



6/13/2020

River's Edge at Dixie

Capstone project



Connor Nitterauer, Adam Franklin, Kashane Tiger,
Kenny Cedeno

**Nova Southeastern University
H. Wayne Huizenga School
Of Business & Entrepreneurship**

Assignment for Course: REE 5879 – Real Estate Development Process II

Submitted to: Dr. Fred Forgey

Submitted by: Kenny Cedeno
Adam Franklin
Connor Nitterauer
Kashane Tiger

Date of Submission: June 13, 2020

Title of Assignment: Capstone Project

CERTIFICATION OF AUTHORSHIP: I certify that I am the author of this paper and that any assistance I received in its preparation is fully acknowledged and discussed in the paper. I have also cited any sources from which I used data, ideas or words, either quoted directly or paraphrased. I also certify that this paper was prepared by me specifically for this course.

Student's Signature: Kenny Cedeno, Adam Franklin, Connor Nitterauer, Kashane Tiger

.....

Instructor's Grade on Assignment:

Instructor's Comments:

Table of Contents

Executive Summary.....	3
Team member Biographies.....	4
Site Analysis	5
Regulatory Analysis.....	12
Residential Market Analysis.....	18
Retail Market Analysis.....	34
Financial Analysis	41
Conclusion.....	48
Works Cited.....	50

ABC Developer LLC's mission is to build a Mixed-use structure with ground level retail space and residential space on the upper levels of the structure as well as plans for a river walk promenade along the river's edges.

Executive Summary

In order to achieve this mission, we must first conduct a feasibility study for a proposed mixed-use development project of residential and retail units located at 2901 N. Dixie Highway Oakland Park, FL. This feasibility study contains a site analysis, regulatory analysis, market analysis and a financial analysis. The proposed site is 3.03 acres and currently contains two one-story buildings and a large parking lot, which will be demolished to make room for the proposed development. There are several positives for the site including the close proximity to transportation hubs, good walkability and the property border's a river. There are some negatives of the site as well, which include the need to demolish the existing buildings and it is not located on a major intersection. The site is zoned as B-2 by the City of Oakland Park and is considered "General Business District". This allows for numerous uses including a mixed-use development with retail and residential spaces. According to the demographics of the surrounding areas (3-mile radius) the population is over 140,000 people with a median age of 45, and renters outnumber homeowners. This led us to believe it's a renter's market and not as much of a buyer's market. There are several competing properties in the surrounding area as well. There are a few new mixed-use developments currently in the pipeline, and a couple of multi-family projects that were completed recently. Our residential rent comps will be on the higher end of the competition as we will offer various luxuries to our mixed-use unit amenities as well as to our property amenities. The traffic count (over 20,000 vehicles per day), daytime population and location will contribute to the success of the project, particularly the retail section. Using Argus Developer, conservative numbers were used in creating the financial analysis. The cash flow analysis as well as the overall economic viability and return of the project is \$20,338,541. Lastly, of the 78-unit residential portion of our project, it will take 3 units per monthly absorption rate to fill all 78 units. With this being the case, it will take 26 months to fully occupy the units. Assuming it will take 26 months to fully stabilize, The River's Edge at Dixie, over a 5-year holding period; the project will yield an NPV of 0 and an Equity IRR of 21.5%, at purchase price of \$4 million as well as a levered IRR of 14.9%. It would be a "GO" at purchase price of \$4 million where the Internal Rate of Return (IRR) meets the equity partners and developer equity hurdle rate of 21.5% but a "NO GO" because of the Net Present Value (NPV) is "0." Because the NPV is "0", we decided for a "NO GO" in respects to the project.

Team member Biographies

- **Connor Nitterauer** graduated from Florida Atlantic University in May 2019, with a Bachelor of Urban Design and as well as a minor in Business Administration. After working as a business assistant for Yacht Management, in Fort Lauderdale, FL, he now works for Lotspeich Co of Florida Inc as a project engineer. Connor is now pursuing a M.S.R.E.D. from Nova Southeastern University in order to gain as much knowledge as possible and apply it to his work at Lotspeich.
- **Kashane S. Tiger** is pursuing his M.S.R.E.D. after recently completing his M.B.A. back in July of 2017 from Nova Southeastern University with a concentration in Entrepreneurship. Kashane spent 20 years of honorable service in the United States Air Force Active duty in the Supply Chain Management and Logistics career field. Since leaving the U.S. Air Force, Kashane has diligently started his own property management business managing his own rental properties that are in different areas of Florida. His efforts have given him hands on in buying and renting out properties, mostly 3 bed 2 bath homes with yards, over the last 20 years. This experience has allowed him to realize the benefits of the “buy and hold strategy “of single-family homes and their ability to appreciate over the long term. Kashane having done this has made him realize that pursuing a M.S.R.E.D degree at Nova Southeastern University would help him attain his future goal of networking with like-minded people and another way to expand his knowledge of anything and everything pertaining to the Real Estate Industry.
- **Kenny Cedeno** entered into the program in the summer of 2019 in peruse of advance knowledge and certification in Commercial Real Estate Development. He’s currently working as a residential mortgage loan officer, with a national brokerage house that funds and services over billion dollars of residential mortgages. Prior to working as a loan officer, Kenny worked at Reis Services a Commercial Real Estate Information company where he tracked major MSA, like Atlanta, Georgia and Charlotte, North Carolina and composed market research reports. Kenny is an avid investor, in both the Real Estate and the Equity markets. On his free time, he enjoys watching Mixed Martial Arts, Boxing, and NFL (Go Jets!). Kenny holds a Bachelor of Science in Finance from the State University of New York. An Associates of Applied Science in Business Administration and Marketing Management, from the State University of New York.
- **Adam Franklin** was born and raised in Miami, FL. He is currently working on a Master of Science in Real Estate Development at Nova Southeastern University. Adam earned a Bachelor of Science in Business with a focus in Finance from the University of Phoenix. He recently started a new position at Iconic Mortgage Corp in downtown Miami. Before that he worked for Wells Fargo for almost 10 years in various positions. Adam has been passionate about real estate for as long as he can remember. He wants to eventually become an investor in residential property. Adam is a huge sports junkie and is what people refer to as a homer because he loves the teams from Miami (University of Miami Hurricanes, Miami Dolphins and Miami Heat). He also loves movies and learning new things.

Site Analysis

When determining if this location is suitable for redevelopment, there are several criteria that we needed to investigate. They include:

1. Location & surrounding areas
2. Existing Conditions
3. Zoning
4. Walkability
5. Accessibility
6. Positives and Negatives of the site

Location & surrounding areas

The site being analyzed for this project is located at 2901 North Dixie Highway, Oakland Park, Florida and is roughly 131,116 SF, or 3 acres. Formerly named Floranda, Oakland Park began as a farm town during the 1900's. A few years after, the residents changed the name to Oakland Park to pay tribute to the enormous oak trees in the area. By the 1950s, the city became a satellite vacation spot for snowbirds unable to find hotel accommodations in Fort Lauderdale. Rivers Edge has nearby neighborhoods such as Central Oakland Park, Coral Brook, Harlem McBride, South Corals, Andrews Gardens, Central Corals and Lloyd Estates. The site currently has a land value of \$1,181,460, building value of \$ 512,450, and a total value of \$ 1,693,910. The site is located just North of Fort Lauderdale and just South of Coral Ridge Country Club along North Dixie Highway. There are two existing structures located on the site which will need to be addressed in the future for demolition. The most Northern building is 2,994SF and the South building is 3,869SF for a total of 6,748 SF. The proposed site is pictured to the right in Figure 1.1. The site is bordered by North Dixie Highway to the East, and the North Fork Middle River to the South.

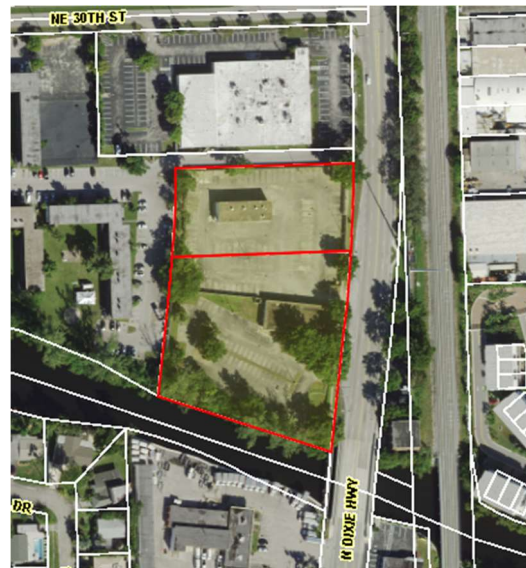


Figure 1.1

The subject site is bordered heavily by commercial buildings (office buildings and outdoor shopping centers) and low-rise residential complexes. The majority of nearby buildings are dated post World War II, including auto shops, storage facilities, small boutique shops, shopping plazas, and fitness

centers. To the north and the east of the property, there are several luxury condo and mixed-use developments including the O2 Apartments (65 rental units totaling 119,000 sft + 31,795 sft retail), Oakland Park Square (2.07 acres mixed use rentals, retail, Office & City Hall), Wilton Station Condos (272 apartments and townhomes and retail spaces on 10 acres) and The Pointe at Middle River (40 townhomes).

As you can see from aerial photos in Figure 1.2 (residential uses) and Figure 1.3 (commercial uses) below, within a 1 to 3-mile radius of the site (highlighted by the navy blue pin) there are significantly more commercial sites than residential leaving an opportunity for development.

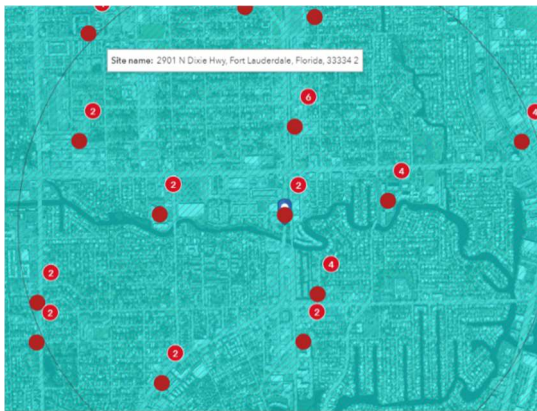


Figure 1.2

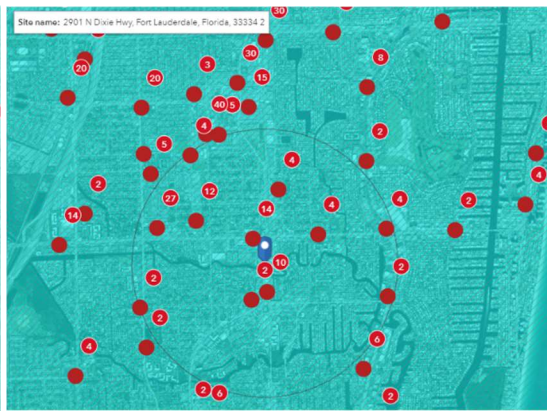


Figure 1.3

Existing Conditions

The site was built 1983 and it is a former AT&T (Bell South) worksite. The site is currently owned by Qualcon 5 LLC and it is divided in two parcels (A and B). The property has two improvements: one as an office building (south building) and a garage/storage (north building) surrounded by a lit/gated paved asphalt lot. The parking ratio is 10/1,000 SF. The structures are one (1) story buildings with the following characteristics:

Category	Building 1	Building 2
Foundation	STEM WALL	STEM WALL
Exterior	C.B. STUCCO	C.B. STUCCO
Roof Type	BAR JOIST CONC	FLAT CONC
Roof Material	TAR & GRAVEL	TAR/GRAVEL WHS
Interior	DRYWALL/PLASTR	FEW PARTITIONS
Floors	CONC. PLAIN	CONC. WHSE
Plumbing	GOOD/TILE COM	GOOD WHSE
Electric	GOOD COMM	AVERAGE WHSE
Classification	C - GOOD	C - GOOD
Ceiling Heights	10' - 12'	10' - 12'
Quality of Construction	Average	Average
Current Condition of Structure	Average	Average
Construction Class	Reinforced Concrete	Reinforced Concrete
Extra Features	Paving Commercial – Asphalt Chain line with barbed wire *Residential chain link fence for tennis courts only 8" C.B.S. Reinforced - Residential & Commercial	Paving Commercial - Asphalt

Below are pictures of the existing conditions on the site.



North East View



North West View



South View overlooking river



South West View



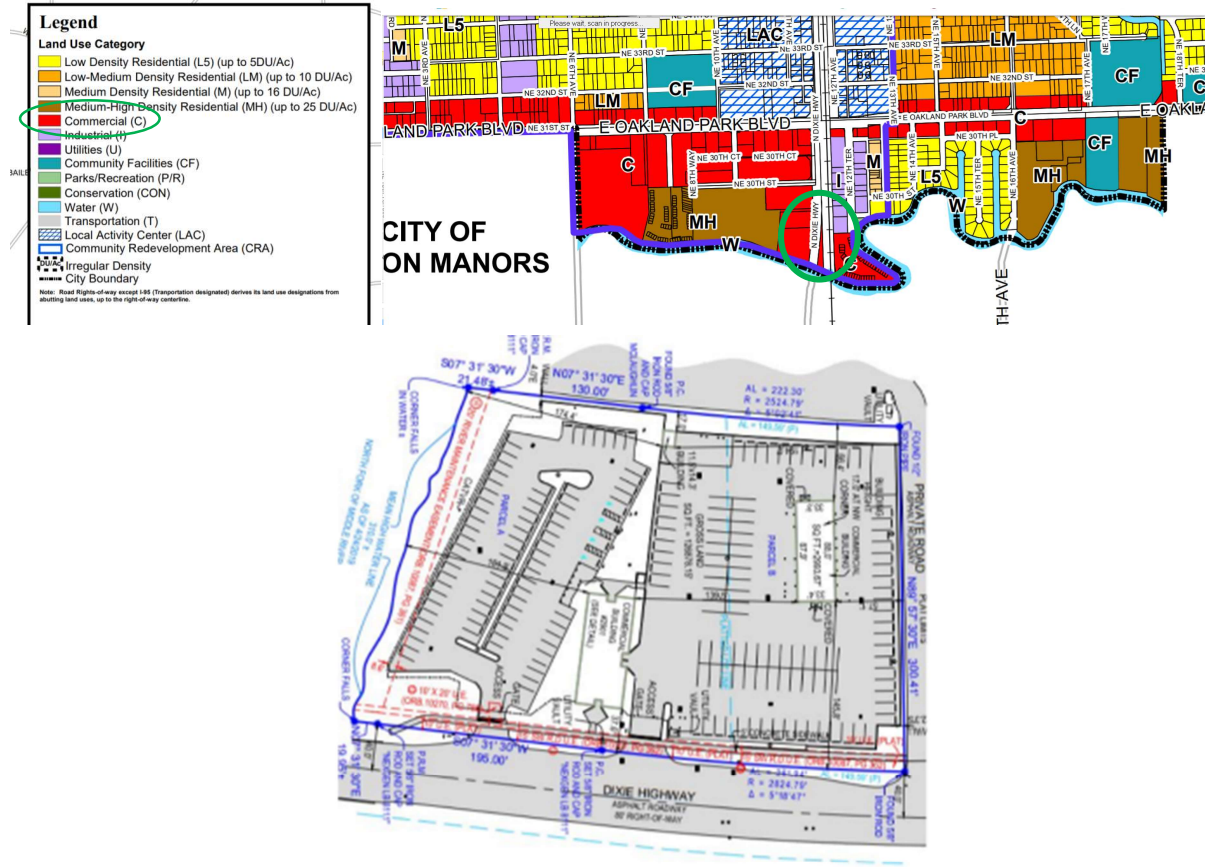
Eastern View



Western View

Zoning

Currently, the location is zoned B-2 (general business) and it is assigned a property use code # 91 (utility, gas & electricity, telephone & telegraph, locally assessed railroads, water & sewer service, pipelines, canals, radio/television communication) by the Broward County Appraiser. The City of the Oakland Park Future Land Use Map defines it as a category (C) - a land use for commercial purposes.



To understanding the sites viability, it is vital to identify what the surrounding areas are, as they can impact future development. It is important to address areas of significance that can direct the development process and evaluate the sites feasibility.

Walkability

Depending on what use the site will be walkability can become a major factor for developing a project. Within a residential complex, walkability is vital as residents want to be located near public places that offer unique amenities. Within a 5-minute walk from the site, most buildings are commercial uses and do not provide many attractions. However, within a 10-minute walk there is a spike in amenities and quality of shops. There are several parks located within the 10-minute walk range, including Kiwanis park which is located on the North Fork Middle River. Within the 15-minute radius, there are more appealing amenities. A Publix is located 12-minutes away from the site, along with several more parks, and a shopping plaza. Figure 1.4 highlights the walkable areas surrounding the subject site. Figure 1.5 shows the site has an overall walkability score of 84.

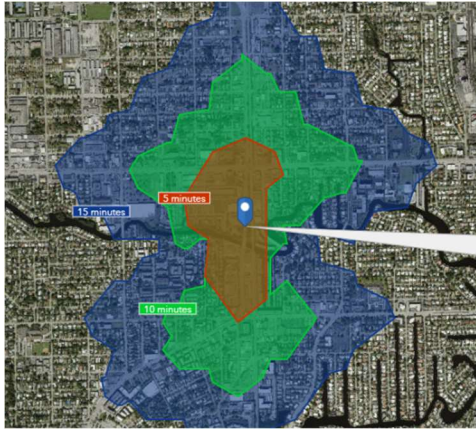


Figure 1.4



Figure 1.5

Accessibility

To determine if our site is feasible, it is important to evaluate if the site has proper and sufficient means of access to major transportation hubs. The Fort Lauderdale International Airport is a major international airport in South Florida (which services roughly 38 million passengers a year); the site is a 20-minute drive time and is located 12.6 miles due north. Another major transportation criteria for the site is its proximity to I-95 North/South and the Florida Turn Pike. Both highways are major transportation backbones for South Florida, and it is preferable for the site to be located nearby. I-95 (which accommodates 299,000 cars per day) is a 6 minute drive and is located 2 miles due West, the Florida Turn Pike (which accommodates 175,000 cars per day) is a 15 minute drive and is located 4 miles due West. The newest and most appealing way of transportation (especially for younger generations) is the new high-speed Brightline train. Brightline is the first high-speed train located in the United States and services three (soon to be four) large metropolitan areas (Miami, Fort Lauderdale, West Palm Beach, and Orlando). The Fort Lauderdale Brightline station is the closest in proximity as it is an 11-minute drive and is located 3.6 miles due South from the subject site. Figures 1.5 identifies 5, 10, and 15-minute drive times from the site while Figure 1.6 shows radiuses ½ mile, 1 mile, and 3 miles from the site. Figures 1.7 and 1.8 show the distance between major transportation hubs and provides a transit score of 37.

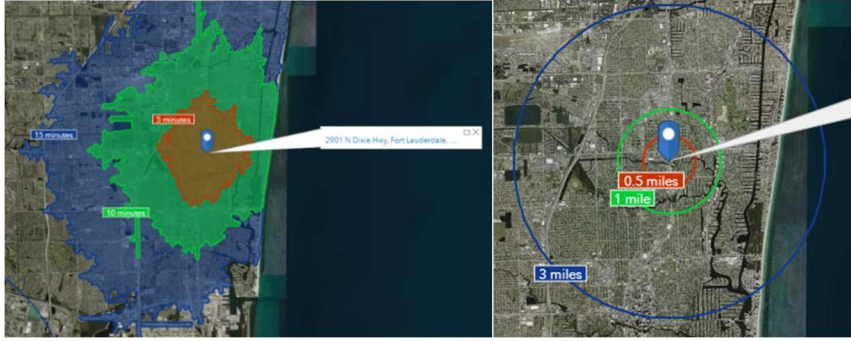


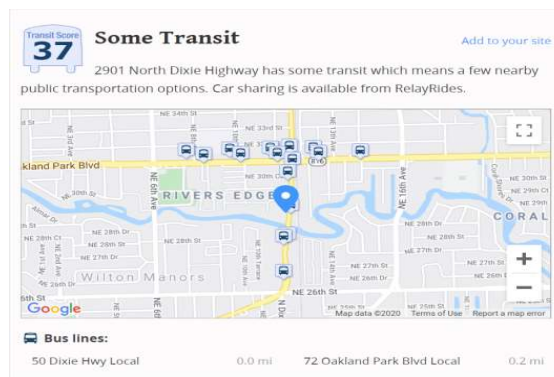
Figure 1.6

Figure 1.7

PUBLIC TRANSPORTATION

	DRIVE	WALK	DISTANCE
COMMUTER RAIL			
Cypress Creek Commuter Rail (Tri-County Commuter)	9 min		3.6 mi
Fort Lauderdale Commuter Rail (Tri-County Commuter)	13 min		6.3 mi
AIRPORT			
Fort Lauderdale-Hollywood International Airport	20 min		11.2 mi
Miami International Airport	57 min		36.4 mi
FREIGHT PORTS			
Port Everglades	14 min		5.9 mi

Figure 1.8



Positives and Negatives of the site

Positives:

1. The site is located relatively near all major transportation hubs
2. Walkability is relatively good due to its proximity to parks
3. The property is waterfront
4. The site has potential as a new development area

5. The surrounding area is ideal for more redevelopment projects

Negatives:

1. Existing buildings will need to be demolished
2. The site is not located on a major intersection
3. Amenities near the site are not as appealing as other sites
4. The site can be redeveloped but the surrounding buildings will downplay the efforts to rehab the site effectively

Regulatory Analysis

The perspective site is located in the City of Oakland Park at 2901 North Dixie Highway, Florida and sits within their Downtown district along the Middle River Channel. The target site also sits across from the Brightline rail line, which has been announced will connect from south Florida to Orlando. To the south sits the Wilton Station Condo complex, which consists of 272 residential and retail units. Situated on ten acres and built in 2006, the community is a gated luxury community with 24-hour security and resort style amenities. Just across the site and adjacent to the Brightline rail line is, the Pointe at Middle River a townhome community with 40 residential units developed by K. Hovnanian Homes in 2016. The property features a clubhouse with a fitness center a pool and a promenade along the Middle River channel.



Figure 1 City of Oakland Park Government Seal

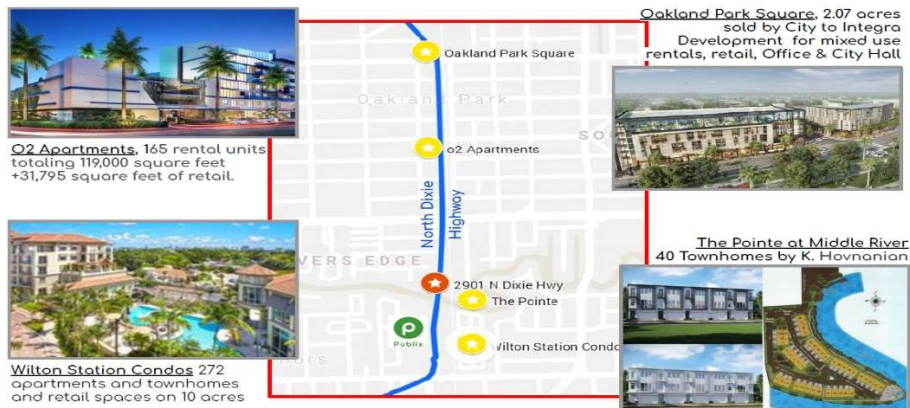


Figure 2 Competitive project in the surrounding areas, (from the top left to the bottom right) O2 Apartments, Oakland Park Square, Wilton Station Condo, and The Pointe at Middle River.

Just north is the proposed Oakland Park Square project, a mixed-use development on a 2.0-acre that is slated to be develop by the Integra development. The project sits along Dixie Highway and will feature residential, retail and office units. The project will also be home to the City of Oakland Park’s New City Hall Offices. O2 Apartments is another redevelopment project of an old strip club, into a mixed-use development that will feature 165 residential units and 31,705 square feet of retail space. The parcel also sits just behind, The River Oaks Apartments a Low-Rise Apartment Complex built in 1975 and features 219 one bedroom and two bedroom units. Next to the site, to the north sits a Medical office facility that caters to older veterans. The parcel is a nice size lot with over 131,000 square feet of open

land space or 3.0 acres. The parcel was previously owned by a subsidiary of AT&T Inc. (Bell South Telecommunications LLC) and was being used for utility services



Figure 3 Target site as it sits before any development takes place, (2901 North Dixie Hwy, Oakland Park, Florida).

On the site currently sits two small structures which may have been used as a field office space for technician working in the areas, during the time of ownership of AT&T. The total size of the two structures have a combined square footage of just over 6,700 square feet. With the largest structure sitting to the south with 3,869 square feet, while the structure on the north features 2,994 square feet. This all sits on a paved parking lots that has roughly 86,000 square feet of concrete on the ground and 284 feet of water views of the Middle River channel.

The parcel is currently zoned as B-2, a classification given to parcels within a main street, for the convenience of businesses and residences. The code has a list of permitted uses along with a list of non-permitted uses, which all can be found in the master business list. The city also offers some exception to non-permitted uses based on conditional exception needed to be gained. The code restrict the size needs to be, at 100 feet in width and 125 feet in depth. They also allow for a building site coverage area of 75.0% with the remaining reserved for green space. The code enables any developer to build 16 units per acre and a maximum Floor to Area Ratio (F.A.R.) of 1.0 in residential density. The Site has restriction for setback and buffer yards, where the front of the lot needs to be 25 feet if the lot is larger than 300 feet in depth and 10 feet if the lot if smaller than 300 feet in depth. When it comes to height the code permits a maximum height restriction of 100 feet. With the added restriction that once you go above 50 feet in height additional restriction come in to play with the setbacks and landscaping requirements.

Sec. 24-38. - B-2: General Business District.

- (A) *Purpose* . The B-2: General Business District is intended to apply to certain arterial streets where business establishments may be located to serve large sections of the city and adjacent areas. Such businesses need a conspicuous and accessible location convenient for motorists. Uses are particularly oriented toward meeting the full service needs of city residents, including repair of small articles, but not of a "heavy" commercial nature. A site plan is required in accordance with article XII.

Figure 4 Abstract of Zoning Code standards, as per the City of Oakland Parks Zoning Code guide.

- (D) *Building site coverage and green space.* 25% of the site shall be landscaped or pervious.
- (E) *Residential density.* 16 dwelling units per acre in accordance with sections 24-41(D)(2), Master Business List and 24-72, Reserve Units.
- (F) *Maximum floor area ratio (FAR):* 1.0 FAR.

Figure 5 Abstract of B-2 zoning code description of permissible Coverage Ratio, Dwelling per Acre, & Floor to Area Ratio.

Given the General Business District (B-2) zoning code of the site, the designation also permits a mixed-use development project with enhanced capacity given specified criteria. This is due to the City efforts to move towards a more mixed use friendly community. The ordinance offers enhancement benefits if the site to be develop is within a quarter mile of a major thoroughfare or within a specific areas of the city. These locations that would enable the city to grant a project added enhancements features are Oakland Park Boulevard, Commercial Boulevard, or Federal Highway. Our site sits just 977 feet south of Oakland Park Boulevard, 1.13 miles east of Federal Highway and 1.80 miles from Commercial Boulevard. The ordinance also makes exception to projects that fall within the Community Redevelopment Area (CRA) planned area, that meet their plan. Our parcel fall with the River Edge designated area of the CRA's map for the City of Oakland Park.

Sec. 24-56. - Mixed use land development.

- (A) *Purpose and intent.* The purpose and intent of this ordinance is to encourage mixed use and free standing multi-family development in areas with access to transit stations or stops along existing and planned transit corridors including Federal Highway, Oakland Park Boulevard and Commercial Boulevard; to promote mixed use land development patterns which achieve an aesthetic and functional pedestrian and transit compatible environment. Those commercial areas located within a Community Redevelopment Area (CRA) which are consistent with design ideals that encourage pedestrian friendly environments with enhanced public access to the city's waterways or the CRA Redevelopment Plan may also be considered for freestanding multi-family residential uses.
- (B) *Locational requirements for mixed use land development projects.* In order to qualify for allocation of reserve units the property shall have an underlying zoning which permits residential use and satisfy one of the following criteria: (1) the property shall abut at least one of the following transit corridors: Federal Highway, Oakland Park Boulevard or Commercial Boulevard ; or, (2) all residential dwelling units shall be located within one-quarter (¼) mile of such corridors, or (3) the project shall lie within a designated Community Redevelopment Area and be consistent with the design ideals that encourage pedestrian environments with enhanced public access to city waterways; provided however, that upon adoption of a Community Redevelopment Plan by the city, a project shall also be required to be consistent with the adopted Community Redevelopment Plan.

Figure 6 Mixed-use exception to the B-2 zoning code.

Based on what we've learned from the City's website and interviews with officials any proposed project will undergo through a lengthy process. In the City of Oakland Park the process begins with the developer taking steps to announce their project to the public. A public meeting needs to be held, within the delineated area and notification need to be sent out to all locals or association. This is done to

inform the public and allow the public to voice their opinion about the proposed project. One major item that the developer needs to inventory are the name of community member that attended the meeting. Afterwards an application can be submitted to the City's Development Review Committee (DRC). This committee is task with reviewing the project and studying how the project will benefit the local community. The DRC is a composed of a twelve-member panel, from several other city offices. The focus of the committee is to technically review project and provide their professional opinion. The projects review identifies the affect the project will have on the city and on city services. Committee members represent the City's building department, the cities attorney's office, the city's engineering department, their fire prevention department, landscaping and planning department, there police and public works department, the school's districts, and their traffic, zoning and urban design department.

- **Development Review Committee (DRC):** Members: DRC members include representatives from the a number of real estate backgrounds:
- **Planning & Zoning Board:** Each member servers a 1-year term. Potential members must be a resident of the City of Oakland Park and registered voter of Broward County. Their duties on the board is to investigate, hold public hearings, and make recommendations to the City Commission.
- **Code Enforcement Board & Special Magistrate:** Members of the Code Enforcement Board consists of 9 board members (7 regular & 2 alternates) who are appointed by the City Commission for a 3-year term.
- **Beautification Advisory Board:** The Beautification Advisory Board membership consists of 7 voting members appointed by the City Commission, and 3 non-voting members. Members serve terms of 3 years.
- **Civil Service Board:** The Civil Service Board consists of 5 members, each term of office is 2-years.
- **School Advisory Board:** The School Advisory Board consists of 7 voting members each term is for 1-year.
- **Unsafe Structures Board:** The Unsafe Structures Board consists of 9 members appointed by the City Commission each having a term of 3-years:

Figure 7: List of the City of Oakland Park Boards that review or are involved in the process of development of Real Estate

After reviewing the City of Oakland Park, Comprehensive plan I was able to discern, details about their growth strategy and vision for the area. Under the Community redevelopment Associations Future Land use plan the city refers to our areas as the Rivers Edge. Rivers Edge under the CRA Future Land use Map runs South of Oakland Park from Northeast Sixth Avenue to Dixie Highway. Under the city comprehensive plan they view this area of the city as a key transit hub, with its close proximity to Oakland Park Blvd. Easy access to commuter route like the 72 bus line, which runs from the Saw Grass Mill Mall in Sunrise, Florida to the Gait Ocean Mall along the Florida A1A/Ocean Blvd. The City bus route 50 which runs from Hillsboro Blvd. one block from the Tri-Rail Station to Downtown Fort Lauderdale bus terminal. The vision for the City is to create a pedestrian friendly environment with easy access to the city's waterways and parks. In their Comprehensive the city make special emphasis on many similar attributes.

Our Vision for our project is to produce a Mixed-use project with ground level retail space and residential space on the upper levels of the structure. Our vision also includes plans for a river walk promenade along the rivers edges. Our vision is inspired from the natural exposure to the water, the natural environment of the City of Oakland Park and Florida. Our Plans calls for green space for visitors to the property and residents. We welcome the cities vision of making the city a more pedestrian friendly space, and the ability to enhance our site and what is surrounding our site overall. In reviewing our project and our proposed design, we elected to review past proposed project with stronger emphasis given to project with similar dimensions and similar conceptual design. During this process of reviewing similar projects, I found The O2 Apartment. The project is located north of our project site on 3411 N Federal Highway in the city of Oakland Park. This site is just above two acres and will features 31,705 Square feet of ground level retail space, 165 apartment units and 428 parking spaces (98 reserved for retails segment and 330 reserved for residents). Oakland Park Square will be a mixed use complex that will features a mixture of office, retail and residential space. The site of the project is just over two acres and will be home to the city of Oakland Parks New City Hall. The project will feature two buildings both will have a combined 35,000 square feet of ground level retail space and 98 residential units between the two structure. The larger of the two structures will feature a meeting hall, where the city will be able to hold town hall meetings. While on the upper level will be home to the City's new office space, the property will have 343 parking spaces.

The Wilton Station Condo is an older project that features a combination of 272 residential townhome and condo units with 17,707 square feet of ground level retail space on the ground level. The project is situated on ten acres and sits just south from our site in the City of Wilton manor. The project was completed in 2005. Another comparable project is one that under review today being develop by RAM Real Estate. The Parcel is located on the opposite side off of Northeast 6th avenue, 670 Oakland Park Blvd. is a proposed mixed-use development that will feature retail on the front of the parcel and residential units in the back of the parcel. Based on public files with the city the project will feature 298 residential units and 35,000 square feet of retail space.

In our plans as compared with other currently proposed and already approved for development we will be propose establishing a mixed use complex with a promenade along the middle River channel. The building will features 78 rental residential units and 30,450 square feet of retail space. Our plans will attempt to gain a medium-high density capacity for the parcel and of the area. Based on the city's requirement our project will require 94 parking spaces for our retail tenants and another 156 parking

space our tenants that will call the complex home. We plans will need between 230 and 250 parking spaces based on what other project have develop. Our plans will feature 94 parking space for our retail tenants and another 140 spaces for our residential tenants. In our plans and per city code requirements we also plan to enhance the landscaping along the river's edge and throughout the property. Our residential structure will be a building a 78,450 square feet structure, featuring 78 market rate residential units. The unit mix will be a combination of studios, one bedroom and two bedroom. In the complex we propose lobbying tenants from the Healthcare Industry, Pet Industry and Education Industry. We found based on the population demographic these would be great compliment to area residents.

Residential Market Analysis

Introduction

The Comprehensive Plan, from the City of Oakland revised in June 2019, states in their **Objective 1.15** that: “the City shall promote mixed use land development patterns which combine residential and nonresidential uses to achieve an attractive, well integrated, and pedestrian and transit friendly environment through the establishment of residential mixed future land use designations (MUR).”

Based on the objectives from the City of Oakland Parks Comprehensive Plan to promote mixed use land development, we decided it was time to do a Market Feasibility study to determine if a Mixed Use structure made sense from a demographic, income profile, employment base, and rental comparable point of view.

Market Segmentation

Demographic and Income Profile

Located in **Figure 1** below is demographic and income data pulled, via esri, that originally derived from the U.S. Census Bureau. This chart shows a brief overview of demographic trends in 2019 as well as projected trends up until 2024 within a 1-mile radius of the subject target area located at 2901 N. Dixie Hwy Oakland, FL 33334.

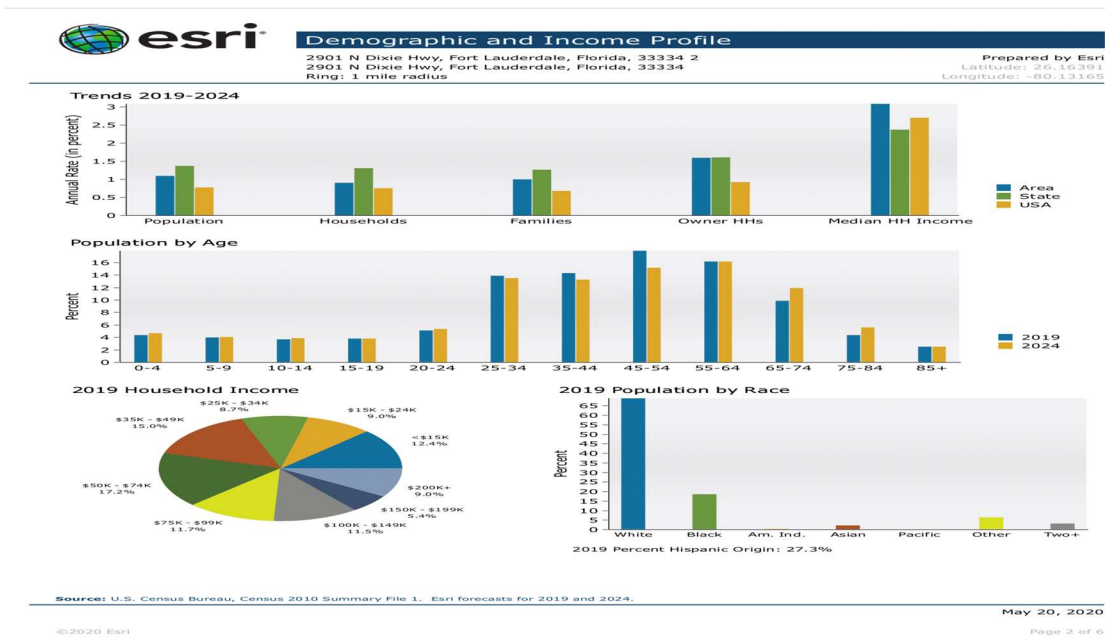


Figure 1 Demographic and Income Profile Chart

RIVER'S EDGE AT DIXIE

Notice below that in **Figure 2** data derived from the U.S. The Census Bureau shows a trend from 2010 to 2019 where owner occupied housing units went down and renter occupied housing units went up. And in **Figure 3** is an employment base chart, within a 5, 10- and 15-mile radius of the target market, that shows a large significant amount of jobs to warrant building this Mix Use structure. **Figure 4** is more data from Fort Lauderdale containing job growth information from May of 2018 to May 2019.

Summary	Census 2010	2019	2024
Population	16,969	18,883	19,936
Households	8,427	9,215	9,638
Families	2,921	3,193	3,356
Average Household Size	1.99	2.03	2.05
Owner Occupied Housing Units	3,981	3,829	4,144
Renter Occupied Housing Units	4,446	5,386	5,494
Median Age	43.3	45.5	45.9

Figure 2 Demographic and Income Profile Summary

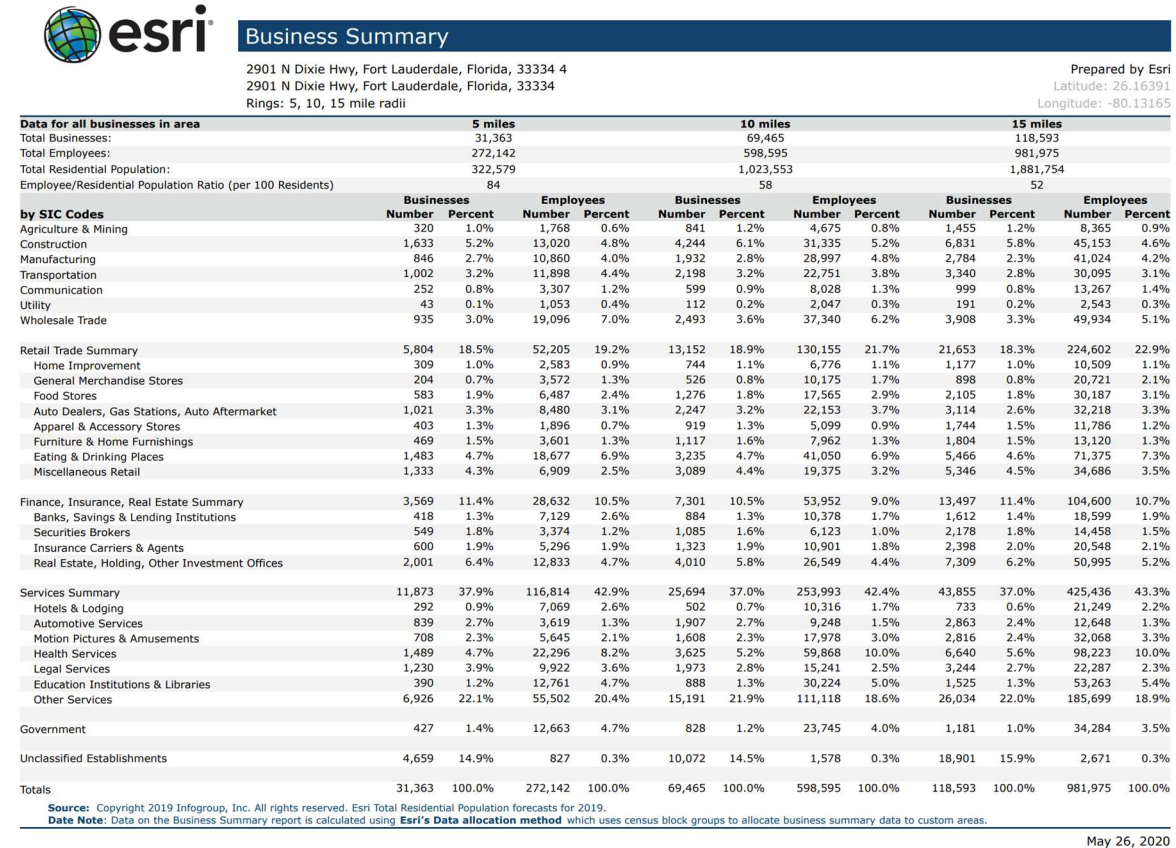


Figure 3 Employment Base within a 5, 10, and 15-mile radius of the Target Area

Nearly 95 percent of job growth in the Fort Lauderdale division in the past year occurred in the service-providing sectors.

	3 Months Ending		Year-Over-Year Change	
	May 2018 (Thousands)	May 2019 (Thousands)	Absolute (Thousands)	Percent
Total Nonfarm Payrolls	851.3	864.2	12.9	1.5
Goods-Producing Sectors	75.7	76.6	0.9	1.2
Mining, Logging, & Construction	47.8	48.1	0.3	0.6
Manufacturing	27.8	28.4	0.6	2.2
Service-Providing Sectors	775.6	787.6	12.0	1.5
Wholesale & Retail Trade	160.0	160.2	0.2	0.1
Transportation & Utilities	30.2	30.9	0.7	2.3
Information	20.0	20.1	0.1	0.5
Financial Activities	60.6	62.1	1.5	2.5
Professional & Business Services	151.3	156.7	5.4	3.6
Education & Health Services	111.3	115.7	4.4	4.0
Leisure & Hospitality	97.2	95.8	-1.4	-1.4
Other Services	38.2	39.9	1.7	4.5
Government	106.8	106.3	-0.5	-0.5
	(Percent)	(Percent)		
Unemployment Rate	3.3	3.0		

Note: Numbers may not add to totals due to rounding.
Source: U.S. Bureau of Labor Statistics

Figure 4 Job Market report for Fort Lauderdale of jobs within 15 miles of Target Area

Housing Affordability, Pricing and Demand

Data gathered from the Mid-Year Market Report 2019 by the City of Oakland Park and HUD PD&R Housing Market Profiles, **Figure 1** below, shows that the rental occupancy rate is at 95.6% and even higher in the nearby towns of Hollywood at 97.3%, Pompano Beach / Deerfield Beach at 97.1 %, Fort Lauderdale 95.7% and Wilton Manors 98.1%. These occupancy rates indicate a high demand for rental housing in Oakland Park and the surrounding area.

Residential Market Stats	Oakland Park	Pompano Beach	Hollywood	Fort Lauderdale	Wilton Manors
Effective Monthly Rental Rates	\$1,310	\$1,386	\$1,408	\$1,782	\$1,871
Effective Rent Per Square Foot	\$1.62	\$1.41	\$1.59		
Occupancy Rates	95.6%	97.1%	97.3%	95.7%	98.1%

Figure 1 Mid-Year Market Report 2019 Oakland Park, bestplaces.net & HUD PD&R

According to Rentometer Pro Rent Analysis from June 2019 to June of 2020, **Figure 2** below, rentometers average rental comp for a 1-bedroom apartment is \$1,464, 2-bedroom \$1,950, 3-bedroom is at \$2,677, and a 4-bedroom is at \$5,167 with a small sample size within a 1-mile radius of the target area. **Figure 3** shows a Rent Legend of Lower, Moderate and Higher rents, also, within a three-mile radius from the Target Market Area located at 2901 N. Dixie Hwy Oakland Park, FL 33334. And **Figure 4** is Rentometer’s Pro Rent comparable price ranges for a 1, 2, 3- and 4-Bedroom apartment within a 1-mile radius of the target area. Lastly, not listed

below, are studio's rent for \$1,228 within a 1-mile radius of the target area with a sample size of 17.

2901 North Dixie Highway QuickView

Oakland Park, Florida 33334

1 - 4 Bed Summary	1 bed	2 bed	3 bed	4 bed
Average Rent	\$1,464 ^{±5%}	\$1,950 ^{±5%}	\$2,677 ^{±5%}	\$5,167 ^{±20%}
Median Rent	\$1,325	\$1,825	\$2,900	\$5,000
25th - 75th Percentile	\$1,207 - 1,721	\$1,572 - 2,328	\$2,326 - 3,028	\$3,982 - 6,352
10th - 90th Percentile	\$976 - 1,952	\$1,233 - 2,667	\$2,011 - 3,343	\$2,917 - 7,417
Standard Deviation	\$381	\$560	\$521	\$1,756
Sample Size	28	38	13	3
				Note: small sample size
Search Radius	1.0 mi	1.0 mi	1.0 mi	1.0 mi

Figure 2 Rentometer Pro Rent of Monthly Average Rent 1, 2, and 3 bedrooms

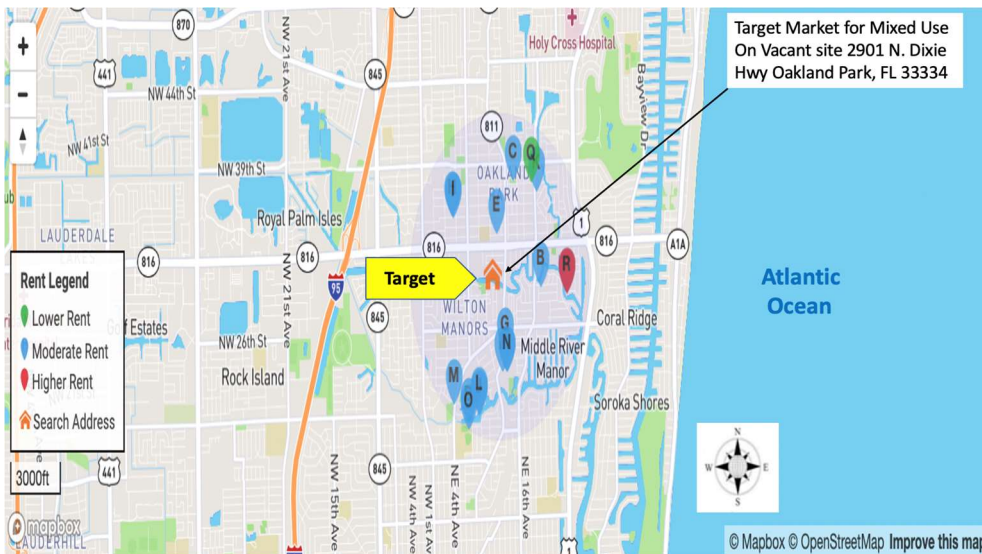


Figure 3 Rentometer Pro Rent Analysis 3-mile radius

It's important to keep in mind that rental rates for Studios 1, 2, 3, and 4, bedroom units are average rents being charged. The River's Edge at Dixie Building is new and will charge on the higher end of rents which could be as much as \$300 or \$400 more per month.

RIVER'S EDGE AT DIXIE



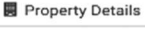





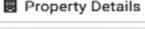


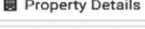


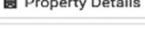


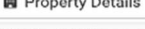


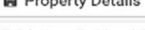

































Address	Distance	Rent	Size	\$/ft ²	Beds	Baths	Bldg Type	Last Seen
1 Bedroom								
 1220, NE 24th St, Wilton Manors, FL 33305  	0.52 mi	\$1,600	627 ft ²	\$2.55/ft ²	1 bed	1.0ba	Apartment	May 2020
 3000, NE 16th Ave, Oakland Park, FL 33334  	0.52 mi	\$1,300			1 bed	1.0ba	Apartment	May 2020
 1273, NE 38th St, Oakland Park, FL 33334  	0.82 mi	\$1,495			1 bed	1.0ba	Apartment	Jan 2020
 550, NE 20th St, Wilton Manors, FL 33305  	0.95 mi	\$1,390			1 bed	1.0ba	Apartment	Dec 2019
 1061, NE 34th St, Oakland Park, FL 33334  	0.45 mi	\$1,350			1 bed	1.0ba	Apartment	Dec 2019
2 Bedroom								
 1000, NE 24th St, Wilton Manors, FL 33305  	0.51 mi	\$2,085	1,147 ft ²	\$1.82/ft ²	2 bed	2.0ba	Apartment	Jan 2020
 1150, NE 26th St, Wilton Manors, FL 33305  	0.38 mi	\$1,900	783 ft ²	\$2.43/ft ²	2 bed	1.0ba	Duplex	Aug 2019
 3455, NE 5th Ave, Oakland Park, FL 33334  	0.81 mi	\$1,850	1,507 ft ²	\$1.23/ft ²	2 bed	1.0ba	Condo	Aug 2019
 460, NE 35th, CT, Oakland Park, FL 33334  	0.79 mi	\$1,950	1,225 ft ²	\$1.59/ft ²	2 bed	2.5ba	Townhouse	Jul 2019
 618, NE 20th St, Wilton Manors, FL 33305  	0.84 mi	\$2,000	2,160 ft ²	\$0.93/ft ²	2 bed	1.5ba	Duplex	Jun 2019
3 Bedroom								
 3720, NE 16th Ave, Oakland Park, FL 33334  	0.86 mi	\$2,900	1,835 ft ²	\$1.58/ft ²	3 bed	2.0ba	House	Apr 2020
 624, NE 20th St, Wilton Manors, FL 33305  	0.82 mi	\$2,900	2,200 ft ²	\$1.32/ft ²	3 bed	2.5ba	House	Dec 2019
 433, NE 21st St, Wilton Manors, FL 33305  	0.92 mi	\$2,500	1,143 ft ²	\$2.19/ft ²	3 bed	2.0ba	House	Dec 2019
 1220, NE 24th St, Wilton Manors, FL 33305  	0.52 mi	\$2,800	1,357 ft ²	\$2.06/ft ²	3 bed	2.0ba	Apartment	Dec 2019
 619 Kensington Pl, Wilton Manors, FL 33305  	0.98 mi	\$2,750	1,750 ft ²	\$1.57/ft ²	3 bed	2.5ba	Townhouse	Nov 2019
4 Bedroom								
 1535, NE 29th St, Fort Lauderdale, FL 33306  	0.84 mi	\$5,000			4 bed	3.5ba	House	Dec 2019
 1575, NE 38th St, Oakland Park, FL 33334  	0.9 mi	\$3,500	1,800 ft ²	\$1.94/ft ²	4 bed	3.0ba	House	Dec 2019
 1610, NE 29th St, Fort Lauderdale, FL 33306  	0.84 mi	\$7,000			4 bed	3.5ba	House	Nov 2019

Figure 4 Rentometer Pro Rent price range 1 Mile radius Comparable Pricing

In the 2014 – 2018 American Community Survey (ACS) from the U.S. Census Bureau via esri software, **Figure 5**, roughly 48% of tenants pay between \$1000 and \$1,500 which is the price range for either a studio or 1-bedroom unit apartment rental. And for a 2 bedroom about 11.7% pay between \$1,500 to \$1,999. And for a 3 bedroom about 8% will pay between \$2,000 and \$2,999. Lastly, for a 4 bedroom about 1.5% will pay over \$3,500.



ACS Housing Summary

2901 N Dixie Hwy, Fort Lauderdale, Florida, 33334 2
 2901 N Dixie Hwy, Fort Lauderdale, Florida, 33334
 Ring: 1 mile radius

Prepared by Esri
 Latitude: 26.14391
 Longitude: -80.13165

RENTER-OCCUPIED HOUSING UNITS BY GROSS RENT	2014-2018 ACS Estimate	Percent	MOE(±)	Reliability
Total	4,273	100.0%	352	■■■
With cash rent:	4,175	97.7%	350	■■■
Less than \$100	0	0.0%	0	■
\$100 to \$149	0	0.0%	0	■
\$150 to \$199	0	0.0%	0	■
\$200 to \$249	59	1.4%	74	■
\$250 to \$299	0	0.0%	0	■
\$300 to \$349	12	0.3%	19	■
\$350 to \$399	2	0.0%	21	■
\$400 to \$449	0	0.0%	0	■
\$450 to \$499	0	0.0%	0	■
\$500 to \$549	0	0.0%	0	■
\$550 to \$599	18	0.4%	29	■
\$600 to \$649	68	1.6%	37	■
\$650 to \$699	66	1.5%	40	■
\$700 to \$749	142	3.3%	99	■
\$750 to \$799	107	2.5%	67	■
\$800 to \$899	374	8.8%	133	■
\$900 to \$999	310	7.3%	101	■
\$1,000 to \$1,249	1,184	27.7%	219	■
\$1,250 to \$1,499	863	20.2%	225	■
\$1,500 to \$1,999	499	11.7%	127	■
\$2,000 to \$2,499	228	5.3%	102	■
\$2,500 to \$2,999	119	2.8%	68	■
\$3,000 to \$3,499	61	1.4%	52	■
\$3,500 or more	63	1.5%	57	■
No cash rent	98	2.3%	63	■
Median Gross Rent	\$1,196		N/A	■
Average Gross Rent	\$1,331		\$170	■■■

Figure 5 (2014 – 2018) American Community Survey U.S. Census Bureau

Competitors getting a piece of the market

It's important to realize our customers are people that live in multifamily apartments near by the target market area located at 2901 N. Dixie Hwy Oakland Park, FL 33334 that can shop at our retail part of the mix use retail portion of our building structure. Those same apartments can also be our competition. I say this because the Mix Use structure we are conducting a market feasibility analysis on will also have apartment style multifamily units on the floors above and retail stores on the first floor.

Additionally, there are other Mix Use competitors, as displayed on the map below, that are in close proximity to the target area with retail and multifamily apartment style units. It is our intent to build a Mix Use structure that will clearly compete and get a piece of the market as compared to other Mix Use Multifamily apartments and retail combination.

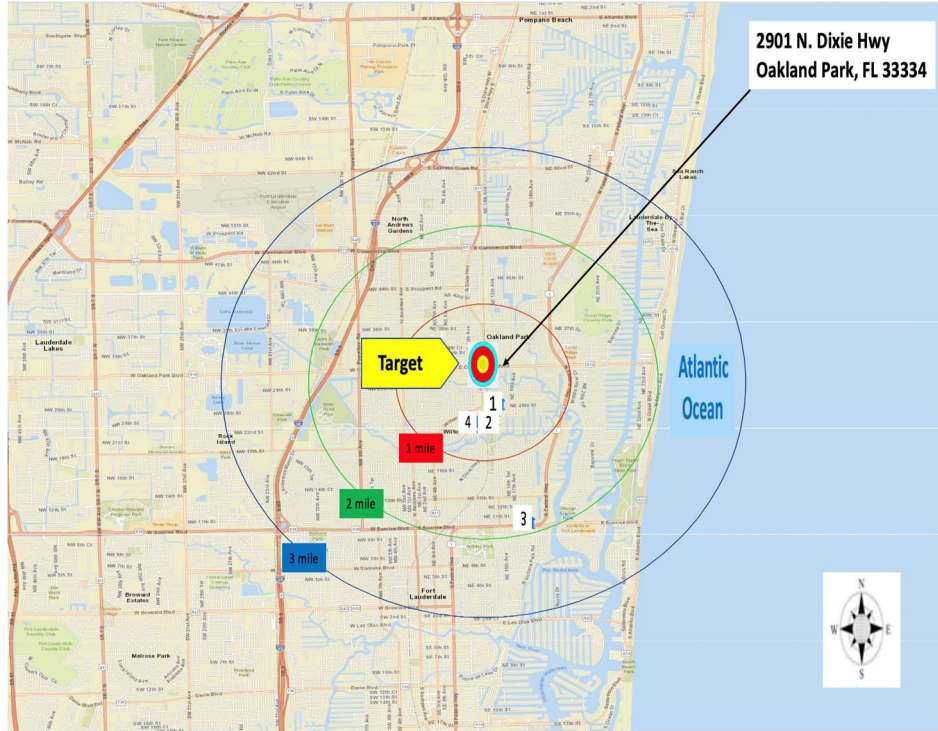


Figure 6 above is a 1, 2 and 3-mile radius from Target Area

Former AT&T building lot: 2901 N. Dixie Hwy Oakland Park, FL 33334

	Unit	River's Edge at Dixie	Average
Name	Mix	Square Footage	Rent
Former AT&T building			Monthly from June 2019 to June 2020
Studio	19	650	Rentometer Comp \$1,228 (1.0 M) radius
1 Bedroom	40	950	Rentometer Comp \$1,464 (1.0 M) radius
2 Bedroom	19	1350	Rentometer Comp \$1,950 (1.0 M) radius
3 Bedroom			Rentometer Comp \$2,677 (1.0 M) radius
4 Bedroom			Rentometer Comp \$5,167 (1.0 M) radius

Vacancy Rate Average Oakland Park 2020: 4.4%

1. Wilton Station Condo



Site Address: 2631 NE 14th Ave Wilton Manor FL 33334

Actual Year Built and Lot Size: Built 2005 on a 10-acre Parcel

Distance from Target Property: 0.4 Miles from target area

Vacancy Rate Average Wilton Manors 2020: 2.9%

	Unit	Average	Average	Average
Name	Mix	Square Footage	Rent Monthly from June 2019 to June 2020	Sales Price
Wilton Station Condos (WSC)		(WSC)		
Studio	0	0	Rentometer Comp \$1,405 (0.75 M) radius	
1 Bedroom	36	1,065	Rentometer Comp \$1,658 (0.5 M) radius	254,000
2 Bedroom	193	1,680	Rentometer Comp \$2,022 (0.75 M) radius	380,000
3 Bedroom	37	1,969	Rentometer Comp \$2,748 (0.5 M) radius	450,000
Total	266			

2. Belle Isle



Site Address: 2211 NE 9th Ave Wilton Manors, FL 33305

Actual Year Built: Built 2006 on a 3-acre Parcel

Distance from Target Property: 0.6 Miles from target area

Vacancy Rate Average Wilton Manors 2020: 2.9%

	Unit	Average	Average	Average
Name	Mix	Square Footage	Rent Monthly from June 2019 to June 2020	Sales Price
Belle Isle Condos (BIC)		(BIC)		
Studio	0	0	Rentometer Comp \$1,405 (0.5 M) radius	
1 Bedroom	0	0	Rentometer Comp \$1,696 (0.5 M) radius	0
2 Bedroom	15	2,000	Rentometer Comp \$1,965 (0.5 M) radius	\$440,000
3 Bedroom	28	2,050	Rentometer Comp \$2,899 (0.5 M) radius	\$420,000
3 Bedroom w retail	9	2,500	No rent comp	\$596,500
4 Bedroom	8	2,050	Rentometer Comp \$3,992 (1.0 M) radius	\$428,500
	60			

3. Villa Medici



Site Address: 1033 NE 17 Way Fort Lauderdale FL 33304

Actual Year Built: Built 2005 on a

Distance from Target Property: 2.04 Miles from target area

Vacancy Rate Average Fort Lauderdale 2019: 4.3%

	Unit	Average	Average	Average
Name	Mix	Square Footage	Rent Monthly from June 2019 to June 2020	Sales Price
Villa Medici (VM)		VM		
Studio	0		Rentometer Comp \$1,494 (1.5M) radius	No comp
1 Bedroom	0		Rentometer Comp \$1,517 (1.5 M) radius	No comp
2 Bedroom	1	1,780	Rentometer Comp \$2,112 (1.5 M) radius	No comp
3 Bedroom	97	2,000	Rentometer Comp \$3,029 (1.5 M) radius	370,000
4 Bedroom	20	2,350	Rentometer Comp \$3,698 (1.0 M) radius	400,000
	118			

4. METROPOLITAN



Site Address: 1220 NE 24th St Wilton Manor, FL 33305

Actual Year Built: Built 2016 on a 7.00-acre Parcel

Distance from Target Property: 0.6 Miles from target area

Vacancy Rate Average Wilton Manor 2019: 2.9%

	Unit	Average	Average	Average
Name	Mix	Square Footage	Rent Monthly June 2019 to June 2020	Sales Price
METROPOLITAN		Metropolitan		
Studio		627	Rentometer Comp \$1,233 (0.75 M) radius	No Sale is a rental
1 Bedroom		816	Rentometer Comp \$1,521 (0.75 M) radius	No Sale is a rental
2 Bedroom		1134	Rentometer Comp \$1,969 (0.75 M) radius	No Sale is a rental
3 Bedroom		1357	Rentometer Comp \$2,691 (0.75 M) radius	No Sale is a rental
	179			

Competitive Projects

Former Kmart Site

Figure 1 located at 670 E. Oakland Park Blvd Oakland Park FL 33334 is a lot that was previously a former Kmart Site that has a proposal submitted to the City of Oakland to make it a Mixed-Use development consisting of residences and commercial spaces with clubhouse, business center, swimming pool and spa, dig park and several pocket parks. **Figure 2 below** is an actual picture of the old K-mart. Located on NE 6th Ave and E. Oakland Park Blvd. It will be 25% retail and 75% residential.



Figure 1 Mix Use residential/commercial.

Figure 2 Former Kmart Site

Site Address: 670 E. Oakland Park Blvd Oakland Park FL 33334

Actual Year Built and parcel size: New construction not built, and it is a 12.00-acre Parcel

Distance from Target Property: 0.8 Miles from target area

Vacancy Rate Average Oakland Park 2019: 4.4%

Former K-Mart: Market Rate Rental Not affordable housing. Proposed Ram Development under contract not yet bought as seen in Broward County Property Appraiser’s Website.

	Unit	Average	Average	Average
Name	Mix	Square Footage	Rent Monthly June 2019 to June 2020	Sales Price
Former K-mart				
Studio	x		Rentometer Comp \$1,062 (1.0 M) radius	No Sale is a rental
1 Bedroom	x		Rentometer Comp \$1,494 (1.0 M) radius	No Sale is a rental
2 Bedroom	x		Rentometer Comp \$1,721 (1.0 M) radius	No Sale is a rental
3 Bedroom			Rentometer Comp \$2,603 (1.0 M) radius	No Sale is a rental
4 Bedroom			Rentometer Comp \$3,500 (1.0 M) radius	
Total	297			

Vacant Lot

Figure 3 located at 3557 N. Dixie Hwy Oakland Park FL 33334 is a vacant lot that has a proposal submitted to the City of Oakland to make it a New construction of a Mixed-Use building with a ground floor restaurant/bar and two upstairs apartment dwelling units.



Figure 3 New downtown 2-Story building proposed as mix-use

Site Address: 3557 N. Dixie Hwy Oakland Park FL 33334

Actual Year Built and parcel size: New construction not built, and it is a 0.06-acre Parcel

Distance from Target Property: 0.5 Miles from target area

Vacancy Rate Average Oakland 2019: 4.4%

Future: Ground floor restaurant and bar and two upstairs apartment dwelling units.

	Unit	Average	Average	Average
Name	Mix	Square Footage	Rent Monthly June 2019 to June 2020	Sales Price
Restaurant/Bar	1			
Studio			Rentometer Comp \$810 (1.0 M) radius	No Sale is a rental
1 Bedroom	2		Rentometer Comp \$1,270 (1.0 M) radius	No Sale is a rental
2 Bedroom			Rentometer Comp \$1,593 (1.0 M) radius	No Sale is a rental
3 Bedroom			Rentometer Comp \$2,487 (1.0 M) radius	No Sale is a rental
4 Bedroom			Rentometer Comp \$5,167 (1.0 M) radius	No Sale is a rental

Amenities

Property Amenities

- Garage
- Pet friendly
- Pool
- Elevator
- Community Garden
- Gym
- BBQ Grills

Unit Amenities

- Granite Counters
- Walk in Closets
- Air Conditioning
- Bathtub
- Oven
- Refrigerator
- Patio / Balcony
- Stainless Steel
- Dishwasher
- In Unit Laundry
- Tile
- Microwave
- Range

Projected Economic Analysis

According to the Strategies to Achieve Bond Goals, The Community Redevelopment Act (CRA) has set a positive climate for the private sector to invest in Mixed Use Developments. The City of Oakland downtown district and beyond “since the inception of the CRA concept in Oakland Park, the downtown has been the Linchpin of the redevelopment efforts. This continues to be the recommended way forward for the CRA.”

The City of Oakland currently has momentum and shown the largest growth from the private investors since the CRA was established and want to attract investors as partners for new meaningful mixed-use developments. Their strategy is focused on visible improvement so more investors will want to improve the look of the city maximizing the CRA return on investment.

The city focuses on mixed use development because the trend is for the newer generation Millennials looking for an urban experience and a sense of community free from home maintenance and lawn care. The Mixed-Use projects downtown need a customer base which are the millennials. These Mixed-Use developments are favorable to the market because it brings interest and investment, a greater tax base, jobs, transit-oriented development and ultimate prosperity.

Our project is only 0.7 miles south of the Funky Buddha and the surrounding area which presents itself as a growing area full of potential. Downtown is investing in downtown traffic recirculation, improvements to sidewalks, main street enhancements and so much more to make the support of our Mix Use Project seem very relevant.

The City of Oakland, as of 2018’s preliminary bond plan, is wanting to raise up to \$40 million from property taxes and sales taxes dollars to the municipality in order to construct brand new fire stations, Community Centers, a Library and other facilities. The Tax Base Growth Rate in city has started showing growth right around 2013 since implementing the CRA which has optimized opportunity for investors in the current market.

The City has renewed its strategic view towards economic redevelopment in ways such as:

- Highest and best use of City Property
- Mixed-use development
- Generation of new taxable value
- Increase property values
- Enable the development of residential to support businesses
- Open other opportunities for potential development
- Conversion of CRA loans to grants
- Creation of Jobs

The 2017 – 2022 Oakland Park CRA Strategic Action Plan mentions a Request for Quote (RFQ) for Development of West Dixie lots which involved hiring a consultant to conduct a massing study and design plans. The RFQ also involved selecting a private partner to develop mixed-use projects with retail, residential, and parking.

Jobs Created, Property Tax, Sales tax dollars to the municipality

	Jobs Created	Added Property Tax Value Annually	Expected Sales Tax Dollars to Municipality 7%
Aroma Express Bar	5		\$150K \$10,500
ABC Deli	5		\$100K \$7,000
Goddard	20		No Sales
Baptist Health Urgent Care	30		No Sales
Petopia Pet Care	10		\$400K \$28,000
River’s Edge at Dixie	10 Total: 80 jobs	Yr. 1-3: \$40,000/Yr. After Yr. 3 \$385,900/Yr.	Total: \$45,500

2901 N. Dixie Hwy Oakland Park FL 33334

Capture Rates within a 3-mile radius of target market:

- 1) Project has 78 Units
- 2) Supply currently available for leasing 28,850 ACS Housing Summary
- 3) $78 / 28,850 =$ Capture Rate is 0.0027 or 0.27% of total supply
- 4) 0.0027 capture rate x 1,071 units demanded per apartmenthomeliving.com = 2.89 or 3 units per monthly absorption rate.
- 5) 78 units in project / 3 units per month abortion rate = 26 months

It will take 26 months to lease 78 Units

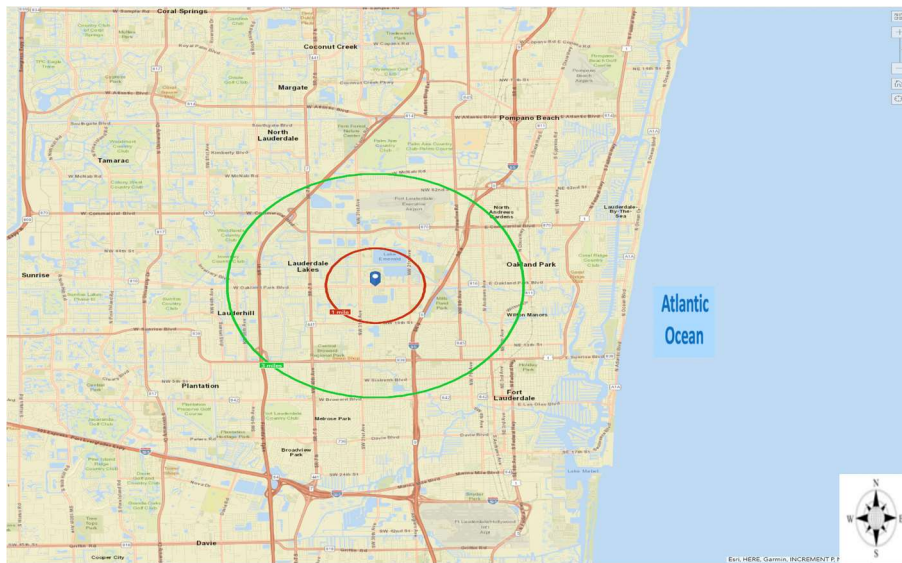
Residential Analysis and Interpretation

Roughly 48% of existing and future tenants, within a 1-mile radius of the subject property 2901 N. Oakland Park Blvd, pay between \$1000 and \$1,500. This price range between \$1000 and \$1,500, for an apartment rental, is about the average price range for either a studio or a 1 Bedroom unit. And for a 2-bedroom average at about 11.7% pay between \$1,500 to \$1,999. And for a 3 bedroom, 8% will pay an average between \$2,000 and \$2,999. Lastly, for a 4 bedroom about 1.5% will pay over \$3,500. So, the market analysis has led us to conclude that 48% of consumers, within a 1-mile radius of the target area, are paying an average between \$1000 and \$1,500 for gross rent. Because market demand shows that 48% is largest percentage of renters, it is logical to assume that the market demand is mostly for a studio or a 1-bedroom apartment rental unit between the price range of \$1,000 and \$1,500. However, in Wilton Manors just a half mile from the Target area, the average 1 Bedroom is receiving close to \$1,700. The condos being rented, such as Belle Isle built 2006 and Wilton Manor Condos built 2005, are receiving the top rents in the area close to \$1,700 for a 1 Bedroom apartment unit. Since we are constructing a newly designed modern Mixed-use building, we could charge a little more than Belle Isle or Wilton Manors Condos which were built roughly 15 years ago. We believe we can charge monthly rents of \$1,400 for a studio, \$1,900 for a 1-bedroom unit and \$2,400 for a 2-bedroom unit. Lastly, the City municipality is in support of new investors building Mixed Use structures in that they want to gain more sales tax as well as property tax dollars in order to build new fire stations, Community Centers, a Library and other facilities for the safety and fulfilment of the community and the citizens of Oakland Park Florida.

Retail Market Analysis

Trade Area

The primary trade area for our mixed use project stretches roughly 1-mile around the project site. It extends west to Andrews Ave, to N Federal Hwy to the east, up north to just past the Funky Buddha Brewery and the southern edge is just south of South Fork Middle River. According to the community profile derived from esri, this 1-mile area had a population of 18,883 in 2019. The secondary trade area for the project is roughly a 3-mile radius around the site. The secondary trade area stretches out to the man made barrier of I95 to the west, Ocean Blvd to the east, Commercial Blvd to the north and to Sunrise Blvd to the south. The population in the secondary trade area was 143,063 in 2019, according to the community profile.



Demographics

As mentioned previously, the 2019 population in the primary trade area was 18,883 with a median age of 45.5 and 143,063 with a median age of 45.3 in the secondary trade area. In the primary trade area 65.2% of the population is 35 years and older, and 63.3% in the secondary trade area. On the other end of the spectrum, 12.1% of the population in the primary trade area is 14 years old or younger and 13.3% in the secondary trade area. The community profile also shows a daytime population of 20,023 in the primary trade area and 179,217 in the secondary trade area. Both of the daytime population numbers are larger than the population of the residents. According to the community profile, the average household income in the primary trade area in 2019 was \$86,612 from 9,215 households with 54.8%

earning \$50,000 or more, and \$90,985 in the secondary trade area from 67,184 households with 55.1% earning \$50,000 or more. As stated in the 2019 consumer spending estimates in the community profile, the top two are shelter and food followed by health and entertainment.

Comparisons

There are many other retail locations available for rent in our trade areas. Here we will look at some competing retail spaces for rent around our mix use project. At 3553 N Dixie Hwy there is 2,100 SF available for rent at \$25.00/SF/YR. This location was built in 1961 and is a built out drinking establishment. It will be a triple net lease and is located just north of Oakland Park Blvd. The retail space available at 3351 N Andrews Ave consists of 1,702 SF and will cost \$26.44/SF/YR. This property was built in 1962 and is advertised as either retail or office. This is also a triple net lease and it is located just north of Oakland Park Blvd as well. The property at 2228 Wilton Dr was built in 1953 and is strictly a retail location. This will be a triple net lease as well and is located just to the southwest of our project site. The site at 2408 N Dixie has 900 SF and is available for \$17.34/SF/YR. The building was built in 1961 and can be used as an office or retail spot. The lease for this space includes utilities, building service and property expenses. This location is due south of our mix use project. Finally, the property at 801 E Oakland Park Blvd has 1,700 SF and the rent is \$20/SF/YR. It was built in 1961 and used to be a day care center. It is located just to the northeast of our project and will be a triple net lease.

Retail Location	Size	Rent
3553 N Dixie Hwy	2100 SF	\$25.00/SF/YR
3351 N Andrews Ave	1702 SF	\$26.44/SF/YR
2228 Wilton Dr	1300 SF	\$46.00/SF/YR
2408 N Dixie Hwy	900 SF	\$17.34/SF/YR
801 E Oakland Park Blvd	1700 SF	\$20.00/SF/YR

Retail Analysis and Interpretation

After analyzing the demographics and retail spaces available in the surrounding area, we want to include spaces from the healthcare and childcare industries. The surrounding area has a median age of 45 and over 60% of the population is 35 years and older. An aging population needs easy access to health services. We want to have an urgent care center in one of the retail spaces, particularly a Baptist Health urgent care center. Baptist Health has over 20 urgent care facilities in South Florida but not one close to Oakland Park. For the childcare space, we will approach the Goddard School about adding a franchise location to our project. In our trade areas, there is approximately 13% of the population 14 years or under. Parents are constantly looking for a safe place for their children to be while they are at work and one that is in close proximity. A Goddard School in our project will fill that need. Goddard School specializes in early childhood development. According to the Goddard School’s website, the prototype building size is roughly 8,500 to 10,000 SF. We believe these two anchors will do well in our mixed-use project. For the other retail spaces, we want to include a pet-oriented store, a coffee shop and a sandwich shop. There is a Dogtopia franchise located just outside our trade areas to the northeast. For that reason, we will look at a different franchise, such as Petopia or Petco to differentiate it. For the coffee shop, we want something different than a Starbucks since there is one within the trade area to the south. We would approach Aroma Espresso Bar or Juice and Java about opening a location in our project. There is a Subway sandwich shop just to our south where the Publix is located, so we would look to bring in a different franchise such as Firehouse Subs or The Daily Creative Food Company. We believe that these locations will be successful for a couple of reasons. The daytime population, which is larger than the regular population, will support the retail locations. Also, the average traffic volume on N Dixie Hwy, which is roughly 20,500 vehicles per day, will contribute to the success of the retail section of the development as well.



Proposed Design

We have proposed an “L” shaped design to optimize the available space on our property. Commercial and retail uses will occupy the ground floor with five rentable areas, including an urgent care and childcare center. To maximize the area for green space, which parking could consume, we have opted for a parking structure which will be located on the 2nd floor. The parking structure will provide parking for the residential units. Floors 3 and 4 will be divided into studio, 1 bedroom, and 2-bedroom apartments. Figure 1 depicts the “L” shape structure we are proposing.



Figure 1

Opting for a modern façade will improve the overall look of the area and be a staple for the surrounding buildings. Figure 2 is a representation of how we intend our new project to look. As you can see, we have opted for a construction style that allows for more natural light and will be a better sustainable option than other styles. Providing tall, long windows on the ground floor will allow for more retail opportunities. Constructing a building like this on our parcel will greatly increase the aesthetics and property values in the surrounding areas.

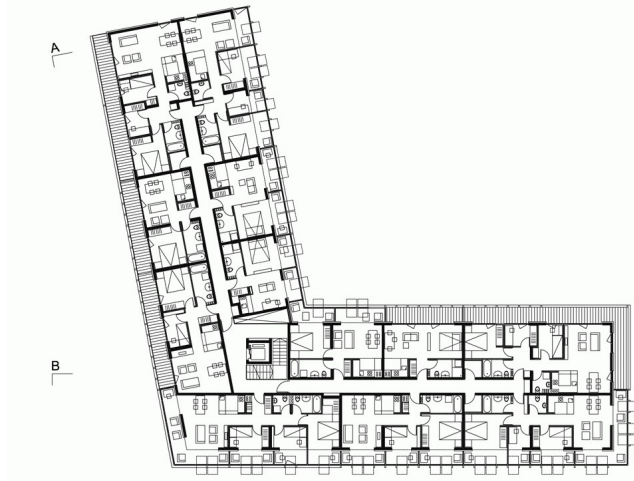


Figure 2

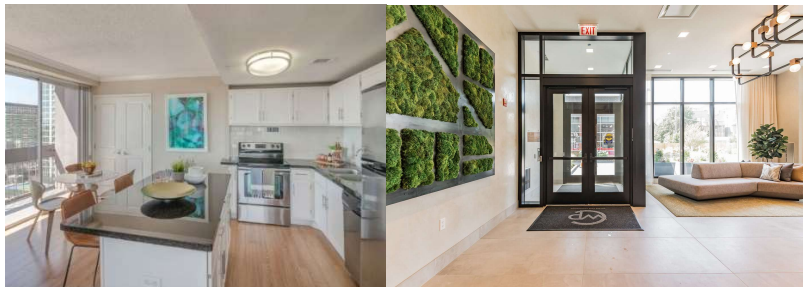
We designed the layout of the interior to optimize the space as affectively as possible. On the 3rd and 4th floor, the majority, (50%) of residential units will be 1 bedroom while 2 bedroom and studio units will make up the remainder (25% & 25%). The retail and commercial uses on the first floor will have two cornerstone stores, an urgent care and a childcare unit. The remaining space will be split equally by three smaller stores (coffee shop, restaurant, and boutique shop). As stated before, it is important for us to include the parking into the structure to allow for as much greenspace and usability of the site as possible. We have opted to use the entire second floor as a parking area for all of the residential units.

The retail and commercial units will have parallel parking spots directly outside the building as well as a small parking lot. Our goal is to create a sustainable property that incentivizes smart growth, and as you can see from Figure 3, the “L” shape building style will optimize our space and will create a well-rounded community.

Figure 3



Our vision is to not only create a place where people can live, but also a place that can help the community and be an inspiration to the lackluster neighboring buildings. To do so, the community we are constructing needs to be on the higher end to provide a place where people would want to raise a family. Opting for more expensive amenities within the apartments will call for higher rent prices and improved tenants. Creating a more “homely” feeling within the apartments will keep tenants happy and could prolong their rental period. As you can see from Figures 4 and 5, we want to create an environment of comfort and elegance.



Creating a modern interior is one thing, but having landscaping that is inviting to enter the site is another. It is vital that our property has a bright, lavish landscaping that will complete the project. Incorporating Palm Trees and other South Florida vegetation will give the site a modern and clean look. Figure 6 depicts what we would like the landscaping for our site to be. As you can see, landscaping



Figure 6

brings the whole project together. We intend to use the access to the North Fork Middle River to provide a private boardwalk which our residents can use. Figure 7 shows what the boardwalk could potentially look like.

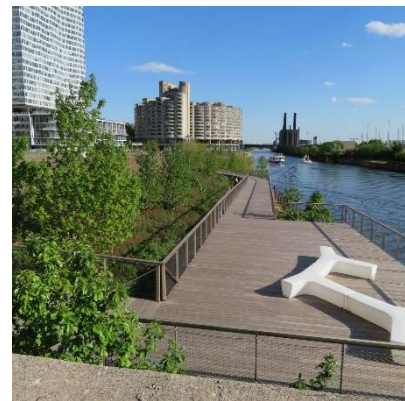


Figure 7

Figure 8 shows how we would prefer to situate the building on the site to optimize greenery and decrease the effects on the environment. Figures 8 and 9 below depict exactly how each floor will be divided between their uses. Red- commercial, which represents the urgent care and childcare clinics. Yellow- retail, represents the three smaller retail units. Black- parking, represents the parking structure for the residential units. Blue- residential, represents the apartments that will occupy floors three and four.



Figure 8

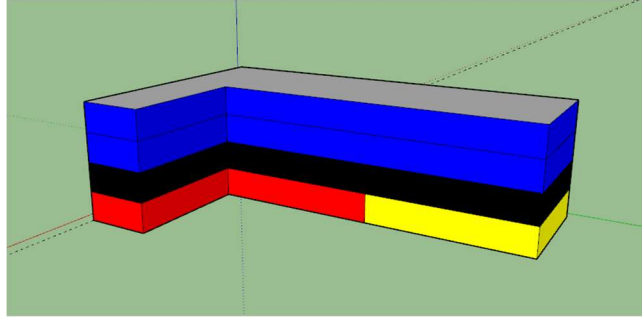


Figure 9

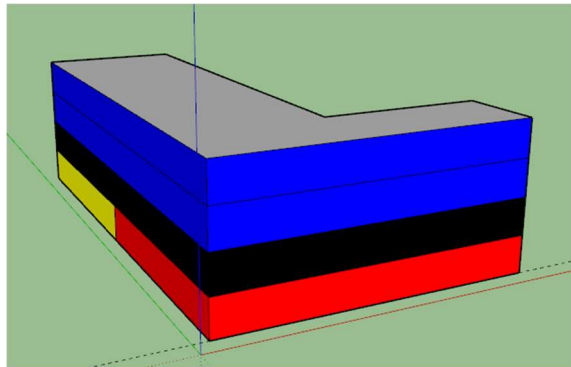


Figure 10

Financial Analysis

This report will present the financial strength and investment potential of converting an old 3-acre commercial parcel situated on the edge of the Middle River, between Oakland Park and Wilton Manor, Florida.

The River's Edge at Dixie is a 78-unit residential mixed-use development project with 30,450 square feet of ground level retail space. The project will be built over two phases, the first phase will demolish the current structure, lay the foundation for the building and begin the construction of the first level retail space. The second phase will build on top of the current structure (two floors) and bring in the residential portion of the project. It will also clean up the grounds, complete the amenities (i.e. in ground pool) and high-end finishes. It will also finish up the waterfront, along the river's edge and landscaping.

Project Breakdown:

- Project size: 108,900 Square Feet structure, 78,450 Square Feet Residential portion and 30,450 Square Feet Retail portion.
 - 78 Residential Units and 5 Retail Tenants.
- Project Term: 60-month hold and a 31-month construction period, for a total 91-month project term.

Sources of Funds:

Debt:	60.0%	\$ 20,879,733
Equity Partner:	35.0%	\$ 9,814,779
Developer Equity:	5.0%	\$ 1,386,795

Uses of Funds:

Construction Cost:	\$ 30,305,140	
Financing Cost:	\$ 1,690,560	
Land Cost:	\$ 4,000,000	\$1,320,132 / acre
Professional Fees:	\$ 1,425,000	
Marketing Cost:	\$ 357,723	

Financial Feasibility:

The total required equity for this project will be \$9,814,779. During the Development portion of the project, total Construction costs will be \$ 30.3 Million. Once the development project is completed, the construction loan will be repaid, through a permanent loan. Our strategy is to have the ground level preleased with commercial tenants, begin to prelease the residential units once they begin to come online, after our construction timeline. We are assuming 26 months to have the residential portion fully stabilized. While strategizing for a 5-year holding period. The project will yield an NPV of 0 an Equity IRR of 21.5% and a levered IRR of 14.89%.

Assumptions:

General Inflation:	2.5%
Residential Inflation:	2.5%
Retail Inflation:	2.5%
General Vacancy:	5.0%

Soft Cost Contingency:	2.0%
Hard Cost Contingency:	3.5%

Project Timeline:

The Development will be built in two phases. Phase one will be building the ground level retail space. This will entail demolishing the current structure and concrete parking lot as well as laying down the new foundation for the building and the completion of the ground level retail space. Once the foundation and the ground level are built, the second phase will begin. The second phase consists of building over top the additional residential units and parking spaces.

Total Investment Timeline	91 Months
Land Acquisition & Pre-Construction	15 Months
Construction & Building Fit-Out:	15 Months
Operations Start:	1 Months
Lease-Up Period:	26 Months (3 Units / Months)
Holding Period:	60 Months

Rents:

Retail Phase: Our units will be leased on a triple net lease NNN 5-year term at a per square foot rate of \$25. Each tenant will have the option to release each unit on the fourth year, up until six months from expiration. Each tenant will reimburse management for the common area charges (CAM) area charges once a year.

Residential Phase: Our complex will feature a combination of 19-Studio units, 40-One-bedroom units and 19-Two-bedroom units. Each unit will be leased at a cost rate of \$1,400 for a studio, \$1,900 for a 1 bedroom and \$2,400 for a 2 bedroom per month respectively. Our average rent per unit comes in at \$1,900 per month

Operating Expenses:

Operating expenses will be structured based on the phase. The retail phase will reimburse the management company for their portion of common area charges (insurance, electric, landscaping and real estate taxes, etc.). While our residential portion we will have each tenant cover their own electric, water and trash removal expenses. Management will be absorbing the remaining costs associated with the property.

Stabilization:

Lease-Up will begin based on the phase. Our Retail phase will be fully stabilized and ready for move-in for our renegotiated tenants. Our Residential phase will be beginning pre-leasing in January of 2023 (the first quarter). We project to be leasing 3 units per month and will be fully leased by March 2025. Stabilization will be completed at 95%.

Capitalization Rate (Cap Rate):

A Cap Rate of 6.5% will be used to evaluate our fully stabilized asset. This capitalization rate is comparable to assets currently in the market for Mixed-use Developments.

Construction Strategy:

We will be assuming a construction loan for 15 months, with a fixed annual interest rate of 5.0%. Our permanent loan will be replacing our construction loan, with a fixed rate loan based on a Debit service coverage ratio (DSCR) of 1.25, with a 5-year term and amortized over 30 years.

Development Budget:	\$ 24,830,140
Land Acquisition Costs:	\$ 4,525,000
Interest on Construction Loan:	\$ 1,690,560

Investment Strategy:

Our Investment strategy is to purchase the parcel at a max price of \$4,000,000 and develop the property into a mixed-use development with 30,450 square feet of ground level retail space and 78,450 square feet of residential units above. Our calculation of the project total construction cost came in at \$37.4 Million. The project is estimated to generate a total revenue of \$57.7 million less the cost of building and operating the project; profits will come in at 20.3 Million. The project will generate a 21.5% equity return and a leveraged IRR of 14.9%.

We plan to start building the structure within 15 months of purchasing the lot and completing pre-construction. After pre-construction we can start welcoming in our retail tenants that have signed pre-leases and begin pre-leasing the 78 residential units. We plan to lease up the property and hold the property for an additional 60 months, at which time we expect to exit our position at an exit cap of 6.5 and a valuation of \$47 Million.

Reversion/Sale:

Our strategy is to hold the project until the structure is built and fully leased. We anticipate absorption to take 26 months. We analyzed several holding periods and decided to hold the asset for a five-year period. This analysis of returns was based on average holding periods. The project yields the highest returns, at the five-year mark. This is because the investment makes most, if not all, of its profits from the reversion. Our analysis also looked at 7-year and 10-year holding periods. However, we realized only slight changes in the return profile, so we decided to move forward with a 5-year holding period.

Land Price	\$ 4,000,000		
	5-Year	7-Year	10-Year
Total Project Cost:			
Profit:	\$20,338,541	\$24,838,407	\$33,928,230
Revenue:	\$57,711,040	\$64,260,331	\$76,017,481
All Costs:	(\$37,372,499)	(\$39,421,924)	(\$42,089,251)
Unlevered Project IRR:			
Combined Unlevered IRR:	12.06%	10.96%	10.32%
Retail Phase:	7.75%	7.48%	8.01%
Residential Phase:	14.90%	13.14%	11.75%
Levered Project IRR:			
Levered IRR:	14.90%	13.64%	12.83%

RIVER'S EDGE AT DIXIE

Retail Phase:	7.30%	7.41%	8.76%
Residential Phase:	19.94%	17.42%	15.30%
Equity IRR:			
Combined Equity IRR:	21.51%	18.34%	16.20%
Retail Phase:	13.43%	13.44%	13.45%
Residential Phase:	24.53%	20.53%	17.41%
Interest & Fee:	(\$1,690,560)	(\$1,694,581)	(\$1,694,581)
Mortgage Interest:	(\$5,019,076)	(\$6,926,495)	(\$9,593,821)
Total Interest & Fees:	(\$6,709,636)	(\$8,621,076)	(\$11,288,40)
Cost Per Net Sq. Ft.:	\$ 351.08	\$ 370.33	\$ 395.39

Debt (Leverage):

Our financing plan will be a combination of strategies. We will be investing 5.0% of our own capital, while making a 35.0% equity offering to private investors. Our offering to lure in private investors is 12.5% - 15% returns on invested capital, over a 5-year timeline. We will acquire a debt leverage on invested capital of 60% (LTV), for both the construction and permanent loan. We will be seeking a fixed rate loan between 4.5 – 5.0% and a term of 5 years amortized over 30 years.

Equity:

We are seeking to return 12.5% - 15.0% to investors for investment ventured. Our Strategy is to build quality stabilized assets and yield returns within a five to ten-year timeline, while at the same time earn a 10.0% return on invested funds with our equity investment partners.

Project Financial Breakdown:

	Invested Cash	Preferred Returns Paid	Claw back Paid	Profit Paid	Total Returns	IRR %	Equity Multiple
Equity Partners:	\$9,814,779	\$9,195,701	\$ 0	\$4,474,625	\$13,670,326	18.3 %	2.39x
Developer Equity:	\$1,406,644	\$1,134,594	\$ 0	\$5,533,622	\$6,668,215	33.9 %	5.74x

RIVER'S EDGE AT DIXIE

GROUPED CASH FLOW

ACADEMIC COPY

River's Edge at Dixie
 REP-Retail
 RER-Apt's

Grouped Cash Flow (Merged Phases)

Page A 1

Calendar Year - Annual B/F	001:Jul 2020	007:Jan 2021	019:Jan 2022	031:Jan 2023	043:Jan 2024	055:Jan 2025	067:Jan 2026	079:Jan 2027	091:Jan 2028
Investment Valuation									
Capitalized Rent	0	0	0	0	0	0	0	0	47,009,948
Additional Revenue									
Tenant Rent Flow	0	0	0	2,249,151	2,614,450	2,660,501	2,707,704	2,756,086	230,115
Rent Additions/Costs	0	0	0	(423,619)	(489,257)	(504,091)	(519,428)	(535,287)	(45,233)
TOTAL REVENUE	0	0	0	1,825,533	2,125,193	2,156,410	2,188,276	2,220,800	184,882
Acquisition Costs									
Land Acquisition Cost	(4,000,000)	0	0	0	0	0	0	0	0
Acquisition Fees	(317,950)	(174,701)	(32,349)	0	0	0	0	0	0
Construction Costs									
Construction Costs	0	(4,483,437)	(19,017,063)	0	0	0	0	0	0
Demolition	0	(461,954)	0	0	0	0	0	0	0
Developers Contingency	(6,253)	(183,469)	(677,963)	0	0	0	0	0	0
Other Construction Costs									
Municipal Permit Fee	0	(19,897)	(30,103)	0	0	0	0	0	0
TOTAL CONSTRUCTION COSTS	(6,253)	(5,148,757)	(19,725,129)	0	0	0	0	0	0
Professional Fees									
Architect & Engineering Costs	(19,725)	(324,427)	(555,848)	0	0	0	0	0	0
Marketing and Leasing									
Leasing Commission	0	0	0	(357,723)	0	0	0	0	0
TOTAL COSTS	(4,343,927)	(5,647,886)	(20,313,326)	(357,723)	0	0	0	0	0
Net Cash Flow Before Finance	(4,343,927)	(5,647,886)	(20,313,326)	1,467,809	2,125,193	2,156,410	2,188,276	2,220,800	47,194,829
Finance Costs (All Loans)	(91,667)	(452,498)	(954,998)	(191,398)	0	0	0	0	0

Project: River's Edge at Dixie
 ARGUS Developer Version: 8.20.003

Report Date: 6/12/2020

GROUPED CASH FLOW

ACADEMIC COPY

River's Edge at Dixie
 REP-Retail
 RER-Apt's

Grouped Cash Flow (Merged Phases)

Page B 1

Calendar Year - Annual B/F	001:Jul 2020	007:Jan 2021	019:Jan 2022	031:Jan 2023	043:Jan 2024	055:Jan 2025	067:Jan 2026	079:Jan 2027	091:Jan 2028
Calendar Year - Annual B/F	0	(4,435,594)	(10,535,978)	(31,804,302)	(31,393,122)	(30,291,841)	(29,142,913)	(27,944,849)	(26,696,108)
Net Cash Flow After Finance	(4,435,594)	(6,100,384)	(21,268,324)	1,276,412	2,125,193	2,156,410	2,188,276	2,220,800	47,194,829
Cumulative Net Cash Flow Calendar Year - Annual	(4,435,594)	(10,535,978)	(31,804,302)	(31,393,122)	(30,291,841)	(29,142,913)	(27,944,849)	(26,696,108)	20,338,541

FINANCE SOURCE PERFORMANCE MEASURES

ACADEMIC COPY

River's Edge at Dixie
 REP-Retail
 RER-Apt's

Source of Funds	Auto. Contribution	Timed Contribution	Total Contribution	Balance O/S at Project End	Interest	Fees	Preferred Return Accrued	Preferred Return Paid	Preferred Return Unpaid	Clawback Provision	Earned Management Fee	Profit	Total Int., Fees, Pref. Return & Profit	Peak Financing
Equity Partners	9,814,779	0	9,814,779	0	0	0	9,195,701	9,195,701	0	0	0	4,474,625	13,670,326	9,814,779
Developer Equity	1,406,644	0	1,406,644	0	0	0	1,134,594	1,134,594	0	0	0	5,533,622	6,668,215	1,406,644
Land Loan	4,000,000	0	4,000,000	0	330,000	0	0	0	0	0	0	0	330,000	4,000,000
Construction Loan	20,879,733	0	20,879,733	0	1,151,762	208,797	0	0	0	0	0	0	1,360,560	20,879,733
Mortgage	0	0	20,879,733	0	5,019,076	0	0	0	0	0	0	0	5,019,076	0
Balancing Account	0	112,087	112,087	0	0	0	0	0	0	0	0	0	0	112,087
	36,101,155	112,087	57,092,975	0	6,500,839	208,797	10,330,295	10,330,295	0	0	0	10,008,246	27,048,177	

FINANCE SOURCE PERFORMANCE MEASURES

ACADEMIC COPY

River's Edge at Dixie
 REP-Retail
 RER-Apt's

Source of Funds	Peak Financing Date	Maximum Loan Ratio %	IRR %	ROE %	Equity Multiple	Tax on Earned Mgt. Fee	Tax on Profit	After Tax IRR %	After Tax ROE %	After Tax Equity Multiple	Loan to Cost%	Loan to GDV%	Loan to NDV%
Equity Partners	Mar 2023	N/A	18.33%	139.28%	2.39x	0	0	18.33%	139.28%	2.39x	26%	21%	21%
Developer Equity	Jun 2022	100.00%	33.86%	474.05%	5.74x	0	0	33.86%	474.05%	5.74x	4%	3%	3%
Land Loan	Jul 2020	100.00%	0.00%	0.00%	N/A	0	0	0.00%	0.00%	N/A	11%	9%	9%
Construction Loan	Jun 2022	100.00%	0.00%	0.00%	N/A	0	0	0.00%	0.00%	N/A	45%	36%	36%
Mortgage	N/A	N/A	5.12%	N/A	N/A	0	0	N/A	0%	0%	0%	0%	0%
Balancing Account	Mar 2023	N/A	0.00%	N/A	N/A	0	0	N/A	N/A	N/A	0%	0%	0%
						0	0						

RIVER'S EDGE AT DIXIE

Academic Copy		REP-Retail	Date : June 2020
		RER-Apt's	Project Number :
Project : River's Edge at Dixie			GFA : 108,900
Address : 2901 N Dixie Hwy			GLA : 106,450
			Units : 1

Element	Cost Ratio	Elemental Amount	Cost/ft² per GFA	Cost/ft² per GLA	Cost per Unit	Amount	% of Total
Merged View							
Construction Costs	100.00%		228.47	233.73	24,880,139.68		
Concret Pavement Demolition	1.86%	461,954	4.24	4.34	461,953.80		
Con. - Rivers Edge Promenade	22.64%	5,633,250	51.73	52.92	5,633,250.00		
Municipal Permit Fee	0.10%	25,000	0.23	0.23	25,000.00		
Con. - RSR-Studio	13.07%	3,252,525	29.87	30.55	3,252,525.00		
Con. - RSR-1-Bedroom	35.77%	8,900,775	81.73	83.61	8,900,775.00		
Con. - RER-2-Bedroom	22.97%	5,713,950	52.47	53.68	5,713,950.00		
Municipal Permit Fee	0.10%	25,000	0.23	0.23	25,000.00		
Developers Contingency Soft Cost	0.06%	14,500	0.13	0.14	14,500.00		
Developers Contingency Hard Cost	0.86%	213,332	1.96	2.00	213,332.13		
Developers Contingency Soft Cost	0.06%	14,500	0.13	0.14	14,500.00		
Developers Contingency Hard Cost	2.51%	625,354	5.74	5.87	625,353.75	24,880,140	81.14%
Net Building Cost (Excluding Site)	100.00%	24,880,140	228.47	233.73	24,880,139.68	24,880,140	81.14%

Academic Copy		REP-Retail	Date : June 2020
		RER-Apt's	Project Number :
Project : River's Edge at Dixie			GFA : 108,900
Address : 2901 N Dixie Hwy			GLA : 106,450
			Units : 1

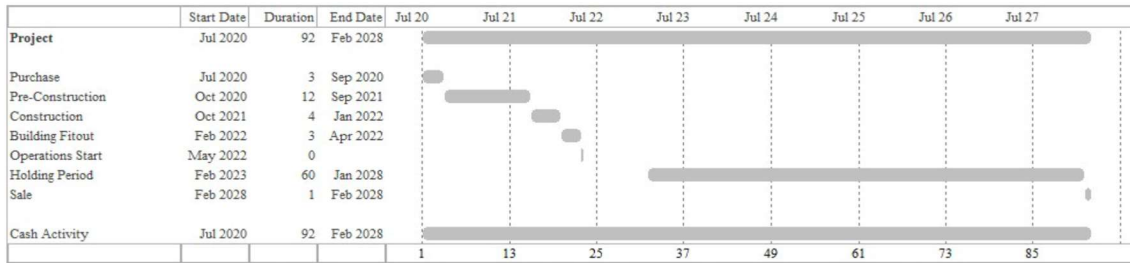
Element	Cost Ratio	Elemental Amount	Cost/ft² per GFA	Cost/ft² per GLA	Cost per Unit	Amount	% of Total
Merged View							
Acquisition Costs	18.19%		41.55	42.51	4,525,000.00		
Land Acquisition Cost	16.08%	4,000,000	36.73	37.58	4,000,000.00		
Developer Legal Fee	1.00%	250,000	2.30	2.35	250,000.00		
Lender Legal Fee	0.05%	12,500	0.11	0.12	12,500.00		
Developer Legal Fee	1.00%	250,000	2.30	2.35	250,000.00		
Lender Legal Fee	0.05%	12,500	0.11	0.12	12,500.00	4,525,000	14.76%
Professional Fees	3.62%		8.26	8.45	900,000.00		
Architect & Engineering Costs	1.81%	450,000	4.13	4.23	450,000.00		
Architect & Engineering Costs	1.81%	450,000	4.13	4.23	450,000.00	900,000	2.94%
Miscellaneous Costs	1.44%		3.28	3.36	357,723.38		
Lease Comm - Rivers Edge Promenade	0.98%	243,919	2.24	2.29	243,918.95		
Lease Comm - RSR-Studio	0.08%	20,413	0.19	0.19	20,413.50		
Lease Comm - RSR-1-Bedroom	0.23%	58,324	0.54	0.55	58,324.28		
Lease Comm - RER-2-Bedroom	0.14%	35,067	0.32	0.33	35,066.65	357,723	1.17%
Total Construction Estimate		30,662,863	281.57	288.05	30,662,863.06	30,662,863	100.00%

TIMESCALE AND PHASING CHART

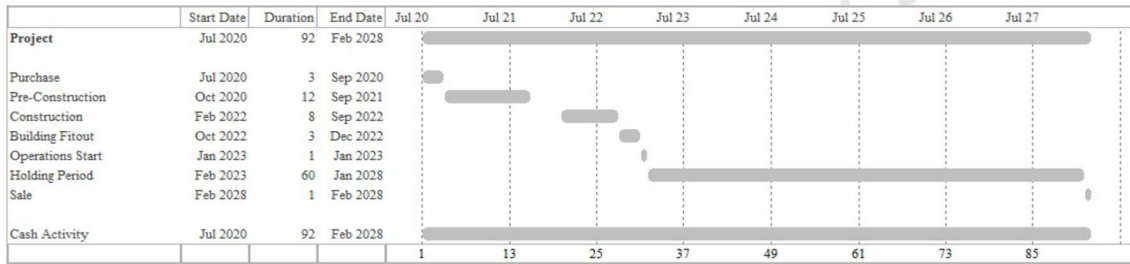
ACADEMIC COPY

River's Edge at Dixie
 REP-Retail
 RER-Apt's

1. Retail Phase



2. Residential Phase



Conclusion

ABC Developer LLC’s mission, during this project, has been to build a Mixed-use structure with ground level retail space and upper level residential space as well as plans for a river walk promenade along the river’s edges. In order to do accomplish this mission, we had to conduct a thorough feasibility study of the site located at 2901 N. Dixie Highway in Oakland Park Florida consisting of a site analysis, regulatory analysis, market analysis, and a financial analysis. In the site analysis portion, we came to realize that there were several positive attributes the site offers such as proximity to transportation hubs, good walkability and the property border’s a river. On the other hand, we noticed its negative issues which are a need to demolish the existing buildings on site and the site is not near any major intersections. We determined during our regulatory analysis that the site is currently zoned for a mixed-use development both residential and retail in our case. The market research, we conducted, indicated that the demographics of the surrounding areas within a 3-mile radius has a population of over 140,000 people with a median age of 45, and renters outnumber homeowners. This led us to believe it’s a renter’s market and not as much of a buyer’s market. The surrounding area is up and coming with competing, being built, similar properties to our mixed-use building proposal as well as currently existing similar properties. Our residential rent comps will be on the higher end of the competition as we will offer various luxuries to our mixed-use unit amenities as well as to our property amenities. In terms of traffic counts we have up to 20,000 cars per day passing by next to our site to allow visibility of our retail side

of the site. Lastly, of the 78-unit residential portion of our project, it will take 3 units per monthly absorption rate to fill all 78 units. With this being the case, it will take 26 months to fully occupy the units. Assuming it will take 26 months to fully stabilize, The River's Edge at Dixie, over a 5-year holding period; the project will yield an NPV of 0 and an Equity IRR of 21.5%, at purchase price of \$4 million as well as a levered IRR of 14.9%. It would be a "GO" at purchase price of \$4 million where the Internal Rate of Return (IRR) meets the equity partners and developer equity hurdle rate of 21.5% but a "NO GO" because of the Net Present Value (NPV) is "0." Because the NPV is "0", we decided for a "NO GO" in respects to the project.

Works Cited

- Apartments for Rent in Oakland Park FL. (2020, June 14). Retrieved from https://www.apartments.com/oakland-park-fl/?bb=-uzkt_niuGl46gmX
- Planning & Zoning: Oakland Park, FL - Official Website. (n.d.). Retrieved from <https://www.oaklandparkfl.gov/174/Planning-Zoning>
- Oakland Park, Florida. (n.d.). Retrieved from <http://www.city-data.com/city/Oakland-Park-Florida.html>
- Best of Luxury Realty. (n.d.). Retrieved from <https://www.bestofluxuryrealty.com/Fort-Lauderdale/Villa-Medici-Condos-Rented>
- Appraiser, B. C. P. (n.d.). Retrieved from <https://bcpa.net/homepage.asp>
- (n.d.). Retrieved from <https://www.broward.org/RecordsTaxesTreasury/Records/Pages/PublicRecordsSearch.aspx>
- Oakland Park, Florida. (n.d.). Retrieved June 14, 2020, from <http://www.city-data.com/city/Oakland-Park-Florida.html>
- Metropolitan. (n.d.). Retrieved June 14, 2020, from <https://www.apartmentlist.com/fl/wilton-manors/metropolitan--2>
- Engineering & Construction Management: Oakland Park, FL - Official Website. (n.d.). Retrieved June 14, 2020, from <https://oaklandparkfl.gov/168/Engineering-Construction-Management>
- (n.d.). Retrieved June 14, 2020, from <http://www.wiltonstation.net/default.php>
- Planning & Zoning Board: Oakland Park, FL - Official Website. (n.d.). Retrieved June 14, 2020, from <https://www.oaklandparkfl.gov/271/Planning-Zoning-Board>
- ARCHIVED PROJECTS. (n.d.). Retrieved June 14, 2020, from https://www.dropbox.com/sh/ggp3hwj4nl3zhc6/AAApHwC8NzE_Vvrrq6D0W3g_a?dl=0&lst=
- (n.d.). Retrieved June 14, 2020, from <https://www.bizjournals.com/southflorida/stories/2004/01/19/story2.html>
- 4 Types of Market Segmentation With Examples. (2020, March 5). Retrieved June 14, 2020, from <https://blog.alexacom/types-of-market-segmentation/>
- theodora@newpelican.com | on December 13, 2019. (2019, December 13). Residential, retail development proposed at former Kmart property. Retrieved June 14, 2020, from <https://www.newpelican.com/articles/residential-retail-development-proposed-at-former-kmart-property/>
- (n.d.). Retrieved June 14, 2020, from https://www.bestplaces.net/compare-cities/dallas_tx/wilton_manors_fl/housing
- Wilton Manors, FL Rental Market Trends. (n.d.). Retrieved June 14, 2020, from <https://www.rentcafe.com/average-rent-market-trends/us/fl/wilton-manors/>

Software

- Sketchup
- Esri Business Analyst -ArcGIS
- Argus Developer