

PASS · 2.9% margin · 12.2% CoC as build-invest — PASS; build-own saves \$4k–\$286k vs. buying finished MARGIN

\$500K–\$1M PROJECT

#3 · 4900 N HILLS DR, RALEIGH, NC 27612

0.29-ac raw lot / North Hills Estates / no demo / public sewer / MLS 10172642

LIST PRICE	\$499,000 (Active since June 4, 2026 — MLS 10172642)	ACREAGE	0.29 acres (12,632 SF raw vacant lot — no demo needed)
MLS	10172642 — North Hills Estates, Raleigh 27612	ZONING	R-4; public water and sewer; corner lot; 10,000 SF minimum lot size = single-home site only
UTILITIES	Public water and sewer confirmed; electricity available; paved road frontage; septic also available	STRATEGY	Build-own: 2,600 SF custom home, all-in ~\$984k vs. buying comparable new construction \$988k–\$1.27M. Build-invest produces only 2.9% margin — PASS.
COMPARABLE SALES	North Hills: 6512 Burnette Flower Way (27612) \$383/SF new const (3,364 SF); 1005 Temple St (27609) \$486/SF (3,580 SF). Neighborhood active median ~\$345/SF.	OUT-OF-POCKET CASH	\$258,946 (equity \$207,315 + land closing \$9,980 + loan closing \$11,025 + carry \$30,626)
FINANCED	\$735,025 construction loan (~78% of \$942,340 project)	MODELED	2,600 SF × \$111/SF builder grade; 20% Home On intro margin; 10-month build

PROJECT COST

\$984K

GROSS REVENUE

\$1,092,000

NET PROFIT

+\$31,569

MARGIN

2.9% margin · 12.2%
CoC as build-invest —
PASS; build-own
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buying finished

MAX OFFER (20%)

\$371,657

PRO FORMA

LINE	AMOUNT
Gross revenue — 2,600 SF × \$420/SF (North Hills new const estimate)	\$1,092,000

LINE	AMOUNT
Land acquisition (\$499,000) + closing (2%)	(\$508,980)
Construction — builder cost (2,600 SF × \$111 builder grade)	(\$288,600)
Home On builder margin (20% intro rate; standard 30%)	(\$72,150)
Site development (single lot, public sewer, incl. 20% margin)	(\$43,750)
Contingency (10% of construction cost, AT COST — typically returned if unused)	(\$28,860)
Construction loan closing + carry (10% APR, 10-month cycle)	(\$41,651)
Selling costs (~7%) — paid at sale closing, not out-of-pocket	(\$76,440)
NET PROFIT TO INVESTOR (build-invest) ~\$31,569 · 2.9% margin · 12.2% CoC — PASS Build-own all-in: ~\$983,991 vs. buying comparable new construction \$988k-\$1.27M (saves up to \$286k with full customization)	

ARV support: North Hills active new const \$383-486/SF; model uses \$420/SF for 2,600 SF = \$1.092M. Even at \$450/SF investor margin is only 8.9%. MAO \$371,657 at \$450/SF — lot must fall 26% from ask before a 20% flip margin appears. PASS for investors.

DILIGENCE GATES

GO (build-own): Prime North Hills location; greenway views; public sewer; no demo; strong long-term floor.
VERIFY: R-4 setbacks and buildable envelope; confirm no HOA or architectural review; deed restrictions.
STOP (build-invest): Current pricing — wait for price cut to ~\$372k.

VERDICT

PASS for investment. MAO is \$372k; lot needs to fall 26% before a 20% flip margin appears. As a build-own play this is legitimate: all-in ~\$984k for a custom 2,600 SF home in one of Raleigh's premier neighborhoods, at or below the cost of buying finished comparable new construction (\$988k-\$1.27M). Out-of-pocket during build is only \$259k. Compare alongside 5605 N Hills Dr (teardown next door, \$76k more land, demo headache, worse math).