

Financial Sensitivity Analysis									
<i>*italics indicate Current Financial Proforma returns</i>									
Lot 5									
Loan to Value (LTV)									
The Loan to Value Ratio in Market Rate Rentals and Retail Components are both 70%. With the returns being accpetable to the Capital Markets, decrease, or a larger requirement by the lending company would only increase the Developers cash-on-cash return.									
Interest Rate	Use Type	ROE	NOI (yr. 3)	Debt Service	IRR	ROC	Max. Loan Amt	DCR Yr. 3	
6.50%	Market Rate Condos	43.14%	n/a	n/a	n/a	n/a	n/a	n/a	
	Retail	n/a	\$488,669	\$295,654	16.30%	9.37%	\$3,909,350	1.65	
6.75%	Market Rate Condos	42.25%	n/a	n/a	n/a	n/a	n/a	n/a	
	Retail	n/a	\$488,669	\$302,978	15.88%	9.36%	\$3,909,350	1.61	
7.00%	Market Rate Condos	41.36%	n/a	n/a	n/a	n/a	n/a	n/a	
7.25%	Retail	n/a	\$488,669	\$317,902	15.04%	9.33%	\$3,909,350	1.54	
7.50%	Market Rate Condos	39.56%	n/a	n/a	n/a	n/a	n/a	n/a	
	Retail	n/a	\$488,669	\$325,500	14.62%	9.32%	\$3,909,350	1.50	
7.75%	Market Rate Condos	38.66%	n/a	n/a	n/a	n/a	n/a	n/a	
	Retail	n/a	\$488,669	\$333,185	14.19%	9.31%	\$3,909,350	1.47	
Construction Cost-Lot 5									
Construction Cost increases will effect Affordable housing. SPPRE assumes that Federal and State Assistance will enable the development of this component regardless of increase.									
Construction Cost	Use Type	ROE	Total Dev. Cost	Construction Draw	Debt Service	IRR	ROC	Max. Loan Amt	DCR Yr. 3
-5.00%	Market Rate Condos	51.92%	\$3,582,634		\$1,028,495	n/a	n/a	n/a	n/a
	Retail	n/a	\$4,067,715		\$305,243	16.76%	9.79%	\$3,936,155	1.56
0.00%	Market Rate Condos	41.36%	\$3,582,634		\$1,079,861	n/a	n/a	n/a	n/a
	Retail	n/a	\$4,268,201		\$317,902	15.04%	9.33%	\$3,909,350	1.49
5.00%	Market Rate Condos	31.61%	\$3,582,634		1131226.131	n/a	n/a	n/a	n/a
	Retail	n/a	\$4,468,687		\$330,562	13.38%	8.91%	\$3,882,544	1.42
10.00%	Market Rate Condos	22.60%	\$3,582,634		1182591.737	n/a	n/a	n/a	n/a
	Retail	n/a	\$4,669,173		\$343,221	11.77%	8.53%	\$3,855,739	1.36
15.00%	Market Rate Condos	14.22%	\$3,582,634		1233957.343	n/a	n/a	n/a	n/a
	Retail	n/a	\$4,869,659		\$355,880	10.19%	8.17%	\$3,828,933	1.30

Garage Cost Variance-Lot 5									
Per the Town Staff request, SPPRE has included a Garage increase Financial Sensitivity component for Lot 5.									
Garage Cost (PSF)	Use Type	ROE	Cost per Space	Town Cost for 173	Town Delta	IRR	ROC	Debt Service	DCR Yr. 3
\$52.00	Market Rate Condos	45.31%	\$20,936	\$3,784,923	\$3,270,594	n/a	n/a	n/a	n/a
	Retail	n/a	\$20,936	\$3,784,923	\$3,270,594	17.04%	9.86%	\$303,274	1.57
\$62.00	Market Rate Condos	41.36%	\$24,402	\$4,411,457	\$4,539,014	n/a	n/a	n/a	n/a
	Retail	n/a	\$24,402	\$4,411,457	\$4,539,014	15.04%	9.33%	\$317,902	1.49
\$72.00	Market Rate Condos	37.72%	\$27,867	\$5,037,991	\$5,807,434	n/a	n/a	n/a	n/a
	Retail	n/a	\$27,867	\$5,037,991	\$5,807,434	13.13%	8.85%	\$332,531	1.41
\$82.00	Market Rate Condos	34.37%	\$31,333	\$5,664,524	\$7,075,854	n/a	n/a	n/a	n/a
	Retail	n/a	\$31,333	\$5,664,524	\$7,075,854	11.28%	8.41%	\$347,160	1.34
\$92.00	Market Rate Condos	31.26%	\$34,799	\$6,291,058	\$8,344,274	n/a	n/a	n/a	n/a
	Retail	n/a	\$34,799	\$6,291,058	\$8,344,274	9.47%	8.01%	\$361,789	1.28
Rock Removal Variance Analysis									
Per the Town Staff request, SPPRE has included a Rock Removal Financial Sensitivity component for Lot 5. This would be added as a line item to the budget once a price has been confirmed.									
Scenario A: Rippable Level: Rock only requires regular earth-moving equipment.									
Cost: \$346,500		ROE	Total Dev. Bgt	Town Cost for 173	IRR	ROC	Debt Service	DCR Yr. 3	
		46.88%	\$33,666,801	\$4,273,923	16.26%	9.65%	\$308,871	1.59	
Scenario B: Rippable Level: Blasting required, rock removed off-site.									
Cost: \$2,079,000		ROE	Total Dev. Bgt	Town Cost for 173	IRR	ROC	Debt Service	DCR Yr. 3	
		36.08%	\$35,638,105	\$4,548,991	13.85%	9.03%	\$326,934	1.49	
Scenario C: Parking Reduction; Rippable Level: Blasting required, rock removed off-site.									
Cost: \$1,392,930		ROE	Total Dev. Bgt	Town Cost for 173	IRR	ROC	Debt Service	DCR Yr. 3	
		40.24%	\$34,857,468	\$4,440,064	14.79%	9.27%	\$319,781	1.53	

Wallace Deck									
Loan to Value (LTV)									
The Loan to Value Ratio in Market Rate Rentals and Retail Components are both 70%. With the returns being acceptable to the Capital Markets, decrease, or a larger requirement by the lending company would only increase the Developers cash-on-cash return.									
Interest Rate	Use Type	ROE	NOI	Debt Service	IRR	ROC	Max. Loan Amt	DCR Yr. 3	
6.50%	Market Rate Condos	27.60%	n/a	n/a	n/a	n/a	n/a	n/a	
	Retail	n/a	\$51,779	\$27,344	21.92%	10.74%	\$414,229	1.89	
6.75%	Market Rate Condos	26.69%	n/a	n/a	n/a	n/a	n/a	n/a	
	Retail	n/a	\$51,779	\$28,022	21.53%	10.72%	\$414,229	1.85	
7.00%	Market Rate Condos	25.77%	n/a	n/a	n/a	n/a	n/a	n/a	
7.25%	Retail	n/a	\$51,779	\$29,402	20.74%	10.69%	\$414,229	1.76	
7.50%	Market Rate Condos	23.93%	n/a	n/a	n/a	n/a	n/a	n/a	
	Retail	n/a	\$51,779	\$30,105	20.35%	10.68%	\$414,229	1.72	
7.75%	Market Rate Condos	23.00%	n/a	n/a	n/a	n/a	n/a	n/a	
	Retail	n/a	\$51,779	\$30,816	19.95%	10.66%	\$414,229	1.68	
Construction Cost-Wallace									
Construction Cost increases will effect Affordable housing. SPPRE assumes that Federal and State Assistance will enable the development of this component regardless of increase.									
Construction Cost-Wallace	Use Type	ROE	Total Dev. Cost	Construction Draw	Debt Service	IRR	ROC	Max. Loan Amt	DCR Yr. 3
-5.00%	Market Rate Condos	37.30%	\$12,810,837	\$711,713	n/a	n/a	n/a	n/a	n/a
	Retail	n/a	\$2,538,070	n/a	\$28,243	22.41%	11.20%	\$416,684	1.87
0.00%	Market Rate Condos	25.77%	\$13,474,624	\$748,590	n/a	n/a	n/a	n/a	n/a
	Retail	n/a	\$2,669,306	n/a	\$29,402	20.74%	10.69%	\$414,229	1.78
5.00%	Market Rate Condos	15.08%	\$14,138,410	\$785,467	n/a	n/a	n/a	n/a	n/a
	Retail	n/a	\$2,800,543	n/a	\$30,561	19.14%	10.23%	\$411,774	1.71
10.00%	Market Rate Condos	5.16%	\$14,802,197	\$822,344	n/a	n/a	n/a	n/a	n/a
	Retail	n/a	\$2,931,779	n/a	\$31,721	17.61%	9.79%	\$409,320	1.64
15.00%	Market Rate Condos	-4.09%	\$15,465,984	\$859,221	n/a	n/a	n/a	n/a	n/a
	Retail	n/a	\$3,063,015	n/a	\$32,880	16.14%	9.39%	\$406,865	1.57
Lot 2									
Lot 2 Sensitivity Analysis are estimates only. The Current schedule has the development beginning in 2010 and therefore can be subjected to a wide variety of market conditions.									

Loan to Value (LTV)									
The Loan to Value Ratio in Market Rate Rentals and Retail Components are both 70%. With the returns being acceptable to the Capital Markets, decrease, or a larger requirement by the lending company would only increase the Developers cash-on-cash return.									
Interest Rate	Use Type	ROE	NOI	Debt Service	IRR	ROC	Max. Loan Amt	DCR Yr. 3	
6.50%	Market Rate Condos	31.80%	n/a	n/a	n/a	n/a	n/a	n/a	
	Retail	n/a	\$288,864	\$172,340	17.48%	9.51%	\$2,310,914	1.68	
6.75%	Market Rate Condos	30.91%	n/a	n/a	n/a	n/a	n/a	n/a	
	Retail	n/a	\$288,864	\$176,602	17.07%	9.49%	\$2,310,914	1.64	
7.00%	Market Rate Condos	30.01%	n/a	n/a	n/a	n/a	n/a	n/a	
7.25%	Retail	n/a	\$288,864	\$185,286	16.26%	9.47%	\$2,310,914	1.56	
7.50%	Market Rate Condos	28.20%	n/a	n/a	n/a	n/a	n/a	n/a	
	Retail	n/a	\$288,864	\$189,707	15.85%	9.45%	\$2,310,914	1.52	
7.75%	Market Rate Condos	27.29%	n/a	n/a	n/a	n/a	n/a	n/a	
	Retail	n/a	\$288,864	\$194,178	15.44%	9.44%	\$2,310,914	1.49	
Construction Cost-Lot 2									
Construction Cost increases will effect Affordable housing. SPPRE assumes that Federal and State Assistance will enable the development of this component regardless of increase.									
Construction Cost-Lot 2	Use Type	ROE	Total Dev. Cost	Construction Draw	Debt Service	IRR	ROC	Max. Loan Amt	DCR Yr. 3
-5.00%	Market Rate Condos	43.70%	\$7,774,532	\$431,918	n/a	n/a	n/a	n/a	n/a
	Retail	n/a	\$0	n/a	\$177,745	17.98%	9.93%	\$2,326,451	1.64
0.00%	Market Rate Condos	30.01%	\$8,173,123	\$454,062	n/a	n/a	n/a	n/a	n/a
	Retail	n/a	\$0	n/a	\$185,286	16.26%	9.47%	\$2,310,914	1.56
5.00%	Market Rate Condos	17.38%	\$8,571,713	476,206	n/a	n/a	n/a	n/a	n/a
	Retail	n/a	\$0	n/a	\$192,828	14.60%	9.03%	\$2,295,378	1.49
10.00%	Market Rate Condos	5.69%	\$8,970,304	\$498,350	n/a	n/a	n/a	n/a	n/a
	Retail	n/a	\$0	n/a	\$200,369	13.00%	8.64%	\$2,279,842	1.42
15.00%	Market Rate Condos	-5.15%	\$9,368,895	\$520,494	n/a	n/a	n/a	n/a	n/a
	Retail	n/a	\$0	n/a	\$207,911	11.44%	8.27%	\$2,264,306	1.36
The ROE is more sensitive to Construction increases(than Wallace or Lot 5) because there are less units being built.									