



Input Data Summary
 Sterling Plaza
 21,000 Sq. Ft Retail Center

November 18, 2008
 Developer Express
 Income Property Development Example

Project Information

Building Area	21,000 Sq. Ft
Retail Gross Leasable Area	21,000 Sq. Ft
Land Area	80,000 Sq. Ft
Frontage	300 Ft

LAND & DEVELOPMENT COSTS

Entries

Land Costs

Land	\$ 1,200,000	Hard Cost
Legal Fees	\$ 12,000	Soft Cost
Appraisal Fees	\$ 8,000	Soft Cost

Site Preparation

Site Clearing	\$ 15,000	Hard Cost
Site Servicing Costs	\$ 85,000	Hard Cost
Miscellaneous Site Costs	\$ 12,000	Hard Cost

Construction

Building	\$ 85.00 per Sq. Ft x 21,000 Sq. Ft	Hard Cost
Parking & Landcaping	\$ 150,000	Hard Cost
Leasehold Improvement Allow.	\$ 20.00 per Sq. Ft x 21,000 Sq. Ft	Hard Cost

Professional Fees

Architectural & Engineering	7.00% of Construction & Site Prep. Costs	Soft Cost
Project Management Fees	4.00% of Construction & Site Prep. Costs	Soft Cost
Mortgage Brokerage Fees	\$ 65,000	Soft Cost

City Fees

Permits & Fees	\$ 47,000	Soft Cost
Impact Fees	\$ 95,000	Soft Cost
Property Taxes	\$ 75,000	Soft Cost

Miscellaneous

Miscellaneous Dev. Costs	\$ 25,000	Hard Cost
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Contingency Allowance

7.00% of Land, Development & Financing Costs	Soft Cost
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CONSTRUCTION FINANCING

Development Time

Pre-construction Period	5 Months
Construction Time	9 Months
Sales Period	7 Months
Lease Up Period	6 Months

Developer's Equity	\$ 700,000
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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	1.00

During Lease Up Period

Dev Costs during Lease Up Period	1.00
Income	0.50
Operating Expenses	0.50
Leasing Expenses	0.50

SELLING EXPENSES

Selling Expenses

Marketing & Advertising	\$ 30,000
Legal fees	\$ 25,000

Real Estate Commissions 5.00%

Leasing Fees \$ 75,000

INCOME & EXPENSES

Income & Expenses during the Lease Up Period

Lease Up Period 6 Months

Income during the Lease Up Period

Rental Income	\$ 181,000
Recoverable Expenses (TIM's)	\$ 67,000

Expenses during the Lease Up Period

Taxes	\$ 85,000
Insurance	\$ 16,000
Maintenance	\$ 8,000
Property Management	\$ 15,000

Stabilized Income & Expenses

Entry Choice

**Vacancy &
Credit Loss
Allowance**

Income

Rental Income	\$ 27.00 per Sq. Ft per Yr x 21,000 Sq. Ft	5.00%
Recoverable Expenses (TIM's)	\$ 10.00 per Sq. Ft per Yr x 21,000 Sq. Ft	5.00%

Operating Expenses

Taxes	\$ 145,000 per Yr
Insurance	\$ 18,000 per Yr



Maintenance
Property Management

Input Data Summary
Sterling Plaza
21,000 Sq. Ft Retail Center
\$ 2.00 per Sq. Ft per Yr x 21,000 Sq. Ft
5.00% of EGI of \$ 738,150

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PERMANENT FINANCING

Loan to Value Ratio	75.00%
Debt Service Ratio	1.25
Mortgage Details	
Nominal Annual Interest Rate	6.75%
Amortization Period	25 Years
Payment Frequency	Monthly
Payment made at	End of Period
Compounding Frequency	Monthly

SALE

Sale Price based on Cap Rate of 7.50%