

Villagio, Westlake — Return Analysis			
Named inputs. Every downstream sheet references this page.			
Input	\$375 / SF basis	\$415 / SF basis	Note
Total sellable area (SF)	8,500	8,500	Locked client spec — both bases
Build cost (\$/SF)	\$375	\$415	The cost range presented to investors
Lot (0.47 acres)	\$1,900,000	\$1,900,000	Land basis, contributed
Loan-to-value (LTV)	85%	85%	Construction loan sizing
Down payment (equity share of cost)	15%	15% = 1 – LTV	
Construction contingency	5%	5%	On construction hard cost
Project manager fee	1.5%	1.5%	On (construction + contingency)
Fees on sale	6%	6%	Standardized to 6% across BOTH bases (client decision)
Carrying costs	\$375,000	\$375,000	Added to equity requirement
Sale price scenarios (\$/SF)		Categories A-D	
Category A	\$890	\$890	
Category B	\$922	\$922	
Category C	\$953	\$953	
Category D	\$975	\$975	
Waterfall split — Investor	60%	60%	Of profit after return of capital
Waterfall split — Sponsor	40%	40%	Of profit after return of capital

Cost Basis — total development cost			
Line item	\$375 / SF	\$415 / SF	Formula
Lot (0.47 acres)	\$1,900,000	\$1,900,000	Land basis
Construction (8,500 SF × \$/SF)	\$3,187,500	\$3,527,500	SF × cost/SF
Construction contingency (5%)	\$159,375	\$176,375	5% of construction
Project manager fee (1.5%)	\$50,203.13	\$55,558.13	1.5% of (constr + contingency)
Total development cost	\$5,297,078.13	\$5,659,433.13	Lot + build + contingency + PM

Financing & Equity — cash the investor puts in			
Line item	\$375 / SF	\$415 / SF	Formula
Total development cost	\$5,297,078.13	\$5,659,433.13	From Cost Basis
Construction loan (85% LTV)	\$4,502,516.41	\$4,810,518.16	85% of total cost
Down payment (15% equity)	\$794,561.72	\$848,914.97	15% of total cost
Carrying costs	\$375,000	\$375,000	Fixed
Equity in (return of capital)	\$1,169,561.72	\$1,223,914.97	Down payment + carry

Sales Scenarios — net proceeds by price category				
\$375 / SF cost basis · fees on sale 6%				
Category	A	B	C	D
Sale price (\$/SF)	\$890	\$922	\$953	\$975
Sales price (\$)	\$7,565,000	\$7,837,000	\$8,100,500	\$8,287,500
Less: total development cost	-\$5,297,078.13	-\$5,297,078.13	-\$5,297,078.13	-\$5,297,078.13
Less: fees on sale (6%)	-\$453,900	-\$470,220	-\$486,030	-\$497,250
Net (profit before waterfall)	\$1,814,021.88	\$2,069,701.88	\$2,317,391.88	\$2,493,171.88
\$415 / SF cost basis · fees on sale 6%				
Category	A	B	C	D
Sale price (\$/SF)	\$890	\$922	\$953	\$975
Sales price (\$)	\$7,565,000	\$7,837,000	\$8,100,500	\$8,287,500
Less: total development cost	-\$5,659,433.13	-\$5,659,433.13	-\$5,659,433.13	-\$5,659,433.13
Less: fees on sale (6%)	-\$453,900	-\$470,220	-\$486,030	-\$497,250
Net (profit before waterfall)	\$1,451,666.88	\$1,707,346.88	\$1,955,036.88	\$2,130,816.88

Waterfall & Returns — investor economics				
Return of capital first, then 60% investor / 40% sponsor on profit. Presented return = consistent method (green). The source-met				
\$375 / SF cost basis · fees on sale 6%	A	B	C	D
Net (profit before waterfall)	\$1,814,022	\$2,069,702	\$2,317,392	\$2,493,172
Less: return of capital (equity in)	-\$1,169,561.72	-\$1,169,561.72	-\$1,169,561.72	-\$1,169,561.72
Profit after return of capital	\$644,460	\$900,140	\$1,147,830	\$1,323,610
Investor's cut of profit (60%)	\$386,676	\$540,084	\$688,698	\$794,166
Sponsor's cut of profit (40%)	\$257,784	\$360,056	\$459,132	\$529,444
Investor total distribution (capital + cut)	\$1,556,238	\$1,709,646	\$1,858,260	\$1,963,728
Investor ROI — consistent method	33.1%	46.2%	58.9%	67.9%
Investor ROI — as source sheet shows, before reco	50.2%	63.3%	76.0%	85.0%
\$415 / SF cost basis · fees on sale 6%	A	B	C	D
Net (profit before waterfall)	\$1,451,667	\$1,707,347	\$1,955,037	\$2,130,817
Less: return of capital (equity in)	-\$1,223,914.97	-\$1,223,914.97	-\$1,223,914.97	-\$1,223,914.97
Profit after return of capital	\$227,752	\$483,432	\$731,122	\$906,902
Investor's cut of profit (60%)	\$136,651	\$290,059	\$438,673	\$544,141
Sponsor's cut of profit (40%)	\$91,101	\$193,373	\$292,449	\$362,761
Investor total distribution (capital + cut)	\$1,360,566	\$1,513,974	\$1,662,588	\$1,768,056
Investor ROI — consistent method	11.2%	23.7%	35.8%	44.5%