

Assumptions: Triangle, Concept 2

General Inputs

Opportunity Site Name	Triangle
Development Concept	2

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	7,931	0.00	0
Live/Work	0	0	0	0.00	0
Flex Space (NNN)	0	0	0	0.00	0
Total	0		15,862		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	\$0.00	\$15.60	\$0.00	\$0	20%	\$0	-\$0.45	-\$3.12	\$0
Retail/Commercial (NNN)	\$1.17		\$14.00		\$111,034	15%		-\$0.18	-\$2.10	-\$16,655
Office (FS)	\$1.25		\$15.00		\$118,965	53%		-\$0.67	-\$8.00	-\$63,448
Live/Work	\$1.30	\$0.00	\$15.60	\$0.00	\$0	20%	\$0	-\$0.45	-\$3.12	\$0
Flex Space (NNN)	\$0.71		\$8.50		\$0	15%		-\$0.10	-\$1.28	\$0
Total					\$229,999					-\$80,103

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 2

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	
Construction - Office	\$1,119,720	\$120.00	9,331 gross SF of building	
Building Skin	\$0	\$0.00	0 Façade SF	
Landscaping	\$0	\$6.00	0 Landscaping	
TI Allowance - Office	\$356,895	\$45.00	7,931 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	\$205,047	\$10.99	18,662	7.5% other hard costs
Subtotal	\$2,991,002	\$160.27	18,662	
<i>Soft Costs</i>				
Architecture & Engineering	\$209,370	\$11.22	18,662	7.0% of hard costs
General Soft Costs	\$119,640	\$6.41	18,662	4.0% - Legal fees, other consultants
Financing Fees	\$29,910	\$1.60	18,662	1.0% of hard costs
City Fees and Permits	\$35,268	\$1.89	18,662	Building Permit Fees based on hard cost valuation. Does not include any trade permits or deferred submittals.
SDCs	\$116,000	\$6.22	18,662	
Developer Fee	\$149,550	\$8.01	18,662	5.0% of hard costs
FF&E	\$0	\$0.00	18,662	
Soft Cost Contingency	\$49,480	\$2.65	18,662	7.5% of soft costs
Subtotal	\$709,218	\$38.00	18,662	23.7%
Total Cost	\$3,700,220	\$198.28	18,662	

Loan Details: Triangle, Concept 2

Source No.	Type	Loan						
		Amount	Amortization (Years)	Loan Term (Years)	Interest Rate (Annual)	Payment (Annual)	Payment (Monthly)	Payments (Total)
Source 1	Equity	\$1,480,088	0	0	0%	N/A	N/A	N/A
Source 2	Bank Loan	\$2,220,132	25	25	6%	\$171,648	\$14,304	\$4,291,200
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		\$3,700,220						
		\$0						
Total Equity		\$1,480,088						
Total Financing		\$2,220,132						
Loan to Value Ratio		60%						

Annual Debt Service: Triangle, 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	\$ 1,480,088	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
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	\$ 2,220,132	\$ 2,179,666	\$ 2,136,772	\$ 2,091,304	\$ 2,043,108	\$ 1,992,020	\$ 1,937,867	\$ 1,880,465	\$ 1,819,619	\$ 1,755,122
Total Payment	\$ (173,674)	\$ (173,674)	\$ (173,674)	\$ (173,674)	\$ (173,674)	\$ (173,674)	\$ (173,674)	\$ (173,674)	\$ (173,674)	\$ (173,674)
Principal	\$ (40,466)	\$ (42,894)	\$ (45,468)	\$ (48,196)	\$ (51,088)	\$ (54,153)	\$ (57,402)	\$ (60,846)	\$ (64,497)	\$ (68,367)
Interest	\$ (133,208)	\$ (130,780)	\$ (128,206)	\$ (125,478)	\$ (122,586)	\$ (119,521)	\$ (116,272)	\$ (112,828)	\$ (109,177)	\$ (105,307)
Ending Balance	\$ 2,179,666	\$ 2,136,772	\$ 2,091,304	\$ 2,043,108	\$ 1,992,020	\$ 1,937,867	\$ 1,880,465	\$ 1,819,619	\$ 1,755,122	\$ 1,686,755
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	\$ 3,700,220	\$ 2,179,666	\$ 2,136,772	\$ 2,091,304	\$ 2,043,108	\$ 1,992,020	\$ 1,937,867	\$ 1,880,465	\$ 1,819,619	\$ 1,755,122
Total Payment	\$ (173,674)	\$ (173,674)	\$ (173,674)	\$ (173,674)	\$ (173,674)	\$ (173,674)	\$ (173,674)	\$ (173,674)	\$ (173,674)	\$ (173,674)
Principal	\$ (40,466)	\$ (42,894)	\$ (45,468)	\$ (48,196)	\$ (51,088)	\$ (54,153)	\$ (57,402)	\$ (60,846)	\$ (64,497)	\$ (68,367)
Interest	\$ (133,208)	\$ (130,780)	\$ (128,206)	\$ (125,478)	\$ (122,586)	\$ (119,521)	\$ (116,272)	\$ (112,828)	\$ (109,177)	\$ (105,307)
Ending Balance	\$ 2,179,666	\$ 2,136,772	\$ 2,091,304	\$ 2,043,108	\$ 1,992,020	\$ 1,937,867	\$ 1,880,465	\$ 1,819,619	\$ 1,755,122	\$ 1,686,755
Net Operating Income	\$ 78,958	\$ 105,017	\$ 132,569	\$ 136,546	\$ 140,642	\$ 144,860	\$ 149,206	\$ 153,683	\$ 158,294	\$ 163,043
Debt Service Coverage Ratio	0.45	0.60	0.76	0.79	0.81	0.83	0.86	0.88	0.91	0.94

Financial Projections: Triangle, 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	\$ 229,999	\$236,899	\$244,006	\$251,326	\$258,866	\$266,632	\$274,631	\$282,870	\$291,356	\$300,097
Vacancy Rate	25%	15%	5%	5%	5%	5%	5%	5%	5%	5%
Vacancy Loss	\$ (57,500)	\$ (35,535)	\$ (12,200)	\$ (12,566)	\$ (12,943)	\$ (13,332)	\$ (13,732)	\$ (14,144)	\$ (14,568)	\$ (15,005)
Effective Gross Revenue	\$ 172,499	\$ 201,364	\$ 231,806	\$ 238,760	\$ 245,923	\$ 253,300	\$ 260,899	\$ 268,726	\$ 276,788	\$ 285,092
Property Tax	\$ (13,438)	\$ (13,841)	\$ (14,256)	\$ (14,684)	\$ (15,125)	\$ (15,579)	\$ (16,046)	\$ (16,527)	\$ (17,023)	\$ (17,534)
Other Operating Expenses	\$ (80,103)	\$ (82,506)	\$ (84,981)	\$ (87,530)	\$ (90,156)	\$ (92,861)	\$ (95,647)	\$ (98,516)	\$ (101,471)	\$ (104,515)
Total Operating Expenses	\$ (93,541)	\$ (96,347)	\$ (99,237)	\$ (102,214)	\$ (105,281)	\$ (108,440)	\$ (111,693)	\$ (115,043)	\$ (118,494)	\$ (122,049)
Net Operating Income	\$ 78,958	\$ 105,017	\$ 132,569	\$ 136,546	\$ 140,642	\$ 144,860	\$ 149,206	\$ 153,683	\$ 158,294	\$ 163,043
<i>Resale Value @ Cap Rate:</i>										
6.50%	\$ 1,214,737	\$ 1,615,646	\$ 2,039,523	\$ 2,100,708	\$ 2,163,723	\$ 2,228,615	\$ 2,295,477	\$ 2,364,354	\$ 2,435,292	\$ 2,508,354
7.50%	\$ 1,052,772	\$ 1,400,227	\$ 1,767,587	\$ 1,820,613	\$ 1,875,227	\$ 1,931,467	\$ 1,989,413	\$ 2,049,107	\$ 2,110,587	\$ 2,173,907
8.50%	\$ 928,916	\$ 1,235,494	\$ 1,559,635	\$ 1,606,424	\$ 1,654,612	\$ 1,704,235	\$ 1,755,365	\$ 1,808,035	\$ 1,862,282	\$ 1,918,153
Debt Service	\$ (173,674)	\$ (173,674)	\$ (173,674)	\$ (173,674)	\$ (173,674)	\$ (173,674)	\$ (173,674)	\$ (173,674)	\$ (173,674)	\$ (173,674)
EBITDA	\$ (94,716)	\$ (68,657)	\$ (41,105)	\$ (37,128)	\$ (33,032)	\$ (28,814)	\$ (24,468)	\$ (19,991)	\$ (15,380)	\$ (10,631)
Cash on Cash Return	-6.40%	-4.64%	-2.78%	-2.51%	-2.23%	-1.95%	-1.65%	-1.35%	-1.04%	-0.72%
Cash on Cost Return	-2.56%	-1.86%	-1.11%	-1.00%	-0.89%	-0.78%	-0.66%	-0.54%	-0.42%	-0.29%

Developer Score Card

	Actual	Desired
Cash on Cash Return	-2.53%	6-10%
Cash on Cost Return	-1.01%	6-9%
Unleveraged IRR		
5-Year	-9.90%	15%
10-Year	-1.09%	12%
Leveraged IRR		
5-Year	N/A	20%
10-Year	-16.40%	15%