

Assumptions: Triangle, Concept 1

General Inputs

Opportunity Site Name	Triangle
Development Concept	1

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	7,931	0.00	0
Office (FS)	0	0	0	0.00	0
Live/Work	0	0	0	0.00	0
Flex Space (NNN)	0	0	0	0.00	0
Total	0		7,931		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		\$111,034	15%		-\$0.18	-\$2.10	-\$16,655
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)	\$0.42		\$5.00		\$0	24%		-\$0.10	-\$1.20	\$0
Total					\$111,034					-\$16,655

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	\$793,135

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: Triangle, Concept 1

Costs	Total	Per SF	# GSF	Notes
<i>Hard Costs</i>				
Site Acquisition	\$52,000	\$0.00	12,399	SF of site
Construction - Retail/Com	\$979,755	\$105.00	9,331	gross SF of building
Building Skin	\$0	\$0.00	0	Façade SF
Landscaping	\$0	\$6.00	0	Landscaping
TI Allowance - Office	\$0	\$45.00	0	Net SF
TI Allowance - Retail	\$277,585	\$35.00	7,931	Net SF
Parking	\$0	\$9.00	0	
Frontage Improvements / PARs	\$0			City requirement for street enhancements
Hard Cost Contingency	\$94,301	\$10.11	9,331	7.5% other hard costs
Subtotal	\$1,403,641	\$150.43	9,331	
<i>Soft Costs</i>				
Total Soft Costs	\$98,255	\$10.53	9,331	7.0% of hard costs
General Soft Costs	\$56,146	\$6.02	9,331	4.0% - Legal fees, other consultants
Financing Fees	\$14,036	\$1.50	9,331	1.0% of hard costs
City Fees and Permits	\$16,220	\$1.74	9,331	Building Permit Fees based on hard cost valuation. Does not include any trade permits or deferred submittals.
SDCs	\$112,000	\$12.00	9,331	Estimated
Developer Fee	\$70,182	\$7.52	9,331	5.0% of hard costs
FF&E	\$0	\$0.00	9,331	
Soft Cost Contingency	\$27,513	\$2.95	9,331	7.5% of soft costs
Subtotal	\$394,352	\$42.26	9,331	28.1%
Total Cost	\$1,797,992	\$192.69	9,331	

Loan Details: Triangle, Concept 1

Source No.	Type	Loan						
		Amount	Amortization (Years)	Loan Term (Years)	Interest Rate (Annual)	Payment (Annual)	Payment (Monthly)	Payments (Total)
Source 1	Equity	\$719,197	0	0	0%	N/A	N/A	N/A
Source 2	Bank Loan	\$1,078,795	25	25	6%	\$83,412	\$6,951	\$2,085,300
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		\$1,797,992						
		\$0						
Total Equity	\$719,197							
Total Financing	\$1,078,795							
Loan to Value Ratio	60%							

Annual Debt Service: Triangle, Concept 1

	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	\$ 719,197	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
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	\$ 1,078,795	\$ 1,059,132	\$ 1,038,289	\$ 1,016,195	\$ 992,776	\$ 967,952	\$ 941,638	\$ 913,745	\$ 884,179	\$ 852,839
Total Payment	\$ (84,391)	\$ (84,391)	\$ (84,391)	\$ (84,391)	\$ (84,391)	\$ (84,391)	\$ (84,391)	\$ (84,391)	\$ (84,391)	\$ (84,391)
Principal	\$ (19,663)	\$ (20,843)	\$ (22,094)	\$ (23,419)	\$ (24,824)	\$ (26,314)	\$ (27,893)	\$ (29,566)	\$ (31,340)	\$ (33,221)
Interest	\$ (64,728)	\$ (63,548)	\$ (62,297)	\$ (60,972)	\$ (59,567)	\$ (58,077)	\$ (56,498)	\$ (54,825)	\$ (53,051)	\$ (51,170)
Ending Balance	\$ 1,059,132	\$ 1,038,289	\$ 1,016,195	\$ 992,776	\$ 967,952	\$ 941,638	\$ 913,745	\$ 884,179	\$ 852,839	\$ 819,618
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	\$ 1,797,992	\$ 1,059,132	\$ 1,038,289	\$ 1,016,195	\$ 992,776	\$ 967,952	\$ 941,638	\$ 913,745	\$ 884,179	\$ 852,839
Total Payment	\$ (84,391)	\$ (84,391)	\$ (84,391)	\$ (84,391)	\$ (84,391)	\$ (84,391)	\$ (84,391)	\$ (84,391)	\$ (84,391)	\$ (84,391)
Principal	\$ (19,663)	\$ (20,843)	\$ (22,094)	\$ (23,419)	\$ (24,824)	\$ (26,314)	\$ (27,893)	\$ (29,566)	\$ (31,340)	\$ (33,221)
Interest	\$ (64,728)	\$ (63,548)	\$ (62,297)	\$ (60,972)	\$ (59,567)	\$ (58,077)	\$ (56,498)	\$ (54,825)	\$ (53,051)	\$ (51,170)
Ending Balance	\$ 1,059,132	\$ 1,038,289	\$ 1,016,195	\$ 992,776	\$ 967,952	\$ 941,638	\$ 913,745	\$ 884,179	\$ 852,839	\$ 819,618
Net Operating Income	\$ 66,620	\$ 80,055	\$ 94,236	\$ 97,063	\$ 99,975	\$ 102,975	\$ 106,065	\$ 109,246	\$ 112,523	\$ 115,899
Debt Service Coverage Ratio	0.79	0.95	1.12	1.15	1.18	1.22	1.26	1.29	1.33	1.37

Financial Projections: Triangle, Concept 1

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Potential Gross Revenue	\$ 111,034	\$ 114,365	\$ 117,796	\$ 121,330	\$ 124,970	\$ 128,719	\$ 132,581	\$ 136,558	\$ 140,655	\$ 144,875
Vacancy Rate	25%	15%	5%	5%	5%	5%	5%	5%	5%	5%
Vacancy Loss	\$ (27,759)	\$ (17,155)	\$ (5,890)	\$ (6,067)	\$ (6,249)	\$ (6,436)	\$ (6,629)	\$ (6,828)	\$ (7,033)	\$ (7,244)
Effective Gross Revenue	\$ 83,275	\$ 97,210	\$ 111,906	\$ 115,263	\$ 118,721	\$ 122,283	\$ 125,952	\$ 129,730	\$ 133,622	\$ 137,631
Property Tax	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Operating Expenses	\$ (16,655)	\$ (17,155)	\$ (17,670)	\$ (18,200)	\$ (18,746)	\$ (19,308)	\$ (19,887)	\$ (20,484)	\$ (21,099)	\$ (21,732)
Total Operating Expenses	\$ (16,655)	\$ (17,155)	\$ (17,670)	\$ (18,200)	\$ (18,746)	\$ (19,308)	\$ (19,887)	\$ (20,484)	\$ (21,099)	\$ (21,732)
Net Operating Income	\$ 66,620	\$ 80,055	\$ 94,236	\$ 97,063	\$ 99,975	\$ 102,975	\$ 106,065	\$ 109,246	\$ 112,523	\$ 115,899
<i>Resale Value @ Cap Rate:</i>										
6.50%	\$ 1,024,922	\$ 1,231,615	\$ 1,449,785	\$ 1,493,277	\$ 1,538,077	\$ 1,584,231	\$ 1,631,769	\$ 1,680,708	\$ 1,731,123	\$ 1,783,062
7.50%	\$ 888,265	\$ 1,067,400	\$ 1,256,480	\$ 1,294,173	\$ 1,333,000	\$ 1,373,000	\$ 1,414,200	\$ 1,456,613	\$ 1,500,307	\$ 1,545,320
8.50%	\$ 783,764	\$ 941,824	\$ 1,108,659	\$ 1,141,918	\$ 1,176,176	\$ 1,211,471	\$ 1,247,824	\$ 1,285,247	\$ 1,323,800	\$ 1,363,518
Debt Service	\$ (84,391)	\$ (84,391)	\$ (84,391)	\$ (84,391)	\$ (84,391)	\$ (84,391)	\$ (84,391)	\$ (84,391)	\$ (84,391)	\$ (84,391)
EBITDA	\$ (17,771)	\$ (4,336)	\$ 9,845	\$ 12,672	\$ 15,584	\$ 18,584	\$ 21,674	\$ 24,855	\$ 28,132	\$ 31,508
Cash on Cash Return	-2.47%	-0.60%	1.37%	1.76%	2.17%	2.58%	3.01%	3.46%	3.91%	4.38%
Cash on Cost Return	-0.99%	-0.24%	0.55%	0.70%	0.87%	1.03%	1.21%	1.38%	1.56%	1.75%

Developer Score Card

	Actual	Desired
Cash on Cash Return	1.96%	6-10%
Cash on Cost Return	0.78%	6-9%
Unleveraged IRR		
5-Year	-1.95%	15%
10-Year	3.66%	12%
Leveraged IRR		
5-Year	-14.98%	20%
10-Year	0.72%	15%