THE BYRON

NORTH BEACH

NOVEMBER 30, 2020



ASSET SUMMARY

TOTAL CAPITALIZATION	**38,652,462**
LOT SIZE (ACRES)	**0.72 Acres**
LOT SIZE (SQ. FT.)	31,500
Provided FAR	124,230 SF
MAX FAR	124,239 SF
FAR	**3.5 x**
TOTAL GROSS SQ. FT.	**155,186 SF**
RESIDENTIAL	81,605 SF
BALCONY SLAB	23,464 SF
COMMON AREA	1,300 SF
CORE CIRCULATION	19,160 SF
RETAIL	9,000 SF
CULTURAL CENTER	10,500 SF
AMENITY ROOF TERRACES	4,848 SF
UNOCCUPIED ROOFS	- SF
MECHANICAL/BOH	5,309 SF
EFFICIENCY	**65%**
TOTAL NET SQ. FT.	**101,105 SF**
NET RESIDENTIAL SQ. FT.	81,605 SF
NET RETAIL SQ. FT.	9,000 SF
CULTURAL CENTER	10,500 SF
TOTAL UNITS	**151**
AVERAGE SQ. FT.	540 SF
PROFORMA MONTHLY RENT PSF	**$2.77**
PSF **$382** **PER UNIT**	$255,977

UNIT BREAKDOWN

	Units	Net Sq. Ft.	Total NSF	% Sq. Ft.	ProForma Rent PSF	Monthly Rent	140% AMI Cap	Rent % of AMI
1-br Standard	7	413	2,892	4%	2.80	1,159	2,401	48%
1-br Standard	8	425	3,400	4%	2.73	1,158	2,401	48%
1-br Standard	7	463	3,241	4%	2.77	1,283	2,401	53%
1-br Standard	32	486	15,552	19%	2.66	1,291	2,401	54%
1-br Standard	7	541	3,787	5%	2.64	1,428	2,401	59%
1-br Loft	28	512	14,336	18%	2.65	1,358	2,401	57%
1-br Classic	3	553	1,659	2%	2.74	1,515	2,401	63%
1-br Classic	7	576	4,032	5%	2.74	1,578	2,401	66%
1-br Classic	8	581	4,648	6%	2.72	1,578	2,401	66%
1-br Classic	8	584	4,672	6%	2.70	1,578	2,401	66%
1-br Classic	7	621	4,347	5%	2.90	1,803	2,401	75%
1-br Classic	7	622	4,354	5%	2.89	1,800	2,401	75%
2-br Classic	7	660	4,620	6%	3.01	1,984	2,880	69%
2-br Classic	15	671	10,065	12%	3.01	2,018	2,880	70%
	151	**540**	**81,605**	**100%**	**2.77**	**1,496**		

1-br Standard	61	473	28,872	35%	2.69	1,273
1-br Loft	28	512	14,336	18%	2.65	1,358
1-br Classic	40	593	23,712	29%	2.79	1,651
2-br Classic	22	668	14,685	18%	3.01	2,007
	151	**540**	**81,605**	**100%**	**2.77**	**1,496**

THE BYRON
NORTH BEACH

CULTURAL COMPONENT COST & VALUE

CULTURE CENTER DIRECT COSTS	$5,100,000
ADDITIONAL DEVELOPER COSTS	$600,000
DEVELOPER CONTRIBUTION BUILD OUT	$1,500,000
VALUE OF COMPLETED CULTURAL CENTER	**$12,600,000**

DIRECT FINANCIAL BENEFIT TO CITY

PERMIT AND IMPACT FEES	$2,900,736
INFRASTRUCTURE IMPROVEMENTS	$1,050,000
GENERAL UTILITIES	$698,339
REAL ESTATE TAXES (DURING INITIAL WFH PERIOD)	$23,859,913
VALUE OF COMPLETED CULTURAL CENTER	$12,600,000
NET BENEFIT TO CITY	**$41,108,998**

DEVELOPMENT BUDGET

Predevelopment	
FAR Purchase	600,000
Land Closings Costs	230,918
Loan Closings Costs	952,110
Total Predevelopment Costs	**1,783,027**

Soft Costs	
Architecture and Professional Fees	1,027,000
Legal	450,000
Permits, Inspection and Fees	1,803,147
County and City Fees	1,442,589
Marketing and Leasing	325,000
Real Estate Taxes	72,000
Insurance	429,150
General and Administrative	750,000
Project Overhead	858,299
Soft Cost Contingency	367,811
Total Soft Costs	**7,524,996**

Hard Costs	
Hard Cost Construction	26,990,540
Hard Cost Contingency	1,619,432
Total Hard Costs	**28,609,972**

Development Summary	
Total Predevelopment Costs	1,783,027
Soft Costs	7,524,996
Hard Costs	28,609,972
Interest Reserve	898,422
Total Development Costs	**38,816,418**
Developer Build Out	1,500,000
Total Development Budget	**40,316,418**

OPERATING CASH FLOW YEARS 2023 - 2037

RENTAL ASSUMPTIONS	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037
Revenue Growth	*3.00%*	*3.00%*	*3.00%*	*3.00%*	*3.00%*	*3.00%*	*3.00%*	*3.00%*	*3.00%*	*3.00%*	*3.00%*	*3.00%*	*3.00%*	*3.00%*	*3.00%*
Vacancy	*5.00%*	*5.00%*	*5.00%*	*5.00%*	*5.00%*	*5.00%*	*5.00%*	*5.00%*	*5.00%*	*5.00%*	*5.00%*	*5.00%*	*5.00%*	*5.00%*	*5.00%*
Concessions	*1.50%*	*1.50%*	*1.50%*	*1.50%*	*1.50%*	*1.50%*	*1.50%*	*1.50%*	*1.50%*	*1.50%*	*1.50%*	*1.50%*	*1.50%*	*1.50%*	*1.50%*
OpEx Growth	*2.00%*	*2.00%*	*2.00%*	*2.00%*	*2.00%*	*2.00%*	*2.00%*	*2.00%*	*2.00%*	*2.00%*	*2.00%*	*2.00%*	*2.00%*	*2.00%*	*2.00%*
Rent per Sq. Ft. (Market)	**$2.77**	**$2.85**	**$2.94**	**$3.02**	**$3.12**	**$3.21**	**$3.31**	**$3.40**	**$3.51**	**$3.61**	**$3.72**	**$3.83**	**$3.95**	**$4.07**	**$4.19**
Effective Rent per Sq. Ft. (Market)	**$2.59**	**$2.67**	**$2.75**	**$2.83**	**$2.91**	**$3.00**	**$3.09**	**$3.18**	**$3.28**	**$3.38**	**$3.48**	**$3.58**	**$3.69**	**$3.80**	**$3.91**

APARTMENT RENTAL REVENUE															
Apartment Rental Revenue	2,710,787	2,792,110	2,875,874	2,962,150	3,051,014	3,142,545	3,236,821	3,333,926	3,433,943	3,536,962	3,643,071	3,752,363	3,864,934	3,980,882	4,100,308
Vacancy	(135,539)	(139,606)	(143,794)	(148,107)	(152,551)	(157,127)	(161,841)	(166,696)	(171,697)	(176,848)	(182,154)	(187,618)	(193,247)	(199,044)	(205,015)
Concessions	(40,662)	(41,882)	(43,138)	(44,432)	(45,765)	(47,138)	(48,552)	(50,009)	(51,509)	(53,054)	(54,646)	(56,285)	(57,974)	(59,713)	(61,505)
Effective Rental Income	**2,534,586**	**2,610,623**	**2,688,942**	**2,769,610**	**2,852,698**	**2,938,279**	**3,026,428**	**3,117,221**	**3,210,737**	**3,307,059**	**3,406,271**	**3,508,459**	**3,613,713**	**3,722,124**	**3,833,788**

OTHER REVENUE															
Retail East	270,000	278,100	286,443	295,036	303,887	313,004	322,394	332,066	342,028	352,289	362,857	373,743	384,955	396,504	408,399
Retail West	270,000	278,100	286,443	295,036	303,887	313,004	322,394	332,066	342,028	352,289	362,857	373,743	384,955	396,504	408,399
Cultural Center	84,000	86,520	89,116	91,789	94,543	97,379	100,300	103,309	106,409	109,601	112,889	116,276	119,764	123,357	127,058
Total Retail Income	624,000	642,720	662,002	681,862	702,317	723,387	745,089	767,441	790,465	814,178	838,604	863,762	889,675	916,365	943,856
Utility Reimbursement	34,428	35,461	36,525	37,620	38,749	39,911	41,109	42,342	43,612	44,921	46,268	47,656	49,086	50,559	52,075
Effective Gross Income	**3,193,014**	**3,288,804**	**3,387,468**	**3,489,092**	**3,593,765**	**3,701,578**	**3,812,625**	**3,927,004**	**4,044,814**	**4,166,158**	**4,291,143**	**4,419,878**	**4,552,474**	**4,689,048**	**4,829,719**

OPERATING EXPENSES															
Payroll & Benefits	86,070	87,791	89,547	91,338	93,165	95,028	96,929	98,867	100,845	102,862	104,919	107,017	109,158	111,341	113,568
Repairs & Maintenance	43,035	43,896	44,774	45,669	46,582	47,514	48,464	49,434	50,422	51,431	52,459	53,509	54,579	55,670	56,784
General & Administrative (G&A)	35,863	36,580	37,311	38,058	38,819	39,595	40,387	41,195	42,019	42,859	43,716	44,591	45,482	46,392	47,320
Marketing	28,690	29,264	29,849	30,446	31,055	31,676	32,310	32,956	33,615	34,287	34,973	35,672	36,386	37,114	37,856
Management Fee	95,790	98,664	101,624	104,673	107,813	111,047	114,379	117,810	121,344	124,985	128,734	132,596	136,574	140,671	144,892
General Utilities	17,214	17,558	17,909	18,268	18,633	19,006	19,386	19,773	20,169	20,572	20,984	21,403	21,832	22,268	22,714
Outsourcing/Contract Services	71,725	73,160	74,623	76,115	77,637	79,190	80,774	82,389	84,037	85,718	87,432	89,181	90,965	92,784	94,640
Insurance	114,760	117,055	119,396	121,784	124,220	126,704	129,238	131,823	134,460	137,149	139,892	142,690	145,543	148,454	151,423
Real Estate Taxes	588,145	599,908	611,906	624,144	636,627	649,360	662,347	675,594	689,106	702,888	716,945	731,284	745,910	760,828	776,045
Turnover	71,725	73,160	74,623	76,115	77,637	79,190	80,774	82,389	84,037	85,718	87,432	89,181	90,965	92,784	94,640
Total Operating Expenses	**(1,153,017)**	**(1,177,035)**	**(1,201,562)**	**(1,226,610)**	**(1,252,189)**	**(1,278,311)**	**(1,304,988)**	**(1,332,231)**	**(1,360,054)**	**(1,388,468)**	**(1,417,488)**	**(1,447,125)**	**(1,477,393)**	**(1,508,307)**	**(1,539,879)**

NOI	2,039,997	2,111,769	2,185,906	2,262,482	2,341,576	2,423,267	2,507,638	2,594,773	2,684,760	2,777,690	2,873,656	2,972,753	3,075,081	3,180,741	3,289,840

LOAN		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Senior Loan - Beginning Bal.		25,124,101	25,124,101	24,596,011	24,052,078	23,491,827	22,914,769	22,320,399	21,708,198	21,077,631	20,428,147	19,759,178	19,070,141	18,360,432	17,629,432	16,876,502
Interest	3.00%	(753,723)	(753,723)	(737,880)	(721,562)	(704,755)	(687,443)	(669,612)	(651,246)	(632,329)	(612,844)	(592,775)	(572,104)	(550,813)	(528,883)	(506,295)
Principal			(528,090)	(543,933)	(560,251)	(577,058)	(594,370)	(612,201)	(630,567)	(649,484)	(668,969)	(689,038)	(709,709)	(731,000)	(752,930)	(775,518)
Loan - Ending Bal.		25,124,101	24,596,011	24,052,078	23,491,827	22,914,769	22,320,399	21,708,198	21,077,631	20,428,147	19,759,178	19,070,141	18,360,432	17,629,432	16,876,502	16,100,984
Cash Flow (After Senior)		**1,286,274**	**829,956**	**904,093**	**980,669**	**1,059,763**	**1,141,454**	**1,225,825**	**1,312,960**	**1,402,947**	**1,495,877**	**1,591,843**	**1,690,940**	**1,793,268**	**1,898,928**	**2,008,027**

OPERATING CASH FLOW YEARS 2036 - 2052

RENTAL ASSUMPTIONS	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050	2051	2052
Revenue Growth	*3.00%*	*3.00%*	*3.00%*	*3.00%*	*3.00%*	*3.00%*	*3.00%*	*3.00%*	*3.00%*	*3.00%*	*3.00%*	*3.00%*	*3.00%*	*3.00%*	*3.00%*
Vacancy	*5.00%*	*5.00%*	*5.00%*	*5.00%*	*5.00%*	*5.00%*	*5.00%*	*5.00%*	*5.00%*	*5.00%*	*5.00%*	*5.00%*	*5.00%*	*5.00%*	*5.00%*
Concessions	*1.50%*	*1.50%*	*1.50%*	*1.50%*	*1.50%*	*1.50%*	*1.50%*	*1.50%*	*1.50%*	*1.50%*	*1.50%*	*1.50%*	*1.50%*	*1.50%*	*1.50%*
OpEx Growth	*2.00%*	*2.00%*	*2.00%*	*2.00%*	*2.00%*	*2.00%*	*2.00%*	*2.00%*	*2.00%*	*2.00%*	*2.00%*	*2.00%*	*2.00%*	*2.00%*	*2.00%*
Rent per Sq. Ft. (Market)	**$4.31**	**$4.44**	**$4.58**	**$4.71**	**$4.85**	**$5.00**	**$5.15**	**$5.30**	**$5.46**	**$5.63**	**$5.80**	**$5.97**	**$6.15**	**$6.33**	**$6.52**
Effective Rent per Sq. Ft. (Market)	**$4.03**	**$4.15**	**$4.28**	**$4.41**	**$4.54**	**$4.67**	**$4.81**	**$4.96**	**$5.11**	**$5.26**	**$5.42**	**$5.58**	**$5.75**	**$5.92**	**$6.10**

APARTMENT RENTAL REVENUE															
Apartment Rental Revenue	4,223,317	4,350,017	4,480,517	4,614,933	4,753,381	4,895,982	5,042,862	5,194,148	5,349,972	5,510,471	5,675,785	5,846,059	6,021,441	6,202,084	6,388,146
Vacancy	(211,166)	(217,501)	(224,026)	(230,747)	(237,669)	(244,799)	(252,143)	(259,707)	(267,499)	(275,524)	(283,789)	(292,303)	(301,072)	(310,104)	(319,407)
Concessions	(63,350)	(65,250)	(67,208)	(69,224)	(71,301)	(73,440)	(75,643)	(77,912)	(80,250)	(82,657)	(85,137)	(87,691)	(90,322)	(93,031)	(95,822)
Effective Rental Income	**3,948,802**	**4,067,266**	**4,189,284**	**4,314,962**	**4,444,411**	**4,577,743**	**4,715,076**	**4,856,528**	**5,002,224**	**5,152,291**	**5,306,859**	**5,466,065**	**5,630,047**	**5,798,948**	**5,972,917**

OTHER REVENUE															
Retail East	420,651	433,271	446,269	459,657	473,447	487,650	502,280	517,348	532,868	548,854	565,320	582,280	599,748	617,740	636,273
Retail West	420,651	433,271	446,269	459,657	473,447	487,650	502,280	517,348	532,868	548,854	565,320	582,280	599,748	617,740	636,273
Cultural Center	130,869	134,795	138,839	143,004	147,295	151,713	156,265	160,953	165,781	170,755	175,877	181,154	186,588	192,186	197,952
Total Retail Income	972,172	1,001,337	1,031,377	1,062,318	1,094,188	1,127,013	1,160,824	1,195,649	1,231,518	1,268,464	1,306,517	1,345,713	1,386,084	1,427,667	1,470,497
Utility Reimbursement	53,638	55,247	56,904	58,611	60,370	62,181	64,046	65,968	67,947	69,985	72,085	74,247	76,475	78,769	81,132
Effective Gross Income	**4,974,611**	**5,123,849**	**5,277,565**	**5,435,892**	**5,598,969**	**5,766,938**	**5,939,946**	**6,118,144**	**6,301,688**	**6,490,739**	**6,685,461**	**6,886,025**	**7,092,606**	**7,305,384**	**7,524,546**

OPERATING EXPENSES															
Payroll & Benefits	115,839	118,156	120,519	122,929	125,388	127,895	130,453	133,062	135,724	138,438	141,207	144,031	146,912	149,850	152,847
Repairs & Maintenance	57,919	59,078	60,259	61,465	62,694	63,948	65,227	66,531	67,862	69,219	70,603	72,016	73,456	74,925	76,423
General & Administrative (G&A)	48,266	49,232	50,216	51,220	52,245	53,290	54,356	55,443	56,552	57,683	58,836	60,013	61,213	62,437	63,686
Marketing	38,613	39,385	40,173	40,976	41,796	42,632	43,484	44,354	45,241	46,146	47,069	48,010	48,971	49,950	50,949
Management Fee	149,238	153,715	158,327	163,077	167,969	173,008	178,198	183,544	189,051	194,722	200,564	206,581	212,778	219,162	225,736
General Utilities	23,168	23,631	24,104	24,586	25,078	25,579	26,091	26,612	27,145	27,688	28,241	28,806	29,382	29,970	30,569
Outsourcing/Contract Services	96,532	98,463	100,432	102,441	104,490	106,580	108,711	110,885	113,103	115,365	117,672	120,026	122,426	124,875	127,372
Insurance	154,452	157,541	160,692	163,906	167,184	170,527	173,938	177,417	180,965	184,584	188,276	192,041	195,882	199,800	203,796
Real Estate Taxes	791,566	807,397	823,545	840,016	856,816	873,953	891,432	909,260	927,445	945,994	964,914	984,212	1,003,897	1,023,975	1,044,454
Turnover	96,532	98,463	100,432	102,441	104,490	106,580	108,711	110,885	113,103	115,365	117,672	120,026	122,426	124,875	127,372
Total Operating Expenses	**(1,572,126)**	**(1,605,061)**	**(1,638,699)**	**(1,673,057)**	**(1,708,148)**	**(1,743,991)**	**(1,780,601)**	**(1,817,995)**	**(1,856,190)**	**(1,895,205)**	**(1,935,056)**	**(1,975,763)**	**(2,017,344)**	**(2,059,818)**	**(2,103,206)**

NOI	3,402,485	3,518,789	3,638,866	3,762,835	3,890,820	4,022,947	4,159,345	4,300,149	4,445,498	4,595,534	4,750,405	4,910,262	5,075,262	5,245,566	5,421,339

LOAN		16	17	18	19	20	21	22	23	24	25	26	27	28	29	30
Senior Loan - Beginning Bal.		16,100,984	15,302,200	14,479,453	13,632,024	12,759,172	11,860,134	10,934,125	9,980,336	8,997,933	7,986,058	6,943,826	5,870,328	4,764,625	3,625,751	2,452,710
Interest	3.00%	(483,030)	(459,066)	(434,384)	(408,961)	(382,775)	(355,804)	(328,024)	(299,410)	(269,938)	(239,582)	(208,315)	(176,110)	(142,939)	(108,773)	(73,581)
Principal		(798,783)	(822,747)	(847,429)	(872,852)	(899,038)	(926,009)	(953,789)	(982,403)	(1,011,875)	(1,042,231)	(1,073,498)	(1,105,703)	(1,138,874)	(1,173,040)	(1,208,232)
Loan - Ending Bal.		15,302,200	14,479,453	13,632,024	12,759,172	11,860,134	10,934,125	9,980,336	8,997,933	7,986,058	6,943,826	5,870,328	4,764,625	3,625,751	2,452,710	1,244,479
Cash Flow (After Senior)		**2,120,672**	**2,236,976**	**2,357,053**	**2,481,022**	**2,609,007**	**2,741,134**	**2,877,532**	**3,018,336**	**3,163,685**	**3,313,721**	**3,468,592**	**3,628,449**	**3,793,449**	**3,963,753**	**4,139,526**

DISCLAIMER

This preliminary proforma is for illustrative purposes only and is based on specific assumptions, all of which are subject to change. The information contained herein is proprietary and should remain confidential. Any and all deadlines or milestones, contained herein are for modeling purposes only and are subject to change based on negotiations, closing dates, market volatility and final design review and constructability analysis. Development budgets and operating statement will require refinement through collaboration and negotiation. All final agreements and proformas shall take precedence and govern the actual development of the project.