

MARGINAL · 22% MARGIN

\$5M-\$10M PROJECT

#3 · 1350 HILLSBORO ST, PITTSBORO, NC

Land parcel — see MLS listing for aerial/plat

LIST PRICE	\$3,000,000	ACREAGE	31.89 acres (4 parcels: 6695 / 6696 / 6673 / 6674)
MLS	10173242 — Caruso Homes listing, Chatham County	ZONING	R-12 / R-A / PIETJ (Pittsboro ETJ); Town of Pittsboro receptive to quality infill development
UTILITIES	Public water AND public sewer confirmed at road — rare for a 31-acre Chatham County parcel	DISNEY / CHATHAM PARK	Disney Asteria (Storyliving by Disney) broke ground June 2025 within Chatham Park — 4,000+ homes, sales begin 2027. Adjacent to NoVi district (600+ units, David Weekley, Homes by Dickerson, Tri Pointe)
STRATEGY	Develop: plat 60 lots, install infra with Home On, sell finished lots targeting 2027+ price environment	OUT-OF-POCKET CASH	\$3,024,600 (equity + closings + carry)
FINANCED	\$6,390,000 construction loan (~75% of \$8,520,000 project cost)	MODELED	60 finished lots × \$220,000 (2027+ Disney-proximity scenario); at current \$150k/lot MAO = \$679k — deal does not work today at \$3M ask

PROJECT COST	GROSS REVENUE	NET PROFIT	MARGIN	MAX OFFER (20%)
\$9.41M	\$13,200,000	+\$2,861,400	22%	\$3,498,000

PRO FORMA

LINE	AMOUNT
Gross revenue — 60 finished lots × \$220,000 (2027+ Chatham Park / Disney-proximity premium)	\$13,200,000
Land acquisition + closing (~2%)	(\$3,060,000)

LINE	AMOUNT
Site development / infrastructure — 60 lots × \$65k/lot cost (incl. 20% margin)	(\$4,875,000)
Soft costs (design / permits / survey — at cost, ~5% of infra scope)	(\$195,000)
Contingency (10% of infra scope, AT COST — typically returned if unused)	(\$390,000)
Construction loan closing + carry (10% APR on draws, 2.5-yr infra build)	(\$894,600)
Selling costs (~7%) — paid at sale closing, not out-of-pocket	(\$924,000)
NET PROFIT TO INVESTOR	~\$2,861,400 · 22% margin · 95% cash-on-cash (2027+ scenario ONLY — at current \$150k/lot the deal is a PASS)

Comp support: Chatham Park new construction 2025–2026: Homes by Dickerson \$242–\$246/SF; David Weekley Encore \$369/SF; townhomes \$227–\$280/SF. Finished lot values inside Chatham Park currently estimated \$100–\$150k (limited MLS data). Disney Asteria projected to push corridor lot premiums to \$175–\$220k+ by 2027–2028. At current \$150k/lot × 60 = \$9M revenue; MAO is \$679k — asking \$3M is not supported today. MAO \$3,498,000 is only reached at \$220k/lot (2027+ scenario). This is a land-hold thesis, not a 12-month flip.

DILIGENCE GATES

GO: Public water AND sewer confirmed at road (verified per listing); R-12 base zoning supports residential subdivision; Disney Asteria groundbreaking June 2025; Chatham Park NoVi underway with national builders.
VERIFY: (1) R-A vs. R-12 parcel split and minimum lot sizes per parcel; (2) Sewer capacity from Town of Pittsboro for 60+ lots; (3) Pond/wetlands setbacks, rolling terrain constraints; (4) Road access and frontage for all 4 parcels; (5) Current comparable finished lot transactions in Chatham Park; (6) Disney Asteria home sales pricing and timeline confirmation.
STOP: Deal does not pencil at \$3M at today's lot values (\$150k/lot). Do not close without either (a) a negotiated price below \$2M, or (b) a 3–4 year hold strategy with confirmed capital reserves.

VERDICT

The math does not support \$3M at today's Pittsboro lot prices (~\$150k/lot; MAO \$679k). The thesis is entirely a Disney/Chatham Park forward-value bet: if Disney Asteria drives finished lot values to \$220k by 2027–2028, the 60-lot development generates +\$2,861,400 (22% margin) and the \$3M land price is inside the \$3.5M MAO. The confirmed public sewer (rare for Chatham County at this scale) and Pittsboro's stated appetite for infill development are genuine differentiators. Recommended: negotiate land price to \$2M–\$2.5M (offer with hold clause), or watch and re-evaluate in Q2 2027 once Disney home sales begin and lot comp data is available. Do not buy at \$3M without a 3–4 year hold budget.