

### **Arcadia Place**

### 60 Condominium Project



CTA Realty Peter Jones 1234 Western Ave, Tuscon, Arizona 352647 USA Bus 324-987-6789 Cell 324-877-8907 www.desertrealestate.com



## Development Profit Arcadia Place

Arcadia Place 60 Condominium Project November 18, 2008 Developer Express Web Site USA Unit Project Example

			% of Revenue
SALES REVENUE			
One Bedrooms	\$ 520,000 per Unit x 15 Units	\$ 7,800,000	22.56%
Two Bedrooms	\$ 570,000 per Unit x 34 Units	19,380,000	56.06%
Three Bedrooms	\$ 610,000 per Unit x 9 Units	5,490,000	15.88%
Penthouse	\$ 950,000 per Unit x 2 Units	1,900,000	5.50%
	Total Sales Revenue	34,570,000	100.00%
LAND & DEVELOPMENT COSTS			
Land Costs		5,018,000	14.52%
Site Preparation		185,000	0.54%
Construction		14,225,000	41.15%
Professional Fees		1,207,800	3.49%
City Fees		1,895,000	5.48%
Miscellaneous		25,000	0.07%
	Land & Development Costs	22,555,800	65.25%
Interest Costs		617,666	1.79%
Contingency Allowance		1,853,877	5.36%
	Total Development Costs	25,027,343	72.40%
	GROSS DEVELOPMENT PROFIT	9,542,657	27.60%
SELLING EXPENSES			
Real Estate Commissions		1,728,500	5.00%
Marketing & Advertising		27,000	0.08%
Legal Fees	2.00% of the Sale Price	691,400	2.00%
	Total Selling Expenses	2,446,900	7.08%
Less: Interest during the Sale Period		359,314	1.04%
	DEVELOPMENT PROFIT	6,736,443	
	% of Total Development Costs	26.92%	
	% of Sale Revenue	19.49%	
	Return on Equity	96.23%	
	Average Profit per Unit	112,274	
	Land to Building Cost Ratio	28.61%	
	Land to Total Development Cost Ratio	20.05%	



# Total Development Costs Arcadia Place 60 Condominium Project

November 18, 2008 Developer Express Web Site USA Unit Project Example

Land			Hard Costs	Soft Costs	Total	
Page	Land Costs					
Propession   1900	Land		5,000,000	-		
Site Preparation         5,000,000         18,000         5,018,000         20,00%           Site Clearing         25,000         0.10%         315,000         0.25,000         0.10%           Site Servicing Costs         150,000         0.0         150,000         0.0%         160,000         0.0%           Micellaneous Site Costs         185,000         0.0         185,000         0.74%         748           Construction         185,000         0.0         185,000         749         749           Parking         \$ 190,00 per Sq. Ft x 65,000 Sq. Ft         12,350,000         0.0         1,275,000         74,90           Parking         \$ 25,000 per Parking Space x 75 Parking Space         1,875,000         0.0         1,2875,000         74,90           Professional Fees         \$ 25,000 per Parking Space x 75 Parking Space         1,182,800         1,152,800         46,76           Professional Fees         \$ 25,000 per Parking Space x 75 Parking Space         1,182,800         1,152,800         46,76           Corporational Fees         \$ 25,000 per Unit x 60 Units         0.0         2,000         20,000         20,000         20,000         20,000         20,000         20,000         20,000         20,000         20,000			-	•	•	
Site Preparation   Site Clearing   Site Clear   Sit	Appraisal				8,000	
Site Servicing Costs   150,000   10,0			5,000,000	18,000	5,018,000	20.05%
Site Servicing Costs         150,000         - 150,000         0.0%%           Micellaneous Site Costs         150,000         - 150,000         0.0%%           Micellaneous Site Costs         185,000         - 185,000         0.04%           Construction         185,000         - 185,000         49.35%           Parking         \$ 190.00 per Parking Space x 75 Parking Spaces         12,350,000         - 18,75,000         7.4%           Parking         \$ 25,000 per Parking Space x 75 Parking Spaces         11,875,000         - 18,75,000         7.4%           Professional Fees         400% of Construction & Site Prep. Costs         - 1,875,000         1,152,800         4.6%           Geo-Scientists         - 20,000         20,000 <td></td> <td></td> <td></td> <td></td> <td></td> <td></td>						
Micellaneous Site Costs			•	-	•	
185,000   -   185,000   0.74%   Construction   Suitorium   185,000   -   12,350,000   49,35%   Parking   \$190.00 per Sq. Ft x 65,000 Sq. Ft   12,350,000   -   1,875,000   7.49%   14,225,000   -   1,875,000   7.49%   14,225,000   -   1,875,000   7.49%   14,225,000   -   1,875,000   7.49%   14,225,000   -   1,875,000   7.49%   14,225,000   -   1,875,000   7.49%   14,225,000   -   1,875,000   7.49%   14,225,000   -   1,875,000   7.49%   14,225,000   -   1,875,000   7.49%   14,225,000   -   1,875,000   7.49%   14,225,000   -   1,207,000   1,20%   1,207,000   -   20,000   0.08%   1,207,000   -   20,000   0.08%   1,207,000   -   2,000   0.08%   1,207,000   1	_		150,000	-	150,000	0.60%
Building	Micellaneous Site Costs	_	10,000	<u>-</u>	10,000	0.04%
Suilding   \$190.00 per Sq. Ft x 65,000 Sq. Ft   12,350,000   1,875,000   1,8			185,000	-	185,000	0.74%
Parking   \$25,000 per Parking Space x 75 Parking	Construction					
Professional Fees         14,225,000         - 14,225,000         56.84%           Architectural & Engineering Geo-Scientists         8.00% of Construction & Site Prep. Costs         - 1,152,800         1,152,800         4.61%           Geo-Scientists         - 20,000         20,000         0.08%           Mortgage Brokerage Fees         - 1,207,800         35,000         35,000         0.14%           City Fees         - 1,207,800         1,207,800         4.83%           Application Fees         \$ 5,000.00 per Unit x 60 Units         - 300,000         300,000         1.20%           Connection Fees         \$ 3,000.00 per Unit x 60 Units         - 180,000         180,000         0.72%           Inspection Fees         \$ 2,5000.00 per Unit x 60 Units         - 1,200,000         1,200,000         4.79%           Property Taxes         \$ 20,000.00 per Unit x 60 Units         - 1,200,000         1,200,000         4.79%           Miscellaneous         \$ 20,000.00 per Unit x 60 Units         - 1,895,000         65,000         0.26%           Property Taxes         \$ 20,000.00 per Unit x 60 Units         - 25,000         1,895,000         7.76%           Miscellaneous costs         \$ 25,000         - 25,000         0.00%           Miscellaneous costs         \$ 25,000         - 25,0	Building	\$ 190.00 per Sq. Ft x 65,000 Sq. Ft	12,350,000	-		
Professional Fees         Architectural & Engineering Geo-Scientists         8.00% of Construction & Site Prep. Costs         1,152,800         1,152,800         20,000	Parking	\$ 25,000 per Parking Space x 75 Parking Spaces		-		
Architectural & Engineering Geo-Scientists         8.00% of Construction & Site Prep. Costs         1,152,800         1,152,800         20,000         4,83%			14,225,000	-	14,225,000	56.84%
Geo-Scientists Mortgage Brokerage Fees         20,000 20,000 50,000	Professional Fees					
Mortgage Brokerage Fees	Architectural & Engineering	8.00% of Construction & Site Prep. Costs	-	1,152,800	1,152,800	4.61%
City Fees         -         1,207,800         1,207,800         4.83%           City Fees         S 5,000.00 per Unit x 60 Units         -         300,000         300,000         1.20%           Connection Fees         \$ 5,000.00 per Unit x 60 Units         -         180,000         180,000         0.72%           Inspection Fees         \$ 2,500.00 per Unit x 60 Units         -         150,000         1,50,000         0.60%           Impact Fees         \$ 20,000.00 per Unit x 60 Units         -         1,200,000         1,200,000         4.79%           Property Taxes         \$ 20,000.00 per Unit x 60 Units         -         1,200,000         1,200,000         4.79%           Property Taxes         \$ 20,000.00 per Unit x 60 Units         -         65,000         65,000         0.26%           Miscellaneous           Miscellaneous           Miscellaneous           Construction Loan         LAND & DEVELOPMENT COSTS         19,435,000         3,120,800         22,555,800         -           Financing Interest Costs         Construction Loan         5,923,431         25,000         0.10%           Construction Loan         8,00% of Land, Development & Financing Costs         19,435,000         5,59			-	20,000	20,000	0.08%
City Fees           Application Fees         \$ 5,000.00 per Unit x 60 Units         -         300,000         300,000         1.20%           Connection Fees         \$ 3,000.00 per Unit x 60 Units         -         180,000         180,000         0.72%           Inspection Fees         \$ 2,500.00 per Unit x 60 Units         -         150,000         1,200,000         4.79%           Impact Fees         \$ 20,000.00 per Unit x 60 Units         -         1,200,000         1,200,000         4.79%           Property Taxes         \$ 20,000.00 per Unit x 60 Units         -         65,000         65,000         0.26%           Property Taxes         \$ 20,000.00 per Unit x 60 Units         -         1,895,000         1,895,000         7.57%           Miscellaneous         Miscellaneous         Expect Formance         25,000         -         25,000         0.10%           Financing Interest Costs         Construction Loan         EXAND & DEVELOPMENT COST         19,435,000         3,120,800         22,555,800         2.47%           Contingency Allowance         8.00% of Land, Development & Financing Costs         -         1,853,877         1,853,877         7,41%           Cost Per Unit Cost Per Unit Cost Per Unit Cost	Mortgage Brokerage Fees	_		35,000	35,000	0.14%
Application Fees         \$ 5,000.00 per Unit x 60 Units         -         300,000         300,000         1.20%           Connection Fees         \$ 3,000.00 per Unit x 60 Units         -         180,000         180,000         0.72%           Inspection Fees         \$ 2,500.00 per Unit x 60 Units         -         150,000         150,000         4.79%           Property Taxes         \$ 20,000.00 per Unit x 60 Units         -         1,200,000         1,200,000         0.26%           Property Taxes         -         65,000         65,000         0.26%           Miscellaneous         -         1,895,000         1,895,000         7.57%           Miscellaneous costs         -         25,000         -         25,000         0.10%           Miscellaneous costs         LAND & DEVELOPMENT COSTS         19,435,000         3,120,800         22,555,800         -           Financing Interest Costs Construction Loan         -         617,666         617,666         2.47%           Contingency Allowance         8.00% of Land, Development & Financing Costs         -         1,853,877         1,853,877         7.41%           TOTAL DEVELOPMENT COST         19,435,000         5,592,343         25,027,343         -         -         22.34%         100.00% <td></td> <td></td> <td>-</td> <td>1,207,800</td> <td>1,207,800</td> <td>4.83%</td>			-	1,207,800	1,207,800	4.83%
Connection Fees Inspection Fees         \$ 3,000.00 per Unit x 60 Units         -         180,000         180,000         0.72%           Inspection Fees         \$ 2,500.00 per Unit x 60 Units         -         150,000         150,000         0.60%           Impact Fees         \$ 20,000.00 per Unit x 60 Units         -         1,200,000         1,200,000         4.79%           Property Taxes         -         65,000         65,000         0.26%           Miscellaneous         -         1,895,000         1,895,000         7.57%           Miscellaneous costs         25,000         -         25,000         0.10%           Financing Interest Costs         -         25,000         -         25,000         0.10%           Contruction Loan         8.00% of Land, Development & Financing Costs         -         617,666         617,666         2.47%           Contingency Allowance         8.00% of Land, Development & Financing Costs         -         1,853,877         1,853,877         7.41%           TOTAL DEVELOPMENT COST         19,435,000         5,592,343         25,027,343         25,027,343           Cost per Unit Cost per Unit Cost per Sq. Ft of Building         299,00         86.04         385.04	City Fees					
Inspection Fees   \$2,500.00 per Unit x 60 Units   -   150,000   150,000   0.60%   160,000   1.70%	Application Fees	\$ 5,000.00 per Unit x 60 Units	-	300,000	300,000	1.20%
Impact Fees   \$20,000.00 per Unit x 60 Units   1,200,000   1,200,000   65,000   0.26%   1,895,000   1,895,800	Connection Fees	\$ 3,000.00 per Unit x 60 Units	-	180,000	180,000	0.72%
Property Taxes         65,000         65,000         0.26%           Miscellaneous         7,895,000         1,895,000         7,57%           Miscellaneous costs         25,000         -         25,000         0.10%           Example of	Inspection Fees	•	-	150,000	150,000	0.60%
Miscellaneous         - 1,895,000 1,895,000 7.57%           Miscellaneous costs         25,000 - 25,000 0.10%           LAND & DEVELOPMENT COSTS 19,435,000 3,120,800 22,555,800 0.10%           Financing Interest Costs	Impact Fees	\$ 20,000.00 per Unit x 60 Units	-	1,200,000	1,200,000	4.79%
Miscellaneous           Miscellaneous costs         25,000         -         25,000         0.10%           EAND & DEVELOPMENT COSTS         19,435,000         3,120,800         22,555,800           Financing Interest Costs           Construction Loan         -         617,666         617,666         2.47%           Contingency Allowance         8.00% of Land, Development & Financing Costs         -         1,853,877         1,853,877         7.41%           TOTAL DEVELOPMENT COST         19,435,000         5,592,343         25,027,343           Cost Per Unit         323,916.67         93,205.72         417,122.38           Cost per Sq. Ft of Building         299.00         86.04         385.04	Property Taxes	_	-	65,000	65,000	
Miscellaneous costs   25,000   - 25,000   0.10%	Missellansson		-	1,895,000	1,895,000	7.57%
LAND & DEVELOPMENT COSTS   19,435,000   3,120,800   22,555,800			25 000	_	25 000	0.10%
Financing Interest Costs Construction Loan - 617,666 617,666 2.47%  Contingency Allowance 8.00% of Land, Development & Financing Costs - 1,853,877 1,853,877 7.41%  TOTAL DEVELOPMENT COST 19,435,000 5,592,343 25,027,343  % of Total Development Cost 77.66% 22.34% 100.00% Cost Per Unit 323,916.67 93,205.72 417,122.38 Cost per Sq. Ft of Building 299.00 86.04 385.04  Land to Building Cost Ratio 28.61%		-		-		
Financing Interest Costs Construction Loan - 617,666 617,666 2.47%  Contingency Allowance 8.00% of Land, Development & Financing Costs - 1,853,877 1,853,877 7.41%  TOTAL DEVELOPMENT COST 19,435,000 5,592,343 25,027,343  % of Total Development Cost 77.66% 22.34% 100.00% Cost Per Unit 323,916.67 93,205.72 417,122.38 Cost per Sq. Ft of Building 299.00 86.04 385.04  Land to Building Cost Ratio 28.61%						
Construction Loan         -         617,666         617,666         2.47%           Contingency Allowance         8.00% of Land, Development & Financing Costs         -         1,853,877         1,853,877         7.41%           TOTAL DEVELOPMENT COST         19,435,000         5,592,343         25,027,343         25,027,343           % of Total Development Cost Cost Per Unit Cost Per		LAND & DEVELOPMENT COSTS	19,435,000	3,120,800	22,555,800	
Contingency Allowance 8.00% of Land, Development & Financing Costs - 1,853,877 1,853,877 7.41%  TOTAL DEVELOPMENT COST 19,435,000 5,592,343 25,027,343  % of Total Development Cost 77.66% 22.34% 100.00% Cost Per Unit 323,916.67 93,205.72 417,122.38 Cost per Sq. Ft of Building 299.00 86.04 385.04  Land to Building Cost Ratio 28.61%	=			0.4= 0.00	0.4= 000	0.4=0/
TOTAL DEVELOPMENT COST 19,435,000 5,592,343 25,027,343  % of Total Development Cost 77.66% 22.34% 100.00% Cost Per Unit 323,916.67 93,205.72 417,122.38 Cost per Sq. Ft of Building 299.00 86.04 385.04  Land to Building Cost Ratio 28.61%	Construction Loan		-	617,666	617,666	2.47%
% of Total Development Cost 77.66% 22.34% 100.00%  Cost Per Unit 323,916.67 93,205.72 417,122.38  Cost per Sq. Ft of Building 299.00 86.04 385.04  Land to Building Cost Ratio 28.61%	Contingency Allowance	8.00% of Land, Development & Financing Costs	-	1,853,877	1,853,877	7.41%
Cost Per Unit 323,916.67 93,205.72 417,122.38 Cost per Sq. Ft of Building 299.00 86.04 385.04  Land to Building Cost Ratio 28.61%		TOTAL DEVELOPMENT COST	19,435,000	5,592,343	25,027,343	
Cost per Sq. Ft of Building 299.00 86.04 385.04  Land to Building Cost Ratio 28.61%		% of Total Development Cost	77.66%	22.34%	100.00%	
Land to Building Cost Ratio 28.61%		Cost Per Unit	323,916.67	93,205.72	417,122.38	
		Cost per Sq. Ft of Building	299.00	86.04	385.04	
Land to Total Development Cost Ratio 20.05%		Land to Building Cost Ratio	28.61%			
		Land to Total Development Cost Ratio	20.05%			



### **Input Data Summary**

Arcadia Place 60 Condominium Project

November 18, 2008 **Developer Express** Web Site USA Unit Project Example

**Project Information** 

**Building Area** 65,000 Sq. Ft

No. of Units

Land Area 22,750 Sq. Ft Frontage 175 Ft

#### 

LAND & DEVELOPMENT COSTS		
	Entries	_
Land Costs		_
Land	\$ 5,000,000	Hard Cost
Legal Fees	\$ 10,000	Soft Cost
Appraisal	\$ 8,000	Soft Cost
Site Preparation		
Site Clearing	\$ 25,000	Hard Cost
Site Servicing Costs	\$ 150,000	Hard Cost
Micellaneous Site Costs	\$ 10,000	Hard Cost
Construction		
Building	\$ 190.00 per Sq. Ft x 65,000 Sq. Ft	Hard Cost
Parking	\$ 25,000 per Parking Space x 75 Parking Spaces	Hard Cost
Professional Fees		
Architectural & Engineering	8.00% of Construction & Site Prep. Costs	Soft Cost
Geo-Scientists	\$ 20,000	Soft Cost
Mortgage Brokerage Fees	\$ 35,000	Soft Cost
City Fees		
Application Fees	\$ 5,000.00 per Unit x 60 Units	Soft Cost
Connection Fees	\$ 3,000.00 per Unit x 60 Units	Soft Cost
Inspection Fees	\$ 2,500.00 per Unit x 60 Units	Soft Cost
Impact Fees	\$ 20,000.00 per Unit x 60 Units	Soft Cost

City F	Fees
--------	------

Application Fees	\$ 5,000.00 per Unit x 60 Units	Soft Cost
Connection Fees	\$ 3,000.00 per Unit x 60 Units	Soft Cost
Inspection Fees	\$ 2,500.00 per Unit x 60 Units	Soft Cost
Impact Fees	\$ 20,000.00 per Unit x 60 Units	Soft Cost
Property Taxes	\$ 65,000	Soft Cost

#### Miscellaneous

Miscellaneous costs \$ 25,000 Hard Cost

**Contingency Allowance** 8.00% of Land, Development & Financing Costs Soft Cost

#### **CONSTRUCTION FINANCING**

#### **Development Time**

Pre-construction Period 7 Months Construction Time 14 Months Sales Period 8 Months

**Developer's Equity** \$7,000,000

Financing

Construction Loan. Interest Rate 8.000%

Financing Adjustment Factors used for construction loan interest calculations



#### **Input Data Summary**

Arcadia Place 60 Condominium Project November 18, 2008 Developer Express Web Site USA Unit Project Example

#### **During the Development Period**

Equity	1.00
Land Costs	1.00
Site Preparation	0.75
Construction	0.50
Professional Fees	0.75
City Fees	0.75
Miscellaneous	0.50

#### **During the Sales Period**

Selling Expenses 0.50

Dev Costs during Sales Period 0.50

#### **SELLING EXPENSES**

#### **Selling Expenses**

Marketing & Advertising \$ 27,000

Legal Fees 2.00% of the Sale Price

Real Estate Commissions 5.00%

#### **SALE**

#### Unit Sales Entry Choice

One Bedrooms \$ 520,000 per Unit x 15 Units
Two Bedrooms \$ 570,000 per Unit x 34 Units
Three Bedrooms \$ 610,000 per Unit x 9 Units
Penthouse \$ 950,000 per Unit x 2 Units



#### **Finance Interest Calculations**

Arcadia Place 60 Condominium Project November 18, 2008 Developer Express Web Site USA Unit Project Example

	Interest Cost Calculation	Interest Cost
INTEREST COSTS DURING PRE-CONSTRUCTION & CONSTRUCTION PERIOD Construction Loan		
Assuming 100% Financing using Construction Loan		
Land Costs	\$ 5,018,000 x 21 mo. x 8.000% x 1/12 x 1.00	\$ 702,520
Site Preparation	\$ 185,000 x 14 mo. x 8.000% x 1/12 x 0.75	12,950
Construction	\$ 14,225,000 x 14 mo. x 8.000% x 1/12 x 0.50	663,833
Professional Fees	\$ 1,207,800 x 14 mo. x 8.000% x 1/12 x 0.75	84,546
City Fees	\$ 1,895,000 x 14 mo. x 8.000% x 1/12 x 0.75	132,650
Miscellaneous	\$ 25,000 x 14 mo. x 8.000% x 1/12 x 0.50	1,167
		1,597,666
Adjusting for interest not paid on Developer's Equity		
Equity	(\$ 7,000,000 x 21 mo. x 8.000% x 1/12 x 1.00)	(980,000)
		617,666
INTEREST COSTS DURING THE SALES PERIOD Construction Loan Assuming 100% Financing using Construction Loan		
Total Development Costs	\$ 25,027,343 x 8 mo. x 8.000% x 1/12 x 0.50	667,396
Real Estate Commissions & Selling Expenses	\$ 2,446,900 x 8 mo. x 8.000% x 1/12 x 0.50	65,251
		732,647
Adjusting for interest not paid on Developer's Equity		
Equity	(\$ 7,000,000 x 8 mo. x 8.000% x 1/12 x 1.00)	(373,333)
		359,314
		976,980



# Goal Seeking Arcadia Place 60 Condominium Project

November 18, 2008 Developer Express Web Site USA Unit Project Example

Desired Development Profit	Total Land Cost
25.00% of Total Development Costs	\$ 5,323,125
0% of Sale Price	\$ 10,347,330
0% Return on Equity	\$ 10,347,330

**Note:** Total Land Cost is the "Total Cost" that would be entered in the Land Folder including acquisition costs etc.



# Property Information Arcadia Place 60 Condominium Project

November 18, 2008 Developer Express Web Site USA Unit Project Example

#### **Property Description**

Quality condominium project

#### **Address**

2397 Park Ave Tuscon, Arizona 34561 USA

#### **Location Description**

Gentrified neighbourhood within walking distance to the vibrant downtown & University Area

#### Legal

#### Legal

123540293-ALL

#### Zoning

Multi Family

#### **Encumbrances**

Draw mortgage registered on the property

# COMPANY

### **Property Information**

Arcadia Place 60 Condominium Project November 18, 2008 Developer Express Web Site USA Unit Project Example

**Property Taxes Information** 

Assessment Date Jan 2007
Property Taxes \$ 135,000

Roll or Identification Number 979683-812 PL321

**Assessed Value** 

Land 5,600,000 Improvements - \$ 5.600,000

Land

Dimensions 175 Feet x 130 Feet
Frontage 175 Ft
Land Area 22,750 Sq. Ft

**Building** 

Age 0 Years No of Floors 8

Building Area 65,000 Sq. Ft Total No. of Units 60

**Parking** 

 Uncovered

 Covered
 75

 Other

 Total Parking
 75

Water Gas

Each unit has its own hot water tank

Heat Gas

Central air conditioning system

Construction

Concrete

**Building Equipment & Systems** 

**Elevators** 

No. of Elevators 1

Top quality hydraulic elevator

**Mechanical Equipment** 

Secured underground parking



Client Information
Arcadia Place
60 Condominium Project

November 18, 2008 Developer Express Web Site USA Unit Project Example

#### Harry Gibbs CTA Holding Inc. 1349 West Hasting St

Austin, Texas 43567 USA

#### **Contact Information**

Office Tel: 512-657-9895
Mobile: 512-657-9547
Home Tel: 512-607-6758
Fax: 512-657-9891

E-mail: hgibbs@CTA.com