Throughout the current semester, our team, Campus Life Entertainment, LLC had the opportunity of participating in a real estate development project which enabled us to learn about each stage in the development process. This summary is a snapshot of our project from site selection to feasibility and is followed by a detailed pro forma and a more comprehensive summary.

With the assistance of TC Austin Realty Advisors and Moy Tarin Ramirez Engineers and through our market analysis, we targeted a specific void in San Antonio. With enrollment at an all time high and over 30,000 students, we determined that the largest university in the city was not being seen as a “market” at all. After comparing other Texas university’s nearby campus entertainment centers or “strips” with The University of Texas San Antonio’s non-existent campus life we were able to identify a specific void which has proven itself to be successful in other cities in Texas. We were also able to study comparable retail centers nearby to further gauge the feasibility of this project. Through due diligence for our site and continued market research we were certain about our decision to develop a retail/entertainment center near the University to fill this void and revitalize campus life for the growing UTSA student population, alumni and neighbors alike. After narrowing down our site possibilities by performing a SWOT analysis on each, we decided on a 16.07 acre tract located less than one mile from the University. Our site is located on Babcock Rd & Loop 1604 directly across from the campus and is within walking distance of the many student housing apartment complexes which surround the site. After reviewing the quantitative and qualitative aspects of the site and with the university’s new athletic complex nearby, we felt confident about pursuing the development of this land into an income producing commercial property that is an accessible, energetic and much needed addition to the “UTSA” area.

The Union will offer 75,000 sq ft. of 14-18 retail units that will cater to the “campus life” of college students featuring a variety of restaurants, pubs, coffee shops, entertainment venues, and lounges. The flexibility built into each of our four buildings allows for a profit driven income strategy. We believe this project can offer an attractive, longstanding presence for our tenants. The estimated build time is approximately 12 months with a total project cost of $16,962,764. Our business strategy consists of a ten year holding period and to further research the feasibility of this project, Campus Life Entertainment, LLC constructed a detailed development budget, a construction financing spreadsheet, a lease detail and a ten year pro forma. This investment is expected to generate an after-tax IRR of 16%, a net present value of $399,363.98, a going out cap rate of 9%, and an after-tax equity reversion of $12,578,070. We have concluded that “The Union” retail center would be a feasible and attractive income producing project.