Serdar+Partners

AT COMPASS

FOR TRADESMEN, BUILDERS & BUSINESS OWNERS

Buy the shop — or build one. Here's the real math.

9765 261st Ave NW, Zimmerman, MN · a private five-acre live/work property

~4,800 SF	4 BR / 2 BA	+480 SF suite	5 acres
SHOP (APPROX.)	HOME + FINISHED LOWER	INCOME UNIT	WOODED · POND · PRIVATE

If you're paying for a house *and* renting shop space, this property combines both — and can cost **less to build equity in than it costs to build a shop from scratch.**

Buy this property

Move in now. One 30-year home loan.

List price	**see MLS**
Financed like a home	**30-yr, ~6.55%**
All-in payment (est.)	**~$4,560/mo**

~$3,560/mo

Net cost — live in the house, rent the apartment (~$1,000/mo).

~$1,360/mo

Or rent both the house + apartment (~$3,200/mo) and run your business from the shop.

Illustrative at list price, 20% down.

Build it yourself

Start from dirt. Wait 1–2 years.

Land (~5 acres)	**~$75,000**
Shop (4,800 sf, finished/heated)	**~$430,000**
Geothermal system	**~$30,000**
3-phase power	**$5k–$40k+**
Just the shop + land	**~$540,000+**
+ a comparable 4-bd home	**~$400,000+**

~$950,000+

To replicate this property — financed via SBA 504 (~6.2%) or SBA 7(a)/commercial, plus 12–24 months to build and $0 rental income the entire time.

The punchline: **building just the shop can run about what this entire property costs** — and you'd still need somewhere to live, earn no rent, and wait a year or two. Here, the shop, the home, the income apartment, and the land are already standing. And the **3-phase and geothermal are already in** — the two things most expensive and slow to add later.

Every way to finance it, side by side.

The quiet advantage: because the shop is attached to the house, the **whole property rides one 30-year home loan.** Build a shop by itself and that cheap 30-year money isn't available to you at all.

Scenario	30-yr residential ~6.55%	SBA 504 ~6.5% · 25 yr	Commercial ~8.5% · 25 yr
BUY 9765			
Own the house, apartment & shop — rent nothing	**~$4,560/mo** 20% down	—	—
Own the house & shop — rent the apartment	**~$3,560/mo** net · 20% down	—	—
Own the shop — rent the house & apartment	**~$1,360/mo** net · 20% down	—	—
BUILD NEW			
Build it all — house, shop, apartment + both geothermal ~$1,167,000 to build	**~$7,100/mo** $233,400 down	—	—
Build the shop + house on the same kind of land ~$1,077,000 to build	**~$6,550/mo** $215,400 down	—	—
Build just the shop — on new land ~$562,000 to build	no 30-yr loan for a bare shop	**~$3,980/mo** $56,200 down	**~$3,960/mo** $140,500 down
Build just the shop — on land you already own ~$487,000 to build	—	**~$3,450/mo** $48,700 down	**~$3,430/mo** $121,750 down

Read the blanks: the only way to touch a 30-year home loan is to have a house — and buying 9765 puts the shop on that loan. Build a standalone shop and you're on pricier SBA or commercial money, you wait a year or two, and you still need somewhere to live (add ~$2,000/mo to the shop-only rows to compare fairly — the buy rows already include the home).