Financial Feasibility of New Construction (2 and 3-Unit Structure)
Profit Loss Analysis

Applicant: 1538 New Jersey Avenue, LLC
Property: 1538 New Jersey Avenue NW

Scenario 5: 2 Units, New Construction, No Basement			Scenario 6: 3 Units, New Construction w Basement		
Purchase Price	$	399,900	Purchase Price	$	399,900
Closing Costs	$	23,046	Closing Costs	$	23,046
Hard Construction Costs	$	262,000	Project Cost for 3 Units	$	321,000
Soft Cost Estimate	$	138,000	Soft Cost Estimate	$	170,000
Total Project Cost	$	822,946	Total Project Cost	$	913,946
Debt	$	617,210	Debt	$	685,460
Equity	$	205,737	Equity	$	228,487
Gross Rent for 2 Units	$	52,800	Gross Rent for 3 Units	$	75,600
Rent Per Unit Per Month	$	2,200	Rent Per Unit Per Month	$	2,100
Total Gross Potential Rent	$	52,800	Total Gross Potential Rent	$	75,600
Vacancy / Collection at 5%	$	2,640	Vacancy / Collection at 5%	$	3,780
Net Rent	$	50,160	Net Rent	$	71,820
Taxes	$	6,995	Taxes	$	7,769
Insurance	$	3,000	Insurance	$	3,000
Common Utilities	$	5,000	Common Utilities	$	6,000
Trash	$	2,400	Trash	$	2,400
Management Fees at 5%	$	2,508	Management Fees at 5%	$	3,591
Repairs and Maintenance	$	1,500	Repairs and Maintenance	$	2,250
Total Expenses	$	21,403	Total Expenses	$	25,010
Operating Income	$	28,757	Operating Income	$	46,810
Debt Service	$	43,298	Debt Service	$	48,086
Cash Flow	$	(14,541)	**Cash Flow**	$	(1,275)
Cash Return on Equity		-7.07%	**Cash Return on Equity**		-0.56%

Financial Feasibility of New Construction (2 and 3-U[illegible] Structure)
Construction Budget

Applicant: 1538 New Jersey Avenue, LLC
Property: 1538 New Jersey Avenue NW

Scenario 5: 2 Units, New Construction, No Basement	
General Conditions	$ 16,000
Site Work	$ 20,000
Concrete and Foundations	$ 12,000
Masonry	$ 5,000
Metals	$ 5,000
Woods and Plastics	$ 27,000
Thermal and Moisture Protection	$ 16,000
Doors and Windows	$ 10,000
Finishes	$ 25,000
Equipment	$ 10,000
Furnishings	$ 20,000
Mechanical & Plumbing	$ 52,000
Electrical	$ 30,000
Hard Cost Contingency	$ 14,000
Hard Costs	$ 262,000
Soft Costs	$ 138,000
Total Hard and Soft Costs	$ 400,000

Scenario 6: 3 Units, New Construction w Basement	
General Conditions	$ 16,000
Site Work	$ 31,000
Concrete and Foundations	$ 15,000
Masonry	$ 7,000
Metals	$ 7,000
Woods and Plastics	$ 33,000
Thermal and Moisture Protection	$ 19,000
Doors and Windows	$ 12,000
Finishes	$ 30,000
Equipment	$ 15,000
Furnishings	$ 26,000
Mechanical & Plumbing	$ 59,000
Electrical	$ 35,000
Hard Cost Contingency	$ 16,000
Hard Costs	$ 321,000
Soft Costs	$ 170,000
Total Hard and Soft Costs	$ 491,000