

Development Program																	
Development Component	Location of Development Component	Area in SF	Land Cost	Land Use	Total Residential Units	Market Rate Residential Units	Affordable Residential Units	Commercial RSF	Value	Total Project Costs	Equity	Debt	Gross Gap	Gap Funding Source	Net Gap	Leveraged IRR	Unleveraged IRR
Phase 1	P0	735,636	7,968,999	RES-Market-MU-Rental RES-AFF-MU Hotel Retail (Market) Community Facility (Art Museum)	310 Units	131 Units	179 Units	Retail 67,294 SF	\$184,046,647	\$182,594,341	\$46,569,951	\$100,426,887	(\$29,222,000)	9% LIHTC: \$9,500,000	\$0	24.16%	10.87%
	P1	95,174	1,031,001		*Plus 122 key hotel			Community Facility 36,590 SF						SC State Housing Tax Credits: \$10,820,550			
Phase 2	P2	191,807	8,397,554	RES-Market-Rental RES-AFF-MU Retail Community Facility (Performance Venue, Visitor Center, Gym)	499 Units	373 Units	126 Units	Retail 72,022 SF	\$305,096,579	\$266,452,351	\$72,635,314	\$186,517,000	(\$16,373,000)	TIF Loan Proceeds: \$7,300,037	\$0	18.65%	11.81%
	P3	59,442	2,602,446					Community Facility 144,542 SF						SC Affordable Housing Trust Fund: \$8,820,000			
Phase 3	P4	50,362	1,207,776	RES-Market-Rental RES-For-Sale RES-AFF-MU Retail (Grocery Store) Office Flex Creative Industrial Community Facility	Income Property: 154 Units	123 Units	31 Units	Retail 102,139 SF	\$377,700,721	\$295,691,502	\$103,492,000	\$192,199,000	\$0	\$0	\$0	19.16%	12.20%
	P5	432,114	10,362,911		For Sale: 64 Units	64 Units	Units	Industrial 486,636 SF									
	P6	497,430	11,929,313					Community Facility 57,982 SF									
TOTALS		2,061,965	43,500,000		1,027 Units	691 Units	336 Units	967,205 SF	\$866,843,947	\$744,738,194	\$222,697,266	\$479,142,887	(\$45,595,000)		\$0	20.37%	11.72%

Affordability %

33%

LTC:

64.3%

Infrastructure Allocation					
Item	Total Cost	To Phase 1		To Phase 2	To Phase 3
Waterfront Park	\$8,178,255	\$2,927,085		\$4,076,970	\$1,174,200
Public Spaces + Green Fingers	\$4,113,439	\$1,989,867		\$1,048,432	\$1,075,140
Road Expansion	\$4,520,800	\$1,410,000		\$1,233,200	\$1,877,600
Landscaped Open Space	\$1,477,970	\$513,310		\$349,060	\$615,600
District HVAC	\$20,000,000	\$8,000,000		\$12,000,000	\$0
TOTAL	\$38,290,464	\$14,840,262		\$18,707,662	\$4,742,540

Note: Orange: line items are reimbursable from Navy Base TIF

\$15 per square foot
\$11 per square foot
\$400 per linear foot
\$10 per square foot

Schedule					
Development Component	Pre-Development	Demolition		Construction	Close-out
Phase 1	01/1/24 to 12/31/24	1/1/25 to 3/30/2025		4/1/25 to 12/31/27	1/1/28 to 6/30/28
Phase 2	01/1/26 to 12/31/26	1/1/27 to 6/30/27		7/1/27 to 6/30/30	7/1/30 to 12/31/30
Phase 3	01/1/28 to 12/31/28	1/1/29 to 6/30/29		7/1/29 to 12/31/32	1/1/33 to 10/31/33

KNOT CHARLESTON
TEAM #2023-8335

Rents, Sales prices, NOI and cap rates					
Market Rate Housing Rents and Sales Prices			Rent per SF (NNN)		Exit Assumptions
Studio	Rents/Month		Office	\$32	Cap Rate
Average Size in SF	\$70		Industrial	\$14	Affordable Rental 4.75%
Rent or Price PSF	\$2.85		Retail	\$30	Market Rate Rental 4.00%
1BR			Community Facility / Institution	\$25	Office 6.75%
Average Size in SF	750		Hotel RevPar	\$55	Retail 7.50%
Rent or Price PSF	\$2.70		NOI Calculation		Hotel 6.00%
2BR			Adtl revenues after parking	7.0% of gross revenue	Industrial 7.00%
Average Size in SF	1,050		Suburban retail office	3.5% of gross revenue	Parking 5.75%
Rent or Price PSF	\$2.65		Mixed Use Expense Estimate	30.0% of gross revenue	Sale Costs 2.00%
3BR					
Average Size in SF	1,250				
Rent or Price PSF	\$2.50				
Parking Mix					
Parking Ratio Requirements					
Residential	1 space per unit				
Retail/Office	1 space per 1,000 sf				
Underground, Structure and Surface					
SF per space(including circulation)	350				
\$/space					
Structured Parking	\$25,000.00				
Surface Parking	\$10,000.00				
Lifts					
SF per space(including circulation)	150				
\$/space	\$12,500.00				
Monthly Rent / Space					
Unbundled rent/space	\$250				
Project Cost Estimating					
Type	Basis				
Multifamily (Market) Hard Costs	\$280 per SF net lease or sale				
Multifamily (Affordable) Hard Costs	\$280 per SF net lease or sale				
Retail Hard Costs (Core & Shell)	\$190 per SF net leasable				
Industrial Hard Costs	\$165 per SF net leasable				
Facility / Institution Hard Costs	\$280 per SF net leasable				
Parking Costs	See Parking Mix table				
Hard Cost Contingency	10% of GMP costs				
Municipal Fees and Allowances	\$5,000 per unit				
Share of Infrastructure	Estimated allocation from FPC				
Legal	Estimate				
Land Closing Costs/commissions	Estimate				
Design	4% of total hard costs				
Developer Fee	3% of Project Budget				
Construction Management Fee	2% of total hard costs				
Taxes during construction	Estimate				
Insurance	\$5,000 per unit				
Marketing, FFE and Preleasing	Estimate				
Operating Deficit	6 Months of OPEX				
Commercial Tenant Improvements	\$70 per SF of retail				
Retail and office brokerage	6% on a five year term				
Construction Loan Origination	1.25% of loan amount				
Construction Interest	7% of loan amount				

Affordable Rents--by unit size

Charleston-North Charleston, SC MSA

\$96,400	for a family of four
30%	rent burden

Avg AMI/du

60%	HH Size	HH Factor	Income Limit	Gross Rent	Utility Allowance	Net Rent
	Studio	1	\$40,500	1,012	100	912
	1BR	1.5	43,380	1,084	124	960
	2BR	3	52,080	1,302	155	1,147
	3BR	4.5	60,180	1,504	174	1,330
	4BR	6	67,140	1,678	190	1,488
	5BR	7.5	74,040	1,851	214	1,637

HH Size	HH Factor	Income Limit
1	0.7	40,500
2	0.8	46,320
3	0.9	52,080
4	1	57,840
5	1.08	62,520
6	1.16	67,140
7	1.24	71,760
8	1.32	76,380

Financing		
PHASE I	PHASE II	PHASE III
Construction Financing		
Senior Loan 55%	Senior Loan 70%	Senior Loan 65%
Affordable Housing Capital Stack		
LIHTC Equity Syndication	LIHTC Equity Syndication	LIHTC Equity Syndication
LIHTC Basis Estimate \$10,426,137	LIHTC Basis Estimate \$0	LIHTC Basis Estimate \$0
Basis Boost (Y/N) Yes	Basis Boost (Y/N) Yes	Basis Boost (Y/N) Yes
Adjusted Eligible Basis \$13,553,978	Adjusted Eligible Basis \$0	Adjusted Eligible Basis \$0
Credit Percentage 9%	Credit Percentage 9%	Credit Percentage 9%
Total Annual Credit \$1,219,858	Total Annual Credit \$0	Total Annual Credit \$0
Maximum Award 1,000,000	Maximum Award 1,000,000	Maximum Award 1,000,000
Total Credits Awarded 1,000,000	Total Credits Awarded 0	Total Credits Awarded 0
Total Credit \$10,000,000	Total Credit \$0	Total Credit \$0
Equity Pricing 0.95	Equity Pricing 0.93	Equity Pricing 0.93
Total Equity Syndication \$9,500,000	Total Equity Syndication \$0	Total Equity Syndication \$0
SC State Housing Tax Credits	SC State Housing Tax Credits	SC State Housing Tax Credits
Allocation per Unit 65,000	Allocation per Unit 0	Allocation per Unit 15,589
Total Allocation \$11,635,000	Total Allocation \$0	Total Allocation \$2,026,570
Pricing 0.93	Pricing 0.83	Pricing 0.83
Total Equity Syndication \$10,820,550	Total Equity Syndication \$0	Total Equity Syndication \$1,682,053
Affordable Housing Trust Fund		
Per Unit Grant 50,000	Per Unit Grant 70,000	Per Unit Grant 0
Total Units 179	Total Units 126	Total Units 0
Total Funding 8,950,000	Total Funding 8,820,000	Total Funding 0
TIF Loan		
TIF Proceeds \$6,326,952	TIF Proceeds \$7,300,037	TIF Proceeds 0