



# TOWN OF WESTWOOD ECONOMIC FEASIBILITY ANALYSIS

PREPARED BY RKG ASSOCIATES

Source: OSM

**RKG**



Source: CoStar

# TABLE OF CONTENTS

INTRODUCTION

METHODOLOGY & INPUTS

MARKET ASSESSMENT

RESULTS

APPENDIX



# **INTRODUCTION**

## **ECONOMIC FEASIBILITY ANALYSIS**

# BACKGROUND



Section 4.B “Affordability Requirements” of EOHLC’s Compliance Guidelines for Multi-Family Zoning Districts has set limitations related to affordability requirements to ensure consistency with the state’s law for as-of-right zoning.

Specifically, municipalities must require no more than 10% of units in a project to be affordable units, and the cap on income of families or individuals who are eligible to occupy those units at no less than 80% of Area Median income.

Exception to this guidance is permitted for affordability requirements between 10% and 20% of affordable units if it is supported by an Economic Feasibility Analysis.

An abstract graphic on the left side of the slide. It features a light gray background with a faint grid. Scattered across the grid are several circles in various colors: blue, green, orange, pink, and gray. Below the grid, there is a stylized bar chart with vertical bars of varying heights, some of which are filled with a green and white striped pattern. A large, semi-transparent green circle is positioned in the lower-left foreground, partially overlapping the bar chart.

# **METHODOLOGY & MODELING INPUTS**

**ECONOMIC FEASIBILITY  
ANALYSIS**

# METHODOLOGICAL OVERVIEW

**THE ECONOMIC FEASIBILITY MODEL IS A PROFORMA-BASED EXCEL MODEL THAT IS DESIGNED TO TEST THE FINANCIAL IMPACT OF POTENTIAL POLICY CHANGES AGAINST THE FINANCIAL RISK/REWARD OF A POTENTIAL INVESTMENT.**

RKG's economic feasibility model uses locally-sourced data to determine how changes to inclusionary zoning could impact the financial performance of a potential project. At its most basic level, the model is designed to capture construction and operational costs and compare those to potential revenues to determine if the project will meet or exceed local return expectations.

The model has the capability to test variations across nearly all data points to test the sensitivity of dozens of variables on financial feasibility. This includes variability in construction costs, land costs, operational costs, development type and size, location within the community, and more. The model is also set up to test changes in affordability metrics such as the percentage of affordable units, target AMIs, unit thresholds, and more.

While the model is a powerful tool to understand the impacts of changes to inclusionary zoning and the sensitivity of modifying assumptions, it is not intended to be the only analytic or encapsulate the exact specifics of a deal.

# BASIC MODELING COMPONENTS

The economic feasibility modeling is based upon three principal components: **construction costs**, **operational revenues**, and **operational costs**. Each component relies upon several market-based and financial inputs for the model to be effective. The primary inputs for which local data was derived include, but is not limited to:

## Construction Costs

- Soft costs – design and preparation
- Hard costs – materials and construction
- Land costs – physical location

## Operation Costs

- Financing costs – debt and equity to pay for the project
- Marketing, management, repairs, property taxes

## Operational Revenues

- Rental rates and sale prices
- Parking revenue

# MODELING ASSUMPTIONS

To conduct an economic feasibility analysis for the proposed zoning, RKG must make several qualifications and assumptions to create a series of archetypal development projects that would trigger the affordability requirement based on the zoning. It should be noted that these development scenarios do not include any site-specific information, agreed-upon purchase prices, site plans or building designs. More specifically:

- There are no architectural plans or building specific plans/estimates.
- The model assumes the parcel is easily developable meaning hard cost estimates for new construction do not assume added costs such as major site improvements, blasting, demolition, or infrastructure costs.
- Land costs are derived from residual land values, assessment data and market comparable as this model is not an actual site-specific land acquisition pro forma.
- Construction hard costs and assumptions are based on an average within the market and are derived from interviews with developers and contractors as well as data RSMMeans.
- Interest rates and financial assumptions are based on the point of time of the analysis. Evolving macroeconomic conditions can alter the financing of projects such as a slow down in rent growth, higher costs of capital, and changing cap rates.



# EFA ASSUMPTIONS CHECKLIST

Construction Costs	Input	Source
Land Acquisition (per unit)	\$60,000	Assessment Data; CoStar
Total Land Costs	Variable	Assessment Data
Soft Costs (percentage of hard costs)	20%	Local Developers
<b>Hard Costs (per SQFT)</b>		
Residential	-	RS Means
Commercial Stick Built	\$283	RS Means/Developers
Commercial Podium	-	RS Means/Developers
Commercial Steel	-	RS Means
<b>Parking Assumptions</b>		
Parking Ratio (district dependent)	1.25	Town of Westwood
<b>Parking Cost by Type</b>		
Surface (per space)	\$8,000	Recent Projects
Structured (per space)	-	Local Developers
Underground (per space)	-	Local Developers
<b>Operations &amp; Expenses</b>		
VACL (percentage)	5%	Moody's Analytics
Operating Expense (% of EGI)	23%	Local Developers



# EFA ASSUMPTIONS CHECKLIST

Revenue Sources	Input	Source
<b>Rents by Bed Count (per SQFT)*</b>		
Studio/Efficiency	\$2.28	CoStar/Market Comps
One Bedroom	\$3.78	CoStar/Market Comps
Two Bedroom	\$3.19	CoStar/Market Comps
Three Bedroom	\$2.93	CoStar/Market Comps
<b>Sale Value (per SQFT)</b>		
<b>Other Income</b>		
Parking Revenue (surface) (per month per space)	\$100	Recent Developments
On-Site Laundry (per month)	N/A	N/A
Other (please list)	N/A	N/A
Financial	Input	Source
Lending Rate (Percentage)	7.0%	Local Developers / CoStar
Lending Term (Years)	30	
Debt Equity Ratio	70/30	
Cap Rate	5.2%	
Return Expectations		
Internal Rate of Return (IRR)	15%	
Return on Cost (ROC)	6.5%	
Cash on Cash (CoC)	5.5%	



# MODEL OUTPUTS

**THE CORE FUNCTION OF THE ECONOMIC FEASIBILITY MODEL IS TO UNDERSTAND HOW CHANGES IN POLICY AND PROJECT TYPE IMPACT FINANCIAL RETURNS COMPARED TO MARKET EXPECTATIONS.**

## FINANCIAL ANALYSES

The model measures three financial outcomes using three different metrics; Cash on Cash (COC), Return on Cost (ROC), Internal Rate of Return (IRR). Each measure represents a decision point for those involved in the transactions that make residential development financially feasible:

- COC – Investors/Developers
- ROC – Investors/Developers
- IRR – Developers/Operators

## PROJECT EXAMPLES

To test the financial implications of different project types in the districts, the model was constructed with data local to Westwood and its submarket and scenarios were generated using a range of project sizes that matched what the MBTA Compliance Model projected for the district.

To highlight these differences, this report provides examples of how different development and district assumptions can impact economic feasibility.

An abstract graphic on the left side of the page. It features a light gray background with a faint grid. Overlaid on the grid are several colorful circles in shades of blue, green, orange, and pink. Below the grid is a stylized city skyline composed of vertical bars of varying heights, some with horizontal stripes. A large, semi-transparent green circle is positioned in the foreground, partially overlapping the skyline.

# **MARKET ASSESSMENT**

**ECONOMIC FEASIBILITY  
ANALYSIS**

# MARKET ASSESSMENT

## Westwood Median Sale Price

Single Family 12-month moving average



In November 2024, the national average for a 30-year fixed rate mortgage is 6.96%. The stabilization of rates from their recent highs have driven recent demand for housing and increased home purchase volume.

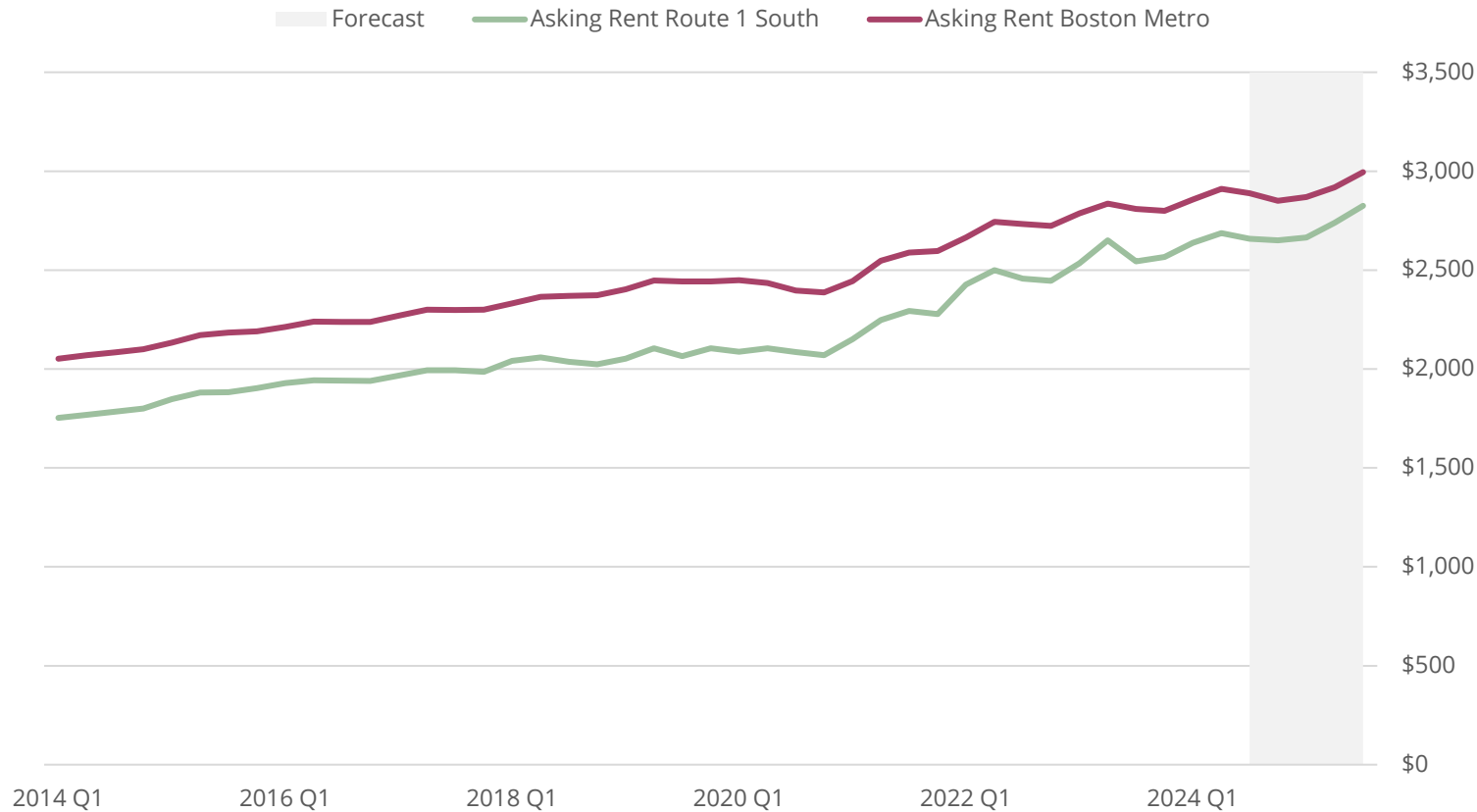
Like many suburban markets in the Boston Metro, tight inventories have contributed to these high sales prices. For Westwood, median sales prices have continued to far outpace the Metro average.

Rising home prices positively correlate with rents meaning that as home prices have grown, so too have rents in Westwood and the Boston metro, a trend that has persisted since 2021.

In the recent quarters of 2024, higher vacancy rates across the market have been enough to slow year-over-year rent growth from recent double-digit growth in 2022. Despite this seeming slowdown, rent growth in the Boston Metro still exceeds the national average.

# MARKET ASSESSMENT

## Asking Rent Per Unit Comparison Submarket vs Boston Metro

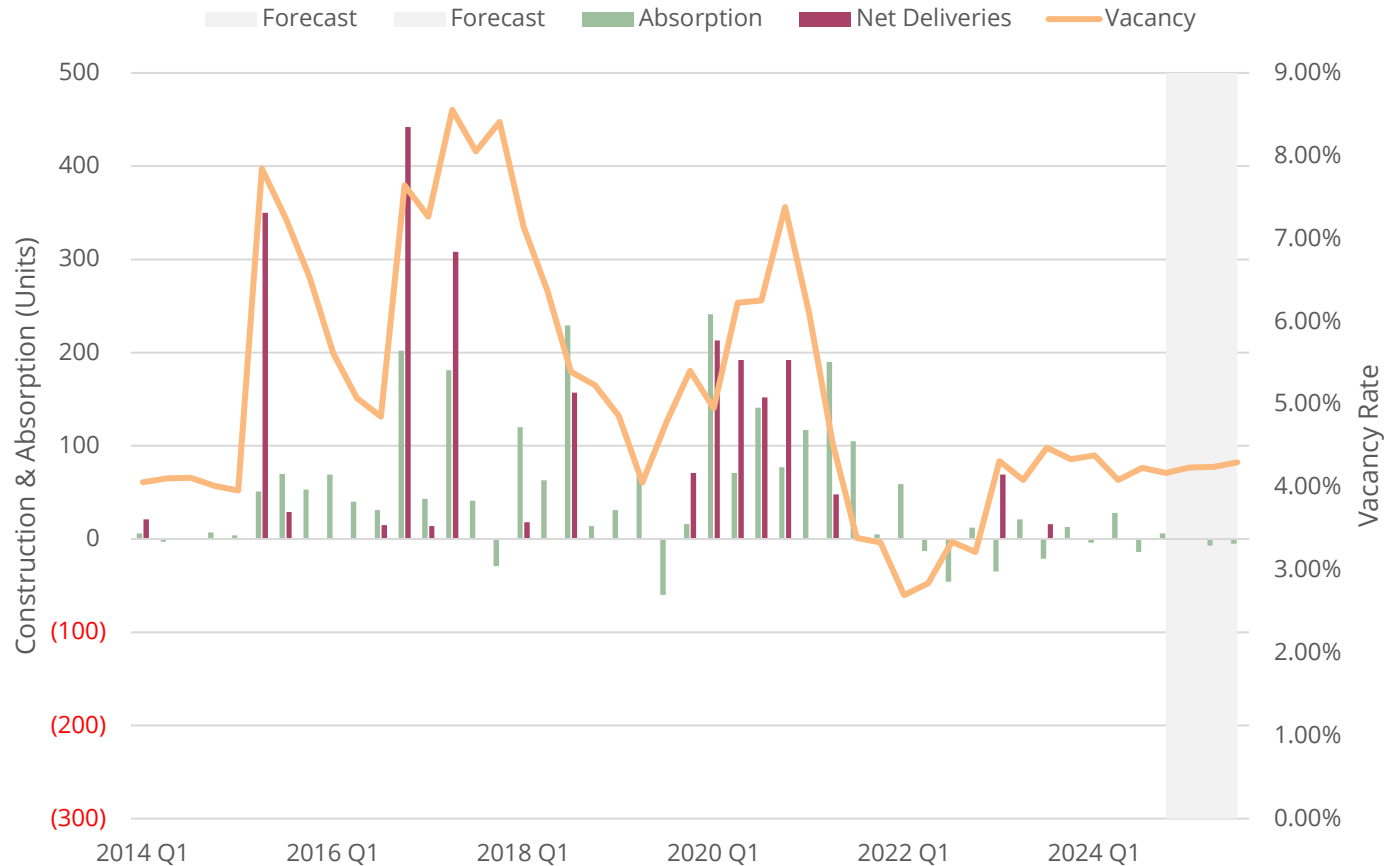


Within the Boston Metro market, Westwood lies in the Route 1 South submarket. Comparing the submarket asking rents to the Boston Metro, rents track below the metro average but growth in asking rents have kept pace with the broader market particularly in recent years.

Similar to home prices, rent growth in the submarket accelerated in 2021 and remains stable at record highs. Recent economic forecasts further support that future rent growth is expected to remain stable at these higher asking rents throughout the market.

# MARKET ASSESSMENT

## Route 1 South Submarket Multifamily Market Activity



The vacancy rate in the 93 North multifamily submarket is 3.2% which is 1.1% lower than it was this time last year. Over this period there have been 270 units of positive absorption, and 200 net deliveries suggesting continued demand for multifamily in the submarket.

The 93 North submarket has added approximately 900 units over the last three years. Over this same period, rents have increased 16.4% compared to the Boston metro average of 12.9%.

Despite the recent slow down in multifamily production and uncertainty around interest rates, CoStar has a number of projects slated for delivery over the next year across the 93 North submarket.

# MARKET ASSESSMENT

Westwood falls within the Boston-Cambridge-Quincy, MA HUD Metro FMR Area. The following affordable rents are derived from 50% of AMI levels for 1-person to 5-person households. This economic feasibility analysis for Westwood tests the viability of an affordable requirement of 15% of units at 80% of AMI for projects of eight (8) or more units.

**Maximum Affordable Rents by AMI (all utilities included in rent)**

Unit Type	30%	40%	50%	60%	70%	80%	90%	100%	110%	120%	130%	140%	150%
Efficiency	\$757	\$1,018	\$1,278	\$1,539	\$1,799	\$2,060	\$2,320	\$2,581	\$2,841	\$3,102	\$3,362	\$3,623	\$3,883
1BR	\$805	\$1,084	\$1,363	\$1,642	\$1,921	\$2,201	\$2,480	\$2,759	\$3,038	\$3,317	\$3,596	\$3,876	\$4,155
2BR	\$908	\$1,225	\$1,541	\$1,858	\$2,174	\$2,491	\$2,807	\$3,124	\$3,440	\$3,757	\$4,073	\$4,390	\$4,706
3BR	\$1,010	\$1,364	\$1,717	\$2,071	\$2,425	\$2,778	\$3,132	\$3,486	\$3,839	\$4,193	\$4,547	\$4,900	\$5,254
4BR	\$1,099	\$1,486	\$1,873	\$2,260	\$2,647	\$3,035	\$3,422	\$3,809	\$4,196	\$4,583	\$4,970	\$5,358	\$5,745





**RESULTS SUMMARY**  
ECONOMIC FEASIBILITY  
ANALYSIS

# ECONOMIC FEASIBILITY ANALYSIS

The economic feasibility analysis conducted by RKG provides key insights regarding the relative impact on economic feasibility resulting from the change in inclusionary zoning requirements.

To that end, RKG modeled multiple prototypical development scenarios by calibrating the model with market-based assumptions and tested the findings against real world examples.

The financial model calculates the basic go/ no-go decision a developer must make about a potential project. The decision to pursue a project comes down to overall financial return and risk exposure.

The model tests Internal Rate of Return (IRR), Cash on Cash (COC), and Return on Cost (ROC) metrics. This analysis focuses on the IRR and ROC metrics, as IRR can vary based on the specifics of the deal (current market expectation sits at 15% preferred, 12% minimum), the ROC gives a clearer sense of the return on investment (current market expectation targets 6% - 7%).

The market scenario analysis provides an assessment of how a project would perform financially based on market averages for acquisition, construction, operation, and reversion.

The analysis presents the performance of projects when using the proposed set aside rate of 15% for projects eight (8) dwelling units or more at the proposed Area Median Income (AMI) target of 80% of AMI.

RKG tested the development feasibility across several scenarios testing project size (number of units), construction typology, and across the districts the town is considering for MBTA 3A compliance:

- MUMFROD 1 Subdistrict
- MUMFROD 2 Subdistrict
- MUMFROD 3 Subdistrict

The following pages detail the results of multiple development scenarios for the district to demonstrate the sensitivity and overall level of economic feasibility.

# ECONOMIC FEASIBILITY ANALYSIS

## Results Overview

- Based on the results for Westwood across project scenarios, market rate asking rents are strong enough to support projects with a 15% set aside at 80% of AMI for projects built using wood frame construction with surface parking, which meets the requirements for the proposed MBTA districts.
- Across the three proposed districts, assumptions for submarket rents and wood frame construction costs resulted in projects that fell below market expectations although not in the realm that a developer would not undertake the project. Very minor changes in construction costs or rent assumptions would bring the project to meet or exceed market expectations for IRR and ROC measures.
- The Route 1 South multifamily market continues to see tight vacancy despite slower take up of new developments across other submarkets in the Boston metro region meaning demand for units remains strong. Recent Costar research reports that multifamily rents continue to grow at a steady rate despite unit openings outpacing absorption which is contrary to national trends.
- Despite these macroeconomic trends, demand for multifamily remains strong and there continues to be new construction in the pipeline. Given these trends and potential further interest rate cuts in the future, rents are likely to remain strong in the submarket which would continue to support development including those with the aforementioned affordability levels.

# EFA MODEL DISTRICT INPUTS

The figure provides the summary zoning inputs from the MBTA Compliance Model. Based on these inputs, development scenarios performed in the EFA will meet the following requirements: 3 - 4.5 stories (wood frame construction), and a parking ratio of 1.25 per dwelling unit. Based on the town's MBTA zoning proposal, developments involving the creation of eight (8) or more dwelling units are subject to the inclusionary housing requirements.

**ZONING INPUTS - DISTRICT 1 MUMFROD1**

<b>Model Inputs for Calculating Unit Yield</b>	<b>Input</b>
Minimum Lot Size	10,000
Additional Lot Square Feet per Dwelling Unit	0
Open Space %	0%
Excluded Land Counted Toward Open Space	Y
Parking Spaces per Dwelling Unit	1.25
Building Height	4.5
Maximum Lot Coverage %	80%
Floor Area Ratio	0.00
<b>Zoning Restrictions that Cap Unit Counts</b>	
Lot Area per Dwelling Unit	0
Maximum Dwelling Units per Acre	15.00
Cap on Maximum Dwelling Units per District	0.00

**ZONING INPUTS - DISTRICT 2 MUMFROD2**

<b>Model Inputs for Calculating Unit Yield</b>	<b>Input</b>
Minimum Lot Size	10,000
Additional Lot Square Feet per Dwelling Unit	0
Open Space %	0%
Excluded Land Counted Toward Open Space	Y
Parking Spaces per Dwelling Unit	1.25
Building Height	4.5
Maximum Lot Coverage %	80%
Floor Area Ratio	0.00
<b>Zoning Restrictions that Cap Unit Counts</b>	
Lot Area per Dwelling Unit	0
Maximum Dwelling Units per Acre	20.00
Cap on Maximum Dwelling Units per District	0.00

**ZONING INPUTS - DISTRICT 3 MUMFROD3**

<b>Model Inputs for Calculating Unit Yield</b>	<b>Input</b>
Minimum Lot Size	10,000
Additional Lot Square Feet per Dwelling Unit	0
Open Space %	0%
Excluded Land Counted Toward Open Space	Y
Parking Spaces per Dwelling Unit	1.25
Building Height	3
Maximum Lot Coverage %	80%
Floor Area Ratio	0.00
<b>Zoning Restrictions that Cap Unit Counts</b>	
Lot Area per Dwelling Unit	0
Maximum Dwelling Units per Acre	35.00
Cap on Maximum Dwelling Units per District	0.00

# EFA MODEL RESULT – 15% SET ASIDE AT 80% OF AMI

RKG’s economic feasibility model uses locally-sourced and market level data to determine how zoning requirements impact the financial performance of a potential project. The model is designed to capture construction and operation costs and compare those to potential revenues to determine if the project assumptions will meet or exceed local return expectations, which is analogous with economic feasibility.

The scenarios modeled capture unit scenarios, parking spaces per dwelling unit and building height requirements for the proposed MBTA districts the town is considering for MBTA 3A compliance

The range in unit sizes is intended to encompass the range of results from the compliance model’s final lot multi-family unit capacity as well as the minimum scenario that triggers the affordability requirement.

Based on RKG’s pro forma models for the districts, projects with a 15% set aside at 80% are economically feasible although the return numbers do fall below market expectations. Sensitivity testing revealed that a very minor change resulting in lower construction costs or slight increases in per square foot rents would create ROC and IRR figures in the market range. Across all project sizes, rents and wood frame construction result in return on cost measures (ROC) and internal rates of return (IRR) that fall within market expectation.

For the smaller unit sizes, returns fluctuate slightly based on the rounding of the affordable units. As projects scale, IRRs and Return on Cost trends stabilize benefiting from economics of scale and wood frame construction supported by strong rents.

## MUMFROD 1 Subdistrict

Unit Counts	IRR	COC	ROC
8	13.90%	3.29%	6.58%
25	13.39%	2.92%	6.46%
50	13.29%	2.84%	6.44%
100	13.58%	3.06%	6.51%
150	13.48%	2.99%	6.48%

## MUMFROD 2 Subdistrict

Unit Counts	IRR	COC	ROC
8	13.90%	3.29%	6.58%
25	13.39%	2.92%	6.46%
50	13.29%	2.84%	6.44%
100	13.58%	3.06%	6.51%
150	13.48%	2.99%	6.48%

## MUMFROD 3 Subdistrict

Unit Counts	IRR	COC	ROC
8	13.90%	3.29%	6.58%
25	13.39%	2.92%	6.46%
50	13.29%	2.84%	6.44%
100	13.58%	3.06%	6.51%
150	13.48%	2.99%	6.48%

- Below market expectation
- Not economically feasible



# **APPENDIX**

## **ECONOMIC FEASIBILITY ANALYSIS**

# PROFORMA SCENARIOS 10-YEAR PROFORMA

## 8 units – stick construction – surface parking – 15% set aside – MUMFRODI

PROFORMA		2024 First Year of Construction									
Apartments		8 Total Units									
	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Potential Gross Income	\$0	\$356,711	\$366,699	\$376,966	\$387,521	\$398,372	\$409,526	\$420,993	\$432,781	\$444,899	\$457,356
Vacancy & Credit Losses	\$0	(\$17,836)	(\$18,335)	(\$18,848)	(\$19,376)	(\$19,919)	(\$20,476)	(\$21,050)	(\$21,639)	(\$22,245)	(\$22,868)
Other Income	\$0	\$12,336	\$12,681	\$13,036	\$13,402	\$13,777	\$14,163	\$14,559	\$14,967	\$15,386	\$15,817
Effective Gross Income	\$0	\$351,211	\$361,045	\$371,154	\$381,547	\$392,230	\$403,213	\$414,502	\$426,109	\$438,040	\$450,305
Operating Expenses	\$0	(\$136,954)	(\$141,248)	(\$144,824)	(\$148,701)	(\$152,630)	(\$156,675)	(\$160,825)	(\$165,086)	(\$169,461)	(\$173,951)
Net Operating Income	\$0	\$214,257	\$219,797	\$226,330	\$232,846	\$239,601	\$246,537	\$253,677	\$261,022	\$268,579	\$276,353
Investment											
Developer Equity	(\$977,405)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Partial Unit Payment	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Financing Fee	(\$68,418)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Equity Investor Repayment	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Debt Service	\$0	(\$182,076)	(\$182,076)	(\$182,076)	(\$182,076)	(\$182,076)	(\$182,076)	(\$182,076)	(\$182,076)	(\$182,076)	(\$182,076)
Property Taxes*	(\$41,735)										
Sale Value	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$5,314,489
Cost of Sale	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$318,869)
Remaining Loan Balance	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$1,957,047)
Net Sale Proceeds	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$3,038,573
Before Tax Cash Flow	(\$1,087,559)	\$32,181	\$37,722	\$44,254	\$50,770	\$57,525	\$64,462	\$71,602	\$78,946	\$86,503	\$3,038,573

## 25 units – stick construction – surface parking – 15% set aside – MUMFRODI

PROFORMA		2024 First Year of Construction									
Apartments		25 Total Units									
	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Potential Gross Income	\$0	\$1,077,334	\$1,107,499	\$1,138,509	\$1,170,387	\$1,203,158	\$1,236,846	\$1,271,478	\$1,307,080	\$1,343,678	\$1,381,301
Vacancy & Credit Losses	\$0	(\$53,867)	(\$55,375)	(\$56,925)	(\$58,519)	(\$60,158)	(\$61,842)	(\$63,574)	(\$65,354)	(\$67,184)	(\$69,065)
Other Income	\$0	\$39,475	\$40,581	\$41,717	\$42,885	\$44,086	\$45,320	\$46,589	\$47,893	\$49,234	\$50,613
Effective Gross Income	\$0	\$1,062,942	\$1,092,705	\$1,123,300	\$1,154,753	\$1,187,086	\$1,220,324	\$1,254,493	\$1,289,619	\$1,325,728	\$1,362,849
Operating Expenses	\$0	(\$415,936)	(\$428,611)	(\$439,551)	(\$451,292)	(\$463,219)	(\$475,494)	(\$488,088)	(\$501,018)	(\$514,291)	(\$527,917)
Net Operating Income	\$0	\$647,006	\$664,093	\$683,749	\$703,460	\$723,866	\$744,830	\$766,405	\$788,601	\$811,437	\$834,931
Investment											
Developer Equity	(\$3,002,652)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Partial Unit Payment	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Financing Fee	(\$210,186)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Equity Investor Repayment	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Debt Service	\$0	(\$559,348)	(\$559,348)	(\$559,348)	(\$559,348)	(\$559,348)	(\$559,348)	(\$559,348)	(\$559,348)	(\$559,348)	(\$559,348)
Property Taxes*	(\$128,213)										
Sale Value	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$16,056,371
Cost of Sale	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$963,382)
Remaining Loan Balance	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$6,012,177)
Net Sale Proceeds	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$9,080,812
Before Tax Cash Flow	(\$3,341,051)	\$87,658	\$104,745	\$124,401	\$144,112	\$164,518	\$185,482	\$207,057	\$229,253	\$252,089	\$9,080,812

# PROFORMA SCENARIOS 10-YEAR PROFORMA

## 50 units – stick construction – surface parking – 15% set aside – MUMFRODI

PROFORMA	2024 First Year of Construction										
Apartment	50 Total Units										
	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Potential Gross Income	\$0	\$2,149,379	\$2,209,562	\$2,271,430	\$2,335,030	\$2,400,411	\$2,467,622	\$2,536,716	\$2,607,744	\$2,680,760	\$2,755,822
Vacancy & Credit Losses	\$0	(\$107,469)	(\$110,478)	(\$113,571)	(\$116,751)	(\$120,021)	(\$123,381)	(\$126,836)	(\$130,387)	(\$134,038)	(\$137,791)
Other Income	\$0	\$77,717	\$79,893	\$82,130	\$84,430	\$86,794	\$89,224	\$91,722	\$94,290	\$96,930	\$99,644
Effective Gross Income	\$0	\$2,119,627	\$2,178,977	\$2,239,988	\$2,302,708	\$2,367,184	\$2,433,465	\$2,501,602	\$2,571,647	\$2,643,653	\$2,717,675
Operating Expenses	\$0	(\$830,971)	(\$855,903)	(\$877,843)	(\$901,266)	(\$925,089)	(\$949,600)	(\$974,748)	(\$1,000,569)	(\$1,027,074)	(\$1,054,284)
Net Operating Income	\$0	\$1,288,657	\$1,323,074	\$1,362,145	\$1,401,442	\$1,442,095	\$1,483,865	\$1,526,853	\$1,571,078	\$1,616,579	\$1,663,391
Investment											
Developer Equity	(\$6,002,664)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Partial Unit Payment	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Financing Fee	(\$420,186)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Equity Investor Repayment	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Debt Service	\$0	(\$1,118,204)	(\$1,118,204)	(\$1,118,204)	(\$1,118,204)	(\$1,118,204)	(\$1,118,204)	(\$1,118,204)	(\$1,118,204)	(\$1,118,204)	(\$1,118,204)
Property Taxes*	(\$256,314)										
Sale Value	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$31,988,288
Cost of Sale	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$1,919,297)
Remaining Loan Balance	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$12,019,068)
Net Sale Proceeds	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$18,049,923
Before Tax Cash Flow	(\$6,679,164)	\$170,452	\$204,869	\$243,941	\$283,238	\$323,890	\$365,660	\$408,649	\$452,874	\$498,374	\$18,049,923

## 100 units – stick construction – surface parking – 15% set aside – MUMFRODI

PROFORMA	2024 First Year of Construction										
Apartment	100 Total Units										
	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Potential Gross Income	\$0	\$4,316,631	\$4,437,497	\$4,561,747	\$4,689,476	\$4,820,781	\$4,955,763	\$5,094,525	\$5,237,171	\$5,383,812	\$5,534,559
Vacancy & Credit Losses	\$0	(\$215,832)	(\$221,875)	(\$228,087)	(\$234,474)	(\$241,039)	(\$247,788)	(\$254,726)	(\$261,859)	(\$269,191)	(\$276,728)
Other Income	\$0	\$154,200	\$158,518	\$162,956	\$167,519	\$172,209	\$177,031	\$181,988	\$187,084	\$192,322	\$197,707
Effective Gross Income	\$0	\$4,255,000	\$4,374,140	\$4,496,616	\$4,622,521	\$4,751,952	\$4,885,006	\$5,021,786	\$5,162,396	\$5,306,944	\$5,455,538
Operating Expenses	\$0	(\$1,658,425)	(\$1,710,620)	(\$1,753,886)	(\$1,800,843)	(\$1,848,421)	(\$1,897,418)	(\$1,947,679)	(\$1,999,285)	(\$2,052,260)	(\$2,106,645)
Net Operating Income	\$0	\$2,596,575	\$2,663,520	\$2,742,730	\$2,821,678	\$2,903,531	\$2,987,589	\$3,074,108	\$3,163,112	\$3,254,683	\$3,348,893
Investment											
Developer Equity	(\$11,970,657)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Partial Unit Payment	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Financing Fee	(\$837,946)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Equity Investor Repayment	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Debt Service	\$0	(\$2,229,950)	(\$2,229,950)	(\$2,229,950)	(\$2,229,950)	(\$2,229,950)	(\$2,229,950)	(\$2,229,950)	(\$2,229,950)	(\$2,229,950)	(\$2,229,950)
Property Taxes*	(\$511,147)										
Sale Value	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$64,401,797
Cost of Sale	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$3,864,108)
Remaining Loan Balance	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$23,968,714)
Net Sale Proceeds	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$36,568,975
Before Tax Cash Flow	(\$13,319,750)	\$366,624	\$433,569	\$512,779	\$591,728	\$673,580	\$757,638	\$844,158	\$933,161	\$1,024,733	\$36,568,975



# PROFORMA SCENARIOS 10-YEAR PROFORMA

150 units – stick construction – surface parking – 15% set aside – MUMFRODI

PROFORMA	2024 First Year of Construction										
Apartments	150 Total Units										
	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Potential Gross Income	\$0	\$6,466,011	\$6,647,059	\$6,833,177	\$7,024,506	\$7,221,192	\$7,423,385	\$7,631,240	\$7,844,915	\$8,064,572	\$8,290,380
Vacancy & Credit Losses	\$0	(\$323,301)	(\$332,353)	(\$341,659)	(\$351,225)	(\$361,060)	(\$371,169)	(\$381,562)	(\$392,246)	(\$403,229)	(\$414,519)
Other Income	\$0	\$231,917	\$238,410	\$245,086	\$251,948	\$259,003	\$266,255	\$273,710	\$281,374	\$289,253	\$297,352
Effective Gross Income	\$0	\$6,374,627	\$6,553,117	\$6,736,604	\$6,925,229	\$7,119,135	\$7,318,471	\$7,523,388	\$7,734,043	\$7,950,596	\$8,173,213
Operating Expenses	\$0	(\$2,489,396)	(\$2,566,524)	(\$2,631,729)	(\$2,702,108)	(\$2,773,510)	(\$2,847,018)	(\$2,922,427)	(\$2,999,853)	(\$3,079,334)	(\$3,160,929)
Net Operating Income	\$0	\$3,885,231	\$3,986,593	\$4,104,875	\$4,223,120	\$4,345,625	\$4,471,454	\$4,600,961	\$4,734,190	\$4,871,262	\$5,012,284
Investment											
Developer Equity	(\$17,973,321)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Partial Unit Payment	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Financing Fee	(\$1,258,132)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Equity Investor Repayment	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Debt Service	\$0	(\$3,348,155)	(\$3,348,155)	(\$3,348,155)	(\$3,348,155)	(\$3,348,155)	(\$3,348,155)	(\$3,348,155)	(\$3,348,155)	(\$3,348,155)	(\$3,348,155)
Property Taxes*	(\$767,461)										
Sale Value	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$96,390,085
Cost of Sale	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$5,783,405)
Remaining Loan Balance	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$35,987,782)
Net Sale Proceeds	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$54,618,898
Before Tax Cash Flow	(\$19,998,915)	\$537,077	\$638,438	\$756,720	\$874,966	\$997,471	\$1,123,299	\$1,252,806	\$1,386,035	\$1,523,107	\$54,618,898

# PROFORMA SCENARIOS 10-YEAR PROFORMA

## 8 units – stick construction – surface parking – 15% set aside – MUMFROD2

PROFORMA		2024 First Year of Construction									
Apartments		8 Total Units									
	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Potential Gross Income	\$0	\$356,711	\$366,699	\$376,966	\$387,521	\$398,372	\$409,526	\$420,993	\$432,781	\$444,899	\$457,356
Vacancy & Credit Losses	\$0	(\$17,836)	(\$18,335)	(\$18,848)	(\$19,376)	(\$19,919)	(\$20,476)	(\$21,050)	(\$21,639)	(\$22,245)	(\$22,868)
Other Income	\$0	\$12,336	\$12,681	\$13,036	\$13,402	\$13,777	\$14,163	\$14,559	\$14,967	\$15,386	\$15,817
Effective Gross Income	\$0	\$351,211	\$361,045	\$371,154	\$381,547	\$392,230	\$403,213	\$414,502	\$426,109	\$438,040	\$450,305
Operating Expenses	\$0	(\$136,954)	(\$141,248)	(\$144,824)	(\$148,701)	(\$152,630)	(\$156,675)	(\$160,825)	(\$165,086)	(\$169,461)	(\$173,951)
Net Operating Income	\$0	\$214,257	\$219,797	\$226,330	\$232,846	\$239,601	\$246,537	\$253,677	\$261,022	\$268,579	\$276,353
Investment											
Developer Equity	(\$977,405)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Partial Unit Payment	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Financing Fee	(\$68,418)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Equity Investor Repayment	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Debt Service	\$0	(\$182,076)	(\$182,076)	(\$182,076)	(\$182,076)	(\$182,076)	(\$182,076)	(\$182,076)	(\$182,076)	(\$182,076)	(\$182,076)
Property Taxes*	(\$41,735)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Sale Value	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$5,314,489
Cost of Sale	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$318,869)
Remaining Loan Balance	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$1,957,047)
Net Sale Proceeds	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$3,038,573
Before Tax Cash Flow	(\$1,087,559)	\$32,181	\$37,722	\$44,254	\$50,770	\$57,525	\$64,462	\$71,602	\$78,946	\$86,503	\$3,038,573

## 25 units – stick construction – surface parking – 15% set aside – MUMFROD2

PROFORMA		2024 First Year of Construction									
Apartments		25 Total Units									
	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Potential Gross Income	\$0	\$1,077,334	\$1,107,499	\$1,138,509	\$1,170,387	\$1,203,158	\$1,236,846	\$1,271,478	\$1,307,080	\$1,343,678	\$1,381,301
Vacancy & Credit Losses	\$0	(\$53,867)	(\$55,375)	(\$56,925)	(\$58,519)	(\$60,158)	(\$61,842)	(\$63,574)	(\$65,354)	(\$67,184)	(\$69,065)
Other Income	\$0	\$39,475	\$40,581	\$41,717	\$42,885	\$44,086	\$45,320	\$46,589	\$47,893	\$49,234	\$50,613
Effective Gross Income	\$0	\$1,062,942	\$1,092,705	\$1,123,300	\$1,154,753	\$1,187,086	\$1,220,324	\$1,254,493	\$1,289,619	\$1,325,728	\$1,362,849
Operating Expenses	\$0	(\$415,936)	(\$428,611)	(\$439,551)	(\$451,292)	(\$463,219)	(\$475,494)	(\$488,088)	(\$501,018)	(\$514,291)	(\$527,917)
Net Operating Income	\$0	\$647,006	\$664,093	\$683,749	\$703,460	\$723,866	\$744,830	\$766,405	\$788,601	\$811,437	\$834,931
Investment											
Developer Equity	(\$3,002,652)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Partial Unit Payment	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Financing Fee	(\$210,186)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Equity Investor Repayment	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Debt Service	\$0	(\$559,348)	(\$559,348)	(\$559,348)	(\$559,348)	(\$559,348)	(\$559,348)	(\$559,348)	(\$559,348)	(\$559,348)	(\$559,348)
Property Taxes*	(\$128,213)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Sale Value	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$16,056,371
Cost of Sale	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$963,382)
Remaining Loan Balance	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$6,012,177)
Net Sale Proceeds	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$9,080,812
Before Tax Cash Flow	(\$3,341,051)	\$87,658	\$104,745	\$124,401	\$144,112	\$164,518	\$185,482	\$207,057	\$229,253	\$252,089	\$9,080,812

# PROFORMA SCENARIOS 10-YEAR PROFORMA

## 50 units – stick construction – surface parking – 15% set aside – MUMFROD2

PROFORMA	2024 First Year of Construction										
Apartment	50 Total Units										
	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Potential Gross Income	\$0	\$2,149,379	\$2,209,562	\$2,271,430	\$2,335,030	\$2,400,411	\$2,467,622	\$2,536,716	\$2,607,744	\$2,680,760	\$2,755,822
Vacancy & Credit Losses	\$0	(\$107,469)	(\$110,478)	(\$113,571)	(\$116,751)	(\$120,021)	(\$123,381)	(\$126,836)	(\$130,387)	(\$134,038)	(\$137,791)
Other Income	\$0	\$77,717	\$79,893	\$82,130	\$84,430	\$86,794	\$89,224	\$91,722	\$94,290	\$96,930	\$99,644
Effective Gross Income	\$0	\$2,119,627	\$2,178,977	\$2,239,988	\$2,302,708	\$2,367,184	\$2,433,465	\$2,501,602	\$2,571,647	\$2,643,653	\$2,717,675
Operating Expenses	\$0	(\$830,971)	(\$855,903)	(\$877,843)	(\$901,266)	(\$925,089)	(\$949,600)	(\$974,748)	(\$1,000,569)	(\$1,027,074)	(\$1,054,284)
Net Operating Income	\$0	\$1,288,657	\$1,323,074	\$1,362,145	\$1,401,442	\$1,442,095	\$1,483,865	\$1,526,853	\$1,571,078	\$1,616,579	\$1,663,391
Investment											
Developer Equity	(\$6,002,664)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Partial Unit Payment	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Financing Fee	(\$420,186)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Equity Investor Repayment	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Debt Service	\$0	(\$1,118,204)	(\$1,118,204)	(\$1,118,204)	(\$1,118,204)	(\$1,118,204)	(\$1,118,204)	(\$1,118,204)	(\$1,118,204)	(\$1,118,204)	(\$1,118,204)
Property Taxes*	(\$256,314)										
Sale Value	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$31,988,288
Cost of Sale	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$1,919,297)
Remaining Loan Balance	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$12,019,068)
Net Sale Proceeds	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$18,049,923
Before Tax Cash Flow	(\$6,679,164)	\$170,452	\$204,869	\$243,941	\$283,238	\$323,890	\$365,660	\$408,649	\$452,874	\$498,374	\$18,049,923

## 100 units – stick construction – surface parking – 15% set aside – MUMFROD2

PROFORMA	2024 First Year of Construction										
Apartment	100 Total Units										
	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Potential Gross Income	\$0	\$4,316,631	\$4,437,497	\$4,561,747	\$4,689,476	\$4,820,781	\$4,955,763	\$5,094,525	\$5,237,171	\$5,383,812	\$5,534,559
Vacancy & Credit Losses	\$0	(\$215,832)	(\$221,875)	(\$228,087)	(\$234,474)	(\$241,039)	(\$247,788)	(\$254,726)	(\$261,859)	(\$269,191)	(\$276,728)
Other Income	\$0	\$154,200	\$158,518	\$162,956	\$167,519	\$172,209	\$177,031	\$181,988	\$187,084	\$192,322	\$197,707
Effective Gross Income	\$0	\$4,255,000	\$4,374,140	\$4,496,616	\$4,622,521	\$4,751,952	\$4,885,006	\$5,021,786	\$5,162,396	\$5,306,944	\$5,455,538
Operating Expenses	\$0	(\$1,658,425)	(\$1,710,620)	(\$1,753,886)	(\$1,800,843)	(\$1,848,421)	(\$1,897,418)	(\$1,947,679)	(\$1,999,285)	(\$2,052,260)	(\$2,106,645)
Net Operating Income	\$0	\$2,596,575	\$2,663,520	\$2,742,730	\$2,821,678	\$2,903,531	\$2,987,589	\$3,074,108	\$3,163,112	\$3,254,683	\$3,348,893
Investment											
Developer Equity	(\$11,970,657)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Partial Unit Payment	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Financing Fee	(\$837,946)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Equity Investor Repayment	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Debt Service	\$0	(\$2,229,950)	(\$2,229,950)	(\$2,229,950)	(\$2,229,950)	(\$2,229,950)	(\$2,229,950)	(\$2,229,950)	(\$2,229,950)	(\$2,229,950)	(\$2,229,950)
Property Taxes*	(\$511,147)										
Sale Value	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$64,401,797
Cost of Sale	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$3,864,108)
Remaining Loan Balance	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$23,968,714)
Net Sale Proceeds	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$36,568,975
Before Tax Cash Flow	(\$13,319,750)	\$366,624	\$433,569	\$512,779	\$591,728	\$673,580	\$757,638	\$844,158	\$933,161	\$1,024,733	\$36,568,975

# PROFORMA SCENARIOS 10-YEAR PROFORMA

150 units – stick construction – surface parking – 15% set aside – MUMFROD2

PROFORMA	2024 First Year of Construction										
Apartment	150 Total Units										
	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Potential Gross Income	\$0	\$6,466,011	\$6,647,059	\$6,833,177	\$7,024,506	\$7,221,192	\$7,423,385	\$7,631,240	\$7,844,915	\$8,064,572	\$8,290,380
Vacancy & Credit Losses	\$0	(\$323,301)	(\$332,353)	(\$341,659)	(\$351,225)	(\$361,060)	(\$371,169)	(\$381,562)	(\$392,246)	(\$403,229)	(\$414,519)
Other Income	\$0	\$231,917	\$238,410	\$245,086	\$251,948	\$259,003	\$266,255	\$273,710	\$281,374	\$289,253	\$297,352
Effective Gross Income	\$0	\$6,374,627	\$6,553,117	\$6,736,604	\$6,925,229	\$7,119,135	\$7,318,471	\$7,523,388	\$7,734,043	\$7,950,596	\$8,173,213
Operating Expenses	\$0	(\$2,489,396)	(\$2,566,524)	(\$2,631,729)	(\$2,702,108)	(\$2,773,510)	(\$2,847,018)	(\$2,922,427)	(\$2,999,853)	(\$3,079,334)	(\$3,160,929)
Net Operating Income	\$0	\$3,885,231	\$3,986,593	\$4,104,875	\$4,223,120	\$4,345,625	\$4,471,454	\$4,600,961	\$4,734,190	\$4,871,262	\$5,012,284
Investment											
Developer Equity	(\$17,973,321)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Partial Unit Payment	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Financing Fee	(\$1,258,132)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Equity Investor Repayment	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Debt Service	\$0	(\$3,348,155)	(\$3,348,155)	(\$3,348,155)	(\$3,348,155)	(\$3,348,155)	(\$3,348,155)	(\$3,348,155)	(\$3,348,155)	(\$3,348,155)	(\$3,348,155)
Property Taxes*	(\$767,461)										
Sale Value	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$96,390,085
Cost of Sale	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$5,783,405)
Remaining Loan Balance	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$35,987,782)
Net Sale Proceeds	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$54,618,898
Before Tax Cash Flow	(\$19,998,915)	\$537,077	\$638,438	\$756,720	\$874,966	\$997,471	\$1,123,299	\$1,252,806	\$1,386,035	\$1,523,107	\$54,618,898

# PROFORMA SCENARIOS 10-YEAR PROFORMA

## 8 units – stick construction – surface parking – 15% set aside – MUMFROD3

PROFORMA		2024 First Year of Construction									
Apartments		8 Total Units									
	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Potential Gross Income	\$0	\$356,711	\$366,699	\$376,966	\$387,521	\$398,372	\$409,526	\$420,993	\$432,781	\$444,899	\$457,356
Vacancy & Credit Losses	\$0	(\$17,836)	(\$18,335)	(\$18,848)	(\$19,376)	(\$19,919)	(\$20,476)	(\$21,050)	(\$21,639)	(\$22,245)	(\$22,868)
Other Income	\$0	\$12,336	\$12,681	\$13,036	\$13,402	\$13,777	\$14,163	\$14,559	\$14,967	\$15,386	\$15,817
Effective Gross Income	\$0	\$351,211	\$361,045	\$371,154	\$381,547	\$392,230	\$403,213	\$414,502	\$426,109	\$438,040	\$450,305
Operating Expenses	\$0	(\$136,954)	(\$141,248)	(\$144,824)	(\$148,701)	(\$152,630)	(\$156,675)	(\$160,825)	(\$165,086)	(\$169,461)	(\$173,951)
Net Operating Income	\$0	\$214,257	\$219,797	\$226,330	\$232,846	\$239,601	\$246,537	\$253,677	\$261,022	\$268,579	\$276,353
Investment											
Developer Equity	(\$977,405)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Partial Unit Payment	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Financing Fee	(\$68,418)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Equity Investor Repayment	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Debt Service	\$0	(\$182,076)	(\$182,076)	(\$182,076)	(\$182,076)	(\$182,076)	(\$182,076)	(\$182,076)	(\$182,076)	(\$182,076)	(\$182,076)
Property Taxes*	(\$41,735)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Sale Value	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$5,314,489
Cost of Sale	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$318,869)
Remaining Loan Balance	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$1,957,047)
Net Sale Proceeds	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$3,038,573
Before Tax Cash Flow	(\$1,087,559)	\$32,181	\$37,722	\$44,254	\$50,770	\$57,525	\$64,462	\$71,602	\$78,946	\$86,503	\$3,038,573

## 25 units – stick construction – surface parking – 15% set aside – MUMFROD3

PROFORMA		2024 First Year of Construction									
Apartments		25 Total Units									
	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Potential Gross Income	\$0	\$1,077,334	\$1,107,499	\$1,138,509	\$1,170,387	\$1,203,158	\$1,236,846	\$1,271,478	\$1,307,080	\$1,343,678	\$1,381,301
Vacancy & Credit Losses	\$0	(\$53,867)	(\$55,375)	(\$56,925)	(\$58,519)	(\$60,158)	(\$61,842)	(\$63,574)	(\$65,354)	(\$67,184)	(\$69,065)
Other Income	\$0	\$39,475	\$40,581	\$41,717	\$42,885	\$44,086	\$45,320	\$46,589	\$47,893	\$49,234	\$50,613
Effective Gross Income	\$0	\$1,062,942	\$1,092,705	\$1,123,300	\$1,154,753	\$1,187,086	\$1,220,324	\$1,254,493	\$1,289,619	\$1,325,728	\$1,362,849
Operating Expenses	\$0	(\$415,936)	(\$428,611)	(\$439,551)	(\$451,292)	(\$463,219)	(\$475,494)	(\$488,088)	(\$501,018)	(\$514,291)	(\$527,917)
Net Operating Income	\$0	\$647,006	\$664,093	\$683,749	\$703,460	\$723,866	\$744,830	\$766,405	\$788,601	\$811,437	\$834,931
Investment											
Developer Equity	(\$3,002,652)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Partial Unit Payment	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Financing Fee	(\$210,186)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Equity Investor Repayment	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Debt Service	\$0	(\$559,348)	(\$559,348)	(\$559,348)	(\$559,348)	(\$559,348)	(\$559,348)	(\$559,348)	(\$559,348)	(\$559,348)	(\$559,348)
Property Taxes*	(\$128,213)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Sale Value	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$16,056,371
Cost of Sale	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$963,382)
Remaining Loan Balance	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$6,012,177)
Net Sale Proceeds	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$9,080,812
Before Tax Cash Flow	(\$3,341,051)	\$87,658	\$104,745	\$124,401	\$144,112	\$164,518	\$185,482	\$207,057	\$229,253	\$252,089	\$9,080,812

# PROFORMA SCENARIOS 10-YEAR PROFORMA

## 50 units – stick construction – surface parking – 15% set aside – MUMFROD3

PROFORMA	2024 First Year of Construction										
Apartment	50 Total Units										
	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Potential Gross Income	\$0	\$2,149,379	\$2,209,562	\$2,271,430	\$2,335,030	\$2,400,411	\$2,467,622	\$2,536,716	\$2,607,744	\$2,680,760	\$2,755,822
Vacancy & Credit Losses	\$0	(\$107,469)	(\$110,478)	(\$113,571)	(\$116,751)	(\$120,021)	(\$123,381)	(\$126,836)	(\$130,387)	(\$134,038)	(\$137,791)
Other Income	\$0	\$77,717	\$79,893	\$82,130	\$84,430	\$86,794	\$89,224	\$91,722	\$94,290	\$96,930	\$99,644
Effective Gross Income	\$0	\$2,119,627	\$2,178,977	\$2,239,988	\$2,302,708	\$2,367,184	\$2,433,465	\$2,501,602	\$2,571,647	\$2,643,653	\$2,717,675
Operating Expenses	\$0	(\$830,971)	(\$855,903)	(\$877,843)	(\$901,266)	(\$925,089)	(\$949,600)	(\$974,748)	(\$1,000,569)	(\$1,027,074)	(\$1,054,284)
Net Operating Income	\$0	\$1,288,657	\$1,323,074	\$1,362,145	\$1,401,442	\$1,442,095	\$1,483,865	\$1,526,853	\$1,571,078	\$1,616,579	\$1,663,391
Investment											
Developer Equity	(\$6,002,664)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Partial Unit Payment	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Financing Fee	(\$420,186)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Equity Investor Repayment	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Debt Service	\$0	(\$1,118,204)	(\$1,118,204)	(\$1,118,204)	(\$1,118,204)	(\$1,118,204)	(\$1,118,204)	(\$1,118,204)	(\$1,118,204)	(\$1,118,204)	(\$1,118,204)
Property Taxes*	(\$256,314)										
Sale Value	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$31,988,288
Cost of Sale	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$1,919,297)
Remaining Loan Balance	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$12,019,068)
Net Sale Proceeds	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$18,049,923
Before Tax Cash Flow	(\$6,679,164)	\$170,452	\$204,869	\$243,941	\$283,238	\$323,890	\$365,660	\$408,649	\$452,874	\$498,374	\$18,049,923

## 100 units – stick construction – surface parking – 15% set aside – MUMFROD3

PROFORMA	2024 First Year of Construction										
Apartment	100 Total Units										
	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Potential Gross Income	\$0	\$4,316,631	\$4,437,497	\$4,561,747	\$4,689,476	\$4,820,781	\$4,955,763	\$5,094,525	\$5,237,171	\$5,383,812	\$5,534,559
Vacancy & Credit Losses	\$0	(\$215,832)	(\$221,875)	(\$228,087)	(\$234,474)	(\$241,039)	(\$247,788)	(\$254,726)	(\$261,859)	(\$269,191)	(\$276,728)
Other Income	\$0	\$154,200	\$158,518	\$162,956	\$167,519	\$172,209	\$177,031	\$181,988	\$187,084	\$192,322	\$197,707
Effective Gross Income	\$0	\$4,255,000	\$4,374,140	\$4,496,616	\$4,622,521	\$4,751,952	\$4,885,006	\$5,021,786	\$5,162,396	\$5,306,944	\$5,455,538
Operating Expenses	\$0	(\$1,658,425)	(\$1,710,620)	(\$1,753,886)	(\$1,800,843)	(\$1,848,421)	(\$1,897,418)	(\$1,947,679)	(\$1,999,285)	(\$2,052,260)	(\$2,106,645)
Net Operating Income	\$0	\$2,596,575	\$2,663,520	\$2,742,730	\$2,821,678	\$2,903,531	\$2,987,589	\$3,074,108	\$3,163,112	\$3,254,683	\$3,348,893
Investment											
Developer Equity	(\$11,970,657)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Partial Unit Payment	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Financing Fee	(\$837,946)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Equity Investor Repayment	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Debt Service	\$0	(\$2,229,950)	(\$2,229,950)	(\$2,229,950)	(\$2,229,950)	(\$2,229,950)	(\$2,229,950)	(\$2,229,950)	(\$2,229,950)	(\$2,229,950)	(\$2,229,950)
Property Taxes*	(\$511,147)										
Sale Value	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$64,401,797
Cost of Sale	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$3,864,108)
Remaining Loan Balance	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$23,968,714)
Net Sale Proceeds	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$36,568,975
Before Tax Cash Flow	(\$13,319,750)	\$366,624	\$433,569	\$512,779	\$591,728	\$673,580	\$757,638	\$844,158	\$933,161	\$1,024,733	\$36,568,975

# PROFORMA SCENARIOS 10-YEAR PROFORMA

150 units – stick construction – surface parking – 15% set aside – MUMFROD3

PROFORMA	2024 First Year of Construction										
Apartment	150 Total Units										
	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Potential Gross Income	\$0	\$6,466,011	\$6,647,059	\$6,833,177	\$7,024,506	\$7,221,192	\$7,423,385	\$7,631,240	\$7,844,915	\$8,064,572	\$8,290,380
Vacancy & Credit Losses	\$0	(\$323,301)	(\$332,353)	(\$341,659)	(\$351,225)	(\$361,060)	(\$371,169)	(\$381,562)	(\$392,246)	(\$403,229)	(\$414,519)
Other Income	\$0	\$231,917	\$238,410	\$245,086	\$251,948	\$259,003	\$266,255	\$273,710	\$281,374	\$289,253	\$297,352
Effective Gross Income	\$0	\$6,374,627	\$6,553,117	\$6,736,604	\$6,925,229	\$7,119,135	\$7,318,471	\$7,523,388	\$7,734,043	\$7,950,596	\$8,173,213
Operating Expenses	\$0	(\$2,489,396)	(\$2,566,524)	(\$2,631,729)	(\$2,702,108)	(\$2,773,510)	(\$2,847,018)	(\$2,922,427)	(\$2,999,853)	(\$3,079,334)	(\$3,160,929)
Net Operating Income	\$0	\$3,885,231	\$3,986,593	\$4,104,875	\$4,223,120	\$4,345,625	\$4,471,454	\$4,600,961	\$4,734,190	\$4,871,262	\$5,012,284
Investment											
Developer Equity	(\$17,973,321)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Partial Unit Payment	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Financing Fee	(\$1,258,132)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Equity Investor Repayment	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Debt Service	\$0	(\$3,348,155)	(\$3,348,155)	(\$3,348,155)	(\$3,348,155)	(\$3,348,155)	(\$3,348,155)	(\$3,348,155)	(\$3,348,155)	(\$3,348,155)	(\$3,348,155)
Property Taxes*	(\$767,461)										
Sale Value	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$96,390,085
Cost of Sale	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$5,783,405)
Remaining Loan Balance	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$35,987,782)
Net Sale Proceeds	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$54,618,898
Before Tax Cash Flow	(\$19,998,915)	\$537,077	\$638,438	\$756,720	\$874,966	\$997,471	\$1,123,299	\$1,252,806	\$1,386,035	\$1,523,107	\$54,618,898



Town of Westwood  
Economic Feasibility Analysis  
November 2024

