

WHAT YOU RECEIVE · ANONYMIZED EXAMPLE

Investor Execution Review

A decision-grade underwriting read on a deal you don't own yet — scope feasibility, a budget range you can underwrite with, the execution risks worth knowing, and a clear go / renegotiate / walk recommendation.

PREPARED FOR

Sample Investor · 1950s ranch · Charlotte NC [address redacted]

Delivered in 2 business days · NC GC License #107724

HOW TO READ THIS REPORT

What this is — and how we got here

The Investor Execution Review is a decision-grade underwriting read by a licensed NC General Contractor on a deal you do not own yet. It is built to answer one question before earnest money goes hard: **does this deal execute at the budget your spreadsheet assumes?** It is not a line-item bid and it is not a home inspection — it is the construction-side opinion you take into the buy decision.

What we reviewed

DATA SOURCE	USED FOR
MLS listing + 38 photos	Condition read, finish level, visible system age
County GIS + tax records	Year built, square footage, lot, prior permits
Mecklenburg permit portal	Open/closed permits, code violations
Drive-by (street + aerial)	Roof, grading, exterior envelope, block context
3 recent comparable sales	Verified ARV range (see ARV basis)
2026 NC trade-network unit costs	Budget ranges by trade

HOW TO READ OUR CONFIDENCE LEVELS

High = interior access or strong photo coverage; budget $\pm 5\%$. **Medium-High** = good photos + records, no interior walk; budget $\pm 8\%$. **Medium** = limited photos; budget $\pm 12\%$. This deal is **Medium-High**. An on-site walk (Active Oversight intake) moves it to High before you commit subs.

THE BOTTOM LINE

Recommendation

RENEGOTIATE

Deal works at \$172K acquisition — not the \$185K on the table. Specific basis below.

Deal snapshot

FIELD	VALUE
Property	Single-family, 1,420 sf, 3BR/1BA, 0.21-acre lot
Year built	1956
Asking / under contract	\$185,000
Verified ARV range (GC-est)	\$372,000 – \$398,000
Project category	Cosmetic + targeted systems (Tier 2 of 4)
Confidence level	Medium-High (drive-by + listing photos + public records)

WHY RENEGOTIATE, NOT WALK

The bones are good and the comp ceiling is real. But two systems (HVAC, plumbing) and one open permit push the realistic all-in past where the spread holds at \$185K. Re-trade to ~\$172K and the deal clears a 15%+ margin at the Tier 2 finish level.

VERIFIED ARV BASIS

Where the after-repair value comes from

Three closed sales within 0.5 miles, last 6 months, comparable beds/baths/size and finish. Adjusted to this property's lot and condition-at-completion.

COMP	DIST / SOLD	SF · BR/BA	SALE PRICE	\$/SF
Comp A (renovated)	0.2 mi · 41d ago	1,510 · 3/2	\$391,000	\$259
Comp B (renovated)	0.3 mi · 78d ago	1,380 · 3/2	\$372,500	\$270
Comp C (renovated)	0.4 mi · 95d ago	1,605 · 4/2	\$405,000	\$252

RECONCILED ARV RANGE: \$372,000 – \$398,000

At ~1,420 sf and a Tier 2 finish, we weight toward Comp B (closest size/finish) and cap near Comp A. Underwrite to **\$382,000** as the working ARV; treat \$398K as a stretch that requires Tier 3 finishes the block does not reliably support.

COMP RISK NOTE

Comp C is a 4-bedroom — its higher absolute price does not transfer without adding a bedroom (not in this scope). We excluded two larger 'flipped' sales over 1,800 sf as non-comparable.

SCOPE FEASIBILITY + BUDGET RANGE

What it realistically takes to execute

This is a decision-grade range, not a line-item bid. It is what a licensed NC GC would expect the work to land at in this submarket today, at three finish levels.

FINISH LEVEL	REHAB RANGE	TARGET LIST	MARGIN AT \$185K / \$172K
Tier 1 · Lender-Pass	\$78K – \$88K	\$358K	Thin / OK
Tier 2 · Market-Standard	\$92K – \$106K	\$382K	Tight / Clears 15%+
Tier 3 · Premium	\$108K – \$122K	\$398K	Over-improved for block

RECOMMENDED PATH

Tier 2 (Market-Standard). It hits the comp band buyers expect on this street without over-improving. Budget to the top of the range (\$106K) and treat anything under as upside.

CONFIDENCE NOTE

Ranges widen ~8% without interior access. An on-site walk (Active Oversight intake) tightens these to ±5% before you commit subs.

LINE-ITEM BUDGET DETAIL

Tier 2 (Market-Standard) by trade

TRADE / SCOPE	RANGE
Demo + dumpster + protection	\$2,400 – \$3,200
Roof (replace, architectural shingle)	\$8,600 – \$11,200
HVAC (3-ton condenser + furnace)	\$8,800 – \$10,400
Plumbing (PEX re-pipe + 1 bath rebuild)	\$9,200 – \$12,400
Electrical (200A panel + fixtures + devices)	\$4,800 – \$6,600
Kitchen (mid cabinets + quartz + appliances)	\$18,200 – \$22,800
Bath (mid tile + plumbing fixtures)	\$6,800 – \$9,200
Flooring (LVP throughout, refinish 2 BR)	\$7,200 – \$9,400
Interior + exterior paint	\$5,400 – \$6,800
Windows (partial replace) + exterior doors	\$4,200 – \$6,000
Punch + closeout + light staging	\$2,400 – \$3,200
Contingency (10%)	\$8,400 – \$10,200
TOTAL · TIER 2	\$92,000 – \$106,400

Ranges reflect 2026 Charlotte-area sub pricing. Validated against current trade-network quotes; not a contractor bid. NC GC #107724.

EXECUTION RISK REGISTER

The risks worth pricing before earnest money goes hard

#	RISK	SEVERITY	EXPOSURE
1	Open water-heater permit (2014)	High	\$325 + delay
2	Polybutylene supply lines	Medium	\$4.5K – \$7.2K
3	HVAC at end of life	Medium	\$8.8K – \$10.4K
4	Soffit rot, SW corner	Low	\$850 – \$1.4K
5	Federal Pacific panel	High	\$2.2K – \$3.4K
6	Clay sewer lateral (age)	Medium	\$0 – \$9K (scope risk)

RISK 1 · OPEN PERMIT (HIGH)

Water-heater permit pulled 2014, never closed. Blocks clean title transfer until resolved. **Cost to cure:** ~\$325 + 5 business days. **Action:** make seller close it pre-close, or escrow for it.

RISK 2 · POLYBUTYLENE SUPPLY LINES (MEDIUM)

Gray poly visible at the water heater in listing photos. Flagged by FHA, VA, and most DSCR lenders. **Cost to cure:** \$4,500 – \$7,200 (re-pipe to PEX). Already inside the Tier 2 range.

RISK 3 · HVAC AT END OF LIFE (MEDIUM)

Condenser date plate reads 2006. Past expected useful life; a buyer's inspector will flag it. **Cost to cure:** \$8,800 – \$10,400. The single biggest swing in the budget.

EXECUTION RISK REGISTER (CONTINUED)

The two that catch people late

RISK 4 · SOFFIT ROT, SW CORNER (LOW)

Active moisture penetration visible at the southwest corner. **Cost to cure:** \$850 – \$1,400. Cosmetic priority, but an inspector will call it — fix it during the exterior paint phase.

RISK 5 · FEDERAL PACIFIC PANEL (HIGH)

Panel photo shows a Federal Pacific Stab-Lok — a known fire-risk panel most insurers and lenders will not accept. **Cost to cure:** \$2,200 – \$3,400 (200A replacement, included in the electrical line). Non-negotiable for a clean resale.

RISK 6 · CLAY SEWER LATERAL (MEDIUM — SCOPE RISK)

1956 build almost certainly has a clay sewer lateral. We could not verify condition without a scope. **Exposure:** \$0 if intact, up to \$9,000 if collapsed/root-intruded. **Action:** \$250 sewer scope during inspection contingency — the single cheapest way to retire a five-figure surprise.

TOTAL DOWNSIDE IF EVERYTHING BREAKS

Worst-case stacked exposure beyond the Tier 2 base budget: ~\$11K (mostly the sewer + permit + soffit, since HVAC/poly/panel are already in the budget). This is why the re-trade target carries a cushion.

DEAL MATH

Margin at three acquisition prices

All scenarios: Tier 2 rehab at the top of range (\$106K), ARV \$382K, 9-month hold, hard-money financing, 6% selling cost. This is why the recommendation is renegotiate.

LINE	AT \$185K	AT \$178K	AT \$172K
Sale price (ARV)	\$382,000	\$382,000	\$382,000
Acquisition	(\$185,000)	(\$178,000)	(\$172,000)
Rehab (Tier 2, top)	(\$106,400)	(\$106,400)	(\$106,400)
Financing (pts + 9 mo)	(\$12,400)	(\$12,100)	(\$11,800)
Holding (tax/ins/util)	(\$4,800)	(\$4,800)	(\$4,800)
Selling cost (6%)	(\$22,920)	(\$22,920)	(\$22,920)
Closing + contingency	(\$6,400)	(\$6,400)	(\$6,400)
NET PROFIT	\$44,080	\$51,380	\$57,680
Margin on cost	~9.6%	~11.3%	~12.9%

READ THE TABLE

At \$185K the margin sits under 10% — too thin for a 1950s systems rehab where surprises hide behind walls. Every \$1K you re-trade drops almost straight to your net. The \$172K target is where the deal earns its risk.

EXECUTION TIMELINE

Phase-by-phase, aligned to lender draws

PHASE	WINDOW	DRAW MILESTONE
Close + permit close-out	Weeks 1–2	Acquisition draw
Demo + rough systems (HVAC, re-pipe, panel)	Weeks 3–6	Draw 1 — rough-in
Insulation, drywall, paint	Weeks 6–8	Draw 2 — close-up
Kitchen / bath / flooring / finishes	Weeks 8–11	Draw 3 — finishes
Punch, closeout, stage	Weeks 12–13	Final draw
List + sell	Weeks 13–16	Payoff at sale
Total to resale	75 – 110 days	—

SEQUENCING NOTE

Pull the panel + HVAC permits in week 1 — Mecklenburg rough-electrical inspection is the usual bottleneck on 1950s rewires and can add 5–10 days if it slips behind drywall scheduling.

WALK-AWAY TRIGGER + NEXT STEPS

Protect your downside, then move

WALK-AWAY TRIGGER

If the seller won't move below **\$178K** AND won't close the open permit, walk. Below that line the Tier 2 margin compresses under 10% once you carry holding + selling costs — not enough cushion for a 1950s systems rehab where surprises are likely behind the walls.

YOUR NEXT STEP

Take the \$172K re-trade to the seller with this report attached — it gives your number a licensed-GC basis instead of a feeling. Order a \$250 sewer scope inside your inspection contingency. If you move forward, this Execution Review fee credits forward against Active Oversight on the build.

Scope of this engagement

INCLUDED	NOT INCLUDED
Decision-grade scope + budget range	Line-item contractor bid
Verified ARV basis + comps	Formal appraisal or BPO
Execution risk register	On-site / interior inspection
Deal-math scenarios	Structural / engineering sign-off
Walk-away trigger + next step	Permit pulling or filing

This is an anonymized sample of the Investor Execution Review deliverable; figures are illustrative. Your report covers your specific deal. A construction-side opinion by a licensed NC General Contractor — not a home inspection, appraisal, or guarantee of resale value. Southern Cities Construction · NC GC License #107724.