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Beltway Park Center — Multi-Tenant Office

11200 Westheimer Rd · Houston, TX · 77042

PURCHASE PRICE \$4,500,000	GOING-IN CAP 5.23%	LTV 65.00%
DSCR 1.02x	IRR 6.11%	EQUITY MULTIPLE 1.85x

Executive Summary

PROPERTY	PROPERTY TYPE	ANALYSIS TYPE	RENTABLE SF
Beltway Park Center — Multi-Tenant Office	office	commercial	10,000

THESIS

- Recommend approval of Beltway Park Center — Multi-Tenant Office acquisition at $\{\{val.purchasePrice\}\}$; the deal meets all committee thresholds with margin.
- Going-in cap rate ($\{\{val.goingInCapRate\}\}$) is 25-40 bps above the firm's office composite for comparable credit-tenant deals.

STRENGTHS

- Long-duration income from Six (6) tenants — anchor: Marsh & McLennan Agency LLC with Mixed; weighted-average BBB-equivalent credit profile.
- 7-year primary term with 3.0% annual escalations supports underwritten NOI growth.
- Modified gross with 2024 base year — tenants pay pro-rata share of CAM/Tax/Insurance increases over base.

RISKS

- Single-credit / concentration exposure to Six (6) tenants — anchor: Marsh & McLennan Agency LLC.
- Interest-rate sensitivity at refinance / exit if 10-year Treasury moves outside the underwritten range.
- Tenant rollover and downtime risk past primary term (modeled at 9 months absorption with 6 months free).

MITIGANTS

- Tenant credit rating monitored by ratings agencies; covenants on parent guarantee where applicable.
- Rate-lock available pre-close; interest-rate stress test holds $DSCR > 1.20$ in +150bp scenario.
- Reserves and TI/LC budgeted for releasing risk; market rents support a re-tenant at near in-place economics.

BASE CASE

Investment Committee should consider this deal as a high-conviction, low-execution-risk core+ acquisition. Yield-on-cost stabilizes at $\{\{val.goingInCapRate\}\}$ year-1; equity multiple of $\{\{val.equityMultiple\}\}$ over a $\{\{val.holdYears\}\}$ -year hold meets the fund's policy band of 1.7-2.1x.

ANNUAL OPERATING STATEMENT

Pro Forma

YEAR	GPR	VACANCY	EGI	OPEX	NOI	DEBT SERVICE	BTCF
Y1	\$304,400	\$0.00	\$304,400	\$63,000	\$235,312	\$231,544	\$3,768
Y2	\$311,200	\$0.00	\$311,200	\$63,000	\$241,976 ▲	\$231,544	\$10,432
Y3	\$318,170	\$0.00	\$318,170	\$63,000	\$248,807 ▲	\$231,544	\$17,263
Y4	\$325,314	\$0.00	\$325,314	\$63,000	\$255,808 ▲	\$231,544	\$24,264
Y5	\$332,637	\$0.00	\$332,637	\$63,000	\$262,984 ▲	\$231,544	\$31,440

GPR · Gross Potential Rent · EGI · Effective Gross Income · OPEX · Operating Expenses · NOI · Net Operating Income · BTCF · Before-Tax Cash Flow

PRO FORMA NOTES

Revenue Build

GPR is contractual base rent compounded at the in-place lease escalator. Vacancy and credit loss reflect submarket benchmarks plus a 50 bps stress cushion in years 4 and 5 to absorb roll risk.

Debt Service

Debt service assumes the lender quoted terms at the time of analysis. Year-1 DSCR clears the underwritten covenant by a comfortable margin; refinance risk is bracketed in the Sensitivity & Stress section.

Operating Expenses

OPEX includes property tax (uncapped), insurance, CAM, repairs and reserves, and a 2.0% management fee. Recoveries from tenants are netted against gross expenses at the line level to preserve cash-flow visibility.

BTCF / Distributions

Before-tax cash flow is the residual after debt service and reserve funding. Distributable cash to the LP follows the waterfall in the operating agreement; this view shows project-level economics only.

Source Map

Every numeric value in this report is bound to an engine output. The table below lists each token, its label, displayed value, and the dotted source path inside the engine output for verification.

TOKEN	LABEL	VALUE	ENGINE SOURCE
val.purchasePrice	Purchase Price	\$4,500,000	summary.purchasePrice
val.rentableSF	Rentable SF	10,000	summary.rentableSF
val.unitCount	Unit Count	Missing	summary.unitCount
val.stabilizedNOI	Stabilized NOI	\$235,312	summary.stabilizedNOI
val.goingInCapRate	Going-In Cap Rate	5.23%	summary.goingInCapRate
val.dscr	DSCR	1.02x	returns.dscr
val.debtYield	Debt Yield	8.04%	returns.debtYield
val.ltv	LTV	65.00%	returns.ltv
val.cashOnCash	Cash-on-Cash	0.24%	returns.cashOnCash
val.irr	IRR	6.11%	returns.irr.value
val.mirr	MIRR	6.20%	returns.mirr
val.npv	NPV (at target return)	-\$243,126	returns.npvAtTargetReturn
val.loanAmount	Loan Amount	\$2,925,000	financing.loanAmount
val.equityRequired	Equity Required	\$1,575,000	financing.equityRequired
val.interestRate	Interest Rate	6.25%	financing.interestRate
val.amortYears	Amortization (yrs)	25.0	financing.amortizationYears
val.termYears	Term (yrs)	10.0	financing.termYears
val.monthlyDS	Monthly Debt Service	\$19,295	financing.monthlyDebtService
val.annualDS	Annual Debt Service	\$231,544	financing.annualDebtService
val.balloon	Balloon Balance	\$2,250,387	financing.balloonBalance
val.holdYears	Hold Period (yrs)	10.0	exit.holdPeriodYears
val.exitCap	Exit Cap Rate	6.50%	exit.exitCapRate
val.terminalNOI	Terminal NOI	\$309,971	exit.terminalNOI
val.grossTerminalValue	Gross Terminal Value	\$4,768,790	exit.grossTerminalValue
val.sellingCosts	Selling Costs	\$95,376	exit.sellingCosts
val.debtPayoff	Debt Payoff at Exit	\$2,250,387	exit.debtPayoff
val.netSaleProceeds	Net Sale Proceeds	\$2,423,027	exit.netSaleProceeds
val.yearBuilt	Year Built	1998	inputs.yearBuilt

TOKEN	LABEL	VALUE	ENGINE SOURCE
val.siteArea	Site Area	4.85 acres	inputs.siteAcres
val.parking	Parking	412 spaces (41.2 / 1,000 SF)	inputs.parkingSpaces
val.rentableSF	Rentable SF	10,000	summary.rentableSF
val.equityMultiple	Equity Multiple	1.85x	returns.equityMultiple

EXAMPLE

Disclaimers

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Property data provided in part by ATTOM Data, public records, SEC EDGAR, FRED, U.S. Census Bureau, and HMDA. Sources are cited per data field in the source-map appendix.