

This is a high-stakes, strategic acquisition. At **₱341.6 Million**, you aren't just buying real estate; you are buying a strategic "footprint." With 4,500 sqm, you have the luxury of **mixed-use synergy**—combining a high-traffic anchor (the gas station) with high-margin recurring income (the automotive hub).

Below is a preliminary feasibility framework based on current Philippine market standards for 2026.

I. Total Project Capital Outlay (Estimated)

To revive the asset and develop the vacant portion, we categorize the "shell out" into three phases:

Phase	Description	Estimated Cost (PHP)
Acquisition	Foreclosed Property Price	₱341,600,000
Taxes & Transfer	DST, Transfer Tax, Registration, Notarial (approx. 3-4%)	₱12,000,000
Gas Station Rehab	Tank testing, pump replacement, canopy rehab, branding	₱15,000,000
Retail Development	Construction of 1,500 sqm GLA (Automotive Hub)	₱45,000,000

Working Capital	Initial fuel inventory and 6 months OPEX	₱10,000,000
TOTAL SHELL OUT		₱423,600,000

II. Revenue Streams & Projections

1. The Anchor: Revived Gas Station

Operating a station on a 4,500 sqm lot suggests a "Mega Station" potential.

- **Target Volume:** 400,000 liters/month.
- **Margin:** Net ₱2.00 to ₱3.00 per liter (after OPEX).
- **Monthly EBITDA:** ₱1,000,000.

2. The Legacy: Automotive Retail Hub

Developing 1,500 sqm of Gross Leasable Area (GLA) for dealerships and service centers.

- **Rental Rate:** ₱600 - ₱800 per sqm (depending on location/prime frontage).
- **Monthly Rental Income:** ₱1,050,000 (at ₱700/sqm).
- **CUSA/Common Areas:** Should be break-even for security and maintenance.

3. Total Monthly Cash Flow

- **Combined Monthly EBITDA:** ₱2,050,000
- **Annual Net Cash Flow:** ₱24,600,000

III. ROI Analysis: When is the Recovery?

Under **RA 9646 (RESA Law)** standards, we evaluate the "Return on Investment" (ROI) vs. "Return of Investment" (Payback Period).

The Payback Period

Based on a total investment of **₱423.6M** and an annual net income of **₱24.6M**:

- **Cash-on-Cash Return:** ~5.8% annually.
- **Simple Payback Period:** 17.2 Years.

Broker's Insight: In Philippine commercial real estate, a 17-year payback for a land-heavy asset is standard. However, this does not account for **Capital Appreciation**. Commercial land in prime areas typically appreciates at 5-8% annually. By Year 10, the land value alone will likely exceed the initial ₱423M total investment.

IV. Strategic Execution (The "How-To")

1. Compliance and Licensing (RESA & Regulatory)

Before any construction, ensure the **Environmental Compliance Certificate (ECC)** from the DENR is updated, especially since the gas station was "non-performing." Check the **Bureau of Fire Protection (BFP)** clearances for underground tank integrity.

2. The "Automotive Hub" Concept

By clustering a dealership, a car wash, and a detailing shop, you create a "destination."

- **Synergy:** People fueling up see the car accessories shop.
- **Passive Income:** Unlike the gas station (which is operations-heavy), the retail spaces provide "sleep-well-at-night" income.

3. Taxation Strategy

Since this is a "Legacy Project," consider incorporating a **Family Asset Holding Company**. This allows for easier succession planning and potentially lower tax exposure on the rental income compared to individual income tax rates.

V. Summary for the Investor

This project is a **Value-Add Play**. You are buying a distressed asset (non-performing station) and converting it into a Multi-Income Stream property.

- **Initial Shell Out:** ~₱423.6 Million.
- **Monthly Passive/Active Income:** ~₱2 Million.

- **ROI Window:** 17 years (Cash-flow based) or immediate equity gain through land appreciation and development.

Is this the right time? Yes. Foreclosed assets are priced below market value. By the time the retail hub is fully tenanted, the "forced appreciation" created by your development will likely increase the property's market value to over ₱550M.