

## Assumptions: Triangle, Concept 4

### General Inputs

Opportunity Site Name	Triangle
Development Concept	4

Development types	No. Units	Average Unit Size	Total Net SF	Parking Ratios	No. Parking Spaces
Residential: For Rent	32	744	23,794	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
<b>Total</b>	<b>32</b>		<b>31,725</b>		<b>0</b>

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	\$967	\$15.60	\$11,604	\$371,328	35%	-\$335	-\$0.45	-\$5.40	-\$128,537
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)	\$0.71		\$8.50		\$0	14%		-\$0.10	-\$1.20	\$0
<b>Total</b>					<b>\$482,362</b>					<b>-\$145,192</b>

### 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	\$2,985,920

### 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
<b>Total</b>	<b>0</b>	<b>0</b>	

## Uses of funds: Triangle, Concept 4

<b>Costs</b>	<b>Total</b>	<b>Per SF</b>	<b># GSF</b>	<b>Notes</b>
<i>Hard Costs</i>				
Site Acquisition	\$52,000	\$0.00	12,399	SF of site
Construction - Residential	\$3,359,160	\$120.00	27,993	gross SF of building
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	\$346,238	\$9.28	37,324	7.5% other hard costs
<b>Subtotal</b>	<b>\$5,014,738</b>	<b>\$134.36</b>	<b>37,324</b>	
<i>Soft Costs</i>				
Architecture & Engineering	\$351,032	\$9.40	37,324	7.0% of hard costs
General Soft Costs	\$200,590	\$5.37	37,324	4.0% - Legal fees, other consultants
Financing Fees	\$50,147	\$1.34	37,324	1.0% of hard costs
City Fees and Permits	\$59,553	\$1.60	37,324	Building Permit Fees based on hard cost valuation. Does not include any trade permits or deferred submittals.
SDCs	\$300,500	\$8.05	37,324	Estimated
Developer Fee	\$250,737	\$6.72	37,324	5.0% of hard costs
FF&E	\$0	\$0.00	37,324	
Soft Cost Contingency	\$90,942	\$2.44	37,324	7.5% of soft costs
<b>Subtotal</b>	<b>\$1,303,501</b>	<b>\$34.92</b>	<b>37,324</b>	<b>26.0%</b>
<b>Total Cost</b>	<b>\$6,318,238</b>	<b>\$169.28</b>	<b>37,324</b>	

## Loan Details: Triangle, Concept 4

Source No.	Type	Loan						
		Amount	Amortization (Years)	Loan Term (Years)	Interest Rate (Annual)	Payment (Annual)	Payment (Monthly)	Payments (Total)
Source 1	Equity	\$1,895,472	0	0	0%	N/A	N/A	N/A
Source 2	Bank Loan	\$4,422,767	25	25	6%	\$341,952	\$28,496	\$8,548,800
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		\$6,318,238						
		\$0						
Total Equity		\$1,895,472						
Total Financing		\$4,422,767						
Loan to Value Ratio		70%						

### Annual Debt Service: Triangle, Concept 4

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
<b>Source 1 Equity</b>										
Interest Rate	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Beginning Balance	\$ 1,895,472	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Payment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Principal	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Ending Balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Source 2 Bank Loan</b>										
Interest Rate	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%
Beginning Balance	\$ 4,422,767	\$ 4,342,154	\$ 4,256,704	\$ 4,166,127	\$ 4,070,116	\$ 3,968,344	\$ 3,860,466	\$ 3,746,115	\$ 3,624,903	\$ 3,496,418
Total Payment	\$ (345,979)	\$ (345,979)	\$ (345,979)	\$ (345,979)	\$ (345,979)	\$ (345,979)	\$ (345,979)	\$ (345,979)	\$ (345,979)	\$ (345,979)
Principal	\$ (80,613)	\$ (85,450)	\$ (90,577)	\$ (96,011)	\$ (101,772)	\$ (107,878)	\$ (114,351)	\$ (121,212)	\$ (128,485)	\$ (136,194)
Interest	\$ (265,366)	\$ (260,529)	\$ (255,402)	\$ (249,968)	\$ (244,207)	\$ (238,101)	\$ (231,628)	\$ (224,767)	\$ (217,494)	\$ (209,785)
Ending Balance	\$ 4,342,154	\$ 4,256,704	\$ 4,166,127	\$ 4,070,116	\$ 3,968,344	\$ 3,860,466	\$ 3,746,115	\$ 3,624,903	\$ 3,496,418	\$ 3,360,224
<b>Source 3 EB-5</b>										
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										
<b>Source 4 Other 1</b>										
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										
<b>Source 5 Other 2</b>										
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										
<b>Total All Sources</b>										
Interest Rate	4.20%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%
Beginning Balance	\$ 6,318,238	\$ 4,342,154	\$ 4,256,704	\$ 4,166,127	\$ 4,070,116	\$ 3,968,344	\$ 3,860,466	\$ 3,746,115	\$ 3,624,903	\$ 3,496,418
Total Payment	\$ (345,979)	\$ (345,979)	\$ (345,979)	\$ (345,979)	\$ (345,979)	\$ (345,979)	\$ (345,979)	\$ (345,979)	\$ (345,979)	\$ (345,979)
Principal	\$ (80,613)	\$ (85,450)	\$ (90,577)	\$ (96,011)	\$ (101,772)	\$ (107,878)	\$ (114,351)	\$ (121,212)	\$ (128,485)	\$ (136,194)
Interest	\$ (265,366)	\$ (260,529)	\$ (255,402)	\$ (249,968)	\$ (244,207)	\$ (238,101)	\$ (231,628)	\$ (224,767)	\$ (217,494)	\$ (209,785)
Ending Balance	\$ 4,342,154	\$ 4,256,704	\$ 4,166,127	\$ 4,070,116	\$ 3,968,344	\$ 3,860,466	\$ 3,746,115	\$ 3,624,903	\$ 3,496,418	\$ 3,360,224
<b>Net Operating Income</b>	\$ 165,988	\$ 220,652	\$ 278,446	\$ 286,799	\$ 295,404	\$ 304,266	\$ 313,396	\$ 322,798	\$ 332,481	\$ 342,454
<b>Debt Service Coverage Ratio</b>	0.48	0.64	0.80	0.83	0.85	0.88	0.91	0.93	0.96	0.99

## Financial Projections: Triangle, Concept 4

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Potential Gross Revenue	\$ 482,362	\$496,833	\$511,738	\$527,090	\$542,903	\$559,190	\$575,966	\$593,245	\$611,042	\$629,373
Vacancy Rate	25%	15%	5%	5%	5%	5%	5%	5%	5%	5%
Vacancy Loss	\$ (120,591)	\$ (74,525)	\$ (25,587)	\$ (26,355)	\$ (27,145)	\$ (27,960)	\$ (28,798)	\$ (29,662)	\$ (30,552)	\$ (31,469)
Effective Gross Revenue	\$ 361,771	\$ 422,308	\$ 486,151	\$ 500,735	\$ 515,758	\$ 531,230	\$ 547,168	\$ 563,583	\$ 580,490	\$ 597,904
Property Tax	\$ (50,591)	\$ (52,109)	\$ (53,672)	\$ (55,282)	\$ (56,940)	\$ (58,648)	\$ (60,407)	\$ (62,219)	\$ (64,086)	\$ (66,009)
Other Operating Expenses	\$ (145,192)	\$ (149,547)	\$ (154,033)	\$ (158,654)	\$ (163,414)	\$ (168,316)	\$ (173,365)	\$ (178,566)	\$ (183,923)	\$ (189,441)
Total Operating Expenses	\$ (195,783)	\$ (201,656)	\$ (207,705)	\$ (213,936)	\$ (220,354)	\$ (226,964)	\$ (233,772)	\$ (240,785)	\$ (248,009)	\$ (255,450)
<b>Net Operating Income</b>	<b>\$ 165,988</b>	<b>\$ 220,652</b>	<b>\$ 278,446</b>	<b>\$ 286,799</b>	<b>\$ 295,404</b>	<b>\$ 304,266</b>	<b>\$ 313,396</b>	<b>\$ 322,798</b>	<b>\$ 332,481</b>	<b>\$ 342,454</b>
<i>Resale Value @ Cap Rate:</i>										
6.50%	\$ 2,553,666	\$ 3,394,646	\$ 4,283,785	\$ 4,412,292	\$ 4,544,677	\$ 4,681,015	\$ 4,821,477	\$ 4,966,123	\$ 5,115,092	\$ 5,268,523
7.50%	\$ 2,213,177	\$ 2,942,027	\$ 3,712,613	\$ 3,823,987	\$ 3,938,720	\$ 4,056,880	\$ 4,178,613	\$ 4,303,973	\$ 4,433,080	\$ 4,566,053
8.50%	\$ 1,952,803	\$ 2,595,906	\$ 3,275,835	\$ 3,374,106	\$ 3,475,341	\$ 3,579,600	\$ 3,687,012	\$ 3,797,624	\$ 3,911,541	\$ 4,028,871
Debt Service	\$ (345,979)	\$ (345,979)	\$ (345,979)	\$ (345,979)	\$ (345,979)	\$ (345,979)	\$ (345,979)	\$ (345,979)	\$ (345,979)	\$ (345,979)
EBITDA	\$ (179,991)	\$ (125,327)	\$ (67,533)	\$ (59,180)	\$ (50,575)	\$ (41,713)	\$ (32,583)	\$ (23,181)	\$ (13,498)	\$ (3,525)
Cash on Cash Return	-9.50%	-6.61%	-3.56%	-3.12%	-2.67%	-2.20%	-1.72%	-1.22%	-0.71%	-0.19%
Cash on Cost Return	-2.85%	-1.98%	-1.07%	-0.94%	-0.80%	-0.66%	-0.52%	-0.37%	-0.21%	-0.06%

### Developer Score Card

	Actual	Desired
Cash on Cash Return	-3.15%	6-10%
Cash on Cost Return	-0.95%	6-9%
Unleveraged IRR		
5-Year	-5.77%	15%
10-Year	1.39%	12%
Leveraged IRR		
5-Year	N/A	20%
10-Year	-9.81%	15%