

Affordable Housing

Investment Properties

Debt & Structured Finance

Investment Banking

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CBRE

Case Study: Addison Grove

- Puyallup, WA (Seattle- Tacoma MSA)
- 102 Unit: 68 units at 50% AMI, 34 units at 60% AMI
- **Rate: 4.48% (as of 2/15/26) Fannie Forward MTEB**
 - (similar taxable transactions at the time 5.50-5.85%)
- Underwritten DSCR: 1.20x
- Underwritten LTV: 70%
- Underwritten Amortization: 35 years
- Execution: Fannie Mae MTEB with Recycled Bonds
- **3 year forward, 7 year permant term**
- Closing April 2026

Sources	Recycled Bonds	Taxable Forward*
Fannie MTEB Loan	\$17,630,000	\$16,080,000
WAFAM Sub Loan	\$13,923,000	\$13,923,000
CHIP Funding	\$700,000	\$700,000
Equity	\$1,810,309	\$3,316,451
Total	\$34,063,309	\$34,019,451
Uses		
Site Costs	\$2,750,000	\$2,750,000
Hard Costs	\$25,011,193	\$25,011,193
Soft Costs	\$3,002,094	\$3,002,094
Debt/ COI	\$1,026,053	\$982,195*
Constr. Loan Interest	\$1,043,438	\$1,043,438
Developer Fee	\$1,230,531	\$1,230,531
Total	\$34,063,309	\$34,019,451

* Includes rate buydown

Forwards vs Immediates: Considerations

FORWARD	IMMEDIATE
Separate Construction Lender	Construction to Perm
Future NOI (based on today's restricted rents)	In place NOI
Funds at close of construction loan	Funds Immediately - acquisition closing
No occupancy requirements until conversion	Must maintain underwritten occupancy
Large tenant displacement possible	No significant tenant displacement
Interest reserves for construction loan	No interest reserves
Reserves cover construction lender interest	Must cover debt service from NOI during construction
New construction or resyndication	Resyndication only
Use if NOI changing significantly	Use if NOI largely the same*

* HAP with post renovation rents at closing may fund based on marked up rents if in place at closing.

FORWARD
VS
IMMEDIATE:
EXECUTION
COMPARISON

FANNIE MAE MTEB	FORWARD*	IMMEDIATE	IMMEDIATE ADVANTAGE
RATE	5.50%	5.05%	0.45%
LOAN PROCEEDS	\$16,310,000	\$17,240,000	\$930,000
CLOSING COSTS/ PERM FEES	\$403,251	\$418,131	(\$14,880)
COST OF ISSUANCE **	\$168,000	\$168,000	\$0
STANDBY/ CONVERSION/ REPORTS	\$109,438	\$72,740	\$36,698
CONSTRUCTION LOAN INTEREST ***	\$530,075	\$0	\$530,075
CONSTRUCTION LOAN FEES	\$213,100	\$0	\$213,100
FEE SUBTOTAL	\$1,423,864	\$658,871	\$764,993
NET PROCEEDS	\$14,886,137	\$16,581,129	\$1,694,993

FREDDIE MAC TEL	FORWARD*	IMMEDIATE	IMMEDIATE ADVANTAGE
RATE	6.00%	5.45%	0.55%
LOAN PROCEEDS	\$15,360,000	\$16,410,000	\$1,050,000
CLOSING COSTS/ PERM FEES	\$237,851	\$246,776	(\$8,925)
COST OF ISSUANCE *	\$283,200	\$85,500	\$197,700
STANDBY/ CONVERSION/ REPORTS	\$115,100	\$80,540	\$34,560
CONSTRUCTION LOAN INTEREST ***	\$499,200	\$0	\$499,200
CONSTRUCTION LOAN FEES	\$203,600	\$0	\$203,600
FEE SUBTOTAL	\$1,338,951	\$412,816	\$926,135
NET PROCEEDS	\$14,021,049	\$15,997,184	\$1,976,135

* Forwards assume 24 month forward period.

** Not including negative arbitrage.

*** Assumes taxable construction loan.