

Assumptions: Murphy, Concept 3

General Inputs

Opportunity Site Name	Murphy
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	0	0.00	0
Office (FS)	0	0	0	0.00	0
Live/Work	0	0	0	0.00	0
Flex Space (NNN)	0	0	83,454	2.24	187
Total	0		83,454		187

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		\$0	15%		-\$0.18	-\$2.10	\$0
Office (FS)	\$1.25		\$15.00		\$0	53%		-\$0.67	-\$8.00	\$0
Live/Work	\$1.30	\$0	\$15.60	\$0	\$0	35%	\$0	-\$0.45	-\$5.40	\$0
Flex Space (NNN)	\$0.71		\$8.50		\$709,359	14%		-\$0.10	-\$1.20	-\$99,910
Total					\$709,359					-\$99,910

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	\$6,872,670

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	187	74,618	399
Total	187	74,618	

Uses of funds: Murphy, Concept 3

Costs	Total	Per SF	# GSF	Notes
<i>Hard Costs</i>				
Site Acquisition	\$3,000,000	\$0.00	333,905	SF of site
Construction - Flex	\$6,872,670	\$70.00	98,181	gross SF of building
Building Skin	\$175,000	\$35.00	5,000	Façade SF (assumes masonry/brick/steel façade on one side of building)
Landscaping	\$160,875	\$3.00	53,625	Landscaping
TI Allowance - Flex	\$834,540	\$10.00	83,454	Net SF
TI Allowance - Retail	\$0	\$35.00	0	Net SF
Parking - Surface	\$671,562	\$9.00	74,618	
Frontage Improvements / PARs	\$550,000			City requirement for street enhancements
Local Streets	\$1,600,000	\$1,600.00	1,000	
Hard Cost Contingency	\$694,849	\$7.08	98,181	7.5% other hard costs
Subtotal	\$14,559,496	\$148.29	98,181	
<i>Soft Costs</i>				
A&E	\$1,019,165	\$10.38	98,181	7.0% of hard costs
Other Soft Costs	\$582,380	\$5.93	98,181	4.0% - Legal fees, other consultants
Financing Fees	\$145,595	\$1.48	98,181	1.0% of hard costs
City Fees and Permits	\$112,914	\$1.15	98,181	Building Permit Fees based on hard cost valuation. Does not include any trade permits or deferred submittals.
SDCs	\$700,000	\$7.13	98,181	
Developer Fee	\$727,975	\$7.41	98,181	5.0% of hard costs
FF&E	\$0	\$0.00	98,181	
Soft Cost Contingency	\$246,602	\$2.51	98,181	7.5% of soft costs
Subtotal	\$3,534,631	\$36.00	98,181	24.3%
Total Cost	\$18,094,126	\$184.29	98,181	

Note that the values for # of SF in column D need to be input with formulas

Loan Details: Murphy, Concept 3

Source No.	Type	Loan						
		Amount	Amortization (Years)	Loan Term (Years)	Interest Rate (Annual)	Payment (Annual)	Payment (Monthly)	Payments (Total)
Source 1	Equity	\$7,237,651	0	0	0%	N/A	N/A	N/A
Source 2	Bank Loan	\$10,856,476	25	25	6%	\$839,376	\$69,948	\$20,984,400
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		\$18,094,126						
		\$0						

Total Equity \$7,237,651
Total Financing \$10,856,476
Loan to Value Ratio 60%

Annual Debt Service: Murphy, 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	\$ 7,237,651	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
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	\$ 10,856,476	\$ 10,658,599	\$ 10,448,849	\$ 10,226,514	\$ 9,990,839	\$ 9,741,023	\$ 9,476,218	\$ 9,195,525	\$ 8,897,990	\$ 8,582,603
Total Payment	\$ (849,266)	\$ (849,266)	\$ (849,266)	\$ (849,266)	\$ (849,266)	\$ (849,266)	\$ (849,266)	\$ (849,266)	\$ (849,266)	\$ (849,266)
Principal	\$ (197,877)	\$ (209,750)	\$ (222,335)	\$ (235,675)	\$ (249,816)	\$ (264,805)	\$ (280,693)	\$ (297,535)	\$ (315,387)	\$ (334,310)
Interest	\$ (651,389)	\$ (639,516)	\$ (626,931)	\$ (613,591)	\$ (599,450)	\$ (584,461)	\$ (568,573)	\$ (551,731)	\$ (533,879)	\$ (514,956)
Ending Balance	\$ 10,658,599	\$ 10,448,849	\$ 10,226,514	\$ 9,990,839	\$ 9,741,023	\$ 9,476,218	\$ 9,195,525	\$ 8,897,990	\$ 8,582,603	\$ 8,248,293
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	\$ 18,094,126	\$ 10,658,599	\$ 10,448,849	\$ 10,226,514	\$ 9,990,839	\$ 9,741,023	\$ 9,476,218	\$ 9,195,525	\$ 8,897,990	\$ 8,582,603
Total Payment	\$ (849,266)	\$ (849,266)	\$ (849,266)	\$ (849,266)	\$ (849,266)	\$ (849,266)	\$ (849,266)	\$ (849,266)	\$ (849,266)	\$ (849,266)
Principal	\$ (197,877)	\$ (209,750)	\$ (222,335)	\$ (235,675)	\$ (249,816)	\$ (264,805)	\$ (280,693)	\$ (297,535)	\$ (315,387)	\$ (334,310)
Interest	\$ (651,389)	\$ (639,516)	\$ (626,931)	\$ (613,591)	\$ (599,450)	\$ (584,461)	\$ (568,573)	\$ (551,731)	\$ (533,879)	\$ (514,956)
Ending Balance	\$ 10,658,599	\$ 10,448,849	\$ 10,226,514	\$ 9,990,839	\$ 9,741,023	\$ 9,476,218	\$ 9,195,525	\$ 8,897,990	\$ 8,582,603	\$ 8,248,293
Net Operating Income	\$ 432,109	\$ 518,137	\$ 608,937	\$ 627,205	\$ 646,021	\$ 665,403	\$ 685,364	\$ 705,925	\$ 727,103	\$ 748,916
Debt Service Coverage Ratio	0.51	0.61	0.72	0.74	0.76	0.78	0.81	0.83	0.86	0.88

Financial Projections: Murphy, 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	\$ 709,359	\$730,640	\$752,559	\$775,136	\$798,390	\$822,342	\$847,012	\$872,422	\$898,595	\$925,553
Vacancy Rate	25%	15%	5%	5%	5%	5%	5%	5%	5%	5%
Vacancy Loss	\$ (177,340)	\$ (109,596)	\$ (37,628)	\$ (38,757)	\$ (39,920)	\$ (41,117)	\$ (42,351)	\$ (43,621)	\$ (44,930)	\$ (46,278)
Effective Gross Revenue	\$ 532,019	\$ 621,044	\$ 714,931	\$ 736,379	\$ 758,470	\$ 781,225	\$ 804,661	\$ 828,801	\$ 853,665	\$ 879,275
Property Tax	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Operating Expenses	\$ (99,910)	\$ (102,907)	\$ (105,994)	\$ (109,174)	\$ (112,449)	\$ (115,822)	\$ (119,297)	\$ (122,876)	\$ (126,562)	\$ (130,359)
Total Operating Expenses	\$ (99,910)	\$ (102,907)	\$ (105,994)	\$ (109,174)	\$ (112,449)	\$ (115,822)	\$ (119,297)	\$ (122,876)	\$ (126,562)	\$ (130,359)
Net Operating Income	\$ 432,109	\$ 518,137	\$ 608,937	\$ 627,205	\$ 646,021	\$ 665,403	\$ 685,364	\$ 705,925	\$ 727,103	\$ 748,916
<i>Resale Value @ Cap Rate:</i>										
6.50%	\$ 6,647,835	\$ 7,971,338	\$ 9,368,262	\$ 9,649,308	\$ 9,938,785	\$ 10,236,969	\$ 10,544,062	\$ 10,860,385	\$ 11,186,200	\$ 11,521,785
7.50%	\$ 5,761,457	\$ 6,908,493	\$ 8,119,160	\$ 8,362,733	\$ 8,613,613	\$ 8,872,040	\$ 9,138,187	\$ 9,412,333	\$ 9,694,707	\$ 9,985,547
8.50%	\$ 5,083,639	\$ 6,095,729	\$ 7,163,965	\$ 7,378,882	\$ 7,600,247	\$ 7,828,271	\$ 8,063,106	\$ 8,305,000	\$ 8,554,153	\$ 8,810,776
Debt Service	\$ (849,266)	\$ (849,266)	\$ (849,266)	\$ (849,266)	\$ (849,266)	\$ (849,266)	\$ (849,266)	\$ (849,266)	\$ (849,266)	\$ (849,266)
EBITDA	\$ (417,157)	\$ (331,129)	\$ (240,329)	\$ (222,061)	\$ (203,245)	\$ (183,863)	\$ (163,902)	\$ (143,341)	\$ (122,163)	\$ (100,350)
Cash on Cash Return	-5.76%	-4.58%	-3.32%	-3.07%	-2.81%	-2.54%	-2.26%	-1.98%	-1.69%	-1.39%
Cash on Cost Return	-2.31%	-1.83%	-1.33%	-1.23%	-1.12%	-1.02%	-0.91%	-0.79%	-0.68%	-0.55%

Developer Score Card

	Actual	Desired
Cash on Cash Return	-2.94%	6-10%
Cash on Cost Return	-1.18%	6-9%
Unleveraged IRR		
5-Year	-10.97%	15%
10-Year	-1.91%	12%
Leveraged IRR		
5-Year	N/A	20%
10-Year	-21.72%	15%