

TOWN OF WELLESLEY

ECONOMIC FEASIBILITY ANALYSIS

NOVEMBER 2023

PREPARED BY RKG ASSOCIATES

RKG

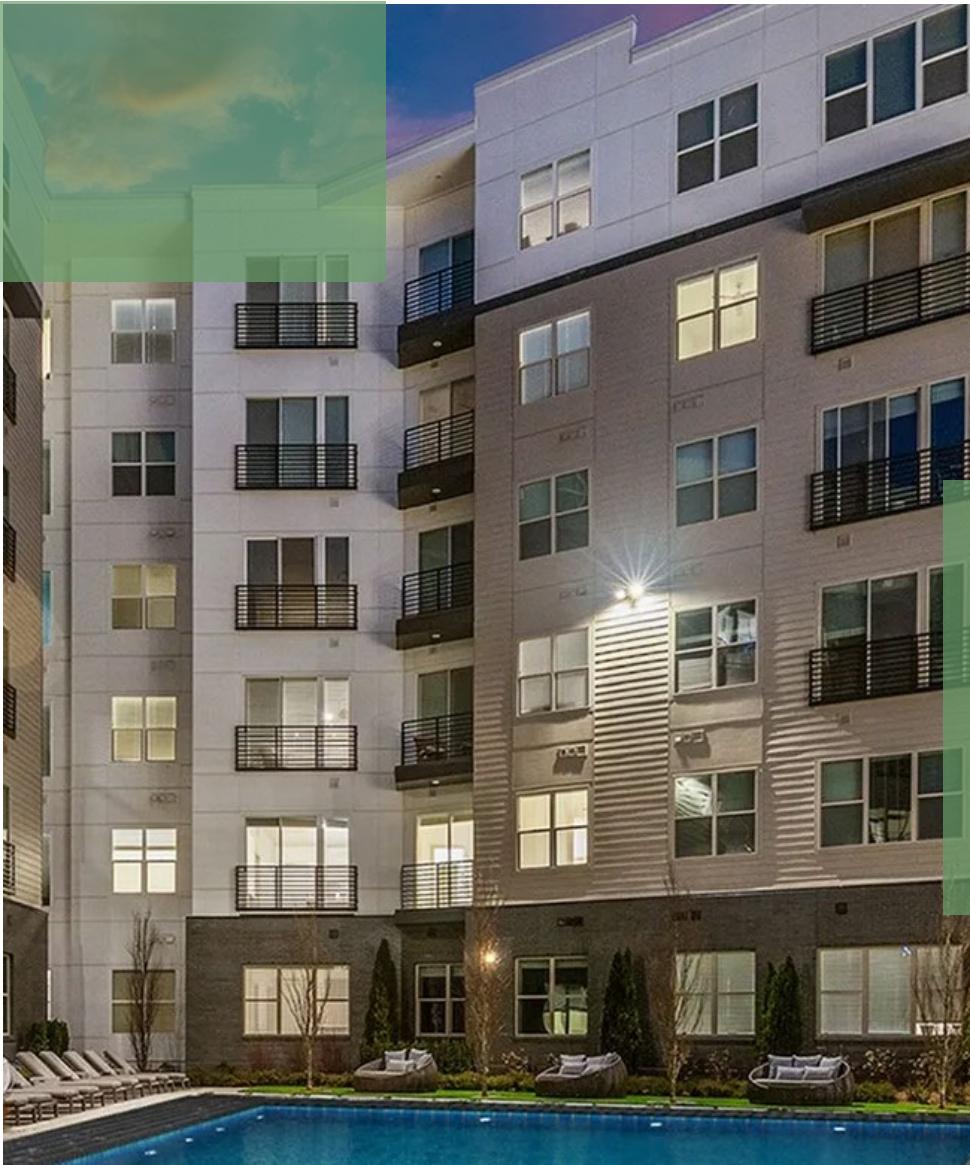


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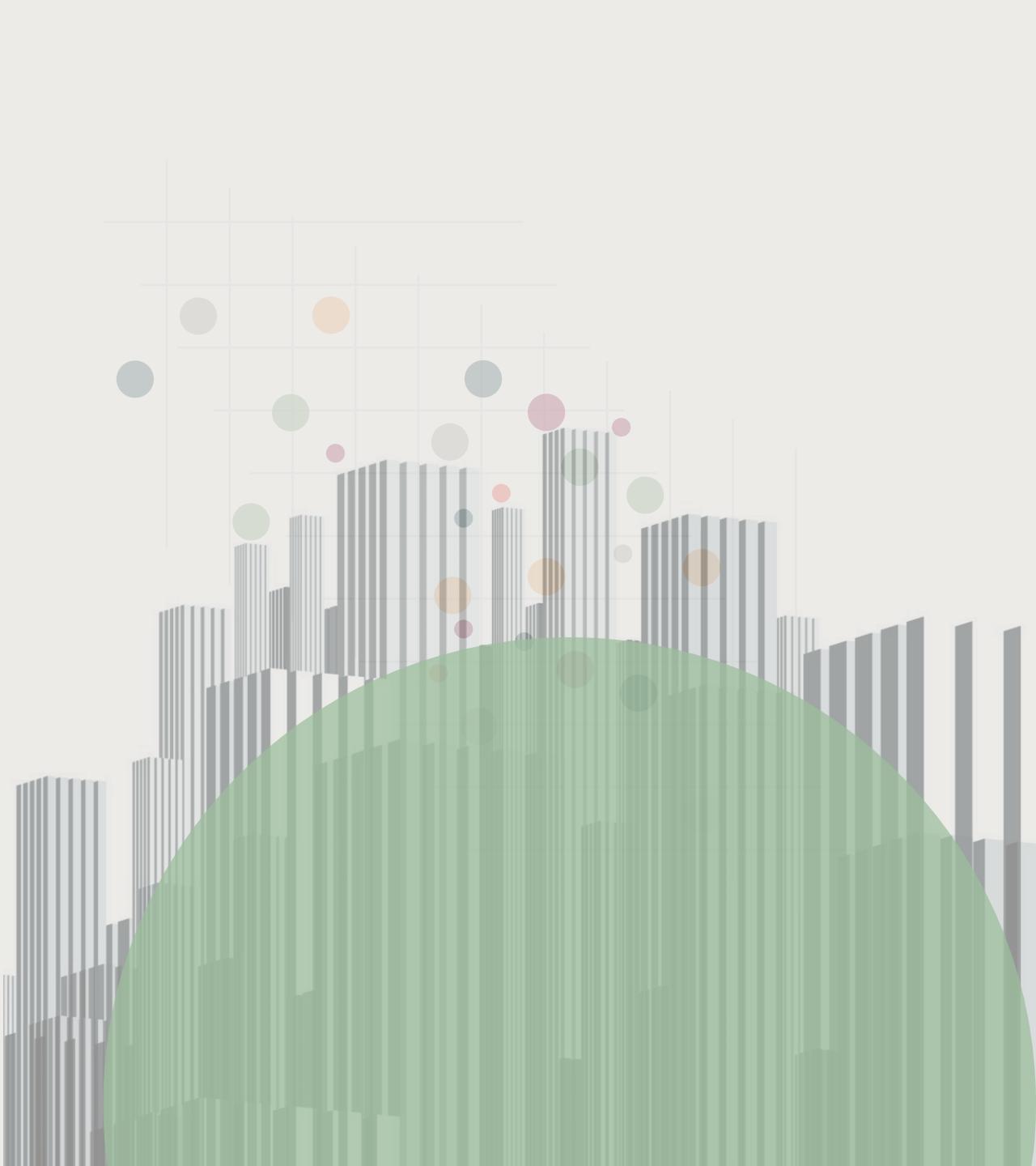
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INTRODUCTION

ECONOMIC FEASIBILITY ANALYSIS

BACKGROUND



Section 4.B “Affordability Requirements” of EOHLC’s Compliance Guidelines for Multi-Family Zoning Districts has set limitations related to affordability requirements to ensure consistency with the state’s law for as-of-right zoning.

Specifically, municipalities must require no more than 10% of units in a project to be affordable units, and the cap on income of families or individuals who are eligible to occupy those units at no less than 80% of Area Median income.

Exception to this guidance is permitted for affordability requirements between 10% and 20% of affordable units if it is supported by an Economic Feasibility Analysis.



METHODOLOGY & MODELING INPUTS

ECONOMIC FEASIBILITY ANALYSIS

METHODOLOGICAL OVERVIEW

THE ECONOMIC FEASIBILITY MODEL IS A PROFORMA-BASED EXCEL MODEL THAT IS DESIGNED TO TEST THE FINANCIAL IMPACT OF POTENTIAL POLICY CHANGES AGAINST THE FINANCIAL RISK/REWARD OF A POTENTIAL INVESTMENT.

RKG's economic feasibility model uses locally-sourced data to determine how changes to inclusionary zoning could impact the financial performance of a potential project. At its most basic level, the model is designed to capture construction and operational costs and compare those to potential revenues to determine if the project will meet or exceed local return expectations.

The model has the capability to test variations across nearly all data points to test the sensitivity of dozens of variables on financial feasibility. This includes variability in construction costs, land costs, operational costs, development type and size, location within the community, and more. The model is also set up to test changes in affordability metrics such as the percentage of affordable units, target AMIs, unit thresholds, and more.

While the model is a powerful tool to understand the impacts of changes to inclusionary zoning and the sensitivity of modifying assumptions, it is not intended to be the only analytic or encapsulate the exact specifics of a deal.

BASIC MODELING COMPONENTS

The economic feasibility modeling is based upon three principal components: **construction costs**, **operational revenues**, and **operational costs**. Each component relies upon several market-based and financial inputs for the model to be effective. The primary inputs for which local data was derived include, but is not limited to:

Construction Costs

- Soft costs – design and preparation
- Hard costs – materials and construction
- Land costs – physical location

Operation Costs

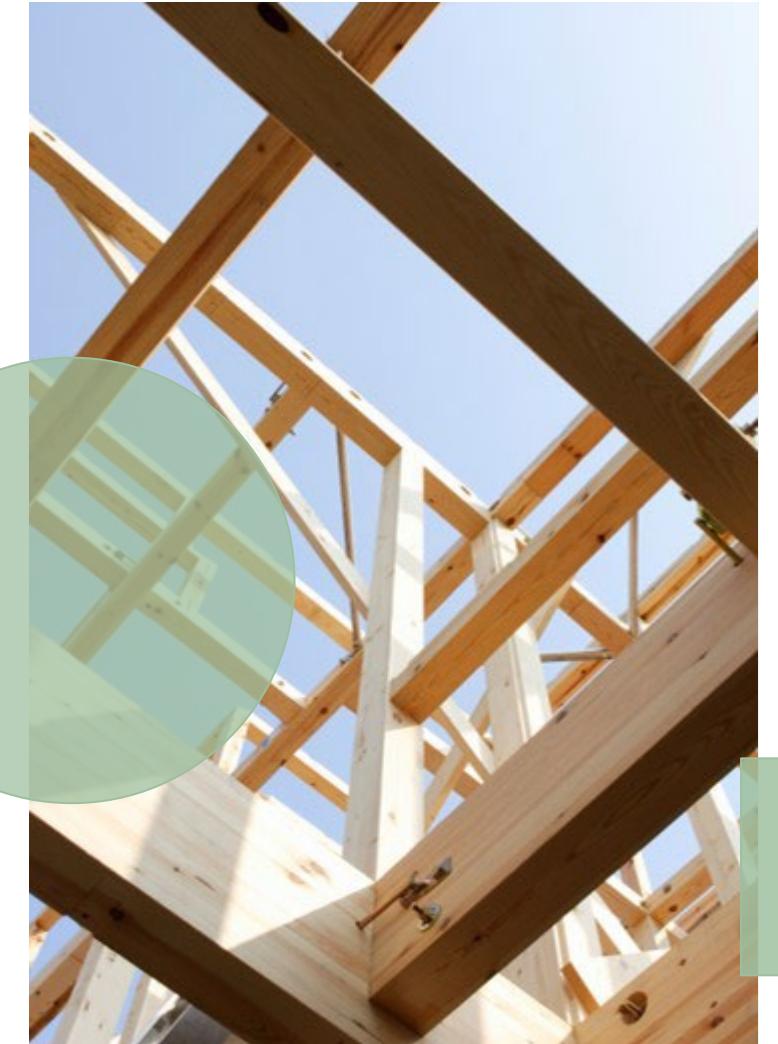
- Financing costs – debt and equity to pay for the project
- Marketing, management, repairs, property taxes

Operational Revenues

- Rental rates and sale prices
- Parking revenue

EFA ASSUMPTIONS CHECKLIST

Construction Costs	Input	Source
Land Acquisition (per unit)	Variable	Assessment Data
Total Land Costs	Variable	Assessment Data
Soft Costs (percentage of hard costs)	20%	Local Developers
Hard Costs (per SQFT)		
Residential	\$150	RS Means
Commercial Stick Built	\$280	RS Means
Commercial Podium	\$320	RS Means
Commercial Steel	\$440	RS Means
Parking Assumptions		
Parking Ratio	0 & 1	Town of Wellesley
Parking Cost by Type		
Surface (per space)	\$8,000	Local Developers
Structured (per space)	\$35,000	Local Developers
Underground (per space)	\$75,000	Local Developers
Operations & Expenses		
VACL (percentage)	5%	Moody's Analytics
Operating Expense (% of EGI)	23%	Local Developers



EFA ASSUMPTIONS CHECKLIST

Revenue Sources	Input	Source
Rents by Bed Count (per SQFT)		
Studio/Efficiency	\$4.53	Market Comps
One Bedroom	\$3.25	Market Comps
Two Bedroom	\$2.81	Market Comps
Three Bedroom	\$4.93	Market Comps
Sale Value (per SQFT)		
Other Income		
Parking Revenue (per month per space)	\$50/\$150	Local Developers
On-Site Laundry (per month)	N/A	N/A
Other (please list)	N/A	N/A
Financial	Input	Source
Lending Rate (Percentage)	6%	Local Developers
Lending Term (Years)	30	
Debt Equity Ratio	70/30	
Cap Rate	6%	
Return Expectations		
Internal Rate of Return (IRR)	15%	
Return on Cost (ROC)	5.2%	
Cash on Cash (CoC)	5.5%	



MODEL OUTPUTS

THE CORE FUNCTION OF THE ECONOMIC FEASIBILITY MODEL IS TO UNDERSTAND HOW CHANGES IN POLICY AND PROJECT TYPE IMPACT FINANCIAL RETURNS COMPARED TO MARKET EXPECTATIONS.

FINANCIAL ANALYSES

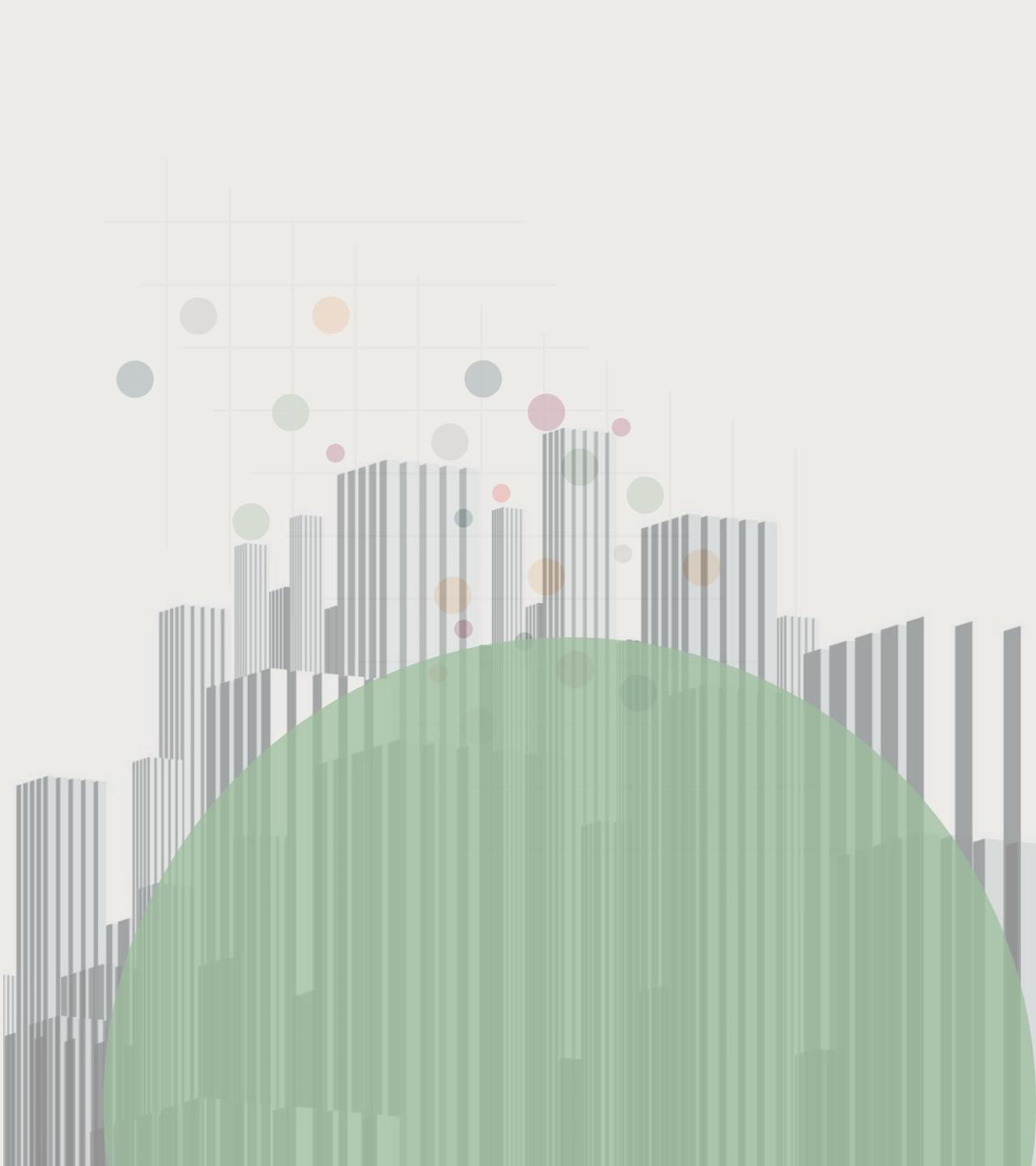
The model measures three financial outcomes using three different metrics; Cash on Cash (COC), Return on Cost (ROC), Internal Rate of Return (IRR). Each measure represents a decision point for those involved in the transactions that make residential development financially feasible:

- COC – Investors/Developers
- ROC – Investors/Developers
- IRR – Developers/Operators

PROJECT EXAMPLES

To test the financial implications of different project types in the districts, the model was constructed with data local to Wellesley and scenarios were generated using a range of project sizes that matched what the MBTA Compliance Model projected for each district.

To highlight these differences, this report provides examples of how different development and district assumptions can impact economic feasibility.

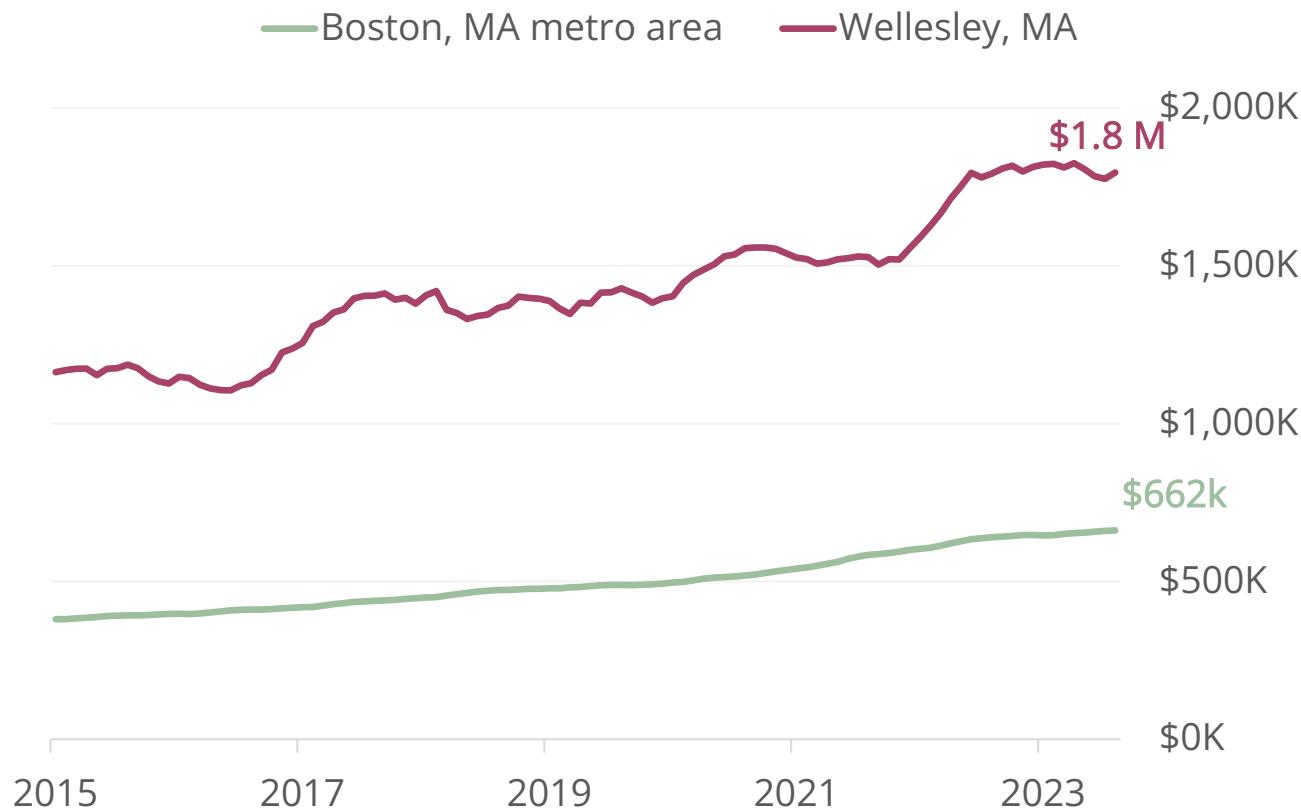


MARKET ASSESSMENT

ECONOMIC FEASIBILITY
ANALYSIS

MARKET ASSESSMENT

Wellesley Median Sale Prices Single Family 12-month Moving Average



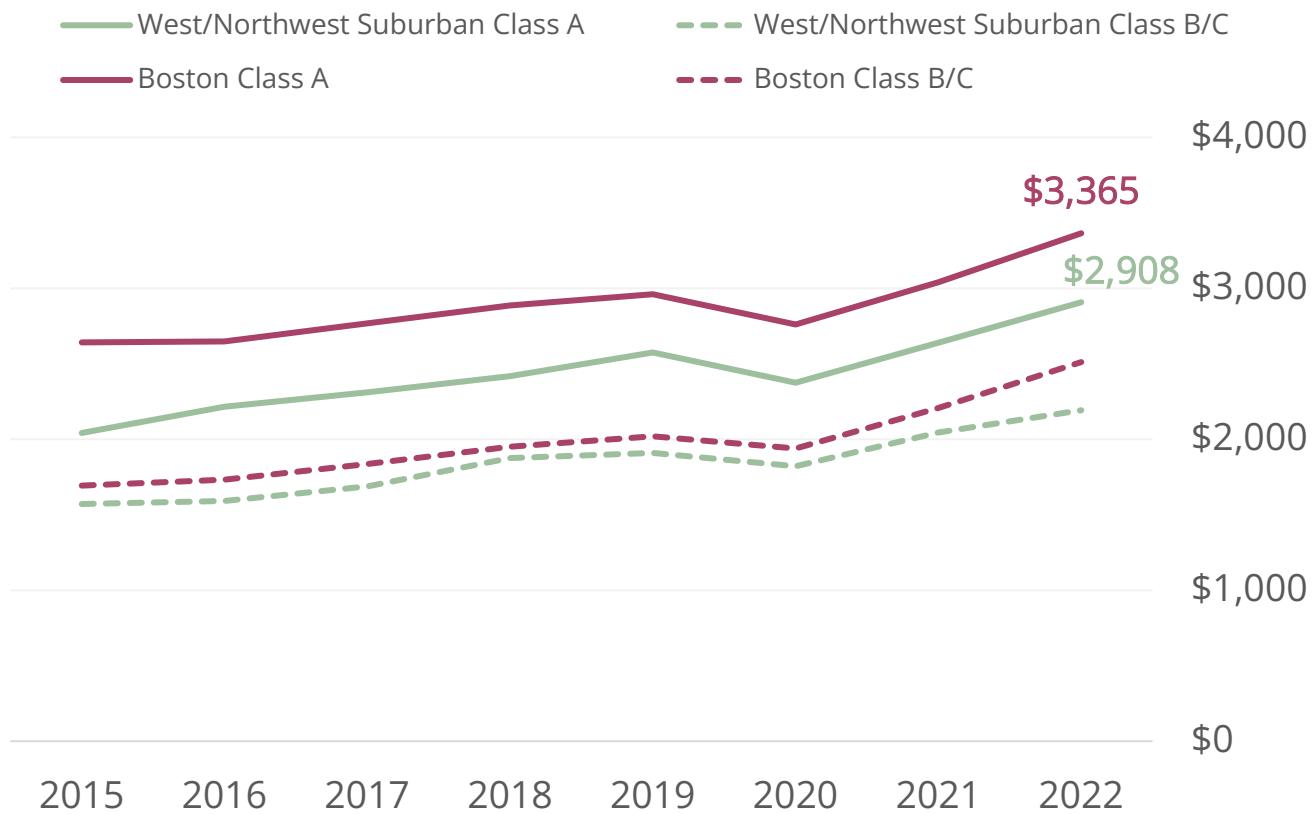
Single family sales prices in Wellesley are significantly higher than the Boston, MA metro area.

High prices propelled by high income households and strong demand have continued to drive up home prices and the value of land throughout Wellesley.

High home price positively correlates with rents meaning that as home prices have grown so too have rents in Wellesley.

MARKET ASSESSMENT

Asking Rent per Unit Comparison West/Northwest Suburbs vs Boston



The Town of Wellesley falls within the Boston submarket West/Northwest Suburban according to Moody's Analytics. Comparing this submarket with the Boston metro is it clear that while rents in Boston remain exceptionally high especially for Class A luxury apartments, submarket rents track closely behind.

Based on some recent market comps discussed on the next page, asking rents in Wellesley more closely match Boston rents which are higher than the West/Norwest Suburban submarket.

MARKET ASSESSMENT

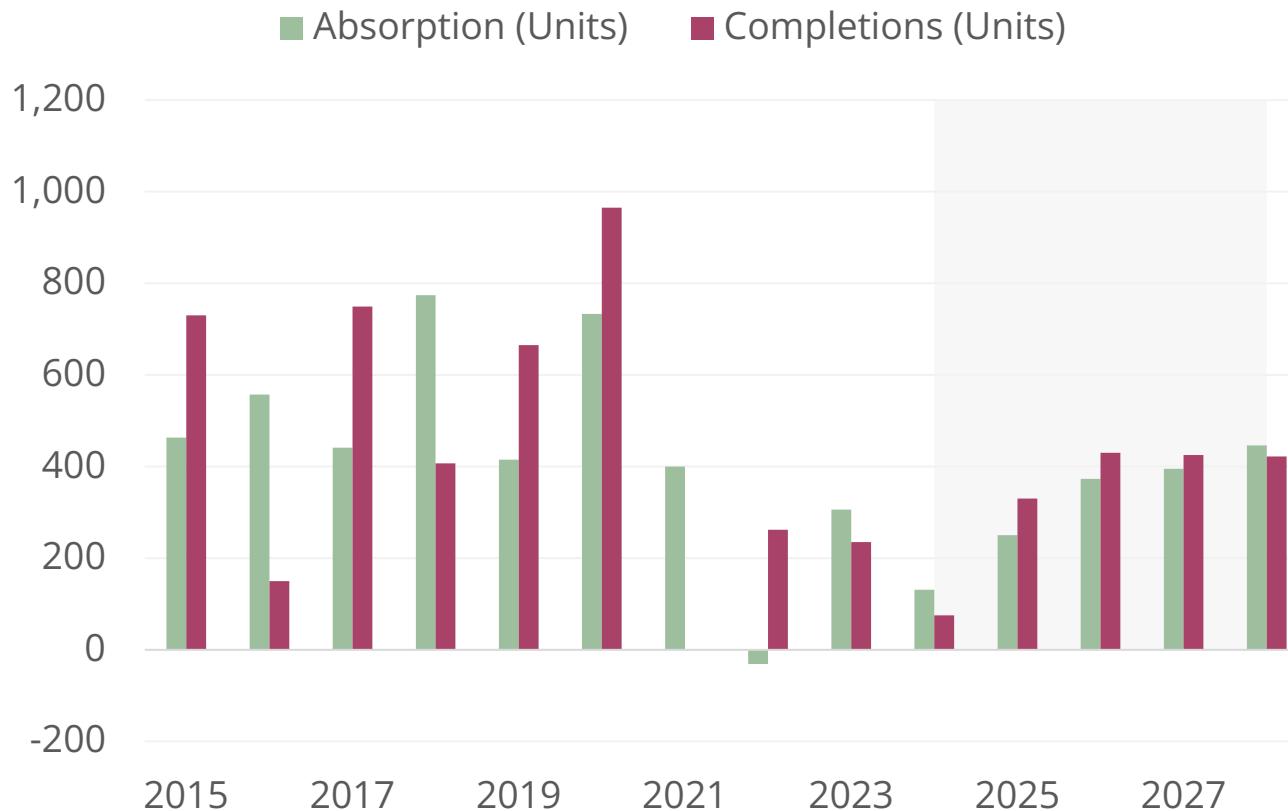
Bedrooms	Rent	Sqft	Rent PSF
Studio	\$2,426	536	\$4.53
1 - Bedroom	\$2,968	742	\$4.00
1 - Bedroom	\$3,468	769	\$4.51
1 - Bedroom	\$3,085	853	\$3.62
1 - Bedroom	\$3,384	867	\$3.90
1 - Bedroom	\$3,682	901	\$4.09
1 - Bedroom	\$3,207	914	\$3.51
1 - Bedroom	\$4,310	988	\$4.36
1 - Bedroom	\$4,550	1,090	\$4.17
2 - Bedroom	\$4,550	1,124	\$4.05
2 - Bedroom	\$5,005	1,209	\$4.14
2 - Bedroom	\$4,863	1,232	\$3.95
2 - Bedroom	\$5,527	1,346	\$4.11
2 - Bedroom	\$3,400	1,300	\$2.62
2 - Bedroom	\$3,300	1,340	\$2.46
2 - Bedroom	\$5,976	1,518	\$3.94
3 - Bedroom	\$6,307	1,311	\$4.81
3 - Bedroom	\$5,633	1,399	\$4.03
3 - Bedroom	\$6,001	1,310	\$4.58
3 - Bedroom	\$7,763	1,426	\$5.44
3 - Bedroom	\$6,917	1,329	\$5.20
3 - Bedroom	\$9,007	1,602	\$5.62
3 - Bedroom	\$7,766	1,618	\$4.80

Using rent comps from recent multifamily projects in Wellesley such as The Nines and Wellesley Luxury apartments, it is clear that asking rents in Wellesley for Class A apartments are comparable to luxury stock in Boston.

High income households, proximity to Boston, and a limited rental supply mean rents are being driven by high demand from high income households. Moody's Analytics baseline economic forecast indicate that these trends will continue to into the future.

MARKET ASSESSMENT

West/Northwest Boston Suburban Construction and Absorption Trends



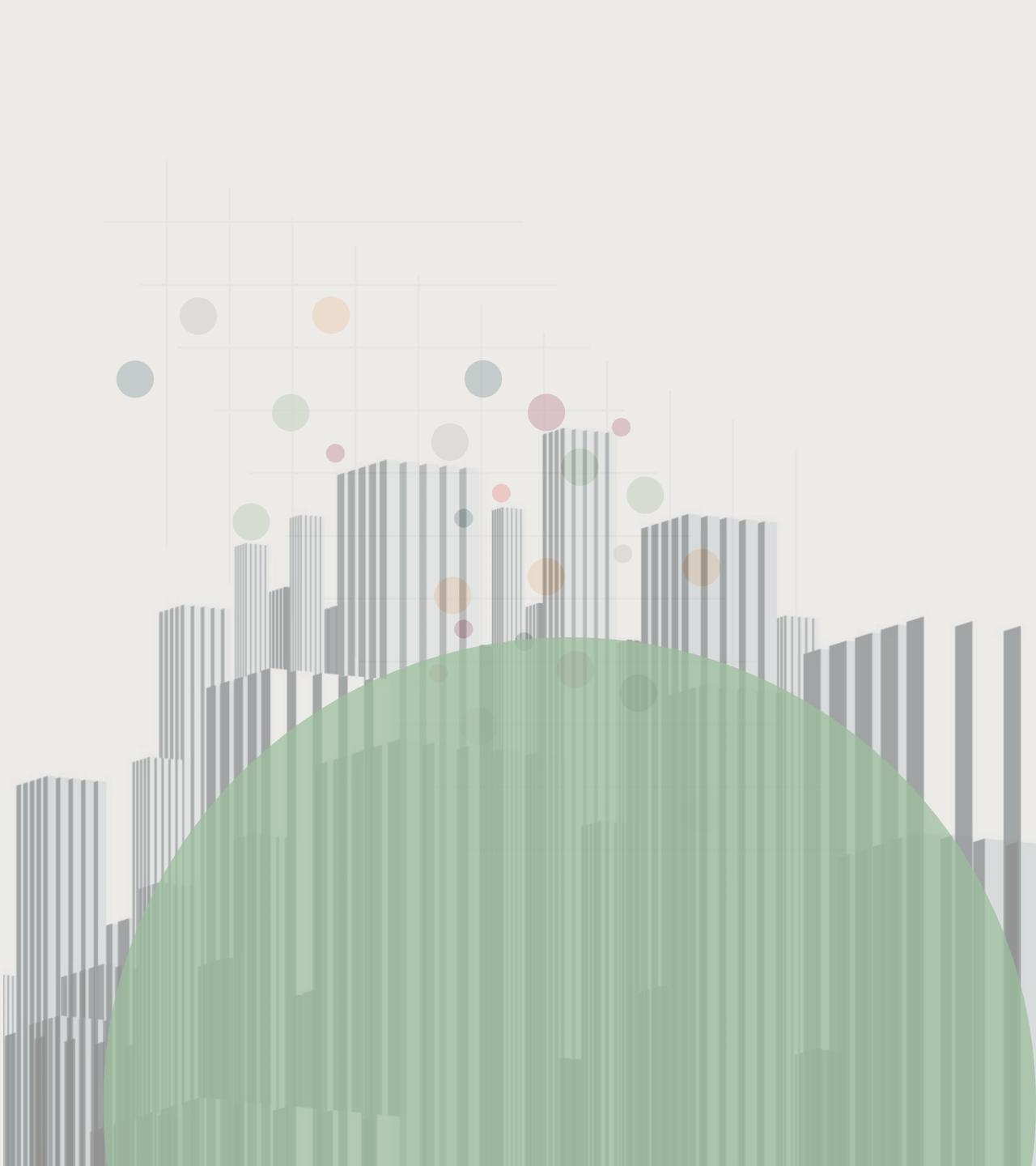
With high rents and limited supply, new multifamily construction was strong from the mid 2010's to 2021. While construction and absorption have slowed in recent years due to COVID-19 and the new high-rate economic environment.

Moody's forecasts a consistent pipeline of new units across the West/Northwest Suburban submarket with consistent absorption. This indicates demand for rental units will remain strong in the coming years.

MARKET ASSESSMENT

Wellesley falls within the Boston-Cambridge-Quincy, MA-NH HUD Metro FMR Area. The following affordable rents are derived from 50% of AMI levels for 1-person to 5-person households. This economic feasibility analysis for Wellesley tests the viability of a blended affordable requirement of 15% of units at 80% of AMI and 5% of units at 140% of AMI.

Maximum Affordable Rents by AMI (all utilities included in rent)														
Unit Type	30%	40%	50%	60%	70%	80%	90%	100%	110%	120%	130%	140%	150%	
Efficiency	\$760	\$1,021	\$1,283	\$1,544	\$1,805	\$2,067	\$2,328	\$2,589	\$2,851	\$3,112	\$3,373	\$3,635	\$3,896	
1BR	\$807	\$1,087	\$1,367	\$1,647	\$1,927	\$2,208	\$2,488	\$2,768	\$3,048	\$3,328	\$3,608	\$3,888	\$4,168	
2BR	\$911	\$1,229	\$1,546	\$1,863	\$2,181	\$2,498	\$2,816	\$3,133	\$3,451	\$3,768	\$4,085	\$4,403	\$4,720	
3BR	\$1,013	\$1,368	\$1,722	\$2,077	\$2,431	\$2,786	\$3,141	\$3,495	\$3,850	\$4,205	\$4,559	\$4,914	\$5,269	
4BR	\$1,102	\$1,490	\$1,878	\$2,266	\$2,655	\$3,043	\$3,431	\$3,819	\$4,207	\$4,596	\$4,984	\$5,372	\$5,760	



RESULTS SUMMARY

ECONOMIC FEASIBILITY ANALYSIS

ECONOMIC FEASIBILITY ANALYSIS

The economic feasibility analysis conducted by RKG provides key insights regarding the relative impact on economic feasibility resulting from the change in inclusionary zoning requirements.

To that end, RKG modeled multiple prototypical development scenarios by calibrating the model with market-based assumptions and tested the findings against real world examples.

The financial model calculates the basic go/ no-go decision a developer must make about a potential project. The decision to pursue a project comes down to overall financial return and risk exposure.

The model tests Internal Rate of Return (IRR), Cash on Cash, and Return on Cost (ROC) metrics. This analysis focuses on the IRR metric, as it was proven to be the most difficult to reach market return expectations (noted through feedback to currently be 15% preferred, 12.5% minimum).

More specifically, using the preferred 15% IRR as a target, the model generates theoretical land values to achieve a 15% IRR which can then be compared against the current market to determine the level of feasibility. If the land values are too low or negative relative to the market it is unlikely developers can acquire land and still deliver an economically feasible project.

The market scenario analysis provides an assessment of how a project would perform financially based on market averages for acquisition, construction, operation, and reversion.

The analysis presents the performance of projects when using the proposed set aside rate (15%) at the proposed Area Median Income (AMI) target rate split between 15% of units at 80% of AMI and 5% of units at 140% of AMI.

RKG tested the development feasibility across several scenarios testing project size (number of units), construction typology (stick, stick over podium), and across the three districts the town is considering for MBTA 3A compliance: Wellesley Square, Wellesley Office Park, and Wellesley Hills.

The following pages detail the results of multiple development scenarios for each district to demonstrate the sensitivity and overall level of economic feasibility.

ECONOMIC FEASIBILITY ANALYSIS

Results Overview

- Based on the results across all three districts, high asking rents drive economic feasibility. For districts like Wellesley Square, no parking requirements, wood frame (stick) construction and high rents make projects economically feasible although a smaller 10-unit project does generate a residual land value over \$100,000 which is above the typical market value in Boston suburbs.
- In districts where large scale development can be accommodated, changing the construction and parking typologies to stick over podium with structured parking can still generate enough return to make projects economically feasible. This is mostly related to the high asking rents in Wellesley today.
- The addition of commercial space in mixed use developments does create some additional costs for the project (added parking, construction costs), but the high rent premiums for restaurant and retail in Wellesley helps certain project types remain feasible. This is particularly true for buildings with stick built construction and surface parking.

WELLESLEY SQUARE RESULTS

Wellesley Square EFA Scenario Matrix

Unit Counts	COC	ROC	IRR	Land Cost per Unit	Total Land Cost
10	6.90%	7.10%	15.00%	\$108,181	\$1,081,810
15	6.88%	7.10%	15.00%	\$89,934	\$1,349,004
25	6.87%	7.10%	15.00%	\$99,723	\$2,493,063
40	6.87%	7.10%	15.00%	\$96,052	\$3,842,069

Since Wellesley's assessment data base does not report land value for multifamily properties, RKG calculated a land value on a per unit basis using the residual land value method. As previously mentioned, the market targets an IRR of 15% therefore the pro forma targets a land value that brings returns within a range considered acceptable to the market.

The table above provides the maximum land costs a developer may pay while still keeping returns within those acceptable to the market. In short, these values indicate what would be maximally required as a land value to make the project economic feasible.

Based on RKG's pro forma models for Wellesley Square, all projects appear to be financially feasible using the assumptions detailed in this report.

ZONING INPUTS - DISTRICT 1

Wellesley Square	
Model Inputs for Calculating Unit Yield	Input
Minimum Lot Size	0
Additional Lot Square Feet per Dwelling Unit	2,500
Open Space %	0%
Excluded Land Counted Toward Open Space	
Parking Spaces per Dwelling Unit	0.00
Building Height	4
Maximum Lot Coverage %	100%
Floor Area Ratio	0.00
Zoning Restrictions that Cap Unit Counts	Input
Lot Area per Dwelling Unit	2,500
Maximum Dwelling Units per Acre	17.00
Cap on Maximum Dwelling Units per District	0.00

WELLESLEY OFFICE PARK RESULTS

Wellesley Office Park EFA Scenario Matrix

Unit Counts	COC	ROC	IRR	Land Cost per Unit	Total Land Cost
50	6.88%	7.10%	15.00%	\$98,042	\$4,902,119
75	6.88%	7.10%	15.00%	\$51,598	\$3,869,878
100	6.89%	7.10%	15.00%	\$38,309	\$3,830,907
150	6.89%	7.10%	15.00%	\$38,573	\$5,785,879

Since Wellesley's assessment data base does not report land value for multifamily properties, RKG calculated a land value on a per unit basis using the residual land value method. As previously mentioned, the market targets an IRR of 15% therefore the pro forma targets a land value that brings returns within a range considered acceptable to the market.

The table above provides the maximum land costs a developer may pay while still keeping returns within those acceptable to the market. In short, these values indicate what would be maximally required as a land value to make the project economic feasible.

Based on RKG's pro forma models for Wellesley Office Park, all projects appear to be financially feasible using the assumptions detailed in this report.

ZONING INPUTS - DISTRICT 2		Wellesley Office Park
Model Inputs for Calculating Unit Yield		Input
Minimum Lot Size	0	0
Additional Lot Square Feet per Dwelling Unit		0
Open Space %		0%
Excluded Land Counted Toward Open Space		
Parking Spaces per Dwelling Unit		1.00
Building Height		6
Maximum Lot Coverage %		100%
Floor Area Ratio		0.00
Zoning Restrictions that Cap Unit Counts		Input
Lot Area per Dwelling Unit	32.00	0
Maximum Dwelling Units per Acre		32.00
Cap on Maximum Dwelling Units per District		850.00

WELLESLEY HILLS RESULTS

Wellesley Hills EFA Scenario Matrix

Unit Counts	COC	ROC	IRR	Land Cost per Unit	Total Land Cost
10	6.88%	7.10%	15.00%	\$107,746	\$1,077,460
15	6.88%	7.10%	15.00%	\$89,498	\$1,342,475
20	6.88%	7.10%	15.00%	\$104,521	\$2,090,411
30	6.88%	7.10%	15.00%	\$91,573	\$2,747,197

Since Wellesley's assessment data base does not report land value for multifamily properties, RKG calculated a land value on a per unit basis using the residual land value method. As previously mentioned, the market targets an IRR of 15% therefore the pro forma targets a land value that brings returns within a range considered acceptable to the market.

The table above provides the maximum land costs a developer may pay while still keeping returns within those acceptable to the market. In short, these values indicate what would be maximally required as a land value to make the project economic feasible.

Based on RKG's pro forma models for Wellesley Hills, all projects appear to be financially feasible using the assumptions detailed in this report.

ZONING INPUTS - DISTRICT 3

ZONING INPUTS - DISTRICT 3		Wellesley Hills
Model Inputs for Calculating Unit Yield	Input	
Minimum Lot Size	0	
Additional Lot Square Feet per Dwelling Unit	2,500	
Open Space %	0%	
Excluded Land Counted Toward Open Space		
Parking Spaces per Dwelling Unit	1.00	
Building Height	4	
Maximum Lot Coverage %	100%	
Floor Area Ratio	0.00	
Zoning Restrictions that Cap Unit Counts		Input
Lot Area per Dwelling Unit	2,500	
Maximum Dwelling Units per Acre	17.00	
Cap on Maximum Dwelling Units per District	0.00	

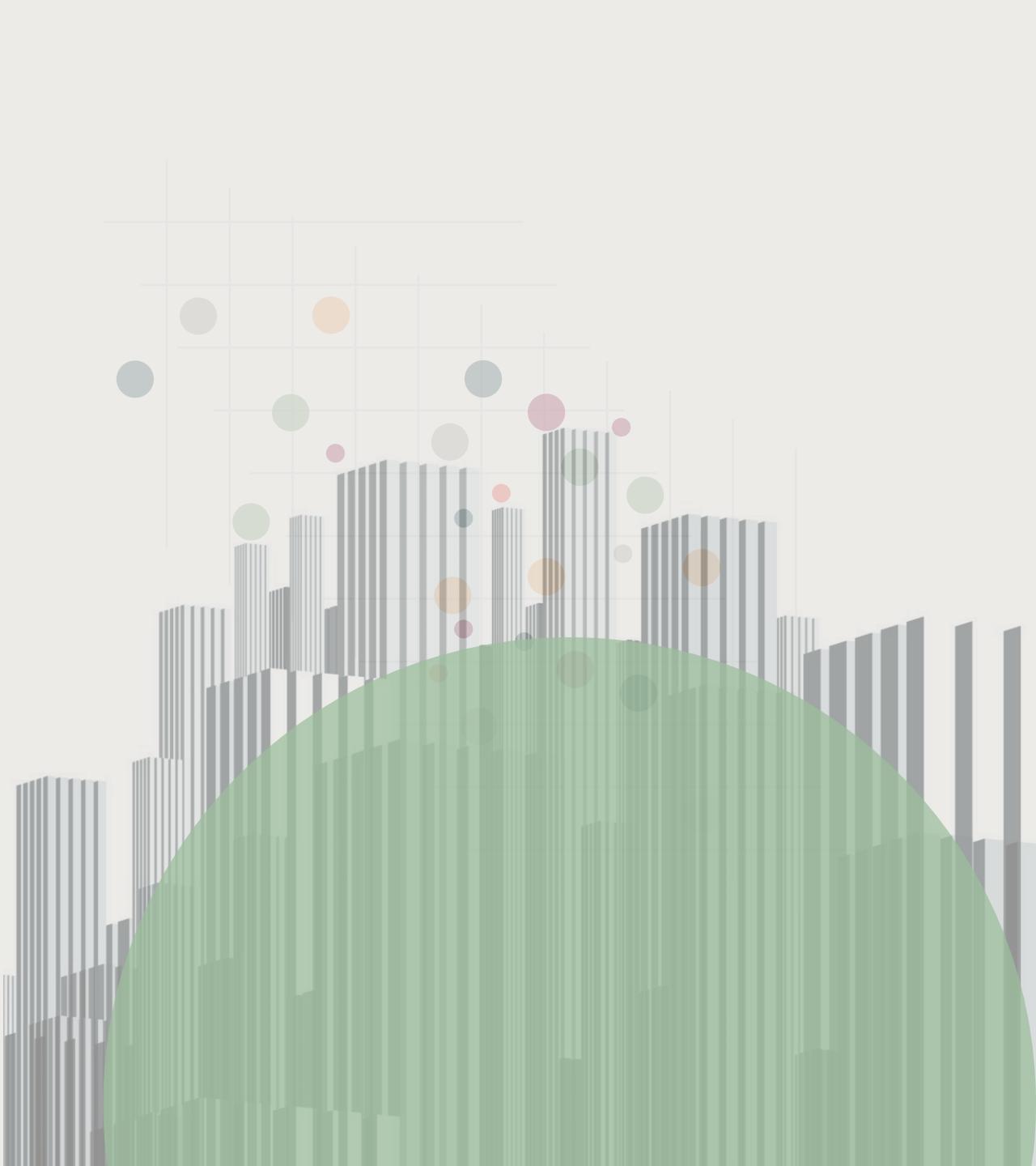
MIXED USE SCENARIO RESULTS

Mixed Use EFA Scenario Matrix

District	Unit Counts	COC	ROC	IRR	Land Cost per Unit	Total Land Cost	Retail SF	Restaurant SF	Office SF
Wellesley Square	30	4.13%	6.28%	15.0%	\$122,783	\$3,683,483	5,000	5,000	-
Wellesley Office Park	80	4.88%	6.50%	15.0%	\$47,992	\$3,839,374	5,000	10,000	5,000
Wellesley Hills	15	4.20%	6.30%	15.0%	\$120,273	\$1,804,090	2,500	2,500	-

For each district, a sample mixed use development scenario was run to assess the economic feasibility of mixed use development with an affordable housing component. Economic feasibility is largely contingent on the cost of construction particularly for structured parking and stick over podium development. High commercial rents can support development, but this is largely dictated by the use mix. For example, high end restaurant space can earn a higher premium than office in the current market.

The land costs on a per unit basis, and in total, highlight the residual value of land which provides a good indicator of whether a property owner would be willing to sell at a price that will make development economically feasible for buyer. For instance, the Wellesley Office Park example results in a land value below current market meaning an owner is unlikely to sell at that price to a developer. If land does not transact, that could limit development outcomes but not necessarily feasibility. However, if a current owner were to redevelop on their own and not capitalize the land, a mixed use project would be considered feasible.



APPENDIX

ECONOMIC FEASIBILITY ANALYSIS

WELLESLEY SQUARE 10-YEAR PROFORMA

10 units – stick built – no parking

	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Potential Gross Income	\$0	\$435,454	\$447,647	\$460,181	\$473,066	\$486,312	\$499,928	\$513,926	\$528,316	\$543,109	\$558,316
Vacancy & Credit Losses	\$0	(\$21,773)	(\$22,382)	(\$23,009)	(\$23,653)	(\$24,316)	(\$24,996)	(\$25,696)	(\$26,416)	(\$27,155)	(\$27,916)
Other Income	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Effective Gross Income	\$0	\$413,681	\$425,264	\$437,172	\$449,413	\$461,996	\$474,932	\$488,230	\$501,901	\$515,954	\$530,400
Operating Expenses	(\$48,768)	(\$111,277)	(\$162,228)	(\$157,328)	(\$163,214)	(\$167,172)	(\$171,632)	(\$176,134)	(\$180,769)	(\$185,523)	(\$190,404)
Net Operating Income	(\$48,768)	\$302,405	\$263,036	\$279,843	\$286,199	\$294,824	\$303,300	\$312,096	\$321,132	\$330,430	\$339,997
Investment											
Developer Equity	(\$1,277,777)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Partial Unit Payment	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Financing Fee	(\$89,444)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Equity Investor Repayment	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Debt Service	\$0	(\$214,506)	(\$214,506)	(\$214,506)	(\$214,506)	(\$214,506)	(\$214,506)	(\$214,506)	(\$214,506)	(\$214,506)	(\$214,506)
Sale Value	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$5,666,611
Cost of Sale	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$339,997)
Remaining Loan Balance	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$2,495,073)
Net Sale Proceeds	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$2,831,542
Before Tax Cash Flow	(\$1,415,990)	\$87,899	\$48,530	\$65,338	\$71,693	\$80,318	\$88,794	\$97,591	\$106,626	\$115,925	\$2,957,033

15 units – stick built – no parking

	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Potential Gross Income	\$0	\$644,988	\$663,047	\$681,613	\$700,698	\$720,317	\$740,486	\$761,220	\$782,534	\$804,445	\$826,969
Vacancy & Credit Losses	\$0	(\$32,249)	(\$33,152)	(\$34,081)	(\$35,035)	(\$36,016)	(\$37,024)	(\$38,061)	(\$39,127)	(\$40,222)	(\$41,348)
Other Income	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Effective Gross Income	\$0	\$612,738	\$629,895	\$647,532	\$665,663	\$684,301	\$703,462	\$723,159	\$743,407	\$764,223	\$785,621
Operating Expenses	(\$72,187)	(\$165,128)	(\$240,555)	(\$233,313)	(\$242,036)	(\$247,906)	(\$254,520)	(\$261,195)	(\$268,068)	(\$275,118)	(\$282,355)
Net Operating Income	(\$72,187)	\$447,610	\$389,340	\$414,219	\$423,626	\$436,395	\$448,942	\$461,964	\$475,339	\$489,104	\$503,265
Investment											
Developer Equity	(\$1,891,369)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Partial Unit Payment	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Financing Fee	(\$132,396)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Equity Investor Repayment	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Debt Service	\$0	(\$317,512)	(\$317,512)	(\$317,512)	(\$317,512)	(\$317,512)	(\$317,512)	(\$317,512)	(\$317,512)	(\$317,512)	(\$317,512)
Sale Value	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$8,387,756
Cost of Sale	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$503,265)
Remaining Loan Balance	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$3,693,213)
Net Sale Proceeds	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$4,191,278
Before Tax Cash Flow	(\$2,095,952)	\$130,098	\$71,828	\$96,707	\$106,115	\$118,883	\$131,430	\$144,452	\$157,827	\$171,592	\$4,377,031

WELLESLEY SQUARE 10-YEAR PROFORMA

25 units – stick built – no parking

	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Potential Gross Income	\$0	\$1,078,201	\$1,108,391	\$1,139,425	\$1,171,329	\$1,204,127	\$1,237,842	\$1,272,502	\$1,308,132	\$1,344,759	\$1,382,413
Vacancy & Credit Losses	\$0	(\$53,910)	(\$55,420)	(\$56,971)	(\$58,566)	(\$60,206)	(\$61,892)	(\$63,625)	(\$65,407)	(\$67,238)	(\$69,121)
Other Income	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Effective Gross Income	\$0	\$1,024,291	\$1,052,971	\$1,082,454	\$1,112,763	\$1,143,920	\$1,175,950	\$1,208,877	\$1,242,725	\$1,277,521	\$1,313,292
Operating Expenses	(\$119,658)	(\$282,535)	(\$407,744)	(\$395,978)	(\$410,671)	(\$420,643)	(\$431,852)	(\$443,171)	(\$454,824)	(\$466,777)	(\$479,047)
Net Operating Income	(\$119,658)	\$741,756	\$645,227	\$686,476	\$702,092	\$723,277	\$744,098	\$765,705	\$787,901	\$810,744	\$834,245
Investment											
Developer Equity	(\$3,135,137)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Partial Unit Payment	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Financing Fee	(\$219,460)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Equity Investor Repayment	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Debt Service	\$0	(\$526,308)	(\$526,308)	(\$526,308)	(\$526,308)	(\$526,308)	(\$526,308)	(\$526,308)	(\$526,308)	(\$526,308)	(\$526,308)
Sale Value	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$13,904,084
Cost of Sale	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$834,245)
Remaining Loan Balance	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$6,121,878)
Net Sale Proceeds	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$6,947,962
Before Tax Cash Flow	(\$3,474,254)	\$215,448	\$118,918	\$160,168	\$175,783	\$196,969	\$217,789	\$239,397	\$261,593	\$284,436	\$7,255,898

40 units – stick built – no parking

	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Potential Gross Income	\$0	\$1,723,188	\$1,771,438	\$1,821,038	\$1,872,027	\$1,924,444	\$1,978,328	\$2,033,721	\$2,090,666	\$2,149,204	\$2,209,382
Vacancy & Credit Losses	\$0	(\$86,159)	(\$88,572)	(\$91,052)	(\$93,601)	(\$96,222)	(\$98,916)	(\$101,686)	(\$104,533)	(\$107,460)	(\$110,469)
Other Income	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Effective Gross Income	\$0	\$1,637,029	\$1,682,866	\$1,729,986	\$1,778,426	\$1,828,222	\$1,879,412	\$1,932,035	\$1,986,132	\$2,041,744	\$2,098,913
Operating Expenses	(\$191,845)	(\$447,663)	(\$648,299)	(\$629,292)	(\$652,708)	(\$668,549)	(\$686,372)	(\$704,366)	(\$722,892)	(\$741,896)	(\$761,402)
Net Operating Income	(\$191,845)	\$1,189,366	\$1,034,566	\$1,100,694	\$1,125,718	\$1,159,672	\$1,193,040	\$1,227,669	\$1,263,240	\$1,299,848	\$1,337,510
Investment											
Developer Equity	(\$5,026,506)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Partial Unit Payment	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Financing Fee	(\$351,855)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Equity Investor Repayment	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Debt Service	\$0	(\$843,820)	(\$843,820)	(\$843,820)	(\$843,820)	(\$843,820)	(\$843,820)	(\$843,820)	(\$843,820)	(\$843,820)	(\$843,820)
Sale Value	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$22,291,840
Cost of Sale	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$1,337,510)
Remaining Loan Balance	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$9,815,092)
Net Sale Proceeds	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$11,139,238
Before Tax Cash Flow	(\$5,570,206)	\$345,546	\$190,746	\$256,874	\$281,898	\$315,852	\$349,219	\$383,849	\$419,420	\$456,028	\$11,632,928

WELLESLEY SQUARE 10-YEAR PROFORMA

Wellesley Square – stick – 30 units – no parking requirement – restaurant and retail

	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Potential Gross Income	\$0	\$1,287,734	\$1,323,791	\$1,360,857	\$1,398,961	\$1,438,132	\$1,478,400	\$1,519,795	\$1,562,349	\$1,606,095	\$1,651,066
Vacancy & Credit Losses	\$0	(\$64,387)	(\$66,190)	(\$68,043)	(\$69,948)	(\$71,907)	(\$73,920)	(\$75,990)	(\$78,117)	(\$80,305)	(\$82,553)
Other Income	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Effective Gross Income	\$0	\$1,223,348	\$1,257,602	\$1,292,814	\$1,329,013	\$1,366,226	\$1,404,480	\$1,443,805	\$1,484,232	\$1,525,790	\$1,568,512
Operating Expenses	(\$194,896)	(\$346,275)	(\$520,681)	(\$534,379)	(\$548,328)	(\$562,664)	(\$577,372)	(\$592,466)	(\$607,956)	(\$623,852)	(\$640,165)
Net Operating Income	(\$194,896)	\$1,068,323	\$1,098,598	\$1,129,155	\$1,160,672	\$1,193,049	\$1,226,333	\$1,260,544	\$1,295,711	\$1,331,860	\$1,369,017
Investment											
Developer Equity	(\$5,106,447)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Partial Unit Payment	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Financing Fee	(\$357,451)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Equity Investor Repayment	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Debt Service	\$0	(\$857,240)	(\$857,240)	(\$857,240)	(\$857,240)	(\$857,240)	(\$857,240)	(\$857,240)	(\$857,240)	(\$857,240)	(\$857,240)
Sale Value	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$22,816,948
Cost of Sale	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$1,369,017)
Remaining Loan Balance	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$9,971,190)
Net Sale Proceeds	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$11,476,741
Before Tax Cash Flow	(\$5,658,795)	\$211,082	\$241,358	\$271,915	\$303,432	\$335,808	\$369,092	\$403,304	\$438,471	\$474,619	\$11,988,517

WELLESLEY OFFICE PARK 10-YEAR PROFORMA

50 units – stick built – 1 parking space per unit – surface parking

	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Potential Gross Income	\$0	\$2,158,642	\$2,219,084	\$2,281,219	\$2,345,093	\$2,410,756	\$2,478,257	\$2,547,648	\$2,618,982	\$2,692,314	\$2,767,698
Vacancy & Credit Losses	\$0	(\$107,932)	(\$110,954)	(\$114,061)	(\$117,255)	(\$120,538)	(\$123,913)	(\$127,382)	(\$130,949)	(\$134,616)	(\$138,385)
Other Income	\$0	\$30,840	\$31,704	\$32,591	\$33,504	\$34,442	\$35,406	\$36,398	\$37,417	\$38,464	\$39,541
Effective Gross Income	\$0	\$2,081,550	\$2,139,834	\$2,199,749	\$2,261,342	\$2,324,660	\$2,389,750	\$2,456,663	\$2,525,450	\$2,596,162	\$2,668,855
Operating Expenses	(\$245,402)	(\$559,853)	(\$816,239)	(\$791,580)	(\$821,195)	(\$841,109)	(\$863,549)	(\$886,199)	(\$909,519)	(\$933,441)	(\$957,997)
Net Operating Income	(\$245,402)	\$1,521,697	\$1,323,595	\$1,408,169	\$1,440,147	\$1,483,551	\$1,526,201	\$1,570,464	\$1,615,930	\$1,662,721	\$1,710,858
Investment											
Developer Equity	(\$6,429,754)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Partial Unit Payment	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Financing Fee	(\$450,083)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Equity Investor Repayment	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Debt Service	\$0	(\$1,079,389)	(\$1,079,389)	(\$1,079,389)	(\$1,079,389)	(\$1,079,389)	(\$1,079,389)	(\$1,079,389)	(\$1,079,389)	(\$1,079,389)	(\$1,079,389)
Sale Value	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$28,514,292
Cost of Sale	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$1,710,858)
Remaining Loan Balance	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$12,555,167)
Net Sale Proceeds	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$14,248,267
Before Tax Cash Flow	(\$7,125,239)	\$442,308	\$244,206	\$328,779	\$360,758	\$404,161	\$446,812	\$491,075	\$536,541	\$583,331	\$14,879,735

75 units – stick over podium construction – 1 parking space per unit – surface parking

	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Potential Gross Income	\$0	\$3,241,352	\$3,332,110	\$3,425,409	\$3,521,321	\$3,619,918	\$3,721,275	\$3,825,471	\$3,932,584	\$4,042,696	\$4,155,892
Vacancy & Credit Losses	\$0	(\$162,068)	(\$166,606)	(\$171,270)	(\$176,066)	(\$180,996)	(\$186,064)	(\$191,274)	(\$196,629)	(\$202,135)	(\$207,795)
Other Income	\$0	\$46,260	\$47,555	\$48,887	\$50,256	\$51,663	\$53,109	\$54,596	\$56,125	\$57,697	\$59,312
Effective Gross Income	\$0	\$3,125,545	\$3,213,060	\$3,303,025	\$3,395,510	\$3,490,584	\$3,588,321	\$3,688,794	\$3,792,080	\$3,898,258	\$4,007,410
Operating Expenses	(\$367,879)	(\$844,512)	(\$1,228,963)	(\$1,192,140)	(\$1,236,673)	(\$1,266,670)	(\$1,300,456)	(\$1,334,562)	(\$1,369,676)	(\$1,405,695)	(\$1,442,670)
Net Operating Income	(\$367,879)	\$2,281,032	\$1,984,096	\$2,110,886	\$2,158,837	\$2,223,914	\$2,287,865	\$2,354,232	\$2,422,404	\$2,492,563	\$2,564,740
Investment											
Developer Equity	(\$9,638,749)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Partial Unit Payment	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Financing Fee	(\$674,712)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Equity Investor Repayment	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Debt Service	\$0	(\$1,618,097)	(\$1,618,097)	(\$1,618,097)	(\$1,618,097)	(\$1,618,097)	(\$1,618,097)	(\$1,618,097)	(\$1,618,097)	(\$1,618,097)	(\$1,618,097)
Sale Value	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$42,745,667
Cost of Sale	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$2,564,740)
Remaining Loan Balance	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$18,821,266)
Net Sale Proceeds	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$21,359,660
Before Tax Cash Flow	(\$10,681,340)	\$662,936	\$366,000	\$492,789	\$540,740	\$605,818	\$669,768	\$736,136	\$804,308	\$874,466	\$22,306,303

WELLESLEY OFFICE PARK 10-YEAR PROFORMA

100 units – stick over podium construction – 1 parking space per unit – structured parking

	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Potential Gross Income	\$0	\$4,321,794	\$4,442,804	\$4,567,202	\$4,695,084	\$4,826,547	\$4,961,690	\$5,100,617	\$5,243,434	\$5,390,251	\$5,541,178
Vacancy & Credit Losses	\$0	(\$216,090)	(\$222,140)	(\$228,360)	(\$234,754)	(\$241,327)	(\$248,084)	(\$255,031)	(\$262,172)	(\$269,513)	(\$277,059)
Other Income	\$0	\$185,040	\$190,221	\$195,547	\$201,023	\$206,651	\$212,438	\$218,386	\$224,501	\$230,787	\$237,249
Effective Gross Income	\$0	\$4,290,744	\$4,410,885	\$4,534,390	\$4,661,353	\$4,791,870	\$4,926,043	\$5,063,972	\$5,205,763	\$5,351,525	\$5,501,367
Operating Expenses	(\$510,384)	(\$1,125,029)	(\$1,657,446)	(\$1,605,103)	(\$1,665,652)	(\$1,705,992)	(\$1,751,559)	(\$1,797,534)	(\$1,844,875)	(\$1,893,438)	(\$1,943,288)
Net Operating Income	(\$510,384)	\$3,165,715	\$2,753,439	\$2,929,287	\$2,995,701	\$3,085,879	\$3,174,484	\$3,266,438	\$3,360,888	\$3,458,087	\$3,558,079
Investment											
Developer Equity	(\$13,372,515)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Partial Unit Payment	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Financing Fee	(\$936,076)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Equity Investor Repayment	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Debt Service	\$0	(\$2,244,900)	(\$2,244,900)	(\$2,244,900)	(\$2,244,900)	(\$2,244,900)	(\$2,244,900)	(\$2,244,900)	(\$2,244,900)	(\$2,244,900)	(\$2,244,900)
Sale Value	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$59,301,315
Cost of Sale	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$3,558,079)
Remaining Loan Balance	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$26,112,068)
Net Sale Proceeds	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$29,631,168
Before Tax Cash Flow	(\$14,818,975)	\$920,815	\$508,540	\$684,387	\$750,801	\$840,979	\$929,585	\$1,021,538	\$1,115,988	\$1,213,187	\$30,944,347

150 units – stick over podium construction – 1 parking space per unit – structured parking

	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Potential Gross Income	\$0	\$6,480,436	\$6,661,888	\$6,848,421	\$7,040,177	\$7,237,302	\$7,439,947	\$7,648,265	\$7,862,416	\$8,082,564	\$8,308,876
Vacancy & Credit Losses	\$0	(\$324,022)	(\$333,094)	(\$342,421)	(\$352,009)	(\$361,865)	(\$371,997)	(\$382,413)	(\$393,121)	(\$404,128)	(\$415,444)
Other Income	\$0	\$277,560	\$285,332	\$293,321	\$301,534	\$309,977	\$318,656	\$327,579	\$336,751	\$346,180	\$355,873
Effective Gross Income	\$0	\$6,433,974	\$6,614,126	\$6,799,321	\$6,989,702	\$7,185,414	\$7,386,605	\$7,593,430	\$7,806,046	\$8,024,616	\$8,249,305
Operating Expenses	(\$765,364)	(\$1,686,710)	(\$2,485,106)	(\$2,406,604)	(\$2,497,392)	(\$2,557,876)	(\$2,626,196)	(\$2,695,130)	(\$2,766,112)	(\$2,838,924)	(\$2,913,668)
Net Operating Income	(\$765,364)	\$4,747,264	\$4,129,020	\$4,392,718	\$4,492,310	\$4,627,538	\$4,760,409	\$4,898,300	\$5,039,935	\$5,185,692	\$5,335,637
Investment											
Developer Equity	(\$20,053,213)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Partial Unit Payment	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Financing Fee	(\$1,403,725)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Equity Investor Repayment	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Debt Service	\$0	(\$3,366,416)	(\$3,366,416)	(\$3,366,416)	(\$3,366,416)	(\$3,366,416)	(\$3,366,416)	(\$3,366,416)	(\$3,366,416)	(\$3,366,416)	(\$3,366,416)
Sale Value	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$88,927,287
Cost of Sale	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$5,335,637)
Remaining Loan Balance	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$39,157,245)
Net Sale Proceeds	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$44,434,405
Before Tax Cash Flow	(\$22,222,302)	\$1,380,848	\$762,604	\$1,026,302	\$1,125,894	\$1,261,122	\$1,393,993	\$1,531,884	\$1,673,519	\$1,819,276	\$46,403,626

WELLESLEY OFFICE PARK 10-YEAR PROFORMA

Wellesley Office Park – stick over podium – 80 units – parking required for residential and commercial – restaurant, retail and office

	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Potential Gross Income	\$0	\$3,446,377	\$3,542,876	\$3,642,076	\$3,744,054	\$3,848,888	\$3,956,657	\$4,067,443	\$4,181,331	\$4,298,409	\$4,418,764
Vacancy & Credit Losses	\$0	(\$172,319)	(\$177,144)	(\$182,104)	(\$187,203)	(\$192,444)	(\$197,833)	(\$203,372)	(\$209,067)	(\$214,920)	(\$220,938)
Other Income	\$0	\$166,536	\$171,199	\$175,993	\$180,920	\$185,986	\$191,194	\$196,547	\$202,051	\$207,708	\$213,524
Effective Gross Income	\$0	\$3,440,594	\$3,536,931	\$3,635,965	\$3,737,772	\$3,842,429	\$3,950,017	\$4,060,618	\$4,174,315	\$4,291,196	\$4,411,350
Operating Expenses	(\$508,583)	(\$919,159)	(\$1,393,581)	(\$1,404,652)	(\$1,446,329)	(\$1,483,316)	(\$1,522,381)	(\$1,562,262)	(\$1,603,232)	(\$1,645,273)	(\$1,688,420)
Net Operating Income	(\$508,583)	\$2,886,935	\$2,834,556	\$2,939,800	\$3,017,642	\$3,103,466	\$3,190,599	\$3,280,392	\$3,372,670	\$3,467,550	\$3,565,097
Investment											
Developer Equity	(\$13,325,307)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Partial Unit Payment	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Financing Fee	(\$932,771)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Equity Investor Repayment	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Debt Service	\$0	(\$2,236,974)	(\$2,236,974)	(\$2,236,974)	(\$2,236,974)	(\$2,236,974)	(\$2,236,974)	(\$2,236,974)	(\$2,236,974)	(\$2,236,974)	(\$2,236,974)
Sale Value	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$59,418,280
Cost of Sale	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$3,565,097)
Remaining Loan Balance	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$26,019,886)
Net Sale Proceeds	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$29,833,298
Before Tax Cash Flow	(\$14,766,661)	\$649,960	\$597,582	\$702,825	\$780,667	\$866,492	\$953,624	\$1,043,418	\$1,135,696	\$1,230,576	\$31,161,420

WELLESLEY HILLS 10-YEAR PROFORMA

10 units – stick built – 1 parking space per unit – surface parking

	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Potential Gross Income	\$0	\$435,454	\$447,647	\$460,181	\$473,066	\$486,312	\$499,928	\$513,926	\$528,316	\$543,109	\$558,316
Vacancy & Credit Losses	\$0	(\$21,773)	(\$22,382)	(\$23,009)	(\$23,653)	(\$24,316)	(\$24,996)	(\$25,696)	(\$26,416)	(\$27,155)	(\$27,916)
Other Income	\$0	\$6,168	\$6,341	\$6,518	\$6,701	\$6,888	\$7,081	\$7,280	\$7,483	\$7,693	\$7,908
Effective Gross Income	\$0	\$419,849	\$431,605	\$443,690	\$456,113	\$468,885	\$482,013	\$495,510	\$509,384	\$523,647	\$538,309
Operating Expenses	(\$49,726)	(\$111,460)	(\$163,370)	(\$158,320)	(\$164,269)	(\$168,250)	(\$172,741)	(\$177,273)	(\$181,940)	(\$186,728)	(\$191,642)
Net Operating Income	(\$49,726)	\$308,390	\$268,235	\$285,370	\$291,845	\$300,635	\$309,272	\$318,236	\$327,443	\$336,919	\$346,667
Investment											
Developer Equity	(\$1,302,871)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Partial Unit Payment	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Financing Fee	(\$91,201)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Equity Investor Repayment	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Debt Service	\$0	(\$218,718)	(\$218,718)	(\$218,718)	(\$218,718)	(\$218,718)	(\$218,718)	(\$218,718)	(\$218,718)	(\$218,718)	(\$218,718)
Sale Value	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$5,777,779
Cost of Sale	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$346,667)
Remaining Loan Balance	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$2,544,073)
Net Sale Proceeds	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$2,887,040
Before Tax Cash Flow	(\$1,443,798)	\$89,671	\$49,516	\$66,651	\$73,126	\$81,917	\$90,554	\$99,518	\$108,725	\$118,201	\$3,014,988

15 units – stick built – 1 parking space per unit – surface parking

	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Potential Gross Income	\$0	\$644,988	\$663,047	\$681,613	\$700,698	\$720,317	\$740,486	\$761,220	\$782,534	\$804,445	\$826,969
Vacancy & Credit Losses	\$0	(\$32,249)	(\$33,152)	(\$34,081)	(\$35,035)	(\$36,016)	(\$37,024)	(\$38,061)	(\$39,127)	(\$40,222)	(\$41,348)
Other Income	\$0	\$9,252	\$9,511	\$9,777	\$10,051	\$10,333	\$10,622	\$10,919	\$11,225	\$11,539	\$11,862
Effective Gross Income	\$0	\$621,990	\$639,406	\$657,309	\$675,714	\$694,634	\$714,084	\$734,078	\$754,632	\$775,762	\$797,483
Operating Expenses	(\$73,624)	(\$165,402)	(\$242,268)	(\$234,801)	(\$243,618)	(\$249,523)	(\$256,183)	(\$262,905)	(\$269,826)	(\$276,925)	(\$284,213)
Net Operating Income	(\$73,624)	\$456,588	\$397,138	\$422,508	\$432,096	\$445,111	\$457,901	\$471,173	\$484,807	\$498,837	\$513,270
Investment											
Developer Equity	(\$1,929,010)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Partial Unit Payment	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Financing Fee	(\$135,031)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Equity Investor Repayment	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Debt Service	\$0	(\$323,831)	(\$323,831)	(\$323,831)	(\$323,831)	(\$323,831)	(\$323,831)	(\$323,831)	(\$323,831)	(\$323,831)	(\$323,831)
Sale Value	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$8,554,508
Cost of Sale	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$513,270)
Remaining Loan Balance	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$3,766,714)
Net Sale Proceeds	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$4,274,524
Before Tax Cash Flow	(\$2,137,664)	\$132,757	\$73,307	\$98,677	\$108,265	\$121,280	\$134,070	\$147,342	\$160,976	\$175,006	\$4,463,963

WELLESLEY HILLS 10-YEAR PROFORMA

20 units – stick built – 1 parking space per unit – surface parking

	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Potential Gross Income	\$0	\$875,417	\$899,928	\$925,126	\$951,030	\$977,659	\$1,005,033	\$1,033,174	\$1,062,103	\$1,091,842	\$1,122,414
Vacancy & Credit Losses	\$0	(\$43,771)	(\$44,996)	(\$46,256)	(\$47,552)	(\$48,883)	(\$50,252)	(\$51,659)	(\$53,105)	(\$54,592)	(\$56,121)
Other Income	\$0	\$12,336	\$12,681	\$13,036	\$13,402	\$13,777	\$14,163	\$14,559	\$14,967	\$15,386	\$15,817
Effective Gross Income	\$0	\$843,982	\$867,613	\$891,907	\$916,880	\$942,553	\$968,944	\$996,075	\$1,023,965	\$1,052,636	\$1,082,109
Operating Expenses	(\$99,877)	(\$224,586)	(\$328,866)	(\$318,742)	(\$330,708)	(\$338,724)	(\$347,765)	(\$356,889)	(\$366,284)	(\$375,921)	(\$385,814)
Net Operating Income	(\$99,877)	\$619,396	\$538,748	\$573,165	\$586,172	\$603,829	\$621,179	\$639,185	\$657,681	\$676,715	\$696,296
Investment											
Developer Equity	(\$2,616,866)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Partial Unit Payment	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Financing Fee	(\$183,181)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Equity Investor Repayment	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Debt Service	\$0	(\$439,304)	(\$439,304)	(\$439,304)	(\$439,304)	(\$439,304)	(\$439,304)	(\$439,304)	(\$439,304)	(\$439,304)	(\$439,304)
Sale Value	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$11,604,929
Cost of Sale	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$696,296)
Remaining Loan Balance	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$5,109,867)
Net Sale Proceeds	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$5,798,766
Before Tax Cash Flow	(\$2,899,923)	\$180,092	\$99,444	\$133,861	\$146,868	\$164,525	\$181,875	\$199,881	\$218,377	\$237,410	\$6,055,757

30 units – stick built – 1 parking space per unit – surface parking

	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Potential Gross Income	\$0	\$1,287,734	\$1,323,791	\$1,360,857	\$1,398,961	\$1,438,132	\$1,478,400	\$1,519,795	\$1,562,349	\$1,606,095	\$1,651,066
Vacancy & Credit Losses	\$0	(\$64,387)	(\$66,190)	(\$68,043)	(\$69,948)	(\$71,907)	(\$73,920)	(\$75,990)	(\$78,117)	(\$80,305)	(\$82,553)
Other Income	\$0	\$18,504	\$19,022	\$19,555	\$20,102	\$20,665	\$21,244	\$21,839	\$22,450	\$23,079	\$23,725
Effective Gross Income	\$0	\$1,241,852	\$1,276,624	\$1,312,369	\$1,349,115	\$1,386,891	\$1,425,724	\$1,465,644	\$1,506,682	\$1,548,869	\$1,592,237
Operating Expenses	(\$145,950)	(\$336,934)	(\$489,498)	(\$474,939)	(\$492,657)	(\$504,610)	(\$518,067)	(\$531,652)	(\$545,639)	(\$559,986)	(\$574,713)
Net Operating Income	(\$145,950)	\$904,917	\$787,126	\$837,430	\$856,458	\$882,281	\$907,657	\$933,992	\$961,043	\$988,883	\$1,017,524
Investment											
Developer Equity	(\$3,824,011)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Partial Unit Payment	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Financing Fee	(\$267,681)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Equity Investor Repayment	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Debt Service	\$0	(\$641,953)	(\$641,953)	(\$641,953)	(\$641,953)	(\$641,953)	(\$641,953)	(\$641,953)	(\$641,953)	(\$641,953)	(\$641,953)
Sale Value	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$16,958,733
Cost of Sale	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$1,017,524)
Remaining Loan Balance	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$7,467,020)
Net Sale Proceeds	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$8,474,189
Before Tax Cash Flow	(\$4,237,642)	\$262,965	\$145,173	\$195,477	\$214,505	\$240,328	\$265,704	\$292,039	\$319,091	\$346,930	\$8,849,760

WELLESLEY HILLS PARK 10-YEAR PROFORMA

Wellesley Hills – stick – 15 units – parking required for residential and commercial – restaurant and retail

	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Potential Gross Income	\$0	\$644,988	\$663,047	\$681,613	\$700,698	\$720,317	\$740,486	\$761,220	\$782,534	\$804,445	\$826,969
Vacancy & Credit Losses	\$0	(\$32,249)	(\$33,152)	(\$34,081)	(\$35,035)	(\$36,016)	(\$37,024)	(\$38,061)	(\$39,127)	(\$40,222)	(\$41,348)
Other Income	\$0	\$9,252	\$9,511	\$9,777	\$10,051	\$10,333	\$10,622	\$10,919	\$11,225	\$11,539	\$11,862
Effective Gross Income	\$0	\$621,990	\$639,406	\$657,309	\$675,714	\$694,634	\$714,084	\$734,078	\$754,632	\$775,762	\$797,483
Operating Expenses	(\$99,534)	(\$170,346)	(\$259,573)	(\$266,009)	(\$273,036)	(\$280,166)	(\$287,499)	(\$295,021)	(\$302,742)	(\$310,665)	(\$318,796)
Net Operating Income	(\$99,534)	\$547,269	\$560,672	\$576,660	\$592,672	\$609,212	\$626,197	\$643,659	\$661,608	\$680,058	\$699,022
Investment											
Developer Equity	(\$2,607,869)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Partial Unit Payment	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Financing Fee	(\$182,551)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Equity Investor Repayment	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Debt Service	\$0	(\$437,794)	(\$437,794)	(\$437,794)	(\$437,794)	(\$437,794)	(\$437,794)	(\$437,794)	(\$437,794)	(\$437,794)	(\$437,794)
Sale Value	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$11,650,367
Cost of Sale	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$699,022)
Remaining Loan Balance	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$5,092,300)
Net Sale Proceeds	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$5,859,045
Before Tax Cash Flow	(\$2,889,954)	\$109,475	\$122,878	\$138,866	\$154,878	\$171,418	\$188,403	\$205,865	\$223,814	\$242,264	\$6,120,273



Wellesley Economic Feasibility Analysis

November 2023

