

Offering Memorandum

**An Exceptional Oceanfront Investment
Opportunity on Bolivar Peninsula**

Presented by: WinHill Advisors Kirby Executive
Commercial Team,
REALTORS® & CIPS Specialists

For Sale: \$4,200,000

Location: 947 Barkley Street, Gilchrist, TX 77617

NEXT SLIDE

A PRIME OCEANFRONT INVESTMENT OPPORTUNITY ON BOLIVAR PENINSULA



TEXAS GULF COAST INVESTMENT: OCEANFRONT PROPERTY WITH BOUTIQUE HOSPITALITY POTENTIAL

AN INVESTMENT THESIS:

Aria Palms: A Unique Beachfront Boutique Hotel Opportunity

Aria Palms offers a rare chance to own a boutique hotel along the stunning beachfront of Texas' Bolivar Peninsula, merging high-demand leisure tourism with considerable value-add potential.

Key Details:

Property Size: 30 keys (20 Ocean View Suites and 10 Regular Suites), Year Built: 2016 & Year Renovated: 2025, Lot Size: 2.15 acres with direct Gulf access

Market Potential:

This property targets Houston's 7.3 million metro population and attracts 8 million annual visitors to Galveston. With a proven 10-year proforma indicating a 32% unlevered IRR and an exit value exceeding \$15 million, the asset capitalizes on seasonal pricing premiums, cruise traffic, and the potential for attic conversion.

Additionally, it features six RV spaces and covered parking for added convenience.





TEXAS GULF COAST INVESTMENT | OCEANFRONT SITE WITH BOUTIQUE HOSPITALITY POTENTIAL

WHY INVEST IN THE ARIA PALMS
BEACHFRONT BOUTIQUE HOTEL?

DISCOVER THE COMPELLING REASONS TO
CONSIDER INVESTING IN THE ARIA PALMS
BEACHFRONT BOUTIQUE HOTEL.

HIGHLIGHTS:

- Prime Location: Beachfront parcel in gated Aria Palms community, 1.5 hours from Houston.
- Value-Add Upside: Attic space for 2–4 additional keys (or luxury office); 2024 canopy upgrade.
- Market Tailwinds: Galveston County tourism hit record \$1.2B spending in 2023; cruise traffic surged 7% (1.6M passengers in 2024).
- Competitive Edge: Only 100 properties on Bolivar offer private pools; limited high-design boutique supply.



PROPERTY OVERVIEW

SET ON 2.15 ACRES (93,785 SQ FT) OF PRIME COASTAL LAND, THIS PROPERTY COMBINES THOUGHTFUL DESIGN WITH RECENT UPGRADES TO CREATE A TURNKEY HOSPITALITY ASSET.

ORIGINS & GROWTH

- 2016 – The main structure was completed: a wood-frame building with siding, topped by a composition shingle roof. Designed on raised foundation beams, the ground level was reserved for outdoor amenities, while the first and second floors housed guest accommodations.
- 2024 – A 1,200 sq ft canopy was added, expanding covered space for guest use.
- 2025 – A comprehensive renovation modernized the property, including a new roof, ceiling and sheetrock repairs, updated flooring, new case goods, appliances, and refreshed bathroom finishes.

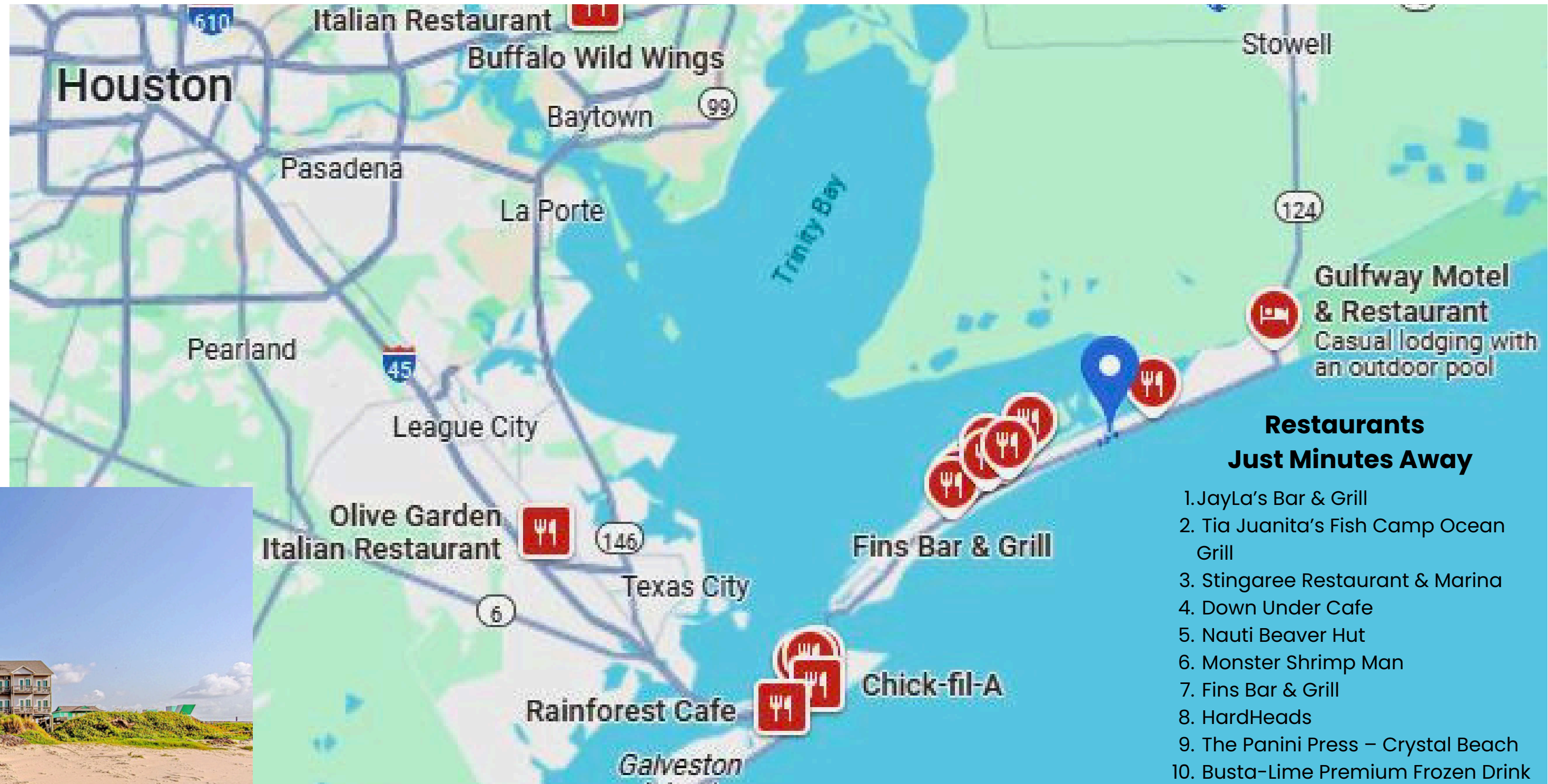
BUILDING COMPOSITION & AMENITIES

- Gross Building Area: 11,012 sq ft + 1,200 sq ft canopy (total 11,686 sq ft)
- Stories: 2 finished floors + convertible attic
- Ground Level (5,581 sq ft): Saltwater pool, deck, and common areas beneath the raised structure
- First Floor (5,431 sq ft): 16 guest keys + laundry facilities
- Second Floor (5,431 sq ft): 14 guest keys
- Attic (1,000+ sq ft): Convertible space with potential for 2–4 luxury suites or office use
- 30 total rooms: 20 ocean-view suites and 10 standard suites
- Private beach access for guests
- Saltwater pool integrated into the ground-level deck
- Interior hallways and laundry facilities for operational efficiency
- 6 RV hookups offering additional income potential



Strategic Positioning:

- 1 hr 43 min to Downtown Houston (89 miles via I-10 E)
- 32 miles to Galveston Island (ferry access for dolphin tours)
- 92 miles to Hobby Airport



Restaurants Just Minutes Away

1. JayLa's Bar & Grill
2. Tia Juanita's Fish Camp Ocean Grill
3. Stingaree Restaurant & Marina
4. Down Under Cafe
5. Nauti Beaver Hut
6. Monster Shrimp Man
7. Fins Bar & Grill
8. HardHeads
9. The Panini Press – Crystal Beach
10. Busta-Lime Premium Frozen Drink



MARKET INSIGHTS AND TRENDS

- Beach: 27 miles of drivable shoreline (Caplen Beach)
- Fishing: Rollover Fish Pass (speckled trout, redfish)
- Wildlife: McFaddin Refuge (birding), shark-tooth hunting
- Community: Gated Aria Palms neighborhood with horseshoe layout ensuring unobstructed Gulf views



Bolivar Peninsula Oceanfront Gem – Boutique Hotel or Resort Development Potential



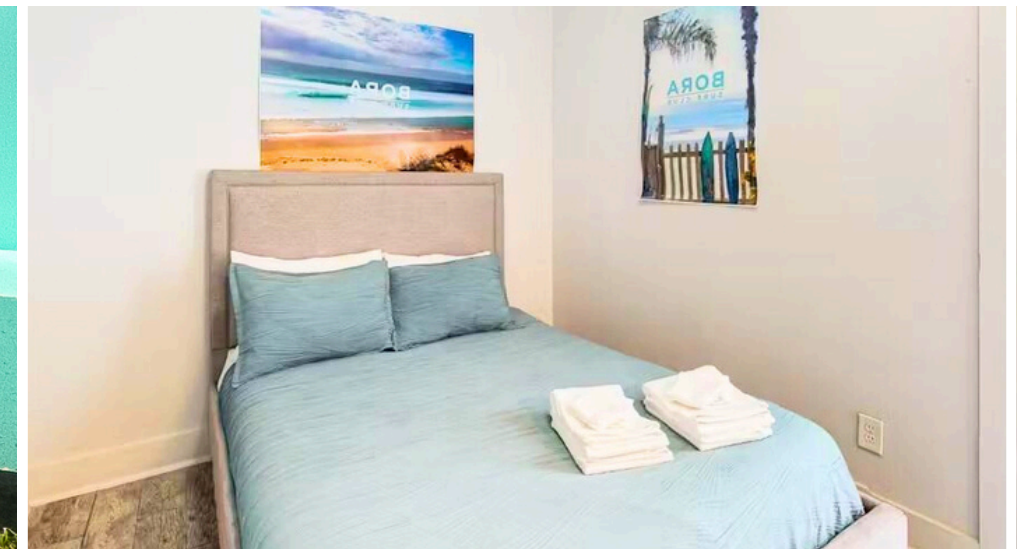
MARKET CONTEXT & OPPORTUNITY ■

The Bolivar Peninsula benefits from strong demand drivers, with summer occupancy exceeding 98% and June rates up 44% year-over-year. Added momentum comes from 1.6 million Galveston cruise passengers in 2024, creating steady pre- and post-cruise lodging demand, while Houston's 72% hotel occupancy pushes overflow travelers into the area. This mix supports diverse audiences—families seeking beach amenities, couples booking romantic getaways, corporate groups hosting midweek retreats, and cruise travelers leveraging bundled packages. Within this environment, the property's high-design boutique positioning fills a clear competitive gap, offering a differentiated product that blends resort-style amenities with intimate, design-forward hospitality.

REPOSITIONING STRATEGIES ■



This exclusive waterfront commercial opportunity on the Bolivar Peninsula is primed for value creation through targeted upgrades and service enhancements. Planned improvements include converting the attic into 2–4 luxury keys or a high-end office, adding amenities such as a hot tub, game room, and co-working lounge, and refreshing interiors with coastal-chic finishes. Service differentiation will be driven by concierge partnerships, pet-friendly packages, and dynamic pricing tools, positioning the property as a boutique destination with strong revenue upside.





FINANCIAL & EXIT STRATEGY

PROFORMA SUMMARY

the property offers a strong hospitality investment opportunity with a base acquisition and development cost of \$4,200,000. It features a gross building area of 11,686 SF and 8,434 SF of net rentable space, with additional upside potential from six RV connections not yet included in the current proforma. Conservative underwriting and low-range nightly rate assumptions project a 10-year stabilized exit value of \$15,490,481 at an 8% capitalization rate. This performance supports a Net Present Value of \$116,194.33 at a 31% discount rate and an Internal Rate of Return of 32% over the 10-year hold period.

Boutique Hotel short rents Seasonal Proforma 10-Year Proforma & Strategic Exit Plan												
Investment Base Cost	\$ 4,200,000											
Gross Building Area (SF):	11,686											
Net rentable area	8,434											
Year Vacancy factor +	5.0%											
Cost of sale	6.0%											
Rate escalation	2.0%											
inflation	3%											
Property Mgn Annual	3%											
Going Out cap rate	8%											
Low Season rates drop by	-40%											
Montly Sf Rate	\$26.50	RSF	No. Keys	Nigth (high)	LowSeason							
Occupancy Rate by Season			30	80%	65%							
Season Months				5	7							
Standard Queen		221	10	\$195	\$117							
Deluxe King 2BR APT		280	12	\$247	\$148							
Family Suite 2BR		330	4	\$292	\$175							
Luxury Extra Family Cottage		386	4	\$396	\$238							
YEAR	0	1	2	3	4	5	6	7	8	9	10	11
Income statement -	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2035
Net rentable area	8434	8434	8434	8434	8434	8434	8434	8434	8434	8434	8434	8434
Rate SF W Scaltion	\$27	\$27.03	\$27.57	\$28.12	\$28.68	\$29.26	\$29.84	\$30.44	\$31.05	\$31.67	\$32.30	\$32.95
Low Season	\$610,158	\$622,361	\$634,808	\$647,504	\$660,454	\$673,663	\$687,137	\$700,879	\$714,897	\$729,195	\$743,779	\$758,654
High Season	\$894,004	\$911,884	\$930,122	\$948,724	\$967,699	\$987,053	\$1,006,794	\$1,026,930	\$1,047,468	\$1,068,418	\$1,089,786	\$1,111,582
Total Rental (PGI)	\$1,504,162	\$1,534,245	\$1,564,930	\$1,596,228	\$1,628,153	\$1,660,716	\$1,693,930	\$1,727,809	\$1,762,365	\$1,797,613	\$1,833,565	\$1,870,236
Potential Gross Income(PGI)	\$1,504,162	\$1,534,245	\$1,564,930	\$1,596,228	\$1,628,153	\$1,660,716	\$1,693,930	\$1,727,809	\$1,762,365	\$1,797,613	\$1,833,565	\$1,870,236
Absorption	33%	100%	75%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Vacancy	69%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%
EGI	\$471,555	\$1,457,533	\$1,486,683	\$1,516,417	\$1,546,745	\$1,577,680	\$1,609,234	\$1,641,419	\$1,674,247	\$1,707,732	\$1,741,887	\$1,776,724
O Exp.	\$349,785	\$360,278	\$371,087	\$382,219	\$393,686	\$405,497	\$417,661	\$430,191	\$443,097	\$456,390	\$470,082	\$484,184
Mgmt. (market) 5%	\$10,494	\$43,726	\$44,601	\$45,493	\$46,402	\$47,330	\$48,277	\$49,243	\$50,227	\$51,232	\$52,257	\$53,302
Operating Expenses	\$360,278	\$404,004	\$415,687	\$427,712	\$440,088	\$452,827	\$465,938	\$479,434	\$493,324	\$507,622	\$522,338	\$537,486
TOTAL NOI	\$111,276	\$1,053,528	\$1,070,996	\$1,088,705	\$1,106,657	\$1,124,853	\$1,143,295	\$1,161,985	\$1,180,923	\$1,200,110	\$1,219,548	\$1,239,238
Capital Expenses	\$0	\$5,000	\$20,000	\$20,000	\$10,000	\$25,000	\$10,000	\$10,000	\$10,000	\$25,000	\$25,000	
PBTCF(Profit Before Tax and Cash)	\$111,276	\$1,048,528	\$1,050,996	\$1,068,705	\$1,096,657	\$1,099,853	\$1,133,295	\$1,151,985	\$1,170,923	\$1,175,110	\$1,194,548	\$1,239,238
Development costs	\$4,200,000											
Total Develop Cost	\$4,200,000											
Annual cash flow												
Total Develop Cost	-\$4,200,000											
A Value going-out cap rate												\$15,490,481
Cost Of Sale Fee												-\$929,429
Net cash flow	-\$4,088,724	\$1,048,528	\$1,050,996	\$1,068,705	\$1,096,657	\$1,099,853	\$1,133,295	\$1,151,985	\$1,170,923	\$1,175,110	\$15,755,600	



INVESTMENT & MARKETING OVERVIEW

MARKET ANALYSIS & NIGHTLY RATE STRATEGY – 947 BARKLEY STREET

Our preliminary feasibility study is based on conservative, low-range nightly rate assumptions benchmarked against local competing rentals. This approach ensures that projections remain realistic while leaving room for upside performance. The rate structure is designed to balance occupancy and ADR (Average Daily Rate), with entry-level rooms priced to drive consistent bookings and premium units positioned to lift overall revenue.

DAILY RATES BY ROOM TYPE

Room Type	Qty	Key Features & Target Audience	High Season Rate (Range)	Low Season Rate (Range)
Standard Queen	10	Basic accommodations for couples & solo fishermen	\$195 – \$215	\$115 – \$135
Deluxe King (2BR APT)	12	Ocean views, kitchenettes, small families, two couples	\$245 – \$275	\$155 – \$185
Family Suite (2BR)	4	Larger families, added space & comfort	\$285 – \$325	\$185 – \$225
Luxury Cottage	4	Private, high-end units with premium finishes	\$350 – \$425	\$235 – \$295

Revenue Optimization Levers

- Pricing Enhancements: Weekend premiums (+20–30%), surge pricing during fishing tournaments.
- Upsells: Boat rentals, sunset cruises, in-room spa services.
- Pet-Friendly Packages: \$25–\$50/night add-on (20% uptake expected).

Marketing & Partnership Strategy

- Distribution: Premium listings on Airbnb/Booking.com.
- Corporate Retreats: Houston energy/tech sectors targeted with \$5,000/week packages.
- Cruise Market: Pre/post-stay bundles tied to Galveston Port’s 1.6M passengers.
- Projection: Anticipated 15% occupancy boost (~45 additional room nights annually).

Competitive Insights – Boutique Differentiation

- Top Amenities: Private pools/hot tubs (rare in market, command 2x rates), dedicated workspaces (appealing to 550+ remote-work rentals), and direct beach access (top guest priority).
- Market Gaps: Few high-design boutique options (majority are rustic/vintage) and limited concierge services (guided tours, kayak rentals).



RISK MITIGATION & EXIT STRATEGY

947 BARKLEY STREET, GILCHRIST, TX 77617

A. Risks

- Weather Exposure: The property faces hurricane risk; however, this is partially offset by “storm-escape” demand, as travelers often seek alternative coastal accommodations during recovery periods.
- Regulatory Environment: Ongoing monitoring of short-term rental (STR) regulations is essential. Positioning the asset as a fully compliant hotel mitigates potential legal or operational challenges.
- Competitive Landscape: Differentiation through design, curated experiences, and boutique positioning will be critical to stand out in a crowded market.

B. Exit Strategy


The planned exit is a Year 10 sale at an 8% capitalization rate, supported by favorable market tailwinds. Texas’ declining interest rate environment and Galveston’s 25% growth in tourism spending between 2021 and 2023 provide strong fundamentals for long-term appreciation and investor returns.



Broker Contact Information

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Joe Fer is a seasoned CIPS Real Estate Associate with over 20 years of diverse business ownership experience. He specializes in procurement and project development across sectors such as Oil & Gas, Heavy Construction, and international sales, consistently delivering excellence. As a key member of the investment team in Houston, Joe provides invaluable insights into residential and commercial investments. His expertise in analyzing feasibility and risks, along with financial modeling, ensures prudent investment decisions. Clients can rely on Joe for integrity, dedication, and expert guidance throughout their real estate journey.


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With over two decades of experience in the real estate industry, Charlie exemplifies expertise and innovation. As the co-founder and CEO, he has successfully guided the company through various market landscapes, ranging from luxury residential projects to complex commercial investments.

His strategic focus on pioneering Build-to-Rent (BTR) developments has positioned the company as a leader in the field

