



# Memorandum

**To:** Phillip Hervey, Town Administrator

Teresa Crean, Director of Planning

**From:** Todd J. Poole, 4ward Planning Inc.

**Date:** December 30, 2022

**Re:** Expanded Financial Feasibility Analysis of the Carmelite Monastery Site

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## Background

At the request of the town of Barrington, 4ward Planning performed a financial feasibility analysis which expanded upon the analysis it completed in June of this year (see Memorandum dated June 20, 2022 – Carmelite Monastery Reuse and Redevelopment Financial Feasibility Analysis for a complete background for the original analysis). The expanded analyses are to identify **1)** the minimum number of cottage court units needing to be developed on the 7.3 acre Carmelite Monastery parcel to allow a developer to realize a minimum gross profit of eight-percent; **2)** identification of the number of total number of housing units which could be developed if the seven acre site were parceled according to the following two land-use scenarios:

### Land-Use Scenario 1:

- 0.5 acres – land buffer area
- 0.8 acres – single-family detached housing unit lots fronting Watson Avenue
- 1.6 acres – detached cottage court units partially fronting Freemont Avenue
- 1.0 acres – single-family detached housing unit lots fronting Freemont Avenue
- 1.4 acres – The existing monastery building left intact but unutilized
- 2.0 acres – preserved public open space with public parking

### Land-Use Scenario 2:

- 0.5 acres – land buffer area
- 1.4 acres – single-family detached housing unit lots fronting Watson Avenue
- 2.6 acres – detached cottage court units partially fronting Freemont Avenue
- 0.8 acres – single-family detached housing unit lots fronting Freemont Avenue
- 2.0 acres – preserved public open space with public parking

**and 3)** identification of the prospective price a private developer would pay to acquire the developable parcels based on the foregoing two land-use scenarios (on a per acre basis as well as a total acquisition value).

Each of the above housing development programs is inclusive of a 20-percent affordable housing component, based upon the town of Barrington’s stated affordable housing policy objective. In all scenarios examined, total housing density across the 7.3 acres is less than eight units per acre; while density could be arbitrarily increased and, theoretically, lead to an increased financial return rate, 4ward Planning felt it necessary to be sensitive to the density of surrounding neighborhoods (six to seven units per acre is typical).

A ten-percent gross profit margin (increased from an earlier estimated eight-percent gross margin) was assumed to be the minimum threshold profit margin a developer would consider necessary to pursue any of the development scenarios modeled. A gross profit margin excludes costs associated with marketing and a developer fee.

Importantly, public third-party subsidy (Rhode Island affordable housing funding) is assumed in the analysis performed; specifically, we assume a minimum subsidy of 30 percent of total development costs, absent the cost of land acquisition. Based on a review of recent proformas developed in the Providence area which received affordable housing assistance from the state, this ratio appears consistent. Indeed, based on Rhode Island’s recently announced affordable housing policies (namely, the increase in funding subsidies supporting the construction and preservation of affordable housing units for households earning at or below 80 percent of the area median income) it is quite likely that some degree of affordable housing subsidy would be utilized by either a for-profit developer or a joint partnership of for-profit and non-profit housing developers.

## Findings

1. None of the cottage court scenarios modeled, up to a density of eight units an acre, were found to be financially viable. That is, capable of producing a minimum gross profit margin of 10-percent. While an increase in the number of cottage court units and/or a reduction in the land value paid to the town of Barrington could, conceivably, achieve the 10-percent gross profit margin, such scenarios were deemed likely untenable to the town.
2. Based on a mix of traditional single-family detached housing units and cottage court units, under land-use scenario 1 (where the monastery building is left intact but unutilized) the maximum number of units developed is 36, inclusive of seven affordable units. Under land-use scenario 2 (where the monastery building is removed to free up developable property) the maximum number of units developed is 53, inclusive of 10 affordable units. The weighted average profit margin for each scenario is 10.9 and 12.5 percent, respectively.
3. Based on the analysis of land-use scenarios 1 and 2, and assuming a land purchase price representing approximately 10 percent of development costs, a developer would pay up to \$1.9 million for the total developable acreage (\$568,986 per acre) under land-use scenario 1 and up to \$2.7 million for the total developable acreage (\$562,276 per acre).

### Summary of Analysis Key Findings: Financially Viable Housing Development Scenarios

	Total Units	Affordable Units	Units/Acre	Land Purchase Price	Land Purchase Price/Acre
Land-Use Plan 1	36	7	4.9	\$1,934,551	\$568,986
Land-Use Plan 2	53	10	7.3	\$2,698,925	\$562,276

### Qualifying Statement

The modeled site uses and housing options identified in this memorandum are presented from a land use planning and architectural perspective and the costs ascribed are to the components of each of the modeled scenarios are best estimates based on factors known at the time of modeling. As future construction costs are highly unpredictable in the current environment, the reader is cautioned to wholly rely on the cost estimates provided in this document.

Absent from this analysis is the proposed legal structure within which the proposed development will occur: (e.g., Fee simple ownership, a condominium structure or an home owners association (HOA) model). The legal structure chosen will define certain elements of the development such as: public or private infrastructure (roads, water/sewer); and provided services (trash collection, snow removal, etc.). And the legal structure will influence the total cost of development and the marketing of the project.

We have assumed that each scenario will have 20-percent of its units as affordable to households earning 80-percent of the area median income. While we have made inquiries on how this could be incorporated into a developer's plan for the site, we made assumptions on unit mix, size and development cost. Whether there will be affordable housing subsidies available based on these assumptions is unknown at this time. Also not known is whether an age restricted development will qualify for the subsidies needed to provide senior affordable units.

Finally, the estimated value of property (the price a prospective developer would pay) determined by our modeling are based on the development cost estimates identified and an assumption that the gross profit margins identified would be agreeable to a prospective developer. It is not out of the question that the ultimate value received by the town of Barrington is something less than what is identified in our analysis, assuming construction costs are higher than what has been identified or affordable housing subsidies are less than those identified.

# Updated Cottage Court Analysis

## 16 Three-Bedroom Cottage Court

Housing Units	Unit S.F.	Units	Total S.F.
Three-bedroom/two bathroom units (Market)	1,500	13	19,500
Three-bedroom/two bathroom units (Affordable)	1,500	3	4,500
Totals		16	24,000

		Per/S.F.	Per Unit	Cost
Hard Costs (outside of site work)	1	\$219	\$327,750	\$5,244,000
Site Work Costs	2	\$38	\$56,250	\$900,000
Sub-Total				\$6,144,000
Contingency (@7.5% of hard costs and site work)	3	\$19	\$28,800	\$460,800
Total Hard Costs		\$275	\$384,000	\$6,604,800
Soft Costs (@23% of total hard costs)	4	\$63	\$94,944	\$1,519,104
Total Development Cost (excluding land)		\$338	\$478,944	\$8,123,904
Less Affordable Housing Subsidy (@30% of TDC)				\$431,050
Adjusted Total Development Cost (excluding land)			\$452,003	\$7,692,854

		Per Unit	Total
Land Cost	5	\$50,774	\$812,390

**Total Development Cost (including land) \$354 \$502,778 \$8,505,245**

		Per/S.F.	Per Unit	Total
Sales Revenue (Market Rate Units)	6	\$400	\$600,000	\$7,800,000
Sales Revenue (Affordable Units)	7	\$200	\$300,000	\$900,000
Total Sales Revenue				\$8,700,000

**Profit/(Deficit) \$194,755**  
Gross Profit Rate: 2.3%

### Notes

- <sup>1</sup> Based on interviews with local developers and estimates provided by Keough Construction Management.
- <sup>2</sup> Updated estimate based on original estimate of \$750,000 provided by Keough Construction Management.
- <sup>3</sup> A proportion consistent with real estate development industry standards.
- <sup>4</sup> A proportion consistent with real estate industry standards.
- <sup>5</sup> Assumes land costs represent 10-percent of development costs
- <sup>6</sup> Based on observed pricing for houses in Barrington of similar size and being of superior quality.
- <sup>7</sup> Assumes family of four, five-percent downpayment, 6% interest rate, 30-year fixed loan.

# Updated Cottage Court Analysis

<b>20 Three-Bedroom Cottage Court</b>			
<b>Housing Units</b>	<b>Unit S.F.</b>	<b>Units</b>	<b>Total S.F.</b>
Three-bedroom/two bathroom units (Market)	1,500	16	24,000
Three-bedroom/two bathroom units (Affordable)	1,500	4	6,000
Totals		20	30,000
	<b>Per/S.F.</b>	<b>Per Unit</b>	<b>Cost</b>
Hard Costs (outside of site work) <sup>1</sup>	\$219	\$327,750	\$6,555,000
Site Work Costs <sup>2</sup>	\$30	\$45,000	\$900,000
Sub-Total			\$7,455,000
Contingency (@7.5% of hard costs and site work) <sup>3</sup>	\$19	\$27,936	\$559,125
Total Hard Costs	\$267	\$372,750	\$8,014,125
Soft Costs (@23% of total hard costs) <sup>4</sup>	\$61	\$92,162	\$1,843,249
Total Development Cost (excluding land)	\$329	\$464,912	\$9,857,374
Less Affordable Housing Subsidy (20% of TDC)			\$557,895
Adjusted Total Development Cost (excluding land)		\$437,018	\$9,299,479
	<b>Per Unit</b>	<b>Total</b>	
Land Cost <sup>5</sup>	\$49,287	\$985,737	
<b>Total Development Cost (including land)</b>	<b>\$343</b>	<b>\$486,305</b>	<b>\$10,285,216</b>
	<b>Per/S.F.</b>	<b>Per Unit</b>	<b>Total</b>
Sales Revenue (Market Rate Units) <sup>6</sup>	\$400	\$600,000	\$9,600,000
Sales Revenue (Affordable Units) <sup>7</sup>	\$200	\$300,000	\$1,200,000
Total Sales Revenue			\$10,800,000
<b>Profit/(Deficit)</b>			<b>\$514,784</b>
		Gross Profit Rate:	5.0%

Not financially viable

**Notes**

- <sup>1</sup> Based on interviews with local developers and estimates provided by Keough Construction Management.
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- <sup>4</sup> A proportion consistent with real estate industry standards.
- <sup>5</sup> Assumes land costs represent 10-percent of development costs
- <sup>6</sup> Based on observed pricing for houses in Barrington of similar size and being of superior quality.
- <sup>7</sup> Assumes family of four, five-percent downpayment, 6% interest rate, 30-year fixed loan.

# Updated Cottage Court Analysis

<b>24 Three-Bedroom Cottage Court</b>			
<b>Housing Units</b>			
	<u>Unit S.F.</u>	<u>Units</u>	<u>Total S.F.</u>
Three-bedroom/two bathroom units (Market)	1,500	19	28,500
Three-bedroom/two bathroom units (Affordable)	1,500	5	7,500
Totals		24	36,000
	<u>Per/S.F.</u>	<u>Per Unit</u>	<u>Cost</u>
Hard Costs (outside of site work) <sup>1</sup>	\$219	\$327,750	\$7,866,000
Site Work Costs <sup>2</sup>	\$25	\$37,500	\$900,000
Sub-Total			\$8,766,000
Contingency (@7.5% of hard costs and site work) <sup>3</sup>	\$18	\$27,394	\$657,450
Total Hard Costs	\$262	\$365,250	\$9,423,450
Soft Costs (@23% of total hard costs) <sup>4</sup>	\$60	\$90,308	\$2,167,394
Total Development Cost (excluding land)	\$322	\$455,558	\$11,590,844
Less Affordable Housing Subsidy @ 30% of TDC			\$683,337
Adjusted Total Development Cost (excluding land)		\$427,086	\$10,907,506
		<u>Per Unit</u>	<u>Total</u>
Land Cost <sup>5</sup>		\$48,295	\$1,159,084
<b>Total Development Cost (including land)</b>	<b>\$335</b>	<b>\$475,381</b>	<b>\$12,066,591</b>
	<u>Per/S.F.</u>	<u>Per Unit</u>	<u>Total</u>
Sales Revenue (Market Rate Units) <sup>6</sup>	\$400	\$600,000	\$11,400,000
Sales Revenue (Affordable Units) <sup>7</sup>	\$200	\$300,000	\$1,500,000
Total Sales Revenue			\$12,900,000
			\$833,409
		Gross Profit Rate:	6.9%

## Notes

<sup>1</sup> Based on interviews with local developers and estimates provided by Keough Construction Management.

<sup>2</sup> Updated estimate based on original estimate of \$750,000 provided by Keough Construction Management.

<sup>3</sup> A proportion consistent with real estate development industry standards.

<sup>4</sup> A proportion consistent with real estate industry standards.

<sup>5</sup> Assumes land costs represent 10-percent of development costs

<sup>6</sup> Based on observed pricing for houses in Barrington of similar size and being of superior quality.

<sup>7</sup> Assumes family of four, five-percent downpayment, 6% interest rate, 30-year fixed loan.

# Land-Use Scenario 1

<b>Watson Street (0.8 acres)</b>			
<b>Single-Family Detached Housing Units</b>			
	<u>Unit S.F.</u>	<u>Units</u>	<u>Total S.F.</u>
Four-bedroom/three bathroom units (Market)	2,000	5	10,000
Four-bedroom/three bathroom units (Affordable)	2,000	<u>1</u>	<u>2,000</u>
Totals		6	12,000
	<u>Per/S.F.</u>	<u>Per Unit</u>	<u>Cost</u>
Hard Costs (outside of site work) <sup>1</sup>	\$210	\$420,000	\$2,520,000
Site Work Costs <sup>2</sup>	\$13.85	\$27,700	\$166,200
Sub-Total			\$2,686,200
Contingency (@7.5% of hard costs and site work) <sup>3</sup>	\$17	\$33,578	\$201,465
Total Hard Costs	\$241	\$447,700	\$2,887,665
Soft Costs (@23% of total hard costs) <sup>4</sup>	\$55	\$110,694	\$664,163
<i>Total Development Cost (excluding land)</i>	<i>\$296</i>	<i>\$558,394</i>	<i>\$3,551,828</i>
<i>Less Affordable Housing Subsidy @ 30% of TDC</i>			<i>\$167,518</i>
Adjusted Total Development Cost (excluding land)		\$530,474	\$3,384,310
		<u>Per Unit</u>	<u>Total</u>
Land Cost <sup>5</sup>		\$59,197	\$355,183
<b>Total Development Cost (including land)</b>	<b>\$312</b>	<b>\$589,671</b>	<b>\$3,739,493</b>
	<u>Per/S.F.</u>	<u>Per Unit</u>	<u>Total</u>
Sales Revenue (Market Rate Units) <sup>6</sup>	\$380	\$760,000	\$3,800,000
Sales Revenue (Affordable Units) <sup>7</sup>	\$175	\$350,000	\$350,000
Total Sales Revenue			\$4,150,000
Profit/(Deficit)			\$410,507
			9.9%

## Notes

<sup>1</sup> Based on an online review of construction costs associated with mid-luxury single-family development.

<sup>2</sup> Based on an assumed \$900,000 total cost (an increase from the original \$750,000 site cost estimate)

Accordingly, the pro rata share site cost per square foot of construction is \$13.85

<sup>3</sup> A proportion consistent with real estate development industry standards.

<sup>4</sup> A proportion consistent with real estate industry standards.

<sup>5</sup> Assumes land costs represent 10-percent of development costs

<sup>6</sup> Based on observed pricing for houses in Barrington of similar size and being of superior quality.

<sup>7</sup> Assumes family of four, five-percent downpayment, 6% interest rate, 30-year fixed loan.

# Land-Use Scenario 1

<b>Freemont Avenue (1.0 acres)</b>			
<b>Single-Family Detached Housing Units</b>			
	<u>Unit S.F.</u>	<u>Units</u>	<u>Total S.F.</u>
Four-bedroom/three bathroom units (Market)	2,500	6	15,000
Four-bedroom/three bathroom units (Affordable)	2,500	2	5,000
Totals		8	20,000
	<u>Per/S.F.</u>	<u>Per Unit</u>	<u>Cost</u>
Hard Costs (outside of site work) <sup>1</sup>	\$200	\$500,000	\$4,000,000
Site Work Costs <sup>2</sup>	\$13.85	\$34,625	\$277,000
Sub-Total			\$4,277,000
Contingency (@7.5% of hard costs and site work) <sup>3</sup>	\$16	\$40,097	\$320,775
Total Hard Costs	\$230	\$534,625	\$4,597,775
Soft Costs (@23% of total hard costs) <sup>4</sup>	\$53	\$132,186	\$1,057,488
<i>Total Development Cost (excluding land)</i>	<i>\$283</i>	<i>\$666,811</i>	<i>\$5,655,263</i>
<i>Less Affordable Housing Subsidy @ 30% of TDC</i>			<i>\$400,087</i>
Adjusted Total Development Cost (excluding land)		\$616,800	\$5,255,177
		<u>Per Unit</u>	<u>Total</u>
Land Cost <sup>5</sup>		\$70,691	\$565,526
<b>Total Development Cost (including land)</b>	<b>\$291</b>	<b>\$687,491</b>	<b>\$5,820,703</b>
	<u>Per/S.F.</u>	<u>Per Unit</u>	<u>Total</u>
Sales Revenue (Market Rate Units) <sup>6</sup>	\$375	\$937,500	\$5,625,000
Sales Revenue (Affordable Units) <sup>7</sup>	\$175	\$437,500	\$875,000
Total Sales Revenue			\$6,500,000
Profit/(Deficit)			\$679,297
			10.5%

## Notes

<sup>1</sup> Based on an online review of construction costs associated with mid-luxury single-family development.

<sup>2</sup> Based on an assumed \$900,000 total cost (an increase from the original \$750,000 site cost estimate)

Accordingly, the pro rata share site cost per square foot of construction is \$13.85

<sup>3</sup> A proportion consistent with real estate development industry standards.

<sup>4</sup> A proportion consistent with real estate industry standards.

<sup>5</sup> Assumes land costs represent 10-percent of development costs

<sup>6</sup> Based on observed pricing for houses in Barrington of similar size and being of superior quality.

<sup>7</sup> Assumes family of four, five-percent downpayment, 6% interest rate, 30-year fixed loan.



# Land-Use Scenario 1

<b>Cottage Courts (1.6 acres)</b>			
<b>Housing Units</b>	<b>Unit S.F.</b>	<b>Units</b>	<b>Total S.F.</b>
Three-bedroom/two bathroom units (Market)	1,500	18	27,000
Three-bedroom/two bathroom units (Affordable)	1,500	4	6,000
Totals		22	33,000
	<b>Per/S.F.</b>	<b>Per Unit</b>	<b>Cost</b>
Hard Costs (outside of site work)	<sup>1</sup> \$219	\$327,750	\$7,210,500
Site Work Costs	<sup>2</sup> \$13.85	\$20,775	\$457,050
Sub-Total			\$7,667,550
Contingency (@7.5% of hard costs and site work)	<sup>3</sup> \$17	\$26,139	\$575,066
Total Hard Costs	\$250	\$348,525	\$8,242,616
Soft Costs (@23% of total hard costs)	<sup>4</sup> \$57	\$86,173	\$1,895,802
<i>Total Development Cost (excluding land)</i>	<i>\$307</i>	<i>\$434,698</i>	<i>\$10,138,418</i>
<i>Less Affordable Housing Subsidy @ 30% of TDC</i>			<i>\$521,637</i>
Adjusted Total Development Cost (excluding land)		\$410,987	\$9,616,781
	<b>Per Unit</b>	<b>Total</b>	
Land Cost	<sup>5</sup> \$46,084	\$1,013,842	
<b>Total Development Cost (including land)</b>	<b>\$322</b>	<b>\$457,071</b>	<b>\$10,630,622</b>
	<b>Per/S.F.</b>	<b>Per Unit</b>	<b>Total</b>
Sales Revenue (Market Rate Units)	<sup>6</sup> \$400	\$600,000	\$10,800,000
Sales Revenue (Affordable Units)	<sup>7</sup> \$200	\$300,000	\$1,200,000
Total Sales Revenue			\$12,000,000
<b>Profit/(Deficit)</b>			<b>\$1,369,378</b>
			11.4%

## Notes

- <sup>1</sup> Based on interviews with local developers and estimates provided by Keough Construction Management.
- <sup>2</sup> Based on an assumed \$900,000 total cost (an increase from the original \$750,000 site cost estimate) Accordingly, the pro rata share site cost per square foot of construction is \$13.85
- <sup>3</sup> A proportion consistent with real estate development industry standards.
- <sup>4</sup> A proportion consistent with real estate industry standards.
- <sup>5</sup> Assumes land costs represent 10-percent of development costs
- <sup>6</sup> Based on observed pricing for houses in Barrington of similar size and being of superior quality.
- <sup>7</sup> Assumes family of four, five-percent downpayment, 6% interest rate, 30-year fixed loan.

# Land-Use Scenario 2

<b>Watson Street (1.4 acres)</b>			
<b>Single-Family Detached Housing Units</b>			
	<u>Unit S.F.</u>	<u>Units</u>	<u>Total S.F.</u>
Four-bedroom/three bathroom units (Market)	2,000	10	20,000
Four-bedroom/three bathroom units (Affordable)	2,000	2	4,000
Totals		12	24,000
	<u>Per/S.F.</u>	<u>Per Unit</u>	<u>Cost</u>
Hard Costs (outside of site work) <sup>1</sup>	\$210	\$420,000	\$5,040,000
Site Work Costs <sup>2</sup>	\$9.84	\$19,680	\$236,160
Sub-Total			\$5,276,160
Contingency (@7.5% of hard costs and site work) <sup>3</sup>	\$16	\$32,976	\$395,712
Total Hard Costs	\$236	\$439,680	\$5,671,872
Soft Costs (@23% of total hard costs) <sup>4</sup>	\$54	\$108,711	\$1,304,531
<i>Total Development Cost (excluding land)</i>	<i>\$291</i>	<i>\$548,391</i>	<i>\$6,976,403</i>
<i>Less Affordable Housing Subsidy @ 30% of TDC</i>			<i>\$329,035</i>
Adjusted Total Development Cost (excluding land)		\$520,971	\$6,647,368
		<u>Per Unit</u>	<u>Total</u>
Land Cost <sup>5</sup>		\$58,137	\$697,640
<b>Total Development Cost (including land)</b>	<b>\$306</b>	<b>\$579,108</b>	<b>\$7,345,008</b>
	<u>Per/S.F.</u>	<u>Per Unit</u>	<u>Total</u>
Sales Revenue (Market Rate Units) <sup>6</sup>	\$380	\$760,000	\$7,600,000
Sales Revenue (Affordable Units) <sup>7</sup>	\$175	\$350,000	\$700,000
Total Sales Revenue			\$8,300,000
<b>Profit/(Deficit)</b>			<b>\$954,992</b>
			11.5%

## Notes

<sup>1</sup> Based on interviews with local developers and estimates provided by Keough Construction Management.

<sup>2</sup> Based on an assumed \$900,000 total cost (an increase from the original \$750,000 site cost estimate)

Accordingly, the pro rata share site cost per square foot of construction is \$9.84

<sup>3</sup> A proportion consistent with real estate development industry standards.

<sup>4</sup> A proportion consistent with real estate industry standards.

<sup>5</sup> Assumes land costs represent 10-percent of development costs

<sup>6</sup> Based on observed pricing for houses in Barrington of similar size and being of superior quality.

<sup>7</sup> Assumes family of four, five-percent downpayment, 6% interest rate, 30-year fixed loan.

# Land-Use Scenario 2

<b>Freemont Avenue (0.8 acres)</b>			
<b>Single-Family Detached Housing Units</b>			
	<u>Unit S.F.</u>	<u>Units</u>	<u>Total S.F.</u>
Four-bedroom/three bathroom units (Market)	2,500	5	12,500
Four-bedroom/three bathroom units (Affordable)	2,500	1	2,500
Totals		6	15,000
	<u>Per/S.F.</u>	<u>Per Unit</u>	<u>Cost</u>
Hard Costs (outside of site work) <sup>1</sup>	\$200	\$500,000	\$3,000,000
Site Work Costs <sup>2</sup>	\$9.84	\$24,600	\$147,600
Sub-Total			\$3,147,600
Contingency (@7.5% of hard costs and site work) <sup>3</sup>	\$16	\$39,345	\$236,070
Total Hard Costs	\$226	\$524,600	\$3,383,670
Soft Costs (@23% of total hard costs) <sup>4</sup>	\$52	\$129,707	\$778,244
<i>Total Development Cost (excluding land)</i>	<i>\$277</i>	<i>\$654,307</i>	<i>\$4,161,914</i>
			<i>\$196,292</i>
Adjusted Total Development Cost (excluding land)		\$621,592	\$3,965,622
		<u>Per Unit</u>	<u>Total</u>
Land Cost <sup>5</sup>		\$69,365	\$416,191
<b>Total Development Cost (including land)</b>	<b>\$292</b>	<b>\$690,957</b>	<b>\$4,381,813</b>
	<u>Per/S.F.</u>	<u>Per Unit</u>	<u>Total</u>
Sales Revenue (Market Rate Units) <sup>6</sup>	\$375	\$937,500	\$4,687,500
Sales Revenue (Affordable Units) <sup>7</sup>	\$175	\$437,500	\$437,500
Total Sales Revenue			\$5,125,000
Profit/(Deficit)			\$743,187
			14.5%

## Notes

<sup>1</sup> Based on interviews with local developers and estimates provided by Keough Construction Management.

<sup>2</sup> Based on an assumed \$900,000 total cost (an increase from the original \$750,000 site cost estimate)  
Accordingly, the pro rata share site cost per square foot of construction is \$9.84

<sup>3</sup> A proportion consistent with real estate development industry standards.

<sup>4</sup> A proportion consistent with real estate industry standards.

<sup>5</sup> Assumes land costs represent 10-percent of development costs

<sup>6</sup> Based on observed pricing for houses in Barrington of similar size and being of superior quality.

<sup>7</sup> Assumes family of four, five-percent downpayment, 6% interest rate, 30-year fixed loan.

# Land-Use Scenario 2

<b>Cottage Courts (2.6 acres)</b>			
<b>Housing Units</b>	<b>Unit S.F.</b>	<b>Units</b>	<b>Total S.F.</b>
Three-bedroom/two bathroom units (Market)	1,500	28	42,000
Three-bedroom/two bathroom units (Affordable)	1,500	7	10,500
<b>Totals</b>		<b>35</b>	<b>52,500</b>
	<b>Per/S.F.</b>	<b>Per Unit</b>	<b>Cost</b>
Hard Costs (outside of site work) <sup>1</sup>	\$219	\$327,750	\$11,471,250
Site Work Costs <sup>2</sup>	\$9.84	\$14,760	\$516,600
Sub-Total			\$11,987,850
Contingency (@7.5% of hard costs and site work) <sup>3</sup>	\$17	\$25,688	\$899,089
<b>Total Hard Costs</b>	<b>\$245</b>	<b>\$342,510</b>	<b>\$12,886,939</b>
Soft Costs (@23% of total hard costs) <sup>4</sup>	\$56	\$84,686	\$2,963,996
<b>Total Development Cost (excluding land)</b>	<b>\$302</b>	<b>\$427,196</b>	<b>\$15,850,935</b>
<b>Less Affordable Housing Subsidy @ 30% of TDC</b>			<b>\$897,111</b>
<b>Adjusted Total Development Cost (excluding land)</b>		<b>\$401,564</b>	<b>\$14,953,824</b>
	<b>Per Unit</b>	<b>Total</b>	
Land Cost <sup>5</sup>	\$45,288	\$1,585,093	
<b>Total Development Cost (including land)</b>	<b>\$315</b>	<b>\$446,852</b>	<b>\$16,538,917</b>
	<b>Per/S.F.</b>	<b>Per Unit</b>	<b>Total</b>
Sales Revenue (Market Rate Units) <sup>6</sup>	\$400	\$600,000	\$16,800,000
Sales Revenue (Affordable Units) <sup>7</sup>	\$200	\$300,000	\$2,100,000
<b>Total Sales Revenue</b>			<b>\$18,900,000</b>
<b>Profit/(Deficit)</b>			<b>\$2,361,083</b>
			12.5%

## Notes

- <sup>1</sup> Based on interviews with local developers and estimates provided by Keough Construction Management.
- <sup>2</sup> Based on an assumed \$900,000 total cost (an increase from the original \$750,000 site cost estimate) Accordingly, the pro rata share site cost per square foot of construction is \$9.84
- <sup>3</sup> A proportion consistent with real estate development industry standards.
- <sup>4</sup> A proportion consistent with real estate industry standards.
- <sup>5</sup> Assumes land costs represent 10-percent of development costs
- <sup>6</sup> Based on observed pricing for houses in Barrington of similar size and being of superior quality.
- <sup>7</sup> Assumes family of four, five-percent downpayment, 6% interest rate, 30-year fixed loan.