HWY 50 & 6700 Road - Townhome Development Model

8.93-acre full-tract residential concept | $2.3M acquisition | Prepared for 09/18/2026 developer meeting

Gross Revenue	Total Project Cost	Developer Profit	Profit Margin	Return on Cost	Project IRR
$31,200,000	$23,919,250	$7,280,750	23.3%	30.4%	26.2%

Max Land Price @ Target Margin	Required Sale Price @ Target	Total Cost / Unit	Land Cost / Unit	Gross Density	Net Developable Acres
$3,340,750	$373,105	$298,991	$28,750	8.96 units/ac	5.09 ac

Editable Assumptions

Input	Value	Units
Acquisition Price	$2,300,000	$
Gross Site Area	8.93 ac	Acres
Townhome Units	80	Units
Average Unit Size	1,250	SF
Average Sale Price	$390,000	$/unit
Vertical Hard Cost	$150	$/SF
On/Off-Site Infrastructure	$2,500,000	$
Soft Costs	9.0%	% hard + site
Contingency	2.5%	% hard + site
Financing / Carry	6.0%	% non-land development
Sales / Closing Costs	3.0%	% revenue
Target Developer Margin	20.0%	% revenue

Development Economics

Metric	Value	Units	Calculation
Gross Sellout	$31,200,000	$	Units x average sale price
Gross Buildable Area	100,000	SF	Units x average unit size
Vertical Hard Cost	$15,000,000	$	Buildable SF x hard cost/SF
On/Off-Site Infrastructure	$2,500,000	$	Roads, utilities, drainage, frontage, signal allowance
Soft Costs	$1,575,000	$	% of vertical + site
Contingency	$437,500	$	% of vertical + site
Financing / Carry	$1,170,750	$	% of non-land development costs before sales
Sales / Closing	$936,000	$	% of gross sellout
Land Acquisition	$2,300,000	$	Editable purchase price
Total Project Cost	**$23,919,250**	$	Sum of land and all development costs
Developer Profit	**$7,280,750**	$	Gross sellout less total project cost
Profit Margin	**23.3%**	% revenue	Profit / gross sellout
Return on Cost	**30.4%**	% cost	Profit / total project cost
Total Cost / Unit	$298,991	$/unit	Total cost / units
Land Cost / Unit	$28,750	$/unit	Land acquisition / units
Max Supportable Land Price	$3,340,750	$	At target developer margin
Premium / (Discount) to Supportable	**($1,040,750)**	$	Acquisition price less supportable land price
Breakeven Sale Price	$296,176	$/unit	Sale price at zero developer profit
Sale Price for Target Margin	$373,105	$/unit	Required sale price at target margin

Unlevered Project Cash Flow and IRR

Cash Flow Item	Year 0	Year 1	Year 2	Year 3	Total / Check
Development Cost Timing	5.0%	40.0%	40.0%	15.0%	100.0%
Sales Timing	-	-	40.0%	60.0%	100.0%
Land Acquisition	($2,300,000)	-	-	-	($2,300,000)
Development Spend	($1,034,163)	($8,273,300)	($8,273,300)	($3,102,488)	($20,683,250)
Sales Proceeds	-	-	$12,480,000	$18,720,000	$31,200,000
Sales / Closing Costs	-	-	($374,400)	($561,600)	($936,000)
Net Project Cash Flow	**($3,334,163)**	**($8,273,300)**	**$3,832,300**	**$15,055,913**	**$7,280,750**
Cumulative Cash Flow	**($3,334,163)**	**($11,607,463)**	**($7,775,163)**	**$7,280,750**	**$7,280,750**

Project IRR **26.2%**

Equity-level returns require a financing structure, debt schedule, and actual equity contribution timing.

Source / Limitation	Detail
Property	8.93 acres, Parcel 3767-261-03-005, Eastmont Development LLC; prior OM and assessor information.
Planning	Official Montrose County GIS parcel and City zoning layers accessed 09/17/2026 identify the tract and B-2 zoning. Obtain written City confirmation.
Costs	Planning-level assumptions only. Replace with civil, utility, traffic, GC, lender, and sales-market estimates.
Site Plan	The 80-unit concept uses the entire tract. Preserving a 1.5-acre commercial corner requires a separate layout and likely lowers residential yield.