

CHASE'S HILL, NEW HAMPSHIRE

A RESIDENTIAL COMMUNITY

by  
Daniel E. Elder

B.S. Civil Engineering, Tufts University  
(1983)

SUBMITTED TO THE DEPARTMENT OF URBAN STUDIES AND  
PLANNING IN PARTIAL FULFILLMENT OF THE REQUIREMENTS FOR THE  
DEGREE OF

MASTER OF SCIENCE

IN REAL ESTATE DEVELOPMENT

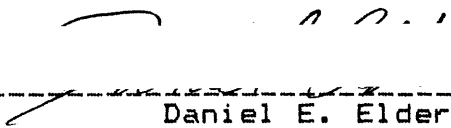
at the

MASSACHUSETTS INSTITUTE OF TECHNOLOGY  
September 1987

© Daniel E. Elder 1987

The author hereby grants to M.I.T. permission to reproduce  
and distribute copies of this thesis document.

Signature of Author

  
-----  
Daniel E. Elder, Dept. of  
Urban Studies and Planning  
July 31, 1987

Certified by

-----  
Michael Wheeler, Visiting Professor  
Dept. of Urban Studies and Planning  
Thesis Supervisor

Accepted by

-----  
Michael Wheeler, Chairman  
Interdepartmental Degree Program in  
Real Estate Development

MASSACHUSETTS INSTITUTE  
OF TECHNOLOGY

JUL 29 1987

LIBRARIES

Rotch

CHASE'S HILL, NEW HAMPSHIRE  
A RESIDENTIAL COMMUNITY

by

Daniel E. Elder

Submitted to the Department of Urban Studies and  
Planning on July 31, 1987 in partial fulfillment for the  
Degree of Masters of Science in Real Estate Development.

ABSTRACT

=====

This thesis studies a large tract of land in the Lakes  
Region of New Hampshire. The paper examines how rapid  
growth in the area has impacted the existing regional  
infrastructure and housing costs.

By looking at the history and changing demographics of the  
region, the paper analyzes the best use for this parcel of  
land. At the same time, a close look is taken at how the  
approvals process acts as a constraint on the production of  
affordable housing units.

Finally, a residential development scenario is created and  
tested against standard requirements and hurdle rates for  
this type of project. The emphases here is the exploration  
of alternatives that would allow for the building of some  
affordable housing units.

Thesis Supervisor: Michael Wheeler  
Visiting Professor

TABLE OF CONTENTS

=====

ABSTRACT.....1

TITLE PAGE.....2

TABLE OF CONTENTS.....3

LIST OF EXHIBITS.....5

SECTION ONE:

    Introduction.....6

    The Region.....6

    The Site.....7

SECTION TWO:

    History.....13

    Demographics.....15

    Regional Wealth.....16

SECTION THREE:

    Social Issues.....19

    Affordable Housing.....20

    Meredith Affordable Housing...26

    Residential Markets.....27

SECTION FOUR:

    Site Opportunities.....31

    Site Analysis.....31

SECTION FIVE:

Unit types.....43  
Design.....44  
Construction.....45

SECTION SIX:

Investment Decision.....53  
Investment Structure.....54

SECTION SEVEN:

Conclusions.....57

SECTION EIGHT:

Construction Costs  
Zoning Excerpts  
Financial Proformas

END NOTES

BIBLIOGRAPHY

LIST OF EXHIBITS  
=====

FIGURES

Regional Location Map.....10  
Site Location Map.....11  
Site Zoning Map.....12  
Regional Growth Charts.....17  
Photographs of Site.....18  
Photographs of Site.....30  
Site Alternatives.....41  
Natural Site Features.....42  
Market Comparison.....49  
Existing Site Grading.....50  
Site Sewage Disposal.....51  
Site Environmental.....52  
Photographs of Site.....56

## SECTION I.

### INTRODUCTION

This paper examines the development opportunities for a large tract of land in the Lakes Region of New Hampshire. In the process of studying the needs of the Lakes Region and appropriate types of regional development, a larger issue was uncovered that seems to transcend all regions both urban and rural, wealthy and working class: the issue is that of affordable housing.

Even in an area that thrives off the wealthy, some people are being left behind by the ever growing gap in the cost of housing and a workers earning potential. Although real estate developers are often blamed for the lack of affordable housing, the root causes run as deep as the history of this country.

Using the study site as a realistic focal point, this paper looks at the factors that impede the development of all forms of housing. Those constraints that are merely obstacles in the path of the market rate developer become roadblocks to the builder of affordable housing. Without the attention and focus of the federal government, the middle classes will likewise increasingly fall short of obtaining the great american dream of home ownership.

### THE REGION

The Town of Meredith is less than two hours drive from Boston on Route 93. Centrally located in the Lakes Region

of New Hampshire, Meredith has plentiful opportunities for summer and winter recreation alike. The town, situated on the western shore of Winnepesaukee, is conveniently located within 1/2 hour of adjoining lakes, quality skiing, and the edge of the Green Mountains resort area.

The high price for mountain homes and the ever expanding ski market may reinforce the Lake Winnepesaukee area as a promising target for continued development. As more people look for vacation homes that provide four season recreational opportunities, the Lakes Region is a natural choice. Easily accessible from Boston, a vacation home could then be used as a base for short trips to the mountains in winter or lakes in the summer.

Until recently, only land that was shorefront property could command resort level prices. As the market has expanded, new areas of development have opened that even recently were considered undesirable. Non-water sites are currently relying on easy access to Boston and proximity to retail shops as selling points. The question in the region is clearly one of how long can the non-water market continue to expand. The Chase's Hill site is an example of such a non-water front property.

#### THE SITE

The study site consists of two parcels of land in Meredith, N.H. The first parcel is 60 acres of thickly wooded hillside facing due north. The second is 120 acres of adjacent land at the top of the hillside. Primarily, the

second parcel is open field and apple orchard facing to the north and east. Both pieces of land provide excellent mountain views and interesting natural landscaping. The land is situated off of Route 104, the main road into the upper Lakes Region. The site is serviced by an unimproved town road with no town water or sewer.

This site is not unlike many non-water front lots in Meredith and the Lakes Region. Historically, much of the hillside land was used for agricultural purposes that required large acreage. As the farming declined in the region large tracts of land were left that have until recently been passed over as development targets. The 60 acre site in question was originally purchased four years ago for \$1,800 per acre. Now similar sites are being valued at \$10,000 per buildable lot.

The 60 acre parcel is currently zoned at one unit per acre, while the larger parcel is one unit per ten acres. For the lower parcel this would be a five fold increase in the land value within a four year period. During the same four years, this district has been rezoned four times indicating the town's attempt to control growth in the region. As currently zoned, planned unit developments are allowed and even encouraged by the town. The proforma for the site calls for 60 units of cluster housing on the lower site while the upper parcel is rezoned to allow for 12 units in clusters or as single family dwellings.

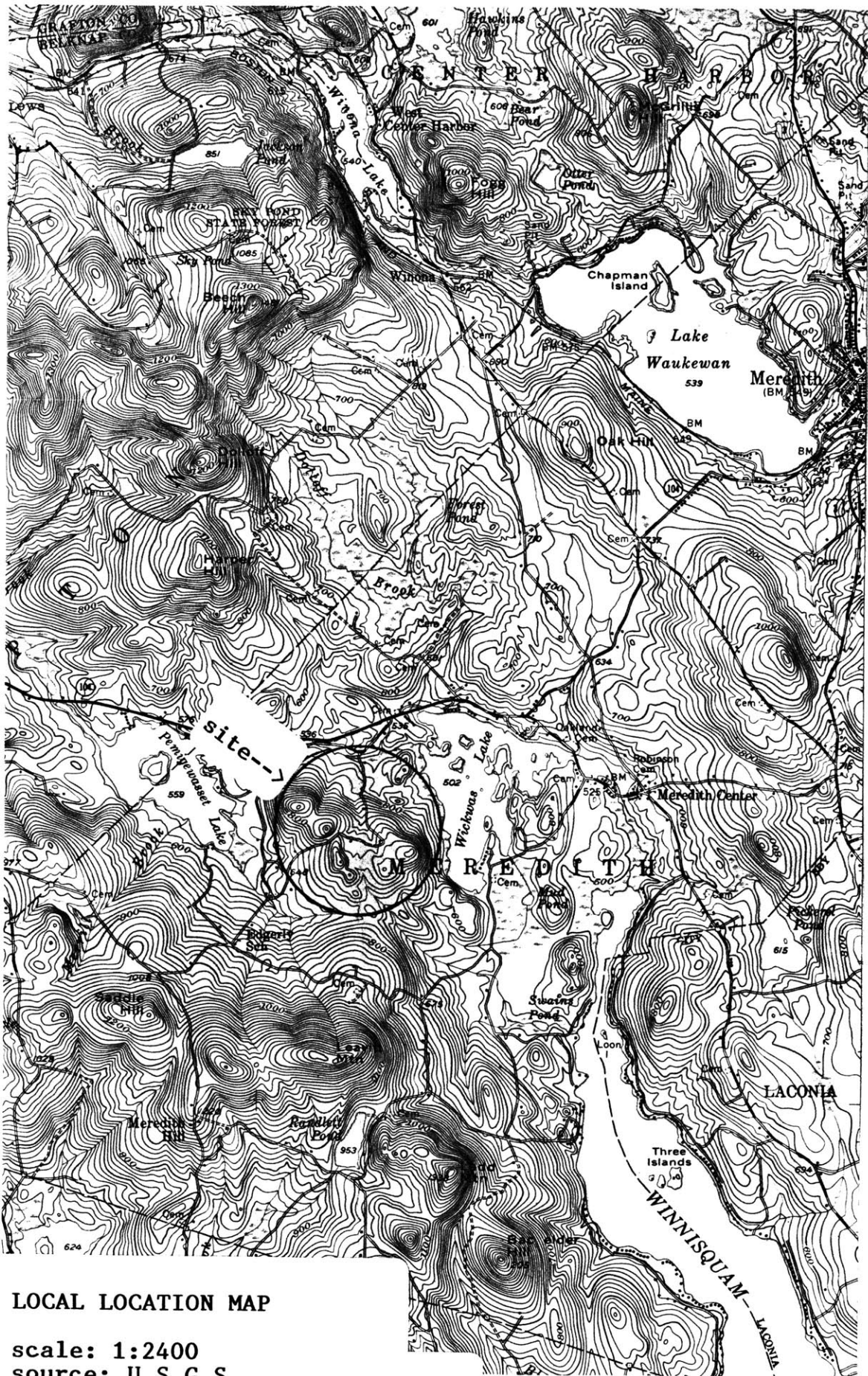


The existing zoning would not allow for any commercial or industrial uses. Regardless of zoning, the site would pose significant physical constraints to nonresidential development. Alternative forms of residential housing, short of nursing homes, would be allowed including retirement communities or congregate care facilities. With the exception of short term rentals, the town does not differentiate between various types of ownership or tenancy. The highest and best use of this site will stem more from the strength of its natural attributes and its location rather than from in-place land use regulations.



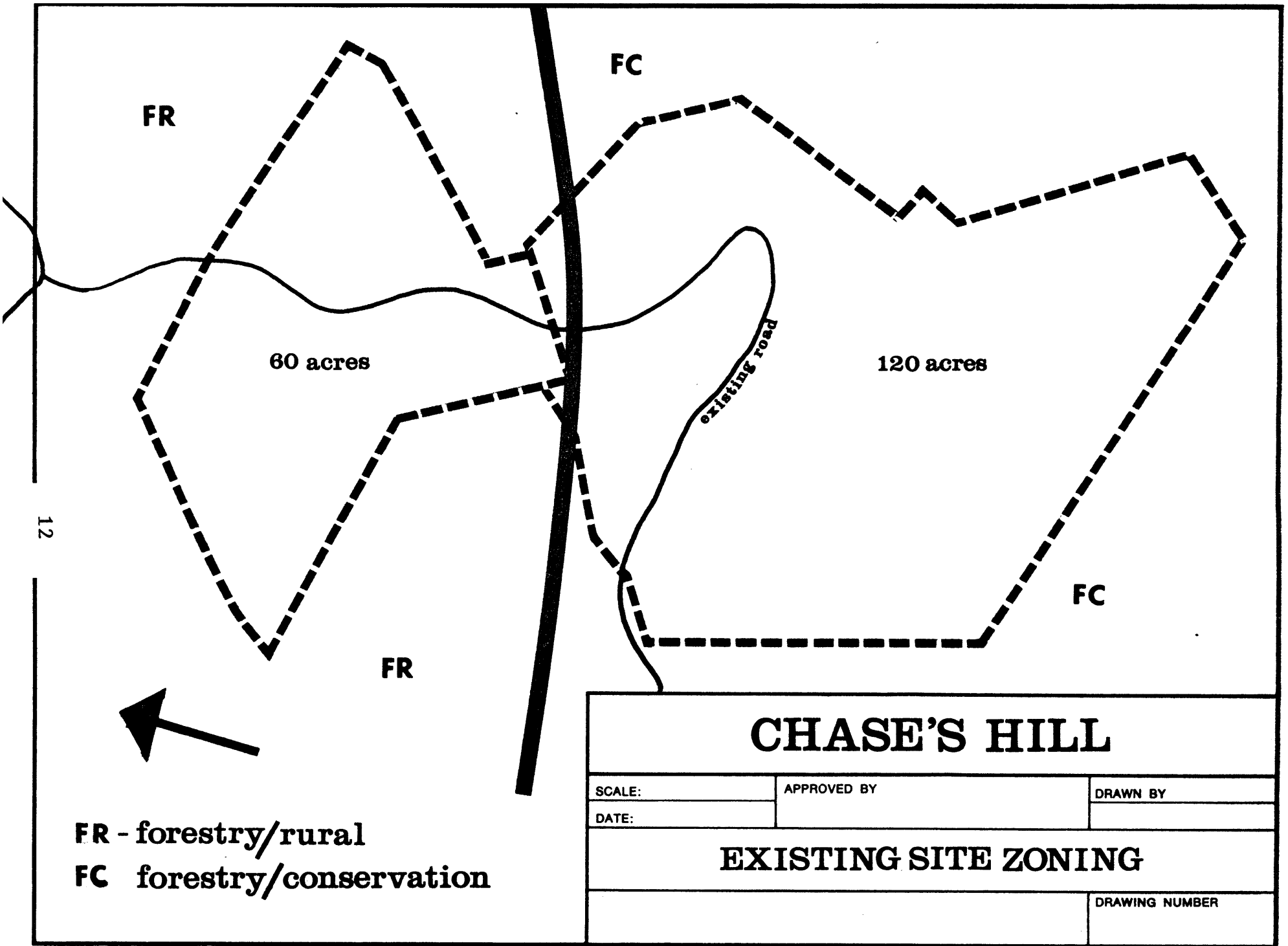
**REGIONAL LOCATION MAP**

scale: 1" = 10 miles  
 source: A.A.A.



**LOCAL LOCATION MAP**

scale: 1:2400  
 source: U.S.G.S.



## SECTION II.

### HISTORY

The Town of Meredith was incorporated in 1768. Originally thought to be a fertile agricultural area the land was not occupied for twenty years due to frontier hostilities. By the late 1700's native conflicts had been resolved and much of the region had been cleared for farmland. The half dozen major lakes and difficult terrain forced the creation of several town centers. By the early 1800's eight town centers had sprung up around Lake Winnepesaukee alone. During this period only local residents and the rich could get to the lakes. Large mansions and hotels grew at the waters edge catering to a summer trade.

It was not until the 1850's that the future direction of Meredith was radically altered. At that time the Boston, Concord, and Montreal railroad opened a station at Meredith Village. The lakes became accessible to blue collar workers through out New England. In response to the influx of the working class, small guest cottages appeared to serve those families fleeing the city for one week each summer. Another major impact came in 1855 when the southern third of the town was incorporated into the town of Laconia. The land shift was significant in that the population dropped from almost 4000 people to below 2000. Those that left were primarily mill workers located around the new mill community of Laconia. During the next 30 years the population of

Meredith decreased while the population of Laconia doubled. Meredith never rebuilt the mill base that would have undoubtedly changed the natural beauty of Lake Winnepesaukee its greatest natural resource.

Rail access was not the only cause of the change in character of Meredith but it did start a subtle shift away from farming and towards the creation of recreational uses. Only with the advent of the car in the early 1900's did Meredith's future become sealed. By the end of World War II, Meredith had established itself as a center for vacation activities. Even as late as the 1970's the Lakes Region was predominately a blue collar recreational area. Although great homes were still common on the shores of Winnepesaukee, equally common were two season homes and lake front cottages.

Now in the 1980's the Lakes Region is once again changing. The regional trend is a move back towards the upper-class vacationer who first came to the area. A ten year resident of Laconia said "The character of the Lake has changed [the real estate boom] has priced Winnepesaukee out of the reach of the blue collar family and most white collar families. When I first moved here a good Lakes Region plumber could buy a place on the lake. Today a Lakes Region doctor couldn't afford it." (\*) The same regional factors that have spurred the growth in 'high tech' New England have also changed the face of resort areas hundreds of miles away.

## DEMOGRAPHICS

The marketing catch words for the 1980's have become 'the gray and the green.' The so called empty nesters whose children have left the house are trading up to smaller houses with more amenities. At the same time the baby boomer generation has reached an age where they are achieving the greatest earning potential. They are looking to sell first homes and move up to better locations and more amenities. Both of these groups are prepared if not anxious to move away from the problems of single family home ownership and into condominium living. The key to both of these groups is disposable income and accrued equity. By rolling over homes that have appreciated substantially during the past decade these groups are able to move to properties of tremendously increased value.

With the advent of new concepts in condominium living, including: attached townhouses, two to four family clusters, and single family condominiums, there are many options now available that rival the advantages of the traditional home.

Two forces are clearly evident in New Hampshire's Lakes Region housing industry. The first is the continued demand for luxury and upscale vacation homes. The second and less obvious factor is the effect that this affluence has had on the region. For the first time local residents who have achieved success by serving the tourist industry are competing for upper end units. These factors, combined with the large parcels of available privately owned land have



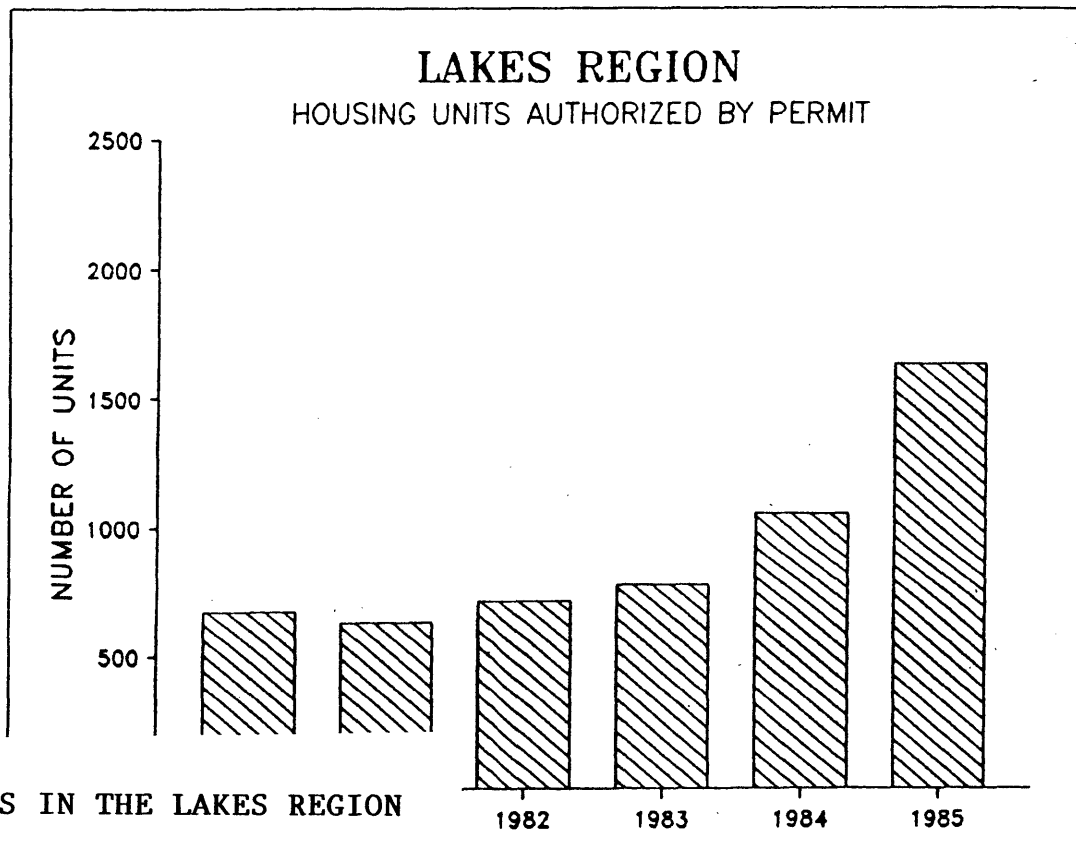
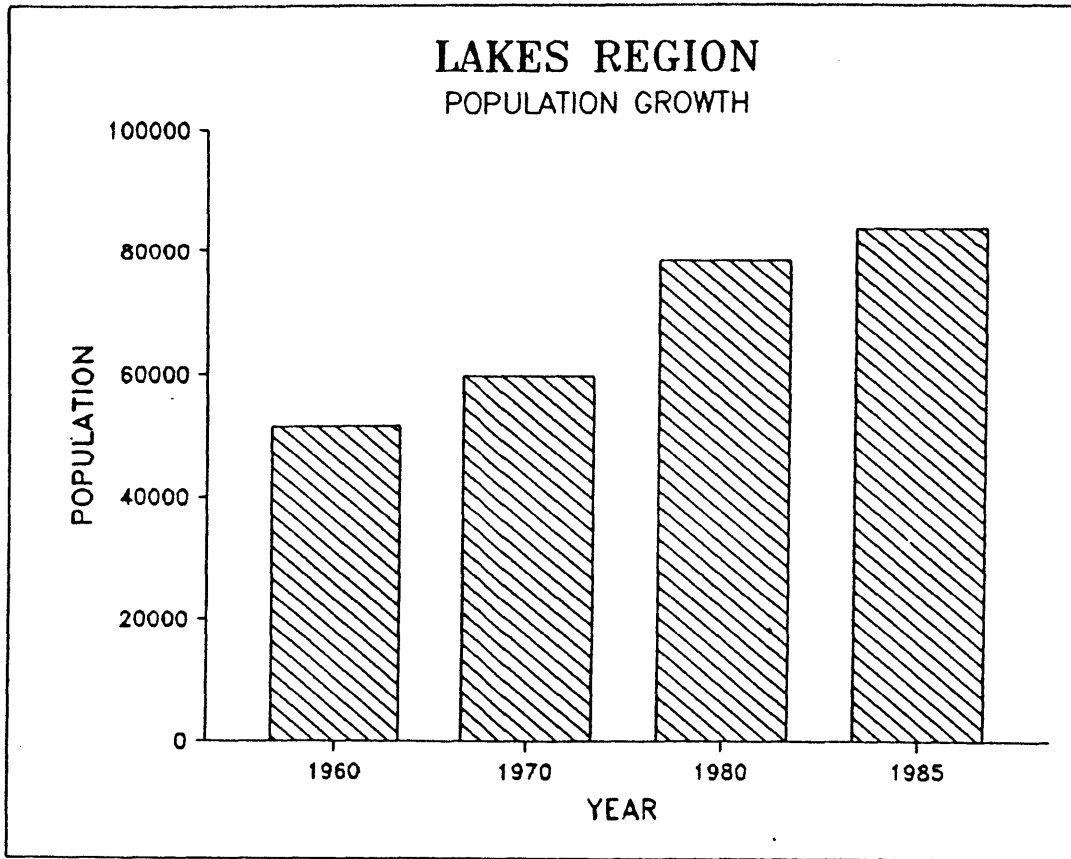
fueled the rampant growth of new housing.

#### REGIONAL WEALTH

This wide spread regional growth in the economy has not been as noticeable in Meredith as in the rest of the Lakes Region. Wage rates in Meredith are considerably lower than in the rest of Belknap County and the State of New Hampshire as a whole. Although wage rate data is only available through 1980 it shows that Meredith has lagged well behind the region in wage growth. During the period from 1972 - 1978 wages in Belknap County and the State increased 49% and 50% respectively. For this same period in Meredith wages grew at a rate of only 35% (1). Given that the rate of inflation rose 56% over the same period, Meredith actually suffered a wage decrease of 22%.

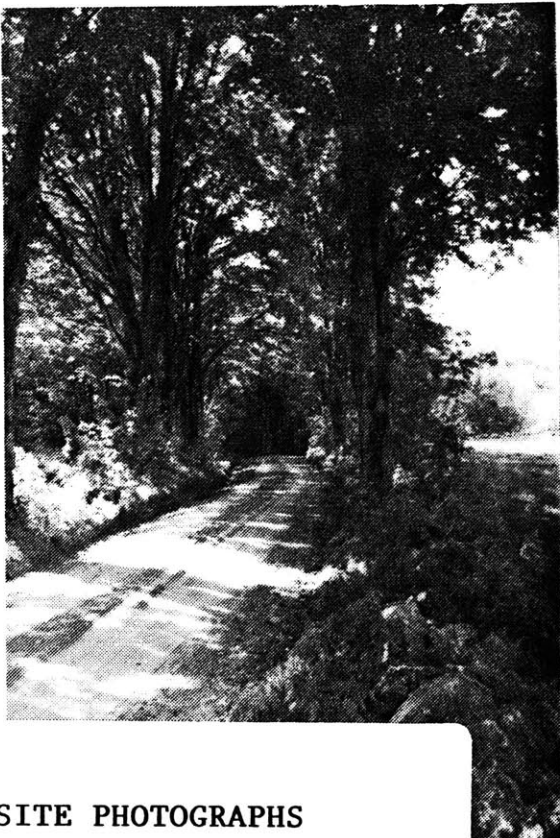
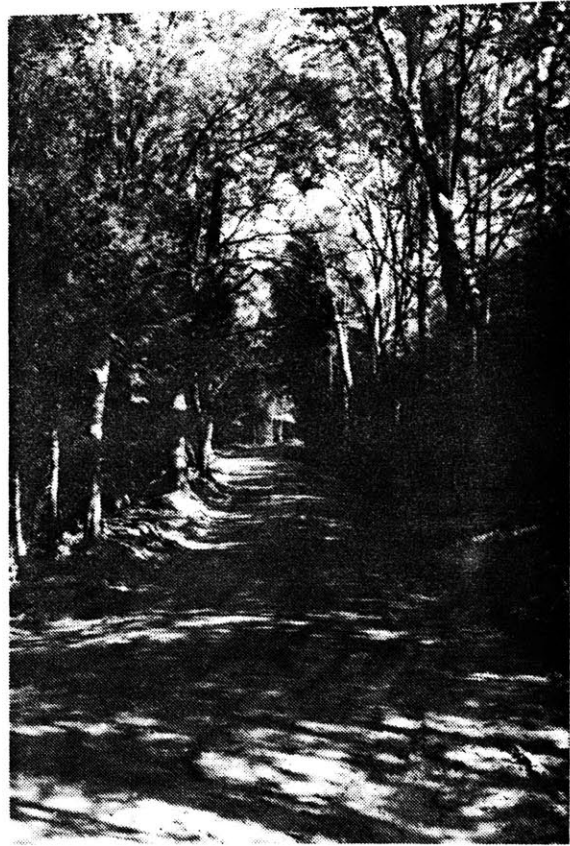
Surprisingly, this wage deflation can be traced to the service oriented economy that has helped push the building surge in Meredith. State wide 37% of all workers are employed in manufacturing industries. In Meredith this number falls to only 16% with the rest in non-manufacturing jobs. Most of these jobs can be found in the trade/service sector where 40% of Meredith's work force is employed (2). With trade and service jobs being consistently the lowest paying, the average wage in Meredith falls well below the state level.





**TRENDS IN THE LAKES REGION**

source: Doing Business in  
The Lakes Region



SITE PHOTOGRAPHS

## SECTION III.

### SOCIAL ISSUES

There are three social issues of major concern to residents of the Lakes Region. The first of these issues is the use of sporadic zoning. Meredith, like most of the Lakes Region communities, is fully aware of the continuing onslaught of development. Unfortunately, the town is not prepared to deal effectively with the problem and therefore has used repeated zoning changes to control growth. In effect the only control available to the town is rezoning in the face of continued development. The Lakes Region Planning Council has attempted to direct the 28 towns in the region towards the adoption of reasonable land use regulations. Yet, after fifteen years of working in the region the Council credits only two communities, Laconia, and Franklin with adopting effective land use controls. Several communities still have no zoning or building regulations.

The second concern is the question of the long term effects of continued development on the environmentally sensitive chain of lakes in the region. Currently, there are so many watercraft on Lake Winnepesaukee that a two year ban on additional boating permits and boat slips was imposed. Meredith has identified just three potential aquifer areas within the towns' borders. However, they have not adapted any controls for development in environmentally sensitive areas.

Lastly, there is the devastating effect that development has had on the affordability of housing. Local residents have often been forced to dispose of lakeside property because of their inability to pay the high tax rates alone. Future expansion of the vacation market will continue to displace local residents and could ultimately destroy the fragile resort economy that the region offers. As the support personnel are forced to move away from the amenities that brought them to the lakes region there is less incentive to remain in the area. With out this constant supply of managerial labor the fragile service industry could become unable to provide the level of support that the tourist trade demands.

#### AFFORDABLE HOUSING

The affordable housing issue has been making news headlines for years. In the past, the key to affordable housing was government subsidies. Many programs have been tried including: direct subsidies, low interest financing, tax breaks, and free land. Many of these programs were successful and produced significant numbers of affordable units. Unfortunately, the long term need for this type of housing has not been met as many policies were short sighted creating one time opportunities that did not ultimately keep affordable units in the housing stock. The programs that have been eliminated are those which generated over 75% of New Hampshire's total of low income rental units between 1980 and 1987. As the federal government has moved out of

the subsidy business local governments have been left to fill the gap.

In general, housing programs work best when implemented by people at the local level who have the long term interests of the community at heart. Modern housing reforms including inclusionary zoning and linkage programs have become popular. However, these programs are rarely practical for smaller communities. As the Lakes Region is nothing more than a cluster of small communities it is important to look at the fundamental issues of creating affordable housing.

Ultimately, there are many factors that effect the production of affordable housing. The most notable and difficult is an underlying desire at the community level, where regulatory decisions are made, to provide housing. Both market rate and affordable housing will not be produced in sufficient quantity if communities seek to constrict supply as a means of controlling growth. The grass roots effort to create housing, starts with the local regulatory process, the underling zoning codes, and the developers ability to work within the system.

Although administrative procedures are only one of many factors that effect the price of housing, they ultimately control the competitiveness within the market and therefore the market pressure to produce a quality product at a competitive price. "Ultimately, the state's housing consumers share the cost of excessive delays and standards

which often raise housing costs with no perceptible increase in the quality." (3) Included in the procedural category are: zoning codes (land use), building codes, the permitting process, and the approval procedure. Each of the steps can have a great impact on the cost, and more importantly, on the time required to complete a project and therefore, on the ultimate cost. By creating a more efficient process both the time and the risk involved in a project can be minimized leading to a reduction in the final cost of the product.

A close look at a community's approval process often gives an indication of a town's willingness to work with developers. Many communities have a multi-stepped approval procedures that requires multiple submissions to different boards with expensive fees attached to each step. This type of process does little to encourage good development, it only succeeds in discouraging development in general and affordable housing in particular. It is not difficult for a community to create a streamlined procedure where one application and one fee start the approval process.

The most important element of any approval process is informal meetings with planning officials. By allowing the applicant to discuss alternatives before creating a final plan, both the town and the developer are able to incorporate the objectives of each party. Another major component is a clearly defined path through the necessary review boards including zoning, special permits, environmental, and utilities. The number of steps is less

important than the ability to have simultaneous reviews. By setting time requirements on planning boards and scheduling consecutive meetings, months can be removed from the approval process. Finally, there needs to be a mechanism by which the entire process is overseen by one governing body as a means to insure fairness and efficiency for each applicant.

In addition to the approval process, existing zoning and building codes have a major impact on the type and cost of the housing that is produced. Building codes tend to be outdated in terms of the types of materials that are allowed. Many localities have also not adopted state or regional building standards making it difficult for outsiders to build efficiently in some communities. By adopting a standardized building code communities can only improve the quality and efficiency of the housing produced.

There is also the impact of existing zoning regulations on the production of affordable housing. Often the complexity of existing codes with overlay districts and special exception requirements makes a smooth approval process impossible. A thorough look at land use regulations and the availability of developable land in a community will often reveal inequalities in the system. By reducing the number of different residential zones and eliminating the need for special exceptions for multi-family housing in some areas, new development opportunities are created that will increase the quality and quantity for affordable and market

rate housing.

The approvals process is clearly not the only factor effecting the cost of housing. The hard costs of development including land prices, site costs, and construction costs all play an important roll in the final project cost. In addition, the soft costs of development including interest carries, bonding, overhead, and profit can also make the difference between market rate and affordable housing. Although each of these areas is more directly related to market forces, there are places where communities can have an impact that will reduce total development costs.

Land costs remain as a significant barrier to the production of affordable housing. During the 1970's land costs were second only to financing costs in their rate of increase (4). It is rare that this increase would be due to a shortage of land as opposed to a lack of developable land. Often the creation of infrastructure including: roads, water, and most importantly sewerage have lagged behind the actual development of land. This puts an enormous pressure on the remaining parcels that are serviced by existing infrastructure. "The production of low cost housing is especially frustrated in these areas both by a rapid increase in land values and by local development controls. Increasingly, low to moderate income housing production has been directed to sites which can achieve low per unit land costs, which are often distant from centers of demand ." (5)



Communities must prepare for the future by planning extensive improvements and extensions to existing systems.

Density, a second major factor influencing land prices, is also a zoning issue. When allowable densities are kept below what the market will accept the price per unit for land rises dramatically. By allowing planned unit developments or requiring a form of density bonuses, affordable housing can be the product of slightly greater densities than a town might desire. Other factors such as reduced lot areas and set backs can also greatly effect the cost of land without effecting the aesthetic quality of a development.

The actual costs of construction, site and building, also play an important roll in the price of housing as it can run 50% - 60% of the total. The effect of the building codes can often be traced to construction costs where communities do not allow prefabricated or modular building components. Requirements that restrict the use of multi-family and attached housing structures add to the already high costs. Basic site planning regulations for road widths, parking space size, and utility needs are often archaic in terms of modern standards. Again, by using progressive building and zoning standards housing units can be completed at a lower cost without sacrificing quality and safety.

## MEREDITH AFFORDABLE HOUSING

Like many communities, Meredith faces a serious affordable housing problem. In a recent survey by the Lakes Region Planning Council over half the respondents felt that there was an inadequate supply of elderly and affordable housing units in the community. At the same time 70% felt that the supply of mobile home lots was "adequate or too much." (6) It is common for communities to perceive the need for affordable housing while being resistant to finding specific solutions.

The affordable housing gap in Meredith affects not only low income families. "If the rise in both housing costs and income and wage levels is examined in terms of constant 1970 dollars by applying an inflation factor of 0.468, then the average rental housing costs have increased 42% from 1970 to 1980 and the single family homes average market price increased 29%, while median family income declined 24%." (7) This dramatic reduction in disposable income has made it impossible for the average Lakes Region family to purchase housing of any kind.

"The pressing need is for new moderate priced housing, but most builders are content to tap the vacation and more affluent primary home markets." (8) Given that the affordable housing crisis is no secret, one might wonder why local political forces have not moved to fill the gap, Yet, the Planning Board and Town Council do not seem committed to creative land use and zoning reform. The

process of land use regulation in Meredith is one of historical precedent. Commercial districts were created when manufacturing jobs began to leave the area. Restrictive use regulations were only promulgated when the lakes became threatened with over development.

Even in the most general terms, the existing allowable land uses regulations in Meredith are intended to limit all development, not encourage good development. Typical are the views of one long time Lakes Region resident, who says "I hate the term zoning. It has a terrible connotation... It means somebody's going to tell me what I can do with my own property... That's why we haven't had a planning board..."

(9) In neighboring towns land use controls have been used to promote quality development of all types. The key to these controls was basing development densities on physical characteristics of the site and not on predetermined per acre densities. The final step is creating use districts for residential, commercial, and industrial uses that encourage each type, but buffers one from another.

#### RESIDENTIAL MARKET

There are currently three major land use types in Meredith. The first is light industrial manufacturing which has been limited more by demand than regulation. Route 104 is one of two areas where this type of development has occurred. The second type is commercial/retail uses that have proliferated throughout the community. Except for the downtown area most of the retail development has been strip

shopping centers and one retailer establishments. The predominate land use in Meredith is residential.

Residential uses can be broken down into five types of housing. Seasonal residencies make up the smallest housing component with less than 1000 units still in use. Mobile home parks are a small but important component for year round residents. Although actively regulated by the town the mobile home market continues to expand and define the low end of the housing market.

Single family homes are by far the largest component of the market. With most seasonal homes fully weatherized it is difficult to separate the seasonal component from that of the year round residents. Geographically, year round residents occupy non-water front property that tends to have better access to employment centers in Meredith and Laconia. The newest segment of the market is condominiums. This form of ownership has existed in the lakes region for many years but until recently most new construction was still single family homes. Condominium projects now make up the bulk of all building permits. Although, not because of the number of projects, but because of the large number of units in each project.

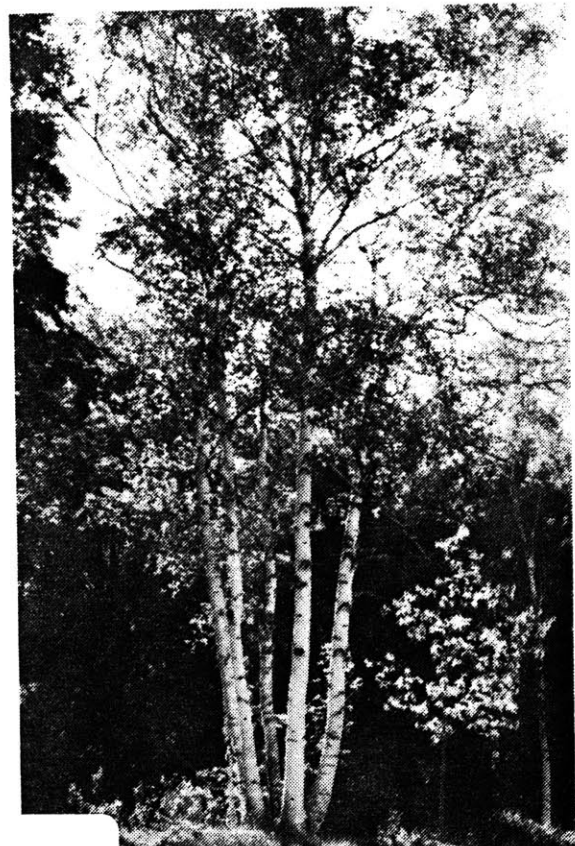
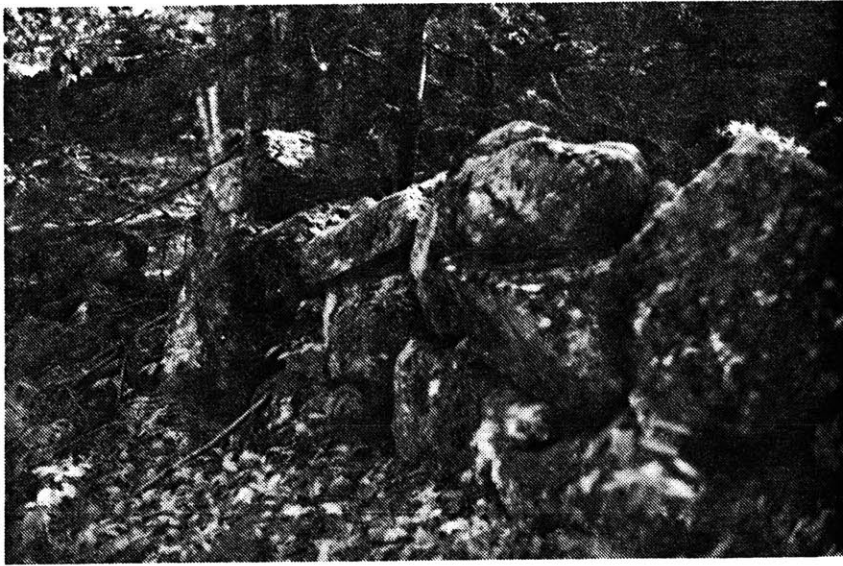
The final form of housing is congregate care and retirement communities, Meredith has a large population of elderly people. In fact, the death rate in Meredith often exceeds the birth rate in a given year. It is unclear whether these people are long time residents or persons

retiring to the region.

With each of the forms of residential housing there is a rental component as well as an ownership component. Most of the rental housing is, however, in the form of camps, lodges, and motels. This large influx of tourists who spend less than two weeks in the region, require little or no town services while expending large quantities of cash.

The Lakes Region housing market is exploding, witness the fact that in a recent Laconia development 28 of 30 townhomes sold in four months. (10) Record numbers of building permits are being issued across the state while housing prices skyrocket. Locally, the average cost of a house has gone from \$58,739 in 1985 to over \$120,000 this year. (11) At the same time over 18,000 housing units were built statewide in both 1985 and 1986. During the 1970's the number of new units was only 10,500 per year. (12) Locally, over 1500 new units were built in Belknap County last year versus just 600 units in 1981. (13)

In the Lakes Region even the \$100,000 house is hard to find. Table #1 shows recent condominium resales and the asking prices for new condominium projects. With the lowest unit priced at \$130,000 and an average price well above \$200,000 it is easy to see how housing costs are out-pacing local incomes. The average price for new projects has risen above \$125 per square foot. On the whole new condominium projects do not even claim water views much less water access.



SITE PHOTOGRAPHS

## SECTION IV.

### SITE OPPORTUNITIES

The study site is somewhat limited in the types of uses that are appropriate, not only due to current zoning regulations, but also because of the site location and geographic features. Although the site is located off route 104, the major access road for the upper Lakes Region, it does not have direct access to route 104 and the steep slopes make both industrial and commercial uses unfeasible. As the current residential zoning indicates the site is best suited for some form of housing.

Even as a residential area the steep terrain dictates potential uses. For example, the densities required of mobile home parks are not feasible on steeply sloping sites. The three remaining options are single family homes, condominiums, and elder care housing. These types of housing, with ownership and rental options, will be the focus of this study.

### SITE ANALYSIS

Before each of the possible uses can be studied in detail the study site must be reviewed in terms of 'as of right' development opportunities and site features that would encourage or discourage development. The Town of Meredith has four residential zoning types: residential, forestry/rural, forestry/conservation, and shoreline. The major difference between areas is the minimum lot area

required for each dwelling unit. The lower 60 acres of the study site falls within a forestry/rural district which allows for a density of one unit per acre. The upper 120 acres of the site is forestry/conservation where the maximum density is restricted to one unit per ten acres.

Due to the lack of municipal water and sewer the physical aspects of the site are often the controlling factor. Town requirements for well capacity and leaching fields make development of the region's steep terrain difficult. Soil types also play a major role. Poor soils and extensive bedrock outcroppings make leaching field design impossible. The disposal of septic effluent is a major concern in the lakes region. The region's aquifers are closely linked with lakes and ponds making contamination of both groundwater and surface water a serious problem. A second concern is the potential contamination of existing drinking water supplies from poorly designed septic systems.

Soil types effect both the value and ease of developing a parcel of land. The best type of soils are those that are well drained including sands, gravels, and glacial tills. Given sufficient depth to bedrock these soils provide excellent treatment of wastewater effluent. Some soils that are less permeable due to high clay and silt contents are still usable but are far less effective or desirable. The final grouping includes those soils that are not at all suitable for septic treatment. These soils include those with shallow bedrock, very high clay and silt contents, and



areas where groundwater is near the surface.

The Chase's Hill area has little or no limitations based on soil type for on-site sewage disposal. Only at the high point of the property where there is a pronounced amount of surface bedrock is there a disposal problem. With careful planning for the location of subsurface disposal systems and the use of lift stations to get effluent to these areas much of the site could be developed.

Another factor that can compound the soil type problem is the extent of steep slopes on the site. As the slope increases potential problems with storm water run-off and subsurface sewage disposal become more severe. The relative steepness of slopes can be broken into four categories with 5% intervals from 0% to 20%. The first two groupings from 0% - 5% and 5% - 10% present little or no design concern making these areas ideal for development. Slopes ranging from 10% - 15% present some design difficulties but are still usable for development. Slopes that are above 15% create significant engineering problems and are usually unsuitable for development.

Municipalities must be careful in their regulation of areas where steep slopes occur. Long term maintenance of roads and potential erosion problems make the development of steep areas undesirable. There is also the risk of disposal system failure in areas of steep slopes. The potential risks to surface water and groundwater resources from untreated sewage are substantial.

It must be remembered that it is often a site's average slope that is important because areas with the greatest slopes can be left undeveloped while treatment areas are placed on flatter slopes. The study site has areas where existing slopes exceed 25% making those areas impossible for development. However, a majority of the site has slopes ranging from 5% - 15% with the upper portion of the site being relatively flat. With careful engineering almost all of the site could be used for development.

Several other factors can have a major impact on the potential for a site's development. Wetland areas where the average level of groundwater is at or above the level of the land are environmentally sensitive areas. Not only are these areas protected by state regulation they play a major role in the preservation of existing lakes and ponds. Floodplain areas may also be unsuited for development due to possible flooding during storm periods. Although regulations do not prohibit building in these areas there are extensive guidelines on maintaining flood storage volume and preventing flood erosion.

Although there is a small wetland area at the base of Chase's Hill, this site is not effected by wetland or floodplain areas. It should be noted that wetland areas must be protected during and after construction and that the approval process for altering and crossing these areas can be time consuming and expensive.

Site limitations on Chase's Hill do not present any

major constraints to the development of a residential community. The 'as of right' density of one unit per acre is easily obtainable on the lower 60 acre parcel. The only design concern is the need for pumps to move sewage from these units to areas where it can be adequately disposed. The upper 120 acre parcel, zoned for one unit per 10 acres, can easily be developed at that density but presents little opportunity for any inclusion of low income units due to the low allowable density.

Given the rapid decrease in density between the two parcels combining and rezoning of the entire 180 acre site would seem to make the most sense from an environmental stand point. Unfortunately, what is environmentally sound is not always acceptable to the local zoning board and always requires more work than proceeding with 'as of right' densities.

As shown on Table #2 a small increase in the overall density of both parcels allows for several major benefits to the project. The first is the production of nine affordable housing units, priced at \$85,000 each. The second is a reduction in the density of the lower parcel from one unit per acre to .75 units per acre. Although the return to the developer is a lower percentage of the investment, the actual dollar value is sufficient to encourage this type of cooperation. This, in essence, is inclusionary zoning where a 25% increase in overall density is given for the production of 10% affordable units. It is particularly

effective here because of the low original density on the upper parcel.

Many other options are available to the town to encourage the production of affordable housing. In every case, except for inclusionary zoning with a density bonus, the town is the source of the benefit. Bonus densities will produce affordable units but ultimately the town has to service higher density projects with little additional tax revenues. Other opportunities for the town are direct subsidies that come in various forms. The most tangible benefit to the developer other than monetary incentives is the streamlining of the approvals process. The assurance that the inclusion of a preset percentage of affordable units into a proposed project will assure approval is worth a significant amount to any developer.

Ultimately, hopes for the production of affordable housing units often die at the local administrative level. Few small town planning boards have the desire or sophistication to effectively deal with the issue. Often there is a fear of the type of person who might occupy an affordable housing unit. At the same time creating inclusionary guidelines require not only work, but produce resentment from the development community. It is fairly obvious that most municipalities look at a fairly short planning horizon where it is better to stay with the historical process than set new precedents.

The Town of Meredith has been working on yet another

amendment to the zoning ordinance. This is the 13th amendment to the original ordinance in 16 years, including one in each year since 1975. Unfortunately, the proposed zoning change will increase the minimum lot size in all Forestry and Rural Districts from one acre per unit to a density of five acres per unit. The impact of this change on Chase's Hill and all other rural land owners would be enormous. The 'as of right' density would change from 60 units to just 12 units on the 60 acre site. The only real option left for the land owner would be the subdivision of the parcel into large single family homes or super luxury condominiums. In no case would the opportunity for inclusion of affordable units make sense under the revised zoning.

The proposed revision has been received with little opposition. During two recent zoning board meetings the only dissenters were land owners who faced a down zoning of their land. For the most part, the revision has little impact on the average resident, who is more concerned with traffic impacts than the average price of a new home. Local concerns over traffic and pollution coupled with a misunderstanding of the type of person caught in the affordable housing gap make it difficult to overcome the clear paradox in the new zoning.

As shown in Table #2 the options under the revised zoning would be limited. With only 12 units on the site the high per unit acquisition price makes a condominium

development unfeasible. The Lakes Region market will not accept a condominium priced to produce a sufficient return. If both parcels were to be subdivided into large single family homes they could be sold for the \$350,000 required to provide a return. In fact, these top of the market homes would create a substantial return if the demand for these homes were to remain steady.

It is clear that the Town of Meredith is not prepared to deal with the issue of affordable housing. Instead it is choosing to focus only on the need to control growth regardless of the impact on housing costs. This type of reactive zoning is far more common than the proactive zoning that is necessary to produce affordable housing. Although community and business leaders alike see the need for affordable housing the group consensus required to create change has never been established. The group who will ultimately support local housing initiatives must be more than several socially concerned individuals.

Even in the Lakes Region the affordable housing issue is fundamentally more important than just a social cause. As Doug Riddle, vice president of the Indian Head National Bank points out "We seem to be in a paradox - very little low income housing is available to attract workers, and construction costs are skyrocketing because of the attractiveness of the secondary home market." The economic need for affordable housing may be the key factor in creating an affordable housing initiative. Only through the

work of a broad based group of people can a policy for the creation of affordable housing be developed and then implemented. Without the support of local professionals, business people, and special interest groups it is all but impossible to obtain the momentum required to succeed. The three most important factors in creating consensus are understanding the issue, the people, and the real goals of each party.

The problem faced in this case is clearly that of affordable housing. This, however, is not an issue that is hotly debated any longer. Within the Lakes Region it might even be hard to find someone who would argue that an affordable housing crisis does not exist. The parties involved and their actual interests in affordable housing are more difficult to ascertain. For the Superintendent of Schools a shortage of affordable housing and construction of second homes means dropping enrollments and reduced state funding. For local business the issue represents a staff shortage on one hand but a more affluent clientele on the other hand. For the town planner affordable housing may mean more traffic and a reduced tax base at the same time.

Only through extensive networking and coalition building will each of the parties and their goals emerge. If these groups can then meet in a constructive forum ideas can be presented and discussed while working towards the creation of formal objectives and a plan of implementation. In Meredith, the overriding concern is that of over

building in currently undeveloped areas. The town currently owns or controls over 3% of the its land area. A large tract of this land is adjacent to Chase's Hill, this could act as a focal point for discussions concerning affordable housing. At the same time, sections of town could be designated as environmentally safe for additional housing densities with minimal impact on traffic and lake pollution.

Regardless of the ultimate use and development of Chase's Hill the issue of affordable housing in Meredith will remain. Only a grass roots effort to reverse the current trend towards large lots and low densities will help to alleviate the ensuing crisis.

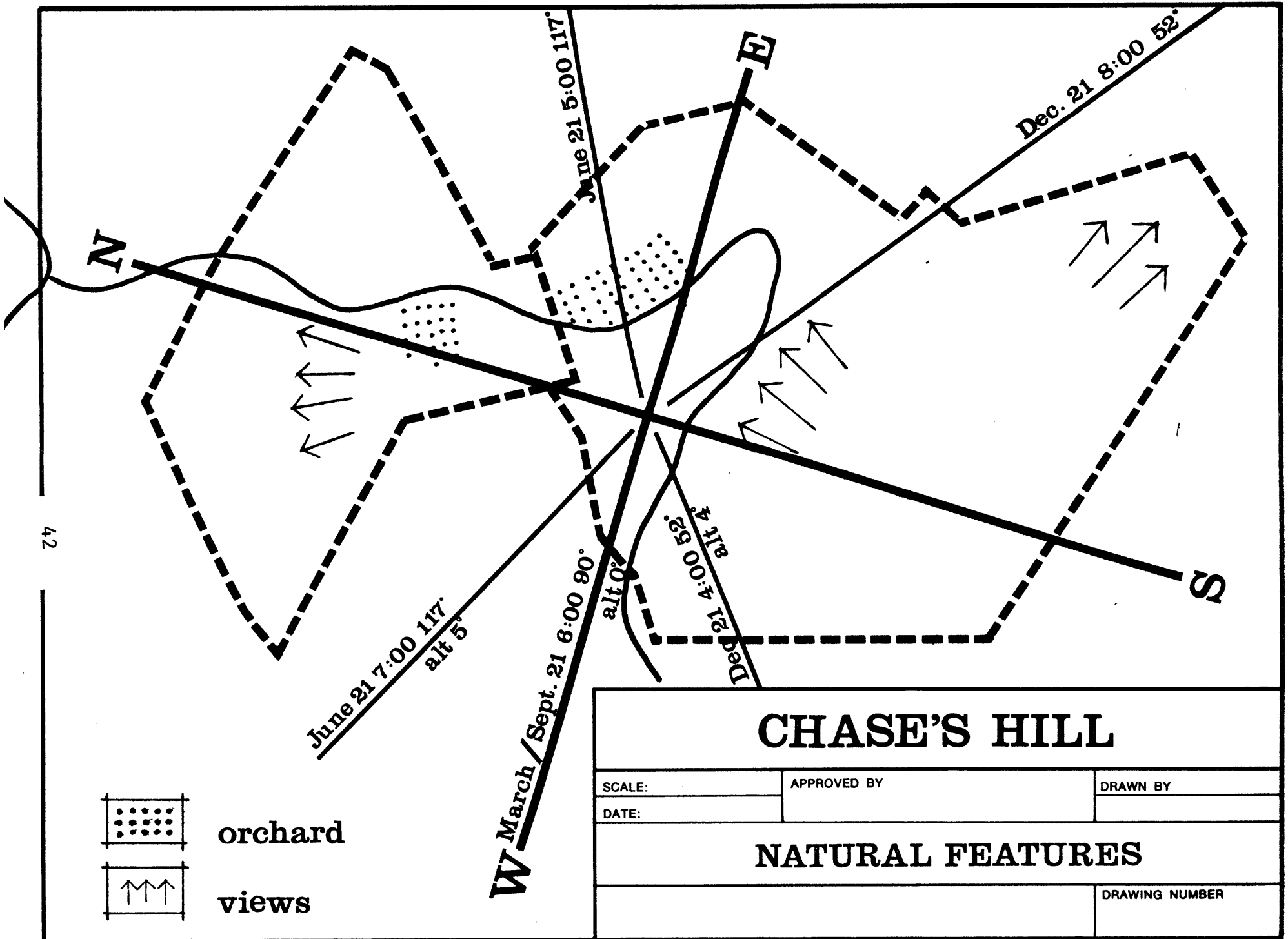


CHASE'S HILL  
MEREDITH, NH

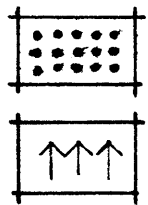
\*\*\*\*\*  
COMPARISON OF DENSITY ALTERNATIVES  
-----

- OPTION ONE: 60 condominium units on lower parcel  
OPTION TWO: 12 condominium units units on either parcel  
OPTION THREE: 72 condominium units on both parcels  
OPTION FOUR: 90 condominium units on both parcels  
affordable housing option  
OPTION FIVE: 24 single family homes on both parcels  
allowable under zoning amendment

OPTION	TOTAL UNITS	% RETURN	\$ PROFIT
1	60	36%	\$2,800,000
2	12	8%	\$172,000
3	72	32%	\$3,200,000
4	90	33%	\$3,960,000
5	24	66%	\$3,446,000



4.2



orchard  
views

<b>CHASE'S HILL</b>		
SCALE:	APPROVED BY	DRAWN BY
DATE:		
<b>NATURAL FEATURES</b>		
		DRAWING NUMBER

## SECTION V.

### UNIT TYPES

The Lakes Region has a severe shortage of long term rental housing. Most of the available rental units are primarily short term rentals in the form of motels and guest cottages. The shortage of long term rental housing stems from problems at both the state and local level.

In Meredith there is little incentive to build rental housing to serve the needs of local residents. First, much of the demand for this type of residence does in fact come from a transient population. There also tends to be some long term rental units in surrounding communities in the form of two to four unit dwellings. Many of the large older houses have been subdivided providing a unit for the owner and one to three long term rental units.

On a regional level the production of rental units has been on the decline for several years. The increasing popularity of condominium ownership has pushed the emphasis of development away from apartments towards the more lucrative condominium business. During this same period both Federal and State governments have been reducing tax and subsidy benefits that once encouraged rental housing development. Over and above the cut backs in low income funding changes in the Federal tax code have significantly reduced the investors incentive to become involved in even market rate rental housing projects.

The Chase's Hill site is not a simple site to develop. The site constraints of steep slopes, lack of municipal services, and low allowable densities make the production of rental housing financially impossible. Even the proposed increases in density allow only for the production of a small number of for-sale units that are subsidized by income from the sale of market rate units. It is more than likely that all developers will face an economic gap in their ability to build rental housing until the government creates an advantageous situation under which to develop.

#### DESIGN

The natural site features of the Chase's Hill property make the selection of unit design relatively simple. The steep inclines and on-site utility constraints make the construction of a large number of single family dwellings inefficient. At the same time, the need to maintain open space and natural forested land, points towards the construction of clustered townhouses. This type of building now dominates the condominium market because of the relative ease of construction, the reduced cost of production, and the ability to develop higher densities on less land thereby providing more recreation and open space.

The actual layout of the units would ultimately be determined by market research of the target population. It is, however, possible to roughly define the requirements of each of the potential user groups. The year round users have been placed in one of two groups. The first

category includes older couples who are looking for relatively large single floor units with a high level of conveniences. This user group is looking for at least one spare bedroom, direct garage access, and several distinct and comfortable living spaces such as screened porches and sun rooms usually in the range of 1200 - 1800 square feet. The second group of year round users are young singles or married couples with no children. This group is less concerned with the size of the unit but still wants the best in personal and common amenities. Unit sizes range from 900 - 1200 square feet with two bedrooms. The focus of these units is high-tech kitchens and baths, and direct access to outdoor living spaces.

Other than the affluent year round user, only the second home buyer would be attracted to this type of community. The needs of second home buyers are the same as those for permanent residents but they also desire more bedrooms if not additional square footage. Equally important to the second home buyer is the on-site amenity package including both outdoor and clubhouse activities.

#### CONSTRUCTION

From the developer's point of view construction issues play a major role in fast growing areas like the Lakes Region. Not only is there a premium for materials due to transportation distance but there tends to be a shortage of qualified contractors which drives up the cost of construction. Because over 50% of the total development

cost falls into this area where the developer has little or no control, construction costs become a major issue in the development process.

In the Northeast the environment also acts as a constraint to the construction of affordable housing. Weather conditions often drive up the cost of housing due to delays. At the same time the building season is significantly reduced so that small contractors are less able to produce a larger number of units at a smaller profit margin. The climate when combined with strict zoning requirements and a general shortage of labor has not allowed the larger builders in the country to effectively penetrate the New England market. Given the proper incentives these large contractors might be able to produce large numbers of housing units at a cost that is well below what is thought to be possible.

Several factors within the construction industry can be controlled to help reduce both the risk and high cost of building in New England. The most important of these is the premanufacturing of components. Although some sections, like roof trusses and floor joists, are now routinely prebuilt, almost all housing parts can be assembled off-site and then joined together at the building. By reducing the amount of time required to produce a 'water tight' structure, the contractor is less susceptible to weather delays. The use of preassembled components can also produce a higher quality product at a reduced cost.

The manufacturing of housing parts is no different than other production industries. By working in a controlled environment, products can be assembled faster and with better quality control than parts assembled in the field. The manufactured housing industry was once known for its lack of creativity and the box like structures that were produced. Today, the use of computerized scheduling and production techniques can create an almost infinite variety of modules that can be assembled in the field. With the ability to produce one of a kind designs efficiently, even the best of homes can be premanufactured.

Other factors that can have an important impact on the cost of construction include using nonunion contractors, purchasing raw materials directly from wholesalers, specifying construction techniques that are locally available, and coordinating subcontractors to avoid delays. The construction portion of any project is always the most difficult to quantify and qualify in advance. Each project is unique in terms of subsurface conditions and weather patterns. Because of these unknowns advance planning can be a critical factor. Preconstruction services like surveying, soils borings, and scheduling must be a priority to avoid the pitfalls of construction.

For the purposes of the site analysis construction costs were based on estimates from R. S. Means. These base numbers were adjusted upwards for the increased difficulty of the Chase's Hill site. The final construction cost per

net square foot of \$80 is well above the national averages for this type of development as shown on Table #3. The estimated sell off price of \$125 per square foot of livable space is based on the average of the four new condominium projects as shown in Table #1. Other assumptions are based on what would normally be expected for this size complex.



CHASE'S HILL  
 MEREDITH, NH

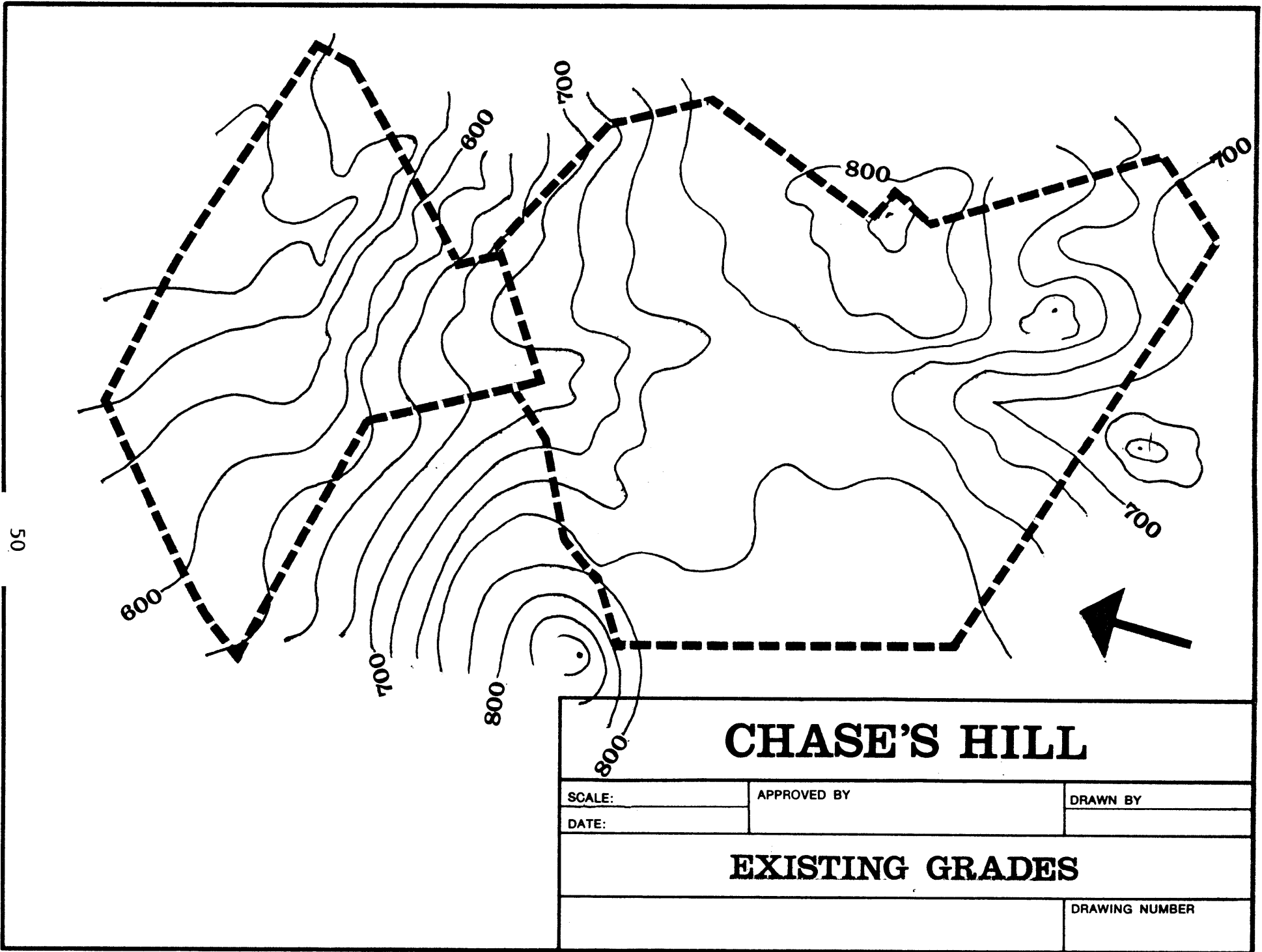
\*\*\*\*\*

COMPARISON OF RECENT CONDOMINIUM SALES

Meredith	2 bd, 2 bth, on water	\$329,000
Laconia	2 bd, 1 bth, off water	\$130,000
Gilford	3 bd, 2 bth, on water	\$269,000
Meredith	2 bd, 2 bth, off water	\$189,900
Laconia	2 bd, 2 bth, water view	\$239,900
Gilford	2 bd, 2 bth, water view	\$225,000

COMPARISON OF RECENT CONDOMINIUM PROJECTS

Laconia	Wildwood Village	3 bd, 2 bth, no view	\$180,000 - \$204,000 1720 sf - 1890 sf 105 \$/sf - 108 \$/sf
Laconia	Woodgate Commons	3 bd, 2 bth, with view	\$160,000 - \$180,000 1290 sf - 1370 sf 124 \$/sf - 131 \$/sf
Gilford	Country Village	3 bd, 3 bth, no view	\$160,000 - \$194,000 1800 sf - 2000 sf 88 \$/sf - 97 \$/sf
Meredith	Grouse Point	3 bd, 3 bth, water view	\$310,000 - \$350,000 2000 sf - 2200 sf 155 \$/sf - 159 \$/sf

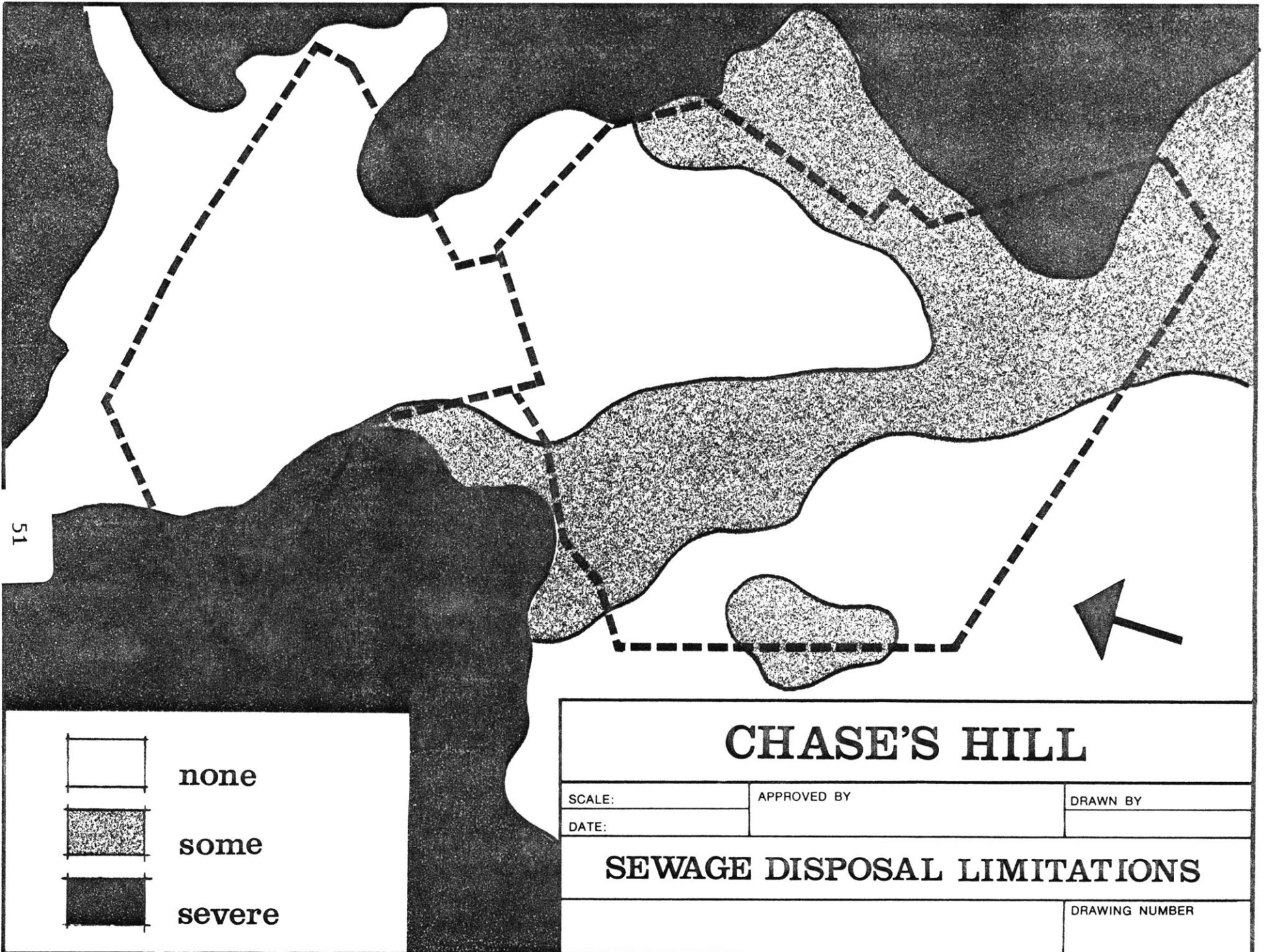


# CHASE'S HILL

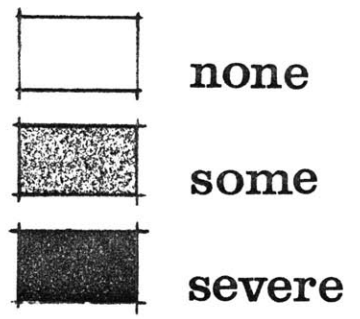
SCALE:	APPROVED BY	DRAWN BY
DATE:		

## EXISTING GRADES

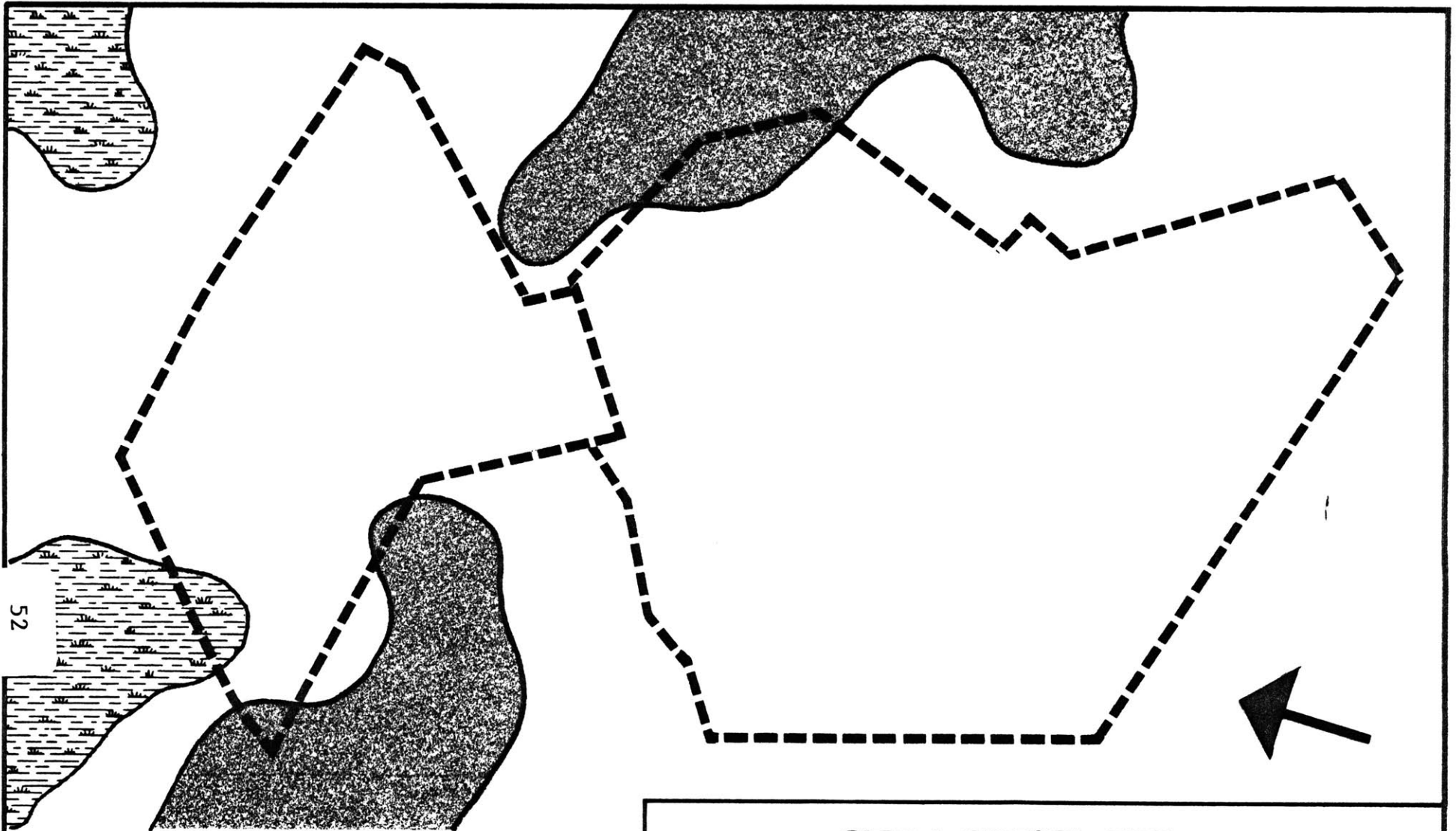
DRAWING NUMBER
----------------



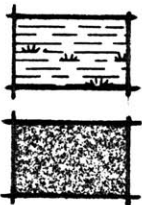
51



<h2>CHASE'S HILL</h2>		
SCALE:	APPROVED BY	DRAWN BY
DATE:		
<h3>SEWAGE DISPOSAL LIMITATIONS</h3>		
		DRAWING NUMBER



52



wetlands

20%+ slope

# CHASE'S HILL

SCALE:	APPROVED BY	DRAWN BY
DATE:		
<b>ENVIRONMENTALLY SENSITIVE</b>		
		DRAWING NUMBER

## SECTION VI.

### INVESTMENT DECISION

The final decision to invest or not invest is really more a question of the market risk than that of a financial risk. As the proformas show, and as would tend to be the case in any fast growing market, the cost of housing production is far less than the price that the market will bear. This situation creates a comfortable buffer in the face of rising interest rates or excessive cost overruns in construction, yet, no margin can create a buffer against the potential market risk in the same fast growing area.

As a regional market grows, prices rise, and new builders enter the market, it can become quickly overbuilt. In very few cases can one sell overpriced or poorly located units in a soft market. For this reason, the market study becomes important not only at the point of planning but also as a project progresses. The competition must be followed carefully to predict possible over building and changing trends in market demand that could be incorporated into a product as it comes on line.

In Meredith and the entire Lakes Region the same approvals process that has been a roadblock to development also is a boon to marketing. The effect of tight regulation is often a profound extension of the natural cycle for housing demand. For example, people often credit Boston's continued strong demand for office space as a product of the

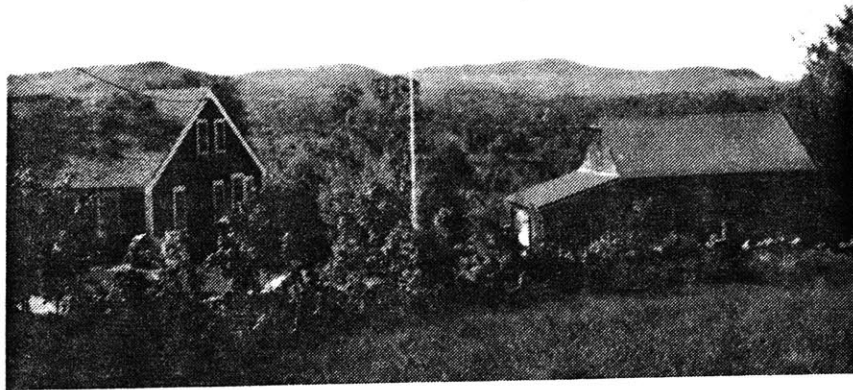
rigorous approvals process in the city. If a project takes several years to approve and several more to build it becomes relatively easy to predict the competition long before project completion.

#### INVESTMENT STRUCTURE

The two parcels of land in this study are independently owned by two different families. The larger parcel is currently on the market with an asking price of \$450,000. Although the land is for sale the current owners would not be opposed to a joint venture in the development of the land. The house on the upper parcel was just recently winterized and is currently being rented on a month to month basis. The lower portion of land was valued at the same amount as the upper parcel. Even though the land area is only half of the upper parcel the higher allowable density easily makes up the difference. The owners of the lower parcel occupy the existing house on a year round basis. They are also interested in a joint venture opportunity if it will increase the overall value of the land.

Due to the relatively low acquisition cost of the land a joint venture with the land owners would not be acceptable with a large developer. It would be easier and possibly more cost effective to bring in a financial partner than to deal with the land owners through the development process. By contrast, in the case of a smaller developer with limited financial resources a joint venture with both land owners would be ideal. It should be remembered that a multi-party

joint venture agreement can be difficult to construct and more difficult to work under than outright purchase.



SITE PHOTOGRAPHS



## SECTION VII.

### CONCLUSIONS

Except in urban areas where many groups can band together and create affordable housing, the only effective long term solution would appear to be government subsidies. In Boston several groups have joined Habitat Inc., a national affordable housing group, to build 16 moderate income for sale units in Dorchester, MA. Even though the land and most of the labor and some building materials are being donated each two family unit will cost \$70,000. Although this may appear to be a small sum for new construction, small communities would scarcely be able to collect the required labor and materials, much less raise the \$35,000, required for each unit.

Ultimately, the responsibility to adequately house both middle and lower income groups will fall on the government. The Chase's Hill case study only goes to show that the effort required on the local level to produce below market housing will be well beyond the means for most small communities. This is not to say that the production of just a few units will not improve the current problem, but that level of production will not curb the ever growing affordability gap in the housing industry.

It should come as no surprise that a small community is unwilling to make the effort to create affordable housing. Most communities have trouble dealing with the growth of market rate housing where there can be a benefit to the tax

base. In the case of below market housing the strain on municipal services is often greater than for market rate housing while providing less tax revenue.

As a market rate development the numbers for Chase's Hill would suggest that this project was exceptional. On the financial risk side this is true, but the market risk is such that additional high cost, non-lakefront condominiums in Meredith could require a long absorption period with very high carrying costs. That market risk, in conjunction with the low number of allowable units, would point towards two development scenarios.

The first would be the subdivision of the land into approved single family home lots. The existing site features and large lot requirements would produce exceptional building sites. At the same time the cost of improvements and the approval period are significantly reduced thereby minimizing both the financial and market risk. The second option would be a 'wait and see' attitude where the land would be held pending future land use changes in Meredith. In the long run, the need for affordable housing will force the town to develop some form of an incentive program. Those land owners or developers who are prepared to take advantage of new regulations stand an excellent chance of success due to the untapped market demand. Given the ownership of the two parcels, the best posture at this time would be to monitor the activities in Meredith while looking future disposition opportunities.

APPENDIX

BUILDING COSTS

ZONING EXCERPTS

FINANCIAL PROFORMAS

**AVERAGE CONSTRUCTION COST**  
**WOOD FRAMING - WOOD SIDING**  
**1 BTH, NO UTILITIES OR SITE WORK**

	1,200	1,400	1,600	1,800	2,000	2,400
<b>AVERAGE CONSTRUCTION</b>						
1 1/2 STORY	46.9	44.7	42.6	41.2	39.5	36.0
2 STORY	48.2	46.0	44.5	42.7	40.9	39.8
2 1/2 STORY	51.5	50.3	45.3	43.5	42.3	40.2
3 STORY		49.8		44.5	42.6	41.2
<b>CUSTOM CONSTRUCTION</b>						
1 1/2 STORY	66.4	62.8	59.5	57.3	54.6	49.5
2 STORY	68.2	64.5	61.9	59.2	56.5	52.4
<b>LUXURY CONSTRUCTION</b>						
1 1/2 STORY	83.5	78.9	74.9	72.0	68.8	62.4
2 STORY	85.3	80.8	77.5	74.1	70.8	65.6
<b>MODIFICATIONS</b>						
UNFINISHED BASEMENT	6.0	5.4	4.8	4.2	3.6	3.0
ADDITIONAL BATHROOM	\$3,000					
ONE CAR GARAGE	\$5,000 attached					
TWO CAR GARAGE	\$8,000 attached					
TOWNHOUSES	90.0% on all costs					
BUILD IN N.H.	95.0% on all costs					

Z O N I N G   O R D I N A N C E

Meredith, New Hampshire

Adopted August 27, 1971

AMENDED MARCH 11, 1986

Amended    March 7, 1972  
"            March 4, 1975  
"            March 2, 1976  
"            March 8, 1977  
"            March 14, 1978  
"            March 13, 1979  
"            March 11, 1980  
"            March 10, 1981  
"            March 9, 1982  
"            March 8, 1983  
"            March 13, 1984  
"            March 12, 1985

PRICE: \$10.00

"When men enter into a state of society, they surrender up some of their natural rights to that society, in order to ensure the protection of others; and, without such an equivalent, the surrender is void."

From the Constitution of New Hampshire (Art.) 3d.  
(Society, Its Organization and Purposes.)

CLUSTER DEVELOPMENT

May be allowed in the following Districts as a Special Exception provided at least 50% of the property is left as Green or Open Area and the District setback requirements are adhered to on the outer perimeter of the subdivision.

<u>District</u>	<u>Minimum Acreage</u>
Residential	5 Acres
Forestry & Rural	5 Acres
Forestry & Conservation	20 Acres
Shoreline	25 Acres

The Planning Board may allow a reduction of the density requirement of 10% to encourage proper design and development.

**D-1. FORESTRY AND CONSERVATION DISTRICT (added 8 Mar 83)**

General Purpose

The Forestry and Conservation District provides an area for low-density residential development and customary rural land uses such as forestry, agriculture, conservation, and other non-intensive uses. This district is characterized by forests, rugged terrain (steep slopes, ledges, etc.), natural scenic beauty, important wildlife areas, large tracts in single ownership, and poor road conditions. The area is also far from town facilities and services, making it both difficult and expensive for the town to provide them. Premature development of land in this area should therefore be discouraged. A minimum lot size of 10 acres is required in this District.

**A. Forestry and Conservation District, Permitted uses and Special Exception (Any use not listed here is prohibited)**

Permitted Uses

1. Any use permitted in regard to forestry and/or conservation
2. Agriculture, including sale of produce raised on premises
3. Single-family detached dwelling (500 sq.ft. minimum on ground) (11 Mar 86)
4. Home occupations
5. Essential services
6. Accessory uses
7. Roadside stands
8. Bed & Breakfast house

Special Exceptions

1. Public uses and buildings
2. Temporary sawmill
3. Essential service buildings
4. Clubhouses
5. Churches
6. Single family detached dwelling (less than 500 sq.ft. on ground) (11 Mar 86)

**B. Forestry and Conservation, Conditions and Restrictions**

**Shorefront Lot: On-site water, on-site septic system (Class 3 utilities)**

Minimum Standards

Total area per single family unit	10 acres
Width	150 feet
Minimum area per family (net density)	10 acres
Front setback	20 ft. (from shoreline)
Side setback	20 ft.
Rear setback	65 ft. (from centerline of traveled way)
Maximum height	3 stories or 45 ft. whichever is less

**All Other Development: On-site water, onsite-septic system (Class 3)\*\***

Minimum Standards

Total area per single family unit	10 acres (also net density)
Width	150 ft.
Front setback	40 ft.
Side setback	30 ft.
Rear setback	75 ft.
Maximum height	3 stories or 45 ft. whichever is less

\* The minimum distance between the leach field and water bodies and/or wetlands shall be one hundred twenty-five (125') feet.

\*\* Refer to Article V Section D, Soils and Slopes Table.

## D-2. FORESTRY AND RURAL DISTRICT

### General Purpose

The area is limited to agriculture, forestry, rural residential and certain other non-intensive land uses. The purpose of this District is to prevent premature development of land, to retain certain areas for non-intensive uses, to prevent development where it would be a burden on the Town, and to retain areas for open space. A sliding density scale is provided should utilities be provided in the distant future, but the vast majority of development is anticipated to take place on five acres or more.

### A. Forestry and Rural District, Permitted Uses and Special Exceptions (Any use not listed here is prohibited)

<u>Permitted Uses</u>	<u>Special Exceptions</u>
1. Any use permitted in regard to forestry	1. Two family dwelling
2. Agriculture, including sale of produce raised on premises	2. Public uses and buildings
3. Greenhouses	3. Removal of fill, gravel, stone or loam
4. Single-family detached dwelling (500 sq.ft. min. on ground) (11 Mar 86)	4. Private schools
5. Clubhouses	5. Veterinary offices and facilities
6. Churches	6. Drive-in theaters
7. Outdoor recreational facilities	7. Temporary sawmill
8. Camping and travel trailer parks	8. Mobile home parks
9. Stables and riding academies	9. Marinas
10. Home occupations	10. Essential services buildings
11. Essential services	11. Country general store (5000 sq.ft. or under)
12. Accessory uses	12. Single family detached dwelling (less than 500 sq.ft. on ground) (11 Mar 8
13. Roadside stands	
14. Lodging houses and rental cottages	
15. Organized recreational camp for children, profit or non-profit	
16. Cluster Development (single family) (min.25 acres of land) (9 Mar 82)	
17. Mobile home subdivision (2 Mar 76)	

NOTE: Mobile home placed on permanent foundation removed by amendment 13 Mar 19



**B. Forestry and Rural, Conditions and Restrictions**

Cluster Development: On-site water, on-site septic system (Class 3 utilities)  
MINIMUM OF 25 ACRES TO BE INCLUDED IN DEVELOPMENT (9 Mar 1982)

Minimum Standards

Total area per single family unit: 10,000 sq.ft.  
Minimum area per family (net density): 40,000 sq.ft. incl. roads and  
all else (8 Mar 83)  
Maximum height: 3 stories or 45 ft. whichever

Shorefront Lot: On-site water, on-site septic system (Class 3 utilities)\*\*

Minimum Standards

Total area per single family unit: 30,000 sq.ft.  
Width: 150 ft.  
Minimum area per family (net density): 30,000 sq.ft.  
Front setback: 20 ft. (from shoreline)  
Side setback: 20 ft.  
Rear setback: 65 ft. (from centerline of  
traveled way)(1978)  
Maximum height: 3 stories or 45 ft. which  
is less

All Other Development: On-site water, on-site septic system (Class 3)\*\*

Minimum Standards

Total area per single family unit: 40,000 sq.ft.  
Width: 150 ft.  
Minimum area per family (net density): 40,000 sq.ft.  
Front setback: 40 ft.  
Side setback: 30 ft.  
Rear setback: 75 ft.  
Maximum height: 3 stories or 45 ft. which  
is less

\* The minimum distance between the leach field and water bodies shall be one hundred and twenty-five (125') feet.

\*\* Refer to Article V Section D, Soils and Slopes Table

## BOARD OF ADJUSTMENT (Cont'd)

In this regard the Board may impose the following safeguards in addition to the applicable requirements of this Ordinance including but not limited to the following:

- (1) Front, side or rear setbacks greater than the minimum requirements of the Ordinance.
  - (2) Screening of parking areas or other parts of the premises from adjoining premises or from the street by walls, fences, planting or other devices.
  - (3) Modification of the exterior features or appearance of the building or structure.
  - (4) Limitation of size, number of occupants, method or time of operation or extent of facilities.
  - (5) Regulation of number, design, and location of drives or other traffic features.
  - (6) Off-street parking or loading spaces beyond the minimum requirements of this Ordinance.
  - (7) Control of the number, location and size of light and signs.
- d. Operations in connection with such a use shall not be more objectionable to nearby properties by reason of noise, fumes, odor, or vibration, than would be the operation of any permitted uses in this District which are not subject to Special Exception procedures.

## 2. Variance

The Board of Adjustment may authorize upon appeal in specific cases such variance from the terms of the Ordinance as will not be contrary to the public interest, where owing to special conditions affecting the land in question, a literal enforcement of the provisions of this Ordinance will result in unnecessary hardship that would deprive the owner of the reasonable use of his land or building. In granting such variance, the Board of Adjustment shall prescribe any condition it deems necessary or desirable. If the variance is not utilized within a one-year period it shall expire. To grant such a variance, it must be demonstrated that:

- a. There are special conditions inherent in the land in question which are not shared in common with other parcels of land in the district, and
- b. The specific variance to be granted by the Board is the minimum variance that will grant relief to the owner and is necessary for the reasonable use of the land or building, and
- c. The granting of the variance will be in accordance with the spirit and intent of the Ordinance, and will not adversely affect other property in the District.

BOARD OF ADJUSTMENT (cont'd)

3. Appeals to the Board (4 Mar 75)

Appeals to the Board of Adjustment may be taken by any person aggrieved or by any officer, department, board or bureau of the municipality affected by any decision of the administrative officer.

Such appeals shall be taken within a reasonable time, as provided by the rules of the Board of Adjustment by filing with the officer from whom the appeal is taken and with the Board of Adjustment a notice of appeal specifying the grounds thereof. The officer from whom the appeal is taken shall forthwith transmit to the Board all the papers constituting the record upon which the action appealed was taken from. RSA 31-69.

PROJECT OVERVIEW 18-Jul-87

1. Address or Name: Chase's Hill
2. City or Town: Meredith, N.H.
3. Type of Property: condominium
4. Size of Property:
- A. Number of Units: 12
  - B. Number of Floors: 2.5
  - C. Total NET Square Footage 16200
  - D. Total GROSS Square Footage 19200 inc. garages
  - E. Construction Cost per NET S.F \$85

UNIT SIZE - SQ. FT.	DESCRIPTION	QUANTITY	PERCENT	TOTAL SF
800	One Bedrooms:	0	0.00%	0
950	Two Bedrooms:	0	0.00%	0
1150	Three Bedrooms:	0	0.00%	0
1150	Duplex - Twos	0	0.00%	0
1350	Duplex - Threes	12	100.00%	16,200
TOTALS		12	100.00%	16,200

5. Construction Type: wood

6. Date of Construction: 1988

7. Date of Purchase: 1987

B. HARD COSTS	Per Unit	
A. Asking Price	\$37,500	\$450,000
B. Purchase Offer	\$37,500	\$450,000
C. Capital Improvements	\$114,750	\$1,377,000
SUBTOTAL: HARD COSTS		\$152,250

ASSUMPTIONS

9. SOFT COSTS			
A. Developer Fee		\$30,000	SET
B. Working Capital Reserve		\$12,000	\$1K/UNIT
C. Construction Interest	0.09	12 MONTHS	\$61,965
D. Loan Commitment Fee		\$31,714	1 1/2 PRCNT
E. Marketing		\$60,750	2.5 PERCENT
F. Brokerage		\$60,750	2.5 PERCENT
G. Land Carrying Cost	0.09	12 MONTHS	\$40,500
H. Legal		\$6,000	SET
I. Accounting		\$6,000	SET
J. Acquisitions Team Fee		\$12,000	SET
K. Interest during sell-off		\$109,620	6% of TDC
SUBTOTAL: SOFT COSTS		\$431,299	

10. TOTAL PROJECT COST:	Per Unit	
	\$188,192	\$2,258,299

FINANCE ASSUMPTIONS

=====

1. Total Financing Required			\$2,087,929
[Total Project Cost less interest during sell-off and brokerage fees]			
2. Total Equity Required:	0.00%		\$0
3. Total Mortgage Financing:			\$2,087,929
A. First Mortgage:	Amount	\$2,087,929	
	Term	30	
	Interest	9.00%int only	
	Payment	\$15,659	\$187,914
B. Second Mortgage	Amount	\$0	
	Term	0	
	Interest	0.00% int. only	
	Payment	\$0	\$0
Total Cost of Financing:			\$187,914

=====

SOURCES AND USES OF CASH

=====

Uses of Cash			%
-----			-----
Purchase Price	\$450,000		21.55%
Capital Improvements	\$1,377,000		65.95%
	-----		-----
	SUBTOTAL	\$1,827,000	87.50%
Fees:	\$248,929		11.92%
Working Capital	\$12,000		0.57%
	-----		-----
TOTAL USES	\$2,087,929		100.00%
	=====		=====

Sources of Cash

-----

Mortgage	\$2,087,929	100.00%
Equity Required	\$0	0.00%
	-----	-----
TOTAL SOURCES	\$2,087,929	100.00%

\*\*\*\*\*PAGE TWO\*\*\*\*\*PAGE TWO\*\*\*\*\*PAGE TWO\*\*\*\*\*

\*\*\*\*\*PAGE THREE\*\*\*\*\*PAGE THREE\*\*\*\*\*PAGE THREE\*\*\*\*\*

CASH FLOW ASSUMPTIONS

1. Purchase Price Assumption

\$150 PER SQUARE FOOT
-----------------------

	Per Unit	Total
0 One Bedrooms:	\$120,000	\$0
0 Two Bedrooms:	\$172,500	\$0
12 Three Bedrooms:	\$202,500	\$2,430,000
<hr/>		<hr/>
Gross Income		\$2,430,000

2. CASH FLOW ANALYSIS

Land	\$450,000
Cap Imp.	\$1,377,000
Soft Cost	\$260,929
Sales	\$2,430,000
Brokers Fee	\$60,750
Interest	\$109,620

PERCENTAGE BASIS

3 Month Quarters -->	September 1	December 2	March 3	June 4	September 5	December 6	March 7	June 8
Land	100%							
Cap Imp.	30%	30%	30%	10%				
Soft Cost	25%	25%	25%	5%	5%	5%	5%	5%
Sales				50%	13%	13%	13%	13%
Brokers Fee				50%	13%	13%	13%	13%
Interest				44%	22%	17%	11%	6%

DOLLAR BASIS

3 Month Quarters -->	September 1	December 2	March 3	June 4	September 5	December 6	March 7	June 8
Land	(\$450,000)							
Cap Imp.	(\$413,100)	(\$413,100)	(\$413,100)	(\$137,700)	\$0	\$0	\$0	\$0
Soft Cost	(\$65,232)	(\$65,232)	(\$65,232)	(\$13,046)	(\$13,046)	(\$13,046)	(\$13,046)	(\$13,046)
Sales	\$0	\$0	\$0	\$1,215,000	\$303,750	\$303,750	\$303,750	\$303,750
Brokers Fee	\$0	\$0	\$0	(\$30,375)	(\$7,594)	(\$7,594)	(\$7,594)	(\$7,594)
Interest	\$0	\$0	\$0	(\$48,233)	(\$24,116)	(\$18,307)	(\$12,058)	(\$6,906)

=====  
NET FLOW (\$928,332) (\$478,332) (\$478,332) \$985,646 \$258,993 \$264,803 \$271,052 \$276,204  
QUARTERLY

NET CASH FLOW---> \$171,701  
IRR---> 2.5%  
NPV---> (381,910)

\*\*\*\*\*PAGE THREE\*\*\*\*\*PAGE THREE\*\*\*\*\*PAGE THREE\*\*\*\*\*

\*\*\*\*\*PAGE FOUR\*\*\*\*\*PAGE FOUR\*\*\*\*\*PAGE FOUR\*\*\*\*\*

3. SUMMARY STATISTICS

	TOTAL	PER UNIT	PER SF	PERCENT
Land Purchase Price:	\$450,000	\$37,500	\$23	20%
Capital Improvements:	\$1,377,000	\$114,750	\$72	61%
Soft Costs	\$431,299	\$35,942	\$22	19%
-----				
Total Development Cost:	\$2,258,299	\$188,192	\$118	100%
Sales Revenue:	\$2,430,000	\$202,500	\$127	100%
Total Development Cost:	\$2,258,299	\$188,192	\$118	93%
-----				
PROFIT	\$171,701	\$14,308	\$9	7%
NET CASH FLOW ----->	\$171,701			
PROFIT/TOTAL DEVELOPMENT COST ---->		8%		

\*\*\*\*\*PAGE FOUR\*\*\*\*\*PAGE FOUR\*\*\*\*\*PAGE FOUR\*\*\*\*\*

PROJECT OVERVIEW 18-Jul-87

- =====
- 1. Address or Name: Chase's Hill
  - 2. City or Town: Meredith, N.H.
  - 3. Type of Property: condominium
  - 4. Size of Property:
    - A. Number of Units: 24
    - B. Number of Floors: 2.5
    - C. Total NET Square Footage 43200
    - D. Total GROSS Square Footage 49200 inc. garages
    - E. Construction Cost per NET S.F \$85

UNIT SIZE - SQ. FT.	DESCRIPTION	QUANTITY	PERCENT	TOTAL SF
800	One Bedrooms:	0	0.00%	0
950	Two Bedrooms:	0	0.00%	0
1800	S.F. - Three Bedrooms:	24	100.00%	43,200
1150	Duplex - Twos	0	0.00%	0
1350	Duplex - Threes	0	0.00%	0
TOTALS		24	100.00%	43,200

- 5. Construction Type: wood
- 6. Date of Construction: 1988
- 7. Date of Purchase: 1987

8. HARD COSTS		Per Unit	
A. Asking Price		\$18,750	\$450,000
B. Purchase Offer		\$18,750	\$450,000
C. Capital Improvements		\$153,000	\$3,672,000
SUBTOTAL: HARD COSTS		\$171,750	\$4,122,000

9. SOFT COSTS		ASSUMPTIONS	
A. Developer Fee		\$60,000	SET
B. Working Capital Reserve		\$24,000	\$1K/UNIT
C. Construction Interest	0.09	12 MONTHS	\$165,240
D. Loan Commitment Fee		\$55,080	1 1/2 PRCNT
E. Marketing		\$216,000	2.5 PERCENT
F. Brokerage		\$216,000	2.5 PERCENT
G. Land Carrying Cost	0.09	12 MONTHS	\$40,500
H. Legal		\$12,000	SET
I. Accounting		\$12,000	SET
J. Acquisitions Team Fee		\$24,000	SET
K. Interest during sell-off		\$247,320	6% of TDC
SUBTOTAL: SOFT COSTS			\$1,072,140

10. TOTAL PROJECT COST:	Per Unit	
	\$216,423	\$5,194,140



FINANCE ASSUMPTIONS

=====

1. Total Financing Required			\$4,730,820
[Total Project Cost less interest during sell-off and brokerage fees]			
2. Total Equity Required:	0.00%		\$0
3. Total Mortgage Financing:			\$4,730,820
A. First Mortgage:	Amount	\$4,730,820	
	Term	30	
	Interest	9.00%int only	
	Payment	\$35,481	\$425,774
B. Second Mortgage	Amount	\$0	
	Term	0	
	Interest	0.00% int. only	
	Payment	\$0	\$0
Total Cost of Financing:			\$425,774

=====

SOURCES AND USES OF CASH

=====

Uses of Cash			%
-----			-----
Purchase Price	\$450,000		9.51%
Capital Improvements	\$3,672,000		77.62%
	-----		-----
	SUBTOTAL	\$4,122,000	87.13%
Fees:	\$584,820		12.36%
Working Capital	\$24,000		0.51%
	-----		-----
TOTAL USES	\$4,730,820		100.00%
	=====		=====

Sources of Cash

-----

Mortgage	\$4,730,820	100.00%
Equity Required	\$0	0.00%
	-----	-----
TOTAL SOURCES	\$4,730,820	100.00%
	=====	=====

CASH FLOW ASSUMPTIONS

1. Purchase Price Assumption	\$200 PER SQUARE FOOT
------------------------------	-----------------------

	Per Unit	Total
0 One Bedrooms:	\$160,000	\$0
0 Two Bedrooms:	\$230,000	\$0
24 Three Bedrooms:	\$360,000	\$8,640,000
-----		-----
Gross Income		\$8,640,000

2. CASH FLOW ANALYSIS

Land	\$450,000
Cap Imp.	\$3,672,000
Soft Cost	\$608,820
Sales	\$8,640,000
Brokers Fee	\$216,000
Interest	\$247,320

PERCENTAGE BASIS

3 Month Quarters -->	September 1	December 2	March 3	June 4	September 5	December 6	March 7	June 8
Land	100%							
Cap Imp.	30%	30%	30%	10%				
Soft Cost	25%	25%	25%	5%	5%	5%	5%	5%
Sales				50%	13%	13%	13%	13%
Brokers Fee				50%	13%	13%	13%	13%
Interest				44%	22%	17%	11%	6%

DOLLAR BASIS

3 Month Quarters -->	September 1	December 2	March 3	June 4	September 5	December 6	March 7	June 8
Land	(\$450,000)							
Cap Imp.	(\$1,101,600)	(\$1,101,600)	(\$1,101,600)	(\$367,200)	\$0	\$0	\$0	\$0
Soft Cost	(\$152,205)	(\$152,205)	(\$152,205)	(\$30,441)	(\$30,441)	(\$30,441)	(\$30,441)	(\$30,441)
Sales	\$0	\$0	\$0	\$4,320,000	\$1,080,000	\$1,080,000	\$1,080,000	\$1,080,000
Brokers Fee	\$0	\$0	\$0	(\$108,000)	(\$27,000)	(\$27,000)	(\$27,000)	(\$27,000)
Interest	\$0	\$0	\$0	(\$108,821)	(\$54,410)	(\$41,302)	(\$27,205)	(\$15,581)
NET FLOW	(\$1,703,805)	(\$1,253,805)	(\$1,253,805)	\$3,705,538	\$968,149	\$981,257	\$995,354	\$1,006,978

QUARTERLY

NET CASH FLOW--->	\$3,445,860
IRR--->	20.0%

NPV---> 1,253,327

\*\*\*\*\*PAGE THREE\*\*\*\*\*PAGE THREE\*\*\*\*\*PAGE THREE\*\*\*\*\*

\*\*\*\*\*PAGE FOUR\*\*\*\*\*PAGE FOUR\*\*\*\*\*PAGE FOUR\*\*\*\*\*

3. SUMMARY STATISTICS

	TOTAL	PER UNIT	PER SF	PERCENT
Land Purchase Price:	\$450,000	\$18,750	\$9	9%
Capital Improvements:	\$3,672,000	\$153,000	\$75	71%
Soft Costs	\$1,072,140	\$44,673	\$22	21%
.....				
Total Development Cost:	\$5,194,140	\$216,423	\$106	100%
Sales Revenue:	\$8,640,000	\$360,000	\$176	100%
Total Development Cost:	\$5,194,140	\$216,423	\$106	60%
.....				
PROFIT	\$3,445,860	\$143,578	\$70	40%
NET CASH FLOW ----->	\$3,445,860			
PROFIT/TOTAL DEVELOPMENT COST ---->			66%	

\*\*\*\*\*PAGE FOUR\*\*\*\*\*PAGE FOUR\*\*\*\*\*PAGE FOUR\*\*\*\*\*

PROJECT OVERVIEW 30-Jun-87

-----

- 1. Address or Name: Chase's Hill
- 2. City or Town: Meredith, N.H.
- 3. Type of Property: condominium
- 4. Size of Property:
  - A. Number of Units: 60
  - B. Number of Floors: 2.5
  - C. Total NET Square Footage 75000
  - D. Total GROSS Square Footage 90000 inc. garages
  - E. Construction Cost per NET S.F \$75

UNIT SIZE - SQ. FT.	DESCRIPTION	QUANTITY	PERCENT	TOTAL SF
800	One Bedrooms:	0	0.00%	0
950	Two Bedrooms:	0	0.00%	0
1150	Three Bedrooms:	0	0.00%	0
1150	Duplex - Twos	30	50.00%	34,500
1350	Duplex - Threes	30	50.00%	40,500
TOTALS		60	100.00%	75,000

5. Construction Type: wood

6. Date of Construction: 1988

7. Date of Purchase: 1987

8. HARD COSTS	Per Unit	
A. Asking Price	\$7,500	\$450,000
B. Purchase Offer	\$7,500	\$450,000
C. Capital Improvements	\$93,750	\$5,625,000
-----		
SUBTOTAL: HARD COSTS	\$101,250	\$6,075,000

9. SOFT COSTS			ASSUMPTIONS
A. Developer Fee		\$150,000	SET
B. Working Capital Reserve		\$60,000	\$1K/UNIT
C. Construction Interest	0.09	12 MONTHS	\$253,125
D. Loan Commitment Fee		\$106,006	1 1/2 PRCNT
E. Marketing		\$262,500	2.5 PERCENT
F. Brokerage		\$262,500	2.5 PERCENT
G. Land Carrying Cost	0.09	12 MONTHS	\$40,500
H. Legal		\$30,000	SET
I. Accounting		\$30,000	SET
J. Acquisitions Team Fee		\$60,000	SET
K. Interest during sell-off		\$364,500	6% of TDC
-----			
SUBTOTAL: SOFT COSTS		\$1,619,131	

. TOTAL PROJECT COST:	Per Unit	
	\$128,236	\$7,694,131

\*\*\*\*\*PAGE ONE\*\*\*\*\*PAGE ONE\*\*\*\*\*PAGE ONE\*\*\*\*\*

\*\*\*\*\*PAGE TWO\*\*\*\*\*PAGE TWO\*\*\*\*\*PAGE TWO\*\*\*\*\*

FINANCE ASSUMPTIONS

=====

1. Total Financing Required			\$7,067,131
[Total Project Cost less interest during sell-off and brokerage fees]			
2. Total Equity Required:	0.00%		\$0
3. Total Mortgage Financing:			\$7,067,131
A. First Mortgage:	Amount	\$7,067,131	
	Term	30	
	Interest	9.00%int only	
	Payment	\$53,003	\$636,042
B. Second Mortgage	Amount	\$0	
	Term	0	
	Interest	0.00% int. only	
	Payment	\$0	\$0
Total Cost of Financing:			\$636,042

=====

SOURCES AND USES OF CASH

=====

Uses of Cash

-----

			I
			-----
Purchase Price	\$450,000		6.37%
Capital Improvements	\$5,625,000		79.59%
	-----		-----
	SUBTOTAL	\$6,075,000	85.96%
Fees:	\$932,131		13.19%
Working Capital	\$60,000		0.85%
	-----		-----
TOTAL USES	\$7,067,131		100.00%
	=====		=====

Sources of Cash

-----

Mortgage	\$7,067,131		100.00%
Equity Required	\$0		0.00%
	-----		-----
TOTAL SOURCES	\$7,067,131		100.00%

\*\*\*\*\*PAGE TWO\*\*\*\*\*PAGE TWO\*\*\*\*\*PAGE TWO\*\*\*\*\*

\*\*\*\*\*PAGE THREE\*\*\*\*\*PAGE THREE\*\*\*\*\*PAGE THREE\*\*\*\*\*

CASH FLOW ASSUMPTIONS

=====

1. Purchase Price Assumption

\$140 PER SQUARE FOOT
-----------------------

	Per Unit	Total
0 One Bedrooms:	\$112,000	\$0
30 Two Bedrooms:	\$161,000	\$4,830,000
30 Three Bedrooms:	\$189,000	\$5,670,000
-----		-----
Gross Income		\$10,500,000

2. CASH FLOW ANALYSIS

Land	\$450,000
Cap Imp.	\$5,625,000
Soft Cost	\$992,131
Less	\$10,500,000
Brokers Fee	\$262,500
Interest	\$364,500

PERCENTAGE BASIS

-----

3 Month Quarters -->	September 1	December 2	March 3	June 4	September 5	December 6	March 7	June 8
Land	100%							
Cap Imp.	30%	30%	30%	10%				
Soft Cost	25%	25%	25%	5%	5%	5%	5%	5%
Sales				50%	13%	13%	13%	13%
Brokers Fee				50%	13%	13%	13%	13%
Interest				44%	22%	17%	11%	6%

DOLLAR BASIS

-----

3 Month Quarters -->	September 1	December 2	March 3	June 4	September 5	December 6	March 7	June 8
Land	(\$450,000)							
Cap Imp.	(\$1,687,500)	(\$1,687,500)	(\$1,687,500)	(\$562,500)	\$0	\$0	\$0	\$0
Soft Cost	(\$248,033)	(\$248,033)	(\$248,033)	(\$49,607)	(\$49,607)	(\$49,607)	(\$49,607)	(\$49,607)
Sales	\$0	\$0	\$0	\$5,250,000	\$1,312,500	\$1,312,500	\$1,312,500	\$1,312,500
Brokers Fee	\$0	\$0	\$0	(\$131,250)	(\$32,813)	(\$32,813)	(\$32,813)	(\$32,813)
Interest	\$0	\$0	\$0	(\$160,380)	(\$80,190)	(\$60,872)	(\$40,095)	(\$22,964)

=====  
NET FLOW (\$2,385,533) (\$1,935,533) (\$1,935,533) \$4,346,263 \$1,149,891 \$1,169,209 \$1,189,986 \$1,207,117  
QUARTERLY

.T CASH FLOW---> \$2,805,869  
IRR---> 11.9%  
NPV---> 323,226

\*\*\*\*\*PAGE THREE\*\*\*\*\*PAGE THREE\*\*\*\*\*PAGE THREE\*\*\*\*\*

\*\*\*\*\*PAGE FOUR\*\*\*\*\*PAGE FOUR\*\*\*\*\*PAGE FOUR\*\*\*\*\*

3. SUMMARY STATISTICS

	TOTAL	PER UNIT	PER SF	PERCENT
Land Purchase Price:	\$450,000	\$7,500	\$5	6%
Capital Improvements:	\$5,625,000	\$93,750	\$63	73%
Soft Costs	\$1,619,131	\$26,986	\$18	21%
-----				
Total Development Cost:	\$7,694,131	\$128,236	\$85	100%
Sales Revenue:	\$10,500,000	\$175,000	\$117	100%
Total Development Cost:	\$7,694,131	\$128,236	\$85	73%
-----				
PROFIT	\$2,805,869	\$46,764	\$31	27%
.T CASH FLOW ----->	\$2,805,869			
PROFIT/TOTAL DEVELOPMENT COST ---->		36%		

\*\*\*\*\*PAGE FOUR\*\*\*\*\*PAGE FOUR\*\*\*\*\*PAGE FOUR\*\*\*\*\*

PROJECT OVERVIEW 30-Jun-87

-----

Address or Name: Chase's Hill  
 2. City or Town: Meredith, N.H.  
 3. Type of Property: condominium  
 4. Size of Property:  
     A. Number of Units: 72  
     B. Number of Floors: 2.5  
     C. Total NET Square Footage 90000  
     D. Total GROSS Square Footage 108000 inc. garages  
     E. Construction Cost per NET S.F \$80

UNIT SIZE - SQ. FT.	DESCRIPTION	QUANTITY	PERCENT	TOTAL SF
800	One Bedrooms:	0	0.00%	0
950	Two Bedrooms:	0	0.00%	0
1150	Three Bedrooms:	0	0.00%	0
1150	Duplex - Twos	36	50.00%	41,400
1350	Duplex - Threes	36	50.00%	48,600
TOTALS		72	100.00%	90,000

5. Construction Type: wood  
 Date of Construction: 1988  
 Date of Purchase: 1987

8. HARD COSTS		Per Unit	
A. Asking Price		\$12,500	\$900,000
B. Purchase Offer		\$12,500	\$900,000
C. Capital Improvements		\$100,000	\$7,200,000
SUBTOTAL: HARD COSTS		\$112,500	\$8,100,000

9. SOFT COSTS		ASSUMPTIONS	
A. Developer Fee		\$180,000	SET
B. Working Capital Reserve		\$72,000	\$1K/UNIT
C. Construction Interest	0.09	12 MONTHS	\$324,000
D. Loan Commitment Fee		\$140,687	1 1/2 PRCNT
E. Marketing		\$337,500	2.5 PERCENT
F. Brokerage		\$337,500	2.5 PERCENT
G. Land Carrying Cost	0.09	12 MONTHS	\$81,000
H. Legal		\$36,000	SET
I. Accounting		\$36,000	SET
J. Acquisitions Team Fee		\$72,000	SET
K. Interest during sell-off		\$486,000	6% of TDC
SUBTOTAL: SOFT COSTS			\$2,102,687

TOTAL PROJECT COST: Per Unit \$141,704 \$10,202,687



FINANCE ASSUMPTIONS

=====

1. Total Financing Required			\$9,379,187
[Total Project Cost less interest during sell-off and brokerage fees]			
2. Total Equity Required:	0.00%		\$0
3. Total Mortgage Financing:			\$9,379,187
A. First Mortgage:	Amount	\$9,379,187	
	Term	30	
	Interest	9.00%int only	
	Payment	\$70,344	\$844,127
B. Second Mortgage	Amount	\$0	
	Term	0	
	Interest	0.00% int. only	
	Payment	\$0	\$0
Total Cost of Financing:			\$844,127

=====

SOURCES AND USES OF CASH

=====

Uses of Cash			%
-----			-----
Purchase Price	\$900,000		9.60%
Capital Improvements	\$7,200,000		76.77%
			-----
	SUBTOTAL	\$8,100,000	86.36%
Fees:	\$1,207,187		12.87%
Working Capital	\$72,000		0.77%
			-----
TOTAL USES	\$9,379,187		100.00%
	=====		=====

Sources of Cash

-----

Mortgage	\$9,379,187	100.00%
Equity Required	\$0	0.00%
		-----
TOTAL SOURCES	\$9,379,187	100.00%
	=====	=====

CASH FLOW ASSUMPTIONS

=====

1. Purchase Price Assumption

=====	;
;	\$150 PER SQUARE FOOT
;	;
=====	;

	Per Unit	Total
0 One Bedrooms:	\$120,000	\$0
36 Two Bedrooms:	\$172,500	\$6,210,000
36 Three Bedrooms:	\$202,500	\$7,290,000
-----		-----
Gross Income		\$13,500,000

2. CASH FLOW ANALYSIS

Land	\$900,000
Cap Imp.	\$7,200,000
Soft Cost	\$1,279,187
Sales	\$13,500,000
Brokers Fee	\$337,500
Interest	\$486,000

PERCENTAGE BASIS

\*\*\*\*\*

3 Month Quarters -->	September 1	December 2	March 3	June 4	September 5	December 6	March 7	June 8
Land	100%							
Cap Imp.	30%	30%	30%	10%				
Soft Cost	25%	25%	25%	5%	5%	5%	5%	5%
Sales				50%	13%	13%	13%	13%
Brokers Fee				50%	13%	13%	13%	13%
Interest				44%	22%	17%	11%	6%

DOLLAR BASIS

\*\*\*\*\*

3 Month Quarters -->	September 1	December 2	March 3	June 4	September 5	December 6	March 7	June 8
Land	(\$900,000)							
Cap Imp.	(\$2,160,000)	(\$2,160,000)	(\$2,160,000)	(\$720,000)	\$0	\$0	\$0	\$0
Soft Cost	(\$319,797)	(\$319,797)	(\$319,797)	(\$63,959)	(\$63,959)	(\$63,959)	(\$63,959)	(\$63,959)
Sales	\$0	\$0	\$0	\$6,750,000	\$1,687,500	\$1,687,500	\$1,687,500	\$1,687,500
Brokers Fee	\$0	\$0	\$0	(\$168,750)	(\$42,188)	(\$42,188)	(\$42,188)	(\$42,188)
Interest	\$0	\$0	\$0	(\$213,840)	(\$106,920)	(\$81,162)	(\$53,460)	(\$30,618)
NET FLOW ARTERLY	(\$3,379,797)	(\$2,479,797)	(\$2,479,797)	\$5,583,451	\$1,474,433	\$1,500,191	\$1,527,893	\$1,550,735

NET CASH FLOW-->	\$3,297,313
IRR-->	10.5%

\*\*\*\*\*PAGE THREE\*\*\*\*\*PAGE THREE\*\*\*\*\*PAGE THREE\*\*\*\*\*

\*\*\*\*\*PAGE FOUR\*\*\*\*\*PAGE FOUR\*\*\*\*\*PAGE FOUR\*\*\*\*\*

3. SUMMARY STATISTICS

	TOTAL	PER UNIT	PER SF	PERCENT
Land Purchase Price:	\$900,000	\$12,500	\$8	9%
Capital Improvements:	\$7,200,000	\$100,000	\$67	71%
Soft Costs	\$2,102,687	\$29,204	\$19	21%
-----				
Total Development Cost:	\$10,202,687	\$141,704	\$94	100%
Sales Revenue:	\$13,500,000	\$187,500	\$125	100%
Total Development Cost:	\$10,202,687	\$141,704	\$94	76%
-----				
PROFIT	\$3,297,313	\$45,796	\$31	24%
NET CASH FLOW ----->	\$3,297,313			
PROFIT/TOTAL DEVELOPMENT COST ----->		32%		

\*\*\*\*\*PAGE FOUR\*\*\*\*\*PAGE FOUR\*\*\*\*\*PAGE FOUR\*\*\*\*\*

PROJECT OVERVIEW 30-Jun-87

=====

- 1. Address or Name: Chase's Hill
- 2. City or Town: Meredith, N.H.
- 3. Type of Property: condominium
- 4. Size of Property:
  - A. Number of Units: 90
  - B. Number of Floors: 2.5
  - C. Total NET Square Footage 108900
  - D. Total GROSS Square Footage 131400 inc. garages
  - E. Construction Cost per NET S.F. \$80

UNIT SIZE - SQ. FT.	DESCRIPTION	QUANTITY	PERCENT	TOTAL SF
800	One Bedrooms:	0	0.00%	0
950	Two Bedrooms/affordable:	9	10.00%	8,550
1150	Three Bedrooms:	9	10.00%	10,350
1150	Duplex - Twos	36	40.00%	41,400
1350	Duplex - Threes	36	40.00%	48,600
TOTALS		90	100.00%	108,900

- 5. Construction Type: wood
- 6. Date of Construction: 1988
- 7. Date of Purchase: 1987

8. HARD COSTS		Per Unit	
A. Asking Price		\$10,000	\$900,000
B. Purchase Offer		\$10,000	\$900,000
C. Capital Improvements		\$96,800	\$8,712,000
SUBTOTAL: HARD COSTS		\$106,800	\$9,612,000

9. SOFT COSTS		ASSUMPTIONS	
A. Developer Fee		\$225,000	SET
B. Working Capital Reserve		\$90,000	\$1K/UNIT
C. Construction Interest	0.09	12 MONTHS	\$392,040
D. Loan Commitment Fee			\$167,239
E. Marketing			1 1/2 PRCNT
F. Brokerage			2.5 PERCENT
G. Land Carrying Cost	0.09	12 MONTHS	\$402,300
H. Legal			2.5 PERCENT
I. Accounting			\$81,000
J. Acquisitions Team Fee			\$45,000
K. Interest during sell-off			\$45,000
SUBTOTAL: SOFT COSTS			\$576,720
			6% of TDC
SUBTOTAL: SOFT COSTS			\$2,516,599

10. TOTAL PROJECT COST:	Per Unit	
	\$134,762	\$12,128,599

FINANCE ASSUMPTIONS

=====			
1. Total Financing Required			\$11,149,579
[Total Project Cost less interest during sell-off and brokerage fees]			
2. Total Equity Required:	0.00%		\$0
3. Total Mortgage Financing:			\$11,149,579
A. First Mortgage:	Amount	\$11,149,579	
	Term	30	
	Interest	9.00%int only	
	Payment	\$83,622	\$1,003,462
B. Second Mortgage	Amount	\$0	
	Term	0	
	Interest	0.00% int. only	
	Payment	\$0	\$0
Total Cost of Financing:			\$1,003,462
=====			

SOURCES AND USES OF CASH

=====			
Uses of Cash			%
-----			-----
Purchase Price	\$900,000		8.07%
Capital Improvements	\$8,712,000		78.14%
			-----
	SUBTOTAL	\$9,612,000	86.21%
Fees:	\$1,447,579		12.98%
Working Capital	\$90,000		0.81%
			-----
TOTAL USES	\$11,149,579		100.00%
			=====
Sources of Cash			
-----			
Mortgage	\$11,149,579		100.00%
Equity Required	\$0		0.00%
			-----
TOTAL SOURCES	\$11,149,579		100.00%
			=====

\*\*\*\*\*PAGE TWO\*\*\*\*\*PAGE TWO\*\*\*\*\*PAGE TWO\*\*\*\*\*

\*\*\*\*\*PAGE THREE\*\*\*\*\*PAGE THREE\*\*\*\*\*PAGE THREE\*\*\*\*\*

CASH FLOW ASSUMPTIONS

=====

1. Purchase Price Assumption

:	\$150 PER SQUARE FOOT	:
:	\$90 PSF AFFORDABLE	:

=====

	Per Unit	Total
0 One Bedrooms:	\$120,000	\$0
9 Two Bedroom/Affordables:	\$85,500	\$769,500
36 Two Bedrooms:	\$172,500	\$6,210,000
45 Three Bedrooms:	\$202,500	\$9,112,500
-----		-----
90	Gross Income	\$16,092,000

2. CASH FLOW ANALYSIS

Land	\$900,000
Cap Imp.	\$8,712,000
Soft Cost	\$1,537,579
Sales	\$16,092,000
Brokers Fee	\$402,300
Interest	\$576,720

PERCENTAGE BASIS

\*\*\*\*\*

3 Month Quarters -->	September 1	December 2	March 3	June 4	September 5	December 6	March 7	June 8
Land	100%							
Cap Imp.	30%	30%	30%	10%				
Soft Cost	25%	25%	25%	5%	5%	5%	5%	5%
Sales				50%	13%	13%	13%	13%
Brokers Fee				50%	13%	13%	13%	13%
Interest				44%	22%	17%	11%	6%

DOLLAR BASIS

\*\*\*\*\*

3 Month Quarters -->	September 1	December 2	March 3	June 4	September 5	December 6	March 7	June 8
Land	(\$900,000)							
Cap Imp.	(\$2,613,600)	(\$2,613,600)	(\$2,613,600)	(\$871,200)	\$0	\$0	\$0	\$0
Soft Cost	(\$384,395)	(\$384,395)	(\$384,395)	(\$76,879)	(\$76,879)	(\$76,879)	(\$76,879)	(\$76,879)
Sales	\$0	\$0	\$0	\$8,046,000	\$2,011,500	\$2,011,500	\$2,011,500	\$2,011,500
Brokers Fee	\$0	\$0	\$0	(\$201,150)	(\$50,288)	(\$50,288)	(\$50,288)	(\$50,288)
Interest	\$0	\$0	\$0	(\$253,757)	(\$126,878)	(\$96,312)	(\$63,439)	(\$36,333)
NET FLOW QUARTERLY	(\$3,897,995)	(\$2,997,995)	(\$2,997,995)	\$6,643,014	\$1,757,455	\$1,788,021	\$1,820,894	\$1,848,000

NET CASH FLOW-->

\$3,963,401

IRR---> 10.7%  
 NPV---> 176,618

\*\*\*\*\*PAGE THREE\*\*\*\*\*PAGE THREE\*\*\*\*\*PAGE THREE\*\*\*\*\*

\*\*\*\*\*PAGE FOUR\*\*\*\*\*PAGE FOUR\*\*\*\*\*PAGE FOUR\*\*\*\*\*

3. SUMMARY STATISTICS

	TOTAL	PER UNIT	PER SF	PERCENT
Land Purchase Price:	\$900,000	\$10,000	\$7	7%
Capital Improvements:	\$8,712,000	\$96,800	\$66	72%
Soft Costs	\$2,516,599	\$27,962	\$19	21%
-----				
Total Development Cost:	\$12,128,599	\$134,762	\$92	100%
Sales Revenue:	\$16,092,000	\$178,800	\$122	100%
Total Development Cost:	\$12,128,599	\$134,762	\$92	75%
-----				
PROFIT	\$3,963,401	\$44,038	\$30	25%
NET CASH FLOW ----->	\$3,963,401			
PROFIT/TOTAL DEVELOPMENT COST ---->		33%		

\*\*\*\*\*PAGE FOUR\*\*\*\*\*PAGE FOUR\*\*\*\*\*PAGE FOUR\*\*\*\*\*

END NOTES

=====

1. Lakes Region Planning Commission. Meredith Master Plan, (Meredith, NH, n.p., 1981), pg. 5-7
2. Ibid., Table V-7
3. Applied Economic Research. New Hampshire Housing Analysis: Summary Report, (Laconia, NH, n.p., 1987), pg. 2
4. Ibid, pg. 6
5. Lakes Region Planning Commission. Meredith Master Plan, pg. 3-11
6. Ibid, pg. 4-9\_
7. Thibeault, Russell W. "An Economic Forecast: What's Ahead for the Lakes Region?" Doing Business in the Lakes Region, 1987, pg. 3
8. Ibid, 1987, pg.9
9. Ibid, pg. 25
10. Farrell, John A. "Money Transforms Winnepesaukee." The Boston Globe, July 12, 1987, pg. 1, cont. 36.
11. Applied Economic Research, Inc. New Hampshire Housing Analysis: Summary Report, pg. 1.
12. Doing Business in the Lakes Region, 1987, pg.3.



## BIBLIOGRAPHY

=====

Meyer, William T. "Industrial Building Systems", Time Saver Standards for Architectural Design. New York: McGraw-Hill, 1982.

Massachusetts Housing Partnership. Homeownership Opportunity Program: Guideline for Communities and Developers. Boston: Massachusetts Housing Authority, 1986.

Sanders, Welford and Mosena, David. Changing Development Standards for Affordable Housing. Washington: American Planning Association, 1984.

Center for Community Development and Preservation, Affordable Housing: Public and Private Partnerships for Constructing Middle and Moderate Income Housing. New York: n.p., 1982.

Robinson, Jeremy, ed. Affordable Houses Designed by Architects. New York: McGraw-Hill, 1979.

Schwartz, Seymore and Johnson, Robert. Local Government Initiatives for Affordable Housing: An Evaluation of Inclusionary Housing Programs in California. Seattle: University of Washington Press, 1981.

Lakes Region Planning Commission. Meredith Master Plan: Meredith, New Hampshire. Meredith, NH: n.p., 1982.

R. S. Means. Building Construction Cost Data 1986. Kingston, MA: R.S. Means, 1985.

"10 Consumer Markets To Target." Professional Builder, December 1986, pg. 104.

Jordan, Joe J. "The Challenge: Designing Buildings for Older Americans." Aging, December 1983/January 1984, pg. 18.

Cetron, Marvin. "Where America will Excel in the Year 2000." U.S. News and World Report, December 16, 1985.

"Measuring Impact of the 'Baby Bust' on U.S. Future." U.S. News and World Report, December 16, 1985, pg. 66

"Who's Taking Care of Our Parents." Newsweek, May 6, 1985.

"Life After 65." Architectural Record, February, 1985, pg. 95.

Chrysler, K. M. "10 Great Places to Spent Your Retirement." U.S. News and World Report, July 15, 1985, pg. 58.

Farrell, John. "Money Tansforms Winnipesaukee." The Boston Globe, July 12, 1987.

Applied Economic Research Inc, New Hampshire Housing Analysis Summary Report, Laconia, NH, n.p., 1987.

Wheeler, Michael. A Handbook: Building Concensus for Affordable Housing, Cambridge, MA: MIT Center for Real Estate Development, 1987.