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Developing a Strategy for Creating Affordable Student Housing Solutions

Juan D. Campolargo
University of Illinois at Urbana-Champaign

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Developing a Strategy for Creating Affordable Student Housing Solutions





Goal

Why should you care?

What have others tried?

Not much...



My Approach

1. Profitability
2. Innovative Building
3. Curiosityland

Houses built in one day!

Let's take a look (<https://www.boxabl.com/>)



What have I done so far?

1. Meetings with Ph.D. and Master of Science in Real Estate (MSRE)
2. Completed Business Plan & Financial Modeling
3. Zoning & Planning Laws & Permits
4. Crowdsourcing (soon).

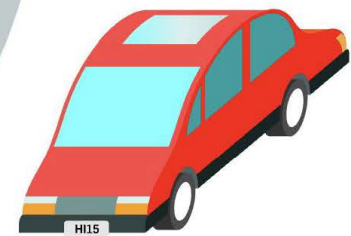
Financial Modeling

Set up Cost					
Land Cost	\$ 1,000,000.00				
Hard cost	\$ 1,500,000.00	<i>Buildings & infrastructure</i>			
Soft Costs	\$ 200,000.00	<i>Legal, architectural, permitting, etc.</i>			
Financing Cost	\$ -	<i>As the construction of the units will take a short amount of time, you may not need a construction loan. I'm also not</i>			
Total Cost	\$ 2,700,000.00				
Financing					
				Loan assumptions	
Total Cost	\$ 2,700,000.00			Interest rate	4%
Equity	\$ 675,000.00			Maturity	30
Debt	\$ 2,025,000.00	Loan to cost	75%	Monthly mortgage payment	(\$9,093.15)
				Ending Balance	(\$1,567,894.23)
Revenue Assumptions			Operating cost assumptions		
Rental rate per unit	\$ 300.00	monthly	Operating costs per unit	\$ 40.00	monthly
Rental rate inflation	3%		Expense inflation	2%	
Number of units	40		Capital reserve per unit	\$ 10.00	monthly
Vacancy & Collection losses	5%				
Equity Reversion Assumptions					
Sales cost	2%				
Cap rate	6%				
Holding period	10				



What's Next?

1. Finalize business plan/costs/materials
2. Find Funding Sources
3. START BUILDING!!!!!!





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