

GOOD · 33% MARGIN

\$500K-\$1M PROJECT

#2 · 1301 DOC NICHOLS RD, DURHAM, NC

1301 Doc Nichols Rd, Durham, NC — 4.54 ac entitled for 25 townhomes, city utilities, no construction risk

LIST PRICE	\$850,000 (Durham MLS)	ACREAGE	4.54 acres
LOCATION	Durham, NC — inside city limits	UTILITIES	City water + sewer confirmed available to site
ZONING	Already rezoned — 25 townhomes approved and recorded	STRATEGY	Buy the entitlement; flip land to TH builder at ~\$56K/TH lot
TARGET BUILDER PRICE	\$52,000-\$65,000 per TH lot (\$1.3M-\$1.625M total land proceeds)	HOLD PERIOD	~6 months (LOI to close)
CONSTRUCTION RISK	None — land-only flip		

PROJECT COST

\$903K

GROSS REVENUE

\$1,400,000

NET PROFIT

+\$455,000

MARGIN

33%

MAX OFFER (20%)

\$1,005,000

PRO FORMA

LINE	AMOUNT
Land sale to TH builder — 25 entitled lots × \$56,000/lot (base case)	\$1,400,000
Land acquisition — 4.54 ac, Durham, 25 TH entitled	(\$850,000)
Land closing — 2%	(\$17,000)
Carry — 10% APR, avg 50% drawn, 6-month hold	(\$21,250)
Legal / survey / diligence	(\$15,000)
Land sale commission — 3%	(\$42,000)
NET PROFIT TO INVESTOR	~\$455,000 · 33% margin · ~50% CoC in 6 months Upside: at \$65K/lot → \$625K net · 41% margin

Land value support: Durham for-sale TH market \$340-450K/unit; land component at 12-15% = \$41-68K/TH lot. Comparable entitled TH land in Durham-Raleigh corridor has traded at \$48-72K/TH lot in recent cycles per broker intel. Base case \$56K/lot × 25 = \$1.4M. MAO for 20% net margin = \$1,005,000 — \$155K above the \$850K ask, confirming deal pencils at full price with cushion.

DILIGENCE GATES

GO: Confirm TH entitlement is fully recorded and free of conditions; engage 2-3 TH builders (Smith Douglas, Meritage, local) for LOIs within 10 days
VERIFY: Any covenants limiting TH density or builder requirements; confirm city W+S to all 25 lots; verify \$52K+/lot realistic in current Durham TH pipeline
STOP: Entitlement has material unresolved conditions; builders not interested above \$45K/lot; title shows liens or easements affecting buildability

VERDICT

The entitlement work is done — this is a marketing task, not a development task. Buy for \$850K, spend 6 months finding a TH builder, sell at \$56K/lot = \$455K net profit at 33% margin with no dirt moved. Fastest path to strong return in this scan. Best fit for an investor who can move quickly and has relationships with Triangle TH builders. Verify the entitlement recording immediately and canvas builders before submitting an offer.