Project: 11th and Republican
EcoProforma™

ENLIGHTENED APPROACH
“NEW RULES”

DEVELOPMENT COSTS

- $10 M
  - SOFT COSTS 15% $1.5 M
  - CONSTR. 65% $6.5 M
- $10.5 M
  - SOFT COSTS 15.1% $1.59 M
  - CONSTR. 65.8% $6.91 M

CAPITAL SOURCES

- $10 M
  - DEBT 70% $7 M
  - EQUITY 30% $3 M
- $10.5 M
  - DEBT 70% $7.35 M
  - EQUITY 28.6% $3 M

EcoProforma STEPS

1. IDENTIFY LOCAL INCENTIVES.
2. DETERMINE MAXIMUM LTV RATIO.
3. MINIMIZE CONSTRUCTION COST PREMIUM.
4. CALCULATE UTILITY SAVINGS.
5. ESTIMATE RENT & VACANCY PREMIUMS.
6. EXPLORE GREEN LOAN RATE REDUCTION.
7. CALCULATE NEW RETURN ON EQUITY (ROE).

REVENUE ALLOCATION

- ROE = 21.0%
  - CASH ON CASH = 7.7%
- ROE = 22.7%
  - CASH ON CASH = 8.7%

- STD
  - CASH THROW OFF 23% = $230 K
  - DEBT SERVICE 40% = $400 K
  - INCENTIVES 1.4% = $150 K
  - 15% 8% 10% 4%

- PH
  - CASH THROW OFF 25% = $258 K
  - DEBT SERVICE 41% = $422 K
  - UTILITIES 3% INCREASED REVENUE FROM RENT PREMIUM & LOWER VACANCY.

Other:
- MANAGEMENT 15%
- OTHER 8%
- PROPERTY TAX 10%