

CASE STUDY

ADD-ON WORKSHEET: REPORTING A STAGED DEVELOPMENT WITH GLOBAL COSTS

INTRODUCTION

Report on current total costs, revenues, profits & margins...by stage. For free!

This case study demonstrates how you can report on a multi-staged development that is modeled within one DF file using a custom worksheet.

This 'Staged Summary' worksheet is a free downloadable file for Supported Users that can be directly inserted into DF (versions 5 and above only). The worksheet enables the user to quickly identify headline costs, revenue, profit and development margins based on staging criteria.

In the DF 'Input' and 'Tenants' sheets sheet there is a column (headed "Stage", towards the left of the sheet) where you can nominate a stage number for each cash flow item (cost or revenue) to distribute them by stage. If the cost/revenue is a global (not specific to a stage) you can use the letter "G".

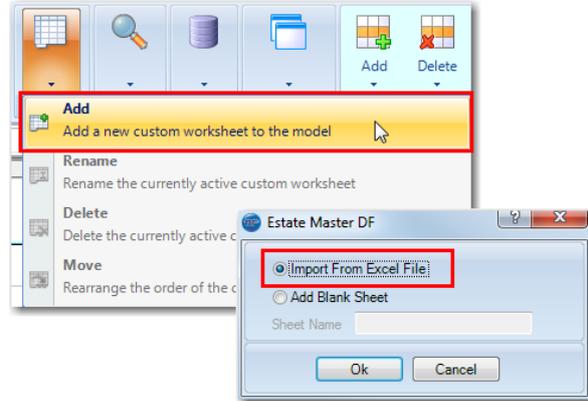
These 'Global' costs can then be quickly dispersed over stages through the use of a percentage weighting mechanism in the worksheet. Any adjustments in cost, development margins and profits are then broken down and reported.

SETUP

The Estate Master Staged Summary worksheet is designed in Excel and can be easily import into Estate Master DF.

INSERT THE STAGED SUMMARY SHEET

1. Download the **Staged Summary Add-On Worksheet** Excel file from the Case Study webpage.
2. From within your DF file; press 'Add' in the 'Sheets' menu of the toolbar, and then choose 'Import From Excel File'.
3. Browse to the downloaded file and select it to import.
4. When prompted to select sheets to import, select the 'DF Staged Summary' and press 'OK'.
5. The worksheet will then be added as a custom worksheet in your DF file. Repeat this process for all other DF files that you wish to use this worksheet with.



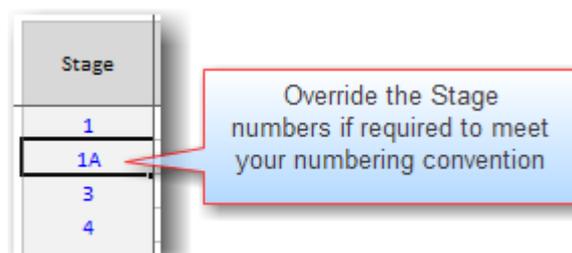
SET UP YOUR STAGES FOR EACH LINE ITEM

1. In the Input and Tenants sheets, between the 'Code' and 'Description' columns, you will find the 'Stage' column.
2. You can assign every line item to one of up to 250 Stages. These stage inputs can be alpha-numeric, (i.e "1", "1A", "B")
3. Any Costs or Revenues that are to be 'globally' shared by all Stages can be assigned 'G'. This will allow you to proportion these across the project in the Staged Summary worksheet.

| 4000 Construction Costs | | |
|-------------------------|-------|-------------|
| Code | Stage | Description |
| 4001-1 | 1 | Villas |
| 4002-1 | 1 | Houses |
| 4003-1 | 1 | McMansions |
| 4001-2 | 2 | Villas |
| 4002-2 | 2 | Houses |
| 4003-2 | 2 | McMansions |

THE STAGED SUMMARY SHEET

The Staged Summary worksheet contains 250 stage reporting rows. It is preset with numbers 1 through to 250, however if you have used another numbering convention for your Stages on the Input and Tenants sheets, you can override these Stage numbers on the Staged Summary worksheet.



The worksheet will total all of your costs and revenues by stage; and report them along with a Profit and Development Margin by stage (before Global costs have been allocated).

| Stage | No. Lots/ Dwellings | Land Purchase & Acquisition Costs | Professional Fees | Construction Costs | Statutory Fees |
|-------|------------------------|---|----------------------|-----------------------|----------------|
| 1 | 24 | 25,000 | 110,000 | 1,600,000 | 275,000 |
| 2 | 41 | 17,500 | 1,587,500 | 5,600,000 | 89,595 |
| 3 | 43 | 17,000 | 1,316,250 | 26,570,000 | 89,595 |
| 4 | 73 | 17,000 | 170,000 | 3,730,000 | 285,050 |
| 5 | | | | - | - |

The costs and revenues allocated to a specific stage on the Input/Tenants sheets are summarised by Stage

At the bottom of the table, all costs and revenues that has been identified as 'Global' on the Input and Tenants sheets (i.e 'G' was entered as their stage code) are totaled in the 'G' row

| Stage | Miscellaneous Costs | Miscellaneous Costs | Miscellaneous Costs | Land Holding Costs | Selling Costs | Sales Commission | Sales Revenue | |
|--------------|------------------------|------------------------|------------------------|-----------------------|---------------|---------------------|---------------|-----------|
| G | Global Costs/Revenues | | | 40,000 | 46,530 | 95,000 | 122,500 | 3,500,000 |
| G - Adjusted | | | | | | | | |
| Total | - | - | 180,000 | 2,600,291 | 1,435,000 | 4,477,200 | 127,920,000 | |

To the right; there are the Global Allocation columns. This allows you to attribute a percentage of global costs and revenues to each stage. Essentially, all costs and revenues that have been assigned a 'G' will be proportioned according to this percentage.

The final 4 columns summarises the total costs, revenues, profit and margin after global cost allocations have been applied.

| Global Cost Allocations | | Global Revenue Allocations | | Including Global Allocation | | | |
|-------------------------|-----------|----------------------------|---------|-----------------------------|------------|-------------|-------------|
| Global % | Cost | Global % | Revenue | Cost | Revenue | Profit | Dev. Margin |
| 10.00% | 2,999,418 | 11.00% | 385,000 | 26,048,578 | 19,785,000 | (6,263,578) | -24% |
| 13.00% | 3,899,243 | 12.00% | 420,000 | 81,424,986 | 84,140,000 | 2,715,014 | 3% |
| 12.00% | 3,599,301 | 11.00% | 385,000 | 12,242,762 | 21,685,000 | 9,442,238 | 77% |
| 15.00% | 4,499,127 | 13.00% | 455,000 | 4,499,127 | 455,000 | (4,044,127) | -90% |

At the bottom right of the table, a 'Check Balance' formula will check to see if there is any difference with the Gross Development Profit calculated on the Summary sheet and the Profit calculated on this sheet. If there is an imbalance, it indicates that a cost and/or revenue on the Input or Tenants sheets has not been allocated to a Stage or set as a Global item.

| | | | |
|---|------------|--------------|---------|
| 14,997,088 | 1,855,000 | (13,142,088) | |
| 61,686,798 | 44,200,000 | (17,486,798) | -28.35% |
| Gross Profit from Summary Report | | (11,292,541) | |
| Check Balance | | - | |

| Code | Stage | Description |
|-------------|-------|---------------------------|
| 4000 | | Construction Costs |
| 6-4001 | | Demolition |
| 6-4002 | 2 | Civil works |
| 6-4003 | 3 | Remediation |

Check this cell for an imbalances, indicating that a Cash Flow item has a missing 'Stage' input