

Main Development Program

Development Program					
District	Buildings	GBA SF	Return on Cost requirement	Residential Units (Market)	Residential Units (Affordable)
A	Retail Buildings	116,639	30%	134 Units	Units
	Multifamily+Retail 1	153,189			
	Multifamily+Retail 2	99,006			
B	Multifamily+Retail 3	720,441	25%	433 Units	185 Units
C	Civic+Retail	630,836	30%		
D	Multifamily 1	278,774	25%	169 Units	29 Units
	Multifamily 2	257,408			
E	University 1	148,526	40%		
	University 2	327,104			
	Laboratory 5	800,234			
F	Multifamily 3	331,467	30%	334 Units	143 Units
	Multifamily 4	287,959			
G	Multifamily 6	180,158	30%	374 Units	160 Units
	Multifamily 7	108,760			
	Multifamily 8	394,970			
H	Laboratory 1	226,826	40%		
	Laboratory 2	216,281			
	Laboratory 3	143,384			
	Laboratory 4	198,700			
I	Student Housing 1	41,710	25%	117 Units	Units
	Student Housing 2	84,768			
	Student Housing 3	86,269			
	Multifamily 5	183,024			
	Parking lot	107,646			
Total		6,124,078		517 SF	SF

Rents

Rents for asset classes in our development plan (Retail, Laboratory-office, University, Civic) are mainly based on the leasing market report provided by Costar for the Cleveland (East – where our site is, and Downtown). We have adjusted numbers based on the average asking rents provided in the report. For the non-conventional components including Laboratory-office and University (Research facility), we have adjusted the level of rent based on Class A office in the region.

Rents for multifamily assets are based on the asking rent of nearby comparable assets (rent comp), by averaging the asking rent of assets in Downtown and University Circle.

Construction Cost

Construction costs are mainly based on the data from RS Means Gordian – Cleveland region

Cap Rate

Exit cap rates for asset classes in our development plan (Multifamily, Retail, Laboratory-office, University, Civic) are mainly based on the capital market report provided by Costar for the Cleveland (East – where our site is, and Downtown).

Rents, Sales prices, NOI and cap rates						
Market Rate Multifamily Rents and Sales Prices			Category	Rent per SF(NNN)	Exit Assumptions	
Studio	Rents/Month	Sale Prices/SF	Retail	\$15.00	Cap Rate	
Average Size in SF	504	700	Laboratory	\$30.00	Multifamily Rental	8.50%
Rent or Price PSF	\$2.87	\$800	University	\$25.00	Lab-Office	11.00%
1BR			Civic	\$10.00	Retail	9.00%
Average Size in SF	769	900	Project Cost Estimating parameters		University	10.00%
Rent or Price PSF	\$2.21	\$750	Type	Basis	Student Housing	9.50%
2BR			Hard Cost Construction		Parking	11.00%
Average Size in SF	1,182	1,100	Retail (Type III over Type I)	\$330 per GSF	Leverage Assumptions	
Rent or Price PSF	\$2.07	\$650	Residential/Mixed (Type I)	\$300 per GSF	Debt percentage	
3BR			Residential/Mixed (Type III over Type I)	\$270 per GSF	Mainly Used	50%
Average Size in SF	2,056	1,400	Laboratory (Type I)	\$450 per GSF	Higher debt	60%
Rent or Price PSF	\$2.48	\$600			NOI Calculation	
Affordable Housing Rents and Sales Prices			Retail (Type III over Type I)	\$330 per GSF	Additional Mixed use revenues after parking	7.0% of gross revenue
Studio	Rents/Month	Sale Prices/SF	Residential/Mixed (Type I)	\$300 per GSF	Efficiency Ratio Table	
Average Size in SF	504	700	Residential/Mixed (Type III over Type I)	\$270 per GSF	Residential	75%
Rent or Price PSF	\$1.88	\$800	Laboratory (Type I)	\$450 per GSF	Student Housing	70%
1BR			Parking Costs	See Parking Mix table	Retail	75%
Average Size in SF	769	900	Hard Cost Contingency	10% of GMP costs	Laboratory	60%
Rent or Price PSF	\$1.40	\$750	Municipal Fees and Allowances	5% of total hard costs	University	70%
2BR			Share of Infrastructure	Estimated allocation from FPC	School	60%
Average Size in SF	1,182	1,100	Legal	2% of total hard costs	Civic	60%
Rent or Price PSF	\$1.10	\$650	Land Closing Costs/commissions	Estimate	Multifamily - Rental Unit Type % Table	
3BR			Design	4% of total hard costs	Studios	30%
Average Size in SF	2,056	1,400	Developer Fee	3% of Project Budget	1 bedroom/1 bath	45%
Rent or Price PSF	\$0.82	\$600	Construction Management Fee	5% of total hard costs	2 bedroom/2 bath	20%
Market Rate Student Housing Rents			Tax rate approxmiation over Value	45% of NOI/Cap	3 bedroom/3 bath	5%
Studio	Rents/Month		Taxes during construction (Cleveland)	3%	Multifamily - Sales Unit Type % Table	
Average Size in SF	454		Insurance	1.5% of total hard costs	Market	
Rent or Price PSF	\$2.58		Marketing, FFE and Preleasing	Estimate	2 bedroom/2 bath	60%
1BR			Operating Deficit	6 Months of OPEX	3 bedroom/3 bath	40%
Average Size in SF	707		Commercial Tenant Improvements	\$75 per SF of retail	Affordable	
Rent or Price PSF	\$1.89		Retail and office brokerage	6% on a five year term	1 bedroom/1 bath	50%
2BR			Construction Loan Origination	1.50% of loan amount	2 bedroom/2 bath	50%
Average Size in SF	999		Construction Interest	7% of loan amount	Student Housing Unit Type % Table	
Rent or Price PSF	\$2.35				Studios	55%
3BR					1 bedroom	20%
Average Size in SF	1,200				2 bedroom	15%
Rent or Price PSF	\$2.17				3 bedroom	10%