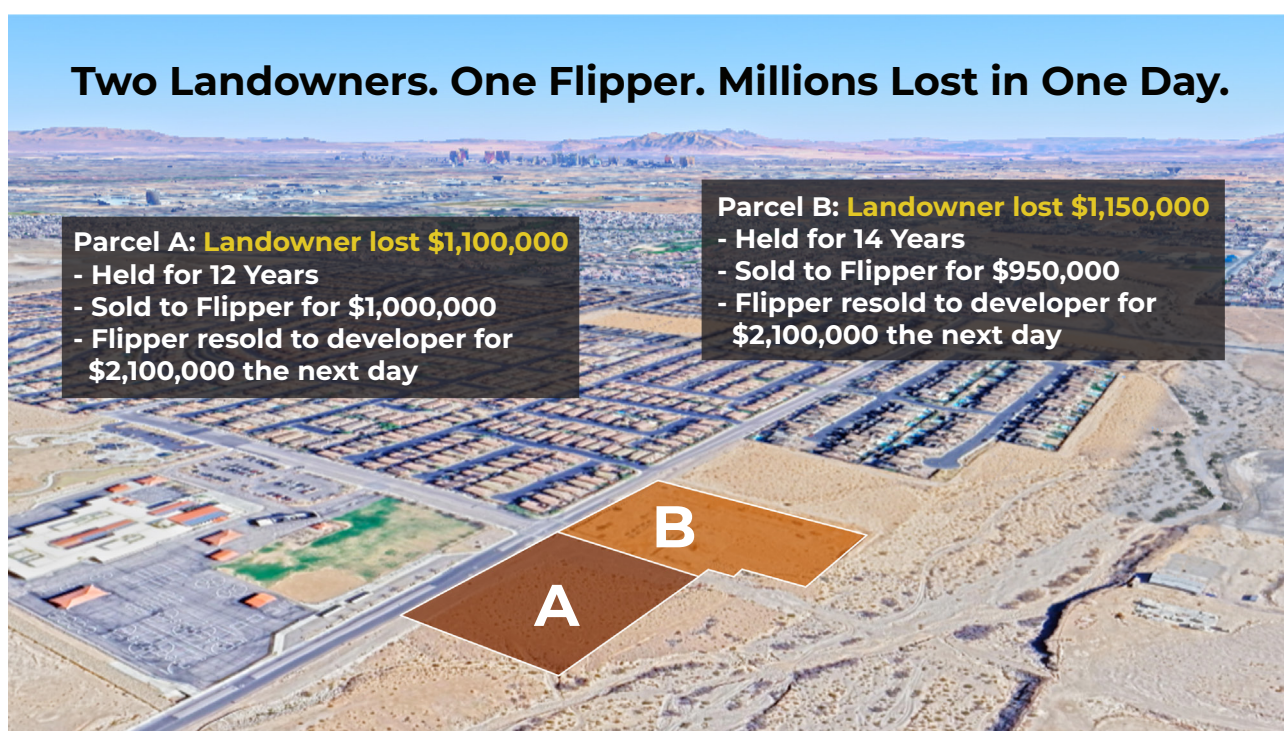


The Hidden Risk in Selling Land: Understanding Market Value to Avoid Costly Mistakes

For many landowners, selling their property and unlocking its earned equity is one of the most significant financial decisions they will make. However, without a clear understanding of true market value, landowners collectively lose millions each year—allowing investors and flippers to pocket the profits that rightfully belong to you.



Two adjacent landowners sold separately to the same flipper. The next day, the flipper resold both parcels to a developer—earning \$2.1 million in combined profit. **The landowners held for over a decade. The flipper profited in 24 hours.**

Flipper Schemes Explained

The real estate market is complex and often unforgiving—especially for under-informed sellers. Savvy insiders actively target landowners who lack up-to-date market knowledge, locking them into binding agreements at prices far below true market value. These buyers then quickly flip the properties for massive profits—money that should have stayed in the landowners' pockets. With land demand remaining strong, countless sellers unknowingly

settle for undervalued deals, handing opportunistic buyers a windfall while forfeiting their rightful earnings.

Case Study: The Cost of Not Knowing Your Property's True Value

A lack of market insight can cost landowners hundreds of thousands—if not millions—of dollars. Consider this real-life example:

- A landowner held their property for 34 years.
- They sold it, earning \$850,000 profit.
- The buyer—a predatory flipper—resold the property the same day.
- The flipper walked away with \$925,000 in profit—more than the landowner's total gains over six years.

The flipper made more than the landowner had in years—all because they knew what the landowner didn't.

The landowner unknowingly left \$925,000 on the table—the difference between their profit and what they could have earned by selling at the actual fair market value.

The Landowner's Experience

- 🕒 Held Property: 34 Years
- 💰 Profit Earned: \$850,000
- ⚠️ Believed They Got a Fair Deal

The Flipper's Experience

- 🕒 Held Property: 0 Days
- 💰 Profit Earned: \$925,000
- ✓ Knew the Land's True Market Value

The cost of not knowing the real-time value of this property? \$925,000.

The cost of an expert Broker Price Opinion from Sunbelt Development & Realty Partners? Zero.

This happens time and time again.

The Real Cost of Selling Below Market Value

Below is a sample of other recent land sales in Southern Nevada where properties were flipped—often within days or weeks—for substantial profit. In each case, the original landowner missed the opportunity to capture the true market value of their land.

Cross Streets	Landowner Hold Time	Price Sold to Flipper	Flipper Hold Time	Price Sold to Developer	Flipper Profit/Landowner Lost
Buffalo & Mountains Edge Pkwy	23 Years	\$3,562,500	0 Days	\$3,900,000	\$337,500
Burkholder & Racetrack	46 Years	\$900,000	0 Days	\$1,475,000	\$575,000
Tee Pee & Big Park	25 Years	\$1,500,000	0 Days	\$2,185,000	\$685,000
Tee Pee & Big Park	32 Years	\$1,500,000	0 Days	\$2,185,000	\$685,000
Gand Canyon & Gomer	34 Years	\$700,000	0 Days	\$1,500,000	\$800,000
Buffalo & Cactus	18 Years	\$2,100,000	3 Days	\$3,600,000	\$1,500,000
Rainbow & Shelbourne	40 Years	\$2,550,000	33 Days	\$3,742,000	\$1,192,000

Why Traditional Valuations Can Lead to Undervalued Sales

Many landowners rely on Comparable Sales (COMPs) to determine their land's worth. While this is a widely used method, it has significant limitations, particularly in fast-moving or supply-constrained markets.

- COMPs are a lagging indicator: They reflect past sales, often from 6–12 months ago, rather than current demand.
- Land values fluctuate based on market dynamics: Developer interest, zoning, and infrastructure improvements can drive values higher than past sales suggest.
- Buyers use better valuation models: Investors and developers don't just look at past sales; they analyze the land's development potential using a more precise model known as Residual Land Valuation (RLV).

A More Accurate Approach: Residual Land Valuation (RLV)

Unlike COMPs, which look at historical sales, the Residual Land Valuation (RLV) Method determines how much a developer can pay for land based on its future potential. This approach considers:

- Total revenue the property can generate after development
- Construction and entitlement costs required to build on the site
- Profit margins that developers need to justify the investment

By subtracting costs from potential revenue, developers arrive at an offer price—often far higher than outdated COMPs suggest.

How Landowners Can Protect Themselves

1. Understand who is buying their land

- Flippers & investors aim to buy low and resell high.
- Developers pay full market value for land that meets their needs.

2. Use accurate valuation methods

- A professional Broker Price Opinion (BPO) incorporating RLV provides a forward-looking assessment rather than relying on outdated COMPs.

3. Consider strategic entitlement

- Landowners working with developers before closing can increase their land's value and capture the highest sales price.

4. Hiring the right broker to represent them

- Experience and market expertise matter. A high-volume broker brings access to active buyers and firsthand knowledge of recent transactions. Brokers who consistently close land deals have a deep understanding of pricing trends and buyer demand, ensuring landowners receive accurate valuations and the strongest possible offers.

Conclusion: Knowledge is Profit

Landowners who understand their property's true value can maximize their investment instead of leaving profits on the table for flippers. The recent case study demonstrates how failing to assess market conditions accurately can result in lost earnings. By leveraging data-driven valuation methods like RLV and working with industry professionals, landowners can make informed decisions, protect their assets, and ensure they receive the full value their land deserves.

Maximize Your Profit—Let Us Facilitate the Right Transaction

As an investor, your goal is to buy, hold, and sell for the highest possible return—so why sell to another investor or flipper who will profit off your property instead of you? The right transaction isn't about selling quickly; it's about selling strategically.

If waiting just **3 to 6 more months** meant making **10–20% more** on your land, would it be worth it? The reality is, working with a high-volume, experienced land broker ensures you reach the right buyers—developers who pay full market value, not opportunistic flippers looking for a discount. And when the right broker can help you maximize your sale price, **is saving on commission really worth leaving up to 20% of your land's value on the table?**

Let Sunbelt Development & Realty Partners facilitate the best transaction for you.

Contact **Bill Lenhart** today for a data-driven valuation and ensure you capture the full potential of your land - **bill@sdrp.com**, or by phone at **702-365-5200**.

Sunbelt Development & Realty Partners

\$2 BILLION

in land sold in
Southern Nevada

25,000 ACRES

of land sold in
Southern Nevada

35+
Years experience

During the past 35 years we have brokered more than \$2 billion in land in Southern Nevada. Our clients are some of the most prominent brands in the real estate industry – DR Horton, Lennar, Beazer, Toll Brothers, and more.

In this time, we have sold more than 25,000 acres of property. As a high-volume brokerage (with our own land portfolio) we know what developers will pay. We know because they engage our firm to identify properties on their behalf.