

Assumptions: Graham, Concept 3

General Inputs

Opportunity Site Name	Graham
Development Concept	3

Development types	No. Units	Average Unit Size	Total Net SF	Parking Ratios	No. Parking Spaces
Residential: For Rent	0	0	0	0.00	0
Retail/Commercial (NNN)	0	0	4,691	0.00	0
Office (FS)	0	0	14,072	0.00	0
Live/Work	0	0	0	0.00	0
Flex Space (NNN)	0	0	0	0.00	0
Total	0		18,763		0

Development types	Monthly Rent / SF	Monthly Rent / Unit	Annual Rent / SF	Annual Rent / Unit	Potential Gross Rev	Op Expense (% Rent)	Op Expense			Total Op Expense
							per unit / mo	Op Expense per SF / mo	Op Expense per SF / yr	
Residential: For Rent	\$1.30	\$0	\$15.60	\$0	\$0	35%	\$0	-\$0.45	-\$5.40	\$0
Retail/Commercial (NNN)	\$1.17		\$14.00		\$65,674	15%		-\$0.18	-\$2.10	-\$9,851
Office (FS)	\$1.25		\$15.00		\$211,080	53%		-\$0.67	-\$8.00	-\$112,576
Live/Work	\$1.30	\$0	\$15.60	\$0	\$0	35%	\$0	-\$0.45	-\$5.40	\$0
Flex Space (NNN)	\$0.42		\$5.00		\$0	24%		-\$0.10	-\$1.20	\$0
Total					\$276,754					-\$122,427

Other Assumptions

Annual Increase in Potential Gross Rev	3%
Annual increase in operating expense	3%
Property Tax Rate	\$18.95
Changed Property Ratio	89.4%
Real Market Value	\$1,876,205

Changed Property Ratio

Use	CPR
Residential	89.4%
Com/Ind	90.4%
Multi-Family	80.7%

Parking Assumptions

	Spaces	SF	SF/Space
Structured	0	0	0
Tuck	0	0	0
Surface	0	0	0
Total	0	0	

Uses of funds: Graham, Concept 3

Costs	Total	Per SF	# GSF	Notes
<i>Hard Costs</i>				
Site Acquisition	\$400,000	\$0.00	8,600	SF of site
Construction - Retail / Commercial	\$579,390	\$105.00	5,518	gross SF of building
Construction - Office	\$1,986,600	\$120.00	16,555	
Building Skin	\$0	\$0.00	0	Façade SF
Landscaping	\$5,160	\$6.00	860	Landscaping
TI Allowance - Office	\$633,240	\$45.00	14,072	Net SF
TI Allowance - Retail	\$164,185	\$35.00	4,691	Net SF
Parking	\$0	\$9.00	0	
Frontage Improvements / PARs	\$200,000			City requirement for street enhancements
Hard Cost Contingency	\$267,643	\$12.13	22,073	7.5% other hard costs
Subtotal	\$4,236,218	\$191.92	22,073	
<i>Soft Costs</i>				
Total Soft Costs	\$296,535	\$13.43	22,073	7.0% of hard costs
General Soft Costs	\$169,449	\$7.68	22,073	4.0% - Legal fees, other consultants
Financing Fees	\$42,362	\$1.92	22,073	1.0% of hard costs
City Fees and Permits	\$43,635	\$1.98	22,073	Building Permit Fees based on hard cost valuation. Does not include any trade permits or deferred submittals.
SDCs	\$105,000	\$4.76	22,073	SDCs based on 2/3/14 pro formas
Developer Fee	\$211,811	\$9.60	22,073	5.0% of hard costs
FF&E	\$0	\$0.00	22,073	
Soft Cost Contingency	\$65,159	\$2.95	22,073	7.5% of soft costs
Subtotal	\$933,951	\$42.31	22,073	22.0%
Total Cost	\$5,170,169	\$234.23	22,073	

Loan Details: Graham, Concept 3

Source No.	Type	Loan						
		Amount	Amortization (Years)	Loan Term (Years)	Interest Rate (Annual)	Payment (Annual)	Payment (Monthly)	Payments (Total)
Source 1	Equity	\$2,068,067	0	0	0%	N/A	N/A	N/A
Source 2	Bank Loan	\$3,102,101	25	25	6%	\$239,844	\$19,987	\$5,996,100
Source 3	EB-5	\$0	1	1	5%	\$0	\$0	\$0
Source 4	Other 1	\$0	1	1	5%	\$0	\$0	\$0
Source 5	Other 2	\$0	1.5	1.5	5%	\$0	\$0	\$0
Total		\$5,170,169						
		\$0						
Total Equity		\$2,068,067						
Total Financing		\$3,102,101						
Loan to Value Ratio		60%						

Annual Debt Service: Graham, Concept 3

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Source 1 Equity										
Interest Rate	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Beginning Balance	\$ 2,068,067	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Payment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Principal	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Ending Balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Source 2 Bank Loan										
Interest Rate	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%
Beginning Balance	\$ 3,102,101	\$ 3,045,560	\$ 2,985,627	\$ 2,922,098	\$ 2,854,757	\$ 2,783,375	\$ 2,707,711	\$ 2,627,507	\$ 2,542,490	\$ 2,452,372
Total Payment	\$ (242,667)	\$ (242,667)	\$ (242,667)	\$ (242,667)	\$ (242,667)	\$ (242,667)	\$ (242,667)	\$ (242,667)	\$ (242,667)	\$ (242,667)
Principal	\$ (56,541)	\$ (59,933)	\$ (63,529)	\$ (67,341)	\$ (71,382)	\$ (75,664)	\$ (80,204)	\$ (85,017)	\$ (90,118)	\$ (95,525)
Interest	\$ (186,126)	\$ (182,734)	\$ (179,138)	\$ (175,326)	\$ (171,285)	\$ (167,003)	\$ (162,463)	\$ (157,650)	\$ (152,549)	\$ (147,142)
Ending Balance	\$ 3,045,560	\$ 2,985,627	\$ 2,922,098	\$ 2,854,757	\$ 2,783,375	\$ 2,707,711	\$ 2,627,507	\$ 2,542,490	\$ 2,452,372	\$ 2,356,847
Source 3 EB-5										
Interest Rate	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
Beginning Balance	\$ -									
Total Payment										
Principal										
Interest										
Ending Balance										
Source 4 Other 1										
Interest Rate	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
Beginning Balance	\$ -									
Total Payment										
Principal										
Interest										
Ending Balance										
Source 5 Other 2										
Interest Rate	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
Beginning Balance	\$ -									
Total Payment										
Principal										
Interest										
Ending Balance										
Total All Sources										
Interest Rate	3.60%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%
Beginning Balance	\$ 5,170,169	\$ 3,045,560	\$ 2,985,627	\$ 2,922,098	\$ 2,854,757	\$ 2,783,375	\$ 2,707,711	\$ 2,627,507	\$ 2,542,490	\$ 2,452,372
Total Payment	\$ (242,667)	\$ (242,667)	\$ (242,667)	\$ (242,667)	\$ (242,667)	\$ (242,667)	\$ (242,667)	\$ (242,667)	\$ (242,667)	\$ (242,667)
Principal	\$ (56,541)	\$ (59,933)	\$ (63,529)	\$ (67,341)	\$ (71,382)	\$ (75,664)	\$ (80,204)	\$ (85,017)	\$ (90,118)	\$ (95,525)
Interest	\$ (186,126)	\$ (182,734)	\$ (179,138)	\$ (175,326)	\$ (171,285)	\$ (167,003)	\$ (162,463)	\$ (157,650)	\$ (152,549)	\$ (147,142)
Ending Balance	\$ 3,045,560	\$ 2,985,627	\$ 2,922,098	\$ 2,854,757	\$ 2,783,375	\$ 2,707,711	\$ 2,627,507	\$ 2,542,490	\$ 2,452,372	\$ 2,356,847
Net Operating Income	\$ 53,349	\$ 83,455	\$ 115,321	\$ 118,780	\$ 122,344	\$ 126,015	\$ 129,795	\$ 133,688	\$ 137,699	\$ 141,830
Debt Service Coverage Ratio	0.22	0.34	0.48	0.49	0.50	0.52	0.53	0.55	0.57	0.58

Financial Projections: Graham, Concept 3

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Potential Gross Revenue	\$ 276,754	\$285,057	\$293,609	\$302,417	\$311,490	\$320,835	\$330,460	\$340,374	\$350,585	\$361,103
Vacancy Rate	25%	15%	5%	5%	5%	5%	5%	5%	5%	5%
Vacancy Loss	\$ (69,189)	\$ (42,759)	\$ (14,680)	\$ (15,121)	\$ (15,575)	\$ (16,042)	\$ (16,523)	\$ (17,019)	\$ (17,529)	\$ (18,055)
Effective Gross Revenue	\$ 207,565	\$ 242,298	\$ 278,929	\$ 287,296	\$ 295,915	\$ 304,793	\$ 313,937	\$ 323,355	\$ 333,056	\$ 343,048
Property Tax	\$ (31,789)	\$ (32,743)	\$ (33,725)	\$ (34,737)	\$ (35,779)	\$ (36,852)	\$ (37,958)	\$ (39,097)	\$ (40,270)	\$ (41,478)
Other Operating Expenses	\$ (122,427)	\$ (126,100)	\$ (129,883)	\$ (133,779)	\$ (137,792)	\$ (141,926)	\$ (146,184)	\$ (150,570)	\$ (155,087)	\$ (159,740)
Total Operating Expenses	\$ (154,216)	\$ (158,843)	\$ (163,608)	\$ (168,516)	\$ (173,571)	\$ (178,778)	\$ (184,142)	\$ (189,667)	\$ (195,357)	\$ (201,218)
Net Operating Income	\$ 53,349	\$ 83,455	\$ 115,321	\$ 118,780	\$ 122,344	\$ 126,015	\$ 129,795	\$ 133,688	\$ 137,699	\$ 141,830
<i>Resale Value @ Cap Rate:</i>										
6.50%	\$ 820,752	\$ 1,283,923	\$ 1,774,169	\$ 1,827,385	\$ 1,882,215	\$ 1,938,692	\$ 1,996,846	\$ 2,056,738	\$ 2,118,446	\$ 2,182,000
7.50%	\$ 711,319	\$ 1,112,733	\$ 1,537,613	\$ 1,583,733	\$ 1,631,253	\$ 1,680,200	\$ 1,730,600	\$ 1,782,507	\$ 1,835,987	\$ 1,891,067
8.50%	\$ 627,634	\$ 981,824	\$ 1,356,718	\$ 1,397,412	\$ 1,439,341	\$ 1,482,529	\$ 1,527,000	\$ 1,572,800	\$ 1,619,988	\$ 1,668,588
Debt Service	\$ (242,667)	\$ (242,667)	\$ (242,667)	\$ (242,667)	\$ (242,667)	\$ (242,667)	\$ (242,667)	\$ (242,667)	\$ (242,667)	\$ (242,667)
EBITDA	\$ (189,318)	\$ (159,212)	\$ (127,346)	\$ (123,887)	\$ (120,323)	\$ (116,652)	\$ (112,872)	\$ (108,979)	\$ (104,968)	\$ (100,837)
Cash on Cash Return	-9.15%	-7.70%	-6.16%	-5.99%	-5.82%	-5.64%	-5.46%	-5.27%	-5.08%	-4.88%
Cash on Cost Return	-3.66%	-3.08%	-2.46%	-2.40%	-2.33%	-2.26%	-2.18%	-2.11%	-2.03%	-1.95%

Developer Score Card

	Actual	Desired
Cash on Cash Return	-6.11%	6-10%
Cash on Cost Return	-2.45%	6-9%
Unleveraged IRR		
5-Year	-18.67%	15%
10-Year	-6.44%	12%
Leveraged IRR		
5-Year	N/A	20%
10-Year	N/A	15%