



Property Sales and Management LLC.

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Lake Olympia Parkway Property FOR SALE

- Land Size:** Gross - 13.348 acres (581,439 sq. ft.)
Net - **9.661 acres** (420,833 sq. ft.) – excluding 3.687 acres drainage easement. Property is heavily wooded, with 639.78 ft. frontage on Lake Olympia Parkway.
- Location:** On Lake Olympia Parkway at the east end of Lake Olympia subdivision, approximately 0.7 mile west of Fort Bend Toll Road. Fort Bend Toll Road connects directly to Beltway 8 and Highway 90 (S. Main St), and further connects to Loop 610, and Highway 59 (Southwest Freeway). It is an easy 15 minute drive (all freeway, no lights) to Texas Medical Center area, or to the Galleria area (20 minute drive) or Chinatown area (12 minute drive).
- Sales Price:** (A) All cash purchase - \$757,500
(\$1.80/sq. ft. based on 9.661 net acreage or \$1.30/SF gross acreage)
(B) Seller Financing - \$799,500
(\$1.90/sq.ft. based on 9.661 net acreage or \$1.38/SF gross acreage)
Terms: Minimum \$250,000 down, balance at 6% per annum interest, 15 year amortization, 5 year balloon.
(C) Seller Financing Wrap Around Existing Mortgage - \$841,000
(\$2.00/sq. ft. based on 9.661 net acreage or \$1.45/SF gross acreage)
Terms: \$50,000 down, balance at 8% per annum interest, 15 year amortization, 3 year balloon, wrap around existing mortgage.
- Earnest Money:** \$25,000

Ready for immediate development:

- Wetlands:** No part of the 9.661 net acres are wetlands (Corps of Engineers letter)
- Flood Plain:** No part of the 9.661 net acres lies within the 100-year flood plain
- Zoning:** Entire tract is zoned R-3 Residential by Missouri City, which allows up to 10 residential units per acre. Duplexes are also allowed.
- Utilities:** Existing water, sewer & drainage along the boundary of the property provided by Palmer Plantation Municipal Utilities District No. 2 have sufficient capacity to serve this property. Preliminary engineering for the development of this property is available.
- Aerial Topo:** An aerial photo and topographic survey is available.
Entire property is heavily wooded

Two versions of land plans are proposed:

- (1) Low density estate lots: This property has a preliminary plat (approved by Missouri City) of developing into 8 large estate lots/homes and a commercial reserve on Lake Olympia Parkway. All lots are at least 0.79 acre in size. Such plat is not recorded so changing to higher density development is permissible.

(2) Mid-density retirement community: Current zoning permits mid-density residential development. The best and highest use of this property is to develop it into an active adult retirement home resort style community, capitalized on existing amenities in Lake Olympia and the proximity (15 minute drive) to Texas Medical Center, Galleria and Chinatown areas using the Fort Bend Toll Road. A preliminary land plan shows a gated community of 80 housing units in 20 four-plexes, with 1.4 acre land along Lake Olympia Parkway for a retail center, one club house community center with guest parking lots, and a park in the woods. Such land plan will require a re-zoning of this property from duplexes to four-plexes. Since it is not too far deviation from the current zoning and land use, we do not anticipate a problem. Demand is expected to be very high. As the first group of baby boomers already reached 60, the retirement home market is the fastest growing market and is expected to grow further in the next 10 to 15 years (a brief overview of our study is available).

Market Value Analysis:

- (1) A similar 8.3 acre commercial property on Lake Olympia Parkway at Peninsulas Drive (also inside Lake Olympia community) is selling for \$5/sq. ft. or \$1,807,740.
- (2) A 1.42 acre tract near Highway 6 and Lake Olympia Parkway is selling for \$12.50/sq.ft. or \$773,190
- (3) A 395 acre tract at Lake Olympia Parkway and Fort Bend Tollway is asking for \$3/sq. ft. or \$51,618,600.
- (4) A 8.58 acre tract near Highway 6 and Knight Court is selling for \$6.95/sq. ft. or \$2,597,526
- (5) A 14.11 acre tract near Highway 6 and Vicksburg is selling for \$20/sq. ft. or \$12,292,632.

Based on these comparables, Subject property is worth somewhere between \$3/sq.ft. or \$1,262,500 and \$4/sq.ft. or \$1,683,300.

In the August 2008 issue of CNNMoney.com and magazine, it rated the Top 100 Best Places to Live in the nation. Missouri City was ranked #56, the highest rated city in southeast Texas, followed by Sugar Land at #64.

Amenities: This property is located inside the 1,000 acre national award winning planned community of Lake Olympia. This is one of the most prestigious developments in the country and has attracted world renowned celebrities such as Beyoncé Knowles to call here home for many years. Amenities include 130 acres of natural lakes for boating and fishing, a Marina Club, Jr. Olympic size pools, tennis courts, jogging trails, nature walk, and an adjacent country club offering 36 holes of golf.

Municipal Utilities District: This property is located within the Palmer Plantation Municipal Utilities District No.2 which means a good portion of the development costs (70% of water, storm, sanitary sewer, etc costs) will be reimbursed to the developer.

A Retirement Resort Living Community Study 2007 by Andrew Choy

The fastest growing market in the next 10 to 15 years is going to be the baby boomer market. The first group of the baby boomers (born 1946 to 1964) has already reached 60. Currently, the 55+ households, estimated at 40 million, account for 36% of all households in America. By 2014, the 55+ population will grow to just over 85 million, that is 26% of the entire nation! Whether you like it or not, boomers are taking over the country! 77% of the boomers have no debts. Their net worth is 5 times the average of other age groups. The average net worth of the 65+ population is \$727,000. They represent 25% of total U.S. consumption. By 2010, the first group of the boomers will be in their peak wealth years, and the next tier of boomers will enter their peak earning years. In Texas, 2,525,672 head of households are 55 and up, according to 2005 American Community Survey, U.S. Census Bureau. In the past 4 years alone, Texas' 60 + population increased by 14%, from 2.9 million to 3.3 million. Demand for retirement livings is certain to keep on increasing in the next 15 years because the huge boomer population will only get older. Health care medical facilities and various types of retirement housing developments represent the two biggest sectors of the markets that will significantly benefited from the fast growing of this target age group, which is driven mostly by need, not by choice. Others such as travel industry and second home markets could also gain in market shares but those are driven by choice and wealth. Another distinction for this age group is that many of them are returning to singles, whether they are the surviving spouse or divorcees. They could be young at heart, active but otherwise lonely. There are many types of retirement living facilities. Those 75+ needing assistance or medically handicapped will have to stay at nursing homes or assisted living communities. Those very wealthy and still enjoy playing golf every day will likely purchase a luxury home in retirement resorts like Sun City or second homes in Colorado or Hawaii. The great majority of the boomers are going to be 55 to 65 in the next decade, presumably still very active and healthy, but being pushed away by their sons or daughters due partly to generation gap. Many of the 60 year old single moms or dads would rather prefer to live their own lives, preferably near the other men or women in their age group or they could become bored or depressed waiting to die. On the other hand, well managed active adult living communities offer fun programs, daily activities, group trips, transportations to doctor appointments, good food service, and limited health care needs to make this age group of people feel happy and comfortable. This is why this type of rental units are able to charge much higher rent and still yields high occupancy rates, or sell for higher prices on units for sale in a retirement community. Finally, most seniors prefer to live in warmer weather areas. This is why most retirement home communities are found in Arizona, Florida, and California. Average temperatures in Houston range from 51.8° F in January to 83.6° F in July. With 2.5 million (32%) of the households over 55, Texas appears to have far more demand for retirement living facilities than available supplies.

