



PRESENTED BY:

Placeholder Storage
26410 Hufsmith Conroe Rd. Magnolia, TX 77354

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Placeholder Storage

26410 Hufsmith Conroe Rd. Magnolia, TX

OVERVIEW



Placeholder Storage is a 126-unit RV & Boat storage investment opportunity at 26410 Hufsmith Conroe Rd. Magnolia, Texas. The 10.3 acre site fronts Hufsmith Conroe Rd. one-half mile East of FM 2978 and three miles East of FM 2920. Both roads are major thoroughfares that see traffic counts of up to 24,000 vehicles daily.

The facility is very well-lit, fully fenced and gated with 24/7 gate access and surveillance system with 7 surveillance cameras. The facility's buildings are 60 feet apart which is much wider than the average RV/Boat storage facility and keeps tenants from colliding with adjacent buildings.

This facility was completed in late 2022 and saw a strong lease-up phase throughout 2023 boasting a current occupancy of 60% despite minimal marketing or digital footprint.

The 3 metal over steel canopy structures total 68,625 Rentable SF including (122) covered/canopy units and an additional (4) outside/uncovered spaces totaling 2,250 Rentable SF. There is significant expansion room for additional canopy structures, large enclosed units, mini storage, or open parking spaces.

There over 106,000 people living within 5 miles of the facility which represents growth of about 13% over the previous three years. An average household income of over \$170,000 (more than twice the national average) is encouraging for collections. The Magnolia area is roughly 40 miles from Houston, the fourth largest city in the United States and overlaps with other prominent Houston suburbs such as The Woodlands, Spring and Tomball.

HUGE UPSIDE in development of expansion land, increases in physical occupancy and rental rates.

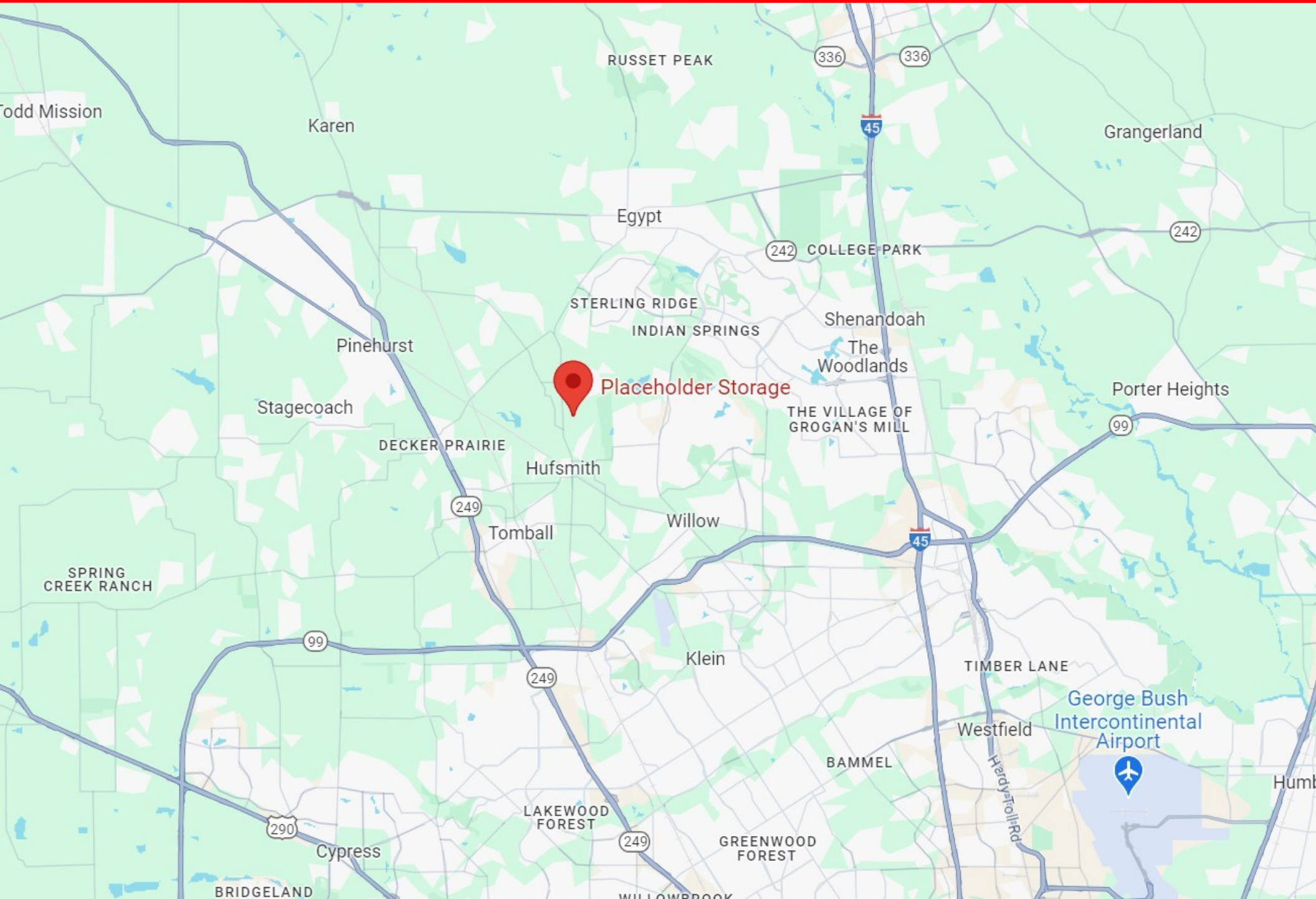
PROPERTY DETAILS



PRICE: \$2,100,000
PRICE/NRSF: \$29.63 psf
GROSS BLDG AREA: 68,625 s.f.
NET RENTABLE AREA: 70,875 s.f.
LAND AREA: 10.3 Acres
YEAR BUILT: 2022
CONSTRUCTION: Crushed Concrete Drives
(3) Metal over Steel Structures
OCCUPANCY Physical: 60% (area)
02/16/2024: Economic: 58% (potential rent)
UNIT COUNT & NRSF: Outside Drive-up
(20) 12.5x45 Covered 68,750 s.f.
(10) 12.5x45 Open Parking 2,250 s.f.
TOTAL 70,875 s.f.

Montgomery CAD PARCELS #: R33919, R33974

REGIONAL MAP



AERIAL VIEW



LIGHTING



PROPERTY DETAILS

	Feb 2024 Annualized (Lease-Up)	YEAR 1	10-YEAR PROFORMA
Asking Price	\$ 2,100,000		
Price Per Rentable Square Foot	\$ 29.63		
Cap Rate	3.72%	7.1%	10.3%
Year Built	2022		
Land Area (Per Montgomery CAD)	10.3		
Gross Building Area (3 buildings)	70,875	SF	
Total Net Rentable Area	70,875	SF	
Physical Occupancy (% of Area)	60%	80%	95%
Economic Occupancy (% of potential rent)	58%	80%	95%

INCOME—EXPENSE

Revenue	Feb 2024 Annualized		YEAR 1 Projection		10-YEAR PROFORMA	
Annual Potential Rent		\$ 229,320		\$ 252,825		\$ 315,369 (1)
Average Economic Vacancy	-42%	\$ (96,314)	-20%	\$ (50,565)	-5%	\$ (15,768)
Rental Revenue		\$ 133,006		\$ 202,260		\$ 299,600
EFFECTIVE GROSS	58%	\$ 133,006	80%	\$ 202,260	95%	\$ 299,600

Operating Expenses	Estimated		Estimated		Estimated	
Property Taxes	3.5%	\$ 4,716	4.0%	\$ 8,000	5.7%	\$ 17,000
Property Insurance	21.5%	\$ 28,598	9.9%	\$ 20,000	10.0%	\$ 30,000
Utilities & Phone	5.9%	\$ 7,822	4.2%	\$ 8,500	4.3%	\$ 12,750
Repairs/Maintenance	4.4%	\$ 5,845	3.2%	\$ 6,500	0.9%	\$ 9,750
Advertising/Marketing	3.8%	\$ 5,084	1.5%	\$ 6,000	3.0%	\$ 9,000
Bank Costs - Credit Card	2.1%	\$ 2,777	1.7%	\$ 3,500	1.8%	\$ 5,250
Total Expenses	41%	\$ 54,842	24%	\$ 52,500	26%	\$ 83,750

NOI		\$ 78,164		\$ 149,760		\$ 215,850
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(1) Projected annual revenue increases of 50% year 1 due to lease-up, 5% YEAR 2-5, & 2.5% YEAR 5-10

UNIT MIX & OCCUPANCY STATISTICS

UNIT TYPE	Number Units	Unit Size	Unit SF	Rentable Area	Standard		Monthly Potential	Annual Potential	Occupancy Stats							
					Rent	PSF			Occupied Units				Vacant Units			
									#	Area	Avg/ Unit	Mthly Rent	Variance	#	Area	Rent
12.5x45 Covered	122	12.5 x 45	563	68,625	\$155	\$0.28	\$ 18,910	\$ 226,920	72	40,500	\$151.88	\$10,935	\$ (7,975)	50	28,125	\$ 7,750
Open Parking	4	12.5 x 45	563	2,250	\$50	\$0.09	\$ 200	\$ 2,400	3	1,688	\$50.00	\$150	\$ (50)	1	563	\$ 50
TOTAL/AVG PERCENT	126		563	70,875	\$ 152	\$0.27	\$ 19,110	\$ 229,320	75	42,188	\$147.80	\$11,085	\$ (8,025)	50	28,688	\$ 7,800
									60%	60%		58%	-42%	40%	40%	41%

PROPOSED 3RD PARTY LOAN & INTERNAL RATE OF RETURN

		Year 1	10-year Proforma
Purchase Price		\$ 2,100,000	\$ 2,000,000
Downpayment	50%	\$ (1,050,000)	\$ (1,000,000)
Loan Balance		\$ 1,050,000	\$ 1,000,000
Interest Rate		6.65%	6.65%
Term		25	25
Annual Debt Service 1st Lien NOI		\$87,279	\$83,123
DEBT COVERAGE RATIO		0.90	2.67
CASH FLOW		\$ (9,115)	\$ 138,582
CAP RATE		3.72%	11.09%
CASH-ON-CASH		-0.87%	13.86%

YEAR	OPERATIONS				DEBT SERVICE	CASH FLOW	CASH ON CASH	Sales Price @ 6% Cap	LOAN PAYOFF	SALE YEAR 3	SALE YEAR 4	SALE YEAR 5	SALE YEAR 6	SALE YEAR 7	SALE YEAR 8	SALE YEAR 9	SALE YEAR 10	IRR		
	REVENUE	VACANCY	EXPENSE	NOI																
0	\$229,320	\$ (96,314)	\$ 54,842	\$ 78,164	\$(1,050,000)	\$(1,050,000)	\$2,100,000	\$(1,050,000)	\$(1,050,000)	\$(1,050,000)	\$(1,050,000)	\$(1,050,000)	\$(1,050,000)	\$(1,050,000)	\$(1,050,000)	\$(1,050,000)	\$(1,050,000)	\$(1,050,000)		
1	\$229,320	\$ (45,864)	\$ (47,699)	\$135,757	\$ (87,279)	\$ 48,479	5%	\$2,262,624	\$(1,032,546)	\$ 48,479	\$ 48,479	\$ 48,479	\$ 48,479	\$ 48,479	\$ 48,479	\$ 48,479	\$ 48,479	\$ 48,479	\$ 48,479	
2	\$240,786	\$ (48,157)	\$ (50,083)	\$142,545	\$ (87,279)	\$ 55,267	5%	\$2,375,755	\$(1,013,932)	\$ 55,267	\$ 55,267	\$ 55,267	\$ 55,267	\$ 55,267	\$ 55,267	\$ 55,267	\$ 55,267	\$ 55,267	\$ 55,267	
3	\$252,825	\$ (12,641)	\$ (62,448)	\$177,736	\$ (87,279)	\$ 90,458	9%	\$2,962,270	\$ (994,080)	\$ 2,058,648	\$ 90,458	\$ 90,458	\$ 90,458	\$ 90,458	\$ 90,458	\$ 90,458	\$ 90,458	\$ 90,458	\$ 90,458	28%
4	\$265,467	\$ (13,273)	\$ (65,570)	\$186,623	\$ (87,279)	\$ 99,344	9%	\$3,110,383	\$ (972,907)	\$ 2,236,820	\$ 99,344	\$ 99,344	\$ 99,344	\$ 99,344	\$ 99,344	\$ 99,344	\$ 99,344	\$ 99,344	\$ 99,344	25%
5	\$278,740	\$ (13,937)	\$ (68,849)	\$195,954	\$ (87,279)	\$ 108,675	10%	\$3,265,902	\$ (950,327)	\$ 2,424,251	\$ 108,675	\$ 108,675	\$ 108,675	\$ 108,675	\$ 108,675	\$ 108,675	\$ 108,675	\$ 108,675	\$ 108,675	22%
6	\$285,708	\$ (14,285)	\$ (70,570)	\$200,853	\$ (87,279)	\$ 113,574	11%	\$3,347,550	\$ (926,245)	\$ 2,534,879	\$ 113,574	\$ 113,574	\$ 113,574	\$ 113,574	\$ 113,574	\$ 113,574	\$ 113,574	\$ 113,574	\$ 113,574	20%
7	\$292,851	\$ (14,643)	\$ (72,334)	\$205,874	\$ (87,279)	\$ 118,596	11%	\$3,431,239	\$ (900,562)	\$ 2,649,273	\$ 118,596	\$ 118,596	\$ 118,596	\$ 118,596	\$ 118,596	\$ 118,596	\$ 118,596	\$ 118,596	\$ 118,596	19%
8	\$300,172	\$ (15,009)	\$ (74,143)	\$211,021	\$ (87,279)	\$ 123,743	12%	\$3,517,020	\$ (873,171)	\$ 2,767,592	\$ 123,743	\$ 123,743	\$ 123,743	\$ 123,743	\$ 123,743	\$ 123,743	\$ 123,743	\$ 123,743	\$ 123,743	18%
9	\$307,677	\$ (15,384)	\$ (75,996)	\$216,297	\$ (87,279)	\$ 129,018	12%	\$3,604,945	\$ (843,958)	\$ 2,890,006	\$ 129,018	\$ 129,018	\$ 129,018	\$ 129,018	\$ 129,018	\$ 129,018	\$ 129,018	\$ 129,018	\$ 129,018	17%
10	\$315,369	\$ (15,768)	\$ (77,896)	\$221,704	\$ (87,279)	\$ 134,425	13%	\$3,695,069	\$ (812,802)	\$ 3,016,692	\$ 134,425	\$ 134,425	\$ 134,425	\$ 134,425	\$ 134,425	\$ 134,425	\$ 134,425	\$ 134,425	\$ 134,425	17%

ASSUMPTIONS:

POTENTIAL REVENUE = CURRENT RENTS + 10% YEARS 2 & 3, +5% YEARS 4 & 5, +2.5% YEARS 6-10
 ECONOMIC VACANCY PROJECTIONS (% OF POTENTIAL REVENUE): 20% YEAR 1, 10% YEAR 2, 5% YEAR 3-10
 EXPENSE = YEAR 1-10 26% OF REVENUE

Information About Brokerage Services

Texas law requires all real estate licensees to give the following information about brokerage services to prospective buyers, tenants, sellers and landlords.

TYPES OF REAL ESTATE LICENSE HOLDERS:

A BROKER is responsible for all brokerage activities, including acts performed by sales agents sponsored by the broker.

A SALES AGENT must be sponsored by a broker and works with clients on behalf of the broker.

A BROKER'S MINIMUM DUTIES REQUIRED BY LAW (A client is the person or party that the broker represents):

Put the interests of the client above all others, including the broker's own interests;

Inform the client of any material information about the property or transaction received by the broker;

Answer the client's questions and present any offer to or counter-offer from the client; and

Treat all parties to a real estate transaction honestly and fairly.

A LICENSE HOLDER CAN REPRESENT A PARTY IN A REAL ESTATE TRANSACTION:

AS AGENT FOR OWNER (SELLER/LANDLORD): The broker becomes the property owner's agent through an agreement with the owner, usually in a written listing to sell or property management agreement. An owner's agent must perform the broker's minimum duties above and must inform the owner of any material information about the property or transaction known by the agent, including information disclosed to the agent or subagent by the buyer or buyer's agent.

AS AGENT FOR BUYER/TENANT: The broker becomes the buyer/tenant's agent by agreeing to represent the buyer, usually through a written representation agreement. A buyer's agent must perform the broker's minimum duties above and must inform the buyer of any material information about the property or transaction known by the agent, including information disclosed to the agent by the seller or seller's agent.

AS AGENT FOR BOTH - INTERMEDIARY: To act as an intermediary between the parties the broker must first obtain the written agreement of each party to the transaction. The written agreement must state who will pay the broker and, in conspicuous bold or underlined print, set forth the broker's obligations as an intermediary. A broker who acts as an intermediary:

- Must treat all parties to the transaction impartially and fairly;
- May, with the parties' written consent, appoint a different license holder associated with the broker to each party (owner and buyer) to communicate with, provide opinions and advice to, and carry out the instructions of each party to the transaction.
- Must not, unless specifically authorized in writing to do so by the party, disclose:
 - that the owner will accept a price less than the written asking price;
 - that the buyer/tenant will pay a price greater than the price submitted in a written offer; and
 - any confidential information or any other information that a party specifically instructs the broker in writing not to disclose, unless required to do so by law.

AS SUBAGENT: A license holder acts as a subagent when aiding a buyer in a transaction without an agreement to represent the buyer. A subagent can assist the buyer but does not represent the buyer and must place the interests of the owner first.

TO AVOID DISPUTES, ALL AGREEMENTS BETWEEN YOU AND A BROKER SHOULD BE IN WRITING AND CLEARLY ESTABLISH:

The broker's duties and responsibilities to you, and your obligations under the representation agreement.

Who will pay the broker for services provided to you, when payment will be made and how the payment will be calculated.

This notice is being provided for information purposes. It does not create an obligation for you to use the broker's services. Please acknowledge receipt of this notice below and retain a copy for your records.

Buyer, Seller, Landlord or Tenant: _____

Date: _____