

BUDGET ASSUMPTIONS

Total Project Costs		3,074,756	2,699,756
Amount		Per GSF	Per NSF
Acquisition Costs	\$56	\$59.3	\$57.3
Land Cost & Closing Costs (1)	\$194,771,676	1.5	1.8
Construction Loan Closing Costs (2)	4,743,485	\$51.9	\$59.1
Total Acquisition Costs	\$199,515,141		
Hard Costs	\$845,778,600	\$273.1	\$313.3
Building & finishes (3)	25,373,358	8.3	9.4
Contingency (4)	\$871,151,958	\$283.3	\$322.7
Total Hard Costs			
Soft Costs	\$1,500,000	\$0.5	\$0.6
Pre Development	25,373,358	8.3	9.4
Architectural & Engineering (5)	8,457,786	2.8	3.1
Misc. Consultants (7)	2,968,889	0.8	0.9
Permits & Inspectors (8)	5,000,000	1.6	1.9
Legal & Accounting	5,000,000	1.6	1.9
Insurance	\$47,899,833	\$15.5	\$17.7
Total Soft Costs			
Financing Costs	1,500,000	\$5.0	\$5.7
Financing Fees (9)	25,620,140	8.3	9.5
Mortgage Recording (10)	40,981,688	\$13.3	\$15.2
Total Financing Costs			
Carrying Costs	\$0	\$0.0	\$0.0
RE Tax & Carry (11)	135,407,087	44.0	50.2
Interest Expense (12)	\$135,407,087	\$44.0	\$50.2
Total Carrying Costs			
Other costs	\$0	\$0.0	\$0.0
421A Certificates	25,373,358	8.3	9.4
Development Fee (13)	\$25,373,358	\$8.3	\$9.4
Total Other Costs			
Total Project Cost	\$1,280,129,066	\$416.3	\$474.2

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(1) Purchase price for the land is assumed to be \$150 million (\$56 PSF)

(2) Closing Costs are estimated as follows:

Category	Amount	In L&A line
Appraisal	\$20,000	
Environmental	\$15,000	
Legal		
Acquisition / Loan - Borrower		In Financing Fees
Loan - Lender	\$4,698,485	
Title (0.45% of loan amount)	\$100,000	
Misc	\$4,743,485	

(3) Hard Cost assumptions are as follows:

Category	Gross Sq. Ft.	Cost Df	Total Cost
Total Residential	2,500,000	\$300	\$750,000,000
Retail	116,000	\$300	\$34,800,000
Parking	383,241	\$109	\$39,324,100
Community Facility/School	75,515	\$300	22,654,500
Total	3,074,756	\$275	\$845,778,600

- (4) A 3% hard cost contingency is assumed
- (5) Architectural and engineering expenses are estimated to be 3% of hard costs
- (7) Includes specialty consultants (surveyor, soil engineers, landscape, elevator, fighting, interior design, controlled inspectors, etc.) and is estimated at 1% of hard costs
- (8) Permits & Inspectors:
- | | |
|---|-------------|
| Building Permit (\$0.25 pgsf) | \$768,889 |
| Zoning Consultant | \$250,000 |
| Misc Permits | \$150,000 |
| Expeditor | \$200,000 |
| Provision for RFP related Reviews/Approvals | \$1,000,000 |
| Total | \$2,368,889 |
- (9) Financing fees are calculated as a percentage of total debt and include a 1% loan commitment fee and 0.5% in lender legal expenses.
- (10) Mortgage recording taxes are typically 2.8% of total debt
- (11) No operating and real estate charges are assumed.
- (12) Currently a traditional construction loan is assumed at 6.5%. Interest expense is calculated through stabilization (end of Year 7).
- (13) A development fee of 3% of hard costs is assumed