



Instructions - BOTE Residential Development
Project Name
City, State

Note:

1. Input all relevant data into the cells with blue font, i.e. project name, location, timing, and cost assumptions.
2. Cells outlined in a black box are drop-down toggles containing multiple options for each assumption.
3. The inputs containing blue font will subsequently populate the remainder of the model.

Directions:

1. Enter the project name in D8 of "Assumptions".
2. Enter the building city and state in cell D9 of "Assumptions".
3. Enter the analysis start month in D10 of "Assumptions". This should be the first month you are purchasing the property, taking on debt, or incurring a cashflow of any type.
4. Enter the land cost in D11 of "Assumptions". This value should contain all costs associated the purchase of the land, i.e. brokerage fees, title fees, etc.
5. Enter the general vacancy and credit loss as a % of the base rent in cell D15 of "Assumptions".
6. Enter the expected yearly inflation in cell D16 of "Assumptions".
7. Enter the operating expenses as a % of EGI in cell D17 of "Assumptions".
8. Enter the implied loan-to-cost in cell D20 of "Assumptions". This should be the ratio of the loan to the total cost of developing the property.
9. Enter the interest rate associated with the loan in cell D21 of "Assumptions".
10. Enter the origination fee associated with securing the loan in cell D22 of "Assumptions".
11. Enter the interest reserve funded upfront to secure the loan in D23 of "Assumptions".
12. Enter the projected sale month in D26 of "Assumptions".
13. Toggle between calculating the sale on \$/SF and a Cap Rate in cell B27 of "Assumptions". Enter the cap rate associated with the sale in cell D27 of "Assumptions".
14. If the toggle in B27 of "Assumptions" is set to \$/SF, enter the \$/SF associated with the sale in cell C27 of "Assumptions".
15. If the toggle in B27 of "Assumptions" is set to Cap Rate, enter the cap rate associated with the sale in cell D27 of "Assumptions".
16. Enter the transaction costs incurred while selling the property in D28 of "Assumptions".
17. Enter the total cost/psf to build the project in cell H8 of "Assumptions".
18. Enter the construction start date in cell H11 of "Assumptions". This should be the first month you are incurring any cashflow associated with building the project.
19. Enter the construction duration in cell H12 of "Assumptions".
20. Choose the floor plan in cell H16 of "Assumptions". The selection will subsequently populate the remainder of the unit mix.
21. Enter the assumed rent psf/month in cell H19 of "Assumptions".
22. Enter the assumed square footage for each respective floor plan in K9:K14 of "Assumptions".

Project Name

City, State

Assumptions

General Property & Timing Assumptions	
Project Name	Project Name
Building City, State	City, State
Analysis Start Month	Jan-22
Land Cost	\$1,000,000
Total SF	16,000 SqFt

Operating Assumptions	
General Vacancy and Credit Loss	5.00% of Base Rent
Rent Inflation	3.00%
Operating Expenses	35.00% of EGI

Debt Assumptions	
Loan to Cost	70.00% LTC
Interest Rate	6.00%
Origination Fee	\$100,000
Interest Reserve	\$115,000

Exit Assumptions		
Sale Month		Month 60
	\$/SF	\$415.00 PSF
Transaction Costs		1.00%

Construction Budget	
Cost / PSF	\$250.00 PSF
Cost / Unit	\$250,000
Total	\$4,000,000
Start Date	Feb-22
Duration	12 Months
End Date	1/31/2023

Unit Mix	
Floor Plan	Sixteen-Plex
Square Feet	16,000 SqFt
Number of Units	16
Rent PSF / Month	\$3.50
Rent / Unit	\$3,500
Total	\$56,000

Sources and Uses	
Sources of Cash:	
Debt	\$3,650,500
Equity	1,564,500
Total Sources of Cash	\$5,215,000
Uses of Cash:	
Land Cost	\$1,000,000
Construction Costs	\$4,000,000
Origination Fee	\$100,000
Interest Reserve	115,000
Total Uses of Cash	\$5,215,000

Floor Plans		
Floor Plan	Square Feet	Number of Units
One-Bed	1,000	1
Du-Plex	2,000	2
Tri-Plex	3,000	3
Four-Plex	4,000	4
Eight-Plex	8,000	8
Sixteen-Plex	16,000	16

*Reminder: Only cells with blue fonts are inputs, do not edit any cell containing black font.

Project Name	Construction	NOI											
City, State	EGI	Unlevered CF	Investment Held?	1	1	1	1	1	1	1	1	1	1
			Year	2022	2022	2022	2022	2022	2022	2022	2022	2022	2022
Monthly CF	Op Ex	Levered CF	Year #	0	1	1	1	1	1	1	1	1	1
			Month	0	1	2	3	4	5	6	7	8	

Date	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22	Jul-22	Aug-22	Sep-22
------	--------	--------	--------	--------	--------	--------	--------	--------	--------

Unlevered Cashflow										
	Total	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22	Jul-22	Aug-22	Sep-22
Construction										
Land Cost	(\$1,000,000)	(\$1,000,000)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Construction Cost	(4,000,000)	0	(333,333)	(333,333)	(333,333)	(333,333)	(333,333)	(333,333)	(333,333)	(333,333)
Total Construction	(\$5,000,000)	(\$1,000,000)	(\$333,333)	(\$333,333)	(\$333,333)	(\$333,333)	(\$333,333)	(\$333,333)	(\$333,333)	(\$333,333)
Lease-Up										
Number of Units Available	16	0	0	0	0	0	0	0	0	0
Average Monthly Rent		\$3,500	\$3,500	\$3,500	\$3,500	\$3,500	\$3,500	\$3,500	\$3,500	\$3,500
Revenue										
Scheduled Base Rental Revenue	\$2,811,397	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
General Vacancy and Credit Loss	(140,570)	0	0	0	0	0	0	0	0	0
Effective Gross Income	\$2,670,827	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Operating Expenses										
Operating Expenses	(\$934,790)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Operating Expenses	(\$934,790)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Net Operating Income	\$1,736,038	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Gross Sale Proceeds	\$6,640,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Disposition Costs	(66,400)	0	0	0	0	0	0	0	0	0
Total	\$6,573,600	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Unlevered Cashflow	\$3,309,638	(\$1,000,000)	(\$333,333)	(\$333,333)	(\$333,333)	(\$333,333)	(\$333,333)	(\$333,333)	(\$333,333)	(\$333,333)
<i>Cumulative Cashflow</i>		<i>(\$1,000,000)</i>	<i>(\$1,333,333)</i>	<i>(\$1,666,667)</i>	<i>(\$2,000,000)</i>	<i>(\$2,333,333)</i>	<i>(\$2,666,667)</i>	<i>(\$3,000,000)</i>	<i>(\$3,333,333)</i>	<i>(\$3,666,667)</i>

Unlevered Summary	
IRR	13.1%
Multiple	1.7x
Peak Capital	\$5,000,000
Net Profit	\$3,309,638

Levered Cashflow										
	Total									
Construction Loan Origination Fee	(\$100,000)	(\$100,000)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Construction Loan Interest Expense	(981,794)	0	0	0	(1,586)	(3,361)	(4,919)	(6,805)	(8,528)	(9,919)
Interest Reserve	(115,000)	(115,000)	0	0	0	0	0	0	0	0
Interest Reserve Release	115,000	0	0	0	1,586	3,361	4,919	6,805	8,528	9,919
Construction Proceeds	3,650,500	0	0	317,167	333,333	333,333	333,333	333,333	333,333	333,333
Construction Loan Paydown	(3,650,500)	0	0	0	0	0	0	0	0	0
Levered Cashflow	\$2,227,843	(\$1,215,000)	(\$333,333)	(\$16,167)	\$0	\$0	\$0	\$0	\$0	\$0
<i>Cumulative Cashflow</i>		<i>(\$1,215,000)</i>	<i>(\$1,548,333)</i>	<i>(\$1,564,500)</i>	<i>(\$1,564,500)</i>	<i>(\$1,564,500)</i>	<i>(\$1,564,500)</i>	<i>(\$1,564,500)</i>	<i>(\$1,564,500)</i>	<i>(\$1,564,500)</i>
Levered Summary										
IRR	22.0%									
Multiple	2.4x									
Peak Capital	\$1,564,500									
Net Profit	\$2,227,843									

Debt										
Interest Rate		6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%
	Total									
Beginning Balance		\$0	\$0	\$0	\$317,167	\$650,500	\$983,833	\$1,317,167	\$1,650,500	\$1,983,833
Proceeds	3,650,500	0	0	317,167	333,333	333,333	333,333	333,333	333,333	333,333
Interest Expense	(981,794)	0	0	0	(1,586)	(3,361)	(4,919)	(6,805)	(8,528)	(9,919)
Principal Repayment	(3,650,500)	0	0	0	0	0	0	0	0	0
Ending Balance		\$0	\$0	\$317,167	\$650,500	\$983,833	\$1,317,167	\$1,650,500	\$1,983,833	\$2,317,167

Equity Needed										
	Total									
Equity Needed	\$1,564,500	\$1,215,000	\$333,333	\$16,167	\$0	\$0	\$0	\$0	\$0	\$0

Project Name	Construction	NOI				
City, State	EGI	Unlevered CF				
Annual CF	Op Ex	Levered CF	Year	2022	2022	2023

Year Number	0	1	2
-------------	---	---	---

Unlevered Cashflow

	Total			
Construction				
Land Cost	(\$1,000,000)	(\$1,000,000)	\$0	\$0
Construction Cost	(4,000,000)	0	(4,000,000)	0
Total Construction	(\$5,000,000)	(\$1,000,000)	(\$4,000,000)	\$0
Lease-Up				
Number of Units Available	16	0	0	16
Average Monthly Rent		\$3,500	\$3,500	\$3,500
Revenue				
Scheduled Base Rental Revenue	\$2,811,397	\$0	\$0	\$672,000
General Vacancy and Credit Loss	(140,570)	0	0	(33,600)
Effective Gross Income	\$2,670,827	\$0	\$0	\$638,400
Operating Expenses				
Operating Expenses	(\$934,790)	\$0	\$0	(\$223,440)
Total Operating Expenses	(\$934,790)	\$0	\$0	(\$223,440)
Net Operating Income	\$1,736,038	\$0	\$0	\$414,960
Gross Sale Proceeds	\$6,640,000	\$0	\$0	\$0
Disposition Costs	(66,400)	0	0	0
Total	\$6,573,600	\$0	\$0	\$0
Unlevered Cashflow	\$3,309,638	(\$1,000,000)	(\$4,000,000)	\$414,960
<i>Cumulative Cashflow</i>		<i>(\$1,000,000)</i>	<i>(\$5,000,000)</i>	<i>(\$4,585,040)</i>

Unlevered Summary	
IRR	13.1%
Multiple	1.7x
Peak Capital	\$5,000,000
Net Profit	\$3,309,638

Levered Cashflow				
	Total			
Construction Loan Origination Fee	(\$100,000)	(\$100,000)	\$0	\$0
Construction Loan Interest Expense	(981,794)	0	(92,898)	(222,072)
Interest Reserve	(115,000)	(115,000)	0	0
Interest Reserve Release	115,000	0	92,898	0
Construction Proceeds	3,650,500	0	3,650,500	0
Construction Loan Paydown	(3,650,500)	0	0	0
Levered Cashflow	\$2,227,843	(\$1,215,000)	(\$349,500)	\$192,888
<i>Cumulative Cashflow</i>		<i>(\$1,215,000)</i>	<i>(\$1,564,500)</i>	<i>(\$1,371,612)</i>

Levered Summary	
IRR	22.0%
Multiple	2.4x
Peak Capital	\$1,564,500
Net Profit	\$2,227,843

Construction				
	Total			
Beginning Balance		\$0	\$0	\$3,650,500
Proceeds	3,650,500	0	3,650,500	0
Interest Expense	(981,794)	0	(92,898)	(222,072)
Principal Repayment	(3,650,500)	0	0	0
Ending Balance		\$0	\$3,650,500	\$3,650,500

Equity Needed				
	Total			
Equity Needed	\$1,564,500	\$1,215,000	\$349,500	\$0