

Marcus & Millichap Capital Corporation

Operating/Loan Analysis

Somersworth Industrial - Construction

Somersworth, NH

		Construction Proforma	
Square Feet: 40,000		Current	\$/S.F.
Income:			
Gross Potential Rent (1)		\$ 480,000	\$ 12.00
Reimbursements		-	-
Less: Base Rent Vacancy	5.00%	(24,000)	(0.60)
Effective Gross Income		\$ 456,000	\$ 11.40
Operating Expenses:			
Management Fee	4.0%	\$ 18,240	\$ 0.46
Real Estate Taxes		-	-
Insurance		-	-
CAM		-	-
Utilities		-	-
G&A		-	-
Structural Reserve	\$0.10	4,000	0.10
Total Operating Expenses		\$ 22,240	\$ 0.56
Net Operating Income		\$ 433,760	\$ 10.84

Loan Analysis	Current	\$/S.F.
Unleveraged Yield	11.35%	
Construction Cost (2)	\$ 3,822,000	\$ 95.55
Loan-To-Cost	64%	
Loan Amount	\$ 2,438,000	\$ 60.95
Cap Rate at Sale (3)	7.25%	
Stabilized Value	\$ 5,980,000	\$ 149.50
Loan-To-Value	41%	
Interest Rate	4.50%	
Term	10	
Amortization	25	
Annual Debt Service	\$ 162,614	
Debt Service Coverage Ratio	2.67	
Debt Yield	17.79%	

Footnotes:
(1) Gross Potential Rent for the Contractor Bays is set to \$12.00/sf (NNN).
(2) For further detail, please see the Construction Budget on page 3.
(3) Once stabilized, the plan will be to either sell the contractor bays all together, or to sell them individually to owner/users. Owner/User sales in the market support a price/sf of appx. \$135 - \$150/sf.

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Rent Roll

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Contractor Bay Unit Mix

Unit Type	Count	SF / Unit	Total Square Feet	Annual Rent / Unit	Total Annual Rent	Rent / SF	Expected Sale Price	Price / SF
Contractor Bays	40	1,000	40,000	12,000	480,000	\$12.00	\$149,500	\$149.50
Total	40	1000	40,000	\$12,000	\$480,000	\$12.00	\$149,500	\$149.50

Somersworth Industrial

Somersworth, NH

Contractor Bay Construction Budget		
General Cond		\$ 33,274
Architectural		6,500
Civil Engineer		28,000
Builders Risk Insurance		2,800
Permit Requirments		18,000
Grading and Site Cleanup		769,570
Paving		290,000
Insulated Roll Up Doors		50,400
Man Doors		10,800
Landscaping		6,000
Concrete		396,000
Concrete Bollards		4,600
Metal Buildings		896,031
Building Erection		280,000
Drywall (Firewalls)		96,000
Metal Framing for Office and Bathrooms		72,000
FRP		13,400
Signage		7,500
Security		10,000
Paint		12,800
Plumbing		234,700
Electrical		290,000
Legal & Permits		6,654
Hard Cost Contingency (4%)		140,415
General Contractor / Developer Fee		147,018
Total Construction Cost		\$ 3,822,000