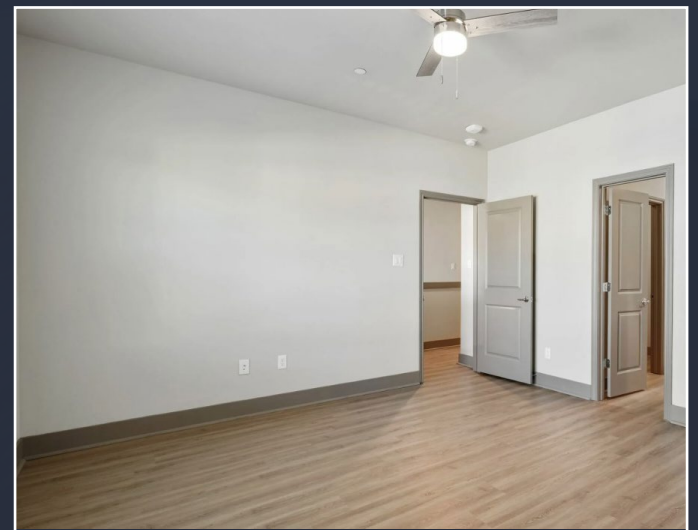


Property overview



APARTMENT AMENITIES

- Stainless steel appliances
- Stylish faux wood floors
- Patio
- Modern light fixtures throughout
- Garbage disposal
- Walk-in closets
- Central air and heating
- Washer and dryer connections



Floorplans

WILLOW - 1ST FLOOR

3 bd | 2.5 ba | 1,715 sf



WILLOW - 2ND FLOOR

3 bd | 2.5 ba | 1,715 sf



Floorplans

MAGNOLIA - 1ST FLOOR

4 bd | 3 ba | 2,146 sf



MAGNOLIA - 2ND FLOOR

4 bd | 3 ba | 2,146 sf



Louetta Creek aerial



Klein Collins
School District



LOUETTA CREEK

SPRING

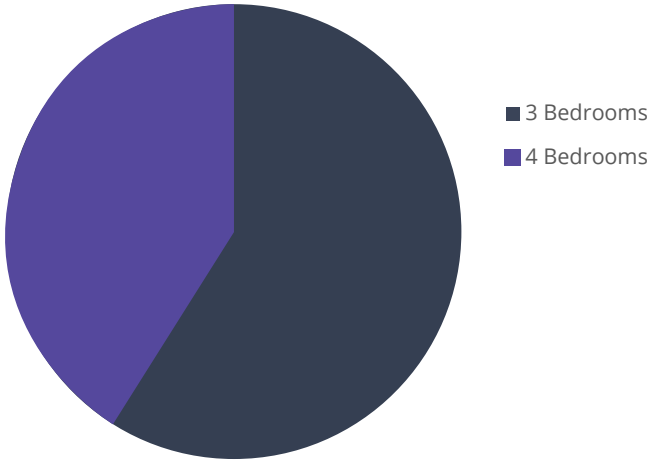
Klein ISD
Therapeutic &
Readiness Center

LOUETTA RD

Unit mix

# OF UNITS	GENERAL TYPE	UNIT TYPE	AVERAGE SF	EFF RENT	EFF. RENT / SQ.FT.	TOTAL SQ.FT.	ANNUAL EFFECTIVE RENT
26	3 BR / 2.5 BA	Willow	1,715	\$2,026	\$1.18	44,590	\$632,190
18	4 BR / 3 BA	Magnolia	2,146	\$2,414	\$1.12	38,628	\$521,322
44			1,891	\$2,185	\$1.16	83,218	\$1,153,512

Populated from June 25, 2025 Rent Roll.



Historical comparison to financials

	TRAILING 12 MONTHS Jul 2024 to June 2025		CURRENT Income T4 end Jun 2025 Expenses T12	
	TOTAL	PER UNIT	TOTAL	PER UNIT
Income				
Gross Potential	\$1,257,384	\$28,577	\$1,257,384	\$28,577
Concessions	(\$34,531)	-2.7%	(\$11,263)	-0.9%
Loss to Lease	(\$100,190)	-8.0%	(\$78,941)	-6.3%
Effective Rent	\$1,122,663	\$25,515	\$1,167,181	\$26,527
PSF	\$1.12		\$1.17	
Per Unit	\$2,126		\$2,211	
Vacancy	(\$78,981)	-7.0%	(\$36,369)	-3.1%
Employee / Model	(\$4,594)	-0.4%	(\$4,788)	-0.4%
Bad Debt / Write-off / Rent Adj Write off	(\$225)	0.0%	\$0	0.0%
Rental Income	\$1,038,863	\$23,611	\$1,126,024	\$25,591
RUBS	\$53,955	168%	\$75,819	235%
Misc Income	\$69,540	\$1,580	\$75,434	\$1,714
Total Misc Income	\$123,495	\$2,807	\$151,252	\$3,438
Total Income	\$1,162,358	\$26,417	\$1,277,276	\$29,029
OPERATING EXPENSES				
Water & Sewer	\$22,392	\$509	\$22,392	\$509
Electricity & Gas	\$9,253	\$210	\$9,253	\$210
Internet	\$552	\$13	\$552	\$13
Total Utilities	\$32,197	\$732	\$32,197	\$732
Landscaping	\$15,750	\$358	\$15,750	\$358
Repairs & Maintenance	\$28,730	\$653	\$28,730	\$653
Turnover	\$0	\$0	\$0	\$0
Payroll	\$33,183	\$754	\$33,183	\$754
Advertising	\$10,053	\$228	\$10,053	\$228
Administrative	\$26,282	\$597	\$26,282	\$597
Total Variable Expenses	\$146,196	\$3,323	\$146,196	\$3,323
Property Taxes	\$249,339	\$5,667	\$249,339	\$5,667
Insurance	\$54,300	\$1,234	\$54,300	\$1,234
Management Fees	\$24,000	2.1%	\$24,000	1.9%
Total Operating Expenses	\$473,835	\$10,769	\$473,835	\$10,769
Net Operating Income	\$688,523	\$15,648	\$803,441	\$18,260
Cap Imp/Repl Reserves	\$0	\$0	\$0	\$0
Net Cash Flow	\$688,523	\$15,648	\$803,441	\$18,260

See next page for Pro Forma notes.

03

Location overview



Houston, Texas

TOP 5 CITY TO “LIVE, WORK, AND PLAY” IN THE U.S.



#9 BEST CITY IN AMERICA

Worlds Best Cities (2023)



#5 MOST AFFORDABLE CITIES IN THE U.S.

Livability.com (2023)



TECH HUB OF THE SOUTH

Forbes (2023)



ENERGY CAPITAL OF THE WORLD



#1 MOST WALKABLE CITY IN TEXAS

Walkscore (2023)



100 NET NEW RESIDENTS MOVE TO HOUSTON DAILY



HOME TO THE TEXAS MEDICAL CENTER

the largest medical center in the world



HOME TO 26 FORTUNE 500 COMPANIES

ranking it third among all U.S. metros



#1 MOST DIVERSE CITY IN THE U.S.

World Population Review (2023)



40 COLLEGES & UNIVERSITIES

450,000 enrolled students, 5th largest student body in the nation

Economic drivers

A key factor in Houston's success as a global market is its business-friendly climate, lack of state income tax, rapidly growing population, and proximity to diverse professional and corporate services talent.



LARGEST PRIVATE EMPLOYERS (NON-RETAIL)



30,000+

Memorial Hermann Health System



25,000+

Houston Methodist



15,000+

United Airlines, MD Anderson Cancer Center
Texas Children's Hospital



10,000+

Tenneco Inc., ExxonMobil, Shell Oil Company
Sysco Corporation, Baylor College of Medicine
HCA Houston Healthcare

26 Fortune 500 companies headquartered locally

19
FORTUNE 500
COMPANIES
WITHIN 30 MILES



ENERGY INDUSTRY

Home to 26 Fortune 500 Companies

Fortune 500 Rank	Company	Industry	Revenues (\$ Billions)	HQ Employees
No. 3	Exxon Mobil	Energy Manufacturer & Provider	413.7	11,000
No. 17	Phillips 66	Energy Manufacturer & Provider	175.7	2,200
No. 49	ConocoPhillips	Oil & Gas	82.1	3,000
No. 56	Sysco Corp.	Foodservices	68.6	10,000
No. 72	Enterprise Products Partners	Energy Infrastructure	58.2	1,000
No. 74	Plains GP Holdings	Oil & Gas	57.3	100
No. 110	Occidental Petroleum	Oil & Gas	37.0	3,000
No. 122	Cheniere Energy	Liquefied Natural Gas	33.4	150
No. 130	NRG Energy	Energy Provider	31.5	1,500
No. 143	Hewlett Packard Enterprise	Information Technology	28.4	3,000
No. 156	EOG Resources	Oil & Gas	25.7	700
No. 185	Baker Hughes	Energy Technology	21.2	1,300
No. 188	Targa Resources	Energy Infrastructure	20.9	750
No. 197	Halliburton Co.	Oil & Gas	20.3	3,500
No. 204	Waste Management	Waste Management	19.7	5,000
No. 214	Kinder Morgan	Energy Infrastructure	19.2	5,000
No. 244	Quanta Services	Energy Infrastructure/ Construction	17.1	2,500
No. 252	Group 1 Automotive	Automotive	16.4	1,000
No. 263	Westlake	Manufacturing	15.8	2,000
No. 275	Southwestern Energy	Oil & Gas	15.0	1,000
No. 341	APA	Oil & Gas	12.1	500
No. 413	CenterPoint Energy	Energy Provider	9.3	400
No. 420	Corterra Energy	Oil & Gas	9.0	1,700
No. 433	Huntsman	Manufacturing	8.7	900
No. 464	Marathon Oil	Oil	8.0	560
No. 492	Par Pacific Holdings	Oil & Gas	7.3	1,000

Texas Medical Center

37-ACRE TMC3 BIOMEDICAL RESEARCH CAMPUS

TMC3 is a 37-acre world-class life science campus, which will total 5 million square feet at full built-out. Phase One of the project will deliver 950,000 square feet of state-of-the-art research, lab, and life science space.



FOUNDING TMC3 INSTITUTIONS



Dynamic quality of life

With more than 366 parks and 125 miles of hiking and biking trails, five major league sports teams (including the Texans, Astros, and Rockets), and a major symphony, ballet, opera, and theater with international acclaim - one of only ten cities in the U.S. - Houston offers a dynamic and fulfilling lifestyle for people with diverse interests and preferences.



Houston is one of the top five “live, work, play” cities in the U.S

Live

- #5 most affordable metro in the nation, offering a cost of living that is 8% lower than the national average and 28% lower than the most populous metros
- Located in one of nine states that offers zero state income tax
- Access to world-class health care, which provides 4.6 hospital beds per 1,000 people compared to 2.8 in the nation

Work

- Access to a booming job market that added 70,000 new jobs in 2023, a 40% increase over the Pre-COVID average
- Home to 26 Fortune 500 Companies, ranking it third among all U.S. metros
- Boasts a stable and diverse economy, and is at the forefront of innovation, with growing sectors like renewable energy, biotechnology, and space exploration

Play

- Recognized for its vibrant and diverse food scene, offering four establishments per 1000 people, ranking it second among the most populous metros
- Home to five major league sports teams, including the Texans, Astros and Rockets
- One of ten cities in the U.S that boasts a major symphony, ballet, opera, and theater with international acclaim

#2 FASTEST GROWING METRO IN THE NATION



100 NET NEW
PEOPLE MOVING
TO HOUSTON
DAILY



26.7%
POPULATION
GROWTH SINCE
2010 COMPARED
TO 9.8% IN THE
NATION



144,000 NEW
RESIDENTS
ANTICIPATED
IN 2024, A 15%
INCREASE FROM
2023



1.92% PROJECTED
ANNUAL
GROWTH RATE
THROUGH 2028,
COMPARED TO
0.4% IN THE U.S.

The diverse local economy generated 70,000 new jobs in 2023

As the 25th largest economy in the World, Houston's success as a top global market is driven by its business-friendly climate, high-growth population, and proximity to diverse professional and corporate services talent.

KEY INDUSTRIES



A MANUFACTURING POWERHOUSE

The Houston Metro produces over \$80 billion in manufactured products annually, ranking second for manufacturing GDP output in the U.S.



THE TECH HUB OF THE SOUTH

Houston led the nation in YOY growth in postings for tech jobs, which increased by 46% during 2022.



THE ENERGY CAPITAL OF THE WORLD

Home to 44 out of 113 publicly traded oil and gas firms and the fourth highest concentrations of engineers in the U.S.



A TOP INNOVATION HUB FOR LIFE SCIENCE AND HEALTHCARE

Houston's most resilient industry - only once since '93 has the sector finished the year with fewer jobs than it started, which was in 2020.



540 COMPANIES
RELOCATED, EXPANDED
OR STARTED
(2021 -2022)



70,000 JOBS ADDED IN
2023, 40% GREATER
THAN THE PRE-COVID19
AVERAGE



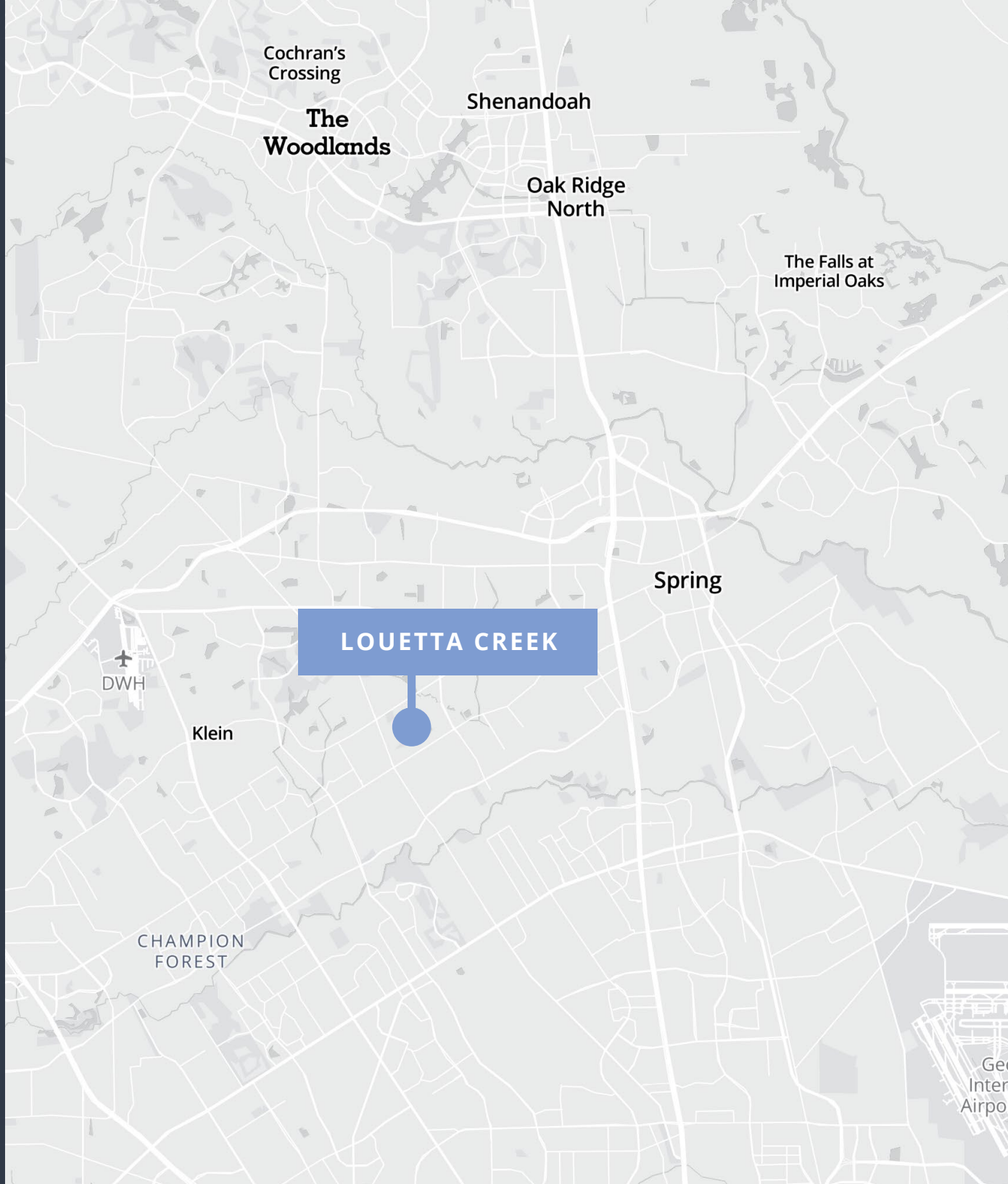
107,000 ACTIVE
JOB POSTINGS
IN JANUARY 2024



HOME TO 26 FORTUNE
500 COMPANIES

04

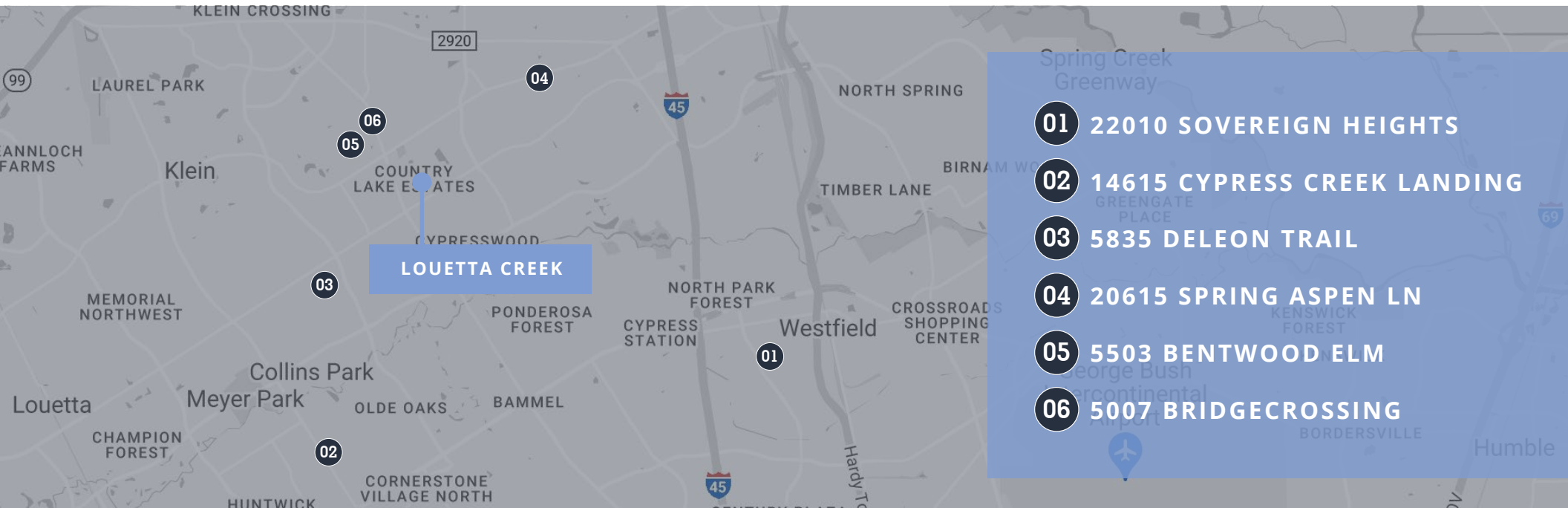
Market comparables



Rent comparables - Louetta Creek

Address	SF	Beds	Baths	Rent	Rent/SF
22010 Sovereign Heights Ln	2,094	4	3.5	\$2,300	\$1.10
Subject (Willow Unit)	2,146	4	3	\$2,413	\$1.12
Subject (Magnolia Unit)	1,715	3	2.5	\$1,960	\$1.14
14615 Cypress Creek Landing	1,967	4	3	\$2,400	\$1.22
5835 Deleon Trail	1,625	3	2	\$2,050	\$1.26
20615 Spring Aspen Ln	2,240	4	3	\$3,100	\$1.38
5503 Bentwood Elm	1,840	3	2	\$2,600	\$1.41
5007 Bridgecrossing	1,831	3	2	\$2,717	\$1.48

Source: Avison Young Research; Zillow



- 01 22010 SOVEREIGN HEIGHTS
- 02 14615 CYPRESS CREEK LANDING
- 03 5835 DELEON TRAIL
- 04 20615 SPRING ASPEN LN
- 05 5503 BENTWOOD ELM
- 06 5007 BRIDGECROSSING

**If you would like more
information on this offering,
let's connect.**

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