



Private Placement Offering

Shoppes at Kingsgate

Kingwood, TX

The Offering

DML Capital is pleased to present the Shoppes at Kingsgate, a 156,343-square-foot, grocery-anchored, multi-tenant, neighborhood retail center located in the Kingwood community just northeast of Houston, Texas. Shoppes at Kingsgate is currently 95 percent occupied. The tenant base is a complementary mix of service-oriented businesses. Anchored by ALDI grocery store, and tenant base is diverse, featuring national, regional and local retailers. The center consists of three multi-tenant buildings and is situated on a large 14.88-acre parcel with ample paved parking.

The Shoppes at Kingsgate is located in a highly affluent and densely populated area, with a population exceeding 143,484 residents within a five-mile radius, and an average household income of \$116,673 within a one-mile radius; \$114,631 within a three-mile radius; and \$116,971 within a five mile radius.

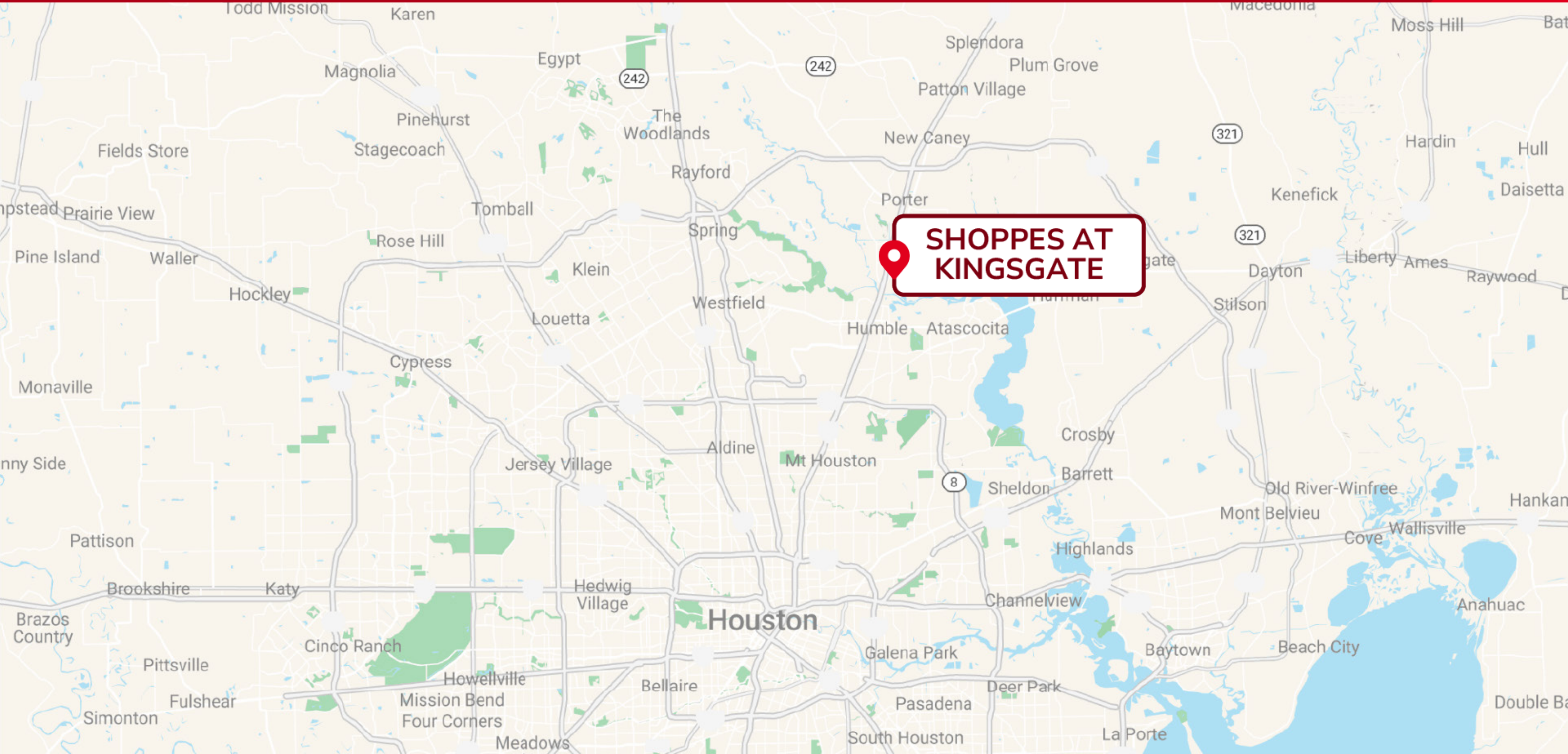
The subject property is located at the signalized, hard corner intersection of Kingwood Drive and Chestnut Ridge Road. Shoppes at Kingsgate benefits from multiple ingress and egress points and high traffic counts of approximately 40,000 vehicles per day on Kingwood Drive, one of the major thoroughfares of Kingwood.

SHOPPES AT KINGSGATE

1113-1387 KINGWOOD DR | KINGWOOD, TX 77339



Property Location

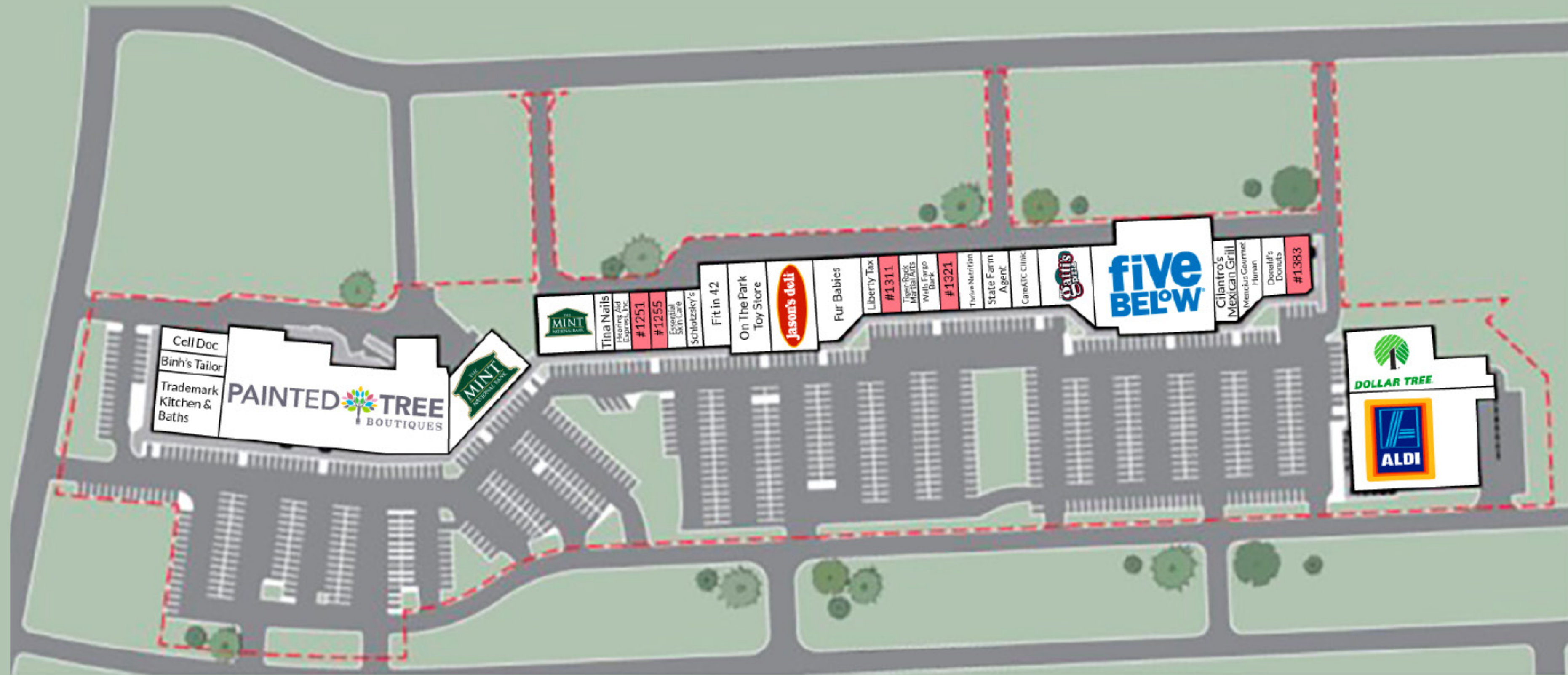


Property Location



1113-1387 Kingwood Drive, Kingwood, TX 77339

Site Plan



Rent Roll



Unit	Tenant Name	Start	Lease From	To	Unit Sqft	% Sqft	Base	NNN	Annual Base/SqFt	Annual NNN/SqFt	Total Base/NNN
1113	Cell Doc	10/15/16	02/01/17	07/31/25	800	0.62%	\$1,600.00	\$466.67	\$24.00	\$7.00	\$31.00
1117	Binh's Tailor	06/12/13	06/12/13	08/31/26	1,000	0.78%	\$1,333.33	\$634.69	\$16.00	\$7.00	\$23.00
1133	Trademark Kitchens & Baths	03/01/15	06/01/15	02/28/25	3,240	2.53%	\$4,320.00	\$1,890.73	\$16.00	\$7.00	\$23.00
1153	Painted Tree	02/01/22	06/01/22	05/31/32	37,528	29.25%	\$26,582.33	\$21,891.33	\$8.50	\$7.00	\$15.50
1213	The Mint National Bank	01/01/09	05/01/18	12/31/27	1,898	1.48%	\$3,479.67	\$1,107.17	\$22.00	\$7.00	\$29.00
1215	The Mint National Bank	10/01/12	05/01/18	12/31/27	2,460	1.92%	\$4,510.00	\$1,435.00	\$22.00	\$7.00	\$29.00
1223	The Mint National Bank	05/01/18	05/01/18	12/31/27	2,160	1.68%	\$3,960.00	\$1,260.49	\$22.00	\$7.00	\$29.00
1231	The Mint National Bank	01/01/23	01/01/23	12/31/27	3,686	2.87%	\$6,757.67	\$2,150.17	\$22.00	\$7.00	\$29.00
1235	The Mint National Bank	01/01/23	01/01/23	12/31/27	1,510	1.18%	\$2,768.33	\$880.83	\$22.00	\$7.00	\$29.00
1245	Tina Nails	11/06/20	02/01/21	01/31/26	1,075	0.84%	\$2,150.00	\$607.10	\$24.00	\$6.78	\$30.78
1247	Hearing Aid Express, Inc	12/11/12	04/01/18	03/31/28	1,435	1.12%	\$3,288.55	\$837.41	\$27.50	\$7.00	\$34.50
1251	Vacant				1,400	1.09%	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
1255	Vacant				1,400	1.09%	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
1259	Essential Skin Care	12/01/07	12/01/12	11/30/27	1,265	0.99%	\$2,530.00	\$738.20	\$24.00	\$7.00	\$31.00
1263	Schlotzsky's	08/01/99	09/01/22	08/31/32	1,820	1.42%	\$2,502.50	\$995.19	\$16.50	\$6.56	\$23.06
1267	Fit in 42 (Relo from 1311)	06/01/21	11/01/21	10/31/26	3,533	2.75%	\$5,888.33	\$2,061.71	\$20.00	\$7.00	\$27.00
1271	On The Park	11/01/01	11/01/16	10/31/26	5,000	3.90%	\$10,000.00	\$2,841.67	\$24.00	\$6.82	\$30.82
1275	Jason's Deli	08/01/02	08/01/02	07/31/27	4,000	3.12%	\$6,000.00	\$2,119.62	\$18.00	\$6.36	\$24.36
1303	Fur Babies	04/01/16	04/01/16	03/31/26	5,843	4.55%	\$10,176.56	\$3,299.69	\$20.90	\$6.78	\$27.68
1309	Liberty Tax	10/01/16	10/01/16	04/30/25	1,050	0.82%	\$1,925.00	\$612.74	\$22.00	\$7.00	\$29.00
1311	Vacant				1,400	1.09%	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
1313	Tiger- Rock Martial Arts	02/01/10	02/01/10	01/31/30	2,450	1.91%	\$3,266.67	\$1,429.72	\$16.00	\$7.00	\$23.00
1319	Wells Fargo Bank	07/15/20	02/01/21	06/30/28	2,710	2.11%	\$5,166.67	\$1,581.44	\$22.88	\$7.00	\$29.34
	Wells Fargo Bank - ATM	12/16/20	04/27/22	01/31/29		0.00%	\$1,300.00	Gross Lease			\$0.00
1321	Vacant				1,228	0.96%	\$0.00	\$0.00	\$0.00	\$0.00	\$29.50
1327	Thrive Nutrition	07/01/05	01/01/22	12/31/24	1,925	1.50%	\$3,609.38	\$1,123.35	\$22.50	\$7.00	\$27.00
1329	State Farm Agent	11/01/08	11/01/18	10/31/28	1,820	1.42%	\$3,033.33	\$1,062.08	\$20.00	\$7.00	\$27.00
1331	CareATC	08/01/20	12/01/20	11/30/25	1,820	1.42%	\$3,033.33	\$1,062.25	\$20.00	\$7.00	\$28.20
1345	Mr. Gattis Pizza	12/10/20	03/01/21	05/31/26	5,550	4.33%	\$9,906.75	\$3,299.69	\$21.42	\$6.78	\$17,500.00
1375	Five Below	07/06/21	10/01/21	01/31/27	17,538	13.67%	\$17,500.00	Gross Rent			
1377	Cilantro's	04/01/09	04/01/09	03/31/24	3,000	2.34%	\$5,500.00	\$1,694.17	\$22.00	\$6.78	\$28.78
1379	Mencius Gourmet Hunan	08/01/93	02/01/14	01/31/34	3,250	2.53%	\$5,145.83	\$1,835.66	\$19.00	\$6.78	\$25.78
1381	Donald's Donuts	12/01/18	03/01/19	02/28/24	1,400	1.09%	\$3,033.33	\$790.35	\$26.00	\$6.78	\$32.78
1383	Vacant				2,116	1.65%					
	Occupied In-Line				120,766	94.12%					
	Vacant In-Line				7,544	5.88%					
	Total In-Line				128,310	100.00%					
1385	Dollar Tree	11/01/16	11/01/16	01/31/27	9,500	6.08%	\$10,291.67	\$4,252.48	\$13.00	\$5.85	\$18.85
1387	ALDI	11/01/17	11/01/17	10/31/37	18,533	11.85%	\$11,812.50	\$7,846.00	\$7.88	\$1.04	\$8.92
					79,224						
	Occupied Pad Spaces				28,033	100.00%					
	Total Shopping Center				156,343		\$182,371.73	\$71,807.60			

Investment Highlights

- ✓ 156,343-Square-Foot, Grocery-Anchored Multi-Tenant Retail Center 95% Occupied
- ✓ Current Average Rents are Below Market | Upside Potential
- ✓ Anchored by ALDI and Dollar Tree
- ✓ Five Below was Recently Approved to Assume Existing Tuesday Morning Lease
- ✓ Traffic Counts Exceed 40,000 Vehicles per Day | Kingwood Drive is One of the Major Thoroughfares in the City
- ✓ Highly Affluent Surrounding Area | Average Household Income is \$116,673 within a One-Mile Radius; \$114,631 within a Three-Mile Radius; and \$116,971 within a Five- Mile Radius



Equity Stack & Hurdle Details

20

Units to Sponsor
for \$500,000

170

LP Units @
\$50,000 Each

First

8%

of Free Cash Flow
to LPs

Additional

80%

of All Remaining
Cash to LPs after 2%
Asset Management
Fees

Deal Summary

Property Summary	
Net Rentable Area	156,343 sf
Value / Cost Summary	<u>TOTAL</u>
Purchase Price	\$ 26,385,287
Going In Cap Rate	8.72%
Estimated Closing Costs & Working Capital	\$ 364,713
Total Cost	\$ 26,750,000
Equity Requirement	\$ 9,000,000
Loan Amount	\$ 17,750,000
Loan Term 5 Year P&I	5 Years
5 Year Avg Annual Debt Service	\$ 1,399,258
Cash Flow	
5 Year Projected Avg NOI	\$ 2,301,977
5 Year IRR	13.00%



5 Year Pro Forma

	2024	2025	2026	2027	2028
Total SF	156,343	156,343	156,343	156,343	156,343
Total Occupied	151,599	156,343	156,343	156,343	156,343
Rent/SF	\$ 14.78	\$ 15.25	\$ 15.44	\$ 15.68	\$ 15.94
Rent Current	2,240,504	2,384,246	2,414,380	2,451,338	2,491,431
Cam Current	839,946	845,119	846,204	847,535	848,979
Total Rent	3,080,450	3,229,365	3,260,585	3,298,873	3,340,409
Reimbursable Expense					
Property Taxes	532,000	532,001	532,002	532,003	532,004
Insurance	156,343	156,343	156,343	156,343	156,343
Opex - Repairs	25,752	25,752	25,752	25,752	25,752
Opex - Contract Services	36,000	36,000	36,000	36,000	36,000
Opex - Utilities	47,353	47,353	47,353	47,353	47,353
Opex - Hoa Expenses	13,056	13,056	13,056	13,056	13,056
Opex - Management Fees	123,218	128,968	130,173	131,651	133,255
	933,722	939,473	940,679	942,158	943,763
Net Operating Cash Flow	2,146,728	2,289,892	2,319,905	2,356,715	2,396,646
Annual Debt Service	1,399,258	1,399,258	1,399,258	1,399,258	1,399,258
Net Cash Flow After Debt Service	747,470	890,634	920,647	957,456	997,388

5 Year ROI

	2023	2024	2025	2026	2027
Cash Flow Available	747,470	890,634	920,647	957,456	997,388
Investment	9,000,000	-	-	-	-
Net Cash Flow After Debt Service	747,470	890,634	920,647	957,456	997,388
LP 8% Return	720,000	720,000	720,000	720,000	720,000
Asset Management Fee	27,470	170,634	180,000	180,000	180,000
Prior Unpaid Asset Mgmt Fee	-	-	20,647	57,456	83,793
LP 80% of Remainder	-	-	-	-	10,115
Refinance Cash Out	-	-	-	-	10,000,000
Total Cash Flow	720,000	720,000	720,000	720,000	10,730,115
Annual Cash Flow %	8.00%	8.00%	8.00%	8.00%	119.22%
IRR	13.00%				

5 Year Debt Restructure With Cash Out

VALUE AT YR 5	\$ 36,900,000
CASH OUT REFINANCE	\$ 26,685,843
LOAN OUTSTANDING AT YR 5	\$ 16,685,843
CASH OUT TO LP YR 5	\$ 9,993,023
TOTAL CASH RETURN	\$ 14,503,138

AVERAGE ANNUAL CASH ON CASH

12.2%

IRR

13.0%

About DML

Sajjid Dawood



Sajjid Dawood is a co-founder of DML Capital and has been a partner at the firm for 13 years, leading its growth and development since its launch in 2010. Sajjid's extensive experience of over 25 years in the real estate industry has undoubtedly contributed to his and DML Capital's success. His strategic vision and leadership have played a pivotal role in establishing DML Capital as a highly respected and successful real estate development firm in the region. With a diverse portfolio of projects, ranging from commercial properties to mixed-use developments, Sajjid has demonstrated his ability to navigate complex deal structures and achieve success across various ventures. Sajjid is mathematically inclined which contributes to his attention to detail. His negotiation techniques and experience in the field have contributed greatly to the establishment of DML Capital. From the start of DML Capital in 2010 to now, Sajjid has contributed to the development of over 750 acres of real estate, growing the company's assets from 1.2 million to over 500 million. Currently, the firm manages over 1 million square feet of retail real estate. In his spare time, he enjoys traveling with his family, golfing, and trying foods of different cultures. Sajjid was raised in Houston as he moved at a young age and loves to give back to his community.

Anil Mohammed



Anil Mohammed is a co-founder of DML Capital and has been a partner at the firm for 13 years, leading its growth and development since its launch in 2010. After graduating from Emory University in 2009 with a BBA in finance and economics, he came back home to Houston to grow his families business in retail fueling stations and fast food. Anil soon discovered his passion for developing retail real estate. In 2010, Anil and his partners, Sajjid Dawood and Saleem Lakhani, bought their first shopping center. Fast forward to 2023, Anil has contributed to the development of over 750 acres of real estate, growing the company's assets from 1.2 million to over 500 million. Currently, the firm manages over 1 million square feet of retail real estate. Anil has a knack for finding opportunistic deals and a track record of turning failed management into positive cash flowing assets that provide long-term stable growth for the company and its partners. He values long-term relationships based on trust and loyalty and is committed to delivering exceptional results for DML Capital's clients. When not working, Anil enjoys traveling to discover new cultures and experiences, gaining valuable perspective and inspiration. He is an avid skier and loves hitting the slopes whenever he has the chance. Anil lives in West University with his wife and dog. As a Houston native, he finds it fulfilling to contribute to the city's evolution by developing real estate properties in his hometown.

Saleem Lakhani



Saleem Lakhani, CPA is a successful entrepreneur, co-founder of DML Capital, and founder and managing member of Saleem Lakhani CPA PLLC. With over 15 years of experience in the real estate and accounting industries, he has established himself as a leading expert in these fields. As a co-founder of DML Capital, Saleem has played a pivotal role in driving the success of the company, positioning it as one of the most respected and successful real estate development firms in the region. His leadership and strategic vision have been instrumental in overseeing a wide range of projects, from commercial properties to mixed-use developments, and navigating complex deal structures. Saleem has a special appreciation for Houston as he received his Bachelor's degree in Finance and Accounting from the University of Houston and continues to expand his knowledge and expertise in his field. Before founding DML Capital and Saleem Lakhani CPA PLLC, Saleem worked for leading public accounting firms Arthur Andersen and Grant Thornton, where he gained valuable experience in auditing, accounting, and financial reporting. At Saleem Lakhani CPA PLLC, he provides expert financial and accounting advice to clients across various industries, leveraging his deep understanding of tax law, financial reporting, and accounting to help businesses achieve financial success. He is a licensed CPA with a passion for delivering exceptional service to his clients.

Performance History

1.6x

AVG equity Multiple
of exited deals

40%

AVG IRR
of exited deals

4 yrs

AVG Hold Period
of exited deals

24.5%

AVG cash on cash/yr
return of current portfolio

\$127,000,000

Total Value of deals Acquired in last 1 year

Next Steps

1 Confirm Interest by completing interest form
<https://forms.gle/b1oMW7hhXaGPCvb57>

2 Sign Subscription & Send Deposit of \$10,000

3 All funds due by October 15th



Questions?

Call or Email

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