

Creating an Apartment Feasibility Model

For

*Asante @ Park Cities*

By Terry Asante



*Dedicated to Tony Asante, to those embarking on the American Dream, and to the Creator of the Universe*



Mr. Terry Asante is an exceptional professional with real estate analysis and investment experience. Mr. Terry Asante graduated Cum Laude and Beta Gamma Sigma from the University of North Texas in 2012- one of the best institutions in Texas. Right after college, Mr. Terry Asante underwrote, analyzed, and facilitated the closing of loans ranging from \$500,000-\$1,200,000 at Wallis State Bank, a leading SBA commercial bank located in Dallas, Texas. Afterwards, Terry Asante went on to work for Fortress Investment Group, a premier real estate investment firm. During his tenure with the company, he built financial models, conducted market research, underwrote, and produced asset summary reports for various real estate product types. Terry Asante long-term goal is to create jobs in the economy by supplying the entire world with exciting retail centers, upscale multifamily apartment complexes, and an unforgettable nightlife. Terry Asante is currently seeking to raise **\$1,000,000** in investment capital to spearhead Asante Investments LLC, a real estate acquisition/development firm. Terry Asante is also looking to form strategic partnerships with major retailers to create a powerful combination of products and services for residents seeking a work, play, and shop atmosphere. If your client or firm (Investment Bank, Private Equity Firm, Real Estate Investment, High Net Worth or Wealthy Individuals with \$75 million or greater) is interested in partnering with Terry Asante please email him at [TerryAsante27@yahoo.com](mailto:TerryAsante27@yahoo.com).

Warmest Regards,

# Table of Contents

- Transaction Overview ..... 5
- The Property ..... 6
- Dallas Overall Market Analysis..... 7
  - Employment Drivers ..... 7
  - Strong Average and Median Household Income across all radius ..... 7
  - Inventory, Potential Supply, Absorption..... 7
  - Southern Methodist University (“SMU”)- A top University situated in the Oak Lawn/Park Cities market. .... 8
  - Rental Rates ..... 8
  - Occupancy..... 9
  - Retail Attractions ..... 10
- Demographic Analysis..... 10
- Property Location..... 11
- Business Strategy ..... 11
  - Asante @ Park Cities Retail Tenants ..... 13
  - Chipotle Mexican Grill..... 13
  - Starbucks Coffee ..... 13
  - Corner Bakery ..... 14
  - Spotless Dry Cleaners..... 14
- Financial Analysis ..... 15
  - Estimating Rental Revenue: ..... 15
  - Contract Rent: ..... 15
  - Market or Economic Rent: ..... 15
  - Effective Rent: ..... 15
  - Estimating Rental Revenue: ..... 16

## Transaction Overview

The Sponsor, Terry Asante, is currently seeking a three-year \$6,917,080 construction loan to finance the creation of Asante @ Park Cities, a to be developed 53-unit class A midrise multifamily apartment complex with three-retail tenants located in the affluent Oak Lawn/Park Cities submarket of Dallas, Texas. The Sponsor is Asante Investments LLC, a real estate acquisition/development firm founded by, Terry Asante, who has extensive real estate experience underwriting, modeling and structuring real estate product types totaling over \$80 million. The \$6,917,080 construction alongside the development cost subsidy of \$2,476,983 and Sponsor equity of \$1,360,065 will finance the construction hard cost of \$7,476,634, land cost of \$1,278,432, operating reserve of \$1,038,123 (which includes construction loan interest and contingency), soft costs of \$761,088, and miscellaneous expenses of \$199,371. The Sponsor business plan is to maximize rents while minimizing occupancy by building a class A product with class A amenities that meets the specific needs of tenant profile of the Oak Lawn/ Park Cities submarket. To drive ongoing and continuous traffic at the Property, Asante @ Park Cities will feature three prime retail tenants, Chipotle, Starbucks, and Corner Bakery and a dry cleaner onsite for the tenants.

<i>Asante @ Park Cities</i> Proposed Capital Structure							
Sources	\$	Unit	%	Uses	\$	Unit	%
Construction Loan	\$6,917,080	\$121,352	84%	Land	\$1,251,482	\$21,956	15.1%
Implied Equity	\$1,360,065	\$23,861	16%	Land Carry	\$27,429	\$481	0.3%
				Approval Fees	\$88,799	\$1,558	1.1%
				Environmental Remediation	\$110,572	\$1,940	1.3%
				Construction Hard Cost	\$7,476,634	\$131,169	90.3%
				Architecture & Engineering	\$377,995	\$6,631	4.6%
				Legal & Other Fees	\$228,910	\$4,016	2.8%
				Appraisal & Title	\$10,883	\$191	0.1%
				Marketing	\$73,500	\$1,289	0.9%
				Taxes During Construction	\$50,000	\$877	0.6%
				Insurance During Construction	\$19,800	\$347	0.2%
				Estimated Construction Loan Interest	\$539,532	\$9,465	6.5%
				Operating Reserves	\$287,769	\$5,049	3.5%
				Less: Development Cost Subsidies	(\$2,476,983)	(\$43,456)	29.9%
				Contingency	\$210,822	\$3,699	2.5%
<b>Total Sources</b>	<b>\$8,277,145</b>	<b>\$145,213</b>	<b>100%</b>	<b>Total Uses</b>	<b>\$8,277,145</b>	<b>\$145,213</b>	<b>100.0%</b>

## The Property

*Asante @ Park Cities* (The "Property") is a to be developed 53-unit class A midrise multi-family apartment complex that consist of one apartment building with 53 units totaling 72,349 net rentable area located in the affluent Dallas, Texas submarket of Oak Lawn/Park Cities. The Property features three retail tenants- Chipotle, Corner Bakery, and Starbucks with one dry cleaner tenant to meet the needs of working professionals and single family households. The unit mix includes (10) 1 BR/ 1BA, (27) BR/ 1.5 BA, (8), and (2) BR/2BA, and a den. Asante @ Park Cities will offer an array of unit amenities such as an electric oven, microwave, dishwasher, refrigerator, and tub/showers, and expansive closets. The Property amenities include a resort style swimming pool, a fitness center, a clubroom with kitchen, an office room, bicycles, and Wi-Fi. The Property will provide 63 parking spaces (53 sheltered and 10 carport structures).

<b>Asante @ Park Cities Property Description</b>	
Property Address	TBD
Property Type	Mid-Rise
Building Class	Class A
Land Area	1.51 acres
Projected Completion	Summer of 2017
Net Rentable Area	72349
Total Units	1BR/1BA- 10 Units 1BR/1.5 BA-27 Units 2BR/1BA-8 Units 2BR/2BA- 6 Units 2BR/2BA/Den-2 Units
Average Unit Size	1,066 SF
Average Rental Rate	\$1,175/unit
Average Rent PSF	\$1.10/SF
Zoning	RM-15
Total Parking Spaces	63
Construction Type	Concrete masonry unit and wood-frame construction, exterior wall structure is wood frame with brick veneer and vinyl siding
Stories	4
Unit Amenities	Unit amenities include a full appliance package including an electric oven, microwave, dishwasher, refrigerator, and expansive closets. The bathrooms within each unit feature will include a combination tub/showers
Property Amenities	Common area amenities include an resort style swimming pool, club house, a fitness center, a lounge, tanning booths, wifi, dry cleaner, business center, and a laundry room
Retail Tenants	Chipotle, Starbucks, and Corner Bakery

## Dallas Overall Market Analysis

The Dallas overall market, which consist of 25 submarkets had a total of 677,595 units as of 4Q 2014.

The Small Oak Lawn/Park Cities submarket is directly located directly north of uptown Dallas. Dallas North Tollway and North Central Expressway (i-45) form its western and eastern borders. The submarkets runs as far north as mocking bird lane. Oak lawn Avenue forms part of its southern boundary.

### Employment Drivers

Ranking third in the U.S for absolute job change as of 4Q 2014, Dallas remains one nation's top employment power center who's economic engine is fueled by array of industries such as Trade/Transportation (21%), Professional/Business Services (16.3%), Education/Health services (12.3%), Government (12.6%), and financial activities (8.0%). Signaling no signs of a slowdown in terms of job creation, the Dallas economy added approximately 98,500 to the employment base since 4Q 13. Out of the 98,500 jobs created during 4Q 2013, 26,000 comprised of trade/transportation/utilities, 100 – information, 9,700 -financial activities, 35,100-professional business services, 11,100-education/health services, 4,900 leisure/hospitality services, 1,900-other services, and 9,700-government.

Low cost of living, business friendly environment, and a plentiful and educated work force has spurred corporate relocations in the DFW. Breaking ground in January 2015, State Farm is developing a corporate campus that will host as many as 8,000 employees in the upscale north suburban Richardson area. Similarly, Plano will be home to Toyota's new North American headquarters with some 4,000 employees.

### Strong Average and Median Household Income across all radius

Unlike many markets in the DFW, Oak Lawn/Park Cities submarket of Dallas boast some of the highest household income in all of DFW. The average household income within a 1-mile, 3-mile, and 4-mile radius of a 4433 McKinney Ave, Dallas, TX 75025 (a property situated in the Oak Lawn/Park Cities) is \$90,675, and \$89,092, and \$81,283, respectively. Likewise, the median household income within a one mile radius \$63, 528, \$62,201, and \$54,374, respectively. Although the Overall Dallas market median household income of \$57,585 lagged the Oak Lawn/Park cities submarket, it outstripped the Texas median household income of \$55,200. The high concentration of white-collar professionals residing in Oak lawn/Park Cities as well as interspersed throughout the Dallas has spurred higher construction volumes and rental rates for both the overall Dallas and Oak Lawn/Park Cities market.

### Inventory, Potential Supply, Absorption

As one of the nation's unit supply leader, the overall Dallas submarket delivered 14 apartment properties totaling 13,068 units from 4Q 2013 to 4Q 2014. Of those apartments delivered by Dallas metro market, seven apartments totaling 2,072 units were generated by the Park Cities/Oak Lawn submarket. While the submarket may not be responsible for supplying the majority of units in the Dallas market, the submarket posted a positive 15.6% inventory change, which by far was the greatest out of any submarket in Dallas. The overall Dallas market registered only a 2.4% inventory change. The Park Cities/Oak Lawn submarket is on track to deliver to eight projects totaling 2,029 units. There are no signs of rent compression as the market boasts one of the highest rental rates in the Dallas market.

Furthermore, the overall Dallas and Oak Lawn/Park Cities submarket both seen positive demand or absorption at 11,793 and 667 units respectively.

### Southern Methodist University (“SMU”) - A Top University situated in the Park Cities/Oak Lawn market.

Founded in 1911 and located 1.7 miles or eight minutes’ drive time from Park Cities is SMU, a nationally ranked private university which offers 104 bachelor degrees, 113 master degrees, 27 doctoral-research degree, one doctoral-professional degree and one specialist degree through seven schools. SMU enrolls more than 11,000 students from all 50 states, the District of Columbia and nearly 100 foreign countries. According to SMU Fast Facts, SMU has approximately 119,000 alumni worldwide, with 45,000 in the Dallas-Fort worth Area.



The University’s main campus, five miles north of downtown Dallas, comprises 101 buildings on 234 acres, including 15 acres with 19 buildings east of North Central Expressway. SMU also has other campuses situated at SMU-in-Plano, with four buildings on 25 acres north of Dallas, and SMU-in-Taos, with 33 buildings on 423 acres in Northern New Mexico.

Evidenced by the top academic ratings received by U.S News and World report rankings, and Bloomberg Businessweek, SMU is continuing to make great strides as a premier elite university. Some the academic rankings SMU has received are the following:

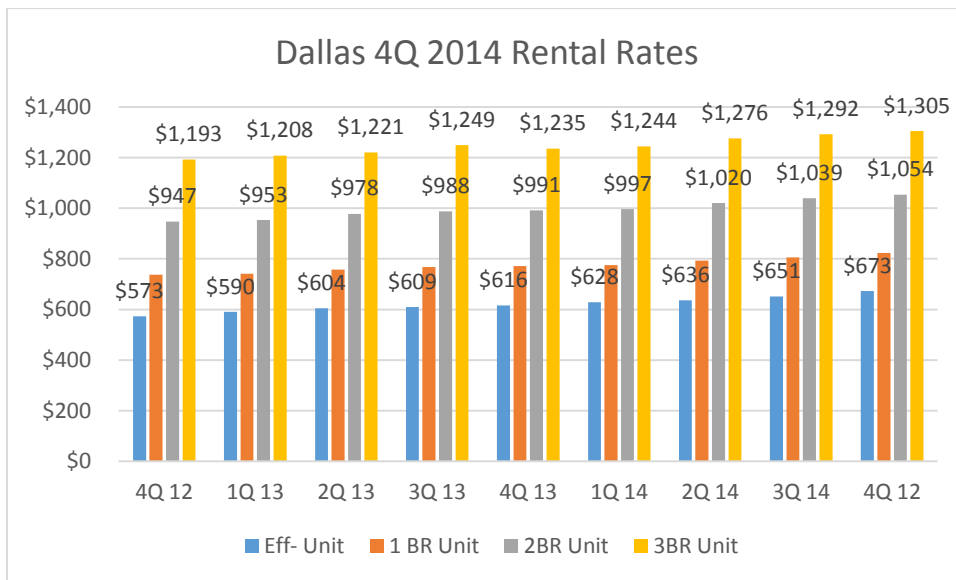
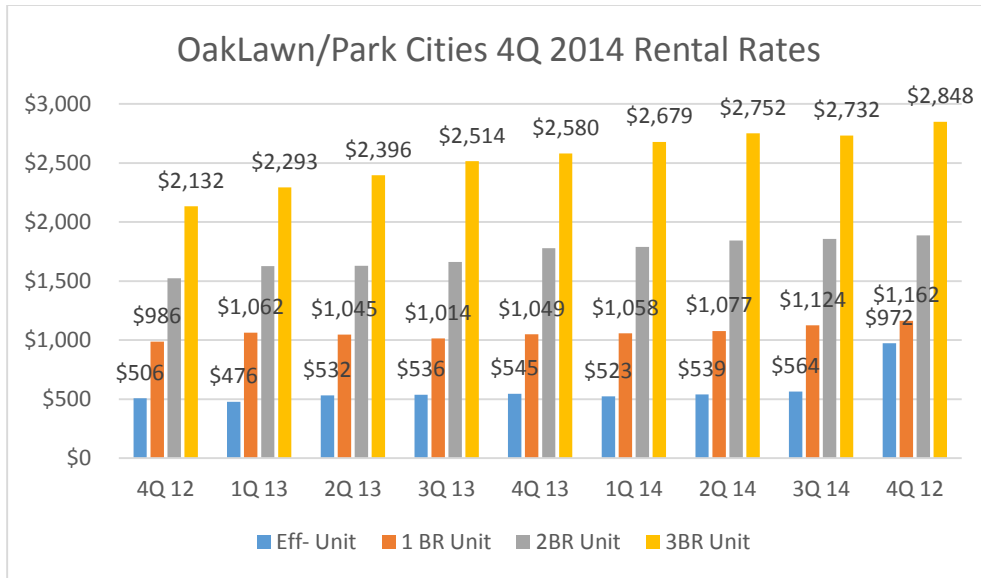
- U.S News World Report ranks SMU as 61<sup>th</sup> out of the 280 national universities
- Forbes ranks The Cox School of Business as 25<sup>th</sup> out of the 25 top business schools
- Dedman School of Law ranks 42nd among 194 fully accredited law schools in the 2014 *U.S. News & World Report* rankings and ranks No. 22 for graduates of the class of 2013 being employed in long-term, full-time jobs requiring bar passage, according to *The National Law Journal*

During fiscal year 2013-2014, SMU received a \$31 million in external funding for research in sciences, engineering, and education conducted throughout the U.S and worldwide.

### Rental Rates

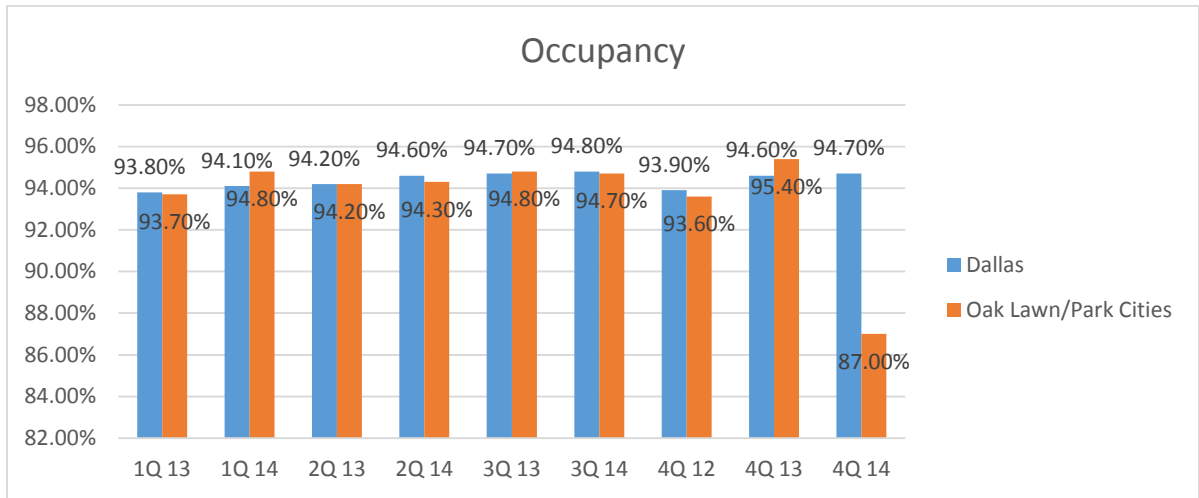
As illustrated in the two graphs below, Oak Lawn/Park Lawn Cities rental rates for 1BR, 2BR, and 3BR has outstripped the Overall Dallas Market Rental rates for the past nine quarters. The 4<sup>th</sup> Quarter rental rates for the Dallas was \$949 versus \$1,480 for the overall market, which represents a 55.0% increase over the overall Dallas market. Attractive demographics, millennia’s delaying marriage to focus on their careers, an environment which provides dense urban living coupled with firms demand for high-skilled labor has drove rent velocity in Oak Lawn/ Park Cities. The main reason for this occurrence is the market close proximity to Uptown, Texas, which as upscale neighborhood in Dallas, Texas that continues to be the epitome of the affluent professional seeking a pedestrian lifestyle culture with eateries, premier retail destinations, and an ecstatic lifestyle at their fingertips.





## Occupancy

The Dallas continues to maintain its position as a hub for apartment renters. Over the past four quarters beginning 4Q 2014, the Dallas occupancy rate hovered around the 95.0% compared to the U.S Average of 95.3%. Major factors contributing to this favorable trend is Dallas economic and population growth, which are primary drivers for an apartment complex operational and financial performance. Likewise, the occupancy for the Oak Lawn/Park Cities area hovered above 90% for the past eight quarters with exception of 4Q 2014. The lower occupancy for submarket can be attributed to influx of units coming online due high quality living, above average incomes, proximity to major transportation arteries and professional employment bases, and a high quality educational institutions such as Southern Methodist University.



### Retail Attractions

The plethora of retail options near the Oak Lawn/Park Cities submarket of Dallas provides tenant immediate access to luxury retailers and an array of eateries.

Located 5.4 miles or 9 minutes’ drive time from Oak Lawn/Park Cities is the North Park Mall, an enclosed shopping center with over 235 retailers, restaurants and legendary department stores. North Park Mall consistently ranks as the one of the top destinations in the world, with Dallas Business Journal naming the retailer as the top attraction in the DFW Area and as one of the “7 Retailers Wonders of the Modern World” by Shopping Centers Today.

Located 11.2 miles or 17 minutes’ drive time miles from Oak Lawn/Park Cities is the Galleria Mall, Texas largest upscale shopping mall and mixed use development which spans 2.4 million square feet of space, housing 400 retailers/restaurants, two high rise hotels, and three office towers and has more than 30 million visitors each year seeking a unique shopping experience. The Galleria offers six valet parking stations and 13,000 parking spaces.

### Demographic Analysis

#### Demographic Analysis

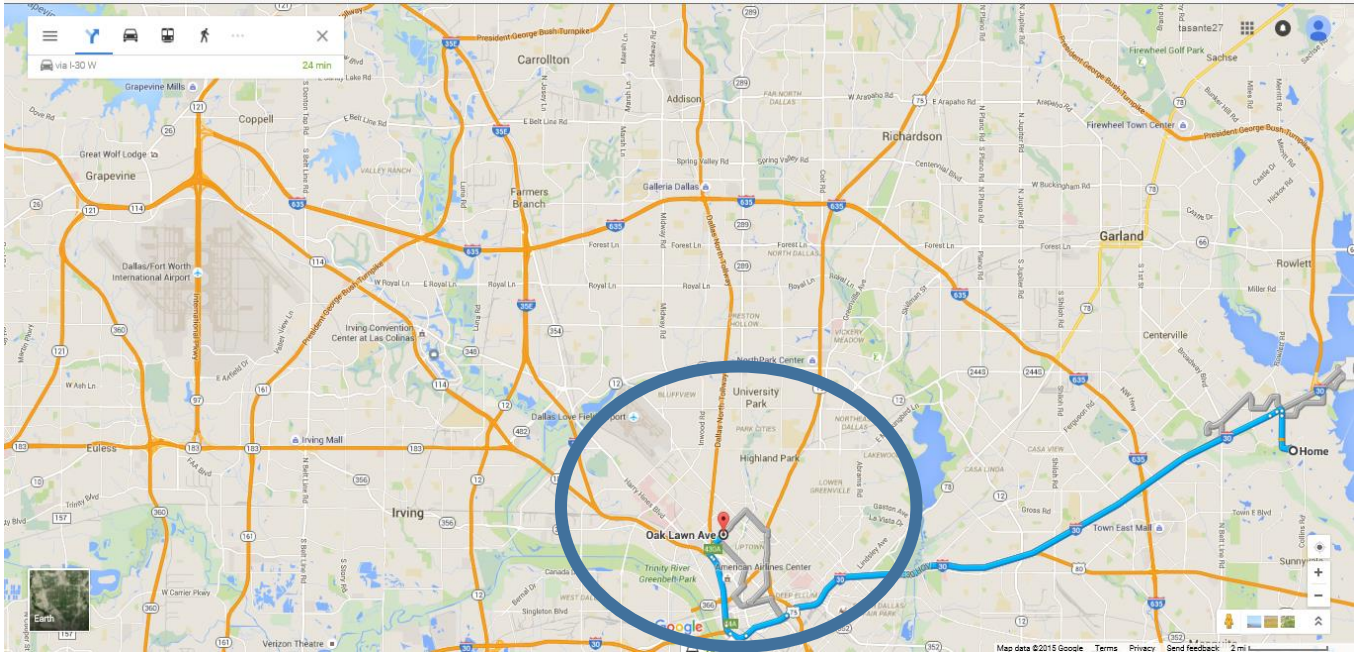
The Oak Lawn/Park Cities submarket of Dallas provides some of the best demographics that any market in Dallas has to offer. According to LoopNet and as illustrated below, the demographic profile surrounding 1925 Cedar Springs Rd, Dallas, Texas 75202 vicinity offers multifamily developers a pool of potential renters who exhibit above average household incomes that choose to rent rather than own their residence.

#### Owner Occupied Housing vs Renter Occupied

The high propensity of Oak Lawn/Park Cities residents choosing to rent rather than own their residence has fueled the ever growing demand for multifamily units and multifamily development. According to LoopNet and as illustrated below, the number of tenants that

choose to rent within 1 mile radius, three-mile radius, and five mile radius was approximately 94.12%, 73.90%, and 60.21% respectively. Likewise, the average household income for residents residing in the Oak Lawn/Park Cities submarket within a one-mile, three-mile, and five-mile radius was \$94,563, \$73,365, and \$75,017, respectively, which is significantly higher any than other submarket in Dallas, Texas.

## Property Location



The Property, Asante @ Park Cities will be located minutes away from the major traffic corridors in DFW. D/FW has four major interstate highways: I-20, IH-30, IH-35 W, and I-45. U 75 Central Expressway provides north-south access through east Dallas and IH-45. US-75 Central Expressway provides north-south access through east Dallas, and IH 635 (LBJ freeway) forms a partial loop around Dallas. The North/South Freeway (IH 35W) provides north/south access through western Fort Worth and Loop 820 (Jim Wright Freeway). Notable firms situated in close proximity to Oak Lawn/Park Cities submarket is top consulting firms such as Bain & Company and Booz Hamilton and top financial firms such as JP Morgan Chase Bank and Goldman Sachs.

## Business Strategy

The Sponsor, Terry Asante, will seek to capitalize on the affluent Oak Lawn/Park Cities submarket of Dallas, Texas by creating an apartment complex that targets the time-sensitive affluent professional with an above average income situated in Oak Lawn/Park Cities submarket of Dallas, Texas. The Sponsor will drive financial and operating performance of Asante @ Park Cities by executing the following procedures:

### **Maximize rents by providing tenants with a unique living space and a superior amenity package**

To drive demand for Asante @ Park Cities, the Property will feature amenities that meet the primary tenant profile needs such as a business center, a resort style swimming pool, a tennis court, fitness center, private balconies, expansive type closets, a laundry room, and stylish appliances.

### **Minimize occupancy through strategic marketing tactics**

The Sponsor, Terry Asante will establish mind share with potential tenants by utilizing personnel and marketing channels such as social media, a carefully designed and well-furnished model unit, an expert/energetic leasing agent, attractive landscaping, and a well-constructed website that serves the interest of the typical tenant profile at Asante @ Park Cities.

### **Drive ancillary revenue and foot traffic to optimal levels through well-known retail tenants**

To provide a eat, play, and lively social atmosphere, the Property will be occupied by three prime retail tenants such as Chipotle, Starbucks, and Corner Bakery. These tenants will not only help drive significant traffic to the Property but also drive rental revenue and occupancy as well.

### **Minimize and trim operating expenses through superior property management**

The designated property manager at Asante @ Park Cities will be responsible sourcing best contracts at the most competitive rates for the following services: pest control, trash removal, landscaping, elevator, janitorial, parking lot cleaning, snow removal, security, and HVAC (heating, ventilating, and air conditioning). Likewise, there will be an onsite maintenance manager to meet the tenants potential unit problems if any.

### **Attract and retain long term renters through a robust screening program**

The operational success of Asante @ Park Cities dependent on attracting the most qualified tenants with above average incomes and financial stability and who will occupy the Property for at least a minimum of three years. To ensure the Property is occupied with the most qualified tenants, a detailed application will be initiated at the onset for the prospective renter. The detailed application will inventory the prospective renter current occupation, current occupation industry, two supervisor contacts, annual and monthly income, type and year of vehicle, and a credit check, and the tenant current residence with a property manager contact (if applicable). The application process will seek to provide insight and a financial snapshot of prospective tenants at Asante @ Park Cities.

## Asante @ Park Cities Retail Tenants

### Chipotle Mexican Grill

Changing the way consumers think about Fast Food, Chipotle Mexican Grill is a fast-casual high quality Mexican grill restaurant that operates a total 1,755 chipotle restaurants in the united states, seven in Canada, six in England, three in France and one in Germany. Founded in 1993, Chipotle provides a concentrated product mix comprising of burritos, tacos, burrito bowls (a burrito without the tortilla), salads and ancillary items such as its delicious salsas, guacamole, freshly shredded cheese, tomatoes, corn, beans and crispy tortilla chips. Chipotle not only has established itself as a dominant player in fast casual industry but effectively differentiated itself by only serving meats that were raised without the use of non-therapeutic antibiotics added hormones. Chipotle concept has proved profitable growing sales, net operating income, net income, and earnings per share. Chipotle increased comparable restaurant sales by 16.8% to \$4,108 million in December 31, 2014 from \$3,214 million in December 31, 2013. The significant revenue growth was attributable to the 192 store openings, increases in customer visits, and an increase in average check through heightened menu pricing power in 2014. Chipotle is expecting to open between 190 and 205 restaurants in 2015, which includes a small number of Shophouse and Pizzeria Locale Restaurants. Chipotle will occupy 2,333 SF (3.62% of NRA) at a rate of \$15.00 for a term of 5 years (2-five year extension options) with a non-disturbance clause.



### Starbucks Coffee

Founded in 1971 and easily considered as a leading retailer for branded coffee, Starbucks is a premier roaster, market, and retailer of specialty coffee in the world, operating in 65 countries that comprise of four segments: 1) Americas (includes US, Canada and Latin America); 2) Europe, Middle East, and Africa ("EMEA"); 3) China/Asia Pacific ("CAP"), and Channel Development. Starbucks purchase and roast high-quality coffees that they sell, with handcrafted coffee, tea, beverages and fresh food items through company owned stores. To achieve market expansion, Starbucks utilizes for four main channels to reach the end customer: Company-operated stores, licensed stores, consumer packaged goods ("CPG) and food service operation. Although company operated stores (10,713) comprised of approximately half of Starbucks total store count (21,356) in the world, Revenue from



company operated stores accounted for 79% of total net revenues during fiscal 2014. Starbucks company operated stores are typically located in high-traffic, high visibility locations such as downtown suburban retail centers, office buildings, university campuses, and in select rural and off-highway locations. Out Starbucks 2014 net revenue of \$14,866 million (73%) were generated from Americas, (8%) from EMEA, 7% from CAP, (9%) from Channel Development, and (3% from all other segments). Starbucks will occupy 2,333 SF (3.62% of NRA) at a rate of \$15.00 for a term of 5 years (2-five year extension options) with a non-disturbance clause.

### Corner Bakery

With over 190 locations and a menu options that promotes a healthy lifestyle, Corner Bakery is a U.S café offering specialty breads, hot breakfast, made to-order salads, sandwiches, panini and pastas, seasonal soups, freshly baked sweets, and hand roasted coffee by Java and gourmet teas by Mighty Leaf. Corner Bakery goal is to provide an innovative, flavorful offerings and delicious desserts while providing a fast paced and efficient in-line ordering with luxury table service delivery and self-serve. Corner Bakery have 41 restaurants in Texas, (48) restaurants in California, (5) in Colorado, (7) in Florida, (9) in Georgia, (1) in Idaho, (29) in Illinois, (1) Indiana, (2) in Kansas, (1) Kentucky, (6) in Maryland, (2) in Mississippi, (4) in New Jersey, (1) New Mexico, (5) in New York, (1) Oklahoma, (6) in Pennsylvania, (3) Rhode Island, (5) Utah, Virginia (5), (6) in Washington D.C. and (1) in Wisconsin. The price point for Corner Bakery food offerings range from \$0.99-\$8.99. Corner Bakery will occupy 2,333 SF (3.62% of NRA) at a rate of \$15.00 for a term of 5 years (2-five year extension options) with a non-disturbance clause.



### Spotless Dry Cleaners

To meet the needs of the white collar professionals residing at Asante @ Park Cities. Spotless Dry Cleaners, a dry cleaning business will provide same day service if they tenants drop their clothes off to be dry cleaned before 8:00 am. Spotless Cleaners will charge \$1.85 to dry clean a dress shirt and \$2.75 to dry clean a dress pants. Spotless cleaners will also provide alternations if tenants desire a customized fit. Spotless Dry Cleaners will occupy 975 SF (1.4% of NRA) at a rate of \$21.00 for a term of 5 years (2-five year extension options) with a non-disturbance clause.



## Financial Analysis

### Estimating Rental Revenue:

#### **Rental Revenue**

Simply put, the rent is the rental income (“cash flow”) you receive from owning an apartment complex. The rent generated from the property will be used to pay operating expenses, taxes and debt service. Before we delve into calculating rental revenue, a short primer on the different forms of rent will prove helpful.

#### Contract Rent:

The amount of rent that have been stipulated in the contract. It is the rent agreed on by the landlord and the tenant and maybe higher than, less than or equal to market rents.

#### Market or Economic Rent:

The rent that is being currently charged by comparable properties that exhibit similar features such as:

- **Location** – Urban, Suburban, or CBD
- **Age**- Old or Modern
- **Quality**- Class A, B, or C.
- **Tenant Profile**- Working Class/ Blue Collar or White Collar Professional
- **Demographics**- The demographics and tenant profile go hand in hand. The demographics is the area makeup ranging from household income, employment, level of education, population growth, and ethnicity
- **Building Structure**- Wood Frame/ Stucco or Brick
- **Amenities**- Pool, Laundry, Multi-Level Clubhouse with game room, Bar
- **Unit Configuration or Mix**-

#### Effective Rent:

The Appraisal of Real Estate defines the effective rent as the total base or minimum rent stipulated in a lease, over the specified lease term, minus rent concessions- e.g. free rent, excessive tenant improvements, moving allowances, lease buyouts, cash allowances and other leasing incentives. Simply put a landlord may quote you a market rent, but offer a concession (free rent) or discount to entice a prospective tenant to sign a rental contract. The market rent minus net of any concessions or discounts is the effective rent.

## Estimating Rental Revenue:

Rental and Sales Revenue Summary							
Apartment Unit	No. of Units	Rent/Ft2	Area/Unit (ft2)	Total Ft2	Rent/Month/Unit	Total/Annual Rent	
1 Bedroom	10	1.13	800	8000	\$ 900.00	\$	108,000.00
1 Bedroom, 1.5 Bath	27	1.10	956	25800	1,053.00	\$	341,172.00
2 Bedroom, 1 Bath	8	1.03	1138	9100	1,169.00	\$	112,224.00
2 Bedroom, 2 Bath	6	1.21	1450	8700	1,750.00	\$	126,000.00
2 Bedroom, 2 Bath, Den	2	1.02	2450	4900	2,495.00	\$	59,880.00
<b>Total Apartment Rental Revenue</b>	<b>53</b>	<b>1.10</b>	<b>1066</b>	<b>56500</b>	<b>1,174.96</b>	<b>\$</b>	<b>747,276.00</b>
Total Retail Rental Revenue	4	1.31	1981	7924	2,592.00	\$	124,416.00
Other Rental Revenue						\$	18,300.00
Other Miscellaneous Revenue						\$	2,400.00
<b>Total Apartment Rental Revenue</b>	<b>57</b>	<b>1.13</b>	<b>1130</b>	<b>64424</b>	<b>\$ 3,766.96</b>	<b>\$</b>	<b>892,392.00</b>
Retail Tenants							
Restaurant	3	\$ 1.25	2333	6998	\$ 2,915.83	\$	104,970.00
Dry Cleaners	1	\$ 1.75	927	927	\$ 1,622.25	\$	19,467.00
<b>Total Retail Rental Revenue</b>	<b>4</b>	<b>1.31</b>	<b>1981</b>	<b>7925</b>	<b>\$ 2,592.44</b>	<b>\$</b>	<b>124,437.00</b>
Condominium Homes							
Condominium Homes	3	\$ 162.50	2000	6000	\$ 325,000.00	\$	975,000.00
<b>Total Sales Revenue</b>	<b>3</b>	<b>162.5</b>	<b>2000</b>	<b>6000</b>	<b>\$ 325,000.00</b>	<b>\$</b>	<b>975,000.00</b>

The best way to determine the rent you can charge to a prospective tenant is to obtain market reports such as REIS and MPF Research and conducting a market survey of comparable properties that specify the following:

- Building Address
- Building Name
- # of Units
- # of Stories
- # of Parking Spaces
- Type Construction
- Property and Unit Amenities
- Rental Information (No. Units, Apt. Type, Sq. Ft, Monthly/Rent, Rent/ Sq.ft)
- Occupancy and Vacancy Rate (1-Occupancy Rate)

You will gain most of the answers by talking the building owner as you conduct your rental survey.

Before we calculate how much rent we can charge to our prospective tenants, we must determine size of each unit. In our development model, the total Ft2 for 1 BR, 1BR/1.5BA, 2BR/1BA, 2BR/2BA, and 2B/2BA/Den, are 8,000, 25,800, 9,100, 8,700, and 4,900 for a total of 56,500. We hardcode these figures in F6 through F10.

Why are these calculations important? Well the simple answer is when conducting market survey, you should only select comps that have similar unit configurations and sizes to determine how much you can charge for rent on a per/sf basis or a per unit basis. A potential comparable in the local submarket may have a 2BR/2BA with a unit size of 1600 SF and charge a rent of \$2,000. Should we charge \$2,000?-It depends. The market may be unwilling to pay this amount due to slight differences such as the amenities, the Property landscaping, and proximity to their employment. A rent per square feet calculation should be made to determine how much we can charge per square feet.



To Purchase the product please go to <https://eco27.wordpress.com/>.

Thank you,