

200 Condo Units

Serramonte Vistas

Total Site Size 4.88 Acres
212,573 SF

Density 41 units/ac

Unit Type	Quantity	Ratio	AVG. Liveable Unit Area	Total Liveable Unit Area	Average Sales Price	Gross Sales Price	Gross Price per sq. ft.	Gross Margin per unit type
Residential								
1Bed/1Bath	64	32%	738	47,232	\$385,000	\$24,640,000	\$521.68	\$111,366
1Bed/1Bath	9	5%	840	7,560	\$415,000	\$3,735,000	\$494.05	\$103,546
2Bed/2Bath	80	40%	1,054	84,320	\$520,000	\$41,600,000	\$493.36	\$129,200
2Bed/2Bath + Den	20	10%	1,140	22,800	\$580,000	\$11,600,000	\$508.77	\$157,313
3Bed/2Bath	27	14%	1,598	43,146	\$639,000	\$17,253,000	\$399.87	\$46,496
Total/Average	200	100%	1,025	205,058	\$494,140	\$98,828,000	\$481.95	

*Prices reflect current market prices as of 3/25/09 (untrended)

Proposed Units/Acre 41

Project Costs	Driver	Cost	% of Total Cost	Per Unit	Per Net S.F.	
Land Costs						
Acquisition Value - Residential	\$50,000	per approved paper lot	\$10,000,000	13.15%	\$50,000	\$48.77
Title/Closing	0.25%	of purchase price	\$25,000	0.03%	\$125	\$0.12
Entitlement Processing		completed	\$0	0.00%	\$0	\$0.00
Bonding	0.00%	of site improvements	\$0	0.00%	\$0	\$0.00
Site Improvements	\$43,525	per unit	\$8,705,000	11.45%	\$43,525	\$42.45
Final Map Fees	\$0	per unit	\$0	0.00%	\$0	\$0.00
Utility Deposits	\$0	per unit	\$0	0.00%	\$0	\$0.00
TOTAL LAND COSTS			\$18,730,000	24.63%	\$93,650	\$91.34
Construction Costs						
Direct Construction (Residential)	\$225.00	Max. Bid - per net s.f.	\$46,138,050	60.68%	\$230,690	\$225.00
Parking Garage Podium Construction	\$0.00	Incl. in Direct Const. Bid	\$0	0.00%	\$0	\$0.00
Landscape	\$0	Incl. in Direct Const. Bid	\$0	0.00%	\$0	\$0.00
Building Permits/School Fees/Park Fees		From Fee Sheet	\$3,350,000	4.41%	\$16,750	\$16.34
Architecture/Engineering (Working Drawings)	\$0	Remaining	\$2,848,090	3.75%	\$14,240	\$13.89
Direct Supervision	\$0	Incl. in Direct Const. Bid	\$0	0.00%	\$0	\$0.00
Construction Overhead	\$0	Incl. in Direct Const. Bid	\$0	0.00%	\$0	\$0.00
Contingency	0.00%	Incl. in Direct Const. Bid	\$0	0.00%	\$0	\$0.00
TOTAL CONSTRUCTION COSTS			\$52,336,140	68.84%	\$261,681	\$255.23
Soft/Indirect Costs						
Developer Overhead	0.50%	of gross sale proceeds	\$494,140	0.65%	\$2,471	\$2.41
Property Taxes	0.00%	Calculated	\$560,000	0.74%	\$2,800	\$2.73
Insurance	1.25%	of gross sales proceeds	\$1,235,350	1.62%	\$6,177	\$6.02
Course of Construction (Fire & Liability)	0.21%	of construction costs	\$109,906	0.14%	\$550	\$0.54
HOA Subsidy	\$1,000	per unit	\$200,000	0.26%	\$1,000	\$0.98
Marketing	0.75%	of gross sale proceeds	\$741,210	0.97%	\$3,706	\$3.61
Models	\$35,000	3 total no. of models	\$105,000	0.14%	\$525	\$0.51
Model Maintenance	\$1,875	per plan type/year	\$22,500	0.03%	\$113	\$0.11
Home Warranty Program	\$1,000	per unit	\$200,000	0.26%	\$1,000	\$0.98
Legal & Accounting	\$1,250	per unit	\$250,000	0.33%	\$1,250	\$1.22
Organization Fee	0.07%	of gross sale proceeds	\$69,180	0.09%	\$346	\$0.34
Loan Fee	0.75%	of gross sale proceeds	\$741,210	0.97%	\$3,706	\$3.61
Contingency	5.00%	of all indirects	\$236,425	0.31%	\$1,182	\$1.15
TOTAL SOFT/INDIRECT COSTS			\$4,964,920	6.53%	\$24,825	\$24.21
INCLUSIONARY HOUSING FEE	0.00%	no inclusionary required	\$0	0.00%	\$0	\$0.00
TOTAL COST BEFORE FINANCING			\$76,031,060	100%	\$380,155	\$370.78

Site Costs/Lot
Impr. Cost/Ac.
\$1,783,811

Total Project Timeline 36.00 Months

Disposition/Price Sensitivity Analysis	-10%	-5%	BASELINE	+5%	+10%
Gross Sales - Residential	88,945,200	93,886,600	98,828,000	103,769,400	108,710,800
Gross Sales - Commercial/Retail	0	0	0	0	0
Unit Premiums	4,002,534	4,224,897	4,447,260	4,669,623	4,891,986
Total Gross Sales	\$ 92,947,734	\$ 98,111,497	\$ 103,275,260	\$ 108,439,023	\$ 113,602,786
Less Closing Costs					
Cost of sale (Brokerage)	2.25%	(2,091,324)	(2,207,509)	(2,323,693)	(2,439,878)
Title/Closing Fees	0.25%	(232,369)	(245,279)	(258,188)	(271,098)
Total Net Sales Proceeds Before Financing	\$ 90,624,041	\$ 95,658,710	\$ 100,693,379	\$ 105,728,047	\$ 110,762,716
Total Acquisition & Dev. Cost Before Financing	(76,031,060)	(76,031,060)	(76,031,060)	(76,031,060)	(76,031,060)
Total Profit on Project Before Financing	14,592,980	19,627,649	24,662,318	29,696,987	34,731,656
Land & Const. Period Interest (Calculated from Cash Flow Int.)*	6.94%	(6,289,308)	(6,638,714)	(6,988,120)	(7,337,526)
Net Profit After Financing	\$ 8,303,672	\$ 12,988,935	\$ 17,674,198	\$ 22,359,461	\$ 27,044,724
Profit Margin on Cost	11%	17%	23%	29%	36%
Profit Margin on Total Net Proceeds	9%	14%	18%	21%	24%

*100% Cost of funds is assumed to be 16.00% on unpaid balance

Combined 200 units + 70 units

Disposition/Price Sensitivity Analysis	-10%	-5%	BASELINE	+5%	+10%
Gross Sales - Residential	117,522,000	124,051,000	130,580,000	137,109,000	143,638,000
Unit Premiums	5,288,490	5,582,295	5,876,100	6,169,905	6,463,710
Total Gross Sales	\$ 122,810,490	\$ 129,633,295	\$ 136,456,100	\$ 143,278,905	\$ 150,101,710
Less Closing Costs					
Cost of sale (Brokerage)	2.25%	(2,763,236)	(2,916,749)	(3,070,262)	(3,223,775)
Title/Closing Fees	0.25%	(307,026)	(324,083)	(341,140)	(358,197)
Total Net Sales Proceeds Before Financing	\$ 119,740,228	\$ 126,392,463	\$ 133,044,698	\$ 139,696,932	\$ 146,349,167
Total Acquisition & Dev. Cost Before Financing	(101,326,689)	(101,326,689)	(101,326,689)	(101,326,689)	(101,326,689)
Total Profit on Project Before Financing	18,413,539	25,065,774	31,718,009	38,370,244	45,022,479
Land & Const. Period Interest (Calculated from Cash Flow	6.94%	(8,309,972)	(8,771,637)	(9,233,302)	(9,694,967)
Net Profit After Financing	\$ 10,103,567	\$ 16,294,137	\$ 22,484,707	\$ 28,675,277	\$ 34,865,847
Profit Margin on Cost	10%	16%	22%	28%	34%
Profit Margin on Total Net Proceeds	8%	13%	17%	21%	24%