FINANCIAL FEASIBILITY

DEVELOPMENT PROTOTYPES

1

Site Area: 45,052 S.F.(1.03 Acres)
GFA: 103,968 S.F.
Height: 45 feet
FAR: 2.31
Lot Coverage: 58 %

2

Site Area: 78,236 S.F.(1.80 Acres)
GFA: 156,472 S.F.
Height. 45 feet
FAR: 2.00
Lot Coverage: 50 %

3

Site Area: 74,552 S.F.(1.71 Acres)
GFA: 210,328 S.F.
Height: 70 feet
FAR: 2.82
Lot Coverage: 50 %

4

Site Area: 79,063 S.F.(1.82 Acres)
GFA: 402,145 S.F.
Height: 150 feet
FAR: 5.09
Lot Coverage: 50 %

Landwise tested feasibility on four development prototypes created by BPDA.

The analysis that follows is based on Prototype #3

DEVELOPMENT PRO FORMA - CONSTANTS

DESIGN	*Recommended Input*	*Range*
• Acres	*1.7 to 1.8 acres*	
• *Construction Prototype*	*6 stories (5 levels stick over concrete podium)*	
• *FAR*	*2.7-2.8*	
• *Units*	*221*	
• *Parking Spaces*	*111 spaces for residential, 4 per 1,000 SF of commercial*	
• Parking Ratios	0.50	0.50 — 0.75 / spaces per unit
• Unit Sizes (Net)	800 SF (net)	800 SF — 900 SF

COST	*Recommended Input*	*Range*
• Soft	20%	18% — 20%
• Site costs	4%	2% — 5%
• Parking construction (structure)	$35,000	$30,000 — $40,000 / space
• Operating (Additional to the project hard costs)	$10,000 per unit	$8,000 — $13,000 / unit
• Open Space Costs	$440,000	$0 — $440,000
• Roads Costs	$450,000	$0 — $450,000

DEVELOPMENT PRO FORMA - INFRASTRUCTURE COSTS

1.8 acre parcel

- →78,408 sf
- →280’ x 280’

Area Breakdown

- Building footprint 50%
- Road infrastructure 22%
- Open Space 28%

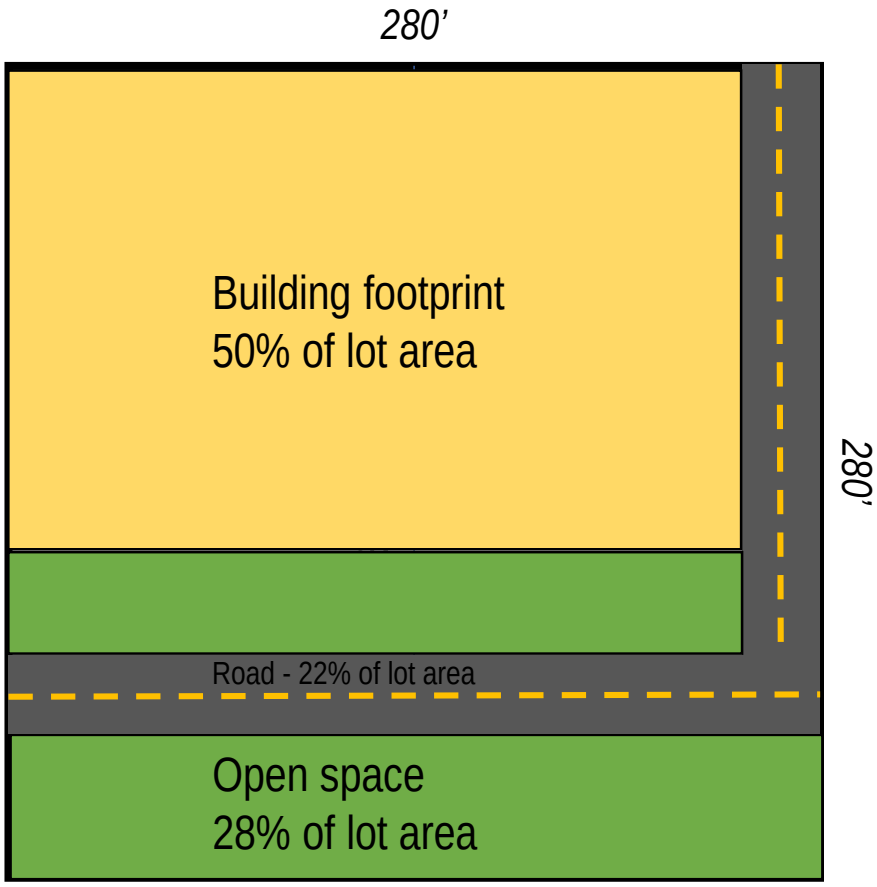


**Diagram not drawn to scale*

<u>Estimated Road Cost</u>

450’ x 39’ - *Travel Lane 2 x 12’, Bike Lane 5’, Sidewalk 2 x 5’*

$1,000 / linear foot

Total Cost Per Parcel: $450,000

<u>Estimated Open Space Cost</u>

~22,000 SF of open space

Cost of $20/SF

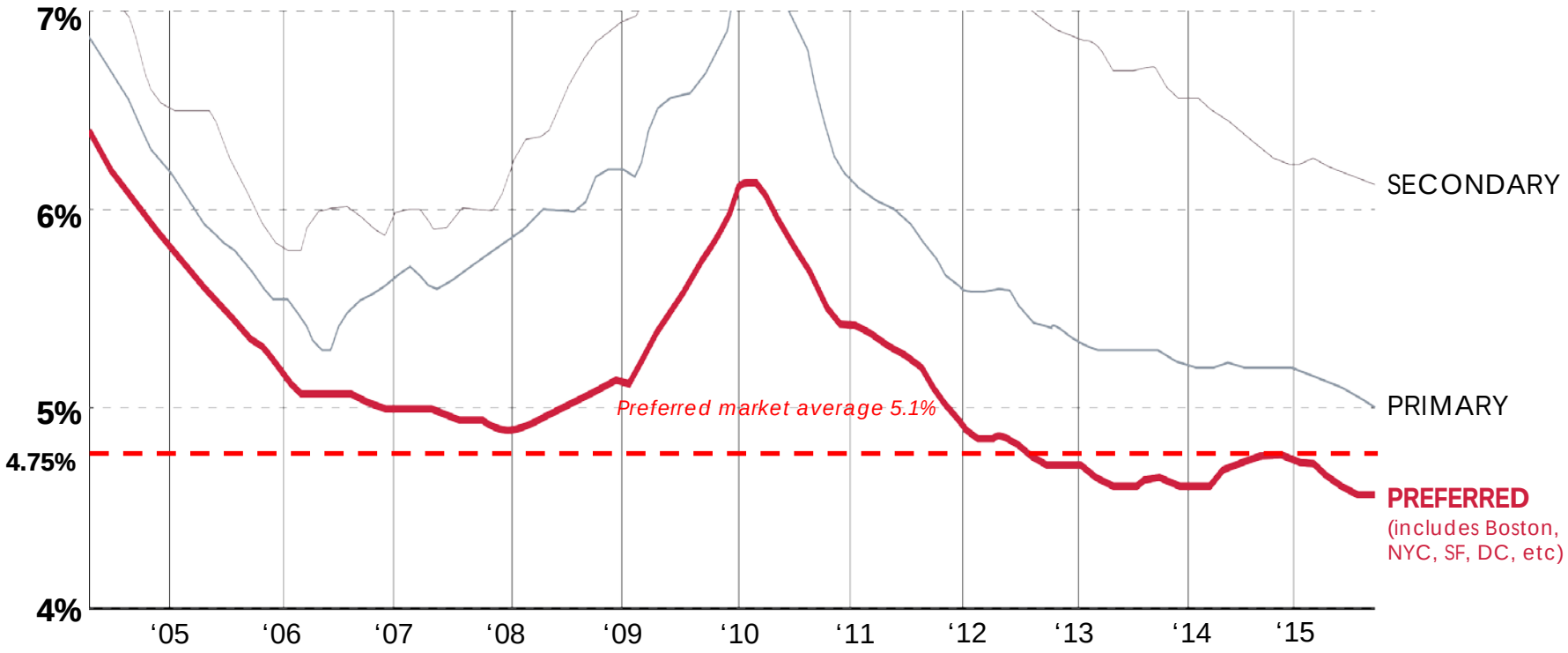
Total Cost Per Parcel: $440,000

DEVELOPMENT PRO FORMA - CONSTANTS

REVENUE	*Recommended Input*	*Range*
• Cap rate	4.75	4.5 — 5.00
• Market residential rents	$3.50 / SF	$3.25 / SF — $4.00 / SF
• Parking revenue	$100 / space / month	$75 — $125 / space / mo
• Vacancy	5%	2% — 5%
• Return on cost	6%	5.75% — 6%

Historic Multifamily Capitalization Rates

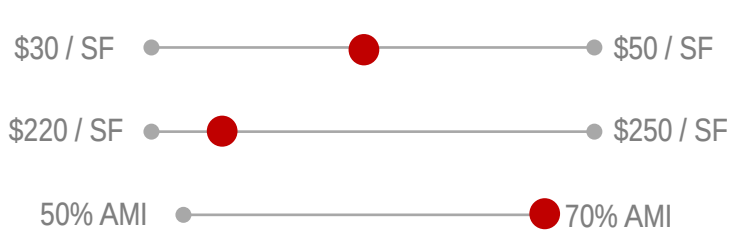
Current "cap rates" reflect an extraordinarily strong market that is not sustainable over the long term



Source: Real Capital Analytics, CoStar Group, Inc.

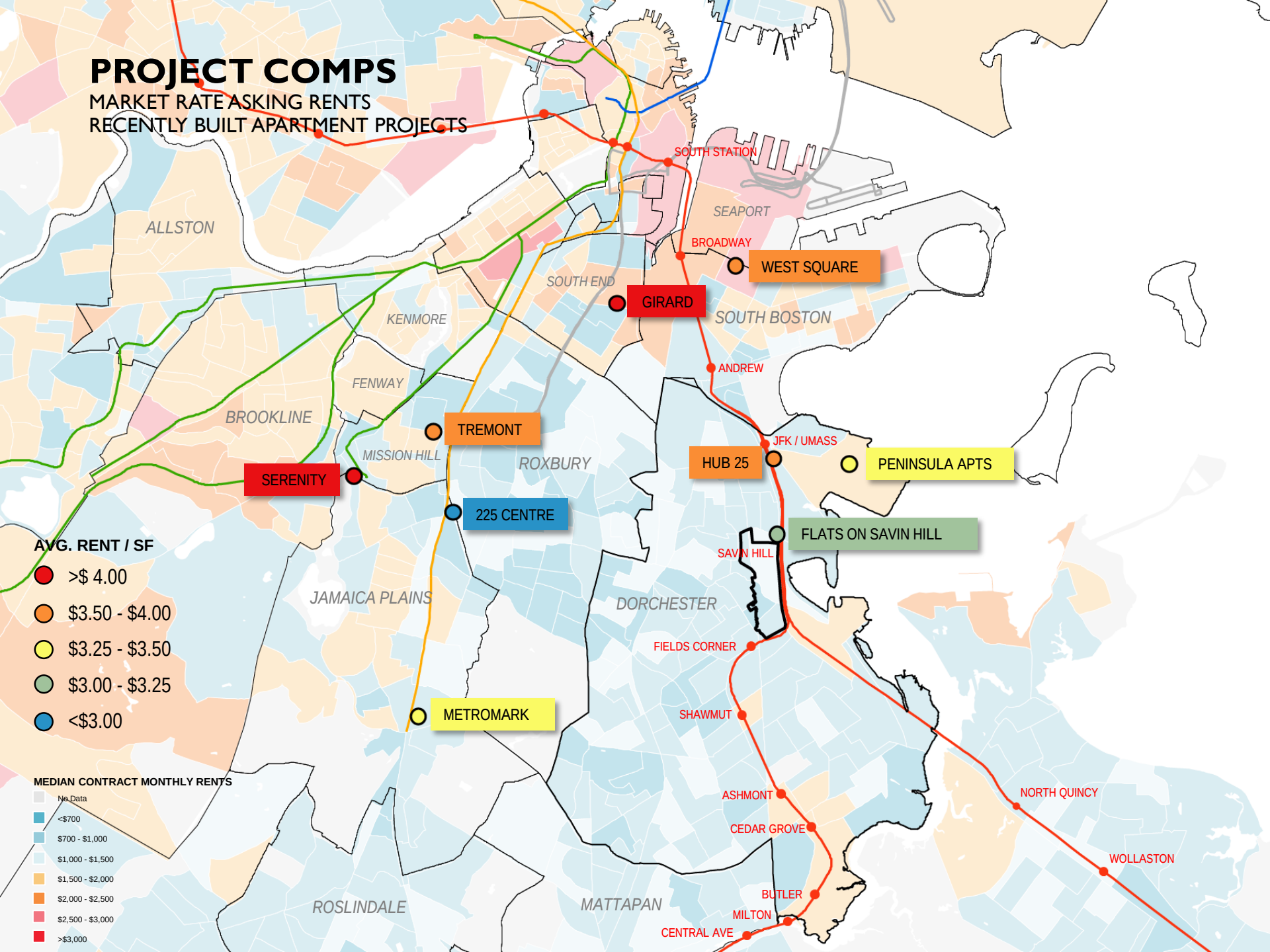
DEVELOPMENT PRO FORMA – VARIABLE INPUTS

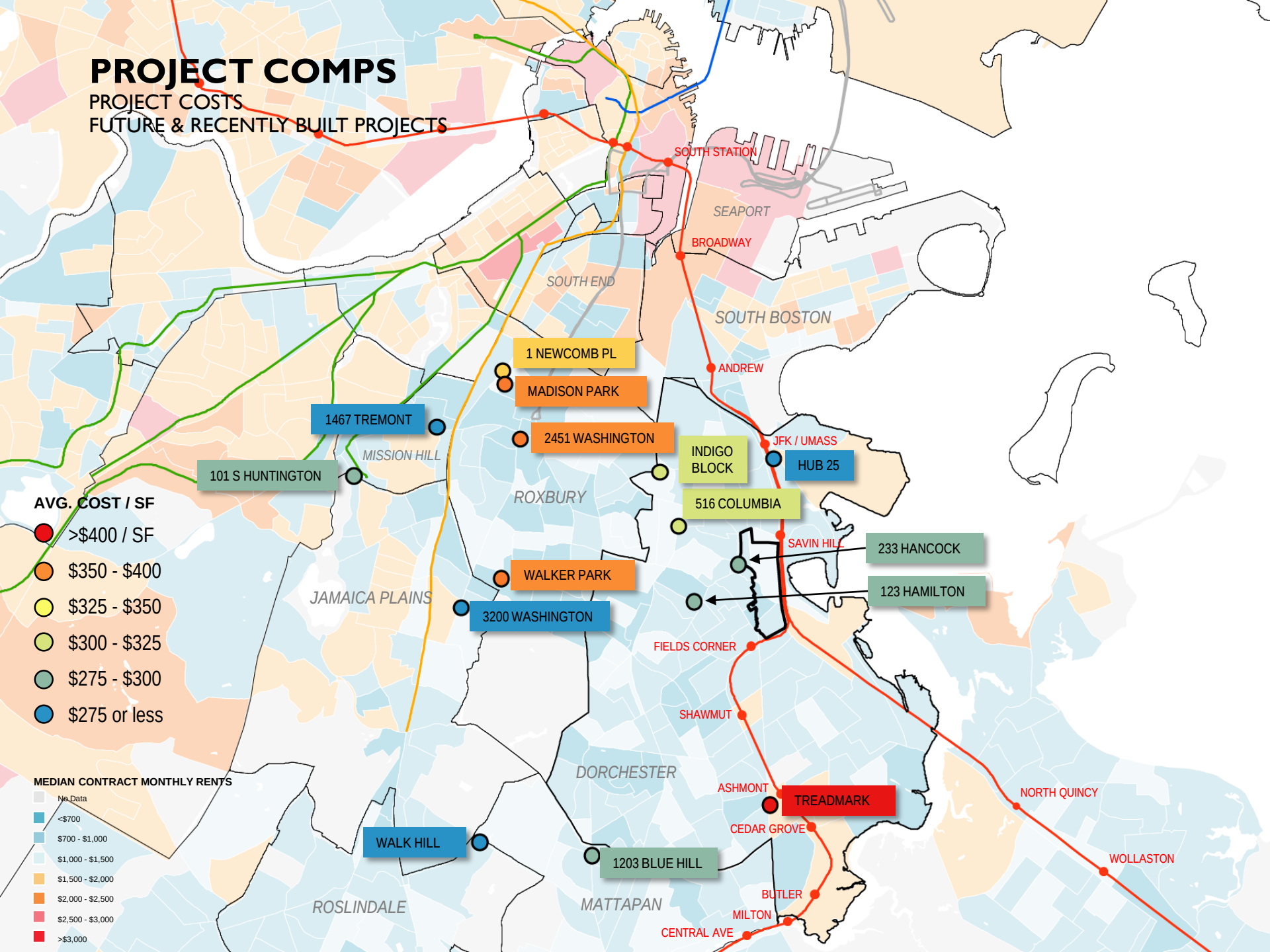
COST	*Recommended Input*	*Range*
• Land value	VARIABLE	$30 / SF — $50 / SF
• Construction cost	VARIABLE	$220 / SF — $250 / SF
• Average IDP rent level	VARIABLE	50% AMI — 70% AMI



OUTPUT

- Percentage IDP units that the project can support


PROJECT COMPS
MARKET RATE ASKING RENTS
RECENTLY BUILT APARTMENT PROJECTS
SOUTH STATION
SEAPORT
ALLSTON
BROADWAY
WEST SQUARE
SOUTH END
GIRARD
KENMORE
SOUTH BOSTON
ANDREW
FENWAY
BROOKLINE
TREMONT
JFK / UMASS
HUB 25
PENINSULA APTS
MISSION HILL
ROXBURY
SERENITY
225 CENTRE
FLATS ON SAVIN HILL
SAVIN HILL
AVG. RENT / SF
>$ 4.00
$3.50 - $4.00
$3.25 - $3.50
$3.00 - $3.25
<$3.00
JAMAICA PLAINS
DORCHESTER
FIELDS CORNER
METROMARK
SHAWMUT
ASHMONT
NORTH QUINCY
CEDAR GROVE
WOLLASTON
BUTLER
MILTON
ROSLINDALE
MATTAPAN
CENTRAL AVE
MEDIAN CONTRACT MONTHLY RENTS
No Data
<$700
$700 - $1,000
$1,000 - $1,500
$1,500 - $2,000
$2,000 - $2,500
$2,500 - $3,000
>$3,000

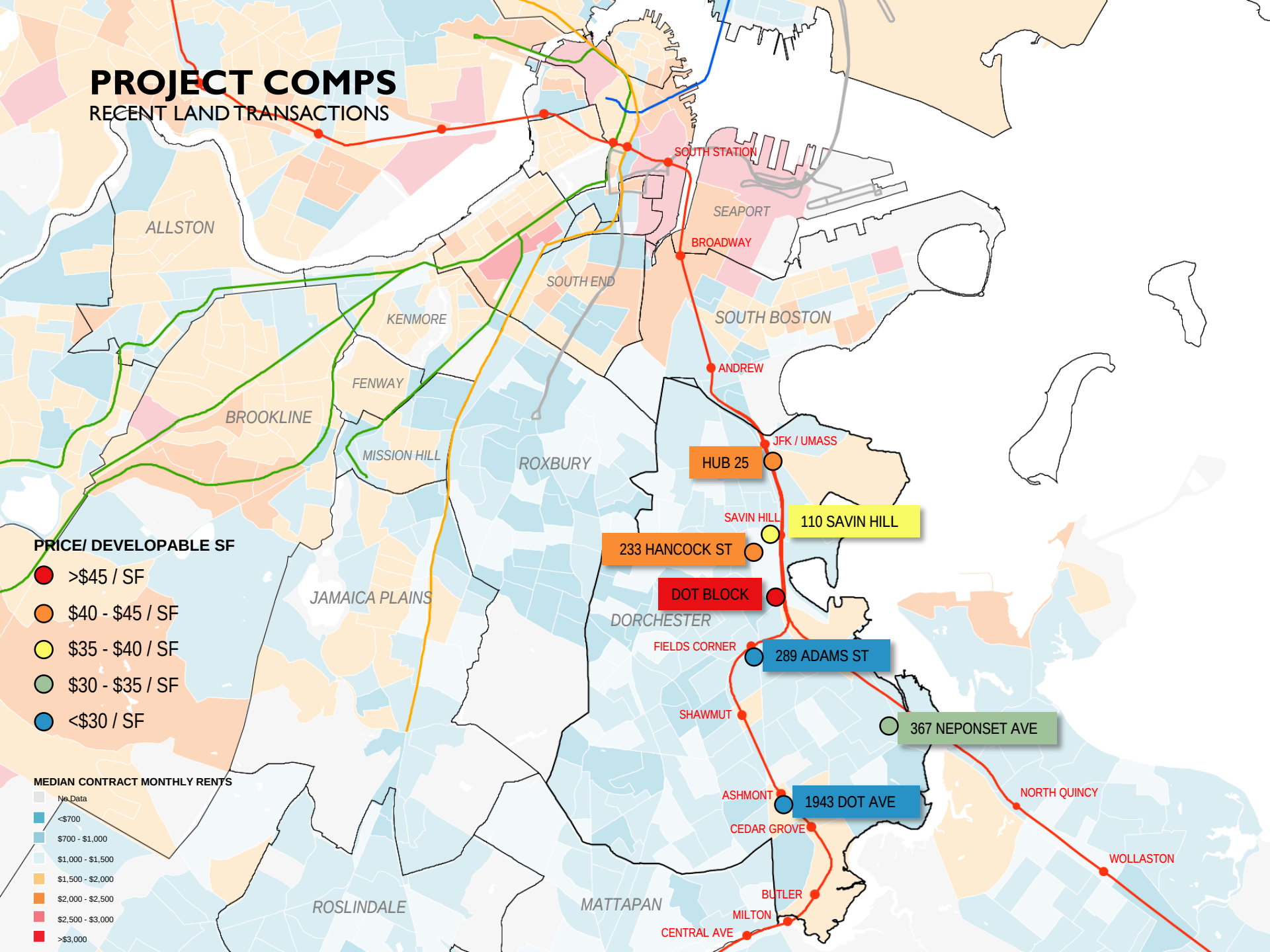

PROJECT COMPS
PROJECT COSTS
FUTURE & RECENTLY BUILT PROJECTS
SOUTH STATION
SEAPORT
BROADWAY
SOUTH END
SOUTH BOSTON
ANDREW
1 NEWCOMB PL
MADISON PARK
1467 TREMONT
2451 WASHINGTON
INDIGO BLOCK
JFK / UMASS
HUB 25
MISSION HILL
101 S HUNTINGTON
ROXBURY
516 COLUMBIA
SAVIN HILL
233 HANCOCK
123 HAMILTON
WALKER PARK
JAMAICA PLAINS
3200 WASHINGTON
FIELDS CORNER
SHAWMUT
DORCHESTER
ASHMONT
TREADMARK
NORTH QUINCY
CEDAR GROVE
WALK HILL
1203 BLUE HILL
WOLLASTON
BUTLER
ROSLINDALE
MATTAPAN
MILTON
CENTRAL AVE
AVG. COST / SF
>$400 / SF
$350 - $400
$325 - $350
$300 - $325
$275 - $300
$275 or less
MEDIAN CONTRACT MONTHLY RENTS
No Data
<$700
$700 - $1,000
$1,000 - $1,500
$1,500 - $2,000
$2,000 - $2,500
$2,500 - $3,000
>$3,000

PROJECT COMPS

PROJECT COSTS
FUTURE & RECENTLY BUILT PROJECTS

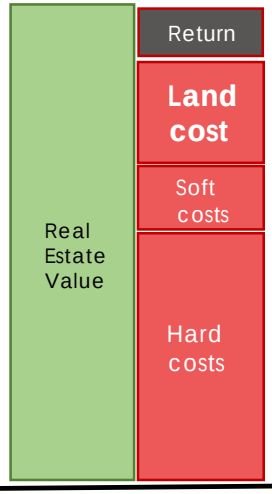
St. Kevin's	*2015 (year built)*	Dorchester	80 units	5 floors	Surface parking	$323 / SF
Valor	*2016*	Mission Hill	18	4	Garage	$212 / SF
HUB 25	*2016*	Dorchester	278	5	Garage	$274 / SF
Serenity	*2017*	Mission Hill	195	15	Garage	$280 / SF
Treadmark	*Under Construction*	Dorchester	83	6	Garage	$422 / SF
Walk Hill	*Board Approved*	Roslindale	106	5	Garage	$269 / SF
3200 Washington St	*Under Construction*	JP	73	6	Garage	$273 / SF
123 Hamilton St	*Under Construction*	Dorchester	52	3	Garage	$298 / SF
One Newcomb Place	*Board Approved*	Roxbury	23	6	Surface	$345 / SF
1203 Blue Hill	*Board Approved*	Mattapan	21	4	Garage	$289 / SF
Indigo block	*Board Approved*	Dorchester	80	6	Surface	$311 / SF
Walker Park	*Under Construction*	Roxbury	49	4	Surface	$351 / SF
Madison Park	*Under Construction*	Roxbury	76	5	-	$382 / SF
2451 Washington St	*Under Construction*	Roxbury	16	4	Garage	$398 / SF
233 Hancock St	*Board Approved*	Dorchester	36	5	Garage	$293 / SF
280 Warran ST	*Board Approved*	Roxbury	95	5	Garage	$283 / SF

Market Rate Mixed Income Affordable

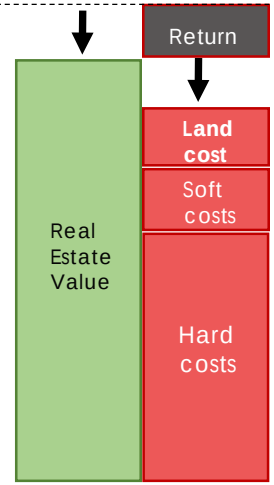

PROJECT COMPS
RECENT LAND TRANSACTIONS
SOUTH STATION
SEAPORT
BROADWAY
ALLSTON
SOUTH END
KENMORE
SOUTH BOSTON
ANDREW
FENWAY
BROOKLINE
JFK / UMASS
MISSION HILL
ROXBURY
HUB 25
SAVIN HILL
110 SAVIN HILL
233 HANCOCK ST
DOT BLOCK
JAMAICA PLAINS
DORCHESTER
FIELDS CORNER
289 ADAMS ST
SHAWMUT
367 NEPONSET AVE
ASHMONT
1943 DOT AVE
NORTH QUINCY
CEDAR GROVE
WOLLASTON
BUTLER
MILTON
ROSLINDALE
MATTAPAN
CENTRAL AVE
PRICE/ DEVELOPABLE SF
>$45 / SF
$40 - $45 / SF
$35 - $40 / SF
$30 - $35 / SF
<$30 / SF
MEDIAN CONTRACT MONTHLY RENTS
No Data
<$700
$700 - $1,000
$1,000 - $1,500
$1,500 - $2,000
$2,000 - $2,500
$2,500 - $3,000
>$3,000

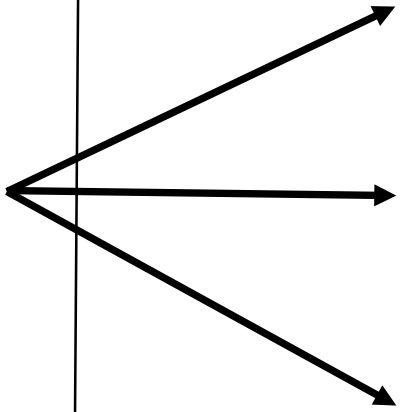
The land owner perspective

Current Policy
at 13% requirement
Multifamily



15%-20%: Impact
Multifamily: Increased IDP requirement lowers value of the real estate and ***pushes down land prices***





Land Owner Choices

#1
Sell for ***a lower price*** *to residential developer*

#2
Continue to operate ***property as is, no change***

#3
Sell to a higher bidder

TWO SCENARIOS TESTED

1. How many affordable units can a generic 220-unit project support?
   - Variable inputs include construction hard cost and land values
     a) Affordable units at an average of 70% AMI
     b) Affordable units at an average of 50% AMI

2. How many affordable units can a generic 220-unit project support if we exclude infrastructure costs for roads and open space?
   - Variable inputs include construction hard cost and land values
     a) Affordable units at an average of 70% AMI
     b) Affordable units at an average of 50% AMI

3. If we hold IDP units at 13% of the total, how much affordable commercial square footage can this project support?
   - Variable inputs include construction hard cost and land values

SCENARIO 1A : Residential Affordability %

*Assumes average of **70% AMI***

Hard Costs \ Land Cost	$ 30	$ 35	$ 40	$ 45	$ 50
$ 220	19%	17%	14%	12%	10%
$ 225	16%	14%	12%	10%	7%
$ 230	13%	11%	9%	7%	5%
$ 235	11%	8%	7%	4%	2%
$ 240	8%	6%	4%	2%	0%
$ 245	5%	3%	1%	0%	0%
$ 250	3%	1%	0%	0%	0%

- Variable inputs include construction hard cost and land values
- The output is the percentage of IDP units that the project can support

SCENARIO 1B : Residential Affordability %

*Assumes average of **50% AMI***

Hard Costs \ Land Cost	$ 30	$ 35	$ 40	$ 45	$ 50
$ 220	15%	13%	11%	10%	8%
$ 225	12%	11%	9%	7%	6%
$ 230	11%	9%	7%	5%	3%
$ 235	8%	7%	5%	3%	2%
$ 240	6%	5%	3%	1%	0%
$ 245	4%	2%	1%	0%	0%
$ 250	2%	1%	0%	0%	0%

- Variable inputs include construction hard cost and land values
- The output is the percentage of IDP units that the project can support

SCENARIO 2A: Residential Affordability % (excluding infrastructure costs)

Assumes average of 70% AMI
Assumes no road infrastructure and open space costs to developer

Hard Costs \ Land Cost	$ 30	$ 35	$ 40	$ 45	$ 50
$ 220	21%	19%	17%	14%	12%
$ 225	18%	16%	14%	12%	10%
$ 230	16%	13%	11%	9%	7%
$ 235	13%	11%	9%	7%	5%
$ 240	10%	8%	6%	4%	2%
$ 245	7%	5%	3%	1%	0%
$ 250	5%	3%	1%	0%	0%

- Variable inputs include construction hard cost and land values
- The output is the percentage of IDP units that the project can support
- Excludes road costs of $450,000 and open space costs of $440,000

SCENARIO 2B: Residential Affordability % (excluding infrastructure costs)

*Assumes average of **50% AMI***
Assumes no road infrastructure and open space costs to developer

Land Cost

Hard Costs	$ 30	$ 35	$ 40	$ 45	$ 50
$ 220	16%	15%	13%	11%	10%
$ 225	14%	12%	11%	9%	7%
$ 230	12%	11%	9%	7%	5%
$ 235	10%	8%	7%	5%	3%
$ 240	8%	6%	5%	3%	1%
$ 245	6%	4%	2%	1%	0%
$ 250	4%	2%	1%	0%	0%

- Variable inputs include construction hard cost and land values
- The output is the percentage of IDP units that the project can support
- Excludes road costs of $450,000 and open space costs of $440,000

SCENARIO 3 : Affordable Commercial Square Footage

Assumes inclusion of 13% residential affordability (at average of 70% AMI)
Assumes $10 / SF rents for commercial spaces

Land Cost

Hard Costs	$30	$35	$40	$45	$50
$ 220	9,600	5,600	1,800	0	0
$ 225	4,800	1,000	0	0	0
$ 230	0	0	0	0	0
$ 235	0	0	0	0	0
$ 240	0	0	0	0	0
$ 245	0	0	0	0	0
$ 250	0	0	0	0	0

- Variable inputs include construction hard cost and land values
- The output is the amount of affordable commercial square footage that the project can support in addition to 13% IDP units.
- Includes road costs of $450,000 and open space costs of $440,000