

900 HILGARD PRO FORMA

16-Story Above Grade / 3-Story Below Grade Parking

Total # rental beds: 228 Total # rental units: 62 Total parking: 190 spaces.
 Total lobby/amenities space: 19,110 s.f. Total residential space: approx. 129,000 s.f.

CONSTRUCTION COSTS

Construction Cost Summary	\$ Amount	\$/Bed	\$/Resident s.f.
Land Investment			
Land Cost	10,100,000	44,298	78.29
Pre-Development Costs	650,000	2,851	5.04
Subtotal Land & Pre-Dev Costs	\$10,750,000	\$47,149	\$83.33
Hard Costs			
Construction Hard Costs	66,000,000	289,474	511.63
Contingency @ 3.5% of Construction	2,310,000	10,131	17.91
Subtotal Hard Costs	\$68,310,000	\$299,605	\$529.53
Soft Costs			
Permits & Fees	5,300,000	23,246	41.09
Developer Fees @ 2.5% of Hard Costs	1,707,750	7,490	13.24
Architect & Engineering	3,000,000	13,158	23.25
Construction Management	360,000	1,579	2.79
Advertising & Marketing for Lease-Up	1,000,000	4,386	7.75
Indirect Overhead/Payroll/Off-Site	2,250,000	9,868	17.44
Project Contingency	1,100,000	4,824	8.53
Interest Reserve Construction Loan	3,500,000	15,351	27.13
Transaction & Closing Costs	1,700,000	7,456	13.18
Subtotal Soft Costs	\$19,917,750	\$87,358	\$154.40
TOTAL CONSTRUCTION COMPLETION COSTS	\$98,997,750	\$434,113	\$767.27

BASE MONTHLY CASH OPERATING COSTS

Monthly Operating Costs Post-Completion	\$ Per Month	\$/Bed	\$/Resident s.f.
Mortgage Loan @ 65% LTC @ 4.5% Interest*	241,258.27	1,058.15	1.87
G&A, Insurance, RE taxes, Reserves, etc.	288,685.10	1,266.16	2.24
TOTAL MONTHLY OPERATING COSTS	\$529,943.37	\$2,324.31	\$4.11[^]

* If the developers can refinance the construction loan at 65% of completion cost at a 4.5% interest rate.

[^] Does not include any profitable returns to the project's operations or developer's investors' equity investment.

MONTHLY CASH FLOW NEEDS – WITH MODEST MARKET PROFITS

If the Project were to budget a modest return to the investors for their 35% equity stake with a market investment period of 4 to 7 years, the bottom line for the project's monthly cash flow needs following construction completion would be approximately :

Monthly Costs with Below Market Returns	\$ Per Month	\$/Bed	\$/Resident s.f.
MONTHLY COSTS WITH INVESTOR RETURNS	\$750,000.00	\$3,289.47	\$5.81