

HIGHEST

-and-

Best

Custom Market Analysis for:

Charlie Price

Prepared by Kathi Frank,
Prudential Gary Green Realtors
Kathi@KathiFrank.com; (936) 441-1314

SUBJECT PROPERTY

123 Unrestricted Ave • Spring, TX 77386

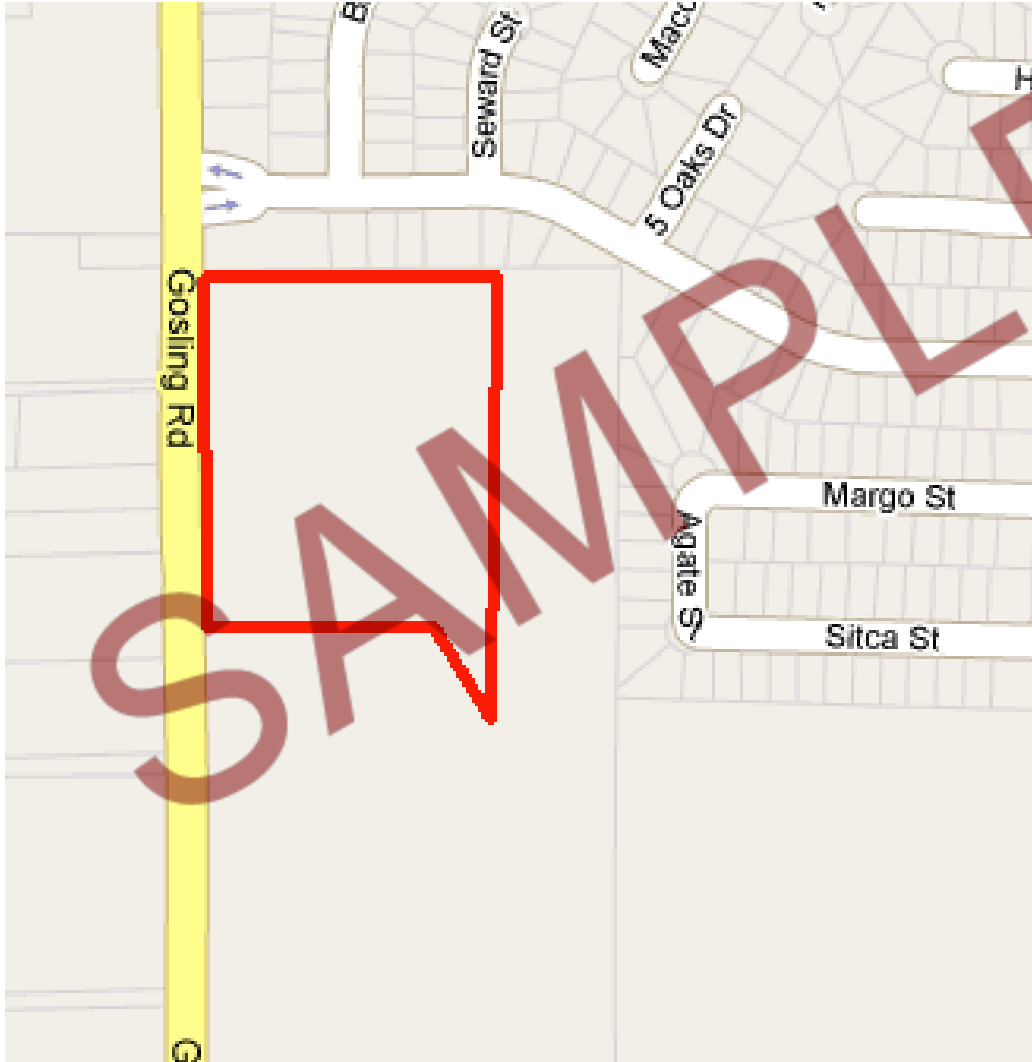
- Size: 23.76 acres +/-
- Shape/Size: irregular shape with the largest portion in the rear.
- Location: 1.36 Miles south of The Woodlands on secondary thoroughfare.
- Current Use: 3500 sq. ft. residence built in 1972, outdated but in usable condition, septic replaced in 1992; private well.

FACTS TO CONSIDER

- ⦿ The “Highest and Best” Use of the site.
- ⦿ Most probable use today.
- ⦿ Most probable use 5-10 years.
- ⦿ Financial feasibility - Cost Analysis.
- ⦿ Financial resources - Funding Sources.
- ⦿ Comparable sales: *As with most unrestricted properties in the Greater Houston area, truly comparable sales may be difficult to identify because the subject’s actual use is questionable.*

SITE ANALYSIS MAP

Subject Property is located at 123 Unrestricted Ave., Spring, TX 77389



SITE DETERMINANTS OF USE

- ◉ *Access: Adjacent roadways, convenience to major thoroughfares, and freeways, ingress and egress, surface materials of frontage & access roads*
- ◉ *Physical Characteristics: Acreage, terrain, slope (direction of slope), forestation, creeks, ponds, drainage issues, need for retention in development*
- ◉ *Noise Pollution: Sources of noise, any data on decibel readings, ongoing noise and occasional noise for events*
- ◉ *Traffic Patterns: High traffic counts, conditions that affect traffic such as schools, major employers*

SITE DETERMINANTS OF USE

- ◉ Visibility: *Obstructions that would keep a potential business from being seen.*
- ◉ Planned land use in adjacent properties: *Any development uses that will impact the future use of the subject property.*
- ◉ Current land use types within 1 mile of subject.
- ◉ Trends for land use in the area: *Land use changes that have taken place during the past decade and seem to be trending in the future.*

SITE DETERMINANTS OF USE

- Conclusions: Site analysis indicates that land uses would include:
 - Rapid growth has redefined the use of property in this area. Previously, surrounding properties were considered rural with individual families maintaining ownership and passing down to their heirs.
 - Recent uses have been office/warehouse, mini-storage.
 - Convenience store is planned for area.
 - Future use will trend toward small business use such as RV parks, small retail, service oriented businesses.
 - Frontage portion of property should bring a higher price per sq ft and could attract national retail such as drug store or independent retail outlet.

LOCATION DETERMINANTS OF USE

- Regional and Neighborhood Growth Patterns
 - Where has growth been experienced recently?
 - What residential development has affected the area?
- Where will growth most likely occur?
 - What factors are attracting growth in the area?
 - Which of those factors will most influence growth?
- How much growth can be anticipated?
 - What is the trend for growth in recent years?
 - Are those trends likely to be continued?

LOCATION DETERMINANTS OF USE

- Economic Questions to be considered:
 - Close to what? *Consider what is found close to the subject property and how it affects the value of the subject property*
 - Distance to what? *Proximity to other business and services that would benefit the use of subject property*
 - Access to/from what? *Are there any access issues regarding specific potential uses.*
 - Competing with what? And where? *What competition would a potential buyer experience? How close to the subject property?*
 - Influenced by what? *Is there additional economic influences to be considered?*

LOCATION DETERMINANTS OF USE

○ Area Accessibility

- Streets: *Condition of frontage roads, secondary and local roads to major thoroughfares*
- Air Transportation: *Proximity to private and international airports*
- Traffic Counts: *Latest traffic data available from Texas Department of Transportation or other sources.*
- Future accessibility factors: *Anticipated road changes; maintenance issues.*

LOCATION DETERMINANTS OF USE

◉ Neighborhood Characteristics:

- ◉ What type of community dominates the area currently?
- ◉ Are there any economically disadvantaged communities nearby?
- ◉ What is the mixture of neighborhoods?
- ◉ What is the economic trend of residences?
- ◉ Would subject property be considered (inferior/superior) to areas nearby?

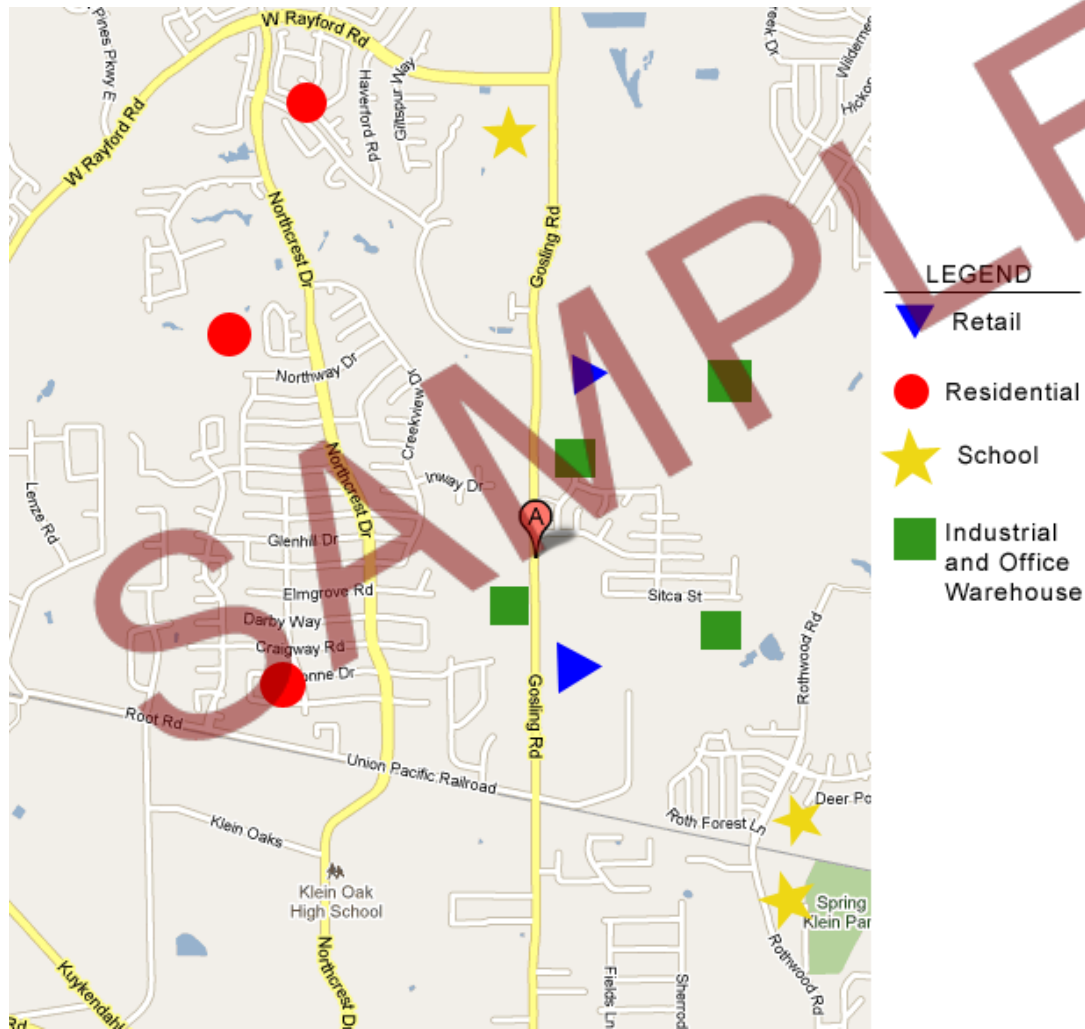
LOCATION DETERMINANTS OF USE

○ Conclusions:

- Access to subject - *Frontage road is in excellent condition and maintained by the county. Interior roadways would need development.*
- Traffic congestion - *Traffic is building in this area. However, it does not appear that any problems exist for potential use.*
- Population growth trends - *The growth trends are very favorable. New residential use continues to trend upward.*

LAND USE MAP

Map shows the general area within a 10 mile radius of subject property.



GROWTH PATTERNS

- ◉ Industrial and Retail use

- ◉ Identify current uses

- ◉ Planned Development

- ◉ Indicate proposed communities and commercial property uses.

- ◉ Residential use:

- ◉ Low-density housing - acreage sites
- ◉ Restricted subdivisions - suburban lots
- ◉ Multi-family housing

CURRENT SUPPLY OF COMPARABLE PROPERTIES

<u>ADDRESS</u>	<u>SIZE</u>	<u>PRICE</u>
1365 Gosling, Spring TX 77389	15AC	\$1,500,000
2654 FM 2920, Spring TX 77375	26AC	\$1,055,000
36845 Holzwarth Rd., Spring TX 77373	18.5 AC	\$2,500,000
233 Unrestricted Ave, Spring TX 77389	20 AC	\$1,325,000

SAMPLE

RECENT SOLD DATA OF COMPARABLE PROPERTIES

<u>ADDRESS</u>	<u>SIZE</u>	<u>PRICE</u>	<u>DOM</u>
1365 Gosling, Spring 77389	15AC	\$1,500,000	125
2654 FM 2920, Spring 77375	26AC	\$1,055,000	361
36845 Holzwarth Rd., Spring 77373	18.5 AC	\$2,500,000	110
233 Unrestricted Ave, Spring 77389	20 AC	\$1,325,000	25

SAMPLE

FINANCIAL ANALYSIS OF LAND USE

- Procedure:
 - Relationship between price, terms and timing
- Judgment and Experience needed:
 - All factors need to be considered
- Address Uncertainty and Risk:
 - Adjust list price to reflect the urgency of sale
 - Recognize uncertain land uses may need revision during marketing period.
 - Reconcile different risks and values

SUGGESTED MARKETING MODEL

⦿ Highest and Best Uses

- ⦿ Service businesses such as: electricians, HVAC, Pest Control Companies, etc.
- ⦿ “Ruralpolitan” - Gentleman farm or ranch.
- ⦿ Home-based business.

⦿ Approach to attracting those buyers

- ⦿ Aggressive use of internet marketing.
- ⦿ Direct mail to potential buyers and highest and best use category.
- ⦿ Social media announcements using Twitter, Linked In, You Tube, Facebook, etc.
- ⦿ Seller discusses property on internet radio show.

SELLER EXPECTATIONS AND CONTRIBUTIONS

- ◉ Provide survey, ownership history of property
- ◉ Inform listing agent of any contact from prospective buyers and/or agents
- ◉ Keep listing agent informed about any changes in availability for showings.
- ◉ **ALWAYS FEEL FREE TO ASK QUESTIONS!!!**

GLOSSARY OF TERMS

- **Highest & Best Use:** *The reasonably probable use that produces the highest property value.*
- **Marketing Terms:**
 - Direct Mail - *Ads sent to prequalified prospects.*
 - Internet Marketing - *Listed on selected websites.*
 - Radio Show - *Agent hosted interview.*
 - Social Media - *Interactive internet message boards.*
- **Roads are classified as:**
 - Freeway - *Interstate highways and toll roads.*
 - Major Thoroughfare - *Main roads going from one community to another. Four lanes or larger.*
 - Secondary Road - *Major roads within specific communities and/or primarily used for local destinations.*
 - Local Road - *Used for a specific purpose - such as residential, commercial or industrial.*