

# **A SEAT AT THE TABLE: BASIC DEVELOPMENT FINANCE FOR PLANNERS, URBANISTS AND HOUSING ADVOCATES**

## **FEATURING BEN STEVENS**

**Author of "The Birth of a Building"**

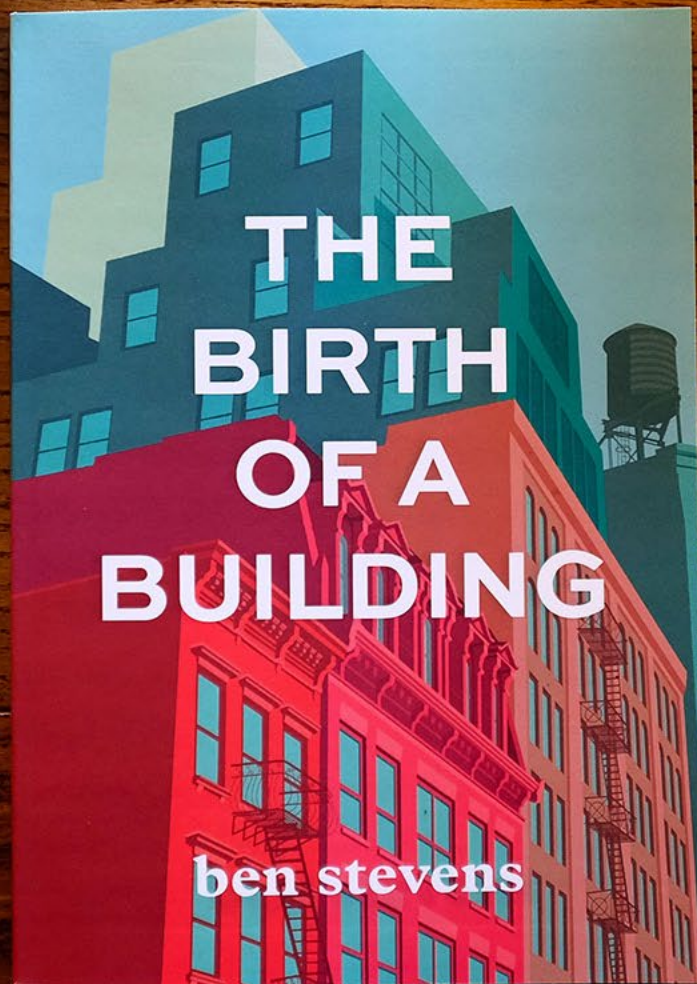


**Saturday, August 19th | 10:00-11:30am**

**John Chavis Memorial Park**

**(Multipurpose Room #1)**

**505 Martin Luther King Jr Blvd**



THE  
BIRTH  
OF A  
BUILDING

ben stevens

A PLACE ONLINE

# For people who love buildings

We are real estate developers. We created this site to learn from other developers & the architects, engineers, urban planners, lawyers, and financiers with whom we partner to create places.

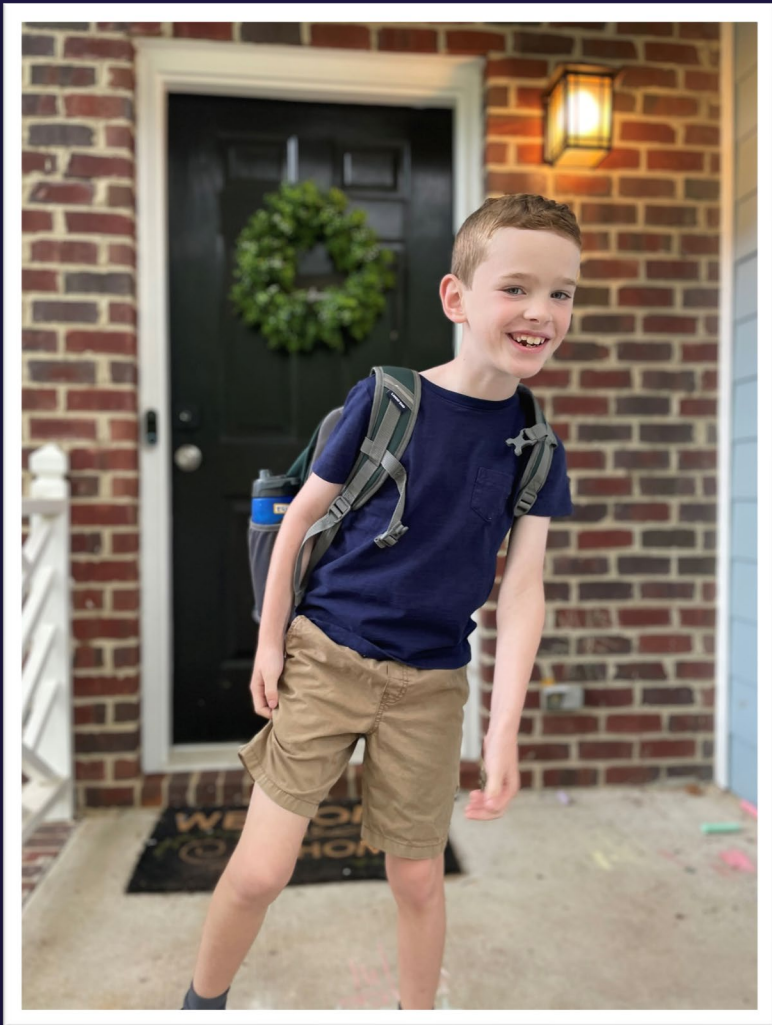


[ben@theskylineforum.com](mailto:ben@theskylineforum.com)





DPY







An architectural rendering of a city block, viewed from an elevated perspective. The scene is dominated by white, three-dimensional block models of buildings of various heights and shapes. A prominent feature is a tall, thin crane structure extending from the top center towards the middle of the block. In the center of the block, there is a rectangular green space, possibly a park or a sports field, surrounded by a row of small, stylized trees. The overall aesthetic is clean and minimalist, with a focus on geometric forms and spatial organization. The text "A Seat at the Table" is overlaid in the center of the image.

**A Seat at the Table**



# **Agenda**

**Demand Constraints**

**Supply Constraints**

**All the Finance You Need**

**Architecture and Profit**

**Numbers Up Close**



# Agenda

**Demand Constraints**

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**BUDDAMUS**

# Supply and Demand Constraints

# The Developer



**7% Return**



**\$1.5m Application Costs**  
**2 Year Waiting**  
**Pledge Home as Collateral**

**PRECEDENTIAL**

UNITED STATES COURT OF APPEALS  
FOR THE THIRD CIRCUIT

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No. 21-2289

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**This could be you!**

SOVEREIGN BANK

v.

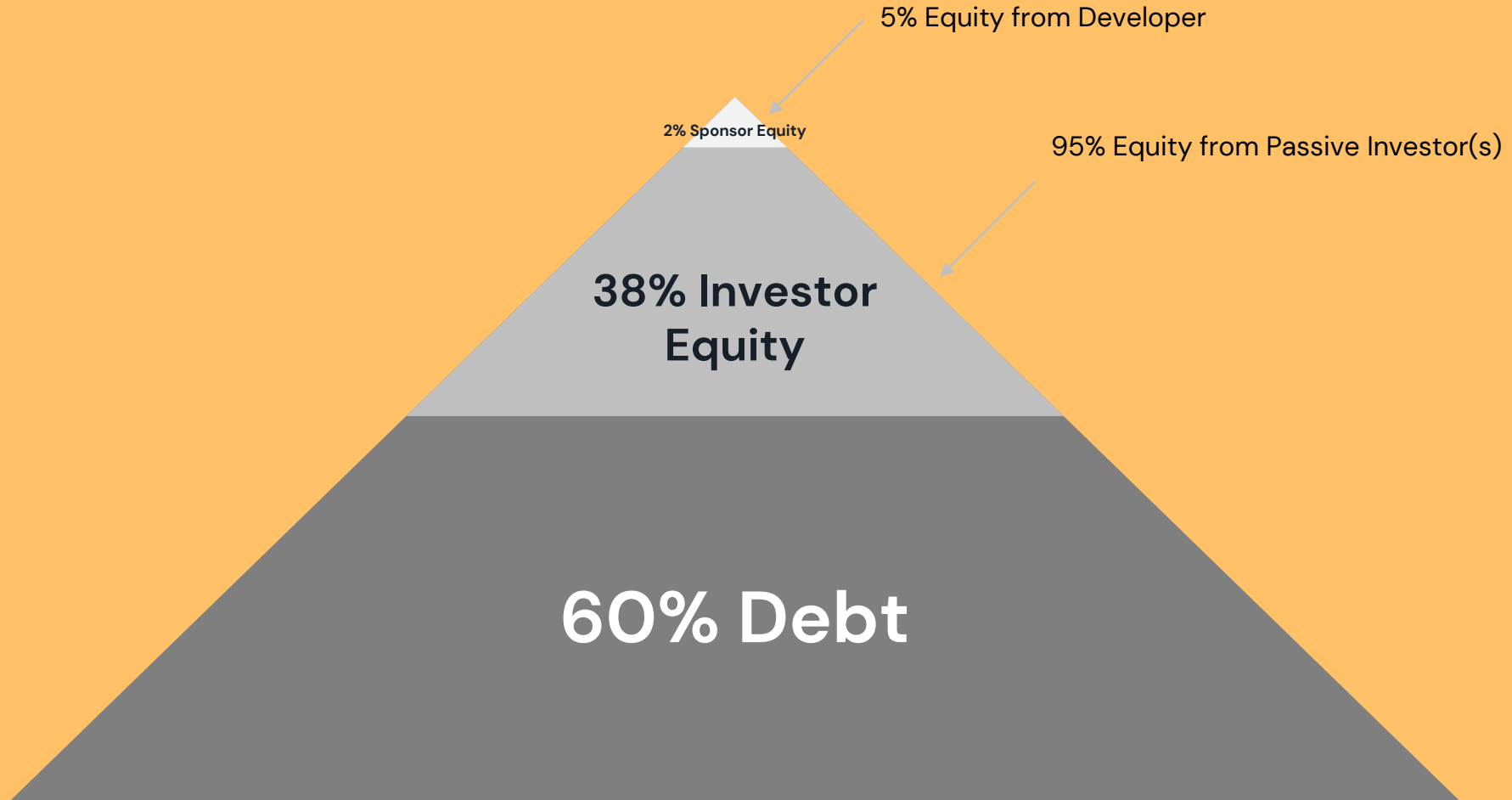
REMI CAPITAL, INC; ERIK A. KAISER, Individually

\*Jenzack Partners, LLC, as assignee for Sovereign Bank,  
Appellant

\*(Pursuant to Rule 12(a), Fed. R. App. P.)

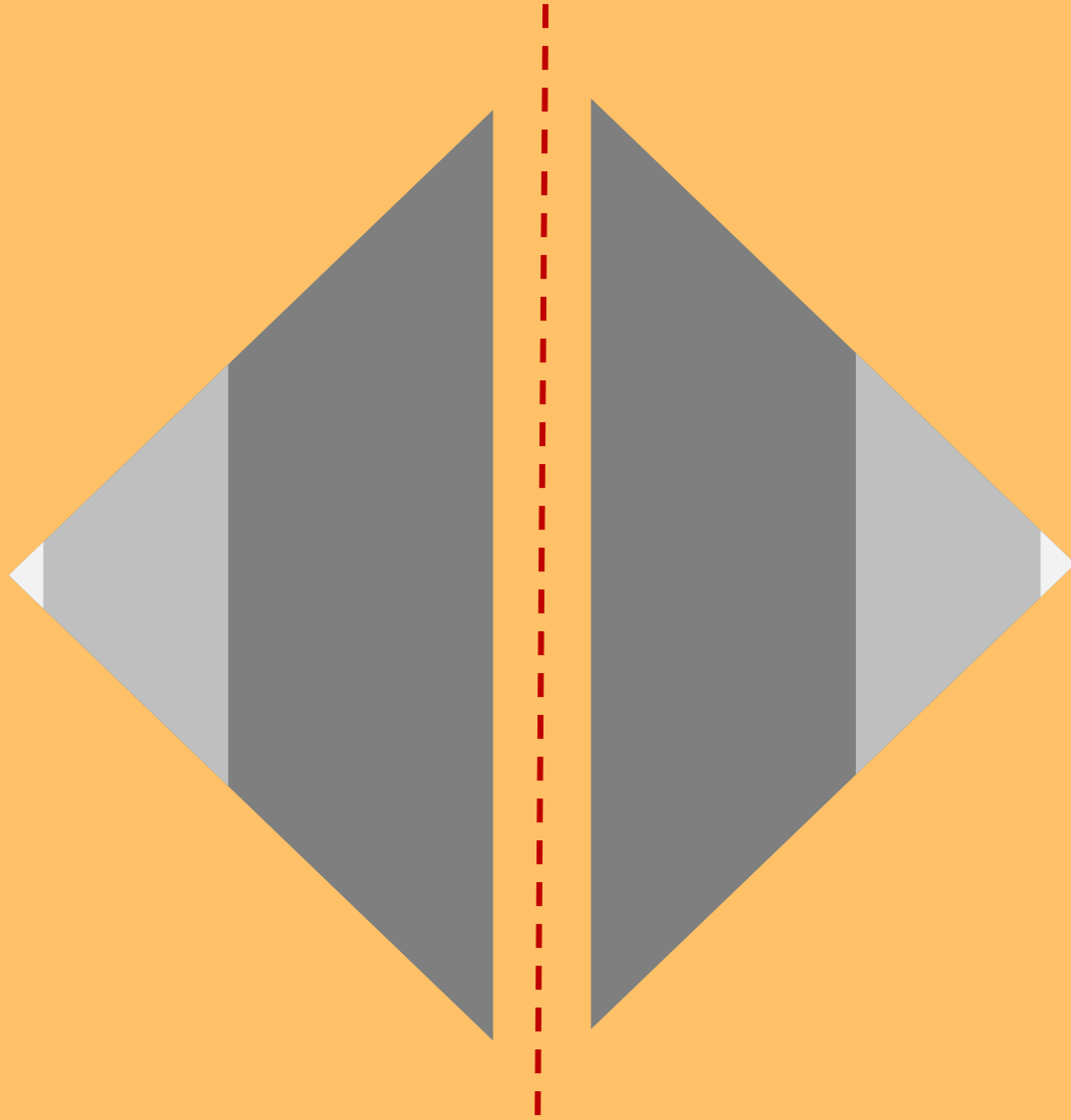
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# The Capital Stack



In a \$100m transaction, this means \$60m of debt, \$38m of investor cash, and \$2m of developer cash.

**Time**



**Closing and  
Ground Breaking**

**Developer Spends \$1-2m of Their Own Cash**

**Passive Investor  
Puts Money In**

Sale



**Bank Gets Money Back**

**Passive Investor  
Gets Money Back**

**Developer  
Profit...??**

**Reward > Risk**

(to pay for projects that fail)

A man with grey hair, wearing a dark suit, white shirt, and a blue and white striped tie, is speaking. He is positioned in the center of the frame. The background is a blurred event space with repeating text: "GLOBAL CHINA SUMMIT 2018", "JPMorgan", and "GLOBAL".

# Capital Partners





## HI TECH TIMBER

### TRADITIONAL VS. MODERN FORESTRY

Technological advancements in management, harvesting, and growing, in production have improved safety, increased yield, increased timber growth, and created healthy more sustainable forests.

MANAGEMENT

Traditional forestry management practices often focus on maximizing timber yield, which can lead to deforestation and loss of biodiversity. Modern forestry management practices focus on sustainable forest management, which includes protecting the environment and promoting biodiversity.







A group of business professionals are gathered around a table in a modern office setting. A man in a light blue shirt is shaking hands with a woman in a grey blazer. In the background, another woman with blonde hair is smiling and holding a pen. There are two paper cups on the table in the foreground. The scene is framed by green foliage in the foreground.

**Your Customer**

**You should make it nicer.**





LL Hawkins | Holst ☆



Gallery of M Campus / AIM Architecture - 18 ☆



601 Washington ☆



Charleston South Carolina: What to See, Do, and Eat ☆



The Bartlett School of Architecture | Projects |... ☆



Queen Alix - Projects - Maître Carré ☆



Sign Up | LinkedIn ☆



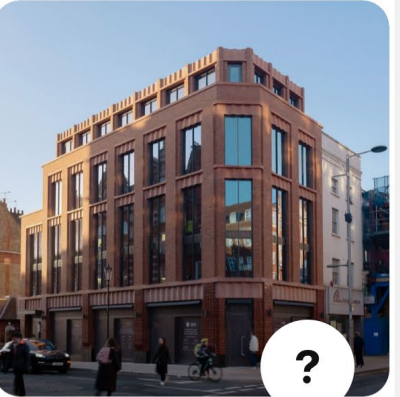
☆



Flinders ☆



Watkins Insurance Building / Wang Architects ☆

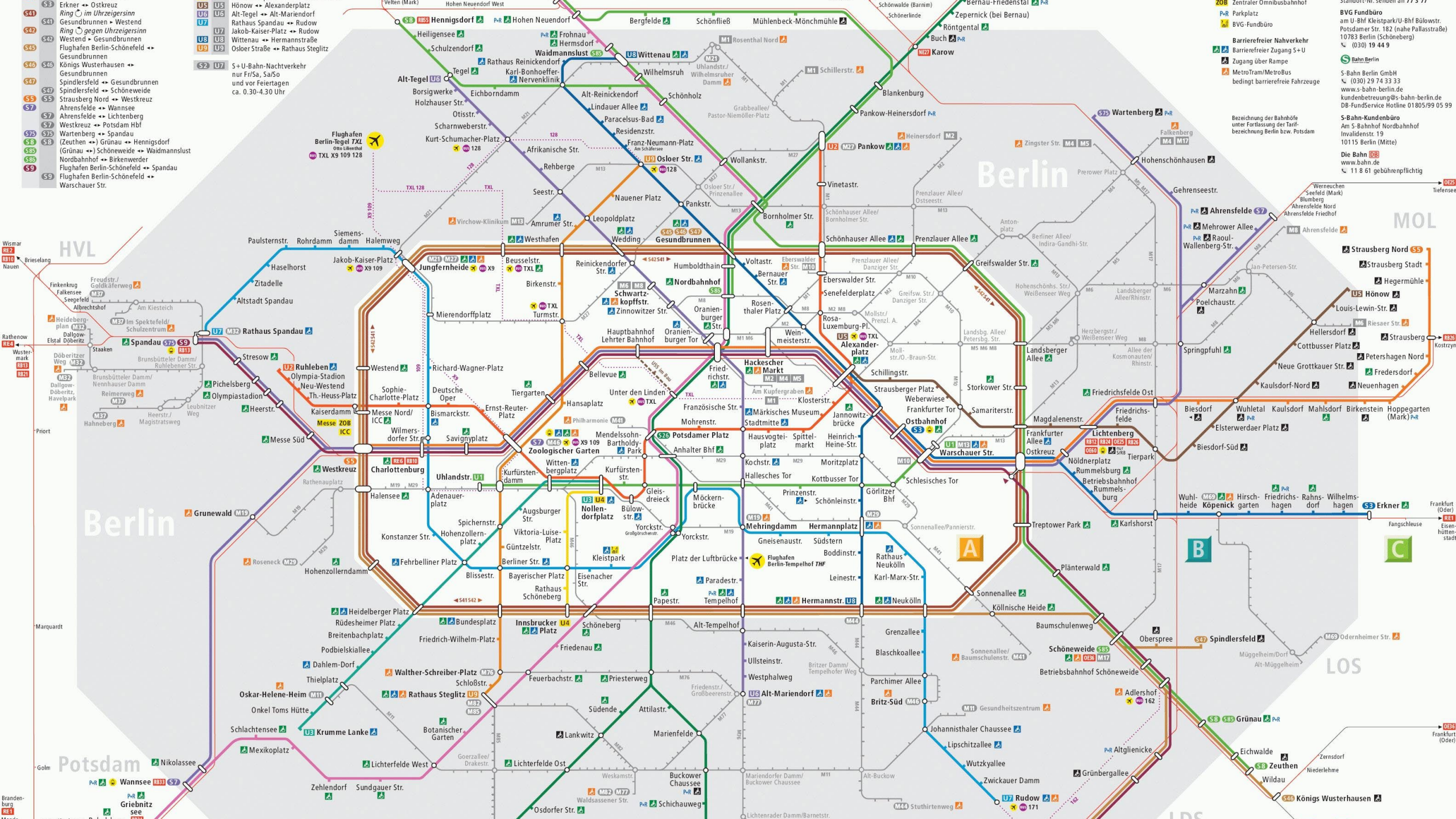


197 High Street Kensington ☆



- S3 Erkner ↔ Ostkreuz
- S41 Ring im Uhrzeigersinn
- S42 Ring gegen Uhrzeigersinn
- S43 Westend ↔ Gesundbrunnen
- S46 Flughafen Berlin-Schönefeld ↔ Gesundbrunnen
- S48 Königs Wusterhausen ↔ Gesundbrunnen
- S47 Spindlersfeld ↔ Gesundbrunnen
- S47 Spindlersfeld ↔ Schönweide
- S5 Strausberg Nord ↔ Westkreuz
- S5 Ahrensfelde ↔ Wannsee
- S7 Ahrensfelde ↔ Lichtenberg
- S7 Westkreuz ↔ Potsdam Hbf
- S75 Wartenberg ↔ Spandau
- S75 Zeuthen ↔ Grünau ↔ Hennigsdorf
- S8 Grünau ↔ Schönweide ↔ Waidmannslust
- S8 Nordbahnhof ↔ Birkenwerder
- S9 Flughafen Berlin-Schönefeld ↔ Spandau
- S9 Flughafen Berlin-Schönefeld ↔ Warschauer Str.

- U5 Hönow ↔ Alexanderplatz
- U6 Alt-Tegel ↔ Alt-Mariendorf
- U7 Rathaus Spandau ↔ Rudow
- U8 Jakob-Kaiser-Platz ↔ Rudow
- U9 Wittenau ↔ Hermannstraße
- U9 Osoler Straße ↔ Rathaus Steglitz
- S2 U7 S+U-Bahn-Nachverkehr nur Fr/Sa, Sa/So und vor Feiertagen ca. 0.30-4.30 Uhr



**Zentraler Omnibusbahnhof**  
 ZOB Parkplatz  
 BVG-Fundbüro

**Barrierefreier Nahverkehr**  
 Barrierefreier Zugang S+U  
 Zugang über Rampe  
 Metro/Tram/Metrobus bedingt barrierefreie Fahrzeuge

Bezeichnung der Bahnhöfe unter Fortlassung der Tarifbezeichnung Berlin bzw. Potsdam

**BVG Fundbüro**  
 am U-Bhf Kleistpark/U-Bhf Bülowstr.  
 Potsdamer Str. 182 (nahe Pallasstraße)  
 10783 Berlin (Schöneberg)  
 ☎ (030) 19 44 9

**S-Bahn Berlin**  
 S-Bahn Berlin GmbH  
 ☎ (030) 29 74 33 33  
 www.s-bahn-berlin.de  
 kundenbetreuung@s-bahn-berlin.de  
 DB-Fundservice Hotline 0130/89 05 99

**S-Bahn-Kundenbüro**  
 Am S-Bahnhof Nordbahnhof  
 Invalidenstr. 19  
 10115 Berlin (Mitte)  
 www.bahn.de  
 ☎ 11 8 61 gebührenpflichtig







Sold Dec 2022 · \$7M (\$375.90/SF)

Investment



# The Land Seller

2880 Industrial Dr  
Raleigh, NC 27609

18,622 SF · Bar/Nightclub · Built 1964



+ VIEW MORE

1/3

- Risk > Reward for me
- Lenders find it safe
- People can afford it
- Landowner willing to sell



West Roxbury  
Deserves Better

West Roxbury  
Deserves Better

West Roxbury  
Deserves Better

DON'T CAD  
WEST RO  
DESERVES

West Roxbury  
Deserves Better

West Roxbury  
Deserves Better





# Agenda

**Demand Constraints**

**Supply Constraints**

**All the Finance You Need**

**Architecture and Profit**

**Numbers Up Close**



Developers







# The City



FEDERAL RESERVE

1936

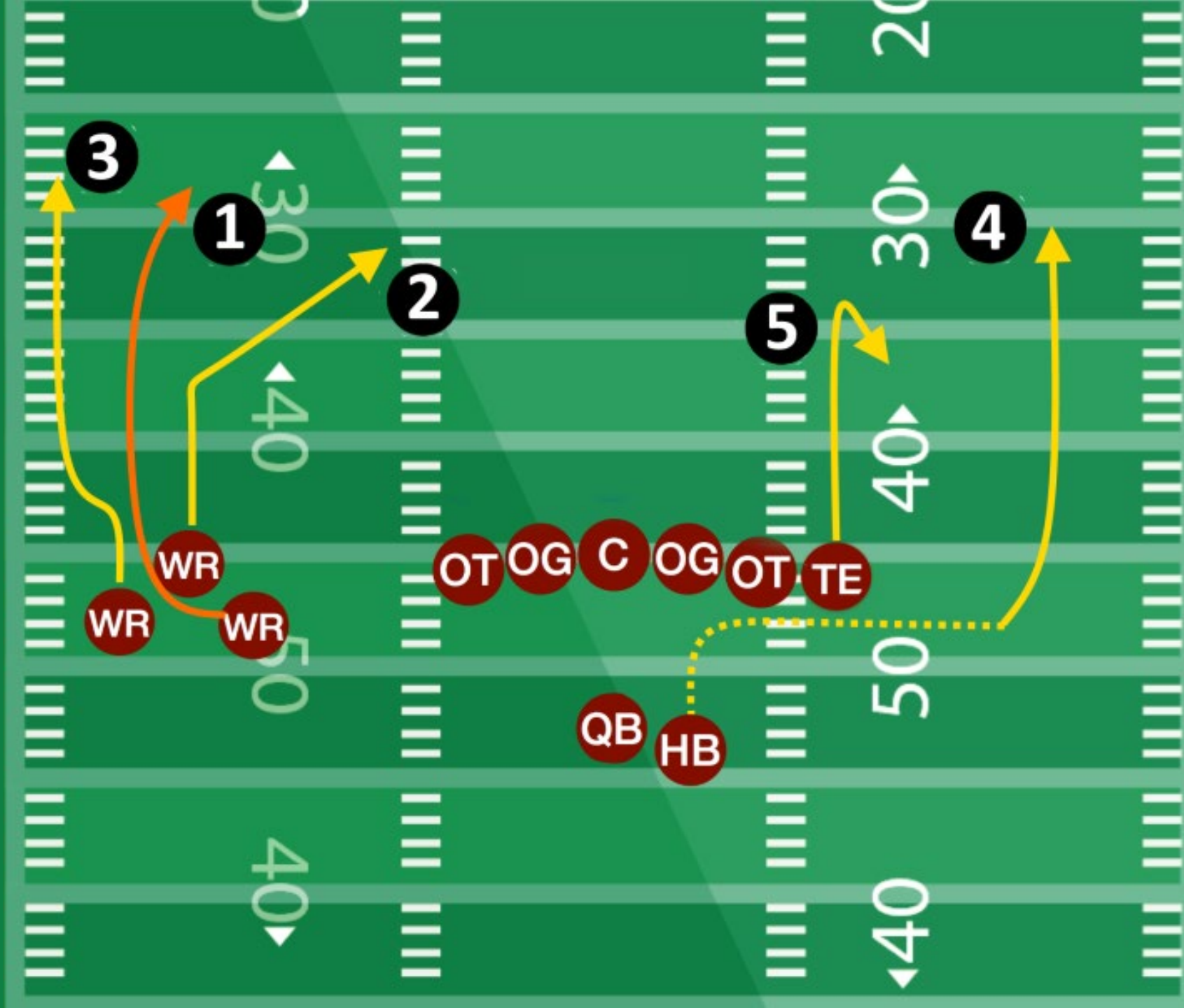


**American Planning Association**





**American Planning Association**







DEMOCRACY IN AMERICA.

BY

ALEXIS DE TOCQUEVILLE,

AVOCAT A LA COUR ROYALE DE PARIS,

ETC., ETC.

# Annual Highlights

- This past quarter, of the 34 cases seeking rezoning, only 3 made it to council.
- Rezoning are down 29% based on the 5-year average.
- The conversion rate of proposals starting at staff and getting to the council process is 13.9%. The last five years: 14.3%, 13.4%, 26.0%, and 23.1%.
- Development plans submitted are down 23% over the last 5 years.
- Permits are down 39% over the last 5 years.

**Property Owners**



13010

**No upside. Possible downside.**



**DEPARTMENT OF COMMERCE**

**HERBERT HOOVER, SECRETARY**

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**A STANDARD**

**STATE ZONING ENABLING ACT**

**UNDER WHICH MUNICIPALITIES MAY ADOPT ZONING  
REGULATIONS**

**BY THE**

**ADVISORY COMMITTEE ON ZONING**

**APPOINTED BY SECRETARY HOOVER**

# NIMBY playbook

- Environmental lawsuit
- Traffic study
- Parking study
- Subjective design review
- Public comment session (x3)
- Appeal from commission to council
- Parking permit program exclusion
- Historic site claim
- Rezone site
- Parking minimum
- Affordability requirement
- "Impact" fees
- Minimum setbacks
- Arbitrary height maximum





**VOTE**



West Roxbury  
Deserves Better

West Roxbury  
Deserves Better

West Roxbury  
Deserves Better

DON'T CAD  
WEST RO  
DESERVES

West Roxbury  
Deserves Better

West Roxbury  
Deserves Better



# Basic Rhetoric

- It will tear the neighborhood apart.
- It should exist but somewhere else.
- It lacks character (which isn't defined).

# Mutually Exclusive

- Increase the parking while lowering the traffic.
- It should be affordable but not have a lot of poor people.
- It should be nicer than anything in town, but not “luxury.”

*All Reasonable But 1*





# Consequences

- Rents and prices go up (which makes labor costs go up).
- This reduces investment potential in the local economy.
- And it reduces tax revenues.
- It prices people and companies out of moving into the market.
- People who run cities are not always incentivized to care about these things.



Projects may only be denied on the basis of objective criteria which are quantified and outlined in the unified development ordinance (*e.g., if your code mandates the use of 50% brick on all buildings in a district, you may deny a project that fails to meet that standard. But you may not deny a project because it "lacks character" or "isn't special."*)

Comprehensive plans must identify the zoning that corresponds to the comprehensive plan intent. Once a plan is approved, a parcel that doesn't match its intended comprehensive plan zoning may be rezoned with an administrative filing on a standardized form, without hearings. All previous comprehensive plans must be updated to reflect the intended future zoning within 18 months of the effective date.

Any governing body, committee, commission, or council having discretion over the entitlement of a project shall, within one week of a hearing, provide written confirmation to applicant of those actions legally required for approval (*comments such as "I'd like you to consider..." leave the applicant in limbo, unclear on the exact path to approval*).

Outside of residential districts, cities shall not prevent a building from rising to the height of the tallest building within 500 feet of its own property line.



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# A Black Canvas







**Up to Speed**



**1.12 for 1.00.**

**\$12**

**\$12,000**

**\$12,000,000**

**Return of your capital**

**Return on your capital**

**Creating Value**

“We can do *more* than create (financial) value...



*...but we must create value first.”*







**\$1,000,000**

**You can only tell whether a project makes sense by comparing the income and cost.**

**A rent number (even if high) or a development cost (even if low) is useless on its own.**





**Income-to-Cost (ITC)**

# Income-to-Cost (ITC)

a.k.a. yield on cost / return on cost

**What's the yield?**

**\$5,75m income  
/ \$100m cost  
= 5.75% Income to Cost**

# Income-to-Value (ITV)

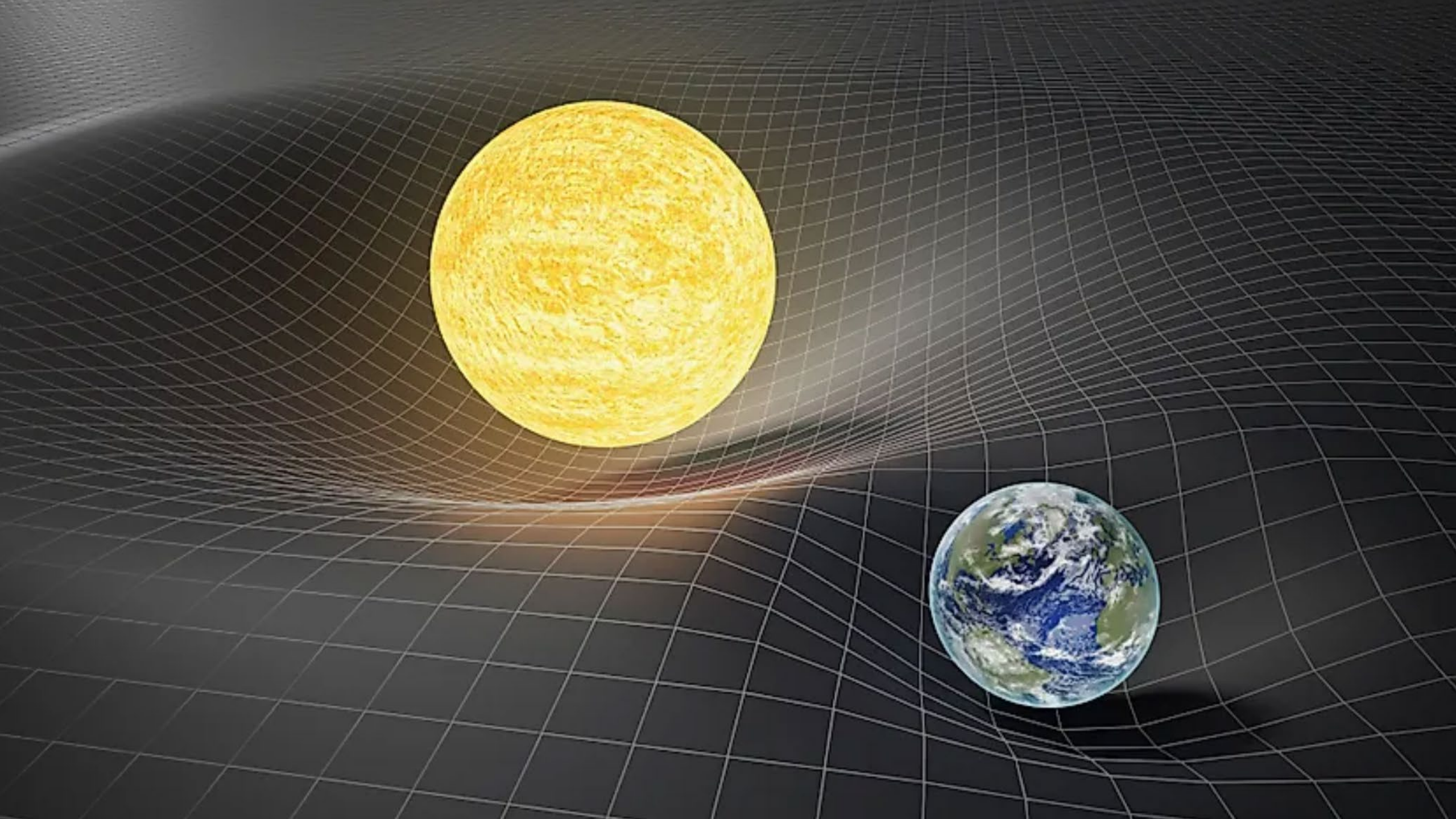
a.k.a. CAP Rate

$$\text{\$5.75m income} / 4.5\% \text{ ITV} = \text{\$127.7m}$$



**Land Seller  
Construction Firm  
City Fees and Taxes**









# 3 Scenarios Worksheet

# ***A Surprising Solution***

**250 Homes**  
**600k in Taxes**

**Keep Revenue 0**  
**Use 600k for Local Vouchers**

**600k taxes / \$8000 per renter =  
75 Permanent Vouchers**



**Cost to City = \$0**

**Market Housing Creates Vouchers.**

**Can someone recap?**

**All Cash?**



MISSION WINNOW

Barban

MISSION WINNOW

WEICHAH

76

SHELL

MISSION WINNOW

Lenovo

Lenovo

V-power

V-power

8eightcap

8eightcap

MISSION WINNOW

MISSION WINNOW

MISSION WINNOW

MISSION WINNOW

MISSION WINNOW

MISSION WINNOW

MISSION WINNOW

# The Capital Stack

SOURCES

SOURCE	ORDER	CONSTRUCTION	PERMANENT
<u>EQUITY</u>			
Equity (LIHTC Gap)	1	-	1,808
LIHTC GP Equity	2	100	100
LIHTC LP Equity	3	51,896,000	52,850,000
HTC Equity	4	-	-
█████ Equity	9	4,049,000	4,049,000
LIHTC Boost Equity	6	-	-
[Source]	7	-	-
<u>SOFT DEBT</u>			
HOME Funds (Soft Debt)	8	-	-
█████ Capital Funds	5	31,200,000	31,200,000
Gap Funds	10	3,800,000	3,800,000
Deferred Developer Fee	11	875,000	875,000
City of █████ TIF	16	42,650,000	42,650,000
█████ Grant	13	909,598	909,598
█████ Gap (Without Boos	14	-	-
█████ Gap Fund Request	15	5,800,000	5,800,000
Seller Note	0	10,000,000	10,000,000
<u>HARD DEBT</u>			
Construction Loan	n/a	46,436,996	-
Const Loan Carry Costs	n/a	28,769,365	-
Perm Loan (A)	n/a	-	12,580,000
Perm Loan (B)	n/a	-	-
Perm Loan (C)	n/a	-	-
Mezzanine Loan	n/a	-	-
Cash Flow Loan	n/a	-	-
Accrued Interest	n/a	13,353,420	13,353,420
Total		239,739,480	178,068,927







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**We've Begun Our Descent**



# Land Sellers

# Contractors

**Cities**

# The Design Dilemma

**You must understand whether a design decision makes it easier or harder to pay your bills.**





**Revenue**

**Cost**

# Building Code

# City Approvals

**Market Research (Revenue)**  
**GC and Subs (Material + Fire Cost)**  
**Planners and Council (Height)**

**It's the # of dimensions...**

# Insights from PB&J

Part 1





**36 sandwiches**

# **FAR**

The Floor Area Ratio

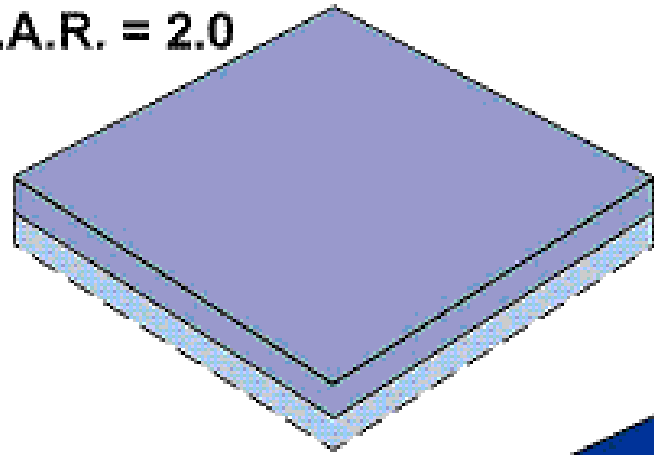
## 1) FAR Efficiency

Let's say you buy a piece of land. Does it matter whether you build 10,000 SF or 100,000 SF on it? Yes, because either way, the seller wants the same amount of money. Here's what that looks like:

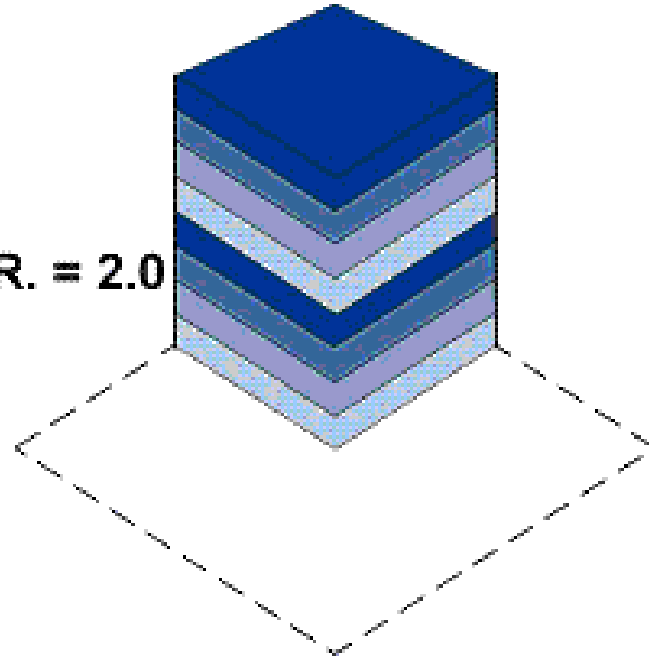
Land Price	/ # of Gross SF We Build	= Land Cost per Bldg SF
\$5,000,000	10,000 (~10 apartments)	\$500
\$5,000,000	100,000 (~100 apartments)	\$50
\$5,000,000	300,000 (~300 apartments)	\$15
\$5,000,000	500,000 (mixed use center)	\$10

**Total building SF / Site Area = FAR**

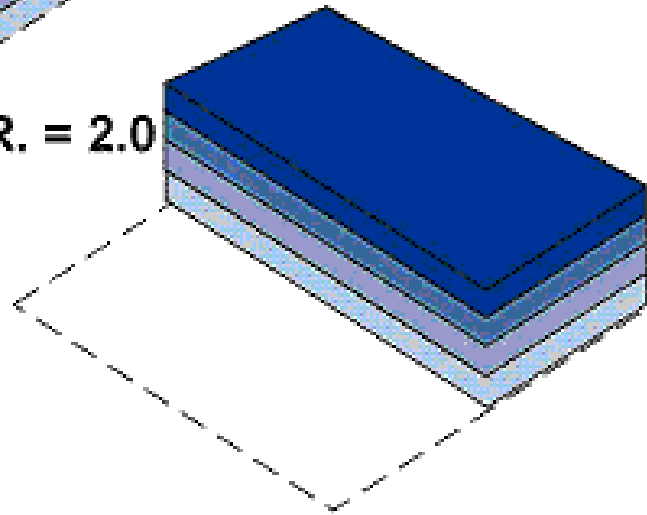
F.A.R. = 2.0



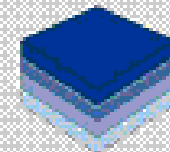
F.A.R. = 2.0



F.A.R. = 2.0



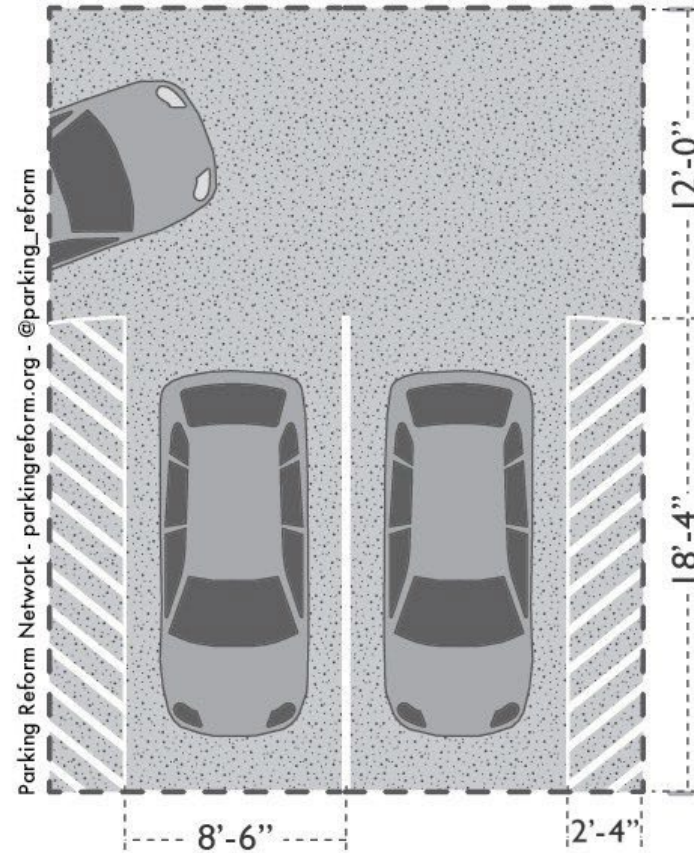
Building Site



Building or  
Structure

# Parking Efficiency

# Living Space Vs. Parking Space



size for 2 bedroom apartment: 675 FT<sup>2</sup>

size for 2 parking spaces: 650 FT<sup>2</sup>

Sources: Transportation Cost and Benefit Analysis II - Parking Costs Victoria Transport Policy Institute ([www.vtpi.org](http://www.vtpi.org))

Graphic Adapted from Graphing Parking (<https://graphingparking.com/2013/07/23/parking-across-cascadia/>)

Image compiled by the Parking Reform Network - <https://parkingreform.org/> - @Parking\_Reform





# Land Use Analysis

Kansas City, MO

URBAN3

## LAND USE TYPES LEGEND

-  Greenspace
-  Roads
-  Buildings
-  Parking

Add parking!

POWERED BY  
esri



<b>Stall Type</b>	<b>Total Stalls Needed</b>	<b>X Cost per Stall (2022)</b>	<b>= Parking Cost <i>(excluding land)</i></b>
Surface Stalls	400	4,000	1,600,000
Precast Deck	400	18,000	7,200,000
Cast in Place Deck <sup>7</sup>	400	27,000	10,800,000
Subsurface Parking	400	40,000	16,000,000

# Sitework



# Structural System



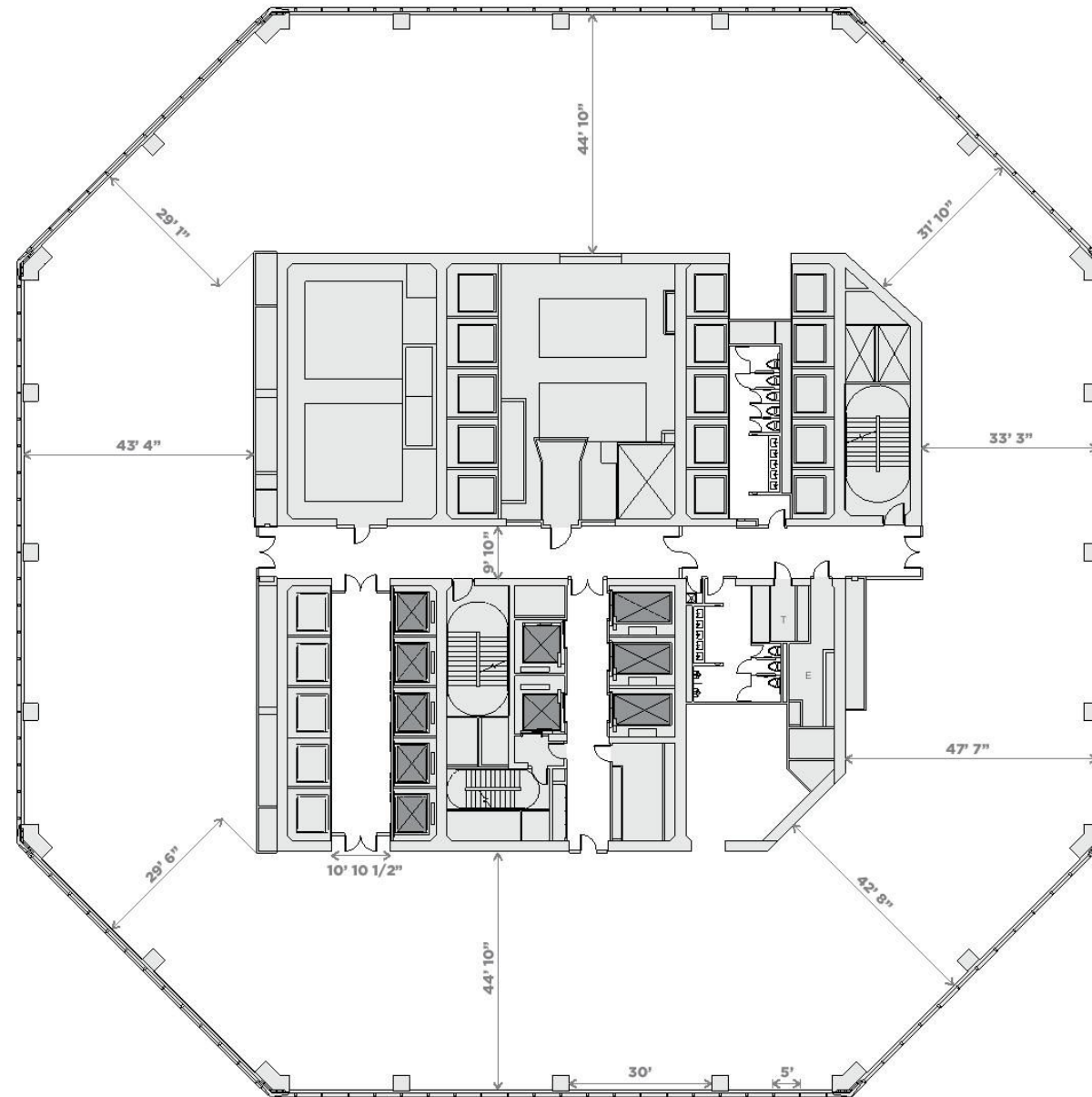
**Find the Problem**

## FLOORS 60-63

TYPICAL FLOOR:  
41,588 - 43,850 RSF  
3,864 - 4,074 SQM

KEY:

- AVAILABLE
- MECHANICAL
- ELEVATORS



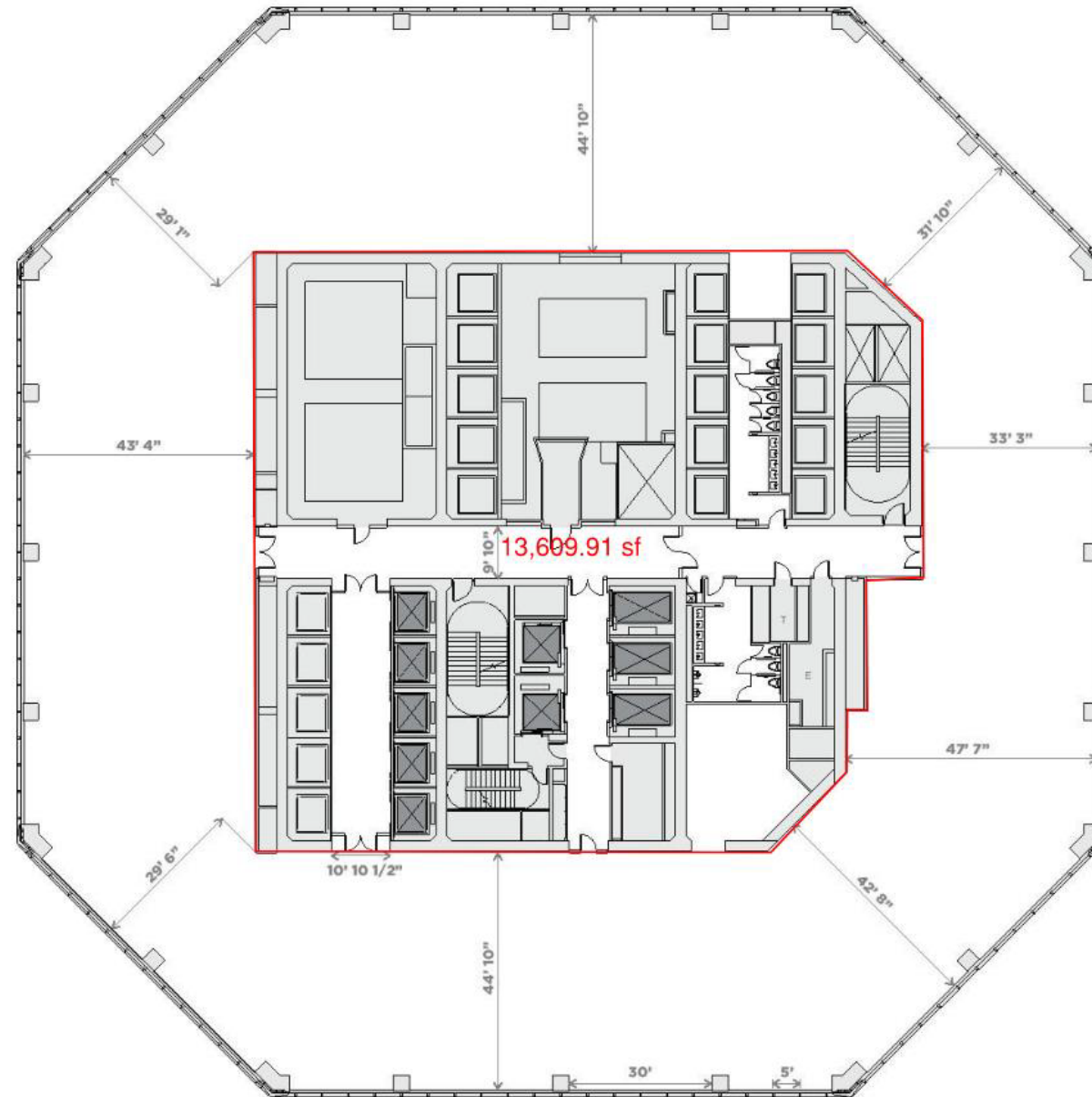


## FLOORS 60-63

TYPICAL FLOOR:  
41,588 - 43,850 RSF  
3,864 - 4,074 SQM

KEY:

- AVAILABLE
- MECHANICAL
- ELEVATORS



**38,221 total -13,609 core = 24,612**  
**(64.4% efficient)**

of the name to "Burj Khalifa". The concept of profitability derived from building high-density developments and malls around the landmark has proven successful. Its surrounding malls, hotels, and condominiums in Downtown Dubai have generated the most revenue from the project as a whole, while the Burj Khalifa itself made little or no profit.<sup>[8][9]</sup>

**Management**

	Number of Apartment Units					
<b>Staff Required</b>	50	100	150	200	250	300
Property Manager	-	1	1	1	1	1
Leasing Associate	-		1	1	1.5	1.5
Maintenance Supervisor	-	1	1	1	1	1
Maintenance Tech	-		1	1	1	1.5
Groundskeeper						1
<b>Total</b>	-	2	4	4	4.5	6

# Efficiencies

- **FAR**
- **Parking**
- **Sitework**
- **Structure**
- **Speed**
- **Floorplate**
- **Mechanical**
- **Management**

# **Fragility:**

Is there really a demand for 36 PB&Js?



# Agenda

**Demand Constraints**

**Supply Constraints**

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**Numbers Up Close**



**What's In Your Number?**

**Land**  
**Hard Costs**  
**Soft Costs**

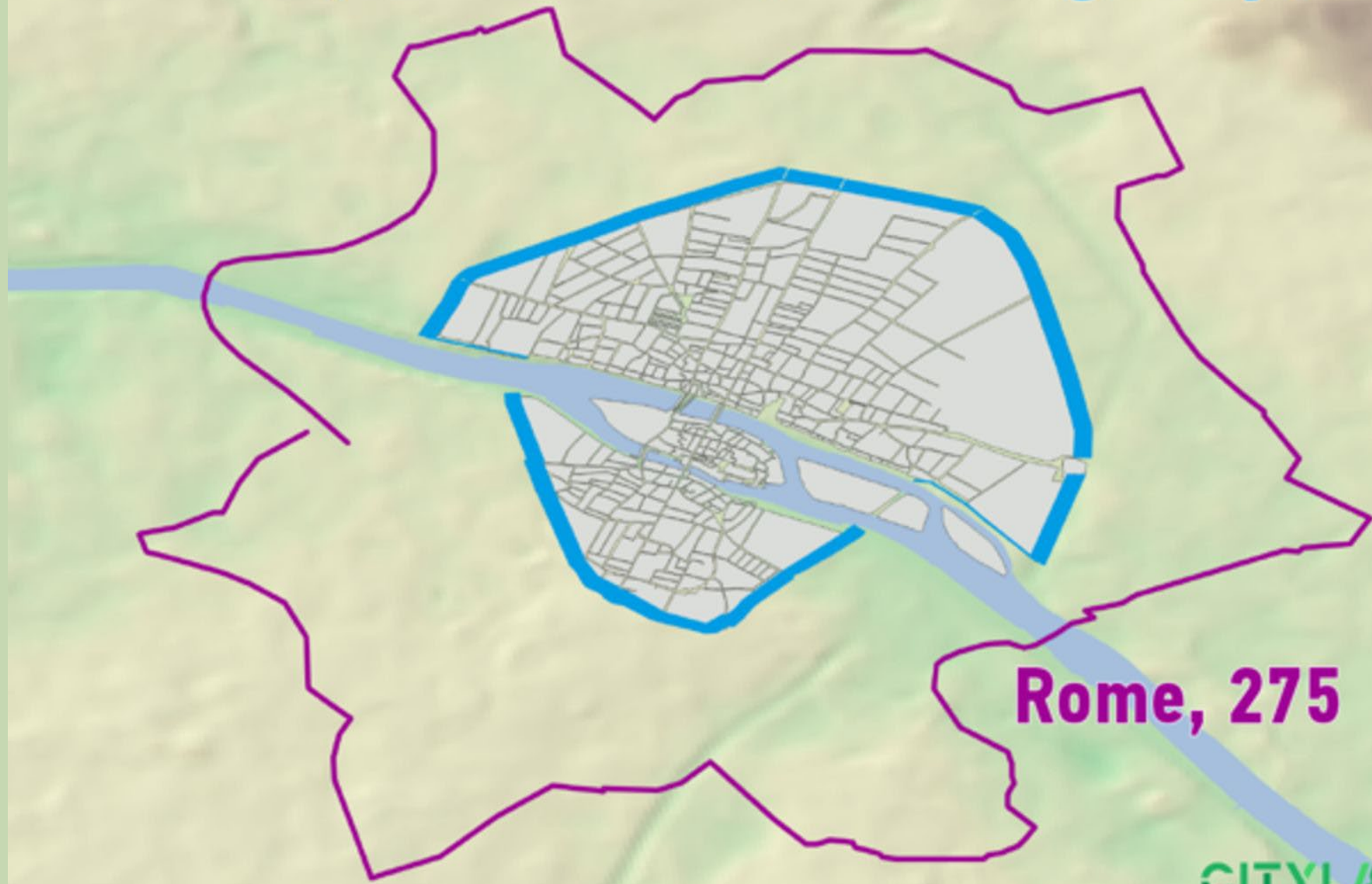
<b>Cost Category</b>	<b>Garden</b>	<b>Midrise</b>	<b>Highrise</b>	<b>Average</b>
<b>Land (contract only)</b>	13%	19%	12%	15%
<b>Soft Costs</b>	17%	17%	18%	17%
<b>Hard Costs (incl. FFE)</b>	70%	64%	69%	68%

**↑ Land Cost**  
**↓ Transportation Cost**

**↑ Transportation Cost**  
**↓ Land Cost**

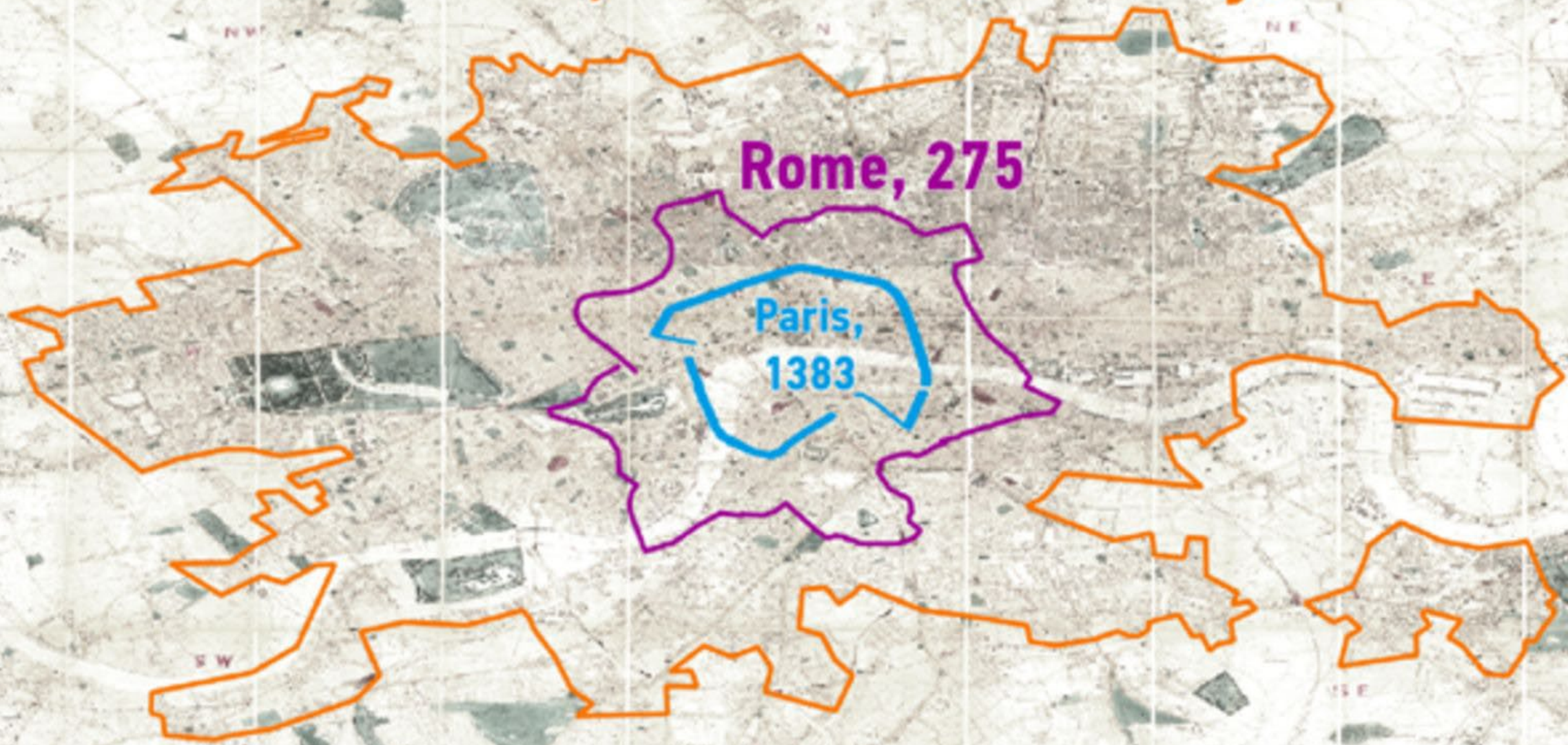
**Marichetti Constant**

# Paris, 1383 CE (walking city)



Rome, 275

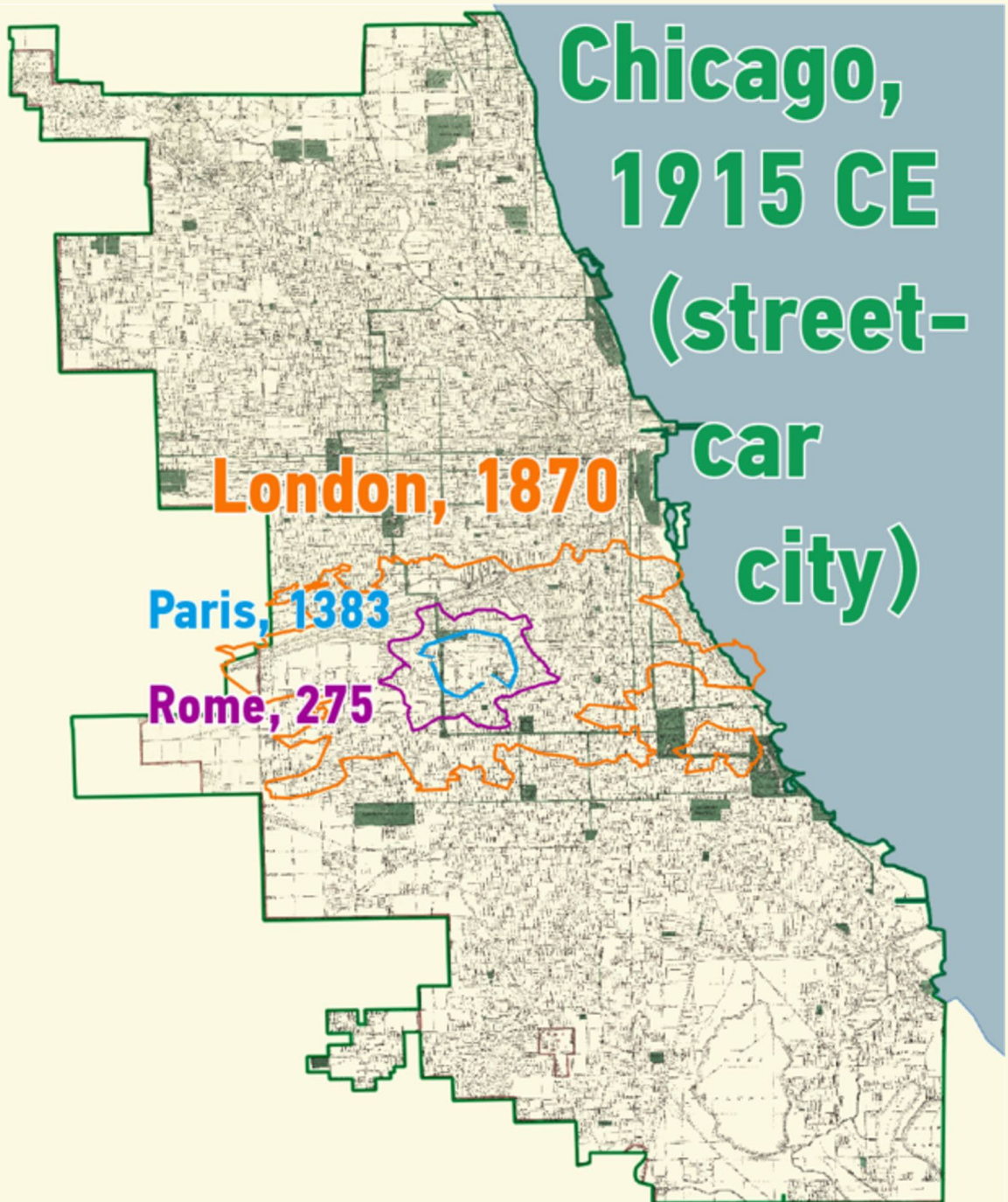
# London, 1870 CE (rail city)



Rome, 275

Paris,  
1383





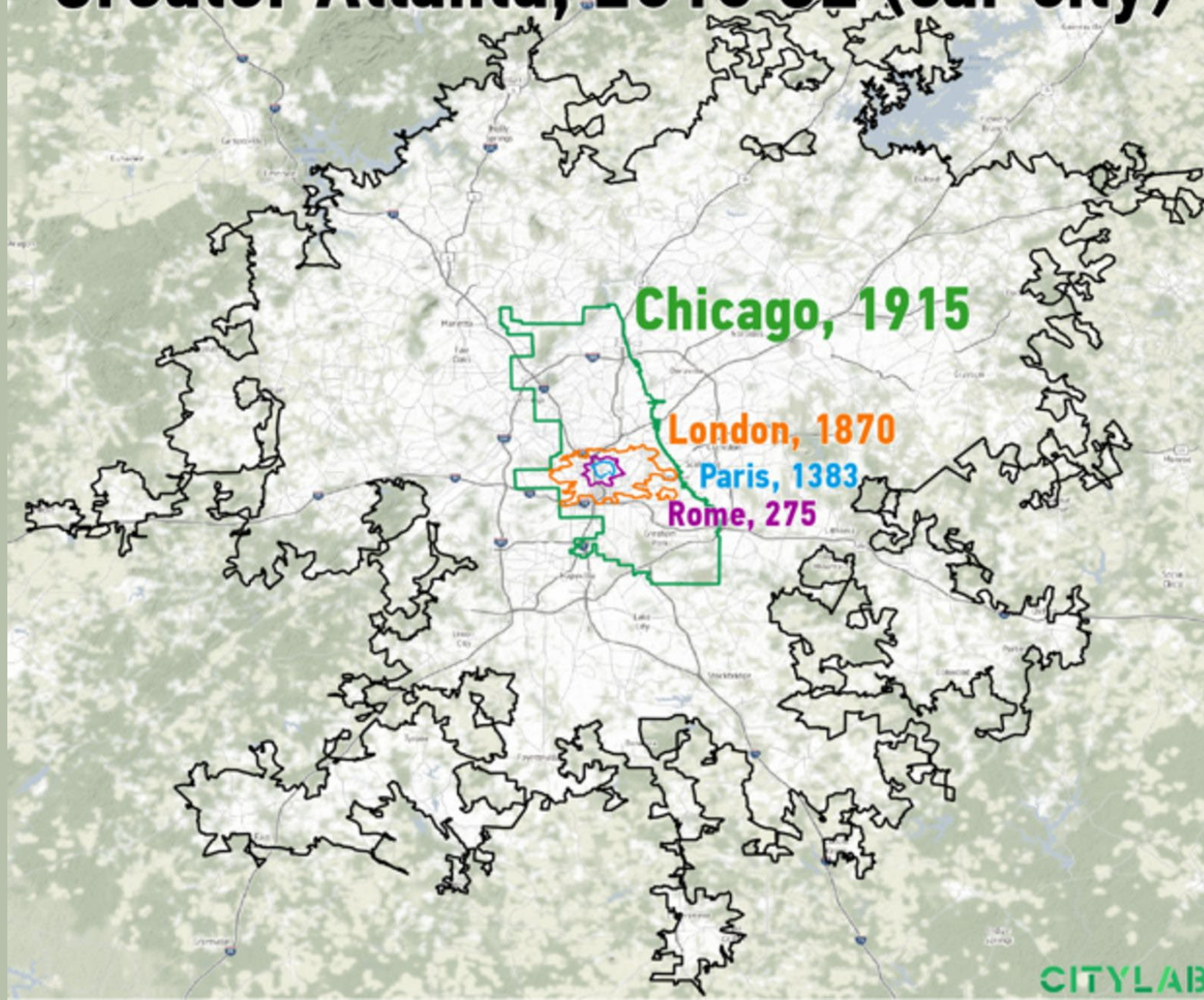
**Chicago,  
1915 CE  
(street-  
car  
city)**

**London, 1870**

**Paris, 1383**

**Rome, 275**

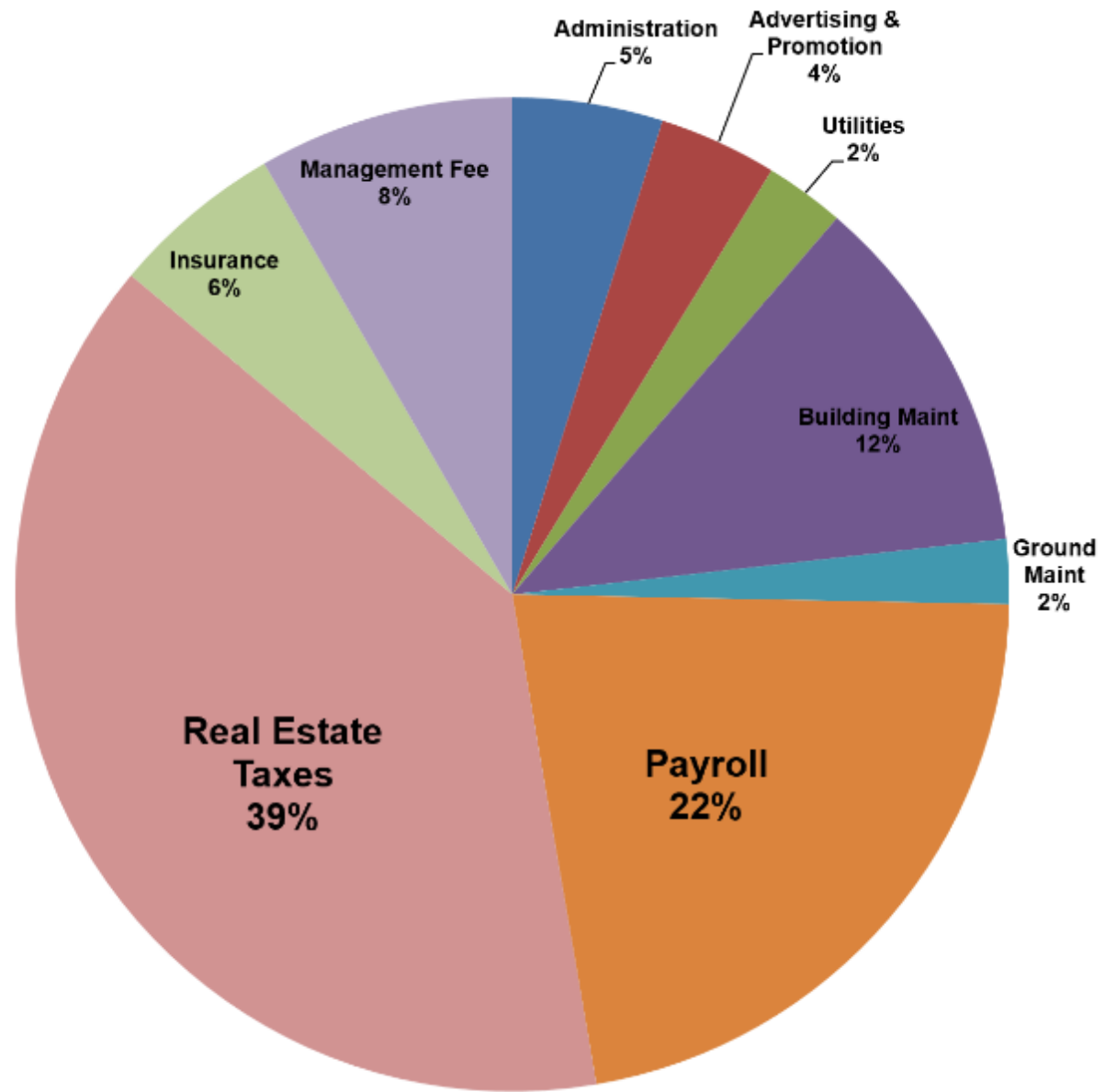
# Greater Atlanta, 2010 CE (car city)



# What's In Your Number?

Part 2

$$\begin{aligned} & \text{Potential Gross Rent} \\ & + \text{Additional Rent} \\ & - \text{Vacancy} \\ & - \text{Concessions} \\ & - \text{Credit Loss} \\ & - \text{Operating Expenses} \\ & = \underline{\text{Net Operating Income}} \end{aligned}$$



**Every dollar counts. Multiply by 20.**

**1 dollar saved / 5% ITV = \$20**

# Asymmetric Profits



**Investor puts 95% Equity**

**Developer does 99% of work**

# Waterfall

~like a graduated tax

## Equity\*

For the required equity, the investors will contribute (%):  
and the developer will contribute (%):

95%

5%

### Preferred Return

All proceeds will be split pro rata until all equity has received a(n)

10%

### Promote 1

For cashflow between a return of 10.00% and  
profits will be split between the two parties as follows:

14%

75%

to investors

25%

to developer.

### Promote 2

For cashflow between a return of 14.00% and  
profits will be split between the two parties as follows:

18%

65%

to investors

35%

to developer.

### Promote 3

Once the investor hits a return of 18.00%, proceeds split

55%

to investors

45%

to developer.

### Return of Cap + Pref

	0	1	2	3	4	5	6	7
	Construction	Opening Year	Operations	Refi Year	Operations	Operations	Operations	Sale Year
Capital Account		34,200,000	43,430,204	43,374,194	-	-	-	-
Pref Owed		11,320,200	4,343,020	4,337,419	-	-	-	-
Capital + Pref Paid to Investor		(2,089,996)	(4,399,030)	(47,711,613)	-	-	-	-
Ending		43,430,204	43,374,194	-	-	-	-	-
Capital + Pref to Developer		110,000	231,528	2,511,138	-	-	-	-
Total Capital + Pref Distributions		2,199,996	4,630,558	50,222,751	-	-	-	-
Cashflow Remaining		-	-	13,398,587	1,470,577	1,735,281	2,007,926	101,371,620
Investor Cashflow for IRR	(34,200,000)	2,089,996	4,399,030	47,711,613	-	-	-	-
IRR		-60.6%	-36.0%	10.0%	10.0%	10.0%	10.0%	10.0%

### Promote Level 1

	0	1	2	3	4	5	6	7
	Construction	Opening Year	Operations	Refi Year	Operations	Operations	Operations	Sale Year
Beginning		34,200,000	48,578,809	50,980,812	357,572	-	-	-
P1 Owed		16,468,805	6,801,033	7,137,314	50,060	-	-	-
Paid in Pref		(2,089,996)	(4,399,030)	(47,711,613)	-	-	-	-
P1 Paid to Investor: 75%		-	-	(10,048,940)	(407,632)	-	-	-
Ending		48,578,809	50,980,812	357,572	-	-	-	-
P1 Paid to Developer: 25%		-	-	3,349,647	135,877	-	-	-
Promote 1 Distributions		-	-	13,398,587	543,509	-	-	-
Cashflow Remaining		-	-	-	927,068	1,735,281	2,007,926	101,371,620
Investor Cashflow for IRR	(34,200,000)	2,089,996	4,399,030	57,760,554	407,632	-	-	-
IRR		-60.6%	-36.0%	13.9%	14.0%	14.0%	14.0%	14.0%

### Promote Level 2

	0	1	2	3	4	5	6	7
	Construction	Opening Year	Operations	Refi Year	Operations	Operations	Operations	Sale Year
Beginning		34,200,000	54,101,698	59,440,974	12,379,795	13,597,933	14,917,628	16,297,649
P2 Owed		21,991,694	9,738,306	10,699,375	2,228,363	2,447,628	2,685,173	2,933,577
Paid Previously		(2,089,996)	(4,399,030)	(57,760,554)	(407,632)	-	-	-
P2 Paid to Investor: 65%		-	-	-	(602,594)	(1,127,933)	(1,305,152)	(19,231,226)
Ending		54,101,698	59,440,974	12,379,795	13,597,933	14,917,628	16,297,649	-
P2 Paid to Developer: 35%		-	-	-	324,474	607,348	702,774	10,355,275
Total Promote 2 Distributions		-	-	-	927,068	1,735,281	2,007,926	29,586,501
Cashflow Remaining		-	-	-	-	-	-	71,785,119
Investor Cashflow for IRR	(34,200,000)	2,089,996	4,399,030	57,760,554	1,010,226	1,127,933	1,305,152	19,231,226
IRR		-60.6%	-36.0%	13.9%	14.2%	14.5%	14.8%	18.0%

### Promote Level 3

	0	1	2	3	4	5	6	7
	Construction	Opening Year	Operations	Refi Year	Operations	Operations	Operations	Sale Year
P3 Paid to Investor: 55%		-	-	-	-	-	-	39,481,815
P3 Paid to Developer: 45%		-	-	-	-	-	-	32,303,304
Promote 3 Distributions		-	-	-	-	-	-	71,785,119
Cashflow Remaining		-	-	-	-	-	-	-

### Return of Cap + Pref

	0	1	2	3	4	5	6	7
	Construction	Opening Year	Operations	Refi Year	Operations	Operations	Operations	Sale Year
Capital Account		34,200,000	43,430,204	43,374,194	-	-	-	-
Pref Owed		11,320,200	4,343,020	4,337,419	-	-	-	-
Capital + Pref Paid to Investor		(2,089,996)	(4,399,030)	(47,161)	-	-	-	-
Ending		43,430,204	43,374,194	-	-	-	-	-
Capital + Pref to Developer		110,000	231,528	2,113	-	-	-	-
Total Capital + Pref Distributions		2,199,996	4,630,558	50,275	-	-	-	-
Cashflow Remaining		-	-	13,858	1,470,577	1,735,281	2,007,926	101,371,620
Investor Cashflow for IRR	(34,200,000)	2,089,996	4,399,030	47,161	-	-	-	-
IRR		-60.6%	-36.0%	10.0%	10.0%	10.0%	10.0%	10.0%

### Promote Level 1

	0	1	2	3	4	5	6	7
	Construction	Opening Year	Operations	Refi Year	Operations	Operations	Operations	Sale Year
Beginning		34,200,000	48,578,809	50,081	357,572	-	-	-
P1 Owed		16,468,805	6,801,033	7,731	50,060	-	-	-
Paid in Pref		(2,089,996)	(4,399,030)	(47,161)	-	-	-	-
P1 Paid to Investor: 75%		-	-	(10,894)	(407,632)	-	-	-
Ending		48,578,809	50,980,812	7,572	-	-	-	-
P1 Paid to Developer: 25%		-	-	3,967	135,877	-	-	-
Promote 1 Distributions		-	-	13,398,587	543,509	-	-	-
Cashflow Remaining		-	-	-	927,008	1,735,281	2,007,926	101,371,620
Investor Cashflow for IRR	(34,200,000)	2,089,996	4,399,030	57,760,554	407,632	-	-	-
IRR		-60.6%	-36.0%	13.9%	14.0%	14.0%	14.0%	14.0%

### Promote Level 2

	0	1	2	3	4	5	6	7
	Construction	Opening Year	Operations	Refi Year	Operations	Operations	Operations	Sale Year
Beginning		34,200,000	54,101,698	59,440,974	12,379,795	13,597,933	14,917,628	16,297,649
P2 Owed		21,991,694	9,738,306	10,699,375	2,228,583	2,447,628	2,685,173	2,933,577
Paid Previously		(2,089,996)	(4,399,030)	(57,760,554)	(407,632)	-	-	-
P2 Paid to Investor: 65%		-	-	-	(602,584)	(1,127,933)	(1,305,152)	(19,231,226)
Ending		54,101,698	59,440,974	12,379,795	13,597,933	14,917,628	16,297,649	-
P2 Paid to Developer: 35%		-	-	-	324,411	607,348	702,774	10,355,275
Total Promote 2 Distributions		-	-	-	927,008	1,735,281	2,007,926	29,581,501
Cashflow Remaining		-	-	-	-	-	-	71,781,119
Investor Cashflow for IRR	(34,200,000)	2,089,996	4,399,030	57,760,554	1,010,226	1,127,933	1,305,152	19,231,226
IRR		-60.6%	-36.0%	13.9%	14.2%	14.5%	14.8%	16.0%

### Promote Level 3

	0	1	2	3	4	5	6	7
	Construction	Opening Year	Operations	Refi Year	Operations	Operations	Operations	Sale Year
P3 Paid to Investor: 55%		-	-	-	-	-	-	39,481,815
P3 Paid to Developer: 45%		-	-	-	-	-	-	32,300,304
Promote 3 Distributions		-	-	-	-	-	-	71,781,119
Cashflow Remaining		-	-	-	-	-	-	-