

Red Pine Hollow Subdivision – Email Chain + OCR (Residential Land Acquisition)

Document Type: *Broker Emails + Underwriter Annotations (OCR Transcription Fragment)*

Email #1 – Broker to Lender (2/9/25)

Subject: Red Pine Hollow – Land Loan Package

214 acres zoned for mixed residential (approx 480 lots).
Purchase price \$14.7 MM (\$30.6 k/lot raw).
Loan request \$12.0 MM @ 6.85 % (24 mo term).
Borrower: Stoneview Developments LLC.
Entitlements “expected within 60 days.”

Email #2 – Lender Internal Thread (OCR artifact)

“Appraisal came in 14.1M as-is, so they’re already paying above value. Pro forma value 27M (fully entitled). DSCR N/A – interest-reserve funded. IRR calc cell = ‘#DIV/0!’.”

“Absorption model uses 12 lots/mo @ \$80k lot value = too aggressive (6–8 lots realistic). Break-even IRR 6 % vs. underwritten 11 %.”

“Borrower’s cash liquidity < \$500 k — equity shortfall on carry.”

OCR Snippet – Attached Table (reconstructed)

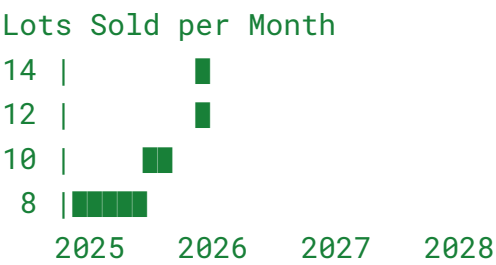
Metric		Value	Comment
Land Cost	14.7 MM		purchasing above as-is value
Loan	12.0 MM		82 % LTV
Infra Budget	8.3 MM		not funded yet
Project IRR	11 % (“if sold all lots by 2028”)		unrealistic

DSCR	N/A	interest reserve 12 mo
Absorption	12 lots/mo vs. 6–8 actual	overstated

Email #3 – Underwriter Final Comment:

“We have no take-out identified and developer capital thin. Local demand falling post-rate spike. If lots sell \$70k instead of \$80k, return drops to 5 %. Decline pending new equity.”

Visual (ASCII lot absorption)



Committee Resolution: Decline. Over-levered raw land deal without infrastructure funding or buyer pipeline. Request resubmission post-entitlement with $\geq 30\%$ equity.