

Assumptions: Murphy, Concept 2

General Inputs

Opportunity Site Name	Murphy
Development Concept	2

Development types	No. Units	Average Unit Size	Total Net SF	Parking Ratios	No. Parking Spaces
Residential: For Rent	135	752	101,583	1.13	152
Retail/Commercial (NNN)	0	0	15,237	2.36	36
Office (FS)	0	0	0	0.00	0
Live/Work	0	0	0	0.00	0
Flex Space (NNN)	0	0	60,000	1.40	84
Total	135		176,820		272

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	\$978	\$15.60	\$11,736.00	\$1,584,360	35%	-\$339	-\$0.45	-\$5.40	-\$548,432
Retail/Commercial (NNN)	\$1.17		\$14.00		\$213,318	15%		-\$0.18	-\$2.10	-\$31,998
Office (FS)	\$1.25		\$15.00		\$0	53%		-\$0.67	-\$8.00	\$0
Live/Work	\$1.30	\$0.00	\$15.60	\$0.00	\$0	35%	\$0	-\$0.45	-\$5.40	\$0
Flex Space (NNN)	\$0.71		\$8.50		\$510,000	-14.1%		-\$0.10	-\$1.20	\$72,000
Total					\$2,307,678					-\$508,430

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	\$9,560,720

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	272	92,971	342
Total	272	92,971	

Uses of funds: Murphy, Concept 2

Costs	Total	Per SF	# GSF	Notes
<i>Hard Costs</i>				
Site Acquisition	\$3,000,000	\$0.00	333,905	SF of site
Construction - Residential	\$12,189,960	\$120.00	101,583	gross SF of building
Construction - Retail / Commercial	\$1,882,230	\$105.00	17,926	gross SF of building
Construction - Flex	\$5,250,000	\$70.00	75,000	gross SF of building
Building Skin	\$175,000	\$35.00	5,000	Façade SF
Landscaping	\$216,282	\$3.00	72,094	Landscaping
TI Allowance - Flex	\$600,000	\$10.00	60,000	Net SF
TI Allowance - Retail	\$533,295	\$35.00	15,237	Net SF
Parking - Surface	\$836,739	\$9.00	92,971	
Frontage Improvements / PARs	\$550,000			City requirement for street enhancements
Local Streets	\$1,600,000	\$1,600.00	1,000	Linear feet
Demolition of Existing Buildings	\$80,000	\$4.00	20,000	Need more precise estimate of existing built SF
Hard Cost Contingency	\$1,793,513	\$9.22	194,509	7.5% other hard costs
Subtotal	\$28,707,019	\$147.59	194,509	
<i>Soft Costs</i>				
A&E	\$2,009,491	\$10.33	194,509	7.0% of hard costs
Other Soft Costs	\$1,148,281	\$5.90	194,509	4.0% - Legal fees, other consultants
Financing Fees	\$287,070	\$1.48	194,509	1.0% of hard costs
City Fees and Permits	\$282,684	\$1.45	194,509	Building Permit Fees based on hard cost valuation. Does not include any trade permits or deferred submittals.
SDCs	\$2,100,000	\$10.80	194,509	
Developer Fee	\$1,435,351	\$7.38	194,509	5.0% of hard costs
FF&E	\$0	\$0.00	194,509	
Soft Cost Contingency	\$544,716	\$2.80	194,509	7.5% of soft costs
Subtotal	\$7,807,593	\$40.14	194,509	27.2%
Total Cost	\$36,514,612	\$187.73	194,509	

Loan Details: Murphy, Concept 2

Source No.	Type	Loan						
		Amount	Amortization (Years)	Loan Term (Years)	Interest Rate (Annual)	Payment (Annual)	Payment (Monthly)	Payments (Total)
Source 1	Equity	\$14,605,845	0	0	0%	N/A	N/A	N/A
Source 2	Bank Loan	\$21,908,767	25	25	6%	\$1,693,896	\$141,158	\$42,347,400
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		\$36,514,612						
		\$0						

Total Equity \$14,605,845
Total Financing \$21,908,767
Loan to Value Ratio 60%

Annual Debt Service: Murphy, Concept 2

	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	\$ 14,605,845	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
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	\$ 21,908,767	\$ 21,509,442	\$ 21,086,158	\$ 20,637,476	\$ 20,161,874	#####	#####	#####	#####	#####
Total Payment	\$ (1,713,851)	\$ (1,713,851)	\$ (1,713,851)	\$ (1,713,851)	\$ (1,713,851)	\$ (1,713,851)	\$ (1,713,851)	\$ (1,713,851)	\$ (1,713,851)	\$ (1,713,851)
Principal	\$ (399,325)	\$ (423,284)	\$ (448,682)	\$ (475,602)	\$ (504,139)	\$ (534,387)	\$ (566,450)	\$ (600,437)	\$ (636,463)	\$ (674,651)
Interest	\$ (1,314,526)	\$ (1,290,567)	\$ (1,265,169)	\$ (1,238,249)	\$ (1,209,712)	\$ (1,179,464)	\$ (1,147,401)	\$ (1,113,414)	\$ (1,077,388)	\$ (1,039,200)
Ending Balance	\$ 21,509,442	\$ 21,086,158	\$ 20,637,476	\$ 20,161,874	\$ 19,657,735	#####	#####	#####	#####	#####
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	\$ 36,514,612	\$ 21,509,442	\$ 21,086,158	\$ 20,637,476	\$ 20,161,874	#####	#####	#####	#####	#####
Total Payment	\$ (1,713,851)	\$ (1,713,851)	\$ (1,713,851)	\$ (1,713,851)	\$ (1,713,851)	\$ (1,713,851)	\$ (1,713,851)	\$ (1,713,851)	\$ (1,713,851)	\$ (1,713,851)
Principal	\$ (399,325)	\$ (423,284)	\$ (448,682)	\$ (475,602)	\$ (504,139)	\$ (534,387)	\$ (566,450)	\$ (600,437)	\$ (636,463)	\$ (674,651)
Interest	\$ (1,314,526)	\$ (1,290,567)	\$ (1,265,169)	\$ (1,238,249)	\$ (1,209,712)	\$ (1,179,464)	\$ (1,147,401)	\$ (1,113,414)	\$ (1,077,388)	\$ (1,039,200)
Ending Balance	\$ 21,509,442	\$ 21,086,158	\$ 20,637,476	\$ 20,161,874	\$ 19,657,735	#####	#####	#####	#####	#####
Net Operating Income	\$ 1,060,338	\$ 1,329,839	\$ 1,614,555	\$ 1,662,991	\$ 1,712,881	\$ 1,764,267	\$ 1,817,196	\$ 1,871,711	\$ 1,927,863	\$ 1,985,699
Debt Service Coverage Ratio	0.62	0.78	0.94	0.97	1.00	1.03	1.06	1.09	1.12	1.16

Financial Projections: Murphy, Concept 2

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Potential Gross Revenue	\$ 2,307,678	\$2,376,908	\$2,448,215	\$2,521,661	\$2,597,311	\$2,675,230	\$2,755,487	\$2,838,152	\$2,923,297	\$3,010,996
Vacancy Rate	25%	15%	5%	5%	5%	5%	5%	5%	5%	5%
Vacancy Loss	\$ (576,920)	\$ (356,536)	\$ (122,411)	\$ (126,083)	\$ (129,866)	\$ (133,762)	\$ (137,774)	\$ (141,908)	\$ (146,165)	\$ (150,550)
Effective Gross Revenue	\$ 1,730,758	\$ 2,020,372	\$ 2,325,804	\$ 2,395,578	\$ 2,467,445	\$ 2,541,468	\$ 2,617,713	\$ 2,696,244	\$ 2,777,132	\$ 2,860,446
Property Tax	\$ (161,990)	\$ (166,850)	\$ (171,856)	\$ (177,012)	\$ (182,322)	\$ (187,792)	\$ (193,426)	\$ (199,229)	\$ (205,206)	\$ (211,362)
Other Operating Expenses	\$ (508,430)	\$ (523,683)	\$ (539,393)	\$ (555,575)	\$ (572,242)	\$ (589,409)	\$ (607,091)	\$ (625,304)	\$ (644,063)	\$ (663,385)
Total Operating Expenses	\$ (670,420)	\$ (690,533)	\$ (711,249)	\$ (732,587)	\$ (754,564)	\$ (777,201)	\$ (800,517)	\$ (824,533)	\$ (849,269)	\$ (874,747)
Net Operating Income	\$ 1,060,338	\$ 1,329,839	\$ 1,614,555	\$ 1,662,991	\$ 1,712,881	\$ 1,764,267	\$ 1,817,196	\$ 1,871,711	\$ 1,927,863	\$ 1,985,699
<i>Resale Value @ Cap Rate:</i>										
6.50%	\$ 16,312,892	\$ 20,459,062	\$ 24,839,308	\$ 25,584,477	\$ 26,352,015	\$ 27,142,569	\$ 27,956,862	\$ 28,795,554	\$ 29,659,431	\$ 30,549,215
7.50%	\$ 14,137,840	\$ 17,731,187	\$ 21,527,400	\$ 22,173,213	\$ 22,838,413	\$ 23,523,560	\$ 24,229,280	\$ 24,956,147	\$ 25,704,840	\$ 26,475,987
8.50%	\$ 12,474,565	\$ 15,645,165	\$ 18,994,765	\$ 19,564,600	\$ 20,151,541	\$ 20,756,082	\$ 21,378,776	\$ 22,020,129	\$ 22,680,741	\$ 23,361,165
Debt Service	\$ (1,713,851)	\$ (1,713,851)	\$ (1,713,851)	\$ (1,713,851)	\$ (1,713,851)	\$ (1,713,851)	\$ (1,713,851)	\$ (1,713,851)	\$ (1,713,851)	\$ (1,713,851)
EBITDA	\$ (653,513)	\$ (384,012)	\$ (99,296)	\$ (50,860)	\$ (970)	\$ 50,416	\$ 103,345	\$ 157,860	\$ 214,012	\$ 271,848
Cash on Cash Return	-4.47%	-2.63%	-0.68%	-0.35%	-0.01%	0.35%	0.71%	1.08%	1.47%	1.86%
Cash on Cost Return	-1.79%	-1.05%	-0.27%	-0.14%	0.00%	0.14%	0.28%	0.43%	0.59%	0.74%

Developer Score Card

	Actual	Desired
Cash on Cash Return	-0.27%	6-10%
Cash on Cost Return	-0.11%	6-9%
Unleveraged IRR		
5-Year	-5.62%	15%
10-Year	1.32%	12%
Leveraged IRR		
5-Year	-33.49%	20%
10-Year	-5.44%	15%