



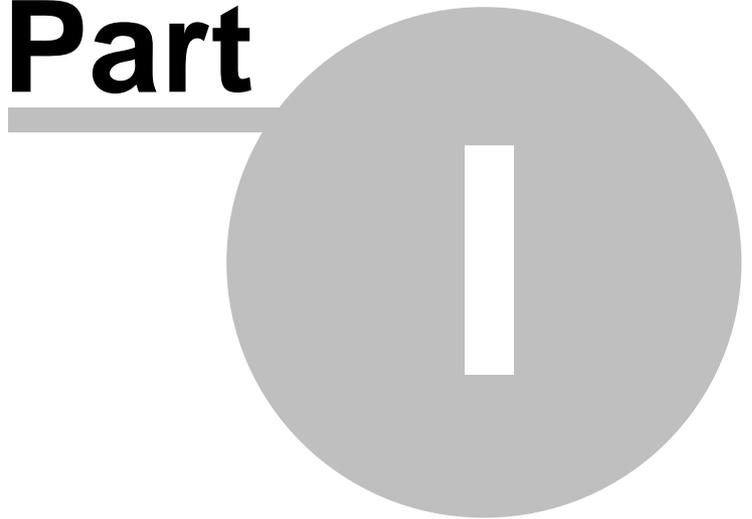
Estate Master DF Lite
Software User Manual

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Part



1 Introduction to Estate Master

1.1 Introduction

Estate Master DF Lite is a cash flow model designed for property development feasibility analysis. It calculates investment returns including residual land value, development profit, internal rate of return and net present value based on a comprehensive set of inputs.

The Program can be used to:

- Financially appraise property development and test project feasibility;
- Estimate residual land value for acquisition purposes based on hypothetical development; and
- Estimate the value of land for the purpose of disposal.

Estate Master DF Lite is also suitable, or adaptable, for:

- Full financial feasibility of multi-staged developments or single-staged developments;
- Cost Benefit analysis;
- Valuation tool to calculate a site's residual value based on a hypothetical development; and
- Post-project evaluation.

1.2 Feature Comparison: DF vs DF Lite

The Estate Master DF Lite program, as the name implies, is a Lite edition of our full DF program. Some functionality is either not provided or is limited in the Lite edition.

The table below provides a comparative snapshot between the two editions (based on version 5.32 and above).

Software Features	DF	DF Lite
Inputs and Preferences		
Maximum Cash Flow Time Periods	480	120
Maximum Input Rows per Cost & Revenue Section	200-500	20
Land Cost Inputs	✓	✓
Professional Fee Inputs	✓	✓
Construction Cost Inputs	✓	✓
Statutory Fee Inputs	✓	✓
Land Holding Cost Inputs	✓	✓
Selling/Leasing Cost Inputs	✓	✓
Customisable 'Miscellaneous Cost' Input Sections	✓	✗
Sales Revenue Inputs	✓	✓
Rental Income and Capitalised Sale Inputs	✓	✓
'Other Income' Input Section	✓	✗
GST/VAT/Sales Tax Settings and Inputs	✓	✓
Cost Type Categories (for categorising Construction Costs)	✓	✗
Land Use Categories (for categorising Sales)	10	4
Cost and Revenue Escalation	✓	✓
Customisable S-Curves	✓	✗
Sales Revenue Collection Profiles	20	1
Release from Escrow Options	✓	✗
Cash Flow Manual Inputs (Costs and Revenues)	✓	✗
Financing		
Sources of Financing	5	2
Equity Financing	✓	✓
Interest on Equity and Surplus Cash	✓	✗

Loan 1, 2 and 3	✓	✗
Senior Loan	✓	✓
Performance Analysis		
Summary Report with Key Performance Indicators	✓	✓
Cash Flow Report (inc Inventory Report)	✓	✓
Charts	✓	✓
Gantt Chart Report	✓	✗
Financial Accounting		
Profit & Loss Report	✓	✗
Balance Sheet	✓	✗
Corporate Tax on Profits	✓	✗
Advanced Functions		
Number of Options/Stages to Compare or Consolidate	8	2
Residual Land Value Analysis	✓	✓
Joint Venture Analysis (Land Owner & Developer)	✓	✗
Sensitivity Analysis	✓	✓
Probability Analysis	✓	✗
Other Features		
Print and PDF Reports	✓	✓
Export to Excel	✓	✓
Export to Estate Master Enterprise Database	✓	✗
Import into Estate Master Development Management (DM)	✓	✗

1.3 Program Integrity

Every effort has been made to provide a quality product that is simple, flexible and detailed in its analysis.

The Estate Master DF Lite program has been sealed to safeguard the integrity of the program and formulae. If the seal is broken the validity of the formulae and program calculations cannot be guaranteed any more. Therefore, we recommend that the authors be notified of any problems rather than the user attempting to rectify the problem by removing the protection facility.

To this end any modifications to the Estate Master DF Lite program are prohibited without the express written approval of the authors Estate Master Pty Ltd.

Also, we cannot guarantee that the program is or will remain error free for every possible input permutation. To retain the integrity of the programs we recommend you audit the models on a regular basis with manual reality checks on the output results.

Furthermore the program assumes certain tax assumptions such as rates of stamp duty. These may change in time and it is important for the user to keep abreast of such changes and know how they effect the model's assumptions.

1.4 System Requirements

To install and operate Estate Master DF Lite efficiently, the following is recommended:

- PC with an Intel Core 2 Duo (3GHz) or Quad (2.4Ghz) minimum processor (or equivalent).
- Any Windows Operating System that supports Microsoft .Net Framework 4.0 (Microsoft Windows XP SP3 Home/Pro or later -or- Microsoft Windows Server 2003 or later)
- Microsoft Report Viewer 2008.
- Microsoft .Net Framework 4.0 or higher.
- 2Gb RAM or higher.
- Internet connection (for downloading files and activating licences).

Note to Apple Mac Users: Estate Master can only run on Mac's via a Windows Virtualization tool such as VMWare or Parallels.

Part



2 Introduction to Development Feasibility Analysis

2.1 Development Margin

Before the widespread use of personal computers the traditional approach to development analysis was to:

- Estimate the total development cost for a project in current dollars (non inflated) including interest on 100% borrowings;
- Estimate the sale prices (less selling costs) based on comparable sales or income capitalisation expressed in current dollars;
- Calculate the net profit by subtracting total development cost from revenue; and
- Calculate the development margin by dividing profit by total development cost:

$$\text{Development Margin} = \frac{\text{Net Profit} * 100\%}{\text{Total Development Cost}}$$

Through experience, a 15% to 30% development margin was considered adequate for a project to be viable, although this would vary according to the level of project, financial and market risk.

2.2 Time Value of Money

The traditional development method of project appraisal however was recognised to be flawed when one or more of the following factors were involved:

- Inflation and above inflation escalations occurred with costs and sale values;
- Project periods extended beyond two or more years;
- Other medium term investments competed for funds; and
- Costs and sales were staged giving variable cash flow exposures.

The analytical drawback is due to the fact that the traditional approach does not account for the time value of money. Usually, a dollar today is more valuable than a dollar next year. Future cash flows should therefore be reduced (discounted) in value to reflect their current (present) value.

To demonstrate the time value of money, consider the case in which an individual receives a sum of \$1,000 and invests it at a return of 10% per annum compounded in Government Bonds. The \$1,000 will grow to \$1,100 at the end of year 1 and \$1,210 at the end of year 2 and so on. It is assumed that this 10% return represents the best use for the funds at a risk free rate. In this example, the investor should value \$1,100 in a years time or \$1,210 in two years time as equivalent to \$1,000 now (ie. its present value). The reduction of future dollars to its equivalent value in money today is known as discounting. Discounting is the reciprocal of compounding and is expressed in the following formula:

$$PV = \frac{FV}{(1+i)^n}$$

Where:

PV = Present Value;

FV = Future Value (predicted amount);

i = Discount Rate per period of time; and

n = number of periods.

2.3 Discounted Cash Flow Analysis

Discounted Cash Flow (DCF) analysis takes into account the time value of money in a much more detailed way than the developer's profit margin by considering the timing of all costs and incomes.

The first requirement of discounted cash flow analysis is to create a tabulation of money and time with cash flow items along one axis and time on the other axis. In other words the same cash items used in the traditional approach (except interest on finance), are tabulated against equal time periods (months, quarters or years) and the values of those cash items are recorded in the time period forecasted. Interest is excluded because it is incorporated in the discount rate as demonstrated above.

The value of all the cash items are then totalled for each time period (with cost items being negative and revenue items being positive) resulting in a net cash flow range through time. This range of net cash flows is discounted to present value. The resultant net present value (NPV) measures the difference between the discounted revenues and the discounted costs. This is the first and perhaps the most important performance indicator. A positive NPV implies the present value of incomes exceeds the present value of costs and the project is therefore feasible.

The other primary indicator is the internal rate of return (IRR). This is the discount rate at which the net present value equals zero. Possibly a better way to understand its meaning is to express it as the maximum interest rate that can be charged to a fully funded project before the project would show a net loss.

2.4 Performance Indicators

Development Margin

Is used as a reflection of profitability and is the percentage return of net profit over total development cost calculated in the following way:

$$\text{Development Margin} = \frac{\text{Net Profit} * 100\%}{\text{Total Development Cost}}$$

Where:

Net Profit = Total Revenue less Total Development Cost; and

Total Development Cost includes all finance and interest charges, land holding and selling costs.

Net Present Value

Is the sum of the present values of all project cash inflows and outflows over the life of the project. A positive NPV infers an Internal Rate of Return (IRR) greater than the discount rate. Interest on borrowings and interest received on re-investment of surplus funds and equity is ignored since this is incorporated in the discount rate. The formula is:

$$\text{NPV} = \sum_{n=t}^{n=0} \left[\frac{\text{FV}}{(1+i)^n} \right]$$

Where:

PV = Present Value;

FV = Future Value (predicted amount);

i = Discount Rate per period of time; and

n = number of periods.

Internal Rate of Return (IRR)

Is the discount rate at which the sum of the discounted negative cash flows equals the discounted positive cash flows, i.e. the discount rate at which the NPV equals zero. Simplistically the IRR represents the ACTUAL RETURN on funds invested. Interest on borrowings is ignored since this is incorporated in the discount rate.

2.5 Discount Rate

Discount Rate (or Target IRR) is simplistically the DESIRED RETURN on funds invested. For discounted cash flow analysis the discount rate is the rate at which future cash flows are discounted to present value. For a development to be feasible the discounted value of future cash flows (Net Present Value) must be greater than zero. A feasible project will have an internal rate of return (FORECAST RETURN) greater than the discount rate (DESIRED RETURN).

A simple and popular method for choosing a discount rate in discounted cash flow analysis is an "Opportunity Cost of Capital" rate, which is given, in the following formula:

Discount Rate = Inflation + Risk Free Rate of Return (Cost of Capital) + Risk Premium

The risk free rate of return or cost of capital reflects the opportunity cost in not proceeding with the development. It may be defined by the current 5-10 year Government Bond rate. Note this includes an expectation of long-term inflation. If a zero inflation model is adopted then a medium term market forecast of inflation should be subtracted from the Government Bond rate to calculate the real risk free rate of return.

Risk Premium

Risk Premium is the level of discounting over and above the risk free rate (or cost of capital), which reflects the level of risk in the project.

Weighted Average Cost of Capital

A more sophisticated method of calculating the discount rate is the WACC which is the weighted required rate of return on debt and equity funding. The formula is as follows:

$$\text{WACC} = \frac{D}{(D+E)} * R_D + \frac{E}{(D+E)} * R_E * (1-T_R)$$

Where:

D = Total Debt

E = Total Equity

R_D = Cost of Debt (risk free rate of return plus debt premium based on the credit rating of the company); and

R_E = Cost of Equity (required return on equity)

T_R = Corporate Tax Rate

A popular method of calculating the required return on equity is the capital asset pricing model (CAPM). The formula is:

$$R_E = R_F + \beta * (R_M - R_F)$$

Where:

R_E = expected return on equity;

R_F = risk free rate of return (10 year Commonwealth Bond rate);

β = sensitivity of an investment's return to the return on the hypothetical market portfolio of shares;

R_M = expected nominal return on the market portfolio (approximated by the yield on the market portfolio of common equity shares); and

$(R_M - R_F)$ = the market risk premium, or additional return demand by investors for holding risky assets.

2.6 Risk Assessment

Risk is usually dealt with in several ways:

- Incorporating a risk premium in the discount rate. This is based on the concept that developers and investors expect higher returns for more risky projects.
- Use of sensitivity testing whereby different low, medium and high values for risky variables are incorporated to test the effects on the performance indicators.
- Application of Scenario Analysis, which records the results from a combination of variations.
- Application of Probability Analysis to produce a probability distribution of outcomes.

The second method has an advantage over the first method since combinations of different values for different risky variables can provide a range of outcomes. However neither method provides a consideration of the probability of those outcomes. Monte Carlo method assigns probability distributions to the risky variables but because of its complexity and limitations this method is not often used in the property development industry.

2.7 Residual Land Values

There are two different methods of calculating Residual Land Values in Estate Master:

1. Calculated on the target development margin
2. Calculated on the target IRR (discount rate).

Given that the two methods are based on different principals and methods of calculation, they will most likely result in different values for the same development project. Sometimes the difference is minor, and a common practice would be to round the result for the indicative land value. However, the following question arises when the differences are quite significant – Which RLV do we use? The question is critical, not only for land acquisition purposes, but also for valuations.

RLV on Target Development Margin

The RLV on the Target Development Margin is the maximum price for the land that the developer would pay to make the calculated development margin equal the target hurdle rate. The target hurdle rate is essentially the developer's required return for the project, also referred to as a 'Profit and Risk Factor'. The Development Margin has been the traditional method of development feasibility analysis in the past and is beneficial for short term projects. However it does have its shortcomings – it does not account for the time value of money and its results can be misleading for projects that extended beyond two or more years. Two projects may have the same net profit, but due to differences in the timing of cash inflows and outflows, one project may be realising its profit earlier than the other. Therefore, if you take into account the old adage "a bird in the hand is worth two in the bush", then even though the projects have the same profit, a prudent developer/investor would chose the project that achieves its profit earlier.

RLV on Target IRR (Discount Rate)

The RLV on the Discount Rate (Target IRR) is the maximum price for the land that the developer would pay to make the calculated IRR equal the target hurdle rate or their Net Present Value (NPV) equal zero. Unlike the Development Margin, the IRR takes into account the dimension of time in its calculation and is used to differentiate projects of different cash flow exposures. It is more effective for longer term projects of more than 2 years, as it can be quite sensitive to small movements in time for short term projects. By adopting a suitable discount rate (Target IRR), the cash inflows and outflows are

discounted to determine their present value and then added together to form a Net Present Value for ease of comparison between other projects of dissimilar timings.

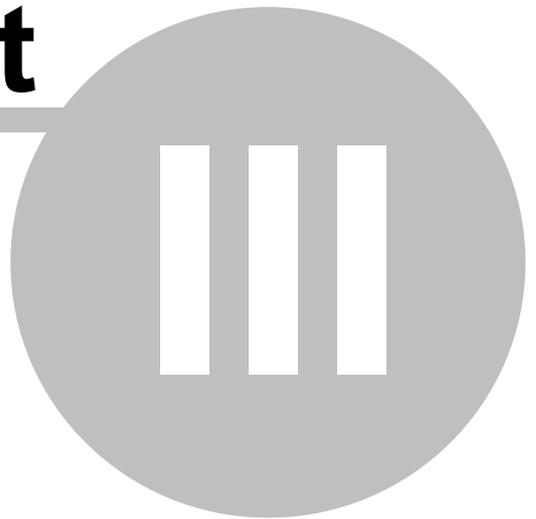
Hurdle Rates

After taking into consideration the duration of the project to determine which RLV calculation to adopt, another important factor is the actual hurdle rate that is applied for the Target Development Margin and Target IRR. These targets must be accurate and realistic, in particular the Target IRR which is sensitive to not only costs and revenues, but also time. Quite simply, if a higher return is required (and thus a higher hurdle rate is adopted), the RLV function will indicate that you would have to pay less for the land to achieve that target, and vice versa. Failure to adopt the correct hurdle rate, could result in miscalculation of the land value and subsequently an incorrect land acquisition cost.

So in summary, things to consider when adopting a RLV:

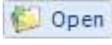
- The RLV based on the Development Margin is suitable for projects of approximately 2 years or less.
- The RLV based on the IRR/NPV is suitable for longer term projects of approximately 2 years or more.
- Ensure that accurate hurdle rates are applied.
- If applying the RLV on IRR/NPV, ensure that the correct annual to rest period conversion is applied.

Part



3 Navigating Estate Master DF Lite

3.1 Quick Start

1. Open the Estate Master DF Lite program.
2. Open an existing Estate Master DF Lite data file  (*.emdf) using the [File] → [Open] command , or start inputting data to create a new data file.
3. Enter preliminary data into 'Intro' sheet, such as Project Name, Address, etc. Please note that many of the fields on this sheet are mandatory, and you will not be able to save a file if they haven't been entered.
4. Set [Preferences](#) by running the 'Preferences' function  from the [Ribbon Menu](#) (or by pressing [F12]).
5. Navigate around the program by using the 'Go to Inputs' or 'Go to Reports' function from the [Application Menu](#) or by selecting the relevant worksheet tabs.



6. Enter data into input cells with a font colour of **blue** or **purple**. Fixed cells (non input) have a **black** font colour. The worksheets are locked, so the program will only allow you to enter data into the relevant input cells.

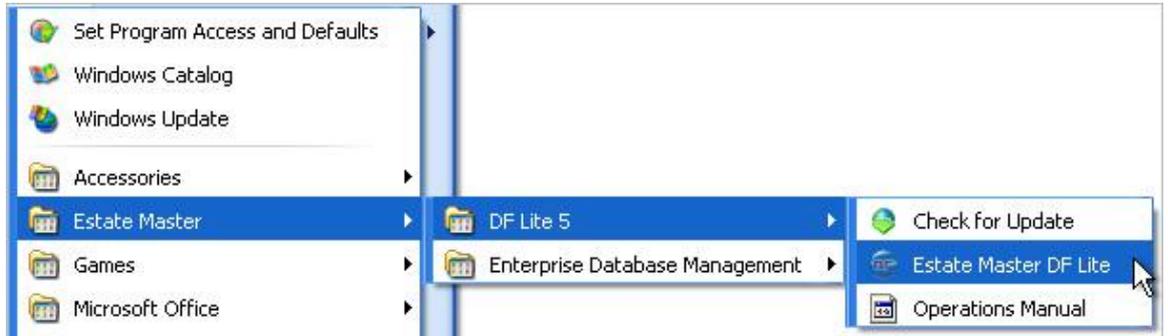
Input Cells
<p>Blue Font Cells: Cells with blue font are the main input cells in the program.</p> <p>Green Font Cells: Cells with green font relate to presales and are not relevant if you are not taking presales into account.</p> <p>Purple Font Cells: Cells with purple font relate to inputs that are entered via a list selector. When selecting the cell, a drop-down arrow will appear. Click the arrow and a list of options for that input cell will be displayed.</p>

7. When data input is complete, you may run the Residual Land Value Analysis  or Sensitivity Analysis  by clicking on the button on the relevant worksheets.
8. When you are satisfied that the information has been entered correctly you may select the [Printing Options](#)  on the [Ribbon Menu](#) to print the reports.
9. Save your changes using the [File] → [Save/Save As] command   on the [Ribbon Menu](#).

3.2 Opening and Closing Files

Starting Estate Master DF Lite

1. In Windows go to the [Start] → [Programs] → [Estate Master] → [DF Lite x] and click on [Estate Master DF Lite].

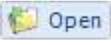


2. The program will begin to load with a new blank workbook, ready for the user to start entering data.

Opening a New Estate Master DF Lite Data File

1. Use the [New] command  to load a new blank workbook window.
2. You can open up to 4 new workbook windows in the Estate Master DF Lite application.

Opening an Existing Estate Master DF Lite Data File

1. Open an existing Estate Master DF Lite data file (*.emdf) either by:
 - a) Using the [Open] command  to browse to and open the file.
 - b) Browsing Windows Explorer and double-clicking on a data file  to open it.
2. If the file was previously saved with a password, then it will prompt you to enter the password before opening it.



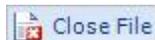
3. You can open up to 4 workbook windows in the Estate Master DF Lite application.

Saving and Closing an Estate Master DF Lite Data File

1. After using the program, save the file if required by one of many different buttons on the Toolbar.



2. Please note that some of the fields on the 'Intro' and 'Input' sheets are mandatory, and you will not be able to save a file if they haven't been entered.
3. If you have elected to save files with a password in the [Preferences](#), then it will prompt you to enter the password and confirm it before saving.
4. Close the currently active Estate Master DF Lite file by using the [Close File] command



Exiting from Estate Master DF Lite

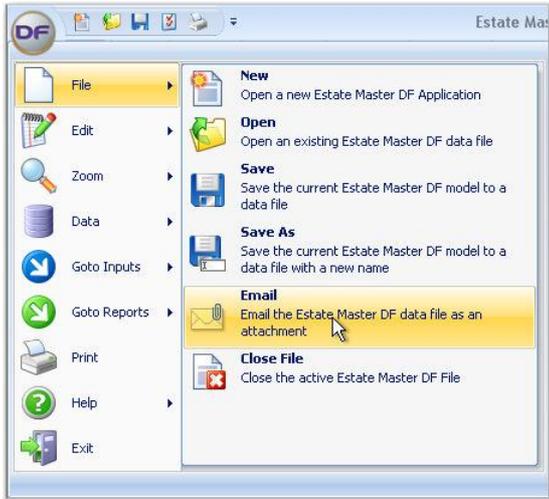
1. When finished, close the application either by:
 - a) clicking on [X] in the top right corner,
 - b) double clicking the Estate Master DF Lite icon in the top left corner or
 - c) selecting [Exit] from the Application Menu.



3.3 Emailing Files

The program has inbuilt emailing functionality to allow you to email files without having to save them and then attach them manually to an email message. No other email software (such as Outlook, Lotus Notes, etc) is required, only an internet connection and valid SMTP (Simple Mail Transfer Protocol) settings.

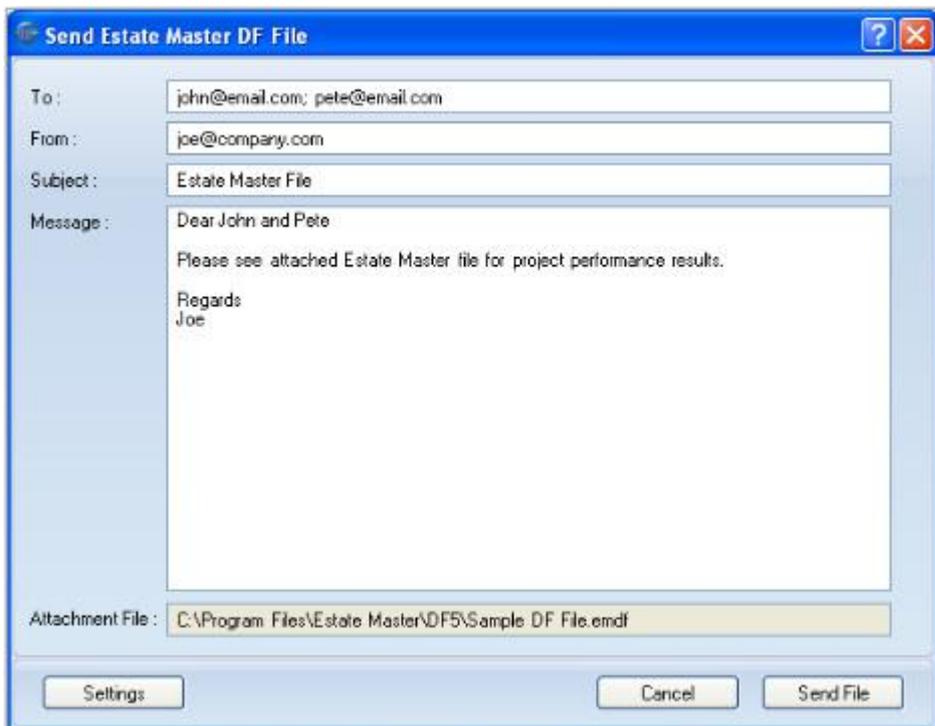
The email function is found in the [Application Menu](#), under 'File'.



When 'Email' is clicked, it may first prompt you to save your file (if there have been any changes to your file since the last save). Once the file is saved, it will load a form where the user can enter the following information (* denotes mandatory fields):

- **TO*** email address(s): You can enter multiple email address in this field, separated by a ';' semi-colon (e.g john@email.com; pete@email.com)
- **FROM*** email address. Only one email address can be entered here. This is also the email address that the recipient can reply to.
- **SUBJECT*** of the email.
- **MESSAGE** text for the body of the email.

You will notice that the data file is already attached to the email message.



Before any files can be emailed through this feature, the SMTP settings must be configured. This is done by clicking on the 'Settings' button and entering in the following information:

- **SMTP Server:** Your SMTP server name (e.g. smtp.yourISP.com)
- **Port:** The TCP (Transmission Control Protocol) port that the SMTP server uses. This is usually port 25.
- **Encrypted Connection:** Select this if your SMTP server name uses a SSL (Secure Sockets Layer) connection.
- **Use Default Credentials:** Specifies whether the default user credentials should be used to access the SMTP mail server. If it is not selected, then the you must enter in a username and password.
- **Username:** The user name to use for authentication to the SMTP mail server.
- **Password:** The password to use for authentication to the SMTP mail server.



Please note:

- These settings are application and machine specific, therefore you will need to configure them for each Estate Master application installed on a PC/Server, and each PC/Server that has the software installed.
- If you do not know your SMTP settings, please consult your IT Administrators or your Internet Service Provider.

Once these settings have been configured, the software is ready to email files. When the 'Send' button is clicked, it will validate the email address(s) and the SMTP settings you have entered.

- If the email was successfully sent, a message will appear to inform you.
- If there was any error in trying to send the file, a message like this may appear: If you receive an error, please consult your IT Administrator to verify that the SMTP settings have been entered correctly or to use an alternative SMTP server.

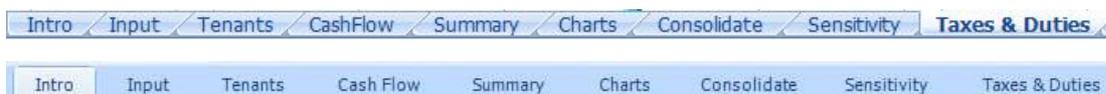
3.4 Navigation

The Estate Master DF Lite program is subdivided into a series of worksheets. To navigate around the Estate Master DF Lite program, there are two methods available:

1. Use the 'Go to Inputs' and 'Go to Reports' navigation tool on the [Application Menu](#).



2. Click on the relevant worksheet tabs (below or above workbook area).



Intro	Introduction page. Enter project name and other details.
Input	Primary data input sheet. This is where the majority of assumptions regarding costs and revenues are entered. The Gantt chart for viewing project timeline is also generated on this sheet.
Tenants	Tenancy Schedule input sheet: rents, leasing costs and incentives, capitalisation rates, etc.
Cash Flow	Contains the detailed cash flow outputs. This is where optional manual cash flow inputs can also be entered.
Summary	The development financial summary sheets for the developer.
Charts	Project cash flow charts for the developer and charts for the Consolidation of Stages or Comparison of Options.
Consolidate	Consolidates or compares up to 8 different stages or options that have been stored.
Sensitivity	The tables and charts from the Sensitivity Analysis.
Taxes & Duties	The adjustable stamp duty and lax tax calculation tables.

3.5 Keyboard Shortcuts

The following are some keyboard shortcuts to assist in navigation, data entry and working with cells and worksheets.

Navigation

Page Down / Page Up	Move one screen down / one screen up in a worksheet
Tab / Shift+Tab	Move one cell to the right / to the left in a worksheet
Ctrl+Arrow Keys	Move to the edge of next data region (cells that contains data)
Home	Move to the beginning of a row in a worksheet
Ctrl+Home	Move to the beginning of a worksheet
End	Move to the end of a row in a worksheet
Ctrl+End	Move to the last cell with content on a worksheet
Ctrl+f	Display the Find and Replace dialog box
F5	Display the 'Go To' dialog box to navigate to defined range names

Working with Cells

Shift+Space	Select the entire row
Ctrl+Space	Select the entire column
Shift+Arrow Keys	Extend the selection by one cell
Ctrl+Shift+Arrow Key	Extend the selection to the last cell with content in row or column
Shift+Page Down / Shift+Page Up	Extend the selection down one screen /up one screen
Shift+Home	Extend the selection to the beginning of the row
Ctrl+Shift+Home	Extend the selection to the beginning of the worksheet
Ctrl+Shift+End	Extend the selection to the last used cell on the worksheet (lower-right corner)

Insert and Edit Data

Ctrl+z	Undo last action (on the active worksheet)
Ctrl+y	Redo last action (on the active worksheet)
Ctrl-c	Copy contents of selected cells
Ctrl+x	Cut contents of selected cells (custom worksheets only)
Ctrl-v	<ul style="list-style-type: none"> On standard worksheets: Paste 'Values' from clipboard into selected cell On custom worksheets: Paste 'Formulae and Formatting' from clipboard into selected cell
F2	Edit the active cell with cursor at end of the line
Alt+Enter	Start a new line in the same cell
Enter	Complete a cell entry and move down in the selection
Shift+Enter	Complete a cell entry and move up in the selection
Tab / Shift+Tab	Complete a cell entry and move to the right / to the left in the selection
Ctrl+d	Fill complete cell down (copy above cell)
Ctrl+r	Fill complete cell to the right (copy cell from the left)

Formatting (Custom Worksheets only)

Ctrl+b	Apply or remove bold formatting
Ctrl+i	Apply or remove italic formatting
Ctrl+u	Apply or remove an underline

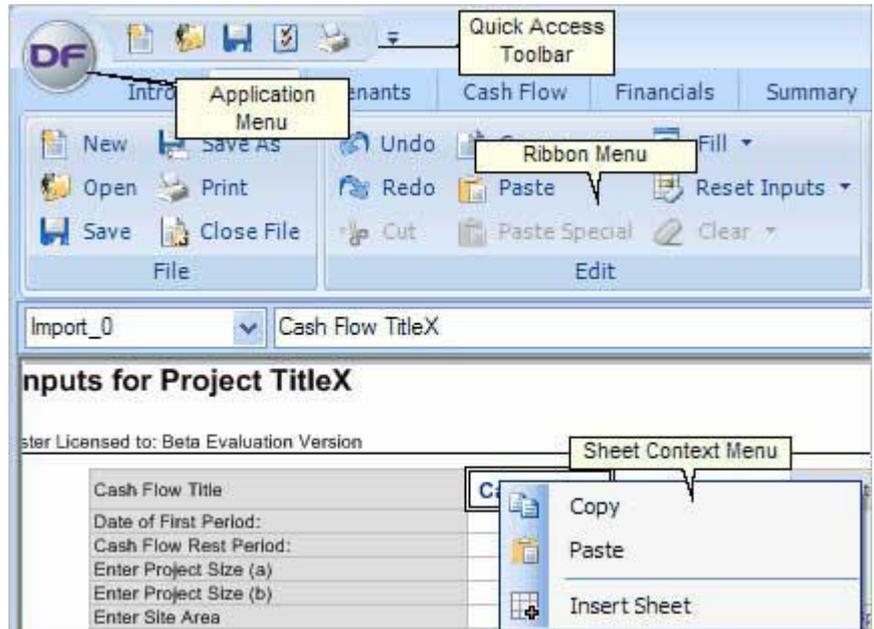
Other

F1	Load the Estate Master DF Lite Help File
F12	Load the Estate Master DF Lite Preferences Form

3.6 Menus and Toolbars

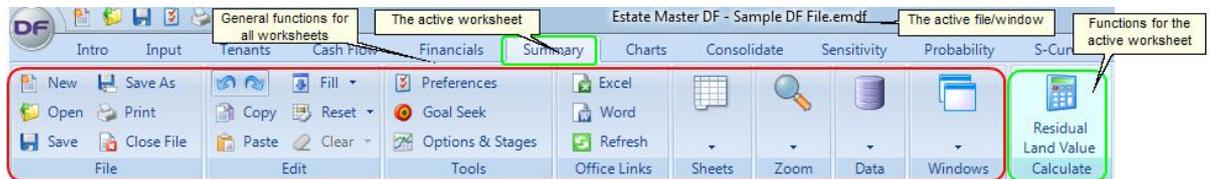
There are 4 main menus and toolbars in the Estate Master DF Lite application for the user:

1. The Ribbon Menu
2. The Quick Access Toolbar
3. The Application Menu
4. Sheet Context Menus



3.6.1 Ribbon Menu

The Ribbon Menu is located at the top of the application window and provides the user with the functions available in the program, and in particular, the functions related to specific sheets.



The Ribbon Menu has 2 definable parts:

1. Functions that apply to all worksheets:
 - These are common functions that can be used on all worksheet and are replicated on all worksheet tabs.
 - If any of these functions are greyed-out (disabled), then they are not applicable to the active worksheet.
2. Functions that apply to the currently selected worksheet:
 - These appear when a different tab/worksheet is selected.
 - They are identified by an aqua coloured menu button.

File Menu

New	Opens a Estate Master DF Lite blank workbook in a new window..
Open	Prompts the user to opens an existing Estate Master DF Lite data file (*.emdff) in a new window.
Save	Saves the current Estate Master DF Lite model to a data file.
Save As	Saves the current Estate Master DF Lite model to a data file with a new file name.
Print	Loads the Estate Master DF Lite Print Menu to allow the user to select what reports to print.
Close File	Closes the current Estate Master DF Lite model window.

Edit Menu

Undo	Undo the last action.
Redo	Redo the last action.
Copy	Copy the select range to the clipboard.
Paste	Pastes the contents of the clipboard into the selected range. When the active sheet is standard sheet, then only values are pasted.
Fill	There are 3 options in this menu: <ol style="list-style-type: none">1. Fill Down: Copies the top cell of a selected range downwards.2. Fill Right: Copies the left cell of a selected range rightwards.3. Fill Series: Fills a series in a selected range based on a particular sequence of data.
Reset	<p>This will clear all the inputs in the standard worksheets to the default. It will not remove user-inserted worksheets.</p> <p>In addition, it allows the user to reset to default or manual variations in interest rates, drawdowns or repayments and variable discount rate inputs made on the Cash Flow sheet.</p>
Clear *	There are 3 options in this menu: <ol style="list-style-type: none">1. Clear All: Clears cell contents and formatting from the select range of cells.2. Clear Formats: Clears cell formatting only from the select range of cells.3. Clear Contents: Clears cell contents only from the select range of cells.

* These options are only available in user-inserted custom worksheets.

Tools Menu

Preferences	Opens the form for the user to select their data Preferences . These should be set before any data is entered but can be changed at any time.
Goal Seek	This is an analysis feature that finds the value for a selected cell that would produce a given result from a calculation. Refer to ' Goal Seek ' section for more information.
Options & Stages	Runs the Store/Recall function . Store the current set of inputs as one of the available 'options/stages' in the program for comparison or consolidation purposes. Recall one of the 'options/stages' in the program back into the main input sheet for editing.

Office Links Menu

Excel	Loads the dialog where you can create and edit links to external Excel files.
Word	Loads the dialog where you can create and edit links to external Word files.
Refresh	Updates the values for all linked Excel and Word files.

Sheets Menu

Add	Add a custom worksheet to the workbook.
Rename	Rename the currently selected custom worksheet.
Delete	Delete the currently selected custom worksheet.
Move	Rearrange the order of the custom worksheets.

Zoom Menu

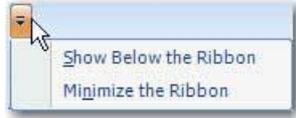
Default Zoom (Active Sheet)	Resets the active sheet to the default zoom. The 'default zoom' is determined by the monitor size and resolution settings of the PC/Server running the application.
Default Zoom (All Sheets)	Resets all worksheets to their default zoom.
Custom Zoom	Allows the user to set their own zoom for the active worksheet. These settings are saved to the PC/Server that the Estate Master DF Lite is installed on and will apply to all users running the application from that PC/Server.

Data Menu

Export to Excel	<p>Export the workbook in one of 2 ways:</p> <ol style="list-style-type: none">1. To a standalone Excel file (*.xlsx) for use with Excel (version 2007 + only), or2. Appending the worksheets to an existing Excel file (*.xlx or *.xlsm). The user will be given the option to copy the existing file and save it as a new one (useful when working with templates), or override the file being selected. <p><u>Please Note:</u></p> <ul style="list-style-type: none">• Estate Master files are exported as values only and contain no formulas (except on custom worksheets when exporting to a standalone file), so changing inputs in an exported file will not impact on the results.• If you select the 'Append to Existing Excel File' option, some features that are not completely supported by this spreadsheet interface may be stripped from the selected Excel file after saving (including, but not limited to, items such as Form/ActiveX Controls, Pivot Charts, Cell Comments, Cell Gradients, Excel 2007-style Conditional Format options, Excel 2007-style Tables and Structured References, OLE objects (Camera, Embedded Documents, etc) and Shape fill effects and shadows).
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Customising the Ribbon Menu

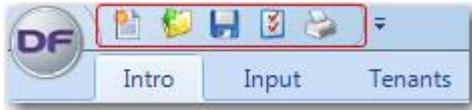
- **To minimise the Ribbon:** Click on the arrow icon  and select [Minimize the Ribbon], or double click on any of the menu tabs.



Once the Ribbon is minimised, it will only pop up when one of the tabs is selected, then hide again when deselected.

3.6.2 Quick Access Toolbar

The Quick Access Toolbar is located in the top-left corner of the application window and provides the user with shortcuts to the various functions available in the program.



By default, there are 5 functions that can be operated from this toolbar:

	New	Opens a Estate Master DF Lite blank workbook in a new window.
	Open	Prompts the user to opens an existing Estate Master DF Lite data file (*.emia) in a new window.
	Save	Saves the current Estate Master DF Lite model to a data file.
	Preferences	Opens the form for the user to select their data Preferences .
	Print	Loads the Estate Master DF Lite Print Menu to allow the user to select what reports to print.

Customising the Quick Access Toolbar

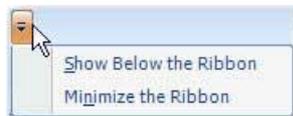
- **To remove an item from the Toolbar:** Right click the icon and select [Remove from Quick Access Toolbar]



- **To add an item to the Toolbar:** Right click the icon in the Ribbon and select [Add to Quick Access Toolbar]



- **To move the Toolbar below or above the Ribbon:** Click on the arrow icon  and select [Show Below/Above the Ribbon]



3.6.3 Application Menu

The Application Menu is located in the top-left corner of the application window (indicated by the Estate Master DF Lite icon) and provides the user with access to the various functions available in the program.

Most of these functions are also located within the [Ribbon Menu](#) and [Quick Access Toolbar](#). In addition, there are:

- 'Goto' menus to assist the user with navigating around the program.
- A 'Help' menu offering different ways of resolving support issue.

Goto Menus

Go To Inputs Go to any of the dedicated data input areas in the program.

Go To Reports Go to any of the reporting worksheets, such as the Cash Flow, Summary, Charts, etc.

Help Menu

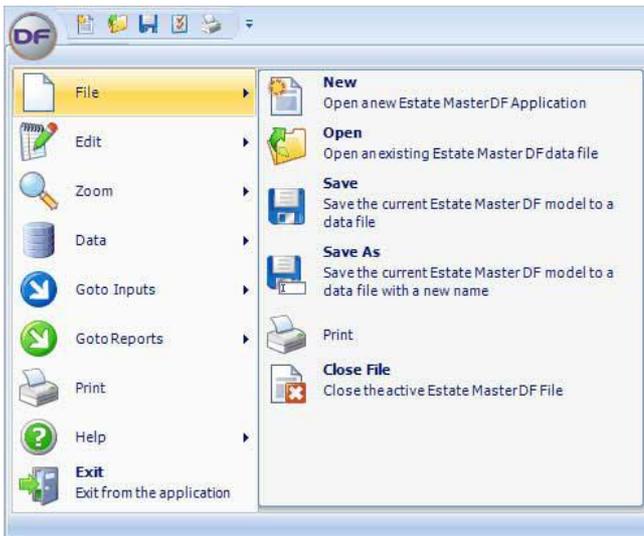
Estate Master DF Lite Help Opens the Estate Master DF Lite Help program.

Send Query Send a technical support query via email/internet

Remote Help Desk Allow an Estate Master Support Officer to remotely connect to your PC/Server for troubleshooting and assistance. You must contact an Estate Master Support Officer before attempting any connection (Powered by TeamViewer).

Check for Updates Check the latest version of the software online (requires internet connection).

About Estate Master DF Lite Allows the user to view the current licence details and re-register an existing licence. It also lists what 'Integration Modules' are enabled for the current licence.

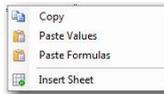


3.6.4 Sheet Context Menus

Context Menus pop up when clicking an item on the worksheet area, offering a list of options which vary depending on the item selected. These menus are invoked with a right-click of a mouse.

Standard Sheets

The context menu on the Standard sheets is invoked by right-clicking a cell, row or column.



Copy	Copies the currently selected range of cells to the clipboard.
Paste Values	Pastes the content of the clipboard (values only, not formulas or formatting) in the currently selected range.
Paste Formulas	Pastes the content of the clipboard (formulas only, no formatting) in the currently selected range.
Insert Sheet	Inserts an additional blank worksheet.

User Inserted Sheets

The context menu on the User Inserted sheets is invoked by right-clicking a cell, row or column.



Copy	Copies the currently selected range of cells to the clipboard.
Cut	Cuts the currently selected range of cells to the clipboard.
Paste	Pastes the content of the clipboard in the currently selected range. When the active sheet is a standard sheet, then only values are pasted.
Paste Special	Allows the user to select what content from the clipboard (values, formatting, comments, etc) to paste in the currently selected range.
Insert ...	Inserts a column or row next to the currently selected range.
Delete ...	Deletes the currently selected column or row.
Clear Contents	Clears the cell contents (values or formulas) of the currently selected range
Sheet	<p>Insert: Inserts an additional blank worksheet (user-inserted sheets).</p> <p>Delete: Deletes the currently selected user-inserted worksheet.</p> <p>Rename: Renames the currently selected user-inserted worksheet</p>
Data	<p>Sort Ascending/Descending: Sorts the selected cells vertically. If there are multiple columns selected in the range, the user will be prompted to select which column to sort by.</p> <p>Apply Auto-Filter: Applies an auto-filter to the selected range. If an Auto-Filter already exists on the active sheet, then a 'Remove Filter' option will be available.</p> <p>Group/Ungroup: Group selected data by rows and columns using 'outlines'.</p> <p>Clear Outline: Clears all the outlines (groupings) on the active worksheet.</p>
Names	<p>Define: Define a local range name for the currently selected cells.</p> <p>Edit: Edit or delete existing range names on the user-inserted sheet.</p>
Insert Chart	Insert a chart on the worksheet.
Insert Image	Insert an image (*.jpg, *.jpeg or *.bmp) on the worksheet.

Format Cell	Change the format of the currently selected range, including number format, font, borders, colour, conditional formats, etc.
Print	<p>Set Print Area: Define what part of the worksheet to print by setting the currently selected range as the 'Print</p> <p>Page Setup: Change the settings for how the page is to be printed, such as orientation, zoom, margins, headers, footers, etc.</p> <p>Print: Print the active user-inserted sheet.</p>
Freeze/ Unfreeze Panels	Freeze panes at the selected row, column or cell, or unfreeze (clear) panes on the active sheet.
Protect/ Unprotect	Protect or unprotect the selected worksheet. When protecting, you will be prompted to enter in a password. If this is left blank, the the worksheet will still be protected, but with no password.).

Charts

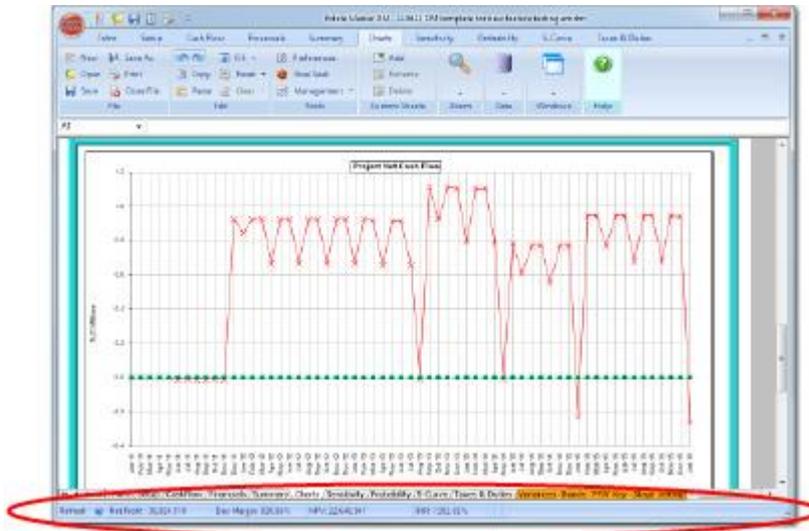
If you are right-clicking on any Chart, either on a Standard or custom sheet, you will be given the following options:



Edit Chart	(Charts on custom sheets only) To edit the chart settings, including the source data, chart type, format, etc, either double click the chart or right-click on it and select 'Edit Chart' to load the Chart Explorer dialog.
Copy Chart	Copies the selected chart to the clipboard as an image, so it can be pasted in other documents.

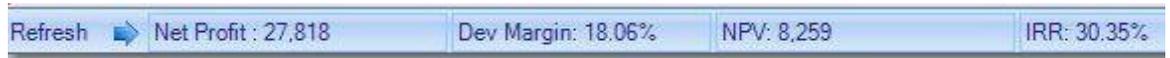
3.7 Status Bar

The Status Bar is located at the bottom of the application.

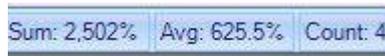


It has 5 definable parts:

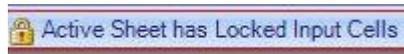
1. **KPI Snapshot:** This part of the status bar provides a summary of the key performance indicators of the Cash Flow, including Net Profit, Development Margin, NPV and IRR. These can be updated anytime by clicking on the left 'Refresh' button.



2. **Statistics:** This part of the status bar provides a Sum, Average and Count of the currently selected cells (excludes text formatted cells). These update instantly.



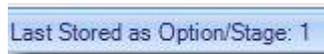
3. **Locked Cells Warning:** This part of the status bar provides a warning if any input cells on the currently active worksheet are locked via the ['Protection' Preferences](#). By clicking this button, it will load the Preferences so the user can see which input ranges have been locked.



4. **Linked Excel Files Warning:** This part of the status bar provides a warning if an external Excel file that has 'incoming' links has been modified since the last 'refresh'. By clicking this button, it will refresh all the links.



5. **Options/Stages Status:** This part of the status bar alerts the user what the last Option/Stage was either recalled or stored as.

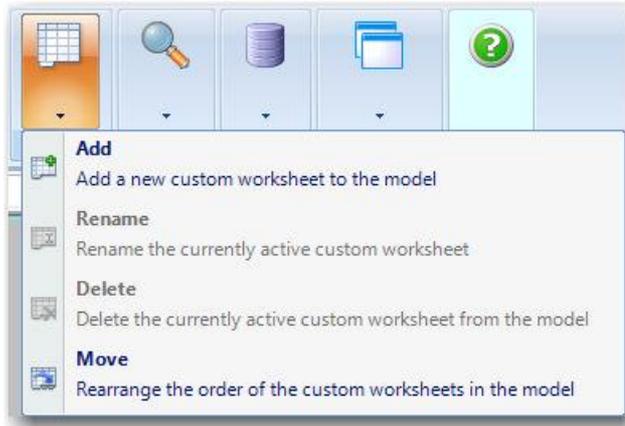


3.8 Custom Worksheets

The Estate Master DF Lite program is based on a spreadsheet interface and allows you to insert additional blank worksheet into the model.

Adding a Custom Sheet

Adding custom sheets is conducted via the 'Sheets' section in the [Ribbon Menu](#).



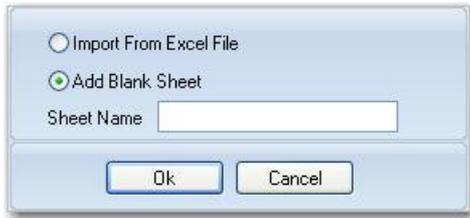
When you click on 'Add', there will be 2 options for adding a custom worksheet into the model:

1. **Importing a sheet(s) from another Excel file:** This will prompt you to browse to an Excel file and select one or more worksheets in that file to import.

Important Notes:

- If you attempt to import a worksheet that has formula links to another worksheet, you will be required to import the other worksheet to avoid any links being broken, otherwise you will not be able to import the worksheet.
- If you attempt to import a protected worksheet that has password on it, you will be prompted to enter in the password before the worksheet can be imported. Once the worksheet is successfully imported, it will be protected again and can be unprotected using the [sheet context menu](#).
 - Any 'Global' range names (those that are global to a workbook) that exist on the worksheet to be imported will be removed. Only 'local' range names (those that are local to a worksheet) will be imported with the worksheet. If you have a range name on the worksheet and you want it to be imported into Estate Master, you will need to ensure they 'local'. Refer to this Microsoft Article about using Global and Local range names: <http://support.microsoft.com/kb/274504>
 - Any 'Local' range names (that exist on the worksheet to be imported) that refer to an external Excel workbook will be removed.
 - Any 'Local' range names (that exist on the worksheet to be imported) that have the same name as a standard Estate Master Global Name will be renamed with "_RENAMED" appended to the end of the name. This means that any formulae that was referencing this name will be automatically adjusted.

2. **Adding a blank worksheet:** This will add a blank unprotected worksheet to the model.



Please Note:

- Custom sheets are file specific. They are not separately stored with storing [Options/Stages](#). Therefore, since each Option/Stage may have different numbers of input rows and time periods between them, be careful when linking data from the standard sheets to the custom sheets, as the same cell reference may be referring to different items between them.

Therefore, if you are using Options/Stages and are linking inputs to the custom sheets, then you should either:

1. Not delete any rows/columns on the custom worksheet once you have stored an Option/Stage
2. Have a separate worksheet for each Option/Stage, and only edit it while that specific Option/Stage is live

Renaming, Moving or Deleting a Custom Sheet

Once a sheet is added, you can do the following to it:

- **Rename it:** Click on 'Rename' and a prompt will appear asking you to give the active sheet a different name.
- **Delete it:** Click on 'Delete' and it will ask you confirm to delete the active sheet.
- **Move it:** Click on 'Move' and a list of all the custom sheets in the model will appear where you can rearrange their order. You cannot rearrange the order of any of the standard worksheets.

Renaming or Deleting Sheets when using Options/Stages

Deleting/Renaming a custom worksheet will make any custom formulae that you have created in your Options/Stages inputs that refer to this sheet, invalid. That is because, when that Option/Stage is recalled, it may have formulae that refer to a sheet name that no longer exists.

Any invalid formulae will then be converted to its corresponding 'value' the next time the Option/Stage is recalled.

Custom Sheets Formatting Menu

In addition to the [context menu](#) available for custom sheets, there is also a Ribbon Menu item that appears when a custom sheet is activated to assist with cell formatting.



It contains the following functions:

- Setting the font to Bold, Italics and Underlined.
- Left, centre or right aligning text.
- Changing the number format to Comma (#,###.00) or Percentage Style (#.00%).
- Setting the Fill colour of the cell.*
- Setting the Font colour.*
- Increasing or decreasing font size.
- Merge and Centre across cells and text wrapping.
- Format Painter (copies formatting of current selection and pastes it onto the next selected cell(s))
- Clearing cell formatting.

* When setting colours to fill or font, the previously selected colour will be displayed when hovering over the menu item.



For a complete menu of all formatting available for custom sheets, click on the  button at the bottom right of the menu.

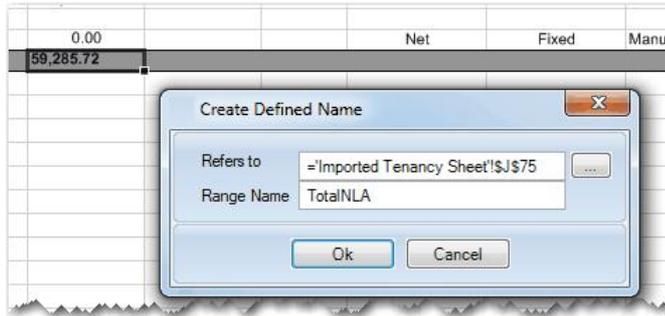
3.8.1 Names

This feature allows you to create a named range or a named constant/formula to use them in other formulas. By using 'Names', you can make your formulas much easier to understand and maintain, and more importantly, make them dynamic.

Defining a Range Name

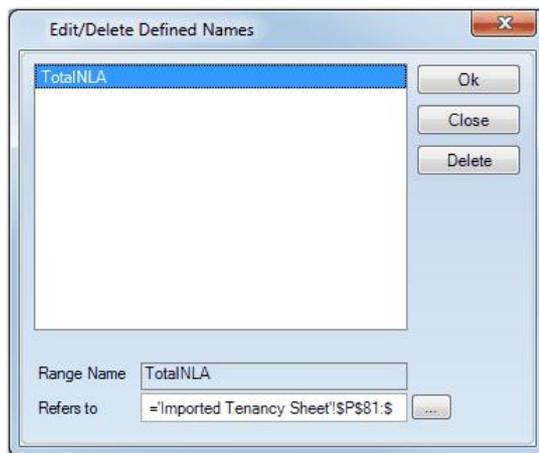
1. On the custom sheet, select the cell(s) you want to define with a Name
2. Right-click and select 'Names > Define'
3. A form will appear with two fields:
 - a. **Refers to:** This defaults to the cell address that is currently selected and that the Name is being applied to. This can be updated to a different cell address if required, or alternatively edited to be formula (e.g. to build dynamic range names) or hardcoded with value.
 - b. **Range Name:** This is the actual Name applied to it. It must have no spaces in the text and not already exist.

- Once completed, click [OK]. This will apply it as a 'Local' Name in the active worksheet.



Editing a Range Name

- On the custom sheet, right-click and select 'Names > Edit'
- A form will appear listing all the Names located on the active worksheet.
- You can select an individual Name and either:
 - Click [Delete] to remove it from the worksheet. Any formulae referencing it will then become invalid and will need to be updated.
 - Edit the 'Refers to' details to change where the Name is pointing to or its formula/value.



Using Names

The Names that are created by this function are 'Local'; meaning that it is available by default only on the sheet where it is defined, whereas 'Global' Names are available to the whole workbook. This means that when using your custom Names in user-inserted formulae:

- If the formula is on the *same* worksheet where the Name is located, you can just type in the name in the formula (e.g. =TotalNLA)
- If the formula is on a *different* worksheet where the Name is located, you must include the sheet name (within single quotes if the sheet name has spaces) with an exclamation point (!) before the Name (e.g. ='Imported Tenancy Sheet!'TotalNLA)

Please Note: Unlike Excel, where it automatically resolves a cell address to a Name (if it has one) when you are editing a formula, Estate Master will not behave like this. You will need to manually type in the Name, whether it be a custom or standard one, in a formula to use it.

3.9 Goal Seek

Goal Seek is sometimes called what-if analysis. When you know the desired result of a single formula but not the input value the formula needs to determine the result, you can use the Goal Seek feature available by clicking  Goal Seek on the [Ribbon Menu](#) menu.

When goal seeking, the program varies the value in one specific cell until a formula that's dependent on that cell returns the result you want.



- **Set Cell:** The cell that contains the formula that you want to settle/resolve. That cell must always contain a formula or a function, not a value.
- **To Value:** The value you want the formula (in the Set Cell) to change to.
- **By Changing Cell:** The part of the formula that you wish to change. That cell must contain a value only, not a formula or function.

3.10 Resizing the Model

The Estate Master DF Lite model can be resized in two areas:

1. Adding more time periods (45 to 120)
2. Adding more cost and revenue rows (max 20).

Resize Time Periods

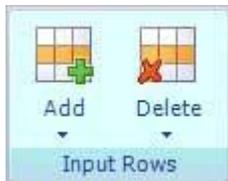
Resizing the time periods is controlled via the the [Estate Master Preferences](#).



1. Go the [Ribbon Menu](#) and click on  Preferences or just press F12.
2. Go to the 'Cash Flow Periods' tab.
3. Expand or reduce the number of time periods. Only add what you need as it will impact on the size of the file.
4. Click on OK and it will make the appropriate changes to the file.

Resize Cost/Revenue Rows

Resizing the input rows is controlled via the the [Ribbon Menu](#) when the Input or Tenancy sheet is selected.



Inserting Rows:

1. Click on the Input Rows 'Add' button, and select from the list which section you would like to add rows to.
2. The program will then prompt how many rows you would like to insert.
3. Click OK to the number, and the model will then resize, adding rows to the end of the section (above the last row).

Deleting Rows:

1. Click on the Input Rows 'Delete' button, and select from the list which section you would like to add rows to.
2. Click OK, and the model will then delete the rows from the end of the section (above the last row - the last row does not get deleted).
3. If these rows have any data in them, it will delete these rows, so please check before deleting them.

Part



IV

4 Estate Master Preferences

The program allows flexibility by the way of user preferences. These are operated by:

1. Clicking on [Preferences]  on the [Ribbon Menu](#) or [Quick Access Toolbar](#),
2. Pressing the [F12] key.

Locking Preferences

Each preference can be individually set and locked with password protection, allowing the user to standardise settings and minimise the risk of incorrectly changing them.

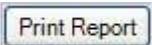
To lock a Preference:

1. Set the preference and then click on the  button located to the right of it.
2. It will then be shown as 'locked'  and the selected preference will then be disabled.
3. A Password field will be displayed at the bottom on the Preferences form.
4. The user must enter in a password before they can click 'OK' and save their changes.

To unlock a Preference:

1. As soon as the Preferences are open, a Password field will be displayed at the bottom on the form.
2. The user must enter in a password before they can unlock any Preference.
3. Go to the preference and then click on the  button located to the right of it.
4. It will then be shown as 'unlocked'  and the selected preference can then be changed by the user.

Printing an Assumptions Report

To check what preferences and settings have been defined in the model, an Assumptions Report is available to be printed, just by clicking on the 'Print Report'  button at the bottom of the Preference form.

4.1 General

4.1.1 Regional Settings

The screenshot shows the 'Regional Settings' section of the 'Estate Master Preferences' dialog box. It contains four sub-sections, each with a dropdown menu and a lock icon to its right:

- Currency:** Australian Dollar (\$ - AUD)
- Taxation Format:** GST (Australia and NZ)
- Stamp Duty:** NSW (dropdown), Based On: Land inc. GST (dropdown)
- Input Number Format:** 0.00 (dropdown)

Currency

Set the currency format. This is important if the Estate Master CC software is used to consolidate cash flows that are based on different currencies.

Taxation Format

Set the taxation format to be used in the model:



- **GST (Goods and Services):** A consumption (as opposed to income) tax levied on the purchases of goods and services. GST can be applied to all costs and revenues in the program
- **VAT (Value Added Tax):** Similar to GST, however there is no option to adopt the Margin Scheme when this option is applied.
- **Sales Tax:** This is a tax applied to end sales only. No tax is applied to costs in the program when this option is selected.

If 'Nil Tax' is selected, then the tax inputs are hidden.

Stamp Duty

Stamp duty is automated based upon the location you select, and whether it is calculated on the land price including or excluding tax. The rates used to calculate duties can be changed in the 'Taxes & Duties' sheet.

Input Number Formats

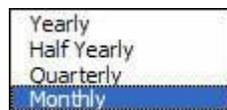
Select the number of decimal places for the input cells.



4.1.2 Cash Flow Periods

Cash Flow Rest Period

Nominate the rest periods for the cash flow. This option will determine how the Start and Span dates are to be entered and how the cash flow will be displayed.



Changing the rest period after you have started a model will not affect any existing values for Start and Span dates for individual cost and revenue items.

For example, say you change 'Monthly' rests to 'Quarterly' rests - a cost item that started Month 4 and spanned 3 months will now start Quarter 4 and span 3 quarters, so it will need to be manually updated by the user to start Quarter 1 and span 1 quarter.

Resize Time Periods

Increase or decrease the number of timer periods in the model to suit user preference (45 to 120).

Financial Year End Month

Select what month is to represent the end of Financial Year. This is used for the setting of Escalation Tables and for Financial reporting.

4.1.3 Spreadsheet Display

Input Sheets and Report Sheets to Display

Select the worksheets which are to be displayed. Deselect to hide worksheets that you are not working on or do not intend to display making navigation around the workbook a little easier. Hiding sheets does not impede in the operation of the program

Spreadsheet Display

Hide or show the spreadsheet row and column headers.

4.1.4 Disclaimer

Disclaimer on Title Page

Enter the text, if applicable, for any disclaimer to be displayed on the Title page.

4.1.5 Logos

Corporate Logo

Insert your own custom corporate logo on the report sheets.

Inserting Images

There are restrictions on the size of the images that can be inserted into the program.

Image	DPI	Maximum Height (Pixels)	Maximum Width (Pixels)
Corporate Logo	96	70	250

4.1.6 Protection

Insert/Delete Input Rows

Allow user to Insert or Delete cost and revenue input rows

Input Cell Protection

Lock	Description	Sheet
<input type="checkbox"/>	Preliminary Inputs	Input
<input checked="" type="checkbox"/>	Tax (GST/VAT) Settings	Input
<input type="checkbox"/>	Cost Escalation Table	Input
<input type="checkbox"/>	Sales and Rental Revenue Escalation Table	Input
<input type="checkbox"/>	Sales Commission and Interest on Deposits	Input
<input type="checkbox"/>	Financing (Equity and Debt)	Input

Save with Password

Always prompt to Password Protect file when saving

Insert/Delete Input Rows

Enable the user to insert/delete rows on the Cash Flow sheet.

Input Cell Protection

This allows you to Lock various input cells throughout the program. Once this is done, the input cell will change to a 'black' font and a warning will appear on the [status bar](#) to indicate the active sheet has locked input cells.

 Active Sheet has Locked Input Cells

Warning on Status Bar - clicking this warning will load the Preferences

This is helpful if you wish to standardise the inputs and create a template.

Save with Password

Select this option to always prompt the user to password protect data files when saving.

4.1.7 Other

Automatic Check for Updates

Always check on program startup

Automatic Check for Updates Set the software to automatically check for updates over the internet every time it is started or not.

4.2 Calculations

4.2.1 Escalation

Escalation Method

Select how the escalation on Costs and Revenue (exc Rent Review Escalation) in the model operates.

Escalation can either be applied on a:

- **Period Compounded Escalation** basis

For example, if 5% is entered in for a particular year in the escalation table, this then equates to approx 0.41% per month (if using monthly rest periods), and each cost/revenue occurring in each month for that year, is escalated by 0.41% compounded.

- **Annual Stepped Escalation** basis (e.g. 5% per month if using monthly rest periods).

For example, if 5% is entered in for a particular year in the escalation table, then each cost/revenue occurring in each period for that year, is escalated by 5%.

The Escalation tables on the Input can also be set up in one of two ways:

- **Cash Flow Period Years:** This option is where the model assumes that the annual escalation rates are defined by the Project Start Date month, and starts on that date.

For example, if Date of First Period (Project Start) is Jan-2007, then Escalation Table starts from Jan-2007.

- **Based on Financial Years:** This option is where the model assumes that the annual escalation rates are defined by the Financial Year End month, and commences from the start of the Financial Year that the project is starting in.

For example, if Date of First Period (Project Start) is Jan-2007 and Financial Year End is June, then Escalation Table starts from Jul-2006.

4.2.2 Project Costs

The screenshot shows a software interface with two sections. The first section is titled "Development Management Fee" and contains a dropdown menu labeled "Based On" with the selected option being "% of Project Costs (inc Land but exc Finance & Tax)". To the right of the dropdown is a lock icon. The second section is titled "Pre-Sale Commissions" and contains a checked checkbox labeled "Show as a Project Cost in all Reports" with a lock icon to its right.

Development Management Fee

The Development Management Fee can be expressed as a percentage of:

- Total Gross Sales proceeds,
- Total Net Sales proceeds (Gross Sales /less Selling Costs),
- Total Project Costs including Land, or
- Total Project Costs excluding Land.

Project costs exclude finance costs and GST/VAT if applicable.

Pre-Sale Commissions

Tick the checkbox if you wish to report all Commissions incurred at time of Exchange as a Project Costs (as opposed to a negative Revenue). This will impact how the Development Margin is reported, and where other cost items are a % of Project Costs.

4.2.3 Revenue Collection Profile

Sales Revenue Collection Profile

This option allows you to decide how the milestones for the Sales Revenue Collection Profiles are set. They can either be based on:

- Specific Time Periods in the Cash Flow, or
- A certain number of months after the Date of Exchange for each sale item.

If the Sales Collection Profile is not required, there is an option to 'disable' it.

4.2.4 Hurdle Rates

Discount Rate Conversion

This enables you to select the method of conversion from the annual discount rate (that is entered by the user) to the periodic discount rate (monthly, quarterly or half yearly depending upon the rest period you selected). The difference is given in the following formulae:

Nominal Conversion	D/T
Effective Conversion	$[(D + 1)^{1/T}] - 1$

Where:

D = is the annual discount rate.

T = The number of rest periods per annum (i.e Monthly = 12, Quarterly = 4, etc)

Note:

- It is imperative that a universal usage for the conversion of the discount rate be adopted for all evaluations.
- The first formula simply divides the annual discount rate by 12 while the second formula is the effective conversion and takes into account the compounding on a monthly, quarterly, half yearly basis depending on the cash flow being modelled.
- This only affects the NPV and IRR calculation - not the development margin.

IRR and NPV Calculation

Nominate if Finance Costs or Interest Charges are to be included in the calculation of the Project IRR and NPV.

excludes all financing costs, interest
 includes financing costs but excludes interest
 includes all financing costs and interest

- **Financing Costs** = Cost defined in the 'Financing Costs' section and Line Fees and Application Fees associated for each loan.
- **Interest** = Interest charged on equity or the loan facilities.

The options that **include interest** are generally not recommended as discounting an after interest cash flow is a form of double-counting interest cost.

Development Margin Calculation

Nominate what forms the basis of calculating the Development Margin.

on total development costs (inc selling and leasing costs).
 on total development costs (inc selling costs).
 on total development costs (net of selling and leasing costs).
 on total revenue (net of GST).
 on total sales proceeds (net of selling costs and GST).

The following defines the exact components of the Summary Report that are used in the calculation of each option:

- **Development Costs (inc Selling and Leasing Costs)** = 'Total Costs' *plus* 'Selling Costs' and 'Purchasers Costs'
- **Development Costs (inc Selling Costs)** = 'Total Costs' (exc GST/VAT reclaims on any Leasing Costs) *plus* 'Selling Costs' and 'Purchasers Costs'
- **Development Costs (net of Selling and Leasing Costs)** = 'Total Costs' (exc GST/VAT reclaims on any 'Selling and Leasing Costs')
- **Total Revenue net of GST/VAT/Sales Tax** = 'Total Sales Revenue' *plus* 'Rental Income' *plus* 'Interest Received' *plus* 'Other Income' *less* 'GST/VAT/Sales Tax Paid'
- **Total Sales Proceeds (net of Selling Costs and GST/VAT/Sales Tax)** = 'Net Sales Proceeds' *less* 'GST/VAT/Sales Tax Paid' on Sales only (not Rental or Other Income)

Gross or Net Profit Performance

Determines how any Profit Share that is paid to other parties (Land Owner or Lenders) are treated in the calculation of various performance indicators.

Based on Gross Development Profit (Before Profit Share)
 Based on Net Development Profit (After Profit Share)

This will impact the calculations for Development Margin, NPV, IRR, Residual Land Values, Sensitivity and Probability Analysis.

4.3 Taxation

4.3.1 Tax Type

Tax Rate Type

Indicate whether the GST/VAT scheme is based on a single or multiple tax rate structure.

- If **Single Rate** is selected, then the user will have the option to enter 1 tax rate in the Input sheet, and then nominate a 'Y' (Yes), or 'N' (No) for each cost and revenue item, if that tax rate is to be applied to it or not
- If **Multiple Rate** is selected, then the user will have the option to enter up to 3 different tax rates in the Input sheet, and then nominate a 'A or Y' (first rate), 'B' (second rate), 'C' (third rate) or 'N' (No) for each cost and revenue item, if that tax rate is to be applied to it or not

Goods and Services Tax		Single rate (left) or multiple rate (below)			
Goods and Services Tax Rate	10.00%	A or Y	B	C	N
Goods and Services Tax Rate	10.00%	10.00%	12.50%	20.00%	0.00%

Tax Liability Calculation Type

Choose whether the model calculates the GST/VAT liability automatically or via a manual input by the user.

- **AUTO - General Tax Rule:** The program automatically calculates the GST/VAT liabilities and credits depending on what the user entered into the GST/VAT cell for each cost and revenue line item.
- **Margin Scheme with Valuation (GST Model Only):** The user is prompted to enter the margin value for the calculation of GST liability. The program will then automatically calculate the GST liabilities and credits depending on what the user entered into the GST cell for each cost and revenue line item.
- **Margin Scheme with % Cost Completed 1-7-2000:** Based on the user's inputs in the cost sections, the model will determine by default the % of costs that have been incurred before 1-7-2000. It then applies the Margin Scheme with

Valuation calculation to determine input credits and liabilities.

- **Manual Input of Liability:** The program automatically calculates the GST/VAT credits depending on what the user entered into the GST/VAT cell for each cost line item, but the user must manually input the lump sum liability with start and span dates.

4.3.2 Cost and Revenue Inputs

Cost and Revenue Tax Input Method

Enter Project Costs	Inclusive of GST	
Enter Rents and Leasing Costs	Inclusive of GST	
Enter Sales Revenue	Inclusive of Tax (If applicable)	

Cost and Revenue Input Method

Select how costs and revenues are to be entered in the model.

- If **Exclusive of Tax** is selected, then the model will assume that amounts entered in the inputs **exclude** tax and if a GST/VAT rate is applied to that item then it will automatically add the tax amount to the item in the cash flow and reclaim tax credits or pay tax liabilities appropriately.

If 'Net of Tax' is selected for cost inputs, then an 'Add Tax' option is available for each cost line item.

Base Rate / Unit	Add GST	Total Current Costs (exc GST)	Total Current Costs (inc GST)
100,000	Y	100,000	110,000

Once the user enters in the net cost (e.g. 100,000) and nominates to Add Tax ('Y'), the total cost will then be 110,000 (assuming the tax rate is 10%)
The user can also enter 'N' if no tax is to be added.

- If **Inclusive of Tax** is selected, then the model will assume that amounts entered in the inputs **exclude** tax and if a GST/VAT rate is applied to that item then it will automatically add the tax amount to the item in the cash flow and reclaim tax credits or pay tax liabilities appropriately.

If 'Inclusive of Tax' is selected for cost inputs, then an 'Tax Included' option is available for each cost line item.

Base Rate / Unit	GST Included	Total Current Costs (exc GST)	Total Current Costs (inc GST)
110,000	Y	100,000	110,000

Once the user enters in the gross cost (e.g. 110,000) and nominates that Tax is Included ('Y'), the net cost will then be 100,000 (assuming the tax rate is 10%). The user can enter 'N' if no tax is included in the base.

4.3.3 Liabilities and Reclaims

Developer's Tax Payment and Reclaim Frequency

Liability Payment	Paid in the Same Month	
Land Purchase Input Credits	Reclaim All After First Land Payment	
Other Costs Input Credits	Reclaimed in the Same Month	

Tax Payment and Reclaim Frequency

These options allow the user to nominate the delay between expenditure of costs and the reimbursement of the GST/VAT credits and the delay between receipt of revenues and the payment of the GST/VAT liabilities for the Developer.

Paid in the Same Month
Paid ONE Month Later
Paid TWO Months Later
Paid every 2 months from January
Paid every 2 months from February
Paid Quarterly from January
Paid Quarterly from February
Paid Quarterly from March

Tax Liability Frequency

In addition to different timings (i.e monthly, quarterly, etc), the tax credit reclaims have two other distinct options:

- **Offset Against Liability at Sale:** No credits are reclaimed until sales occur.
- **Calculated but not Reclaimed:** The tax paid on costs is shown on the Summary report as a separate line item, but is not effectively reclaimed by the developer.

A separate option is also available to determine the GST/VAT reclaim frequency for the land cost.

Reclaim All After First Land Payment
Reclaim All After Final Land Settlement
Reclaim Proportionally with Land Payments

4.4 Financing

4.4.1 Global Settings

Interest Rate Conversion This is to do with the method for converting all the in the model interest rates from their annual rate to the selected rest period (months, quarters, half years or years) for all interest payable and receivable.

Nominal Conversion	D/T
Effective Conversion	$[(D + 1)^{1/T}] - 1$

Where:

D = is the annual interest rate.

T = The number of rest periods per annum (i.e Monthly = 12, Quarterly = 4, Half Yearly = 2)

Note:

- It is imperative that a universal usage for the conversion of the interest rate be adopted for all evaluations.
- The first formula simply divides the annual interest rate by 12 while the second formula is the effective conversion and takes into account the compounding on a monthly, quarterly, half yearly basis depending on the cash flow being modelled.

Total Debt Loan Ratio Calculation Method Indicate the denominator for the loan ratio calculation for the total debt overdraft. This is only used to show the Loan Ratio on the Reports.

RETURNS ON FUNDS INVESTED	Total Debt
Loan to Value Ratio	3.72%
Loan Ratio	95.57%
	of Land Purchase Price

Summary Total Debt Loan Ratio

Loan Ratios Display This options allows you to set how the Loan Ratios are displayed on the following reports:

- **Cash Flow Report:** Set the Loan Ratio to be calculated on either cumulative loan drawdowns, or on the current loan balance (which may include capitalised interest and fees)
- **Summary Report:** Set the Loan Ratio to be calculated on total funds invested, either including or excluding capitalised interest and fees.

Loan 4 - Lender Name				
Drawdown	(1,000,000)	-	-	-
Loan Interest Rate (%/ann)	5.00%	5.00%	5.00%	5.00%
Interest Charged	-	(4,167)	(4,184)	(4,201)
Application and Line Fees	-	-	-	-
Interest Paid by Equity	-	-	-	-
Loan Repayment	-	-	-	-
Interest and Fees	-	-	-	-
Principal	-	-	-	-
Loan Balance	(1,000,000)	(1,004,167)	(1,008,351)	(1,012,552)
% of Land Purchase Price	90.91%	90.91%	90.91%	90.91%
Loan 4 Cash Flow	(1,000,000)	-	-	-

Cash Flow Loan Ratio

RETURNS ON FUNDS INVESTED	Loan 4
	Lender Name
Funds Invested (Cash Outlay)	8,415,007
% of Total Funds Invested	100.00%
Payback Date	Jun-12
Month of Payback	Month 41
IRR on Funds Invested	5.00%
Equity to Debt Ratio	N.A.
Loan to Value Ratio	3.72%
Loan Ratio	95.57%
	% of Land Purchase Price.

Summary Loan Ratio

Profit Share Payment If there are any profit share payments to the Land Owner then this options allows you to select when the profit share is paid out:

- **Paid in full at project end:** The model waits till the end of the project before any profit share payments are distributed.
- **Paid Progressively:** As soon as the project makes a profit (are debts are repaid), then any profit share payments will be distributed progressively. This option will only work if the option for '[Equity Repayment](#)' is set to 'repay when available' as well, otherwise it will default to paying it at the end of the project.

Paid in full at project end.
Paid progressively as project makes a profit.

4.4.2 Hard Costs

Hard Costs

<input checked="" type="checkbox"/> Land Purchase Price	<input checked="" type="checkbox"/> Statutory Fees	
<input checked="" type="checkbox"/> Land Acquisition Costs	<input checked="" type="checkbox"/> Land Holding Costs	
<input checked="" type="checkbox"/> Project Contingency		
<input checked="" type="checkbox"/> Professional Fees		
<input checked="" type="checkbox"/> Construction Costs		
<input checked="" type="checkbox"/> Exclude Tax from Hard Costs		

Hard Costs

Select which project costs are classified as 'Hard Costs' for the purpose of loan ratios or facility limits that are based on 'Total Hard Costs' (as below).

If the tax component (GST/VAT) of the selected hard costs are to be excluded from amount, then make sure the last check box is ticked.

4.4.3 Equity

Facility Limit Calculation Method	Fixed Amount	
Equity Injection Method	Injected in total upfront.	
Equity Ratio Calculation Method	% of Land Purchase Price.	
Equity Repayment Method	Repaid at project end.	
Outstanding Debt at Project End	<input checked="" type="checkbox"/> Equity to pay any outstanding debt at project end.	

Facility Limit

Nominate the limit of funds injected into the cash flow. This amount excludes interest and fees. The limit can either be based on a:

- Fixed amount.
- Ratio of project costs or revenues (unless otherwise stated, these are inclusive of any tax).

Equity Injection Method

Indicate how the Equity is injected into the project:

- Fully upfront at project commencement.
- Progressively injected when required.

Interest Payment Method

Indicate how the interest charged on the funds is paid:

- **Accrued not Capitalised (Simple Interest):** Where interest is only calculated on the equity drawn down and not on any interest.
- **Capitalised (Compound Interest):** Where interest is calculated on the loan balance that includes any capitalised interest.

Equity Ratio Calculation Method

Indicate the denominator for the ratio calculation for equity cash flow. This is only used to show the Loan Ratio on the Reports.

Equity Repayment Method

Nominate when the equity is repaid back to the project:

- **At Project End:** Where any excess funds are deposited into the surplus cash account until such period.
- **When Available (retain cash for future costs):** Where equity is repaid progressively as it is realised. The cash flow may retain funds in the surplus cash account if it identifies future costs that may need to be funded.
- **When Available (do not retain cash for future costs):** Where equity is repaid progressively as it is realised. Any future costs that may need to be funded are ignored and no cash is retained to fund these.

Any manual equity repayment adjustments in the cash flow table will override the preferences.

Outstanding Debts at Project End

You can elect to have equity pay any outstanding debts at the end of the project, rather than leave them unpaid.

4.4.4 Senior Loan

Facility Limit Calculation Method

Nominate the limit of funds injected into the cash flow. This amount excludes interest and fees.

- **No Limit - Use as an Overdraft Facility:** This is a line of credit facility and there is no limit on the borrowed amount. No facility limit is required and the input is disabled.
- **Set Fixed Limit - Use Equity as the Overdraft Facility:** A facility limit can be set on the Senior Loan as a fixed amount, and then any additional funding is sourced from Equity.

Interest Payment Method

Indicate how the interest charged on the funds is paid:

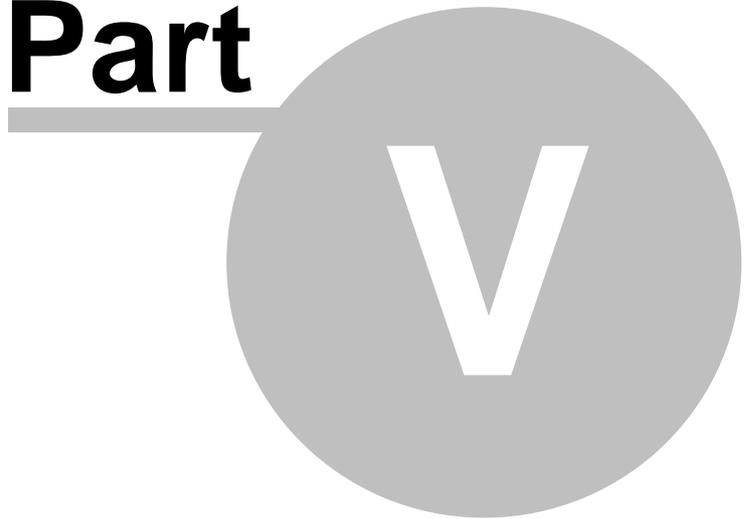
- **Paid for by equity:** Where interest is paid by equity as soon as it is charged, either from the surplus cash account (if funds are available) or from additional equity injections.
- **Accrued not Capitalised (Simple Interest):** Where interest is only calculated on the drawn downs and not on any interest.
- **Capitalised (Compound Interest):** Where interest is calculated on the loan balance that includes any capitalised interest.

The interest rate can be manually varied for different periods in the cash flow tables.

Loan Ratio Calculation Method

Indicate the denominators for the loan ratio calculation for each loan. This is only used to show the Loan Ratio on the Reports.

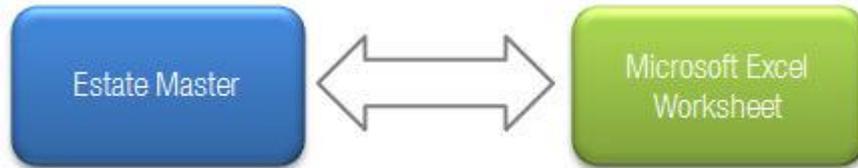
Part



5 Integration with Microsoft Excel and Word

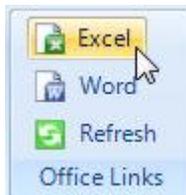
5.1 Linking to Excel Files

Just like in Excel, you can use this feature to either create a formula in Estate Master DF Lite that is referencing an external Excel file (an 'Incoming' link), or you can create a formula in an external Excel file that is referencing the Estate Master file (an 'Outgoing' link).



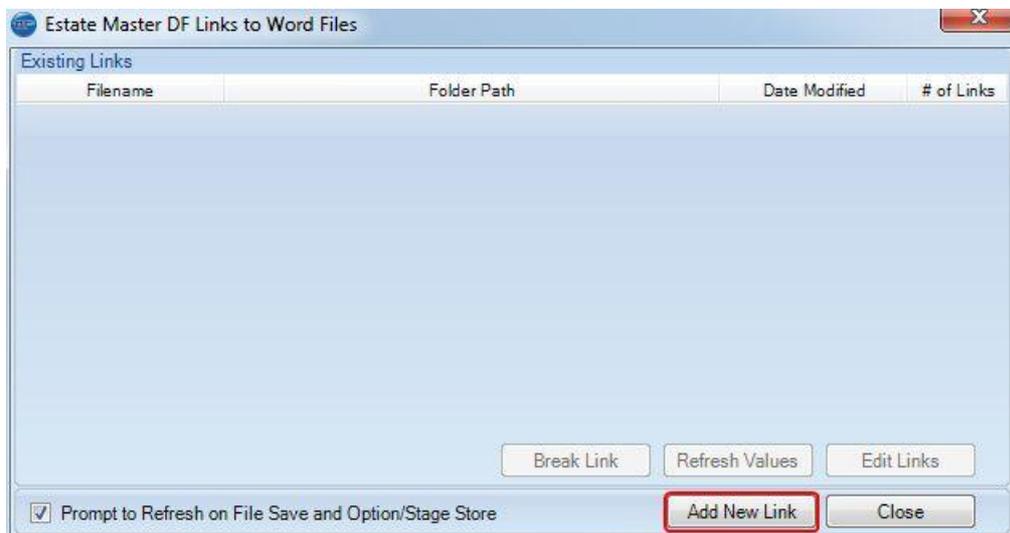
Creating an Excel Link

1. Click on the [Excel] button in the 'Office Links' menu.

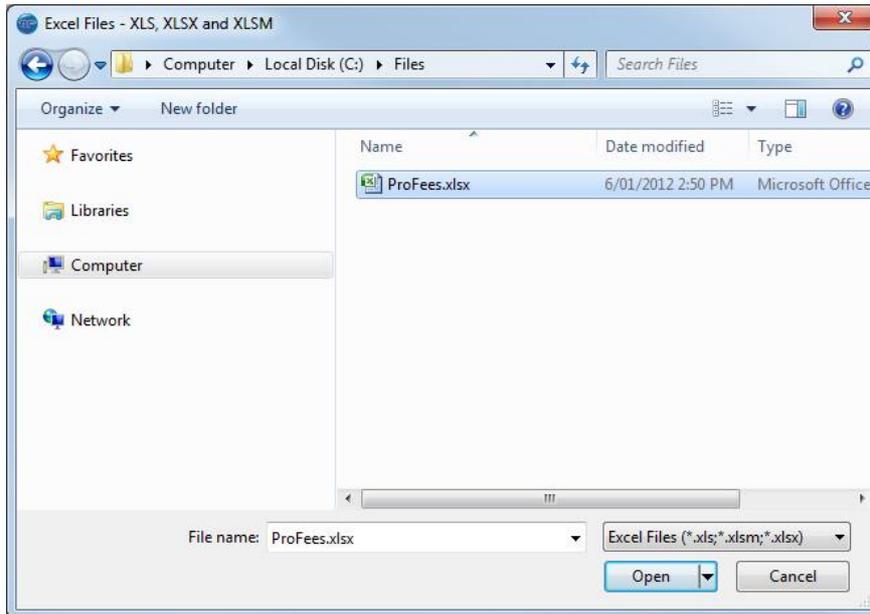


2. A dialog will appear. Click on the [Add New Link] button.

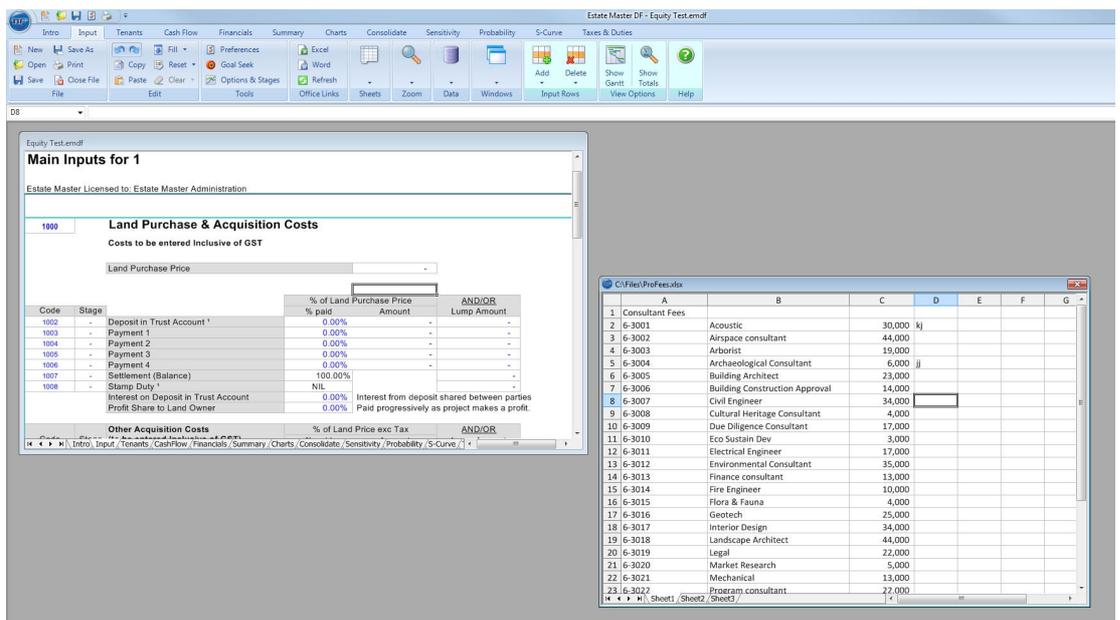
Please Note: Only 1 Estate Master DF Lite window (i.e file) can be open when loading an external Excel file. If there are multiple Estate Master DF Lite windows open in the application, it will prompt you to close down the other windows before trying to add a new link.



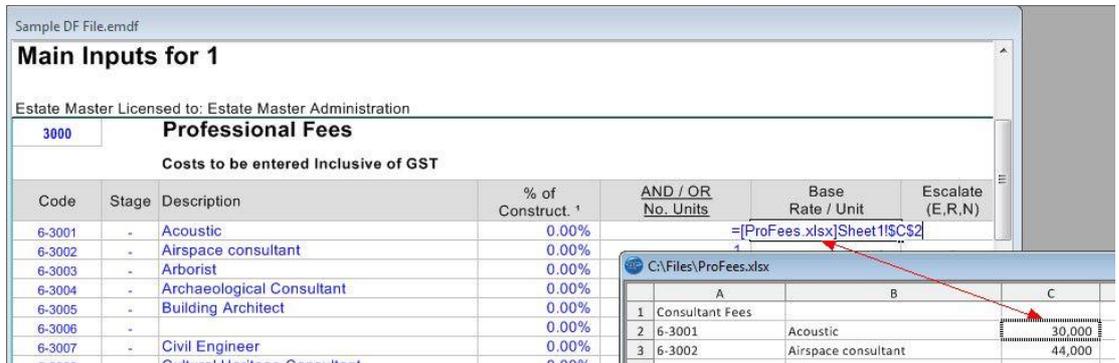
3. Browse to the Excel file you want to open and create links with. Select the file and press [Open].



4. The Estate Master DF Lite application window will re-adjust to show the Estate Master DF Lite file and Excel file as individual cascading windows.



5. While these windows are displayed, you can write formulae in either one that reference the other, just by selecting a cell, starting to write a formula, and then selecting the other file to select a cell/range to refer to in that formula.



6. When you are completed linking your files, you will need to close the Excel file. This can be done by clicking on the Close button (red X) on the top right of the window.

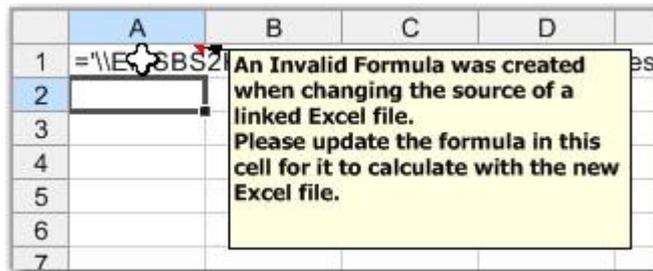


7. If any changes were made to the Excel file, it will ask you if you want to save these changes before closing the file.

Please Note: If you save the file, some features that are not completely supported by this spreadsheet interface may be lost (including, but not limited to, items such as Form/ActiveX Controls, Pivot Charts, Cell Comments, Cell Gradients, Excel 2007-style Conditional Format options, Excel 2007-style Tables and Structured References, OLE objects (Camera, Embedded Documents, etc) and Shape fill effects and shadows).

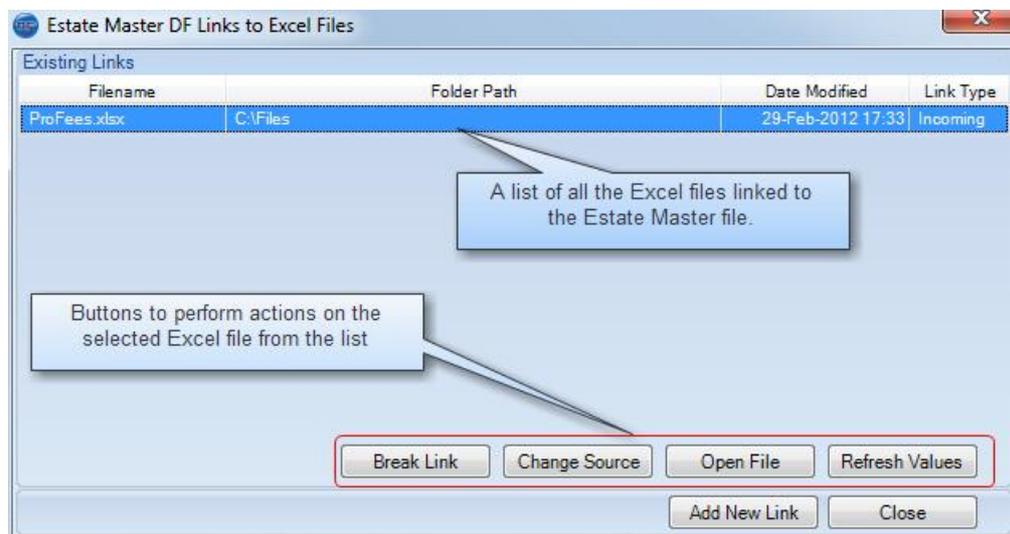
8. At any time you can click on the [Excel] button in the 'Office Links' menu to reload the dialog where you can:
- View a list of all files linking to the Estate Master DF Lite file, where they are located and whether they have Incoming, Outgoing or multi-directional links.
 - Click **[Break Link]**, to remove the selected Excel file from being linked to the Estate Master DF Lite files. After the file is saved and re-opened, any formulas in the Estate Master DF Lite file that were referencing this Excel file will be:
 - On Standard Worksheets: Loaded as its last known calculated 'value' (no formula). This will allow the model to continue calculating without issues.
 - On Custom Worksheets: Converted to text, by adding an apostrophe before the '=' in the formula. This will allow the user to check and amend the formula where necessary.
 - Click **[Change Source]**, to change the location of the selected Excel file. This will prompt you to browse to another file, and the program will search for all formulae where the old Excel file was referenced, and replace it with the name of the newly selected Excel file. During such process, if any of the formulae becomes invalid (due to worksheet or range name that existed in the old Excel file, but not in the new one), there following will occur to such formulae:
 - On Standard Worksheets: Converted to its last known calculated 'value' (no formula). This will allow the model to continue calculating without issues.
 - On Custom Worksheets: Converted to text, by adding an apostrophe before the '=' in the formula. This will allow the user to check and amend the formula where necessary.

In addition, a warning will appear, listing the worksheets where such invalid formulae were found after the 'Change Source' process was completed, and cell comments will be added to the actual cells where the invalid formulae were processed.



Example showing a red cell comment where an invalid formula was created as a result of a 'Change Source'

- Click **[Open File]** to open the selected Excel file again to change/add links.
- Click **[Refresh Values]** to momentarily open the selected Excel file to refresh the results.
- Click **[Add New Link]** to add a link to another Excel file.



9. If there are an external Excel files that have 'Incoming' links (i.e. there is a formula in the Estate Master DF Lite file that is referencing the Excel file), a warning will appear in the Status bar if the program has detected that the Excel file has been modified since the last refresh. Clicking this warning, will momentarily open the Excel file(s) to refresh the results.

Linked Excel Files have been modified

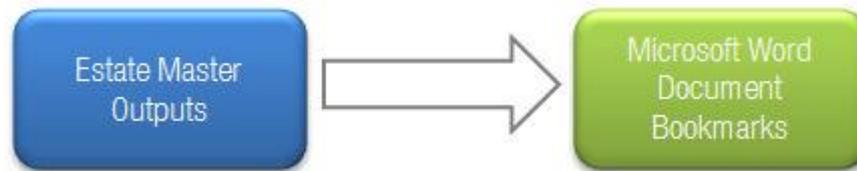
Renaming or Moving Estate Master DF Lite Files

If you create a formula in an external Excel file that is referencing the Estate Master DF Lite file (i.e. an 'Outgoing' link), the formula will contain the full path and file name of that Estate Master DF Lite file. Therefore if the Estate Master DF Lite file is renamed and/or moved, either manually in Windows Explorer, or during a Save-As process, to maintain the integrity of any formulae in the external Excel file, the following will occur:

1. **During File Open:** No warning will be given to the user, as Outgoing links are not critical to the opening of the Estate Master DF Lite file.
2. **During Office Links > Excel > 'Refresh Values' or 'Open File':** If it has detected that the Estate Master DF Lite file has been renamed/moved (most likely via Windows Explorer) since the

5.2 Linking to Word Files

This feature allows you to populate fields in a Word document with data from an Estate Master DF Lite file. This is done by selecting from a list of predefined Estate Master DF Lite outputs and linking them to a Word document that contains the required Bookmarks. A Bookmark is a feature in Word that identifies a location or a selection of text that you name and identify for future reference.



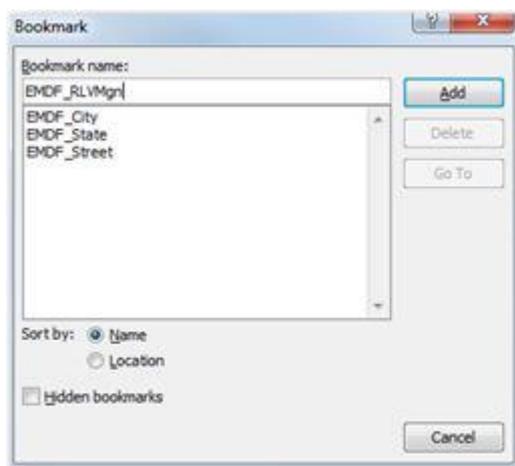
Creating Bookmarks in your Word Document

The first thing that needs to be done is to set up the Word document you wish to link to, with the required Bookmarks. Refer to the following [Bookmarks Directory](#) to see what Estate Master DF Lite outputs are available and their corresponding Bookmark.

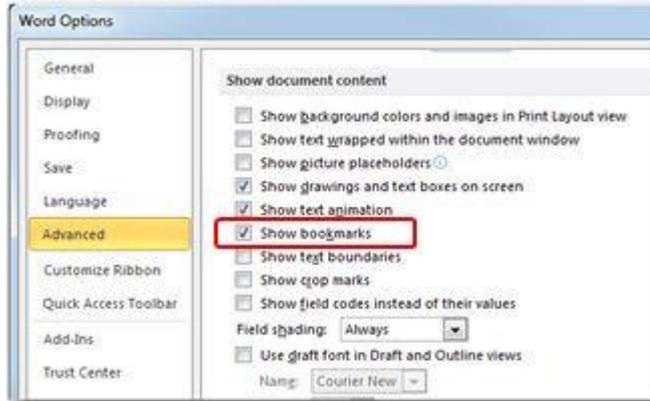
1. Open the document in Word.
2. Select a location, or highlight the text you wish to turn into a Bookmark.



3. Based on the Estate Master DF Lite output that you want to appear in this location, type in the name of the Bookmark that corresponds to that output. For example, if you want to populate the selected location/text with the output of the 'Residual Land Value based on Target Margin' from the Estate Master DF Lite file, the name of EMDF_RLVMgn must be given to that Bookmark. When done, press [Add].



4. If you wish to highlight the Bookmarks in a Word document so you can easily identify them, there is a setting in the Word Options, under the Advanced section called 'Show Bookmarks'



5. When selected, it will identify Bookmarks in the document with square brackets.

Valuation

In accordance with the comments expressed herein, we are of the opinion that the Current Market Value of the freehold interest in [enter street address], [enter suburb], [enter state] at 29 July 2011 may be fairly expressed in the sum of \$[enter value] exclusive of GST.

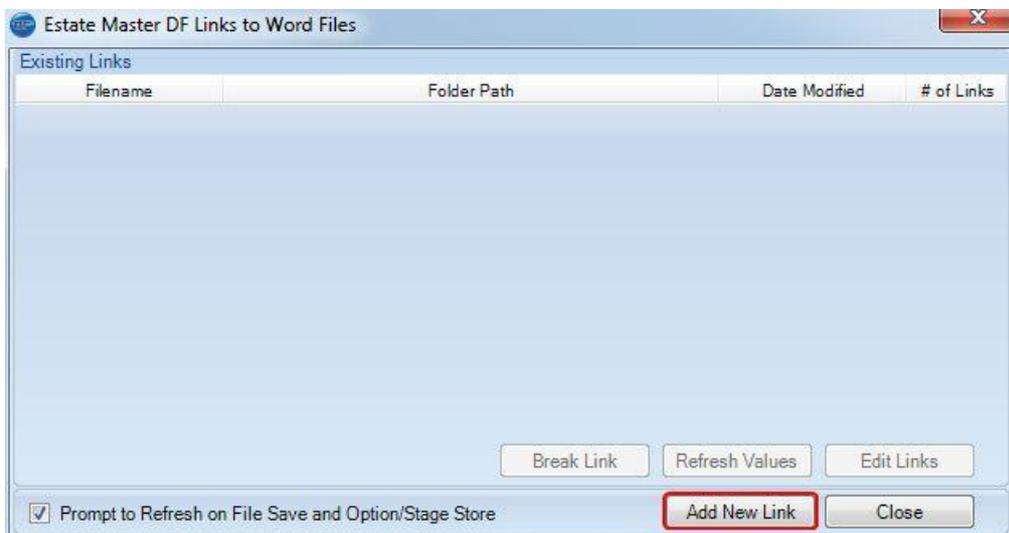
6. Once the Bookmarks have been created in the document, save and close the file.

Setting up a Link to the Word Document

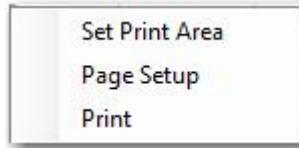
1. Click on the [Word] button in the 'Office Links' menu.



2. A dialog will appear. Click on the [Add New Link] button.



- Browse to the Word file (*.docx, *.docm, *.dotx and *.dotm) you want to open and create links with. Select the file and press [Open].

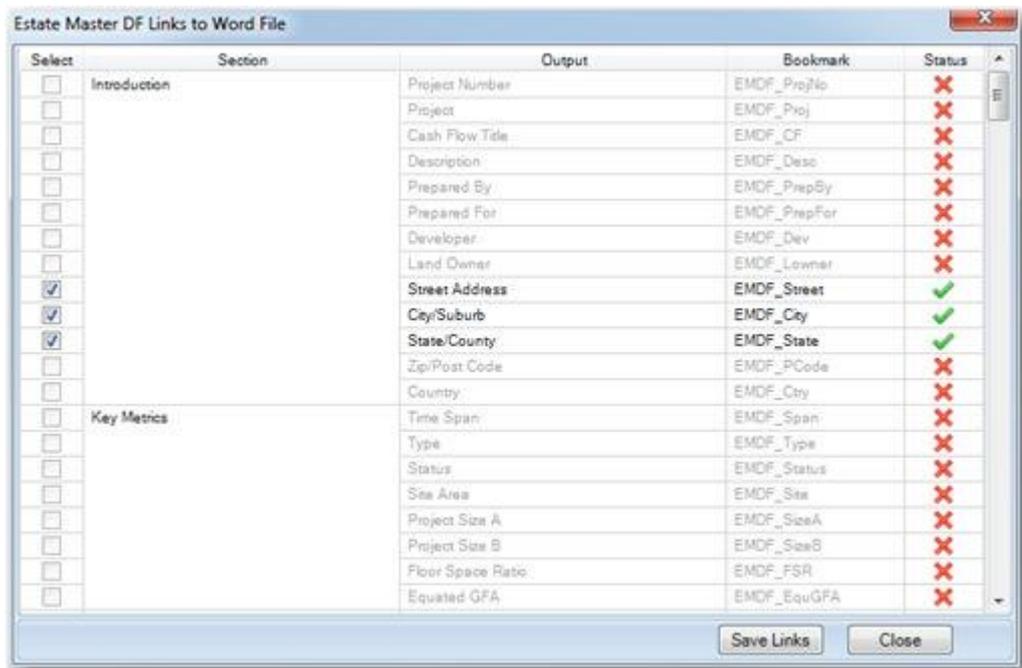


- A new dialog will appear.

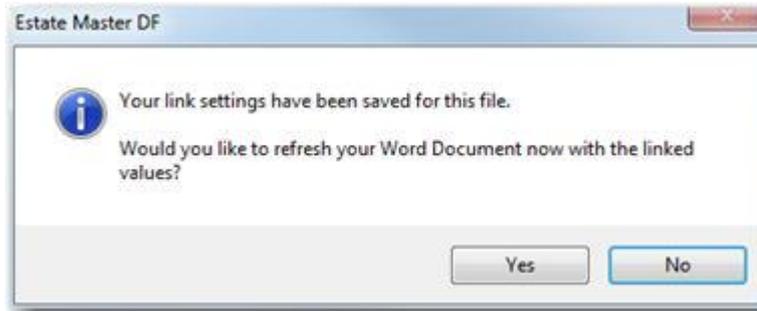
It will list all the Estate Master DF Lite outputs that can be linked to a Word document, what section they belong to in the Estate Master DF Lite file, and the related Bookmark name that must be inserted into that Word document for the link to be created.

The 'Status' will indicate if that Bookmark exists in that Word document already or not.

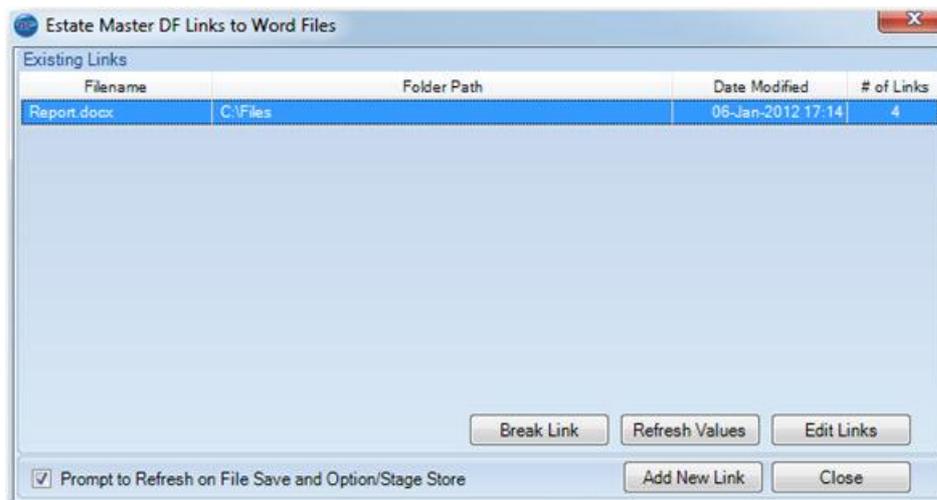
- If it does exist (green tick ✓), you can select so the Word file is updated with that Estate Master DF Lite output.
- If it doesn't exist (red cross ✗), but you do want to link to it, you will have to close the dialog and open the document in Word and add the bookmarks to that file before you can create the link.



5. Once you have selected the outputs you want to link, click [Save Links]. It will prompt you to refresh the Word document at that time.



6. If you click [Yes], it will programmatically update the bookmarks in that Word document with the results of the selected outputs.
7. If you open the document in Word, you can see the end result.
8. At any time you can click on the [Word] button in the 'Office Links' menu to reload the dialog where you can:
- View a list of all files linking to the Estate Master DF Lite file, where they are located and the number of outputs they are linked to.
 - Click [Break Link], to remove the selected Word file from being linked to the Estate Master DF Lite files.
 - Click [Refresh Values] to momentarily refresh the Bookmarks in the selected Word file with update values.
 - Click [Edit Links] to change the Bookmarks being linked to in the selected Word file.
 - Click [Add New Link] to add a link to another Word file.
 - Select an option to prompt the user to refresh Word links when saving a file or storing an Option/Stage to ensure that the Word document always has the latest results.



5.2.1 Word Bookmarks Directory

This is a list of the outputs from Estate Master DF Lite, and their relative Bookmark name, that can be used to populate Word documents.

Output Description	Bookmark
Introduction	
Project Number	EMDF_ProjNo
Project	EMDF_Proj
Cash Flow Title	EMDF_CF
Description	EMDF_Desc
Prepared By	EMDF_PrepBy
Prepared For	EMDF_PrepFor
Developer	EMDF_Dev
Land Owner	EMDF_Lowner
Street Address	EMDF_Street
City/Suburb	EMDF_City
State/County	EMDF_State
Zip/Post Code	EMDF_PCode
Country	EMDF_Ctry
Key Metrics	
Time Span	EMDF_Span
Type	EMDF_Type
Status	EMDF_Status
Site Area	EMDF_Site
Project Size A	EMDF_SizeA
Project Size B	EMDF_SizeB
FSR	EMDF_FSR
Equated GFA	EMDF_EquGFA
Revenues	
Gross Sales Revenue	EMDF_GrossSale
Selling Costs	EMDF_SellCost
Purchasers Costs	EMDF_PurchCost
Net Sale Proceeds	EMDF_NetSale
Gross Rental Income	EMDF_GrossRent
Outgoings & Vacancies	EMDF_OG
Letting Fees	EMDF_LetFee
Incentives (Rent Free and Fit-out Costs)	EMDF_Incent
Other Leasing Costs	EMDF_LeaseCost
Net Rental Income	EMDF_NetRent
Interest Received	EMDF_IntRec
Other Income	EMDF_OtherInc
Total Revenue (before Tax paid)	EMDF_RevBT
Tax paid on all Revenue	EMDF_RevTax
Total Revenue (after Tax paid)	EMDF_RevAT
Costs	
Land Purchase Cost	EMDF_Land
Land Transaction Costs	EMDF_OthLand
Construction (inc. Construct. Contingency)	EMDF_Construct
Contingency	EMDF_ConstCont
Professional Fees	EMDF_ProFee
Statutory Fees	EMDF_StatFee
Miscellaneous Costs 1	EMDF_Misc1
Miscellaneous Costs 2	EMDF_Misc2
Miscellaneous Costs 3	EMDF_Misc3
Project Contingency	EMDF_ProjCont
Land Holding Costs	EMDF_LandHold
Pre-Sale Commissions	EMDF_PreComm
Finance Charges (inc. Fees)	EMDF_FinChg
Interest Expense	EMDF_IntExp
Total Costs (before Tax reclaimed)	EMDF_CostBT
Tax reclaimed	EMDF_CostTax
Corporate Tax	EMDF_CorpTax
Total Costs (afterTax reclaimed)	EMDF_CostAT
Key Performance Indicators	
Gross Development Profit	EMDF_GrossProf
Net Development Profit	EMDF_NetProf
Development Margin	EMDF_DevMgn
Target Margin	EMDF_TgtMgn
Residual Land Value (based on Target Margin)	EMDF_RLVMgn
Net Present Value	EMDF_NPV
Discount Rate	EMDF_DiscRate
Benefit Cost Ratio	EMDF_BCR

Project Internal Rate of Return (IRR)	EMDF_IRR
Residual Land Value (based on NPV)	EMDF_RLVNPV
Weighted Average Cost of Capital (WACC)	EMDF_WACC
Breakeven Date for Cumulative Cash Flow	EMDF_BEDate
Yield on Cost	EMDF_YldCost
Rent Cover	EMDF_RentCvr
Profit Erosion	EMDF_ProfErn
Returns on Funds Invested - Equity	
Funds Invested (Cash Outlay)	EMDF_Eq_Funds
Peak Exposure	EMDF_Eq_Peak
Date of Peak Exposure	EMDF_Eq_DatePk
Weighted Average Interest Rate	EMDF_Eq_AvgRte
Interest Charged	EMDF_Eq_Int
Profit	EMDF_Eq_Prof
Margin on Funds Invested	EMDF_Eq_Mgn
Payback Date	EMDF_Eq_Pback
IRR on Funds Invested	EMDF_Eq_IRR
Loan to Value Ratio	EMDF_Eq_LVR
Returns on Funds Invested - Senior Loan	
Lender Name	EMDF_Snr_Name
Funds Invested (Cash Outlay)	EMDF_Snr_Funds
Peak Exposure	EMDF_Snr_Peak
Date of Peak Exposure	EMDF_Snr_DatePk
Weighted Average Interest Rate	EMDF_Snr_AvgRte
Interest Charged	EMDF_Snr_Int
Line Fees Charged	EMDF_Snr_Line
Application Fees Charged	EMDF_Snr_App
Total Profit to Funder	EMDF_Snr_Prof
Margin on Funds Invested	EMDF_Snr_Mgn
Payback Date	EMDF_Snr_Pback
IRR on Funds Invested	EMDF_Snr_IRR
Loan to Value Ratio	EMDF_Snr_LVR
Returns on Funds Invested - Total Debt	
Funds Invested (Cash Outlay)	EMDF_Debt_Funds
Peak Exposure	EMDF_Debt_Peak
Date of Peak Exposure	EMDF_Debt_DatePk
Weighted Average Interest Rate	EMDF_Debt_AvgRte
Interest Charged	EMDF_Debt_Int
Line Fees Charged	EMDF_Debt_Line
Application Fees Charged	EMDF_Debt_App
Profit Share Received	EMDF_Debt_Share
Total Profit to Funder(s)	EMDF_Debt_Prof
Margin on Funds Invested	EMDF_Debt_Mgn
Payback Date	EMDF_Debt_Pback
Equity to Debt Ratio	EMDF_Debt_IRR
Loan to Value Ratio	EMDF_Debt_LVR
Options/Stages	
Gross Sales Revenue (Option/Stage 1)	EMDF_GrossSale_1
Gross Sales Revenue (Option/Stage 2)	EMDF_GrossSale_2
Gross Rental Income (Option/Stage 1)	EMDF_GrossRent_1
Gross Rental Income (Option/Stage 2)	EMDF_GrossRent_2
Land Purchase Cost (Option/Stage 1)	EMDF_Land_1
Land Purchase Cost (Option/Stage 2)	EMDF_Land_2
Construction (Option/Stage 1)	EMDF_Construct_1
Construction (Option/Stage 2)	EMDF_Construct_2
Net Development Profit (Option/Stage 1)	EMDF_NetProf_1
Net Development Profit (Option/Stage 2)	EMDF_NetProf_2
Development Margin (Option/Stage 1)	EMDF_DevMgn_1
Development Margin (Option/Stage 2)	EMDF_DevMgn_2
RLV based on Target Margin (Option/Stage 1)	EMDF_RLVMgn_1
RLV based on Target Margin (Option/Stage 2)	EMDF_RLVMgn_2
NPV (Option/Stage 1)	EMDF_NPV_1
NPV (Option/Stage 2)	EMDF_NPV_2
Project IRR (Option/Stage 1)	EMDF_IRR_1
Project IRR (Option/Stage 2)	EMDF_IRR_2
RLV based on NPV (Option/Stage 1)	EMDF_RLVNPV_1
RLV based on NPV (Option/Stage 2)	EMDF_RLVNPV_2
Sensitivity Analysis	
Land Acquisition Costs Hi Variation Rate	EMDF_SensLandHi
Land Acquisition Costs Lo Variation Rate	EMDF_SensLandLo
Land Acquisition Costs Hi Variation - Net Profit	EMDF_SensLandHi_Profit
Land Acquisition Costs Lo Variation - Net Profit	EMDF_SensLandLo_Profit
Land Acquisition Costs Hi Variation - NPV	EMDF_SensLandHi_NPV
Land Acquisition Costs Lo Variation - NPV	EMDF_SensLandLo_NPV

Land Acquisition Costs Hi Variation - Dev. Margin	EMDF_SensLandHi_Mgn
Land Acquisition Costs Lo Variation - Dev. Margin	EMDF_SensLandLo_Mgn
Land Acquisition Costs Hi Variation - Project IRR	EMDF_SensLandHi_IRR
Land Acquisition Costs Lo Variation - Project IRR	EMDF_SensLandLo_IRR
Land Acquisition Costs Hi Variation - Equity IRR	EMDF_SensLandHi_Equ
Land Acquisition Costs Lo Variation - Equity IRR	EMDF_SensLandLo_Equ
Construction Costs Hi Variation Rate	EMDF_SensConstHi
Construction Costs Lo Variation Rate	EMDF_SensConstLo
Construction Costs Hi Variation - Net Profit	EMDF_SensConstHi_Profit
Construction Costs Lo Variation - Net Profit	EMDF_SensConstLo_Profit
Construction Costs Hi Variation - NPV	EMDF_SensConstHi_NPV
Construction Costs Lo Variation - NPV	EMDF_SensConstLo_NPV
Construction Costs Hi Variation - Dev. Margin	EMDF_SensConstHi_Mgn
Construction Costs Lo Variation - Dev. Margin	EMDF_SensConstLo_Mgn
Construction Costs Hi Variation - Project IRR	EMDF_SensConstHi_IRR
Construction Costs Lo Variation - Project IRR	EMDF_SensConstLo_IRR
Construction Costs Hi Variation - Equity IRR	EMDF_SensConstHi_Equ
Construction Costs Lo Variation - Equity IRR	EMDF_SensConstLo_Equ
Construction Period Hi Variation Rate	EMDF_SensConPeriodHi
Construction Period Lo Variation Rate	EMDF_SensConPeriodLo
Construction Period Hi Variation - Net Profit	EMDF_SensConPeriodHi_Profit
Construction Period Lo Variation - Net Profit	EMDF_SensConPeriodLo_Profit
Construction Period Hi Variation - NPV	EMDF_SensConPeriodHi_NPV
Construction Period Lo Variation - NPV	EMDF_SensConPeriodLo_NPV
Construction Period Hi Variation - Dev. Margin	EMDF_SensConPeriodHi_Mgn
Construction Period Lo Variation - Dev. Margin	EMDF_SensConPeriodLo_Mgn
Construction Period Hi Variation - Project IRR	EMDF_SensConPeriodHi_IRR
Construction Period Lo Variation - Project IRR	EMDF_SensConPeriodLo_IRR
Construction Period Hi Variation - Equity IRR	EMDF_SensConPeriodHi_Equ
Construction Period Lo Variation - Equity IRR	EMDF_SensConPeriodLo_Equ
End Sale Values Hi Variation Rate	EMDF_SensSalesHi
End Sale Values Lo Variation Rate	EMDF_SensSalesLo
End Sale Values Hi Variation - Net Profit	EMDF_SensSalesHi_Profit
End Sale Values Lo Variation - Net Profit	EMDF_SensSalesLo_Profit
End Sale Values Hi Variation - NPV	EMDF_SensSalesHi_NPV
End Sale Values Lo Variation - NPV	EMDF_SensSalesLo_NPV
End Sale Values Hi Variation - Dev. Margin	EMDF_SensSalesHi_Mgn
End Sale Values Lo Variation - Dev. Margin	EMDF_SensSalesLo_Mgn
End Sale Values Hi Variation - Project IRR	EMDF_SensSalesHi_IRR
End Sale Values Lo Variation - Project IRR	EMDF_SensSalesLo_IRR
End Sale Values Hi Variation - Equity IRR	EMDF_SensSalesHi_Equ
End Sale Values Lo Variation - Equity IRR	EMDF_SensSalesLo_Equ
Cap Rate Hi Variation Rate	EMDF_SensCapHi
Cap Rate Lo Variation Rate	EMDF_SensCapLo
Cap Rate Hi Variation - Net Profit	EMDF_SensCapHi_Profit
Cap Rate Lo Variation - Net Profit	EMDF_SensCapLo_Profit
Cap Rate Hi Variation - NPV	EMDF_SensCapHi_NPV
Cap Rate Lo Variation - NPV	EMDF_SensCapLo_NPV
Cap Rate Hi Variation - Dev. Margin	EMDF_SensCapHi_Mgn
Cap Rate Lo Variation - Dev. Margin	EMDF_SensCapLo_Mgn
Cap Rate Hi Variation - Project IRR	EMDF_SensCapHi_IRR
Cap Rate Lo Variation - Project IRR	EMDF_SensCapLo_IRR
Cap Rate Hi Variation - Equity IRR	EMDF_SensCapHi_Equ
Cap Rate Lo Variation - Equity IRR	EMDF_SensCapLo_Equ
Sales Span Hi Variation Rate	EMDF_SensSpanHi
Sales Span Lo Variation Rate	EMDF_SensSpanLo
Sales Span Hi Variation - Net Profit	EMDF_SensSpanHi_Profit
Sales Span Lo Variation - Net Profit	EMDF_SensSpanLo_Profit
Sales Span Hi Variation - NPV	EMDF_SensSpanHi_NPV
Sales Span Lo Variation - NPV	EMDF_SensSpanLo_NPV
Sales Span Hi Variation - Dev. Margin	EMDF_SensSpanHi_Mgn
Sales Span Lo Variation - Dev. Margin	EMDF_SensSpanLo_Mgn
Sales Span Hi Variation - Project IRR	EMDF_SensSpanHi_IRR
Sales Span Lo Variation - Project IRR	EMDF_SensSpanLo_IRR
Sales Span Hi Variation - Equity IRR	EMDF_SensSpanHi_Equ
Sales Span Lo Variation - Equity IRR	EMDF_SensSpanLo_Equ
Rental Income Hi Variation Rate	EMDF_SensRentHi
Rental Income Lo Variation Rate	EMDF_SensRentLo
Rental Income Hi Variation - Net Profit	EMDF_SensRentHi_Profit
Rental Income Lo Variation - Net Profit	EMDF_SensRentLo_Profit
Rental Income Hi Variation - NPV	EMDF_SensRentHi_NPV
Rental Income Lo Variation - NPV	EMDF_SensRentLo_NPV
Rental Income Hi Variation - Dev. Margin	EMDF_SensRentHi_Mgn
Rental Income Lo Variation - Dev. Margin	EMDF_SensRentLo_Mgn
Rental Income Hi Variation - Project IRR	EMDF_SensRentHi_IRR

Rental Income Lo Variation - Project IRR	EMDF_SensRentLo_IRR
Rental Income Hi Variation - Equity IRR	EMDF_SensRentHi_Equ
Rental Income Lo Variation - Equity IRR	EMDF_SensRentLo_Equ
Debt Interest Rates Hi Variation Rate	EMDF_SensDebtHi
Debt Interest Rates Lo Variation Rate	EMDF_SensDebtLo
Debt Interest Rates Hi Variation - Net Profit	EMDF_SensDebtHi_Profit
Debt Interest Rates Lo Variation - Net Profit	EMDF_SensDebtLo_Profit
Debt Interest Rates Hi Variation - NPV	EMDF_SensDebtHi_NPV
Debt Interest Rates Lo Variation - NPV	EMDF_SensDebtLo_NPV
Debt Interest Rates Hi Variation - Dev. Margin	EMDF_SensDebtHi_Mgn
Debt Interest Rates Lo Variation - Dev. Margin	EMDF_SensDebtLo_Mgn
Debt Interest Rates Hi Variation - Project IRR	EMDF_SensDebtHi_IRR
Debt Interest Rates Lo Variation - Project IRR	EMDF_SensDebtLo_IRR
Debt Interest Rates Hi Variation - Equity IRR	EMDF_SensDebtHi_Equ
Debt Interest Rates Lo Variation - Equity IRR	EMDF_SensDebtLo_Equ
Discount Rates Hi Variation Rate	EMDF_SensDiscHi
Discount Rates Lo Variation Rate	EMDF_SensDiscLo
Discount Rates Hi Variation - NPV	EMDF_SensDiscHi_NPV
Discount Rates Lo Variation - NPV	EMDF_SensDiscLo_NPV

Part



6 Input Assumptions

6.1 Quick Setup Wizard

The Quick Setup Wizard is a useful tool to enable the user to build a feasibility in a matter of minutes via a series of guided screens.

There are many default assumptions that the wizard uses (you can review these in the final screen of the wizard), but once the wizard is completed, all the inputs and preferences in the Estate Master DF Lite program can be altered as required by the user.

To initiate the Quick Setup Wizard, go to the Input sheet, and click on the 'Quick Setup' button in the Ribbon menu.



6.1.1 Step 1 - Introduction

- Provide a brief introduction to the development, such as where it is located and who are the key stakeholders in it.

This information will be saved to the 'Intro' worksheet. ↓

ESTATE MASTER Project Introduction			
Project Name	Whitesands Apartments		
Street Address	123 Sunny Road		
City/Suburb	Smithfield	Zip/Post Code	1234
State/County	NSW	Country	Australia
Account Code	Account Code	Project Number	0-0000
Prepared By	ABC Valuations Pty Ltd	Developer	XYZ Developments Pty Ltd
Prepared For	Star Finance Banking Corp		

6.1.2 Step 2 - Project Details

Estate Master DF Lite Quick Setup Wizard

EstateMaster

Step 2 of 15: Project Details

Project Type: Residential

Brief Description of Project: 20 Apartments and Retail Ground Floor Shops

Project Size: 20.00 Units, 2,500.00 GFA - Gross Floor Area

Site Area: 1,000.00 SqM

Project Start: 10/Sep/12

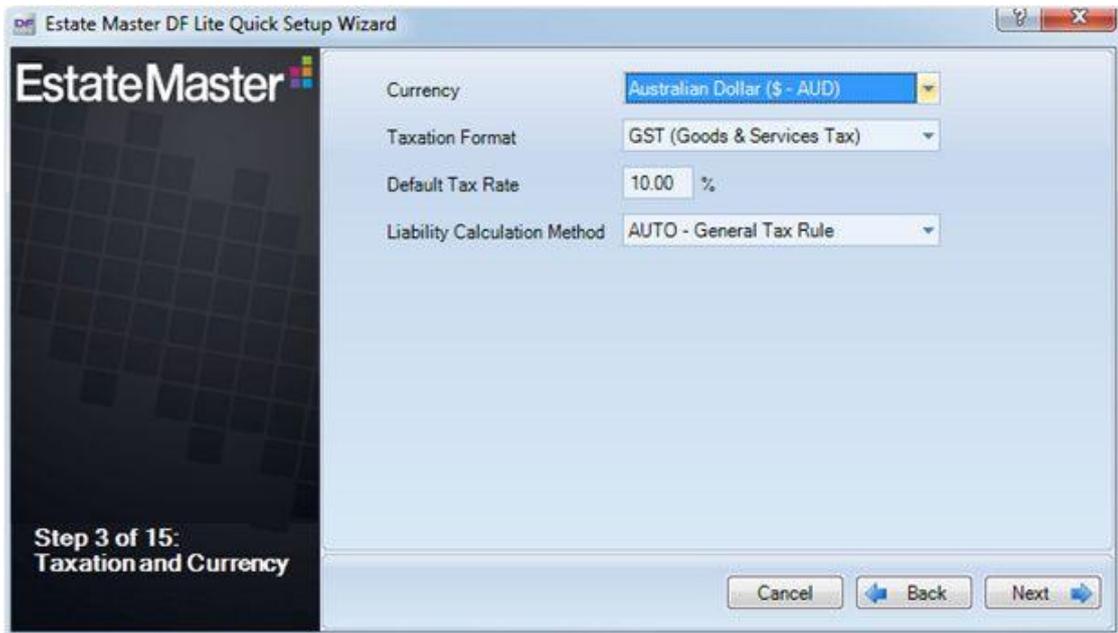
Buttons: Cancel, Back, Next

- Give a description of the development, including what type of project it is (e.g Residential, Commercial, etc), its size in terms of area and quantity of units/lots/dwellings and its site area.
- Also nominate when the Project Start date is, which is the first time period of the Cash Flow.

This information will be saved to the 'Preliminary' section of the 'Input' worksheet. ↓

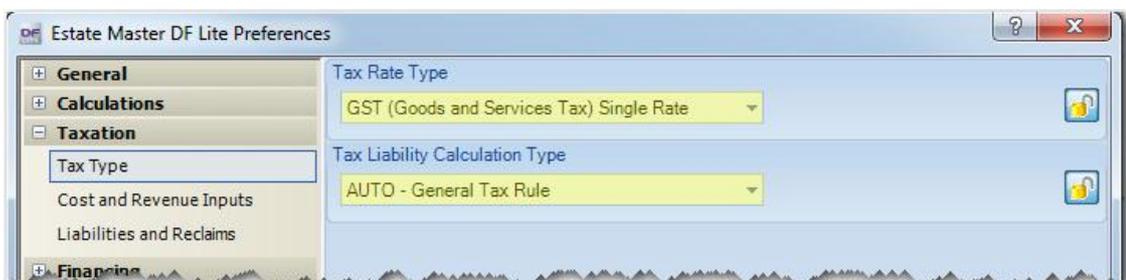
Preliminary			
Cash Flow Title	Whitesands Apartments	Description of Option/Stage	20 Apartments and Retail Ground Floor Shops
Date of First Period:	Sep-2012		
Cash Flow Rest Period:	Monthly		
Enter Project Size (a)	20.0	Apartments	
Enter Project Size (b)	2,500.0	GFA	
Enter Site Area	1,000.0	SqM	Floor Space Ratio 0:1
Type	Residential		
Status	Under Review		

6.1.3 Step 3 - Taxation and Currency



- Set some of the key Regional Settings such as Currency and Taxation Format.
- If a Taxation Format is not 'Nil', it will also prompt you to set a Tax Rate and a Liability Calculation Method.

This information will be saved to the 'Preferences' and the 'GST/VAT' section of the 'Input' worksheet. ↓



Goods and Services Tax

Goods and Services Tax Rate	10.00%
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6.1.4 Step 4 - Land Acquisition

EstateMaster Land Purchase

Land Purchase Price: 1,500,000

Upfront Deposit: 10.00 %

Land Purchase Settlement: 3 Months after Deposit

Land Purchase Price is: Inclusive of GST

Other Acquisition Costs

Region for Stamp Duty: NSW

Other Acquisition Costs: 5.00 % and/or 1,500 Paid pro rata with Land

Other Acquisition Costs are: Inclusive of GST

Step 4 of 15: Land Acquisition

Cancel Back Next

Land Purchase

- Enter in a gross purchase price for the land (the proposed payment from the Developer to the Land Owner), or the estimated land value.
- You can also nominate an optional upfront deposit amount and the number of months after the deposit when settlement occurs.
- If Taxation is set to either GST or VAT, you must also nominate if the Land Purchase Price entered needs to have tax added to it, already includes tax, or is tax exempt.

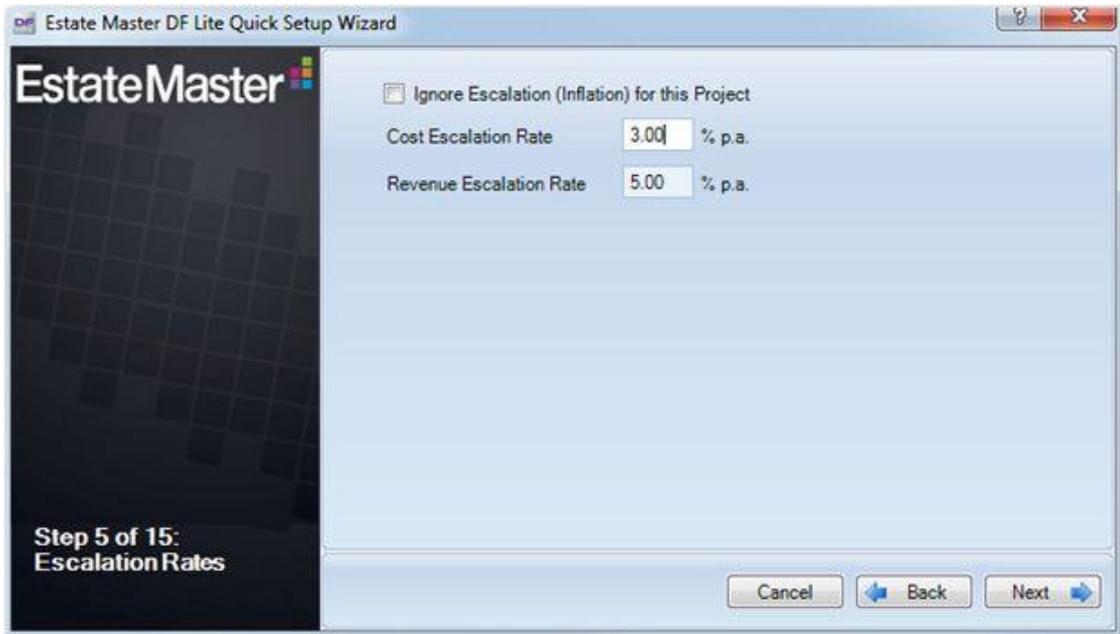
Other Acquisition Costs

- Select a region to automatically calculate Stamp Duty on the Land Purchase Price. By default, it is paid at the same month as the Land Purchase Settlement.
- Enter in other acquisition costs as a percentage of the estimated land value or as a lump sum, such as legal fees, survey costs, etc. By default, they will be paid pro rata with the deposit payment (if applicable) and the settlement.
- If Taxation is set to either GST or VAT, you must also nominate if the Acquisition Costs entered need to have tax added to them, already include tax, or are tax exempt.

This information will be saved to the 'Land Purchase & Acquisition Costs' section of the 'Input' worksheet. ↓

Land Purchase Price				1,500,000			
	% of Land Purchase Price		AND/OR Lump Amount	Month Start	Month Span	Cash Flow Period	GST Included on Land Price? <small>Reclaim All After Final Land Settlement</small>
	% paid	Amount					
Deposit in Trust Account ¹	10.00%	150,000	-	0	1	Sep-12 - Sep-12	Y
Payment 1	0.00%	-	-	0	-	-	
Payment 2	0.00%	-	-	0	-	-	
Payment 3	0.00%	-	-	0	-	-	
Payment 4	0.00%	-	-	0	-	-	
Settlement (Balance)	90.00%	-	1,350,000	3	1	Dec-12 - Dec-12	
Stamp Duty ¹	NSW	-	67,990	3	1	Dec-12 - Dec-12	
Interest on Deposit in Trust Account	0.00%	-	-	3	1	Dec-12 - Dec-12	(Stamp Duty calculated on Land Value of 1,500,000 inc
Profit Share to Land Owner	0.00%	-	-	-	-	-	
<small>Interest from deposit shared between parties Paid progressively as project makes a profit.</small>							
Other Acquisition Costs (to be entered inclusive of GST)							
	% of Land Price exc Tax		AND/OR Lump Amount	Month Start	Month Span	Cash Flow Period	GST Included
	% paid	Amount					
Other Acquisition Costs	5.00%	68,182	1,500	L	-	Sep-12 - Dec-12	Y
	0.00%	-	-	0	-	-	Y

6.1.5 Step 5 - Escalation Rates



- Nominate if you wish to ignore escalation for all costs and revenues in the feasibility (i.e. you want to run a non-inflated model) by checking this tickbox.
- If escalation is enabled, it will prompt you to enter in a default escalation rate for all costs and revenues. By default, this fixed rate will be applied for all years in the Project life.
- You will be given the option to toggle escalation on or off for individual costs and revenues in the following steps in the wizard.

This information will be saved to the 'Cost Escalation' and 'Sales and Rental Revenue Escalation' sections of the 'Input' worksheet. ↓

Cost Escalation										
Escalation Rates (Monthly Compounded Escalation) based on Cashflow Period Years commencing										
	Sep-12	Sep-13	Sep-14	Sep-15	Sep-16	Sep-17	Sep-18	Sep-19	Sep-20	Sep-21
Professional Fees	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Construction Costs	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Statutory Fees	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Land Holding Costs	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Selling and Leasing Costs	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Finance Costs	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%

Sales and Rental Revenue Escalation											
Escalation Rates (Monthly Compounded Escalation) based on Cashflow Period Years commencing											
Code	Category	Sep-12	Sep-13	Sep-14	Sep-15	Sep-16	Sep-17	Sep-18	Sep-19	Sep-20	Sep-21
APT	Apartments	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
RET	Retail Shops	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
RS3	Residential - 3 Bedroom Units	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
RDD	Detached Dwellings Lots	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%

6.1.6 Step 6 - Professional Fees

Estate Master DF Lite Quick Setup Wizard

EstateMaster

Step 6 of 15: Professional Fees

Professional Fees: 7.50 % of Construction

Development Mgmt Fee: 10.00 % of Project Costs (exc Land, Finance & Tax)

Other Fees: 20,000 Paid pro rata with Construction

All Professional Fees are: Inclusive of GST and Escalated

Buttons: Cancel, Back, Next

- Enter in Professional Fees as a percentage of construction costs for items such as architect, engineer, surveyor and other consultants.
- You also have the option to enter in a Development Management Fee, and select what it is a percentage of.
- Any other fees can also be entered as a lump sum amount.
- By default, all these fees will be paid pro rata with the construction cost payments.
- If Taxation is set to either GST or VAT, you must also nominate if the Professional Fees entered need to have tax added to them, already include tax, or are tax exempt.
- If Escalation is enabled, you must also nominate whether the costs entered should be escalated at the nominated rates, or if escalated should be ignored for them.

This information will be saved to the 'Professional Fees' section of the 'Input' worksheet. ↓

Professional Fees						Costs to be entered Inclusive of GST			
Description	% of Construct. ¹	AND/OR No. Units	Base Rate / Unit	Escalate (E,R,N)	S-Curve	Month Start ²	Month Span	Cash Flow Period	GST Included
Professional Fees	7.50%	1	20,000	R		C		Jan-13 - Dec-13	Y
.	0.00%	-	-	-	-	0	-	-	Y
.	0.00%	-	-	-	-	0	-	-	Y
.	0.00%	-	-	-	-	0	-	-	Y
.	0.00%	-	-	-	-	0	-	-	Y
.	0.00%	-	-	-	-	0	-	-	Y
.	0.00%	-	-	-	-	0	-	-	Y
.	0.00%	-	-	-	-	0	-	-	Y
.	0.00%	-	-	-	-	0	-	-	Y
.	0.00%	-	-	-	-	0	-	-	Y
.	0.00%	-	-	-	-	0	-	-	Y
.	0.00%	-	-	-	-	0	-	-	Y
.	0.00%	-	-	-	-	0	-	-	Y
.	0.00%	-	-	-	-	0	-	-	Y
.	0.00%	-	-	-	-	0	-	-	Y
.	0.00%	-	-	-	-	0	-	-	Y
.	0.00%	-	-	-	-	0	-	-	Y
.	0.00%	-	-	-	-	0	-	-	Y
Development Management	10.00%	% of Project Costs (exc Land, Finance & Tax)				C		Jan-13 - Dec-13	Y

¹ % Based on Net Costs ² Pro-rata with Construction (C)

6.1.8 Step 8 - Statutory Fees

The screenshot shows the 'Estate Master DF Lite Quick Setup Wizard' window. On the left, there is a dark sidebar with the 'EstateMaster' logo and the text 'Step 8 of 15: Statutory Fees'. The main area contains the following fields:

- Statutory Fees:** A text box containing '30,000' and a dropdown menu set to 'Per Units'.
- Date Payable:** A date picker showing '03/Oct/12'.
- All Statutory Fees are:** Two dropdown menus, the first set to 'GST Exempt' and the second set to 'Escalated'.

At the bottom right, there are three buttons: 'Cancel', 'Back', and 'Next'.

- Enter in Statutory Fees for the development on either a lump sum or rate per unit basis. The 'Per x' option will be based on the quantity entered in the for units/lots/dwellings in 'Step 2 Project Details'
- Nominate the date the statutory fees are payable for the development.
- If Taxation is set to either GST or VAT, you must also nominate if the Statutory Fees entered need to have tax added to them, already include tax, or are tax exempt.
- If Escalation is enabled, you must also nominate whether the costs entered should be escalated at the nominated rates, or if escalated should be ignored for them.

This information will be saved to the 'Statutory Fees' section of the 'Input' worksheet. ↓

Statutory Fees								
Costs to be entered Inclusive of GST								
Description	Units	Base Rate / Units	Escalate (E,R,N)	S-Curve	Month Start	Month Span	Cash Flow Period	GST Included
Statutory Fees	20	30,000	R	-	1	1	Oct-12 - Oct-12	N
.	-	-	-	-	0	-	-	Y

6.1.9 Step 9 - Land Holding Costs



- Enter in any Council Rates, Land Tax and Other Holding Costs that are payable for the development per annum.
- You can then elect how this annual cost is paid throughout the year (e.g per month, per quarter, etc)
- If Taxation is set to either GST or VAT, you must also nominate if the Land Holding Costs entered need to have tax added to them, already include tax, or are tax exempt.
- If Escalation is enabled, you must also nominate whether the costs entered should be escalated at the nominated rates, or if escalated should be ignored for them.

This information will be saved to the 'Land Holding Costs' section of the 'Input' worksheet. ↓

Land Holding Costs								
Costs to be entered Inclusive of GST								
Description	No. Units	Base Rate /unit/term	Term ¹	Escalate (E,R,N)	Month Start	Month Span ²	Cash Flow Period	GST Included
Local Government Fees / Council Rates	1	375	Q	N	3	DS	Dec-12 - Apr-15	N
Land Tax	1	5,000	Y	N	3	DS	Dec-12 - Apr-15	N
Land Holding Costs	1	300	Q	N	3	DS	Dec-12 - Apr-15	N
.	-	-	M	-	0	-	-	Y

6.1.10 Step 10 - Sales Revenues

EstateMaster Sales

SqM

Use	Description	Qty	Avg Area	Avg Price	% Pre Sold	GST
Apartment	1 Bedroom	5	70	450,000	30	Included
Apartment	2 Bedroom	10	95	675,000	0	Included
Apartment	3 Bedroom	5	125	890,000	0	Included

PreSale Commencement: 2 Months after Land Purchase

PreSale Deposits: 10.00 %

Settlement Lead Time: 2 Months after Construction Completion

Sales Rate: beta Units per Month

Step 10 of 15: Sales Revenues

Cancel Back Next

- A grid is displayed where the user can enter in Sales Revenue. Additional rows can be added by clicking on the  button, or deleted by clicking on the  button.
 - Select a relevant Land Use Category and enter a description for each group of Sales.
 - Enter the quantity of stock and average area to be sold in each group. In relation to area, ensure you select the unit of measurement that the area of the sales are entered in.
 - Enter the average sales price for each group.
 - Nominate the percentage of stock that is pre-sold in each group.
 - If Taxation is set to either GST/VAT/Sales Tax, you must also nominate if the Sales Revenues entered need to have tax added to them, already include tax, or are tax exempt.
- Nominate when the pre-selling campaign should commence after the land has been acquired. By default, pre-sales will continue to occur until the month before settlement, as defined by the 'Settlement Lead Time'. During the pre-selling period, the developer does not receive any revenue from the sales, only deposits are collected and held in trust.
- Nominate the default deposit (percentage of the end sale price) to be paid for pre-sales. By default, this same percentage will be applied to each Land Use.
- Nominate when Settlements for the Sales should start to occur after construction has been completed.
- Nominate the average rate of sale for the settlements. This will determine the Settlement 'Span' on the Input sheet. By default, all stock that is pre-sold will settle within one month.

This information will be saved to the 'Sales' section of the 'Input' worksheet. ↓

Sales

Sales Revenue to be entered Inclusive of GST

Description	No. Units	Total Area SqM	Current Sale Price	Sales Calc Method	Pre-Sale Month Start	Exchanges Month Span	Month Start	Settlements Month Span	Cash Flow Period	GST Included	Land Use Code
Apartments - 1 Bedroom	4	280	450,000	Per Unit	0	-	21	2	Jun-14 - Jul-14	Y	APT
Apartments - 2 Bedroom	10	950	675,000	Per Unit	0	-	21	4	Jun-14 - Sep-14	Y	APT
Apartments - 3 Bedroom	5	625	890,000	Per Unit	0	-	21	2	Jun-14 - Jul-14	Y	APT
PreSales - Apartments - 1 Bedroom	1	70	450,000	Per Unit	5	16	21	1	Jun-14 - Jun-14	Y	APT
.	-	-	-	Per Unit	0	-	0	-	-	Y	-

6.1.11 Step 11 - Rental Revenues

EstateMaster Tenants

Ignore Rental Income for this Project - Select

Use	Description	Area	Net Rent P.A.	Cap Rate %	GST
* Retail Shops	Ground Floor Shops	120	95,000	7	Exempt

Leasing Lead Time: 1 Months after Construction Completion

Average Rental Increase: 3.50 % p.a.

Investment Period: 12 Months (sold at end of period)

Step 11 of 15: Rental Revenues

Buttons: Cancel, Back, Next

- If no Rental Income is to be included in the project, check the 'Ignore Rental Income' checkbox.
- A grid is displayed where the use can enter in Rental Revenue. Additional rows can be added by clicking on the  button, or deleted by clicking on the  button.
 - Select a relevant Land Use Category and enter a description for each tenancy.
 - Enter the net lettable area for each tenancy.
 - Enter the average net rent per annum for each tenancy.
 - Enter a capitalisation rate when if the terminal capitalised value needs to be taken into account. This will capitalise the net rental income.
 - If Taxation is set to either GST/VAT/Sales Tax, you must also nominate if the Rental Revenues entered need to have tax added to them, already include tax, or are tax exempt.
- Nominate the number of months the leases commence start after construction has completed.
- Enter the annual rent review escalation rate. The escalation commences 1 year after the first Lease Start Date and is only re-applied on an annual basis. By default, this rate is applied for every year.
- Nominate the leasing period where rental income will be received. To have no rental income and only a capitalised sale, leave this as zero.

This information will be saved to the 'Tenants' worksheet. ↓

Rental Income & Capitalised Sales		Rental Income and Leasing Costs to be entered					
Description	Land Use Code	Total Area SqM	Current Rent /SqM/annum	Lease Month Start	Lease Month Span		
Ground Floor Shops	RET	120	792	20	12	-	-
		-	-	0	-		

Rental Review Escalation Rates by Year (Commence 1 year after Lease Start)										Letting Fee		
Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10 +	% of Gross Rent	% paid at PreCommit	Total Amount
3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	5.00%	0.00%	5,152
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	-

GST Included		Residual Cap. Rate	Pre-Sale Exchange Month	Settlement Month	Leasing Up Period		Purchaser's Costs	GST Included on Sales ¹
on Costs	on Rents				Months Vacant	Discount Rate		
Y	N	7.00%	-	-	-	0.00%	0.00%	N
Y	Y	0.00%	-	-	-	0.00%	0.00%	Y

6.1.12 Step 12 - Selling and Leasing Costs



Estate Master DF Lite Quick Setup Wizard

Selling Costs

- Sales Commission Rate: 2.00 % of gross sales
- Other Preselling Costs: 0.00 % and/or 1,500 per Presale
- Other Settlement Costs: 1.50 % and/or 0 per Sale

Leasing Costs

- Letting Fees: 5.00 % of gross rent
- Other Leasing Costs: 2.00 % and/or 0 per Letting

All Selling/Leasing Costs: Inclusive of GST and Escalated

Step 12 of 15: Selling and Leasing Costs

Buttons: Cancel, Back, Next

Selling Costs

- Nominate the default sales commission (percentage of the gross end sale price) to be paid on each sale. By default, this same percentage will be applied to each Land Use and is payable on Settlement.
- Enter in costs for the pre-selling campaign for items such as advertising, marketing, legal fees, etc, either as a percentage of total gross sales, or a fixed amount per pre-sale. By default, they will be paid pro rata with pre-sales.
- Enter in settlement costs for items such as advertising, marketing, legal fees, etc, either as a percentage of total gross sales, or a fixed amount per stock item that is settled. By default, they will be paid pro rata with settlements.

This information will be saved to the 'Selling and Leasing Costs' and 'Sales Revenue' sections of the 'Input' worksheet. ↓

Selling and Leasing Costs			
Sales Commission (To be entered Inclusive of GST)	Sales Comm ¹	% of Comm. Pre-sales ²	Deposits (% of Price) ³
Apartments	2.00%	0.00%	10.00%
Retail Shops	2.00%	0.00%	10.00%
Residential - 3 Bedroom Units	2.00%	0.00%	10.00%
Detached Dwellings Lots	2.00%	0.00%	10.00%

Other Selling Costs To be entered Inclusive of GST	% of Gross Sales	AND / OR No. Units	Base Rate / Unit	Escalate (E,R,N)	Month Start	Month Span	Cash Flow Period	GST Included
PreSale Costs	0.00%	1	1,500	R	E	-	Feb-13 - May-14	Y
Settlement Costs	1.50%	-	-	R	S	-	Jun-14 - Apr-15	Y
.	0.00%	-	-	-	0	-	-	Y

Leasing Costs

- If Rental Revenue is not included in this development project, this section will be hidden.
- Enter in letting fees for each tenancy as a percentage of gross annual rent. They are payable at the commencement of the lease.
- Enter in leasing costs for items such as advertising, marketing, legal fees, etc, either as a percentage of total gross rental income, or a fixed amount per tenancy. By default, they will be paid pro rata with rental income.

This information will be saved to the 'Selling and Leasing Costs' section of the 'Input' worksheet and the 'Tenants' worksheet. ↓

Other Leasing Costs To be entered Inclusive of GST	% of Gross Rent	AND / OR No. Units	Base Rate / Unit	Escalate (E,R,N)	Month Start	Month Span	Cash Flow Period	GST Included
Leasing Costs	2.00%	-	-	R	R	-	May-14 - Apr-15	Y
.	0.00%	-	-	-	0	-	-	Y

Tenancy Schedule				
12000 Rental Income & Capitalised Sales				
Code	Stage	Description	Letting Fee	
			% of Gross Rent	% paid at PreCommit
12001	-	Ground Floor Shops	5.00%	0.00%
12002	-	.	0.00%	0.00%

- If Taxation is set to either GST or VAT, you must also nominate if the Selling/Leasing Costs entered need to have tax added to them, already include tax, or are tax exempt.
- If Escalation is enabled, you must also nominate whether the costs entered should be escalated at the nominated rates, or if escalated should be ignored for them.

6.1.13 Step 13 - Financing

Estate Master DF Lite Quick Setup Wizard

Equity
Upfront Equity Contribution: 1,000,000

Debt
Interest Rate on Borrowings: 7.50 % p.a. Effective - Capitalised
Loan Fees: 1,200 p.a.

Other Costs
Upfront Financing Costs: 15,000 GST Exempt

Step 13 of 15: Financing

Buttons: Cancel, Back, Next

- Nominate the amount of developer's equity to inject upfront to fund the development cash flow. If this is left blank, then it will be assumed that the project will be fully debt funded.
- Nominate the interest rate to apply for all debt financing. By default, it will assume that the loan interest is capitalised (compounded) and is on a p.a. Effective basis.
- Enter any Loan Fees on a per annum basis. They are charged per period when interest is due.
- Enter any other financing costs, such as establishment fees, loan application fees, etc. By default they are payable upfront.
- If Taxation is set to either GST or VAT, you must also nominate if the Upfront Financing Costs entered need to have tax added to them, already include tax, or are tax exempt.

This information will be saved to the 'Financing' section of the 'Input' worksheet. ↓

Financing							
Equity							
Developer's Equity Contribution Injected in total upfront.	Fixed Amount	Percentage		Fixed Amount			
	1,000,000	0.00%					
Senior Loan							
Description		Lender Name					
No Limit (use as overdraft facility)							
Interest Rate		7.50% per annum Nominal - Capitalised (Compounded)					
Fees							
	Amount	Percentage	Month Paid				
Application Fee	-	0.00%	0				
Line Fee	1,200	0.00%					
Financing Costs (to be entered Inclusive of GST)							
Financing Costs	No. of Units	Base Rate / Unit	Escalate (E,R,N)	Month Start	Month Span	Cash Flow Period	GST Included
	1	15,000	-	0	1	Sep-12 - Sep-12	N
	-	-	-	0	-	-	Y

6.1.14 Step 14 - Hurdle Rates

EstateMaster

Step 14 of 15:
Target Rates of Return
(Hurdle Rates)

Target Development Margin: 25 %
on total development costs (inc selling costs).

Target IRR (Discount Rate): 20 % p.a. Effective

IRR/NPV based on Cashflow: excludes all financing costs and interest.

Buttons: Cancel, Back, Next

- Set the Developer's Target Development Margin. It is the required profit margin calculated on either total development costs net of selling/leasing costs or including selling/leasing costs, total sales and rental income or on total net sales proceeds.
- Set the Developer's Target IRR (Discount Rate). It can be based on different cash flows depending on whether financing costs or interest charges are to be included. By default, it is a p.a. Effective rate.
- Select the cash flow that the IRR and NPV is calculated on, depending on whether financing costs or interest charges are to be included.

This information will be saved to the 'Project Hurdle Rates' section of the 'Input' worksheet. ↓

Project Hurdle Rates		
Project Discount Rate (target IRR)	20.00%	per annum Nominal, on cash flow that includes financing costs but excludes interest.
Nominate an estimate of IRR	20.00%	per ann.
Developer's Target Dev. Margin	25.00%	on total development costs (inc selling costs).
Developer's Cost of Equity (for WACC)	0.00%	

6.1.15 Step 15 - Save and Go to Results



Before saving the inputs in the Wizard to the file, you can review and print out the assumptions used by the Wizard.

It will detail what the assumption are, and how they can be modified in the input worksheets or the Preferences after the Wizard has completed to make your feasibility more cusotmised.

Taxation and Currency	Options to Modify Assumptions via Inputs or Preferences
A Single Tax Rate is assumed.	Multiple tax rates can be used by going to 'Preferences Taxation Tax Rate Type' and selecting 'Multiple Rates'
If 'Margin Scheme' is selected for the 'Liability Calculation Method', then the Estimated Land Value is used as the Margin Value for this calculation.	The Margin Value can be manually set on the Input sheet in the 'Value at 1-7-2000 or Acquisition Price' cell.
If Costs and/or Revenues are 'Plus Tax' or 'Inclusive of Tax', the single default tax rate is applied to all those Costs and/or Revenues.	Tax on individual Costs and/or Revenues items can be changed on the Input sheet in the 'GST/VAT' column to either 'N' (tax exempt) or to a manual percentage rate.
All Tax Credits are reclaimed in the same month as the cost is paid.	The reclaim timing can be changed in 'Preferences Taxation Liabilities and Reclaims'
All Tax Liabilities are paid in the same month as the revenue is received.	The liability timing can be changed in 'Preferences Taxation Liabilities and Reclaims'
Land Acquisition	
Land Purchase only consists of one optional deposit paid upfront and one settlement that is paid at the user defined date.	The Land Purchase can be split into multiple payments by inputting amounts in 'Payment 1', 'Payment 2', etc in the Land Purchase section of the Input sheet.
Stamp Duty is paid at the time of the land settlement.	The Stamp Duty amount can be manually set on the Input sheet in the

6.2 Set Preferences

It is recommended that before entering any data in the 'Input' sheet, the user set their preferences. This can be done by:

- Clicking on [Preferences]  Preferences on the [Ribbon Menu](#) or [Quick Access Toolbar](#),
- Pressing the [F12] key.

6.3 Inputting Data

Enter data into input cells with a font colour of blue or green. Fixed cells (non input) have a black font colour. Since the worksheets are protected and locked, the model will only allow you to enter into the relevant input cells.

Input Cells

Blue Font Cells: Cells with blue font are the main input cells in the program.

Green Font Cells: Cells with green font relate to presales and are not relevant if you are not taking presales into account.

Purple Font Cells: Cells with purple font relate to inputs that are entered via a list selector. When selecting the cell, a drop-down arrow will appear. Click the arrow and a list of options for that input cell will be displayed.

Start and Span

For every payment and revenue it is necessary to put a start date and span period, or else the program will not add the payment to the cash flow.

The start date must be a number between zero (0) (which represents the first or current period) or an applicable letter (i.e. "L" for land costs or "C" for Professional Fees) and the span period must be greater than but not equal to zero.

The start and span numbers must not add up to more than the maximum time periods in the model - or else you will exceed the program's limits.

6.4 Project Introduction

When you open an Estate Master file it will open on the 'Intro' sheet,

You can also open the 'Intro' sheet using the Estate Master Menu 'Go To' buttons or by clicking the 'Intro' sheet tab.

Input preliminary information such as the project title, address, etc in the cells shown in blue font. These cells are only text cells and have no impact on the cash flow calculations.

Mandatory Inputs

There are mandatory input cells on the Introduction Worksheet. The model will not allow you to save the project unless these cells have information inputted into them.

ESTATE MASTER Project Introduction			
Project Name	Project Title		
Street Address	Address		
City/Suburb	City/Suburb	Zip/Post Code	Zip/Post Code
State/County	State/County	Country	Country
Account Code	Account Code	Project Number	Project Number
Prepared By	Report Prepared By	Developer	Enter Developer Name
Prepared For	Report Prepared For		

Project Name (Mandatory)

Enter the name of the project that the property belongs to. 'Project' may be interpreted as a 'development project', an 'investment project', a 'valuation project', etc.

Project Number (Mandatory)

Enter the unique project number related to the project.

Account Code (Optional)

Enter in the unique reference code that this project belongs to in your accounting system (if applicable).

It may be the same as the Project Number.

Street Address, City/Suburb, Zip/Post Code, State/County and Country (Optional)

Enter the physical address of the subject property.

Prepared By (Optional)

Enter in who this report was prepared by.

Prepared For (Optional)

Enter in who this report was prepared for.

Developer (Optional)

Enter the name of the developer.

6.5 Preliminary

Preliminary			
Cash Flow Title	Cash Flow Title	Description of Option/Stage	Enter Description of Option or Stage
Date of First Period:	Jan-2009		
Cash Flow Rest Period:	Monthly		
Enter Project Size (a)	-	Units	
Enter Project Size (b)	-	GFA	
Enter Site Area	-	SqM	Floor Space Ratio 0:1 Equated Gross Floor Area (SqM) -
Type	Miscellaneous		
Status	Under Review		

Cash Flow Title (Mandatory)	Enter the name of the project that the property belongs to. 'Project' may be interpreted as a 'development project', an 'investment project', a 'valuation project', etc.
Description/Option/Scenario (Mandatory)	Enter the description of the option, scenario or stage of the development.
Date of First Period (Mandatory)	Enter the date of the first period in the cash flow. The first period is time period Zero (0).
Cash Flow Rest Period	The cash flow rest period (monthly, quarterly, half-yearly or yearly) is set using the Estate Master Preferences .
Enter Project Size (Optional)	Project size relates to the size of the developable area, land area, gross building area, net lettable area, gross floor area or number of lots, dwellings, apartments, etc. You may enter any type of measurement to summarise the development. These do not affect the cash flow and are only used for reporting purposes on the 'Summary' sheet.
Enter Site Area (Optional)	Enter the land area based on the units of measurement in the list selection (purple font cell).
Floor Area Ratio (Optional)	Select from the list the appropriate terminology to be used for a floor area ratio and then enter the ratio to calculate a Gross Floor Area from the given Site Area.
Type (Optional)	Nominate the type of development from the list selection (purple font cell). This is useful for distinguishing different development options.
Status (Optional)	Nominate the status of the project to identify at what stage of the analysis it is at.

6.6 Taxation (GST,VAT,etc)

The options for GST/VAT are set using the Estate Master Preferences.

Tax Liability Calculation Method

The program allows for 4 calculation methods:

- **AUTO - General Tax Rule:** The program automatically calculates the GST/VAT liabilities and credits depending on what the user entered into the GST/VAT cell for each cost and revenue line item.
- **Margin Scheme with Valuation (GST Model Only):** The user is prompted to enter the margin value for the calculation of the GST liability. The program will then automatically calculate the GST liabilities and credits depending on what the user entered into the GST cell for each cost and revenue line item.
- **Margin Scheme with % Cost Completed 1-7-2000:** Based on the user's inputs in the cost sections, the model will determine by default the % of costs that have been incurred before 1-7-2000. It then applies the Margin Scheme with Valuation calculation to determine input credits and liabilities.
- **Manual Input of Liability:** The program automatically calculates the GST/VAT credits depending on what the user entered into the GST/VAT cell for each cost line item, but the user must manually input the lump sum liability with start and span dates.

Tax Rates

The program allows for up to 3 different default GST/VAT rates. In the GST/VAT cell for each line item,

the user may enter:

- **A, B or C:** To correspond with the different default rates entered (if Multiple Rate option is selected in the Estate Master Preferences).
- **Y or N:** Y will implement the rate entered in the GST/VAT rate cell of the Input Sheet and N will be 0%.
- **%:** If a user requires a GST/VAT rate that is not in either A, B or C, then they may enter the rate manually as a percentage in the GST/VAT cell for any line item.

Timing

The Estate Master Preferences can also allow the user to nominate the delay between expenditure of costs and the reimbursement of the GST/VAT credits and the delay between receipt of revenues and the payment of the GST/VAT liabilities for the developer, such as:

- Reclaimed/Paid in the same month, 1 month or 2 months later.
- Reclaimed/Paid bi-monthly or quarterly.
- Reclaims offset against the GST/VAT liability at sale.
- Calculated but not reclaimed in the cash flow (input credits only).

Goods and Services Tax				
	A or Y	B	C	N
Goods and Services Tax Rate	10.00%	12.50%	20.00%	0.00%
Value at 1-7-2000 or Acquisition Price	0			
Percent of Cost Completed at 1 July 2000	0.0%			
		Start	Span	%Owner
GST Cost Lump Sum Amount	-	0	-	-

Tax Rate (Optional)

The program allows for up to 3 different default GST/VAT rates. In the GST/VAT cell for each line item, the user may enter:

- **A, B or C:** To correspond with the different default rates entered (if Multiple Rate option is selected in the Estate Master Preferences).
- **Y or N:** Y will implement the rate entered in the GST/VAT rate cell of the Input Sheet and N will be 0%.
- **%:** If a user requires a GST/VAT rate that is not in either A, B or C, then they may enter the rate manually as a percentage in the GST/VAT cell for any line item.

Value at 1-7-2000 or Acquisition Price (Optional)

You may enter either a valuation figure or leave the default formula in the cell, which is the maximum of land purchase price or costs spent up to the GST commencement Date (1/7/2000).

This is only relevant if the 'Margin Scheme with Valuation' option is selected in the [Estate Master Preferences](#).

Percent of Cost Completed at 1st July 2000 (Optional)

You may enter either a percentage or leave the default formula in the cell. The default is based on the user's inputs in the cost sections and the % of costs that have been incurred before 1-7-2000. It then applies the Margin Scheme with Valuation calculation to determine input credits and liabilities.

This is only relevant if the 'Margin Scheme with % Cost Completed

1-7-2000' option is selected in the [Estate Master Preferences](#).

Lump Sum Amount (Optional)

The program automatically calculates the GST/VAT credits depending on what the user entered into the GST/VAT cell for each cost line item, but the user must manually input the lump sum liability with start and span dates.

This is only relevant if the 'Manual Input of Liability' option is selected in the [Estate Master Preferences](#).

6.7 Land Purchase and Acquisition Costs

Land Purchase Price		1,000,000							
	% of Land Purchase Price		AND/OR		Month Start	Month Span	Cash Flow Period	Add GST on Land Price? <input type="checkbox"/>	Y
	% paid	Amount	Lump Amount						
Deposit in Trust Account ¹	10.00%	100,000	-		0	1	Jan-09 - Jan-09	<input type="checkbox"/>	
Payment 1	0.00%	-	50,000		2	1	Mar-09 - Mar-09		
Payment 2	0.00%	-	-		0	-	-		
Payment 3	0.00%	-	-		0	-	-		
Payment 4	0.00%	-	-		0	-	-		
Settlement (Balance)	85.00%	-	850,000		5	1	May-09 - May-09		
Stamp Duty ¹	NIL	-	-		5	1	May-09 - May-10		
Interest on Deposit in Trust Account	3.00%	-	Interest from deposit shared between parties						
Profit Share to Land Owner	5.00%	-	Paid in full at project end.						

Land Purchase Price (Optional)

Input the land purchase price in the second input item. It is not necessary to input a land purchase price if you are trying to determine the residual land value of the development, you will however need to input settlement dates for the residual land value to be calculated at.

Deposit and Payments (Optional)

You can stage your land acquisition payments - deposit plus multiple staged payments either as a percentage and/or an amount. Each payment is a transfer of funds from the Developer to the Land Owner. Note that Deposit in a trust account is different from a payment because the land owner does not receive it until settlement or the first payment date.

Stamp Duty (Optional)

The automatic stamp duty is calculated for the total purchase price. An option in the [Estate Master Preferences](#) is available to select whether stamp duty is calculated on the land including or excluding GST/VAT. You will need to input the start and span dates for the payment of stamp duty.

If several acquisitions are involved then you should set the automatic stamp duty to NIL and manually calculate each stamp duty payment and enter them in 'Other Acquisition Costs'.

Interest on Deposit in Trust Account (Optional)

Interest may be earned on that deposit during the time it sits in the trust account and the interest is divided evenly between the seller (Land Owner) and the buyer (Developer). Both the deposit percentage and interest on deposit are optional inputs.

Profit Share to Land Owner (Optional)

You can also nominate a percentage of your development profit to be paid to the land owner at the completion of the project. By entering a percentage for profit share, it will impact your performance indicators and risk assessment, depending on what option you nominate in the [Estate Master Preferences](#) for the calculation of Development Profit - Gross (before profit share) or Net (after profit share).

Other Acquisition Costs

Other Acquisition Costs (to be entered Net of GST)	% of Land Price exc Tax		AND/OR Lump Amount	Month Start	Month Span	Cash Flow Period	Add GST
	% paid	Amount					
Valuation	1.00%	15,000	-	1	1	Jan-09 - Jan-09	Y
Legals	0.00%	-	12,500	L	-	Jan-09 - May-09	Y
	0.00%	-	-	0	-	-	Y
	0.00%	-	-	0	-	-	Y
	0.00%	-	-	0	-	-	Y

% Paid and Lump Amount (Optional)

For other acquisition costs, such as legal fees, survey costs, etc, you may elect to either enter:

- A percentage of the land's purchase price, and/or
- A lump sum amount.

If entering a % of the land price and running the model in either GST or VAT mode then:

- The cost will be based on the land price excluding GST/VAT when using the General Tax Rule.
- The cost will be based on the land price including GST when using the Margin Scheme (GST Mode only).

Start and Span (Mandatory)

For each item's Start and Span, you have the following options:

- Enter a number to nominate the start and span manually, or
- Enter "L" as the start date to have the cost paid pro-rata with land payments. If "L" is chosen, the span date is ignored.

GST/VAT (Optional)

Select "Y" or "A", "B", or "C" in the GST/VAT column if the cost is GST/VAT inclusive and the developer will claim a percentage of the cost as an input credit.

- If the header shows 'Add GST/VAT' the model will automatically escalate the cost entered to include tax in the cash flow and reclaim tax credits.
- If the header shows 'GST/VAT Included', then the model will only reclaim tax credits based on the cost amount entered.

Start and Span

For every payment and revenue it is necessary to put a start date and span period, or else the program will not add the payment to the cash flow.

The start date must be a number between zero (0) (which represents the first or current period) or an applicable letter (i.e. "L" for land costs or "C" for Professional Fees) and the span period must be greater than but not equal to zero.

The start and span numbers must not add up to more than the maximum time periods in the model - or else you will exceed the program's limits.

6.8 Cost Escalation Rates

	Escalation Rates (Monthly Compounded Escalation) based on Cashflow Period Years commencing									
	Jan-10	Jan-11	Jan-12	Jan-13	Jan-14	Jan-15	Jan-16	Jan-17	Jan-18	Jan-19
Professional Fees	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Construction Costs	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Statutory Fees	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Land Holding Costs	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Selling and Leasing Costs	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Finance Costs	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Escalation Rates can be defined for different categories of costs in the escalation table. Escalation rates can be set up in different ways:

- Either on a **Periodic Compounded Escalation** basis (e.g. 5% per annum, which equates to 0.41% compounded monthly) or **Annual Stepped Escalation** basis (e.g. 5% per month for the year).
- As a **Positive** (inflation) or **negative** (deflation) percentage.

Please note, when entering a cost that is a percentage of another cost item, it will be a percentage of the total escalated cost. Therefore, by entering an escalation for that cost item, it will be 'double escalated'.

Please refer to the [Estate Master Preferences](#) on configuring the different escalation options.

Application of Escalation Rates for Costs

The method of application of escalation can vary for each cost item. Below is the method of applying escalation rates.

- **E** = Escalates the cost to its start date;
- **R** = Escalates the cost to its start date and continues the escalation through the span period; and
- **N** = Does not apply escalation (this is the default if you leave the escalation input blank).

Escalation Examples

Say there is a \$60,000 cost that starts in month 4 and has a 6 month duration and escalates 5% per annum. Using the different methods of escalation, the following cash flows would be created:

Current Amount	Month Start	Month Span	Current Amount (per Month)
60,000	4	6	10,000

Month 0	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9
5%	5%	5%	5%	5%	5%	5%	5%	5%	5%
Escalation Factor Compounded Monthly (= Previous Months Escalation Factor x (1+5%) ^(1/12))									
100.00%	100.41%	100.82%	101.23%	101.64%	102.05%	102.47%	102.89%	103.31%	103.73%

Code	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Total
N	10,000	10,000	10,000	10,000	10,000	10,000	60,000
E	10,164	10,164	10,164	10,164	10,164	10,164	60,984
R	10,164	10,205	10,247	10,289	10,331	10,373	61,608

- When "E" is selected, the Month 4 Escalation Factor (101.64%) is applied to the non-escalated amount per month (10,000) for the entire span.
- When "R" is selected, the Month 4 - 9 Escalation Factors are applied to the non-escalated monthly amount (10,000) for that specific month.

6.9 Project Contingency

1,000,000	And / Or	12.00%	of Construction, Professional, Statutory
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In this item you may put in a project contingency factor (or project reserve) as an amount and/or a percentage of development costs (Construction, Professional Fees and Statutory Fees, inclusive of any

GST/VAT). This cost is automatically paid pro-rata with the aforementioned development costs.

GST/VAT on Project Contingency

There is no separate input for nominating whether GST/VAT is applied to Project Contingency - it is dependant on the costs that are a part of Project Contingency and whether they have GST/VAT on them.

Since Project Contingency is based on all project costs (i.e Construction, Professional, Statutory Fees and Misc Costs 1, 2 and 3), and all those costs may not necessarily always have GST/VAT on them, it gets the weighted average GST/VAT rate on all those items to forecast the GST/VAT on Project Contingency.

For example, if the base GST/VAT rate was 10% and if half of the cost items excluded GST/VAT, then a background calculation will determine that the weighted average GST/VAT rate to apply to the Project Contingency is actually 5% (1/2 x 10%).

6.10 Professional Fees

Description	% of Construct. †	AND / OR No. Units	Base Rate / Unit	Escalate (E,R,N)	S-Curve	Month Start ²	Month Span	Cash Flow Period	Add GST
Consultants	0.00%	1	100,000	E	S	1	1	Feb-09 - Feb-09	Y
Engineers	3.50%	-	-	R	E	C	-	Jan-09 - Sep-11	Y
	0.00%	-	-	-	-	0	-	-	Y
	0.00%	-	-	-	-	0	-	-	Y

• % of Construction and/or Amount (Mandatory)

For each cost item it is mandatory to input:

- A percentage of total construction cost (excluding GST/VAT if applicable), and/or
- The number of units (e.g sqm) and base rate per unit (e.g \$/sqm).

If you do not input a number in the 'number of units' cell, the program will interpret the number as being zero (0) and consequently the cost will not be included in the cash flow. If you choose to enter the cost as a % of another cost this will not apply.

Escalation (Optional)

You may elect to apply [escalation](#) on any cost items.

- Enter "E" to escalate to start, or
- Enter "R" to escalate to start and continue escalation through span period, or
- Leave blank or enter "N" to assume the cost is fixed, hence no escalation.

S-Curve (Optional)

You may elect to span the cost payments evenly through the span period or apply a cumulative S-shape curve.

- Leave blank or enter "E" to evenly spread the cost, or
- Enter "S", to apply an S-Curve to the cost (You cannot modify the S-curve profiles in the Estate Master DF Lite version)

Start and Span (Mandatory)

For each item's Start and Span, you have the following options:

- Enter a number to nominate the start and span manually, or
- Enter "C" as the start date to have the cost paid pro-rata with construction costs. If "C" is chosen, the span date is ignored.

GST/VAT (Optional)

Select "Y" or "A", "B", or "C" in the GST/VAT column if the cost is GST/VAT inclusive and the developer will claim a percentage of the cost as an input credit.

- If the header shows 'Add GST/VAT' the model will automatically escalate the cost entered to include tax in the cash flow and reclaim tax credits.
- If the header shows 'GST/VAT Included', then the model will only reclaim tax credits based on the cost amount entered.

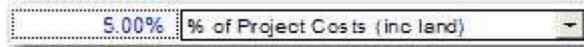
Development Management

Fee (Optional)

Scroll down the last professional fee item to input a percentage for Development Management. Using the [Estate Master Preferences](#), you can change the fee to be expressed as a percentage of either:

- Total Gross Sales proceeds,
- Total Net Sales proceeds (Gross Sales less Selling Costs),
- Total Project Costs including Land, or
- Total Project Costs excluding Land.

Project costs exclude finance costs and GST/VAT if applicable.



The Development Management Fee can also be spread in the cash flow in five different ways:

- Enter a start and span period manually.
- Enter "C" as the start date to have the cost paid pro-rata with Construction Costs.
- Enter "P1" as the start date to have the cost paid pro-rata with Project Costs (inc Land).
- Enter "P2" as the start date to have the cost paid pro-rata with Project Costs (exc Land).
- Enter "S" as the start date to have the cost paid pro-rata with Sales Settlements.

6.11 Construction Costs

Description	Units	Base Rate / Units	Escalate (E,R,N)	S-Curve	Month Start	Month Span	Cash Flow Period	Add GST
Subdivision	1	1,295,000	E	S	2	6	Mar-09 - Aug-09	Y
Construction Contract	1	35,000,000	R	E	8	14	Sep-09 - Oct-10	Y
	-	-	-	-	0	-	-	Y
	-	-	-	-	0	-	-	Y

Amount and Start and Span
(Mandatory)

For each cost item it is mandatory to input:

- The number of units (e.g sqm) and base rate per unit (e.g \$/sqm), and
- The start and span periods.

If any of the above are entered as zero (0), then the program will not include the cost in the cash flow.

Escalation (Optional)

You may elect to apply [escalation](#) on any cost items.

- Enter "E" to escalate to start, or
- Enter "R" to escalate to start and continue escalation through span period, or
- Leave blank or enter "N" to assume the cost is fixed, hence no escalation.

S-Curve (Optional)

You may elect to span the cost payments evenly through the span period or apply a cumulative S-shape curve.

- Leave blank or enter "E" to evenly spread the cost, or
- Enter "S", to apply an S-Curve to the cost (You cannot modify the S-curve profiles in the Estate Master DF Lite version)

Start and Span (Mandatory)

For each item, you must enter the start and span periods. If the span periods is zero (0) then the program will not include the cost in the cash flow.

GST/VAT (Optional)

Select "Y" or "A", "B", or "C" in the GST/VAT column if the cost is GST/VAT inclusive and the developer will claim a percentage of the cost as an input credit.

- If the header shows 'Add GST/VAT' the model will automatically escalate the cost entered to include tax in the cash flow and reclaim tax credits.
- If the header shows 'GST/VAT Included', then the model will only reclaim tax credits based on the cost amount entered.

Construction Contingency (Optional)

Scroll down the last construction cost item to input a percentage for Construction Contingency (optional) as an amount and/or a percentage of construction costs (inclusive of any GST/VAT if applicable). This cost is automatically paid pro-rata with the construction costs.

5,000,000	And / Or	10.00%	of Construction Costs
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6.12 Statutory Fees and Contributions

The title to this section may be changed to suit the user's requirements. All references to this section in other areas of the program will be changed automatically (i.e. 'Summary' sheet, Cash Flow, etc).

Description	Units	Base Rate / Units	Escalate (E,R,N)	S-Curve	Month Start	Month Span	Cash Flow Period	Add GST
Developer Contributions	150	20,000	E	S	2	6	Mar-09 - Aug-09	Y
Statutory Fees	1	35,440	R	E	8	14	Sep-09 - Oct-10	Y
	-	-	-	-	0	-	-	Y
	-	-	-	-	0	-	-	Y

Amount and Start and Span (Mandatory)

For each cost item it is mandatory to input:

- The number of units (e.g sqm) and base rate per unit (e.g \$/sqm), and
- The start and span periods.

If any of the above are entered as zero (0), then the program will not include the cost in the cash flow.

Escalation (Optional)

You may elect to apply [escalation](#) on any cost items.

- Enter "E" to escalate to start, or

- Enter "R" to escalate to start and continue escalation through span period, or
- Leave blank or enter "N" to assume the cost is fixed, hence no escalation.

S-Curve (Optional)

You may elect to span the cost payments evenly through the span period or apply a cumulative S-shape curve.

- Leave blank or enter "E" to evenly spread the cost, or
- Enter "S", to apply an S-Curve to the cost (You cannot modify the S-curve profiles in the Estate Master DF Lite version)

Start and Span (Mandatory)

For each item, you must enter the start and span periods. If the span periods is zero (0) then the program will not include the cost in the cash flow.

GST/VAT (Optional)

Select "Y" or "A", "B", or "C" in the GST/VAT column if the cost is GST/VAT inclusive and the developer will claim a percentage of the cost as an input credit.

- If the header shows 'Add GST/VAT' the model will automatically escalate the cost entered to include tax in the cash flow and reclaim tax credits.
- If the header shows 'GST/VAT Included', then the model will only reclaim tax credits based on the cost amount entered.

6.13 Land Holding Costs

Description	No. Units	Base Rate /unit/term	Term	Escalate (E,R,N)	Month Start	Month Span	Cash Flow Period	Add GST
Insurance	1	2,100	M	E	2	6	Mar-09 - Aug-09	Y
Services	1	1,240	BM	R	8	14	Sep-09 - Oct-10	Y
Council Rate	1	5,500	Q	-	0	DS	Feb-09 - Oct-13	Y
Water Rates	1	1,800	BA	-	0	DR	Feb-09 - Aug-14	Y
Land Tax	1	537,300	Y	-	0	-	-	Y

Amount (Mandatory)

For each cost item it is mandatory to input:

- The number of units (e.g sqm), and
- Base rate per unit per term (e.g \$/sqm/month), where the term is identified in the following input column.

If any of the above are entered as zero (0), then the program will not include the cost in the cash flow.

Term (Mandatory)

This is the payment frequency for the nominated amount:

- **M** = Monthly
- **BM** = Bi-Monthly
- **Q** = Quarterly
- **BA** = Bi-Annually
- **Y** = Yearly

Escalation (Optional)

You may elect to apply [escalation](#) on any cost items.

- Enter "E" to escalate to start, or
- Enter "R" to escalate to start and continue escalation through span period, or

- Leave blank or enter "N" to assume the cost is fixed, hence no escalation.

Start and Span (Mandatory)

For each item, you must enter the start and span periods. In the case of the span period you may elect to input a number span or the letters DS or DR.

- **DS** = The span period will indicate to the model that you would like to diminish the land holding costs proportionally with sales.
- **DR** = The span period will indicate to the model that you would like to diminish the land holding costs proportionally with the take-up of leases/rental income.

GST/VAT (Optional)

Select "Y" or "A", "B", or "C" in the GST/VAT column if the cost is GST/VAT inclusive and the developer will claim a percentage of the cost as an input credit.

- If the header shows 'Add GST/VAT' the model will automatically escalate the cost entered to include tax in the cash flow and reclaim tax credits.
- If the header shows 'GST/VAT Included', then the model will only reclaim tax credits based on the cost amount entered.

6.14 Revenue Escalation Rates

Code	Category	Escalation Rates (Monthly Compounded Escalation) based on Cashflow Period Years commencing									
		Jan-10	Jan-11	Jan-12	Jan-13	Jan-14	Jan-15	Jan-16	Jan-17	Jan-18	Jan-19
RS1	Residential - 1 Bedroom Units	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
RS2	Residential - 2 Bedroom Units	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
RS3	Residential - 3 Bedroom Units	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
RDD	Detached Dwellings Lots	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Escalation Rates can be defined for different categories of sales and rental revenue in the escalation table. Escalation rates can be set up in different ways:

- Either on a **Periodic Compounded Escalation** basis (e.g. 5% per annum, which equates to 0.41% compounded monthly) or **Annual Stepped Escalation** basis (e.g. 5% per month for the year).
- As a **Positive** (inflation) or **negative** (deflation) percentage.

Please refer to the [Estate Master Preferences](#) on configuring the different escalation options.

Escalation Rates

For each relevant category you may enter up to 10 years of escalation rates.

- **For Sales:** Escalation rates apply to end sale values from the first escalation month. Where the user has assumed pre-sales, escalation applies up to the exchange dates, otherwise it applies up to the settlement dates.
- **For Rents (Pre Lease):** Escalation rates apply to rental values from the first escalation month up to the lease start date. For escalation on rents during the lease period, refer to the rent review table in the [Rental input section](#).

Code and Category

You have ability to define your own property categories (eg. "Residential") and codes (eg. "RS") for multiple escalation rates. There are 4 different property categories that can all have different escalation rates; the code for each property category is defined by

the user (1-3 character length allowed). Negative escalation rates can be inputted.

6.15 Selling Costs

	Sales Commission (To be entered Inclusive of GST)	Sales Comm ¹	% of Comm. Pre-sales ²	Deposits (% of Price) ³
RS1	Residential - 1 Bedroom Units	0.00%	0.00%	0.00%
RS2	Residential - 2 Bedroom Units	0.00%	0.00%	0.00%
RS3	Residential - 3 Bedroom Units	0.00%	0.00%	0.00%
RDD	Detached Dwellings Lots	0.00%	0.00%	0.00%
Pre-sale Comm are reported as a				Project Cost
Interest Rate on Deposits Invested in Trust Account				0.00%
% of Interest retained by Developer upon settlement				0.00%

Sales Commission (Optional)

For each relevant category you may enter sales commission. The first input column refers to sales commission as a percentage of Gross Selling Price (i.e sales price inclusive of any GST/VAT/Sales Tax) that can be applied to:

- Revenue items in the 'Sales' input section.
- Capitalised Sales entered in the 'Tenants' section.

% of Commission at Pre-Sale (Optional)

The second input column (green font) is only relevant for pre-sales and refers to the proportion of sales commission that is paid at exchange date (date of pre-sale). Typically selling agents require a proportion of their commission to be paid on exchange of contracts.

Deposit (Optional)

The third input column (green font) is only relevant for pre-sales and refers to the size of the deposits to be met by the end buyers. The model assumes that all pre-sale deposits are deposited in trust until settlement.

In addition to setting the deposit amount, you can nominate:

- Any interest earned on the deposit. The interest on deposits is calculated from the middle of the exchange period to the middle of the settlement period and spread evenly through the settlement period.
- The proportional split of the interest earned between the buyers and the seller (developer). By inputting 100% the developer would retain all the interest earned on the deposit. Typically contracts specify a 50:50 split.

Report Pre-Sale Commissions as Project Cost (Optional)

Select via the [Estate Master Preferences](#) to report all Commissions incurred at time of Exchange as either a positive Project Costs or a negative Revenue. This will impact how the Development Margin is reported, and where other cost items are a % of Project Costs.

Other Selling Costs

Other Selling Costs	% of Gross Sales	AND / OR No. Units	Base Rate / Unit	Escalate (E,R,N)	Month Start	Month Span	Cash Flow Period	Add GST
Marketing Suite	0.00%	1	150,000	E	2	6	Mar-09 - Aug-09	Y
Advertising Brochures	0.00%	1	25,000	R	8	14	Sep-09 - Oct-10	Y
Pre-Sale Marketing Campaign	0.00%	1	54,600	-	E	-	Jan-10 - Dec-10	Y
Legals on Sale	0.75%	-	-	-	S	-	Dec-10 - Dec-11	Y

% Paid and/or Amount (Mandatory) For each selling costs item, such as marketing, advertising, legals etc, it is mandatory to input:

- A percentage of gross sales (i.e sales price inclusive of any GST/VAT/Sales Tax), and/or
- The number of units (e.g lots) and base rate per unit (e.g \$/lot).

Escalation (Optional)

You may elect to apply [escalation](#) on any cost items.

- Enter "E" to escalate to start, or
- Enter "R" to escalate to start and continue escalation through span period, or
- Leave blank or enter "N" to assume the cost is fixed, hence no escalation.

Start and Span (Mandatory)

For each item, you must enter the start and span periods. In the case of the span period you may elect to input a number span or the letters S or E.

- Enter "S" to have the cost paid pro-rata with settlements or instalments (if using the [Sales Revenue Collection Profile](#) function), or
- Enter "E" to have the cost paid pro-rata with pre-sale exchanges (if used, otherwise it will be highlighted red).

If "S" or "E" is chosen, the span date is ignored.

GST/VAT (Optional)

Select "Y" or "A", "B", or "C" in the GST/VAT column if the cost is GST/VAT inclusive and the developer will claim a percentage of the cost as an input credit.

- If the header shows 'Add GST/VAT' the model will automatically escalate the cost entered to include tax in the cash flow and reclaim tax credits.
- If the header shows 'GST/VAT Included', then the model will only reclaim tax credits based on the cost amount entered.

6.16 Leasing Costs

Other Leasing Costs	% of Gross Rent	AND / OR No. Units	Base Rate / Unit	Escalate (E,R,N)	Month Start	Month Span	Cash Flow Period	GST Included
Management Fee	2.00%	-	-	E	R	-	-	Y
Misc Outgoings	0.00%	1	12,000	R	5	7	Jun-09 - Dec-09	Y
	0.00%	-	-	-	0	-	-	Y
	0.00%	-	-	-	0	-	-	Y

% Paid and/or Amount (Mandatory) For other leasing costs that are not entered on the Tenants sheet, it is mandatory to input:

- A percentage of Total Gross Rents collected over the nominated lease terms for each Tenant. (i.e total gross rental income received inclusive of any GST/VAT/Sales Tax), and/or
- The number of units (e.g unit) and base rate per unit (e.g \$/unit).

Escalation (Optional)

You may elect to apply [escalation](#) on any cost items.

- Enter "E" to escalate to start, or
- Enter "R" to escalate to start and continue escalation through span period, or
- Leave blank or enter "N" to assume the cost is fixed, hence no escalation.

Start and Span (Mandatory)

For each item's Start and Span, you have the following options:

- Enter a number to nominate the start and span manually, or
- Enter "R" as the start date to have the cost paid pro-rata with rental income. If "R" is chosen, the span date is ignored.

GST/VAT (Optional)

Select "Y" or "A", "B", or "C" in the GST/VAT column if the cost is GST/VAT inclusive and the developer will claim a percentage of the cost as an input credit.

- If the header shows 'Add GST/VAT' the model will automatically escalate the cost entered to include tax in the cash flow and reclaim tax credits.
- If the header shows 'GST/VAT Included', then the model will only reclaim tax credits based on the cost amount entered.

6.17 Sales Revenue Collection Profile

	% Payable at Each Instalment (Based on Months after Date of Exchange)												Balance on Settlement
	2	4	6	8	12	18	22	24	30	36	40	42	
Profile 1	5.00%	10.00%	5.00%	5.00%	5.00%	10.00%	15.00%	5.00%	5.00%	6.00%	4.00%	5.00%	20.00%

The Sales Revenue Collection Profile feature is enabled via the [Estate Master Preferences](#). It allows you to set milestones for receiving multiple payment instalments from purchasers prior to project completion, either based on specific time periods in the cash flow, or on certain number of months after the Date of Exchange for each sale item.

In Estate Master DF Lite, there is one Sales Revenue Collection Profiles that can be set. Once the profile has been created, in the Sales input section, enter in "1" in the Revenue Collection Profile column.

Current Sale Price	Pre-Sale Exchanges		Settlements		Revenue Collection Profile
	Month Start	Month Span	Month Start	Month Span	
500,000	4	12	56	1	1

There are a few rules in relation to using this feature:

- A Sales Revenue Collection Profile can only be applied to a sale item if Pre-sale Exchanges start and span dates are set for that item.
- If a Sales Revenue Collection Profile is applied to a sale item, then any Pre-Sale Exchange Deposits and Interest on Deposits are ignored for that item.
- This functionality is not available for Capitalised Sales on the Tenants sheet.

Timing of Instalment

The [Estate Master Preferences](#) allows you to set whether instalments are base on:

- Specific Time Periods in the Cash Flow, or
- A certain number of months after the Date of Exchange for

each sale item.

When setting the instalment timings, each subsequent instalment must be later than the previous.

Instalment %

This is the % amount of the sale value that is paid by the purchaser directly to the developer (not held in a trust account) at the nominated instalment milestone.

Balance on Settlement

This shows the outstanding amount that is payable to the developer at Settlement for each sale item that applies that specific profile. However the actual settlement dates defined in the sales section take precedence and any future collection profiles (instalments set to occur after a settlement date) are ignored.

Collection Profile Examples

Say there are three a \$1,000,000 sales occurring as per the following collection profile, and the user has also nominated that there is a 10% Deposit payable on exchange, and that deposit earns interest at 5% :

Months in Cash Flow	4	5	6	7	8	9	10	18
Instalment %	20%	10%	10%	5%	10%	10%	5%	10%

Scenario	Pre-Sale Exchange				Settlement		Results
	Deposit	Interest on Deposit	Start	Span	Start	Span	
Sale 1 Pre-Sale Exchange Start is before first instalment and Settlement is before last instalment.	10%	5%	2	4	14	6	<ul style="list-style-type: none"> No 10% deposit is collected from purchaser at month 2 and placed in a trust account to earn interest. The first payment to the developer is made in month 4 as per collection profiles. Outstanding amounts are paid in full at settlement month 14 over a 6 month span, irrespective of the future collection profiles in month 18.
Sale 2 Pre-Sale Exchange Start occurs at the same time as the first instalment and Settlement Start occurs at the same time as the last instalment, but is spread over several months.	10%	5%	4	4	18	6	<ul style="list-style-type: none"> No 10% deposit is collected from purchaser at month 4 and placed in a trust account to earn interest. The first payment to the developer is made in month 4 as per collection profiles. Final payment is collected in month 18 as per collection profile irrespective of the nominated Settlement dates.
Sale 3 Pre-Sale Exchange Start is after the first instalment and Settlement Start is after last instalment.	10%	5%	6	4	20	6	<ul style="list-style-type: none"> No 10% deposit is collected from purchaser at month 6 and placed in a trust account to earn interest. In month 6, instalments 1 (20%), 2 (10%) and 3 (10%) are collected, equating to total back-pay of 40%. Final payment is collected in month 18 as per the collection profile irrespective of the nominated Settlements dates.

6.18 Tenants

Rental Income

Land Use Code	Total Area SqM	Current Rent /SqM/annum	Outgoings and Vacancies		Pre-Commit Month	Lease Month Start	Lease Month Span	Cash Flow Period	Escalated Rent at Lease Start /SqM/annum
			/SqM/annum	+ %Rent					
RET	300	350	1.050	1.50%	12	24	12	Jan-11- Dec-11	350
-	-	-	-	0.00%	-	0	-	-	-

Land Use Code (Optional)

By detailing the land use code for a tenant, it will apply the following:

- **Escalation on rental income**, up until the lease start, based on the rates entered for that specific land use in the [Revenue Escalation](#) table.
- **Sales Commissions** for capitalised sales, based on the rates entered for that specific land use in the [Selling Costs](#) section.

If you neglect to enter a land use code, the rental and capitalised sales revenue will still be calculated, however:

- It will exclude escalations and sales commissions, and
- It will be shown as 'Not Classified' on the Summary Report rather than be grouped under a specific land use type.

Total Area (Mandatory)

Enter the size of tenancy based on the unit of measurement from the list selector (purple font) such as number sqm, sqft, etc.

This information is used for further analysis on the Summary, Cash Flow (Stock Summary for Capitalised Sales) and Consolidate Reports (Yield Analysis).

Current Rent (Mandatory)

Enter in the current rent based on the unit of measurement selected and either as a monthly or annual rate (chosen from the list selector).

Outgoings and Vacancies
(Optional)

You may select outgoing expenses and vacancy allowances either as:

- A lump sum per annum/month, and/or
- Percentage of gross rent.

Outgoings and Vacancies are shown as a 'Leasing Cost' in the Summary and Cash Flow reports are paid during the nominated lease start and span.

Pre-Commitment (Optional)

You may enter a lease pre-commitment period that is before the Lease Start month. When adopting a pre-commitment:

- Escalation on rental income will be applied up until the pre-commitment period only.
- A portion of the nominated Letting Fee can be paid at that point in time.

Lease Start and Span (Mandatory)

To calculate a rental income stream, enter a lease start date and lease span period. If the span period is zero (0) then the program will not include the rental revenue in the cash flow.

Once the Current Rent and Lease Start is entered, the 'Escalated Rent as at the Lease Start' will be displayed. It is the Current Rent

that has been escalated from the [Revenue Escalation](#) rates table. To escalate rents once the leases commence, use the Rental Review Escalation table.

Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10 +
2.50%	3.00%	0.00%	3.00%	2.50%	0.00%	4.00%	0.00%	0.00%	0.00%
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Rental Review Escalation

(Optional)

For each tenant you may enter up to 10 years of rental review escalation rates. Escalation rates are applied on the anniversary month (Lease Start month) on a yearly basis (as opposed to cost escalation which is applied on each time period) and commence 1 year after Lease Start (ie the first 12 months of rent are calculated based on the rent value at the lease start date).

Rental Review Escalation is in addition to the [Pre-Lease Rental Escalation](#) that is calculated via the land use codes (ie RS1, COM, etc). It allows the user to enter in rent reviews during the lease period, whereas Pre-Lease Rental Escalation applies escalation to the current rent up until the lease start date.

Letting Fee		Incentives			Add GST	
% of Gross Rent	% paid at PreCommit	Rent Free Months	Fit out Cost	Month Start	on Costs	on Rents
5.00%	50.00%	2	50,000	12	Y	Y
0.00%	0.00%	-	-	-	Y	Y

Letting Fee

(Optional)

You may enter a letting fee expressed as a percentage of the gross annual rent. It is default to be paid in full at the start of the lease, otherwise you may elect to enter in a percentage that is paid at Pre-Commitment.

Letting Fees are shown as a 'Leasing Cost' in the summary and cash flow reports.

Lease Incentives

(Optional)

You may enter leasing incentives as:

- Rent Free Periods (calculated from the lease start date), or
- Fit-out Costs (calculated from the project start date to the start of the lease).

Lease Incentives are shown as a 'Leasing Cost' in the summary and cash flow reports.

GST/VAT on Costs and Rents

(Optional)

Select "Y" or "A", "B", or "C" in the GST/VAT column if the rents and leasing costs are GST/VAT inclusive and the developer will pay/receive a percentage of the revenue/cost as a tax liability/credit.

- If the header shows 'Add GST/VAT' the model will automatically escalate the rents and/or costs entered to include tax in the cash flow and and reclaim tax credits (costs) or pay liabilities (rents).
- If the header shows 'GST/VAT Included', then the model will only reclaim tax credits or pay liabilities based on the rent and/or cost amount entered.

Capitalised Sales

Residual Cap. Rate	Pre-Sale Exchange Month	Settlement Month	Leasing Up Period		Purchaser's Costs	GST Included on Sales ¹
			Months Vacant	Discount Rate		
8.00%	20	-	6	6.00%	2.75%	Y
0.00%	-	-	-	0.00%	0.00%	Y

Residual Capitalisation Rate (Optional)

Entering a capitalisation rate credits the project with a terminal or residual value (i.e. sale revenue) at the end of the rental period (lease start plus span) or at the optional Settlement date, whichever is later.

The Capitalised Value is calculated by the following formula:

Capitalised Value = Net Rental Income / Residual Capitalisation Rate

Where:

Net rental Income = Gross Rental Income less GST/VAT, Outgoings and Vacancies. Letting Fees and Incentives are not capitalised and therefore do not impact then Capitalised Value.

Residual Capitalisation Rate = A capitalisation rate (also now as 'Yield') that has been adopted from comparable evidence and research.

If there no actual rental income to be received by the developer for a specific tenancy (e.g it is not leased out or is sold on completion) and you only want to indicate a capitalised sale, the lease span should be left at ZERO and the capitalised value is calculated at the lease start (unless a Settlement date later than the lease start is entered).

Pre-Sale Exchange (Optional)

You may enter a Pre-Sale Exchange date for capitalised sales. If it is adopted, you should be aware of the following:

- Any revenue escalation selected for that sale item will only apply up to the date of exchange. If no pre-sale date is entered then the escalation rates apply up to the date of settlement (lease start plus span or at the optional Settlement date, whichever is later).
- No capitalised sales revenue is actually collected by the developer until settlement. At pre-sale exchange, any [deposit](#) that is paid by the buyer is actually paid into a trust account and is not received by the developer until settlement.
- Any deposits collected and invested in the trust account can earn [interest](#) at a user-defined rate.
- The dates entered for the pre-sale exchange will impact the 'Sales Summary' on the Stock Summary report on the Cash Flow sheet.

Settlement (Optional)

This is used to nominate a settlement date that is later than the lease start and span period. If this is left as zero, then the end of the lease start and span will be used as the settlement.

You should be aware of the following in relation to settlements:

- If the user has adopted pre-sale exchanges for a sale item

and has elected to earn interest on any deposits collected at pre-sale, the interest earned will be apportioned between the developer and purchaser at time of settlement.

- The dates entered for the settlements will impact the 'Handover Summary' on the Stock Summary report on the Cash Flow sheet.

Leasing Up Period / Letting Void (Optional)

This allows the user to make an adjustment to the capitalised end sale value to take into account a known or expected vacancy period. Entering a Leasing Up Period (also known as 'Letting Void') requires two optional inputs:

- **Period Vacant:** Nominate the duration of the letting up (known/expected vacancy) period. The value of that vacancy is then determined by the following formula: Period Vacant x Forecasted Rental Income per Period
- **Discount Rate:** Given that the leasing up period may occur over more than one period, its 'present value' (as at the date of sale) can be calculated by adopting a discount rate.

The escalated end sale value will then be adjusted by the equivalent rental value (discounted by the optional discount rate).

For example: If you were to sell an office building that has a current rental of \$100k per annum on a capitalised basis for say \$1mil, and there is a known vacancy at the time of sale (e.g it is vacant for the next 6 months), then you can enter in '6' as the 'Months Vacant' period. The capitalised value of \$1mil will actually be reduced by \$50k (being 6 months rent), therefore the adjusted end sale price will be \$950k. If a discount rate has been adopted (say 14%), then the present value of the \$50k over 6 months will be calculated at approx \$48k, therefore the adjusted capitalised value in that instance will be approx \$952k.

Purchasers Costs (VAT mode only)

'Purchasers Costs' are calculated on the escalated gross end sale value and take into consideration items such as Stamp Duty, Legal and Agency Fees and Survey Fees. This input is mainly used in the UK property market. If it is used, Purchasers Costs should be factored into the Residual Capitalisation Rate.

GST/VAT on Sale (Optional)

Select "Y" or "A", "B", or "C" in the GST/VAT column if the revenue is GST/VAT inclusive and the developer will pay a percentage of the revenue as a tax liability.

6.19 Sales

Description	No. Units	Total Area SqM	Current Sale Price	Sales Calc Method	Pre-Sale Exchanges		Settlements			Sales Rate Units / SqM per Month	GST Included	Land Use Code	Revenue Collection Profile
					Month Start	Month Span	Month Start	Month Span	Cash Flow Period				
Stage 1 - Townhouses	35	7,000	895,000	Per Unit	2	6	36	1	Jan-12 - Jan-12	5.83	Y	-	1
Stage 2 - Apartments	150	1,500	720,000	Per Unit	8	18	42	1	Jul-12 - Jul-12	8.33	Y	-	-
	-	-	-	Per Unit	0	-	0	-	-	-	Y	-	-
	-	-	-	Per Unit	0	-	0	-	-	-	Y	-	-

Units and Area (Mandatory)

For each sale item it is mandatory to enter:

- The total quantity (no. of lots, units, etc), and
- The total size of all sale items for that line item (sqm, sqft, ha, etc) based on the unit of measurement from the list selector

	(purple font), such as number of units or sqm, NLA, GFA, etc.
	This information is used for further analysis on the Summary, Cash Flow (Stock Summary) and Consolidate Reports (Yield Analysis).
Current Sale Price (Mandatory)	This is the current non-escalated sale price. This must be based on either the Units or Area measurement (ie \$/unit or \$/area)
Sale Calc Method (Mandatory)	Indicate the method of calculating the total sale value. It is based on how the 'Current Sale Price' has been entered: <ul style="list-style-type: none"> • If 'Current Sale Price' has been entered in as a \$/sqm, then select "Per Sqm" from the list selector in the Sales Rate column. The unit of measurement (sqm, sqft, etc) is based on the option selected in the 'Total Area' column. • If 'Current Sale Price' has been entered in as a lump amount, then select "Per Unit" from the list selector.
Pre-Sale Exchange Start and Span (Optional)	<p>You may enter an exchange start date and span period, which is relevant only for pre-sales (items sold before completion).</p> <p>If you nominate a pre-sale exchange for a sales line item, the program assumes all items in that line are pre-sold. Alternatively, you can split sales into two line items if you wish - those pre-sold and those sold after completion of development (i.e pre-sale exchange is ignored).</p> <p>You should be aware of the following when adopting pre-sale exchanges:</p> <ul style="list-style-type: none"> • Any revenue escalation selected for that sale item will only apply up to the date of exchange. If no pre-sale date is entered then the escalation rates apply up to the date of settlement. • Unless the Sales Revenue Collection Profile feature is used, no revenue is actually collected by the developer until settlement. At pre-sale exchange, any deposit that is paid by the buyer is actually paid into a trust account and is not received by the developer until settlement. • Any deposits collected and invested in the trust account can earn interest at a user-defined rate. • The dates entered for the pre-sale exchange will impact the 'Sales Summary' on the Stock Summary report on the Cash Flow sheet.
Settlement Start and Span (Mandatory)	<p>It is mandatory to enter the settlement date and span period for each sale item, otherwise the program will not include the revenue in the cash flow.</p> <p>You should be aware of the following in relation to settlements:</p> <ul style="list-style-type: none"> • If the user has adopted pre-sale exchanges for a sale item and has elected to earn interest on any deposits collected at pre-sale, the interest earned will be apportioned between the developer and purchaser at time of settlement. • When using the Sales Revenue Collection Profile feature, the

final payment/instalment to the developer is made at the earliest milestone reached between the final nominated sales collection profile instalment and the settlement date.

- The dates entered for the settlements will impact the 'Handover Summary' on the Stock Summary report on the Cash Flow sheet.

GST/VAT (Optional)

Select "Y" or "A", "B", or "C" in the GST/VAT column if the revenue is GST/VAT inclusive and the developer will pay a percentage of the revenue as a tax liability.

Land Use Code (Optional)

By detailing the land use code for a sale item, it will apply the following:

- **Escalation on sales**, based on the rates entered for that specific land use in the [Revenue Escalation](#) table.
- **Sales Commissions**, based on the rates entered for that specific land use in the [Selling Costs](#) section.

If you neglect to enter a land use code, the sales revenue will still be calculated, however:

- It will exclude escalations and sales commissions, and
- It will be shown as 'Not Classified' on the Summary Report rather than be grouped under a specific land use type.

Revenue Collection Profile (Optional)

Enter a Profile Number defined in the [Sales Revenue Collection Profile](#) table. If this is left as Zero, then revenue is only received during the defined Settlement Start and Span dates.

This option is only available if the Sales Revenue Collection Profile feature is enabled via the [Estate Master Preferences](#)

Interpreting the Sales Rate

A 'Sales Rate' calculation is provided for each sale line item. It is calculated depending on how something is sold:

No. Units	Total Area SqM	Current Sale Price	Sales Calc Method	Pre-Sale Exchanges		Settlements		Sales Rate Units / SqM per Month
				Month Start	Month Span	Month Start	Month Span	
35	7,000	895,000	Per Unit	2	6	36	1	5.83
150	1,500	720,000	Per Unit	0	-	36	8	18.75

- If a sale item is pre-sold (i.e. Pre-Sale dates are defined), then the model will display the 'Sales Rate' for the pre-sale span period (i.e the rate of sale by quantity or area per period)

In the example above, 35 units are pre-sold over a 6 month span, equating to a sales rate of 5.83 units per month (35 / 6)

- If a sale item is sold on completion (no Pre-Sale dates are defined), then the model will display the 'Sales Rate' for the settlement sale span period (i.e the rate of sale by quantity or area per period)

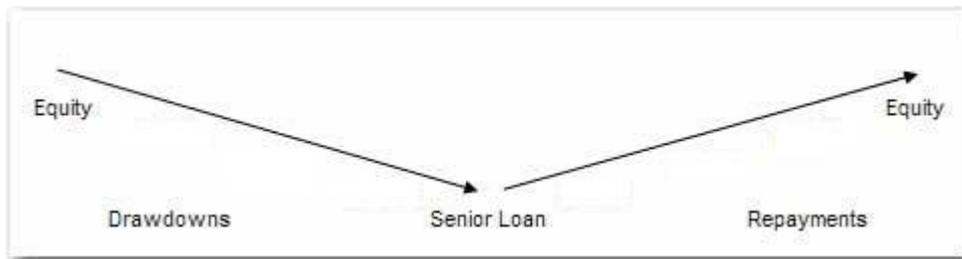
In the example above, 150 units are sold on completion over an 8 month span, equating to a sales rate of 18.75 units per month (150 / 8)

6.20 Financing

Default Funding Priority

The Estate Master DF Lite accommodates up to 2 sources of financing - Equity and Debt. The program assumes the following default funding priority (this can be manually adjusted in the cash flow tables):

1. Equity is drawn down first as costs are expended.
2. Money is then borrowed from the Senior Loan (by default, acts as a Line of Credit facility).
3. As the project receives net revenue this reduces Senior Loan until the loan is fully paid.
4. Thereafter revenue pays back Equity.
5. Thereafter the project pays profit shares (if applicable) and then retains the balance as profit.



Default Funding Priority

Funding Limits and Loan Ratios

Throughout the Finance Preferences, the user will have the ability to set:

- **Loan Facility Limits:** These are the defined drawdown limits for a loan, and
- **Loan Ratios:** The denominator for working out the % that is borrowed for reporting purposes only. It may be different to the Facility Limit.

It is therefore important to understand the options that are available for these preferences:

Option	Description	Facility Limits	Equity Ratios	Debt Ratios
Fixed Amount	The loan limit is manually entered on the Finance input section.	●	○	○
% of Purchase Price	A percentage of the Land Purchase price only, inclusive of GST/VAT.	●	●	●
% of Land Acquisition Costs	A percentage of the Land Purchase price and any associated acquisitions costs (Stamp duty, Legal Fees, etc), inclusive of GST/VAT.	●	●	●
% of Project Costs	A percentage of all Project Costs (exclusive of GST/VAT), which exclude Selling Costs, Leasing Costs, Interest Charges, Application Fees and Line Fees.	●	●	●
% of Project & Finance Costs	A percentage of all Project Costs (exclusive of GST/VAT), which exclude Selling Costs and Leasing Costs but include Interest Charges, Application Fees and Line Fees.	○	●	●
% of Hard Costs	A percentage of costs that have defined as 'Hard Costs' as per the 'Global' section of the Finance Preferences.	●	●	●
% of Construction Costs	A percentage of total Construction Costs and Contingencies inclusive of GST/VAT.	●	●	●
% of Gross Sales	A percentage of Gross Sales Revenue (including Capitalised Sales) inclusive of GST/VAT/Sales Tax.	●	●	●
% of Sales (net of Tax)	A percentage of Sales Revenue (including Capitalised Sales) exclusive of GST/VAT/Sales Tax.	●	●	●
% of Sales (net of Selling Costs and Tax)	A percentage of Sales Revenue (including Capitalised Sales) exclusive of GST/VAT/Sales Tax and Selling Costs.	●	●	●
% of Value of Pre-Sales	A percentage of all Sales Revenue (including Capitalised Sales) that have been sold at a defined pre-sale exchange date.	●	●	●
% of Debt Funding	A percentage of total funds invested by all debt Lenders.	○	●	○
% of Net Profit	A percentage of total net development profit (after profit share has been paid out).	○	●	○

Finance Preferences

Before you commence inputting finance information for your project you will need to setup the finance to suit your project.

You do this in the "Finance Preferences". See Preferences section for more details on how to do this.

6.20.1 Equity Inputs

Developer's Equity Contribution	Fixed Amount	Percentage	
Injected in total upfront.	1,000,000	0.00%	Fixed Amount

Developer's Equity Contribution

You can nominate an equity contribution by the Developer, either by a fixed amount or a on a percentage loan ratio, and can either be injected upfront or progressively when required. These options are set via the Finance Preferences.

Alternatively you can manually stage the equity injections/ repayments in the cash flow table (click on the relevant button).

You cannot manually inject equity after the last date that the cumulative cash flow turns positive. Any date before then, you can put a:

- **Negative amount (repayment)**, where the equity owner is extracting equity from the project (i.e. equity owner cash inflow and project cash outflow), or
- **Positive amount (injection)**, where the equity owner is contributing to the project (i.e. equity owner cash outflow and project cash inflow).

6.20.2 Senior Loan Inputs

The Senior Loan is drawn down when all equity has been fully used.

Senior Loan	Description	Lender Name				Opening Balances
No Limit (use as overdraft facility)		-				
Interest Rate		5.00%	per annum Nominal - Capitalised (Compounded)			5,214
Fees			Amount	Percentage	Month Paid	
	Application Fee		1,500	0.00%	4	344
	Line Fee		1,200	0.00%		-

Facility Limit

The use of the facility limit can be changed via the Finance Preferences:

- **Used as an Overdraft Facility:** By default, this is a line of credit facility and there is no limit on the borrowed amount. No facility limit is required and the input is disabled.
- **Use Equity as the Overdraft Facility:** A facility limit can be set on the Senior Loan as a fixed amount, and then any additional funding is sourced from Equity.

The funds draw down for the Senior Loan are automatically progressively drawn down as and when required.

Interest Rate

There is provision to nominate a per annum interest rate charged on the loan, and it can be manually varied for different periods in the cash flow tables.

Fees

There are two types of fees that can be paid to a lender:

- **Line Fees:** These are a per annum amount and charged paid in arrears from the first drawdown to the final repayment.
- **Application Fees:** These are a one-off payment and paid in nominated period.

If the loan is setup to be used as an overdraft facility, then these fees can only be entered as an amount, otherwise if a facility limit can be set, then they can also be entered as a % of the facility limit.

Opening Balances

Enter in the opening Interest and Fee Balances for the Debt accounts.

These inputs can be used where:

- The funding facility is not solely used for this particular project, or
- The costs were incurred before the model's 'Date of First Period' (or Project Start).

6.20.3 Other Finance Costs

Financing Costs	No. of Units	Base Rate / Unit	Escalate (E,R,N)	Month Start	Month Span	Cash Flow Period	Add GST
Establish Fee	1	12,000	E	2	1	Mar-03 - Mar-03	Y
Mortgage Stamp Duty	1	3,450	R	4	1	May-03 - May-03	Y
	-	-	-	0	-	-	Y
	-	-	-	0	-	-	Y

Amount and Start and Span (Mandatory)

For each finance cost item such as application fees, legal fees, mortgage stamp duty, etc, it is mandatory to input:

- The number of units (e.g sqm) and base rate per unit (e.g \$/sqm), and
- The start and span periods.

If any of the above are entered as zero (0), then the program will not include the cost in the cash flow.

Escalation (Optional)

You may elect to apply [escalation](#) on any cost items.

- Enter "E" to escalate to start, or
- Enter "R" to escalate to start and continue escalation through span period, or
- Leave blank or enter "N" to assume the cost is fixed, hence no escalation.

GST/VAT (Optional)

Select "Y" or "A", "B", or "C" in the GST/VAT column if the cost is GST/VAT inclusive and the developer will claim a percentage of the cost as an input credit.

- If the header shows 'Add GST/VAT' the model will automatically escalate the cost entered to include tax in the cash flow and reclaim tax credits.
- If the header shows 'GST/VAT Included', then the model will only reclaim tax credits based on the cost amount entered.

6.21 Project Hurdle Rates

Developer's Discount Rate (target IRR)	20.00%	per annum Nominal, on cash flow that includes financing costs but excludes interest and corp tax.
Nominate an estimate of IRR	20.00%	per ann.
Developer's Cost of Equity	18.00%	

Project Discount Rate (Target IRR)

The discount rate or target IRR only affects three performance indicators on the 'Summary' sheet:

- Project Net Present Value (NPV),
- Residual Land Value (based on a Zero NPV), and
- Benefit Cost Ratio.

You can use the [Estate Master Preferences](#) to change the discount rate calculation method (include or exclude finance costs and interest) and also the method of conversion from the annual discount rate to the monthly discount rate (quarterly or half yearly depending upon the rest period you selected).

Nominate an Estimate of IRR This is a number that you guess is close to the result of IRR. The model uses an iterative technique for calculating IRR. Starting with the estimate, it cycles through the calculation until the result is accurate within 0.00001 percent. If it can't find a result that works after 20 tries, the #NUM! error value is returned.

In most cases you do not need to provide the estimate for the IRR calculation. If it is omitted, it is assumed to be 0.1 (10 percent).

If it gives the #NUM! error value, or if the result is not close to what you expected, try again with a different value for the estimate.

Developer's Target Margin The Developers Target Development Margin is the required profit margin calculated on either total development costs net of selling costs or including selling costs, total sales and rental income or on total net sales proceeds. These options can be chosen on the 'Hurdle Rates' tab of the [Estate Master Preferences](#).

The target margin is used to calculate the residual land value to achieve the desired profit margin (Developer Target Development Margin); it does not take into consideration the time value of money.

Developer's Cost of Equity Enter in the desired cost of the developer's equity.

This is used to calculate the [Weighted Average Cost of Capital](#) on the Summary Report

6.22 Manual Cash Flow Inputs

The Cash Flow sheet gives you the opportunity to manually input amounts in a cash flow table for the following items:

- **Financing:** Such as adjustments for equity drawdowns and repayments and interest rates variations for the loan facilities.
- **Discount Rate Variations**

Financing

Manual input rows are readily available in the Financing component of the Cash Flow sheet to make adjustments to the following:

- Equity injections (positive) and repayments (negative).
- Periodic interest rate variations for the Senior Loan.

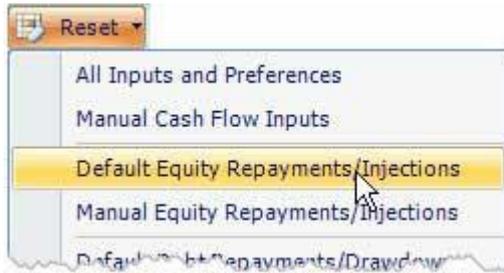
Equity				
Manual Adjustments (Inject + / Repay -)				
Injections	150,000	100,000	50,000	0
Equity Repayment	(13,636)	-	-	-
Less Profit Share	-	-	-	-
Equity Balance	(36,364)	(100,000)	(150,000)	(150,000)

Manual Equity Injections and Drawdowns

Senior Loan - Lender Name				
Drawdown	(33,333)	(3,030)	(3,030)	(3,030)
Loan Interest Rate (%/ann)		7.00%	7.00%	7.00%
Interest Charged	(1,190)	-	(18)	(35)
Application and Line Fees			-	-

Manual Interest Rate Variations

If making manual adjustments in the Financing area, the 'Reset' function in the [Ribbon Menu](#) allows the user to toggle the rows between their default inputs or manual variations.



Discount Rate

At the bottom of the Cash Flow sheet, there is provision to have a variable discount rate throughout the life of the cash flow.

PROJECT IRR & NPV					
Cash Flow that includes financing costs but excludes interest and corp tax.		(1,005,000)	(188,012)	(12,893)	(833)
Static Discount Rate (per ann. nominal)		20.00%			
PV for each Month	51,152,157	(1,005,000)	(184,930)	(12,473)	(793)
NPV of Future Cash Flows		51,152,157	53,026,443	54,101,363	55,016,160
Variable Discount Rate (per ann. nominal)		20.65%	20.00%	20.00%	25.00%
NPV (using weighted avg discount rate)	50,089,024				

Variable Discount Rate to provide an additional NPV

- The discount rate that was entered in the [Hurdle Rates](#) input section is known as the '**Static Discount Rate**' and that will form the basis of all IRR and NPV calculations on other reports, such as the Summary, Sensitivity and Probability reports. In addition, it will also be used to report the following in the Cash Flow:
 - The Present Value (PV) of net cash flow for each time period.
 - The Net Present Value (NPV) of all future cash flows at each time period.
- The Static Discount Rate then forms the starting point for the '**Variable Discount Rate**' inputs, where the user can manually adjust the discount rate up or down to reflect different levels of risk at different points in time in the project. Using the Variable Discount Rates entered by the user, a weighted average discount rate is calculated, and then it is used to calculate an NPV.

6.23 Taxes & Duties

It is recommended that the user regularly checks their relevant Statutory Revenue Office for recent changes to taxes and duties. Estate Master has inbuilt Stamp Duty and Land Tax calculators based on tables for different regions that can be easily updated by the user when required.

Please Note: The software does not automatically update these table when the rates/thresholds change - this is the responsibility of the user to manually maintain.

Updating the Stamp Duty and Land Tax Tables

1. Click on the 'Taxes & Duties' worksheet tab.
2. There will be tables for each region. Each table has the following columns:
 - **Rating Land Value Thresholds:** The upper value of the dutiable land value range.
 - **Tax Amount:** The fee that is payable in addition to the rate.
 - **Rate:** The percentage marginal rate on the dutiable value of land.

Stamp Duty Example

Say Stamp Duty is calculated as per the following rates:

- \$0 - \$14,000: \$1.25 for every \$100 or part of the dutiable value
- \$14,001 - \$30,000 \$175 plus \$1.50 for every \$100 or part, by which the dutiable value exceeds \$14,000
- \$30,001 - \$80,000 \$415 plus \$1.75 for every \$100 or part, by which the dutiable value exceeds \$30,000
- \$80,001 - \$300,000 \$1,290 plus \$3.50 for every \$100 or part, by which the dutiable value exceeds \$80,000
- \$300,001 - \$1m \$8,990 plus \$4.50 for every \$100 or part, by which the dutiable value exceeds \$300,000
- over \$1m \$40,490 plus \$5.50 for every \$100 or part, by which the dutiable value exceeds \$1,000,000

Rating Land Value Thresholds		Tax Amount	Rate
0	to 14,000	0	1.25%
14,001	to 30,000	175	1.50%
30,001	to 80,000	415	1.75%
80,001	to 300,000	1,290	3.50%
300,001	to 1,000,000	8,990	4.50%
1,000,001	and above	40,490	5.50%

Land Tax Example

If there is a tax free threshold - this is indicated by entering '0's in the first row of a land tax table.

- Example: This year a \$368,000 threshold will apply to owners of liable land. The land tax rate will be \$100 plus 1.6% on the combined value of all taxable land in excess of \$368,000.

Rating Land Value Thresholds		Tax Amount	Rate
0	to 368,000	0	0.00%
368,001	to 2,250,000	100	1.60%
2,250,001	and above	30,212	2.00%

If there is no tax free threshold - this is usually indicated by entering only a % rate in the first row of a land tax table.

- Example: There is no threshold for land tax this year. Taxable land is assessed at the following rates:
 - Not more than \$75,000: 0.6%
 - Between \$75,001 and \$150,000: \$450 plus 0.89% on the taxable value that exceeds \$75,000
 - Between \$150,001 and \$275,000: \$1,118 plus 1.15% on the taxable value that exceeds \$150,000
 - More than \$275,001: \$2,555 plus 1.4% on the taxable value that exceeds \$275,000 Rating Land Value

Rating Land Value Thresholds		Tax Amount	Rate
0	to 75,000	0	0.60%
75,001	to 150,000	450	0.89%
150,001	to 275,000	1,118	1.15%
275,001	and above	2,555	1.40%

Part



VII

7 Storing and Recalling Options/Stages

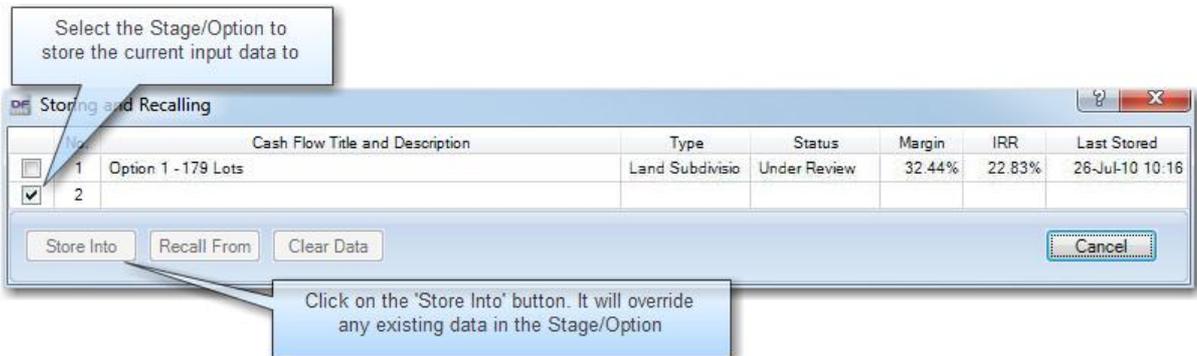
7.1 Using the Options/Stages Function

Using the 'Options and Stages' function  on the [Ribbon Menu](#), you may compare up to 2 different development options or amalgamate up to 2 project stages using the 'Consolidate' report within the one Estate Master DF Lite file.

Examples of how Options/Stages could be used	Option/Stage 1	Option/Stage 2, etc
Development Options	10 residential lots	20 town houses
Feasibility / Sensitivity Scenarios	no escalation on sales	5% per annum escalation
Stages of the Project	Stage 1	Stage 2
Phases	Acquisition and Holding	Development and Disposal

7.2 Storing

Once you are satisfied that all the inputs have been entered for a particular Option/Stage, you may store this by using the 'Options and Stages' function  and selecting where to store the data before clicking on the 'Store Into' button.



Before the storing process will begin, the program will check that the user has entered a unique 'Cash Flow Title' in the [Preliminary](#) input section. If it is blank, or not unique to the other Options/Stages that have been stored already, it will not proceed.

Preliminary		
Cash Flow Title	Burnwood Estate Stage	
Date of First Period:	Jan-2007	
Cash Flow Rest Period:	Monthly	
Enter Project Size (a)	150.0	Apartments
Enter Project Size (b)	20,000.0	GFA (sqm)
Enter Site Area	10,000.0	SqM

On successful execution, the following input data ranges are stored:

- 'Input' sheet data;
- 'Tenant' sheet data;
- 'Manual Input' data from the Cash Flow tables (includes manual adjustments to the financing and variable discount rates);
- Taxes and Duties tables; and
- Sensitivity settings; and
- All Preferences.

Storing enables you to make changes to the input data while retaining the original data. Once a change is made, storing it as Option/Stage 2 can create a new option/stage. The original Option/Stage 1 can be retrieved at a later date for further analysis.

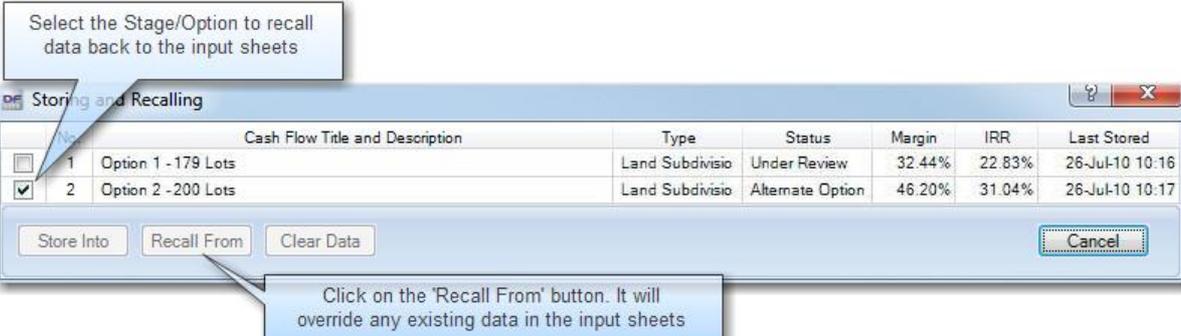
Storing Options/Stages	
When using the Store and Recall feature to compare different development scenarios or to consolidate stages, it is recommended that you keep the following Hurdle Rate options in the Estate Master Preferences the same so that the performance indicators which are calculated for each scenario or stage are consistent:	
<ol style="list-style-type: none"> 1. Gross or Net Profit Performance: Gross (before any profit share) or Net (after any profit share) 2. The calculation of the developer's Target IRR and target Development Margin 3. The Annual to Rest Period Conversion for the Discount Rate: Nominal or Effective 	

As well as comparing different development options or scenarios, you can use the 'Options and Stages' facility to split large projects into stages. This is beneficial when you have a project life exceeding the maximum time periods in the model (120).

If modelling a project in stages with staggered starting dates for each stage by using the Option sheets, a consolidation can be facilitated for a project of up to 30 years on a monthly cash flow. Each stage is limited to 120 time periods, and 30 years in total for the consolidated stages.

7.3 Recalling

To change data in an option/stage that has been previously stored, it is recommended that you 'Recall' the relevant data back into the input data ranges. This is achieved by using the 'Recall From' option from the 'Options and Stages' function  and deciding what Option/Stage to recall.



Select the Stage/Option to recall data back to the input sheets

No.	Cash Flow Title and Description	Type	Status	Margin	IRR	Last Stored
<input type="checkbox"/>	1 Option 1 - 179 Lots	Land Subdivisio	Under Review	32.44%	22.83%	26-Jul-10 10:16
<input checked="" type="checkbox"/>	2 Option 2 - 200 Lots	Land Subdivisio	Alternate Option	46.20%	31.04%	26-Jul-10 10:17

Click on the 'Recall From' button. It will override any existing data in the input sheets

When recalling options, the model will replace the existing data in the input ranges with that of the option being restored.

Remember to store information in the input ranges to an option sheet prior to recalling an option.

7.4 Clearing Data

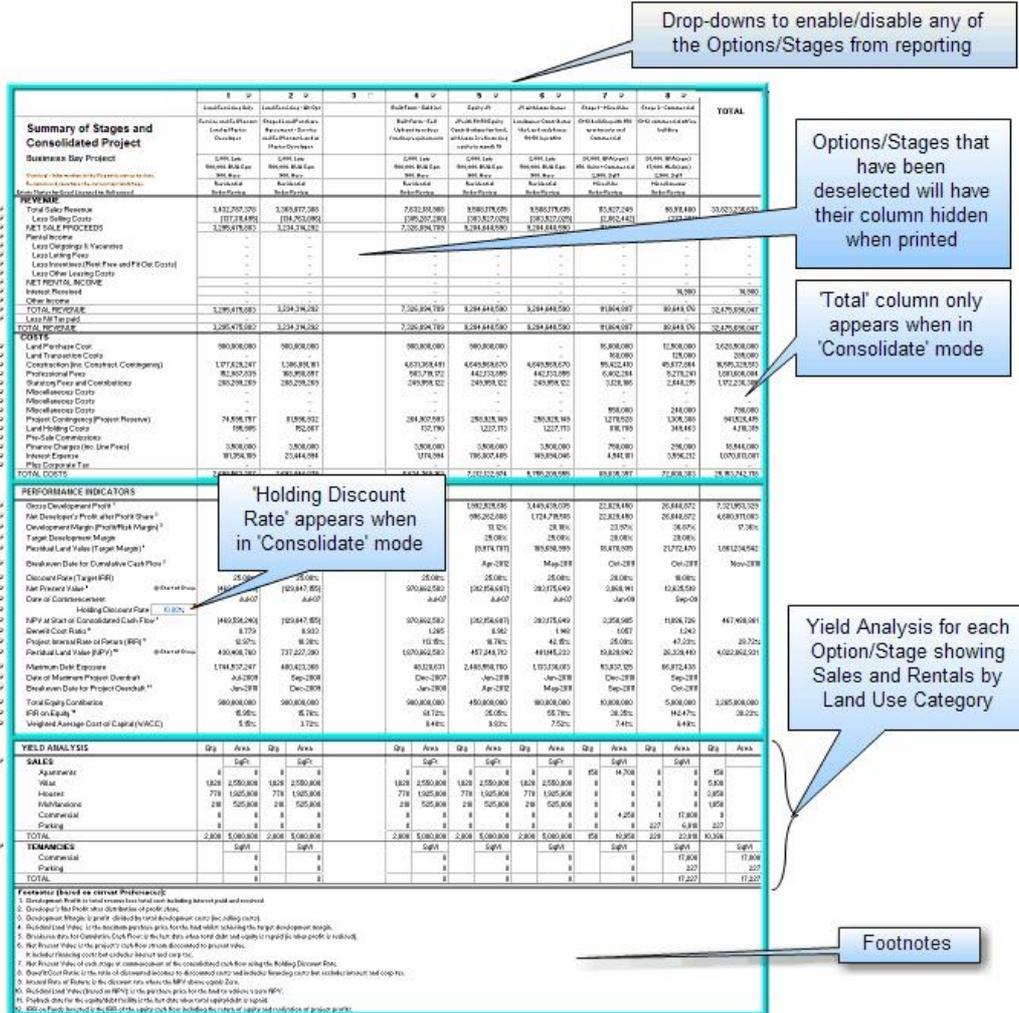
To delete all data for an option/stage that has been previously stored, use the 'Clear Data' option from the 'Options and Stages' function  and deciding what Option/Stage to clear.

Select the Stage/Option to clear



When using this function, be carefully not to accidentally clear the wrong Option/Stage, as the data cannot be retrieved once it has been cleared (unless you have a backup of the file).

7.5 The Consolidate Report



Drop-downs to select what rows to hide/show

Drop-downs to enable/disable any of the Options/Stages from reporting

Options/Stages that have been deselected will have their column hidden when printed

'Total' column only appears when in 'Consolidate' mode

Yield Analysis for each Option/Stage showing Sales and Rentals by Land Use Category

Footnotes

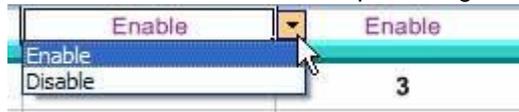
Note: Screenshot depicts Consolidate Report for full version of DF (8 options/stages). DF Lite only accommodates 2.

Using the 'View Comparison/Consolidate' button at the top of the 'Consolidate' report, the user can change how the results are reported:

- **Comparing the 'Options'**, where up to 2 columns of reporting data is made available for each scenario, providing a summary of the performance indicators for all Options or Scenarios that were previously stored.
- **Consolidating the 'Stages'**, where an additional 'Total' column is provided to report on the consolidated performance of up to 2 individual stages. This is only relevant if the data stored are stages or precincts within the one larger project. It enables the user to model long term projects (up to 30 years using monthly rests) in smaller stages.

Toggleing an Option/Stage

To hide an option/stage on the 'Consolidate' sheet when it is printed, you can use the drop-down to select 'Enable' or 'Disable' above each option/stage in the report.



Disabling will not delete the data stored. It will only vary the report outputs. For example, if you wanted to excluded a number of stages from the consolidated report, disabling these will adjust the total costs, revenues and performance indicators calculated for the total project as displayed in the Consolidate report.

To restore the options/stages in the report, just select 'Enable' for the relevant option/stage.

Holding Discount Rate

The Consolidate report also allows the user to input a 'Holding Discount Rate' for the consolidated cash flow of all the stages stored. Since each stage may have different start dates, the NPV's for each stage cannot simply be added until they are discounted to a common date - that is the start of the consolidated project.

This is the rate that is applied to discount the NPV of each stage to present value at the start of the consolidated cash flow. Since there is little or no development risk during the holding period, a lower discount rate is usually applied (i.e. lower than the rate applied during the development period).

The NPV of each Stage, discounted to their start date by their individual discount rate.

PERFORMANCE INDICATORS	1	2	TOTAL
Discount Rate (Target IRR)	20.00%	20.00%	
Net Present Value ⁵ @ Start of Stage	2,224,521	1,192,451	
Date of Commencement	Jun-07	Sep-09	
Holding Discount Rate	10.00%		
NPV at Start of Consolidated Cash Flow	2,224,521	961,994	3,186,515

The Holding Discount Rate applied to stages that start after the start of the consolidated project.

Stage 2 is further discounted back to Jun-07 (consolidated project start) at the 10% Holding Discount Rate

The 'Consolidated NPV'

Cash Flow Charts

Depending on how the user has indicated how the Consolidate report is used, there is a cash flow chart on the Chart sheet, either displaying a:

- **Comparison Chart**, displaying the cash flows for each option stored in the Chart sheet.
- **Consolidate Chart**, displaying the cash flow for the consolidated stages that have been stored in

the Chart sheet.

Part



8 Summary and Cash Flow Reporting

8.1 Development Financial Summary

Summary of Project Returns

Residential Subdivision

288 Lots

Optim 10 Year Case

Time Span: Jan-11 to Jun-14 Project Size: 288 Lots
 Type: Lead Subdivision (per R.I.B. of 80 lots)
 Station: Under Review Project Size:
 Site Area: 28. Ha Equald C/F: 1:1
 PSR: 1:1 Units Multiplied by 1000000 for Revenue

COSTS & REVENUES		AND Totals	AND Per Lot	AND Per Area	AND Per Total
		Lot	Ha of Site Area	Total/Total	
REVENUE					
Totals Sales Revenue	288	AUD	51,553,586	177,238	3,877,373
Residential Lots	288		51,553,586		
Less Selling Costs			(4,373,238)	15,036	(148,362)
NET SALES PROCEEDS			47,180,348	162,202	3,729,011
COSTS					
Interest Received					8.8%
Other Income			5,662	20	283
TOTAL REVENUE (before GST paid)			57,186,010	202,538	3,859,384
Less GST paid			(5,255,841)	18,224	(167,373)
TOTAL REVENUE (after GST paid)			51,930,169	184,314	3,692,011
COSTS					
Lead Package Cost			17,688,888	61,420	888,888
Lead Transaction Costs			1,123,438	3,897	38,472
Construction (Item, Controll, Contingential)			21,279,193	73,538	1,853,537
Traffic Signs			3,345,887	11,617	166,887
House			3,285,544	11,408	166,544
Interest Income			2,218,288	7,668	283,288
Professional Fees			1,257,383	4,369	62,383
Shelving Fees			2,255,448	7,832	259,272
Infrastructure Services			622,453	2,161	74,228
Project Contingency (Project Reserve)			887,728	3,085	41,828
Lead Holding Costs			229,285	797	11,273
For Sale Commissions					8.8%
Finance Charge (Interest)			358,888	1,248	17,588
Interest Expense			5,255,432	18,224	167,373
TOTAL COSTS (before GST included)			46,362,873	157,814	3,729,011
Less GST included			(4,362,873)	15,036	(148,362)
TOTAL COSTS (after GST included)			41,999,999	142,778	3,580,649

PERFORMANCE INDICATORS			
Net Development Profit *			5,649,357
Development Margin (or Profit/Risk Margin) *		10.8%	(of total development costs (less selling costs))
Residual Land Value (Target Margin) †		18,725,881	(at 28% target development margin - Net of GST)
Net Present Value *		15,552,428	(at 28% per cent. discount rate, annual)
Benefit Cost Ratio †		0.8472	(at 28% per cent. discount rate, annual)
Project Internal Rate of Return (IRR) †		8.85%	(per cent. annual)
Residual Land Value (based on NPV) †		18,418,264	(Net of GST)
Equity IRR		8.87%	(per cent. annual)
Equity Contribution		18,725,428	
Peak Debt Exposure		27,151,528	
Equity to Debt Ratio		78.18%	
Weighted Average Cost of Capital (WACC) †		17.87%	
Breakdown Rate for Contingency Cash Flow †		Mar-2014	(Month 38)

Footnotes:
 1. Development Profit is total revenue less total cost including interest paid and received.
 2. Rate: No reallocation of Developer's Gross Profit.
 3. Development Margin is profit divided by total development costs (less selling costs).
 4. Residual Land Value is the maximum purchase price for the land whilst achieving the target development margin.
 5. Net Present Value is the present worth of cash flows discounted to present value. It includes financing costs but excludes interest and carry fees.
 6. Benefit Cost Ratio is the ratio of discounted income to discounted costs and includes financing costs but excludes interest and carry fees.
 7. Internal Rate of Return is the discount rate where the NPV above equals zero.
 8. Residual Land Value (based on NPV) is the purchase price for the land to achieve a zero NPV.
 9. The Weighted Average Cost of Capital (WACC) is the rate that a company is expected to pay to finance its assets.
 10. Breakdown Rate for Contingency Cash Flow is the last date when total debt and results in profit for when used in real time.

RETURNS ON FUNDS INVESTED		Equity	Senior Loan	Total Debt
			Leader Rank	
<input checked="" type="checkbox"/> Funds Invested (Cash Outlay) †		48,725,438	26,716,218	26,716,218
of Total Funds Invested				26,716,218
Peak Exposure		48,725,438		27,151,528
Rate of Peak Exposure				55.74%
Health of Peak Exposure		Health 8	Health 23	Health 23
Weighted Average Interest Rate		N.A.	8.8%	8.8%
Interest Charge			4,255,432	4,255,432
Loan Fees Charged				
Application Fees Charged				
Project Share Received				
Total Profit to Investors		5,649,357	4,255,432	9,904,789
Maximum Funds Invested †		31,814	5,662	5,662
Peakback Date		Mar-14	Apr-13	Apr-13
Health of Peakback		Health 38	Health 32	Health 32
IRR on Funds Invested †		8.87%	8.8%	8.8%
Equity to Debt Ratio †		78.18%		78.18%
Loan to Value Ratio †		38.42%	44.15%	44.15%
Loan Ratio †		181.8%	94.3%	14.3%
		of Lead Acquisition	of Project Costs	of Project Costs

Footnotes:
 1. The total amount of funding injected into the project cash flow.
 2. The maximum cash flow exposure of that equity/debt facility including capitalized interest.
 3. The total exposure from funds invested, including profit share paid or received.
 4. Margin to loan profit divided by total funds invested (cash outlay).
 5. Peakback date for the equity/debt facility in the last date when total equity/debt is repaid.
 6. IRR on funds invested is the IRR of the equity cash flow including the return of equity and realization of project profit.
 7. Equity to Debt Ratio is the amount of equity invested into the project as a percentage of debt funding.
 8. Loan to Value Ratio is the Peak Equity/Debt Exposure divided by Total Sales Revenue.
 9. Loan Ratio is the total funds invested by the lender/loan total divided by the nominalized value calculation method. It includes capitalized interest and fees.

Drop-down option to show Sales based on a 'per area' or 'per unit' basis

Drop-down options to report costs and revenues on per lot, per dwelling, per sqm of site area, etc

Summary of Project Costs and Revenues

Drop-down options to select what rows to hide/show

Key Performance Indicators

Footnotes

Returns on Funds Invested

Footnotes

Performance Indicators

Gross Development Profit

Total Project Revenue less Total Project Costs (after GST/VAT/Sales Tax paid and reclaimed, but before any profit share/split has been made to either the land owner or lender at the completion of the project).

Net Development Profit

Gross Development Profit less any profit share/split to either the land owner or lenders.

Development Margin (profit/risk margin)

The ratio of Development Profit to:

- Development Costs (inc Selling and Leasing Costs), or
- Development Costs (inc Selling Costs), or
- Development Costs (net of Selling and Leasing Costs), or
- Total Revenue net of GST/VAT/Sales Tax, or
- Total Sales Proceeds (net of Selling Costs and GST/VAT/Sales Tax).

These options can be chosen on the 'Hurdle Rates' tab of the [Estate Master Preferences](#).

Residual Land Value (Target Margin)

The maximum price that can be paid for the land (net of stamp duty and other acquisition costs) that will result in the development achieving the Target Development Margin.

Net Present Value

The project cash flow (excluding equity) discounted to present value at the nominated discount rate (Target IRR).

Benefit Cost Ratio

The ratio of discounted revenue to discounted costs.

Internal Rate of Return

The return on the development or the discount rate at which the NPV equals zero.

Residual Land Value (Target IRR)

It is the maximum price to be paid for the land (excludes stamp duty and other acquisition costs) that will result in the project being feasible – i.e. when the IRR equals the discount rate and NPV equals zero.

Equity IRR

The return on the developer's equity investment into the project.

Equity Contribution

The sum of all developer equity contributions (injections) into the project.

Peak Debt Exposure

The maximum cash flow exposure after equity and including capitalised interest.

Equity to Debt Ratio

The ratio of equity funding to debt funding in the project.

Weighted Average Cost of Capital (WACC)

The rate that a company is expected to pay to finance its assets. It is based on the following formula:

$$\text{WACC} = \frac{D}{(D+E)} * R_D + \frac{E}{(D+E)} * R_E$$

Where:

D = Total Debt

E = Total Equity

R_D = Cost of Debt (risk free rate of return plus debt premium based on the credit rating of the company); and

	<p>R_E = Cost of Equity (required return on equity)</p> <p>T_R = Corporate Tax Rate</p>
Breakeven Date for Cumulative Cash Flow	The date the cumulative cash flow first turns positive.
Rent Cover	The total Net Development Profit divided by the Current Net Annual Rental expressed as a a number of years/months. It is only applicable for developments with rental income.
Yield on Cost	Current Net Annual Rent divided by Total Costs (before GST reclaimed), including all Selling Costs.
Profit Erosion	The period of time post practical completion that it can remain unsold (but leased out) until finance and land holding costs erodes the profit for the development to zero. It is only applicable for developments with rental income.
Return on Funds Invested	
Funds Invested	The total amount of equity/debt funding injected into the project.
Peak Exposure	The maximum cash flow exposure of the equity/debt loan balance (including capitalised interest).
Weighted Average Interest Rate	The weighted average interest rate of the equity/debt facilities, weighted by the size of their loan balances.
Interest and Fees Charged	The total interest, application and line fees that have been charged by the financier to the project.
Total Profit to Funders	The total repayments less funds invested, including profit share paid or received.
Margin on Funds Invested	Margin is Total Profit to Funder divided by Funds Invested (Cash Outlay).
Payback Date	The last date when total equity/debt is repaid.
IRR on Funds Invested	The IRR of the financier's cash flow.
	Refer to the Cash Flow sheet to view the cash flow data for each financier that is used to calculate their IRR.
Equity to Debt Ratio	The ratio of equity funding to debt funding in the project.
Loan to Value Ratio	Loan to Value ratio is the Peak Equity/Debt Exposure divided by Total Sales Revenue.
Loan Ratio	Loan Ratio is the total funds invested (cash outlay) divided by the nominated ratio calculation method.
	Use the Finance Preferences to determine if 'funds invested' includes or excludes capitalised interest for the purposes of this calculation.

Important Notes about the calculation of IRR and NPV's

To help understand how the NPV's and IRR's are calculated, please be aware of the following:

- The 'Project' IRR is based on the project's cash flow, including inflows (revenues) and outflows (costs).
- You can choose whether financing costs, interest expenses and corporate tax are included in the project cash flow to calculate the 'Project' NPV and IRR, using the settings on the 'Hurdle Rates' tab of the [Estate Master Preferences](#).
- It is based on the data in the 'Project IRR & NPV' section of the Cash Flow table, which summarises the cash flow lines that are included in the cash flow to calculate the Project NPV and IRR

PROJECT IRR & NPV					
Cash Flow that includes financing costs but excludes interest and corp tax:	(1,005,000)	(188,012)	(12,893)	(833)	

- The 'Equity' IRR is different to the 'Project' IRR, as it looks at the return on equity contributor's cash inflows (injections) and outflows (repayments). It is based on the 'Equity Cash Flow' line in the Financing section in the Cash Flow table.

Equity Balance	(18,614,755)	(10,000,000)	(10,300,234)	(16,614,755)	(17,614,755)
Equity Cash Flow	(18,614,755)	(10,000,000)	(300,234)	(6,314,521)	(1,000,000)

- The 'Lenders' IRR is different to the 'Project' and 'Equity' IRR, as it looks at the return on lenders cash inflows (principal and interest repayments) and outflows (drawdowns). It is based on the 'Loan x Cash Flow' line for each lender in the Financing section in the Cash Flow table.

Loan Balance	-	-	(7,637,835)	(8,078,131)	(8,627,104)	(12,943,192)
% of Land Purchase Price.			47.7%	50.0%	52.9%	79.4%
Profit Share	-	-	-	-	-	-
Loan 1 Cash Flow	8,735,158	-	(7,637,835)	(363,917)	(468,192)	(4,235,818)

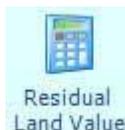
- All these indicators use the standard 'NPV' and 'IRR' functions (not XNPV or XIRR).
- When calculating the NPV, it assumes time period zero is not discounted .
- You can choose whether all NPV's and IRR's noted above are calculated on an Effective or Nominal basis, using the settings on the 'Hurdle Rates' tab of the [Estate Master Preferences](#).

Other Functions



You can customise the rows that are displayed in the Summary Report:

- **Hide Rows:** This will hide the rows that have been deselected using the checkboxes on the left of the report.
- **Show Rows:** This will unhide all rows on the report. Any rows that were hidden will have their checkbox still deselected.



Update the Residual Land Values based on the Target Margin and Target IRR.

8.2 Cash Flow Table

Stock Summary

This reports on stock that has been 'Sold' and 'Handed Over' via the revenue inputs from the Sales section and the Capitalised Sales calculated from the Rental Income section.

- Stock is **'Sold'** at the defined 'Pre-Sale Exchange' date for a sale item, or if no pre-sale is nominated, then at the defined 'Settlement' date.
- Stock is **'Handed Over'** at the defined 'Settlement' date for a sale item.

Stock Summary		Sales Summary displays the stock that has be sold at pre-sale, or on completion				
SALES SUMMARY						
Units Sold		5.00	25.00	25.00	25.00	25.00
	Cumulative Units Sold	20.00	25.00	25.00	25.00	25.00
	% Units Sold	80.0%	100.0%	100.0%	100.0%	100.0%
SqM Sold		400.00	500.00	500.00	500.00	500.00
	Cumulative	400.00	500.00	500.00	500.00	500.00
	% SqM Sold	80.0%	100.0%	100.0%	100.0%	100.0%
AUD Sold		375,000	1,875,000	1,875,000	1,875,000	1,875,000
	Cumulative	375,000	1,875,000	1,875,000	1,875,000	1,875,000
	% AUD Sold	80.0%	100.0%	100.0%	100.0%	100.0%
HANDOVER SUMMARY						
Units Handed Over		-	-	5.00	5.00	5.00
	Cumulative Units Handed Over	-	-	5.00	10.00	15.00
	% Units Handed Over	-	-	20.0%	40.0%	60.0%
SqM Handed Over		-	-	100.00	100.00	100.00
	Cumulative	-	-	100.00	200.00	300.00
	% SqM Handed Over	-	-	20.0%	40.0%	60.0%
AUD Handed Over		-	-	375,000	375,000	375,000
	Cumulative	-	-	375,000	750,000	1,125,000
	% AUD Handed Over	-	-	0.0%	0.0%	60.0%

Costs and Revenues Cash Flow

This report will display a summary of all costs and revenues for the Developer's Cash Flow.

REVENUE					
Gross Sales Revenue		45,767,496	-	-	-
Selling Costs		(1,858,606)	(16,250)	-	-
Gross Rental Income		-	-	-	-
Leasing Costs		-	-	-	-
Other Income		-	-	-	-
Interest Received		-	-	-	-
GST Payments		(4,160,681)	-	(4,621)	(114,858)
TOTAL NET REVENUE		39,748,205	(16,250)	105,086	1,085,684
COSTS					
Land and Acquisition		13,753,672	3,900,000	-	-
Professional Fees		1,202,441	28,535	50,635	39,135
Manual Input		73,000	-	24,000	12,500
Construction Costs (inc Contingency)		7,910,000	385,000	339,375	339,375
block 1 apartments		1,750,000	218,750	-	-
block 2		1,330,000	166,250	-	-
block 3 townhouses		840,000	-	105,000	105,000
block 4 townhouses		840,000	-	105,000	105,000
block 5 houses		270,000	-	33,750	33,750
block 6 houses		360,000	-	45,000	45,000
block 7 houses		405,000	-	50,625	50,625
block 8 houses		900,000	-	-	-
block 9		540,000	-	-	-
block 10		675,000	-	-	-
Statutory Fees		8,080,000	2,600,000	-	-
Miscellaneous Costs 1		-	-	-	-
Miscellaneous Costs 2		-	-	-	-
Miscellaneous Costs 3		-	-	-	-
Project Contingency (Reserve)		-	-	-	-
Land Holding Costs		407,497	-	-	-
Pre-Sale Commissions		-	-	-	-

Financing Cash Flow

This reports on all the sources of funding that have been employed for the project, in particular:

- The funds drawn down and any manual adjustments.
- The funds repaid back to the financier, broken up by interest and principal, and any manual adjustments.
- The interest rate for each period, and any manual adjustments.
- The cash flows for each financier, used as the basis for calculating their IRR.

$$\text{Lender Cash Flow} = \text{Drawdowns} + \text{Interest Paid by Equity} + \text{Loan Repayments}$$

- The running Loan Ratios for each source of funding, which are set up via the [Finance Preferences](#).
- The Interest Coverage and Debt Service Ratios.

$$\text{Interest Coverage Ratio} = \text{Total Net Revenue} / (\text{Interest Charged} - \text{Interest Paid by Equity} + \text{Application and Line Fees})$$

$$\text{Debt Service Ratio} = \text{Total Net Revenue} / \text{Loan Repayments}$$

FINANCING				
Equity				
Manual Adjustments (Inject + / Repay -)		0	0	0
Injections		200,000	-	-
Interest Charged		-	-	-
Equity Repayment		-	-	-
Less Profit Share		-	-	-
Equity Balance	8,019,765	(200,000)	(200,000)	(200,000)
Equity Cash Flow***	8,019,765	(200,000)	-	-
Project Cash Account				
Surplus Cash Injection	6,400,133	200,000	-	-
Cash Reserve Drawdown	(6,400,133)	(200,000)	-	-
Interest on Surplus Cash	-	-	-	-
Surplus Cash Balance	-	-	-	-
Loan 4 - Lender Name				
Drawdown	(23,843,632)	(661,110)	(37,879)	(247,581)
Loan Interest Rate (%/ann)		5.0%	7.50%	7.50%
Interest Charged		-	(4,132)	(4,395)
Application and Line Fees		-	-	-
Interest Paid by Equity		-	-	-
Loan Repayment	23,843,632	-	-	-
Interest and Fees	2,474,763	-	-	-
Principal	23,843,632	-	-	-
Loan Balance	-	(661,110)	(703,121)	(955,096)
% of Land Purchase Price.		5.09%	5.41%	7.35%
Loan 4 Cash Flow	(23,843,632)	(661,110)	(37,879)	(247,581)
Project Overdraft		(661,110)	(37,879)	(955,096)
% of Land Purchase Price.		5.09%		
Net Cash Flow (after Interest)	765	(861,110)	(37,879)	(955,096)
Cumulative Cash Flow**		(861,110)	(903,121)	(1,155,096)

Manual adjustment rows for drawdowns/ repayments and interest rates

Loans that are not being used can be hidden via the 'View Options' function

Repayments broken up by Interest and Principal component

Running Loan Ratios for each Loan

IRR and NPV

This reports on the calculation of the Project IRR and NPV, as well as providing the user to have a [variable discount rate](#).

- The first row of data displays the cash flow that is being used to calculate the IRR and NPV, set via the Hurdle Rate options in the [Estate Master Preferences](#)
- The discount rate that was entered in the [Hurdle Rates](#) input section is known as the '**Static Discount Rate**' and that will form the basis of all IRR and NPV calculations on other reports, such as the Summary and Sensitivity reports. In addition, it will also be used to report the following in the Cash Flow:

The Present Value (PV) of net cash flow for each time period.

The Net Present Value (NPV) of all future cash flows at each time period.

- The Static Discount Rate then forms the starting point for the '**Variable Discount Rate**' inputs, where the user can manually adjust the discount rate up or down to reflect different levels of risk at different points in time in the project. Using the Variable Discount Rates entered by the user, a weighted average discount rate is calculated, and then it is used to calculate an NPV.

The Cash Flow that the Project IRR and NPV is based on				
DEVELOPER'S IRR & NPV				
Cash Flow that includes financing costs but excludes interest and corp tax.		(861,110)	(37,879)	(247,581)
Static Discount Rate (per ann. nominal)		20.00%		
PV for each Month		1,142,994	(861,110)	(37,258)
NPV of Future Cash Flows			1,142,994	2,037,506
Variable Discount Rate (per ann. nominal)		24.99%	20.00%	20.00%
NPV (using weighted avg discount rate)		(270,747)		25.00%

View Options

This feature on the Cash Flow sheet allows the user to change the way the cash flow input sections are displayed in relation to the rows. For each cost and revenue section, the user can select from the following row views:

- **All Rows:** Shows all rows (used and unused) for a particular input section.
- **Populated Rows:** Shows only used rows for a particular input section. A row is 'used' when there is an input description evident and/or there is data in any of the stored forecasts.
- **Sub Totals:** Hides all input rows for a section and only shows the heading and sub total row.



For the Stock Summary report, the user can select from the following row views:

- **Quantity Sold/Handed Over:** Select to hide/show the exchanges and settlements by quantity.

Units Sold	200.00	8.13	8.13
Cumulative Units Sold		104.25	112.38
% Units Sold		52.1%	56.2%

- **Area Sold/Handed Over:** Select to hide/show the exchanges and settlements by area.

SqM Sold	20,000.00	812.50	812.50
Cumulative SqM Sold		14,487.50	15,300.00
% SqM Sold		72.4%	76.5%

- **Value Sold/Handed Over:** Select to hide/show the exchanges and settlements by value.

AUD Sold	45,767,496	2,194,537	2,199,058
Cumulative AUD Sold		25,427,057	27,626,115
% AUD Sold		55.6%	60.4%



For the Financing Cash Flow, the user can select from the following row views:

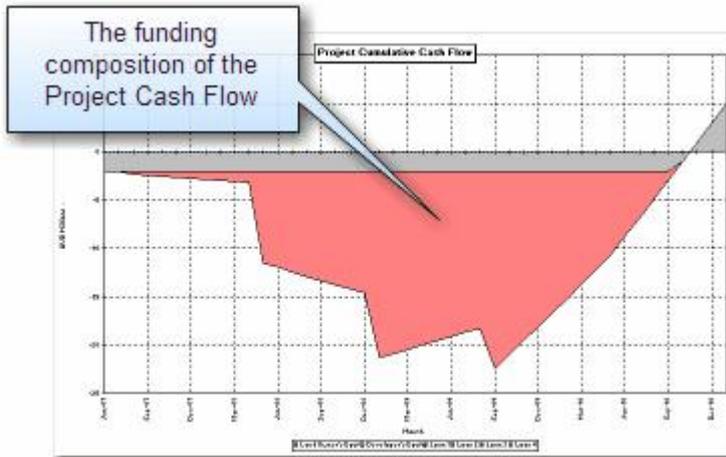
- **All Sources:** All sources of funding are displayed in the Financing Cash Flow, regardless if they are used or not.
- **Used Sources:** Only sources of funding that are 'used' are displayed. A source of funding is used if there are any drawdowns, repayments, interest charges or profit share payments.



8.3 Cash Flow Charts

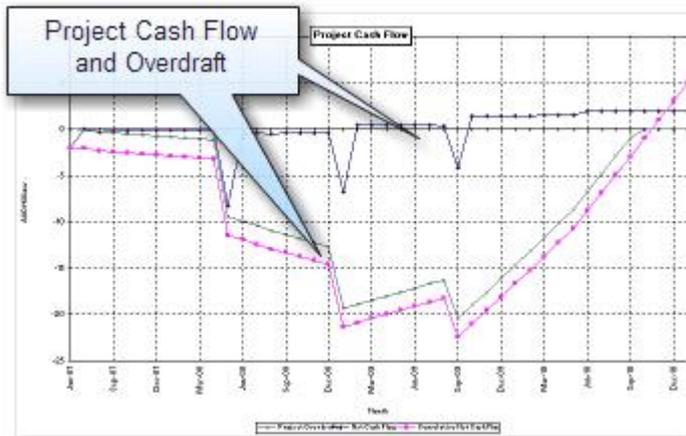
Cumulative Cash Flow

Highlighting the position of equity and debt draw downs and repayments through the project life.



Project Cash Flow

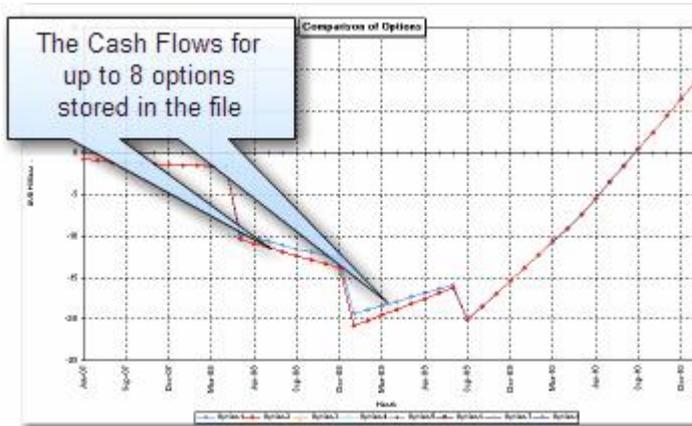
This chart depicts the Project Overdraft, Net Cash Flow and Cumulative Net Cash Flow.



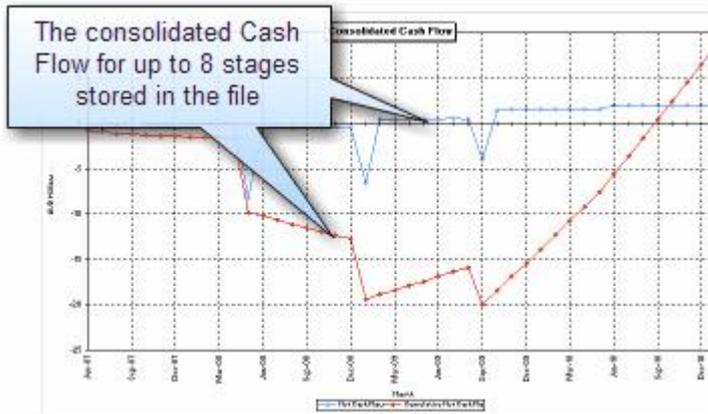
Consolidated Cash Flow or Comparison of Options

Depending on how the user has elected to report their Options/Stages in the [Consolidate](#) sheet, one of the following two charts will be displayed:

- **Comparison Chart:** Displaying the cash flows for each option stored.



- **Consolidate Chart:** displaying the net cash flow and cumulative net cash flow for the consolidated stages that have been stored.



Part

IX

9 Risk Assessment

9.1 Sensitivity Analysis

The Sensitivity Analysis is a risk assessment mechanism and allows the user to examine the impact on development performance indicators resulting from changes in a series of input variables.

There are 3 Sensitivity Analysis features available in the Estate Master DF Lite program:

1. Scenario Analysis
2. One-Way What-If Analysis
3. Two-Way What-If Analysis

Scenario Analysis

On the 'Sensitivity' sheet, the 'Scenario Analysis' allow you to input variations to each of the variables listed on the table. The 'Variation' column in the 'Scenario Analysis' table affects the calculation cells in the cash flow. You can put any combination of variations and see their impact on the various performance indicators. No function is required to be run as this alters the model directly.

Variable	Variation	Base + Variation	Performance Indicator *	Result
Land Acquisition Costs	0.0%	1,100,000	Development Profit	169,391
Construction Costs	5.0%	1,386,000	Development Margin	4.35%
Construction Period	0.0%	Months 2 to 19	Maximum Debt Exposure	1,928,449
End Sale Values	-5.0%	4,457,023	Date of Peak Exposure	Sep-2009
Capitalisation Rate	0.0%	8.00%	Breakeven Date of Cash Flow	Jan-2012
Sales Span Period'	0.0%	Months 35 to 36	Project NPV	(824,032)
Rental Levels	0.5%	105,525	Project IRR	6.87%
All Debt Interest Rates	0.0%	5.00%	Equity IRR	8.08%

Before commencing with further work, the values in the variations should be set back to zero. When you run the 'Sensitivity Analysis' function, the values in the 'Variation' column will return to zero automatically.

One-Way What-If Analysis

In the One-Way What-If Analysis table, put low, mid and high forecast variations for each of the variables.

- Using the 'Enable' dropdown options to select the variables you wish to test before running the sensitivity procedure. If 'No' is selected, the inputs will be greyed out and that rows for that variable will be hidden on the Sensitivity Table.
- Check for any warnings that the variations have caused the model to exceed the maximum time periods or that the variations have resulted in negative interest or capitalisation rates.

PROJECT IRR & NPV						
Cash Flow that includes financing costs but excludes interest and corp tax.			(1,005,000)	(188,012)	(12,893)	(833)
Static Discount Rate (per ann. nominal)	20.00%					
PV for each Month	51,152,157	(1,005,000)	(184,930)	(12,473)	(793)	
NPV of Future Cash Flows		51,152,157	53,026,443	54,101,363	55,018,160	
Variable Discount Rate (per ann. nominal)	20.65%	20.00%	20.00%	20.00%	25.00%	
NPV (using weighted avg discount rate)	50,089,024					

Variable Discount Rate to provide an additional NPV

Note that these variations do not affect the cash flow - only the outputs on the Sensitivity Table, which is generated when the 'Sensitivity Analysis' function is run.

SENSITIVITY TABLE						
	Change %	Net Dev. Profit	NPV	Dev. Margin	Project IRR	Equity IRR
Base Case (No Variation)	0.0%	380,465	347,677	46.20%	-42.83%	N.A.
Land Acquisition Costs	-5.0%	13,103,939	6,795,393	40.44%	70.64%	N.A.
	-3.0%	13,084,433	6,775,413	40.35%	70.34%	N.A.
	3.0%	13,025,524	6,715,072	40.09%	69.47%	N.A.
	5.0%	13,005,757	6,694,825	40.00%	69.18%	N.A.
Construction Costs	2.0%	13,632,325	8,822,280	39.72%	68.38%	N.A.

Two-Way What-If Analysis

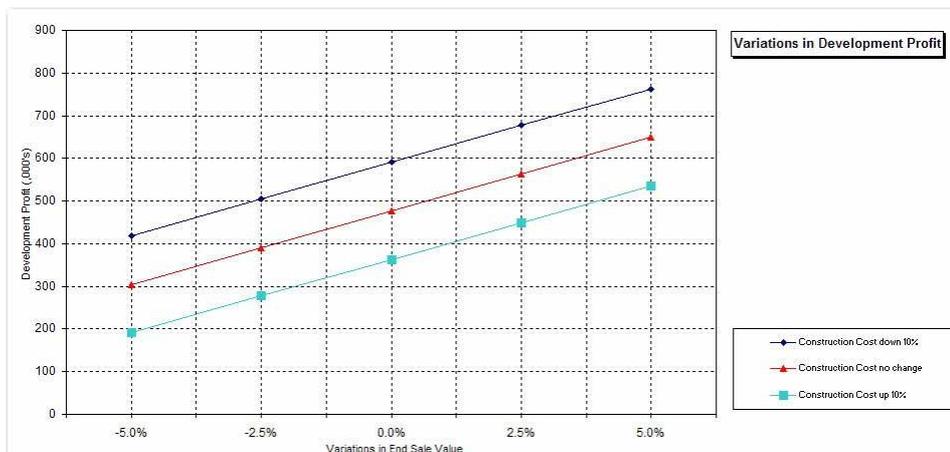
In the 'Two-Way What-if Analysis' section there are drop down boxes for setting parameters.

	CHART 1	CHART 2
Performance Indicator	Development Profit ▼	Development Margin ▼
Variable 1 (X-Axis)	End Sale Value ▼	Construction Period ▼
Variable 2	Construction Cost ▼	End Sale Value ▼

There are two charts each with three drop down boxes:

- **Performance Indicator:** Select either "Development Profit" or "Net Present Value" for Chart 1 and either "Project IRR", "Equity IRR" or "Development Margin" for Chart 2;
- **Variable 1:** Select either Land Costs, Construction Costs, End Sale Values, Construction Period, Selling Span Period, Rental Income, Debt Interest Rates, and Discount Rate (only relevant for Chart 1 if selecting net present value as your performance indicator); and
- **Variable 2:** Select either Land Costs, Construction Costs, End Sale Values or Rental Income.

These are translated into charts on the 'Sensitivity' sheet when the 'Sensitivity Analysis' function is run.



Running the Sensitivity Function

Once you have finished making all input entries, click the Sensitivity Analysis  button on the [Ribbon Menu](#). The sensitivity function performs four functions:

1. It resets the values in the 'Variation' column of the 'Scenario Analysis' to zero.
2. It updates the One-Way What-If sensitivity table on the developer's 'Sensitivity' sheet;
3. It generates the Two-Way What-If charts on the developer's 'Sensitivity' sheet;
4. It resizes the time scale on the developer's cash flow chart to the life of the project; and
5. It recalculates the residual land value based on developer's Target Margin & IRR.

The length of the operation will be dependant on the memory and speed of your PC, and may take from several seconds to several minutes to complete. You can improve waiting time by keeping as much memory free and closing unnecessary applications.

Variations to Time

The sensitivity analysis varies the period/span variables by adjusting the timing of the cash flow.

Varying the time for the Construction Period has the following impact on the cash flow:

- **Construction Costs, Professional Fees and Statutory Fees:** Extends their starting period (exc Construction) and extends their span time periods.
- **Land Holding Costs:** Extends their span periods.
- **Sales and Rental Income:** Delays the starting date for settlements and the lease start for rentals.
- **Land Costs and Financing Costs:** No direct changes, except for any indirect impact on interest costs by varying debt exposure and funding requirements.

Varying the Sale Span Period only affects the span periods for pre-sale exchanges and settlements, but not the starting dates for each sale item.

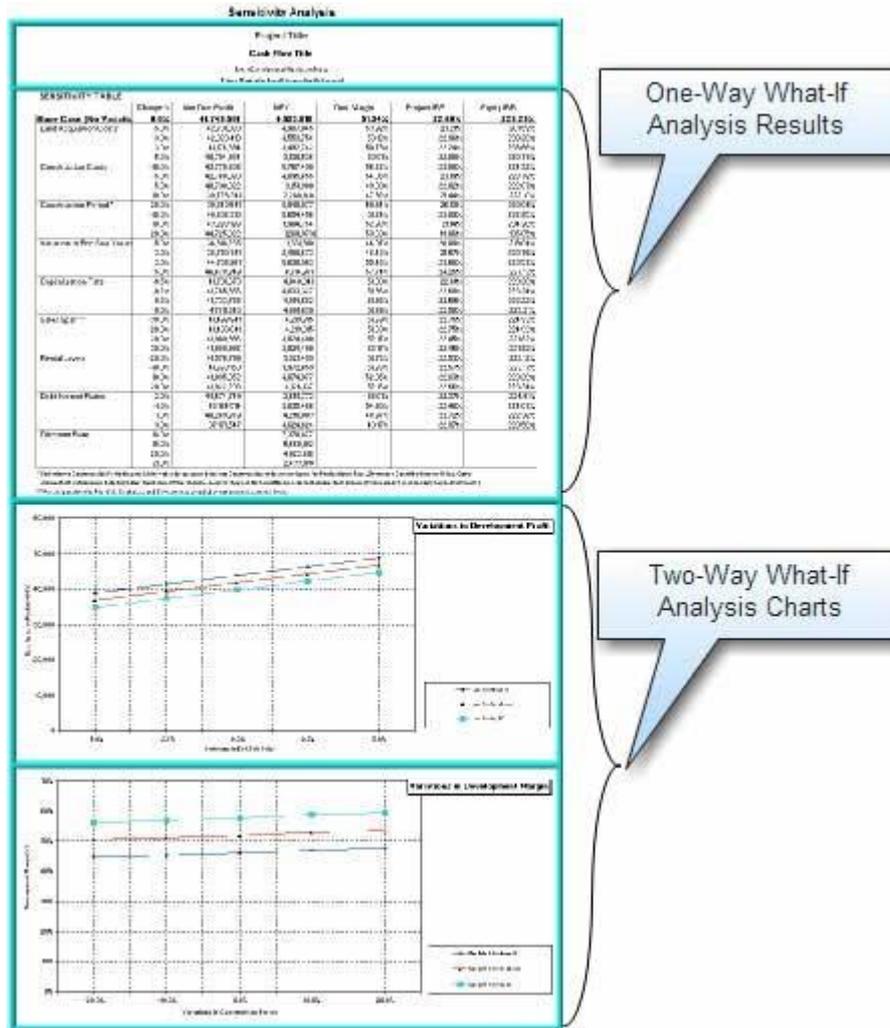
Exceeding Time Periods During Sensitivity

Whilst the cash flow has a maximum time periods, it can accommodate an extra 15 periods for the Sensitivity Analysis. If you should select scenarios for period/span variables in the sensitivity table that will expand the cash flow beyond these additional time periods, you will get a warning message when you try to run the sensitivity analysis. If this happens you will probably need to check your assumptions in the 'Sensitivity' sheet, adjust your variations in the One-Way What-If Analysis table, select a different rest period (eg quarters instead of months) or insert more time periods by using the "Resize Model" function.

Reports

The Sensitivity Report consists of two sections:

1. **One-Way What-If Analysis Table:** The sensitivity table shows the effects on Equity IRR, Project IRR, NPV, Profit and Development Margin to the high, mid and low variations (as selected in the Sensitivity settings towards the top of the sheet) for the various variables.
2. **Two-Way What-If Charts:** The two charts below the sensitivity table illustrate the sensitivity of the performance indicators to changes in the combinations of two variables as selected by the user in the relevant drop down boxes.



Part

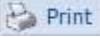


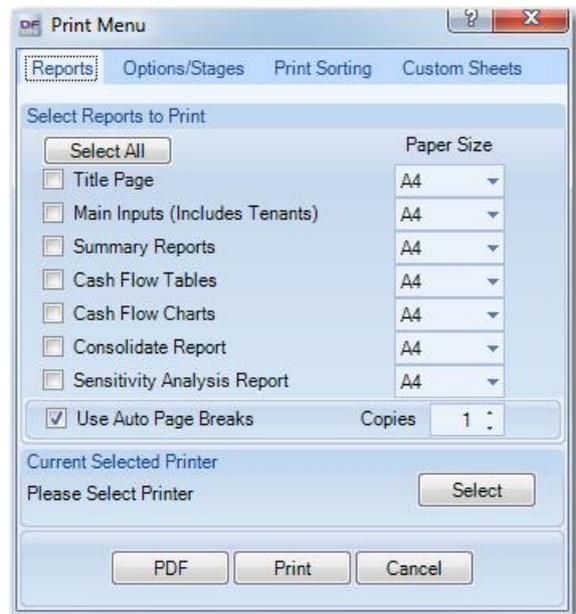
10 Printing Reports

Conducting a Final Check

There are numerous output report sheets in the Estate Master DF Lite program that provide you with the performance indicators upon which the property's feasibility is assessed. You should do a reality check of these to make sure that there are no errors. Check the graphs to make sure that they look reasonable and make sure there are no numbers in the cash flow or summary reports, which appear to be unrealistic or wrong. If there are obvious errors, amend them accordingly and update the model if necessary.

Printing

- To print the reports, load the Print Menu by clicking on one of the  Print buttons on the toolbars.
- When the Print Menu is activated, a series of check boxes will appear for each report.
- Select the reports that you wish to print and the paper size and then click [Print].
- If any results need to be updated, such as the Sensitivity or Residual Land Value analysis, the software will run these functions automatically before printing their respective reports.



Auto Page Breaks

On the Inputs and Cash Flow reports, 'Auto Page Breaks' can be set to apply page breaks at the start of certain cash flow sections so they start on a new page rather than have a continuous flow. Using Auto Page Breaks will provide neater report layouts, but may print out on more pages.

Selecting your Printer

Before printing any reports, check that the printer you wish to print to is the currently active printer (ie 'Currently Printing on.....'). If you need to select a different printer, then click on the [Select Printer] button.

PDF

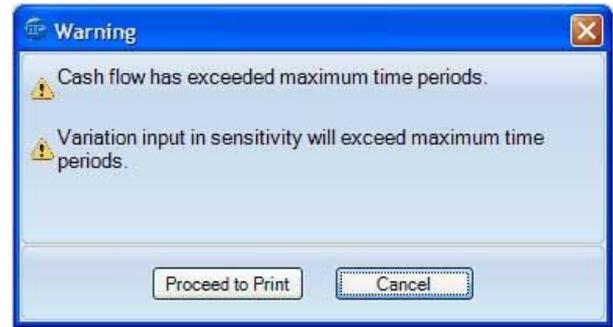
Estate Master DF Lite has its own built-in PDF writer. When you initially installed the software, a printer would have been added to your list if Printers called "Estate Master PDF Printer". This is used to generate PDF files of the selected reports. When [PDF] is clicked:

- If multiple reports are selected, a single PDF file will be generated containing all those reports in the orders as selected in the 'Print Sorting' tab.
- If multiple Options/Stages are selected in the 'Options/Stages' tab, then a separate PDF file for each Option/Stage will be created.

Warnings

A warning may appear if it relates to data that needs to be updated on any of the selected reports. The program will provide a warning in the following circumstances:

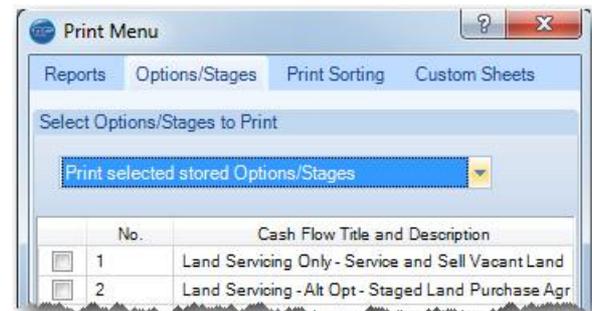
- Variations in the Scenario Analysis are affecting the cash flow.
- The cash flow exceeds the maximum time periods or if the variations in the sensitivity test will extend the cash flow beyond the maximum time periods.
- The current set of inputs has not been stored and that the 'Consolidate' sheet is not up to date.



If you wish to ignore the warnings, click on the 'Proceed to Print' button, otherwise select 'Cancel' to rectify any of the issues before attempting to print again.

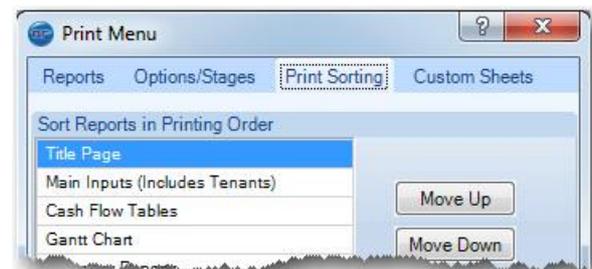
Printing Options/Stages

This feature allows the user to print the selected reports for either the current set of inputs, or any of the stored Options/Stages.



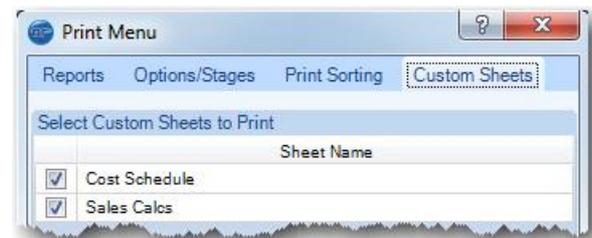
Print Sorting

Using the 'Move Up/Down' buttons, the user can sort the printing order of the selected reports.



Custom Sheets

If there are any custom worksheets in the model, the user can select to print them here. They will be printed in the order they appear, after the standard reports are printed. If one of the custom worksheets are greyed out in this list, it indicates there is nothing to print on that sheet.



Before printing custom worksheets, it is advised that the Print Area and Page Setup be set for

them via the options in the [context menu](#) of each custom sheet.

10.1 Custom Worksheets

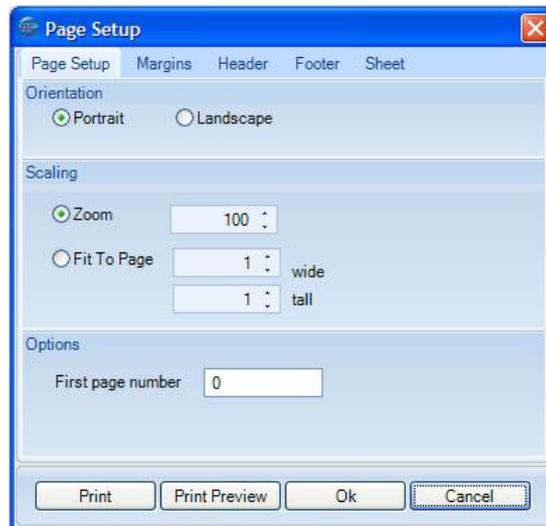
If using User-Inserted Worksheets, printing functionality is provided to customise how these worksheets are printed. This is available via the [Sheet Context Menus](#). When right-clicking on a User-Inserted Worksheet, the following options are provided:



Set Print Area Define what part of the worksheet to print by setting the currently selected range as the 'Print Area'.

Page Setup Change the settings for how the page is to be printed, such as:

- Orientation (portrait or landscape)
- Zoom (percentage or 'Fit to Page')
- Margins and Page Centring
- Headers and Footers
- Print Area
- Title Rows and Columns to repeat
- Page Order.



Print Print the active User Inserted sheet.

Part



11 Troubleshooting and Support

11.1 Maximum Cash Flow Periods

For every payment and revenue item it is necessary to put a start date and span period else the program will not add the payment to the cash flow. The start date must be a number between zero (0) (which represents the first or current period) and the maximum time periods as shown on the bottom of the 'Setup'/Input' sheet. The span period must be one (1) or more.

The start and span numbers must not add up to more than the maximum time periods. If you exceed the maximum time periods a warning will be displayed.

If you find that the number of time periods are not enough for the project, re-examine the interval period nominated and adjust it to a greater interval period eg from months to quarters or insert more time periods by changing the ['Resize Time Periods'](#) preference.

If you put too high variation for construction and/or sale span period in the sensitivity input table you will get an error message just to the right of the input cells. This occurs where the variation causes the cash flow to exceed the maximum number for the purpose of sensitivity analysis (15 more time periods than the cash flow depicts). You will need to either reduce the variation (high forecast percentage) or else select a longer interval period (eg quarters instead of months).

11.2 Entering the Correct Data

If you find that once all data has been entered and calculated, the performance indicators in the financial summary are returning a #VALUE or #NUM value. The reasons for this could be either of the following:

1. Incorrect data entered in the input cells. There is a safeguard built into the program against entering text in a cell that requires a numerical entry. If this is the case the cell will return 'Error Input' in red font or the cell will have a red background. The contents of the cell should be examined and edited appropriately.

Examples of User Input Error Warnings

Description	% of Construct. '1
Management Fees	Error Input
	0.00%

Text entered in a numerical cell

GST Included	Land Use Code
Y	RS1
Y	-

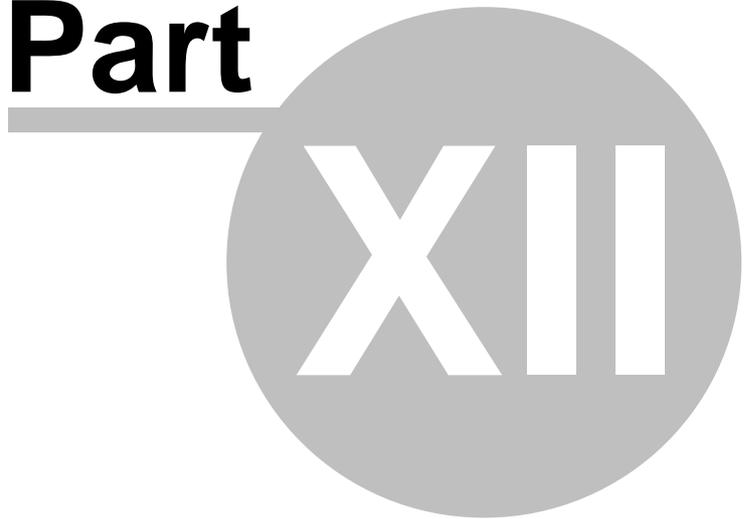
Incorrect code entered

Total Area	Current Sale Price	Sales Calc Method
SqFt		
5,000	1,000,000	Per SqM
-	-	Per Unit

Incorrect unit of measurement used

2. The estimate of IRR in the 'Hurdle Rates' section of the 'Setup' sheet may be too far off and should be adjusted to a rate closer to the expected IRR.

Part



12 Licence Agreement

1. Acceptance of Terms

- 1.1** Permission to use this Software is conditional upon you reading and accepting all the terms of this licence agreement. You agree to the terms of this agreement when you agree to purchase a licence relating to the Software or acquire Support Services or training services, or when you pay our Invoice, or by clicking "I Accept" on the relevant part of our website or during installation of the Software. If you do not wish to accept the terms, you must not install or use the Software or Documentation.
- 1.2** If you are using the Software on behalf of a company or an organisation, by clicking the "I Accept" button you warrant that you are authorised by the company or organisation to enter into a binding agreement on these terms on its behalf.

2. Subscription

- 2.1** We grant you a non-exclusive, non-transferable licence to use the Software on the terms of this agreement:
- (a)** on a number of computers controlled and used by you up to or equal to the number of User/PC Licences that you have purchased; or
 - (b)** by a number of concurrent users up to or equal to the number of CAS Licences that you have purchased,

for the Term (**Subscription**).

- 2.2** We grant you a non-exclusive, non-transferable licence to use the Documentation for the Term on the terms of this agreement.
- 2.3** You acknowledge that there is no transfer to you of any right in respect of the Software or the Documentation other than the licences granted in clauses 2.1 and 2.2.
- 2.4** In addition to the licensing conditions pursuant to clause 2.1, you will ensure that the Software is used only by named users (which may be specified on our Invoice). For that purpose, you will:
- (a)** provide us with the names of the named users of the Software, and provide us with updated names as necessary from time to time;
 - (b)** ensure that each named user is your employee; and
 - (c)** ensure that the Software is used only by the named users.

3. Your Obligations

- 3.1** You must not and must not allow any other person to:
- (a)** except as expressly permitted by non-excludable laws, copy, alter, modify, tamper with, decompile, reverse engineer or attempt to reverse engineer, the Software, or use the Software to develop other software;
 - (b)** copy the Documentation;
 - (c)** permit the Software to be combined with or incorporated in other software;
 - (d)** use the Software to supply hosting services or bureau services to any person; or
 - (e)** infringe any of our Intellectual Property Rights in respect of the Software or otherwise.
- 3.2** You must:
- (a)** use the Software only in accordance with the Documentation;
 - (b)** ensure that the Software is used only by people trained to use it;
 - (c)** establish and carry out reasonable backup procedures for the Software;
 - (d)** comply with our support and operating procedures current from time to time; and
 - (e)** comply with all reasonable directions issued by us regarding use of the Software.
- 3.3** You must keep records in sufficient detail to enable compliance with your obligations under this agreement to be verified. We, or our auditors, after giving you at least 48 hours notice may examine your records during your usual business hours to verify that you have complied, and are complying, with those

obligations. This clause will survive the termination of this agreement for a period of 18 months after the date of termination.

4. Evaluation Period and Activation

- 4.1 You may use the Software for the purpose of evaluation for a period of up to 14 days from the date of installation of the Software. After the evaluation period has expired, you must either:
- (a) input an activation key and register the Software in accordance with the installation and registration instructions provided with the Software; or
 - (b) stop using the Software and uninstall it so that it is deleted from all computer equipment.
- 4.2 If, after evaluation, the Software is not registered in accordance with clause 4.1(a):
- (a) the licence granted in clause 2.1 terminates; and
 - (b) the Software will disable itself and become unusable.
- 4.3 The Software is matched to the computer equipment on which the Software is first activated for use and the Software will disable itself and become unusable if you attempt to use it on another computer. However, on request we will issue a further activation key to you to allow you to install the Software on another computer, provided that you satisfy us that you have uninstalled the Software from the original computer.

5. Documentation

You acknowledge that the Documentation contains sufficient information for the adequate use of the Software, except to the extent we have notified you of any omission or deficiency or of any variation that we consider necessary for the proper use of the Software.

6. Initial and Ongoing Fees

- 6.1 Following the Commencement Date, we will invoice you for the amount of the initial Subscription Fee payable for the first 12 months of the Initial Term. You must pay the Subscription Fee in accordance with our standard payment requirements as shown on the Invoice before we will issue an activation key for the Software and before your Subscription commences.
- 6.2 We will invoice you for each subsequent Subscription Fee payable prior to the anniversary of the Subscription Start Date each year of the Term. You must pay us the amount of the Subscription Fee shown on the Invoice.
- 6.3 If you continue your Subscription after the end of the Initial Term, the amount of the Subscription Fee payable for the first and any subsequent Renewal Terms will be discounted by 50% from the amount of the then current subscription fee payable for a 12 month subscription to use the Software in that year.
- 6.4 If at any time during the Term you fail to pay us the invoiced amount of the Subscription Fee when due, then the Software will become inoperable, and your rights to use the Software and the Term of this agreement will be suspended (a Subscription subject to such suspension is a **Suspended Subscription** for the purposes of this agreement). We are not liable to you for any loss or damage you suffer arising out of or in connection with your Software being inoperable or your subscription becoming a Suspended Subscription under this clause.
- 6.5 If your Subscription becomes a Suspended Subscription under clause 6.4 and:
- (a) you subsequently pay the Subscription Fee within 12 months of the beginning of the suspension, then:
 - (i) the suspension of the agreement will cease with effect from the date when we receive payment of the Subscription Fee, we will issue you with an activation key for the Software and your Subscription will no longer be a Suspended Subscription; and
 - (ii) the Term of the agreement will either continue for the length of the Initial Term that remained prior to the suspension, or if the Initial Term had ended prior to the suspension, for a further Renewal Term (as may be applicable); or
 - (b) you do not pay the Subscription Fee within 12 months of such suspension, then this agreement will automatically terminate. For the avoidance of doubt, if you wish to use the Software following such termination then:
 - (i) the Term of this agreement will not continue; and
 - (ii) you must enter into a new licence agreement (which may be on terms that are the

same as or different to the terms set out in this agreement in our absolute discretion) and re-activate the Software are subject to the terms of that licence agreement.

- 6.6** If this agreement is terminated under clause 6.5(b) at any time during the Term, then we will be entitled to recover any amount of Subscription Fees due in respect of the balance of the Initial Term following the termination.
- 6.7** If you dispute any Invoice, you must pay any undisputed amount and must notify us in writing within seven days after receipt of the Invoice of the reason for the dispute. The dispute will then be dealt with under clause 17. If the outcome of the dispute resolution process is that some or all of the disputed amount should properly have been paid, you must pay that amount together with interest at the cash target rate specified by the Reserve Bank of Australia on the day that the payment was due, plus 3%, calculated at daily rests from the original due date.
- 6.8** The Subscription Fee is subject to annual adjustment on and from the beginning of the first Renewal Term, and on each anniversary of the beginning of the first Renewal Term after that, by us giving you written notice. Any increase in the Subscription Fee will be either:
- (a)** based upon the percentage increase in the CPI between the relevant anniversary date and the date on which the Subscription Fee was last set or varied, in each case using the CPI figure last published before the relevant date; or
 - (b)** by such other amount as we notify you in writing.
- 6.9** All fees, charges and other amounts referred to in this agreement are exclusive of Government Charges.
- 6.10** If any supply under this agreement is a taxable supply or results in Government Charges, the party making the supply:
- (a)** may, in addition to any payment for the supply, recover from the recipient the amount of the Government Charges applicable to the supply; and
 - (b)** must issue a tax invoice to the recipient within 28 days after making the taxable supply.

7. Security

You are responsible for the use, supervision, management and control of the Software and Documentation. You must ensure that the Software is protected at all times from misuse or any form of Unauthorised Use.

8. Support Services (Annual Support and Software Assurance - ASSA)

- 8.1** During the Term, we will provide the following Support Services to you in respect of the Software in accordance with the provisions of this clause 8:
- (a)** reasonable telephone, email and internet support in respect of technical issues and software usage through our Help Desk;
 - (b)** upgrades and updates of the Software;
 - (c)** access to an online knowledge base including case studies and research resources;
 - (d)** free transfers of licences from computer to computer and between named users where applicable; and
 - (e)** remote desktop assistance where practicable.
- 8.2** For the avoidance of doubt, if:
- (a)** this agreement is terminated for any reason, then we have no obligation to continue to supply you with Support Services and we may discontinue the Support Services at any time without notice to you; or
 - (b)** your Subscription becomes a Suspended Subscription under clause 6.4, then we have no obligation to and will not provide you with any Support Services and we may discontinue the Support Services at any time without notice to you, unless and until that suspension ceases and your Software is reactivated under clause 6.5(a).
- 8.3** The Support Services are provided only in respect of the Software and related Microsoft Excel/.Net issues. The Support Services do not include support, advice or assistance relating to general property development, finance, evaluation or other non-Software issues, or issues arising from computer hardware, operating systems, other software, data migration or conversion or telecommunications systems.
- 8.4** Despite the other provisions of this clause 8, the Support Services will be withdrawn and will cease to be

available in respect of any version of the Software that we have ceased to offer commercially for more than 5 years.

- 8.5** The operational hours of the Help Desk are as stated on our website. We reserve the right to alter the operational hours of the Help Desk from time to time.
- 8.6** You may convert the type of your Software licence between User/PC Licences and CAS Licences by giving us written notice and paying us any applicable additional Subscription Fees. Additional Subscription Fees may be applicable if the new type of Software licence has a higher Subscription Fee than your current type of Software licence. No refunds will be payable if you convert from a type of Software licence that has a higher Subscription Fee than the Software licence to which you intend to convert.
- 8.7** You may exchange a licence for one Software product for another Software product (for example, DF in substitution for one of DM, CC, IA or HF) on the condition that:
- (a)** you have not activated the Software product that you wish to exchange; and
 - (b)** you pay any difference in the applicable Subscription Fee if the new Software product has a higher Subscription Fee than the Software product that you wish to exchange. No refunds will be payable if you exchange a Software product that has a higher Subscription Fee for a Software product that has a lower Subscription Fee.
- 8.8** You may transfer your Software Subscription between named users provided that all relevant named users are your employees.
- 8.9** You may transfer a Suspended Subscription between named users provided that all relevant named users are your employees and that you pay us a fee as specified by us from time to time in respect of each change of a named user. Any such transfer will not alter the suspension of the Suspended Subscription in any way, or the time period after which that Suspended Subscription gives rise to the automatic termination of this agreement under clause 6.5.
- 8.10** You must promptly notify us of any transfers between named users and provide us with details of the names and the Software in respect of which the names are named users.
- 8.11** We may vary the terms of this clause 8 from time to time by notice to you. Any variations will become effective at the end of your then-current Initial Term or Renewal Term, as applicable.

9. Training Services

- 9.1** We will provide the training services to you as agreed between you and us including in relation to the type and content of the training to be provided, the duration of each training session, the number of participants to be trained, the date, time and venue for the training and the applicable fees for the training.
- 9.2** We do not warrant or represent that the training services or participation in the training services will result in particular level of competence or any other particular result.
- 9.3** You acknowledge that you rely on your own skill and judgment in determining the suitability of the training services for any purpose and in determining the suitability of particular trainees for receiving the training services.

10. Upgrade to Full Version Software

- 10.1** Subject to clause 10.2, you may upgrade your Software to Full Version Software.
- 10.2** If you upgrade to the Full Version Software under clause 10.1 then:
- (a)** with effect on and from the commencement date of the Full Version Software Agreement this agreement will be terminated, the Software will become inoperable and your use of the Full Version Software will be subject to the terms of the Full Version Software Agreement; and
 - (b)** you will be required to pay all applicable fees due under the Full Version Software Agreement in relation to your use of the Full Version Software, but despite any terms to the contrary in the Full Version Software Agreement (including clauses 6, 8 and 19 of the Full Version Agreement), if you upgrade to the Full Version Software:
 - (i)** during the first 12 months of the Initial Term, then we will apply the amount of any Subscription Fees you have paid to us under this agreement as a credit in respect of any fees due to us under the Full Version Software Agreement; or
 - (ii)** after the first 12 months of the Initial Term and have paid all Subscription Fees due for the then-current year of the Term, then you will receive a 50% discount on the fees which would otherwise be payable for the licence to use the Full Version Software

and to obtain the first 12 months of support services in respect of that Full Version Software.

11. Warranty

11.1 We warrant that:

- (a) for the duration of the Warranty Period, the Software will operate in accordance with the Documentation in all material respects;
- (b) use of the Software and Documentation in accordance with this agreement does not infringe the Intellectual Property Rights or moral rights of any person; and
- (c) we have all necessary rights to grant the licences under clauses 2.1 and 2.2.

11.2 If, during the Warranty Period, you consider there is a defect in the Software that has the effect that the Software does not operate in accordance with the Documentation in a material respect, you must notify us within the Warranty Period. We will investigate any defects so notified and, upon verification of the existence of the defect, use reasonable endeavours to rectify the defect without additional charge to you.

11.3 The warranties in clause 11.1 do not apply to the extent that breach of those warranties and representations is caused by:

- (a) Unauthorised Use; or
- (b) your breach of this agreement.

12. Liability

12.1 You acknowledge that:

- (a) the Software or the Documentation may contain errors or inaccuracies;
- (b) the results produced by the Software are for information purposes only and do not constitute advice or take into account your particular circumstances (see clause 13);
- (c) the results produced by the Software may contain errors or inaccuracies; and
- (d) you rely on your own professional skill and judgement in using the Software and in determining its suitability for any purpose.

12.2 Subject to this clause 12, we are not liable to you or to any other person for:

- (a) any loss or damage of any kind that is directly or indirectly caused by or results from any wrongful, wilful or negligent act or omission by you or any of your officers, employees, agents or contractors; or
- (b) any indirect, incidental, special or consequential loss or damage, loss of profits or anticipated profits, economic loss, loss of business opportunity, loss of data or loss or damage resulting from wasted management time irrespective of whether:
 - (i) the loss or damage is caused by or relates to breach of contract, statute, tort (including negligence) or otherwise;
 - (ii) the loss or damage is caused by or relates to Unauthorised Use; or
 - (iii) we or any other person were previously notified of the possibility of the loss or damage.

12.3 Our maximum aggregate liability for all proven losses, damages and claims arising out of this agreement, including liability for breach, in negligence or in tort or for any other common law or statutory action, is limited to the amount of the Subscription Fee paid by you to us under this agreement in the first 12 months of the Initial Term.

12.4 Any representation, warranty, condition, guarantee or undertaking that would be implied in this agreement by legislation, common law, equity, trade, custom or usage is excluded to the maximum extent permitted by law.

12.5 Nothing in this agreement excludes, restricts or modifies any consumer guarantee, right or remedy conferred on you by the Australian Consumer Law, Schedule 2 of the Competition and Consumer Act 2010 (Cth) or any other applicable law that cannot be excluded, restricted or modified by agreement.

12.6 To the fullest extent permitted by law, our liability for a breach of a non-excludable guarantee referred to in clause 12.5 is limited, at our option, to:

- (a) in the case of goods: the replacement of the goods or the supply of equivalent goods, the repair of the goods, payment of the cost of replacing the goods or of acquiring equivalent goods, or payment of the cost of having the goods repaired; and
- (b) in the case of services: the supplying of the services again or payment of the cost of having the services supplied again.

12.7 You indemnify us and our officers, employees and agents from and against any loss (including reasonable legal costs and expenses) or liability reasonably incurred or suffered by any of those indemnified where such loss or liability was caused by:

- (a) Unauthorised Use of the Software;
- (b) your breach of your obligations under this agreement; or
- (c) your wilful, unlawful or negligent act or omission.

13. Software Performance and Results

13.1 You acknowledge that the results produced by the Software involve an analysis of data input by you and do not take into account your particular objectives or financial circumstances. Accordingly, you acknowledge that before acting on any results produced by the Software, you must consider whether it is appropriate to do so in light of your particular financial circumstances and objectives.

13.2 We do not guarantee that the Software is or will be error free for all possible systems, combinations of software and input variations.

13.3 You acknowledge that software in general is not error-free and agree that the existence of such errors will not constitute a breach of this agreement. We do not warrant that the Software will be free from known computer viruses and you are solely responsible for scanning the Software for computer viruses.

13.4 It is a condition of this agreement that you test the Software for compatibility with your systems, existing software and input permutations. You must audit the output results of the Software on a regular basis to ensure the ongoing suitability and integrity of the Software.

13.5 You agree that we do not warrant or represent that the Software or your use of the Software will result in particular level of profitability, return on investment or any other particular financial or non-financial result.

14. Confidentiality

14.1 Each party:

- (a) may use Confidential Information of the other party solely for the purposes of this agreement;
- (b) except as permitted under clause 14.1(c), must keep confidential all Confidential Information of the other party; and
- (c) may disclose Confidential Information of the other party only to persons who:
 - (i) are aware and agree that the Confidential Information of the other party must be kept confidential; and
 - (ii) either have a need to know (and only to the extent that each has a need to know), or have been specifically approved by the other party; or
- (d) may disclose Confidential Information of the other party as required by law or stock exchange regulation;
- (e) must take all reasonable steps to secure and keep secure all of the other party's Confidential Information coming into its possession or control; and
- (f) must not memorise, use, modify, reverse engineer or make copies, notes or records of the other party's Confidential Information for any purpose other than in connection with the performance of its obligations under this agreement.

14.2 Even though information is the Confidential Information of a party, the other party is not obliged to comply with clause 14.1 in relation to that Confidential Information if:

- (a) the Confidential Information has become public knowledge; or
- (b) the other party became aware of that Confidential Information from a third person,

in circumstances where there was no breach of any obligation of confidence.

14.3 You must not make any public statement about:

- (a) the performance of;
- (b) the operation of; or
- (c) benchmarking,

the Software without our prior written consent.

15. Intellectual Property Rights

15.1 In the event that proceedings are brought or threatened by a third party against you alleging that your use of the Software constitutes an infringement of Intellectual Property Rights, we may at our option and own expense conduct the defence of such proceedings and you must:

- (a) notify us in writing as soon as practicable of any infringement or alleged infringement;
- (b) not make any admissions in relation to any infringement or alleged infringement;
- (c) give us or our nominee the right to conduct the defence of such a claim, including negotiations for settlement or compromise prior to and after the institution of legal proceedings; and
- (d) provide all necessary co-operation, information and assistance to us in the conduct of the defence of such proceedings.

15.2 If the Software is found to infringe a third party's Intellectual Property Rights, we may at our option:

- (a) procure for you the right to continue using the Software;
- (b) modify the Software so that it becomes non-infringing; or
- (c) replace the Software with other software with similar functionality.

16. Term and Termination

16.1 This agreement commences on the Commencement Date and:

- (a) subject to clause 16.4, continues for the Initial Term; and
- (b) at the end of the Initial Term, this agreement automatically renews for successive Renewal Terms,

unless it is terminated earlier under clause 6.5(b), 10.2(a), 16.2 or 16.3.

16.2 Either party may terminate this agreement:

- (a) if you fail to pay the Invoice for the first 12 months of the Initial Term sent to you under clause 6.1 within 90 days of the date of the Invoice; or
- (b) at the end of the Initial Term or the then-current Renewal Term (as applicable) by providing the other party with written notice of its intention to terminate this agreement at least 30 days prior to the expiry of the Initial Term or the then current Renewal Term (as applicable).

16.3 A party may terminate this agreement with immediate effect by giving notice to the other party if:

- (a) that other party breaches any material term of this agreement not capable of remedy;
- (b) that other party breaches any material term of this agreement capable of remedy and fails to remedy the breach within 30 days after receiving notice requiring it to do so; or
- (c) an Insolvency Event happens in relation to that other party (whether or not notified).

17. On Termination

17.1 On termination of this agreement (other than by you under clause 16.2), the licences granted under clauses 2.1 and 2.2 terminate and you must immediately:

- (a) stop using the Software and the Documentation;
- (b) return to us all copies of the Software and Documentation in your possession or control; and
- (c) ensure that all of the Software has been deleted or permanently removed from any equipment on which it is stored.

17.2 You acknowledge that if this agreement is terminated other than by you under clause 16.2, in addition to any other remedies we may have, we may:

- (a) retain all fees paid under this agreement;
- (b) charge a reasonable sum for work performed in respect of which work no sum has been previously charged; and
- (c) if you do not return to us all Software and Documentation in your possession or control in accordance with clause 17.1, at your cost, enter any of your premises during working hours to repossess them.

17.3 Clauses 12, 14, 15, 17 and 18 will survive the termination of this agreement.

18. Dispute Resolution

- 18.1 Neither party may start arbitration or court proceedings (except proceedings seeking interlocutory relief) in respect of a dispute relating to or arising out of this agreement ("**Dispute**") unless it has first complied with this clause 18.
- 18.2 A party claiming that a Dispute has arisen must notify the other party within 10 working days after the event occurring that has given rise to the Dispute.
- 18.3 Within 7 working days after a notice given under clause 18.2 each party must nominate in writing to the other party a representative authorised to settle the Dispute on its behalf.
- 18.4 During the 20 working day period after a notice is given under clause 18.2 (or if the parties agree a longer period, that longer period) each party must use its best efforts to resolve the Dispute.
- 18.5 If a Dispute is not resolved within that time, the Dispute must be referred:
- (a) for mediation, in accordance with the then-current version of the Australian Commercial Disputes Centre (**ACDC**) Mediation Guidelines; and
 - (b) to a mediator agreed by the parties, or if the parties do not agree on a mediator, a mediator nominated by the then current Chief Executive Officer of the ACDC or the CEO's nominee (or if no such person is available or willing to nominate a mediator, by the then President of the Law Society of New South Wales).
- 18.6 The ACDC Mediation Guidelines set out the procedures to be adopted, the process of selection of the mediator and the costs involved. The terms of the ACDC Mediation Guidelines are hereby deemed to be incorporated into this Agreement.
- 18.7 If the Dispute is not resolved under clause 18.5 within 60 days after referral (or any longer period agreed between the parties) either party may commence proceedings in a court.
- 18.8 Nothing in this clause 18 prevents a party from seeking urgent interlocutory relief in a court.

19. Force Majeure

- 19.1 Neither party is liable for any delay or failure to perform its obligations pursuant to this agreement (other than an obligation to pay money) if that delay or failure is due to Force Majeure.
- 19.2 If a delay or failure of a party to perform its obligations is caused by Force Majeure, the performance of that party's obligations will be suspended.
- 19.3 If a delay or failure by a party to perform its obligations due to Force Majeure exceeds 60 days, either party may immediately terminate the agreement on providing notice in writing to the other party.
- 19.4 If this agreement is terminated pursuant to clause 19.3, we will refund moneys previously paid by you for any goods or services not supplied to you.

20. Entire agreement

This agreement, including the Invoices, constitutes the entire agreement between the parties and supersedes all prior representations, agreements, statements and understandings, whether verbal or in writing. No terms, requirements or specifications in order forms or other documents provided by you form part of this agreement.

21. Assignment

You may not assign or otherwise transfer the benefit of this agreement without our written consent.

22. Variation

This agreement may be varied only by a document signed by both parties that states expressly that it varies this agreement.

23. Severability

Any provision of this agreement which is invalid in any jurisdiction must, in relation to that jurisdiction:

- (a) be read down to the minimum extent necessary to achieve its validity, if applicable; and
- (b) be severed from this agreement in any other case,

without invalidating or affecting the remaining provisions of this agreement or the validity of that provision in any other jurisdiction.

24. Governing law

24.1 This agreement is governed by the law applicable in New South Wales, Australia and each party irrevocably and unconditionally submits to the exclusive jurisdiction of the courts of that State and the Commonwealth of Australia.

25. Notices

25.1 Notices under this agreement must be in writing and may be delivered by hand, by mail or by facsimile to the addresses specified on the Invoice.

25.2 Notice will be deemed given:

- (a) in the case of hand delivery, upon written acknowledgment of receipt by an officer or other duly authorised employee, agent or representative of the receiving party;
- (b) in the case of posting, 3 days after dispatch;
- (c) in the case of facsimile, upon receipt of transmission if received on a business day or otherwise at the commencement of the first business day following transmission.

26. Definitions

26.1 The following definitions apply unless the context requires otherwise:

CAS Licence means a Concurrent Access Session licence, being the number of users who are permitted to use the Software at any one time on a network. For example, 20 people might have access to the Software, but a single CAS means that only one user may use the Software at a time. If you have a CAS Licence, it will be specified to be one of two types of CAS Licence: a Client Server (Floating) CAS Licence or a Terminal Server CAS Licence.

Client Server (Floating) CAS Licence means a type of CAS Licence which permits you to install the Software only on individual computers. You must ensure that a licence server application is installed on another machine on the same network to control access to the Software on the individual computers in accordance with the number of CAS Licences you have purchased.

Commencement Date means the earlier of the date when you download the Software or the date of the Invoice in respect of the Software under clause 6.1.

Confidential Information of a party means all confidential information (including trade secrets and confidential know how) relating to that party or a corporation related (as that term is used in the Corporations Act 2001 (Cth)) to that party from time to time, of which the other party becomes aware.

CPI means the Consumer Price Index, Australia, All Groups, Weighted Average of Eight Capital Cities, published by the Australian Bureau of Statistics and, if that index ceases to be published, an alternative consumer price index nominated by us.

Documentation means any operating manuals and other printed materials including users' manuals, programming manuals, modification manuals, flow charts, drawings and software listings that are designed and provided by us to assist or supplement the understanding or application of the Software.

Force Majeure means a circumstance beyond the reasonable control of the parties which results in a party being unable to observe or perform on time an obligation under this agreement. Such circumstances include:

- (a) acts of God, lightning strikes, earthquakes, floods, storms, explosions, fires and any natural disaster;
- (b) acts of war, acts of public enemies, terrorism, riots, civil commotion, malicious damage, sabotage and revolution; and
- (c) strikes.

Full Version Software means software that is similar to the Software, but which has additional functionality and

is acquired under a perpetual licence subject to the terms of the Full Version Software Agreement.

Full Version Software Agreement means the agreement entitled "Estate Master Software Licence Agreement", which sets out the terms of use for the Full Version Software and which is to be entered into between you and us if you upgrade your Software to the Full Version Software.

Government Charges means any taxes, duties or government charges arising out of or in connection with entering into this agreement or making a supply under it, including GST.

Initial Term means 36 months from the Subscription Start Date.

Insolvency Event means, in respect of a party, any one or more of the following events or circumstances:

- (a) a winding up, dissolution, liquidation, provisional liquidation, administration or bankruptcy;
- (b) having a controller (as defined in the Corporations Act 2001 (Cth)), receiver, receiver and manager, administrator, liquidator (whether provisional or otherwise) of that party or that party's property or any other person (however described) holding or appointed to an analogous office or acting or purporting to act in an analogous capacity;
- (c) being unable to pay any of its debts as and when due and payable or being deemed to be insolvent under any provision of the Corporations Act 2001 (Cth) or any other law;
- (d) seeking protection from its creditors under any law, entering into a compromise, moratorium, assignment, composition or arrangement with, or for the benefit of, any of its members or creditors; or
- (e) any analogous event or circumstance to those described in paragraphs (a) to (d) under any law or in any jurisdiction,

unless such event or circumstance occurs as part of a solvent reconstruction, amalgamation, compromise, arrangement, merger or consolidation approved by the other party (which approval is not to be unreasonably withheld or delayed).

Intellectual Property Rights means all intellectual property rights, including:

- (a) patents, copyright, rights in circuit layouts, registered designs, trade marks and the right to have confidential information kept confidential; and
- (b) any application or right to apply for registration of any of those rights.

Invoice means our invoice to you in relation to this agreement.

Renewal Term means 12 months.

Software means the software specified on the Invoice that you are licensed to use under this agreement on a Subscription basis, including any enhancement, modification, upgrade or new release of that software.

Subscription has the meaning given in clause 2.1.

Subscription Fee means the annual fee specified on the Invoice, payable to us for the use of the Software.

Subscription Start Date means the date on which you pay the Invoice for the first 12 months of the Initial Term as set out in clause 6.1.

Support Services means the support services described in clause 8.1.

Suspended Subscription has the meaning given in clause 6.4.

Term means the Initial Term and any Renewal Terms, as applicable.

Terminal Server CAS Licence means a type of CAS Licence which permits you to install the Software only on a terminal server (eg Microsoft Terminal Server, Citrix Server, etc) and the users are permitted to access the Software via a remote desktop connection. You must ensure that the server limits access to the Software in accordance with the number of CAS Licences you have purchased. Under this type of CAS Licence you must not install the Software on a server running a workstation operating system.

Unauthorised Use means:

- (a) an alteration or modification to the Software or Documentation that has not been authorised in writing by us;
- (b) use of the Software other than in accordance with the Documentation or for a purpose not reasonably contemplated by us or under this agreement; or
- (c) use of the Software in combination with equipment, computer programs or services not set out in the Documentation or otherwise authorised in writing by us.

User/PC Licence means a licence for a single person to install, register and operate the Software on a single computer.

Warranty Period is the period of 90 days from the date on which the Software is first installed on your computer or server.

We, including its different grammatical forms such as **our** and **us**, means Estate Master Pty Limited, ABN 76 102 232 593, of Level 3, 234 George Street, Sydney, NSW, Australia.

You and **your** means the person specified in the Invoice or, if there is no Invoice, the person installing the Software or, where it has been installed on behalf of a company or organisation under clause 1.2, that company or organisation.

26.2 The following rules of interpretation apply unless the context requires otherwise:

- (a) any use of the verb "includes", or of words such as "for example" or "such as", do not limit anything else that is included in general speech;
- (b) the singular includes the plural and vice versa; and
- (c) unless otherwise stated, monetary references are references to Australian dollars.