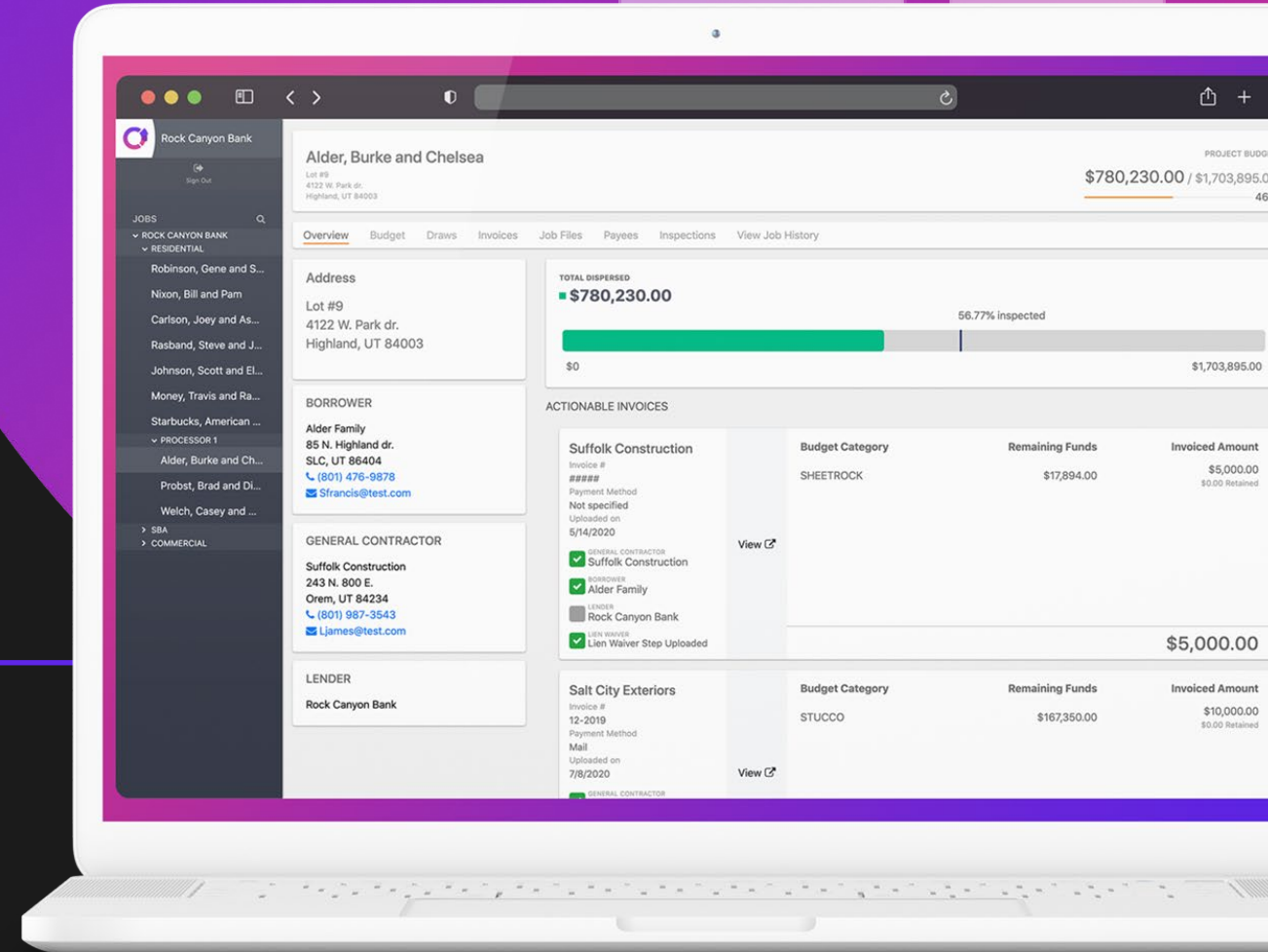




How to Secure the Best Financing for Your Construction Loan – Part 2

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10 Steps to Secure the Best Financing for Your Construction Loan

1. Know Your Business
2. Know Your Project
3. How a Lender Sees Your Business
4. How a Lender Sees Your Project

5. Project | Lender Fit

6. Preparation

7. Pitching Your Project

8. Comparing Term Sheets
9. Negotiation
10. Closing the Deal

Learning Objectives

Set your business and project up for success before you ever break ground

Attract the best lending partner

Close the deal with the best terms



**The way
construction finance
should be.**

STEP FIVE

Project | Lender Fit

The Basics

Every Project is Unique

Your lender might not be the best fit everyone.

All about Speed

Cut to the chase and see if the project is in the wheelhouse of the lender.

Get a Recommendation

They know what lender is best for this project.

Lenders are Possessive

They most likely will lead you on. Key is placing multiple sticks in the fire.

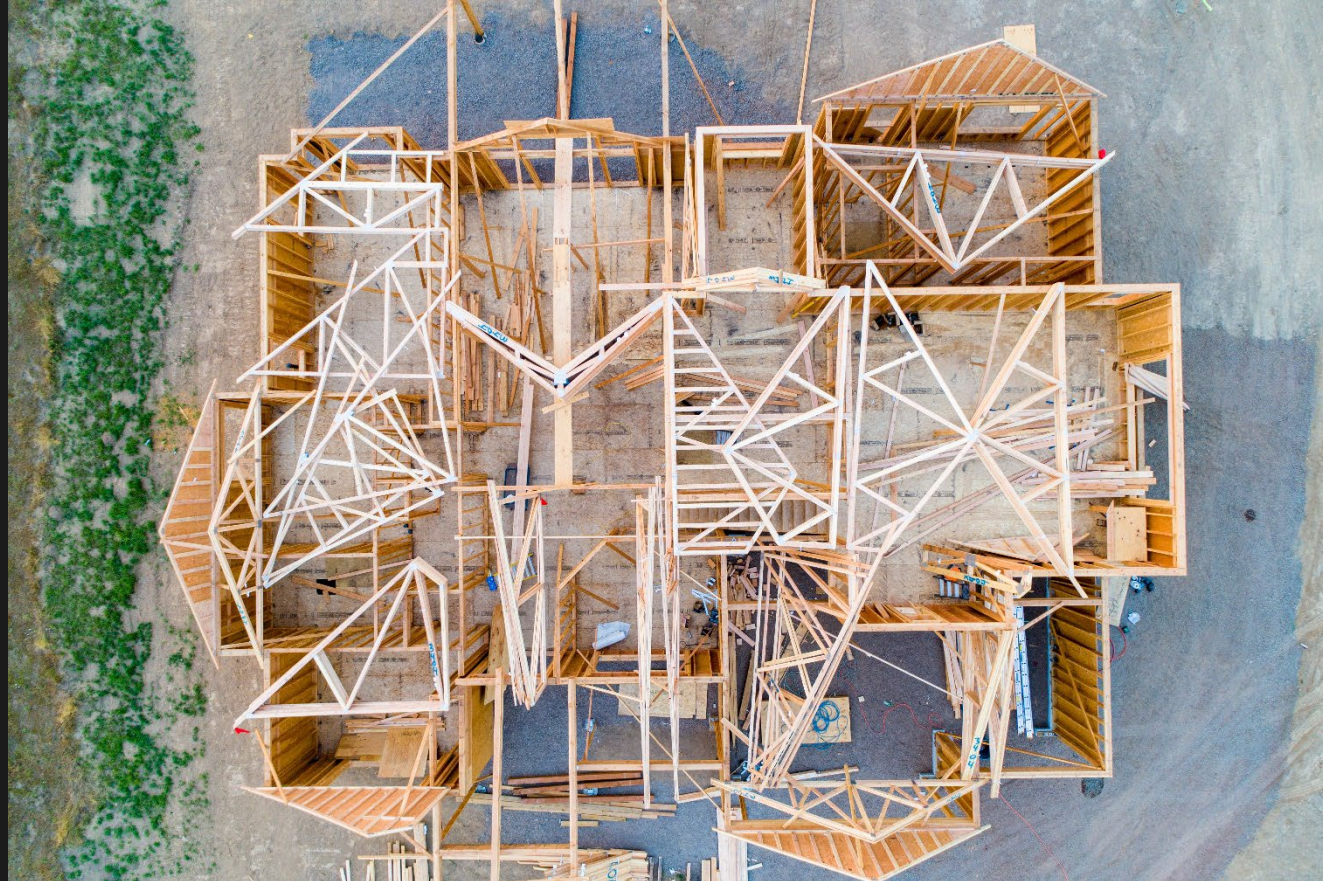




Proforma Mastery & Lender Knowledge

- Show lenders your expectations of what you want in a Lender
- Show your knowledge of your project's strengths & weaknesses
- Show that your project will get the best terms

Scenarios



Step 5: Project | Lender Fit

Common Questions & Answers

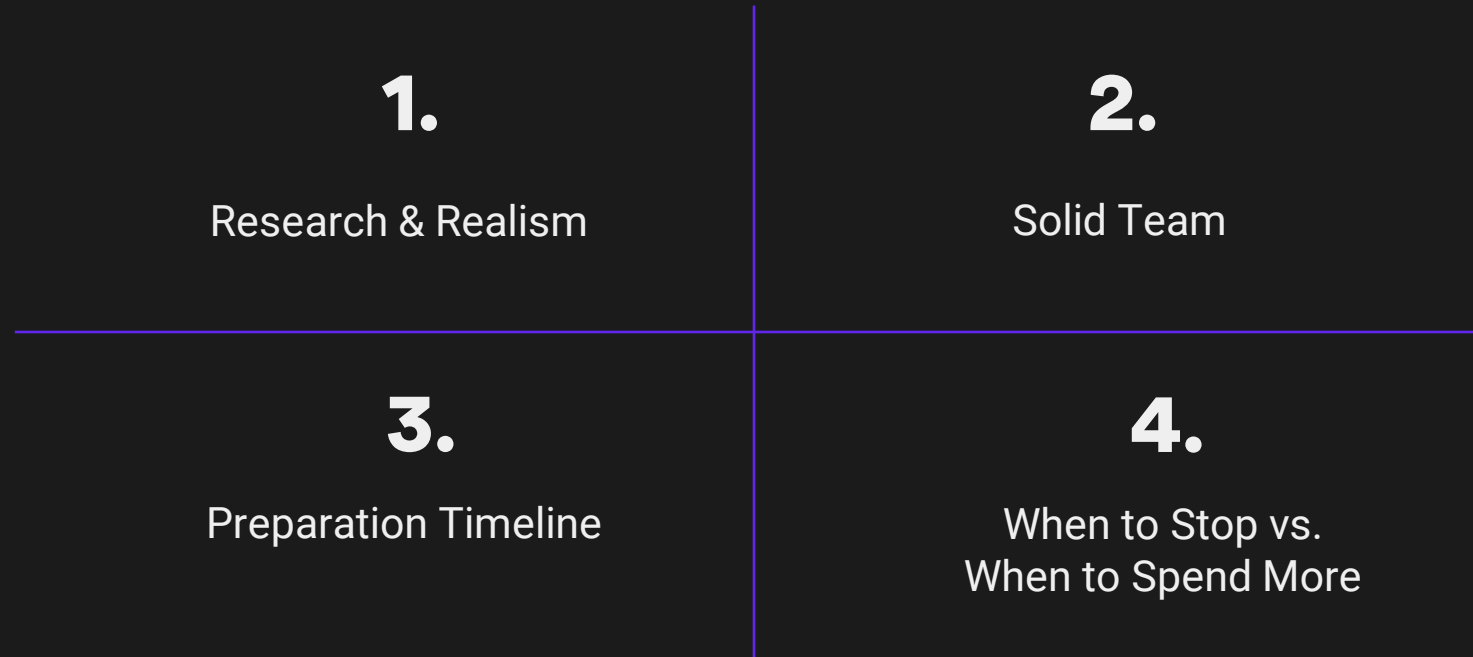
- What if my lender wants all my business or they won't give me favorable terms with my other loans?
- Is your lender holding you hostage?
- Can you get better loans on all your deals?
- Is expanding to multiple lenders an option?



STEP SIX

Preparation

Preparing Your Project



Preparing your project is the first step and most important to making money and not wasting your time.



Preparation Timeline

Rough Idea Phase

- Quick ProForma
- Comps
- Zoning Understanding
- Lender Buy In
- Go – No Go

Higher Commitment Phase

- Tie Up the Project with an Offer
- Get Rough Plans
- Get Rough Bids
- Deeper ProForma Analysis
- Go – No Go

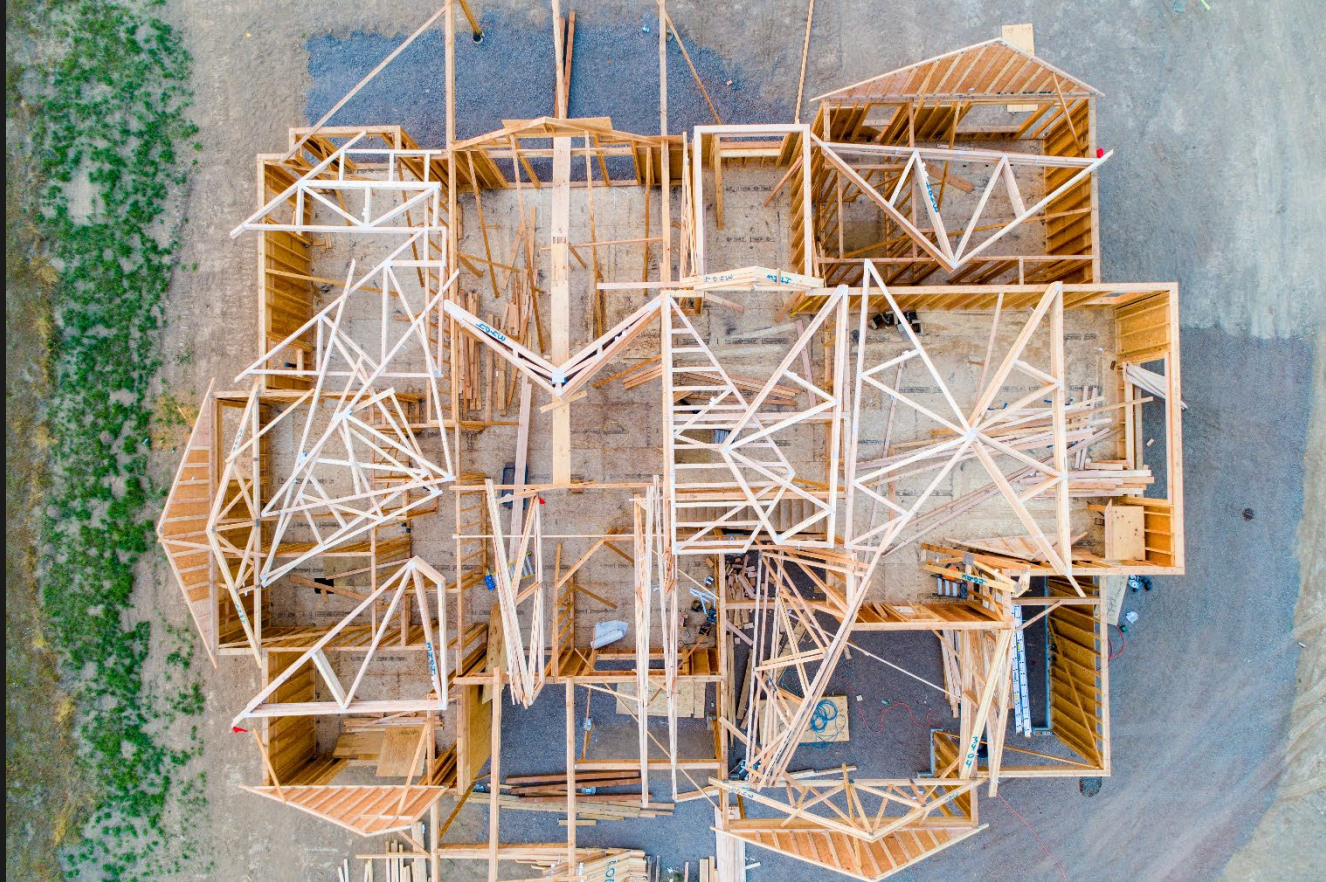
Pre-Commitment Phase

- Final Plans
- Final Plans to City and Builder
- Final Budget
- Final ProForma
- Team Finalization

Commitment Phase

- Close Loan
- Start Building

Scenarios



Step 6: Preparation

STEP SEVEN

Pitching Your Project

Pitch Your Project

Pitch your Project

Depending on the audience
get an NDA signed ahead
of time.

Pitch the Truth

An exaggerated or oversold
project of any type will lead to
disappointment and lost value.

Pitch with Passion

Do you love your project?
What is your motivation?
Do you believe in it?

Pitch Professionally

Have a fully prepared deck with deliverables.
Hire a professional designer if need.

Pitch to Multiple Shareholders

Don't let too much information get out
but just enough to find the right team.



Presentation Styles

In Person Preferred Always

- Lunch
- Golf
- Coffee
- Office Visit


Zoom Meeting as Alternative

- Good Wi-Fi
- No Distractions

Build the Deck

CAMBRIDGE HOME COMPANY

Meet The Builder



CAMBRIDGE HOME COMPANY

MEET THE BUILDER

Chad is a custom home builder who has completed over a 100 million-dollars in project costs, over 16 years of building. Chad has completed over 60 custom high-end homes throughout Utah and Northern California.

As the builder, Chad we is on budget, on time, a When you build with C Architectural, Landscap included in your design

Chad takes pride in att clients the invaluable e: team.


To see more of our won completed visit our Pos to meet them in person

CHELL@CAMBRIDGEHOMECOMPANY.COM


CAMBRIDGE HOME COMPANY

GET TO KNOW US *More About The People You'll Be Working With*


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Design Built Home

CAMBRIDGE HOME COMPANY

YOUR BRAND NAME

Care Instructions

WHAT IS THE COST *Maximize Your Portfolio*

DEVELOPMENT BUDGETS

LAND PURCHASE

FUTURE BUILD OUT

VALUE

We are looking to close on the loan for this property before the end of the year. We know that we are under a tight deadline to make this a reality.

OFFER ON LAND
\$650,000

CHC DOWN PAYMENT
\$130,000

BANK LOAN
\$520,000

A great Design + Build takes time to produce the working documents necessary to move the project forward it will take time.

We anticipate needing 6-12 months in the design and City permitting and approval phase.

Followed by approval for the build out on the long term loan of the building costs. Here is what we are anticipating

BUILDING COST ANTICIPATED
\$1.5 - 2 MIL

CHC DOWN PAYMENT
\$300K

BANK LOAN
\$1.2 - 1.7MIL

In our process of looking at properties to rent and or build we have found that they type of property we are looking to build is asking \$36 to \$27 a sq foot for leased spaces.

With our design of the building we anticipate 5,000 sq ft to be leased out with the potential yearly income of \$160K to offset the investment expenditures.

The value in leasing half of the building ensures that the space will offer income long term.

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GE HOME COMPANY

The Project

THE PROPERTY

100 N Alpine Highway Highland, UT 84003

TRACT PRICING

INVESTMENT LOCATION

INVESTMENT LOCATION

have identified the following property we are considering making an offer or \$650,000

property is located at approximately 0 N Alpine Highway Highland, UT

have a down payment on the property 30K - \$195K to purchase the land.

are looking for an Bank to loan us \$-845K (70-80%) of the purchase in order to keep more cash assets to our inventory and the commercial building.



CHELL@CAMBRIDGEHOMECOMPANY.COM

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Step 7: Pitching Your Project



NDA

- Again, depending on the audience get an NDA signed ahead of time
- An NDA is to be used with companies and not partners



Contact the CoFi Team



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CoFi

The Way Construction Finance Should Be