HIATUS
ADVISORY

FROM GAP TO GROUNDBREAKING · STAGE 01

Gap Analysis

Twelve cabins and a common house
Outside Bentonville, Arkansas

Sample engagement. The site, the sponsors and the project figures are illustrative. The county review path, the Health Department and fire code rules, the lodging taxes and the market anchors are real as of the date below.

Prepared for	Jenna and Mark Albright, Albright Hospitality LLC
Prepared by	Hiatus Advisory
Date	October 30, 2026

SUMMARY

What this analysis found

Hiatus Advisory reviewed the sponsors' plan for twelve cabins of 400 square feet and a 1,600 square foot common house with a small bar, on 4.1 acres of rural land with creek frontage a few miles outside Bentonville, run as short-term rentals for the mountain bike crowd, with the land under contract at $385,000 and a one-page pro forma showing a 22 percent yield on cost.

THE HEADLINE

The yield on the sponsors' sheet comes from a cabin budget that stops at the cabin. The road, water, septic and fire access that twelve rental cabins need on unzoned county land cost about $607,000 against $140,000 carried, and the project costs $3.5 million, not $2.0 million. At that cost, 400 square foot cabins at a market rate return about 6 percent, below what a buyer of small lodging pays for the income and short of the bank's payment. Twelve larger cabins with hot tubs, a common house without the bar and an operation run from the inn return 10.3 percent on the same money; three written answers from the county and the Health Department decide whether that holds.

$3.52M	$607,000	5.8%	10.3%
TOTAL COST, HIATUS READ; THE SPONSORS' SHEET: $1.98M	SITE WORK AND INFRASTRUCTURE; $140,000 CARRIED	YIELD ON COST, TWELVE 400 SF CABINS AS DRAWN	YIELD ON COST, THE VERSION THAT CLEARS

The findings

1. The site work is the project. A 20-foot all-weather loop with a turnaround, a 2-inch rural water tap, a septic system sized for lodging, a fire water supply and power to twelve pedestals run $580,000 to $607,000 against the $140,000 on the sheet, and none of it shrinks with the cabin count.

2. Four questions decide the project, and none has been asked. Will the water district serve a 2-inch tap. Does the septic design stay under the Health Department's 1,500 gallon line, which the bar alone crosses. Are the cabins houses or lodging, which decides sprinklers and the fire water supply. How does the county read the use on land it does not zone. The answers are worth $251,000 of cost.

3. The revenue was priced from the inn, not from the cabins. The sheet carries 65 percent every night at $225 because the inn ran 68. Bentonville short-term rentals ran 44 percent at $229 over the last twelve months, 54 in the high season and 37 in winter. Hiatus carries 55 percent at $219 for a 400 square foot cabin without a hot tub.

4. The operation has a cost even when the owners run it. A lender and a buyer underwrite management at 15 percent of revenue; the sponsors carried none. With market operating lines the plan as drawn earns $203,000, which does not cover the bank's payment.

5. The gap is real and closable. On the version that works, a bank at 70 percent of cost leaves $727,000 of outside equity to raise. An SBA 7(a) loan sized on coverage leaves about $442,000, against a friends-and-family list of $250,000, at the price of a guaranty fee and a higher rate.

WHAT FOLLOWS

Sections 01 to 04 test the site, the four questions, the cost and the revenue; 05 gives the result as drawn, 06 the version that clears, and 07 to 10 capital, context, readiness and next steps.

SECTION 01

The site and the program

ITEM	DETAIL
Location	Unincorporated Benton County, on a paved county road a few miles from downtown Bentonville and the nearest trailhead. A live engagement records the address and parcel
Site area	4.1 acres: about 300 feet of road frontage, a pasture terrace of roughly three acres, and 600 feet of creek frontage along the rear boundary
Land use and zoning	Benton County has no zoning in its unincorporated areas. Single-family and agricultural uses need no planning approval; commercial uses go to the Planning Board through Site Plan Review
Existing improvements	A vacant 1960s house and barn, to be removed; a 3/4-inch rural water meter at the road; an unused well
Floodplain	The lower acre along the creek is Zone A, no base flood elevation published; the terrace is outside it
Utilities	Rural water and single-phase power in the road; no sewer within reach, the nearest city main about 1.8 miles away
Purchase price	$385,000, plus about $6,000 in closing costs. The parcel has been listed for 14 months
Contract status	Executed with a family trust. $10,000 earnest money, refundable through a 60-day feasibility period; closing at day 90
Program	Twelve detached cabins of 400 sf (bedroom, bath, kitchenette, porch) on a gravel loop; a 1,600 sf common house with check-in, lounge, laundry, restrooms and a 24-seat bar; short-term rental, no flag
Sponsors	Jenna Albright, a former hotel front office manager, runs the couple's six-room inn two blocks off the square, open since 2019, and its booking engine; Mark Albright, a former shop teacher, does its maintenance and built out two rooms

Site control

The contract is sound and the deposit is protected during feasibility. Sixty days covers the tests in this document, not the four answers in Section 02: the soils evaluation and the Health Department's read take four to six weeks, the county pre-application and the Fire Marshal's classification two to four each, the water district's letter two to three. Closing at day 90 means owning the land through a year of permitting, and that carry is not on the sheet.

> **ONE TERM WORTH NEGOTIATING NOW**
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> The seller has said the price is firm. The feasibility period is not, on a parcel that has sat for 14 months. Ask for 150 days and the seller's written authorization to file the county pre-application, the soils evaluation and the Fire Marshal request during feasibility. The answers cost about $9,000 and decide whether the sponsors should close at all.

The sponsors

Running a six-room inn for seven years is the most relevant experience a cabin project can have. The Albrights know occupancy by month, what a turnover costs and how a booking engine prices a vendor week. What they have not done is build on raw land, run a wastewater system for forty people, or take a project through the Planning Board. Their sheet reflects both halves: the revenue lines are confident and specific, the site lines are a guess, and a lender will price the second half.

SECTION 02

The four questions that decide the project

Small hospitality on rural land lives or dies on questions that have nothing to do with the cabins: water, wastewater, fire access and what the county calls the use. The sponsors' plan treated the land like a house lot.

QUESTION	WHAT THE RULES SAY	SOURCE
Can the use go here	No zoning in the unincorporated county. A single-family dwelling needs no planning approval; "all other commercial uses require a Site Plan Review" by the Planning Board. Twelve rental cabins with a check-in is commercial lodging, and the Board tests its compatibility with the neighbors	County Planning Regulations and FAQ
Short-term rental rules	No state statute; the two 2025 bills on local authority failed (HB1445 to interim study, HB1790 on third reading). Bentonville requires no registration; the county has no ordinance. Guests pay 9.5 percent in lodging taxes outside the city limits against 13.5 inside	2025 session; City of Bentonville; DFA
Where the water comes from	Rural water in the road through a residential 3/4-inch tap; twelve cabins need a 2-inch tap and the district's written capacity. A private well serving more than 25 people for 60 days a year would be a public water system under the Health Department	SDWA definition; ADH Engineering
Where the wastewater goes	The Health Department reviews onsite systems under 1,500 gallons a day; 1,500 and larger go to the Division of Environmental Quality as a state permit with an engineer's design. Working flows: twelve cabins and the common house about 1,350; with a 24-seat bar about 1,950. A soils evaluation decides whether a conventional field works on the terrace or treatment and drip dispersal are needed	ADH Onsite Wastewater Rules
Fire access and sprinklers	Arkansas Fire Prevention Code 2021: access roads under Section 503 and Appendix D (a 20-foot all-weather road within 150 feet of every cabin, with a turnaround), water supply under Section 507 with an approved alternative where there are no hydrants. Sprinklers turn on classification: a one-family dwelling under the residential code carries none, since the State Fire Marshal does not mandate them in new one- and two-family dwellings; Group R-1 lodging is sprinklered. Officials read nightly cabins both ways	AFPC 2021; Rule 130.00.09; County Fire Marshal

FINDING

Nothing here prohibits the project; everything here is a question the county, the water district or the Health Department answers in writing, and none has been asked. Three answers carry a price: the septic lane ($85,000 or $155,000), the cabins' classification ($8,500 of sprinklers each) and the fire water supply ($38,000 or $65,000): $251,000 of cost with soft costs and contingency, and about 75 basis points of yield.

Two things the sponsors' plan gets wrong

The bar is the most expensive 600 gallons in the plan. Its seats push the design flow across the 1,500 gallon line, which moves the permit from the Health Department to the state and the design to an engineered treatment system, and adds a liquor license and an assembly occupancy to the common house. Its $32,000 a year of net income does not pay for what it drags in.

Treating the cabins as houses. The sponsors assumed a cabin needs only a building permit. The use is commercial lodging and goes to the Planning Board, the fire code classification is open, and the Health Department sizes the system for the operation. Go in as what the project is, and get the county's read in writing before closing.

SECTION 03

What it costs

The sponsors' cabin figure is a quote: $58,000 for a 400 square foot kit cabin delivered and set, plus $12,000 for piers, a deck and hookups. It is a real number for the box. Everything a guest never sees is missing or light, and on rural land that is most of the project.

SITE WORK AND INFRASTRUCTURE	SPONSORS' SHEET	HIATUS READ	WHAT CHANGED
Access road and parking	$45,000	$165,000	20-foot all-weather loop with turnaround
Water	$9,000	$45,000	2-inch tap, on-site main, backflow
Fire water supply	none	$65,000	30,000 gallon tank; $38,000 as a creek dry hydrant
Septic	$45,000	$155,000	State lane with the bar; $85,000 under 1,500 gallons
Power	$30,000	$70,000	Extension, transformer, twelve pedestals
Grading and stormwater	$11,000	$55,000	Erosion control, detention, creek buffer
Lighting, paths, planting	none	$40,000	What makes twelve cabins read as one place
Telecom	none	$12,000	Fiber or fixed wireless
Site work and infrastructure	**$140,000**	**$607,000**	**Four times the sheet; $580,000 with favorable answers**

TOTAL PROJECT COST	SPONSORS' SHEET	HIATUS READ	WHAT CHANGED
Twelve cabins	$840,000	$1,230,000	$215 per sf, bath and kitchenette, porch, sprinkler allowance: $102,500 each
Common house	$280,000	$384,000	$240 per sf: bar, restrooms, laundry, accessibility
Site work and infrastructure	$140,000	$607,000	Table above
Furniture, fixtures, equipment	$136,000	$233,000	$14,000 a cabin; $65,000 common house and bar
Soft costs	$60,000	$244,310	11 percent of hard: design, soils, survey, fees, legal, insurance, brand, lender
Contingency	$63,000	$222,100	10 percent of hard, against 5
Pre-opening and working capital	none	$60,000	Three months of operating cost
Land and closing	$391,000	$391,000	Unchanged
Financing	$67,805	$148,532	70 percent at 8.25 for 14 months; 80 at 7.5 for 10
Total project cost	**$1,977,805**	**$3,519,942**	**Plus 78 percent; $293,328 a key**

THE NUMBER THAT MATTERS

The road, the water, the fire supply, the septic system and the power are $607,000, and they cost the same at six cabins as at twelve. The sponsors' fallback, build six first and see, puts $405,000 of cost under each key and returns 6.3 percent. The infrastructure wants the keys. Section 06 keeps all twelve and changes what each one earns.

With the county's answers favorable (no sprinklers, the dry hydrant accepted) the Hiatus read is $3,356,975; the bar keeps the septic system in the state lane either way.

SECTION 04

Revenue: the rate, the seasons and the operator

Asked where 65 percent and $225 came from, the sponsors were direct: the inn ran 68 percent last year at $212, and cabins should do better. The inn is a six-room property two blocks off the square with a seven-year review history. The cabins are a new short-term rental product on rural land, and a lender, a buyer and a guest will price them against that market.

Market anchors, public sources, pulled October 30, 2026. The demand figures are in Section 08.

ANCHOR	FIGURE	SOURCE
Short-term rental rate, 12 months to Sept. 2026	$229	AirROI; 786 active listings, up 16 percent; revenue per listing $30,066, down 6.2 percent
Occupancy, same period	43.7%	AirROI; $105 per available night
High season (Mar, May to Jul, Oct)	$231 at 54%	AirROI; October the top month, about $4,340 per listing
Low season (Dec to Feb)	$198 at 37%	AirROI; January about $1,880 per listing
Four-bedroom homes	$351 at 43%	AirROI; the largest product, at the average occupancy
Cabin and outdoor listings	21 of 786	AirROI; 2.7 percent of supply
A second data service, wider area	about $185 at 55%	AirDNA trailing twelve months via a local manager, October 2026; about 1,469 listings

What the evidence supports. Two patterns decide the rate. The market prices by experience, not by bedroom: four-bedroom homes earn $351 at the same occupancy as the average. The seasons are steep: October earns 2.3 times January. A new 400 square foot cabin with no hot tub, on a creek a few miles from the trails and run by hospitality people, supports $235 to $245 in spring and fall and $170 in winter. Hiatus carries **$219 blended at 55 percent**: 64 to 66 percent in spring and fall, 52 in summer, 36 in winter. The same cabin at 480 square feet with a hot tub supports **$255 to $305**, which is Section 06.

OPERATING RESULT, TWELVE CABINS AS DRAWN	SPONSORS' SHEET	HIATUS READ	NOTE
Room revenue	$640,575	$523,530	$43,628 a cabin: spring $13,837, summer $9,568, fall $14,715, winter $5,508
Bar and other income, net	$40,000	$32,000	Bar, firewood, retail
Operating expenses	−$238,201	−$352,992	Sponsors: 35 percent of revenue, no management line. Hiatus: channels 8 percent, $41,882; management 15 percent, $78,530; housekeeping $61,746 (996 turnovers at $62); utilities, repairs, grounds, insurance, property tax $31,864, marketing, administration and a 4 percent reserve, $170,834
Net operating income	**$442,374**	**$202,538**	**Operating cost 35 percent of revenue against 63.5**

FINDING

The sponsors' income is $442,000 and Hiatus's is $203,000: $125,000 of the difference is revenue, a market rate and season against the inn's, and $115,000 is operating cost, led by a management line the sponsors do not pay themselves but a lender and a buyer will underwrite. Nothing inside a 400 square foot cabin changes either number. The product and the operator do.

SECTION 05

The result, as drawn

Twelve cabins of 400 square feet with the bar, at market revenue and market operating cost, with the county's answers favorable and unfavorable. The favorable case classifies the cabins as houses and accepts the creek dry hydrant; the bar keeps the septic system in the state lane in both.

TWELVE CABINS, 400 SF, WITH THE BAR	SPONSORS' SHEET	FAVORABLE ANSWERS	UNFAVORABLE ANSWERS
Cabin, each	$70,000	$94,000	$102,500
Site work and infrastructure	$140,000	$580,000	$607,000
Total project cost	$1,977,805	$3,356,975	$3,519,942
Cost per key	$164,817	$279,748	$293,328
Blended rate and occupancy	$225 at 65%	$219 at 55%	$219 at 55%
Net operating income	$442,374	$203,982	$202,538
Value at a 9.25 percent capitalization rate	$4,782,419	$2,205,216	$2,189,596
Value less cost	+$2,804,614	−$1,151,759	−$1,330,345
Debt service coverage on the bank loan	3.3	0.96	0.91
Yield on cost	**22.4%**	**6.1%**	**5.8%**

Hiatus columns: rate and occupancy by season from Section 04; management 15 percent and channels 8 percent at market; construction loan at 70 percent of cost before financing, 8.25 percent, 14 months, 1 point, interest on an average balance of 55 percent, converting to a 25-year amortization. The 9.25 percent capitalization rate is the middle of the 9 to 10 percent range at which small unbranded rural lodging trades. The sponsors' column uses their own inputs throughout, including an 80 percent loan at 7.5 percent.

> THE FINDING IN ONE LINE
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> It costs about $293,000 to deliver a cabin that earns about $17,000 a year. A buyer of small lodging pays about $180,000 for that income, and the bank's payment on its share of the cost is more than the income.

What a buyer would pay

A twelve-cabin, unflagged short-term rental compound in rural Arkansas sells to a buyer who has to hire a manager, at a 9 to 10 percent capitalization rate or about three to four times revenue. Both methods land at or below about $2.2 million for the income as drawn, against $3.5 million to build it. The spread between the yield on cost and the capitalization rate is what pays a developer for the risk of building. Here it is negative by 350 basis points, and the favorable county answers, worth $163,000 of cost and 33 basis points, do not change the verdict.

Two tests that locate the problem

Land at zero. Remove the $391,000 of land and closing and the twelve cabins return 6.5 percent. On this site, free land does not rescue the plan. The problem is the ratio of fixed infrastructure and operating cost to what a 400 square foot cabin without a hot tub can charge.

Six cabins first. The sponsors' fallback. The road, the water, the fire supply, the power and most of the septic system are the same at six as at twelve, so the cost per key rises to $405,000 and the yield falls to 6.3 percent even with the better cabin from Section 06. Phasing is the wrong lever here; the product is the right one.

SECTION 06

The version that clears

Three changes the sponsors make, and three answers the county must give in writing before the land closes.

Larger cabins with hot tubs. 480 square feet, a real bedroom, a hot tub on a deck facing the creek. Hot tubs are the most reliably priced amenity in short-term rental data, and cabins are 2.7 percent of local supply. Hiatus carries $295 to $305 in spring and fall at 70 to 72 percent, $245 in summer at 56 and $215 in winter at 42: $272 blended at 60 percent, $59,731 a cabin, for $119,200 a cabin against $94,000.

No bar in phase one. A 1,200 square foot common house with check-in, a lounge with coffee and a cooler, laundry, restrooms, a bike wash and a tool bench. No liquor license, no assembly occupancy, and a design flow of about 1,350 gallons a day that stays in the Health Department's lane; a bar can come later under its own permit.

Run from the inn. The inn's desk takes the phones and the bookings on its own engine; one added housekeeper and host, a part-time grounds hand, and the owners' time priced at a salary: 8 percent of room revenue rather than a third party's 15, and 6.5 percent in channel cost rather than 8 with half the nights direct. A buyer would still underwrite 15 and 8; the difference is the operator's return.

TWELVE CABINS OF 480 SF WITH HOT TUBS, NO BAR, RUN FROM THE INN	CONDITIONS MET	CONDITIONS FAIL	SIX CABINS FIRST
Total project cost	$3,496,611	$3,748,010	$2,430,104
Cost per key	$291,384	$312,334	$405,017
Net operating income	$361,371	$359,142	$152,251
Value at 9.25 percent, less cost	+$410,097	+$134,604	−$784,149
Yield on cost	**10.3%**	**9.6%**	**6.3%**

Conditions: septic under 1,500 gallons a day, cabins classified as one-family dwellings, the creek dry hydrant accepted; failing all three adds $251,398. A buyer underwriting management at 15 percent and channels at 8 sees 8.6 percent and a value of $3,248,053.

FINDING

The project returns 10.3 percent on cost against a 9 to 10 percent buyer: a real project and a thin one, whose margin belongs to the operator rather than to a seller on opening day. That is the right shape for two innkeepers who will run it and the wrong shape for a passive investor. Every $10 of blended rate is 56 basis points of yield.

BLENDED RATE, OCCUPANCY HELD AT 60 PERCENT	$232	$245	$259	$272	$286	$300
Yield on cost	8.0%	8.8%	9.6%	10.3%	11.1%	11.9%
OCCUPANCY, RATE HELD AT $272	**50%**	**55%**	**60%**	**65%**		
Yield on cost	8.2%	9.3%	10.3%	11.4%		

LEVER	EFFECT	WHERE IT COMES FROM
Every $10 on the blended rate	+$19,732 of income	The product, the inn's pricing tool and guest list, the data pull in Section 10
Every $5 per sf off the cabin	−$35,165 of cost	One repeated plan, two written builder budgets
The three county answers	$251,398 of cost	Asked in writing before closing

SECTION 07

Capital, team and timeline

Capital

The sponsors have $275,000 in cash and can take $150,000 from a refinance of the inn: $425,000. Four couples who stay at the inn have asked to invest, which the sponsors size at $250,000. Their lender talked about 80 percent on the inn's record; a bank financing twelve cabins for first-time developers lends 70 percent of cost with a completion guarantee.

EQUITY REQUIREMENT	SPONSORS' SHEET	AS DRAWN, HIATUS READ	PIVOT, BANK LOAN	PIVOT, SBA 7(A)
Total project cost	$1,977,805	$3,519,942	$3,496,611	$3,570,145
Loan	$1,528,000 (80%)	$2,359,987 (67%)	$2,344,345 (67%)	$2,703,440 (76%)
Debt service coverage, stabilized	3.3	**0.91**	1.63	1.25
Equity required	$449,805	$1,159,955	$1,152,266	$866,705
Sponsors' capacity	$425,000	$425,000	$425,000	$425,000
Outside equity required	$24,805	$734,955	$727,266	$441,705
After $250,000 of friends and family	covered	$484,955	$477,266	$191,705
Cash return to equity, stabilized		**negative**	**12.1%**	**8.3%**

SBA column: a 7(a) loan, 75 percent guaranteed, sized to 1.25 times coverage at 9.75 percent over 25 years, a $73,534 guaranty fee added to cost; 85 percent allowed on paper, 76 by coverage. SBA lends to an operated lodging business, not passive rental real estate.

> THE FINANCIAL GAP
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> About $442,000 of outside equity on the SBA path on the version that works, $727,000 on a conventional bank loan, against a friends-and-family list of $250,000. The guarantee closes most of the gap and costs part of the return: a $74,000 fee and a higher rate take the cash return to equity from 12 percent to 8. Which path, and who fills the remainder (a seller carry, a fifth couple or the county answers), is the work of the underwrite.

Team

Four seats are empty: a civil engineer for the loop road, grading, stormwater, fire access and floodplain permit, none of which is drawn; a Designated Representative or engineer for the soils evaluation and septic design; an architect for one repeated cabin plan and the common house; and a general contractor of record, with Mr. Albright as owner's superintendent on finish.

Timeline

STEP	SPONSORS' PLAN	HIATUS READ	NOTE
Feasibility and the four answers	2 months	5 months	Extended period; the four answers in writing
Site Plan Review and septic permit	not carried	3 to 4 months	In parallel; 4 to 8 months in the state lane
Building permits and loan closing	1 month	2 to 3 months	SBA closings are slow
Construction	6 months	9 to 11 months	Site work first, cabins in two flights of six
Opening to stabilized	on opening	6 to 9 months	Reviews, the inn's list, a first fall season
Contract to stabilized	**9 months**	**25 to 32 months**	**The carry for the difference is in the Hiatus read**

SECTION 08

Tailwinds and headwinds

The demand around this site is real and growing, and the short-term rental market that serves it is getting crowded at the average. Both facts belong in the sponsors' heads, because together they argue for one product and against another.

TAILWINDS

- **The demand is measured, not assumed.** 618,400 overnight trips to Bentonville in 2025, up 5.9 percent; 1.2 million visit nights; $104.5 million of visitor spending, up 7.4 percent; 830,000 visitors on the trails. Benton County visitor spending was about $1.23 billion.
- **The cabin supply is thin.** 21 of 786 listings are cabins or outdoor stays. The market's largest homes earn $351 a night at the same occupancy as everything else, which says guests pay for the experience and the supply of experiences is short.
- **The calendar fits the product.** October is the top month and 53 cycling events brought $17 million in 2025. The fall peak and the mountain bike season are the same season.
- **No zoning, no rezone.** Site Plan Review is a compatibility test on four acres with a creek buffer, not a land use fight, and the use is allowed if the Board approves the plan.
- **Four points of price room.** Guests pay 9.5 percent in lodging taxes outside the city limits against 13.5 inside them.
- **The sponsors run an inn.** Staff, a booking engine, a guest list and seven years of reviews are the operating advantage the pivot depends on, and a lender can see them.
- **The rules held in 2025.** Two bills on local short-term rental authority failed, Bentonville requires no registration, and the county has no ordinance.

HEADWINDS

- **The average listing is losing ground.** Listings grew 16 percent in a year while revenue per listing fell 6.2 percent, to $30,066. Market occupancy is 44 percent. A plain product enters a crowded field.
- **Thin evidence for the specific product.** Twenty-one cabin listings and two data services that disagree by $44 and eleven points. The first appraiser will reach for the same anchors this document uses.
- **Steep seasons.** January earns about 43 percent of what October earns. The winter needs a reserve, and the debt payment does not take the season off.
- **Infrastructure is 27 percent of hard cost** and fixed. Every cabin not built raises the cost of the ones that are.
- **Three open answers worth $251,000.** Classification, the fire water supply and the septic lane are each one letter away in either direction.
- **Ozark soils.** Shallow, clay and karst ground fails conventional drainfields often enough that the soils evaluation comes before any other spending.
- **The rules can change.** The city convened a working group in 2023, the legislature took the question up in 2025, and the county could adopt an ordinance. A project that goes in as commercial lodging through Site Plan Review is better placed than one that depends on being called a house.
- **Negative leverage on the SBA path.** A 10.7 percent debt constant against a 10.3 percent yield: the guarantee closes the gap and thins the return.

WHAT THIS MEANS FOR THE PLAN

The demand is the case for building. The crowded average is the case for building something a guest cannot find elsewhere and running it the way the inn is run. Both point at the same product, which is the one in Section 06, and both argue against the plan as drawn.

SECTION 09

Readiness

DIMENSION	STATUS	ASSESSMENT
Site control	AMBER	Executed contract, deposit protected, price firm on a parcel listed 14 months. The 60-day feasibility period cannot hold the four answers; extend it to 150 days and file during feasibility.
Entitlement and infrastructure	RED	No zoning to clear, but the water district's capacity, the septic design flow and soils, the fire classification and water supply, and the county's read of the use are all open and unasked. $251,000 of cost and the permit lane ride on them.
Program and market	AMBER	The right crowd, the right site and a measured demand. The 400 square foot cabin without a hot tub is the wrong product for the rate the cost requires, and the bar costs more than it earns. Evidence for the specific product is thin; a paid data pull is required.
Cost basis	RED	Site work carried at $140,000 against $580,000 to $607,000; the cabin figure is a kit quote without the deck, the hookups or the bath a lender expects; contingency 5 percent; no pre-opening capital.
The numbers and capital	AMBER	As drawn, 5.8 percent and a bank payment the income does not cover. The pivot returns 10.3 percent on the sponsors' operating plan and 8.6 in a buyer's eyes. $442,000 of outside equity on the SBA path against $250,000 in hand; closable, not closed.
Team	GREEN	Two operators who have run a six-room inn for seven years, know the guest and the turnover, and can be the on-site operation a lender wants to see. The empty seats, a civil engineer, a septic designer, an architect and a contractor of record, are specific and fillable.

ASSESSMENT

The sponsors chose the right market, the right site and the right crowd, and they priced the cabins like the inn and the land like a house lot. Every red on this table traces to those two decisions. Replace the inn's occupancy with the market's, and the house lot's budget with a small resort's, and the plan reorganizes itself around a larger cabin, a quieter common house, an operation run from the inn, a longer schedule and a real equity raise.

None of that is a reason to walk away from the contract. It is a reason to extend it and to spend the next five months getting four answers in writing: from the water district, the Health Department, the Fire Marshal and County Planning. The sponsors should not own the dirt until they have them.

> *The sheet priced the cabins like the inn and the land like a house lot. The project is a small resort, and it has to be priced as one.*

SECTION 10

What we asked, and what to do next

THE QUESTION ROUND, AND WHAT IT CHANGED

Partway through, Hiatus sent the sponsors five questions. Does the $58,000 cabin include the foundation, deck and hookups? *Piers and set; no deck, no hookups.* Where does the wastewater go? *One septic system, like a house; they had not called the Health Department.* Has the county or the Fire Marshal seen the plan? *No. Cabins are houses, they assumed.* Who runs it, and at what cost? *They do, from the inn; nothing carried.* Where did 65 percent and $225 come from? *The inn: 68 percent at $212.* The second and third answers built Section 02; the last built Section 04.

Recommended next steps, in order

1. **Request the feasibility extension this week**: 150 days, and the seller's authorization to file the pre-application, the soils evaluation and the Fire Marshal request during feasibility. Put the 14 months on market in the letter.
2. **Commission the soils evaluation and a design flow letter** from a Designated Representative, with the system designed under 1,500 gallons a day and without the bar. Two to four weeks, about $3,500; nothing else should be spent first.
3. **Hold a pre-application meeting** with County Planning, the Fire Marshal and Building Safety: commercial lodging through Site Plan Review, the cabins' classification, the loop road and the creek dry hydrant, each read in writing.
4. **Get the water district's capacity letter** for a 2-inch tap, with the tap and meter fees stated.
5. **Buy the rate evidence**: a data pull on cabins with hot tubs within 40 miles, by month, and two conversations with managers who run cabins in the Ozarks. The project is built backward from this number.
6. **Commission one repeated 480 square foot cabin plan and the common house**, and obtain two written builder budgets on them with Mr. Albright's role priced.
7. **Talk to two banks that close SBA 7(a) construction loans**, and get each bank's written terms on both paths before anyone talks to the four couples.

The menu

Each gap maps to a piece of work: the site and concept study produces the loop-and-twelve plan the Planning Board, the engineer and the builders need; the pro forma becomes the model the bank and the four couples price against; the underwrite then tests the project independently and sizes the raise.

WHERE THIS PROJECT STANDS

Conditional pass. The site, the sponsors and the demand are right; the cabin, the bar, the site budget and the revenue assumptions are not yet, and each has a fix inside an extended feasibility period. The land should not close until the Health Department's lane, the county's classification and the water district's letter are in writing. With them, twelve larger cabins run from the inn is a business worth building. Without them, the sponsors should know before they own the dirt.

A Stage 01 diagnostic, not an appraisal, an investment recommendation or a substitute for legal, tax or engineering advice. Cost and site control figures are as supplied by the sponsors; rates, code provisions and agency rules are independently researched and attributed. A 60-minute working session is included. **This document is a sample:** the site, the sponsors and the project figures are illustrative and no such engagement took place. The county review path, the Health Department's jurisdiction, the fire code provisions and Rule 130.00.09, the lodging taxes, the 2025 legislative outcomes and the market anchors were checked against public sources on October 30, 2026. Hiatus Advisory is the development advisory practice of Hiatus Capital Management LLC, Bend, Oregon.