

PASS · -6.2% MARGIN

\$1M-\$5M PROJECT

#2 · 4721 EDWARDS DR / 4724 SUNSET LAKE RD, HOLLY SPRINGS/APEX, NC 27539

3.97 ac Holly Springs/Apex border · MLS 10039682 · STOP: pump station at capacity

LIST PRICE	\$500,000 (MLS #10039682, two contiguous parcels sold together)	ACREAGE	3.97 acres (two parcels: 3.44 ac + 0.53 ac approx)
MLS	10039682	ZONING	RR (Rural Residential) — Town of Holly Springs
UTILITIES	CRITICAL STOP: Sewer pump station serving these parcels confirmed AT CAPACITY. Seller attempted rezone to townhomes; town engineering flagged pump station limitation. No sewer = no density.	STRATEGY	N/A — sewer constraint is fatal
OUT-OF-POCKET CASH	\$885,068 (best case, septic-only)	FINANCED	\$2,090,475 (75% loan)
MODELED	Best-case 6 SFH × 2,000 SF @ \$250/SF on septic — negative NPV		

PROJECT COST	GROSS REVENUE	NET PROFIT	MARGIN	MAX OFFER (20%)
\$2.98M	\$3,000,000	-\$185,443	-6.2%	N/A

PRO FORMA

LINE	AMOUNT
Gross revenue — 6 SFH × 2,000 SF × \$250/SF (Holly Springs sold comps \$233/SF)	\$3,000,000
Land acquisition + closing (~2%)	(\$510,000)
Construction — builder cost (12,000 SF × \$111/SF)	(\$1,332,000)
Home On builder margin (20% intro rate)	(\$333,000)

LINE	AMOUNT
Site development — well + septic, 6 lots × \$55K/lot (incl. 20% margin)	(\$412,500)
Contingency (10% of construction, AT COST)	(\$133,200)
Soft costs (5% of construction, AT COST)	(\$66,600)
Construction loan closing (1.5% × \$2,090,475)	(\$31,357)
Carry — 10% APR × 50% drawn × 18 months	(\$156,786)
Selling costs (~7%) — paid at sale closing, not out-of-pocket	(\$210,000)
NET PROFIT TO INVESTOR	-\$185,443 · -6.2% margin · -21% cash-on-cash → PASS

Holly Springs sold comps: \$233/SF median (Redfin Aug 2026). Even at generous \$250/SF with 6 homes on septic, deal runs negative. Sewer pump station limitation confirmed by listing agent (prior rezone attempt revealed pump capacity issue). MAO = N/A — no viable path.

DILIGENCE GATES

GO: Location opposite Peterson Station at Sunset Lake (300+ apartments, 40K SF retail) is strong if sewer were available.

STOP: Sewer pump station confirmed at capacity. No rezone to townhomes possible without major pump station upgrade — cost not disclosed. Seller knows and has disclosed the issue.

STOP: At 3.97 acres with septic-only, density is severely limited; financials are negative even at best-case \$250/SF.

VERDICT

PASS — sewer pump capacity is a hard stop. The location adjacent to Peterson Station would be excellent for 10–15 townhomes, but without sewer the economics reverse. Pass unless Holly Springs commits to a pump station upgrade (monitor town capital improvement plan). Best case septic-only: -\$185,443 loss (-6.2% margin).