

MARGINAL · 6.2% MARGIN

\$10M-\$15M PROJECT

#2 · 8400 HENDERSON ROAD, APEX

6.97 acres, 15-lot subdivision plan, Town of Cary jurisdiction | MLS 10170310

LIST PRICE	\$2,000,000 (active since ~May 2026; 4+ months on market)	ACREAGE	6.97 acres
MLS	10170310	ZONING	Town of Cary jurisdiction (Apex address, 27539); planned for 15-lot residential subdivision
UTILITIES	Municipal water and sewer (Town of Cary); flat topography, minimal tree coverage	LOCATION	Off Optimus Farm Road, Apex/SW Cary — one of Triangle's fastest-growing corridors
STRATEGY	Build 15 homes × 2,700 SF builder-grade at \$285/SF ARV = \$769,500/home	OUT-OF-POCKET CASH	\$2,893,794 (equity + closings + carry)
FINANCED	\$7,164,338 construction loan (~75% of project cost)	MODELED	15 lots × 2,700 SF builder-grade @ \$285/SF ARV (conservative Cary market; \$300-315/SF for premium achieves ~10-15% margin)

PROJECT COST	GROSS REVENUE	NET PROFIT	MARGIN	MAX OFFER (20%)
\$10.0M	\$11,542,500	+\$716,393	6.2%	\$512,000

PRO FORMA

LINE	AMOUNT
Gross revenue — 15 homes × 2,700 SF × \$285/SF (conservative Cary comp)	\$11,542,500
Land acquisition + closing (~2%)	(\$2,040,000)
Construction — builder cost (15 × 2,700 SF × \$111 builder grade)	(\$4,495,500)
Home On builder margin (20% intro rate; standard 30%)	(\$1,123,875)

LINE	AMOUNT
Site development / infrastructure (15 lots × \$65k cost, incl. 20% margin)	(\$1,218,750)
Contingency (10% of construction, AT COST — typically returned if unused)	(\$449,550)
Soft costs — design/permits/survey (5% of construction, at cost)	(\$224,775)
Construction loan closing + carry (10% APR, 12-month build, avg half-drawn)	(\$465,682)
Selling costs (~7%) — paid at sale closing, not out-of-pocket	(\$807,975)
NET PROFIT TO INVESTOR	~\$716,393 · 6.2% margin · 24.8% cash-on-cash

Cary/Apex new construction comps: median Cary 2025 sale \$478k; 1444 Old Apex Rd Cary (2025 new construction) \$1,199,900 / ~4,258 SF = \$282/SF; Apex Friendship Station new construction median ~\$209/SF listing price; upper-market Cary new construction \$260-\$300+/SF. Modeled at \$285/SF × 2,700 SF = \$769,500/home (mid-quality, standard finishes). At \$300/SF: ~10.5% margin. At \$315/SF: ~15.4% margin. MAO at 20% investor margin: \$512,000 total (all 15 lots) vs. \$2,000,000 ask — significant gap; deal only pencils if land price is negotiated down materially OR if premium \$315+/SF builds are targeted.

DILIGENCE GATES

GO: Municipal utilities confirmed; relatively flat site with minimal clearing; Town of Cary jurisdiction (faster permitting, strong infrastructure); R-10 or similar zoning likely supports 15 lots on 6.97 ac; 15-lot plan already prepared.
 VERIFY: Confirm final plat status (is preliminary plat approved or just a concept plan?); confirm exact zoning designation and min lot size with Town of Cary; negotiate price — 4+ months on market with no sale suggests room to move; confirm no FEMA floodplain, wetlands, or road-widening easements on perimeter; verify HOA/deed restrictions.
 STOP: If plat is only conceptual and TOC has concerns about density or road access; if seller is firm at \$2M (MAO of \$512k means the deal requires significant price reduction).

VERDICT

Town of Cary jurisdiction with municipal utilities on a flat 6.97-acre site already planned for 15 lots is a legitimate development opportunity — but at \$2M the land price (\$133k/lot) compresses investor returns to ~6% margin at \$285/SF Cary pricing. The path to GOOD: (1) negotiate hard — 4+ months on market, ask for \$700-800k (MAO \$512k); or (2) target premium 3,000 SF builds at \$310-315/SF (\$930k ARV/home), which gets the investor to ~15% margin. At ask price of \$2M, investor nets \$716,393 (6.2% margin, 24.8% cash-on-cash). Not a GREAT deal at list, but worth a low offer given the quality of the site and jurisdiction.