



HOUSEHUNT 2018-2019

A Dobelman Family adventure

Househunt 2018-2019

Concerted efforts were made in the 2018-2019 timeframe to find a new house in the Houston area. This is a story about the efforts, findings and recommendations of the search committee.

Search committee

Objectives

Investment analysis

Recommendations

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SEARCH COMMITTEE

Search Committee

Principal members

Kathleen & John Dobelman

Kay Dobelman

Elizabeth Smith and Emma Whitehead

Support personnel

August Dobelman (Accounting)

Dorrance Monteith (Legal)



OBJECTIVES

Objectives

- Investment grade
- Proximity to family
- Proximity to MDACC

Investment grade

- Ability for resale (almost immediately)
- Location
 - Schools (such as Bellaire HS)
 - Consistency of neighborhood
 - Did not flood
 - Not mixed-use

Proximity to family and work

- Piney point village
- Sugarland
- Cottage grove
- Cypress
- Rice University

Proximity to MDACC

- 30 minute recommended window
- Recurring maladies such as high fever, etc.
- In case treatment/checkup schedule intensifies
- In case of BMT



INVESTMENT ANALYSIS

Requirements and constraints

- Yard (adequate for dogs)
- Pool
- Garage (at least 2-car!!)
- Parking
- Study/library (with room size)
- Piano and music equipment
- Elevator/master down
- Room for exercise equipment
- Entertainment space

Requirements and constraints

- Condition of house
 - No construction/repair needed
 - No modernization needed
 - A/C units
 - Kitchen
 - Roof
 - Water heaters
 - Wood floors

Investment

- Our house in any studied area would be over \$1.5M
- Our house with the 1 acre yard would be over \$2M

|| Facts of life

- \$699 Scrapers, townhomes
- \$700-800 Quirks
- \$850 No yard, neighborhood issues, sm. Houses (2100-2500 sq.ft.)
- \$900-1100 New build, townhomes, small footage
- \$1100-1200 Existing build with space
- \$1300+ Closer in area (Stella Link)
- \$1500-1800 Lot of homes meeting requirements
- 2000+ Those nice houses in the middle of the nice areas

Examples

2426 Albans – 1.05M

4215 Childress – 699k, no yard

1624 Albans (by 1716) small streets

2408 Dryden (2400 sq.ft.) Asking
1100, appraised at 737k

4340 Oleander (Bellaire), flooded.

5816 Charlotte (2600 sq.ft.) Asking
1.1M

3128 Lafayette \$1100. Very nice,
yard

3805 Southwestern St. 1.2M 970A

6517 Taggart (elevator), Mem. Park

4904 S. Shepherd (modern) 1.0M

\$950k townhouse on Memorial Park
(lovely but too small, no elevator)

Many homes in Bellaire, Hunters
creek, Rice Village, West University,
West University Place, the Heights,
Montrose/UST

|| Critical discovery

- No matter the listing, 75% of houses sold at the 2018 appraised value.
- Shows up very clearly in the data.
- Therefore offer the appraised value

Property Taxes

- Forget about taxes less than \$20k per year.
- For the 1.0-1.2M appraised range taxes about \$25,000, up to \$40,000
- Some folks selling their house to get away from the taxes



RECOMMENDATION

Recommendation

- Acceptable houses at reasonable cost move pretty fast
- Should have cash ready so offer can be made
- Approximately \$1.3M should be prepared (leaving room for contingencies)

Recommendation

- Source of funds: MKDT
 - Net 1.3M from sale of stock
 - Gross to sell: $\text{Net}/(1-.20) = 1.3/.8 = \1.625M

Recommendation

- Suggest sending letter to Faye Sarofim outlining the parameters of what is needed and obtain their recommendation.
 - Amounts
 - Suggest look at concentration
 - Resulting composition closer to S&P 500?

Questions?

