



Brain

Common Equity Opportunity

193 For-Rent Homes for Development in Pearland, TX



GROMAX CAPITAL PARTNERS



"The best way to predict the future is to create it"
- DRUCKER



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Executive Overview

About the Opportunity

Overview of the Opportunity

Brain is pleased to present **Massey Oaks** (the “Project”). The Project will be developed on a prized 25.22-acre urban site located within the 350+-acre Massey Oaks MPC development. The Project will provide low-density rental units in a highly desirable subdivision of this booming Houston suburb, surrounded by mature neighborhoods complete with necessity retail, shopping, food & beverage, and job centers.

Gromax Development (the “Developer”) is seeking **common equity**. The Developer has closed on the land as of March 2024 and plans to start construction **January 2025**.

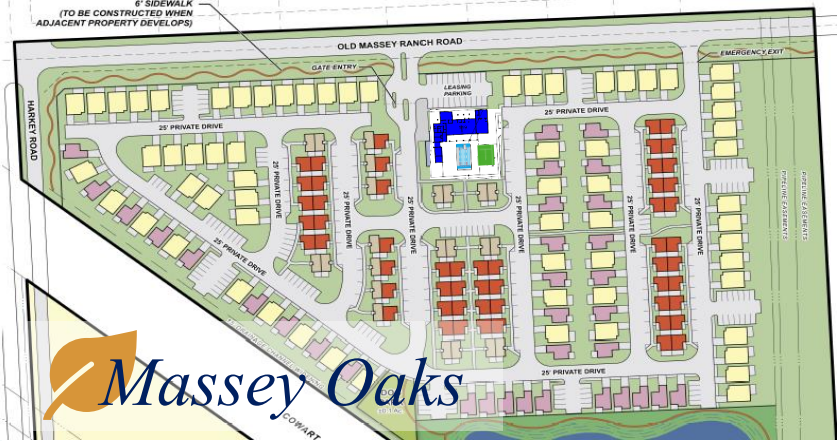
Offering Summary

Minimum terms:

- **Common equity** of at least **\$9.3 million**
- Expected liquidity event within **36 months**

Project Sources & Uses

Sources	\$	%
Sr. construction debt	\$ 27,180,780	58.72%
Pref equity / mezzanine	\$ 9,847,164	21.28%
Common equity	\$ 9,256,986	20.00%
Total sources	\$ 46,284,930	100.00%



Superlative Future Project Economics

- ✓ **7.4%** Non-trended yield on cost
- ✓ **11.3%** Non-trended debt yield
- ✓ **22.0%** Levered IRR

Investment Rationale

- ✓ **MPC Location:** Located in a 500+ acre MPC and within the well-rated Alvin ISD
- ✓ **High Barriers to Entry:** Project has significant density and property tax advantage due to by-right entitlements
- ✓ **Rents below Market:** Proforma rent \$400+ below top
- ✓ **Gromax:** 25-year veteran land developer with exceptional knowledge of Pearland, TX



Development Plan Overview

Massey Oaks will comprise **193** for-rent homes ranging from **879 to 1,615 sqft** with a mix of **duplex and detached** design plans. The Project will include an approximate **2,500 sqft clubhouse** accompanied by a **pool** and **pickleball court**.

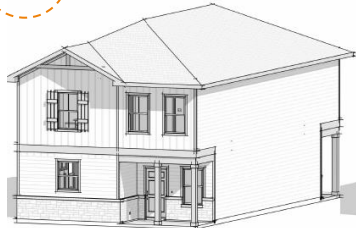
- 2,500sqft clubhouse w/ lounge, kitchen, fitness
- Community pool
- Pickleball court
- Gated access
- Dog park



P1: 2x1.5 | 879ft | Duplex



P2: 2x2.5 | 1,209ft | Duplex



P3: 3x2.5 | 1,327ft | Detached



P4: 3x2.5 | 1,615ft | Detached



P5: 3x2 | 1,229ft | Detached



P6: 2x2.5 | 1,209ft | Duplex





Project Management Team

Massey Oaks will be developed by an experienced and dynamic team, including **Gromax Development**, the owner and development manager, **BGE**, the project civil engineer, **RG Miller**, the special engineer for offsite development, **Stonefield**, the project general contractor, and **Masterworks**, the project architect

Owner and Developer



Lead Civil Engineer



Supporting Civil Engineer



General Contractor



Project Architect



Asset Management

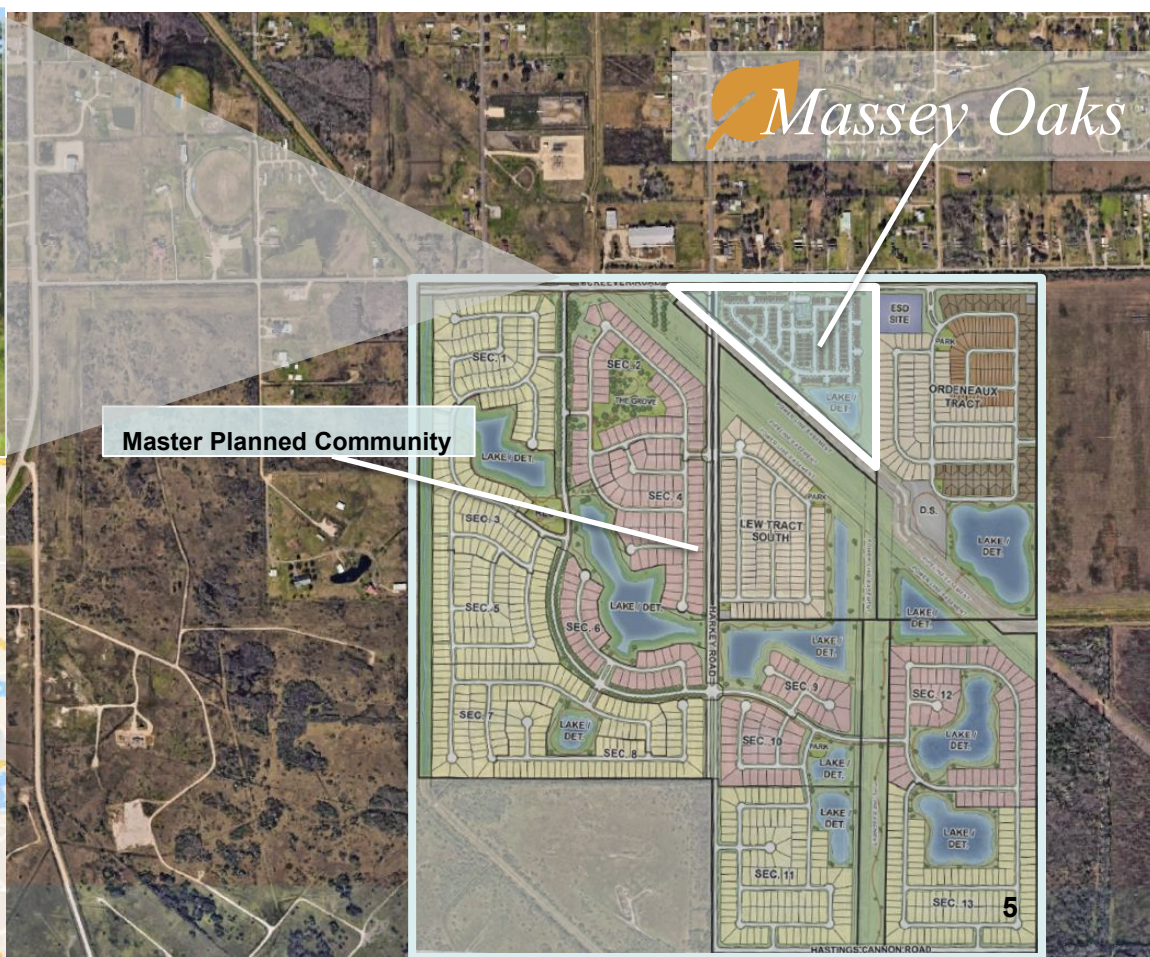
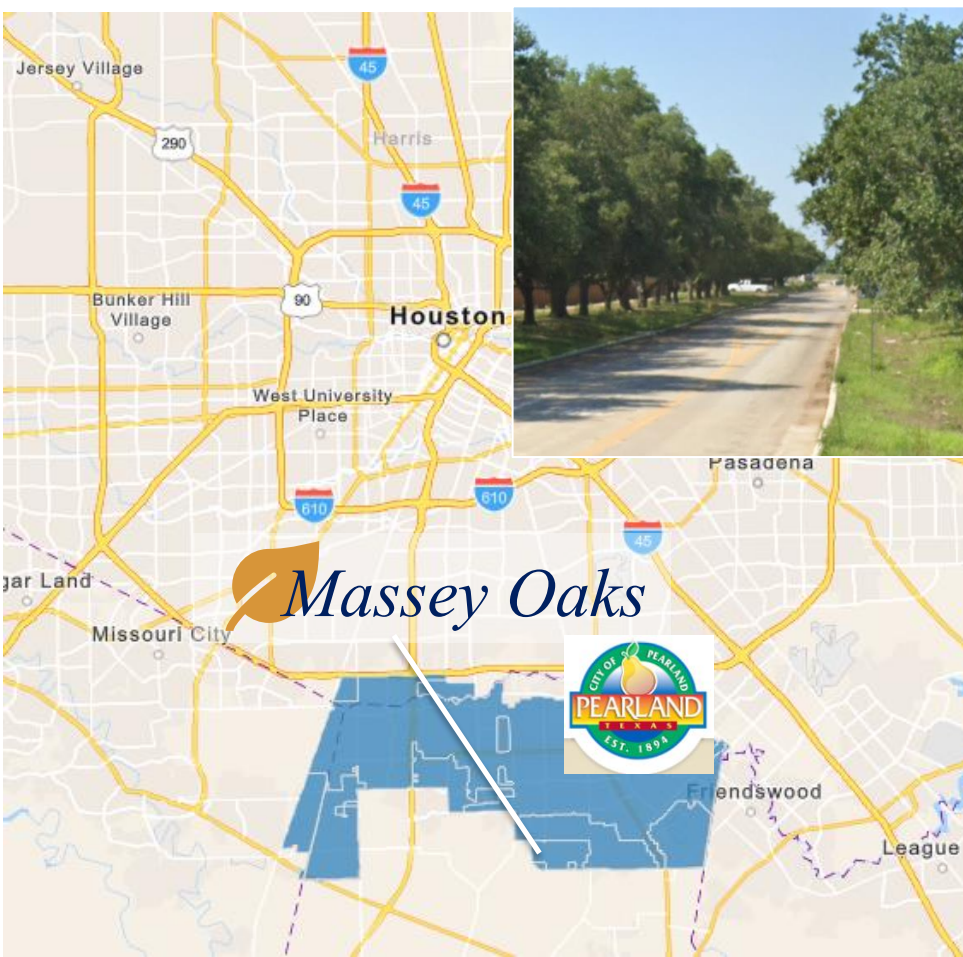




1. Master Planned Community Infill

Massey Oaks is situated within the Massey Oaks Master Planned Community (MPC), a development of over 1,000 lots across 357+ total acres in the City of Pearland in Brazoria County, Texas. As such the Project will benefit from the unity, culture, and topographic beautification that accompany the development of an MPC. The Massey Oaks MPC is already underway with phase 2 of development with builders Meritage and Castle Rock.

The community is named after the family of Israel Massey, one of the “Old 300” settlers who was granted large tracts of land by Stephen F. Austin in an 1820s deal with Spain. The property served as the family homestead for the Massey family for several generations and contains many mature live oak trees. The master plan for the project was carefully **designed to preserve as many of the trees as possible** and features an **allée of majestic oaks that greets residents and visitors at the primary entry of the community**.





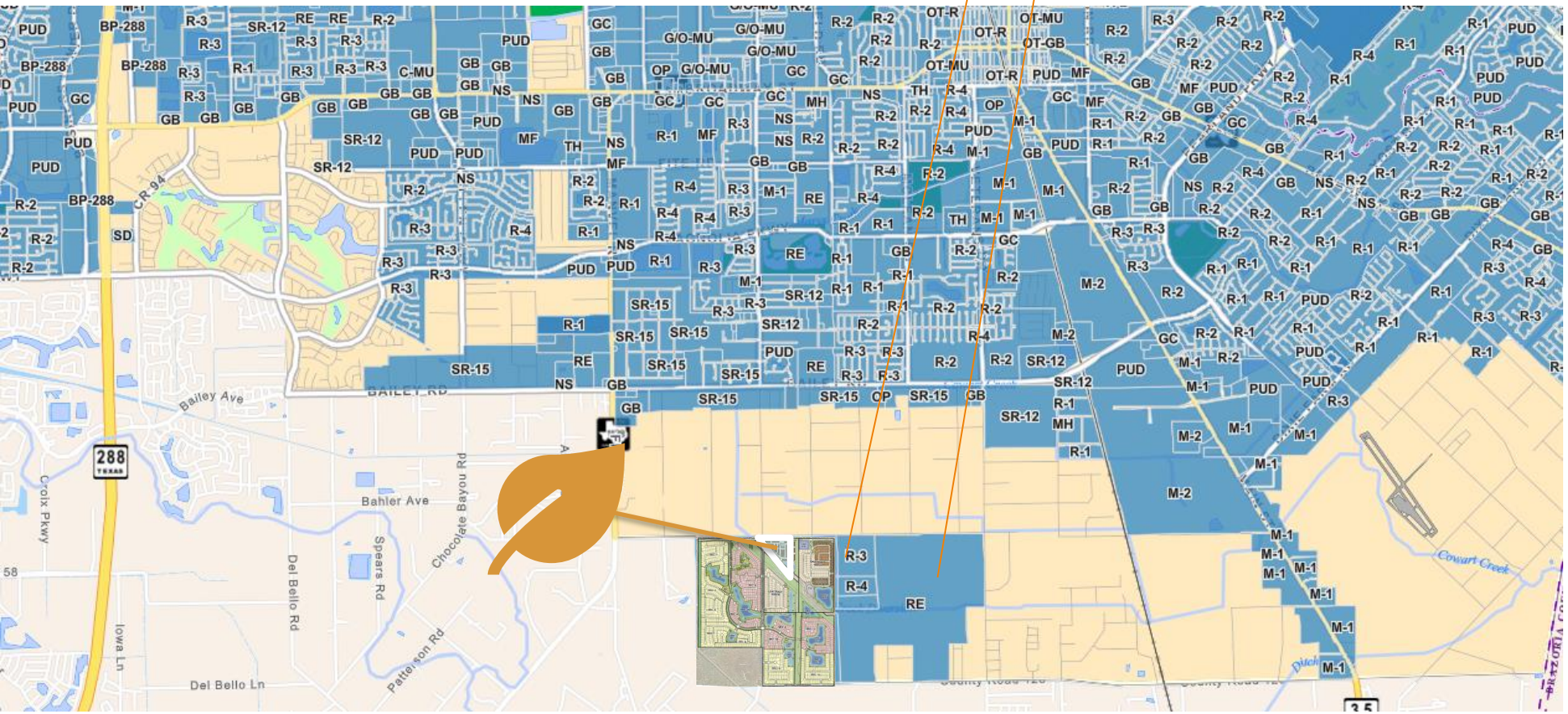
2. Entitlements Provide Major Competitive Advantages

Massey Oaks' PUD (Ord 2000M-220) unique density, design, and, thereby, cost advantages over competitors:

- Rest of Massey Oaks MPC allows only for-sale residential, no for-rent
- 20ft vs 36ft setbacks from curb, allowing more density / acre vs R1, R2, R3, and R4
- Private vs public roads, reducing lot coverage area
- Duplex standards significantly relaxed in PUD
- "RE" zoning is estate lots with 120FF – non-competitive density
- Façade standards significantly relaxed vs R1, R2, R3, and R4
- MF zoning difficult to obtain in City of Pearland

"R4" & "R3" Non-competitive 36 ft setbacks

"RE" Non-competitive as only estate lots allowed (120FF)





3. Exempt from Existing MUD Tax = Cost Barrier to Entry

Massey Oaks is exempt from incremental MUD tax, which pervades Brazoria County development

- Massey Oaks property tax rate: **~2.597%**
- Average property tax w/ MUD: **~3.500%**

1.1% Tax Advantage Over Competitors

Nearby Brazoria Cty Projects in MUD, Trailing 24mo

Community	Shadow Creek Ranch	Pomona	Meridiana
Jurisdiction	Pearland	Manvel ETJ	Iowa Colony
City Tax	\$ 0.624	NA	\$ 0.519
(+) Brazoria Drainage District #4	\$ 0.138	\$ 0.138	NA
(+) Brazoria County	\$ 0.291	\$ 0.291	\$ 0.291
(+) Brazoria County Road & Bridge	\$ 0.050	\$ 0.050	\$ 0.050
(+) Alvin Community College	\$ 0.164	\$ 0.164	\$ 0.164
(+) Alvin ISD	\$ 1.378	\$ 1.378	\$ 1.378
(+) BCMUD 69	NA	NA	NA
(+) BFBCMUD 1	\$ 0.520	NA	NA
(+) Emergency Services District #3	NA	\$ 0.098	\$ 0.098
(+) BCMUD 39	NA	\$ 1.400	NA
(+) BCMUD 55	NA	NA	\$ 0.885
(+) Brazoria Drainage District #5	NA	NA	\$ 0.124
(+) Port Freeport	NA	NA	NA
Total	\$ 3.165	\$ 3.519	\$ 3.509

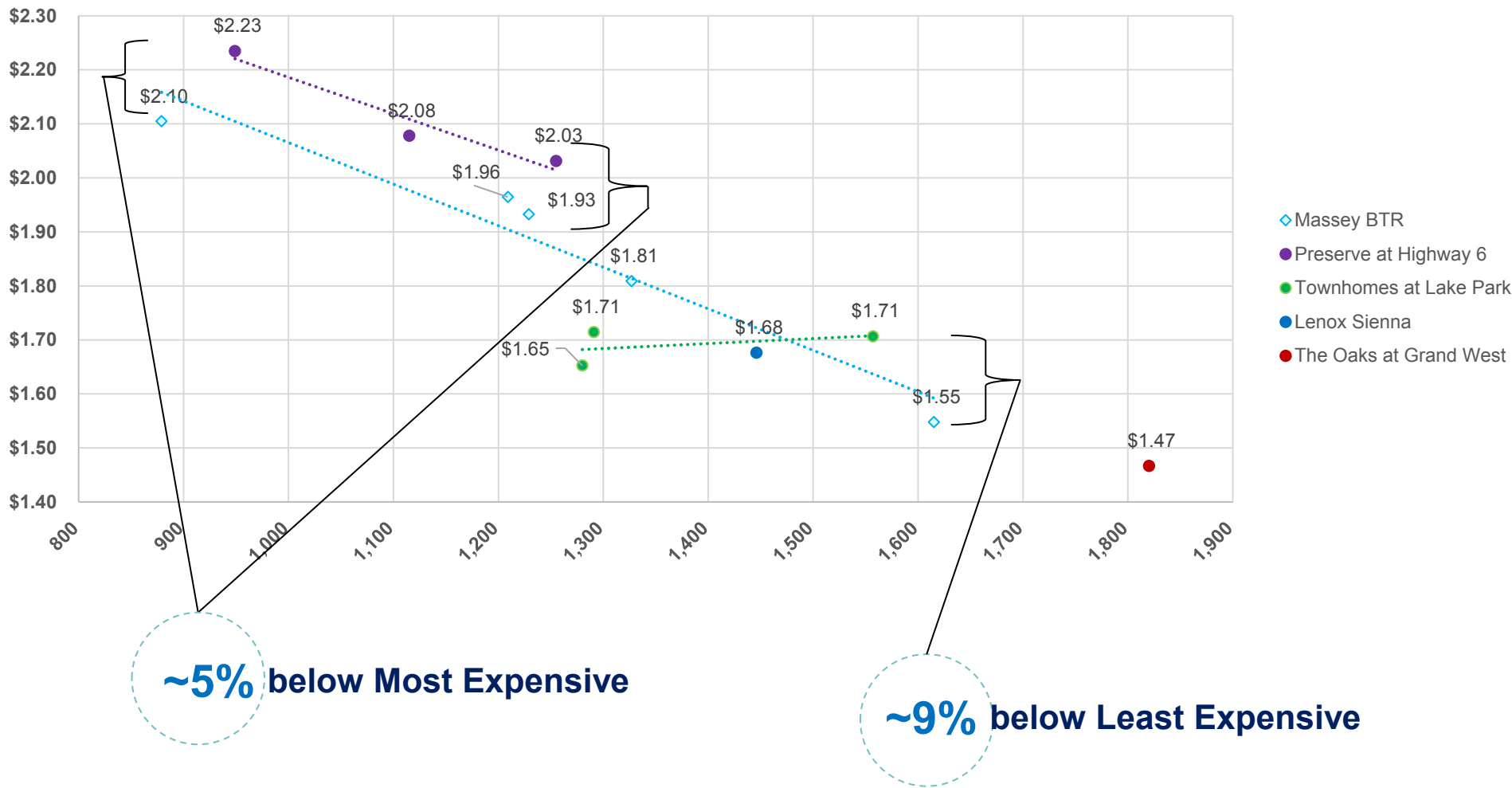
Massey Oaks Property Tax, Trailing 24mo

Tax Parcel Number: 176508		
Brazoria County Year	Actual 2022	Actual 2023
Appraised Value		
Land:	\$602,510	\$687,070
Improvements:	\$0	\$0
Total:	\$602,510	\$687,070
Per Square Foot:	\$0.55	\$0.63
% Change:	8.2%	14.0%
Assessment Ratio	100.00%	100.00%
Assessed Value		
Land:	\$602,510	\$687,070
Improvements:	\$0	\$0
Total:	\$602,510	\$687,070
% Change:	N/A	N/A
Tax Rate per \$100	\$2.644716	\$2.427500
% Change:	N/A	N/A
Tax Expense		
Tax Amount:	Actual 2022	Actual 2023
	\$15,935	\$16,679
Special Assessments:	\$0	\$1,168
Total Taxes:	\$15,935	\$17,846
Per Square Foot:	\$0.01	\$0.02



4. Project Rents Below Market

Project rents range between 5% and 9% below the top performer among low-density competitors



Contacts

Jeff Mayo | Partner

M: (214) 984 6945

E: jmayo@brainequ.com

Haleigh Cooper | Senior Associate

M: (432) 557 7904

E: hcooper@brainequ.com

Brain Partners, LLC

Austin, TX • Dallas, TX • Fort Worth, TX •

Houston, TX • Jacksonville, FL

www.brainequ.com



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