



noVa

SUMMER MEADOWS

Project Description

The property is located at 433 Hebron Road Durham, NC which is roughly 5.47 acres Less 1 mile from the North Duke Shopping Mall, 1.5 miles from Duke Regional Hospital, 5 miles from Downtown Durham, and 5 miles from Duke. With a stable and diverse economy, Durham as a whole has seen considerable growth in recent years. The population of Durham's metro is young, with more than a third of the population between the ages of 20 and 34, but the metro population has outpaced the national average with growth in every age bracket.

Project Summary

Total Land Area:
5.47 acres (238,273.2 sf)

Total For-Rent Units: 83

Location:
433 Hebron Road
Durham, NC

Appraisal
\$24 Million

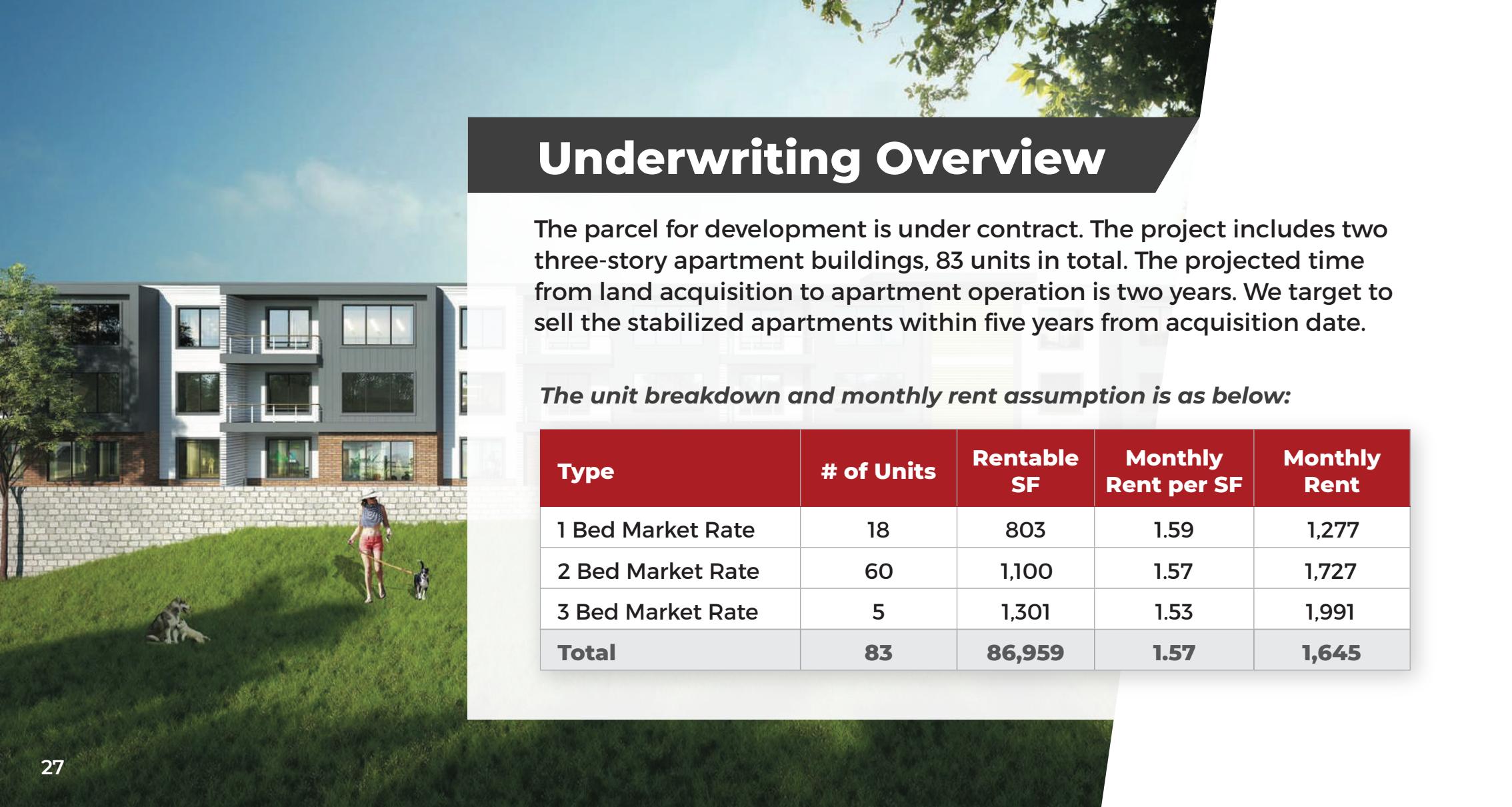
Projected Construction Costs
\$16 Million





\$3,500,000
Initial
Investment
= 12% IRR

Project
IRR
14%



Underwriting Overview

The parcel for development is under contract. The project includes two three-story apartment buildings, 83 units in total. The projected time from land acquisition to apartment operation is two years. We target to sell the stabilized apartments within five years from acquisition date.

The unit breakdown and monthly rent assumption is as below:

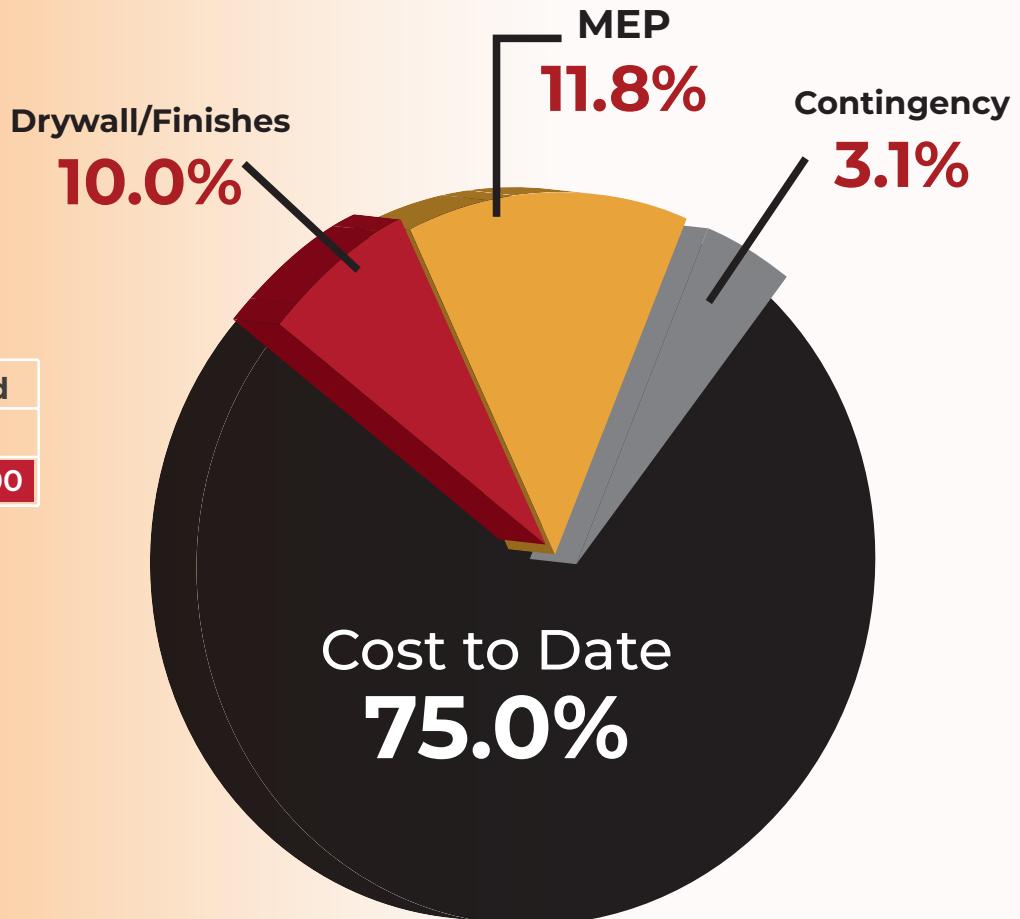
Type	# of Units	Rentable SF	Monthly Rent per SF	Monthly Rent
1 Bed Market Rate	18	803	1.59	1,277
2 Bed Market Rate	60	1,100	1.57	1,727
3 Bed Market Rate	5	1,301	1.53	1,991
Total	83	86,959	1.57	1,645

Construction

Costs to date	12 Million	75% completed
Cost to Complete	4 million	
Total Projected Costs to Complete	\$16,000,000	

Costs to Complete

Drywall/Finishes,etc.	\$1,604,505
MEP	\$1,895,495
Contingency	\$ 500,000



Construction Contracts

Market Cost / Actual Cost

Framing	\$9 sqft	\$4 sqft
Siding	\$4 sqft	\$2 sqft
Drywall installation	\$35/sheet	\$27/sheet
Painting Exterior	\$2 sqft	\$.54 sqft
Painting Interior	\$4.20 sqft	\$2.5 sqft

Construction Future Costs



MEP	Past Bids	Current Bids	Cost Advantage
Mechanical	\$1,200,000	\$580,000	<i>current market</i>
Electrical	\$1,150,000	\$570,000	\$427,500 ▼25%
Plumbing	\$1,055,149	\$570,000	\$456,000 ▼20%

Construction

Costs savings example:

Fire
Alarm
package

Bid
\$151,000

Current
Cost

\$40,000

Savings

74%











