

**THE RESIDENCES AT ESSEX PASTURE
IPSWICH, MA
INITIAL OPERATING PRO FORMA**

**COMPREHENSIVE PERMIT SITE APPROVAL APPLICATION
February 28, 2017**

1. Total Number of Units	194		
2. Potential Gross Income			
	Unit Allocation	Average Monthly Rent After Deducting Utility Allowances for Affordable Units	Total Annual Rent
Market Units			
1 BR./1.0BA	27	\$1,507	\$488,268
2 BR./2.0BA	103	\$1,807	\$2,233,452
3 BR./2.5BA	15	\$2,350	\$423,000
	145		\$3,144,720
% of Total Units	74.74%		
Affordable Units			
1 BR./1.0BA	9	\$1,242	\$134,136
2 BR./2.0BA	35	\$1,470	\$617,400
3 BR./2.5BA	5	\$1,671	\$100,260
	49		\$851,796
% of Total Units	25.25%		
TOTAL %	100.00%		\$3,996,516
TOTAL UNITS	194		
9. Potential Gross Income (All Units)			
Residential Units		\$3,996,516	
Other Income			
Garage Parking			
Number of Spaces	36		
Monthly Parking Fee	\$200	\$86,400	
Pet Fees			
% of Units	50%		
Average Monthly Fee	\$50	<u>\$58,200</u>	
			\$4,141,116
10. Vacancy			
Residential	7.5%	\$299,739	
Garage Parking	15%	\$12,960	
Pet Fees	20%	<u>\$11,640</u>	
			<u>\$324,339</u>
11. Effective Gross Income			\$3,816,777

ESSEX PASTURES – Preliminary Operating ProForma

	Year 1	Per Unit
Operating Income:		
Unrestricted Rents	3,231,720	16,638
Less Vacancy @ 7.5%	(242,379)	(1,249)
Restricted at 80% Rents	875,975	4,515
Less Vacancy @ 7.5%	(65,698)	(339)
Commercial Income	0	0
Less Vacancy	0	0
Effective Rental Income (ERI)	3,799,619	19,586
Other Income (Garage Parking, Pet fees), net of vacancy (1)	127,230	656
Total Effective Income:	3,926,849	20,241

(1) Parking: 36 spaces @ \$200/mo, 10% vac. Pet fees: 50% util/zn, \$30/mo, 15% vac.

Gross Potential Rents 4,234,926

	Year 1	Per Unit
Operating Expenses:		
Management Fee: 4.0% of ERI	151,985	783
All Operating Expenses besides Mgt Fee and Rep/RSv		0
Administrative Payroll	0	0
Admin. Payroll Taxes & Benefits	0	0
Legal	20,000	103
Audit	7,500	39
Marketing	35,000	180
Telephone Data/Internet	2,400	12
Office Supplies	15,000	77
Acct & Data Processing	20,000	103
Investor Servicing	10,000	52
DHCD Monitoring	7,350	38
<Other>	0	0
Subtotal: Administrative & Mgmt.	117,250	604
Maintenance Payroll contract	25,000	129
Maint. Payroll Taxes & Benefits	0	0
Janitorial Services	50,000	258
Landscaping	25,000	129
Decorating (interior only)	15,000	77
Repairs (inter. & exter.)	10,000	52
Elevator Maintenance	5,000	26
Trash Removal	20,000	103
Snow Removal	50,000	258
Extermination	2,500	13
Recreation	0	0
Security	5,000	26
<Other> package locker fees	2,500	13
Subtotal: Maintenance	211,000	1,088
Resident Services	0	0
Common area utilities: leasing, utility building, common areas	20,000	103
Electricity Tenant Paid	0	0
Natural Gas Tenant Paid	0	0
Water & Sewer Tenant Paid	0	0
Subtotal: Utilities	0	0
Real Estate Taxes	400,000	2,062
Insurance	97,000	500
Subtotal: Taxes, Insurance	497,000	2,562
Replacement Reserve: 5% trending	57,900	290
Oper. Reserve	0	0
Total Operating Expenses:	1,045,135	5,387

Year		
NET OPER. INCOME (NOI)	2,881,714	ELR
Debt Service (2)	2,140,781	4,886%
DSC	1.35	
Cash Flow	740,933	
MHP Mortgage Balance	33,183,196	

(2)

ESSEX PASTURES -- Preliminary Development Budget

2/15/2017

Sources - Permanent		
MHP	\$	33,591,111
Cash Equity	\$	3,479,160
Land Equity	\$	2,000,000
Deferred Developer Fee	\$	3,251,389
Gap	\$	2,901,595
Total Permanent Sources	\$	45,333,036

Uses		
Acquisition Cost	\$	2,000,000
Construction/ Rehab		
Direct Construction		30,572,472
Site Costs		3,002,399
Const. Contingency @ 4%		1,311,815
Subtotal Construction	\$	35,186,686

Soft Costs		
Soft Costs, including MHP Fees:		
Construction Related Soft Cost		
Architectural/Engineering		388,000
Survey and Permits		409,075
Environmental Engineer		18,500
Real Estate Taxes		100,000
Insurance		175,000
Security		10,000
FF&E, Model Unit		35,000
Utilities during Construction		30,000
Financing Fees		
Appraisal and Market Study		22,000
Construction Loan Interest		2,425,750
Fees to:		
Fees to: Construction Lender		168,456
Fees to: Lottery Agent		40,000
Fees to: Peer Review Fees		35,000
MHP Application Fee		3,000
MHP Commitment Fee		336,911
Add'l Const. Omit. Fee/1st mort		0
Add'l Const. Omit. Fee/subsidy		0
Inspecting Engineer		35,000
Legal		
Borrower/Other Legal		30,000
Title & Recording		80,000
Act & Cost Certification		30,000
MHP Legal (incl. binder)		30,000
Relocation & Lease-up		
Marketing and Rent Up		97,000
Consulting & Developer Fees		
Development Consultant		35,000
Sponsors Overhead		0
Sponsors Fee Payable		0
Reserves		
Cap'd Op Reserve(MHP)		0
408 Fees		
408 Processing Fee		2,000
408 Fund Fee		8,320
Other		
Soft Cost Contingency		283,936
Subtotal Soft Costs	\$	4,884,981

RESIDENTIAL TOTAL DEV. COSTS	\$	42,071,667
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Syndication Costs/ Deferred Fees		
Sponsors Fee Deferred		3,251,389

TOTAL PROJECT DEV. COST	\$	45,333,036
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THE RESIDENCES AT ESSEX PASTURES
194 UNIT RESIDENTIAL COMPLEX (NEW CONSTRUCTION)

Construction Hard Cost Summary Page

	194 Units	Total Square Footage:	Townhomes: Apartments	30,000 231,212
		Per S.F.		
Site Preparation	\$98,200	\$ 0.37		
Driveways/Parking	\$984,428	\$ 3.67		
Utilities	\$807,700	\$ 3.02		
Site Work Contingency	\$567,098	\$ 2.12		
Landscaping	\$300,000	\$ 1.12		
Foundation	\$439,780	\$ 1.64		
Masonry/Floors	\$447,440	\$ 1.67		
Masonry walls (stairwell/elevator)	\$500,000	\$ 1.87	(5 buildings stairwells, elevator)	
Metals/Stairs (fire rated)	\$440,000	\$ 1.64		
Weathertight Shell	\$8,442,450	\$ 31.52		
Frame				
Siding				
Roof				
Trim out				
Decks				
Gutters	\$25,000	\$ 0.09		
Interior Finish	\$606,500	\$ 2.26		
Exterior Apartment Doors/Fire Doors Stairwells	\$86,000	\$ 0.32		
Plumbing Labor/Materials	\$1,940,000	\$ 7.24		
Fire Protection	\$693,636	\$ 3.00	apartments only	
Fire Alarm System	\$401,820	\$ 1.50		
HVAC	\$2,678,800	10 means estimate s.f. costs 4-7 story apartment		
Lighting	\$57,400	\$ 0.21		
Electrical	\$2,678,800	0.1 10 means estimate s.f. costs 4-7 story apartment		
Security/CCTV	\$100,000	\$ 0.37		
Kitchens	\$710,040	\$ 2.65		
Bathrooms	\$77,600	\$ 0.29		
Wallboard/Plaster	\$1,339,800	\$ 5.00		
Insulation	\$870,610	\$ 3.25		
Painting	\$401,850	\$ 1.50		
Appliances	\$679,000	\$ 2.53		
Gypcrete underlayment	\$168,440	\$ 0.90	upper floors only	
Flooring	\$1,319,800	\$ 5.00		
Elevators	\$575,000	\$ 2.15		
Total Rentable Space	\$28,437,193	\$ 106.16		

HARD COSTS CONSTRUCTION BUDGET
36 Essex Road Limited Partnership