



Construction Company

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Target Customer

Families and newly married couples are seeking a place to start their lives.

- Ages- Millennials 30 to 40 years old
- Gender- Male or Female
- Salary – \$105,000 a year
- Education – A high school or college education



HOUSTON, TX

 CENSUS PLACE

 ADD COMPARISON

2021 POPULATION

2.29M

0.862% 1-YEAR DECLINE

US SENATOR



John
Cornyn

REPUBLICAN PARTY

US SENATOR



Ted
Cruz

REPUBLICAN PARTY

2021 MEDIAN AGE

33.7

1.2% 1-YEAR INCREASE

2021 POVERTY RATE

19.5%

0.65% 1-YEAR DECREASE

2021 MEDIAN HOUSEHOLD INCOME

\$56,019

4.51% 1-YEAR GROWTH

2021 MEDIAN PROPERTY VALUE

\$200,700

7.44% 1-YEAR GROWTH

2021 EMPLOYED POPULATION

1.12M

0.741% 1-YEAR DECLINE

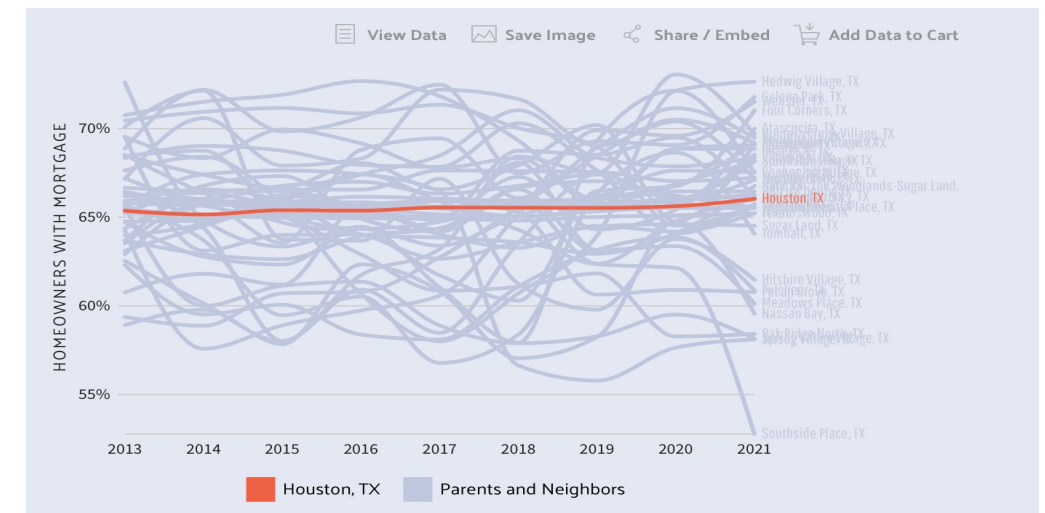
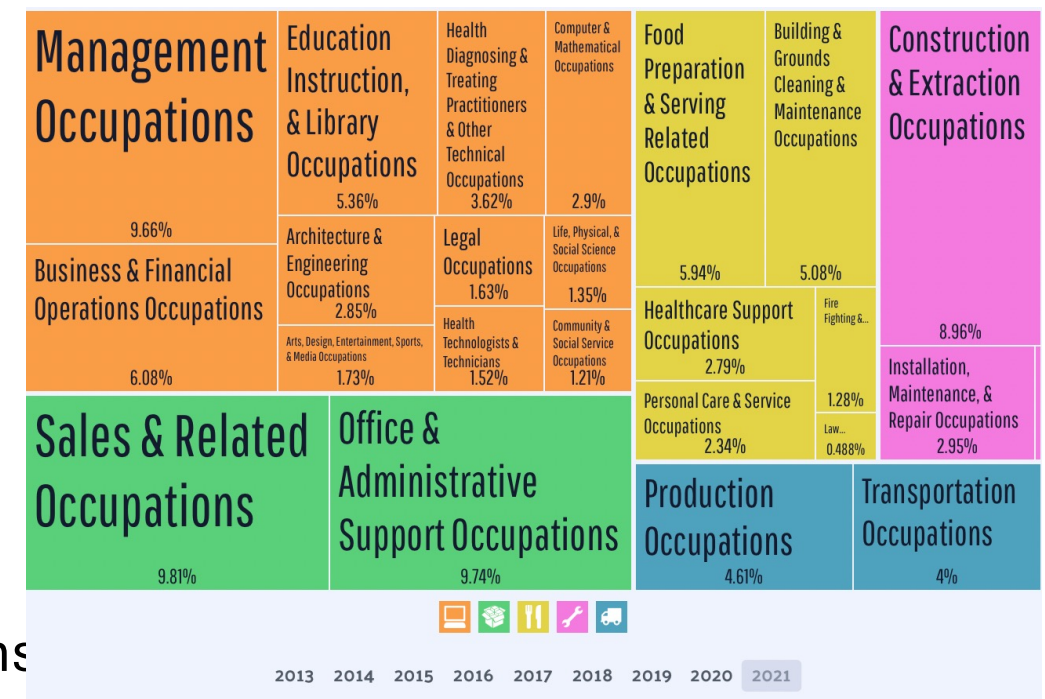
- The economy in Houston, TX employs 1.12 M people. The largest industries are Health Care & Social Assistance, Construction, and Retail Trade.

Key Factors

- In 2021, in Houston, TX the Median property value averaged to about \$200,700 and a Median average of taxes averaged to \$373,161.

- About 8.96% of the work force in Houston, Texas occupation is Construction & Extraction Occupations. Averaging to little bit over 100,000 employees and their median earnings are about \$55,417 with a workforce growth of 0.354%.

In 2021, 66% of the housing units in Houston, Texas bought by their homeowners with a mortgage. Meanwhile, only 42.5% of housing units were being rented out.



- 7345 Joplin Street Houston, TX 77087
- 9,000 ft²
- Metallic industrial/ flex property located southside of Houston
 - 2 highways
 - Green space
- Houston and its business-friendly policies.
 - Policies include low taxes.
- Access to suppliers and retailers for construction needs.
- Prone to floods and heavy storms.
- \$0.75 per ft² per month = \$6,750 -> \$81,000 yr.



24	EXPENSES:														
25	Advertising	16,000	\$ 16,000	\$ 16,000	\$ 16,000	\$ 16,000	\$ 16,000	\$ 16,000	\$ 16,000	\$ 16,000	\$ 16,000	\$ 16,000	\$ 16,000	\$ 16,000	\$ 192,000
27	Insurance	1,200	\$ 1,200	\$ 1,200	\$ 1,200	\$ 1,200	\$ 1,200	\$ 1,200	\$ 1,200	\$ 1,200	\$ 1,200	\$ 1,200	\$ 1,200	\$ 1,200	\$ 14,000
29	Internet/Computer expenses	355	\$ 355	\$ 355	\$ 355	\$ 355	\$ 355	\$ 355	\$ 355	\$ 355	\$ 355	\$ 355	\$ 355	\$ 355	\$ 4,260
30	Loan Payments	6,750	\$ 6,750	\$ 6,750	\$ 6,750	\$ 6,750	\$ 6,750	\$ 6,750	\$ 6,750	\$ 6,750	\$ 6,750	\$ 6,750	\$ 6,750	\$ 6,750	\$ 81,000
31	Maintenance/Repairs	4,000	\$ 2,000	\$ 2,345	\$ 3,000	\$ 3,000	\$ 3,520	\$ 3,700	\$ 4,000	\$ 4,500	\$ 3,500	\$ 3,200	\$ 2,500	\$ 2,000	\$ 37,265
32	Office expense	100	\$ 100	\$ 100	\$ 120	\$ 100	\$ 100	\$ 90	\$ 90	\$ 90	\$ 100	\$ 100	\$ 100	\$ 100	\$ 1,190
33	Owners Draw	28,000	28,000	28,000	28,000	28,000	28,000	28,000	28,000	28,000	28,000	28,000	28,000	28,000	\$ 336,000
34	Payroll Taxes	1408	\$ 1,408	1408	1408	1408	1548.8	1548.8	1548.8	1548.8	1408	1408	1408	1408	\$ 17,459
35	Sub-Contractors	6,000	\$ 6,000	\$ 6,500	\$ 6,500	\$ 6,500	\$ 7,000	\$ 7,100	\$ 7,100	\$ 6,700	\$ 6,500	\$ 6,500	\$ 6,000	\$ 6,000	\$ 78,400
36	Telephone	160	160	160	160	160	160	160	160	160	160	160	160	160	\$ 2,080
37	Travel/Gas	1,400	\$ 900	\$ 900	\$ 1,000	\$ 1,100	\$ 1,500	\$ 1,200	\$ 1,300	\$ 1,400	\$ 1,200	\$ 1,000	\$ 950	\$ 900	\$ 13,350
38	Utilities	8,900	\$ 8,190	\$ 8,200	\$ 8,190	\$ 8,200	\$ 8,600	\$ 9,000	\$ 8,600	\$ 8,600	\$ 8,500	\$ 8,200	\$ 8,190	\$ 8,190	\$ 100,660
42	Wages	12,800	12,800	12,800	12,800	14,080	14,080	14,080	14,080	14,080	14,080	12,800	12,800	16,080	\$ 164,560
43	TOTAL EXPENSES	87073	83863	84718	85483	86853	88813.8	89183.8	89183.8	89383.8	87753	85673	84413	87143	1042224.2

Expenses

- Our expenses change depending on the seasons
- Utilities, travel/gas, and wages are more expensive in the summer months
- Employee wages: \$20 an hour in a 40-hour work week with 4 workers= \$12,800 a month
- Spring/Summer Employee wages: \$22 in with another 40-hr work week with 4 workers = \$14,080 a month
- Plan to be more busy in the Spring/Summer season

Compared to D.R. Horton 10k Report

- D.R. Horton is the largest homebuilding company in the U.S.
- Hold about 1% of the market share as of 2023
- Their COGS is 76.6%
- IBIS industry average at 50%
- Their gross margin is 19.8%
- A 15-25% gross margin is considered healthy in the construction industry

D.R. Horton, Inc. and Guarantor Subsidiaries

Summarized Balance Sheet Data

September 30,
2023
(In millions)

Assets	
Cash	\$ 2,848.3
Inventories	18,331.6
Amount due from Non-Guarantor Subsidiaries	1,314.3
Total assets	26,081.4
Liabilities & Stockholders' Equity	
Notes payable	\$ 2,211.1
Total liabilities	5,785.4
Stockholders' equity	20,296.0

Summarized Statement of Operations Data

Year Ended
September 30,
2023
(In millions)

Revenues	\$ 31,661.8
Cost of sales	24,264.9
Selling, general and administrative expense	2,192.0
Income before income taxes	5,245.5
Net income	3,984.2

Breakeven

- Total Monthly Expenses are \$87,073
- COGS is 50%
- The house cost is \$235,000
- Break-even is = $\$87,073 / (\$235,000 - \$117,500) = 0.74$
- To break even it will take 1 ½ months





Competition

- Comparables
 - Our prices are better. The price that we are selling our houses is 235,000.
 - They will build more houses than us in a year but we can build ours at a lower price. We are projected to build only 10 houses in one year.
 - Net Profit Margin for our company is about 11.3 %. The Houston average in Texas is 3-7%.
 - No strong social media presence for either company of the companies. We plan to have a good social media presence.
- CMC Construction Company
 - All starting prices of the homes that they make are starting at prices at 245,000
 - Net Profit Margin is 8.07%
- Legion Custom Home Builders
 - All houses were above \$400,000 on the website
 - Net Profit Margin 9.01%



Growth Strategy

01

Have a strong online presence establish showcasing past projects, testimonials, and company information

02

Stay informed about industry trends, building codes, and regulatory requirements to ensure compliance and stay ahead of the competition

03

Forge partnerships with subcontractors, suppliers, and vendors to ensure access to materials and resources at competitive and of value prices

04

Streamline processes and workflows to maximize efficiency and productivity with a small team.

Growth strategy

MONTHLY CASH FLOW PROJECTION														
		Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12	TOTAL
	BREAKEVEN	January	February	March	April	May	June	July	August	September	October	November	December	Estimated
			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -						
TOTAL REVENUES & RECEIPTS:														
Houses	235,000	\$ 120,000	\$ 115,000	\$ 120,000	\$ 175,000	\$ 235,000	\$ 235,000	\$ 235,000	\$ 235,000	\$ 235,000	\$ 235,000	\$ 2,235,000	\$ 235,000	\$ 4,410,000
	0		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
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						\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL REVENUE	235,000	120,000	115,000	120,000	175,000	235,000	\$ 235,000	235,000	235,000	235,000	235,000	235,000	\$ 235,000	4410000
COST OF GOODS SOLD	117500	60000	57500	60000	87500	117500	117500	117500	117500	117500	117500	117500	117500	1205000
GROSS PROFIT	\$117,500.00	\$60,000.00	\$57,500.00	\$60,000.00	\$87,500.00	\$117,500.00	\$117,500.00	\$117,500.00	\$117,500.00	\$117,500.00	\$117,500.00	\$117,500.00	\$117,500.00	1,175,000
EXPENSES:														
Advertising	16,000	\$ 16,000	\$ 16,000	\$ 16,000	\$ 16,000	\$ 16,000	\$ 16,000	\$ 16,000	\$ 16,000	\$ 16,000	\$ 16,000	\$ 16,000	\$ 16,000	\$ 192,000
Insurance	1,200	\$ 1,200	\$ 1,200	\$ 1,200	\$ 1,200	\$ 1,200	\$ 1,200	\$ 1,200	\$ 1,200	\$ 1,200	\$ 1,200	\$ 1,200	\$ 1,200	\$ 14,000
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TOTAL EXPENSES	87073	83863	84718	85483	86853	88813.8	89183.8	89183.8	89383.8	87753	85673	84413	87143	1042224.2
PROFIT OR LOSS	\$30,427.00	-23863	-27218	-25483	647	28686.2	28316.2	28316.2	28116.2	29747	31827	33087	30357	132,776

Sources

- [7345 Joplin St, Houston, TX 77087 - Industrial for Lease | LoopNet](#)
- [https://legionbuilder.com/](#)
- [https://www.newhomesource.com/communities/tx/houston-area/builder-cmc-homes-43994](#) (Example of CMC houses cost in Houston)
- [https://datausa.io/profile/geo/houston-tx?rentMortgage=rentOwn#rent_own](#)
- [https://www.macrotrends.net/stocks/charts/BLDR/builders-firstsource/profit-margins](#)
- [https://www.macrotrends.net/stocks/charts/CMC/commercial-metals/profit-margins](#)