

Economic Analysis & Project Feasibility

| | <u>618 NW 9th Ave</u> | <u>Annual</u> |
|---|-----------------------|-----------------------------------|
| Pro Forma Lease | | |
| Space 1 | \$ 3,368.75 | \$ 40,425.00 |
| Space 2 | \$ 2,189.58 | \$ 26,275.00 |
| Space 3 | \$ 2,566.67 | \$ 30,800.00 |
| Space 4 | \$ 2,543.75 | \$ 30,525.00 |
| | \$ | |
| Subtotal | <u>10,668.75</u> | <u>\$128,025.00</u> |
| Property Tax (after expected increased post renovation) | \$ - | \$(1,500.00) \$(18,000.00) |
| Insurance | \$ - | \$(600.00) \$(7,200.00) |
| Property Management | \$ - | \$(746.81) \$(8,961.75) |
| Cleaning/Janitorial | \$ - | \$(150.00) \$(1,800.00) |
| Landscaping | \$ - | \$(400.00) \$(4,800.00) |
| Trash Removal | \$ - | \$(100.00) \$(1,200.00) |
| Events | \$ - | \$(150.00) \$(1,800.00) |
| Artist/Art Maintenance | \$ - | \$(300.00) \$(3,600.00) |
| Electric | \$ - | \$(250.00) \$(3,000.00) |
| Office Supply | \$ - | \$(60.00) \$(720.00) |
| Legal | \$ - | \$(125.00) \$(1,500.00) |
| Vacancy Factor | | <u>\$(853.50) \$10,242.00</u> |
| Subtotal Expenses | | <u>\$(5,235.31) \$(62,823.75)</u> |
| As Stabilized NOI | | <u>\$ 65,201.25</u> |

| | <u>600 Bldg</u> | <u>Total</u> |
|---|-----------------|------------------------|
| Purchase Price | \$ 550,000.00 | \$ 550,000.00 |
| Brokers Fee | \$ 33,000.00 | \$ 33,000.00 |
| Rehab | \$ - | |
| façade | \$ 220,000.00 | \$ 220,000.00 |
| interior | \$ 342,000.00 | \$ 342,000.00 |
| Landscaping | \$ 10,000.00 | \$ 10,000.00 |
| Paving | \$ 60,000.00 | \$ 60,000.00 |
| | | <u>\$ 1,215,000.00</u> |
| Capital Investment with CRA | | \$ 840,000.00 |
| Capital Investment without CRA Investment | | \$ 1,215,000.00 |

| | <u>Yr 1</u> | <u>Yer 2</u> | <u>Year 3</u> | <u>Year 4</u> | <u>Year 5</u> | <u>Total</u> |
|--------------------------------------|-------------|----------------------|--------------------------|--------------------|---------------|--------------|
| | \$0.00 | \$65,201.25 | \$67,157.29 | \$69,172.01 | \$71,247.17 | \$54,555.54 |
| | | <u>Annual Return</u> | <u>Cumulative return</u> | <u>5 Yr Return</u> | | |
| 5 Year ROI without CRA | | 4.49% | 22.45% | \$272,777.71 | | |
| 5 Year ROI with CRA Assistance | | 6.49% | 32.47% | \$272,777.71 | | |
| Estimated Return without CRA | | 5.37% | \$65,201.25 | | | |
| Estimated Return with CRA Assistance | | 7.76% | \$65,201.25 | | | |

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|--|----------------------------------|
| 5 Year average Annual return without CRA Assistance | 4.49% (average per annum) |
| 5 Year average Annual return with CRA Assistance | 6.49% (average per annum) |
| As Stabilized Return without CRA Assistance | 5.37% (per annum) |
| As Stabilized Return with CRA Assistance | 7.76% (per annum) |