

Orchard Estate Producing Apples and Walnuts – 24.7 Acres

4PJ2+JJ2 San Luis de Letras, Aguascalientes, México





Orchard Estate (Apples and Walnuts): A Premium Investment in the Bajío Region, Mexico

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Hacienda de Huertos De

Manzanas



Nogales





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Disclaimer

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Property Description

The Apple and Walnut Producing Estate, located in the Aguascalientes region, Mexico, is a 10-hectare (approximately 24.7 acres) agricultural property ideally situated in the El Bajío region, known for its high agricultural productivity. Aguascalientes is a major producer of crops such as apples, guava, alfalfa, and cereals, and stands out for its excellent irrigation infrastructure and climate that is favorable for agriculture.

The estate includes:

- 4,000 apple trees in full production (2 years of growth), with a conservative yield estimate of 300 apples per tree.
- 600 walnut trees in the early stage (3 years).
- A modern irrigation system that optimizes water consumption.
- Water rights to the state's largest reservoir and a deep-well water right, both essential for crop productivity.
- Additional infrastructure: Solar panels, two houses for workers, a warehouse for product and equipment storage, and a main house.

The project also includes two workers' houses and one for the manager. This setup offers significant savings in housing costs for employees or can be rented for additional income. Each worker house, with an area of 60 m² (645 ft²), has a potable water cistern and is connected to the municipal supply. Additionally, the roofs are equipped with solar panels. Between the two houses, there is a shared bathroom, ideal for events or gatherings.

- The main house has an area of 92 m² (990 ft²), with two bedrooms, a bathroom, and a kitchen. On the ground floor, there is a 6 x 8-meter (19.69 x 26.25 ft) warehouse, ideal for storage.



Key Points of the Project

Strategic Location:

Aguascalientes is a key region in Mexico's agricultural sector, with easy access to both national and international markets.

Market Growth:

The production of apples and walnuts has significant growth potential as the trees mature.

Sustainable Investment: The installation of solar panels not only reduces operational costs but also offers the opportunity to generate additional income by selling surplus energy.

Water Rights:

These assets are crucial for securing a reliable irrigation source, increasing the long-term stability and profitability of the estate.

Increase in Production:

The apple trees are in their early production stage, which will lead to increased yields and revenues as they mature.

Growth Potential: As the walnut trees reach full production in the next 5-10 years, revenues can grow significantly, with a potential increase of up to \$100,000 USD annually from walnut production.

Diversification:

There is potential to diversify crops by integrating other fruits or crops that can benefit from the land and existing irrigation system.



FOTOS

Viviendas para trabajadores



Vivienda principal





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Map





Financial Projection

Apple and Walnut Orchard Estate – 10 Hectares: 10-Year Proforma and Exit Strategy Plan						
Investment Cost		\$1,696,000.00	Mantenimiento y Gastos Anuales			
Gross area HT (AC)	10	24.7	Apple	\$200,000	MXN	Discount Rate
			Nogales	\$150,000	MXN	
Production Risk Factor		5.0%	Equipo	\$300,000	MXN	10-year Exit
Cost of sale		6.0%	Water	\$34,000	MXN	20%
Price Escalation		3.0%	Electricity	\$6,000	MXN	NPV
inflation		2%	Insurance	\$10,000	MXN	IRR
Annual Property Management		5%	contingencies	\$3,000	MXN	\$73,830.54
Exit cap Rate		8%	T Expenses	\$703,000	MXN	21%
	Manzana	Nuez	1 USD	\$18.00	\$39,056	USD
Market Price per Pound (Average)	\$0.60	\$2.00				
Agricultural Assets	tree	Production by tree	Unit Used (Conservative Estimate)	Average Weight	Total Pounds Annually	
4,000 Apple trees (de 5 year)	4000	300-800 Pcs	400	0.33	528,000	
600 Walnut trees (de 3 year)	600	5-10 lb.	7 Lb.	\$ 7	4,200	

The financial structure : includes a conservative proforma with an estimated IRR (Internal Rate of Return) of 21% over 10 years, using the lowest estimated production and market prices. This demonstrates the long-term strength of the investment.

- **Initial investment costs:** \$1,735,056 USD in the first year (primarily for infrastructure, planting, and irrigation system).
- **10-year profitability:** Projected growing income based on increased production and diversification of income sources.



Orchard Estate (Apples and Walnuts): A Premium Investment in the Bajío Region, Mexico

Year	1 2024	2 2025	3 2026	4 2027	5 2028	6 2029	7 2030	8 2031	9 2032	10 2033	11 2034
Income Statement											
Apple Trees	\$316,800	\$316,800	\$316,800	\$326,304	\$336,093	\$346,176	\$356,561	\$367,258	\$378,276	\$389,624	\$401,313
Walnuts	\$8,400	\$8,400	\$8,652	\$8,912	\$9,179	\$9,454	\$9,738	\$10,030	\$10,331	\$10,641	\$10,960
NOI											
Total	\$325,200	\$325,200	\$325,452	\$335,216	\$345,272	\$355,630	\$366,299	\$377,288	\$388,607	\$400,265	\$412,273
Potential Gross Income (PGI)	\$325,200	\$325,200	\$325,452	\$335,216	\$345,272	\$355,630	\$366,299	\$377,288	\$388,607	\$400,265	\$412,273
Production Absorption	100%	80%	95%	100%	100%	100%	100%	100%	100%	100%	100%
Production Risk Factor	5%	24%	10%	5%	5%	5%	5%	5%	5%	5%	5%
Effective Gross Income (EGI)	\$0	\$247,152	\$293,720	\$318,455	\$328,008	\$337,849	\$347,984	\$358,424	\$369,176	\$380,252	\$391,659
**O Exp.	\$39,056	\$39,837	\$40,633	\$41,446	\$42,275	\$43,120	\$43,983	\$44,863	\$45,760	\$46,675	\$47,609
Mgmt. (market)	\$0	\$16,260	\$16,273	\$0	\$17,264	\$17,782	\$18,315	\$18,864	\$19,430	\$0	\$20,614
Operating Expenses	\$39,056	\$56,097	\$56,906	\$41,446	\$59,539	\$60,902	\$62,298	\$63,727	\$65,190	\$46,675	\$68,222
TOTAL NOI		\$191,055	\$236,814	\$277,009	\$268,470	\$276,947	\$285,686	\$294,697	\$303,986	\$333,577	\$323,437



Orchard Estate (Apples and Walnuts): A Premium Investment in the Bajío Region, Mexico

Profit Before Taxes and Cash	-\$39,056	\$191,055	\$236,814	\$277,009	\$268,470	\$276,947	\$285,686	\$294,697	\$303,986	\$333,577	\$323,437
Development Cost											
Property Cost	\$1,600,000										
Commission											
Development Cost	\$96,000										
Annual Cash Flow	\$1,696,000										
Total Cost											
Capitalization Rate for	\$1,696,000										
Exit Value											\$4,312,494
Sales Commission											-\$258,750

-\$1,735,056 **\$191,055** **\$236,814** **\$277,009** **\$268,470** **\$276,947** **\$285,686** **\$294,697** **\$303,986** **\$4,387,321**

Conclusion

The Apple and Walnut Orchard Estate offers a strong and profitable investment opportunity in one of Mexico's most productive agricultural regions. With a focus on sustainability, income diversification, and a robust financial model, this property represents an attractive option for both agricultural investors and those interested in the real estate and energy sectors



Orchard Estate (Apples and Walnuts): A Premium Investment in the Bajío Region, Mexico

.Financial Summary

Item	Detalles
Purchase Price	\$1,735,056 USD (first year of investment, primarily for infrastructure, planting, and irrigation system).
Deposit	To be defined based on the agreement with the buyer.
Financing Details	Financing available through a profit-sharing or debt model, with the option to invest via a corporate vehicle.
Possession Date	Immediate, with the possibility of an agreement depending on the negotiation terms.
Inclusions	4,000 apple trees in production, 600 walnut trees in the early stages, a modern irrigation system, water rights, solar panels, two worker houses, a warehouse, and the main house.
Exclusions	Personal equipment, machinery outside of maintenance contracts, and other unspecified assets on the property.
Contingencies	Dependent on crop maturity, fluctuations in fruit and nut market prices, and changes in government policies related to water rights.
Offer Expiration Date	To be defined by the buyer, typically 60-90 days from the offer presentation date.
Internal Rate of Return (IRR)	21% projected over 10 years, based on a conservative estimate of production and prices.
Appraised Value	Based on the value of agricultural assets, infrastructure, and projected income.
Estimated Return on Inv. (ROI)	Conservatively, \$237,600 USD annually from apples, \$8,400 USD annually from walnuts, additional income from solar energy and water rights.
Estimation future Value	Income increases as walnut trees mature and apple trees increase production, with potential for additional income from agritourism.
Additional Information	Potential for expansion with additional crops and agritourism development. Growing long-term profitability through diversification and improved yields.



Opportunities for Investors

1. **Participation Model:** Shared income with investors through a profit-sharing model or financing via debt.
 2. **Exit Strategy:** Sale of assets (land, water rights, production) or sale of shares through a corporate vehicle, ensuring flexibility for long-term investors.
 3. **Expansion and Agrotourism:** With the expansion of orchards and growing interest in agrotourism in the region, there is significant potential to generate additional income by offering tourist experiences on the estate.
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Accessibility and Connectivity

Distance to Key Points of Interest:

- **Aguascalientes City Center:** 31 minutes (29.9 km) by road
- **Aguascalientes International Airport:** 58 minutes (55 km)
- **Laredo, TX (USA) Border:** 9 hours 18 minutes (756 km)

The property is well connected by a network of major roads, facilitating the transportation of agricultural products to local and national markets.



Demographics of Aguascalientes

Aguascalientes, located in central Mexico, is a relatively small state but has experienced rapid urbanization in recent decades. The population is predominantly urban, with the city of Aguascalientes being the capital and main population center. The state has an estimated population of around 1.5 million people, most of whom live in urban areas.

The population of Aguascalientes is characterized by a young demographic, with a relatively low average age compared to other parts of Mexico, making the region vibrant and dynamic. Education levels are relatively high, and the region boasts a skilled workforce, particularly in industrial sectors.

Main Economic Drivers

Automotive Industry: One of the main engines of Aguascalientes' economy is its automotive manufacturing sector, including Nissan, which has one of its largest production plants in Mexico. This sector not only contributes to employment but also to the state's exports.

Agriculture: Aguascalientes is also known for its agricultural production, particularly in crops such as apples, guavas, and grapes, as well as livestock. The state's location in the Bajío region, characterized by fertile soils and a favorable climate, makes it ideal for agricultural activities.

Services and Trade: The services sector, which includes trade, healthcare, and education, is an important part of Aguascalientes' economy, driven by the growing urban population and regional tourism.

Manufacturing: In addition to the automotive industry, Aguascalientes has a strong manufacturing base that produces a variety of goods, including textiles, electronics, and furniture. This sector benefits from proximity to the United States and access to supply chains.

Energy: Renewable energy projects, especially solar energy, are also gaining ground in the region, contributing to local development and sustainability efforts.



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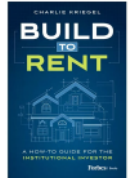
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With over two decades of experience in the real estate industry, Charlie exemplifies expertise and innovation. As co-founder and CEO, he has successfully guided the company through various market scenarios, ranging from luxury residential projects to complex commercial investments. His strategic focus on the pioneering development of Build-to-Rent (BTR) projects has positioned the company as a leader in this field.



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