

MARGINAL · 20% MARGIN

\$1M-\$5M PROJECT

#2 · 2809 US-64, APEX, NC 27523

8 acres · MLS 10133793 · Apex Hwy 64/I-540 growth node; public sewer confirmed; price reduced

LIST PRICE	\$2,799,000 (PRICE REDUCED; 312 days on market)	ACREAGE	8 acres (348,480 SF); rolling terrain, pond on site
MLS	10133793	COUNTY	Wake
ZONING	RR (Residential Rural, Wake County)	UTILITIES	PUBLIC SEWER confirmed; public water available; natural gas, electricity, cable available
LOCATION	300 LF road frontage on US-64; near I-540 exit; adjacent to Lennar Ennis Branch development; near Beaver Creek Commons, WakeMed Cary, Costco	STRATEGY	Entitlement: commercial rezoning of RR land in Apex growth corridor; sell entitled 8-acre commercial parcel to developer. Residential subdivision is modeled but does NOT pencil at current asking price.
MODELED	Commercial land sale at \$12/SF (unverified — must confirm with Apex-area commercial broker); negotiated purchase at \$2,693,907 (MAO; 3.8% below ask); 12-month entitlement; 50% bridge at 10% APR	OUT-OF-POCKET CASH	\$1,705,785 (50% equity \$1,346,954 + land closing \$53,878 + entitlement \$150,000 + loan closing \$20,204 + carry \$134,749)
FINANCED	\$1,346,954 bridge loan (~50% of MAO land price)	RESIDENTIAL CHECK	DOES NOT PENCIL at asking: 12 lots × \$1M ARV each (\$325/SF × 3,000 SF) → Investor net = -\$647K at \$2.799M land cost. MAO for residential 20% margin ≈ \$1.2-1.4M — would need ~50% price cut.

PROJECT COST

\$3.05M

GROSS REVENUE

\$4,181,760

NET PROFIT

+\$836K

MARGIN

20%

MAX OFFER (20%)

\$2,693,907

PRO FORMA

LINE	AMOUNT
Gross revenue — entitled commercial land (\$12/SF × 8 ac = 348,480 SF)	\$4,181,760
Land acquisition + closing (~2%) — at MAO \$2,693,907	(\$2,747,785)
Construction — NONE (entitlement/paper-win, no building)	\$0
Home On builder margin — N/A (no construction scope)	\$0
Entitlement costs — commercial rezoning, planning consultant, survey, attorney, county fees (AT COST)	(\$150,000)
Contingency on entitlement — N/A	\$0
Bridge loan closing (1.5% × \$1,346,954) + carry (10% APR × \$1,346,954 × 12 months)	(\$154,900)
Selling costs (~7%) — paid at sale closing, not out-of-pocket	(\$292,723)
NET PROFIT TO INVESTOR (at MAO = \$2.694M, \$12/SF commercial value)	~\$836K · 20.0% margin · 49.0% cash-on-cash

Commercial land value support: UNVERIFIED — no specific closed \$/SF comps confirmed for this corridor. Basis for \$12/SF: Apex is the Triangle's strongest residential market (\$276–\$364/SF new construction); parcel is adjacent to the 540/Hwy 64 interchange (major commercial node) and Beaver Creek Commons (major retail center with Target, Costco, WakeMed Cary). Commercial land near major 540 interchanges in the Triangle has traded at \$10–20+/SF in prior cycles. USE THIS AS A DIRECTIONAL NUMBER ONLY. MAO = \$2,693,907 at \$12/SF commercial (3.8% below current ask). At \$13/SF commercial (possible near Beaver Creek/540 node): MAO = \$2,930,835 — above current ask, meaning deal clears at asking price with no negotiation needed. MUST verify with Apex commercial real estate comps before offer.

DILIGENCE GATES

GO: Public sewer confirmed — extremely rare and valuable for 8-acre unzoned land in Apex; adjacent Lennar Ennis Branch subdivision establishes market demand; near I-540 exit and Beaver Creek Commons (proven commercial node); price ALREADY REDUCED with 312 DOM; MAO (\$2.694M) is only 3.8% below asking — seller should accept. VERIFY: Pull actual closed commercial land \$/SF comps near Beaver Creek/540 in Apex from a commercial broker — \$12/SF is modeling assumption only. Wake County GIS: confirm RR zoning path to commercial (Wake County CTP/future land use designation for this parcel). Apex annexation status and ETJ: if in Wake County unincorporated, confirm whether commercial rezoning runs through the county or requires Town of Apex annexation. Pond/wetlands: delineate actual developable area; pond may reduce net buildable SF. Confirm public sewer stub location and distance to site boundary with Wake County Utilities. STOP: If Wake County comprehensive plan designates parcel as agricultural preserve or open space (limits commercial rezoning path). If pond/wetlands reduce net developable area below 5 acres. If commercial rezoning requires Town of Apex annexation and Apex has a current moratorium on annexations in this corridor.

VERDICT

The key asset here is the confirmed public sewer on an 8-acre parcel in Apex's fastest-growing corridor — that infrastructure alone is worth significant premium. Residential subdivision math fails at asking (\$2.799M needs to drop ~50% to pencil at 20%), but commercial entitlement is the right play. At \$12/SF commercial (directional, unverified), negotiate to \$2,694K (3.8% below ask) for 20% margin (+\$836K profit, 49% CoC). At \$13/SF commercial

(plausible near Beaver Creek/540 interchange): deal clears AT asking price with no negotiation, yielding 23.1% margin (+\$1.05M profit). Grade rises to GOOD if commercial comps confirm \$12+/SF. Primary action: get a Apex-area commercial broker to pull closed commercial land transactions within 1 mile of the Beaver Creek/US-64/540 node. This is a one-day data pull that either confirms or kills the deal. If comps support \$12+/SF, submit offer promptly — 312 DOM seller is ready to move.