

MARGINAL · 8% MARGIN

\$500K-\$1M PROJECT

#2 · 1817 OLD OXFORD RD, DURHAM, NC 27704

1817 Old Oxford Rd, Durham NC — 8.65 ac, MLS 10117719, \$599k, RS20 + 18 ADUs by right, public sewer at Hebron Rd ROW

LIST PRICE	\$599,000	ACREAGE	8.65 ac (assemblage of 3 parcels)
MLS	10117719	ZONING	RS20 — 20,000 SF min. lots; each lot may have 1 ADU by right = 18 primary homes + 18 ADUs (36 units) by right
UTILITIES	Public water line + gravity sewer line confirmed in Hebron Rd ROW; nearest sewer manhole at Sandy Ridge Elementary driveway	FRONTAGE	~930 ft on Old Oxford Rd; ~230 ft on Hebron Rd; flat terrain, easy to develop
INSIDE DURHAM UGB	Yes — inside Durham Urban Growth Boundary	SUBDIVISION POTENTIAL	RS20 base zoning → 18 lots, each with ADU by right; standard form 580-T with proof of funds
STRATEGY	Strategy D: Subdivide 18 lots on paper (plat + ADU documentation), resell entitled assemblage to homebuilder or developer	OUT-OF-POCKET CASH	\$726,478 (land + closing + soft costs + contingency + carry; no construction loan for entitlement play)
FINANCED	\$0 construction loan (entitlement/lot-sale only)	MODELED	Sell entitled 18-lot assemblage for \$820,000 (~\$45,556/lot of entitled land)

PROJECT COST	GROSS REVENUE	NET PROFIT	MARGIN	MAX OFFER (20%)
\$726K	\$820,000	+\$68,922	8%	\$506,000

PRO FORMA

LINE	AMOUNT
Gross revenue — entitled 18-lot assemblage sale (8.65 ac, RS20 + ADU-documented)	\$820,000

LINE	AMOUNT
Land acquisition (8.65 ac, 3 parcels) + closing (~2%)	(\$610,980)
Construction — builder cost (N/A — entitlement/lot sale)	\$0
Home On builder margin (N/A)	\$0
Site development / infrastructure (buyer installs post-purchase)	\$0
Entitlement soft costs — survey, plat engineering, legal, Durham county fees (AT COST)	(\$45,000)
Contingency (10% of soft costs, AT COST — typically returned if unused)	(\$4,500)
Carry (10% APR on ~\$660k avg, 12 months; no construction loan)	(\$65,998)
Selling costs (~3% — paid at sale closing)	(\$24,600)

NET PROFIT TO INVESTOR — ENTITLEMENT/LOT-ASSEMBLY PLAY

~\$68,922 · 8% margin · 9.5% cash-on-cash · 12 months |
NOTE: asking \$599k is \$93k above MAO (\$506k) for 20% investor margin threshold

NE Durham January 2026 median home price: \$305,000 (Redfin Northeast Durham). Entitlement sale modeled at \$820,000 for 18-lot RS20 assemblage with ADU rights and public utilities at ROW (~\$45,556/lot of raw entitled land; comparable Durham County development lots trade \$45–75k/lot per LandWatch). Nearby comparable listing: 820–832 Old Oxford Rd (MLS 10162200) listed at \$600,000 for 2 ac / 8 already-subdivided lots = \$75,000/lot (listed March 2026, still active Sept 2026 — suggesting market may be softer than \$75k/lot). Build-to-sell NE Durham: 1,400 SF home at \$305k ARV produces negative investor margin at current land+build costs — see verdict. MAO \$506,000 (for 20% entitlement margin); asking \$599k is 18% above MAO threshold.

DILIGENCE GATES

GO: Public water + gravity sewer confirmed in Hebron Rd ROW
GO: RS20 + ADU by right — no rezoning required; development path is clear
GO: Flat terrain, 930 ft Old Oxford Rd frontage, inside Durham UGB
VERIFY: Current asking price and active status (MLS 10117719 — confirm with listing agent)
VERIFY: Any deed restrictions on the 3 individual parcels in the assemblage
VERIFY: Durham subdivision approval timeline, road improvement requirements, and county fees
VERIFY: Whether ADUs require detached-condo platting or sell as house+ADU package
VERIFY: Market demand for entitled lots in NE Durham (820–832 Old Oxford Rd at \$75k/lot has sat since March)
STOP: If lot demand at \$45–55k/lot has softened further (see 820–832 Old Oxford Rd sitting at \$75k/lot unsold)
STOP: If RS20 road-frontage or turn-lane requirements add >\$200k to subdivision infra cost

VERDICT

Real, confirmed listing with excellent utility infrastructure — public sewer + water in the Hebron Rd ROW makes this shovel-ready for the right buyer. The challenge is the NE Durham market: median homes at \$305k make build-to-

sell margins negative (modeling shows -\$432k net for 18 standard 1,400 SF homes at market price). The entitlement/lot-sale play generates ~\$69k net (8% margin, 9.5% CoC) — positive but thin, and the nearby 820-832 Old Oxford Rd listing (\$75k/lot, active since March 2026) suggests lot demand is soft here. MAO for 20% investor margin = \$506,000; asking \$599,000 is \$93k above that threshold. Best case for a patient buyer: negotiate to \$490-510k, plat 18 lots with ADU rights documented, and market to a volume homebuilder willing to run a rental-focused ADU product (36 units = ~\$572k/yr gross rent at \$1,700 primary + \$950 ADU per lot). Grade: MARGINAL — include in report for awareness; do not pursue at \$599k asking without negotiation.