

VALUE -ADD / REPOSITION MATRIX				
CALIBER RETAIL PROPERTIES GROUP		bpebbles@caliberretailproperties.com		
Center Name	Example			
Location				
Center Size	10,000			
Targeted Reposition Term	3			
"Current" NOI	\$ 210,000			
Cost / PSF		\$ 180	\$ 190	\$ 200
<b>Purchase Summary</b>		\$ 1,800,000	\$ 1,900,000	\$ 2,000,000
Due Diligence Reports & Closing Costs (\$/PSF)	\$ 1.50	\$ 15,000	\$ 15,000	\$ 15,000
Acquisition Fee (%/Sales Price)	1.00%	\$ 18,000	\$ 19,000	\$ 20,000
Broker Fee (%/Sales Price)	1.50%	\$ 27,000	\$ 28,500	\$ 30,000
Total Acquisition Cost		\$ 1,860,000	\$ 1,962,500	\$ 2,065,000
Total Acquisition Cost / PSF		\$ 186	\$ 196	\$ 207
% of Replacement Costs		75.92%	80.10%	84.29%
<b>Replacement Cost Summary</b>				
	\$ 245.00	\$ 2,450,000	\$ 2,450,000	\$ 2,450,000
<b>Current Avg. NOI Rental Rate</b>				
Yr.		\$ 21.00	\$ 21.00	\$ 21.00
Mo.		\$ 1.75	\$ 1.75	\$ 1.75
<b>Entry Cap Rate Going In</b>		11.3%	10.7%	10.2%
<b>Reposition Costs / PSF</b>				
Indirect	\$ 22.00	\$ 220,000	\$ 220,000	\$ 220,000
Direct	\$ 28.00	\$ 280,000	\$ 280,000	\$ 280,000
Total Reposition Costs		\$ 500,000	\$ 500,000	\$ 500,000
Total Project Costs		\$ 2,360,000	\$ 2,462,500	\$ 2,565,000
Total Repositioned Project Costs / PSF		\$ 236.00	\$ 246.25	\$ 256.50
% of Replacement Cost		96.33%	100.51%	104.69%
<b>Equity %</b>	35%	\$ 826,000	\$ 861,875	\$ 897,750
<b>ROI Hurdle Rate %</b>	10.51%			
(NOI / Project Cost)				
(Project Cost * Hurdle Rate)				
<b>Vacancy - Credit Loss - Reserves Factor(s)</b>	8.0%			
<b>"Stabilized" NOI - Required</b>		\$ 247,922	\$ 258,689	\$ 269,457
<b>Avg. Rental Rate - Required</b>				
Yr.		\$ 26.78	\$ 27.94	\$ 29.10
Mo.		\$ 2.23	\$ 2.33	\$ 2.43
"NOI % Lift" required over current NOI		118.06%	123.19%	128.31%
<b>Financial Analysis</b>				
DCR	1.3			
Perm. Loan Amt.	65.00%			
Annual Debt Service		\$ 190,709	\$ 198,992	\$ 207,275
Cash Flow (CTO)		\$ 57,213	\$ 59,698	\$ 62,182
Cash On Cash Return		6.93%	6.93%	6.93%
(CTO / Equity)				
<b>Exit Cap Rate Going Out</b>	8.00%			
Reqd. Capitalized Value		\$ 3,099,021	\$ 3,233,618	\$ 3,368,215
Reqd. Value / PSF		\$ 309.90	\$ 323.36	\$ 336.82
Total Project Cost		\$ 2,360,000	\$ 2,462,500	\$ 2,565,000
<b>Development Profit - Net</b>				
(96% of Gross)	96%	\$ 615,060	\$ 641,773	\$ 668,487
<b>ROC %</b>		26.06%	26.06%	26.06%
Value		\$ 3,099,021	\$ 3,233,618	\$ 3,368,215
Hurdle Rate		10.51%	10.51%	10.51%
Term		3	3	3
Hurdle Rate Factor (HR *Term)	1.35			
Maximum Cost (Exit Value / HR Factor)		\$ 2,295,571	\$ 2,395,273	\$ 2,494,974