

High Revenue Private Asset Development Program™ (PADP)

Financing Model for Private Development Projects \$40 Million Fully Developed Commercial Office Building Lease Example

Traditional Development Financing Model For Private Asset Development

- Developer Equity ROI Expectations
12% to 25%
- Assuming Best Case At 12%
- \$40MM x 40% Equity = \$16MM
- ROI needed \$1.92MM
- Typical mortgage rate for
Developer +/-6%
- Assume Best Case 6%
- \$40MM x 60% Debt = \$24MM
- \$2.06MM Mortgage payment



Normal Developer Capital Stack
Blended lease rate to pay mortgage and achieve lowest stated ROI
\$39.83 SF Triple Net Lease + Actual CPI Adjustment

Capital Group Financing Model For Private Asset Development

0% Equity ROI Required

- 100% Project Cost Financed
- 100% a 2.93% Amortized
- Amortized over 20 Years



Capital Group Capital Stack
High Revenue Private Asset Developer
\$26.45 SF Triple Net Lease + 2.25% Fixed Equivalent CPI Adjustment

Capital Group P3 Development Advantage

No equity/ capital Investment required private entities at high rates of expected returns.

Creates opportunity to free of capital for operations and growth.

Depending on credit rating of the tenant debt interest rates can be over half interest rates developers can traditional provide.

Affective Lease rates is 33% cheaper than traditional financing model.