



**Total Development Costs**  
SterlingPlaza  
21 000 Sq. Ft Retail Center

November 18, 2008  
Developer Express  
Income Property Development Example

		<b>Hard Costs</b>	<b>Soft Costs</b>	<b>Total</b>	
<b>Land Costs</b>					
Land		1,200,000	-	1,200,000	24.59%
Legal Fees		-	12,000	12,000	0.25%
Appraisal Fees		-	8,000	8,000	0.16%
		<b>1,200,000</b>	<b>20,000</b>	<b>1,220,000</b>	<b>25.00%</b>
<b>Site Preparation</b>					
Site Clearing		15,000	-	15,000	0.31%
Site Servicing Costs		85,000	-	85,000	1.74%
Miscellaneous Site Costs		12,000	-	12,000	0.25%
		<b>112,000</b>	<b>-</b>	<b>112,000</b>	<b>2.29%</b>
<b>Construction</b>					
Building	\$ 85.00 per Sq. Ft x 22,500 Sq. Ft	1,912,500	-	1,912,500	39.19%
Parking & Landcaping		150,000	-	150,000	3.07%
Leasehold Improvement Allow.	\$ 20.00 per Sq. Ft x 21,000 Sq. Ft	420,000	-	420,000	8.61%
		<b>2,482,500</b>	<b>-</b>	<b>2,482,500</b>	<b>50.87%</b>
<b>Professional Fees</b>					
Architectural & Engineering	7.00% of Construction & Site Prep. Costs	-	181,615	181,615	3.72%
Project Management Fees	4.00% of Construction & Site Prep. Costs	-	103,780	103,780	2.13%
Mortgage Brokerage Fees		-	65,000	65,000	1.33%
		<b>-</b>	<b>350,395</b>	<b>350,395</b>	<b>7.18%</b>
<b>City Fees</b>					
Permits & Fees		-	47,000	47,000	0.96%
Impact Fees		-	95,000	95,000	1.95%
Property Taxes		-	75,000	75,000	1.54%
		<b>-</b>	<b>217,000</b>	<b>217,000</b>	<b>4.45%</b>
<b>Miscellaneous</b>					
Miscellaneous Dev. Costs		25,000	-	25,000	0.51%
		<b>25,000</b>	<b>-</b>	<b>25,000</b>	<b>0.51%</b>
	<b>LAND &amp; DEVELOPMENT COSTS</b>	<b>3,819,500</b>	<b>587,395</b>	<b>4,406,895</b>	
<b>Financing Interest Costs</b>					
Construction Loan		-	154,332	154,332	3.16%
<b>Contingency Allowance</b>					
	7.00% of Land, Development & Financing Costs	-	319,286	319,286	6.54%
	<b>TOTAL DEVELOPMENT COST</b>	<b>3,819,500</b>	<b>1,061,013</b>	<b>4,880,513</b>	
	<b>% of Total Development Cost</b>	<b>78.26%</b>	<b>21.74%</b>	<b>100.00%</b>	
	<b>Cost per Sq. Ft of Building</b>	<b>169.76</b>	<b>47.16</b>	<b>216.91</b>	
	<b>Land to Building Cost Ratio</b>	<b>38.28%</b>			
	Land to Total Development Cost Ratio	<b>25.00%</b>			