Spread, Speed, and the Single-Family House

Home Pros Investor Memo | November 27, 2026 From Trevor Rice, COO & Co-Founder, Home Pros

"Buy when there's blood in the streets, even if the blood is your own." Attributed to Baron Rothschild

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Single-family rental used to be a retail investor's game. Over the last decade it became an institutional asset class. Large SFR operators and build-to-rent funds now buy houses in bulk, and they buy to a spec: three bedrooms, a decent bath count, a newer build year, in Sun Belt metros where people keep moving. They want a steady supply of houses that fit that spec, at a price that still works after renovation and leasing.

The supply side is less organized. A lot of the best houses never hit the MLS. They belong to sellers dealing with an inheritance, a divorce, a house that needs work, or a deadline. Those sellers care more about certainty and speed than squeezing out the last dollar. The company that reaches them first, makes a fair cash offer, and closes on their timeline gets to buy below retail.

Home Pros sits in that gap. We buy single-family houses directly from sellers and sell them through whichever exit pays best for that house: a wholetail sale to an owner-occupant, an assignment or double close to an institutional buyer, or a sale to a local investor in our buyer network.

This memo explains how that model makes money, where the risk sits, and how it compares with two things accredited investors already know: private loans and buy-and-hold rentals. It is written for investors who are thinking about backing a single-family acquisitions operator, ours or anyone else's.

Important disclaimer: We are not accountants, financial advisors, or attorneys, and this memo is not a substitute for professional advice. The worked example uses purchase, closing and resale figures from real settlement and deed records for a house we put under contract and sold to another investor; its other costs are our estimates. The comparison table is a simplified illustration. None of it is a projection or a forecast. Talk to your own advisors before you invest in anything.

The business in plain terms

Home Pros is a veteran-led cash home buyer headquartered in San Antonio, Texas, operating in 40+ markets. My own background is 11 years in residential acquisitions and 500+ deals.

For a seller, the offer is simple:

- A fair cash offer within 24 hours
- Close in as little as 7 days, or on the seller's timeline
- We buy as-is, in any condition
- No commissions or fees, and we cover standard closing costs
- Closing happens at a licensed title company

For a buyer, the product is a house that fits their buy box, sourced off-market, with the comp set and rehab scope already done. Our buy box is published at selltohomepros.com/dealsubmit and runs market by market. A typical line reads "3+ bed, 1.5+ bath, 1,000+ sq ft, built 1960 or later, under the state price cap." That is close to the spec most institutional SFR buyers use, on purpose. If a house fits our box, it usually has more than one buyer.

What "institutional grade" means here

When we say a house is institutional grade, we mean an SFR fund would buy it as a rental without a second thought. In practice that means:

Criteria	What we look for	Why it matters
Product	Detached single-family. No condos.	Easiest asset to finance, insure, lease, and resell
Layout	Usually 3+ bed, 1.5 to 2+ bath, 1,000+ sq ft	Matches renter demand and fund specs
Vintage	Usually built 1950 to 1970 or later, by market	Fewer surprises in the rehab scope
Location	Inside a defined county or radius in each market	Buyers have local leasing and maintenance teams there
Price	At or under each state's or market's cap	Keeps every deal inside a buyer's allocation

Houses that miss the box can still be good deals. They just have fewer buyers, so we price them more carefully or pass.

Three ways to exit a house

The spread between what we pay and what a house is worth is only real if we can collect it. Each house gets the exit that turns the spread into cash fastest with the least risk.

Exit	How it works	Typical hold	Capital at risk	Best fit
Assignment	We sell our purchase contract to a buyer before closing	Days	Earnest money only	Houses an institutional or local investor wants as-is
Double close	We close on the house and resell it the same day or soon after	Days	Short-term transaction funding	Same as assignment, when the buyer wants a clean chain of title
Wholetail	We take title, do light make-ready (clean, paint, minor fixes), and sell to an owner-occupant or investor	Weeks to a few months	Full purchase price plus make-ready	Houses that are close to retail-ready, where a light touch closes most of the gap to full value

Wholetail is the piece of the business that needs real capital. Assignments and double closes are fast and capital light, but the spread is smaller because the buyer is still taking on the renovation. Wholetail captures more of the spread in exchange for holding the house a little longer.

A real wholetail we could have done

The best way to see the model is one real house. In June 2026 we put a house in Lewisville, North Carolina (Forsyth County) under contract: 3 bed, 1 bath, 1,150 sq ft, built 1966. We did not have the capital to close it ourselves, so we sold our position to another investor for a $10,000 fee. That investor closed on July 17, 2026 and resold the house 28 days later, off-market, for $261,500.

Here is the same house run as a Home Pros wholetail. Purchase, closing costs, our fee and the resale price come from the executed HUD-1 settlement statement and the recorded deed. Make-ready, holding and selling costs are our estimates.

Line	Amount	Source
Purchase price	$140,000	Executed HUD-1, line 101
Closing costs and insurance	$4,848	HUD-1, line 1400 buyer side, less our $10,000 fee and $350 coordination fee
Make-ready	$10,000	Our estimate: clean-out, paint, flooring, minor repairs
Holding costs (28 days)	$500	Our estimate: taxes and utilities
Total cost	**$155,348**	
Sale price	$261,500	Recorded deed, August 14, 2026
Selling costs (6%)	$15,690	Our estimate: commissions and seller closing costs on an MLS sale
Net proceeds	**$245,810**	
Profit	**$90,462**	**58.2% on $155,348 of capital, before overhead**

What we actually earned on this house was the $10,000 fee. The rest of the spread went to the investor who had the capital. The fund exists so the next house like it closes in the fund's name, with investors sharing the spread.

The break-even sale price matters more than the profit. With $155,348 in total cost and 6% selling costs, the house had to sell for about $165,300 to return every dollar. That is roughly 63% of what it actually sold for. It could have sold for 37% less and the capital would still have come back whole. That cushion is the margin of safety, and it came from buying right, not from forecasting price growth.

Time matters too. This house would have tied up capital for about four weeks after closing. A rental ties up the same capital for years.

This is a standout, chosen because it shows the spread clearly. It is not a typical deal, and the next one will not look like it. The comparison in the next section uses a far more conservative 14.5% a turn.

What happens if the sale comes in low

Sale price	% of actual sale	Profit (loss)	Return on $155,348
$261,500	100%	$90,462	58.2%
$240,000	92%	$70,252	45.2%
$220,000	84%	$51,452	33.1%
$200,000	76%	$32,652	21.0%
about $165,300	63%	$0	0%

This table assumes costs stay on budget. A blown rehab scope or a slow sale eats into the same cushion, which is why underwriting discipline matters more than anything else in this business. We underwrite every deal with Compr (thecompr.ai), the AI underwriting tool our team built for acquisitions, so every offer starts from the same comp and rehab logic.

Taxes and inflation

Experienced investors know the headline return is never the return you keep. Here is a conservative base case, 14.5% a turn and far below the Lewisville deal, through that lens, next to a private loan and a rental.

On taxes, wholetail profit is generally taxed as ordinary income, the same as interest on a private loan. Rentals get depreciation, which shelters part of the cash flow. So on taxes alone, the rental wins.

Inflation is where short duration helps. A loan pays back fixed dollars that buy less each year. A rental's value tends to move with prices, but the investor waits years to collect. A wholetail resets every cycle: capital comes back in a couple of months and goes into the next house at that month's prices.

The comparison below is simplified and hypothetical. It assumes a 40% combined tax rate, 3% inflation, no leverage, no overhead, and no defaults or vacancies.

	Private loan	Buy-and-hold rental	Wholetail (2 turns a year)
Headline return	11.0% interest	6.0% cap rate on a $250,000 house	29.0% (14.5% per turn)
Tax treatment	Ordinary income	Depreciation shelters part of the income	Ordinary income
After tax	6.6%	About 4.8%	17.4%
After 3% inflation	3.6%	About 4.8% (value assumed to keep pace with inflation)	14.4%
Best case vs. stated	Stated rate is the ceiling	Can beat stated with appreciation	Can beat stated if turns are faster
What can go wrong	Default, slow foreclosure	Vacancy, capex, rate moves	Bad underwriting, slow sales, falling prices
Liquidity	Locked to maturity	Years	Weeks to months per house

Rental math: $15,000 net operating income, about $7,270 a year of depreciation on a $200,000 building basis over 27.5 years, tax on the remaining $7,730, leaving about $11,900 after tax.

A fair reading of this table is that the wholetail model has the highest return and the most operating risk. Two turns a year is an illustration, not a promise. Capital sits idle between deals, overhead is real, and some houses sell slowly. The return depends almost entirely on the operator's ability to keep buying right and selling fast. Passive capital does not earn this return on its own.

The risks, stated plainly

Risk	What it looks like
Deal flow	Acquisitions slow down and capital sits. The model needs a steady supply of off-market houses bought below value.
Underwriting error	Overpaying, or missing a foundation or roof problem, wipes out the margin of safety. This is the most common way operators lose money.
Market moves	A fast drop in local prices or a spike in mortgage rates shrinks what retail buyers pay and what institutional buyers bid.
Execution	Contractors run late, title issues come up, buyers back out. A two-month hold becomes four.
Concentration	The operator is exposed to housing as an asset class, no matter how many markets it works.
Key people	Smaller operators lean on a few people. Ask who underwrites, who closes, and what happens if one of them leaves.

A checklist for evaluating any SFR operator

Whether you back us or someone else, these are the questions we would ask:

- What percent of ARV do they actually pay, on average, and how do they set ARV?
- At what sale price does each deal break even? How far below ARV is that?
- Do they have more than one way to sell a house? Who are the buyers, and do they have proof of funds?
- How long does capital sit in each deal, from contract to cash back?
- Is every deal underwritten the same way, by people and tools they can show you?
- What happens when a house does not sell? Can they rent it, lower the price, or sell it to an investor?
- How much debt sits ahead of equity investors, and on what terms?
- How will your returns be taxed, and when?
- How much of the operators' own money and time is in the business?

Investing with Home Pros

We are forming a wholetail fund: Home Pros LLC, a Texas limited liability company, to be managed by Balint Holdings, LLC, the company that runs Home Pros today. The fund will use investor capital to buy single-family houses, do the make-ready, carry them while they are listed, and sell them through the wholetail exit described above. Investors will own units in the fund, which owns the houses, and will be paid from house sales under the fund's offering documents. They will own no part of Home Pros' other businesses.

Term	Detail
Fund	Home Pros LLC, a Texas limited liability company being formed
Manager	Balint Holdings, LLC, doing business as Home Pros
Purpose	Buy, make ready and resell single-family houses
Securities	Membership units in the fund
Target raise	$3,000,000
Minimum investment	$50,000
Eligibility	Accredited investors, status verified
Status	Forming; not yet accepting investments

The fund's economic terms (any preferred return, how profits are split, fees, term and liquidity) will be set only in its offering documents. None of the numbers in this memo are those terms.

Offering documents will go to verified accredited investors once the fund is formed, and they control over anything in this memo. Review them with your own attorney and tax advisor before you invest. If you want to

review the deck or talk through whether this fits your portfolio, reach out directly.

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Important disclosures

Please read this section before acting on anything in this memo.

Who the issuer is

Any securities described in this memo will be offered by Home Pros LLC, a Texas limited liability company being formed, to be managed by Balint Holdings, LLC, doing business as Home Pros. Trevor Rice is COO & Co-Founder of Home Pros. The fund is not yet formed and is not accepting investments.

This is not an offer

This memo is for information and education only. It is not an offer to sell, or a solicitation of an offer to buy, any security. Home Pros LLC makes offers only through definitive offering documents, and only to investors whose accredited status has been verified. If anything in this memo differs from the offering documents, the offering documents control.

Use of funds

Money raised is used for wholetail funding: buying single-family houses, make-ready and rehab, holding costs while each house is marketed, and the closing costs and deposits tied to those purchases. The offering documents describe use of funds in full.

Risks

Investing in the fund is speculative and risky. You should invest only money you can afford to lose entirely. The main risks include:

- Loss of capital. You can lose part or all of your investment.
- Illiquidity. Your money may be tied up for a long time, and you may have no way to get it back early.
- No secondary market. There is no public market for fund units, and none is expected to develop.
- Market and price declines. Home prices, mortgage rates, and buyer demand can move against us, and houses may sell for less than we paid plus costs.
- Hold time. Houses can take longer to sell than planned, which adds holding costs and lowers returns.

- Rehab overruns. Repairs can cost more than budgeted or uncover problems we did not see when we bought the house.
- Concentration. The business is concentrated in single-family housing, so a broad housing downturn affects every deal.
- Key-person reliance. The fund depends heavily on Trevor Rice. Losing him, or other key team members, could hurt the business.
- No guaranteed returns. Nothing in this memo is a promise of any return, distribution, or timeline.
- Fees and conflicts. The manager is paid fees regardless of results and runs its own wholesale business alongside the fund, which creates conflicts over which houses the fund buys.

Conflicts of interest

Trevor Rice is an active licensed real estate agent. He, or a brokerage he is affiliated with, may list Home Pros wholetail properties for sale and earn commissions on those sales, on top of any return he receives through the manager. Home Pros also underwrites deals with Compr (thecompr.ai), an underwriting tool affiliated with the founders. These relationships can create incentives that differ from yours. The offering documents will describe them in more detail.

Examples

The Lewisville example uses purchase, closing and resale figures from an executed HUD-1 settlement statement and a recorded deed for a house Home Pros put under contract and sold to another investor. Home Pros did not own or wholetail that house. Its make-ready, holding and selling costs are estimates, and it was selected as a standout, not as a typical result. The comparison table is hypothetical and simplified. None of these numbers are projections or forecasts, and they leave out overhead, financing costs, vacancy, defaults, and other expenses. Real results will differ, possibly by a lot.

Past performance

Trevor Rice's track record, including 11 years and 500+ deals, and any past results of Home Pros do not mean future deals will perform the same way.

Forward-looking statements

Statements about plans, strategy, markets, and expected results are forward-looking. They are based on our current views and assumptions, which may turn out wrong. We are not obligated to update them.

Taxes

Nothing here is tax advice. How your investment is taxed depends on your situation. Talk to your own tax advisor, attorney, and financial advisor before investing.

No regulatory approval

No securities have been registered with the SEC or any state securities regulator. Neither the SEC nor any state regulator has approved or disapproved this investment or reviewed this memo for accuracy.

Information in this memo is believed accurate as of November 27, 2026, may include estimates, and is subject to change without notice.