

SMAC Discussion

A Sponsor's point of view

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Context

- All of this activity takes place in conjunction with the local regulatory requirements all of which are predecessors to obtaining the building permits for closing
- Those costs and that timetable are not included in this presentation
- Local requirements can add as much as 18-24 months and thousands of dollars of additional costs to the process.

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Developer Phases

- Phase I- prepare for Concept Meeting
- Phase II- Prepare Pre-application Submittal
- Phase III- Prepare Firm-application
- Phase IV- Closing preparations
- Phase VII- Planning for Final Endorsement

Concept Meeting

- Secure land control- \$25,000 to \$75,000 in refundable deposits
- Preparation of graphics- drawings, high quality photos and renderings
- Preparation of project “Story”
- Market study where appropriate.
- Total Estimated out of pocket costs \$5,000-\$10,000

Pre-application

- Option monies-\$ 50,000
- Preparation of architectural exhibits- \$20,000
- Appraisal, Market Study and ESA-1/Form 4128- \$ 24,000.
- Travel and miscellaneous costs- \$11,525
- FHA Exam Fee- \$16,000
- Total-\$121,525

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Firm Application

- Non-refundable Option costs and partnership legal- \$180,000
- Firm Appraisal and A&E Review-\$21,100
- FHA Exam Fee-\$16,000
- Construction Documents-\$330,000
- Survey, Tree survey, soil borings, traffic study, NGBS review-\$59,000
- Engineering design and City approvals- \$162,756
- Travel and miscellaneous-\$25,000.
- Total for Firm-\$793,856, plus preliminary \$121,525= \$915,381
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Pre-Closing

- Rate lock Fee (1/2%)- \$ 105,500
- Building Permits-\$69,155.
- Total before funding at closing-\$174,655

Final Endorsement

- Post construction testing for compliance with Energy Standard.
- Planning the cost certification.
- Delays in processing cause delivery extension fees.