



**INVESTING WITH
HARRIS HOMES MN**

WWW.HARRISHOMESMN.COM



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INVESTMENT OPPORTUNITIES

OUR MISSION

Harris Homes MN is dedicated to providing safe, quality housing for Twin Cities families. Our mission is to prioritize comfort and foster lasting tenant relationships while serving God being His hands and feet to those around us.



PORTFOLIO



3020 Longfellow Ave

Rent Per Month: \$3,000
Bed: 5
Bath: 2
Purchase Price 2023: \$213,000
Additions: \$75,000
Appraised Value 2023: \$356,000
Value Added: \$68,000
Lender: First State Bank of Rosemount



910 19th Ave NE

Rent Per Month: \$3,500
Bed: 5
Bath: 2
Purchase Price 2023: \$225,000
Additions: \$85,000
Appraised Value 2023: \$358,000
Value Added: \$48,000
Lender: First State Bank of Rosemount

STRATEGY TO SCALE

STEP 1: ACQUIRE

Acquire Property with 20-25% Downpayment in Minneapolis.

STEP 2: LEASE MANAGEMENT

Engage in a contract with Varpness Properties as property manager for HHMN real estate portfolio.
Current Property Manager

STEP 3: REVIEW

Refinance property with 1st State Bank of Rosemont @ 50-80% LTV.

**Approved for up to \$1.3 Million in commercial loans*

STEP 4: REPEAT

Repeat steps 4-6 for the purchase of 6 properties

REFI & PAYOFF

Transfer properties to LLC and Commercial Refi on Portfolio to payoff outstanding loan with Investors at 5 year term.



GOAL

- **Build a Cash-flowing Portfolio**
 - Acquire 4 Properties in the next 6 months
 - Acquire 25 properties over the next 5 years
- **Create Long Term Value**
- **Provide Safe Housing for Families**
- **Leverage Scale to help reform Minneapolis**

CAPITAL TO ACCOMPLISH GOAL

**Searching for 3-4 Investors of \$100k+
Total of \$300-400k**



INVESTING OUTLOOK

- Length of Investment: 5 Years
- Minimum Investment: \$40k
- ROI: 7% Annual Return, paid monthly
 - \$583 interest only per month
 - *Based on \$100k Investment*
- 5-Year ROI: \$35,000 (based on \$100k Investment)
- **Interest Only**

*COLLATERAL FOR INVESTMENT WILL BE THE PROPERTY PURCHASED WITH INVESTOR CAPITAL - TO BE WRITTEN INTO CONTRACT.
CLICK THE LINK BELOW TO VIEW THE CALCULATIONS: [HTTPS://DOCS.GOOGLE.COM/SPREADSHEETS/D/1TRNAI_S-RAMGL4CZAMPQU7G9PBNRA53B6O3TCDBXWXO/EDIT?USP=SHARING](https://docs.google.com/spreadsheets/d/1TRNAI_S-RAMGL4CZAMPQU7G9PBNRA53B6O3TCDBXWXO/edit?usp=sharing)

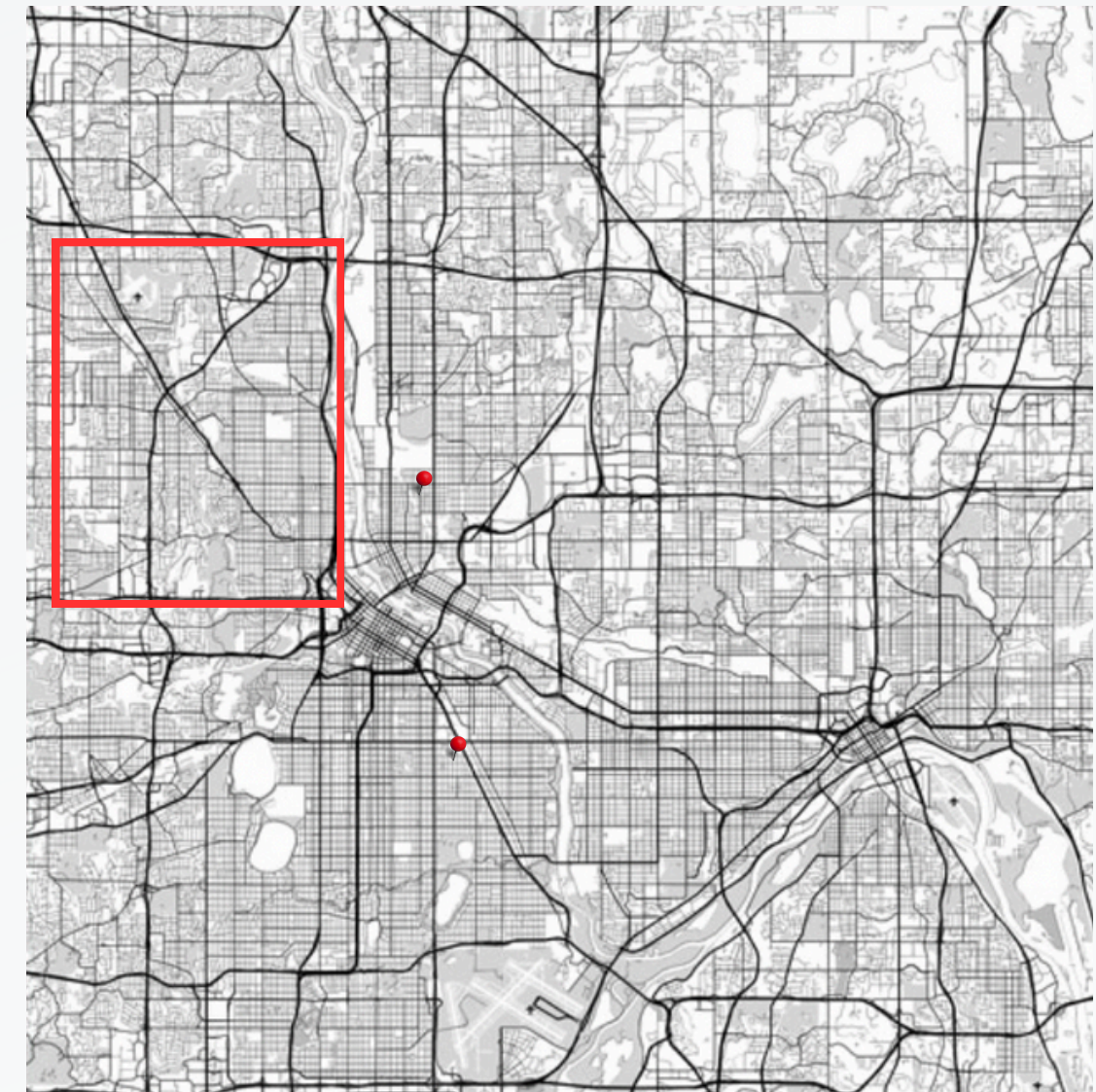


FINANCING

- **Conventional Loan** - Purchase will be made with Investor cash as a downpayment.
- **4 Acquisitions** - \$250k will provide enough capital to purchase 3-4 properties with a reserve of \$60k
- **Investor Payoff** - after the Acquisition of four properties, value additions, and appreciation, Harris Homes MN will do a Commercial Refinance on the portfolio.

LOCATIONS: 55411 & 55412 MPLS

- **Discounted Properties** - Purchase while Institutional Investors unload properties
 - *Due to Interest rates, Balloons, Debt Due, etc.*
- **High Renting Community** - Majority of population rents vs. owns
- **TISH Reports** - leverage for purchase and reveal necessary updates prior to purchase
- **Steady Rent Increase** - Tenants have the capacity to absorb rent increases
- **Public Transportation** - \$2 Billion Investment into public transportation
 - *Future necessary investment into policing areas for safety and maintenance of investment*
- **City Rehabilitation**
- **Value Add Potential** - Many of the homes analyzed have the capacity for additions.
- **Property Management Infrastructure** - Varpness Properties 50+ Properties



* LOCATION DATA & DETAILS FOUND IN APPENDIX

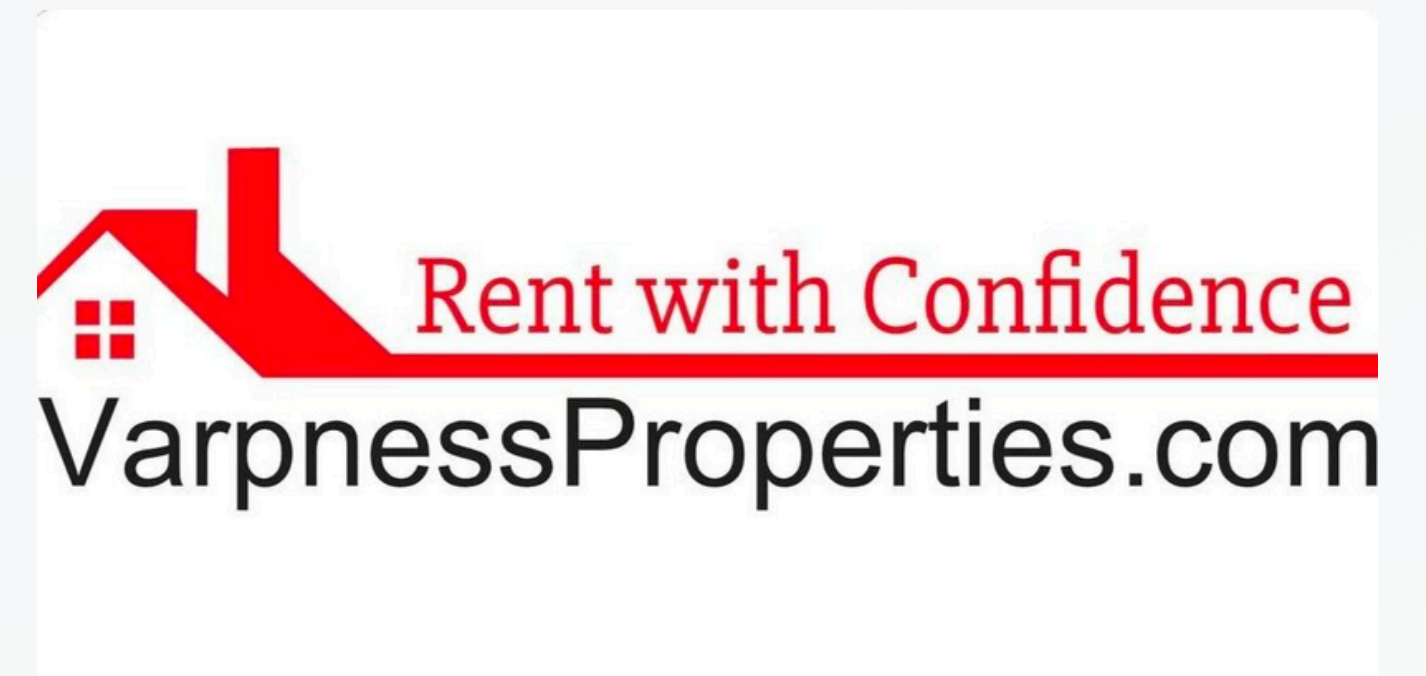


PROPERTY MANAGEMENT

Varpness Properties

- Experienced investor and full-time property manager
- Developed infrastructure to maintain multiple units - including Harris Homes MN Portfolio
 - **Dusty Varpness** - Head operator managing and scaling Varpness Properties, Fronk Properties, and currently acquiring more assets
 - **Jonny Howse** - Property manager - collecting rent, monitors tenants, coordinates repairs, tours vacant properties, and provides property reports
 - **2 FT Contracting Teams** - Rehab and repairs on properties

Website: <https://www.varpnessproperties.com/>



**VARNNESS PROPERTIES WILL BECOME PROPERTY MANAGEMENT COMPANY AFTER THE PURCHASE OF HHMN'S 3RD PROPERTY*



RISK ASSESSMENT

RISKS

- Crime Rate
- Rising Property Management Fees
- Property Decay
- Late and Missed Payments
- Vacancies
- City Rent Cap
- Tax Increases
- Speed of Scale
- Property Management drops us

UPSIDE

- Discounted Prices
- Tax assessments 30-40% higher than list prices
- Section 8 - guaranteed partial payments
- Rent visibility
- Seasoned Property Manager
 - *Many companies in the area*
- Steady appreciation
- Billions of dollars from Federal Investments into transportation



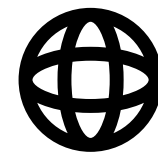
LETS INVEST



612-867-5551



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APPENDIX



Source: [Census ACS](#)
Data Info: 2023
Zip: 55411
Major City: Minneapolis
County: Hennepin County
Metro: Minneapolis-St. Paul-Bloomington, MN-WI
State: MN

Some of the data may be estimated using data from the US Census and Zillow.

SELECT DATA POINT

Median Household Income

55411 - Median Household Income

the income level of the middle, or "median", household in the area according to the US Census Bureau. Median Incomes tend to have a strong relationship with Home Values over time.



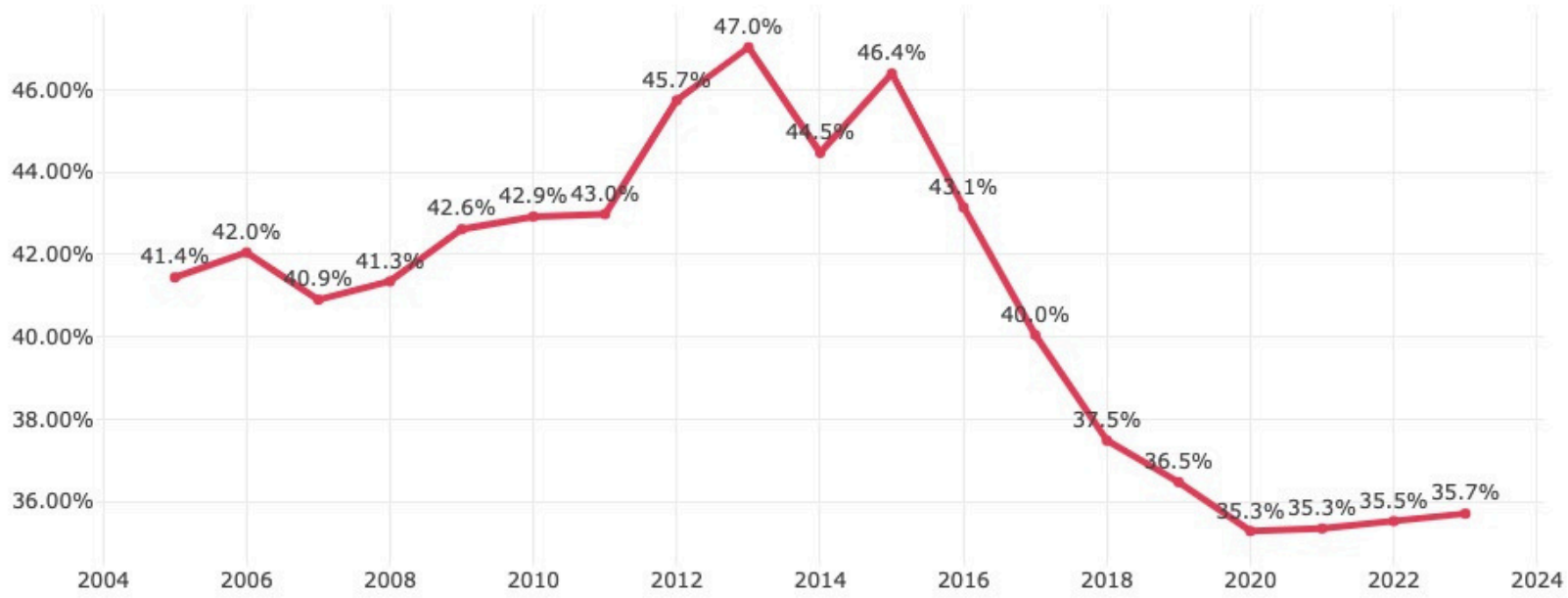
Source: [Census ACS](#)
Data Info: Jul. 2023
Zip: 55411
Major City: Minneapolis
County: Hennepin County
Metro: Minneapolis-St. Paul-Bloomington, MN-WI
State: MN

Some of the data may be estimated using data from the US Census and Zillow.

SELECT DATA POINT

Rent as % of Income

55411 - Rent as % of Income
Compares the typical rent to med. HH income





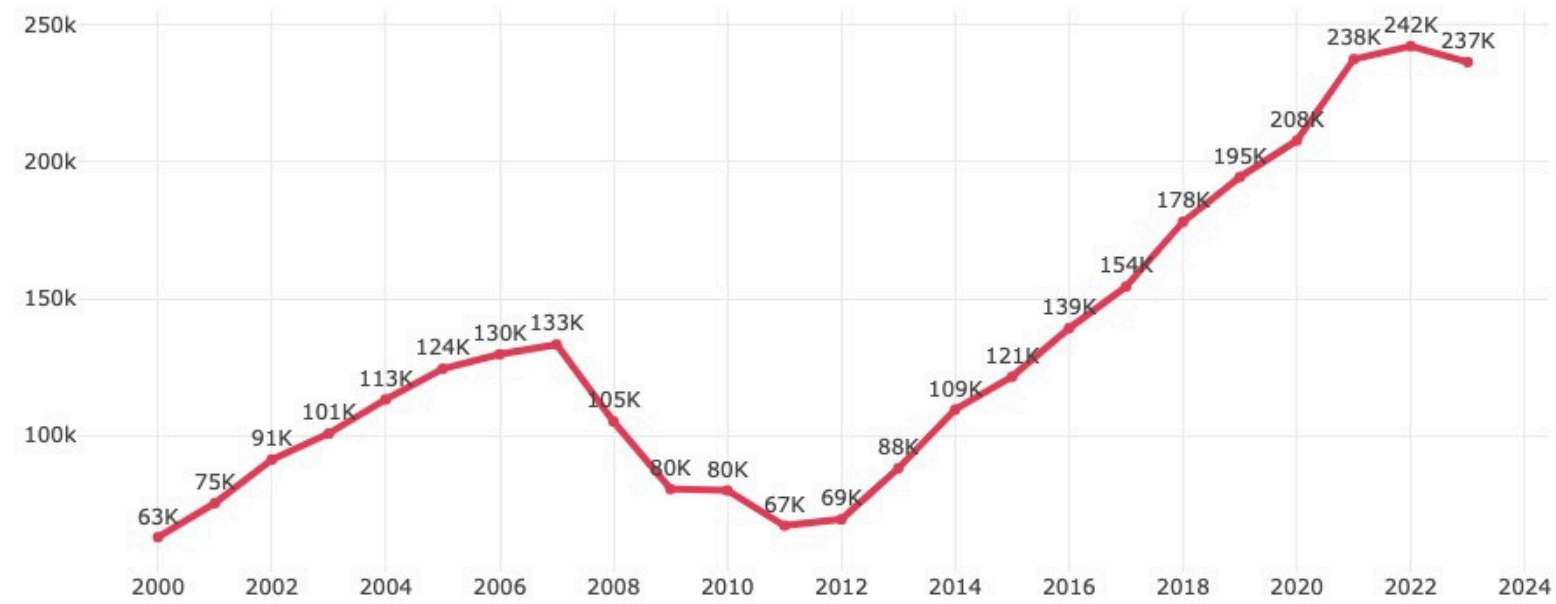
Source: [Zillow](#)
Data Info: Jul. 2023
Zip: 55411
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SELECT DATA POINT

Home Value

55411 - Home Value

the area's typical Home Value as determined by the Zillow Home Value Index ("ZHVI"). This is a smoothed, seasonally-adjusted figure



Source: [Zillow](#)
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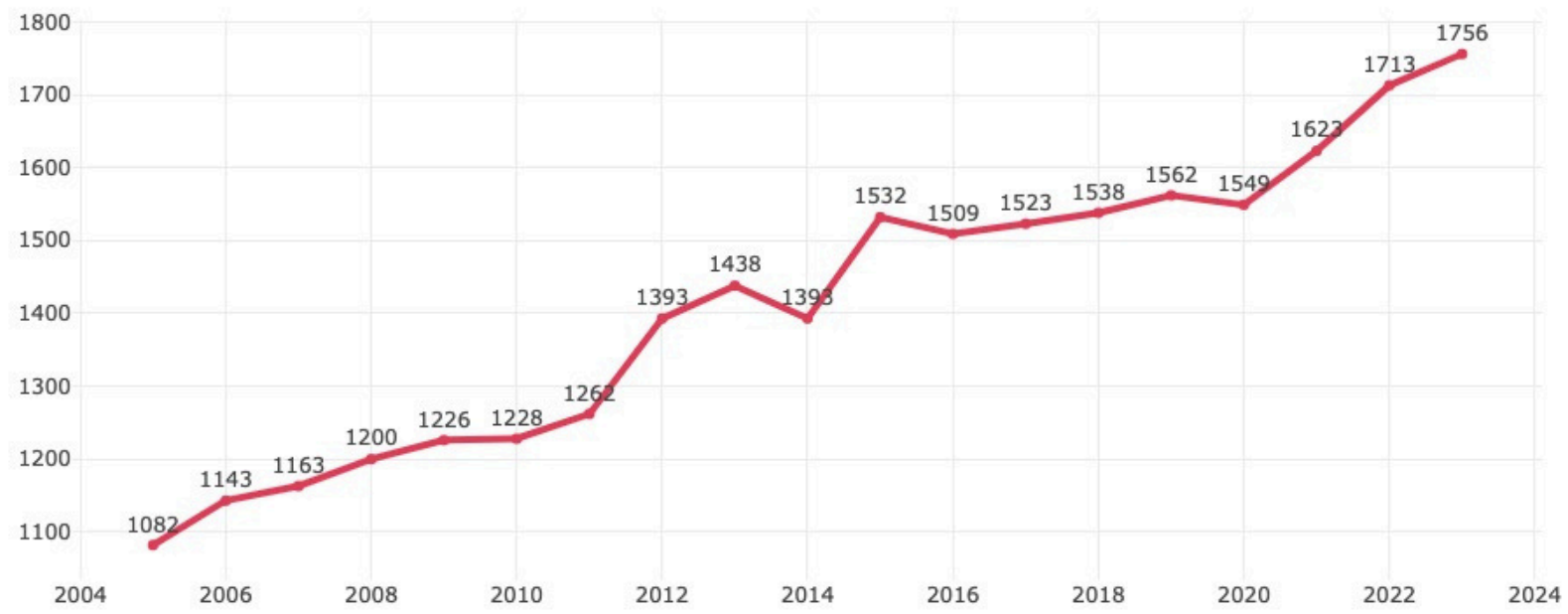
Some of the data may be estimated using data from the US Census and Zillow.

SELECT DATA POINT

Rent For Houses

55411 - Rent For Houses

the typical rent for a medium-sized to large house in the area. Rent for Houses is calculated by increasing the Zillow Observed Rent Index by 25%.





Source: [Zillow](#)
Data Info: Jul. 2023
Zip: 55411
Major City: Minneapolis
County: Hennepin County
Metro: Minneapolis-St. Paul-Bloomington, MN-WI
State: MN

Some of the data may be estimated using data from the US Census and Zillow.

SELECT DATA POINT

Rent Growth (YoY) | v

55411 - Rent Growth (YoY)

the area's typical rent as determined by the Zillow Observed Rent Index ("ZORI"). You can think of this rent as corresponding to what a 2BR apartment or a small house would rent for in the area.





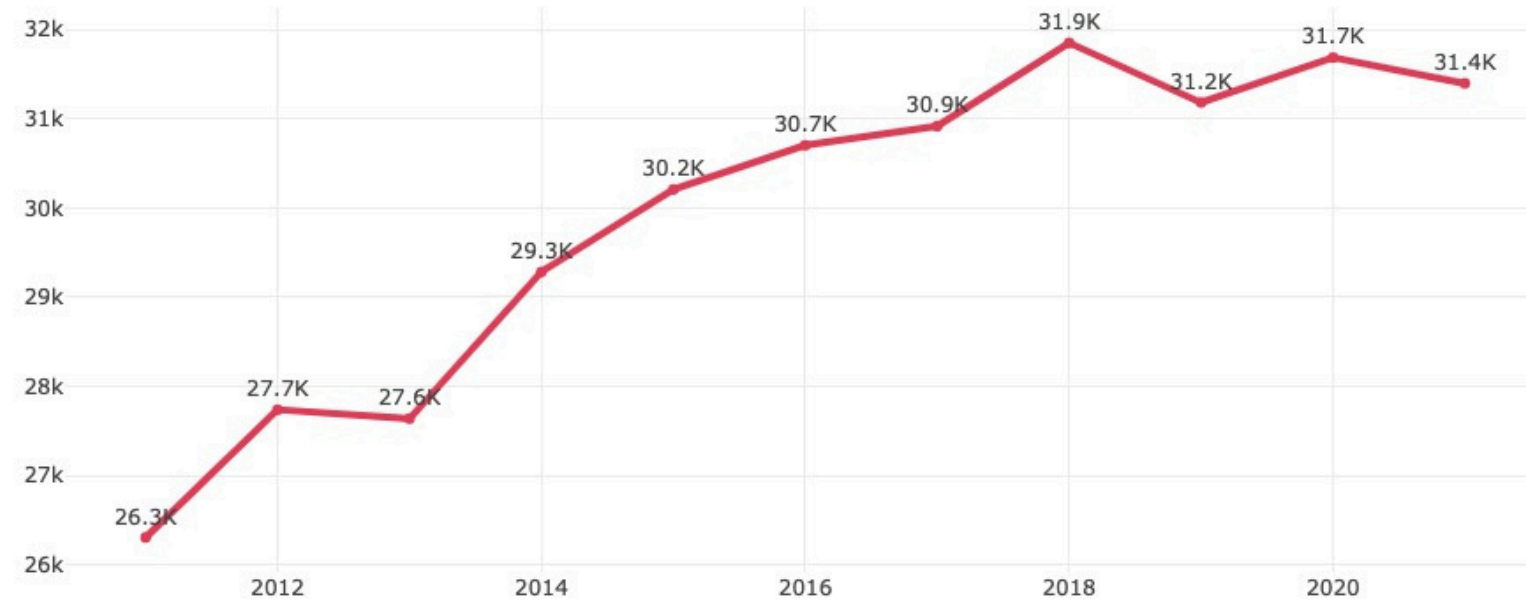
Source: [Census ACS](#)
Data Info: 2021
Zip: 55411
Major City: Minneapolis
County: Hennepin County
Metro: Minneapolis-St. Paul-Bloomington, MN-WI
State: MN

SELECT DATA POINT

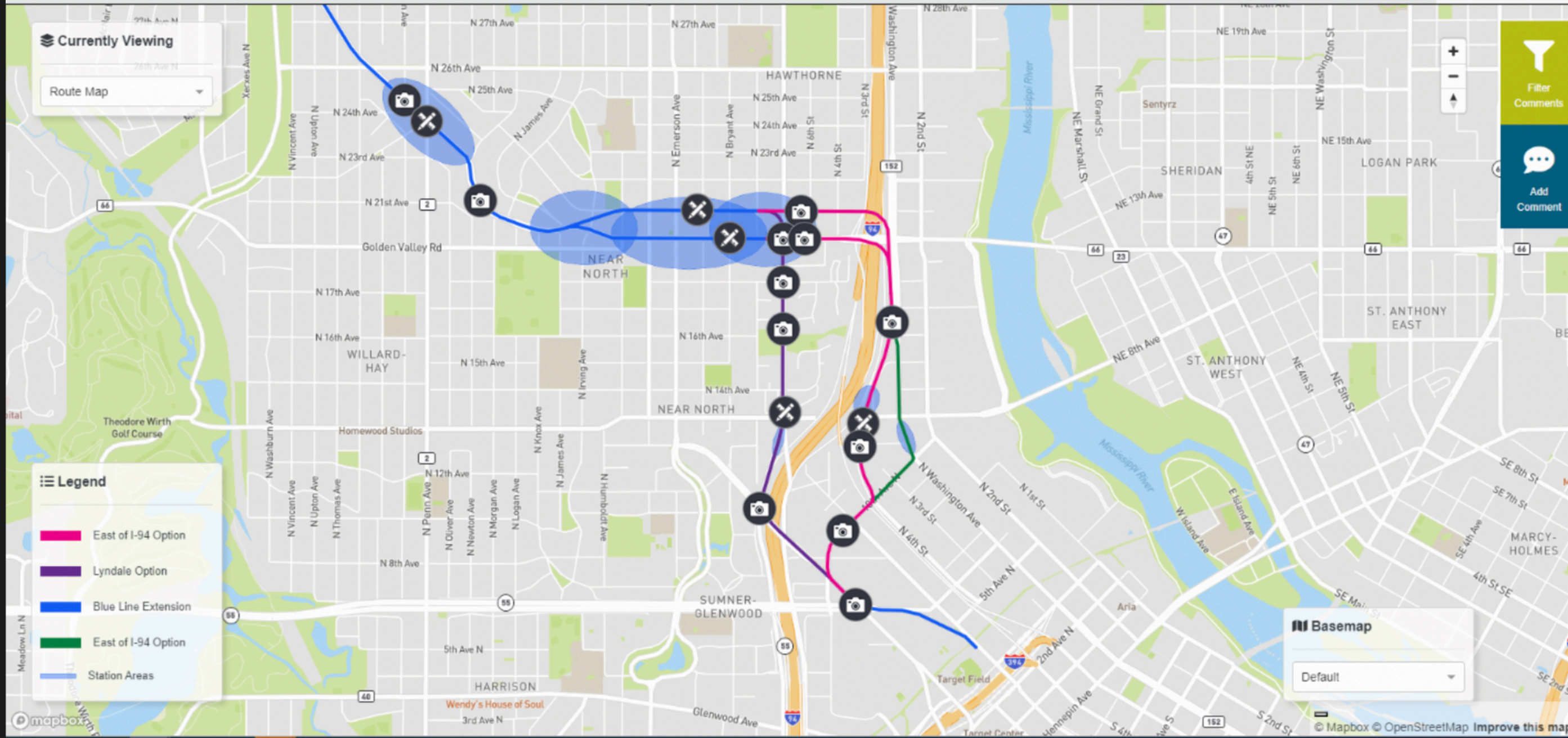
Population

55411 - Population

the area's total Population according to the most recent statistics from the US Census Bureau ACS.



METRO Blue Line Extension



Blue Line Project: <https://metro council.org/Transportation/Projects/Light-Rail-Projects/METRO-Blue-Line-Extension.aspx>