



## Arcadia Place

60 Condominium Project



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			<b>% of Revenue</b>
<b>SALES REVENUE</b>			
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%
	<b>Total Sales Revenue</b>	<b>34,570,000</b>	<b>100.00%</b>
<b>LAND &amp; DEVELOPMENT COSTS</b>			
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%
	<b>Total Development Costs</b>	<b>25,027,343</b>	<b>72.40%</b>
	<b>GROSS DEVELOPMENT PROFIT</b>	<b>9,542,657</b>	<b>27.60%</b>
<b>SELLING EXPENSES</b>			
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%
	<b>Total Selling Expenses</b>	<b>2,446,900</b>	<b>7.08%</b>
Less: Interest during the Sale Period		359,314	1.04%
	<b>DEVELOPMENT PROFIT</b>	<b>6,736,443</b>	
	<b>% of Total Development Costs</b>	<b>26.92%</b>	
	<b>% of Sale Revenue</b>	<b>19.49%</b>	
	<b>Return on Equity</b>	<b>96.23%</b>	
	<b>Average Profit per Unit</b>	<b>112,274</b>	
	<b>Land to Building Cost Ratio</b>	<b>28.61%</b>	
	<b>Land to Total Development Cost Ratio</b>	<b>20.05%</b>	



**Total Development Costs**  
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		<b>Hard Costs</b>	<b>Soft Costs</b>	<b>Total</b>	
<b>Land Costs</b>					
Land		5,000,000	-	5,000,000	19.98%
Legal Fees		-	10,000	10,000	0.04%
Appraisal		-	8,000	8,000	0.03%
		<b>5,000,000</b>	<b>18,000</b>	<b>5,018,000</b>	<b>20.05%</b>
<b>Site Preparation</b>					
Site Clearing		25,000	-	25,000	0.10%
Site Servicing Costs		150,000	-	150,000	0.60%
Micellaneous Site Costs		10,000	-	10,000	0.04%
		<b>185,000</b>	<b>-</b>	<b>185,000</b>	<b>0.74%</b>
<b>Construction</b>					
Building	\$ 190.00 per Sq. Ft x 65,000 Sq. Ft	12,350,000	-	12,350,000	49.35%
Parking	\$ 25,000 per Parking Space x 75 Parking Spaces	1,875,000	-	1,875,000	7.49%
		<b>14,225,000</b>	<b>-</b>	<b>14,225,000</b>	<b>56.84%</b>
<b>Professional Fees</b>					
Architectural & Engineering	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		-	35,000	35,000	0.14%
		<b>-</b>	<b>1,207,800</b>	<b>1,207,800</b>	<b>4.83%</b>
<b>City Fees</b>					
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	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%
		<b>-</b>	<b>1,895,000</b>	<b>1,895,000</b>	<b>7.57%</b>
<b>Miscellaneous</b>					
Miscellaneous costs		25,000	-	25,000	0.10%
		<b>25,000</b>	<b>-</b>	<b>25,000</b>	<b>0.10%</b>
	<b>LAND &amp; DEVELOPMENT COSTS</b>	<b>19,435,000</b>	<b>3,120,800</b>	<b>22,555,800</b>	
<b>Financing Interest Costs</b>					
Construction Loan		-	617,666	617,666	2.47%
<b>Contingency Allowance</b>					
	8.00% of Land, Development & Financing Costs	-	1,853,877	1,853,877	7.41%
	<b>TOTAL DEVELOPMENT COST</b>	<b>19,435,000</b>	<b>5,592,343</b>	<b>25,027,343</b>	
	<b>% of Total Development Cost</b>	<b>77.66%</b>	<b>22.34%</b>	<b>100.00%</b>	
	<b>Cost Per Unit</b>	<b>323,916.67</b>	<b>93,205.72</b>	<b>417,122.38</b>	
	<b>Cost per Sq. Ft of Building</b>	<b>299.00</b>	<b>86.04</b>	<b>385.04</b>	
	<b>Land to Building Cost Ratio</b>	<b>28.61%</b>			
	Land to Total Development Cost Ratio	<b>20.05%</b>			



**Input Data Summary**  
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**Project Information**

Building Area	65,000 Sq. Ft
No. of Units	60
Land Area	22,750 Sq. Ft
Frontage	175 Ft

**LAND & DEVELOPMENT COSTS**

**Entries**

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**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
Property Taxes	\$ 65,000	Soft Cost

**Miscellaneous**

Miscellaneous costs	\$ 25,000	Hard Cost
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**Contingency Allowance**

8.00% of Land, Development & Financing Costs	Soft Cost
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**CONSTRUCTION FINANCING**

**Development Time**

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

<b>Developer's Equity</b>	\$ 7,000,000
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**Financing**

Construction Loan. Interest Rate	8.000%
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**Financing Adjustment Factors used for construction loan interest calculations**



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**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**

	<u>Entry Choice</u>
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



	<u>Interest Cost Calculation</u>	<u>Interest Cost</u>
<b>INTEREST COSTS DURING PRE-CONSTRUCTION &amp; CONSTRUCTION PERIOD</b>		
<b>Construction Loan</b>		
<i>Assuming 100% Financing using Construction Loan</i>		
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	<u>1,167</u>
		1,597,666
<i>Adjusting for interest not paid on Developer's Equity</i>		
Equity	(\$ 7,000,000 x 21 mo. x 8.000% x 1/12 x 1.00)	<u>(980,000)</u>
		<b>617,666</b>
<b>INTEREST COSTS DURING THE SALES PERIOD</b>		
<b>Construction Loan</b>		
<i>Assuming 100% Financing using Construction Loan</i>		
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	<u>65,251</u>
		732,647
<i>Adjusting for interest not paid on Developer's Equity</i>		
Equity	(\$ 7,000,000 x 8 mo. x 8.000% x 1/12 x 1.00)	<u>(373,333)</u>
		<b>359,314</b>
		<u><b>976,980</b></u>



<u>Desired Development Profit</u>	<u>Total Land Cost</u>
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 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





**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	-
	<u>\$ 5,600,000</u>

**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	<u>75</u>

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**  
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