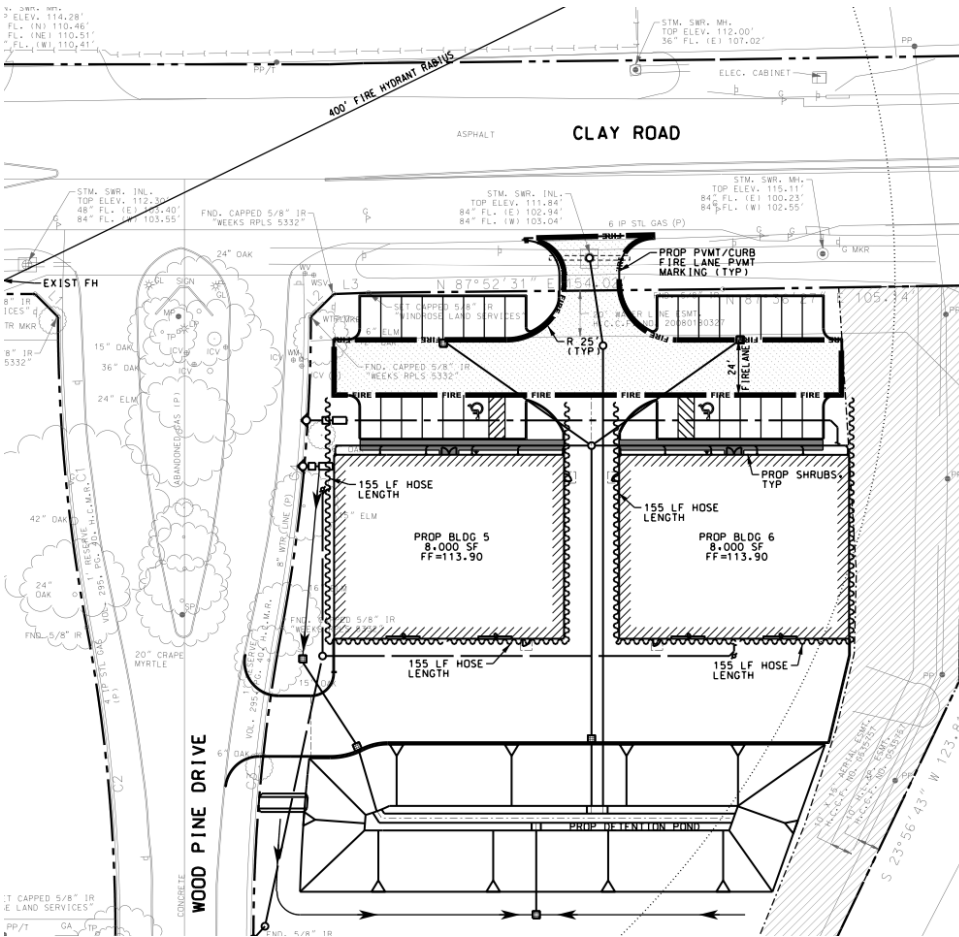


# 1.83 Acres on Clay Road

## EXAMPLE RETAIL PROJECT PROFORMA



**16,000 Square Feet on ±1.83 Acres**

FOR MORE INFORMATION

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**BEYOND BROKERAGE.  
REAL ESTATE STRATEGY  
FOR BETTER DECISION  
MAKING.**

At Panoptic Realty group, we are much more than brokers; we are strategists. We leverage the latest in technology and trend analysis to help your company make the best decision possible. Our name was created to illustrate this point.

Panoptic [pan-op-tic] - considering all parts or elements; all inclusive.

If you are not using the best decision making tools at your disposal, you are surrendering your competitive advantage to the competition.

### PROJECT HIGHLIGHTS

|                                     |                    |
|-------------------------------------|--------------------|
| Land Cost                           | \$975,000          |
| Construction Cost                   | \$1,898,000        |
| Total Investment (Incl. \$30/SF TI) | <b>\$2,873,000</b> |
| Income Potential, \$22/SF Rent      | \$352,000          |
| Less 7% Vacancy                     | (\$24,640)         |
| Income Potential                    | <b>\$327,360</b>   |
| <b>Value @ 7.2% Market CAP</b>      | <b>\$4,546,667</b> |
| <b>Equity at Lease Up</b>           | <b>\$1,673,667</b> |

*Detail on Page 2*

### MARKET HIGHLIGHTS

**Far Katy North** | \$3.1B Asset Value  
Houston - TX USA

|                           |                  |
|---------------------------|------------------|
| Inventory SF              | <b>12.4M</b> ↑   |
| Under Constr SF           | <b>130K</b> ↓    |
| 12 Mo Net Absorp SF       | <b>298K</b>      |
| Vacancy Rate              | <b>6.9%</b> ↓    |
| Market Asking Rent/SF     | <b>\$23.62</b> ↑ |
| Market Asking Rent Growth | <b>2.7%</b> ↑    |
| Market Sale Price/SF      | <b>\$251</b> ↓   |
| 12 Mo Sales Vol           | <b>\$13.7M</b> ↓ |

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# RETAIL PROJECT ANALYSIS

## COST PROFORMA

| ITEM           | COST/SF  | TOTAL                  |
|----------------|----------|------------------------|
| Land Cost      | \$ 12.23 | \$ 975,000.00          |
| Shell          | \$ 60.00 | \$ 960,000.00          |
| TI Allow       | \$ 30.00 | \$ 480,000.00          |
| Site Work      | \$ 4.00  | \$ 318,859.20          |
| Administrative | \$ 8.64  | \$ 138,240.00          |
| <b>TOTAL</b>   |          | <b>\$ 2,872,099.20</b> |

\*Administrative covers costs such as marketing and leasing fees

## CAP SENSITIVITY ANALYSIS

| Cap Rates | Value           | Income @ 22/SF |
|-----------|-----------------|----------------|
| 6%        | \$ 5,866,666.67 | \$ 352,000.00  |
| 7%        | \$ 5,028,571.43 | \$ 352,000.00  |
| 8%        | \$ 4,400,000.00 | \$ 352,000.00  |
| 9%        | \$ 3,911,111.11 | \$ 352,000.00  |
| 10%       | \$ 3,520,000.00 | \$ 352,000.00  |

## 3-YEAR BUILD, LEASE, AND SELL PROFORMA

| Year                           | Rent/SF            | Rent/Yr | Rent/Month  | Income/Year       | Property Disposition | Yearly Income     |
|--------------------------------|--------------------|---------|-------------|-------------------|----------------------|-------------------|
| 0                              | Initial Investment |         |             | \$ (2,873,000.00) |                      | \$ (2,873,000.00) |
| 1                              | \$1.83             | \$22.00 | \$29,333.33 | \$352,000.00      |                      | \$ 352,000.00     |
| 2                              | \$1.89             | \$22.66 | \$30,213.33 | \$362,560.00      | \$5,179,428.57       | \$5,541,988.57    |
| <b>Internal Rate of Return</b> |                    |         |             |                   |                      | <b>45.15%</b>     |

\*Yearly bumps assume 3% increases in base rent on a NNN lease, IRR quoted per year

## 10-YEAR BUILD, LEASE, AND HOLD PROFORMA

| Year                           | Rent/SF            | Rent/Yr | Rent/Month  | Income/Year       | Property Disposition | Yearly Income     |
|--------------------------------|--------------------|---------|-------------|-------------------|----------------------|-------------------|
| 0                              | Initial Investment |         |             | \$ (2,873,000.00) |                      | \$ (2,873,000.00) |
| 1                              | \$1.83             | \$22.00 | \$29,333.33 | \$352,000.00      |                      | \$ 352,000.00     |
| 2                              | \$1.89             | \$22.66 | \$30,213.33 | \$362,560.00      |                      | \$ 362,560.00     |
| 3                              | \$1.94             | \$23.34 | \$31,119.73 | \$373,436.80      |                      | \$ 373,436.80     |
| 4                              | \$2.00             | \$24.04 | \$32,053.33 | \$384,639.90      |                      | \$ 384,639.90     |
| 5                              | \$2.06             | \$24.76 | \$33,014.93 | \$396,179.10      |                      | \$ 396,179.10     |
| 6                              | \$2.13             | \$25.50 | \$34,005.37 | \$408,064.47      |                      | \$ 408,064.47     |
| 7                              | \$2.19             | \$26.27 | \$35,025.53 | \$420,306.41      |                      | \$ 420,306.41     |
| 8                              | \$2.25             | \$27.06 | \$36,076.30 | \$432,915.60      |                      | \$ 432,915.60     |
| 9                              | \$2.32             | \$27.87 | \$37,158.59 | \$445,903.07      |                      | \$ 445,903.07     |
| 10                             | \$2.39             | \$28.71 | \$38,273.35 | \$459,280.16      | \$ 6,561,145.15      | \$7,020,425.31    |
| <b>Internal Rate of Return</b> |                    |         |             |                   |                      | <b>18.75%</b>     |

\*Yearly bumps assume 3% increases in base rent on a NNN lease, IRR quoted per year

The information in this document has been prepared solely for the purpose of information of professional investors and should not be considered as legal, tax, investment or securities advice or any form of recommendation to purchase based on the data and opinion herein regarding the appropriateness of any investment. Buyer is responsible for verification of any included information and is expected to do their own due diligence.

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