

28 Units Multifamily New Construction Complex

OFFERING MEMORANDUM

12800 JONES ROAD HOUSTON, TEXAS 77070



Jones Road Apartments: A Premier Investment in
Houston's Multifamily Market



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Disclaimer

IMPORTANT NOTICE

This offering memorandum is intended solely for informational purposes. The content, including any forward-looking statements or projections, should not be construed as definitive assessments of investment performance. While we have made every effort to ensure that the information provided herein is accurate and reliable, please be aware that all real estate investments carry inherent risks and uncertainties.

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Project Highlights

Highlight #1: Class A Apartment Complex

Featuring 28 upscale units across two two-story buildings, offering top-tier amenities and finishes for high tenant desirability.

Highlight #2: Prime Location

Strategically located near Hwy 290 & Hwy 249, providing easy access to employment centers, retail outlets, and entertainment hubs.

Highlight #3: Favorable Demographics

The area shows positive household population projections, aligning the property with the evolving needs of the local community.

Highlight #4: Competitive Market Pricing

Units priced at \$1.70 per SF reflect the luxury quality of accommodations, attracting a discerning tenant base.

Highlight #5: Strong Absorption Rate

Anticipated to reach 80% occupancy by Fall 2024, indicating robust demand and quick tenant uptake.

Highlight #6: Attractive Financial Projections

Projected NOI of \$303,000 and a Cap Rate of 7% signal a lucrative income-generating opportunity with a stabilization rate of 95% by 2026.

Highlight #7: High-Quality New Construction with Builder Warranty

Constructed by a reputable builder, this property comes with a comprehensive warranty, ensuring peace of mind and high-quality standards for both investors and tenants.



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Photos





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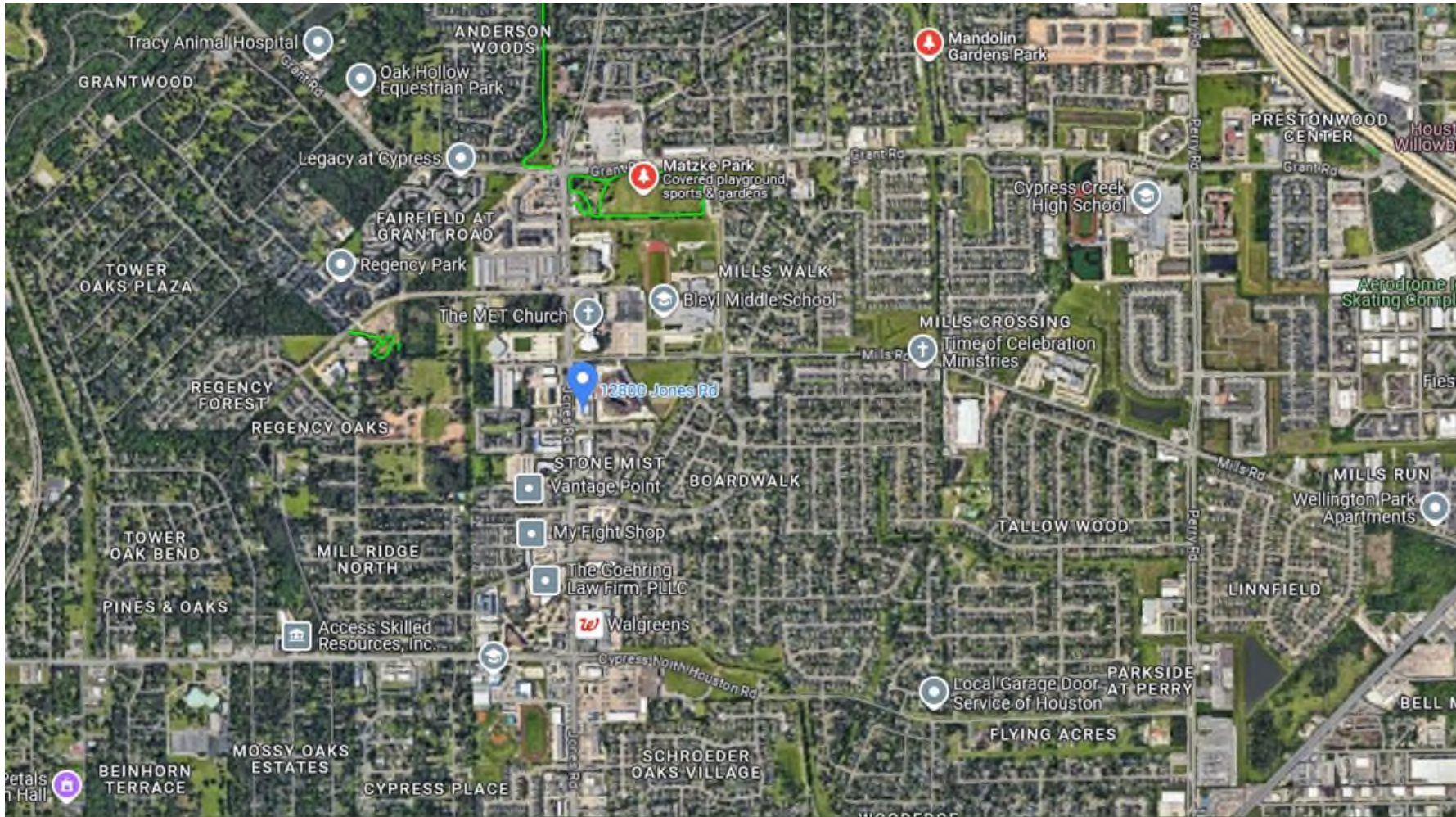
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Maps





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Financial Projections

Premium Class A 28-Unit Apartment Complex: 10-Year Proforma & Strategic Exit Plan											
Project Investment Cost		\$ 4,900,004									
Gross Building Area (SF):		30,270.00		** Operation Expenses				Discount Rate			
Net rentable area		29,540		Property Tax		\$85,750		10 Year of sale			
Vacancy factor		5.0%		insurance		\$12,500		11%		NPV	
Cost of sale		5.0%		Management		\$25,000		IRR		\$491,986.49	
Rent escalation inflation		3.0%		utilities		\$15,200		13%			
Property M. Annual		2%		Maintenance		\$4,480					
Going Out cap rate		8%		Total O Exp		\$142,930					
Market Rent per SF)		\$ 1.75 \$ 21.00									
1bed / 1 studio			2 beds								
Square foot Per key		1023		1087							
Current Monthly rent per Key		1790.25		1,902							
Year	1	2	3	4	5	6	7	8	9	10	11
	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Income statement -											
Net rentable area	29540	29540	29540	29540	29540	29540	29540	29540	29540	29540	29540
Lease Market Value	\$21	\$22	\$22	\$23	\$24	\$24	\$25	\$26	\$27	\$27	\$28
Net Operating Income											
Total Rental	\$620,340	\$638,950	\$658,119	\$677,862	\$698,198	\$719,144	\$740,718	\$762,940	\$785,828	\$809,403	\$833,685



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Potential Gross Income(PGI)	\$620,340	\$638,950	\$658,119	\$677,862	\$698,198	\$719,144	\$740,718	\$762,940	\$785,828	\$809,403	\$833,685
Absorption	100%	85%	95%	100%	100%	100%	100%	100%	100%	100%	100%
Vacancy	5%	19%	10%	5%	5%	5%	5%	5%	5%	5%	5%
EGI	\$0	\$515,952	\$593,952	\$643,969	\$663,288	\$683,187	\$703,682	\$724,793	\$746,537	\$768,933	\$792,001
**O Exp.	\$142,930	\$145,789	\$148,704	\$151,678	\$154,712	\$157,806	\$160,962	\$164,182	\$167,465	\$170,815	\$174,231
Mgmt. (market)3%	\$0	\$19,169	\$19,744	\$0	\$20,946	\$21,574	\$22,222	\$22,888	\$23,575	\$0	\$25,011
Operating Expenses	\$142,930	\$164,957	\$168,448	\$151,678	\$175,658	\$179,381	\$183,184	\$187,070	\$191,040	\$170,815	\$199,241
TOTAL NOI		\$350,995	\$425,504	\$492,291	\$487,630	\$503,806	\$520,499	\$537,723	\$555,497	\$598,118	\$592,759
Capital Expenses											
PBTCF(Profit Before Tax and Cash)	-\$142,930	\$350,995	\$425,504	\$492,291	\$487,630	\$503,806	\$520,499	\$537,723	\$555,497	\$598,118	\$592,759
Development costs											
Fase A (85%)	\$4,100,000										
Fase B(15%)	\$566,670										
WH Structure Fee	\$233,334										
5 %											
Total Cost	\$4,900,004										
Annual cash flow											
Total Develop Cost	-\$4,900,004										
A Value going-out cap rate										\$7,903,459	
Cost Of Sale Fee											-\$395,173
Net cash flow	<u>-5,042,934</u>	\$350,995	\$425,504	\$492,291	\$487,630	\$503,806	\$520,499	\$537,723	\$555,497	\$8,106,404	



Financial Summary

Item	Details
Purchase Price	\$4,500,000 (Firm and non-negotiable)
Deposit	2%
Financing Details	- Loan Type: Buyer will need to secure financing; owner financing will not be considered.
Possession Date	Property is 95% complete. Under acceptance of terms and signed contract. Builder estimates 90 working days remaining.
Inclusions	All units will include installed appliances.
Exclusions	None specified.
Contingencies	Negotiable
Expiration Date of Offer	Negotiable
Internal Rate of Return (IRR)	Projected minimum IRR of 13 %, demonstrating attractive returns on investment.
Appraisal Value	\$4,900,000 upon completion of the property.
Estimated Returns	Investors can walk into \$400,000 in equity based on the appraised value upon completion.
Future Value Estimates	Projected value of \$8,000,000 over the next 10 years with a strategic exit plan.
Additional Information	Any further information will be provided under a Letter of Intent.



Building Information (Class A Apartment Complex)

This newly constructed Class A apartment complex consists of 28 units spread across two two-story buildings, featuring top-tier amenities and finishes that ensure high desirability among tenants.

Property Details

Lot Size: 2.133 acres (92,911 SF) - **Frontage:** Exceptional 100 ft ROW on Jones Road facing east - **Building Setbacks:** 20 ft setbacks

Building Specifications

- Total Buildings: 2 (Buildings A and B)
- Footprint: Each building has a footprint of 9,886 SF
- Unit Distribution:
- Each building includes:
 - 7 one-bedroom/study units
 - 7 two-bedroom units
- Parking: Each building has 28.5 parking spaces

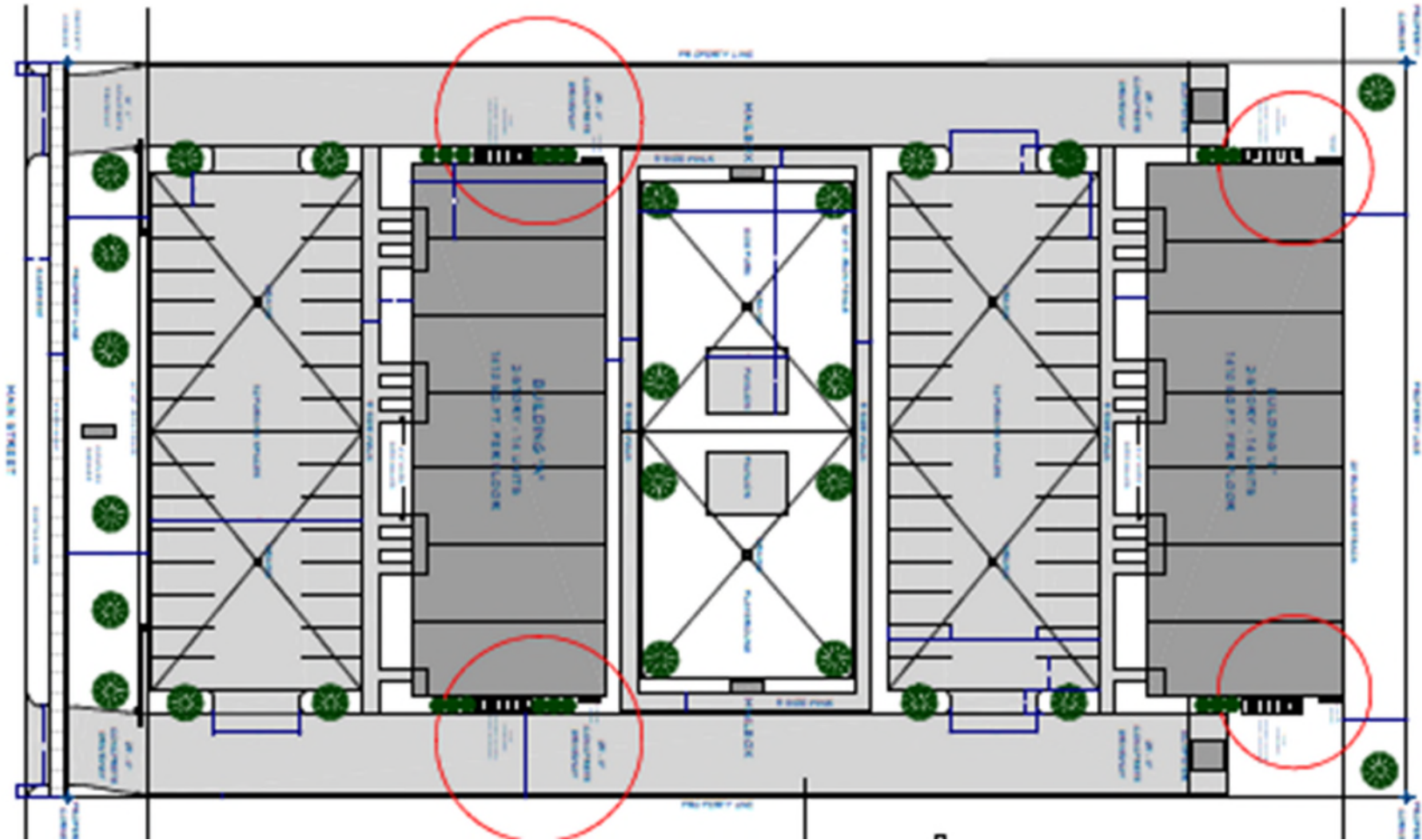
Amenities and Features

- Water Retention: The property includes a water retention area, with a projected plan for a pavilion, playground, or dog park for residents.
- Balconies: The second-story units feature well-designed balconies.
- Interior Design: All units boast high ceilings, enhancing the overall appeal



Site Plans and Floor Plans

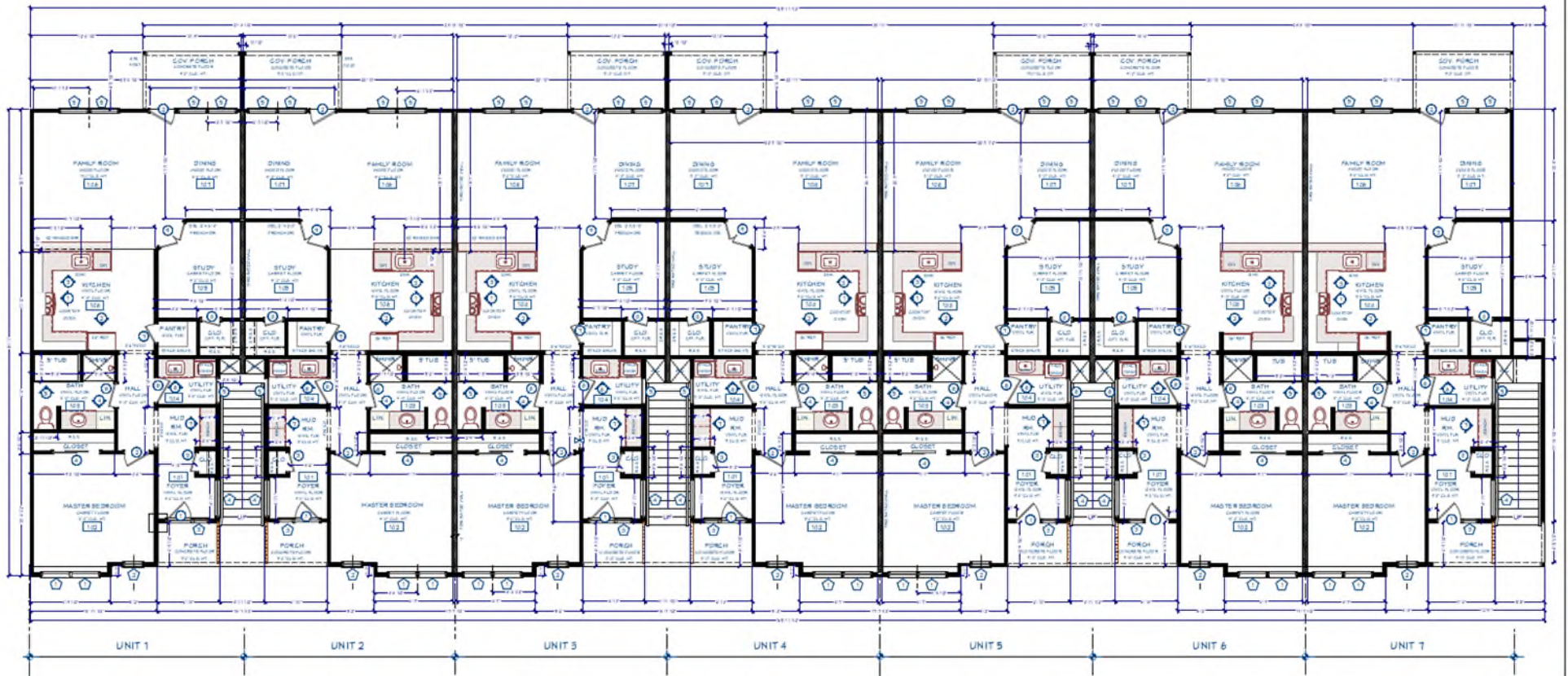
Site Plans





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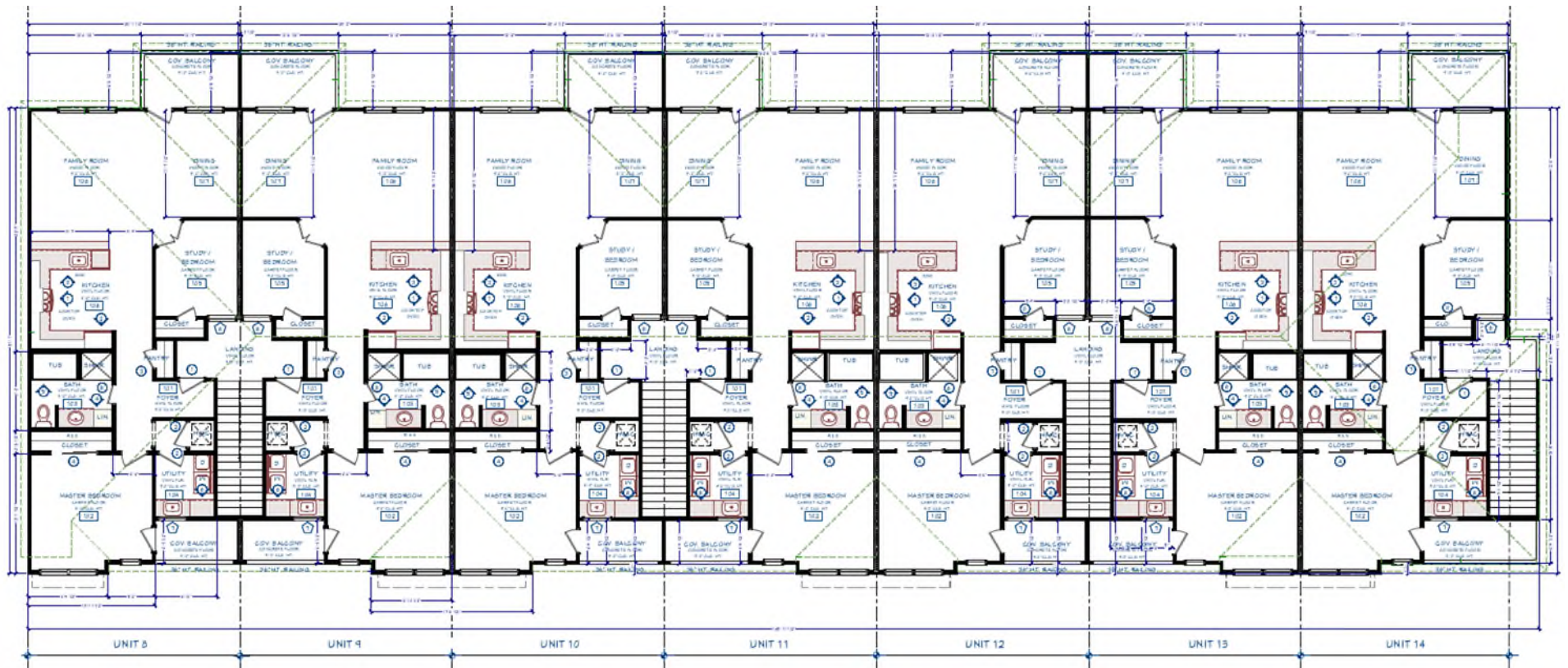
Floor Plans (First Floor)





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Floor Plans (Second Floor)





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Area/City Description

The subject property is situated in the northwest area of the Houston MSA, specifically within the Cypress/Fairbanks submarket. This prime location offers easy access to major thoroughfares that facilitate connectivity and convenience.

Primary Access & Major Thoroughfares

Key highways in the area include:

- **State Highway 249 (SH 249):** A vital north-south route that connects to Interstate 45, providing direct access to North Houston.
- **U.S. Route 290:** An east-west highway linking the western regions of Texas to northwest Houston.
- **Interstate 45:** This major interstate connects Dallas and Houston, extending southeast to Galveston.
- SH 249 is located approximately one mile from the subject property, enhancing accessibility.

Transportation

The area benefits from a robust transportation network, including highways, public rail, bus services, and proximity to George Bush Intercontinental Airport, which is about 24 minutes away. The commute to the Houston Central Business District is approximately 35 minutes.

Land Use

The immediate vicinity of the property includes a diverse range of land uses, with significant developments in:

- Retail
- Industrial
- Office
- Multifamily



Demographics

According to Moody's Analytics Précis® US Metro data, the population in the area has been steadily increasing over the past 13 years and is projected to continue this trend over the next five years. The median household income within a one-mile radius is \$63,658, aligning closely with the Harris County median and slightly exceeding that of Houston. Notably, residents in this area exhibit higher educational attainment compared to the broader Houston MSA.

Demand Generators

Key demand generators contributing to the area's economic activity include:

- Texas Wholesale Manufacturing Inc.
- Taste of Texas Restaurant
- Harris County Hospital District
- Walmart Supercenter
- University of Houston Downtown

These establishments, along with other commercial and retail outlets, provide essential employment opportunities in sectors such as commercial office, retail, and industrial industries. The presence of local school districts and hospitals further supports job creation.

Conclusion:

Given the historical growth trends and the current demand dynamics in the surrounding area, property values are anticipated to remain stable in the near future. This combination of accessibility, demographic growth, and diverse demand generators makes the area an attractive investment opportunity.



Broker Contact -

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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.

Charlie Kriegel

Broker Owner | CEO, WinHill Advisors-Kirby

Realtor of the Year Nominee, GHBA 2017

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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.

