## **Oak Hollow Estates – Land Acquisition for Residential Subdivision**

**Document Type:** *Email thread (broker summary + underwriter response)*

**From:** *jkim@broadpeakadvisors.com* **To:** *underwriting@allegiancapital.com* **Subject:** Oak Hollow Estates – Land Loan Memo (Updated Projections)

**Email #1 – Broker:**

Total site = 82 acres zoned R-3, target 198 lots.  
 Purchase price $6.2MM ($75k/lot basis).  
 Loan ask $4.8MM (≈ 77 % LTC).  
 Horizontal development cost $8.5MM to be funded later.  
 Developer pre-sold only 12 lots (≈ 6 %).

**Email #2 – Underwriter internal note:**

“Model assumes 18-month entitlement, 24-month infrastructure. Holding cost ~$60k/mo not modeled.  
 Market absorption 4–6 lots/mo; pro forma implies 12. Unrealistic.”

DSCR not applicable – interest reserve funded 12 mo.  
 IRR (levered, estimated) ~9.5 % if timeline holds; falls <7 % with 6-mo delay.

**Committee Disposition:** Decline. Recommend consider once presales ≥ 40 lots or horizontal phase 50 % complete.