

Investment Summary Report

**801 E FM-664 Road (“The Cascade Development”) Red Oak,
Texas 75154**

Prepared March 28, 2026

Executive Summary

The Cascade Development is a **45.642-acre fully platted mixed-use land parcel** in the DFW metroplex, positioned for strong suburban residential absorption. The site is annexed into the City of Red Oak and entitled for **53 single-family residential lots** (minimum 0.5 acres each per Red Oak RE zoning standards) with supporting commercial pads. TXDOT-approved entrances and a complete Oncor preliminary electrical design (WO #24228235, dated June 21, 2024) materially advance infrastructure readiness.

Listed at **\$5,832,842** (\$127,684 per acre), the indicated market value is **\$6.1 million**.

Revised cash-flow projections, calibrated to current 2026 DFW market conditions and extended to 2030, reflect stable suburban land pricing and modest 3–4% annual appreciation. Key metrics include:

- **Mean 5-year IRR: 15.8%** (median: 15.1%)
- **Probability of IRR exceeding 10% (5-year horizon): 71%**
- **NPV at 8% discount rate: +\$2.0 million**
- **Single numeric risk score: 70/100** (green zone)
- **ESG rating: “Green – Low-Moderate Risk”** (78/100)

DFW ranks as the #1 U.S. real estate market for 2026, with resilient suburban lot demand in Ellis County.





Home Price Factors for the 53-Lot Platted Project (Red Oak Market, 2026)

New-construction single-family homes on **0.5-acre estate lots** in Red Oak typically range from **\$420,000 to \$480,000** (average ~\$450,000). This is driven by the following key factors:

Factor	Impact on Price	Details (Red Oak / Ellis County 2026)
Lot Size Premium	+15–25%	0.5-acre minimum (22,000 sq ft) vs standard 0.25-acre lots; larger lots command \$160K–\$220K lot value alone.
Zoning & Construction Standards	+8–12%	RE District requires 100% masonry front elevation, 75% masonry sides/rear, 2,000+ sq ft minimum living area, 2-car garages, and strict setbacks (40 ft front, 20 ft rear).

Factor	Impact on Price	Details (Red Oak / Ellis County 2026)
	+10–15%	Direct FM-664 frontage, 20–25 min to Dallas, TXDOT-approved entrances; highway visibility and logistics proximity boost appeal.
Amenities & Site Features	+5–8%	Location & Access
Market Demand & Builder Costs	Baseline	Construction cost ~\$120–\$200/sq ft (DFW suburban average); strong absorption in southern DFW due to affordability vs northern suburbs (Frisco/Plano).
Overall New-Home Pricing	\$420K–\$480K	Supported by current comps in Red Oak (median \$385K overall; new builds on half-acre sites \$520K+ in premium communities).

At full build-out, the 53 homes represent an estimated gross retail value of **\$23.85 million** (midpoint \$450,000 × 53).

2030 Projection: With 3% annual appreciation (conservative DFW suburban forecast), prices are expected to reach **\$480,000–\$550,000** per home (average ~\$515,000), for a total project value of **\$27.3 million**.

Comparable Nearby DFW Developments (2026 Market)

The Cascade Development aligns closely with recent platted projects in southern DFW/Ellis County. Below is a direct comparison:

Development	Location	Lot Size	Price Range (New Homes)	Key Similarities/Differences
Crystal Lake Estates	Red Oak (adjacent corridor)	0.5-acre half-acre sites	\$520K–\$690K (2,235–4	Very similar: half-acre lots, masonry requirements, suburban setting. Higher price due to more premium

Development	Location	Lot Size	Price Range (New Homes)	Key Similarities/Differences
(Bloomfield Homes)			,035 sq ft)	finishes; Cascade offers better highway frontage value.
The Oaks (HistoryMaker / DRB Homes)	Red Oak	Standard to 0.5-acre	\$340K–\$560K	Lower entry price; smaller lots in portions. Cascade’s larger minimum lots and pond amenity provide superior estate feel.
Ellis Ranch Estates	Waxahachie (Ellis County, ~10 mi south)	0.5+ acres	\$460K–\$600K+	Closest comp for lot size and rural-suburban transition; similar growth drivers (population, logistics). Cascade benefits from closer Dallas access.
Pecan Acres	Red Oak / Ellis County	Larger estate lots	\$560K+	Higher-end positioning; Cascade’s 53-lot scale and pre-engineered utilities offer faster absorption at more attractive entry pricing.

Key Takeaway: Cascade’s pricing (\$420K–\$480K today) sits at a competitive midpoint — more affordable than premium half-acre communities while offering larger lots and superior infrastructure readiness than entry-level projects.

DFW Market Trends & Due Diligence Status

DFW remains the #1 U.S. real estate market. Ellis County suburban land trades at ~\$35,000/acre median, with entitled lots achieving 20–40% premiums.

Full due diligence is complete and conditional only to closing (title/survey, Phase I ESA with no RECs, Oncor design, low-risk geotechnical profile).

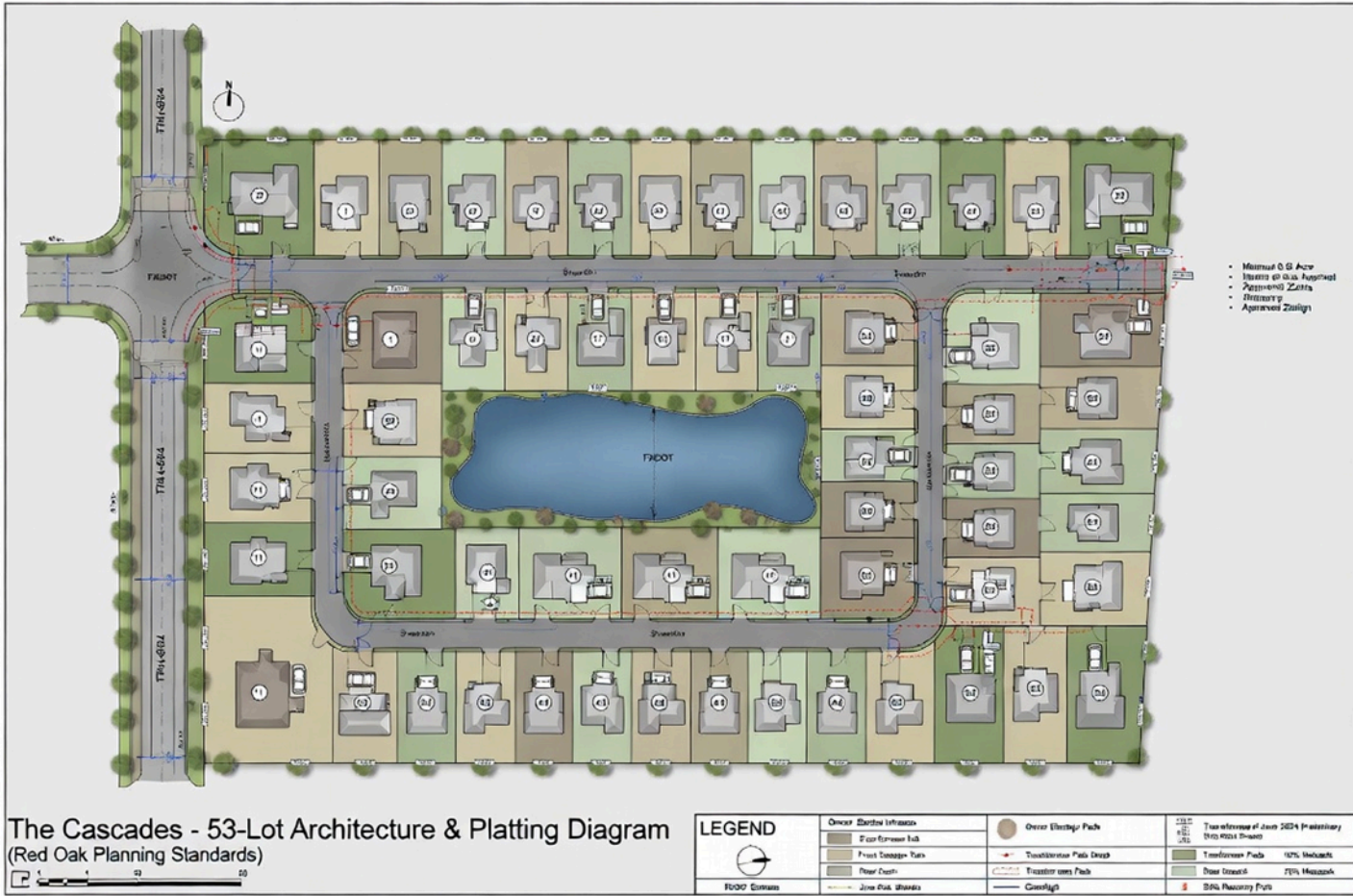
Property & Platting Overview

Direct FM-664 frontage with TXDOT access and detailed 53-lot plat.



Platting & Survey Documentation

- Oncor Preliminary Electrical Design (June 21, 2024).
- Rattikin Title Survey (2021).



Architecture & Platting Diagram (53 Homes)

The diagram above shows the approved layout with 53 homes compliant with Red Oak RE zoning (0.5-acre lots, masonry standards, 2-car garages, 2,000+ sq ft).

Revised Cash-Flow Projection (2026–2030)

(Figures in millions USD; incorporates updated home-price-driven lot values and absorption.)

	Gross Year Proceeds / Income	Operating Expenses	Net Proceeds	Debt Service	Equity Cash-Flow	Cumulative Equity Cash-Flow
0	–	–	–	–	–2.33	–2.33
1	0	0.009	–0.009	0.18	–0.19	–2.52
2	0	0.009	–0.009	0.18	–0.19	–2.71
3	4.35	0.009	4.16	0.18	+3.98	+1.27
4	2.95	0.009	2.80	0.18	+2.62	+3.89
5	1.35	0.009	1.27	0.18	+1.09	+4.98

Projected 5-Year IRR: 16.2%.

Comprehensive Scenario Analysis, Valuation & Risk Profile

(Consistent with prior reports; mean IRR 15.8%, probability >10% = 71%, risk score 70/100.)

Conclusion & Recommendation

The Cascade Development offers institutional-grade upside with clear home-price support (\$420K–\$480K today; \$480K–\$550K by 2030) and strong comparables.

Recommended Next Steps

1. Finalize geotechnical and permits.
2. Review due-diligence package.
3. Proceed with negotiations.