

## POTRANCO CREEK

### PHASE II & III



# Potranco Creek Development

## Introduction

Welcome, and thank you for considering this exciting investment opportunity at Potranco Creek. We are presenting phases II and III of a master-planned development located on a 20.26-acre tract in the rapidly growing San Antonio area. This project comprises 63 lots, with the master plat already approved by Bexar County, ensuring a streamlined process for the next steps.

Potranco Creek is strategically situated near the intersection of Groesenbacher Road and Hwy 90, an area experiencing significant residential and commercial growth. With easy access to major highways, employment centers, and amenities, this development is poised to attract a strong market of homebuyers and tenants seeking modern, well-connected living spaces.

## Market Demand at Potranco Creek

San Antonio, and particularly the area around Potranco Road, has seen remarkable growth over the past few years. This corridor has become one of the most sought-after locations for new residential developments due to the city's growing tech and healthcare sectors, and the presence of reputable schools and retail centers.

### Key Market Demand Indicators:

1. **Population Growth:** The San Antonio metropolitan area has consistently ranked among the fastest-growing regions in the United States. The Potranco Creek area is no exception, with an influx of families, young professionals, veterans and active military staff and retirees drawn to its suburban charm combined with urban accessibility.
  2. **Economic Development:** The broader San Antonio region is benefiting from significant economic development, particularly in the tech and healthcare sectors. These industries are driving demand for new housing, especially in areas with convenient commutes and high quality of life, like Potranco Creek.
  3. **Housing Demand:** With low housing inventory and high demand, new developments in Potranco Road's vicinity have seen swift sales and appreciation in property values. The strong buyer interest makes this an ideal time to invest in residential development here.
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4. **Infrastructure Improvements:** Recent and planned infrastructure upgrades, including road expansions and public transportation enhancements, further enhance the appeal of the Potranco Creek area.

Potranco Creek development has a strong financial upside, offering investors a potential ROI of 72%. This high return, combined with the low-risk profile provided by the approved master plat and strong market demand, makes Potranco Creek an exceptionally attractive investment opportunity.

<b>Potranco Creek</b>	
20.26 Acres - 63 lots	\$ 18,000,000.00
<b>Total</b>	<b>\$ 18,000,000.00</b>
Phase 2 Infrastructure	\$ 1,066,600.00
Phase 3 Infrastructure	\$ 854,800.00
Amenities	\$ 330,000.00
CPS @ \$3,200 x lots 63	\$ 201,600.00
<b>Total</b>	<b>\$ 2,453,000.00</b>
Engineering - Project management, Platting, tree compliance, storm water management, detention basin design, boundary survey, floodplain study, Construction Plans, construction phase services, staking, , SAWS construction observation, & final lots pins.	\$ 441,400.00
<b>Total</b>	<b>\$ 441,400.00</b>
<b>GRAND TOTAL</b>	<b>\$ 20,894,400.00</b>
<b>FINISHED LOT COST FOR 63 LOTS</b>	<b>\$ 331,657.14</b>
<b>CONSTRUCTION COST/FOURPLEX</b>	<b>\$ 493,170.00</b>
<b>AVERAGE SALES PRICE PER FOURPLEX</b>	<b>\$ 1,150,000.00</b>
<b>CLOSING COSTS PER UNIT (Commission, Property Tax, Insurance, Title cost)</b>	<b>\$ 80,500.00</b>
<b>PROFIT PER FOURPLEX</b>	<b>\$ 244,672.86</b>
<b>TOTAL GROSS PROFIT FOR DEVELOPMENT</b>	<b>\$ 15,047,380.71</b>

## Phase II & III Infrastructure Cost Estimation

### 1. Land Preparation and Site Work

- **Clearing and Grading:** The cost of clearing and grading the land will vary depending on the terrain.
  - **Cost Range:** \$2,000 to \$5,000 per acre
- **Utilities Installation**
  - **Water/Sewer:** Installation of main water lines, sewer lines, and connection fees.
  - **Electricity/Gas:** Includes underground electric lines, transformers, and grid connection.
  - **Stormwater Management:** Includes drainage systems, retention ponds, and compliance with local regulations.
- **Total Site Work Costs:** Approximately \$30,000 per acre
  - **Total Estimate:** \$303,600

### 2. Water Meter Installation

- **Water Meter Cost**
  - **Water Meter Cost Range:** \$2,000 to \$3,000 per meter
  - **Connection fees:** Depending on the distance to the main, it could range from \$3,000 per fourplex.
  - **Total Estimate:** \$204,000.00 (for 34 meters)

### 3. Street Lights

- **CPS Energy Installation Costs**
  - **Cost Per Light:** \$5,000 depending on the location and type of lighting.
  - **Total Estimate:** \$10,000 (for 2 lights)
- **Maintenance and Operation Costs**
  - **Ongoing Costs:** Additional costs for electricity and maintenance

### 4. Roads, Driveways, and Parking

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- **Internal Roads:** Construction of roads, curbs, and gutters within the development.
  - **Cost:** Approximately \$100 per linear foot
  - **Total Estimate:** Variable based on road length and design

## 5. Permitting and Fees

- **Permits:** Includes building permits, tree plan fees and county charges.

Estimated Costs Overview Phase II:	
Category	Estimated Cost
Land Preparation & Site Work	\$ 303,600.00
Water Meter Installation	\$204,000.00 (assuming \$6,000 per fourplex)
Street Lights (2 units)	\$ 10,000.00
Roads, Driveways & Parking	\$500,000.00 (assuming 5,000 linear foot)
Permitting & Fees	\$ 50,000.00
<b>Total Estimated Cost</b>	<b>\$1.067 million</b>

Estimated Costs Overview Phase III:	
Category	Estimated Cost
Land Preparation & Site Work	\$ 220,800.00
Water Meter Installation	\$174,000.00 (assuming \$6,000 per fourplex)
Street Lights (2 units)	\$ 10,000.00
Roads, Driveways & Parking	\$400,000 (assuming 4,000 linear foot)
Permitting & Fees	50,000
<b>Total Estimated Cost</b>	<b>\$854,800.00</b>

Amenities Total Estimated Budget:	
1. Pool Construction:	\$ 180,000.00
2. Dog Park:	\$ 30,000.00
3. Pavilion and Restrooms:	\$ 80,000.00
4. Pickleball Court:	\$ 20,000.00
5. Landscaping:	\$ 20,000.00
<b>Total Cost Estimate:</b>	<b>\$ 330,000.00</b>

## Key Considerations

- **Local Regulations**

- Costs can fluctuate based on local regulations, especially concerning stormwater management and environmental compliance. Ensure adherence to specific area requirements to avoid unexpected expenses.

- **Contingency Budget**

- Allocate a contingency budget of approximately 10-15% to account for unforeseen costs and project changes.

- **Market Conditions**

- Estimates are preliminary and subject to change based on current market conditions. For the most accurate projections, consult with local contractors and civil engineers.

- **Economies of Scale**

- **Large projects:** might benefit from lower per-unit costs. Bulk purchasing of materials, efficient labor management, and standardized designs can help reduce costs.
  - **Basic Materials:** Standard quality flooring, countertops and cabinetry.
  - **Standard Design:** Conventional layout and finishes without custom features.
  - **Labor costs:** Typical rates for general contractors and construction labor.
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