



Financial Model for Attracting Private Capital

**Newmark Grubb
Knight Frank**

Presented By:

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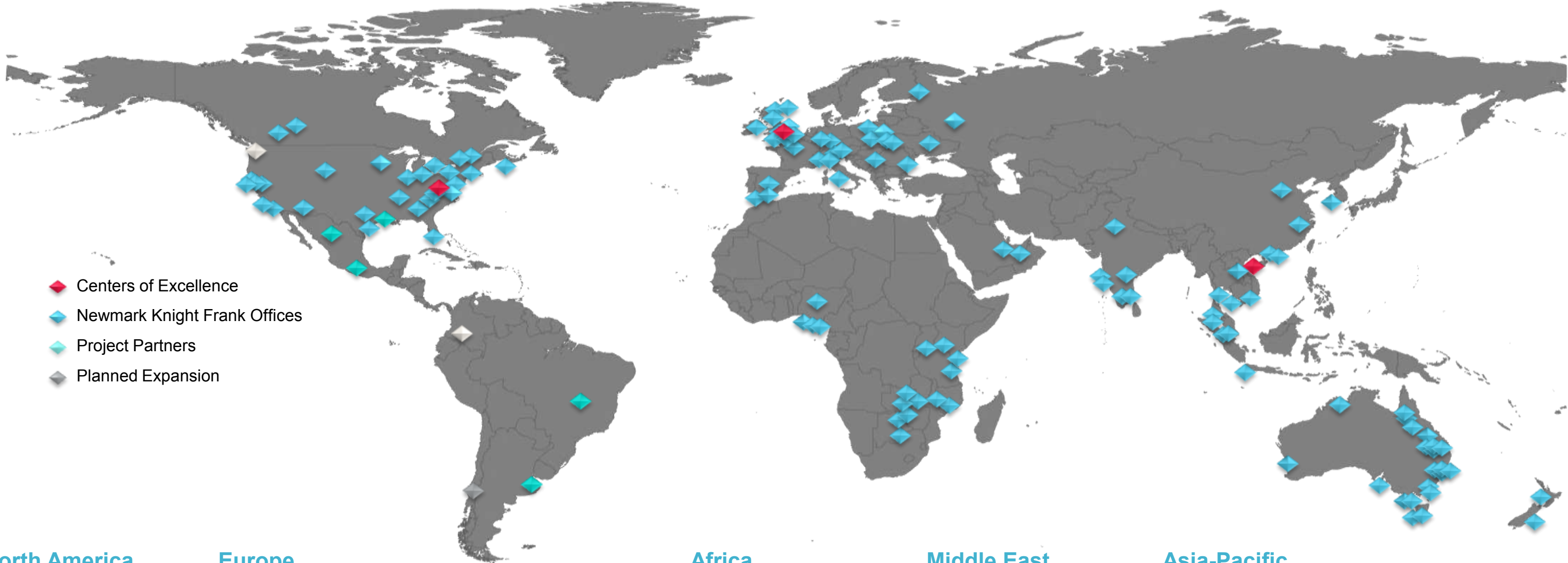
Newmark Grubb Knight Frank Global Reach

10,000
Professionals

677 Million
Square Feet Managed

341 Offices
5 Continents

\$1.6 Billion
Revenue



- ◆ Centers of Excellence
- ◆ Newmark Knight Frank Offices
- ◆ Project Partners
- ◆ Planned Expansion

North America
Canada
United States

Europe
Belgium
Czech Republic
France
Germany
Hungary
Ireland
Italy
Netherlands

Poland
Portugal
Romania
Russia
Spain
Ukraine
United Kingdom

Africa
Botswana
Kenya
Malawi
Nigeria
Tanzania
Uganda
Zambia
Zimbabwe

Middle East
Bahrain
United Arab
Emirates

Asia-Pacific
Australia
Cambodia
China
Hong Kong
India
Indonesia
Malaysia
New Zealand

Singapore
South Korea
Thailand
Vietnam

Financial Model for Attracting Private Capital

ASSEMBLE TEAM

Transit

- Financial Advisor
- Real Estate Advisor

ASSESS THE PROJECT

Building:

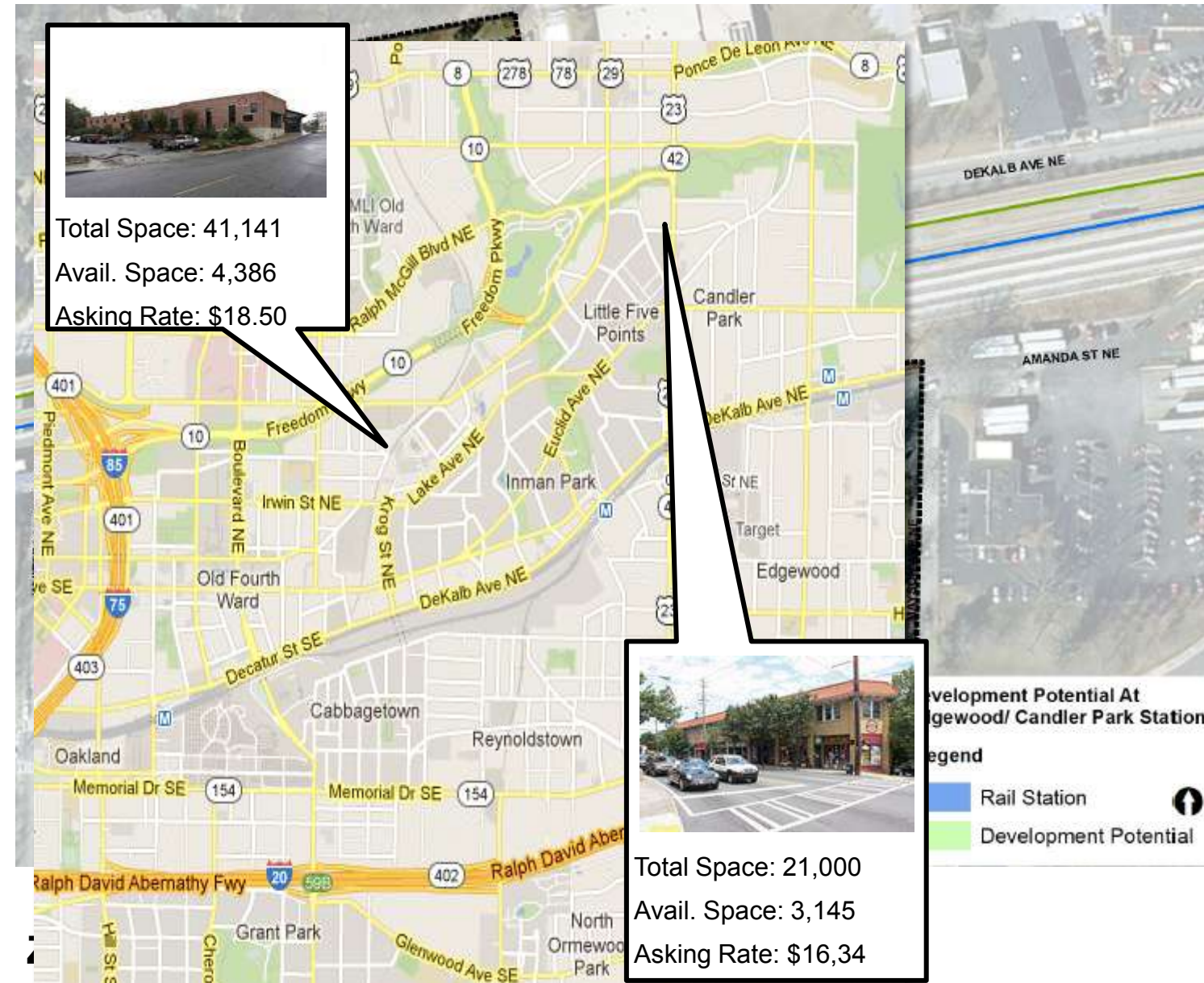
- Structure
- Space Usage
- Infrastructure
- Existing Amenities

Property:

- Uncompromised Land
- Zoning

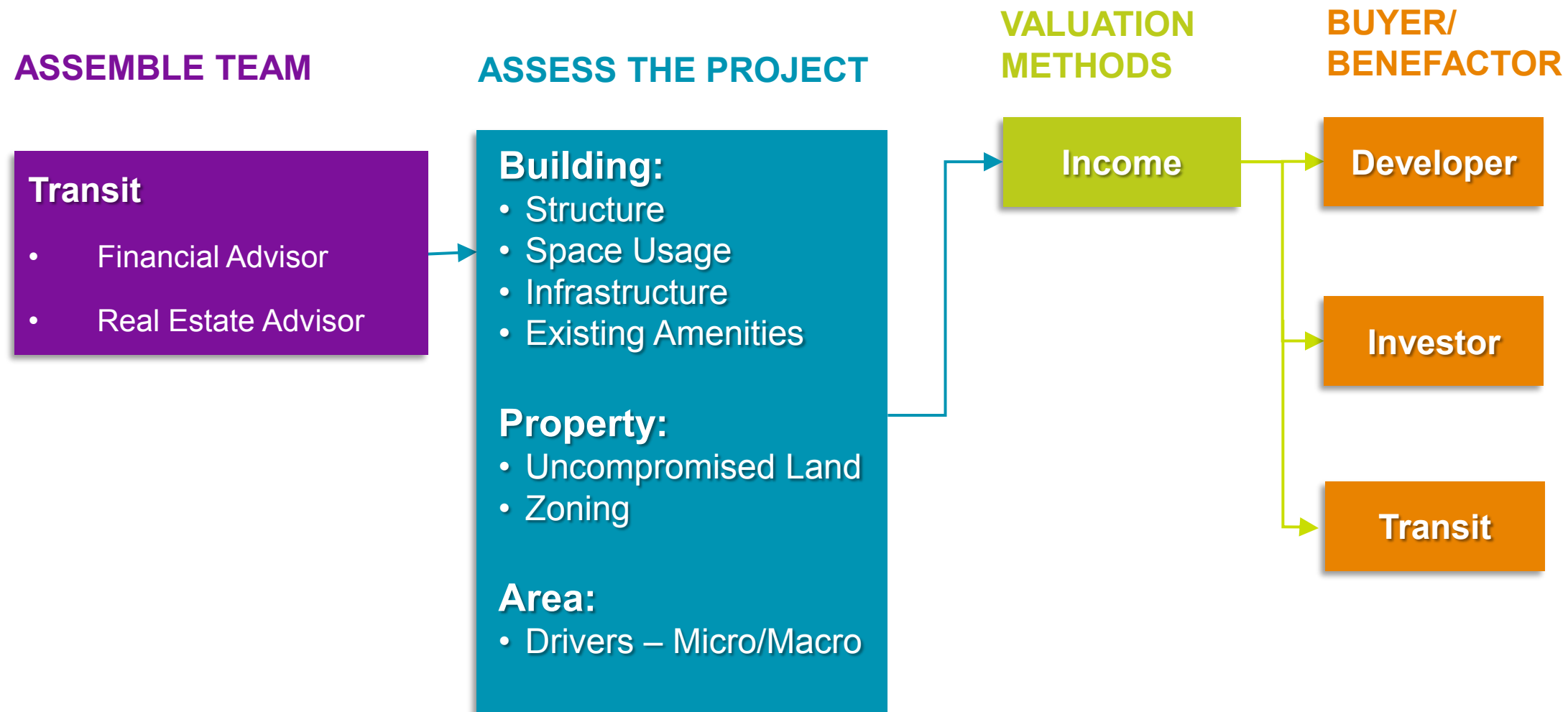
Area:

- Drivers – Micro/Macro



- ◆ **I-1 – Light Industrial**
- ◆ **C-1 – Community Business District**
- ◆ **The entire site is proposed to be rezoned MRC-3, Mixed Residential and Community district**
- ◆ **MRC-3 is more conducive to TOD Development**

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EXECUTIVE SUMMARY

PROPOSED MIXED-USED DEVELOPMENT OF FIVE TOD SITES																		
SCENARIO	Area - Square Footage		Space Efficiency (Rentable sf) + (GSF)	Hard Costs PSF (GSF)	Soft Costs PSF (GSF)	Interest Reserves PSF (GSF)	Brokerage/ Work Allowance PSF (GSF)	Total Costs PSF		Construction Period (mos)	Lease-Up / Absorption Period (mos)	Loan-To-Cost Ratio	Financing Interest Rate	RE Taxes Expense PSF (GSF)	Operating Expense PSF (GSF)	Average Monthly Rental Rate / Annual PSF (Rentable SF)	Exit Cap Rate	MARTA / DEVELOPER INVESTMENT REVENUE AND YIELD
	Gross (GSF)	Rentable (RSF)						PSF (GSF)	Amount									
I. EDGEWOOD/CANDLER PARK																		
Entire Building	255,000	216,750	85.0%	\$75.00	\$20.93	\$7.63	\$6.64	\$110.20	\$28.1 MM	18 mos	18 mos	70%	5.0%	\$1.00	\$7.29	Res-\$1,133/mo Res-\$20.80 psf/yr Office-\$15.00 psf/yr Retail-\$15.00 psf/yr	7%	MARTA PERSPECTIVE
Residential	220,647	187,550																Ground ROE
Office	8,471	7,200																Rent FMV \$5.7 MM
Retail	25,882	22,000																\$200k 3.5%
Parking	-	-																5.0%
																		16.9%
																		Developer 6 Yr IRR
																		\$200k
																		Ground Rent (5%DR)
																		\$200k
																		\$3.8 MM
																		\$4.7 MM
																		40 Yr NPV
																		99 Yr NPV
																		Max Promote Revenue
																		\$3.8 MM
																		\$4.7 MM
																		DEVELOPER PERSPECTIVE (IRR)
																		Investor Unleveraged
																		Leverage W/O MARTA
																		Leverage WITH MARTA
																		Period Promote
																		6 Yrs 11.1%
																		16.9%
																		16.9%

Financial Model for **Transit**

ASSEMBLE TEAM

- Transit**
- Financial Advisor
 - Real Estate Advisor

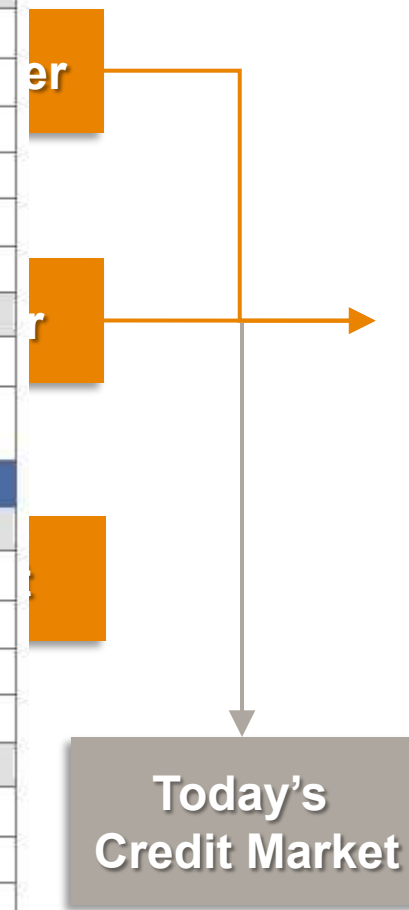
ASSESS THE PROJECT

- Building:**
- Structure
 - Space Usage
 - Infrastructure
 - Existing Amenities
- Property:**
- Uncompromising
 - Zoning
- Area:**
- Drivers – Micro

RATES FOR 10/8/2012

MULTI-FAMILY COMMERCIAL MORTGAGE RATES			
small portfolio (\$400,000 to \$3mm)			
max LTV	fixed term	loan rate	max amort.
75% purchase 75% refinance cash-out refinance - 70%	floating	3.75% - 6.50%	30
	5 year	3.34% - 4.09%	30
	7 year	3.58% - 4.33%	30
	10 year	3.94% - 4.69%	30
	30 year	5.43% - 6.18%	30
large portfolio - non-recourse (\$1mm to \$20mm+)			
max LTV	fixed term	loan rate	max amort.
75% purchase 75% refinance cash-out refinance - 75%	Floating	3.75% - 7.50%	30
	5 year	3.34% - 4.09%	30
	7 year	3.58% - 4.33%	30
	10 year	3.94% - 4.69%	30
	30 year	5.43% - 6.18%	30
special loan products			
program	fixed term	loan rate	max amort.
Rehab / Bridge (75% LTC)	1 year	7.00% - 14.00%	interest only
OFFICE / INDUSTRIAL / NNN / RETAIL / STORAGE LOANS			
\$500,000 to \$1.5M			
max LTV	fixed term	loan rate	max amort.
75% purchase and refinance	3 year	3.63% - 4.54%	25
	5 year	3.75% - 4.52%	25
	7 year	4.25% - 4.87%	25
\$1.5M to \$10M+			
max LTV	fixed term	loan rate	max amort.
75% purchase 75% refinance	3 year	3.63% - 4.54%	25
	5 year	3.75% - 4.52%	25
	7 year	4.25% - 4.87%	25
OWNER OCCUPIED / SBA / HOTEL / MOTEL LOANS			
conventional and government programs			
max LTV	fixed term	loan rate	max amort.
90% purchase (SBA) 75% refinance	Floating	3.75% - 6.50%	25
	3 year	3.75% - 4.66%	25
	5 year	3.95% - 4.70%	25
COMMERCIAL MORTGAGE MARKET RATES			
index	current rate	last month	last year

TOR



Financial Model for Attracting Private Capital

Profit Timing

HIGHEST & BEST USE

ASSEMBLE TEAM

ASSESS 1

Transit

- Financial Advisor
- Real Estate Advisor

Building

- Structure
- Space
- Infrastructure
- Existing

Property

- Uncom
- Zoning

Area:

- Drivers

- *Around Lease Structure*
- *Fee Simple Structure*
- *Capital Event Structure*

Profit Timing

's market

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