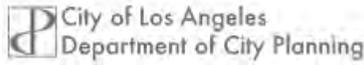
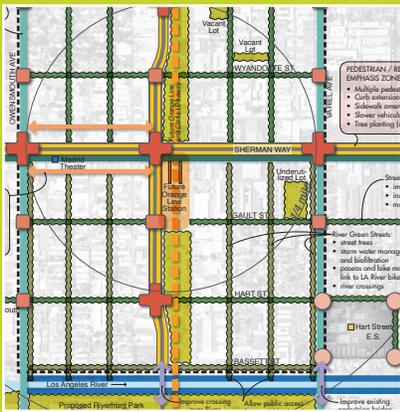


Canoga Connect



December 17, 2010

DRAFT



MELÉNDREZ



Transit Oriented Development

Funded by Compass Blueprint Contract No. 10-004-B2, Southern California Association of Governments

This is a project of the City of Los Angeles with funding provided by the Southern California Association of Governments' (SCAG) Compass Blueprint Demonstration Project Program. Compass Blueprint assists Southern California cities and other organizations in evaluating planning options and stimulating development consistent with the region's goals.

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The contents of this report reflect the views of the author who is responsible for the facts and accuracy of the data presented herein. The contents do not necessarily reflect the official views or policies of SCAG, USDOT or the State of California. This report does not constitute a standard, specification or regulation. SCAG shall not be responsible for the City's future use or adaptation of the report.

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Canoga Connect Executive Summary

The Canoga Connect project is a Southern California Association of Government (SCAG) Compass Blueprint funded planning project commenced in the spring of 2010. Compass Blueprint is actively fostering a growth vision that is driven by four key principles: **Mobility, Livability, Prosperity, and Sustainability.**



1. **Mobility:** Getting Where We Want To Go



2. **Livability:** Creating Pleasant Communities



3. **Prosperity:** Long-Term Health for the Region



4. **Sustainability:** Promoting Efficient Use of Natural Resources

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The Canoga Connect project is being led by the Los Angeles City Planning Department, and is supported by Council District 3 (CD3) and the Community Redevelopment Agency of Los Angeles (CRA/LA). Project design and planning efforts are being led by IBI Group with support from Meléndrez and Rosenheim & Associates.



The intention of the project is to help the community of Canoga Park develop a land use and planning vision for the area immediately surrounding the Orange Line Bus Rapid Transit (BRT) station planned for the intersection of Sherman Way and Canoga Avenue. The Canoga Connect vision aims to enhance the ability of people to live and work in the community through both the application of intelligent urban design and planning strategies, and the leveraging of opportunities associated with the forthcoming Orange Line BRT extension through the study area.

The Orange Line BRT Station brings with it an anticipated increase in pedestrian traffic on the streets around the station which will benefit all businesses that depend in part on walk-in retail trade. Furthermore, the Orange Line provides an alternative transportation choice for residents and employees who live or work in the area, which is a powerful incentive to live or locate business close to the planned station. Lastly, there is strong public support for development located near mass transit, known as Transit Oriented Development (TOD), and with careful planning and consideration Canoga Park stands to greatly improve the livability of the entire community through TOD based publicly supported initiatives and privately funded opportunities. This study aims to clarify a collective vision for the station area that is informed by current economic conditions, sound urban design strategies, local desires, and sustainable principles and may lead and inform the subsequent identification of specific development opportunities, public space improvements, zone changes, and enhanced planning documents.

In On May 11th 2010, the Canoga Connect project team walked the study area with representatives from the Los Angeles Department of City Planning, SCAG, the Canoga Park Chamber of Commerce, the Canoga Park Neighborhood Council, CRA/LA, and CD3. The walk was invaluable as it allowed the design team to view the site through the perspective of local residents critically engaged in the life of the community as well as key public stakeholders working for the betterment of the area. The identity and character of the area was discussed, as were the on-going efforts to improve the streetscape. The **Station Area Assessment** section of this report further elaborates on the findings from this site walk and catalogues various other pertinent station area existing conditions and findings.

On June 23rd 2010, a presentation of the Canoga Connect project was presented at a regularly scheduled Canoga Neighborhood Council Meeting. Overall project goals and intentions were presented, as well as a slide show that presented the concepts of TOD relevant to the Canoga BRT Station area. It was noted that the identification of TOD opportunities have changed since the freezing of credit markets and subsequent global economic downturn of 2008. Prior to this time and during the residential market run-up of the prior 10 years, TOD opportunities were primarily understood as individual parcel-based mixed use redevelopment projects, with a focus on the production of housing. Increased residential densities in close proximity to transit are now seen as but one building block of a holistic approach to place making in TOD zones. Other TOD building

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blocks and strategies were presented during the meeting including revising existing Land Use strategies through planning mechanisms and policies, additional streetscape design improvements, bicycle and pedestrian circulation improvements, development of parks and open space, infrastructure improvements, community facilities, enhanced transit plaza space, and provisions for temporary events.

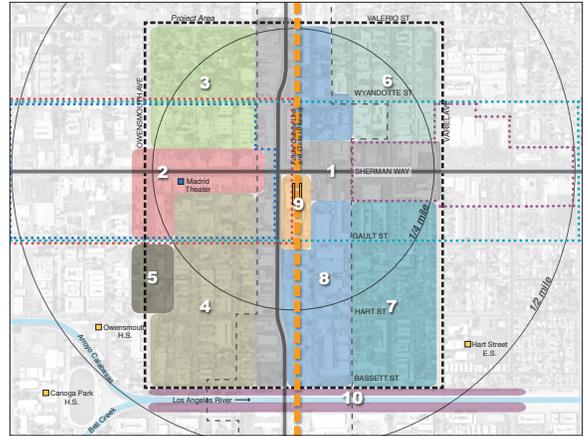
The reality is that higher density mixed use housing projects that were once seen as the vehicle to provide enhanced TOD communities are financially challenged at this time, and efforts should be focused instead on other improvements that will help establish a long term sustainable and livable community that can accommodate strategic increases in densities at a later date. The **Introduction to TOD** section reviews both our understanding of TOD and various TOD Building Blocks considered in this project. Another important observation made throughout the project and tested through development prototypes and return on investment analysis (ROI) is the notion of employment opportunities in the station area. Transit-oriented employment based development is considered critical in the process of community place-making, and particularly important to the needs of the local and regional population for the foreseeable future. The **Station Area Zoning Analysis** and **Market Analysis** sections look at potential projects, and identify zone changes that may be required to realize transit oriented employment development relevant to current employment opportunities and sound urban design principles.

The **Conceptual Circulation Plan and Parking Strategies** section focuses on three main elements.

1. *General circulation improvements in the study area.*

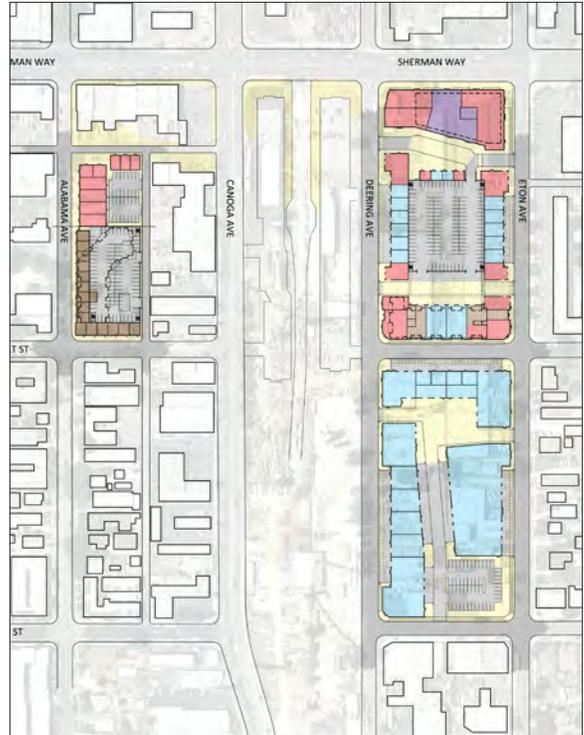
It is recognized that bicycle and pedestrian circulation enhancements can go a long way towards improving the character, livability and business sustainability of the community. As part of this process an enhanced Transit Plaza has been proposed at the station location, a recommendation that is currently being considered by Metro. Drawings are included in this section for reference.

2. *The inclusion of bicycle lanes and enhanced streetscape design elements along Sherman Way.* It was noted that there are many bicyclists using the sidewalks along Sherman Way, for fear of the heavy vehicular traffic on the road. This detracts from the retail experience along this important stretch as shoppers and cyclists have to avoid collisions. Routing bicyclists in a safe corridor off the sidewalk is seen as an important step in improving the retail viability of Sherman Way. Additional streetscape improvements that may improve the retail experience of the street are also considered in the section.



3. **Parking Strategies.** Excessive parking exerts a major cost on our communities in terms of the space required to allow for an efficient parking strategy, as well as the cost to build structured parking lots in addition to the lost revenues caused by parking requirements reducing development opportunities. Given the proximity to transit options, the Canoga Connect area can consider various strategies that will work towards reducing parking requirements for some projects within the study area in turn making developments more economically viable.

Finally, the report ends with a **Summary Recommendations** section that condenses the various opportunities identified throughout the project, and provides some guidance on how the City and Community may push forward preferred approaches to achieve both short and long term development and planning goals within the study area.



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Introduction to TOD

Transit-Oriented Developments (TOD) are urban villages where all residents are within a 5-10 minute walk of quick, efficient public transit and can 'live, work, play, shop and learn' in a pedestrian-friendly environment—and where the car is seen as an option, not a necessity.

Efficient rapid transit systems, like Metro's Orange Line Bus Rapid Transit (BRT) service, help stimulate pedestrian activity on the street, which in turn supports street level retail business and has the capacity to enhance the "livability" of neighborhoods even for residents who may never actually use the service.

**“Cities are not buildings alone;
it is the spaces between that
matter most.”**

Jan Gehl, Life Between Buildings Using Public Space

Transit service and related specific developments are only one piece of a bigger puzzle that requires consideration in the building of enhanced sustainable communities. The definition of TOD can be expanded to encompass a holistic attitude towards community building that includes public transit and related developments as one of many important components. This study will look to leverage the anticipated opportunities forthcoming with the Orange Line BRT expansion, and help the Canoga Park community define and enhance a diverse and active town center.

This section lists a few of the “TOD Building Blocks” that have been identified as relevant to the Canoga study area.



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Land Use Policy as defined through zoning regulations can lead to neighborhood defining uses and densities that support locally serving amenities.

Canoga Connect Study Considerations

- Review existing zoning relative to existing land uses - provide zone change recommendations.
- Analyze the relationship of mixed-uses and densities to locally serving amenity/business sustainability.
- Consider the role of “employment” as a key component of land use policy



Streetscape Design Improvements help to define an area and locate a core within a neighborhood. Businesses that rely on pedestrian traffic benefit by improved spatial qualities.

Canoga Connect Study Considerations

- Review existing improvements, guidelines and standards and the existing conditions.
- Consider further design enhancements that might mitigate challenges to local retail uses, specifically as related to traffic concerns, parking, and pedestrian access.



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Bicycles offer an important transit option, chosen for health, enjoyment, economics and convenience by a growing number of Los Angeles County residents. As an urban design tool, the provision of bicycle demarcated travel lanes provides for an enhancement to bicyclists, pedestrians and businesses.

Canoga Connect Study Considerations

- Find ways to keep bicycles off the sidewalks to allow for an improved pedestrian zone.
- Enhance neighborhood connectivity with the coordination of the regional bicycle plan.
- Improve bicycle safety and experience through demarcation of bicycle routes.



Parks & Open Space can provide important areas for non-retail activity within a community and if located strategically, work well to enhance and define a neighborhood. These spaces can be thought of as green spaces, public plazas, or play courts.

Canoga Connect Study Considerations

- Look at existing open space opportunities.
- Consider range of “pocket-park” types that might work with land use and density considerations.



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Infrastructure Improvements include green-street improvements that bio-filtrate water run-off, enhanced pavement design that define pedestrian zones, and traffic swales that both provide added dimension for street trees and help mitigate safety concerns and street crossings.

Canoga Connect Study Considerations

- Look for opportunities to improve the North/South and East/West pedestrian street connections through the consideration of additional crosswalks, and the improvement of existing crossings.
- Consider application of Green Street and Alley Design Guidelines recently published by the City of Los Angeles.



Community Facilities include privately run amenities such as grocery stores and locally serving retail establishments, as well as publicly funded schools and institutional buildings. In addition to supporting the needs of a local community, these facilities activate the streets by generating pedestrian activity at various times of the day.

Canoga Connect Study Considerations

- Identify existing “anchor” services (such as grocery stores & schools) and leverage their engagement through a consideration of improved connections.
- Identify opportunity sites and consider possible new civic or private uses.



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An Enhanced Transit Plaza can act as a public gathering space activated by the numerous users of the Orange Line BRT. This has the capacity to become a centrally located public civic space for all residents of Canoga Park, and may become much more than just a transit facility.

Canoga Connect Study Considerations

- Review existing Orange Line station proposal and make recommendations for enhancements.
- Review adjacent plaza land uses and identify complementary uses.



Temporary Events such as farmers markets can make good use of vacant parking lots during off-peak hours, and provide the community with fresh produce and unique goods unavailable at typical grocery and retail establishments. Parades, festivals, and community celebrations also bring communities together and work to define a local character and identity.

Canoga Connect Study Considerations

- Review Parking plan for Orange Line station and identify opportunities related to non-peak transit demand.
- Coordinate ideas with Main Street Canoga Park initiatives.



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Clean Technology Facilities span a range of skills from blue collar to white collar jobs. Wages within this sector can range from City's Living Wage Ordinance to middle class and beyond \$100,000 per year.

Blue collar and white collar workers working in 'green collar' jobs yield products related to clean technology such as renewable energy, green transportation ideas, water conservation solutions, etc.

Past successful Clean Technology models include a business incubators, teaching and workforce development space, and applied research facilities. Grouped together clean technology facilities allow for shared resources among stakeholders and cultivate new ideas and products.

Industrial land in the City of Los Angeles is typically zoned manufacturing. Current uses of manufacturing zoned land reflect heavy manufacturing and blue collar employment. However, with heavy manufacturing jobs being relocated overseas, there is an opportunity to advance land use policy to better reflect the needs of progressive higher valued clean tech enterprises. Manufacturing zoned land in Canoga Park can accommodate for these new types of green collar jobs by transforming old heavy manufacturing uses into research and development and technology oriented facilities.



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Focus Group Site Walk

On May 11, 2010, the Canoga Connect project team met with community stakeholders for a focus group to better understand the Canoga Park community and its local conditions. The focus group met at the development located on Wyandotte Street and Canoga Avenue and walked the quarter mile around the proposed Orange Line station to gain a better understanding of the day-to-day existing functions, uses, and local character. The walk focused on the industrial uses located along Canoga Avenue north of Sherman Way, auto-oriented retail located east of Canoga Avenue on Sherman Way, tradition retail uses located west of Canoga Avenue on Sherman Way and single and multi-family uses within the neighborhood south of Wyandotte Street.



In order to build on the transit improvements coming to the station area, the project team noted improvements that are needed in the station area including bicycle and pedestrian enhancements and traffic calming measures that will support retail businesses and retail patrons. Urban character and historic buildings were noted, and streets and blocks that could potentially support new development were identified.

The Canoga Park community has a strong existing identity and character. Existing improvements that have already been made within the station area were noted including: enhanced facade storefronts; street furnishings along Sherman Way; Walk of Hearts along Sherman Way; and mature street trees. These improvements could be built-on to further enhance the quarter-mile station area.

Meeting Attendees:

- Jennifer Driver- City of Los Angeles Department of City Planning
- Tom Glick- City of Los Angeles Department of City Planning
- Christopher Tzeng- SCAG
- Freddy Carrilo- CPNC
- Jack Dawson- C.P. Chamber
- Jonathan Brand- CD 3 Council Office
- Craig Bullock- CRA/LA
- Jay Virata- CRA/LA
- Dylan Jones- IBI Group
- Bill Delo- IBI Group
- Amy Shepherd- IBI Group
- Shannon Heffernan- IBI Group
- Rebecca Finn- Melendrez
- Valerie Watson- Melendrez
- Brad Rosenheim- RAA
- Joe Bernstein- RAA

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District Character Study

Exhibit 1 on the following page graphically presents our analysis of the site area broken into zones separated by their differing existing character. The limits of the study area are defined, and surrounding context is shown. ¼ mile and ½ mile circles are drawn radiating from the station to depict the distance someone can walk in 5 and 10 minutes respectively. For Bus Rapid Transit Service it is typically assumed that people will consider the transit option if it is within a ¼ mile of their location. The route of the Orange Line BRT is shown, and the major arterials of both Canoga Ave and Sherman Way are highlighted. Also of note on the map is the location of the Los Angeles River. The boundaries of some of the various design and policy zones that define planning policies and design guidelines within the study area are also noted, and more information on these various constructs can be found in the Station Area Zoning Analysis section.

Following the district character analysis is a series of studies that looks at the various roadways, intersections and circulation conditions within the area. As vehicular traffic plays such a large role in the functioning and character of a community, a baseline of information is required to form an informed attitude regarding public space improvements through street and road design. The information collected here informs proposals found in the Conceptual Circulation Plan & Parking Strategies section.

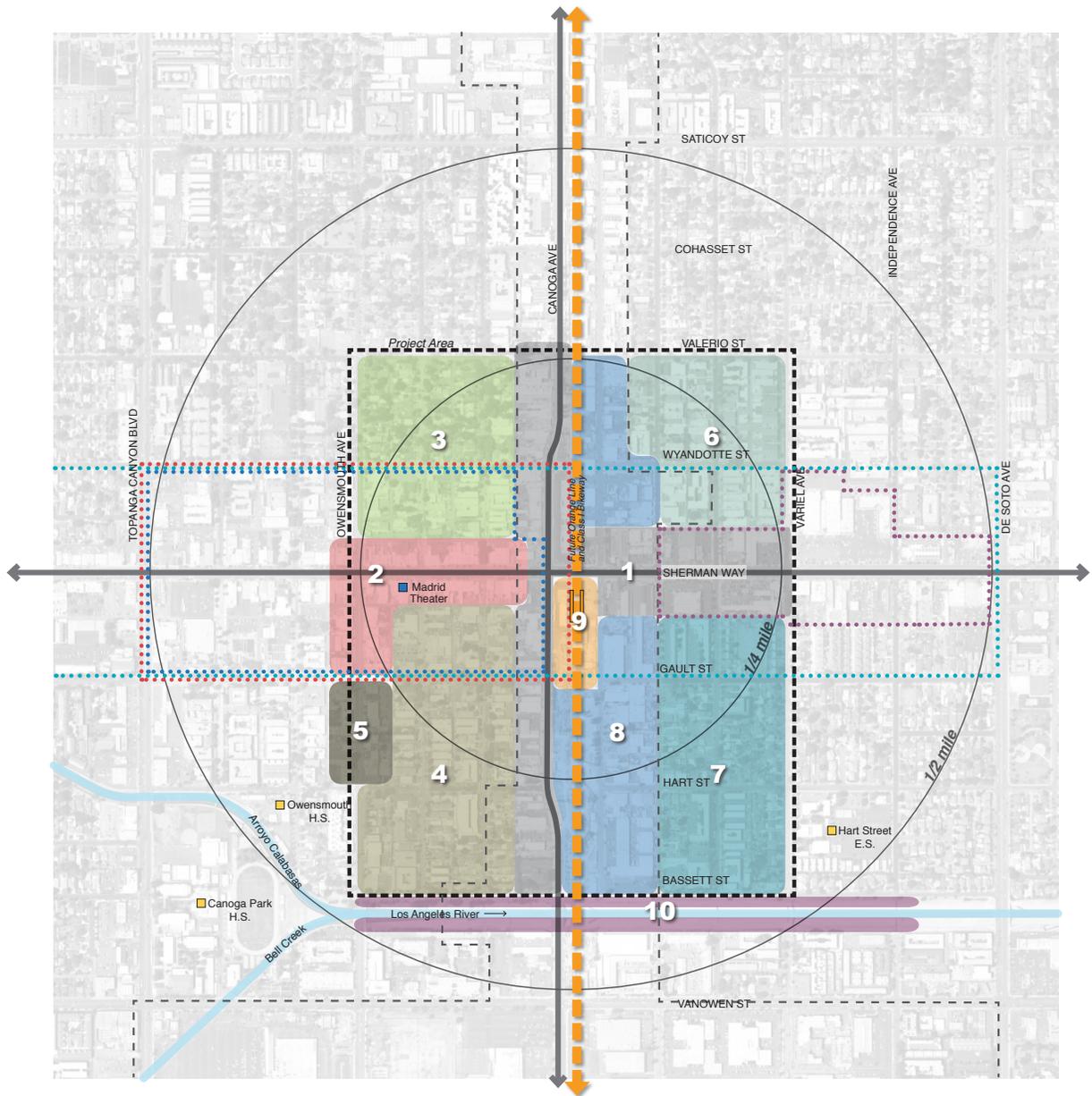


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Exhibit 1



District Character

- | | |
|---|--|
| 1 AUTO-ORIENTED RETAIL | 6 SINGLE & MULTI-FAMILY RESIDENTIAL |
| 2 TRADITIONAL RETAIL | 7 SINGLE & MULTI-FAMILY RESIDENTIAL |
| 3 SINGLE FAMILY W/ HISTORIC & CULTURAL BUILDINGS | 8 LIGHT INDUSTRIAL |
| 4 SINGLE & MULTI-FAMILY RESIDENTIAL | 9 FUTURE SHERMAN WAY ORANGE LINE STATION AREA |
| 5 PROFESSIONAL & OFFICE | 10 LOS ANGELES RIVER FRONTAGE |

Existing Focus Areas

- ⋯⋯⋯ CANOGA PARK BID
- ⋯⋯⋯ MAIN STREET CANOGA PARK
- ⋯⋯⋯ DOWNTOWN CANOGA PARK COMMUNITY DESIGN OVERLAY
- ⋯⋯⋯ CANOGA PARK COMMERCIAL CORRIDOR COMMUNITY DESIGN OVERLAY
- STATE ENTERPRISE ZONE BOUNDARY
- CANOGA CROSSING PROJECT AREA
- FUTURE ORANGE LINE AND CLASS I BIKEWAY

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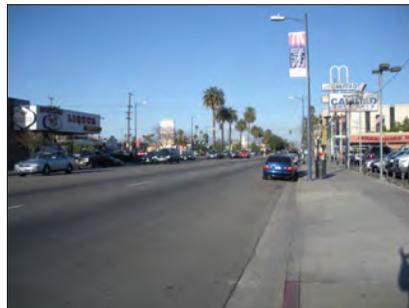
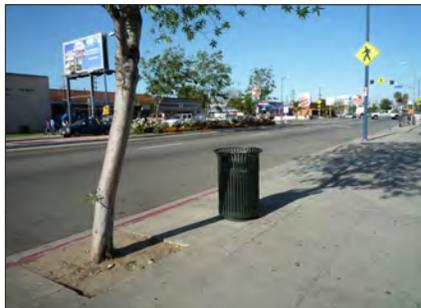
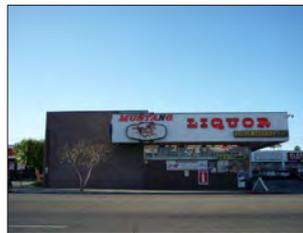
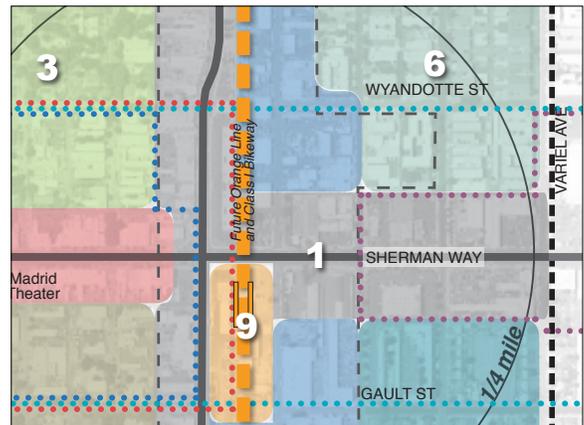


1. Auto-Oriented Retail

Strip commercial and auto-oriented retail primarily along Sherman Way east of Canoga Avenue, and along Canoga Avenue; multiple curb-cuts; large parking areas; some landscaping in medians and along street frontage.

Observations and Constraints

- Commercial uses on Sherman Way do not allow for pedestrian interaction. Parking lots for each commercial use front Sherman Way creating a disconnect between the use and the pedestrian.
- The current C2 zone has a three story height limit and permits R4 uses. There is an opportunity for mixed-use development.



Sherman Way medians enhance the existing street characteristics.

Attributes from the streetscape improvement plan would enhance the streetscape and should extend west of Variel.

There is an opportunity to locate more pedestrian friendly uses around the station instead of auto-oriented uses.

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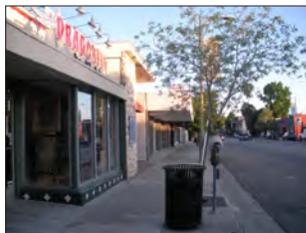
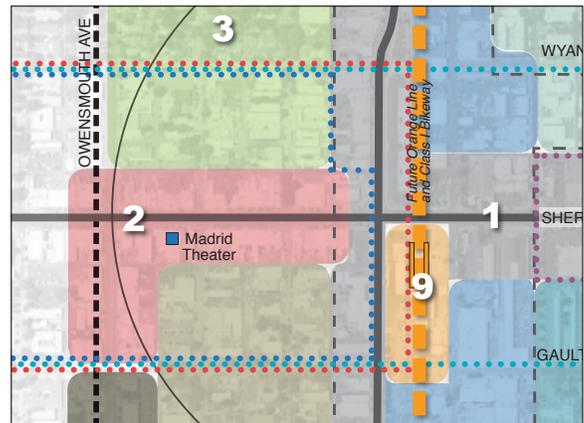


2. Traditional Retail

Pre-1950 shopfront retail with an eclectic mix of tenants, including vintage clothing stores, antiques, a theater, and other independently owned businesses. Few cafes or restaurants. District streetscape elements in place through Canoga Park BID.

Observations and Constraints

- Strong emphasis on the pedestrian realm with buildings abutting the sidewalk, street trees, and awnings.
- Commercial uses should be expanded for a broader demographic.
- Parking lots within the pedestrian oriented commercial zones should be consolidated.
- Traffic speeds and noise are not conducive to a pedestrian shopping experience.
- Many bicyclists noticed on the sidewalks.



Adaptive reuse building, once a firehouse, is now a community center for Canoga Park.



CRA/LA facade improvements with lighting and signage.



Mature street trees and awnings provide shade for the San Fernando climate.

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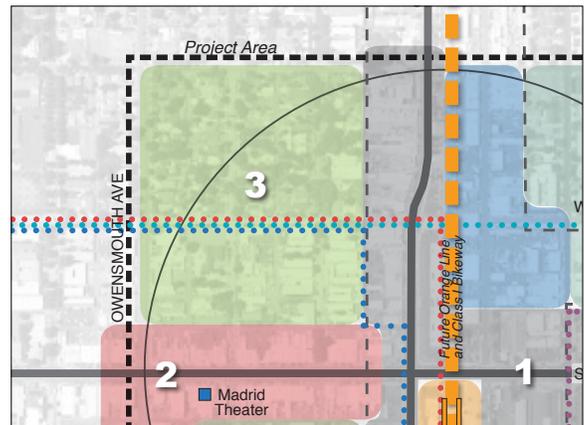


3. Single Family w/Historic & Cultural Buildings

Older construction single family homes with a mix of small, historic commercial buildings. Many cultural uses including a playhouse, children's arts center, future library, and historical society.

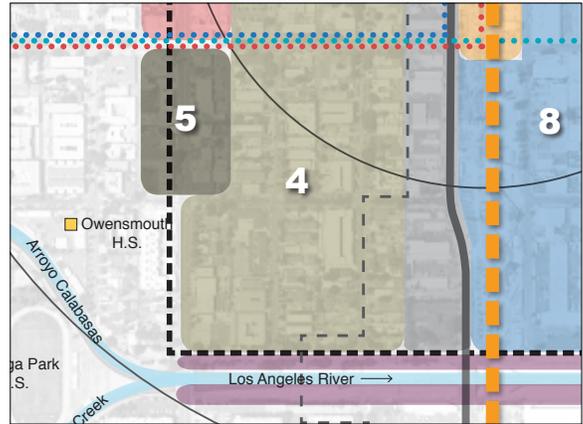
Observations and Constraints

- Mature street trees, walking district with a strong neighborhood character.



4. Single and Multi-family Residential

Mix of single family homes and apparent multi-family residential infill over time.



5. Professional & Office

Small, street fronting office and professional buildings line Owensmouth from Gault Street to Hart Street with parking in rear or along street.

Observations and Constraints

- Variety of architectural styles, mostly modern or approximating a “village” feel.



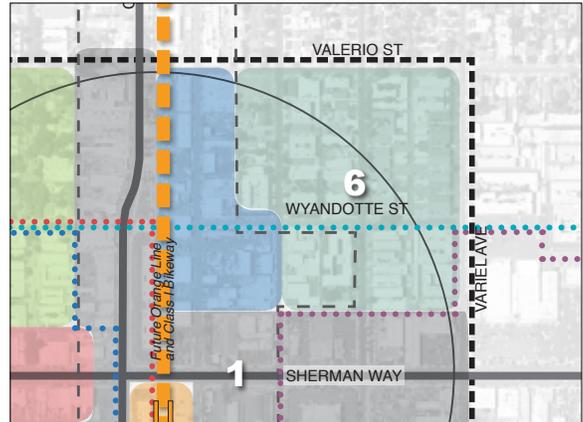
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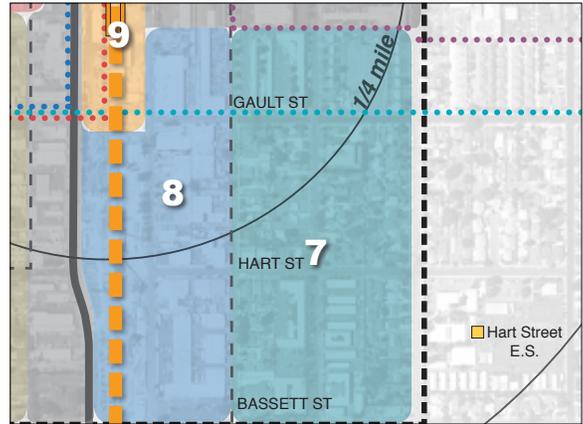
6. Single & Multi-family Residential

Predominantly multi-family buildings with some single family homes.



7. Single & Multi-family Residential

Predominantly multi-family buildings with some single family homes and pockets of light industrial carried over from adjacent light industrial district.

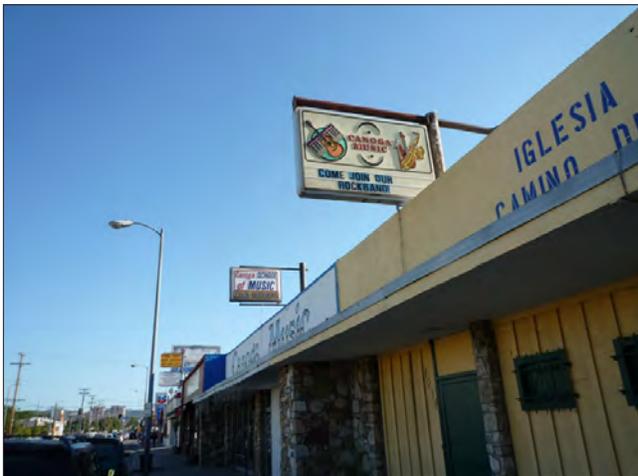
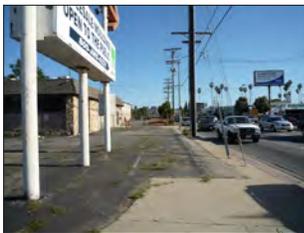
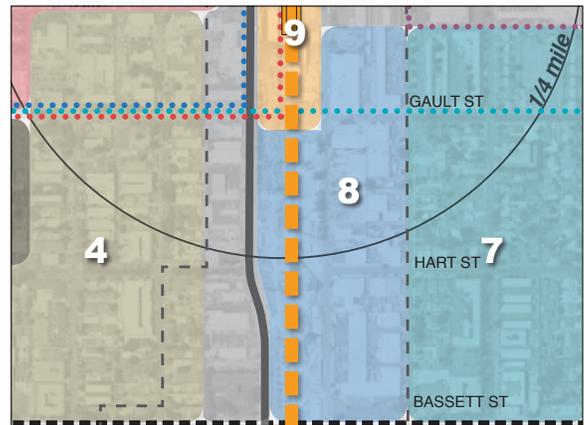


8. Light Industrial

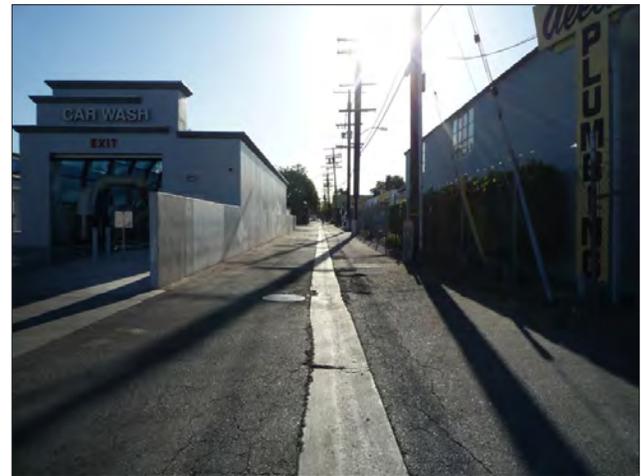
Light industrial and manufacturing; tilt-up construction; many auto repair shops; old rail corridor right-of-way to accommodate future Orange Line route and station area.

Observations and Constraints

- There is little variety with the existing uses. More pedestrian friendly uses should be added to this area.
- Sidewalk conditions need to be improved to increase connectivity to the station.
- Pedestrian/ transit supportive uses should be considered within the TOD study area.
- Allowable density to be reviewed.



Industrial uses along Canoga Avenue have a welcoming facade.



Existing alley network increase permeability with the station area.

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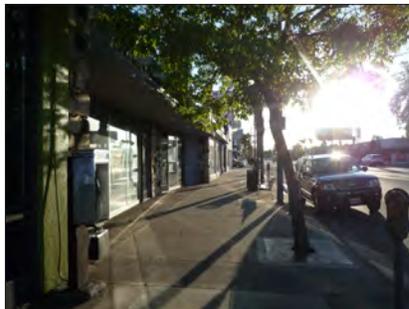
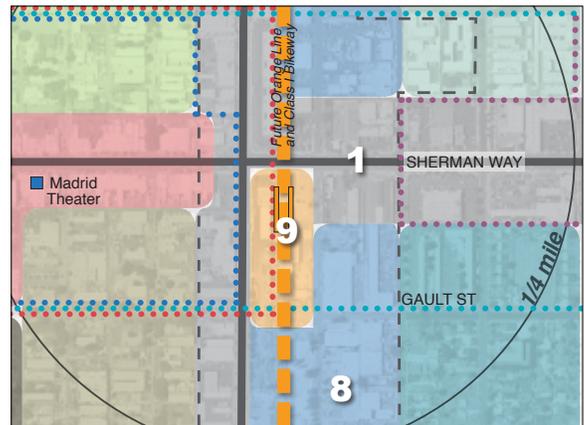


9. Future Sherman Way Orange Line Station Area

Segment of old rail corridor right-of-way just south and east of the Sherman Way and Canoga Avenue intersection that will accommodate the future Sherman Way Orange Line station area, including the busway itself, associated Class I bikeway, station platforms, bike parking, auto parking and landscaping.

Observations and Constraints

- There is an opportunity to provide Orange Line riders with amenities such as bicycle lanes, gathering spaces, or a transit plaza.
- Turn public facilities into a Metro Transit Plaza
- Commercial uses around station should be more diverse and cater to the pedestrian realm.



Canoga Park branding is prevalent throughout Sherman Way and should be continued throughout the station area.

Street trees and building facades enhance the pedestrian realm.

Due to its proximity to the transit station, this public facility is a prime location for a public gathering space.

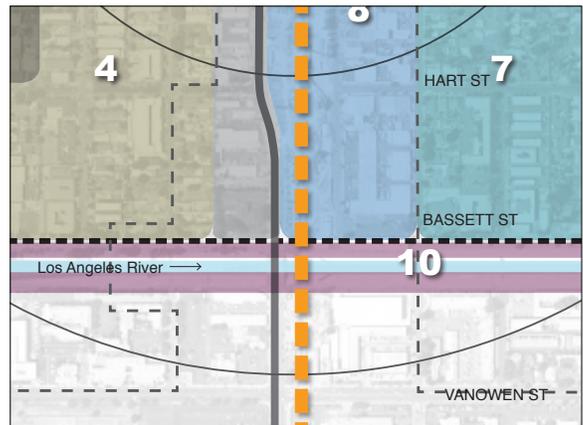
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10. Los Angeles River Frontage

The frontage along the Los Angeles River south of the Project Area (L) contains underutilized land offering opportunity for public open space and storm water management, all within walking distance of the Canoga Connect, as shown in the concept imagery (R) from the Los Angeles River Master Plan.



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Existing Roadway Network

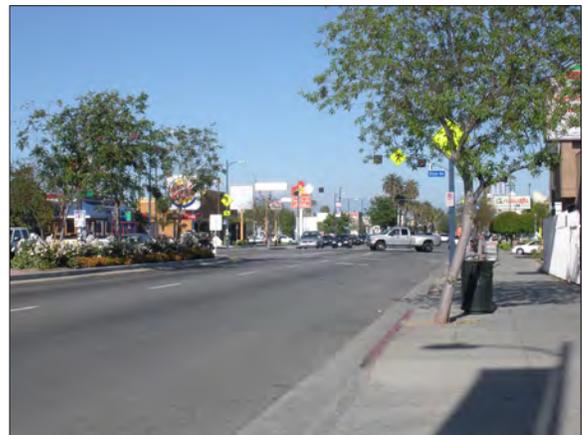
The streets that are located in the vicinity of the project corridor are described in this section. Items of note include existing geometry, pedestrian and bicycle facilities, and adjacent land uses. Existing roadway classifications are based on the “Street and Highway Designation” maps prepared and maintained by the City of Los Angeles Public Works/Bureau of Engineering. On street parking prohibitions exist on all streets at selected periods of time on one weekday due to street sweeping.

Notable Street: Sherman Way is a four-lane undivided arterial with a center turn lane that runs east-west through the study area, and connects West Hills to Bob Hope Airport. Sherman Way is the most important east-west connection in the study area. There are currently no striped bicycle lanes.

On-street parking is allowed on both sides of the street on almost all of the blocks. Parking is metered west of Canoga Avenue (1 hour limit from Canoga Avenue to Alabama Avenue and 2 hour limit from Alabama Avenue to Owensmouth Avenue). The posted speed limit is 35 miles per hour. Sherman Way is classified as a Major Highway Class II in the City of Los Angeles Transportation Element of the General Plan. Sherman Way starts to widen east of Milwood Avenue, transitioning to a Divided Major Highway Class II east of Variel Avenue. Twelve-foot sidewalks are located on both sides of the roadway throughout the analyzed segment, but the width available to pedestrian traffic is reduced due to urban furniture or trees that take up about one third of the sidewalk width.



Sherman Way west of Canoga Avenue



Sherman Way east of Canoga Avenue

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Notable Street: Canoga Avenue

Canoga Avenue is the most important north-south connection in the study area. It is classified as a Secondary Highway, with two traffic lanes in each direction.

On- street parking is only allowed in the southbound direction. North of Sherman Way, parking is limited to one hour south of Wyandotte Street. South of Gault Street, one hour parking is enforced. Between Sherman Way and Wyandotte Street and South of Gault Street, parking is limited to a maximum of one hour. Parking is not metered in those segments.

Eight to ten-foot sidewalks are located on both sides of the roadway north of Sherman Way up to about 300 ft north of Wyandotte Street. South of Sherman Way, ten foot sidewalk exists in the southbound direction. Between Gault Street and Los Angeles River Bridge, Canoga Avenue has only one lane in the southbound direction.



Canoga Avenue north of the Canoga Avenue and Sherman Way intersection

Notable Street: Owensmouth Avenue

Owensmouth Avenue is a collector roadway that runs north-south through the study area. This street is about seven miles long and connects residential and commercial areas north of Sherman Way to Warner Center, the commercial, residential and industrial areas south of Sherman Way to US 101. In the study area, Owensmouth Avenue has two lanes in the southbound direction and one lane in the northbound direction, with a center turning lane.

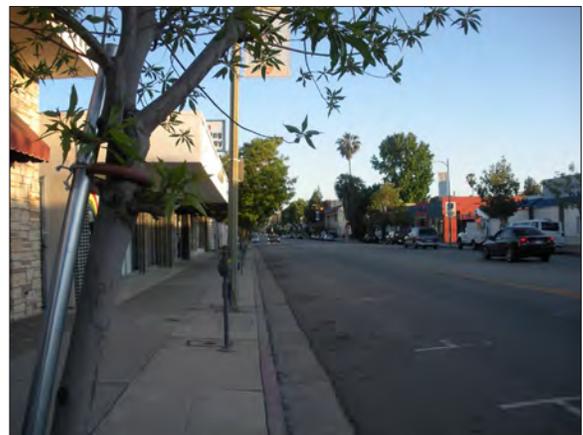
Ten foot parkways are located on both sides of the roadway throughout the analyzed segment. About half of the width of the parkway is available to pedestrian traffic. The remainder of the parkways consists of a landscape buffer adjacent to the curb.

The posted speed limit is 35 mph, but drops to 25 mph between the alley south of Sherman Way and Gault Street due to the presence of children (Counting School).

Parking is allowed on both sides of the street and is metered from Gault Street to Wyandotte Street. One hour metered street parking is located between Sherman Way and Gault Street. North of Sherman Way two hour metered parking is enforced.



Sherman Way and Canoga Avenue intersection



Looking north on Owensmouth Avenue

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Notable Street: Valerio Street

Valerio Street is a local street that runs east-west through the study area about a quarter-mile north of Sherman Way. Valerio Street has one lane in each direction and parking is permitted on both sides of the street for the segments in the vicinity of the Sherman Way Station.

Ten foot parkways are located on both sides of the roadway throughout the analyzed segment. About half of the width of the parkway is available to pedestrian traffic. The remainder of the parkways consists of a landscape buffer adjacent to the curb.



Intersection of Remmet Avenue and Valerio Street

Notable Street: Wyandotte Street

Wyandotte Street is a local street that runs east-west and provides local connectivity in the study area, linking Canoga Avenue to the west and Deering Avenue to Variel Avenue in the east. Wyandotte Street has one lane in each direction and parking is permitted on both sides of the street for the segments in the vicinity of the Sherman Station.

Ten foot parkways are located on both sides of the roadway throughout the analyzed segment. About half of the width of the parkway is available to pedestrian traffic. The remainder of the parkways consists of a landscape buffer adjacent to the curb.



Intersection of Wyandotte Street and Alabama Avenue



Notable Street: Remmet Avenue

Remmet Avenue is a north-south local street in the study area. Remmet Avenue has one lane in each direction and parking is permitted on both sides of the street for the segments in the vicinity of Sherman Way. On-street parking is free on the majority of Remmet Avenue, with the exception of a two hundred foot section north and south of Sherman Way, where metered parking with a two hour limit is in place. Remmet Avenue also has four off-street parking lots located close to Sherman Way: one south of Wyandotte (metered) and three north of Gault, providing roughly twenty spaces each. Ten foot sidewalks are located on both sides of the roadway throughout the analyzed segment, but the width available to pedestrian traffic is reduced due to buffers created by planted strips of grass or trees that take up about half of the sidewalk width. There is a no cruising sign posted on the northbound sidewalk north of Sherman Avenue.



Intersection of Remmet Avenue and Sherman Way looking north

Notable Street: Variel Avenue

Variel Avenue is a north-south street the eastern section of the study area. It is designated as a local street south of Hart Street and as a collector street north of Hart Street. The street configuration is one lane in each direction with parking allowed on both sides of the street.



Sherman Way and Variel Avenue

Ten foot sidewalks are located on both sides of the roadway throughout the analyzed segment, but the width available to pedestrian traffic is reduced due to buffers created by planted strips of grass or trees that take up about half of the sidewalk width.

Ten foot parkways are located on both sides of the roadway throughout the analyzed segment. About half of the width of the parkway is available to pedestrian traffic. The remainder of the parkways consists of a landscape buffer adjacent to the curb.



Intersection of Variel Avenue and Sherman Way

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Notable Street: Alabama Avenue

Alabama Avenue is a local street that provides neighborhood connection in the vicinity of Sherman Way. The street configuration is one lane in each direction with parking allowed on both sides of the street. On-street parking is free on the southern portion of Alabama Avenue, with the exception of a two hundred foot section close to Sherman Way. One hour metered parking is in place within this segment. On the north side of Sherman Way, there is two-hour metered parking for the first 200 ft (until alley) and then is free, but with a 2 hour limit.

Ten foot parkways are located on both sides of the roadway throughout the analyzed segment. About half of the width of the parkway is available to pedestrian traffic. The remainder of the parkways consists of a landscape buffer adjacent to the curb.



Intersection of Alabama Avenue and Sherman Way

Notable Street: Eton Avenue

Eton Avenue is a north-south local street located east of Canoga Avenue that provides neighborhood connections north and south of Sherman Way. The street configuration is one lane in each direction with parking allowed on both sides of the street.

Ten foot parkways are located on both sides of the roadway throughout the analyzed segment. About half of the width of the parkway is available to pedestrian traffic. The remainder of the parkways consists of a landscape buffer adjacent to the curb.



Intersection of Alabama Avenue and Sherman Way



Intersection of Eton Avenue and Sherman Way

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Notable Street: Gault Avenue

Gault Street is a local street that provides neighborhood east-west connectivity in the study area, linking Canoga Avenue to the west and Deering Avenue to De Soto Avenue in the east. Gault Street has one lane in each direction and parking is permitted on both sides of the street for the segments in the vicinity of the Sherman Way Station.

Ten foot parkways are located on both sides of the roadway throughout the analyzed segment. About half of the width of the parkway is available to pedestrian traffic. The remainder of the parkways consists of a landscape buffer adjacent to the curb.



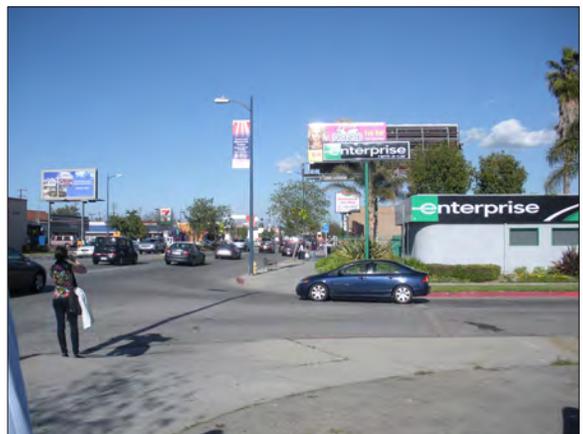
Intersection of Gault Avenue and Milwood Avenue

Notable Street: Deering Avenue

Deering Avenue provides neighborhood connection in the north-south direction. North of Sherman Way, the street is classified as local, and as collector from Sherman Way to Hart Street. Parking is allowed on both sides of the street between Wyandotte Street and Hart Street. There is no sidewalk on either side of the street on the portion located north of Sherman Way. South of Sherman Way on both sides of the street the sidewalk is discontinuous.



Deering Avenue looking north from Sherman Way



Intersection of Deering Avenue and Sherman Way looking east

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Notable Street: Hart Street

Hart Street runs east-west through the study area about a quarter-mile south of Sherman Way. Hart Street has one lane in each direction and parking is permitted on both sides of the street for the segments in the vicinity of the Sherman Way Station. Hart Street is classified as a local street west of Canoga Avenue, and as a collector street from Deering Avenue to De Soto Avenue.

Ten foot parkways are located on both sides of the roadway throughout the analyzed segment. About half of the width of the parkway is available to pedestrian traffic. The remainder of the parkways consists of a landscape buffer adjacent to the curb.



Intersection of Hart Street and Milwood Avenue

Notable Street: Milwood Avenue

Milwood Avenue provides neighborhood connection in the north-south direction. The street is classified as local and its configuration is one lane in each direction with parking allowed on both sides of the street.

Ten foot parkways are located on both sides of the roadway throughout the analyzed segment. About half of the width of the parkway is available to pedestrian traffic. The remainder of the parkways consists of a landscape buffer adjacent to the curb.



Intersection of Milwood Avenue and Sherman Way



Intersection of Milwood Avenue and Sherman Way

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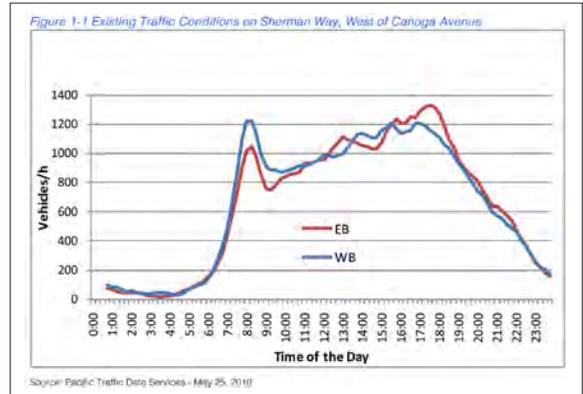


Existing Roadway Traffic Conditions

Existing traffic conditions are identified for the primary roadways in the vicinity of the proposed Sherman Way Station.

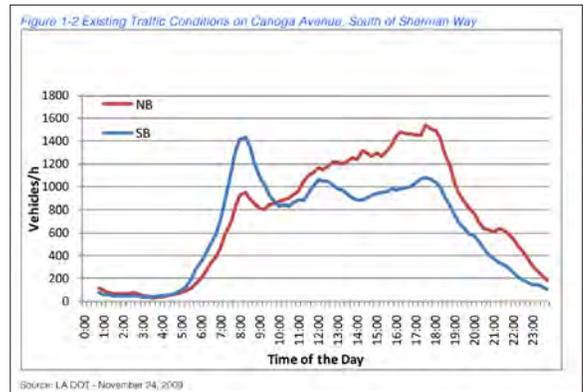
Sherman Way

Sherman Way currently serves about 32,000 vehicles per day through the project area, with volumes close to the threshold for acceptable operation on a Major Highway Class II. Volumes are similar in both directions and slightly higher in the afternoon when compared to the morning peak. The usage of the roadway is relatively constant throughout the day as can be observed in Figure 1-1.



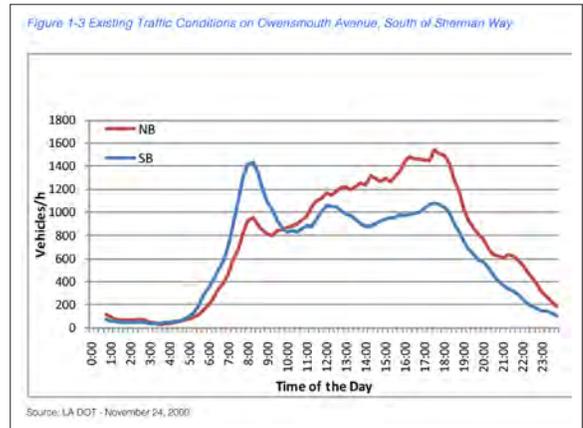
Canoga Avenue

Canoga Avenue experiences a daily traffic volume of about 32,000 vehicles, which is above the range identified for this classification of roadway. During peak hours, the roadway also experiences volumes that slightly exceed the thresholds for its classification (1,400 vehicles per hour in each direction). Figure 1-2 illustrates the daily volumes on Canoga Avenue.



Owensmouth Avenue

Owensmouth Avenue experiences a daily traffic volume of about 12,000 vehicles, which is above the range identified for this classification of roadway (collector). During peak hours, the roadway also experiences volumes that exceed the thresholds for its classification (up to 600 vehicles per hour in each direction). Figure 1-3 illustrates the daily volumes on Owensmouth Avenue.



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Existing Intersection Traffic Conditions

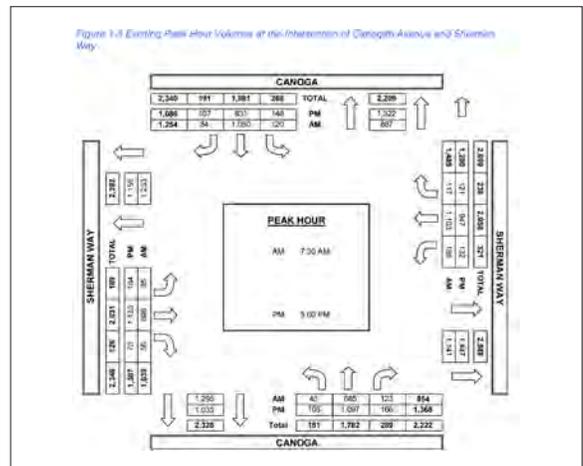
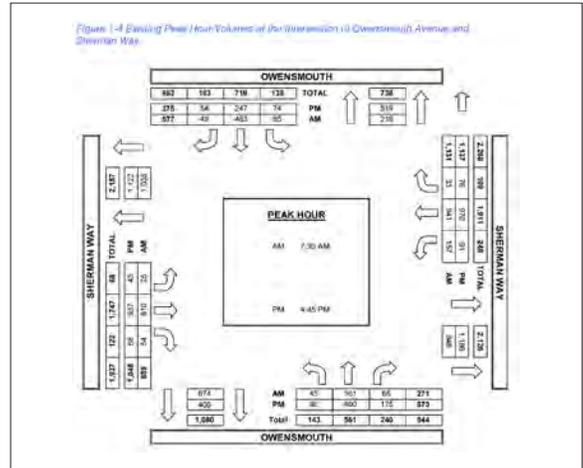
There are three major intersections on Sherman Way in the vicinity of the proposed Sherman Way Station. They are all signalized, and are spaced roughly a quarter-mile from each other:

1. Owensmouth Avenue and Sherman Way
2. Canoga Avenue and Sherman Way
3. Variel Avenue and Sherman Way

Owensmouth Avenue and Sherman Way

The intersection of Owensmouth Avenue and Sherman Way handles about 2,900 vehicles in the AM peak hour and 3,200 vehicles in the PM peak hour. There is considerable pedestrian and bicycle activity at this intersection during peak hours. In the AM peak hour there are 139 pedestrian and 22 bicycle crossings, and during the PM peak hour the crossings increase to 155 and 34 respectively. All approaches have a left turn pocket and left turns are permitted at this intersection. Peak hour volumes are presented in Figure 1-4.

Conflicts between pedestrians, bicyclists and vehicles are the highest on the south leg of the intersection, with approximately 75 crossings at both peak hours. This is more accentuated in the PM peak hour due to the fact that the number of vehicles turning right is more than double the number of crossings.



Canoga Avenue and Sherman Way

The intersection of Canoga Avenue and Sherman Way handles about 4,600 vehicles in the AM peak hour and 5,000 vehicles in the PM peak hour. There is significant pedestrian and bicycle activity at this intersection during peak hours. In the AM peak hour there are 153 pedestrian and 60 bicycle crossings, and during the PM peak hour the crossings increase to 257 and 107 respectively. All approaches have a left turn pocket to accommodate vehicles waiting to turn, and all left turns have a protected phase. Peak hour volumes are presented in Figure 1-5.

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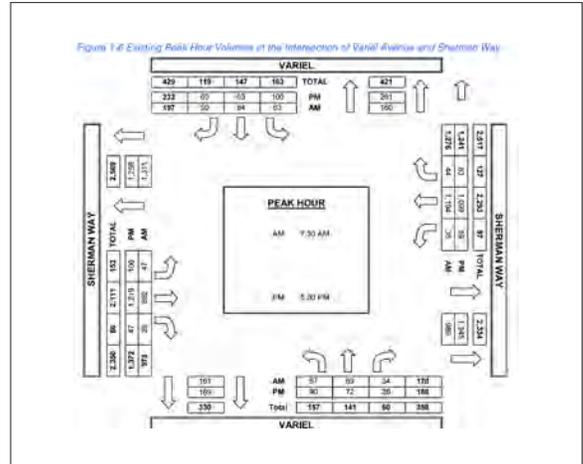


Conflicts between pedestrians, bicyclists and vehicles are significant at this intersection. The west leg of the intersection is the least affected by the crossings because of the low volumes involved. The other three legs have higher conflicting volumes, with the south leg being the most impacted. In the AM peak hour, about 65 pedestrian and bicycle crossings conflict with around 120 vehicles turning right. In the PM peak hour the numbers increase to 120 and 166, respectively.

Variel Avenue and Sherman Way

The intersection of Variel Avenue and Sherman Way handles about 2,600 vehicles in the AM peak hour and 3,000 vehicles in the PM peak hour. There is significant pedestrian and bicycle activity at this intersection during peak hours. In the AM peak hour there are 255 pedestrian and 42 bicycle crossings, and during the PM peak hour the crossings increase to 322 and 69 respectively. Sherman Way has left turn pockets to accommodate the vehicles waiting to turn left and has a right turn only lane in the westbound direction. Peak hour volumes are presented in Figure 1-6.

Among the intersections analyzed, the intersection at Variel has the lowest amount of vehicles turning right and the highest number of pedestrian and bicycle crossings. The legs with the most conflicts in the AM peak hour are the east and west legs. The vehicle volumes are low (50 and under), but the crossings per hour are close to 100. In the PM peak hour, the amount of pedestrian and bicycle crossings in the east and west legs remain at the same level, but the right turn volumes double in the east leg. The north and south legs also show higher crossings but the number of vehicles turning right on the south leg are low (26 vph).



Existing Transit Network

Two Metro bus lines run east/west through the project study area. Route 163 runs all day on Sherman Way with an average midday frequency of four to six buses per hour. In the peak periods, Route 363 shares Route 163's alignment. Combined, these two routes provide six to nine buses per hour along Sherman Way. Transit riders can board per direction and alight these routes at stops located close to Owensmouth, Canoga, Eton and Variel. The stops close to Variel show the highest daily activity, while Owensmouth, Canoga and Eton stops show similar daily activity, close to half the volume observed at Variel. There are no buses running in the north/south direction within a quarter-mile distance from the proposed Sherman Way Station.

No other bus lines serve the area within a half-mile distance from the proposed Sherman Way Station. North/South bus routes run on Topanga Canyon and on De Soto, and East/West routes run on Saticoy and on Vanowen. The Orange Line has a stop at Canoga and Victory about 0.7 mile south from the proposed Sherman Way Station.



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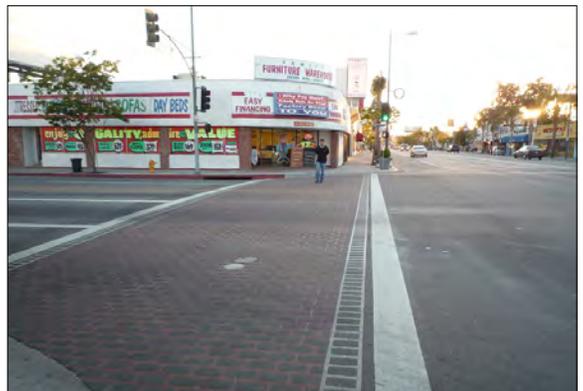


Existing Pedestrian Amenities

There are currently limited pedestrian amenities in the vicinity of the proposed Sherman Way Station. Sherman Way can be crossed at five locations between Owensmouth Avenue and Variel Avenue. Four locations are signalized intersections – Owensmouth, Remmet, Canoga, Eton and Variel, and the last crossing point is a signalized pedestrian crossing located on Sherman Way, east of Eton Avenue.

The intersection of Sherman Way and Owensmouth is enhanced with the presence of a texturized crosswalks on Sherman Way.

There are no bicycle lanes or paths in the vicinity of the proposed Sherman Station, but Owensmouth Avenue has “Share the road” markings north of Sherman Way.



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Purpose of the Market Analysis

As seen in Los Angeles County and in other cities and states, investment in public transit can stimulate both residential and non-residential development. In addition to the formation of retail and services clusters, concentrations of similar and complementary industries also often develop around transit stations (e.g. office, health, education, R&D, technology, etc.). Businesses benefit from improved access to suppliers, skilled workers and customers, as well as increased productivity and competitiveness resulting from a reduction in traffic congestion and transportation costs.

Transit alone, however, is not enough to stimulate changes to land uses or create new jobs. In conjunction with transit investment, governments and public agencies have also used a range of financial incentives and programs to strengthen and diversify the economy (e.g. grants, loans, tax increment financing, free trade zones, Main Street programs, etc.). Governments and public agencies can also give a community or employment node a competitive edge by making improvements to the public realm and by providing businesses with:

- Access to affordable green and/or renewable energy sources;
- Subsidized rents at business incubators;
- Funding incentives for sustainable construction and retrofits (e.g. LEED™); and
- Flexible zoning (e.g. reduced parking requirements, greater heights and densities).

Lands within a one quarter mile of the future Sherman Way station (herein after referred to as the 'project area') already exhibit some of the qualities and assets found in a successful transit-oriented community (e.g. a mix of housing types and tenures, a diverse retail commercial corridor and recent streetscape improvements). Many of the existing businesses and residential dwellings are well-established and are not likely to change over the next few decades.

Dozens of buildings, however, are currently vacant and for sale or lease. Other properties are underutilized with single storey buildings, large surface parking areas and underperforming uses.

It is anticipated that the extension of the Orange Line Bus Rapid Transit (BRT) to Canoga Park and the construction of the future Sherman Way station will stimulate new development and economic activity. However, given current market conditions and competing real estate and development opportunities throughout Los Angeles, the State of California and beyond, intensification and redevelopment within the project area will take place incrementally over the longer term. Additional incentives will be likely required to attract new development and economic activity.

Examples of Economic Development Facilitated by Transit

South Miami-Dade BRT - Dadeland South Station has seen the development of over 600,000 sq. ft. of office and 35,000 sq. ft. of retail. The transit authority believes that the BRT has contributed to more than a decade-long worth of economic benefits through job creation and linking communities.

Dallas Area Rapid Transit - The value of office space in areas less than ¼ mile from a DART station has increased by 10% and retail property by 30%.

Boston Silver Line BRT - \$250 million in new construction and \$93 million in rehabilitation has occurred along the two BRT lines, including 128,000 sq. ft. of new or renovated retail space and \$7 million worth in improvements to commercial spaces.

New Jersey Liberty Corridor BRT - The new service is expected to encourage economic development by improving access to underutilized properties and employers in the Newark Innovation Zone and near Port Elizabeth and the New Liberty Airport.

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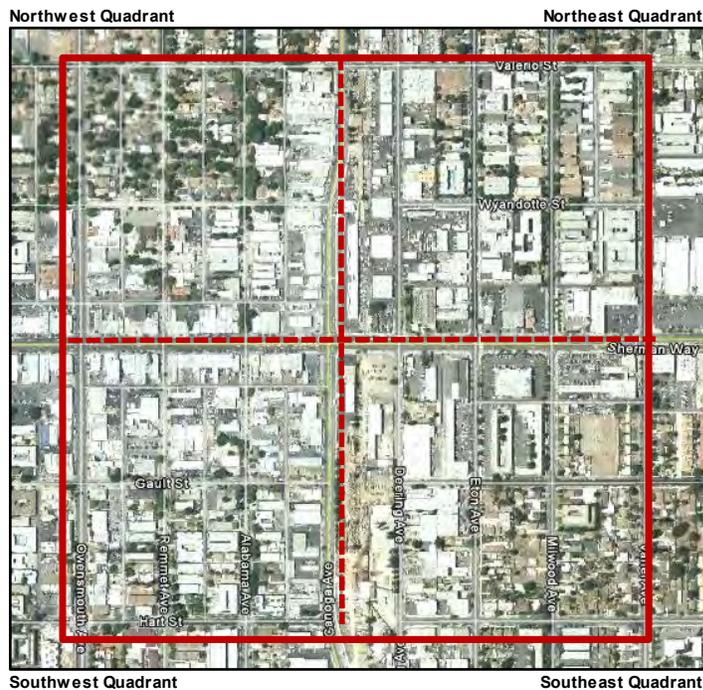
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Physical Description of the Project Area

The Orange Line BRT will be located within a corridor of land flanked by Canoga Avenue to the west and Deering Avenue to the east. The project area includes lands within a one quarter mile of the future Sherman Way station. For purposes of describing the existing physical characteristics/conditions, the project area was dissected into four quadrants (see Figure 1).

Figure 1. Quadrants of the Sherman Way Station Project Area



The project area includes a range of residential and non-residential uses and buildings of varying age, condition and tenure. The following provides an overview of the planning and policy framework which currently regulates development in the project area, the housing supply, business mix and real estate conditions. Details on the local population are provided in Section 4 and details on the market conditions within the larger Canoga Park area and Los Angeles County are provided in Section 4.

2.1 Land Designation

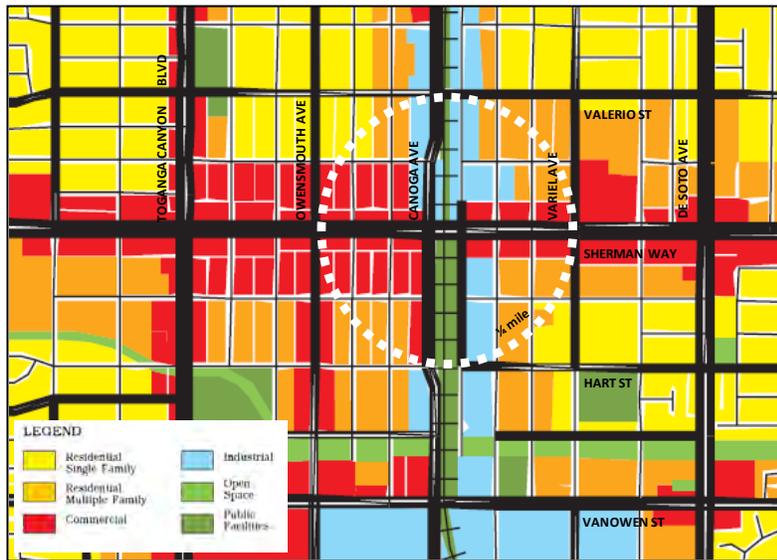
The project area is located within the Canoga Park – Winnetka – Woodlands Hills –West Hills Community Plan (adopted August 17, 1999). As shown in Figure 2, the Generalized Land Use Plan designates lands within the project area for commercial, industrial residential and public facility uses (i.e. the future BRT transit station and line).

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Figure 2. Land Designations within the Project Area



The Community Plan includes a number of land use goals, objectives and guiding principles. The following highlights those which are particularly relevant to the project area:

Residential

- Reduce automobile trips in residential areas by locating new housing in areas offering proximity to goods, services, and facilities.
- Preserve and enhance the character and integrity of existing single and multi-family residences and neighborhoods, particularly as it relates to new infill development.
- Promote mixed-use housing projects in pedestrian oriented areas.
- Encourage multiple-residential development in commercial zones.
- Locate higher residential densities near commercial centres and major bus routes where public facilities, utilities and topography will accommodate this development.

Commercial

- Provide for an economically vital commercial sector offering a diversity of goods and services to meet the needs of the community. Commercial development must preserve the historic commercial and cultural character of the community, scale and architectural diversity.
- Conserve and strengthen viable commercial development and encourage recycling of obsolete commercial developments while enhancing the appearance of commercial districts.
- Use Pedestrian Oriented Districts and Mixed Use boulevards to provide alternatives to automobile oriented commercial activity and enhance existing pedestrian street activity.
- Ensure commercial infill developments are at a scale commensurate with their classification and are compatible with adjacent, primarily residential uses.



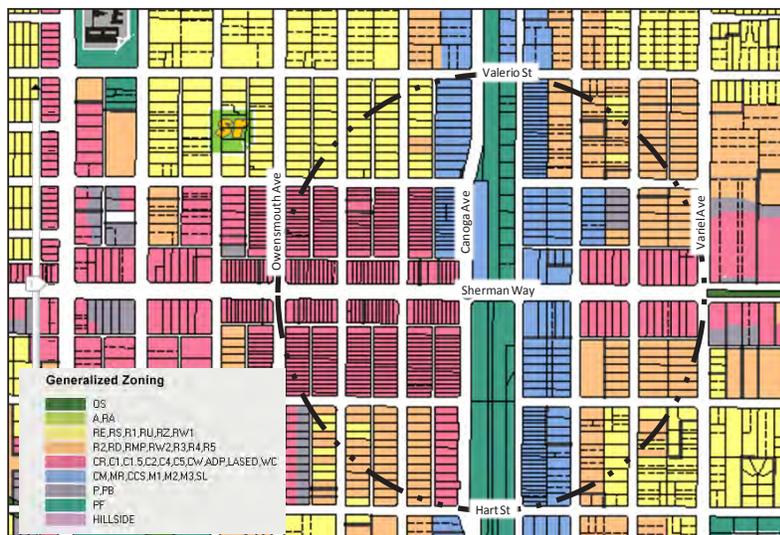
Industrial

- Maintain a vital industrial base by providing for an adequate supply of industrial land and through policies that reduce conflicts between industrial and residential land uses, particularly the continuation of existing entertainment industry uses and the development of new production, post production, research and development uses which provide employment opportunities.
- Maintain the viability of Canoga Boulevard Industrial Corridor and increase compatibility with adjacent residential properties through use of traditional commercial district revitalization strategies – particularly through the Community Design Overlay District for a portion of the Canoga Boulevard Industrial Corridor.

2.2 Zoning

As shown in Figure 3, the Official City of Los Angeles Municipal Code, Chapter I: General Provisions and Zoning, Sixth Edition (effective November 12, 1936, last amended July 27, 2010), zones lands within the project area as Limited Commercial (C1), Commercial (C2), Restricted Industrial (MR1), Public Facilities (PF), One-Family Residential (R1) and Multiple Dwelling (R3).

Figure 3. Zoning within the Project Area



Within the project area the following height and density restrictions generally apply:

- Multiple residential: maximum height of 3 stories (45 ft.) and maximum FAR of 3:1.
- Single-family residential: maximum height of 33 ft. and a maximum FAR of 3:1. Dwellings may exceed the height limit to meet the average height of 40% or more of dwellings on both sides of the same street for the length of the block.
- Industrial: maximum height of 3 stories and maximum FAR of 1.5:1.
- Public facilities: no maximum height within public facility zones.

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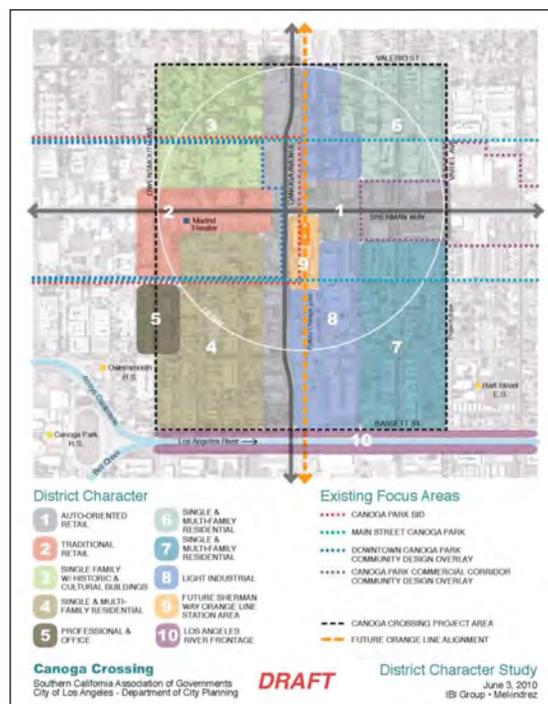
There are several properties within the project area that have a “(Q)” provision. The “(Q)” symbolizes a qualified zone reclassification and imposes restrictions on a property as a result of a zone change, to ensure compatibility with surrounding properties. These qualified classifications have been applied to permit commercial uses with different provisos than typical commercial allowances. For example, the southeast quadrant indicates a property allocated to parking that qualified for a commercial use zone change. Under the General Plan, all commercially zoned properties located on Owensmouth Avenue between Sherman Way and Vanowen Street shall include a permanent (Q) condition limiting development to a floor area ratio (FAR) of 1:1. This commercial restriction is applied to these select properties as under generalized zoning, commercial zones have no height limit restrictions and a FAR of 6:1. The (Q) condition ensures appropriate transitioning from the Sherman Way commercial corridor to the multi and single-family residential properties north and south of the corridor.

In order to facilitate transit-oriented development and intensification, modifications to the existing zoning may be required to allow for taller buildings, higher densities and reduced parking, particularly along the main roadways such as Sherman Way, Canoga Avenue and Owensmouth Avenue.

2.3 Existing Land Uses

As illustrated in the Canoga Crossing Station Area District Character Study and in Figure 4, land uses within the project area generally reflect the permissions of the Community Plan and Municipal Code (e.g. auto-oriented retail, traditional retail, light industrial and residential). The physical character of the area has largely been influenced by the existing density and height restrictions and the areas in which development activity largely occurred (e.g. 1950s and 1970s).

Figure 4. District Character of the Project Area



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Many businesses and residential developments in the project area are new and/or well-established. Other properties hold great potential for redevelopment and intensification. However, little new development will likely proceed until market conditions improve and vacancy rates go down. Figure 5 illustrates just some of the many retail, office and industrial spaces within the project area that were for sale or rent in May of 2010 when site visits were undertaken.

Figure 5. Examples of Properties Available for Rent or Lease in the Project Area



During the week of November 1, 2010, IBI Group undertook a review of the following real estate sources to gauge the number and type of residential and non-residential properties currently for sale or for rent in the project area:

- <http://www.socalmls.com>;
- www.loopnet.com;
- <http://www.paleycommercial.com>;
- www.realestate.oodle.com;
- <http://www.realtor.com>;
- <http://www.canogaparkcal.com>
- www.cityfeet.com;
- <http://www.apartmentreviews.net>;
- www.apartmentguide.com;
- www.4rentinla.com; and
- www.myapartmentmap.com.

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It should be noted that not all vacant commercial and industrial properties within the project area are necessarily listed with a realtor or posted on a real estate websites. As such the entire supply of vacant properties is not captured in the summaries provided below.

2.3.1 Northwest Quadrant

The northwest quadrant of the project area is predominantly comprised of four land uses:

- Traditional retail – along the north side of Sherman Way (e.g. beauty salons, restaurants, shoe repair, antiques, etc.);
- Auto-oriented commercial – along the west side of Canoga Avenue (e.g. Flyboy Motorcycles, Hertz, Canoga Autobody, some retail and restaurants, etc.);
- Office and cultural uses - along Owensmouth Avenue (e.g. Woodland Hills Community Theatre, Renaissance Dance Theatre, art and design studios, etc.); and
- Single and multi-family residential - within the interior.

The northwest quadrant also includes a number of cultural/historical and institutional uses (e.g. West Valley Boys and Girls Club, Canoga Park Youth Arts Centre, Canoga-Owensmouth Historical Museum, Fatima Islamic Society, a planned library, etc.).

The main forms of housing are detached one-storey bungalows (built in the 1950s) and two to three-storey apartment/condominium complexes (built between the 1970s and the 1990s). The real estate search found only two properties listed for sale:

- Two-bedroom/one-bath 542 sq. ft. bungalow on a 7,500 sq. ft. lot. Listed at \$224,500; and
- Two-bedroom/one-bath 1,200 sq. ft. bungalow on a 7,200 sq. ft. lot. Listed for \$274,901 (shown in Figure 6 below).

Another six dwelling units were listed in the periphery (i.e. within a one quarter mile of the quadrant):

- Four bungalows, ranging in price from \$265,000 (three bedrooms) to \$361,900 (four bedrooms); and
- Two condominium units for sale. Both have two bedrooms and two bathrooms and are listed at \$172,900 (shown below in Figure 6 below).

Few apartment units appear to be for rent. The monthly rents observed in the quadrant and the periphery ranged from \$850 for a one-bedroom unit to \$1,750 for a three-bedroom unit.

Figure 6. Examples of Residential Listings in or Near the Northwest Quadrant



Alabama Ave, 1,200 sq. ft. house on a 7,200 sq. ft. lot
Asking price of \$274,901 (\$229 per sq. ft.)



Saticoy St, 1,000 sq. ft. condominium
Asking price of \$172,900 (\$173 per sq. ft.)



Jordan Ave, 3 bedroom apartment
Rent of \$1,750 per month (\$1.40 per sq. ft.)



The real estate search found eight listings for commercial space within the quadrant:

- Two buildings for sale (i.e. a 3,800 sq. ft. medical centre listed at \$1.1 million and a 5,886 sq. ft. office building listed at \$1.15 million, shown below in Figure 7); and
- Six buildings for lease.

A number of other commercial properties are for sale and rent further west of the quadrant (e.g. storefronts on Sherman Way and Topanga Canyon Boulevard, units within the new Renaissance Centre, etc.). Annual rental rates observed for the available properties range from \$9.00 per sq. ft. to \$30.00 per sq. ft., depending on the age of the building, parking and other amenities.

Figure 7. Examples of Commercial Listings in or Near the Northwest Quadrant



Canoga Ave, automotive facility, 3,200 sq. ft.
Rent of \$15 per sq. ft. per year



Remmet Ave, 900 sq. ft. retail store
Rent of \$21 per sq. ft. per year



Alabama Ave, office building, 5,886 sq. ft.
Asking price of \$1.15 million (\$195 per sq. ft.)

2.3.2 Northeast Quadrant

The northeast quadrant of the project area is predominantly comprised of three land uses:

- Auto-oriented retail – along the east side of Canoga Avenue and the north side of Sherman Way (e.g. fast food and coffee shops, grocery stores, coin laundry, car dealerships and auto service shops, etc.);
- Light Industrial (e.g. metal, window and concrete fabricators) – along Deering Avenue and Eton Avenue; and
- Single and multi-family residential – within the interior.

The primary form of housing is two and three-storey apartment/condominium complexes (built between the 1970s and the 1990s). The real estate search found only two properties listed for sale:

- Two-bedroom/one-bath 972 sq. ft. condominium. Listed at \$114,900;
- Two-bedroom/three-bath 933 sq. ft. condominium. Listed at \$120,000 (shown in Figure 8 below); and

Another eight dwelling units were listed within the periphery:

- Five detached bungalows, ranging in price from \$275,000 (five bedrooms) to \$325,000 (five bedrooms);
- Two brand new 2,200 sq. ft. condominium townhouses, each listed at \$419,000 (shown in Figure 8); and
- A two-bedroom/two-bath condominium listed at \$119,900.

Few apartment units appear to be for rent. The monthly rents observed in the quadrant and the periphery range from \$850 per month for a studio unit to \$1,450 for a two-bedroom unit.



Figure 8. Examples of Residential Listings in or Near the Northeast Quadrant



Eton Ave, 933 sq. ft. condominium
Asking price of \$120,000 (\$129 per sq. ft.)



De Soto Ave, 2,218 sq. ft. condominium townhouse
Asking price of \$419,000 (\$189 per sq. ft.)



Independence Ave, Independence Court Apartments
Rents ranging from \$950 to \$1,200 per month

The real estate search found three rental listings for commercial space (i.e. three buildings with multiple units available) and three rental listings for industrial properties. A number of other retail properties are for sale and rent further east and north of the quadrant (e.g. a neighborhood retail centre off Independence Ave, retail further east along Sherman Way). As shown in Figure 9, the annual rental rates observed for new commercial space are considerably higher than for older/smaller buildings (e.g. \$22.50 to \$44.00 per sq. ft.). The annual rental rates of available industrial properties ranged from \$4.80 to \$10.40 per sq. ft.

Figure 9. Examples of Commercial and Industrial Listings in the Northeast Quadrant



Sherman Way, 1,880 sq. ft. of retail space
Rent of \$33.00 per sq. ft. per year



Canoga Parkway, 1,000 sq. ft. of retail space
Rent of \$42.00 per sq. ft. per year



Deering Ave, 3,225 sq. ft. of industrial/warehouse space
Rent of \$10.20 per sq. ft. per year

2.3.3 Southwest Quadrant

The southwest quadrant of the project area is predominantly comprised of three land uses:

- Traditional retail (e.g. Council Thrift Shop, Gentlemen’s Club, liquor stores, garden centre, bookstore, etc.) - along the south side of Sherman Way and Owensmouth
- Auto-oriented retail (e.g. carwash, gas stations, autoglass repair, etc.) - along the west side of Canoga Avenue; and
- Single and multi-family residential – within the interior.

The southwest quadrant also includes a number of community services and facilities (e.g. the Coutin School, Goodwill, a Counselling Centre, the Madrid Theatre, etc.).



The primary form of housing is two and three-storey apartment/condominium complexes (generally built between the 1970s and the 1980s). The real estate search found only one property for sale; a two-bedroom/three-bath 1,119 sq. ft. condominium listed at \$189,000 (shown below in Figure 10). Another ten dwelling units were listed within the periphery:

- A two-bedroom/one-bath condominium listed at \$139,000;
- A two-bedroom/one-bath condominium unit listed at \$177,000;
- A two-bedroom/two-bath condominium unit listed at \$145,000;
- A three-bedroom/three-bath condominium listed at \$189,950;
- Two condominium units located within the same building, each have two bedrooms and two bathrooms and are listed at \$150,000; and
- Four condominium units located within the same building. Each has one bedroom and one bathroom and are listed at \$99,000, \$107,900, \$109,999 and \$124,900.

A number of apartment units within the immediate area and the periphery appear to be for rent. Monthly rents observed range from \$895 per month for a one-bedroom unit to \$1,350 for a two-bedroom unit.

Figure 10. Examples of Residential Listings in or Near the Southwest Quadrant



Remmet Ave, 1,119 sq. ft. condominium
Asking price of \$189,000 (\$169 per sq. ft.)

Hart St, 990 sq. ft. condominium
Asking price of \$189,950 (\$192 per sq. ft.)

Alabama Ave, one-bedroom apartment
Rent of \$895 per month (\$1.28 per sq. ft.)

The real estate search found nine listings for commercial space within the quadrant:

- A 5,600 sq. ft. office building for sale for \$1.3 million;
- Two retail buildings for sale (i.e. a 3,618 sq. ft. auto body repair shop for \$795,000 and a 1,400 sq. ft. store for \$1.6 million, shown in Figure 11);
- Three office units for lease; and
- Three retail units for lease.

Annual rental rates observed for office space range from \$11.00 per sq. ft. to \$22.70 per sq. ft. and annual rental rates for retail space available within the area ranged from \$9.00 to \$19.00 per sq. ft.



Figure 11. Examples of Commercial Listings in the Southwest Quadrant



Sherman Way, 1,880 sq. ft. retail space
Rent of \$14.40 per sq. ft. per year



Sherman Way, 14,000 sq. ft. retail store.
Asking price of \$1.6 million (\$114 per sq. ft.)



Owensmouth Ave, 2,000 sq. ft. of office space
Rent of \$16.80 per sq. ft. per year

2.3.4 Southeast Quadrant

The southeast quadrant of the project area is predominantly comprised of three land uses:

- Auto-oriented retail (e.g. car dealership, Enterprise car rental, auto repair, restaurant, supermarket, etc.) - along the south side of Sherman Way;
- Light Industrial (e.g. metal, window and machinery fabricators) – from the east side of Canoga Avenue to Eton Avenue; and
- Single and multi-family residential – within the interior.

The main forms of housing are detached one-storey bungalows (built in the 1950s) and two to three-storey apartment/condominium complexes (built between the 1970s and the 1990s). The real estate search found no properties for sale within the quadrant, but within the periphery two dwelling units were listed:

- A three bedroom/two-bath detached bungalow, listed at \$309,950 (shown in Figure 12); and
- A four bedroom/three-bath detached two storey house, listed at \$349,000.

Monthly rents observed in the quadrant and the periphery ranged from \$750 per month for a studio unit to \$1,300 for a two-bedroom unit.

Figure 12. Examples of Residential Listings in or Near the Southeast Quadrant



Millwood Ave, Le Meridian Apartments
Rents starting at \$895 per month for studio apartments



Gault St, Carlyle Court Apartments
Rents starting at \$750 per month for studio apartments



Hart Street, 1,251 sq. ft. house on a 5,158 sq. ft. lot
Asking price of \$309,950 (\$248 per sq. ft.)



The real estate search found three listings for industrial space within the quadrant:

- A 2,275 sq. ft. industrial building, with an annual rental rate of \$15.00 per sq. ft.;
- A 2,368 sq. ft. automotive shop, with an annual rental rate of \$15.00 per sq. ft.; and
- A 6,631 sq. ft. manufacturing facility with an annual rental rate of \$8.40 per sq. ft. (shown in Figure 13).

No retail or office listings were observed within the quadrant, but there were several listed south and east of the quadrant. Annual rental rates observed for these commercial spaces ranged from \$16.30 per sq. ft. to \$21.49 per sq. ft.

Figure 13. Examples of Commercial Listings in the Southeast Quadrant



Eaton Ave, 750 to 2,368 sq. ft. of automotive space
Rent of \$15.00 per sq. ft. per year



Eaton Ave, 6,631 sq. ft. of industrial space
Rent of \$8.40 per sq. ft. per year/for sale at \$1.1 million



Sherman Way, 3,951 sq. ft. of office space
Rent of \$16.15 per sq. ft. per year

2.4 Community Improvement Initiatives

A number of planning, urban design and economic development initiatives led by various levels of government and local community and business groups have resulted in significant physical and economic improvements to the project area. Canoga Park won the prestigious All-America City Award in 2005, which recognizes neighborhoods or cities that demonstrates the most extraordinary civic transformation utilizing partnerships between local non-profits, local government and the community.

Examples of community improvement initiatives in Canoga Park include, but are not limited, to:

- The Canoga Park Improvement Association and Business Improvement District (BID);
- The Main Street Program – Canoga Park;
- The Canoga Park Neighborhood Council;
- Community Redevelopment Agency of the City of Los Angeles (CRA/LA) West Valley Redevelopment Area; Community Development Block Grant (CDBG) Program; and
- The Canoga Park Commercial Corridor Streetscape Plan.

In 1994, the City Council of the City of Los Angeles adopted the ordinance to establish the Earthquake Disaster Assistance Project for Portions of Council District 3 in response to the economic and physical recovery needs resulting from the 1994 Northridge Earthquake. The Community Redevelopment Agency of the City of Los Angeles (CRA/LA) is responsible for carry out the project. Examples of new development and improvements facilitated by the CRA/LA in Canoga Park include:

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- The acquisition of the Madrid Theater;
- The West Valley Façade Improvement Grant Program which has benefited 92 storefronts along Sherman Way;
- The Canoga Park Streetscape Program which added trees, benches, trash receptacles and public art to six blocks of Sherman Way and Owensmouth Avenue; and
- The renovation of the Canoga Park Library which will include a Child Development Institute facility for special needs youth.

The Canoga Park Improvement Association (CPIA) is a not-for-profit organization run and funded by property owners in the Historic Old Town of Canoga Park. The CPIA manages the Canoga Park BID, which was established in 2000, and works in partnership with the City of Los Angeles and community organizations to promote the historical significance of the area, its unique retailers, restaurants, theatres and local art.

In 2000 the State of California certified Canoga Park as a California Main Street Community. Main Street works in concert with CRA/LA on projects and programs that include landscape and maintenance, marketing, events like the Dia de los Muertos Festival and the Main Street Farmers' Market. The Main Street Program was created by the National Trust for Historic Preservation in 1980 to assist older commercial districts which were suffering due to the development of shopping malls and big box retail. The Main Street Program is based on the assumptions that many shoppers are looking for unique retail opportunities, an appealing outdoor pedestrian environment, convenient parking and sense of community.

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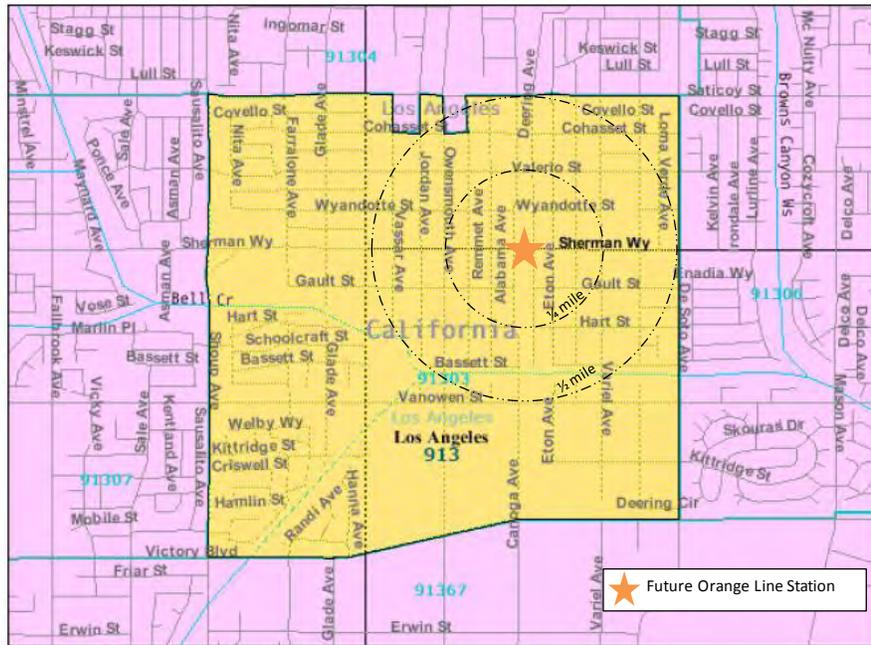
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Population and Employment Profile

For the analysis of population and employment characteristics within the project area, IBI Group relied primarily on data Census data compiled by the U.S. Census Bureau at the zip code level (i.e. zip code area 91303, as shown in Figure 14). Analysis at the zip code level was undertaken, rather than at the smaller census tract level, to capture the broader market base will likely utilize the future Sherman Way station and support new transit-oriented development.

Figure 14. Zip Code Area 91303 – Canoga Park



Source: IBI Group and U.S. Census Bureau, Summary File: Reference Map

The federal government undertakes an official census every ten years and findings for the 2010 Census will not be released until mid-2011. The U.S. Census Bureau has released population estimates for 2009, but only for Counties and larger cities. As such, IBI Group relied on the population and labor force data from the 2000 Census, but did refer to unofficial statistics prepared by OnBoard Informatics, a well-known company that undertakes neighborhood assessments, for insight on current conditions within Canoga Park. The latest official business and employment statistics available for Canoga Park are for the year 2008. The Los Angeles County Economic Development Corporation and the Kyser Center for Economic Research have released 2010 industry updates, but only at the County level.

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3.1 Population and Dwellings

At the time of the 2000 Census, Canoga Park (zip code 91303) had a population of 23,508. As shown in Figure 15, while Los Angeles County and the San Fernando Valley had similar age structures, Canoga Park had a much higher proportion of children (aged 0 to 9) and young adults (aged 20 to 34). Canoga Park also had a much lower proportion of older adults and seniors.

The U.S. Census Board estimates that between 2000 and 2009 Los Angeles County grew by 3.5% and that as of 2009 it was home to 9,848,011 people. According to OnBoard Informatics, Canoga Park has grown by 12% and 2,882 people over the last decade and as of 2010 has a population of 26,390.

Figure 15. Population and Age Distribution (2000 U.S. Census)

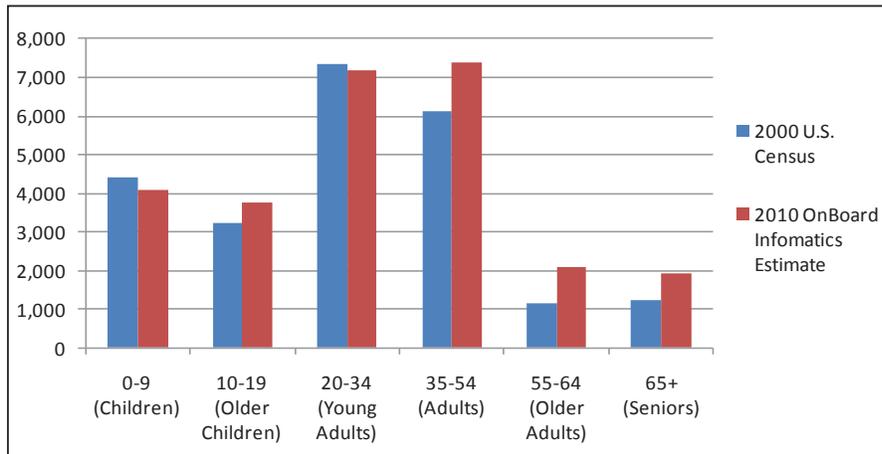
Population by age Group			
	Los Angeles County	San Fernando Valley	Canoga Park
0-9 (children)	1,539,678	258,905	4,396
10-19 (older children)	1,407,118	233,835	3,240
20-34 (young adults)	2,283,559	400,761	7,357
35-54 (adults)	2,666,090	504,488	6,121
55-64 (older adults)	696,220	132,991	1,168
65+ (seniors)	926,673	182,106	1,226
Total population	9,519,338	1,713,086	23,508

Percentage population by age Group			
	Los Angeles County	San Fernando Valley	Canoga Park
0-9 (children)	16.17%	15.11%	18.70%
10-19 (older children)	14.78%	13.65%	13.78%
20-34 (young adults)	23.99%	23.39%	31.30%
35-54 (adults)	28.01%	29.45%	26.04%
55-64 (older adults)	7.31%	7.76%	4.97%
65+ (seniors)	9.73%	10.63%	5.22%
Total population	100.00%	100.00%	100.00%

As shown in Figure 16, based on estimates prepared by OnBoard Informatics, the population of Canoga Park has aged considerably, with the proportion of older adults and seniors almost doubling. The introduction of the BRT and transit-oriented development will make Canoga Park an attractive place for older people to relocate to or to age in place, and it could also help retain and attract a younger resident population.

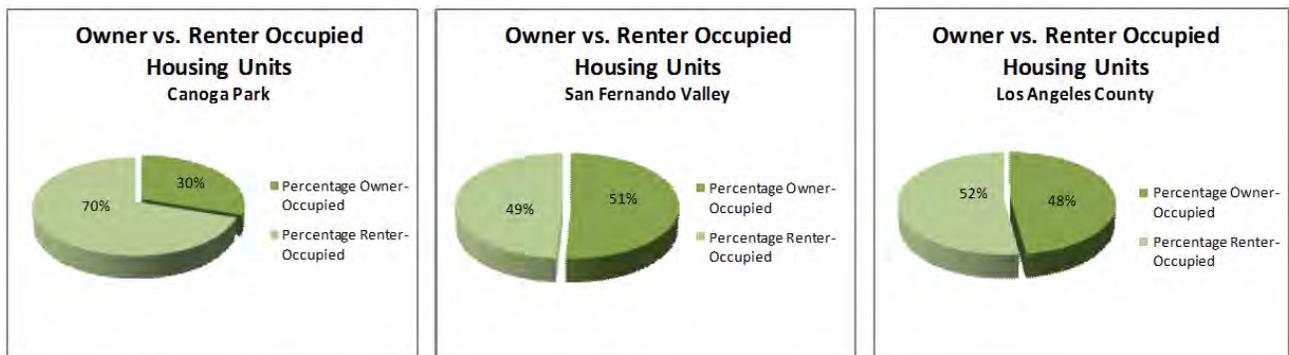


Figure 16. Estimated Changes in Age Distribution within Canoga Park (Zip Code Area 91303)



At the time of the 2000 Census, Canoga Park had a considerably higher percentage of residents who rented housing than San Fernando Valley and Los Angeles County. As shown in Figure 17, only 30% of units in Canoga Park were owner-occupied. OnBoard Informatics shows no change to the proportion of renters in Canoga Park, but does estimate that household vacancies are up from 3% in 2000 to 4.8% in 2010.

Figure 17. Housing Ownership (2000 U.S Census)



Source: IBI Group based on US Census Bureau 2000 Census and the San Fernando Valley Economic Research Centre

The large rental market in Canoga Park is largely attributable to the significant young adult population as well as the lower incomes of Canoga Park residents. At the time of the 2000 Census, the median income in Canoga Park was \$36,769, which was 13% lower than the median household income in Los Angeles County (i.e. \$42,045) and 29% lower than the median income in San Fernando Valley (i.e. \$57,717). OnBoard Informatics estimates that the median income in zip code area 91303 is currently \$44,328, representing a 12% increase from 2000.



3.2 Labor Force and Employment Profile

As shown in Figure 18, at the time of the 2000 Census, over half of Canoga Park’s working population was employed in the following industries:

- Manufacturing;
- Professional, scientific, management, administrative, and waste management services;
- Retail trade; and
- Educational, health and social services.

Figure 18. Employed Civilian Population by Industry – Canoga Park (U.S. Census 2000)

	Number of people	Percentage of total employed population
Agriculture, forestry, fishing and hunting, and mining	33	0.3%
Construction	833	7.8%
Manufacturing	1,624	15.3%
Wholesale trade	377	3.5%
Retail trade	1,527	14.3%
Transportation and warehousing, and utilities	306	2.9%
Information	425	4.0%
Finance, insurance, real estate, and rental leasing	982	9.2%
and waste management services	1,580	14.8%
Educational, health and social service	1,186	11.1%
food services	937	8.8%
Other services (except public administration)	769	7.2%
Public administration	63	0.6%

Source: IBI Group based on US Census Bureau 2008 data

In 2000 there was a relatively low level of unemployment in Canoga Park (i.e. 5%) and Los Angeles County (i.e. 4.2%). A survey undertaken in 2010 by the California Employment Development Department found that unemployment levels have reached 12.3% in Los Angeles County¹.

The U.S. Census Board shows that between 2000 and 2008 the number of business in Canoga Park grew by 11% (i.e. from 922 to 1,022) and the number of jobs grew by 20% (i.e. from 11,851 to 14,293). Growth was seen in a number of industries including the following which fall under the North American Industry Classification System (NAICS) categories of:

- Retail trade (55 new businesses created);
- Wholesale trade (13 new businesses created);
- Health care and social assistance (8 new businesses created);
- Construction (7 new businesses created); and
- Accommodation and food services (7 new businesses created).

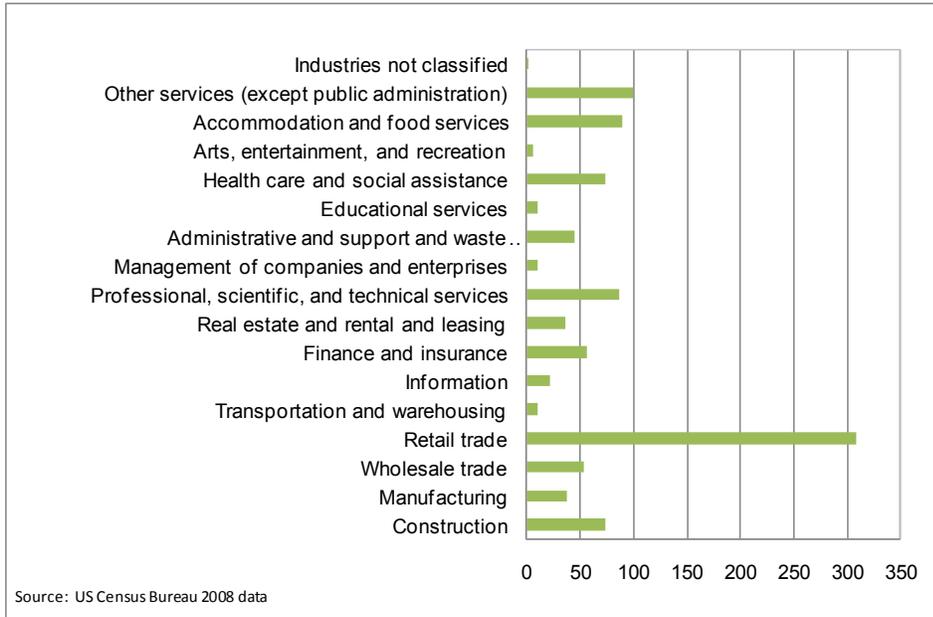
¹ California Employment Development Department. EDD News Release No. 10-64.



A loss of 7 manufacturing businesses occurred in Canoga Park between 2000 and 2008. Sources suggest that over the past few years Canoga Park has lost an additional 6% of its local job base².

With some 309 businesses, 'retail trade' represented the largest category of industry within Canoga Park (see Figure 19), followed by 'other services' (100 businesses), 'accommodation and food services' (90 businesses) and 'professional, scientific and technical services' (87 businesses).

Figure 19. Business Establishments by Industry in Canoga Park (U.S. Census Bureau, 2008)



While as of 2008 there were over 1,000 businesses within Canoga Park, almost half of them employed only one to four people. Only 15 of the 1,022 businesses employed more than 100 people. As shown in Figure 20, the industries which produced the greatest levels of employment were retail trade, manufacturing and administrative and support and waste management and remediation services.

² http://www.bestplaces.net/zip-code/Canoga_Park-California-91309.aspx



Figure 20. Employed Population by Industry in Canoga Park (U.S. Census Bureau, 2008)

Industry Code Description	Total Establishments	'1-4'	'5-9'	'10-19'	'20-49'	'50-99'	'100-249'	'250-499'	'500-999'	'1000 or more'
Total for all sectors	1022	501	215	157	113	20	11	3	1	1
Construction	73	42	13	8	6	4	0	0	0	0
Manufacturing	38	17	8	8	1	0	3	0	0	1
Wholesale trade	53	31	10	5	5	2	0	0	0	0
Retail trade	309	90	96	72	38	7	3	2	1	0
Transportation and warehousing	10	7	0	0	2	0	1	0	0	0
Information	22	8	6	5	3	0	0	0	0	0
Finance and insurance	56	41	6	2	7	0	0	0	0	0
Real estate and rental and leasing	36	25	4	3	4	0	0	0	0	0
Professional, scientific, and technical services	87	56	19	8	3	1	0	0	0	0
Management of companies and enterprises	11	9	1	0	1	0	0	0	0	0
Administrative and support and waste management and remediation services	45	25	4	7	5	0	3	1	0	0
Educational services	10	4	2	1	3	0	0	0	0	0
Health care and social assistance	74	46	14	7	5	1	1	0	0	0
Arts, entertainment, and recreation	6	6	0	0	0	0	0	0	0	0
Accommodation and food services	90	25	15	23	22	5	0	0	0	0
Other services (except public administration)	100	67	17	8	8	0	0	0	0	0
Industries not classified	2	2	0	0	0	0	0	0	0	0
Proportion of Total Industries	100.0%	49.0%	21.0%	15.4%	11.1%	2.0%	1.1%	0.3%	0.1%	0.1%

Source: IBI Group based on US Census Bureau 2008 data

While the U.S. Census data does not specifically identify what proportion of Canoga Park’s labor force held jobs at businesses located within Canoga Park, 10.6% of Canoga Park residents reported a travel time of less than 10 minutes to get to work and 17.5% of Canoga Park residents reported a travel time of 15 to 19 minutes. Given that the Canoga Park zip code area 91303 is less than three square miles, it does not appear that a large proportion of Canoga Park residents work locally. As of the 2000 Census over 80% of Canoga Park’s labor force reported driving to work. The extension of the BRT line to Canoga Park may result in reduced reliance on the automobile and create more opportunities for people to live and work within the community.

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Market and Real Estate Conditions and Opportunities

Building upon the evaluation of the demographic, employment and real estate conditions within Canoga Park, the following sources were reviewed to gain further insight to current market and real estate conditions within the larger San Fernando Valley and the Greater Los Angeles Area (GLAA) and to identify potential longer-term development prospects for lands within proximity to the planned Sherman Way station:

- Market reports prepared by CB Richard Ellis, Colliers International and Grubb & Ellis Company;
- Economic forecast and industry reports prepared by the Los Angeles County Economic Development Corporation (LACEDC);
- Building permit data prepared by the Los Angeles Department of City Planning, Demographic Research Unit; and
- Housing data prepared by the U.S. Department of Housing and Urban Development and OnBoard Informatics.

4.1 Residential

Canoga Park is primarily comprised of housing stock built in the 1950s and the 1970s. Less than 1% of the owner-occupied housing was built after 1995 and less than 1% of the rental units were built after 1995³. According to the California Association of Realtors, the median price reported for housing within Canoga Park as of April 2010 was \$325,000, which was only 1% lower than the median price for the County as a whole. Figure 21 illustrates the median housing prices for a number of communities within Los Angeles County and changes in price point seen over the past year.

Figure 21. Median Housing Prices within Select Los Angeles County Communities

Community	April 2010	April 2011	% Change
Burbank	\$445,000	\$450,000	-1.10%
Canoga Park	\$325,000	\$307,500	5.7%
Encino	\$548,750	\$410,000	33.80%
Glendale	\$409,500	\$517,00	-20.80%
Mission Hills	\$325,000	\$310,000	4.80%
Reseda	\$298,000	\$285,000	4.60%
Tarzana	\$385,000	\$450,000	-14.40%
Valencia	\$416,000	\$399,000	4.30%
Winnetka	\$334,000	\$300,000	11.30%
Woodland Hills	\$484,500	\$482,500	0.40%
Los Angeles County	\$327,000	\$300,000	9.00%

Source: California Association of Realtors

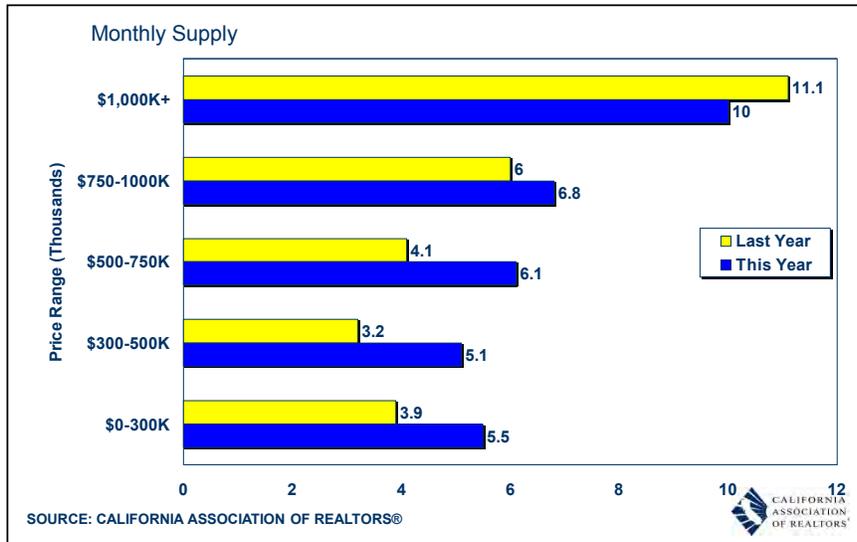
³ US Census Bureau. 2000 Census.



The above-noted price statistics were derived from all types of home sales, including new and existing dwellings, condos and single-family houses. The predominant forms of housing within the project area are condominiums and smaller single-family houses. IBI Group’s real estate review found only two single-family houses for sale within the project area, listed at \$224,500 and \$274,000. A number of condominium units were for sale, ranging in price from \$114,900 to \$189,000, or \$118 to \$192 per sq. ft.

As shown in Figure 22, in terms of unsold residential dwellings within Los Angeles County, as of September 2010 the inventory of unsold houses was primarily comprised of higher priced properties.

Figure 22. Unsold Housing Inventory by Price Range in Los Angeles County



As shown in Figure 23, the average monthly rental rates for housing in Canoga Park are lower than those found in others areas of Los Angeles County and for the County as whole, particularly for studio and one-bedroom units. Within the project area, IBI Group observed studio units available from \$750 per month and one-bedroom units available from \$900 per month.

Figure 23. Fair Market Average Monthly Gross Rental Rates

	Canoga Park	Tarzana	Reseda	Los Angeles County
Studio	\$873	\$916	\$1,144	\$934
One Bedroom	\$1,053	\$1,105	\$1,343	\$1,137
Two Bedroom	\$1,314	\$1,380	\$1,679	\$1,420
Three Bedroom	\$1,756	\$1,853	\$2,253	\$1,907
Four Bedroom	\$2,124	\$2,230	\$2,711	\$2,295

Source: OnBoard Informatics and U.S. Department of Housing and Urban Development



According to the California Association of Realtors, as of the second quarter of 2010, vacancy rates for Class A and B apartments were at 6.1%. Over the past two years vacancy rates have remained relatively steady, fluctuating between 6.0% and 6.7%. High levels of apartment vacancy in Los Angeles County have not been seen since the 1990s (when they reached 10%) and low levels of vacancy have not been seen since 2001 (when they reached 2%).

While the number of building permits issued for single and multiple-family dwellings in Canoga Park has dropped by 84% and 67% since 2004, data retrieved from the Los Angeles City Planning Department shows that in comparison to other communities, a substantial number of building permits for new dwellings have been released for Canoga Park in recent years. As illustrated in Figure 24, in 2009 over half of the permits for new residential development in San Fernando Valley were located in the Canoga Park- Winnetka area (i.e. primarily outside of the project area). Between January and March of 2010 only one permit for new residential has been released in Canoga Park – Winnetka.

Figure 24. Residential Building Permits Issued in San Fernando Valley in 2009

	Detached Single Family Dwellings (Houses)				Multi-Family Dwellings			
	New Construction	Additions/ Alternations	Demolished	NetGains or Losses	New Construction	Additions/ Alternations	Demolished	NetGains or Losses
Arleta - Pacoima	4	-2	-18	-16	0	7	0	7
Chatsworth - Porter Rch	32	0	-2	30	6	2	0	8
Granada Hills - Knollwood	3	1	0	4	0	0	0	0
Mission Hills	2	0	-2	0	0	0	0	0
Northridge	2	2	-2	2	0	6	0	6
Sun Valley - La Tuna Cyn	4	0	-3	1	15	3	0	18
Sunland - Tujunga	13	-3	-6	4	0	1	0	1
Sylmar	8	1	-6	3	73	0	0	73
Canoga Park - Winnetka	12	0	-5	7	440	8	0	448
Encino - Tarzana	25	1	-19	7	0	3	0	0
N Hollywood - Valley Vlg	5	-1	-10	-6	114	-12	-8	94
Reseda - West Van Nuys	14	0	-2	12	6	4	-2	8
Sherman Oaks - Studio Cy	32	-6	-33	-7	0	22	-70	-48
Van Nuys	3	5	-5	3	44	-4	0	40
Total San Fernando Valley	159	-2	-133	44	698	40	-80	658

Source: IBI Group based on US Census Bureau 2008 data

4.2 Retail

A market report prepared CB Richard Ellis for the third quarter of 2010 suggests the average annual lease rate for retail space within San Fernando Valley is \$25.80 per sq. ft. (i.e. \$2.15 per sq. ft. per month), down from \$26.28 in the previous quarter. The report also shows that 7% of the 15.3 million sq. ft. of leasable retail area within the San Fernando Valley is vacant. In comparison, the vacancy rate for the GLAA as a whole was 6.4%.

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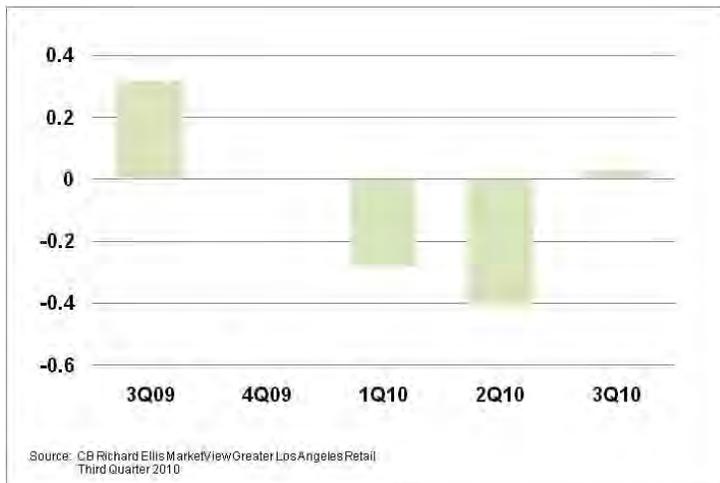
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As previously described in Section 2, a large number of number of retail properties are currently for sale or lease within the project area. Annual lease rates observed by IBI Group ranged from \$9.00 per sq. ft. to \$42.00. The type of single-tenant buildings and strip centers found in the Canoga Park project area commonly have lower lease rates, as well as higher vacancy rates than newer shopping centres.

San Fernando was one of the few submarkets within the GLAA that experienced a positive absorption of net retail space over the last quarter (i.e. 76,718 sq. ft.). A number of submarkets experienced significant losses (e.g. Southeast Los Angeles, Antelope Valley). As illustrated in Figure 25, overall a total of 28,000 sq. ft. of retail space was absorbed within the GLAA, representing the first positive outcome in almost a year. Industry leaders and analysts expect slow growth in the retail market over the next 12 to 18 months.

Figure 25. Historic Net Absorption for Retail Space within the GLAA



A limited amount of retail is under construction in the GLAA, with projects largely concentrated within San Gabriel Valley, South Bay, Southeast Los Angeles and Ventura. In 2009 permits for a total of 8,523 sq. ft. of new retail space were released in the Canoga Park- Winnetka area, but in the same year permits were released to demolish some 9,700 sq. ft. of retail space. Much of the recently developed retail space in the project area (i.e. commercial plazas along Canoga Avenue and Sherman Way) are still vacant and for lease.

The Westfield Group recently spent \$350 million on the redevelopment of the Westfield Topanga, which is located within the Warner Center business district, just south of Canoga Park. The 1.6 million sq. ft. shopping centre includes over 250 stores and 6,000 parking spaces. The company is also has plans for a mixed-use project called the Village at Westfield Topanga that will include public open spaces, retail, offices, a boutique hotel and a community/cultural center. The original plans for the development have been scaled back significantly due to the economic recession; however Westfield still plans to build the Village in two phases; the first opening in 2013 and the second in 2016⁴. A 146,000 sq. ft. Costco will be the main anchor tenant and is expected to open in 2012.

⁴ Wilcox, Gregory (July 13, 2010) "Plan scaled back for The Village at Westfield Topanga", www.dailynews.com.

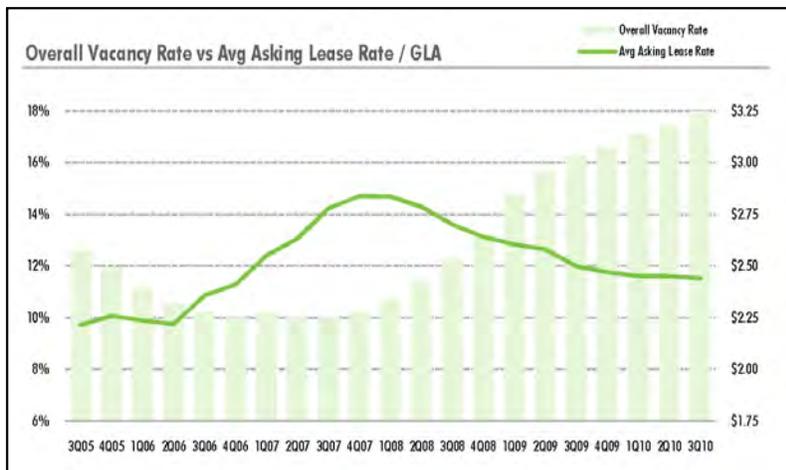


4.3 Office

A market report prepared CB Richard Ellis for the third quarter of 2010 shows that 21% of the 21.2 million sq. ft. of leasable office space within the San Fernando Valley is vacant. In comparison the average vacancy rate for the GLAA was 18.0%.

The average annual lease rate for office space within San Fernando Valley is \$26.64 per sq. ft. (i.e. \$2.22 per sq. ft. per month); this average includes all classes of office space and newer complexes such as those located within the Warner Centre. The type of older Class B or Class C office space found in the project area appears to command much lower lease rates. IBI Group observed annual lease rates that ranged from \$11.0 to \$22.70 per sq. ft. As seen in Figure 26, over the past few years the vacancy rates for office buildings within the GLAA have almost doubled and in the past few years average lease rates have declined.

Figure 26. Historic Vacancy and Lease Rates for Office Space within the GLAA



Source: CB Richard Ellis MarketView Greater Los Angeles Office, Third Quarter 2010

Primarily due to the lack of tenant demand, office construction activity has been slow over the past few years. In 2009 no permits were released for new commercial office space in the Canoga Park – Winnetka area and within the first part of 2010 no permits have been released for new commercial office space in any of the communities which comprise the San Fernando Valley.

4.4 Industrial

Colliers International considers the San Fernando Valley to be a moderately mature market, given that 68% of the industrial space was built more than 20 years ago. Only 32% of the industrial space is contained in big box buildings (i.e. buildings with more than 100,000 sq. ft.). As such, the market is more geared towards small- to medium-sized companies.

According to CB Richard Ellis, as of the third quarter of 2010 the average annual lease rate for industrial space within the Greater San Fernando Valley was \$8.16 per sq. ft. (i.e. \$0.68 per sq. ft. per month). However, as

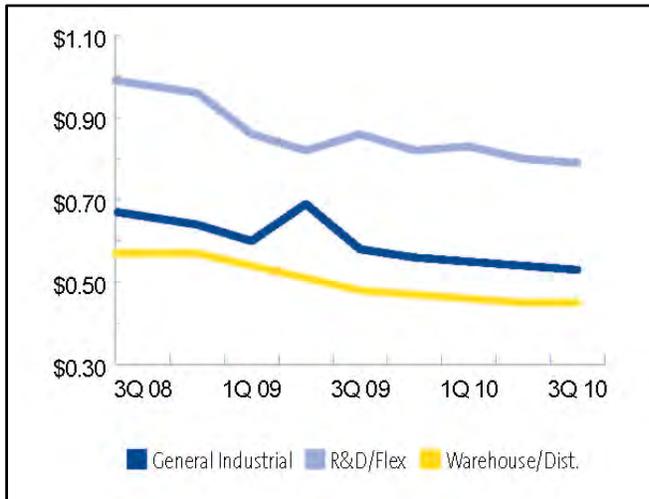
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shown in Figure 27, lease rates vary greatly by type. Few properties appear to be available for rent or sale within the project area. Those that were available for lease could be classified as general industrial or R&D/flexible employment space and had rental rates ranging from \$8.40 to \$15.00 per sq. ft. (i.e. \$0.70 to \$1.25 per sq. ft. per month).

Figure 27. Monthly Rental Rates by Industrial Type within the GLLA



Source: Grubb & Ellis, Industrial Trends Report - Third Quarter 2010, Los Angeles, CA

The CB Richard Ellis report shows that 8.5% of the 171.7 million sq. ft. of leasable industrial area within the Greater San Fernando Valley area is currently vacant. In comparison, the vacancy rate for the GLAA as a whole was 7.6%. Economic and leasing conditions do appear to be slowly improving and CB Richard Ellis reports that the GLAA market continues to outperform many other industrial markets across the county. Almost all of the submarkets within the GLLA experienced a positive absorption of net industrial space over the last quarter. A total of 172,880 sq. ft. of industrial space was absorbed in the Greater San Fernando Valley area and more than 2.6 million sq. ft. was absorbed in the GLAA. In terms of building and property sales, acquisition activity has mostly been dominated by smaller, owner/user sales.

A number of new industrial buildings are under construction in Los Angeles County. Within Canoga Park-Winnetka, permits for a total of 5,080 sq. ft. of new industrial space were released in 2009 and permits for 22,860 sq. ft. of new industrial space were released between January and March of 2010.

4.5 Potential Market Opportunities within the Project Area

Given the population growth, the many attributes of Canoga Park, including the planned Sherman Way station and BRT service, and affordable real estate, there is potential for residential development within the project area. With the demographic and physical characteristics of the project area, and the planning policies and guidelines that are in place to protect the main street quality and history of the community, townhouses and low/mid-rise buildings (either rental apartments or condominiums) may be the most appropriate scale and form of dwellings. Opportunities exist for infill development, site redevelopment and adaptive re-use of existing buildings.

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New residential units could be developed as stand-alone buildings or as part of mixed-use projects that include retail, restaurant, office or institutional components.

A significant amount of retail space is currently vacant and available for lease or sale within Canoga Park. However, with the introduction of the Orange Line and the continued funding of streetscape, business development and other community improvement initiatives, opportunity exists to build upon the existing mix of businesses and to create a stronger commercial node within the project area to serve the growing resident population, new employers and employees, visitors and other transit users.

The Los Angeles County Economic Development Corporation (LACEDC) considers the “new economy” of the County to be largely technology driven (e.g. bio-medical, digital information technology, media, environmental technology, etc.). As per industry forecasts prepared by the LACEDC, traditional manufacturing is expected to continue to lag in Los Angeles.

Many cities throughout North American and globally have had success in reinventing traditional industrial areas to attract and accommodate emerging and growing industries, such as information technology, green energy, bio-technology, media, etc.

The development of upgraded and flexible industrial space in the project area could accommodate a range of industry clusters.

Given the high vacancy rates and low average lease rates for office space within the GLAA and well-established employment nodes such as the Warner Centre, there appears to be little prospect for developing major new office complexes within the project area over the short to medium term. The extension of the Orange Line and the construction of Sherman Way station, however, may help reduce the vacancy levels within Canoga Park and trigger opportunities for adaptive re-use of other existing buildings.

While lands within proximity to the future Sherman Way station holds potential to attract and accommodate a range of land uses and new economic activity, ultimately market conditions will determine the type and timing of future development and investment activity. The return on investment (ROI) analysis provided in Section 5 details the conditions in which a private investor may be willing to pursue development within the project area and the various risk factors which must be taken into consideration.

Examples of Employment Development Initiatives

Alameda Centre for Environmental Technologies (ACET), San Francisco Bay

- Established in 1998 to facilitate green business program development, business incubation and the promotion of environmental technology. The facilities are located in former Navy Materials and Fuel testing laboratories. A cooperative agreement between ACET and the French Innovation Center at Savoie Technolac gives clients fast track access to European Union markets

Hamilton Incubator of Technology, Canada

- The 40,000 sq. ft. facility offers fiber optics, flexible space, meeting rooms, administration and IT services and other programs. The facility has 19 private sector tenants involved in light manufacturing, health care and medicine, wastewater and IT, as well as public sector organizations. The incubator is not quite financially sustainable and is subsidized by the City.

Shanghai International Energy Conservation & Environmental Protection Park

- One of 12 old industrial sites that China plans to turn into clean energy development zones. The former iron and steel plant is being converted into a site for research, testing, demonstration, and development of clean energy.



Estimates of Return on Investment (ROI)

Three hypothetical development sites were identified within the project area and high-level financial analysis was undertaken for the following development options:

- High-density mixed use;
- Low density light industrial;
- Retail;
- Medium density, low-rise residential; and
- Medium density, mid-rise residential with reduced parking.

Using a number of important assumptions informed by the market research (e.g. unit price point, lease rates, vacancy rates), return on investment (ROI) analysis was prepared that provides 10 year cash flow estimates for each of the development options.

5.1 Development Options

Following the identification of locations within the project area that held opportunities for transit-oriented densification as well as the formation of new industry clusters, such as a clean tech corridor, three hypothetical sites were selected on which to test various development scenarios (see Figure 28).

Figure 28. Hypothetical Development Sites and Development Options



As detailed in Figure 29, the various development scenarios considered a mixed-use development project and stand-alone residential and non-residential projects. Both options 4 and 5 are for a medium density residential development project that includes two storey townhouses and a condominium building. Option 4 assumes a three-level building overtop a two-storey parking structure and the provision of between one and 1.5 parking spaces per residential unit. In keeping with the typical design of transit-oriented development, Option 5 assumes a building height of four storeys and fewer parking spaces.

Figure 29. Development Scenarios

	Option 1 High Density Mixed-Use	Option 2 Low Density Light Industrial	Option3 Retail	Option 4 Medium Density Residential Low- Rise	Option 5 Medium Density Residential Mid-Rise, Reduced Parking
Total GFA (sq. ft.)	370,000	126,300	11,800	127,600	136,000
Residential	46,800	0	0	71,600	100,000
Commercial/Retail	37,800	0	8,100	0	0
Restaurant	4,900	0	3,700	0	0
Light Industrial	32,500	126,300	0	0	0
Office	131,000	0	0	0	0
Parking Structure	117,000	0	0	56,000	36,000
Total Parking Spaces	424	189	38	107	70

5.2 Assumptions

Based on the review of existing real estate and market conditions within the project area and the larger County and age and income groups that may be attracted to new transit-oriented development, the following somewhat conservative sale prices and lease rates were assumed:

- Residential units: sale price of \$180 per sq. ft.
- Retail and restaurant space: annual lease rate of \$25 per sq. ft.
- Office space: annual lease rate of \$28 per sq. ft.
- Light industrial: annual lease rate of \$18 per sq. ft.

Other general assumptions were made under each of the options, based on similar relative experience and reasonable estimations, market research and/or industry norms, including:

- 3% annual escalation on all costs and sale prices;
- 5% project contingency which represents the risk factors for various unknowns and unanticipated expenses;
- Soft costs (e.g. professional fees) will total 12.5% of the project construction costs;
- Construction costs are industry estimates provided by RS Means, specific to the Greater Los Angeles area (with the exception of industrial space which generally costs \$87 per sq. ft. for traditional buildings. A cost of \$110 per sq. ft. was assumed for the type of light industrial/flex space envisioned for the project area);



- Site servicing costs will equal between \$25,000 to \$50,000 per acre for pre-serviced land;
- Average landscaping costs will equal \$50,000 per acre;
- 5% of gross sales will be required to cover marketing costs;
- Financing was assumed at 25% equity and 75% debt at an interest rate of 4.5%, meaning that 75% of the project will be financed by borrowed funds and the developer will be paying 4.5% per year in interest;
- A 10% discount rate was applied which will discount future earnings or costs and relate them to earnings and costs achieved today;
- Non-residential rentals are assumed to have a standard lease rate for the first 5 years of occupancy. After 5 years the rental rate is stepped up by 3% annual escalation;
- 10% vacancy assumed for commercial/retail, industrial, and office space; and
- A 10% cap rate was used at the end of the 10-year rental period which allows us to value the projected sale price of the rental space based on the revenues achieved.

It should be noted that the ROI analysis excludes the cost of land and any costs associated with demolition of existing structures and land remediation.

A full listing of assumptions and inputs into the financial model are available in Appendix A

5.3 Results

Figure 30 provides a summary of the results of a 10 year cash flow proforma analysis for the five development scenarios. Detailed annual analysis for each of the options is located in Appendix A.

As illustrated below, a comparison of gross revenues across the five development scenarios shows that Option 1 (i.e. a high density mixed-use) could generate the highest total revenues at almost \$116.1 million. Due to the size of the development and the provision of structured parking, Option 1 does also have the highest project costs (i.e. costs of almost \$67 million).

The greatest gross development profits (i.e. total estimated revenue less total estimated costs, which include interest paid and received but exclude cost of land and any required demolition and/or remediation) are associated with Option 1 and that no profit could be expected from Options 4 and 5:

Development Scenario	Estimated Gross Development Profit
Option 1 (high density mixed-use development)	\$47.5 million
Option 2 (low density light industrial)	\$25.3 million
Option 3 (retail)	\$3.2 million
Option 4 (medium density residential, low-rise)	- \$4.6 million
Option 5 (medium density residential, mid-rise with reduced parking)	- \$3.8 million



The loss associated with Options 4 and 5 is due to the high cost associated with the required structured parking and sale prices/unit values which are likely achievable. IBI Group observed condominiums for sale in the project area ranging from \$118 per sq. ft. to \$192 per sq. ft. and as such a sale price of \$180 per sq. ft. appeared to be reasonable for the ROI. In order to break even with Option 4, a developer would need to charge \$274 per sq. ft. For the project to be worth the risk to a private developer, the residential units would have to sell for at least \$300 per sq. ft.

So while the largest gross development profit is associated with Option 1, the full ROI actually shows that it is Option 2 (i.e. low density light industrial) that has the most impressive performance indicators. The internal rate of return (IRR) of a project shows the performance of the project as a percentage of the initial investment. With regards to the IRR across development options, Options 2 has the highest IRR of 13.55%. In fact Options 1, 2, and 3, all performed well with IRRs over 10%, compared to a negative IRR for Options 4 and 5. The difference in performance can be mainly attributed to the development of residential versus non-residential uses.

The net present value (NPV) is another tool to determine the success of a development project. The NPV measures the present value of an investment's future net cash flows minus the initial investment (assumed to be 10-years for the purpose of this assignment). NPV is used in capital budgeting to analyze the profitability of a project. The NPV results mirror those of the IRR. Option 2 demonstrates higher returns through NPV than any of the other options.

Development Scenario	Estimated Gross Development Profit
Option 1 (high density mixed-use development)	\$0.65 million
Option 2 (low density light industrial)	\$4.5 million
Option 3 (retail)	\$0.47 million
Option 4 (medium density residential, low-rise)	- \$5.2 million
Option 5 (medium density residential, mid-rise with reduced parking)	- \$4.7 million

Typically, development that includes residential sales perform at a higher level than those developments that only include leased space. However, as noted above, the current market conditions as well as the cost of development below surface or structured parking opposed to surface parking is the primary reason for the low performance of Options 4 and 5.

It should be noted that the ROI assumed occupancy levels of 90% for Options 1, 2 and 3. If only 60% occupancy is achieved over the 10-year period, Option 2 would result a net development profit of \$8,681,663 and an NPV of -\$2,888,813 and Option 3 would result in a net development profit of \$1,708,945 and an NPV of -\$208.



Figure 30. Summary of ROI Estimates for the Five Development Scenarios

ESTATEMASTER MAKING CITY DEVELOPMENT Development Feasibility	1		2		3		4		5	
	Cash Flow - Option 1		Cash Flow - Option 2		Cash Flow - Option 3		Cash Flow - Option 4		Cash Flow - Option 4b	
Summary of Comparison of Options Canoga Connect	High Density Mixed Use Site - East of Tracks: Site B		Low Density Light Industrial Site - East of Tracks: Site C		Retail Site - West of Tracks: Site A - North		Residential Site - West of Tracks: Site A - South		Residential Site - West of Tracks: Site A - South	
	4.6 Acres 370,000 GFA 200,000 SqFt		4.6 Acres 126,300 GFA 200,000 SqFt		7 Acres 11,800 GFA 28,000 SqFt		1. Acres 127,600 GFA 45,000 SqFt		1. Acres 127,600 GFA 45,000 SqFt	
	Mixed Use Under Review		Industrial Under Review		Retail Under Review		Residential Under Review		Residential Under Review	
Estate Master for Equal Licensed to: IB GROUP										
REVENUE										
Total Sales Revenue	65,986,036		24,425,250		3,279,883		13,274,840		18,540,000	
Less Selling Costs	(3,299,302)		(1,221,263)		(163,994)		(863,732)		(827,000)	
NET SALE PROCEEDS	62,686,735		23,203,988		3,115,889		12,610,908		17,613,000	
Rental Income	59,157,841		25,277,594		3,260,061					
Less Outgoings & Vacancies	(5,779,578)		(2,527,759)		(225,157)					
Less Letting Fees										
Less Incentives (Rent Free and Fit Out Costs)										
Less Other Leasing Costs										
NET RENTAL INCOME	53,378,263		22,749,834		3,034,904					
Interest Received										
Other Income										
TOTAL REVENUE	116,064,998		45,953,822		6,170,793		12,610,908		17,613,000	
Less Nil Tax paid										
TOTAL REVENUE	116,064,998		45,953,822		6,170,793		12,610,908		17,613,000	
COSTS										
Land Purchase Cost										
Land Transaction Costs										
Construction (inc. Construct. Contingency)	39,020,069		13,893,000		1,912,662		11,153,132		15,577,000	
Professional Fees	4,877,509		1,736,625		239,083		1,394,142		1,847,125	
Statutory Fees										
Infrastructure Costs	456,813		456,813		109,253		141,091		141,091	
Parking Construction Costs	11,421,500		661,500		133,000		3,210,000		2,100,000	
Miscellaneous Costs 3										
Project Contingency (Project Reserve)	2,788,795		837,397		119,700		794,818		988,261	
Land Holding Costs										
Pre-Sale Commissions										
Finance Charges (inc. Line Fees)										
Interest Expense	9,989,789		3,053,579		463,142		563,398		700,430	
Plus Corporate Tax										
TOTAL COSTS	66,554,474		20,638,914		2,876,840		17,256,681		21,453,906	
PERFORMANCE INDICATORS										
Gross Development Profit ¹	47,510,524		25,314,909		3,193,953		(4,645,773)		(3,840,906)	
Net Developer's Profit after Profit Share ²	47,510,524		25,314,909		3,193,953		(4,645,773)		(3,840,906)	
Development Margin (Profit/Risk Margin) ³	68.12%		115.80%		101.89%		(25.92%)		(17.18%)	
Target Development Margin	20.00%		20.00%		20.00%		20.00%		20.00%	
Residual Land Value (Target Margin) ⁴	19,523,482		12,440,319		1,518,228		(6,834,341)		(6,704,880)	
Breakeven Date for Cumulative Cash Flow ⁵	Jan-2020		Jan-2020		Jan-2020		N.A.		N.A.	
Discount Rate (Target IRR)	10.00%		10.00%		10.00%		10.00%		10.00%	
Net Present Value ⁶	652,837		4,459,448		448,530		(5,228,821)		(4,741,658)	
Benefit Cost Ratio ⁶	1.011		1.254		1.178		0.887		0.772	
Project Internal Rate of Return (IRR) ⁹	10.19%		13.55%		12.54%		(24.48%)		(15.13%)	
Residual Land Value (NPV) ¹⁰	652,837		4,459,448		448,530		(5,228,820)		(4,741,658)	
Maximum Debt Exposure	43,923,513		13,188,001		1,885,273		12,519,962		15,585,107	
Date of Maximum Project Overdraft	Jan-2010		Jan-2010		Jan-2010		Jan-2010		Jan-2010	
Breakeven Date for Project Overdraft ¹¹	Jan-2020		Jan-2018		Jan-2019		N.A.		Jan-2011	
Total Equity Contribution	14,841,171		4,396,334		628,424		4,845,773		5,188,369	
IRR on Equity ¹²	15.55%		21.34%		19.92%		N.A.		N.A.	
Weighted Average Cost of Capital (WACC)	3.38%		3.37%		3.38%		3.28%		3.38%	
YIELD ANALYSIS										
	Qty	Area	Qty	Area	Qty	Area	Qty	Area	Qty	Area
SALES										
Residential - 1 Bedroom Units	0	46,800	0	0	0	71,600	0	100,000	0	100,000
TOTAL	0	46,800	0	0	0	71,600	0	100,000	0	100,000
TENANCIES										
Commercial Office		188,800		0		8,100		0		0
Retail Shops		4,900		0		3,700		0		0
Industrial Units		32,500		126,300		0		0		0
TOTAL		206,200		126,300		11,800		0		0
Footnotes (based on current Preferences):										
1. Development Profit: is total revenue less total cost including interest paid and received.										
2. Developer's Net Profit after distribution of profit share.										
3. Development Margin: is profit divided by total development costs (inc. selling costs).										
4. Residual Land Value: is the maximum purchase price for the land whilst achieving the target development margin.										
5. Breakeven date for Cumulative Cash Flow: is the last date when total debt and equity is repaid (ie when profit is realised).										
6. Net Present Value: is the project's cash flow stream discounted to present value.										
It includes financing costs but excludes interest and corp tax.										
8. Benefit Cost Ratio: is the ratio of discounted incomes to discounted costs and includes financing costs but excludes interest and corp tax.										
9. Internal Rate of Return: is the discount rate where the NPV above equals Zero.										
10. Residual Land Value (based on NPV): is the purchase price for the land to achieve a zero NPV.										
11. Payback date for the equity/debt facility is the last date when total equity/debt is repaid.										
12. IRR on Funds Invested is the IRR of the equity cash flow including the return of equity and realisation of project profits.										



5.4 Risk Factors

While the ROI provides a high-level picture of the financial viability of the five development scenarios, a number of risk factors must be acknowledged as they will influence the timing and level of developer interest and profitability. Examples of such risk factors include, but are not limited to:

- The requirement for improved market conditions in Canoga Park and beyond and increased demand for new residential and non-residential product. The ROI analysis has been simplified wherein residential unit sales were assumed to be brisk and delivery is planned for within a short time frame. This is a somewhat aggressive approach and due to the current economic conditions, the sale of units could occur over a longer period, thus reducing the overall profitability of the project;
- The potential for planning and development incentives to attract future private sector investment to the area (e.g. tax cuts, free land, waiver of planning and building fees, grants, reduced parking requirements) or the formation of public private partnerships;
- The need to amend existing the existing zoning provisions or permission on a site/project-specific basis to allow for increased heights and densities and/or reduced parking requirements;
- Planning and or construction delays. The ROI analysis assumes that the development process is completed without the hindrance of any delays. There are many factors that can cause significant delays throughout a development process and these can inhibit or even derail projects. Examples of such factors include:
 - Approvals for the development are not granted or opposed.
 - Site complications such as contamination, archaeological findings.
 - Union strikes (e.g. electrical, mechanical, construction).
 - A developer will not be able to obtain financing.
 - Provision of investment readiness packages to potential investors which identify vacant lands, properties/ buildings for lease or purchase, available servicing infrastructure, traffic volumes and transit ridership statistics and details on the City's planning and development approvals process and available assistance/ incentives.

The ROI estimates prepared for the Canoga Crossing assignment are intended only to provide an idea of what types of development may be feasible within the project area - from a market and financial perspective. Full planning due diligence and detailed financial analysis which includes land costs and potential for public funding assistance, would be need to be undertaken in order to confirm development feasibility.

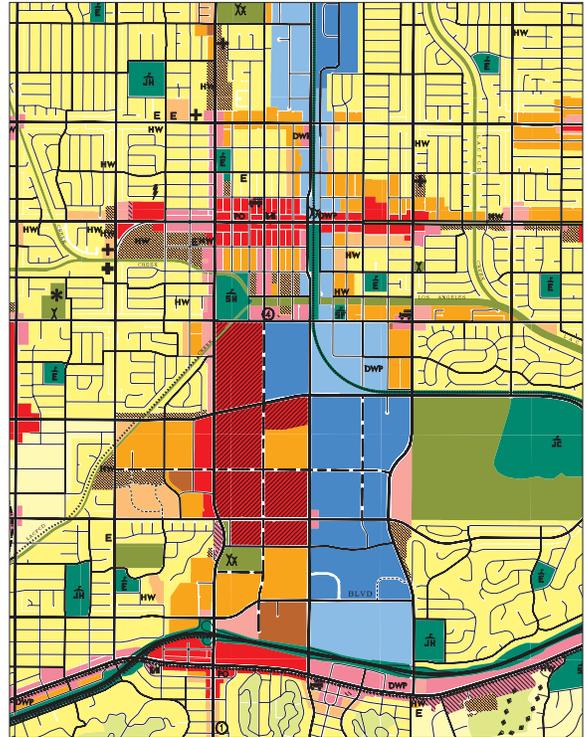


Planning Context

The built form of our contemporary cities and communities is largely shaped by the application of planning policy. The City of Los Angeles Municipal Code is designed to construct the framework of the City by regulating, assigning, and restricting the location and use of built structures. The code also establishes height requirements of buildings and residences, determines the location of parks and open spaces, and allows for specific densities in certain areas. Community character is further detailed by design guidelines that may be found in Specific Plans capturing a designated area, or within more abbreviated design overlay and streetscape plans which are by their nature more limited in scope.

In the Canoga Connect study area there are currently a number of overlays that guide development but all share the same intent of improving the livability of the area and supporting local retail opportunities.

Designers and community leaders must understand this context, and continually work to simplify or modify the guiding planning documents so as to achieve the visions that best fit the goals of the related regional and local communities. This study has engaged the community of Canoga Park and helps work to a vision that is congruent with regional attitudes towards transportation development and employment, and takes a critical look at the existing planning context so as to make recommendations on how to strengthen the procedures for change. In order to do this, existing design overlays were reviewed, local community representatives and city planners were engaged, and opportunities to maximize transit related development opportunities were considered. The first step was to review all existing planning documents related to the study area, the following pages list the various guiding components that together frame the **planning context** for the study.



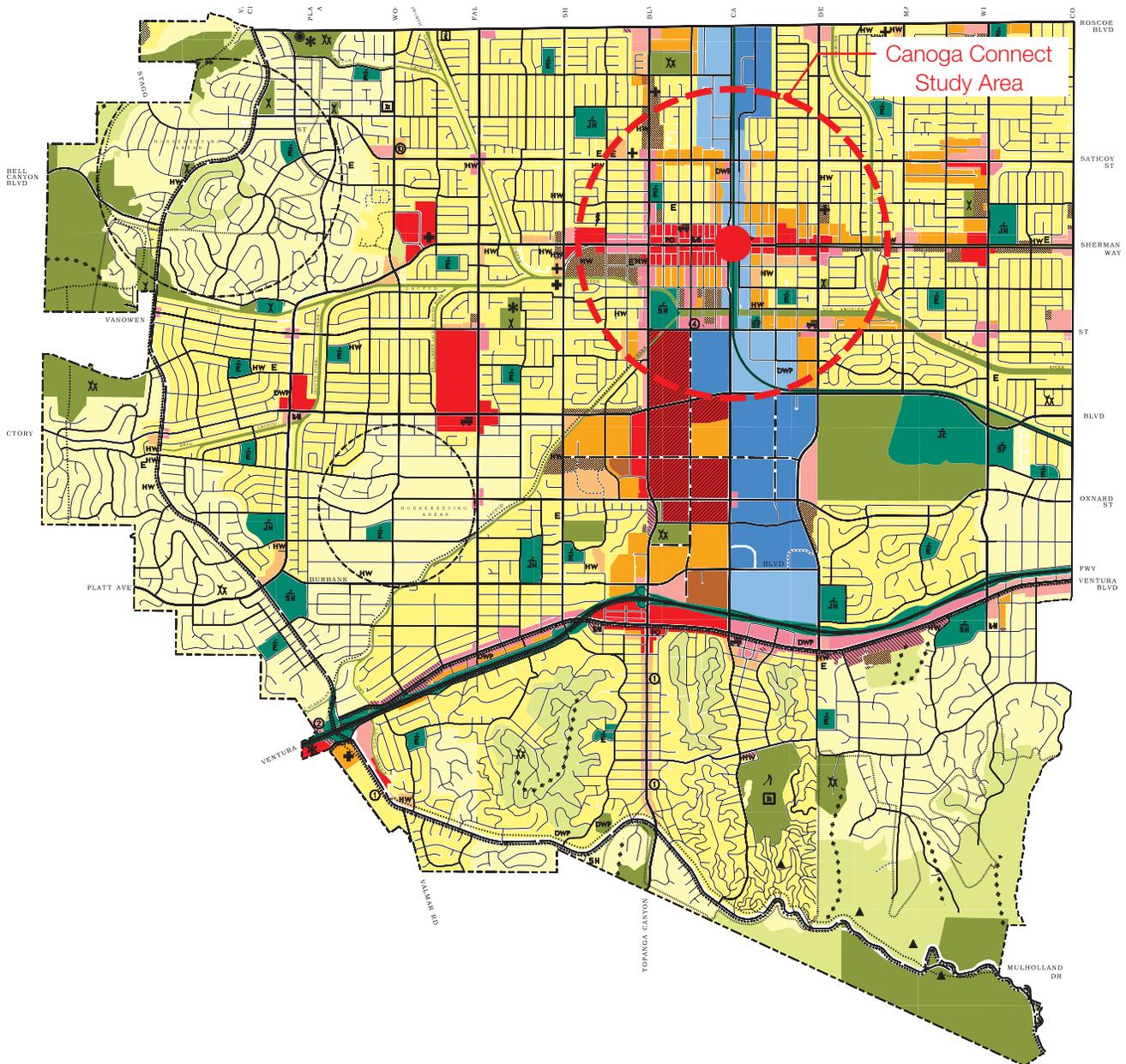
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Planning Framework – Canoga Park-Winnetka-Woodland Hills- West Hills Community Plan

The City of Los Angeles General Plan Land Use Element consists of 35 community plans. The community plans provide the overall regulatory framework to guide future land use decisions within their specified boundaries by designating land uses to indicate the location and amount of land to be dedicated to housing, recreation and open space, educational uses, cultural sites, business, industry, and commercial. The Canoga Park-Winnetka-Woodland Hills-West Hills Community Plan contains the land use designations for the Sherman Way station area.

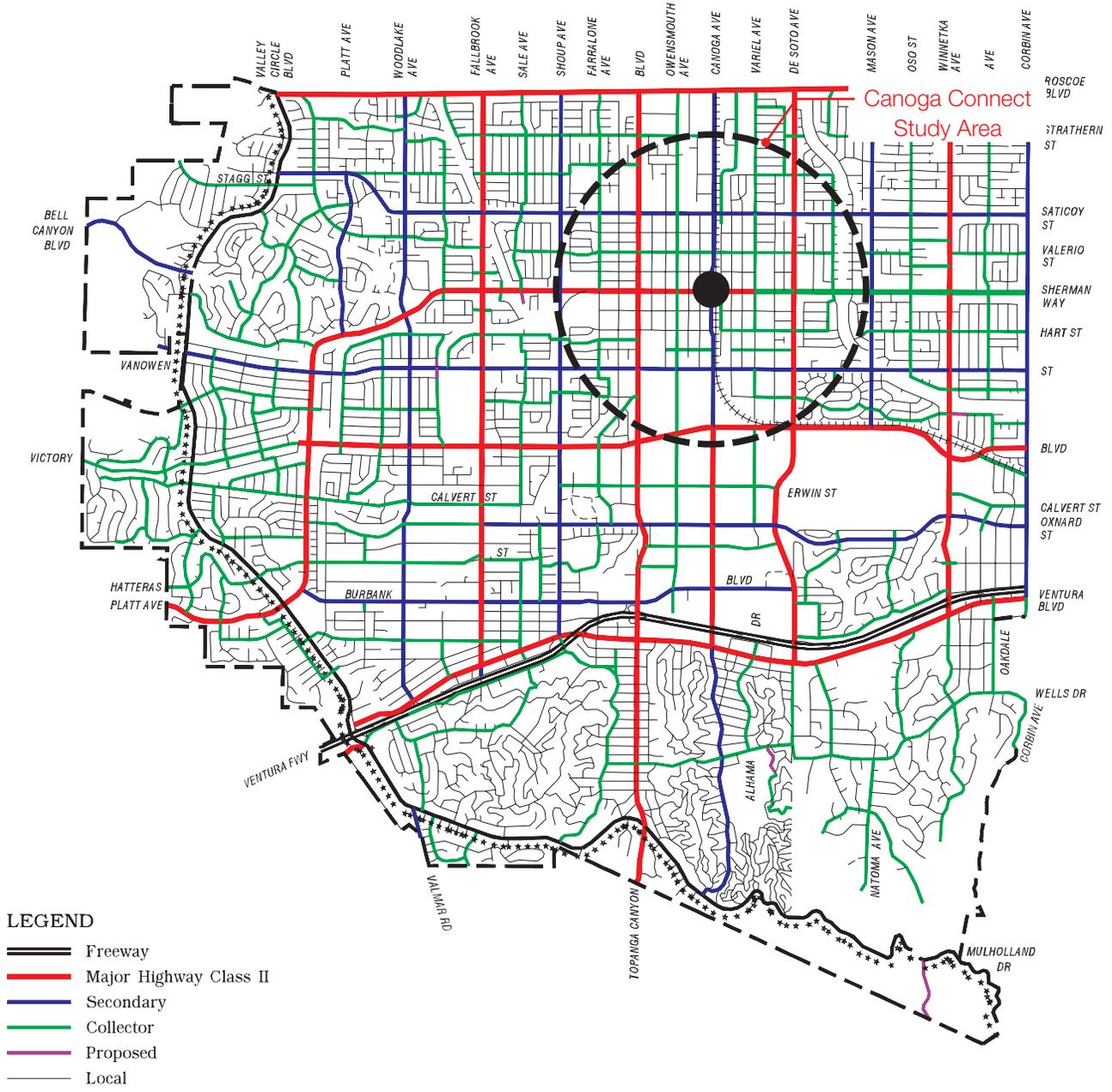


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Canoga Park-Winnetka-Woodland Hills – Generalized Circulation



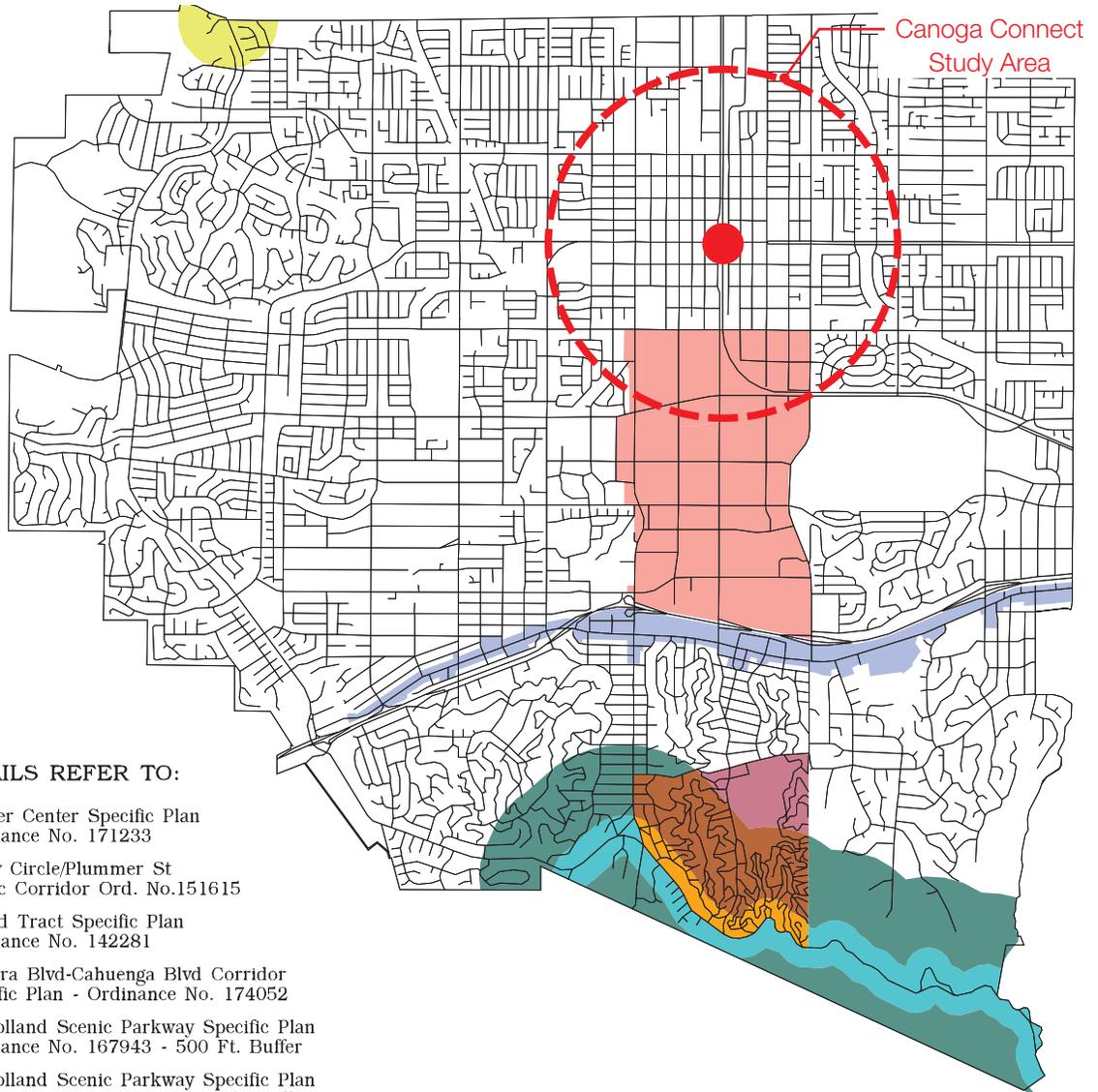
GENERALIZED CIRCULATION
(See Note "D")

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Canoga Park-Winnetka-Woodland Hills – Specific Plan Areas



FOR DETAILS REFER TO:

- Warner Center Specific Plan Ordinance No. 171233
- Valley Circle/Plummer St Scenic Corridor Ord. No.151615
- Girard Tract Specific Plan Ordinance No. 142281
- Ventura Blvd-Cahuenga Blvd Corridor Specific Plan - Ordinance No. 174052
- Mulholland Scenic Parkway Specific Plan Ordinance No. 167943 - 500 Ft. Buffer
- Mulholland Scenic Parkway Specific Plan Ordinance No. 167943 - 1/2 Mile Buffer
- Girard Tract Specific Plan-Ord No.142281 and Mulholland Scenic Parkway Specific Plan-Ord No.167943-500 Ft. Buffer
- Girard Tract Specific Plan-Ord No.142281 and Mulholland Scenic Parkway Specific Plan-Ord No.167943-1/2 Mile Buffer

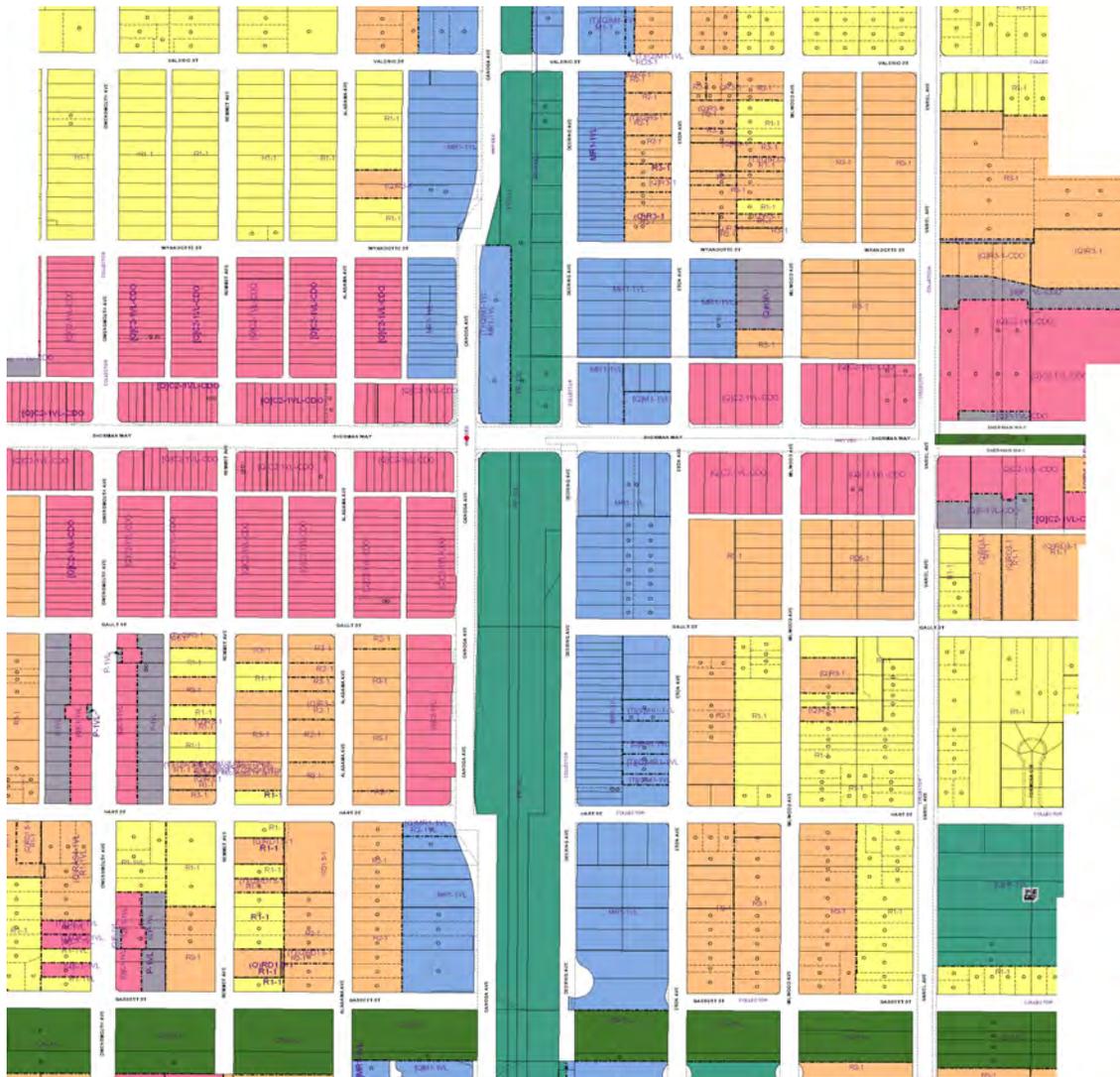
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City of Los Angeles Municipal Zoning Information – Canoga Connect Study Area

The City of Los Angeles Municipal Code is designed to construct the framework of the City by regulating, assigning, and restricting the location and land use of built structures. The code also establishes height requirements of buildings and residences, determines the location of parks and open spaces, and allows for specific densities in certain areas. C2 (commercial) zones are located along Sherman Way, both east and west of the station. MR1 (restricted industrial) zones are located along Canoga Avenue. R3 (multiple dwelling) zones are located north of Wyandotte Street, east of Canoga Avenue. R1 (one-family dwellings) are located west of Canoga, north of Wyandotte Street. R3 (multiple dwelling) zones and R1 (one-family dwelling) zones are located south of Gault Street.

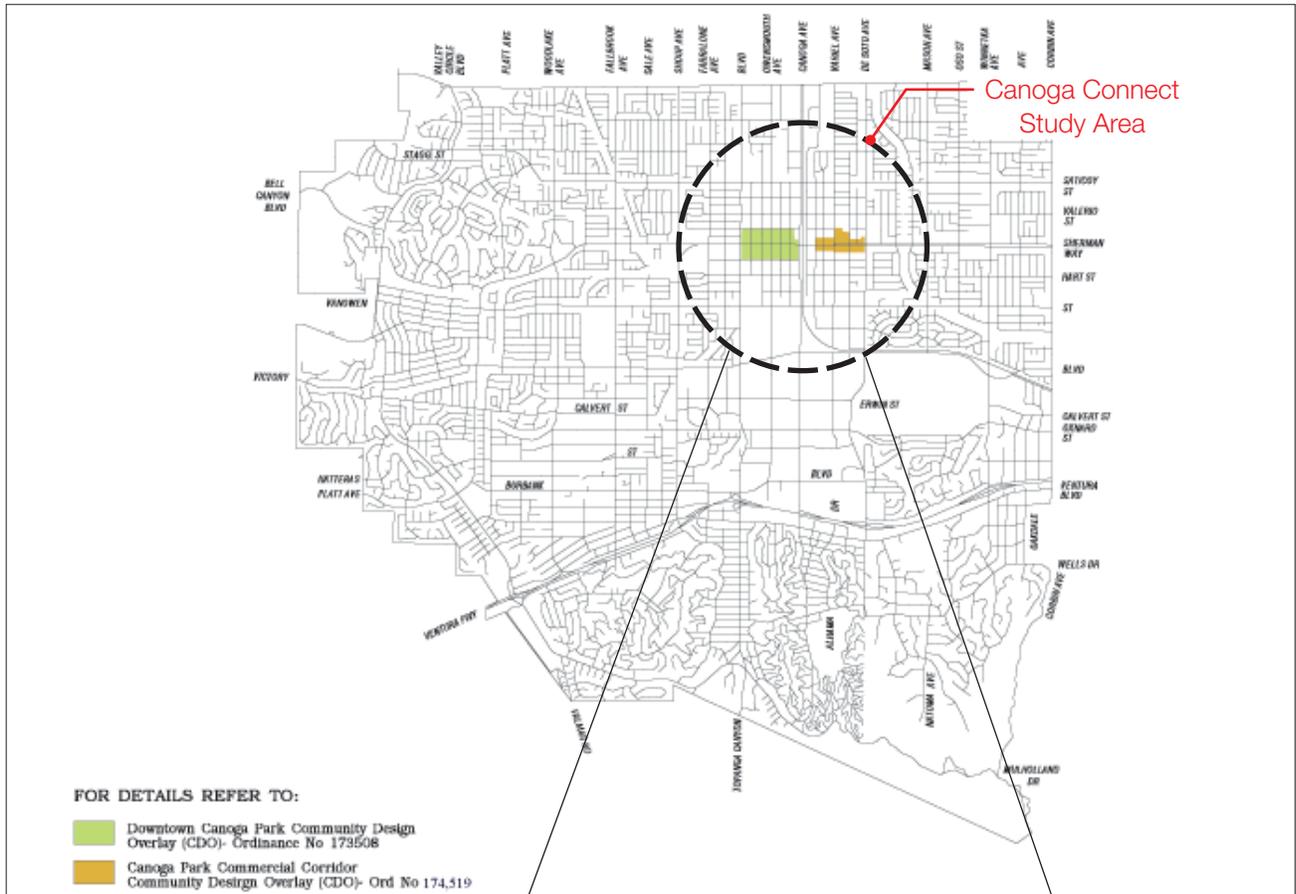


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Canoga Park-Winnetka-Woodland Hills – Existing Design Overlays



The Downtown Canoga Park Community Design Overlay District



Canoga Park Commercial Corridor Community Design Overlay District

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Downtown Canoga Park Community Design Overlay District

The Downtown Canoga Park CDO is complemented by the Downtown Canoga Park Streetscape Plan which incorporates streetscape design guidelines and standards that provide direction in the design of projects in the public right-of-way, such as street furniture, street lighting, and landscape.

Together these two plans will encourage the integration of public and private space and direct development towards a more cohesive design concept by providing the community with tools for ongoing participation in the revitalization and development of the Downtown Canoga Park CDO.



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Canoga Park Commercial Corridor Community Design Overlay (CDO)

The Canoga Park Commercial Corridor CDO provides Design Guidelines and Standards intended to promote and enhance the identity of the district. The goals of the CDO are:

- To promote storefront and shopping center design that enhances the physical appearance of the corridor and establishes an identity distinguishing it from strip development found elsewhere on Sherman Way and the San Fernando Valley overall.
- To promote design of storefronts and shopping centers that contribute to the safety and comfort of both pedestrian and automobile traffic.
- To provide direction in site planning and ensure a high degree of design quality in development of the corridor through the use of Design Guidelines and Standards.



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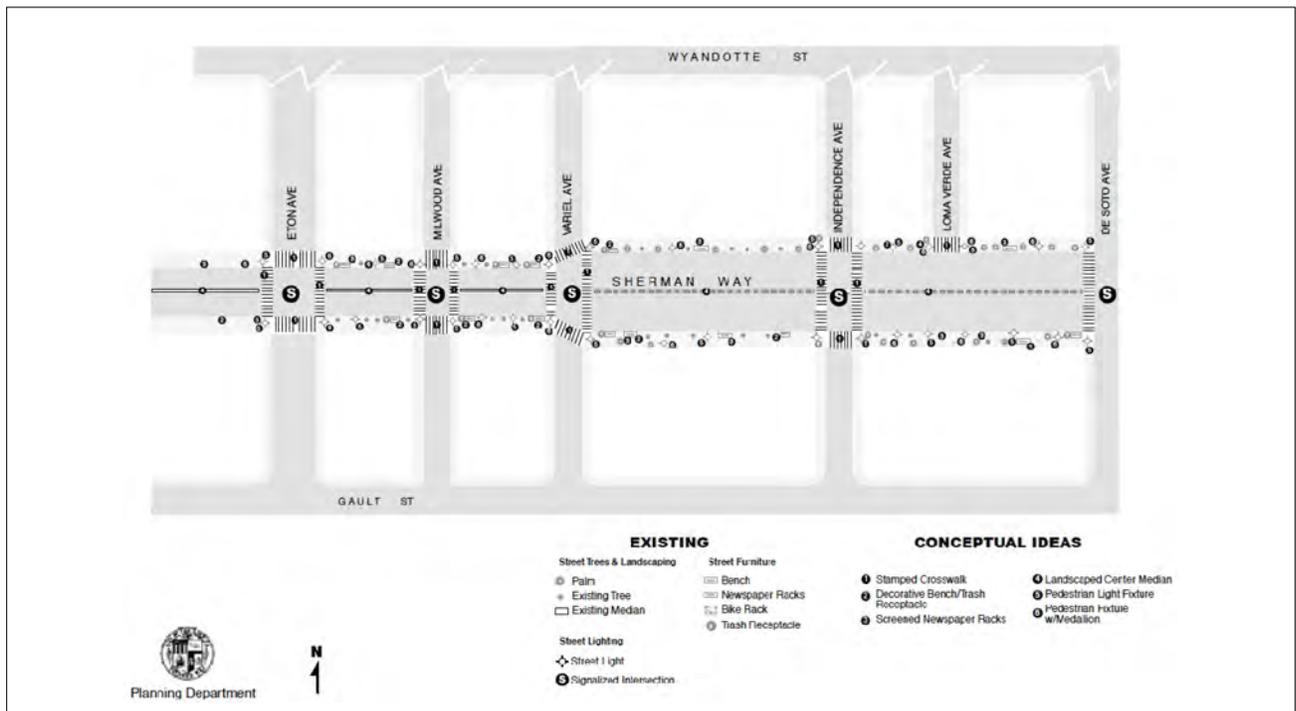
Commercial Corridor Streetscape Plan

The Canoga Park Commercial Corridor Streetscape plan provides guidelines and standards for both public and private development projects in the Community of Canoga Park. The intent of the Streetscape Plan is to provide standards and direction for improvements to the public right-of-way that create a pedestrian-friendly environment and enhance the identity of the area.

- The principle objective of the Canoga Park Commercial Corridor Streetscape Plan is to promote a long-term, coordinated program of public and private investment in the pedestrian environment that will enhance the area’s role as the focus of community activity.
- The Streetscape Plan establishes a plan for the area’s public right-of-way, which includes sidewalks and streets. Design considerations for this space include streetscape elements such as landscape, street lighting, public art, street furniture, infrastructure, and signage elements.

Subarea 1: Sherman Way: The Canoga Park Commercial Corridor consists primarily of development on the north and south sides of Sherman Way.

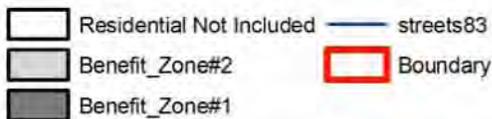
Subarea 2: Collector Streets: Collector streets in Canoga Park Commercial Corridor include Eton Avenue, Milwood, Variel, and Independence Street. For the purpose of the Streetscape Plan, the portion of De Soto Avenue that falls within the Canoga Park Commercial Corridor Streetscape boundaries shall be treated as a collector street.



Canoga Park Improvement Association (BID)

The Canoga Park Improvement Association’s mission is to revitalize the business district of Downtown Canoga Park and the surrounding community by providing goods, services and leadership; maintaining and enhancing the streets and current business structures along the targeted Sherman Way corridor; attracting new businesses to Downtown Canoga Park.

Services to be provided by the District include: security, landscape and general maintenance (sidewalk cleaning, litter and debris control, general maintenance, trash collection of sidewalk receptacles as necessary, tree maintenance, etc.), marketing (banners, signing, promotional events, advertising, etc.), new business attraction, advocacy, and other services as approved by the Canoga Park Improvement Association Board of Directors.



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Main Street Canoga Park

The “Main Street” program was created in 1980 by the National Trust for Historic Preservation to aid older commercial districts hurt by shopping malls and “big box” stores.

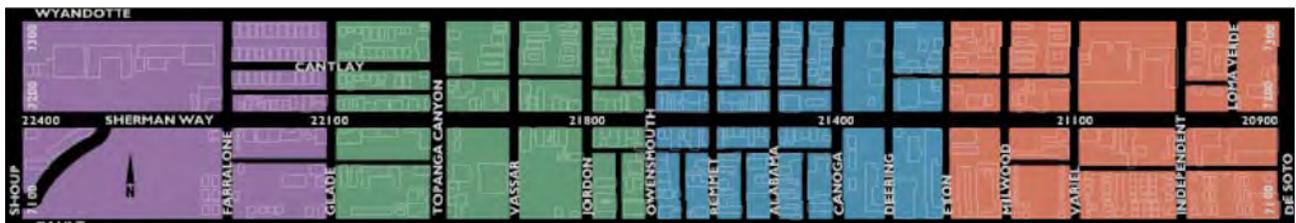
The Main Street Program offers a four-point approach to commercial revitalization, with a committee of volunteers formed to carry out each point.

- Design of the street’s physical appearance.
- Organization, recruitment, and training of community volunteers.
- Promotion of retail activities, special events, and marketing campaigns.
- Economic restructuring to retain and expand existing businesses and to attract additional commercial activities.

MSCP’s mission is to create a thriving commercial district by developing an inclusive Main Street organization that reflects neighborhood and business diversity, builds upon the area’s arts, culture and history, and strengthens and attracts neighborhood serving and destination businesses.

MSCP’s Objectives

- Support and promote a thriving arts and antiques district.
- Create a pedestrian friendly commercial area through an ongoing landscape and maintenance program and support the City’s streetscape improvement project, which includes the installation of street furniture and trees, pedestrian lighting, and public art.
- Improve the curb appeal of the retail district through façade improvements and following good design principles.
- Attract more restaurants and destination businesses to the Canoga Park commercial area, and help strengthen existing businesses.
- Ensure that MSCP continues as an inclusive organization with the participation of all community stakeholders.



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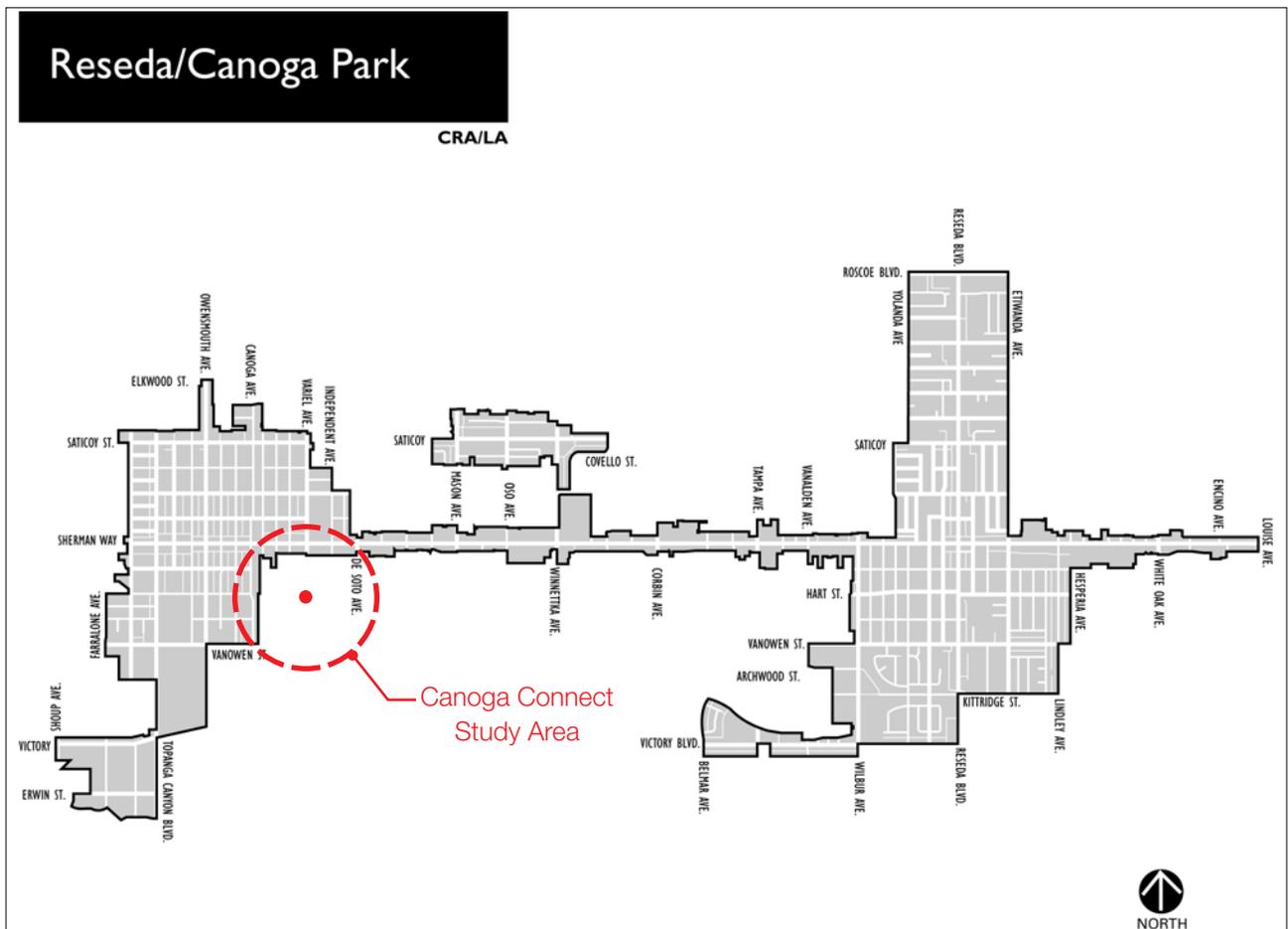
CRA/LA Reseda/Canoga Park Disaster Assistance Project for Portions of CD 3

Project Goals: To repair, restore, demolish, and/or replace properties damaged by the Northridge earthquake, and to take actions necessary for the economic recovery of communities affected by this disaster.

Main Street Canoga Park: CRA/LA provides technical and funding assistance to the Main Street Canoga Park nonprofit corporation, which sponsors the annual Dia de los Muertos Festival that takes place in November.

Business Attraction and Retention: As promoted by CPIA, the Community Redevelopment Agency (CRA/LA) currently has a Business Attraction and Retention program in Canoga Park where businesses may be eligible to receive up to \$30,000 toward the improvement of their business or property (aka the West Valley Façade Improvement Grant Program).

Streetscape: The CRA funded most of the streetscape improvements in the Commercial Corridor Streetscape plan area. (The CPIA also funded some improvements.)



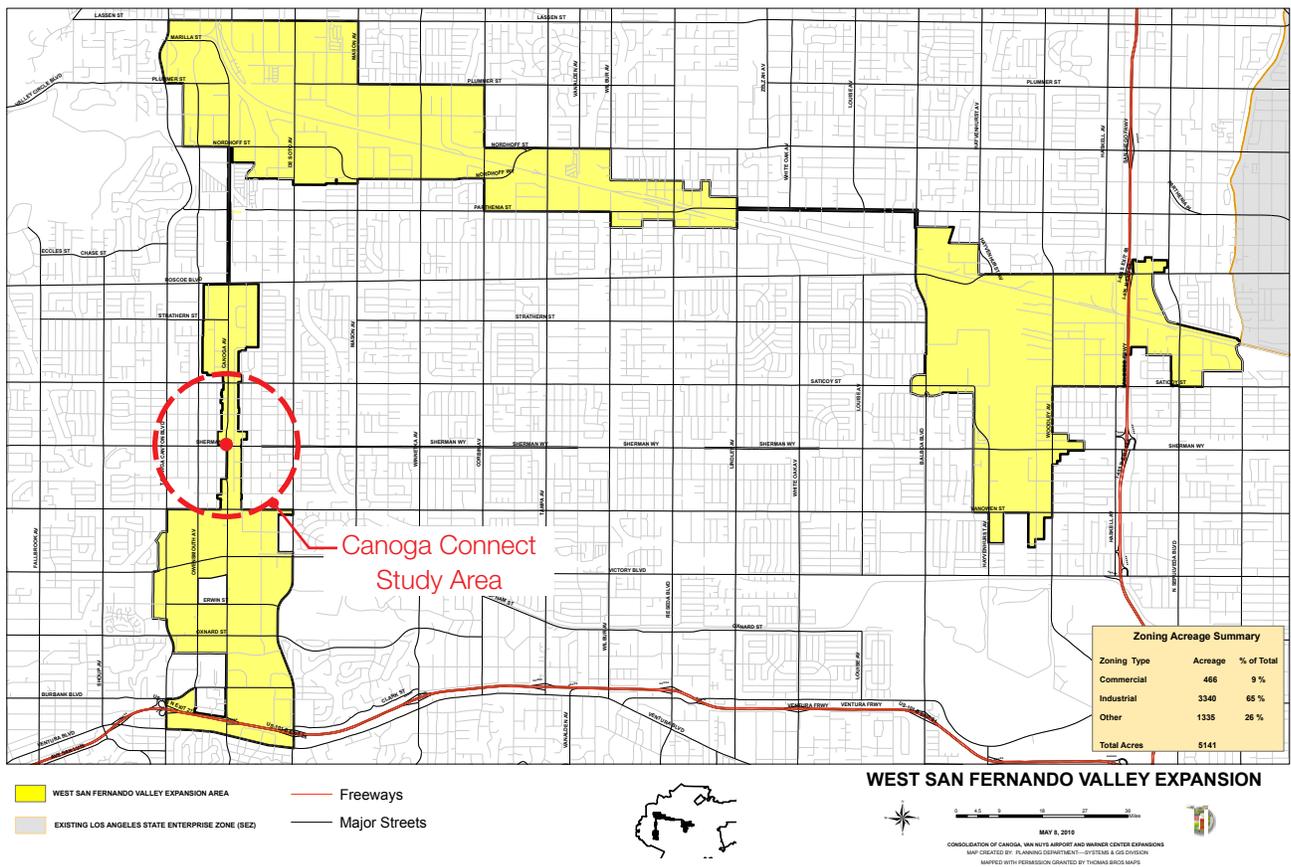
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West San Fernando Valley State Enterprise Zone

State Enterprise Zones provide tax credits and other incentives to developers and businesses to stimulate economic growth and development in a concentrated area. To benefit business located within State Enterprise Zones, tax credit and other incentives for enterprise zones include: business expense deductions for tangible personal property up to \$20,000, net interest deductions on loans, and net operating loss carryover to reduce the amount of taxable income for business. State Enterprise Zones provide developments granted reduced parking requirements compared to other locations of the City, site plan review waiver fees for commercial and industrial architectural plans of projects 40,000 square feet or more, and reduced utility charges for new or expanding businesses. It is important to note that this zone covers the area we are considering for an Employment Lifestyle Center – Cleantech Corridor.



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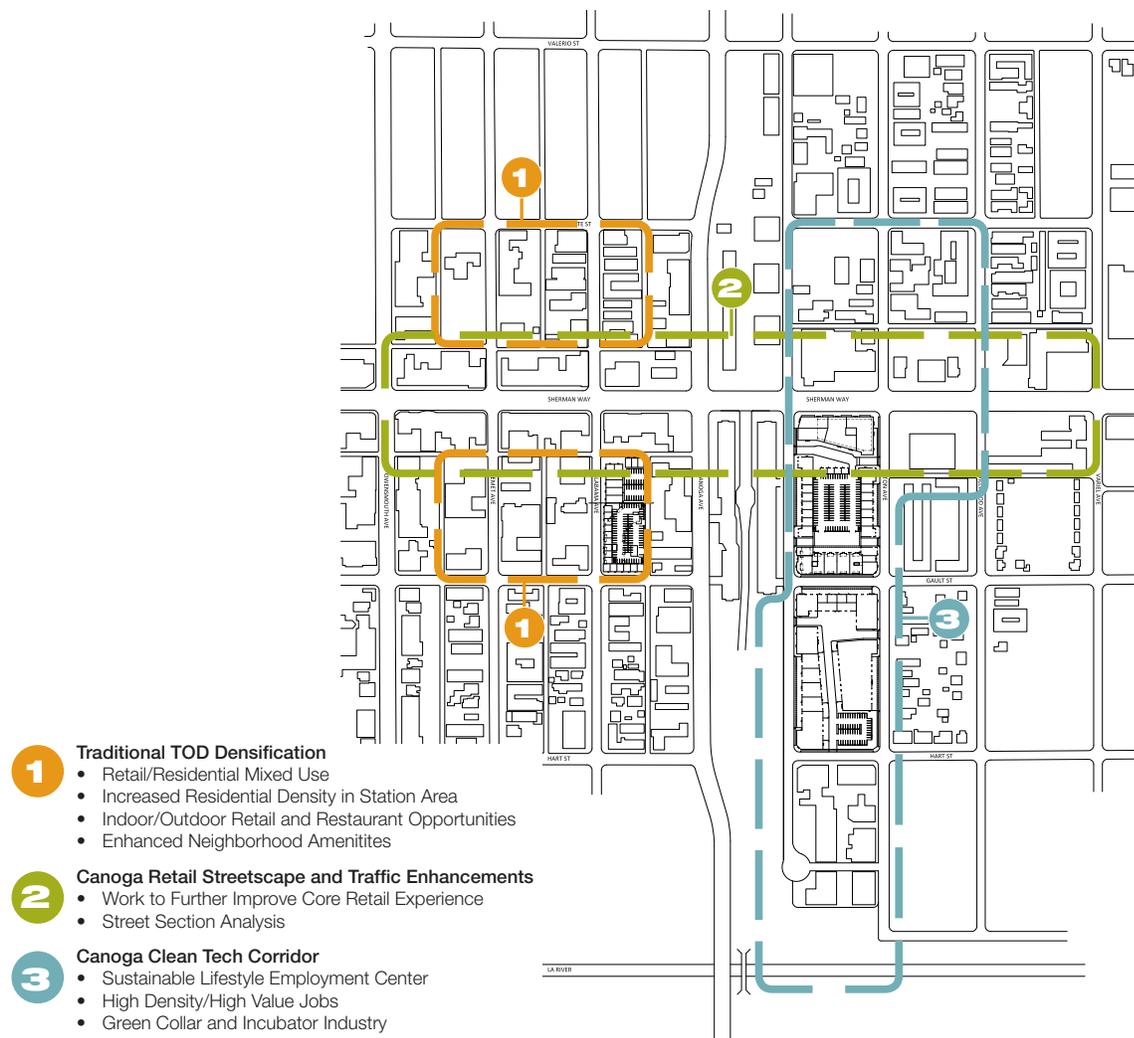
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Development Prototypes

Upon familiarizing ourselves with the planning context, the physical environmental conditions, and the local perspectives of the Canoga Connect study area, our next step was to test ideas germane to transit related development through the design of Development Prototypes for selected sites around the planned BRT station. The development prototypes allow for a critical look at the existing zoning policies, and allow the formation of informed recommendations for either zoning enhancements, changes, or other planning policy initiatives that may better guide development in the station area upon introduction of the new Orange Line service.

For the Canoga Connect study three distinct components are proposed that together frame interlocking and symbiotic opportunities. An approach is considered that looks to focus efforts between these three components in the effort of building a sustainable transit oriented community.



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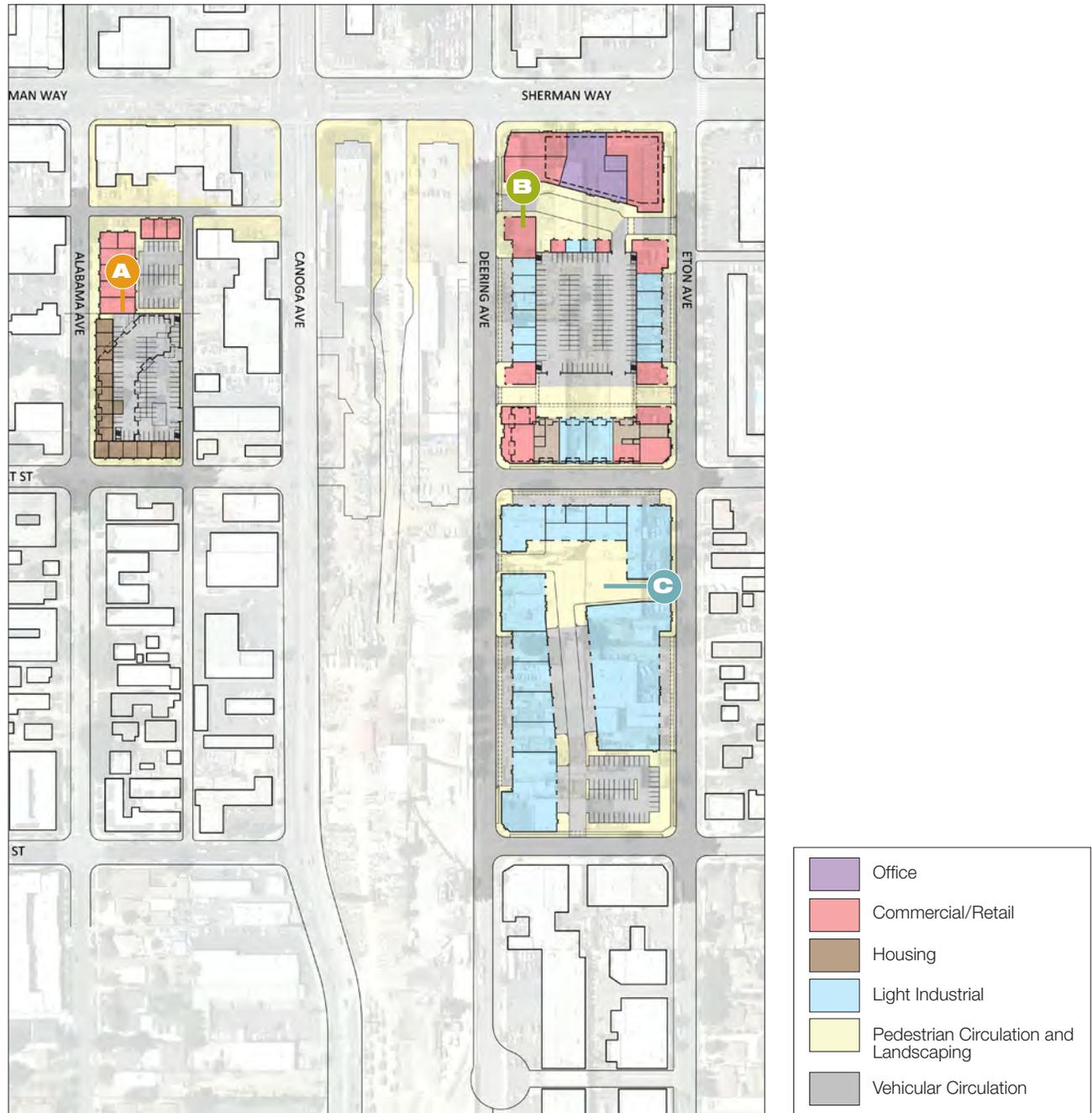


- 1** There is an obvious opportunity to locate higher levels of housing density in close proximity to transit. In the study area, the sites that offer the most promise include those blocks west of Canoga, both north and south of Sherman Way. Once one travels a short distance off Sherman Way, traffic noise and congestion is quickly diminished, the streets have well established shade trees and are of generous dimension. These blocks offer the most promising opportunities for Traditional TOD Densification, and proposals within this zone are focused on mixed use types that include some retail mixed with urban townhome and apartment style units.
- 2** There is clearly a retail center to the community, though the existing businesses have been challenged by the broader economic context. The stretch of Sherman Way between Variel and Owensmouth Ave forms the heart of a locally serving diverse retail center that could stand to both gain significantly from improvements, and also serve as a fantastic amenity to area residents. The essence of good urban design currently exist, however the stretch suffers from excessive traffic volumes along Sherman Way, parking difficulties, and the alternative retail offerings of local contemporary shopping centers. This stretch is look at in detail in the **Conceptual Circulation Plan and Parking Strategies** section.
- 3** There is a corridor of land running north-south along the Orange Line right of way currently zoned for manufacturing and public facilities uses. Though currently underutilized, there is an opportunity to re-vision this area and transform it to a “Lifestyle Employment Center” that would cater to a growing class of creative employers engaged in the growing fields of clean-tech industry. An active employment center in this area would be supportive of local initiatives, such as those undertaken by the Canoga Park BID, and the employee population would naturally support local retail and improve diversity and culture on the local streets.

The Traditional TOD concept works to incrementally increase residential density in close proximity to the transit station which will greatly benefit locally serving retail activities in the area, and provide compact and attractive housing with the valuable amenity of close transit proximity. The Lifestyle Employment Center concept looks to merge attitudes about pedestrian oriented transit-related livable communities with employment uses recognizing that the needs and tools of the contemporary work force are quickly changing. Large scale heavy manufacturing has moved out of our cities and town centers, and is being replaced by higher valued service, specialized manufacturing, distribution and laboratory uses. In California there is a burgeoning clean tech sector that is engaged in both the development of green energy solutions and in the production of products that are produced with a sustainable ethos. The higher valued jobs these efforts support would be very beneficial to the Canoga Connect study area and the application of design guidelines and zoning policies that would support the needs of this growth sector would offer a tremendous incentive to attract the kind of businesses that would support the holistic goals of the community.



The following **Development Prototypes** test developments in both the Traditional TOD Zone and the Lifestyle Employment Center zone by planning developments within the two respective areas. The development prototypes are designed to analyze possible spatial relationships, to form the basis for financial testing through return on investment (ROI) analysis, and to test the ability of current zoning allowances to support transit oriented developments aligned with the overall station area concept.



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Development Prototype A presents a Traditional TOD concept, and is located just south of Sherman Way, to the west of the planned Orange Line Station. This development includes a retail component on the north end of the block as well as a higher density residential townhouse and apartment development to the south end of the block. Retail in this area would not be as highly visible as that off Sherman Way, however the traffic is calmer and the street qualities would be better suited for outdoor dining and other local serving uses. The higher density residential development both allows for transit oriented housing types, and also provides a larger base of local customers for the Sherman Way retail establishments.

The proposal takes advantage of the favorable existing qualities of Alabama Street, a half block off of Sherman Way. The street is wide and leafy, and provides a quieter retail / restaurant experience than that found directly on Sherman Way as traffic volume is considerably less. Two story urban townhouses are proposed fronting both Alabama and Gault, parking is provided in a concealed structure, and reduced parking requirements are considered given the close proximity to mass transit. Upper level stacked urban apartments can be stepped back, reducing the overall mass of the building, and outdoor landscaped amenity space can be provided over the structured parking garage. The following table presents information on the development and forms the basis for market analysis and ROI testing. The table assumes the project is broken into two pieces, a strictly retail north block piece, and a strictly residential south block piece.

Retail Site West of Canoga Ave Site A -North

Retail Site - 9 Units Site Area 29,000sq.ft. Base Case

	GFA	Site Usage	Req Parking Stalls	Parking Area	Total Used Site Area
Commercial / Retail	8,100	8,100	24	9,720	17,820
Restaurant	3,700	3,700	14	5,550	9,250
Plaza / Open Space		2,000			2,000
Total	11,800	13,800	38	9,720	29,070

Retail Site West of Canoga Ave Site A -South

Retail Site - 70 Units Site Area 45,000sq.ft. Base Case

	GFA	Site Usage	Req Parking Stalls	Parking Area	Total Used Site Area
Residential	71,600	11,200	107	42,960	11,200
Parking Structure	56,000	28,000	14		28,000
Plaza / Open Space		5,000			5,000
Total	127,600	44,200	38	42,960	44,200

Parking Assumptions

Commercial / Retail	3 / 1,000 GFA
Lt Industrial	1.5 / 1,000 GFA
Restaurant	3.75 / 1,000 GFA
Office	1.5 / 1,000 GFA
Residential	1 / Unit

 *denotes surface parking

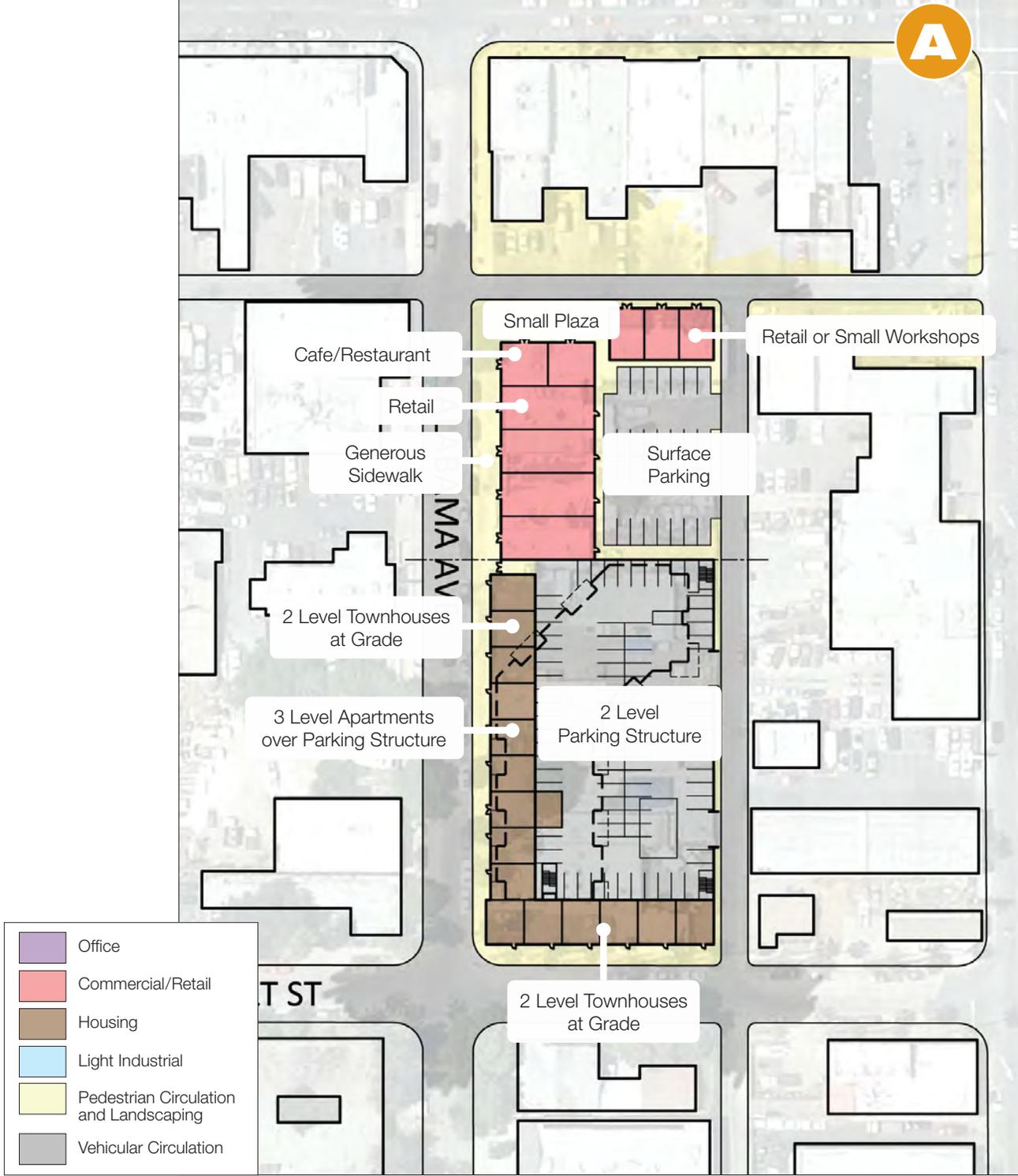
 *denotes structured parking

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SHERMAN WAY



-  Office
-  Commercial/Retail
-  Housing
-  Light Industrial
-  Pedestrian Circulation and Landscaping
-  Vehicular Circulation

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Development Prototype B presents a higher density mixed use employment center, which is immediately to the east and adjacent to the Orange Line Station and would include commercial space, residential live-work housing and micro manufacturing uses all on one site. A 6-8 story office block is proposed on Sherman Way, and would work to mark the center of the transit oriented community, or town center. Retail is proposed flanking the entrance to the office block at grade. Vehicular access to the concealed parking structure would be off both Deering and Eton, through a landscaped auto/pedestrian court. The 3 level shared parking structure would also service incubator type light industrial or micro manufacturing/distribution spaces, as well as a mixed use live/work loft housing project to the south of the block. This development attempts to mix a wide range of uses, including the unconventional mix of housing with light industrial. There would be a requirement to limit some of the more heavy duty industrial uses, but this proposal is reflective of the fact that many creative green collar job opportunities that require industrial zoned spaces, may fit well with creative housing types.

High Density Mixed Use Site East of Canoga Ave Site B

High Density Mixed Use Site Site Area 200,000 sq.ft. Base Case

	GFA	Site Usage	Req Parking Stalls	Parking Area	Total Used Site Area
Commercial / Retail	37,800	37,800	113	45,360	37,800
Lt Industrial	32,500	32,500	49	19,50	52,000
Restaurant	4,900	4,900	18	7,350	4,900
Office	131,000	11,000	197	78,600	11,000
Parking Structure	117,000	39,000			39,000
Residential	46,800	5,000	47	48,720	5,000
Plaza / Open Space					50,000
Total	370,000	130,200	424	169,530	19,700

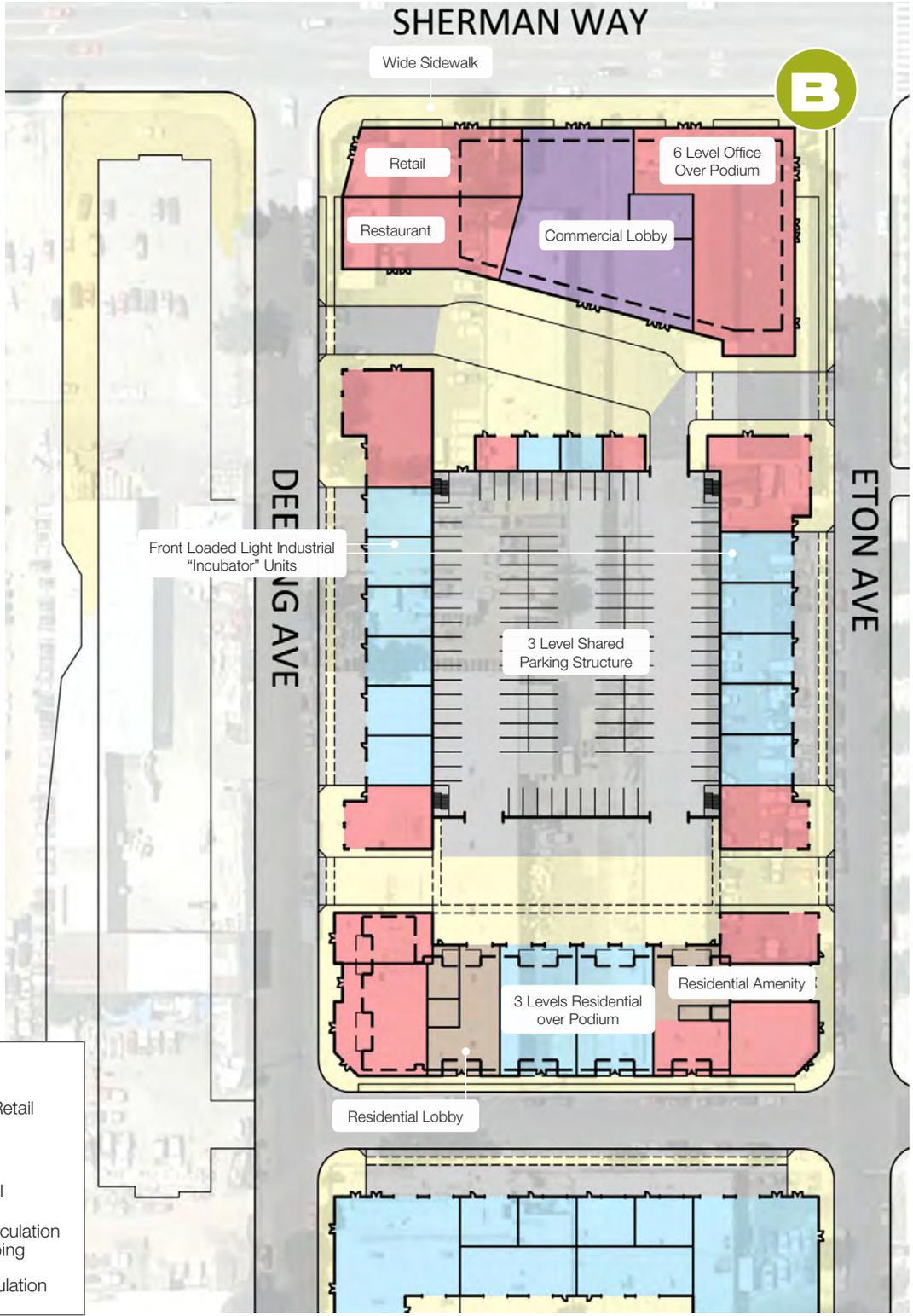
Parking Assumptions

Commercial / Retail	3 / 1,000 GFA
Lt Industrial	1.5 / 1,000 GFA
Restaurant	3.75 / 1,000 GFA
Office	1.5 / 1,000 GFA
Residential	1 / Unit

 *denotes surface parking

 *denotes structured parking





- Office
- Commercial/Retail
- Housing
- Light Industrial
- Pedestrian Circulation and Landscaping
- Vehicular Circulation

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Development Prototype C is also located east of the Orange Line ROW and is planned as a strictly micro manufacturing, and incubator business center. This proposal considers existing zoning allowances in conjunction with pedestrian enhanced design guidelines. The attempt here is to introduce porosity in the block through pedestrian enhanced vehicular lanes, smaller units, and street faced design enhancements.

Low Density Light Ind. Site East of Canoga Ave Site C

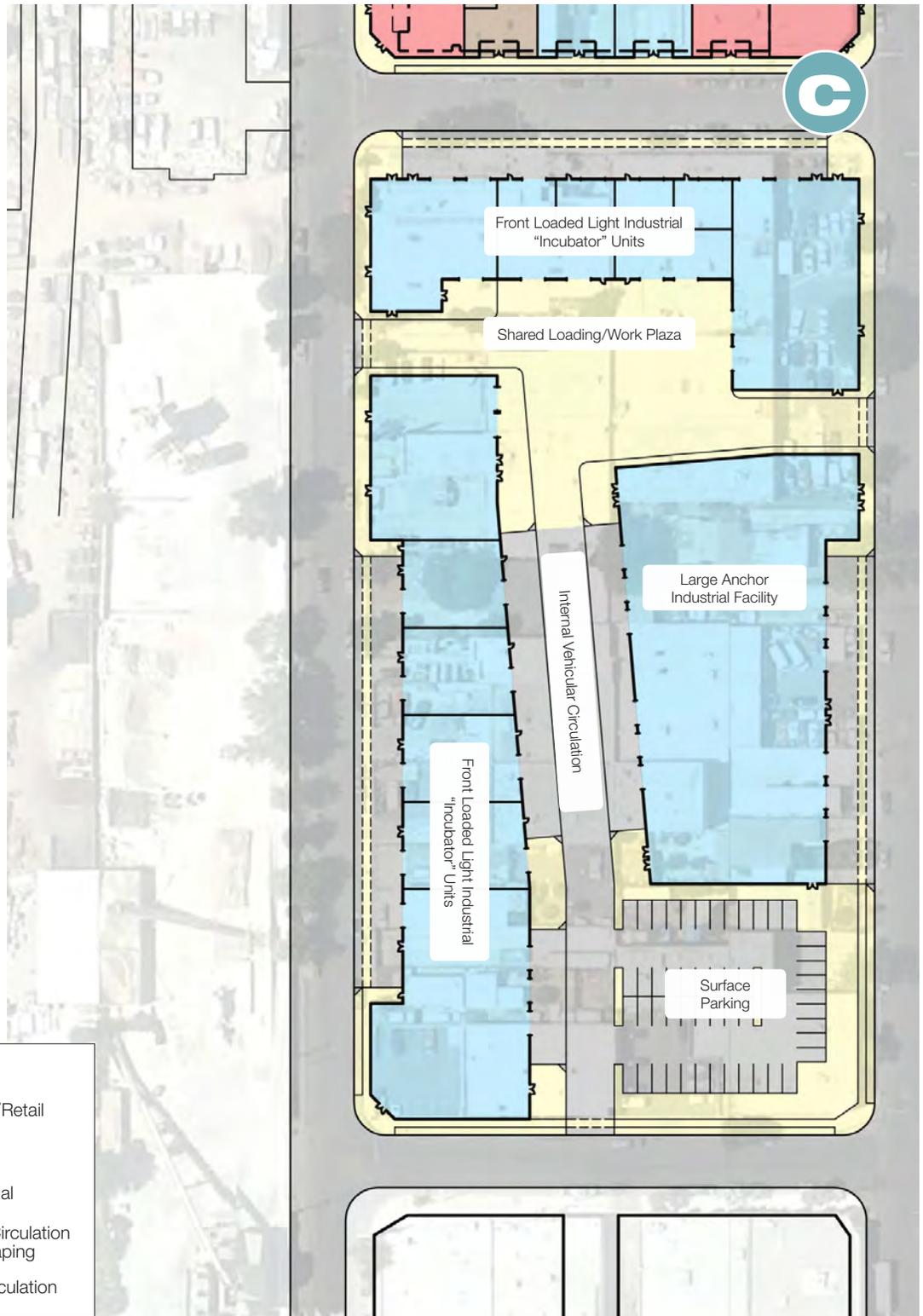
Low Density Light Industrial Site Area 200,000sq.ft. Base Case

	GFA	Site Usage	Req Parking Stalls	Parking Area	Total Used Site Area
Lt Industrial	126,300	93,600	189	75,780	169,380
Plaza / Open Space		30,000			30,000
Total	126,300	93,600	189	75,780	199,380

Parking Assumptions	
Commercial / Retail	3 / 1,000 GFA
Lt Industrial	1.5 / 1,000 GFA
Restaurant	3.75 / 1,000 GFA
Office	1.5 / 1,000 GFA
Residential	1 / Unit

 *denotes surface parking
 *denotes structured parking





- Office
- Commercial/Retail
- Housing
- Light Industrial
- Pedestrian Circulation and Landscaping
- Vehicular Circulation

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Zoning Analysis

Development Prototype Site A

Pedestrian oriented retail is located along Sherman Way, west of Canoga Avenue. Existing uses adjacent to Site A are generally one-story, “mom-and-pop” stores connected via an internal alley network.

The commercial block is governed by the Downtown Canoga Park Community Design Overlay which allows for many streetscape enhancements such as awnings, street trees, stamped concrete, benches, signage, and lighting.

Existing Zoning

Site A is zoned Community Commercial (C2). This zone currently accommodates for mixed-use by permitted commercial and multi-family residential (29-55 DU/AC).

As part of the Owensmouth Avenue Floor Area Ratio Limitations, all commercial zones for properties located on Owensmouth Avenue between Sherman Way and Vanowen Street include a permanent [Q] condition limiting development to a Floor Area Ratio of 1:1.

An increase in the allowable density of the single family (R1) uses north of Wyandotte is permitted under the City’s Housing Density Bonus Program if low and moderate income housing developments are provided.

Based on the review of the existing Community Commercial zone and the assessment of the Site A development prototype, the creation of a new zone “Neighborhood Mixed-Use” is recommended. Information on the proposed zone is provided on the following page.

Zoning	[Q] C2-IVL-CDO
Description	Community Commercial
Allowable Uses	C1.5 Uses, Retail w/Limited Mfg., Service Stations and Garages, Retail Contract Business, Churches, Schools, Auto Sales, R4 Uses (Multiple dwelling: 29-55DU/AC)
Height Limit	Not to exceed 3 stories or 45 ft
FAR	1.5:1, 1:1 (Owensmouth)
Minimum Lot Area	Same as R4 for residential uses: 400 sq. ft.; 200 sq. ft. per guest room; 5,000 sq.ft per lot. No minimum lot area for C2
Parking Requirements	2 parking spaces per 1,000 SF of gross floor area for commercial uses. 4 parking spaces for 1,000 SF of gross floor area for retail, and 10 parking spaces per 1,000 SF of gross floor area for restaurant. For residential, less than 3 habitable rooms requires 1 parking space per dwelling unit. For 3 habitable rooms, 1.5 spaces is required per dwelling.
Additional Information	Downtown Canoga Park Community Design Overlay, Owensmouth Avenue FAR Limitations



Development Prototype Site A



Site A: Neighborhood Mixed-use Zone

The site is zoned C2, which currently allows for mixed-use development and 29-55 du/ac. The proposed Neighborhood Mixed-use zone will be located west of Canoga Avenue along Sherman Way. This zone will encourage higher density residential uses by allowing greater building heights, reducing required building coverage for residential development. The intent of this zone is to provide transit-supportive levels of residential and mixed-use development while maintaining the small town feel along Sherman Way.

Goals: Increase residential density in the station area, indoor/outdoor retail and restaurant opportunities, and enhanced neighborhood facilities.

- Mixed residential and commercial
- Allowed in residential zones-housing oriented to the street
- Step down in heights adjacent to single family housing
- Require ground-floor retail on main street frontages



Zoning Comparisons		
	Existing Zoning for Site A	Proposed Site A
Zoning	[Q] C2-IVL-CDO	NMU
Description	Community Commercial	Neighborhood Mixed Use
Allowable Uses	C1.5 Uses, Retail w/Limited Mfg., Service Stations and Garages, Retail Contract Business, Churches, Schools, Auto Sales, R4 Uses (Multiple dwelling: 29-55DU/AC)	Mixed use (multi-family residential- town houses and apartments with Commercial at street level). Allow for a density bonus for affordable housing projects. Retail uses such as café/ restaurants, shops, or small workshops.
Height Limit	Not to exceed 3 stories or 45 ft	60 feet/5 story- 1 floor commercial plus three to four floors of residential
FAR	1.5:1, 1:1 (Owensmouth)	3:1
Minimum Lot Area	Same as R4 for residential uses: 400 sq. ft.; 200 sq. ft. per guest room; 5,000 sq.ft per lot. No minimum lot area for C2	For retail, a five foot maximum; residential, five foot minimum and 10 foot maximum.
Parking Requirements	2 parking spaces per 1,000 SF of gross floor area for commercial uses. 4 parking spaces for 1,000 SF of gross floor area for retail, and 10 parking spaces per 1,000 SF of gross floor area for restaurant. For residential, less than 3 habitable rooms requires 1 parking space per dwelling unit. For 3 habitable rooms, 1.5 spaces is required per dwelling.	Reduced parking for projects that incorporate affordable housing and are within a 5-minute walk of Orange Line station. For example, from 1 parking stall per residential unit to 0.75 stalls per residential unit.
Additional Information	Downtown Canoga Park Community Design Overlay, Owensmouth Avenue FAR Limitations	Canoga Park Specific Plan (Proposed)

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Development Prototype Site B

Site B is located adjacent to the proposed Orange Line station and surrounded by commercial, public facilities, and industrial zones. The Site B will act as a development anchor for the station area.

Existing Zoning

Site B is zoned Restricted Industrial (MR1). This zone protects industrial land for industrial uses and prohibits unrelated commercial and other non-industrial uses.

Re-zoning would be required for MR1 and M1 uses to allow for mixed-use development, especially because of the close proximity to the Orange Line station.

Site B is part of the enterprise zone and can utilize the benefits of that enterprise zone such as lower parking ratios and a higher FAR.

Based on the review of the existing Restricted Industrial zone, the assessment of the Site B development prototype and its proximity to the proposed station, the creation of a new zone “Lifestyle Employment” is recommended. Information on the proposed zone is provided on the following page.

Zoning	MR1-1VL
Description	Restricted Industrial
Allowable Uses	Limited Industrial and Mfg. Uses, No R Zone Uses, No Hospitals, Schools, Churches, Any Enclosed C2 Use, Wireless Telecommunication, Household Storage
Height Limit	Not to exceed 3 stories or 45 ft
FAR	1.5:1
Minimum Lot Area	None for industrial or commercial uses
Parking Requirements	2 parking spaces per 1,000 SF of gross floor area



Development Prototype Site B

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Site B: Lifestyle Employment Zone

Site B is currently zoned MR1-1VL which is a restricted industrial zone. The purpose of this zone is to protect industrial land for industrial use, and prohibit unrelated commercial and other non-industrial uses. This site will have to be rezoned to reflect a lifestyle employment center that combines a mix of smaller industrial and office uses with residential units and commercial amenities.

Goals: The Lifestyle employment zone is a light industrial/residential mixed use zone intended to encourage a mixture of selected residential uses that can be compatible with the basic light industrial uses permitted in the district.



	Zoning Comparisons	
	Existing Zoning for Site B	Proposed Site B
Zoning	MR1-1VL	IMU
Description	Restricted Industrial	Industrial Mixed Use
Allowable Uses	Limited Industrial and Mfg. Uses, No R Zone Uses, No Hospitals, Schools, Churches, Any Enclosed C2 Use, Wireless Telecommunication, Household Storage	This zone is intended for areas where a mixture of residential and job producing uses are desired. Residential uses can include, but are not limited to, live-work configurations. Light industrial and office uses are allowed, and heavy industrial uses are prohibited. Limited amounts of supportive small-scale retail and service uses may be allowed to service the needs of residential and non-residential occupants. Big box retail uses are prohibited.
Height Limit	Not to exceed 3 stories or 45 ft	Not to exceed 8 stories or 90 ft
FAR	1.5:1	3:1; may need to create sub-districts by allowable FAR
Minimum Lot Area	None for industrial or commercial uses.	None for industrial or commercial uses. For residential, five foot minimum and 10 foot maximum.
Parking Requirements	2 parking spaces per 1,000 SF of gross floor area	Developments located within a 5-minute walk of the Orange Lines station will qualify for the proposed 25% parking reduction. Shared parking facilities are required to decrease the total number of parking spots needed in a neighborhood and make it easier to develop small sites that do not have room for parking.
Additional Information	n/a	Design standards for this zone include smaller square footage industrial uses, separate entrances for different uses (both vehicles and pedestrians); emphasis is placed on building design that furthers compatibility among uses, and contributes to area character and pedestrian interest. Canoga Park Specific Plan (Proposed)



Development Prototype Site C

Site C and adjacent industrial zones are located to the east and west of the proposed Orange Line station and alignment. Existing uses for these industrial zones include auto body shops, car repair, roofing companies, all of which are one story.

Existing Zoning

Site C is zoned Restricted Industrial (MR1). This zone protects industrial land for industrial uses and prohibits unrelated commercial and other non-industrial uses.

Re-zoning would be required for MR1 and M1 uses to allow for mixed-use development, especially because of the close proximity to the Orange Line station. In addition, re-zoning of PF uses adjacent to Site C would be required to allow for more pedestrian friendly uses.

Site C is part of the enterprise zone and can utilize the benefits of that enterprise zone such as lower parking ratios and a higher FAR.

Based on the review of the existing Restricted Industrial zone, the assessment of the Site C development prototype, and the need to preserve industrial uses for employment purposes, the creation of a new zone “Green/Clean Technology” is recommended. Information on the proposed zone is provided on the following page.

Zoning	MR1-1VL
Description	Restricted Industrial
Allowable Uses	Limited Industrial and Mfg. Uses, No R Zone Uses, No Hospitals, Schools, Churches, Any Enclosed C2 Use, Wireless Telecommunication, Household Storage
Height Limit	Not to exceed 3 stories or 45 ft
FAR	1.5:1
Minimum Lot Area	None for industrial or commercial uses
Parking Requirements	2 parking spaces per 1,000 SF of gross floor area



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Site C: Green/Clean Technology Zone

Site C is currently zoned MR1-1VL which is a restricted industrial zone. The purpose of this zone is to protect industrial land for industrial use, and prohibit unrelated commercial and other non-industrial uses. The current zoning is flexible, and reflects and accommodates the shift in industrial land use from traditional industrial activity to uses such as those involving record management, Research and Development, information, processing, electronic technology, and medical research. The MR1-1VL zoning already accommodates for the proposed site C development; however, development guidelines or a new zone could enforce the use of clean technology, stronger building façades, and transit oriented design features.

The Green/Clean Technology zone will create a green collar industrial district that supports innovate, high-technology, and research and development businesses and provides these businesses with adequate facilities and services through pedestrian friendly and transit-oriented amenities. The zone will encourage the development of creative technological ideas, where the existing restricted industrial zone cannot.



	Zoning Comparisons	
	Existing Zoning for Site C	Proposed Site C
Zoning	MR1-1VL	CT
Description	Restricted Industrial	Green/Clean Technology
Allowable Uses	Limited Industrial and Mfg. Uses, No R Zone Uses, No Hospitals, Schools, Churches, Any Enclosed C2 Use, Wireless Telecommunication, Household Storage	Research and development facilities, related office, technology research and production, bio medical communications, architecture, graphic arts, clean tech, medical/biomedical, light manufacturing/design, and other creative industry sectors. Residential, unrelated commercial uses and other non-industrial uses are prohibited within this zone to protect industrial land for industrial use. Allowable density and building configurations should allow for multi-story options to attract high-technology research and development uses.
Height Limit	Not to exceed 3 stories or 45 ft	Not to exceed 3 stories or 45 ft
FAR	1.5:1	1.5:1
Minimum Lot Area	None for industrial or commercial uses.	None for industrial or commercial uses.
Parking Requirements	2 parking spaces per 1,000 SF of gross floor area	Industrial developments located within a 5-minute walk of the Orange Lines station will qualify for the proposed 25% parking reduction. For example, CT zones will be required to provide 1.5 parking spaces for every 1,000 SF.
Additional Information	n/a	Development standards required for the CT zone are intended to protect any adjacent residential uses while allowing indoor clean, quiet industry, commercial office, and research and development uses. Buildings must be designed with ultimate flexibility for internal space arrangement, pedestrian-friendly spaces, easy access for transit users and bicycle riders and a high level of amenities both internal to the work space and external. Canoga Park Specific Plan



Canoga Connect TOD Zoning Recommendations

To carry forward the community vision of the Canoga Connect TOD, it is recommended that the City of Los Angeles create and adopt a Canoga TOD Specific Plan. The Canoga TOD Specific Plan will incorporate the existing overlays, streetscape plans, and business improvement districts found within the ¼ mile station area to create a cohesive document. The specific plan will also act as a tool to implement the design guidelines for each of the proposed new zones: neighbourhood mixed-use (NMU), green/clean technology zone (CT), and lifestyle employment zone (IMU). Density bonuses for affordable housing and reduced parking requirements for developments adjacent to transit will be part of the incentives outlined in the specific plan. Refer to map on next page

The Canoga TOD Specific Plan will require a program level EIR; for proposed developments within the boundaries of the specific plan, developers will only have to conduct a project level EIR.

If the City of Los Angeles prefers to take a phased approach to the Canoga TOD, it is recommended that a Canoga TOD Overlay Zone be created to guide development in the short term. The Canoga TOD Overlay Zone will encourage higher density for residential uses by allowing greater building heights, reducing required building coverage for residential development, and allowing more flexibility in site design. The intent of the zone is to provide transit-supportive levels of residential and mixed-use development adjacent to identified pedestrian oriented retail streets that will in turn support neighbourhood supporting retail. Goals for this Canoga TOD Overlay Zone include density bonuses for affordable housing developments and reduced parking for projects adjacent to the Orange Line station.





- Proposed Neighborhood Mixed-Use Zone (NMU)
- Proposed Lifestyle Employment Zone (IMU)
- Proposed Clean Technology Zone (CT)

Conceptual Circulation Plans

As mentioned earlier in this report, today's economic reality is that parcel based redevelopment opportunities are challenged for a number of reasons that relate to broader credit market and employment realities. Therefore it is imperative that public agencies take an aggressive approach towards public and open space pedestrian and neighborhood enhancements, so as to provide enhanced incentives for redevelopment projects within TOD zones. This section looks at such opportunities specific to the Canoga Connect study area. General area recommendations are given, a more detailed analysis of Sherman way is presented, a proposal for an enhanced transit plaza is presented, and parking requirements as related to the TOD in the area are reviewed and recommendations provided.

Figure A - Broad Open Space and Connectivity Recommendations highlights a series of potential improvements to the public realm within a ½ mile radius of the proposed Sherman Way Orange Line station. The improvements fall into two categories – interventions related to improving connectivity for pedestrians and cyclists and interventions related to improving existing open space or finding new open space. The study area is centered on the Sherman Way station, which is also the junction of the two major streets – Sherman Way and Canoga Ave. The Los Angeles River lies a half mile to the south.

This plan recommends improving intersections to better accommodate pedestrians, by adding crosswalks, extending curb alignments and adding signage to alert motorists to the presence of pedestrians. Sherman Way is identified as a pedestrian emphasis zone where mid-block crossings, sidewalk amenities, slower vehicular speeds and additional tree planting are recommended in addition to the interventions already described.

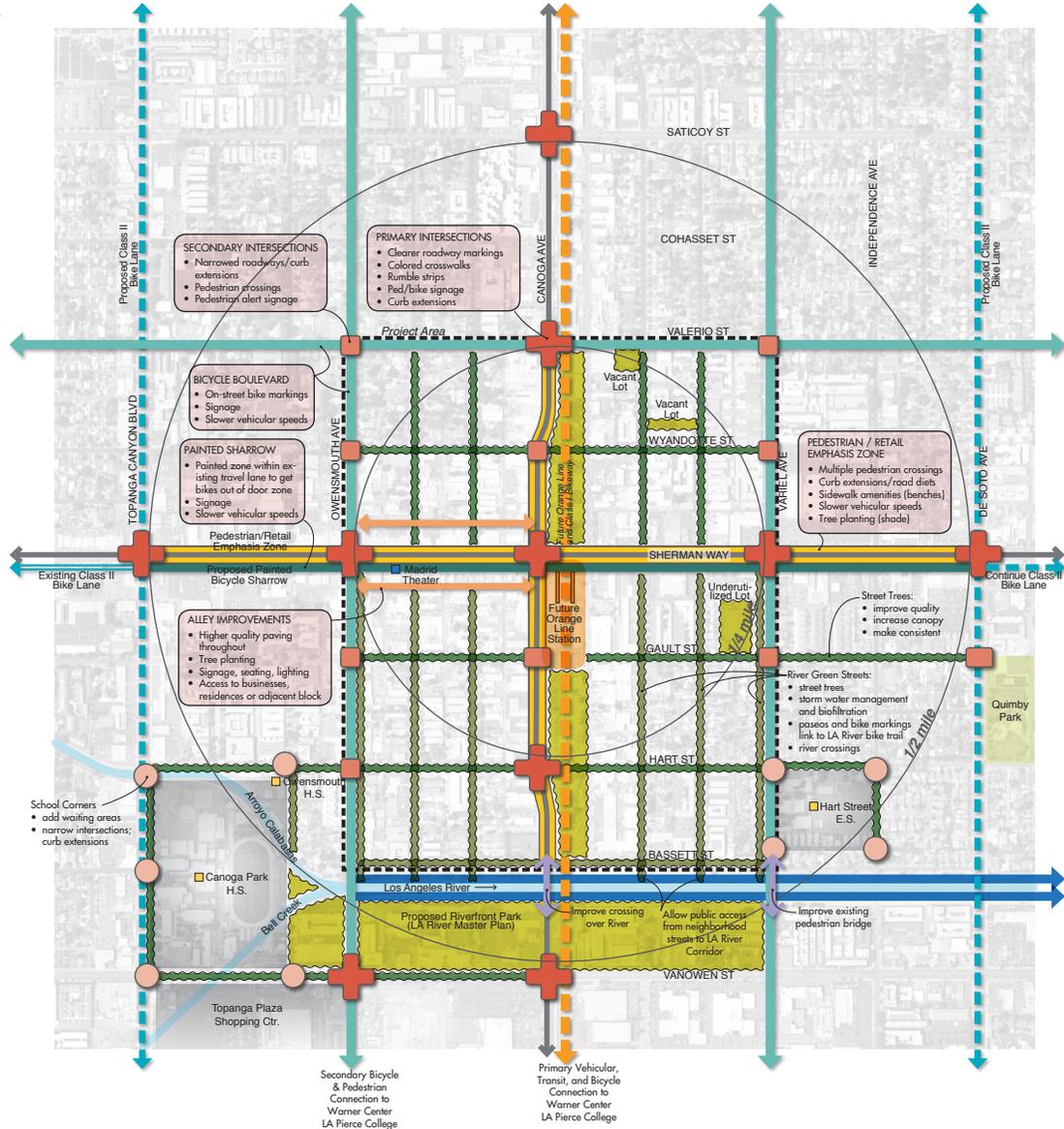
Bicycle Boulevards and other bicycle facilities such as bike lanes or bike sharrows should also be considered, on Sherman Way, Owensmouth Ave. and Variel Ave.

The many alleys provide opportunity for additional pedestrian thoroughfares as well as small public open spaces.

There is little in the way of public open space in the study area. The Los Angeles River Master Plan calls for extensive parkland along the river. Opportunities also exist for additional open space in remnant land immediately adjacent to the busway. Some isolated vacant parcels nestled within the neighborhoods are also identified.

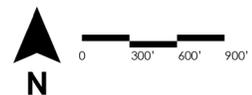
Green Street practices, such as collecting storm water and additional tree planting, should also be considered on residential streets and in the commercial alleys within the study area.

Figure A



LEGEND

Connections		PROPOSED PAINTED BICYCLE SHARROWS		IMPROVE PEDESTRIAN EXPERIENCE OVER LA RIVER	
	DESTINATIONS		PROPOSED BICYCLE BOULEVARD		CANOGA CROSSING PROJECT AREA
	PRIMARY INTERSECTIONS pedestrian improvements		PEDESTRIAN EMPHASIS ZONE		FUTURE ORANGE LINE AND CLASS I BIKEWAY
	SECONDARY INTERSECTIONS pedestrian improvements		ALLEY IMPROVEMENTS encourage pedestrian activity support retail uses		
	EXTEND CURBS AT SCHOOL INTERSECTIONS to create waiting areas and safer crossings		IMPROVED STREET TREE CANOPY/VEGETATIVE SCREEN		
Open Space			LA RIVER GREEN STREETS		
	EXISTING PUBLIC OPEN SPACE		IMPROVED AND NATURALIZED RIVER CORRIDOR		
	POTENTIAL PUBLIC OPEN SPACE				

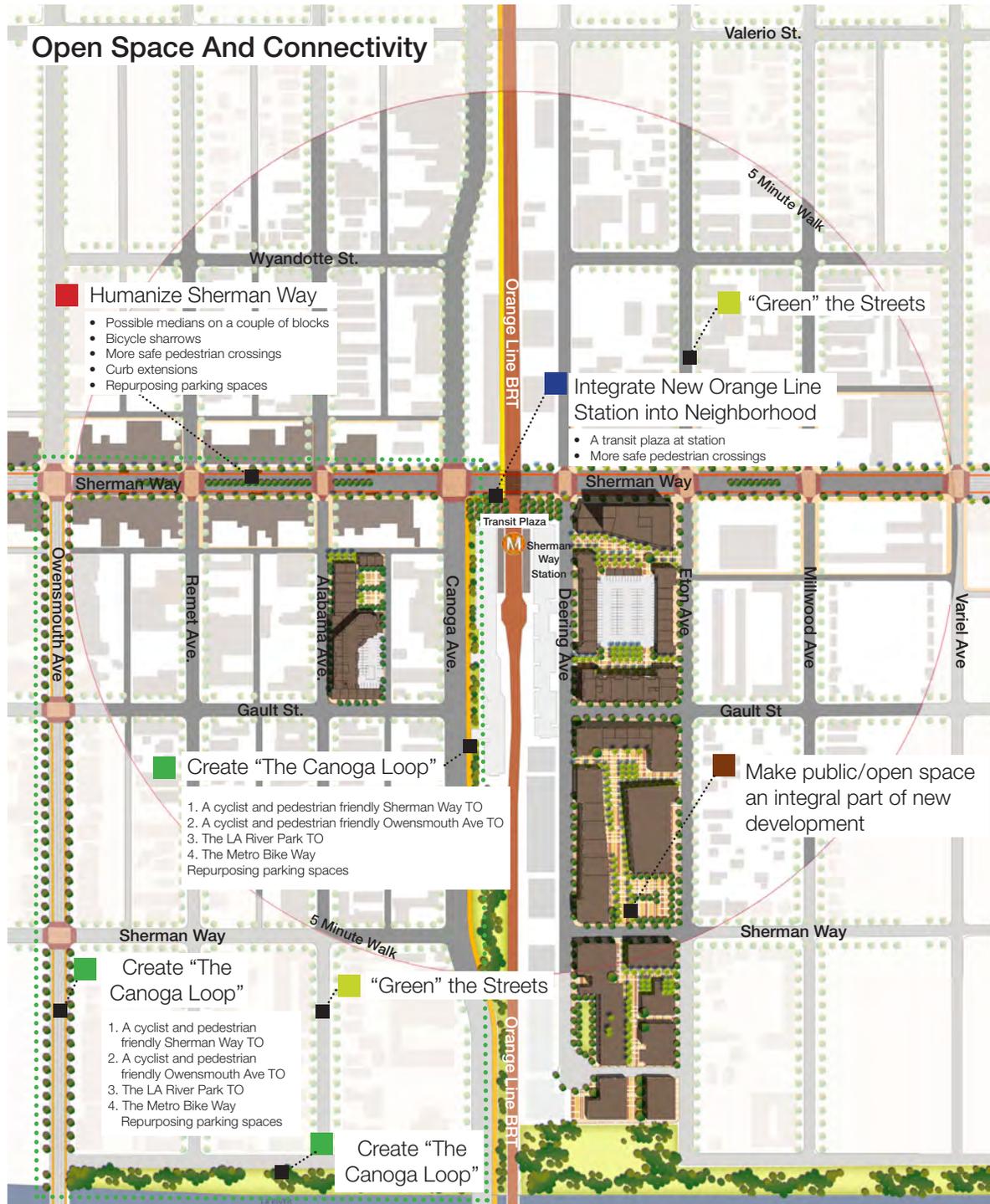


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Figure B - Five Open Space and Connectivity Recommendations – Focus Area describes five specific recommendations to improve open space and connectivity within a quarter mile of the proposed Sherman Way station.



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1. Humanize Sherman Way

Sherman Way is a four lane Class II highway running east-west through the Canoga Park retail district with a parking lane down either side of the street and a mostly continuous center turn lane. CRA/LA has made some improvements to the street in the form of sidewalk benches, pedestrian scaled lights and a signage program.

Community Stakeholders have noted concerns with the fact that bicyclists share the sidewalks with pedestrians. Bicyclists ride on the sidewalks as the high volume of vehicular traffic and lack of bicycle demarcation in the street presents a hazardous option for riders. Pedestrian shoppers find it unnerving to share the sidewalk with bicyclists for fear of collisions. The following sectional study looks at approaches to improve the differentiation of space between the different modes in order to allow for both safer cycling and a better pedestrian retail experience.



Curb Extensions



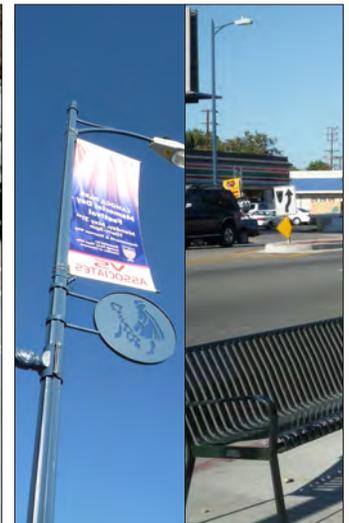
Medians



Repurposing Parking Spaces For People



Sharrows - For Cars and Bikes



Strengthening Canoga's Identity

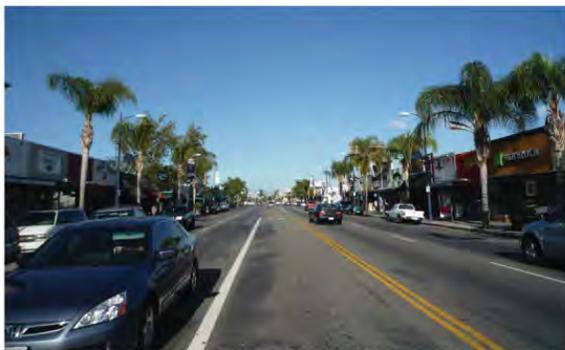
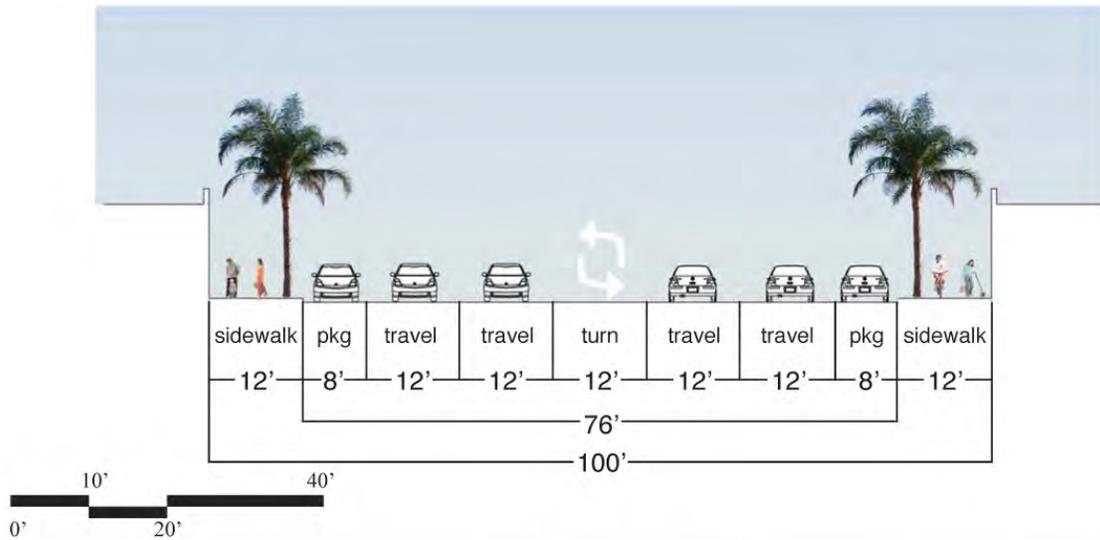
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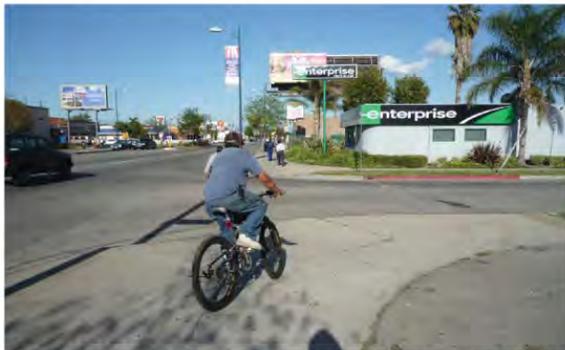
Sherman Way – Existing Conditions

This sectional diagram shows the existing condition along Sherman Way.



Turn pockets stretch entire length of blocks, taking up valuable public realm real estate

- Designated as a Class II Major Highway, which calls for 2 lanes each direction and a turn lane.
- Traffic speeds through, detrimental to historic retail, streetscape experience and pedestrian/cyclist safety.
- Parking does, however, buffer pedestrians from traffic
- A 12' turn lane takes up valuable public realm real estate.



Cyclists ride on sidewalks, fear riding legally on the street

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Sherman Way – Option 1 Road Diet

This sectional diagram shows what Sherman Way would look like if it underwent a “road diet.” A road diet narrows a four lane road (2 lanes in either direction) to a three lane street (1 lane in either direction and a center turn lane) The remaining right-of-way can then be used for separated bike lanes and/or widened sidewalks.

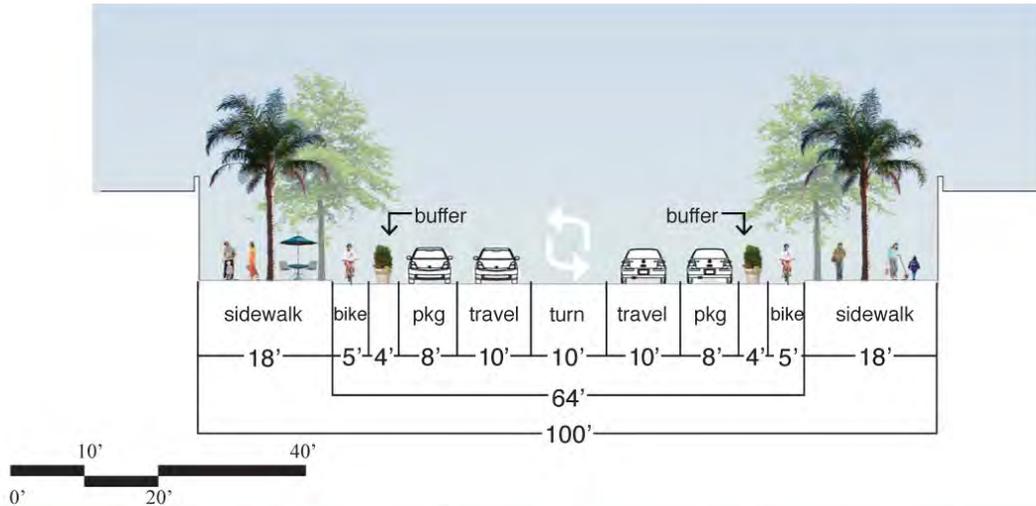


Photo Credit: Michael Ronkin

A typical road diet: one lane is removed, another converted to a turn lane. Remaining space is converted to bike lanes in each direction. Add high visibility crosswalks, a pedestrian refuge island, a stop bar for cars approaching the crosswalk, and signage.

- Road Diet narrows curb-to-curb to create a traffic-calmed street
- Sidewalks receive 6’ extension on each side
- Center turn lane allows for maneuverability to side streets and around cars parallel parking
- Buffered bike lane keeps pedestrian areas clear for activities like outdoor dining, strolling, shopping
- Extended sidewalks allow for a staggered double row of street trees



Keep buffered bike lanes to separate bike and pedestrian flow to enhance pedestrian realm and retail street activity.

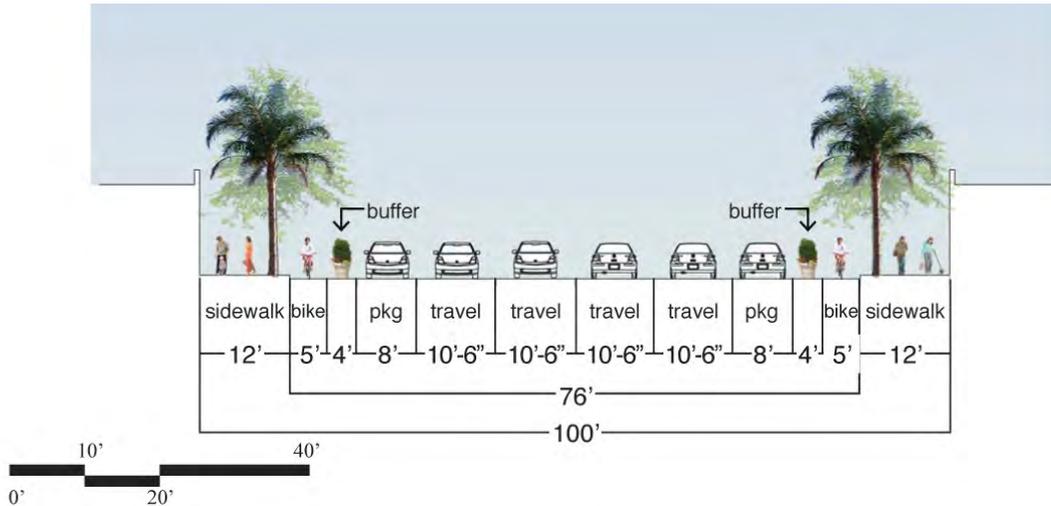
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Sherman Way – Option 2 Buffered Bike Lane (Inside of Prkg.)

This sectional diagram depicts a Sherman Way, where the center turn lane has been removed in order to provide enough space to include separated bike lanes, while still maintaining four drive lanes (2 lanes in either direction). Lanes would need to be narrowed from 12' wide to 9'-6" wide, which would be considered by LADOT as non-standard.



Buffered bike lane separated with striping and augmented with pedestrian refuge islands at intersections.

- Buffered bike lanes between the sidewalk and on-street parking harbor cyclists from travel lanes and keep them away from the door zone.
- Can be designated with paint/striping, outfitted with planters or collapsible bollards to vertically delineate space, or with raised medians to separate bike and parking zones.
- Bike lanes would begin after the major intersections of Canoga Ave, Topanga Canyon Blvd, and De Soto Ave to allow for turn pockets at these intersections.



Buffered bike lane achieved with just a can of paint.



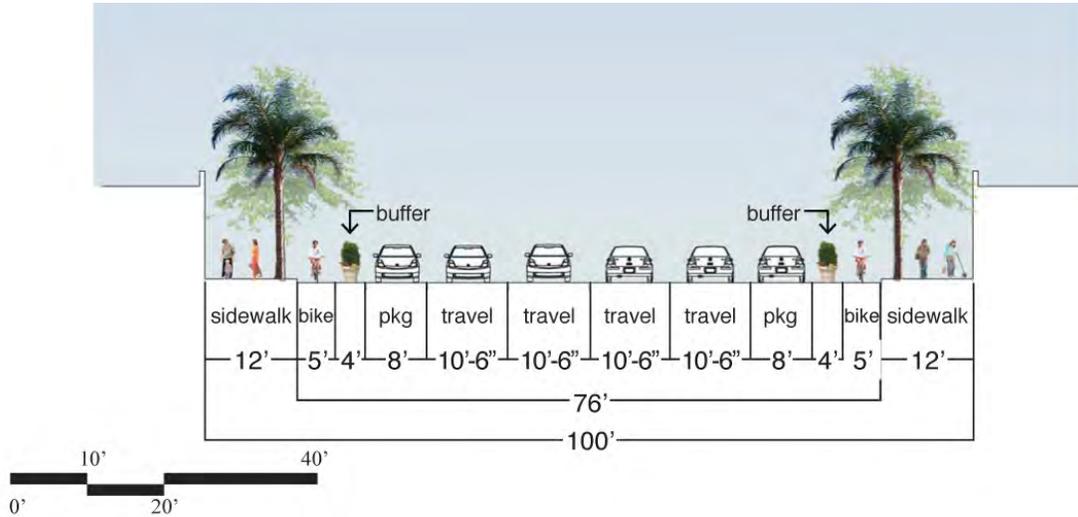
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Sherman Way – Option 3 Bike Lane – Outside of Parking

This sectional diagram shows how Sherman Way would look with the addition of painted bike lanes located outside of the parking lane. The center turn lane would be removed.



Buffered bike lane separated with striping and augmented with pedestrian refuge islands at intersections.

- Buffered bike lanes between the sidewalk and on-street parking harbor cyclists from travel lanes and keep them away from the door zone.
- Can be designated with paint/striping, outfitted with planters or collapsible bollards to vertically delineate space, or with raised medians to separate bike and parking zones.
- Bike lanes would begin after the major intersections of Canoga Ave, Topanga Canyon Blvd, and De Soto Ave to allow for turn pockets at these intersections.



Buffered bike lane achieved with just a can of paint.



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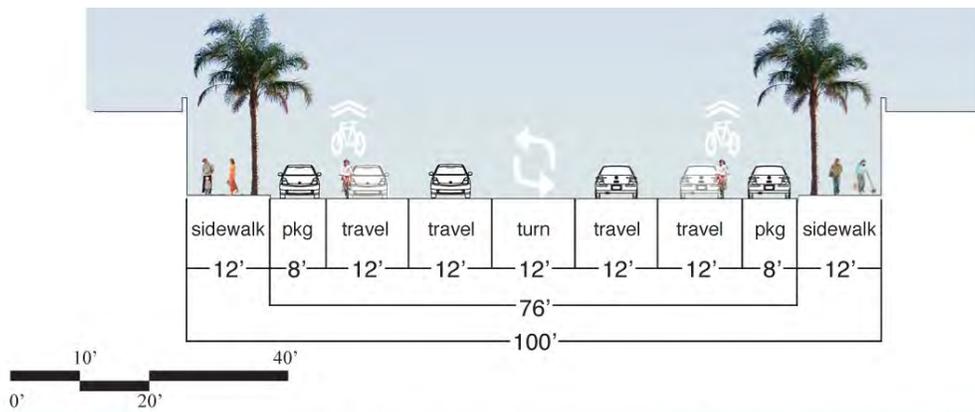
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Sherman Way – Option 4 Sharrows

This sectional diagram shows how to accommodate cyclists without any roadway reconfiguration, through the use of “Sharrows,” painted markings within a drive lane that alert motorists to the presence of cyclists and show cyclists the appropriate positioning within the lane safely outside of the “door zone” of parked cars.

Without question, the best way to humanize Sherman Way would be to narrow the street to a single lane in either direction or remove the center turn lane, ideally from Topanga Canyon Boulevard to the west to De Soto Avenue to the east. Current traffic volumes on Sherman Way suggest that it would be difficult to make the case to do this. Although it is not outside the realm of possibility, it would take considerable effort on the part of the community, the CRA and City Planning to convince all City approval departments of its benefits.



Sharrow in Long Beach on 2nd Street, a lively retail corridor with 2 travel lanes each direction and parking, utilizing a “green zone” in addition to street markings.



Sharrow in Hermosa Beach with street marking only.

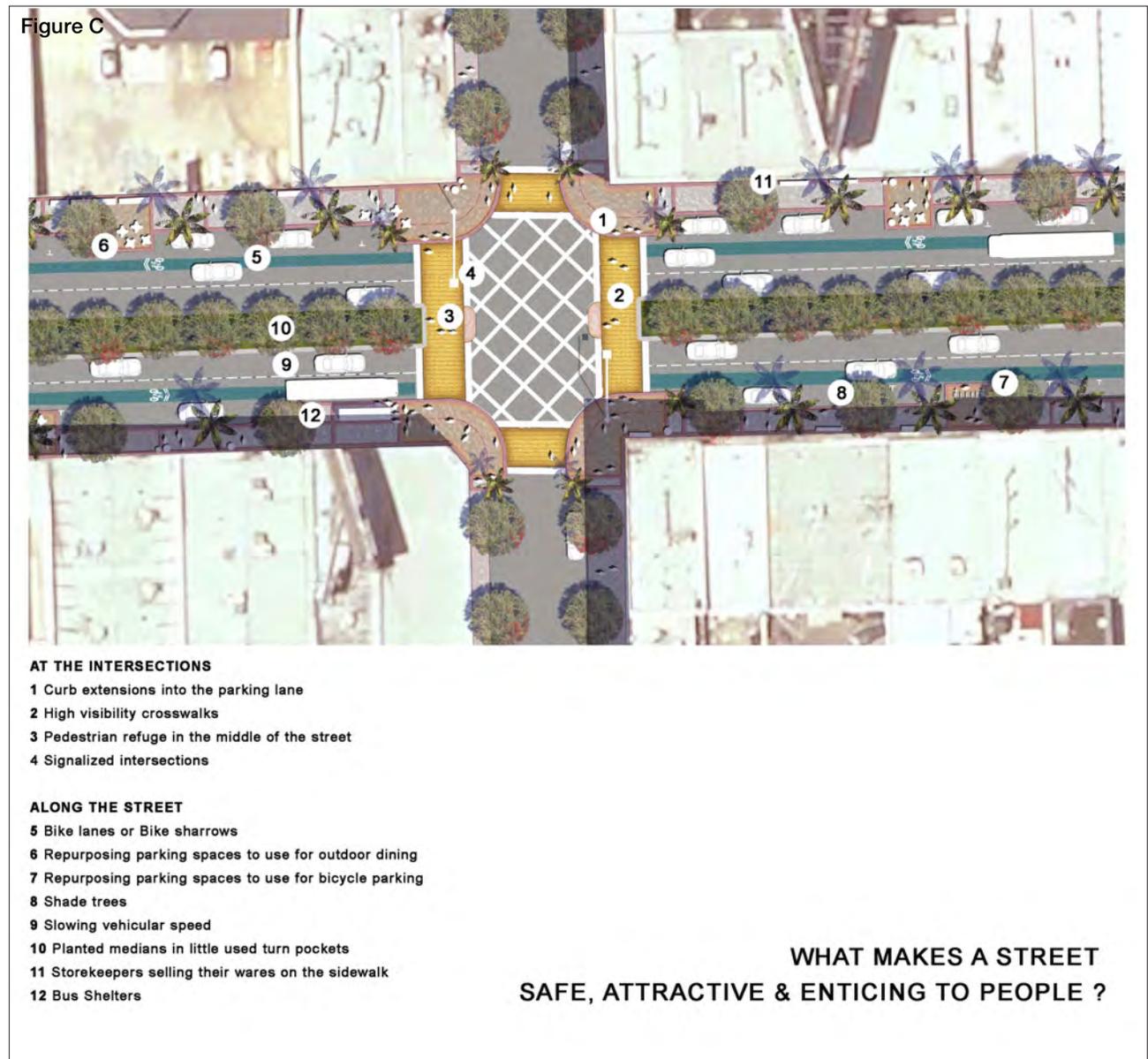
- Sharrow = SHARed Right-Of-Way, merely acknowledging the right of cyclists to make full use of travel lanes by law.
- Street markings alert motorists to the presence of cyclists and their appropriate positioning within the inside travel lane.
- Markings also instruct cyclists of safest position within the lane and out of the “door zone” of parked cars.
- Maintains existing lane widths and street configuration - Only need paint!

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Figure C shows in plan view the more likely scenario. While it doesn't propose removing any drive lanes, Figure I still shows a number of traffic calming techniques that would greatly improve the quality of the street for pedestrians and cyclists. At intersections, curbs could be extended to the edge of the parking lane to widen the sidewalks and reduce pedestrian crossing distance. Crosswalks could be brightly colored to alert motorists to the presence of pedestrians. All intersections should be signalized, either with full traffic signals or flashing pedestrian lights, and the center turn lane near some smaller cross streets could be turned into a planted median and a place of refuge for pedestrians. Along the street some parking spaces could be repurposed for outdoor dining or bicycle parking, and bicycle "sharrows" could be added to the street. While the street boasts many palm trees, more shade trees could be added to create a consistent canopy along the street. Traffic speeds along the street should be reduced and bus shelters and benches should be added.



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2. Integrate New Orange Line Station into Neighborhood

A good way to integrate the new station into the neighborhood is to add a new public space along Sherman Way at the station that will provide a new community gathering space as well as a pleasant transition between the street and the station platforms. The Canoga Connect Project Team with the support of Councilman Dennis Zine's office, CRA/LA and City Planning took a proposal, as shown in the images and drawings on this and the following two pages. Currently Metro has agreed to add the construction of this plaza into the overall Orange Line Extension construction project.

Ensuring that pedestrians and cyclists can easily move through the neighborhood to access the station will also help integrate the new station into the neighborhood. Interventions such as improving crosswalks and sidewalks and adding bike lanes or "sharrows" will help achieve this.



High Visibility Crosswalks and Intersections



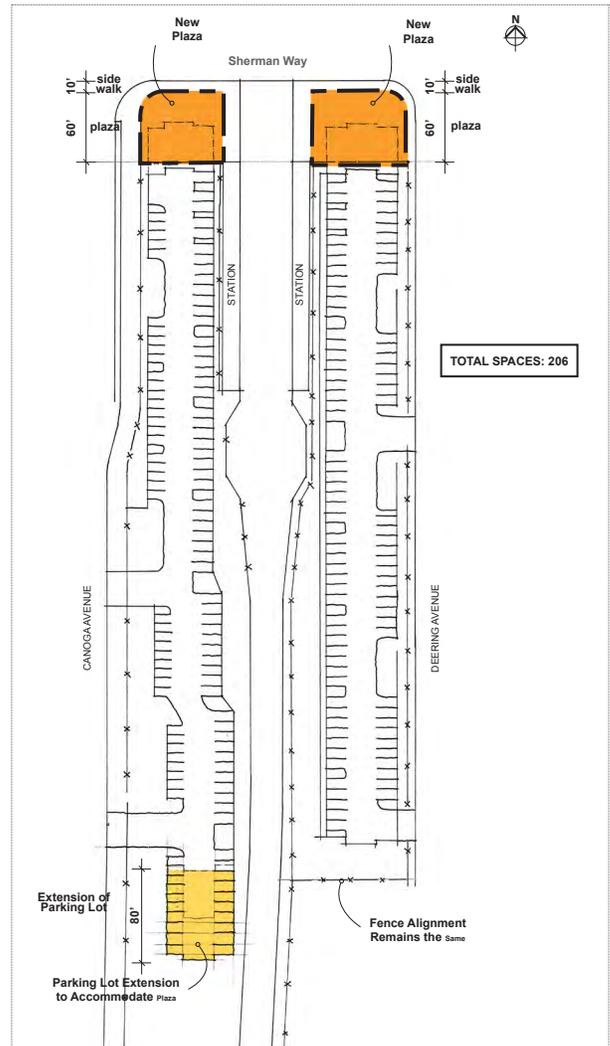
A Transit Plaza on the Gold Line



An Ideal Transit Plaza



Safe Crossings To and From the Station



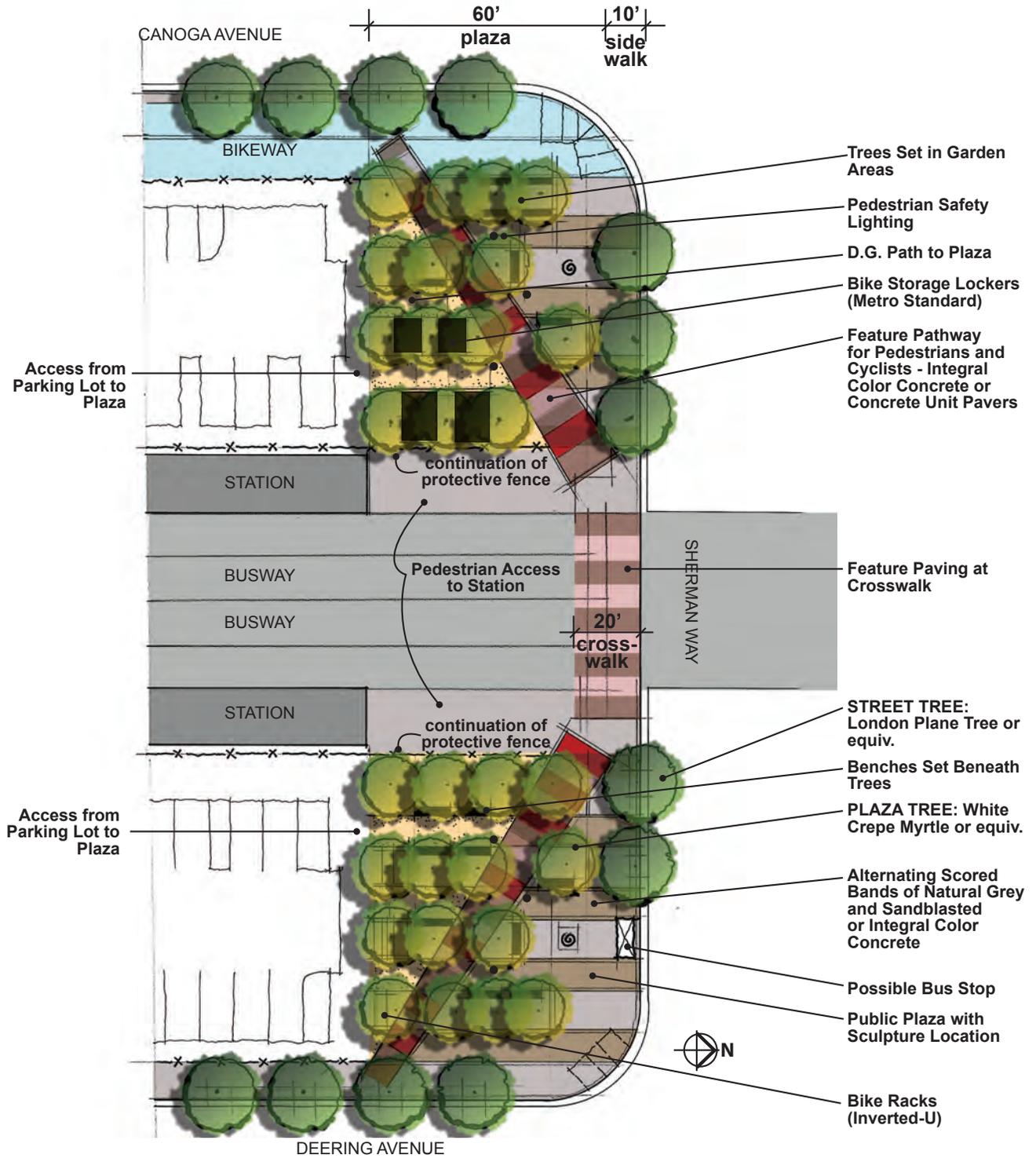
Metro Plaza - Sherman Way Station
Parking Lot Reconfiguration

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Metro Plaza - Sherman Way Station Plaza Conceptual Design



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Metro Plaza - Sherman Way Station Suggested Materials and Specifications

Alternating Bands of Natural Grey and Integral Color Concrete



Ackerstone
12"x12" or 12"x24" Concrete
Unit Pavers



Stablized D.G.



Special Paving

Landscape Forms
LED Pedestrian Safety Light
"Hi-Glo" (Right)
"Lo-Glo" (Below)



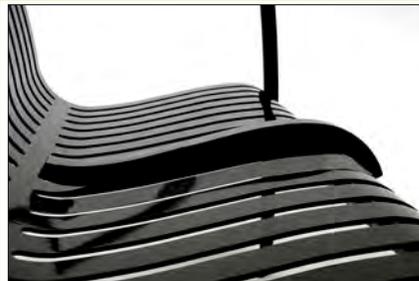
Pedestrian Safety Lighting



Bike Racks



Bench



Landscape Forms
Towne Square
49" or 72" length
avail. with seat dividers

Inverted-U
See Metro Standards or
City of Los Angeles Bike
Master Plan (Draft) for
Spacing

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3. Create “The Canoga Loop”

The opportunity exists to create a recreational or exercise loop through the study area. Utilizing the river’s edge to the south and the Orange Line trail to the east in conjunction with a newly pedestrian friendly Sherman Way and new bicycle facilities on Owensmouth Ave, a 1-¼ mile exercise loop could be realized without significant expense. A wayfinding system of signage could reinforce the loop.

Canoga Park is also home to a network of mostly underutilized alleys. Opportunity also exists to improve these so that they become part of the pedestrian network, while also providing open space opportunities.

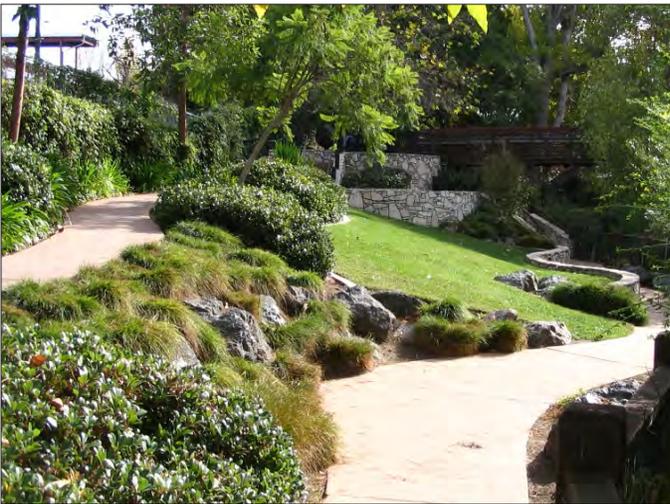
As shown in Figure A, there are some vacant parcels within the study area that could be pursued for the purpose of adding pocket parks to the open space network.



1. A Pedestrian And Bike Friendly Sherman Way



2. Bike Lanes On Owensmouth



3. A River Side Park



4. The Metro Bikeway

4. Make Public/Open Space an Integral Part of Development

Where this document calls for new development, open space should be considered a central part of any proposal. Internal roads should be designed to look like plazas, with minimal use of curbs throughout. Shade trees and palms should feature throughout. Buildings should open up onto courtyards, which can be used by employees or residents for taking a break from the office, dining or meeting friends and colleagues. The streets should not be fenced and should be open to the public at all times. Recreational facilities, such as half basketball courts, should be considered as well.



A Place To Take A Break From Work



Or Grab a Bite to Eat



Internal Tree-Lined Streets



Making the Most of Mixed Use

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5. “Green” the Streets and Alleys

The streets of Canoga Park drain to the Los Angeles River. This makes cleansing and/or infiltrating storm water prior to it draining into the river even more important here than it is in most places. Canoga Park is also home to a network of alleys, which could also be improved to incorporate ‘green street’ principles (See below). Typical ‘green street’ techniques include adding bio-swales or storm-water planters designed to collect, cleanse and/or infiltrate water from the streets and sidewalks. Adding more trees and including permeable paving or high albedo paving are also ways to “green” the streets and alleys.



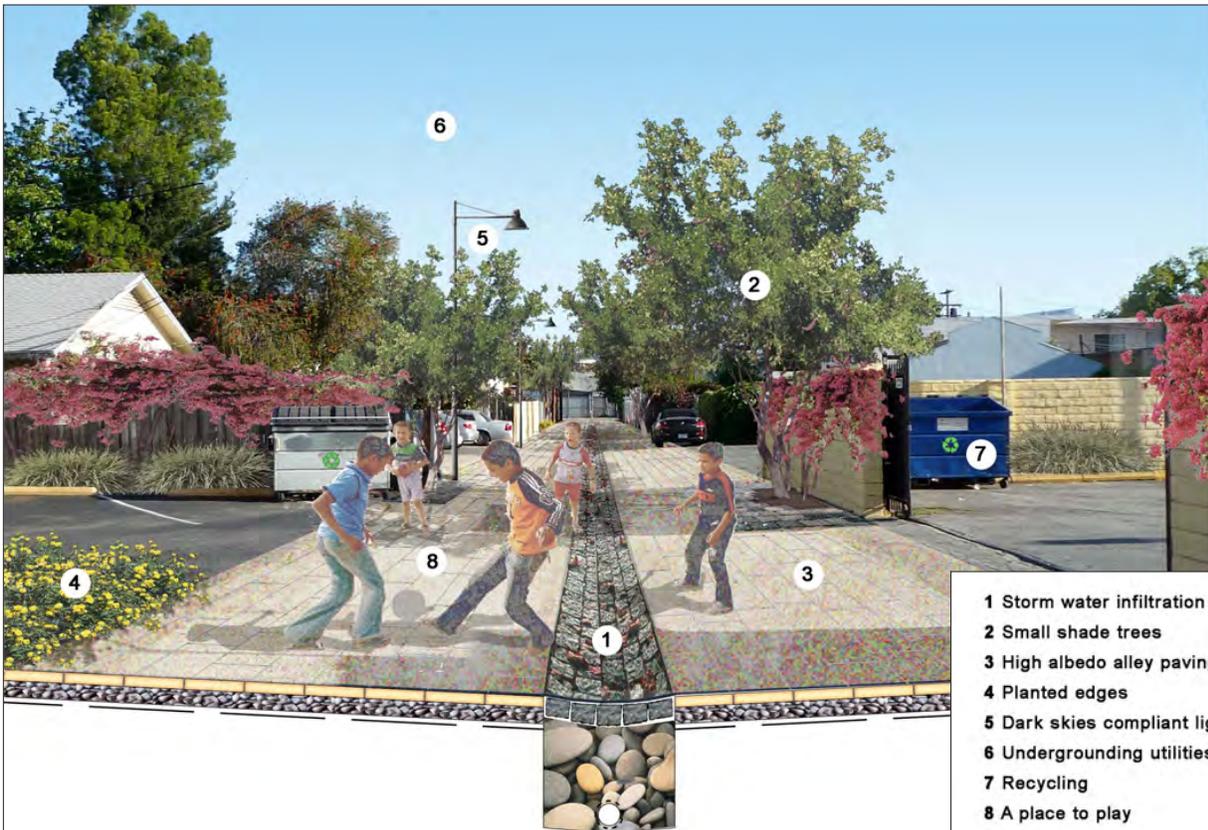
Stormwater Planters Cleanse Stormwater and Look Good



Tree-Lined Streets are Better Streets



Permeable Paving and Recycled Materials



- 1 Storm water infiltration swale
- 2 Small shade trees
- 3 High albedo alley paving
- 4 Planted edges
- 5 Dark skies compliant lighting
- 6 Undergrounding utilities
- 7 Recycling
- 8 A place to play

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Parking Study and Strategies

The objective of the parking study is to identify the minimum parking requirements as established by the City of Los Angeles Municipal Code and to quantify potential reductions in the minimum parking requirements that could be achieved given the proximity of the proposed uses to the Orange Line transit station.

Minimum Required Parking Spaces

The minimum number of off-street parking spaces required for each land use type is defined in Section 12.21.1 A 4 of the City of Los Angeles Municipal Code. A summary of the off-street parking requirements for commercial, industrial, retail, restaurant, and residential land uses proposed for the project are summarized in Table 1.

Table 1 – City of Los Angeles Off-Street Parking Space Requirements

Use Classification	Unit	Minimum Parking Requirement
Commercial, Industrial, and Office	SF	2 parking space per 1,000 SF of gross floor area
Retail	SF	4 parking spaces per 1,000 SF of gross floor area
Restaurant	SF	10 parking spaces per 1,000 SF of gross floor area
Residential		
Less than 3 habitable rooms	DU	1 parking space per dwelling unit
3 habitable rooms	DU	1.5 parking spaces per dwelling unit

Source: Section 12.21.1 A 4 of the City of Los Angeles Municipal Code
 SF – Square Feet
 DU – Dwelling Unit

Based on the parking ratios identified above, the number of off-street parking spaces required for the proposed development prototypes A, B, and C are shown in Table 2.

Table 2 – Off-Street Parking Space Requirements for Proposed Development

Use	Development Prototype A		Development Prototype B		Development Prototype C	
	Quantity (TSF/DU)	Required Parking Spaces	Quantity (TSF/DU)	Required Parking Spaces	Quantity (TSF/DU)	Required Parking Spaces
Commercial/Light Industrial/Office	0	0	163.5	327	126.3	253
Retail	8.1	32.4	37.8	151	0	0
Restaurant	3.7	37	4.9	49	0	0
Residential	71.6 DU	72	46.8 DU	47	0	0
Total	83.4	141	253	574	126.3	253

Source: Section 12.21.1 A 4 of the City of Los Angeles Municipal Code
 TSF – thousand square feet



Given the transit-oriented theme and orientation of the development prototype sites, their proximity to the proposed Orange Line BRT Station, and mixed-use components proposed for each site, reductions to minimum parking requirements may be warranted. The process for requesting reductions to parking space requirements in the City of Los Angeles includes several options depending on the use and location of the project. These processes are each described in greater detail below.

Conditional Use Permits and Variances for Reduced Parking

The requirements for obtaining a conditional use permit or variance for parking reductions can also be found in the City of Los Angeles Municipal Code. Developers may request parking reductions to the minimum required parking spaces by applying for a conditional use permit or variance. The conditional use permit will allow the developer to request up to a certain percentage of reduced spaces for commercial or industrial uses only, provided the developer provides transportation alternatives or off-site parking and shuttle services. Requests for parking reductions through a variance process will allow the developer to request parking reductions for any use and up to any amount of spaces.

To apply for the reduction, developers must prepare a parking management plan that provides at a minimum: the number of parking spaces on-site, the number and kinds of transportation alternatives proposed, and the level of employee and/or tenant use of the transportation alternatives. The application is then reviewed by the Zoning Administrator to determine the appropriate reduction percentage for the development. This effort is beyond the scope of this planning study as it would be conducted for the specific development proposal. However, a review of the potential reduction options is warranted here on the development prototypes to provide guidance on options related to parking reductions for the City of Los Angeles and potential developers.

Several options exist within City of Los Angeles regulations for obtaining parking reductions. These options are outlined on the following page.



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Reduced On-Site Parking with Transportation Alternatives

The City of Los Angeles Planning Commission Authority allows requests for reduced on-site parking with transportation alternatives. Under Zoning Code Section 12.24 X 17, commercial and industrial uses involving 100 employees and/or tenants that provide transportation alternatives to single-occupant automobiles, such as carpools, vanpools, mass transit, buses or bicycles may request up to a sixty percent (60%) reduction to the minimum required number of parking spaces.

Reduced Parking with Remote Off-Site Parking

A request for reduced on-site parking with remote off-site parking may also be made to the City of Los Angeles Planning Commission for commercial or industrial uses only that involve arrivals of at least 100 employees and/or tenants and if the remote off-site parking does not exceed seventy-five percent (75%) of the number of parking spaces required. The off-site parking must be used solely by the employees and/or tenants of the commercial or industrial use and provide a form of transportation between the off-site parking location and the commercial or industrial use.

Shared Parking

Under the City of Los Angeles Municipal Code Section 12.24 X 20, a request may be made to allow two or more uses to share their off-street parking spaces. A parking demand analysis must be conducted for seven consecutive days, 24 hours per day to show that the total number of parking spaces needed is lower than the total number of parking spaces required. The shared parking facility must be located within 750 feet of each building.

Special Permission for Reduction of Off-Street Parking Spaces by the Director

Under Section 12.24 Y of the Los Angeles Municipal Code, the Director or the Area Planning Commission may allow a reduction in the number of off-street parking spaces required for commercial or industrial uses located within 1,500 feet of a transit station may be reduced by ten percent (10%).

Mixed-Use Districts

Under Section 13.09 of the Los Angeles Municipal Code, for mixed-use districts located within 1,500 feet of a transit station, a reduction in the number of parking spaces may be requested provided a minimum of two spaces for every 1,000 square feet of non-residential floor area is provided. The appropriate level of parking reduction is determined by the City Council, and includes factors such as local transit dependency and automobile usage, traffic, available parking, and the level of transit service.

Variance

A variance from Section 12.21.1 A 4 of the Los Angeles Municipal Code may be requested to reduce the minimum number of parking spaces required for a development site. The parking reduction may be requested for any land use type and up to any amount. Under Section 12.27 A, an application with the Department of City Planning must be filed that includes information required by the instructions on the application and the guidelines adopted by the Chief Zoning Administrator.



The various methods and procedures identified on the previous page give developers and the city a tool box of options related to parking reductions for individual projects. To assist in identifying an appropriate parking ratio for the development prototype sites, two case studies of individual projects from elsewhere in Los Angeles County are summarized below.

Case Studies

Mixed-use transit oriented developments are becoming a common trend and solution to revitalizing and redeveloping underutilized properties near transit stations. The proposed mixed-use Canoga Connect development prototypes are unique in that these concepts involve developing transit-oriented development near a bus rapid transit station. Other transit-oriented developments in Los Angeles are located primarily near light rail or subways. However, the Orange Line BRT provides a level and quality of service that approaches a rail transit system, and the case studies outlined below provide representative samples that could thrive near a BRT station. The case study examples include:

- Long Beach Pacifica, Long Beach, CA – Long Beach Pacifica is a mid-rise mixed-use community comprising of 62 residential units above 4,333 square feet of ground floor retail. The community of Pacifica is located within the City’s revitalized “Promenade” district and within a half block of the Metro Blue Line light rail system. Approximately 144 parking spaces are provided to accommodate the residential and retail units. A twenty-five percent (25%) parking reduction was applied based on the City of Long Beach parking reductions for new developments located within 600 feet of a Blue Line transit station.
- Metro Hollywood Apartments, Los Angeles, CA – The Metro Hollywood Apartments is a transit-oriented development located above the Metro Red Line Western & Hollywood subway station. The Transit Village consists of 120 housing units situated above 11,000 square feet of retail, child care, and on-site management offices. Approximately 45 spaces plus 38 shared spaces for child care and retail are provided in a below grade parking facility. A parking reduction was granted due to the sites close proximity to a transit station, while the nature of the land uses allowed for shared spaces between the child care facility and retail uses.



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Summary of Findings

The purpose of developing a transit-oriented, mixed-use village for the Canoga neighborhood is in part to promote non-vehicular modes of transportation and increase transit and pedestrian connectivity between the surrounding land uses. One method of encouraging this practice is to lower the minimum number of off-street parking spaces required for new development. By reducing parking spaces, land can be used more efficiently and the design of the project can promote transit and non-motorized modes of transportation instead of automobile travel. Given the close proximity to transit such reductions are feasible.

It is recommended that a 25% reduction in the minimum parking requirements be considered for the development prototype sites. This level of reduction accounts for several factors, including the proximity of these sites to a transit station, the goals and objectives of this study to make the study area more walkable, and to introduce a mix of land uses that compliment each other and create opportunities to reduce automobile use and parking needs within the project area. The proposed 25% reduction also represents a good compromise with other more aggressive options for parking reductions, given the suburban nature of the larger surrounding community and the understanding that habits will not change overnight. Instead, these projects and this study are intended to start an evolution in development within the Canoga Connect study area. Table 3 summarizes the proposed minimum parking requirements for the development prototypes with the proposed 25% reduction.

Table 3 – Off-Street Parking Space Requirements for Proposed Development

Use	Development Prototype A		Development Prototype B		Development Prototype C	
	Quantity (TSF/DU)	Required Parking Spaces	Quantity (TSF/DU)	Required Parking Spaces	Quantity (TSF/DU)	Required Parking Spaces
Commercial/Light Industrial/Office	0	0	163.5	246	126.3	189
Retail	8.1	24	37.8	113	0	0
Restaurant	3.7	14	4.9	18	0	0
Residential	71.6 DU	107	46.8 DU	47	0	0
Total	83.4	145	253	424	126.3	189

Source: Proposed 25% reduction applied to Section 12.21.1 A 4 of the City of Los Angeles Municipal Code
 TSF – thousand square feet
 DU – Dwelling Unit



Vision for Canoga Connect TOD

Canoga Park has the opportunity to leverage the politically supported Orange Line BRT extension by furthering a TOD vision for the Sherman Way/Canoga Ave station as described within this report. The study area has the capacity to strengthen itself as an important town center nucleus, and provide a range of housing types, a pedestrian focused livable neighborhood complete with places to live, shop, work and play. Canoga Park is the historic nucleus of the western San Fernando Valley, and it may well once again become an important hub with a clearly defined center. In order to achieve this goal, three major components have been considered and discussed, and are summarized on the following three pages.



Canoga Connect

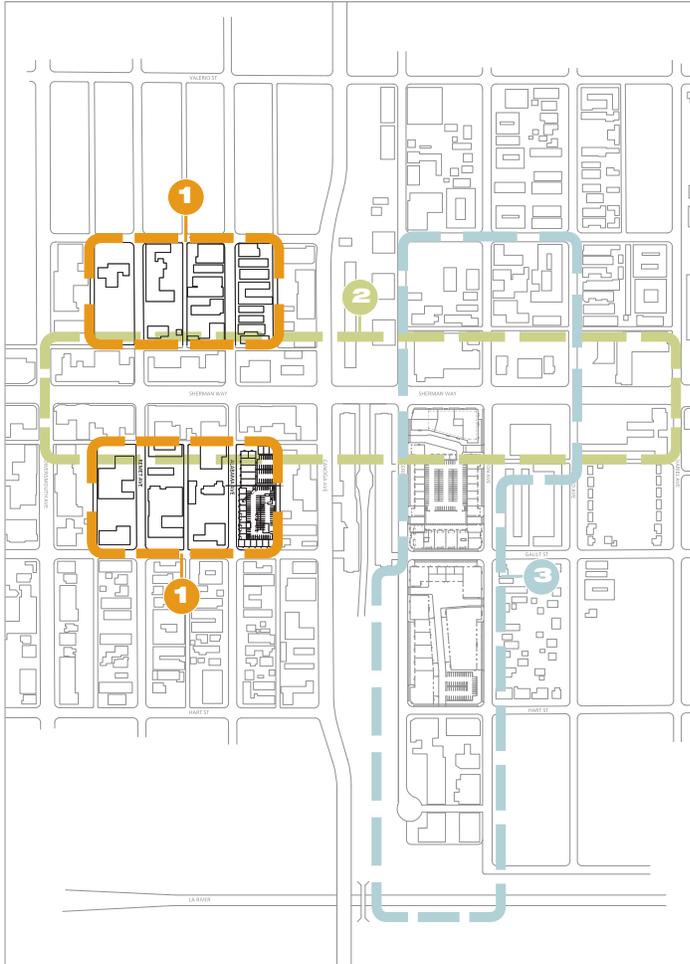
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1

Traditional TOD Densification – Support higher density mixed use transit oriented developments in strategically located parts of the study area.

- Retail/residential mixed use
- Increased residential density in station area
- Indoor/outdoor retail and restaurant opportunities
- Enhanced neighborhood amenities



Canoga Connect

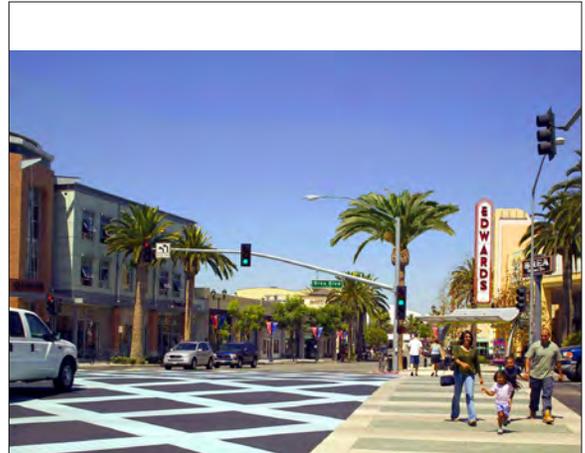
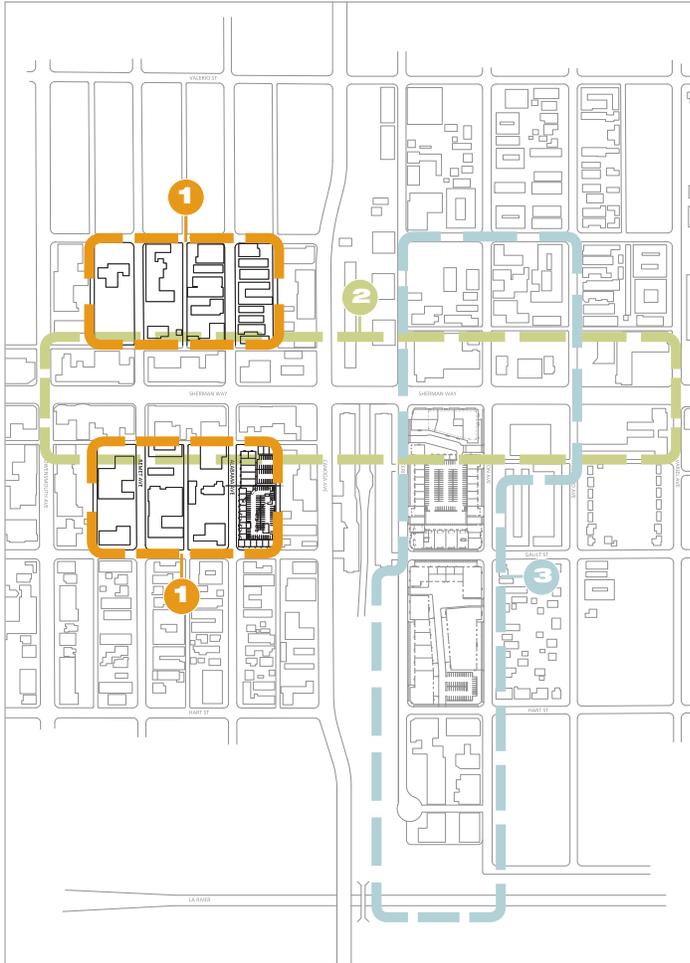
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2

Retail Streetscape and Traffic Enhancements – Work to improve the core retail experience of the neighborhood, and support roadway and streetscape improvements that improve the quality of the pedestrian experience and support retail business.

- Work to further improve core retail experience
- Street section analysis



Canoga Connect

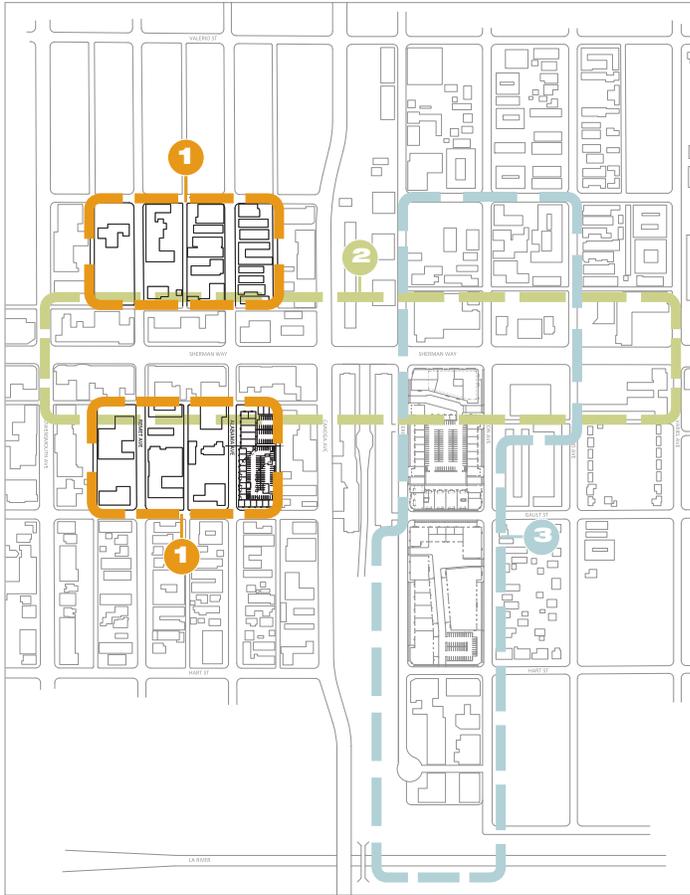
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3

Lifestyle Employment Center / Clean Tech TOD – Develop and support a proposal for a pedestrian oriented clean tech zone within the study area that supports higher valued and higher density progressive employment, through the utilization of design guidelines, financial incentives and political engagement.

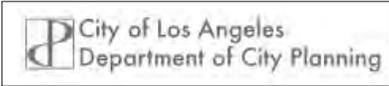
- High density/high value jobs
- Green collar and incubator industry
- Light industrial mixed with residential
- Sustainable lifestyle employment center



Summary Recommendations

Coordinate and foster public agency led improvements and engagement

CRA/LA has led a number of successful streetscape improvements in the past, and they may use this report to identify and prioritize improvement projects that will best support a holistic vision for the station area. The **Los Angeles Planning Department** can lead an effort to modify planning policies so as to support developments as outlined in this report. **LA Metro** is currently considering an enhanced Transit Plaza at the planned station as presented in this report. **LADOT** should be engaged to consider bicycle improvements along Sherman Way so as to free up sidewalks for pedestrian based retail activity and in the interests of cyclist safety. Lastly, but most importantly, **Council District 3** has acted as a powerful political ally in the betterment of the community, and the Council District office should be engaged in all efforts to improve the community moving forward.



Review and enhance existing planning policies and design guidelines

Ideally, the City of LA would support and lead the production of a Specific Plan for the Canoga Connect TOD study area. A Specific Plan would simplify and streamline the planning context by bringing forward all existing area design overlays, and combine them with transit related considerations as outlined in this report including codified density and mixed use improvements and the production of critical design guidelines. A program level EIR would be required as part of a Specific Plan and would go a long way towards incentivizing development as development approval risk would be minimized.

In the immediate term, if the production of a Specific Plan was unfeasible, a TOD Overlay Zone should be considered to guide development in the short term. In addition to this, short term zoning changes and or improvements may be feasible to support overall project goals and minimize approval risks.



-  Proposed Neighborhood Mixed-Use Zone (NMU)
-  Proposed Lifestyle Employment Zone (IMU)
-  Proposed Clean Technology Zone (CT)

Canoga Connect



Encourage and incentivize private sector development

City staff and local community leaders are urged to present development prototype proposals outlined in this report to local landowners and private developers, to explore opportunities to start TOD projects in the study area. Initial projects can act as a catalyst to further development, and every attempt should be made to incentivize initial proposals. Local and public support is the first step in these efforts, and improving the public streets and open spaces in the area will go a long way towards place-making, a fact that will be noted by developers eager to secure good locations for future developments.

Local Leadership

Though most large public capital improvements require funding from regional sources, and private development projects are also funded from sources outside the realm of local residents, cohesive and coordinated local representation can go a long way towards attracting the attention and funding of these other sources. Currently, Canoga Park has a very strong and active neighborhood council that is supportive of area improvements and development, and engaged in the betterment of the community. There is also an active Business Improvement District (BID) that has been and can continue to support maintenance efforts in the area. It may be advantageous to expand the boundaries of the BID to capture the entire study area, especially those parts being considered for enhanced employment uses, as this will allow for greater station area coordination and more centralized resources available for improvements and maintenance. Generally speaking, it is important to note that local organizations are best suited to lead on-going maintenance and oversight of improvements, as the participants obviously have much more immediate incentives to do so.



Canoga Connect

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Support employment

The Lifestyle Employment Center concept has been developed specifically for this site, and it is believed that such a project will be very intriguing to private developers looking for new forms of development that better match today's economic realities. One concept specifically relevant to a creation of a **Canoga Clean-Tech Corridor** would be the consideration of an energy based development strategy. A redevelopment agency could theoretically invest in local green energy production infrastructure, such as a solar array or bio fuel-cell bank, that could in turn provide cheap and clean energy within a defined redevelopment zone. This would act as a powerful incentive for incubator businesses unable to amortize the long term costs of such infrastructure, but eager to play a role in our economies green transformation, and obviously conscious of the bottom line. The higher valued and higher density land use on industrial zoned properties would greatly improve tax revenues to the City's general fund, thus supporting the initial capital investment. Such a strategy would be a fantastic compliment to a regional development strategy focusing on transit nodes, and sets up a broader consideration of a **Clean Tech TOD** model.



Main Inputs for Project Title

Cash Flow Title - Enter Description of Option or Stage

3000 Professional Fees													
Code	Stage	Description	% of Construct. ¹	AND / OR No. Units	Base Rate / Unit	Escalate (E,R,N)	S-Curve	Year Start ²	Year Span	Cash Flow Period	Remarks	Total Current Costs	Total Escalated Cost
3001	-	Architect and Engineering	5.50%	-	-	E	-	0	1	Jan-10 - Dec-10		2,146,104	2,146,104
3002	-	Legal and Accounting	1.00%	-	-	E	-	0	1	Jan-10 - Dec-10		390,201	390,201
3003	-	Construction Management Fee	5.00%	-	-	E	-	0	1	Jan-10 - Dec-10		1,951,003	1,951,003
3004	-	Building Permit	1.00%	-	-	E	-	0	1	Jan-10 - Dec-10		390,201	390,201
3005	-	.	0.00%	-	-	-	-	0	-	-		-	-
			¹ % Based on Net Costs					² Pro-rata with Construction ('C')					
3099	-	Development Management	0.00%	% of Project Costs (inc land) excludes finance costs and tax (if applicable).	-	-	-	0	-	-	Manual Input (refer to Cash Flow)	-	-
											TOTAL	4,877,509	4,877,509

4000 Construction Costs													
Code	Stage	Description	Cost Type	Sq. Ft.	Base Rate / Sq. Ft.	Escalate (E,R,N) ¹	S-Curve	Year Start	Year Span	Cash Flow Period	Remarks	Total Current Costs	Total Escalated Cost
4001	-	Retail	-	37,800	162	E	-	0	1	Jan-10 - Dec-10		6,127,002	6,127,002
4002	-	Restaurant	-	4,900	162	E	-	0	1	Jan-10 - Dec-10		794,241	794,241
4003	-	Light Industrial	-	32,500	110	E	-	0	1	Jan-10 - Dec-10		3,575,000	3,575,000
4004	-	Residential	-	46,800	156	E	-	0	1	Jan-10 - Dec-10		7,290,036	7,290,036
4005	-	Office	-	131,000	162	E	-	0	1	Jan-10 - Dec-10		21,233,790	21,233,790
4006	-	.	-	-	-	-	-	0	-	-		-	-
4007	-	.	-	-	-	-	-	0	-	-		-	-
4008	-	.	-	-	-	-	-	0	-	-		-	-
4009	-	.	-	-	-	-	-	0	-	-		-	-
4010	-	.	-	-	-	-	-	0	-	-		-	-
			¹ Escalation ('N' = no escalation, 'E' = escalation to start period, 'R' = escalation to start period and through span)								Manual Input (refer to Cash Flow)	-	-
4099		Construction Contingency	-	And / Or	0.00%	of Construction Costs					=D132	-	-
											TOTAL	39,020,069	39,020,069

5000 Statutory Fees													
Code	Stage	Description	Units	Base Rate / Units	Escalate (E,R,N)	S-Curve	Year Start	Year Span	Cash Flow Period	Remarks	Total Current Costs	Total Escalated Cost	
5001	-	.	-	-	-	-	0	-	-		-	-	
5002	-	.	-	-	-	-	0	-	-		-	-	
5003	-	.	-	-	-	-	0	-	-		-	-	
5004	-	.	-	-	-	-	0	-	-		-	-	
5005	-	.	-	-	-	-	0	-	-		-	-	
											Manual Input (refer to Cash Flow)	-	-
											TOTAL	-	-

6000 Infrastructure Costs													
Code	Stage	Description	%of Construction ¹	AND / OR No. Units	Base Rate / Unit	Escalate (E,R,N)	S-Curve	Year Start ²	Year Span	Cash Flow Period	Remarks	Total Current Costs	Total Escalated Cost
6001	-	Subsurface Soil Investigation, Surveys & ESA	0.00%	1	45,000	E	-	0	1	Jan-10 - Dec-10	- Based on relative experience	45,000	45,000
6002	-	Infrastructure Designs	0.00%	1	4,313	E	-	0	1	Jan-10 - Dec-10	- 2.5% of site servicing	4,313	4,313
6003	-	Planning Application Fees	0.00%	1	5,000	E	-	0	1	Jan-10 - Dec-10	- Based on relative experience	5,000	5,000
6004	-	Site Servicing Costs	0.00%	5	37,500	E	-	0	1	Jan-10 - Dec-10	- Assumed average site	172,500	172,500
6005	-	Landscaping	0.00%	5	50,000	E	-	0	1	Jan-10 - Dec-10	- servicing costs in Los Angeles County to be 25k - 50k/acre	230,000	230,000
6006	-	.	0.00%	-	-	-	-	0	-	-	- for preserviced land	-	-
6007	-	.	0.00%	-	-	-	-	0	-	-	-	-	-
6008	-	.	0.00%	-	-	-	-	0	-	-	- Assumed average landscaping costs to be 50k/acre	-	-
6009	-	.	0.00%	-	-	-	-	0	-	-	-	-	-
6005	-	.	0.00%	-	-	-	-	0	-	-	-	-	-
			¹ Based on net costs.					² Pro-rata with Construction ('C') or Settlements ('S')			Manual Input (refer to Cash Flow)	-	-
											TOTAL	456,813	456,813

Main Inputs for Project Title

Cash Flow Title - Enter Description of Option or Stage

8000		Selling and Leasing Costs			
		Sales Commission	Sales Comm ¹	% of Comm. Pre-sales ²	Deposits (% of Price) ³
8001	RS1	Residential - 1 Bedroom Units	0.00%	0.00%	0.00%
8002	RS2	Residential - 2 Bedroom Units	0.00%	0.00%	0.00%
8003	RS3	Residential - 3 Bedroom Units	0.00%	0.00%	0.00%
8004	RDD	Detached Dwellings Lots	0.00%	0.00%	0.00%
8005	RTH	Townhouse Lots	0.00%	0.00%	0.00%
8006	COM	Commerical Office	0.00%	0.00%	0.00%
8007	RET	Retail Shops	0.00%	0.00%	0.00%
8008	IND	Industrial Units	0.00%	0.00%	0.00%
8009	STW	Storage & Warehousing	0.00%	0.00%	0.00%
8010	OTH	Other	0.00%	0.00%	0.00%

¹ % of Gross Purchase Price
² Percentage of Sales Commission paid at exchange date for pre-sales
³ Percentage of price deposited on exchange (for pre-sales)

Report Pre-sale Commission as Project Cost

Interest Rate on Deposits Invested in Trust Account 0.00%
 % of Interest retained by Developer upon settlement 0.00%

Code	Stage	Other Selling Costs	% of Gross Sales	AND / OR No. Units	Base Rate / Unit	Escalate (E,R,N)
8101	-	Marketing	5.00%	-	-	-
8102	-	.	0.00%	-	-	-
8103	-	.	0.00%	-	-	-
8104	-	.	0.00%	-	-	-
8111	-	.	0.00%	-	-	-

Year Start	Year Span	Cash Flow Period
1	1	Jan-11 - Dec-11
0	-	-
0	-	-
0	-	-
0	-	-

Pro-rata with Settlements ('S') or Exchanges ('E')

Code	Stage	Other Leasing Costs	% of Gross Rent	AND / OR No. Units	Base Rate / Unit	Escalate (E,R,N)
8201	-	.	0.00%	-	-	-
8202	-	.	0.00%	-	-	-
8203	-	.	0.00%	-	-	-
8204	-	.	0.00%	-	-	-
8211	-	.	0.00%	-	-	-

Year Start	Year Span	Cash Flow Period
0	-	-
0	-	-
0	-	-
0	-	-
0	-	-

Pro-rata with Rental Income ('R')

Sales Revenue Collection Profile

9000 Sales

Code	Stage	Description	No. Units	Total Area SqFt	Current Sale Price	Sales Calc Method	Pre-Sale Exchanges		Settlements		Sales Rate Units / SqFt per Year	
							Year Start	Year Span	Year Start	Year Span		Cash Flow Period
9001	-	Residential Sales	-	46,800	180	Per SqFt	0	-	1	1	Jan-11 - Dec-11	46,800.00
9002	-	.	-	-	-	Per Unit	0	-	0	-	-	-
9003	-	.	-	-	-	Per Unit	0	-	0	-	-	-
9004	-	.	-	-	-	Per Unit	0	-	0	-	-	-
9020	-	.	-	-	-	Per Unit	0	-	0	-	-	-

Land Use Code	Total Current Sales Revenue	Total Escalated Sales Revenue
RS1	8,424,000	8,676,720
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
Capitalised Sales (refer to Tenants)	48,007,000	57,309,316
Manual Input (refer to Cash Flow)	-	-
TOTAL	56,431,000	65,986,036

9100 Other Income

Code	Stage	Description	Land Use Code	Units	Base Rate / Units
9101	-	.	-	-	-
9102	-	.	-	-	-
9103	-	.	-	-	-
9104	-	.	-	-	-
9110	-	.	-	-	-

Year Start	Year Span	Cash Flow Period
0	-	-
0	-	-
0	-	-
0	-	-
0	-	-

Remarks	Total Current Income	Total Escalated Income
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
Manual Input (refer to Cash Flow)	-	-
TOTAL	-	-

Main Inputs for Project Title

Cash Flow Title - Enter Description of Option or Stage

10000

Financing
(Advanced Mode)

General Notes: All Line Fees are paid during period of debt, in arrears
All Profit Share is Paid progressively as project makes a profit.

Equity

Developer's Equity Contribution	Fixed Amount	Percentage	
Progressively injected when required.	-	25.00%	% of Project Costs (net of Interest/Fees)

Opening Balances		Equity Totals
	Developer's Injections	14,641,171
-	Interest Charged	-
-	Interest Received	-
	Injections by Enter Land Owner Name	-

10001
10002

Interest Charged on Equity	0.00%	per annum Nominal - Capitalised (Compounded)
Interest received on Surplus Cash	0.00%	per annum received in arrears.

% of Available Funds to Repay Equity Before Debt	0.00%
--	-------

Equity Notes: Equity is paying outstanding debt
Equity is repaid when available (do not retain surplus cash).

Loan 1

Description Lender Name

Facility Limit	Fixed Amount	Percentage	
Drawn down in total at loan commencement.	-	75.00%	% of Project Costs (net of Interest/Fees)

Opening Balances		Loan 1 Totals
	Drawdown	43,923,513
-	Interest Charged	9,989,789
-	Application Fees	-
-	Line Fees	-
	Profit Split	-

Year Commencement	Auto	<input checked="" type="checkbox"/>	0	Jan-2010	
Maturity Year	Auto	<input checked="" type="checkbox"/>	0	Jan-2020	Refinanced by Equity

10004

Interest Rate	4.50%	per annum Nominal - Capitalised (Compounded)
---------------	-------	--

10005

Fees	Amount	Percentage	Year Paid
Application Fee	-	0.00%	0
Line Fee	-	0.00%	

Profit Split to Lender 1	0.00%
--------------------------	-------

Loan 2

Description Lender Name

Facility Limit	Fixed Amount	Percentage	
Drawn down in total at loan commencement.	-	0.00%	Fixed Amount

Opening Balances		Loan 2 Totals
	Drawdown	-
-	Interest Charged	-
-	Application Fees	-
-	Line Fees	-
	Profit Split	-

Year Commencement	Auto	<input checked="" type="checkbox"/>	0		
Maturity Year	Auto	<input checked="" type="checkbox"/>	0	N.A.	Refinanced by Equity

10004

Interest Rate	0.00%	per annum Nominal - Capitalised (Compounded)
---------------	-------	--

10005

Fees	Amount	Percentage	Year Paid
Application Fee	-	0.00%	0
Line Fee	-	0.00%	

Profit Split to Lender 2	0.00%
--------------------------	-------

Loan 3

Description Lender Name

Facility Limit	Fixed Amount	Percentage	
Drawn down in total at loan commencement.	-	0.00%	Fixed Amount

Opening Balances		Loan 3 Totals
	Drawdown	-
-	Interest Charged	-
-	Application Fees	-
-	Line Fees	-
	Profit Split	-

Year Commencement	Auto	<input checked="" type="checkbox"/>	0		
Maturity Year	Auto	<input checked="" type="checkbox"/>	0	N.A.	Refinanced by Equity

10004

Interest Rate	0.00%	per annum Nominal - Capitalised (Compounded)
---------------	-------	--

10005

Fees	Amount	Percentage	Year Paid
Application Fee	-	0.00%	0
Line Fee	-	0.00%	

Profit Split to Lender 3	0.00%
--------------------------	-------

Main Inputs for Project Title

Cash Flow Title - Enter Description of Option or Stage

Loan 4				Description		Lender Name
No Limit (use as overdraft facility)						-
10007	Interest Rate		0.00%	per annum Nominal - Capitalised (Compounded)		
10008	Fees		Amount	Percentage	Year Paid	
	Application Fee		-	0.00%	0	
	Line Fee		-	0.00%		
Maintain Leverage on Loan 4				0.00%	% of unsold Stock (net of selling costs)	

Opening Balances	Loan 4 Totals
-	Drawdown Interest Charged -
-	Application Fees Line Fees -
	Interest Charged to Enter Land Owner Name -

Senior Loan Notes: Senior Loan (Loan 4) is being used as an overdraft facility.

Code	Stage	Financing Costs	No. of Units	Base Rate / Unit	Escalate (E,R,N)
10009	-	.	-	-	-
10010	-	.	-	-	-
10011	-	.	-	-	-
10012	-	.	-	-	-
10018	-	.	-	-	-

Year Start	Year Span	Cash Flow Period
0	-	-
0	-	-
0	-	-
0	-	-
0	-	-

Remarks	Total Current Costs	Total Escalated Cost
	-	-
	-	-
	-	-
	-	-
Manual Input (refer to Cash Flow)	-	-
TOTAL	-	-

Project Hurdle Rates

Project Discount Rate (target IRR)	10.00%	per annum Nominal, on cash flow that includes financing costs but excludes interest and corp tax.
Nominate an estimate of IRR	15.00%	per ann.
Developer's Target Dev. Margin	20.00%	on total development costs (inc selling costs).
Developer's Target Return on Equity	0.00%	

Main Inputs for Project Title

Cash Flow Title - Enter Description of Option or Stage

PROJECT CASH FLOW	TOTAL	0 Jan-10	1 Jan-11	2 Jan-12	3 Jan-13	4 Jan-14	5 Jan-15	6 Jan-16	7 Jan-17	8 Jan-18	9 Jan-19	10 Jan-20
SALES SUMMARY												
Units Sold	4.00	-	-	-	-	-	-	-	-	-	-	4.00
Cumulative Units Sold		-	-	-	-	-	-	-	-	-	-	4.00
% Units Sold		-	-	-	-	-	-	-	-	-	-	100.0%
SqFt Sold	46,801.92	-	46,800.00	-	-	-	-	-	-	-	-	1.92
Cumulative SqFt Sold		-	46,800.00	46,800.00	46,800.00	46,800.00	46,800.00	46,800.00	46,800.00	46,800.00	46,800.00	46,801.92
% SqFt Sold		-	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
USD Sold	65,986,036	-	8,676,720	-	-	-	-	-	-	-	-	57,309,316
Cumulative USD Sold		-	8,676,720	8,676,720	8,676,720	8,676,720	8,676,720	8,676,720	8,676,720	8,676,720	8,676,720	65,986,036
% USD Sold		-	13.1%	13.1%	13.1%	13.1%	13.1%	13.1%	13.1%	13.1%	13.1%	100.0%
HANDBOVER SUMMARY												
Units Handed Over	4.00	-	-	-	-	-	-	-	-	-	-	4.00
Cumulative Units Handed Over		-	-	-	-	-	-	-	-	-	-	4.00
% Units Handed Over		-	-	-	-	-	-	-	-	-	-	100.0%
SqFt Handed Over	46,801.92	-	46,800.00	-	-	-	-	-	-	-	-	1.92
Cumulative SqFt Handed Over		-	46,800.00	46,800.00	46,800.00	46,800.00	46,800.00	46,800.00	46,800.00	46,800.00	46,800.00	46,801.92
% SqFt Handed Over		-	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
USD Handed Over	65,986,036	-	8,676,720	-	-	-	-	-	-	-	-	57,309,316
Cumulative USD Handed Over		-	8,676,720	8,676,720	8,676,720	8,676,720	8,676,720	8,676,720	8,676,720	8,676,720	8,676,720	65,986,036
% USD Handed Over		-	13.1%	13.1%	13.1%	13.1%	13.1%	13.1%	13.1%	13.1%	13.1%	100.0%
PROJECT CASH FLOW												
REVENUE												
Gross Sales Revenue	65,986,036	-	8,676,720	-	-	-	-	-	-	-	-	57,309,316
Selling Costs	(3,299,302)	-	(3,299,302)	-	-	-	-	-	-	-	-	-
Gross Rental Income	59,157,841	-	5,480,115	5,480,115	5,480,115	5,480,115	5,480,115	6,351,453	6,351,453	6,351,453	6,351,453	6,351,453
Leasing Costs	(5,779,578)	-	(535,394)	(535,394)	(535,394)	(535,394)	(535,394)	(620,522)	(620,522)	(620,522)	(620,522)	(620,522)
Other Income	-	-	-	-	-	-	-	-	-	-	-	-
Interest Received*	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL NET REVENUE	116,064,998	-	10,322,139	4,944,721	4,944,721	4,944,721	4,944,721	5,730,932	5,730,932	5,730,932	5,730,932	63,040,248
COSTS												
Land and Acquisition	-	-	-	-	-	-	-	-	-	-	-	-
Professional Fees	4,877,509	4,877,509	-	-	-	-	-	-	-	-	-	-
Construction Costs (inc Contingency)	39,020,069	39,020,069	-	-	-	-	-	-	-	-	-	-
Statutory Fees	-	-	-	-	-	-	-	-	-	-	-	-
Infrastructure Costs	456,813	456,813	-	-	-	-	-	-	-	-	-	-
Parking Construction Costs	11,421,500	11,421,500	-	-	-	-	-	-	-	-	-	-
Miscellaneous Costs 3	-	-	-	-	-	-	-	-	-	-	-	-
Project Contingency (Reserve)	2,788,795	2,788,795	-	-	-	-	-	-	-	-	-	-
Land Holding Costs	-	-	-	-	-	-	-	-	-	-	-	-
Pre-Sale Commissions	-	-	-	-	-	-	-	-	-	-	-	-
Financing Costs (exc Fees)	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL COSTS	58,564,685	58,564,685	-	-	-	-						
Net Cash Flow (before Interest & Corporate Tax)	57,500,313	(58,564,685)	10,322,139	4,944,721	4,944,721	4,944,721	4,944,721	5,730,932	5,730,932	5,730,932	5,730,932	63,040,248
Cumulative Cash Flow	(58,564,685)	(48,242,545)	(43,297,824)	(38,353,103)	(33,408,382)	(28,463,661)	(22,732,730)	(17,001,798)	(11,270,867)	(5,539,935)	57,500,313	57,500,313
Corporate Tax	-	-	-	-								
Net Cash Flow (before Interest & after Corporate Tax)	57,500,313	(58,564,685)	10,322,139	4,944,721	4,944,721	4,944,721	4,944,721	5,730,932	5,730,932	5,730,932	5,730,932	63,040,248
Cumulative Cash Flow	(58,564,685)	(48,242,545)	(43,297,824)	(38,353,103)	(33,408,382)	(28,463,661)	(22,732,730)	(17,001,798)	(11,270,867)	(5,539,935)	57,500,313	57,500,313
FINANCING												
Equity												
Manual Adjustments (Inject + / Repay -)		0	0	0	0	0	0	0	0	0	0	0
Injections	14,641,171	14,641,171	-	-	-	-	-	-	-	-	-	-
Interest Charged	-	-	-	-	-	-	-	-	-	-	-	-
Equity Repayment	62,151,695	-	-	-	-	-	-	-	-	-	-	62,151,695
Less Profit Share	-	-	-	-	-	-	-	-	-	-	-	-
Equity Balance	47,510,524	(14,641,171)	(14,641,171)	(14,641,171)	(14,641,171)	(14,641,171)	(14,641,171)	(14,641,171)	(14,641,171)	(14,641,171)	(14,641,171)	47,510,524
Equity Cash Flow***	47,510,524	(14,641,171)	-	-	-	-	-	-	-	-	-	62,151,695
Project Cash Account												
Surplus Cash Injection	43,923,513	43,923,513	-	-	-	-	-	-	-	-	-	-
Cash Reserve Drawdown	(43,923,513)	(43,923,513)	-	-	-	-	-	-	-	-	-	-
Interest on Surplus Cash	-	-	-	-	-	-	-	-	-	-	-	-
Surplus Cash Balance	-	-	-	-	-	-	-	-	-	-	-	-
Loan 1 - Lender Name												
Manual Adjustments (Drawdown - / Repay +)		0	0	0	0	0	0	0	0	0	0	0
Drawdown	(43,923,513)	(43,923,513)	-	-	-	-	-	-	-	-	-	-
Loan Interest Rate (%/ann)		4.50%	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%
Interest Charged	(9,989,789)	-	(1,976,558)	(1,601,007)	(1,450,540)	(1,293,302)	(1,128,988)	(957,280)	(742,465)	(517,985)	(283,402)	(38,263)
Application and Line Fees	-	-	-	-	-	-	-	-	-	-	-	-
Interest Paid by Equity	-	-	-	-	-	-	-	-	-	-	-	-
Loan Repayment	53,913,303	-	10,322,139	4,944,721	4,944,721	4,944,721	4,944,721	5,730,932	5,730,932	5,730,932	5,730,932	888,553
Interest and Fees	9,989,789	-	1,976,558	1,601,007	1,450,540	1,293,302	1,128,988	957,280	742,465	517,985	283,402	38,263
Principal	43,923,513	-	8,345,581	3,343,714	3,494,181	3,651,419	3,815,733	4,773,652	4,988,466	5,212,947	5,447,530	850,290
Loan Balance	-	(43,923,513)	(35,577,932)	(32,234,218)	(28,740,037)	(25,088,618)	(21,272,885)	(16,499,233)	(11,510,767)	(6,297,820)	(850,290)	-
% of Land Purchase Price.		-	-	-	-	-	-	-	-	-	-	-
Profit Share	-	-	-	-	-	-	-	-	-	-	-	-
Loan 1 Cash Flow	9,989,789	(43,923,513)	10,322,139	4,944,721	4,944,721	4,944,721	4,944,721	5,730,932	5,730,932	5,730,932	5,730,932	888,553

Main Inputs for Project Title

Cash Flow Title - Enter Description of Option or Stage

PROJECT CASH FLOW	TOTAL	0 Jan-10	1 Jan-11	2 Jan-12	3 Jan-13	4 Jan-14	5 Jan-15	6 Jan-16	7 Jan-17	8 Jan-18	9 Jan-19	10 Jan-20
Loan 2 - Lender Name												
Manual Adjustments (Drawdown - / Repay +)	-	0	0	0	0	0	0	0	0	0	0	0
Drawdown	-	-	-	-	-	-	-	-	-	-	-	-
Loan Interest Rate (%/ann)	-	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Interest Charged	-	-	-	-	-	-	-	-	-	-	-	-
Application and Line Fees	-	-	-	-	-	-	-	-	-	-	-	-
Interest Paid by Equity	-	-	-	-	-	-	-	-	-	-	-	-
Loan Repayment	-	-	-	-	-	-	-	-	-	-	-	-
Interest and Fees	-	-	-	-	-	-	-	-	-	-	-	-
Principal	-	-	-	-	-	-	-	-	-	-	-	-
Loan Balance	-	-	-	-	-	-	-	-	-	-	-	-
% of Land Purchase Price.	-	-	-	-	-	-	-	-	-	-	-	-
Profit Share	-	-	-	-	-	-	-	-	-	-	-	-
Loan 2 Cash Flow	-	-	-	-	-	-	-	-	-	-	-	-
Loan 3 - Lender Name												
Manual Adjustments (Drawdown - / Repay +)	-	0	0	0	0	0	0	0	0	0	0	0
Drawdown	-	-	-	-	-	-	-	-	-	-	-	-
Loan Interest Rate (%/ann)	-	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Interest Charged	-	-	-	-	-	-	-	-	-	-	-	-
Application and Line Fees	-	-	-	-	-	-	-	-	-	-	-	-
Interest Paid by Equity	-	-	-	-	-	-	-	-	-	-	-	-
Loan Repayment	-	-	-	-	-	-	-	-	-	-	-	-
Interest and Fees	-	-	-	-	-	-	-	-	-	-	-	-
Principal	-	-	-	-	-	-	-	-	-	-	-	-
Loan Balance	-	-	-	-	-	-	-	-	-	-	-	-
% of Land Purchase Price.	-	-	-	-	-	-	-	-	-	-	-	-
Profit Share	-	-	-	-	-	-	-	-	-	-	-	-
Loan 3 Cash Flow	-	-	-	-	-	-	-	-	-	-	-	-
Loan 4 - Lender Name												
Drawdown	-	-	-	-	-	-	-	-	-	-	-	-
Loan Interest Rate (%/ann)	-	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Interest Charged	-	-	-	-	-	-	-	-	-	-	-	-
Application and Line Fees	-	-	-	-	-	-	-	-	-	-	-	-
Interest Paid by Equity	-	-	-	-	-	-	-	-	-	-	-	-
Loan Repayment	-	-	-	-	-	-	-	-	-	-	-	-
Interest and Fees	-	-	-	-	-	-	-	-	-	-	-	-
Principal	-	-	-	-	-	-	-	-	-	-	-	-
Loan Balance	-	-	-	-	-	-	-	-	-	-	-	-
% of Land Purchase Price.	-	-	-	-	-	-	-	-	-	-	-	-
Loan 4 Cash Flow	-	-	-	-	-	-	-	-	-	-	-	-
Project Overdraft		(43,923,513)	(35,577,932)	(32,234,218)	(28,740,037)	(25,088,618)	(21,272,885)	(16,499,233)	(11,510,767)	(6,297,820)	(850,290)	-
% of Land Purchase Price.												
Net Cash Flow (after Interest & Corporate Tax)	47,510,524	(58,564,685)	8,345,581	3,343,714	3,494,181	3,651,419	3,815,733	4,773,652	4,988,466	5,212,947	5,447,530	63,001,985
Cumulative Cash Flow**		(58,564,685)	(50,219,104)	(46,875,390)	(43,381,208)	(39,729,789)	(35,914,056)	(31,140,404)	(26,151,938)	(20,938,991)	(15,491,461)	47,510,524
PROJECT IRR & NPV												
Cash Flow that includes financing costs but excludes interest and corp tax.		(58,564,685)	10,322,139	4,944,721	4,944,721	4,944,721	4,944,721	5,730,932	5,730,932	5,730,932	5,730,932	63,040,248
Static Discount Rate (per ann. nominal)	10.00%											
PV for each Year	652,837	(58,564,685)	9,383,763	4,086,546	3,715,042	3,377,311	3,070,283	3,234,962	2,940,874	2,673,522	2,430,474	24,304,745
NPV of Future Cash Flows		652,837	65,139,274	60,298,848	60,889,540	61,539,300	62,254,037	63,040,248	63,040,248	63,040,248	63,040,248	63,040,248
Variable Discount Rate (per ann. nominal)	10.00%											
NPV (using weighted avg discount rate)	652,837	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%

* Includes half interest from deposit for land acquisition plus Interest received from pre-sale deposits

** Cumulative Cash Flow After Interest is revenue less costs (including interest on overdraft)

*** Includes equity injection, interest expense, loan re-payments and share of profit as outflows. Revenue and money borrowed as inflows.

Summary of Project Returns



Development Feasibility

Canoga Connect

Cash Flow - Option 1

High Density Mixed Use Site - East of Tracks: Site B

Time Span: Jan-10 to Jan-20	Project Size: 4.6 Acres 1 per 43,478.26 SqFt of Site Area
Type: Mixed Use	
Status: Under Review	Project Size: 370,000. GFA 1 per 0.54 SqFt of Site Area
Site Area: 200,000. SqFt	
FSR: 0:1	Equated GFA: 0.0

Estate Master for Excel Licensed to: IBI GROUP

COSTS & REVENUES				USD Total	USD Per Acre	USD Per GFA
REVENUE						
	Quantity	SqFt	USD/SqFt	USD		
Total Sales Revenue	-	46,800.0	1,410.0	65,986,036	14,344,791	178
Residential - 1 Bedroom Units	-	46,800.0	185.4	8,676,720		
Commerical Office	-	-	-	49,561,749		
Retail Shops	-	-	-	1,462,368		
Industrial Units	-	-	-	6,285,199		
Less Selling Costs				(3,299,302)	717,240	9
NET SALE PROCEEDS				62,686,735	13,627,551	169
	Average Yield	SqFt	USD/SqFt/annum	USD		
Rental Income	10.0%	206,200.0	25.8	59,157,841	12,860,400	160
Commerical Office	10.0%	168,800.0	27.3	51,291,255		
Retail Shops	10.0%	4,900.0	25.0	1,362,059		
Industrial Units	10.0%	32,500.0	18.0	6,504,527		
Less Outgoings & Vacancies				(5,779,578)	1,256,430	16
Less Letting Fees				-	-	-
Less Incentives (Rent Free and Fit-out Costs)				-	-	-
Less Other Leasing Costs				-	-	-
NET RENTAL INCOME				53,378,263	11,603,970	144
Interest Received				-	-	-
Other Income				-	-	-
TOTAL REVENUE				116,064,998	25,231,521	314
COSTS						
Land Purchase Cost				-	-	-
Land Transaction Costs				-	-	-
Construction (inc. Construct. Contingency)				39,020,069	8,482,624	105
Other Construction Costs				39,020,069		
Professional Fees				4,877,509	1,060,328	13
Statutory Fees				-	-	-
Infrastructure Costs				456,813	99,307	1
Parking Construction Costs				11,421,500	2,482,935	31
Miscellaneous Costs 3				-	-	-
Project Contingency (Project Reserve)				2,788,795	606,260	8
Land Holding Costs				-	-	-
Pre-Sale Commissions				-	-	-
Finance Charges (inc. Fees)				-	-	-
Interest Expense				9,989,789	2,171,693	27
Plus Corporate Tax				-	-	-
TOTAL COSTS				68,554,474	14,903,146	185

PERFORMANCE INDICATORS		
Net Development Profit ¹	47,510,524	
Development Margin (or Profit/Risk Margin) ³	66.12%	on total development costs (inc selling costs).
Residual Land Value (Target Margin) ⁴	19,523,482	(at 20% target development margin)
Net Present Value ⁵	652,837	(at 10% per ann. discount rate, nominal)
Benefit Cost Ratio ⁶	1.0111	(at 10% per ann. discount rate, nominal)
Project Internal Rate of Return (IRR) ⁷	10.19%	(per ann. nominal)
Residual Land Value (based on NPV) ⁸	652,837	
Equity IRR	15.55%	(per ann. nominal)
Equity Contribution	14,641,171	
Peak Debt Exposure	43,923,513	
Equity to Debt Ratio	33.33%	
Weighted Average Cost of Capital (WACC) ⁹	3.38%	
Breakeven Date for Cumulative Cash Flow ¹⁰	Jan-2020	(Year 10)
Rent Cover ¹¹	9 Yrs, 11 Mths	
Profit Erosion ¹²	0 Yrs, 0 Mths	

Footnotes:

- Development Profit: is total revenue less total cost including interest paid and received
- Note: No redistribution of Developer's Gross Profit
- Development Margin: is profit divided by total development costs (inc selling costs).
- Residual Land Value: is the maximum purchase price for the land whilst achieving the target development margin.
- Net Present Value: is the project's cash flow stream discounted to present value. It includes financing costs but excludes interest and corp tax.
- Benefit:Cost Ratio: is the ratio of discounted incomes to discounted costs and includes financing costs but excludes interest and corp tax.
- Internal Rate of Return: is the discount rate where the NPV above equals Zero.
- Residual Land Value (based on NPV): is the purchase price for the land to achieve a zero NPV.
- The Weighted Average Cost of Capital (WACC) is the rate that a company is expected to pay to finance its assets.
- Breakeven date for Cumulative Cash Flow: is the last date when total debt and equity is repaid (ie when profit is realised).
- The total net development profit divided by the current net annual rental expressed as a number of years/months.
- The period of time post practical completion that it can remain unsold (but leased out) until finance and land holding costs erodes the profit for the development to zero.

Summary of Project Returns



Development Feasibility

Canoga Connect

Cash Flow - Option 1

High Density Mixed Use Site - East of Tracks: Site B

Time Span: Jan-10 to Jan-20	Project Size: 4.6 Acres 1 per 43,478.26 SqFt of Site Area
Type: Mixed Use	Project Size: 370,000. GFA 1 per 0.54 SqFt of Site Area
Status: Under Review	Equated GFA: 0.0
Site Area: 200,000. SqFt	
FSR: 0:1	

Estate Master for Excel Licensed to: IBI GROUP

RETURNS ON FUNDS INVESTED	Equity	Loan 1			Total Debt
		Lender Name			
Funds Invested (Cash Outlay) ¹	14,641,171	43,923,513			43,923,513
% of Total Funds Invested	25.00%	75.00%			75.00%
Peak Exposure ²	14,641,171	43,923,513			43,923,513
Date of Peak Exposure	Jan-10	Jan-10			Jan-10
Year of Peak Exposure	Year 0	Year 0			Year 0
Weighted Average Interest Rate	N.A.	4.50%			4.50%
Interest Charged	-	9,989,789			9,989,789
Line Fees Charged	-	-			-
Application Fees Charged	-	-			-
Profit Share Received	-	-			-
Total Profit to Funders ³	47,510,524	9,989,789			9,989,789
Margin on Funds Invested ⁴	324.50%	22.74%			22.74%
Payback Date ⁵	Jan-20	Jan-20			Jan-20
Year of Payback	Year 10	Year 10			Year 10
IRR on Funds Invested ⁶	15.55%	4.50%			4.50%
Equity to Debt Ratio ⁷		33.33%			33.33%
Loan to Value Ratio ⁸	22.19%	66.56%			66.56%
Loan Ratio ⁹	N.A. of Land Purchase Price.	N.A. of Land Purchase Price.			N.A. of Land Purchase Price.

Footnotes:

1. The total amount of funding injected into the project cash flow.
2. The maximum cash flow exposure of that equity/debt facility including capitalised interest.
3. The total repayments less funds invested, including profit share paid or received.
4. Margin is net profit divided by total funds invested (cash outlay).
5. Payback date for the equity/debt facility is the last date when total equity/debt is repaid.
6. IRR on Funds Invested is the IRR of the equity cash flow including the return of equity and realisation of project profits.
7. Equity to Debt Ratio is the amount of equity contributed into the project as a percentage of debt funding.
8. Loan to Value ratio is the Peak Equity/Debt Exposure divided by Total Sales Revenue.
9. Loan Ratio is the total funds invested by the lender (cash outlay) divided by the nominated ratio calculation method. It includes capitalised interest and fees.

Main Inputs for Project Title

Cash Flow Title - Enter Description of Option or Stage

Preliminary

Cash Flow Title	Cash Flow - Option 2	Description of Option/Stage	Low Density Light Industrial Site - East of Tracks: Site C		
Date of First Period:	Jan-2010				
Cash Flow Rest Period:	Yearly				
Enter Project Size (a)	4.6	Acres			
Enter Project Size (b)	126,300.0	GFA			
Enter Site Area	200,000.0	SqFt	Floor Space Ratio	0 :1	Equated Gross Floor Area (SqFt)
					-

Type	Industrial
Status	Under Review

1000 Land Purchase & Acquisition Costs

Land Purchase Price	-
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Code	Stage		% of Land Purchase Price % paid	Amount	AND/OR Lump Amount	Year Start	Year Span	Cash Flow Period
1002	-	Deposit in Trust Account ¹	0.00%	-	-	0	-	-
1003	-	Payment 1	0.00%	-	-	0	-	-
1004	-	Payment 2	0.00%	-	-	0	-	-
1005	-	Payment 3	0.00%	-	-	0	-	-
1006	-	Payment 4	0.00%	-	-	0	-	-
1007	-	Settlement (Balance)	100.00%	-	-	0	1	Jan-10 - Dec-10
		Interest on Deposit in Trust Account	0.00%		Interest from deposit shared between parties			
		Profit Share to Land Owner	0.00%		. Paid progressively as project makes a profit.			

Total Current Costs	Total Escalated Cost
-	-
-	-
-	-
-	-
-	-
-	-
-	-

Code	Stage	Other Acquisition Costs	% of Land Purchase Price % paid	Amount	AND/OR Lump Amount	Year Start	Year Span	Cash Flow Period
1011	-	.	0.00%	-	-	0	-	-
1012	-	.	0.00%	-	-	0	-	-
1013	-	.	0.00%	-	-	0	-	-
1014	-	.	0.00%	-	-	0	-	-
1015	-	.	0.00%	-	-	0	-	-

Remarks	Total Current Costs	Total Escalated Cost
	-	-
	-	-
	-	-
	-	-
	-	-
	-	-
Manual Input (refer to Cash Flow)	-	-
TOTAL	-	-

¹ (No VAT credit available for Stamp Duty)

² Pro-rata with Land Payments ('L')

Cost Escalation

		Escalation Rates (Applied Per Annum) based on Cashflow Period Years commencing									
		Jan-10	Jan-11	Jan-12	Jan-13	Jan-14	Jan-15	Jan-16	Jan-17	Jan-18	Jan-19
	Professional Fees	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Code	Construction Costs (Uncategorised)	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
	SUB Subdivision Costs	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
	STG Stage Costs	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
	BUI Built Form	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
	OT1 Other	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
	OT2 Other	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
	Statutory Fees	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
	Infrastructure Costs	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
	Parking Construction Costs	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
	Miscellaneous Costs ³	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
	Land Holding Costs	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
	Selling and Leasing Costs	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
	Finance Costs	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%

2000 Project Contingency

-	And / Or	5.00%	of Construction, Professional, Statutory & Misc. Costs
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Main Inputs for Project Title

Cash Flow Title - Enter Description of Option or Stage

3000 Professional Fees														
Code	Stage	Description	% of Construct. ¹	AND / OR No. Units	Base Rate / Unit	Escalate (E,R,N)	S-Curve	Year Start ²	Year Span	Cash Flow Period	Remarks	Total Current Costs	Total Escalated Cost	
3001	-	Architect and Engineering	5.50%	-	-	E	-	0	1	Jan-10 - Dec-10		764,115	764,115	
3002	-	Legal and Accounting	1.00%	-	-	E	-	0	1	Jan-10 - Dec-10		138,930	138,930	
3003	-	Construction Management Fee	5.00%	-	-	E	-	0	1	Jan-10 - Dec-10		694,650	694,650	
3004	-	Building Permit	1.00%	-	-	E	-	0	1	Jan-10 - Dec-10		138,930	138,930	
3005	-	.	0.00%	-	-	-	-	0	-	-		-	-	
			¹ % Based on Net Costs					² Pro-rata with Construction ('C')						
3099	-	Development Management	0.00%	% of Project Costs (inc land) excludes finance costs and tax (if applicable).	-	-	-	0	-	-	Manual Input (refer to Cash Flow)	-	-	
												TOTAL	1,736,625	1,736,625

4000 Construction Costs														
Code	Stage	Description	Cost Type	Sq. Ft.	Base Rate / Sq. Ft.	Escalate (E,R,N) ¹	S-Curve	Year Start	Year Span	Cash Flow Period	Remarks	Total Current Costs	Total Escalated Cost	
4001	-	Retail	-	-	162	E	-	0	1	Jan-10 - Dec-10		-	-	
4002	-	Restaurant	-	-	162	E	-	0	1	Jan-10 - Dec-10		-	-	
4003	-	Light Industrial	-	126,300	110	E	-	0	1	Jan-10 - Dec-10		13,893,000	13,893,000	
4004	-	Residential	-	-	156	E	-	0	1	Jan-10 - Dec-10		-	-	
4005	-	Office	-	-	162	E	-	0	1	Jan-10 - Dec-10		-	-	
4006	-	.	-	-	-	-	-	0	-	-		-	-	
4007	-	.	-	-	-	-	-	0	-	-		-	-	
4008	-	.	-	-	-	-	-	0	-	-		-	-	
4009	-	.	-	-	-	-	-	0	-	-		-	-	
4010	-	.	-	-	-	-	-	0	-	-		-	-	
			¹ Escalation ('N' = no escalation, 'E' = escalation to start period, 'R' = escalation to start period and through span)											
4099	Construction Contingency		-	And / Or	0.00%	of Construction Costs					Manual Input (refer to Cash Flow)	-	-	
												TOTAL	13,893,000	13,893,000

5000 Statutory Fees														
Code	Stage	Description	Units	Base Rate / Units	Escalate (E,R,N)	S-Curve	Year Start	Year Span	Cash Flow Period	Remarks	Total Current Costs	Total Escalated Cost		
5001	-	.	-	-	-	-	0	-	-		-	-		
5002	-	.	-	-	-	-	0	-	-		-	-		
5003	-	.	-	-	-	-	0	-	-		-	-		
5004	-	.	-	-	-	-	0	-	-		-	-		
5005	-	.	-	-	-	-	0	-	-		-	-		
												Manual Input (refer to Cash Flow)	-	-
												TOTAL	-	-

6000 Infrastructure Costs														
Code	Stage	Description	%of Construction ¹	AND / OR No. Units	Base Rate / Unit	Escalate (E,R,N)	S-Curve	Year Start ²	Year Span	Cash Flow Period	Remarks	Total Current Costs	Total Escalated Cost	
6001	-	Subsurface Soil Investigation, Surveys & ESA	0.00%	1	45,000	E	-	0	1	Jan-10 - Dec-10	- Based on relative experience	45,000	45,000	
6002	-	Infrastructure Designs	0.00%	1	4,313	E	-	0	1	Jan-10 - Dec-10	- 2.5% of site servicing	4,313	4,313	
6003	-	Planning Application Fees	0.00%	1	5,000	E	-	0	1	Jan-10 - Dec-10	- Based on relative experience	5,000	5,000	
6004	-	Site Servicing Costs	0.00%	5	37,500	E	-	0	1	Jan-10 - Dec-10	- Assumed average site servicing costs in Los Angeles County	172,500	172,500	
6005	-	Landscaping	0.00%	5	50,000	E	-	0	1	Jan-10 - Dec-10	- Assumed average site servicing costs to be 25k - 50k/acre for preserved land	230,000	230,000	
6006	-	.	0.00%	-	-	-	-	0	-	-		-	-	
6007	-	.	0.00%	-	-	-	-	0	-	-		-	-	
6008	-	.	0.00%	-	-	-	-	0	-	-		-	-	
6009	-	.	0.00%	-	-	-	-	0	-	-		-	-	
6005	-	.	0.00%	-	-	-	-	0	-	-		-	-	
			¹ Based on net costs.					² Pro-rata with Construction ('C') or Settlements ('S')						
												Manual Input (refer to Cash Flow)	-	-
												TOTAL	456,813	456,813

Main Inputs for Project Title

Cash Flow Title - Enter Description of Option or Stage

6100 Parking Construction Costs

Code	Stage	Description	%of Construction ¹	AND / OR No. Units	Base Rate / Unit	Escalate (E,R,N)	S-Curve
6101	-	Suface Parking	0.00%	189	3,500	E	-
6102	-	Structured Parking	0.00%	-	30,000	E	-
6103	-	Below Grade Parking	0.00%	-	36,000	E	-
6104	-	.	0.00%	-	-	-	-
6105	-	.	0.00%	-	-	-	-

Year Start ²	Year Span	Cash Flow Period
0	1	Jan-10 - Dec-10
0	1	Jan-10 - Dec-10
0	1	Jan-10 - Dec-10
0	-	-
0	-	-

Remarks	Total Current Costs	Total Escalated Cost
Based on relative west coast costing experience - 400 sf per parking space	661,500	661,500
	-	-
	-	-
	-	-
Manual Input (refer to Cash Flow)	-	-
TOTAL	661,500	661,500

¹ Based on net costs.

² Pro-rata with Construction ('C') or Settlements ('S')

6000 Miscellaneous Costs 3

Code	Stage	Description	%of Construction ¹	AND / OR No. Units	Base Rate / Unit	Escalate (E,R,N)	S-Curve
6001	-	.	0.00%	-	-	-	-
6002	-	.	0.00%	-	-	-	-
6003	-	.	0.00%	-	-	-	-
6004	-	.	0.00%	-	-	-	-
6005	-	.	0.00%	-	-	-	-

Year Start ²	Year Span	Cash Flow Period
0	-	-
0	-	-
0	-	-
0	-	-
0	-	-

Remarks	Total Current Costs	Total Escalated Cost
	-	-
	-	-
	-	-
	-	-
	-	-
Manual Input (refer to Cash Flow)	-	-
TOTAL	-	-

¹ Based on net costs.

² Pro-rata with Construction ('C') or Settlements ('S')

7000 Land Holding Costs

Code	Stage	Description	No. Units	Base Rate /unit/term	Term ¹	Escalate (E,R,N)
7001	-	.	-	-	M	-
7002	-	.	-	-	M	-
7003	-	.	-	-	M	-
7004	-	.	-	-	M	-
7005	-	.	-	-	M	-

Year Start	Year Span ²	Cash Flow Period
0	-	-
0	-	-
0	-	-
0	-	-
0	-	-

Remarks	Total Annual Costs	Total Escalated Cost
	-	-
	-	-
	-	-
	-	-
	-	-
Manual Input (refer to Cash Flow)	-	-
TOTAL	-	-

¹ Y=Yearly, BA=BiAnnualy, Q=Quarterly, BM=BiMonthly, M=Monthly

² Diminish proportionally with leasing ('DR') or settlements ('DS')

Sales and Rental Revenue Escalation

		Escalation Rates (Applied Per Annum) based on Cashflow Period Years commencing										
Code	Category	Jan-10	Jan-11	Jan-12	Jan-13	Jan-14	Jan-15	Jan-16	Jan-17	Jan-18	Jan-19	
RS1	Residential - 1 Bedroom Units	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	
RS2	Residential - 2 Bedroom Units	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	
RS3	Residential - 3 Bedroom Units	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	
RDD	Detached Dwellings Lots	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	
RTH	Townhouse Lots	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	
COM	Commerical Office	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	
RET	Retail Shops	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	
IND	Industrial Units	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	
STW	Storage & Warehousing	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	
OTH	Other	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	

Rental esclation occurs up to lease start date. For rent review escalation during lease period re

Main Inputs for Project Title

Cash Flow Title - Enter Description of Option or Stage

10000

**Financing
(Advanced Mode)**

General Notes: All Line Fees are paid during period of debt, in arrears
All Profit Share is Paid progressively as project makes a profit.

Equity

Developer's Equity Contribution	Fixed Amount	Percentage	
Progressively injected when required.	-	25.00%	% of Project Costs (net of Interest/Fees)

Opening Balances		Equity Totals
	Developer's Injections	4,396,334
-	Interest Charged	-
-	Interest Received	-
	Injections by Enter Land Owner Name	-

10001

Interest Charged on Equity	0.00%	per annum Nominal - Capitalised (Compounded)
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10002

Interest received on Surplus Cash	0.00%	per annum received in arrears.
-----------------------------------	-------	--------------------------------

% of Available Funds to Repay Equity Before Debt	0.00%
--	-------

Equity Notes: Equity is paying outstanding debt
Equity is repaid when available (do not retain surplus cash).

Loan 1

Description	Lender Name	Fixed Amount	Percentage	
Facility Limit		-	75.00%	% of Project Costs (net of Interest/Fees)
Drawn down in total at loan commencement.				

Opening Balances		Loan 1 Totals
	Drawdown	13,189,001
-	Interest Charged	3,053,579
-	Application Fees	-
-	Line Fees	-
	Profit Split	-

Year Commencement	Auto	<input checked="" type="checkbox"/>	0	Jan-2010	
Maturity Year	Auto	<input checked="" type="checkbox"/>	0	Jan-2018	Refinanced by Equity

10004

Interest Rate	4.50%	per annum Nominal - Capitalised (Compounded)
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10005

Fees	Amount	Percentage	Year Paid
Application Fee	-	0.00%	0
Line Fee	-	0.00%	

Profit Split to Lender 1	0.00%
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Loan 2

Description	Lender Name	Fixed Amount	Percentage	
Facility Limit		-	0.00%	Fixed Amount
Drawn down in total at loan commencement.				

Opening Balances		Loan 2 Totals
	Drawdown	-
-	Interest Charged	-
-	Application Fees	-
-	Line Fees	-
	Profit Split	-

Year Commencement	Auto	<input checked="" type="checkbox"/>	0		
Maturity Year	Auto	<input checked="" type="checkbox"/>	0	N.A.	Refinanced by Equity

10004

Interest Rate	0.00%	per annum Nominal - Capitalised (Compounded)
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10005

Fees	Amount	Percentage	Year Paid
Application Fee	-	0.00%	0
Line Fee	-	0.00%	

Profit Split to Lender 2	0.00%
--------------------------	-------

Loan 3

Description	Lender Name	Fixed Amount	Percentage	
Facility Limit		-	0.00%	Fixed Amount
Drawn down in total at loan commencement.				

Opening Balances		Loan 3 Totals
	Drawdown	-
-	Interest Charged	-
-	Application Fees	-
-	Line Fees	-
	Profit Split	-

Year Commencement	Auto	<input checked="" type="checkbox"/>	0		
Maturity Year	Auto	<input checked="" type="checkbox"/>	0	N.A.	Refinanced by Equity

10004

Interest Rate	0.00%	per annum Nominal - Capitalised (Compounded)
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10005

Fees	Amount	Percentage	Year Paid
Application Fee	-	0.00%	0
Line Fee	-	0.00%	

Profit Split to Lender 3	0.00%
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Main Inputs for Project Title

Cash Flow Title - Enter Description of Option or Stage

Loan 4		Description	Lender Name	Opening Balances		Loan 4 Totals
No Limit (use as overdraft facility)			-			-
10007	Interest Rate	0.00% per annum Nominal - Capitalised (Compounded)			Drawdown Interest Charged	-
10008	Fees	Amount	Percentage	Year Paid	Application Fees Line Fees	-
	Application Fee	-	0.00%	0		-
	Line Fee	-	0.00%			-
Maintain Leverage on Loan 4		0.00% % of unsold Stock (net of selling costs)		Interest Charged to Enter Land Owner Name		-

Senior Loan Notes: Senior Loan (Loan 4) is being used as an overdraft facility.

Code	Stage	Financing Costs	No. of Units	Base Rate / Unit	Escalate (E,R,N)
10009	-	.	-	-	-
10010	-	.	-	-	-
10011	-	.	-	-	-
10012	-	.	-	-	-
10018	-	.	-	-	-

Year Start	Year Span	Cash Flow Period
0	-	-
0	-	-
0	-	-
0	-	-
0	-	-

Remarks	Total Current Costs	Total Escalated Cost
	-	-
	-	-
	-	-
	-	-
	-	-
Manual Input (refer to Cash Flow)	-	-
TOTAL	-	-

Project Hurdle Rates

Project Discount Rate (target IRR)	10.00%	per annum Nominal, on cash flow that includes financing costs but excludes interest and corp tax.
Nominate an estimate of IRR	15.00%	per ann.
Developer's Target Dev. Margin	20.00%	on total development costs (inc selling costs).
Developer's Target Return on Equity	0.00%	

Main Inputs for Project Title

Cash Flow Title - Enter Description of Option or Stage

12000 Rental Income & Capitalised Sales																																	
Code	Stage	Description	Land Use Code	Total Area /Sqft	Current Rent /Sqft/annum	Outgoings and Vacancies		Pre-Commit Year	Lease Year Start	Lease Year Span	Cash Flow Period	Escalated Rent at Lease Start /Sqft/annum	Rental Review Escalation Rates by Year (Commence 1 year after Lease Start)										Letting Fee		Rent Free Years	Incentives		Residual Cap. Rate	Pre-Sale Exchange Year	Settlement Year	Leasing Up Period Years	Discount Rate	
						+ %Rent	+ %Rent						Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10+	% of Gross Rent	% paid at PreCommit		Fit out Cost	Year Start						
12001	-	Retail	COM	-	25	-	10.00%	-	1	10	Jan-11 - Dec-20	-	0.00%	0.00%	0.00%	0.00%	15.90%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	-	-	-	-	-	-	0.00%
12002	-	Restaurant	RET	-	25	-	0.00%	-	1	10	Jan-11 - Dec-20	-	0.00%	0.00%	0.00%	0.00%	15.90%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	-	-	-	-	-	-	0.00%
12003	-	Light Industrial	IND	126,300	18	-	10.00%	-	1	10	Jan-11 - Dec-20	19	0.00%	0.00%	0.00%	0.00%	15.90%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	-	-	-	-	-	-	0.00%
12004	-	Office	COM	-	28	-	10.00%	-	1	10	Jan-11 - Dec-20	-	0.00%	0.00%	0.00%	0.00%	15.90%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	-	-	-	-	-	-	0.00%
12010	-			-	-	-	0.00%	-	0	-	-	-	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	-	-	-	-	-	-	0.00%	
TOTAL				126,300.00																													

Current Net Annual Rent	Current End Sale Value ²	Total Net Rental Income less Incentives	Escalated End-Sale Value
-	-	-	-
2,046,060	20,460,600	22,749,834	24,425,250
-	-	-	-
2,046,060	20,460,600	22,749,834	24,425,250

² End sale value = annual income (net of outgoings) divided by the capitalisation rate

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Main Inputs for Project Title

Cash Flow Title - Enter Description of Option or Stage

PROJECT CASH FLOW	TOTAL	0 Jan-10	1 Jan-11	2 Jan-12	3 Jan-13	4 Jan-14	5 Jan-15	6 Jan-16	7 Jan-17	8 Jan-18	9 Jan-19	10 Jan-20
SALES SUMMARY												
Units Sold	1.00	-	-	-	-	-	-	-	-	-	-	1.00
Cumulative Units Sold		-	-	-	-	-	-	-	-	-	-	1.00
% Units Sold		-	-	-	-	-	-	-	-	-	-	100.0%
SqFt Sold	1.17	-	-	-	-	-	-	-	-	-	-	1.17
Cumulative SqFt Sold		-	-	-	-	-	-	-	-	-	-	1.17
% SqFt Sold		-	-	-	-	-	-	-	-	-	-	100.0%
USD Sold	24,425,250	-	-	-	-	-	-	-	-	-	-	24,425,250
Cumulative USD Sold		-	-	-	-	-	-	-	-	-	-	24,425,250
% USD Sold		-	-	-	-	-	-	-	-	-	-	100.0%
HANDOVER SUMMARY												
Units Handed Over	1.00	-	-	-	-	-	-	-	-	-	-	1.00
Cumulative Units Handed Over		-	-	-	-	-	-	-	-	-	-	1.00
% Units Handed Over		-	-	-	-	-	-	-	-	-	-	100.0%
SqFt Handed Over	1.17	-	-	-	-	-	-	-	-	-	-	1.17
Cumulative SqFt Handed Over		-	-	-	-	-	-	-	-	-	-	1.17
% SqFt Handed Over		-	-	-	-	-	-	-	-	-	-	100.0%
USD Handed Over	24,425,250	-	-	-	-	-	-	-	-	-	-	24,425,250
Cumulative USD Handed Over		-	-	-	-	-	-	-	-	-	-	24,425,250
% USD Handed Over		-	-	-	-	-	-	-	-	-	-	100.0%
PROJECT CASH FLOW												
REVENUE												
Gross Sales Revenue	24,425,250	-	-	-	-	-	-	-	-	-	-	24,425,250
Selling Costs	(1,221,263)	-	(1,221,263)	-	-	-	-	-	-	-	-	-
Gross Rental Income	25,277,594	-	2,341,602	2,341,602	2,341,602	2,341,602	2,341,602	2,713,917	2,713,917	2,713,917	2,713,917	2,713,917
Leasing Costs	(2,527,759)	-	(234,160)	(234,160)	(234,160)	(234,160)	(234,160)	(271,392)	(271,392)	(271,392)	(271,392)	(271,392)
Other Income	-	-	-	-	-	-	-	-	-	-	-	-
Interest Received*	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL NET REVENUE	45,953,822	-	886,179	2,107,442	2,107,442	2,107,442	2,107,442	2,442,525	2,442,525	2,442,525	2,442,525	26,867,776
COSTS												
Land and Acquisition	-	-	-	-	-	-	-	-	-	-	-	-
Professional Fees	1,736,625	1,736,625	-	-	-	-	-	-	-	-	-	-
Construction Costs (inc Contingency)	13,893,000	13,893,000	-	-	-	-	-	-	-	-	-	-
Statutory Fees	-	-	-	-	-	-	-	-	-	-	-	-
Infrastructure Costs	456,813	456,813	-	-	-	-	-	-	-	-	-	-
Parking Construction Costs	661,500	661,500	-	-	-	-	-	-	-	-	-	-
Miscellaneous Costs 3	-	-	-	-	-	-	-	-	-	-	-	-
Project Contingency (Reserve)	837,397	837,397	-	-	-	-	-	-	-	-	-	-
Land Holding Costs	-	-	-	-	-	-	-	-	-	-	-	-
Pre-Sale Commissions	-	-	-	-	-	-	-	-	-	-	-	-
Financing Costs (exc Fees)	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL COSTS	17,585,334	17,585,334	-	-	-	-	-	-	-	-	-	-
Net Cash Flow (before Interest & Corporate Tax)	28,368,488	(17,585,334)	886,179	2,107,442	2,107,442	2,107,442	2,107,442	2,442,525	2,442,525	2,442,525	2,442,525	26,867,776
Cumulative Cash Flow	(17,585,334)	(16,699,155)	(14,591,713)	(12,484,271)	(10,376,830)	(8,269,388)	(5,826,863)	(3,384,338)	(941,813)	1,500,712	28,368,488	-
Corporate Tax	-	-	-	-	-	-	-	-	-	-	-	-
Net Cash Flow (before Interest & after Corporate Tax)	28,368,488	(17,585,334)	886,179	2,107,442	2,107,442	2,107,442	2,107,442	2,442,525	2,442,525	2,442,525	2,442,525	26,867,776
Cumulative Cash Flow	(17,585,334)	(16,699,155)	(14,591,713)	(12,484,271)	(10,376,830)	(8,269,388)	(5,826,863)	(3,384,338)	(941,813)	1,500,712	28,368,488	-
FINANCING												
Equity												
Manual Adjustments (Inject + / Repay -)		0	0	0	0	0	0	0	0	0	0	0
Injections	4,396,334	4,396,334	-	-	-	-	-	-	-	-	-	-
Interest Charged	-	-	-	-	-	-	-	-	-	-	-	-
Equity Repayment	29,711,242	-	-	-	-	-	-	-	-	400,942	2,442,525	26,867,776
Less Profit Share	-	-	-	-	-	-	-	-	-	-	-	-
Equity Balance	25,314,909	(4,396,334)	(4,396,334)	(4,396,334)	(4,396,334)	(4,396,334)	(4,396,334)	(4,396,334)	(4,396,334)	(3,995,392)	(1,552,867)	25,314,909
Equity Cash Flow***	25,314,909	(4,396,334)	-	-	-	-	-	-	-	400,942	2,442,525	26,867,776
Project Cash Account												
Surplus Cash Injection	13,189,001	13,189,001	-	-	-	-	-	-	-	-	-	-
Cash Reserve Drawdown	(13,189,001)	(13,189,001)	-	-	-	-	-	-	-	-	-	-
Interest on Surplus Cash	-	-	-	-	-	-	-	-	-	-	-	-
Surplus Cash Balance	-	-	-	-	-	-	-	-	-	-	-	-
Loan 1 - Lender Name												
Manual Adjustments (Drawdown - / Repay +)		0	0	0	0	0	0	0	0	0	0	0
Drawdown	(13,189,001)	(13,189,001)	-	-	-	-	-	-	-	-	-	-
Loan Interest Rate (%/ann)		4.50%	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%
Interest Charged	(3,053,579)	-	(593,505)	(580,335)	(511,615)	(439,803)	(364,759)	(286,338)	(189,310)	(87,915)	-	-
Application and Line Fees	-	-	-	-	-	-	-	-	-	-	-	-
Interest Paid by Equity	-	-	-	-	-	-	-	-	-	-	-	-
Loan Repayment	16,242,580	-	886,179	2,107,442	2,107,442	2,107,442	2,107,442	2,442,525	2,442,525	2,041,583	-	-
Interest and Fees	3,053,579	-	593,505	580,335	511,615	439,803	364,759	286,338	189,310	87,915	-	-
Principal	13,189,001	-	292,674	1,527,107	1,595,827	1,667,639	1,742,683	2,156,187	2,253,215	1,953,668	-	-
Loan Balance	-	(13,189,001)	(12,896,327)	(11,369,219)	(9,773,393)	(8,105,753)	(6,363,070)	(4,206,884)	(1,953,668)	-	-	-
% of Land Purchase Price.	-	-	-	-	-	-	-	-	-	-	-	-
Profit Share	-	-	-	-	-	-	-	-	-	-	-	-
Loan 1 Cash Flow	3,053,579	(13,189,001)	886,179	2,107,442	2,107,442	2,107,442	2,107,442	2,442,525	2,442,525	2,041,583	-	-

Main Inputs for Project Title

Cash Flow Title - Enter Description of Option or Stage

PROJECT CASH FLOW	TOTAL	0 Jan-10	1 Jan-11	2 Jan-12	3 Jan-13	4 Jan-14	5 Jan-15	6 Jan-16	7 Jan-17	8 Jan-18	9 Jan-19	10 Jan-20
Loan 2 - Lender Name												
Manual Adjustments (Drawdown - / Repay +)	-	0	0	0	0	0	0	0	0	0	0	0
Drawdown	-	-	-	-	-	-	-	-	-	-	-	-
Loan Interest Rate (%/ann)	-	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Interest Charged	-	-	-	-	-	-	-	-	-	-	-	-
Application and Line Fees	-	-	-	-	-	-	-	-	-	-	-	-
Interest Paid by Equity	-	-	-	-	-	-	-	-	-	-	-	-
Loan Repayment	-	-	-	-	-	-	-	-	-	-	-	-
Interest and Fees	-	-	-	-	-	-	-	-	-	-	-	-
Principal	-	-	-	-	-	-	-	-	-	-	-	-
Loan Balance	-	-	-	-	-	-	-	-	-	-	-	-
% of Land Purchase Price.	-	-	-	-	-	-	-	-	-	-	-	-
Profit Share	-	-	-	-	-	-	-	-	-	-	-	-
Loan 2 Cash Flow	-	-	-	-	-	-	-	-	-	-	-	-
Loan 3 - Lender Name												
Manual Adjustments (Drawdown - / Repay +)	-	0	0	0	0	0	0	0	0	0	0	0
Drawdown	-	-	-	-	-	-	-	-	-	-	-	-
Loan Interest Rate (%/ann)	-	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Interest Charged	-	-	-	-	-	-	-	-	-	-	-	-
Application and Line Fees	-	-	-	-	-	-	-	-	-	-	-	-
Interest Paid by Equity	-	-	-	-	-	-	-	-	-	-	-	-
Loan Repayment	-	-	-	-	-	-	-	-	-	-	-	-
Interest and Fees	-	-	-	-	-	-	-	-	-	-	-	-
Principal	-	-	-	-	-	-	-	-	-	-	-	-
Loan Balance	-	-	-	-	-	-	-	-	-	-	-	-
% of Land Purchase Price.	-	-	-	-	-	-	-	-	-	-	-	-
Profit Share	-	-	-	-	-	-	-	-	-	-	-	-
Loan 3 Cash Flow	-	-	-	-	-	-	-	-	-	-	-	-
Loan 4 - Lender Name												
Drawdown	-	-	-	-	-	-	-	-	-	-	-	-
Loan Interest Rate (%/ann)	-	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Interest Charged	-	-	-	-	-	-	-	-	-	-	-	-
Application and Line Fees	-	-	-	-	-	-	-	-	-	-	-	-
Interest Paid by Equity	-	-	-	-	-	-	-	-	-	-	-	-
Loan Repayment	-	-	-	-	-	-	-	-	-	-	-	-
Interest and Fees	-	-	-	-	-	-	-	-	-	-	-	-
Principal	-	-	-	-	-	-	-	-	-	-	-	-
Loan Balance	-	-	-	-	-	-	-	-	-	-	-	-
% of Land Purchase Price.	-	-	-	-	-	-	-	-	-	-	-	-
Loan 4 Cash Flow	-	-	-	-	-	-	-	-	-	-	-	-
Project Overdraft		(13,189,001)	(12,896,327)	(11,369,219)	(9,773,393)	(8,105,753)	(6,363,070)	(4,206,884)	(1,953,668)	-	-	-
% of Land Purchase Price.												
Net Cash Flow (after Interest & Corporate Tax)	25,314,909	(17,585,334)	292,674	1,527,107	1,595,827	1,667,639	1,742,683	2,156,187	2,253,215	2,354,610	2,442,525	26,867,776
Cumulative Cash Flow**		(17,585,334)	(17,292,660)	(15,765,553)	(14,169,726)	(12,502,087)	(10,759,404)	(8,603,217)	(6,350,002)	(3,995,392)	(1,552,867)	25,314,909
PROJECT IRR & NPV												
Cash Flow that includes financing costs but excludes interest and corp tax.		(17,585,334)	886,179	2,107,442	2,107,442	2,107,442	2,107,442	2,442,525	2,442,525	2,442,525	2,442,525	26,867,776
Static Discount Rate (per ann. nominal)	10.00%											
PV for each Year	4,459,448	(17,585,334)	805,618	1,741,687	1,583,352	1,439,411	1,308,556	1,378,742	1,253,402	1,139,456	1,035,869	10,358,691
NPV of Future Cash Flows		4,459,448	24,249,261	25,699,390	25,951,143	26,228,071	26,532,692	26,867,776	26,867,776	26,867,776	26,867,776	26,867,776
Variable Discount Rate (per ann. nominal)	10.00%											
NPV (using weighted avg discount rate)	4,459,448	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%

* Includes half interest from deposit for land acquisition plus Interest received from pre-sale deposits

** Cumulative Cash Flow After Interest is revenue less costs (including interest on overdraft)

*** Includes equity injection, interest expense, loan re-payments and share of profit as outflows. Revenue and money borrowed as inflows.

Summary of Project Returns



Development Feasibility

Canoga Connect

Cash Flow - Option 2

Low Density Light Industrial Site - East of Tracks: Site C

Time Span: Jan-10 to Jan-20	Project Size: 4.6 Acres 1 per 43,478.26 SqFt of Site Area
Type: Industrial	Project Size: 126,300. GFA 1 per 1.58 SqFt of Site Area
Status: Under Review	
Site Area: 200,000. SqFt	
FSR: 0:1	Equated GFA: 0.0

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COSTS & REVENUES	USD Total	USD Per Acre	USD Per GFA
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REVENUE	Quantity	SqFt	USD/SqFt	USD		
Total Sales Revenue	-	-	-	24,425,250	5,309,837	193
Industrial Units	-	-	-	24,425,250		
Less Selling Costs				(1,221,263)	265,492	10
NET SALE PROCEEDS				23,203,988	5,044,345	184

	Average Yield	SqFt	USD/SqFt/annum	USD		
Rental Income	10.0%	126,300.0	18.0	25,277,594	5,495,129	200
Industrial Units	10.0%	126,300.0	18.0	25,277,594		
Less Outgoings & Vacancies				(2,527,759)	549,513	20
Less Letting Fees				-	-	-
Less Incentives (Rent Free and Fit-out Costs)				-	-	-
Less Other Leasing Costs				-	-	-
NET RENTAL INCOME				22,749,834	4,945,616	180

Interest Received	-	-	-	-	-	-
Other Income	-	-	-	-	-	-
TOTAL REVENUE				45,953,822	9,989,961	364

COSTS			
Land Purchase Cost	-	-	-
Land Transaction Costs	-	-	-
Construction (inc. Construct. Contingency)	13,893,000	3,020,217	110
Other Construction Costs	13,893,000		
Professional Fees	1,736,625	377,527	14
Statutory Fees	-	-	-
Infrastructure Costs	456,813	99,307	4
Parking Construction Costs	661,500	143,804	5
Miscellaneous Costs 3	-	-	-
Project Contingency (Project Reserve)	837,397	182,043	7
Land Holding Costs	-	-	-
Pre-Sale Commissions	-	-	-
Finance Charges (inc. Fees)	-	-	-
Interest Expense	3,053,579	663,822	24
Plus Corporate Tax	-	-	-
TOTAL COSTS	20,638,914	4,486,720	163

PERFORMANCE INDICATORS

Net Development Profit ¹	25,314,909	
Development Margin (or Profit/Risk Margin) ³	115.80%	on total development costs (inc selling costs).
Residual Land Value (Target Margin) ⁴	12,440,319	(at 20% target development margin)
Net Present Value ⁵	4,459,448	(at 10% per ann. discount rate, nominal)
Benefit Cost Ratio ⁶	1.2536	(at 10% per ann. discount rate, nominal)
Project Internal Rate of Return (IRR) ⁷	13.55%	(per ann. nominal)
Residual Land Value (based on NPV) ⁸	4,459,448	
Equity IRR	21.34%	(per ann. nominal)
Equity Contribution	4,396,334	
Peak Debt Exposure	13,189,001	
Equity to Debt Ratio	33.33%	
Weighted Average Cost of Capital (WACC) ⁹	3.37%	
Breakeven Date for Cumulative Cash Flow ¹⁰	Jan-2020	(Year 10)
Rent Cover ¹¹	12 Yrs, 4 Mths	
Profit Erosion ¹²	0 Yrs, 0 Mths	

Footnotes:

1. Development Profit: is total revenue less total cost including interest paid and received
2. Note: No redistribution of Developer's Gross Profit
3. Development Margin: is profit divided by total development costs (inc selling costs).
4. Residual Land Value: is the maximum purchase price for the land whilst achieving the target development margin.
5. Net Present Value: is the project's cash flow stream discounted to present value. It includes financing costs but excludes interest and corp tax.
6. Benefit:Cost Ratio: is the ratio of discounted incomes to discounted costs and includes financing costs but excludes interest and corp tax.
7. Internal Rate of Return: is the discount rate where the NPV above equals Zero.
8. Residual Land Value (based on NPV): is the purchase price for the land to achieve a zero NPV.
9. The Weighted Average Cost of Capital (WACC) is the rate that a company is expected to pay to finance its assets.
10. Breakeven date for Cumulative Cash Flow: is the last date when total debt and equity is repaid (ie when profit is realised).
11. The total net development profit divided by the current net annual rental expressed as a a number of years/months.
12. The period of time post practical completion that it can remain unsold (but leased out) until finance and land holding costs erodes the profit for the development to zero.

Summary of Project Returns



Development Feasibility

Canoga Connect

Cash Flow - Option 2

Low Density Light Industrial Site - East of Tracks: Site C

Time Span: Jan-10 to Jan-20	Project Size: 4.6 Acres 1 per 43,478.26 SqFt of Site Area
Type: Industrial	Project Size: 126,300. GFA 1 per 1.58 SqFt of Site Area
Status: Under Review	Equated GFA: 0.0
Site Area: 200,000. SqFt	
FSR: 0:1	

Estate Master for Excel Licensed to: IBI GROUP

RETURNS ON FUNDS INVESTED	Equity	Loan 1			Total Debt
		Lender Name			
Funds Invested (Cash Outlay) ¹	4,396,334	13,189,001			13,189,001
% of Total Funds Invested	25.00%	75.00%			75.00%
Peak Exposure ²	4,396,334	13,189,001			13,189,001
Date of Peak Exposure	Jan-10	Jan-10			Jan-10
Year of Peak Exposure	Year 0	Year 0			Year 0
Weighted Average Interest Rate	N.A.	4.50%			4.50%
Interest Charged	-	3,053,579			3,053,579
Line Fees Charged	-	-			-
Application Fees Charged	-	-			-
Profit Share Received	-	-			-
Total Profit to Funders ³	25,314,909	3,053,579			3,053,579
Margin on Funds Invested ⁴	575.82%	23.15%			23.15%
Payback Date ⁵	Jan-20	Jan-18			Jan-18
Year of Payback	Year 10	Year 8			Year 8
IRR on Funds Invested ⁶	21.34%	4.50%			4.50%
Equity to Debt Ratio ⁷		33.33%			33.33%
Loan to Value Ratio ⁸	18.00%	54.00%			54.00%
Loan Ratio ⁹	N.A. of Land Purchase Price.	N.A. of Land Purchase Price.			N.A. of Land Purchase Price.

Footnotes:

1. The total amount of funding injected into the project cash flow.
2. The maximum cash flow exposure of that equity/debt facility including capitalised interest.
3. The total repayments less funds invested, including profit share paid or received.
4. Margin is net profit divided by total funds invested (cash outlay).
5. Payback date for the equity/debt facility is the last date when total equity/debt is repaid.
6. IRR on Funds Invested is the IRR of the equity cash flow including the return of equity and realisation of project profits.
7. Equity to Debt Ratio is the amount of equity contributed into the project as a percentage of debt funding.
8. Loan to Value ratio is the Peak Equity/Debt Exposure divided by Total Sales Revenue.
9. Loan Ratio is the total funds invested by the lender (cash outlay) divided by the nominated ratio calculation method. It includes capitalised interest and fees.

Main Inputs for Project Title

Cash Flow Title - Enter Description of Option or Stage

Preliminary

Cash Flow Title	Cash Flow - Option 3	Description of Option/Stage	Retail Site - West of Tracks: Site A - North		
Date of First Period:	Jan-2010				
Cash Flow Rest Period:	Yearly				
Enter Project Size (a)	0.7	Acres			
Enter Project Size (b)	11,800.0	GFA			
Enter Site Area	29,000.0	SqFt	Floor Space Ratio	0 :1	Equated Gross Floor Area (SqFt)
					-

Type	Retail
Status	Under Review

1000

Land Purchase & Acquisition Costs

Land Purchase Price	-
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Code	Stage		% of Land Purchase Price % paid	Amount	AND/OR Lump Amount	Year Start	Year Span	Cash Flow Period	Total Current Costs	Total Escalated Cost
1002	-	Deposit in Trust Account ¹	0.00%	-	-	0	-	-	-	-
1003	-	Payment 1	0.00%	-	-	0	-	-	-	-
1004	-	Payment 2	0.00%	-	-	0	-	-	-	-
1005	-	Payment 3	0.00%	-	-	0	-	-	-	-
1006	-	Payment 4	0.00%	-	-	0	-	-	-	-
1007	-	Settlement (Balance)	100.00%	-	-	0	1	Jan-10 - Dec-10	-	-
		Interest on Deposit in Trust Account	0.00%		Interest from deposit shared between parties					
		Profit Share to Land Owner	0.00%		. Paid progressively as project makes a profit.					

Code	Stage	Other Acquisition Costs	% of Land Purchase Price % paid	Amount	AND/OR Lump Amount	Year Start	Year Span	Cash Flow Period	Total Current Costs	Total Escalated Cost
1011	-	.	0.00%	-	-	0	-	-	-	-
1012	-	.	0.00%	-	-	0	-	-	-	-
1013	-	.	0.00%	-	-	0	-	-	-	-
1014	-	.	0.00%	-	-	0	-	-	-	-
1015	-	.	0.00%	-	-	0	-	-	-	-

Remarks	Total Current Costs	Total Escalated Cost
	-	-
	-	-
	-	-
	-	-
	-	-
Manual Input (refer to Cash Flow)	-	-
TOTAL	-	-

¹ (No VAT credit available for Stamp Duty)

² Pro-rata with Land Payments ('L')

Cost Escalation

		Escalation Rates (Applied Per Annum) based on Cashflow Period Years commencing									
		Jan-10	Jan-11	Jan-12	Jan-13	Jan-14	Jan-15	Jan-16	Jan-17	Jan-18	Jan-19
	Professional Fees	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Code	Construction Costs (Uncategorised)	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
	SUB Subdivision Costs	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
	STG Stage Costs	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
	BUI Built Form	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
	OT1 Other	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
	OT2 Other	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
	Statutory Fees	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
	Infrastructure Costs	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
	Parking Construction Costs	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
	Miscellaneous Costs ³	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
	Land Holding Costs	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
	Selling and Leasing Costs	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
	Finance Costs	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%

2000

Project Contingency

-	And / Or	5.00%	of Construction, Professional, Statutory & Misc. Costs
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Main Inputs for Project Title

Cash Flow Title - Enter Description of Option or Stage

3000 Professional Fees													
Code	Stage	Description	% of Construct. ¹	AND / OR No. Units	Base Rate / Unit	Escalate (E,R,N)	S-Curve	Year Start ²	Year Span	Cash Flow Period	Remarks	Total Current Costs	Total Escalated Cost
3001	-	Architect and Engineering	5.50%	-	-	E	-	0	1	Jan-10 - Dec-10		105,196	105,196
3002	-	Legal and Accounting	1.00%	-	-	E	-	0	1	Jan-10 - Dec-10		19,127	19,127
3003	-	Construction Management Fee	5.00%	-	-	E	-	0	1	Jan-10 - Dec-10		95,633	95,633
3004	-	Building Permit	1.00%	-	-	E	-	0	1	Jan-10 - Dec-10		19,127	19,127
3005	-	.	0.00%	-	-	-	-	0	-	-		-	-
			¹ % Based on Net Costs					² Pro-rata with Construction ('C')					
3099	-	Development Management	0.00%	% of Project Costs (inc land) excludes finance costs and tax (if applicable).	-	-	-	0	-	-	Manual Input (refer to Cash Flow)	-	-
											TOTAL	239,083	239,083

4000 Construction Costs													
Code	Stage	Description	Cost Type	Sq. Ft.	Base Rate / Sq. Ft.	Escalate (E,R,N) ¹	S-Curve	Year Start	Year Span	Cash Flow Period	Remarks	Total Current Costs	Total Escalated Cost
4001	-	Retail	-	8,100	162	E	-	0	1	Jan-10 - Dec-10		1,312,929	1,312,929
4002	-	Restaurant	-	3,700	162	E	-	0	1	Jan-10 - Dec-10		599,733	599,733
4003	-	Light Industrial	-	-	87	E	-	0	1	Jan-10 - Dec-10		-	-
4004	-	Residential	-	-	156	E	-	0	1	Jan-10 - Dec-10		-	-
4005	-	Office	-	-	162	E	-	0	1	Jan-10 - Dec-10		-	-
4006	-	.	-	-	-	-	-	0	-	-		-	-
4007	-	.	-	-	-	-	-	0	-	-		-	-
4008	-	.	-	-	-	-	-	0	-	-		-	-
4009	-	.	-	-	-	-	-	0	-	-		-	-
4010	-	.	-	-	-	-	-	0	-	-		-	-
			¹ Escalation ('N' = no escalation, 'E' = escalation to start period, 'R' = escalation to start period and through span)										
4099	Construction Contingency		-	And / Or	0.00%	of Construction Costs					Manual Input (refer to Cash Flow)	-	-
											TOTAL	1,912,662	1,912,662

5000 Statutory Fees													
Code	Stage	Description	Units	Base Rate / Units	Escalate (E,R,N)	S-Curve	Year Start	Year Span	Cash Flow Period	Remarks	Total Current Costs	Total Escalated Cost	
5001	-	.	-	-	-	-	0	-	-		-	-	
5002	-	.	-	-	-	-	0	-	-		-	-	
5003	-	.	-	-	-	-	0	-	-		-	-	
5004	-	.	-	-	-	-	0	-	-		-	-	
5005	-	.	-	-	-	-	0	-	-		-	-	
											Manual Input (refer to Cash Flow)	-	-
											TOTAL	-	-

6000 Infrastructure Costs													
Code	Stage	Description	%of Construction ¹	AND / OR No. Units	Base Rate / Unit	Escalate (E,R,N)	S-Curve	Year Start ²	Year Span	Cash Flow Period	Remarks	Total Current Costs	Total Escalated Cost
6001	-	Subsurface Soil Investigation, Surveys & ESA	0.00%	1	45,000	E	-	0	1	Jan-10 - Dec-10	- Based on relative experience	45,000	45,000
6002	-	Infrastructure Designs	0.00%	1	628	E	-	0	1	Jan-10 - Dec-10	- 2.5% of site servicing	628	628
6003	-	Planning Application Fees	0.00%	1	5,000	E	-	0	1	Jan-10 - Dec-10	- Based on relative experience	5,000	5,000
6004	-	Site Servicing Costs	0.00%	1	37,500	E	-	0	1	Jan-10 - Dec-10	- Assumed average site	25,125	25,125
6005	-	Landscaping	0.00%	1	50,000	E	-	0	1	Jan-10 - Dec-10	- servicing costs in Los Angeles County to be 25k - 50k/acre	33,500	33,500
6006	-	.	0.00%	-	-	-	-	0	-	-	- for preserviced land	-	-
6007	-	.	0.00%	-	-	-	-	0	-	-	-	-	-
6008	-	.	0.00%	-	-	-	-	0	-	-	-	-	-
6009	-	.	0.00%	-	-	-	-	0	-	-	- Assumed average landscaping costs to be 50k/acre	-	-
6005	-	.	0.00%	-	-	-	-	0	-	-		-	-
			¹ Based on net costs.					² Pro-rata with Construction ('C') or Settlements ('S')					
											Manual Input (refer to Cash Flow)	-	-
											TOTAL	109,253	109,253

Main Inputs for Project Title

Cash Flow Title - Enter Description of Option or Stage

10000

Financing
(Advanced Mode)

General Notes: All Line Fees are paid during period of debt, in arrears
All Profit Share is Paid progressively as project makes a profit.

Equity

Developer's Equity Contribution	Fixed Amount	Percentage	
Progressively injected when required.	-	25.00%	% of Project Costs (net of Interest/Fees)

Opening Balances		Equity Totals
	Developer's Injections	628,424
-	Interest Charged	-
-	Interest Received	-
	Injections by Enter Land Owner Name	-

10001

Interest Charged on Equity	0.00%	per annum Nominal - Capitalised (Compounded)
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10002

Interest received on Surplus Cash	0.00%	per annum received in arrears.
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% of Available Funds to Repay Equity Before Debt	0.00%
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Equity Notes: Equity is paying outstanding debt
Equity is repaid when available (do not retain surplus cash).

Loan 1

Facility Limit	Fixed Amount	Percentage	
Drawn down in total at loan commencement.	-	75.00%	% of Project Costs (net of Interest/Fees)

Opening Balances		Loan 1 Totals
	Drawdown	1,885,273
-	Interest Charged	463,142
-	Application Fees	-
-	Line Fees	-
	Profit Split	-

Year Commencement	Auto	<input checked="" type="checkbox"/>	0	Jan-2010	
Maturity Year	Auto	<input checked="" type="checkbox"/>	0	Jan-2019	Refinanced by Equity

10004

Interest Rate	4.50%	per annum Nominal - Capitalised (Compounded)
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10005

Fees	Amount	Percentage	Year Paid
Application Fee	-	0.00%	0
Line Fee	-	0.00%	

Profit Split to Lender 1	0.00%
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Loan 2

Facility Limit	Fixed Amount	Percentage	
Drawn down in total at loan commencement.	-	0.00%	Fixed Amount

Opening Balances		Loan 2 Totals
	Drawdown	-
-	Interest Charged	-
-	Application Fees	-
-	Line Fees	-
	Profit Split	-

Year Commencement	Auto	<input checked="" type="checkbox"/>	0		
Maturity Year	Auto	<input checked="" type="checkbox"/>	0	N.A.	Refinanced by Equity

10004

Interest Rate	0.00%	per annum Nominal - Capitalised (Compounded)
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10005

Fees	Amount	Percentage	Year Paid
Application Fee	-	0.00%	0
Line Fee	-	0.00%	

Profit Split to Lender 2	0.00%
--------------------------	-------

Loan 3

Facility Limit	Fixed Amount	Percentage	
Drawn down in total at loan commencement.	-	0.00%	Fixed Amount

Opening Balances		Loan 3 Totals
	Drawdown	-
-	Interest Charged	-
-	Application Fees	-
-	Line Fees	-
	Profit Split	-

Year Commencement	Auto	<input checked="" type="checkbox"/>	0		
Maturity Year	Auto	<input checked="" type="checkbox"/>	0	N.A.	Refinanced by Equity

10004

Interest Rate	0.00%	per annum Nominal - Capitalised (Compounded)
---------------	-------	--

10005

Fees	Amount	Percentage	Year Paid
Application Fee	-	0.00%	0
Line Fee	-	0.00%	

Profit Split to Lender 3	0.00%
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Main Inputs for Project Title

Cash Flow Title - Enter Description of Option or Stage

Loan 4		Description	Lender Name	Opening Balances		Loan 4 Totals
No Limit (use as overdraft facility)			-			-
10007	Interest Rate	0.00% per annum Nominal - Capitalised (Compounded)			Drawdown Interest Charged	-
10008	Fees	Amount	Percentage	Year Paid	Application Fees Line Fees	-
	Application Fee	-	0.00%	0		-
	Line Fee	-	0.00%			-
Maintain Leverage on Loan 4		0.00% % of unsold Stock (net of selling costs)		Interest Charged to Enter Land Owner Name		-

Senior Loan Notes: Senior Loan (Loan 4) is being used as an overdraft facility.

Code	Stage	Financing Costs	No. of Units	Base Rate / Unit	Escalate (E,R,N)
10009	-	.	-	-	-
10010	-	.	-	-	-
10011	-	.	-	-	-
10012	-	.	-	-	-
10018	-	.	-	-	-

Year Start	Year Span	Cash Flow Period
0	-	-
0	-	-
0	-	-
0	-	-
0	-	-

Remarks	Total Current Costs	Total Escalated Cost
	-	-
	-	-
	-	-
	-	-
	-	-
Manual Input (refer to Cash Flow)	-	-
TOTAL	-	-

Project Hurdle Rates

Project Discount Rate (target IRR)	10.00%	per annum Nominal, on cash flow that includes financing costs but excludes interest and corp tax.
Nominate an estimate of IRR	15.00%	per ann.
Developer's Target Dev. Margin	20.00%	on total development costs (inc selling costs).
Developer's Target Return on Equity	0.00%	

Main Inputs for Project Title

Cash Flow Title - Enter Description of Option or Stage

PROJECT CASH FLOW	TOTAL	0 Jan-10	1 Jan-11	2 Jan-12	3 Jan-13	4 Jan-14	5 Jan-15	6 Jan-16	7 Jan-17	8 Jan-18	9 Jan-19	10 Jan-20
SALES SUMMARY												
Units Sold	2.00	-	-	-	-	-	-	-	-	-	-	2.00
Cumulative Units Sold		-	-	-	-	-	-	-	-	-	-	2.00
% Units Sold		-	-	-	-	-	-	-	-	-	-	100.0%
SqFt Sold	0.11	-	-	-	-	-	-	-	-	-	-	0.11
Cumulative SqFt Sold		-	-	-	-	-	-	-	-	-	-	0.11
% SqFt Sold		-	-	-	-	-	-	-	-	-	-	100.0%
USD Sold	3,279,883	-	-	-	-	-	-	-	-	-	-	3,279,883
Cumulative USD Sold		-	-	-	-	-	-	-	-	-	-	3,279,883
% USD Sold		-	-	-	-	-	-	-	-	-	-	100.0%
HANDBOOK SUMMARY												
Units Handed Over	2.00	-	-	-	-	-	-	-	-	-	-	2.00
Cumulative Units Handed Over		-	-	-	-	-	-	-	-	-	-	2.00
% Units Handed Over		-	-	-	-	-	-	-	-	-	-	100.0%
SqFt Handed Over	0.11	-	-	-	-	-	-	-	-	-	-	0.11
Cumulative SqFt Handed Over		-	-	-	-	-	-	-	-	-	-	0.11
% SqFt Handed Over		-	-	-	-	-	-	-	-	-	-	100.0%
USD Handed Over	3,279,883	-	-	-	-	-	-	-	-	-	-	3,279,883
Cumulative USD Handed Over		-	-	-	-	-	-	-	-	-	-	3,279,883
% USD Handed Over		-	-	-	-	-	-	-	-	-	-	100.0%
PROJECT CASH FLOW												
REVENUE												
Gross Sales Revenue	3,279,883	-	-	-	-	-	-	-	-	-	-	3,279,883
Selling Costs	(163,994)	-	(163,994)	-	-	-	-	-	-	-	-	-
Gross Rental Income	3,280,061	-	303,850	303,850	303,850	303,850	303,850	352,162	352,162	352,162	352,162	352,162
Leasing Costs	(225,157)	-	(20,858)	(20,858)	(20,858)	(20,858)	(20,858)	(24,174)	(24,174)	(24,174)	(24,174)	(24,174)
Other Income	-	-	-	-	-	-	-	-	-	-	-	-
Interest Received*	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL NET REVENUE	6,170,793	-	118,998	282,993	282,993	282,993	282,993	327,988	327,988	327,988	327,988	3,607,871
COSTS												
Land and Acquisition	-	-	-	-	-	-	-	-	-	-	-	-
Professional Fees	239,083	239,083	-	-	-	-	-	-	-	-	-	-
Construction Costs (inc Contingency)	1,912,662	1,912,662	-	-	-	-	-	-	-	-	-	-
Statutory Fees	-	-	-	-	-	-	-	-	-	-	-	-
Infrastructure Costs	109,253	109,253	-	-	-	-	-	-	-	-	-	-
Parking Construction Costs	133,000	133,000	-	-	-	-	-	-	-	-	-	-
Miscellaneous Costs 3	-	-	-	-	-	-	-	-	-	-	-	-
Project Contingency (Reserve)	119,700	119,700	-	-	-	-	-	-	-	-	-	-
Land Holding Costs	-	-	-	-	-	-	-	-	-	-	-	-
Pre-Sale Commissions	-	-	-	-	-	-	-	-	-	-	-	-
Financing Costs (exc Fees)	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL COSTS	2,513,698	2,513,698	-	-	-	-	-	-	-	-	-	-
Net Cash Flow (before Interest & Corporate Tax)	3,657,095	(2,513,698)	118,998	282,993	282,993	282,993	282,993	327,988	327,988	327,988	327,988	3,607,871
Cumulative Cash Flow	-	(2,513,698)	(2,394,699)	(2,111,707)	(1,828,714)	(1,545,722)	(1,262,729)	(934,741)	(606,753)	(278,765)	49,224	3,657,095
Corporate Tax	-	-	-	-	-	-	-	-	-	-	-	-
Net Cash Flow (before Interest & after Corporate Tax)	3,657,095	(2,513,698)	118,998	282,993	282,993	282,993	282,993	327,988	327,988	327,988	327,988	3,607,871
Cumulative Cash Flow	-	(2,513,698)	(2,394,699)	(2,111,707)	(1,828,714)	(1,545,722)	(1,262,729)	(934,741)	(606,753)	(278,765)	49,224	3,657,095
FINANCING												
Equity												
Manual Adjustments (Inject + / Repay -)	-	0	0	0	0	0	0	0	0	0	0	0
Injections	628,424	628,424	-	-	-	-	-	-	-	-	-	-
Interest Charged	-	-	-	-	-	-	-	-	-	-	-	-
Equity Repayment	3,822,378	-	-	-	-	-	-	-	-	-	214,506	3,607,871
Less Profit Share	-	-	-	-	-	-	-	-	-	-	-	-
Equity Balance	3,193,953	(628,424)	(628,424)	(628,424)	(628,424)	(628,424)	(628,424)	(628,424)	(628,424)	(628,424)	(413,918)	3,193,953
Equity Cash Flow***	3,193,953	(628,424)	-	-	-	-	-	-	-	-	214,506	3,607,871
Project Cash Account												
Surplus Cash Injection	1,885,273	1,885,273	-	-	-	-	-	-	-	-	-	-
Cash Reserve Drawdown	(1,885,273)	(1,885,273)	-	-	-	-	-	-	-	-	-	-
Interest on Surplus Cash	-	-	-	-	-	-	-	-	-	-	-	-
Surplus Cash Balance	-	-	-	-	-	-	-	-	-	-	-	-
Loan 1 - Lender Name												
Manual Adjustments (Drawdown - / Repay +)	-	0	0	0	0	0	0	0	0	0	0	0
Drawdown	(1,885,273)	(1,885,273)	-	-	-	-	-	-	-	-	-	-
Loan Interest Rate (%/ann)	-	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%
Interest Charged	(463,142)	-	(84,837)	(83,300)	(74,314)	(64,923)	(55,110)	(44,856)	(32,115)	(18,800)	(4,887)	-
Application and Line Fees	-	-	-	-	-	-	-	-	-	-	-	-
Interest Paid by Equity	-	-	-	-	-	-	-	-	-	-	-	-
Loan Repayment	2,348,415	-	118,998	282,993	282,993	282,993	282,993	327,988	327,988	327,988	113,482	-
Interest and Fees	463,142	-	84,837	83,300	74,314	64,923	55,110	44,856	32,115	18,800	4,887	-
Principal	1,885,273	-	34,161	199,692	208,679	218,069	227,882	283,133	295,874	309,188	108,595	-
Loan Balance	-	(1,885,273)	(1,851,112)	(1,651,420)	(1,442,741)	(1,224,672)	(996,790)	(713,657)	(417,783)	(108,595)	-	-
% of Land Purchase Price.	-	-	-	-	-	-	-	-	-	-	-	-
Profit Share	-	-	-	-	-	-	-	-	-	-	-	-
Loan 1 Cash Flow	463,142	(1,885,273)	118,998	282,993	282,993	282,993	282,993	327,988	327,988	327,988	113,482	-

Main Inputs for Project Title

Cash Flow Title - Enter Description of Option or Stage

PROJECT CASH FLOW	TOTAL	0 Jan-10	1 Jan-11	2 Jan-12	3 Jan-13	4 Jan-14	5 Jan-15	6 Jan-16	7 Jan-17	8 Jan-18	9 Jan-19	10 Jan-20
Loan 2 - Lender Name												
Manual Adjustments (Drawdown - / Repay +)	-	0	0	0	0	0	0	0	0	0	0	0
Drawdown	-	-	-	-	-	-	-	-	-	-	-	-
Loan Interest Rate (%/ann)	-	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Interest Charged	-	-	-	-	-	-	-	-	-	-	-	-
Application and Line Fees	-	-	-	-	-	-	-	-	-	-	-	-
Interest Paid by Equity	-	-	-	-	-	-	-	-	-	-	-	-
Loan Repayment	-	-	-	-	-	-	-	-	-	-	-	-
Interest and Fees	-	-	-	-	-	-	-	-	-	-	-	-
Principal	-	-	-	-	-	-	-	-	-	-	-	-
Loan Balance	-	-	-	-	-	-	-	-	-	-	-	-
% of Land Purchase Price.	-	-	-	-	-	-	-	-	-	-	-	-
Profit Share	-	-	-	-	-	-	-	-	-	-	-	-
Loan 2 Cash Flow	-	-	-	-	-	-	-	-	-	-	-	-
Loan 3 - Lender Name												
Manual Adjustments (Drawdown - / Repay +)	-	0	0	0	0	0	0	0	0	0	0	0
Drawdown	-	-	-	-	-	-	-	-	-	-	-	-
Loan Interest Rate (%/ann)	-	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Interest Charged	-	-	-	-	-	-	-	-	-	-	-	-
Application and Line Fees	-	-	-	-	-	-	-	-	-	-	-	-
Interest Paid by Equity	-	-	-	-	-	-	-	-	-	-	-	-
Loan Repayment	-	-	-	-	-	-	-	-	-	-	-	-
Interest and Fees	-	-	-	-	-	-	-	-	-	-	-	-
Principal	-	-	-	-	-	-	-	-	-	-	-	-
Loan Balance	-	-	-	-	-	-	-	-	-	-	-	-
% of Land Purchase Price.	-	-	-	-	-	-	-	-	-	-	-	-
Profit Share	-	-	-	-	-	-	-	-	-	-	-	-
Loan 3 Cash Flow	-	-	-	-	-	-	-	-	-	-	-	-
Loan 4 - Lender Name												
Drawdown	-	-	-	-	-	-	-	-	-	-	-	-
Loan Interest Rate (%/ann)	-	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Interest Charged	-	-	-	-	-	-	-	-	-	-	-	-
Application and Line Fees	-	-	-	-	-	-	-	-	-	-	-	-
Interest Paid by Equity	-	-	-	-	-	-	-	-	-	-	-	-
Loan Repayment	-	-	-	-	-	-	-	-	-	-	-	-
Interest and Fees	-	-	-	-	-	-	-	-	-	-	-	-
Principal	-	-	-	-	-	-	-	-	-	-	-	-
Loan Balance	-	-	-	-	-	-	-	-	-	-	-	-
% of Land Purchase Price.	-	-	-	-	-	-	-	-	-	-	-	-
Loan 4 Cash Flow	-	-	-	-	-	-	-	-	-	-	-	-
Project Overdraft		(1,885,273)	(1,851,112)	(1,651,420)	(1,442,741)	(1,224,672)	(996,790)	(713,657)	(417,783)	(108,595)	-	-
% of Land Purchase Price.												
Net Cash Flow (after Interest & Corporate Tax)	3,193,953	(2,513,698)	34,161	199,692	208,679	218,069	227,882	283,133	295,874	309,188	323,102	3,607,871
Cumulative Cash Flow**		(2,513,698)	(2,479,537)	(2,279,844)	(2,071,166)	(1,853,097)	(1,625,214)	(1,342,081)	(1,046,208)	(737,020)	(413,918)	3,193,953
PROJECT IRR & NPV												
Cash Flow that includes financing costs but excludes interest and corp tax.		(2,513,698)	118,998	282,993	282,993	282,993	282,993	327,988	327,988	327,988	327,988	3,607,871
Static Discount Rate (per ann. nominal)	10.00%											
PV for each Year	446,530	(2,513,698)	108,180	233,878	212,616	193,288	175,716	185,141	168,310	153,009	139,099	1,390,991
NPV of Future Cash Flows	446,530	446,530	3,256,251	3,450,978	3,484,784	3,521,970	3,562,876	3,607,871	3,607,871	3,607,871	3,607,871	3,607,871
Variable Discount Rate (per ann. nominal)	10.00%											
NPV (using weighted avg discount rate)	446,530	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%

* Includes half interest from deposit for land acquisition plus Interest received from pre-sale deposits

** Cumulative Cash Flow After Interest is revenue less costs (including interest on overdraft)

*** Includes equity injection, interest expense, loan re-payments and share of profit as outflows. Revenue and money borrowed as inflows.

Summary of Project Returns



Development Feasibility

Canoga Connect

Cash Flow - Option 3

Retail Site - West of Tracks: Site A - North

Time Span: Jan-10 to Jan-20	Project Size: .7 Acres 1 per 43,283.58 SqFt of Site Area
Type: Retail	
Status: Under Review	Project Size: 11,800. GFA 1 per 2.46 SqFt of Site Area
Site Area: 29,000. SqFt	
FSR: 0:1	Equated GFA: 0.0

Estate Master for Excel Licensed to: IBI GROUP

COSTS & REVENUES	USD Total	USD Per Acre	USD Per GFA
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REVENUE	Quantity	SqFt	USD/SqFt	USD	USD Per Acre	USD Per GFA
Total Sales Revenue	-	-	-	3,279,883	4,895,348	278
Commerical Office	-	-	-	2,175,646		
Retail Shops	-	-	-	1,104,237		
Less Selling Costs				(163,994)	244,767	14
NET SALE PROCEEDS				3,115,889	4,650,580	264

RENTAL INCOME	Average Yield	SqFt	USD/SqFt/annum	USD	USD Per Acre	USD Per GFA
Rental Income	10.0%	11,800.0	25.0	3,280,061	4,895,613	278
Commerical Office	10.0%	8,100.0	25.0	2,251,567		
Retail Shops	10.0%	3,700.0	25.0	1,028,494		
Less Outgoings & Vacancies				(225,157)	336,055	19
Less Letting Fees				-	-	-
Less Incentives (Rent Free and Fit-out Costs)				-	-	-
Less Other Leasing Costs				-	-	-
NET RENTAL INCOME				3,054,904	4,559,558	259

Interest Received	-	-	-	-	-	-
Other Income	-	-	-	-	-	-
TOTAL REVENUE				6,170,793	9,210,139	523

COSTS	USD Total	USD Per Acre	USD Per GFA
Land Purchase Cost	-	-	-
Land Transaction Costs	-	-	-
Construction (inc. Construct. Contingency)	1,912,662	2,854,719	162
Other Construction Costs	1,912,662		
Professional Fees	239,083	356,840	20
Statutory Fees	-	-	-
Infrastructure Costs	109,253	163,064	9
Parking Construction Costs	133,000	198,507	11
Miscellaneous Costs 3	-	-	-
Project Contingency (Project Reserve)	119,700	178,657	10
Land Holding Costs	-	-	-
Pre-Sale Commissions	-	-	-
Finance Charges (inc. Fees)	-	-	-
Interest Expense	463,142	691,257	39
Plus Corporate Tax	-	-	-
TOTAL COSTS	2,976,840	4,443,044	252

PERFORMANCE INDICATORS

Net Development Profit ¹	3,193,953	
Development Margin (or Profit/Risk Margin) ³	101.69%	on total development costs (inc selling costs).
Residual Land Value (Target Margin) ⁴	1,518,228	(at 20% target development margin)
Net Present Value ⁵	446,530	(at 10% per ann. discount rate, nominal)
Benefit Cost Ratio ⁶	1.1776	(at 10% per ann. discount rate, nominal)
Project Internal Rate of Return (IRR) ⁷	12.54%	(per ann. nominal)
Residual Land Value (based on NPV) ⁸	446,530	
Equity IRR	19.92%	(per ann. nominal)
Equity Contribution	628,424	
Peak Debt Exposure	1,885,273	
Equity to Debt Ratio	33.33%	
Weighted Average Cost of Capital (WACC) ⁹	3.38%	
Breakeven Date for Cumulative Cash Flow ¹⁰	Jan-2020	(Year 10)
Rent Cover ¹¹	11 Yrs, 7 Mths	
Profit Erosion ¹²	0 Yrs, 0 Mths	

Footnotes:

1. Development Profit: is total revenue less total cost including interest paid and received
2. Note: No redistribution of Developer's Gross Profit
3. Development Margin: is profit divided by total development costs (inc selling costs).
4. Residual Land Value: is the maximum purchase price for the land whilst achieving the target development margin.
5. Net Present Value: is the project's cash flow stream discounted to present value. It includes financing costs but excludes interest and corp tax.
6. Benefit:Cost Ratio: is the ratio of discounted incomes to discounted costs and includes financing costs but excludes interest and corp tax.
7. Internal Rate of Return: is the discount rate where the NPV above equals Zero.
8. Residual Land Value (based on NPV): is the purchase price for the land to achieve a zero NPV.
9. The Weighted Average Cost of Capital (WACC) is the rate that a company is expected to pay to finance its assets.
10. Breakeven date for Cumulative Cash Flow: is the last date when total debt and equity is repaid (ie when profit is realised).
11. The total net development profit divided by the current net annual rental expressed as a number of years/months.
12. The period of time post practical completion that it can remain unsold (but leased out) until finance and land holding costs erodes the profit for the development to zero.

Summary of Project Returns



Development Feasibility

Canoga Connect

Cash Flow - Option 3

Retail Site - West of Tracks: Site A - North

Time Span: Jan-10 to Jan-20	Project Size: .7 Acres 1 per 43,283.58 SqFt of Site Area
Type: Retail	
Status: Under Review	Project Size: 11,800. GFA 1 per 2,46 SqFt of Site Area
Site Area: 29,000. SqFt	
FSR: 0:1	Equated GFA: 0.0

Estate Master for Excel Licensed to: IBI GROUP

RETURNS ON FUNDS INVESTED	Equity	Loan 1				Total Debt
		Lender Name				
Funds Invested (Cash Outlay) ¹	628,424	1,885,273				1,885,273
% of Total Funds Invested	25.00%	75.00%				75.00%
Peak Exposure ²	628,424	1,885,273				1,885,273
Date of Peak Exposure	Jan-10	Jan-10				Jan-10
Year of Peak Exposure	Year 0	Year 0				Year 0
Weighted Average Interest Rate	N.A.	4.50%				4.50%
Interest Charged	-	463,142				463,142
Line Fees Charged	-	-				-
Application Fees Charged	-	-				-
Profit Share Received	-	-				-
Total Profit to Funders ³	3,193,953	463,142				463,142
Margin on Funds Invested ⁴	508.25%	24.57%				24.57%
Payback Date ⁵	Jan-20	Jan-19				Jan-19
Year of Payback	Year 10	Year 9				Year 9
IRR on Funds Invested ⁶	19.92%	4.50%				4.50%
Equity to Debt Ratio ⁷		33.33%				33.33%
Loan to Value Ratio ⁸	19.16%	57.48%				57.48%
Loan Ratio ⁹	N.A. of Land Purchase Price.	N.A. of Land Purchase Price.				N.A. of Land Purchase Price.

Footnotes:

1. The total amount of funding injected into the project cash flow.
2. The maximum cash flow exposure of that equity/debt facility including capitalised interest.
3. The total repayments less funds invested, including profit share paid or received.
4. Margin is net profit divided by total funds invested (cash outlay).
5. Payback date for the equity/debt facility is the last date when total equity/debt is repaid.
6. IRR on Funds Invested is the IRR of the equity cash flow including the return of equity and realisation of project profits.
7. Equity to Debt Ratio is the amount of equity contributed into the project as a percentage of debt funding.
8. Loan to Value ratio is the Peak Equity/Debt Exposure divided by Total Sales Revenue.
9. Loan Ratio is the total funds invested by the lender (cash outlay) divided by the nominated ratio calculation method. It includes capitalised interest and fees.

Main Inputs for Project Title

Cash Flow Title - Enter Description of Option or Stage

3000 Professional Fees														
Code	Stage	Description	% of Construct. ¹	AND / OR No. Units	Base Rate / Unit	Escalate (E,R,N)	S-Curve	Year Start ²	Year Span	Cash Flow Period	Remarks	Total Current Costs	Total Escalated Cost	
3001	-	Architect and Engineering	5.50%	-	-	E	-	0	1	Jan-10 - Dec-10		613,422	613,422	
3002	-	Legal and Accounting	1.00%	-	-	E	-	0	1	Jan-10 - Dec-10		111,531	111,531	
3003	-	Construction Management Fee	5.00%	-	-	E	-	0	1	Jan-10 - Dec-10		557,657	557,657	
3004	-	Building Permit	1.00%	-	-	E	-	0	1	Jan-10 - Dec-10		111,531	111,531	
3005	-	.	0.00%	-	-	-	-	0	-	-		-	-	
			¹ % Based on Net Costs					² Pro-rata with Construction ('C')						
3099	-	Development Management	0.00%	% of Project Costs (inc land) excludes finance costs and tax (if applicable).	-	-	-	0	-	-	Manual Input (refer to Cash Flow)	-	-	
												TOTAL	1,394,142	1,394,142

4000 Construction Costs														
Code	Stage	Description	Cost Type	Sq. Ft.	Base Rate / Sq. Ft.	Escalate (E,R,N) ¹	S-Curve	Year Start	Year Span	Cash Flow Period	Remarks	Total Current Costs	Total Escalated Cost	
4001	-	Retail	-	-	162	E	-	0	1	Jan-10 - Dec-10		-	-	
4002	-	Restaurant	-	-	162	E	-	0	1	Jan-10 - Dec-10		-	-	
4003	-	Light Industrial	-	-	87	E	-	0	1	Jan-10 - Dec-10		-	-	
4004	-	Residential	-	71,600	156	E	-	0	1	Jan-10 - Dec-10		11,153,132	11,153,132	
4005	-	Office	-	-	162	E	-	0	1	Jan-10 - Dec-10		-	-	
4006	-	.	-	-	-	-	-	0	-	-		-	-	
4007	-	.	-	-	-	-	-	0	-	-		-	-	
4008	-	.	-	-	-	-	-	0	-	-		-	-	
4009	-	.	-	-	-	-	-	0	-	-		-	-	
4010	-	.	-	-	-	-	-	0	-	-		-	-	
¹ Escalation ('N' = no escalation, 'E' = escalation to start period, 'R' = escalation to start period and through span)														
4099	Construction Contingency		-	And / Or	0.00%	of Construction Costs								
												TOTAL	11,153,132	11,153,132

5000 Statutory Fees														
Code	Stage	Description	Units	Base Rate / Units	Escalate (E,R,N)	S-Curve	Year Start	Year Span	Cash Flow Period	Remarks	Total Current Costs	Total Escalated Cost		
5001	-	.	-	-	-	-	0	-	-		-	-		
5002	-	.	-	-	-	-	0	-	-		-	-		
5003	-	.	-	-	-	-	0	-	-		-	-		
5004	-	.	-	-	-	-	0	-	-		-	-		
5005	-	.	-	-	-	-	0	-	-		-	-		
Manual Input (refer to Cash Flow)												-	-	
												TOTAL	-	-

6000 Infrastructure Costs														
Code	Stage	Description	%of Construction ¹	AND / OR No. Units	Base Rate / Unit	Escalate (E,R,N)	S-Curve	Year Start ²	Year Span	Cash Flow Period	Remarks	Total Current Costs	Total Escalated Cost	
6001	-	Subsurface Soil Investigation, Surveys & ESA	0.00%	1	45,000	E	-	0	1	Jan-10 - Dec-10	- Based on relative experience	45,000	45,000	
6002	-	Infrastructure Designs	0.00%	1	966	E	-	0	1	Jan-10 - Dec-10	- 2.5% of site servicing	966	966	
6003	-	Planning Application Fees	0.00%	1	5,000	E	-	0	1	Jan-10 - Dec-10	- Based on relative experience	5,000	5,000	
6004	-	Site Servicing Costs	0.00%	1	37,500	E	-	0	1	Jan-10 - Dec-10	- Assumed average site	38,625	38,625	
6005	-	Landscaping	0.00%	1	50,000	E	-	0	1	Jan-10 - Dec-10	- servicing costs in Los Angeles County to be 25k - 50k/acre	51,500	51,500	
6006	-	.	0.00%	-	-	-	-	0	-	-	- for preserviced land	-	-	
6007	-	.	0.00%	-	-	-	-	0	-	-	-	-	-	
6008	-	.	0.00%	-	-	-	-	0	-	-	-	-	-	
6009	-	.	0.00%	-	-	-	-	0	-	-	-	-	-	
6005	-	.	0.00%	-	-	-	-	0	-	-	-	-	-	
Manual Input (refer to Cash Flow)												-	-	
												TOTAL	141,091	141,091

Main Inputs for Project Title

Cash Flow Title - Enter Description of Option or Stage

10000

**Financing
(Advanced Mode)**

General Notes: All Line Fees are paid during period of debt, in arrears
All Profit Share is Paid progressively as project makes a profit.

Equity

Developer's Equity Contribution	Fixed Amount	Percentage	
Progressively injected when required.	-	25.00%	% of Project Costs (net of Interest/Fees)

Opening Balances		Equity Totals
	Developer's Injections	4,645,773
-	Interest Charged	-
-	Interest Received	-
	Injections by Enter Land Owner Name	-

10001

Interest Charged on Equity	0.00%	per annum Nominal - Capitalised (Compounded)
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10002

Interest received on Surplus Cash	0.00%	per annum received in arrears.
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% of Available Funds to Repay Equity Before Debt	0.00%
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Equity Notes: Equity is paying outstanding debt
Equity is repaid when available (do not retain surplus cash).

Loan 1

Description Lender Name

Facility Limit	Fixed Amount	Percentage	
Drawn down in total at loan commencement.	-	75.00%	% of Project Costs (net of Interest/Fees)

Opening Balances		Loan 1 Totals
	Drawdown	12,519,962
-	Interest Charged	563,398
-	Application Fees	-
-	Line Fees	-
	Profit Split	-

Year Commencement	Auto	<input checked="" type="checkbox"/>	0	Jan-2010
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Maturity Year	Auto	<input checked="" type="checkbox"/>	0	Jan-2011	Refinanced by Equity
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10004

Interest Rate	4.50%	per annum Nominal - Capitalised (Compounded)
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10005

Fees	Amount	Percentage	Year Paid
Application Fee	-	0.00%	0
Line Fee	-	0.00%	

Profit Split to Lender 1	0.00%
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Loan 2

Description Lender Name

Facility Limit	Fixed Amount	Percentage	
Drawn down in total at loan commencement.	-	0.00%	Fixed Amount

Opening Balances		Loan 2 Totals
	Drawdown	-
-	Interest Charged	-
-	Application Fees	-
-	Line Fees	-
	Profit Split	-

Year Commencement	Auto	<input checked="" type="checkbox"/>	0	
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Maturity Year	Auto	<input checked="" type="checkbox"/>	0	N.A.	Refinanced by Equity
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10004

Interest Rate	0.00%	per annum Nominal - Capitalised (Compounded)
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10005

Fees	Amount	Percentage	Year Paid
Application Fee	-	0.00%	0
Line Fee	-	0.00%	

Profit Split to Lender 2	0.00%
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Loan 3

Description Lender Name

Facility Limit	Fixed Amount	Percentage	
Drawn down in total at loan commencement.	-	0.00%	Fixed Amount

Opening Balances		Loan 3 Totals
	Drawdown	-
-	Interest Charged	-
-	Application Fees	-
-	Line Fees	-
	Profit Split	-

Year Commencement	Auto	<input checked="" type="checkbox"/>	0	
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Maturity Year	Auto	<input checked="" type="checkbox"/>	0	N.A.	Refinanced by Equity
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10004

Interest Rate	0.00%	per annum Nominal - Capitalised (Compounded)
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10005

Fees	Amount	Percentage	Year Paid
Application Fee	-	0.00%	0
Line Fee	-	0.00%	

Profit Split to Lender 3	0.00%
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Main Inputs for Project Title

Cash Flow Title - Enter Description of Option or Stage

Loan 4				Description		Lender Name	
No Limit (use as overdraft facility)						-	
10007	Interest Rate		0.00%	per annum Nominal - Capitalised (Compounded)			
10008	Fees		Amount	Percentage	Year Paid		
	Application Fee		-	0.00%	0		
	Line Fee		-	0.00%			
Maintain Leverage on Loan 4				0.00%	% of unsold Stock (net of selling costs)		

Senior Loan Notes: Senior Loan (Loan 4) is being used as an overdraft facility.

Opening Balances	Loan 4 Totals
Drawdown	-
Interest Charged	-
Application Fees	-
Line Fees	-
Interest Charged to Enter Land Owner Name	-

Code	Stage	Financing Costs	No. of Units	Base Rate / Unit	Escalate (E,R,N)
10009	-	.	-	-	-
10010	-	.	-	-	-
10011	-	.	-	-	-
10012	-	.	-	-	-
10018	-	.	-	-	-

Year Start	Year Span	Cash Flow Period
0	-	-
0	-	-
0	-	-
0	-	-
0	-	-

Remarks	Total Current Costs	Total Escalated Cost
	-	-
	-	-
	-	-
	-	-
	-	-
Manual Input (refer to Cash Flow)	-	-
TOTAL	-	-

Project Hurdle Rates

Project Discount Rate (target IRR)	10.00%	per annum Nominal, on cash flow that includes financing costs but excludes interest and corp tax.
Nominate an estimate of IRR	15.00%	per ann.
Developer's Target Dev. Margin	20.00%	on total development costs (inc selling costs).
Developer's Target Return on Equity	0.00%	

Main Inputs for Project Title

Cash Flow Title - Enter Description of Option or Stage

PROJECT CASH FLOW	TOTAL	0 Jan-10	1 Jan-11	2 Jan-12	3 Jan-13	4 Jan-14	5 Jan-15	6 Jan-16	7 Jan-17	8 Jan-18	9 Jan-19	10 Jan-20
SALES SUMMARY												
Units Sold	-	-	-	-	-	-	-	-	-	-	-	-
Cumulative Units Sold	-	-	-	-	-	-	-	-	-	-	-	-
% Units Sold	-	-	-	-	-	-	-	-	-	-	-	-
SqFt Sold	71,600.00	-	71,600.00	-	-	-	-	-	-	-	-	-
Cumulative SqFt Sold	-	-	71,600.00	-	-	-	-	-	-	-	-	-
% SqFt Sold	-	-	100.0%	-	-	-	-	-	-	-	-	-
USD Sold	13,274,640	-	13,274,640	-	-	-	-	-	-	-	-	-
Cumulative USD Sold	-	-	13,274,640	-	-	-	-	-	-	-	-	-
% USD Sold	-	-	100.0%	-	-	-	-	-	-	-	-	-
HANDBOOK SUMMARY												
Units Handed Over	-	-	-	-	-	-	-	-	-	-	-	-
Cumulative Units Handed Over	-	-	-	-	-	-	-	-	-	-	-	-
% Units Handed Over	-	-	-	-	-	-	-	-	-	-	-	-
SqFt Handed Over	71,600.00	-	71,600.00	-	-	-	-	-	-	-	-	-
Cumulative SqFt Handed Over	-	-	71,600.00	-	-	-	-	-	-	-	-	-
% SqFt Handed Over	-	-	100.0%	-	-	-	-	-	-	-	-	-
USD Handed Over	13,274,640	-	13,274,640	-	-	-	-	-	-	-	-	-
Cumulative USD Handed Over	-	-	13,274,640	-	-	-	-	-	-	-	-	-
% USD Handed Over	-	-	100.0%	-	-	-	-	-	-	-	-	-
PROJECT CASH FLOW												
REVENUE												
Gross Sales Revenue	13,274,640	-	13,274,640	-	-	-	-	-	-	-	-	-
Selling Costs	(663,732)	-	(663,732)	-	-	-	-	-	-	-	-	-
Gross Rental Income	-	-	-	-	-	-	-	-	-	-	-	-
Leasing Costs	-	-	-	-	-	-	-	-	-	-	-	-
Other Income	-	-	-	-	-	-	-	-	-	-	-	-
Interest Received*	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL NET REVENUE	12,610,908	-	12,610,908	-								
COSTS												
Land and Acquisition	-	-	-	-	-	-	-	-	-	-	-	-
Professional Fees	1,394,142	1,394,142	-	-	-	-	-	-	-	-	-	-
Construction Costs (inc Contingency)	11,153,132	11,153,132	-	-	-	-	-	-	-	-	-	-
Statutory Fees	-	-	-	-	-	-	-	-	-	-	-	-
Infrastructure Costs	141,091	141,091	-	-	-	-	-	-	-	-	-	-
Parking Construction Costs	3,210,000	3,210,000	-	-	-	-	-	-	-	-	-	-
Miscellaneous Costs 3	-	-	-	-	-	-	-	-	-	-	-	-
Project Contingency (Reserve)	794,918	794,918	-	-	-	-	-	-	-	-	-	-
Land Holding Costs	-	-	-	-	-	-	-	-	-	-	-	-
Pre-Sale Commissions	-	-	-	-	-	-	-	-	-	-	-	-
Financing Costs (exc Fees)	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL COSTS	16,693,282	16,693,282	-	-	-	-	-	-	-	-	-	-
Net Cash Flow (before Interest & Corporate Tax)	(4,082,374)	(16,693,282)	12,610,908	-								
Cumulative Cash Flow	-	(16,693,282)	(4,082,374)	-								
Corporate Tax	-	-	-	-	-	-	-	-	-	-	-	-
Net Cash Flow (before Interest & after Corporate Tax)	(4,082,374)	(16,693,282)	12,610,908	-								
Cumulative Cash Flow	-	(16,693,282)	(4,082,374)	-								
FINANCING												
Equity												
Manual Adjustments (Inject + / Repay -)	-	0	0	0	0	0	0	0	0	0	0	0
Injections	4,645,773	4,173,321	472,452	-	-	-	-	-	-	-	-	-
Interest Charged	-	-	-	-	-	-	-	-	-	-	-	-
Equity Repayment	-	-	-	-	-	-	-	-	-	-	-	-
Less Profit Share	-	-	-	-	-	-	-	-	-	-	-	-
Equity Balance	(4,645,773)	(4,173,321)	(4,645,773)	-	-	-	-	-	-	-	-	-
Equity Cash Flow**	(4,645,773)	(4,173,321)	(472,452)	-	-	-	-	-	-	-	-	-
Project Cash Account												
Surplus Cash Injection	12,519,962	12,519,962	-	-	-	-	-	-	-	-	-	-
Cash Reserve Drawdown	(12,519,962)	(12,519,962)	-	-	-	-	-	-	-	-	-	-
Interest on Surplus Cash	-	-	-	-	-	-	-	-	-	-	-	-
Surplus Cash Balance	-	-	-	-	-	-	-	-	-	-	-	-
Loan 1 - Lender Name												
Manual Adjustments (Drawdown - / Repay +)	-	0	0	0	0	0	0	0	0	0	0	0
Drawdown	(12,519,962)	(12,519,962)	-	-	-	-	-	-	-	-	-	-
Loan Interest Rate (%/ann)	-	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%
Interest Charged	(563,398)	-	(563,398)	-	-	-	-	-	-	-	-	-
Application and Line Fees	-	-	-	-	-	-	-	-	-	-	-	-
Interest Paid by Equity	-	-	-	-	-	-	-	-	-	-	-	-
Loan Repayment	13,083,360	-	13,083,360	-	-	-	-	-	-	-	-	-
Interest and Fees	563,398	-	563,398	-	-	-	-	-	-	-	-	-
Principal	12,519,962	-	12,519,962	-	-	-	-	-	-	-	-	-
Loan Balance	-	(12,519,962)	-	-	-	-	-	-	-	-	-	-
% of Land Purchase Price.	-	-	-	-	-	-	-	-	-	-	-	-
Profit Share	-	-	-	-	-	-	-	-	-	-	-	-
Loan 1 Cash Flow	563,398	(12,519,962)	13,083,360	-	-	-	-	-	-	-	-	-

Main Inputs for Project Title

Cash Flow Title - Enter Description of Option or Stage

PROJECT CASH FLOW	TOTAL	0 Jan-10	1 Jan-11	2 Jan-12	3 Jan-13	4 Jan-14	5 Jan-15	6 Jan-16	7 Jan-17	8 Jan-18	9 Jan-19	10 Jan-20
Loan 2 - Lender Name												
Manual Adjustments (Drawdown - / Repay +)	-	0	0	0	0	0	0	0	0	0	0	0
Drawdown	-	-	-	-	-	-	-	-	-	-	-	-
Loan Interest Rate (%/ann)	-	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Interest Charged	-	-	-	-	-	-	-	-	-	-	-	-
Application and Line Fees	-	-	-	-	-	-	-	-	-	-	-	-
Interest Paid by Equity	-	-	-	-	-	-	-	-	-	-	-	-
Loan Repayment	-	-	-	-	-	-	-	-	-	-	-	-
Interest and Fees	-	-	-	-	-	-	-	-	-	-	-	-
Principal	-	-	-	-	-	-	-	-	-	-	-	-
Loan Balance	-	-	-	-	-	-	-	-	-	-	-	-
% of Land Purchase Price.	-	-	-	-	-	-	-	-	-	-	-	-
Profit Share	-	-	-	-	-	-	-	-	-	-	-	-
Loan 2 Cash Flow	-	-	-	-	-	-	-	-	-	-	-	-
Loan 3 - Lender Name												
Manual Adjustments (Drawdown - / Repay +)	-	0	0	0	0	0	0	0	0	0	0	0
Drawdown	-	-	-	-	-	-	-	-	-	-	-	-
Loan Interest Rate (%/ann)	-	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Interest Charged	-	-	-	-	-	-	-	-	-	-	-	-
Application and Line Fees	-	-	-	-	-	-	-	-	-	-	-	-
Interest Paid by Equity	-	-	-	-	-	-	-	-	-	-	-	-
Loan Repayment	-	-	-	-	-	-	-	-	-	-	-	-
Interest and Fees	-	-	-	-	-	-	-	-	-	-	-	-
Principal	-	-	-	-	-	-	-	-	-	-	-	-
Loan Balance	-	-	-	-	-	-	-	-	-	-	-	-
% of Land Purchase Price.	-	-	-	-	-	-	-	-	-	-	-	-
Profit Share	-	-	-	-	-	-	-	-	-	-	-	-
Loan 3 Cash Flow	-	-	-	-	-	-	-	-	-	-	-	-
Loan 4 - Lender Name												
Drawdown	-	-	-	-	-	-	-	-	-	-	-	-
Loan Interest Rate (%/ann)	-	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Interest Charged	-	-	-	-	-	-	-	-	-	-	-	-
Application and Line Fees	-	-	-	-	-	-	-	-	-	-	-	-
Interest Paid by Equity	-	-	-	-	-	-	-	-	-	-	-	-
Loan Repayment	-	-	-	-	-	-	-	-	-	-	-	-
Interest and Fees	-	-	-	-	-	-	-	-	-	-	-	-
Principal	-	-	-	-	-	-	-	-	-	-	-	-
Loan Balance	-	-	-	-	-	-	-	-	-	-	-	-
% of Land Purchase Price.	-	-	-	-	-	-	-	-	-	-	-	-
Loan 4 Cash Flow	-	-	-	-	-	-	-	-	-	-	-	-
Project Overdraft		(12,519,962)	-	-	-	-	-	-	-	-	-	-
% of Land Purchase Price.												
Net Cash Flow (after Interest & Corporate Tax)	(4,645,773)	(16,693,282)	12,047,510	-	-	-	-	-	-	-	-	-
Cumulative Cash Flow**		(16,693,282)	(4,645,773)	-	-	-	-	-	-	-	-	-
PROJECT IRR & NPV												
Cash Flow that includes financing costs but excludes interest and corp tax.		(16,693,282)	12,610,908	-	-	-	-	-	-	-	-	-
Static Discount Rate (per ann. nominal)	10.00%											
PV for each Year	(5,228,821)	(16,693,282)	11,464,462	-	-	-	-	-	-	-	-	-
NPV of Future Cash Flows		(5,228,821)	12,610,908	-	-	-	-	-	-	-	-	-
Variable Discount Rate (per ann. nominal)	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%
NPV (using weighted avg discount rate)	(5,228,821)											

* Includes half interest from deposit for land acquisition plus Interest received from pre-sale deposits

** Cumulative Cash Flow After Interest is revenue less costs (including interest on overdraft)

*** Includes equity injection, interest expense, loan re-payments and share of profit as outflows. Revenue and money borrowed as inflows.

Summary of Project Returns



Development Feasibility

Canoga Connect

Cash Flow - Option 4

Residential Site - West of Tracks: Site A - South

Time Span: Jan-10 to Jan-11	Project Size: 1. Acres 1 per 43,689.32 SqFt of Site Area
Type: Residential	Project Size: 127,600. GFA 1 per 0.35 SqFt of Site Area
Status: Under Review	Equated GFA: 0.0
Site Area: 45,000. SqFt	
FSR: 0:1	

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COSTS & REVENUES	USD Total	USD Per Acre	USD Per GFA
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REVENUE	Quantity	SqFt	USD/SqFt	USD	USD Per Acre	USD Per GFA
Total Sales Revenue	-	71,600.0	185.4	13,274,640	12,888,000	104
Residential - 1 Bedroom Units	-	71,600.0	185.4	13,274,640		
Less Selling Costs				(663,732)	644,400	5
NET SALE PROCEEDS				12,610,908	12,243,600	99

	Average Yield	SqFt	USD/SqFt/annum	USD	USD Per Acre	USD Per GFA
Rental Income	-	-	-	-	-	-
Less Outgoings & Vacancies				-	-	-
Less Letting Fees				-	-	-
Less Incentives (Rent Free and Fit-out Costs)				-	-	-
Less Other Leasing Costs				-	-	-
NET RENTAL INCOME				-	-	-

Interest Received				-	-	-
Other Income				-	-	-
TOTAL REVENUE				12,610,908	12,243,600	99

COSTS	USD Total	USD Per Acre	USD Per GFA
Land Purchase Cost	-	-	-
Land Transaction Costs	-	-	-
Construction (inc. Construct. Contingency)	11,153,132	10,828,283	87
Other Construction Costs	11,153,132		
Professional Fees	1,394,142	1,353,535	11
Statutory Fees	-	-	-
Infrastructure Costs	141,091	136,981	1
Parking Construction Costs	3,210,000	3,116,505	25
Miscellaneous Costs 3	-	-	-
Project Contingency (Project Reserve)	794,918	771,765	6
Land Holding Costs	-	-	-
Pre-Sale Commissions	-	-	-
Finance Charges (inc. Fees)	-	-	-
Interest Expense	563,398	546,989	4
Plus Corporate Tax	-	-	-
TOTAL COSTS	17,256,681	16,754,059	135

PERFORMANCE INDICATORS	Value	Description
Net Development Profit ¹	(4,645,773)	
Development Margin (or Profit/Risk Margin) ³	-25.92%	on total development costs (inc selling costs).
Residual Land Value (Target Margin) ⁴	(6,634,341)	(at 20% target development margin)
Net Present Value ⁵	(5,228,821)	(at 10% per ann. discount rate, nominal)
Benefit Cost Ratio ⁶	0.6868	(at 10% per ann. discount rate, nominal)
Project Internal Rate of Return (IRR) ⁷	-24.46%	(per ann. nominal)
Residual Land Value (based on NPV) ⁸	(5,228,820)	
Equity IRR	N.A.	(per ann. nominal)
Equity Contribution	4,645,773	
Peak Debt Exposure	12,519,962	
Equity to Debt Ratio	37.11%	
Weighted Average Cost of Capital (WACC) ⁹	3.28%	
Breakeven Date for Cumulative Cash Flow ¹⁰	N.A.	(Profit is negative)
Rent Cover ¹¹	N.A.	
Profit Erosion ¹²	N.A.	

Footnotes:

- Development Profit: is total revenue less total cost including interest paid and received
- Note: No redistribution of Developer's Gross Profit
- Development Margin: is profit divided by total development costs (inc selling costs).
- Residual Land Value: is the maximum purchase price for the land whilst achieving the target development margin.
- Net Present Value: is the project's cash flow stream discounted to present value. It includes financing costs but excludes interest and corp tax.
- Benefit:Cost Ratio: is the ratio of discounted incomes to discounted costs and includes financing costs but excludes interest and corp tax.
- Internal Rate of Return: is the discount rate where the NPV above equals Zero.
- Residual Land Value (based on NPV): is the purchase price for the land to achieve a zero NPV.
- The Weighted Average Cost of Capital (WACC) is the rate that a company is expected to pay to finance its assets.
- Breakeven date for Cumulative Cash Flow: is the last date when total debt and equity is repaid (ie when profit is realised).
- The total net development profit divided by the current net annual rental expressed as a number of years/months.
- The period of time post practical completion that it can remain unsold (but leased out) until finance and land holding costs erodes the profit for the development to zero.

Summary of Project Returns



Development Feasibility

Canoga Connect

Cash Flow - Option 4

Residential Site - West of Tracks: Site A - South

Time Span: Jan-10 to Jan-11	Project Size: 1. Acres 1 per 43,689.32 SqFt of Site Area
Type: Residential	Project Size: 127,600. GFA 1 per 0.35 SqFt of Site Area
Status: Under Review	Equated GFA: 0.0
Site Area: 45,000. SqFt	
FSR: 0:1	

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RETURNS ON FUNDS INVESTED	Equity	Loan 1				Total Debt
		Lender Name				
Funds Invested (Cash Outlay) ¹	4,645,773	12,519,962				12,519,962
% of Total Funds Invested	27.06%	72.94%				72.94%
Peak Exposure ²	4,645,773	12,519,962				12,519,962
Date of Peak Exposure	Jan-11	Jan-10				Jan-10
Year of Peak Exposure	Year 1	Year 0				Year 0
Weighted Average Interest Rate	N.A.	4.50%				4.50%
Interest Charged	-	563,398				563,398
Line Fees Charged	-	-				-
Application Fees Charged	-	-				-
Profit Share Received	-	-				-
Total Profit to Funders ³	(4,645,773)	563,398				563,398
Margin on Funds Invested ⁴	-100.00%	4.50%				4.50%
Payback Date ⁵	Jan-12	Jan-11				N.A.
Year of Payback	Year 2	Year 1				Not Repaid
IRR on Funds Invested ⁶	N.A.	4.50%				4.50%
Equity to Debt Ratio ⁷		37.11%				37.11%
Loan to Value Ratio ⁸	35.00%	94.31%				94.31%
Loan Ratio ⁹	N.A. of Land Purchase Price.	N.A. of Land Purchase Price.				N.A. of Land Purchase Price.

Footnotes:

1. The total amount of funding injected into the project cash flow.
2. The maximum cash flow exposure of that equity/debt facility including capitalised interest.
3. The total repayments less funds invested, including profit share paid or received.
4. Margin is net profit divided by total funds invested (cash outlay).
5. Payback date for the equity/debt facility is the last date when total equity/debt is repaid.
6. IRR on Funds Invested is the IRR of the equity cash flow including the return of equity and realisation of project profits.
7. Equity to Debt Ratio is the amount of equity contributed into the project as a percentage of debt funding.
8. Loan to Value ratio is the Peak Equity/Debt Exposure divided by Total Sales Revenue.
9. Loan Ratio is the total funds invested by the lender (cash outlay) divided by the nominated ratio calculation method. It includes capitalised interest and fees.

Main Inputs for Project Title

Cash Flow Title - Enter Description of Option or Stage

Preliminary

Cash Flow Title	Cash Flow - Option 5	Description of Option/Stage	Residential Site - West of Tracks: Site A - South		
Date of First Period:	Jan-2010				
Cash Flow Rest Period:	Yearly				
Enter Project Size (a)	1.0	Acres			
Enter Project Size (b)	127,600.0	GFA			
Enter Site Area	45,000.0	SqFt	Floor Space Ratio	0 :1	Equated Gross Floor Area (SqFt)
					-

Type	Residential
Status	Under Review

1000 Land Purchase & Acquisition Costs

Land Purchase Price	-
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Code	Stage		% of Land Purchase Price % paid	Amount	AND/OR Lump Amount	Year Start	Year Span	Cash Flow Period
1002	-	Deposit in Trust Account ¹	0.00%	-	-	0	-	-
1003	-	Payment 1	0.00%	-	-	0	-	-
1004	-	Payment 2	0.00%	-	-	0	-	-
1005	-	Payment 3	0.00%	-	-	0	-	-
1006	-	Payment 4	0.00%	-	-	0	-	-
1007	-	Settlement (Balance)	100.00%	-	-	0	1	Jan-10 - Dec-10
		Interest on Deposit in Trust Account	0.00%		Interest from deposit shared between parties			
		Profit Share to Land Owner	0.00%		. Paid progressively as project makes a profit.			

Total Current Costs	Total Escalated Cost
-	-
-	-
-	-
-	-
-	-
-	-
-	-

Code	Stage	Other Acquisition Costs	% of Land Purchase Price % paid	Amount	AND/OR Lump Amount	Year Start	Year Span	Cash Flow Period
1011	-	.	0.00%	-	-	0	-	-
1012	-	.	0.00%	-	-	0	-	-
1013	-	.	0.00%	-	-	0	-	-
1014	-	.	0.00%	-	-	0	-	-
1015	-	.	0.00%	-	-	0	-	-

Remarks	Total Current Costs	Total Escalated Cost
	-	-
	-	-
	-	-
	-	-
	-	-
	-	-
Manual Input (refer to Cash Flow)	-	-
TOTAL	-	-

¹ (No VAT credit available for Stamp Duty)

² Pro-rata with Land Payments ('L')

Cost Escalation

		Escalation Rates (Applied Per Annum) based on Cashflow Period Years commencing									
		Jan-10	Jan-11	Jan-12	Jan-13	Jan-14	Jan-15	Jan-16	Jan-17	Jan-18	Jan-19
	Professional Fees	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Code	Construction Costs (Uncategorised)	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
	SUB Subdivision Costs	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
	STG Stage Costs	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
	BUI Built Form	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
	OT1 Other	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
	OT2 Other	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
	Statutory Fees	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
	Infrastructure Costs	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
	Parking Construction Costs	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
	Miscellaneous Costs ³	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
	Land Holding Costs	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
	Selling and Leasing Costs	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
	Finance Costs	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%

2000 Project Contingency

-	And / Or	5.00%	of Construction, Professional, Statutory & Misc. Costs
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Main Inputs for Project Title

Cash Flow Title - Enter Description of Option or Stage

3000 Professional Fees														
Code	Stage	Description	% of Construct. ¹	AND / OR No. Units	Base Rate / Unit	Escalate (E,R,N)	S-Curve	Year Start ²	Year Span	Cash Flow Period	Remarks	Total Current Costs	Total Escalated Cost	
3001	-	Architect and Engineering	5.50%	-	-	E	-	0	1	Jan-10 - Dec-10		856,735	856,735	
3002	-	Legal and Accounting	1.00%	-	-	E	-	0	1	Jan-10 - Dec-10		155,770	155,770	
3003	-	Construction Management Fee	5.00%	-	-	E	-	0	1	Jan-10 - Dec-10		778,850	778,850	
3004	-	Building Permit	1.00%	-	-	E	-	0	1	Jan-10 - Dec-10		155,770	155,770	
3005	-	.	0.00%	-	-	-	-	0	-	-		-	-	
			¹ % Based on Net Costs					² Pro-rata with Construction ('C')						
3099	-	Development Management	0.00%	% of Project Costs (inc land) excludes finance costs and tax (if applicable).	-	-	-	0	-	-	Manual Input (refer to Cash Flow)	-	-	
												TOTAL	1,947,125	1,947,125

4000 Construction Costs														
Code	Stage	Description	Cost Type	Sq. Ft.	Base Rate / Sq. Ft.	Escalate (E,R,N) ¹	S-Curve	Year Start	Year Span	Cash Flow Period	Remarks	Total Current Costs	Total Escalated Cost	
4001	-	Retail	-	-	162	E	-	0	1	Jan-10 - Dec-10		-	-	
4002	-	Restaurant	-	-	162	E	-	0	1	Jan-10 - Dec-10		-	-	
4003	-	Light Industrial	-	-	87	E	-	0	1	Jan-10 - Dec-10		-	-	
4004	-	Residential	-	100,000	156	E	-	0	1	Jan-10 - Dec-10		15,577,000	15,577,000	
4005	-	Office	-	-	162	E	-	0	1	Jan-10 - Dec-10		-	-	
4006	-	.	-	-	-	-	-	0	-	-		-	-	
4007	-	.	-	-	-	-	-	0	-	-		-	-	
4008	-	.	-	-	-	-	-	0	-	-		-	-	
4009	-	.	-	-	-	-	-	0	-	-		-	-	
4010	-	.	-	-	-	-	-	0	-	-		-	-	
			¹ Escalation ('N' = no escalation, 'E' = escalation to start period, 'R' = escalation to start period and through span)											
4099	Construction Contingency		-	And / Or	0.00%	of Construction Costs					Manual Input (refer to Cash Flow)	-	-	
												TOTAL	15,577,000	15,577,000

5000 Statutory Fees														
Code	Stage	Description	Units	Base Rate / Units	Escalate (E,R,N)	S-Curve	Year Start	Year Span	Cash Flow Period	Remarks	Total Current Costs	Total Escalated Cost		
5001	-	.	-	-	-	-	0	-	-		-	-		
5002	-	.	-	-	-	-	0	-	-		-	-		
5003	-	.	-	-	-	-	0	-	-		-	-		
5004	-	.	-	-	-	-	0	-	-		-	-		
5005	-	.	-	-	-	-	0	-	-		-	-		
												Manual Input (refer to Cash Flow)	-	-
												TOTAL	-	-

6000 Infrastructure Costs														
Code	Stage	Description	%of Construction ¹	AND / OR No. Units	Base Rate / Unit	Escalate (E,R,N)	S-Curve	Year Start ²	Year Span	Cash Flow Period	Remarks	Total Current Costs	Total Escalated Cost	
6001	-	Subsurface Soil Investigation, Surveys & ESA	0.00%	1	45,000	E	-	0	1	Jan-10 - Dec-10	- Based on relative experience	45,000	45,000	
6002	-	Infrastructure Designs	0.00%	1	966	E	-	0	1	Jan-10 - Dec-10	- 2.5% of site servicing	966	966	
6003	-	Planning Application Fees	0.00%	1	5,000	E	-	0	1	Jan-10 - Dec-10	- Based on relative experience	5,000	5,000	
6004	-	Site Servicing Costs	0.00%	1	37,500	E	-	0	1	Jan-10 - Dec-10	- Assumed average site	38,625	38,625	
6005	-	Landscaping	0.00%	1	50,000	E	-	0	1	Jan-10 - Dec-10	- servicing costs in Los Angeles County to be 25k - 50k/acre	51,500	51,500	
6006	-	.	0.00%	-	-	-	-	0	-	-	- for preserviced land	-	-	
6007	-	.	0.00%	-	-	-	-	0	-	-	-	-	-	
6008	-	.	0.00%	-	-	-	-	0	-	-	- Assumed average landscaping costs to be 50k/acre	-	-	
6009	-	.	0.00%	-	-	-	-	0	-	-	-	-	-	
6005	-	.	0.00%	-	-	-	-	0	-	-	-	-	-	
			¹ Based on net costs.					² Pro-rata with Construction ('C') or Settlements ('S')						
												Manual Input (refer to Cash Flow)	-	-
												TOTAL	141,091	141,091

Main Inputs for Project Title

Cash Flow Title - Enter Description of Option or Stage

10000

Financing
(Advanced Mode)

General Notes: All Line Fees are paid during period of debt, in arrears
All Profit Share is Paid progressively as project makes a profit.

Equity

Developer's Equity Contribution	Fixed Amount	Percentage	
Progressively injected when required.	-	25.00%	% of Project Costs (net of Interest/Fees)

Opening Balances		Equity Totals
	Developer's Injections	5,188,369
-	Interest Charged	-
-	Interest Received	-
	Injections by Enter Land Owner Name	-

10001

Interest Charged on Equity	0.00%	per annum Nominal - Capitalised (Compounded)
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10002

Interest received on Surplus Cash	0.00%	per annum received in arrears.
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% of Available Funds to Repay Equity Before Debt	0.00%
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Equity Notes: Equity is paying outstanding debt
Equity is repaid when available (do not retain surplus cash).

Loan 1

Description Lender Name

Facility Limit	Fixed Amount	Percentage	
Drawn down in total at loan commencement.	-	75.00%	% of Project Costs (net of Interest/Fees)

Opening Balances		Loan 1 Totals
	Drawdown	15,565,107
-	Interest Charged	700,430
-	Application Fees	-
-	Line Fees	-
	Profit Split	-

Year Commencement	Auto	<input checked="" type="checkbox"/>	0	Jan-2010	
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Maturity Year	Auto	<input checked="" type="checkbox"/>	0	Jan-2011	Refinanced by Equity
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10004

Interest Rate	4.50%	per annum Nominal - Capitalised (Compounded)
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10005

Fees	Amount	Percentage	Year Paid
Application Fee	-	0.00%	0
Line Fee	-	0.00%	

Profit Split to Lender 1	0.00%
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Loan 2

Description Lender Name

Facility Limit	Fixed Amount	Percentage	
Drawn down in total at loan commencement.	-	0.00%	Fixed Amount

Opening Balances		Loan 2 Totals
	Drawdown	-
-	Interest Charged	-
-	Application Fees	-
-	Line Fees	-
	Profit Split	-

Year Commencement	Auto	<input checked="" type="checkbox"/>	0		
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Maturity Year	Auto	<input checked="" type="checkbox"/>	0	N.A.	Refinanced by Equity
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10004

Interest Rate	0.00%	per annum Nominal - Capitalised (Compounded)
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10005

Fees	Amount	Percentage	Year Paid
Application Fee	-	0.00%	0
Line Fee	-	0.00%	

Profit Split to Lender 2	0.00%
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Loan 3

Description Lender Name

Facility Limit	Fixed Amount	Percentage	
Drawn down in total at loan commencement.	-	0.00%	Fixed Amount

Opening Balances		Loan 3 Totals
	Drawdown	-
-	Interest Charged	-
-	Application Fees	-
-	Line Fees	-
	Profit Split	-

Year Commencement	Auto	<input checked="" type="checkbox"/>	0		
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Maturity Year	Auto	<input checked="" type="checkbox"/>	0	N.A.	Refinanced by Equity
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10004

Interest Rate	0.00%	per annum Nominal - Capitalised (Compounded)
---------------	-------	--

10005

Fees	Amount	Percentage	Year Paid
Application Fee	-	0.00%	0
Line Fee	-	0.00%	

Profit Split to Lender 3	0.00%
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Main Inputs for Project Title

Cash Flow Title - Enter Description of Option or Stage

Loan 4		Description	Lender Name	Opening Balances		Loan 4 Totals	
No Limit (use as overdraft facility)			-			-	
10007	Interest Rate	0.00% per annum Nominal - Capitalised (Compounded)		-	Drawdown Interest Charged	-	
10008	Fees		Amount	Percentage	Year Paid		
	Application Fee		-	0.00%	0	Application Fees	-
	Line Fee		-	0.00%		Line Fees	-
Maintain Leverage on Loan 4		0.00% % of unsold Stock (net of selling costs)			Interest Charged to Enter Land Owner Name	-	

Senior Loan Notes: Senior Loan (Loan 4) is being used as an overdraft facility.

Code	Stage	Financing Costs	No. of Units	Base Rate / Unit	Escalate (E,R,N)
10009	-	.	-	-	-
10010	-	.	-	-	-
10011	-	.	-	-	-
10012	-	.	-	-	-
10018	-	.	-	-	-

Year Start	Year Span	Cash Flow Period
0	-	-
0	-	-
0	-	-
0	-	-
0	-	-

Remarks	Total Current Costs	Total Escalated Cost
	-	-
	-	-
	-	-
	-	-
	-	-
Manual Input (refer to Cash Flow)	-	-
TOTAL	-	-

Project Hurdle Rates

Project Discount Rate (target IRR)	10.00%	per annum Nominal, on cash flow that includes financing costs but excludes interest and corp tax.
Nominate an estimate of IRR	15.00%	per ann.
Developer's Target Dev. Margin	20.00%	on total development costs (inc selling costs).
Developer's Target Return on Equity	0.00%	

Main Inputs for Project Title

Cash Flow Title - Enter Description of Option or Stage

PROJECT CASH FLOW	TOTAL	0 Jan-10	1 Jan-11	2 Jan-12	3 Jan-13	4 Jan-14	5 Jan-15	6 Jan-16	7 Jan-17	8 Jan-18	9 Jan-19	10 Jan-20
SALES SUMMARY												
Units Sold	-	-	-	-	-	-	-	-	-	-	-	-
Cumulative Units Sold	-	-	-	-	-	-	-	-	-	-	-	-
% Units Sold	-	-	-	-	-	-	-	-	-	-	-	-
SqFt Sold	100,000.00	-	100,000.00	-	-	-	-	-	-	-	-	-
Cumulative SqFt Sold	-	-	100,000.00	-	-	-	-	-	-	-	-	-
% SqFt Sold	-	-	100.0%	-	-	-	-	-	-	-	-	-
USD Sold	18,540,000	-	18,540,000	-	-	-	-	-	-	-	-	-
Cumulative USD Sold	-	-	18,540,000	-	-	-	-	-	-	-	-	-
% USD Sold	-	-	100.0%	-	-	-	-	-	-	-	-	-
HANDBOVER SUMMARY												
Units Handed Over	-	-	-	-	-	-	-	-	-	-	-	-
Cumulative Units Handed Over	-	-	-	-	-	-	-	-	-	-	-	-
% Units Handed Over	-	-	-	-	-	-	-	-	-	-	-	-
SqFt Handed Over	100,000.00	-	100,000.00	-	-	-	-	-	-	-	-	-
Cumulative SqFt Handed Over	-	-	100,000.00	-	-	-	-	-	-	-	-	-
% SqFt Handed Over	-	-	100.0%	-	-	-	-	-	-	-	-	-
USD Handed Over	18,540,000	-	18,540,000	-	-	-	-	-	-	-	-	-
Cumulative USD Handed Over	-	-	18,540,000	-	-	-	-	-	-	-	-	-
% USD Handed Over	-	-	100.0%	-	-	-	-	-	-	-	-	-
PROJECT CASH FLOW												
REVENUE												
Gross Sales Revenue	18,540,000	-	18,540,000	-	-	-	-	-	-	-	-	-
Selling Costs	(927,000)	-	(927,000)	-	-	-	-	-	-	-	-	-
Gross Rental Income	-	-	-	-	-	-	-	-	-	-	-	-
Leasing Costs	-	-	-	-	-	-	-	-	-	-	-	-
Other Income	-	-	-	-	-	-	-	-	-	-	-	-
Interest Received*	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL NET REVENUE	17,613,000	-	17,613,000	-								
COSTS												
Land and Acquisition	-	-	-	-	-	-	-	-	-	-	-	-
Professional Fees	1,947,125	1,947,125	-	-	-	-	-	-	-	-	-	-
Construction Costs (inc Contingency)	15,577,000	15,577,000	-	-	-	-	-	-	-	-	-	-
Statutory Fees	-	-	-	-	-	-	-	-	-	-	-	-
Infrastructure Costs	141,091	141,091	-	-	-	-	-	-	-	-	-	-
Parking Construction Costs	2,100,000	2,100,000	-	-	-	-	-	-	-	-	-	-
Miscellaneous Costs 3	-	-	-	-	-	-	-	-	-	-	-	-
Project Contingency (Reserve)	988,261	988,261	-	-	-	-	-	-	-	-	-	-
Land Holding Costs	-	-	-	-	-	-	-	-	-	-	-	-
Pre-Sale Commissions	-	-	-	-	-	-	-	-	-	-	-	-
Financing Costs (exc Fees)	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL COSTS	20,753,476	20,753,476	-	-	-	-	-	-	-	-	-	-
Net Cash Flow (before Interest & Corporate Tax)	(3,140,476)	(20,753,476)	17,613,000	-								
Cumulative Cash Flow	-	(20,753,476)	(3,140,476)	-								
Corporate Tax	-	-	-	-	-	-	-	-	-	-	-	-
Net Cash Flow (before Interest & after Corporate Tax)	(3,140,476)	(20,753,476)	17,613,000	-								
Cumulative Cash Flow	-	(20,753,476)	(3,140,476)	-								
FINANCING												
Equity												
Manual Adjustments (Inject + / Repay -)	-	0	0	0	0	0	0	0	0	0	0	0
Injections	5,188,369	5,188,369	-	-	-	-	-	-	-	-	-	-
Interest Charged	-	-	-	-	-	-	-	-	-	-	-	-
Equity Repayment	1,347,463	-	1,347,463	-	-	-	-	-	-	-	-	-
Less Profit Share	-	-	-	-	-	-	-	-	-	-	-	-
Equity Balance	(3,840,906)	(5,188,369)	(3,840,906)	-	-	-	-	-	-	-	-	-
Equity Cash Flow**	(3,840,906)	(5,188,369)	1,347,463	-	-	-	-	-	-	-	-	-
Project Cash Account												
Surplus Cash Injection	15,565,107	15,565,107	-	-	-	-	-	-	-	-	-	-
Cash Reserve Drawdown	(15,565,107)	(15,565,107)	-	-	-	-	-	-	-	-	-	-
Interest on Surplus Cash	-	-	-	-	-	-	-	-	-	-	-	-
Surplus Cash Balance	-	-	-	-	-	-	-	-	-	-	-	-
Loan 1 - Lender Name												
Manual Adjustments (Drawdown - / Repay +)	-	0	0	0	0	0	0	0	0	0	0	0
Drawdown	(15,565,107)	(15,565,107)	-	-	-	-	-	-	-	-	-	-
Loan Interest Rate (%/ann)	-	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%
Interest Charged	(700,430)	-	(700,430)	-	-	-	-	-	-	-	-	-
Application and Line Fees	-	-	-	-	-	-	-	-	-	-	-	-
Interest Paid by Equity	-	-	-	-	-	-	-	-	-	-	-	-
Loan Repayment	16,265,537	-	16,265,537	-	-	-	-	-	-	-	-	-
Interest and Fees	700,430	-	700,430	-	-	-	-	-	-	-	-	-
Principal	15,565,107	-	15,565,107	-	-	-	-	-	-	-	-	-
Loan Balance	-	(15,565,107)	-	-	-	-	-	-	-	-	-	-
% of Land Purchase Price.	-	-	-	-	-	-	-	-	-	-	-	-
Profit Share	-	-	-	-	-	-	-	-	-	-	-	-
Loan 1 Cash Flow	700,430	(15,565,107)	16,265,537	-	-	-	-	-	-	-	-	-

Main Inputs for Project Title

Cash Flow Title - Enter Description of Option or Stage

PROJECT CASH FLOW	TOTAL	0 Jan-10	1 Jan-11	2 Jan-12	3 Jan-13	4 Jan-14	5 Jan-15	6 Jan-16	7 Jan-17	8 Jan-18	9 Jan-19	10 Jan-20
Loan 2 - Lender Name												
Manual Adjustments (Drawdown - / Repay +)	-	0	0	0	0	0	0	0	0	0	0	0
Drawdown	-	-	-	-	-	-	-	-	-	-	-	-
Loan Interest Rate (%/ann)	-	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Interest Charged	-	-	-	-	-	-	-	-	-	-	-	-
Application and Line Fees	-	-	-	-	-	-	-	-	-	-	-	-
Interest Paid by Equity	-	-	-	-	-	-	-	-	-	-	-	-
Loan Repayment	-	-	-	-	-	-	-	-	-	-	-	-
Interest and Fees	-	-	-	-	-	-	-	-	-	-	-	-
Principal	-	-	-	-	-	-	-	-	-	-	-	-
Loan Balance	-	-	-	-	-	-	-	-	-	-	-	-
% of Land Purchase Price.	-	-	-	-	-	-	-	-	-	-	-	-
Profit Share	-	-	-	-	-	-	-	-	-	-	-	-
Loan 2 Cash Flow	-	-	-	-	-	-	-	-	-	-	-	-
Loan 3 - Lender Name												
Manual Adjustments (Drawdown - / Repay +)	-	0	0	0	0	0	0	0	0	0	0	0
Drawdown	-	-	-	-	-	-	-	-	-	-	-	-
Loan Interest Rate (%/ann)	-	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Interest Charged	-	-	-	-	-	-	-	-	-	-	-	-
Application and Line Fees	-	-	-	-	-	-	-	-	-	-	-	-
Interest Paid by Equity	-	-	-	-	-	-	-	-	-	-	-	-
Loan Repayment	-	-	-	-	-	-	-	-	-	-	-	-
Interest and Fees	-	-	-	-	-	-	-	-	-	-	-	-
Principal	-	-	-	-	-	-	-	-	-	-	-	-
Loan Balance	-	-	-	-	-	-	-	-	-	-	-	-
% of Land Purchase Price.	-	-	-	-	-	-	-	-	-	-	-	-
Profit Share	-	-	-	-	-	-	-	-	-	-	-	-
Loan 3 Cash Flow	-	-	-	-	-	-	-	-	-	-	-	-
Loan 4 - Lender Name												
Drawdown	-	-	-	-	-	-	-	-	-	-	-	-
Loan Interest Rate (%/ann)	-	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Interest Charged	-	-	-	-	-	-	-	-	-	-	-	-
Application and Line Fees	-	-	-	-	-	-	-	-	-	-	-	-
Interest Paid by Equity	-	-	-	-	-	-	-	-	-	-	-	-
Loan Repayment	-	-	-	-	-	-	-	-	-	-	-	-
Interest and Fees	-	-	-	-	-	-	-	-	-	-	-	-
Principal	-	-	-	-	-	-	-	-	-	-	-	-
Loan Balance	-	-	-	-	-	-	-	-	-	-	-	-
% of Land Purchase Price.	-	-	-	-	-	-	-	-	-	-	-	-
Loan 4 Cash Flow	-	-	-	-	-	-	-	-	-	-	-	-
Project Overdraft		(15,565,107)	-	-	-	-	-	-	-	-	-	-
% of Land Purchase Price.												
Net Cash Flow (after Interest & Corporate Tax)	(3,840,906)	(20,753,476)	16,912,570	-	-	-	-	-	-	-	-	-
Cumulative Cash Flow**		(20,753,476)	(3,840,906)	-	-	-	-	-	-	-	-	-
PROJECT IRR & NPV												
Cash Flow that includes financing costs but excludes interest and corp tax.		(20,753,476)	17,613,000	-	-	-	-	-	-	-	-	-
Static Discount Rate (per ann. nominal)	10.00%											
PV for each Year	(4,741,658)	(20,753,476)	16,011,818	-	-	-	-	-	-	-	-	-
NPV of Future Cash Flows	(4,741,658)	(4,741,658)	17,613,000	-	-	-	-	-	-	-	-	-
Variable Discount Rate (per ann. nominal)	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%
NPV (using weighted avg discount rate)	(4,741,658)											

* Includes half interest from deposit for land acquisition plus Interest received from pre-sale deposits

** Cumulative Cash Flow After Interest is revenue less costs (including interest on overdraft)

*** Includes equity injection, interest expense, loan re-payments and share of profit as outflows. Revenue and money borrowed as inflows.

Summary of Project Returns



Development Feasibility

Canoga Connect

Cash Flow - Option 5

Residential Site - West of Tracks: Site A - South

Time Span: Jan-10 to Jan-11	Project Size: 1. Acres 1 per 43,689.32 SqFt of Site Area
Type: Residential	Project Size: 127,600. GFA 1 per 0.35 SqFt of Site Area
Status: Under Review	Equated GFA: 0.0
Site Area: 45,000. SqFt	
FSR: 0:1	

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COSTS & REVENUES	USD Total	USD Per Acre	USD Per GFA
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REVENUE				Quantity	SqFt	USD/SqFt	USD
Total Sales Revenue	-	100,000.0	185.4	18,540,000	18,000,000	145	
Residential - 1 Bedroom Units	-	100,000.0	185.4	18,540,000			
Less Selling Costs				(927,000)	900,000	7	
NET SALE PROCEEDS				17,613,000	17,100,000	138	
Rental Income				Average Yield	SqFt	USD/SqFt/annum	USD
Less Outgoings & Vacancies	-	-	-	-	-	-	-
Less Letting Fees	-	-	-	-	-	-	-
Less Incentives (Rent Free and Fit-out Costs)	-	-	-	-	-	-	-
Less Other Leasing Costs	-	-	-	-	-	-	-
NET RENTAL INCOME	-	-	-	-	-	-	-
Interest Received	-	-	-	-	-	-	-
Other Income	-	-	-	-	-	-	-
TOTAL REVENUE				17,613,000	17,100,000	138	

COSTS				USD	USD Per Acre	USD Per GFA
Land Purchase Cost	-	-	-	-	-	-
Land Transaction Costs	-	-	-	-	-	-
Construction (inc. Construct. Contingency)	15,577,000	15,123,301	122			
Other Construction Costs	15,577,000					
Professional Fees	1,947,125	1,890,413	15			
Statutory Fees	-	-	-			
Infrastructure Costs	141,091	136,981	1			
Parking Construction Costs	2,100,000	2,038,835	16			
Miscellaneous Costs 3	-	-	-			
Project Contingency (Project Reserve)	988,261	959,476	8			
Land Holding Costs	-	-	-			
Pre-Sale Commissions	-	-	-			
Finance Charges (inc. Fees)	-	-	-			
Interest Expense	700,430	680,029	5			
Plus Corporate Tax	-	-	-			
TOTAL COSTS	21,453,906	20,829,035	168			

PERFORMANCE INDICATORS		
Net Development Profit ¹	(3,840,906)	
Development Margin (or Profit/Risk Margin) ³	-17.16%	on total development costs (inc selling costs).
Residual Land Value (Target Margin) ⁴	(6,704,890)	(at 20% target development margin)
Net Present Value ⁵	(4,741,658)	(at 10% per ann. discount rate, nominal)
Benefit Cost Ratio ⁶	0.7715	(at 10% per ann. discount rate, nominal)
Project Internal Rate of Return (IRR) ⁷	-15.13%	(per ann. nominal)
Residual Land Value (based on NPV) ⁸	(4,741,658)	
Equity IRR	N.A.	(per ann. nominal)
Equity Contribution	5,188,369	
Peak Debt Exposure	15,565,107	
Equity to Debt Ratio	33.33%	
Weighted Average Cost of Capital (WACC) ⁹	3.38%	
Breakeven Date for Cumulative Cash Flow ¹⁰	N.A.	(Profit is negative)
Rent Cover ¹¹	N.A.	
Profit Erosion ¹²	N.A.	

Footnotes:

- Development Profit: is total revenue less total cost including interest paid and received
- Note: No redistribution of Developer's Gross Profit
- Development Margin: is profit divided by total development costs (inc selling costs).
- Residual Land Value: is the maximum purchase price for the land whilst achieving the target development margin.
- Net Present Value: is the project's cash flow stream discounted to present value. It includes financing costs but excludes interest and corp tax.
- Benefit:Cost Ratio: is the ratio of discounted incomes to discounted costs and includes financing costs but excludes interest and corp tax.
- Internal Rate of Return: is the discount rate where the NPV above equals Zero.
- Residual Land Value (based on NPV): is the purchase price for the land to achieve a zero NPV.
- The Weighted Average Cost of Capital (WACC) is the rate that a company is expected to pay to finance its assets.
- Breakeven date for Cumulative Cash Flow: is the last date when total debt and equity is repaid (ie when profit is realised).
- The total net development profit divided by the current net annual rental expressed as a number of years/months.
- The period of time post practical completion that it can remain unsold (but leased out) until finance and land holding costs erodes the profit for the development to zero.

Summary of Project Returns



Development Feasibility

Canoga Connect

Cash Flow - Option 5

Residential Site - West of Tracks: Site A - South

Time Span: Jan-10 to Jan-11	Project Size: 1. Acres 1 per 43,689.32 SqFt of Site Area
Type: Residential	Project Size: 127,600. GFA 1 per 0.35 SqFt of Site Area
Status: Under Review	Equated GFA: 0.0
Site Area: 45,000. SqFt	
FSR: 0:1	

Estate Master for Excel Licensed to: IBI GROUP

RETURNS ON FUNDS INVESTED	Equity	Loan 1				Total Debt
		Lender Name				
Funds Invested (Cash Outlay) ¹	5,188,369	15,565,107				15,565,107
% of Total Funds Invested	25.00%	75.00%				75.00%
Peak Exposure ²	5,188,369	15,565,107				15,565,107
Date of Peak Exposure	Jan-10	Jan-10				Jan-10
Year of Peak Exposure	Year 0	Year 0				Year 0
Weighted Average Interest Rate	N.A.	4.50%				4.50%
Interest Charged	-	700,430				700,430
Line Fees Charged	-	-				-
Application Fees Charged	-	-				-
Profit Share Received	-	-				-
Total Profit to Funders ³	(3,840,906)	700,430				700,430
Margin on Funds Invested ⁴	-74.03%	4.50%				4.50%
Payback Date ⁵	Jan-12	Jan-11				Jan-11
Year of Payback	Year 2	Year 1				Year 1
IRR on Funds Invested ⁶	N.A.	4.50%				4.50%
Equity to Debt Ratio ⁷		33.33%				33.33%
Loan to Value Ratio ⁸	27.98%	83.95%				83.95%
Loan Ratio ⁹	N.A. of Land Purchase Price.	N.A. of Land Purchase Price.				N.A. of Land Purchase Price.

Footnotes:

1. The total amount of funding injected into the project cash flow.
2. The maximum cash flow exposure of that equity/debt facility including capitalised interest.
3. The total repayments less funds invested, including profit share paid or received.
4. Margin is net profit divided by total funds invested (cash outlay).
5. Payback date for the equity/debt facility is the last date when total equity/debt is repaid.
6. IRR on Funds Invested is the IRR of the equity cash flow including the return of equity and realisation of project profits.
7. Equity to Debt Ratio is the amount of equity contributed into the project as a percentage of debt funding.
8. Loan to Value ratio is the Peak Equity/Debt Exposure divided by Total Sales Revenue.
9. Loan Ratio is the total funds invested by the lender (cash outlay) divided by the nominated ratio calculation method. It includes capitalised interest and fees.

Consolidation of Stages

ESTATEMASTER Development Feasibility PROPERTY SOFTWARE		1	2	3	4	5	6	7	8	
		Cash Flow - Option 1	Cash Flow - Option 2	Cash Flow - Option 3	Cash Flow - Option 4	Cash Flow - Option 5				
Summary of Comparison of Options Canoga Connect	High Density Mixed Use Site - East of Tracks: Site B	Low Density Light Industrial Site - East of Tracks: Site C	Retail Site - West of Tracks: Site A - North	Residential Site - West of Tracks: Site A - South	Residential Site - West of Tracks: Site A - South					
	4.6 Acres 370,000. GFA 200,000. SqFt	4.6 Acres 126,300. GFA 200,000. SqFt	.7 Acres 11,800. GFA 29,000. SqFt	1. Acres 127,600. GFA 45,000. SqFt	1. Acres 127,600. GFA 45,000. SqFt					
	Mixed Use Under Review	Industrial Under Review	Retail Under Review	Residential Under Review	Residential Under Review					
Estate Master for Excel Licensed to: IBI GROUP										
REVENUE										
Total Sales Revenue	65,986,036	24,425,250	3,279,883	13,274,640	18,540,000					
Less Selling Costs	(3,299,302)	(1,221,263)	(163,994)	(663,732)	(927,000)					
NET SALE PROCEEDS	62,686,735	23,203,988	3,115,889	12,610,908	17,613,000					
Rental Income	59,157,841	25,277,594	3,280,061	-	-					
Less Outgoings & Vacancies	(5,779,578)	(2,527,759)	(225,157)	-	-					
Less Letting Fees	-	-	-	-	-					
Less Incentives (Rent Free and Fit Out Costs)	-	-	-	-	-					
Less Other Leasing Costs	-	-	-	-	-					
NET RENTAL INCOME	53,378,263	22,749,834	3,054,904	-	-					
Interest Received	-	-	-	-	-					
Other Income	-	-	-	-	-					
TOTAL REVENUE	116,064,998	45,953,822	6,170,793	12,610,908	17,613,000					
Less Nil Tax paid	-	-	-	-	-					
TOTAL REVENUE	116,064,998	45,953,822	6,170,793	12,610,908	17,613,000					
COSTS										
Land Purchase Cost	-	-	-	-	-					
Land Transaction Costs	-	-	-	-	-					
Construction (inc. Construct. Contingency)	39,020,069	13,893,000	1,912,662	11,153,132	15,577,000					
Professional Fees	4,877,509	1,736,625	239,083	1,394,142	1,947,125					
Statutory Fees	-	-	-	-	-					
Infrastructure Costs	456,813	456,813	109,253	141,091	141,091					
Parking Construction Costs	11,421,500	661,500	133,000	3,210,000	2,100,000					
Miscellaneous Costs 3	-	-	-	-	-					
Project Contingency (Project Reserve)	2,788,795	837,397	119,700	794,918	988,261					
Land Holding Costs	-	-	-	-	-					
Pre-Sale Commissions	-	-	-	-	-					
Finance Charges (inc. Line Fees)	-	-	-	-	-					
Interest Expense	9,989,789	3,053,579	463,142	563,398	700,430					
Plus Corporate Tax	-	-	-	-	-					
TOTAL COSTS	68,554,474	20,638,914	2,976,840	17,256,681	21,453,906					
PERFORMANCE INDICATORS										
Gross Development Profit ¹	47,510,524	25,314,909	3,193,953	(4,645,773)	(3,840,906)					
Net Developer's Profit after Profit Share ²	47,510,524	25,314,909	3,193,953	(4,645,773)	(3,840,906)					
Development Margin (Profit/Risk Margin) ³	66.12%	115.80%	101.69%	(25.92%)	(17.16%)					
Target Development Margin	20.00%	20.00%	20.00%	20.00%	20.00%					
Residual Land Value (Target Margin) ⁴	19,523,482	12,440,319	1,518,228	(6,634,341)	(6,704,890)					
Breakeven Date for Cumulative Cash Flow ⁵	Jan-2020	Jan-2020	Jan-2020	N.A.	N.A.					
Discount Rate (Target IRR)	10.00%	10.00%	10.00%	10.00%	10.00%					
Net Present Value ⁶	652,837	4,459,448	446,530	(5,228,821)	(4,741,658)					
Benefit Cost Ratio ⁸	1.011	1.254	1.178	0.687	0.772					
Project Internal Rate of Return (IRR) ⁹	10.19%	13.55%	12.54%	(24.46%)	(15.13%)					
Residual Land Value (NPV) ¹⁰	652,837	4,459,448	446,530	(5,228,820)	(4,741,658)					
Maximum Debt Exposure	43,923,513	13,189,001	1,885,273	12,519,962	15,565,107					
Date of Maximum Project Overdraft	Jan-2010	Jan-2010	Jan-2010	Jan-2010	Jan-2010					
Breakeven Date for Project Overdraft ¹¹	Jan-2020	Jan-2018	Jan-2019	N.A.	Jan-2011					
Total Equity Contribution	14,641,171	4,396,334	628,424	4,645,773	5,188,369					
IRR on Equity ¹²	15.55%	21.34%	19.92%	N.A.	N.A.					
Weighted Average Cost of Capital (WACC)	3.38%	3.37%	3.38%	3.28%	3.38%					
YIELD ANALYSIS										
	Qty	Area	Qty	Area	Qty	Area	Qty	Area	Qty	Area
SALES		SqFt		SqFt		SqFt		SqFt		SqFt
Residential - 1 Bedroom Units	0	46,800	0	0	0	0	71,600	0	100,000	
TOTAL	0	46,800	0	0	0	0	71,600	0	100,000	
TENANCIES		SqFt		SqFt		SqFt		SqFt		SqFt
Commerical Office		168,800		0		8,100		0		0
Retail Shops		4,900		0		3,700		0		0
Industrial Units		32,500		126,300		0		0		0
TOTAL		206,200		126,300		11,800		0		0
Footnotes (based on current Preferences):										
1. Development Profit: is total revenue less total cost including interest paid and received										
2. Developer's Net Profit after distribution of profit share.										
3. Development Margin: is profit divided by total development costs (inc selling costs).										
4. Residual Land Value: is the maximum purchase price for the land whilst achieving the target development margin.										
5. Breakeven date for Cumulative Cash Flow: is the last date when total debt and equity is repaid (ie when profit is realised).										
6. Net Present Value: is the project's cash flow stream discounted to present value. It includes financing costs but excludes interest and corp tax.										
8. Benefit:Cost Ratio: is the ratio of discounted incomes to discounted costs and includes financing costs but excludes interest and corp tax.										
9. Internal Rate of Return: is the discount rate where the NPV above equals Zero.										
10. Residual Land Value (based on NPV): is the purchase price for the land to achieve a zero NPV.										
11. Payback date for the equity/debt facility is the last date when total equity/debt is repaid.										
12. IRR on Funds Invested is the IRR of the equity cash flow including the return of equity and realisation of project profits.										