PRELIMINARY OFFERING MEMORANDUM

# 4107 Lark Lane

## Houston, Texas 77025

Six-Unit Multifamily Investment | Renovated Value-Add Opportunity

| 6 | $8,400 | $100,800 |
|---|---|---|
| TOTAL UNITS | STABILIZED MONTHLY RENT | STABILIZED ANNUAL RENT |

**Prepared by Jewel Home Buyers**

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INVESTMENT OVERVIEW

# Executive Summary

A renovated six-unit asset with immediate lease-up potential and substantial mark-to-market upside from legacy rents.

| $899,990 | $3,150 | $63,000 | 6.64% |
|---|---|---|---|
| CURRENT ASKING PRICE | CURRENT MONTHLY COLLECTIONS | ANNUAL GROSS RENT UPSIDE | STABILIZED CAP AT ASKING |

**Core investment thesis**

Two units are vacant, renovated and positioned for lease-up at an owner-estimated market rent of $1,400 per month. The four occupied units are legacy tenancies from prior ownership and collectively collect $3,150 per month, creating a meaningful loss-to-lease opportunity as leases permit future rent adjustments.

| Property attribute | Current information |
|---|---|
| Asset type | Six-unit multifamily / residential income property |
| Address | 4107 Lark Ln, Houston, TX 77025 |
| Building size | Approximately 4,680 square feet (public listing data) |
| Year built | 2004 (public listing data) |
| Unit mix | Six 2-bedroom units (public listing data) |
| Occupancy | 4 occupied / 2 vacant renovated units (66.7% physical occupancy) |
| Current ownership period | Approximately three months; full T-12 under current ownership is not available |
| Utilities | Tenants pay individual electric and gas; owner pays water |
| Owner-paid recurring costs | Water approximately $260 per assumed monthly billing cycle; landscaping $100/month |
| 2025 property taxes | $13,112 without exemptions (public listing / tax-year data) |

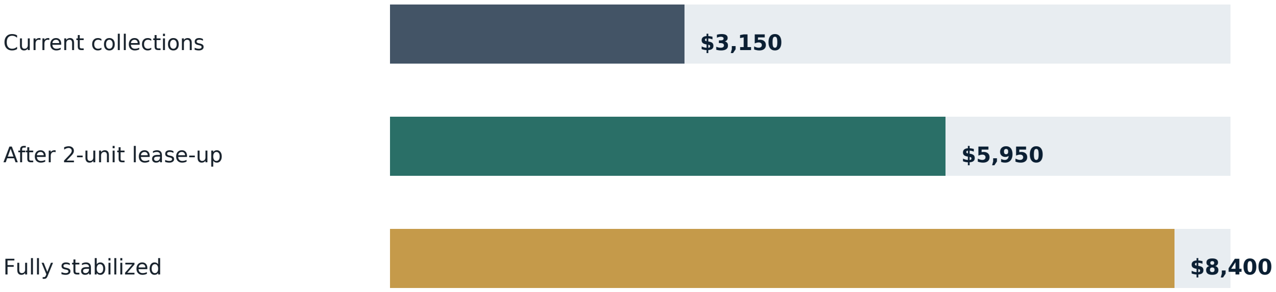
Location positioning. The property is situated in Houston’s 77025 area near major employment and demand drivers including the Texas Medical Center and NRG complex. Renovation work reported by ownership includes new plumbing, hardwood flooring, updated cabinets, appliances, fresh exterior paint and upgraded finishes.

INCOME ANALYSIS

# Rent Roll & Loss-to-Lease

The principal value driver is the spread between legacy in-place rents and the owner-estimated $1,400 market rent across all six units.

## MONTHLY RENT PROGRESSION




| Unit grouping | Units | Status | Current monthly rent | Market monthly rent | Monthly upside |
|---|---|---|---|---|---|
| Legacy occupied units | 4 | Occupied | $3,150 | $5,600 | $2,450 |
| Renovated vacant units | 2 | Vacant / rent-ready | $0 | $2,800 | $2,800 |
| **Total property** | **6** | **4 occupied / 2 vacant** | **$3,150** | **$8,400** | **$5,250** |

| Rent metric | Monthly | Annual |
|---|---|---|
| Current collections | $3,150 | $37,800 |
| Immediate lease-up scenario | $5,950 | $71,400 |
| Fully stabilized market rent | $8,400 | $100,800 |
| Occupied-unit loss-to-lease | $2,450 | $29,400 |
| **Total gross rent upside** | **$5,250** | **$63,000** |

**Buyer underwriting note**

A purchaser will evaluate how quickly the four legacy leases can be moved toward market. The final data room should include each lease expiration, current rent, deposit, delinquency status and any renewal or month-to-month terms. Market-rent support should include rent comparables, applications, recent leasing activity and photographs of the renovated units.

OPERATING PERFORMANCE

# Three-Stage Operating Scenario

Current collections are shown separately from the immediate lease-up case and the fully stabilized mark-to-market case.

| Operating metric | Current actual | 2-unit lease-up | Fully stabilized |
|---|---|---|---|
| Occupied units | 4 | 6 | 6 |
| Monthly gross rent | $3,150 | $5,950 | $8,400 |
| Annual gross scheduled rent | $37,800 | $71,400 | $100,800 |
| Vacancy / collection allowance | Not applied | $3,570 | $5,040 |
| Effective gross income | Not annualized | $67,830 | $95,760 |
| Underwritten operating expenses | Known only: $17,432 | $33,215 | $36,008 |
| **Underwritten NOI** | **Before missing expenses: $20,368** | **$34,615** | **$59,752** |
| **Cap rate at asking price** | **2.26%*** | **3.85%** | **6.64%** |

*The current cap rate is not a complete operating cap rate because current ownership has no insurance expense and complete repairs, management, administrative and reserve history has not been supplied.

**Presentation standard**

The current owner acquired the property approximately three months ago. Accordingly, this memorandum should be accompanied by a T-3 actual operating statement and a separately labeled annualized pro forma. It should not be represented as a full T-12 under current ownership.

| Known recurring expense | Monthly assumption | Annual amount | Treatment |
|---|---|---|---|
| Property taxes | $1,093 | $13,112 | 2025 public tax-year amount |
| Water | $260 | $3,120 | Assumes one $260 billing cycle per month |
| Landscaping | $100 | $1,200 | Owner-provided recurring cost |
| Insurance | $0 | $0 | No current policy; pro forma allowance shown separately |
| **Total known historical / current costs** | **$1,453** | **$17,432** | **Before repairs, management and reserves** |

STABILIZED UNDERWRITING

# Fully Stabilized Pro Forma

Illustrative professional underwriting using 5% vacancy, management and maintenance allowances, plus insurance and reserves.

| Income / expense item | Basis | Annual amount |
| --- | --- | --- |
| Gross scheduled rent | 6 units x $1,400 x 12 | $100,800 |
| Less: vacancy & collection loss | 5.0% of scheduled rent | ($5,040) |
| **Effective gross income** | **Gross rent less vacancy** | **$95,760** |
| Property taxes | 2025 public amount | ($13,112) |
| Water | Owner paid; $260 monthly assumption | ($3,120) |
| Landscaping | Owner paid; $100 monthly | ($1,200) |
| Insurance allowance | Illustrative placeholder; obtain quote | ($7,200) |
| Property management | 5.0% of effective gross income | ($4,788) |
| Repairs & maintenance | 5.0% of effective gross income | ($4,788) |
| Replacement reserves | $300 per unit annually | ($1,800) |
| **Total operating expenses** | **Underwritten** | **($36,008)** |
| **Stabilized NOI** | **Effective gross income less expenses** | **$59,752** |

| $59,752 | 6.64% | 37.6% | $4,979 |
| --- | --- | --- | --- |
| STABILIZED NOI | CAP RATE AT $899,990 | EXPENSE RATIO | AVERAGE MONTHLY NOI |

**Insurance disclosure**

The property currently has no insurance policy. The $7,200 annual figure is an illustrative underwriting placeholder only and is not a quote or historical expense. A commercial multifamily insurance quote should be obtained before final distribution or contract diligence.

Sensitivity: Every $1,000 change in annual operating expense changes value by approximately $15,385 at a 6.5% capitalization rate. Buyers should independently verify utilities, insurance, tax treatment and recurring maintenance.

VALUATION

# Capitalization-Rate Sensitivity

Illustrative value range based on the stabilized NOI of approximately $59,752.

| Capitalization rate | Implied value | Premium / (discount) to asking |
| --- | --- | --- |
| 5.00% | $1,195,040 | $295,050 |
| 5.50% | $1,086,400 | $186,410 |
| 6.00% | $995,867 | $95,877 |
| 6.50% | $919,262 | $19,272 |
| **Approx. asking-price cap** | **$899,880** | **$-110** |
| 7.00% | $853,600 | $-46,390 |
| 7.50% | $796,693 | $-103,297 |

| $995,867 | $919,262 | $899,990 |
| --- | --- | --- |
| VALUE @ 6.0% CAP | VALUE @ 6.5% CAP | CURRENT ASKING PRICE |

**Pricing interpretation**

At the current asking price, the pro forma stabilized cap rate is approximately 6.64%. The pricing narrative depends on demonstrating the $1,400-per-unit market rent and providing a credible path to transition the four legacy tenancies as leases and applicable law permit.

| Underwriting item | Impact on buyer conclusion |
| --- | --- |
| Market-rent evidence | Determines whether $100,800 gross scheduled rent is supportable. |
| Legacy lease terms | Determines the timing and cost of reaching stabilized rent. |
| Insurance quote | Could materially change NOI due to Houston-area property-risk pricing. |
| Tax underwriting | Buyer may model reassessment or different exemptions after acquisition. |
| Water billing frequency | This analysis assumes $260 per month; a different cycle changes NOI. |
| Physical condition / warranties | Supports lower near-term repair burden and reduced capital needs. |

ASSET & DILIGENCE

# Property Improvements and Buyer Data Room

The renovation story should be substantiated with invoices, permits, warranties and dated photographs wherever available.

| Reported improvement | Buyer support to provide |
|---|---|
| New plumbing | Invoices, contractor information, permits and warranty documentation |
| Hardwood flooring | Material invoices, scope and unit-by-unit completion record |
| Updated cabinets and finishes | Photos, invoices and renovation scope |
| New appliances | Appliance schedule, serial numbers and warranties |
| Exterior paint / curb appeal | Before-and-after photos and contractor invoice |
| Renovated vacant units | Rent-ready photos, showing activity and leasing comps |

| Recommended diligence folder | Documents |
|---|---|
| 1. Financial | T-3 actuals, bank deposit support, tenant ledgers, rent collection reports |
| 2. Rent roll & leases | Current rent roll, all six leases/files, deposits, arrears, lease expirations |
| 3. Renovations | Scopes, invoices, permits, warranties, before/after photographs |
| 4. Operating expenses | Water bills, landscaping invoices, insurance quotes, tax records |
| 5. Property records | Survey, title policy, legal description, certificate of occupancy, zoning |
| 6. Physical condition | Roof/HVAC/water-heater ages, inspection reports, deferred-maintenance list |
| 7. Market support | Rental comps, signed applications, property-management rent opinion |
| 8. Prior ownership | Any prior T-12, rent roll, utility history and repair records received |

Tenant privacy: Initial buyer review copies should redact Social Security numbers, driver-license data, bank-account details and unnecessary tenant contact information. Full tenant files may be made available during controlled diligence subject to appropriate confidentiality protections.

IMPORTANT INFORMATION

# Assumptions, Sources & Disclosures

This memorandum is preliminary and intended to organize the investment case; it is not a substitute for independent buyer diligence.

| Item | Disclosure / assumption |
|---|---|
| Ownership history | Current owner has held the property approximately three months; a complete current-owner T-12 is unavailable. |
| Current rent | $3,150 per month is owner-reported collections from four occupied legacy units. |
| Market rent | $1,400 per unit is owner-estimated market rent and requires independent verification. |
| Vacant units | Two units are owner-reported as vacant, renovated and positioned for leasing. |
| Water | $260 per billing cycle is assumed to be monthly for this analysis. |
| Taxes | $13,112 reflects 2025 taxes without exemptions shown in public listing data. |
| Insurance | No current policy. $7,200 is an illustrative annual allowance, not a quote. |
| Management and maintenance | Each modeled at 5% of effective gross income for underwriting. |
| Reserves | $300 per unit annually used as an illustrative replacement-reserve allowance. |
| Asking price | $899,990 reflects the current public offering price observed in July 2026. |

**No representation or warranty**

Information has been assembled from owner statements and public listing data believed to be reliable, but no representation or warranty is made as to completeness or accuracy. Prospective purchasers must independently verify income, expenses, leases, market rents, taxes, insurance, legal compliance, physical condition and investment suitability.


## Jewel Home Buyers

PROPERTY CONTACT

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Public-data references used in preparation: Houston Association of REALTORS listing information and Realtor.com listing details for 4107 Lark Ln, Houston, Texas 77025, including tax year 2025 and basic property characteristics. Prepared July 13, 2026.