



## Information Requested for Construction Loan

### **New Construction or Substantial Rehabilitation**

#### **General Information:**

**The transaction** – purpose, loan amount, term, LTV, LTC, preferred closing date, drop-dead dates, other significant issues.

**The property** – location (address), type, building size in sf, total units, land size in acres, any third-party reports, all other significant issues.

#### **Site Details:**

- Evidence of site control (i.e. purchase contract)
- Best estimate of “as-is” land value
- If the land/structure is already owned, balance of existing debt
- If the land/structure is to be acquired, balance of the acquisition price
- 6 color photos of the site area from all sides

#### **Operating Proforma:**

- Projected year 1 and 5-year proforma *including 5% management fee and market vacancy rate*
- Projected unit absorption rate and estimate of operating deficit

#### **Construction – all-in total project costs (TPC):**

- Detailed **soft cost budget**, reflecting all soft costs required to build the project, including architect fees, tap/impact fees, permit costs, taxes during construction, etc.
- Detailed **hard cost budget**, inclusive of land purchase, costs related to site improvements, structures, contractor general conditions, contractor overhead, contractor fee, etc.
- Anticipated construction period and monthly draw schedule

#### **Sponsor Team:**

- Name of Borrower entity
- Name(s) and experience (bio) of key Sponsor(s)
- PFS of each Sponsor

#### **Hotel Team: (if applicable)**

- Name of Franchise
- Term of franchise agreement
- STAR report
- PIP requirements
- Name and experience of the Hotel Management firm

#### Land

When acquired and for what price  
If being acquired, what's the price?  
Is the land zoned, fully entitled and permit ready (this is not a requirement)

#### Total project costs

What is the total, all-in, project cost? (land + soft costs + hard costs + transaction costs = 100% of the project costs) *[should reflect the TPC budgets noted above]*  
How much of the TPC has already been paid by Sponsors?

#### Sponsor cash/equity

If the land is owned, what is it worth today?  
How much debt is on this land?

#### Projected value upon stabilization

Going out 3 to 5 years, what will the completed project be worth when stabilized and ready for a refinance or a sale?

How much cash is the Sponsor planning to invest, all-in?

#### **Equity Information**

***We DO NOT rely on marketing materials – these are puff pieces – and not useful except for the “flavor” of the project. Marketing materials Do Not replace any of the items listed above!***