

Town Home Project (Real Estate Investment)

Schedule

Transaction Date	1-Apr-17
Sales Start	1-Sep-18
Construction Start	1-Oct-17
Construction End	1-Dec-18
# of Months	15.0
% Sold at Commencement	35%
Units Sold/Month	3
% Closed at Completion	35%
Units Closed Per Month Post	4

Development Costs

		\$ Total	\$ / Unit	\$/SF
Land		\$1,40,00,000	\$2,33,333	\$175
Building Costs	0%	1,00,00,000	1,66,667	\$125
Servicing		15,00,000	25,000	\$19
Hard Contingency	5%	5,75,000	9,583	\$7
DCCs		2,25,000	3,750	\$3
Consulting & Warranty		7,00,000	11,667	\$9
Finance / Bank Costs - Other		2,25,000	3,750	\$3
Marketing		8,00,000	13,333	\$10
Overhead		8,50,000	14,167	\$11
Soft Contingency	5%	1,40,000	2,333	\$2
Development Costs		1,50,15,000	2,50,250	188
Finance - Interest		6,38,509	10,642	\$8
50% Commissions	4.5%	9,00,000	15,000	11
TOTAL		3,05,53,509	5,09,225	382

Pre-Construction Spending (\$/month) 1,00,000

Development Pro Forma

	\$ Total	\$ / Unit	\$/SF
Gross Sales	4,00,00,000	\$6,66,667	\$500
Less: 50% Commissions	(\$9,00,000)	(\$15,000)	(\$11)
Less: Warranty	(\$90,000)	(\$1,500)	(\$1)
Net Proceeds	3,90,10,000	6,50,167	488
Land	(\$1,40,00,000)	(\$2,33,333)	(\$175)
Hard Costs	(1,20,75,000)	(\$2,01,250)	(\$151)
Soft Costs	(29,40,000)	(\$49,000)	(\$37)
Profit	99,95,000	1,66,583	125
Return on Sales	26%	26%	26%
Return on Costs	34%	34%	34%

Property Stats (Square Feet)

Gross Site Area	1,00,000	FSR GBA	80,000
Deductions	25,000	Constr. GBA	80,000
Net Site Area	75,000	Net Salable	80,000
Density (FSR)	1.07		
# of Units	60	Avg Unit Size	1,333

Purchase Financing & Costs

Construction Loan

Loan to Cost	70%
Max Loan Amount	\$2,13,87,456
Equity	\$91,66,053
Interest Rate	3.5%

Land Loan

\$50,00,000

Sales Assumptions

		0%	\$500
	\$ Total	\$ / Unit	\$/SF
Sale Price	\$4,00,00,000	\$6,66,667	\$500
Sales Comm.	50% (\$9,00,000)	(\$15,000)	(\$11)
Warranty	(\$90,000)	(\$1,500)	(\$1)
Net Proceeds	\$3,90,10,000	\$6,50,167	\$488

Profit Outputs

	Project	\$/Unit	\$/SF
IRR	33%	33%	33%
ROE	88%	88%	88%
Peak Equity	\$96,00,000	\$1,60,000	\$120
Profit	\$84,56,491	\$1,40,942	\$106

Development Sensitivity

		Partner IRR			
		Sales Price			
Construction		-10%	-5%	0%	5%
-5%		21.1%	28.2%	35.0%	41.5%
0%		19.1%	26.2%	33.1%	39.7%
5%		17.1%	24.3%	31.2%	37.9%
10%		15.0%	22.4%	29.3%	36.0%
15%		13.0%	20.4%	27.4%	34.2%

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Property Stats (Square Feet)

Gross Site Area	1,00,000
Deductions	25,000

of Units 60

Floor SpaceRatio Gross Building Area	80,000
Constr. Gross Buildable Area	80,000
Net Saleable Area (NSA)	

Development Costs

Land	\$1,40,00,000
Building Costs	1,00,00,000
Servicing	15,00,000
Hard Contingency	5%
DCCs	2,25,000
Consulting & Warranty	7,00,000
Finance / Bank Costs - Other	2,25,000
Marketing	8,00,000
Overhead	8,50,000
Soft Contingency	5%
50% Commissions	4.5%

TOTAL

Pre-Construction Spending (\$/month) 1,00,000

Financing

Loan to Cost	70%
Interest Rate	3.5%

Land Loan \$50,00,000

Warranty (\$/unit) 1,500