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Table 2
Residual Land Value
Rental Residential Development
Los Angeles Valley Village



Date: 1-19-10
Submitted in Plan Committee
Council File No: 10-0017
Item No: 13
Deputy: Submitted by Appellant

| | Proposed Project: 146 Units, 12 Very Low Income, Underground Parking | Alternate Project 3: 146 Units, 12 Very Low Income, Underground Parking |
|---|--|---|
| Site Area and Zoning | | |
| Lot Size | 59,450 Square Feet | 59,450 Lot Size |
| Lot Acreage | 1.36 Acres | 1.36 Lot Acreage |
| Maximum Residential Lot Coverage | 75% | 75% |
| Maximum FAR | 3 FAR | 3 FAR |
| Development Program | | |
| Description | Low Rise Podium | Low Rise Podium |
| Maximum Height | 45 Feet | 40 Feet |
| Maximum Total Floors | 4 Floors | 4 Floors |
| Building Efficiency | 80% | 80% |
| Residential | | |
| Housing Units | 146 Units | 146 Units |
| Average Unit Size | 977 Square Feet | 977 Square Feet |
| Overall Unit Mix | 40% 1 BR 60% 2 BR 0% 3 BR | 40% 1 BR 60% 2 BR 0% 3 BR |
| BMR Unit Mix | 33% 1 BR 67% 2 BR 0% 3 BR | 33% 1 BR 67% 2 BR 0% 3 BR |
| Number of Very Low Income Units | 12 Units | 12 Units |
| Number of Low Income Units | 0 Units | 0 Units |
| Total Number of BMR Units | 12 Units | 12 Units |
| Number of Market Rate Units | 134 Units | 134 Units |
| Parking | | |
| Average Parking Ratio Required | 1.73 Space per Unit | 1.73 Space per Unit |
| Spaces per MR 1 Bedroom | 1.50 Space per Unit | 1.5 Space per Unit |
| Spaces per MR 2 Bedroom | 2.00 Space per Unit | 2 Space per Unit |
| Spaces per BMR Unit | 1.00 Space per Unit | 1 Space per Unit |
| Additional Spaces (Guest/Tenant) Proposed | 13 Spaces (Cars) | 13 Spaces (Cars) |
| Parking Spaces Proposed | 266 Spaces (Cars) | 266 Spaces (Cars) |
| Value | | |
| Income | | |
| Monthly Market Rate Rents | \$2.25 Per Net Square Foot \$2,201 Per MR Unit | \$2.25 Per Net Square Foot \$2,201 Per MR Unit |
| Monthly BMR Rents | \$637 Per BMR Unit | \$637 Per BMR Unit |
| Monthly BMR Rents Without Parking | \$587 Per BMR Unit | \$587 Per BMR Unit |
| Monthly Parking Income | \$50 Per Space | \$50 Per Space |
| Vacancy Rate | 5% | 5% |
| Monthly Rental Income | \$2,056 Per Unit | \$2,056 Per Unit |
| Expenses | | |
| Percent of Rental Income | 25% | 25% |
| Monthly Operating Expenses | \$514 Per Unit | \$514 Per Unit |
| Net Operating Income | | |
| Monthly Net Operating Income | \$1,542 Per Unit | \$1,542 Per Unit |
| Value | | |
| Capitalization Rate | 6.5% | 6.5% |
| Capitalized Value | \$41,556,422 \$284,633 Per Unit \$291 Per NSF | \$41,556,422 \$284,633 Per Unit \$291 Per NSF |
| Building Costs | | |
| Hard Construction (incl. parking) | \$167 Per NSF | \$167 Per NSF |
| Governmental Fees | \$10 Per NSF | \$10 Per NSF |
| Other Soft Costs @ 18% of Hard Costs | \$30 Per NSF | \$30 Per NSF |
| Construction Financing | \$25 Per NSF | \$25 Per NSF |
| Total Building Costs | \$33,060,045 \$226,439 Per Unit \$232 Per NSF | \$33,060,045 \$226,439 Per Unit \$232 Per NSF |
| Residual Land Value | | |
| Return on Value | 8.0% | 8.0% |
| Developer Margin | \$ 3,324,514 \$22,771 Per Unit | \$ 3,324,514 \$22,771 Per Unit |
| Land Value | | |
| Per Unit | \$35,424 Per Unit | \$35,424 Per Unit |
| Per Net Residential Square Foot | \$36 Per NRSF | \$36 Per NRSF |
| Per Gross Residential Square Foot | \$29 Per GRSF | \$29 Per GRSF |
| Per Lot Square Foot | \$87 Per LSF | \$87 Per LSF |
| Per Acre of Land | \$3,789,510 Per Acre | \$3,789,510 Per Acre |
| Representative Site Land Value | \$5,171,863 | \$5,171,863 |

Sources: Developer plans for Magnolia Apartments, market research on rents and construction and operating costs in and around Valley Village, the Urban Land Institute's *Dollars & Cents of Multifamily Housing* (2006), Los Angeles Housing Department and the Los Angeles Department of City Planning for affordable housing rents, parking requirements, and fees, and industry standards.