

## Single Family Home/Townhome Ground-Up Development Analysis

**Property Description:** Spec Home for Sale  
 Address: **123 Apple Street, Anytown, NY 12345**  
 Seller's Agent: **Jane Smith; (555) 555-1212**  
 Email: [jane.smith@smithrealtyxyz.com](mailto:jane.smith@smithrealtyxyz.com)

Lot Size: **0.50 Acre(s)** (21,780 SF)  
 Zoning: **R-5**

Total House Square Footage: 2,600 SF  
 Above Grade: **1,700 SF**  
 Below Grade Unfinished: **900 SF**

### SITE ACQUISITION

	<u>Date</u>	<u>Value</u>	<u>Total</u>
Land Purchase Price			<b>\$65,000</b>
Deposit Amount		<b>5.00%</b>	\$3,250
Date of Closing	<b>9/1/2012</b>		
Transaction Costs		<b>8.00%</b>	\$5,200
<b>Total Land Acquisition Cost</b>			<b>\$70,200</b>
<i>\$130,000 per Acre</i>		<i>25% of Project Cost</i>	
<b>Cash Required at Closing</b>			<b>\$66,950</b>

### CONSTRUCTION & PERMANENT FINANCING

	<u>Value</u>	<u>Total</u>
Loan-to-Cost: Total Costs excl. Land	63.51%	\$176,646

<b>Construction Loan</b>		
Term		<b>30 Years</b>
Amortization Schedule		<b>30 Years</b>
Interest-Only Period		<b>0 Years</b>
Interest Rate		<b>9.00%</b>
Origination Costs/Points		<b>1.00%</b>

<b>Permanent Loan, if any</b>		
Term		<b>30 Years</b>
Amortization Schedule		<b>30 Years</b>
Interest-Only Period		<b>0 Years</b>
Interest Rate		<b>6.00%</b>
Origination Costs/Points		<b>1.00%</b>

### PROJECT TIMELINE

	<u>Date</u>	<u>Value</u>
Pre-Development Period After Land Closing		<b>3 Months</b>
Construction Start Date	12/1/12	Month 4
Construction Schedule		<b>8 Months</b>
Construction Completion Date	7/31/13	Month 11
Post-Construction Months Until Closing	8/1/13 (start)	<b>3 Months</b>
Total Development and Marketing Period	11/1/13 (end)	
<b>Total Project Timeline To Closing</b>		<b>14 Months</b>

<b>Soft Cost Timing</b>			
	Total: 100%	Pre-Const. <b>45%</b>	During Const. <b>50%</b>
		Post-Const. <b>5%</b>	

### PROJECT BUDGET AND SOURCES OF FUNDS

<b>Project Budget</b>	<u>Per Above-Grade SF</u>	<u>% of Total</u>	<u>Total</u>
Land and Acquisition Costs		25.24%	\$70,200
Hard Costs	<b>\$85.00</b>	51.96%	\$144,500
Soft Costs <i>29% hard costs</i>	<b>\$25.00</b>	15.28%	\$42,500
Financing Costs		3.94%	\$10,946
Other	<b>\$5.00</b>	3.06%	\$8,500
Operating Deficit *		0.53%	\$1,474
<b>Total Budget</b>			<b>\$278,120</b>

<b>Sources of Funds</b>			
	<u>Initial Amount</u>	<u>Shortfalls</u>	<u>Total</u>
Sponsor Cash Equity	<b>\$100,000</b>	\$1,474	\$101,474
Construction Loan			\$176,646
<b>Total Sources of Funds</b>			<b>\$278,120</b>

### NON-INTEREST CARRY COSTS

	<u>Annual</u>	<u>Monthly</u>	<u>Annual</u>
Annual Escalation	<b>3.00%</b>		
Property Taxes	<b>2.50%</b>	\$135	\$1,625
Electric		<b>\$50</b>	\$600
Water/Sewer/Gas		<b>\$75</b>	\$900
Home Owners Insurance		\$42	<b>\$500</b>
HOA Dues		\$8	<b>\$100</b>
LLC Keep Current Fees		\$8	<b>\$100</b>
Accounting		\$8	<b>\$100</b>
Other		\$33	<b>\$400</b>

### SALE AND CLOSING ASSUMPTIONS

	<u>Date</u>	<u>Value</u>	<u>Total</u>
Date of Closing	11/1/13		
Sales Price			<b>\$420,000</b>
Price Per Above-Grade SF			\$247 PSF
Selling Costs		<b>0.50%</b>	(\$2,100)
Broker Fees		<b>6.00%</b>	(\$25,200)
Transfer Tax		<b>1.50%</b>	(\$6,300)

### PRE-TAX FINANCIAL RETURNS

<b>Total Cash Invested</b>	<b>\$101,474</b>
<b>Cash Earned (or Lost)</b>	<b>\$110,046</b>
<b>Multiple on Cash Invested</b>	<b>2.08x</b>
<b>Profit Margin</b>	<b>26.2%</b>
<b>Net Present Value</b>	<b>\$86,688</b>

Development Sources and Uses of Funds

123 Apple Street, Anytown, NY 12345  
Spec Home for Sale

Year	Year 1	Year 1	Year 1	Year 1	Year 1	Year 1	Year 1	Year 1	Year 1	Year 1	Year 1	Year 1	Year 1	Year 1	Year 2	Year 2	Year 2
Hold Period Month #	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15		
Construction Month #				1	2	3	4	5	6	7	8						
Calendar Month Starting Event	9/1/12	10/1/12	11/1/12	12/1/12 Constr. Start	1/1/13	2/1/13	3/1/13	4/1/13	5/1/13	6/1/13	7/1/13 Constr. End	8/1/13	9/1/13	10/1/13	11/1/13 Closing		

**USES OF FUNDS**

Hard Cost Bell Curve >>>

			0.00%	0.00%	0.00%	5.00%	10.00%	15.00%	20.00%	20.00%	15.00%	10.00%	5.00%	0.00%	0.00%	0.00%	0.00%
	<b>Total</b>	<b>Data Series Profile</b>															
Land and Acquisition Costs	\$70,200		70,200	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Hard Costs	\$144,500		0	0	0	7,225	14,450	21,675	28,900	28,900	21,675	14,450	7,225	0	0	0	0
Soft Costs	\$42,500		6,375	6,375	6,375	2,656	2,656	2,656	2,656	2,656	2,656	2,656	2,656	708	708	708	0
Other	\$8,500		0	0	0	1,063	1,063	1,063	1,063	1,063	1,063	1,063	1,063	0	0	0	0
<b>Subtotal Development Costs Eligible For Loan</b>	<b>\$265,700</b>		<b>\$76,575</b>	<b>\$6,375</b>	<b>\$6,375</b>	<b>\$10,944</b>	<b>\$18,169</b>	<b>\$25,394</b>	<b>\$32,619</b>	<b>\$32,619</b>	<b>\$25,394</b>	<b>\$18,169</b>	<b>\$10,944</b>	<b>\$708</b>	<b>\$708</b>	<b>\$708</b>	<b>\$0</b>
Construction Financing Costs																	
Origination Costs/Points	\$1,766		0	0	0	1,766	0	0	0	0	0	0	0	0	0	0	0
Funded Interest Reserve	\$9,180		0	0	0	0	2	138	330	577	826	1,023	1,166	1,257	1,272	1,287	1,302
Monthly Cash Interest Payments	\$0		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Total Financing Costs</b>	<b>\$10,946</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>1,766</b>	<b>2</b>	<b>138</b>	<b>330</b>	<b>577</b>	<b>826</b>	<b>1,023</b>	<b>1,166</b>	<b>1,257</b>	<b>1,272</b>	<b>1,287</b>	<b>1,302</b>
<b>Total Development Costs before Operating Deficit</b>	<b>\$276,646</b>		<b>\$76,575</b>	<b>\$6,375</b>	<b>\$6,375</b>	<b>\$12,710</b>	<b>\$18,171</b>	<b>\$25,532</b>	<b>\$32,949</b>	<b>\$33,196</b>	<b>\$26,220</b>	<b>\$19,191</b>	<b>\$12,110</b>	<b>\$1,966</b>	<b>\$1,980</b>	<b>\$1,995</b>	<b>\$1,302</b>
Operating Deficit (cash carry costs/shortfalls)	(1,474)		0	0	0	0	0	0	0	0	0	0	0	(360)	(371)	(371)	(371)
<b>Total Uses of Funds</b>	<b>\$278,120</b>		<b>\$76,575</b>	<b>\$6,375</b>	<b>\$6,375</b>	<b>\$12,710</b>	<b>\$18,171</b>	<b>\$25,532</b>	<b>\$32,949</b>	<b>\$33,196</b>	<b>\$26,220</b>	<b>\$19,191</b>	<b>\$12,110</b>	<b>\$2,326</b>	<b>\$2,352</b>	<b>\$2,366</b>	<b>\$1,673</b>

**SOURCES OF FUNDS**

Sponsor Cash Equity Draw	\$100,000		76,575	6,375	6,375	10,675	0	0	0	0	0	0	0	0	0	0	0
Origination Costs/Points	\$1,766		0	0	0	1,766	0	0	0	0	0	0	0	0	0	0	0
Cash Interest Payments	\$0		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Cash Carry Costs/Shortfalls	\$1,474		0	0	0	0	0	0	0	0	0	0	0	360	371	371	371
<b>Total Equity Investment</b>	<b>\$103,241</b>		<b>\$76,575</b>	<b>\$6,375</b>	<b>\$6,375</b>	<b>\$12,441</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$360</b>	<b>\$371</b>	<b>\$371</b>	<b>\$371</b>
<b>Senior Loan Debt Financing</b>	<b>\$176,646</b>	<b>9.00%</b>															
Beginning Balance			0	0	0	0	269	18,440	43,972	76,920	110,116	136,335	155,527	167,637	169,602	171,583	173,578
Loan Principal Drawn for Project Costs	\$165,700		0	0	0	269	18,169	25,394	32,619	32,619	25,394	18,169	10,944	708	708	708	0
Interest Reserve Account Amounts Funded	\$9,180		0	0	0	0	2	138	330	577	826	1,023	1,166	1,257	1,272	1,287	1,302
Repayment	(\$174,880)		0	0	0	0	0	0	0	0	0	0	0	0	0	0	(174,880)
Ending Balance			0	0	0	269	18,440	43,972	76,920	110,116	136,335	155,527	167,637	169,602	171,583	173,578	0
Cash Interest Payments	\$0		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Total Sources of Funds</b>	<b>\$278,120</b>		<b>\$76,575</b>	<b>\$6,375</b>	<b>\$6,375</b>	<b>\$12,710</b>	<b>\$18,171</b>	<b>\$25,532</b>	<b>\$32,949</b>	<b>\$33,196</b>	<b>\$26,220</b>	<b>\$19,191</b>	<b>\$12,110</b>	<b>\$2,326</b>	<b>\$2,352</b>	<b>\$2,366</b>	<b>\$1,673</b>

Cash Flow

123 Apple Street, Anytown, NY 12345

Spec Home for Sale

Year #	Year 1												Year 2		
Hold Period Month #	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Calendar Month Starting	9/1/2012	10/1/2012	11/1/2012	12/1/2012	1/1/2013	2/1/2013	3/1/2013	4/1/2013	5/1/2013	6/1/2013	7/1/2013	8/1/2013	9/1/2013	10/1/2013	11/1/2013

	Total	Data Series Profile															
<b>Operating Expenses</b>																	
Total Operating Expenses	(\$1,474)		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$360)	(\$371)	(\$371)	(\$371)
Net Carry Costs	(\$1,474)		0	0	0	0	0	0	0	0	0	0	0	(360)	(371)	(371)	(371)
<b>Cash Financing Costs</b>																	
Construction Loan Debt Service	\$0		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Financing Costs	\$0		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Carry Costs After Financing Expense	(\$1,474)		0	0	0	0	0	0	0	0	0	0	0	(360)	(371)	(371)	(371)
<b>Sale of Property</b>																	
Property Sale Gross Proceeds	\$420,000		0	0	0	0	0	0	0	0	0	0	0	0	0	0	420,000
Broker Fees	(\$25,200)		0	0	0	0	0	0	0	0	0	0	0	0	0	0	(25,200)
State Tax	(\$6,300)		0	0	0	0	0	0	0	0	0	0	0	0	0	0	(6,300)
Less Selling Costs	(\$2,100)		0	0	0	0	0	0	0	0	0	0	0	0	0	0	(2,100)
Net Proceeds	\$386,400		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$386,400
<b>Net Revenue After Financing Costs</b>	\$384,926		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$360)	(\$371)	(\$371)	\$386,029
<b>Financing Cash Flows</b>																	
Cash (Equity)	(\$100,000)		(76,575)	(6,375)	(6,375)	(10,675)	0	0	0	0	0	0	0	0	0	0	0
Construction Loan Proceeds	\$165,700		0	0	0	269	18,169	25,394	32,619	32,619	25,394	18,169	10,944	708	708	708	0
Construction Loan Origination Costs	(\$1,766)		0	0	0	(1,766)	0	0	0	0	0	0	0	0	0	0	0
Construction Loan Repayment	(\$174,880)		0	0	0	0	0	0	0	0	0	0	0	0	0	0	(174,880)
Permanent Loan Proceeds	\$0		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Permanent Loan Origination Costs	\$0		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Levered Before-Tax Cash Flows</b>	\$110,046		(\$76,575)	(\$6,375)	(\$6,375)	(\$10,675)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$360)	(\$371)	(\$371)	\$211,149

IRR	93.17%
Net Cash Flow	\$110,046
Net Present Value at 10.00%	\$86,688

Hard Costs Detailed Budget

123 Apple Street, Anytown, NY 12345

Line Item	Estimate	Cost	Variance
Land Planning	\$0	\$0	\$0
Job Facilitation	\$0	\$0	\$0
Other Land Development Costs	\$0	\$0	\$0
<b>Division Totals</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
Land Development Costs Applied - Lot	\$0	\$0	\$0
Building Permits and Fees	\$0	\$0	\$0
Engineering	\$0	\$0	\$0
Architectural	\$0	\$0	\$0
Utility Hookup Fee	\$0	\$0	\$0
Water and Wells	\$0	\$0	\$0
Sewer and Septic	\$0	\$0	\$0
<b>Division Totals</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
Equipment Hire	\$0	\$0	\$0
Sediment Control	\$0	\$0	\$0
Clearing and Excavation	\$0	\$0	\$0
Rough Lot Grading and Backfill	\$0	\$0	\$0
Final Lot Grading	\$0	\$0	\$0
Seed and Sod	\$0	\$0	\$0
Landscaping	\$0	\$0	\$0
Fencing	\$0	\$0	\$0
Grass Cutting	\$0	\$0	\$0
<b>Division Totals</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
Footings	\$0	\$0	\$0
Waterproofing and Drainage	\$0	\$0	\$0
Concrete Foundations	\$0	\$0	\$0
Basement Slab	\$0	\$0	\$0
Garage Slab	\$0	\$0	\$0
Driveway	\$0	\$0	\$0
Leadwalks	\$0	\$0	\$0
Patio	\$0	\$0	\$0
Stoops and Hearths	\$0	\$0	\$0
Job Facilitation	\$0	\$0	\$0
Cleanup Rough and Final	\$0	\$0	\$0
<b>Division Totals</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
Rough Framing and Studding	\$0	\$0	\$0
Siding and Cornices	\$0	\$0	\$0
Misc Special Additions	\$0	\$0	\$0
Finish Carpentry	\$0	\$0	\$0
<b>Division Totals</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
Masonry	\$0	\$0	\$0
Stonework	\$0	\$0	\$0
Plumbing	\$0	\$0	\$0
Electrical	\$0	\$0	\$0
Sprinkler Systems	\$0	\$0	\$0
HVAC	\$0	\$0	\$0
Roofing	\$0	\$0	\$0
Drywall	\$0	\$0	\$0
Gutter and Downspouts	\$0	\$0	\$0
Ornamental Metal	\$0	\$0	\$0
Ceramic Tile	\$0	\$0	\$0
Painting	\$0	\$0	\$0
Flooring Hardwood	\$0	\$0	\$0
Insulation	\$0	\$0	\$0
Other Appls.	\$0	\$0	\$0
<b>Division Totals</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
Structural Steel	\$0	\$0	\$0
Dimension Lumber	\$0	\$0	\$0
Trusses	\$0	\$0	\$0
Plywood	\$0	\$0	\$0
Miscellaneous Materials	\$0	\$0	\$0
Windows and Doors	\$0	\$0	\$0
Garage Doors	\$0	\$0	\$0
Stairways	\$0	\$0	\$0
<b>Division Totals</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
Interior Millwork	\$0	\$0	\$0
Kitchen Cabinets	\$0	\$0	\$0
Countertops	\$0	\$0	\$0
Vanity Cabinets	\$0	\$0	\$0
Vanity Tops	\$0	\$0	\$0
Mirrors	\$0	\$0	\$0
Shower Doors	\$0	\$0	\$0
Light Fixtures	\$0	\$0	\$0
Mailboxes	\$0	\$0	\$0
Appliances	\$0	\$0	\$0
Carpet	\$0	\$0	\$0
Finishing Hardware	\$0	\$0	\$0
<b>Division Totals</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
Job Overhead Cost Applied	\$0	\$0	\$0
Cost of Sales	\$0	\$0	\$0
<b>Division Totals</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

Soft Costs Excluding Interest

123 Apple Street, Anytown, NY 12345

Length of Pre-development period	3 Months
Construction Period	8 Months
Sales Period	<u>3 Months</u>
Total Project Timeline	14 Months

Line Item		Estimate	Cost	Variance
Civil Engineer (Stormwater Management and Erosion Control)		\$0	\$0	\$0
Structural Engineer (Foundation Footers and Slab)		\$0	\$0	\$0
Mechanical Electrical Plumbing Engineer		\$0	\$0	\$0
Architectural Fee (% of Hard Cost)	0.00%	\$0	\$0	\$0
Arborist		\$0	\$0	\$0
Landscape Architect		\$0	\$0	\$0
<b>Total Architecture and Engineering</b>		\$0	\$0	\$0
Builder General Contracting Fee % Hard Costs	0.00%	\$0	\$0	\$0
Builder General Contracting Fee		\$0	\$0	\$0
Permits and Expediting		\$0	\$0	\$0
HOA Fee		\$0	\$0	\$0
Transportation Impact Taxes		\$0	\$0	\$0
<b>Total Cost of Fees and Permits</b>		\$0	\$0	\$0
Title Report and Analysis		\$0	\$0	\$0
Title Survey		\$0	\$0	\$0
Topographic Survey (included in Title Survey line)		\$0	\$0	\$0
Phase I		\$0	\$0	\$0
Geotechnical Study		\$0	\$0	\$0
Land Appraisal / Stabilized Product Appraisal		\$0	\$0	\$0
<b>Total Due Diligence Inspections</b>		\$0	\$0	\$0
Real Estate Taxes - Land		\$0	\$0	\$0
Real Estate Taxes - Stabilized Product		\$0	\$0	\$0
	Total Cost of Taxes	\$0	\$0	\$0
Insurance		\$0	\$0	\$0
Marketing Expense		\$0	\$0	\$0
	Total	\$0	\$0	\$0
Development Project Management Fee % Hard Costs and Contingency	0.00%	\$0	\$0	\$0
Development Project Management Fee		\$0	\$0	\$0
Modular Consultant		\$0	\$0	\$0
		\$0	\$0	\$0
Legal - Close The Deal		\$0	\$0	\$0
Legal - Close The Mortgage		\$0	\$0	\$0
Legal - Close The Construction Financing		\$0	\$0	\$0
Legal - Arch, Eng Contracts		\$0	\$0	\$0
Legal - Ongoing		\$0	\$0	\$0
Legal Total		\$0	\$0	\$0
Accounting		\$0	\$0	\$0
<b>Total Legal &amp; Accounting</b>		\$0	\$0	\$0
Title Insurance		\$0	\$0	\$0
	6.00%			
Brokerage Commissions for Land Sale - Buyer's Broker		\$0	\$0	\$0
Pre-Tax Soft Costs Total		\$0	\$0	\$0
<b>Total Soft Costs</b>				
State Tax	1.50%	\$0	\$0	\$0
<b>Total Soft Costs after Tax</b>		\$0	\$0	\$0