

# BUYING THE BLOCK

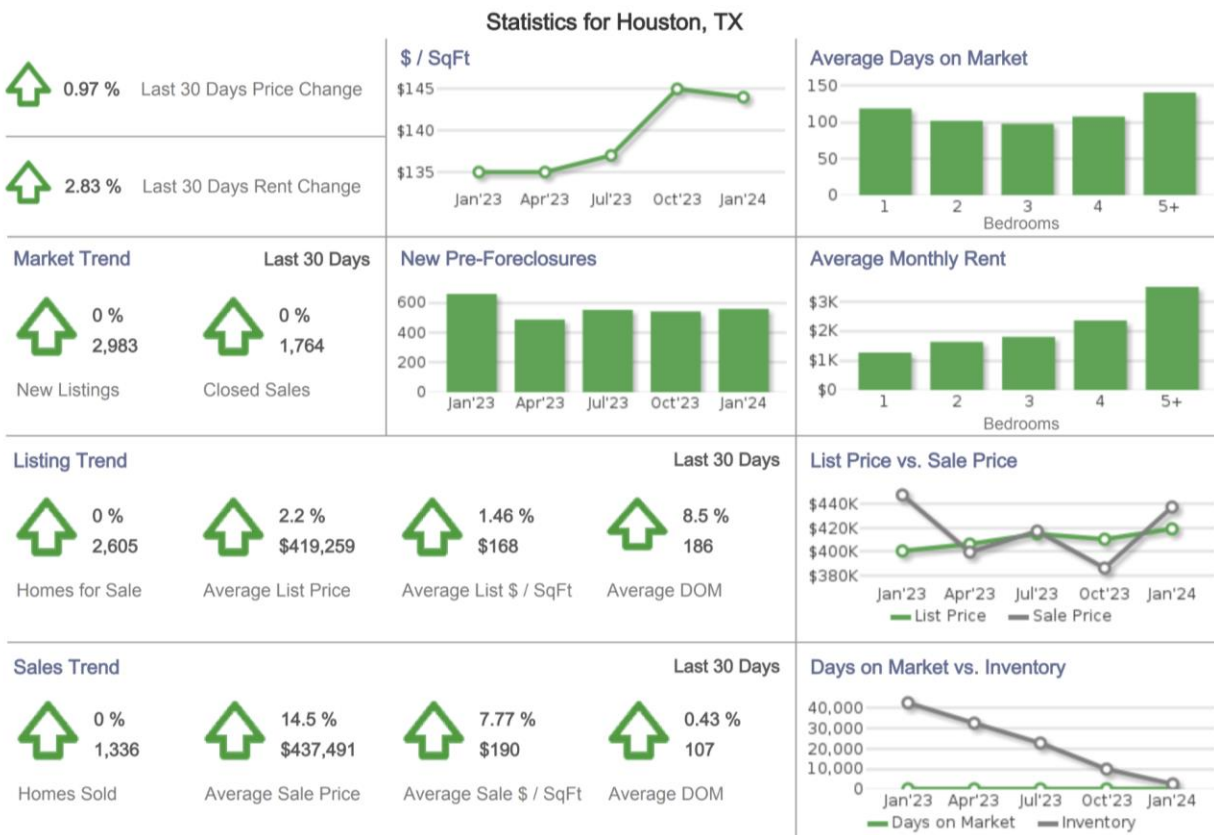
## HISTORIC 5<sup>TH</sup> WARD HOUSTON TX Q1 2024 UPDATE

Greetings Blockvestors,

2023 was a challenging year for everyone in the housing market. However, we made it through the rough patch because we invested in real estate that has survived recessions in many cycles. It's time for us to look forward to growth and expansion as the market recovers.

**Houston Housing Market Update:** The local market has seen a substantial recovery. Houston was one of the most resilient markets in the 2008 recession, and this recession has proven to be the same. The chart below is pulled from [Propstream](#), a top-rated research tool many real estate investors use. As you will see below, every metric trends positively in the greater Houston area. We expect these numbers to improve as the feds continue lowering interest rates, increasing buying power.

### 12 MONTH HOUSING MARKET TRENDS



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The chart below shows our project zip code, 77020. All data points for home sales are trending positively, with higher sales prices, lower days on the market, and less available inventory.



Here are the vacant lot prices in 77020 for the fourth quarter of 2020-2023:

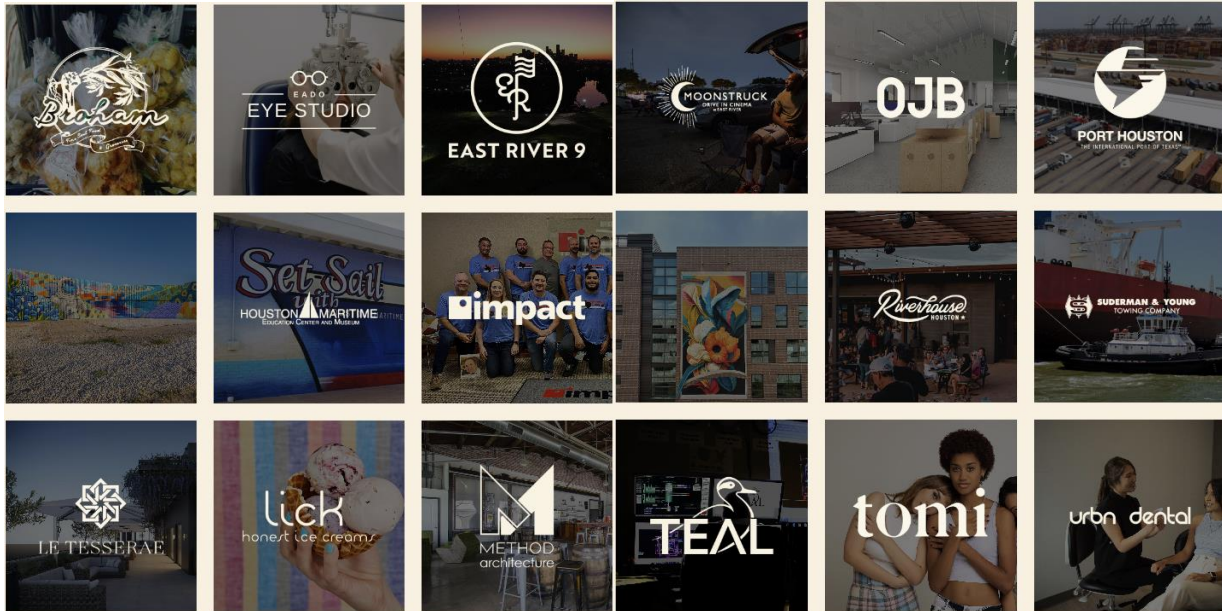
| Month | 2020      | 2021     | 2022      | 2023      |
|-------|-----------|----------|-----------|-----------|
| Oct   | \$132,500 | \$87,000 | \$100,000 | \$155,000 |
| Nov   | \$75,000  | \$80,000 | \$80,000  | \$92,333  |
| Dec   | \$60,000  | \$90,000 |           | \$140,000 |

Time frame is from Jan 2020 to Dec 2023  
 Zip Code is like '77020\*'  
 Property Type is 'Lots'  
 Lot Size is 5000

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**DEVELOPMENT IN THE AREA:** Midway Development's \$3B East River confirmed the future tenants of its upcoming retail space. One of the highlights is award-winning African American Chef Johnny bringing Broham Fine Soul Food & Groceries. Other commercial tenants that have committed to bring their businesses to the project can be seen in this visual from Midway Development's website:

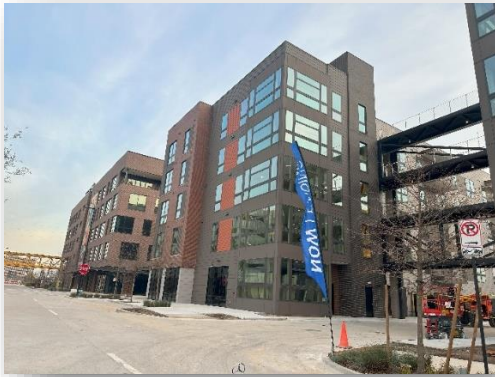


Most buildings will open for business during the summer of 2024. We expect to see a lot more demand in the area once the foot and vehicle traffic picks up, making East River a new point of destination in the city. This is when we start to see significant value appreciation for all the real estate assets in the area. A lot of Houstonians have no idea this project is under construction.



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The Laura, a 360-apartment complex pictured below, is actively accepting tenant applications and is already occupied by some. Laura offers workforce housing to eligible applicants and an incentive of six free weeks for those who move in before the specified date.



**Buffalo Bayou Waterfront**



**Swimming Pool w/ views of Downtown Houston**



**Dog Park + Dog Spa**

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**PROJECT STATUS:** As you all know, we have one commercial building that we held off completing because the commercial real estate climate was very rough in 2021-2022. In early 2022, we began renovation work on this one. Delays in electrical permitting for 3206 Lyons Ave, Houston, TX 77020, have impacted our completion timeline. The leading cause is the outdated electrical infrastructure of Centerpoint Energy; however, with the involvement of contractors with Centerpoint Energy and the Houston permitting office, we are working to ensure project completion.

It is important to note that these delays are common in the construction industry. We are glad to share encouraging news that after almost a year, the Houston permitting office Director is willing to provide financial assistance to our development, allowing us more support and commitment to the community's growth.



Centerpoint Energy wanted us to spend \$35,000 to purchase and install a new commercial-grade three-phase transformer on their utility lines. We didn't see that as a justifiable expense.

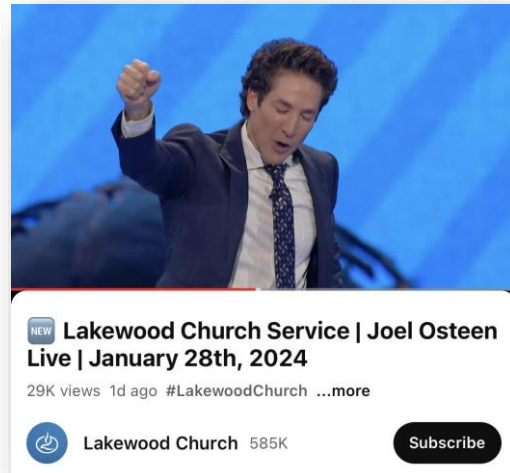
Our contractor finally received a verbal commitment from the City and Centerpoint to cover the expense of a new transformer to ensure we have excellent service to the building. Instead of going with the more expensive three-phase electrical plan, we have elected to keep a single-phase electrical design that will reduce HVAC costs.



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Lakewood Church, one of the largest Mega Churches, led by Joel Osteen, recently booked our Peerspace. An entire segment was played at all services, in person and online. Check out the segment and more about the church by clicking on the images below:



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As for the 18 homes behind the Peerspace at 3204 Lyons Ave, Houston, TX 77020, we had two tenants pass away of natural causes and, unfortunately, began the eviction process for four tenants. So the property has six vacancies.



Evicting tenants is never enjoyable, but sometimes, it is necessary to ensure the safety and well-being of the entire community. We provided multiple resources to them for rental assistance and gave them several months of grace to catch up on their rent, but we were unsuccessful.

Our ultimate goal is to create a safe and welcoming environment for all our paying residents, and we are committed to taking whatever steps are necessary to achieve that goal.

As the eviction process is completed, we will continue to work closely with the Houston Housing Authority (HHA) to bring in tenants at an affordable rate while simultaneously having the voucher-based program subsidize rent so that we bring them close to the market rates.

The Houston Housing Authority field inspectors will be on the property on February 8, 2024, to walk the houses individually to ensure they are up to code for housing residents in their rental assistance programs.





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These tenants will be screened carefully and we hope to retain them long term. The rent will also be \$300-400 more than the previous rent because the vouchers cover the costs.

**Houston Political Climate:** In January, we welcomed our new Houston Mayor, John Whitmire, pictured below with our newly elected City Comptroller Chris



Hollins. Mayor Whitmire has been a community ally for over 30 years in various city and state political roles with the democratic party. He has also long advocated for the African American community and prison reform.

One of the initiatives that Mayor Whitmire has proposed is to increase community engagement and collaboration with law enforcement agencies. By working together, we can develop effective strategies to help prevent crime and promote a sense of safety for all residents.

Overall, we are excited to see the positive changes that Mayor Whitmire will bring to our city, and we look forward to working together to create a safer and more prosperous future for all Houstonians. He is aware of our initiatives in the 5<sup>th</sup> Ward neighborhood. He has already challenged the city officials to handle some lingering issues that need to be addressed, especially around the health and well-being of the residents.

**BLOCKVESTOR SHARES:** Our team is currently closing out the 2023 round of share repurchases for those who elected to close their accounts at \$67 per share, including accrued distributions. The total ROI for the payout was 34% based on the original \$50 per share purchase amount.

The opportunity to purchase more shares is open to existing Blockvestors until Feb 18th. Late July-Aug will be the chance to make the 2024 elections to sell again. Updated shareholder certificate information will also be coming out over the next few weeks. If you are waiting for an updated shareholder certificate, expect it to be sent in the next few weeks.

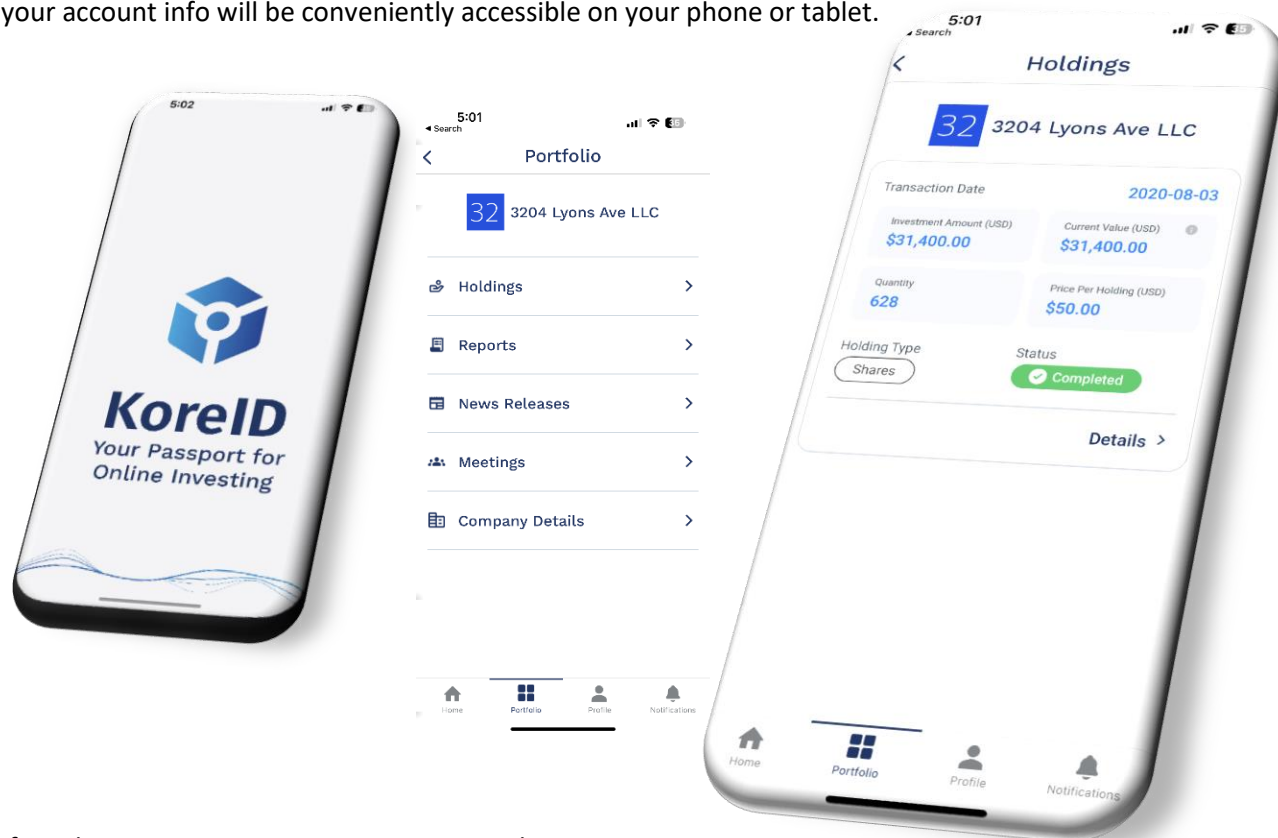


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We elected to hold off until all transactions were complete to do the changes in bulk. The new share values and accumulated distribution amounts will also be determined and updated as well.

On a bright note, KoreConx.com is finally catching up with everything that we needed it to do. This year, we will begin engaging through their platform, eliminating missed notifications and ensuring easy access to all information about your account and the project overall. They also have launched an app so that your account info will be conveniently accessible on your phone or tablet.



If you have not set up your account, or you have not logged in for a while, please take a moment to visit the site and get familiar with the new features, then prepare any questions that you have. The information reflected for each account is still being updated. You will see the info reflected accurately once we complete the shareholder certificate updates over the next few weeks.

**BLOCKVESTOR MEETING:** The Zoom meeting will be on February 16, 2024 at 7:30pm. Feel free to email any questions that have beforehand, so that we can be prepared to answer them and be respectful of everyone's time on the call.

Zoom Meeting Link

<https://us02web.zoom.us/j/6107001906?pwd=cWVUNTczckpEVFVIV2Q2blk3MkdRQT09&omn=87440953648>

Meeting ID: 610 700 1906

Passcode: BTB23

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Also, mark your calendars for April 27th for the first in-person meet-up at the property! This is long overdue, and I look forward to meeting many of you in person for the first time.

As always, if you have any questions or concerns please send us an email and we will get a response to you as timely as possible. Now that KoreConx is going to be helpful, we are hoping to minimize the inquiries as they relate to share values and the buying or selling of shares.

Remember, this project is about long-term ownership, not quick flips and turning control over for quick profits. We will see more value as the East River development moves into phases 2 and 3.

Talk to everyone soon!

Let's Build!

*Chris Senegal*

P.S. We have some new Block Buyers Club apparel available for anyone who is interested. Click below.

