



Arcadia Place

60 Unit Condominium Project



Edgemont Development Inc. Peter Lucas
1324 Londale Ave, North Vancouver, BC V7R1M1 Canada
Bus 604-898-1324 plucas@smartt.com



		% of Revenue
SALES REVENUE		
One Bedrooms	\$ 520,000 per Unit x 15 Units	\$ 7,800,000 22.56%
Two Bedrooms	\$ 570,000 per Unit x 34 Units	19,380,000 56.06%
Three Bedrooms	\$ 610,000 per Unit x 9 Units	5,490,000 15.88%
Penthouses	\$ 950,000 per Unit x 2 Units	1,900,000 5.50%
	Total Sales Revenue	34,570,000 100.00%
LAND & DEVELOPMENT COSTS		
Land Costs		5,018,000 14.52%
Site Preparation		185,000 0.54%
Construction		14,225,000 41.15%
Professional Fees		1,207,800 3.49%
City Fees		1,895,000 5.48%
Miscellaneous		25,000 0.07%
	Land & Development Costs	22,555,800 65.25%
Interest Costs		617,666 1.79%
Contingency Allowance		1,853,877 5.36%
	Total Development Costs	25,027,343 72.40%
	GROSS DEVELOPMENT PROFIT	9,542,657 27.60%
SELLING EXPENSES		
Real Estate Commissions		1,728,500 5.00%
Marketing & Advertising		27,000 0.08%
Legal Fees	2.00% of the Sale Price	691,400 2.00%
	Total Selling Expenses	2,446,900 7.08%
Less: Interest during the Sale Period		359,314 1.04%
	DEVELOPMENT PROFIT	6,736,443
	% of Total Development Costs	26.92%
	% of Sale Revenue	19.49%
	Return on Equity	96.23%
	Average Profit per Unit	112,274
	Land to Building Cost Ratio	28.61%
	Land to Total Development Cost Ratio	20.05%



		Hard Costs	Soft Costs	Total	
Land Costs					
Land		5,000,000	-	5,000,000	19.98%
Legal Fees		-	10,000	10,000	0.04%
Appraisal		-	8,000	8,000	0.03%
		5,000,000	18,000	5,018,000	20.05%
Site Preparation					
Site Clearing		25,000	-	25,000	0.10%
Site Servicing Costs		150,000	-	150,000	0.60%
Micellaneous Site Costs		10,000	-	10,000	0.04%
		185,000	-	185,000	0.74%
Construction					
Building	\$ 190.00 per Sq. Ft x 65,000 Sq. Ft	12,350,000	-	12,350,000	49.35%
Parking	\$ 25,000 per Parking Space x 75 Parking Spaces	1,875,000	-	1,875,000	7.49%
		14,225,000	-	14,225,000	56.84%
Professional Fees					
Architectural & Engineering	8.00% of Construction & Site Prep. Costs	-	1,152,800	1,152,800	4.61%
Geo-Scientists		-	20,000	20,000	0.08%
Mortgage Brokerage Fees		-	35,000	35,000	0.14%
		-	1,207,800	1,207,800	4.83%
City Fees					
Application Fees	\$ 5,000.00 per Unit x 60 Units	-	300,000	300,000	1.20%
Connection Fees	\$ 3,000.00 per Unit x 60 Units	-	180,000	180,000	0.72%
Inspection Fees	\$ 2,500.00 per Unit x 60 Units	-	150,000	150,000	0.60%
Development Cost Charges	\$ 20,000.00 per Unit x 60 Units	-	1,200,000	1,200,000	4.79%
Property Taxes		-	65,000	65,000	0.26%
		-	1,895,000	1,895,000	7.57%
Miscellaneous					
Miscellaneous costs		25,000	-	25,000	0.10%
		25,000	-	25,000	0.10%
	LAND & DEVELOPMENT COSTS	19,435,000	3,120,800	22,555,800	
Financing Interest Costs					
Construction Loan		-	617,666	617,666	2.47%
Contingency Allowance					
	8.00% of Land, Development & Financing Costs	-	1,853,877	1,853,877	7.41%
	TOTAL DEVELOPMENT COST	19,435,000	5,592,343	25,027,343	
	% of Total Development Cost	77.66%	22.34%	100.00%	
	Cost Per Unit	323,916.67	93,205.72	417,122.38	
	Cost per Sq. Ft of Building	299.00	86.04	385.04	
	Land to Building Cost Ratio	28.61%			
	Land to Total Development Cost Ratio	20.05%			



Project Information

Building Area	65,000 Sq. Ft
No. of Units	60
Land Area	22,750 Sq. Ft
Frontage	175 Ft

LAND & DEVELOPMENT COSTS

Entries

Land Costs

Land	\$ 5,000,000	Hard Cost
Legal Fees	\$ 10,000	Soft Cost
Appraisal	\$ 8,000	Soft Cost

Site Preparation

Site Clearing	\$ 25,000	Hard Cost
Site Servicing Costs	\$ 150,000	Hard Cost
Micellaneous Site Costs	\$ 10,000	Hard Cost

Construction

Building	\$ 190.00 per Sq. Ft x 65,000 Sq. Ft	Hard Cost
Parking	\$ 25,000 per Parking Space x 75 Parking Spaces	Hard Cost

Professional Fees

Architectural & Engineering	8.00% of Construction & Site Prep. Costs	Soft Cost
Geo-Scientists	\$ 20,000	Soft Cost
Mortgage Brokerage Fees	\$ 35,000	Soft Cost

City Fees

Application Fees	\$ 5,000.00 per Unit x 60 Units	Soft Cost
Connection Fees	\$ 3,000.00 per Unit x 60 Units	Soft Cost
Inspection Fees	\$ 2,500.00 per Unit x 60 Units	Soft Cost
Development Cost Charges	\$ 20,000.00 per Unit x 60 Units	Soft Cost
Property Taxes	\$ 65,000	Soft Cost

Miscellaneous

Miscellaneous costs	\$ 25,000	Hard Cost
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Contingency Allowance

8.00% of Land, Development & Financing Costs	Soft Cost
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CONSTRUCTION FINANCING

Development Time

Pre-construction Period	7 Months
Construction Time	14 Months
Sales Period	8 Months

Developer's Equity	\$ 7,000,000
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Financing

Construction Loan. Interest Rate	8.000%
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Financing Adjustment Factors used for construction loan interest calculations



During the Development Period

Equity	1.00
Land Costs	1.00
Site Preparation	0.75
Construction	0.50
Professional Fees	0.75
City Fees	0.75
Miscellaneous	0.50

During the Sales Period

Selling Expenses	0.50
Dev Costs during Sales Period	0.50

SELLING EXPENSES

Selling Expenses

Marketing & Advertising	\$ 27,000
Legal Fees	2.00% of the Sale Price

Real Estate Commissions 5.00%

SALE

Unit Sales

	<u>Entry Choice</u>
One Bedrooms	\$ 520,000 per Unit x 15 Units
Two Bedrooms	\$ 570,000 per Unit x 34 Units
Three Bedrooms	\$ 610,000 per Unit x 9 Units
Penthouses	\$ 950,000 per Unit x 2 Units



Finance Interest Calculations

Arcadia Place
60 Unit Condominium Project Quick Proforma Condominium Development

June 10, 2008
Developer Pro

	<u>Interest Cost Calculation</u>	<u>Interest Cost</u>
INTEREST COSTS DURING PRE-CONSTRUCTION & CONSTRUCTION PERIOD		
Construction Loan		
<i>Assuming 100% Financing using Construction Loan</i>		
Land Costs	\$ 5,018,000 x 21 mo. x 8.000% x 1/12 x 1.00	\$ 702,520
Site Preparation	\$ 185,000 x 14 mo. x 8.000% x 1/12 x 0.75	12,950
Construction	\$ 14,225,000 x 14 mo. x 8.000% x 1/12 x 0.50	663,833
Professional Fees	\$ 1,207,800 x 14 mo. x 8.000% x 1/12 x 0.75	84,546
City Fees	\$ 1,895,000 x 14 mo. x 8.000% x 1/12 x 0.75	132,650
Miscellaneous	\$ 25,000 x 14 mo. x 8.000% x 1/12 x 0.50	<u>1,167</u>
		1,597,666
<i>Adjusting for interest not paid on Developer's Equity</i>		
Equity	(\$ 7,000,000 x 21 mo. x 8.000% x 1/12 x 1.00)	<u>(980,000)</u>
		617,666
INTEREST COSTS DURING THE SALES PERIOD		
Construction Loan		
<i>Assuming 100% Financing using Construction Loan</i>		
Total Development Costs	\$ 25,027,343 x 8 mo. x 8.000% x 1/12 x 0.50	667,396
Real Estate Commissions & Selling Expenses	\$ 2,446,900 x 8 mo. x 8.000% x 1/12 x 0.50	<u>65,251</u>
		732,647
<i>Adjusting for interest not paid on Developer's Equity</i>		
Equity	(\$ 7,000,000 x 8 mo. x 8.000% x 1/12 x 1.00)	<u>(373,333)</u>
		359,314
		<u>976,980</u>



<u>Desired Development Profit</u>	<u>Total Land Cost</u>
0% of Total Development Costs	\$ 10,347,330
0% of Sale Price	\$ 10,347,330
0% Return on Equity	\$ 10,347,330

Note: Total Land Cost is the "Total Cost" that would be entered in the Land Folder including acquisition costs etc.



Property Description

Quality condominium project

Address

2397 Park Ave
Vancouver, BC V6T 1M1
Canada

Location Description

Gentrified neighbourhood within walking distance to the vibrant downtown area of Vancouver

Financing

	Lender	Amount	Interest Rate	Monthly Payment	Amort. Period (Yrs)	Term Expiry Date
Description1	Lender1	100,000	30.00%	1,999	5	date1
Description2	Lender2	200,000	40.00%	2,999	6	Date2
		\$ 300,000		\$ 4,998		

Legal

Legal

123540293-ALL

Zoning

Multi Family

Encumbrances

Draw mortgage registered on the property



Client Information

Arcadia Place
60 Unit Condominium Project Quick Proforma Condominium Development

June 10, 2008

Developer Pro

Brent Bailey

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2135 West 4th Ave

Vancouver, BC V8R 1M2
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