

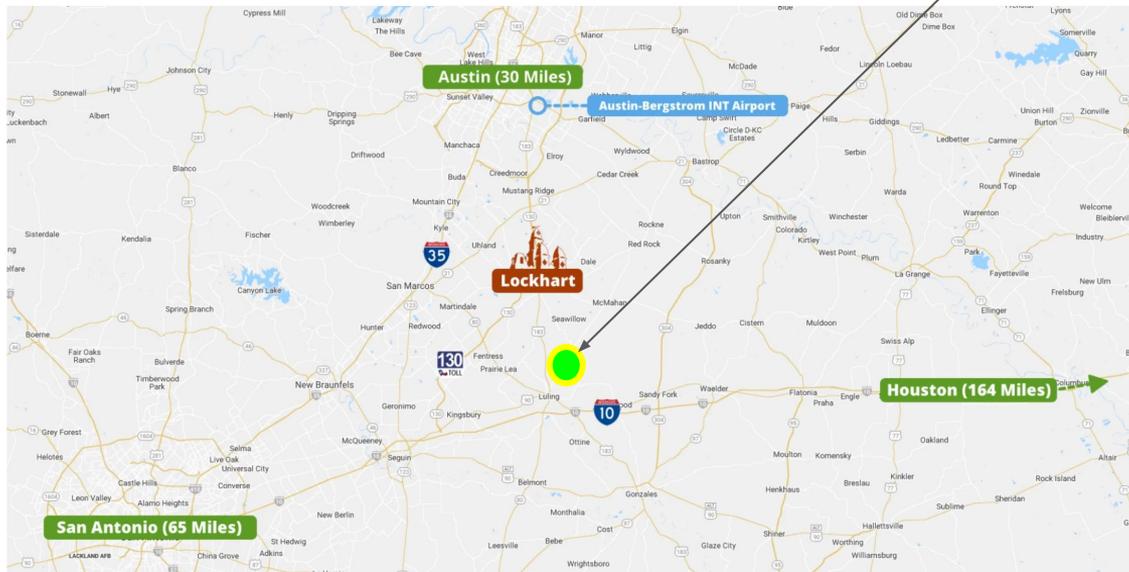


**RedOak**<sup>TM</sup>  
Development  
Group

# Location Overview

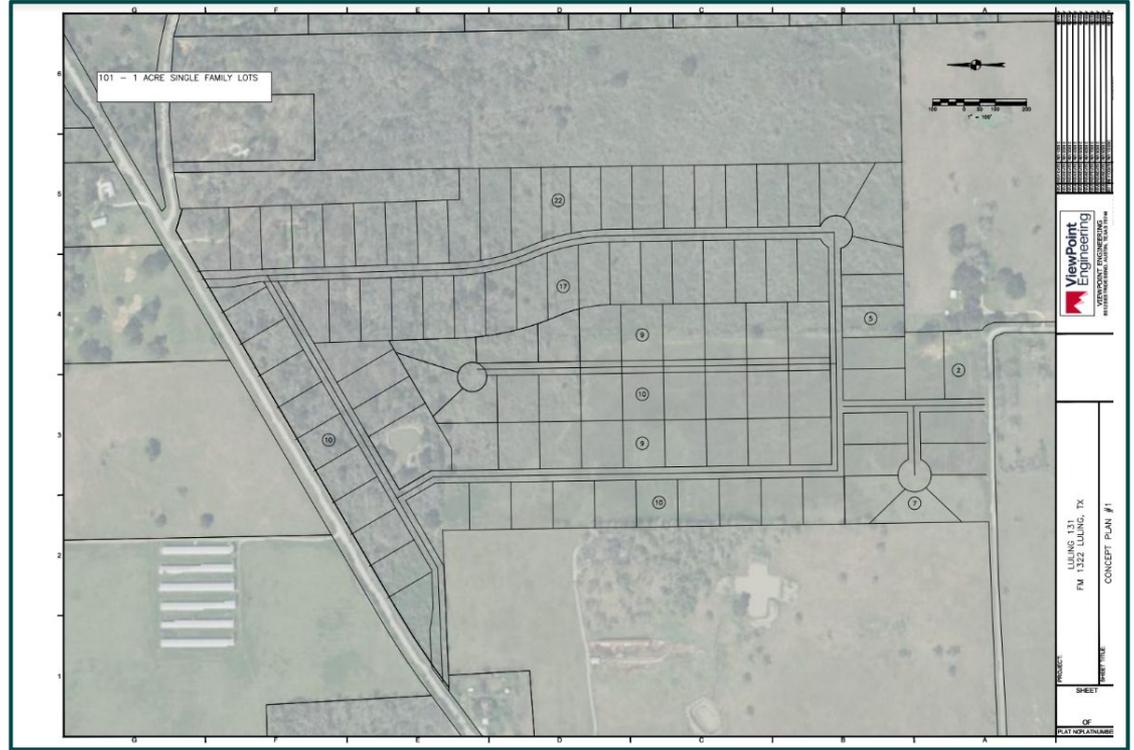
12135 FM 1322, Luling, TX 78648-4677

This location is just six minutes south of Lockhart city limits. Lockhart is the county seat and largest city in Caldwell County located around 30 miles south of Austin and 65 miles northeast of San Antonio. Lockhart has a small-town quality of life (estimated population 13,446), two industrial parks, job training, productive labor supply, and state and local incentives. Lockhart's prime position in central Texas and its accessibility to major highways, intermodal transportation via the Union Pacific Railway, and international transportation outlets, including air and Texas' deepwater ports, make Lockhart a great place to start, relocate or expand a business, as well as distribute goods on a regional, national and international scale.



# Site - Concept Plan

- 127 Acres, assumes 101 are useable
- 101, 1 acre lots, potential to get variance to ½ acre lots
- 2 Water Ponds (acting as detention centers for stormwater)
- Septic, closest sewer is 3 miles north
- Water supplied by Aqua, 2 4" lines on site
- Power supplied by Blue Bonnet
- Gas supplied by Texas Gas



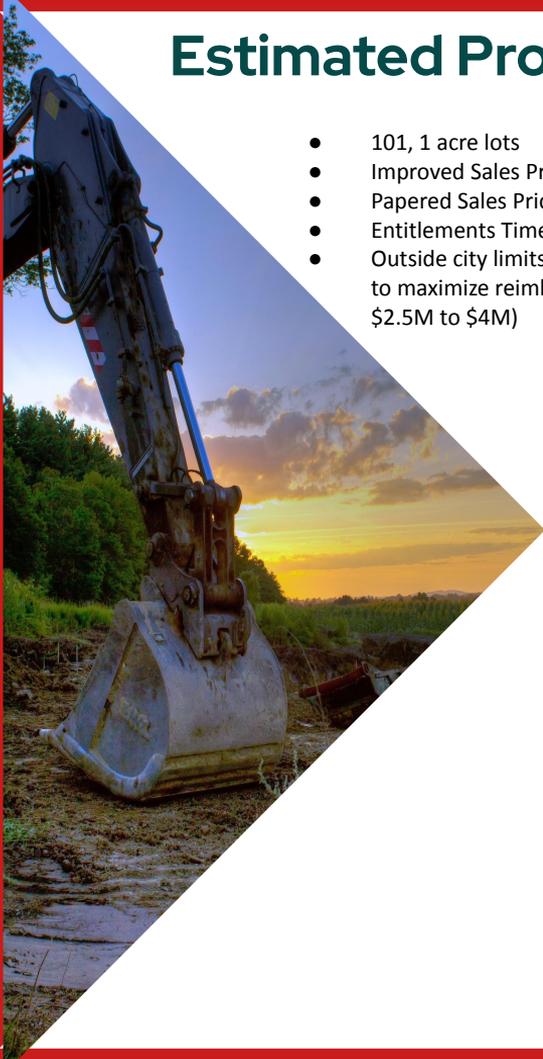
Civil Engineer: ViewPoint Engineering

Email Eric to receive engineering bid/proposal for entitlements, quoted \$195,000 without MUD Application, \$225,000 with MUD Application

[ebeals@viewpointengineering.com](mailto:ebeals@viewpointengineering.com)

# Estimated Project Costs

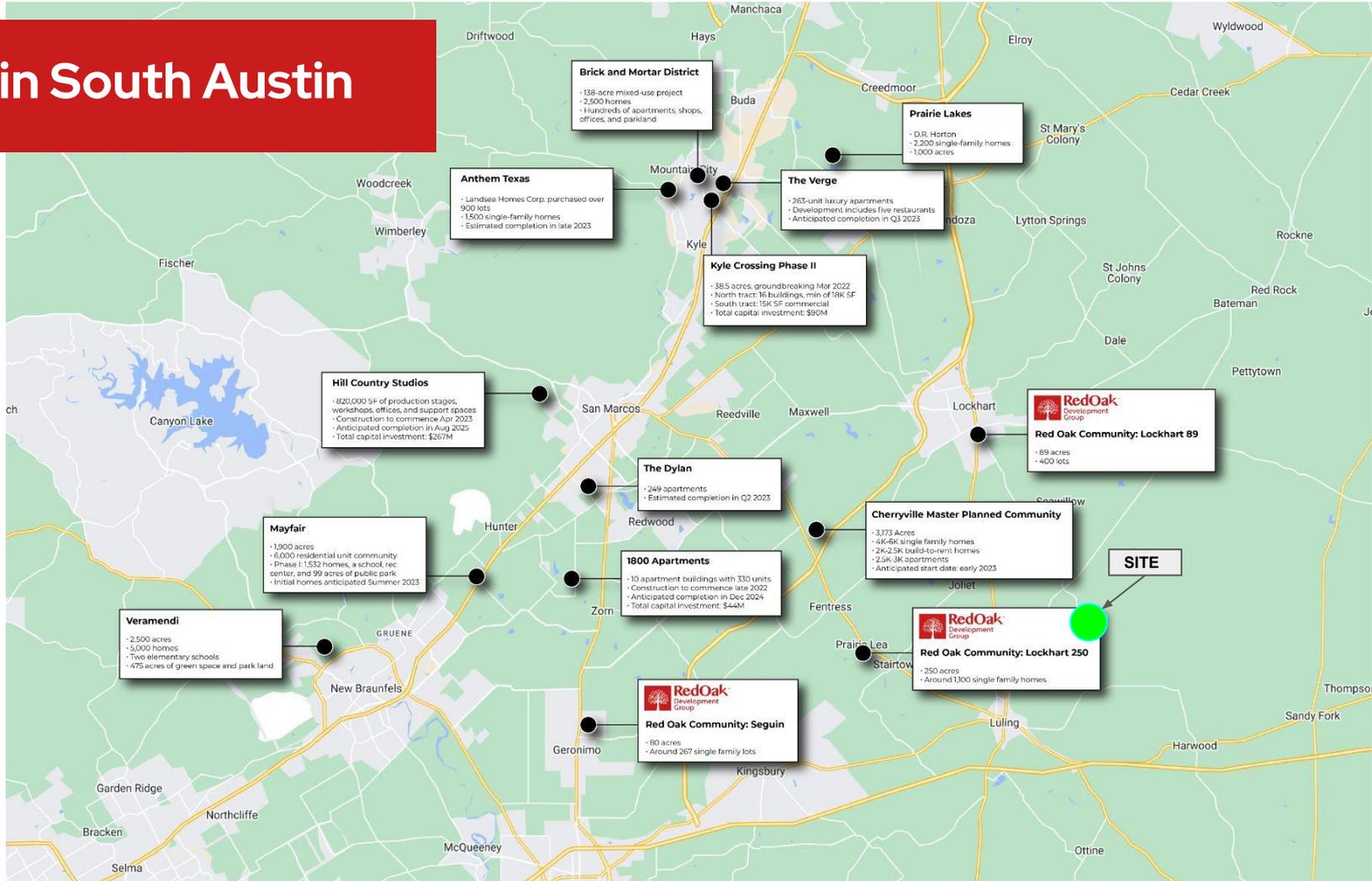
- 101, 1 acre lots
- Improved Sales Price per Lot: \$115K to \$130K
- Papered Sales Price per Lot: \$55K to \$60K
- Entitlements Time: 8 to 12 Months
- Outside city limits (MUD would be recommended to maximize reimbursements estimated to be \$2.5M to \$4M)



	Improved Lots	Entitled Lots
Gross Sales	\$ 12,120,000	\$ 5,555,000
Less Commission and Closing	\$ 11,392,800	\$ 5,221,700
Land	\$ 3,200,000	\$ 3,200,000
Closing Costs	\$ 180,000	\$ 180,000
	\$ 3,380,000	\$ 3,380,000
<b>LAND IMPROVEMENT COSTS</b>		
<b>HARD COSTS</b>		
Civil / Land Development / Utilities	\$ 5,820,013	
Amenities and Common Area Landscaping	\$ 200,000	
<b>Total Hard Costs without Land</b>	<b>\$ 6,020,013</b>	<b>\$ -</b>
<b>SOFT COSTS</b>		
Engineering Consultants	\$ 350,000	\$ 350,000
Permits, Surveys, Marketing	\$ 31,000	\$ 31,000
Other Misc. Costs	\$ 180,000	\$ 180,000
<b>Total Soft Costs</b>	<b>\$ 561,000</b>	<b>\$ 561,000</b>
<b>Total Project Cost</b>	<b>\$ 6,581,013</b>	<b>\$ 561,000</b>
Add: Land Costs	\$ 3,380,000	\$ 3,380,000
<b>TOTAL PROJECT COSTS</b>	<b>\$ 9,961,013</b>	<b>\$ 3,941,000</b>

<b>TOTAL ESTIMATED PROFITS</b>	<b>\$ 1,431,787</b>	<b>\$ 1,280,700</b>
<b>PROFIT MARGIN</b>	<b>12.57%</b>	<b>24.53%</b>
<b>TOTAL ESTIMATED MUD REIMBURSEMENTS</b>	<b>\$ 2,500,000</b>	<b>\$ -</b>
<b>TOTAL PROFITS</b>	<b>\$ 3,931,787</b>	<b>\$ 1,280,700</b>
<b>PROFIT MARGIN</b>	<b>34.51%</b>	<b>24.53%</b>

# Activity in South Austin





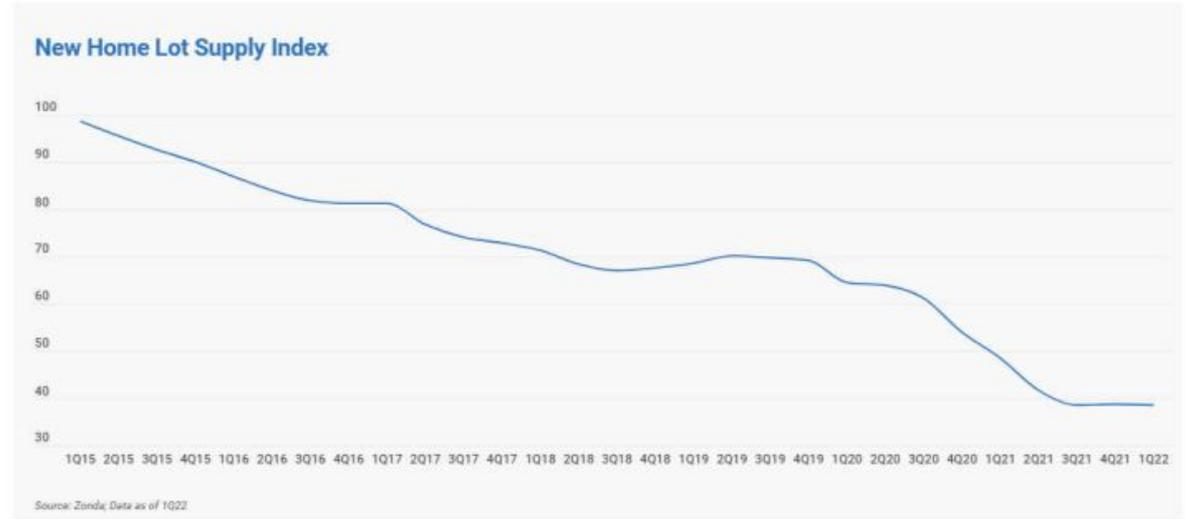
# Lot Supply Index



## K. New Home Lot Supply - currently through Q4 2021 (Source: Zonda)

*Key Point:* Zonda reported that builders were buying up finished lots faster than inventory could be replenished. The latest available data from the fourth quarter of 2021 showed a decrease of 27.8% in the new home Lot Supply Index from the previous year (38.9 Q4 2020).

Figure 23



Note: Graph above from zonda.com (retrieved 5/4/22) shows 4Q21 as 38.7 and 1Q22, the final point, as 38.6).  
Index explained: A value of 100, represents perfect equilibrium, while a value of 125 and above equals "Significantly Oversupplied", 115-125 – "Slightly Oversupplied", 85-115 – "Appropriately Supply", 75-85 – "Slightly Undersupplied", and 75 and below – "Significantly Undersupplied."  
Source: <https://zondahome.com/4q21-new-home-lot-supply-index-report/>.

# Lockhart Overview

---

Manufacturing remains a strong economic driver in both Texas and the United States, and Lockhart has the necessary components to successfully produce goods for industries ranging from auto parts to industrial machinery. As part of the Austin metro, Lockhart is centrally located for regional and national markets and has access to a labor pool consisting of nearly 60,000 talented manufacturing employees within a 45-minute drive time, along with some of the most competitive wages in the region.

Lockhart has experienced a substantial **32%** job growth

Lockhart has experienced a substantial 32% job growth, adding over 2,000 new jobs between 2008 and 2018. The growth rate is considerably higher than in both the state of Texas and the United States. The job and wage growth paired with some of the Austin region's most affordable land costs and dedication to funding Lockhart's growth through the Capital Improvement Plan (CIP), which has included the addition of a new water tower, water lines, and further investments in local infrastructure, make Lockhart a great place for businesses to thrive and for residents to put down roots.

# Lockhart Overview

## THE BARBEQUE CAPITAL OF TEXAS

There are four BBQ restaurants in Lockhart. The restaurants estimate that about 5,000 people visit their establishments each week. This would be roughly 250,000 people a year who eat BBQ in Lockhart. The Texas Legislature, first the House of Representatives in the Spring of 1999, then in the Fall of 2003, the Senate passed a resolution proclaiming Lockhart to be The Barbecue Capital of Texas.



# Austin Overview

Austin averages

**184** new  
residents  
**everyday**

Austin is one of the hottest multifamily markets in the country due to its exceptional economic and population growth story. Annually since 2010, the Austin metro area gains about 30,800 people a year from domestic migration, 7,300 from international migration, and 16,500 from natural increase, fueled largely by the city's expanding employment opportunities. The population in the five-county Austin metro jumped to an estimated 2,295,303 people as of July 1, 2020, according to U.S. Census Bureau figures released May 4. That was an increase of 3% from the prior year, the fastest population growth among metros with at least 1 million people.

The Austin metro now ranks 29th among the nation's largest metros, moving up one spot from the previous year and ranking just behind Las Vegas, Pittsburgh, and Sacramento. Since 2010, the Austin metro gained about 579,014 residents, a 34% population growth, according to the data. In terms of raw population growth, the Austin metro averaged 184 new residents everyday.

This recent dataset also shows that metros in Silicon Valley are seeing an exodus of residents last year, as many residents have reportedly relocated to Austin, according to The Austin Business Journal.

# Austin Overview

---

According to REIS, absorption in Austin is projected to remain strong through 2024 (4Q19). Absorption is projected to nearly equal deliveries from 2021 to 2024 with a strong absorption projection of 11,267 units in Austin MSA compared to 11,866 deliveries.

Austin is one of the youngest, smartest, safest, and fastest-growing cities in the country. The city's strong economy, highly educated and talented workforce, globally respected research institutions and driving entrepreneurial spirit keep it on the leading edge of business. Austin has earned a reputation as one of the best places to live in the nation, and with good reason.





# Austin Overview

---

Employment growth, quality of life and low cost of living have led Austin to continually rank high on several lists. According to Census Bureau data, Austin has been ranked the number one city to live in the country for an impressive three consecutive years. Austin is continually included on the top lists of places people and employers are moving as well as a top location for young people.

The lively, dynamic city boasts over 2.2 million residents but manages to retain a “down-home” charm often lacking in Texas’ larger cities. The liveliness is brought about by more than 51,000 students attending the esteemed University of Texas, the thriving industry of musical entertainment, high technology industry and finally, by a political population of lawmakers and administrators in attendance at the state capitol.