AltusGroup

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the revenue chasers

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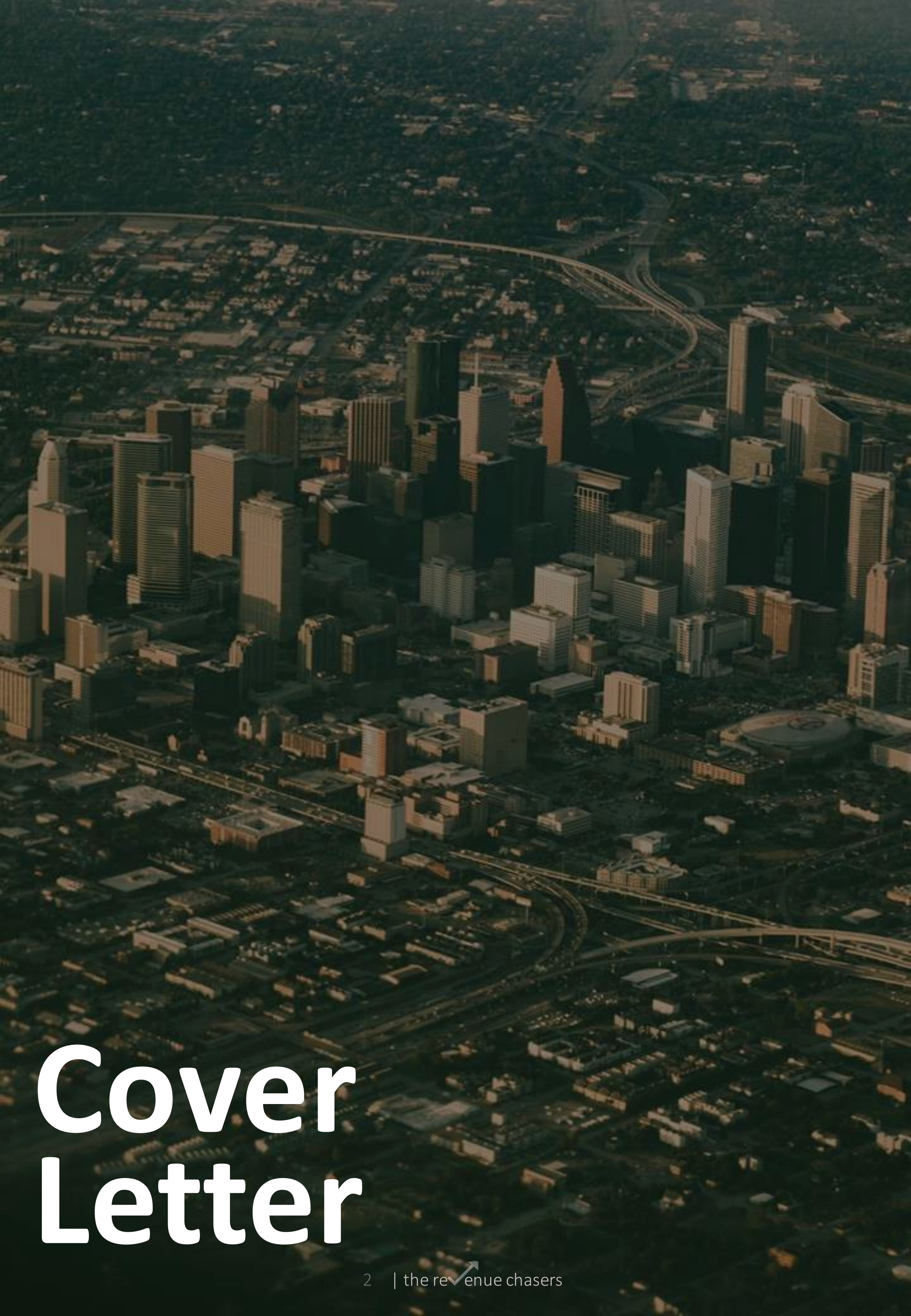
Investment Memo

The Astro Parque, Houston
Revitalization and Preservation of the 8th Wonder



Cover Letter

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Inspired by the ancient Colosseum in Rome, the Astrodome is the world's first domed stadium and therefore dubbed the "Eighth Wonder of the World". Opened in 1965, the building itself impresses and fascinates people from all over the world. We want to dive in and aspire to welcome all people in it again.

All in all, Houston is excellent for investing in Real Estate: Being one of the fastest growing cities of the U.S., Houston is now the fourth biggest city in the U.S. and is seen as a strong business location. The demand for housing as well as the rental prices increased over the last years.

The Texas Southern University is close and there is a more than sufficient number of shopping and leisure possibilities within a 2 mile radius.

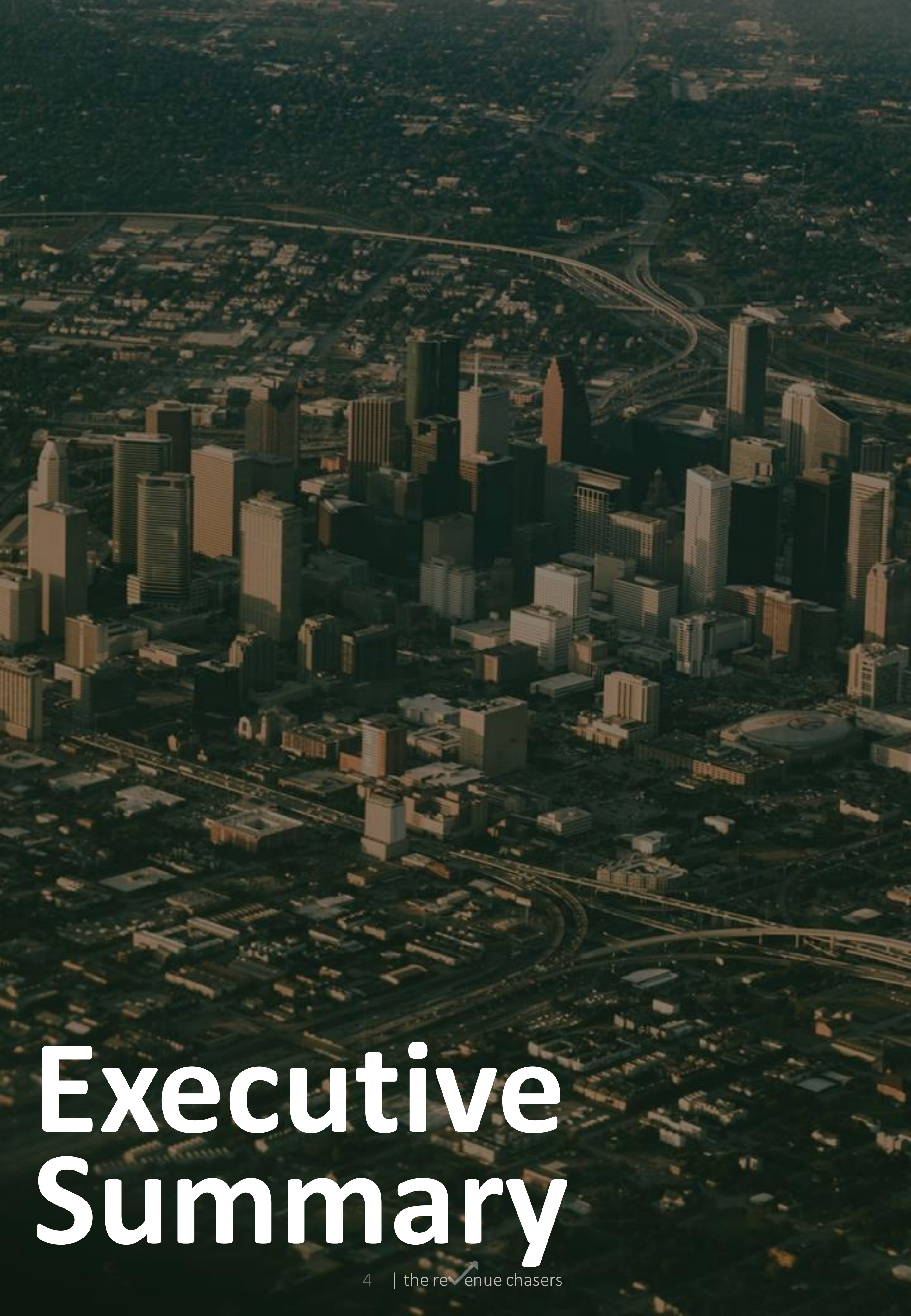
The submarket Astrodome shows a high potential for increase in value. The Astrodome is located between the submarkets Old Braeswood and Braeswood Palacy/Willow Meadows. According to GreenStreet, the surrounding areas are assessed with ZIP Code Grades A++ and A and their Median household income is above average. Additionally, the labour market is filled with jobs – not only of the nearby Medical Center where 106,000 empolyees work. Due to these reasons, the demand for housing is high. Through active management of the Astrodome, the Dome can blend into the district and convert its submarket into such an attractive surrounding as the enclosing.

Considering the recent market developments, such as the increasing inflation rate and interest rates, the supply chain issues and the political tensions, we propose a purchase price of $ 255,000,000. Taking this price, the available equity and the conditions for loans into account, this purchase price leads to a highly attractive yield over an investment period of 18 years so that the inflation is equalized or even excceded.

The Astrodome and its location near to the Texas Southern University (TSU) offer a potential to meet, if not exceed, the DEI requirements: We will present a great variety of planned add-ons in order to focus on a more tolerant and social handling in the society. Sometimes it doesn't even need huge investments, small steps can make a big difference. Another matter of the heart for us is the environment and the ESG requirements that we also included in our assessment of the investment.

We want our REIT to bring this historic place back to life and to fill it with new, joyful moments. Its colorful history of characters shall inspire the Houstonians of every age and culture.

We are looking forward to discussing this project with you!



Executive Summary

Mission Statement

Overview

17 year holding period	Resale in year 18	Leveraged Equity IRR min. 25 %	Parallel EIRR min. 75 % from cashflow and 25 % from reversion	Increase ESG standard within portfolio	Improve overall DEI standards

Investment Key Facts

Astro Parque, former Astrodome	
Address	3 NRG Pkwy, Houston, TX 77054, United States
Submarket	Med Center / Braes Byou
Seller and Redeveloper	Turning Park Development (short: TPD)
Property Type	Retail (3,29%) Multifamily (96,71%)
Redevelopment	2022 / 2023
Building area	1,074,816 sqft
Lettable Area	720,628 sqft
Parking	300 units
NOI	$ 15,600,000
Ground Lease	99 years

Major Risks & Mitigations

General Trends

The world seems to be turning faster and faster – the globalization leads to international ties that produce a lot of good things but can lead to disadvantages. In the last years, the financial crisis in 2008/2009, the covid pandemic since 2020 and the ongoing supply chain issues show us, how much international crises affect all our investment and personal lives.

In order to live up to our name, we examined the investment for risks. In our point of view, there are various possible risks for all planned investments, such as:

- Inflation - Time management
- Currency risk - Cost risk
- Planning risk - Leasing risk
- Interest rate risk - Force majeure

In the following we want to address the two main current risks.

Inflation, Currency and Interest Rate Risk

The crisis in 2008/2009 showed how volatile the finance sector is. After a period of slowly increasing interest rates in the following years and a parallel boom in the real estate sector, the prime yields started to rise again. Due to the COVID-19 crisis, they did fall in 2020 and are still recovering from the low.

However as the past has shown a crisis is a good place for new opportunities and they should not be missed. As the recovery has almost always been strong and shown great results, we are convinced that the financial market will fully recover by 2026: Taking into account further interest rate increases, we assume that the inflation rate will remain constant at an average of 2.1% from 2026. The deal team plans on locking rate concurrently with or immediately after going-hard, allowing the decision on financing to be made effectively concurrently with going hard.

Leasing Risk

There are many reasons to live in an apartment of the Astro Parque: a prime location in proximity to employment centers, retail and dining, but there is an exclusive parkon site for relaxing, sports, studying or playing. Our presented concept of the Astro Parque is family-friendly with its built-in day care center and community center. The social skills of children are promoted and the work-life-balance of the parents is enabled.

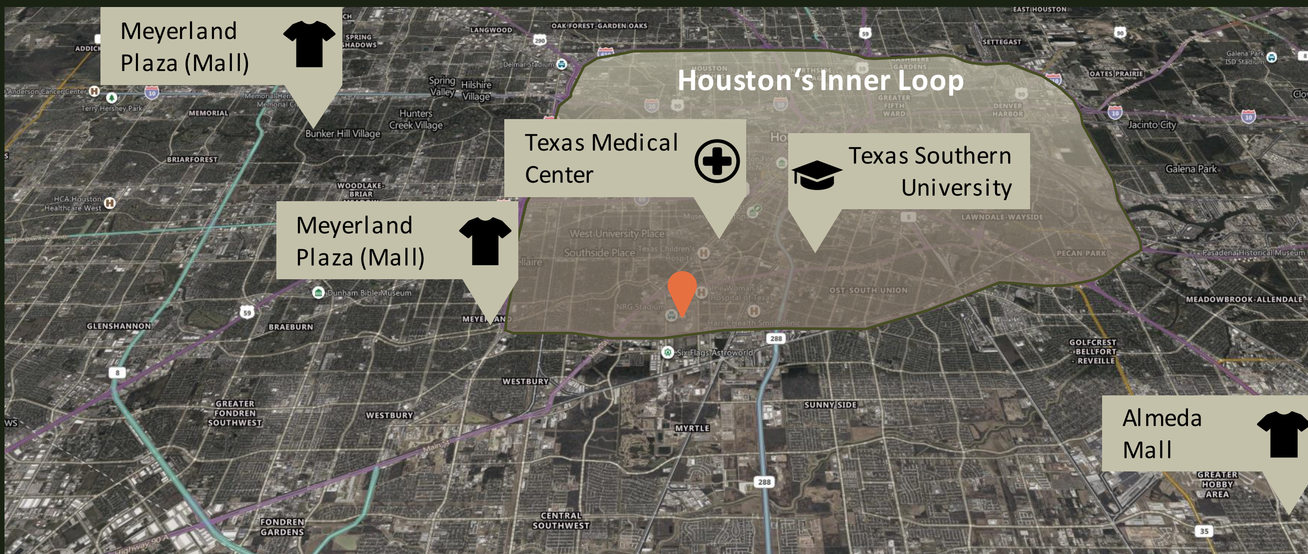
Due to the nearby STU, the Astro Parque is a magnet for students that can participate in the Housing program via the STU and rent within the Parque. They can directly benefit from the food supply in the building and the network of students in the edifice. The offered jobs are the icing on the cake.

The rebuilt former Arsenal Highbury Stadium in London which „only" offers apartments is known as the most fascinating residence of London. Due to our plans and therefore variety of starting points, compared to the Highbury apartmenrts, the Astro Parque can be seen as an even more attractive place. In conclusion we rate the overall leasing risk very low.

Market Introduction

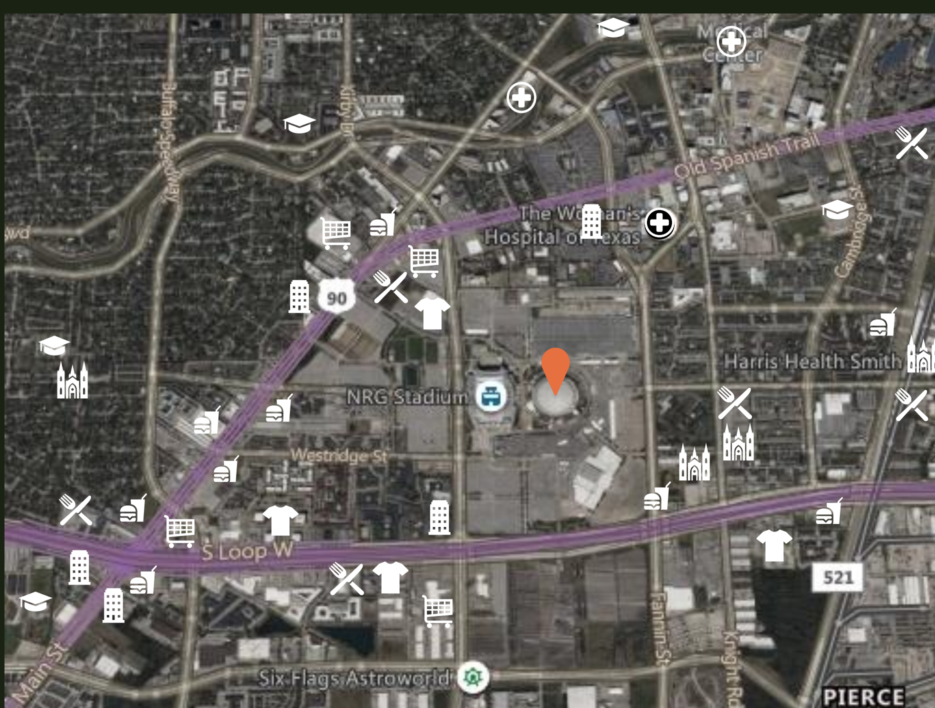
Macro location - Houston

4th biggest city in the US	2.31 m residents (2020)	Most diverse population in the US	GDP of $ 537 billion (2021)	+ 45,000 residents until 2030	Crisis proof staionary retail market



Micro location – Med Center / Braes Bayou

Median Age 34.3 years	Median monthly household income $ 74,613	School district of Houston ISD	Close to Hosutons city center	Wide range of leisure activities	Creates comfort for residents of all types



Local supply within 2 mile radius	
Restaurants	18x
Fast Food	17x
Hotels	17x
Recreation (e.g. malls, fitness)	9x
Grocery stores	6x
Teaching facilities (Elementary, Middle, High School and others)	5x
Medical Centers	3x
Religious facilities	3x

Multifamily Market Houston

General

The Houston multifamily market is performing overall very well. The constant growth of the city is generating many new jobs, which are also leading to newly formed households. Since 2020, net job growth has increased by 2.3%. New construction activity is also very high. In 2022, more than 20,000 housing units were completed. The long-term demographic trend will continue to be positive, whereas there is an increasing lack of housing in the city. Therefore, despite changing market conditions, the multifamily market is expected to remain healthy.

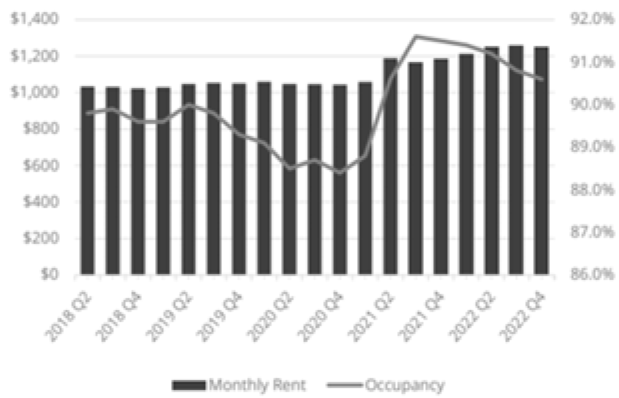
Rent Development & Occupancy

After several years of stable rent growth, rents have increased since 2021 considerably due to high demand and inflation. From the end of 2021 to the end of 2022, the average monthly rent grew by 5.1% annually. With continued high inflation, it is expected that rents, as well as median household incomes, will continue to rise. Since 2021, the vacancy rate has consistently stabilized above 90%. (Figure1)

Strong Demand

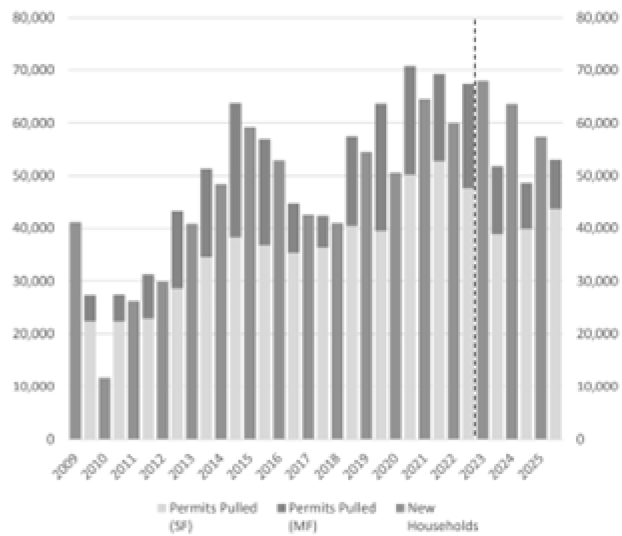
The demand for housing is expected to keep pace with supply. According to a JBREC forecast, annual household formation is equal to or higher than projected permits (SF+MF) for 2023 - 2025. (Figure 2)
There is a notable premium between the cost of ownership and the cost of rent, with rent currently at a $1,112 discount to the
cost of ownership. indicating favorable relative affordability of rental housing.
This indicates the relative affordability of rental housing compared to ownership housing. This makes rental housing more attractive and can be expected to increase in demand. (Figure 3)

Figure 1: Average Rent & Occupancy Rate



Source: Apartmentdata.com

Figure 2: Household Formation vs. Permits



Source: JBREC

Figure 3: Housing Costs vs. Apartment Rent

Source: JBREC

Retail Market Houston

General

Despite high construction costs, increased interest rates and increased grocery costs, Houston was able to benefit from the headwinds for its own growth. Houston sits atop the U.S. for 2022, even surpassing Dallas and New York City.

Houston's retail market has recovered very quickly from the restrictions of the COVID-19 pandemic, which has resulted many new retailers and restaurant concepts currently located in Houston.

Due to the increasing population growth, available jobs and the cost of living, Houston is expected to remain a TOP retail location in the upcoming years.

Sales Trends

The trend for retail properties in Houston has remained stable or grown in all sub-segments. Despite very high inflation rates and consumer price inflation in 2022, retail sales reached record levels (Figure 1).

Net Absorption & Occupancy Rate

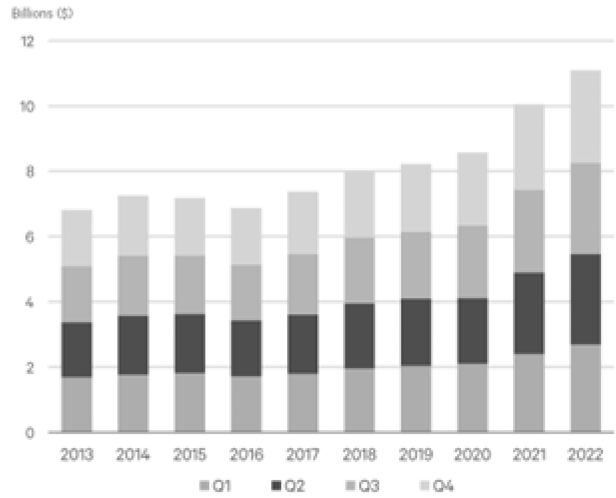
After a brief drop in net absorption in 2020 due to the COVID-19 crisis, it recovered in the following years, reaching a positive value of 854,000 sqft in the year 2022 (Figure 2).

The total vacancy rate has reached a record value of 5.3 % in 2022. These developments underscore a positive trend in Houston's retail segment.

Development of Rents

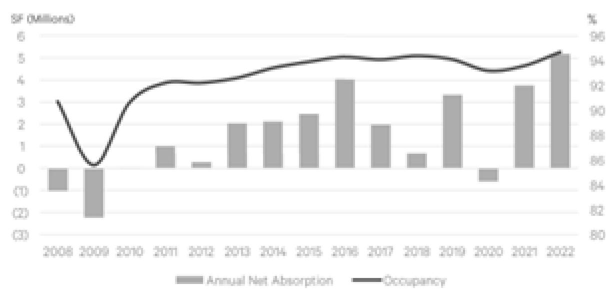
Similarly average rents have recovered and are steadily increasing after a 2020 setback. The average rent has risen to $ 25.95 / sqft in 2022 (Figure 3). Due to continued high inflation rates, the trend of rising retail rents is expected to continue across all segments.

Figure 1: Houston Annual Retail Sales



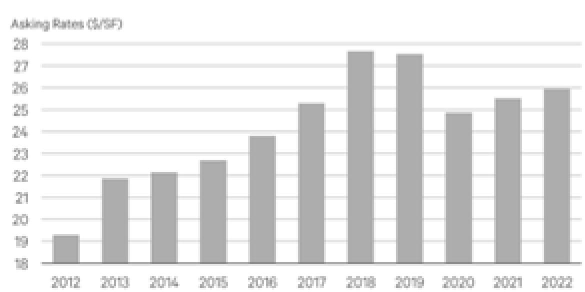
Source: US Census Bureau, Oxford Economics Q4 2022

Figure 2: Net Absorption & occupancy rate



Source: CBRE Research Q4 2022

Figure 3: Asking Average Annual Rents



Source: US Census Bureau, Oxford Economics Q4 2022

Submarket Astrodome

Surrounding Astro Parque

To analyse the submarket surrounding the Astro Parque, the areas ajacent to it with the ZIP codes 77054 (Astro Parque), 77030 (Old Braeswood) and 77025 (Braeswood Place / Willow Meadows) were analysed.

The chart shows that the surrounding area is in the heart of very attractive, high-demand residential neighborhoods. One of the reasons for this is the good employment situation, e.g. through the Texas Medical Center (short: TMC). Currently the TMC has more than 106,000 employees.

The median household income as well as the expected rental income are above the market avergae.

Therefore the submarket offers enormous development potential in the mid-term in respect of the desirability and demand for residential properties.

Chart 1: Comparison Neighborhood

77054 (Astro Parque)	
ZIP Code Grade	B
Grade Rank	3.045
Median Household Income	$ 61,178
Percent College Degree	66 %
Unemployment Rate	2.5 %
Population Density	4,508
Homeownership Rate	11 %
Housing Affordability	Very cheap

77030 (Old Braeswood)	
ZIP Code Grade	A ++
Grade Rank	50
Median Household Income	$ 102,652
Percent College Degree	84 %
Unemployment Rate	3.0 %
Population Density	4,585
Homeownership Rate	37 %
Housing Affordability	Very expensíve

77025 (Braeswood Palace/ Willow Meadows)	
ZIP Code Grade	A
Grade Rank	769
Median Household Income	$ 85,226
Percent College Degree	76 %
Unemployment Rate	2.7 %
Population Density	6,967
Homeownership Rate	36 %
Housing Affordability	Very expensíve

Source: Green Street

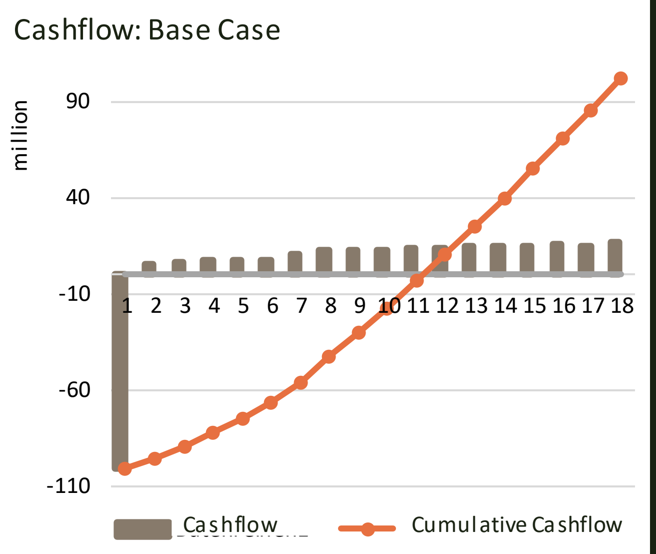
Risk Analysis

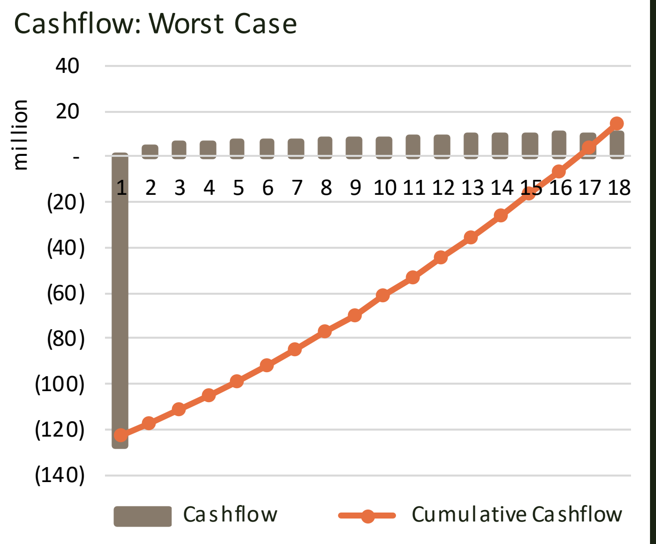
„What if?“ – Considering the worst case

In the worst case, the variables behave in comparism to the basic scenario as follows. Assuming the purchase price and the interest rate of the first Senior Loan are fixed before the market develops badly, these developments need to be expected:

The financial market develops worse than the recent outlooks, so inflation and interest rates stay high for a longer time. With the exception of the present leases for retail, all of the calculated rents are unforceable and need to be adjusted in their amount. Additionally, the vacancy and the rent collection loss increase. Since the costs for OpEx are linked to inflation, they remain on the same level. The costs for CapEx on the other hand increase by 20% because of changing circumstances and unforeseen problems in their implementation. The unforeseen costs rise to 2% and the CapRate for the sale is 7%.

The Levered Equity IRR in the base case is 10.8% and drops in the worst case to 6.4%. The charts on the right show that the break-even point is reached after 10 years for the base case. In the worst case, this point is only reached after 16 years – only then did the invested capital bring in the cash flow again. Please take into account that in the worst case, more equity is needed because the LTV (which serves as an indicator for the loan value) changes.





	Base Case	Worst Case
NOI	$ 15.6	$ 13.0 m
CapRate	6.12 %	5.09 %
Price	$ 255 m	$ 255 m
NIY	5.99 %	4.99 %
CoC	6.71 %	4.41 %
Cashflow-to-reversion ratio	24.40 %	12.80 %
IRR (lev.)	10.8 %	6.4 %

Conclusion

It can be concluded that the REIT requirements cannot be met under the above outlined conditions and that an equity IRR of 25 % is not achievable. Especially under the assumption of a 17-year holding period.

Within our assumptions a further increase in the IRR is only conceivable under unrealistic market conditions, in particular with regard to the financing structure, interest rate, rental assumptions and purchase and sales price.

However an IRR of 10.8 % is still a good return for commerical real estate investments. The investment represents a great opportunity for the REIT, particularly because of its strong historical character and brand recognition in Houston. Even under rather neutral to slightly optimistic assumptions, that we used in our base case scenario, the outcome is realistic and can even be optimized in the holding period.

In conclusion we evaluate the purchase price as seen in the following paragraph.

Price

After pricing and evaluating all neccessary data and figures, we propose to lay an offer to TPD with a purchase price of

$ 255,000,000

Our assumptionsare the following:
- Business Plan: 17 years
- NOI of approx. $ 15,600,000
- Loan structure: 65 % LTV with 5 % interest rate
- Completed approval process for Phase Two of the Astro Parque
- No other significant CapEx measures and no construction defects
- 5 year developer's guarantee

It‘s in our hands to make a difference

„I have a dream“

Diversity, Equity and Inclusion have always been a vision – not only for Martin Luther King in 1963, but also for our REIT. The American Dream is still alive and with the Astro Parque we want to provide the pathway to a more inclusive, equitable and welcoming world.

We not only want to revitalize „from rags to riches“, but also ensure justice between genders, ethnic groups, religions and cultures.

Initial Position

Houston is considered among the most diverse cities of the U.S. – nearly 1 in 4 Houstonians are foreign born and the origins are borad. This already existing diversity per se fits perfectly to the concers of our REIT in order to consider the DEI requirements for our investment.

Black Affinity Housing

The Texas Southern University (TSU) is only about 4.3 miles away, so we are aiming for a cooperation with it: 27 apartments will be rented to the TSU so they can include it in their Housing program – following the example of the Western Washington University's Black Affinity Housing. The students are in need of affordable apartments and should be able to concentrate on their studies instead of worrying about their living situation and the transport to university.
To ensure the best possible demand for housing from the students, we want to offer an open discussion round for all students from the TSU who can imagine living there:They should be able to decide whether they would rather live in adjoining rooms on one level or in rooms scattered throughout the building. This discussion round is a great opportunity for the students, especially for the Real Estate students, to get in touch with our management and our guests from politics, urban planning and district development. We lay the foundation for a professional network.

Car Sharing

In order to enable promote mobility of our tenants, we also want to offer a car sharing program through a third party provider. For serving increased equality relating to transport, all of them have access to the cars.

A positive side effect along with this, we protect the environment and therefore save the planet for subsequent generations.

It‘s in our hands to make a difference

Investing in Future Generations

After a five-year period of renting only apartments and retail units, we plan to convert three apartments into a day care center and another three units into a community center, which we plan on letting to a public state tenant. Socializing at a younger age promotes acceptance and consmopolitianism. Aside from that, parents do not have to worry about childcare or a suitable afternoon program for children of all ages – the institutions in the Astro Parque takes care of it.

This means that all parents, single parents or not, have the opportunity to do their job. In addition, they can take care of their own health (keyword: mental load) and pursue their own interests. The residents, especially the students, are welcome to get involved in childcare.
Childeren cared for in the Astro Parque that do not live there will associate great memories with the building so that they might live there themselves one day – by investing in the young, we are also investing in sustainable rental demand.

Bringing Generations Together

In our view, the intergenerational exchange is one of the key assets for broading the horizons and reducing prejudige. The Astro Parque is not only suitable for families but also for students and elder ones. The courtyards offer a variety of opportunities for events and exchange.

Students can run errands for the elderly or help them with housekeeping, maybe against a small voluntary fee. Additionally the seniors can get in touch with the operators of the day care center and the community center, e.g. in order to host a game afternoon or to tinker together. Life for the seniors gets easier and the old age loneliness is anticipated by having other/younger people full of life around.

Knowledge Shared = Knowledge²

We will create added values for our tenants by offering an energy consultant that provides advice about appropriate use of energy. The tenants not only safe money, we also do something for the environment.

Serving as a role model

Matching our REIT‘s internal requirements, of course the staff as well as the tenants should be as diverse and inclusive as possible. Therefore, we strive to offer all applicants equal opportunities and free access.

It's in our hands to make a difference

Connecting People – Personally and Digitally

The open spaces in the middle of the Astro Parque will be used regularly as an event location – e.g. concerts of local/rising artists (or even tenants), talks or BBQ nights. Even small sports competitions are conceivable.

Another means of enabling residents to network is our updated website and our new tenant app: with it, we pave the way for movie nights, study groups and meetings.

Investing in New Technologies

Living on the sunny side of life – we plan to upgrade the Astro Parque with a photovoltaic system, primarily for the power supply of our tenants. Renewable energies represent an important way to a carbon neutral planet. Real Estate has an enormous impact on behavior, our mobility and our responsibility towards the environment and simultaneously, we reduce the dependency on oil and gas.

In addition, a smart system that automatically distributes the electricity most efficiently will be established.

Striving for Platinum

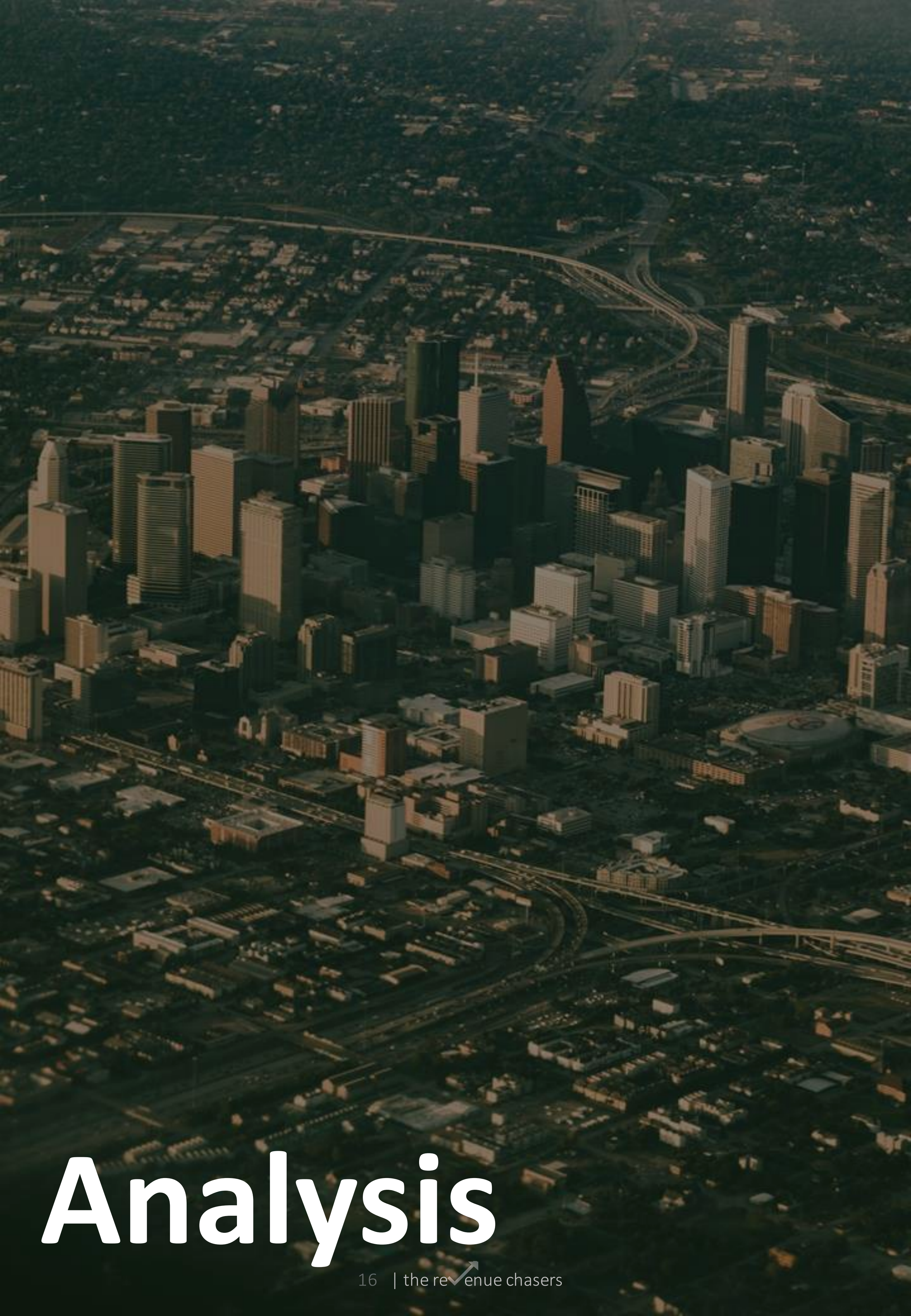
The aforementioned technologies and the environmental friendly conversion of the Astro Parque should get us a LEED certification.

Dedicated to the environment, we want to improve the building and use the certification as an external and independent measurement.

Transforming America

„When we work together, we have the power to change things for the better. We must lead the way to doing better".

These are two of the basic assumptions of the Open to All coalition. We can proudly announce that our REIT is already member of this coaliion. Because we are convinced of the need for a welcoming world, we strive for 100% of our retail tenants to join the coalition as well.



Analysis

Analysis of Letting Assumptions

Lettable Area	720,682 sqft
Retail	23,686 sqft
Multifamily	696,996 sqft
Parking	300 units
Letting Structure	Multi-Tenant
Number of Multifamily Units	347 units
Number of Retail Units	4 units
Rental Income	
Gross Revenue	$ 18.2 m
Net Operating Income	$ 13.9 m
WALT	8.5 years

As the basis of the lettable area we refer to the net leasable area of the apartments and the already leased up area from the retail section.

The multifamily rents were determined by an intensive research on the current aparment market in the immediate vicinity of the Astro Parque. Based on the area distributions for the 1- to 3-bedroom apartments, we concluded that there is a very tight supply for the quite large 3-bedroom apartments. Based on this we have graduated the rent per size unit to avoid potential vacancy risk. Our Black Affinity Housing Program aims to reduce the rental burden on students, which is why we are pricing at a lower market standard.With a short term lease we assume an annual rent increase equal to the optimal inflation rate. Due to our efforts to improve the property and design it more tenant-friendly, we assume an increased prolongation of the leases.
All other revenues from parking and fees were also developed by matching current market prices. To lock in the pet fee, we assumed the average pet ownership across the U.S. and extrapolated it on a pro-rata basis.

Retail rent were benchmarked based on the already signed leases. They vary only in the initial lease up and renewed leases are on new and uniform terms- Due to a longer lease term compared to the multifamily ones, we also assume a lower annual rent increase. We choose this method to simplify a re-lease and make it more appealing to retail tenants. For each new lease, we waive an inital market rate of rent, which we estimated through expert opinions.

Analysis of Letting Assumptions

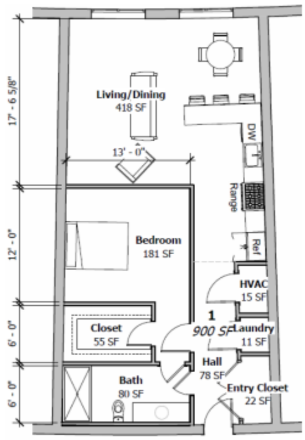
Multifamily Letting Assumptions

Market Base Rent	Depending on the size of lettable area. In general between 2.00 and 2.40 $/sqft/month
Rent for Affinity Housing	20 % below market base rent
Rent Increase	2 % fixed increase each year
Term Length	1 year at a time with 85 % renewal assumption
Parking	135 $/parking space/month with otherwise same conditions as multifamily units
Additional Fees	25 $ pet fee which is calculated for 198 households 125 + 75 $ administration and application fee

Retail Letting Assumptions

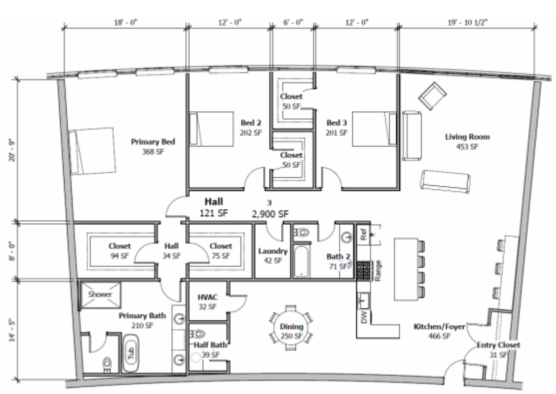
Market Base Rent	Depending on the size of lettable area and tenant, between 24.00 and 35.00 $/sqft/year. Generally 30.50 $/sqft/year
Rent Increase	1 % fixed increase each year
Term Length	10 years at a time with 50 % renewal assumption
Reletting Costs	3 months rent free
Retail Sector of Tentants	Restaurant & Memorabilia shop

Typical one bedroom unit



Typical two bedroom unit

Typical three bedroom unit



Analysis of Operating Expenses

Operating Expenses Assumptions

The OpEx assumptions are based on the NNA (=National Apartment Association) survey of operating income & expenses in rental apartment communities from the year 2021.
Any sustainability-enhancing measures during the holding period have not been taken into account regarding a lowering of operation costs.

Cost Factor	Measurement	Amount	Frequency	Recoverability
Overall OpEx				
Common Area Maintenance	$ / Rentable Area	0.78	Annually	0 %
Maintenance & Major Repairs	% / Rental Revenue	1.00	Annually	0 %
Legal & Professional Fees	$	50,000.00	Annually	0 %
Unforeseen	% / Rental Revenue	1.00	Annually	0 %
Multifamily OpEx				
Initial Vacancy	% / Rental Revenue	80 % (1st month) 50 % (2nd month) 20 % (3rd month)		0 %
Property Insurance	$ / Rentable Area	0.44	Annually	0 %
Utilities	$ / Rentable Area	0.45	Annually	0 %
Contract Services	% / Rental Revenue	2.60	Annually	0 %
Property Management	% / Rental Revenue	2.90	Annually	0 %
Vacancy	% / Rental Revenue	1.50	Annually	0 %
Rent Collection Loss	% / Rental Revenue	4.00	Annually	0 %
Retail OpEx				
Property Insurance	$ / Rentable Area	0.45	Annually	100 %
Utilities	$ / Rentable Area	0.50	Annually	100 %
Contract Services	% / Rental Revenue	2.60	Annually	100 %
Property Management	% / Rental Revenue	2.00	Annually	86.49 %
Rent Collection Loss	% / Rental Revenue	1.00	Annually	0 %

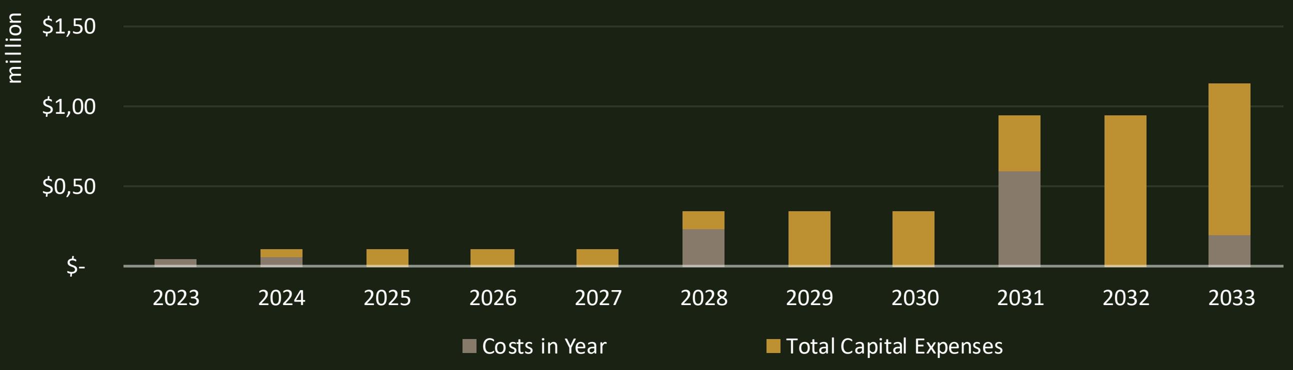
Analysis of Capital Expenses

Capital Expenses Assumptions

The CapEx assumptions are based on validated offers and figures from production companies (e.g. for photovoltaic system). Additionally we consulted people with expertise in each specific field and relied on market based standards.

Cost Factor	Unit	Amount	Start Date
Astro Parque Website & App	$ Amount	$50,000	Q1 2023
Electric Car Charging Stations	$ Amount	$60,000	Q1 2024
Day Care Center	$ Amount	$118,950	Q3 2028
Community Center	$ Amount	$118,950	Q3 2028
Photovoltaic System	$ Amount	$600,000	Q1 2031
ESG Audit & LEED Certification	$ Amount	$200,000	Q1 2033

Total Amount of Capital Expenses over time



Chasing for the better

With our Capital Expenses we don't only want to maintain the value of the property but to increase it. Additionally, they represent a convenient way to meet the DEI/ESG requirements. From the beginning of the rental, we will provide an AP website and an AP App to digitize the administration as much as possible. Tenants can connect through it and there could even be offers from the retail tenants, just as an AP-inhouse version of "Too good to go" for counteracting food waste. In order to advance electromobility there will be 30 electric car charging stations. three apartments each will be converted into a kindergarten and a Community Center in 2028: Children are taken care of in a great community and parents can better reconcile their work and family. Respecting the environment and being aware of the unlimited resources of the sun, we will install a photovoltaic system in 2031. The distribution to the individual tenants will be smart, so the machine learns and adapts itself. A house battery will be included as well in order to collect the energy that isn't consumed instantly. With these actions, we aspire to conduct an ESG audit and to be LEED-certificated in 2033.

Analysis

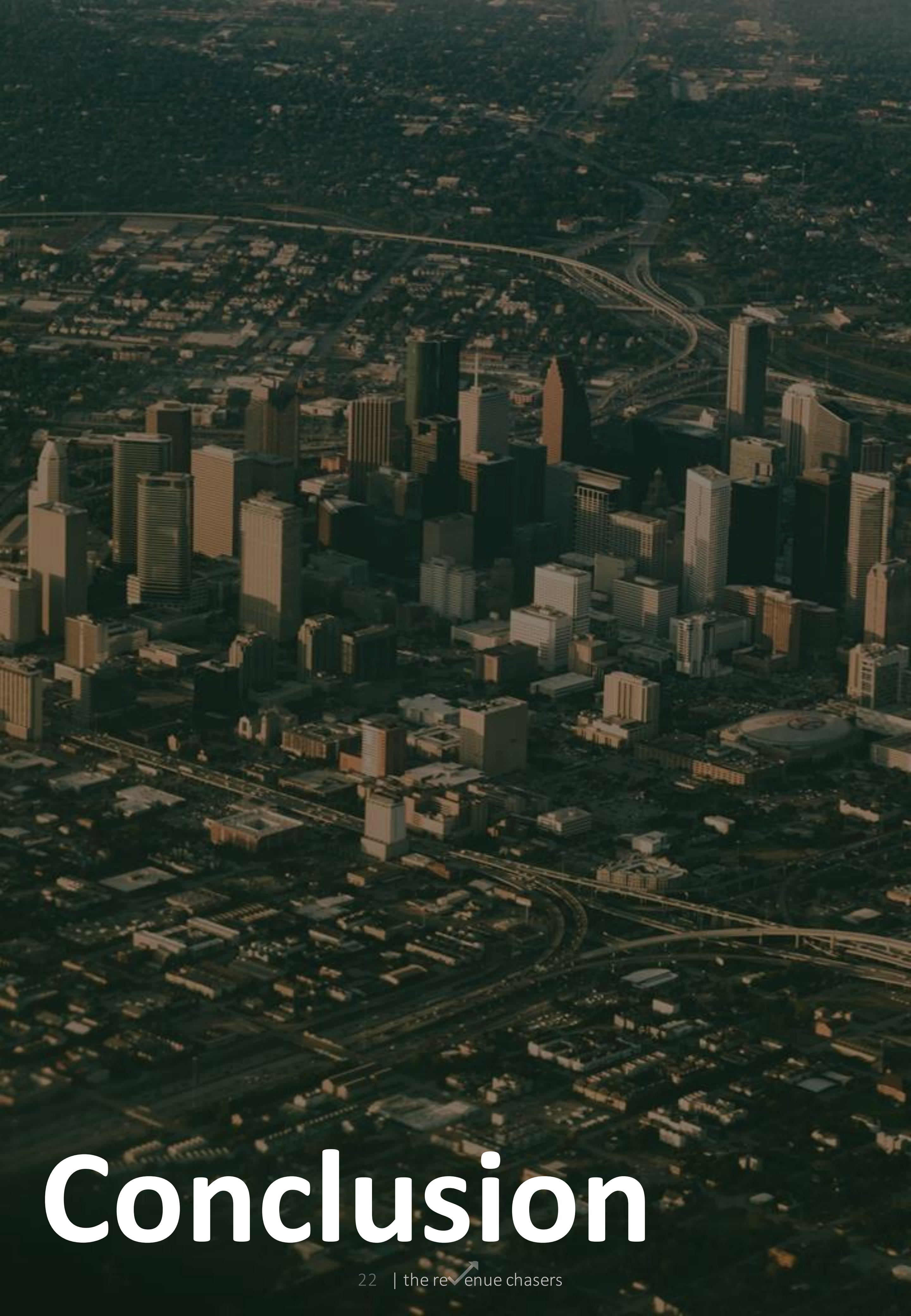
Influence of the Risk Analysis on our Recommendation

Houston is one of the culturally most diverse cities in the U.S. and offers many different opportunities. The Astrodome is in a great location, not only because of its proximity to the TSU, the Medical Health Center and the ION. With ist already thriving business in Housing, there will be about 60,000 new jobs added to the market in 2023. The demographic forecast states a continued growth of the population.

The multifamily market is developing well while the retail market isn't as strong at the moment. Due to the increase of shops after the COVID-19 restrictions and the expected population growth, the market is rising again and offers great potential in which we would like to participate.

Our REIT is strongly committed to the DEI requirements. There is a large amount of possibilities to meet these goals. Aside from that, we can take a big step towards environmental sustainability while holding the property. With the media echo resulting from reuse of the special and historically known building, our values can be told the world and serve as a role model.

Even in the worst case, there are still acceptable return ratios. All in all, the property and ist redeveloping will have a great future and we want to accompany it.



Conclusion

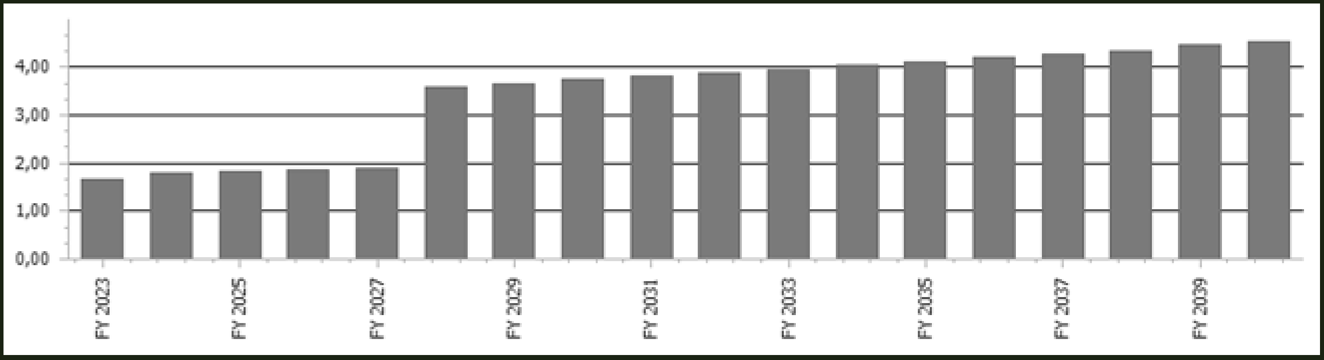
Conclusion

Upon completion of our relevant review of the subject property, we reach the final conclusion that the 25% EIRR threshold cannot be met.

Our financing structure consists of a senior loan with an LTV of 65%, which includes a loan amount of $ 160,005,980, the remaining 35% is financed from equity sources. Based on the current prime rate of 4.75%, we believe an interest rate of 5.5% is realistic. Assuming that the interest rate will be increased in the short term to compensate for inflation, but will fall back to a more favorable level in the medium term, we will replace the first loan with a new one at a 3% interest rate after 5 years. We plan to include a 0.5% fee on both loan borrowings. Amortization is not planned, as it would further reduce our cash flow; instead, we will redeem the second loan at the end of the holding period through the sales price.

The leveraged equity IRR is 10.8% with the parameters assumed above. Of this, 75.6% is generated from current cash flow and 24.4% from reversion. The split between cash flow and reversion therefore meets the requirements of the REIT. It must also be noted that the return significantly exceeds the expected inflation, which makes an investment in the Astro Parque even more attractive. Due to the strategy of optimizing cash flow over the holding period, investors receive high distributions annually.

Debt Coverage Ratio



Even though the investment does not meet the 25% leveraged equity IRR requirement, an IRR of more than 10% makes it an inflation-proof and attractive investment. Comparable investments on the capital market such as bonds or equities are associated with significantly higher risks.

Overall, we strongly advocate a buy recommendation, as the Astro Parque is an absolute core investment and greatly contributes to our DEI & ESG requirements. Additionally it is highly inflation-proof and benefits fom a very good, stable and crisis-proof market with good returns.

About our Team

the revenue chasers

Merle Feuerstein

The prospective bachelorette was responsible for market research, analysis the asset's location and putting it into context. Her role as a Senior Team Assistant within JLL's capital markets helped get an all-round view of the property.

Marc Vogt

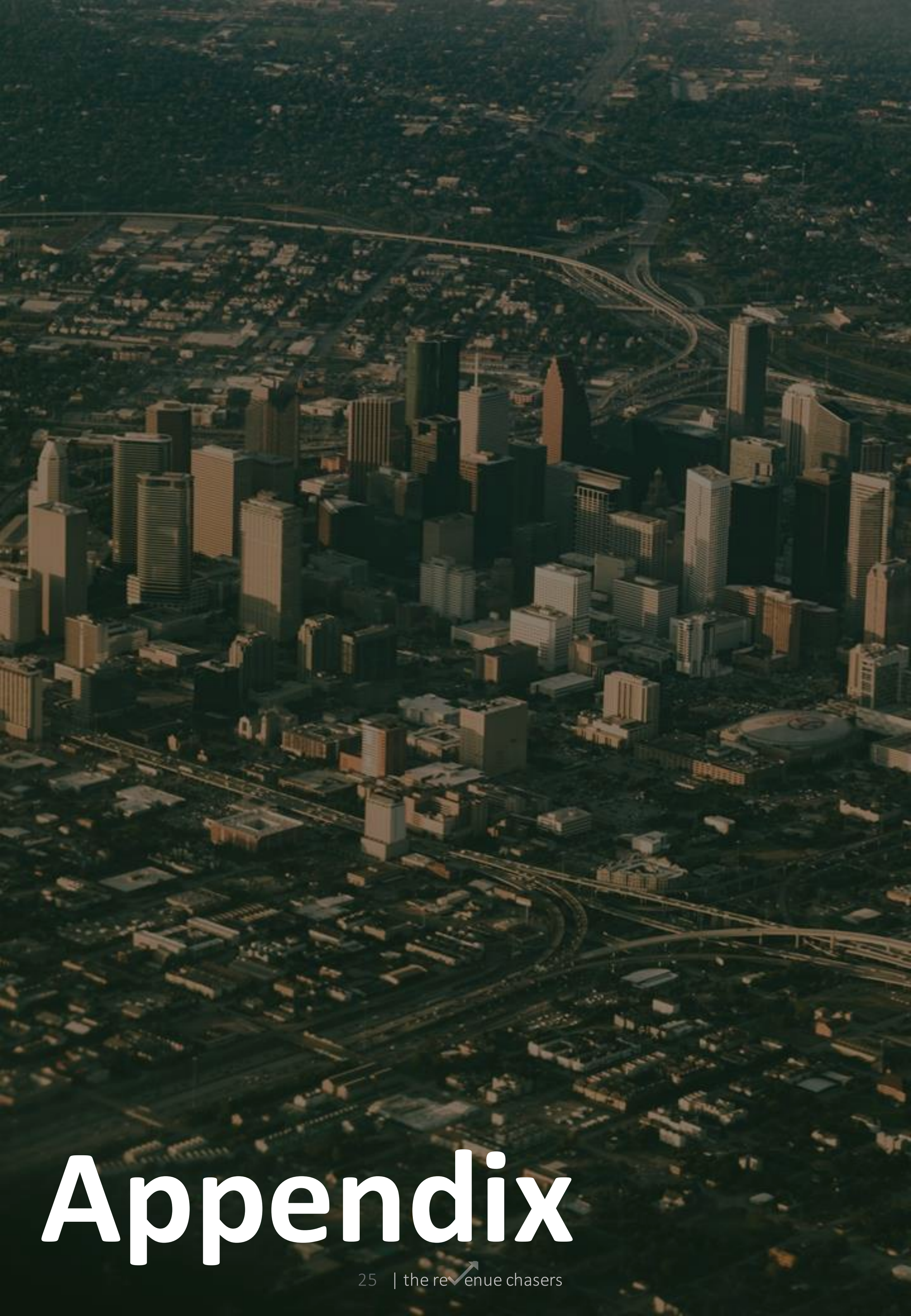
As an investment manager at LEOFF with an almost completed Bachelor's Degree, he has an affinity for numbers like no other. In addition, as the owner of a property management company, he is also the best person to assess scenarios for residential properties.

Carmen Potthast

With a Bachelor's Degree in Banking and Finance, she was mainly responsible for the ESG and DEI topics. Her current role at Volksbank Raiffeisenbank eG is as a credit analyst for property development and special financing. This and her ongoing Master's Degree in Real Estate Management also helped her to assess the risks, debt and credit structure.

EBZ Business School
University of Applied Science

Altus Group



Appendix

Appendix

Argus File – Astro Parque, Base case: Summary

Property Description

Property Name	Astro Parque
External ID	
Address	3 NRG Pkwy
City, State	Houston, , TX
Property Type	Mixed Use (Retail/Multifamily)
Building Area	720.682 SF
Analysis Begin Date	Feb, 2023
Length of Analysis	18 Year 0 Months

Summary Cash Flow (Year 1)

	Amount	Per SF
Potential Gross Revenue	20.371.730	$28,27
Vacancy & Adjustments	0	0,00
Effective Gross Revenue	20.371.730	28,27
Operating Expenses	-5.524.971	-7,67
Ground Lease Expenses	-125.000	-0,17
Net Operating Income	14.721.759	20,43
Leasing & Capital Costs	-50.000	-0,07
Cash Flow Before Debt Service	14.671.759	20,36
Debt Service	-8.800.329	-12,21
Cash Flow After Debt Service	5.871.430	$8,15

PV/IRR Summary

$266.676.634	$309.913.249
PV Unleveraged	PV Leveraged
7,59%	10,80%
IRR Unleveraged	IRR Leveraged

$266.676.634

DCF Value

Purchase and Investment

Purchase Price	$255.000.000
Closing Costs (2,10%)	$5.350.000
Total Purchase Price	$260.350.000
Less Debt Amount (61,46%)	$160.005.980
Loan Costs	$800.030
Equity	$101.144.050

Present Value

Discount Rate	7,37 %
PV Unleveraged	$266.676.634 [$370,03/SF]
PV Leveraged	$309.913.249 [$430,03/SF]
Cap Rate	6,50%
Gross Income Multiplier	N/A
Property Resale(Jan, 2041)	$339.913.727 [$471,66/SF]
Direct Cap Rate	10,00%
Direct Cap Value	$147.217.593 [$204,28/SF]

Property Metrics

Occupancy (Year End)	100,00%
Multifamily Units	0
Occupancy (Average)	99,32%
Multifamily Occupancy (Year End)	N/A
Effective Gross Revenue (% EGR)	$20.371.730 (100,00%)
Multifamily Occupancy (Average)	N/A
Operating Expenses (% EGR/$/SF)	$5.524.971(27,12%/7,67)
W A L E (Area)	8 Years 6 Months 13 Days
W A L E (Rent)	8 Years 8 Months 5 Days

Appendix

Argus File – Astro Parque, Base Case: Cashflow

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15	Year 16	Year 17	Year 18	Year 19	Year 20	
For the Years Ending	Dez-2023	Dez-2024	Dez-2025	Dez-2026	Dez-2027	Dez-2028	Dez-2029	Dez-2030	Dez-2031	Dez-2032	Dez-2033	Dez-2034	Dez-2035	Dez-2036	Dez-2037	Dez-2038	Dez-2039	Dez-2040	Dez-2041	Jan-2042	Total
Rental Revenue																					
Potential Base Rent	16.695.880	18.541.646	18.907.814	19.281.279	19.662.189	19.883.496	19.980.114	20.388.766	20.799.988	21.205.991	21.602.989	22.016.765	22.443.208	22.878.041	23.321.430	23.805.075	24.287.590	24.766.636	25.252.620	2.120.793	407.842.310
Absorption & Turnover Vacancy	-150.358	0	0	0	0	0	0	0	0	0	-1.841	0	0	0	0	0	0	0	0	0	-152.199
Free Rent	0	0	0	0	0	0	0	-14.286	0	0	-21.403	0	0	0	0	-84.293	0	-17.586	0	0	-137.568
Scheduled Base Rent	16.545.523	18.541.646	18.907.814	19.281.279	19.662.189	19.883.496	19.980.114	20.374.480	20.799.988	21.205.991	21.579.744	22.016.765	22.443.208	22.878.041	23.321.430	23.720.782	24.287.590	24.749.050	25.252.620	2.120.793	407.552.543
Total Rental Revenue	16.545.523	18.541.646	18.907.814	19.281.279	19.662.189	19.883.496	19.980.114	20.374.480	20.799.988	21.205.991	21.579.744	22.016.765	22.443.208	22.878.041	23.321.430	23.720.782	24.287.590	24.749.050	25.252.620	2.120.793	407.552.543
Other Tenant Revenue																					
Total Expense Recoveries	1.331.788	1.508.004	1.541.488	1.572.837	1.604.828	2.258.157	2.922.087	2.981.518	3.043.949	3.105.512	3.165.020	3.230.473	3.295.560	3.361.971	3.429.733	3.494.828	3.573.483	3.644.803	3.720.105	316.258	53.102.401
Total Other Tenant Revenue	1.331.788	1.508.004	1.541.488	1.572.837	1.604.828	2.258.157	2.922.087	2.981.518	3.043.949	3.105.512	3.165.020	3.230.473	3.295.560	3.361.971	3.429.733	3.494.828	3.573.483	3.644.803	3.720.105	316.258	53.102.401
Total Tenant Revenue	17.877.311	20.049.649	20.449.301	20.854.116	21.267.017	22.141.653	22.902.201	23.355.998	23.843.937	24.311.503	24.744.764	25.247.238	25.738.768	26.240.012	26.751.163	27.215.610	27.861.073	28.393.852	28.972.725	2.437.052	460.654.944
Other Revenue																					
Administration Fee	33.000	37.080	38.007	38.805	39.620	47.194	55.069	56.225	57.406	58.611	59.842	61.099	62.382	63.692	65.030	66.395	67.790	69.213	70.667	6.013	1.053.140
Pet fee	326.700	367.092	376.269	384.171	392.239	467.221	545.181	556.630	568.319	580.253	592.439	604.880	617.582	630.552	643.793	657.313	671.116	685.210	699.599	59.524	10.426.084
Application Fee	9.900	11.124	11.402	11.642	11.886	16.181	20.651	21.084	21.527	21.979	22.441	22.912	23.393	23.885	24.386	24.898	25.421	25.955	26.500	2.255	379.422
Parking Revenue																					
Parking	405.000	500.580	513.095	523.869	534.871	546.103	557.571	569.280	581.235	593.441	605.903	618.627	631.618	644.882	658.425	672.252	686.369	700.783	715.499	60.877	11.320.282
Total Other Revenue	774.600	915.876	938.773	958.487	978.615	1.076.699	1.178.471	1.203.219	1.228.487	1.254.285	1.280.625	1.307.518	1.334.976	1.363.011	1.391.634	1.420.858	1.450.696	1.481.161	1.512.265	128.669	23.178.927
Potential Gross Revenue	18.651.911	20.965.525	21.388.074	21.812.604	22.245.632	23.218.352	24.080.673	24.559.217	25.072.424	25.565.788	26.025.389	26.554.756	27.073.745	27.603.023	28.142.797	28.636.468	29.311.769	29.875.013	30.484.990	2.565.720	483.833.871
Effective Gross Revenue	18.651.911	20.965.525	21.388.074	21.812.604	22.245.632	23.218.352	24.080.673	24.559.217	25.072.424	25.565.788	26.025.389	26.554.756	27.073.745	27.603.023	28.142.797	28.636.468	29.311.769	29.875.013	30.484.990	2.565.720	483.833.871
Operating Expenses																					
Common Area Maintenance	129.055	144.625	147.481	150.394	153.365	155.091	155.845	158.921	162.240	165.407	168.322	171.731	175.057	178.449	181.907	185.022	189.443	193.043	196.970	16.542	3.178.910
Legal & Professional Fees	458.333	515.000	527.875	538.960	550.279	674.201	803.086	819.951	837.170	854.750	872.700	891.027	909.738	928.843	948.349	968.264	988.598	1.009.358	1.030.555	87.683	15.214.720
Maintenance & Major Repairs	165.455	185.416	189.078	192.813	196.622	198.835	199.801	203.745	208.000	212.060	215.797	220.168	224.432	228.780	233.214	237.208	242.876	247.490	252.526	21.208	4.075.525
Property Insurance Multifamily	281.122	315.879	323.776	330.575	337.517	477.928	624.087	637.192	650.573	664.235	678.184	692.426	706.967	721.814	736.972	752.448	768.249	784.383	800.855	68.139	11.353.320
Property Insurance Retail	295.063	334.036	342.387	349.577	356.918	364.414	372.066	379.880	387.857	396.002	404.291	412.809	421.478	430.329	439.366	448.592	458.013	467.631	477.451	40.623	7.578.783
Property Management Multifamily	464.082	515.553	525.864	536.381	547.109	546.303	541.807	552.643	563.696	574.970	586.469	598.199	610.163	622.366	634.813	647.510	660.460	673.669	687.142	57.724	11.146.924
Property Management Retail	330.910	370.833	378.156	385.626	393.244	397.670	399.602	407.490	416.000	424.120	431.595	440.335	448.864	457.561	466.429	474.416	485.752	494.981	505.052	42.416	8.151.051
Rent Collection Loss Multifamily	640.113	711.108	725.330	739.837	754.633	753.522	747.320	762.266	777.512	793.062	808.923	825.102	841.604	858.436	875.605	893.117	910.979	929.199	947.783	79.619	15.375.068
Rent Collection Loss Retail	5.427	7.640	7.746	7.854	7.964	10.454	12.971	13.178	13.622	13.794	13.567	13.892	14.031	14.171	14.313	13.929	15.131	15.191	15.581	1.303	231.758
Contract Services Multifamily	416.074	462.220	471.464	480.894	490.512	489.789	485.758	495.473	505.383	515.490	525.800	536.316	547.042	557.983	569.143	580.526	592.136	603.979	616.059	51.752	9.993.794
Contract Services Retail	430.184	482.083	491.603	501.313	511.217	516.971	519.483	529.736	540.800	551.356	561.073	572.436	583.523	594.829	606.357	616.740	631.477	643.475	656.568	55.141	10.596.366
Unforeseen	165.455	185.416	189.078	192.813	196.622	198.835	199.801	203.745	208.000	212.060	215.797	220.168	224.432	228.780	233.214	237.208	242.876	247.490	252.526	21.208	4.075.525
Utilities Multifamily	287.511	323.058	331.134	338.088	345.188	488.790	638.270	651.674	665.359	679.332	693.598	708.163	723.035	738.218	753.721	769.549	785.710	802.210	819.056	69.688	11.611.350
Utilities Retail	327.848	371.151	380.430	388.419	396.576	404.904	413.407	422.088	430.952	440.002	449.212	458.676	468.309	478.143	488.184	498.436	508.903	519.590	530.502	45.137	8.420.870
Vacancy Multifamily	240.043	266.665	271.999	277.439	282.987	282.571	280.245	285.850	291.567	297.398	303.346	309.413	315.601	321.913	328.352	334.919	341.617	348.449	355.418	29.857	5.765.651
Initial Vacacy Multifamily	460.695	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	460.695
Total Operating Expenses	5.097.370	5.190.683	5.303.401	5.410.982	5.520.752	5.960.278	6.393.550	6.523.833	6.658.730	6.794.039	6.928.676	7.070.861	7.214.277	7.360.616	7.509.938	7.657.883	7.822.220	7.980.138	8.144.044	688.041	127.230.311
Ground Lease Expenses	125.000	126.250	127.513	128.788	130.076	131.376	132.690	134.017	135.357	136.711	138.078	139.459	140.853	142.262	143.684	145.121	146.572	148.038	149.518	0	2.601.362
Net Operating Income	13.429.542	15.648.592	15.957.160	16.272.834	16.594.805	17.126.698	17.554.433	17.901.368	18.278.337	18.635.038	18.958.635	19.344.437	19.718.615	20.100.145	20.489.175	20.833.464	21.342.977	21.746.837	22.191.427	1.877.679	354.002.198
Leasing Costs																					
Tenant Improvements	0	0	0	0	0	0	0	168.623	0	0	252.628	0	0	0	0	994.933	0	207.574	0	0	1.623.758
Total Leasing Costs	0	0	0	0	0	0	0	168.623	0	0	252.628	0	0	0	0	994.933	0	207.574	0	0	1.623.758
Capital Expenditures																					
Electric car charging station	0	60.000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	60.000
Photovoltaic system	0	0	0	0	0	0	0	0	600.000	0	0	0	0	0	0	0	0	0	0	0	600.000
Day care center	0	0	0	0	0	118.950	0	0	0	0	0	0	0	0	0	0	0	0	0	0	118.950
Community Center	0	0	0	0	0	118.950	0	0	0	0	0	0	0	0	0	0	0	0	0	0	118.950
Astro Parque Website & App	50.000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	50.000
LEED Certification, Audit and Reporting	0	0	0	0	0	0	0	0	0	0	200.000	0	0	0	0	0	0	0	0	0	200.000
Total Capital Expenditures	50.000	60.000	0	0	0	237.900	0	0	600.000	0	200.000	0	0	0	0	0	0	0	0	0	1.147.900
Total Leasing & Capital Costs	50.000	60.000	0	0	0	237.900	0	168.623	600.000	0	452.628	0	0	0	0	994.933	0	207.574	0	0	2.771.658
Cash Flow Before Debt Service	13.379.542	15.588.592	15.957.160	16.272.834	16.594.805	16.888.798	17.554.433	17.732.745	17.678.337	18.635.038	18.506.007	19.344.437	19.718.615	20.100.145	20.489.175	19.838.532	21.342.977	21.539.262	22.191.427	1.877.679	351.230.540
Debt Service																					
Interest																					
Senior Loan	8.066.968	8.800.329	8.800.329	8.800.329	8.800.329	733.361	0	0	0	0	0	0	0	0	0	0	0	0	0	0	44.001.645
Senior Loan	0	0	0	0	0	4.400.164	4.800.180	4.800.179	4.800.180	4.800.179	4.800.179	4.800.180	4.800.179	4.800.180	4.800.179	4.800.179	4.800.180	4.800.179	400.015	0	62.402.332
Total Interest	8.066.968	8.800.329	8.800.329	8.800.329	8.800.329	5.133.525	4.800.180	4.800.179	4.800.180	4.800.179	4.800.179	4.800.180	4.800.179	4.800.180	4.800.179	4.800.179	4.800.180	4.800.179	400.015	0	106.403.977
Total Debt Service	8.066.968	8.800.329	8.800.329	8.800.329	8.800.329	5.133.525	4.800.180	4.800.179	4.800.180	4.800.179	4.800.179	4.800.180	4.800.179	4.800.180	4.800.179	4.800.179	4.800.180	4.800.179	400.015	0	106.403.977
Cash Flow After Debt Service	5.312.574	6.788.263	7.156.831	7.472.505	7.794.476	11.755.273	12.754.253	12.932.566	12.878.157	13.834.859	13.705.828	14.544.257	14.918.436	15.299.965	15.688.996	15.038.353	16.542.797	16.739.083	21.791.412	1.877.679	244.826.563
Financing																					
Proceeds																					
Senior Loan	0	0	0	0	0	160.005.980	0	0	0	0	0	0	0	0	0	0	0	0	0	0	160.005.980
Total Proceeds	0	0	0	0	0	160.005.980	0	0	0	0	0	0	0	0	0	0	0	0	0	0	160.005.980
Loan Costs																					
Senior Loan	0	0	0	0	0	-800.030	0	0	0	0	0	0	0	0	0	0	0	0	0	0	-800.030
Total Loan Costs	0	0	0	0	0	-800.030	0	0	0	0	0	0	0	0	0	0	0	0	0	0	-800.030
Balloon Payments																					
Senior Loan	0	0	0	0	0	-160.005.980	0	0	0	0	0	0	0	0	0	0	0	0	0	0	-160.005.980
Total Balloon Payments	0	0	0	0	0	-160.005.980	0	0	0	0	0	0	0	0	0	0	0	0	0	0	-160.005.980
Total Financing (Net)	800.030	0	0	0	0	-800.030	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Cash Flow Available for Distribution	5.312.574	6.788.263	7.156.831	7.472.505	7.794.476	10.955.243	12.754.253	12.932.566	12.878.157	13.834.859	13.705.828	14.544.257	14.918.436	15.299.965	15.688.996	15.038.353	16.542.797	16.739.083	21.791.412	1.877.679	244.026.533

Appendix

Argus File – Astro Parque, Base case: Tenant Rent Roll

Tenant Name	Suite	Lease Type	Lease Status	Tenant Status	Area	Lease Start Date	Lease End Date	Potential Base Rent	Absorption & Turnover Rent	Scheduled Base Rent	Expense Recoveries	Potential Gross Revenue	Net Cash Flow
2.2) Community Center	Retail	Retail	Speculative			1.07.2028	30.06.2043						
2.2) Day care center	Retail	Retail	Speculative			1.07.2028	30.06.2043						
1) Truth BBQ	Retail	Retail	Contract		8.000	1.07.2023	30.06.2038	251.000	101.667	149.333	9.519	158.853	158.853
1) Memorabilia Shop	Retail	Retail	Contract		3.199	12.05.2023	31.05.2030	82.589	27.277	55.312	4.697	60.009	60.009
1) Whattaburger	Retail	Retail	Contract		4.503	28.03.2023	27.03.2033	143.043	21.413	121.629	7.743	129.373	129.373
1) Food Hall	Retail	Retail	Contract		7.984	1.02.2023	31.01.2038	279.440	0	279.440	16.257	295.697	295.697
x) Multifamily 3Bedroom	Multifamily	Residential	Contract		368.372	1.02.2023	30.06.2028	8.840.928	0	8.840.928	750.087	9.591.015	9.591.015
x) Multifamily 2Bedroom	Multifamily	Residential	Contract		186.786	1.02.2023	30.06.2028	4.931.150	0	4.931.150	380.338	5.311.488	5.311.488
1) Black Affinity 3 Bedroom	Multifamily	Residential	Contract		22.496	1.02.2023	31.01.2043	431.923	0	431.923	45.807	477.730	477.730
1) Black Affinity 2 Bedroom	Multifamily	Residential	Contract		16.142	1.02.2023	31.01.2043	340.919	0	340.919	32.869	373.788	373.788
1) Black Affinity 1 Bedroom	Multifamily	Residential	Contract		10.320	1.02.2023	31.01.2043	237.773	0	237.773	21.014	258.787	258.787
2) Multifamily 3 Bedroom	Multifamily	Residential	Contract			1.07.2028	30.06.2043						
2) Multifamily 2 Bedroom	Multifamily	Residential	Contract			1.07.2028	30.06.2043						
1) Multifamily 1Bedroom	Multifamily	Residential	Contract		92.880	1.02.2023	31.01.2043	2.674.944	0	2.674.944	189.124	2.864.068	2.864.068
Total					720.682			18.213.710	150.358	18.063.352	1.457.455	19.520.807	19.520.807

Property Resale

Sales Proceeds Calculation CAP NOI (12 Months After Sale)	
Residual Sale Date	Januar, 2041
Net Operating Income	22.226.959
Occupancy Gross-up Adjustment	0
NOI To Capitalize	22.226.959
Divided by Cap Rate	6,50%
Gross Sale Price	341.953.209
Adjusted Gross Sale Price	341.953.209
Other exit costs	-679.827
Broker	-1.359.655
Net Sale Price	339.913.727
Less: Loan Balance	160.005.980
Proceeds from Sale	179.907.747
PV of Net Sale Price	94.509.518

Present Value

Analysis Period	Period Ending	Cash Flow Before Debt Service	P.V. of Cash Flow @ 6,37 %	P.V. of Cash Flow @ 6,87 %	P.V. of Cash Flow @ 7,37 %	P.V. of Cash Flow @ 7,87 %	P.V. of Cash Flow @ 8,37 %	NOI to Book Value
Year 1	Jan-2024	14.671.759	13.793.137	13.728.604	13.664.673	13.601.334	13.538.580	5,65%
Year 2	Jan-2025	15.613.966	13.799.867	13.671.042	13.544.012	13.418.744	13.295.206	6,02%
Year 3	Jan-2026	15.983.118	13.280.182	13.094.656	12.912.569	12.733.842	12.558.399	6,14%
Year 4	Jan-2027	16.299.308	12.731.880	12.495.279	12.264.148	12.038.336	11.817.698	6,26%
Year 5	Jan-2028	16.621.203	12.205.812	11.922.941	11.647.902	11.380.440	11.120.315	6,38%
Year 6	Jan-2029	16.950.619	11.702.283	11.377.601	11.063.380	10.759.237	10.464.804	6,59%
Year 7	Jan-2030	17.582.813	11.411.802	11.043.270	10.688.277	10.346.265	10.016.704	6,74%
Year 8	Jan-2031	17.764.272	10.839.123	10.440.011	10.057.355	9.690.406	9.338.451	6,87%
Year 9	Jan-2032	17.707.851	10.157.654	9.737.861	9.337.256	8.954.879	8.589.822	7,00%
Year 10	Jan-2033	18.664.870	10.065.454	9.604.326	9.166.329	8.750.204	8.354.765	7,14%
Year 11	Jan-2034	18.535.092	9.396.887	8.924.437	8.477.782	8.055.403	7.655.877	7,25%
Year 12	Jan-2035	19.375.400	9.234.657	8.729.331	8.253.825	7.806.251	7.384.852	7,40%
Year 13	Jan-2036	19.750.185	8.849.568	8.326.177	7.835.970	7.376.704	6.946.295	7,54%
Year 14	Jan-2037	20.132.335	8.480.587	7.941.688	7.439.312	6.970.832	6.533.819	7,69%
Year 15	Jan-2038	20.521.658	8.126.903	7.574.872	7.062.658	6.587.222	6.145.771	7,84%
Year 16	Jan-2039	19.876.697	7.400.101	6.865.170	6.371.137	5.914.709	5.492.867	7,94%
Year 17	Jan-2040	21.377.084	7.482.087	6.908.754	6.381.728	5.897.079	5.451.226	8,13%
Year 18	Jan-2041	21.575.352	7.099.259	6.524.591	5.998.805	5.517.542	5.076.853	8,28%
Totals		329.003.582	186.057.243	178.910.609	172.167.116	165.799.431	159.782.304	
Property Resale @ 6,50 % Cap Rate		339.913.727	111.846.870	102.793.140	94.509.518	86.927.359	79.984.417	
Total Unleveraged Present Value			297.904.114	281.703.750	266.676.634	252.726.790	239.766.721	

Appendix

Argus File – Astro Parque, Worst case: Summary

PV/IRR Summary

$222.934.673	$246.768.702
PV Unleveraged	PV Leveraged
5,98%	6,39%
IRR Unleveraged	IRR Leveraged
$222.934.673	
DCF Value	

Purchase and Investment

Purchase Price	$255.000.000
Closing Costs (2,10%)	$5.350.000
Total Purchase Price	$260.350.000
Less Debt Amount (51,38%)	$133.760.804
Loan Costs	$668.804
Equity	$127.258.000

Present Value

Discount Rate	7,37 %
PV Unleveraged	$222.934.673 [$309,34/SF]
PV Leveraged	$246.768.702 [$342,41/SF]
Cap Rate	6,50%
Gross Income Multiplier	N/A
Property Resale(Jan, 2041)	$284.653.136 [$394,98/SF]
Direct Cap Rate	10,00%
Direct Cap Value	$122.503.990 [$169,98/SF]

Property Metrics

Occupancy (Year End)	100,00%
Multifamily Units	0
Occupancy (Average)	99,32%
Multifamily Occupancy (Year End)	N/A
Effective Gross Revenue (% EGR)	$18.603.410 (100,00%)
Multifamily Occupancy (Average)	N/A
Operating Expenses (% EGR/$/SF)	$6.228.011(33,48%/8,64)
W A L E (Area)	8 Years 6 Months 13 Days
W A L E (Rent)	8 Years 9 Months 2 Days

Property Description

Property Name	Astro Parque
External ID	
Address	3 NRG Pkwy
City, State	Houston, , TX
Property Type	Mixed Use (Retail/Multifamily)
Building Area	720.682 SF
Analysis Begin Date	Feb, 2023
Length of Analysis	18 Year 0 Months

Summary Cash Flow (Year 1)

	Amount	Per SF
Potential Gross Revenue	18.603.410	$25,81
Vacancy & Adjustments	0	0,00
Effective Gross Revenue	18.603.410	25,81
Operating Expenses	-6.228.011	-8,64
Ground Lease Expenses	-125.000	-0,17
Net Operating Income	12.250.399	17,00
Leasing & Capital Costs	-60.000	-0,08
Cash Flow Before Debt Service	12.190.399	16,92
Debt Service	-7.356.844	-10,21
Cash Flow After Debt Service	4.833.555	$6,71

Appendix

Argus File – Astro Parque, Worst case: Cashflow

For the Years Ending	Year 1 Dez-2023	Year 2 Dez-2024	Year 3 Dez-2025	Year 4 Dez-2026	Year 5 Dez-2027	Year 6 Dez-2028	Year 7 Dez-2029	Year 8 Dez-2030	Year 9 Dez-2031	Year 10 Dez-2032	Year 11 Dez-2033	Year 12 Dez-2034	Year 13 Dez-2035	Year 14 Dez-2036	Year 15 Dez-2037	Year 16 Dez-2038	Year 17 Dez-2039	Year 18 Dez-2040	Year 19 Dez-2041	Year 20 Jan-2042	Total
Rental Revenue																					
Potential Base Rent	15.162.925	16.855.375	17.187.818	17.526.883	17.872.705	18.082.377	18.180.037	18.549.964	18.922.639	19.291.638	19.644.642	20.017.902	20.405.010	20.799.728	21.202.206	21.621.200	22.051.485	22.486.405	22.927.511	1.925.440	370.713.890
Absorption & Turnover Vacancy	-135.322	0	0	0	0	0	0	0	0	0	-1.753	0	0	0	0	0	0	0	0	0	-137.075
Free Rent	0	0	0	0	0	0	0	-13.600	0	0	-20.376	0	0	0	0	-80.246	0	-16.742	0	0	-130.963
Scheduled Base Rent	15.027.603	16.855.375	17.187.818	17.526.883	17.872.705	18.082.377	18.180.037	18.536.364	18.922.639	19.291.638	19.622.514	20.017.902	20.405.010	20.799.728	21.202.206	21.540.954	22.051.485	22.469.663	22.927.511	1.925.440	370.445.852
Total Rental Revenue	15.027.603	16.855.375	17.187.818	17.526.883	17.872.705	18.082.377	18.180.037	18.536.364	18.922.639	19.291.638	19.622.514	20.017.902	20.405.010	20.799.728	21.202.206	21.540.954	22.051.485	22.469.663	22.927.511	1.925.440	370.445.852
Other Tenant Revenue																					
Total Expense Recoveries	1.267.594	1.448.684	1.491.834	1.532.682	1.570.869	2.211.687	2.864.427	2.922.629	2.983.775	3.044.259	3.102.272	3.166.371	3.230.315	3.295.561	3.362.138	3.424.579	3.500.954	3.571.033	3.644.950	309.885	51.946.499
Total Other Tenant Revenue	1.267.594	1.448.684	1.491.834	1.532.682	1.570.869	2.211.687	2.864.427	2.922.629	2.983.775	3.044.259	3.102.272	3.166.371	3.230.315	3.295.561	3.362.138	3.424.579	3.500.954	3.571.033	3.644.950	309.885	51.946.499
Total Tenant Revenue	16.295.197	18.304.059	18.679.651	19.059.565	19.443.575	20.294.064	21.044.464	21.458.993	21.906.414	22.335.897	22.724.786	23.184.273	23.635.325	24.095.289	24.564.344	24.965.534	25.552.439	26.040.696	26.572.461	2.235.325	422.392.351
Other Revenue																					
Administration Fee	33.000	37.800	39.312	40.688	41.909	49.920	58.250	59.473	60.722	61.997	63.299	64.628	65.985	67.371	68.786	70.230	71.705	73.211	74.748	6.360	1.109.394
Pet fee	326.700	374.220	389.189	402.810	414.895	494.209	576.671	588.781	601.146	613.770	626.659	639.819	653.255	666.973	680.980	695.280	709.881	724.788	740.009	62.962	10.982.996
Application Fee	9.900	11.340	11.794	12.206	12.573	17.115	21.844	22.302	22.771	23.249	23.737	24.236	24.744	25.264	25.795	26.336	26.889	27.454	28.031	2.385	399.965
Parking Revenue																					
Parking	364.500	459.270	477.641	494.358	509.189	519.882	530.799	541.946	553.327	564.947	576.811	588.924	601.291	613.918	626.811	639.974	653.413	667.135	681.145	57.954	10.723.236
Total Other Revenue	734.100	882.630	917.935	950.063	978.565	1.081.126	1.187.564	1.212.503	1.237.965	1.263.962	1.290.506	1.317.606	1.345.276	1.373.527	1.402.371	1.431.821	1.461.889	1.492.588	1.523.933	129.661	23.215.590
Potential Gross Revenue	17.029.297	19.186.689	19.597.586	20.009.628	20.422.139	21.375.190	22.232.028	22.671.496	23.144.379	23.599.859	24.015.292	24.501.879	24.980.601	25.468.816	25.966.715	26.397.354	27.014.328	27.533.284	28.096.393	2.364.986	445.607.941
Effective Gross Revenue	17.029.297	19.186.689	19.597.586	20.009.628	20.422.139	21.375.190	22.232.028	22.671.496	23.144.379	23.599.859	24.015.292	24.501.879	24.980.601	25.468.816	25.966.715	26.397.354	27.014.328	27.533.284	28.096.393	2.364.986	445.607.941
Operating Expenses																					
Common Area Maintenance	117.215	131.472	134.065	136.710	139.407	141.043	141.804	144.584	147.597	150.475	153.056	156.140	159.159	162.238	165.377	168.019	172.002	175.263	178.835	15.018	2.889.478
Legal & Professional Fees	458.333	525.000	546.000	565.110	582.063	713.144	849.473	867.312	885.526	904.122	923.108	942.494	962.286	982.494	1.003.126	1.024.192	1.045.700	1.067.660	1.090.081	92.748	16.029.973
Maintenance & Major Repairs	150.276	168.554	171.878	175.269	178.727	180.824	181.800	185.364	189.226	192.916	196.225	200.179	204.050	207.997	212.022	215.410	220.515	224.697	229.275	19.254	3.704.459
Property Insurance Multifamily	281.122	322.012	334.893	346.614	357.012	505.533	660.135	673.997	688.151	702.602	717.357	732.422	747.802	763.506	779.540	795.910	812.624	829.690	847.113	72.075	11.970.112
Property Insurance Retail	295.063	340.522	354.143	366.538	377.534	385.463	393.557	401.822	410.260	418.876	427.643	436.653	445.823	455.185	464.744	474.504	484.468	494.642	505.030	42.970	7.975.440
Property Management Multifamily	420.063	466.651	475.984	485.504	495.214	494.761	490.992	500.811	510.828	521.044	531.465	542.094	552.936	563.995	575.275	586.780	598.516	610.486	622.696	52.308	10.098.403
Property Management Retail	300.552	337.108	343.756	350.538	357.454	361.648	363.601	370.727	378.453	385.833	392.450	400.358	408.100	415.995	424.044	430.819	441.030	449.393	458.550	38.509	7.408.917
Rent Collection Loss Multifamily	869.095	965.485	984.795	1.004.491	1.024.581	1.023.643	1.015.845	1.036.161	1.056.885	1.078.022	1.099.583	1.121.574	1.144.006	1.166.886	1.190.224	1.214.028	1.238.309	1.263.075	1.288.336	108.224	20.893.248
Rent Collection Loss Retail	10.854	15.279	15.491	15.707	15.927	20.433	24.986	25.340	26.158	26.492	25.923	26.500	26.765	27.033	27.303	26.143	28.260	28.368	29.105	2.434	444.501
Contract Services Multifamily	376.608	418.377	426.745	435.279	443.985	443.579	440.199	449.003	457.983	467.143	476.486	486.016	495.736	505.651	515.764	526.079	536.600	547.332	558.279	46.897	9.053.741
Contract Services Retail	390.718	438.240	446.883	455.699	464.690	470.142	472.681	481.945	491.989	501.583	510.185	520.465	530.530	540.793	551.257	560.065	573.339	584.211	596.115	50.061	9.631.592
Unforeseen	300.552	337.108	343.756	350.538	357.454	361.648	363.601	370.727	378.453	385.833	392.450	400.358	408.100	415.995	424.044	430.819	441.030	449.393	458.550	38.509	7.408.917
Utilities Multifamily	287.511	329.331	342.504	354.491	365.126	517.023	675.138	689.315	703.791	718.571	733.661	749.068	764.798	780.859	797.257	813.999	831.093	848.546	866.366	73.713	12.242.160
Utilities Retail	327.848	378.358	393.492	407.265	419.483	428.292	437.286	446.469	455.845	465.417	475.159	485.170	495.359	505.761	516.382	527.226	538.298	549.602	561.144	47.744	8.861.600
Vacancy Multifamily	724.246	804.571	820.663	837.076	853.817	853.036	846.537	863.468	880.737	898.352	916.319	934.645	953.338	972.405	991.853	1.011.690	1.031.924	1.052.562	1.073.614	90.186	17.411.040
Initial Vacacy Multifamily	425.857	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	425.857
Total Operating Expenses	5.735.911	5.978.067	6.135.049	6.286.829	6.432.476	6.900.209	7.357.634	7.507.047	7.661.881	7.817.281	7.971.071	8.134.136	8.298.789	8.466.792	8.638.213	8.805.684	8.993.708	9.174.922	9.363.088	790.651	146.449.437
Ground Lease Expenses	125.000	126.250	127.513	128.788	130.076	131.376	132.690	134.017	135.357	136.711	138.078	139.459	140.853	142.262	143.684	145.121	146.572	148.038	149.518	0	2.601.362
Net Operating Income	11.168.386	13.082.372	13.335.025	13.594.012	13.859.588	14.343.604	14.741.704	15.030.432	15.347.141	15.645.868	15.906.143	16.228.285	16.540.959	16.859.762	17.184.818	17.446.549	17.874.048	18.210.324	18.583.787	1.574.335	296.557.142
Leasing Costs																					
Tenant Improvements	0	0	0	0	0	0	0	178.363	0	0	267.220	0	0	0	0	1.052.401	0	219.564	0	0	1.717.548
Total Leasing Costs	0	0	0	0	0	0	0	178.363	0	0	267.220	0	0	0	0	1.052.401	0	219.564	0	0	1.717.548
Capital Expenditures																					
Electric car charging station	0	72.000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	72.000
Photovoltaic system	0	0	0	0	0	0	0	0	720.000	0	0	0	0	0	0	0	0	0	0	0	720.000
Day care center	0	0	0	0	0	142.740	0	0	0	0	0	0	0	0	0	0	0	0	0	0	142.740
Community Center	0	0	0	0	0	142.740	0	0	0	0	0	0	0	0	0	0	0	0	0	0	142.740
Astro Parque Website & App	60.000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	60.000
LEED Certification, Audit and Reporting	0	0	0	0	0	0	0	0	0	0	240.000	0	0	0	0	0	0	0	0	0	240.000
Total Capital Expenditures	60.000	72.000	0	0	0	285.480	0	0	720.000	0	240.000	0	0	0	0	0	0	0	0	0	1.377.480
Total Leasing & Capital Costs	60.000	72.000	0	0	0	285.480	0	178.363	720.000	0	507.220	0	0	0	0	1.052.401	0	219.564	0	0	3.095.028
Cash Flow Before Debt Service	11.108.386	13.010.372	13.335.025	13.594.012	13.859.588	14.058.124	14.741.704	14.852.069	14.627.141	15.645.868	15.398.923	16.228.285	16.540.959	16.859.762	17.184.818	16.394.148	17.874.048	17.990.760	18.583.787	1.574.335	293.462.114
Debt Service																					
Interest																					
Senior Loan	6.743.774	7.356.844	7.356.844	7.356.845	7.356.844	7.356.844	7.356.844	7.356.844	7.356.845	7.356.844	7.356.844	7.356.844	7.356.845	7.356.844	7.356.844	7.356.844	7.356.844	7.356.845	613.070	0	132.423.196
Total Interest	6.743.774	7.356.844	7.356.844	7.356.845	7.356.844	7.356.844	7.356.844	7.356.844	7.356.845	7.356.844	7.356.844	7.356.844	7.356.845	7.356.844	7.356.844	7.356.844	7.356.844	7.356.845	613.070	0	132.423.196
Total Debt Service	6.743.774	7.356.844	7.356.844	7.356.845	7.356.844	7.356.844	7.356.844	7.356.844	7.356.845	7.356.844	7.356.844	7.356.844	7.356.845	7.356.844	7.356.844	7.356.844	7.356.844	7.356.845	613.070	0	132.423.196
Cash Flow After Debt Service	4.364.612	5.653.528	5.978.181	6.237.167	6.502.744	6.701.280	7.384.860	7.495.225	7.270.296	8.289.024	8.042.079	8.871.441	9.184.114	9.502.918	9.827.974	9.037.304	10.517.204	10.633.915	17.970.717	1.574.335	161.038.918
Cash Flow Available for Distribution	4.364.612	5.653.528	5.978.181	6.237.167	6.502.744	6.701.280	7.384.860	7.495.225	7.270.296	8.289.024	8.042.079	8.871.441	9.184.114	9.502.918	9.827.974	9.037.304	10.517.204	10.633.915	17.970.717	1.574.335	161.038.918

Appendix

Argus File – Astro Parque, Worst case: Tenant Rent Roll

Tenant Name	Suite	Lease Type	Lease Status	Tenant Status	Area	Lease Start Date	Lease End Date	Potential Base Rent	Absorption & Turnover Rent	Scheduled Base Rent	Expense Recoveries	Potential Gross Revenue	Net Cash Flow
2.2) Community Center	Retail	Retail	Speculative			1.07.2028	30.06.2043						
2.2) Day care center	Retail	Retail	Speculative			1.07.2028	30.06.2043						
1) Truth BBQ	Retail	Retail	Contract		8.000	1.07.2023	30.06.2038	240.833	91.500	149.333	9.073	158.406	158.406
1) Memorabilia Shop	Retail	Retail	Contract		3.199	12.05.2023	31.05.2030	79.861	24.550	55.312	4.476	59.788	59.788
1) Whattaburger	Retail	Retail	Contract		4.503	28.03.2023	27.03.2033	140.902	19.272	121.629	7.377	129.006	129.006
1) Food Hall	Retail	Retail	Contract		7.984	1.02.2023	31.01.2038	279.440	0	279.440	15.486	294.926	294.926
x) Multifamily 3Bedroom	Multifamily	Residential	Contract		368.372	1.02.2023	30.06.2028	7.956.835	0	7.956.835	714.501	8.671.336	8.671.336
x) Multifamily 2Bedroom	Multifamily	Residential	Contract		186.786	1.02.2023	30.06.2028	4.438.035	0	4.438.035	362.294	4.800.329	4.800.329
1) Black Affinity 3 Bedroom	Multifamily	Residential	Contract		22.496	1.02.2023	31.01.2043	426.524	0	426.524	43.634	470.158	470.158
1) Black Affinity 2 Bedroom	Multifamily	Residential	Contract		16.142	1.02.2023	31.01.2043	335.108	0	335.108	31.309	366.417	366.417
1) Black Affinity 1 Bedroom	Multifamily	Residential	Contract		10.320	1.02.2023	31.01.2043	237.773	0	237.773	20.017	257.790	257.790
2) Multifamily 3 Bedroom	Multifamily	Residential	Contract			1.07.2028	30.06.2043						
2) Multifamily 2 Bedroom	Multifamily	Residential	Contract			1.07.2028	30.06.2043						
1) Multifamily 1Bedroom	Multifamily	Residential	Contract		92.880	1.02.2023	31.01.2043	2.407.450	0	2.407.450	180.152	2.587.601	2.587.601
Total					720.682			16.542.761	135.322	16.407.440	1.388.318	17.795.757	17.795.757

Property Resale

Sales Proceeds Calculation CAP NOI (12 Months After Sale)	
Residual Sale Date	Januar, 2041
Net Operating Income	18.613.469
Occupancy Gross-up Adjustment	0
NOI To Capitalize	18.613.469
Divided by Cap Rate	6,50%
Gross Sale Price	286.361.055
Adjusted Gross Sale Price	286.361.055
Other exit costs	-569.306
Broker	-1.138.613
Net Sale Price	284.653.136
Less: Loan Balance	133.760.804
Proceeds from Sale	150.892.332
PV of Net Sale Price	79.144.879

Present Value

Analysis Period	Period Ending	Cash Flow Before Debt Service	P.V. of Cash Flow @ 6,37 %	P.V. of Cash Flow @ 6,87 %	P.V. of Cash Flow @ 7,37 %	P.V. of Cash Flow @ 7,87 %	P.V. of Cash Flow @ 8,37 %	NOI to Book Value
Year 1	Jan-2024	12.190.399	11.460.373	11.406.755	11.353.636	11.301.010	11.248.869	4,70%
Year 2	Jan-2025	13.031.159	11.517.142	11.409.626	11.303.609	11.199.063	11.095.960	5,03%
Year 3	Jan-2026	13.356.333	11.097.618	10.942.582	10.790.421	10.641.068	10.494.458	5,13%
Year 4	Jan-2027	13.615.862	10.635.760	10.438.111	10.245.033	10.056.398	9.872.084	5,23%
Year 5	Jan-2028	13.881.594	10.193.975	9.957.729	9.728.023	9.504.646	9.287.396	5,33%
Year 6	Jan-2029	14.116.472	9.745.659	9.475.264	9.213.581	8.960.291	8.715.087	5,52%
Year 7	Jan-2030	14.765.478	9.583.262	9.273.781	8.975.669	8.688.459	8.411.704	5,66%
Year 8	Jan-2031	14.878.432	9.078.287	8.744.011	8.423.519	8.116.181	7.821.402	5,77%
Year 9	Jan-2032	14.651.875	8.404.672	8.057.326	7.725.856	7.409.469	7.107.413	5,87%
Year 10	Jan-2033	15.670.792	8.450.830	8.063.672	7.695.935	7.346.562	7.014.556	5,99%
Year 11	Jan-2034	15.422.440	7.818.840	7.425.730	7.054.083	6.702.636	6.370.203	6,08%
Year 12	Jan-2035	16.254.176	7.747.027	7.323.105	6.924.199	6.548.726	6.195.211	6,20%
Year 13	Jan-2036	16.567.356	7.423.422	6.984.377	6.573.169	6.187.916	5.826.869	6,32%
Year 14	Jan-2037	16.886.677	7.113.379	6.661.359	6.239.975	5.847.022	5.480.462	6,44%
Year 15	Jan-2038	17.211.801	6.816.147	6.353.151	5.923.550	5.524.795	5.154.544	6,57%
Year 16	Jan-2039	16.424.233	6.114.748	5.672.730	5.264.509	4.887.359	4.538.788	6,64%
Year 17	Jan-2040	17.902.534	6.265.977	5.785.831	5.344.466	4.938.590	4.565.205	6,80%
Year 18	Jan-2041	18.021.032	5.929.728	5.449.731	5.010.563	4.608.583	4.240.493	6,92%
Totals		274.848.645	155.396.845	149.424.872	143.789.795	138.468.771	133.440.704	
Property Resale @ 6,50 % Cap Rate		284.653.136	93.663.656	86.081.813	79.144.879	72.795.370	66.981.158	
Total Unleveraged Present Value			249.060.501	235.506.685	222.934.673	211.264.141	200.421.862	

Appendix

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