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"We want to dispel the notion that the university is a commuter campus.... We need to think of our campus as less of a classroom and more of an experience."

- Taylor Randall, President, University of Utah

KEY METRICS

588 Beds of On-Campus Sustainable Student Housing

Filling Part of the Demand for 5,000 New Beds by 2027

Public Private Partnership with the University of Utah

~\$1MM Scholarships Funded in Initial 10 Years

Net-Zero Building // Mass Timber // \$142MM Value // \$7MM NOI
\$113MM COST // 6.3% YOC // 8.7% Stab. Cash on Cash

EXECUTIVE SUMMARY

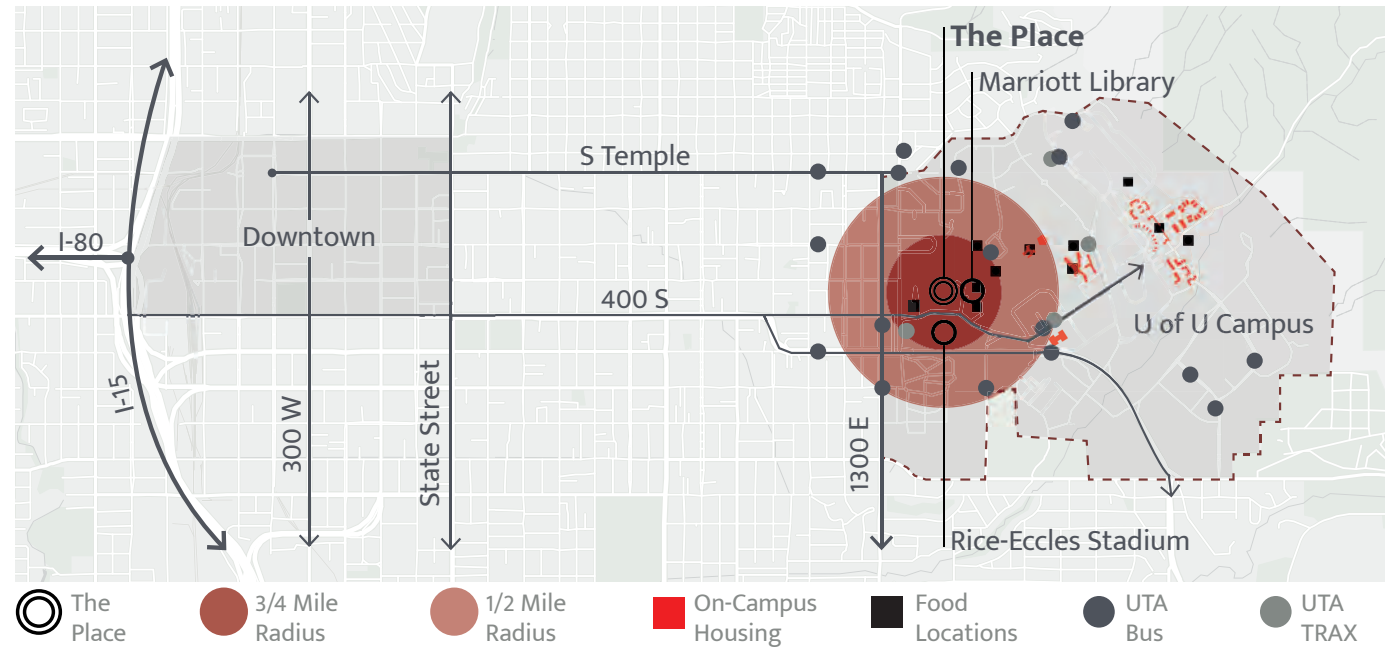
The Place is a **best in class, mixed use student housing project** on the University of Utah Campus. It will lead the charge in sustainability, innovation, and affordability. The project is ideally located in the heart of campus. The Place connects students, faculty, staff, and visitors to a dynamic environment filled with benefits. This central hub provides eateries, a café, a gym, ample lounge space and other amenities for socializing. The Place is more than a typical dormitory, it's a social, living experience that will enhance the education of the students for many years to come.

LOC set out to create an **impactful & economically feasible** project in today's increasingly difficult economic environment. We explored various asset classes as well as locations. We determined that on-campus student housing would not only **fill a need**, but provide a **meaningful return** to investors, the University of Utah, and its students.



CONTEXT

The Place is strategically located in the heart of campus to provide convenient access for students to the Marriott Library, Rice Eccles Stadium, TRAX, Academic Buildings, President's Circle, & other existing amenities. This location is highly connected to multiple transportation modes to increase accessibility to the greater Wasatch Front.

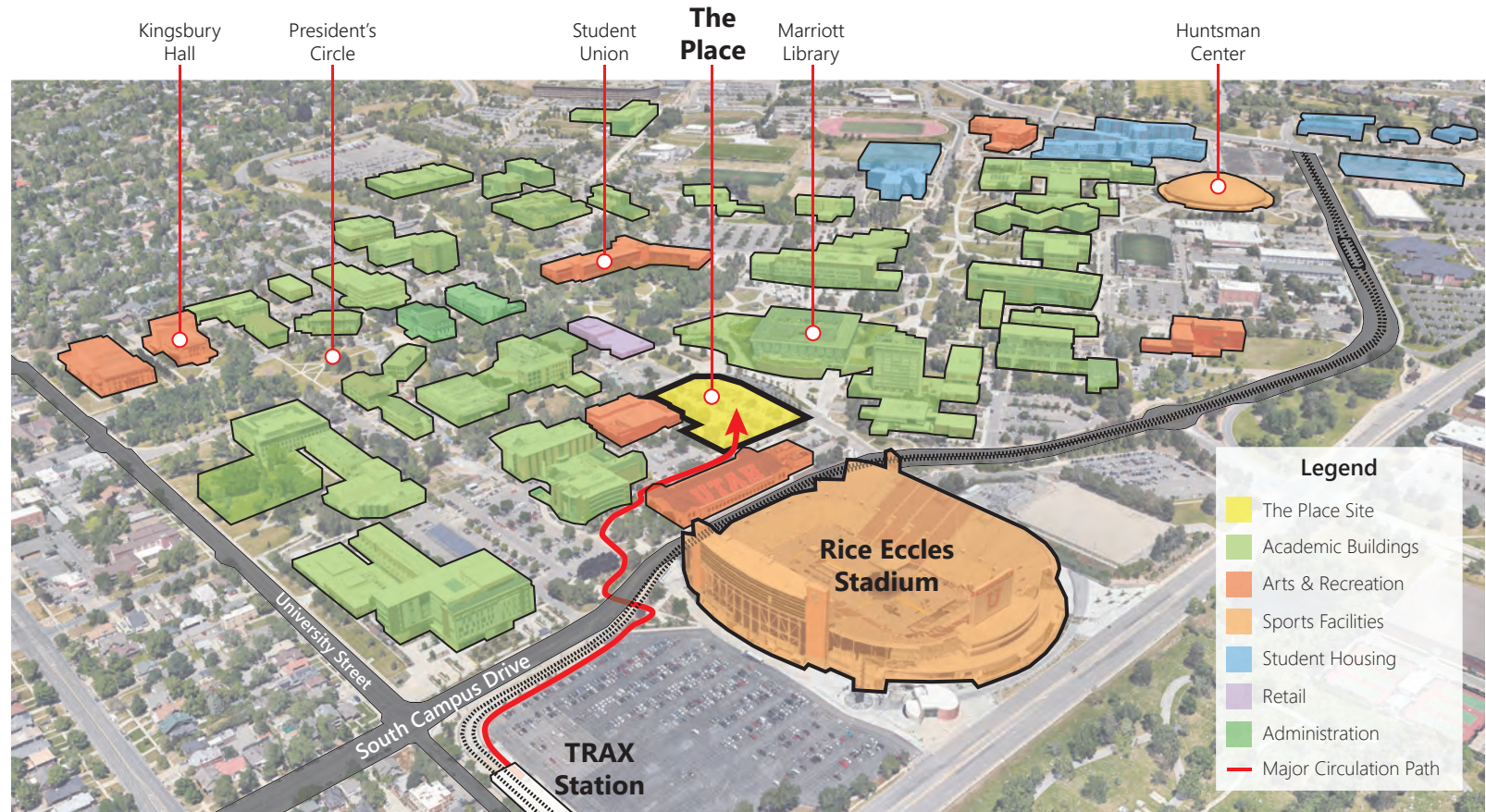


3 TRAX stops from Downtown SLC

5 Golf courses within 3 miles

6 Ski resorts within 30 miles

9 Trail heads for hiking and mountain biking within 3 miles



HIGHEST & BEST USE

Physically Possible

The building height, massing & structure strategically targets Type IV-C construction from the International Building Code. It is highly economical & ensures that all mass timber can remain exposed. USGS Maps indicate the water table is greater than 100 ft below the surface. Geotech also indicates the soil can support The Place.

Legally Permissible

The university is exempt from city zoning via Utah State Code 10-9a-304 & has the authority to build student housing. Final leadership approval is required from the Utah Board of Higher Education.

Financially Feasible

Financial analysis, as shown on subsequent pages, indicates the Place is feasible given current market conditions. It also maximizes shared value creation for its investors, the University Foundation, the Scholarship Fund, and its students.



Maximally Productive

The U of U is far behind other PAC-12 schools with their housing options & on campus amenities. To remain competitive, under-utilized sites such as this need to be transformed into student communities. The University is currently exploring plans to expand on-campus housing.

The site, also known as Lot 6, is currently utilized for parking. It's not fulfilling its greatest potential. The Place will replace this lot and will infuse the heart of campus with over 550 beds. It will also provide substantive retail & amenity space at the intersection of existing circulation paths that are some of the most trafficked on campus.

The Place will become a magnet for activity. On football game days, the project will host activities & a procession for students to march directly to the stadium to cheer on The Utes as the MUSS!



DEMAND

Supply & Demand

Demand for housing is extremely high at the University of Utah. During the Fall of 2022 there were **3,000 students on a waiting list** for on-campus housing. The University of Utah **needs 5,000 new beds** built within the next five years to keep pace with demand. The Place will assist in filling this need with a best-in-class product, giving students an on-campus housing option that is more than just a dormitory.

"Students who live on campus graduate more quickly, get more engaged (and) are more successful."

- Andrea Thomas, Chief Experience Officer, University of Utah



Feasibility through Partnership

To fulfill their housing needs, the University prefers to utilize a Public Private Partnership with a developer. The university requires an in-house approval process that includes a feasibility study, a design study & final leadership approval from the Board of Utah Higher Education.

Recession Resistant Asset Class

As Universities compete with online education, they need to set themselves apart through placemaking and creating an environment where students will thrive. During economic downturns, schools often thrive due to an increase in people seeking skill and educational development.

Current Supply & Demand

Enrollment	34,464
Current Housing	5,837
U's Fall 2022 Waitlist	3,000
Percentage of Students On Campus	17%
U's Bedroom Goal by 2027	10,837
U's Student Goal by 2027	40,000
New Bedrooms	5,000
Percentage of Students On Campus	27%

Supply Pipeline

Project	Size (Beds)	Delivery Date	Status
University West Village	504	Jul-23	U/C
Kahlert Village	430	Aug-23	U/C
Ivory University House	552	Aug-23	U/C
Prosperity Epicenter	775	Aug-24	U/C
Construction Pipeline	2,261		
The Place	588	Jul-26	Proposed
Total Pipeline	2,849		
U's New Bed Goal by 2027	5,000		
Surplus (Shortage)	(2,151)		

Student Housing Analysis

School	Utah Universities				Pac-12 Universities						
	UofU	BYU	Utah Valley	Utah State	Colorado	Arizona	Arizona State	Oregon	Oregon State	Washington	Washington State
Fall 2022 Occupancy	3,000 Person Waitlist	99.1%	98.9%	97.4%	100.0%	99.7%	99.7%	95.9%	100.0%	86.6%	97.7%
Avg Rent/Bed On-Campus	\$841	\$633	\$621	\$678	\$1,471	\$975	\$1,048	\$937	\$874	\$1,517	\$706
Avg 1-Bed Rent (3-mile)	\$1,683	\$1,198	\$1,345	\$1,291	\$1,868	\$1,049	\$1,555	\$1,404	\$1,368	\$2,292	\$913
Avg 1-Bed Rent/SF (3-mile)	\$2.57	\$1.85	\$1.74	\$1.78	\$3.11	\$2.25	\$2.44	\$2.46	\$2.21	\$3.59	\$1.57

*Data from Yardi

VISION | INNOVATION

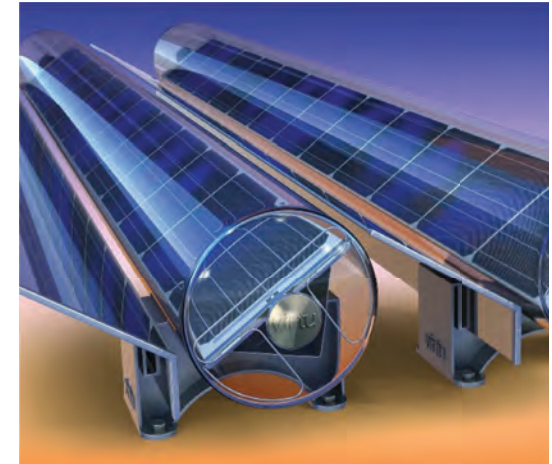
Partnership Structure

The Place is a **joint venture** between LOC & the University of Utah through a Public Private Partnership. This innovative approach to student housing will combine resources to create synergies that wouldn't exist otherwise. The whole is truly greater than the sum of its parts with this strategy.

Building Certifications

The U of U requires all new buildings to achieve, at minimum, a LEED Silver rating. The Place will go one step further by achieving **LEED Gold**. The project will also achieve **Passive House Certification**. These innovative approaches create energy-efficient buildings by utilizing superior technology & the latest advancements in building science.

Photo-Voltaic Tubes



Advancements in PVs have led to Solar Thermal Tubes which capture **both electricity and thermal energy**; doubling their effectiveness compared to typical PVs. They can also be installed in both vertical & horizontal planes.

Prefab Construction



The Core building components will utilize offsite prefabrication which **reduces on site assembly & waste**. It also ensures **greater precision & longevity**. Quality is significantly improved using this method of construction.



PUBLIC PRIVATE PARTNERSHIP STRUCTURE

A Conversation with John Creer, Chief Real Estate Office, University of Utah

U of U Student Housing Goals

- Facilitate the development of **5,000 new beds** on-campus & 5,000 new beds off-campus.
- Transfer risk:** Utilize external funds to increase the University's housing inventory. The U does not want to add debt to its balance sheet.
- Maximize shared value** to the University by way of placemaking & moneymaking.
- Fund the University of Utah Growth Foundation**—a non-profit private foundation for advancing the purposes of the University.

Partnership Structure

LOC	67.5%
University Foundation	30.0%
Scholarship Fund	2.5%
Total	100.0%

"I'd do it. [The Place] sounds like a great project. However, the University does not want to do a one-off, it would need to be programmatic."

- John Creer, Chief Real Estate Officer,
University of Utah

Important Considerations

- The University does not want a major discrepancy in housing stock. The Place should **complement** the rest of the on-campus housing & be in line with other rents. **The Place is in line on a nominal basis with other rents on campus & in many cases is cheaper on a \$/SF basis. Some of the amenities like the gym & retail will be available for all students to use.**
- The U wants a **presence** or space within our project to control how students engage with the property. **The Place will provide 2,000 SF of retail space for the University to use for its needs—perhaps for tutoring, counseling, or remote classrooms.**
- There are University **emissions & carbon standards** that The Place will be required to meet. **The Place will meet or exceed all University requirements.**
- The University of Utah is already building **parking** structures and replacing the parking is sufficient & melds into the overall parking stock.
- According to the University, LOC should demonstrate a "normal and customary **return**". **A 6.3% YOC & 19% IRR are reasonable. Not excessive, but worth doing.**

Appropriate Structure

- The University of Utah will **lease the land** for The Place to a partnership with the University of Utah Growth Foundation & LOC for \$1/year for 99-years.
- The **Foundation will receive 30%** (the equivalent of the market value of the land) in the partnership. After all debt service and LOCs initial investment of \$30.2MM is paid back, all **cash flow will be split** at the pro-rata share. This allows the University to participate in the upside & control while equity is paid back in a reasonable timeframe & compensated for its risk.
- The partnership carves out 2.5% of all operating & financing revenue for a **Scholarship Fund** anticipated to give **\$1MM in scholarships** over the first 10-years of project operations in order to improve affordability.
- The University of Utah will have a **right of first refusal** should LOC ever seek to sell its interest in the partnership and property.
- The housing stock will be entered into the University **rental portal** allowing the University to control the student experience.
- The Place will be the **first of 6-8 on-campus student housing projects** that LOC & the University will joint venture to fulfill the need for 5,000 additional beds.

VISION | DIVERSITY, EQUITY, & INCLUSION

Studies have shown that one of the most effective ways to pull people out of poverty is through **integrating the rising generation from all socio-economic backgrounds**. A barrier to integrating students is affordability. Thus, to keep The Place affordable to all students, 2.5% of the cash flow will be contributed to a Needs-Based Housing Scholarship Fund.

Current & future students housed at The Place are invited to apply for assistance from the scholarship fund to be applied to their living expenses. It is anticipated that approximately **\$1,000,000 in scholarships** will be awarded within the first 10 years of The Place being occupied.

LOC will conduct extensive community outreach to ensure the most disadvantaged are aware of the great opportunities that come from living on campus. The Place will be designed and constructed to be barrier free & will strictly follow all ADA requirements. **Efforts will be made to create a diverse, equitable & inclusive living environment for all students.**



VISION | SUSTAINABILITY

Sustainability is permeated throughout The Place. It focuses on reducing energy consumption & promoting conservation. It also uses efficient design, construction, waste & transportation strategies.



Carbon Footprint

On Campus Student Housing is inherently sustainable by greatly **decreasing commuting miles** & **promoting walkability**. Reducing the project's carbon footprint is a core consideration. Thus, the mass timber structure was specifically chosen for its ability to **sequester carbon**.



Health & Wellness

Careful attention will be given to improve health & wellness by implementing principles of **biophilia** (the instinct to connect with nature). Connection to nature is proven to improve mental health & cognitive abilities as well as reduce absenteeism. The Place will reduce stress and anxiety.



Timeless Beauty

Arguably the most important factor for sustainability. We need future generations to value our designs in order to ensure they remain standing decades from now. Beautiful buildings don't often get torn down. The Place is imbued with a sense of beauty and will stand the test of time.



Net Zero Energy

All required energy will be provided by on site renewable energy generation & through Rocky Mountain Power's Blue-Sky Program. As well, all appliances & MEP will be 100% electric. Electrical Vehicle Charging Stations will also be provided.



Water Conservation

Drought conditions have made this a paramount consideration. The Place will utilize low flow fixtures and appliances. It will harvest Grey Water for landscaping & toilet needs. Drought tolerant & native plantings will also be used.

GREEN LOANS

Lenders are competing more for sustainable development projects as they strive to meet their goals. Consequently, Green Loans are attainable for The Place based on industry expert feedback. The benefits from a lender's perspective are:

Financial: Lower credit risk, higher cash flows, & higher property value

Social: Greater affordability, higher quality, healthier, & more durable housing

Environmental: Improved energy use, water resources, & greater resiliency



Wells Fargo Construction Loan

The Place meets **all program requirements:**

- LEED Gold Certification (or higher)
- Electric HVAC Systems
- 50% of building utilization powered by re-newables (on or off-site)
- Proof of Product Specific Environmental Product Declaration (EPD) for window/glazing systems, concrete, steel, & roofing

Program benefits

- 15 bps spread reduction

Benefits to The Place

- Reduces overall construction pricing from SOFR + 300 to SOFR + 285
- Spread reduction saves ~\$200k in construction interest carry

WELLS FARGO

Fannie Mae Permanent Loan

The Place meets **all program requirements:**

- Possess a nationally recognized, current Green Building Certification
- Property improvements that target reductions in energy &/or water use
- Energy Star appliances

Program benefits

- Preferential pricing provides a ~20-30 bps spread reduction
- Additional loan proceeds

Benefits to The Place

- Reduces overall permanent loan pricing from 10-yr Treasury + 170 conservatively to 10-yr Treasury + 150
- Spread reduction saves interest expense of ~\$1.7MM over the course of 10 years



INFLATION REDUCTION ACT

Under the Inflation Reduction Act (IRA), there are three energy related tax incentives that The Place can utilize. These tax incentives can be combined. They include the tax deduction known as 179D, the tax credit known as 45L, and the Investment Tax Credit for Eligible Clean Energy.

179d Tax Deduction – Commercial Building Efficiency

Receive up to \$5.00 per square foot for energy-efficient improvements made to lighting, HVAC, and building envelop systems that exceed industry standards.

45L Tax Credits – Large Residential Efficiency

Tax incentive related to commercial real estate that provides a tax credit of up to \$5,000 per dwelling unit to developers and builders of energy - efficient residential buildings that exceed energy code requirements.

Investment Tax Credit for Eligible Clean Energy

ITC of 30% of total project cost for eligible clean energy technologies like solar, dynamic glass, and battery storage. For informational purposes only—there are additional "bonus" opportunities that could increase the incentive up to 60%.

179D Tax Deduction Amount

Per Annual Energy Cost Reduction Compared to Baseline				
Energy Reduction	25.0%	30.0%	40.0%	50.0%
250,000 SF				
No Prevailing Wage	\$0.50/SF	\$0.60/SF	\$0.80/SF	\$1.00/SF
Tax Deduction	\$125,000	\$150,000	\$200,000	\$250,000
Prevailing Wage	\$2.50/SF	\$3.00/SF	\$4.00/SF	\$5.00/SF
Tax Deduction	\$625,000	\$750,000	\$1,000,000	\$1,250,000

*Sources: <https://ics-tax.com/news/inflation-reduction-act-179d/>; <https://www.mossadams.com/articles/2022/08/inflation-reduction-act-irc-section-179d>; The Real Estate Roundtable, "Inflation Reduction Act of 2022 Fact Sheet:

Total Tax Incentives

179d Tax Deduction	\$750,000
45L Tax Credit	\$1,150,000
Clean Energy Tax Credit	\$223,800
Total Tax Incentives	\$2,123,800

45L - Residential Efficiency

Per Housing Unit Tax Credit Amount		
230 Units	Energy Star	Zero Energy Ready
No Prevailing Wage	\$500/unit	\$1,000/unit
Tax Credit	\$115,000	\$230,000
Prevailing Wage	\$2,500/unit	\$5,000/unit
Tax Credit	\$575,000	\$1,150,000

Source: <https://ics-tax.com/news/the-inflation-reduction-act-impact-on-45l-tax-credit/>; <https://brayn.com/inflation-reduction-act-45l-179d/>.

The Place will pay workers at a **prevailing wage** (currently greater than \$16.20/hour in SLC), thus qualifying for additional tax incentives.

Eligible Clean Energy

6% base credit + 24% for prevailing wage = 30% ITC	
400 Watt Solar Panels	746
Cost/Panel	\$1,000
Total Cost	\$746,000
Total Tax Credit (30%)	\$223,800

SUSTAINABLE DESIGN

Moving 588 college students to on-campus housing from an average distance of 4 miles away could reduce their annual carbon footprint by **310.5 metric tons of CO2 emissions**.

This is equivalent to burning 352,972 pounds of coal, driving 745,469 miles, or the energy use of 35 homes for one year.

Energy Absorption

Solar/thermal tubes, a new innovation that captures both electricity & thermal energy from the sun. Doubles the amount of energy captured compared to typical PVs.

Summer Sun

Sunshading

Louvered/perforated shade devices protect glass on South/West facades from harsh solar gain during warmer months, reducing energy required for cooling loads.

Winter Sun

Thermal Mass

A thermal battery that extracts excess heat from the air to passively cool the space in the summer. Also absorbs solar gain during winter months to provide passive heating.

Optimal Mech Systems

Efficient heating/cooling systems include VRF (Variant Refrigerant Flow) tech which is tied into the thermal tubes & a ground source heat pump. In addition, an energy recovery ventilator provides fresh air with negligible energy loss.

Envelope Performance

R40 Walls & R60 Roof Insulation combined with ultra air/water/vapor tightness as required for Passive House Certification.

Passive Cooling

“Night flush cooling” is a passive strategy that uses cross ventilation at night to pull heat that was absorbed from thermal mass during the day & transfer it outside.

Floor Plan Efficiency

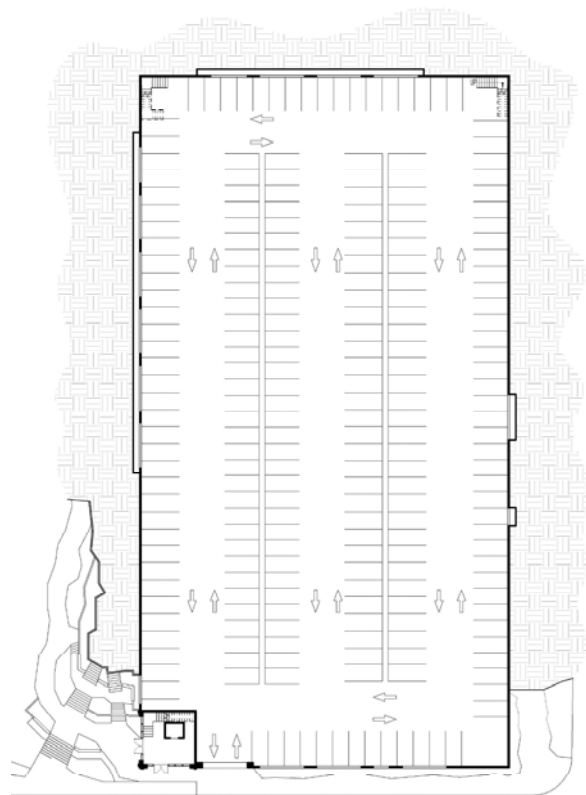
Three levels of living space are accessed from one corridor. Using this skip/stop circulation reduces necessary square footage & materials by 12% compared to typical circulation methods.

Mass Timber

Wood is the MOST SUSTAINABLE building product we have since it is a renewable resource. All wood will be sourced according to requirements from the Sustainable Forestry Initiative (ensures extracted trees are replaced). Wood also has the added benefit of sequestering carbon, which is crucial in our fight against climate change.



MASSING & PARKING

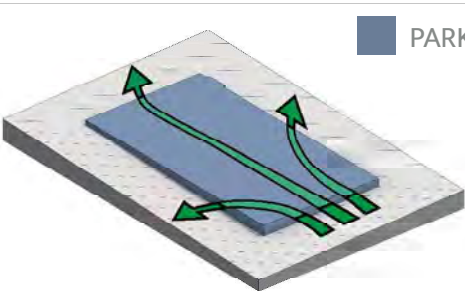


Parking Plan

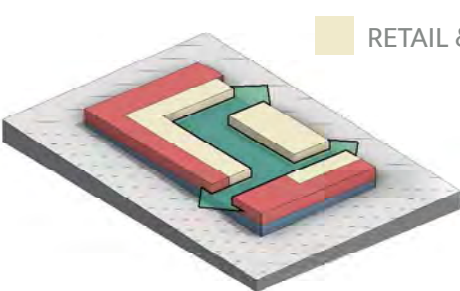


All existing parking stalls on the site will be replaced. As stated previously, the U is already in process of building additional on-campus parking structures to add to their current stock. There will be an abundance of available parking for the residents of The Place. The U has vetted our parking plans and have indicated that no additional parking beyond what we are providing is necessary.

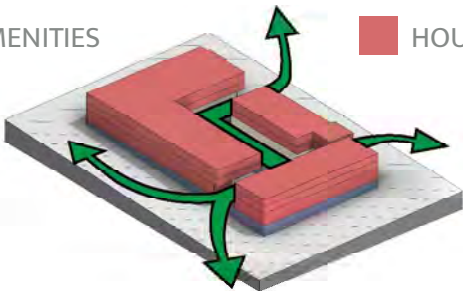
The building mass is designed to minimize view impact from Marriott Library, which sits above The Place. The mass is also sized to be most efficient to the requirements of the International Building Code, reducing costs.



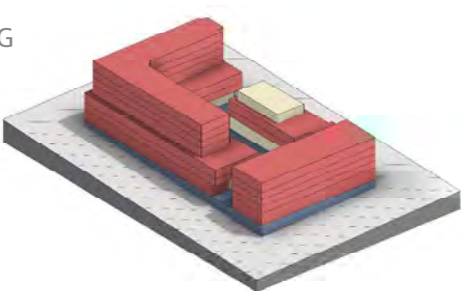
Podium Parking
Open Air & Naturally Ventilated
Partially Submerged, No Ramps Req'd



Ground Level
Central Community Courtyard
Multi-Use with Year-Round Activity



Lower Mass
Aligned to Major Circulation Paths
Highly Permeable Massing



Total Mass
5 & 7 Story Buildings
250K Total Building Square Footage

SITE PLAN



SITE PLAN - AT GRADE

- Accessibility to Food Options (including cafe & restaurant)
- Gym - Open to all University Students
- Micro-mobility Parking
- Secured Residential Access to Suites, Storage & Study Rooms
- Ambient Respite - Seating & Firepits



SITE PLAN - ROOFTOP

- Outdoor Spa
- Seating & Firepit Lounge Areas
- Access to Residential Clubhouse
- Study Areas
- Expansive Views of Campus & the Wasatch Front

RESIDENTIAL UNITS

Unit Mix

Unit Type	SF	Total SF	Units	% Units	Beds	SF/Bed	% Beds	Rent / Bed	Rent / Unit	Rent / SF	Annualized Rent
Studio	420	\$41,160	98	42.6%	98	420	16.7%	\$1,600	\$1,600	\$3.81	\$1,881,600
2BR/2BA	810	\$31,590	39	17.0%	78	405	13.3%	\$1,400	\$2,800	\$3.46	\$1,310,400
2BR/2BA Shared	1,030	\$6,180	6	2.6%	24	258	4.1%	\$850	\$3,400	\$3.30	\$244,800
3BR/3BA	950	\$22,800	24	10.4%	72	317	12.2%	\$1,300	\$3,900	\$4.11	\$1,123,200
4BR/2BA	1,030	\$14,420	14	6.1%	56	258	9.5%	\$1,100	\$4,400	\$4.27	\$739,200
4BR/4BA	1,190	\$39,270	33	14.3%	132	298	22.4%	\$1,200	\$4,800	\$4.03	\$1,900,800
8BR/8BA	2,200	\$35,200	16	7.0%	128	275	21.8%	\$1,050	\$8,400	\$3.82	\$1,612,800
Total	829	190,620	230	100%	588	324	100%	\$1,249	\$3,193	\$3.85	\$8,812,800



STUDIO //
Fully Furnished
In-Unit Laundry

Studios are in high demand for those who want the experience of living on campus, but desire privacy.



2 BEDROOM //
Private bathrooms
Shared living room and kitchen

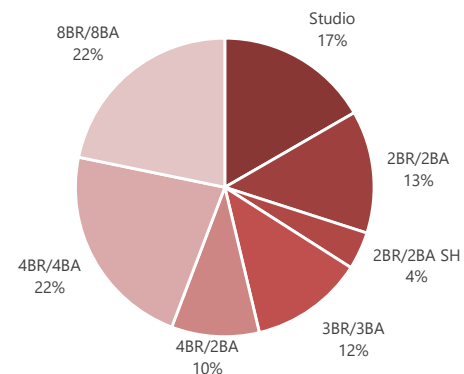


3 BEDROOM //
Private Rooms & Bathrooms
Shared Kitchen & Living Room

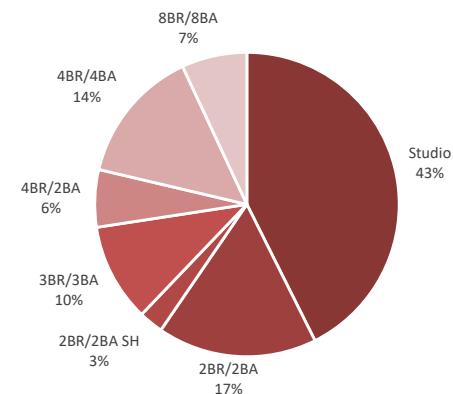


4 BEDROOM //
Private Rooms & Bathrooms
Shared Kitchen & Living Room

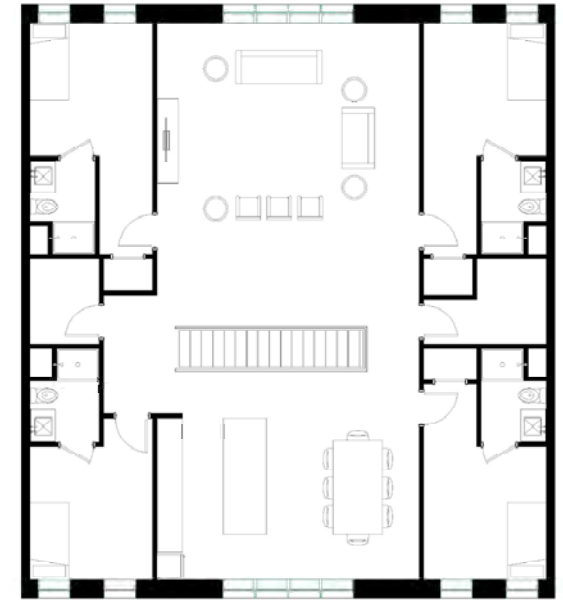
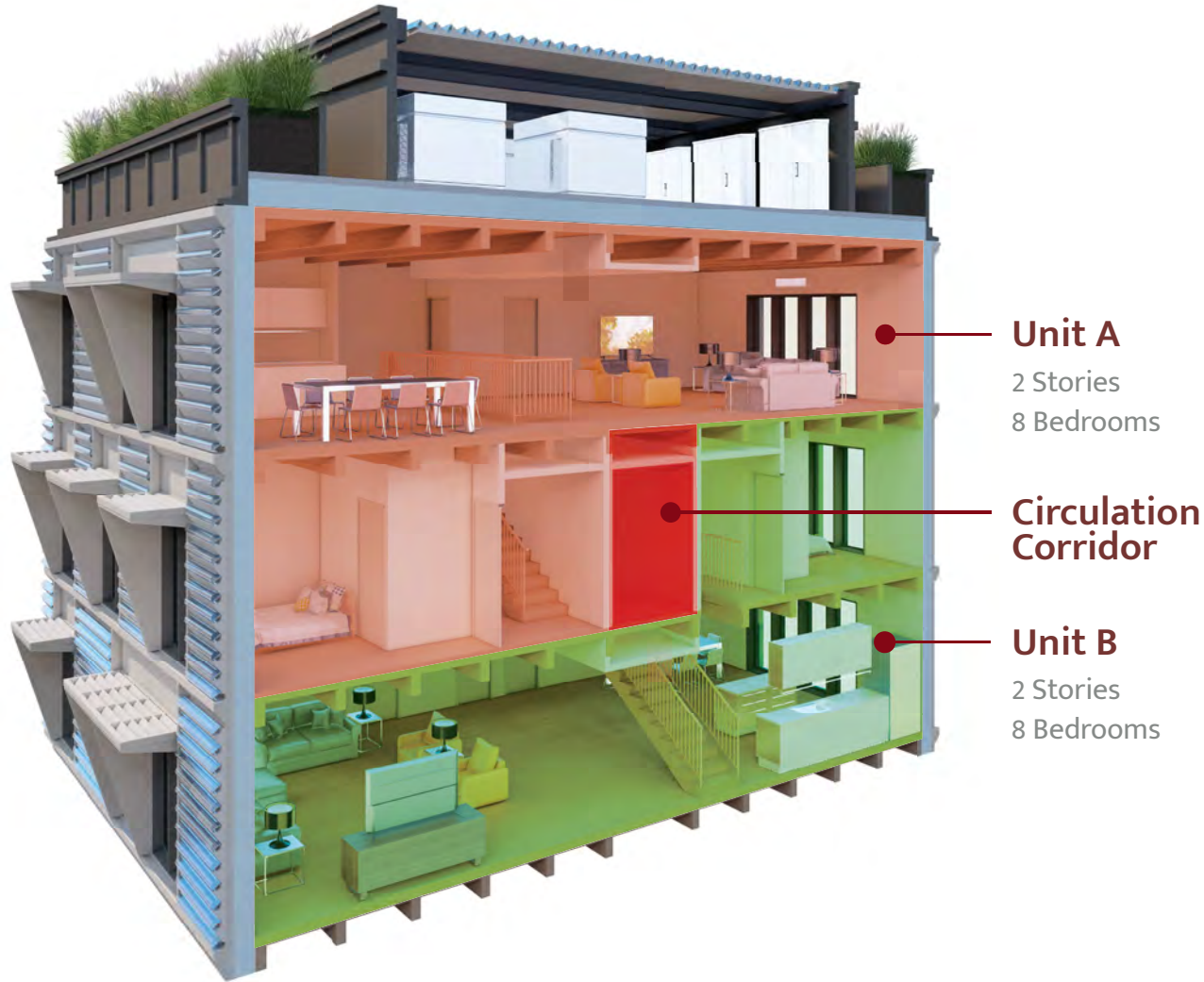
BEDROOM MIX



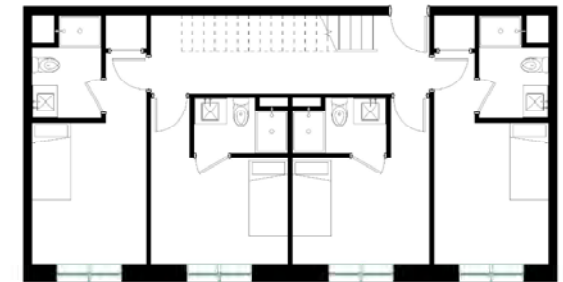
UNIT MIX



SKIP-STOP 8 BEDROOM UNIT



8 BEDROOM UNIT A
2nd Level
Views from 2 sides of the building



8 BEDROOM UNIT A
Entry Level

Skip-Stop Circulation Cross Section

This organizational strategy allows three levels of living space to be accessed from **one central circulation corridor**. This is made possible by adding interior stairs within the units to access upper and lower levels. This creates a dynamic living environment by providing views and

daylight from two faces of the building. The open floor plan will be ideal for social interaction and collaboration. In addition, **Skip-Stop Circulation requires 12% less corridor space than a typical layout**. The units target athletic, academic, or social groups who want to live together and foster unity.

RESIDENT AMENITIES



BIKE//SKI STORAGE

Provides secure and convenient space for bike and ski gear storage. Encourages eco-friendly transportation options and outdoor recreation activities.



CONFERENCE//STUDY

Collaborative space for students and staff to hold meetings, group projects, and study sessions in a professional setting.



CLUBHOUSE

Serves as a social and recreational hub for organized events, casual gatherings, and student community-building activities.



LAUNDRY

Each unit will be provided with its own dedicated laundry. Research has shown this is one of the most desirable amenities.



AMENITY DECK

Panoramic views, fresh air, and various amenities, such as seating areas, gardens, grills, and entertainment options.



SPA

This rooftop spa provides a relaxing and rejuvenating outdoor experience, promoting student wellness and self-care.

RETAIL & U of U AMENITIES



ICE CREAM PARLOR

An area to escape the stresses of academic life & to provide an ideal outlet for socializing with friends & colleagues.



RESTAURANT & CAFE

Campus lacks restaurants and cafes. The Place will provide delicious food in a sophisticated & relaxing atmosphere for occasions ranging from quick stops to special events.



MAKER SPACE

Collaborative workspace where students can share resources, tools & knowledge to create & learn.



UNIVERSITY SPACE

The Place provides classrooms, tutoring & counseling services for greater learning opportunities.



GYM

An area to alleviate stress & to provide an outlet for socializing with friends and colleagues.



MARKET//FOOD KITCHEN

Convenient access to fresh food & groceries for everyone on campus. Enhances campus life & promotes healthy eating.

PROFORMA & CAPITAL STACK

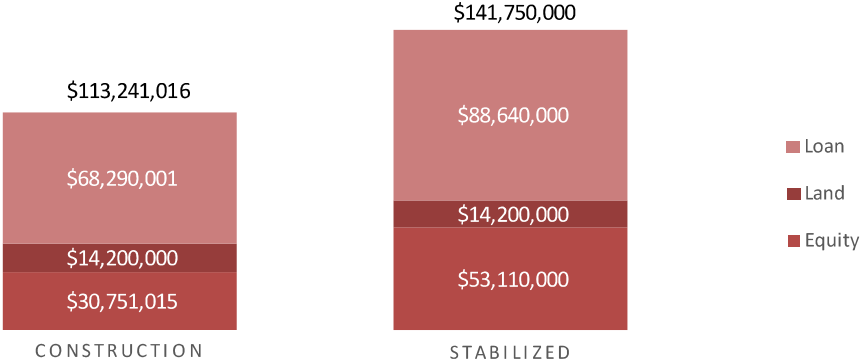
The Place Proforma

		Annual \$	/Unit/Mo.	/Bed/Mo.
RESIDENTIAL				
Gross Potential Rent		\$8,812,800	\$3,193	\$1,249
Parking		\$180,000	\$65	\$26
Other Income		\$886,752	\$321	\$126
Total Residential Revenue		\$9,879,552	\$3,580	\$1,400
Vacancy / Collection Loss	(5.0%)	(\$493,978)	(\$179)	(\$70)
Net Residential Income		\$9,385,574	\$3,401	\$1,330
RETAIL				
			/SF	
Gross Potential Rent		\$171,000	\$19.00	
Vacancy	(10.0%)	(\$17,100)	(\$1.90)	
Net Retail Income		\$153,900	\$17.10	
TOTAL INCOME		\$9,539,474	\$3,456	\$1,352
RESIDENTIAL EXPENSES				
Payroll		\$245,394	\$89	\$35
Other OpEx (Repairs, Security, Landscaping)		\$317,520	\$115	\$45
Utilities		\$564,480	\$205	\$80
Marketing		\$140,784	\$51	\$20
Management Fee	3.0%	\$281,567	\$102	\$40
Property Taxes		\$628,317	\$228	\$89
Insurance		\$127,008	\$46	\$18
Turnover		\$56,448	\$20	\$8
General & Administrative		\$84,672	\$31	\$12
TOTAL RESIDENTIAL EXPENSES	26.1%	\$2,446,190	\$886	\$347
RETAIL EXPENSES				
			/SF	
Management Fee	3.0%	\$4,617	\$0.51	
Capital Reserves		\$1,350	\$0.15	
TOTAL RETAIL EXPENSES		\$5,967	\$0.66	
TOTAL EXPENSES		\$2,452,157	\$888	\$348
TOTAL PROJECT NOI				
		\$7,087,317	\$2,568	\$1,004
			/Unit	/Bed
Value	5.00%	\$141,750,000	\$616,304	\$241,071
Costs		\$113,241,015	\$492,352	\$192,587
Loan Amount		\$68,290,000	\$296,913	\$116,139
	LTC 60.3%	DY		10.4%
	LTV 48.2%	YOC		6.26%

Sources & Uses

Sources			Uses		
Land	\$14,200,000	13%	Land	\$14,200,000	13%
Equity - Cash	\$30,751,015	27%	Soft Costs	\$20,542,678	18%
Construction Loan	\$68,290,001	60%	Hard Costs	\$78,498,337	69%
Total	\$113,241,016	100%	Total	\$113,241,015	100%

Capital Stack



Debt assumptions were vetted by senior bankers at Wells Fargo, PNC Bank, and Zion's Bancorporation.

Debt

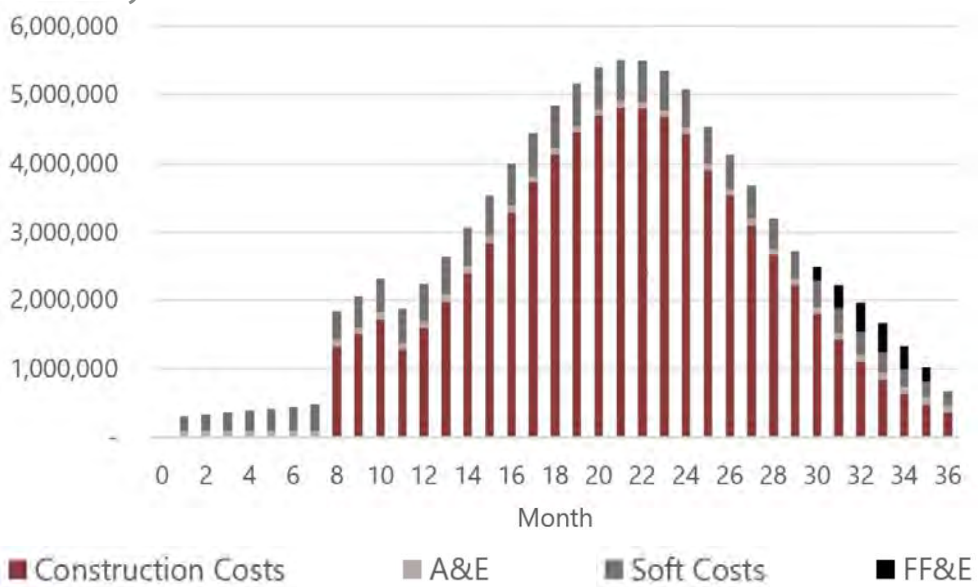
	Construction	Permanent Loan		
Source	Bank	CMBS	Agency	LifeCo
Loan Size	\$68,290,000	\$77,470,000	\$88,640,000	\$86,650,000
LTV	48.2%	54.7%	62.5%	61.1%
LTC	60.3%	68.4%	78.3%	76.5%
DY	10.4%	9.1%	8.0%	8.2%
DSCR	1.30	1.25	1.25	1.25
Interest Rate	SOFR + 2.85%	10 Yr Treas. + 2.30%	10 Yr Treas. + 1.50%	10 Yr Treas. + 1.70%
All-in Rate	7.40%	6.16%	4.94%	5.14%
Term (mo)	36	120	120	120
Amortization	None	None	3 yr I/O 30 yr am	25 yr amo

BUDGET

The Place Budget

			Per SF	Per Unit	Per Bed
Land	\$14,200,000		\$57	\$61,739	\$24,150
Hard Costs					
Site Work	\$20 /Site SF	\$2,178,000	\$9	\$9,470	\$3,704
Furniture & Fixtures	2.5%	1,962,458	8	8,532	3,338
Building Costs	\$242 /SF	60,500,000	242	263,043	102,891
Parking	\$37,250 /Stall	8,381,250	34	36,440	14,254
HC Contingency	7.5%	5,476,628	22	23,811	9,314
Total Hard Costs		\$78,498,337	\$314	\$329,010	\$128,695
Soft Costs					
Architects & Engineers	4.5%	\$3,532,425	\$14	\$15,358	\$6,008
Builder's Risk	1.0%	784,983	3	3,413	1,335
Legal & Misc.	1.0%	784,983	3	3,413	1,335
Development Overhead	4.0%	3,139,933	13	13,652	5,340
Leasing / Pre-Opening	1.0%	784,983	3	3,413	1,335
Construction Loan Fees / Costs	1.0%	682,900	3	2,969	1,161
Interest Reserve (% Avg Loan Bal)	65.0%	9,854,247	39	42,845	16,759
Soft Cost Contingency	5.0%	978,223	4	4,253	1,664
Total Soft Costs		\$20,542,678	\$82	\$89,316	\$34,937
Total Project Costs		\$113,241,015	\$453	\$418,326	\$163,631

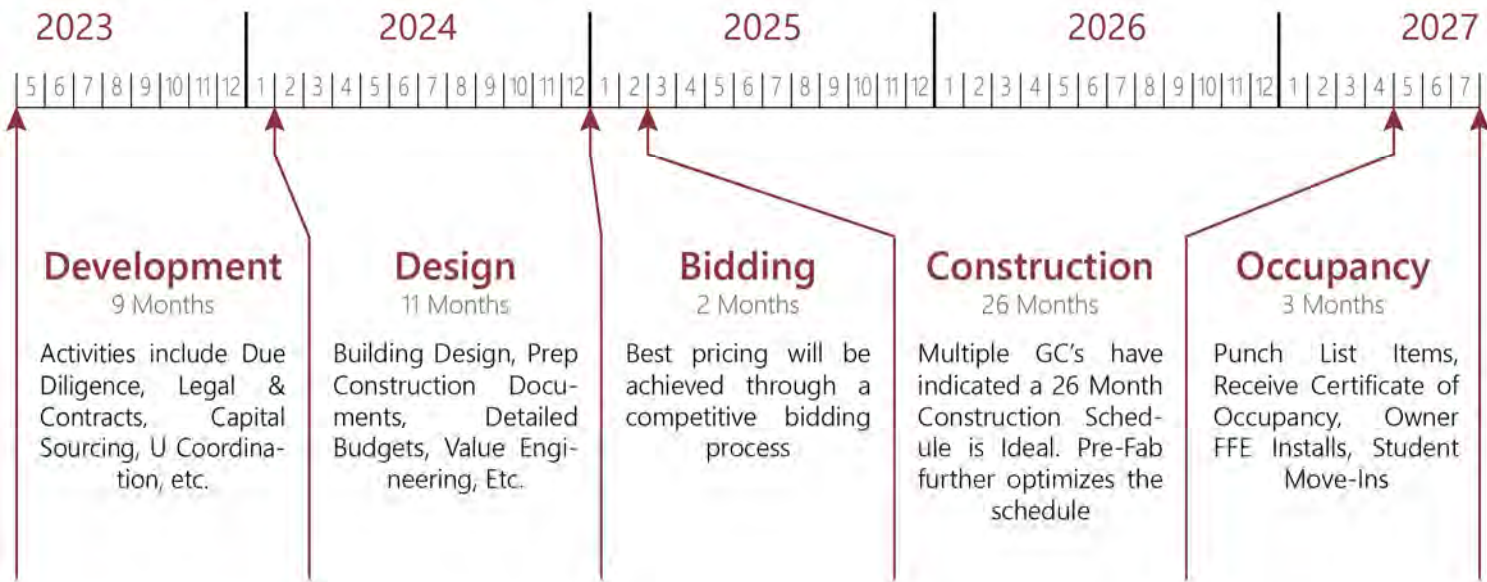
Uses by Month



We consulted with industry experts including **Jacobsen Construction & The Gardner Group** to ensure the budget for The Place is feasible.



PROJECT TIMELINE



The Place has been planned with an extended timeline to allow **ample flexibility** in the schedule. This will ensure The Place is delivered and occupied by the Fall 2027 Semester.




UNDERWRITING BACKUP

Student Housing Sales Comparables

Property Address	University	# of Units	# of Beds	Year Built	Sale Date	Sale Price	Cap Rate	Price/Unit	Price/Bed
Sol y Luna	University of Arizona	340	972	2014	Nov-22	\$203,000,000		\$597,059	\$208,848
Vertex	Arizona State	213	600	2015	May-22	\$108,500,000	3.86%	\$509,390	\$180,833
Waterloo	University of Texas	241	796	2022	May-22	\$181,000,000	3.75%	\$751,037	\$227,387
Vista West	Boise State	126	369	2015	Apr-22	\$72,550,000	3.86%	\$575,794	\$196,612
Hive9Seventy	University of Colorado	282	509	2016	Feb-22	\$189,500,000	3.25%	\$671,986	\$372,299
The M	University of Washington	230	464	2020	Sep-21	\$138,128,629	4.00%	\$600,559	\$297,691
Union Tempe	Arizona State	407	857	2018	Jan-21	\$210,000,000	4.50%	\$515,971	\$245,041
Student Housing Comps Average						\$157,525,518	3.87%	\$603,114	\$246,959
Undisclosed*	Utah Tech University	48	288	1986	Sep-22	\$12,250,000	5.15%	\$255,208	\$42,535
The Place		University of Utah	230	588	2026	\$141,750,000	5.00%	\$616,304	\$241,071

*Low bar trade. Inferior location, quality, & university, but in Utah but sets baseline for cap rate in the current rising interest rate environment.

Rent Comparables

	The Place	Primary Comp Set				Secondary Comp Set					
	The Place	A	B	C	D	E	F	UofColorado	UofColorado	UofA	UofA
		Kahlert Village	Ivory University House	Lassonde Studios	Marriott Honors Community	Yugo Salt Lake City L&ing	University Gardens	U Club on 28th	The Province	Aspire Tucson	Oliv Tucson
											
Units	230	300	280	200	67	129	68	100	88	149	243
Beds	588	990	536	400	349	174	158	400	314	501	705
Beds/Unit	2.6	3.3	1.9	2.0	5.2	1.3	2.3	4.0	3.6	3.4	2.9
Year Built	2027	2020	2023	2016	2012	1950	1948	2016	2014	2019	2020
2022 - 2023 Occ.		96%	NA	95%	96%	98%	100%	100%	100%	100%	100%
Pedestrian to Campus	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
Amenities		Inferior	Inferior	Comparable	Inferior	Inferior	Inferior	Similar	Similar	Similar	Similar
Unit Mix / Rents											
Studio	\$1,600	\$1,116	\$1,375	-	-	\$1,095	-	-	-	\$1,681	\$1,689
Studio Shared	-	\$1,043	\$1,250	\$1,312	-	-	-	-	-	-	-
1/1 Shared	-	-	-	\$1,144	-	-	-	-	-	-	-
1/1	-	-	-	-	-	\$1,575	-	-	-	\$1,934	\$1,800
2/1	-	\$971	-	-	-	-	\$863	-	-	-	\$1,125
2/1 Shared	-	\$907	-	\$995	-	\$1,049	-	-	-	-	-
2/2	\$1,400	\$1,039	-	-	-	\$1,439	-	-	\$1,967	\$1,559	\$1,810
2/2 Shared	\$850	-	-	-	-	-	-	-	-	-	-
3/1	-	\$806	-	-	-	-	\$853	-	-	-	-
3/2	-	-	-	-	-	-	-	-	-	-	\$1,350
3/2 Shared	-	-	-	\$1,312	-	-	-	-	-	-	-
3/3	\$1,300	-	-	-	-	-	-	-	\$1,573	-	\$1,239
4/2	\$1,100	-	-	-	\$1,163	-	-	-	-	-	\$1,050
4/2 Shared	-	-	-	\$1,237	\$1,057	-	-	-	-	-	-
4/3	-	-	-	-	-	-	-	-	-	\$1,224	\$1,174
4/4	\$1,200	-	-	-	-	-	-	\$1,671	\$1,410	\$1,617	\$1,300
5/3	-	-	-	-	-	-	\$653	-	-	-	-
5/5	-	-	-	-	-	-	-	-	-	\$1,183	-
8/8	\$1,050	-	-	-	-	-	-	-	-	-	-
Average	\$1,249	\$980	\$1,313	\$1,200	\$1,110	\$1,290	\$790	\$1,671	\$1,650	\$1,533	\$1,393
SF/Bed	324	214	402	183	339	674	337	185	386	418	356
\$/SF	\$3.85	\$5.18	\$3.31	\$7.36	\$4.23	\$2.10	\$2.62	\$4.58	\$4.26	\$3.68	\$3.97
Rent Type	Mostly Included	Mostly Included	Mostly Included	Mostly Included	Mostly Included	Excludes Utilities	Excludes Utilities	Excludes Utilities	Excludes Utilities	Mostly Included	Excludes Utilities
Conclusion	Best-in-class location, amenities, & unit mix.	Slightly inferior amenities, nice common areas with small rooms, bl&dorm style rooms	Fewer amenities, inferior location, only studios	Similar amenities but older dorm style, much smaller units	Inferior amenities, older, caters only to upperclassmen	Inferior quality, off-campus location, fewer amenities	Inferior quality, location, fewer amenities	Similar amenities, on Colorado's campus	Similar amenities, on Colorado's campus	Similar amenities, sustainable, Arizona's campus	Similar amenities, sustainable, Arizona's campus

Rent Comparables

Project	The Place	Confidential	Confidential	Confidential
University	UofU	UofU	UVU	UVU
Payroll	\$245,394	\$301,225	\$721,800	\$219,561
Utilities	564,480	902,760	962,400	279,388
Other OpEx (Repairs, Security, L&scaping)	317,520	263,800	280,700	32,431
Turnover	56,448	0	136,340	23,609
General & Administrative	84,672	81,288	120,300	40,230
Marketing	140,784	124,300	240,600	55,340
Management Fee	281,567	263,389	365,712	77,659
Property Taxes	628,317	222,000	601,500	65,750
Insurance	127,008	114,000	80,200	31,798
Total Expenses	\$2,446,190	\$2,272,762	\$3,509,552	\$825,766
Expense Ratio	26.1%	25.9%	27.7%	32.2%
Revenue	9,385,574	8,775,143	12,661,712	2,562,265

Land Sales Comparables

Property Address	Zoning	Size (Acres)	Size (SF)	Sale Date	Price/SF	Sale Price
Primary Comps:						
Downtown	TSA-UN-C	1.09	47,480	Nov-21	\$193	\$9,200,000
South Downtown	R-MU	1.94	84,506	Oct-21	\$186	\$15,700,000
Granary	FB-UN2	0.85	37,026	Sep-21	\$170	\$6,300,000
140 E South Temple	D-1	0.41	17,860	Jan-21	\$246	\$4,400,000
Sugar House	CSHBD1	1.82	79,279	Jan-21	\$158	\$12,500,000
Primary Comps Average					\$191	\$9,620,000
Subject - Recommendation from Kip Paul						
		1.63	71,000		\$200	\$14,200,000

All underwriting assumptions were vetted by industry experts such as Redstone who manages 30,000 beds, Alta Terra who has developed 50,000 beds, & The Boyer Company.

Property Taxes

Property Taxes	
Millage Rate	0.01053700
Residential Exemption Discount	0.0047165
Taxable Rate	0.00579535
Value (less land)	\$127,550,000
Assessor's Discount on Market	15%
Assessor's Value	\$108,417,500
Property Tax	\$628,317

Downtown Studio Rents

Project	Year Built	Rent
Quattro	2020	\$1,488
The Charles	2022	\$1,600
The R&i	2022	\$1,585
The Olive	2022	\$1,499
Milagro	2019	\$1,450
The Charli	2021	\$1,661
Average	2021	\$1,547
The Place	2026	\$1,600
% Premium		3.4%

KEY METRICS

IRA & Green Loans

	Project	LOC
# of Beds	588	
# of Units	230	
# of Parking Stalls	250	
Average Size/Bed (SF)	324	
Average Rent/Bed	\$1,249	
Stab. NOI	\$7,087,317	
Stab. Value	\$141,750,000	
Total Cost	\$113,241,015	
Construction Loan Size	\$68,290,000	
Permanent Loan Size	\$88,640,000	
Stab. YOC	6.26%	
Stab. Cap Rate	5.00%	
Development Spread	1.26%	
Levered IRR*	20.6%	18.1%
Unlevered IRR*	11.6%	
Equity Multiple*	4.0x	3.1x
Avg. Annual Cash-on-Cash**	19.0%	17.4%
Stab. Cash-on-Cash	8.7%	8.7%
Tax Credits	\$2,123,800	
Scholarships Funded	\$970,265	

*Based on hypothetical 10 year exit

**Based on hypothetical 10 year exit, includes cash-out refinance



The Place pencils without any special financing considerations. However, the **tax credits from the Inflation Reduction Act** and **spread reductions from Green Loans** bolster The Place's returns.

Project Level Returns

	Base	Green Loans	Delta Over Base	Inflation Reduction Act	Delta Over Base	Green Loans + IRA	Delta Over Base
Levered IRR*	19.9%	20.6%	0.70%	19.9%	0.00%	20.6%	0.70%
Equity Multiple*	4.0x	4.0x	2.01%	4.0x	0.00%	4.0x	2.01%
Avg. Annual Cash-on-Cash**	16.9%	18.0%	1.14%	17.9%	0.98%	19.0%	2.13%
Stab. Cash-on-Cash	8.4%	8.7%	0.30%	8.4%	0.00%	8.7%	0.30%
Scholarships Funded	\$914,880	\$970,265	\$55,384	\$914,880	\$-	\$970,265	\$55,384

LOC Level Returns

	Base	Green Loans	Delta Over Base	Inflation Reduction Act	Delta Over Base	Green Loans + IRA	Delta Over Base
Levered IRR*	16.7%	17.4%	0.63%	17.4%	0.71%	18.1%	1.37%
Avg. Annual Cash-on-Cash**	15.7%	16.5%	0.79%	16.6%	0.98%	17.4%	1.78%
Tax Credits	\$-	\$-	\$-	\$2,123,800	\$2,123,800	\$2,123,800	\$2,123,800

ECONOMICS

Discounted Cash Flow

Project Timeline	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12
Stabilization Timeline	Construction	Construction	Construction	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Potential Rental Income				\$10,050,552	\$10,352,069	\$10,662,631	\$10,982,510	\$11,311,985	\$11,651,344	\$12,000,885	\$12,360,911	\$12,731,739	\$13,113,691
Vacancy & Collection Loss				(511,078)	(526,410)	(542,202)	(558,468)	(575,222)	(592,479)	(610,253)	(628,561)	(647,418)	(666,840)
Effective Rental Income				9,539,474	9,825,659	10,120,428	10,424,041	10,736,762	11,058,865	11,390,631	11,732,350	12,084,321	12,446,850
Operating Expenses				(2,452,157)	(2,525,722)	(2,601,493)	(2,679,538)	(2,759,924)	(2,842,722)	(2,928,004)	(3,015,844)	(3,106,319)	(3,199,509)
Net Operating Income				\$7,087,317	\$7,299,937	\$7,518,935	\$7,744,503	\$7,976,838	\$8,216,143	\$8,462,628	\$8,716,506	\$8,978,002	\$9,247,342
Financing													
Developer Equity		(\$30,751,015)											
Net Permanent Loan Proceeds				\$20,350,000									
Permanent Loan Debt Service*				\$(4,377,043)	\$(4,377,043)	\$(4,377,043)	\$(5,669,828)	\$(5,669,828)	\$(5,669,828)	\$(5,669,828)	\$(5,669,828)	\$(5,669,828)	\$(5,669,828)
DSCR				1.62x	1.67x	1.72x	1.37x	1.41x	1.45x	1.49x	1.54x	1.58x	1.63x
Capital Expenditure Reserves				\$(35,280)	\$(36,338)	\$(37,429)	\$(38,551)	\$(39,708)	\$(40,899)	\$(42,126)	\$(43,390)	\$(44,692)	\$(46,032)
Cash Flow After Debt Service				\$23,024,994	\$2,922,894	\$3,141,892	\$2,074,675	\$2,307,011	\$2,546,316	\$2,792,800	\$3,046,679	\$3,308,174	\$3,577,514
LOC NCFADS				\$22,449,369	\$2,849,821	\$3,063,345	\$1,899,487	\$1,557,232	\$1,718,763	\$1,885,140	\$2,056,508	\$2,233,017	\$2,414,822
Scholarship Fund NCFADS				\$575,625	\$73,072	\$78,547	\$51,867	\$57,675	\$63,658	\$69,820	\$76,167	\$82,704	\$89,438
University of Utah Growth Foundation NCFADS				\$-	\$-	\$-	\$123,322	\$692,103	\$763,895	\$837,840	\$914,004	\$992,452	\$1,073,254
Tax Incentives from Inflation Reduction Act													
IRA 179d - Commercial Building Efficiency				\$750,000									
IRA 45L - Large Residential Efficiency				\$1,150,000									
Clean Energy Technology Tax Credit				\$223,800									
Total Tax Credits				\$2,123,800	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-
NCFADS + Tax Credits				\$25,148,794	\$2,922,894	\$3,141,892	\$2,074,675	\$2,307,011	\$2,546,316	\$2,792,800	\$3,046,679	\$3,308,174	\$3,577,514
LOC NCFADS + Tax Credits				\$24,573,169	\$2,849,821	\$3,063,345	\$1,899,487	\$1,557,232	\$1,718,763	\$1,885,140	\$2,056,508	\$2,233,017	\$2,414,822
Project Cash-on-Cash				81.8%	9.5%	10.2%	6.7%	7.5%	8.3%	9.1%	9.9%	10.8%	11.6%
LOC Cash-on-Cash				79.9%	9.3%	10.0%	6.2%	5.1%	5.6%	6.1%	6.7%	7.3%	7.9%
Sale Calculations													
Sale Reversion Value				\$145,998,739	\$150,378,701	\$154,890,062	\$159,536,764	\$164,322,867	\$169,252,553	\$174,330,130	\$179,560,034	\$184,946,835	\$190,495,240
Less: Costs of Sale				(3,649,968)	(3,759,468)	(3,872,252)	(3,988,419)	(4,108,072)	(4,231,314)	(4,358,253)	(4,489,001)	(4,623,671)	(4,762,381)
Remaining Loan Balance				(88,640,000)	(88,640,000)	(88,640,000)	(87,317,552)	(85,928,302)	(84,468,878)	(82,935,733)	(81,325,144)	(79,633,200)	(77,855,791)
Net Sale Proceeds				\$53,708,771	\$57,979,234	\$62,377,811	\$68,230,794	\$74,286,493	\$80,552,362	\$87,036,144	\$93,745,888	\$100,689,964	\$107,877,068
CFADS + Net Sale Proceeds + Tax Credits				\$78,857,565	\$60,902,128	\$65,519,703	\$70,305,469	\$76,593,504	\$83,098,678	\$89,828,944	\$96,792,567	\$103,998,138	\$111,454,582
LOC NCFADS + Net Sale Proceeds + Tax Credits				\$60,826,590	\$41,985,804	\$45,168,367	\$47,955,272	\$51,700,615	\$56,091,607	\$60,634,537	\$65,334,983	\$70,198,743	\$75,231,843
UofU NCFADS + Net Sales Proceeds				\$18,030,975	\$18,916,323	\$20,351,336	\$22,350,197	\$24,892,889	\$27,007,070	\$29,194,407	\$31,457,584	\$33,799,395	\$36,222,739
Sensitivity Metrics at Hypothetical Sale													
Project IRR				36.9%	31.2%	28.4%	26.4%	24.9%	23.7%	22.7%	21.9%	21.2%	20.6%
Project MOIC				2.5x	2.7x	3.0x	3.2x	3.5x	3.7x	4.0x	4.3x	4.6x	4.9x
LOC IRR				25.5%	23.9%	22.7%	21.8%	20.9%	20.1%	19.5%	19.0%	18.5%	18.1%
LOC MOIC				1.9x	2.1x	2.3x	2.5x	2.7x	2.9x	3.1x	3.3x	3.5x	3.7x

*Based on Agency Loan with 3 years of interest only before amortization begins.





THE TEAM //



RUSSELL DILWORTH

DESIGN &
FINANCE



NATHAN FRAME

BUDGET &
CONSTRUCTION



PORTER OPENSHAW

FINANCE &
DEAL STRUCTURE



ANNIKA TINGEY

GRAPHICS &
LANDSCAPE DESIGN



RAELEEE YANCEY

GRAPHICS &
LANDSCAPE DESIGN