Development
Pro Forma

Property: **The RealData Building**
612 Old Post Road
Southport, CT 06824

Prepared For: **Second Bank of Connecticut**
555 River Road
Bridgeport, CT 06490

Prepared By: **Northwood Development, LLC**
16554 Maple Street
Southport, CT 06890

Date: **February 12, 2010**

Project Summary

Project Location: The RealData Building
612 Old Post Road
Southport, CT 06824

Type of Property: Office Park
35,000 SF, Gross Building Area
30,000 SF, Rentable Area

Date of this Report: February 12, 2010

Purpose: The following pro forma summarizes the various hard and soft development costs, and the proposed financing for this project.

For the sake of the analysis, certain assumptions have been made concerning development costs, financing terms, revenue rates and operating expenses.

Those assumptions and the potential economic benefits of this project are presented in the following pages.

Project Overview

Project:	**The RealData Building** **612 Old Post Road** **Southport, CT 06824**
Property type:	Office Park
Architect:	P.I. West
Lender:	Second Bank of Connecticut
Contractor:	Frank & Associates
Construction manager:	Walter Fielding
Leasing agent:	Maggie McHugh
Attorney(s):	C. Darrow
Buyer:	TBD
Developer:	Northwood Development, LLC 16554 Maple Street Southport, CT 06890
Zoning:	Commercial
Construction type:	Steel Framing
Gross Building Area:	35,000 SF
Usable Area:	25,000 SF
Loss Ratio:	28.57%
Footprint:	2,900 SF
Number of floors:	12
Number of suites or units:	23
Number of parking spaces:	77
Total rentable square feet:	30,000 SF
Floor Area Ratio (FAR):	0.38
Lot Size:	2.10 acres
Frontage:	412 f
Lot Coverage:	3.17%
Map or block number:	17
Lot or building number:	66

Funding

TOTAL EQUITY, INCLUDING LAND

Developer's cash equity, including net lease-up cost or income:	$ 2,176,207
Land value as equity:	980,000
Total Amount:	$ 3,156,200

DEVELOPMENT LOAN

Amount:	$ 5,078,000	
Interest rate:	8.000%	
Term:	22	months
Points:	0.000	
Average balance outstanding:	50.000%	

TAKEOUT FINANCING

Amount:	$ 5,078,000
Interest rate:	7.250%
Term:	20
Points:	0.000
Debt Coverage Ratio (actual):	1.70
Mortgage Constant:	9.485%
Loan amount per square foot:	$ 145.09
Loan to total project cost:	71.17%
Loan to final resale value:	55.95%

Lease-Up

LEASE-UP TIME AFTER DEVELOPMENT	**6 months**
LEASE-UP INCOME AND COSTS	
LEASE-UP PERIOD INCOME	**$ 392,625**
LEASE COMMISSION	
7.00% commission for 3 years	**$ 212,520**
MISCELLANEOUS LEASING COSTS	**$ 0**
OTHER LEASE-UP-PERIOD COSTS	
Taxes for lease-up period	36,000
Insurance for lease-up period	18,000
Maintenance for lease-up period	5,000
Loan payments for lease-up period	240,812
TOTAL OTHER COSTS	**$ 299,812**
TOTAL NET LEASE-UP PERIOD COSTS	**$ 119,707**

Project Soft Costs

ARCHITECTURAL AND ENGINEERING	
General architectural & engineering costs	127,500
Blueprints	8,000
TOTAL A & E	**$ 135,500**
Development loan interest	372,387
Appraisal fee	3,500
Title recording & insurance	10,500
Legal fees, loans	5,000
Course-of-construction insurance	10,000
TOTAL FINANCING COSTS	**$ 401,387**
Environmental survey, Phase 1	2,300
Soil tests	2,000
Engineering offsite costs	60,000
Zoning costs	7,000
Legal/consulting costs, land	10,000
Land title work	3,000
TOTAL LAND SOFT COSTS	**$ 84,300**
Accounting	3,350
Legal	5,000
Feasibility	12,000
Permits	16,500
Marketing	6,000
Signage	3,500
Development fee	110,000
Project management	60,000
Soft cost contingency	25,000
TOTAL DEVELOPMENT COSTS	**$ 241,350**

Project Hard Costs

CONSTRUCTION COSTS		
General Project Costs…	Dumpsters	5,500
	Portable toilets	3,000
	Security	8,800
Site Work……	Site preparation, excavation, fill	141,900
	Site improvements	24,200
	Site electrical utilities	15,400
Substructure……	Foundations	412,500
Shell……	Shell superstructure	687,500
	Exterior walls, windows, doors	367,400
	Roofing	100,000
Interior……..	Partitions & doors	770,000
	Staircases	165,000
	Interior finishes	426,800
Conveying Systems……	Elevators, escalators	440,000
Plumbing……..…	Plumbing fixtures	92,400
	Domestic water	61,600
	Waste	35,000
	Rain water drainage	19,800
	Other plumbing costs	6,050
HVAC……..	Heating	722,700
	Air conditioning	561,000
Fire Protection……	Sprinkler systems	440,000
Electrical……..…	Electric service	49,500
	Branch wiring	357,500
	Telecom and security	12,980
Special Construction…..	Alarm systems (smoke, fire, intrusion)	33,000
	TOTAL HARD COSTS	**$ 5,973,330**
		$ 170.67 per SF

Total Project Cost

LAND COST	**part of developer's equity**		
SOFT COSTS	**$ 862,537**	24.64	per SF
HARD COSTS	**$ 5,973,330**	170.67	per SF
CONSTRUCTION CONTINGENCY	**$ 298,667**	8.53	per SF
TOTAL PROJECT COST before lease-up period costs or income	**$ 7,134,533**	203.84	per SF
Net Lease-up Period Costs	**$ 119,707**	3.42	per SF
Value of Land as Equity	**$ 980,000**	466,666.67	per acre
TOTAL COST OVERALL (rounded, including lease-up period cost and land value)	**$ 8,234,200**	235.26	per SF
LOANS REQUESTED			
Development Loan	$ 5,078,000	145.09	per SF
Total Loans	**$ 5,078,000**	145.09	per SF
EQUITY			
Developer's cash equity excluding land and net lease-up income or cost	$ 2,056,500		
Plus net lease-up period costs	$ 119,707		
Plus value of land as equity	$ 980,000		
Total development equity (rounded)	**$ 3,156,200**	90.18	per SF
% of Total Cost Overall		38.33%	
Cap Rate (Expected First Year NOI / Total Cost Overall)		9.92%	

THE INFORMATION, PROJECTIONS, AND CALCULATIONS PRESENTED IN THIS DOCUMENT ARE BELIEVED TO BE ACCURATE AND CORRECT BUT ARE NOT GUARANTEED.

Copyright 1983-2010, RealData® Inc., Southport, CT http://realdata.com ALL RIGHTS RESERVED