

CAPSTONE PROJECT

Sebastian Velez - sv2604 - April 2020



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Condominio Marino

**Master of Science in Real Estate Development**

Advisor: Professor Patrice Derrington

 **COLUMBIA UNIVERSITY**  
IN THE CITY OF NEW YORK

### **Disclaimer**

The content of this document is purely academic. Negotiations and/or agreements have not been established with any of the aforementioned stakeholders.



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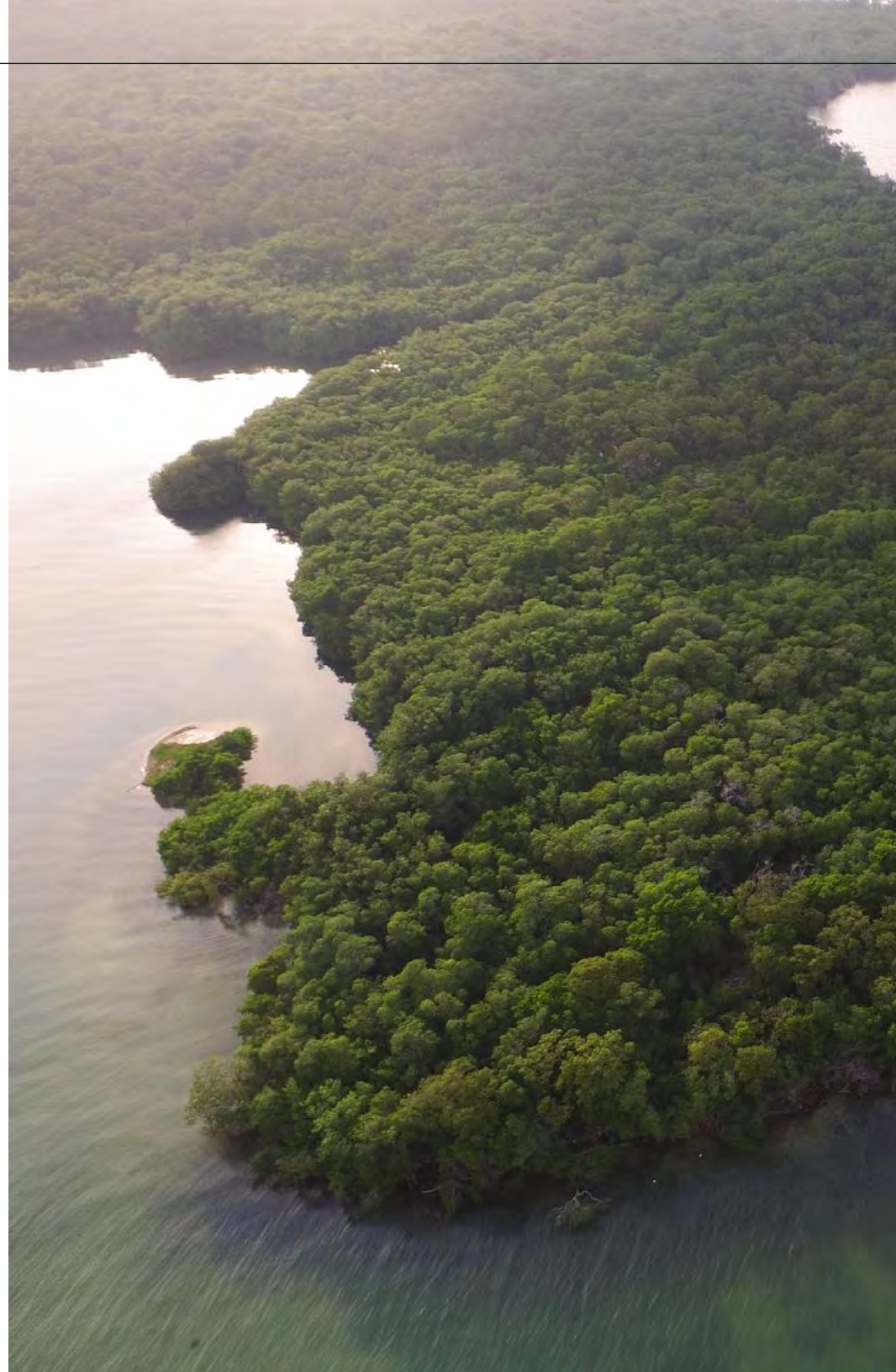
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*Aerial photo of the Masterplan site*

# EXECUTIVE SUMMARY

This document comprises the feasibility analysis for the development of a **Mixed-use Transit-Oriented-Development project in Cartagena, Colombia**. The project envisions the development of **250 residential units (condos)**, a public-private waterfront space with **commercial uses** (F&B and complimentary services for residents) and a pier for the arrival and departure of boats.

The project is located within the **masterplan developed by Grupo Argos**, specifically in **site 7** which **faces Cartagena's bay**. By being in the masterplan, the site, of approximately **5.69 Hectare (14.07 Acre)** has an as of right zoning that allows the development of multiple uses such as; residential, commercial, some types of industrial and institutional. Given the suburban character of the masterplan, the density, building heights and lot coverages are more restricted, allowing to **develop up to 4 stories with a maximum lot coverage of 18%**.

The stakeholders involved in this venture would be; **Grupo Argos** (Masterplan developer) which **will sell the land for the project**, **SVS Developers** which will be the **general partner** in charge of the development of the whole project, and an **Institutional investor** (pension fund or real estate fund) which will act as **limited partner** to fund the equity required for the deal.

Sources			Uses		
Cons. loan	\$ 33,140,150,160	34.5%	Land acquisition	\$ 17,079,000,000	17.8%
Equity	\$ 21,895,317,432	22.8%	Closing costs	\$ 185,490,000	0.2%
Presales	\$ 40,941,362,746	42.7%	DC (Hard + soft)	\$ 76,375,985,701	79.6%
			Interest reserve	\$ 2,336,354,637	2.4%
<b>Total</b>	<b>\$ 95,976,830,338</b>	<b>100%</b>	<b>Total</b>	<b>\$ 95,976,830,338</b>	<b>100%</b>

Returns Summary			
Project level	IRR	Equity multiple	Profit
Unlevered	17.14%	1.40 X	\$ 21,339,461,293
Levered	19.00%	1.91 X	\$ 19,936,382,631



Aerial render of the project

# Location & context



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# LOCATION

## CARTAGENA, COLOMBIA



### City highlights:

- Cartagena is located in the north of the Colombian caribbean coast. It has a population of **1,025,086 people**, and is **one of the country's main tourism destinations**.

- The city is also a **world-class corporate tourism destination**, thanks to the important meetings, conferences, conventions and other events that are held in the city throughout the year.

- In 2017, 434,601 non-resident foreign travelers reported Cartagena as their main destination in Colombia.

- Despite the increase in the supply of housing, there is still much to build, promote, sell and buy. The latest Quality of Life report from "Cartagena Cómo Vamos" indicates that in the city there is still a **housing deficit of 57,980 units**.



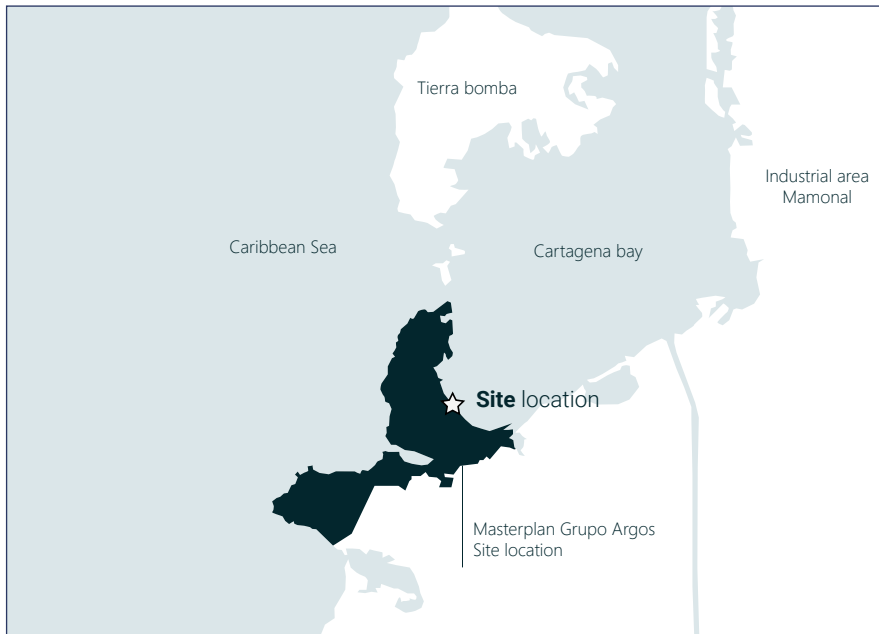


# PROJECT CONTEXT

## MASTERPLAN BARÚ

The site is located in a **2,720-acre mixed-use masterplan** expected to create **6,000 housing units, 12,000 hotel rooms and contribute USD 240 M annually to the city's economy.** The masterplan seeks to consolidate itself as one of the most important tourist destinations in the Caribbean. The features of the site include its blue sea, mangroves, forests, tropical weather and richness in fauna and flora make this place **ideal for the development of hospitality, ecotouristic and residential projects.**

The **main road of the masterplan** was designed considering the whole environmental structure as a **central ecological corridor** that connects the different ecosystems from north to south. This corridor contains bike lanes, trails, pedestrian routes, hiking paths and viewpoints to enjoy native birds and vegetation.



**Location:** Cartagena, Colombia  
**Status:** Under construction  
**Area:** 1.093 Ha / 2.700 Acres

**Design team:** Grupo Argos, Souland, A+U  
**Market Analysis:** Jones Lang LaSalle  
**Sponsor:** Grupo Argos



# PROJECT CONTEXT

## MASTERPLAN BARÚ

The masterplan divides into three sectors:

The **south sector** will have **hospitality projects mainly** (hotels of all kinds from Luxury, upper upscale, upscale, boutique, and all-inclusive hotels). **The center of the masterplan** will be a **hub of commercial uses along with residential projects**, a marina will be developed as the core or “heart” of the project.

In the **north area of the masterplan, residential projects will be the main use given the direct connection to Cartagena bay.** The north sector will also envision hospitality projects located in the west cliffs that face the Caribbean sea.

**North:** Residential, commercial and hospitality projects



**Central area:** Marina and commercial uses



**South area:** Hotels and resorts



# Site description



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# SITE DESCRIPTION

**Site area:** 56,942 sqmt / 5.69 HA / 14.07 ACRES

**Topography:** Soft slope towards the sea level

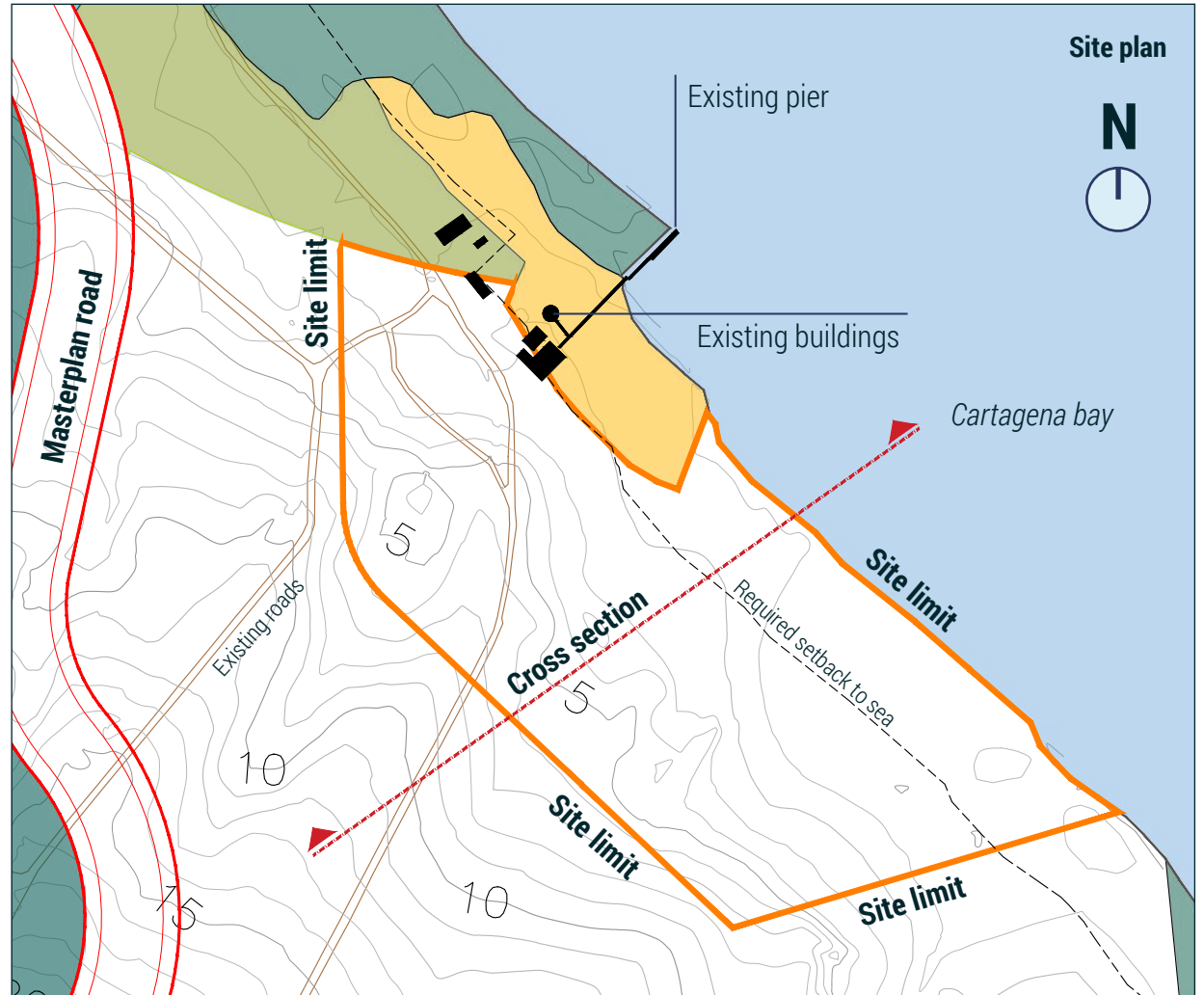
**Views:** Towards Cartagena bay

The site has a topography with a declining slope towards the sea level. That condition enhances the development of the project in different levels of the terrain in order to allow all buildings to have views over the bay.

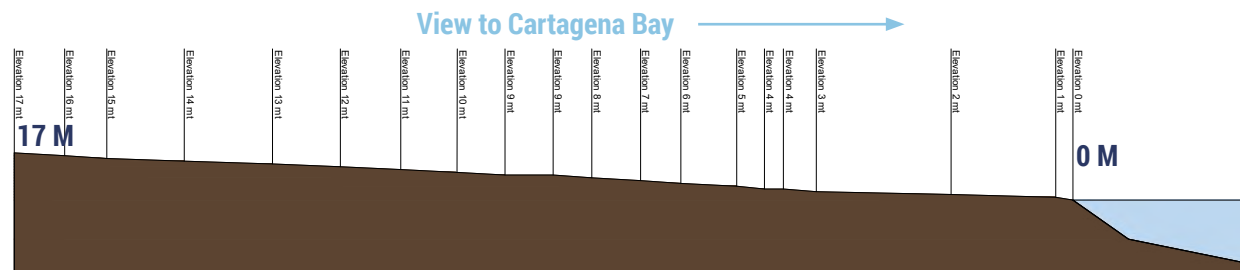
**Site photo:** Aerial view over the bay and the site waterfront



**Site photo:** Aerial view of existing pier and constructions



Site cross section



# ZONING REGULATIONS + PROJECT MASSING

The masterplan already obtained the permits to build the required infrastructure such as main roads, public utilities, and parks. The site will have an as-of-right zoning and will have to consider only zoning regulations for the development of the buildings.

## LAND TYPE: SUBURBAN

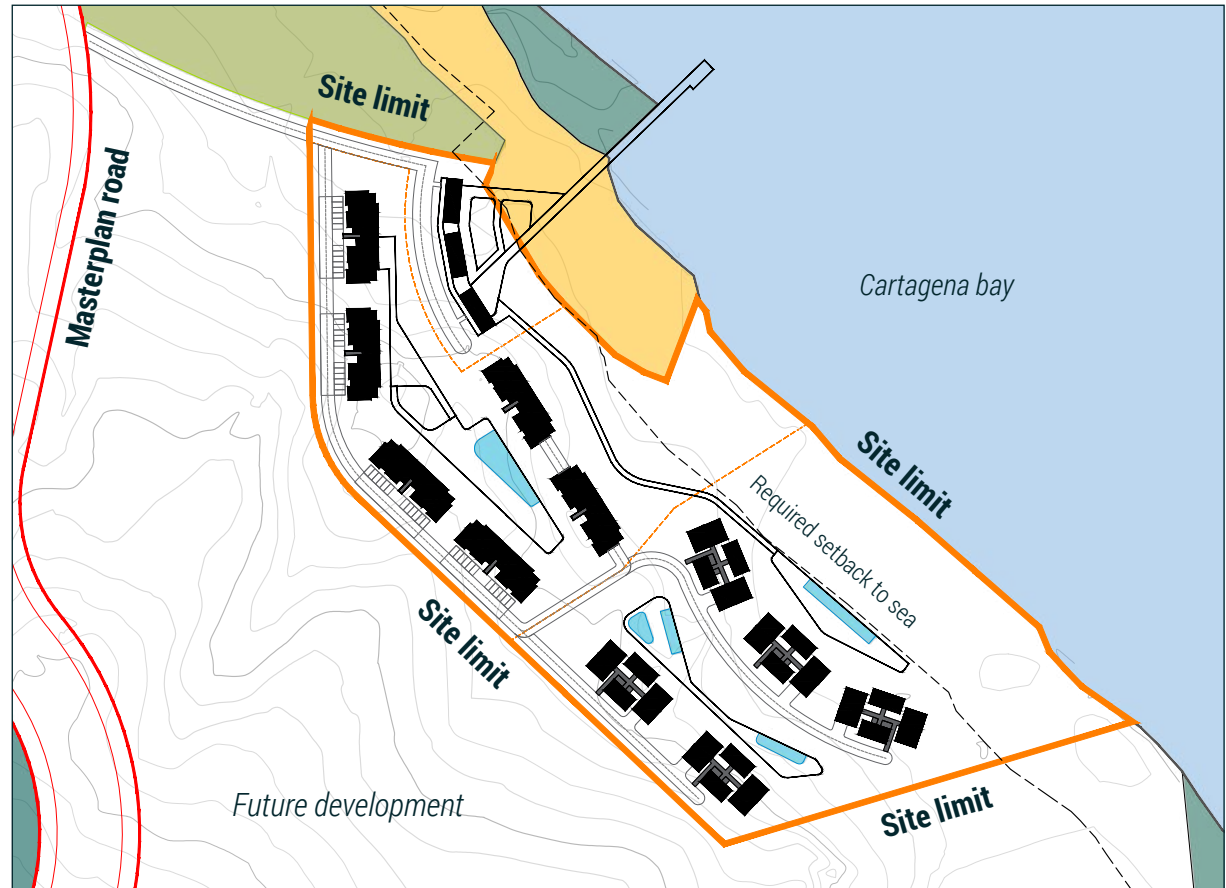
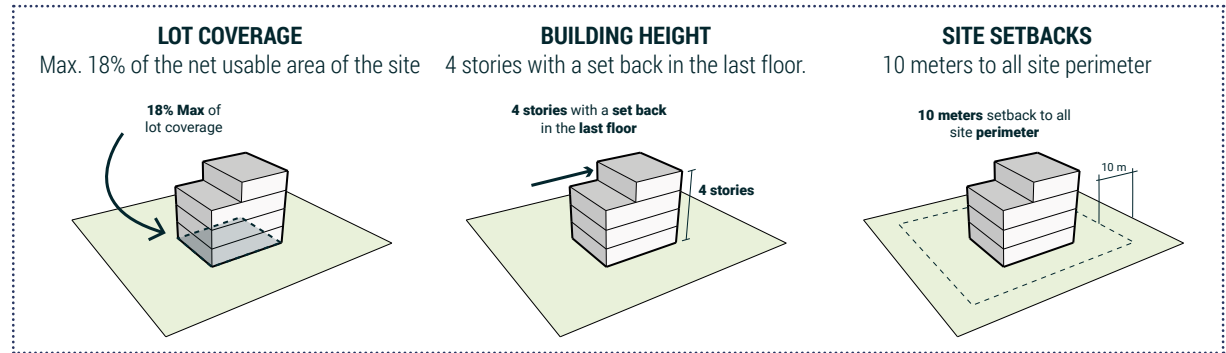
Sites located in suburban rural lands can develop different uses, such as: hospitality, residential, commercial projects and some conditioned industrial facilities.

## MAIN USES:

- **Commercial:** Retail, F&B, hospitality projects and in general tourist accommodation establishments.
- **Residential:** In sites of more than 30 hectares you can develop 4 stories high with a setback on the last floor. Residential projects can be primary or secondary housing.

## Design (Massing) vs Zoning regulations

<b>Buildings coverage (all uses)</b>	<b>6,847 m2</b>
<i>Lot coverage check</i>	<i>12%</i>
<b>Total buildable area</b>	<b>23,319 m2</b>
<i>FAR check</i>	<i>3.41</i>
<b>Number of apartments</b>	<b>250 units</b>
AMI 4	150 units
AMI 5	100 units
<i>Project total density</i>	<i>43.9 units/Ha</i>
<b>Number of parking lots</b>	<b>330 Spots</b>
Residents	250 Spots
Visitants	50 Spots
Commercial building	30 Spots



# DEVELOPMENT PLAN

## 1 COMMERCIAL USE: FOOD & BEVERAGE AND SERVICES

This building complex will be designed as a small strip mall that contains entertainment and services for the residents of this particular development and the masterplan. Restaurants, drug stores, grocery stores, and other basic services will be placed in order to support the necessities of the residents and offer F&B and entertainment to visitors.

## 2 PUBLIC WATERFRONT + PIER

The public waterfront will be a private/public space in front of the commercial building. This waterfront space will serve as a plaza for the food and beverage retailers, it will be designed with urban furniture, open spaces for music and cultural events, and different design features creating “place making” in order to create a new destination for tourist in Cartagena. This waterfront will also be connected to a pier that will allow the arrival and departure of boats from the project to Cartagena’s historic district. Given this condition, this space could be understood as a station of a transportation system that involves real estate development, making the project a true transit-oriented-development project.

## 3 RESIDENTIAL USE: CONDOS + AMENITIES

The residential portion of the development will be the main use of the whole complex. It will contain 250 condominiums, with different areas and layouts to target the unmet demand within the area median income 4 and 5. These condos will be permanent residences or can also be used as secondary/vacation apartments.



# Market Analysis



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# MARKET ANALYSIS OVERVIEW

The market analysis performed for the project took into account various sources of information such as research in real estate comparable projects websites, sales reports, conversations with local developers. The primary source was a database presented by Galeria Inmobiliaria (a company that monitors the performance of the real estate market in the city).

According to the sales report of housing units as of March 2020, there are 178 apartment projects for sale in Cartagena and its suburban areas, distributed in different Area Median Incomes, ranging from 2 to 6, with the lowest income being 2 and 6 being the highest.

Of the 178 projects described in the report, 20 correspond to AMI 2, 46 to AMI 3, 40 to AMI 4, 39 to AMI 5 and 33 to AMI 6. The following analysis evaluates the performance of the different projects in each of the AMI segments and delivers a combination of the ideal mix of price per square meter, total price per housing unit, absorption rate, project timing and project size (number of units).

The conclusions resulting from the market analysis, along with the qualitative analysis of best projects in different areas of the city will define the product to address the unmet demand in the city. The conclusions in each of the analysis will be the main assumptions in order to develop the financial feasibility of the project.

**Note: \$1 USD = \$3,300 Colombian pesos**

Average Values						
AMI	Number of Projects	Average Price per Square Meter	Average Time Since Launch (in Months)	Average Absorption Rate	Average Total Units	Average Average Area (in Meters)
2	20	\$1,797,544	37	11	532	63
3	46	\$2,674,464	34	8	399	65
4	40	\$3,529,453	42	2	263	125
5	39	\$5,861,557	37	6	140	112
6	33	\$8,201,111	47	1	119	201

Median Values						
AMI	Number of Projects	Median Price per Square Meter	Median Time Since Launch (in Months)	Median Absorption Rate	Median Total Units	Median Average Area (in Meters)
2	20	\$1,910,435	35.5	1.5	402.5	56.135
3	46	\$2,615,805	29.5	2.5	352	59.31
4	40	\$3,493,830	39	1	144	89.765
5	39	\$5,855,606	37	1	94	95.56
6	33	\$6,981,849	47	1	69	107.08





# MARKET ANALYSIS / NUMBER OF UNITS

AMI	Lower Limit	Median	Upper limit
3	50	352	1150
4	50	144	480
5	100	94	600

**Note:** It is important to highlight that the area median income 3 corresponds to affordable housing projects. Given that condition the upper limit is much higher in this segment.

The average number of units per project within the different area media incomes are: AMI 3: 399, AMI 4: 263, AMI 5: 140. For the purpose of this analysis median values are the ones to be considered mainly because the values corresponding to averages can be distorted by outliers.

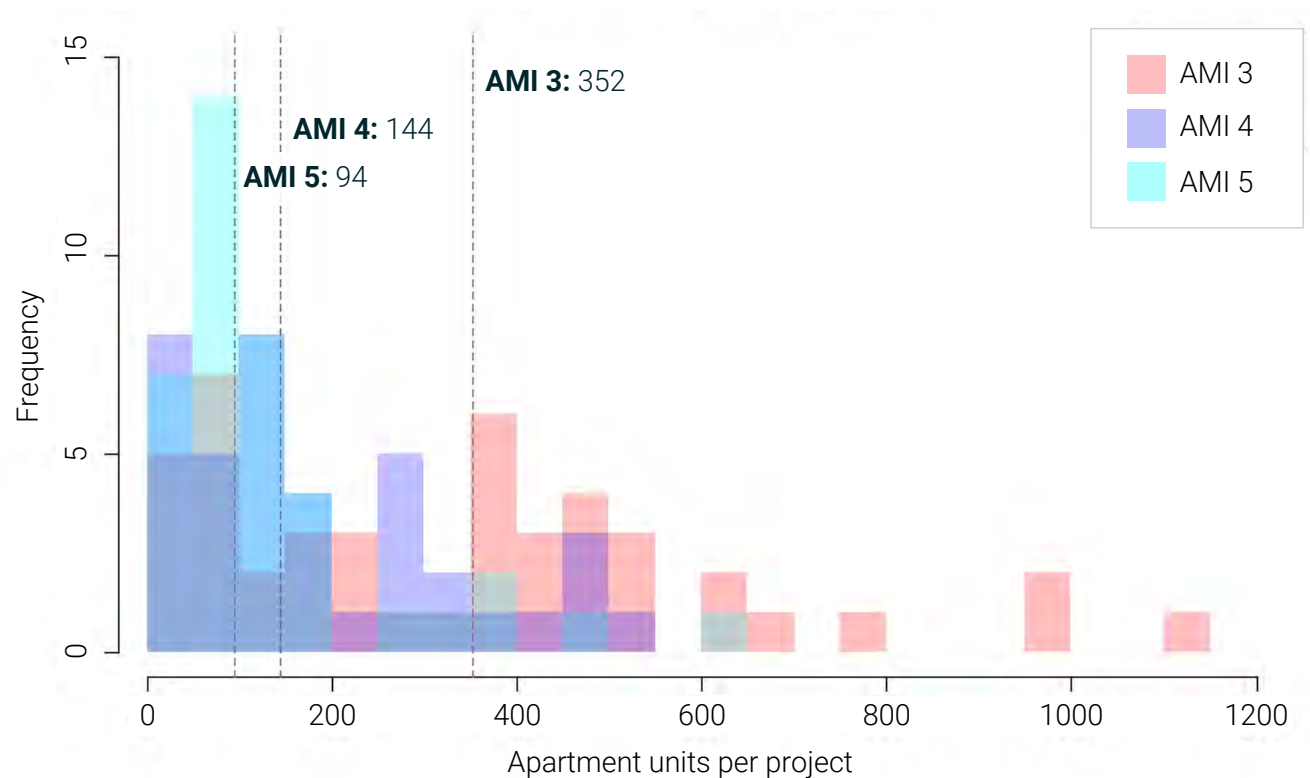
The table above of the chart shows the lower limit, median and upper limit of each of the AMI, those values shows a spectrum or range in each segment. Even though the range can be very wide, for the purpose of this project, the median values are the one to be considered as assumptions for the financial model.

Median values / Modeling assumptions

**AMI 4: 144 units**

**AMI 5: 94 units**

DISTRIBUTION OF UNITS PER AMI



# MARKET ANALYSIS / PRICING - PRICE PER SQUARE METER

AMI	Lower Limit	Median	Upper limit
3	\$1,900,000	\$2,615,805	\$3,900,000
4	\$2,000,000	\$3,493,830	\$4,200,000
5	\$3,900,000	\$5,855,606	\$7,900,000

**Note:** Even though the AMI 3 corresponds mainly to affordable housing projects, there are some projects in this segment that are not technically affordable and have higher prices psqmt.

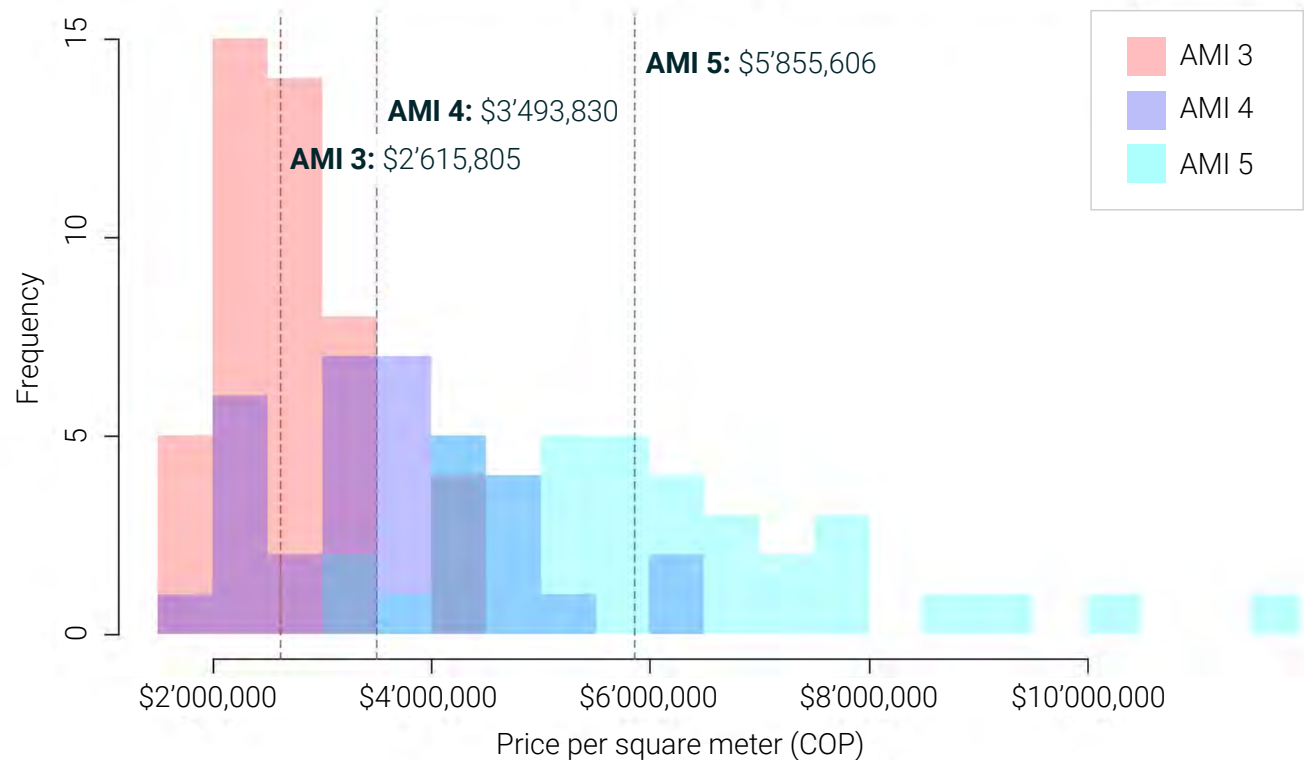
Given the site characteristics, its location in the context of the Masterplan, the concept and designed proposed the project will probably be more oriented to capture the market of the AMI 4 and 5. The average price per square meter for this two segments are: \$3,529,453 psqmt for the AMI 4 and \$5,861,557 for the AMI 5.

In the analysis of price per square meter, the median values are not that different from the average values, this given that there are not many outliers that distort the averages.

**For the modeling assumptions prices will be between the ranges presented in the table, considering the value of comparative projects.**

Median values / Modeling assumptions  
**AMI 4: \$3,493,830 / m<sup>2</sup>**  
**AMI 5: \$5,855,606 / m<sup>2</sup>**

**DISTRIBUTION OF PRICES PER SQUARE METER**



# MARKET ANALYSIS / APARTMENT AREAS

AMI	Lower Limit	Median	Upper limit
3	35	59.0	65
4	70	89.0	330
5	90	95.0	330

**Note:** It is important to highlight that the area median income 3 corresponds to affordable housing projects.

By reviewing the average area of the units per Area Median Income it is evident that the outliers are modifying and distorting the value. For that reason, the assumption to be considered for the financial analysis and architectural design will correspond to the median area per apartment and project comparables.

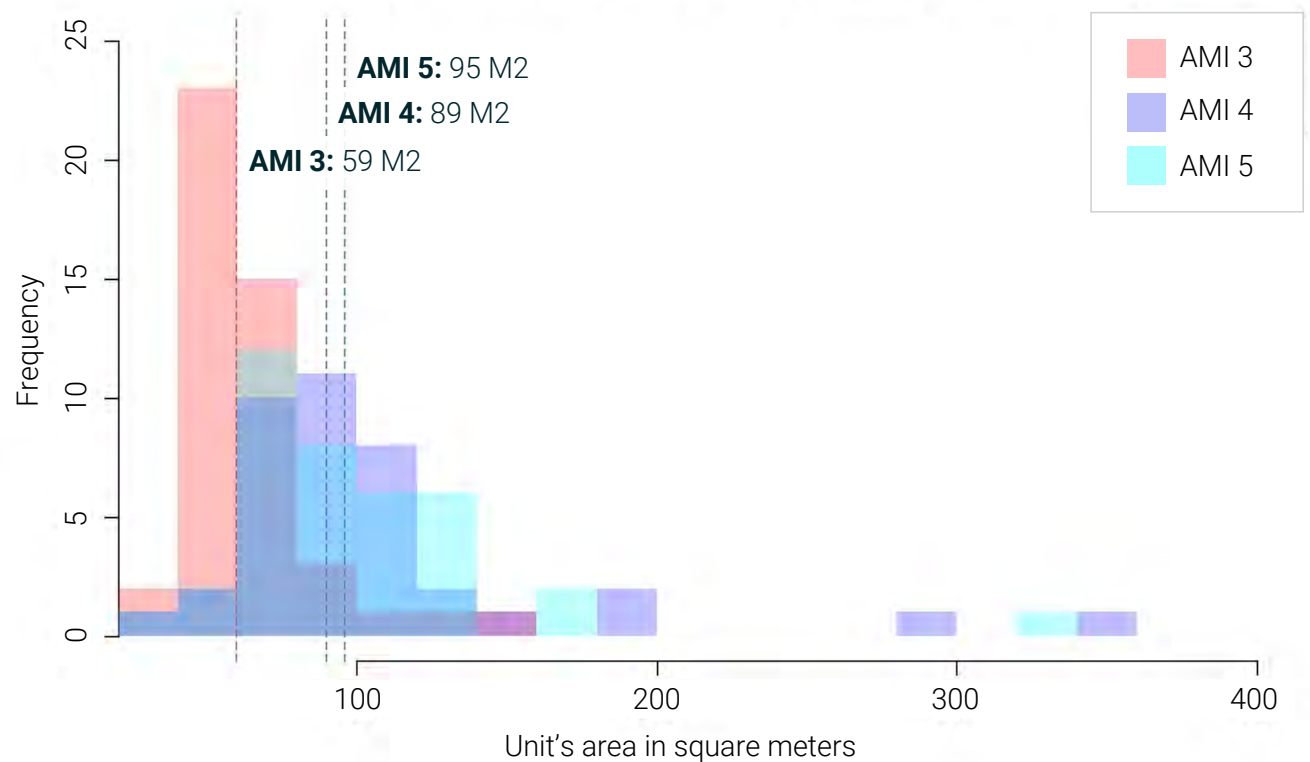
The median area for apartments within the AMI 4 is 89 m2 and for the AMI 5 is 95 m2. These areas will be the reference in order to create a diverse unit mix. With those areas as the main guide, different architectural layouts for apartments will be mixed within the building in order to have a broader option for the target market.

Median values / Modeling assumptions

**AMI 4: 89 m2**

**AMI 5: 95 m2**

**DISTRIBUTION OF AVERAGE AREAS PER UNIT (M2) PER AMI**



# MARKET ANALYSIS / ABSORPTION

The average absorption rate for the Area Median Income 4 is 2 units per month, and for the AMI 5 is 6 units per month. The Median values in terms of absorption of units per month is 1 for both AMI.

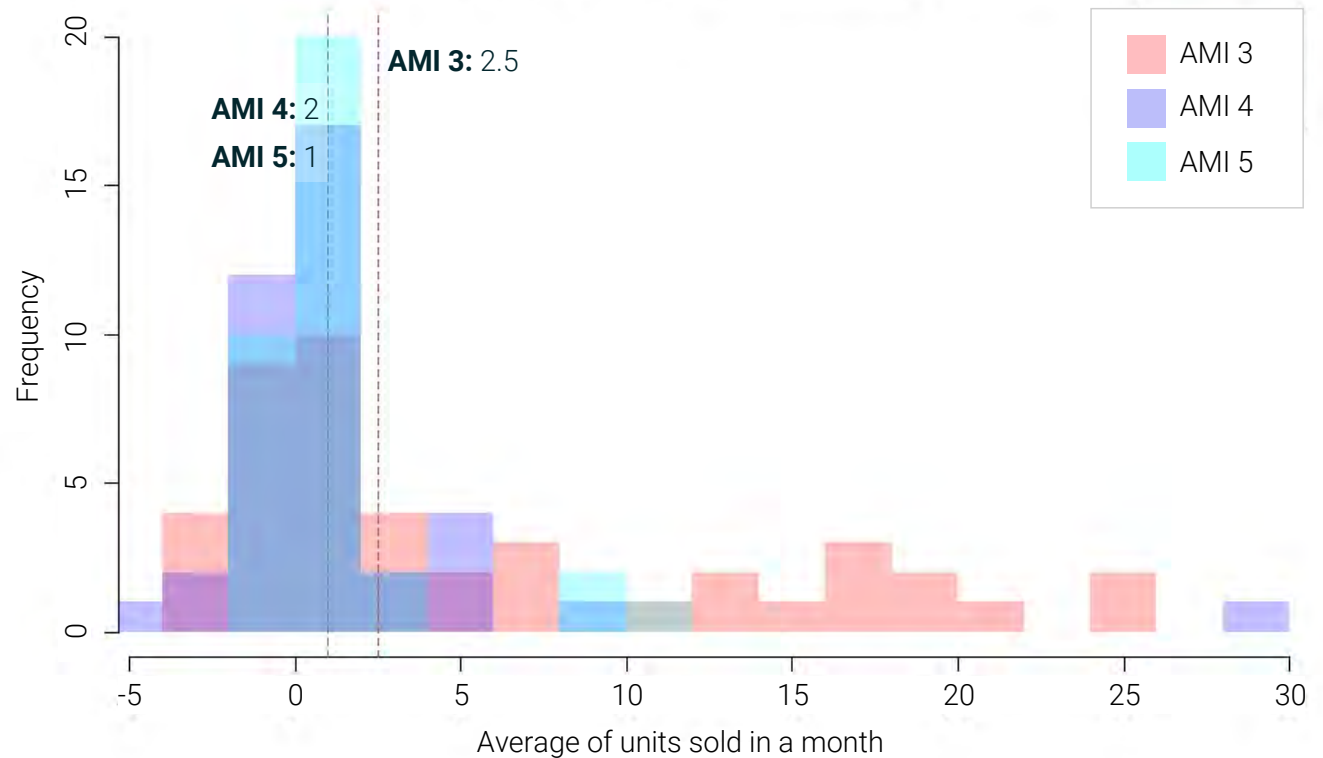
The outliers in within the AMI can distort the values, there are a few successful projects with extremely high absorption rates of about 30 units a month. Those projects do not represent the majority and can not be referenced or taken as an assumption for the financial analysis.

Absorption rates are very variable and depend on marketing strategy, project design, amenities, and other features. **Absorption rates for this project will be assumed based on combining market data with the analysis of specific comparable projects.**

AMI	Lower Limit	Median	Upper limit
3	-5	2.5	25
4	-3	1	29
5	-1	1	11

**Note:** It is important to highlight that the area median income 3 corresponds to affordable housing projects.

**DISTRIBUTION OF ABSORPTION RATE PER AMI**



# COMPARABLE PROJECTS

The following are comparable projects in terms of density, size, architectural massing, target market, amenities, price, concept, layout and areas.

## CAVANA

**Location:** Serena del Mar (North of Cartagena)  
**Developer:** Amarilo  
**Number of units:** 292 units  
**Price psmt:** \$ 4.847.797 COP  
**Unit areas:** 87 m2, 108 m2, 137 m2  
**Absorption rate:** 4.4 units per month  
**Amenities:** Pool, cinema, sauna, steam room, gymnasium



## PALLADIO

**Location:** Serena del Mar (North of Cartagena)  
**Developer:** Amarilo  
**Number of units:** 458 units  
**Price psmt:** \$ 5.003.941 COP  
**Unit areas:** 69 m2, 85 m2, 102 m2, 114 m2  
**Absorption rate:** 5 units per month  
**Amenities:** Pool, splash pad, social room, steam room, bbq, gym.



## ZINNIA

**Location:** Serena del Mar (North of Cartagena)  
**Developer:** Mejia Villegas constructora  
**Number of units:** 336 units  
**Price psmt:** \$ 5.652.941 COP  
**Unit areas:** 76 m2, 93 m2  
**Absorption rate:** 3.4 units per month  
**Amenities:** Infinite pool, club house, natural lakes, gym



# MARKET ANALYSIS CONCLUSIONS

The residential portion of the mixed-use project will target the sale of condominiums in the segment of the Area Median Income 4 and 5. The selection of these segments not only responds to the analysis performed over the market supply in the city, it considers the immediate context of the site location, The Masterplan, and the type of projects and uses to be developed in the whole master planned community.

The south area of the Masterplan offers high-end upper media income residential units. It also offers secondary or vacational homes that are more hotel type of uses than permanent housing. Due to the location of the site in front of the bay, and its possibility of having an aquatic transportation system that shortens the time to get to Cartagena historic district, the site is ideal for the development of permanent housing for inhabitants of Cartagena, the product can also serve as vacational or secondary housing but the principal or main target market will be inhabitants of the city.

The projects could be positioned as the only mixed used transit-oriented development project facing the bay and offering housing to the hundreds of people that work in the industrial area Mamonal (That is relatively close to the site). There is an unmet demand of people that has to commute long distances from Mamonal to residential areas in the center and north of the city without an appropriate public transportation system.

To achieve that unmet demand, this project proposes the development of 250 condominium (150 AMI 4 and 100 AMI 5) residential units with areas that ranges from 60 to 105 m2, and prices from \$4.4 million/m2 COP to \$4.95 million/m2 COP.

## Assumptions from Market analysis to financial proforma

Number of apartments

**AMI 4: 150 units**

**AMI 5: 100 units**

Price per m2

**AMI 4: \$4,400,000 COP/ m2**

**AMI 5: \$4,950,000 COP/ m2**

Area of apartments

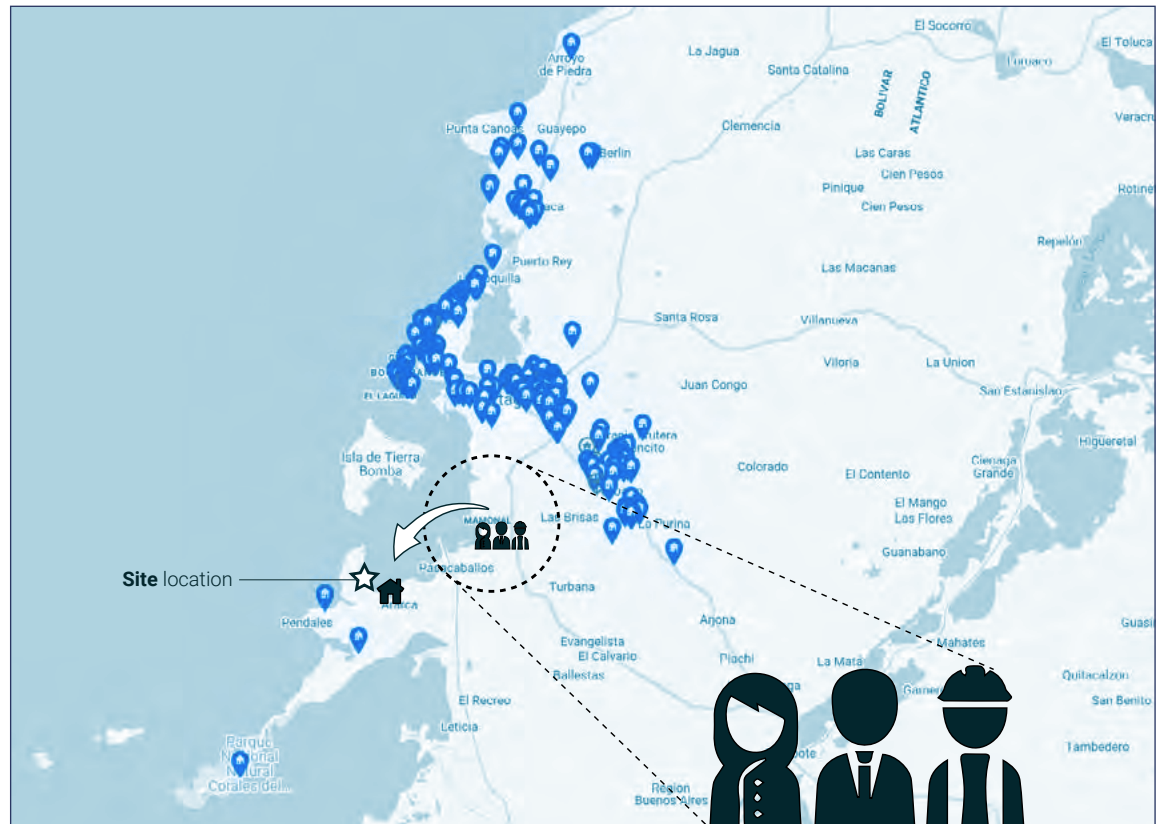
**AMI 4: 71.5 m2**

**AMI 5: 93.5 m2**

Absorption rates:

**AMI 4: AVG: 5**

**AMI 5: AVG: 4**



# Project design



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# PROJECT AREAS

Site division		
<b>Site gross area</b>	<b>56,930 m2</b>	<b>100%</b>
Commercial site	4,900 m2	9%
Residential site	52,030 m2	91%

Blended uses		
Total buildable area	23,319 m2	100%
Total sealeable area	20,440 m2	88%

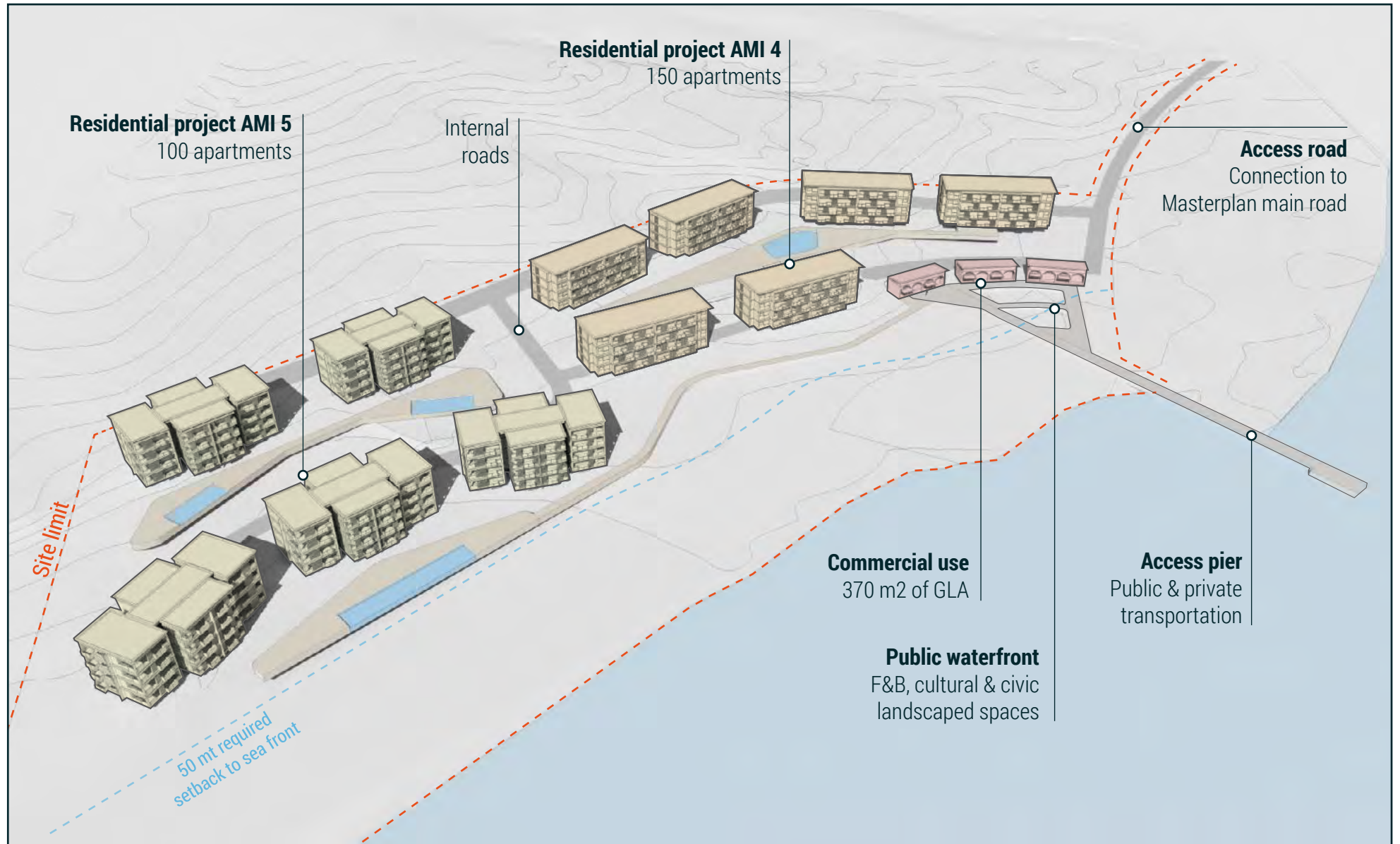
Total Land coverage uses		
<b>Site area</b>	<b>56,930 m2</b>	<b>100%</b>
Built open areas (waterfront)	5,890 m2	10.35%
Access road area	4,235 m2	7.44%
Parking lot area	8,250 m2	14.49%
Open areas	31,458 m2	55.26%
Building coverage area	6,847 m2	12.03%
Common area buildings	250 m2	0.44%
<b>Total</b>	<b>56,930 m2</b>	<b>100%</b>

Design (massing) vs Zoning regulations	
<b>Buildings coverage (all uses)</b>	<b>6,847 m2</b>
<i>Lot coverage check</i>	12%
<b>Total buildable area</b>	<b>23,319 m2</b>
<i>FAR check</i>	3.41
<b>Number of apartments</b>	<b>250 units</b>
AMI 4	150 units
AMI 5	100 units
<i>Project total density</i>	43.9 units/Ha
<b>Number of parking lots</b>	<b>330 Spots</b>
Residents	250 Spots
Visitants	50 Spots
Commercial building	30 Spots



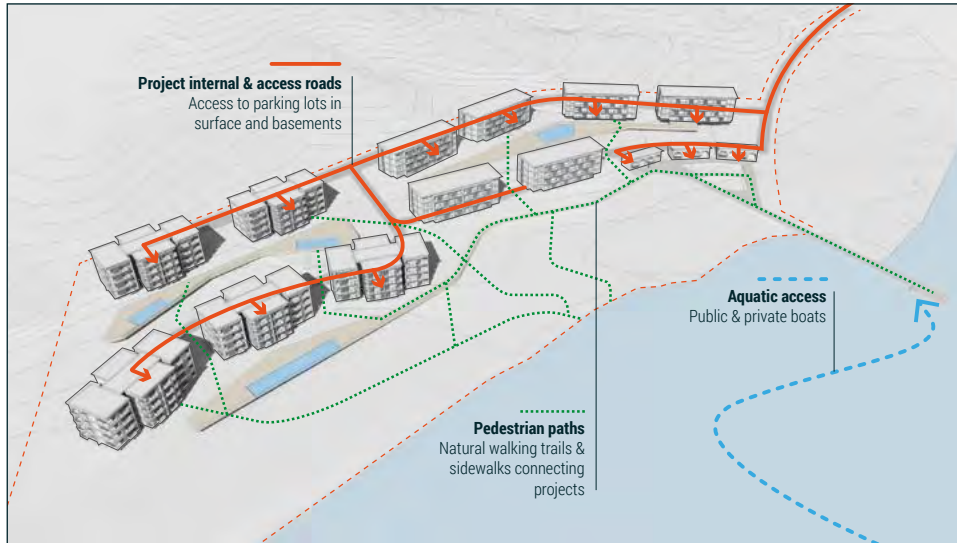
Residential AMI 5 common areas

# DEVELOPMENT PLAN

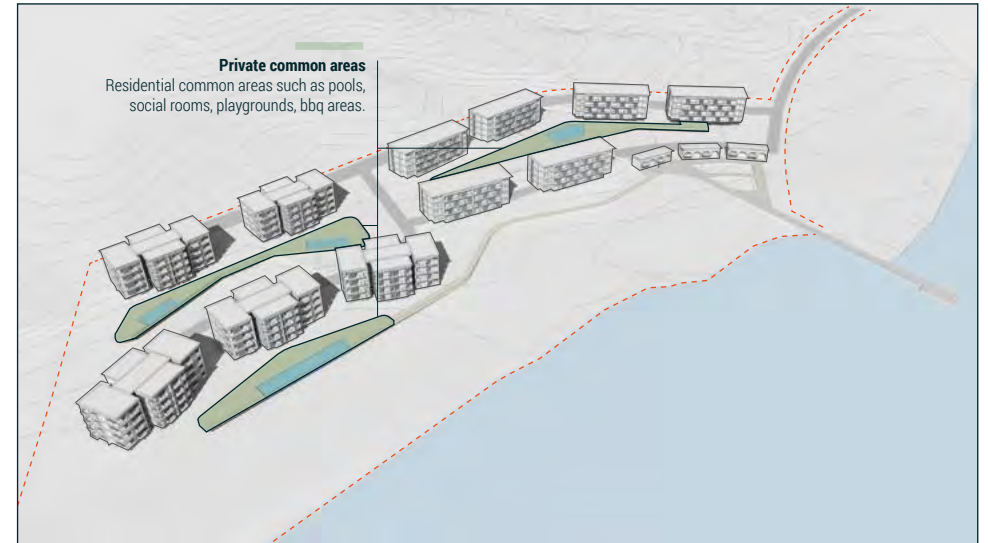


# PROJECT COMPONENTS

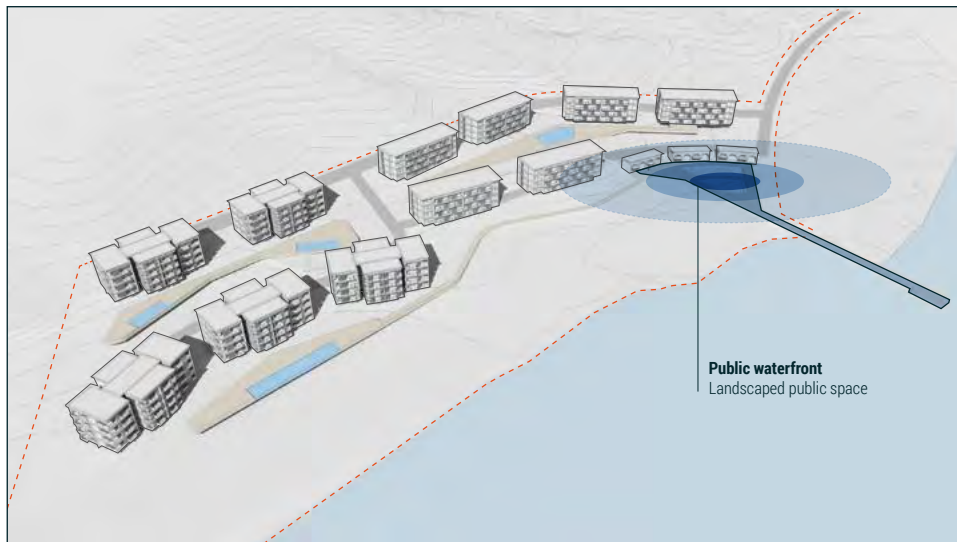
## Accessibility (Ground & Aquatic)



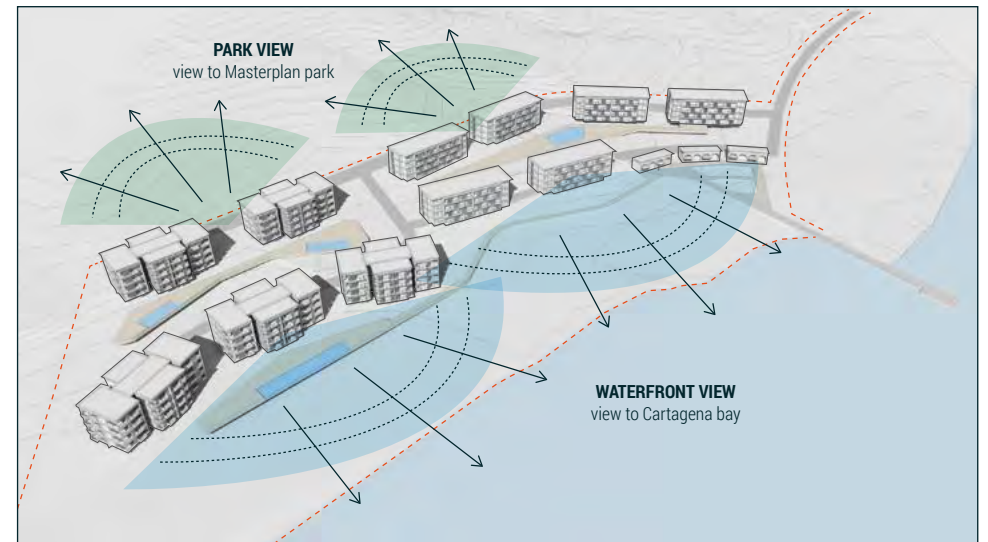
## Private common areas



## Public spaces



## Project views



# COMMERCIAL USE + PUBLIC WATERFRONT



## Referent: La Rambla de Mar, Barcelona

- Waterfront public space (landscape + urban furniture)
- Commercial building, mainly food & beverage.



## Referent: The Wharf, Washington DC

- Waterfront public space + residential and hotels.
- Retail, restaurants, drugstores, grocery stores.



COMMERCIAL ZONIFICATION		
Site area	4,900 m2	9%
Built open areas (waterfront)	1,460 m2	30%
Access road area	362 m2	7%
Parking lot area	750 m2	15%
Building coverage area	415 m2	8%
Open areas	1,913 m2	39%
<b>Total</b>	<b>4,900 m2</b>	<b>100%</b>
Commercial building areas		
Building coverage area	415 m2	
Number of floors	1.0 floors	
<b>Gross leasable area</b>	<b>370 m2</b>	
<b>Gross building area</b>	<b>415 m2</b>	
Efficiency	89%	
Required parking lots	6	
Proposed parking lots	30	

Unit	Tenant	Commercial Type	Area	Rent psmt	Monthly rent
01	x	Food & beverage	10 m2	\$ 65,000	\$ 650,000
02	x	Food & beverage	10 m2	\$ 65,000	\$ 650,000
03	x	Food & beverage	10 m2	\$ 65,000	\$ 650,000
04	x	Food & beverage	10 m2	\$ 65,000	\$ 650,000
05	x	Food & beverage	10 m2	\$ 65,000	\$ 650,000
06	x	Food & beverage	20 m2	\$ 70,000	\$ 1,400,000
07	x	Food & beverage	20 m2	\$ 70,000	\$ 1,400,000
08	x	Food & beverage	20 m2	\$ 70,000	\$ 1,400,000
09	x	Food & beverage	35 m2	\$ 75,000	\$ 2,625,000
10	x	Food & beverage	50 m2	\$ 75,000	\$ 3,750,000
11	x	Anchor - Grocery store	80 m2	\$ 75,000	\$ 6,000,000
12	x	ATM	5 m2	\$ 90,000	\$ 450,000
13	x	Drug store	35 m2	\$ 65,000	\$ 2,275,000
14	x	Aquatic transp. Office	15 m2	\$ 65,000	\$ 975,000
15	x	MP Sales house	40 m2	\$ 60,000	\$ 2,400,000
<b>Total leasable area</b>			<b>370 m2</b>	<b>\$ 69,333</b>	<b>\$ 25,925,000</b>
Common areas			45 m2		
<b>Gross buildable area</b>			<b>415 m2</b>		

# RESIDENTIAL USE - AMI 4



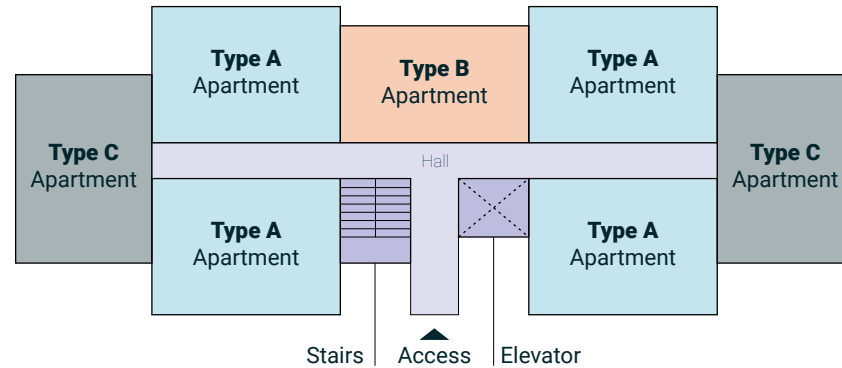
### AREA MEDIAN INCOME 4

<b>Total apartments</b>	<b>150 units</b>	<b>Total units</b>	<b>Units per building</b>	<b>25 units</b>	<b>Parking lots</b>	<b>180</b>
Type A	70.00 m2	72 units	Building coverage	580 m2	Residents	150
Type B	60.00 m2	18 units	Required buildings	6	% visit.	20%
Type C	85.00 m2	60 units	Total building coverage	3,477 m2	Visitors	30
Common areas buildings	150.00 m2					








### AMI 4 Typical building

Floor	Number of units	Saleable area	Efficiency	Buildable area	Common areas	Type A	Type B	Type C
Floor 1	7 units	510.00 m2	88%	579.55 m2	69.55 m2	4 units	1 units	2 units
Floor 2	7 units	510.00 m2	88%	579.55 m2	69.55 m2	4 units	1 units	2 units
Floor 3	7 units	510.00 m2	88%	579.55 m2	69.55 m2	4 units	1 units	2 units
Floor 4	4 units	340.00 m2	92%	369.57 m2	29.57 m2	0 units	0 units	4 units
<b>Total</b>	<b>25 units</b>	<b>1870.00 m2</b>		<b>2108.20 m2</b>	<b>238.20 m2</b>	<b>12 units</b>	<b>3 units</b>	<b>10 units</b>

### Typical floor plan



### Amenities:

5 vs 5 Soccer field 	Pools 	Social room 	Playgrounds 
Beach access 	BBQ 	walking trails 	

### AMI 4 areas

<b>Site area</b>	<b>23,560 m2</b>	<b>45%</b>
Built open common areas	2,400 m2	10%
Access road area	2,050 m2	9%
Parking lot area	4,500 m2	19%
Building coverage area	3,477 m2	15%
Common areas buildings	150 m2	1%
Open areas	10,983 m2	47%
<b>Total</b>	<b>23,560 m2</b>	<b>100%</b>
<b>Total sealeable area</b>	<b>11,220 m2</b>	<b>88%</b>
<b>Total buildable area</b>	<b>12,799 m2</b>	<b>100%</b>

# RESIDENTIAL USE - AMI 5



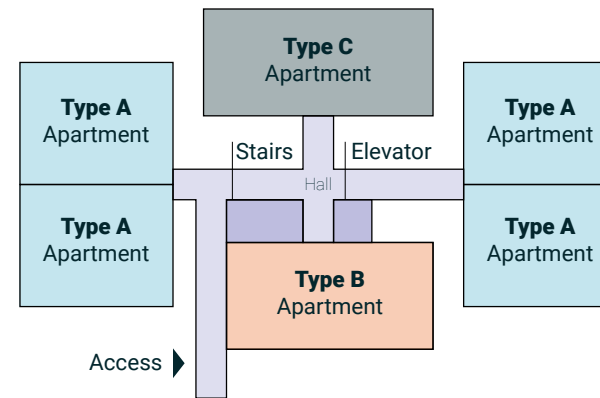
### AREA MEDIAN INCOME 5

<b>Total apartments</b>	<b>100 units</b>	<b>Total units</b>	<b>Units per building</b>	<b>20 units</b>	<b>Parking lots</b>	<b>120</b>
Type A	80.00 m2	60 units	Building coverage	591 m2	Residents	100
Type B	95.00 m2	15 units	Required buildings	5	% visit.	20%
Type C	105.00 m2	25 units	Total building coverage	2,955 m2	Visitors	20
Common areas buildings	100.00 m2					

### AMI 5 Typical building

Floor	Number of units	Saleable area	Efficiency	Buildable area	Common areas	Type A	Type B	Type C
Floor 1	6 units	520.00 m2	88%	590.91 m2	70.91 m2	4 units	1 units	1 units
Floor 2	6 units	520.00 m2	88%	590.91 m2	70.91 m2	4 units	1 units	1 units
Floor 3	6 units	520.00 m2	88%	590.91 m2	70.91 m2	4 units	1 units	1 units
Floor 4	2 units	210.00 m2	92%	228.26 m2	18.26 m2	0 units	0 units	2 units
<b>Total</b>	<b>20 units</b>	<b>1770.00 m2</b>		<b>2000.99 m2</b>	<b>230.99 m2</b>	<b>12 units</b>	<b>3 units</b>	<b>5 units</b>

### Typical floor plan



### Amenities:

Tennis court

Pools

Social room

Playgrounds

Beach access

BBQ

walking trails

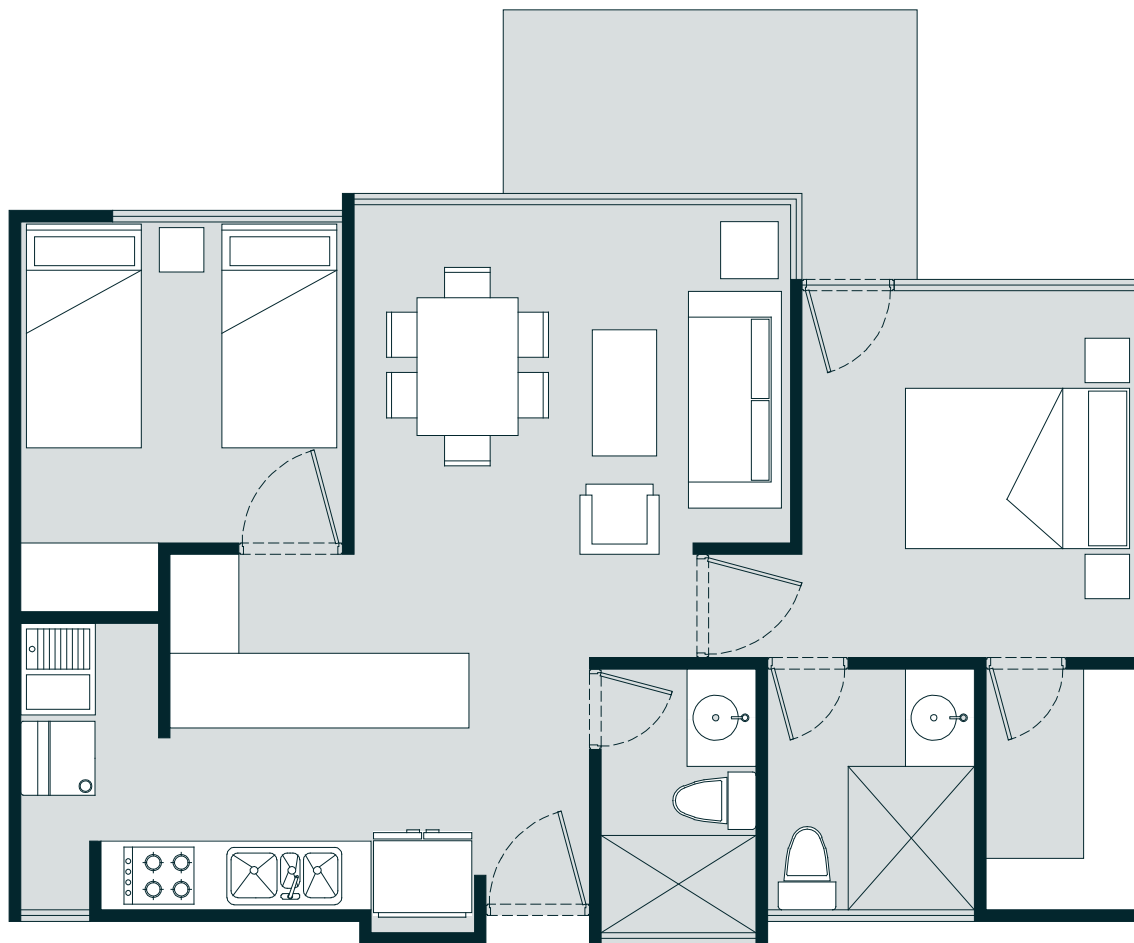
### AMI 5 areas

<b>Site area</b>	<b>28,470 m2</b>	<b>55%</b>
Built open common areas	2,030 m2	7%
Access road area	1,823 m2	6%
Parking lot area	3,000 m2	11%
Building coverage area	2,955 m2	13%
Common areas buildings	100 m2	0%
Open areas	18,562 m2	79%
<b>Total</b>	<b>28,470 m2</b>	<b>100%</b>
<b>Total sealeable area</b>	<b>8,850 m2</b>	<b>88%</b>
<b>Total buildable area</b>	<b>10,105 m2</b>	<b>100%</b>

# APARTMENT LAYOUT

AMI 4 APARTMENT **TYPE A**

70 m<sup>2</sup>

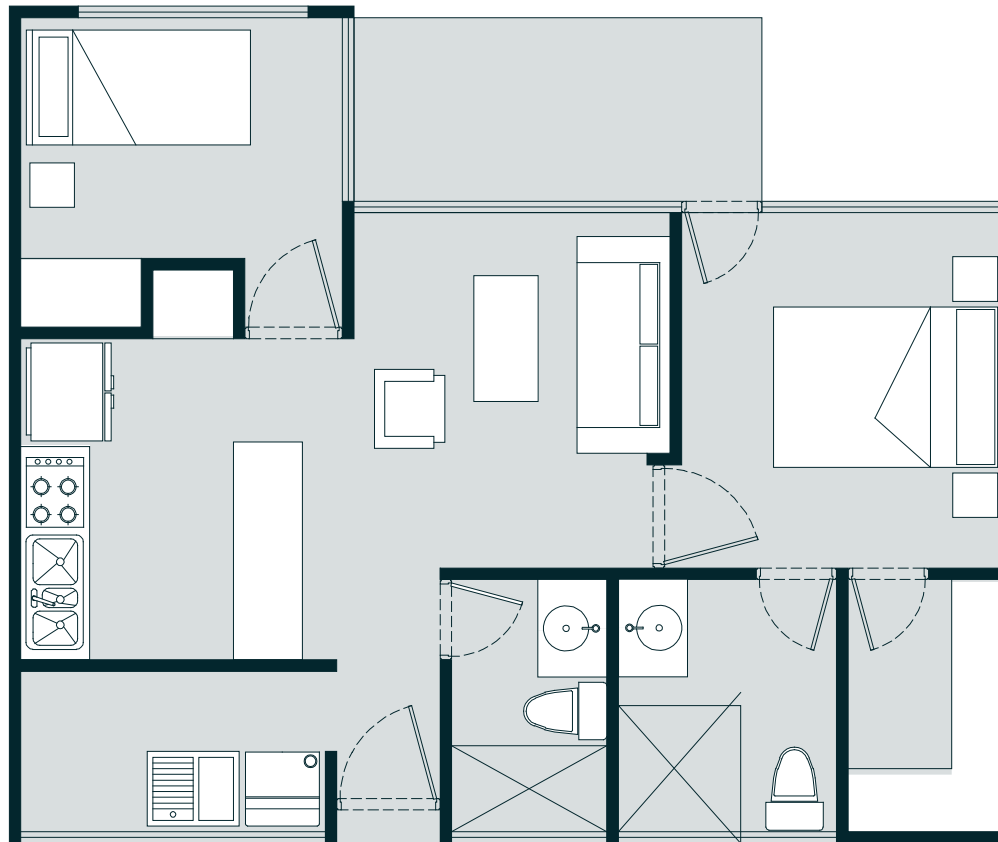




# APARTMENT LAYOUT

AMI 4 APARTMENT **TYPE B**

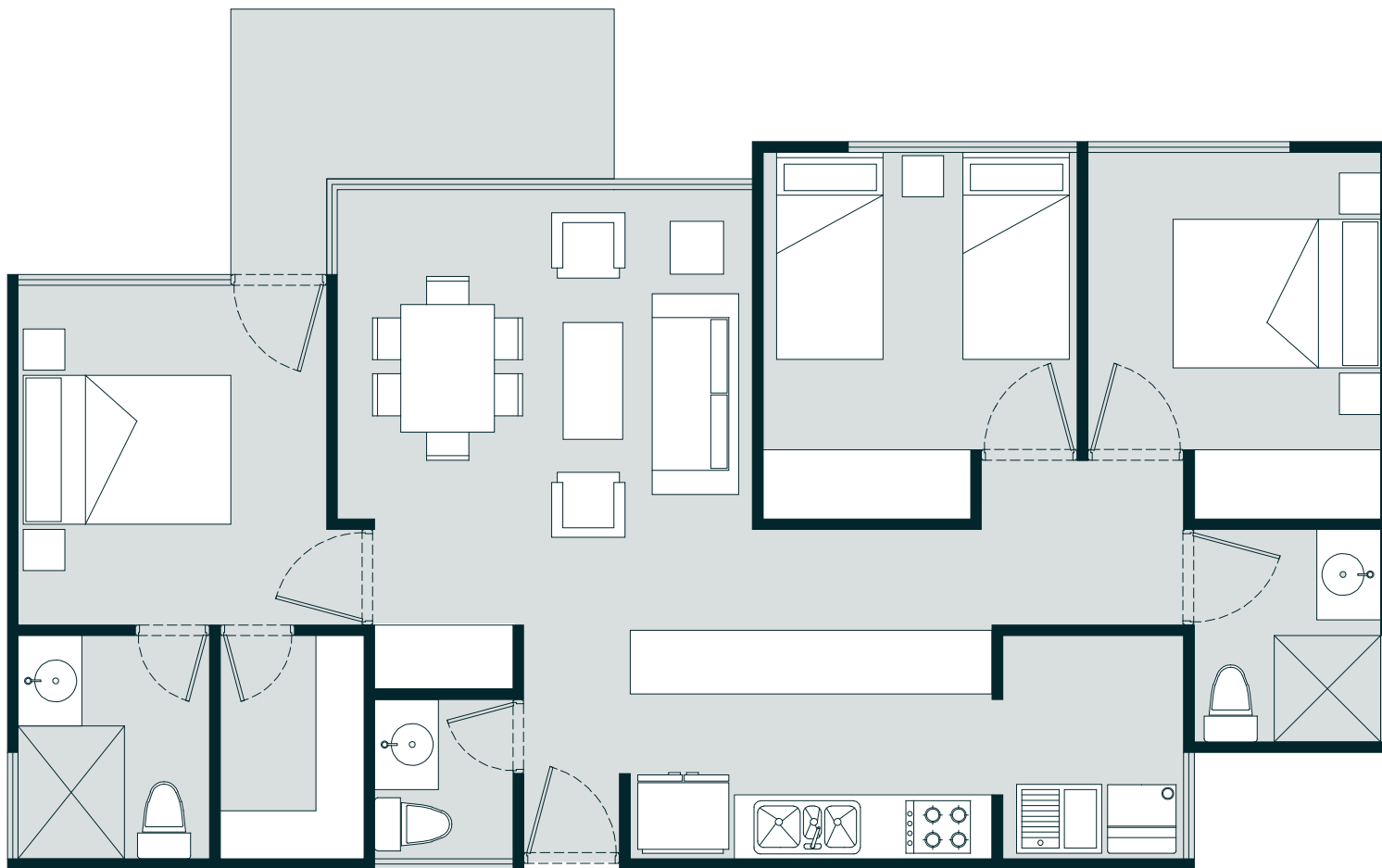
60 m<sup>2</sup>



# APARTMENT LAYOUT

AMI 4 APARTMENT **TYPE C**

85 m<sup>2</sup>



# COMMON AREAS DESIGN STYLE



1. Referent: **Fenix beach**



2. Referent: **Common areas Zinnia**



3. Referent: **Walking trails Medellin Botanic garden**



# Financial Analysis



macana

Condominio Marino

# KEY ASSUMPTIONS

## Purchase Price (Land):

\$17,079,000,000 COP (\$300,000 per square meter) + \$185,490,000 COP (closing cost)

## Total Development Cost:

The total development cost of the project is of **\$95,976,830,338 COP**. That includes land cost, hard cost, soft cost and the interest reserve from the construction loan. For more detail of the TDC please go to chart in page 41.

## Debt Financing:

To finance the development, the project will ask for a construction loan. It will be interest only and at an interest rate of 8%. The loan proceeds of \$33,140,150,160 COP correspond to 34.5% of the total development cost.

## Equity Capitalization:

Total equity capitalization of **\$21,895,317,432 COP**

- General partner will fund \$2,189,531,743 COP (10%)
- Limited partner will fund \$19,705,785,689 COP (90%)

## Waterfall distribution:

Current presales and operating cash flow will be used to pay interest on loan and to payback loan principal. Thereafter: All partners will receive distributions pari-passu to a preferred return of 12.0%. Thereafter;

- Up to a 14% IRR hurdle, the GP will receive a promote of 20%
- Up to a 16% IRR hurdle, the GP will receive a promote of 25%

## Project schedule:

The whole project horizon combined is 7 years, which includes condo sales, commercial use. Residential projects (condos) will both take approx. 4 years, that includes predevelopment stage, construction and the sale of all units. Commercial use will continue operating the remaining 3 years and will be sold at the end of year 7.

## Condo Pricing:

Average price per square meter for condos depends on the Area Median Income or the target market for each of the residential project. According to the market analysis and the comparable projects, the price per square meter for **AMI 4 will be \$4,4 million/m<sup>2</sup> COP** (absorption rate of 5 units per month) and for **AMI 5 will be of \$4.95 million/m<sup>2</sup> COP**. (absorption rate of 4 units per month)

Note:

## How was condo sales modeled in the financial model

This financial model was modeled according to Colombia's way of doing business given that the project will be presented to real investors and developers, and also to be aligned with the different assumptions and returns.

In Colombia, the developer starts pre-selling the units before the construction of the building starts, when the developer achieves 70% of the sales (Milestone), the project can start construction.

The buyer pays the unit in the following way:

- A down payment of 30% of the unit distributed in payments between the purchase day and the day that the project finishes the construction. It means that if a buyer buys an apartment in the month 6th and the project finishes construction in month 20th, the buyer will have 14th months to pay the 30% of the unit distributed in equal payments.

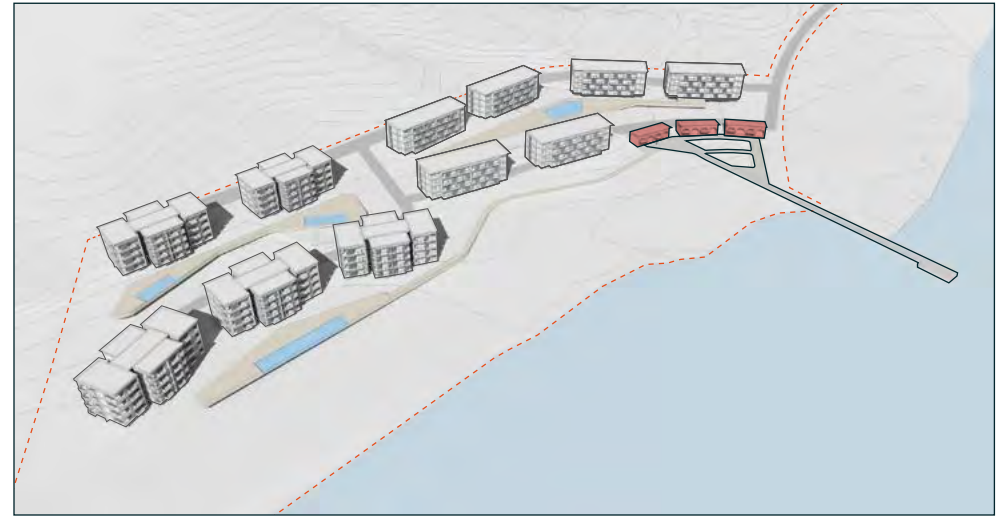
- After the completion of the project, buyers will get their respective mortgages corresponding to the remaining 70% of the unit price. That amount is directly deposited to the developer the month the unit is delivered to the buyer.

# DEVELOPMENT BUDGET & SCHEDULE COMMERCIAL USE

Hard cost			
Commercial Use	\$/ psqmt	Total cost	%
<b>Site area</b>	4,900 m2	<b>\$ 425,541</b>	<b>\$ 2,085,150,000</b>
Built open areas (waterfront)	\$ 750,000	\$ 1,095,000,000	53%
Access road area	\$ 200,000	\$ 72,400,000	3%
Parking lot area	\$ 200,000	\$ 150,000,000	7%
Gross building area	\$ 1,850,000	\$ 767,750,000	37%
<b>Total hard cost (without CPI montly growth)</b>		<b>\$ 2,085,150,000</b>	<b>100%</b>

Total development cost			
Commercial Use	\$/ m2	Total cost	%
Land value	\$ 300,000	\$ 1,470,000,000	31%
Closing costs	2.0%	\$ 29,400,000	0.62%
Hard costs with CPI growth	\$ 466,044	2,283,615,396	48%
Soft costs		\$ 941,272,693	20%
<b>Total development cost</b>		<b>\$ 4,724,288,089</b>	<b>100%</b>

Soft costs					
Commercial Use	Fee	%	Related to	Phase	Total cost
<b>Project fees</b>					
Developer fee		5.0%	Hard costs	Construction	\$ 104,257,500
Financial costs		1.0%	Hard costs	Predevelopment	\$ 20,851,500
Leasing commission		3.0%	Hard costs	st year of operati	\$ 62,554,500
Advertisement		3.0%	Hard costs	Predevelopment	\$ 62,554,500
Surveyors		0.3%	Hard costs	Predevelopment	\$ 6,255,450
Soil analysis		0.3%	Hard costs	Predevelopment	\$ 5,212,875
Architectural design		4.0%	Hard costs	Predevelopment	\$ 83,406,000
Structural design		0.7%	Hard costs	Predevelopment	\$ 14,596,050
Electrical design		0.3%	Hard costs	Predevelopment	\$ 6,255,450
Hydrosanitary design		0.3%	Hard costs	Predevelopment	\$ 6,255,450
Other designs		0.8%	Hard costs	Predevelopment	\$ 16,681,200
Const. Budget and schedule		0.6%	Hard costs	Predevelopment	\$ 12,510,900
Project controller		2.3%	Hard costs	Construction	\$ 47,958,450
Control Budget and schedule		0.4%	Hard costs	Construction	\$ 8,340,600
Construction fee (GC)		8.0%	Hard costs	Construction	\$ 166,812,000
Legal fees		0.2%	Hard costs	Predevelopment	\$ 4,170,300
Insurance		2.0%	Hard costs	Construction	\$ 41,703,000
Post sales		3.0%	Hard costs	st year of operati	\$ 62,554,500
IVA over fees (tax)		19.0%	Fees	Predevelopment	\$ 139,256,743
Notariales y Estampilla Vendedor		2.2%	Hard costs	Construction	\$ 44,830,725
Registro y Estampilla Comprador		1.7%	Land value	Predevelopment	\$ 24,255,000
<b>Total soft costs commercial use</b>					<b>\$ 941,272,693</b>



Development program summary		
Commercial Use		%
<b>Site area</b>	<b>4,900 m2</b>	<b>9%</b>
Built open areas (waterfront)	1,460 m2	30%
Access road area	362 m2	7%
Parking lot area	750 m2	15%
Building coverage area	415 m2	8%
Open areas	1,913 m2	39%
<b>Total</b>	<b>4,900 m2</b>	<b>100%</b>
Gross leasable area	370 m2	89%
Gross building area	415 m2	100%

General Schedule				
Activity #	Activity	Duration	Starting month	Ending month
<b>CM Commercial use</b>				
1	CM Land acquisition	1 months	month 1	month 1
2	CM Pre development	8 months	month 2	month 9
3	CM Construction (Hard cost)	16 months	month 23	month 38
4	CM First year of operation	12 months	month 39	month 50
5	CM Operation Stabilized	118 months	month 51	month 168
6	CM Sale / Exit month	84 months	month 84	month 84

# DEVELOPMENT BUDGET & SCHEDULE RESIDENTIAL AMI 4

Hard cost				
Residential AMI 4	\$/ psqmt	Total cost	%	
Site area	23,560 m2	\$ 1,179,478	\$ 27,788,498,024	
Built open common areas	\$ 900,000	\$ 2,160,000,000	8%	
Access road area	\$ 200,000	\$ 410,000,000	1%	
Parking lot area	\$ 200,000	\$ 900,000,000	3%	
Total buildable area	\$ 1,900,000	\$ 24,318,498,024	88%	
<b>Total hard cost (without CPI montly growth)</b>		<b>\$ 27,788,498,024</b>	<b>100%</b>	

Total development cost			
Residential AMI 4	\$/ m2	Total cost	%
Land value	\$ 300,000	\$ 7,068,000,000	15%
Closing costs	1.0%	\$ 70,680,000	0%
Hard costs with CPI growth	\$ 1,307,781	30,811,330,565	67%
Soft costs		\$ 8,241,092,559	18%
<b>Total development cost</b>		<b>\$ 46,191,103,124</b>	<b>100%</b>

Soft costs				
Residential AMI 4				
Fee	%	Related to	Phase	Total cost
<b>Project fees</b>				
Developer fee	2.00%	Total sales	Construction	\$ 1,113,024,000
Financial costs	0.50%	Total sales	Predevelopment	\$ 278,256,000
Advertisement & sales	1.50%	Total sales	Predevelopment	\$ 834,768,000
Surveyors	0.04%	Hard costs	Predevelopment	\$ 11,115,399
Soil analysis	0.05%	Hard costs	Predevelopment	\$ 13,894,249
Architectural design	1.00%	Hard costs	Predevelopment	\$ 277,884,980
Structural design	0.10%	Hard costs	Predevelopment	\$ 27,788,498
Electrical design	0.30%	Hard costs	Predevelopment	\$ 83,365,494
Hydrosanitary design	0.30%	Hard costs	Predevelopment	\$ 83,365,494
Other designs	0.80%	Hard costs	Predevelopment	\$ 222,307,984
Const. Budget and schedule	0.60%	Hard costs	Predevelopment	\$ 166,730,988
Project controller	0.40%	Hard costs	Construction	\$ 111,153,992
Control Budget and schedule	0.40%	Hard costs	Construction	\$ 111,153,992
Construction fee (GC)	7.00%	Hard costs	Construction	\$ 1,945,194,862
Legal fees	0.40%	Hard costs	Predevelopment	\$ 111,153,992
Insurance	2.00%	Hard costs	Construction	\$ 555,769,960
Post sales	3.00%	Hard costs	End of const.	\$ 833,654,941
IVA over fees (tax)	19.00%	Fees	Predevelopment	\$ 1,288,310,737
Notariales y Estampilla Vendedor	0.20%	Hard costs	Construction	\$ 55,576,996
Registro y Estampilla Comprador	1.65%	Land value	Predevelopment	\$ 116,622,000
<b>Total soft costs commercial use</b>				<b>\$ 8,241,092,559</b>



Development program summary		
Residential AMI 4	150 units	%
Site area	23,560 m2	41%
Built open common areas	2,400 m2	10%
Access road area	2,050 m2	9%
Parking lot area	4,500 m2	19%
Building coverage area	3,477 m2	15%
Common areas buildings	150 m2	1%
Open areas	10,983 m2	47%
<b>Total</b>	<b>23,560 m2</b>	<b>100%</b>
Total sealeable area	11,220 m2	88%
Total buildable area	12,799 m2	100%

General Schedule				
Activity #	Activity	Duration	Starting month	Ending month
<b>R4 Residential AMI 4</b>				
7	R4 Land acquisition	1 months	month 1	month 1
8	R4 Pre development	12 months	month 6	month 17
9	R4 Start sales	30 months	month 6	
10	R4 Sales milestone (# units)	70.0%	month 26	month 26
11	R4 Construction (Hard cost)	18 months	month 26	month 43
12	R4 Units mortgage payment	month 1	month 43	
13	R4 Post sales	6 months	month 43	month 48

# DEVELOPMENT BUDGET & SCHEDULE RESIDENTIAL AMI 5

Hard cost				
Residential AMI 5	\$/ psqmt	Total cost	%	
<b>Site area</b>	28,470 m2	<b>\$ 857,674</b>	<b>\$ 24,417,975,494</b>	
Built open common areas	\$ 1,100,000	\$ 2,233,000,000	9%	
Access road area	\$ 200,000	\$ 364,600,000	1%	
Parking lot area	\$ 200,000	\$ 600,000,000	2%	
Total buildable area	\$ 2,100,000	\$ 21,220,375,494	87%	
<b>Total hard cost (without CPI montly growth)</b>		<b>\$ 24,417,975,494</b>	<b>100%</b>	

Total development cost			
Residential AMI 5	\$/ m2	Total cost	%
Land value	\$ 300,000	\$ 8,541,000,000	18%
Closing costs	1.0%	\$ 85,410,000	0%
Hard costs with CPI growth	\$ 1,138,594	26,825,263,079	58%
Soft costs		\$ 7,273,411,409	16%
<b>Total development cost</b>		<b>\$ 42,725,084,488</b>	<b>100%</b>

Soft costs					
Residential AMI 5	Fee	%	Related to	Phase	Total cost
<b>Project fees</b>					
Developer fee		2.00%	Total sales	Construction	\$ 975,270,000
Financial costs		0.50%	Total sales	Predevelopment	\$ 243,817,500
Advertisement & sales		1.50%	Total sales	Predevelopment	\$ 731,452,500
Surveyors		0.04%	Hard costs	Predevelopment	\$ 9,767,190
Soil analysis		0.05%	Hard costs	Predevelopment	\$ 12,208,988
Architectural design		1.00%	Hard costs	Predevelopment	\$ 244,179,755
Structural design		0.10%	Hard costs	Predevelopment	\$ 24,417,975
Electrical design		0.30%	Hard costs	Predevelopment	\$ 73,253,926
Hydrosanitary design		0.30%	Hard costs	Predevelopment	\$ 73,253,926
Other designs		0.80%	Hard costs	Predevelopment	\$ 195,343,804
Const. Budget and schedule		0.60%	Hard costs	Predevelopment	\$ 146,507,853
Project controller		0.40%	Hard costs	Construction	\$ 97,671,902
Control Budget and schedule		0.40%	Hard costs	Construction	\$ 97,671,902
Construction fee (GC)		7.00%	Hard costs	Construction	\$ 1,709,258,285
Legal fees		0.40%	Hard costs	Predevelopment	\$ 97,671,902
Insurance		2.00%	Hard costs	Construction	\$ 488,359,510
Post sales		3.00%	Hard costs	End of const.	\$ 732,539,265
IVA over fees (tax)		19.00%	Fees	Predevelopment	\$ 1,131,002,775
Notariales y Estampilla Vendedor		0.20%	Hard costs	Construction	\$ 48,835,951
Registro y Estampilla Comprador		1.65%	Land value	Predevelopment	\$ 140,926,500
<b>Total soft costs commercial use</b>					<b>\$ 7,273,411,409</b>



Development program summary		
Residential AMI 5	100 units	%
<b>Site area</b>	<b>28,470 m2</b>	<b>50%</b>
Built open common areas	2,030 m2	7%
Access road area	1,823 m2	6%
Parking lot area	3,000 m2	11%
Building coverage area	2,955 m2	13%
Common areas buildings	100 m2	0%
Open areas	18,562 m2	79%
<b>Total</b>	<b>28,470 m2</b>	<b>100%</b>
Total sealeable area	8,850 m2	88%
Total buildable area	10,105 m2	100%

General Schedule				
Activity #	Activity	Duration	Starting month	Ending month
<b>R5 Residential AMI 5</b>				
14	R5 Land acquisition	1 months	month 1	month 1
15	R5 Pre development	8 months	month 3	month 10
16	R5 Start sales	25 months	month 6	
17	R5 Sales milestone (# units)	70.0%	month 23	month 23
18	R5 Construction	18 months	month 23	month 40
19	R5 Units mortgage payment	month 1	month 40	
20	R5 Post sales	6 months	month 40	month 45



# CAPITAL STACK & RETURNS

## Total Development Cost

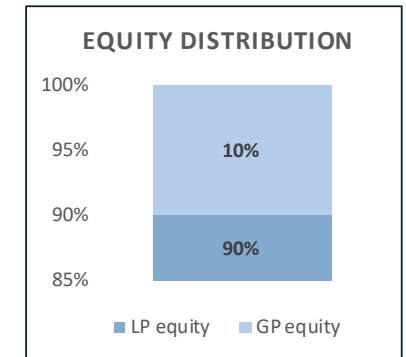
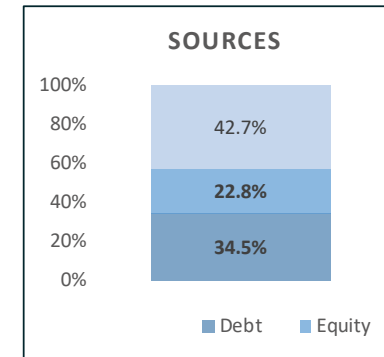
Total development cost			
Commercial Use + Residential use	\$ / m2	Total cost	%
Land value	\$ 300,000	\$ 17,079,000,000	17.79%
Closing costs	1.09%	185,490,000	0.19%
Interest reserve for construction loan		\$ 2,336,354,637	2.43%
Hard costs with CPI growth		59,920,209,040	62.43%
Soft costs		16,455,776,661	17.15%
<b>Total development cost</b>		<b>\$ 95,976,830,338</b>	<b>100%</b>

## Sources and uses

Sources			Uses		
Cons. loan	\$ 33,140,150,160	34.5%	Land acquisition	\$ 17,079,000,000	17.8%
Equity	\$ 21,895,317,432	22.8%	Closing costs	\$ 185,490,000	0.2%
Presales	\$ 40,941,362,746	42.7%	DC (Hard + soft)	\$ 76,375,985,701	79.6%
			Interest reserve	\$ 2,336,354,637	2.4%
<b>Total</b>	<b>\$ 95,976,830,338</b>	<b>100%</b>	<b>Total</b>	<b>\$ 95,976,830,338</b>	<b>100%</b>

## Capital stack

Total project cost			
Sources			%
Debt	34.5%	\$ 33,140,150,160	34.5%
Equity	22.8%	\$ 21,895,317,432	22.8%
Pre sales	42.7%	\$ 40,941,362,746	42.7%
<b>Total cost</b>		<b>\$ 95,976,830,338</b>	<b>100.0%</b>
LP equity	90%	\$ 19,705,785,689	20.5%
GP equity	10%	\$ 2,189,531,743	2.3%



## Returns summary

Returns Summary			
Project level	IRR	Equity multiple	Profit
Unlevered	17.14%	1.40 X	\$ 21,339,461,293
Levered	19.00%	1.91 X	\$ 19,936,382,631

# ANNUAL PROFORMA

NOTE: Returns analysis reflects monthly cash flows. Annual cash flow shown for illustrative purposes. Please refer to the excel model for monthly detail.

Year count	1	2	3	4	5	6	7	8	9	10
Year	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Year date	31/12/2021	31/12/2022	31/12/2023	31/12/2024	31/12/2025	31/12/2026	31/12/2027	31/12/2028	31/12/2029	31/12/2030

## Revenues

### Commercial use

PGI First year of operation	351,973,288	-	-	-	292,404,397	59,568,891	-	-	-	-
Vacancy/Loss first year	(123,190,651)	-	-	-	(102,341,539)	(20,849,112)	-	-	-	-
PGI Operation stabilization	2,259,883,254	-	-	-	-	303,408,730	376,637,903	390,812,276	405,520,087	420,781,410
Vacancy/Loss Stabilization	(112,994,163)	-	-	-	-	(15,170,436)	(18,831,895)	(19,540,614)	(20,276,004)	(21,039,071)
<b>Effective Gross Income</b>	<b>2,375,671,729</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>190,062,858</b>	<b>326,958,073</b>	<b>357,806,008</b>	<b>371,271,662</b>	<b>385,244,082</b>	<b>399,742,340</b>
Operating Expenses	(712,701,519)	-	-	-	(57,018,857)	(98,087,422)	(107,341,802)	(111,381,499)	(115,573,225)	(119,922,702)
Management Fees	(71,270,152)	-	-	-	(5,701,886)	(9,808,742)	(10,734,180)	(11,138,150)	(11,557,322)	(11,992,270)
<b>NOI (Operating)</b>	<b>1,591,700,058</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>127,342,115</b>	<b>219,061,909</b>	<b>239,730,026</b>	<b>248,752,014</b>	<b>258,113,535</b>	<b>267,827,368</b>
Capex reserves	(159,170,006)	-	-	-	(12,734,211)	(21,906,191)	(23,973,003)	(24,875,201)	(25,811,354)	(26,782,737)
<b>NOI (Property)</b>	<b>1,432,530,052</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>114,607,903</b>	<b>197,155,718</b>	<b>215,757,023</b>	<b>223,876,812</b>	<b>232,302,182</b>	<b>241,044,631</b>

### Sale / exit

Sale proceeds	4,650,221,133	-	-	-	-	-	-	4,650,221,133	-	-
<b>Commercial use revenue</b>	<b>5,401,618,589</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>114,607,903</b>	<b>197,155,718</b>	<b>215,757,023</b>	<b>4,874,097,945</b>	<b>-</b>	<b>-</b>

### Residential use - AMI 4 - 5 (condo sales)

AMI 4 & AMI 5 sales	110,511,594,380	952,374,927	6,646,849,267	16,208,090,246	86,704,279,939	-	-	-	-	-
<b>Total project revenue</b>	<b>115,913,212,969</b>	<b>952,374,927</b>	<b>6,646,849,267</b>	<b>16,208,090,246</b>	<b>86,818,887,843</b>	<b>197,155,718</b>	<b>215,757,023</b>	<b>4,874,097,945</b>	<b>-</b>	<b>-</b>

## DEVELOPMENT COSTS - HARD COST

### Commercial use

Hard costs commercial use	(2,283,615,396)	-	(279,338,409)	(1,712,635,799)	(291,641,188)	-	-	-	-	-
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### Residential use

Hard cost AMI 4	(30,811,330,565)	-	-	(18,625,857,179)	(12,185,473,386)	-	-	-	-	-
Hard cost AMI 5	(26,825,263,079)	-	(2,907,705,945)	(17,827,270,184)	(6,090,286,950)	-	-	-	-	-
<b>Total Hard costs</b>	<b>(59,920,209,040)</b>	<b>-</b>	<b>(3,187,044,354)</b>	<b>(38,165,763,162)</b>	<b>(18,567,401,523)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

# ANNUAL PROFORMA

NOTE: Returns analysis reflects monthly cash flows. Annual cash flow shown for illustrative purposes. Please refer to the excel model for monthly detail.

## DEVELOPMENT COSTS - SOFT COST

### Commercial use

Soft costs commercial use	(941,272,693)	(402,261,418)	(51,737,784)	(310,426,706)	(155,995,284)	(20,851,500)	-	-	-	-	-
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### Residential use

Soft costs AMI 4 use	(8,241,092,559)	(2,050,745,559)	(1,464,818,257)	(2,378,367,324)	(2,347,161,419)	-	-	-	-	-	-
Soft costs AMI 5 use	(7,273,411,409)	(3,123,804,595)	(379,674,172)	(2,278,045,033)	(1,491,887,609)	-	-	-	-	-	-

<b>Total Soft costs</b>	<b>(16,455,776,661)</b>	<b>(5,576,811,572)</b>	<b>(1,896,230,213)</b>	<b>(4,966,839,063)</b>	<b>(3,995,044,313)</b>	<b>(20,851,500)</b>	-	-	-	-	-
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## LAND ACQUISITION

### Commercial use

Total land cost commercial use	(1,499,400,000)	(1,499,400,000)	-	-	-	-	-	-	-	-	-
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### Residential use

Total land cost AMI 4	(7,138,680,000)	(7,138,680,000)	-	-	-	-	-	-	-	-	-
Total land cost AMI 5	(8,626,410,000)	(8,626,410,000)	-	-	-	-	-	-	-	-	-

<b>Total land costs</b>	<b>(17,264,490,000)</b>	<b>(17,264,490,000)</b>	-	-	-	-	-	-	-	-	-
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## UNLEVERED NET CASHFLOW

<b>Unlevered Net Cashflow</b>	<b>21,339,461,293</b>	<b>(21,888,926,646)</b>	<b>(6,390,786)</b>	<b>(25,354,546,493)</b>	<b>63,323,166,032</b>	<b>176,304,218</b>	<b>215,757,023</b>	<b>4,874,097,945</b>	-	-	-
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## DEBT ASSUMPTIONS

Beginning Balance	(350,453,195,485)	-	-	(132,160,169,357)	(218,293,026,128)	-	-	-	-	-	-
Interest - Construction Loan	-	-	-	(881,067,796)	(792,483,838)	-	-	-	-	-	-
Loan Draw - Construction Loan	-	-	-	(26,235,614,289)	(6,904,535,871)	-	-	-	-	-	-
Paydown	-	-	-	-	33,140,150,160	-	-	-	-	-	-
Ending Balance	(350,453,195,485)	-	-	(158,395,783,646)	(192,057,411,839)	-	-	-	-	-	-

## LEVERED NET CASHFLOW

<b>Levered NET Cashflow Project</b>	<b>19,936,382,631</b>	<b>(21,888,926,646)</b>	<b>(6,390,786)</b>	<b>-</b>	<b>36,486,944,395</b>	<b>254,900,699</b>	<b>215,757,023</b>	<b>4,874,097,945</b>	-	-	-
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# SENSITIVITY ANALYSIS & SCENARIOS

## Land acquisition price to avg condo sales price psqmt AMI 4

Unlevered IRR / Equity multiple

Unlevered	IRR   EM	Land acquisition price (\$/psqmt)				
		\$ 260,000	\$ 280,000	\$ 300,000	\$ 320,000	\$ 340,000
	17.14%   1.40x					
	\$ 4,200,000	18.39%   1.41x	16.86%   1.38x	15.44%   1.35x	14.11%   1.33x	12.87%   1.30x
<b>Average</b>	\$ 4,300,000	19.29%   1.43x	17.74%   1.40x	16.30%   1.38x	14.95%   1.35x	13.69%   1.32x
<b>condo psqmt</b>	\$ 4,400,000	20.19%   1.46x	18.61%   1.43x	17.14%   1.40x	15.77%   1.37x	14.49%   1.34x
<b>AMI 4</b>	\$ 4,500,000	21.08%   1.48x	19.48%   1.45x	17.98%   1.42x	16.59%   1.39x	15.29%   1.37x
	\$ 4,600,000	21.96%   1.51x	20.33%   1.48x	18.82%   1.44x	17.40%   1.42x	16.08%   1.39x

## Land acquisition price to avg condo sales price psqmt AMI 5

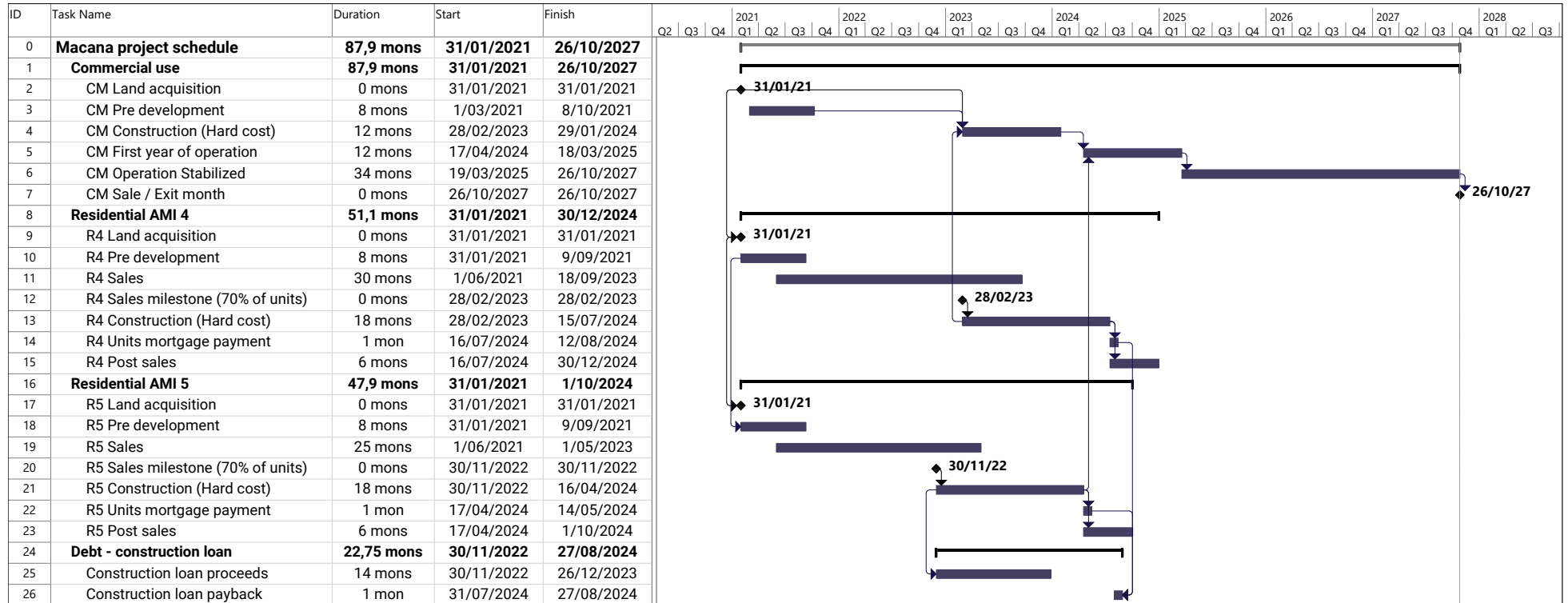
Unlevered IRR / Equity multiple

Unlevered	IRR   EM	Land acquisition price (\$/psqmt)				
		\$ 260,000	\$ 280,000	\$ 300,000	\$ 320,000	\$ 340,000
	17.14%   1.40x					
	\$ 4,750,000	18.73%   1.42x	17.20%   1.39x	15.77%   1.36x	14.44%   1.33x	13.19%   1.31x
<b>Average</b>	\$ 4,850,000	19.46%   1.44x	17.91%   1.41x	16.46%   1.38x	15.11%   1.35x	13.84%   1.33x
<b>condo psqmt</b>	\$ 4,950,000	20.19%   1.46x	18.61%   1.43x	17.14%   1.40x	15.77%   1.37x	14.49%   1.34x
<b>AMI 5</b>	\$ 5,050,000	20.92%   1.48x	19.31%   1.45x	17.82%   1.42x	16.43%   1.39x	15.13%   1.36x
	\$ 5,150,000	21.64%   1.50x	20.01%   1.47x	18.50%   1.44x	17.09%   1.41x	15.78%   1.38x

## Scenario analysis

Scenarios:	Current Values:	Optimistic	Realistic	Pesimistic
Land Value psqmt	\$ 300,000	\$ 275,000	\$ 300,000	\$ 350,000
Price psqmt AMI 4	\$ 4,400,000	\$ 4,500,000	\$ 4,400,000	\$ 4,200,000
Price psqmt AMI 5	\$ 4,950,000	\$ 5,100,000	\$ 4,950,000	\$ 4,750,000
Result Cells:				
Unlevered returns				
Unlevered IRR	17.14%	20.92%	17.14%	10.99%
Profit	\$ 21,339,461,293	\$ 25,151,088,939	\$ 21,339,461,293	\$ 14,606,860,657
Equity multiple	1.40 X	1.49 X	1.40 X	1.25 X
Levered returns				
Levered IRR	19.00%	23.35%	19.00%	11.78%
Profit	\$ 19,936,382,631	\$ 23,797,582,569	\$ 19,936,382,631	\$ 13,124,649,343
Equity multiple	1.91 X	2.16 X	1.91 X	1.53 X

# PROJECT SCHEDULE



Project: Macana project schedu  
Date: 18/04/2020

Task		Inactive Task		Manual Summary Rollup		External Milestone		Progress	
Split		Inactive Milestone		Manual Summary		Deadline		Manual Progress	
Milestone		Inactive Summary		Start-only		Baseline			
Summary		Manual Task		Finish-only		Baseline Milestone			
Project Summary		Duration-only		External Tasks		Baseline Summary			

# RISKS & MITIGANTS

## Obtaining required permits and licenses such as “Pier viability” and “Community approvals”

In order to allow the project to start its construction and operation, in addition to zoning approvals, Colombia legislation requires some other permits such as the *pier viability* and *community approvals*.

*Pier viability* will allow the arrival, departure, and docking of boats in the pier proposed within the waterfront area of the project.

Given that some infrastructure and construction operations are going to be done, there is an additional requirement for the project to obtain approval from the community board that will be directly related to the project. The *community approval* could be waived if the project can demonstrate that it won't impact the community during and after the construction period. Given the uncertainty of this requirement, is better to be conservative and have it in the project schedule. If approval can be waived, all will be upside.

### MITIGANTS

To avoid delays and negative responses on the *pier viability* approval, the project will conduct technical studies during pre-development stages to demonstrate that is possible from a technical and environmental perspective to built and operate a pier in the waterfront of the site to allow boats to arrive, departure and dock.

During due diligence, work along with the masterplan developer and legal authorities to evaluate the need for *community approvals*. If this approval is required, establish contact during pre-development stages with community leaders to understand their needs and be able to offer solutions to negative impacts in the community that can come up due to the construction phase.

## Condominium Market Softening

Given the new competitive supply, along with a general softening of the Cartagena condo market, there is a risk that the condo sales process could take longer than originally budgeted or that we will not be able to achieve our target pricing on the condo units.

### MITIGANTS

- If sales are not performing according to the original schedule the developer must understand the customer's needs and if required, re-design apartment layouts, for example reducing areas to make more affordable the unit.
- Establish alliances with companies located in Mamonal (Cartagena's industrial area), that are part of the target market. Through those alliances, sale discounts in the apartments could be offered to employees in the industrial area.

## Difficulty to obtain tenants for the commercial use

Given that this project is “opening” a new market, it will probably be difficult to get tenants to lease the commercial building in the waterfront area.

### MITIGANTS

- To attract tenants to the commercial building, the developer will show the projections in terms of projects that have the whole masterplan, given that Macana residents are not the only potential customers of the commercial use. The masterplan has envisioned around 6,000 residential units and 12,000 hotel rooms, those number will encourage commercial tenants given the traffic that will be arriving year over year.
- The project can come up with a leasing strategy to offer free rent and tenant improvements to key commercial tenants.

# Appendix



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# PROJECT **BRANDING**

## NAME & LOGO



# macana

Condominio Marino

Palm tree from Colombia - South America.  
It grows in humid and warm weather.  
In honor of Colombia & used  
by craftsman in construction sites



# PROJECT **BRANDING**

LOGO APPLICATION FOR PROJECT USES



# PROJECT BRANDING

## BROCHURE



# PROJECT **BRANDING**

## WEBSITE



# PROJECT **BRANDING**

STATIONARY



# PROJECT **BRANDING**

TOILETRIES



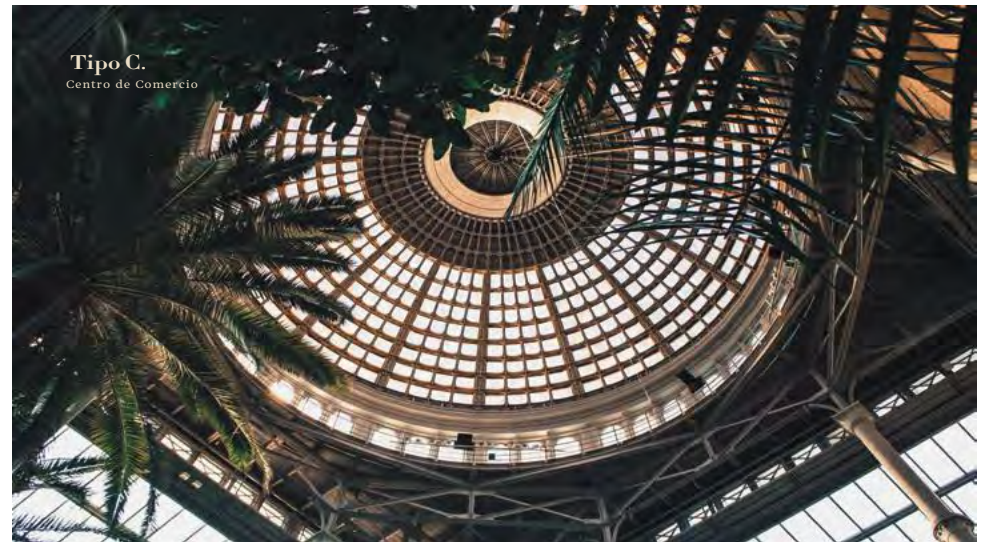
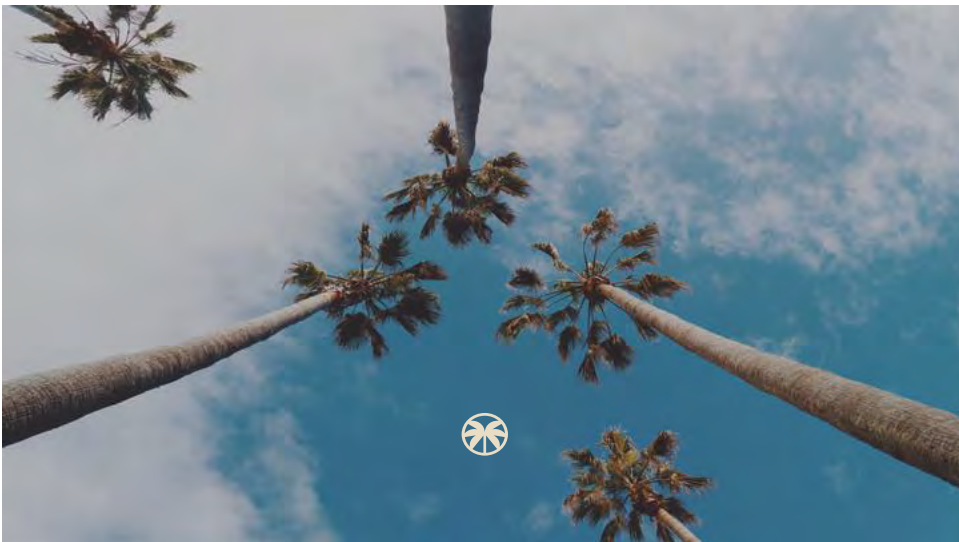
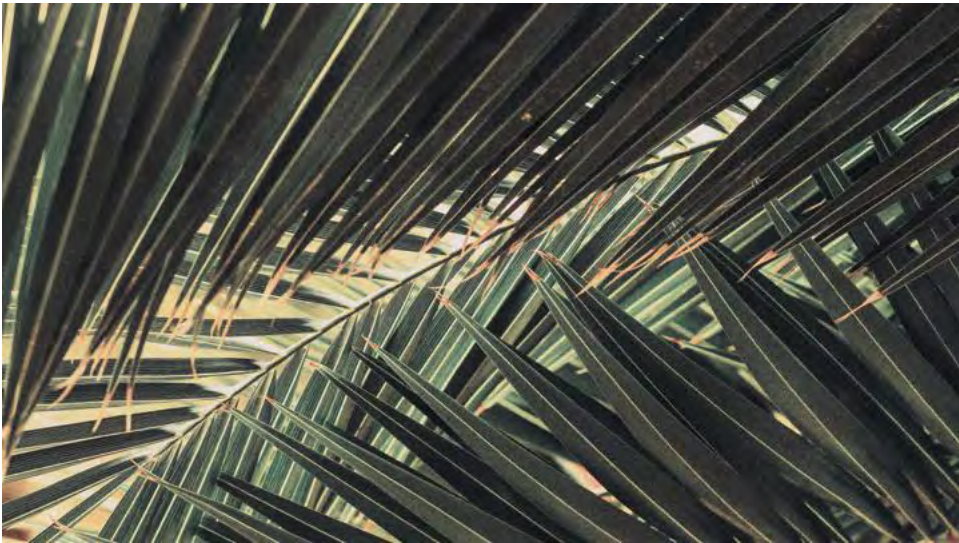
# PROJECT **BRANDING**

## GRAPHIC DESIGN



# PROJECT **BRANDING**

## GRAPHIC DESIGN







**Disclaimer**

The content of this document is purely academic. Negotiations and/or agreements have not been established with any of the aforementioned stakeholders.



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