

An aerial photograph of a city, showing a dense grid of buildings and streets. A semi-transparent white overlay covers the entire image, making the text legible. The text is centered and reads "Selected Property Financials".

Selected Property Financials

Office + Retail
Affordable Housing

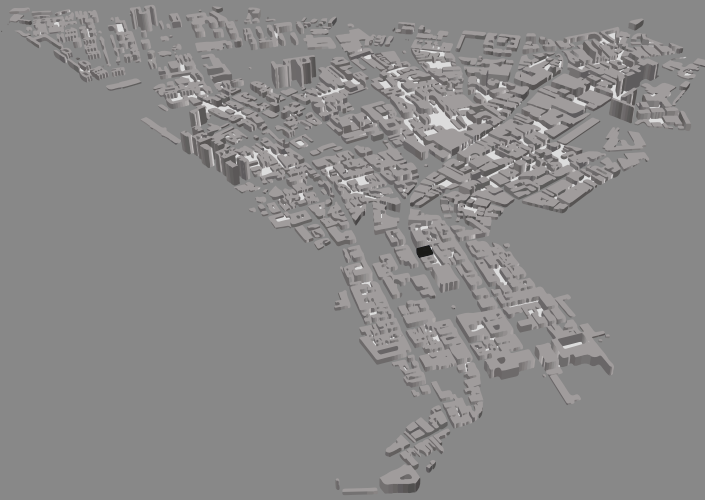
Maria Inmaculada

Office + Retail

In 2010, Conservatorio purchased a vacant old school with the intent to develop it into office and retail space. The school was considered an attractive investment given its concrete structure and open courtyard, both desirable amenities to provide office spaces and a ground level restaurant.

The first phase of development was completed in 2015 and resulted in 1475m² of retail and office space. Construction costs for phase one totaled \$1242 per m². Phase two development spans 2016 and 2017 and increases developed area by 984m². The completed project will contain a mix of office, retail, shared spaces, and parking. Initial monthly rent for the office and retail space in phase one are \$18.67/m² and \$27.16/m², respectively. Initial monthly rents for office and retail space in the second phase are estimated to be \$20/m² and \$38/m², respectively.

The first phase of development has proved to be successful; Conservatorio has surpassed their vacancy rate and NOI estimates. However, maintenance costs are higher than expected and the building requires a full-time superintendent.



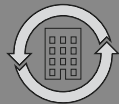
Location



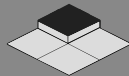
2010
Purchase Year



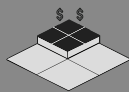
\$900,000
Purchase Price



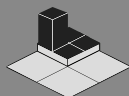
Vacant
Condition



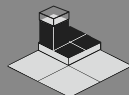
\$760 m2
Land Cost



\$1,182
Price per Square Meter



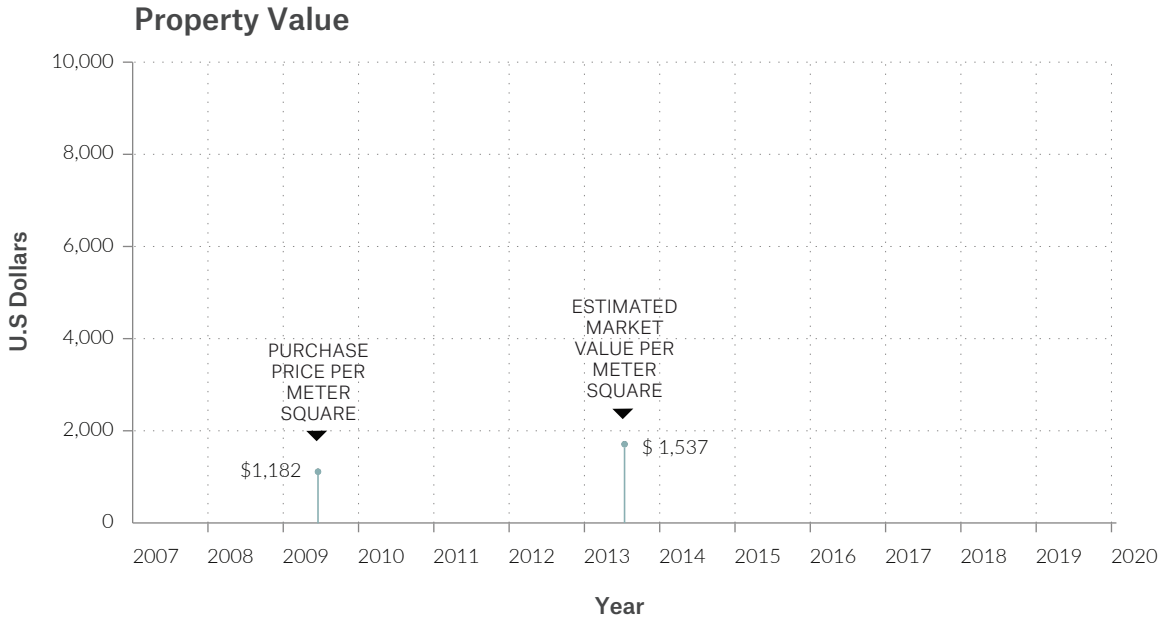
2,436 sqm
Developable Area



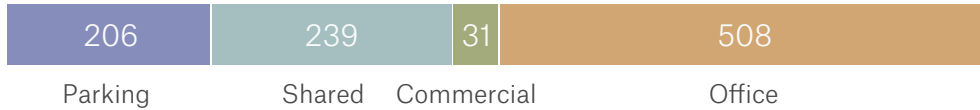
1,475 sqm
Developed Area

Development Stage 1

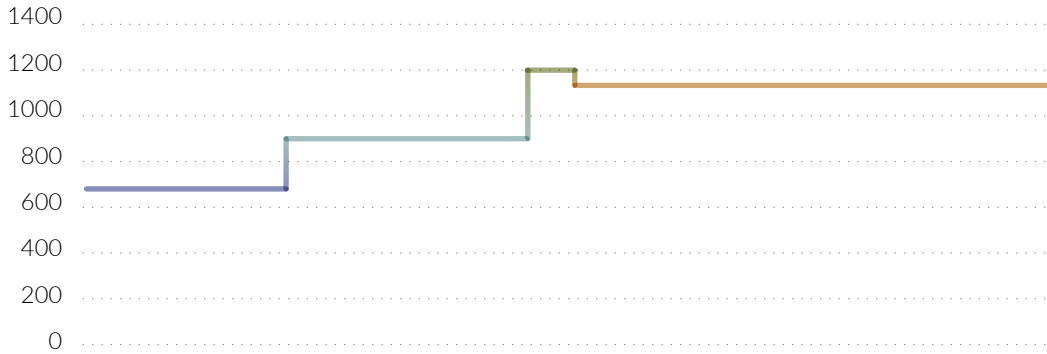
Development Stage 2



Building Uses (Number of Square Meters)



Construction Cost by Use (Square Meters)



Phase 2 Cost Breakdown

Type of Cost	U.S. Dollars
Soft Costs	\$239,378
Financing Costs	\$116,765
Total Construction Costs	\$997,105
Total Development Costs	\$4,485,848

An aerial photograph of a historic district, likely Casco Viejo, showing a dense cluster of colorful buildings with red, blue, and white facades. The buildings are situated on a hillside overlooking a river. The sky is overcast with grey clouds. The overall scene is a mix of urban development and historic architecture.

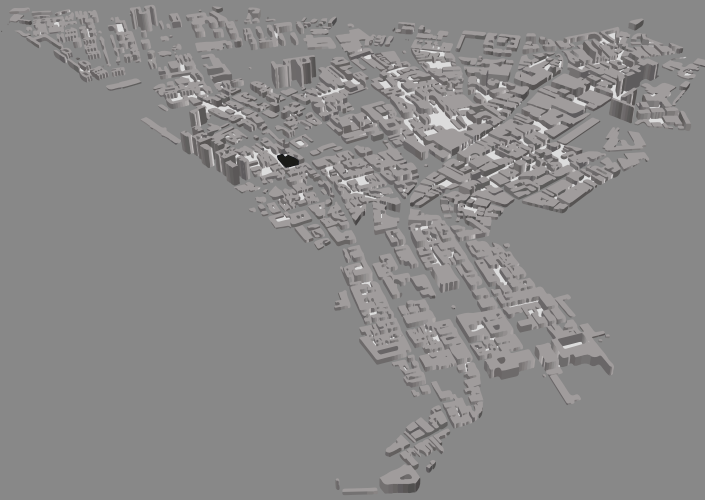
Patterson I

Affordable Housing for Sale and Retail

Conservatorio has faced challenges in their desire to build affordable housing within the historic district. Historic buildings are typically more costly to redevelop given restoration requirements. Furthermore, apartment sizes are dictated by existing windows and circulation. Given these issues, the number of potential locations for affordable housing within Casco Viejo is limited.

The Patterson I property was cheaply bought given its location and size. The lot contained remnants of a four-storey building allowing for a new development to be built to this height. Conservatorio saw this as an opportunity to improve access to housing for their employee base and the community as a whole. Given the high density and high rents within the area, Conservatorio drew inspiration from the micro-housing movement:

Patterson I is currently in the development phase. By 2017, 1648m² of residential and commercial space will be complete. Conservatorio anticipates the price of a condo will be \$2300/m² and starting retail rent to be \$15/m² per month.



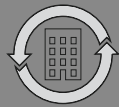
Location



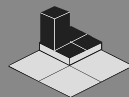
2006
Purchase Year



\$105,628
Purchase Price



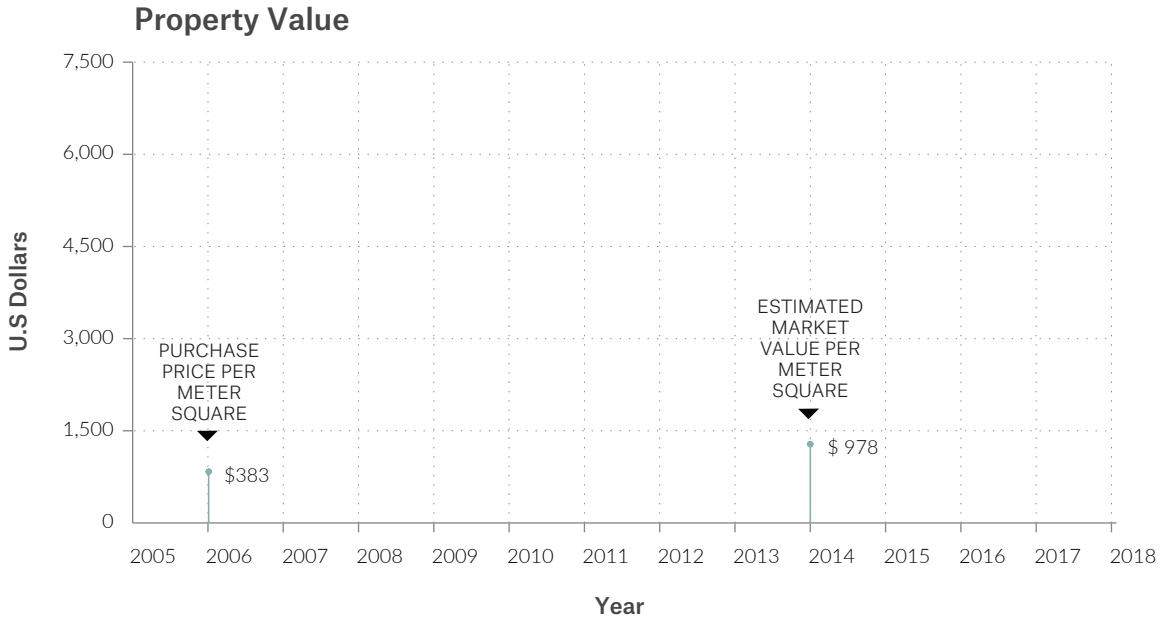
Vacant
Condition



275 m²
Developable Area

Development Stage 1

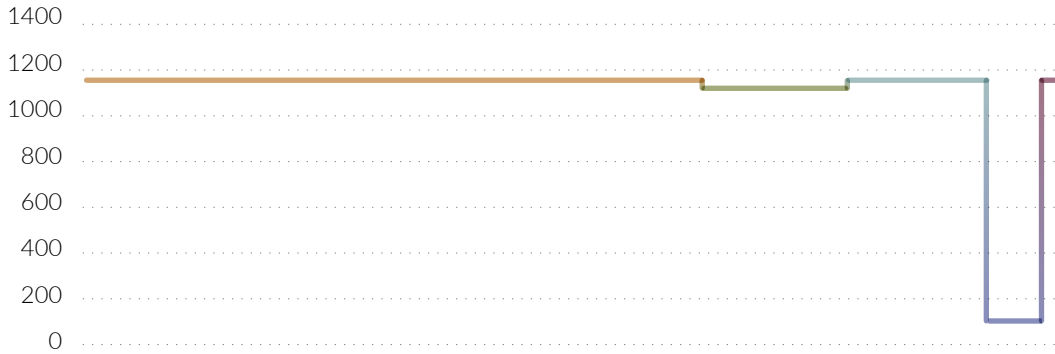
Development Stage 2



Building Uses (Number of Square Meters)



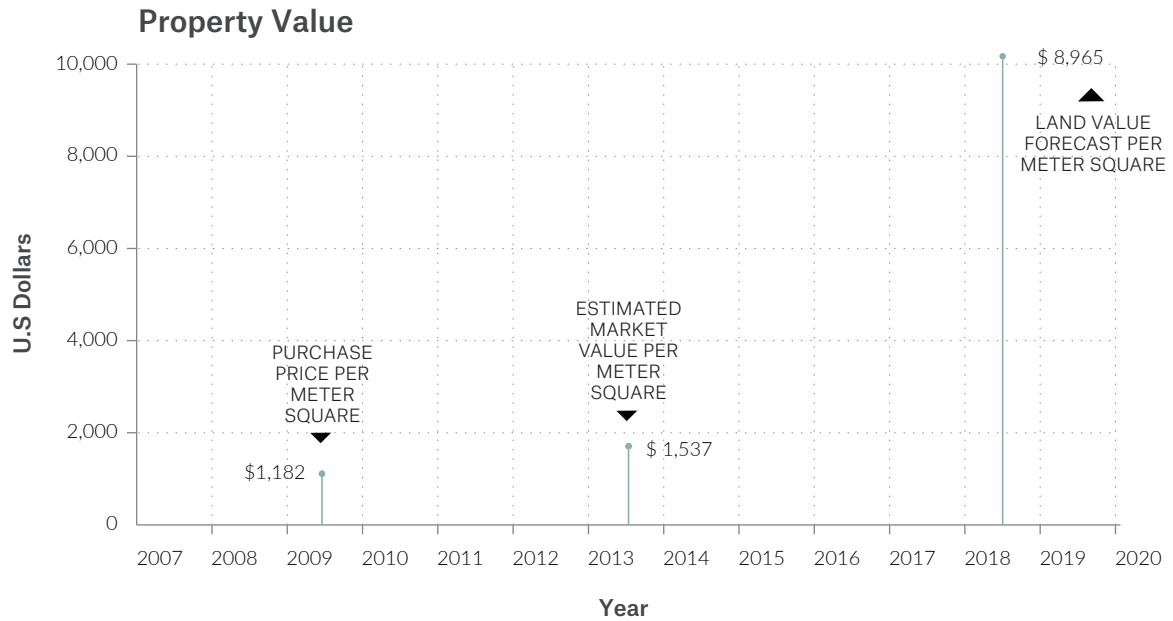
Construction Cost by Use (Square Meters)



Phase 2 Cost Breakdown

Type of Cost	U.S. Dollars
Soft Costs	\$329,812
Financing Costs	\$98,771
Total Construction Costs	\$1,161,909
Total Development Costs	\$1,696,120

Operations Stage 3



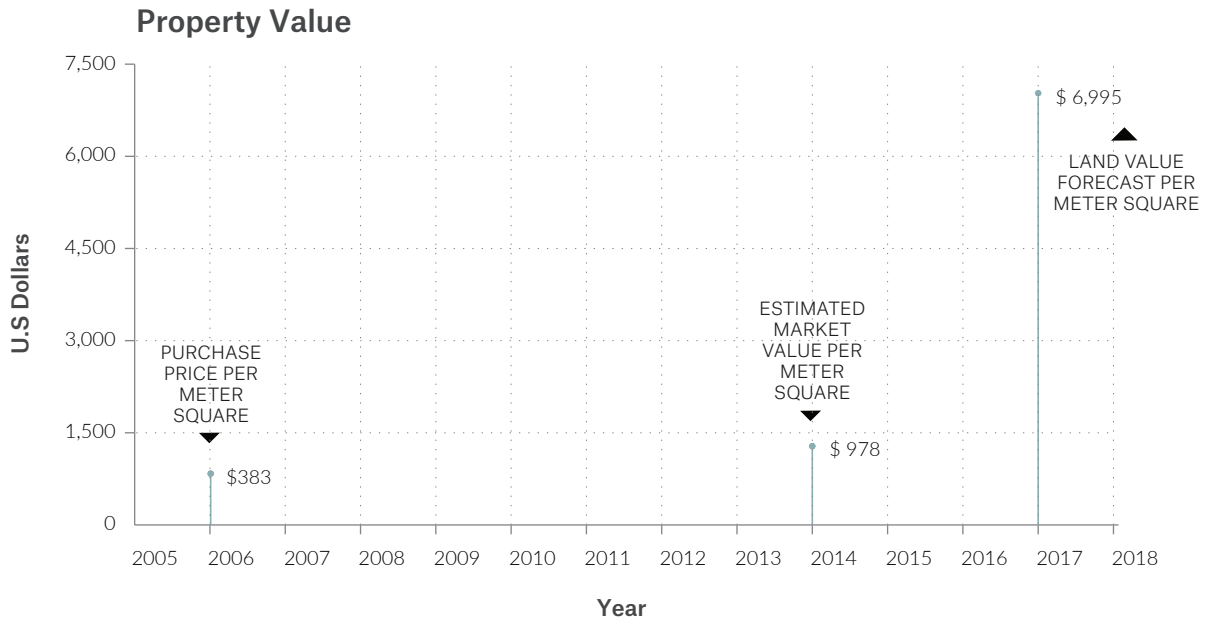
Phase 2 Cost Breakdown

	Phase 1	Phase 2
Retail Starting Rent	\$326/m2/year	\$456/m2/year
Office Starting Rent	\$224/m2/year	\$240/m2/year
Escalation	7%/year	3.5%/year
Vacancy	10%	10%
Operating Expenses	\$17.4/m2/year	\$11.77/m2/year
Stabilized Year NOI	\$295,647	\$181,899
Stabilized Year ROI	13%	8%

Phases Combined

	Phase 1 + 2
Combined NOI	\$477,546
Combined ROI	10.6%
Capitalized @ 7%	\$6,822,086
Total Value of Land (m2)	\$8,965

Operations Stage 3



Phase 2 Cost Breakdown

	Phase 1
Cost Basis After Sale	\$164,320
Retained Retail	158 (m2)
Retail Starting Rent	\$15/m2/year
Escalation	5%/year
Vacancy	5%
Stabilized Year NOI	\$27,729
Stabilized Year ROI	17%
Combined Value	\$1,927,929
Total Value of Land (m2)	\$6,995
Capitalized @ 7%	\$396,128