

# **Development Analysis**

## **Project Overview**

Property: Colonial Estates  
Route 99  
South Haven, CT

Project Type: Subdivision

Developer: Felix Domus Development Co.

Prepared For: Earnest Investments Associates  
111 Felix St.  
Saltbox, Me 01111

Prepared By: Real Data  
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Southport, CT 06890

Date: January 1, 2021

## Project Overview

### Initial Investment

Developer's and Partners' Working Capital	500,000
Value of Land (if owned and treated as project equity)	3,800,000

### Development Loan - Last Federal Bank and Trust

Working Capital Held in Reserve	300,000
Maximum Loan Commitment	9,500,000
<i>This is a revolving loan.</i>	
Loan Fee	95,000
Development Loan Closing Costs	5,000
85% of unit sale proceeds are applied to loan repayment.	

### Revenue

Sales of Units	17,280,000
<b>Total</b>	<b>\$17,280,000</b>

### Costs

Land & Improvements, Purchase Cost	280,000
Financing Costs	438,820
Unit Sales Costs	1,123,200
Other Soft Costs	846,500
Unit Construction Costs	8,379,200
Site Hard Costs	598,000
<b>Total</b>	<b>\$11,665,720</b>

**Total Project Profit (Revenue less costs & land equity)** 1,814,280

**Breakeven Month** 04-2022

**Project Return on Equity** 42.19%

**Joe Developer's IRR** 29.58%

**Joe Developer's NPV @ 10.00%** 949,266

## Unit Summary

### Unit Types

<b>Name</b>	<b>Square Feet</b>	<b>Months to Complete</b>	<b>Number of Units</b>
Single Family Capes	2,300	5	30
Single Family Ranches	2,100	5	4

### Unit Construction

<b>Name</b>	<b>Avg Cost per Square Foot</b>	<b>Avg Cost per Unit</b>	<b>Total Cost</b>
Single Family Capes	107.74	247,800	7,434,000
Single Family Ranches	112.52	236,300	945,200

### Unit Sales

<b>Name</b>	<b>Avg Price per Square Foot</b>	<b>Avg Price per Unit</b>	<b>Total Sales</b>
Single Family Capes	221.74	510,000	15,300,000
Single Family Ranches	235.71	495,000	1,980,000

## Soft Costs

### Financing Costs

Development Loan Fee	95,000
Development Loan Closing Costs	5,000
Loan Interest	338,820
<b>Total</b>	<b>\$438,820</b>

### Unit Sales Costs

Real Estate Agents' Commissions	864,000
Transfer Tax	86,400
Closing Costs/Legal Expense	172,800
<b>Total</b>	<b>\$1,123,200</b>

### Other Soft Costs

Survey & Appraisal Fees	57,000
Feasibility Analysis	20,000
Environmental Survey, Remediation	24,500
Architectural & Engineering, Blueprints	105,000
Bonds	30,000
Legal, Title Work, Zoning	51,000
Permits	15,000
Land Taxes	120,000
Accounting & Auditing	13,000
Course-of-Construction Insurance	32,000
Advertising, Promotion & Signage	34,000
Consulting Fees	10,000
Development Fees	95,000
Project Management	240,000
<b>Total</b>	<b>\$846,500</b>

## Hard Costs

**Unit Construction Costs** \$8,379,200

### Site Hard Costs

Road Construction	300,000
Storm and Sanitary Sewers	115,000
Landscaping	56,000
Utilities (Water, Electric, Gas)	50,000
Model Unit Decorating	7,000
Miscellaneous and Contingency	70,000
<b>Total</b>	<b>\$598,000</b>

## **Disclaimers**

The information and calculations presented in this analysis are believed to be accurate, but are not guaranteed. They are intended for the purposes of pro-forma projection and analysis and should not be used for the preparation of income tax returns.

The user of this program and information should consult a tax specialist or financial advisor concerning his/her particular circumstances before making any investment decision.