

MARGINAL · 49.4% MARGIN

UNDER \$250K PROJECT

#3 · 5828 OLD SMITHFIELD RD, APEX, NC 27539

2.08-acre price-cut parcel, Old Smithfield Rd, Apex — public sewer at property, MLS 10133688

LIST PRICE	\$165,000 (reduced from \$225,000 — 27% price cut)	ACREAGE	~2.08 acres (VERIFY — one source lists 1.22 ac; discrepancy must be resolved)
MLS	10133688 (Active — Wake County, Apex)	ZONING	RR — Rural Residential (current); Mixed-Use FUTURE land use designation in Apex Comp Plan
UTILITIES	Public sewer AT property; public water along Old Smithfield Rd — exceptional for Apex	STRATEGY	Cash buy, pursue MU rezoning aligned with existing future land use, resell entitled site to townhome or commercial developer; NO construction modeled
OUT-OF-POCKET CASH	\$218,050 (cash acquisition + entitlement costs + carry — no construction loan)	FINANCED	None modeled — recommend cash acquisition for entitlement plays
MODELED	Entitlement only; \$500K conservative resale of rezoned site to developer (6–8 townhome site at ~\$500K each = \$3–4M GDV)		

PROJECT COST	GROSS REVENUE	NET PROFIT	MARGIN	MAX OFFER (20%)
\$218K	\$500,000	+\$246,950	49.4%	\$165,000 ask IS the play (entitlement only)

PRO FORMA

LINE	AMOUNT
Gross revenue — entitled resale to developer (conservative; \$500K)	\$500,000
Land acquisition + closing (~2%)	(\$168,300)

LINE	AMOUNT
Entitlement costs — survey, rezoning application, legal, design (AT COST, no margin)	(\$25,000)
Carry interest (18-month entitlement hold, 10% APR on equity deployed)	(\$24,750)
Selling costs (~7%) — paid at sale closing, not out-of-pocket	(\$35,000)
NET PROFIT TO INVESTOR	~\$246,950 · 49.4% margin · 113% cash-on-cash (IF rezoning approved)

No build ARV applicable (entitlement-only). Entitled exit value of \$500K is conservative — a 2-acre MU-zoned site with public sewer in Apex supporting 6-8 townhomes at \$500K+ each (\$3-4M GDV) could yield \$600K-\$900K+ land value to a motivated developer. Apex overall market: \$241/SF median sold (Resideline, 704 closings YTD), confirming build-new single-family does NOT pencil on this parcel. Townhome/MU entitlement is the only viable path. Risk: rezoning is NOT guaranteed; model returns are only valid on approval.

DILIGENCE GATES

GO: Public sewer AT property (uncommon in Apex); MU future land use matches desired rezoning; 27% price cut signals motivated seller; low entry at \$165K.

VERIFY: Confirm acreage (1.22 vs. 2.08 ac — big discrepancy); confirm right-of-way and curb-cut situation on Old Smithfield + Bakers Alley; schedule pre-application meeting with Apex/Cary planning to assess rezoning feasibility and timeline (12-24 months typical); check 100-yr floodplain on parcel (creeks nearby); any prior rezoning denials on this parcel.

STOP: If acreage confirms at 1.22 ac (may be too small for townhome project); if Apex planning indicates MU rezoning is not supported at this location; if floodplain covers more than 30% of lot.

VERDICT

MARGINAL — entitlement-only play with meaningful execution risk. If rezoning from RR to Mixed-Use is approved (aligned with the Comp Plan designation), investor nets ~\$246,950 on \$218,050 invested (113% cash-on-cash) at a conservative \$500K entitled exit. Single-family build-invest does NOT pencil at Apex's \$241/SF comp. The 27% price cut and confirmed public sewer make this worth a pre-app meeting with Apex planning before committing. Cost to pursue: \$165K land + ~\$25K entitlement work. Downside is \$190K at risk if rezoning denied. Recommend as a watch for a buyer with entitlement experience and 18-24 month horizon.