

PASS · -98.7% MARGIN

\$1M-\$5M PROJECT

#3 · 5911 FAMILY FARM RD, MORRISVILLE, NC 27560

2.10-ac VLDR parcel, teardown home · Morrisville NC · MLS 10177908 · \$995K · PASS

LIST PRICE	\$995,000 (MLS 10177908 · Active)	ACREAGE	2.10 acres (2 parcels), ~410 ft road frontage
MLS	10177908 — Active, Morrisville NC 27560	ZONING	VLDR (Very Low Density Residential) — max ~1–2 units per acre; existing home conveys at NO VALUE (teardown, not safe to enter)
UTILITIES	Not confirmed as public sewer/water — listing does not specify; likely well/septic given VLDR rural designation — MUST verify	STRATEGY	Teardown + build 2 new homes (max likely yield under VLDR). Pro forma shows deeply negative returns at \$995K land cost.
OUT-OF-POCKET CASH	\$492,709 (equity 25% of all_in_cost)	FINANCED	\$1,454,630 construction loan (~75% of all-in project cost)
MODELED	2 homes × 2,200 SF × \$241/SF (Morrisville median, declining) = \$1,060,400 total ARV		

PROJECT COST

\$1.95M

GROSS REVENUE

\$1,060,400

NET PROFIT

-\$961,167

MARGIN

-98.7%

MAX OFFER (20%)

\$53,733

PRO FORMA

LINE	AMOUNT
Gross revenue — 2 new homes × 2,200 SF × \$241/SF (Morrisville median)	\$1,060,400
Land acquisition + closing (~2%)	(\$1,014,900)
Construction — builder cost (2 × 2,200 SF × \$111 builder grade)	(\$489,600)
Home On builder margin (20% intro rate; standard 30%)	(\$122,400)

LINE	AMOUNT
Site development / infrastructure (2 lots, incl. 20% margin)	(\$243,750)
Contingency (10% of construction, AT COST — typically returned if unused)	(\$48,840)
Construction loan closing + carry (10% APR on draws, 10-month build)	(\$82,429)
Selling costs (~7%) — paid at sale closing, not out-of-pocket	(\$74,228)
NET PROFIT TO INVESTOR	~(\$961,167) · PASS — deeply negative at \$995K land cost · MAO for break-even: \$53,733

Morrisville sold comps: median \$547,000, \$241/SF through May 2026 (Redfin), but market down 10.7% YoY and median days-on-market rising to 56 days (vs 37 days prior year). Two new homes at 2,200 SF × \$241/SF = \$530,200 each = \$1,060,400 total. MAO for 20% investor margin at these comps: \$53,733 for the land. Property is listed at \$995,000 — 18.5× the MAO. PASS: land priced as if Morrisville will appreciate significantly, but the market is currently declining.

DILIGENCE GATES

GO: Near RTP, RDU, I-540; 410 ft road frontage; existing 2-parcel assemblage.
VERIFY: Utility type (public sewer/water or well/septic), VLDR exact density allowance.
STOP: Price — \$995K for 2.10 acres in a declining market does not compute at any realistic ARV. If the seller is negotiable to \$54K (unlikely), reconsider. At any price above ~\$150K this deal cannot clear 20% margin.

VERDICT

Morrisville has compelling location fundamentals (RTP, RDU, I-540 access), but the market is showing real weakness: -10.7% YoY median price, rising days on market, and a VLDR zoning that caps density on these 2.10 acres. At \$995K asking, the land cost exceeds the total ARV of both new homes even before construction — a loss of ~\$961K on the pro forma. The MAO for 20% investor margin is \$53,733; list price is \$995,000. PASS firmly unless seller accepts an offer below \$100K (unlikely). Recommend monitoring for a significant price reduction or watching for a rezoning to denser residential use that changes the density equation.