

# **Estates Investments LLC (EI) Passive Income Projects (PIP)**

**4206 Larkspur St.**

**Houston, TX 77051**



**4-Plex  
2 Bedroom / 1.5 Bath  
Living area = 3826 sq. ft.  
Other = 271 sq. ft.  
Total = 4097 sq. ft.  
Living area per unit = 956 sq. ft.**

**Exclusively Presented By:**

**Lawrence H. Brake**

**Estates Investments LLC**

**9406 Meaux Dr.**

**Houston, TX 77031**

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# PROJECT SUMMARY

## PROJECT SUMMARY - HOLD/RENT

<b><u>PURCHASE/CONSTRUCTION ASSUMPTIONS</u></b>	
Purchase Price	50,000.00
Construction Cost	412,954.91
Total Closing (not inc. Refi) and Holding Costs	6,780.00
Total Financing Costs	36,791.67
Total Project Cost	506,526.58
Total Amount Financed	506,526.58
Total Cash Committed	-
<b><u>NEW LOAN ASSUMPTIONS</u></b>	
Projected As-Built Appraisal	642,000.00
New Loan Amount	545,700.00
Closing Costs on New Loan	16,371.00
<b><u>RESULTS</u></b>	
Cash-Out at Refi	22,802.42
Lender Split of Cash-Out Profit	
Profit at Refi	22,802.42
ROI on Downpayment/Cash Invested (Annualized)	N/A
Original Investment Tied up in Deal after Refi	-
Equity Left in the Deal after Refi	96,300.00
Monthly Cashflow (Pretax)	1,139.07
Cash-on-Cash Return (Annual)	infinite

<b><u>Breakdown of Financing Costs:</u></b>	
Origination/Discount Points	18,518
Other Closing Costs for Loan	-
Interest on Original Loan	3,559
Interest on Construction Money	14,714
Total	36,792

# BUYER MARKETING SHEET (HOLD)

## Estates Investments LLC (EI) Passive Income Projects (PIP)

Property Address: **4206 Larkspur St.**  
 Property City, State, ZIP: **Houston, TX 77051**  
 Bedrooms: Baths: Sq.Feet: Built:

Notes: As far as marketing goes. (THERE IS NONE) That's why we pay the PRO's to do what they are pro at doing. (8%) management.

**Presented by:**

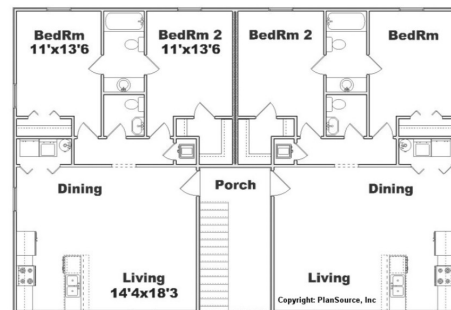
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**Project Description:** Brand NEW, 2 bed, 1 1/2 bath, 956 sf apartments for lease. \$1200.00 per month. GREAT schools, GREAT access & GREAT AREA!

<b>PURCHASE/CONSTRUCTION ASSUMPTIONS</b>	% of ABV	
As-Built Value (ABV)	642,000.00	
<b>Purchase Price (Offer Price)</b>	<b>50,000.00</b>	8%
Construction Costs	412,954.91	64%
Total Closing (not inc. Refi) and Holding Costs	6,780.00	1%
Total Financing Costs	36,791.67	6%
<b>Total Project Cost Basis</b>	<b>506,526.58</b>	79%
Total Amount Financed	506,526.58	
Total Cash Committed	-	

### PROJECTED RESULTS

Projected Monthly Rent (net of vacancy)	4,800.00	Projected New Loan Amount (for Refi)	545,700.00
Projected Monthly Expenses	1,055.67	Cash-Out at Refi (net of closing costs)	22,802.42
Projected Monthly Net Operating Income	3,744.33	Profit at Refi (Net of Cash Committed)	22,802.42
		Cash Left in the Deal after Refi	-
Cap Rate Based on Cost Basis	8.9%	Equity Left in the Deal after Refi	96,300.00
Cap Rate Based on ABV	<b>7.0%</b>	Monthly Cash Flow (before-tax)	1,139.07
Assumed Time to Complete Construction	9 Months	Cash-on-Cash Return (before-tax)	infinite
Assumed Time to Complete Refi	2 Months	<b>DCR of New Loan</b>	1.44
Total Time between Acquisition and Refi	11 Months	<i>Assuming 4% Rate and 30 Year Amortization</i>	



## STABILIZED INCOME AND EXPENSES (HOLD)

Estates Investments Passive Income Project 4206 Larkspur St. Houston, TX 77051				Lawrence H. Brake Estates Investments LLC (281) 624-4440			
OPERATING INCOME							
Unit Type #	# of units	Unit type	Square Ft	\$/Ft/Mth	Monthly	Annual Rent	% of GSI
1	4		956		1,200	57,600	100.0%
<b>Total</b>			3,824				
Gross Schedule Income					4,800	57,600	100%
VACANCY LOSS					0.0%	0	0
Other Income					0	0	
Gross Operating Income (Effective Gross Inc)					4,800	57,600	

OPERATING EXPENSES	Cost/Unit /Year	Total Monthly	Total Annual	% of Total Expenses	% of GOI	
Management Fee (% of Gross income)	8.0%	1,152	384	4,608	36.4%	8.0%
Advertising						
Insurance Hazard		345	115	1,380	10.9%	2.4%
Janitorial						
Landscape Maintenance		105	35	420	3.3%	0.7%
Legal						
Miscellaneous						
Referrals or commissions						
Repairs and Maintenance		150	50	600	4.7%	1.0%
Reserves						
Taxes - Property		1,340	447	5,360	42.3%	9.3%
other		75	25	300	2.4%	0.5%
<b>Utilities:</b>						
Water/Sewer						
Electricity						
Gas						
Fuel Oil						
Other Utilities						
<b>Total Operating Expenses</b>		<b>3,167</b>	<b>1,056</b>	<b>12,668</b>	<b>100%</b>	<b>22%</b>
<b>Net Operating Income</b>		<b>11,233</b>	<b>3,744</b>	<b>44,932</b>		<b>78%</b>

## CASH FLOW SUMMARY (HOLD)

<b>Estates Investments Passive Income Project</b> <b>4206 Larkspur St.</b> <b>Houston, TX 77051</b>	<b>Lawrence H. Brake</b> <b>Estates Investments LLC</b> <b>(281) 624-4440</b>
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Month	0	1	2	3	4	5	6	7	8
Purchase	(50,000)								
Closing Costs	(1,500)								
Orig/Disc Points and Loan Closing Costs									
Holding Costs		(480)	(480)	(480)	(480)	(480)	(480)	(480)	(480)
Construction Draws/Expenses		(45,884)	(45,884)	(45,884)	(45,884)	(45,884)	(45,884)	(45,884)	(45,884)
Interest (Paid or Accrued)		(300)	(571)	(841)	(1,112)	(1,382)	(1,653)	(1,923)	(2,194)
Total Cash Spent in Period	0	0	0	0	0	0	0	0	0
Cumulative Financed	(51,500)	(52,280)	(99,217)	(146,427)	(193,913)	(241,676)	(289,717)	(338,038)	(386,642)
Cumulative Cost Basis	(51,500)	(98,164)	(145,101)	(192,311)	(239,797)	(287,559)	(335,601)	(383,922)	(432,526)
Refinance: New Loan Amount									
Closing Costs on New Loan									
PayOff Existing Loan									
Cash Out at Refi									

Profit to Investor at Refi  
 Return on Cash Investment  
 Cash Tied up in Deal  
 Equity Left in Deal

Month	9	10	11	12	13	14	15	16
Orig/Disc Points and Loan Closing Costs			(18,518)					
Holding Costs	(480)	(480)	(480)					
Construction Draws/Expenses	(45,884)							
Interest (Paid or Accrued)	(2,464)	(2,735)	(2,737)					
Total Cash Spent in Period	0	0	0					
Cumulative Financed	(435,529)	(484,701)	(506,527)					
Cumulative Cost Basis	(481,413)	(484,701)	(506,527)					
Refinance: New Loan Amount			545,700					
Closing Costs on New Loan			(16,371)					
PayOff Existing Loan			(506,527)					
Cash Out at Refi			22,802					

Profit to Investor at Refi 22,802  
 Return on Cash Investment (annualized) infinite  
 Cash Tied up in Deal 0  
 Equity Left in Deal 96,300

# (PIP) Funding Information

## Estates Investments LLC (EI) Passive Income Projects (PIP)

Property Address: **4206 Larkspur St.**

Property City, State, ZIP: **Houston, TX 77051**

Bedrooms: Baths: Sq.Feet: Built:

Notes: Points & interest rates apply to Private Lenders. Does not apply to JV's

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<b>PURCHASE/LOAN ASSUMPTIONS</b>		<b>% of ABV</b>	<b>Timeline Assumptions:</b>	
As-Built Value (ABV)	642,000.00		Time to Complete Construction	9 Months
Purchase Price	50,000.00	8%	Time to Lease Up	2 Months
Construction Costs	412,954.91	64%	<b>Total Time</b>	<b>11 Months</b>
Closing/Holding Costs	6,780.00	1%		
<b>Total Funds Needed:</b>	<b>469,734.91</b>	<b>73%</b>		
Points/Interest (Deferred)	36,791.67	<b>6%</b>		
Total Loan Amount *	506,526.58	<b>79%</b>		
<b>Points Offered to Lender</b>		<b>4.0%</b>		
<b>Interest Rate Offered to Lender</b>		<b>7.0%</b>		

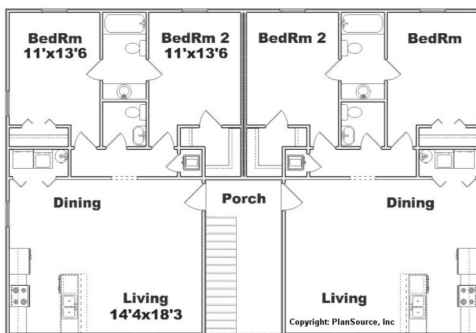
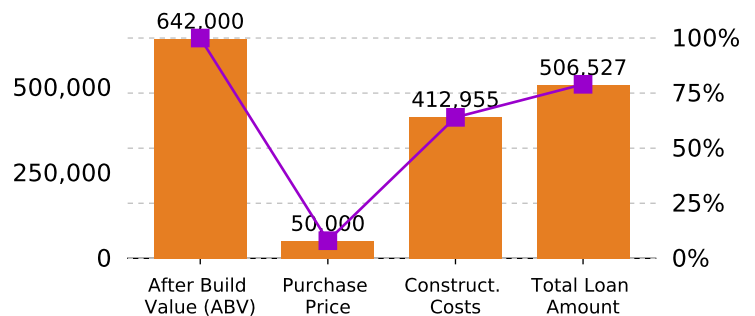
**Project Description:** This property is 1 acre. Zoning allows 1 unit per 1000 sf. w/ 2 story allowance. So, basically zoning is allowing (right to build) 43 units. However, due to unit access & egress and % of use. It is decided to divide this lot into 5 equal parts (.2 acre).

**Additional Notes:** By doing this, there will 5 lots available to build 1 4-plex on each lot. The 1 acre lot purchase price is 99,999.00. Attributing \$50,000.00 towards the development of the 1st 4-plex. The 2nd \$50,000.00 attributed to the 2nd 4-plex. 4-plex 3-4-5 will now be built on free & clear property. By doing this the development goes from commercial to SFD, saving \$k's

### PROJECTED FINANCIAL RESULTS FOR LENDER:

Total Interest Income	18,273
Points, Fees	18,518
<b>Total Income to Lender</b>	<b>36,792</b>
Cash-on-Cash Return (annualized)	8.54%
Internal Rate of Return (annualized)	14.73%

### Loan to Value Breakdown



## CASH FLOW TO LENDER (FLIP)

**4206 Larkspur St.  
Houston, TX 77051**

**Lawrence H. Brake  
Estates Investments LLC  
(281) 624-4440**

Points Offered to Lender:	4.00%	Total Interest Income:	18,273
Interest Rate Offered to Lender:	7.00%	Points, Fees:	18,518
 Total Amount Funded By Lender:	 469,735	 Total:	 36,792
Total Loan Amount (inc deferred):	506,527	Cash-on-Cash Return (annual):	8.54%
		IRR (annualized):	14.73%

Month	0	1	2	3	4	5	6	7	8
Purchase	(50,000)								
Purchase Closing Costs Funded	(1,500)								
Holding Costs Funded		(480)	(480)	(480)	(480)	(480)	(480)	(480)	(480)
Origination/Discount Points									
Construction Draws		(45,884)	(45,884)	(45,884)	(45,884)	(45,884)	(45,884)	(45,884)	(45,884)
Interest on Loan (Paid)									
Interest on Loan (Deferred)		300	303	306	309	312	314	317	320
Interest on Draws (Paid)									
Interest on Draws (Deferred)			268	535	803	1,071	1,338	1,606	1,874
<b>Total Loan Balance</b>	<b>(51,500)</b>	<b>(98,164)</b>	<b>(145,101)</b>	<b>(192,311)</b>	<b>(239,797)</b>	<b>(287,559)</b>	<b>(335,601)</b>	<b>(383,922)</b>	<b>(432,526)</b>

Payback of the Loan

Cashflows Out	(51,500)	(46,364)	(46,364)	(46,364)	(46,364)	(46,364)	(46,364)	(46,364)	(46,364)
Cashflows In									
<b>Net</b>	<b>(51,500)</b>	<b>(46,364)</b>	<b>(46,364)</b>	<b>(46,364)</b>	<b>(46,364)</b>	<b>(46,364)</b>	<b>(46,364)</b>	<b>(46,364)</b>	<b>(46,364)</b>

Month	9	10	11	12	13	14	15	16
Holding Costs Funded	(480)	(480)	(480)					
Origination/Discount Points			18,518					
Construction Draws	(45,884)							
Interest on Loan (Paid)								
Interest on Loan (Deferred)		323	326	328				
Interest on Draws (Paid)								
Interest on Draws (Deferred)		2,141	2,409	2,409				
<b>Total Loan Balance</b>	<b>(481,413)</b>	<b>(484,701)</b>	<b>(506,527)</b>					
<b>Payback of the Loan</b>			<b>506,527</b>					

Cashflows Out	(46,364)	(480)	(480)
Cashflows In			506,527
<b>Net</b>	<b>(46,364)</b>	<b>(480)</b>	<b>506,047</b>

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**EI 4-Plex JV&PL**

**Lump Sum Budget:**

412954.91