

# DEVELOPMENT BUDGET

	Per Unit	Total
Acquisition Value (estimated as-is appraised value)	11,765	1,600,000
<b>Hard Costs</b>		
Site Preparation	58,824	8,000,000
Construction (residential)	401,653	54,624,840
	0	
	0	
	0	
Contingency	23,024	3,131,242
<b>Sub-Total Hard Costs</b>	<b>483,501</b>	<b>65,756,082</b>

<b>Soft Costs</b>		
Appraisal/Market Study	110	15,000
Marketing/Initial Rent-up	2,941	400,000
Taxes	2,206	300,000
Utility Usage during Construction	221	30,000
Insurance	12,132	1,650,000
Utility Fees	368	50,000
Security during construction	368	50,000
Inspecting Engineer	368	50,000
Construction Loan Interest	27,574	3,750,000
Fees - construction lender	5,625	765,000
Fees - permanent lender	0	0
Architecture/Engineering	11,029	1,500,000
Survey, permits	2,206	300,000
Clerk of the Works	0	0
Construction Manager	3,676	500,000
Bond Premiums (P&P/Lien bond)	0	0
Environmental/Civil/Geo-tech Engineer	3,125	425,000
Legal	4,779	650,000
Title & Recording	257	35,000
Accounting & 40B Cost Certification	551	75,000
Relocation	0	0
40B Site Approval Processing Fee	55	7,500
40B Mediation Fund Fee	68	9,300
40B Land Appraisal (as-is appraisal)	48	6,500
40B Final Approval Processing fee	346	47,000
40B Subsidizing Agency Cost Certification Fee	110	15,000
40B Monitoring Agent Fee-initial yr	110	15,000
MIP	0	0
Credit Enhancement	0	0
Letter of Credit Fee	0	0
40 Bond	735	100,000
Project Manager	1,838	250,000
Lottery consultant	368	50,000
ZBA peer review consultants	551	75,000
development consultant	0	0
Other consultants	0	0
FFE & Amenities	3,676	500,000
Mitigation fees (I&I)	0	0
Soft Cost Contingency @ 5%	4,272	581,015

<b>Sub-Total Soft Costs</b>	<b>89,716</b>	<b>12,201,315</b>
<b>Allowable Developer Overhead &amp; Fee</b>	<b>37,999</b>	<b>5,167,870</b>
<b>Capitalized Reserves</b>		
Initial Rent-Up Reserves	2,941	400,000
Operating Reserves	0	750,000
<b>Sub-Total Capitalized Reserves</b>	<b>8,456</b>	<b>1,150,000</b>
<b>TOTAL DEVELOPMENT COSTS</b>	<b>631,436</b>	<b>85,875,267</b>

# DEVELOPMENT SOURCES

Permanent Loan	43,084,974
Equity Required	42,790,292
Developer Overhead/Fee contributed	(5,167,870)
<b>Developer Cash Equity Required</b>	<b>37,622,423</b>
<b>TOTAL DEVELOPMENT SOURCES</b>	<b>85,875,267</b>

PROJECT DATA	
Number of Units	136
Number of below ground parking spaces	0
Total GSF	183,372
Total GSF - structured parking	96,987
Construction cost/gsf	\$245.00
Parking Construction c/gsf	\$100.00
Construction Period (in months)	24
Construction Loan Interest	4.75%
Hard Cost Contingency (excl Dev OH, and Fee)	5.00%
Soft cost contingency	5.00%
Finance Fees	1.1

gsf cost  
246000 \$ 56,000,000.00 \$ 228.57



## Calculation of Maximum Allowable 40B Developer Fee

A.			(lower of purchase price or estimated appraised pre-40B value)
Appraised land value as-is	i.	1,600,000	
Carrying Costs	ii.	50,000	
<b>Allowable Acquisition Cost</b>		<b>1,650,000</b>	
B.			
Allowable Acquisition Cost * 5%		82,500	
C.			
Hard Costs	i.	65,756,082	
Soft Costs	ii.	11,951,315	
<b>Adjusted TDC</b>		<b>77,707,397</b>	

### Maximum Allowable 40B Developer Fee

15% of 1st \$3,000,000 of Adjusted TDC	i.	450,000
12.5% of the next \$2,000,000 of Adjusted TDC	ii.	250,000
10% of the difference between \$5,000,000 to \$15,000,000	iii.	1,000,000
7.5% of the difference between \$15,000,000 and \$25,000,000	iv.	750,000
5% of the difference between \$25,000,000 and TDC		2,635,370
<b>Sub-total Developer Fee</b>		<b>5,085,370</b>

5% of Acquisition 82,500

<b>Maximum Allowable 40B Developer Fee</b>	<b>5,167,870</b>
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Sanctuary at Manchester by the Sea MA  
July 1 2022

Number of Units: 136

RENTAL REVENUES				
	Units	Approx. Sq. Ft.	Maximum Rent @80%	Utility Allowance
Affordable Studio	0	0		
Affordable 1 BR	15	845	1,925	0
Affordable 2 BR	16	1,195	2,166	174
Affordable 3 BR	3	1,305	2,406	268
Market Studio	0	0		353
Market 1 BR	40	845		0
Market 2 BR	50	1,195		2,958
Market 3 BR	12	1,595		3,884
Total Units	136			5,024

Gross Annual Rental Income	5,226,846
Other Income - parking	61,200
Other Income - Miscellaneous	81,600
Retail / Commercial Rent	0
Total "OTHER" Income	142,800
TOTAL GROSS INCOME	5,369,646

OPERATING EXPENSES	Total	Per Unit
MANAGEMENT FEE	161,089	1,184
ADMINISTRATION	272,000	2,000
MAINTENANCE	299,200	2,200
UTILITIES	149,600	1,100
TAXES	530,400	3,900
RESIDENT SERVICES	68,000	500
INSURANCE	176,800	1,300
REPLACEMENT RESERVES	57,800	425
TOTAL OPERATING EXPENSES	1,729,889	12,720

OPERATING PRO-FORMA- Initial yr - stabilized occupancy

Gross Rental Income	5,226,846
Other Income Parking	61,200
Other Income Miscellaneous	81,600
Other Income Retail/Commercial	0
TOTAL	5,369,646
(less) Vacancy and Bad Debt	-268,482

Effective Total Income 5,101,164

(less) Annual Operating Expenses -1,729,889

NET OPERATING INCOME 3,371,274

Debt Service Coverage Ratio 1.25

Available for debt service 2,697,019

Supportable Loan 43,084,974

Assumptions	
Residential Income	
Rent Per SF Market Rate Studio	NA
Rent per SF Market Rate 1BR	\$3.50
Rent per SF Market Rate 2BR	\$3.25
Rent per SF Market Rate 3BR	\$3.15
*Other Income/unit per unit per month	\$50
Total Number of Rentable Parking Spaces	51
Monthly Parking Space Rent	100

Operating Assumptions	
Vacancy & Bad Debt	5.00%
Management Fee	3%
Replacement Reserves Per Unit	\$425
Insurance Per Unit	\$1,300
Resident Services Per Unit	\$500
Administration Per Unit	\$2,000
Maintenance Per Unit	\$2,200
Utilities per Unit	\$1,100
Taxes per Unit	\$3,900
Loan Assumptions	
Interest Rate	5.00
Term	30
Debt Service Coverage Ratio	1.25

Mortgage Calculator	
Total monthly payment allowed	224,752
Annual interest rate	4.75
Duration of loan (in years)	30
Monthly principal + interest payment	224,752
Maximum loan amount	43,084,974