C1-40 Zoning, referencing the **cheat-sheet**:

- **http://www.seattle.gov/dpd/cs/groups/pan/@pan/documents/web_informational/dpds021568.pdf**

In the code, it talks about FAR of **3.00** and **40** feet as the maximum height for residential-only development.

FAR Calculation :

- **13,770** sqft * **3.00** FAR * **1.06** (factor for relationship of internal sqft to external) = **43,788** sqft

Given that the envelope is **13,770** sqft, we need to figure out many stories we'd need to maximize that FAR :With dedicating a portion of the ground level to minimal parking, I was able to maximize FAR by creating **12** parking spots with the basement level being **8,388** sqft, the 1st level being **8,388** sqft, and the top 3 levels being **11,800** sqft. Adding an extra 8,388 sqft for basement (which is not calculated in FAR), this configuration leaves us with **52,176** sqft for total building sqft.

To calculate how many **SEDUs** (Small Efficiency Dwelling Units) we can get in using SEDUs, we would subtract **35.00%**
to Common Spaces / Hallways / Elevator / Etc., which leaves us with :

- **8,388** sqft - **35.00%** = **5,452** sqft / 250 sqft (estimated average unit size) = **22** units.

- **11,800** sqft - **35.00%** = **7,670** sqft / 250 sqft (estimated average unit size) = **31** units.

- Which brings us **137** units as maximum number of units in the potential building. Looking around on rental websites, we should be able to get around **$4.40** per sqft or around **$1,100** per unit per month for units. Additionally, we should be able to get around **$100** for each parking spot per month.

Since SEDUs have higher turnover, we would be subtracting **35.00%** to **Operating Expenses** to figure out **Net Operating Income** of units**.** For parking spaces we will use **10%** for Operating Expenses :

- $1,100 * 137 units - 35.00% (Operating Expenses) * 12 months @ = **$1,175,460** NOI
- Parking Spots @ $100 per each = $1,200 - 10.00% (Operating Expenses) * 12 months = **$12,960** NOI

To figure out potential value of the building, looking at historical CAP rates that similar apartments sold for in recent years, we can conclude that **4.75%** CAP rate is an appealing number :

- ($1,175,460 + $12,960) @ 4.75% CAP = **$25,019,368.42**

SOME FIGURES HAVE BEEN ROUNDED TO NEAREST THOUSAND

$25,019,000	Evaluation of the Complex at **4.75%** CAP (rounded to nearest Thousand)
- $2,052,000	Selling Costs (based on **8.20%** of the Evaluation with 6.00% to Brokers, 1.78% Excise Taxes, and remaining amount for Title / Escrow + Misc. Selling Expenses)
- $11,479,000	Construction Costs based on the **$220.00** per sqft
- $245,000	Soft Costs : Architecture / Engineering / Studies / Permits
- $45,000	Misc. Costs / Expenses (Property Taxes, Insurance, Utilities, etc.)
$11,198,000	Left to Acquisition / Financing Costs / Profit Margin
- $1,500,000	Purchase Price
- $2,100,000	Ballpark Financing Costs if using high-intere Financing
$7,599,000	Left to Profit Margin
30.37%	Profit Margin to Value