# Asset Management for the Owner/Developer

Key Roles
Acquisition underwriting
Refinances
Quality Control
Dispositions





















## Asset Management Involvement in Underwriting

- Development Process Checklist utilized to underwrite acquisitions.
- Analysis of rents, expenses and markets.
- Neighborhood Characteristics
- Physical Characteristics
- Source and Use
- 3 to 4 critical assumptions





















### Development Process Checklist

	THE DEVELOPMEN	T PROCESS CH	ECKLIS	ST .									
	PHASE	I: Feasibility											
Project Name:													
roject Partner/Developer: Development Associate:	Property Type: Number of Units:			0/2	of Pha	se Col	moletio	n·	12%				
Project Assistant:	Property Location:								1270				
Asset Manager: PM Representative:	Est. Closing Date: Current Owner:				INC	ON	IPLE	ETE					
Event:	Subsequent Tasks:	Assigned To:	Managing Partner	Senior VP of Dvlp.	Project Partner/VP	Dvlp. Associate	Assistant	Asset Mgmt.	Property Mgmt.				
eal Discovery:	Determine deal structure (4%, 9%, GP, new construction, historic, etc.) based	Partner, Associate											
	upon credit availibity, developer fee, debt structure.  Obtain all APPLICABLE items from Pre-LOI Due Diligence Checklist.	Assistant											
	Create model / Discounted Cash Flow Analysis.	Partner, Associate											
	Review Rent Assumptions and Rent Roll for accuracy and feasibility. Compare with comparable market rents and/or LIHTC limits.	Partner, Associate											
	Complete a Market Study (in-house) to compare rents to the market.	Associate (Intern)											
	Find Sales Comps and compare to the proposed purchase price to determine validity in that market.	Associate (Intern)											
	Save a copy of the Confidentiality Agreement in Laserfiche (if applicable) Summarize Community Demographics to determine whether the city, county	Assistant											
	and CBSA is growing or shrinking.	Assistant											
	Obtain crime statistics.  Enter Audit history/past operations into the model, including vacancy.	Assistant Assistant											
	Compare operating expenses to historical operations (enter into model) and	Assistant											
	to Dominium portfolio benchmarks. Review past Audits to understand the debt structure, the current financial	Partner, Associate											
	position, and the past operations of the property.  Conduct an analysis to estimate taxes.	Partner, Associate  Partner, Associate											
	Contact lenders to determine interest rate and feasibility of proposed new	Partner, Associate											
	Review HAP Contract (if applicable) to determine length and renewal Review State Agency/QAP requirements to determine tax credit potential,	Partner, Associate											
	calcuation of developer fee, set asides, point scoring potential, RR.	Partner, Associate											
	Review existing LURA (if applicable) for potential problematic restrictions.  Create lease-up/marketing budget if lease-up is necessary after construction.	Partner, Associate Partner, Associate											
	Create a Construction Draw schedule to estimate when funds will be Risk Rate the project (see Risk Rate tab).	Partner, Associate Partner, Associate											
	Create DDB entry	Associate, Assistant											
l.	Review current project conditions and REAC report to estimate amount of necessary rehab/capital improvements.	Partner, Associate, AM											
	Review lease-up/repositioning schedule with AM (including during rehab). Identify the 3 to 4 most critical assumptions for the deal to be successful.	Partner, Associate, AM Partner, Associate, AM											
	Review Operating Proforma tab with AM.	Associate, AM											
	Fill out Alternative Transaction tab (if applicable). Verify with Partner for applicability of this item.	MP, Sr. VP, Partner											
	Review the following with MP and Sr. VP: sources and uses, proforma, potential Investor, potential Lender(s), LOI terms. Determine next steps.	MP, Sr. VP, Partner, Assoc.											
	Upon signoff by AM and a Principal, create a pdf of the S&U and Proforma from the model and save it in Laserfiche.	Associate											
GP Acquisition Only:	Review Partnership Agreements for cash flow splits, guarantee obligations,	Partner, Associate			N/A N/A	N/A							
Resyndication Only:	Add additional costs after takeover, \$250-500/unit, for 4-5 months, into	Partner, Associate			N/A	N/A							
	Estimate Sales Price of Asset	Partner, Associate, AM			N/A	N/A		N/A					
	Create List of All Non-Qualified Tenants	Compliance							N/A				
hanced Assumption Review				Ì									
	Contact syndicators to determine the level of interest and Equity pricing.  Contact (and look at webpages) city, county and state agency to determine	Partner, Associate											
	availability of Soft Funding.	Partner, Associate											
	Review Deed Restrictions.	Partner, Associate											
omments:													
Managing Partner: Sr. VP of DVIp.:													
Partner: Associate:													
Assistant:													
Asset Mgmt: Property Mgmt:													

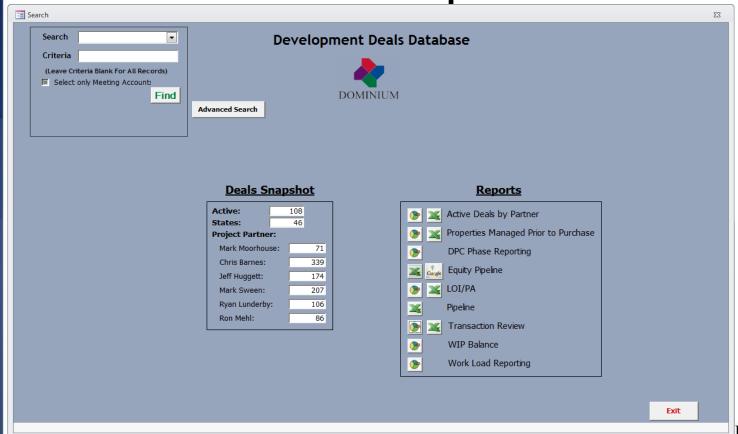
#### Development Database

- Utilized as data collection point for multiple assets.
- Allows for a single consistent source of basic asset information.





#### Dominium Development Database























#### **Property Database**

- Utilized as data collection point for our owned/managed inventory.
- Allows for a single consistent source of basic asset information.





#### Dominium Property Database

