



Lakewood Housing Forum

Chris DeWald, Rush Development

May 15, 2014



Rush Development



Rush Development



Rush Development



Rush Development

Proctor Square

PROJECTED SUMMER 2014 START

Boom Town USA



Net Rentable Sq. Ft.
 Gross Building Sq. Ft.
 Land Sq. Ft.
 Units (if applicable)

119,456
 0 Units + Clubhouse Estimated
 0
 144

Development Budget					
Budget Line Item	Estimated Costs	Cost Factor	Costs Per Sq. Ft. Rentable	Cost Per Unit	Comments
A DIRECT CONSTRUCTION COSTS					
Rush Commercial	\$12,096,000	66.256%	#DIV/0!	\$84,000	per unit cost of Sinclair
Off-Site/frontage Improvements	\$150,000	0.822%	#DIV/0!	\$1,042	water extensions
TOTAL DIRECT CONSTRUCTION COSTS	\$12,246,000	67.078%	\$102.51	\$85,042	
B WASHINGTON STATE SALES TAX					
Sales tax on direct construction costs (9.4%)					
TOTAL WASH. STATE SALES TAX	\$1,151,124	6.305%	\$9.64	\$7,994	
C ARCH. & ENG. PROJ. MANAGEMENT					
<u>Design Services</u>					
Rush Design - Civil and Permitting	\$150,000	0.822%	\$1.26	\$1,042	
Architect and structural - Casey Group	\$165,000	0.904%	\$1.38	\$1,146	
Interior Design	\$15,000	0.082%	\$0.13	\$104	
Envelope Consultant	\$25,000	0.137%	\$0.21	\$174	
Survey (for water main extension)	\$0	0.000%	\$0.00	\$0	
Special Inspections	\$35,000	0.192%	\$0.29	\$243	
Construction services				\$0	
Architectural (In above)	\$0	0.000%	\$0.00	\$0	
Structural engineering	\$0	0.000%	\$0.00	\$0	
Site civil engineering	\$0	0.000%	\$0.00	\$0	
Specialty inspections	\$0	0.000%	\$0.00	\$0	
Printing travel, other reimbursable	\$0	0.000%	\$0.00	\$0	
TOTAL ARCHITECTURAL & ENGINEERING	\$390,000	2.136%	\$3.26	\$2,708	
D MISCELLANEOUS DEVELOPMENT COSTS					
<u>Legal & Accounting</u>					
Legal Costs (CC&R's / LLC's / etc.)	\$10,000		\$0.08	\$69	
LLC documents	\$2,000	0.011%	\$0.02	\$14	
Leasing documents	\$0	0.000%	\$0.00	\$0	
Accounting costs	\$6,500	0.036%	\$0.05	\$45	
Marketing	\$75,000			\$521	
FF&E	\$75,000			\$521	
General Liability Insurance		0.000%	\$0.00	\$0	
MISCELLANEOUS DEVELOPMENT COSTS	\$168,500	0.923%	\$0.15	\$1,170	
E GOVERNMENTAL & UTILITY CONNECTION FEES					
<u>Permits</u>					
Building and site development	\$200,000.00	1.096%	\$1.67	\$1,389	
School Fees	\$161,280.00	0.883%	\$1.35	\$1,120	\$1,120.00
Park Fees	\$125,424.00	0.687%	\$1.05	\$871	871
<u>Water</u>					
Fire Protection	\$100,000.00	0.548%	\$0.84	\$694	1.40/sf over 3600 per building
Water System Development Fee	\$553,000.00	3.029%	\$4.63	\$3,840	3500
				\$0	
<u>Sewer</u>					
Sewer Facilities Charge - in LID	\$0.00	0.000%	\$0.00	\$0	0
Wastewater Treatment Fees	\$300,672.00	1.647%	\$2.52	\$2,088	2088
				\$0	

Boom Town USA



Net Rentable Sq. Ft.
 Gross Building Sq. Ft.
 Land Sq. Ft.
 Units (If applicable)

119,456
 0 Units + Clubhouse Estimated
 0
 144

Development Budget					
Gas				\$0	
NA	\$0.00			\$0	
				\$0	
Traffic				\$0	
Traffic Impact Analysis	\$0.00	0.000%	\$0.00	\$0	
Traffic Impact Fee	\$163,152.00	0.894%	\$1.37	\$1,133	1133
				\$0	May increase in July 2014 to \$2861
Storm Impact Fee				\$0	
Storm Impact Fee	\$0.00	0.000%	\$0.00	\$0	
				\$0	
Power				\$0	
Transformers and connection fee's	\$100,000.00	0.548%	\$0.84	\$694	
				\$0	
OTHER PERMITS				\$0	
				\$0	
TOTAL GOVERNMENTAL / UTILITY COSTS	\$1,703,528	9.331%	\$14.26	\$11,830	
F LAND COSTS					
Land purchase	\$900,000	4.930%	\$7.53	\$6,250	
LID	\$0				
TOTAL LAND COSTS	\$900,000	4.930%	\$7.53	\$6,250	
G FINANCING COSTS					
Loan Fees					
Construction financing fee (.75% of loan amount)	\$90,000	0.493%	\$0.75	\$625	
Interim interest (12 month build, 12 month lease up)	\$542,273	2.970%	\$4.54	\$3,766	
Other financing costs					
Appraisal	\$10,000	0.055%	\$0.08	\$69	
Const. inspection - Bank	\$10,000	0.055%	\$0.08	\$69	
Bank/Legal/Title/Document fees	\$45,000	0.246%	\$0.38	\$313	
TOTAL FINANCING COSTS	\$697,273	3.819%	\$5.84	\$4,842	
H TENANT IMPROVEMENT ALLOWANCE (If applicable)					
Tenant improvement allowance	\$0	0.000%	\$0.00	\$0	
TOTAL TENANT IMPROVEMENT ALLOWANCE	\$0	0.000%	\$0.00	\$0	
I DEVELOPER FEES					
Developer fees (Rush)	\$400,000	2.191%	\$3.35	\$2,778	
TOTAL DEVELOPER FEES	\$400,000	2.191%	\$3.35	\$2,778	
J CONTINGENCY					
Contingency	\$600,000	3.287%	\$5.02	\$4,167	
TOTAL CONTINGENCY	\$600,000	0.000%	\$5.02	\$4,167	
TOTAL ESTIMATED PROJECT COSTS	\$18,256,425		\$151.57	\$126,781	



ESTIMATED PROJECT COSTS

		Units	144		
		Gross		Units + Clubhouse ESTIMATED	
		Rentable	119,456		
Pro Forma Cost Category		Estimated Project Costs	Costs / Rentable Sq. Ft.	Costs/ Unit	
A	Direct construction costs (Onsite)	\$12,096,000	\$101.26	\$84,000	
B	Direct construction costs (Offsite)	\$150,000	\$1.26	\$1,042	
C	Wash. State sales tax	\$1,151,124	\$9.64	\$7,994	
D	Architectural / Engineering / Project management	\$390,000	\$3.26	\$2,708	
E	Miscellaneous development costs	\$168,500	\$1.41	\$1,170	
F	Governmental Costs	\$1,703,528	\$14.26	\$11,830	
G	Land Costs	\$900,000	\$7.53	\$6,250	
H	Financing Costs	\$697,273	\$5.84	\$4,842	
I	Developer Fees	\$400,000	\$3.35	\$2,778	
J	Contingency	\$600,000	\$5.02	\$4,167	
Total Estimated Project Costs		\$18,256,425	\$152.83	\$126,781	

PROJECT FINANCIAL RECAP

Total Project

1.	Building Construction Costs (Hard)	72.01%		\$13,146,000
2.	Building Supplemental Costs (Soft)	27.99%		\$5,110,425
3.	Total Estimated Project Cost			\$18,256,425
4.	Total Project Value / Based on Cap Rate			\$17,707,068
	Rental Income		\$1,720,166	
	Other income: Fee's/Utilities		\$145,000	
	Less: Vacancy/Concessions	6.00%	(\$103,210)	
	Less Expenses	\$ (4,700.00)	(\$676,800)	144
	Less Concessions	2%	(\$34,403)	
	NOI (Multifamily)		\$1,085,156	
	less LID Payment		-\$67,000	
	Total NOI		\$1,018,156	
	CAP rate	5.75%		
5.	Non-Cash equity			
	Percent of total project costs			-3.01%
6.	Estimated loan to value	67.77%	Loan amount	\$12,000,000
	Interest rate	5.00%	Annual debt service	\$780,617
	Temp financing rate	2.75%		
	Amortization	30	Annual interest	\$600,000
	Debt service coverage ratio	1.39		
	Loan to cost	65.73%		
	Debt yield	9.04%		
7.	Required cash equity		\$6,256,425	
8.	Cash flow		\$304,539	4.9%
9.	Base rental rate			
	Estimated		\$1.20	
			% of Equity Required	
10.	Total equity required	\$6,256,425	100%	
	Land + Costs to date	\$0		
	Additional equity required	\$6,256,425		
	Net equity required	\$6,256,425		

Sq. Ft.
119,456

Edgewood

Unit	Bed/Bath	# of units	SF	Monthly Rent	Rent/SF/Month	Total SF	Total Rent/Unit	
S	Studio	16	552	\$750	\$0.00	8,832	\$12,000	
A	1x1	48	690	\$845	\$0.00	33,120	\$40,560	
B	2x2	32	898	\$1,025	\$0.00	28,736	\$32,800	
C	2x2	32	970	\$1,200	\$0.00	31,040	\$38,400	
D	3x2	<u>16</u>	1,108	\$1,250	\$0.00	17,728	\$20,000	
		144				119,456 sf		
Total Monthly Annual Rent								\$143,347
Average Rent/SF/Month							\$1.20	830
								\$1,720,166