IAD Module #3: REAL ESTATE | Holistic Sustainable Development for Real Estate Projects

A Systematic Process for Developing Holistic Community Real Estate Projects in Urban Centers







1-STRATEGY

2-PLAN

3-DEVELOP

4-CONSTRUCT

5-MANAGE

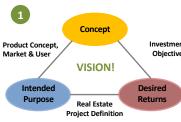
6-MAINTAIN

HOLISTIC VALUE





Perform Research and Develop a Strategic Vision for the Project



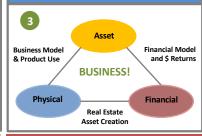
DESIGNER

Develop Architect & Engineering Design, Plans & Documentation



BUILDER

Organize Project Resources and Define/Confirm Venture Model



DEVELOPER

Select a Qualified Contractor to **Build the Real Estate Product**



Market, Lease & Sell Portfolio of **Real Property & Improvements**



DEVELOPER

Maintain Properties and Positive **Relationships with Occupants**





DEVELOPER

Maximize Real Estate Portfolio



(9)

1. Strategic Purpose

- Internal Use
- Intended for Sale
- 2. Project Type
- Renovation / Repurpose

3. Design Team Selection

- Architects
- Engineers

4. Financial Considerations

- Project Funding/Financing
- Desired ROI 5. Location/Zoning
- Access/Visibility
- Property Use Limitations

6. Property Survey

- Property Boundaries & Corners
- Metes & Bounds

7. Property Title

- Title Search
- · Title Insurance

1. Climate

- Weather Extremes
- Seasonal Issues

2. Materials

- Interior
- Exterio

3. Energy/Water

- Access to Infrastructure
- Demand Levels

4. Budget

- Design Activities
- Plans & Documentation

5. Design Architectural

- Engineering

6. Environmental

 Site Assessments · Remediation and Mitigation

7. Local Planning Board

- Site Plan Review and Approvals
- · Subdivision Applications

1. Project Assumptions

- Physical Requirements
- Timeline/Milestones
- 2. Financial Assumptions
- · Sources and Uses of Funds Hard and Soft Project Costs

3. Cash Flow

- Pre-Construction & Construction
- Break Even / Stabilization

- Internal Rate of Return (IRR)
- Net Present Value (NPV)

5. Property Disposition · Long-Term Mortgage

- Taxes and Insurance
- 6. Operations

Net Operating Income

- Use and Occupancy 7. Property Disposal
- Marketing Strategy/Plan Sales Strategy/Plan

1. Request for Proposals

- Qualified Bidders
- · Price vs. Quality Tradeoffs

BUILDER

- 2. Builder Policy Review Subcontractor Policy
- Quality Policy

3. Builder Selection

- · Credentials & Licensing
- Experience & Track Record

4. Permitting

 Insurance & Bonding · Contractor Registration

5. Project Risk Management

- Contingency Budget
- Change Orders

6. Construction Performance

- Site Management
- Crew & Contractor Supervision

7. Project Completion Final Inspections

· Certificate of Occupancy

- · Direct/Word of Mouth
- Brokers/Agents

2. Sales/Leases

- Buildings/Structures/Spaces
- Ground Parcels

3. Budgeting

- Income & Expense Forecasts
- Capital Project Forecasts

• Operating Income & Financing

- Operating Expenses 5. Capital
- New Construction Fit-ups of Existing Structures

6. Projects

- Owner/Developer Initiated
- Tenant Requested

7. Infrastructure

Utilities (Water/Sewer/Power) · Roadways and Land

1. In-House M&R

- Minor Repairs & Inspections
- Routine Maintenance

2. Skilled Trade Contractors

 Plumbing Electrical

3. Financial Operations

- Vendor Accounts Pavable
- Tenant Accounts Receivable

4. Grounds

- Landscaping Lawn Care
- 5. Roadways

Snow Removal Repaying

- 6. Utilities
- Water & Sewe

Power 7. Physical Plant

- HVAC Other Systems

INVESTOR

- 1. Space Rental Revenue Base Rent
- Operating Expense Recovery

2. Ground Lease Revenue New Leases

Operating Expenses

Lease Extensions

3. Expenses

- Taxes 4. Cash Outflows
- Debt Service Capital Expenses
- 5. Non-Cash Benefits
- Tax Credits & Benefits Depreciation

6. Other Revenues

 Property Sale Proceeds Program Income

7. Active Equity Growth

- Debt Reduction • Income Reinvestment





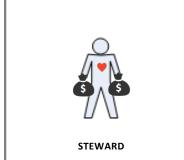
ENGINEER















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