

GOOD · 28.8% MARGIN

\$1M-\$5M PROJECT

#1 · 1350 HILLSBORO STREET, PITTSBORO

31.89 acres, R-12/public sewer, adjacent to Chatham Park | MLS 10173242

LIST PRICE	\$3,000,000	ACREAGE	31.89 acres (multiple parcels: 6695/6696/6673/6674/6697)
MLS	10173242	ZONING	R-12 / R-A / PIETJ (Pittsboro ETJ) — R-12 allows ~12,000 SF min lots with public sewer
UTILITIES	Public water AND public sewer available at street; electricity accessible	COUNTY	Chatham County
ROAD FRONTAGE	State road (2-lane public road)	CONTEXT	Adjacent to existing residential subdivision; minutes from Chatham Park (22,000 units approved); Disney Asteria groundbreaking June 2025, homes selling 2027
STRATEGY	Entitlement: survey, plat 60 lots, sell entitled to builder at \$90k/lot = \$5.4M. Build-out alt: 40 lots × 2,500 SF × \$290/SF = \$29M revenue, 13.3% margin.	OUT-OF-POCKET CASH	\$1,556,500 (equity + land loan closing + entitlement costs + carry)
FINANCED	\$2,100,000 land loan (~70% LTV for 18 months)	MODELED	Entitlement path: 60 lots × \$90,000/lot. Build alt: 40 lots × 2,500 SF builder-grade @ \$290/SF ARV.

PROJECT COST	GROSS REVENUE	NET PROFIT	MARGIN	MAX OFFER (20%)
\$3.66M	\$5,400,000	+\$1,554,500	28.8%	\$3,465,000

PRO FORMA

LINE	AMOUNT
Gross revenue — 60 entitled lots × \$90,000/lot (conservative; \$100-120k range by 2027)	\$5,400,000

LINE	AMOUNT
Land acquisition + closing (~2%)	(\$3,060,000)
Entitlement costs — survey, engineering, preliminary plat, legal (at cost, no margin)	(\$250,000)
Construction — N/A (entitlement sale; no build in this path)	\$0
Home On builder margin — N/A for entitlement-only path	\$0
Site development / infrastructure — N/A for entitlement-only path	\$0
Contingency — N/A for entitlement-only path	\$0
Land loan closing + carry (70% LTV, 10% APR, 18 months)	(\$346,500)
Selling costs (~3.5% for land sale) — paid at closing, not out-of-pocket	(\$189,000)

NET PROFIT TO INVESTOR

~\$1,554,500 · 28.8% margin · ~100% cash-on-cash (18 months)

Entitled lot comps: Chatham Park area residential land \$80-100k/lot; modeled at conservative \$90k. With Disney Asteria home sales opening 2027, comparable entitled lots within 1 mile of Chatham Park expected to command \$100-120k/lot. BUILD ALT COMPS (40 lots × 2,500 SF): 12 Cabin Creek Pittsboro \$334/SF; 267 Parkland Dr \$302/SF; 172 Quail Point \$304/SF. Modeled at \$290/SF (mid-market, below Chatham Park premium). MAO for entitlement path at 20% investor margin: \$3,465,000 — asking price of \$3,000,000 has +\$465,000 cushion. Deal grades GOOD at ask.

DILIGENCE GATES

GO: Public water and sewer confirmed available; R-12 zoning in Pittsboro ETJ; multiple parcels totaling 31.89 ac; adjacent to active residential development; Disney Asteria groundbreaking confirmed June 2025.

VERIFY: Confirm R-12 covers majority of acreage (vs. R-A large-lot portions); get informal lot-count estimate from Pittsboro Planning Dept; check Jordan Lake watershed buffer (Chatham County has Jordan Lake rules — verify no buffer strips through site); confirm no wetlands/floodplain on buildable portion; verify deed restrictions; confirm entitlement timeline (12-18 months typical).

STOP: If R-A zoning covers majority of acreage (would cut lot yield to <25 and kill entitlement math); if Jordan Lake buffers consume >30% of site; if HOA or deed restrictions prohibit subdivision.

VERDICT

Buy the entitlement, not just the land. At \$3M for 31.89 public-sewer acres in the path of the East Coast's largest master-planned community, this is a timing play. Disney's Asteria (4,000+ homes) broke ground June 2025 and opens for sales in 2027 — Chatham Park will triple Pittsboro's population and is driving premium pricing (\$257-\$334/SF on new construction, vs. \$208/SF Wake Forest). Entitlement path nets ~\$1,554,500 (28.8% margin, ~100% CoC in 18 months) — and MAO of \$3,465,000 means the \$3M ask has room. Build-out alternative (40 lots × 2,500 SF × \$290/SF): \$29M revenue, \$3.85M net, 13.3% margin, 57% cash-on-cash — MARGINAL on its own, becomes GOOD if lot yield reaches 60+ and Chatham Park premium (\$310+/SF) holds. Step 1: call Pittsboro Planning to confirm R-12 density and entitlement path before any offer.

