

PASS · 2.1% MARGIN

\$1M-\$5M PROJECT

#3 · 207 W JONES STREET (+ 136-138 N WEST STREET), FUQUAY-VARINA NC 27526

0.56 ac (3 lots), RMD, public sewer, downtown | MLS 10167399 | Fuquay-Varina NC

LIST PRICE	\$450,000 for all 3 lots (64 DOM – motivated seller)	ACREAGE	~0.56 acres total (3 adjoining lots, must sell together)
MLS	10167399 (Doorify MLS NC)	ZONING	RMD — Residential Medium Density; walking distance to downtown Fuquay-Varina
UTILITIES	Public sewer & water available	STRATEGY	Build 5 townhomes (RMD density) — land priced at \$803K/acre, too high for FV townhome market
OUT-OF-POCKET CASH	\$591,264 (equity + closings + carry)	FINANCED	\$1,417,275 construction loan (~75% of project)
MODELED	5 townhomes × 1,600 SF × \$275/SF = \$440K/unit (optimistic for FV market)		

PROJECT COST

\$2.00M

GROSS REVENUE

\$2,200,000

NET PROFIT

+\$46,461

MARGIN

2.1%

MAX OFFER (20%)

\$90,000

PRO FORMA

LINE	AMOUNT
Gross revenue — sale price (5 townhomes × \$440K ARV comps)	\$2,200,000
Land acquisition + closing (~2%)	(\$459,000)
Construction — builder cost (5 units × 1,600 SF × \$111 builder grade)	(\$888,000)
Home On builder margin (20% intro rate; standard 30%)	(\$222,000)
Site development (5 units, public sewer, incl. 20% margin)	(\$187,500)
Contingency + soft costs (15% of construction, AT COST — contingency typically returned if unused)	(\$133,200)

LINE	AMOUNT
Construction loan closing + carry (10% APR on draws, 15-month build)	(\$109,839)
Selling costs (~7%) — paid at sale closing, not out-of-pocket	(\$154,000)
NET PROFIT TO INVESTOR	~\$46,461 · 2.1% margin · 7.9% CoC — PASS at \$450K ask

ARV support: Fuquay-Varina median \$518K, \$215/SF overall (Aug 2026); 6681 River Rd new build listed \$615K/2,518 SF (\$244/SF). FV townhomes typically \$220–\$260/SF. Model uses \$275/SF (optimistic). MAO for 20% investor margin at \$275/SF with 5 townhomes: ~\$90,000. Seller is asking \$450,000 — a 5x premium to MAO. MONITOR: If price drops to \$150K, re-run analysis at higher density.

DILIGENCE GATES

GO: RMD zoning + public sewer in downtown FV walkability zone; 64 DOM.

VERIFY: Confirm FV RMD density allowances and setbacks for 0.56 ac; research comparable townhome closed sales in FV to confirm ARV floor.

STOP: At \$450K land, MAO for 20% margin is \$90K — a 5x gap. Price must fall to ~\$150K to make even a modest case. Do not offer above MAO.

VERDICT

Good bones — RMD zoning, public sewer, walkable downtown Fuquay-Varina — but priced at \$803K/acre, far above what the FV townhome market (\$220–\$275/SF) can support. At the \$450K ask, a 5-unit townhome project delivers 2.1% margin and returns just \$46,461. MAO for 20% margin is \$90,000 (vs \$450K ask). PASS. Set a price-alert at \$150K and re-run if it drops there.