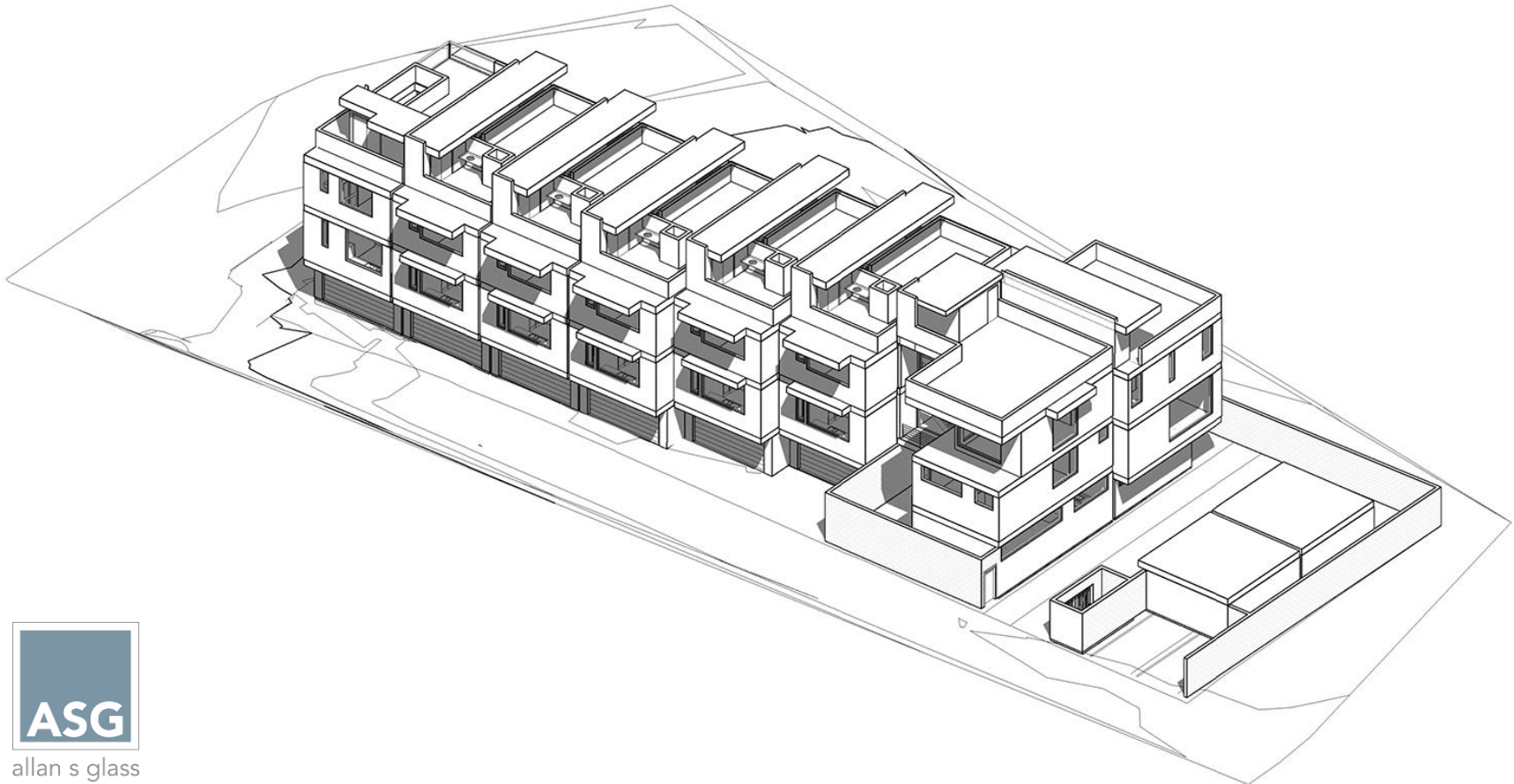
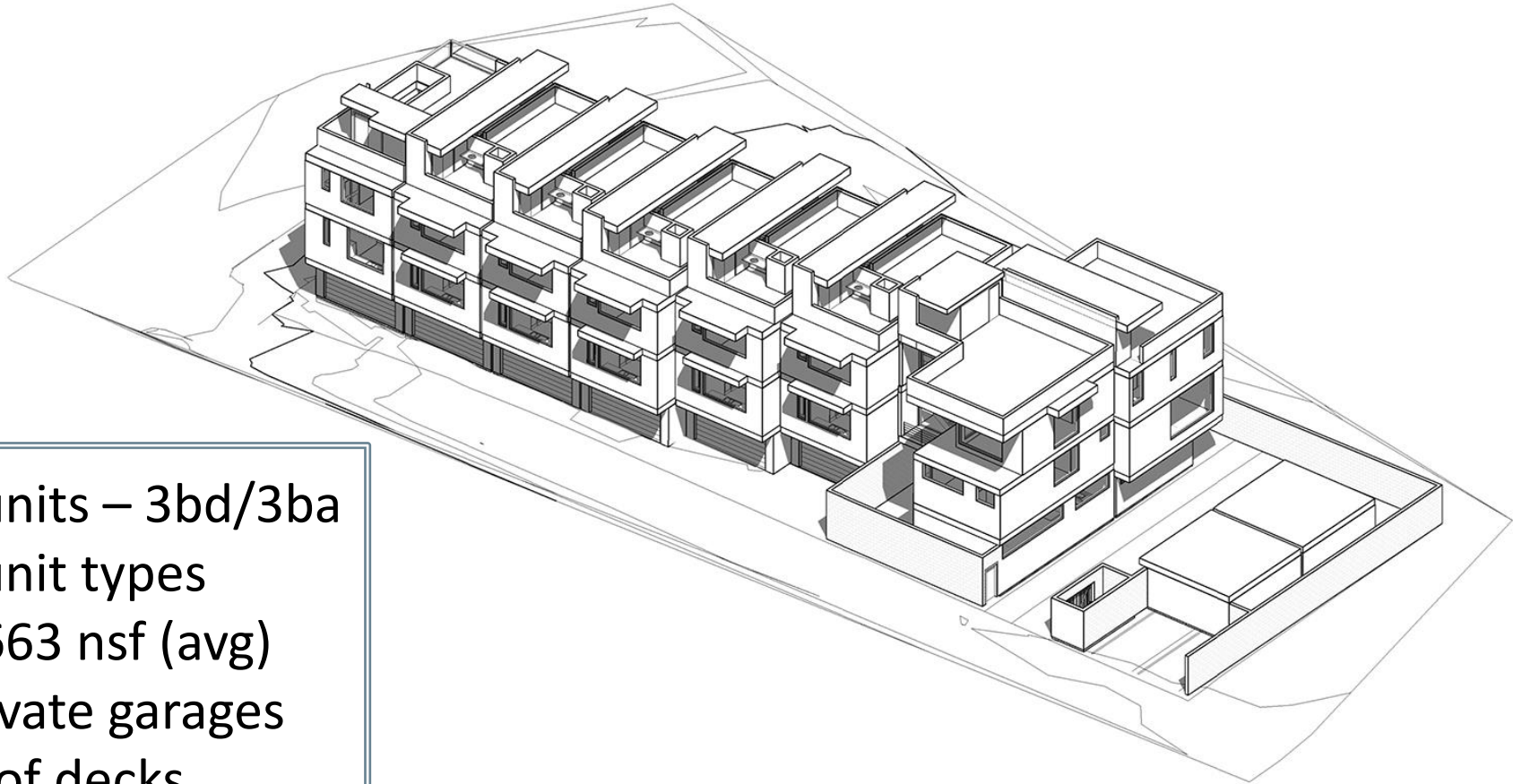


# Small-Scale Development Deals: Perspectives from the Capital Sources



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## HARCOURT 8

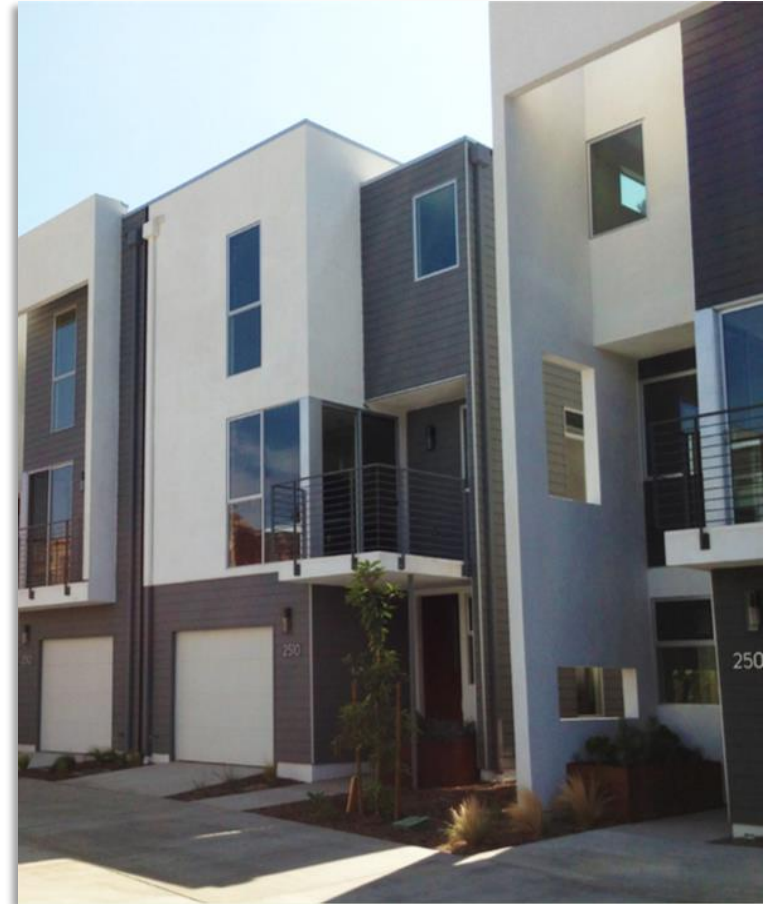


- 8 units – 3bd/3ba
- 4 unit types
- 1,663 nsf (avg)
- Private garages
- Roof decks



## SMALL LOT SUBDIVISION

- Structurally independent
- “Fee Simple” ownership
- Alternative to condos and suburban single family homes
- No HOA / reduced liability to developer
- Smaller lots / compact building footprints
- Minimal setback requirements





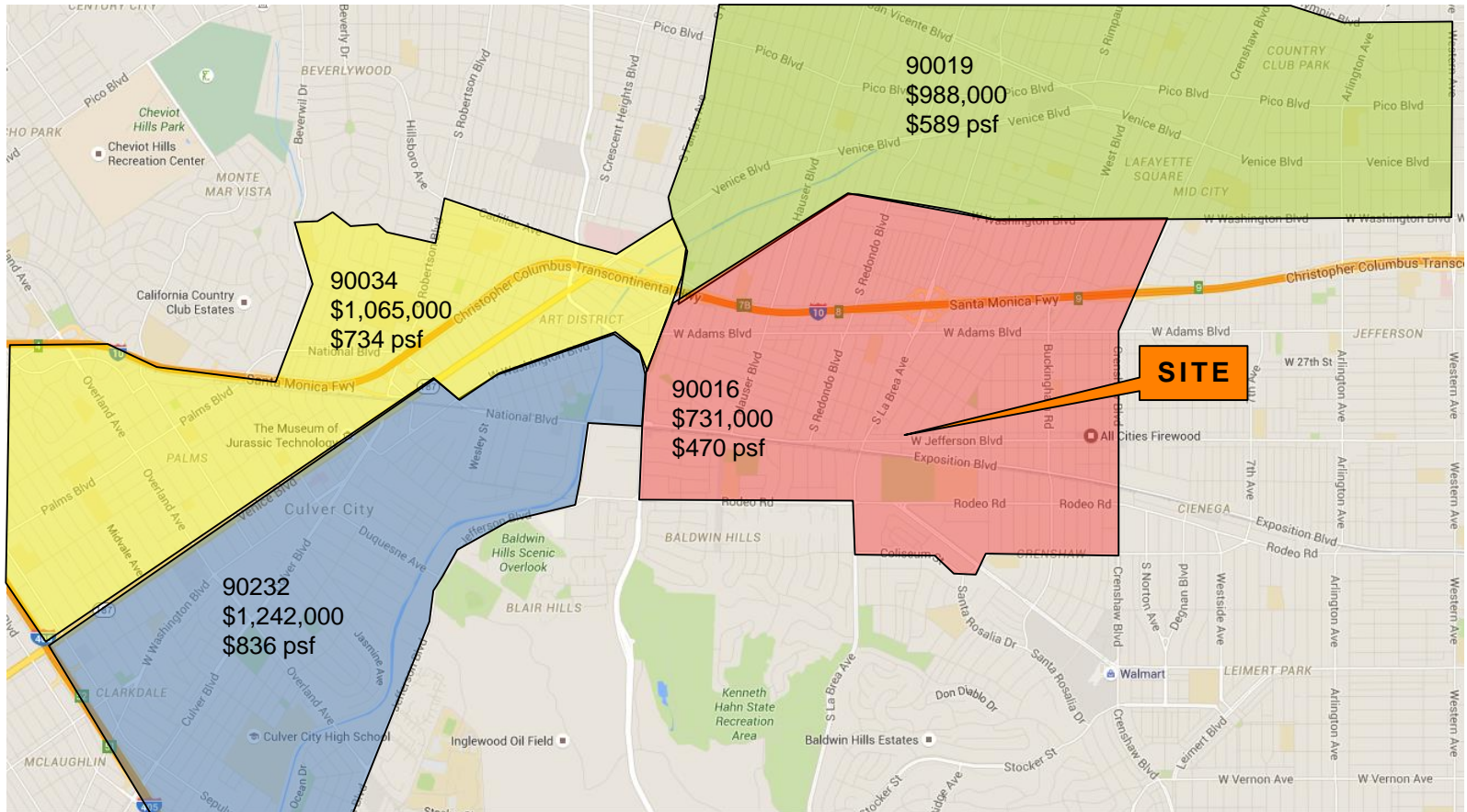
# Small-Scale Development Deals: Perspectives from the Capital Sources

## WHY WEST ADAMS?



# Small-Scale Development Deals: Perspectives from the Capital Sources

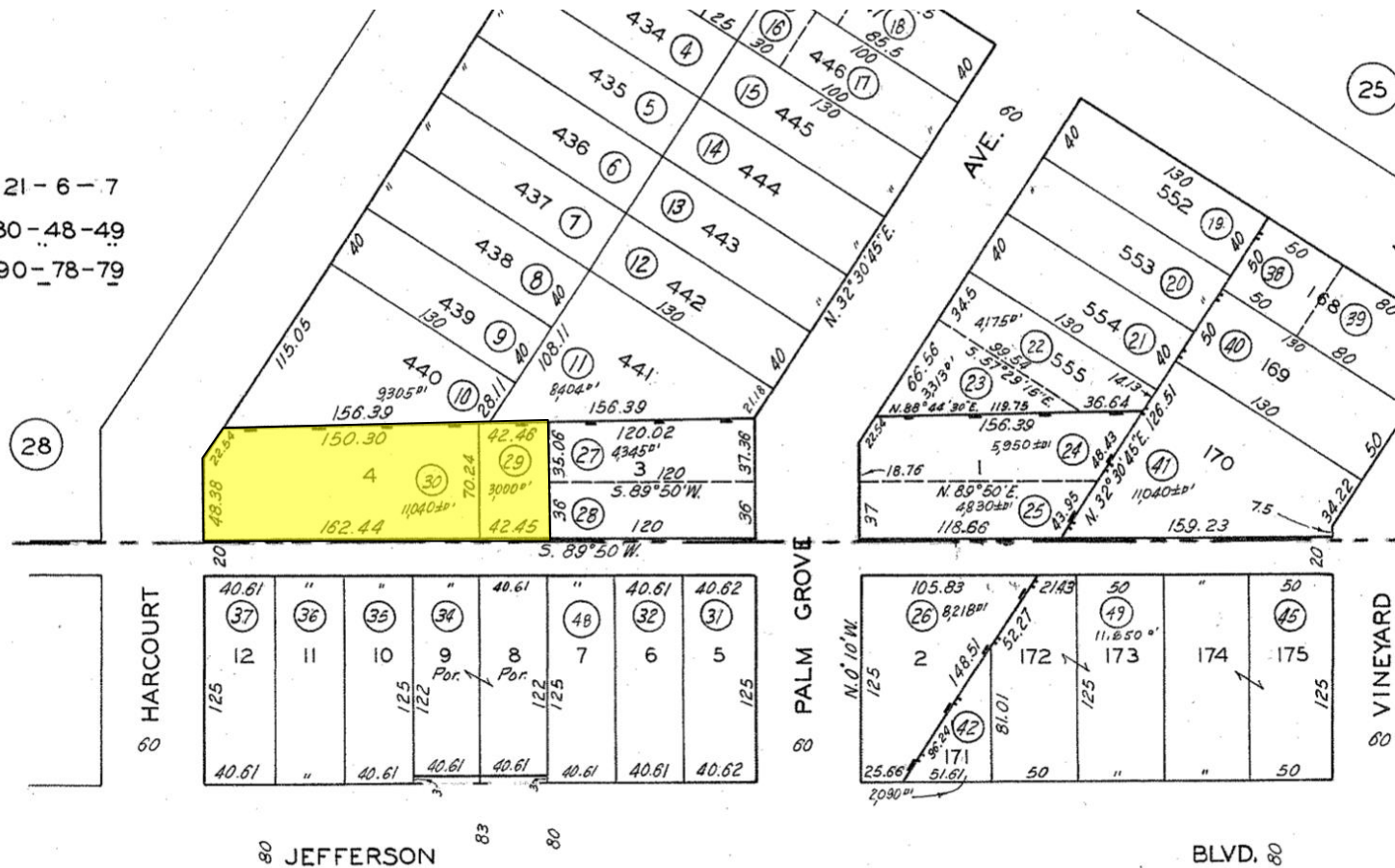
## (RELATIVE) AFFORDABILITY



# Small-Scale Development Deals: Perspectives from the Capital Sources

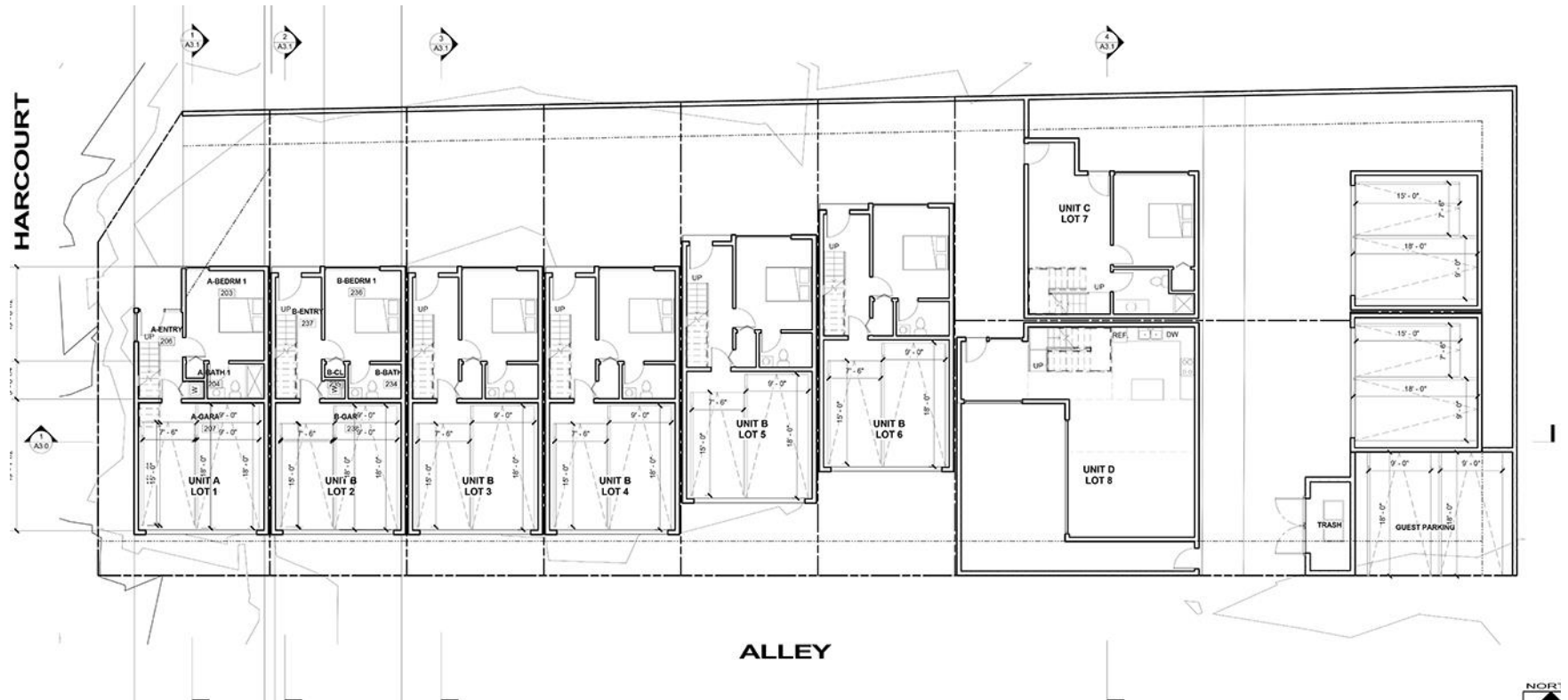
## CHALLENGING SITE

M.B. 21-6-7  
M.B. 80-48-49  
M.B. 90-78-79





## CHALLENGES BECOME ASSETS



# Small-Scale Development Deals: Perspectives from the Capital Sources

## FINANCIAL SUMMARY

COST SUMMARY			/NSF	/UNIT
Hard Costs	2,152,000		162	269,000
Soft Costs	1,197,150		90	149,644
Contingency	234,441	7%	18	29,305
Development Fee	100,475	3%		
TOTAL nic LAND	3,684,065		277	460,508
Land Cost	750,000		56	93,750
TOTAL COSTS	4,434,065		333	554,258
TOTAL COSTS w/ FIN.	4,808,744		361	601,093

Debt	2,882,142	65%
Fees	57,643	2%
Amortization	20	
Payment (annual)	158,518	5.5%

Equity	1,926,602	35%
Pref Return (annual)	154,128	8%

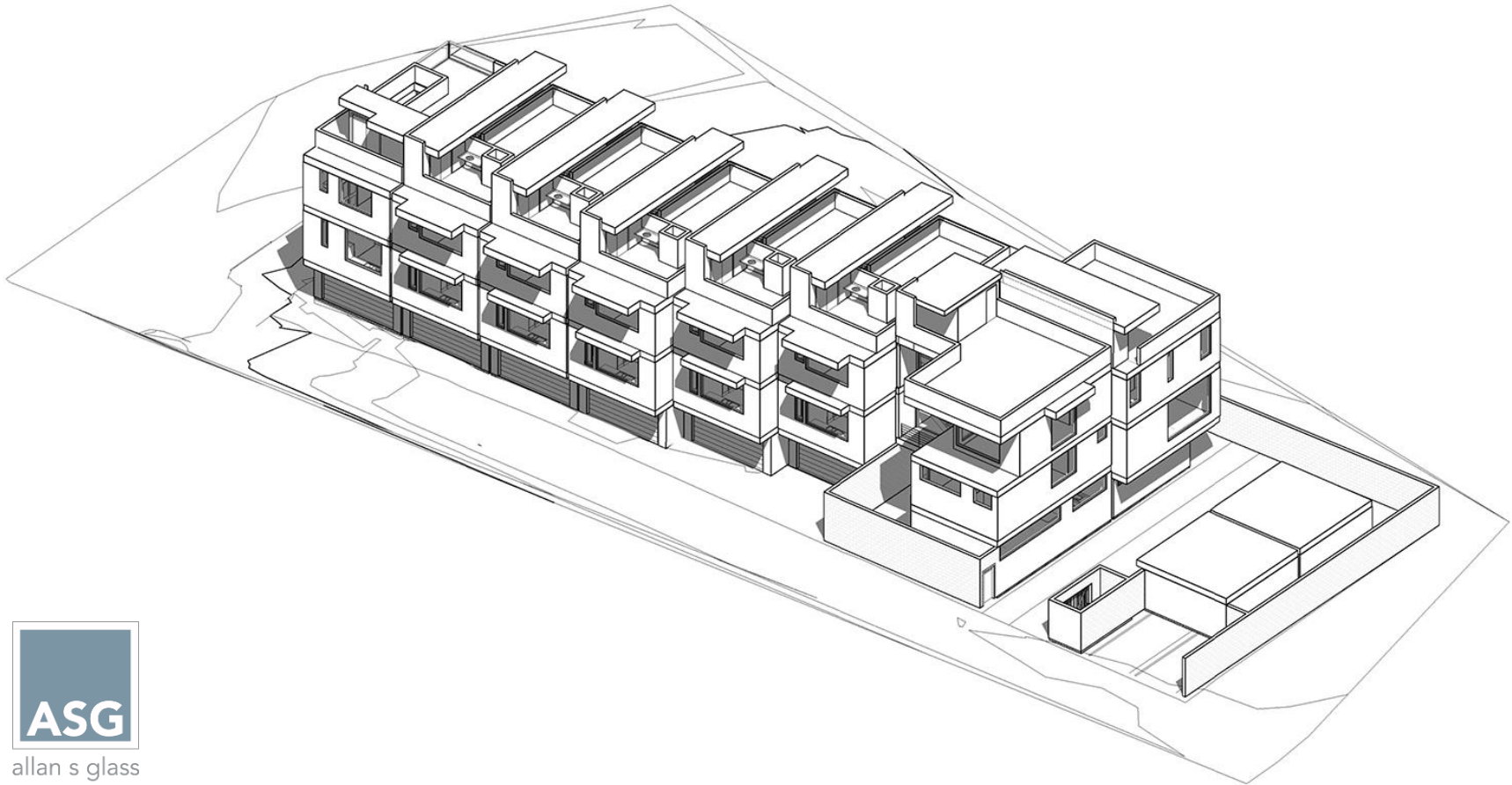
Unit Price (avg)	794,679	478
Net Revenue	5,912,410	7%
Net Profit	795,409	
Split to Equity	397,705	50%
Total to Equity	705,961	60.0%

Debt	2,882,142
Investor equity	1,176,602
Sponsor equity	750,000





# Small-Scale Development Deals: Perspectives from the Capital Sources



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# Small-Scale Development Deals: Perspectives from the Capital Sources

## FINANCIAL ASSUMPTIONS

SITE INFORMATION	
Lot Size	14,040
Zoning	RD1.5-1
Allowable FAR	42,120
Allowable units	9
Proposed units	8
Proposed GSF	16,198
Avg. unit (gsf)	2,025
Proposed NSF	13,450
Avg. unit (nsf)	1,681

COSTS		/nsf	/du
Direct hard costs	2,152,000	160	269,000
Soft costs	565,000	42	70,625
A&E	275,000	20	34,375
Legal	60,000	4	7,500
Accounting	25,000	2	3,125
Insurance	80,000	6	10,000
Marketing	25,000	2	3,125
Property taxes	25,000	2	3,125
Miscellaneous	75,000	6	9,375
Contingency (7% HC & SC)	234,441	17	29,305
Permits & Fees	363,150	27	45,394
General contractor	269,000	20	33,625
Financing/interest/pref	682,936	51	85,367
Development Fee (3%)	100,475	7	12,559
SUBTOTAL (nic land)	4,367,001	325	545,875
Land	750,000	56	93,750
TOTAL COST	5,117,001	380	639,625

# Small-Scale Development Deals: Perspectives from the Capital Sources

## FINANCIAL ASSUMPTIONS

UNIT MIX / REVENUES		\$/sf	nsf	#	\$/du
Unit A - 3bd/3ba	749,810	485	1,546	1	749,810
Unit B - 3bd/3ba	3,962,400	480	1,651	5	792,480
Unit C - 3bd/3ba	822,020	460	1,787	1	822,020
Unit D - 3bd/3ba	823,200	480	1,715	1	823,200
SUBTOTAL	6,357,430	478	13,303	8	794,679

RENT ANALYSIS		
Average Rent/Unit	2,942	\$ 1.75
Gross Revenue	282,450	
Expenses	70,613	25.0%
NOI	211,838	
Payment	158,518	
Cash Flow	53,319	
Investor Yield	4.53%	

# Small-Scale Development Deals: Perspectives from the Capital Sources

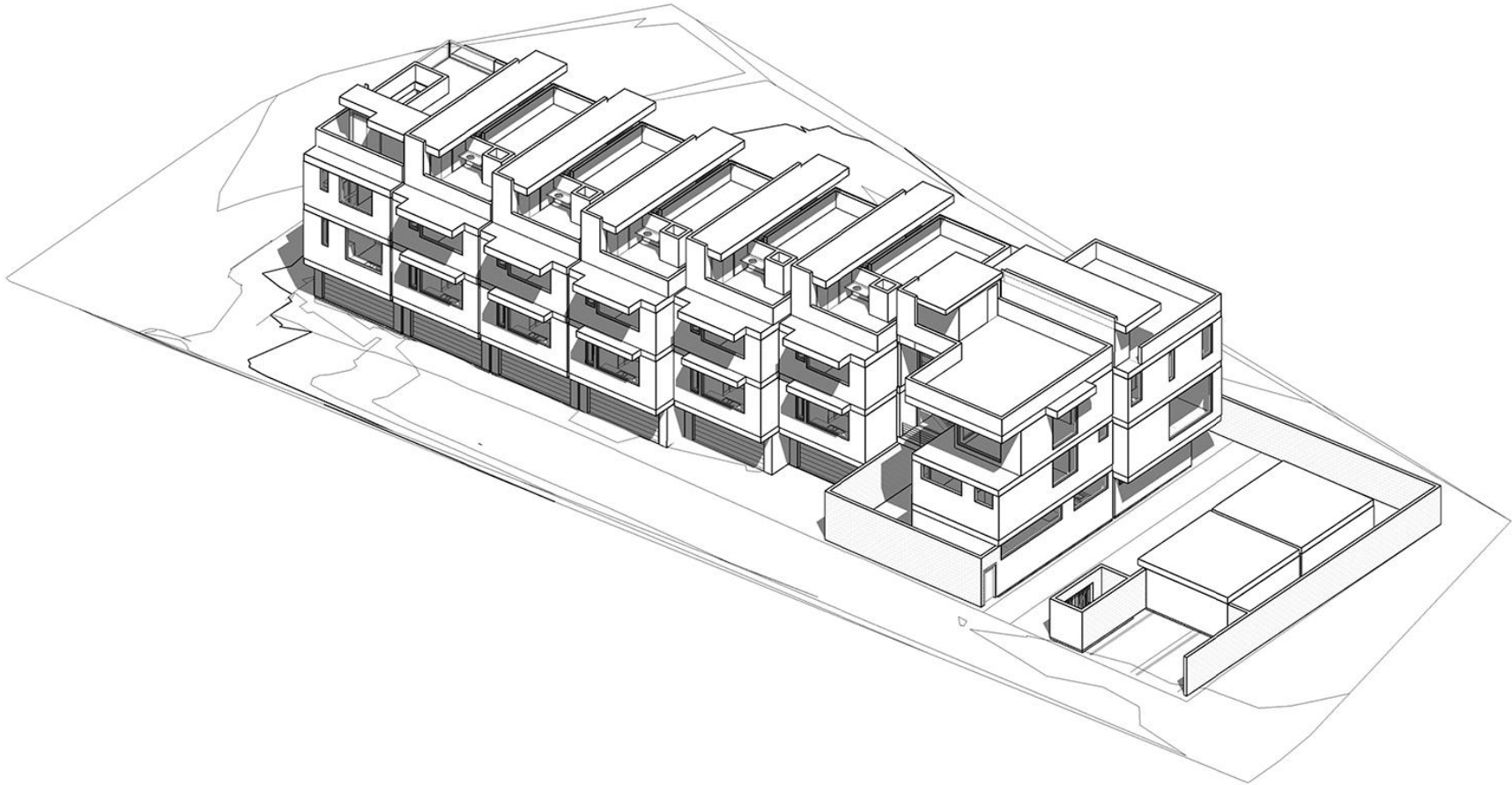
## SHARED OPEN SPACE





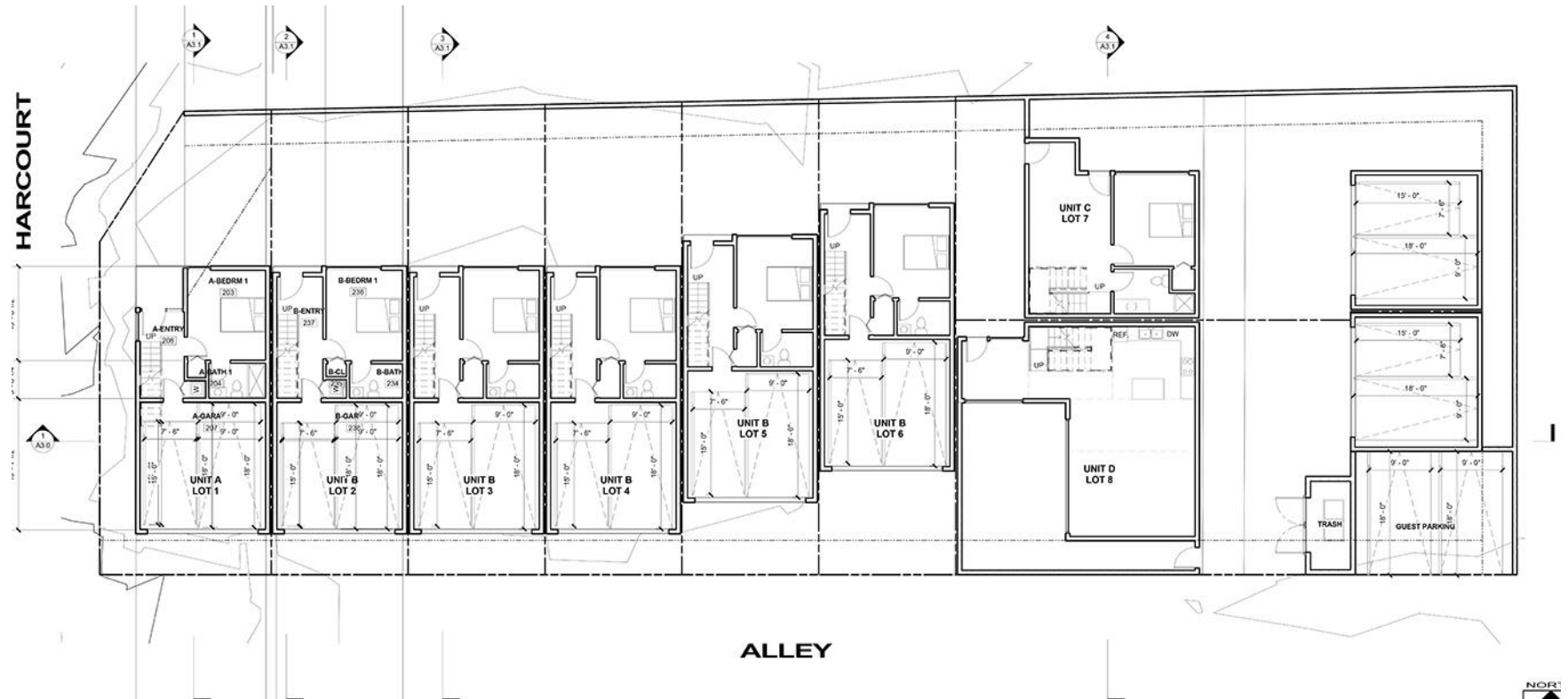
# Small-Scale Development Deals: Perspectives from the Capital Sources

## CHALLENGES BECOME ASSETS



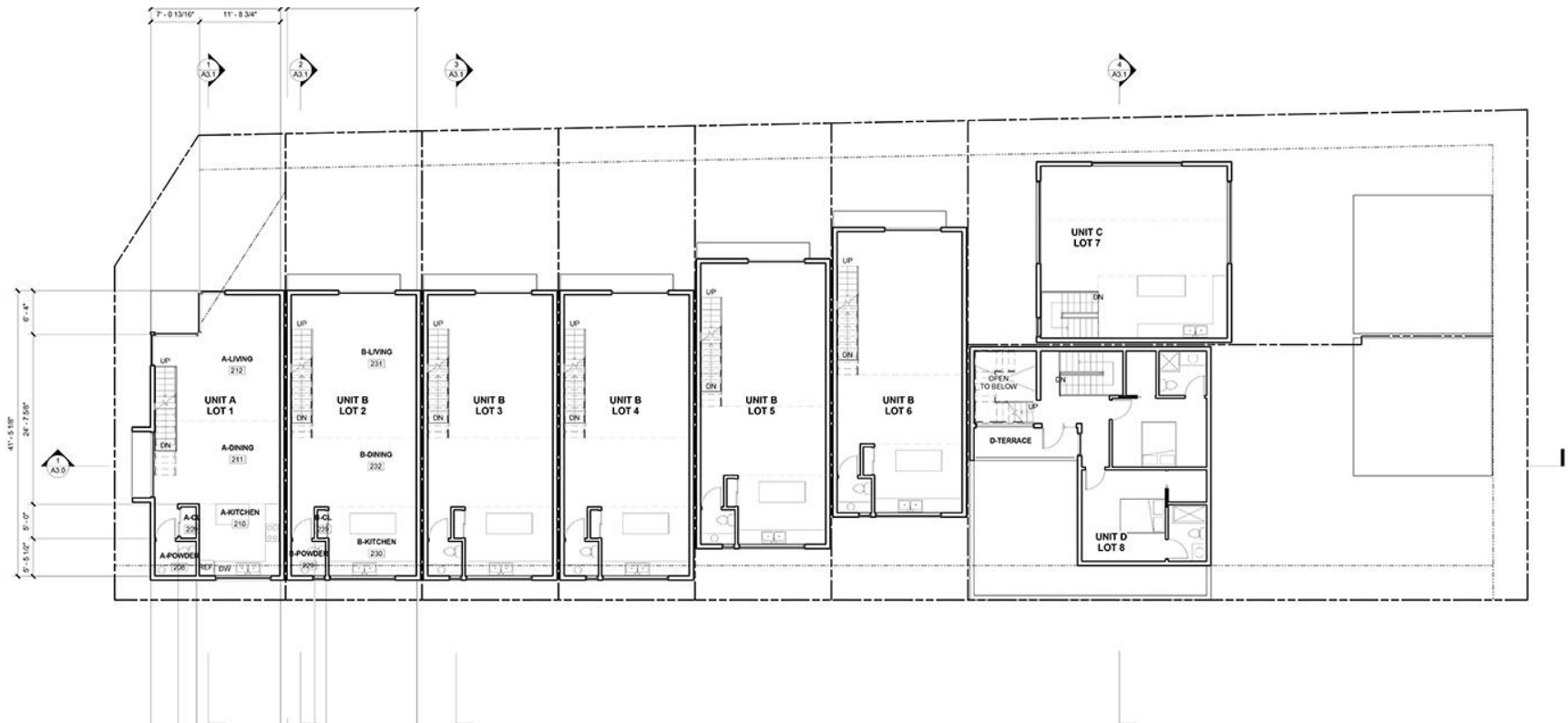
# Small-Scale Development Deals: Perspectives from the Capital Sources

## GROUND FLOOR



# Small-Scale Development Deals: Perspectives from the Capital Sources

## 2<sup>nd</sup> FLOOR



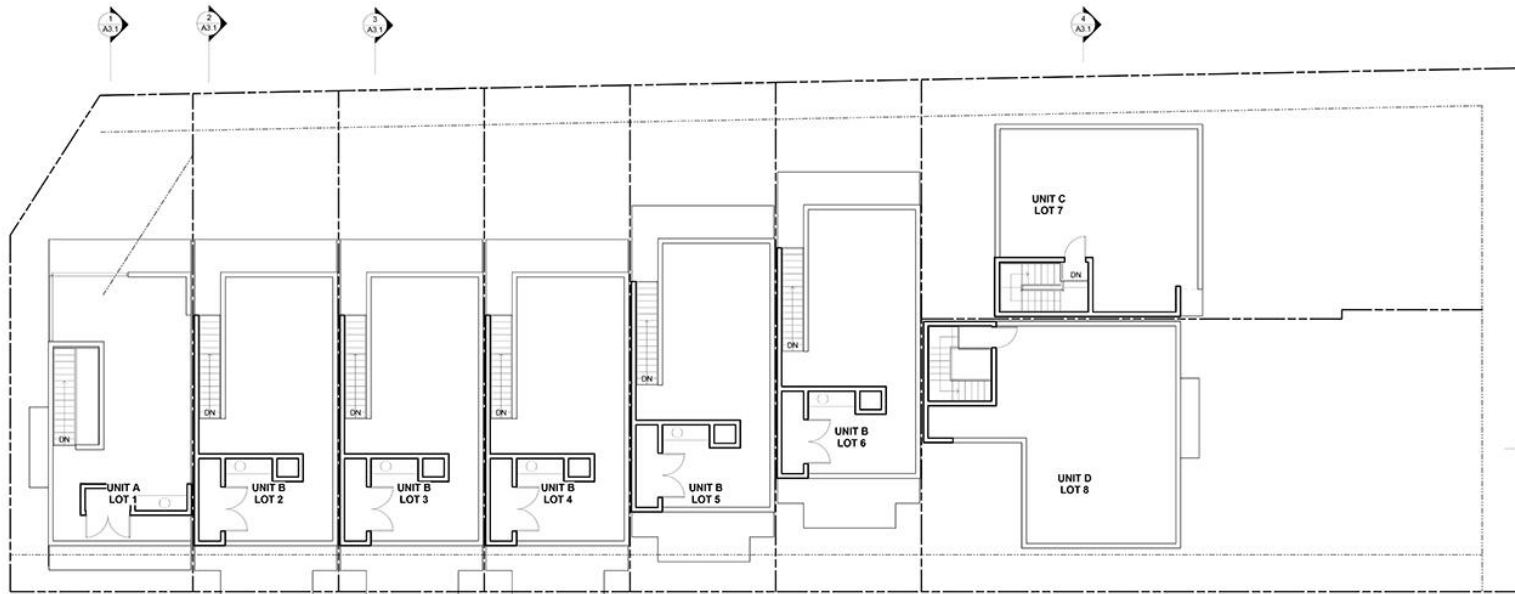
## 3<sup>rd</sup> FLOOR





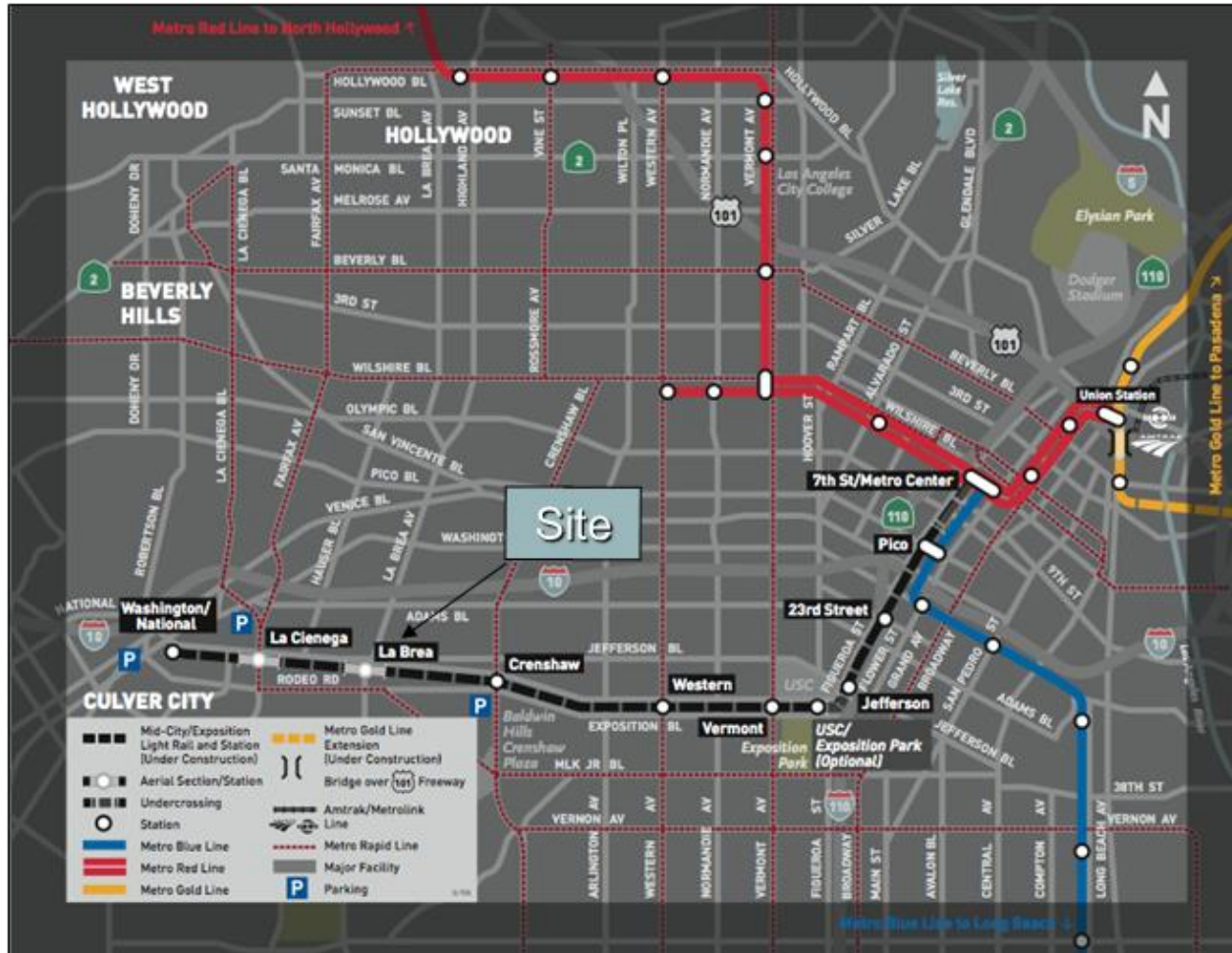
# Small-Scale Development Deals: Perspectives from the Capital Sources

## ROOF LEVEL



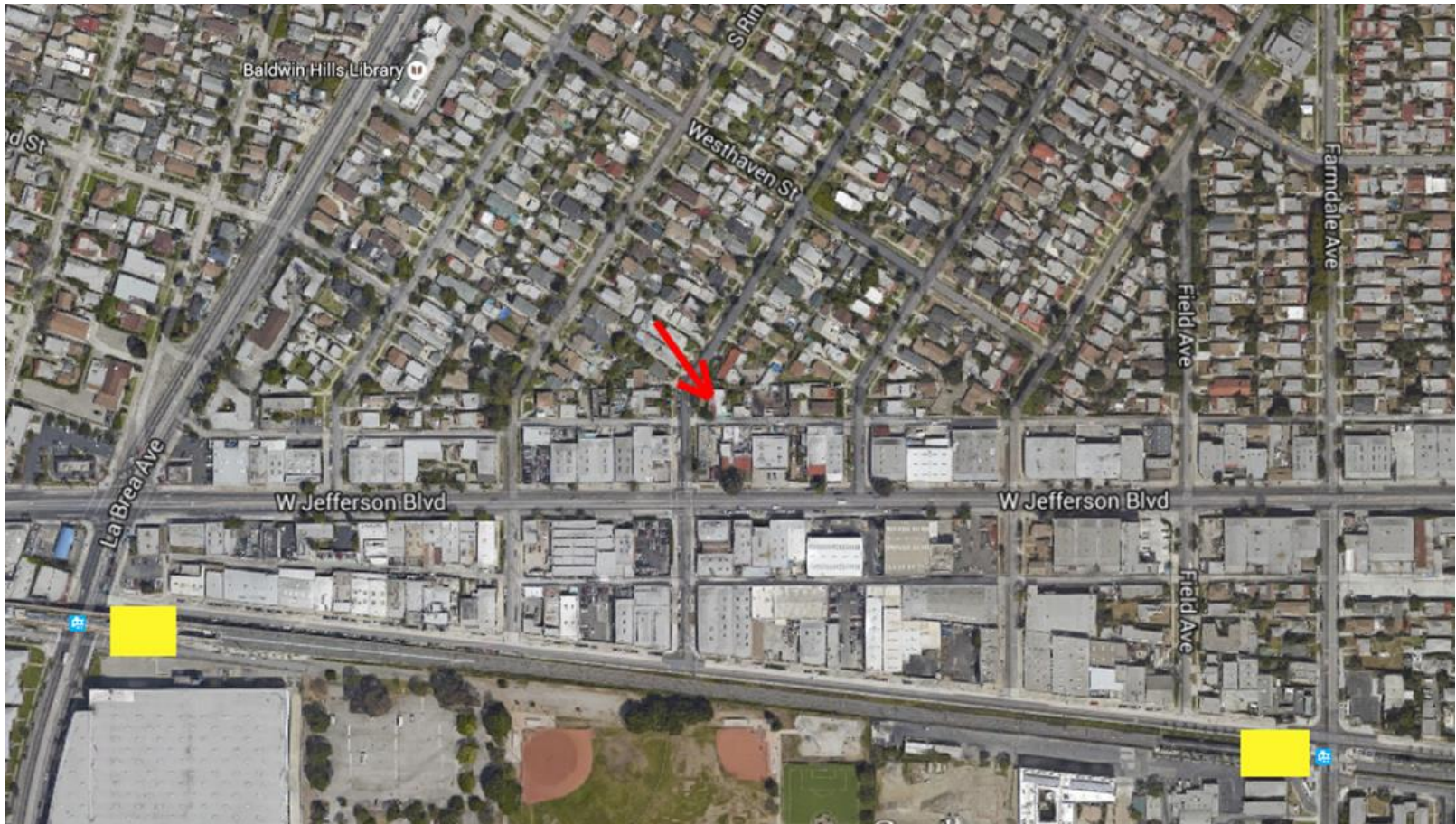
# Small-Scale Development Deals: Perspectives from the Capital Sources

## TRANSIT IN LOS ANGELES



# Small-Scale Development Deals: Perspectives from the Capital Sources

## PROMOTING WALKABILITY



# Small-Scale Development Deals: Perspectives from the Capital Sources

**END**