



Student  
Chapters

## **NAHB Production Home Student Competition 2024-2025 Problem Statement**

Your organization is being offered the opportunity to purchase a raw piece of land located in Georgetown, Texas- a sub-market within the Austin, Texas MSA.

The parcel of land in question, located south of Ronald Reagan Blvd and East of Above and Beyond Way, is 48 acres and is the first phase of a larger parcel (Woodside); however, the only portion of land in question for this proposal is the 48 acre first phase.

Your firm is requesting funds to purchase this property at a price of \$5,500,000. For purposes of this proposal, your firm is a local Austin Division of a larger Development Corporation/Home Builder, who is the financier for the funds. With current market conditions, there is a fair amount of risk in land development, and it is important to stay creative in how deals are structured. Your Home Office granting funds prefers you to develop the lots and provide an option to sell a portion of lots over to different builder/s.

You are tasked to create a site design for this 48-acre site with the goal of maximizing lot count and with the option to sell finished lots to other builder/s at a quantity and pace you determine provided you keep at least 50% of the lots for internal development. It is important to outline the price per lot that you will be selling to the other builder/s within the community as well as financially break down your IRR for the whole project including remaining self-developed lots and homes.

Teams will need to design the site with at least two entrances to Above and Beyond Way. The attachment for Design Guidelines is to be adhered to as well for all homes designed to be built within your community.

Your team must prepare a proposal to develop the property, including but not limited to market analysis; product design and selection, site design; cost estimate and schedule; site management and logistics; sales and marketing strategy; financial analysis; risk analysis; and sustainability. Your written proposal must be a concise document that includes a well-written executive summary, relevant financials, and is free from grammar and spelling errors.

At the competition, your team will present a summary of its findings to the senior executives of your firm, who will have thoroughly reviewed your written proposal prior to your presentation. Be prepared to discuss and defend your decisions and the calculations contained in your proposal. If your team recommends acquisition, you will need to convince the executives that you have a viable project that will meet the firm's financial and organizational goals.