

Both the “very low” and “low” income rental development scenarios show substantial per unit affordability gaps of \$154,909 and \$104,268, respectively. Land costs of over \$1 million per acre and hard construction costs of \$115,000 per unit are the primary supply factors contributing to the affordability gaps. However, the relatively low rent price points for these income categories create a total rental income that limits the supportable mortgage under each development scenario.

The above affordability gap calculations based on actual development scenarios are then applied to the total number of new worker households by income category (Table 4.7) that is estimated to be generated by each of the seven (7) workplace building prototypes to determine the nexus cost per square foot for each non-residential development. The calculation is based on the total number of new household units (new housing demand) times the affordability gap, divided by 100,000 square feet (See Table 4.7 below).

Table 4.7:
Nexus Costs Per Square Foot

Income Category	Affordability Gap	Manufacturing	Retail/ Wholesale	Hotel/ Accommodation	Entertainment	Medical/ Educational	Warehousing	Office
Very Low	\$154,909	\$0.00	\$0.00	\$9.29	\$1.55	\$1.55	\$6.20	\$18.59
Low	\$104,268	\$4.17	\$12.51	\$25.02	\$42.75	\$12.51	\$0.00	\$4.17
Moderate	\$112,782	\$34.96	\$84.59	\$2.26	\$2.26	\$0.00	\$21.43	\$12.41
Workforce	\$66,959	\$0.00	\$0.00	\$0.00	\$3.35	\$9.37	\$0.00	\$43.52
Middle	NA	-	-	-	-	-	-	-
Total Costs:		\$39.13	\$97.10	\$36.57	\$49.91	\$24.43	\$27.63	\$78.69

Source: FIU Metropolitan Center, 2007