

Cavanal Hill Investment Property

Summary

Real estate based ventures for a covenant community, at this stage, is the general plan. Some example possibilities would be: homestead shares, resort and convention hall, hunting cabins, farming, ranching, timber, quarry, firing range and gun club, camping, hiking, horseback riding, fishing.

We are not interested in a loan. We are looking for co-owners. We do not have any stock to sell. We are looking for investors to form a consortium, to pool their resources for seed capital, to collaborate to optimize revenue generation, to sell shares, to earn dividends on the shares they hold, and to gain value as the property appreciates and is developed.

This is one step in a much larger plan. This is the initial investment for our venture. It is 3300 acres with four houses. Two of the houses are currently rentals. The current owners have a cattle business and a quarry business operating from this property. It is just North of Wister, Oklahoma. The asking price is \$14M. By developing and selling this property in smaller lots, each acre has much more value.

Details

Notes

There is a separate document explaining the “Homestead Share Investment” part of this proposal.

Only a small part of the property has mineral rights. This is normal in Oklahoma. This does not mean the mineral rights holder can mine our property whenever or however they want. They would need to pay us for access, if we allow access at all.

Here is a link to see a map of the property:

<https://mapright.com/ranching/maps/653c928413f0db1abf79a6f699425ca8/share>

Property value

As mentioned above, the immediate value from this purchase is that it is more valuable when sold as smaller lots. That is exactly what we are needing for our homesteading covenant community, so we are keen to do the management work for this development.

As you can imagine, some covenants would actually decrease the value of the property, and some create more value. From our perspective, there are currently many, many families that would be delighted to come live in a homesteading community based on conservative Christian values, with a focus on biblical liberty.

Three years ago, there was exceptionally high flooding in the region. This provides a good gauge to see where there are problems. Per the owner, there were no water issues at any of the houses, even during the worst flood levels. Based on the flood maps, the roads leading to the property also remained clear.

The timber in the hills were select cut about 5 years ago, per the owner.

The owner has put a value of the 4 houses at \$2 million and valued the land at \$3,500 per acre.

From our Realtor, here are the estimated values based on comparable sales of properties in the area over the last 6 months.

Our Realtor is seeing raw land sell for \$2,000-\$3,000 per acre. Pasture or cleared land they have seen sell for \$3,000-\$5,000 per acre. These acres are a mixture of both.

Home	bed	bath	sq ft	built	Estimated Price Per Sq Ft	Estimated Home Value
1.5 story Ranch	4	3	4630	2001	131.62	\$ 609,401
2 Story Blue	4	3	2588	1997	131.62	\$ 340,633
Unfinished apartment sq ft estimated			1000	1997	65.81	\$ 65,810
Canyon Cabin	3	2	2624	1997	131.62	\$ 345,371
Ranch Stone	3	2	1794	1976	103.27	\$ 185,266

Business value

The current property owner has a quarry business. From this property, per the owner, he grosses about \$115k per month on the Moss Rock (the larger rocks). His annual net revenue on this rock is about \$690,000.

Per the owner, he makes about \$100-\$150k per year on the cattle (said he has somewhere between 250-300 head of cattle). His profit depends on what the market is doing at sale time.

Per the owner, he had an offer last year of \$60k for a one-year hunting and fishing lease and turned it down.

The owner is raising the rent on the two rentals as follows. Rock house \$700 per month and they have been there about 6 years. The two story blue house \$1,000 per month and they have been there 2 years.

Near the blue house, there are over 30 acres that have good soil for crops.

Our Realtor said this area gets hunting cabins booked out two years in advance, so a potential development project could include this type of construction.