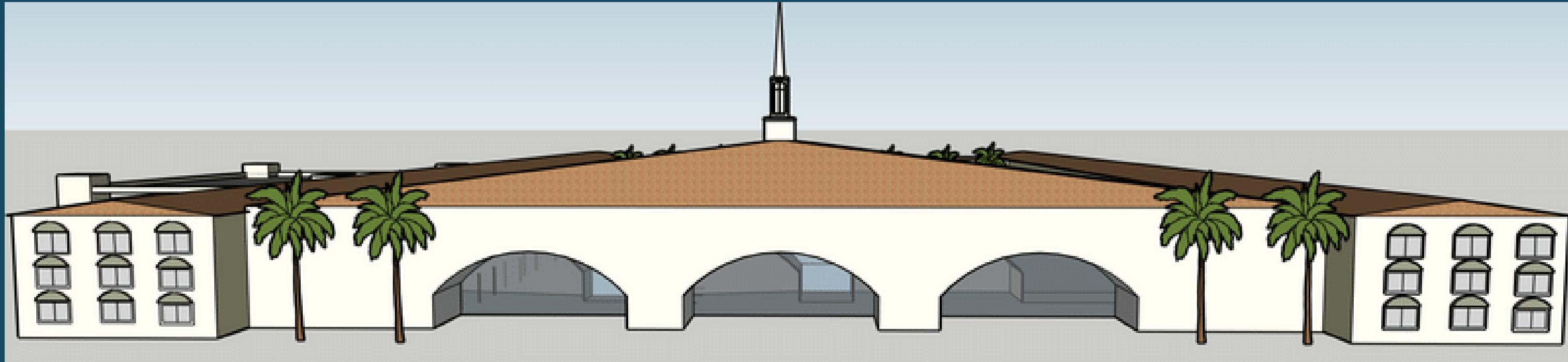


DUNDER MIFFLIN CONSULTING PRESENTS

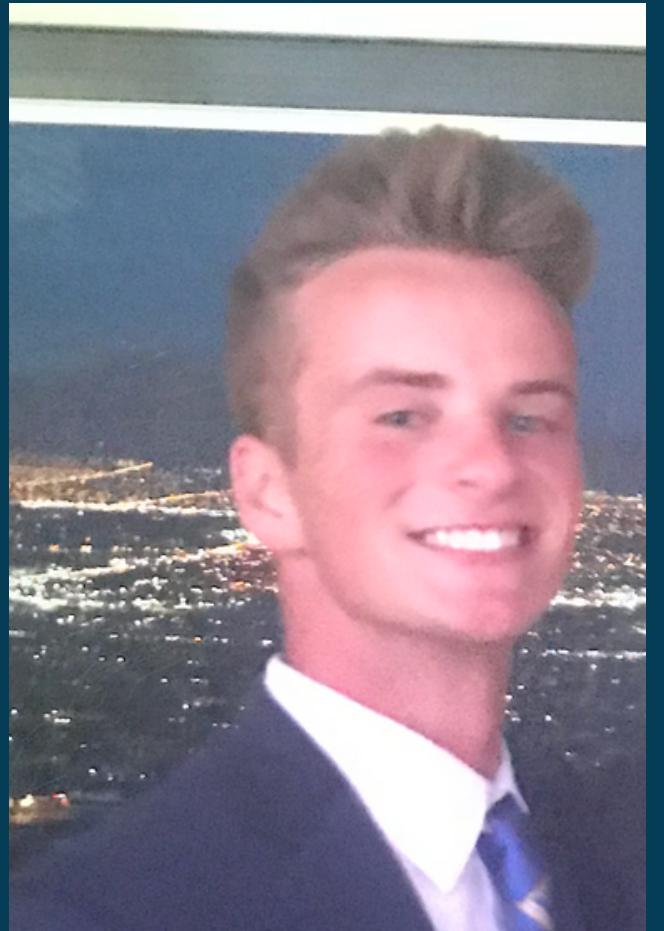
The Stafford Pavilion: Welcome to your New Home!



MEDITERRANEAN MULTI-USE APARTMENTS

3013 Ponce De Leon Blvd
Coral Gables, Florida

Video Link:
[Click Here](#)



JACK HEFLIN



CHRISTINA SILVA



RAGHAV ARORA



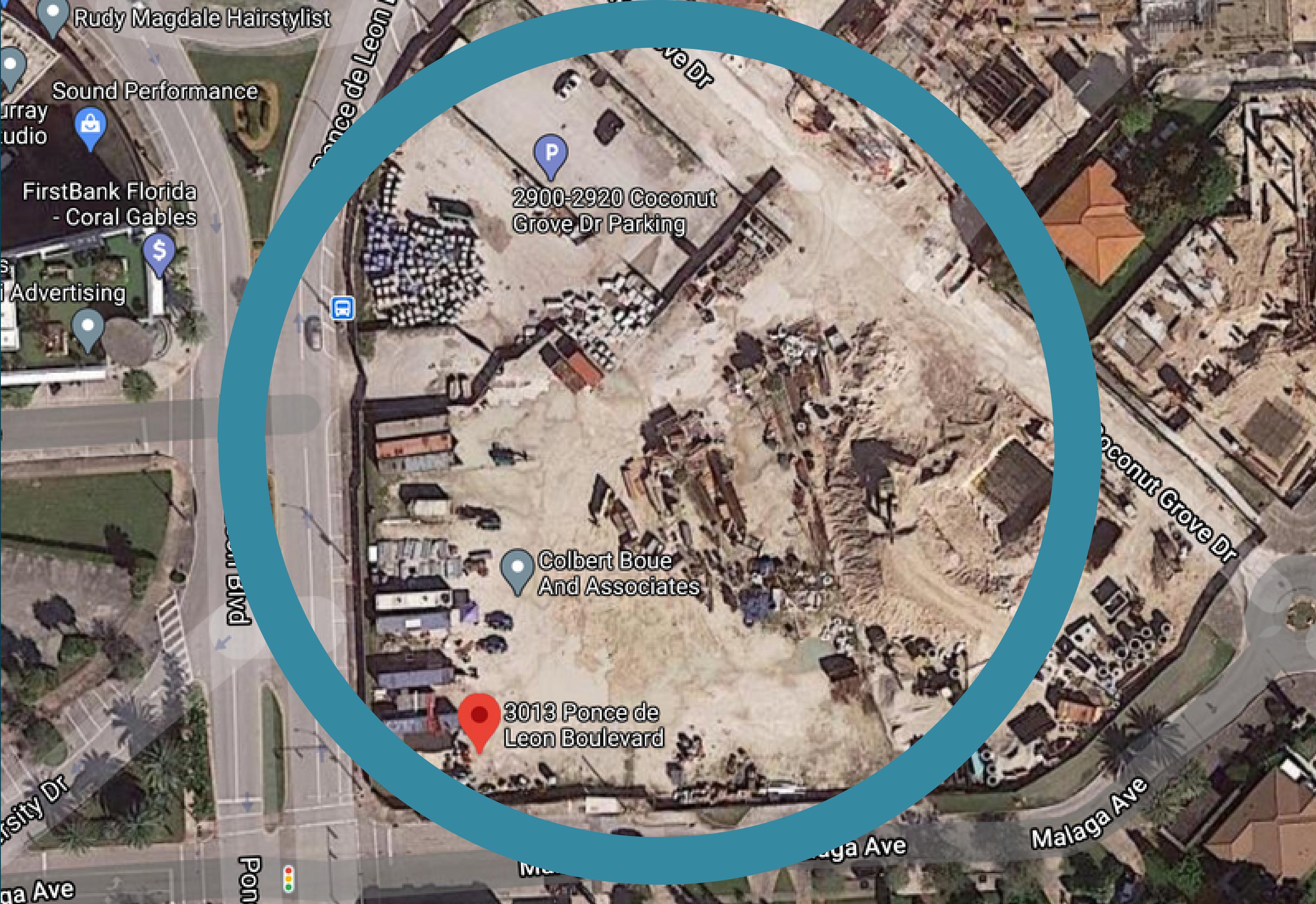
CHASE WINDHAM



The Dunder Mifflin Team

Executive Summary

Jones Lang Lasalle (JLL) has been hired to help Agave Holdings finance a project in Coral Gables, Florida. This near 7 acre lot, resides in the heart of Coral Gables and provides a unique investment opportunity. The Dunder Mifflin Consulting team, assembled by JLL, believes the best use for the site given current market conditions and zoning restrictions is to build a multi-use facility consisting of luxury apartments and commercial centers on the ground floor, with added parking privileges. The following offering memorandum features a location overview, target market demographics/analysis and an investment overview into our property 'The Stafford Pavilion'. Financial analysis conducted projects IRR to be 7.36% for the project.



Overview

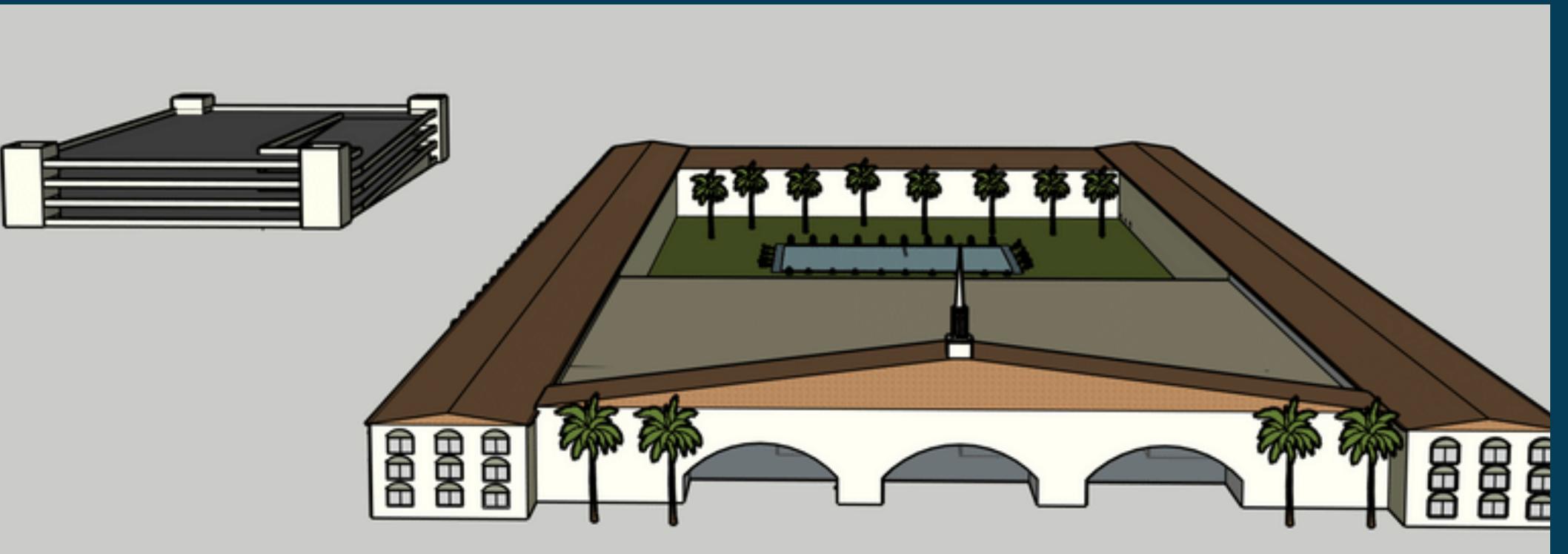
1. Location Overview

2. Demographics

3. Investment Overview

4. Comparable Investments

5. Financial Analysis



Location Overview



3013 Ponce De Leon Blvd

CORAL GABLES, FLORIDA



- Property is conveniently located near the bustling Miracle Mile Shopping District in the heart of downtown Coral Gables
- Plot size: 163,645 Sq Feet (3.76 Acres)
- Assessed Land Value: \$73,640,250
- Assessed Property Value: \$205,760,250
- Currently vacant land with a parking lot

Miami
International
Airport
5.2 Miles

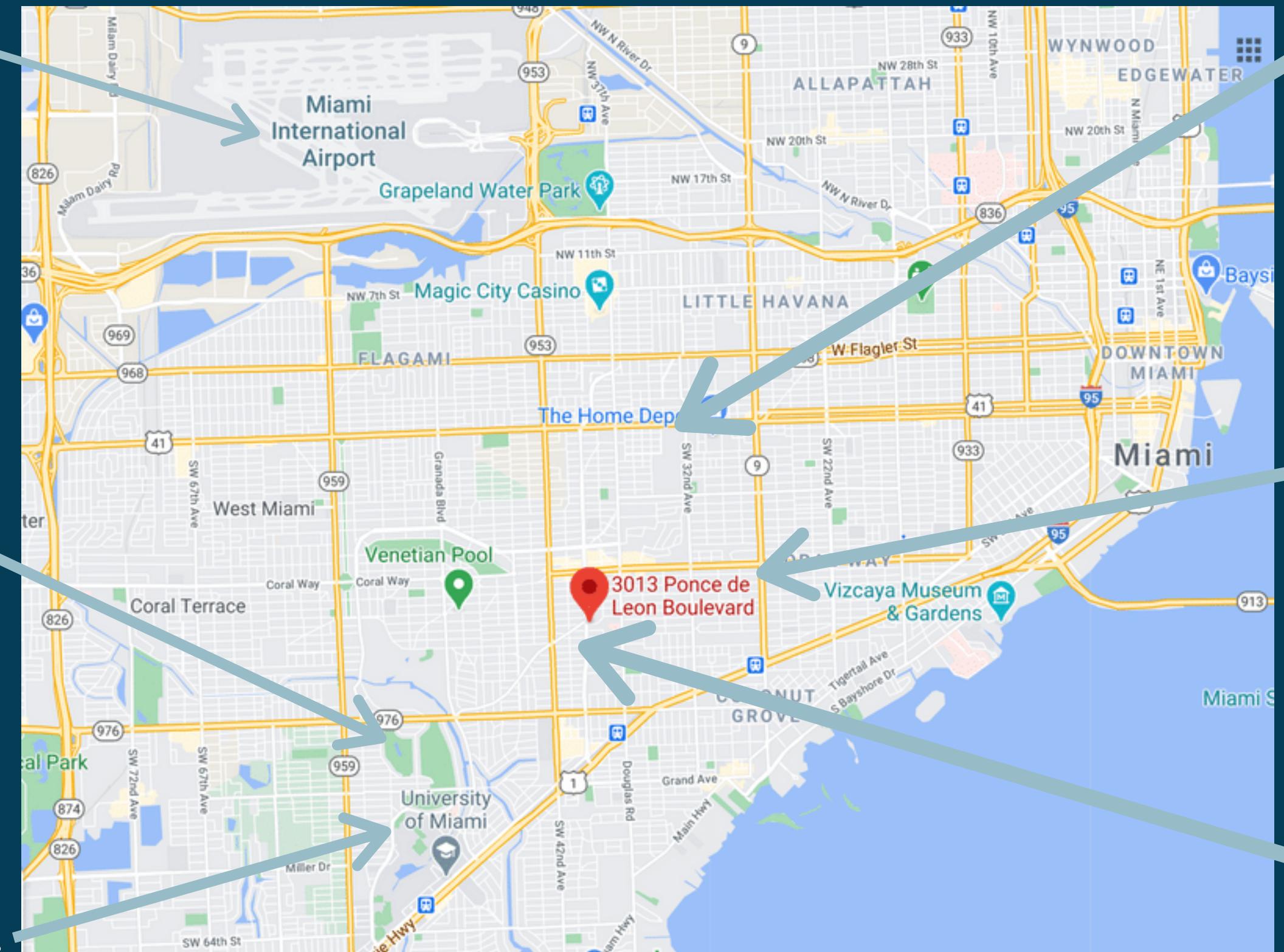
Riveria Golf Course
2.4 Miles

University of Miami
2.5 Miles

Coral Gables
Preparatory
Academy
0.8 Miles

Miracle Mile
0.4 Miles

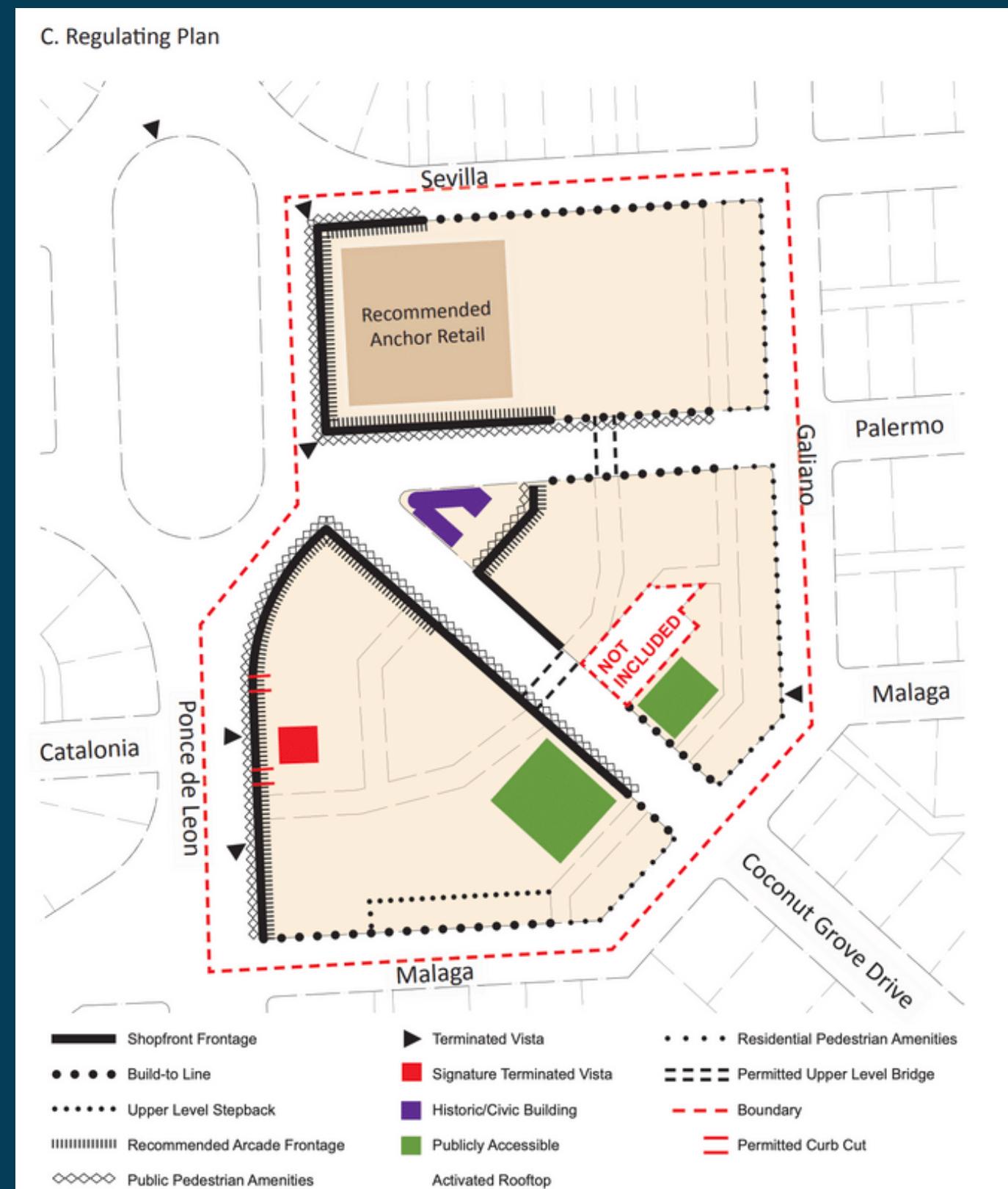
Coral Gables High
School
0.9 Miles



Zoning



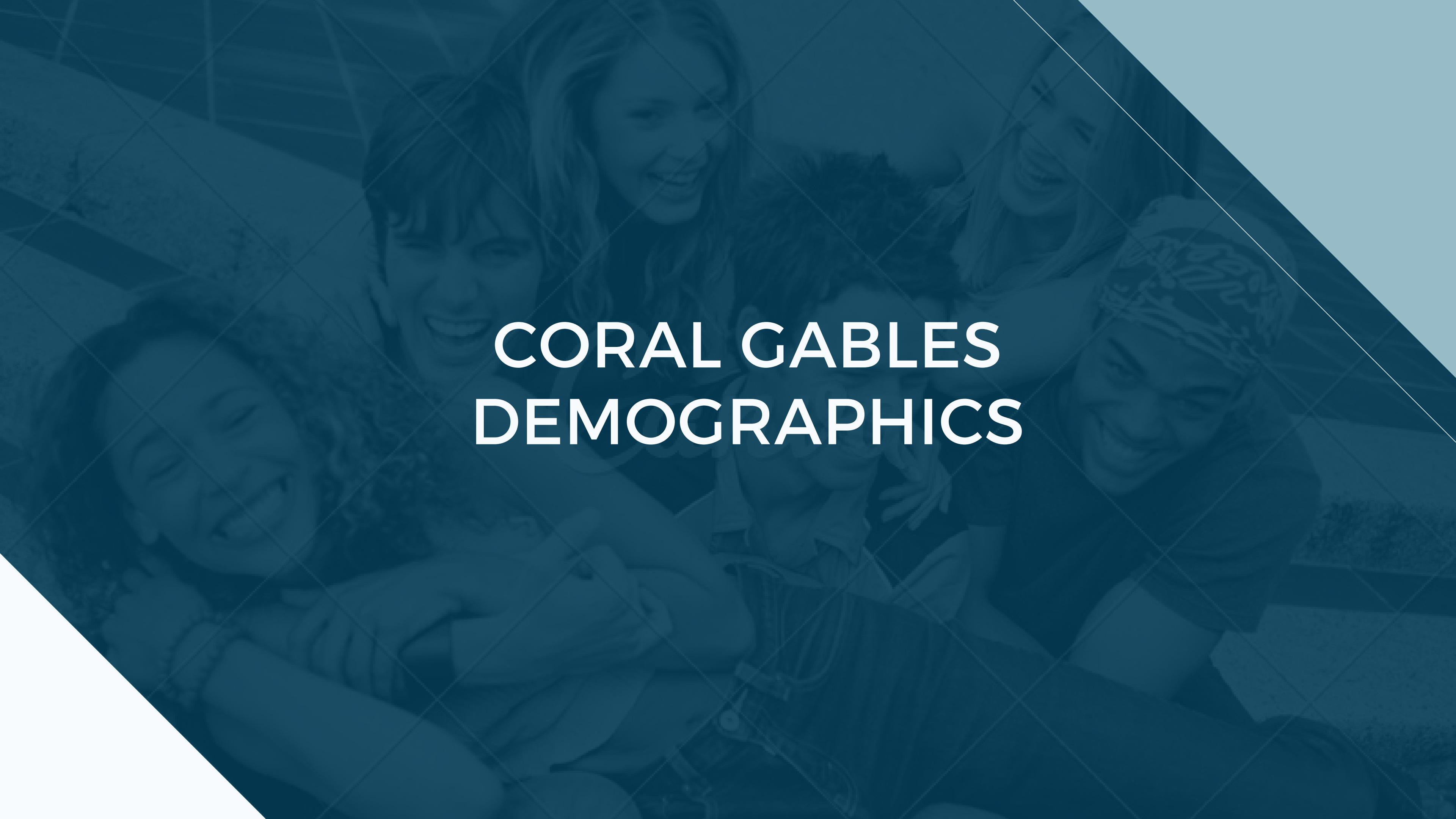
PAD Covered



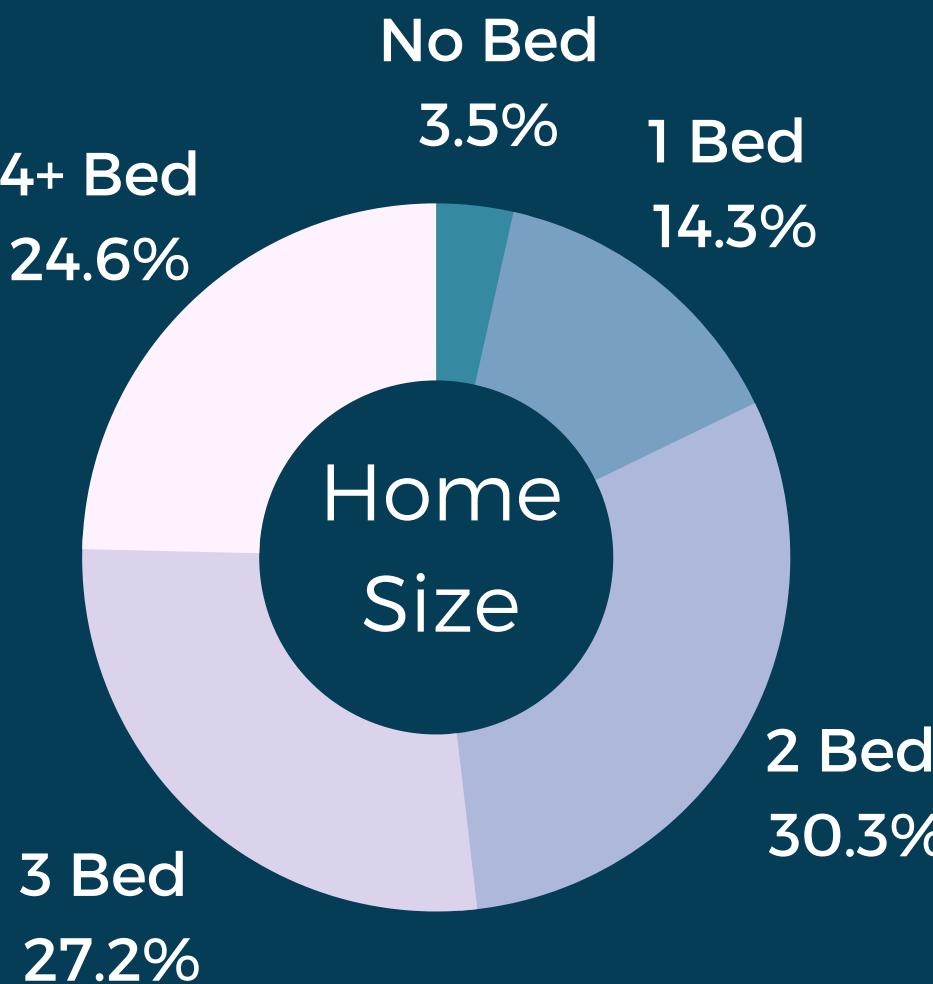
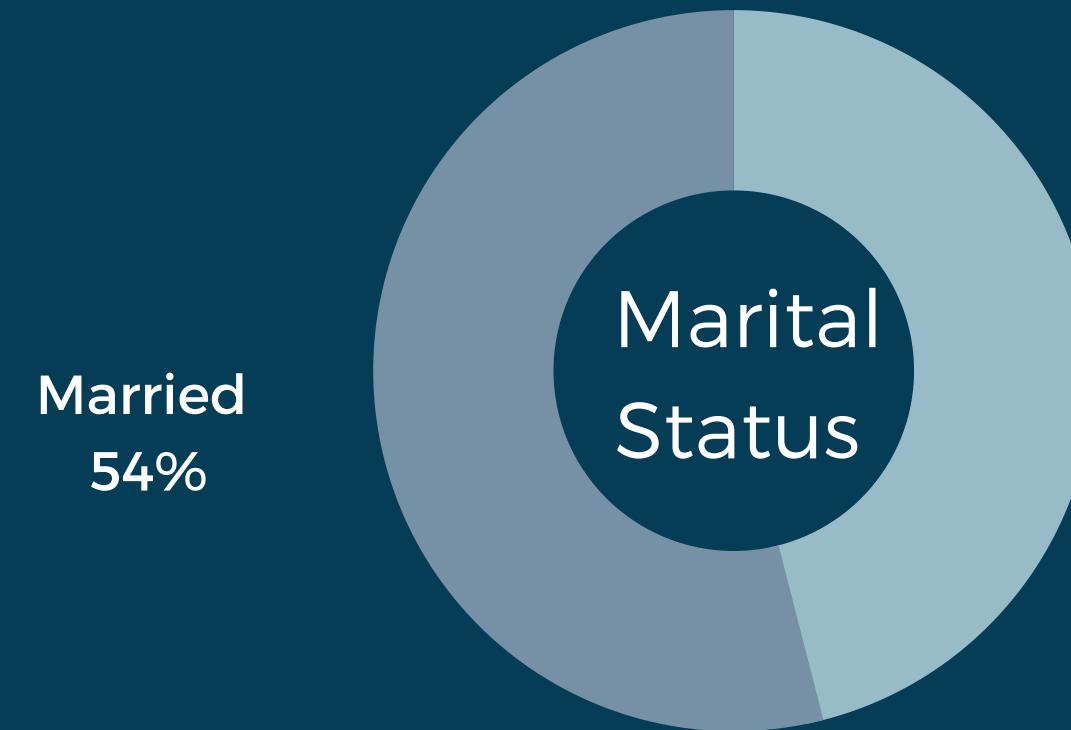
Coral Gables Economic Makeup

- Favorable taxes and income in almost every major economic measure in comparison to US averages
- Affluent community with ample disposable income

	Coral Gables	USA
Unemployment	3.0%	3.7%
Recent Job Growth	0.8%	1.6%
Future Job Growth	35.8%	33.5%
Sales Tax	7.0%	6.2%
Income Tax	0.0%	4.6%
Income per Cap	\$61,063	\$31,177

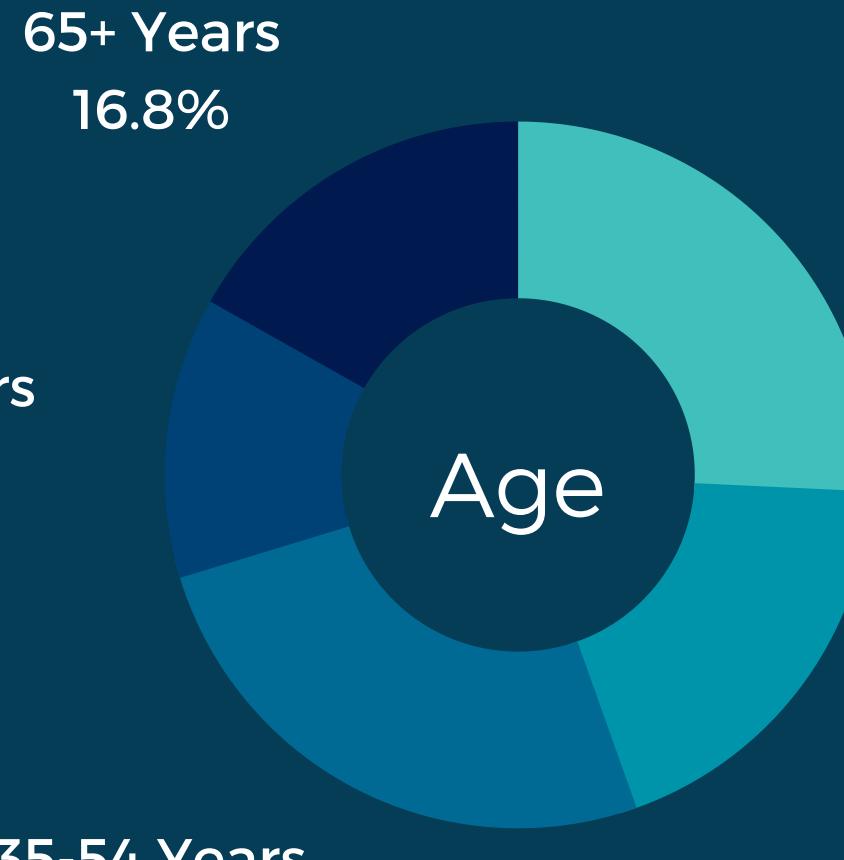


CORAL GABLES DEMOGRAPHICS



Coral Gables

Average Income:
\$56,721
Median Household Income: \$93,590



Income

United States

Average Income:
\$28,555
Median Household Income: \$53,482

Target Market

13% projected growth rate for age group in Southern Florida by 2030



\$93,088 median household income for age group in Coral Gables

25-44 Years Old

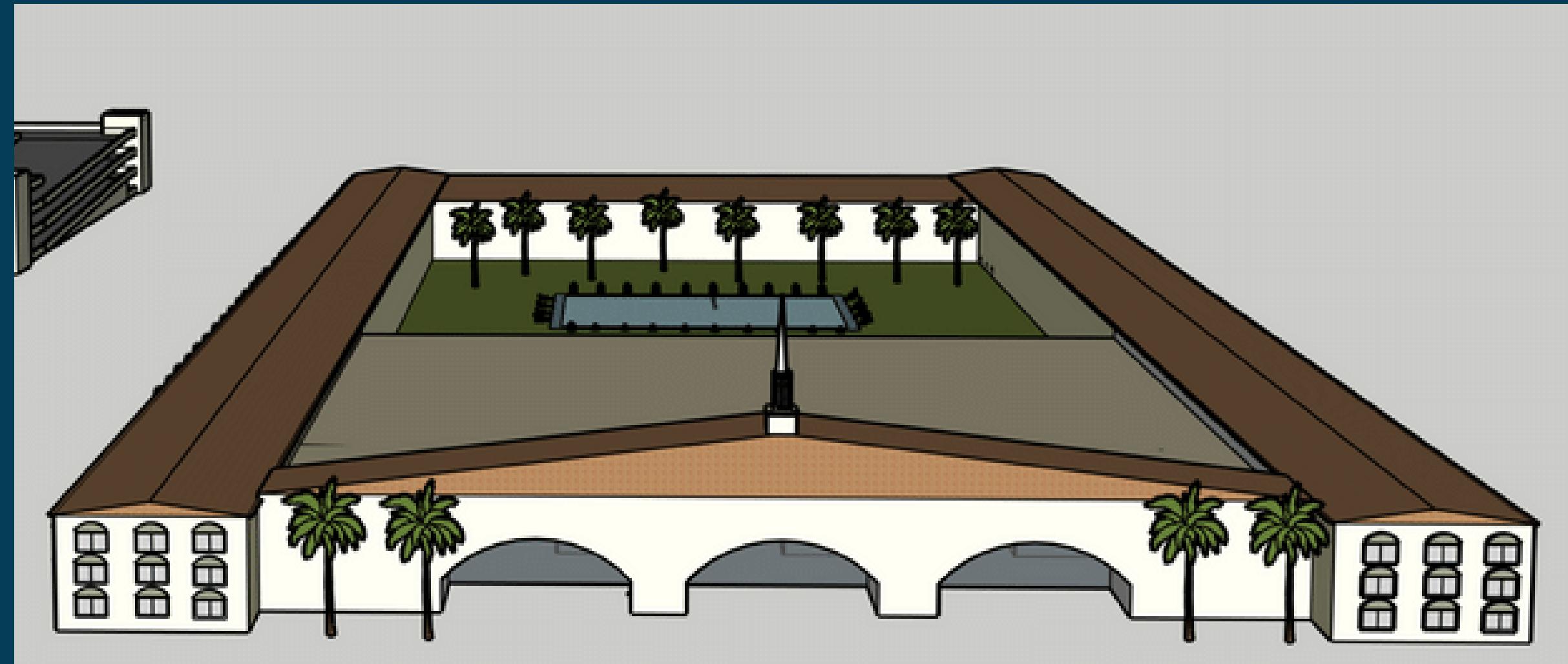
44% of total employed persons in USA

42% of renters out of total US housing market

INVESTMENT OVERVIEW



The scope of this project is to turn a underutilized plot of land and utilize it to its fullest potential. Dunder Mifflin Consulting is looking to construct a 3-level multi use complex, consisting of a grocery store on its bottom floor, as well as beautiful Mediterranean-Style Luxury Apartments on the floors above. The complex will have top of the line amenities such as a pool, lounge area, recreation center, fitness center, and parking to go along with the attached grocery store. Not only is our complex in a more desirable location to live in, but also is a far more sound investment than any of the alternatives on the market.



Property Details

Site Description

Site Address

3013 Ponce de Leon Blvd, Coral Gables, Florida

Style

Mediterranean

Number of Units

135 units of 1 bedrooms, 114 units of 2 bedrooms

Total Square Feet

Land/Lot: 163,645 sq. ft.

Land + Property: 457,245 sq. ft.

Zoning

PAD covered

Number of Buildings

2 residential, 1 recreational center, 1 grocery store, 1 parking structure

Number of Stories

3 residential stories, 4 parking stories

Other Details

Owner

Agave Holdings

Financing

Jones Lang Lasalles

Parcels Available

South and Central Parcels

Average Sales Price per Sq. Ft.

\$450 per sq. ft

Property Type

Mixed-Used (Residential + Commercial)

PRICING

*Tenant Government Agreement for subsidized rent in this scenario

1 Bedroom

- 500-900 sq ft
- \$1,600-\$2880 per month

2 Bedroom

- 1,100-1,200 sq ft
- \$3,080-\$3,360 per month

Affordable 2 Bedroom

- 1,100-1,200 sq ft
- \$3,080-\$3,360 per month*

Grocery Store Inclusion:

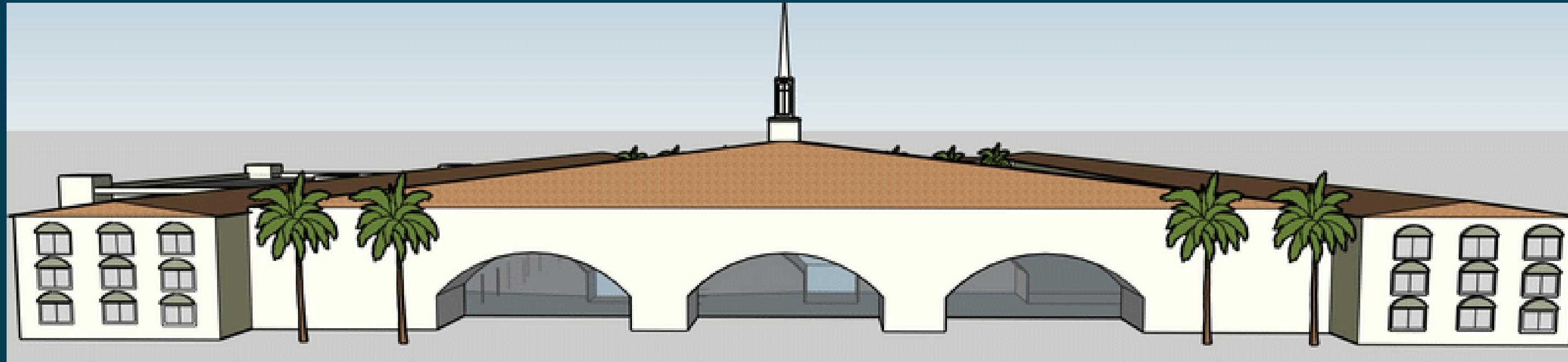
On top of the state of the art living conditions and added amenities to their private property, the residents and members of the community will enjoy a high-end grocery store on the ground level of the complex. Not only will this provide additional income for investors from fees paid to lease out the area, but it will also add to the desirability of the apartments because of an additional degree of convenience. Stores with high pedigrees such as Trader Joe's and Whole Foods will be the targeted brands our group will employ marketing materials to in order to fill the area.



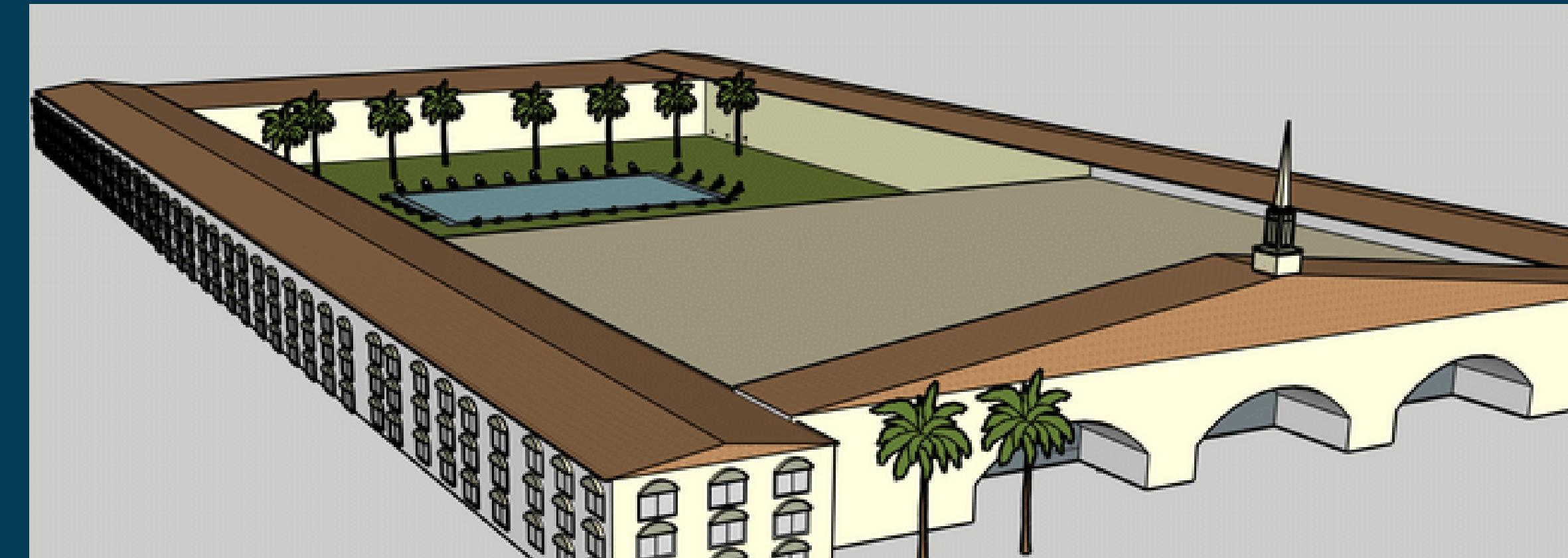
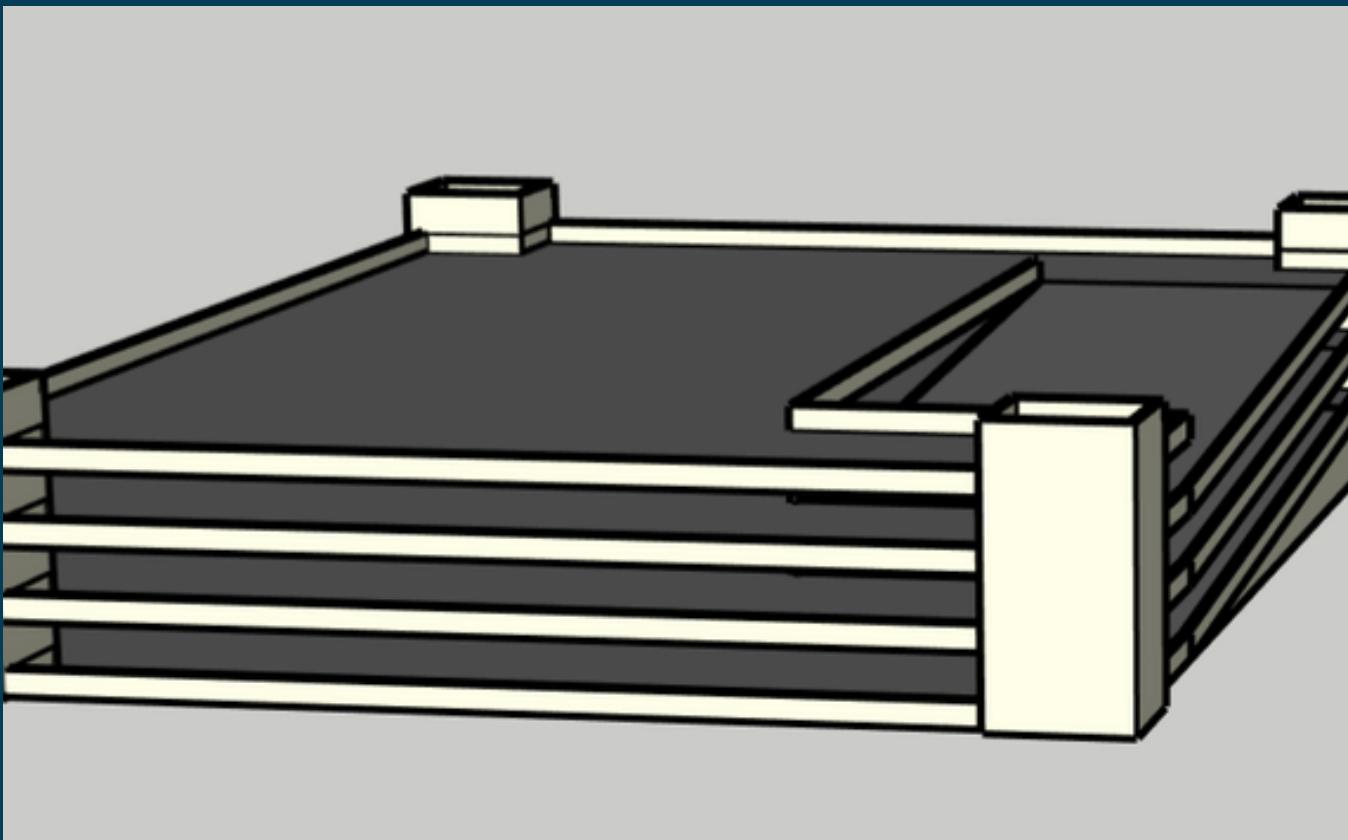
Investment Risk-HUD

Developing a Mixed-Use Investment Property always requires high risk. Location, vacancy, median household income and the economy all play a part in how large returns can be. To minimize risks, a portion of our residential units are listed as “affordable” housing. By doing this in a location like Coral Gables, FL the vacancy rates of these units would be nonexistent. HUD, a government program for “affordable” housing, will award us for our affordable units through lower taxes as well as helping cover the majority of the development cost of these specific units. Every month, tenants will pay 50% of the market rent for a 2 Bed 2 Bath and the remaining amount will be financed with the help of HUD.





Mixed-Use Property



Comparable Investments

The Residences at Thesis

1340 S Dixie Hwy Unit 610, Coral Gables,
FL

-1 Bedroom 1 Bathroom:

927 Sq Feet \$2665

806 sq feet \$2325-2415

772 sq feet \$2270-2360

-2 Bedroom 2 Bathroom:

1194 sq feet -1148 sq feet

\$3000-\$3800

Amenities:

-Fitness center, clubroom, outdoor game area, outdoor lounge, pool



The Mile- Coral Gables

-3622 Coral Way, Miami, FL

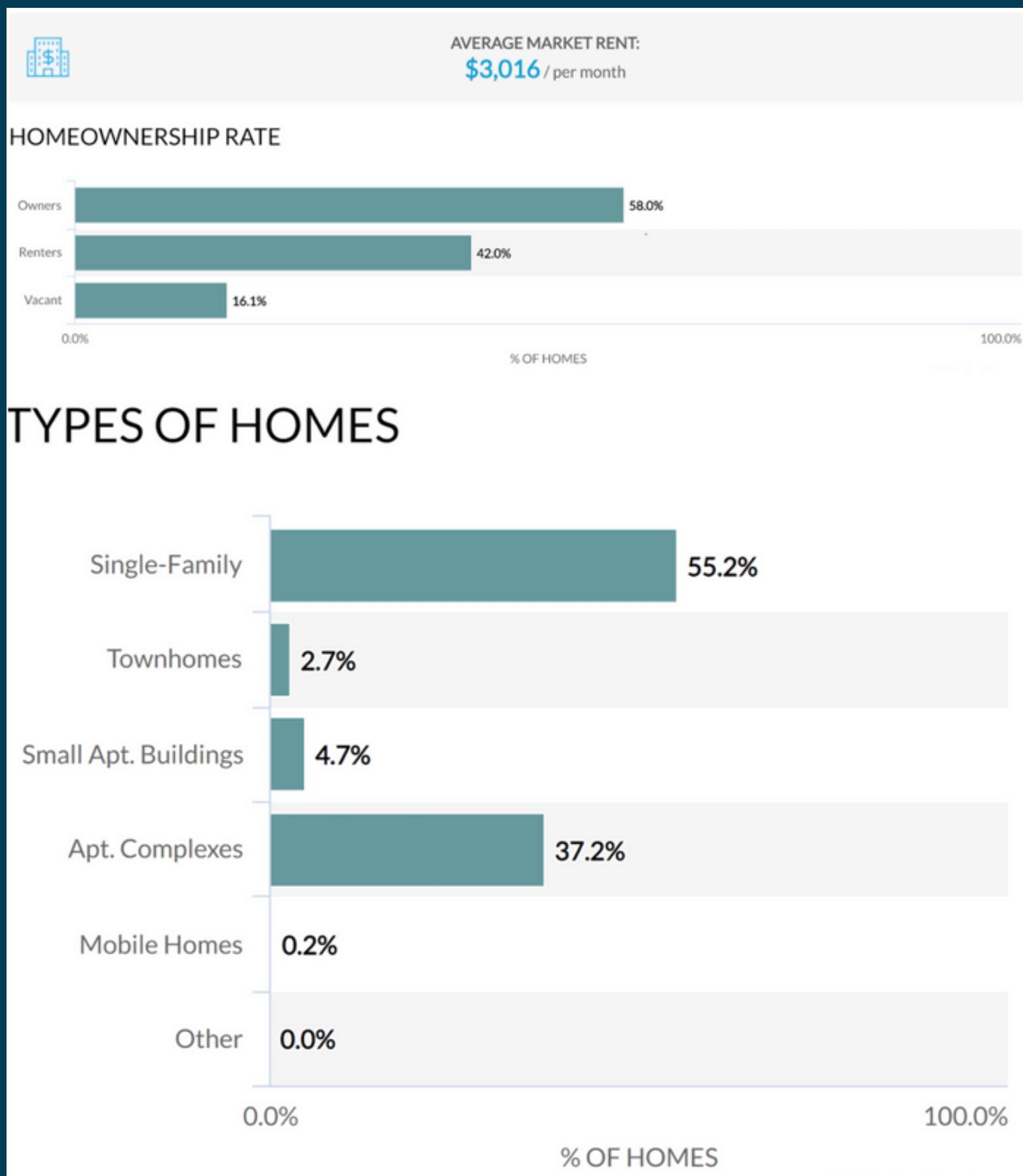
-1 Bedroom 1 Bathroom:
508 sq feet- 952 sq feet
\$1800-\$2045

-2 Bedroom 2 Bathroom:
996-1489 sq feet
\$2308-\$2800

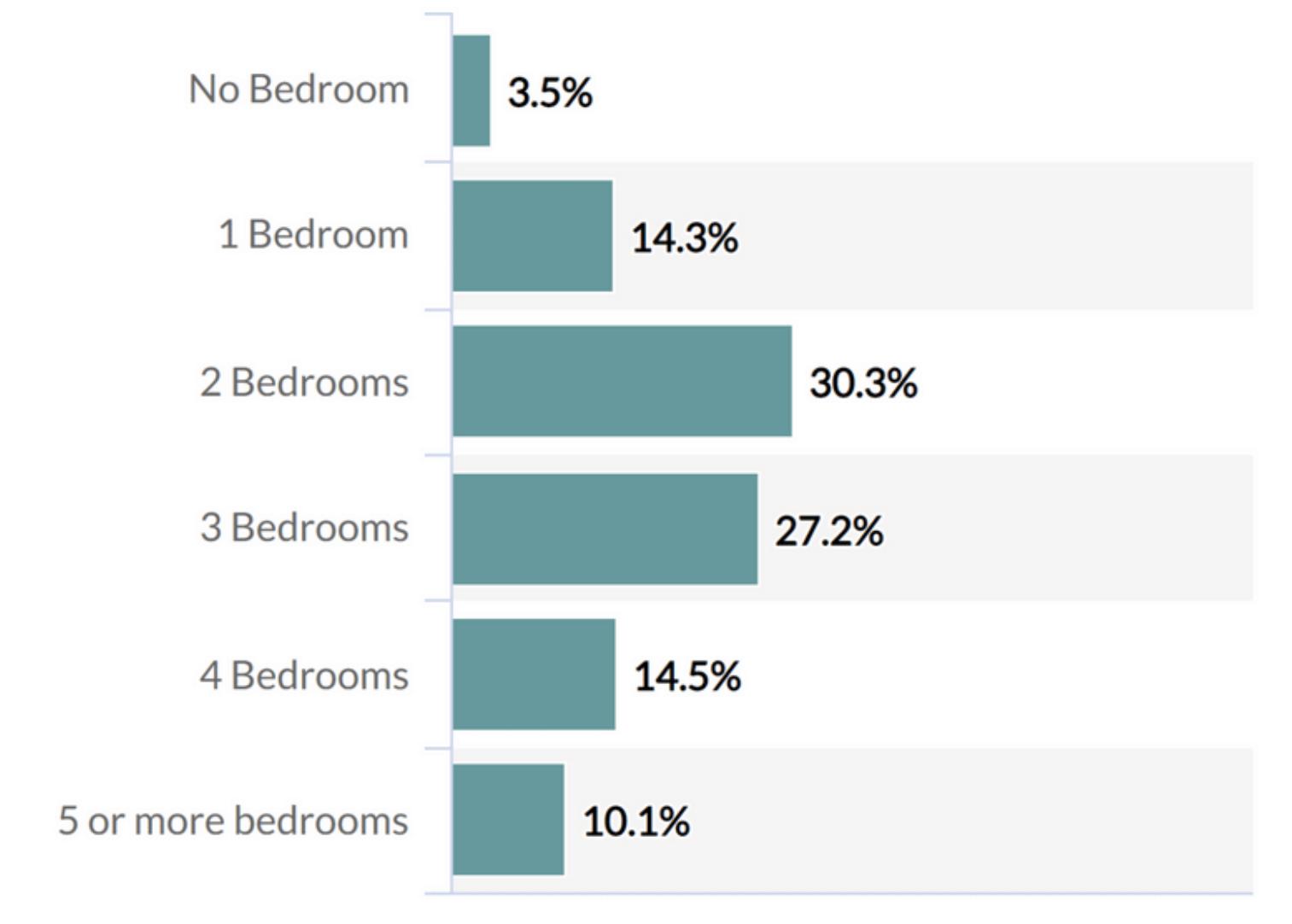
Amenities: Pool, sun deck, landscaping,
fitness studio, parking garage



Market Analysis



HOME SIZE



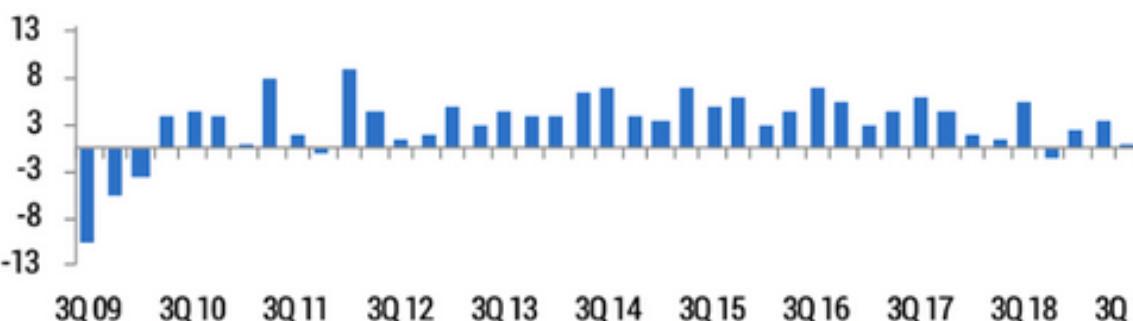
By Population in Miami, Florida

MARKET ANALYSIS

Asking Rent and Availability



Net Absorption (SF, 100,000)



MARKET SUMMARY

	Current Quarter	Prior Quarter	Year Ago Period	12 Month Forecast
Total Inventory	108.0 MSF	107.9 MSF	107.9 MSF	↑
Vacancy Rate	11.1%	11.0%	11.7%	↑
Quarterly Net Absorption	2,247	263,966	487,697	↔
Average Asking Rent	\$33.83	\$33.76	\$32.87	↔
Under Construction	2,983,351	2,056,099	1,530,552	↔
Deliveries	0	196,662	221,530	↑

MIAMI SUBMARKET STATISTICS

Q3 2019

	Total Inventory (SF)	Under Construction (SF)	Total Vacancy Rate	Qtr Absorption (SF)	YTD Absorption (SF)	Class A Asking Rent (Price/SF)	Class B Asking Rent (Price/SF)	Total Asking Rent (Price/SF)
Brickell Avenue	6,678,223	490,000	12.6 %	-35,453	-118,339	\$55.99	\$40.70	\$48.69
Downtown Miami	7,379,689	0	16.3 %	-27,867	85,270	\$47.00	\$39.87	\$37.85
CBD Total	14,057,912	490,000	14.6 %	-63,320	-33,069	\$50.70	\$40.18	\$41.41
Airport West	11,955,792	100,000	12.6 %	-69,831	-83,916	\$34.58	\$31.80	\$32.21
Biscayne Corridor	1,880,937	298,000	27.4 %	13,605	90,032	\$40.00	\$37.35	\$36.72
Coconut Grove	590,803	161,733	15.8 %	0	-6,264	N/A	\$37.37	\$36.38
Coral Gables	6,115,349	291,267	9.2 %	12,614	28,111	\$41.84	\$38.96	\$38.86
Coral Way	822,959	0	3.7 %	2,135	-9,521	N/A	\$29.96	\$28.60
East Airport/Hialeah	892,179	0	8.3 %	3,031	4,276	N/A	N/A	\$38.64
Kendall/South Dade	4,291,946	0	7.4 %	9,081	88,276	\$43.87	\$29.16	\$30.24
Miami Beach	2,132,440	0	6.0 %	-11,269	-13,996	\$46.56	\$36.83	\$38.92
Miami Lakes	1,806,918	0	13.5 %	-12,149	-25,883	\$29.58	\$24.11	\$25.18
Northeast Dade	3,337,549	190,287	5.9 %	-4,337	5,619	\$45.48	\$33.56	\$32.55
South Miami	561,200	0	8.7 %	-10,343	-8,217	\$32.25	\$37.26	\$28.01
Suburban Total	34,388,072	1,041,287	10.8 %	-67,463	68,517	\$37.68	\$33.37	\$33.63
Totals	48,445,984	1,531,287	11.9 %	-130,783	35,448	\$42.48	\$35.70	\$36.48

Coral Gables Unit Matrix

Coral Gables Single Family Matrix	Q1-2020	%Δ (QTR)	Q4-2019	%Δ (YR)	Q1-2019
Average Sales Price	\$1,219,526	-7.1%	\$1,312,302	-18.8%	\$1,502,012
Average Price Per Sq Ft	\$452	-3.0%	\$466	-15.2%	\$533
Median Sales Price	\$975,000	9.5%	\$890,500	12.1%	\$870,000
Number of Sales (Closed)	95	-18.1%	116	17.3%	81
Days on Market (From Last List Date)	121	-11.7%	137	33.0%	91
Listing Discount (From Last List Price)	7.4%		8.7%		8.2%
Listing Inventory (Active)	381	-1.6%	387	-12.8%	437
Months of Supply	12.0	20.0%	10.0	-25.9%	16.2
Average Square Feet (Closed)	2,746	-2.1%	2,806	-5.0%	2,890

Coral Gables Condo Matrix	Q1-2020	%Δ (QTR)	Q4-2019	%Δ (YR)	Q1-2019
Average Sales Price	\$555,631	5.9%	\$524,726	-7.1%	\$598,303
Average Price Per Sq Ft	\$372	9.1%	\$341	-4.9%	\$391
Median Sales Price	\$375,000	-12.8%	\$430,000	-5.1%	\$395,000
Number of Sales (Closed)	65	6.6%	61	3.2%	63
Days on Market (From Last List Date)	137	0.7%	136	11.4%	123
Listing Discount (From Last List Price)	5.5%		6.3%		4.6%
Listing Inventory (Active)	210	-10.3%	234	-16.0%	250
Months of Supply	9.7	-15.7%	11.5	-18.5%	11.9
Average Square Feet (Closed)	1,499	-3.3%	1,550	5.5%	1,421

Luxury Single Family Matrix	Q3-2019	%Δ (QTR)	Q2-2019	%Δ (YR)	Q3-2018
Average Sales Price	\$3,017,750	-29.1%	\$4,254,404	-47.2%	\$5,719,111
Average Price per Sq Ft	\$668	-0.9%	\$674	-24.1%	\$880
Median Sales Price	\$2,775,000	-22.2%	\$3,566,425	-50.9%	\$5,650,000
Number of Sales (Closed)	10	-16.7%	12	11.1%	9
Days on Market (From Last List Date)	188	-38.6%	306	3.3%	182
Listing Discount (From Last List Price)	9.5%		10.6%		10.5%
Listing Inventory (active)	124	11.7%	111	-45.4%	227
Months of Supply	37.2	33.8%	27.8	-50.9%	75.7
Entry Price Threshold	\$2,350,000	-13.0%	\$2,700,000	-24.2%	\$3,100,000
Average Square Feet (Closed)	4,520	-30.1%	6,463	-30.5%	6,503

Luxury Condo Matrix	Q3-2019	%Δ (QTR)	Q2-2019	%Δ (YR)	Q3-2018
Average Sales Price	\$1,467,857	11.0%	\$1,322,500	-28.0%	\$2,038,929
Average Price per Sq Ft	\$518	27.9%	\$405	-1.1%	\$524
Median Sales Price	\$1,425,000	25.3%	\$1,137,500	-32.8%	\$2,120,000
Number of Sales (Closed)	7	0.0%	7	0.0%	7
Days on Market (From Last List Date)	210	-7.5%	227	16.0%	181
Listing Discount (From Last List Price)	7.2%		9.3%		1.3%
Listing Inventory	50	2.0%	49	-18.0%	61
Months of Supply	7.1	1.4%	7.0	-18.4%	8.7
Entry Price Threshold	\$1,175,000	27.0%	\$925,000	-12.6%	\$1,345,000
Average Square Feet (Closed)	2,834	-13.2%	3,265	-23.2%	3,688

Derived Residential Assumptions

Residential- 1 Bedroom	Estimate
Total square Feet (1 floor)	36,000
Number of Floors	3
Hard Costs (\$ per sq. ft.)	\$290.00
Soft Costs (\$ per sq. ft.)	\$58.00
Initial rent (\$ per sq. ft./month)	\$3.20
Years from first paycheck	3
Vacancy Rate	5.75%
Year 1 vacancy rate	7.50%
Square Feet Per Unit	800
Number of Units	135
Number of Months per Year	12
Revenue Growth Rate	3%

Residential- 2 Bedroom	Estimate
Total square Feet (1 Floor)	30,000
Number of Floors	3
Hard Costs (\$ per sq. ft.)	\$300.00
Soft Costs (\$ per sq. ft.)	\$60.00
Initial rent (\$ per sq. ft./month)	\$2.83
Years from first paycheck	3
Vacancy Rate	5.75%
Year 1 vacancy rate	7.50%
Square Feet Per Unit	1210
Number of Units	74
Number of Months per Year	12
Revenue Growth Rate	3%

Commercial Assumptions

<u>Commercial- Grocery Store</u>	<u>Estimate</u>
Total square Feet	12,000
Hard Costs (\$ per sq. ft.)	\$260.00
Soft Costs (\$ per sq. ft.)	\$52.00
Initial rent (\$ per sq. ft./month)	\$3.00
Years from first paycheck	3
Vacancy Rate	9.89%
Number of Months per year	12
Revenue Growth Rate	2.00%
Commission Cost (\$ per sq. ft.)	\$15.00
Tenant improvements (\$/sq.ft.)	\$25.00

<u>Commercial- Rec Center</u>	<u>Estimate</u>
Total square Feet	26,445
Hard Costs (\$ per sq. ft.)	\$320.00
Soft Costs (\$ per sq. ft.)	\$64.00
Initial rent (\$ per sq. ft./month)	\$2.00
Years from first paycheck	3
Vacancy Rate	9.89%
Number of Months per year	12
Revenue Growth Rate	2.00%
Commission Cost (\$ per sq. ft.)	\$15.00
Tenant improvements (\$/sq. ft.)	\$25.00

Financial Analysis



Key Financials

Total Project Time: 15 years

Total Construction Time: 3 years

Commercial Cap Rate Used: 5%

Residential Vacancy: 5.75%

Commercial Vacancy: 9.89%

Residential Revenue Growth: 3%

Commercial Revenue Growth: 2%

Construction Costs: \$110,418,000

Projected IRR: 7.36% (levered)

Leverage Analysis

- 30 year Fixed Mortgage
- 60% debt financing of the project
- Increases IRR before taxes by 4.25%
- Strong financials with limited default risk

Financing Assumptions	
Loan to Value	60%
Loan Amt	\$44,184,150
Interest rate	4.50%
Principal Payback	\$2,712,533
Years	30

30 Year Fixed Mortgage

	Levered	Unlevered
After Tax IRR	5.30%	1.78%
Before Tax IRR	7.36%	3.11%
Effective Tax Rate	28.0%	42.6%

Return Analysis

- Conservative IRR projection that is most probably understated due to conservative cost assumptions.
- Moreover, also conservative time estimates of completed project (3 years).
- We refused to commit to lease terms for our commercial properties, and thus took on higher expenses, in order to get a better gauge at risk vs return for our project (less risky option).
- On average, we provided our residents with approx. 200 square feet of additional space per unit to guarantee customer satisfaction.
- We also provided our residents/guests with ample amenities such as a grocery store, a recreational center and a parking structure, while charging lower rent per square feet based on our comparable study.
- Sensitivity analysis below provides a better insight into our return, where we can confidently state that our unlevered IRR is understated.



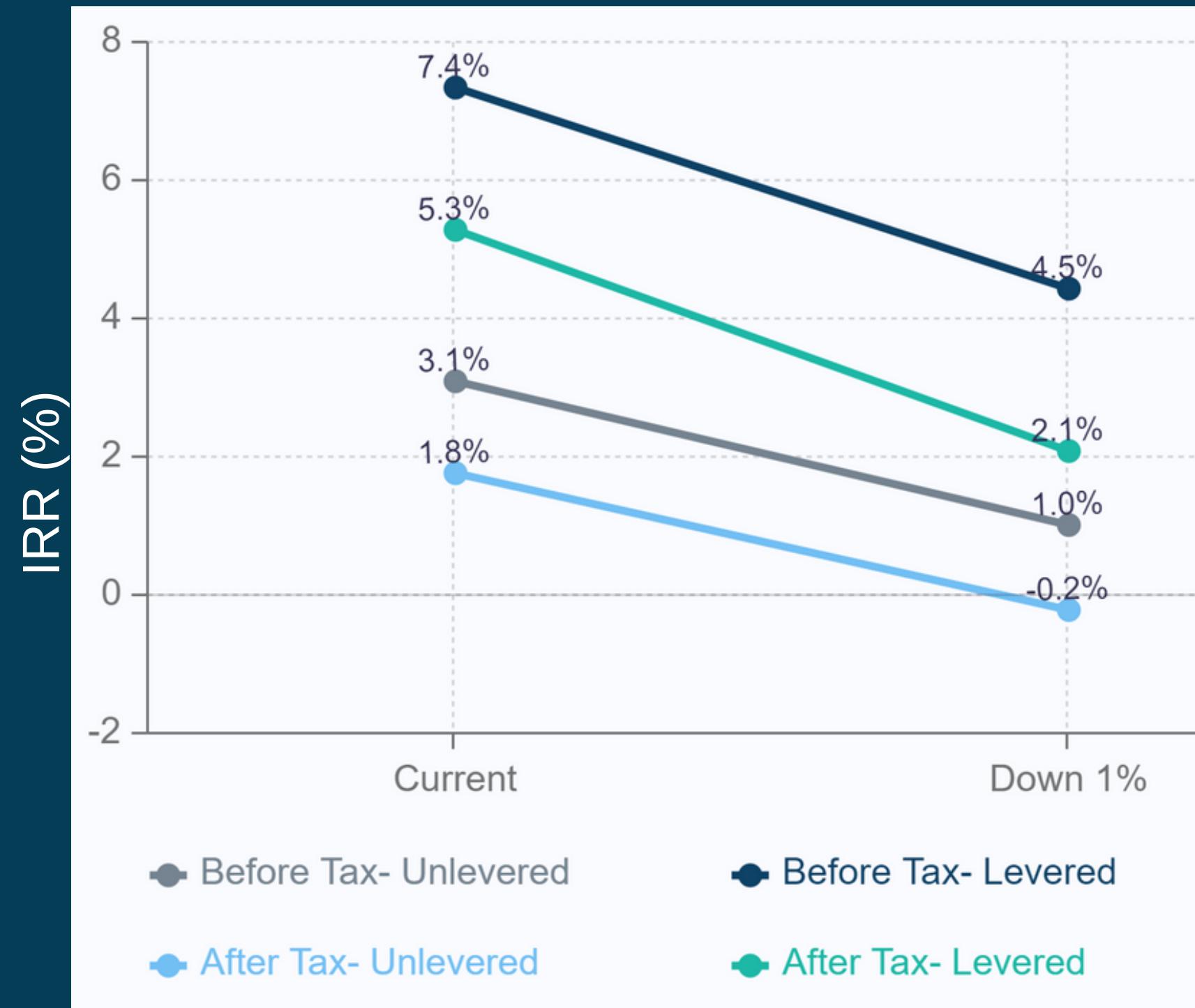
Project Completion Sensitivity



**Current Completion Time:
3 Years**

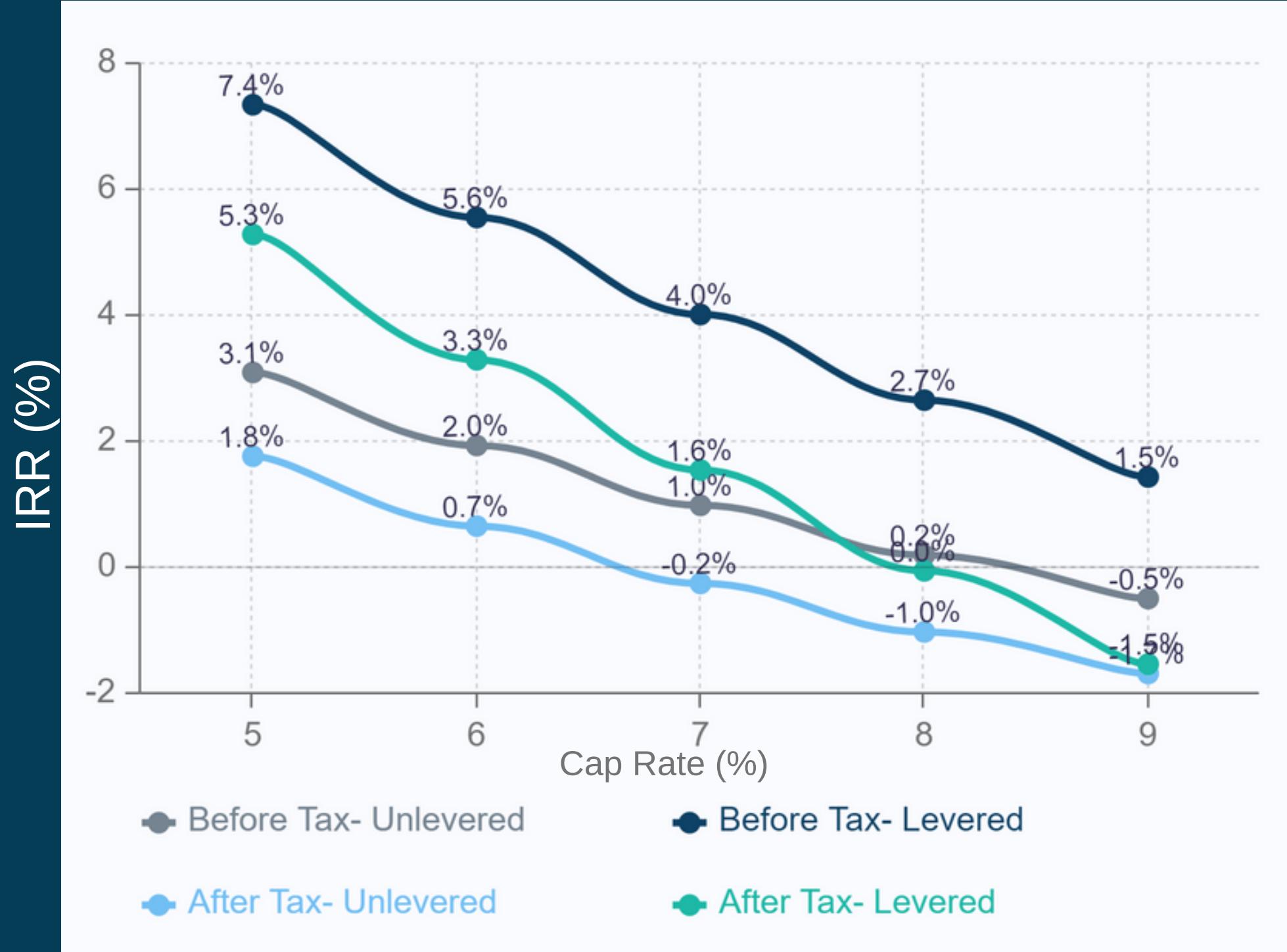
The amount of time taken to complete the project has a large effect on the overall IRR. The more time needed for the project to be completed, the smaller the return. We were very conservative with our estimates and chose 3 years to project a before tax, levered IRR of 7.36%.

Rental Growth Rate Sensitivity



If all the rental growth rates decreases by 1%, we will be looking at a drop in before tax-levered IRR from 7.4% to 4.5%. All IRRs will decrease if rental growth rate decreases.

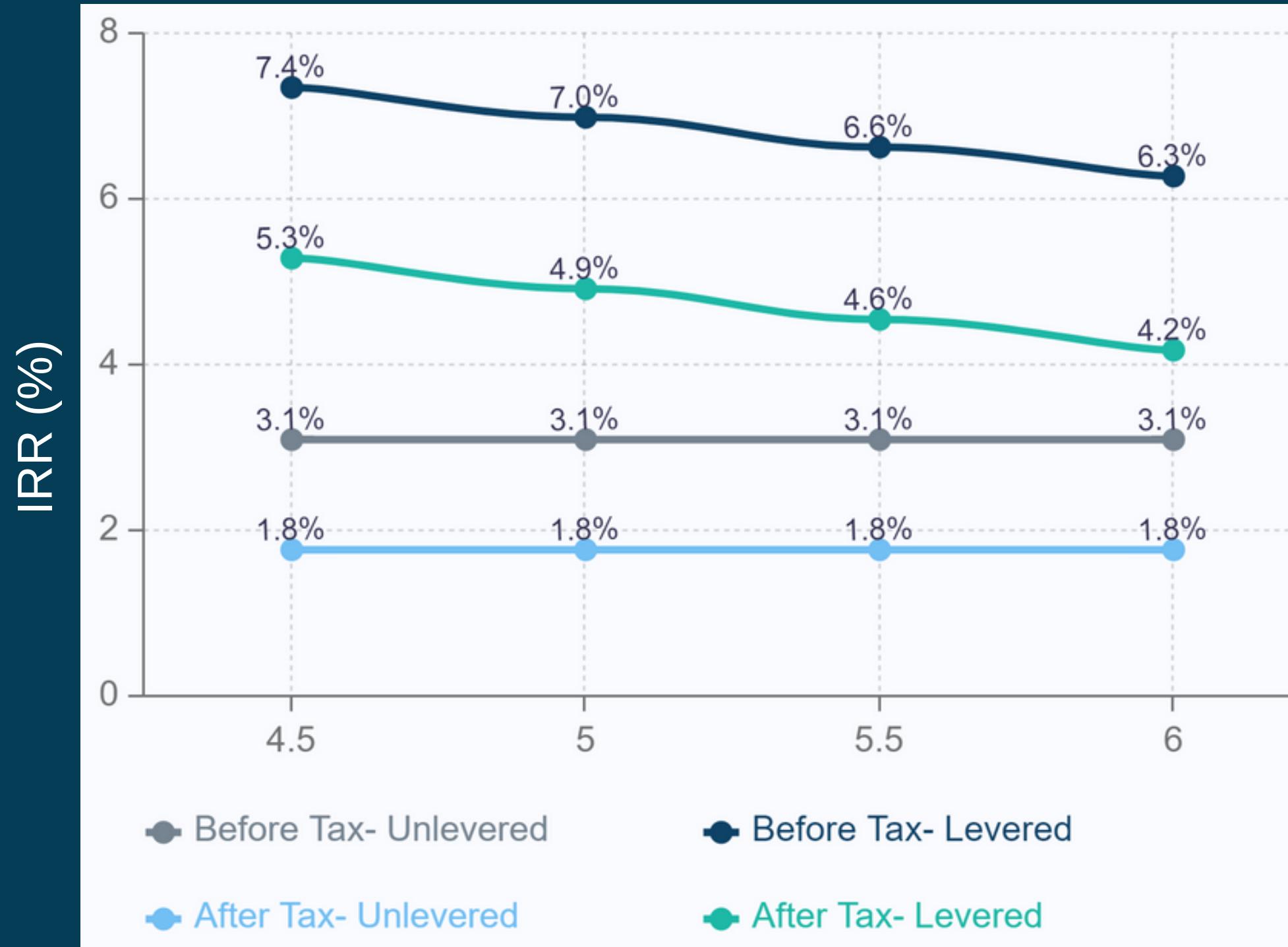
Cap Rate Sensitivity



Current Cap Rate:
5%

The Cap Rate largely affects IRR. Even if the cap rate were to raise to 6% (another percent from where we assumed), the project will still maintain a positive IRR even after taxes.

Interest Rate Sensitivity



Current Interest Rate:
4.5%

The interest rate on our mortgage only affects our leveraged IRRs. Even if we needed to pay a higher interest rate, we would be looking at positive IRRs before and after taxes.

THANK YOU

Contact Dunder Mifflin Consulting
(786)-000-000
contact@dundermifflinconsulting.com