



San Marcos – E. McCarty Lane Land Acquisition within Austin MSA

46-ACRES – PROPOSED FUTURE DEVELOPMENT SITE FOR A 311-UNIT
SINGLE FAMILY BUILD-TO-RENT COMMUNITY AND COMMERCIAL DEVELOPMENT



Confidential Preferred Equity
Offering Memorandum

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American Ventures

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Property Investment Overview

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The Offering

This Confidential Offering Memorandum (“Memorandum”) describes the capital raise (the “Offering”) by American Ventures, LLC (the “Sponsor”) of \$7,800,000 in membership interests, representing a 100% ownership of the membership interests (the “Investors”), with a minimum investment of \$50,000, becoming 90% investment partner. American Ventures, LLC, will act as Manager (“Manager”). American Ventures, LLC will provide the required loan guarantees necessary to secure the land acquisition, if any.

Investors will earn an 8% annualized preferred return, which will accrue from the time of land acquisition. Cash flow upon a capital event, proceeds, net of expenses, shall be distributed and 100% of all net cash flows, to the Investors until they have received a return of all their invested capital, then an 8% annualized preferred return to investors, and any additional proceeds from the development will be split between the investor and sponsor at 60%/40%. Sponsor may bring in institutional equity partners for future development. However, current investors have the opportunity to participate in future development if the institutional partner allows for taking on additional capital for the development.

The Sponsor is undertaking this Offering to acquire an approximately 46-acre parcel of land located in the San Marcos, Texas ETJ. The Sponsor intends to develop a 311-unit Build-to-Rent (BTR) community and commercial development. The Sponsor has additional properties in the area currently in the entitlement phases. The existing relationship with the city and staff will be leveraged in hopes of expediting the entitlement and permitting process.

The Sponsor has secured owner-financing in the amount of \$5,040,000 with a 7.50% interest rate, below current market rates for land loans.

The Company may reject your subscription or terminate the Offering at its sole discretion at any time. If the Company has not accepted your subscription by the Closing Date (tentatively March 15, 2024), it will promptly return your subscription funds. We outline the economics of the transaction in the following pages.

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Executive Summary

American Ventures is pleased to offer this opportunity to qualified investors to invest in the acquisition of an approximately 46-acre land parcel for proposed future development of Single-Family Residences – Build-to-Rent (BTR) community and commercial development in San Marcos, Texas located within Austin metropolitan statistical area (MSA). The acquisition consists of the fee simple ownership of the land situated around E. McCarty Lane and Rattler Rd., adjacent to a 100- acre site American Ventures acquired in 2022. The Property has convenient access to major employment centers, including Amazon's SAT2 Distribution facility (4,400 jobs), Central Texas Medical Center (1,270+ jobs), San Marcos Outlet Malls (3400 jobs), HEB Distribution facility (750 jobs) and Texas State University (4,530 jobs).

- Site will be acquired by Company:
purchase price is \$9,650,000
- Estimated Land closing:
March 15, 2024
- Predevelopment & Planning Phase:
6-9 months
- Development Applications and Permitting Phase:
9-12 months
- Estimated exit for current investors:
48 months



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Financial Summary

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Financial Summary

- Investors will earn an 8.00% preferred rate of return on their initial investment
- Upon payment of principal and interest to investors, the investor-sponsor split is 60/40
- Investors will have Right of First Refusal for the vertical development

INVESTOR RETURNS

Equity Invested	\$7,800,000
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Profit	\$7,882,876
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Equity Multiple	2.01x
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ARR	25.25%
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Investment Period	4 years
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Investment Summary

PROJECT DESCRIPTION	
Project	311 Unit BTR Community
Scenario	Build to Rent
Project Timeline	
Proforma Start Date	Mar-24
Purchase Date	Mar-24
Hold Period	4 years
Construction Start Date	15 Months
Months of Construction	15 Months
Retail Pad Sale	Month 24
1st Month of Stabilization	Month 45

SOURCE AND USES		
Sources		
Total Equity		\$17,787,088
Total Debt		\$53,361,284
Total Sources		\$71,148,372
Uses		
Land Costs		
Closing Costs		\$193,000
Interest Carry		\$472,500
Acquisition Fee		\$144,750
Total Land Costs		\$10,460,250
Hard Costs		
Construction Costs		\$42,873,000
Infrastructure		\$6,700,000
Contingency		\$1,982,920
Total Hard Costs		\$51,555,920
Soft Costs		
Architect		\$850,000
Civil		\$650,000
Asset Mgmt Fees		\$1,067,225
Development Fee		\$2,652,796
Total Soft Costs		\$5,220,021
Carry Costs		
Capitalized Construction Interest		\$3,328,674
Financing Fees		\$550,000
Operating Shortfall		\$33,507
Total Carry Costs		\$3,912,181
Total Uses		\$71,148,372

Investment Summary

Development Assumptions	
Number of Units	311 Units
Average Size per Unit (SF)	889 SF
Total Rentable Size	276,600 SF
Land Assumptions	
Land Size (Acres)	46 Acres
Land Cost	\$9,650,000
Retail Land Total (Acres)	7.12 Acres
Retail Pad Sale Total	\$4,652,208
Retail Pad Sale PSF	\$15.00
Land Cost Per Unit (Less Retail Exit)	\$16,070
Land Cost Per Rentable SF (Less Retail Exit)	\$18.07
Financing Assumptions	
Loan to Cost	75%
Loan Amount	\$53,361,284
Interest Rate	6.50%
Loan Fee Assumption	1%
Exit Summary	
ProForma NOI	\$5,199,383
Exit Cap Rate	6%
Selling Costs	1.50%
Exit Value	\$93,156,811
Exit Value Per Unit	\$299,540 Per Unit
Assumed Exit Date	Month 48

Exit Proforma	
Gross Rent	\$8,699,254
Gain/Loss to Lease	(\$381,552)
Total Rental Income	\$8,317,702
Other Income	
Rubs	\$230,461
Other Income	\$434,963
Total Other Income	\$665,424
Total Potential Income	\$8,983,126
Vacancy Factor	(\$449,156)
Effective Gross Income	\$8,533,969
Operating Expenses	
Repairs and Maintenance	\$79,860
Payroll	\$367,355
General & Administrative	\$47,916
Marketing	\$79,860
Utilities	\$215,621
Contract Services	\$63,888
Management Fee	\$234,684
Insurance	\$127,776
Property Taxes	\$1,727,601
Total Operating Expenses	\$2,944,561
Net Operating Income	\$5,589,409



Location & Property Information

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Land Investment Highlights

Population & Job Growth: The Site is located within the City of San Marcos, TX, the largest city in Hays County with over 240,000 residents and serves as the Hays County seat. According to the 2020 Census Report, Hays County was the second-fastest-growing County in the United States between 2010-2020 and the fastest growing County in Texas, growing by 53.44%. San Marcos has experienced 15% job growth over the last 5-years and 40% over the previous 10-years.

Site Characteristics: The development site is located in Austin MSA off of IH-35 on E. McCarty Ln. and is located 30 miles south of Austin and 40 miles North of San Antonio. Hays county's largest employer, an Amazon SAT2 facility with 4400 employees is across the street from our site. Texas State University, the fourth largest university in TX, is located less than 5-minutes from the Site, with a student enrollment of over 40,000 students. The Site is situated adjacent to a 40-acre site acquired by American Ventures in March 2022. Two Class A Apartment Complexes - McCarty Commons (249 unit - 2021 built) and Dylan (249 unit – est completion 2023) are a block adjacent to our site. McCarty Lane is a transit corridor envisioned by the City of San Marcos for higher-density residential developments per the City's adopted Comprehensive Plan. Major commercial and residential projects are underway presently in the immediate vicinity. Many of those projects are being developed by prominent national commercial real estate development firms like Trammel Crow and DR Horton. The Site is a 60-acre piece of raw land; however, the Site will be rezoned as part of the business plan for this investment opportunity, adding substantial value given the pressing need for housing in the market.

Land Comps: Raw Land Comps in this market without zoning, but utilities are trading between \$7-\$10 psf. Multifamily entitled sites sell for \$25K-\$40K per door based on allowable density. SFR lots are sold in the \$100K-\$150K per lot. This Site is purchased for \$5 psf – substantially below market pricing..

Rental Growth in Hays County: In 2023, the market remains fairly insulated from market swings typically seen throughout the rest of the Market. Rent growth remains relatively healthy outpacing the Austin MSA source.



BUSINESS PLAN

The Sponsor will acquire the Site and upon annexation in to the City of San Marcos will establish CD4 Zoning for +/-39 acres, which, when complete, will allow for approximately 311 Build-To-Rent lots. The remaining +/-7 acres will be commercially zoned and put on the market for sale as an early capital event to supplement development costs. Upon acquisition the Sponsor will have accumulated a total of 146 contiguous acres in the area. The Sponsor has assembled a development team with extensive entitlement & development experience. The Civil Engineering and Architectural team has worked with high-profile clients on developments such as this one and has been an integral part of the Sponsors current 100-acre development, contiguous to this site.

Predevelopment and planning phase is estimated to take 6-9 months, development applications and permitting will take an additional 9-12 months, vertical construction will follow over the next 15-18 months. Projected exit for investors is month 48.

Land Investment Highlights

PLEASE CLICK THE CALLOUT
BOXES TO VISIT THE WEBSITES
OF THE NOTABLE NEARBY
INVESTMENT HIGHLIGHTS

FM 110 LOOP PROJECT
*Alternative to I-35, Broke Ground,
Est Comp 2024*

amazon
(4,400 Employees)

MCCARTY COMMONS
Class A Apartments

Trammell Crow Company
105 Acres, Under Contract

SUBJECT PROPERTY
46 Acres

**MILLBROOK PARK
DR HORTON SFR**

THE DYLAN
*Class A Apartments
Est 2023*

DR HORTON BFR

American Ventures
Owned - Future Multifamily

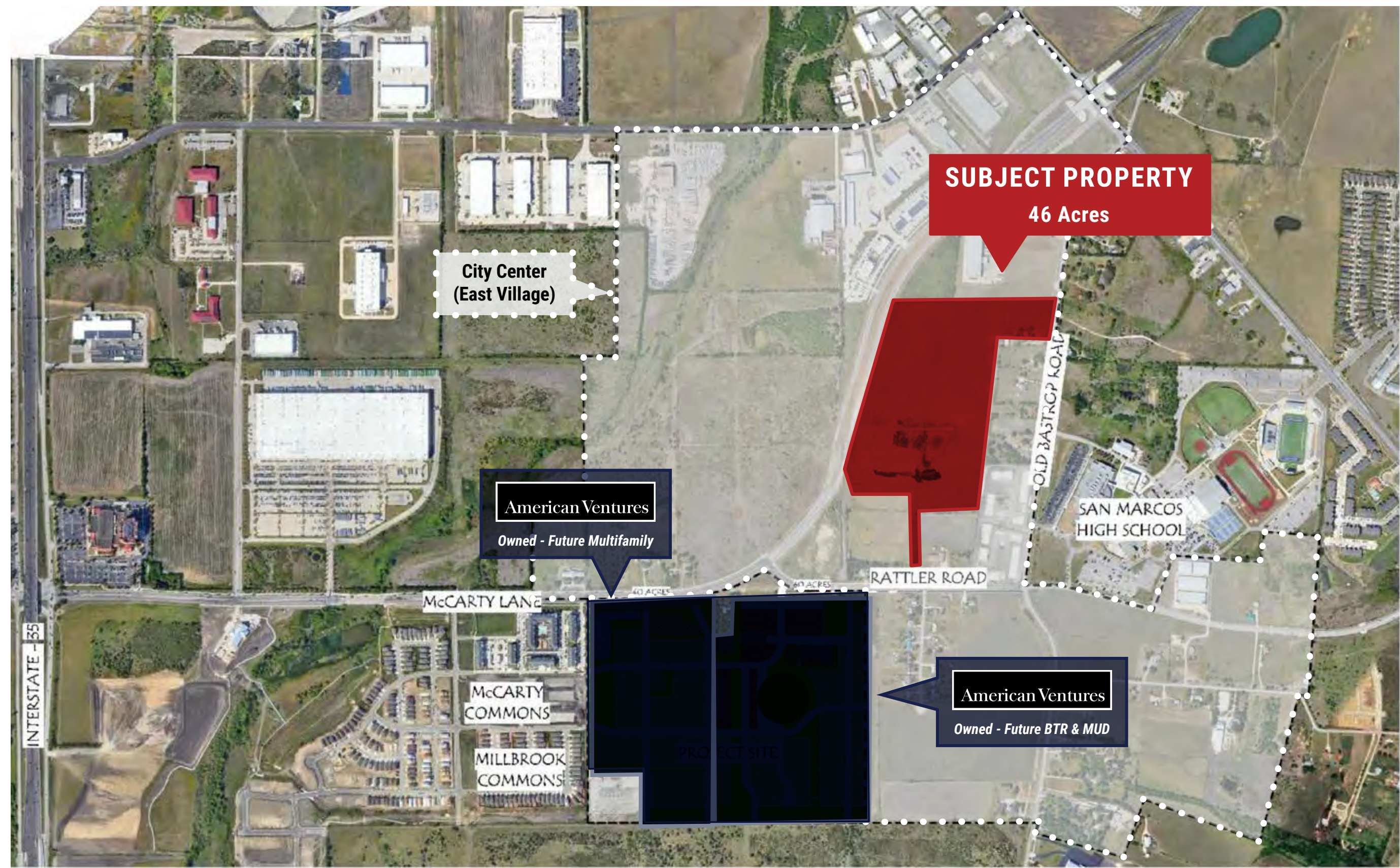
American Ventures
Owned - Future BTR & MUD

OUTLET MALLS

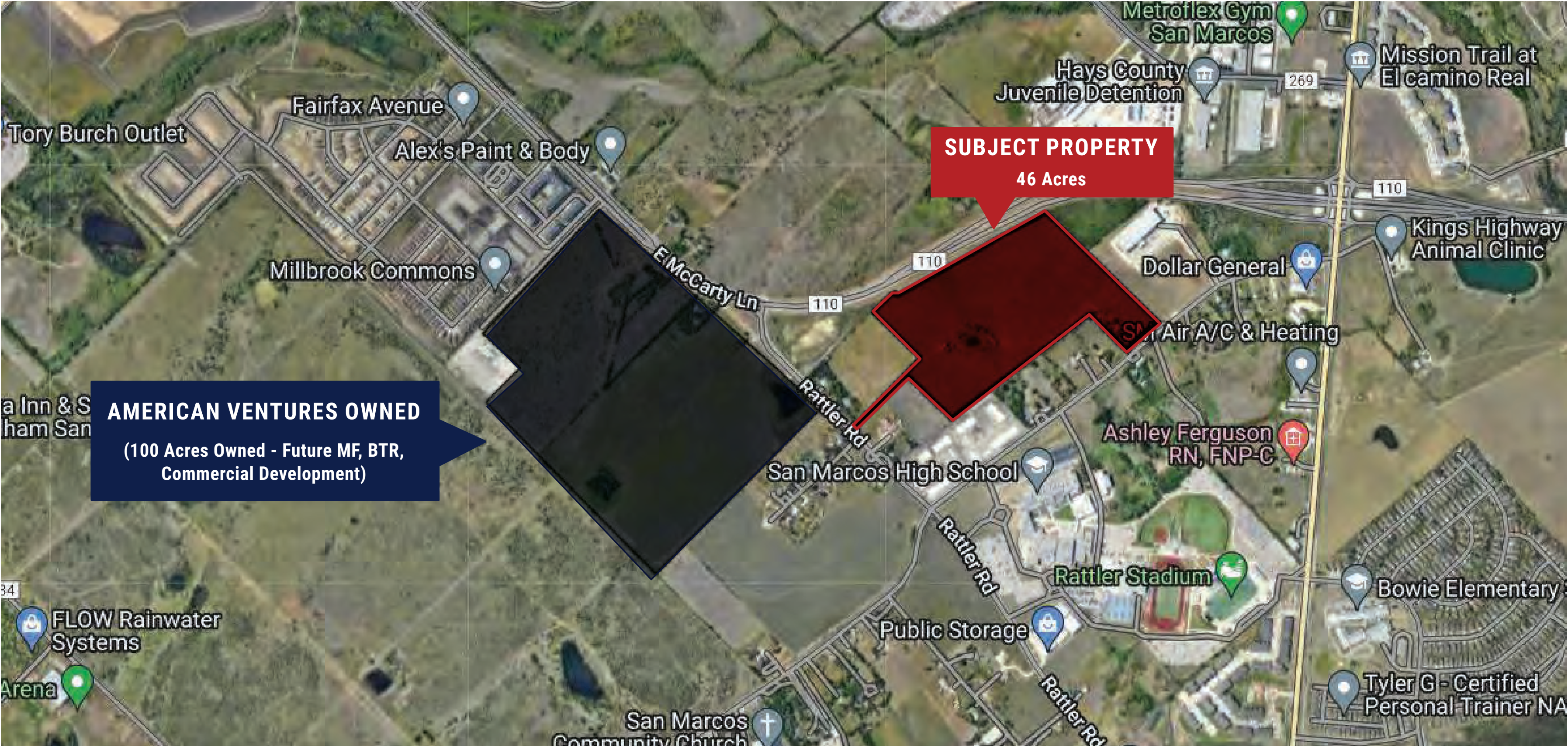
**SAN MARCOS
HIGH SCHOOL**

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Location of the Site – San Marcos Proposed 2nd City Center (East Village)



Location of American Ventures Developments



Preliminary Project Layout for 46-Acre Site



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Community Amenities





Pickleball Court



Activity Lawn



Dog Park



Community Clubroom



Outdoor Grilling Station



Business Center



Playground Area



Fitness Center



Swimming Pool

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In-Home Features



**Backyards /
Patos**



**Smart
Thermostats**



**Smart
Locks**



**Wood-Inspired
Flooring**



**Tile
Backsplash**



**Full-Size
Washer & Dryer**



**EnergyStar
Appliances**



**Dual
Vanities**



**Under-Mount
Cabinetry Lighting**



**Direct Access
Garages**



**Quartz
Countertops**



**Built-In
Pantry**



**Tile Shower
Surround**



**Walk-In
Closets**



**Glass Shower
Enclosure**

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Conceptual Floor Plans



1 Bed / 1 Bath
~ 670 SF



2 Bed / 2 Bath
~ 934 SF



2 Bed / 2.5 Bath
~ 1,192 SF



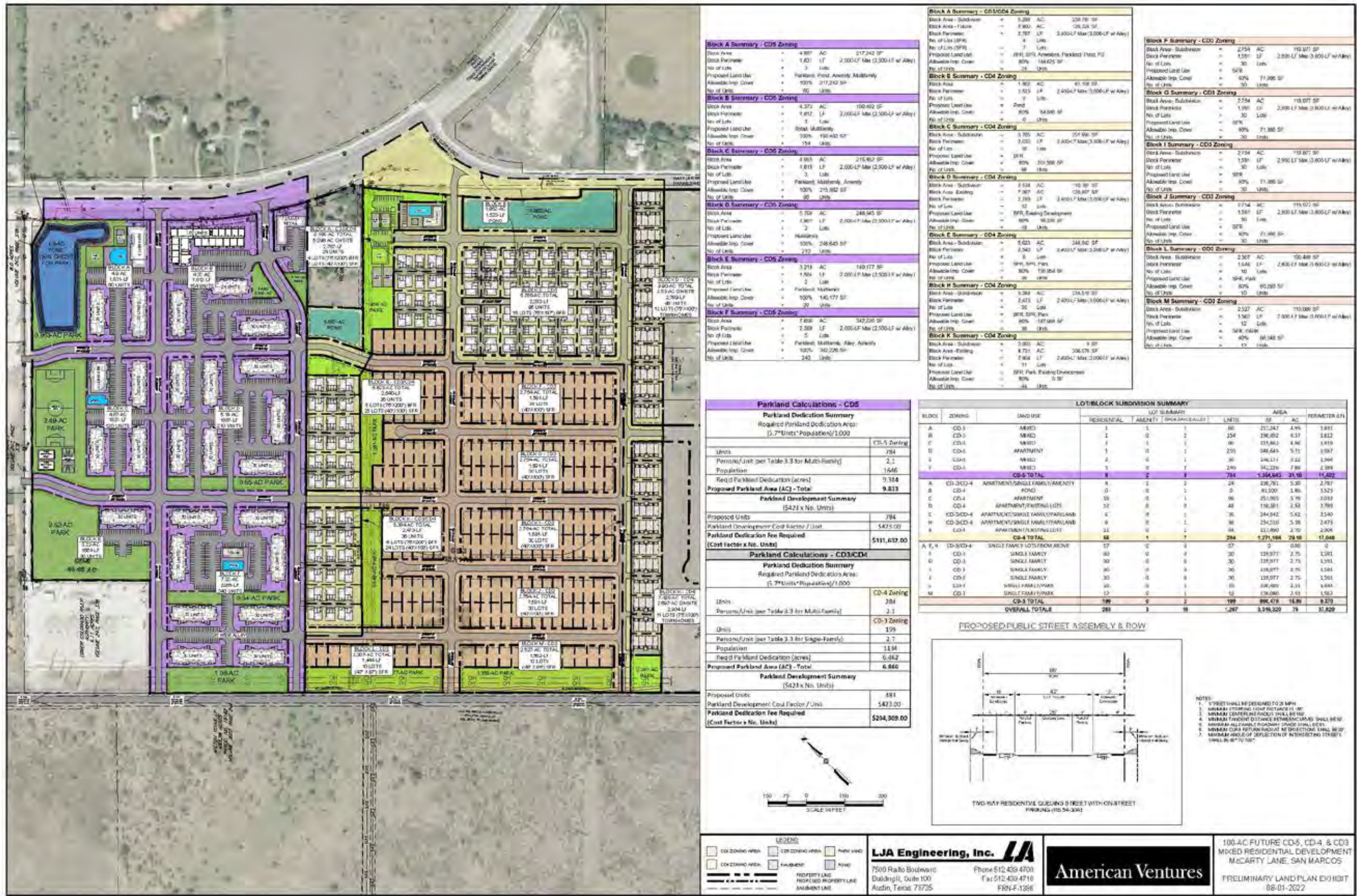
2 Bed / 2.5 Bath
~ 1,445 SF



3 Bed / 2.5 Bath
~ 1,445 SF



Preliminary Project Layout for 100-Acre Site (Currently Owned)

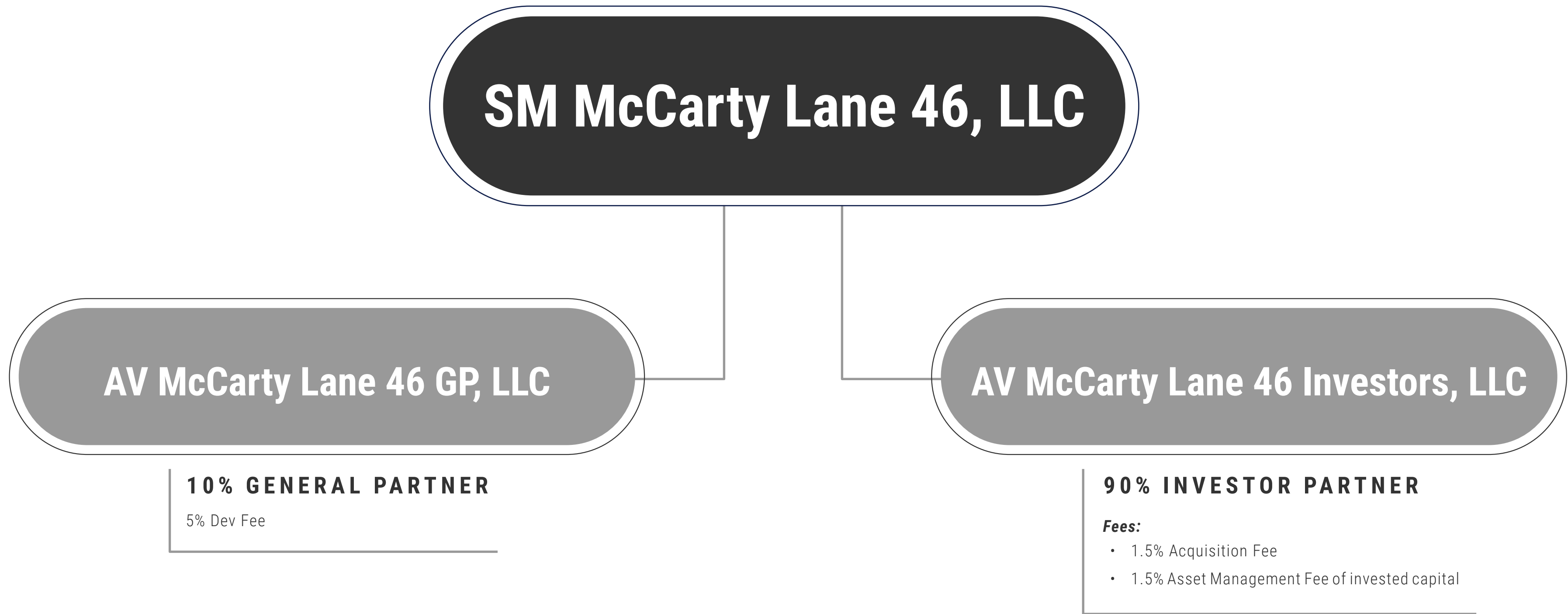




Future Single Family – Build for Rent Community

- Contemporary Clubhouse with Modern Lighting
- Business Center
- Game Room and Entertainment Lounge
- Fitness Facility with Yoga Room
- Resort-Style Pool with Abundant Seating
- Plenty of Open Green Space Throughout with Yard Games
- Stainless-Steel Grilling Stations
- Bark Park with Pet Spa
- Vehicle Charging Station

Organizational Chart





Competitive Set

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Land Sale Comparables

	1	2	3	4
	SOLMS LANDING MF SITE	SE CORNER OF 1101 & BARBOSA	EMBREY NEW BRAUNFELS SITE	1250 WONDERWORLD DRIVE
Date Sold:	Under Contract	May 2022	June 2022	April 2022
Acres:	11.7	14.0	22.0	12.8
Price Per SF:	\$24.02	\$12.28	\$6.57	\$10.35
Purchase Price:	\$12,240,000	\$7,500,000	\$6,300,000	\$5,750,000
Comments:	Allen Harrison is purchasing shovel ready site for 340 unit garden multifamily development	Bainbridge is planning 300 unit multifamily development adjacent to Creekside Crossing	Embrey is planning a 252 unit multifamily development near downtown New Braunfels	Longview Equity purchased a shut down theater to build a 300 unit multifamily development in San Marcos



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Market Conditions

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Build-to-Rent

With housing becoming less affordable seemingly every quarter, current renters who would prefer a single-family lifestyle are turning to an alternative to the traditional apartment rental. Single-family build-to rent communities are popping up throughout the United States, particularly in high-growth submarkets where populations are growing, business is booming, and home prices are soaring. Currently in 2023, an estimated 47,000 Build-to-rent houses are under construction, triple the number of homes completed in 2022. Operators continue to be able to command a rent premium for single-family rentals. The average monthly rent for SF BTR units is about 35 percent higher than monthly apartment rents across most major market.

Developers delivered single-family rental units at a consistent pace throughout 2022. Completions totaled approximately 65,000 units in 2022, with deliveries split evenly between the first half and the second half of the year. The number of completed units in 2022 was up more than 20 percent from the prior year total. Looking ahead, the rapid rate of increase in starts recorded in 2022 should yield an increase in deliveries in 2023. Projects totaling approximately 70,000 units are expected to come online this year. This will likely mark a cyclical high for single-family rental unit completions. Additionally, there are some elements of the current economic conditions that should allow single-family rental properties to outperform in 2023. The barriers to entry in the for-sale housing market remain elevated, with inventories low, prices stubbornly high, and mortgage rates elevated. These factors should drag on transitions into home ownership, keeping more households in the rental pool longer.

- US Single-Family Rents have increased 5% at the close of the first quarter in 2023
- San Marcos outperformed the Austin MSA as a whole by 4.80%
- BTR rents are projected to grow 20% from 2023-2027



Investors Take Notice of BFR/SFR Operational Advantages

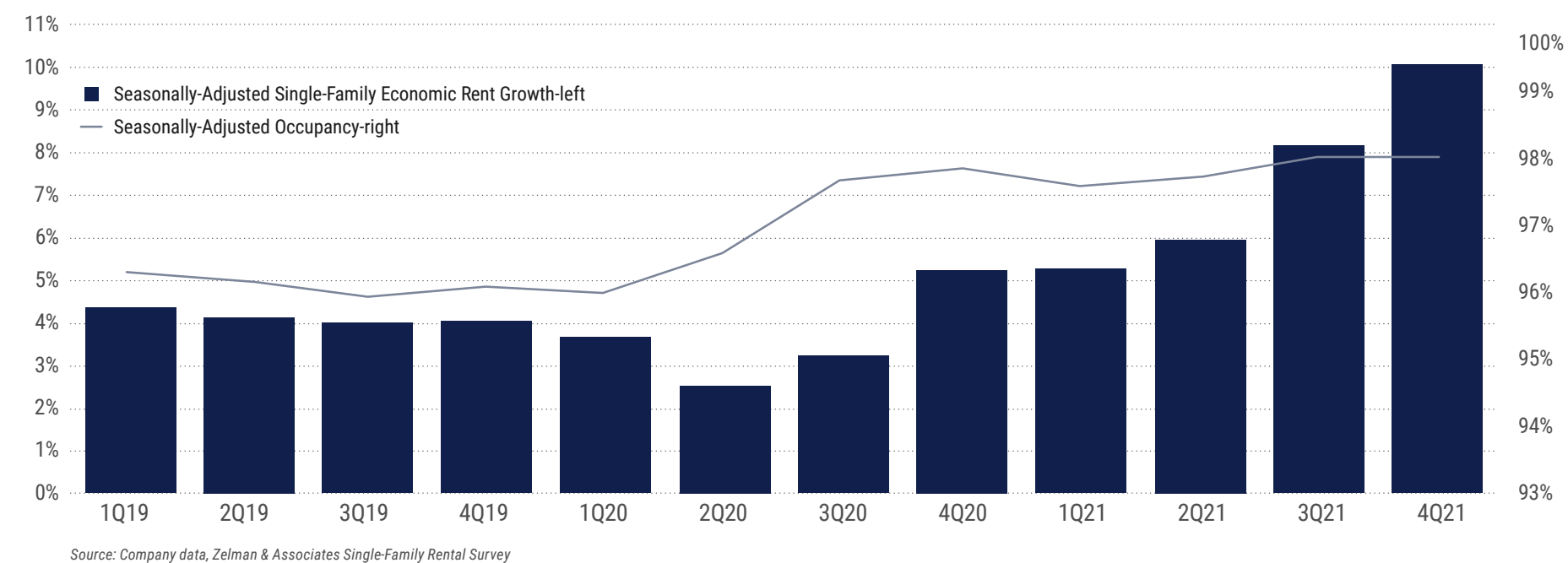
OVERVIEW

SFR/BFR is a burgeoning new asset class boasting the fastest growth rates within the U.S. Housing Market. This space is estimated at \$3.4 trillion, nearly equal to the \$3.5 trillion multifamily market. More and more residents are trading down payments, mortgages, and home repairs for a purpose-built community without maintenance costs. SFR growth is expected to outpace multifamily, office, retail, storage, and hospitality growth in 2022.

BUILT-FOR-RENT THE PRETTIEST GIRL AT THE DANCE

- SFR Owner Operators Pursuing Builder Partnerships
- Nearly \$70B of Capital Yet to Be Deployed
- BFR/SFR Allows Investors to Target Tertiary markets They Would Not Otherwise Consider

Exceptional BFR/SFR Rent & Occupancy Trends



STABILITY & OPERATIONAL ADVANTAGES



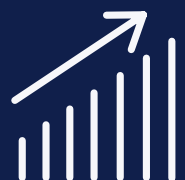
8.1%

Seasonally adjusted blended market rent growth (March 2022)



98%+

Seasonally Adjusted Occupancy Rates



SFR Revenue Expected

7% Growth

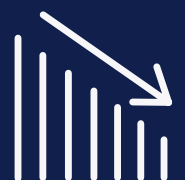
Over the Next Three Years, ~250 BPS Better than Multi.



SFR/BFR Retention

72.5%

vs 53.5% for Multifamily



Collections

Over 96%

Collections Reported by Owners, Even During the Pandemic

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Current Housing Shortage & Price Escalation Caused by Confluence of Factors

FACTORS CONTRIBUTING TO HOUSING SHORTAGE

- New-home construction has fallen 6.8 million units short of what was needed to meet household-formation growth.
- Increase in the number of households due to high divorce rates as well as younger generations staying single longer and delaying marriage/family.
- Empty nester Baby Boomers are not selling their homes. Older adults are aging in place more than earlier generations.
- Many millennials are starting families and want to buy a house after years of renting but now there are not enough sellers to meet their demand.
- Sole-person households are increasing.
- Homeownership increasingly unattainable due to convergence of rapidly increasing home prices and rising interest rates



WORK FROM HOME TREND FEEDS SUBURBAN BOOM

The ability work remotely draws throngs from cities to the suburbs, in order to have more space without the stress of a commute to work.

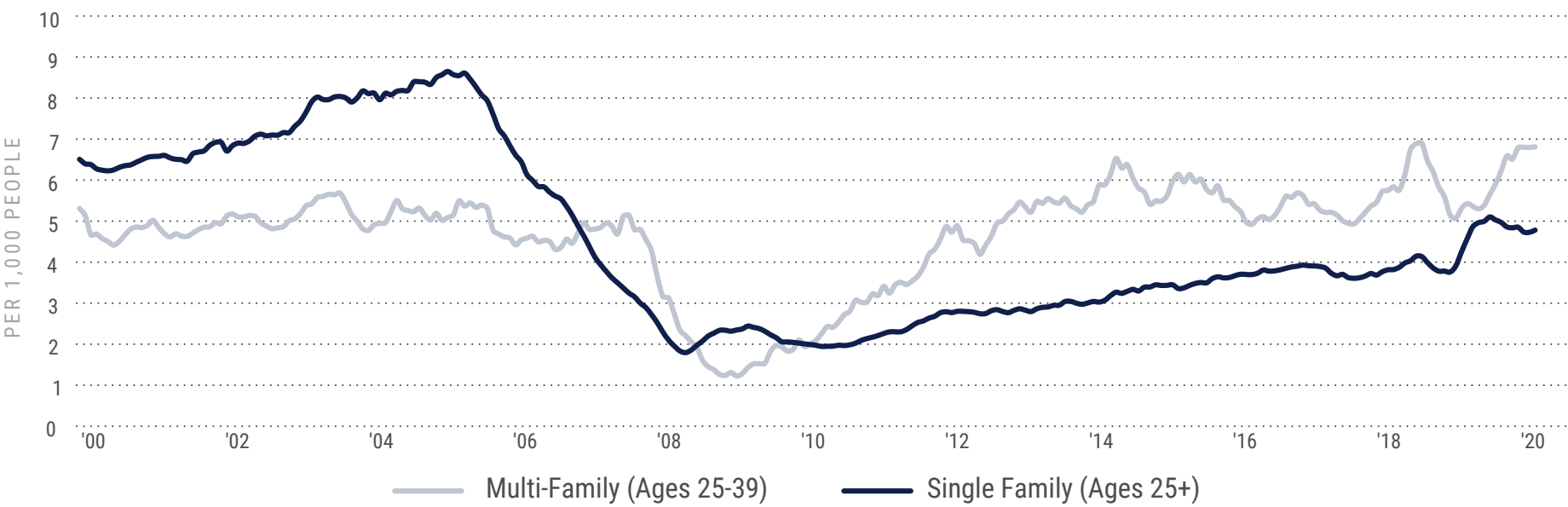


6% OF PEOPLE WORKED FROM HOME PRE-PANDEMIC
MarketWatch

15% OF PEOPLE WORKED ARE WORKING FROM HOME TODAY
MarketWatch

HISTORICALLY LOW LEVELS OF SFR CONSTRUCTION STARTS NOT MEETING DEMAND

Multifamily and Single-Family Construction Per Capita
(Starts per 1,000 People)



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Right Time to Invest in BFR Market

TRENDS DRIVING SINGLE-FAMILY RENTAL DEMAND



MILLENNIALS, THE LARGEST SEGMENT OF U.S. POPULATION, ARE REACHING PRIME FAMILY FORMATION YEARS



PANDEMIC HAS EXACERBATED SUBURBAN FLIGHT WITH RENTERS SEEKING LESS DENSITY AND LARGER HOME SPACES



HIGHER RATES OF POPULATION GROWTH AND JOB GROWTH ARE OCCURRING IN SUBURBS



DOWN PAYMENTS MORE CHALLENGING FOR FIRST-TIME HOMEBUYERS IN CURRENT ECONOMY AND WITH CONSUMER DEBT YIELDS

U.S. HOUSING MARKET SNAPSHOT

With only an estimated 6% of new single-family homes coming online as purpose-built for rent product, the single-family rental market will likely be undersupplied for the next decade, according to RCLCO. These metrics suggest a supply/demand imbalance, presenting a compelling investment opportunity.

138.5M TOTAL HOUSING UNITS

43.8M RENTER-OCCUPIED HOUSING UNITS

12M SINGLE-FAMILY RENTAL UNITS

72M MILLENNIALS (AN INDICATION OF NEW HOUSEHOLD FORMATIONS UNDERWAY)

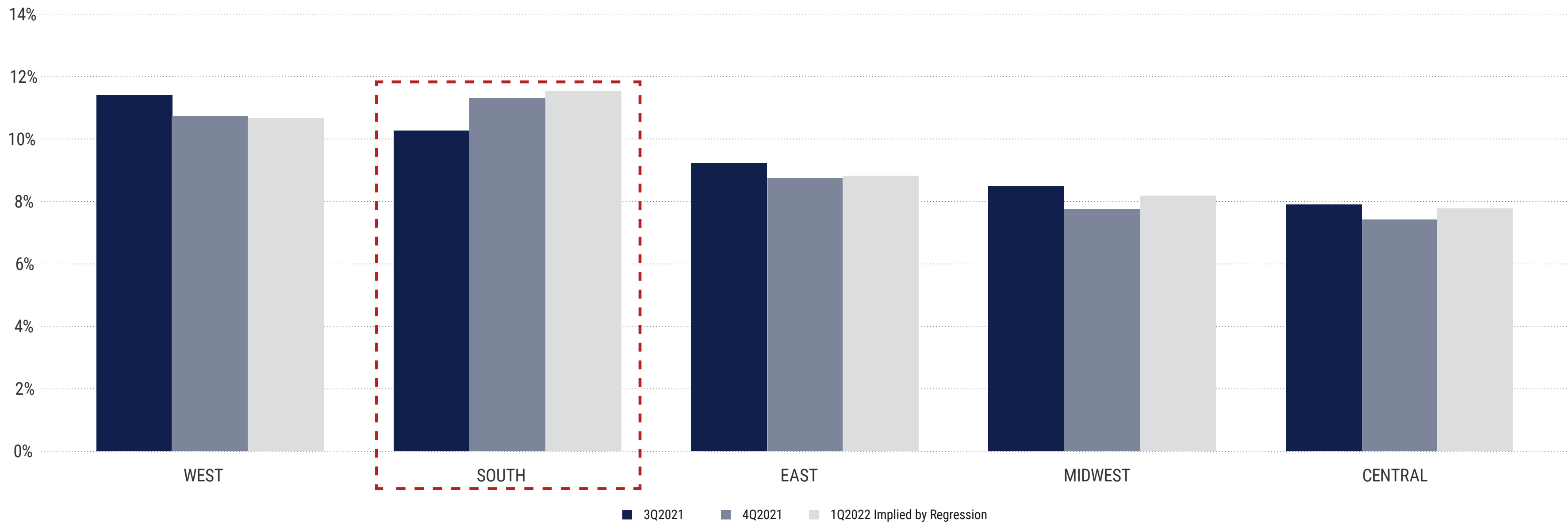
12% YOY DECLINE IN Q2 2020 SINGLE-FAMILY STARTS (AN INDICATION OF LIMITED NEW INVENTORY)

South Region Continues to Lead the Nation in Single Family Rent Growth

THE SOUTH REGION OF THE UNITED STATES WILL CONTINUE TO BENEFIT FROM STRONG RENTAL DEMAND DUE TO SUSTAINED IN-MIGRATION TO SUNBELT LOCATIONS

SOUTH REGION EXPECTED TO LEAD AGAIN IN 1Q22

Single Family REIT Blended Rent Growth

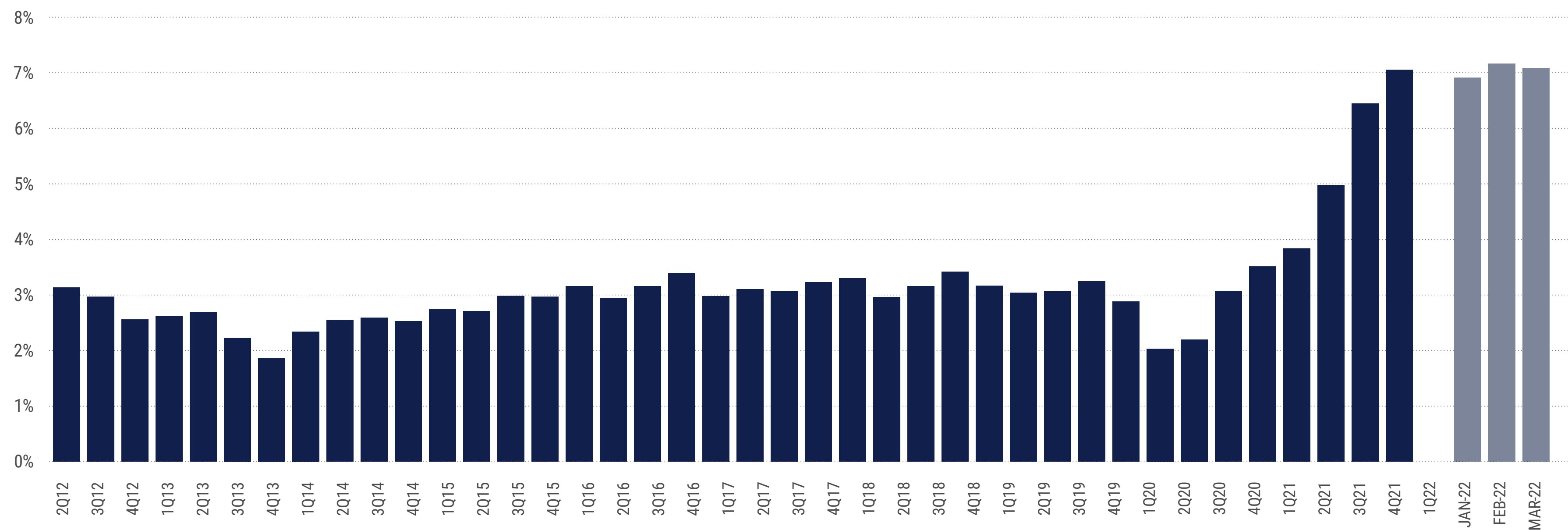


Source: Zelman & Associates Single-Family Rental Survey

BFR/SFR Renewal Rent Growth More than Double Pre-Pandemic Norms

AT OVER 7% 1Q22 SEASONALLY ADJUSTED RENEWAL RENT GROWTH IS 2X WHAT IT WAS IN 1Q21

SEASONALLY-ADJUSTED RENEWAL RENT GROWTH



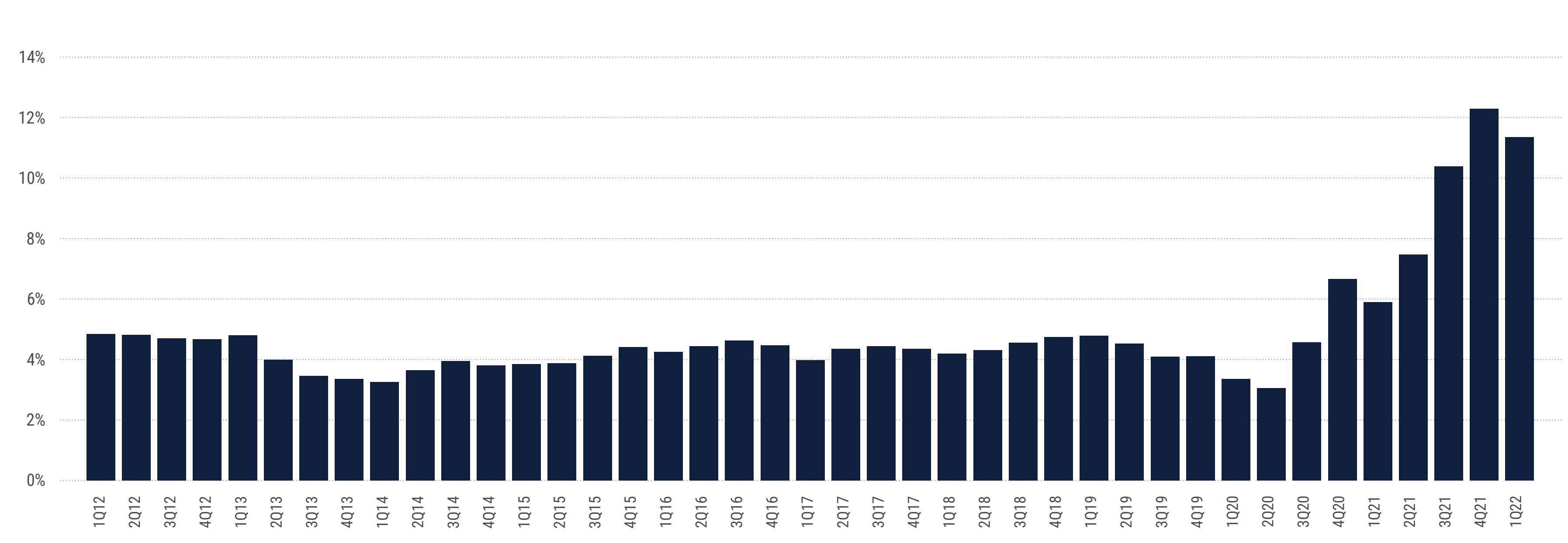
Source: Zelman & Associates Single-Family Rental Survey

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BFR/SFR Sees Continuation of Double Digit New Move-In Rent Growth

SINCE THE SECOND HALF OF 2021 RENT GROWTH FOR NEW MOVE INS AT SINGLE FAMILY RENTAL PROPERTIES HAS REMAINED ABOVE 10%

SEASONALLY-ADJUSTED NEW MOVE-IN RENT GROWTH





Source: Zelman & Associates Single-Family Rental Survey


Benefits of BFR & Growing Investor Demand


The build-for-rent market is the fastest-growing segment of the U.S. Housing market Growth. According to the Urban Land Institute, horizontal BFR rentals have exceeded the growth of both single-family-for-sale and multifamily housing in recent years. After seeing the lifestyle and life-cycle changes in the millennial, Gen x & Baby Boomer Cohorts, developers are responding with a hybrid rental product. Built-for-rent communities have been meticulously designed to attract today’s discerning renter who seeks the comforts and advantages of a new home while benefiting from the maintenance-free conveniences of apartment living and avoiding the costs of home ownership including down payments, mortgages, and home repairs.


ADVANTAGES OF BFR FOR THE INVESTMENT COMMUNITY

- 

ON AVERAGE, RENTS ARE 20 – 25% HIGHER THAN CONVENTIONAL MULTIFAMILY COMMUNITIES
- 

STRONG DEMAND FOR LOW-DENSITY HOUSING
- 

LOWER TURNOVER COST, GIVEN A “STICKIER” TENANT BASE DRAWN TO THE ASSET TYPE
- 

DOUBLE-DIGIT YEAR-OVER-YEAR RENTAL GROWTH
- 

BFR RENTS REFLECT HIGHER-INCOME TENANT DEMOGRAPHICS THAN THAT OF CONVENTIONAL APARTMENT COMMUNITIES



“The homeownership rate of millennial households is below that of Gen xers and Baby Boomers at the same age, in part because they’ve saved less for a down-payment due to economic circumstances, student loans and other debts.”

-RCLCO

“Median income for a BFR renter is \$75,000 - \$100,000 versus \$50,000 - \$75,000 for a multi-family tenant.”

-Homeunion

“Homeownership is expected to decline over the next two decades – a trend that started with the generation after the baby boomers. Prices are rising faster than ever, leaving more people, including those with higher incomes, more likely to rent.”

-Homeunion

“The combination of intense demand and the low mortgage rates has pushed home prices to levels that are making it difficult to save for a down payment, particularly among first-time buyers.”

-NAHB

Nearly \$70B of Capital Yet to be Deployed

EXTREME DEMAND FOR BFR/SFR PRODUCT EXEMPLIFIED BY SUBSTANTIAL LEVELS OF DRY POWDER THAT HAVE BEEN ALLOCATED TO THE SPACE

BUILT-FOR-RENT-PIPELINE (TOTAL COMMITTED CAPITAL IN BILLIONS)



Source: Zelman & Associates Single-Family Rental Survey

The “Renters-by-Choice” Preference

“RENTERS-BY-CHOICE” IS A MARKET SEGMENT ON THE RISE, PRIMARILY DRIVEN BY LIFESTYLE PREFERENCES. MILLENNIALS & BABY BOOMERS ALIKE DESIRE A HIGH-QUALITY LIVING EXPERIENCE WITH PRIVACY & NO MAINTENANCE.

“High earners also tend to stay put and are willing to absorb regular rent increases if it means not having to move their children to new schools.”
-Homeunion

HIGHER INCOME HOUSEHOLDS

Make Great Tenants

The attractiveness of horizontal build-for-rent housing is also significant to investors of these communities. High-income renters are more likely to accept rent increases upon renewal, benefiting ownership with lower turnover costs and decreased maintenance costs. Higher income residents traditionally take better care of their units, especially in horizontal BFR assets where their units feel like their own home, as opposed to temporary housing.

“Build-to-rent subdivisions are attractive to some urban apartment renters who want to move to the suburbs but are unable or uninterested in buying a home. Many young professionals and families are less keen than their parents in being tied down by a 30-year mortgage.”



RENTING HAS BECOME MUCH MORE PREVALENT AMONG THE GENERATIONS AND FAMILY TYPES TRADITIONALLY MORE-LIKELY TO OWN HOMES.

EMPTY NESTERS

NEW SOURCE OF DEMAND

According to the Joint Center for Housing Studies of Harvard University, demand for future housing will be fueled by the 35 – 44-year-old age cohort, and empty nesters who are 65 and above. Empty nesters typically experience substantial shifts in their housing needs, further motivating this demographic to steer towards a maintenance-free, build-for-rent community.



“Freedom from maintenance and the inherent ability to easily change location are some of the leading reasons for the shift to renting for Baby Boomers.”



HORIZONTAL BUILD-FOR-RENT COMMUNITIES address some of the housing shortages and affordability challenges currently ongoing in the market, attracting a lot of media attention.

The Wall Street Journal published an article titled “So you make \$100,000? It Still might Not be Enough to Buy a Home” in late-2019, which addressed a lot of the appeal that build-for-rent communities provide such as privacy, enhanced security, and the capability of residing in high-growth markets where high-paying jobs continue to be created.



Market Overview

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San Marcos' Largest Economic Drivers Just Minutes Away

The southern part of San Marcos has increasingly become the core economic engine of the city outside the Texas State University. The area is home to multiple major distribution facilities, big hospitals, hotels & conference centers, and important shopping centers that provide thousands of jobs to San Marcos residents. Within a 2-mile radius are the HEB Distribution facility (750 jobs), the Central Texas Medical Center (1,270+ jobs), Amazon's SAT2 Distribution facility (2,200 jobs), and the San Marcos Outlets (3,140 jobs) which account for a significant portion of San Marcos' employment base.

These economic drivers demonstrate the desirability of the area and are representative of the continued growth in that region.



Central Texas Growth Spurred by Hays County

San Marcos has been the key economic hub that has propelled Hays County's demographics to being some of the most promising in the state and nation. Since 2010, San Marcos' population has exploded by 47% which has been the driver behind Hays County's population growth over the same time frame. The US Census Bureau ranked Hays County as the second fastest growing county with populations of 20,000 or more in the entire nation from 2010 to 2019 (46.5%), which demonstrates the robust growth occurring in the region outside of the student population closely tied to Texas State University.

Many factors are contributing to this growth including affordability, the "flight-to-the-suburbs" effect with equidistant access to Austin and San Antonio, quality education with lower teacher-to-student ratios, increasing footprint of existing mega-employers and the growing talent pool that Texas State graduates. These factors have translated into incredible rent growth for property owners within the San Marcos submarket growing effective rents by 4.3% from 1Q20 to 1Q21 during a pandemic, which ranks #1 across all submarkets in the Austin MSA. The future is bright for San Marcos and Hays County as more companies and people continue to move into the region and contribute to future economic growth.

#2

The US Census Bureau ranked Hays County as the second fastest growing county with populations of 20,000 or more in the entire nation from 2010 to 2019 (46.5%)

#1

San Marcos submarket growing effective rents by 4.3% from 1Q20 to 1Q21 during a pandemic, which ranks #1 across all submarkets in the Austin MSA.

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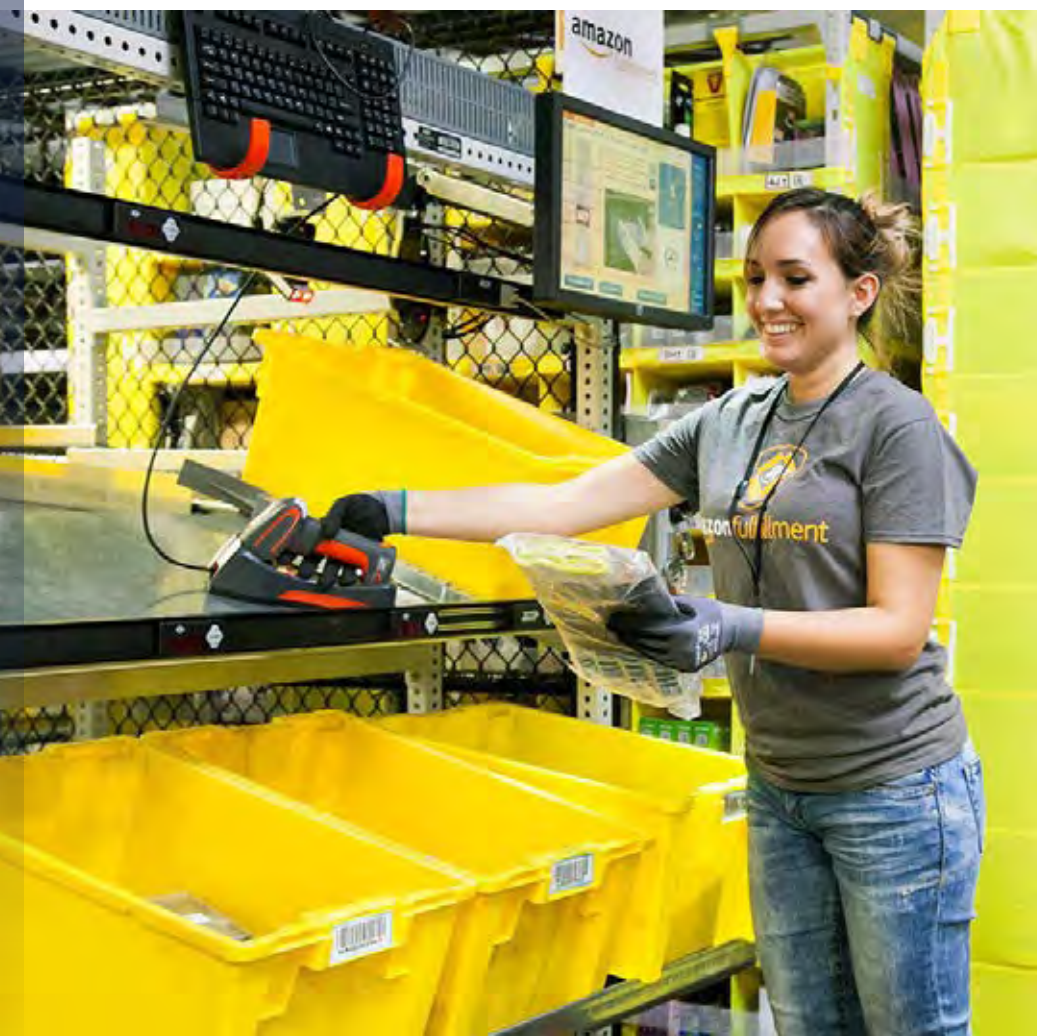


Amazon Expands San Marcos Footprint

Amazon is currently San Marcos' largest employer with other 5,000 employees between three facilities across the city. The partnership has been so successfully that Amazon has recently begun construction on another ~1M SF facility which will hire hundreds of full-time and part-time workers at the industry leading \$15 per hour starting wage.

“The new last mile facility is a testament to Amazon’s confidence in the quality of our workforce and their attraction to the growth taking place in the heart of the Texas innovation Corridor. The size and magnitude of this facility continues the momentum we’ve been experiencing with the large number of prospects and announcements. The activity is exceeding all expectations.”

Source: Jason Giulietti, President of Greater San Marcos Partnership



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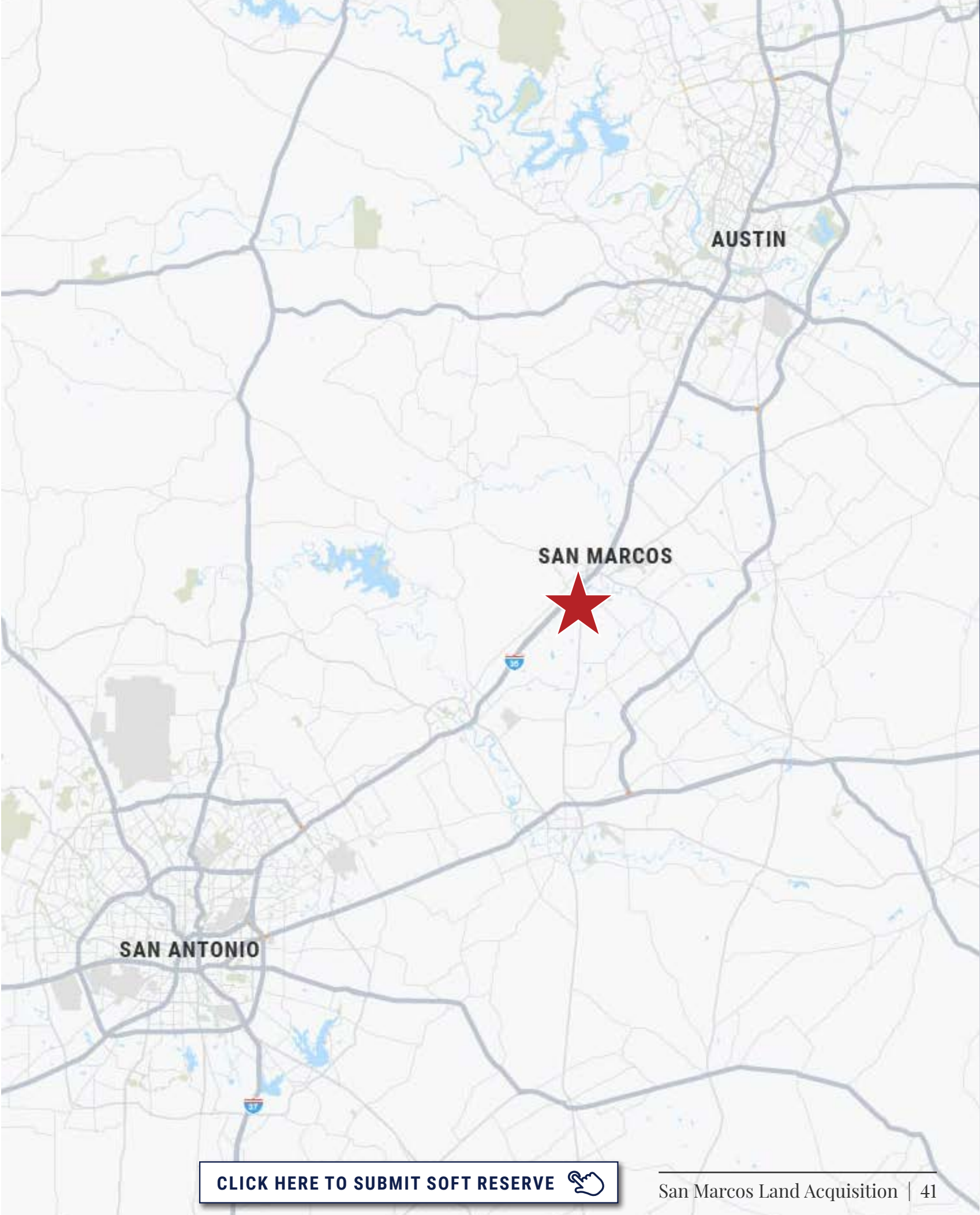


Major Employers

SAN MARCOS IS LOCATED WITH IN AUSTIN MSA

COMPANY	EMPLOYEES	COMPANY	EMPLOYEES	COMPANY	EMPLOYEES
3M	600	Electronic Arts	655	Rosendin Electric	450
ABC Home & Commercial Services	600	Emerson Automation Solutions	875	Sailpoint Technologies	523
ABM Industries	900	Everi, Games Division	429	Samsung Austin Semiconductor	8,935
Accenture	3,200	Facebook	2,000	Sears Customer Care	600
Advanced Micro Devices	1,900	Farmers Insurance Group	850	Shop LC	600
AECOM	722	Flex	1,600	Silicon Laboratories	700
AirBorn*	500	Forcepoint	500	Software House International	1,050
Airco Mechanical	435	General Motors	2,300	SolarWinds	578
All Web Leads	603	Gerson Lehrman Group	628	Southwestern University*	513
Alorica	500	Goodwill Industries of Central Texas	1,568	Spectrum	1,765
Amazon	1,800	Google	800	St. David's HealthCare Partnership	10,309
Amazon Fulfillment Center*	2,000	Grande Communications*	600	St. Edward's University	995
American Cancer Society Cancer Information Center	530	Harte-Hanks	800	State Farm Insurance Co.	900
Apple	6,200	HEB Distribution Center*	680	State of Texas	62,853
Applied Materials	3,200	Hewlett-Packard Enterprise	1,100	Superior HealthPlan	735
ARM	686	Home Depot Technology Center	600	teleNetwork*	450
Ascension Seton	9,947	IBM Corp.	6,000	Texas Disposal Systems	750
AT&T	2,800	ICU Medical	1,500	Texas Mutual Insurance Co.	671
Austin Regional Clinic	1,781	Indeed	2,000	Texas State University*	4,873
BAE Systems	650	Intel Corp.	1,700	Thermon Manufacturing*	450
Balfour Beatty Construction	437	JB Goodwin Realtors	531	Trellis Co.	485
Bank of America	600	JPMorgan Chase & Co.	713	TruSourceLabs	460
Baylor Scott & White Healthcare	2,400	Keller Williams Realty	2,564	U.S. Army Futures Command	500
Bazaarvoice	559	Khoros	431	U.S. Dept. of Veterans Affairs	1,621
Blizzard Entertainment	700	LegalZoom	507	U.S. Internal Revenue Service	5,730
Capitol Wright Distributing Company	700	Lower Colorado River Authority	1,810	U.S. Postal Service	2,931
CFAN*	700	Luminex Corp.	474	United Parcel Service	1,100
Charles Schwab	2,400	Main Street Hub	600	University Federal Credit Union	640
Cirrus Logic	824	Marriott Customer Engagement Center	464	University of Texas at Austin	23,925
Cisco Systems	614	Maximus	550	Visa	1,736
Clinical Pathology Laboratories	1,003	McCoy's Building Supply*	493	VMware	837
Coldwell Banker	500	National Instruments	2,200	Vrbo (HomeAway)	1,900
Conduent	778	National Oilwell Varco	429	Wells Fargo Bank Texas	1,003
Cypress Semiconductor	860	Netspend	625	Whole Foods Market	2,687
Dell Technologies	13,000	NXP Semiconductors	4,000	WP Engine	435
Deloitte	691	Oracle Corp.	2,500	Xome Field Services	440
Dimensional Fund Advisors	1,131	Pathway Vet Alliance	439	Yeti Coolers	550
Dover Fueling Solutions	550	Pearson Assessments	600		
DPR Construction	599	Pharmaceutical Product Development	1,200		
Durcon*	435	Progressive Insurance Co.	1,837		
eBay	647	Q2	800		
Electric Reliability Council of Texas*	710	Realty Austin	485		

Austin Area Major Employers

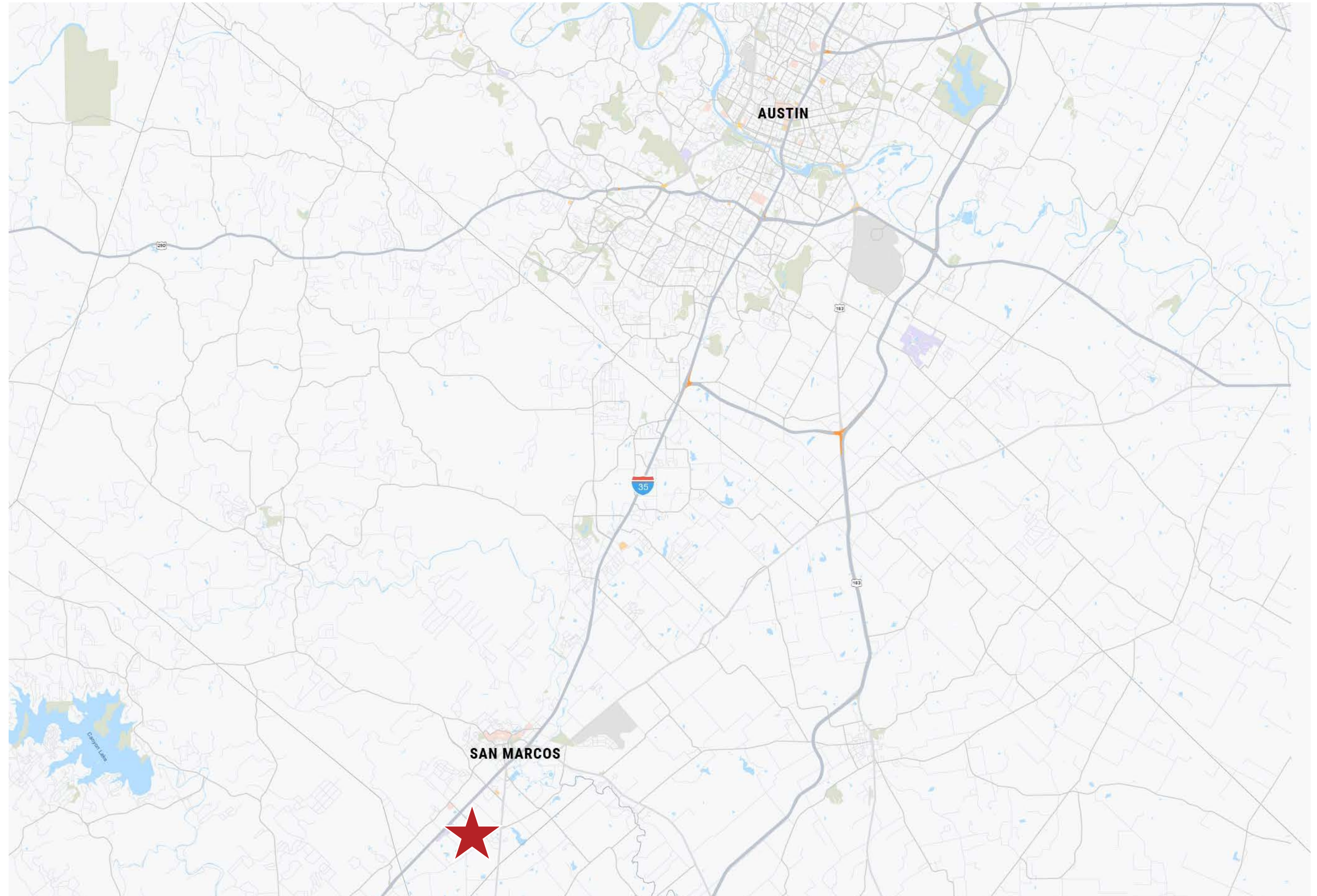


Austin's Growth Story

POPULATION AND JOBS

Austin has one of the strongest real estate markets in the country due to its exceptional economic and population growth story. According to US Census Bureau, as of July 2019, for the ninth year in a row Austin was projected to have annual in-migration of over 50,000 people, fueled largely by the city's expanding employment opportunities.

Austin is often top ranked by national and global media for its strong business environment, including "Best Cities to Live in the U.S." for the second consecutive year (U.S. News & World, 2018), "Best Cities for Job Seekers in 2018" (NerdWallet), and #2 "Strongest Economies in the US" (American City Business Journals). According to the U.S. Census Bureau, ***Austin ranked among the top ten metropolitan areas for both numeric and percentage population increase in 2018,*** evidenced by Austin's impressive trailing 12-month employment growth of over 3.7% for the second year in a row.



Austin, Texas

Situated on the Colorado River in Central Texas, Austin is the capital of the nation's most business-friendly state and is one of the fastest growing job markets and economies in the United States. Austin recently surpassed Indianapolis and Jacksonville to become the 11th largest city in the U.S. and is globally recognized for its high-tech economy, intellectual talent, and high quality of life. Austin is home to four Fortune 500 companies: Whole Foods Market, Freescale Semiconductor (U.S.), and Dell. Nicknamed "Silicon Hills", Austin has seen influx in emerging technology companies either relocating or expanding in the city, including Accenture, Amazon, Dropbox, Google, Oracle, Silicon Labs, Facebook, IBM, eBay/PayPal, Intel, National Instruments, Sun Microsystems, Hewlett Packard, Indeed, and many more.



Fastest Growing
BIG METROPOLITAN AREA

20% Increase
IN POPULATION OVER THE LAST EIGHT YEARS

2.7%
UNEMPLOYMENT RATE

No. 1
U.S. REAL ESTATE MARKET

Austin, Texas is one of the hottest real estate markets in the country due to its exceptional economic and population growth story. According to the U.S. Census Bureau 2021 predictions, the Austin Metro area has been the fastest growing big metropolitan area for the past eight years. This is an increase of over 20% in population over the same period. Austin is widely recognized as a strong business-friendly environment, often achieving top rankings from national and global media such as Forbes, US News, American City Business Journal, to name a few. Austin registered an employment growth of 39,607 jobs in the 12 months ending October 2020. This represents a 3.7% increase over the same period in 2019, making Austin the fastest growing Metro in Texas.

Information positions grew by 14.8% (4,954 jobs), making it Austin's fastest growing industry, while professional and business services added the most jobs, 9,185 (or 4.8%), over the last 12 months. Austin's seasonally adjusted unemployment rate is 2.7%, unchanged from September.

The Urban Land Institute's annual look at the year ahead cited Austin as the No. 1 U.S. real estate market for 2021. Austin rose to No.1 from sixth place a year ago in overall real estate prospects, and from fourth to first place in local expectation of investor demand.

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Entertainment

Austin City Limits Music Festival (ACL)

Generates over \$200 million per year for the city

Features eight stages and more than 130 band

Attracts 450,000 people annually

St. Elmo, Austin is less than five miles away from Zilker Park, where ACL is held



ACL is going on its 19th year of selling out and has expanded to two consecutive weeks



SOUTH BY SOUTHWEST (SXSW)

Now in its 34th year, SXSW is one of the world’s most recognized Film, Music, and Interactive festivals and is the premier global stage for musicians and cultural leaders to showcase their latest works.



THE CIRCUIT OF AMERICAS

First racing facility in the United States purposefully built for Formula 1 racing and is designed to host a variety of sports and entertainment events and has put Austin on the international map gaining exposure to the world’s top companies.



Risk Factors

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Risk Factors

HIGH DEGREE OF RISK

Investment in real estate involves a high degree of risk. Real estate has historically been a cyclical industry. Therefore, there is no assurance that cash flow from the property will be sufficient to cover operating expenses and debt payments. If there is not enough cash flow to cover the debt payments, the lender will have a priority position in the property, and the equity investors’ subordinate position could cause them to lose their entire investment in the Company.

RISK OF LEVERAGE

Principal and interest payments on mortgage financing indebtedness obtained by the Company will be required to made when due, regardless of the amount of income from the Property. If payments are not made by the Company to lender when due, the Company may sustain a loss of its investment in the Property as a result of a foreclosure of a mortgage held by lender. Such a foreclosure by lender could result in substantial adverse consequences to the Company and its Investors, including adverse income tax consequences.

Future financings obtained or assumed by the Company could prohibit early repayment, require substantial balloon payments upon maturity, or require the payment of a prepayment penalty or premium if the loan is prepaid before maturity or before a specified date.

Loans requiring balloon payments involve higher risk than loans where the principal amount is fully amortized over the term of the loan. The reasoning relates to the ability to repay the amount due at maturity will depend upon the borrower’s ability to obtain adequate refinancing or to sell the Property.

The ability of the borrower to refinance or sell the Property will depend on economic conditions and the value of the Property at the contemplated time of the event. There can be no assurance that such terms will be favorable or that the value of the Property will be sufficient to achieve underwritten Investor returns. Additionally, no guarantee can be given that the Company will be able to generate enough working capital from cash flow in the future, sufficient to sustain its operations on an on-going basis, including the payment of fees to affiliated parties and third parties.

No assurance can be given that the Company will not need to procure additional equity and debt financing in the future, or whether such funding will be available to the Company on commercially reasonable terms.

If the Company requires any such financing and is unable to procure it, the Company may need to curtail its operations and cease to be a going concern.

Moreover, under the terms of the Company Agreement, to the extent that the Company does not generate sufficient revenue to fund the costs of operating the Property as necessary to sustain the Company’s business plan, the Investors may be required to contribute such additional funds to the Company.

Any failure to so contribute will likely result in a forced dilution of such Investor interest in the Company, in addition to possible legal consequences. No assurance can be given that the Investors will collectively have the resources to contribute such funds.

OPERATING RISKS

Operational Risks include fluctuations in occupancy, the volatility of income and operating expenses, competition for tenants from existing properties and new developments, overall uncertainty regarding local economic or market conditions, and unforeseen liabilities resulting from day-to-day operations.

OTHER RISKS

Other Risks include adverse operating or property sale environments as a result of declines in neighborhood values, changes in the building environment, or different regulatory rules, codes and laws, demand for this type of property, or existing financial markets.

CAPITAL IMPROVEMENTS

Certain capital improvements may be required while the Company owns the property. A reserve will be established to cover potential capital improvements, but no assurance can be made that the reserve will be sufficient to cover such capital expenses.

USE OF ESTIMATES AND PROJECTIONS

The Sponsor has made several estimates, assumptions, and projections in preparing this Memorandum, which may or may not be accurate. It has relied on third party information and used assumptions where appropriate to estimate potential income, expenses, acquisition costs, and sales proceeds. No assurance can be made that these estimates, assumptions, and projections are accurate or will result from the acquisition, operation, or ownership of the Property.

DEPENDENCE ON KEY PERSONNEL

The principal officers of the Company have extensive experience in real estate ventures and operations. The Company is dependent on the efforts of the Sponsor, their employees, and other affiliates of the Company, for strategic business direction and real estate experience (the “Key Personnel”). The loss of the services could harm the operations of the Company. The Company does not have and is not currently contemplating obtaining key man life insurance for the Key Personnel or entering into employment agreements with Key Personnel. Any such event could harm the Company and might force a sale or other disposition of the Property by the Company on terms that may not be advantageous to the Investors.



Sponsorship

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Sponsor Team: American Ventures

American Ventures

American Ventures LLC (AV) is a multifamily and commercial real estate investment company focused on the acquisition, rehabilitation and operation of value-add and core asset investment properties. AV offers family offices, private equity firms, and accredited investors access to quality multifamily and CRE and investment opportunities. The principals of American Ventures have invested in over 4,400 units and have over 40 years combined multifamily and real estate industry experience. With this growth and commitment to its core values, AV has earned local, regional, and national recognition in the multifamily & commercial real estate investment industry.



SHRAVAN PARSI
CEO & Founder

Shravan Parsi is an entrepreneur and innovator with a background in the diverse fields of real estate investing and pharmaceutical research. His experience as a pharmaceutical scientist drives his systematic approach to multifamily and commercial real estate investing. Shravan’s first book, *The Science of the Deal: The DNA of Multifamily and Commercial Real Estate Investing* was published in November 2019 by Forbes Books, a market leader in business print and digital media. Shravan has been involved in Texas real estate since 2003 and acquired 22 apartment complexes to the tune of 4,400 units & several commercial properties, by co-investing with private equity groups, family offices, high-net worth individuals and accredited investors.

Shravan is the CEO & Founder of American Ventures. With a forecasted pipeline of \$500,000,000 of acquisitions and developments for 2024, American Ventures is positioned for aggressive growth. American Ventures offers private equity firms, family offices and accredited investors access to quality multifamily and commercial real estate investment opportunities.



WILLIAM LITTLE III, CM, AVS
Vice President of Development & Entitlements

As the Director of Development Bill is responsible for leading the American Ventures development program and project designs, as it pertains to all aspects of development, including architectural, engineering, land planning and landscape architecture. Bill overseas various third-party consultant teams to complete timely permitting, coordinating the preparation and approval of development agreements, managing land development and site construction. With an understanding of land acquisition, entitlement, engineering, and construction-related to residential infrastructure and lot development, Bill assists the executive team with feasibility analysis stages of a project and is responsible for understanding how the engineering and construction factors affect the economics of projects. During the engineering and construction phase of the project Bill is responsible for leading the design team efforts while each project is constructed according to acceptable construction practices and the appropriate governing standards and specifications.



JOHN KASCHAK
Director of Acquisitions and Entitlements

John S. Kaschak heads American Ventures Acquisition and Entitlements Strategy based in Austin, Texas. John is responsible for identifying and sourcing land development opportunities by following growth patterns in Central Texas. Prior to American Ventures, John was an advisor and Director of Acquisitions for a private family development firm based in Sugar Land. John’s role was to ramp up the development pipeline for the firm in Central Texas while implementing the asset management and development procedures for the firm’s Retail Development in the Houston MSA. John found some early success by identifying and entitling two successful urban infill residential developments in Austin before identifying the need for lot development in the surrounding areas of Austin. John oversaw the identification and entitlement of several residential development projects in central Texas including the cities of Elgin, Manor, Leander, Jarrell, Georgetown and was able to successfully partner with Johnson Development Corp on their most recent municipal utility district, dubbed Nolina. Prior to his time in Sugar Land, John oversaw the acquisitions team for a small private family office in Austin after being an investment advisor for landlords in San Antonio, Texas.

Development Team: LJA Engineering



CHARLES R. HAGER V, PE
Senior Project Manager – Land Development

Mr. Hager has over 9 years of experience in the design, specification, permitting, platting/subdividing properties, and construction administration of site, industrial, and residential land development (with a focus on multi-family projects); including street, drainage, stormwater management, water distribution, and wastewater collection improvements. He has more than 7 years working in the Central Texas Region (with 2 years working in other regions). His experience includes engineering design and project management on complex private and public sector projects that require comprehensive understanding of engineering principles and navigation of local, State, and federal regulatory agencies including TxDOT, TCEQ, TDLR, most Central Texas Jurisdictions with in-depth experience in the City of San Marcos, City of Austin, Travis County, Hays County, and others. Mr. Hager provides valuable engineering services on projects relating to due diligence research, preliminary engineering and cost estimating, conceptual design, planning, FEMA permitting, construction plan/specification preparation, engineering reports, site and public sector permitting, quality assurance and control, Edwards Aquifer compliant project designs, construction administration services, and project coordination and oversight between multi-disciplinary teams.

Mr. Hager’s experience includes project management and design for a range of projects including roadway projects, large master-planned projects, retail shopping centers, multi-family and single-family residential, industrial sites, office campuses, and public improvement projects. He maintains very strong working relationships with regulatory agencies including City, County, TxDOT, and TCEQ personnel along with a thorough understanding of the permitting process and schedules.

Mr. Hager incorporates a strong technical background with his understanding of client’s needs to provide a high level of service on projects. His client-first approach emphasizes keeping projects on budget, on time, and delivering high quality products that are value engineered at all stages of project design and development. He provides high level of service, communication, organization, and oversight.



S. DANNY MILLER, PE
Vice President – Land Development

Mr. Miller is the division manager for LJA Central Texas Site Development and manages a team of 20+ Land Development Professionals. Mr. Miller is a vice president with over 27 years’ experience in multi-family, retail, and commercial projects, as well as master-planned communities, mixed-use projects, downtown infill developments, and affordable housing developments in the region. He manages the life-cycle of a project from initial due diligence and permitting through construction, including analyzing and preparing due diligence reports, conceptual planning, and preparing construction documents. Danny has been instrumental in significantly building LJA’s presence in Austin and takes the most satisfaction in working on projects that truly make a difference. This dedication is also evidenced in Danny’s commitment to client satisfaction above all else.

Mr. Miller has more than 18 years working in the Central Texas Region. His experience includes a wide variety of public and private projects with very diverse circumstances and design constraints, and has allowed Mr. Miller to become adept with a variety of local and State regulatory agencies including TxDOT, TCEQ, TDLR, City of San Marcos, City of Austin, City of Round Rock, the City of Bastrop, Travis County, Hays County, Williamson County, and others. Mr. Miller has provided various services including due diligence research, project management/coordination, conceptual design, and planning, FEMA Letter of Map Revision/Amendment applications, construction plan/specification preparation, permitting, QA/QC, and contract administration services.

Mr. Miller’s experience includes project management and design for a range of projects including major arterial roadway projects, large master-planned communities, retail shopping centers, multi-family and single-family residential, industrial sites, office campuses, parking and transit facilities and infill development. He has prepared and obtained approval for a large number of projects in the Austin, San Marcos, and surrounding areas which has allowed him to develop a very strong working relationship with the applicable regulatory agencies including city, county, TxDOT, and TCEQ personnel along with a thorough understanding of the permitting processes.

Mr. Miller puts an emphasis on keeping projects on schedule and within budget, while developing a high-quality product that is constructible and value engineered.

Development Team: Market Square Architects



PATRICK WEBER
Director, Midwest Region

From large-scale urban planning to fabrication details on custom furniture, I have a wide range of experience and expertise across a diverse spectrum of design. I brought my design interests together when I co-founded architecture firm and product design + fabrication business Aesh Design in January 2015. Aesh Design merged with Market Square Architects, PLLC in December 2022.

Specialties: Community Planning, Multifamily, Custom Residential, Commercial, Mixed-use, Healthcare & Athletic Training Design, Sustainable Design, Environmental Graphics, Construction Administration, Woodwork, Metal Work/Welding, Furniture Design & Fabrication



NATHAN SIEMENS
Project Architect

Nathan is a licensed architect with 20 years of experience in a diverse range and scale of project types. As a leader in creating unique, resilient and sustainable architectural solutions, he works to prioritize the local climate & context, incorporate indigenous materials, design for equity, and use technology to streamline methods of design communication & construction. He has extensive experience leading interdisciplinary teams, directing design, and overseeing construction on both domestic and international projects, and is highly skilled at collaborating with other design professionals to produce exceptional projects.



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San Marcos – E. McCarty Lane Land Acquisition within Austin MSA

46-ACRE – PROPOSED FUTURE DEVELOPMENT SITE

For More Information Contact

SHRAVAN PARSI

CEO & Founder

shravan@americanventures.com

210-862-5294

American Ventures