



# **HAMPTONS** SPECULATOR

GRAND STREET SAG HARBOR VILLAGE PROJECT ANALYSIS

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# PROJECT SUMMARY EXPENSES & FORECAST RENOVATION

## Property Acquisition & Owner Finance Expense:

Purchase Price \$850,000

## Construction & Soft Costs:

Conststruction Budget (2,300 sf home) \$650,000

**Total Construction & Soft Costs \$650,000**

## Uses of Funds:

Property Acquisition \$850,000

Construction & Soft Costs to be Financed \$650,000

Total Acquisition & Improvements \$1,500,000

**Total Finance Costs \$52,000**

## Amortization Schedule Construction Finance Costs

Amount	Interest	Months	Interest/Mo	Total
\$650,000	8%	12	\$4,333	\$52,000

## Scenario Analysis: Home Sales:

	Base Case Scenario	Best Case Scenario	Worst Case Scenario
Selling Price of Home	\$1,995,000	\$2,150,000	\$1,850,000
Real Estate Commission Percentage	5%	5%	5%
Real Estate Commission Costs	\$99,750	\$107,500	\$92,500
Legal/taxes	\$14,963	\$16,125	\$13,875
<b>Net Sale Income</b>	<b>\$1,880,288</b>	<b>\$2,026,375</b>	<b>\$1,743,625</b>

## Total Project Costs:

	Base Case Scenario	Best Case Scenario	Worst Case Scenario
Cost of Land	\$850,000	\$850,000	\$850,000
Construction & Soft Costs	\$650,000	\$650,000	\$650,000
Interest Paid to Finance Company	\$52,000	\$52,000	\$52,000
In-House Legal and Accounting Fees	\$10,000	\$10,000	\$10,000
<b>Total Project Costs</b>	<b>\$1,562,000</b>	<b>\$1,562,000</b>	<b>\$1,562,000</b>

## Projected Profits:

	Base Case Scenario	Best Case Scenario	Worst Case Scenario
<b>Total Project Profits</b>	<b>\$318,288</b>	<b>\$464,375</b>	<b>\$181,625</b>

# PROJECT SUMMARY EXPENSES & FORECAST NEW MODULAR

## Property Acquisition & Owner Finance Expense:

Purchase Price	\$850,000
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## Construction & Soft Costs:

Conststruction Budget (3,200 sf home)	\$650,000
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<b>Total Construction &amp; Soft Costs</b>	<b>\$650,000</b>
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## Uses of Funds:

Property Acquisition	\$850,000
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Construction & Soft Costs to be Financed	\$650,000
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Total Acquisition & Improvements	\$1,500,000
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<b>Total Finance Costs</b>	<b>\$60,667</b>
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## Amortization Schedule Construction Finance Costs

Amount	Interest	Months	Interest/Mo	Total
\$650,000	8%	14	\$4,333	\$60,667

## Scenario Analysis: Home Sales:

Selling Price of Home	\$2,650,000	\$2,795,000	\$2,295,000
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Real Estate Commission Percentage	5%	5%	5%
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Real Estate Commission Costs	\$132,500	\$139,750	\$114,750
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Legal/taxes	\$19,875	\$20,963	\$17,213
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<b>Net Sale Income</b>	<b>\$2,497,625</b>	<b>\$2,634,288</b>	<b>\$2,163,038</b>
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## Total Project Costs:

Cost of Land	\$850,000	\$850,000	\$850,000
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Construction & Soft Costs	\$650,000	\$650,000	\$650,000
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Interest Paid to Finance Company	\$60,667	\$60,667	\$60,667
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In-House Legal and Accounting Fees	\$10,000	\$10,000	\$10,000
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<b>Total Project Costs</b>	<b>\$1,570,667</b>	<b>\$1,570,667</b>	<b>\$1,570,667</b>
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## Projected Profits:

<b>Total Project Profits</b>	<b>\$926,958</b>	<b>\$1,063,621</b>	<b>\$592,371</b>
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# PROJECT SUMMARY EXPENSES & FORECAST NEW BUILD

## Property Acquisition & Owner Finance Expense:

Purchase Price \$850,000

## Construction & Soft Costs:

Conststruction Budget (3,200 sf home) \$950,000

**Total Construction & Soft Costs \$950,000**

## Uses of Funds:

Property Acquisition \$850,000

Construction & Soft Costs to be Financed \$950,000

Total Acquisition & Improvements \$1,800,000

**Total Finance Costs \$88,667**

## Amortization Schedule Construction Finance Costs

Amount	Interest	Months	Interest/Mo	Total
\$950,000	8%	14	\$6,333	\$88,667

## Scenario Analysis: Home Sales:

	Base Case Scenario	Best Case Scenario	Worst Case Scenario
Selling Price of Home	\$2,850,000	\$2,995,000	\$2,495,000
Real Estate Commission Percentage	5%	5%	5%
Real Estate Commission Costs	\$142,500	\$149,750	\$124,750
Legal/taxes	\$21,375	\$22,463	\$18,713
<b>Net Sale Income</b>	<b>\$2,686,125</b>	<b>\$2,822,788</b>	<b>\$2,351,538</b>

## Total Project Costs:

	Base Case Scenario	Best Case Scenario	Worst Case Scenario
Cost of Land	\$850,000	\$850,000	\$850,000
Construction & Soft Costs	\$950,000	\$950,000	\$950,000
Interest Paid to Finance Company	\$88,667	\$88,667	\$88,667
In-House Legal and Accounting Fees	\$10,000	\$10,000	\$10,000
<b>Total Project Costs</b>	<b>\$1,898,667</b>	<b>\$1,898,667</b>	<b>\$1,898,667</b>

## Projected Profits:

	Base Case Scenario	Best Case Scenario	Worst Case Scenario
<b>Total Project Profits</b>	<b>\$787,458</b>	<b>\$924,121</b>	<b>\$452,871</b>

Topic	Grade	Notes
<b>Siting</b>	✓-	The house appears well sited on the property and allows for plenty of natural light in the front, side and back. The current siting also enables the re-vegetation plenty of new screening, privacy hedging and ample back yard space for a pool, showcase gardens and entertainment space. It's safe to say a new home would also fit within the required set backs as well.
<b>Foundation</b>	X	It was routine for structures from this time period to sit atop of locos posts. Later red brick foundations were added somewhere under the kitchen area to provide dry space for the heating system(s), and a new electrical service. In this case a new foundation is of course needed.
<b>Framing</b>	✓	Also typical for this time period, they used actual 2 x 4 (full "2 X"4 inch) framing materials and sometimes even thicker. The current framing material is acceptable. The new spray foam method and the R-Factor provided means there's no need to "sister" framing materials to gain the needed depth to meet the new energy requirements.
<b>Floors, Doors &amp; Trim Details.</b>	✓+	Everyone loves the beauty and quality of restored vintage wood floors, trim detail and old doors. They add character and rich detail. No matter which direction you head, consider saving and re-purposing the materials.
<b>Windows</b>	✓-	The windows are adequate but in a few cases in need of replacement. The good news on a small home like this, the cost to purchase historical look-a-likes or replacement windows from Marvin or Lincoln would not break the bank.
<b>Exterior Siding &amp; Trim</b>	X	The shingles appear to be in good shape and have at least 10 more years of life expectancy. You could power wash, and treat the siding with a wood preserve and bleaching oil. However, removing the old siding allows the owner to inspect and repair any damaged sheathing and add an energy efficient vapor bearer. The new trim and siding detail will add value and make the home appear fresh while allowing for any new window and door frame upgrades. Replacing the siding is recommended.
<b>Roof</b>	X	With this size of an investment, use the opportunity to inspect and replace any needed flashing. A new roof is almost certainly recommended and a prerequisite. If the lath and flashing are in good shape, then the cost will be mitigated and so will any future headaches.
<b>Electric</b>	X	Generally homes of this age have questionable and sometimes obsolete wiring systems and service requirements. The outlets are usually not well placed, and the service requirements are not up to today's "lifestyle" standards. To meet today's electrical needs consider making a wise decision to rewire from top to bottom. The good news, you can mitigate costs by not adding phone jacks and minimize the number of cable junctions to one or two locations.
<b>Plumbing</b>	✓-	The waste and water lines seem to be adequate. We assume the kitchen and baths will need upgrades, and a new laundry room or area will need a water and waste line. There might be a lot of new plumbing needed, and in many cases it's best to start over especially if you're removing and replacing the old radiator/hot water heating system.
<b>HVAC</b>	X	None exists. If the house were gutted a new system would need to be installed, with upgrades to both heating, adding new ERE (Fresh Air Returns) system as well as Air Conditioning.
<b>Masonry Work</b>	✓- or X	The current chimney and flues appear in good shape. Some re-pointing or minor repair work is needed. Normally this would be a big savings as opposed to starting out new. However, there is added work needed after replacing the non existing foundation that makes this a non-starter as far as saving the chimney. Our recommendation if a simple fix can not be achieved, consider taking it down and instead go with a non masonry replacement fireplace and flue system. You could replace this with one that has a "masonry look".
<b>Landscape/Hardscape</b>	✓	On a positive note, with older homes you also inherit some mature landscaping. A few select items would need to be moved around, and new plantings added. New screening material and considerations made to the curb appeal, gardens and landscape features would be given regardless of a rehab, renovation or new construction project.

# SPEC SCORE



What's a Spec Score?

Spec scores range from 1 - 5 by level of difficulty, with 5 representing the most challenging project.

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