

CONFIDENTIAL**Stratus Apartments**

Map Nos.:	D-134 and D-135
Tax Parcel Nos.:	066000-0540 and -0545
Property key:	7104, 7105
Address	2118 Westlake Avenue
Zoning:	DMC 240/290-440
Property rights:	No apparent restrictions
Previous sale:	\$16,000,000 9/30/2014 \$40,404 per DU
Proximity to project:	1,600± feet to Pine Street
Ownership:	Sixth & Lenora Apartments, LLC (per December 2007 SWD)
Description:	21,420 SF site on the northwest corner of 9th Avenue and Lenora Street, improved with a 396-unit high-rise apartment building constructed in 2016, 8,284 SF of street-level retail. The tax parcels but the assessor has the improvements on D-135 (066000-0540 and -0545).

INCOME ANALYSIS Before	Year Built	2016
	Parking	644

Potential Gross Income

	Units	SF NRA	Total NRA	Rent	Rent/SF
Studio	38	674	25,612	\$3,040	\$4.51
1-bedroom	234	811	189,774	\$3,615	\$4.46
2-bedroom	122	1,225	149,450	\$4,556	\$3.72
3-bedroom	2	1,892	3,784	\$9,313	\$4.92
Total apartments	396	931	368,620	\$3,879	\$4.17
	GBA	NRA			
Retail	8,284	8,284		SF NRA @	\$32.00
Restaurant	0	0		SF NRA @	\$0.00
Other	0	0		SF NRA @	\$0.00
Other	0	0		SF NRA @	\$0.00
Subtotals	8,284	8,284			
Parking Area/Stalls	121,057		644	stalls @	\$300.00
Basement	0	0		SF NRA @	\$0.00
Other	0	0		SF NRA @	\$0.00
Other				1.0%	of PGI
Total Bldg Area & Gross Income	613,750	399,075		SF NRA @	\$53.12
Less: Vacancy/credit allowance @	4.0%	of apartment revenue			
	5.0%	of commercial revenue			
	0.0%	of parking revenue			
Total vacancy/credit allowance					
Effective gross income					
Less: Operating expenses					

Management fee @	5.0%	of total EGI		
Parking operating expenses @	0.0%	of parking EGI		
Apartment operating expenses	27.0%	of apartment EGI		
Structural maintenance/reserve	\$0.25	per SF of GBA		
Total operating expenses			\$14.92	29.1%
Net operating income				

Indicated Value

Land Value	21,420	SF @	\$1,750.00
Allocation to 066000-0540	7,020	SF @	\$1,750.00
Allocation to 066000-0545	14,400	SF @	\$1,750.00
Residual Improvements	399,075	SF NRA @	\$802.89
	613,750	SF GRA @	\$522.06

Special Benefit Summary

	Land		Improved	% Change
	Per SF	Total		
Without LID	\$1,750.00	\$37,485,000	\$320,414,000	N/A
With LID				
Scenario A1	\$1,752.63	\$37,541,000	\$320,539,000	0.04%
Scenario A2	\$1,752.63	\$37,541,000	\$321,262,000	0.26%
Scenario B1	\$1,752.63	\$37,541,000	\$321,244,000	0.26%
Scenario B2	\$1,752.63	\$37,541,000	\$320,800,000	0.12%
Percent change in land value	0.15%		\$320,961,000	0.17%

Overall Summary

Without LID	\$1,750.00	\$37,485,000	\$320,414,000	N/A
With LID	\$1,752.63	\$37,541,000	\$320,800,000	0.12%

Stratus Apartments

Scenario A: Rental and Vacancy Rate Changes

, zoned DMC 240/290-440,
016, with 644 on-site parking
e building is situated on both
545).

		INCOME ANALYSIS After	Year Built	2016
		Potential Gross Income		
			Units	SF NRA
	\$1,386,240	Studio	38	674
	\$10,150,920	1-bedroom	234	811
	\$6,669,984	2-bedroom	122	1,225
	\$223,512	3-bedroom	2	1,892
	\$18,430,656	Total apartments	396	931
			GBA	NRA
per SF =	\$265,088	Retail	8,284	8,284 SF
per SF =	\$0	Restaurant	0	0 SF
per SF =	\$0	Other	0	0 SF
per SF =	\$0	Other	0	0 SF
	\$265,088	Subtotals	9,076	13,817
/month	\$2,318,400	Parking Area/Stalls	121,057	0 644
per SF =	\$0	Basement	0	0 SF
per SF =	\$0	Other	0	0 SF
	\$184,307	Other		
/SF =	\$21,198,451	Total Bldg Area & Gross Income	613,750	399,075 SF
	(\$737,226)	Less: Vacancy/credit allowance		of apartment
	(\$13,254)			of commercial
	\$0			of parking
	(\$750,481)	Total vacancy/credit allowance		
	\$20,447,970	Effective gross income		
		Less: Operating expenses		

	<div> <div></div> <div>(\$1,022,398)</div> </div> <div> <div></div> <div>\$0</div> </div> <div> <div></div> <div>(\$4,777,226)</div> </div> <div> <div></div> <div><u>(\$153,438)</u></div> </div> <div> <div>\$15,033</div> <div>(\$5,953,062)</div> </div> <div> <div></div> <div>\$14,494,908</div> </div>
<div>Capitalized @</div> <div>Indicated value</div> <div>(R)</div> <div>Per DU</div>	<div>4.05%</div> <div>\$357,898,960</div> <div>\$357,899,000</div> <div>\$903,785</div>
per SF =	\$37,485,000
per SF =	\$12,285,000
per SF =	\$25,200,000
per SF =	\$320,414,000

Capitalized @	4.05%
Indicated value	\$357,898,960
(R) \$357,899,000	
Per DU	\$903,785

per SF =	\$37,485,000
per SF =	\$12,285,000
per SF =	\$25,200,000

per SF =	\$320,414,000
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Management fee @	5.0%	of total EGI
Parking operating expenses @	0.0%	of parking EGI
Apartment operating expenses	27.0%	of apartment EGI
Structural maintenance/reserve	\$0.25	per SF of GBA
Total operating expenses		
Net operating income		
Indicated Value		
Land Value		21,420
Allocation to 066000-0540		7,020
Allocation to 066000-0545		14,400
Residual Improvements		

Indicated Value

Land Value	21,420
Allocation to 066000-0540	7,020
Allocation to 066000-0545	14,400

Residual Improvements	

Total Estimated Value	Special Benefit	% Change	Per Parcel Summ
\$357,899,000	N/A	N/A	
			Per DU
\$358,080,000	\$181,000	0.05%	\$457
\$358,803,000	\$904,000	0.25%	\$2,283
\$358,785,000	\$886,000	0.25%	\$2,237
\$358,341,000	\$442,000	0.12%	\$1,116
\$357,899,000	N/A		
\$358,341,000	\$442,000	0.12%	

			(\$1,022,910)	(\$1,024,954)
			\$0	\$0
			(\$4,779,615)	(\$4,789,169)
			(\$153,438)	(\$153,438)
			(\$5,955,962)	(\$5,967,561)
			\$14,502,232	\$14,531,529
	Capitalized @		4.05%	4.05%
			\$358,079,804	\$358,803,179
	(R)	\$358,080,000	\$358,803,000	
	Per DU		\$904,242	\$906,068
	% change		0.05%	0.25%
SF @	\$1,752.63	per SF =	\$37,541,000	\$37,541,000
SF @	\$1,752.63	per SF =	\$12,303,000	\$12,303,000
SF @	\$1,752.63	per SF =	\$25,238,000	\$25,238,000
			\$320,539,000	\$321,262,000
	Per SF NRA		\$803.20	\$805.02

0.15%

nary		<u>066000-0540</u>	<u>066000-0545</u>	<u>Totals</u>
	Without LID	\$12,285,000	\$345,614,000	\$357,899,000
	With LID	\$12,303,000	\$346,038,000	\$358,341,000
	Special benefit	\$18,000	\$424,000	\$442,000

Scenario B: Overall Capitalization Rates Changes

INCOME ANALYSIS After		Year Built	2016
Potential Gross Income			
	Units	SF NRA	Total NRA
Studio	38	674	25,612
1-bedroom	234	811	189,774
2-bedroom	122	1,225	149,450
3-bedroom	2	1,892	3,784
Total apartments	396	931	368,620
			Rent
			Rent/SF
Retail	8,284	8,284	SF NRA @ \$32.00
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Other	0	0	SF NRA @ \$0.00
Other	0	0	SF NRA @ \$0.00
Subtotals	9,076	13,817	
Parking Area/Stalls	121,057	0	644 stalls @ \$300.00 /month
Basement	0	0	SF NRA @ \$0.00
Other	0	0	SF NRA @ \$0.00
Other			1.0% of PGI
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Less: Vacancy/credit allowance @	4.0% of apartment revenue		
	5.0% of commercial revenue		
	0.0% of parking revenue		
Total vacancy/credit allowance			
Effective gross income			
Less: Operating expenses			

Management fee @	5.0%	of total EGI
Parking operating expenses @	0.0%	of parking EGI
Apartment operating expenses	27.0%	of apartment EGI
Structural maintenance/reserve	\$0.25	per SF of GBA

Total operating expenses

Net operating income

Indicated Value					Low
					Capitalized @ 4.040%
					Indicated Value \$358,784,849
					(R) \$358,785,000
					Per DU \$906,023
					% change 0.25%
Land Value					
	21,420	SF @	\$1,752.63	per SF =	\$37,541,000
Allocation to 066000-0540	7,020	SF @	\$1,752.63	per SF =	\$12,303,000
Allocation to 066000-0545	14,400	SF @	\$1,752.63	per SF =	\$25,238,000
Residual Improvements					\$321,244,000
					per SF NRA \$804.97

(\$1,022,398)
\$0
(\$4,777,226)
<u>(\$153,438)</u>
(\$5,953,062)
\$14,494,908
High
4.045%
\$358,341,357
\$358,341,000
\$904,902
0.12%
\$37,541,000
\$12,303,000
\$25,238,000
\$320,800,000
\$803.86

0.15%