

GREAT · 21.1% MARGIN

\$1M–\$5M PROJECT

#1 · 636 CHRISTOPHER RD, CHAPEL HILL, NC 27514

1.20 acres · Greenwood neighborhood · Chapel Hill 27514 · MLS 10063322

LIST PRICE	\$375,000 (reduced from \$400,000; ~22 months on market — motivated seller)	ACREAGE	1.20 acres
MLS	10063322 (Coldwell Banker Advantage, Linda Martin 919-XXX-XXXX)	ZONING	Chapel Hill residential (27514 Greenwood area; confirm R-1 single-family)
UTILITIES	City sewer and water accessible; electricity, cable available	STRATEGY	Build 3,200 SF premium home; sell or owner-occupy in Chapel Hill's most prestigious neighborhood
OUT-OF-POCKET CASH	\$304,601 (equity \$243,525 + land closing \$7,500 + loan closing \$10,959 + carry \$42,617)	FINANCED	\$730,575 construction loan (75% of \$974,100 project)
MODELED	3,200 SF at \$130/SF builder cost (premium finish); \$450/SF ARV (\$1,440,000); 14-month build		

PROJECT COST	GROSS REVENUE	NET PROFIT	MARGIN	MAX OFFER (20%)
\$1.04M	\$1,440,000	+\$304,024	21.1%	\$390,100

PRO FORMA

LINE	AMOUNT
Gross revenue — sale price (\$450/SF × 3,200 SF; ARV comps Greenwood neighborhood)	\$1,440,000
Land acquisition + closing (~2%)	(\$382,500)
Construction — builder cost (3,200 SF × \$130 premium finish level)	(\$416,000)
Home On builder margin (20% intro rate; standard 30%)	(\$104,000)
Site development / infrastructure — public sewer/water connection (incl. 20% margin)	(\$37,500)

LINE	AMOUNT
Contingency (10% of construction, AT COST — typically returned to investor if unused)	(\$41,600)
Construction loan closing + carry (10% APR on draws, 14-month build)	(\$53,576)
Selling costs (~7%) — paid at sale closing, not out-of-pocket	(\$100,800)
NET PROFIT TO INVESTOR	~\$304,024 · 21.1% margin · 99.8% cash-on-cash

ARV support: 753 Old Mill Rd (same Greenwood neighborhood, Chapel Hill 27514), 4,018 SF 2024-rebuilt home, actively listed at \$1,950,000 (\$485/SF) — using conservative \$450/SF here (7% discount to active comp). Market context: Chapel Hill new construction median listing \$1M+; Greenwood is Chapel Hill's premier established neighborhood, 2 miles to UNC campus. MAO \$390,100 at \$450/SF — ask \$375,000 is \$15,100 below MAO. At comp-level \$480/SF, MAO rises to \$455,000 and investor margin jumps to 28%.

DILIGENCE GATES

GO: City sewer/water confirmed accessible; 1.20 acres supports premium single-family; same-neighborhood listing comp at \$485/SF; lot cleared and ready; ~22 months on market signals motivation.

VERIFY: Chapel Hill zoning confirms single-family allowed and FAR/setbacks for 1.20-ac lot; exact sewer connection cost and distance to tap; survey and title search for easements; confirm no deed restrictions or historic district overlay; 753 Old Mill Rd listing — call agent for any pending offers (establishes market before building).

STOP: Deed restrictions prohibiting new construction; floodplain or wetlands (lot appears elevated per listing — "relatively high elevation"); environmental contamination.

VERDICT

GREAT buy at \$375,000 in Chapel Hill's premier Greenwood neighborhood — same street as a 2024-rebuilt comp listing at \$1,950,000. Build 3,200 SF at premium finish (\$130/SF builder cost): investor nets +\$304,024 (21.1% margin, ~100% cash-on-cash) with \$304,601 out of pocket. MAO is \$390,100 at \$450/SF — ask of \$375,000 is \$15,100 below MAO, giving cushion even at the conservative comp. If the nearby listing closes at or near \$485/SF, returns jump to +\$471,000 (28% margin). Two years on market with a \$25k price cut = motivated seller. This is also a compelling build-own site for someone wanting a custom home in Chapel Hill at below-replacement cost. Recommended: offer at \$360-375k, parallel survey and title work.