

GOOD · 21.5% MARGIN

\$500K-\$1M PROJECT

#1 · 0 CARROLL ST, WAKE FOREST, NC 27587

0.43 ac · GR3 · City sewer · Downtown Wake Forest · MLS 10128730

LIST PRICE	\$120,000	LOT SIZE	0.43 ac (18,730 SF)
MLS	10128730	ZONING	GR3 (General Residential 3) — Wake Forest UDO
UTILITIES	City water and sewer available; manhole noted in listing documents	LOCATION	Close to downtown Wake Forest — shopping, dining, events within walking distance
DAYS ON MARKET	Extended (active per MLS as of scan date)	MODELED	3 townhomes × 1,600 SF @ \$275/SF = \$440k ARV each; builder-grade \$111/SF cost
OUT-OF-POCKET CASH	\$267,352 (equity + closings + carry)	FINANCED	\$679,365 construction loan (~75% of \$905,820 project cost)

PROJECT COST	GROSS REVENUE	NET PROFIT	MARGIN	MAX OFFER (20%)
\$944K	\$1,320,000	+\$283,283	21.5%	\$138,294

PRO FORMA

LINE	AMOUNT
Gross revenue — sale price (3 townhomes × \$440,000 comps)	\$1,320,000
Land acquisition + closing (~2%)	(\$122,400)
Construction — builder cost (4,800 SF × \$111 builder grade)	(\$532,800)
Home On builder margin (20% intro rate; standard 30%)	(\$133,200)
Site development — utility hookups + lot prep (incl. 20% margin)	(\$37,500)
Soft costs — design / permits / survey (~5% at cost)	(\$26,640)
Contingency (10% of construction, AT COST — typically returned if unused)	(\$53,280)
Construction loan closing + carry (10% APR on draws, 10-month build)	(\$38,497)

LINE	AMOUNT
Selling costs (~7%) — paid at sale closing, not out-of-pocket	(\$92,400)
NET PROFIT TO INVESTOR	~\$283,283 · 21.5% margin · 105.9% cash-on-cash

ARV support: Wake Forest new construction avg \$243/SF (Jun 2026, Resideline); downtown townhomes listing \$305k–\$383k (Magnolia Trace / McKinley Homes 2026); 514 E Juniper Ave infill (2026) \$679k. Modeling \$275/SF on 1,600 SF = \$440k/unit is conservative vs. listed comps. MAO \$138,294 — list price \$120,000 = \$18,294 cushion below MAO at 21.5% margin (GOOD). SFR fallback (1 unit, 2,200 SF × \$295/SF = \$649k): all-in ~\$502k, net ~\$101k, 15.6% margin (MARGINAL); MAO for SFR scenario ~\$90k (below \$120k ask, so single-family only = PASS — make the zoning call first).

DILIGENCE GATES

GO: City water and sewer confirmed at listing (manhole covers documented); downtown location; 18,730 SF lot supports 3-unit townhome footprint at ~6,240 SF/unit.
VERIFY (CRITICAL): GR3 density in Wake Forest UDO — call Wake Forest Planning (919-435-9510) to confirm units/acre and whether townhomes are by-right or conditional use. If GR3 = 1 unit only, deal grades PASS (MAO ~\$90k vs. \$120k ask). Also verify no sewer easement encumbers the buildable envelope (manhole location relative to footprint).
STOP: None identified — no known floodplain, wetland, or HOA on this parcel.

VERDICT

3-unit scenario: investor nets \$283,283 (+21.5% margin, +105.9% cash-on-cash) on \$267,352 out-of-pocket — GOOD. The \$120,000 list price is \$18k below the 20%-threshold MAO, giving real cushion. SFR fallback: nets ~\$101k (+15.6%, +78% CoC) on \$130k OOP — thin but workable at premium downtown finish. One phone call to Wake Forest Planning determines which scenario is live. If multi-unit is confirmed, this is the most capital-efficient entry in this scan batch.