

Architect & Developer: Self-Initiating Your Work

FR101

Friday, 22 June 2018, 7:00am – 8:00am

1.00 LU

This presentation is protected by U.S. and international copyright laws.

Reproduction, distribution, display and use of the presentation without written permission of the speaker is prohibited.

This program is registered with the AIA/CES for continuing professional education. As such, it does not include content that may be deemed or construed to constitute approval, sponsorship or endorsement by AIA of any method, product, service, enterprise or organization.

The statements expressed by speakers, panelists, and other participants reflect their own views and do not necessarily reflect the views or positions of The American Institute of Architects, or of AIA components, or those of their respective officers, directors, members, employees, or other organizations, groups or individuals associated with them.

Questions related to specific products and services may be addressed at the conclusion of this presentation.

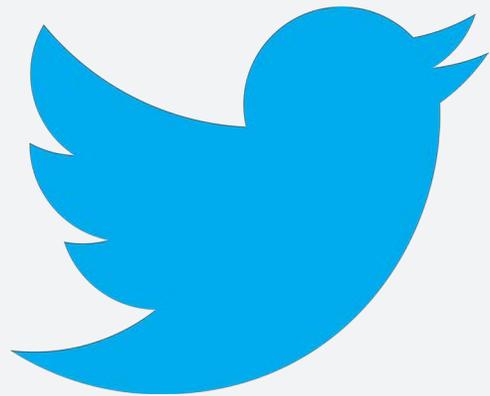
Speakers List

- Alex Barrett
- Jared Della Valle
- Peter Guthrie
- James Petty

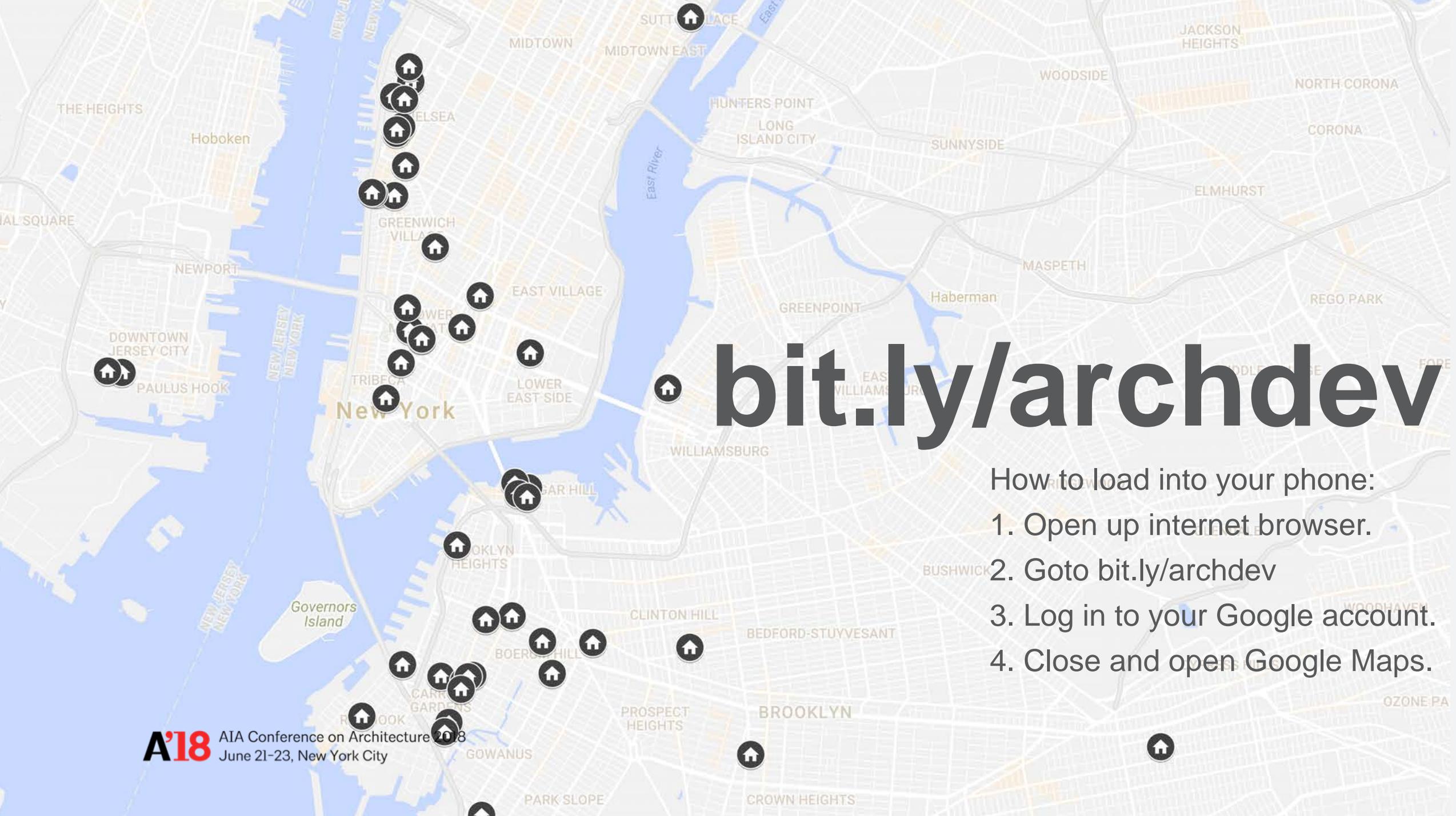
Course / Learning Objectives

- *Gain insight into strategies of obtaining project financing, from construction loans and investors to crowdsourcing and government subsidies.*
- Learn to use design to create value and align the interest of architect and developer for better buildings and better cities.
- Explore the efficiency that comes from designing and executing a building when acting as both architect and developer, which means less time lost to coordination and endless presentations.
- Reflect on the work of architects who have self-initiated projects in New York City and around the country—and possibly even your own community.

**send us your questions:
james@architectanddeveloper.com**



@arch_developer



bit.ly/archdev

How to load into your phone:

1. Open up internet browser.
2. Goto bit.ly/archdev
3. Log in to your Google account.
4. Close and open Google Maps.

Alex Barrett

Barrett Design

Hello

We are a multidisciplinary real estate development firm. Founded in 2005, we create distinctive, high quality residential condominiums.



We are designers

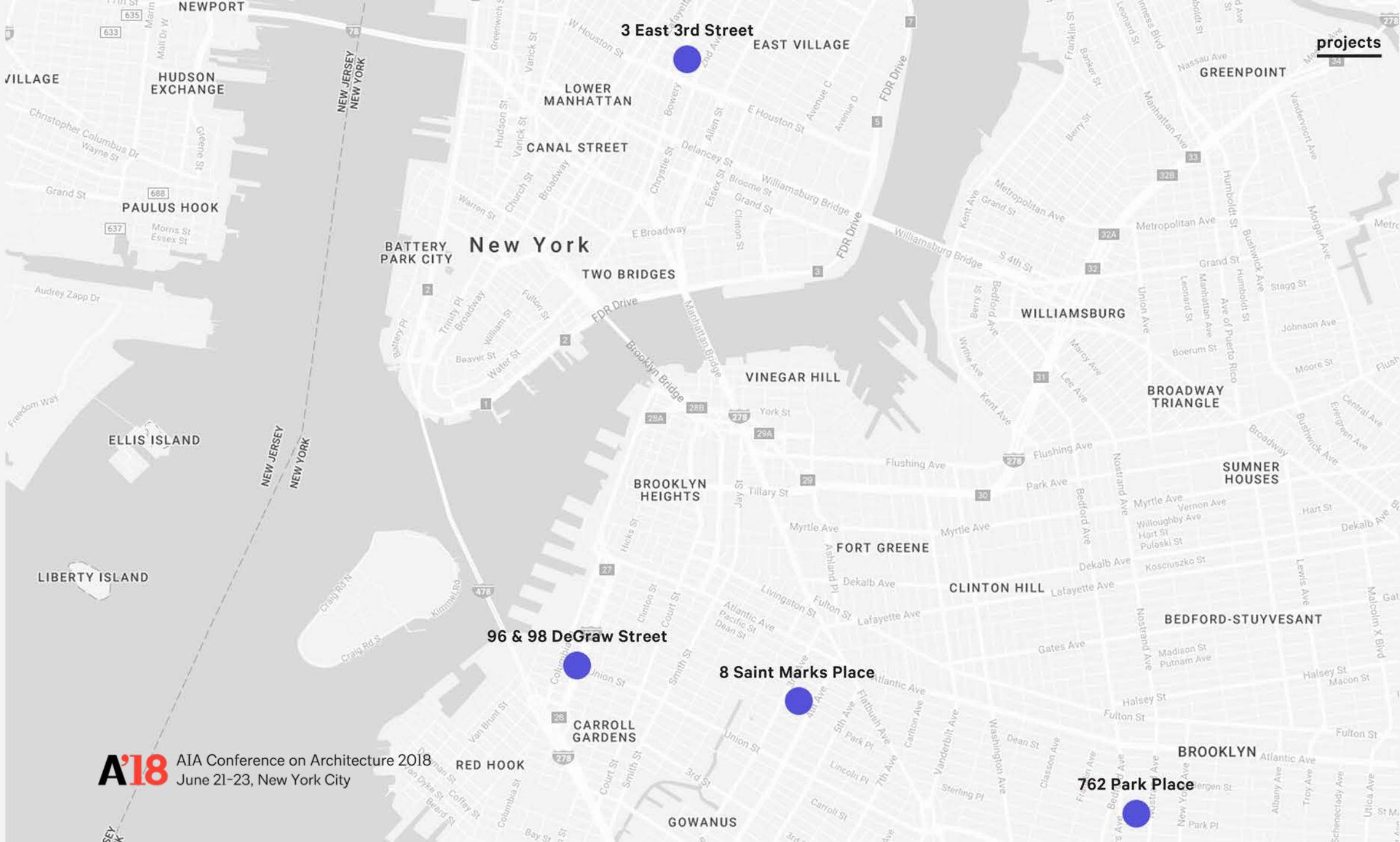


< **We love great buildings** >

< We enjoy what we do >

< We love Brooklyn >

< ..and Manhattan too. >



projects

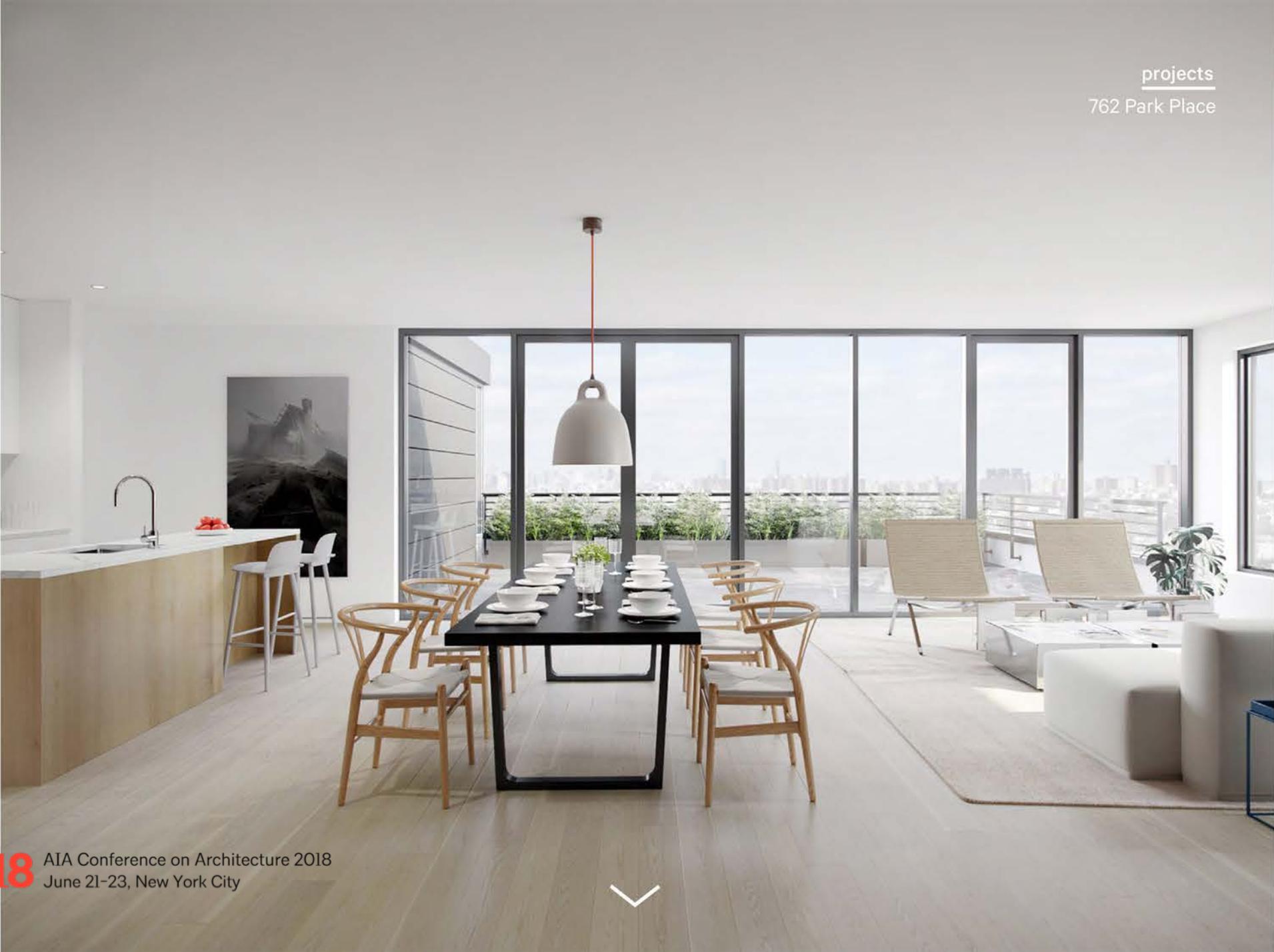
A'18 AIA Conference on Architecture 2018
June 21-23, New York City

RED HOOK

GOWANUS

projects
762 Park Place





projects

8 Saint Marks Place



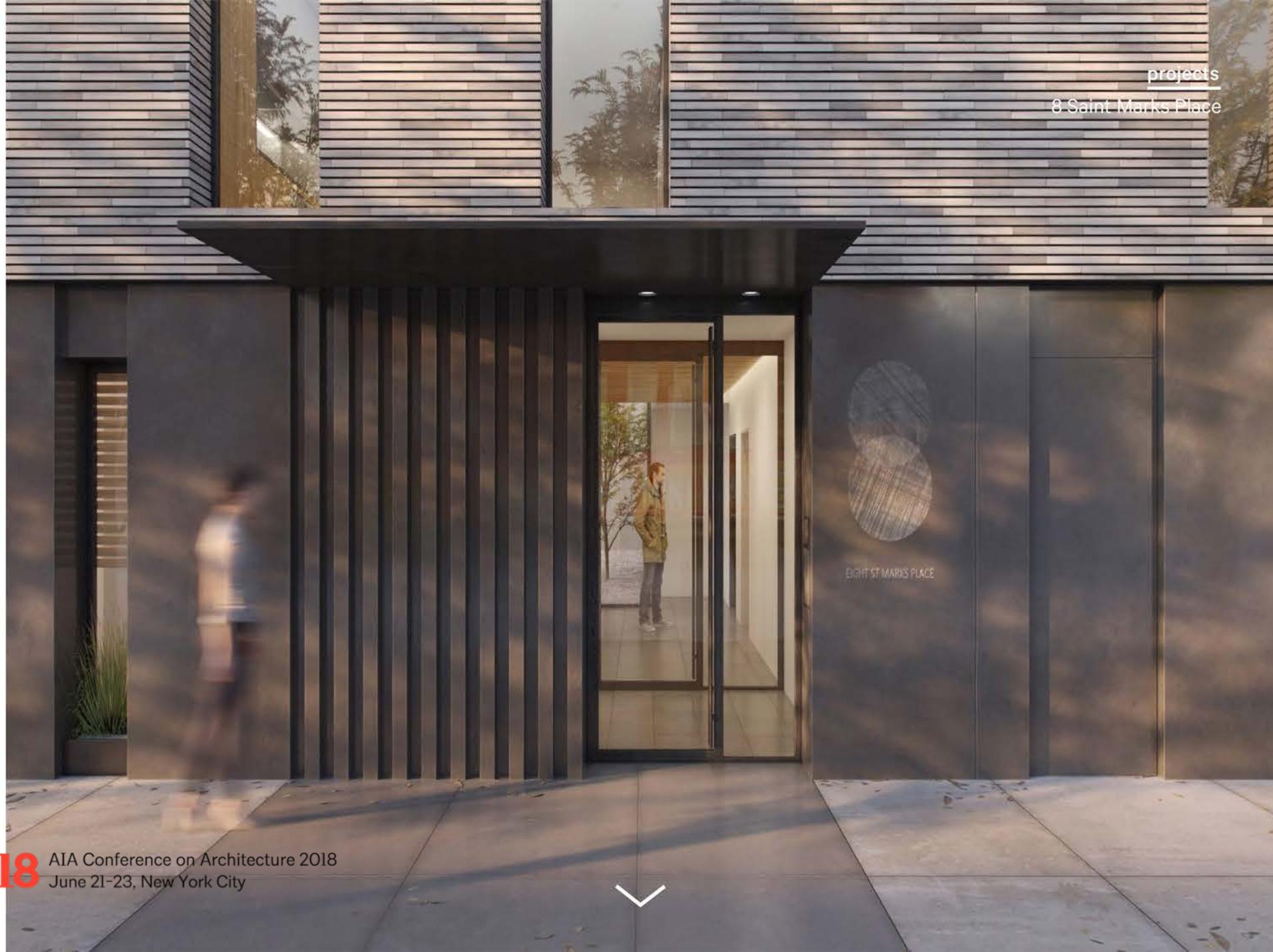
projects

8 Saint Marks Place



projects

8 Saint Marks Place



A'18 AIA Conference on Architecture 2018
June 21-23, New York City



projects

96 & 98 Degraw Street



A'18

projects

96 & 98 Degraw Street





projects

3 East 3rd Street

A'18 AIA Conference on Architecture 2018
June 21-23, New York City



projects
3 East 3rd Street

A'18 AIA Conference on Architecture 2018
September 23, New York City





Barrett Design

Thank you

A'18 AIA Conference on Architecture 2018
June 21-23, New York City

Jared Della Valle

Alloy

Alloy

Alloy is a real estate development company working in New York City. Our belief in making great architecture guides our practice. We believe we have a responsibility to make the experience and quality of our work meaningful.

better
development.

Alloy

Development
Design
Advisory
Construction
Management
Community Development
Whatever it Takes.....

Dilemma / Opportunity



PROJECT
CONCEPTION

AQUISITION

PRE
DEVELOPMENT

CONSTRUCTION

STABILIZATION

MANAGEMENT

Over the last 12 ..
years, we have only
acquired 11 projects.



Only 1 of them is active



80-110 Flatbush

The screenshot shows the Alloy website interface. At the top, there's a navigation bar with the Alloy logo, a search bar, and various utility icons like Map, Table, Admin, and Log Out. Below the navigation bar, there's a filter section for properties, including options for 'Last Edited', 'Notes', 'Date Range' (set to Feb 19, 2003 to Oct 30, 2015), and 'Status' (Active, Inactive, Acquired, Completed). The main content area features a map of Flatbush Avenue with several property markers. A sidebar on the left provides details for a selected property at 80 Flatbush Avenue, including its status (Acquired), address, block number (174), total FAR (3.20), and total area (32015.00). Below this, there are tabs for 'Lot 13', 'Lot 24', 'Lot 18', and 'Add Lot'. A large text overlay reads: "Unlike architects we buy properties we don't look for clients..". On the right side of the map, there's a 'Log' panel with a text input field and a 'Submit' button, and a list of activity logs with dates and descriptions.

Alloy

Address Search

Filter Properties: Last Edited Notes Date Range: Feb 19, 2003 Oct 30, 2015 Status: Active Inactive Acquired Completed

80 & 110 FLATBUSH AVENUE

Status: **Acquired**
Address: **80 FLATBUSH AVENUE**
Block: **174**
Total FAR: **3.20**
Total Area: **32015.00**

Lot 13 Lot 24 **Lot 18** Add Lot

Owner Name: KIMADU
All Zoning Components: 1
All Zoning Components: 2
Lot Area: 12240
Maximum Allowable Commercial: 6
FAR: 3.20
Maximum Allowable Residential FAR: 6.02
Total Building Footprint: 35240

LINKS
Zoning Map 9-16c
Historical Zoning Maps: 16c
NYC Dept. of Buildings
Property transaction records
NYC Dept. of Finance Assessment Roll
NYC HPD data
NYC Planning's ZoLa application
NYC Digital Tax Map
NYC zoning guide
NYC Watershed Resources

SHOW MORE

Price Files Links

Bid

Type price here

Type a note here

Submit

AJ - 2/12/2015
LL Counsel sent draft lease to LL

AJ - 2/2/2015
Agreed to terms; Sent Alloy folio

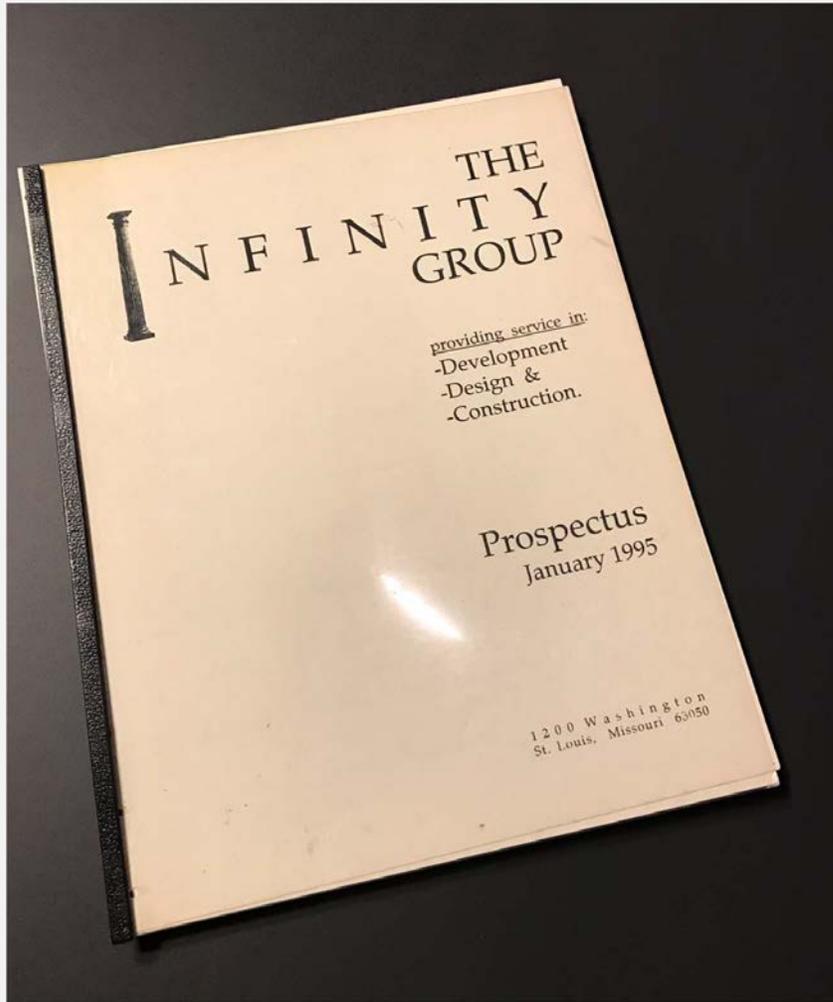
AJ - 1/23/2015
Revised Offer
Upfront Payment: \$1.35M
Initial Rent: \$1.35M paid quarterly for 6 years
Stabilized Rent: \$2.6M
Increases: 1.9% annually is acceptable but resets at years 25 and 50.

AJ - 1/23/2015
Landlord raised Completion Guarantee
Security Deposit

AJ - 1/21/2015
Counter from landlord
Upfront Payment: \$1.35M
Initial Rent: \$1.5M paid quarterly for 5 years
Stabilized Rent: \$2.9M
Increases: 1.9% annually is acceptable but resets at years 25 and 50.

AJ - 1/19/2015
Alloy offer \$1MM upfront, \$1MM per year for years 1-6, \$2.5MM per year stabilized

AJ - 1/12/2015
Met at Massey's office.

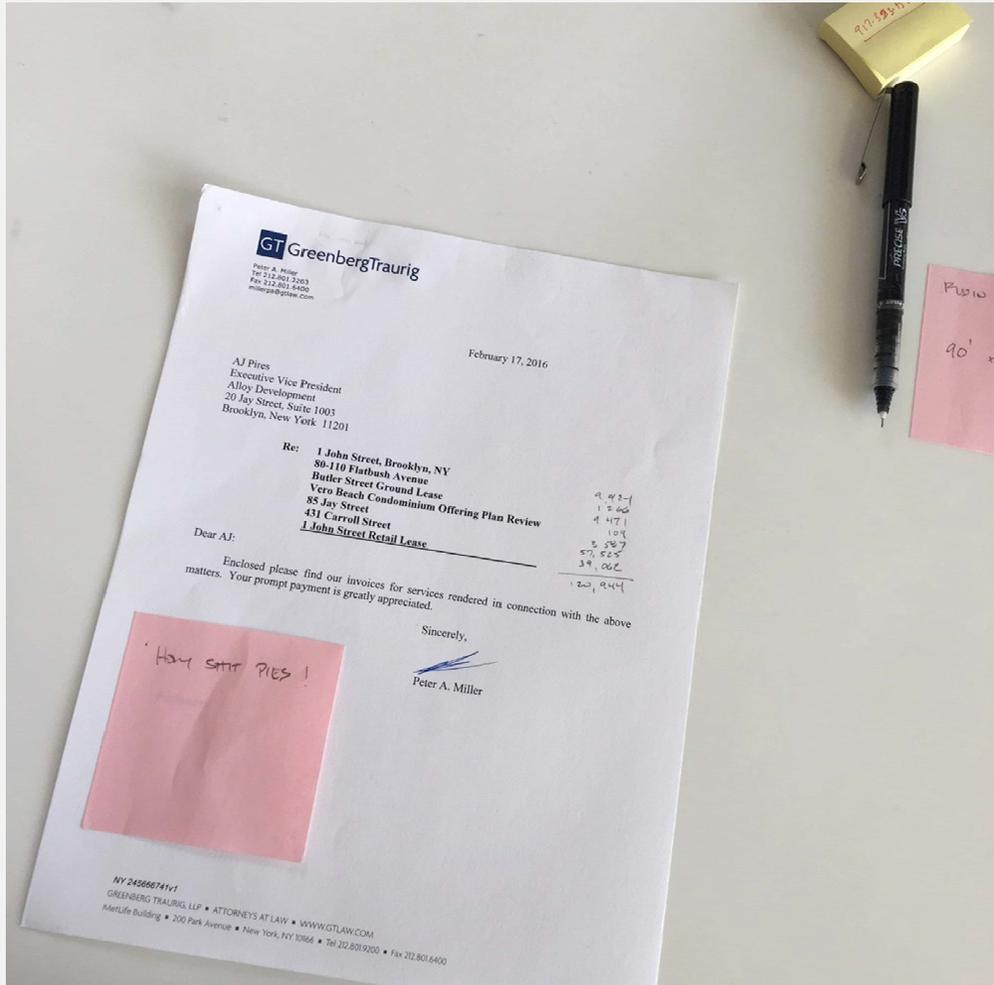


Development History

- 1995: Graduate School Thesis (Infinity Group)
- 1996: Clark Construction
- 1996: Formation of Della Valle Bernheimer Design
- 1998: Begin to Pursue Development
- 2002: HPD New Foundations / Site 3 Development
- 2005: 245 Tenth Avenue
- 2006: 459 West 18th Street (AJ joins DB / Start of Alloy)
- 2011: DB Dissolution
- 2016: Alloy Turns 10!
- 2018: 80 Flatbush

Metrics in Process and Completed

- Partners since 2006
- 12 Projects
- 94.3M of Equity Invested
- 434.1M of Equity Managed
- 659.4M of Debt Borrowed
- \$1,131.8M in development capitalized
- \$1,597.7M of Asset Value
- 2,141K Gross SF of Development
- 1136 Units



GreenbergTraurig
Peter A. Miller
Tel 212.601.2383
Fax 212.601.5428
millerpa@gtlaw.com

February 17, 2016

AJ Pines
Executive Vice President
Alloy Development
20 Jay Street, Suite 1003
Brooklyn, New York 11201

Re: 1 John Street, Brooklyn, NY
88-110 Flatbush Avenue
Butler Street Ground Lease
Vero Beach Condominium Offering Plan Review
85 Jay Street
431 Carroll Street
1 John Street Retail Lease

9,421
1,240
4,471
109
9,587
57,827
39,000
120,944

Dear AJ:
Enclosed please find our invoices for services rendered in connection with the above matters. Your prompt payment is greatly appreciated.

Sincerely,

Peter A. Miller

How start PIES!

NY 245666741c1
GREENBERG TRAUIG, LLP • ATTORNEYS AT LAW • WWW.GTLAW.COM
AlertLife Building • 200 Park Avenue • New York, NY 10066 • Tel 212.691.9200 • Fax 212.601.6400

Alloy

CHANGE ORDER

AIA Document G701

PROJECT

Dumbo Townhouses
55 Pearl Street
Brooklyn, NY 11201

PROJECT NUMBER: 1202

CHANGE ORDER #: 4

DATE: March 4, 2014

OWNER

55 Pearl Street LLC
c/o Alloy Development Holdings
20 Jay Street, Ste. 1003
Brooklyn, NY 11201

THE CONTRACT IS CHANGED AS FOLLOWS:

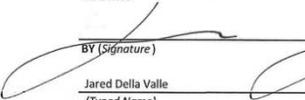
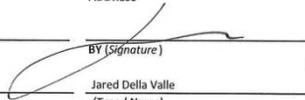
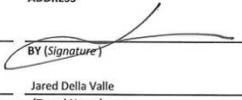
As per the attached Euro Iron invoice #1140225271 dated 2/25/14, RSA CSKs #10R4, #11R5, #12R2, #13R, the approved record set of structural steel shop drawings dated 2/12/14 and correspondence from RSA between 2/21 - 2/25:

Fabrication and installation of additional (6) HSS 5x3x3/8" columns and (5) W12x19 beams at Grid 'A', and (4) MC12x35 channels at Penthouse Terrace framing at North skylights	\$	12,800.00
Fabrication and installation of (24) web stiffeners at Mezzanine perimeter W21x93 and W14x43 beams at Ductal bearing plate locations	\$	1,500.00
Additional detailing due to said revisions	\$	2,500.00
Subtotal:	\$	16,800.00
Overhead and Fee (0%):	\$	-
Subtotal:	\$	16,800.00
Insurance (0%):	\$	-
TOTAL CHANGE ORDER	\$	16,800.00

The original Contract Sum was	\$	5,901,682.12
The net change by previously authorized Change Orders	\$	21,204.00
The Contract Sum prior to this Change Order was	\$	5,922,886.12
The Contract Sum will be increased by this Change Order in the amount of	\$	16,800.00
The new Contract Sum including this Change Order will be	\$	5,939,686.12

The Contract Time will be increased by 0 days
The date of Substantial Completion as of the date of this Change Order therefore is 3/30/2015

NOT VALID UNTIL SIGNED BY THE ARCHITECT, CONSTRUCTION MANAGER AND OWNER.

AC 55 Pearl Street LLC	55 Pearl Street LLC	Alloy Design LLP
CONSTRUCTION MANAGER (Firm name)	OWNER	ARCHITECT (Firm name)
20 Jay Street, Ste 1003, Brooklyn 11201	20 Jay Street, Ste 1003, Brooklyn 11201	20 Jay Street, Ste 1003, Brooklyn 11201
ADDRESS	ADDRESS	ADDRESS
		
BY (Signature)	BY (Signature)	BY (Signature)
Jared Della Valle	Jared Della Valle	Jared Della Valle
(Typed Name)	(Typed Name)	(Typed Name)
3.12.14	3.12.14	3.12.14
DATE	DATE	DATE

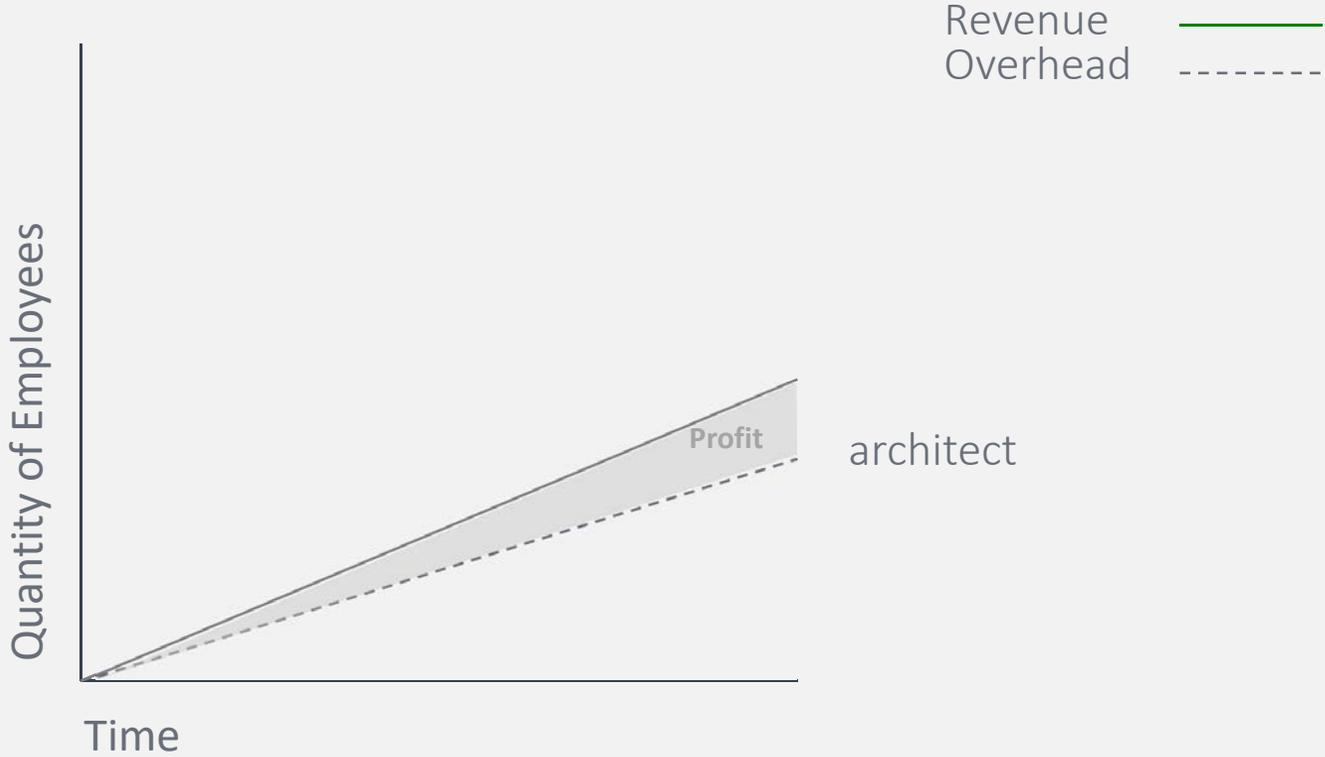
Partners		4
Employees	11	
Admin		2
<hr/>		
	17	

2.0x

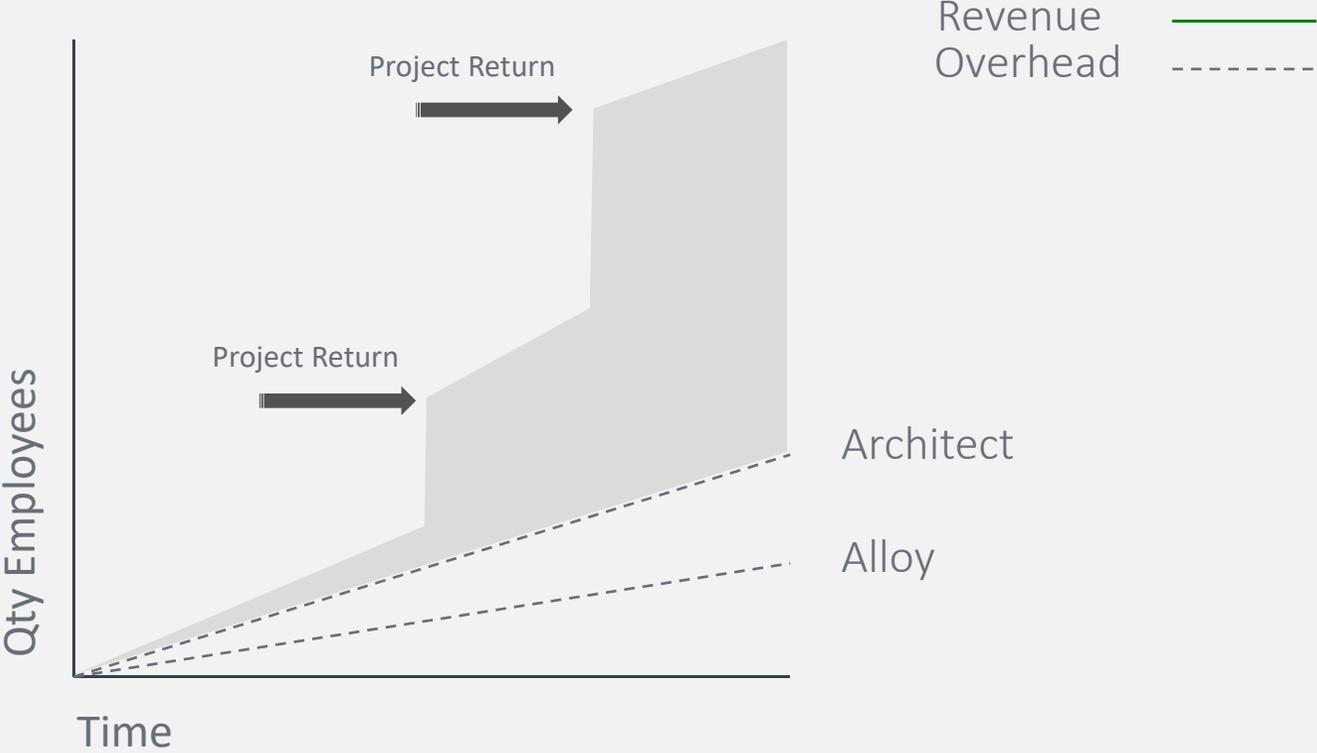
Development	13	
Design		11
Advisory	4	
Construction	6	
<hr/>		
	34	

8 of our employees are licensed architects.

Architecture Practice



Diversified Practice



Where is the money?

Architectural Fees:	4.15% of Construction
Construction Fees:	13.75% of Construction*
Brokerage Fees:	6% of Total Sales
<u>Developer Fees:</u>	<u>2% of Project plus Profits**</u>
	A lot of Money ***

*Overhead and Profit, General Conditions and Insurance

**Split of proceeds with Capital Partner

**Could be as much as 100% of project cost





A'18 AIA Conference on Architecture 2018
June 21-23, New York City

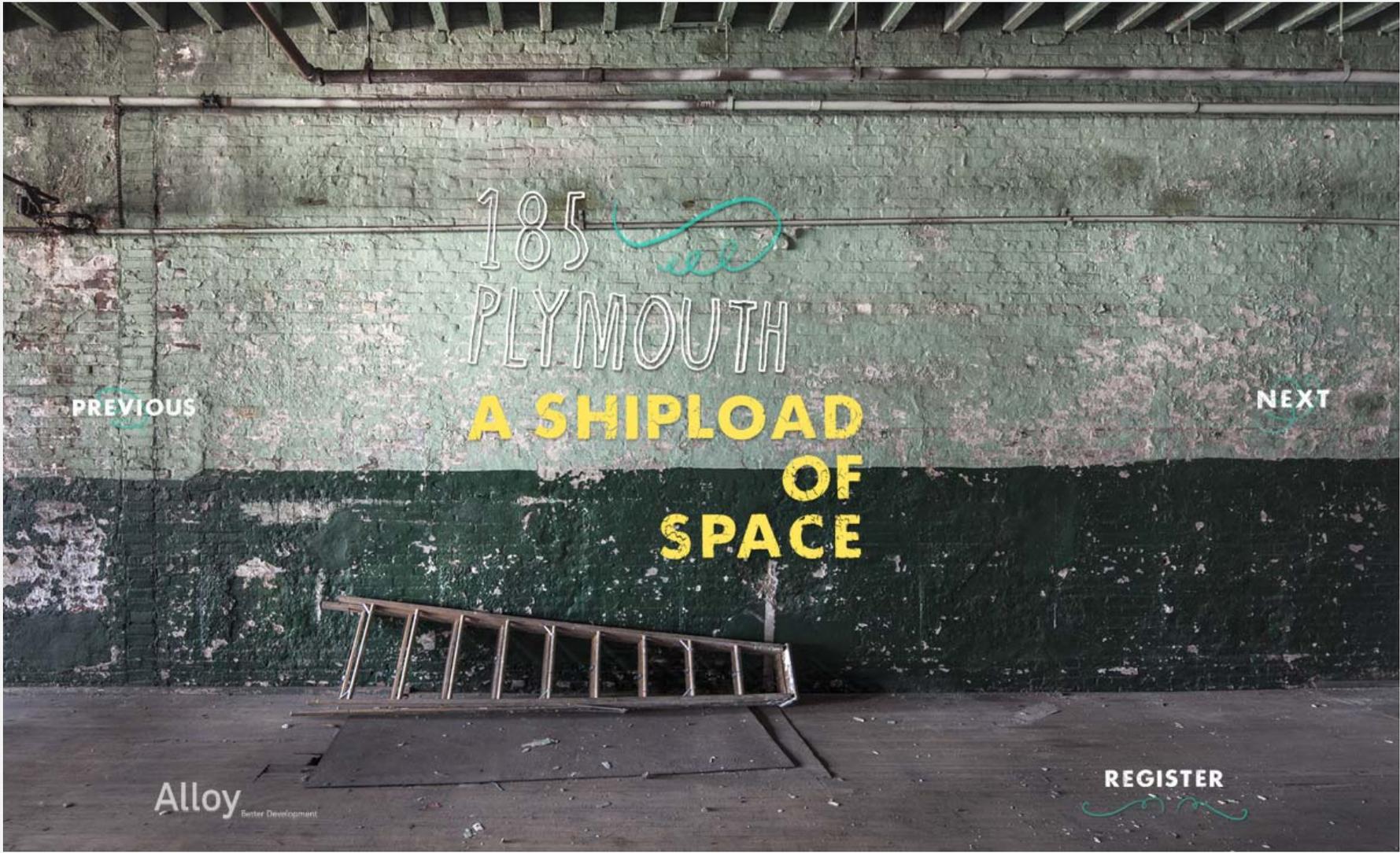
Marketing Event

alloyllc.com

FUCKING
ENORMOUS
LOFTS

to live in





A'18 AIA Conference on Architecture 2018
June 21-23, New York City





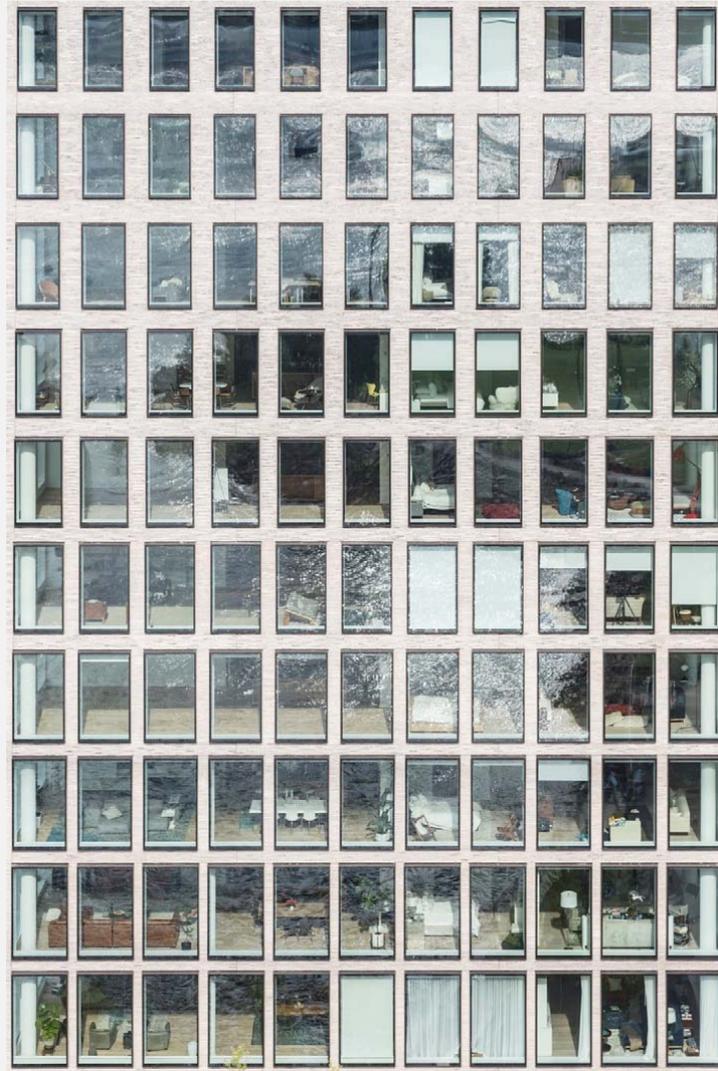
Alloy

Goat Herding

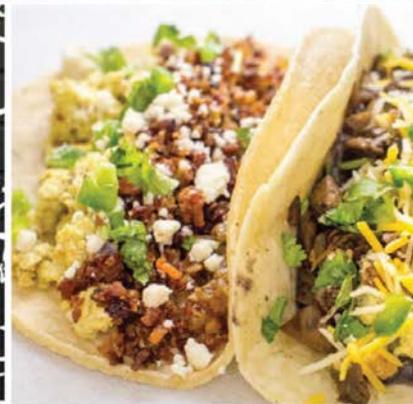
192 Water Street

A'18 AIA Conference on Architecture 2018
June 21-23, New York City





Robust Community Engagement



Recess Assembly / BRICWorkspace

Issue Project Room / Mural at 80 Flatbush

Fall Culture Fest / Jalapa Jar

Project Benefits



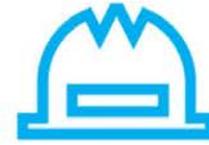
Two New Schools



200 Affordable Units



New Culture



3,000 New Jobs



More City Land

4,100

Direct Beneficiaries

\$230 Million

Public Benefit

\$0

City Capital

Architect: A person who is responsible for inventing or realizing a particular idea or project.





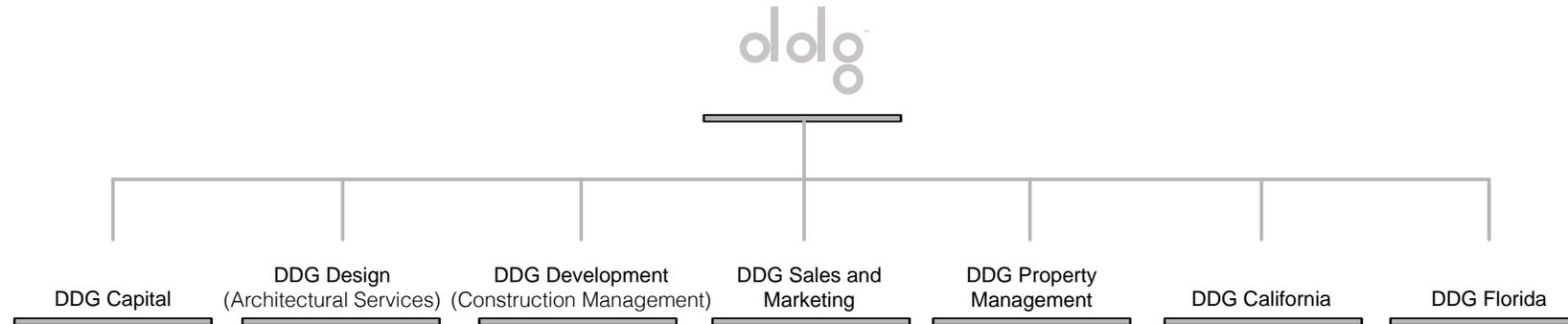
Peter Guthrie

DDG



Company Overview

- DDG is organized as a series of vertically integrated business segments
- Offices in California, Florida and New York



Selected Investment / Development History

- DDG has approximately \$1.5 billion of projects currently under development

Current Projects (By Size)				
Project	Location	Units	Gross	Description
			Square Feet	
1 180 East 88th Street	New York, NY	48	150,412	Luxury residential condominium building with a ground floor community facility; ground-up new construction
2 3550 South Ocean Boulevard	South Palm Beach, FL	30	114,693	Luxury residential condominium building with parking; ground-up new construction
3 169 Columbia Heights	New York, NY	30	73,261	Luxury residential condominium building; conversion
4 8 Octavia Boulevard	San Francisco, CA	47	70,153	Luxury residential condominium building with ground floor retail and parking; ground-up new construction
5 345 West 14th Street	New York, NY	37	70,038	11-Story luxury condominium building with ground floor retail; ground-up new construction and conversion
6 450 Hayes Street	San Francisco, CA	41	65,167	Luxury residential condominium building with ground floor retail and parking; ground-up new construction
7 325 West Broadway	New York, NY	21	61,900	10-Story and 4-story luxury condominium buildings with ground floor retail; ground-up new construction and conversion
8 12 Warren Street	New York, NY	13	50,131	12-Story luxury condominium building; ground-up new construction and conversion
9 400 Grove Street	San Francisco, CA	34	44,414	Luxury residential condominium building with ground floor retail and parking; ground-up new construction
10 532 West 20th Street	New York, NY	9	34,590	9-Story luxury condominium building; ground-up new construction
11 Parcel T	San Francisco, CA	26	39,225	Luxury residential condominium building with a ground floor retail; ground-up new construction; close pending
12 235 Valencia Street	San Francisco, CA	28	31,655	Luxury residential apartment building with a ground floor retail; ground-up new construction; close pending
13 41 Bond Street	New York, NY	7	29,493	11-Story luxury condominium building with ground floor parking; ground-up new construction
14 100 Franklin Street	New York, NY	10	29,421	Luxury residential condominium building with ground floor retail; ground-up new construction
Total Current Projects		381	864,553	



325 West Broadway



400 Grove



PROPERTY DESCRIPTION			
Address			
Location			
Use	ICAP Abatement (Active = 1)	1	
Estimated Closing Date			12/1/2016
Zoning			CG-2A
Lot Dimensions			
Plot Size Sq. Ft.			13,606
ZFA		0 FAR	-
Air Rights			-
Mechanical Deduction		0.0%	-
Above Grade Sq. Ft.			102,042
Gross Cellar			13,558
Gross Rentable Sq. Ft.			205,600
Net Rentable Sq. Ft. (Office & Retail)			236,235
Rentable Sq. Ft. - Office	94.1%	5,317 SF Lobby	222,190
Rentable Sq. Ft. - Retail (Above Grade)	3.5%		8,306
Rentable Sq. Ft. - Retail (Cellar)	2.4%		5,739

SOURCES AND USES			
Acquisition Loan	0.0%	% of Acquisition	-
Construction Loan	60.0%		98,592,065 \$417 / RSF
Mechanize Loan	0.0%		-
Total Debt	50.0%		98,592,065
DDG	2.4%	% of Total Project	\$4,529,603
Partner	47.6%	% of Equity	\$93,662,461
Total Equity	50.0%		\$98,592,065
Total Sources	100.0%		\$197,184,129

	205,600 sf per GSF	236,235 sf per RSF	Amount
Initial Ground Lease Payment	\$340	\$296	\$70,000,000
Broker Fee	-	-	-
Closing Costs	2	2	405,000
Hard Costs	315	274	64,843,077
Hard Cost Contingency	35	30	7,116,823
Soft Costs	70	61	14,388,349
Soft Cost Contingency	7	6	1,438,835
Financing Costs	47	41	4,524,245
Leasing Commissions	76	65	9,686,117
Tenant Improvements	-	-	-
Acquisition Loan Interest	45	39	9,228,254
Construction Loan Interest	45	39	9,228,254
Total Uses	\$959	\$835	\$197,184,129

STACKING PLAN					
Floor	Usable SF	Rentable SF	2016 Rents	2020 Rents	0.0% Sensitivity
Floor 16	967	0	\$0.0	\$0.0	\$0.0
Floor 15	9,635	13,169	\$93.0	\$104.7	\$104.7
Floor 14	9,638	13,203	\$91.0	\$102.4	\$102.4
Floor 13	9,634	13,197	\$89.0	\$100.2	\$100.2
Floor 12	9,644	13,211	\$87.0	\$97.9	\$97.9
Floor 11	12,303	16,863	\$85.0	\$95.7	\$95.7
Floor 10	12,305	16,866	\$83.0	\$93.4	\$93.4
Floor 9	12,304	16,865	\$81.0	\$91.2	\$91.2
Floor 8	12,310	16,863	\$79.0	\$88.9	\$88.9
Floor 7	12,362	16,862	\$77.0	\$86.7	\$86.7
Floor 6	12,374	16,851	\$75.0	\$84.4	\$84.4
Floor 5	12,415	17,007	\$73.0	\$82.2	\$82.2
Floor 4	12,421	17,015	\$71.0	\$79.9	\$79.9
Floor 3	12,417	17,010	\$69.0	\$77.7	\$77.7
Floor 2	12,417	17,010	\$67.0	\$75.4	\$75.4
Ground Floor	8,306	8,306	\$175.0	\$197.0	\$197.0
Cellar / Roof	5,739	5,739	\$10.0	\$11.3	\$11.3
Total / Avg	177,131	236,235	\$81.0	\$91.2	\$91.2
Office Only	163,886	222,190	\$79.3	\$88.3	\$88.3

ACQUISITION ASSUMPTIONS			
Deposit	10.0%	\$7,400,000	12/1/2016 Month 1
Acquisition	90.0%	\$63,000,000	12/1/2016 Month 1
Total	100.0%	\$70,400,000	

FINANCING ASSUMPTIONS			
Loan to Cost			50.0%
1-Month LIBOR (See Eurodollar Curve)			0.41%
Acquisition Loan Spread			0.00%
Acquisition Loan Average Rate			0.73%
Construction Loan Spread			4.00%
Construction Loan Average Interest Rate			0.00%
Construction Loan Term			37 Months

BROKER FEE			
Broker Fee			0.00%
Existing Parking Rent / Month		Month 1	Month 12
			\$0

DEVELOPMENT ASSUMPTIONS			
Pre-Development Period	Month 1	Month 12	12 Months
Demolition	Month 13	Month 14	2 Months
Construction Period	Month 15	38 Months	24 Months
Receipt of TCO		2/1/2020	38 Months
Direct Work		\$53,916,084	\$262 / gsf
Contingency	10.0%	5,391,608	\$26 / gsf
General Conditions	12.0%	7,116,823	\$35 / gsf
CM Fee	4.0%	2,856,965	\$13 / gsf
Insurance	4.0%	2,878,400	\$14 / gsf
Total Hard Costs		\$71,960,000	\$359 / gsf
Soft Costs (w/ Interest Carry)		\$12,629,667	\$62 / gsf
Soft Cost Contingency			10.0%

OFFICE OP EX / CAPITAL RESERVES			
Management Fee			4.0%
Base Year RE Taxes	\$13.39 / rsf	15.0% Gross Rev.	\$2,075,070
Operating Expenses	\$11.81 / rsf		\$2,624,410
Op Ex Annual Growth	\$25.20 / rsf		3.0%
Capital Reserves	\$0.20 / rsf		\$47,247
Reserve Annual Growth			3.0%

OFFICE LEASING ASSUMPTIONS			
Lease Type			Gross Rents (Base Size)
Vacancy Factor			5.0%
Base Year Operating Expense			Year 2
New Lease Tenant Improvements			\$70 / rsf
Renewal Lease Tenant Improvements			\$40 / rsf
New Leasing Cost			100.0%
Renewal Leasing Cost			50.0%
New Lease Free Rent			10 Months
Renewal Free Rent			3 Months
Office Lease Factor			27.0%
Vertical Obstruction	Office	Retail	Total
Rents above Base Case	\$89 psf	\$197 psf	\$91 psf
Refinance Overlay			\$0.0
Monthly Rent Growth			3.0%

RETAIL LEASING ASSUMPTIONS			
Lease Type			Gross Rents
Free Rent			6 Months
New Leasing Cost			100.0%
Renewal Leasing Cost			50.0%
Retail Lease Factor (Lobby / Service Entrances)			10.0%

RESIDUAL VALUE ASSUMPTIONS			
Exit Year / Month	Office / Retail Size	6.0 Years	72 Months
Exit Cap Rate			5.50%
Gross Sale Proceeds		\$1,212 / rsf	\$286,563,848
Transfer Tax			3.0%
Brokerage Fee			2.0%

GROSS RETURNS	
Project Profit	\$99,883,693
Unlevered IRR	12.04%
Levered IRR	14.56%
Return on Equity Invested	2.01x
Enterprise Value Ratio	1.96x

STABILIZED YIELD	
NOI (Post Ground Rent)	Year 5 \$14,191,861
NOI Yield	7.28%

SCHEDULE SUMMARY			
Phase	# Months	Start	End
Acquisition	1 Months	12/1/2016	1/31/2016
Predevelopment	12 Months	12/1/2016	11/30/2017
Construction	24 Months	12/1/2017	11/30/2019
Operations	36 Months	12/1/2019	11/30/2022
Exit	73 Months	12/1/2016	11/30/2022

PROFIT & LOSS SUMMARY		
Net Operating Income	9.1%	\$28,057,297
Net Sales Proceeds	90.9%	278,725,332
Operating Deficit Add Back		3,293,331
Refinance Loan		153,819,077
Less: Refinance Loan Costs		(1,538,191)
Less: Debt Service		(14,863,210)
Less: Loan Reaction		(150,371,811)
Net Proceeds	100.0%	\$97,067,822
Less: Project Costs		(197,184,129)
Net Profit	33.6% Margin	\$99,883,693

CUMULATIVE EQUITY OUTSTANDING	
Year 1	(\$7,354,302)
Year 2	(\$8,592,066)
Year 3	(\$8,592,066)
Year 4	(\$8,592,066)
Year 5	(\$3,548,247)
Year 6	\$99,883,692
Year 7	-
Year 8	-
Year 9	-
Year 10	-

REFINANCE ASSUMPTIONS	
Refinance Month	Year 5 55 Months
Refinance Debt	\$153,819,077
Annual DS	\$9,908,898
Monthly DS	\$825,734
Lender Valuation @ Refinance	\$282,001,641
Loan LTV	64.9%
Interest Reserve	Months
Mortgage Recording Tax	0.00%
Bank Fees	1.00%

DEBT TEST (Lessor of)	
Debt Yield	\$153,819,077 11.0%
LTV	\$155,100,903 55.0%
Minimum DSCR	\$154,505,064 1.70x
Interest Rate	5.00%
Amortization Schedule (Years)	30 Years
Lender Cap Rate (Valuation)	6.00%
Refinance Feasible	YES
debt Equity Required	

GROUND RENT SCHEDULE			
Year	Annual Rent	Monthly Rent	\$ / RSF
Year 1	0	\$0	\$0.00
Year 2	0	0	0.00
Year 3	0	0	0.00
Year 4	0	0	0.00
Year 5	0	0	0.00
Year 6	0	0	0.00
Year 7	0	0	0.00
Year 8	0	0	0.00
Year 9	0	0	0.00
Year 10	0	0	0.00

Selected Projects

41 BOND







A'18

ATA Conference on Architecture 2018
June 21-23, New York



A'18 AIA Conference on Architecture 2018
June 21-23, New York City









A'18 International Conference on Architecture 2018
June 21-23, New York City



3	4	5		

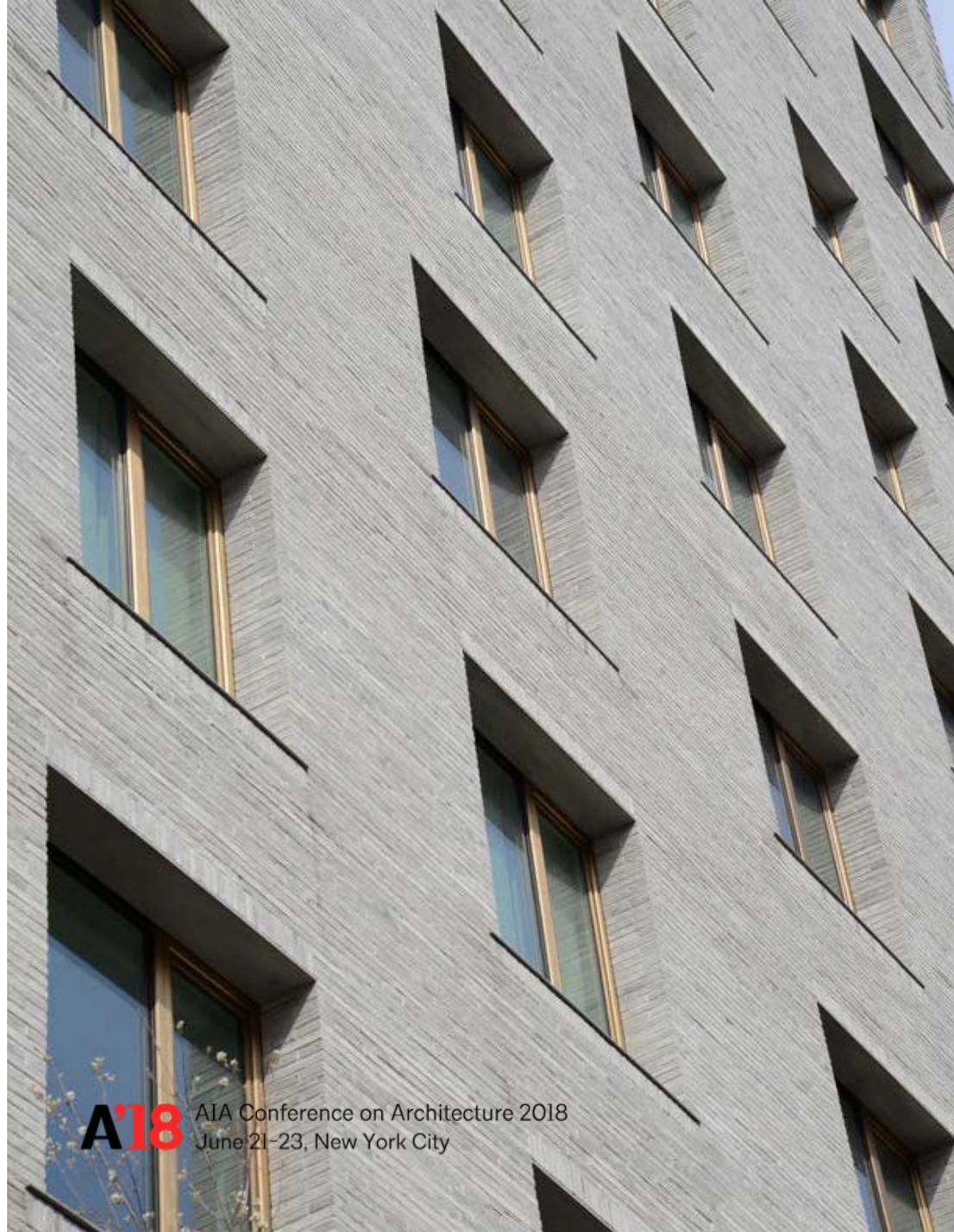


A'18 AIA Conference on Architecture 2018
June 21-23, New York City

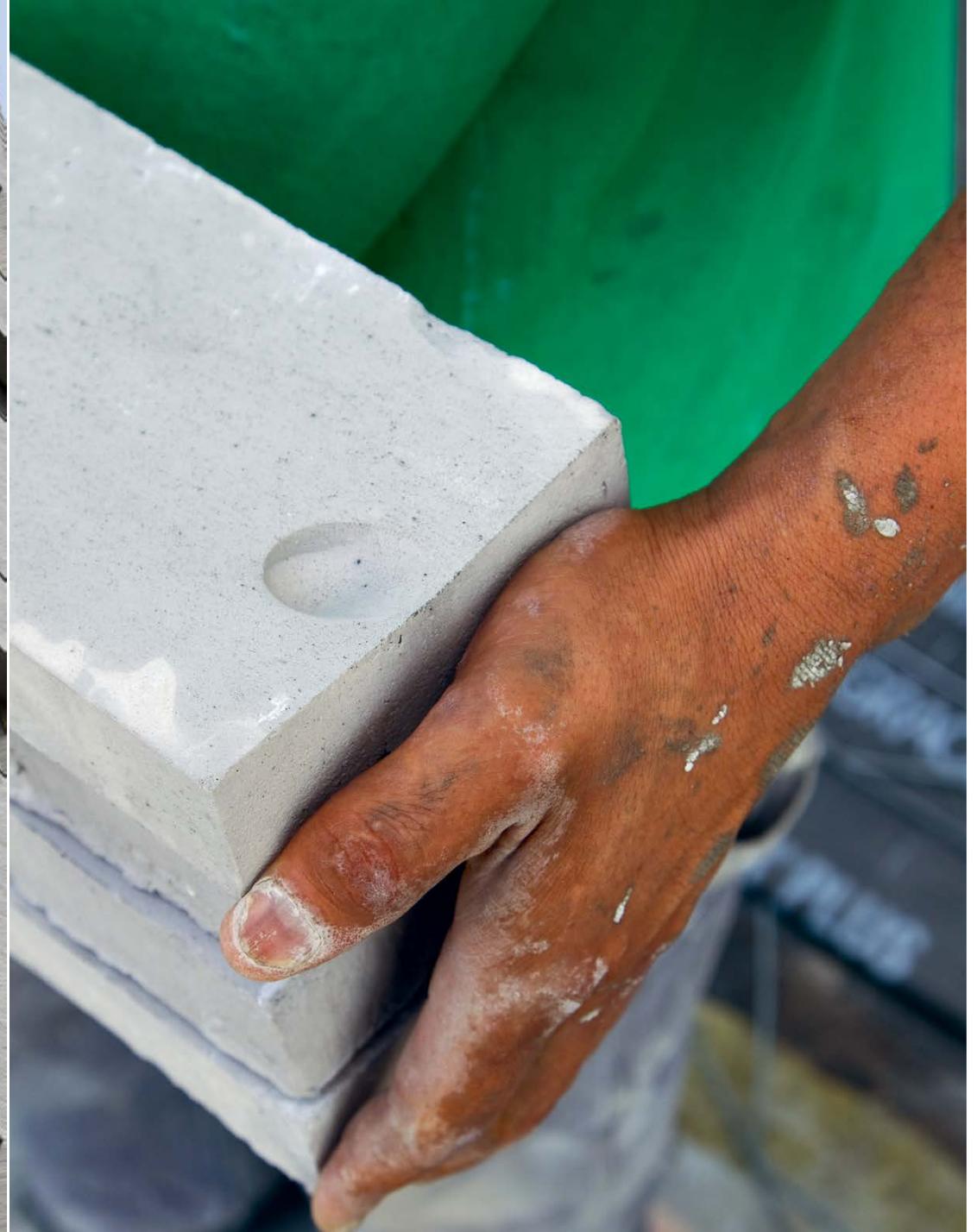


A'18 AIA Conference on Architecture 2018
June 21-23, New York City





A'18 AIA Conference on Architecture 2018
June 21-23, New York City







A'18 AIA Conference on Architecture 2018
June 21-23, New York City



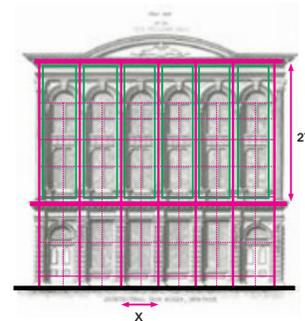
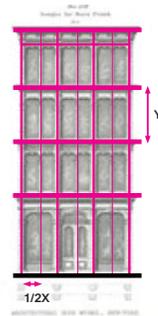
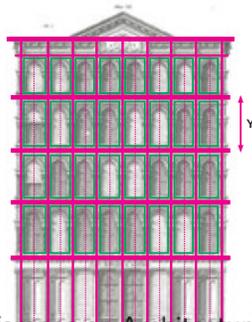


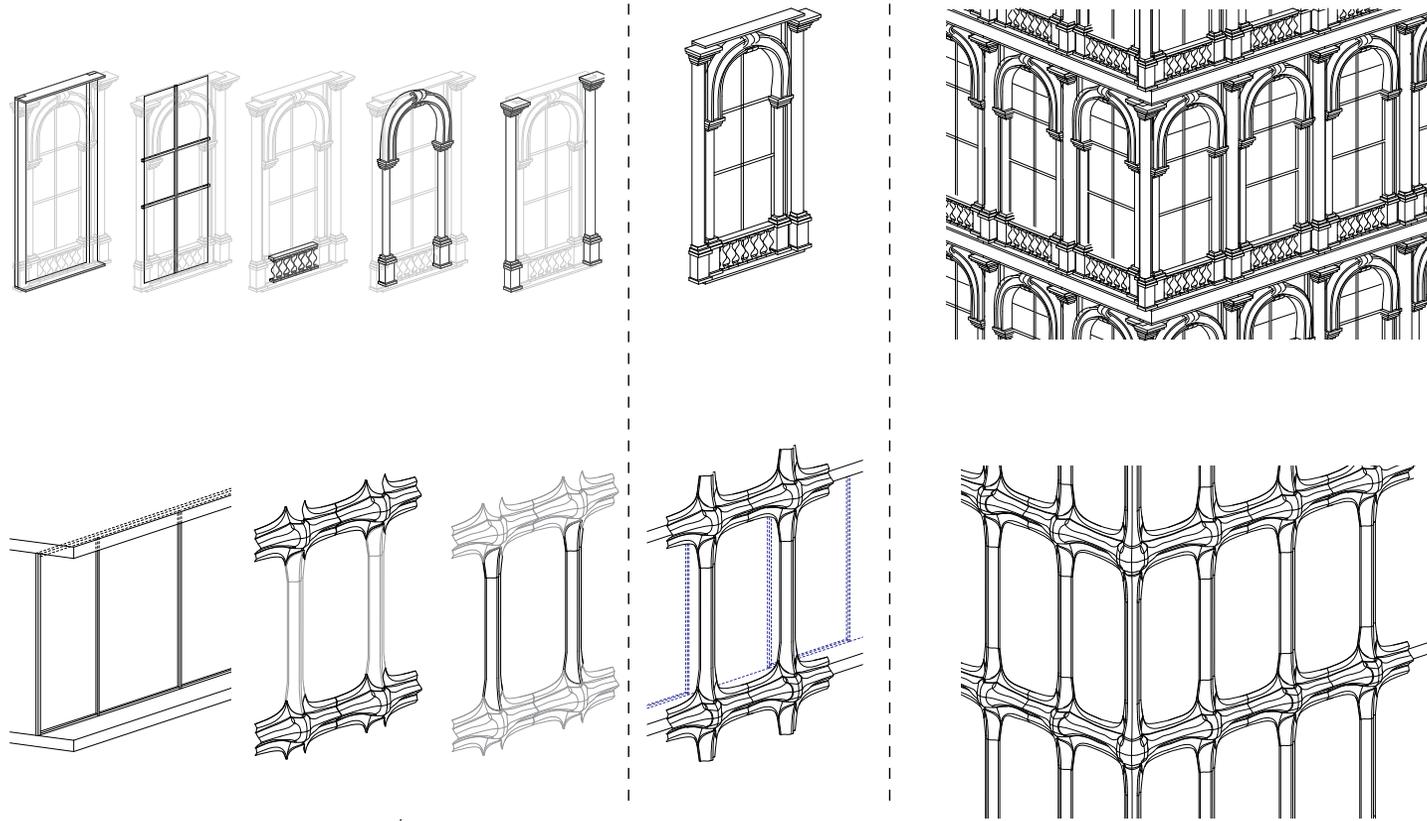
A18

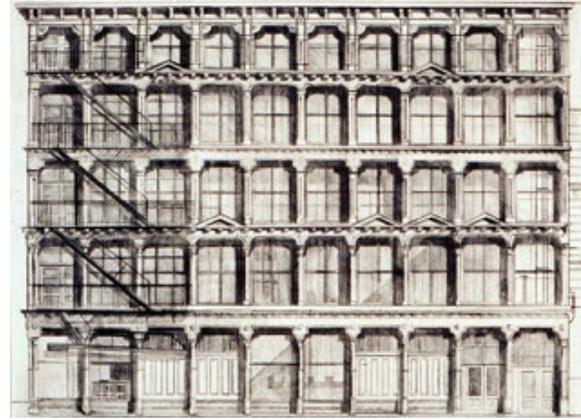
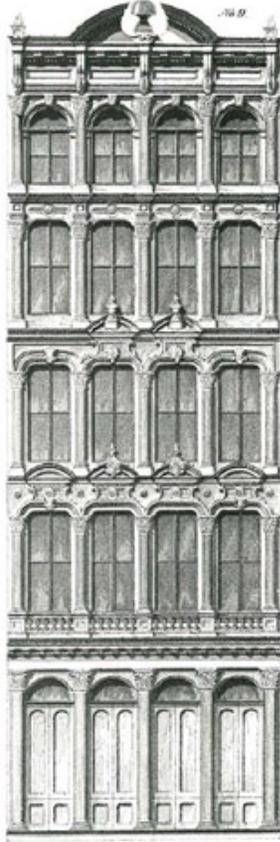
AIA Conference on Architecture
June 21-23, New York City

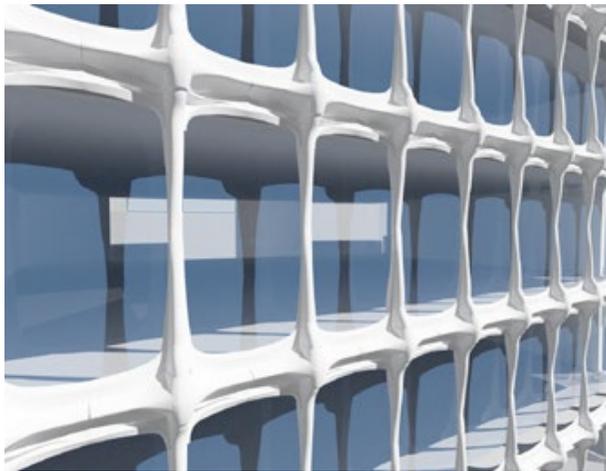
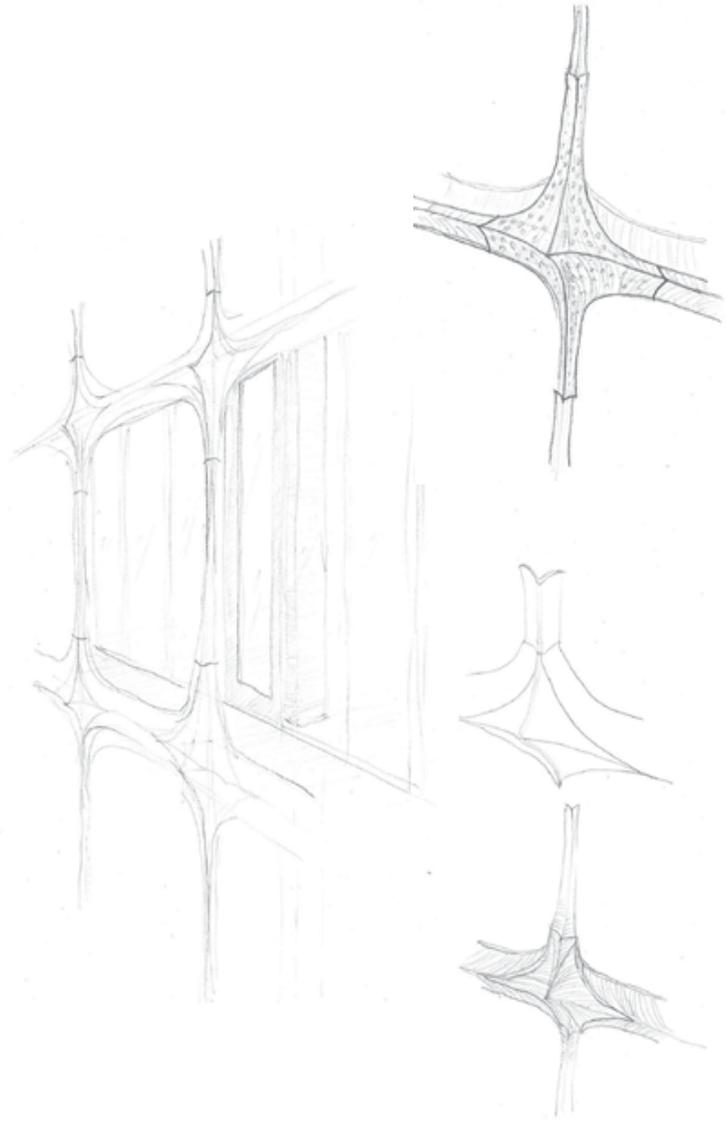
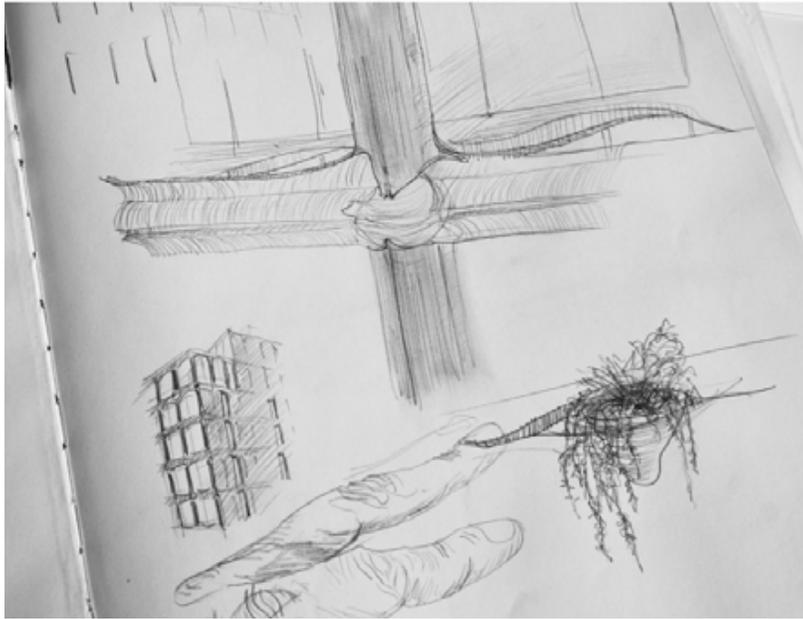
XOCO

3 2 5









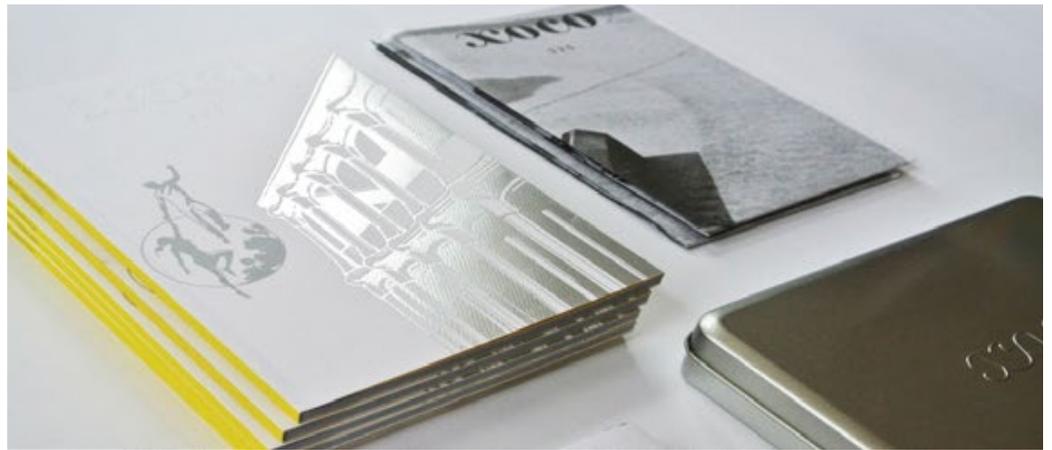




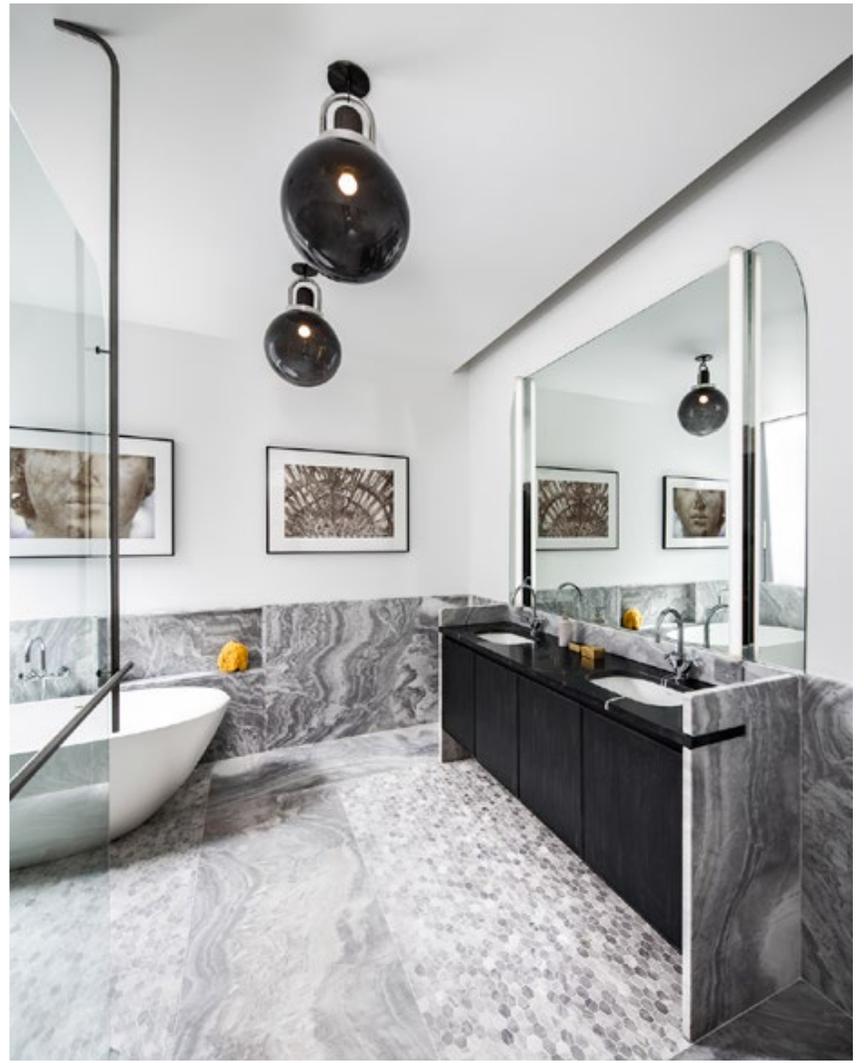


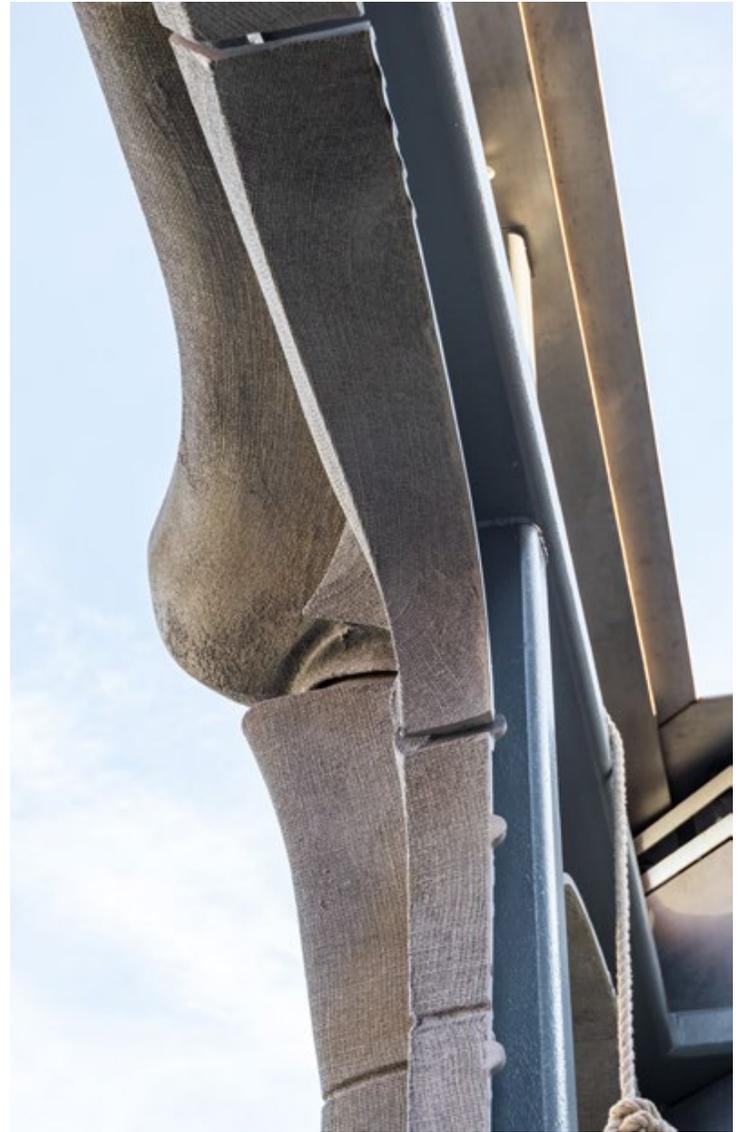
A'18

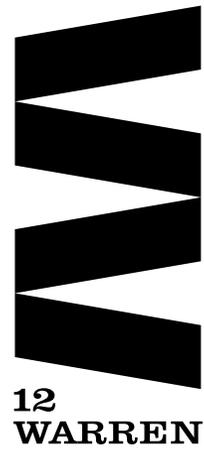
AIA Conference on Architecture 2018
June 21-23, New York City













A'18 AIA Conference on Architecture 2018
June 21-23, New York City

Collateral Materials

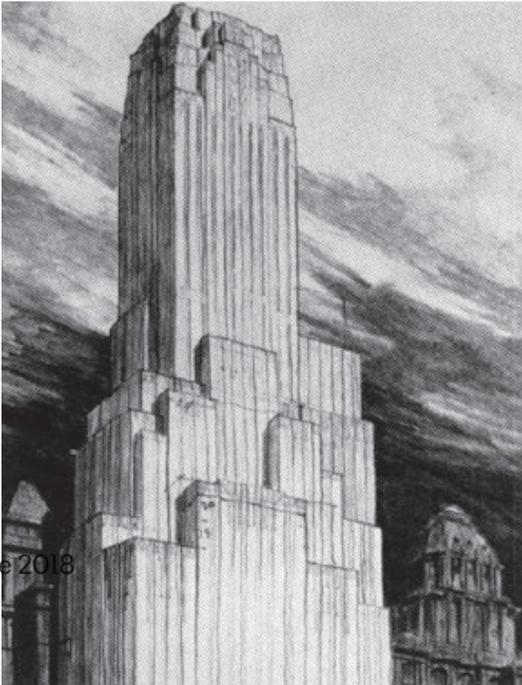
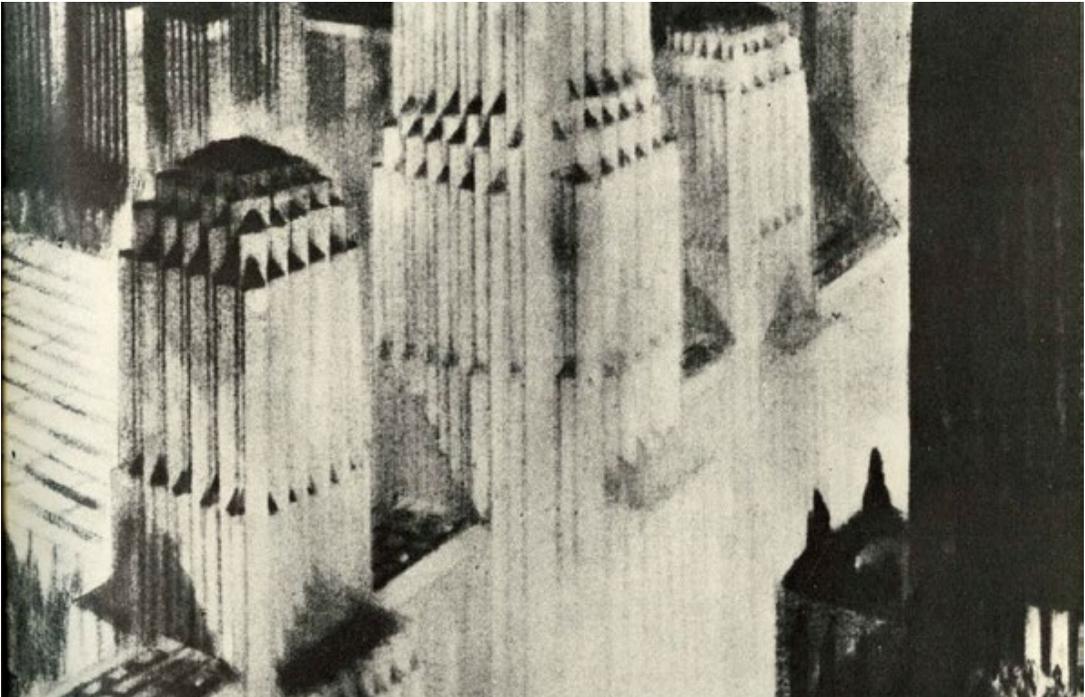


Building Features

Property:	12 Warren Street
Location:	Tribeca - New York, New York
Acquisition / Exit Year:	2012 / 2017
Gross Square Feet:	50,131 SF
Number of Stories:	12
Height:	135 feet
Total Units:	13
Status:	Construction
Developer:	DDG
Architect:	DDG
Interior Designer:	DDG
General Contractor:	DDG
Sales Agent:	Corcoran Sunshine Marketing Group
Unit Mix:	2BR - 2 3BR - 8 4BR - 3
Sales:	Fall 2015
Completion:	Early 2017
Amenities:	Bike Room, Concierge, Doorman, Fitness Center, Storage



IBO EBB



A'18

AIA Conference on Architecture 2018
June 21-23, New York City

MASSING

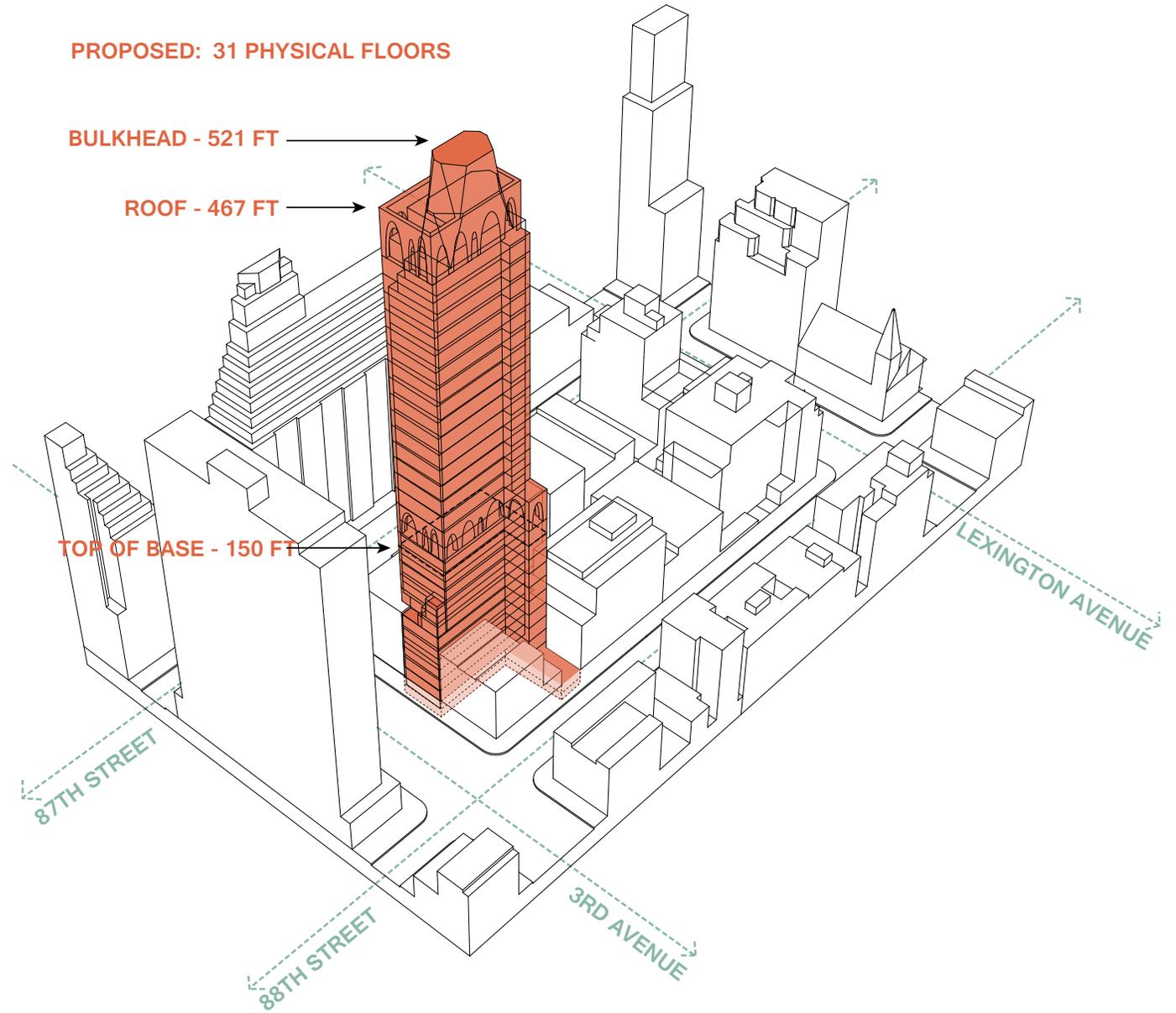
LOT SIZE	14,117	SF
R10 Residential Equiv. FAR (10.0)	141,117	
CERTS	28,384	
ZFA TOTAL	169,404	SF
ZR.23-651 TOWER-ON-BASE REQUIRES		
60% OF THE TOTAL BULK BELOW 150'		
40% OF ZFA	67,762	
60% OF ZFA	101,642	
EXISTING BUILDING	(52,221)	
NEW BUILDING TOTAL BELOW 150'	49,421	SF
NEW BUILDING TOTAL ABOVE 150'	67,762	SF
TOTAL ZFA OF NEW BUILDING	117,183	SF

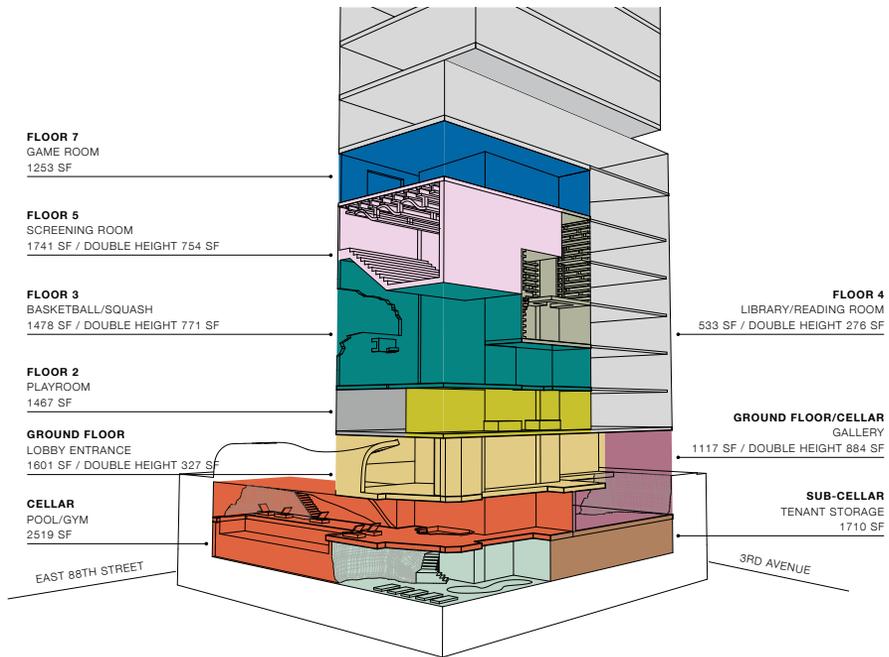
MASSING DETERMINATION - 01

- THE PROPOSED LIGHT AND AIR EASEMENT ON LOT 140 TRIGGERED A SLIVER LAW CONFLICT AND THEREFORE THE CURRENT DESIGN DOES NOT BENEFIT FROM LEGAL LIGHT AND AIR AT THE NORTH FACADE OVERLOOKING LOT 140.
- LEGAL LIGHT AND AIR NOT REQUIRED.
- LEGAL LIGHT AND AIR WOULD IMPROVE LAYOUTS ON FLOORS 8-27 ALLOWING LARGER KITCHENS AND BETTER ENTRANCE LAYOUTS.
- LEGAL LIGHT AND AIR ALLOWS FOR STUDIOS OR ONE BEDROOMS ON FLOORS 2-8 ON THE WEST SIDE OF THE BUILDING.
- PER NYC 2008 BUILDING CODE NO PART OF ANY ROOM SHALL BE MORE THAN 30' FROM LEGAL LIGHT AND AIR. EXCEPT IN DWELLING UNITS CONTAINING MORE THAN THREE HABITABLE ROOMS. KITCHENS ARE NOT EXCLUDED FROM THIS EXCEPTION.

ZONING VARIANCE/DETERMINATION - 01

- INCREASE ALLOWABLE COMMERCIAL TO ALLOW EXISTING CELLAR AND GROUND FLOOR





FLOORS 31-32
PENTHOUSE 3+ BEDROOM
3397 SF

FLOORS 28-29
2 - 3 BEDROOM DUPLEX
3525 SF/3319 SF

FLOORS 16-18
3 - 3 BEDROOM
3 - 2 BEDROOM
2273 SF/1492 SF

FLOORS 8-13
6 - 3 BEDROOM
6 - 2 BEDROOM
2233 SF/1703 SF

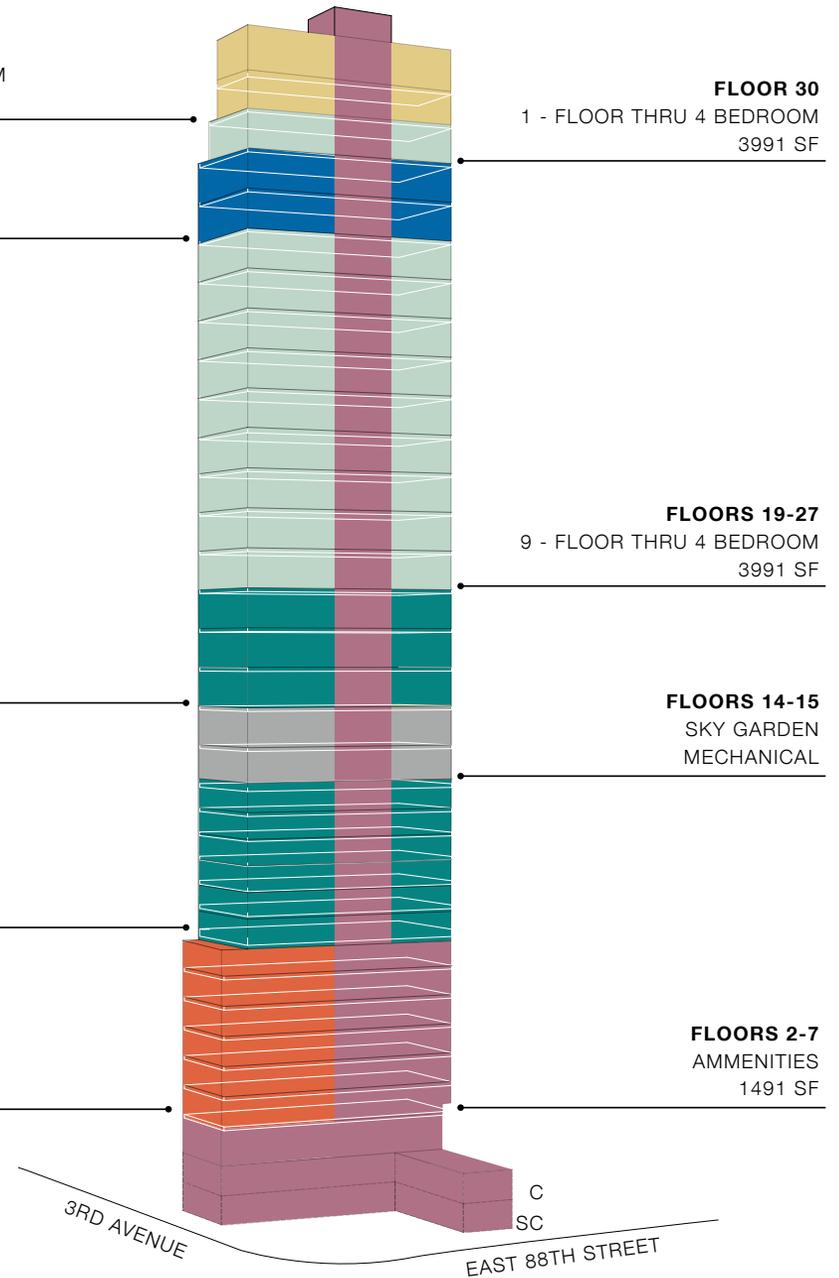
FLOORS 2-7
6 - 2+ BEDROOM
1706 SF - 1936 SF

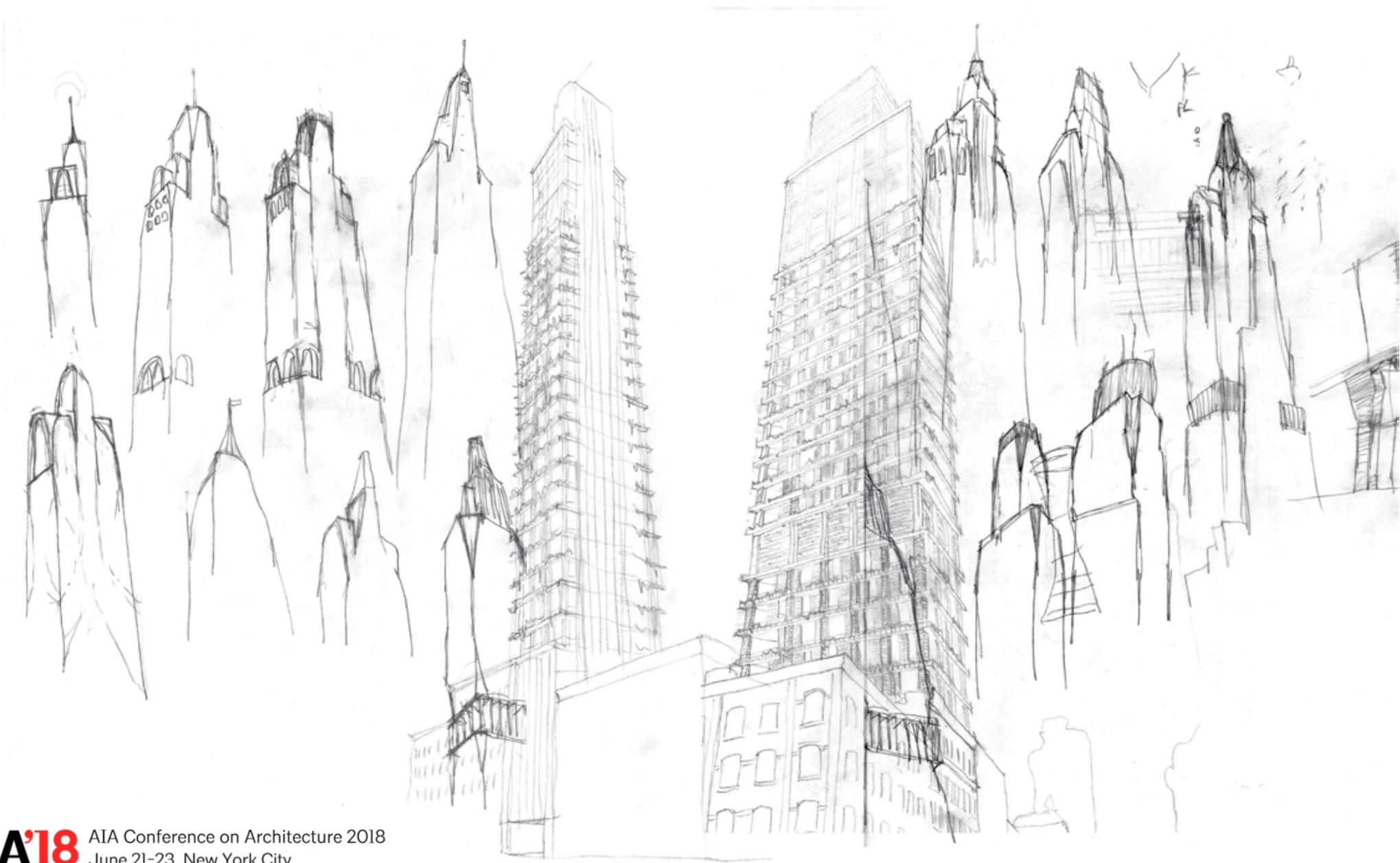
FLOOR 30
1 - FLOOR THRU 4 BEDROOM
3991 SF

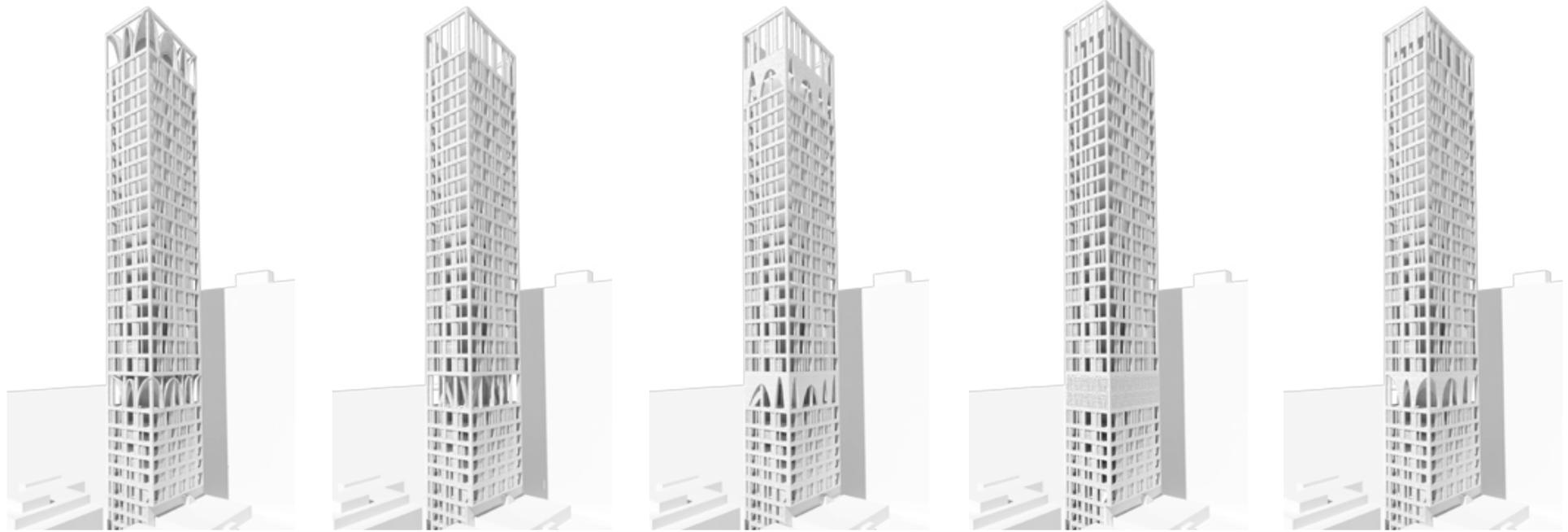
FLOORS 19-27
9 - FLOOR THRU 4 BEDROOM
3991 SF

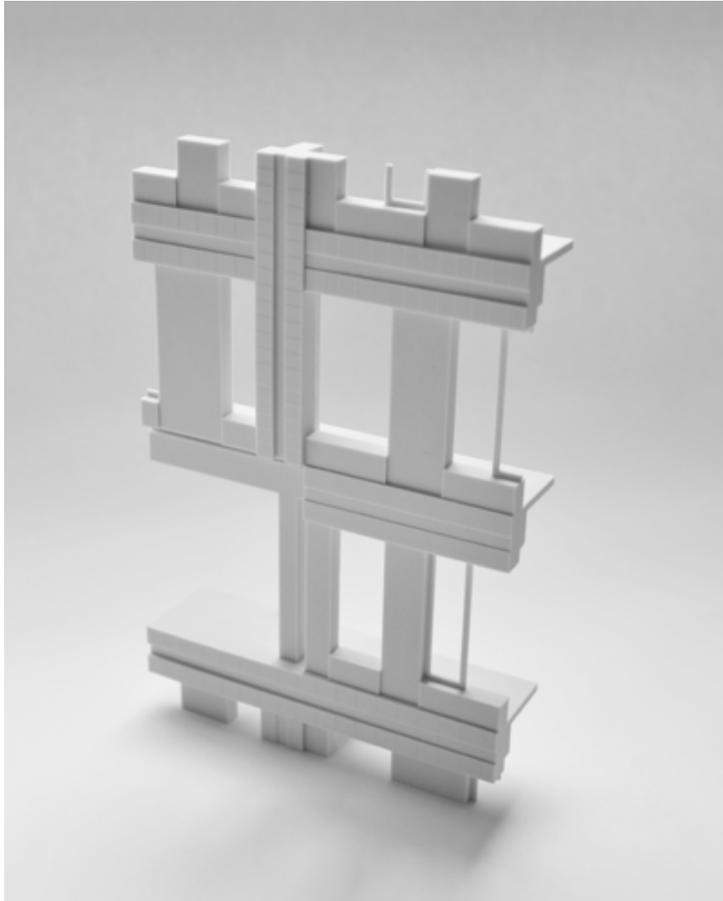
FLOORS 14-15
SKY GARDEN
MECHANICAL

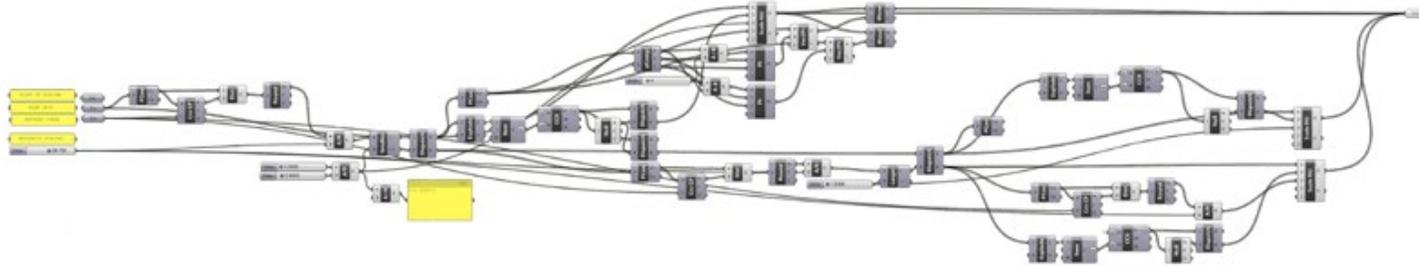
FLOORS 2-7
AMMENITIES
1491 SF













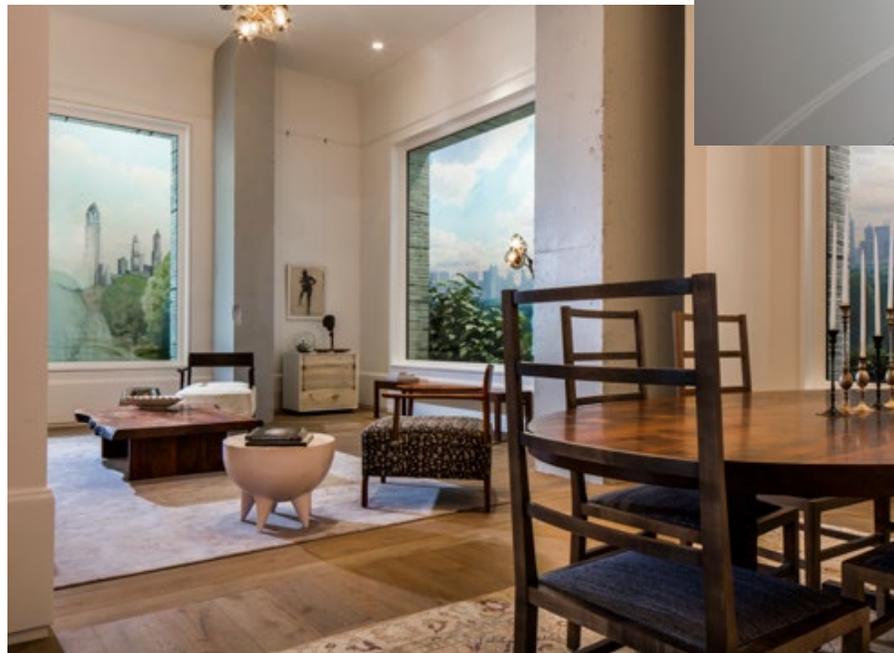
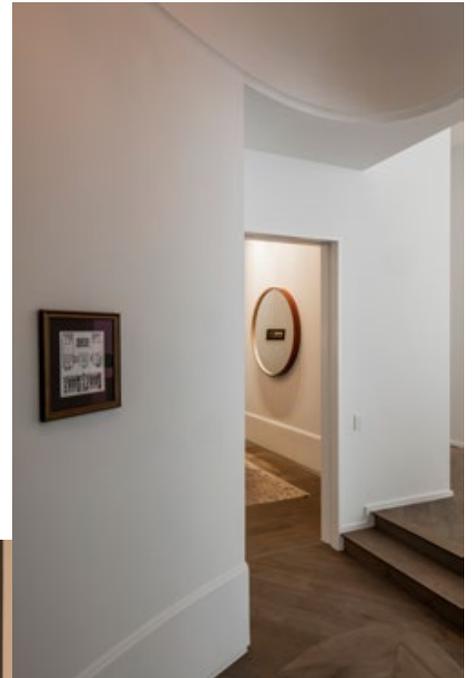
A'18 AIA Conference on Architecture 2018
June 21-23, New York City













'18

IAA Conference on Architecture 2018
June 21-23, New York, NY

James Petty

Architect & Developer

THIS IS NOT NEW



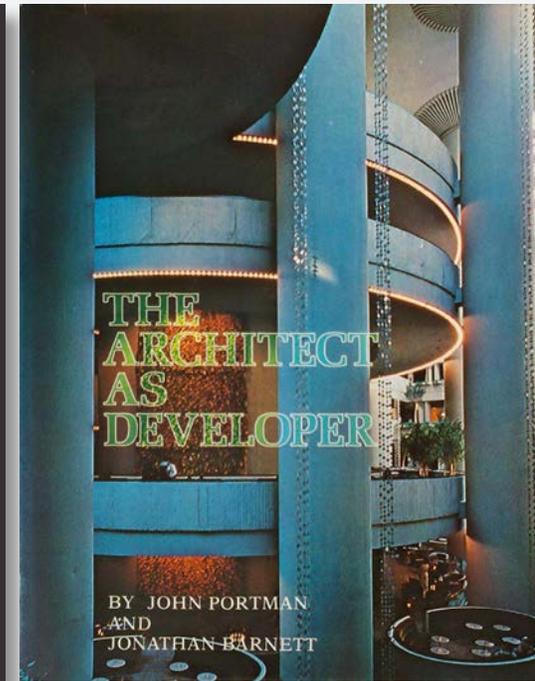
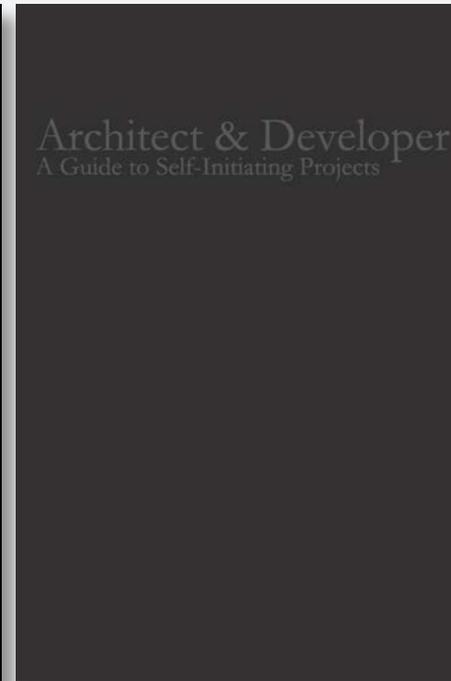
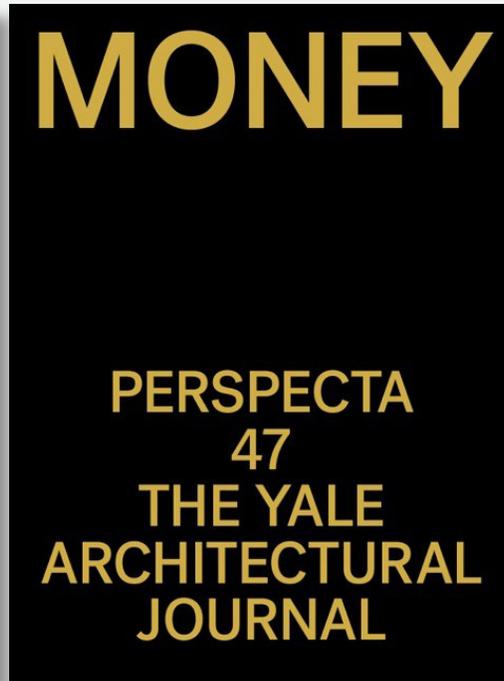
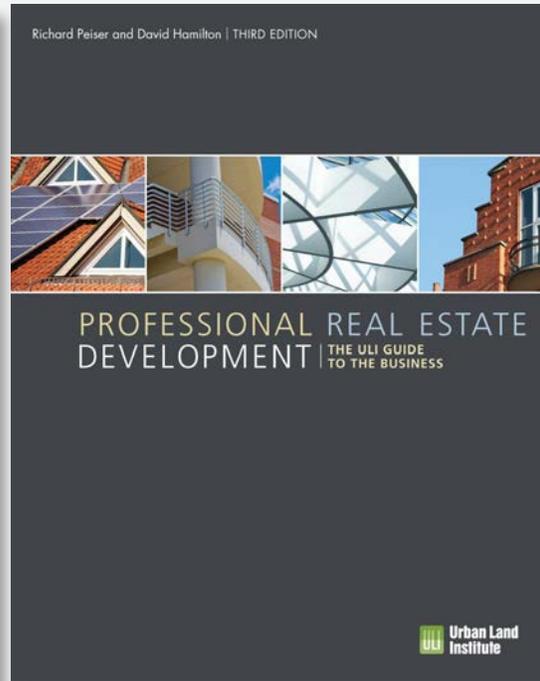
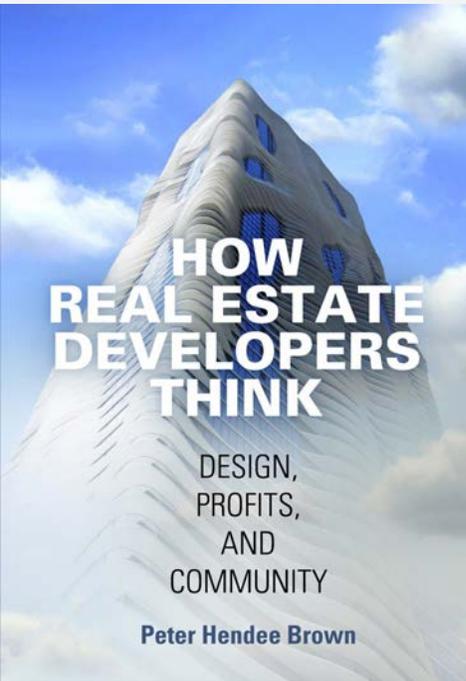
A'18 AIA Conference on Architecture 2018
June 21-23, New York City

John Nash
London, England

CONNECTIVITY | COMPUTING | COMMUNICATIONS | CLOUD SERVICES

WHAT DO I DO?

1. EDUCATE YOURSELF



Risks and risk allocation

Recognized and subsequently reviewed as part of due diligence – generally focused on adverse consequences

1. Commercial risks (Project related)
 - Overall viability (Issues – economic market, competition and competitors, paradigm changes, affordability, unrealistic contracts or subsidies)
 - Completion (Issues – site, permits, contractor, costs, performance, 3rd party risks)
 - Environmental (Issues – preexisting, permits, Equator, local law)
 - Operating (Issues – Technology, costs, maintenance, depreciation, obsolescence)
 - Revenue - volume and price (Issues – Offtakes, concession, hedging, usage)
 - Inputs – volume and price (Issues – availability, market, capacity, alternatives)
 - Force majeure (Issues – temporary and permanent)
 - Sponsor recourse (Issues – strength, capacity, capability)
 - Fiscal and legal structure (Issues – composition, resilience, liquidity, transparency, enforceability)



COLUMBIA UNIVERSITY
IN THE CITY OF NEW YORK

0:19 / 16:16

Coursera: Columbia University: Construction Finance

Real Estate Finance, Lecture 1, Time Value of Money

Present Value

$$FV = PV (1 + i)^n$$

↓

$$PV = \frac{FV}{(1 + i)^n}$$

The future, we want to know the present?
Today to receive a lump sum of



GSAPPlive

iTunesU: GSAPP: Real Estate Finance

Preliminary Pro forma

ITEM	REALISTIC	HIGH	BREAK EVEN
THE PROJECT: 2 -Unit townhouse			
PROPERTY: 1953 S. Pearl St (Lot size: 6250 sft)			
NUMBER OF NEW UNITS: 2 @ 2750 SF EACH	2	2	2
SALES PRICE OF FUTURE REAL ESTATE/ SQUARE FOOT	\$ 210	\$ 215	\$ 203
SALES PRICE OF FUTURE REAL ESTATE/ PER UNIT	577500	591250	558250
REAL ESTATE COMMISSIONS AS A PERCENTAGE OF SALES PRICE	5.0%	5.4%	5.0%
TOTAL SELLABLE BUILDING AREA IN SQ. FT. :	5,500	5,500	5,500
TOTAL BUILDING AREA IN SQ. FT.:	5,500	5,500	5,500
CONSTRUCTION AND DEMO. COST/SQ. FT.:	\$ 110	\$ 110	\$ 110
SOFT COST/SQ. FT.:	\$ 27	\$ 27	\$ 27
GROSS PROCEEDS FROM SALE	\$ 1,155,000	\$ 1,182,500	\$ 1,116,500
LAND COST :	-\$ 300,000	-\$ 300,000	-\$ 300,000
ANTICIPATED CONST. HARD COSTS:	-\$ 605,000	-\$ 605,000	-\$ 605,000
ANTICIPATED CONST. SOFT COSTS:	-\$ 151,000	-\$ 151,000	-\$ 151,000
REAL ESTATE COMMISSIONS:	-\$ 57,750	-\$ 63855	-\$ 55825
ANTICIPATED GROSS PROFIT:	\$ 41,250	\$ 62,645	\$ 4,675
TERM ASSUMPTIONS FOR THE PROJECT:			
TOTAL COST TO BE FINANCED	\$ 1,056,000		
CAPITAL REQUIRED:	\$ 264,000		
CAPITAL REQUIRED as a % of COST:	25.0%		
LOAN REQUIRED	\$ 792,000		
LOAN REQUIRED as a % of COST:	75.0%		
LOAN TERM DUARATION (In Months):	12		
INTEREST RATE:	6.5%		
ORINATION POINTS	1.5%		
ORINATION FEE	\$ 11,880.00		
INTEREST COST:	\$ 73,000		
TARGET SALES PRICE - TOTAL PROJECT:	\$ 1,155,000		
Avg. TARGET SALES PRICE/UNIT:	\$ 577,500		
BREAK EVEN SALES PRICE - TOTAL PROJECT:	\$ 1,116,500		
BREAK EVEN SALES PRICE /UNIT:	\$ 558,250		
BREAK EVEN SALES PRICE/SQUARE FOOT	\$ 203		
OPINION OF INVESTMENT POTENTIAL			
ANTICIPATED GROSS PROFIT	\$ 41,250		
CAPITAL REQUIRED	\$ 264,000		
DEFERRED DESIGN FEES (CLASS B INVESTMENT)	\$ 30,000		
DEFERRED DEVELOPER FEES (CLASS B INVESTMENT)	\$ 20,000		
TOTAL CLASS A CAPITAL REQUIRED	\$ 234,000		
TOTAL ROI	17.63%		

1. EDUCATE YOURSELF

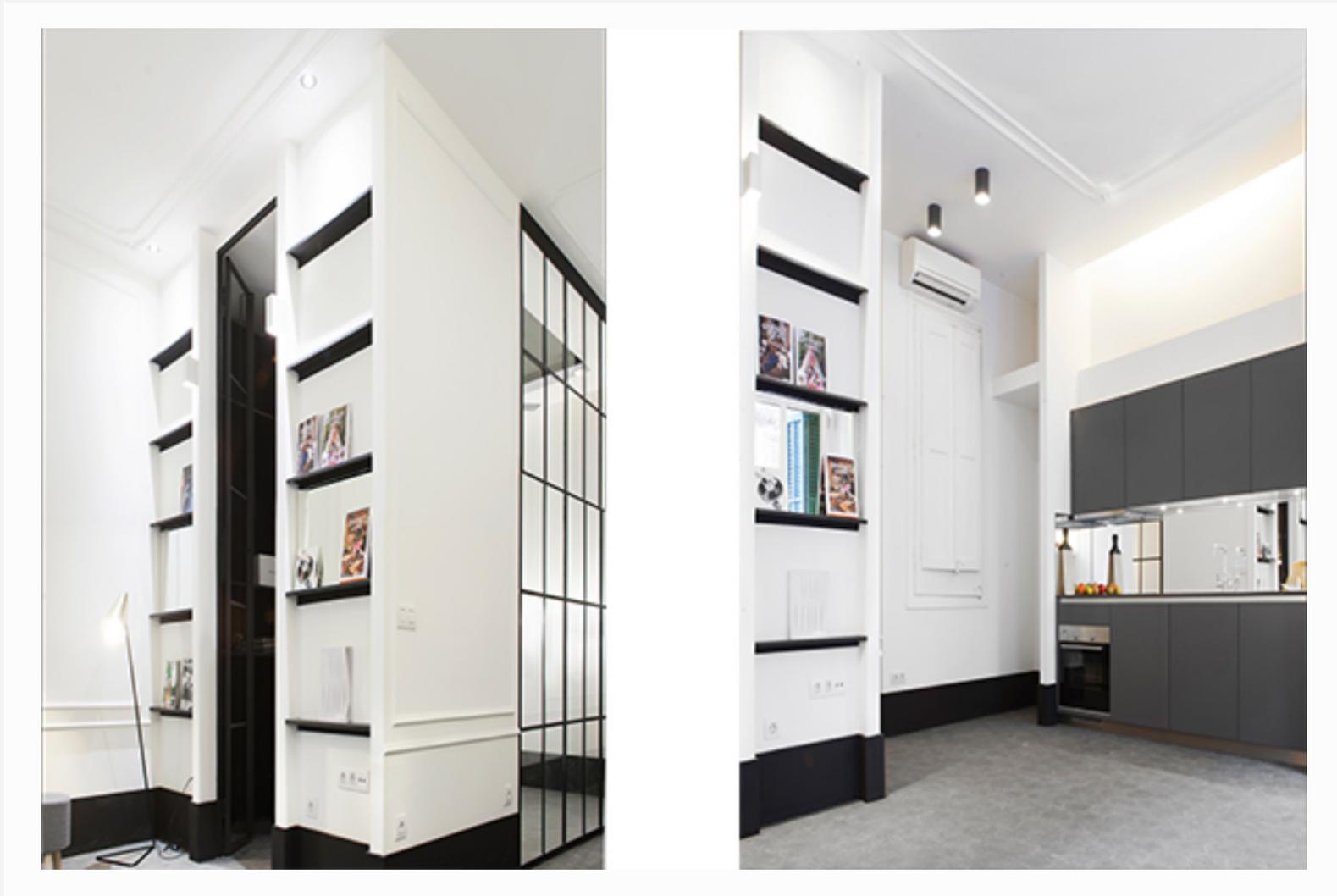
2. GET YOUR S*** TOGETHER

1. EDUCATE YOURSELF

2. GET YOUR S*** TOGETHER

3. FIGURE OUT YOUR PRODUCT

FLIP





A'18 AIA Conference on Architecture 2018
June 21-23, New York City

Jose de la Cruz
Houston, TX

SINGLE-FAMILY



A'18 AIA Conference on Architecture 2018
June 21-23, New York City

Mike Benkert
Cincinnati, OH



A'18 AIA Conference on Architecture 2018
June 21-23, New York City

The UP Studio
Queens, NY

MULTI-FAMILY



A'18 AIA Conference on Architecture 2018
June 21-23, New York City

Tamarkin Co.
New York, NY



A'18 AIA Conference on Architecture 2018
June 21-23, New York City

Onion Flats
Philadelphia, PA

URBANISM



A'18 AIA Conference on Architecture 2018
June 21-23, New York City

OJT
New Orleans, LA



A'18 AIA Conference on Architecture 2018
June 21-23, New York City

RAD LAB
San Diego, CA

NICE PICS, BUT
I'M JUST AN
ARCHITECT.

I HAVE
NO MONEY.

1. EDUCATE YOURSELF
2. GET YOUR S*** TOGETHER
3. FIGURE OUT YOUR PRODUCT
4. FIGURE OUT THE FINANCING

OPM

(OTHER PEOPLE'S MONEY)

OPM

(OTHER PEOPLE'S MONEY)

1. INVESTORS

OPM

(OTHER PEOPLE'S MONEY)

1. INVESTORS

2. PARTNERS

OPM

(OTHER PEOPLE'S MONEY)

1. INVESTORS

2. PARTNERS

3. CONSTRUCTION LOAN

NICE IDEA, BUT
I'M JUST AN
ARCHITECT.

I HAVE
NO MONEY.

MEZZANINE DEBT

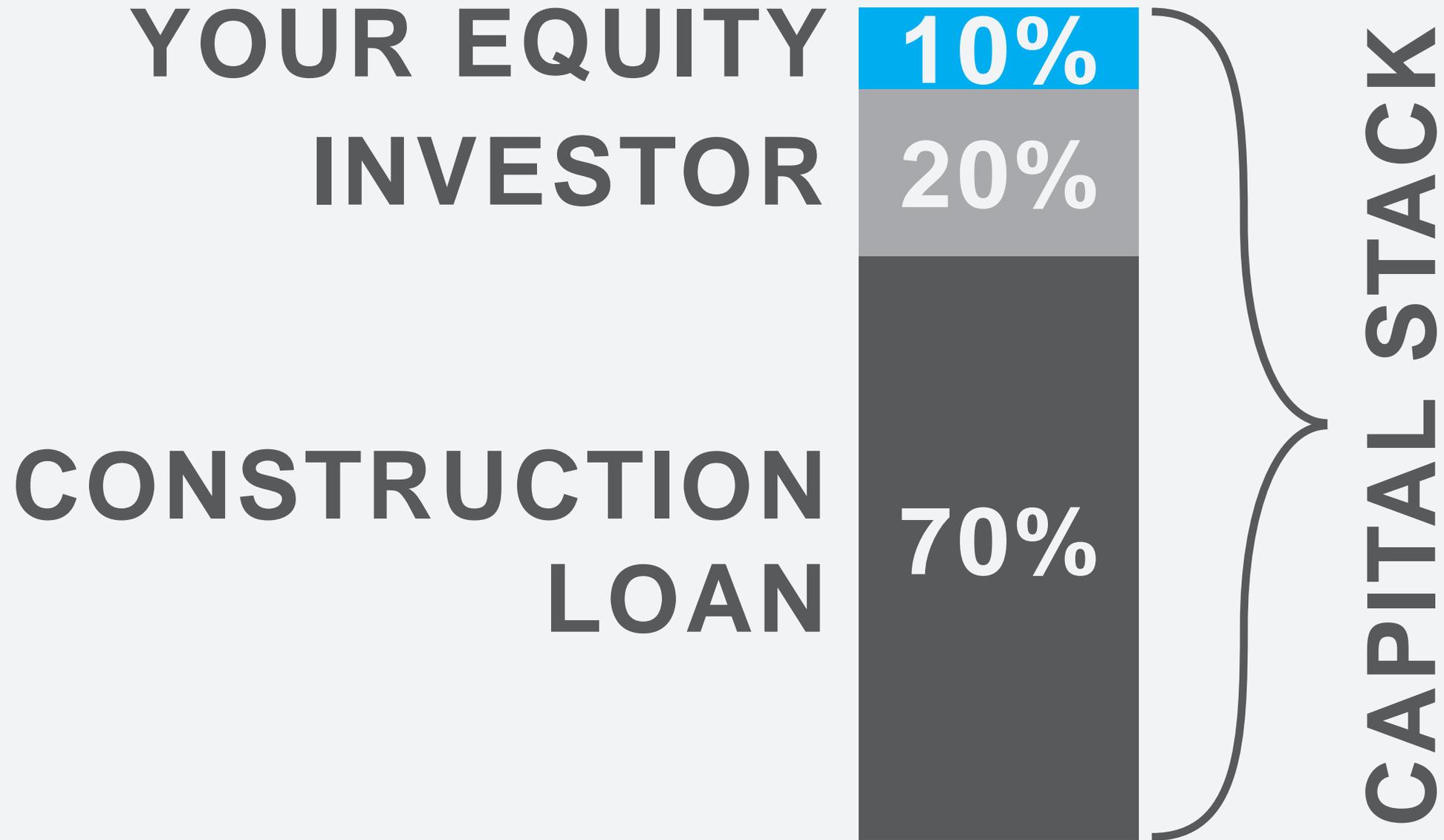
**YOUR EQUITY
INVESTOR**

10%

20%

**CONSTRUCTION
LOAN**

70%



ARCHITECTURE IS EQUITY



A'18 AIA Conference on Architecture 2018
June 21-23, New York City

GLUCK+
New York, NY

CROWDFUNDING



A'18 AIA Conference on Architecture 2018
June 21-23, New York City

ZUS
Rotterdam, NL



creative
space
for big
ideas.

dumb
bell
dot
com

Now
Leasing
See right now.

dumb
bell
dot
com

dumb
bell
dot
com

Now
Leasing
See right now.

yes
up
pete.

A'18

AI A Conference on Architecture 2018
June 21-23, New York City

Guerrilla Development
Portland, OR

Starter Home Two



Odd lots give rise to affordable housing.

ABOUT THE PROJECT



S Saratoga is one of a series of homes being developed by **OJT (Office of Jonathan Tate)** in New Orleans through a program they call **Starter Home***. You can read all about it on their [website](#). This is the third project to be built in the Starter Home* program. It follows the successful completion and sale of the first Starter Home at **3106 St. Thomas Street** (pictured above) and twelve more homes under construction at **3108 St. Thomas Street**. The funds raised through this offering will be used to construct two new single-family homes located on two lots at **3609 - 3613 S. Saratoga Street**, in **Milan**, a transitioning, inner-city neighborhood of New Orleans. Milan abuts the large and historical neighborhood of Central City and is close to a number of retail corridors, but is predominantly low-scale residential in character.

[Show More](#)

\$95,000

raised out of \$40,000 - \$95,000 goal
238% of target committed

39

Investments

15 Month Term (Projected)	\$500 Min. Investment	\$40,000 Target
---	------------------------------------	---------------------------

OPEN TO EVERYONE
(Offered by NSSC Funding Portal)

[Click here to download disclosure materials \(SEC Form C\)](#)

203(K)



1. EDUCATE YOURSELF
2. GET YOUR S*** TOGETHER
3. FIGURE OUT YOUR PRODUCT
4. FIGURE OUT THE FINANCING
- 5. GO LOOK AT REAL ESTATE**



169 Water St, Brooklyn, NY 11201

4 beds · 3 baths · 3,469 sqft

FOR SALE
\$4,995,000
Zestimate :
\$4,989,746

EST. MORTGAGE
\$27,580/mo
[Get pre-qualified](#)

Listed by:
 HALSTEAD

Designer's Dream Dumbo Townhouse
A rare gem as one of only 5 independent townhomes in one of the city's most celebrated neighborhoods.
This magnificent townhouse is in mint condition and was significantly upgraded from its original plans by the architect owner. It is comprised of four stories with four real bedrooms, three full bathrooms, two fireplaces, two terraces, and the ultimate amenity of your own private parking that sits on a rotating turntable! All just steps away from the...
[More](#)

Open House

6/1 12am-11:59pm
6/2 12am-11:59pm

CONTACT LISTING AGENT

Julie Leedes Bienstock
Halstead Property
(212) 521-5785

CONTACT AGENT

Or call (844) 899-8717 for more info

I am interested in 169 Water St, BROOKLYN, NY 11201.

I want financing information

By pressing Contact Agent, you agree that Zillow Group and real estate professionals may call/text you about your

1. EDUCATE YOURSELF
2. GET YOUR S*** TOGETHER
3. FIGURE OUT YOUR PRODUCT
4. FIGURE OUT THE FINANCING
5. GO LOOK AT REAL ESTATE
6. RUN EXAMPLE PRO FORMAS

The Ocean, 2015

PROJECT FACTS:		4/1/2016		15,000		8.41%		CASH FLOW CALCULATION		2016		2017		2018		2019		2020		2021		
Site Area	2014 base	638.5	\$1,467	576	9.26%	NET OPERATING INCOME	\$ 129,764	\$1,842	\$10,551	\$11,700	\$12,883	\$14,102	\$15,357	\$16,612	\$17,867	\$19,122	\$20,377	\$21,632	\$22,887	\$311,261		
Number of stories		702.5	\$1,615	640	7.48%	(-) MORTGAGE	(\$85,996)	\$3,681	\$14,068	\$15,600	\$17,177	\$18,803	\$20,477	\$22,151	\$23,825	\$25,500	\$27,174	\$28,848	\$30,522	\$415,015		
Retail 1		567.5	\$1,411	505	8.80%	NET CASH FLOW	\$44,168	\$3,794	\$9,473	\$10,600	\$11,777	\$12,954	\$14,131	\$15,308	\$16,485	\$17,662	\$18,839	\$20,016	\$21,193	\$22,370		
Retail 2		667.5	\$1,534	605		OWNERSHIP/RETURNS			\$12,631	\$14,168	\$15,705	\$17,242	\$18,779	\$20,316	\$21,853	\$23,390	\$24,927	\$26,464	\$28,001	\$311,261		
Retail 3		1,470	\$1,950	250	19.37%	Inv. 1 - KC	\$ 118,412	0.0%	\$9,473	\$10,600	\$11,777	\$12,954	\$14,131	\$15,308	\$16,485	\$17,662	\$18,839	\$20,016	\$21,193	\$22,370		
Retail 4		1,551	\$2,111	1,992	26.25%	Inv. 2 - JC	\$ 157,885	0.0%	\$6,072	\$6,736	\$7,400	\$8,064	\$8,728	\$9,392	\$10,056	\$10,720	\$11,384	\$12,048	\$12,712	\$15,631		
Toilet Rooms/Mop sink		7		7,589	100.00%	Inv. 3 - TL	\$ 59,206	0.0%	\$3,552	\$4,736	\$5,920	\$7,104	\$8,288	\$9,472	\$10,656	\$11,840	\$13,024	\$14,208	\$15,392	\$18,311		
Pie Spot				7,589		Inv. 4 - JL	\$ 394,709		\$23,682	\$31,576	\$39,470	\$47,364	\$55,258	\$63,152	\$71,046	\$78,940	\$86,834	\$94,728	\$102,622	\$131,537		
Tails n Trotters				100.00%		Total Investment/Annual Dist			\$35,169	\$38,999	\$42,829	\$46,659	\$50,489	\$54,319	\$58,149	\$61,979	\$65,809	\$69,639	\$73,469	\$103,384		
Loft						9-'11-12-'12																
Number of Residential Units						2013	14,996	177,448	195,290	234,316	241,345	248,586	256,043	263,725	271,636	279,786	288,077	296,508	305,079	313,790	322,641	
Number of commercial tenants						2014	-16,208	-61,096	-112,244	-113,688	-113,688	-117,099	-120,612	-124,230	-127,957	-131,796	-135,745	-139,804	-143,973	-148,252	-152,641	
GROSS BUILDING AREA						2015	83,046	79,496	83,046	123,939	127,657	131,487	135,431	139,494	143,679	147,990	152,341	156,726	161,146	165,591	170,066	
TOTAL NET LEASABLE						2016	-1,213	-5,167	3,550	31,451	35,169	38,999	42,943	47,006	51,191	55,502	59,939	64,504	69,195	74,012	78,955	
Overall Efficiency						2017	-1,213	111,186	1,04	1,34	1,38	1,42	1,46	1,51	1,55	1,60	1,64	1,68	1,72	1,76	1,80	
Retail Rent/sq.ft.	28.1 NNN					2018	22,52	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Loft Rent/sq.ft.	12.7 NNN					2019	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Pie Spot	15.9 NNN					2020	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Tails n Trotters	0.1 NNN					2021	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
CAM (retail only)	Included					Revenue-Actual (then 3% escal)	\$1,507	\$1,507	\$1,507	\$1,507	\$1,507	\$1,507	\$1,507	\$1,507	\$1,507	\$1,507	\$1,507	\$1,507	\$1,507	\$1,507	\$1,507	
Parking Spaces						Expenses-Actual (then 3% escal)	\$2,112	\$2,112	\$2,112	\$2,112	\$2,112	\$2,112	\$2,112	\$2,112	\$2,112	\$2,112	\$2,112	\$2,112	\$2,112	\$2,112	\$2,112	
Parking Rent - average						NOI	\$1,507	\$1,507	\$1,507	\$1,507	\$1,507	\$1,507	\$1,507	\$1,507	\$1,507	\$1,507	\$1,507	\$1,507	\$1,507	\$1,507	\$1,507	
Other Rent						Debt Service (+ Reserve)	\$2,112	\$2,112	\$2,112	\$2,112	\$2,112	\$2,112	\$2,112	\$2,112	\$2,112	\$2,112	\$2,112	\$2,112	\$2,112	\$2,112	\$2,112	
Misc Income						NET CASH FLOW	\$1,950	\$1,950	\$1,950	\$1,950	\$1,950	\$1,950	\$1,950	\$1,950	\$1,950	\$1,950	\$1,950	\$1,950	\$1,950	\$1,950	\$1,950	
Building + Land Price						RETURN ON CASH (INVESTOR)	\$1,950	\$1,950	\$1,950	\$1,950	\$1,950	\$1,950	\$1,950	\$1,950	\$1,950	\$1,950	\$1,950	\$1,950	\$1,950	\$1,950	\$1,950	
ECTED OPERATING PRO FORMA (PER YEAR)						Combined DCR	1.38	1.38	1.38	1.38	1.38	1.38	1.38	1.38	1.38	1.38	1.38	1.38	1.38	1.38	1.38	
Gross Retail Income						Non-Replacement Reserve	\$1,507	\$1,507	\$1,507	\$1,507	\$1,507	\$1,507	\$1,507	\$1,507	\$1,507	\$1,507	\$1,507	\$1,507	\$1,507	\$1,507	\$1,507	
Gross Pie Spot Income						PROJECT APPRECIATION at 3%	\$1,507	\$1,507	\$1,507	\$1,507	\$1,507	\$1,507	\$1,507	\$1,507	\$1,507	\$1,507	\$1,507	\$1,507	\$1,507	\$1,507	\$1,507	
Gross Tails n Trotters Income						NET SALES PROCEEDS	\$1,507	\$1,507	\$1,507	\$1,507	\$1,507	\$1,507	\$1,507	\$1,507	\$1,507	\$1,507	\$1,507	\$1,507	\$1,507	\$1,507	\$1,507	
Gross Loft Income						LOAN BALANCE	\$1,507	\$1,507	\$1,507	\$1,507	\$1,507	\$1,507	\$1,507	\$1,507	\$1,507	\$1,507	\$1,507	\$1,507	\$1,507	\$1,507	\$1,507	
Net Tent Income						TOTAL EQUITY	\$1,507	\$1,507	\$1,507	\$1,507	\$1,507	\$1,507	\$1,507	\$1,507	\$1,507	\$1,507	\$1,507	\$1,507	\$1,507	\$1,507	\$1,507	
Net ATM Income + FIT Income						10 yr IRR	16.7%	16.7%	16.7%	16.7%	16.7%	16.7%	16.7%	16.7%	16.7%	16.7%	16.7%	16.7%	16.7%	16.7%	16.7%	
Net Management Income						Investment date: 9/15/11																
(-) Vacancy						FY: Oct 1-Sept 30																
(-) Fire Insurance - Commercial						Debt Balance	\$1,507	\$1,507	\$1,507	\$1,507	\$1,507	\$1,507	\$1,507	\$1,507	\$1,507	\$1,507	\$1,507	\$1,507	\$1,507	\$1,507	\$1,507	
(-) Taxes						Change in Debt	\$1,507	\$1,507	\$1,507	\$1,507	\$1,507	\$1,507	\$1,507	\$1,507	\$1,507	\$1,507	\$1,507	\$1,507	\$1,507	\$1,507	\$1,507	
(-) Water						Project Value	\$1,507	\$1,507	\$1,507	\$1,507	\$1,507	\$1,507	\$1,507	\$1,507	\$1,507	\$1,507	\$1,507	\$1,507	\$1,507	\$1,507	\$1,507	
(-) Trash/Utilities						Net Value	\$1,507	\$1,507	\$1,507	\$1,507	\$1,507	\$1,507	\$1,507	\$1,507	\$1,507	\$1,507	\$1,507	\$1,507	\$1,507	\$1,507	\$1,507	
(-) Repairs & Maintenance						Value Inc/Decr	\$1,507	\$1,507	\$1,507	\$1,507	\$1,507	\$1,507	\$1,507	\$1,507	\$1,507	\$1,507	\$1,507	\$1,507	\$1,507	\$1,507	\$1,507	
(-) Replacement Reserves (cap. expenditures)																						
(-) Misc. Expenses																						
(-) Commercial Management (Cavenaugh)																						
Total Expenses																						
Net Operating Income																						

REPEAT

PROJECT FACTS	January	February	March	April	May	June	July	August	September	October	November	December	Year Total
Site Area	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200
Net Retail	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200
Net Office	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200
Net Lofts	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200
Construction/Mini-Perm Loan	2,566,414												2,566,414
Project Value	614												614
Loan-to-Value	14%												14%
Loan-to-Cost	11%												11%
Combined TLV	11%												11%
Annual Debt Service	877,138												877,138
2nd POSITION LOAN													
DCR	1.000x												1.000x
TLC	1.000x												1.000x
Loan Amount	\$1,764,380												\$1,764,380
Loan Term	30												30
Interest Rate	6.00%												6.00%
Loan-to-Value	116.55%												116.55%
Loan-to-Cost	116.55%												116.55%
Combined TLV	116.55%												116.55%
Loan-to-Value	116.55%												116.55%
Loan-to-Cost	116.55%												116.55%
Combined TLV	116.55%												116.55%
Loan-to-Value	116.55%												116.55%
Loan-to-Cost	116.55%												116.55%
Combined TLV	116.55%												116.55%
Loan-to-Value	116.55%												116.55%
Loan-to-Cost	116.55%												116.55%
Combined TLV	116.55%												116.55%
Loan-to-Value	116.55%												116.55%
Loan-to-Cost	116.55%												116.55%
Combined TLV	116.55%												116.55%
Loan-to-Value	116.55%												116.55%
Loan-to-Cost	116.55%												116.55%
Combined TLV	116.55%												116.55%
Loan-to-Value	116.55%												116.55%
Loan-to-Cost	116.55%												116.55%
Combined TLV	116.55%												116.55%
Loan-to-Value	116.55%												116.55%
Loan-to-Cost	116.55%												116.55%
Combined TLV	116.55%												116.55%
Loan-to-Value	116.55%												116.55%
Loan-to-Cost	116.55%												116.55%
Combined TLV	116.55%												116.55%
Loan-to-Value	116.55%												116.55%
Loan-to-Cost	116.55%												116.55%
Combined TLV	116.55%												116.55%
Loan-to-Value	116.55%												116.55%
Loan-to-Cost	116.55%												116.55%
Combined TLV	116.55%												116.55%
Loan-to-Value	116.55%												116.55%
Loan-to-Cost	116.55%												116.55%
Combined TLV	116.55%												116.55%
Loan-to-Value	116.55%												116.55%
Loan-to-Cost	116.55%												116.55%
Combined TLV	116.55%												116.55%
Loan-to-Value	116.55%												116.55%
Loan-to-Cost	116.55%												116.55%
Combined TLV	116.55%												116.55%
Loan-to-Value	116.55%												116.55%
Loan-to-Cost	116.55%												116.55%
Combined TLV	116.55%												116.55%
Loan-to-Value	116.55%												116.55%
Loan-to-Cost	116.55%												116.55%
Combined TLV	116.55%												116.55%
Loan-to-Value	116.55%												116.55%
Loan-to-Cost	116.55%												116.55%
Combined TLV	116.55%												116.55%
Loan-to-Value	116.55%												116.55%
Loan-to-Cost	116.55%												116.55%
Combined TLV	116.55%												116.55%
Loan-to-Value	116.55%												116.55%
Loan-to-Cost	116.55%												116.55%
Combined TLV	116.55%												116.55%
Loan-to-Value	116.55%												116.55%
Loan-to-Cost	116.55%												116.55%
Combined TLV	116.55%												116.55%
Loan-to-Value	116.55%												116.55%
Loan-to-Cost	116.55%												116.55%
Combined TLV	116.55%												116.55%
Loan-to-Value	116.55%												116.55%
Loan-to-Cost	116.55%												116.55%
Combined TLV	116.55%												116.55%
Loan-to-Value	116.55%												116.55%
Loan-to-Cost	116.55%												116.55%
Combined TLV	116.55%												116.55%
Loan-to-Value	116.55%												116.55%
Loan-to-Cost	116.55%												116.55%
Combined TLV	116.55%												116.55%
Loan-to-Value	116.55%												116.55%
Loan-to-Cost	116.55%												116.55%
Combined TLV	116.55%												116.55%
Loan-to-Value	116.55%												116.55%
Loan-to-Cost	116.55%												116.55%
Combined TLV	116.55%												116.55%
Loan-to-Value	116.55%												116.55%
Loan-to-Cost	116.55%												116.55%
Combined TLV	116.55%												116.55%
Loan-to-Value	116.55%												116.55%
Loan-to-Cost	116.55%												116.55%
Combined TLV	116.55%												116.55%
Loan-to-Value	116.55%												116.55%
Loan-to-Cost	116.55%												116.55%
Combined TLV	116.55%												116.55%
Loan-to-Value	116.55%												116.55%
Loan-to-Cost	116.55%												116.55%
Combined TLV	116.55%												116.55%
Loan-to-Value	116.55%												116.55%
Loan-to-Cost	116.55%												116.55%
Combined TLV	116.55%												116.55%
Loan-to-Value	116.55%												116.55%
Loan-to-Cost	116.55%												116.55%
Combined TLV	116.55%												116.55%
Loan-to-Value	116.55%												116.55%
Loan-to-Cost	116.55%												116.55%
Combined TLV	116.55%												116.55%
Loan-to-Value	116.55%												116.55%
Loan-to-Cost	116.55%												116.55%
Combined TLV	116.55%												116.55%
Loan-to-Value	116.55%												116.55%
Loan-to-Cost	116.55%												116.55%
Combined TLV	116.55%												116.55%
Loan-to-Value	116.55%												116.55%
Loan-to-Cost	116.55%												116.55%
Combined TLV	116.55%												116.55%
Loan-to-Value	116.55%												116.55%
Loan-to-Cost	116.55%												

REPEAT

REPEAT

REPEAT

PROJECT FACTS:		January 2018	
Site Area	10,000	Construction/Inst-Prem. Loans	9,485,694
Number of stories	6	Project Value	14,821,338
Office	Creative Office	Loan-to-Value	64%
Parcel	32,500	Loan-to-Cost	75%
Common Area	3,500	Combined LTV	64%
Carpetmaker's Unit	0	Personal Guaranty Costs	\$0
Parking	1,000	Annual Construction Loan Debt Service	\$512,225
Number of Office Tenants	5		
Number of Retail Units	2		
Total Tenants	7		
GROSS BUILDING AREA	43,027		
TOTAL NET LEASABLE	37,000		
Overall Efficiency	86%		

PROJECT COSTS	
Existing Value	\$200.00
Hard Costs	\$149.00
Parking Costs	\$80.00
TI Allowance	\$15.00
Network	\$7.50
Hard Cost Contingency/TI Budget	\$2.00
Pre-Dev. Consultants	\$2.00
Architecture & Engineering	\$2.00
Development Fees	\$2.00
Permit Fees	\$2.00
Legal & Accounting	\$2.00
Construction Financing & Carrying	\$2.00
Permanent Financing	\$2.00
Leasing	\$2.00
Total Soft Costs	\$77.55
TOTAL PROJECT COST	\$327.55

OPERATING PRO FORMA (PER YEAR)	
Gross Office Income	\$ 26
Gross Retail Income	\$ 26
Gross CAM Income	\$ 26
Gross Parking Income	\$ 26
Gross Income	\$967,680
(-) Vacancy - Commercial	0%
(-) Fire Insurance - Commercial	NNN \$12,907
(-) Taxes	NNN \$326,700
(-) Water/Sewer/Trash/Utilities	NNN 0%
(-) Lighting/Trees	NNN 0%
(-) Repairs & Maintenance	\$400 per month
(-) Replacement Reserves	2%
(-) Misc. Expenses	1%
(-) Commercial Management	4%
Total Expenses	\$327,550
NET OPERATING INCOME	\$ 640,130

PERMANENT COSTS	
TV	\$0
Amort	\$0
Yield	5.00%
Yield	4.50%
Yield	4.00%
Yield	3.50%
Yield	3.00%
Yield	2.50%
Yield	2.00%
Yield	1.50%
Yield	1.00%
Yield	0.50%
Yield	0.00%

CASH FLOW CALCULATION	
Net Cash Flow	\$4,712
Owner's Share	20.0%
Debt Service	\$512,225
NOI	\$1,121,806
Debt Service (+ Reserve)	\$512,225
NET CASH FLOW	\$609,581
RETURN ON CASH (INVESTOR)	10.42%
Combined DCR	1.31
PROJECT APPRECIATION AT 3%	\$14,821,338
NET REFINANCIALS PROCEEDS	\$15,295,078
LOAN BALANCE	\$15,723,959
TOTAL EQUITY	\$16,681,547
To yr IRR	16.3%

NET CASH FLOW	
Yr 0	Yr 1
Revenue (3% escalator)	967,680
Expense (3% escalator)	(327,550)
NOI	640,130
Debt Service (+ Reserve)	(512,225)
NET CASH FLOW	127,905
RETURN ON CASH (INVESTOR)	10.42%

NET CASH FLOW	
Yr 2	Yr 3
Revenue (3% escalator)	1,006,612
Expense (3% escalator)	(327,550)
NOI	679,062
Debt Service (+ Reserve)	(512,225)
NET CASH FLOW	166,837
RETURN ON CASH (INVESTOR)	10.42%

NET CASH FLOW	
Yr 4	Yr 5
Revenue (3% escalator)	1,047,410
Expense (3% escalator)	(327,550)
NOI	719,860
Debt Service (+ Reserve)	(512,225)
NET CASH FLOW	207,635
RETURN ON CASH (INVESTOR)	10.42%

NET CASH FLOW	
Yr 6	Yr 7
Revenue (3% escalator)	1,089,130
Expense (3% escalator)	(327,550)
NOI	761,580
Debt Service (+ Reserve)	(512,225)
NET CASH FLOW	249,355
RETURN ON CASH (INVESTOR)	10.42%

NET CASH FLOW	
Yr 8	Yr 9
Revenue (3% escalator)	1,131,806
Expense (3% escalator)	(327,550)
NOI	803,256
Debt Service (+ Reserve)	(512,225)
NET CASH FLOW	291,031
RETURN ON CASH (INVESTOR)	10.42%

Development Process



Project Concept



Research Properties



Preliminary Proforma



Define Project Parameters



Land Purchase Offer



Close Land



Site Due Diligence



Financing Options



Market Research



Site Selection



Construction Financing



Hire Contractor



Complete Construction



Sell / Rent Units



Celebrate!

Contact Information

James Petty

architectanddeveloper.com

Alex Barrett

barrettdesign.com

Jared Della Valle

alloyllc.com

Peter Guthrie

ddgpartners.com

A'18 AIA Conference on Architecture 2018
June 21-23, New York City

A&D +

46 posts 512 followers 124 following

Promote Edit Profile

Architect & Developer
Bookstore

Profiling architects who are developing their own projects. See the new book, Architect & Developer: a Guide to Self-Initiating Projects at: architectanddeveloper.com/
New York, New York

Call Email Directions

Grid of posts:

- Modern interior with large windows and a chair.
- Exterior view of a modern multi-story building.
- Spreadsheet titled "Development Cost Estimates" with columns for Item, Unit, Unit Price, and Total.
- Panel discussion with three men on a stage.
- Book cover for "METROPOLIS: HOW TO FIND THE PERFECT DEVELOPER TO HIRE".

Architect & Developer
A Guide to Self-Initiating Projects



A'18 AIA Conference on Architecture 2018
June 21-23, New York City

@arch_developer

Thank you!