



THRIVE

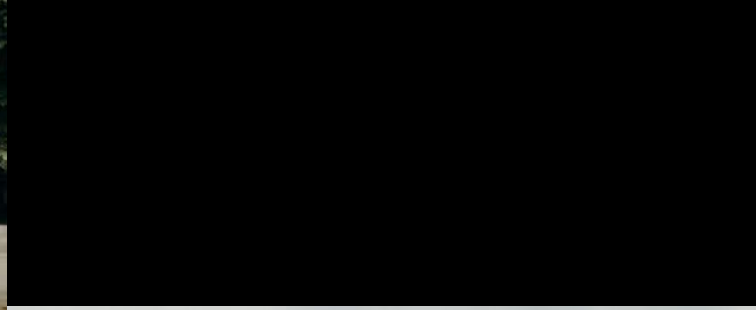
INSIDE

# The Rookery /'rōokərē/

The place where a group of birds or social mammals congregate and raise their young.

A dense collection of housing, where women of ill repute or other unsavory's collect.





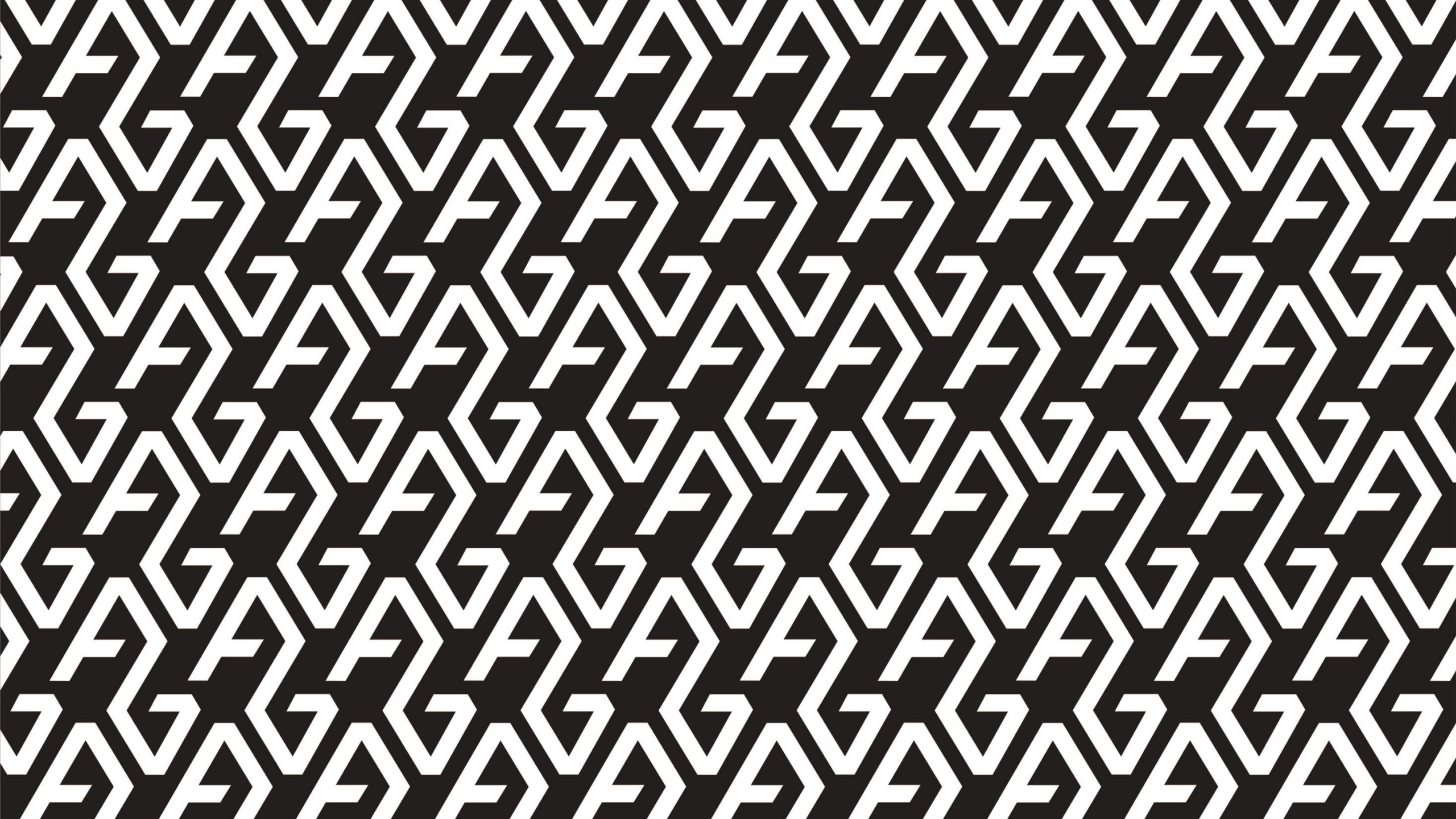
## Vision Statement:

Artisans Group Architecture and Planning is an award winning, women owned design studio, committed to high performance, net zero resilient buildings and communities. As planners, designers and architects, we advocate for healthy, equitable, transformational spaces, and soulful sustainability at every scale of project. Driven by good building science, we put things on the planet with great care, leveraging decades of experience into lasting relationships, and hundreds of realized dreams.

**Roussa Cassel  
& Tessa Bradley**  
Principal Architects/Owners









Architect

Builder



We Are Artisans Group



Who knows???



Architect

Civil Engineer

# The Players



We bought a shitty house February 2021





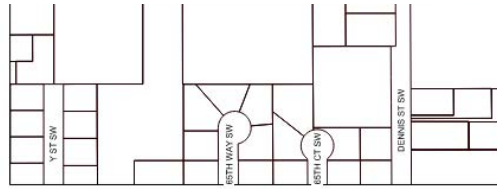
Low ceilings, lots of cats lived here at some point...also not an office legally.



30 Year Fixed Home Loan



We went through a change of use, had to maintain less than 25% of the value of the structure in improvements, minus repairs and the ADA improvements



2 Vicinity Map  
A101 1" = 200'-0"

- EAST PORCH = 338SF  
- DRIVEWAY = 814SF

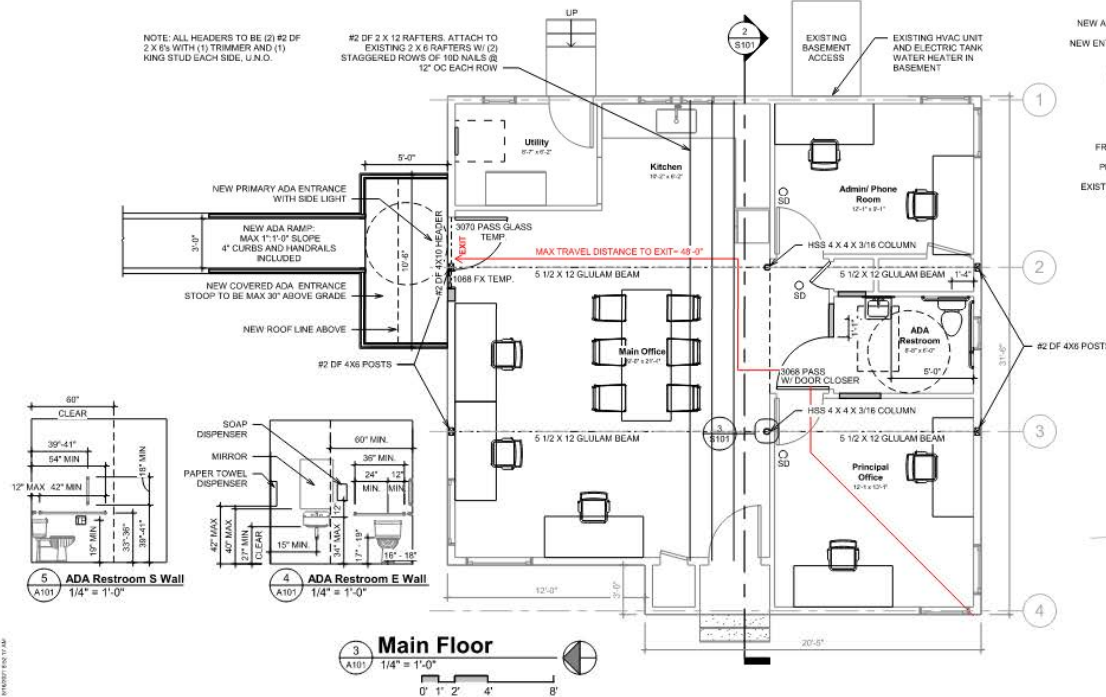
**Proposed Areas**

NEW TOTAL BUILDING COVERAGE: = 1724SF  
- HOUSE = 1012SF  
- GARAGE = 377SF

NEW TOTAL IMPERVIOUS COVERAGE: = 2313SF  
- HOUSE = 1012SF  
- GARAGE = 377SF  
- DRIVEWAY = 814SF  
- NEW WALKWAYS = 110SF

**Proposed Improvements**

- CONSTRUCTION IMPROVEMENTS OF PHASE 1 WILL BE LESS THAN 25% OF THE TOTAL ASSESSED VALUE. FRONTAGE IMPROVEMENTS WILL BE TRIGGERED AND CONSTRUCTED AS PART OF A FUTURE BUILDING DEVELOPMENT.  
- THE CURRENT ARTISAN'S GROUP BUILDING USES 120CF/MONTH OF WATER. WE EXPECT A PORTION OF THE EXISTING ERU CREDIT WILL GO TO FUTURE BUILDING DEVELOPMENT.  
- 4 PARKING SPOTS AS PER CODE MIN. REQUIREMENTS.

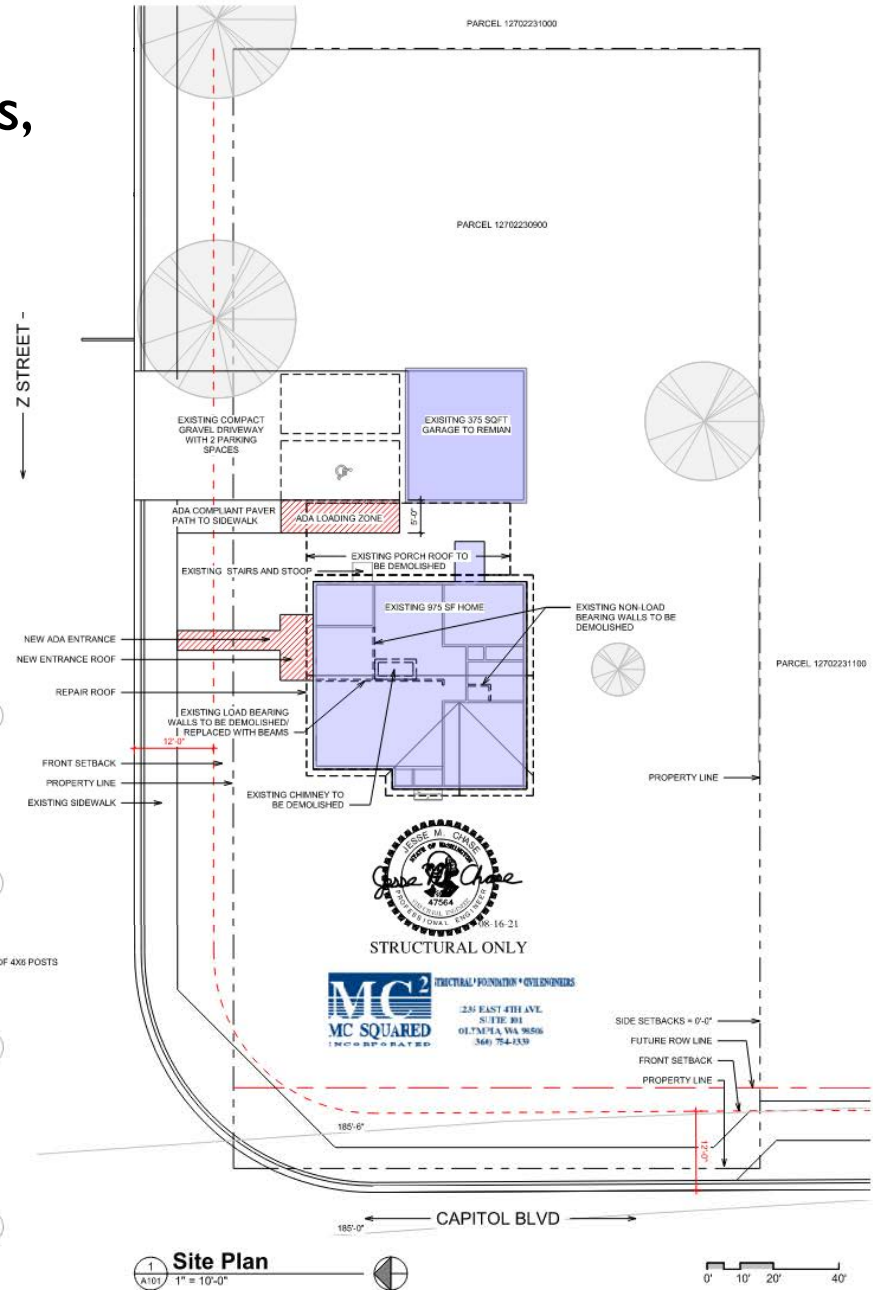


5 ADA Restroom S Wall  
A101 1/4" = 1'-0"

4 ADA Restroom E Wall  
A101 1/4" = 1'-0"

3 Main Floor  
A101 1/4" = 1'-0"

Z STREET



1 Site Plan  
A101 1" = 10'-0"



The Artisan Group, Inc.  
1503 4th Avenue East  
Olympia, WA 98506  
360.570.0727 (O)  
www.artisansgroup.com  
Address: 1503 4th Avenue East  
Olympia, WA 98506  
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12800 REGISTERED ARCHITECT  
Pamela C. Rousa  
ROUSSA REGINE CASSELL  
STATE OF WASHINGTON  
08-16-2021

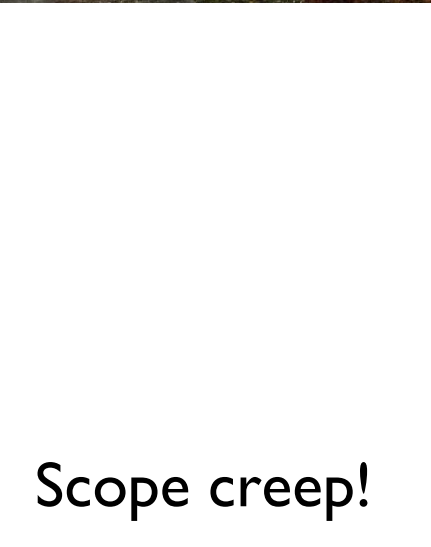
Artisan's Group Architecture and Planning  
Site Address:  
6504 Capitol Blvd  
SE Tumwater, WA 98501  
Project Number:  
12702230900

Office Remodel Plans

Designed By: TS, RC  
Drawn By: RC, NP  
Date: 8/16/2021  
8:52:17 AM

A101





Scope creep!

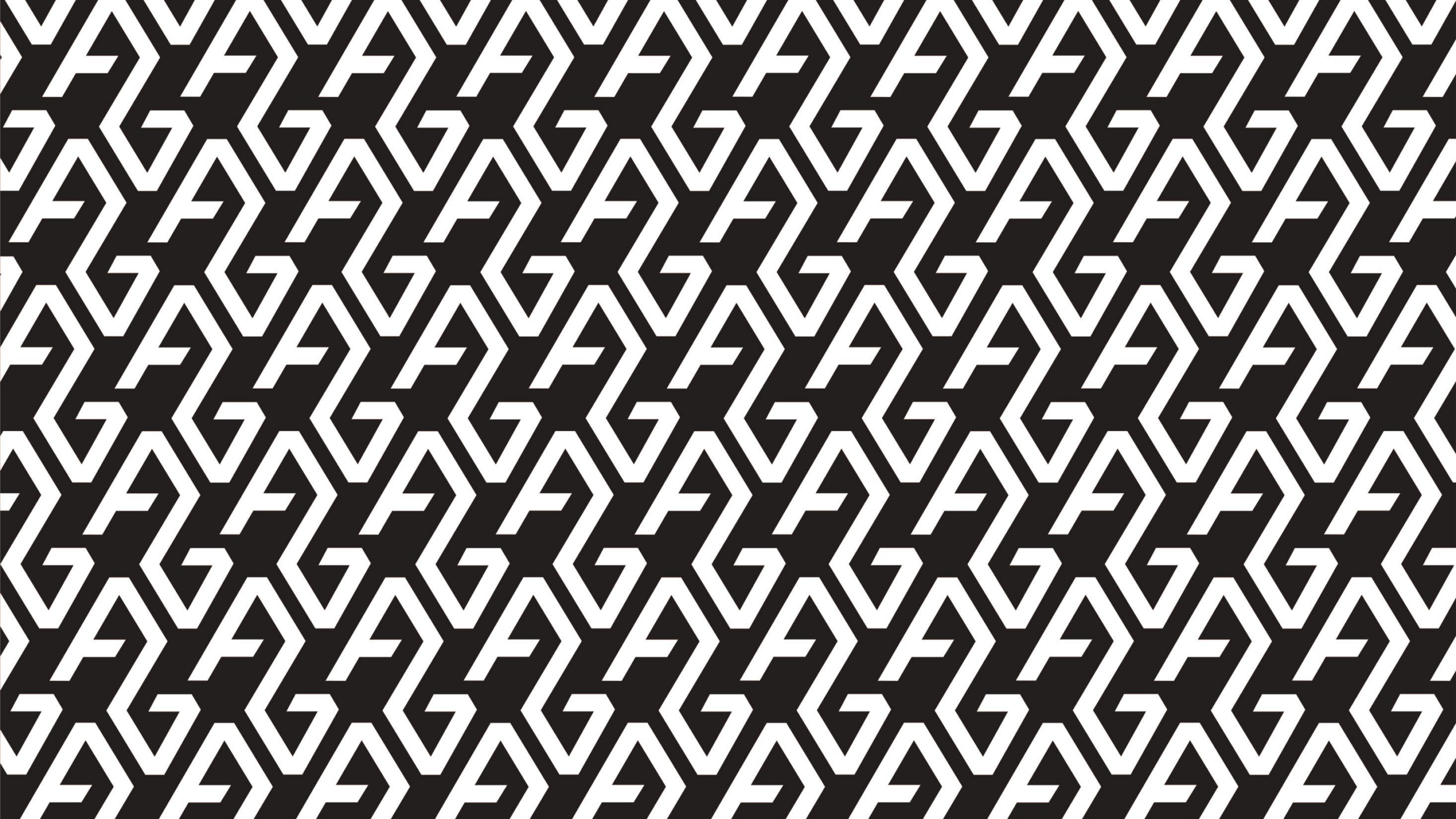


We started out with a budget of 100K  
We spent 200K, NOT PH!



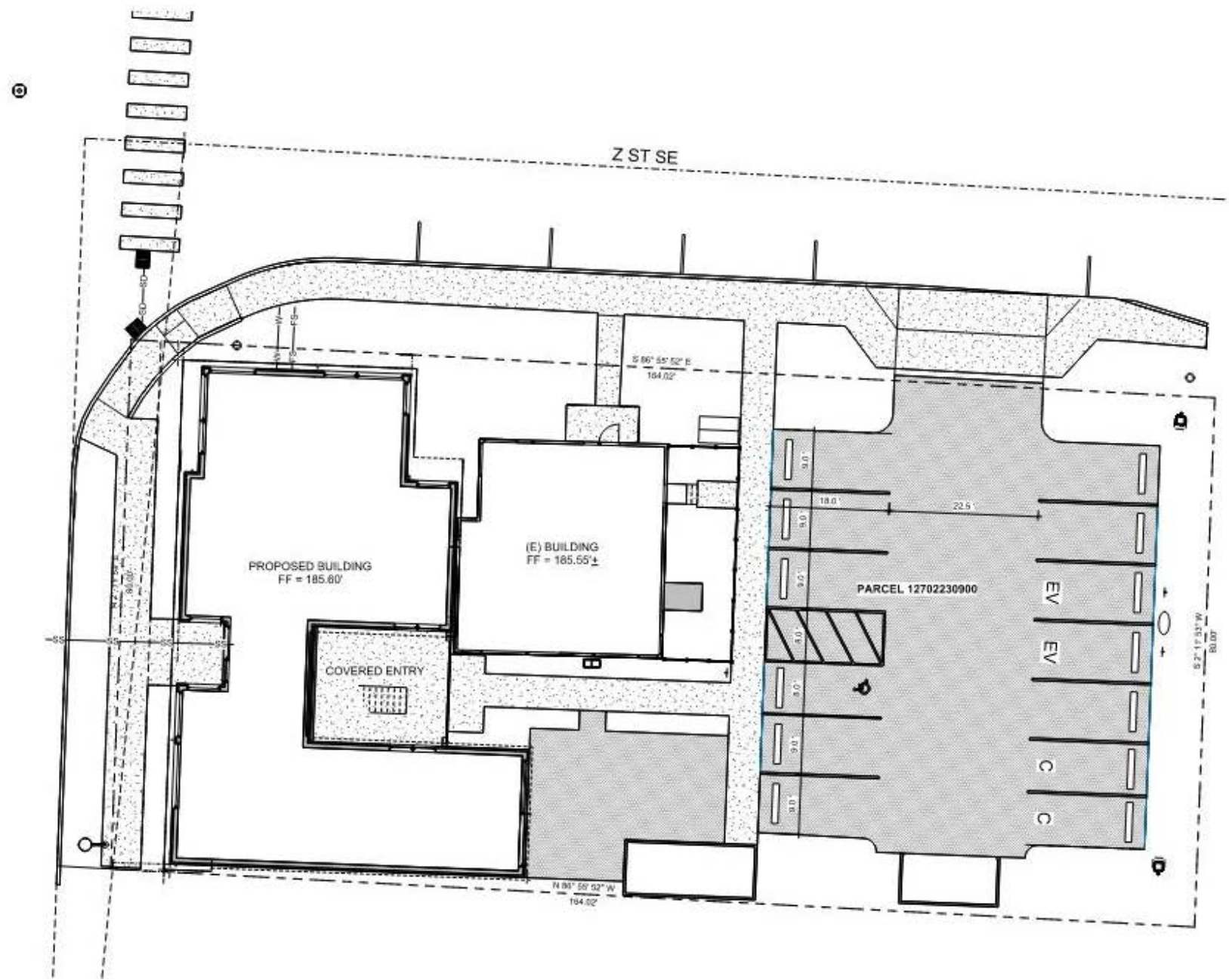
D-Day!







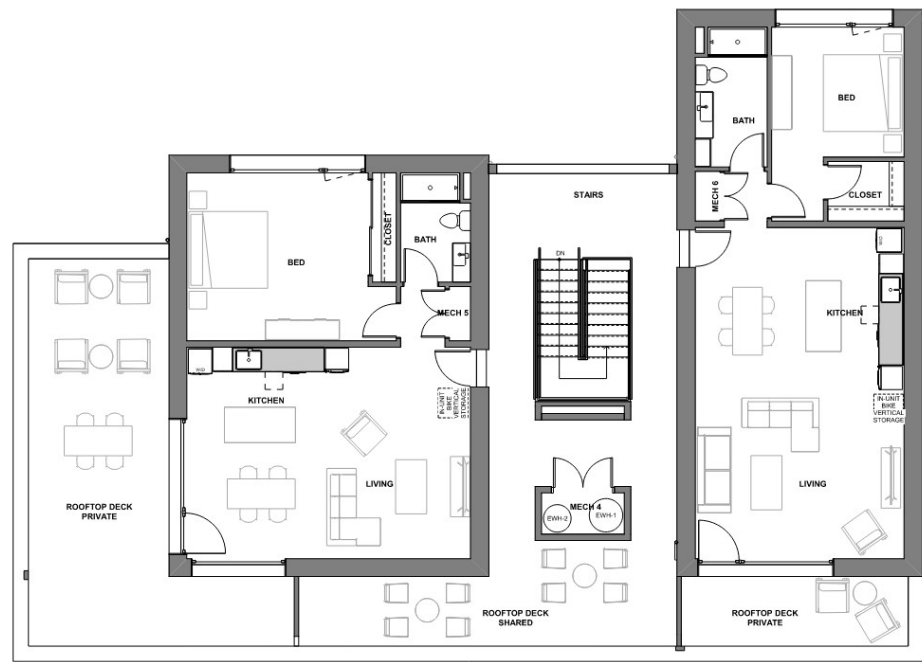
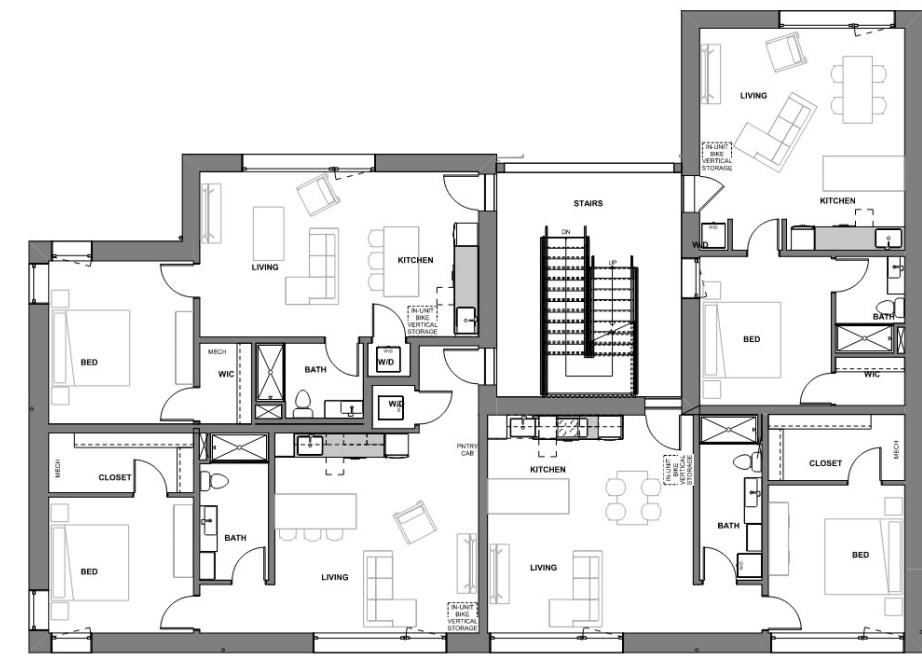
CAPITOL BLVD SE



Land Use



This is how long Land Use took us.....



# Floor Plans

iCFA, for the Residential Area it's 4134.45 SF, for the Commercial Area it's 2465.13 SF = 6,600 SF

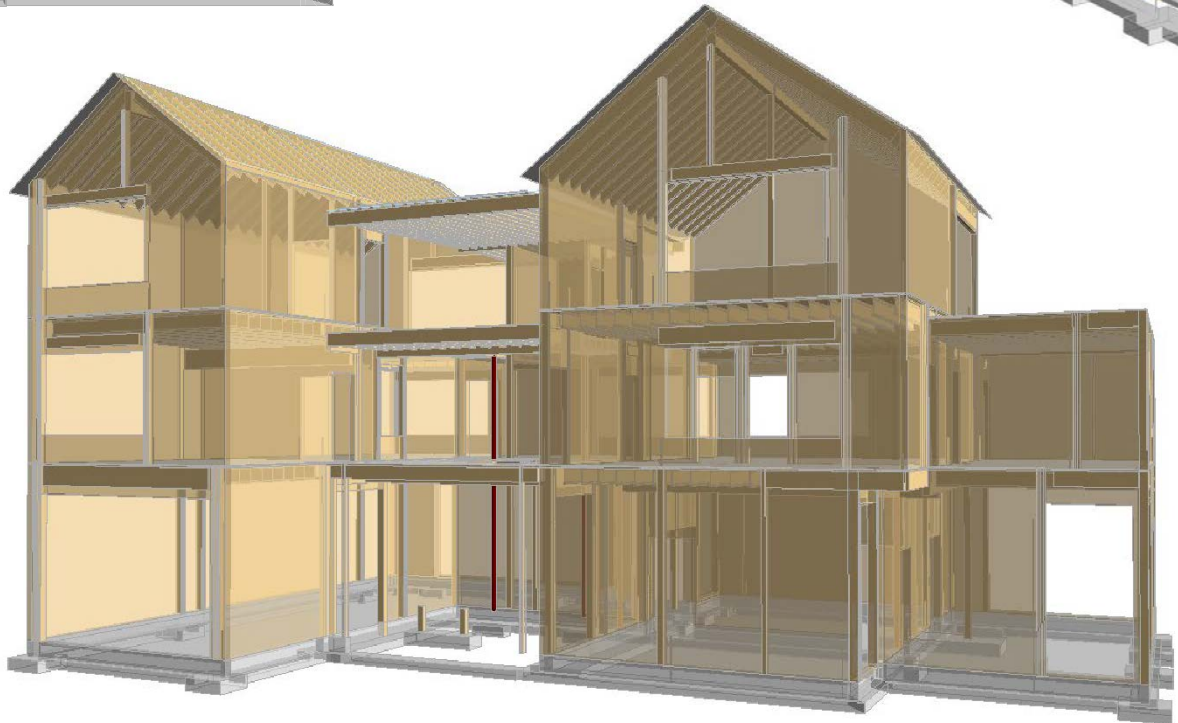
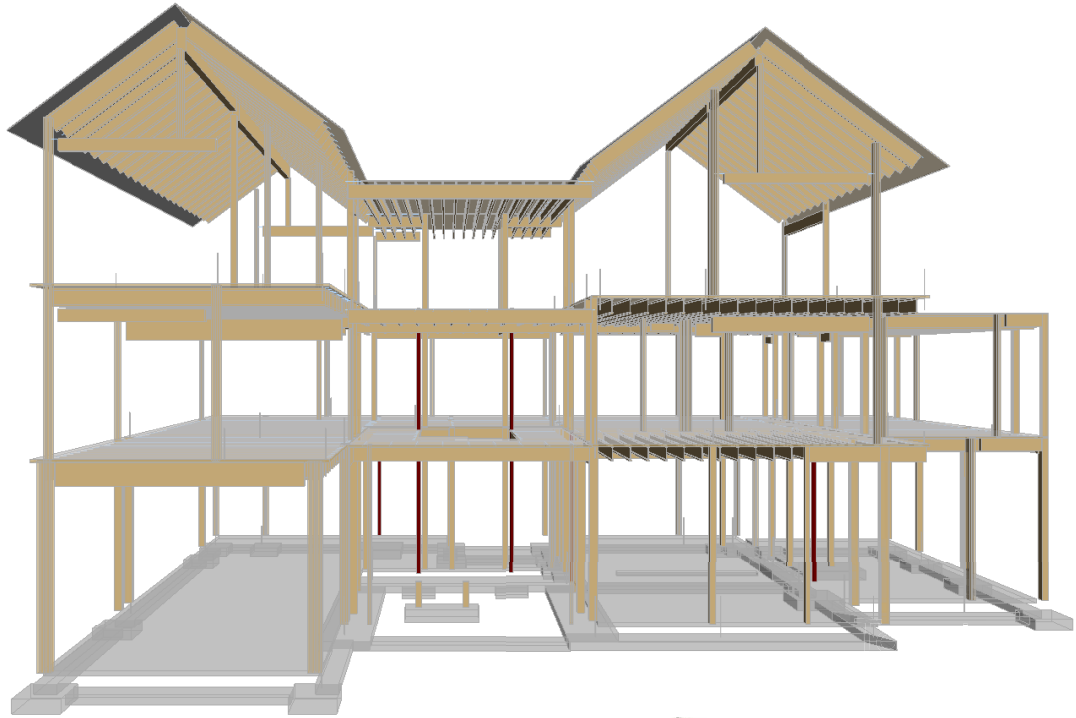


ARTISANS GROUP  
ARCHITECTURE + PLANNING

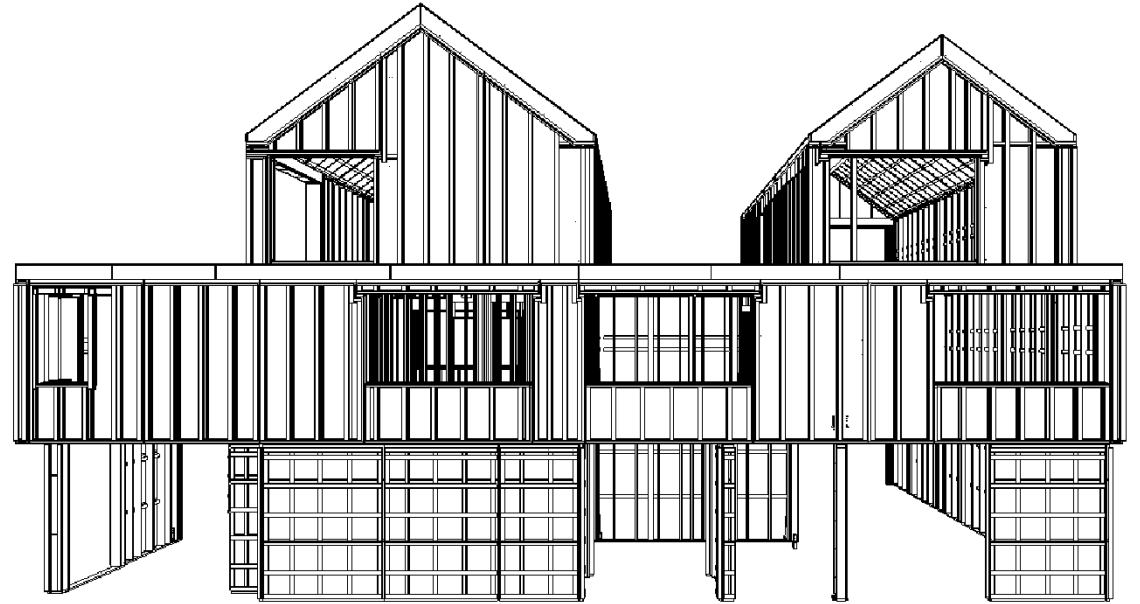
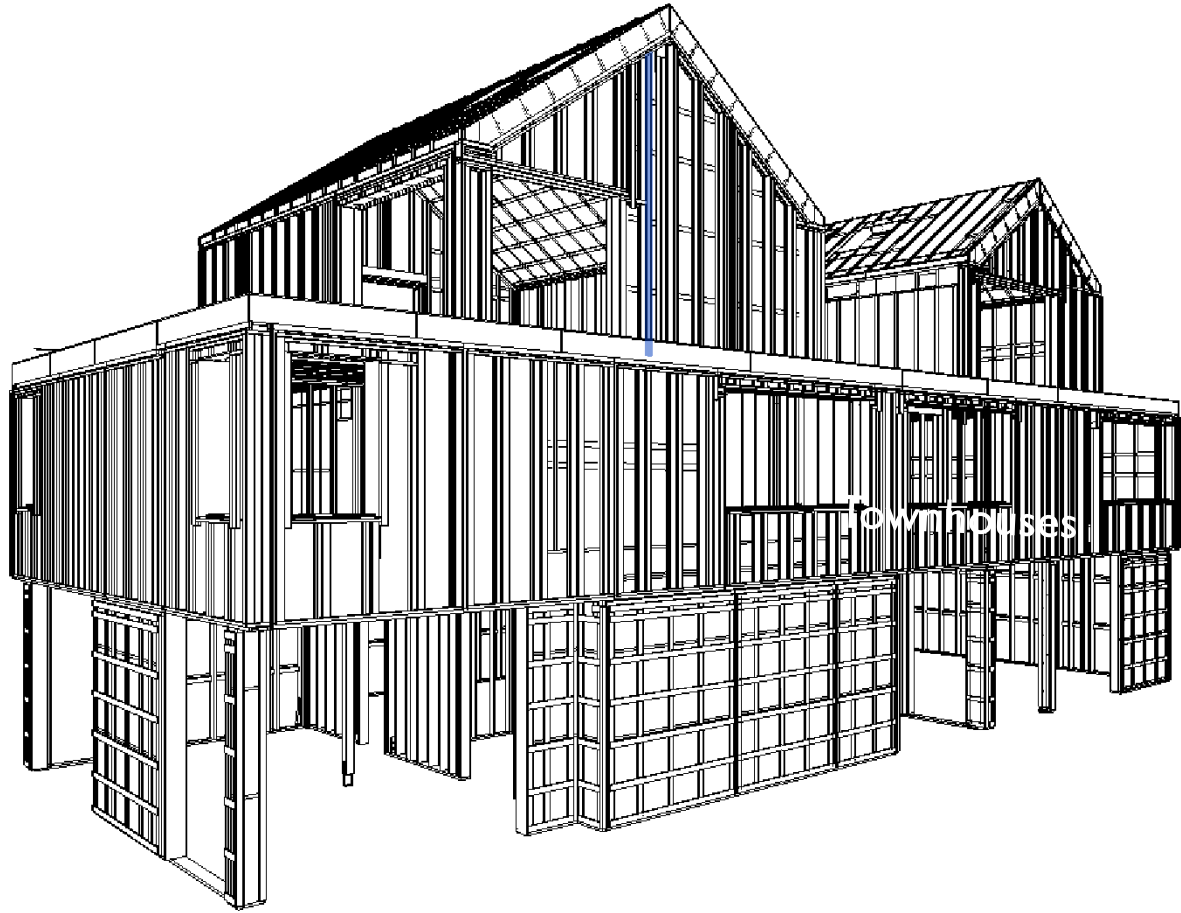


**A** ARTISANS GROUP  
ARCHITECTURE + PLANNING





Structural BIM



Panels BIM

  
COLLECTIVE  
CARPENTRY

 ARTISANS GROUP  
ARCHITECTURE + PLANNING



Project


- Cases
  - Case 1: Final Model
    - Localization/Climate: OLYMPIA AIRPORT WA
    - Building
      - PH case: Passive house: Office/Administrative building
        - Zone 1: Commercial Portion of Building
          - Visualized components
            - Component 1: Wall Overhang
            - Component 2: Lower Walls
            - Component 3: Wall Connected to New Building
            - Component 4: Floor b/w Levels
            - Component 5: Slab on Grade
            - Component 6: Overhangs
            - Component 7: Window Type 1
            - Component 8: Window Type 6
            - Component 9: Window Type 7
            - Component 10: Window Type 2
            - Component 11: Window Type 2
            - Component 12: Window Type 5
            - Component 13: Window Type 5
            - Component 14: Window Type 5
            - Component 15: Window Type 8
            - Component 16: Window Type 6
            - Component 17: Upper Walls
            - Component 18: Window Type 6
            - Component 19: Window Type 6
          - Not visualized components
          - Thermal bridges
          - Internal Loads/Occupancy

General Report data & results

Scope: Passive House verification View: Normal

### BUILDING INFORMATION

Category:	<b>Non-residential</b>
Status:	<b>In planning</b>
Building type:	<b>New construction</b>
Year of construction:	<b>2024</b>
Units:	<b>1</b>
Number of occupants:	<b>8 (Design)</b>
Occupant density:	<b>308.1 ft<sup>2</sup>/Person</b>



### Boundary conditions

Climate: **OLYMPIA AIRPORT WA**

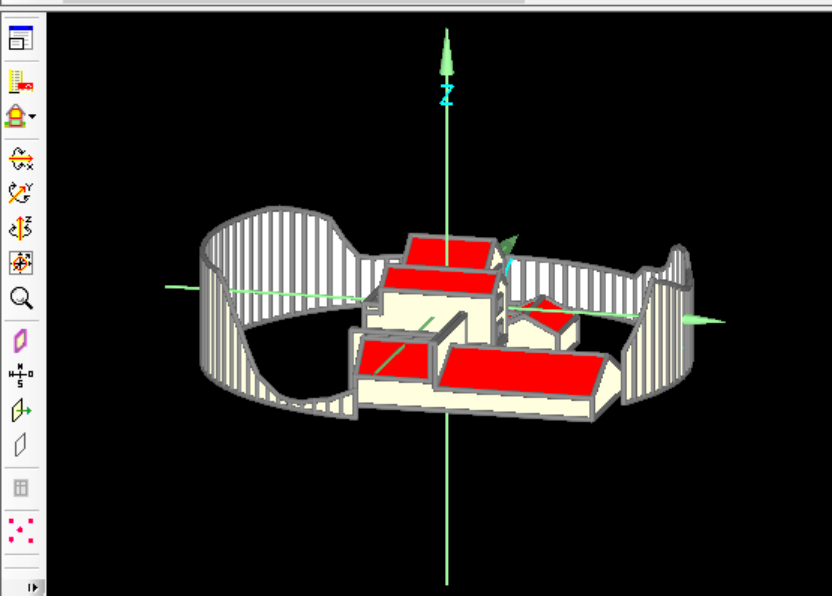
Internal heat gains:	<b>2.7 Btu/hr ft<sup>2</sup></b>
Interior temperature:	<b>68 °F</b>
Overheat temperature:	<b>77 °F</b>

### Building geometry

Enclosed volume:	<b>48,086.4 ft<sup>3</sup></b>
Net-volume:	<b>36,545.6 ft<sup>3</sup></b>
Total area envelope:	<b>7,131.8 ft<sup>2</sup></b>
Area/Volume Ratio:	<b>0.1 1/ft</b>
Floor area:	<b>2,465.1 ft<sup>2</sup></b>
Envelope area/iCFA:	<b>2.893</b>

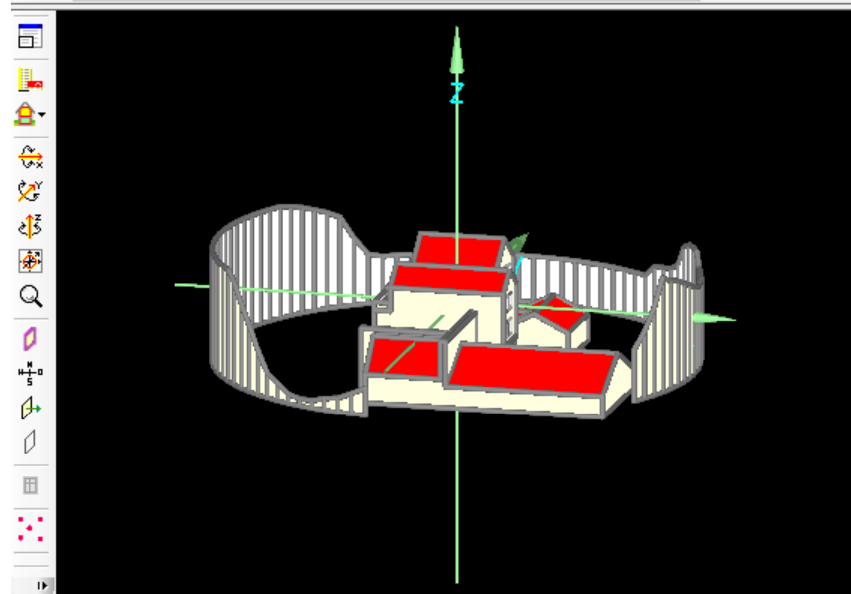
### PASSIVEHOUSE REQUIREMENTS

Certificate criteria: **Plus CORE 2021**



Project

- Cases
  - Case 1: Final Model
    - Localization/Climate: OLYMPIA AIRPORT WA
    - Building
      - PH case: Passive house: Residential
        - Zone 1: Residential Portion of Building
          - Visualized components
            - Component 1: Occupiable Roof
            - Component 2: Walls
            - Component 3: Sloped Roof
            - Component 4: Floor
            - Component 5: Overhang Floor
            - Component 6: Window Type 11 - B
            - Component 7: Window Type 10 - Right A
            - Component 8: Window Type 9
            - Component 9: Window Type 12
            - Component 10: Window Type 8 - Left A
            - Component 11: Window Type 8 - Right A
            - Component 12: Window Type 8 - Right B
            - Component 13: Window Type 8\_10 Left B
            - Component 14: Door
            - Component 15: Mech Rm. Roof
            - Component 16: Mech Rm. Walls
            - Component 17: Double Doors
            - Component 18: Window Type 11 - A
            - Component 19: Skylights
          - Not visualized components
          - Thermal bridges
          - Internal Loads/Occupancy




General Report: data & results

Scope: Passive House verification View: Normal

### BUILDING INFORMATION

Category:	Residential
Status:	In planning
Building type:	New construction
Year of construction:	2024
Units:	6
Number of occupants:	12 (Design)
Occupant density:	344.5 ft <sup>2</sup> /Person



### Boundary conditions

Climate:	OLYMPIA AIRPORT WA
Internal heat gains:	1.1 Btu/hr ft <sup>2</sup>
Interior temperature:	68 °F
Overheat temperature:	77 °F

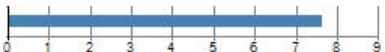
### Building geometry

Enclosed volume:	53,972.1 ft <sup>3</sup>
Net-volume:	41,018.8 ft <sup>3</sup>
Total area envelope:	10,691.7 ft <sup>2</sup>
Area/Volume Ratio:	0.2 1/ft
Floor area:	4,134.5 ft <sup>2</sup>
Envelope area/iCFA:	2.586


### PASSIVEHOUSE REQUIREMENTS

Certificate criteria: Phius CORE 2021



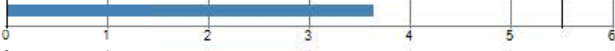
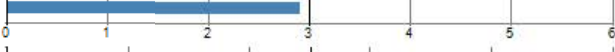


#### Heating demand

specific:	7.63 kBtu/ft <sup>2</sup> yr		✓
target:	11.3 kBtu/ft <sup>2</sup> yr		
total:	31,545.92 kBtu/yr		

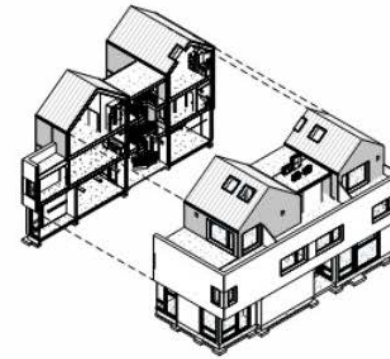
#### Cooling demand

sensible:	2.41 kBtu/ft <sup>2</sup> yr		✓
latent:	0 kBtu/ft <sup>2</sup> yr		
specific:	2.41 kBtu/ft <sup>2</sup> yr		

Data state/results Show warnings

Heating demand:	7.63 kBtu/ft <sup>2</sup> yr		✓
Cooling demand:	2.41 kBtu/ft <sup>2</sup> yr		✓
Heating load:	3.64 Btu/hr ft <sup>2</sup>		✓
Cooling load:	2.91 Btu/hr ft <sup>2</sup>		✓
Source energy:	0 kWh/Person yr		✓
Site energy:	-5.15 kBtu/ft <sup>2</sup> yr		



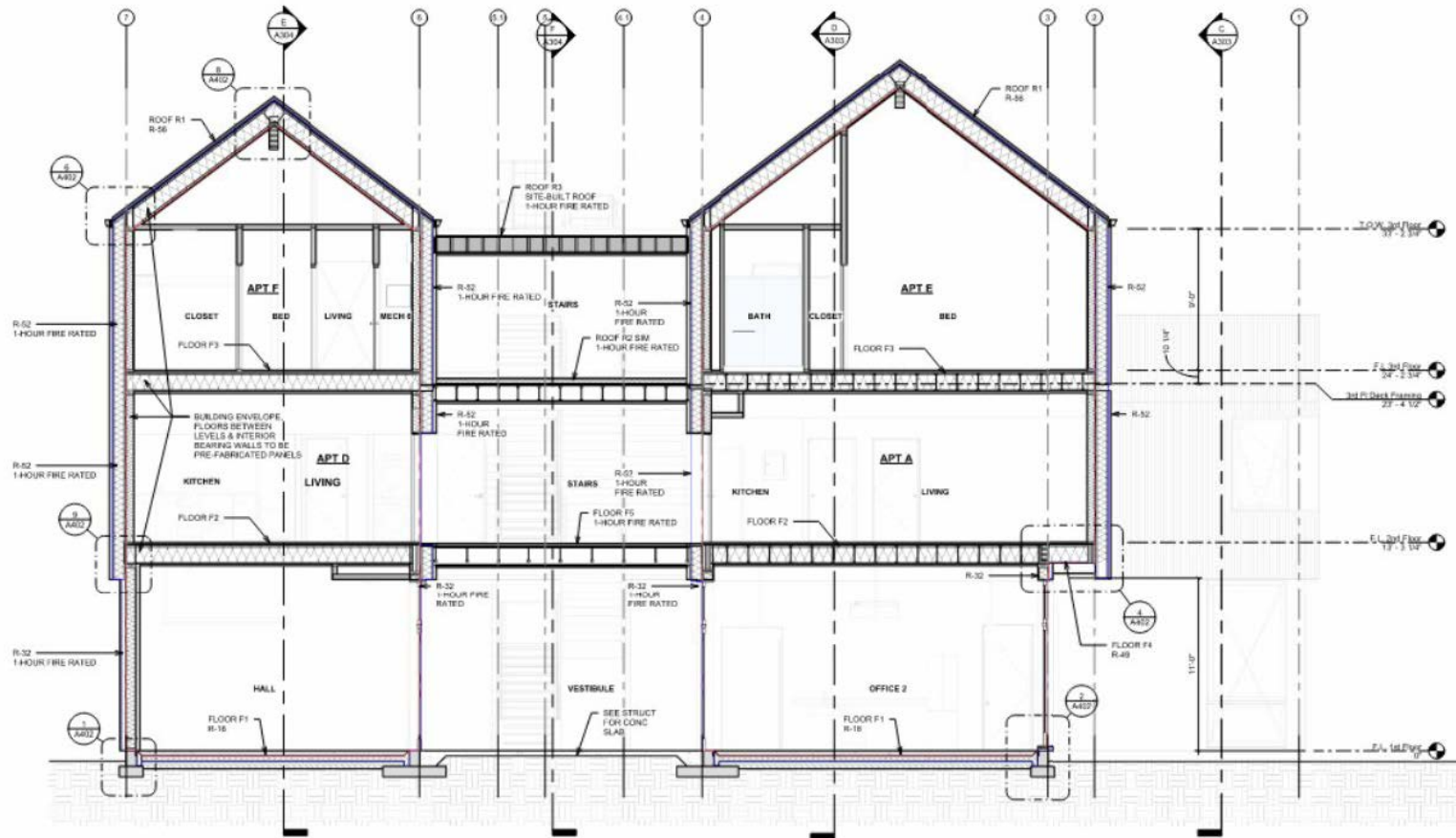


**BUILDING SECTION GENERAL NOTES**

1. SEE SHEET A401 FOR BUILDING ASSEMBLIES, R-VALUES, FIRE-RATINGS AND GA-FIELD ASSEMBLIES.

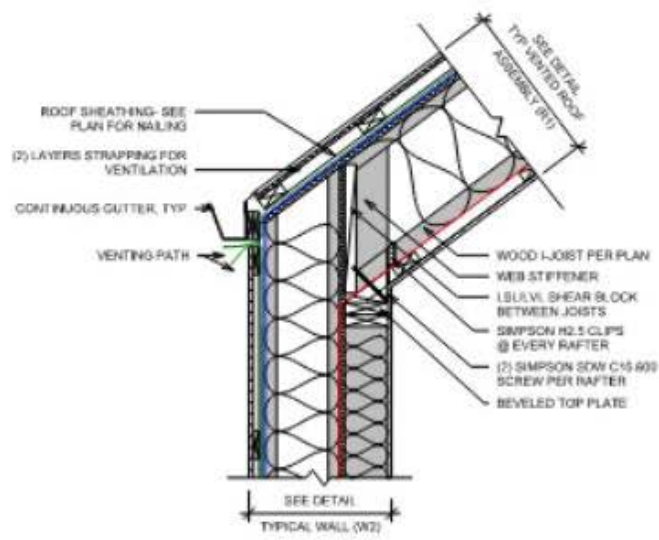
**BUILDING SECTION LEGEND**

- OUTLINE OF CONTINUOUS AIR BARRIER
- OUTLINE OF THERMAL INSULATION

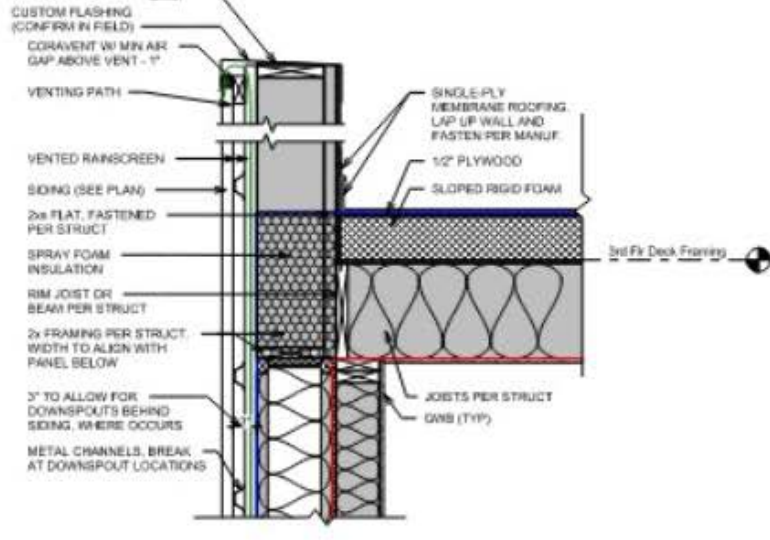


**N/S SECTION 1**  
1/4" = 1'-0"

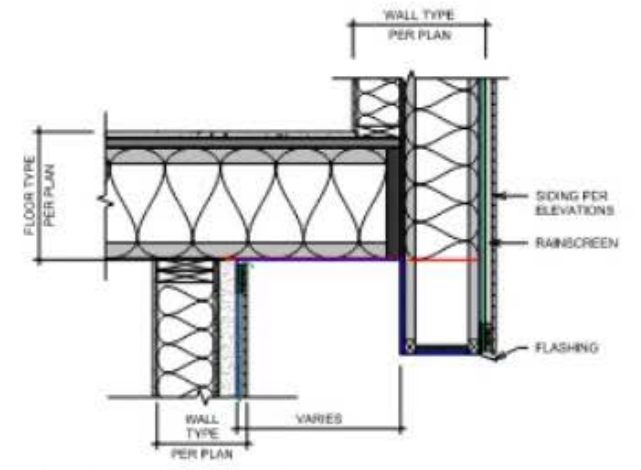




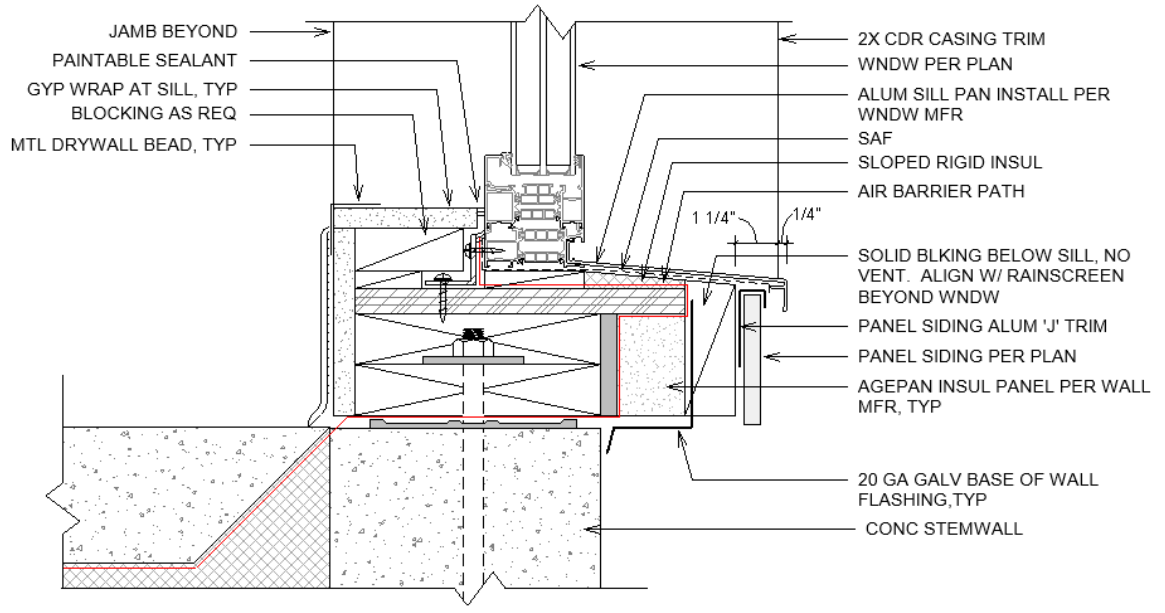
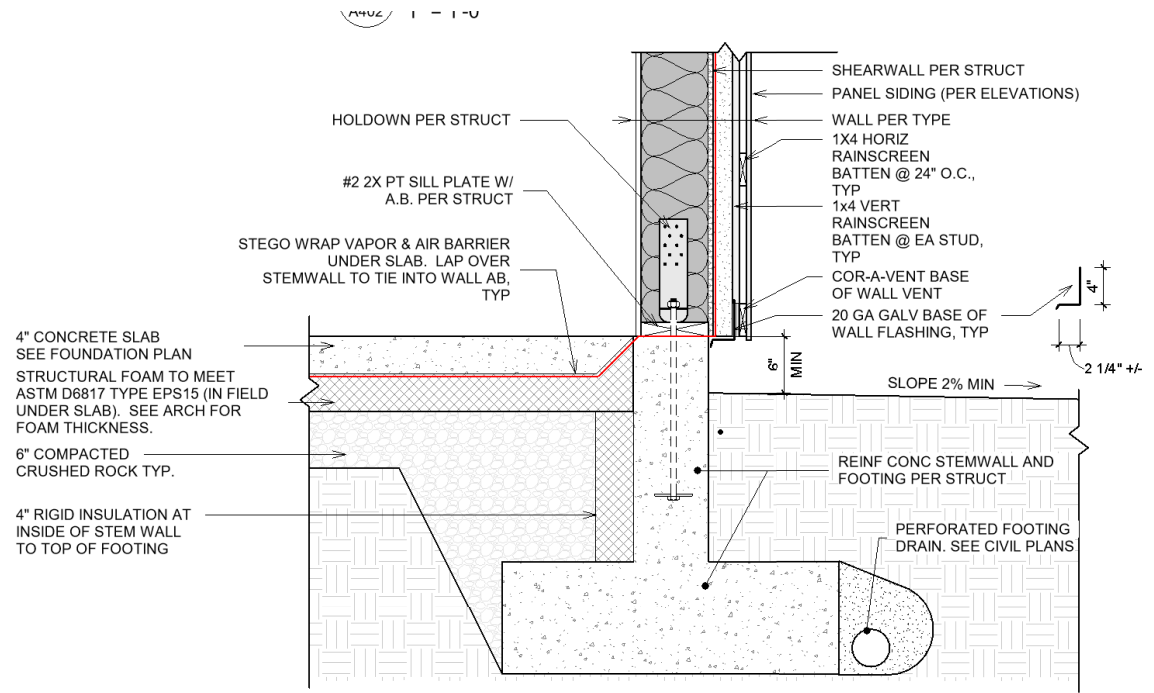
**6 Wall to Roof Connection at eave**  
 1" = 1'-0"



**5 Parapet**  
 1" = 1'-0"



**4 Cantilever Detail**  
 1" = 1'-0"

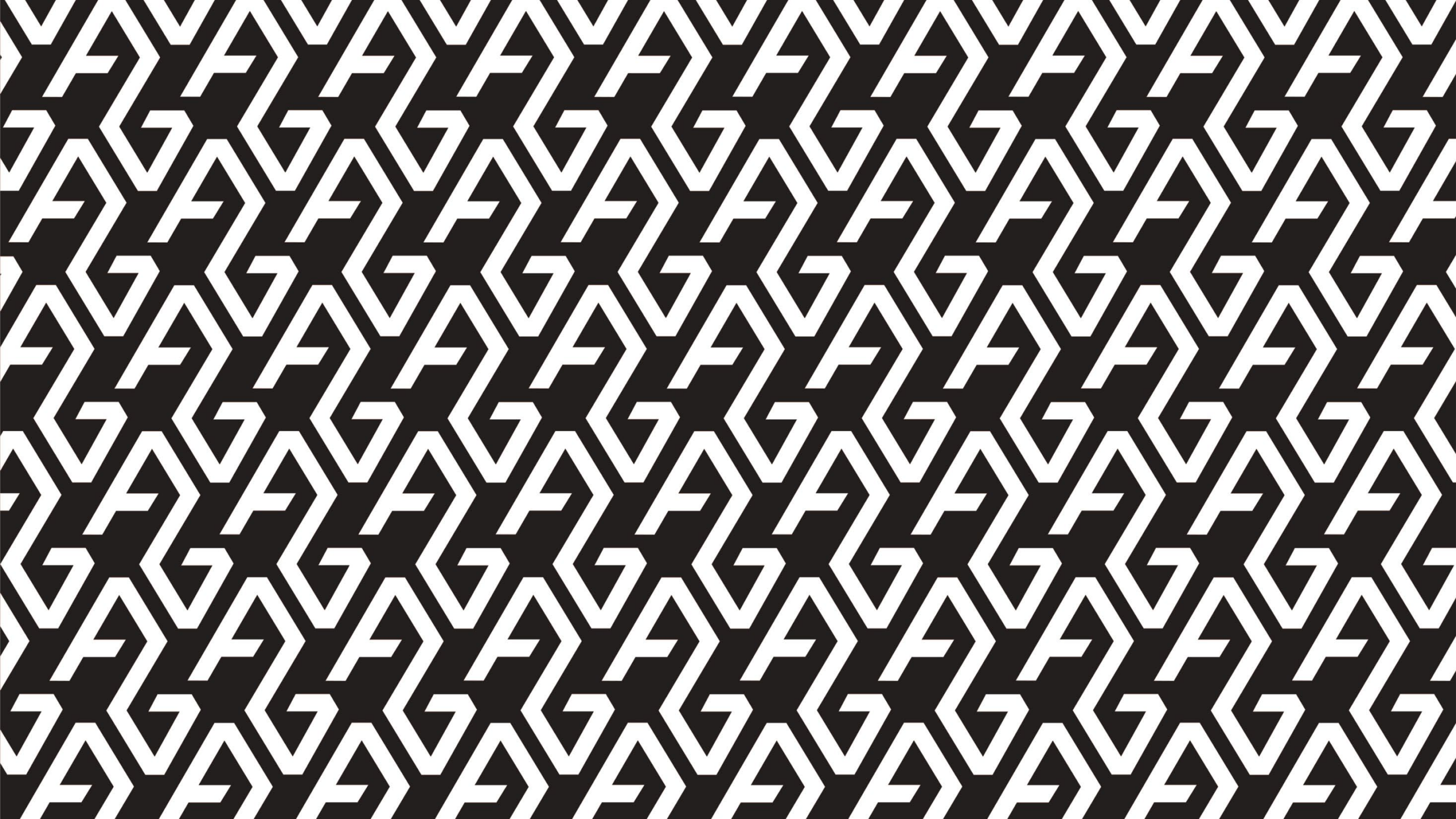


Details

Fan Coil Schedule						
Designation	Manufacturer	Model	Airflow (cfm)	Maximum External SP (in. WG)	Outdoor Unit	Reference Page
FCU-1	Mitsubishi	PV-FY-PS4NAMU-E1	1200	0.5"	MX2-SM60NAM-U1	M601
FCU-2	Mitsubishi	MS2-FS06NA-U1	300	0.5"	MUZ-FS06NA-U1	M602
FCU-210	Minotair	Pentacare V12	250	0.65"	N/A	M603
FCU-220	Minotair	Pentacare V12	250	0.65"	N/A	M603
FCU-230	Minotair	Pentacare V12	250	0.65"	N/A	M603
FCU-240	Minotair	Pentacare V12	250	0.65"	N/A	M603
FCU-350	Minotair	Pentacare V12	250	0.65"	N/A	M604
FCU-360	Minotair	Pentacare V12	250	0.65"	N/A	M605



Wesley Van Rite, P.E.  
Principal at Engineered Projects Consulting, LLC



## Do You Know Your Business?



Be THIS!!



Not THIS!!



Think your business financials have nothing to do with getting funding? Think again!

Do you have a Balance Sheet, P&L and Statement of Cash Flows?  
Do you know what those reports mean and how to use them to your advantage?  
What experience is sitting in your team?



## The Capital Markets



If only every decision were this easy...

### Where do you start when thinking about how to push a project forward?

What is your long-term plan?

How involved do you want to be?

Are you a type A personality → Practice the Art of Patience

Do you have cash? Yes → Proceed

No → Do you have a family? Yes. → Proceed with Caution

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### Options

 Traditional Financing with a lender (bank) – 20%

 Institutional Investors (Big projects) – 75%

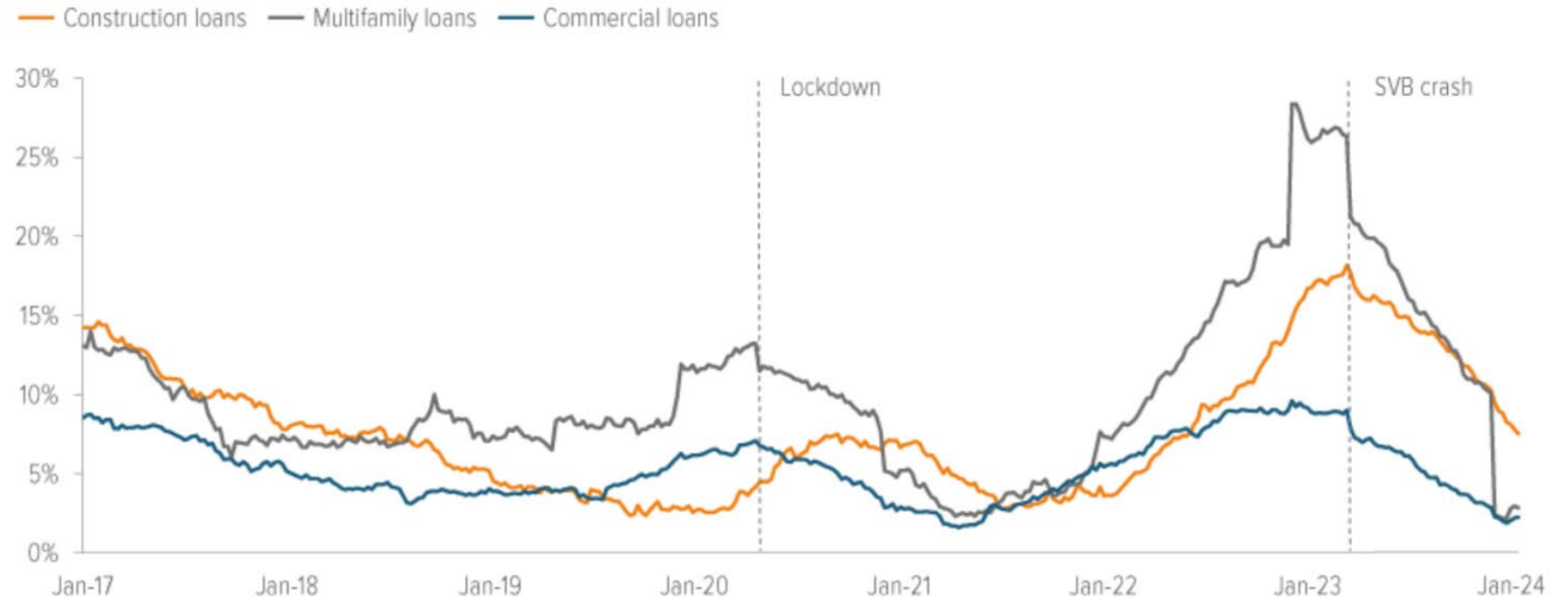
 Family Office Investors – 5%

# The Ugly

It's an ugly world out there for financing.

Only the best projects are going to get looked at, even less will be funded.

Banks' commercial real estate lending, YoY growth (%)



As of 01/17/2024. Source: Federal Reserve Board; Voya IM.

## Cash is KING.

Authors Note: I considered spinning this into a positive and encouraging message. Then I had a coffee and realized that wasn't very kind and a bunch of smart people could handle the truth. Enjoy!

## The Bad

Banks and Private Equity firms are reluctant participants in the market right now. This game is about sponsorship more than numbers, but the numbers will keep you from walking in the door!

Banks are currently leveraging up to 45% - 50%

Translation: you need to bring 50% - 60% cash to the table to get financing

Rates remain high – SOFR + 700 on 55% debt, yielding about 12% IR for a project.

Translation: Build a pro-forma with a high interest rate to stress the numbers. Debt is expensive.



## The Deets – Important things to know

Proforma – Fancy word for the budget + expected income & expenses projected into the future.

$$\text{Net Operating Income} = \text{Expected Revenue Generation} - \text{Property Operating Expenses}$$

Yield on Cost (YOC) – Helps investors quantify risk when purchasing an asset by evaluating profitability based on historical costs. It helps to make decisions on property improvements and the long-term “hold-ability” of a project.

$$\text{YOC} = \frac{\text{NOI}}{\text{Total Project Costs}}$$

Baseline is a 7.5% YOC. Want to get financing? Be better.

Cap Rate – **looks at the market value**. It’s intended to show the properties current performance and its ability to be an income producing property.

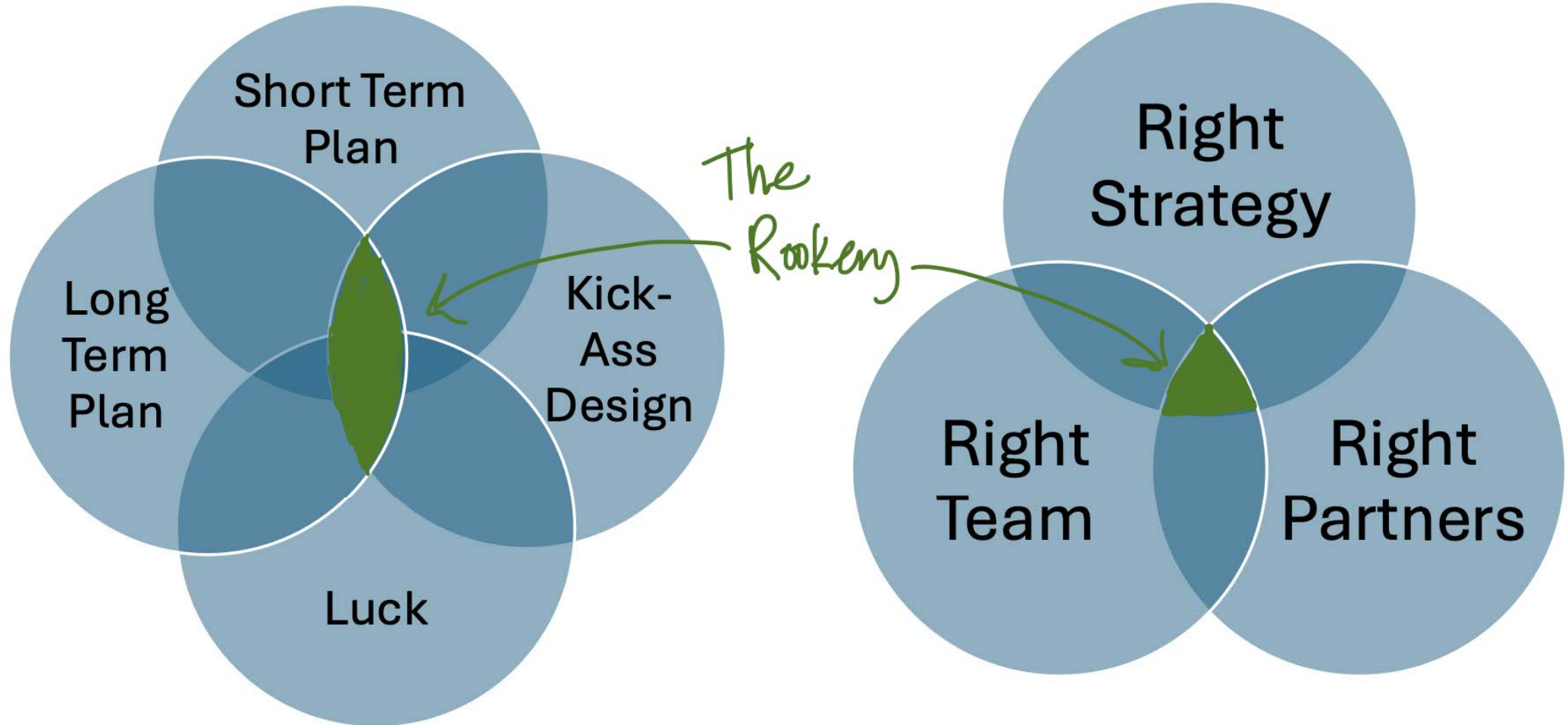
$$\text{CAP RATE} = \frac{\text{NOI}}{\text{Asset Sale Price}}$$



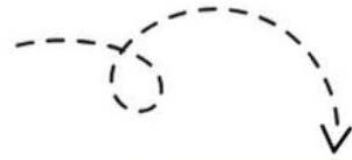
The higher the cap rate, the riskier the investment is perceived to be

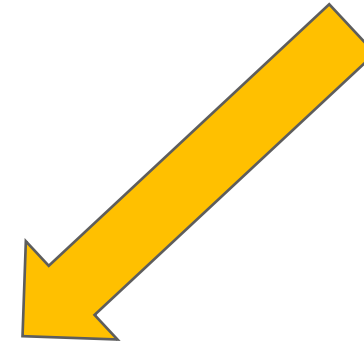
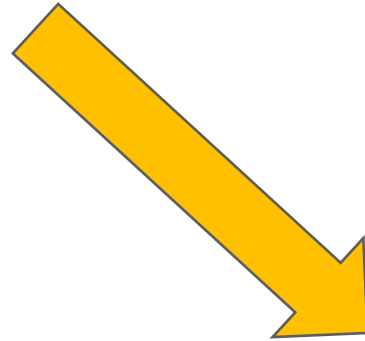
# The Good

Anything's possible! You just need a few key things



I can't always draw a straight line, but I can science the hell out of a project





Banking Strategy- Step 2



10 year loan with a 25 year  
amortization, 5 year fixed 7% rate  
commercial construction loan  
(construction is prime+ interest only)





**I DON'T KNOW WHAT A FINANCIAL  
STATEMENT IS**

**AND AT THIS POINT I'M TOO AFRAID TO  
ASK**

makeameme.org



3 THIRD FLOOR  
1/8" = 1'-0"

**Square Footage:**

Office Square Footage

New Office	3,123 sf
Existing Office	980 sf
Office Hut	155 sf
Courtyard	500 sf
Rooftop Deck	463 sf

**Total Owner Occupied Space 5,221 sf**

Apartment Square Footage

Apartment A	760 sf
Apartment B	797 sf
Apartment C	758 sf
Apartment D	727 sf
Apartment E	945 sf
Apartment F	971 sf

**Total Apartment 4,958 sf**

**Owner Occupied 51%**  
**Tenant Occupied 49%**

**Rent Calculation:**

**Leasable Office Space**  
3,730 sf x \$3 = **\$11,190**

**Leasable Apartments**

Apartment A	760 sf x \$2.75 = \$2,080
Apartment B	797 sf x \$2.75 = \$2,192
Apartment C	758 sf x \$2.75 = \$2,085
Apartment D	727 sf x \$2.75 = \$1,999
Apartment E	945 sf x \$2.75 = \$2,599
Apartment F	971 sf x \$2.75 = \$2,670

**Total Apartment Rents**  
4,958 sf x \$2.75 = **\$13,635**

**Total Rents for the building:**  
**\$24,825**



2 SECOND FLOOR  
1/8" = 1'-0"



1 FIRST FLOOR  
1/8" = 1'-0"



# The Rookery

Projection Date: 04-10-24

PROJECT INFORMATION:	
Current Equity in Subject Property	\$530,000
Current Debt on Subject Property	\$220,000
Current Value of Subject Property	\$750,000
Permitting, A&E, etc.	\$422,000.00
Construction Costs Total, including tax	\$2,425,861
Construction Contingency Funds	\$210,000.00
<b>TOTAL PROJECT VALUE</b>	<b>\$3,807,861</b>
Rookery Investments, Construction Costs *	81,264
Rookery Investments, Other **	\$422,000
Loan Amount	\$2,774,597
Loan to Value Ratio	72.9%
Loan Term, Years	25
Interest Rate	7.00%
<b>ANNUAL GROSS INCOME</b>	
Base Rent Income ***	\$297,894
Vacancy, assuming 5% of Base Rent Income	-\$14,895
<b>ADJUSTED GROSS INCOME</b>	<b>\$282,999</b>
<b>ANNUAL EXPENSES</b>	
Property tax	\$10,000
Insurance	\$5,000
Repairs and Maintenance	\$8,000
<b>TOTAL OPERATING EXPENSES</b>	<b>\$23,000</b>
<b>NET OPERATING INCOME</b>	<b>\$259,999</b>
<b>DEBT SERVICE, PRINCIPAL &amp; INTEREST</b>	<b>-\$235,323</b>
<b>ANNUAL CASH FLOW</b>	<b>\$24,676</b>
Cash Flow Ratio: Net Operating Income / Debt Service	1.10
Capitalization Rate: Net Operating Income / Project Value	6.8%

# Builder's Cost Breakdown



DATE:	3.08.24
BORROWER:	The Rookery Olympia, LLC
CONTRACTOR:	
PROPERTY ADDRESS:	6504 Capitol Blvd SE, Tumwater, WA 98501

ITEM	COST BREAKDOWN	REMARKS
1 Plans/Arch/Surveys & Engineering		
2 Road bore	\$ 11,660.00	
3 Temp. Power/Excavation	\$ 187,904.00	
0 Footings & Foundation/Concrete	\$ 65,725.00	
5 Framing Material/ Insulation	\$ 640,000.00	
6 gypcrete float	\$ 20,000.00	
7 Interior Framing Labor and Materials	\$ 40,000.00	
8 Roofing	\$ 57,200.00	
9 Windows/Sliders/	\$ 17,000.00	
10 Plumbing (rough)	\$ 139,745.00	
11 Electrical (rough)	\$ 209,360.00	
12 Sprinkler sys.	\$ 21,450.00	
13 Masonry Veneer & Chimney	\$ -	
14 Prefab Fireplace	\$ -	
15 WINDOW SET LABOR	\$ 25,000.00	
16 Siding & Soffits/MATERIAL & LABOR	\$ 192,396.00	
17 Heating/Air Conditioning	\$ 102,007.41	
18 Rigid Insulation (under slab, roof)/ Blown-in (1st	\$ 31,200.00	
19 Drywall/Tape/Texture	\$ 50,000.00	
20 Sewer Hook-up	\$ -	
21 Water Hook-up	\$ -	
22 STEEL / STAIRS, POSTS	\$ 45,000.00	
23 Downspouts & Gutters	\$ 5,000.00	
24 Exterior Painting	\$ 20,000.00	
25 Interior Painting	\$ 20,000.00	
26 Wallpaper/Paneling/Trim Stairs	\$ -	
27 Millwork	\$ 21,458.79	
28 Cabinets/Hardware	\$ 64,000.00	
29 Countertops - Quartz	\$ 10,890.00	
30 Plumbing Fixtures		
31 Linoleum, Polished Concrete (1st Floor)	\$ 67,262.11	
32 Tile	\$ 13,200.00	
33 Exterior Doors	\$ 7,866.00	
34 Electrical Fixtures	\$ -	

35 door hardware	\$ 5,584.10	
36 Hardwood Floors	\$ -	
37 Interior Doors	\$ 15,240.00	
38 Finish Labor	\$ -	
39 Finish Hardware	\$ -	
40 Appliances	\$ 44,000.00	
41 Solar	\$ -	
42 Patios/ Paver	\$ 19,250.00	
43 Cleanup, security fencing	\$ 6,000.00	
44 Landscaping/fencing	\$ 40,000.00	
45 Flashing and Sheetmetal	\$ -	
46 Demolition	\$ -	
47 Other:	\$ -	
48 Other:	\$ -	
49 Other:	\$ -	
50 Contingency Fund		
51 Subtotal no contingency		
52 SUB-TOTAL HARDCOSTS	\$ 2,215,398.41	
53 Contingency Fund	\$ 210,000.00	
54 BUILDER PROFIT & OVERHEAD	\$ -	
55 SALES TAX	\$ 210,462.85	
56 SUB-TOTAL CONSTRUCTION COSTS	\$ 2,635,861.26	
57		
58 LAND VALUE	720,000.00	
1	2,425,861.26	
60	-	
61	-	
62 TOTAL	5,781,722.52	

Signed	Borrower's	Date
	Contractor's	Date

Washington Business Bank is an "Equal Housing Lender"

# Builder's Cost Breakdown



DATE:	3.08.24
BORROWER:	The Rookery Olympia, LLC
CONTRACTOR:	
PROPERTY ADDRESS:	6504 Capitol Blvd SE, Tumwater, WA 98501

	ITEM	COST BREAKDOWN	REMARKS
1	Plans/Arch/Surveys & Engineering	\$ 422,000.00	
2	Road bore	\$ 11,660.00	
3	Temp. Power/Excavation	\$ 187,904.00	
0	Footings & Foundation/Concrete	\$ 65,725.00	
5	Framing Material/ Insulation	\$ 640,000.00	
6	gypcrete float	\$ 20,000.00	
7	Interior Framing Labor and Materials	\$ 40,000.00	
8	Roofing	\$ 57,200.00	
9	Windows/Sliders/	\$ 267,000.00	
10	Plumbing (rough)	\$ 139,745.00	
11	Electrical (rough)	\$ 209,360.00	
12	Sprinkler sys.	\$ 21,450.00	
13	Masonry Veneer & Chimney	\$ -	
14	Prefab Fireplace	\$ -	
15	WINDOW SET LABOR	\$ 25,000.00	
16	Siding & Soffits/MATERIAL & LABOR	\$ 192,396.00	
17	Heating/Air Conditioning	\$ 102,007.41	
18	Rigid Insulation (under slab, roof)/ Blown-in (1st	\$ 31,200.00	
19	Drywall/Tape/Texture	\$ 50,000.00	
20	Sewer Hook-up	\$ -	
21	Water Hook-up	\$ -	
22	STEEL / STAIRS, POSTS	\$ 45,000.00	
23	Downspouts & Gutters	\$ 5,000.00	
24	Exterior Painting	\$ 20,000.00	
25	Interior Painting	\$ 20,000.00	
26	Wallpaper/Paneling/Trim Stairs	\$ -	
27	Millwork	\$ 21,458.79	
28	Cabinets/Hardware	\$ 64,000.00	
29	Countertops - Quartz	\$ 10,890.00	
30	Plumbing Fixtures		
31	Linoleum, Polished Concrete (1st Floor)	\$ 67,262.11	
32	Tile	\$ 13,200.00	

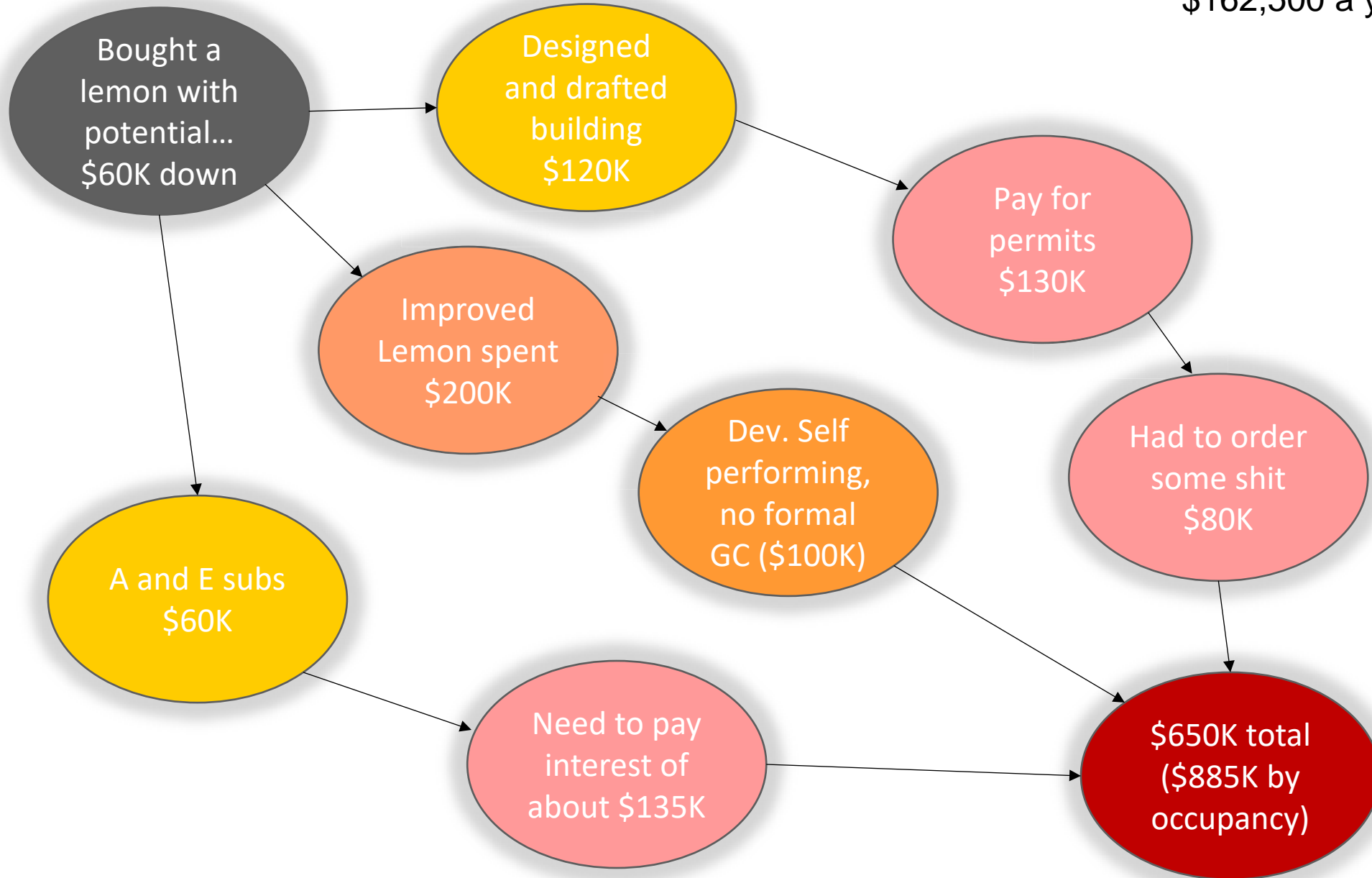
33	Exterior Doors	\$ 7,866.00
34	Electrical Fixtures	\$ -
35	door hardware	\$ 5,584.10
36	Hardwood Floors	\$ -
37	Interior Doors	\$ 15,240.00
38	Finish Labor	\$ -
39	Finish Hardware	\$ -
40	Appliances	\$ 44,000.00
41	Solar	\$ -
42	Patios/ Paver	\$ 19,250.00
43	Cleanup, security fencing	\$ 6,000.00
44	Landscaping/fencing	\$ 40,000.00
45	Flashing and Sheetmetal	\$ -
46	Demolition	\$ -
47	Other:	\$ -
48	Other:	\$ -
49	Other:	\$ -
50	Contingency Fund	\$220,000.00
51		
52	<b>SUB-TOTAL HARD COSTS</b>	<b>\$ 3,107,398.41</b>
53		
54	BUILDER PROFIT & OVERHEAD	\$ 360,000.00
55	SALES TAX	\$ 295,202.85
56	<b>SUB-TOTAL CONSTRUCTION COSTS</b>	<b>\$ 3,762,601.26</b>
57		
58	LAND VALUE	720,000.00
59		
60		
61		
62	<b>TOTAL</b>	<b>4,482,601.26</b>

Signed	
Borrower's	Date
Contractor's	Date

Washington Business Bank is an "Equal Housing Lender"

# Example Development Cashflow Strategy- 4 years

\$162,500 a year



# The Rookery

Projection Date: 04-10-24

## PROJECT INFORMATION:

Current Equity in Subject Property	\$530,000
Current Debt on Subject Property	\$220,000
Current Value of Subject Property	\$750,000
Permitting, A&E, etc.	\$422,000.00
Construction Costs Total, including tax	\$2,425,861
Construction Contingency Funds	\$210,000.00
<b>TOTAL PROJECT VALUE</b>	<b>\$3,807,861</b>

Rookery Investments, Construction Costs *	81,264
Rookery Investments, Other **	\$422,000

Loan Amount	\$2,774,597
Loan to Value Ratio	72.9%
Loan Term, Years	25
Interest Rate	7.00%

## ANNUAL GROSS INCOME

Base Rent Income ***	\$297,894
Vacancy, assuming 5% of Base Rent Income	-\$14,895
<b>ADJUSTED GROSS INCOME</b>	<b>\$282,999</b>

## ANNUAL EXPENSES

Property tax	\$10,000
Insurance	\$5,000
Repairs and Maintenance	\$8,000
<b>TOTAL OPERATING EXPENSES</b>	<b>\$23,000</b>

<b>NET OPERATING INCOME</b>	<b>\$259,999</b>
DEBT SERVICE, PRINCIPAL & INTEREST	-\$235,323
<b>ANNUAL CASH FLOW</b>	<b>\$24,676</b>

Cash Flow Ratio: Net Operating Income / Debt Service	1.10
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Capitalization Rate: Net Operating Income / Project Value	6.8%
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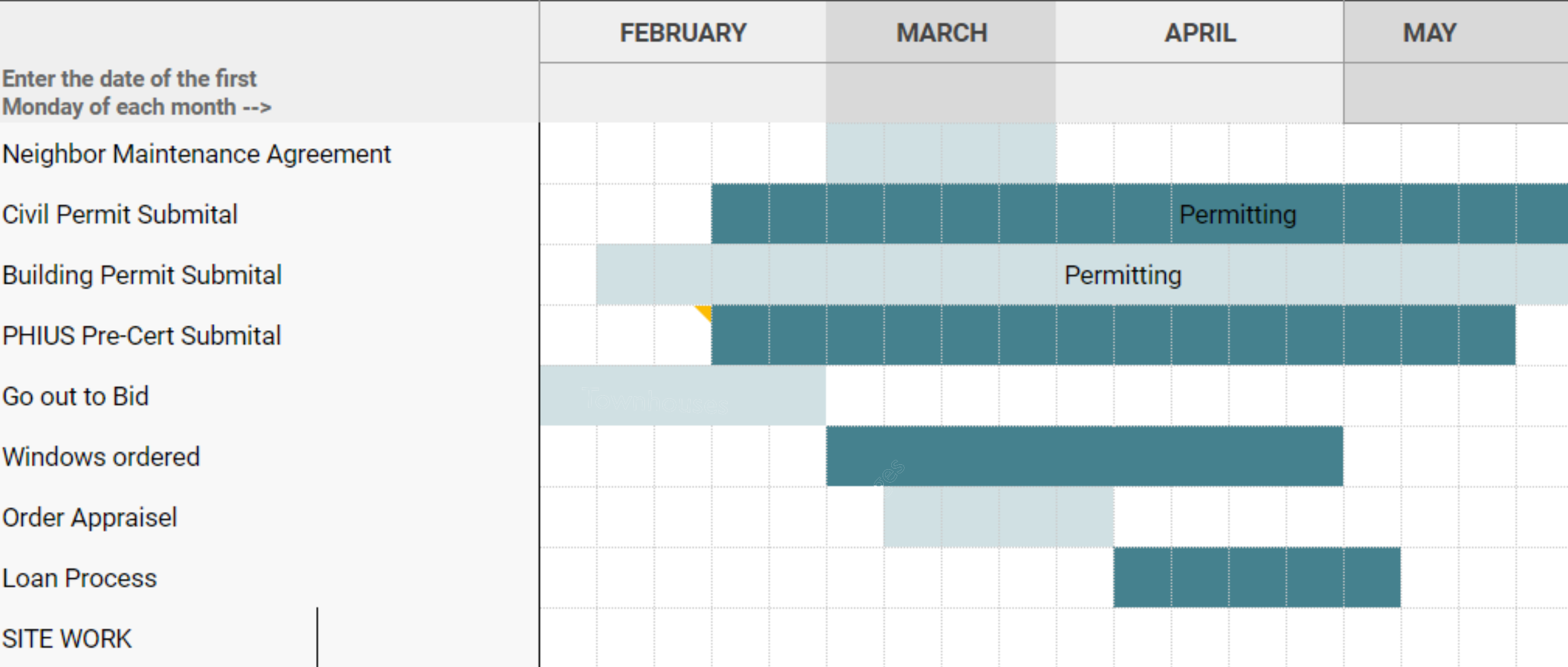
**\$1,350,000**  
Appraised Value

**\$4,800,000**  
Total Appraised Value

Multi Family Tax  
Exemption

How profitable will  
depend on actual rents!  
YOC 9.4





The Permitting and Financing Timeline

**The Rookery Passive House Mixed Use Appraisal Narrative:**

6504 Capitol Way SE, Tumwater Wa 98501



This 8,360 SF Certified Passive House and Net Zero development, will be the home of the award winning Artisans Group Architecture and Planning on the main floor with a flexible arts and culture space. Artisans Group is a 14 person, OMWBE 100% women owned, nationally recognized, high performance Architecture firm. The office will have high end, architecturally designed finishes, a staff kitchen featuring FSC certified local custom cabinetry, common spaces with designer furniture, private and open offices with a large outdoor courtyard off of the all glass conference room with a large custom slab conference table. The building will have designer wallpaper, solid surface counters throughout, designer lighting, and polished concrete terrazzo floors. The outside courtyard supports a tiny home that will host pop up cocktails, coffee bars, live music and arts events.



The upper two floors will provide six units of Luxury Passive Housing as rentable market rate apartments, with high end architectural designed apartments and appliances. The apartments sport tall industrial height ceilings, walls of glass and silent interiors, due to the passive house construction. Imported high end european cabinetry, and luxury appliances, such as a hidden, solid surface integrated cooktops compliment sustainable, marmoleum floors. The two units on the third floor are penthouse style apartments with walls of glass, vaulted ceilings, oversized spaces and large private rooftop decks. The four, second story apartments share a significantly sized rooftop deck on the third floor as well as access to the bottom floor courtyard with its amenities and events. The apartments are larger in size than comparable units, ranging from 760 sf on the four second story units and 958 sf for the two penthouse units. These units



This project will be built to the Certified Passive House standard, currently the most aggressive high performance building standard in the United States. It will use 75% less energy than a comparable building, and with a modest solar array, it will be a net zero building, making as much energy on an annual basis as it uses. Its walls, floors and roofs, have two to three times the insulation required by code, the windows are thermally broken triple paned tilt turns from Europe, each unit has luxury heating and cooling, with a fresh filtered air delivery system, so even in wildfire season the tenants will be uber healthy and comfortable. The construction is airtight, with special membranes and detailing to achieve this, so the only "leakage" in the building is through the filtered and controlled air system. The units will be perfectly cool (almost all new locally built apartments have no cooling) and perfectly warm in all extreme weather conditions. This project's walls, and roofs will be prefabricated by a Passive House assemblies company, foam free and ranging from 8-15" deep with dense packed cellulose insulation, the building will go from a foundation to framed in a ready to roof and install windows in less than a week. This results in dry high quality construction with very small tolerances of variation. The exterior walls will have an extensive rain screen behind the siding allowing it to dry out, a best practice for longevity and lower

**Unique, Upgraded Features will include:**

- Triple Paned, thermally broken tilt turn aluminum windows from Europe
- Prefabricated, super insulated walls, floors and roofs
- Advanced climate control and cooling
- Purified air system, HRV
- Quiet interiors due to airtight construction
- Industrial height ceilings
- Extreme temperature comfort
- European and local custom FSC Cabinets
- Luxury appliances
- Solid surface countertops
- Designer wall paper and lighting
- Tile showers
- Solid designer marmoleum floors & polished concrete floors
- Large common and private penthouse rooftop decks and planted courtyard

## Example Projects:

### Solis, Seattle Washington

[www.livesolis.com](http://www.livesolis.com)



The largest one bedroom unit is approximately 100-300 sf smaller than our units. Rents for \$2,200/Mo plus utilities

LIVE HEALTHY, LIVE SUSTAINABLY, LIVE SOLIS  
CHOOSE YOUR PERFECT HOME WITH SPACES RANGING FROM STUDIO, 1-BEDROOM & 3-BEDROOM HOMES.

TAKE THE VIRTUAL TOUR BELOW.

- STUDIO
- 1-BED, 1-BATH
- 1-BED+DEN, 1-BATH
- 2-BED, 1-BATH

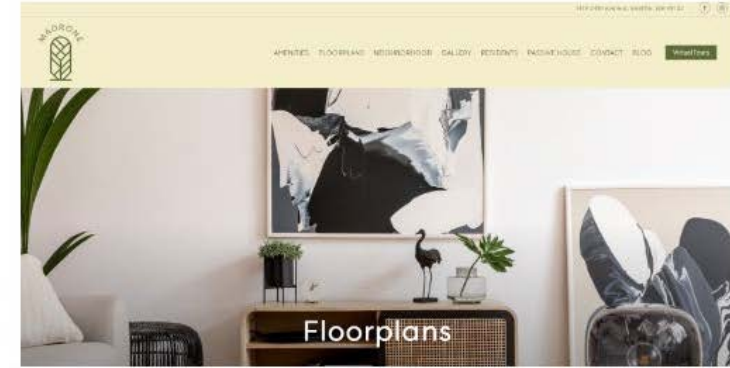
**From \$2,200/mo**

Features include: 9-Foot Ceilings, Wood Floors and Advanced Climate Control, Designer Appliances, 5-Bar Coffee and more!

- FLOOR PLAN X01 → 60 SQ.FT.
- FLOOR PLAN X02 → 30 SQ.FT.
- FLOOR PLAN X03 → 30 SQ.FT. FURNISHED
- FLOOR PLAN X04 → 50 SQ.FT.
- FLOOR PLAN X05 → 60 SQ.FT.
- FLOOR PLAN X06 → 60 SQ.FT.

### Madrone, Seattle Washington

[www.madroneseattle.com](http://www.madroneseattle.com)



Our units are 150-350 sf larger and rent for \$2,044 plus utilities.

**1B3** Starting at \$2,044

1 Bed | 1 Bath | 543 sq. ft.

The floor plan shows a rectangular layout. At the top is the KITCHEN with a sink and stove. Below it is the LIVING area. To the right is the BEDROOM. At the bottom left is the BATH with a toilet and sink. A closet (CLO) is located near the bedroom. A window (W) and door (D) are also indicated.

# Example Pros Cons

Bought something that would cashflow

Bought an inexpensive Piece of property

Small and hard/\$\$\$ to develop

Formed development team to avoid fees

Doesn't cashflow great/ROI

Avoided GC markup and overhead

Net Zero Better to hold long term

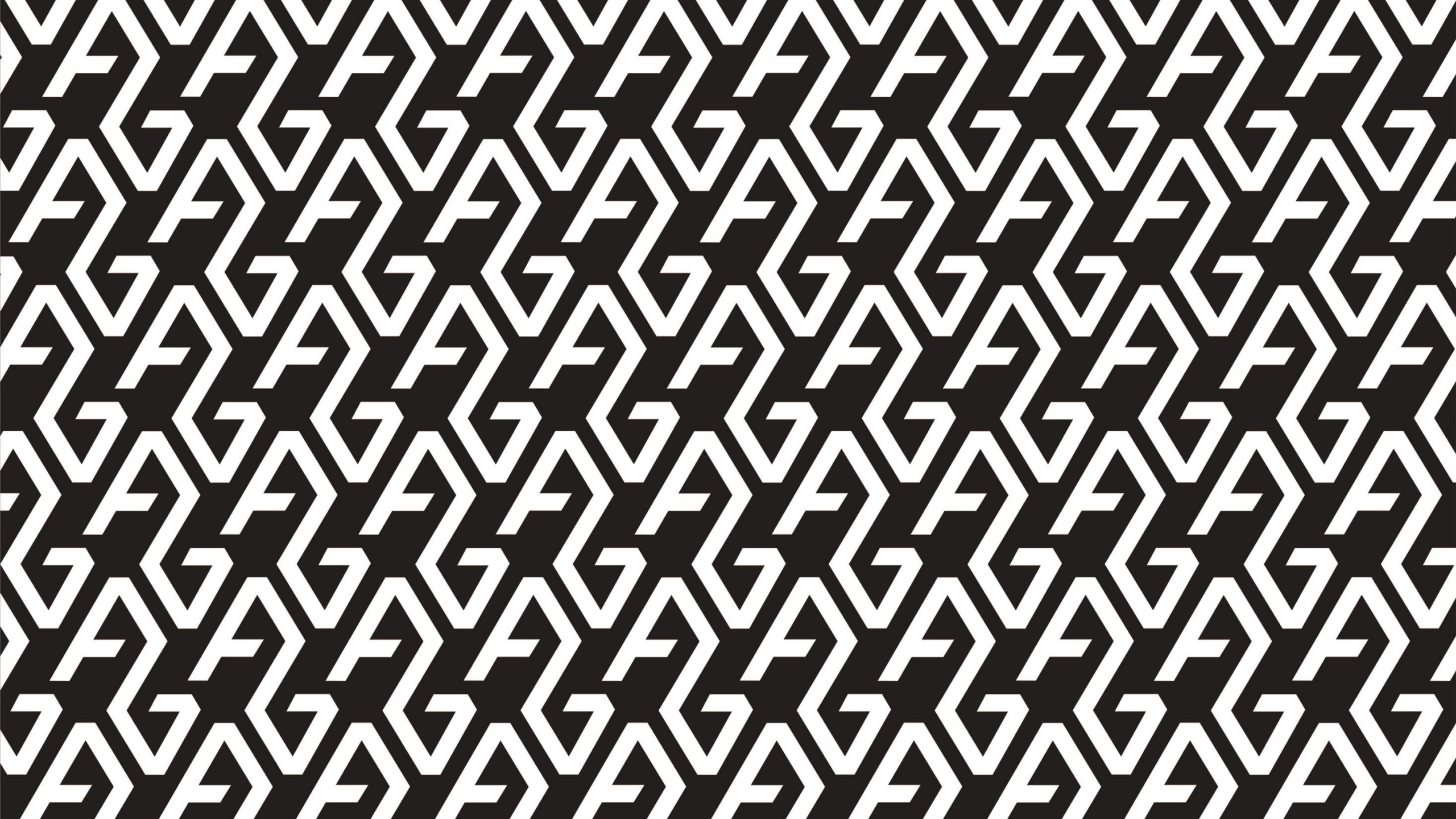
NetZero More \$\$\$

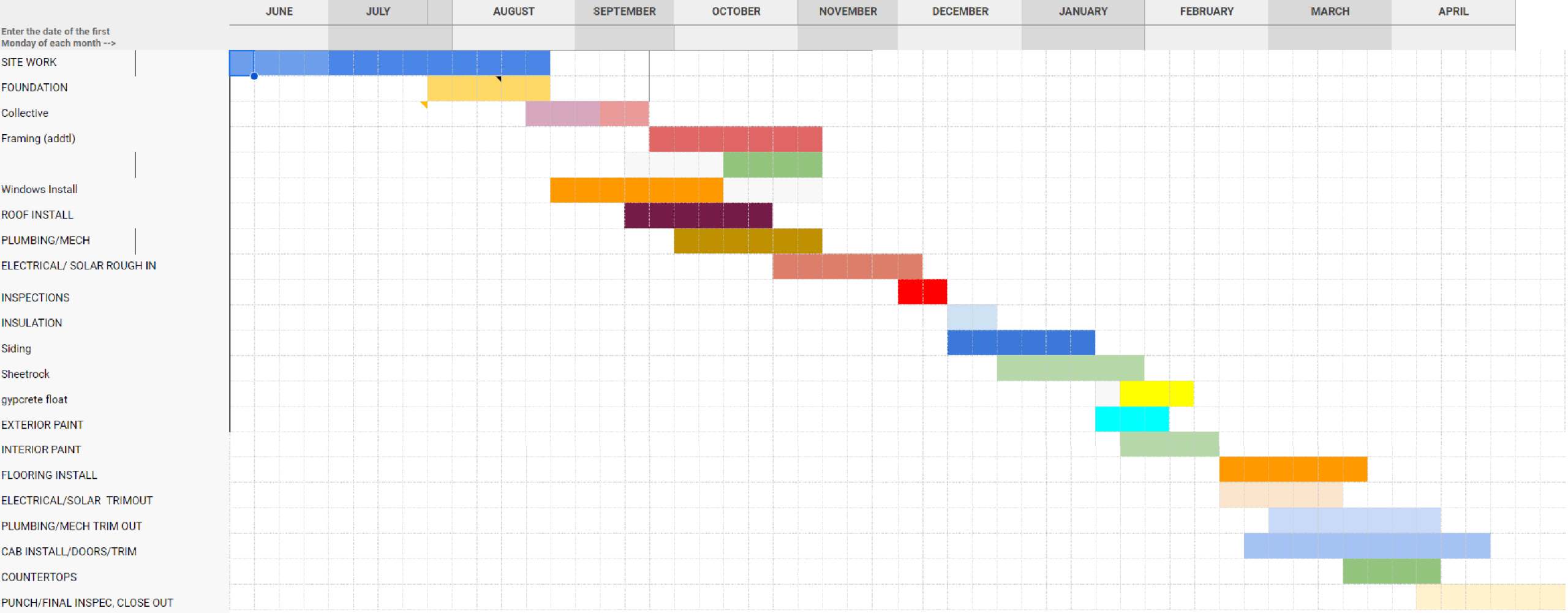
Risk-location unproven luxury market

Will help our Architecture Firm!

Fun, but a whole ass 2<sup>nd</sup> job









His first tree felling..





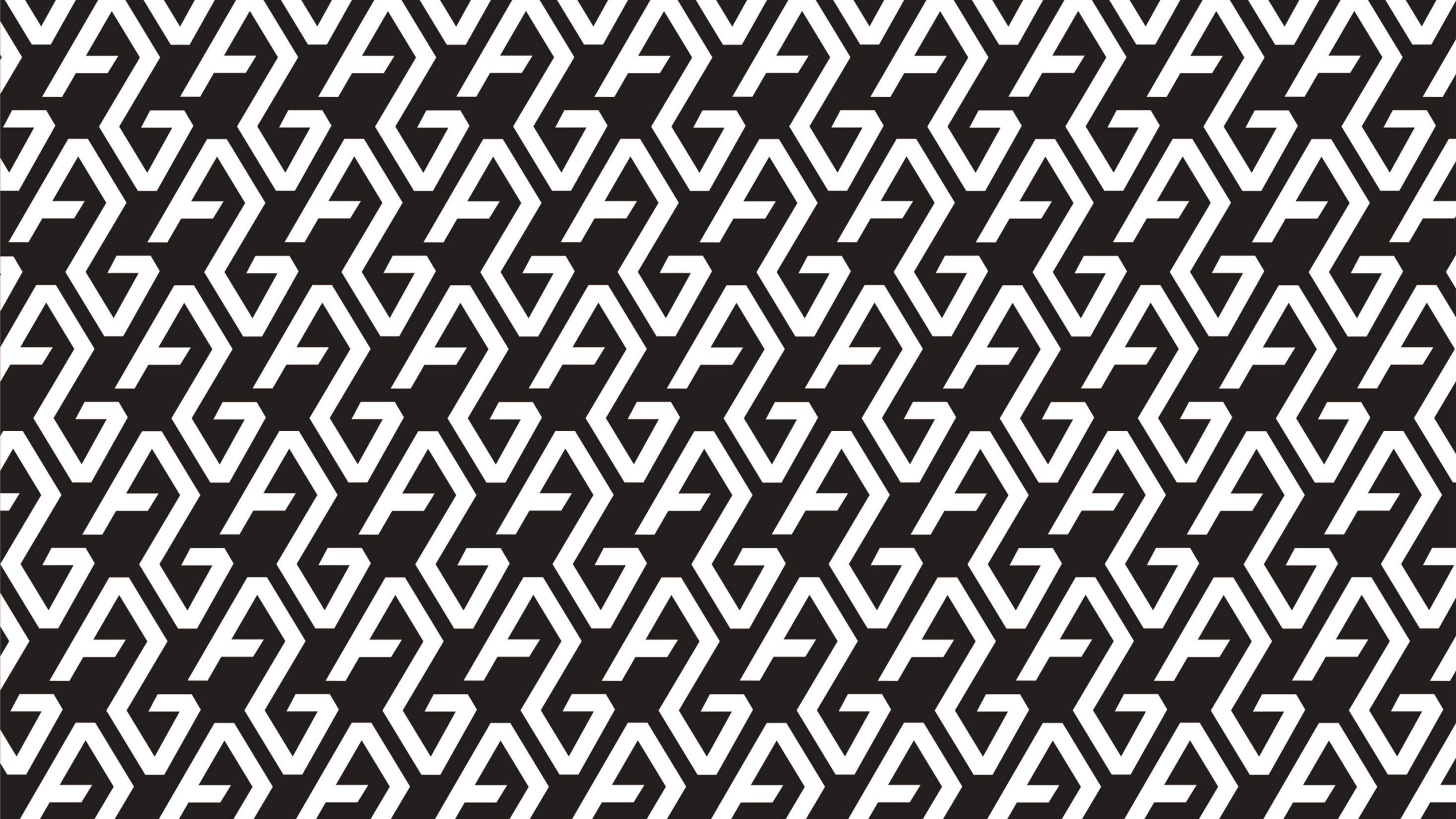
Construction



Construction



Construction



What's coming...but bigger.



# The Rookery /'rōokərəē/

The place where a group of birds or social mammals congregate and raise their young.

A dense collection of housing, where women of ill repute or other unsavory's collect.

