

Late Backup

Neighborhood Housing and Community Development
Response to Council Questions
June 16, 2016 Agenda: Item #41

Sun Chase PUD

Because this is raw land being developed into lots, comparables are limited. A developer will usually go under contract with a number of builders to take down a certain number of lots at a specific price following a phasing schedule. These lots are not usually listed on the Austin Board of Realtors' Multiple Listing Service (MLS). The valuation or pricing of the lots will include the land basis and actual cost of construction.

For additional context, below is information that shows actual costs of construction that include Austin Housing Finance Corporation (AHFC) funding either for acquisition, a portion or all of the actual development costs or both.

Subdivision	# Lots	Per lot cost	Year Completed	Developer
Sendero Hills	100	\$41,791	2010	Habitat for Humanity
Lee Meadows	11	\$47,625	2015	Habitat for Humanity
Westgate Grove Phase 1	61	\$62,166		HomeBase/Momark Development
Guadalupe-Saldana Net-Zero Phase 1	30	\$51,808	2013	GNDC/Saldana Homes

The above developments do not have the amenities proposed in the Sun Chase PUD, which does increase the valuation or pricing of a lot in a subdivision.

Based on the above developments the average per lot cost is approximately \$50,848. A general assumption can be made, based on the increasing costs of land and construction, that the actual cost to produce a finished lot is at least \$50,000 to \$60,000. The \$60,000 valuation by the Sun Chase developer is consistent with this evaluation.

The Office of Real Estate Services (ORES) confirmed that for the price of the home product proposed for Sun Chase that the lot prices could be between \$50,000 to \$60,000. Based on this review, ORES staff has indicated this cost is reasonable.

Based on the \$60,000 valuation, the value of 75 lots is \$4,500,000.