

Part IV:  
Longer Problems  
(20 points,  
10 points  
each)

Author: David Geltner

Professor @MIT Massachusetts Institute of Technology

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1. Part IV: Longer Problems (20 points, 10 points each)

#### 4. Chapter: Part IV: Longer Problems (20 points, 10 points each)

##### 1. Part IV: Longer Problems (20 points, 10 points each) Questions

#### 4.1.1. Based on the following information, develop a front door "Simple Fi...

Author: David Geltner

Choose 2 out of the following three questions and answer in the space provided on the page.

Indicate clearly which questions we should grade or we will grade the first two.

- \* 40,000 NRSF office building project.
- \* Acquisition & construction cost = \$1,500,000;
- \* Estimated operating costs (to landlord) = \$100,000/yr.
- \* Projected stabilized occupancy = 95%.
- \* Permanent loan available on completion @ 9% (interest-only loan) with 130% debt service coverage requirement on the net operating income, and 75% maximum loan-to-value ratio.

Show your work.

Based on the following information, develop a front door "Simple Financial Feasibility Analysis" (SFFA) for this project estimating the required minimum market gross rent per SF that will support development.

Check the answer of this question online at QuizOver.com:

Question: [Based on the following information develop Choose 2 out of three](#)

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#### 4.1.2. A lender and a developer combine to undertake a development with an...

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Choose 2 out of the following three questions and answer in the space provided on the page.

Indicate clearly which questions we should grade or we will grade the first two.

[table]

Year ;0 ; 1; 2; 3; 4

Project net cash flows ;(\$10,000); \$1,000; \$1,000; \$1,000; \$11,000

[/table]

Construction is instantaneous at time 0, and the lender will provide \$8,000,000 to cover all construction costs at that time zero after

the developer has purchased the land for \$2,000,000 (assume both occur simultaneously at time 0).

The loan is a "mini-perm" loan for four years at a 6% interest rate,

with the loan's principal balance to be retired starting in year 1 based on priority access to all available project cash flow.

A lender and a developer combine to undertake a development with an expected 4-year holding period, and the following projected net cash flows (in thousands), including both land purchase and construction at time 0.

Check the answer of this question online at QuizOver.com:

Question: [A lender and a developer combine to undertake Choose 2 out of the](#)

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