LUXLINE DEVELOPERS
Investor Resource Series

PARCEL AND LAND INVESTMENT

Vacant Lot Development Due Diligence Guide

A disciplined screening worksheet for parcel acquisition, buildability review, and early-stage residential development planning.

A property decision gets expensive when the questions are asked in the wrong order. These tools are designed to help an investor slow the process down, identify what must be verified, and create a cleaner handoff to the professionals who will make the project real. — Stephen Brooks, Founder & CEO, Luxline Developers

How to use this guide

Complete the first-pass screening before making a non-refundable commitment. Mark each item as verified, pending, or unacceptable. The objective is not to prove that a lot works—it is to identify the fastest, most consequential reasons it may not.

Luxline decision rule
A low purchase price does not offset an unbuildable envelope, unavailable utilities, title limitations, environmental constraints, or a schedule that cannot support the investment thesis.

Property address / parcel ID	
Municipality / county	
Owner / listing source	
Asking price / proposed offer	$
Target use	[ ] Custom home [ ] Spec home [ ] Multi-unit [ ] Hold / land bank [ ] Other
Target decision date	

1. Control the Site Before You Underwrite the Building

[ ] Confirm the legal owner and exact vesting name through title or public records.

[ ] Match the advertised address to the correct parcel number and legal description.

[ ] Determine whether the parcel is one lot, multiple lots, or a remnant parcel.

[ ] Identify recorded easements, rights-of-way, access agreements, covenants, restrictions, and liens.

[ ] Verify legal frontage and physical access to a public or privately maintained street.

[ ] Confirm whether any party has occupancy, parking, encroachment, or use rights.

[ ] Use a purchase agreement with property-specific due-diligence, access, financing, and approval contingencies reviewed by counsel.

Title / legal concerns discovered	
Contingency deadline	
Who is responsible for resolution	

2. Zoning, Dimensional Controls, and Buildable Envelope

Do not underwrite to the lot dimensions alone. Underwrite to the probable buildable envelope after setbacks, height limits, lot coverage, open-space requirements, parking, stormwater, easements, slopes, tree protection, and utility locations are considered.

Current zoning district	
Permitted principal use	
Permitted unit count / density	
Minimum lot area / width	
Front / side / rear setbacks	
Maximum height / stories	
Maximum lot / building coverage	
Parking / loading requirement	
Overlay or historic district	
Variance, exception, or rezoning likely?	[ ] No [ ] Possibly [ ] Yes | Describe below

[ ] Obtain written or documented zoning confirmation.

[ ] Prepare a dimensioned conceptual site plan.

[ ] Confirm adjoining setbacks and party-wall conditions.

[ ] Check pending zoning legislation or neighborhood plans.

[ ] Assess public-notice and community-meeting requirements.

3. Utilities, Site Conditions, and Hidden Infrastructure Cost

[ ] Water main location, service availability, tap size, meter requirements, and connection fees.

[ ] Sanitary sewer availability, invert elevation, capacity, lateral condition, and connection cost.

[ ] Stormwater management, detention, infiltration, discharge, and maintenance obligations.

[ ] Electric, gas, telecommunications, transformer, pole relocation, or underground service needs.

[ ] Topographic survey, boundary survey, and evidence of encroachments.

[ ] Geotechnical conditions, fill, rock, bearing capacity, groundwater, and foundation implications.

[ ] Floodplain, wetlands, waterways, steep slope, erosion, or drainage constraints.

[ ] Environmental history, dumping, tanks, contamination, asbestos-containing debris, or regulated materials.

[ ] Tree removal, street-tree, sidewalk, curb, driveway, and right-of-way restoration requirements.

[ ] Demolition, shoring, underpinning, party-wall, and adjacent-property protection requirements.

Largest probable site-cost driver	
Required specialist / report	
Budget placeholder	$
Schedule consequence	

4. Concept Budget and Residual Land Check

Work backward from a conservative completed value or stabilized income. The lot is worth what remains after construction, soft costs, financing, contingency, sales or lease-up costs, taxes, fees, and required profit—not what a competing buyer is willing to pay.

Conservative completed value / stabilized value	$
Hard construction cost	$
Site and utility cost	$
Design, engineering, survey, permits, legal	$
Financing, taxes, insurance, carrying cost	$
Marketing, sales, lease-up, or disposition cost	$
Contingency reserve	$
Required developer profit / risk premium	$
Maximum supportable land basis	$

Do not collapse contingency into profit
Contingency pays for uncertainty. Profit compensates the investor for time, capital, execution risk, and the possibility that the market moves against the project.

5. Approval and Delivery Path

Concept / feasibility period	
Survey and existing-conditions documentation	
Zoning confirmation / relief	
Design development	
Permit submission / review	
Utility approvals	
Procurement and long-lead items	
Construction duration	
Certificate of occupancy / closeout	
Sale, lease-up, or occupancy milestone	

[ ] Add time for resubmissions and agency comments.

[ ] Identify approvals that must occur in sequence.

[ ] Confirm winter, weather, and site-access effects.

[ ] Do not assume utility work follows the building schedule.

[ ] Create an exit date for each unresolved fatal issue.

6. Investment Committee Decision Record

Investment thesis	Why this parcel, this use, and this timing?
Three strongest facts	1. 2. 3.
Three unresolved risks	1. 2. 3.
Fatal-flaw threshold	What finding causes an immediate no-go?
Conditions to proceed	
Decision	[ ] Proceed [ ] Proceed with conditions [ ] Renegotiate [ ] Do not proceed
Decision maker / date	

Stephen Brooks perspective
A credible go decision is specific about what is known, what remains unknown, who will verify it, how much uncertainty is reserved in the budget, and the date when the investor will stop spending if the project cannot be validated.

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