

TRUAX ANNEX BUILDING

Temecula, CA

Development and Investment Analysis (4SC_AP.2)

Building Sq.Ft. : 60787
No. of Stories : 4
Total Cost per Sq.Ft. : \$418

PROJECT COSTS						FINANCING SOURCES		
	Exh	Total	Paid Costs	Balance to Complete		Equity	Construction	
		Budget	12/31/19	B4 Constr Ln	Remaining		PACE	Loan
Development Costs:								
Due Diligence	A	208,133	208,133	-	-	208,133		-
DRC	B	630,182	122,450	466,295	41,437	536,062		94,120
Construction Docs	C	1,068,404	-	953,700	114,704	953,700		114,704
Permits & Fees/Admin	D	295,117	-	141,993	153,124	141,993		153,124
		2,201,836	330,583	1,561,988	309,265	1,839,888	-	361,948
Land Costs:								
Land Acquisition	\$70	1,053,578	1,053,578		-	1,053,578		-
		1,053,578	1,053,578	-	-	1,053,578	-	-
Hard Costs:								
Consultant Fees	E	254,635	-		254,635	-		254,635
Permis & Fees (Bldg)	F	1,213,888	-		1,213,888	-		1,213,888
Off-Site Improvements	G	277,500	-		277,500	-		277,500
On-Site Improvements	H	770,590	-		770,590	-		770,590
Building Shell / Core	\$195	7,211,000	-		7,211,000	-	3,050,000	4,161,000
Direct Cost Condos	\$242	1,980,300	-		1,980,300	-		1,980,300
Parking Structure	\$380	4,365,000	-		4,365,000	-		4,365,000
Tenant Improvements	\$45	1,352,610	-		1,352,610	-		1,352,610
Project Administration		810,000	-		810,000	-		810,000
Contingency - Hard		730,200	-		730,200	-		730,200
		18,965,723	-	-	18,965,723	-	3,050,000	15,915,723
Other Costs:								
Leasing Comms		829,600	-	-	829,600	-		829,600
Property Taxes		62,500	31,414	7,387	23,699	38,801		23,699
Marketing		52,434	2,434	17,500	32,500	19,934		32,500
Insurance		185,000	8,278	5,500	171,222	13,778		171,222
Miscellaneous		33,656	32,056	1,600	-	33,656		-
Contingency - Soft		67,109	-	-	67,109	-		67,109
		1,230,299	74,182	31,987	1,124,129	106,169	-	1,124,129
Financing Costs:								
Loan Fees		662,485	63,285		599,200	63,285	61,000	538,200
Interest Expense		603,993	356,055	247,938	-	603,993		-
Capitalized Interest (PACE)		212,016	-		212,016	-	212,016	-
Tax Assessment (PACE)		444,250		-	444,250		444,250	
Lender/Legal/Other Costs		18,734	-		18,734	-	18,734	-
		1,941,478	419,340	247,938	1,274,200	667,278	736,000	538,200
Totals		\$ 25,392,913	\$ 1,877,683	\$ 1,841,913	\$ 21,673,317	\$ 3,666,913	\$ 3,786,000	\$ 17,940,000
LTC						14%	15%	71%

INITIAL INVESTMENT		
Funds Needed B4 Constr Loan	1,841,913	DD/DRC/Constr Docs/Permits & Fees
Repay Loan	1,825,000	
Initial Investment	\$ 3,666,913	Equity pay-out begins in year 2022

RENT ROLL							
Floor	GLA	RENTS			IMPOUNDS		
		Monthly	Annual	\$/SF	Monthly	Annual	\$/SF
1	12327	43,143	517,716	\$3.50	4,565	54,778	\$0.37
2	12327	36,980	443,760	\$3.00	4,565	54,778	\$0.37
3	12327	36,980	443,760	\$3.00	4,565	54,778	\$0.37
4	12327	-	-	\$0.00	4,565	54,778	\$0.37
		49306	\$ 117,103	\$ 1,405,236	\$ 18,259	\$ 219,112	\$0.37
G	11481						
	60787						

AUTOMATED PARKING GARAGE				
	Stalls	Monthly	Annually	Rate/Hr
Basement	116	\$ 57,637	\$ 691,640	\$2.25

PERMANENT FINANCING			
	Permanent	PACE	Total
Loan Amount	16,001,680	3,786,000	19,787,680
Interest Rate	4.00%	6.00%	
Amortization (Years)	25	25	
Monthly Debt Service	\$ 84,463	\$ 24,681	\$ 109,143
Annual Debt Service	\$ 1,013,553	\$ 296,166	\$ 1,309,719
Loan to Value	48.1%	11.4%	59.5%
DSCR			1.5x

SALE ANALYSIS	
Net Operating Income (2031)	2,556,339
CAP Rate	6.0%
Income Valuation at Sale	42,606,000
Commissions/Cost of Sale	(119,367)
Senior Loan/PACE payoffs	(14,484,660)
Net Sale Proceeds	\$ 28,001,973

CASH DISTRIBUTIONS FROM SALE			
	Member 1	Developer	Total
Balance of Investment	-	-	-
Net Sale Proceeds	14,000,986	14,000,986	28,001,973
Remaining Cash in Bank	421,280	421,280	842,561
Total Distributions	\$ 14,422,267	\$ 14,422,267	\$ 28,844,533
IRR	20.9%		

MILESTONES	
Construction Begins:	10/01/20
Certificate of Occupancy	05/01/22
Condo Sales	06/01/22
Terminal Event (Sale)	11/01/31

CONDO SALES	
Sales Price (\$850,000 unit)	\$ 3,400,000
Loan Paydown	2,720,000
Commissions	102,000
Transfer Tax	3,740
Closing Costs	8,500
Legal	25,000
Total Charges	2,859,240
Net Proceeds	\$ 540,760

CASH ON CASH ANALYSIS	
Net Operating Income (2024)	1,995,792
Senior Loan Debt Service	(1,013,553)
PACE Assessment	(296,166)
Less: Other G&A Exps	(5,650)
Net Cash Flow	\$ 680,423
Equity Investment	\$ 3,666,913
Cash on Cash (blended)	43.7%