



Information Requested for Construction Loan
New Construction or Substantial Rehabilitation

General Information: **The transaction** – purpose, loan amount, term, LTV, LTC, preferred closing date, drop-dead dates, other significant issues.
The property – location (address), type, building size in sf, total units, land size in acres, any third-party reports, all other significant issues.

Site Details:

- Evidence of site control (i.e. purchase contract)
- Best estimate of “as-is” land value
- If the land/structure is already owned, balance of existing debt
- If the land/structure is to be acquired, balance of the acquisition price
- 6 color photos of the site area from all sides

Operating Proforma:

- Projected year 1 and 5-year proforma *including 5% management fee and market vacancy rate*
- Projected unit absorption rate and estimate of operating deficit

Construction – all-in total project costs (TPC):

- Detailed **soft cost budget**, reflecting all soft costs required to build the project, including architect fees, tap/impact fees, permit costs, taxes during construction, etc.
- Detailed **hard cost budget**, inclusive of land purchase, costs related to site improvements, structures, contractor general conditions, contractor overhead, contractor fee, etc.
- Anticipated construction period and monthly draw schedule

Sponsor Team:

- Name of Borrower entity
- Name(s) and experience (bio) of key Sponsor(s)
- PFS of each Sponsor

Hotel Team: (if applicable)

- Name of Franchise
- Term of franchise agreement
- STAR report
- PIP requirements
- Name and experience of the Hotel Management firm

Land

- When acquired and for what price
- If being acquired, what’s the price?
- Is the land zoned, fully entitled and permit ready (this is not a requirement)

Equity Information

Total project costs

- What is the total, all-in, project cost? (land + soft costs + hard costs + transaction costs = 100% of the project costs) *[should reflect the TPC budgets noted above]*
- How much of the TPC has already been paid by Sponsors?

Sponsor cash/equity

- If the land is owned, what is it worth today?
- How much debt is on this land?

Projected value upon stabilization

- Going out 3 to 5 years, what will the completed project be worth when stabilized and ready for a refinance or a sale?
- How much cash is the Sponsor planning to invest, all-in?