



Executive Summary

The Firehouse development was convinced from a competition to create a feasible development schematic for the up and coming neighborhood of Walnut Hills. Several meetings were organized with community's leaders and members to set some guidelines for what the proposal might look like. Team Four, made up of four UC students from architecture, planning and real estate, worked together to conceive Fireside Row. The team responded to the need for the neighborhood to bring in businesses and residents to help with the urban revitalization efforts that are currently ongoing. The team responded to this while also considering the local economy and current and future demands for commercial and residential space.

The concept of Fireside was to attract a creative industry that requires small to medium size studio type's spaces with some options for live work. One of the overriding design elements was to create these spaces so that they could be flexible and easily reprogrammed and hence evolve with the neighborhood. It is anticipated that maker/ artist space is in demand, especially with the amount of design graduates this city turns out every year, and it is felt that this type of affordable space is very scarce in the urban core.

The design also felt it was very important to include single family residence in this project as it is felt that there is a great need for sustainable housing in the urban core that is market rate but affordable and very few, if any, options currently exist.

In terms of community involvement and space, built spaces and park space (for the beloved Green Man Head statue at the proposed location) were also incorporated into the design.

From our Site Analysis, Market Research, and both National and Local Trends, we created a development plan, that would provide a maximum initial investment for the developments rental assets and community improvement amenities, which would increase in value as the neighborhood improves. Additionally, we felt the need to contribute to the neighborhood's owner occupied housing stock, by developing for sales townhomes later in the project. Our proposed plan, utilizes the client's current control of each property to lessen the requirement for capital outlay in procuring construction loans. We see this as an opportunity for you, our client, to decrease your capital requirements for these developments by taking on other development partners, whether they are community stakeholders, or for-profit developers. The entire development plan takes into consideration the financial returns and growth of the market within Walnut Hills as other developments are completed throughout the future. These proposed projects are financially feasible and economically sound.

Yilin Li

Yilin is an undergraduate student at DAAP in the School of Planning at the University of Cincinnati. She is in her final year of the Bachelor of Planning degree. She comes to Cincinnati from her hometown of Juangzhou of China although the first time she came to the US was as an exchange student during high school when she spend a year Chardon, OH. Yilin is currently evaluating graduate schools in the US to further her education with a Master of Planning degree. She aspirations after academia is to become an international urban designer. Yilin loves to travel and has a particular interest in studying urban design matters related to old European cities.

Aaron Guttman

Aaron Guttman graduated from Indiana University with a degree in Management, and is currently getting his MBA from the University of Cincinnati with a graduate certificate in Real Estate. After his undergraduate degree, he worked for a New Jersey at a real estate investment firm, specialized in acquiring historical buildings to rehabilitate and reposition, and then as a commercial broker in New York City. During his career, he gained experience in construction, rehabilitation, marketing, legal issues, financing, and acquisitions. Aaron believes that using sustainable development and smart growth policies, involving structures' design and better community planning, the real estate industry can provide residents with aesthetically pleasing, cost-efficient, economically beneficial communities while recognizing that markets determine customers' wants and needs. Aaron is in charge of overseeing the costs of development, market feasibility, and financial structuring of the project.

Neda Mohsenian-Rad

Neda is a graduate student in the School of Planning at the University of Cincinnati. She is in the first of a two year Master of Planning degree. Neda comes to Cincinnati from her home country of Iran where she holds a degree in Architecture from the Shahid Beheshti University, Tehran, Iran. Before leaving Iran, Neda started her professional career at an Architecture firm in Tehran. Neda's goal in design is to generate better places for individuals and communities which ease social interaction, reflect culture and identity, and integrate with the urban fabric.

Adam Rayne

Adam is a current resident of Walnut Hills where he lives with his wife, young son and one more on the way. Adam came to Cincinnati five years ago for a short break from his career as a Petroleum Engineer. After meeting his wife here and deciding not go back into international work, he started a Master of Architecture degree in DAAP at the University of Cincinnati. He holds previous undergraduate and graduate degrees in Civil Engineering from United Kingdom and Spain.

Adam has a strong interest and is writing his Master's thesis on sustainable, urban housing. He believes one of the most effective ways to protect the environment for our children and children's children, is to down size and live closer to where we work and play.

Site Analysis

- Walnut Hills is one of the neighborhoods that connects downtown and uptown.
- It has great access to major employers in the region within 7 to 13 minutes, including P&G, University of Cincinnati, University of Xavier and the Cincinnati Children's hospital.
- After the two - way conversion of the East McMillian Street, the Walnut Hills neighborhood has become more opened up to economic development and neighborhood revitalization opportunities. Currently, the strategic move is to reactivate the Peeble's Corner business district and bring in more population to support the desired retail.
- Walnut Hills are the fourth neighborhood in City of Cincinnati to adopt the Form Based Code. Walnut Hills is striving to repair the current broken urban fabric and striving to become a vibrant urban neighborhood.
- The adoption of the form-based code is mainly consistent with the existing land use and vision of McMillian Street being a connector of neighborhood commercial nodes.
- In terms of opportunity, the site is with minimal environmental constraints in terms of land slope. It is also supported by a network of parking options including on street parking and off street public parking lots. The site also has great financial potential due to the acquisition of the property by Walnut Hills Redevelopment Foundation of the properties as a whole.
- As one of historic streetcar neighborhoods in Cincinnati, Walnut Hills Neighborhood has a rich historic context including historic architecture, icons and other assets. As the young creative class is moving away from OTR and other gentrified neighborhoods, Walnut Hills has become one of the popular destinations for young professionals and recent college graduates. In fact, the neighborhood already has several creative nodes with a concentration of art studio, photography studio and printing shops. Therefore, the team believes it is a great opportunity for Walnut Hills to develop building stocks to welcome new residents.
- Furthermore, according to the demographic studies, the region has a large population group of young families, scholars and college graduates and city dwellers, which prefer to house themselves in an old, urban home. There are a few of creative customers in area that Walnut Hills and other historic neighborhoods can be drawn from.
- However, the current traffic circulation is preventing Walnut Hills from becoming more accessible and attractive to future customers. In fact, the access from and to I-71 has been a long time issue of revitalizing the neighborhood. In fact, the blighted commercial corridor, which is McMillian has led to the decay of Walnut Hills and downgraded property value of single family homes of the neighborhood, which is the major land use of the neighborhood. In order to achieve the ultimate goal of neighborhood revitalization, a catalyst development, which stimulates population density and commercial prosperity is needed.

National Trends

The information in the following sections summarizes the baseline economic trends and conditions on a national and local level which will affect the direction and intensity of any development project in the urban core, and for the designated project site, over the foreseeable future.

Economic and Employment

Based on growth in national production as measured by quarterly Gross Domestic Product the economy of the United States is well entrenched in an expansionary period. In 2013, more than any other year since the economic recovery began four years prior, stands out as one characterized by extremes in outcome, seeing a strong recoveries in housing, while posting little progress in other areas such as, manufacturing, construction, financial markets, and employment.

In recent years, technological advances and increased educational attainment levels have driven growth in service industries, particularly Education & Health Services and Professional & Business Services. Since 1980, service oriented industries have experienced a 13.4% increase in their share of the national economy. At the same time other industries such as Wholesale Trade and Transportation, Warehousing & Utilities have seen payroll trends that show modest gains during the economic recovery, largely due to ripple effects from primary Manufacturing and Information job losses.

In aggregate, businesses continue to increase output with a static growth in the number of employees. Therefore productivity increased at a 0.7 percent rate for the four quarters ending in the second quarter of 2013. However, this was less than half of the increase of the prior four quarters. Industrial production rose by 2.7 percent while capacity utilization rose by 0.9 percent. Despite these improvements, profits rose for the comparable period by a mere 5.2 percent, substantially below the performance of the prior four quarters when profits rose by 18 percent.

Housing

The residential real estate sector is at the forefront of the current economic recovery. After years of stagnant sales, decline in price, and increased foreclosures, the market for housing has improved greatly, as characterized by increased demand and prices, growing equity levels, and fewer foreclosures. According to Standard and Poor's Case Shiller Index of 20 metropolitan areas across the U.S., house prices were rising in 2013, on average, at rates exceeding 12 percent.

According to the National Association of Realtors, single-family home sales have risen by approximately 13 percent since the summer of 2012, and by 57 percent since the market hit bottom in the summer of 2010. And the foreclosure rate, according to the Mortgage Bankers Association, after peaking at 1.47 percent during the second quarter of 2009, has declined to 0.68 percent by the second quarter of this year.

Conclusion

The economy continues on a path toward recovery, but one that is still struggling with various issues and uncertainties. Economists and policy makers remain cautious but optimistic about the future for increased growth in 2014, compare to the mixed growth of 2013. While the project should be hopeful, it is important to be conservative as well. Any underwriting that has a large dependence on a full scale economic, employment, and housing expansion, should be discounted to ensure project's success in the decades to come.

Office Market Analysis

The demand for office space is a direct function of employment growth in industrial sectors that utilize office space of various quality or class. In today's market there is a greater diversity of general office product types or classes depending upon the sector using the space. Our development team therefore believes that the best method to forecasts our sites most accurate demand for office space by specific industrial employment growth. We choose the industry's most likely to move to our proposed project site.

Our analysis begins with an estimation of future demand for the selected markets within the Cincinnati market as a whole. We go further to project future employment in the Cincinnati by assuming a local economic growth rate over the projection period as indicated by 2014 Economic Outlook perspective, provided by the Regional Economic Advisory Committee.

	Hyde Park, Norwood, Madison		Blue Ash		Central Business District		Clifton/Midtown		Northern Kentucky Proper		Totals	
	Businesses	Employees	Businesses	Employees	Businesses	Employees	Businesses	Employees	Businesses	Employees	Businesses	Employees
2014 Cincinnati Study Area Net Job Growth	1.4%											
Information Technology	47	393	67	442	66	2,262	147	1,651	22	263	349	5,011
Professional, Scientific & Tech Services	422	1,091	604	4,429	928	8,758	821	10,417	275	1,038	3,050	25,733
Educational Services/Consulting	34	825	57	1,091	18	293	180	12,676	28	1,639	318	16,524
Health Care & Social Assistance	184	1,184	313	2,990	70	499	870	12,589	107	892	1,544	18,155
Arts, Entertainment & Recreation	40	334	53	271	46	1,075	121	1,262	29	226	288	3,168
Total	726	3,828	1,094	9,223	1,128	12,887	2,140	38,595	462	4,058	5,550	68,591
Annual Growth Aggregate	10	53	15	127	16	178	30	533	6	56	77	947
Cincinnati Total Growth by Year	2016		2017		2018		2019		2020		2021	
Information Technology	488	7,016	508	7,296	528	7,588	549	7,892	571	8,207	594	8,536
Professional, Scientific & Tech Services	4,270	36,027	4,441	37,468	4,619	38,966	4,803	40,525	4,995	42,146	5,195	43,832
Educational Services/Consulting	446	23,134	464	24,059	482	25,022	501	26,022	521	27,063	542	28,146
Health Care & Social Assistance	2,162	25,417	2,249	26,433	2,338	27,491	2,432	28,590	2,529	29,734	2,630	30,923
Arts, Entertainment & Recreation	403	4,435	419	4,612	436	4,797	454	4,989	472	5,188	491	5,396
Total	7,769	96,027	8,080	99,869	8,403	103,863	8,740	108,018	9,089	112,339	9,453	116,832
Annual Growth Aggregate			311	3,841	323	3,995	336	4,155	350	4,321	364	4,494

We then applied the growth rate of office demand, to an adequate absorption level for our project site. By estimating each new employee in growth, translates to approximately 110 square feet in new office demand. This level of demand was discounted by several factors before we applied our absorption rate for demand as see below.

	Hyde Park, Norwood, Madison		Blue Ash		Central Business District		Clifton/Midtown		Northern Kentucky Proper		Totals	
	Businesses	Employees	Businesses	Employees	Businesses	Employees	Businesses	Employees	Businesses	Employees	Businesses	Employees
New Office Demand												
Annual Growth Aggregate	10	53	15	127	16	178	30	533	6	56	77	947
Average Employees per Business	5		8		11		18		9		52	
Number of Square feet per empl	110											
New Office Demand (sqft)	5,813		14,008		19,572		58,615		6,163		104,172	
Project Site Absorption by Area												
Absorption Factor	5%		5%		1%		4%		1%			
Office Square Footage Absorption Total	817		2,222		550		6,590		173		10,353	-

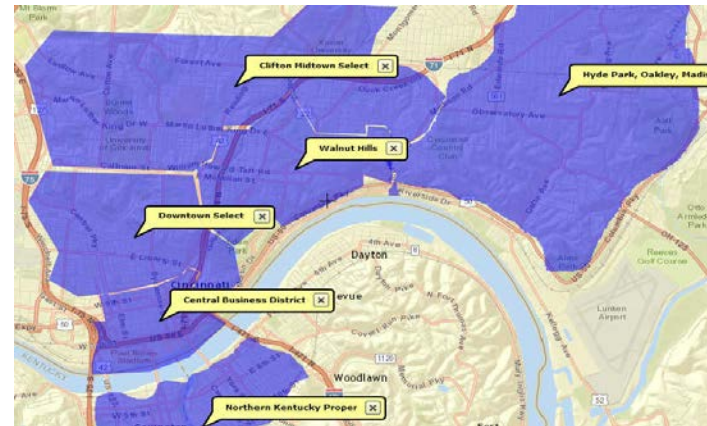
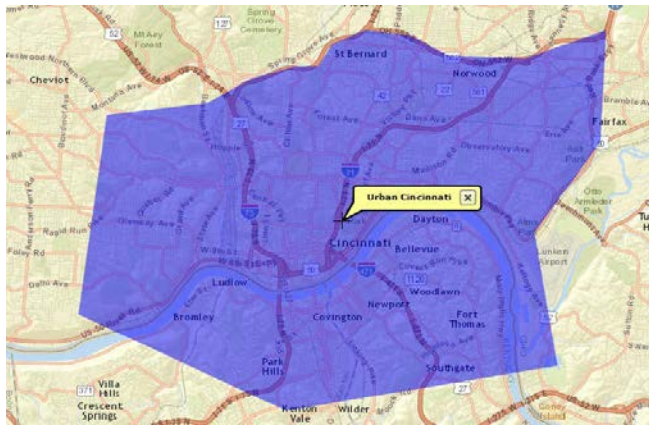
Residential Market Analysis



Year

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Demand Analysis for Cincinnati Urban Study Area													
Population (Low Growth Estimate)	265,832	266,338	266,845	267,352	267,861	268,361	268,872	269,383	269,896	270,409	270,924	271,439	274,430
Percent growth per year		0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%
Growth per year		506	507	508	509	510	511	512	513	514	515	515	516
Population (High Growth Estimate)	265,832	267,719	269,620	271,535	273,462	275,404	277,359	279,329	281,312	283,309	285,321	287,346	289,387
Percent growth per year		0.7%	0.7%	0.7%	0.7%	0.7%	0.7%	0.7%	0.7%	0.7%	0.7%	0.7%	0.7%
Growth per year		1,887	1,901	1,914	1,928	1,942	1,955	1,969	1,983	1,997	2,011	2,026	2,040
Population (Weighted Growth Estimate)	265,832	266,890	267,953	269,020	270,091	271,167	272,246	273,330	274,418	275,511	276,608	277,709	278,815
Percent growth per year		0.4%	0.4%	0.4%	0.4%	0.4%	0.4%	0.4%	0.4%	0.4%	0.4%	0.4%	0.4%
Growth per year		1,058	1,063	1,067	1,071	1,075	1,080	1,084	1,088	1,093	1,097	1,101	1,106
Gain/Loss Factors													
Frictional Vacancy Factor		-3.5%	-3.5%	-3.5%	-3.5%	-3.5%	-3.5%	-3.5%	-3.5%	-3.5%	-3.5%	-3.5%	-3.5%
Aggregate New Construction (by total units)		490	1,200	1,000	800	600	450	400	350	400	400	400	400
Cyclical Demolition/Repurposing		380	380	380	380	250	250	350	400	450	550	600	650
Baseline Demand Aggregate		968	238	449	661	742	902	1,058	1,164	1,167	1,271	1,326	1,380

Housing Stock	Current Housing Analysis by Type				Targeted Market Demand by Type (Owner or Renter Exclusive per type)												
	Total Units	Percent of Total	Owner Occupied	Renter Occupied	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Single Family Detached	60,650	40%	38,111	22,539	113	167	187	228	267	294	295	321	335	349			
Townhouses/Single Family Attached	6,063	4%	4,710	1,353	14	21	23	28	33	36	36	40	41	43			
Duplexes	19,015	13%	8,500	10,515	25	37	42	51	60	66	66	72	75	78			
Infill, 3-9 Unit Buildings	32,516	21%	10,535	21,981	65	96	108	131	154	170	170	185	193	201			
Midrise, 10-49 Unit Buildings	20,711	14%	1,758	18,953	56	83	93	113	133	146	147	160	167	173			
Highrise, 50 plus Unit Buildings	11,914	8%	1,826	10,088	30	44	50	60	71	78	78	85	89	92			
Total	150,869	100%	44,710	55,339	305	448	503	612	718	790	792	862	899	936			



Absorption Study By Area

Demand by Target Baseline

Housing Stock	Total Units	Percent of Total	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	
			Targeted Market Demand by Type										
For-Sale													<i>By beginning with the analysis of the entire growth of the urban core in the previous page, we are able to determined each type of housing product and the subsequent level of future demand.</i>
Single Family Detached	60,650	40%	77	113	127	155	181	199	200	218	227	237	
Townhouses/Single Family Attached	6,063	4%	10	14	16	19	22	25	25	27	28	29	
Duplexes	19,015	13%	17	25	28	34	40	44	45	49	51	53	
Rental													
Market-rate Apartment	65,141	43%	103	152	170	207	243	267	268	292	304	317	
Infill, 3-9 Unit Buildings	32,516	21%	44	65	73	89	105	115	115	126	131	136	
Midrise, 10-49 Unit Buildings	20,711	14%	38	56	63	77	90	99	99	108	113	118	
Highrise, 50 plus Unit Buildings	11,914	8%	20	30	34	41	48	53	53	58	60	63	
Total	216,010	143%	310	456	512	622	730	803	805	877	914	952	

Absorption Factors		2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	
Owner Occupied	Renter Occupied	Targeted Market Demand by Type (Owner or Renter Exclusive per type)										
Single Family Detached	0%	-	-	-	-	-	-	-	-	-	-	<i>To determine our project future absorption, we took the above demand and deducted each other market's absorption, before arriving at our project's estimated absorption. Each market that we subtracted, has specific estimated values of absorption for each housing project.</i>
Townhouses/Single Family Attached	0%	-	-	-	-	-	-	-	-	-	-	
Duplexes	0%	-	-	-	-	-	-	-	-	-	-	
Infill, 3-9 Unit Buildings	10%	4	7	7	9	10	12	12	13	13	14	
Midrise, 10-49 Unit Buildings	25%	10	14	16	19	23	25	25	27	28	29	
Highrise, 50 plus Unit Buildings	45%	9	13	15	18	22	24	24	26	27	28	
Total		23	34	38	47	55	60	60	66	68	71	

Central Business District

		Targeted Market Demand by Type (Owner or Renter Exclusive per type)									
Single Family Detached	40%	31	45	51	62	73	80	80	87	91	95
Townhouses/Single Family Attached	40%	4	6	6	8	9	10	10	11	11	12
Duplexes	60%	10	15	17	21	24	27	27	29	30	32
Infill, 3-9 Unit Buildings	50%	22	33	37	45	52	58	58	63	66	68
Midrise, 10-49 Unit Buildings	35%	13	20	22	27	32	35	35	38	40	41
Highrise, 50 plus Unit Buildings	30%	6	9	10	12	14	16	16	17	18	19
Total		87	127	143	174	204	224	225	245	256	266

Downtown, NK Proper, Clifton Midtown

		Targeted Market Demand by Type (Owner or Renter Exclusive per type)									
Single Family Detached	45%	35	51	57	70	82	90	90	98	102	106
Townhouses/Single Family Attached	25%	2	3	4	5	6	6	6	7	7	7
Duplexes	30%	5	8	9	10	12	13	13	15	15	16
Infill, 3-9 Unit Buildings	20%	9	13	15	18	21	23	23	25	26	27
Midrise, 10-49 Unit Buildings	20%	8	11	13	15	18	20	20	22	23	24
Highrise, 50 plus Unit Buildings	15%	3	4	5	6	7	8	8	9	9	9
Total		62	91	102	124	145	160	160	175	182	190

Hyde Park, Oakley, Madison Region

Walnut Hills (Project Site)

		Targeted Market Demand by Type (Owner or Renter Exclusive per type)									
		2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Single Family Detached	15%	12	17	19	23	27	30	30	33	34	35
Townhouses/Single Family Attached	35%	3	5	6	7	8	9	9	9	10	10
Duplexes	10%	2	3	3	3	4	4	4	5	5	5
Infill, 3-9 Unit Buildings	20%	9	13	15	18	21	23	23	25	26	27
Midrise, 10-49 Unit Buildings	20%	8	11	13	15	18	20	20	22	23	24
Highrise, 50 plus Unit Buildings	10%	2	3	3	4	5	5	5	6	6	6
Total		35	52	58	71	83	91	91	100	104	108

As you can see, our site will have a decent absorption in the initial years after development, followed by an increase in the growth rate of the urban core and the attractive qualities of the neighborhood, once the area starts to improve.

Design Concept

- One of the considerations in our design was to respect the current form based code and zoning designation of T4-SF-O understanding that this designation was made very recently and very intentionally as this section of zoning is clearly designed to separate zones of T5 to the East and West on McMillan. Hence, we stayed within the setback restriction and the 2.5 story height restriction designated by T4-SF zoning. The nature of the design is contemporary but with details and materiality to link to the existing urban fabric of Walnut Hills, much of which is Victorian Era, brick built buildings. However, many different styles from many different eras exist in Walnut Hills and not one style or era can be said to be completely representative of Walnut Hills.
- The focal point of the development is the flex space on the south side of McMillan. It is designed to be flexible as both live work, residential, office, commercial and possibly retail should the need arise in the future. The live-work spaces are designed so that living and working can take place in the same space but there is separation by a floor that is pulled back from the wall allowing the connection between the work space on the ground floor and the living space on the second floor. Full glazing is provided on the front to allow for flexible use, create visibility for creative industries that are perceived to inhabit this space and provide eyes on the street which will improve security for the area. Units on the south side are given a more traditional box layout but because of the staggered and separated entrances, the spaces become more flexible where some section that might become commercial and office while others stay residential. A green roof will be provided over the entrance vestibules to address a real problem in Cincinnati with storm water runoff and serve as a banner for sustainable development.
- Parking is provided in the section south of main block which, in phase 3, can become more residential units, likely based on the townhouse design that will be built in phase 2 on Stanton, or, left has parking for the development and if required, turned into structured parking. At present, the team does not feel that market conditions provide adequate returns if that property was to be developed and that it would be more beneficial to determine its best use at a later time. The building on the corner of McMillan and Stanton will become a community gym with flex space on the second floor. The space was designed with a setback balcony. The setback balcony provides for a range of flexible uses such as for a residence, the setback provides privacy. If the space were to become a restaurant or a bar, the balcony space could become an outdoor space to eat, drink and observe the life on the street below. The gym is intended to engage the local community with the project and provide a need that many felt was left unaddressed when a gym was closed on that same location several years ago.
- The café building was designed to activate the park in front which was designed as a community pocket park. The community park at this location is a wish expressed by the local community to provide a place to display the Green Man Head statue. However, it was felt the space was too large to leave completely as a park and a café would provide a sense of ownership which would help with the tidiness of the park and also provide a presence to deter crime and loitering. It is the one part of the project site that falls into T5 zoning.
- The residential units were designed to provide medium density townhouse. The design aims for these townhouses will be sustainable development that will attract young families to the neighborhood.
- Eyes on the street are an important element providing a sense of safety and security to neighborhood and this design aim was carried through in blocks of the development from the main building on McMillan to the residences on Stanton.



Development Planning
Phase 1

Site & Building Square footage	
Site total	19,808
Building type	
Market-rate apartments	24,500
Live/Work studio rentals	5,000
Commercial Office	7,500
Building total	37,000

Project Costs				
	Market-rate Apartments	Live/Work Studio Rentals	Commercial Office	Total
Pre-construction				
Land acquisition				-
Demolition costs				-
Site work				495,200
Utilities				99,040
Subtotal				594,240
Construction				
<i>Soft costs per square foot</i>	8	8	8	
Soft costs total	196,000	40,000	60,000	296,000
<i>Hard costs per square foot</i>	75	71	99	
Hard costs total	1,829,660	353,750	740,250	2,923,660
Subtotal	2,025,660	393,750	800,250	3,219,660
Construction period interest				63,051
Total Development Cost				3,876,951

Construction Financing	
Total project cost	3,876,951
Loan to cost	80%
Construction loan amount	3,101,561
Required at closing	
Developer equity (less land value)	644,070
<i>Closing costs as percent of loan</i>	0.50%
Closing costs amount	15,508
Total required at closing	659,578
Financing specifications	
Type: Interest only	
Term: 2 years	
Options: 2 years extension	
Collateral: Project real estate holdings	
Interest rate	3.35%
Construction loan payable	3,101,561

Stabilized Proforma and Valuation				
Income				
Net rentable square footage	20,825	4,750	7,500	33,075
<i>residential units</i>	28	4	-	32
Monthly rent per square foot	1.01	1.03	1.58	
Gross potential rent	252,399	58,710	142,200	453,309
Loss to lease	3%	2%	8%	
Vacancy loss	7,572	1,174	11,376	
Other revenue	11,107	1,600	375	13,082
Income total	255,934	59,136	131,199	446,268
Expenses				
Expenses as percent of income	38%	25%	-	
Expenses per square foot	-	-	7	
Expenses total	95,912	14,678	49,500	160,089
Net Operating Income	160,022	44,458	81,699	286,179
Capitalization rate	6.5%	6.5%	7.0%	
Valuation	2,461,878	683,974	1,167,129	4,312,981

Permanent Debt	
Total project value	4,312,981
Loan to value	75%
Permanent loan amount	3,234,735
<i>less construction loan</i>	133,175
Developer's equity	1,078,245
Debt Service Breakdown	
Interest rate	4.05%
Term	10
Amortization	30
Interest	93,300
Principle	84,818
Total debt service	178,118
<i>Debt Coverage Ratio</i>	1.61
Annual cash flow	108,061
Returns	
Return on equity	10%
Return on Investment (cash on cash)	16%
Economic return (interest only cash flow)	29%



Development Planning
Phase 1

Site & Building Square footage	
Site total	18,000
Parking Lot	18,000

Building total -

Project Costs			
	742 Wayne Street	752 Wayne Street	Parking Lot Total
Pre-construction			
Land acquisition	125,000	8,242	133,242
Demolition costs	22,500	-	22,500
Site work			90,000
Utilities			90,000
Subtotal			335,742
Construction			
Soft costs per square foot			1
Soft costs total	-	-	9,000
Hard costs per square foot			5
Hard costs total	-	-	98,182
Subtotal	-	-	107,182
Construction period interest			6,936
Total Development Cost			449,860

Construction Financing	
Total project cost	449,860
Loan to cost	80%
Construction loan amount	359,888
Required at closing	
Developer equity (less residual land value)	58,992
Closing costs as percent of loan	0.75%
Closing costs amount	2,699
Total required at closing	61,691
Financing specifications	
Type: Interest only	
Term: 2 years	
Options: 2 years extension	
Collateral: Project real estate holdings	
Interest rate	3.19%
Construction loan payable	359,888

Stabilized Proforma and Valuation			
Income			1,489.58
Net rentable square footage			18,000
<i>parking spaces</i>			65.45
Monthly revenue per space (pass and pay-n-display)			53
Gross potential rent			41,236
Loss to lease			5%
Vacancy loss			2,061.82
Other revenue			-
Income total			39,175
Expenses			
Expenses as percent of income			15%
Expenses per square foot			
Expenses total			5,876.18
Net Operating Income			33,298
Capitalization rate			7%
Valuation			512,283

Permanent Debt	
Total project value	512,283
Loan to value	75%
Permanent loan amount	384,212
<i>less construction loan</i>	24,324
Developer's equity	128,071
Debt Service Breakdown	
Interest rate	4.05%
Term	10
Amortization	30
Interest	15,260
Principle	6,810
Total debt service	22,070
<i>Debt Coverage Ratio</i>	1.51
Annual cash flow	11,228
Returns	
Return on equity	9%
Return on Investment (cash on cash)	18%
Economic return (interest only cash flow)	29%



Development Planning
Phase 1

Site & Building Square footage	
Site total	10,918
Community Park	5,418
Building type	
Live/Work studio rentals	5,500
Retail Space	5,500
Building total	16,418

Project Costs				
	Community Park	Live/Work Studio Rentals	Retail Space	Total
Pre-construction				
Land acquisition				-
Demolition costs				-
Site work				272,950
Utilities				54,590
Subtotal				327,540
Construction				
<i>Soft costs per square foot</i>	2	10	10	
Soft costs total	10,294	55,000	55,000	120,294
<i>Hard costs per square foot</i>	11	72	98	
Hard costs total	59,598	393,305	539,550	992,453
Subtotal	69,892	448,305	594,550	1,112,747
Construction period interest				23,024
Total Development Cost				1,463,311

Construction Financing	
Total project cost	1,463,311
Loan to cost	80%
Construction loan amount	1,170,649
Required at closing	
Developer equity (less land value)	248,742
<i>Closing costs as percent of loan</i>	0.75%
Closing costs amount	8,780
Total required at closing	257,522
Financing specifications	
Type: Interest only	
Term: 2 years	
Options: 2 years extension	
Collateral: Project real estate holdings	
Interest rate	3.3%
Construction loan payable	1,170,649

Stabilized Proforma and Valuation				
Income				
Net rentable square footage	5,225	5,500	10,725	
<i>live/work units or parking spaces included</i>	4	12		
Monthly rent per square foot	1.03	1.51		
Gross potential rent	64,581	99,660	164,241	
Loss to lease	2%	7%		
Vacancy loss	1,292	6,976		
Other revenue	1,600	6,050	7,650	
Income total	64,889	98,734	163,623	
Expenses				
Expenses as percent of income	20%			
Expenses per square foot		6		
Expenses total	12,977.88	34,375	47,353	
Net Operating Income	51,912	64,359	116,270	
Capitalization rate	6.5%	7.0%		
Valuation	798,639	919,411	1,718,050	

Permanent Debt	
Total project value	1,718,050
Loan to value	75%
Permanent loan amount	1,288,537
<i>less construction loan</i>	<i>117,889</i>
Developer's equity	429,512
Debt Service Breakdown	
Interest rate	4.05%
Term	10
Amortization	30
Interest	41,156
Principle	32,861
Total debt service	74,017
<i>Debt Coverage Ratio</i>	<i>1.57</i>
Annual cash flow	42,254
Returns	
Return on equity	10%
Return on Investment (cash on cash)	16%
Economic return (interest only cash flow)	29%



Development Planning
Phase 2

Site & Building Square footage	
Site total	11,030
Parking Lot Onsite	4,000
Building type	
Community Fitness Center	7,030
Commercial Office	7,030
Building total	18,060

Project Costs				
	Parking Lot Onsite	Community Fitness Center	Commercial Office	Total
Pre-construction				
Land acquisition				-
Demolition costs				-
Site work				275,750
Utilities				55,150
Subtotal				330,900
Construction				
<i>Soft costs per square foot</i>	1	6	6	
Soft costs total	2,000	38,665	38,665	79,330
<i>Hard costs per square foot</i>	4	97	97	
Hard costs total	15,000	681,910	681,910	1,378,820
Subtotal	17,000	720,575	720,575	1,458,150
Construction period interest				28,599
Total Development Cost				1,817,649

Construction Financing	
Total project cost	1,817,649
Loan to cost	80%
Construction loan amount	1,454,119
Required at closing	
Developer equity (less land value)	327,580
<i>Closing costs as percent of loan</i>	0.75%
Closing costs amount	10,906
Total required at closing	338,486
Financing specifications	
Type: Interest only	
Term: 2 years	
Options: 2 years extension	
Collateral: Project real estate holdings	
Interest rate	3.25%
Construction loan payable	1,454,119

Stabilized Proforma and Valuation				
Income				
Net rentable square footage	3,400	7,030	7,030	17,460
<i>parking spaces</i>	17			17
Monthly rent per square foot		1.30	1.42	
Gross potential rent	-	109,668	119,791	229,459
Loss to lease		2%	8%	
Vacancy loss	-	2,193	9,583	
Other revenue	5,950	-	352	6,302
Income total	5,950	107,475	110,559	223,984
Expenses				
Expenses as percent of income				-
Expenses per square foot	-	6	6	
Expenses total	-	43,938	43,938	87,875
Net Operating Income	5,950	63,537	66,622	136,109
Capitalization rate	7%	7%	7%	
Valuation	91,538	977,494	1,024,952	2,093,985

Permanent Debt	
Total project value	2,093,985
Loan to value	75%
Permanent loan amount	1,570,489
<i>less construction loan</i>	116,370
Developer's equity	523,496
Debt Service Breakdown	
Interest rate	4.05%
Term	10
Amortization	30
Interest	62,378
Principle	27,835
Total debt service	90,213
<i>Debt Coverage Ratio</i>	1.51
Annual cash flow	45,896
Returns	
Return on equity	9%
Return on Investment (cash on cash)	14%
Economic return (interest only cash flow)	22%



Development Planning
Phase 2

Site & Building Square footage
Site total 8,400

Building type
Townhomes for Sale 6,000
Building total 6,000

Project Costs

Construction Financing

			2509 Stanton Avenue	Townhomes For Sale
Pre-construction				
Land acquisition			2,650	2,650
Demolition costs				-
Site work				210,000
Utilities				42,000
Subtotal				252,000
Construction				
Soft costs per square foot				5
Soft costs total				30,000
Hard costs per square foot				98
Hard costs total				590,700
Subtotal				620,700
				19,445
Total Development Cost				892,145

Total project cost	892,145
Loan to cost	80%
Construction loan amount	713,716
Required at closing	
Developer equity (less residual land value)	156,519
Closing costs as percent of loan	0.75%
Closing costs amount	5,353
Total required at closing	161,872
Financing specifications	
Type: Interest only	
Term: 2 years	
Options: 2 years extension	
Collateral: Project real estate holdings	
Interest rate	4.35%
Construction loan payable	713,716

Sales Proforma and Builder Profit

Returns

Sales Proforma				
Total square feet for sale				6,000
single family units				4
Price per square foot				\$168
Sale price				1,008,000
Cost of sales				40,320
Net from sales				967,680
Cost of goods sold				878,000
Builders profit				89,680

Returns	
Return on cost	10%
Return on Investment (Cash on Cash)	57%
Value Creation Ratio (Cost/Market Value)	89%



Development Planning
Phase 3

Site & Building Square footage
Site total 18,000

Building type

Townhomes for Sale	12,800
Building total	12,800

Project Costs

Construction Financing

				Townhomes For Sale
Pre-construction				
Land acquisition				-
Demolition costs				-
Site work				210,000
Utilities				42,000
Subtotal				252,000
Construction				
<i>Soft costs per square foot</i>				7
Soft costs total				89,600
<i>Hard costs per square foot</i>				104
Hard costs total				1,325,312
Subtotal				1,414,912
				54,470
Total Development Cost				1,721,382

Total project cost	1,721,382
Loan to cost	80%
Construction loan amount	1,377,106
Required at closing	
Developer equity (less residual land value)	322,366
<i>Closing costs as percent of loan</i>	0.75%
Closing costs amount	10,328
Total required at closing	332,695
Financing specifications	
Type: Interest only	
Term: 3 years	
Options: 2 years extension	
Collateral: Project real estate holdings	
Interest rate	4.35%
Construction loan payable	1,377,106

Sales Proforma and Builder Profit

Returns

Sales Proforma				
Total square feet for sale				12,800
<i>single family units</i>				9
Price per square foot				\$170
Sale price				2,176,000
Cost of sales				97,920
Net from sales				2,078,080
Cost of goods sold				1,743,292
Builders profit				334,788

Returns	
Return on cost	19%
Return on Investment (Cash on Cash)	104%
Value Creation Ratio (Cost/Market Value)	79%



Year	Phase I			Phase II				Phase III				Total
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	
Development Costs												
Pre-construction Costs (and private parking)	335,742	327,540		347,900		252,000			252,000			1,515,182
Commercial Office	800,250			720,575								1,520,825
Market-rate Apartments	2,025,660											2,025,660
Live/Work Studio Rentals	393,750	448,305										842,055
Parking Lot	107,182											107,182
Retail Space		594,550										594,550
Townhouses for Sale						620,700			1,414,912			2,035,612
Community Park		69,892										69,892
Community Fitness Center				720,575								720,575
Construction period interest	63,051	23,024		28,599		19,445			54,470			188,589
Total Development Costs	3,725,635	1,463,311	-	1,817,649	-	892,145	-	-	1,721,382	-	-	9,620,122
<i>Prior owned - land values</i>	162,300	43,920		35,950		21,910			164,222			428,302
Capital Outlay for Development	528,258	257,522		338,486		161,872			180,054			1,466,192
Construction Loan Amount	3,101,561	1,170,649		1,454,119		713,716			1,377,106			7,817,150
Delivered Building Square Footage by Types												
Commercial Office		7,500		7,030								14,530
Market-rate Apartments		24,500										24,500
Live/Work Studio Rentals		10,500										10,500
Parking Lot		18,000		4,000								22,000
Retail Space		5,500										5,500
Townhouses for Sale						6,000			12,800			18,800
Community Park		5,418										5,418
Community Fitness Center				7,030								7,030
Net Operating Income												
Commercial Office	40,850		82,516	149,138	151,375	153,646	156,181	158,758	161,615	164,524	167,815	1,386,417
Market-rate Apartments	160,022		161,622	163,239	165,687	168,172	170,947	173,768	176,896	180,080	183,681	1,704,114
Live/Work Studio Rentals	96,370		97,334	98,307	99,781	101,278	102,949	104,648	106,532	108,449	110,618	1,026,266
Parking Lot	33,298		33,631	33,968	34,477	34,994	35,572	36,159	36,810	37,472	38,222	354,602
Retail Space	64,359		65,002	65,652	66,637	67,637	68,753	69,887	71,145	72,426	73,874	685,373
Community Fitness Center			-	63,537	64,490	65,458	66,538	67,635	68,853	70,092	71,494	538,097
Total Net Operating Income		394,899	440,106	573,840	582,448	591,185	600,939	610,855	621,850	633,044	645,704	5,694,870
<i>Net operating income rate of increase</i>		1.0%	1.0%	1.0%	1.5%	1.5%	1.7%	1.7%	1.8%	1.8%	2.0%	
Townhouses for Sale Profit		-				44,840	44,840		111,596	111,596	111,596	424,468
Permanent Debt Financing												
Stabilized Property Value			Loan 1	Loan 2								
Permanent Loan Amount			6,543,313	2,093,985								
<i>Less construction loan payable</i>			4,907,485	1,570,489								
Remaining Developer Equity			275,388	116,370								
Annual Debt Service												
Interest			194,920	250,318	241,013	231,595	222,075	212,465	202,777	193,025	183,225	1,931,415
Principle			86,978	116,796	119,392	121,952	124,467	126,927	129,324	131,647	133,885	1,091,368
Debt Service Subtotal			281,898	367,114	360,405	353,547	346,542	339,392	332,101	324,672	317,110	3,022,782
<i>DSCR</i>			1.56	1.56	1.62	1.67	1.73	1.80	1.87	1.95	2.04	
Cash Flow												
Operations		394,899	158,208	206,726	222,043	237,638	254,397	271,463	289,749	308,371	328,594	2,672,087
Financing		-	275,388	116,370	-	-	-	-	-	-	-	\$391,757.84
Sales		-	-	-	-	44,840	44,840	-	111,596	111,596	111,596	424,468
Total Cash Flow		394,899	433,596	323,096	222,043	282,478	299,237	271,463	401,345	419,967	440,190	3,488,313
Projected Values												
Loan Balances		5,894,008	6,568,739	8,564,783	8,693,255	8,823,654	8,969,244	9,117,236	9,281,347	9,448,411	9,637,379	
			4,907,485	6,390,996	6,274,200	6,154,808	6,032,857	5,908,390	5,781,463	5,652,138	5,520,491	
Project Metrics												
Return on cost			16%				11%				26%	36%
Economic return (interest only cash flow)		8%	21%	9%	4%	6%	6%	5%	8%	8%	7%	
Return on equity		7%	26%	15%	9%	11%	10%	8%	11%	11%	11%	85%