STRATAS

MULTIFAMILY ADVISORY SERVICES

Crescent Landing Apartments

Comprehensive Multifamily Feasibility Study

Northgate District, Cedar Ridge Metropolitan Area | 240-Unit Class A Garden-Style Multifamily Community



PREPARED BY

Benjamin Birch | Stratas

REPORT DATE

September 2026 | Illustrative Sample

INTEGRATED FEASIBILITY ANALYSIS

Market Support | Product Fit | Operating Forecast | Capital Feasibility | Risk & Action Plan

FICTIONAL PROJECT AND MARKET - ILLUSTRATIVE SAMPLE ONLY | info@stratasfinancial.com | 725-712-4759

REPORT USE

Important Illustrative-Sample Notice

This report demonstrates the depth, structure, analysis, and presentation of a Stratas multifamily feasibility study. It does not evaluate an actual property or market.

ILLUSTRATIVE-SAMPLE NOTICE Crescent Landing Apartments, the Cedar Ridge Metropolitan Area, every comparable community, every pipeline project, and all market, operating, construction, financing, valuation, and return assumptions in this report are fictional. The assumptions are internally coordinated to demonstrate a completed feasibility study and are not evidence about any real property or market.

WHAT THIS SAMPLE DEMONSTRATES

Market support
Market area definition; demographic and employment support; renter depth; effective rent, occupancy, absorption, competitive supply, and pipeline analysis.

Product fit
Independent testing of property class, unit count, density, unit mix, sizes, finishes, amenities, parking, pricing, and target-resident position.

Financial viability
A coordinated rent, occupancy, EGI, expense, NOI, development-cost, financing-capacity, value, and investment-return analysis.

Risk and action plan
Sensitivity testing, break-even analysis, downside cases, risk prioritization, conditions to proceed, decision gates, and a 90- to 120-day work plan.

PROFESSIONAL LIMITATIONS

- This feasibility study is an advisory analysis, not an appraisal, loan commitment, legal or tax opinion, environmental report, engineering report, construction guarantee, or guarantee of future performance.
- A live assignment would be based on the actual site, project documents, market research, interviews, third-party data, project budget, capital plan, and stated assumptions available as of the report date.
- All project and market information in this illustrative sample is fictional. Any live decision requires independent verification and updated underwriting.

How to use the sample Use this report to evaluate the proposed Stratas deliverable, identify optional analyses relevant to a specific multifamily project, and understand the evidence required to support a financeable feasibility conclusion.

LIVE-ASSIGNMENT EVIDENCE STANDARD

Property and project evidence
Executed site-control documents, title and survey, zoning confirmation, concept plans, unit program, current budget, schedule, utility information, environmental reports, and geotechnical scope.

Market evidence
Current rent, vacancy, absorption, delivery and pipeline data; direct comparable verification; demographic and employment indicators; commute and demand research.

Capital evidence
Lender terms, documented equity sources, interest-reserve assumptions, contingency policy, construction pricing, operating reserves, and refinance or exit assumptions.

Decision evidence
A dated assumption register, source trail, responsible owner, sensitivity range, approval threshold, unresolved-item log, and automatic re-underwriting triggers.

REPORT GUIDE

Contents

The report is organized from decision summary to supporting evidence, then financial analysis, risk testing, and implementation.

Section	Report Area	Pages	Primary Content
I	Executive Decision	4-6	Conclusion, dashboard, key metrics, binding tests, and decision implications
II	Project and Site	7-13	Project definition, information gaps, site, access, utilities, and regulatory review
III	Market and Demand	14-21	Market area, economic support, renter depth, historical trends, comparables, and pipeline
IV	Recommended Product	22-25	Unit program, pricing, finishes, amenities, parking, and positioning
V	Operating Forecast	26-29	Lease-up, occupancy, rent, EGI, expenses, NOI, and stabilization
VI	Capital and Returns	30-42	Budget, sources and uses, debt sizing, value, returns, sensitivities, and break-even
VII	Risk and Execution	43-49	Risk matrix, mitigants, conditions, triggers, action plan, and decision gates
VIII	Appendices	50-56	Calculations, assumption controls, definitions, sources, and live-assignment additions

QUICK-REFERENCE EXHIBITS

Exhibit	Location
Decision scorecard and binding tests	Pages 5-6
Project definition and information gaps	Pages 7-10
Site, utilities, and regulatory review	Pages 11-13
Market performance and renter demand	Pages 14-17
Competitive set and pipeline	Pages 18-21
Unit program and operating forecast	Pages 22-29
Development budget, debt sizing, and returns	Pages 30-39
Sensitivity, risk matrix, and action plan	Pages 40-49

Navigation principle The executive conclusion identifies what must be true for the project to proceed. Each subsequent section provides the evidence, calculations, and verification items supporting that conclusion.

EXECUTIVE DECISION

Feasibility Conclusion

Proceed conditionally with the recommended 240-unit Class A garden-style multifamily program, subject to validation of cost, site approvals, utility capacity, market support, and the capital structure.

FEASIBILITY CLASSIFICATION FEASIBLE SUBJECT TO STATED CONDITIONS. The fictional 240-unit concept is supportable at the recommended product, pricing, and lease-up assumptions, but the modeled senior loan must be capped at approximately $35.9 million and the project requires verified equity and liquidity materially above a simple 75% LTC headline.

UNITS	TOTAL COST	SUPPORTABLE LOAN	REQUIRED EQUITY
240	$56.0MM	$36.0MM	$20.0MM

STABILIZED NOI	STABILIZED VALUE	BASE DSCR	5-YEAR LEVERED IRR
$3.7MM	$69.9MM	1.35x	22.1%

Executive Conclusion

The illustrative market supports a differentiated but not market-leading Class A garden-style community. The recommended 240-unit program averages 940 SF and $1,880 per month, or $2 per SF. Stabilized physical occupancy is underwritten at 94.5%, with explicit allowances for concessions and credit loss. Those assumptions produce approximately $3.7MM of stabilized NOI and $3.6MM of lender NCF.

At a 5.25% feasibility capitalization rate, indicative stabilized value is approximately $69.9MM. The resulting value-to-cost margin is 24.7%, and stabilized yield on cost is 6.55%. These are adequate but not so wide that the project can absorb uncontrolled cost escalation, delayed stabilization, or aggressive exit assumptions.

Debt yield is the binding sizing test. Although 75% of lender-eligible cost would imply up to $40.5MM of senior proceeds, the modeled 10.0% debt-yield limit is $36.0MM. The resulting loan is only 64.2% of total project cost and requires approximately $20.0MM of equity and other subordinate capital. The capital plan must therefore be built around supportable cash flow—not a desired leverage percentage.

Primary Conditions to Proceed

- Cap total project cost at $56.0MM unless incremental cost is fully matched by additional equity and the debt, value, return, and liquidity analyses are rerun.
- Cap the senior construction/bridge commitment at the lesser of $36.0MM and the lowest verified lender constraint at closing.
- Verify at least $20.0MM of required equity plus no less than $3.0 million of additional sponsor/guarantor liquidity after required contributions and closing costs.
- Obtain final zoning/entitlement confirmation, permit path, utility capacity and will-serve evidence, civil feasibility, environmental/flood review, and lawful access before closing.
- Convert the development budget into a lender-accepted GMP or equivalent controlled construction package with adequate trade coverage, contingency, and completion support.
- Verify post-completion property taxes, full replacement-cost insurance, operating staffing, utility cost, concessions, and market-supported effective rent before final debt sizing.
- Require objective lease-up and operating triggers before distributions, contingency release, or refinance assumptions are accepted.

EXECUTIVE DECISION

Decision Scorecard

Category	Score	Executive Interpretation
Market Support	13 / 15	Demand growth is durable, but the 2027–2028 pipeline reduces excess capacity.
Site / Regulatory	8 / 10	Access and zoning concept are workable; utility and entitlement confirmations remain hard gates.
Product Fit	13 / 15	Unit mix and price position fit the upper-middle segment without leading the market.
Operating Performance	12 / 15	Stabilized assumptions are supportable; lease-up must be managed tightly.
Development Economics	12 / 15	Basis and yield-on-cost are adequate, with limited room for uncontrolled cost growth.
Financing	11 / 15	Debt yield, not 75% LTC, binds; required equity is higher than headline leverage implies.
Returns	8 / 10	Base returns are acceptable; downside is materially weaker.
Execution Risk	4 / 5	Experienced team assumed, subject to verification and liquidity support.
TOTAL	81 / 100	Acceptable with conditions; score does not override unresolved fatal flaws.

Source: Illustrative assumptions and Stratas scoring logic. Score must be read with conditions and fatal-flaw review.

Top Red Flags and Decision Implications

HEADLINE LEVERAGE OVERSTATES SUPPORTABLE PROCEEDS. The 75% eligible-LTC result exceeds the binding debt-yield result by $4.5MM. The sponsor must fund the difference or reduce cost.

COST CONTINGENCY IS FINITE. The $1.8 million contingency equals only 3.2% of total cost. Design drift, utility upgrades, escalation, or schedule delay could consume it quickly.

PIPELINE OVERLAPS RAMP-UP. Probability-weighted competitive deliveries are concentrated in the subject's construction and lease-up window, increasing concession and absorption risk.

DOWNSIDE RETURNS ARE WEAK. A correlated downside of higher cost, lower rent/occupancy, delay, higher debt pricing, and higher exit cap materially impairs equity recovery.

TAKEOUT MUST BE PROVEN, NOT ASSUMED. Stressed takeout capacity of approximately $37.0MM provides limited cushion above the modeled senior commitment.

Immediate Decision

Proceed to controlled predevelopment and capital diligence—not unconditional closing. The project should advance only if the listed conditions are satisfied within the 90–120 day action plan and no fatal flaw remains unresolved. Failure to verify utilities,

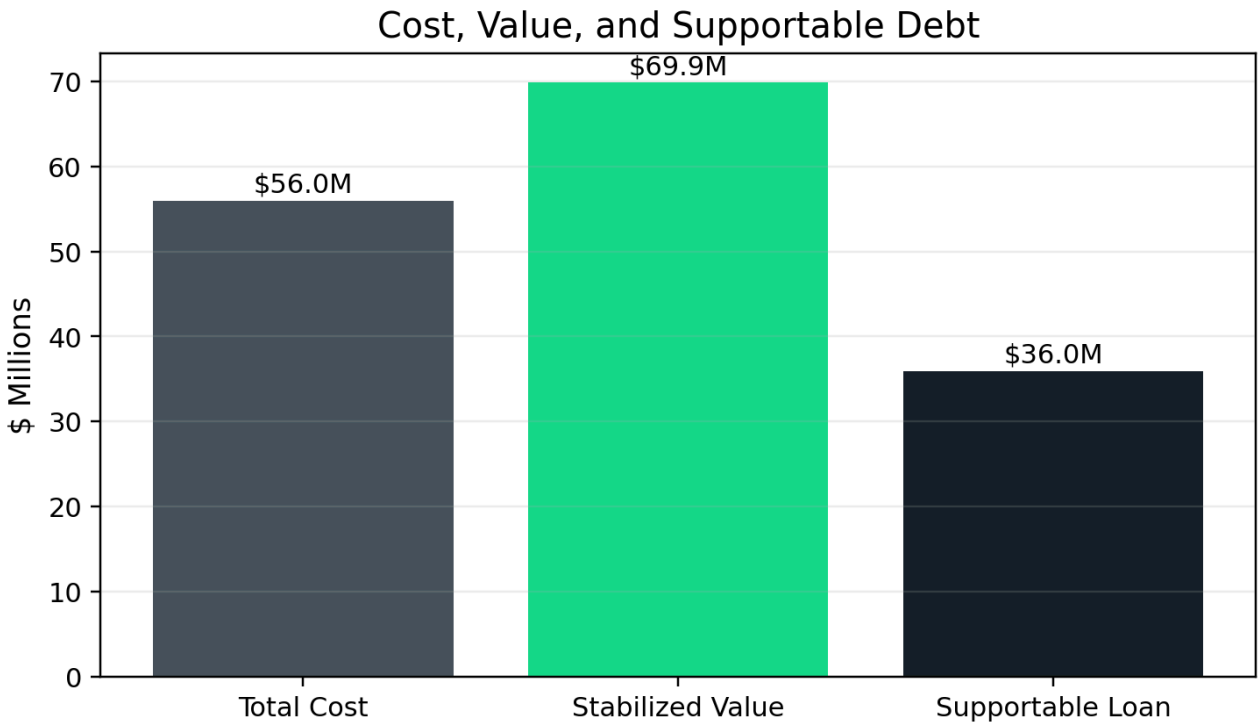
entitlement, cost, equity, liquidity, or supportable debt should trigger a hold, reprice, scope reduction, or capital-stack restructure.

EXECUTIVE DECISION

Executive Metrics and Binding Tests

Metric	Controlled Result
Program	240 units; 940 average SF; 390 parking spaces
Weighted Monthly Rent	$1,880 / unit; $2 / SF
Stabilized Occupancy	94.5%
Stabilized EGI	$5.4MM
Stabilized NOI	$3.7MM
Lender NCF	$3.6MM
Total Project Cost	$56.0MM
Eligible Cost	$54.0MM
Stabilized Value	$69.9MM at 5.25% cap
Supportable Senior Loan	$36.0MM
Binding Constraint	10.0% debt yield
Total-Cost LTC	64.2%
Stabilized LTV	51.5%
Base DSCR	1.35x
Required Equity / Other Capital	$20.0MM
Base Levered IRR / Equity Multiple	22.1% / 2.56x

Cost, Value, and Supportable Debt



Source: Illustrative assumptions and Stratas calculations.

Interpretation. The modeled project has a positive value-to-cost margin, but supportable debt remains materially below both total cost and the headline 75% eligible-LTC result. Equity must absorb the residual funding need and downside volatility.

PROJECT AND SITE

Project Definition

Define exactly what is being evaluated, at what stage, under what capital plan, and for what decision.

Exterior / Rendering



Site Aerial



Subject Definition

Crescent Landing Apartments is a fictional 240-unit Class A garden-style development on an assumed 11.8-acre site in the fictional Northgate District of the Cedar Ridge Metropolitan Area. The recommended concept includes eight residential buildings, a 7,500-SF clubhouse, a pool and outdoor amenity area, pedestrian connections, package facilities, pet amenities, and 390 surface parking spaces.

The assignment is a ground-up development feasibility study. The primary decision is whether the market, product, operating forecast, development economics, debt capacity, returns, and execution plan support advancing the project into controlled predevelopment, lender and equity diligence, and closing readiness.

Project Profile

Project Attribute	Illustrative Definition
Project Name	Crescent Landing Apartments
Location	Northgate District, Cedar Ridge Metropolitan Area (fictional)
Assignment Type	Ground-Up Development
Asset Subtype	Class A Garden-Style Apartments
Current Stage	Concept / predevelopment; no live approvals represented
Proposed Units	240
Site Area	11.8 acres
Density	20.3 units / gross acre
Residential Buildings	8

Project Attribute	Illustrative Definition
Parking	390 spaces (1.62 / unit)
Amenity Building	7,500 SF
Target Start	March 2027
First Delivery	June 2028
Final Delivery	December 2028
Target Stabilization	November 2029

Source: Controlled illustrative project assumptions; not a real subject property.

Decision Objective and Approval Standard

The project should advance only when the recommended program can be delivered within the approved cost and schedule, the modeled rents and absorption can be independently supported, the required equity and liquidity are committed, the senior loan is sized to the lowest verified underwriting constraint, and the downside can be funded without relying on an uncommitted rescue source.

CURRENT DECISION GATE Advance to controlled diligence and design development. Do not treat this feasibility classification as authorization to acquire land, close construction financing, issue full notice to proceed, or release material deposits until the hard conditions in Section 15 are met.

OWNERSHIP, CONTROL, AND DELIVERY FRAMEWORK

Assumed Project Parties

Assumed Parties and Controls

Party	Illustrative Status	Required Control / Responsibility
Landowner / Seller	Fictional third party	Site control, access rights, title cure, delivery obligations.
Project Sponsor / Borrower	To be verified	Equity, guarantees, approvals, lender reporting, and completion support.
Developer	To be verified	Design, entitlement, budget, schedule, contracting, execution, and stabilization.
General Contractor	To be selected	GMP/equivalent price control, trade coverage, schedule, quality, and completion.
Property Manager	To be selected	Preleasing, staffing, revenue management, resident operations, and reporting.
Senior Lender	Indicative only	Construction/bridge funding subject to underwriting and closing conditions.
Equity Capital	Uncommitted in sample	Required project equity, overruns, operating deficits, and liquidity support.

Source: Illustrative assignment framework; all real counterparties and obligations would require verification.

Scope Boundary

- Market and demand support for the recommended unit program, rent position, occupancy, and absorption.

- Site, access, utility, zoning, entitlement, permitting, environmental, flood, and infrastructure considerations at a feasibility level.
- Multi-year operating forecast, development budget, cost-per-unit controls, schedule, and sources-and-uses reconciliation.
- Senior debt sizing under LTC, LTV, DSCR, debt yield, program, and stressed takeout constraints.
- Indicative value and equity return analysis, including downside/base/upside, sensitivity, and break-even thresholds.
- Risk matrix, conditions to proceed, automatic re-underwriting triggers, and a sequenced 90–120 day action plan.

PROJECT AND SITE

Information Gaps and Required Confirmations

Unverified items that could change the project definition, cost, schedule, proceeds, value, or final classification.

EVIDENCE STATUS No real project evidence was supplied for this fictional sample. Every item below is intentionally unresolved and demonstrates what a live study would require before the conclusion could be relied upon.

Information Gaps / Required Confirmations

Gap	Required Evidence	Priority	Responsible Party	Resolution Point
Site Control / Title	Executed purchase agreement or deed; title commitment; exceptions; easements; access; encumbrances.	Critical	Sponsor / Counsel	Before land closing
Survey / Legal Description	ALTA survey, boundary/topographic survey, legal description, encroachments, access, and utility easements.	Critical	Surveyor / Counsel	Within 30 days
Zoning / Density	Written zoning confirmation, use permission, density, setbacks, height, parking, open-space and approval conditions.	Critical	Land Use Counsel	Within 30 days
Entitlement / Permits	Approval matrix, preliminary/final plan status, hearing schedule, conditions, fees, and permit timeline.	Critical	Developer	Within 45 days
Utilities	Capacity, service points, off-sites, fees, timing, redundancy, and utility will-serve/capacity letters.	Critical	Civil / Utilities	Within 35 days
Environmental / Flood	Phase I ESA, wetlands, floodplain, geotechnical, drainage, and remediation obligations.	Critical	Consultants	Within 45 days

Gap	Required Evidence	Priority	Responsible Party	Resolution Point
Plans / Specifications	Current architectural, civil, landscape, structural, MEP, and accessibility documents.	High	Design Team	Within 50 days
Construction Cost	GMP or lender-accepted equivalent, trade coverage, allowances, alternates, escalation, logistics, and contingency.	Critical	Developer / GC	Within 60 days
Schedule	Critical path, procurement log, permitting assumptions, utility dates, float, and recovery plan.	High	Developer / GC	Within 60 days
Tax / Insurance	Post-completion assessment, tax abatements, full insurance quotes, deductibles, exclusions, and replacement cost.	Critical	Sponsor / Broker	Within 30 days
Market Evidence	Current rent roll and concessions at comps, pipeline verification, absorption, demand interviews, and affordability.	High	Analyst	Within 45 days
Debt / Equity	Written terms, sources and uses, eligible cost, recourse, reserves, intercreditor terms, equity commitment and liquidity.	Critical	Sponsor / Capital	Before closing
Sponsor / Team	Experience, financial statements, liquidity, contingent liabilities, background, authority, and contracts.	Critical	Sponsor / Lender	Within 45 days

Source: Illustrative diligence requirements. Critical gaps are potential conditions precedent, not routine follow-up.

CONFLICT RESOLUTION AND SOURCE AUDIT PROTOCOL

Required Source Audit

1. Inventory every received document, file date, author, reporting period, version, signature status, and intended use.
2. Extract project facts, numerical assumptions, legal constraints, deadlines, and approval conditions into one controlled assumption register.
3. Identify conflicts among budgets, plans, schedules, questionnaires, term sheets, appraisals, operating statements, and third-party reports.
4. Use the most authoritative and current source only after explaining why it governs; do not choose silently.
5. Carry unresolved conflicts into the model as separate cases or explicit information gaps when they could change the decision.
6. Tie every material conclusion to a source, calculation, or labeled inference and preserve the calculation path.

PROJECT AND SITE

Site, Location, Access, Utilities, and Regulatory Review

Test whether the physical and legal site conditions can support the recommended development program and schedule.

Neighborhood / Access



Trade Area / Commute



Illustrative Location Positioning

The fictional Northgate District is modeled as an expanding employment and residential node with direct arterial access, a regional employment corridor, daily-needs retail, schools, healthcare, and a commuter connection to the broader Cedar Ridge metropolitan area. The site is assumed to have sufficient visibility for a destination residential community but is not underwritten as a high-density urban infill location.

The feasibility conclusion assumes that primary and emergency access can be permitted without a disproportionate off-site burden, that the final development plan can accommodate the recommended unit count and parking, and that surrounding uses do not create material noise, odor, truck traffic, industrial adjacency, or resident-safety conflicts.

Site and Access Feasibility Controls

Site Factor	Illustrative Assumption	Required Verification
Gross Site Area	11.8 acres	Survey and legal description required
Proposed Density	20.3 units / gross acre	Must comply with zoning and final plan
Primary Access	Assumed full-movement arterial connection	Traffic and municipal approval required
Secondary / Emergency Access	Assumed feasible	Fire and civil confirmation required
Topography / Drainage	Assumed manageable	Topographic, geotechnical, and drainage reports required
Flood / Wetlands	No adverse condition assumed	Independent verification required

Site Factor	Illustrative Assumption	Required Verification
Surrounding Uses	Residential, retail, employment, and institutional	Field and public-record verification required
Parking	390 spaces / 1.62 per unit	Final code and demand test required
Pedestrian / Transit	Assumed local connections	Verify actual routes, safety, and service frequency

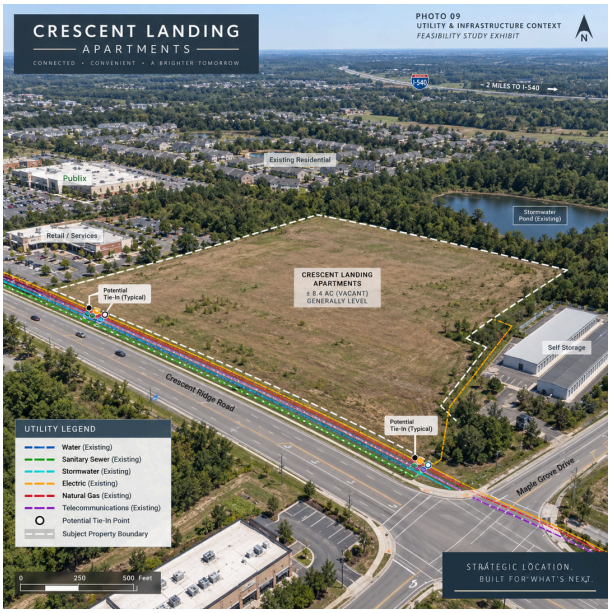
Source: Illustrative assumptions; all physical and regulatory conditions remain unverified.

Location Risks That Can Change Feasibility

- Unfunded road, signal, turn-lane, sidewalk, drainage, or other off-site obligations.
- A required secondary access point that cannot be obtained through the site or an adjacent parcel.
- Utility extensions, capacity upgrades, easements, or lead times that exceed the budget or critical path.
- Floodplain, wetland, environmental, geotechnical, slope, soil, groundwater, or stormwater constraints.
- Parking, open-space, landscaping, fire-access, height, setback, or density requirements that reduce the program.
- Noise, odor, incompatible land use, school crowding, crime perception, or weak neighborhood connectivity that limits rent or resident depth.

UTILITIES AND INFRASTRUCTURE

Utility Infrastructure



Replace with a utility availability map, capacity exhibit, or provider correspondence.

Construction / Phasing



Replace with construction logistics and phasing exhibit.

Utility Availability and Capacity Requirements

Multifamily feasibility requires more than the presence of a utility line near the site. The project must confirm the available service point, capacity, pressure, system upgrades, off-site extensions, easements, meter or connection fees, design standards, approval sequence, provider lead time, and responsibility for each cost. Those items must be reconciled to the civil plans, development budget, schedule, and lender conditions.

Utility Availability Package — Minimum Content

System	Feasibility Question	Required Evidence
Water	Domestic and fire-flow capacity; pressure; meter; off-sites; fees.	Will-serve/capacity letter; flow test; civil basis.
Sanitary Sewer	Available capacity; downstream constraints; lift station; easements; fees.	Capacity confirmation; invert and route verification.
Electric	Service size; transformer/switchgear; underground work; lead times.	Utility design letter; procurement schedule; allowance.
Gas	Availability and service capacity if included in design.	Provider confirmation and cost/timing.
Telecommunications	Fiber/cable providers; pathway; resident service; revenue-share terms.	Provider proposals and contract review.
Stormwater	On-site detention, discharge point, water-quality, and maintenance.	Drainage study and agency approval path.
Dry Utilities / Street Lighting	Route conflicts, joint trench, easements, and public/private responsibility.	Composite utility plan and bids.

Source: Stratas illustrative utility diligence standard.

HARD UTILITY GATE Do not close land or construction financing on the assumption that nearby utilities are adequate. Capacity, connection path, upgrade responsibility, cost, and provider timing must be independently confirmed and carried into the final budget and schedule.

ZONING, ENTITLEMENT, PERMITTING, AND ENVIRONMENTAL CONTROLS

Regulatory Decision Gates

Control Area	Required Finding	Verification
Use and Density	Multifamily use and 240-unit program are permitted or can be approved.	Written zoning letter / counsel opinion.
Site Plan	Buildings, access, parking, fire lane, stormwater, amenities, and open space fit.	Current plan and agency comments.
Approval Path	All discretionary and ministerial approvals, hearings, appeals, and conditions are mapped.	Approval matrix and legal schedule.
Permit Timeline	Civil, building, utility, and specialty permits align with target construction start.	Agency-confirmed permit schedule.
Impact / Connection Fees	All known fees and timing are included in sources and uses.	Written fee schedule and payment milestones.
Environmental	No unresolved REC, contamination, wetland, protected habitat, or remediation issue.	Phase I and specialty reports as required.
Flood / Drainage	Finished floors, access, stormwater, and insurance remain feasible.	Flood map, drainage study, civil confirmation.

Control Area	Required Finding	Verification
Accessibility / Code	Plans comply with applicable accessibility, building, fire, and life-safety standards.	Design certifications and plan review.
Development Agreements	No hidden infrastructure, timing, bonding, or community obligations.	Executed agreements and counsel review.

Source: Illustrative assumptions and standard multifamily feasibility controls.

Site / Regulatory Conclusion

The fictional site is conditionally supportable for the recommended program only because the base case assumes no adverse site, access, utility, environmental, or entitlement condition. A live feasibility classification would remain provisional until written verification confirms the full program, cost, and schedule. Any unit-count loss, material off-site obligation, utility-capacity upgrade, or entitlement delay must be modeled immediately.

MARKET AND MULTIFAMILY DEMAND

Market Area, Economic Support, and Demand Analysis

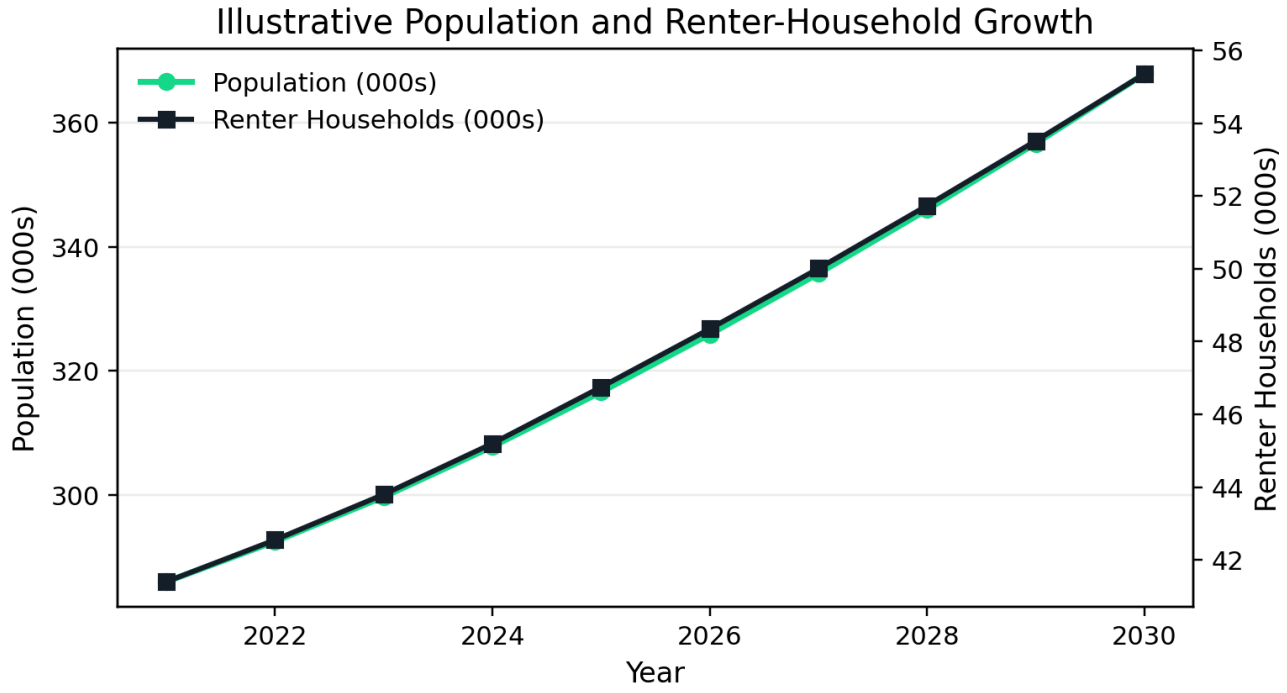
Define the renter pool, durable demand generators, resident affordability, and market depth required to support the concept.

Primary Market and Trade Area Definition

The illustrative primary market is the Cedar Ridge metropolitan area, with the Northgate District treated as the relevant competitive submarket. The trade area is defined by commute patterns, resident search behavior, employment access, school and retail connections, product alternatives, and the locations of comparable Class A communities—not by an arbitrary radius alone.

The modeled demand thesis combines household and renter-household growth, diversified employment, mobility into the metropolitan area, limited for-sale affordability for target households, and a product gap for newer garden-style communities with larger floor plans and modern amenities. No single employer, university, military installation, hospital, or event is assumed to carry the project.

Illustrative Population and Renter-Household Growth



Source: Illustrative assumptions; not official or third-party market data.

Interpretation. Renter-household growth is modeled as persistent through the construction and lease-up period. A live study would verify the source, migration composition, income distribution, household size, and whether growth is concentrated within the subject's actual competitive trade area.

Durable Demand Generators

Demand Source Ranking

Demand Source	Illustrative Rationale	Reliance
Employment Growth	Professional services, healthcare, logistics, education, and public-sector employment.	High

Demand Source	Illustrative Rationale	Reliance
Household Formation	New households and smaller household formation support studio through two-bedroom demand.	High
In-Migration	Regional affordability and employment access attract mobile renter households.	Moderate–High
For-Sale Affordability Gap	Higher mortgage payment and down-payment barriers extend renter tenure.	Moderate–High
Replacement / Trade-Up Demand	Older Class B stock creates a resident pool seeking newer product and amenities.	Moderate
Education / Medical	Institutional employment supports steady year-round demand.	Moderate
Temporary / Event Demand	Not used as a central thesis.	Low / excluded

Source: Illustrative assumptions. A live report would quantify each demand source and test concentration.

EMPLOYMENT, INCOME, AND AFFORDABILITY

Target Resident Profile

The recommended resident profile includes professional and healthcare workers, dual-income households, younger families, relocating employees, and existing renters trading up from older stock. The project is not positioned as luxury at any price. It is positioned as upper-middle Class A with competitive floor plans, modern finishes, practical amenities, and controlled total resident cost.

Illustrative Resident Affordability

Unit Type	Monthly Rent	Income at 30%	Income at 35%	Demand Depth
Studio	$1,475	$59,000	$50,571	Selective
1 Bedroom	$1,675	$67,000	$57,429	Targeted
2 Bedroom	$2,050	$82,000	$70,286	Targeted
3 Bedroom	$2,425	$97,000	$83,143	Selective

Source: Illustrative rents; income thresholds equal annual rent divided by 30% and 35%. Utilities and mandatory fees must be added in a live analysis.

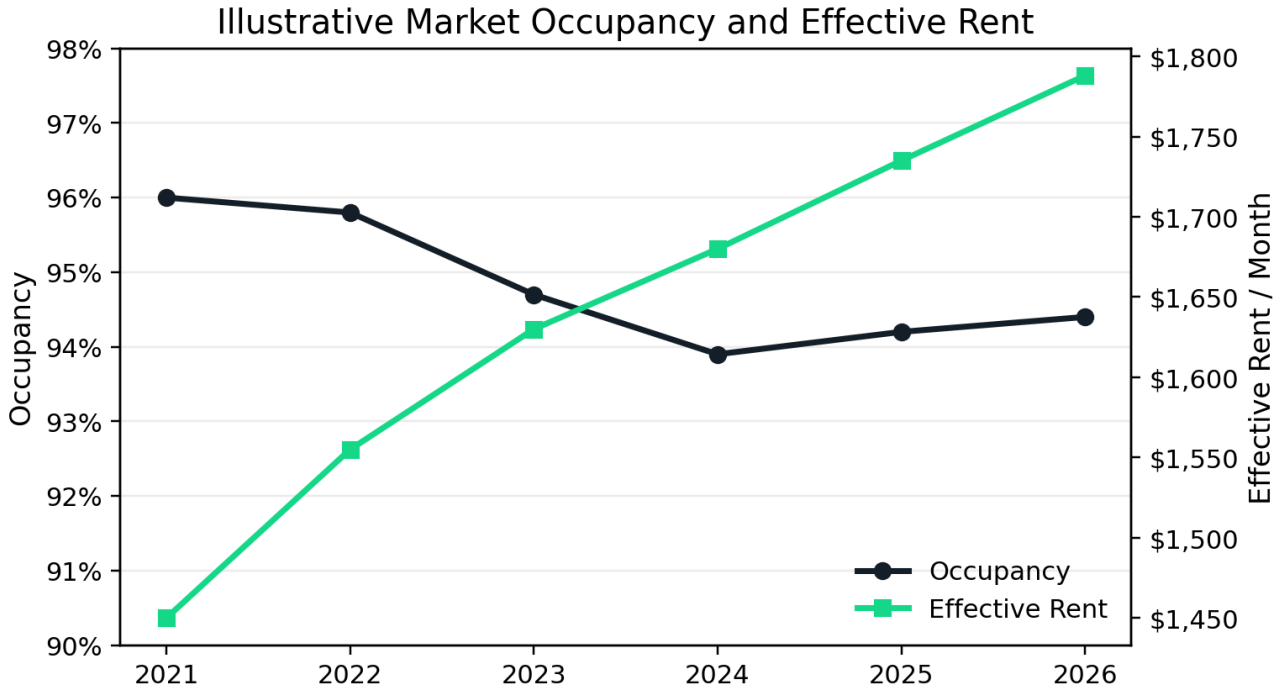
Total Resident Cost

Affordability must be tested against the resident's total mandatory payment, not base rent alone. A live analysis would add utilities, utility billing fees, parking, internet, package, trash, pest, amenity, pet, and other mandatory charges; compare those amounts with effective competing rents and concessions; and evaluate resident income by unit type.

AFFORDABILITY CONTROL Do not use household-income growth or average income alone to validate the rent schedule. The relevant question is whether enough target households can pay the full resident cost while also choosing the subject over competing rental and for-sale alternatives.

HISTORICAL MARKET PERFORMANCE

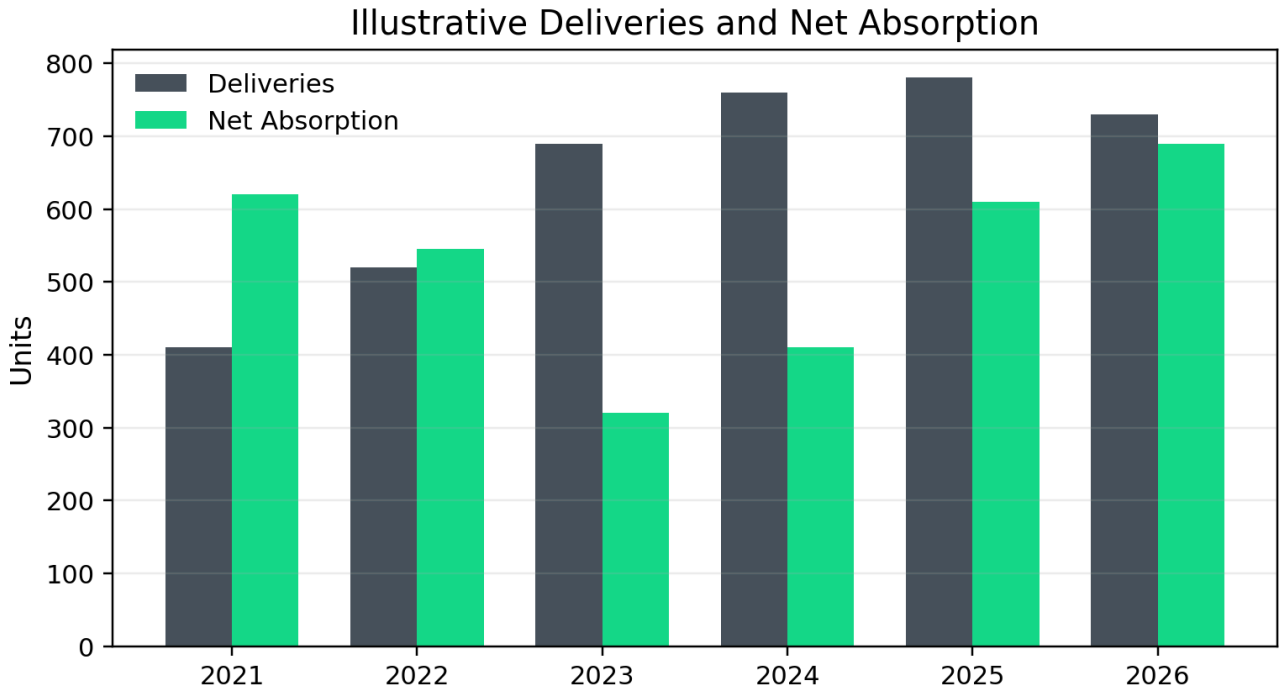
Illustrative Market Occupancy and Effective Rent



Source: Illustrative assumptions; not actual brokerage or property data.

Interpretation. Occupancy softened as deliveries accelerated, while effective rent continued to grow at a slower pace. The base case therefore avoids immediate market-leading rent and assumes measured lease-up incentives during ramp-up.

Illustrative Deliveries and Net Absorption



Source: Illustrative assumptions; not actual market data.

Interpretation. Recent absorption improves by 2025–2026, but deliveries remain substantial. The subject must compete on product fit and execution rather than assuming that broad metropolitan growth will absorb any program.

Illustrative Historical Market Metrics

Year	Inventory	Occupancy	Effective Rent	Deliveries	Net Absorption
2021	16,180	96.0%	$1,450	410	620
2022	16,580	95.8%	$1,555	520	545
2023	17,140	94.7%	$1,630	690	320
2024	17,830	93.9%	$1,680	760	410
2025	18,610	94.2%	$1,735	780	610
2026	19,340	94.4%	$1,788	730	690

Source: Illustrative assumptions; designed only to demonstrate trend analysis and model consistency.

DEMAND CAPTURE AND MARKET SUPPORT

Subject Capture Requirement

The illustrative renter-household base grows by approximately 5,170 households between 2026 and 2029. Stabilized occupied units at the subject equal approximately 227, representing about 4.4% of that net growth before considering turnover and replacement demand. That share is plausible at a metropolitan level, but it must be tested within the actual competitive trade area and by rent band.

Demand Capture Tests

Demand Test	Controlled Result	Interpretation
New Renter-Household Growth	5,170 households, 2026–2029	Supportive
Subject Stabilized Occupied Units	227	Moderate capture need
Subject Share of Net Renter Growth	4.4%	Plausible if trade-area depth is verified
Target Lease-Up Pace	Approx. 15 net units / month at peak	Requires controlled pricing and preleasing
Stabilized Occupancy	94.5%	Below best-in-class comp peak
Weighted Effective Rent Position	$2 / SF	Near upper-middle of comp range
Concentration Risk	No single demand source underwritten as dominant	Favorable

Source: Illustrative assumptions and calculations.

Demand Analysis Conclusion

The fictional market provides adequate demand depth for the recommended program, but support is conditional on pricing below the top of the comparable range, disciplined resident-cost packaging, phased delivery, active preleasing, and weekly revenue-management oversight. A live conclusion would require current employer, migration, income, absorption, competing rent, concession, and resident-payment evidence.

MARKET AND MULTIFAMILY DEMAND

Competitive Supply, Comparables, and Future Pipeline

Build a defensible competitive set, explain comparability, and probability-weight supply that overlaps the subject's ramp-up.

Competitive-Community



Comparable-Set Logic

The illustrative competitive set emphasizes newer Class A garden-style or low-rise communities serving the same resident profile and commute pattern. Inclusion is based on location, age, unit mix, size, finishes, amenities, parking, utility structure, effective rent, concessions, and resident choice—not merely geographic proximity.

The subject is not assumed to command the highest rent per SF. Its larger average unit size and balanced amenity package are intended to support an upper-middle effective-rent position while preserving resident value and absorption. A live study would distinguish asking rent from effective rent and verify mandatory fees, unit availability, concessions, and actual recent leasing velocity.

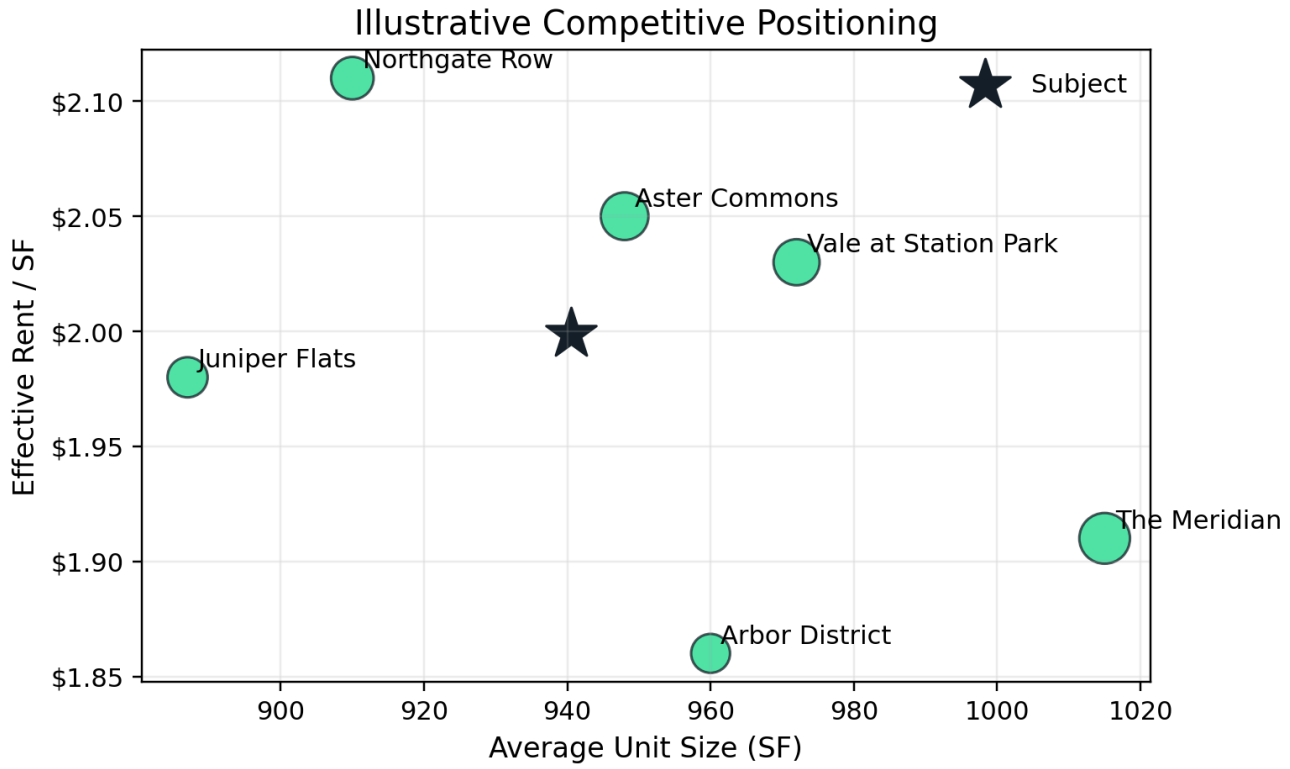
Illustrative Competitive Set

Comparable	Year	Units	Avg SF	Occupancy	Eff. Rent/SF	Fit
Aster Commons	2025	276	948	95.3%	$2	High
Northgate Row	2024	220	910	94.6%	$2	High
The Meridian	2022	312	1,015	93.8%	$2	High
Juniper Flats	2021	196	887	95.8%	$2	Moderate

Comparable	Year	Units	Avg SF	Occupancy	Eff. Rent/SF	Fit
Vale at Station Park	2023	258	972	94.1%	$2	High
Arbor District	2019	184	960	96.2%	$2	Moderate

Source: Fictional comparables and illustrative assumptions; no real property performance is represented.

Illustrative Competitive Positioning



Source: Fictional competitive-set assumptions. Bubble size indicates unit count; star indicates the subject.

Interpretation. The subject is positioned near the center of the newer competitive cluster on rent per SF, with larger average units than several comps. This supports a value-oriented Class A position rather than a rent-leading strategy.

COMPARABLE ADJUSTMENTS AND ACHIEVABLE RENT

Comparable Adjustment Framework

Adjustment Area	Subject Position	Underwriting Effect
Location / Access	Neutral to slightly positive	Assumed employment and retail access comparable to strongest properties.
Age / Condition	Positive	New construction should outperform older assets if execution quality is delivered.
Unit Size	Positive for total value; neutral on $/SF	Larger units support resident value but may reduce achievable rent per SF.

Adjustment Area	Subject Position	Underwriting Effect
Finishes	Neutral	Modern, durable finishes are assumed; premium custom finishes are not required.
Amenities	Neutral to positive	Recommended package is competitive but avoids costly low-use features.
Parking	Neutral	Surface parking is assumed adequate; no structured-parking premium.
Utility / Fees	To be verified	Total resident cost can eliminate apparent base-rent advantage.
Concessions	Moderate lease-up drag	Opening incentives are included during ramp-up, then reduced at stabilization.
Brand / Management	Execution-dependent	Professional preleasing and revenue management are required.

Source: Illustrative analyst framework; live adjustments require verified property-level evidence.

Achievable Rent Conclusion

The recommended weighted average rent is $1,880 per month, or $2 per SF. That level is within the fictional comp range and below an aggressive market-leading position. Stabilized rents remain conditional on delivery quality, unit-specific view and floor premiums, resident total cost, competing concessions, and the pace of new supply.

RENT CONTROL Use unit-specific effective rent—not a single market average. Every rent conclusion should reconcile unit type, size, floor, view, finish, fees, concessions, lease term, availability, and expected timing.

Pipeline Exposure Framework

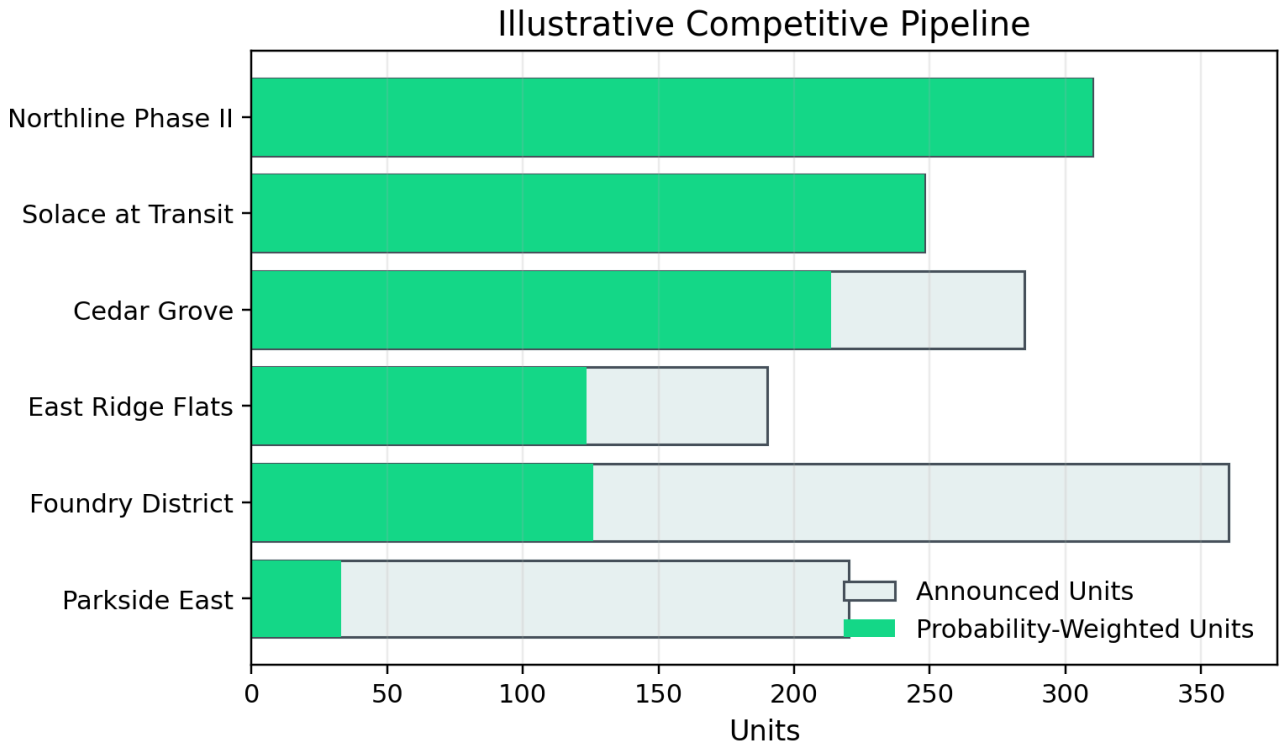
Probability-Weighting Method

Pipeline Status	Illustrative Weight	Underwriting Treatment
Under Construction	100%	Direct opening-period competition; verify pace and delivery monthly.
Approved	50%-75%	Probability-weight unless financing, permits, and notice to proceed are verified.
Proposed	25%-40%	Monitor entitlements, capital, and delivery timing; do not treat as certain.
Speculative / Unverified	0%-20%	Exclude from committed supply but preserve as a re-underwriting trigger.

Source: Illustrative pipeline-control methodology; live weights require project-specific verification.

FUTURE SUPPLY AND PIPELINE RISK

Illustrative Competitive Pipeline



Source: Fictional project pipeline. Probability-weighting is illustrative and not a substitute for permit and construction verification.

Interpretation. Under-construction projects receive full weight, approved projects receive partial weight, and proposed/speculative projects receive lower probability. The subject's opening window overlaps a meaningful delivery cluster.

Illustrative Pipeline Schedule

Project	Status	Units	Delivery	Probability	Weighted Units
Northline Phase II	Under Construction	310	Q2 2027	100%	310
Solace at Transit	Under Construction	248	Q4 2027	100%	248
Cedar Grove	Approved	285	Q2 2028	75%	214
East Ridge Flats	Approved	190	Q4 2028	65%	124
Foundry District	Proposed	360	2029+	35%	126
Parkside East	Speculative	220	2029+	15%	33

Source: Fictional pipeline assumptions. Live analysis must distinguish delivered, under construction, approved, proposed, and speculative projects.

The probability-weighted pipeline totals approximately 1,054 units. That amount is material relative to the existing submarket and the subject's 240-unit program. The base case therefore assumes controlled opening concessions, no premium for being the newest property alone, and a lease-up curve that extends through the competitive delivery window.

Pipeline Monitoring Triggers

- Any additional 200+ unit project begins construction within the primary competitive trade area.
- Two or more approved projects accelerate delivery into the subject's first 12 months of leasing.
- Competing Class A concessions exceed six weeks on a sustained basis or effective rent declines more than 3%.
- Submarket occupancy falls below 92.5% or trailing six-month absorption materially underperforms deliveries.
- A major employer contraction, relocation, or hiring freeze changes the target resident pool.

Competitive Supply Conclusion

Competitive supply does not make the project unsupported, but it limits pricing power and reduces the margin for schedule error. The development team must preserve the recommended product value, begin preleasing before first delivery, monitor weekly net effective rent and traffic conversion, and retain the ability to adjust concessions and release timing without compromising the stabilized thesis.

RECOMMENDED PRODUCT

Recommended Product, Unit Program, and Market Positioning

Translate demand and comparable evidence into a buildable program, resident value proposition, and disciplined rent strategy.

Representative Unit



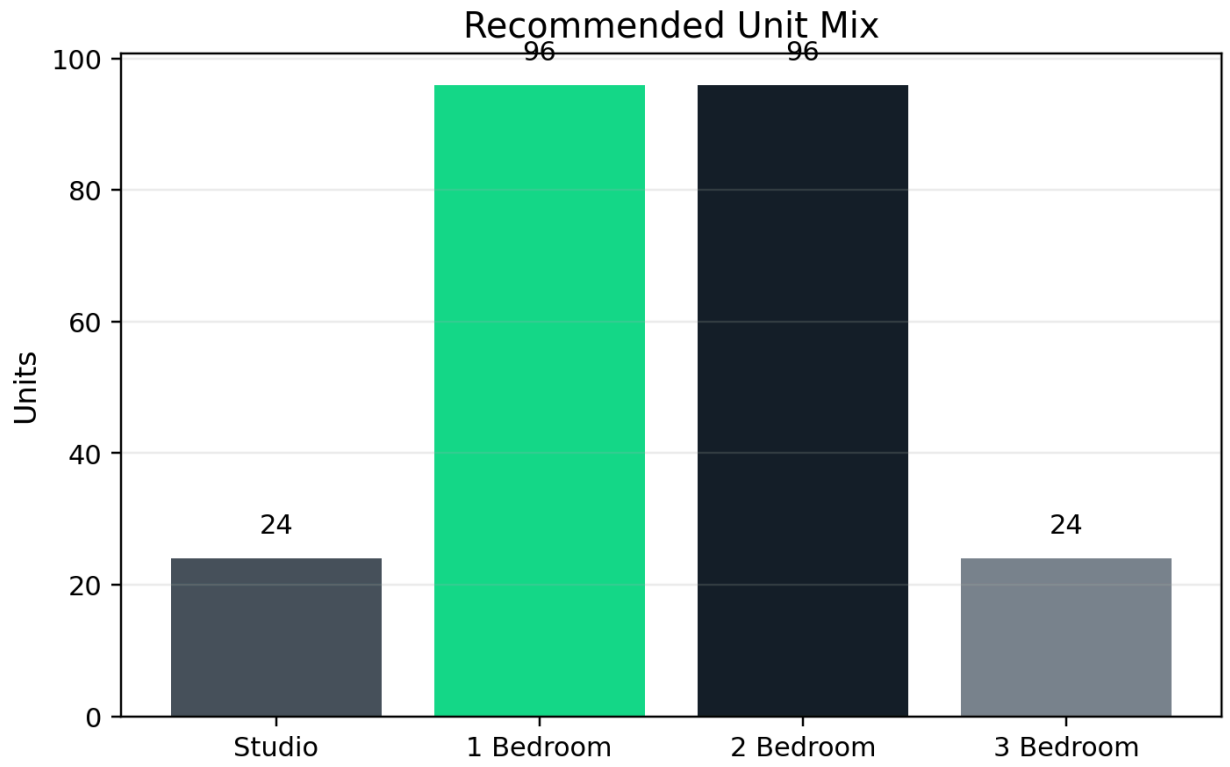
Amenity Program



Recommended Product

The recommended product is a professionally managed Class A garden-style community designed for upper-middle-income renters who value unit size, work-from-home functionality, modern finishes, reliable parking, package handling, fitness, outdoor space, and convenient access. The concept should feel complete and durable without depending on high-cost amenities that do not support rent or retention.

Recommended Unit Mix



Source: Controlled illustrative program assumptions.

Interpretation. One- and two-bedroom units comprise 80% of the program, balancing renter depth with larger-household demand. Studios and three-bedroom units are deliberately limited because they have narrower demand pools and different affordability profiles.

Recommended Unit and Rent Program

Unit Type	Units	Mix	Avg SF	Monthly Rent	Rent/SF
Studio	24	10.0%	575	$1,475	$3
1 Bedroom	96	40.0%	760	$1,675	$2
2 Bedroom	96	40.0%	1,110	$2,050	$2
3 Bedroom	24	10.0%	1,350	$2,425	$2
TOTAL / WEIGHTED	240	100.0%	940	$1,880	$2

Source: Controlled illustrative assumptions; rents are before utility and mandatory-fee verification.

UNIT DESIGN AND FINISH STANDARD

Recommended Unit and Finish Standards

Component	Recommended Standard	Economic Rationale
Kitchen	Durable quartz or equivalent counters; full appliance package; practical storage; resilient flooring.	Support modern Class A position without over-customization.

Component	Recommended Standard	Economic Rationale
Living / Work Space	Flexible furniture layouts; reliable data access; selected built-in desk or niche options.	Capture hybrid-work demand.
Bedrooms	Usable furniture dimensions; adequate closets; sound separation.	Protect resident value and retention.
Bathrooms	Durable finishes; strong lighting; accessible layouts where required.	Reduce maintenance and support leasing appeal.
Laundry	In-unit washer and dryer or full-size connections.	Expected within target competitive set.
Storage	In-unit storage plus optional rentable storage.	Create resident utility and ancillary income.
Balconies / Outdoor	Selective private outdoor space based on cost and building design.	Differentiate without excessive structural cost.
Technology	High-speed connectivity, smart access, package notifications, and practical controls.	Support operations and resident convenience.
Durability	Commercial-grade common-area and unit materials at high-wear locations.	Lower turn and replacement friction.

Source: Illustrative product recommendation; final specifications require cost and comp verification.

Amenity and Service Package

Amenity and Service Strategy

Amenity	Recommended Scope	Priority
Clubhouse / Leasing	Professional leasing, resident lounge, flexible work areas, and package support.	Core
Fitness	Well-equipped, visible, and appropriately sized fitness center.	Core
Pool / Outdoor	Pool, shade, seating, grilling, and durable landscape programming.	Core
Pet	Dog run/wash where site design and maintenance support it.	Recommended
Package / Delivery	Secure package room or managed delivery solution.	Core
Work-from-Home	Reliable connectivity and reservable small work/meeting areas.	Recommended
Storage	Optional rentable storage where efficiently designed.	Selective
EV Charging	Conduit/future capacity plus initial practical charging count.	Recommended
Premium Concierge Features	Do not include unless rent support and operating plan are verified.	Exclude / test

Source: Illustrative recommendation based on controlled market positioning.

AMENITY DISCIPLINE Every amenity should have a leasing, retention, operating, or resident-experience purpose. Do not convert capital cost into decorative space that cannot support rent, absorption, or long-term operations.

PARKING, RESIDENT COST, AND REVENUE MANAGEMENT

Parking / Streetscape



Parking and Circulation

The illustrative program includes 390 spaces, or 1.62 spaces per unit. Final parking should reflect code, household vehicle ownership, unit mix, guest use, accessible spaces, leasing/service operations, fire access, snow or climate conditions where applicable, and practical pedestrian paths. A code-compliant count that residents find inconvenient can still weaken lease-up and retention.

Pricing and Revenue-Management Guardrails

- Establish unit-specific starting rents by floor, view, location, size, and delivery timing; do not apply one premium across the entire property.
- Measure net effective rent after concessions, mandatory fees, bad debt, and expected renewal pressure.
- Use preleasing traffic, application conversion, cancellations, and signed leases—not inquiries alone—to adjust pricing.
- Limit concessions to defined lease-up objectives and sunset them by unit type and building as occupancy improves.
- Separate recurring resident revenue from one-time fees and avoid underwriting revenue that lacks collection history or resident acceptance.
- Monitor renewal trade-outs and turnover cost before pushing rents that increase vacancy, make-ready, commissions, or bad debt.

Product and Positioning Conclusion

The recommended product is feasible because it is aligned with renter depth and competitive evidence rather than a luxury narrative. It should be protected through design-to-budget, a disciplined finish package, practical amenities, adequate parking, and a resident total cost that remains competitive after all mandatory charges.

OPERATING FORECAST

Lease-Up, Operating Forecast, and Stabilization

Translate program, pricing, resident losses, other income, operating expenses, and timing into a controlled NOI and lender NCF forecast.

Lease-Up and Stabilization Definition

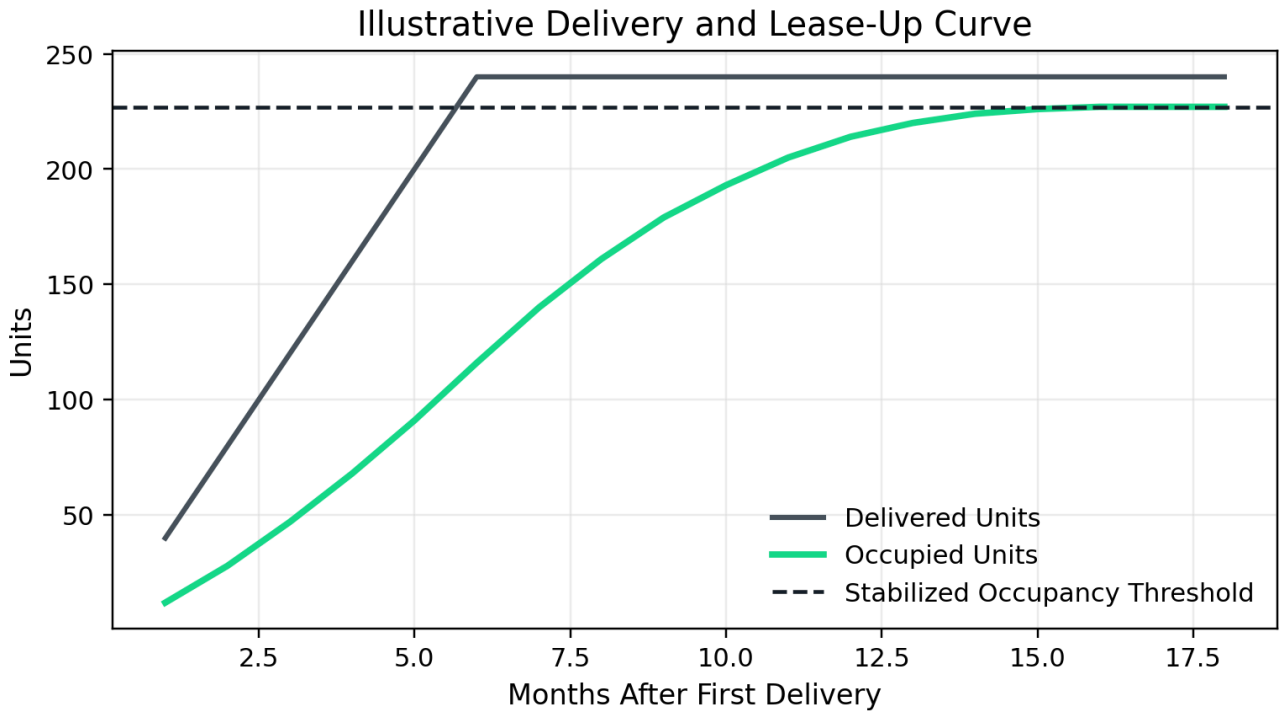
First delivery is assumed in June 2028, final delivery in December 2028, and stabilization in November 2029. Stabilization requires more than physical occupancy. It requires a sustainable occupied and paying unit base, normalized concessions and bad debt, full operating staffing, recurring expense levels, and a revenue pattern that can be used for valuation and debt sizing.

Lease-Up Control Assumptions

Lease-Up Control	Illustrative Assumption	Required Operating Evidence
Preleasing Launch	Approximately 90 days before first delivery	Marketing, staffing, pricing, and model-unit readiness.
Initial Delivery	40 units in Month 1	Opening inventory is phased; undelivered units are not treated as available.
Final Delivery	Month 7	All 240 units delivered before the final stabilization ramp.
Peak Net Leasing	Approximately 15 units per month	Must be supported by qualified traffic and conversion, not inquiries alone.
Stabilization Test	At least 94.5% physical occupancy for 90 days	Also requires normalized concessions, bad debt, staffing, and recurring expense run rate.

Source: Controlled illustrative lease-up assumptions; live timing must reconcile delivery, availability, leases, and move-ins.

Illustrative Delivery and Lease-Up Curve



Source: Controlled illustrative lease-up assumptions.

Interpretation. Deliveries are phased over six months and occupied units build over 18 months. The underwriting avoids instantaneous occupancy and requires the operating team to manage several partially delivered buildings at once.

Selected Lease-Up Milestones

Month	Delivered	Occupied	Project Occupancy	Operating Stage
1	40	12	5.0%	Preleasing / opening
3	120	47	19.6%	Preleasing / opening
6	240	116	48.3%	Active lease-up
9	240	179	74.6%	Active lease-up
12	240	214	89.2%	Active lease-up
15	240	226	94.2%	Approaching stabilization
18	240	227	94.6%	Approaching stabilization

Source: Controlled illustrative assumptions.

REVENUE BUILD AND STABILIZED OPERATIONS

Stabilized Revenue and Cash-Flow Bridge

Revenue / Cash-Flow Line	Annual Amount	Calculation Basis
Gross Potential Rent	$5.4MM	Unit count × unit rent × 12
Less: Physical Vacancy	($297,792)	GPR × 5.5%
Less: Concessions	($43,315)	GPR × 0.8%

Revenue / Cash-Flow Line	Annual Amount	Calculation Basis
Less: Credit Loss / Bad Debt	($37,901)	GPR × 0.7%
Plus: Other Income	$388,800	$135 / unit / month
Effective Gross Income	$5.4MM	GPR – losses + other income
Less: Operating Expenses	($1.8MM)	Normalized recurring property expenses
Net Operating Income	$3.7MM	EGI – operating expenses
Less: Replacement Reserve	($72,000)	$300 / unit / year
Lender Net Cash Flow	$3.6MM	NOI – replacement reserve

Source: Controlled illustrative assumptions and calculations. NOI and lender NCF use the stated reserve convention.

GROSS POTENTIAL RENT	EFFECTIVE GROSS INCOME	NET OPERATING INCOME	LENDER NCF
$5.4MM	**$5.4MM**	**$3.7MM**	**$3.6MM**

Revenue Quality Controls

- Separate asking rent, contractual rent, billed rent, effective rent, and collected rent.
- Track physical occupancy and economic occupancy separately when concessions, delinquency, non-revenue units, or bad debt are material.
- Underwrite recurring other income only when the resident charge, collection pattern, operating cost, and competitive acceptance are supportable.
- Do not hide concessions or resident incentives by capitalizing them outside the operating forecast.
- Tie monthly GPR to delivered and available units rather than assuming all 240 units produce revenue before delivery.

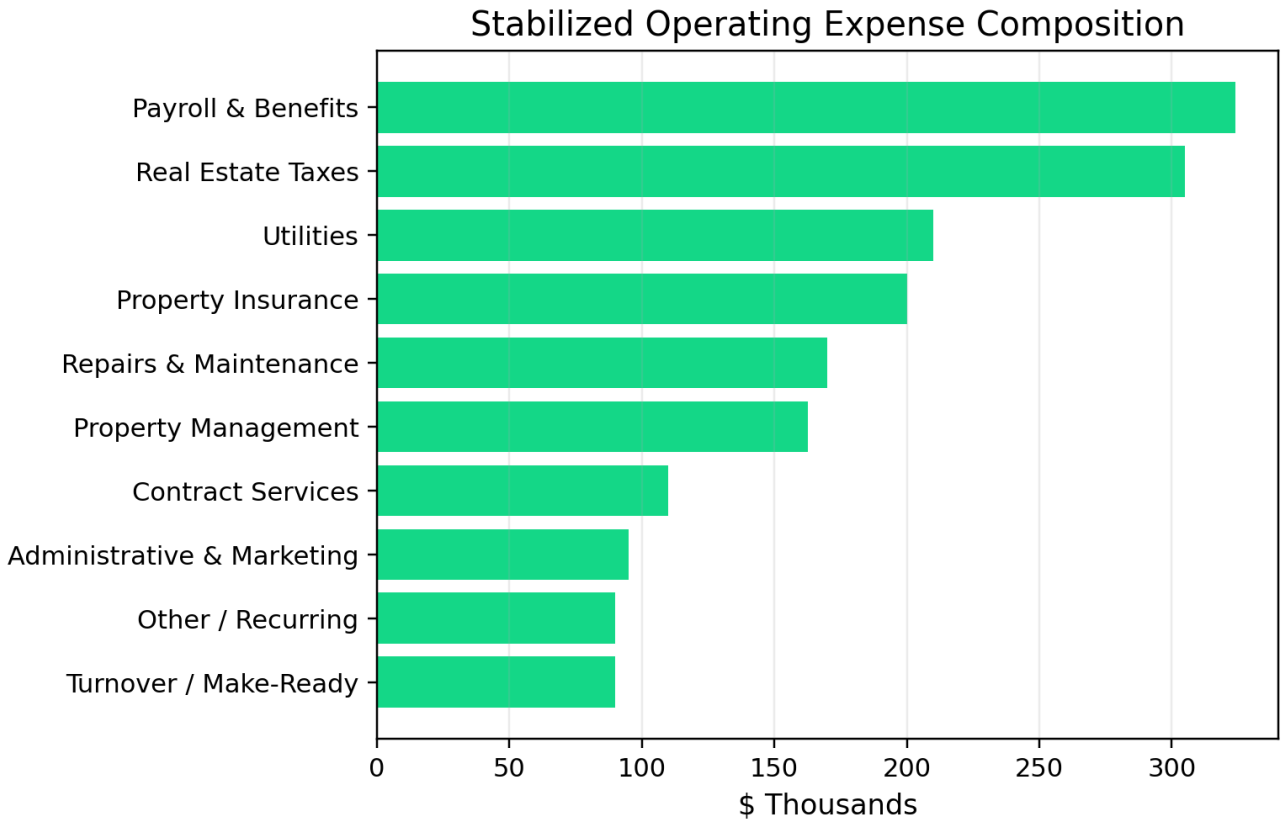
OPERATING EXPENSE ANALYSIS

Stabilized Operating Expense Schedule

Expense	Annual Amount	Per Unit	% of EGI
Payroll & Benefits	$324,000	$1,350	6.0%
Repairs & Maintenance	$170,000	$708	3.1%
Turnover / Make-Ready	$90,000	$375	1.7%
Utilities	$210,000	$875	3.9%
Contract Services	$110,000	$458	2.0%
Administrative & Marketing	$95,000	$396	1.8%
Property Management	$162,726	$678	3.0%
Real Estate Taxes	$305,000	$1,271	5.6%
Property Insurance	$200,000	$833	3.7%
Other / Recurring	$90,000	$375	1.7%
TOTAL OPERATING EXPENSE	$1.8MM	$7,320	32.4%

Source: Controlled illustrative assumptions. Amounts exclude replacement reserve and financing cost.

Stabilized Operating Expense Composition



Source: Controlled illustrative expense assumptions.

Interpretation. Payroll, taxes, insurance, utilities, and management are modeled as recurring costs. Low expense assumptions are not treated as efficiency when they could reflect deferred work, insufficient staffing, or stale tax and insurance values.

Expense Verification Priorities

- Post-completion assessed value and tax rate, including timing of reassessment and any abatement phase-out.
- Property, liability, wind, flood, earthquake, builder's risk, business interruption, deductibles, exclusions, and replacement-cost requirements.
- Staffing plan, wage levels, benefits, leasing and maintenance coverage, turnover, and third-party management fee.
- Owner-paid utility structure, common-area loads, submetering/RUBS treatment, vacant-unit usage, and resident reimbursement assumptions.
- Repair, contract-service, turnover, landscaping, pool, pest, security, technology, and administrative contracts.
- Replacement reserve and recurring capital items that should not be excluded from lender NCF or investor cash flow.

MULTI-YEAR OPERATING FORECAST

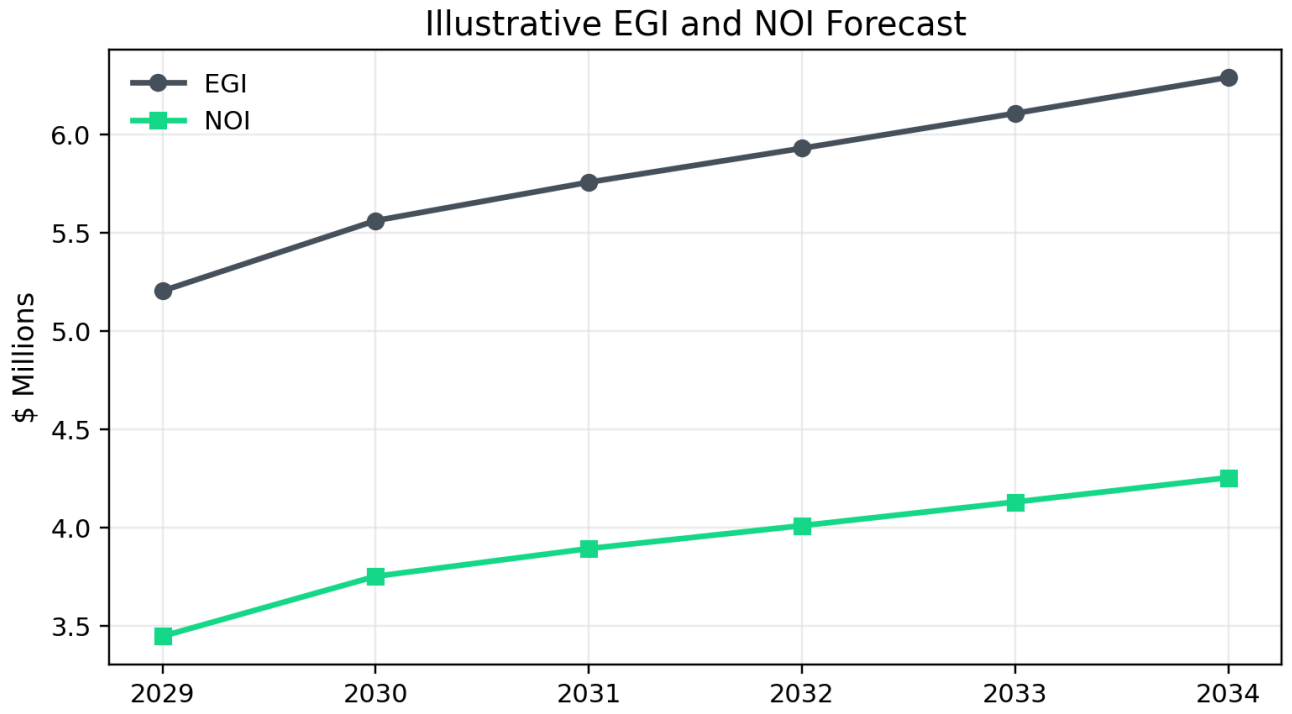
Illustrative Multi-Year Operating Forecast

Year	Occupancy	GPR	EGI	OpEx	NOI	Lender NCF
2029	91.0%	$5.4MM	$5.2MM	$1.8MM	$3.4MM	$3.4MM
2030	94.5%	$5.5MM	$5.6MM	$1.8MM	$3.8MM	$3.7MM
2031	95.0%	$5.7MM	$5.8MM	$1.9MM	$3.9MM	$3.8MM
2032	95.0%	$5.9MM	$5.9MM	$1.9MM	$4.0MM	$3.9MM
2033	95.0%	$6.1MM	$6.1MM	$2.0MM	$4.1MM	$4.0MM

Year	Occupancy	GPR	EGI	OpEx	NOI	Lender NCF
2034	95.0%	$6.2MM	$6.3MM	$2.0MM	$4.3MM	$4.2MM

Source: Controlled illustrative assumptions. 2029 is ramp-up; 2030 is first full stabilized year.

Illustrative EGI and NOI Forecast



Source: Controlled illustrative forecast assumptions.

Interpretation. NOI growth after stabilization depends on rent and other-income growth keeping pace with expense inflation. The model does not assume a sharp post-opening rent spike or falling operating expenses.

Stabilization Tests

Definition of Stabilization

Test	Objective Threshold	Treatment
Physical Occupancy	At least 94.5% for 90 consecutive days	Required
Economic Occupancy	Within 200 bps of physical occupancy after normalized concessions/bad debt	Required
Concessions	At or below 0.8% of GPR on a forward basis	Required
Bad Debt / Credit Loss	At or below 0.7% of GPR	Required
Operating Staffing	Full recurring staffing and vendor contracts in place	Required
NOI / NCF	Annualized lender NCF supports at least 1.25x DSCR and 10.0% debt yield	Required
Resident Retention	Renewal and turnover results support recurring effective rent	Monitor

Source: Illustrative underwriting controls.

CAPITAL AND RETURNS

Development Economics, Budget, and Sources and Uses

Reconcile land, construction, soft costs, contingency, financing carry, and timing into one complete capital requirement.

Total Project Cost

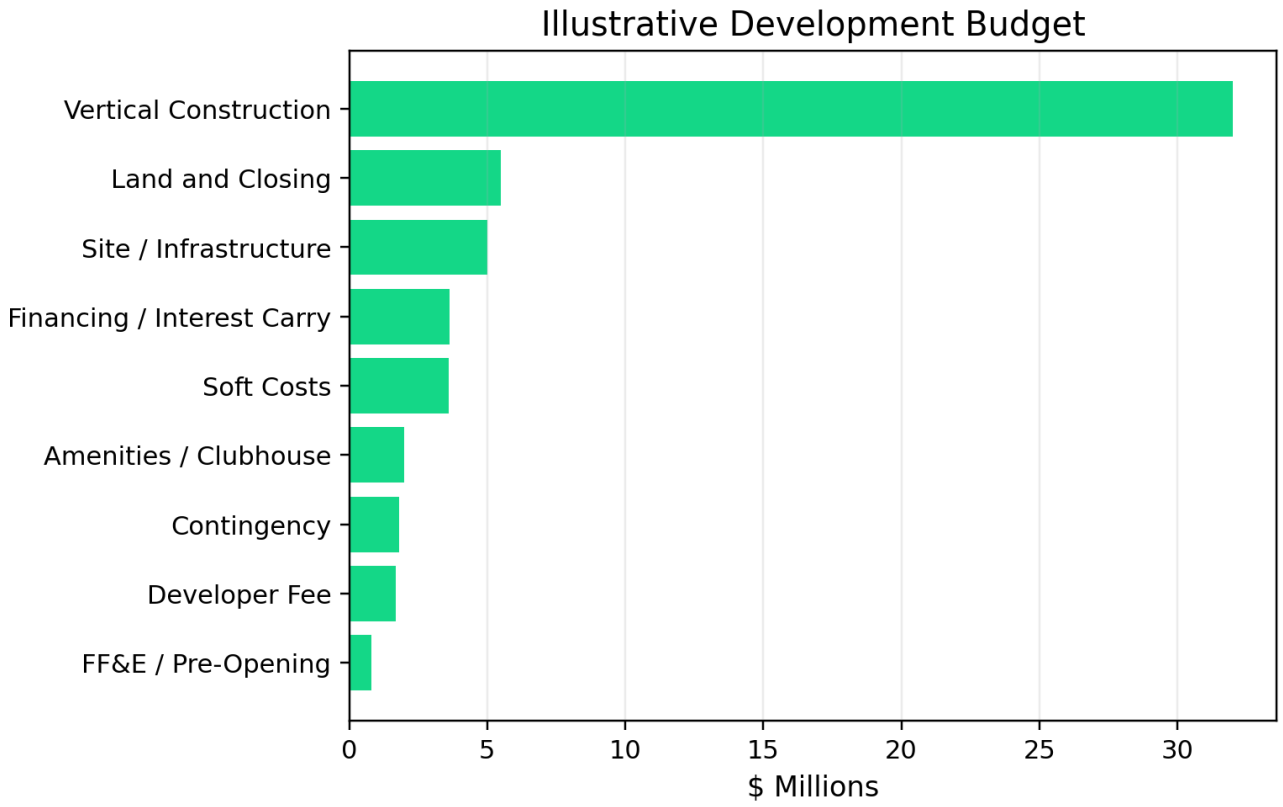
Total project cost is modeled at $56.0MM, or approximately $233,333 per unit. Lender-eligible cost is limited to $54.0MM for the 75% LTC test. The remaining $2.0MM must be funded outside the eligible-cost calculation even though it is still part of the project's real capital requirement.

Illustrative Development Budget

Use	Amount	Per Unit	% of Cost	Eligibility
Land and Closing	$5.5MM	$22,917	9.8%	Eligible
Site / Infrastructure	$5.0MM	$20,833	8.9%	Eligible
Vertical Construction	$32.0MM	$133,333	57.1%	Eligible
Amenities / Clubhouse	$2.0MM	$8,333	3.6%	Eligible
Soft Costs	$3.6MM	$15,000	6.4%	Eligible
Developer Fee	$1.7MM	$7,000	3.0%	Partially Eligible
FF&E / Pre-Opening	$800,000	$3,333	1.4%	Eligible
Contingency	$1.8MM	$7,500	3.2%	Eligible
Financing / Interest Carry	$3.6MM	$15,083	6.5%	Partially Eligible
TOTAL PROJECT COST	$56.0MM	$233,333	100.0%	Controlled total

Source: Controlled illustrative assumptions. Eligibility is illustrative and must be confirmed by the actual lender.

Illustrative Development Budget



Source: Controlled illustrative assumptions.

Interpretation. Vertical construction is the largest cost category, but land, site work, soft costs, financing carry, and contingency together remain material. A cost-per-unit check cannot replace line-item scope and timing review.

COST CONTROLS AND CONTINGENCY

Budget Control Requirements

Cost Area	Required Scope	Control Evidence
Land / Closing	Purchase price, deposits, due diligence, title, survey, legal, transfer, and closing costs.	Executed contract and settlement estimate.
Site / Infrastructure	Grading, utilities, drainage, roads, landscaping, off-sites, fees, and testing.	Civil quantities and trade bids.
Vertical Construction	All buildings, MEP, fire, interiors, elevators if any, and general conditions.	GMP or equivalent with trade coverage.
Amenities	Clubhouse, pool, outdoor features, equipment, technology, and furnishings.	Design-to-budget and vendor proposals.
Soft Costs	Design, engineering, permits, legal, accounting, consultants, testing, and owner costs.	Detailed soft-cost schedule.

Cost Area	Required Scope	Control Evidence
Developer Fee	Fee timing, eligible amount, deferral, and equity treatment.	Development agreement and lender approval.
Financing / Carry	Interest, lender fees, legal, inspection, title, reserves, and operating deficit.	Monthly draw and interest model.
Contingency	Design, construction, owner, escalation, and unknown-condition coverage.	Separate control and release policy.

Source: Illustrative development-control framework.

Contingency Adequacy

The modeled contingency is $1.8MM, or 3.2% of total project cost. Its adequacy depends on design completion, pricing date, trade coverage, escalation exposure, utility certainty, site conditions, procurement lead times, allowances, and owner changes. Contingency should not be used to make an incomplete base budget appear balanced.

- Track design contingency, construction contingency, owner contingency, and lender-controlled contingency separately.
- Do not release contingency for savings until the relevant trade is bought out, the risk is retired, and remaining cost-to-complete is verified.
- Require written approval for transfers among major cost categories and preserve a minimum unallocated contingency through substantial completion.
- Model schedule delay and operating deficits separately from construction contingency when possible.
- Treat unverified allowances and scope exclusions as exposure, not savings.

COST GATE Any increase above $56.0MM or material reduction in contingency requires a full re-underwrite of equity, debt capacity, yield on cost, value-to-cost margin, return, and liquidity.

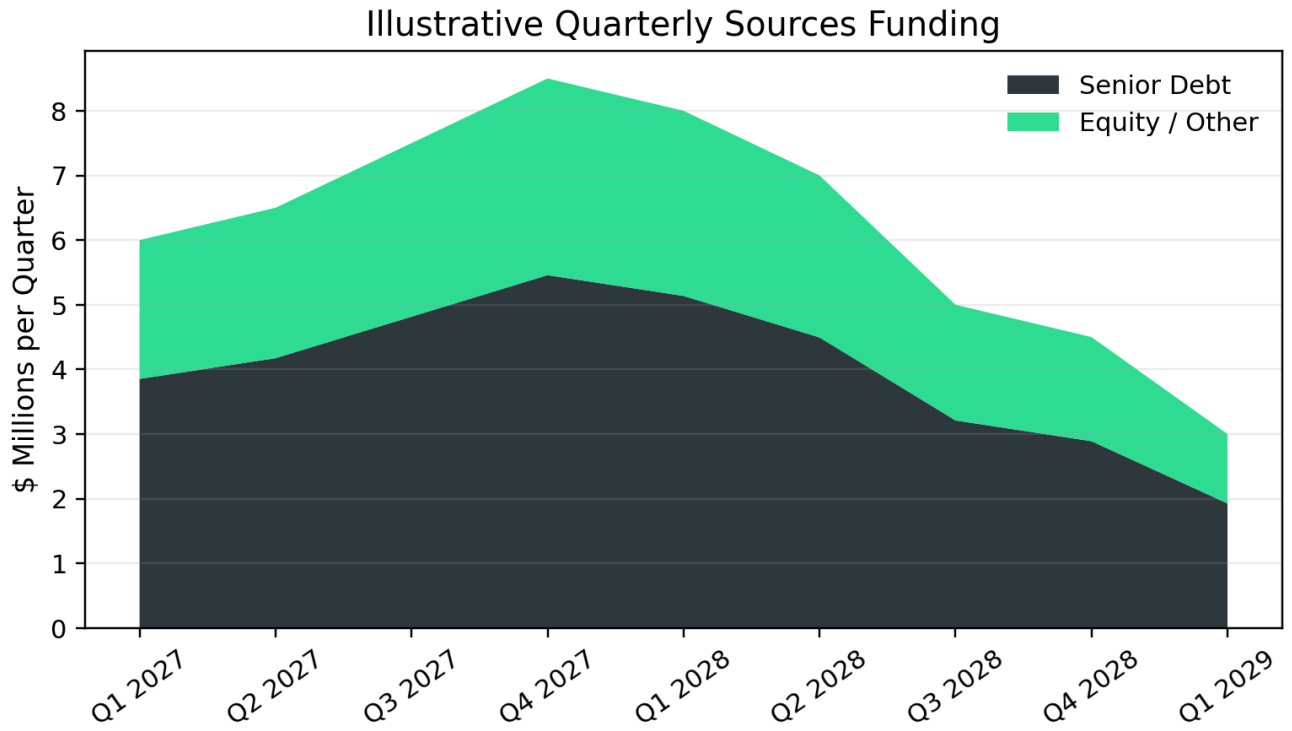
SCHEDULE, DRAWS, AND PEAK CAPITAL REQUIREMENT

Illustrative Quarterly Draw Schedule

Quarter	Project Uses	Senior Draw	Equity / Other	Cumulative Senior
Q1 2027	$6.0MM	$3.9MM	$2.1MM	$3.9MM
Q2 2027	$6.5MM	$4.2MM	$2.3MM	$8.0MM
Q3 2027	$7.5MM	$4.8MM	$2.7MM	$12.8MM
Q4 2027	$8.5MM	$5.5MM	$3.0MM	$18.3MM
Q1 2028	$8.0MM	$5.1MM	$2.9MM	$23.4MM
Q2 2028	$7.0MM	$4.5MM	$2.5MM	$27.9MM
Q3 2028	$5.0MM	$3.2MM	$1.8MM	$31.1MM
Q4 2028	$4.5MM	$2.9MM	$1.6MM	$34.0MM
Q1 2029	$3.0MM	$1.9MM	$1.1MM	$36.0MM

Source: Controlled illustrative timing assumptions. Monthly lender draw and interest calculations would be required in a live model.

Illustrative Quarterly Sources Funding



Source: Controlled illustrative draw assumptions.

Interpretation. Equity funds the portion of each use not covered by senior debt. Actual closing and draw mechanics may require land equity, ineligible costs, reserves, and cost-to-complete equity to fund before or alongside lender advances.

Schedule Milestones

Illustrative Development and Lease-Up Schedule

Milestone	Illustrative Timing	Control Requirement
Site Control and Diligence	Sep 2026 – Jan 2027	Title, survey, approvals, utilities, environmental, financing.
Design / Permit / GMP Completion	Sep 2026 – Feb 2027	Permit-ready package and controlled construction scope.
Construction Start	March 2027	Subject to all conditions precedent.
Site / Foundations / Early Vertical	Q2–Q4 2027	Critical-path procurement and utility work.
Vertical / Interior Build-Out	Q1–Q4 2028	Phased building completion.
First Delivery	June 2028	Preleasing and initial resident move-in.
Final Delivery	December 2028	All units delivered and operating.
Stabilization	November 2029	Objective operating tests achieved.

Source: Controlled illustrative assumptions; dates must be replaced by a verified critical path.

SOURCES AND USES RECONCILIATION

Illustrative Sources

Source	Amount	Control
Supportable Senior Loan	$36.0MM	Modeled binding loan amount
Required Equity / Other Capital	$20.0MM	Residual source required to balance uses
TOTAL SOURCES	$56.0MM	Must equal total uses

Source: Controlled illustrative calculations; equity is the balancing source, not an assumed fixed percentage.

Illustrative Uses

Use	Amount	Control
Land and Closing	$5.5MM	Development use
Site / Infrastructure	$5.0MM	Development use
Vertical Construction	$32.0MM	Development use
Amenities / Clubhouse	$2.0MM	Development use
Soft Costs	$3.6MM	Development use
Developer Fee	$1.7MM	Development use
FF&E / Pre-Opening	$800,000	Development use
Contingency	$1.8MM	Development use
Financing / Interest Carry	$3.6MM	Development use
TOTAL USES	$56.0MM	Controlled total

Source: Controlled illustrative budget. Total sources equal total uses.

SOURCES-AND-USES CONTROL Total sources and uses both equal $56.0MM. A live model must also reconcile timing: a balanced total can still fail if committed sources are unavailable when costs, deposits, interest, or operating deficits are due.

CAPITAL AND RETURNS

Debt Capacity and Capital Structure

Size the senior loan under every relevant constraint and use the lowest result as the supportable commitment.

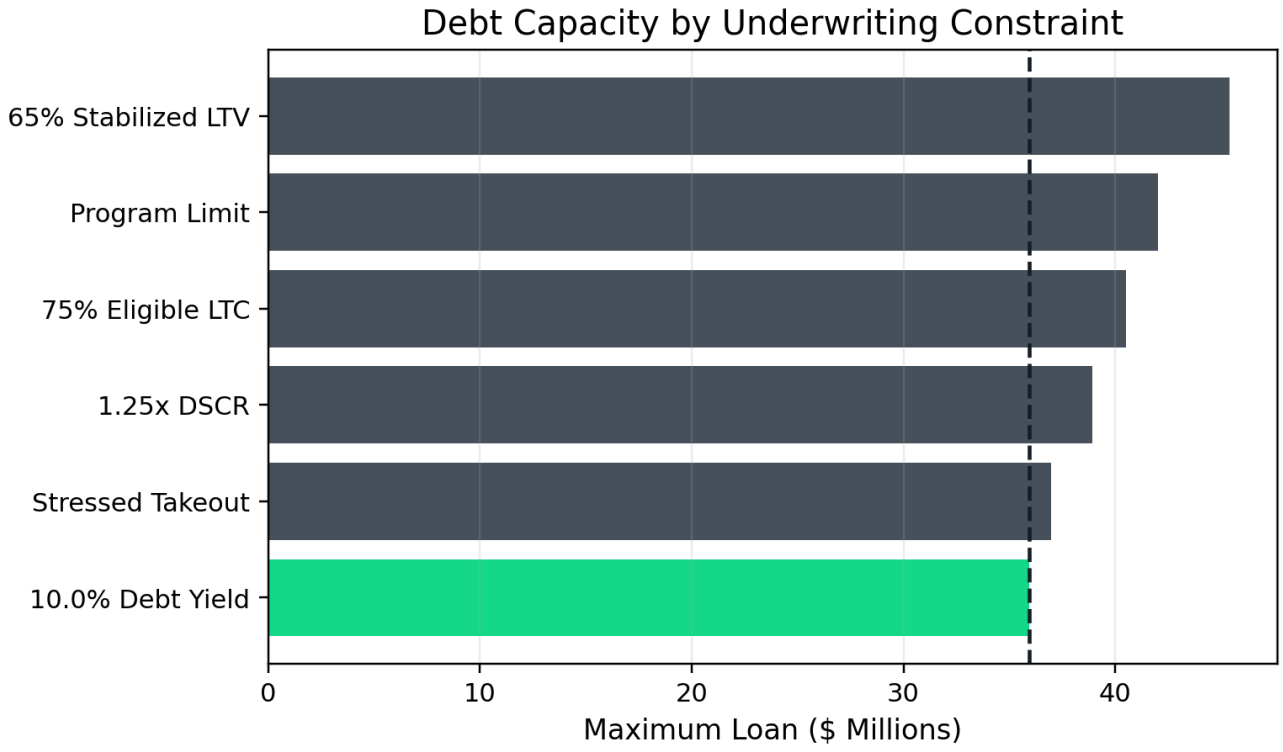
BINDING LOAN CONCLUSION The maximum supportable senior loan is approximately $36.0MM. The 10.0% debt-yield test binds. The 75% eligible-LTC result of $40.5MM is a ceiling—not an entitlement and not the modeled loan amount.

Debt Capacity by Constraint

Constraint	Maximum Loan	Calculation Basis	Binding
75% Eligible LTC	$40.5MM	Eligible cost × 75%	No
65% Stabilized LTV	$45.4MM	Stabilized value × 65%	No
1.25x DSCR	$38.9MM	Lender NCF ÷ 1.25x ÷ mortgage constant	No
10.0% Debt Yield	$36.0MM	Lender NCF ÷ 10.0%	YES
Program Limit	$42.0MM	Illustrative lender program maximum	No
Stressed Takeout	$37.0MM	6.75% / 30-year / 1.25x	No

Source: Controlled illustrative assumptions and calculations. Supportable loan equals the minimum applicable result.

Debt Capacity by Underwriting Constraint



Source: Controlled illustrative calculations.

Interpretation. Debt yield produces the smallest loan. A desired LTC cannot override cash flow, value, program, cost-to-complete, or takeout constraints.

75% LTC INTERPRETATION

75% LTC Does Not Determine the Loan

Metric	Result	Interpretation
Total Project Cost	$56.0MM	All required uses
Lender-Eligible Cost	$54.0MM	Illustrative eligible-cost definition
Ineligible / Excluded Cost	$2.0MM	Still requires funding
75% Eligible-LTC Limit	$40.5MM	Eligible cost × 75%
Binding Supportable Loan	$36.0MM	Lowest underwriting constraint
Difference vs. 75% LTC	$4.5MM	Additional equity / cost reduction needed
Loan / Total Project Cost	64.2%	Actual total-cost LTC
Loan / Eligible Cost	66.6%	Actual eligible-cost LTC

Source: Controlled illustrative calculations and Stratas 75% LTC interpretation framework.

The lender can recognize less than total project cost as eligible cost and can fund less than 75% of that eligible amount. Initial advance, land value, cost-to-complete, equity-first requirements, retainage, interest reserve, completion guaranty, and draw conditions may further limit timing even when the total commitment is supportable.

Minimum Equity and Liquidity

The model requires approximately $20.0MM of equity and other subordinate capital before considering closing-cost changes, lender holdbacks, overruns, operating deficits beyond the base case, or required minimum cash. The sponsor/guarantor should retain at least $3.0 million of additional verified liquidity after required contributions and closing costs, with more required if construction, lease-up, or takeout risk increases.

CAPITAL STACK CONTROL Every preferred-equity, mezzanine, seller, affiliate, or subordinate source must be tested for payment priority, current pay, accrual, redemption, control, transfer, removal, forced-sale, intercreditor, and maturity conflicts. A nominal source is not usable capital until its timing and legal rights are compatible with the senior loan and project cash flow.

DEBT SERVICE AND COVERAGE

Base Senior Debt Metrics

Debt Metric	Controlled Result
Senior Loan	$36.0MM
Interest Rate	6.25%
Amortization	30 years
Annual Debt Service	$2.7MM
Stabilized Lender NCF	$3.6MM
DSCR	1.35x
Debt Yield	10.0%
Stabilized LTV	51.5%
Total-Cost LTC	64.2%

Source: Controlled illustrative calculations. Amortizing debt uses the exact monthly periodic rate and 360 payments.

Amortization Formula Control

Annual debt service is calculated using the monthly periodic rate and 360 monthly payments. The monthly payment equals loan amount multiplied by r(1+r)^n ÷ [(1+r)^n–1], where r is the monthly rate and n is the number of monthly payments. The model does not approximate amortizing debt service using interest-only cost.

Covenant and Reserve Recommendations

Recommended Debt Controls

Control	Illustrative Threshold	Required Treatment
Minimum DSCR	1.20x ongoing; 1.25x for stabilization / distributions	Cash trap and corrective plan below threshold.
Minimum Debt Yield	10.0% at stabilization	No distributions and re-underwrite if below.
Contingency Release	Only after verified buyout and cost-to-complete test	Lender consent required.
Interest Reserve	Monthly adequacy test through stabilization	Replenish if projected shortfall.
Operating Deficit Reserve	Funded through objective stabilization	Controlled disbursement.
Equity Funding	Equity-first or pari passu as required	No unfunded future equity assumptions.

Control	Illustrative Threshold	Required Treatment
Distributions	No event of default; tests met; no cost or reserve shortfall	Quarterly certification.
Completion Support	Completion guaranty and carry support	Verified liquidity and enforceability.

Source: Illustrative capital-control recommendations; actual lender terms may differ.

TAKEOUT AND MATURITY FEASIBILITY

Stressed Takeout Capacity

Takeout Test	Result	Interpretation
Projected Senior Balance at Stabilization	$36.0MM	Before amortization / refinance costs
Stressed Takeout Rate	6.75%	Higher than base debt pricing
Stressed DSCR Requirement	1.25x	Lender NCF basis
Stressed Takeout Capacity	$37.0MM	6.75% / 30-year / 1.25x
Cushion Above Senior Commitment	$1.0MM	Limited but positive
Stabilized Value	$69.9MM	At 5.25% cap
Senior LTV at Stabilization	51.5%	Value-based cushion

Source: Controlled illustrative calculations. Refinance proceeds must also cover fees, reserves, and any subordinate payoff.

The projected senior loan can be refinanced under the stressed rate and DSCR assumptions with only modest cash-flow cushion. A live closing should not depend on cap-rate compression, a lower future interest rate, aggressive supplemental proceeds, or an uncommitted subordinate takeout. The lender and equity case should remain viable if refinance proceeds are limited to the stressed result.

Debt Capacity Conclusion

The senior loan should be capped at $36.0MM unless independently verified market, cost, and operating evidence produces a lower result. Higher proceeds are not supported by the current illustrative model. If the capital plan requires $40.5MM or more, the project must reduce cost, increase sustainable NCF, add equity, or restructure—rather than hard-code a desired financing outcome.

CAPITAL AND RETURNS

Indicative Value and Investment Returns

Estimate feasibility value, compare cost to value, and test whether equity returns are supported by operations rather than leverage or cap-rate compression.

Indicative Stabilized Value

Using stabilized NOI of $3.7MM and a 5.25% feasibility capitalization rate, indicative stabilized value is approximately $69.9MM. This is not an appraisal. It is a controlled feasibility estimate used to test development basis, leverage, return, and downside exposure.

Stabilized Value Range

Capitalization Rate	Indicated Value	Value – Cost	Value-to-Cost Margin
4.75%	$77.2MM	$21.2MM	37.9%
5.00%	$73.3MM	$17.3MM	31.0%

Capitalization Rate	Indicated Value	Value – Cost	Value-to-Cost Margin
5.25%	$69.9MM	$13.9MM	24.7%
5.50%	$66.7MM	$10.7MM	19.1%
5.75%	$63.8MM	$7.8MM	13.9%
6.00%	$61.1MM	$5.1MM	9.2%

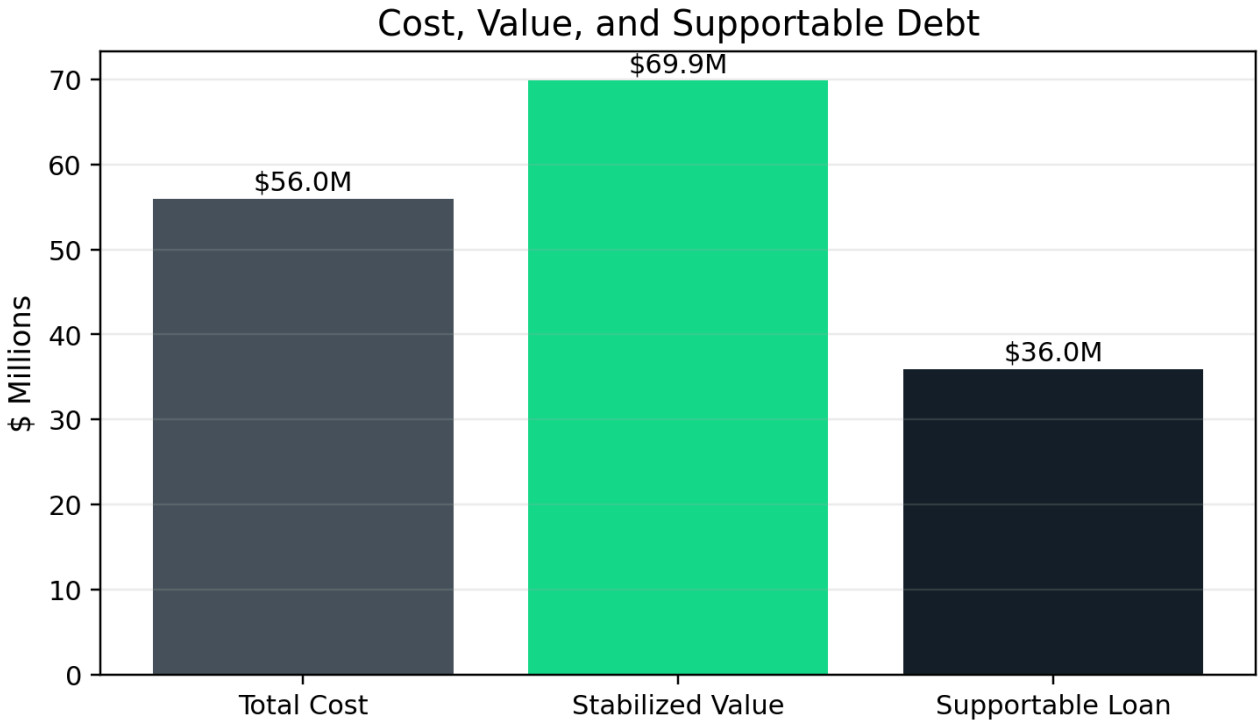
Source: Controlled illustrative NOI divided by selected capitalization rates. This is not an appraisal.

Cap-Rate and Valuation Controls

Valuation Control	Illustrative Treatment	Decision Use
Valuation Method	Direct capitalization of stabilized NOI	Appropriate for a stabilized multifamily feasibility test; not an appraisal.
NOI Convention	$3.7MM	Recurring property revenue less recurring operating expenses; replacement reserve shown separately.
Base Feasibility Cap Rate	5.25%	Controlled illustrative input that must be replaced by current market and appraisal evidence.
Base Exit Cap Rate	5.50%	Higher than the base feasibility cap rate; no cap-rate compression is assumed.

Source: Controlled illustrative valuation methodology; live analysis requires current transaction, appraisal, and capital-market support.

Cost, Value, and Supportable Debt



Source: Controlled illustrative assumptions and calculations.

Interpretation. The modeled value exceeds cost, but the margin narrows as the capitalization rate rises or NOI underperforms. Supportable debt is materially lower than both cost and value because cash-flow constraints govern proceeds.

Yield-on-Cost and Basis Tests

Development Basis and Value Tests

Basis / Value Metric	Result	Calculation / Unit Metric
Total Project Cost	$56.0MM	$233,333 / unit
Stabilized NOI	$3.7MM	$15,281 / unit
Stabilized Yield on Cost	6.55%	NOI ÷ total project cost
Feasibility Cap Rate	5.25%	Stabilized value assumption
Development Spread	1.30%	Yield on cost less cap rate
Stabilized Value	$69.9MM	$291,069 / unit
Value-to-Cost Margin	24.7%	Stabilized value ÷ cost – 1

Source: Controlled illustrative calculations.

BASE EQUITY RETURN MODEL

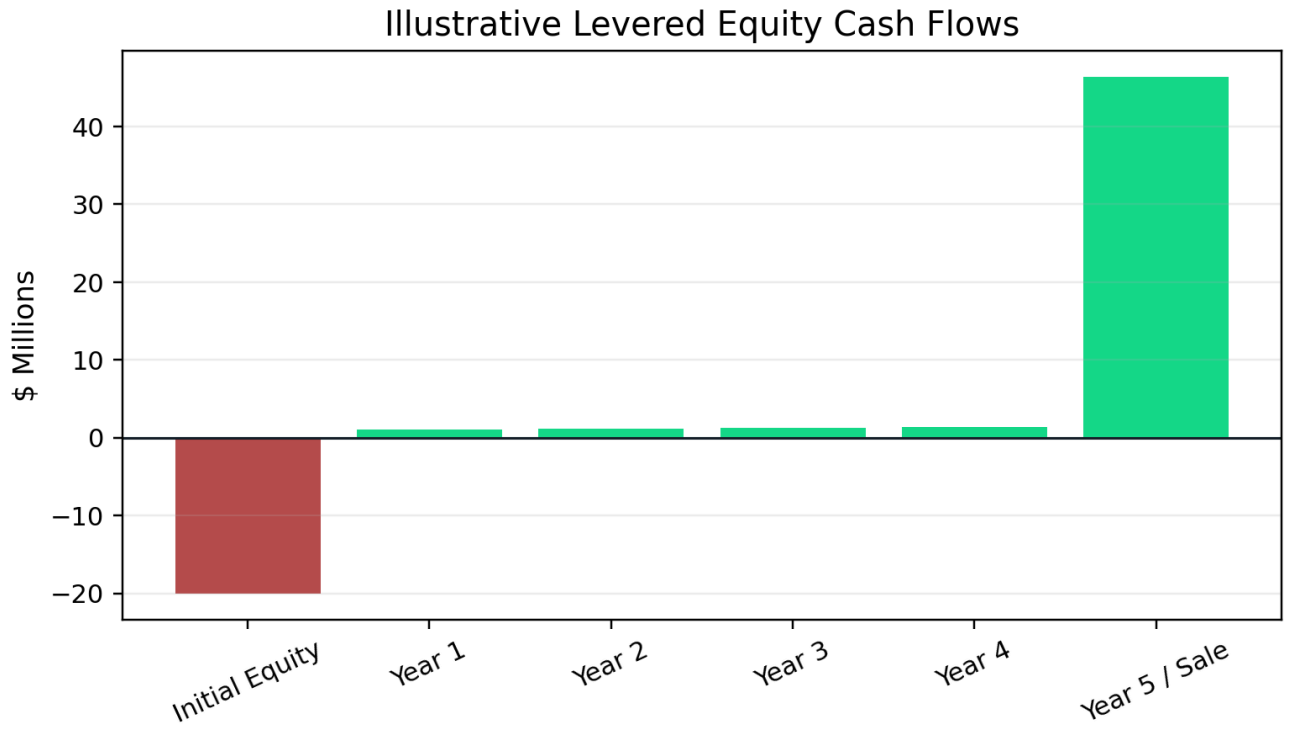
The base return model assumes development completion, stabilization, five full years of stabilized operations, amortizing senior debt at the modeled rate, and a sale at a 5.50% exit capitalization rate with 1.50% selling costs. It does not assume a supplemental refinance, cap-rate compression, or a separate land-value gain.

Illustrative Levered Equity Cash Flows

Period	Equity Cash Flow	Primary Source
Initial Equity	($20.0MM)	Equity contribution
Operating Year 1	$1.0MM	Operating cash flow and/or sale proceeds
Operating Year 2	$1.2MM	Operating cash flow and/or sale proceeds
Operating Year 3	$1.3MM	Operating cash flow and/or sale proceeds
Operating Year 4	$1.4MM	Operating cash flow and/or sale proceeds
Operating Year 5 + Sale	$46.4MM	Operating cash flow and/or sale proceeds

Source: Controlled illustrative return model. Cash flows are annual and simplified for feasibility presentation.

Illustrative Levered Equity Cash Flows



Source: Controlled illustrative calculations.

Interpretation. Most equity value is realized at sale. That concentration makes exit NOI, exit cap rate, selling cost, and debt payoff major return drivers even when annual cash flow is positive.

INITIAL EQUITY	BASE LEVERED IRR	EQUITY MULTIPLE	BASE EXIT CAP
$20.0MM	22.1%	2.56x	5.50%

RETURN QUALITY AND EXIT DEPENDENCE

Quality of Return

Return Driver	Assessment	Interpretation
Operating Growth	Moderate	Rents and other income grow near expense inflation after stabilization.
Leverage	Moderate	Senior debt equals 64.2% of total cost.
Current Cash Yield	Limited during development / ramp-up	Return depends on completion and stabilized operations.
Exit Proceeds	Material	Most equity value is realized at sale after debt payoff.
Cap-Rate Compression	Not required in base case	Base exit cap of 5.50% exceeds feasibility value cap of 5.25%.
Refinance Proceeds	Excluded	No supplemental cash-out assumed.
Downside Resilience	Weak to moderate	Correlated downside materially reduces equity recovery.

Source: Controlled illustrative return model.

Return Decision Standard

Base return is acceptable for an illustrative development opportunity, but it does not cure execution or liquidity risk. Capital should be committed only if the project remains adequately funded through construction, lease-up, and a realistic refinance or sale under correlated downside. A high model IRR is not sufficient when the maturity, cost-to-complete, or capital stack is weak.

EXIT CONTROL Do not approve the investment because a low exit cap or future refinancing produces an attractive return. The project must first work on sustainable NOI, supportable value, manageable debt, and verified liquidity.

CAPITAL AND RETURNS

Downside, Base, Upside, Sensitivity, and Break-Even Analysis

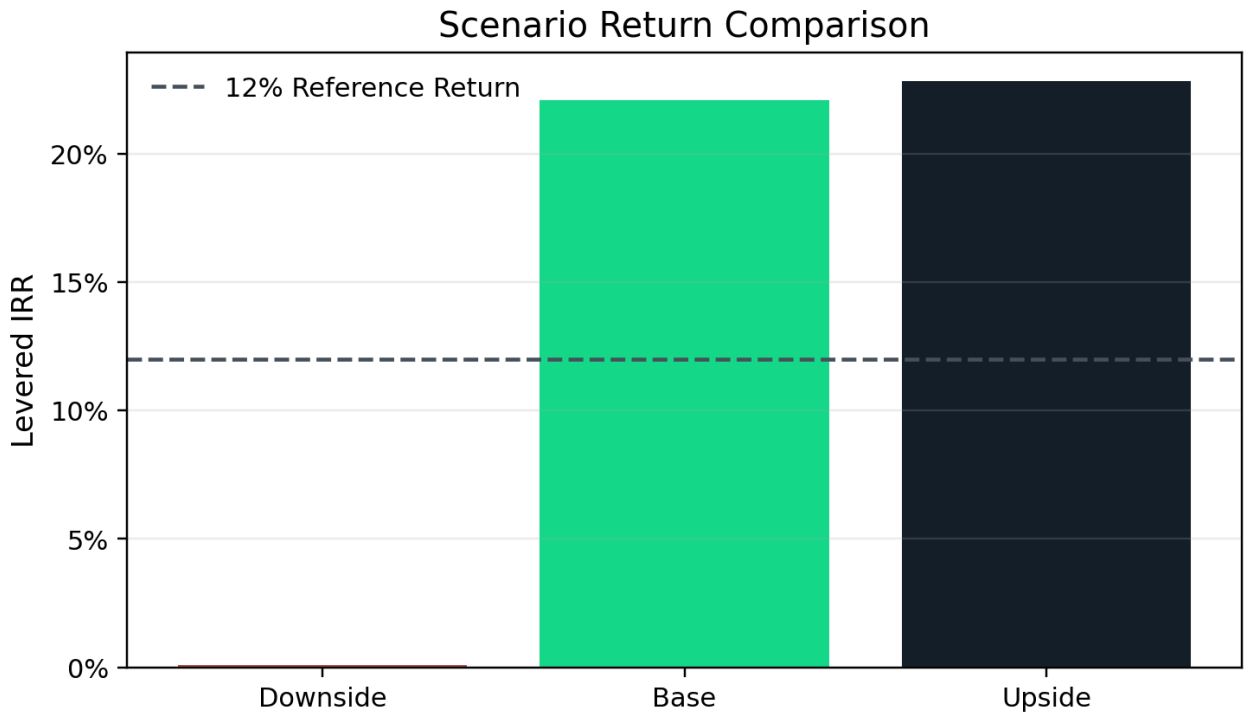
Stress the variables that actually drive feasibility and identify the first point at which the project fails a capital or return threshold.

Correlated Scenario Summary

Case	Occupancy	Rent Var.	Total Cost	Rate	Exit Cap	Delay Mo.	IRR	EM
Downside	89.5%	-3.0%	$58.5MM	7.25%	6.25%	+12	0.1%	0.98x
Base	94.5%	+0.0%	$56.0MM	6.25%	5.50%	+0	22.1%	2.56x
Upside	95.5%	+2.5%	$55.0MM	5.75%	5.25%	-3	22.8%	3.25x

Source: Controlled illustrative scenarios. Downside combines lower market performance, higher cost, delay, higher debt pricing, and weaker exit conditions.

Scenario Return Comparison



Source: Controlled illustrative scenarios.

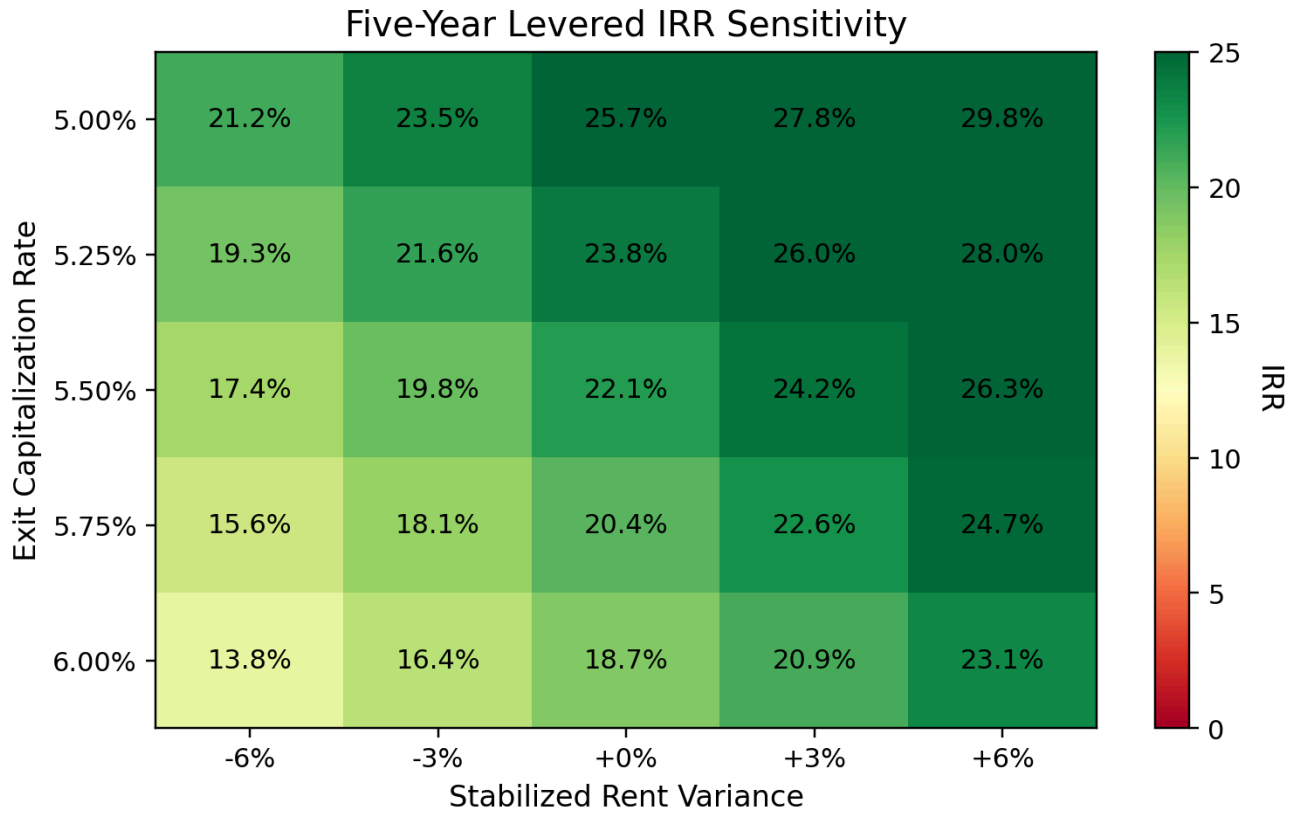
Interpretation. The base case produces an acceptable return, but the correlated downside approaches capital impairment. The upside is not used to justify feasibility when the base case or required conditions are not supportable.

Scenario Definitions

- Base case: most supportable controlled assumptions for cost, schedule, occupancy, rent, operating performance, financing, and exit.
- Downside case: plausible correlated stress—not a catastrophic strawman—including higher cost, delayed completion, lower rent and occupancy, higher interest rate, and higher exit cap.
- Upside case: supportable favorable outcome with modest cost savings, faster delivery, stronger rent/occupancy, and better capital pricing; it does not replace the base decision.

TWO-VARIABLE SENSITIVITY

Five-Year Levered IRR Sensitivity



Source: Controlled illustrative recalculation of rent variance and exit capitalization rate.

Interpretation. Returns decline as stabilized rent underperforms or the exit cap rate expands. The heatmap demonstrates that favorable exit pricing cannot be treated as a substitute for supportable operating performance.

Sensitivity Table — Levered IRR

Exit Cap	Rent -6%	Rent -3%	Rent +0%	Rent +3%	Rent +6%
5.00%	21.2%	23.5%	25.7%	27.8%	29.8%
5.25%	19.3%	21.6%	23.8%	26.0%	28.0%
5.50%	17.4%	19.8%	22.1%	24.2%	26.3%
5.75%	15.6%	18.1%	20.4%	22.6%	24.7%

Exit Cap	Rent -6%	Rent -3%	Rent +0%	Rent +3%	Rent +6%
6.00%	13.8%	16.4%	18.7%	20.9%	23.1%

Source: Controlled illustrative recalculation; values may vary slightly from rounded chart labels.

Sensitivity Interpretation

The project retains a positive return across much of the tested range, but the margin is not uniform. Rent underperformance affects recurring cash flow and exit value, while a higher exit cap directly reduces terminal value. The combined downside can overwhelm modest cost or financing advantages.

BREAK-EVEN AND REVERSE-STRESS TESTS

Break-Even Thresholds

Break-Even Test	Threshold	Interpretation
Occupancy for 1.25x DSCR	89.4%	At base rents, other income, expenses, reserve, and debt service
Weighted Average Rent for 1.25x DSCR	$1,777	At 94.5% occupancy and base expense assumptions
Total Cost at 6.00% Yield on Cost	$61.1MM	Stabilized NOI ÷ 6.00%
Exit Cap for Approx. 12% IRR	6.36%	At base operating assumptions
Senior Debt Yield Floor	10.0%	Binding at $36.0MM
Stressed Takeout Capacity	$37.0MM	6.75% / 30-year / 1.25x

Source: Controlled illustrative calculations. Thresholds isolate selected variables; correlated stresses are more severe.

First Failure Points

Reverse-Stress Decision Points

Failure Area	Illustrative Trigger	Required Response
Debt Service	Occupancy below approximately 89.4% at base rent and expenses	Cash trap, reserve use, corrective leasing plan, and re-underwrite.
Debt Yield	Lender NCF below $3.6MM on the modeled loan	No higher proceeds; additional equity or loan reduction.
Cost / Yield	Total cost above $61.1MM at current NOI	Reduce scope/cost or increase verified NOI.
Return	Exit cap near or above 6.36% without offsetting NOI	Lower equity return; reprice or restructure.
Liquidity	Unfunded overrun, delay, reserve, or operating deficit	Immediate capital plan and sponsor support required.
Takeout	Refinance proceeds below the senior payoff plus costs and reserves	Equity paydown, extension, sale, or restructure.

Source: Controlled illustrative model and Stratas decision framework.

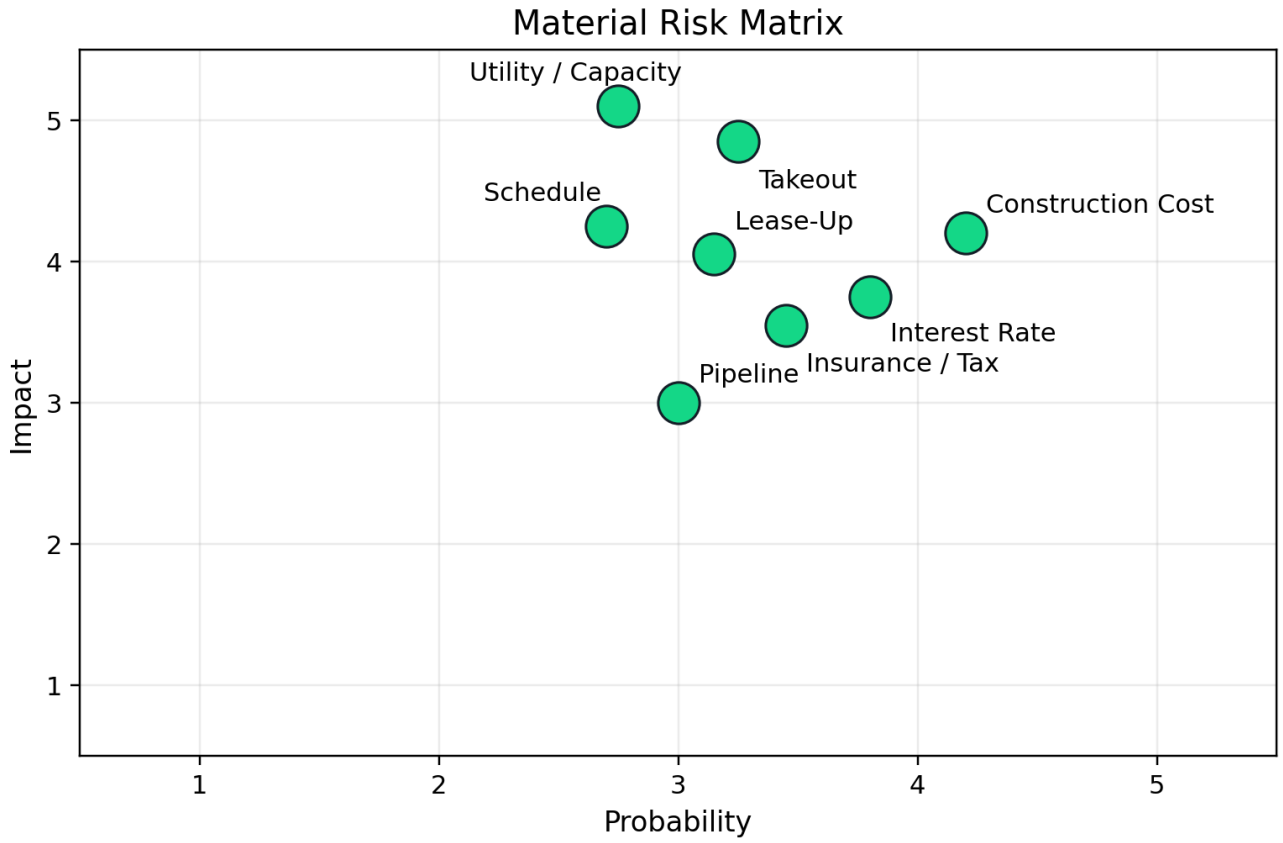
DOWNSIDE DECISION The project should not close unless committed equity and verified liquidity can carry the correlated downside through completion and stabilization without assuming a future lender or investor will rescue the capital stack.

RISK AND EXECUTION

Risk Matrix, Conditions to Proceed, Re-Underwriting Triggers, and Action Plan

Convert the most material risks into objective gates, responsible parties, deadlines, and ongoing monitoring.

Material Risk Matrix



Source: Controlled illustrative risk assessment. Scale: 1 = low; 5 = high.

Interpretation. Construction cost, interest rate, utility capacity, and takeout are the most consequential modeled risks because they can change both the funding requirement and feasibility classification.

Material Risk and Mitigation Matrix

Risk	Probability	Impact	Mitigation / Verification	Owner	Decision Point
Utility / Capacity	Medium	Critical	Obtain capacity/will-serve evidence; reconcile upgrades to budget and schedule.	Civil / Developer	Before closing

Risk	Probability	Impact	Mitigation / Verification	Owner	Decision Point
Construction Cost	High	High	GMP/equivalent, trade coverage, allowances control, escalation and contingency.	Developer / GC	Within 60 days
Schedule / Procurement	Medium	High	Critical path, long-lead log, float, recovery plan, and delay reserves.	GC / Developer	Before NTP
Lease-Up / Concessions	Medium	High	Preleasing, weekly revenue management, phased delivery, trigger-based actions.	Manager / Sponsor	Ongoing
Competitive Pipeline	Medium	Medium	Quarterly pipeline verification and rent/occupancy monitoring.	Analyst / Manager	Quarterly
Interest Rate	High	High	Rate protection, proceeds cushion, interest reserve, and refinance stress.	Sponsor / Lender	Before closing
Takeout / Maturity	Medium	Critical	Stressed refinance sizing, extension rights, sale option, and equity paydown plan.	Sponsor / Capital	Before closing
Tax / Insurance	Medium	High	Post-completion tax analysis and binding insurance quote.	Sponsor / Broker	Within 30 days
Sponsor Liquidity	Medium	Critical	Verify equity, residual liquidity, contingent liabilities, and support obligations.	Sponsor / Lender	Before approval

Risk	Probability	Impact	Mitigation / Verification	Owner	Decision Point
Entitlement / Permitting	Medium	Critical	Written approvals, conditions matrix, permit schedule, and appeal risk.	Developer / Counsel	Before closing

Source: Controlled illustrative risk assessment. The matrix focuses on risks that can change the decision.

FATAL-FLAW REVIEW

1. Legal ownership, site control, collateral rights, lawful access, zoning, density, or transfer authority is unresolved or incompatible with the plan.

2. The proposed unit count, site plan, permit path, or utility capacity cannot support the recommended program and schedule.

3. Environmental, flood, wetlands, geotechnical, drainage, accessibility, life-safety, code, or insurance conditions make the project impractical or unfinanceable.

4. The budget omits material land, off-site, utility, construction, soft, financing, reserve, operating-deficit, or closing costs.

5. The GMP/equivalent scope, trade coverage, procurement, schedule, or contingency is materially incomplete or understated.

6. Sources and uses do not balance, a material source is uncommitted, or equity is unavailable when required.

7. The requested initial advance or total commitment exceeds the lowest supportable LTC, LTV, DSCR, debt-yield, program, cost-to-complete, or takeout constraint.

8. The capital stack contains unresolved payment, redemption, control, transfer, forced-sale, removal, intercreditor, or maturity conflict.

9. The sponsor, guarantor, developer, GC, or property manager lacks verified authority, experience, integrity, liquidity, or capacity and no acceptable replacement exists.

10. The rent, occupancy, concessions, bad debt, other income, expense, absorption, or value assumptions are not supportable by current evidence.

11. The downside exhausts reserves or sponsor liquidity before completion or stabilization.

12. The projected senior balance cannot be repaid by a realistic refinance or sale under stressed terms and no committed cure exists.

FATAL-FLAW OVERRIDE An unresolved fatal flaw overrides the 81/100 score and requires a hold, reprice, restructure, scope reduction, replacement party, or decline until cured and the affected calculations are rerun.

CONDITIONS TO PROCEED — HARD GATES

Conditions to Proceed

ID	Condition	Objective Test	Owner	Deadline
C-01	Site Control / Title	Executed site control, acceptable title, survey, access, easements, and no uncured transfer or collateral issue.	Sponsor / Counsel	Land and loan closing
C-02	Program Approval	Written zoning/entitlement confirmation supports 240 units, parking, amenities, access, and schedule.	Developer / Counsel	Before closing

ID	Condition	Objective Test	Owner	Deadline
C-03	Utilities	Written water, sewer, power, gas/telecom as applicable, stormwater, and fire-flow capacity with cost and timing.	Civil / Utilities	Before closing
C-04	Environmental / Physical	Acceptable Phase I, geotechnical, flood, drainage, wetlands, accessibility, and code path.	Consultants	Before closing
C-05	Controlled Budget	Final sources and uses not greater than $56.0MM without fully funded equity and re-underwriting.	Developer / GC	Final approval
C-06	Construction Contract	Lender-accepted GMP/equivalent, adequate trade coverage, performance controls, and contingency.	Sponsor / GC	Before NTP
C-07	Schedule	Verified critical path supports March 2027 start, June 2028 first delivery, December 2028 completion, and November 2029 stabilization.	Developer / GC	Final approval
C-08	Market Support	Current effective-rent, fee, concession, occupancy, absorption, and pipeline evidence supports the program.	Analyst / Manager	Final approval
C-09	Operating Inputs	Post-completion tax, insurance, staffing, utilities, management, reserve, and resident-loss assumptions verified.	Sponsor / Manager	Final approval
C-10	Senior Debt	Committed senior proceeds do not exceed $36.0MM or any lower verified constraint.	Sponsor / Lender	Closing

ID	Condition	Objective Test	Owner	Deadline
C-11	Equity and Liquidity	At least $20.0MM committed plus minimum $3.0 million residual sponsor/guarantor liquidity.	Sponsor / Equity	Closing
C-12	Capital Stack Rights	All subordinate rights are compatible with senior loan, development control, and projected cash flow.	Counsel / Capital	Closing
C-13	Reserves / Guarantees	Interest, operating deficit, contingency, completion, carry, and required guarantees are funded and enforceable.	Sponsor / Lender	Closing
C-14	Takeout Plan	Stressed refinance supports at least the modeled senior payoff or committed cure capital is available.	Sponsor / Capital	Final approval

Source: Controlled illustrative decision conditions. These are hard gates, not recommendations.

AUTOMATIC RE-UNDERWRITING TRIGGERS

Automatic Re-Underwriting Triggers

Area	Trigger	Required Re-Underwriting
Cost	Total cost increases by more than 2.5% or contingency falls below 2.0% before substantial completion.	Rerun sources/uses, debt, equity, liquidity, YOC, value, return, and downside.
Schedule	Any critical-path delay exceeds 90 days or first delivery/stabilization moves materially.	Rerun carry, operating deficit, absorption, return, and maturity.
Program	Unit count, unit mix, average size, parking, amenity scope, or resident target changes.	Rerun market, product, revenue, cost, and value.
Rent	Net effective rent underperforms base by more than 3% for two consecutive months.	Reforecast lease-up, NOI, DSCR, debt yield, value, and return.
Occupancy	Project or submarket occupancy falls more than 200 bps below base / support level.	Reforecast concessions, bad debt, NCF, and takeout.
Absorption	Net leases trail plan by more than 20% over a rolling 90-day period.	Adjust pricing, concessions, staffing, delivery, and reserves.

Area	Trigger	Required Re-Underwriting
Pipeline	A material new project enters construction or accelerates into the opening window.	Update comp set, pipeline weight, absorption, and concessions.
Financing	Senior proceeds fall below plan, rate exceeds 7.00%, or reserves/recourse materially change.	Rerun equity, DSCR, return, and closing feasibility.
Value / Appraisal	As-complete/stabilized value falls more than 7.5% below feasibility value.	Rerun LTV, capital stack, return, and takeout.
Utilities / Approvals	Capacity, approval, fee, condition, or timing materially changes.	Rerun scope, budget, schedule, and decision.
Sponsor / Team	Sponsor, guarantor, developer, GC, manager, or equity source changes.	Re-underwrite experience, authority, contracts, and liquidity.

Source: Controlled illustrative monitoring framework.

Monitoring Frequency

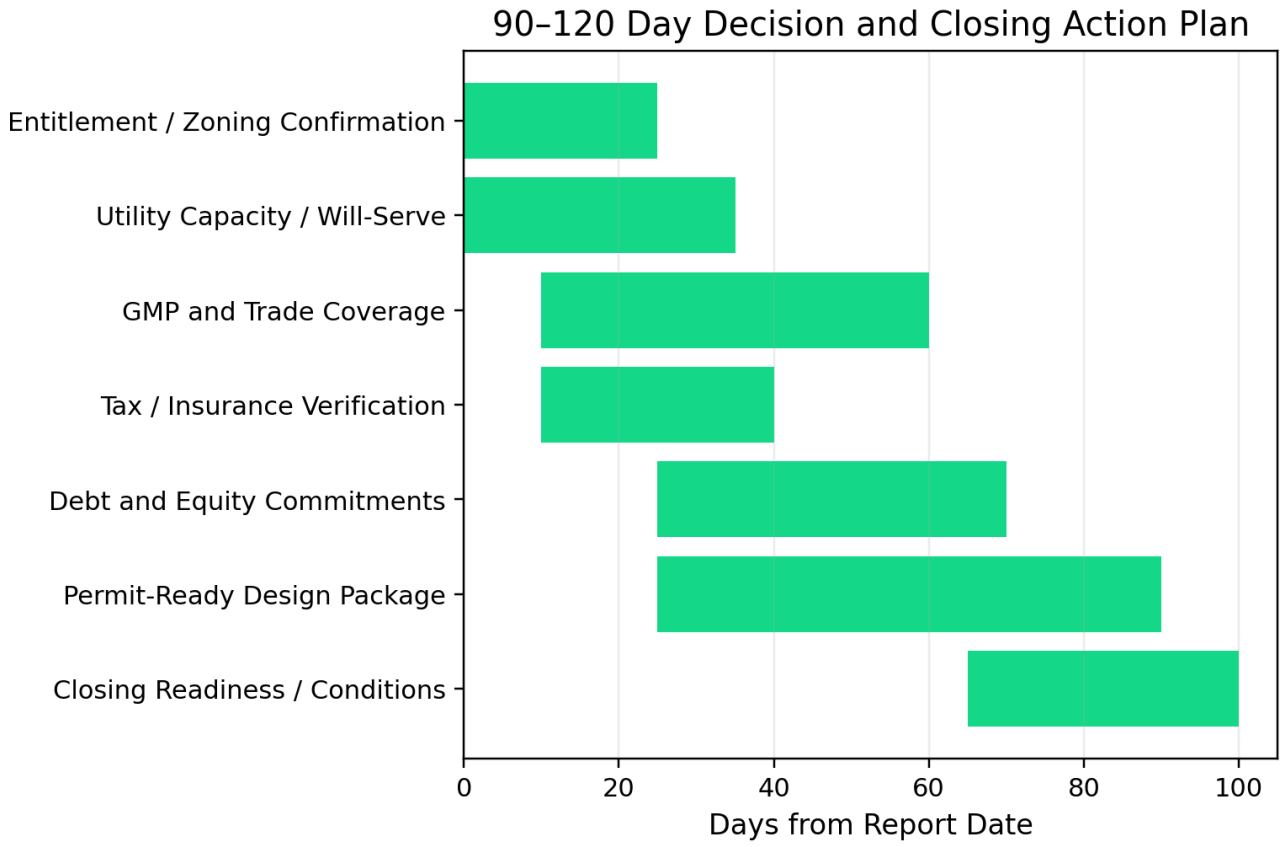
Post-Decision Monitoring

Phase	Frequency	Minimum Monitoring
Pre-Closing	Weekly	Approvals, utilities, design, GMP, budget, schedule, debt/equity commitments, conditions.
Construction	Monthly / each draw	Cost, commitments, contingency, change orders, schedule, procurement, inspections, equity, reserves.
Lease-Up	Weekly	Traffic, applications, conversions, cancellations, net leases, rents, concessions, bad debt, availability.
Operations	Monthly	Occupancy, collections, EGI, expenses, NOI, NCF, DSCR, debt yield, reserve adequacy.
Market / Pipeline	Quarterly	Comps, effective rents, concessions, occupancy, absorption, deliveries, planned supply.
Takeout / Exit	Quarterly beginning 12 months before maturity	Value, cap rate, refinance rate, DSCR, proceeds, payoff, extension, sale timing.

Source: Controlled illustrative monitoring plan.

90–120 DAY ACTION PLAN

90–120 Day Decision and Closing Action Plan



Source: Controlled illustrative action plan.

Interpretation. Site/regulatory, utility, construction, tax/insurance, and capital workstreams must proceed in parallel but converge before final approval and closing readiness.

Sequenced Action Plan

Priority	Timing	Action	Owner	Completion Test
1	Days 0–15	Launch source audit; confirm site control; order title, survey, Phase I, geotech, utility requests, tax and insurance work.	Sponsor / Counsel / Consultants	Complete evidence tracker
2	Days 0–35	Secure zoning/entitlement path and utility capacity/will-serve confirmations; update civil scope and fees.	Developer / Civil / Counsel	No unresolved capacity or program conflict

Priority	Timing	Action	Owner	Completion Test
3	Days 10–50	Advance permit-ready plans, reconcile unit mix/parking/amenities, and update market and affordability evidence.	Design / Analyst / Manager	Program and rent support verified
4	Days 10–60	Complete GMP/equivalent, trade coverage, procurement, schedule, contingency, and monthly draw/interest model.	Developer / GC	Controlled cost and schedule
5	Days 25–70	Obtain written senior and equity terms; reconcile eligible cost, reserves, guarantees, rights, and required liquidity.	Sponsor / Capital / Counsel	Balanced and compatible capital stack
6	Days 50–85	Update feasibility model with verified market, cost, schedule, operating, tax, insurance, and financing inputs.	Stratas / Sponsor	Re-underwritten decision package
7	Days 70–100	Resolve conditions, finalize third-party reports, closing checklist, reporting, draw controls, and takeout plan.	All Parties	Closing-ready conditions matrix
8	Days 100–120	Issue final approval / hold / restructure decision and close only after all hard gates are satisfied.	Decision Committee	Documented final decision

Source: Controlled illustrative execution plan.

FINAL FEASIBILITY DECISION

FINAL CLASSIFICATION FEASIBLE SUBJECT TO STATED CONDITIONS.

The fictional project has adequate market support, a practical recommended product, a supportable stabilized operating forecast, a positive value-to-cost margin, and acceptable base-case equity returns. Those strengths support advancing to controlled predevelopment and capital diligence.

The decision is conditional because debt yield limits the senior loan to approximately $36.0MM, requiring $20.0MM of equity and other capital; the competitive pipeline overlaps lease-up; cost and schedule must be converted from assumptions into controlled contracts; and the downside materially reduces equity recovery.

The project should proceed only after all hard conditions are satisfied, the model is updated with live evidence, and no fatal flaw remains unresolved. If utilities, approvals, cost, equity, liquidity, operating support, or takeout do not meet the stated thresholds, the appropriate decision is to hold, reduce scope, reprice land, add equity, restructure the capital stack, or decline.

Final Decision Controls

Decision Control	Final Requirement
Decision	Proceed to controlled diligence; do not close unconditionally.
Maximum Supportable Senior Loan	$36.0MM
Minimum Required Equity / Other Capital	$20.0MM
Minimum Additional Liquidity	$3.0MM after required contributions and closing costs
Cost Cap	$56.0MM before full re-underwriting
Binding Test	10.0% debt yield
Primary Conditions	Utilities, entitlement, controlled cost/schedule, market support, equity/liquidity, compatible capital stack, takeout
Automatic Decision Change	Any unresolved fatal flaw or failure of a hard condition

Source: Controlled illustrative feasibility analysis.

Approval and Closing Authorization Standard

Decision Stage	Illustrative Status	Authorization Standard
Controlled Diligence	Authorized	Advance verification, design, market validation, budget control, and capital documentation.
Capital Commitment	Not yet authorized	No binding commitment until every hard condition is satisfied and sources are committed.
Senior Loan Closing	Cap at $36.0MM	Close only at or below the lowest verified underwriting constraint.
Equity Funding	Minimum $20.0MM plus liquidity	Fund on the approved schedule with required reserves and residual liquidity.
Re-Underwriting	Mandatory upon any trigger	Update the controlled model before approval, closing, or material scope change.

Source: Controlled illustrative decision protocol; this report is not a loan or investment commitment.

APPENDICES

Appendix A — Key Financial Calculations

Transparent formulas and reconciliation schedules supporting the controlled illustrative model.

Core Cross-Asset Formulas

Formula Controls

Metric	Formula	Illustrative Result
LTC	Loan Amount ÷ Total Project Cost	$36.0MM ÷ $56.0MM = 64.2%

Metric	Formula	Illustrative Result
Eligible-Cost LTC	Loan Amount ÷ Lender-Eligible Cost	$36.0MM ÷ $54.0MM = 66.6%
LTV	Loan Amount ÷ Supportable Value	$36.0MM ÷ $69.9MM = 51.5%
DSCR	Lender NCF ÷ Annual Debt Service	$3.6MM ÷ $2.7MM = 1.35x
Debt Yield	Lender NCF ÷ Loan Amount	$3.6MM ÷ $36.0MM = 10.0%
Yield on Cost	Stabilized NOI ÷ Total Project Cost	$3.7MM ÷ $56.0MM = 6.55%
Direct-Cap Value	Stabilized NOI ÷ Capitalization Rate	$3.7MM ÷ 5.25% = $69.9MM
Equity Multiple	Positive Equity Distributions ÷ Invested Equity	2.56x
Levered IRR	Discount rate that sets equity cash-flow NPV to zero	22.1%

Source: Controlled illustrative calculations; all units and periods are stated explicitly.

Multifamily Operating Formulas

Multifamily Formula Controls

Metric	Formula	Illustrative Result
Gross Potential Rent	Sum of unit monthly rent × units × 12	$5.4MM
Vacancy Loss	GPR × (1 – occupancy)	$297,792
Effective Gross Income	GPR – vacancy – concessions – credit loss + other income	$5.4MM
NOI	EGI – recurring operating expenses	$3.7MM
Lender NCF	NOI – replacement reserve	$3.6MM
Rent / SF	Monthly unit rent ÷ unit SF	$2
Expense / Unit	Operating expenses ÷ units	$7,320

Source: Controlled illustrative calculations.

DEBT SIZING RECONCILIATION

Debt Sizing Reconciliation

Constraint	Maximum Loan	Cushion Above Binding	Result
75% Eligible LTC	$40.5MM	$4.5MM	Non-binding
65% Stabilized LTV	$45.4MM	$9.5MM	Non-binding
1.25x DSCR	$38.9MM	$3.0MM	Non-binding
10.0% Debt Yield	$36.0MM	$0	Binding
Program Limit	$42.0MM	$6.0MM	Non-binding
Stressed Takeout	$37.0MM	$1.0MM	Non-binding

Source: Controlled illustrative calculations. Supportable loan equals the minimum applicable constraint.

Sources and Uses Check

TOTAL SOURCES	TOTAL USES	DIFFERENCE	STATUS
$56.0MM	**$56.0MM**	**$0**	**BALANCED**

Operating Reconciliation Check

Operating and Debt-Yield Reconciliation

Reconciliation	Result	Control
GPR less revenue losses plus other income	$5.4MM	Equals EGI
EGI less operating expenses	$3.7MM	Equals NOI
NOI less replacement reserve	$3.6MM	Equals lender NCF
Lender NCF ÷ debt yield floor	$36.0MM	Equals binding loan

Source: Controlled illustrative calculations.

APPENDICES

Appendix B — Controlled Assumption Register

One authoritative assumption set used consistently across executive metrics, detailed tables, charts, debt sizing, value, and returns.

Controlled Assumption Register

Category	Assumption	Value	Basis	Sensitivity
Project / Program	Units	240	Controlled illustrative input	Critical
Project / Program	Gross Site Acres	11.8	Controlled illustrative input	High
Project / Program	Average Unit SF	940	Weighted calculation	High
Project / Program	Parking Spaces	390	Controlled illustrative input	Medium
Revenue	Weighted Monthly Rent	$1,880	Unit-mix calculation	Critical
Revenue	Stabilized Occupancy	94.5%	Controlled illustrative input	Critical
Revenue	Concessions	0.8%	Controlled illustrative input	High
Revenue	Credit Loss	0.7%	Controlled illustrative input	High
Revenue	Other Income / Unit / Month	$135	Controlled illustrative input	Medium
Expenses	Operating Expenses	$1.8MM	Line-item schedule	Critical
Expenses	Replacement Reserve	$72,000	$300 / unit / year	High
Development	Total Project Cost	$56.0MM	Line-item budget	Critical
Development	Eligible Cost	$54.0MM	Illustrative lender definition	Critical
Valuation	Stabilized Cap Rate	5.25%	Controlled illustrative input	Critical

Category	Assumption	Value	Basis	Sensitivity
Financing	Interest Rate	6.25%	Controlled illustrative input	Critical
Financing	Amortization	30 years	Controlled illustrative input	High
Financing	Minimum DSCR	1.25x	Underwriting constraint	Critical
Financing	Minimum Debt Yield	10.0%	Underwriting constraint	Critical
Financing	Maximum LTV	65.0%	Underwriting constraint	High
Financing	Maximum Eligible LTC	75.0%	Underwriting constraint	High
Returns	Exit Cap Rate	5.50%	Base return model	Critical
Returns	Selling Costs	1.5%	Base return model	Medium
Returns	Hold Period	Five stabilized operating years	Base return model	High

Source: Controlled illustrative model. A live study would add source document, date, page/cell, verifier, and status for every material assumption.

ASSUMPTION GOVERNANCE

Required Controls

1. Use one authoritative value for every major metric and calculation path.
2. Identify whether each value is sourced, sponsor-provided, estimated, or an analyst inference.
3. Record source date, reporting period, units, sign convention, and value state—current, as-is, as-complete, stabilized, or exit.
4. Do not change an executive-summary value without updating the detailed table, chart, debt sizing, scenario, and appendix that rely on it.
5. Run base, downside, and upside cases by recalculating the model rather than applying unsupported percentage adjustments to the final answer.
6. Reconcile every conflict and preserve the decision impact of unresolved alternatives.

ASSUMPTION CONTROL STANDARD A polished report with inconsistent assumptions is not defensible. The executive decision, operating forecast, debt sizing, value, returns, scenarios, and conditions must all use the same controlled definitions and periods.

APPENDICES

Appendix C — Definitions and Decision Metrics

Consistent terminology for multifamily operating performance, development economics, financing, returns, and execution controls.

Definitions

Term	Definition
As-Is Value	Indicative value of the property in its current condition and operating state.

Term	Definition
As-Complete Value	Indicative value when planned construction is complete, before or without full stabilization as defined.
Stabilized Value	Indicative value when sustainable occupancy, revenue, expenses, and NOI are achieved.
Gross Potential Rent (GPR)	Annual rent if all available units pay scheduled rent for the period.
Physical Occupancy	Occupied units divided by available units, without fully reflecting concessions or collection loss.
Economic Occupancy	Collected or collectible rental revenue relative to potential rent, reflecting economic loss.
Concessions	Rent incentives or discounts that reduce effective revenue.
Credit Loss / Bad Debt	Billed or contractual revenue not collected and not economically realizable.
Effective Gross Income (EGI)	GPR less vacancy, concessions, and credit loss, plus recurring other income.
Net Operating Income (NOI)	EGI less recurring property operating expenses under the stated reserve convention.
Lender Net Cash Flow (NCF)	Underwritten cash flow used for debt sizing after lender-defined reserves and adjustments.
Debt Service Coverage Ratio (DSCR)	Underwritten cash flow divided by annual debt service.
Debt Yield	Underwritten cash flow divided by loan amount.
Loan-to-Cost (LTC)	Loan amount divided by defined project cost; eligible-cost definition must be stated.
Loan-to-Value (LTV)	Loan amount divided by the applicable supportable value state.
Yield on Cost	Stabilized NOI divided by total project cost.
Capitalization Rate	NOI divided by value; used here as an indicative feasibility valuation input.
Internal Rate of Return (IRR)	Discount rate that sets the net present value of the equity cash-flow series to zero.
Equity Multiple	Positive equity distributions divided by invested equity, without time-value weighting.
Cost to Complete	Remaining project uses required to reach the defined completion or stabilization state.
Peak Equity	Maximum cumulative equity invested before repayments or distributions.
Stabilization	Defined operating condition in which occupancy, revenue losses, staffing, expenses, NOI, and cash flow are sustainable.
Binding Constraint	The lowest applicable underwriting result that limits proceeds or determines the decision.

Term	Definition
Condition to Proceed	A hard gate that must be satisfied before the decision remains valid.
Re-Underwriting Trigger	A change that requires the affected market, operating, capital, value, return, or risk analysis to be rerun.

Source: Stratas controlled definitions for this illustrative report.

DECISION CLASSIFICATION STANDARD

Feasibility Decision Classifications

Classification	Meaning
FEASIBLE AS PROPOSED	The project is supported without material revision, subject only to ordinary diligence and execution controls.
FEASIBLE SUBJECT TO STATED CONDITIONS	The concept is supported only if specific hard conditions are satisfied and monitored.
FEASIBLE ONLY AFTER REVISION	The current concept is not supportable, but defined changes to program, price, cost, schedule, capital, or execution can cure it.
NOT PRESENTLY SUPPORTED	Available evidence does not support the project or a practical cure has not been demonstrated.

Source: Stratas master feasibility decision standard.

Illustrative 100-Point Score Interpretation

Score	Band	Decision Use
85–100	Strong	Proceed subject to ordinary conditions and fatal-flaw clearance.
75–84	Acceptable with Conditions	Proceed only with defined conditions, controls, and monitoring.
65–74	Borderline / Reprice	Material structure, price, scope, or capital changes are required.
50–64	Weak / Restructure	Current plan has major deficiencies and requires substantial cure.
Below 50	Decline / Hold	Risk or evidence is insufficient for approval.

Source: Stratas multifamily interpretation framework. Fatal flaws override the score.

APPENDICES

Appendix D — Source List and Live-Assignment Expansion

Identify the materials used for this sample and the evidence, research, interviews, and third-party work a full live study would add.

Materials Used for This Illustrative Sample

Source List

Material	Use in Report
Stratas - Universal CRE Feasibility Study Master Prompt.docx	Controlling report architecture, source discipline, analytical workflow, design, QA, and output standard.
Deal Due Diligence - Step by Step Guide - Multifamily.docx	Multifamily diligence sequence, source controls, operations, capital, legal, physical, and completion logic.
Deal Due Diligence - Final Interpretation - Multifamily.docx	Full-picture decision rule, 75% LTC ceiling, fatal flaws, score interpretation, and final decision sequence.
Workbook Analysis - Multifamily.xlsx	Workbook architecture and calculation categories; template contained no populated project-specific deal inputs.
Controlled illustrative assumptions	Fictional project, market, comparable, pipeline, cost, operating, financing, value, and return data.

Source: Assignment file package and controlled illustrative model.

What a Full Live Assignment Would Add

- Executed site-control documents, title commitment, ALTA survey, legal description, access and easement review, and ownership/authority evidence.
- Zoning confirmation, entitlement and permit matrix, development agreements, agency correspondence, impact and connection fees, and approval conditions.
- Civil, architectural, structural, MEP, landscape, accessibility, traffic, drainage, geotechnical, environmental, flood, wetlands, and utility-capacity documentation.
- Detailed development budget, bids, GMP/equivalent contract, trade coverage, allowances, alternates, procurement log, critical-path schedule, draw schedule, and interest model.
- Current official demographic, household, income, migration, employment, permit, tax, school, transportation, and public-development data.
- Recognized market and brokerage data for inventory, vacancy, occupancy, effective rent, concessions, absorption, deliveries, construction, and planned supply.
- Property-level comparable verification, including unit mix, size, asking and effective rent, fees, concessions, availability, occupancy, finishes, amenities, parking, and leasing velocity.
- Interviews with property managers, leasing teams, brokers, employers, economic-development officials, utility providers, agency staff, insurers, and other relevant participants as permitted.
- Written debt and equity terms, eligible-cost definitions, recourse, reserves, guarantees, covenant, intercreditor, distribution, control, transfer, maturity, and takeout provisions.
- Sponsor, guarantor, developer, GC, architect, engineer, property manager, and equity-source experience, authority, contracts, financial capacity, background, and litigation review.

LIVE-STUDY DELIVERABLE ENHANCEMENTS

Live-Study Expansion by Module

Module	Full Live-Study Addition
Project / Site	Sourced aerial, parcel map, access, site plan, neighborhood, utilities, and development-condition exhibits.
Market	Current official and industry charts with source dates, periods, geography, and methodology.
Comparables	Verified competitive matrix, rent and size positioning, photo pages, location map, and adjustment commentary.
Pipeline	Status-verified schedule with permits, construction progress, expected delivery, probability, and impact.
Operating	Monthly lease-up, unit-level rent schedule, resident cost, concessions, other income, staffing, expenses, reserve, and NOI.
Development	Full budget, cost per unit/SF, contract status, procurement, critical path, draw, carry, reserve, and cost-to-complete.
Capital	Actual debt/equity terms, sources/uses timing, proceeds constraints, maturity, paydown, covenant, and legal compatibility.
Decision	Source-linked conditions, responsible parties, deadlines, monitoring triggers, and documented approval status.

Source: Stratas illustrative report-to-live assignment framework.

Final Quality-Control Standard

- No invented live-study facts or fake citations; every material claim is sourced or clearly labeled.
- Executive metrics, detailed schedules, charts, capital stack, debt sizing, value, returns, and scenarios reconcile.
- Every applicable scope component is addressed or explicitly limited by missing evidence.
- Sponsor assumptions are separated from independent conclusions and conflicts are explained.
- All formulas use consistent units, periods, signs, value states, and cash-flow definitions.
- The loan reflects the lowest binding constraint and the refinance / exit path is internally consistent.
- Base, downside, upside, sensitivity, and break-even analyses recalculate the model.
- Conditions and triggers are specific enough to act on, monitor, and enforce.
- Calibri is used throughout with no editable text below 10 pt.
- Tables contain structured data only; no one-cell narrative tables, fixed-height rows, clipped text, or unstable merged structures.
- Charts, images, headers, footers, page flow, and source notes remain readable with no overlap or excessive blank space.

STRATAS STANDARD The final product should be attractive enough to present, detailed enough to diligence, mathematically controlled enough to defend, and explicit enough to support a yes / no / conditional capital decision.