



User Manual

EstateMaster IA 3.40

February-2018

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Part



1 Introduction to EstateMaster

1.1 Introduction

EstateMaster IA is a cash flow program designed for property valuation and investment analysis. It calculates property sale and purchase prices, and investment returns including internal rate of return and net present value based on a comprehensive set of inputs.

The Program can be used to:

- Financially appraise a property's purchase price using the industry standard Capitalisation and DCF approaches;
- Estimate the property value for acquisition purposes based on monthly discounted cash flows; and
- Assess the feasibility of a property investment based on key performance indicators.

1.2 Program Integrity

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

The EstateMaster IA 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 EstateMaster IA program are prohibited without the express written approval of the authors EstateMaster 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.

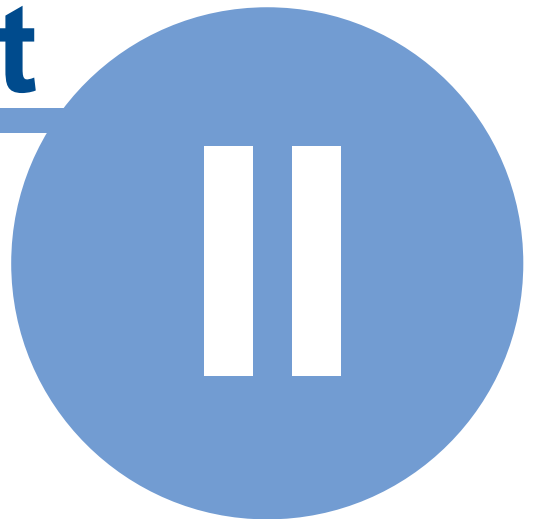
1.3 System Requirements

To install and operate EstateMaster IA efficiently, the following is recommended:

- PC with an Intel Pentium 4 2.4GHz minimum processor (or equivalent).
- Microsoft Windows Vista SP2 Pro or later -or- Windows Server 2008 or later
- Microsoft .Net Framework 4.5.2 or higher..
- 4Gb RAM or higher.
- Internet connection (for downloading files and activating licences).

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

Part



2 Introduction to Investment Appraisal

2.1 Capitalisation of Net Income

The Capitalisation of Net Income (or Income Capitalisation) approach to property investment appraisal involves assessing the net rental income of the property and capitalising this in perpetuity to derive a capital value. As well as being used to value income-producing assets such as retail, commercial and industrial properties, the Income Capitalisation approach is also often used to value specialised income-generating 'going concern' properties (such as hotels), where the net operating income can be capitalised.

$$\text{Capitalised Value} = \frac{\text{Net Income}}{\text{Cap Rate}}$$

The Capitalisation Rate used to capitalise the net rental income is market-derived and reflects the investor's desired return for that particular type of investment in the market. It can also be seen as the income from an investment expressed as a percentage of the investment's Capital Value.

$$\text{Cap Rate} = \frac{\text{Net Income}}{\text{Market Value/Price}} \times 100$$

The Capitalisation Rate is the simplest measure of return calculated as the net income divided by price or value. As the Capitalisation Rate is often based on the net income when the property is sold, it is often based on and referred to as the Initial Yield although technically, the Capitalisation Rate and Yield are not the same thing. Yield is a return on the investment/value while the Capitalisation Rate is the rate used to capitalise net income to determine value/price. In the U.K., the term 'Capitalisation Rate' is often used synonymously with the Discount Rate for any analysis that does not project annual cash flows over a holding period; various yields are used to measure property performance, the terms 'all risks yield' and 'initial yield' often used to describe the cap rate. In the U.S. it appears that the terms 'Capitalisation Rate', 'Overall Rate' and 'Overall Cap Rate' are used interchangeably to mean the above described.

2.2 DCF Analysis

Discounted Cash Flow (DCF) is a method of financial performance analysis that attempts to determine the current value of a financial investment by computing all future cash flows associated with an investment and reducing them to their present financial values. It does this by taking into account the time value of money, given the expectation of a given rate of return on funds per period of time. By reducing future cash flows by the expected rate of return the value of an asset can be determined based on the present value of its expected future cash flows.

Property value has been defined as the present value of all future rental income. This definition would be useful in a perfect market, but property investment involves a complexity of costs and revenues that makes simple analysis problematic. Over time actual investment properties suffer obsolescence that affects their yields and vacancy expectations, and they require intermittent capital expenditures to keep the building in optimum condition. The capitalisation method of valuing income producing property computes capital value from rent but it relies on assumptions imbedded in the selection of the capitalisation rate to overcome its evident simplicity in approach.

The DCF approach overcomes the shortcomings of the capitalisation method by making explicit all assumptions about the future costs and revenues associated with the property. It therefore offers the attraction of precision in forecasting the financial performance of property investments.

DCF versus Capitalisation

At first sight DCF analysis would appear to be superior to valuation using capitalisation. However, this must be balanced against the fact that virtually all quantities entered into a cash flow model are forecasts of future events, and this reliance on forecasting introduces a significant risk to the precision of the result. The capitalisation method relies on market facts, current rentals and current comparable capitalisation rates.

If it can be accepted that the market is rational in setting capitalisation rates and does so with some consideration of the future events likely to impact on the property, then the explicit detail of the DCF approach may be implicit in the market determination of the capitalisation rate. Moreover, since the capitalisation rate is a public fact in the market that results from the commercial decision of a large number of persons, then the capitalisation rate may be a better estimate of future events than the individual DCF analysis.

For these reasons the selection between the two methods is not clear cut. If robust market evidence is available then the capitalisation method should be adopted as the most direct approach. However, often properties often display characteristics that make adoption of a local capitalisation rate difficult. This is especially difficult for complex properties in thin markets. In these cases DCF analysis becomes more attractive.

In order to understand DCF analysis it is necessary to consider the notion of the time value of money and the mathematics of discounting. It is also important to be cognisant of the conventions applicable to the use of DCF for property analysis.

Time Value of Money

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.

The first requirement of DCF 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 are forecasted. Interest is excluded because this is incorporated in the discount rate as demonstrated above.

The value of all cash items are 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 that the present value of incomes exceeds the present value of costs and the project/investment 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/investment before the project/investment would show a net loss.

Time Period

A reasonable time period is necessary for DCF analysis of property. It is necessary to adopt a consistent time period to avoid possible comparative errors due to the impact of differing time periods. 10 years is usually adopted as a balance between reasonable investment length and forecast reliability.

2.3 Discount Rate

Discount Rate (or Target IRR) is 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 property to be feasible the discounted value of future cash flows (Net Present Value) must be greater than zero. A feasible investment 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:

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

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)

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.

2.4 Glossary of Terms

2.4.1 Valuation Terms

Capital Expenditure (CAPEX):

Capital expenditure (CAPEX) is payment made for capital improvements in the property. It is treated differently to repairs and maintenance for taxation purposes. Capex consists of single payments, sometimes spread over a period of time that increases the capital value of the property and in some cases can be depreciated.

Capitalisation Rate

The capitalisation rate is expressed as follows:

$$\frac{\text{Net Income}}{\text{Market Value/Price}} \times 100$$

The capitalisation rate is the measure of total return on a property, and varies with the type of investment and from period of time to another. A risk-return profile on a property can be formulated when deciding on an appropriate rate to use. Generally speaking, higher capitalisation rates are used when the net income is more risky (or more speculative/less secure) or when higher inflation is anticipated. The converse is true when using low capitalisation rates for properties generating a more secure, less risky net income, good income growth and/or when significant inflation is not anticipated.

It is acknowledged that yields and cap rates are separate and distinct concepts, although they are often discussed together. In Australia 'yield' is often referred to as the 'capitalisation rate'.

Discount Rate

A certain interest rate that is used to bring a series of future cash flows to their present value in order to state them in current, or today's dollars. Use of a discount rate removes the time value of money from future cash flows. The discount rate is typically chosen from either the cost of funds, the opportunity cost or the investor's target rate, reflecting the level of associated risk and uncertainty.

Effective Rent

Effective rent is the face rent adjusted and annualised for the impact of lease incentives. The two common lease incentives are initial rent free periods and the provision of fit out or other tenancy expenses associated with taking up a lease.

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:

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

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.

Yields

Yield is broadly defined as the derived percentage return of a property assessed from the net income and market value or price, calculated by dividing the net income by the market value or price.

Property yields and bond yields are often compared; the total yield from real estate investments generally expected to be above the bond rate reflecting the riskier nature of the investment.

All Risks Yield (ARY): The resultant rate of return from a net income/value relationship – a general concept. It reflects potential for future rental growth, strength of the covenant, likely performance in an inflationary economy, etc.

Initial Yield: Is the yield (net passing income / purchase price) shown upon purchase. The purchase price is based upon the passing income capitalised value. No allowance is made for future rent growth.

Reversionary Yield: Is the yield the property would show if all rents were current market rents.

Equivalent Yield: The 'weighted' average rate of return on stepped incomes without specific allowance for future income growth. This yield acknowledges reversionary income (based on current market conditions) but ignores future changes in incomes or values due to inflationary or 'real value' changes.

Equated Yield: The internal rate of return (IRR) with specific allowance for income/rental growth (at an annualised rate). The discount rate applied to the projected rental income from an investment so that sum of all income discounted = initial capital outlay. The equated yield is the IRR, where income is assumed to vary over time as a result of inflation and/or real income in values. When income is constant over time, IRR = ARY.

2.4.2 Finance Terms

Capitalisation Loan

A loan where the interest is not paid by period but added to the principal thereby increasing it. In a capitalising loan the periodic debt servicing payment is minimised and the compounded interest is paid out at the end of the loan period.

Interest Only Loan

A loan where the interest is paid by period thereby keeping the principal constant. Where interest is a tax deduction, the whole of the debt servicing payment can be deducted.

Principal and Interest Loan

A loan where the debt servicing payment includes interest and principle computed so that the loan is paid out over a specified period or term. Where interest is a tax deduction, only that part of the repayment that represents interest can be deducted.

Part



3 Starting EstateMaster

3.1 The Welcome Screen

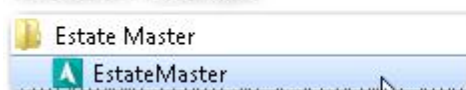
The entire EstateMaster software suite now operates from a central launcher that is loaded from a single shortcut within Windows:

- Once loaded, you can select your installed applications, and it will display a list of files recently opened and saved by the user.
- There are also shortcuts to our extensive Sample File Library, Operations Manual and Training Courses Booking page on our website.
- For those applications not yet installed on the machine, there is information to learn more about them and even links to downloading a free trial .
- Live web content at the bottom also displays frequently updated update alerts, important news and other items of interest, such as the release of new training courses or tutorial videos.

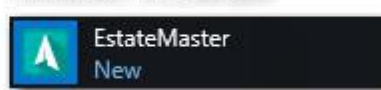
Starting EstateMaster

1. In Windows go to the [Start] → [Programs] → [EstateMaster] → and click on 'EstateMaster'

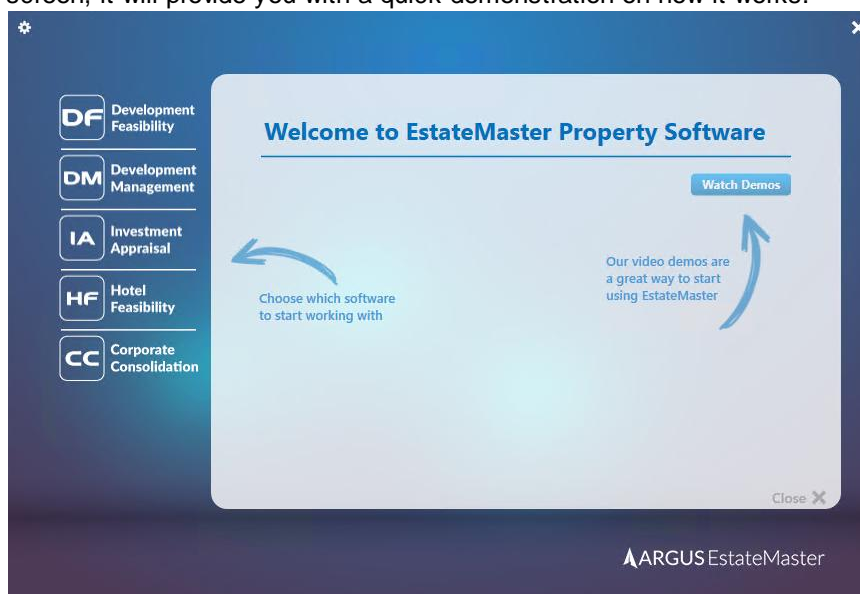
Windows 7 Example



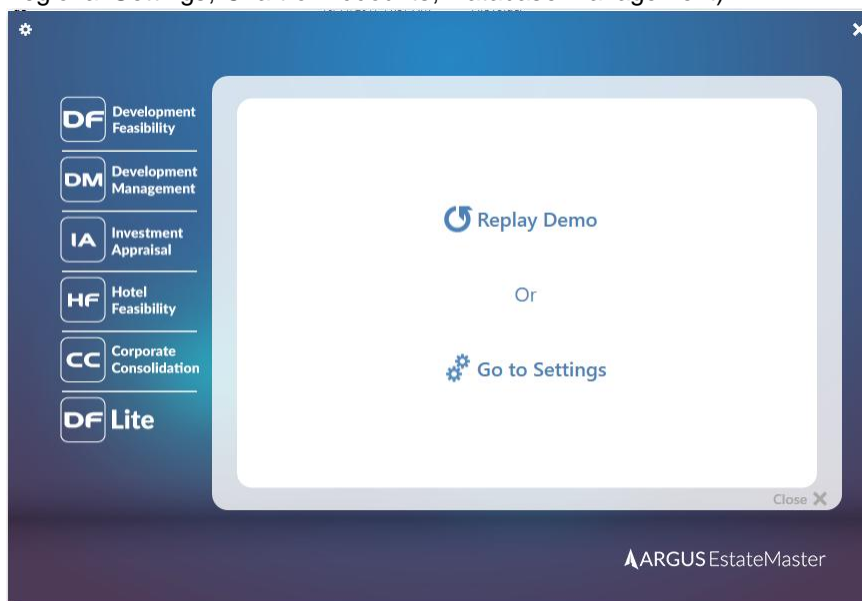
Windows 10 Example



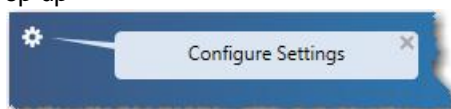
2. The EstateMaster Welcome screen will appear. If this is the first time you have come to this screen, it will provide you with a quick demonstration on how it works.



3. At the end of the demonstration, it will prompt you to replay the demo or go to the Settings (e.g. Regional Settings, Chart of Accounts, Database Management).



4. If you elect to do neither and press the [Close X] at the bottom right:
 - a. The demo will not appear again for that user. A small pop-up reminder will appear to configure your settings. This will stop appearing either once the regional settings are set, or the user presses [X] in the pop-up. (it will appear for other users that start the Welcome screen on that machine)
 - b. A small pop-up reminder will appear to set the regional settings. This will stop appearing either once the regional settings are set, or the user presses [X] in the pop-up.



3.2 Regional Settings

The Regional Settings wizard is a helpful tool to control common settings across all products in the EstateMaster suite, including currency, taxation, stamp duty / land transfer taxes, etc. Once set, any new EstateMaster file started will adopt these settings, saving you time in configuring files for your region. It is only compatible for the following versions:

- DF/DF Lite/DM: ver 6.10 and above.
- IA: ver 3.33 and above.
- HF: ver 2.10 and above.

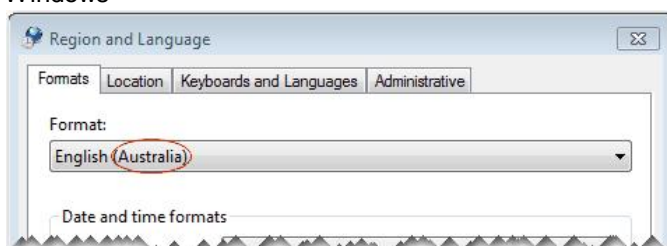
To set the Regional Settings:

1. Either click on the [Go to Settings] link at the end of the initial Welcome screen demo, or click on the gear icon at the top-left of the Welcome screen.



2. Using the 'Country' drop-down list, select the country/region where your projects will be *mainly* located in. If you work on projects in many countries/regions, just choose the most common one (you can edit these settings on a file-by-file basis later)

Note: The country setting automatically defaults to the 'Region and Language' Format setting in Windows



3. Default settings will be loaded for that country, and you can adjust/override them if required. At any point in time, you can reset any manual overrides back to their defaults by pressing the [Reset] button.
4. Once the settings have been defined, press [OK], and it will save them on the active machine.
5. From that point onwards, any *new* file started in any EstateMaster application on that machine will adopt these settings. It will not apply these settings when:
 - a. An existing file is 'Opened'
 - b. A template is opened from the 'New File from Template' option (settings applied within the Template take precedence)
6. Once a new file is started, you are able to adjust any of these settings on a file-by-file basis, just by go to the application's Preferences and changing the related setting there.

Sharing Regional Settings with other Users

Since these settings are machine-specific, you may want to share these settings with other EstateMaster users in your organisation. To do so:

1. Ensure you have set and saved the settings you desire. It is advised you start an EstateMaster application to ensure the settings are behaving as desired.

2. Close the Welcome screen.
3. Browse to the following directory on the machine: "C:\Program Files\EstateMaster" (or "C:\Program Files (x86)\EstateMaster" on a 64-bit OS)
4. Copy the file *RegionalSettings.ini*
5. Send it to other EstateMaster users, with the instruction to place it in the same folder on their machine (overwrite any existing file if it exists)

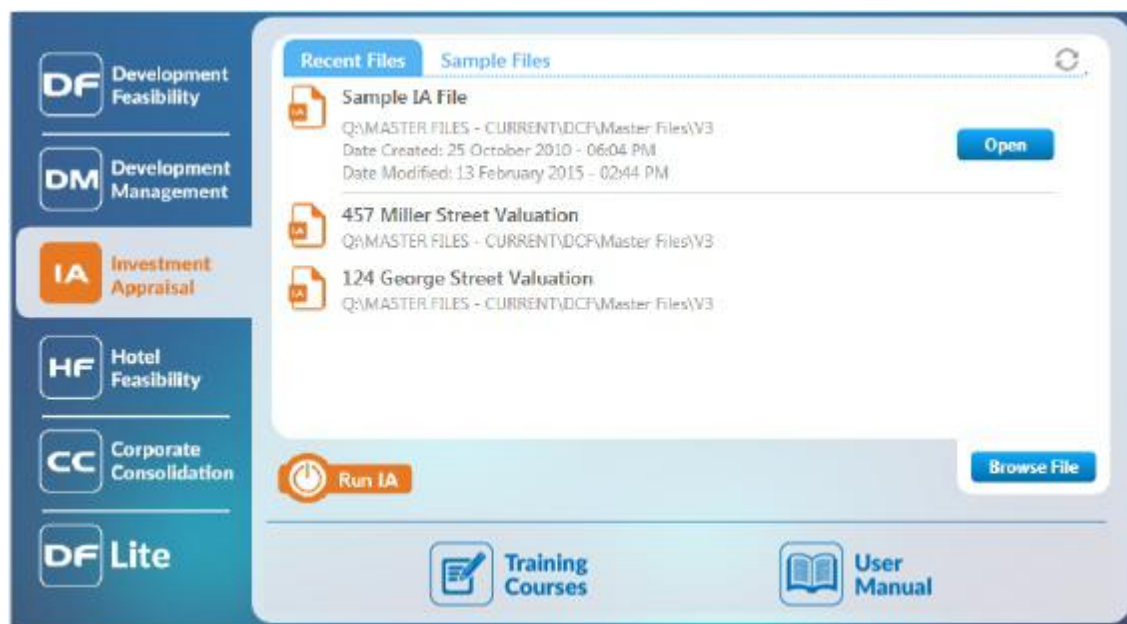
3.3 Product Tabs

The tabs for each EstateMaster product will display different information, depending on whether it is installed on the active machine or not. To customise the experience for each user, each time the Welcome screen is started, it will always revert to the last tab selected by that user on that machine.

Software is Installed

When the software is installed on the active machine, the following will be displayed on the product tab:

- A list of 'Recent Files' opened or saved by the active user (a list is stored for each user on the machine). To open one of these files, either double-click on it, or select it to expand the file details and then click the [Open] button.
- A list of 'Sample Files' provided by EstateMaster to demonstrate the use of the software in different scenarios. These are automatically sourced from our online Sample Files Library, so an internet connection is required for them to appear on the Welcome screen and always be up-to-date with the latest samples.
- A [Browse] button to manually search for and open an EstateMaster IA file .
- A [Run] button to start the EstateMaster IA application with a blank new file.
- Links to view the Training Course online booking site and open the User Manual (PDF).



Recent Files List



Sample Files List

Software is not Installed

When the software is not installed on the active machine, the following will be displayed on the product tab:

- A brief summary of the product, with links to a demonstration video, software data sheet and contact details.
- A link to download a 14-day free trial of the software.



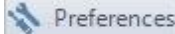
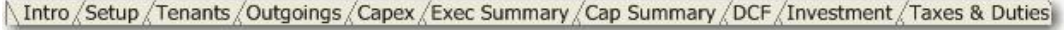


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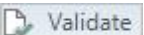



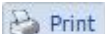
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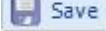

4 Navigating EstateMaster IA

4.1 Quick Start

1. Run the EstateMaster IA program from the EstateMaster [Welcome screen](#).
2. Open an existing EstateMaster IA data file  (*.emia) using the [File] → [Open] command , or start inputting data to create a new data file.
3. Enter preliminary data into 'Intro' sheet, such as Property Name, Valuation Date, Instructions, 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 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>	<table border="1" style="width: 100%; border-collapse: collapse; text-align: center;"> <thead> <tr> <th>NLA* or no. of units SqM or Units</th> <th>Units</th> <th>Amount</th> <th>Unit of Input</th> </tr> </thead> <tbody> <tr> <td>146.00</td> <td>SqM</td> <td>100,000.00</td> <td>per Annum</td> </tr> <tr> <td>311.00</td> <td>SqM</td> <td>200,000.00</td> <td>per Annum</td> </tr> <tr> <td>707.00</td> <td>SqM</td> <td>300,000.00</td> <td>per Annum</td> </tr> <tr> <td>1,895.00</td> <td>SqM</td> <td>2,000,000.00</td> <td>per Annum</td> </tr> <tr> <td>1,895.00</td> <td>SqM</td> <td>3,000,000.00</td> <td>per Annum</td> </tr> </tbody> </table>	NLA* or no. of units SqM or Units	Units	Amount	Unit of Input	146.00	SqM	100,000.00	per Annum	311.00	SqM	200,000.00	per Annum	707.00	SqM	300,000.00	per Annum	1,895.00	SqM	2,000,000.00	per Annum	1,895.00	SqM	3,000,000.00	per Annum				
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<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>	<table border="1" style="width: 100%; border-collapse: collapse; text-align: center;"> <thead> <tr> <th>Floor Number</th> <th>Suite</th> <th>Use</th> <th>Lease Type</th> </tr> </thead> <tbody> <tr> <td>LG</td> <td>101</td> <td>COM</td> <td>Net</td> </tr> <tr> <td>G</td> <td>202</td> <td>VAC</td> <td>Net</td> </tr> <tr> <td>3</td> <td>G3</td> <td>CAR</td> <td>Net</td> </tr> <tr> <td>4</td> <td>303</td> <td>COM</td> <td>Net</td> </tr> <tr> <td>5</td> <td>404</td> <td>RET</td> <td>Net</td> </tr> <tr> <td>6</td> <td>505</td> <td>COM</td> <td>Net</td> </tr> </tbody> </table>	Floor Number	Suite	Use	Lease Type	LG	101	COM	Net	G	202	VAC	Net	3	G3	CAR	Net	4	303	COM	Net	5	404	RET	Net	6	505	COM	Net
Floor Number	Suite	Use	Lease Type																										
LG	101	COM	Net																										
G	202	VAC	Net																										
3	G3	CAR	Net																										
4	303	COM	Net																										
5	404	RET	Net																										
6	505	COM	Net																										

7. Check for any data input issues, such as input cells with red backgrounds  or error warnings . This indicates that the wrong type of data has been entered (e.g. text in a number field) or the value is not allowed (e.g. a negative value in a positive-only field). Run on the [Validate](#) function  on the [Ribbon Menu](#) to check for other issues, such as Circular References.
8. When data input is complete, you may run the 'Calculate Price'  function on the [DCF](#) sheet and the 'Adopted Value'  and 'Sensitivity Analysis'  functions on the [Executive Summary](#) report.
9. When you are satisfied that the information has been entered correctly you may select the [Print Report Options](#)  on the [Ribbon Menu](#) to print the reports.

10. Save your changes using the [File] → [Save/Save As] command   on the [Ribbon Menu](#).



4.2 Opening and Closing Files

Opening a New EstateMaster IA Data File

1. Click [Run] in the EstateMaster IA tab of the Welcome screen.
2. Use the [New] command  to load a new blank workbook window.
3. Click on the [New File from Template] button in the [Templates](#) menu (if any Templates have been created).

Note: You can open up to 4 new workbook windows in the EstateMaster IA application.

Opening an Existing EstateMaster IA Data File

1. Open an existing EstateMaster IA data file (*.emia) either by:
 - a) Double-click a file in the 'Recent Files' list or click [Browse] to find another file, in the EstateMaster IA tab of the Welcome screen.
 - b) Using the [Open] command  to browse to and open the file.
 - c) 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.

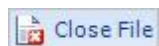


Note: You can open up to 4 new workbook windows in the EstateMaster IA application.

Saving and Closing an EstateMaster IA 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 many of the fields on the 'Intro' sheet 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 IA file by using the [Close File] command 

Exiting from EstateMaster IA

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

Saving to File vs Exporting to Database

In addition to saving an IA datafile (*.emia), the user can also save (export) the IA data to the [EstateMaster Enterprise Database](#). This database must be set up by an IT Administrator before attempting to Export/Import IA data.

The Save function only saves the IA data to a standalone file (useful for sharing data amongst other users), however using the Import/Export functions, the user can also export all their IA data to the central database for archiving, retrieval and advanced reporting using the EstateMaster CC software.



4.3 Navigation

The EstateMaster IA program is subdivided into a series of worksheets. To navigate around the EstateMaster IA program, click on the relevant worksheet tabs (below or above workbook area).



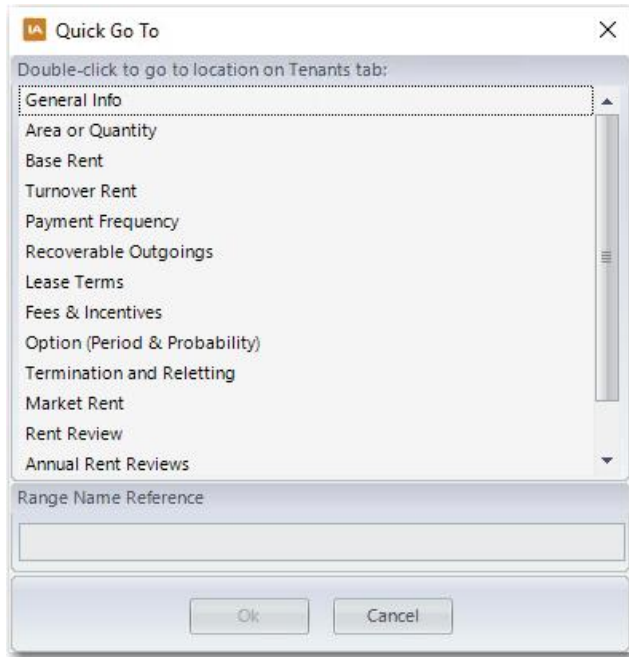
Intro	Introduction page - Enter the general property and valuation details.
Setup	Preliminary data input sheet. This is where the major assumptions regarding dates, costs, capitalisation rates and discount rates are entered.
Tenants	Tenancy Schedule input sheet. This is where the rents, recoveries, leasing details, incentives, market reviews and escalations are entered.
Outgoings	Outgoings input sheet. This is where all the outgoings details are input, such as the amount, payment frequency and escalations.
Capex	Capital Expenditure input sheet. This is where the capital expenditure details such as the amount, start and span are entered.
Exec Summary	Executive Summary sheet. This sheet displays all key information and also includes the sensitivity analysis and the ability to change the adopted valuation.
Cap Summary	Capitalisation Summary sheet. This sheet displays the breakdown of the capitalisation valuations.
DCF	Contains the detailed cash flow. This is also where a purchase price can be nominated or calculated.
Investment	Investment Analysis sheet. This allows the user to apply debt and equity funding on the property investment and calculated distributions to investors.
Taxes & Duties	The adjustable stamp duty and lax tax calculation tables.

Quick Go To

To assist with navigating to specific input and reporting areas of the EstateMaster IA program, a Quick Go To navigation tool is provided via the F5 keyboard shortcut.

The Quick Go To dialog will allow you to:

- Go to one of the defined input or reporting areas that exist in the active tab, just by double-clicking an item in the list, or selecting it and pressing [OK]
- Go to a defined range name in the application, by entering its name in the 'Range Name Reference' field, and press [OK]. This is helpful if you wish to navigate to a range (visible ones only) that is being referenced in a formula.



4.4 Keyboard Shortcuts

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

Files

Ctrl + N	Start a new file
Ctrl + O	Open an existing data file
Ctrl + S	Save the current model to a data file
Ctrl + W	Close the application
Ctrl + P	Load the printing menu

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

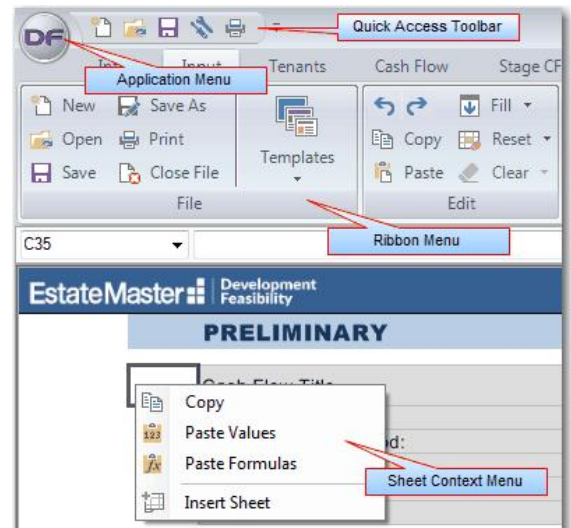
Other

F1	Load the EstateMaster IA Help File
F12	Load the EstateMaster IA Preferences Form

4.5 Menus and Toolbars

There are 4 main menus and toolbars in the EstateMaster IA application for the user:

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



4.5.1 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 EstateMaster IA blank workbook in a new window..
Open	Prompts the user to opens an existing EstateMaster IA data file (*.emia) in a new window.
Save	Saves the current EstateMaster IA model to a data file. 'Saving' a file is different to 'exporting' it to the EstateMaster Enterprise Database .
Save As	Saves the current EstateMaster IA model to a data file with a new file name.
Print	Loads the EstateMaster IA Print Menu to allow the user to select what reports to print.
Close File	Closes the current EstateMaster IA model window.
Templates	Create, use and edit EstateMaster IA template files.

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	<p>There are 3 options in this menu:</p> <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 Inputs	This will clear all the inputs in the standard worksheets to the default. It will not remove user-inserted worksheets.
Clear *	<p>There are 3 options in this menu:</p> <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 w orksheets.

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.
Validate	Runs the Data Validation process to check for data integrity issues (e.g. such as Circular References) caused by user's inputs.

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.


Data Menu

Import from Database	Import EstateMaster IA input data from the EstateMaster Enterprise Database .
Export to Database	Export EstateMaster IA input data to the EstateMaster Enterprise Database . This is different to 'saving' an EstateMaster IA datafile (*.emia)
Export to Excel	Export the entire file to Excel , either as a standalone file or appended to an existing file.

Windows Menu

Zoom	Allows the user to set the zoom of the worksheets with the following options: <ul style="list-style-type: none">• 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 EstateMaster IA is installed on and will apply to all users running the application from that PC/Server.
Cascade / Tile / Minimize	Allows the user to change the layout of the windows.
File Listing	Displays a list of EstateMaster IA files that are currently open and the user can switch to.

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.

4.5.2 Quick Access Tool Bar

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, however any button on the Ribbon menu can be added to it.

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]

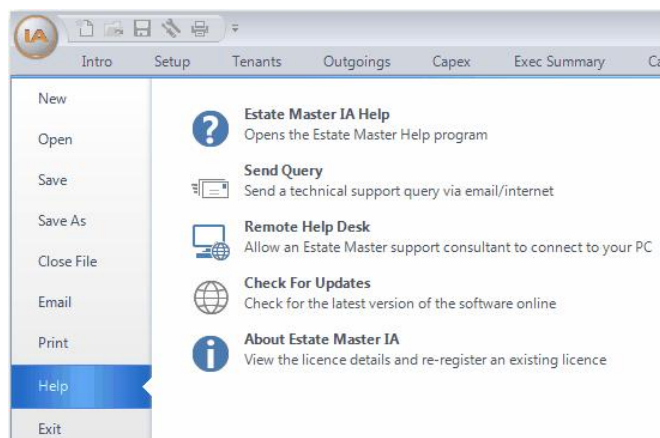


- **To move the Toolbar below or above the Ribbon:** Click on the arrow icon  and select [Show Below/Above the Ribbon]



4.5.3 Application Menu

The Application Menu is located in the top-left corner of the application window (indicated by the EstateMaster IA icon) and provides the user with access to the various File and Help functions available in the program.



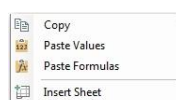
EstateMaster IA Help	Opens the EstateMaster IA Help program.
Send Query	Send a technical support query via email/internet
Remote Help Desk	Allow an EstateMaster Support Officer to remotely connect to your PC/Server for troubleshooting and assistance. You must contact an EstateMaster Support Officer before attempting any connection (Powered by TeamViewer).
Check for Updates	Check the latest version of the software online (requires internet connection).
About EstateMaster IA	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.

4.5.4 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

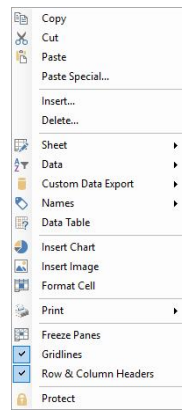
The context menu on the Standard sheets is invoked by right-clicking a cell, row or column.



Copy	Copies the currently selected range of cells to the clipboard.
Paste Values	Pastes the content of the clipboard (values only, not 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

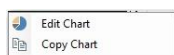
The context menu on the User Inserted sheets is invoked by right-clicking a cell, row or column.

	<p>Copy Copies the currently selected range of cells to the clipboard.</p> <p>Cut Cuts the currently selected range of cells to the clipboard.</p> <p>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.</p> <p>Paste Special Allows the user to select what content from the clipboard (values, formatting, comments, etc) to paste in the currently selected range.</p> <p>Insert ... Inserts a column or row next to the currently selected range.</p> <p>Delete ... Deletes the currently selected column or row.</p> <p>Clear Contents Clears the cell contents (values or formulas) of the currently selected range</p>
<p>Sheet</p>	<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> <p>Tab Colour: Allows the user to change the tab colour of the custom sheet from the default orange.</p>
<p>Data</p>	<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>
<p>Custom Data Export</p>	<p>Define: Define a range of cells to be exported to the Enterprise Database</p> <p>Edit: Edit or delete existing Custom Data Export range names on the user-inserted sheet.</p>
<p>Names</p>	<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>
<p>Data Table</p>	<p>Insert a one-variable or two-variable data table that evaluates changing variables in a single formula. It is used for developing simple 'what-if' scenarios. It is set up similar to how Data Tables are configured in Microsoft Excel (online tutorial)</p> <p>Note: When a Data Table is inserted, it will calculate in 'Semi Automatic' mode to ensure that all other background calculations are not adversely impacted. This means that a Data Table will not automatically calculate if a dependent variable changes; any time you require the results in the Data Table to be updated/refresh, you will need to press the F9 button.</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 Panes	Freeze panes at the selected row, column or cell, or unfreeze (clear) panes on the active sheet.
Gridlines	Toggle the gridlines on the active sheet.
Row & Column Headers	Toggle the row and column headers 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:

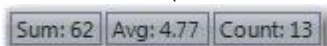


- Edit Chart** (Charts on custom sheets only) To edit the chart settings, including the source data, chart type, format, etc, either double click the chart or right-click on it and select 'Edit Chart' to load the Chart Explorer dialog.
- Copy Chart** Copies the selected chart to the clipboard as an image,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

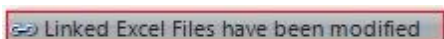
4.6 Status Bar

The Status Bar is located at the bottom of the application. It has 3 definable parts:

1. **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.



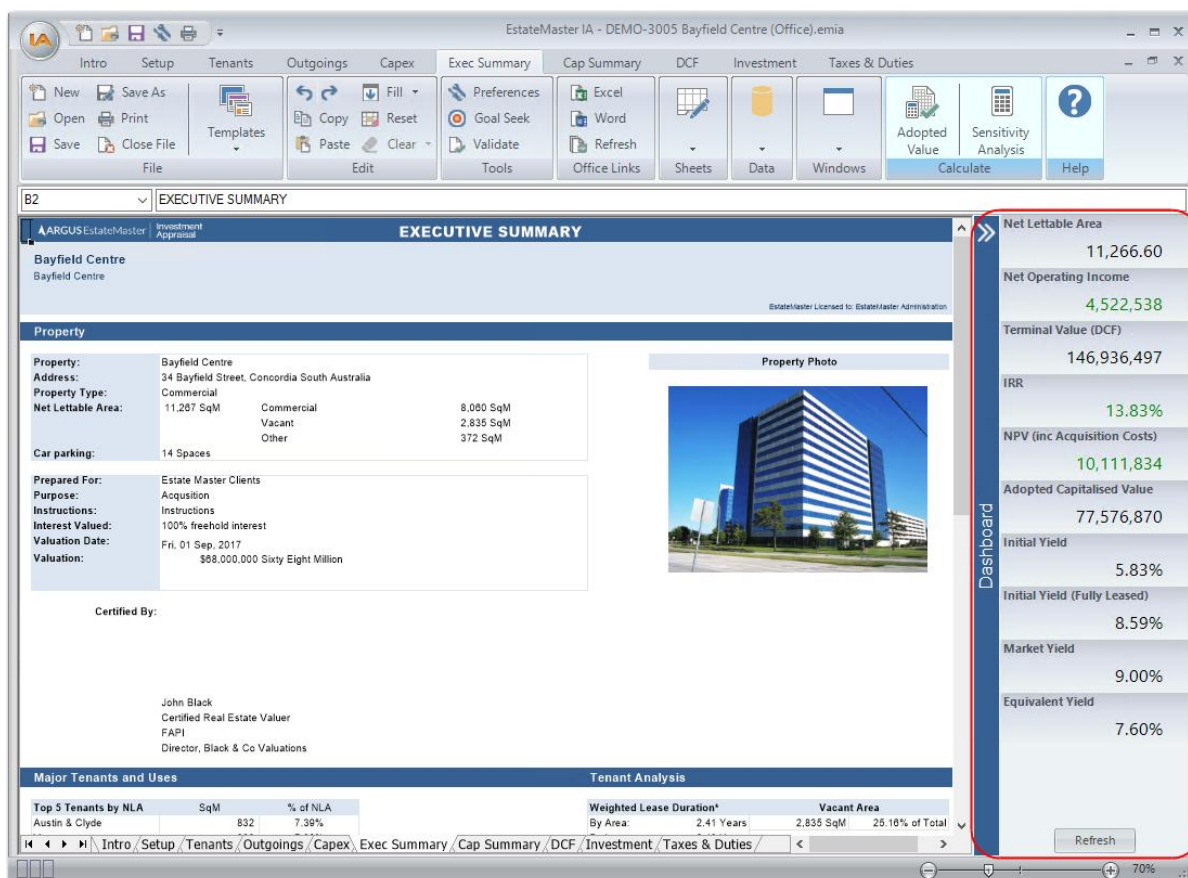
2. **Linked Excel Files Warning:** This part of the status bar provides a warning if an external Excel file that has 'incoming' links has been modified since the last 'refresh'. By clicking this button, it will refresh all the links.



4.7 Dashboard

The dashboard, located on the right-side of the application in a collapsible panel, provides a summary of the key performance indicators of the Cash Flow, including Net Lettable Area, Initial Yield, Market Yield, IRR and NPV.

The results will automatically update when opening files, or switching between windows. Any other time, they can be updated by clicking on the left [Refresh] button.




Thresholds

Some of the KPIs have thresholds, where the result will be displayed in:

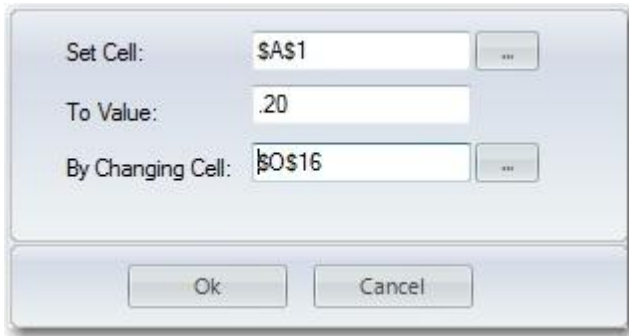
- red font if it is **below** the threshold,
- green font if it is **above** the threshold.

KPI	Threshold
Net Operating Income	0
IRR	<u>Target IRR (Discount Rate)</u>
NPV (inc Acquisition Costs)	0

4.8 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.



The image shows the Goal Seek dialog box in a software application. It has a light blue background and a thin border. Inside, there are three rows of input fields. The first row is labeled 'Set Cell:' and contains the text '\$A\$1' followed by a small button with three dots. The second row is labeled 'To Value:' and contains the text '.20'. The third row is labeled 'By Changing Cell:' and contains the text '\$O\$16' followed by a small button with three dots. At the bottom of the dialog box, there are two buttons: 'Ok' and 'Cancel'.

- **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.

4.9 Resizing the Model


The EstateMaster model can be resized in two areas:

1. Adjusting DCF time froma (10, 20 30 or 40 years)
2. Adjusting input rows.

Resize DCF Timeframe

Resizing the DCF timeframe periods is controlled via the the [EstateMaster Preferences](#). BY default, it is set at 10 years.



1. Go the [Ribbon Menu](#) and click on  Preferences or just press F12.
2. Go to the 'Cash Flow Periods' tab.
3. Select the appropriate timeframe from the drop-down list. 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 Input Rows

There are various areas where the model's input rows can be resized:

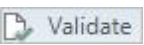
- [Resizing the number of Uses](#)
- [Resizing the number of Escalation Profiles](#)
- [Resizing the number of Tenants](#)
- [Resizing the number of Capital Expenditure items.](#)
- [Resizing the number of Manual Adjustment for the Cap Summary report.](#)

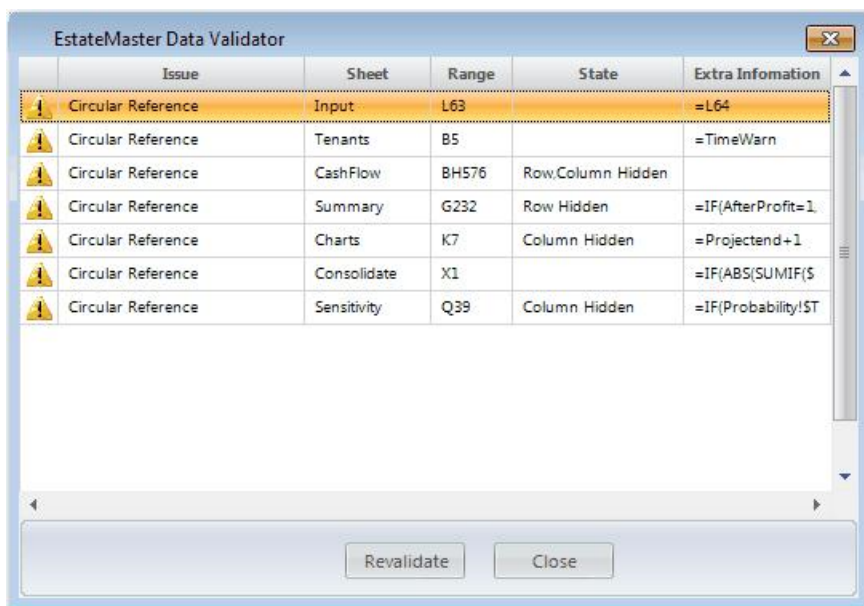
4.10 Data Validation

A function has been provided that can run a validation check against the input data, checking for the following types issues:

1. **Circular References**, possibly caused by user-inserted formulas or custom worksheets (Note: This test requires MS Excel to be installed on the machine).

Running the Validation

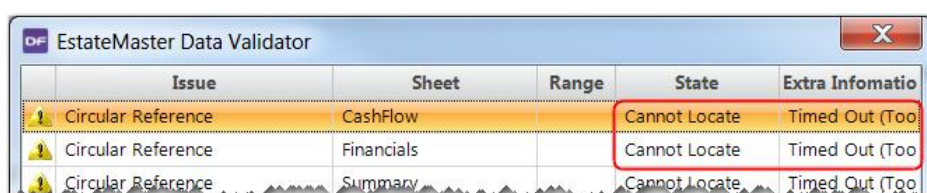
By pressing the Run on the  Validate button on the Ribbon Menu, the validation process is executed. If any issues are detected, the following form will be displayed.



Issue	Describes the type of issue detected (e.g. circular reference, invalid input, etc)
Sheet / Range	The worksheet and the cell/range address that the issue has been found on.
State	Describes the current state of that sheet/range (e.g. is it visible or hidden)
Extra Information	Additional information about the issue, such as the formula creating the circular reference or the invalid input value.

Timeout Settings

When the validation process attempts to detect any circular reference issues, it may take a while to trace the formulas on a worksheet to identify where the circular reference occurs. By default, if it knows there is a circular reference on a worksheet, but cannot find the cell where it is located in, it will timeout after 60 seconds.



This timeout setting can be manually changed by editing the value for the `CircularReferenceTimeout` configuration (measured in seconds) found in the **EstateMasterIA.exe.config** file, located in the folder where the EstateMaster IA application is installed.

Fixing Issues

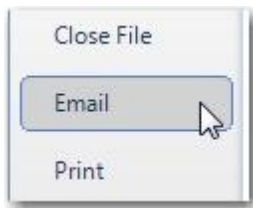
To attempt to fix issues in the list, double-click a row and it will navigate you to the related sheet/range. Attempt to fix each issue while the list is displayed, and then press [Revalidate] button to run the checks again. If all issues have been rectified, the list will be cleared.

4.11 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](#).



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 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.

A screenshot of an email composition window. It has a light blue header and a white body. The 'To:' field contains 'john@email.com'. The 'From:' field contains 'joe@company.com'. The 'Subject:' field contains 'EM File'. The 'Message:' field contains the text 'Hi John', 'Please find attached the Estate Master file for your review', and 'Joe'. At the bottom, there is an 'Attachment File:' field with a long file path: '\\EMSBS2K8\RedirectedFolders\alisona\Desktop\700 Collins St emia 03 A calc inc (with...'. Below the attachment field are three buttons: 'Settings', 'Cancel', and 'Send File'.

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 EstateMaster 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.

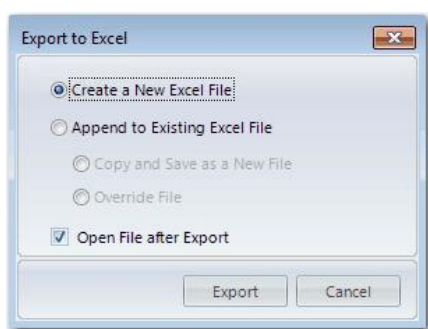
- If the email was successfully sent, a message will appear to inform you.
- If there was any error in trying to send the file, a message like this may appear: If you receive an error, please consult your IT Administrator to verify that the SMTP settings have been entered correctly or to use an alternative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

4.12 Exporting to Excel

Since EstateMaster IA is built on a spreadsheet user interface, you can export the entire file to Excel, allowing you use that file and its data in any way you require. To export the file, go to the [Ribbon Menu](#) and click on [Data] → [Export to Excel] and you will be given the option to either:

- Export it as a New Excel File, or
- Append it to an Existing Excel File

Export Options



Create a New Excel File

When an EstateMaster IA file is exported to a new Excel file:

- You will be promoted to save the file in Excel 2007+ compatible format (*.xlsx or *.xlsm).
- The file is exported as values only and contain no formulas (except on custom add-on worksheets, where custom formulas are kept intact), so changing inputs in an exported file will not impact on the results.

Append to Existing Excel File

When an EstateMaster IA file is appended to an existing Excel file:


- You will be given the option to copy the existing Excel file and save it as a new one (useful when working with templates), or override the file being selected.
- You will be prompted to select which Excel 2007+ compatible file (*.xlsx or *.xlsm) to append the EstateMaster IA worksheets to.
- The EstateMaster IA worksheets are exported as values only and contain no formulas (including on custom add-on worksheets)
- Some features that are not completely supported by this spreadsheet interface used by EstateMaster IA may be stripped from the selected Excel file after appending to it, and saving it. These features include, 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)
 - Shape fill effects and shadows

Part



5 EstateMaster Preferences



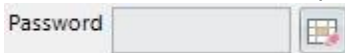
The program allows flexibility by the way of user preferences. These are operated by:

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

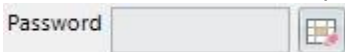


Locking Preferences

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

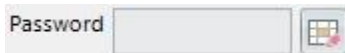

1. Set the preference and then click on the  button located to the right of it.
2. It will then be shown as 'locked'  and the selected preference will then be disabled.
3. A Password field will be displayed at the bottom on the Preferences form.

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.

To Reset the Password

Once a password has been used to lock the Preferences, the same password will remain with that file and will be used for any future locking/unlocking until it is reset by the user. To reset the password:

1. As soon as the Preferences are open, if any Preferences were 'locked', then a Password field with a 'Reset' button will be displayed at the bottom on the form 
2. Enter in the current password and click on the  button.
3. The current password on the Preferences will then be cleared, and a new password must be then set.

Printing an Assumptions Report

To check what preferences and settings have been defined in the model, an Assumptions Report is available to be printed from the [Print Menu](#)

5.1 General

5.1.1 Regional Settings

Currency	Set the currency format. This is important if the EstateMaster CC software is used to consolidate cash flows that are based on different currencies.
Stamp Duty	Stamp Duty is automated based upon the location you select and the Nominated Purchase Price adopted on the Setup sheet. The rates used to calculate duties can be changed in the 'Taxes & Duties' sheet.
Unit of Measurement	Select the measurement type for the area inputs in the model (ie Sqm, Sqft, etc).

5.1.2 Cash Flow Periods

DCF Timeframe	Select the cash flow timeframe required for analysis. It can be set to either be a 10, 20, 30 or 40 year model.
Cash Flow Dates	Choose from the drop down list, whether the monthly cash flow will be calculated from the start (1st day) of each month or from the middle (15th day) of each month. This only affects the results for the XIRR and XNPV, as it identifies where in the month the cash flow activity is to occur.
Financial Year End Month	For yearly reporting on the DCF and Investment reports, select from the second drop down list the Month which signifies the end of the financial year.

5.1.3 Spreadsheet Display

Sheets to Display

Select which worksheets are to be hidden. This simply allows you 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 row and column headers on the standard worksheets. For custom worksheets, you can use the [context menu](#) to toggle the row and column headers on each one.

Executive Summary Report

If you wish to hide both digital signatures from the Executive Summary report, select 'Hide Digital Signatures'
If you wish to hide the valuation summary (i.e the box with the Purpose, Interest Valued, Valuation Date, etc) from the Executive Summary report, select 'Hide Valuation Details'

5.1.4 Disclaimer

Disclaimer on Title Page

Enter the text, if applicable, for any disclaimer to be displayed on the Title page. The maximum characters allowed are 2,500.

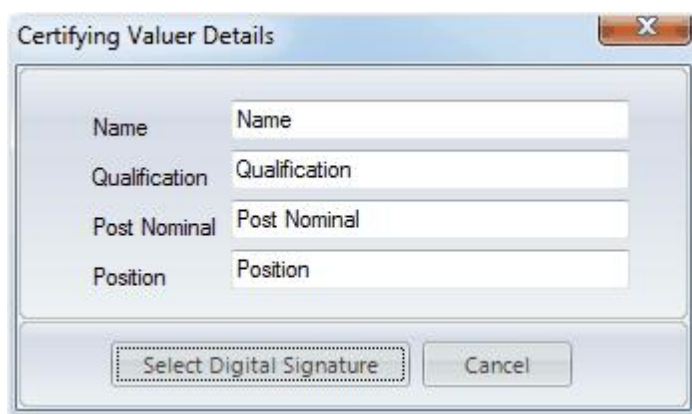
5.1.5 Images



Digital Signature 1 and 2

Insert up to 2 digital signatures (image and text) on the Executive Summary report:

When the [Insert] button is clicked, a form will first appear that allows the user to enter in the Certifying Valuer's details, then once [Select Digital Signature] is clicked, it will prompt the user to select the image file for the signature.

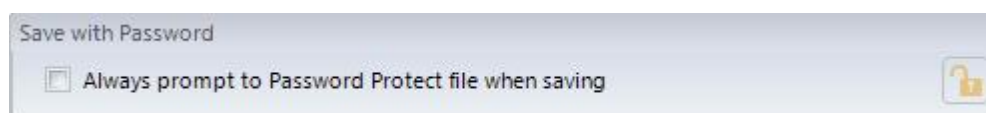


Corporate Logo and Property Photo

Insert your own corporate logo on the Capitalisation and Executive Summary reports and Title page and insert a photo/image of the subject property/project on the Intro tab, Executive Summary report and Title Page

- Only jpeg and bmp files can be inserted.
- There are no file/image size restrictions.
- The program will automatically downscale the image if it is too large to fit in the allocated area.
- If the image is smaller than the allocated, it will not be upscaled to avoid distortion.

5.1.6 Protection



Save with Password

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

5.1.7 Other

Automatic Check for Updates

☒ Always check on program startup

Auto Save

☒ Auto Save File every 5 mins

Template Folder Path

Browse

☐ Use Default Template

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

Auto Save Set the software to automatically save the active file every X minutes (minimum 5mins).

- If there are multiple EstateMaster IA files open in the application, the auto-save only applies to the file that is currently active.
- If the user is performing a time-consuming task in the application (which coincides with a scheduled auto-save), the auto-save in that instance may be skipped.

Template Folder Path Set the location where the application templates should be stored. By default when the application is run for the first time, this folder path will be set as *<directory where EstateMaster IA is installed>/Templates*.

To change the location, click the 'Browse' button and select a new folder when prompted. Once it is changed, any templates that were stored in the original folder will need to be manually re-saved as templates in the new folder.

Use Default Templates This indicates whether a template set as a 'default' is to be used when the application is started or when a new file is started.

5.2 Calculations

5.2.1 Outgoings and Recoveries

Increases after Base Year

If using the ['Increase after Base Year'](#) option for calculating recoverables, select whether the increases come into affect at the lease anniversary month or the financial year end month.

Recoverable Outgoings

During Rent Free Period

If there are any rent-free periods (using the [Effective Date](#) input), select whether any recoverable outgoings should be recovered or ignored during such time.

Recovered from Tenants

Indicate when recoverable outgoings are recovered from the tenant:

- When the outgoing cost is actually being paid.
- Spread over the financial year. If the 'Pro Rata Part-Years' is selected, then the cost is apportioned over the remaining months of that financial year, from the start of the cost, otherwise it is spread over the entire financial year.

Capitalisation Summary

For the [Capitalisation Summary](#), select whether total outgoings are considered or only the first 12 months.

5.2.2 Rent Review

Market Rents

Entered As

Select how [Market Rents](#) should be entered in the model for reporting of Market Rents in the DCF and Capitalisation Summary reports:

- **As per the current Tenant Lease Type:** Recoverable outgoings may be considered for each tenancy depending on the Lease Type as defined in the [General Tenant Info](#) section.
- **All Gross Rents:** No recoverable outgoings are considered for any tenancy.
- **All Net Rents.** Recoverable outgoings will be added to the Market Rent for each tenancy based on their % of NLA.

Escalated At

Select when escalation is applied to [Market Rents](#):

- Apply escalation at the lease anniversary month.
- Apply escalation at the start of each financial year.

Lease Replication Inclusions

Select if the Letting Up Period, Reletting Fees and Reletting Incentives are repeated at the end of each cycle if using the [Lease Replication](#) feature.

5.2.3 Hurdle Rates

IRR and NPV Calculation
IRR / NPV

Discount Rate Annual to Monthly Conversion
per annum Effective

IRR / NPV Calculation Method

Nominate whether the IRR/NPV or the XIRR/XNPV method should be used for DCF calculations.

- IRR/NPV method can be calculated on an annual effective or nominal basis.
- XIRR/XNPV method calculates the Internal Rate of Return and Net Present Values on a date basis using the [cash flow dates](#) (either the 1st or the 15th of every month) chosen in the general preferences section.

Discount Rate Conversion

This is only applicable when using the IRR/NPV methods. This enables you to select the method of conversion from a nominal annual discount rate to an effective annual (which is compounded monthly) discount rate:

Nominal Conversion	$D/12$
Effective Conversion	$[(D + 1)^{1/12}] - 1$

Where:

D = is the annual discount rate.

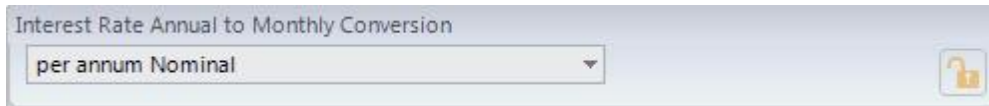
Note:

- 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 basis.

5.3 Financing

5.3.1 Global Settings



Interest Rate Conversion

This option applies to [interest rate calculations](#) for Loans 1, 2 and 3 on the Investment sheet. This enables you to select the method of conversion from a nominal annual interest rate to an effective annual (which is compounded monthly) interest rate:

Nominal Conversion	$D/12$
Effective Conversion	$[(D + 1)^{1/12}] - 1$

Where:

D = is the annual interest rate.

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 rate by 12 while the second formula is the effective conversion and takes into account the compounding on a monthly basis.


Part

VI

6 Step-By-Step Instructions

6.1 Set Preferences

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

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

6.2 Inputting Data

Users 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>	NLA* or no. of units SqM or Units	Units	<table border="1"> <thead> <tr> <th>Amount</th> <th>Unit of Input</th> </tr> </thead> <tbody> <tr> <td>146.00</td> <td>per Annum</td> </tr> <tr> <td>311.00</td> <td>per Annum</td> </tr> <tr> <td>707.00</td> <td>per Annum</td> </tr> <tr> <td>1,895.00</td> <td>per Annum</td> </tr> <tr> <td>1,895.00</td> <td>per Annum</td> </tr> </tbody> </table>	Amount	Unit of Input	146.00	per Annum	311.00	per Annum	707.00	per Annum	1,895.00	per Annum	1,895.00	per Annum
	Amount	Unit of Input													
	146.00	per Annum													
	311.00	per Annum													
	707.00	per Annum													
	1,895.00	per Annum													
1,895.00	per Annum														
146.00	SqM	100,000.00	per Annum												
311.00	SqM	200,000.00	per Annum												
707.00	SqM	300,000.00	per Annum												
1,895.00	SqM	2,000,000.00	per Annum												
1,895.00	SqM	3,000,000.00	per Annum												
<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>	Floor Number	Suite	Use	Lease Type											
	LG	101	COM	Net											
	G	202	VAC	Net											
	3	G3	CAR	Net											
	4	303	COM	Net											
	5	404	RET	Net											
6	505	COM	Net												

Formatting Cells

When certain input worksheets are activated, a 'Formatting' menu will appear. It allows the user to apply simple formatting such as bold fonts and coloured cells in the 'ID', 'Tenant Name', 'Code', 'Description' input cells for each line item.

EstateMaster Investment Appraisal		General Info		Area or Quantity		Current Base Rent	Unit of Input
ID	Tenant Name	Floor	Suite	Use Code	Lease Type	NLA (SqM) or Units	Unit Type
001	Shop 1	LG	.	RET	Net	146.00 SqM	310.15 / SqM or / Unit p.a.
002	Shop 2	G	.	RET	Net	311.00 SqM	310.15 / SqM or / Unit p.a.
003	Office 1	1	.	COM	Net	707.00 SqM	310.15 / SqM or / Unit p.a.
004	Office 2	2	.	COM	Net	1,895.00 SqM	310.15 / SqM or / Unit p.a.
005	Office 3	3	.	COM	Net	1,895.00 SqM	310.15 / SqM or / Unit p.a.
006	Office 4	4	.	COM	Net	1,895.00 SqM	310.15 / SqM or / Unit p.a.
007	Office 5	5	.	COM	Net	1,895.00 SqM	310.15 / SqM or / Unit p.a.
008	Car 1	C1	.	CAR	Gross	1.00 Spaces	160.00 / Unit per Month
009	Car 2	C2	.	CAR	Gross	64.00 Spaces	160.00 / Unit per Month

6.3 Project Introduction

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

IA INVESTMENT APPRAISAL		Project Introduction	
Project Number	Project Number		
Project Name	Project Name		
Property Name	Property Name		
Description	Property Description		
Street Address	Address		
City/Suburb	City/Suburb		
State/County	State/County		
Zip/Post Code	Zip/Post Code		
Country	Country		
Prepared By	Prepared By		
Prepared For	Prepared For		
Property Owner	Owner Name		
Property Type	Commercial		
Title Details	Title Details		
Purpose	Purpose of Valuation/Appraisal		
Instructions	Instructions		
Interest Valued	Interest Valued		
Valuation Date	Friday, January 01, 2016		
Status	Under Review		

Mandatory Inputs are highlighted in red

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.

Property Name (Mandatory)	Enter the name of the subject property that is being valued or assessed.
Property Owner (Optional)	Enter the name of the entity that owns the property.
Description (Optional)	Enter a general description about the property.
Street Address, City/Suburb , Zip/Post Code, State/County and Country (Optional)	Enter the physical address of the subject property.
Property Type (Mandatory)	Select from the drop-down list the category of the subject property.
Status (Mandatory)	Select from the drop-down list the status of the valuation.
Interest Valued (Optional)	Enter a description of the property interest (freehold, leasehold, etc) that is being valued or assessed.
Valuation Date (Mandatory)	Enter in the Date of Valuation for the Executive Summary report. It can be different to the 'Date of First Period' or Acquisition Date' as nominated on the Setup sheet. It is only used for reporting, and does not affect calculations.
Title Details (Optional)	Enter in the Land Title Details (or Legal Description) of the property being valued (eg "Lot 123 on Deposited Plan 456 , Certificate of Title Volume 789, Folio 100").
Purpose of Valuation (Optional)	Enter in a description of the purpose of the valuation (eg. Acquisition, Disposal, Mortgage, Insurance, etc).
Instructions (Optional)	Enter in the instructions given to reflect the type of valuation that is required (eg. "as is", "fair market", "on completion", etc.)
Prepared By (Optional)	Enter in who this report was prepared by.
Prepared For (Optional)	Enter in who this report was prepared for.

6.4 Setup

6.4.1 Purchase and Sale

Date of First Period	Jan-2008	
Nominated Purchase Price	32,000,000	
Acquisition Date		Default is Jan-08
Acquisition Costs (%) *	3.00%	960,000
Acquisition Costs (\$AUD)	10,000	
Prepaid Outgoings on Purchase	1,250	
Stamp Duty	NIL	

Date of First Period (Mandatory)	Enter the date of the first month (time period zero) for the cash flow.
Nominated Purchase Price (Optional)	<p>Either enter a Purchase Price (before stamp duty and purchase costs) or enter a Target IRR on the Setup sheet and allow the model to calculate the purchase price based on the desired return (use Calculate Price function on DCF sheet).</p> <ul style="list-style-type: none"> If a value is entered in this cell, the model will compute an IRR for the investment and the NPV/XNPV will represent the over or under performance of the property against the Discount Rate.

- If a Nominated Purchase Price is not specified, the NPV/XNPV represents the rational purchase price for the property. The rational purchase price is the maximum price a prudent purchaser should pay for the property in order to obtain a rate of return (IRR/XIRR) equal to the Discount Rate.

Acquisition Date (Optional)	Enter the date the property was acquired. If left blank, it will assume that the property is purchased at the Date of First Period. It cannot be before the Date of First Period or after the Disposal Date.
Acquisition Costs (%) (Optional)	Costs of acquiring the property as a percentage of the nominated purchase price.
Acquisition Costs (Lump Sum) (Optional)	Costs of acquiring the property as a lump sum. This is added to the acquisition costs as a percentage.
Prepaid Outgoings on Purchase (Optional)	Prepaid expenses for part of the financial year before acquisition to be paid upon purchase of the property. These expenses are simply added to the acquisition costs.
Stamp Duty (Preference)	Choose a Stamp Duty type from preferences. Stamp Duty rates and thresholds can be edited on the Taxes and Duties sheet.

Nominated Terminal Sale Price	-	Default is 41,758,411
Selling Costs (%) *	2.50%	1,043,960
Selling Costs (SAUD)	40,000	
Reimbursement of Outgoings on Sale	-	
Disposal Date	1-Jul-2017	

Nominated Terminal Sale Price (Optional)	Enter a manual Sale Price (before selling costs) if you wish to define the sale value of the property at the Disposal Date. If left blank, it will default to the 'calculated' Terminal Sale Value that is calculated on the DCF report using the net income for each tenant and the different terminal capitalisation rates that can be applied.
Selling Costs (%) (Optional)	Costs of selling the property at the end of the holding period as a percentage of the end sale value.
Selling Costs (Lump Sum) (Optional)	Lump sum costs of selling the property at the end of the holding period. This is added to the selling costs as a percentage of the sale value.
Reimbursement of Outgoings (Optional)	Reimbursements, for part of the financial year before disposal, to be reimbursed upon sale of the property. These reimbursements reduce the total acquisition costs.
Disposal Date (Optional)	Enter the date the property will be sold .It must be later than the 'Date of First Period', but not more than the nominated DCF time frame (i.e 10, 20, 30 or 40 years) from such date. If no date is entered it will be assumed to be the month at the end of the nominated DCF time frame following the date of the first period.

Important Information about Disposal Date

DCF requires all cash flows pertaining to the investment to be entered into the analysis. In the case of property this is usually not possible as land values do not amortise over the investment period and the set of cash flows is considered to continue indefinitely into the future. This necessitates a notional sale at the end of the analysis period to capture the value of anticipated cash flows past the end of the analysis period. It is a common assumption within property cash flow analysis that the effect of discounting dilutes any errors that may be introduced through the forecast end value of property investments, however the fact that the end value is an escalated value suggests that the estimate of end value should be precise otherwise it may compromise the analysis.

The IA model assumes a sale at the disposal date and computes the end value on the basis of a capitalisation of the following year's cash flows.

6.4.2 Uses

Code	Description	Add to NLA? *	Unit of Input	Current Cap Rate	Terminal Cap Rate
VAC	Vacant	Y	per Annum	7.75%	8.50%
CAR	Car parking	N	/ Unit per Month	7.75%	8.50%
COM	Commercial	Y	/ SqM or / Unit p.a.	7.75%	8.50%
RET	Retail	Y	/ SqM or / Unit p.a.	7.75%	8.50%

Use Code (Mandatory)

Use Codes are unique codes used for categorising tenants and other sources of rental income of the same type. The Use Code should not exceed 4 characters (inc spaces). Vacant and Car Parking codes can not be edited.

Use Description (Mandatory)

Enter a unique description for the Use Code. These descriptions will be used for reporting purposes. Vacant and Car Parking descriptions can not be edited.

Added to NLA? (Y/N) (Mandatory)

Should the category be added to the building's total Net Lettable Area (NLA)? For example, Car Parking is usually measured by the number of car spaces and is NOT added to the NLA.

Unit of Input (Mandatory)

Choose from the list, the unit of input for each Use type. This will determine how rental income is inputted for each Use type in the Tenants sheet.

Capitalisation Rates (Optional)

- **Current Capitalisation Rate:** Used for calculating the current property value in the Capitalisation Summary report by capitalising the net income of the first 12 months.
- **Terminal Capitalisation Rate:** Used to derive the final disposal/sale price (Terminal Sale Value) by capitalising the net cash flow of the 12 months after the Disposal Date.

Note: If any Use has a 0% Current/Terminal Capitalisation Rate applied, any income pertaining to that Use will be excluded from all capitalisation calculations.

Adding and Deleting Uses

Up to 20 Uses can be added in a single file. Additional Uses can be added by clicking the [Add] button, or removed by clicking the [Delete] button.



6.4.3 Escalation Profiles

Description	10 Yr Avg Growth	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019 +
CPI	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Fixed	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%
Market Growth	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%

Profile Description (Mandatory)

Enter a unique description for each Escalation Profile. This will allow the user to select an Escalation Profile in various areas via a list. The description should not exceed 20 characters (inc spaces).

Average Growth Rate

This column displays the mean average of the escalation rates for each profile for the nominated [DCF time frame](#).

Financial Year Escalation Rate (Optional)

The escalation estimate for each year is the forecast growth from the previous year that will yield the current year's value. I.e. if the escalation for 2015 is 3%, this means that the value for 2015 will be 3% greater than the value for 2014.

Both positive (growth) and negative (reduction) rates can be entered.

Profiles can be individually set for different costs and revenues, or they may be shared by more than one.

Adding and Deleting Escalation Profiles

Up to 20 Escalation Profiles can be added in a single file. Additional Escalation Profiles can be added by clicking the [Add] button, or removed by clicking the [Delete] button.



6.4.4 Capitalisation and DCF

Capitalisation Sensitivity +/-	0.50%
Long Term Vacancy Allowance *	0.00%
Discount Rate for Bonus Rent	7.75%
Discount Rate for Rental Shortfalls	7.75%
Months of Capex to deduct from Capital Value *	12
Months of Letting Up to deduct from Capital Value *	12

Capitalisation Sensitivity (Optional) Enter the Capitalisation Rate sensitivity (positive and negative variation) used on the Executive Summary report.

Long Term Vacancy Allowance (Optional) Enter the Long Term Vacancy Allowance for the property to be deducted from the Gross Income in the Capitalisation Summary report (except for capitalisation based on Passing Income).

Discount Rate for Bonus Rent (Optional) The Discount Rate used for Overage Rents (or the portion of rents over and above the Market Rent). This is only used for the Reversionary Market Capitalisation method on the Capitalisation Summary report.

Discount Rate for Rental Shortfalls (Optional) The Discount Rate used for Rental Shortfalls (or the portion of rents below the Market Rent). This is only used for the Reversionary Market Capitalisation method on the Capitalisation Summary report.

Months of Capex to deduct from Capital Value (Optional) Enter the number of months (starting from the Date of First Period) of capital expenditure to deduct from the capitalised value of the property on the Capitalisation Summary report.

Discount Capex (Optional) Decide whether the Capital Expenditure captured in the Capitalisation value is to be discounted to present value using the nominated Discount Rate.

Months of Letting Up to deduct from Capital Value (Optional) Enter the number of months (starting from the Date of First Period) of Leasing Up Allowances and Letting Fees to deduct from the capitalised value of the property on the Capitalisation Summary report.

Discount Rate (Target IRR)	10.00%	Sensitivity +/-	0.50%
IRR Guess	10.00%		
Terminal Capitalisation Rate Sensitivity +/-	0.50%		
Long Term Vacancy Allowance *	0.00%	Start from Month	-

Discount Rate (Target IRR/XIRR) (Mandatory)	Enter the desired Internal Rate of Return to calculate the property Purchase Price and the Net Present Value of the property's income stream. Use the Hurdle Rate Preferences to decide whether it calculated on an IRR or XIRR basis.
Discount Rate Sensitivity	Enter the Discount Rate sensitivity (positive and negative variation) used on the Executive Summary report.
IRR/XIRR Guess (Optional)	Enter a guess for the IRR/XIRR calculation. This needs to be relatively close to the actual IRR/XIRR in order for the calculation to work correctly. Use the Hurdle Rate Preferences to decide whether it is an IRR or XIRR.
Terminal Cap Rate Sensitivity (Optional)	Enter the Terminal Capitalisation Rate sensitivity (positive and negative variation) used on the Executive Summary report.
Long Term Vacancy Allowance (Optional)	Enter the Long Term Vacancy Allowance for the property to be deducted from the Gross Income calculations in the DCF sheet.
Start from Month (Optional)	Enter the month to commence calculating a Long Term Vacancy Allowance for the DCF

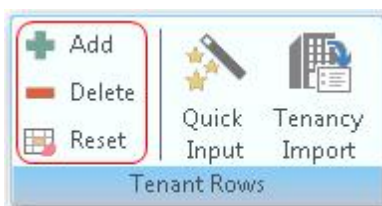
6.4.5 Other Income

Description	Other Income
Income for the First Month	-
Current Capitalisation Rate	7.75%
Terminal Capitalisation Rate *	0.00%
Escalation Profile *	None

Description (Optional)	Enter a description for an additional stream of income for the property that needs to be capitalised at a different rate.
Income for the first month (Optional)	Enter the income for the first month (time period zero). This income flows through the entire cash flow and is escalated at the start of each financial year (excluding the first financial year)..
Current Capitalisation Rate (Optional)	Used for capitalising this additional source of income in the Capitalisation Summary report.
Terminal Capitalisation Rate (Optional)	Used to derive the final disposal/sale price (Terminal Sale Value) of this additional source of income by capitalising the income of the 12 months after the Disposal Date.
Escalation Profile (Optional)	Select an Escalation Profile for the Other Income from the list. The list of Escalation Profiles can be edited on the Setup sheet under the Escalation Profiles section. Escalation commences after the first financial year.

6.5 Tenants

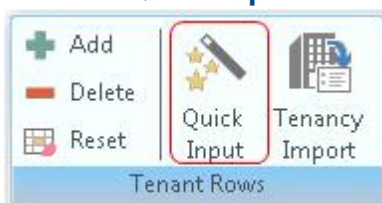
Adding, Deleting and Resetting Tenants Rows



Up to 500 tenants can be stored in a single file. Additional Tenant Rows can be added by clicking the [Add] button, or removed by clicking the [Delete] button (maximum 100 at a time).

Tenant rows can also be reset (set back to a blank row with the default inputs), simply by selecting a relevant tenant row and clicking the [Reset] button.

Tenant 'Quick Input' Wizard



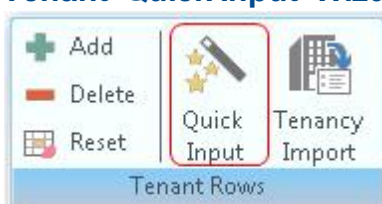
Clicking [Quick Input] will display a wizard to allow tenant and lease information to be easily entered via an alternative input method.

Tenancy Import



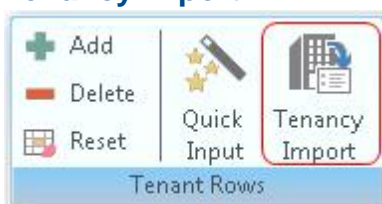
Clicking [Tenancy Import] will display a wizard to allow the importing of tenancy schedules from Excel or CSV files.

Tenant 'Quick Input' Wizard



Clicking [Quick Input] will display a wizard to allow tenant and lease information to be easily entered via an alternative input method.

Tenancy Import



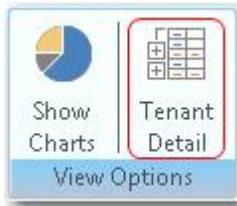
Clicking [Tenancy Import] will display a wizard to allow the importing of tenancy schedules from Excel or CSV files.

Tenancy Charts



Clicking the [Charts] button will load six (6) charts which display information on income, areas, lease expiries and escalations.

Tenant Detail



Clicking the [View] button will bring up the Tenancy View Options screen. The tenancy schedule can be made simpler or more flexible by simply hiding and showing certain column fields that may or may not be needed.



6.5.1 Tenancy Conventions

Leases are assumed to operate on the basis of rents paid in advance and reviewed annually. The model has provision for an initial lease with a passing rent and a possible option for extension. Following the end of the initial lease, either at its [expiry date](#), the end of the [option period](#), or at some other specified [termination date](#), the rental space is assumed to be relet at the market rental till the end of the model time frame. There are allowances for option incentives, reletting fees and incentives and a lease up period. The model adjusts the timing and magnitude of costs and revenues associated with the change in tenancy by the probability of the initial lease extension option being exercised. The model is not configured to accept multiple changes in tenancies during the analysis period.

The following conventions have been adopted in the model for tenancies:

Base Rent

This is initial base rent used in the lease as at the time the lease was started. It should exclude turnover rent and recoverable outgoings, however the Lease Type (Net, Gross, Gross/Base) will determine if the rent is to include outgoings or not. Base Rent is used in the capitalisation computations to value the property based on 'Passing Income'.

Gross Rent

This is total rental revenue at any point through the lease. It includes the base rent, turnover rent and any recoverable outgoings (depending on the Lease Type). As each of these may have their own escalation profiles the escalation of gross rent may be complex.

Lease Commencement

Leases will start on the latter of either the start date or the effective date. The effective date is provided to accommodate an initial rent free period as a lease incentive. The value of the rent between the start date and the effective date is used in the computation of the effective rent.

Due to the monthly stops on dates, the model will adopt the beginning of the month of the lease start date regardless of the day specified and rent will be computed for the whole of that month.

Termination Date

The termination date can be any date after the commencement of the lease and provides for the expectation that the tenant may either leave before the lease expiry, or remain on a month by month basis after lease expiry. Where a termination date is specified it takes priority over the expiry date and option provisions.

Due to the monthly stops on dates, the model will adopt the end of the month of the termination date regardless of the day specified. Care should be exercised in entering termination dates to ensure that the correct lease term is entered.

Market Rent

This is used to estimate the anticipated rental on the re-let space. It should represent the entire expected rental, including such elements as turnover rent. Based on a user preference, Market Rents can be entered as all Gross, all Net or a mixture of Gross/Net (where it uses the nominated Lease Type for each individual tenant). If they are entered as all Net Market Rents, recoverable outgoings are automatically factored into the modelling once a tenancy reverts to market rents, based on the tenancies area as a percentage of total NLA and the total forecasted escalated recoverable outgoings for that period.

It is also used in the capitalisation computations to value the property on a market rental basis. If no market rental is entered, the space will be assumed to become vacant following the lease expiry and the space will not contribute to the capitalisation valuation of the property using the market basis.

The market rent value is set as the current value at the beginning of the cash flow and usually has an escalation profile attached.

Monthly Cash Flows

The model is worked on monthly cash flow intervals. This means that leases must assume terms in full months. In addition, the following date conventions have been included in the model:

- a. The model assumes that rents will be collected for the full month of the start date or the effective date (which ever is the latter).

For example, if you enter in a Lease Start Date of 15th Jan, then 1 month's full rent will be collected in January, regardless of the fact that the lease started in the middle of the month.

- b. The model assumes that rent will be collected in the last month of the lease only if the expiry date is at the end of the month (i.e the termination date, the expiry date, or the expiry date plus option period), otherwise it is assumed that the last rent payment for that lease occurs in the previous month.

For example, a one year lease starting on 1 January should have a start date of 1st Jan and an expiry date of 31st Dec. In this instance, the last rental payment will occur in December, constituting 12 months of rent payments.

A one year lease starting on 15th Jan should have a start date of 15th Jan and an expiry date of 14th Jan the following year. In this instance, the last rental payment will occur in December (not in January of the following year), constituting 12 months of rent payments.

Option Period

Leases often include the option for tenants to elect to continue extend the lease for an additional fixed period of time. As tenants have the right to exercise or pass in the option right, the likelihood of the tenancy being extended is a risk to the owner. The model has provision for the insertion of an option period and an option exercise probability. It also has provision for option incentives to induce the tenant to exercise the option. It is assumed that a prudent landlord will relet the space as soon as possible following the end of the lease, but the timing of the new tenancy will depend on whether the current tenant exercises the option or not.

Option Probability

The likelihood of the initial tenant exercising the option is entered as a percentage number between 0% and 100%, where 0% is the certainty that the option will not be exercised and 100% is the certainty that it will. To better understand the possibilities for the behaviour of cash flows through an uncertain lease option, consider the following example:

Lease Expiry month	36	Passing Rent (per month)	\$ 1,000
Option Period	4	Market Rent (per month)	\$2,000
Option Probability	80%	Option Incentive	\$ 100
Lease up period	3	Letting Fees/Incentives	\$1,000

In this lease there is an 80% probability that the initial tenant will exercise the lease option which gives rise to the following cash flow:

Month	34	35	36	37	38	39	40	41	42	43	44	45	46
80% Probability													
Option incentive			100										
Passing (initial) rent	1,000	1,000	1,000	1,000	1,000	1,000							
Letting Fees/Incentives										1,000			
Market rent										2,000	2,000	2,000	2,000
Net revenue	1,000	1,000	900	1,000	1,000	1,000	-	-	-	1,000	2,000	2,000	2,000

In addition, there is a 20% probability that the option will not be exercised, which results in the following cash flow:

20% Probability													
Option incentive													
Passing (initial) rent	1,000	1,000											
Letting Fees/Incentives						1,000							
Market rent						2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000
Net revenue	1,000	1,000	-	-	-	1,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000

This gives rise to the following combined probability adjusted cash flow:

Probability Adjusted Cash Flow													
Option incentive			80										
Passing (initial) rent	1,000	1,000	800	800	800	800							
Letting Fees/Incentives						200				800			
Market rent						400	400	400	400	2,000	2,000	2,000	2,000
Net revenue	1,000	1,000	720	800	800	1,000	200	400	400	1,200	2,000	2,000	2,000

Re-Letting

It is assumed that each lettable space will be re-let as it becomes vacant. The new tenant is assumed to pay market rent and the same set of recoverable outgoings that are in the original lease. Turnover rents are not available in the notional future re-let of the space, so these should be included in the estimate of market rent. Re-letting usually takes time and incurs various costs. There is provision in the model for these to be entered. Any anticipated rent free period should be included within the estimate of the lease up period. The starting date for the new tenancy will depend upon whether the option is exercised by the initial tenant. The costs and rents associated with the commencement of the new

lease are located in the cashflow according to the expiry date, option length and option probability of the initial lease.

Turnover Rent

This is a common component retail rental revenue derived from a percentage of the tenant's turnover. Although turnover is specified and allocated an escalation profile the escalation of turnover rent may be complex due to the possibility that the percentage levied may be progressive, based on the the level of turnover with respect to set thresholds. The turnover rent is assumed to stop at the termination of the initial lease.

6.5.2 Import Wizard

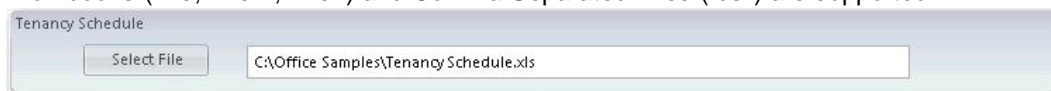
Use the Tenancy Import wizard to import a tenancy schedule from a compatible Excel or CSV file into EstateMaster IA. It utilises a field mapping process to allow the user to establish a link between data columns in a common tenancy schedule, with the appropriate input columns in the EstateMaster IA Tenants sheet.

Using the Wizard

To initiate the Tenancy Import wizard, go to the 'Tenants' sheet, and click on the 'Tenancy Import' button in the Ribbon menu.



1. Click 'Select File' and browse to a Tenancy Schedule you would like to import. Excel Workbooks (.xls, .xlsm, .xlsx) and Comma Separated Files (.csv) are supported.



2. If you have already saved a 'configuration', select it from the list. Otherwise start configuring how the import should work for your selected file:
 - a. Enter the row number of the 'Header Row(s)' - this is the row(s) in the Excel file that contains the headers/labels for the tenancy schedule table. If your headers span multiple rows, enter all of them, separated by commas or hyphen. For example, enter "12, 13, 14" or "12-14" if you have headers over those three rows.
 - b. Enter the row in which your tenancy data begins under 'First Tenancy Row' - this is the first in the Excel file that contains data for the first tenant. It will automatically default to the next row after the header row(s).

Note: When importing a CSV file, the above settings can be left at their default.

- c. The Import engine has the option to enter EstateMaster IA's First Period Date as the Start Date for any lease that does not have a Start Date in the Tenancy Schedule. If you would like to enable this, check the option 'Default Start Date to First Period'.



3. In the main section of the Tenancy Import wizard, select which Tenancy columns you would like to import by checking the 'Select' tickbox. You can expand or collapse sections to make navigation easier. For example, if you have no 'Turnover Rent' information, you may want to collapse that section. Note that any fields which you have hidden from the Tenancy Sheet (using the ['View Options > Tenancy Detail'](#) settings) will not appear here.

Select?	IA Column	Source Column	Date Option	Use for Matching?
<input checked="" type="checkbox"/>	ID			<input type="checkbox"/>
<input checked="" type="checkbox"/>	Tenant Name			<input type="checkbox"/>

4. For each column you would like to import, select the corresponding column from your Tenancy Schedule in the drop down under 'Source Column'. For example, if you would like to import the 'Floor' for each Tenant, then check the box next to 'Floor', and then select the column where that data is found in your source file. In your Tenancy Schedule, the 'Floor' column may be called 'Level', for example, so you would choose that under 'Source Column'. Repeat this process for all the columns you would like to import.

Select?	IA Column	Source Column
<input type="checkbox"/>	ID	
<input checked="" type="checkbox"/>	Tenant Name	Tenant
<input checked="" type="checkbox"/>	Floor	Location
<input type="checkbox"/>	Suite	

5. Some Date columns give you extra options in the 'Date Option' section. For instance, the 'Expiry Date' of a Lease is represented in EstateMaster IA as a date. However, your Tenancy Schedule may only record the Term of the lease in years. In this case, choose your 'Term' column for the Expiry Date and change the 'Date Option' from 'Date' to 'Number of Years'. The Tenancy Import engine will calculate each Lease Expiry Date and enter them correctly for you.

Select?	IA Column	Source Column	Date Option
<input checked="" type="checkbox"/>	Start Date	Lease Start Date	
<input checked="" type="checkbox"/>	Expiry Date	Lease Term (Years)	Number of Years

6. Once you are happy with all of the configuration settings, click 'Import' to execute the Import. All of the existing data in the EstateMaster IA Tenants sheet will be cleared and replaced with the data from the selected fields from the Tenancy Schedule file. If any issues are found during import, a window will appear with all relevant details. For example, if EstateMaster IA is expecting a date under 'Start Date', but finds the value 'Nil' in a cell, it will not be able to interpret that as a date, and no Start Date will be set for that lease. You will be informed of all such issues in the feedback window.

Import Complete

48 Tenants imported.

The following issues were identified:

- For Tenant ID '008':
- NLA (SqM or units) 'Unit 1' cannot be interpreted as a number.
- For Tenant ID '009':
- NLA (SqM or units) 'Unit 2' cannot be interpreted as a number.
- For Tenant ID '013':
- NLA (SqM or units) 'Ground Floor' cannot be interpreted as a number.
- For Tenant ID '014':
- NLA (SqM or units) 'Level 1' cannot be interpreted as a number.
- For Tenant ID '015':
- NLA (SqM or units) 'Level 2' cannot be interpreted as a number.
- For Tenant ID '016':
- NLA (SqM or units) 'Level 2' cannot be interpreted as a number.

OK

Import Configurations

Before executing an Import, you may want to save all of the configuration options you have set. If you regularly import Tenancy Schedules that have a similar layout, saving a configuration can be very convenient.

1. Click 'Save Configuration' and enter a name when prompted.

2. Whenever you load up a Tenancy Schedule for import, this configuration will appear in the drop down list under 'Load Saved Configuration'. When you select it, it will load all of the saved configuration options. You can then import straight away, or make any changes required.

3. Whenever you are working with a Saved Configuration:
 - a. You can click on 'Save Configuration'. You can then 'update' the current configuration by saving it with the same name, or can enter a different name to create a new configuration.
 - b. You can click the red cross next to the Configuration name to delete that configuration to clean up old or unneeded configurations from your system.
 - c. You can click on 'Email Configuration' to email the current configuration to a colleague so that they can load it into their EstateMaster IA. Instructions about where to save the file will be included in the body of the email.
4. Configuration files have the ".ticx" extension and are stored in the Local Application Data folder of your system, which is usually 'C:\Users\<username>\AppData\Local\EstateMaster'.

Updating Tenancy Data

After you have imported your Tenancy data for the first time, you may want to re-import an updated Tenancy Schedule at a later date. In this scenario, it would be preferable to 'update' the existing tenancy rows that are already in EstateMaster IA, rather than having all the information in there deleted. For example, you may have manually entered Comments for some of the tenants, or manually adjusted their annual rent reviews. When you re-import an updated Tenancy Schedule, you may want this manually entered data to remain - the way to achieve this is to use the "Matching Criteria" when you re-import.

1. In your Tenancy Schedule, consider what data uniquely identifies each tenant, and will not change for the lifetime of each lease. For example, if each of your leases have a unique 'Tenant ID', then you could use that column by itself for matching. If there is not a single unique identifier, you may have to rely on the combination of multiple fields. For example, the Tenant Name plus the Floor may be unique, therefore, you would 'match' on both of these columns.

Select?	IA Column	Source Column	Date Option	Use for Matching?
- 01. General Info				
<input type="checkbox"/>	ID			<input type="checkbox"/>
<input checked="" type="checkbox"/>	Tenant Name	Tenant		<input checked="" type="checkbox"/>
<input checked="" type="checkbox"/>	Floor	Location		<input checked="" type="checkbox"/>

2. When doing your import configuration, locate the columns you would like to match on and check their boxes under the 'Use for Matching?' section. When you execute the import, these columns will be used to match and update your existing Tenancy data.
3. Any tenant row in EstateMaster IA that does not have matching data in your Tenancy Schedule will be removed. If any row in your Tenancy Schedule does not match any data in EstateMaster IA, it will be added as a new Tenant row.
4. When an existing Tenant is updated by an import, any data you have manually entered into columns that are not configured to be 'imported', will be preserved.

Data Import Rules

The Tenancy Import engine uses a number of rules to properly interpret the source data from your Tenancy Schedule, in particular for Excel files. If you are finding unexpected behaviour when you import your Tenancy data, review these rules and consider whether you may need to modify your source data to ensure that the import engine can properly interpret it.

- When looking at the Header Rows, the engine will scan from the leftmost column of the **first tab** in the source file (when selecting an Excel file). It will keep reading in consecutive columns from left to right until it finds **five columns in a row that are blank**. At this point it will stop reading in any more data. Therefore, if your source data has a few blank columns, and then more data on the right, then the engine will keep reading and pick up all of the data. However if there are five or more blank columns in a row, then any further data to the right will not be read in.
- When importing Tenancy Rows, the engine will keep looking for new Tenancy Rows until it finds **10 consecutive blank rows**. At this point it will stop reading in any more data. So if you have a few blanks rows between sections of tenancy data, then the engine will keep reading any further data below them. However, if you have 10 or more blank rows, then any data below that will not be read in.
- When importing Tenancy Rows, the engine will only create a new Tenant in EstateMaster IA if there is **more than one column of data in the first ten columns of the source row**, and **if all of the columns that are 'Used for Matching' contain data**. This means that many 'Total' and 'Subtotal' rows will be filtered out, as is desirable. However, if your data does include non-tenant rows (such as 'Totals') with multiple pieces of data in them, then the engine may interpret those as Tenants. In order to avoid seeing unexpected data after an import, you may want to remove non-tenant rows from the file you import from. Alternately, you could select additional 'Use for Matching' columns in order to filter out unwanted source rows.

Data Interpretation Rules

Different kinds of data require different approaches to interpretation so that your Tenancy information can be properly represented in EstateMaster IA. Note that with all of these rules, if any issues are found during an Import, detailed information will be provided in the feedback window as to what unexpected source data was found.

- Some columns, such as the 'Tenant Name', will accept any kind of input and require no special interpretation.
- Many numeric columns, such as 'NLA (SqM) or Units', expect whole or decimal numbers as inputs. Source data such as '3.45' will be interpreted correctly, but '3.45 metres' will not be interpreted correctly. The area will be left blank in this case.
- Amounts of money, such as 'Current Base Rent Amount', expect whole or decimal numbers as inputs. The data may have a dollar sign, but letters or any other punctuation will mean that the data will not be interpreted correctly.
- The Lease 'Use Code' must match one of the 'Uses' from the 'Setup' tab. Your Tenancy Schedule can contain any Code or Description of an existing 'Use' type and it will be properly interpreted by

the Import engine. For example, a lease for a parking space can have the usage information 'CAR' or 'Car parking' – either way it will import correctly. Any other data, however, will result in the default use code ('VAC') being left for that Tenant.

- The 'Lease Type' can be 'Net', 'Gross' or 'Gross / Base'. No other types are valid.
- Four EstateMaster IA Tenant sheet columns are used for Escalation Profiles: 'Turnover Rent Escalation', 'Recovery Escalation', 'Base Rent Escalation' and 'Rent Review Escalation'. The source data for any of these columns must match an Escalation Description under the 'Escalation Profiles' in the 'Setup' tab. Any other data will not be imported.
- Columns that contain percentages, such as 'Turnover Rent Percentage', expect whole or decimal numbers as inputs. The data may have a percentage sign, in which case the source number will be divided by 100 when importing. Therefore, the inputs '.3' and '30%' will be imported as the same value. Any numbers lower than zero or higher than 100 will not be imported.
- The column 'Base Rent and Turnover Rent' accepts the inputs 'Add Base Rent' or 'Base as Minimum' only.
- The column 'Rental Payment Frequency' accepts the inputs 'Monthly', 'Bi-monthly', 'Quarterly', 'Bi-annually' or 'Annually' only.
- Some columns, such as 'Base Year' expect whole numbers only as inputs. Source data such as '2.4' will not be imported.
- Similarly, if you import any dates as a 'Number of Years' or 'Number of Months', then only whole numbers are allowed as source data, except if the number is appended with 'yrs' or 'mths' (e.g. 4yrs will be interpreted as 4 when 'Number of Years' is selected.)
- Non-numeric data such as 'N/A', 'Nil', 'None' or 'TBA' will be imported as zero.
- For Date fields, only 'DMY' (Day, Month, Year) date formats are acceptable, such as dd/mm/yyyy, dd-mm-yyyy. The ISO 8601 date format YYYYMMDD is also supported.

6.5.3 Quick Input Wizard

The Quick Input Wizard enables the user to populate a tenancy schedule via a series of guided inputs via a form rather than a spreadsheet interface. The input fields in the wizard share the same rules as those on the 'Tenants' worksheet, however it provides additional controls (e.g. data pickers, drop-downs, etc) that make inputting data easier and minimises the risk of errors.

Using the Wizard

1. To initiate the Quick Input Wizard, go to the 'Tenants' sheet, and click on the 'Quick Input' button in the Ribbon menu.
2. The wizard will then appear, starting with the first tenant. Edit the input fields where required, and click [Next] to proceed to the next tenant.
3. If you wish to copy the details of the current tenant to the next record (overwriting it), click on [Clone Tenant]
4. Once complete, click [OK] to return to the 'Tenants' sheet, with the updates applied.

Tenants

Tenancy Info

Name: Shop 1 ID: 001

Floor / Suite: LG / .

NLA or Units: 146 SqM Use Code: Retail

Rent

Lease Type: Net Frequency: Monthly

Current Rent: 310.15 / SqM or / Unit p... Escalation: Fixed

Market Rent: 330.14 / SqM p.a. (Net) Escalation: CPI

Turnover Rent

Current Turnover: 250,000 per Annum Escalation: CPI

Turnover Rent: 6 % Type: Add Base Rent

Thresholds: 1 100,000 1 % 2 200,000 1 %

Recoverable Outgoings

Amount: 0 per Annum Escalation: None

% of Total: 1.67 %

% of Increase After Base Year: 0 % Base Year: 0

Lease Terms

Start: 01/01/2008 Effective Start: (none)

Expiry: 31/01/2014 --Or-- Lease Term: Manually Set

Option Period: 24 Months Probability: 70 %

Termination And Relletting

Termination: (none) Lease Up Period: 6 Months

Replication: 0 Months

Fees & Incentives

Amount	Start	Span
Letting Fees: 2 %		
Initial Incentive: 25,000	01/02/2008	3 Months
Option Incentive: 0	(none)	0 Months
Relet Incentive: 2 %		1 Months
Relet Fees: 2.5 %		

Rent Reviews

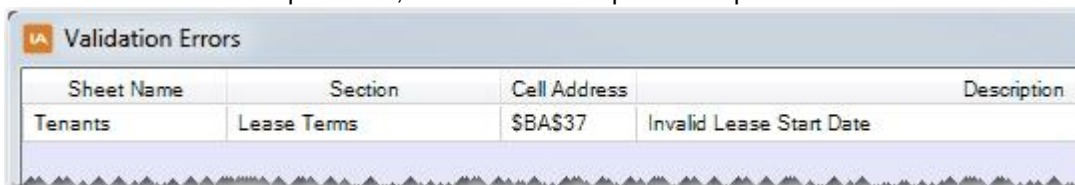
Rent Review Profiles

Financial Year	Review Type	Fixed Amount (/SqM or / Unit p.a.)
2008	Base Escalation	
2009	Review to CPI	
2010	Base Escalation	
2011	Base Escalation	
2012	Base Escalation	

Ok Cancel Clone Tenant Previous Next

Input Validation

If there is any exiting data on the 'Tenants' sheet that is causing input errors (i.e. red cells / 'Error Input' warnings), the wizard will not load until those input errors are rectified. To assist with this, a 'Validation Error' form will appear, listing the sheet/section/cell that contains the error, and description of what the input error is. Double-clicking any row in the Validation Error list will select the cell where the error is located. If there are multiple errors, there is also an option to export the list to an Excel file or print it.



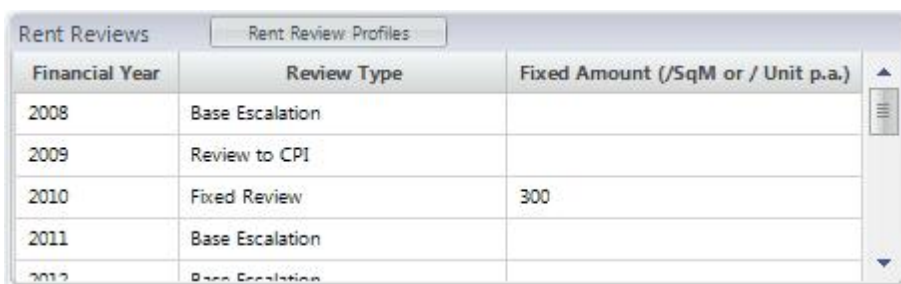
The 'Validation Errors' dialog box displays a table with the following data:

Sheet Name	Section	Cell Address	Description
Tenants	Lease Terms	\$B\$37	Invalid Lease Start Date

Setting Rent Reviews

The 'Rent Reviews' table in the wizard is a more streamlined version of what is provided in the '[Lease Structures](#)' section on the 'Tenants' sheet and data is entered in slightly differently. Instead of entering an abbreviated code (e.g. 'M', 'C', etc) to apply a type of review for that lease in a year (e.g. Revert to Market, Escalate to CPI, etc), a drop-down list is displayed with the available options.

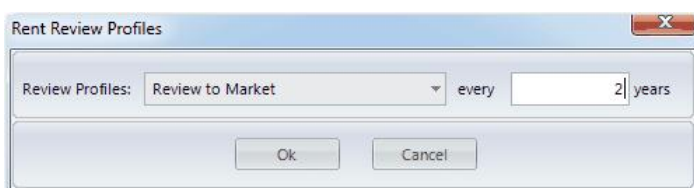
If 'Fixed Review' is selected from the drop-down list, then an amount (amount per NLA or Unit per annum) must be entered.



The 'Rent Reviews' table displays the following data:

Financial Year	Review Type	Fixed Amount (/SqM or / Unit p.a.)
2008	Base Escalation	
2009	Review to CPI	
2010	Fixed Review	300
2011	Base Escalation	
2012	Base Escalation	

To help with the process of entering the rent reviews, click on the 'Rent Review Profiles' button and a new dialog will appear. It will prompt the user to select a type of review (i.e. review to market), and its frequency (i.e. every 2 years), when the [OK] button is clicked, it will automatically populate the table.



The 'Rent Review Profiles' dialog box shows the following configuration:

Review Profiles: Review to Market every 2 years

Buttons: Ok, Cancel

Saving Changes to the Tenants Sheet

Changing any inputs in the wizard will not update the 'Tenants' sheet until the [OK] button is clicked. Once this is done, any input that was edited in the wizard will have its related input on the 'Tenants' sheet update with that value. This is important to note, as any custom user-inserted formulae that was entered on the 'Tenants' sheet prior to the wizard being loaded, may potentially be overridden by a value if it is edited via the wizard.

Once the wizard has reverted back to the 'Tenants' sheet and inputs can then be fine-tuned via the spreadsheet interface.

6.5.4 General Tenant Info

ID	Tenant Name	General Info			
		Floor	Suite	Use Code	Lease Type
001	Shop 1	LG	.	RET	Net
002	Shop 2	G	.	RET	Gross
003	Office 1	1	.	COM	Gross/Base

Tenant ID (Optional)

Tenant identification numbers. They can be used as a reference to your accounting system but are not used within the model.

Tenant Name (Mandatory)

Enter name of the Tenant or the source of the rental income (eg car parking, signage, etc).

Floor Number (Optional)

Enter the Level/Floor number of the tenant or source of income.

Suite (Optional)

Enter the Suite number of the tenant (if applicable).

Use Code (Mandatory)

Enter the relevant Use Code for each Tenant or source of income, as defined in the Setup sheet. This will also affect whether the specified tenant area adds to the NLA or not, and the unit of input for rental income (eg \$/sqm/pa etc).

Lease Type (Mandatory)

Select a 'Lease Type' from the list. This only applies to the Base Rent during the initial lease period. It may also apply to the Market Rent if the user has set in the [Rent Review](#) preferences to enter them 'as per Current Tenant Lease Type'.

- **Gross** = Outgoings are included in the Base Rent. No additional recoveries are allowed (all Recoverable Outgoings inputs for that particular tenant are disabled).
- **Gross/Base** = Outgoings are included in the Base Rent. Increases in outgoings from a base year can be recovered (all other Recoverable Outgoings inputs for that particular tenant are disabled).
- **Net** = The Base Rent is net of outgoings. Additional recoveries are allowed, either as a lump sum, or as a percentage of total recoverables.

6.5.5 Area/Quantity and Base Rent

Area or Quantity		Current Base Rent*				
NLA (SqM) or Units	Unit Type	Current Base Rent Amount	Unit of Input	Escalation Profile	Base Amount per Annum	Base Unit Rate / SqM or / Unit p.a.
146.00	SqM	310.15	/ SqM or / Unit p.a.	Fixed	45,282	310.15
311.00	SqM	310.15	/ SqM or / Unit p.a.	Fixed	96,457	310.15
707.00	SqM	310.15	/ SqM or / Unit p.a.	Fixed	219,276	310.15

NLA or Units (Mandatory)

Enter the area, number of car spaces or number of units, based on the Use Code selected for each tenant. The units are displayed in the adjacent column and can be edited on the Setup sheet.

Unit Type

Displays the unit type. This is dependent on the Use selected and whether that Use is to be included in the NLA (as defined in the Setup sheet). If the selected use hasn't been defined in the Setup sheet then "Invalid Use" will appear.

Current Base Rent Amount
(Mandatory)

Enter the Initial Rental Value (at the time of the lease start and before escalation) based on the Unit of Input displayed in the adjacent column. The Unit of Input corresponds to the Use selected and this can be edited on the Setup sheet. The escalated base rents will be based on this value.

Base Rent Unit of Input

Displays the Unit of Input corresponding to the Use selected for each tenant. The Unit of Input for each use can be edited on the Setup sheet.

Base Rent Escalation Profile
(Mandatory)

Select an escalation profile for each tenant for the Base Rent from the drop down list. The list of escalation profiles can be edited on the Setup sheet under the [Escalation Profiles](#) section.

Base Rent Amount per Annum Displays the amount of base rent per annum.

Base Rent Unit Rate Displays the base rent as a unit rate per annum.

6.5.6 Turnover Rent

Turnover Rent								
Current Turnover		Turnover Rent %	Threshold 1		Threshold 2		Base Rent & Turnover Rent*	Total Turnover* Rent \$ p.a.
Amount (\$ p.a.)	Escalation Profile		Turnover	%	Turnover	%		
250,000	CPI	6.00%	100,000	1.00%	200,000	1.00%	Add Base Rent	17,000
350,000	CPI	6.50%	300,000	3.00%	-	0.00%	Add Base Rent	24,250
-	None	0.00%	-	0.00%	-	0.00%	Base as Minimum	-

Total Turnover (Optional)

Enter the tenant's total annual turnover at the beginning of the lease.

Turnover Escalation Profile
(Optional)

Select an escalation profile for the Turnover from the list. Different profiles may be used for different tenants. The list of Escalation Profiles can be edited on the Setup sheet.

% of Total Turnover (Optional)

Enter the % of the total turnover to be paid as rent.

**Threshold Turnover &
Threshold Percentage** (Optional)

A percentage of all turnover above the specified threshold will be paid as rent. (This is in addition to the % of Total Turnover paid as rent and the other threshold).

Base Rent & Turnover Rent
(Mandatory if Turnover Rent is used)

Choose a Turnover Rent calculation method from the list:

- 'Base as Minimum' takes the higher of Base Rent and Turnover Rent.
- 'Add Base Rent' adds the Base Rent to the Total Turnover rent.

Total Turnover Rent p.a

Displays the Total Turnover Rent for the first year of the lease. Total turnover rent is the % of Total Turnover plus the % of turnover above Threshold 1 plus the % of turnover above Threshold 2 plus the base rent if chosen:

- If 'Base as Minimum' is selected, this total will be greyed out until it exceeds the Base Rent .
- If 'Add Base Rent' is selected, this amount is added to the Base Rent.

6.5.7 Payment Frequency and Recoverables

Rental Payment Frequency	Recoverable Outgoings						
	Lump Sum Recoverables		% of Total	Recoveries Amount (Lump Amt + %)		% Increase After Base Yr*	
	Amount \$ p.a.	Escalation Profile		Amount \$ p.a.	/ SqM or / Unit p.a.	Base Year	% of Total
Monthly	-	None	1.67%	4,149	28.42		
Monthly							
Monthly						2009	10.00%

Rental Payment Frequency (Mandatory)

Select, from the list, the frequency payments are received.
Payments are received monthly by default.

Recoverable Outgoings

4 methods are available for entering Recoverable Outgoings for the initial lease period. Depending on what [Lease Type](#) is entered for the tenant, the following options are available:

- If 'Lease Type' = Net
 1. **Lump Sum Recovered O/G's:** (Optional) Enter the total amount of outgoings recovered per annum in today's value and a relevant escalation profile from the list. When this option of outgoing recovery has been used, option 2 (% of Total Recoverables) is greyed out.
 2. **% of Total Recoverables:** (Optional) Enter the percentage of total recoverables to be received (as per the [Outgoings Schedule](#)). The cash flow for this option is calculated by averaging the recoverable outgoings recovered in each financial year.

3. A combination of lump sum and %

If either option above are chosen as the preferred outgoing recovery method, the following information is displayed:

- **Recoveries Amount p.a:** Displays the amount of recoveries per annum for the first year.
- **Recoveries Unit Rate:** Displays the recoveries as a unit rate per annum for the first year.
- If 'Lease Type' = Gross/Base
 4. **% Increase After Base Year:** (Optional) Enter a percentage of the increase in total outgoings, after the base year, to be recovered. The Base Year can not be before the first year or after the last year in the cash flow. This is not used for the Capitalisation Summary.
- If 'Lease Type' = Gross, then there is no option to recover outgoings for that tenant, as it assumes that the Base Rent entered already includes outgoings.

Under and Over Allocations						
When using either options 1 2 or 3 for the recovering of outgoings (Lump Sum Amount and/or % of Total Recoverables), if the user hasn't allocated the full 100% of outgoings that have been marked as 'Recoverable' in the Outgoings Schedule , then an 'Under-Allocated' warning will appear in red. If the user has exceeded 100%, then an 'Over-Allocated' warning will appear.						
10,000	CPI	5.00%	12,500	2,500		
-	None	20.00%	10,000	2,000		
15,400	None	0.00%	15,400	1,540	2009	10.00%
-	None	0.00%	-	-		
25,400.00			37,900	Under-allocated by 12,100		10.00%

6.5.8 Gross Rent and Lease Terms

Current Gross Rent*		Lease Terms	
Total Gross Rent \$ p.a.	Gross Unit Rate \$ / Unit p.a.	Start Date	Expiry* Date
66,431	455.01	1/01/2008	31/01/2014
120,707	388.12	1/02/2007	3/03/2013
219,276	310.15	1/06/2007	1/07/2013

Current Gross Rent

- **Total Gross Rent:** This is the current gross rent received per annum (Base Rent, plus any Recoveries if applicable).
- **Gross Unit Rate:** This is the gross rent received per annum as a Unit rate. (Base Rent plus Recoveries divided by the total area or total number of units or car spaces.)

Lease Start Date (Mandatory)

Enter the date the lease begins for the purpose of this cash flow. This must be:

- Before the end of the cash flow, and
- Before lease expiry,

The date may be before the property [Acquisition Date](#) but no rent will be received until the property is actually acquired.

The model assumes that rents are paid in advance and a Start Date anywhere in a month will result in the whole rent for that month (or other collection period) being entered in that month.

Lease Expiry Date (Mandatory)

Enter the expiry date of the initial lease. This must be:

- Greater than the Start Date plus number of months in the Rental Payment Frequency,
- After the start of the cash flow (otherwise it will be highlighted red and excluded from Passing Income).

Lease Expiry and Termination Dates

The model assumes that rent will be collected in the last month of the lease only if the expiry is at the end of the month (i.e the termination date, the expiry date, or the expiry date plus option period), otherwise it is assumed that the last rent payment for that lease occurs in the previous month.

The expiry of the lease must be an even multiple of the [Rental Payment Frequency](#) (i.e If it is a 'Monthly' Payment Frequency, you can not have a lease period that is not in whole months as the model will no calculate part months for rental income).

For cases where the expiry date, option period, or termination date creates a lease term that is not an even multiple of the Rental Payment Frequency, enter the rents as the equivalent monthly payments and adopt a 'Monthly' Rental Payment Frequency.

6.5.9 Incentives and Effective Rent

Effective* Start Date	Letting Fees	Fees and Incentives				Current Effective Rent	
		Initial Fitout / Lump Sum Incentives				Total Eff. Rent \$ p.a.	Eff. Unit Rate \$ / Unit p.a.
		Description	Amount	Start Date	Span (Months)*		
	6.00%	fitout	25,000	1/02/2008	2	62,321	426.86
1/05/2007	6.00%	.	-	-	-	115,746	372.17
	6.00%	.	-	-	-	219,276	310.15

Effective Date (Optional)

Enter the date that rent is effectively received. This can be used to allow for rent free periods. Rent is assumed to be paid in advance from this date. This must be between the start and expiry dates. By default the effective date is the lease start date.

Letting Fees (Optional)

Enter the commission percentage paid upon letting for the initial lease. This fee is calculated based on the gross annual rent and is paid at the Lease Start Date.

Initial Fitout / Lump Sum Incentives (Optional)

Enter any incentives during the initial lease period as a lump sum, and then enter the Start Date and Span (in months). The Start Date must be before the end of the cash flow. The total cost is then evenly spread over the Span months.

Current Effective Rent

Displays the rent adjusted for the lump sum lease incentives and the lost rent due to rent free time between lease start date and effective date. Both the annual effective rent and the rent per unit or area are displayed.

Effective Rent = Gross Rent (Base Rent + Recoveries, excluding escalation) less the cost of the Initial Lease Incentives and Rent Free Period, which are spread over the life of the lease.

6.5.10 Option Period

Option					
Option Period (Months)	Option* Probability	Option Incentives			
		Description	Amount	Start Date	Span (Months)
24	100.00%	.	-	-	-
24	70.00%	refit	65,000	10/10/2012	2
24	70.00%	.	-	-	-

Option Period (Optional)

Enter the Option Period in months. The default end of the lease is the Expiry Period plus the Option Period. Use the Termination Date to end the lease earlier or later.

Option Probability (Optional)

Enter the probability of the tenant taking up the option. It will apportion all items that relate to the option period being taken up (ie. Rents, Option Period Incentives and Reletting Fees)

Important Information about Option Probability

The probability is a number between 0% and 100% where 0% means it is certain that the tenant will not exercise the option and 100% means that it is certain that the tenant will take up the option.

Values in between these extremes apportion the passing rents, option incentives and the initiation of a re-let to market between the expiry date and the option end date (expiry date plus option period). It is assumed that a new tenant will be sought as soon as the existing tenant quits, but the timing of the new tenancy is contingent on the exercise of the option. Hence the option probability will directly apportion all items that relate to the option period being taken up. ie. Rents, option period incentives, vacancy during leasing up period and reletting fees. Recoverable outgoings are considered to persist through the change of tenancy but are not collected through vacancies. They are also proportioned on the basis of the option probability. The effects of the option period and its probability also affect reports including Exec Summary and the Capitalisation Summary.

Option Fitout / Lump Sum Incentives (Optional)

Enter any incentives during the option period offered to the existing tenant as an inducement to exercise the option.

These are entered as a lump sum, and then enter the Start Date and Span (in months). The Start Date must be before the end of the cash flow. The total cost is evenly spread over the Span months and proportioned to the option probability (Eg. if \$10,000 is forecast as option incentives but the option only has an estimated probability of being exercised of 40% then \$4,000 will be entered in the cash flow).

If a Termination Date is to be used, it will pay 100% of the incentive cost. So if no incentive is forecast to be paid, then it is advised that it is set to zero.

6.5.11 Termination and Reletting

Termination and Reletting				
Termination Date*	Leasing Up* Period (Months)	Reletting Incentives		Reletting Fees
		%	Span (Months)	
<i>Expiry+Option</i>	-	0.00%	-	2.00%
1/01/2019	6	5.00%	6	2.00%
<i>Expiry+Option</i>	-	0.00%	-	0.00%

Termination Date (Optional)

Enter the date the lease is effectively finished. (By default, if no date is entered, it is the expiry date plus the option period). This can be used to terminate the lease earlier or later than the default period. If a Termination Date is entered, it takes priority over the Option Period (will grey out Option Period and Probability) or Expiry Date.

Care should be taken when using a termination date where option incentives and an option probability have been input as these will still be computed which may be counter to intentions. If a termination date is used and no option incentive payment is intended make sure that either the option probability is zero or the option incentive is omitted.

Lease Expiry and Termination Dates

The model assumes that rent will be collected in the last month of the lease only if the expiry is at the end of the month (i.e the termination date, the expiry date, or the expiry date plus option period), otherwise it is assumed that the last rent payment for that lease occurs in the previous month.

The expiry of the lease must be an even multiple of the [Rental Payment Frequency](#) (i.e If it is a 'Monthly' Payment Frequency, you can not have a lease period that is not in whole months as the model will no calculate part months for rental income).

For cases where the expiry date, option period, or termination date creates a lease term that is not an even multiple of the Rental Payment Frequency, enter the rents as the equivalent monthly payments and adopt a 'Monthly' Rental Payment Frequency.

Leasing Up Period (Optional)

Enter the lease up allowance, in months. This will be applied after either the Termination Date, or the Expiry Date or the end of the Option Period depending on if an Option Period is specified and it is apportioned between these dates using the Option Probability. If a rent free period is anticipated as an incentive for new tenants this should be included by adding into the leasing up period.

Reletting Incentives (Optional)

Enter incentives as a percentage of the gross annual Market Rent paid upon reletting, spread across the nominated span period. The costs are assumed to be paid one month after the end of the lease up period which starts following the initial tenant's departure.

Reletting Fees (Optional)

Enter commission fees as a percentage of the gross annual Market Rent paid upon reletting as a lump sum. The costs are assumed to be paid one month after the end of the lease up period which starts following the initial tenant's departure.

Important Information about Option Probability and Lease Up Periods

Where an Option Period and Probability are specified the leasing period will have the Option Probability of starting at the end of the Option Period (Expiry Date plus Option). It will also have a Probability of one minus the Option Probability of starting following the Expiry Date (i.e the initial tenant does not exercise the option). The Lease Up Period is apportioned within the cash flow to reflect these probabilities and to determine when the lease should be assumed to revert to the escalated market rent.

6.5.12 Market Rent

Market Rent					
Comments	Current Market Rent (Gross) *				Replication *
	/ SqM or / Unit p.a.	Escalation Profile	Net \$ p.a.	Gross \$ p.a.	
Advised by ABC Valuers Pty Ltd	330.14	Market Growth	48,200	48,200	60
	330.14	Market Growth	102,674	102,674	60
	330.14	Market Growth	233,409	233,409	36

Comments (Optional)

Enter any additional comments or remarks here related to the Rent Review.

Current Market Rent (Mandatory)

Enter the Market Rent on a rate per unit basis. Depending on the [Rent Review](#) preferences, Market Rents may be entered either:

- **As per the current Tenant Lease Type** as defined in the [General Tenant Info](#) section, or

- **All Gross Rents**, or
- **All Net Rents**. In this instance, for reporting of gross Market Rents in the DCF and Capitalisation Summary reports, recoverable outgoings will be added to the Market Rent for each tenancy based on their % of the total NLA.

Leases will revert to the escalated Market Rent when the initial lease (inc Option Period and Leasing Up Period) finishes. The Market Rent should reflect the expected Base Rent plus any Turnover Rent component that is to be received into the reversion.

Market Rents are also used in the Capitalisation Summary, for valuations based on Market Rents. To calculate market valuations, a Market Rent must be entered for each tenant and vacancy, if this is not done a warning will appear at the bottom of the sheet.

Market Rent Escalation Profile
(Mandatory)

Select an escalation profile for each tenant for the Market Rent from the drop down list. The profile does not need to be the same as the Base Rent escalation profile and may differ between rental spaces. The list of escalation profiles can be edited on the Setup sheet under the [Escalation Profiles](#) section.

Market Rent p.a:

Displays the Net and Gross Market Rent per annum.

Lease Replication (Mandatory)

Enter in the number of months to repeat the costs or reltting until the end of the nominated [DCF time frame](#).

This feature is helpful for long cash flow time frames where the user can easily replicate the lease cash flow of a particular tenancy after the initial lease and option period has expired, and take into consideration periodic costs such as vacancies, incentives and letting fees.

Based on the settings in the Preferences, the user can decide if the Letting Up Period, Reletting Fees and Reletting Incentives are repeated at the end of each cycle.

6.5.13 Rent Reviews

Rent Review		
Previous Review	Next Review	Upwards Only ?
1/01/2008	1/06/2009	Yes
1/02/2007		No
1/06/2007		No

Previous Review Date

This is the date that the rent was last reviewed at and from when the [Current Base Rent](#) is calculated from.

- If 'Lease Start' > 'Date of First Period', then 'Previous Review' = 'Lease Start'
- If 'Lease Start' < 'Date of First Period', then 'Previous Review' = the last review that has occurred in the previous 12 months.

Next Review Date (Optional)

This defaults to 1 year from the [Previous Review](#) date, but can be overridden to a any date after the previous review. This month is used as the month to begin all subsequent escalations that are

assumed to follow annually, from the start of each financial year. The review date is adopted for the entire term of the cash flow, including the forecast reletting to market following the termination of the initial lease.

Upwards Only (Optional)

This determines if rent reviews can allow the rent to go 'Upwards' or 'Upwards/Downwards'.

If 'Yes' is selected, then the rent stays the same as the previous year, at any time when it otherwise should drop (e.g. negative escalation, reversion to market).

6.5.14 Annual Rent Review Tables

The Annual Rent Review feature allows the user to setup how leases are reviewed on a financial year basis, during the initial lease and option period. After this period, leases then revert to the escalated Market Rent for the remainder of the cash flow, and escalate according to the Market Rent Escalation Profile. Therefore any inputs in the Rent Review Type section will be ignored from that point in time.

Year 1 - Jul 2016 to Jun 2017				
Rent Review		Escalation	Base Rent	Turnover Rent
Type	Fixed (%)	Applied	per Annum	
E	0.00%	4.00%	818,516	23,000
M	0.00%		885,704	-
C	0.00%	3.00%	1,083,508	-
N	0.00%	0.00%	1,735,716	-
335.00	0.00%		1,175,380	-
E	5.50%	5.50%	1,225,463	-

Financial Year

Displays the financial year period.

Rent Review Type

Four possibilities are available for the escalation of each year's Base Rent for each tenant. Enter one of the following to determine how the rent review that is occurring in the selected financial year is to be calculated:

- **M** - to review it to the estimated market rent for the rent review in that financial year period derived by escalating the nominated current Market Rent using the escalation profile selected for the market rent. This should only be used where there is no turnover component in the gross rent.
- **E** - to escalate the rent from the previous financial year using the rate from the selected Base Rent escalation profile.
- **C** - uses CPI to escalate the rent from the previous financial year.
- **N** - no rent review for that financial year.

OR

- Manually enter a base rent unit rate for the current year eg. \$500 / SqM or / Unit p.a

Please note, that these inputs only impact on the Base Rent, and do not affect any Turnover Rent.

Where Turnover rents exist do not use the 'M' option, as market rent is assumed to include both base and turnover components and adopting it within the lease would lead to double counting of the turnover component.

Fixed % Review

This is a manual fixed percentage review, that overrides the nominated Rent Review Type. It escalates the rent from the previous financial year using the rate specified.

Escalation Applied

This displays the Escalation Rates that correspond to the selected Rent Review type (and its related Escalation Profile) or the rate entered in the Fixed Percentage, for the tenant. If a Rent Review type of 'M' or a manual rent review amount is entered (eg \$500 / SqM or / Unit p.a), then this will be greyed out.

Use the [Tenancy View Options](#) function to hide/unhide the Escalation Applied column.

Base Rent

This displays the total Base Rent that is actually received for that selected financial year for that tenant.

If it is greyed out, it means that the Turnover Rent exceeds the Base Rent, and the 'Base as Minimum' option for Turnover Rent has been selected for that particular tenant.

Select from this drop down list, whether to display the current rent as a total per annum or a unit rate per annum.

Turnover Rent

This displays the escalated Turnover Rent that is actually received for that selected financial year for that tenant.

If it is greyed out, it means that the Base Rent exceeds the Turnover Rent, and the 'Base as Minimum' option for Turnover Rent has been selected for that particular tenant.

Use the [Tenancy View Options](#) function to hide/unhide the escalated turnover rent column for each financial year.

Expiration of Initial Lease (inc Option Period)							
When the Initial Lease (inc Option Period) has expired, the model assumes that leases for that particular tenancy will revert to Market Rents for the remainder of the cash flow, and escalate according to the Market Rent Escalation Profile. Therefore, the Leasing Structure inputs are no longer required and are then greyed out.							
Jan 2010 to Dec 2010				Jan 2011 to Dec 2011			
Rent Review Type	Escalation Applied	Base Rent per Annum	Turnover Rent	Rent Review Type	Escalation Applied	Base Rent per Annum	Turnover Rent
N	0.00%	88,825	11,000	E	0.00%	73,440	-
E	0.00%	75,240	-	E	0.00%	75,240	-

The first tenant's lease expires in the 2010 financial year, therefore once it reverts to a Market Rent, the ability to edit rental reviews is disabled.

6.6 Outgoings

Codes	Description	Payment Frequency	Payment Dates		Current Outgoings Per Annum		Escalation Profile	Recoverable (Y/N)
			Start	End *	Amount \$	Rate \$ / SqM		
301000	Council Rates	Monthly	1/01/2008		102,944		CPI	Y
301100	Water Rates	Quarterly	1/01/2008		19,750		CPI	Y
301110	Land Tax	Annually	1/01/2008		79,572		CPI	Y
301120	Insurance	Monthly	1/01/2008		26,400		CPI	N
302000	Air conditioning	Monthly	1/01/2008			5.00	CPI	Y
303000	AC Repair & Maintenance	Monthly	1/01/2008			6.50	CPI	N

- Codes** (Optional) Outgoing Codes can be used as a reference but are not used specifically within the program.
- Description** (Mandatory) Enter a short description for each outgoing. The Description should not exceed 30 characters (inc spaces).
- Payment Frequency** (Mandatory) Select from the list the frequency in which payments are made, starting from the First Payment Date.
- Payment Dates** (Optional)
- **Start:** Enter the date the first payment is scheduled to be paid. This is used to determine the timing of the first and subsequent payments, at the selected frequency. If no date is entered, payments start immediately and January is used by default for payment frequencies. Payments can be entered before the acquisition date, but no earlier than 12 months before the Date of First Period.
 - **End:** Enter the date that the last payment is scheduled to be paid. It must not be earlier Payment Start Date for that particular item. If left blank, it will assume that the payment is ongoing for the life of the cash flow.
- Current Outgoings Per Annum** (Optional)
- **Lump Sum Amount:** Enter the total outgoings paid each year (before escalation), as a Lump Sum in today's value. If this option is used, then the Rate per NLA option is disabled.
 - **Rate per NLA:** Enter the total outgoings paid each year (before escalation), as a Rate per Total NLA. If this option is used, then the Lump Sum option is disabled.
- Escalation Profile** (Mandatory) Select an Escalation Profile (for the Outgoings) from the list. The list of Escalation Profiles can be edited on the Setup sheet under the Escalation Profiles section. Outgoings are escalated at the start of each financial year (except for the first year).
- Recoverable (Y/N)** (Mandatory) Select whether the outgoing is recoverable from the tenants (Y) or liable by the owner (N). This will affect the Total Recoverables and thus affect the total used for calculating the '% of Total Recoverables' entered on the tenants sheet.

Current \$ Per Annum	Current \$ / SqM Per Annum	% of Total Outgoings	Benchmarks (\$ / SqM PA)	
			Benchmark 1	Benchmark 2
102,944	11.77	15.77%	10.60	12.95
19,750	2.26	3.03%	2.03	2.48
79,572	9.10	12.19%	8.19	10.01
26,400	3.02	4.04%	2.72	3.32
43,720	5.00	6.70%	4.50	5.50
56,836	6.50	8.71%	5.85	7.15

- Current Outgoings Per Annum** Displays the forecasted outgoings paid each year as a total amount and a rate per NLA, before escalation is applied.
- % of Total Outgoings** Displays the proportion of the outgoing as a percentage of the total.
- Benchmarks (1 and 2)** (Optional) Enter benchmark rates per Annum for comparison with the actual outgoings. These will be used in the [Outgoings Comparison](#) charts.

Outgoing Charts



Clicking the [Charts] button will load the 'Outgoings Comparisons' chart which display a bar chart comparing the actual outgoing costs, against the 2 industry benchmark cost columns.

Toggling the Benchmarks



Clicking the [Hide/Show] button will toggle the 2 Benchmark columns on the Outgoings sheet.

6.7 Capital Expenditure

Code	Description	Units	Base Rate / Unit	Start Date	Span (Months)	End Date	Escalation Profile	Remarks	Total Current Cost *	Total Escalated Cost *
-	Miscellaneous refurbishment	1.00	400,000.00	1/01/2008	119	30/11/17	None	-	400,000	400,000
-	-	-	-	-	-	-	None	-	-	-
-	-	-	-	-	-	-	None	-	-	-
Total									400,000	400,000
Total / NLA									46	46

Code (Optional)

Capex Codes can be used as a reference but are not used specifically within the program.

Description (Mandatory)

Enter in the description for the capital expenditure line item.

Units and Base Rate / Unit (Mandatory)

For each item enter the number of units (quantity) and the Base Rate per Unit. These will be multiplied by each other to calculate the total cost.

Start Date (Mandatory)

Enter the date when the capital expenditure is to start in the cash flow. It must be between the Date of First Period and the Disposal (Sale) Date.

Span (Months) (Mandatory)

Enter the Span period of the capital expenditure from the Start Date. It must be greater than ZERO, but must not exceed the end of the cash flow.

End Date

Displays the end date for the capital expenditure item. It is the Start Date plus the span in months.

Escalation Profile (Optional)

Select an Escalation Profile for the Capex cost from the list. The list of Escalation Profiles can be edited on the Setup sheet under the Escalation Profiles section. Escalation commences after the first financial year.

Remarks (Optional)

You can enter any text comment in these cells.

Total Cost

Displays the total cost for the line item. Total cost equals Base rate multiplied by the number of units.

Adding and Deleting Capital Expenditure Items



Up to 50 capital expenditure items can be stored in a single file. Additional capital expenditure items can be added by clicking the [Add] button, or removed by clicking the [Delete] button.

6.8 Taxes & Duties

It is recommended that the user regularly checks their relevant Statutory Revenue Office for recent changes to taxes and duties. EstateMaster 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%

6.9 DCF Analysis

The Discounted Cash Flow sheet collates the cash flows in order of revenues and costs as defined in the input sheets and computes present values. For valuation purposes only cash flows associated with the property itself are included in this sheet. Cash flows associated with the investor, such as loan interest and income tax, are ignored. This means that the property is analysed on the basis of no debt leverage and no income taxation.

Manual Inputs

In addition to the values that are automatically computed, there is facility to include additional manual inputs under each revenue and cost heading. These can be used to include simple entries or linked to add-on sheets to input the results of more complex specialised computations as required.

Base Rent	15,000	15,000	16,200	16,200	16,200
ABC Ltd	10,000	10,000	10,000	10,000	10,000
Company XYZ	-	-	-	-	-
Office B	-	-	-	-	-
Supermarket B	-	-	-	-	-
Premier Parking	-	-	-	-	-
Vacant	-	-	-	-	-
Manual Inputs	5,000	5,000	6,200	6,200	6,200

Please Note:

- Care should be exercised in the use of manual inputs as they do not link to identifiable data input areas, such as the Tenant sheet.
- Manual Inputs on the DCF sheet do not affect any of results and valuations calculated on the Capitalisation Summary report.

6.10 Investment Analysis

The Investment sheet takes the property cash flows determined in the DCF sheet and adds multiple funding layers to evaluate the property from the perspective of an investor. To achieve this, debt leverage, working capital and dividend management options are included. The outputs of the Investment sheet provide performance measures for the equity participants.

Investment Conventions

The Investment sheet makes the following assumptions:

- Up to three loans may be involved in the funding of the property.
- Each loan may be either interest only, interest capitalising, or principal and interest (credit foncier) loans
- Credit foncier loans may have a loan term that may be any whole number of years.
- All funds required in excess to that sourced from debt are supplied as equity from the owners.
- All loans will be paid out at the end of the cash flow.
- An equity working capital fund may be established at the beginning of the investment to facilitate dividend management through the cash flow period as described below.

6.10.1 Loan Inputs

Loan 1		Term (Years)			
Loan Type	Principal & Interest	-	Manual Interest Rate Adjustments		
LVR %	70.00%	2,100,000			
Base Rate + Lender Margin	7.50%	1.25%	8.75%	8.75%	8.75%
Loan Fees and Costs	Amount	Payment Date			
Line fees	2,000	per annum	-	167	167
Establishment Costs	1,250	1/01/08	1,250	-	-
Stamp Duty	840	1/02/08	-	840	-
	-	-	-		
	-	-	-		
Other Costs	Miscellaneous	1,140	990	150	-

Loan Type

Select between:

- **Capitalised:** All Interest and Loan costs are capitalised.
- **Interest Only:** All Interest and Loan costs paid when incurred.
- **Principal and Interest:** Pay all Interest, Loan Costs and Principal periodically.

For more information about these types of loans refer to the [Glossary of Terms](#).

Term

Enter the term (length) of the the loan in years (only required for principal and interest loans).

LVR %

Enter the borrowing ratio for this loan based on a % of the Property Purchase Price (not including acquisition costs). If the loan principal is not computed on the basis of the purchase price an equivalent LVR percentage must be computed.

Base Rate + Lender Margin

Enter the base interest rate and the lender margin in their respective locations. These combine to provide the actual interest rate charged by period.

Note: Interest rates can be manually over-written by period in the cash flow table (blue font).

Loan Fees and Costs

Three types of loan fees and costs are provided for. these are (1) Line fees: constant fees paid at regular (monthly) intervals through the entire life of the loan, (2) one-off fees or charges: discrete single fees that have estimated payment dates, and (3) Other costs: any other loan costs that can occur at any point in the loan.

- **Line Fees:** Enter Line Fees per annum. These are charged monthly, commencing from the establishment of the loan. The line fee entry should include all constant recurrent fees and charges. Line fees are only charged once the loan is begun which requires LVR and interest rates to be set.
- **Other Loan Fees and Costs:** Enter any other one-off loan fees or costs in the rows following the Line Fee entry. A description for each fee, the amount of the fee and the date it is to be paid should be entered in the spaces provided.
- **Other Costs (manual inputs):** For the 'Other Costs', input the amounts directly into the cash flow table as manual inputs (blue font). A description may be added and the total through the loan is computed and displayed adjacent the description.

6.10.2 Investor Distributions

Fund Management Fees				
Management Fee *	<input type="text" value="1.00%"/>	per annum	41,667	Manual fee inputs 41,667
Other Fees (Manual Input)			-	1,200
Cash Flow Available for Investors			251,875	250,675 251,875
Target Distributions (% p.a)		(WA) <input type="text" value="8.00%"/>	8.00%	8.00% 8.00%
Funds Under Management		<input type="text" value="50,000,000"/>		Distribution inputs
Working Capital Balance		-	46,251,875	46,286,046 46,319,103
Equalisation			(81,458)	(82,658) (81,458)
Interest on Working Capital	<input type="text" value="3.00%"/>	per annum	115,630	115,715 115,798
Distributions				
Investor's Cash Flow (Initial Contribution and Distributions)			333,333	333,333 333,333
IRR on Investor's Cash Flow (per annum Effective)		(4.19%)		
NPV @ Discount Rate of	<input type="text" value="8.00%"/>	(22,189,203)		

Fund Management Fees (%)

Enter a Management Fee as a percentage of funds under management. These are calculated on an annual basis and allocated monthly.

Other Fees

Enter any other fund management fee as manual inputs in the monthly cash flow.

Target Distribution

Enter the budgeted distribution for the period from the property (positive % only). Where the operating cash flow exceeds this amount the excess will be added to working capital. If the operating cash flow is insufficient the distribution will be covered by drawing on working capital. In addition to the monthly inputs, a total weighted average rate is also displayed.

Funds Under Management

Enter the equity contribution for working capital. This is a fund that may be used to cover costs not funded by debt or operating income. If sufficient working capital is made available at the beginning of the investment, the distribution to investors can be regularised.

Interest on Working Capital

Enter the interest rate (per annum nominal) that will be earned or charged on working capital.

Where the working capital balance is positive it receives interest at a nominated rate and when it is negative it pays interest at the same rate. Working capital interest payments and receipts are included in the costs and revenues to the investor.

NPV/XNPV of Investor's Cash Flow

Enter in the discount rate to calculate the NPV/XNPV of the investors cash flow after the initial contribution and distributions are received and paid.

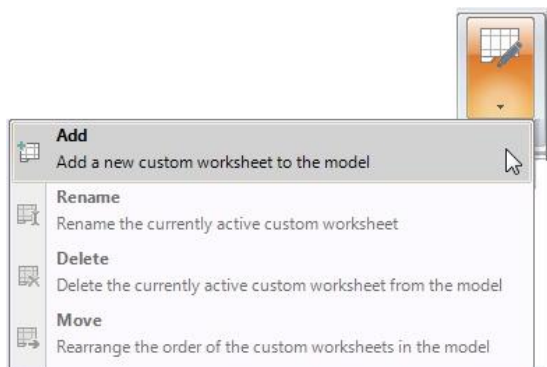
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VII

7 Custom Worksheets

The EstateMaster IA program is based on a spreadsheet interface and allows you to insert additional blank worksheet into the model.

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



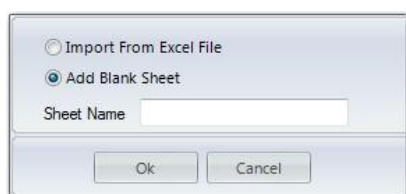
When you click on 'Add', there will be 2 options for adding a custom worksheet into the model:

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 EstateMaster, 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): <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 EstateMaster 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:

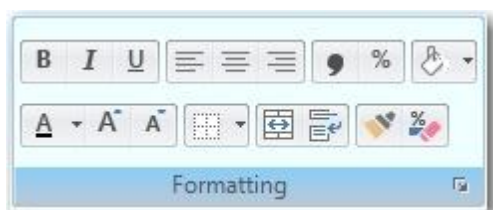
- Custom sheets are file specific.
- Custom worksheets will be saved to the data file (*.emia), however they will not be stored in the [Enterprise Database when Exporting](#).

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.
- **Change the Tab Colour:** The default tab colour for custom sheets is orange, but this can be changed via the [Right-Click Menu](#)

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.



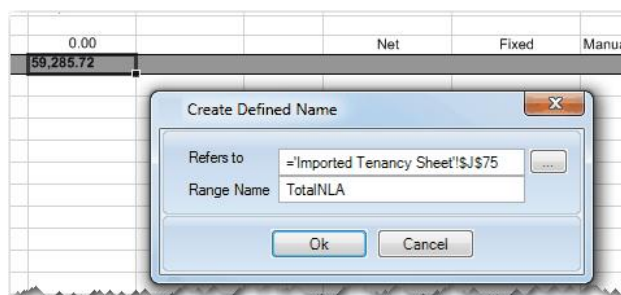
For a complete menu of all formatting available for custom sheets, click on the  button at the bottom right of the menu.

7.1 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.

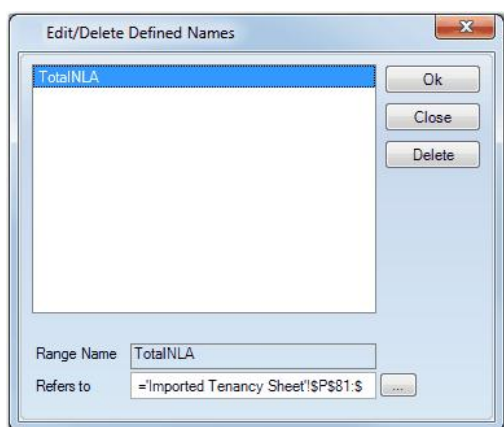
Defining a Range Name

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



Editing a Range Name

1. On the custom sheet, right-click and select 'Names > Edit'
2. A form will appear listing all the Names located on the active worksheet.
3. You can select an individual Name and either:
 - a. Click [Delete] to remove it from the worksheet. Any formulae referencing it will then become invalid and will need to be updated.
 - b. 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, EstateMaster 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.

7.2 Exporting Data to the Enterprise Database

When [exporting to the Enterprise Database](#), by default, only data on standard worksheets is exported. If there is any data on your custom worksheets that you want exported to the Enterprise Database for consolidated analysis, you can use this feature to define a single-cell that you wish to include in the export process.

Creating a Custom Database Export Range

1. On the custom sheet, select the single cell you want to export to the Enterprise Database.
2. Right-click and select 'Custom Data Export > Define'
3. A form will appear with four fields:
 - a. **Export to:** Select 'Database' option
 - b. **Description:** A unique description for the data you want to export. You cannot use the same 'Description' more than once in a file.
 - c. **Data Type:** The format of the data selected. It can either be a Date, Number, Percentage (must contain a '%' sign) or Text.
 - d. **Refers to:** This defaults to the cell address that is currently selected but can be updated to a different cell address if required.
4. Once completed, click [OK]. This will flag the cell so its value is included in the export process.

Export to: ☒ Database ☐ Word Document

Description: My Calc

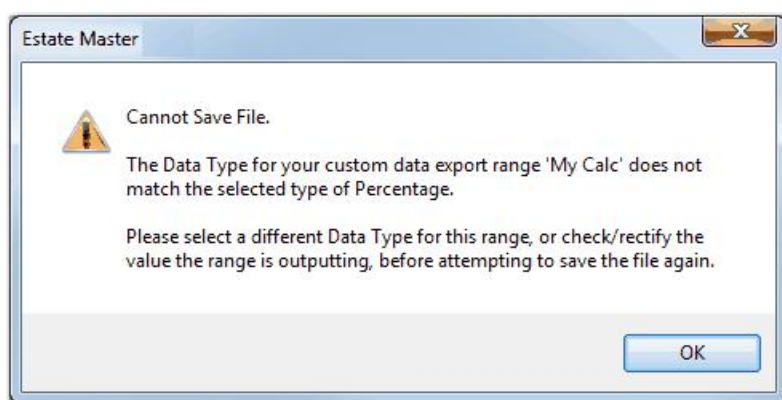
Data Type: Percentage

Refers To: =KPIs!\$G\$20

Ok Cancel

Validation Checks on File Save

Upon attempting to save a file, all custom export ranges will be validated for their data type. If it finds that there is a conflict with the Data Type selected by the user and the actual data type of the cell, a warning will appear.



Editing a Custom Database Export Range

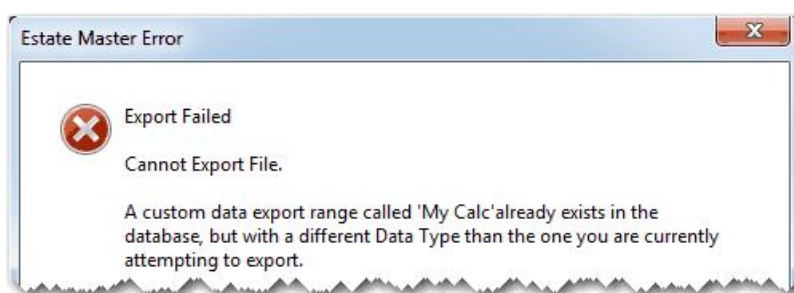
1. On the custom sheet, right-click and select 'Custom Data Export > Edit'
2. A form will appear listing all the Custom Data Export cells on the active worksheet.
3. If you select one that is used for exporting to the Database, you can either:
 - a. Click [Delete] to remove it from the worksheet and stop the data from being exported to the database (any existing data in the database will not be affected)
 - b. Edit the 'Description', 'Data Type' or 'Refers to' details.

Exporting the Data

The data on the custom sheet that has been defined using the above steps, will only be exported to the Enterprise Database when the EstateMaster IA file itself is being exported.

Validation Checks on File Export

Upon attempting to export a file to the database, all custom export ranges will be validated. If data has already been exported to the database that has the same 'Description' but different 'Data Type', a warning will appear during the export process.



Accessing Exported Data

When the file is exported to the Enterprise Database, any Custom Database Export Ranges that have been defined on custom worksheets will automatically be exported as well, updating the following tables and fields in the Enterprise Database:

Table	Field	Description
CustomDataExportRange	RangeName	A unique range name given to the cell
	RangeDescription	The description entered by the user
	DataType	The data type entered by the user
CustomDataExportRangeValue	CustomDataExportRangeID	The ID of the CustomDataExportRange record that this child record belongs to
	RangeValue	The cell value
	CashFlow ID	The ID of the Cash Flow record that this child record belongs to
	SheetName	The name of the custom sheet that the value existed on

Part

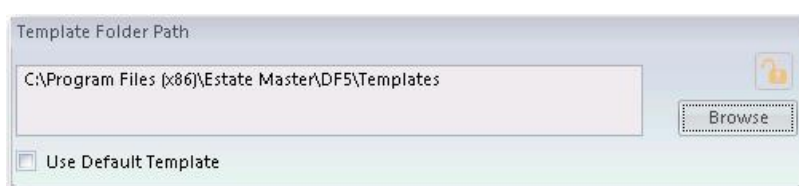


8 Application Templates

Templates are a 'sample' EstateMaster IA file that already have some inputs/preferences in place, which can be later adapted by the user (that is added/completed, removed or changed). Once a template is created, the user can save, edit and manage the result as an ordinary EstateMaster IA file in a centralised location for other users to access. EstateMaster IA templates enable the ability to bypass the initial setup and configuration time necessary to create standardised EstateMaster IA files for various uses and objectives. For example, templates can be created for different 'types' of projects (i.e. residential, commercial, retail, etc), where each may have a different format or base assumptions.

8.1 Selecting a Template Folder

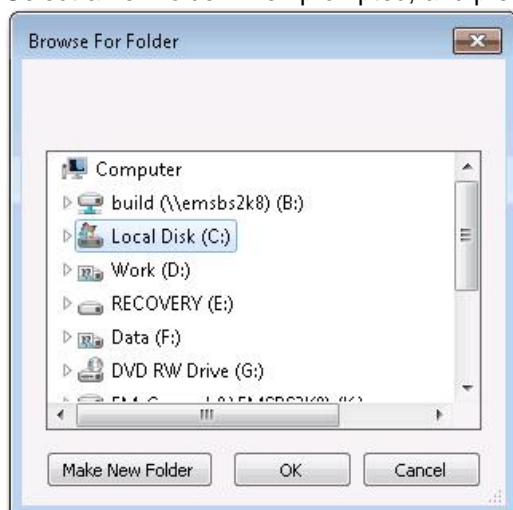
The first step that should be completed before creating any templates, is defining where they should be stored on your local machine or network. This is set in the 'Template Folder Path' [Preference](#).



By default when the application is run for the first time, this folder path will be set as **<directory where EstateMaster IA is installed>\Templates**. This may be sufficient for single standalone users, however for multi-user environments it is highly recommended that it be changed to a network location that all necessary users have access to.

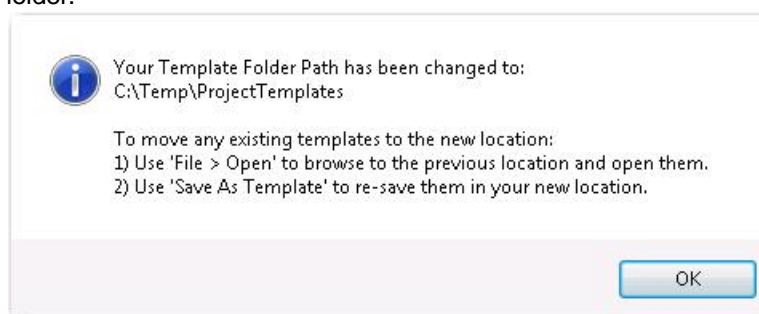
To change the location:

1. Click the 'Browse' button.
2. Select a new folder when prompted, and press 'OK' to confirm.



3. A message will appear alerting the user that the change has occurred and any templates that were stored in the original folder will need to be manually re-saved as templates in the new

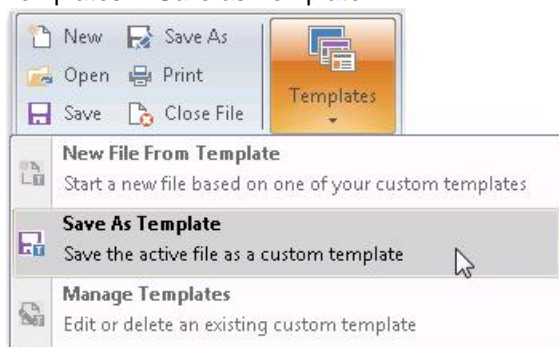
folder.



8.2 Creating a Template

A Template is just a normal EstateMaster IA file that is stored in a centralised location that can be shared and used for starting new projects. To create a template:

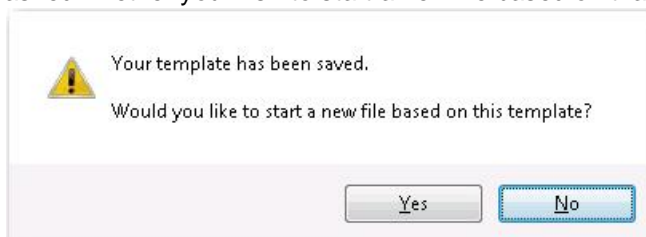
1. Start EstateMaster IA - a template can be created from scratch, or you can open an existing file to create a template from it.
2. Make the necessary adjustments to the file to start building up your template, this can include, but not limited to:
 - a. Setting preferences (taxation format, currency, calculation options, etc)
 - b. Entering inputs (base escalation rates, discount rates, chart of accounts, etc)
 - c. Inserting custom worksheets (custom calculations and/or reports)
3. Once you have completed setting up your template, in the Ribbon menu, click on File > Templates > Save as Template



4. A dialog will appear, prompting you to name the template and indicate if the template should be set as a 'default' for all new files.



5. Once you click 'Save', the file will be saved in the designated Template Folder and you will be asked whether you wish to start a new file based on that template.



- a. If 'Yes', the current template file will close, and a new file will be started, based on the newly created template.
- b. If 'No', the current template file will close.

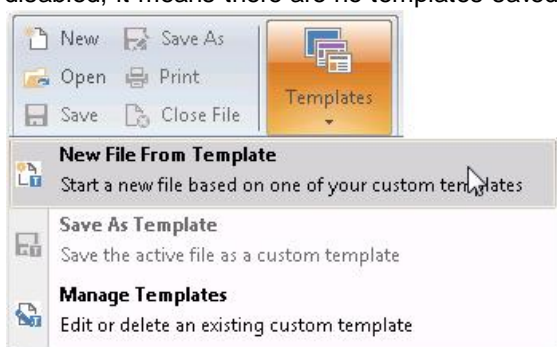
8.3 Using a Template

There are 2 ways of using a template to start a new file:

1. Using the 'New File from Template' function, or
2. Setting a Template as a 'default' so it is used every time the application is started or File-New is clicked.

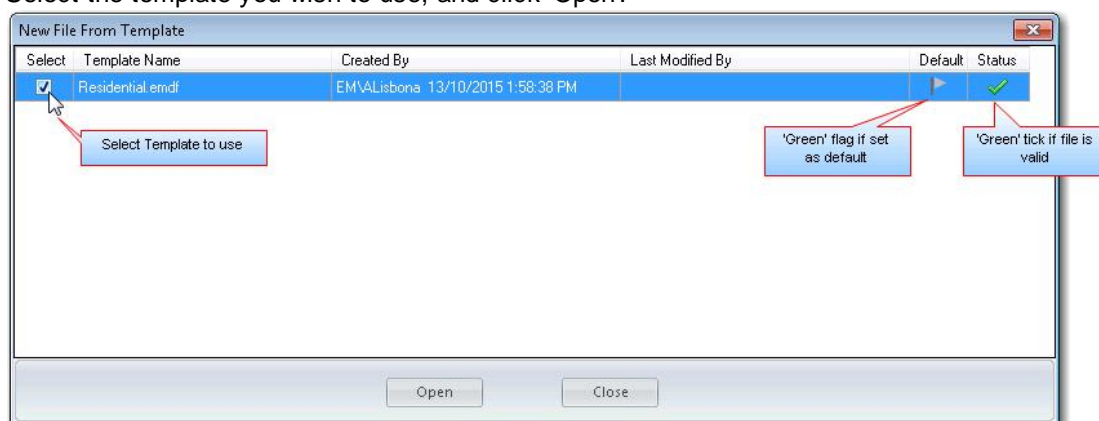
Manually Starting a New File from Template

1. In the Ribbon menu, click on File > Templates > New File from Template (Note: If this button is disabled, it means there are no templates saved in the Template Folder).



2. In the dialog that appears, it will display:
 - a. The list of templates that have been created in the designated Template Folder
 - b. When they were created and last modified, and by whom
 - c. Which template (if any) is marked as the 'default'
 - d. The status of the templates (they physically exist in the Template Folder)

Select the template you wish to use, and click 'Open'.



3. A new file will then be started, based on the selected template.

Setting and Using Default Templates

Being able to use Default Templates is a two-step process:

1. Setting a specific template as a 'Default' either when you are [creating a new template](#), or editing an existing template in the ['Manage Templates'](#) form.
2. Enabling the 'Use Default Templates' setting in the [Preference](#).

Once these step are completed, the template that is designated as the 'default' will be used when:

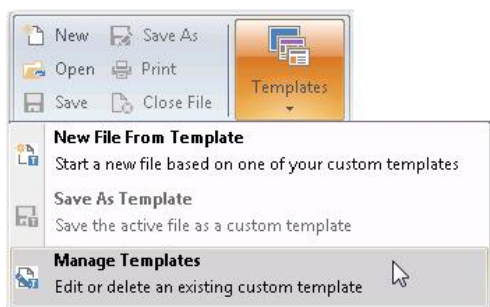
1. Each time the EstateMaster IA application is started.
2. Each time File > New is pressed in the Ribbon menu

8.4 Managing Templates

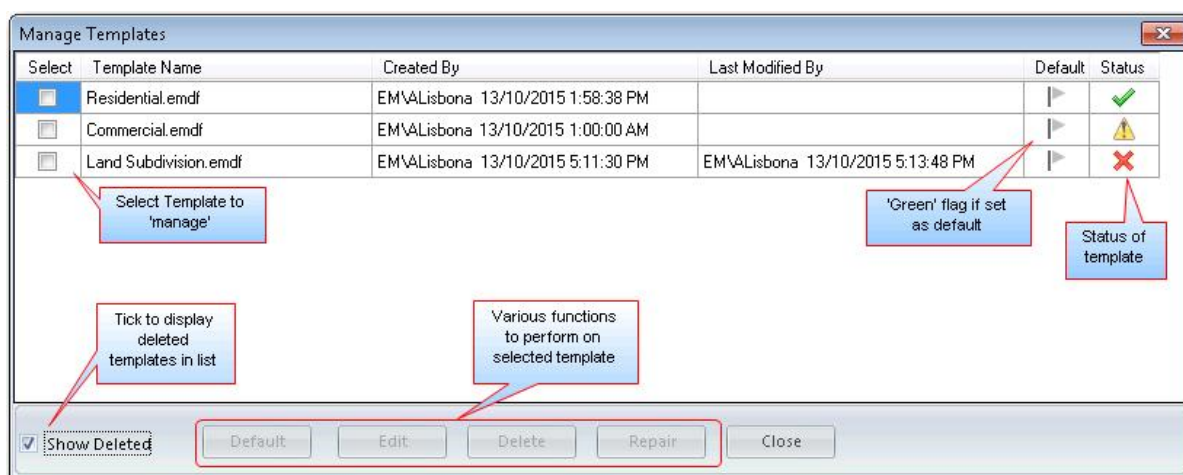
The Manage Templates function allows the user to make certain changes to their application templates, such as:

- Toggling which template is set as the 'default'
- Deleting templates permanently
- Edit a template file
- 'Repairing' and invalid template (e.g. a template that has moved from the Template Folder or has been deleted)

To load the Manage Templates function, in the Ribbon menu, click on File > Templates > Manage Templates (Note: If this button is disabled, it means there are no templates saved in the Template Folder).



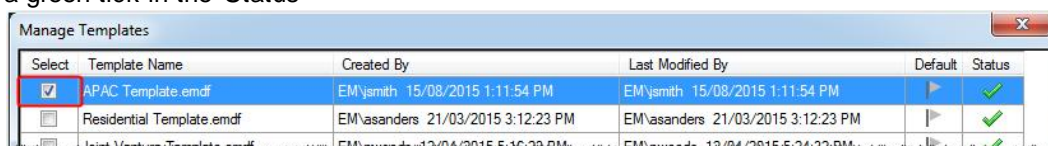
The following dialog will then appear:



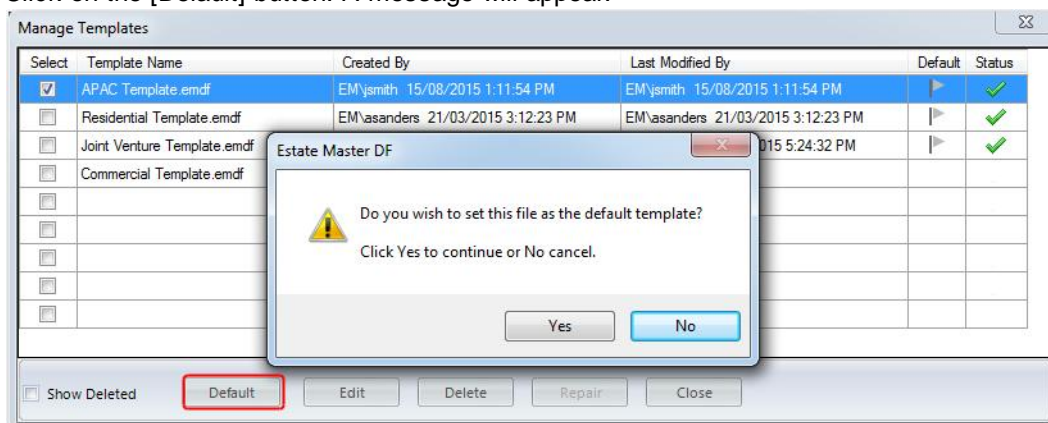
8.4.1 Setting a Default Template

To set a template as a default:

1. Select the desired template from the 'Manage Templates' form - it must be a valid template with a green tick in the 'Status'

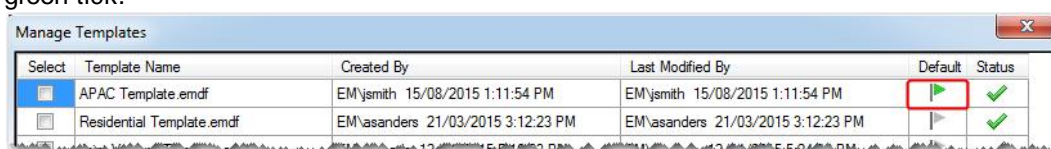


2. Click on the [Default] button. A message will appear.



3. If you click 'Yes', it will check to see if any other template is set as the default and remove it from that, before setting your selected template as the default, and changing the 'Status' to a

green tick.



Select	Template Name	Created By	Last Modified By	Default	Status
<input checked="" type="checkbox"/>	APAC Template.emdf	EM\jsmith 15/08/2015 1:11:54 PM	EM\jsmith 15/08/2015 1:11:54 PM		
<input type="checkbox"/>	Residential Template.emdf	EM\asanders 21/03/2015 3:12:23 PM	EM\asanders 21/03/2015 3:12:23 PM		

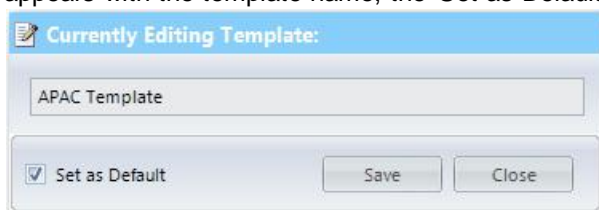
Important Note:

- Even though this process marks which template is the 'default', the 'Use Default Templates' setting in the [Preference](#) still needs to be enabled for it to be implemented.

8.4.2 Editing a Template

To set a template as a default:

1. Select the desired template from the 'Manage Templates' form - it must be a valid template with a green tick in the 'Status'.
2. Click on the [Edit] button. The template will then open in 'Edit' mode, and a floating dialog appears with the template name, the 'Set as Default' checkbox and a 'Save' and 'Close' button.



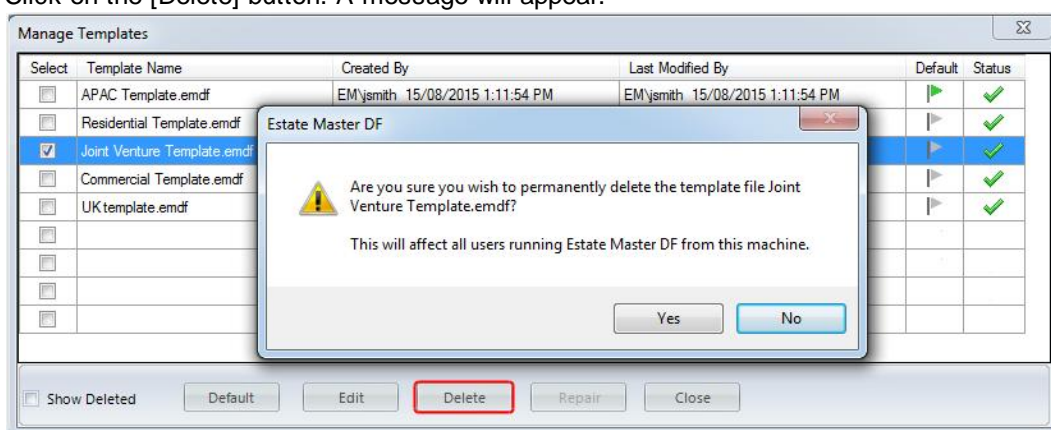
3. While the template is in 'Edit' mode, you can make all the changes to the file just like any ordinary file, except:
 - a. You cannot switch to another file window
 - b. Use the standard 'File' menu to start a new file, open an existing file, save the file or close the file.
4. Once your edits are complete, if you wish to save the changes, click 'Save' on the floating dialog. If the template name is not changed, it will overwrite the existing template, otherwise a new template will be created with the new name, and the original template will be retained

8.4.3 Deleting a Template

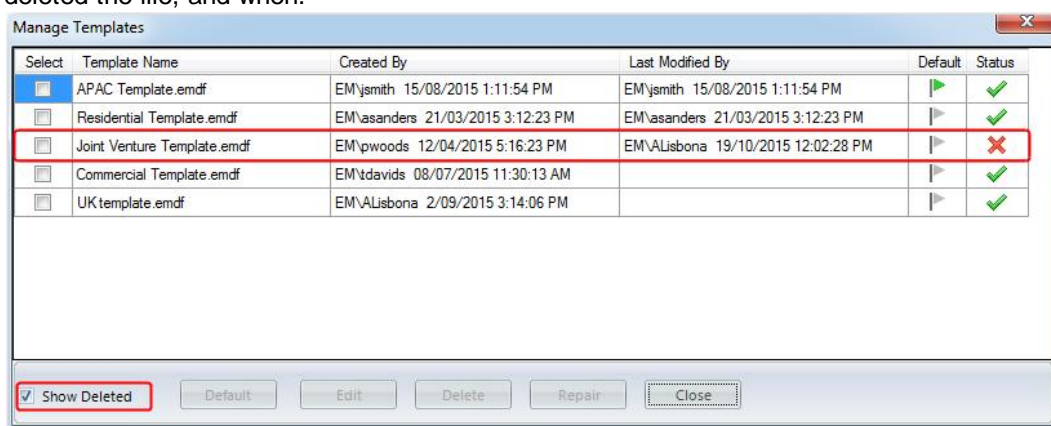
To set a template as a default:

1. Select the desired template from the 'Manage Templates' form - it must be a valid template with a green tick in the 'Status'.

- Click on the [Delete] button. A message will appear.



- If you click 'Yes', it will physically delete the file from the template folder. It will however remain in the list and can be displayed when 'Show Deleted' is ticked; it will have a red cross in the 'Status' field to indicate it has been deleted, and the 'Last Modified By' field will indicate who deleted the file, and when.



- Once a template has been deleted using this method, the only option available to it in the 'Manage Templates' function is to remove it from the list permanently or select another file for it, both via the [Repair](#) function.

Important Note:

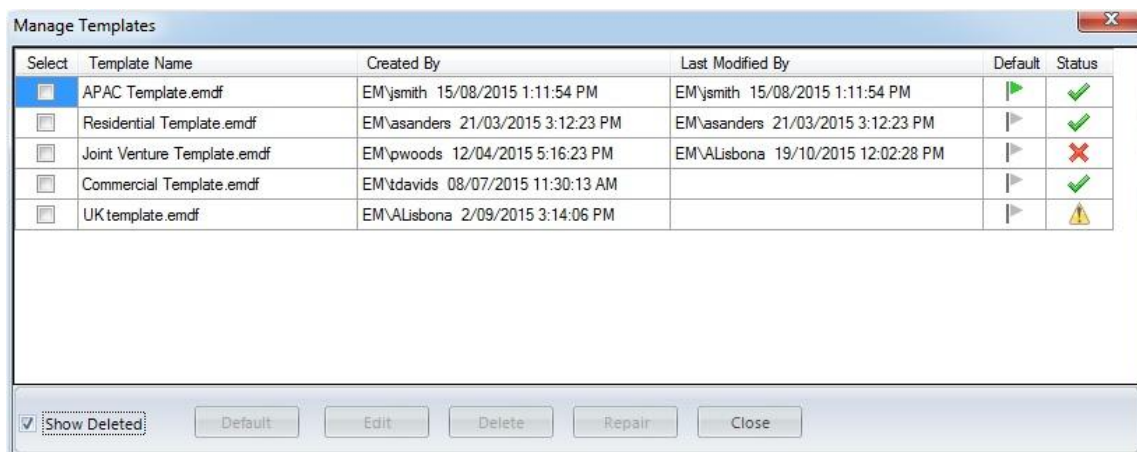
- Do not delete templates directly from the Template Folder via Windows Explorer - always use the 'Manage Templates' function to do so.
- If a template has been moved/deleted from the Template Folder via Windows Explorer, it will appear in the list marked with a warning icon in the 'Status' and it will need to be 'repaired' to either remove it from the list permanently or select another file for it.

8.4.4 Repairing Invalid Templates

An 'invalid' template is:

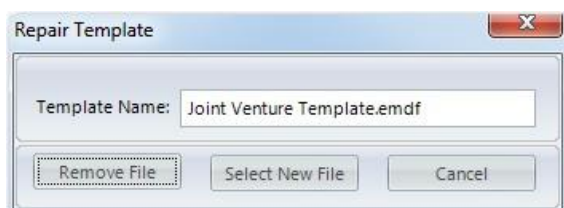
✗ A template that has been deleted using the 'Delete' function in the Manage Templates form (these will appear when the 'Show Deleted' option is ticked, or

⚠ A template that was originally created, but can no longer be found by the EstateMaster IA application. This could have been caused by the template file being manually moved or deleted by a user via Windows Explorer.



When an 'invalid' template is selected in the 'Manage Templates' form, the [Repair] button will be enabled. If this is clicked, the following options will be available for that template:

- **Remove File:** Permanently remove the template details from the 'Manage Templates' listing.
- **Select New File:** Browse for another EstateMaster IA file to act as the selected template. If the file chosen has a different name than the invalid template being 'repaired', then it will be automatically renamed to match the original template name.



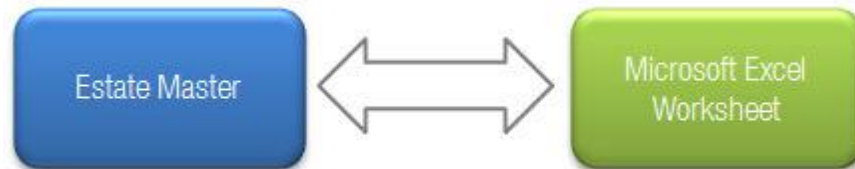
Part

IX

9 Integration with Microsoft Excel and Word

9.1 Linking to Excel Files

Just like in Excel, you can use this feature to either create a formula in EstateMaster IA 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 EstateMaster file (an 'Outgoing' link).



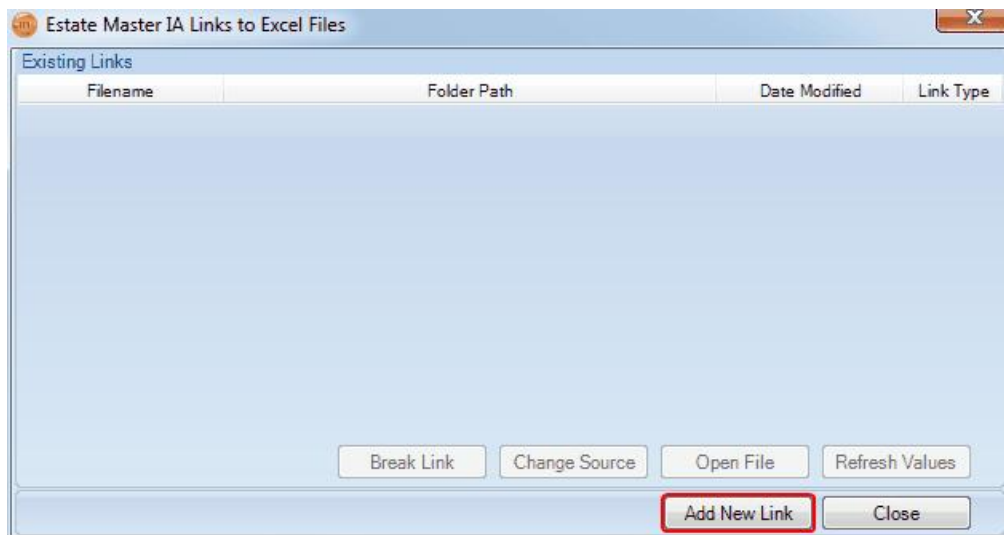
Creating an Excel Link

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

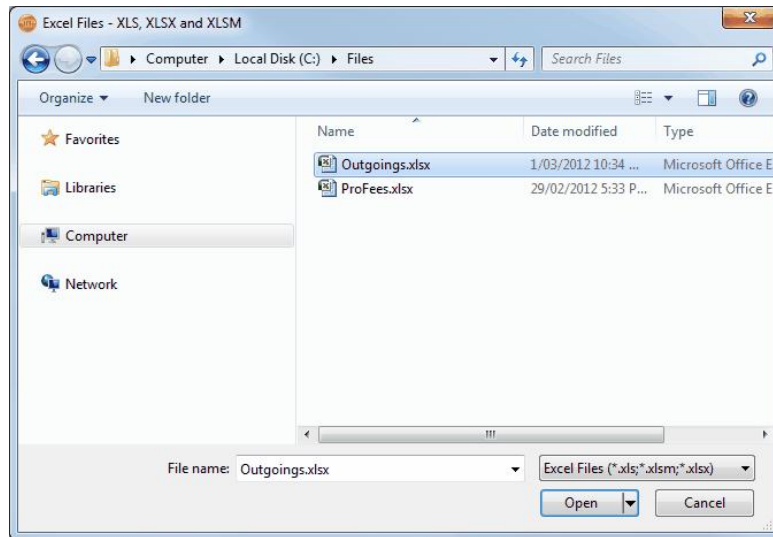


2. A dialog will appear. Click on the [Add New Link] button.

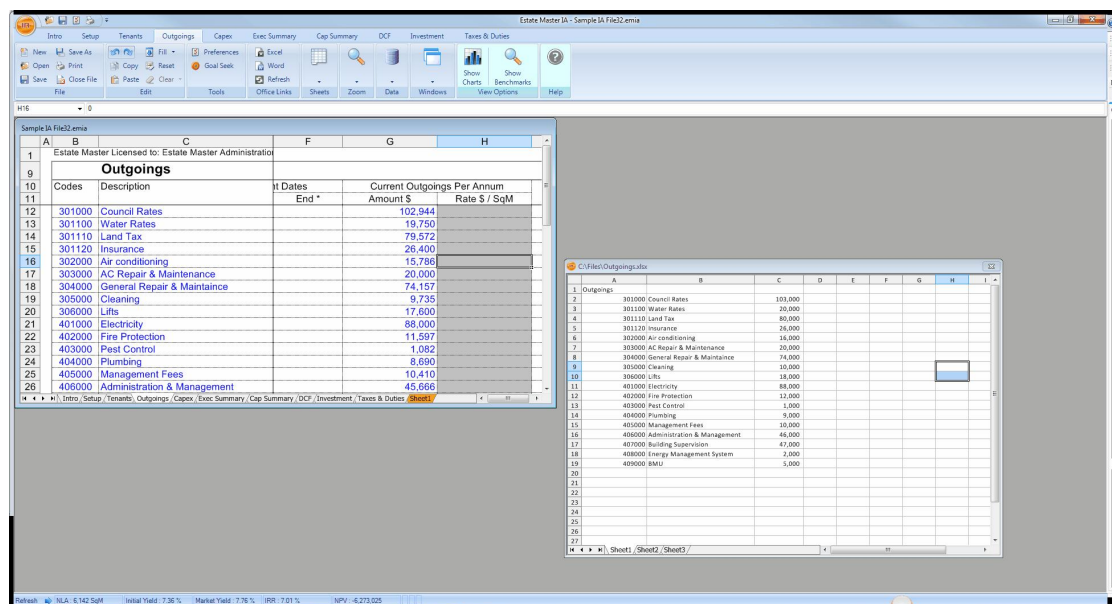
Please Note: Only 1 EstateMaster IA window (i.e file) can be open when loading an external Excel file. If there are multiple EstateMaster IA windows open in the application, it will prompt you to close down the other windows before trying to add a new link.



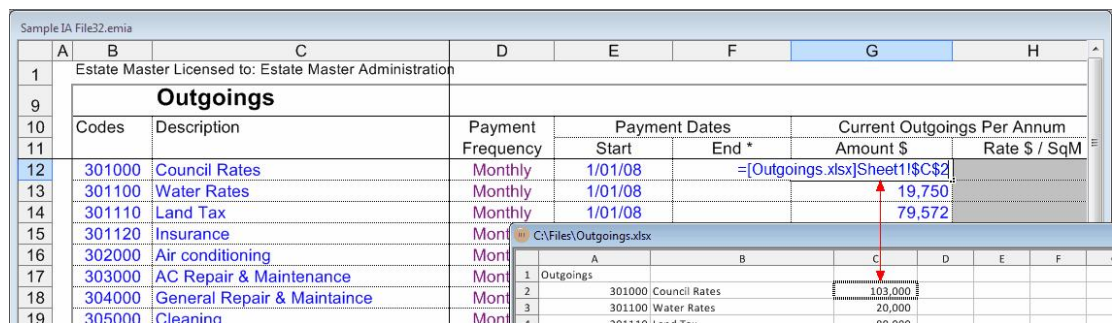
- Browse to the Excel file you want to open and create links with. Select the file and press [Open].



- The EstateMaster IA application window will re-adjust to show the EstateMaster IA file and Excel file as individual cascading windows.



- 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.

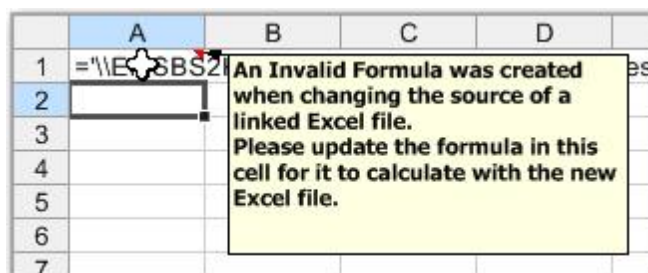


7. If any changes were made to the Excel file, it will ask you if you want to save these changes before closing the file.

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).

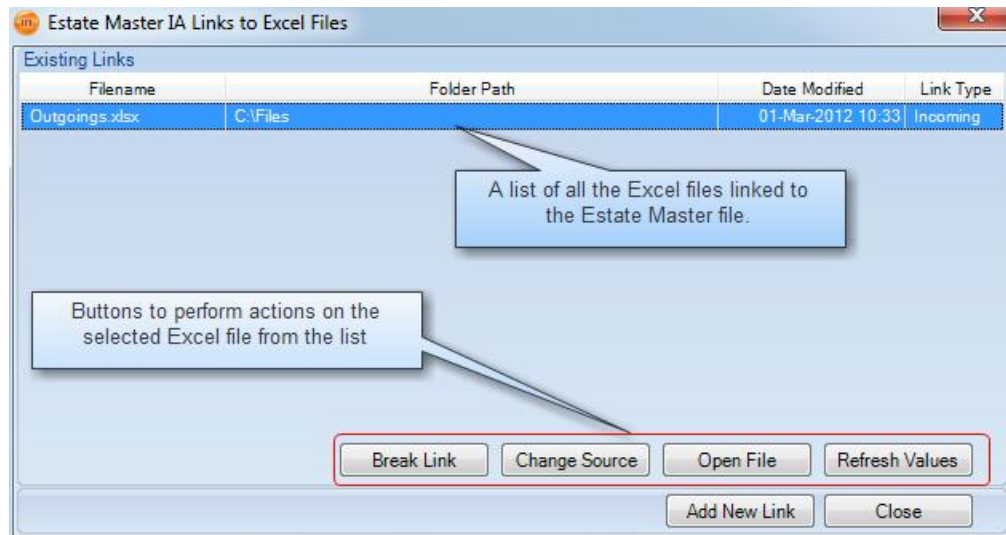
8. At any time you can click on the [Excel] button in the 'Office Links' menu to reload the dialog where you can:
- View a list of all files linking to the EstateMaster IA file, where they are located and whether they have Incoming, Outgoing or multi-directional links.
 - Click **[Break Link]**, to remove the selected Excel file from being linked to the EstateMaster IA files. After the file is saved and re-opened, any formulas in the EstateMaster IA 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.

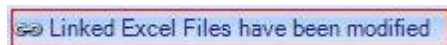


Example showing a red cell comment where an invalid formula was created as a result of a 'Change Source'

- 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.



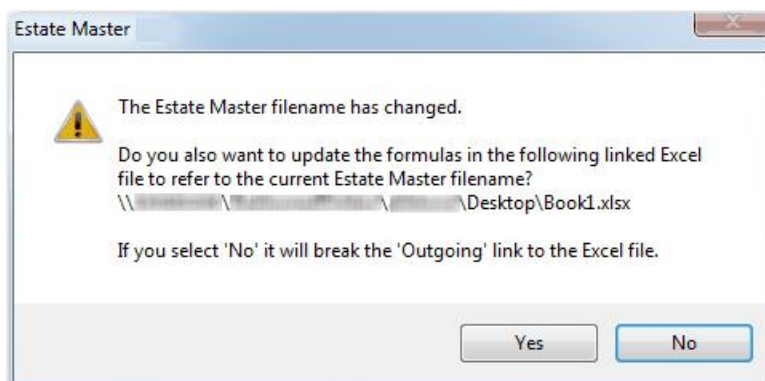
9. If there are an external Excel files that have 'Incoming' links (i.e. there is a formula in the EstateMaster IA file that is referencing the Excel file), a warning will appear in the Status bar if the program has detected that the Excel file has been modified since the last refresh. Clicking this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



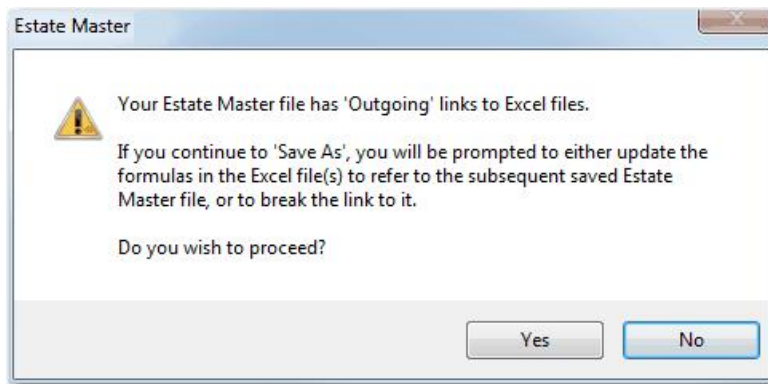
Renaming or Moving EstateMaster IA Files

If you create a formula in an external Excel file that is referencing the EstateMaster IA file (i.e. an 'Outgoing' link), the formula will contain the full path and file name of that EstateMaster IA file. Therefore if the EstateMaster IA 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 EstateMaster IA file.
2. **During Office Links > Excel > 'Refresh Values' or 'Open File':** If it has detected that the EstateMaster IA file has been renamed/moved (most likely via Windows Explorer) since the 'Outgoing' link was made to an Excel file, the user will be asked whether they wish to update the linked Excel files so any formulae now refer to the new one, or to break the link.



3. **During File Save:** As soon as the 'Save As' button is clicked, the user will be warned that the EstateMaster IA file has 'Outgoing' links and if they continue with the 'Save As' and they change the file name and/or path, they will be prompted to either update the formulae in the linked Excel file(s) or break the link.



Using Square Brackets in File Names and Folders

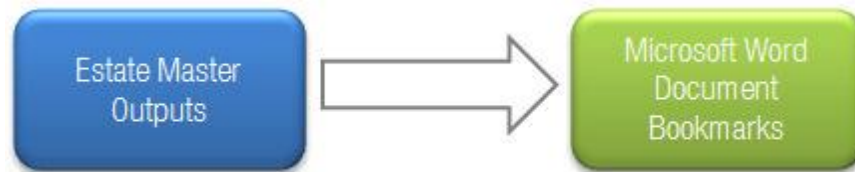
Formula links reserve the use of square brackets [] in its syntax to enclose the source file, for example =SUM([Budget.xls]Annual!C10:C25). Therefore you cannot use these characters in the path to that source file, or in the file name itself. This applies to the Excel files used in an 'Incoming Link' to create a formula in EstateMaster IA and also in EstateMaster IA files used in an 'Outgoing Link' to create a formula in an Excel file.

Important Notes:

- If a user opens an EstateMaster IA file that already had an 'Incoming' link to an Excel file that contained [and/or] in its file name or path (applies to previous versions of EstateMaster IA) , then when it is next opened only values will be loaded into the input cells, not formulae.
- If an EstateMaster IA file contains [and/or] in its file name or path, then the user will not be able to create any Excel Links at all.
- If an Excel file contains [and/or] in its file name or path, then the user will not be able to create any links to it.
- If the user attempts to save an EstateMaster IA file with a file name or to a file path contains [and/or], they will not be able to.

9.2 Linking to Word Files

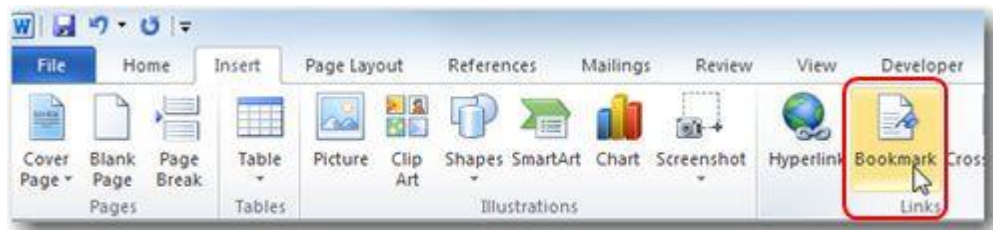
This feature allows you to populate fields in a Word document with data from an EstateMaster IA file. This is done by selecting from a list of predefined EstateMaster IA outputs and linking them to a Word document that contains the required Bookmarks. A Bookmark is a feature in Word that identifies a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



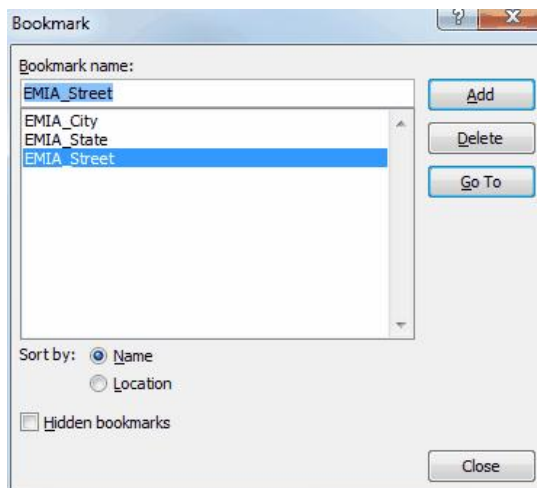
Creating Bookmarks in your Word Document

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 EstateMaster IA outputs are available and their corresponding Bookmark.

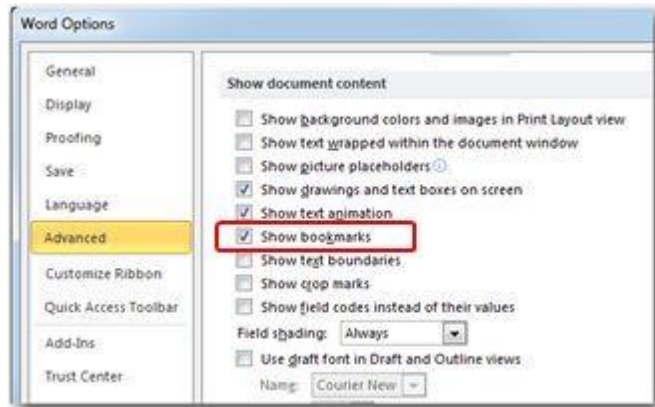
1. Open the document in Word.
2. Select a location, or highlight the text you wish to turn into a Bookmark.



3. Based on the EstateMaster IA 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 'Street Address' from the EstateMaster IA file, the name of EMDM_Street 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'



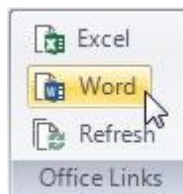
5. When selected, it will identify Bookmarks in the document with square brackets.



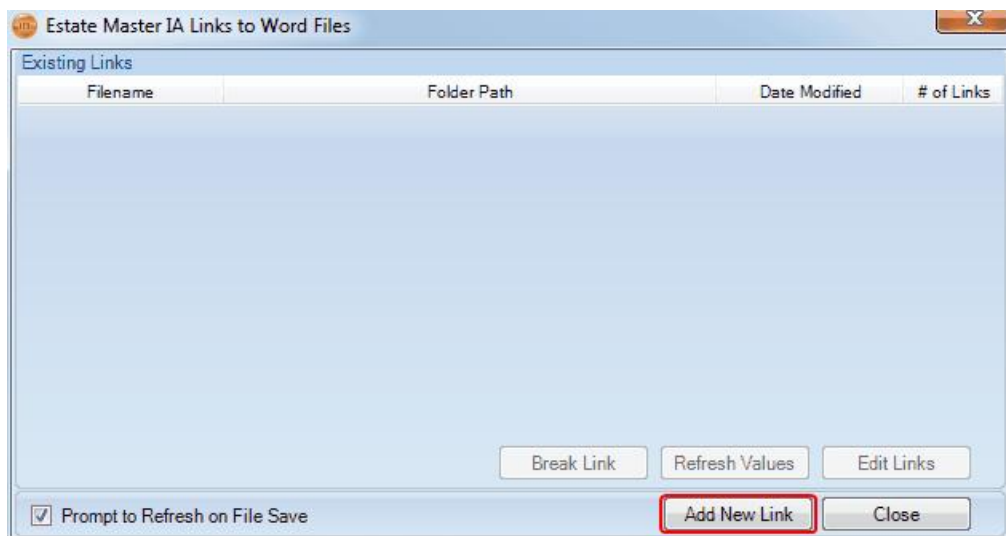
6. Once the Bookmarks have been created in the document, save and close the file.

Setting up a Link to the Word Document

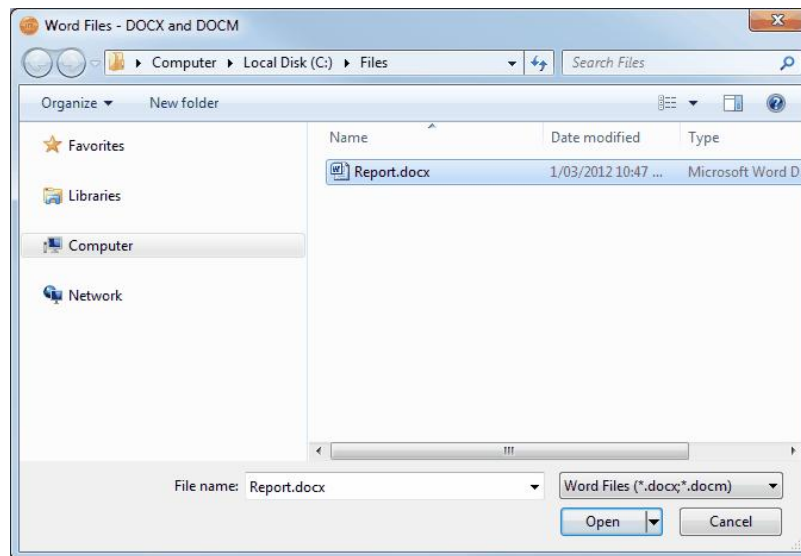
1. Click on the [Word] button in the 'Office Links' menu.



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 EstateMaster IA outputs that can be linked to a Word document, what section they belong to in the EstateMaster IA 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.

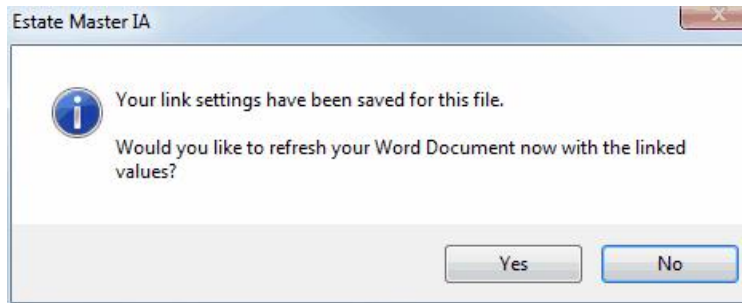
- If it does exist (green tick ✓), you can select so the Word file is updated with that EstateMaster IA output. By default, when a new Word document is linked to an EstateMaster IA file, all Bookmarks that exist in such document will be automatically selected when this dialog loads.
- If it doesn't exist (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.

Select	Section	Output	Bookmark	Status
<input type="checkbox"/>	Introduction	Project Number	EMIA_ProjNo	✗
<input type="checkbox"/>		Project	EMIA_Proj	✗
<input type="checkbox"/>		Property	EMIA_Prop	✗
<input type="checkbox"/>		Property Owner	EMIA_Powner	✗
<input type="checkbox"/>		Type	EMIA_Type	✗
<input checked="" type="checkbox"/>		Street Address	EMIA_Street	✓
<input checked="" type="checkbox"/>		City/Suburb	EMIA_City	✓
<input checked="" type="checkbox"/>		State/Country	EMIA_State	✓
<input type="checkbox"/>	Valuation Summary	Zip/Post Code	EMIA_PCode	✗
<input type="checkbox"/>		Country	EMIA_Ctry	✗
<input type="checkbox"/>		Adopted Valuation	EMIA_ValAdopt	✗
<input type="checkbox"/>		Adopted Valuation (Words)	EMIA_ValAdoptWords	✗
<input type="checkbox"/>		Interest Valued	EMIA_IntValued	✗
<input type="checkbox"/>		Valuation Date	EMIA_ValDate	✗
<input type="checkbox"/>		Title Details	EMIA_TitleDet	✗
<input type="checkbox"/>		Purpose of Valuation	EMIA_ValPurp	✗
<input type="checkbox"/>		Instructions	EMIA_Vallnst	✗
<input type="checkbox"/>		Prepared By	EMIA_PrepBy	✗
<input type="checkbox"/>	Prepared For	EMIA_PrepFor	✗	
<input type="checkbox"/>	Status	EMIA_Status	✗	
<input type="checkbox"/>	Tenant Analysis	Net Lettable Area	EMIA_NLA	✗

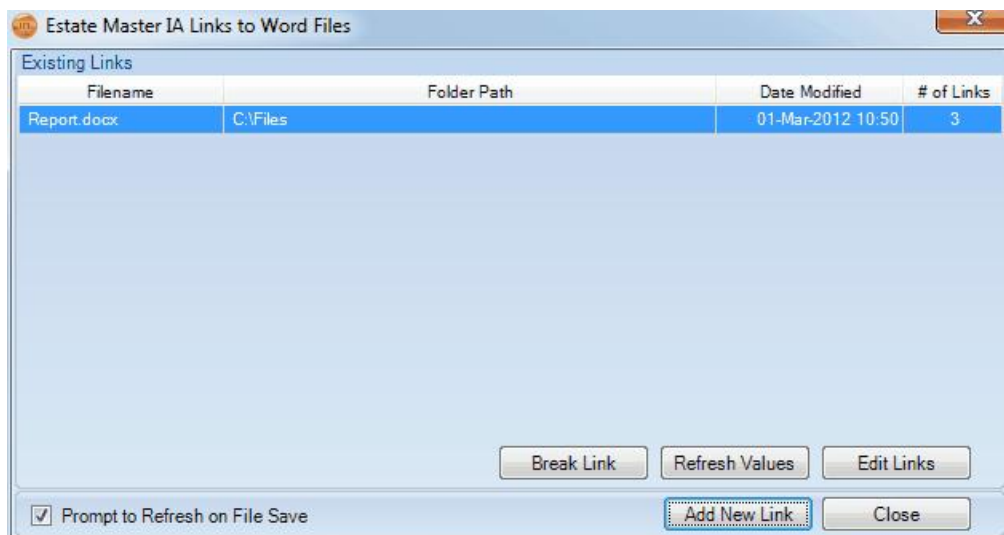
Save Links

Close

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 EstateMaster IA 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 EstateMaster IA 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 to ensure that the Word document always has the latest results.



9.2.1 Word Bookmarks Directory

This is a list of the outputs from EstateMaster IA, and their relative Bookmark name, that can be used to populate Word documents.

Output Description	Range / Bookmark
Introduction	
Project Number	EMIA_ProjNo
Project	EMIA_Proj
Property	EMIA_Prop
Property Owner	EMIA_Powner
Type	EMIA_Type
Street Address	EMIA_Street
City/Suburb	EMIA_City
State/County	EMIA_State
Zip/Post Code	EMIA_PCode
Country	EMIA_Ctry
Valuation Summary	
Adopted Valuation	EMIA_ValAdopt
Adopted Valuation (Words)	EMIA_ValAdoptWords
Interest Valued	EMIA_IntValued
Valuation Date	EMIA_ValDate
Title Details	EMIA_TitleDet
Purpose of Valuation	EMIA_ValPurp
Instructions	EMIA_ValInst
Prepared By	EMIA_PrepBy
Prepared For	EMIA_PrepFor
Status	EMIA_Status
Tenant Analysis	
Net Lettable Area	EMIA_NLA
Car Spaces	EMIA_Cars
Weighted Lease Duration - By Area	EMIA_WLD_Area
Weighted Lease Duration - By Income	EMIA_WLD_Inc
Vacant Area	EMIA_VacArea
Number of Tenancies (exc Car Parking)	EMIA_NumTenancies
Number of Tenants (exc Car Parking)	EMIA_NumTenants
Gross Rental Range - 1st Top Use by Area	EMIA_TopUse1
Gross Rental Range - 2nd Top Use by Area	EMIA_TopUse2
Gross Rental Range - Passing - 1st Top Use	EMIA_RgePassing1
Gross Rental Range - Passing - 2nd Top Use	EMIA_RgePassing2
Gross Rental Range - Passing - Other Uses	EMIA_RgePassingOth
Gross Rental Range - Market - 1st Top Use	EMIA_RgeMarket1
Gross Rental Range - Market - 2nd Top Use	EMIA_RgeMarket2
Gross Rental Range - Market - Other Uses	EMIA_RgeMarketOth
Current Turnover Rent (p.a)	EMIA_TurnRent
Current Effective Rent (p.a)	EMIA_EffRent
Current Gross Passing Income (p.a)	EMIA_GPassInc
Current Gross Income Fully Leased (p.a)	EMIA_GPassIncFL
Current Gross Market Income (p.a)	EMIA_GMrktInc
Current Net Operating Income (p.a)	EMIA_NOI
Outgoings and Capex	
Total Outgoings	EMIA_TotOG
Total Outgoing per NLA	EMIA_TotOGNLA
Total Recoverables	EMIA_TotRecov
Total Non-Recoverables	EMIA_TotNonRecov
Outgoings in first 12 months	EMIA_Yr1OG
Recoverables in first 12 months	EMIA_Yr1Recov
Non-Recoverables in first 12 months	EMIA_Yr1NonRecov
Capital Expenditure	EMIA_Capex
Total Capital Expenditure per NLA	EMIA_CapexNLA
Capitalisation Valuation	
Net Income for Capitalisation - Passing Income	EMIA_NetIncPassInc
Net Income for Capitalisation - Current Income Fully Leased	EMIA_NetIncPassIncFL
Net Income for Capitalisation - Net Market	EMIA_NetIncMrktInc
Net Income for Capitalisation - Reversionary Market	EMIA_NetIncMrktRev
Post Capitalisation Adjustments - Passing Income	EMIA_AdjustPassInc
Post Capitalisation Adjustments - Current Income Fully Leased	EMIA_AdjustPassIncFL
Post Capitalisation Adjustments - Net Market	EMIA_AdjustMrktInc

Post Capitalisation Adjustments - Reversionary Market	EMIA_AdjustMktRev
Average Core Cap Rate - Passing Income	EMIA_CapRatePassInc
Average Core Cap Rate - Current Income Fully Leased	EMIA_CapRatePassIncFL
Average Core Cap Rate - Net Market	EMIA_CapRateMktInc
Average Core Cap Rate - Reversionary Market	EMIA_CapRateMktRev
Cap Rate - Other Income	EMIA_CapRateOth
Cap Value - Passing Income	EMIA_CapValPassInc
Cap Value - Current Income Fully Leased	EMIA_CapValPassIncFL
Cap Value - Net Market	EMIA_CapValMktInc
Cap Value - Reversionary Market	EMIA_CapValMktRev
Adopted Capitalisation - Method	EMIA_AdoptCapMethod
Adopted Capitalisation – Net Income for Capitalisation	EMIA_AdoptCapIncome
Adopted Capitalisation – Value (inc Adjustments)	EMIA_AdoptCapValue
Adopted Capitalisation – Value (exc Adjustments)	EMIA_AdoptCapValueExcAdj
Adopted Capitalisation – Average Core Cap Rate	EMIA_AdoptCapRateCore
Initial Yield - on Cap Value	EMIA_IniYld_Cap
Initial Yield (Fully Leased) - on Cap Value	EMIA_IniYldFL_Cap
Reversionary Yield - on Cap Value	EMIA_RevYld_Cap
Equivalent Yield - on Cap Value	EMIA_EquYld_Cap
Initial Yield - on DCF Value	EMIA_IniYld_DCF
Initial Yield (Fully Leased) - on DCF Value	EMIA_IniYldFL_DCF
Reversionary Yield - on DCF Value	EMIA_RevYld_DCF
Equivalent Yield - on DCF Value	EMIA_EquYld_DCF
Initial Yield - on Adopted Value	EMIA_IniYld_Val
Initial Yield (Fully Leased) - on Adopted Value	EMIA_IniYldFL_Val
Reversionary Yield - on Adopted Value	EMIA_RevYld_Val
Equivalent Yield - on Adopted Value	EMIA_EquYld_Val
Sensitivity – Lo Cap Rate Variation Rate	EMIA_SensCapLo
Sensitivity – Mid Cap Rate Variation Rate	EMIA_SensCapMid
Sensitivity – Hi Cap Rate Variation Rate	EMIA_SensCapHi
Sensitivity – Lo Cap Rate Variation Cap Value	EMIA_SensCapValLo
Sensitivity – Mid Cap Rate Variation Cap Value	EMIA_SensCapValMid
Sensitivity – Hi Cap Rate Variation Cap Value	EMIA_SensCapValHi
DCF Valuation	
Nominated Purchase Price	EMIA_NomPrice
Acquisition Date	EMIA_AcqDate
Acquisition Costs	EMIA_AcqCosts
Prepaid Outgoings on Purchase	EMIA_PrepaidOG
Terminal Cap Value	EMIA_TerminalVal
PV of Terminal Cap Value	EMIA_TerminalValPV
Terminal Cap Rate - Core Income	EMIA_TermCap_Core
Terminal Cap Rate - Other Income	EMIA_TermCap_Oth
Disposal Date	EMIA_SellDate
Selling Costs	EMIA_SellCosts
Reimbursement of Outgoings on Sale	EMIA_ReimbOG
Property's NPV	EMIA_NPV
Discount Rate	EMIA_DiscRate
IRR	EMIA_IRR
Sensitivity – Lo Discount Rate Variation Rate	EMIA_SensDiscLo
Sensitivity – Mid Discount Rate Variation Rate	EMIA_SensDiscMid
Sensitivity – Hi Discount Rate Variation Rate	EMIA_SensDiscLHi
Sensitivity – Lo Terminal Cap Rate Variation Rate	EMIA_SensTermLo
Sensitivity – Mid Terminal Cap Rate Variation Rate	EMIA_SensTermMid
Sensitivity – Hi Terminal Cap Rate Variation Rate	EMIA_SensTermHi
Sensitivity – Lo Discount Lo Terminal Cap Rate	EMIA_SensLoDiscLoTerm
Sensitivity – Lo Discount Mid Terminal Cap Rate	EMIA_SensLoDiscMidTerm
Sensitivity – Lo Discount Hi Terminal Cap Rate	EMIA_SensLoDiscHiTerm
Sensitivity – Mid Discount Lo Terminal Cap Rate	EMIA_SensMidDiscLoTerm
Sensitivity – Mid Discount Mid Terminal Cap Rate	EMIA_SensMidDiscMidTerm
Sensitivity – Mid Discount Hi Terminal Cap Rate	EMIA_SensMidDiscHiTerm
Sensitivity – Hi Discount Lo Terminal Cap Rate	EMIA_SensHiDiscLoTerm
Sensitivity – Hi Discount Mid Terminal Cap Rate	EMIA_SensHiDiscMidTerm
Sensitivity – Hi Discount Hi Terminal Cap Rate	EMIA_SensHiDiscHiTerm
Returns on Funds Invested - Loan 1	
Funds Invested (Cash Outlay)	EMIA_L1_Funds
Interest Charged	EMIA_L1_Int
Loan Fees Charged	EMIA_L1_Fees
Total Profit to Funder	EMIA_L1_Prof
Loan to Value Ratio	EMIA_L1_LVR

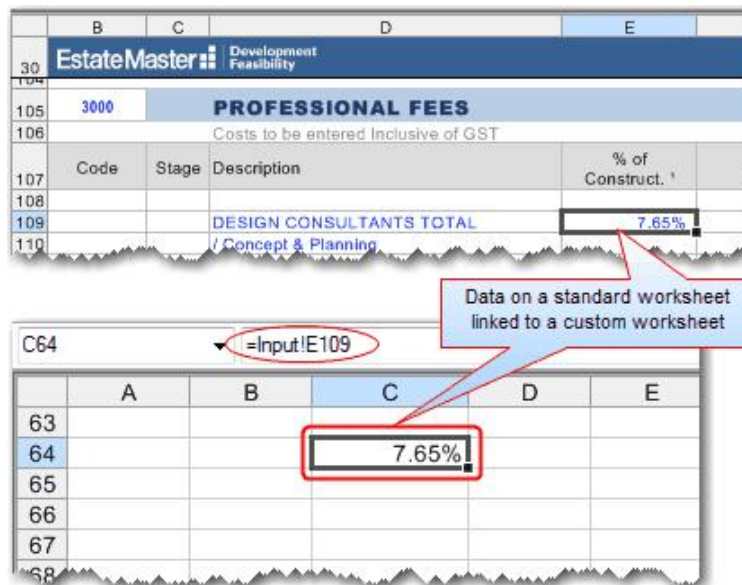
IRR on Funds Invested	EMIA_L1_IRR
Interest Coverage Ratio	EMIA_L1_ICR
Debt Service Ratio	EMIA_L1_DSR
Returns on Funds Invested - Loan 2	
Funds Invested (Cash Outlay)	EMIA_L2_Funds
Interest Charged	EMIA_L2_Int
Loan Fees Charged	EMIA_L2_Fees
Total Profit to Funder	EMIA_L2_Prof
Loan to Value Ratio	EMIA_L2_LVR
IRR on Funds Invested	EMIA_L2_IRR
Interest Coverage Ratio	EMIA_L2_ICR
Debt Service Ratio	EMIA_L2_DSR
Returns on Funds Invested - Loan 3	
Funds Invested (Cash Outlay)	EMIA_L3_Funds
Interest Charged	EMIA_L3_Int
Loan Fees Charged	EMIA_L3_Fees
Total Profit to Funder	EMIA_L3_Prof
Loan to Value Ratio	EMIA_L3_LVR
IRR on Funds Invested	EMIA_L3_IRR
Interest Coverage Ratio	EMIA_L3_ICR
Debt Service Ratio	EMIA_L3_DSR
Returns on Funds Invested - Total Debt	
Interest Coverage Ratio	EMIA_Debt_ICR
Debt Service Ratio	EMIA_Debt_DSR
IRR on Funds Invested	EMIA_Debt_IRR
Returns on Funds Invested - Managed Funds	
Management Fee Rate	EMIA_MgmtFeeRate
Total Management Fees	EMIA_TotMgmtFees
Total Other Fees	EMIA_TotOthFees
Target Distribution Rate	EMIA_DistRate
Total Distributions	EMIA_TotDist
Interest Rate on Working Capital	EMIA_IntWorkCapRte
Total Interest on Working Capital	EMIA_TotIntWorkCap
IRR on Investor's Cash Flow	EMIA_IRR_Invest
NPV	EMIA_NPV_Invest
Discount Rate	EMIA_DiscRate_Invest

9.2.2 Creating Custom Bookmarks

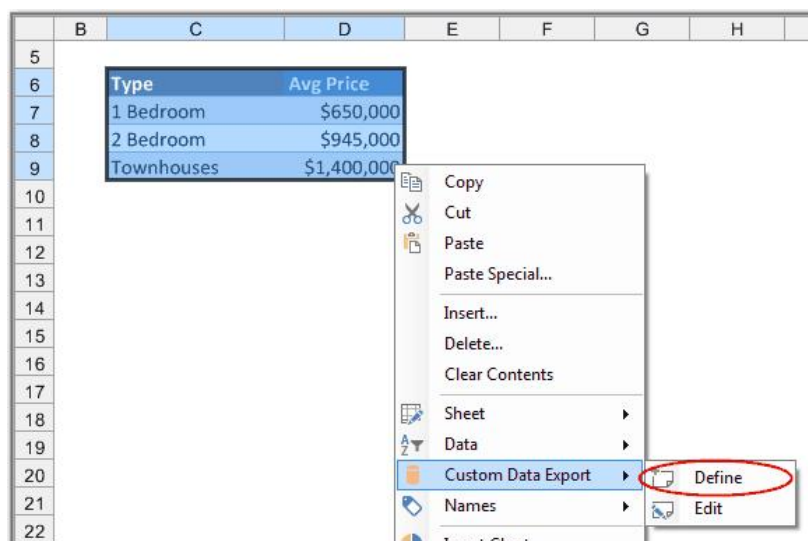
If there is data in the EstateMaster IA file that is not listed in the standard [Word Bookmarks Directory](#), and you wish to have it linked to a Word Document, you can use the Custom Data Export feature to define this data and have it selectable in a 'Custom' Word Bookmarks Directory. This makes the amount of EstateMaster IA file data being able to be linked to a Word Document almost endless.

Data (Values, Tables, Reports, etc)

1. If the data exists on a standard EstateMaster IA worksheet, you will need to first link it on a custom worksheet, including any formatting you want to apply to it. If the data does not exist anywhere yet (i.e. a custom calculation), prepare it on a custom worksheet.



2. Once the formatted data is on a custom worksheet, use the Custom Data Export feature to define the cell or range of cells that you wish to assign a custom bookmark to, and give it a Description.



3. The Bookmark that will be assigned to it will be **EM_<Product Initials>_C_<Description with underscores replacing spaces>**

Dynamic Table Data

In-built into the functionality of exporting tabular (multi-cell) data to a linked Word Document, is a feature where any blank rows or columns in a defined range of cells is automatically hidden before the table is exported to Word, and then unhidden back to its original state after the process is completed. This allows the user to create tables that dynamically expand/contract based on the data they have calculated/entered in them.

The feature works by searching the cell contents of each cell for each row and column; if an entire row/column has no values in the cells (including formulas which may return an 'empty' value), then it is hidden from the final output that is exported to Word. Therefore, if you wish to intentionally have an empty row/column included in the export, just ensure that at least one cell in that row/column has any value in it - if you do not want this visible, then change the font colour to the same as the cell background.

To take advantage of this feature, ensure that any formulas return an empty result (i.e. "") instead of a Zero value (i.e. "0") in all cells in the row/column if you want it hidden.

Display in Custom Worksheet

Land Sales Schedule				
Lot #	Stage	Lot Size Sq.m	Frontage	Depth
1	1A	800	20.00	40.00
2	1A	800	20.00	40.00
3	1A	800	20.00	40.00
4	1A	800	20.00	40.00
5	1A	800	20.00	40.00
5		4,000	100	200
		800.00	20.00	40.00

Any empty rows/column will be hidden when exported to Word.

Ensure any formulas return an empty result (i.e. "") instead of a Zero value (i.e. "0") if you want it hidden.

Final Output to Word

Land Sales Schedule				
Lot #	Stage	Lot Size Sq.m	Frontage	Depth
1	1A	800	20.00	40.00
2	1A	800	20.00	40.00
3	1A	800	20.00	40.00
4	1A	800	20.00	40.00
5	1A	800	20.00	40.00
5		4,000	100	200
		800.00	20.00	40.00

Charts

1. If there are any Charts on a custom worksheet, these will automatically have the following Bookmark assigned to it: **EM_<Product Initials>_C_<Chart Title with underscores replacing spaces and special characters removed>**.
2. Since the program uses the Chart Title for the Bookmark Name, it is important to ensure that Charts on custom worksheets are all given unique Titles, and are not left blank.

Linking to a Custom Bookmark

The custom Bookmarks created will be selectable on the 'Custom' tab, when editing links for a particular linked Word Document. When exporting the data to the Word Document during a 'refresh':

- Single-cell Data will data will be exported as a text value.
- Multi-cell Data will be exported as an image.
- Charts will be exported as an image.

Standard		Custom			
	Worksheet	Custom Data Description	Type	Bookmark	Status
<input checked="" type="checkbox"/>	MyReport	Summary Table	Table	EMDF_C_Summary_Table	✓
<input checked="" type="checkbox"/>		Average Price Trend	Chart	EMDF_C_Average_Price_Trend	✓
<input type="checkbox"/>		*50% JV with 10% Return to Land Owner (Opti	Chart	EMDF_C_50_JV_with_10_Return_to_Land_Owne	✗

Part



10 Valuation and Investment Reporting

There are numerous valuation and investment reports that are generated from inputting data in the EstateMaster IA program, and all may be viewed and printed.

10.1 Executive Summary

The Executive Summary displays all key information at a glance. It also includes functions for:

- Changing the Adopted Valuation figure; and
- Sensitivity Analysis for the Capitalisation and DCF approaches.

EXECUTIVE SUMMARY

Property: Beta Villa Tower
Address: 112 Riverside Street, D40001 MUM
Property Type: Commercial
Net Lettable Area: 6,144 SqM
Car Parking: 110 Spaces
Proposed For: Sale
Purpose: For Possible Acquisition Purpose Only
Reference: Estate Property Group
Valuation Date: 31 Jan, 2019
Valuation: \$12,150,000

Property Photo: [Image of Beta Villa Tower]

Valuation Details: [Callout box pointing to Valuation field]

Digital Signatures: [Callout box pointing to Signature field]

Property Photo: [Callout box pointing to Property Photo field]

Major Tenants and Users:

Top 6 Tenants by H/A	Right	Left
Office 2	1,685	21.87%
Office 3	1,685	21.87%
Office 4	1,685	21.87%
Office 5	1,685	21.87%
Office 6	1,685	21.87%
Office 7	1,685	21.87%

Rental Ranges: [Callout box pointing to Rental Ranges table]

Category	Planning	Market
Commercial	\$ 10.14 - 315.14 / SqM	\$ 110.14 - 315.14 / SqM
Office	\$ 10.14 - 415.14 / SqM	\$ 110.14 - 315.14 / SqM
Other	\$ 0.30 - 315.14 / SqM	\$ 0.30 - 315.14 / SqM

Cap Values: [Callout box pointing to Cap Values table]

Category	Net Adjusted Value	Net Adjusted Value	Net Adjusted Value
Capitalised Value	\$1,842,102	\$1,842,102	\$1,842,102
Net Income Capitalised	\$1,842,102	\$1,842,102	\$1,842,102
Capitalisation Rate	7.19%	7.19%	7.19%

Sensitivity: [Callout box pointing to Sensitivity table]

Category	Net Adjusted Value	Net Adjusted Value	Net Adjusted Value
Capitalised Value	\$1,842,102	\$1,842,102	\$1,842,102
Net Income Capitalised	\$1,842,102	\$1,842,102	\$1,842,102
Capitalisation Rate	7.19%	7.19%	7.19%

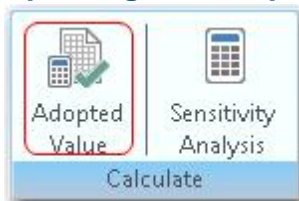
NPV & IRR: [Callout box pointing to NPV & IRR table]

Category	Net Adjusted Value	Net Adjusted Value	Net Adjusted Value
Capitalised Value	\$1,842,102	\$1,842,102	\$1,842,102
Net Income Capitalised	\$1,842,102	\$1,842,102	\$1,842,102
Capitalisation Rate	7.19%	7.19%	7.19%

Allowances: [Callout box pointing to Allowances table]

Category	Net Adjusted Value	Net Adjusted Value	Net Adjusted Value
Capitalised Value	\$1,842,102	\$1,842,102	\$1,842,102
Net Income Capitalised	\$1,842,102	\$1,842,102	\$1,842,102
Capitalisation Rate	7.19%	7.19%	7.19%

Updating the Adopted Valuation



Click the [Update Value] button to bring up the Adopted Value screen, where the Capitalisation and DCF Valuations are displayed. Choose one of the calculated valuations or enter your own adopted value (in the last input box) by selecting one of the buttons on the right, then click Apply.

Capitalisation Value	
Passing Income	32,000,000.00
Current Income Fully Leased	32,000,000.00
Market	33,900,000.00
Reversionary Market	32,100,000.00
DCF Value	32,000,000.00
Other	0.00
Number of Significant Figures	3
Adopted Valuation is (\$) 32,100,000.00	

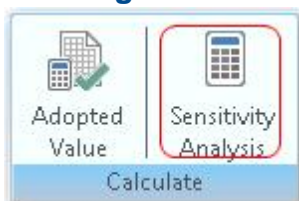
Buttons: Apply, Cancel

Values can also be rounded to the selected number of significant figures chosen.

This value will be then displayed as the 'adopted valuation' figure in this report.

Prepared For:	EM
Purpose:	For First Mortgage Security Purposes Only
Instructions:	Sunrise Property Group
Interest Valued:	Lot 2 in Strata Plan 80889
Valuation Date:	Tue, 01 Jan, 2008
Valuation:	\$33,000,000 Thirty Three Million

Running a Sensitivity Analysis



In the DCF valuation summary, a sensitivity to the valuation value using the variables of discount rate and terminal capitalisation rate is available.

If any values that affect the DCF valuation change then a red message will appear and the sensitivity analysis will need to be run again. Clicking the 'Run Sensitivity' button will re-run the sensitivity analysis with the current model values.

Sensitivity Analysis				
		Terminal Cap Rate		
		8.00%	8.50%	9.00%
Discount Rate	9.50%	37,887,014	36,775,468	35,787,428
	10.00%	36,674,014	35,611,569	34,667,173
	10.50%	35,513,631	34,497,910	33,595,046

The Sensitivity Analysis for the Capitalisation summary is automatically calculated and updated.

Selecting the Capitalised Valuation

Select from the drop-down list on the [Cap Summary sheet](#), one of the four Capitalisation approaches to be displayed as the preferred calculation method for the Executive Summary report.

Capitalised Value (inc Adjustments*)	35,185,261	Based on Net Market
Capitalised Value (exc Adjustments)	35,185,261	

Two Capitalised Values are then displayed:

- **Capitalised Value Including Adjustments:** This is the capitalised value of the relative net income, including the long term vacancy allowance and all adjustments such as Lease Up Allowances, Capital Expenditure, the Present Value for Bonus/Shortfall rents (for Reversionary Market value only) and any manual adjustments entered by the user.
- **Capitalised Value Excluding Adjustments:** This is the capitalised value of the relative net income and including the long term vacancy allowance. No adjustments are considered.

Yields

- **Initial Yield:** Current passing net income as a percentage of the value/price.
- **Initial Yield (Fully Leased):** Current passing net income, with any vacancies assumed to be fully leased out at market rent, as a percentage of the value/price.
- **Reversionary Yield:** Current market net income (what the property would receive if all rents were current market rents), as a percentage of the value/price.
- **Equivalent Yield:** The 'weighted' average rate of return on stepped incomes, calculated by taking into consideration the present value of bonus/shortfall rents at the next market review.

All yields are also based on 3 different values/prices that exist in the mode:

- The selected Capitalised Value, including all adjustments.
- The Nominated Purchase Price on the DCF report.
- The Adopted Valuation on the Executive Summary report.

Yields	on Capital Value (inc Adjustments)	on DCF Nominated Purchase Price	on Adopted Valuation
	33,872,419	33,000,000	34,000,000
Initial Yield	7.95%	8.16%	7.92%
Initial Yield (Fully Leased)	7.95%	8.16%	7.92%
Reversionary Yield	8.41%	8.63%	8.38%
Equivalent Yield	8.27%	8.48%	8.23%

Annual Allowances

This table summaries estimated extraordinary costs pertaining to capital expenditure and vacancy.

Capital expenditure is summarised by year from the Capex sheet. Its exact timing can be found in the DCF sheet.

Letting Up allowances are the costs of lost revenue due to vacancy summarised by year. They comprise of:

- The market rental value of the leasing up period nominated in the Tenants sheet, assuming that all leases run for their full term including any option periods.

These vacancy costs, do not exist as cash flows in the DCF sheet explicitly as they are not actual cash flows but estimates of notional lost rents. If a more precise indication of their impact on the performance of the property is required it can be deduced from the depressed cash flows following the end of the current leases as found in the DCF sheet. These are computed from probability-weighted timings of the forecast transitions from the initial leases to anticipated reletting at market rents, based on option periods and option exercise probabilities as well as the lease up periods.

- The associated [Reletting Costs](#) (Letting Fees and Incentives) that follow the period of leasing up.

Year	Capital Expenditure	Letting Up
2014	40,336	344,750
2015	40,336	783,740
2016	40,336	690,955
2017	36,975	-
2018	-	-
Total	400,000	1,819,446

10.2 Capitalisation Summary

The Capitalisation Summary Calculates the total capital value of the property using the four most commonly used methods:

- **Passing Income:** Passing Income is calculated by taking the income of the first month of income within 12 months of the start of the model and multiplying it by the appropriate payment frequency. Passing Income is based on all leases that have lease terms that start in the first year. It is important that lease term dates be entered for all spaces that are not expected to be permanently vacant.
- **Current (Net) Income Fully Leased:** Assumes passing income plus all vacancies leased at market rent; and the larger of current recoverables or market recoverables for each tenant. Current (Net) Income Fully leased assumes passing income plus all vacancies leased at Market Rent; and current recoverables for each tenant or adjusted market recoverables for each vacancy.
- **Market Income:** Net Market valuations have assumed the property is 100% occupied at Market Rent and all recoverables are recovered at each tenant's proportion of the total NLA.
- **Reversionary Market Income:** The Reversionary Market value is identical to the Net Market calculation except for the adjustment of the present value of rental bonus & shortfalls.

Definition of Outputs

Base Rent

Base Rent includes all rents (whether it is Gross or Net) entered in either the 'Base Rent' (or Turnover rent if it is greater than the base rent for those particular tenants) or 'Market Rent' columns of the Tenants sheet, depending on the valuation method.

Recoverables

Recoverable Outgoings for Market Income and Reversionary Market Income are based on proportional areas. This ensures that the total of recoverable outgoings listed in the Outgoings sheet is exactly represented in the Capitalisation Summary for these approaches. Car parking is not based on area and so does not attract an estimate of recoverable outgoings for these situations.

Recoverable Outgoings under the Current Income Fully Leased situation are forced to equal the total recoverables shown in the outgoings sheet. This is done by allocating the residue to the retailing use.

Outgoings	These are the Outgoings for the property, separated into those that have been allocated as 'Recoverable' from the tenants (but may not be equal to what is actually recovered) and those that have been allocated as 'Non-Recoverable' (or payable by the owner).
Income Not Capitalised	This is the gross income that relates to a Use that has a zero Current Capitalisation rate applied to it. Such income is therefore excluded from the capitalisation calculations.
Long Term Vacancy Allowance	This is a percentage of Gross Rent (Base + Recoverables) and it is deducted from the Gross Income in the Capitalisation Summary report (except for capitalisation based on Passing Income). It is based on the percentage input entered in the Capitalisation section of the Setup sheet. It is only applied to income allocated to Uses that are being capitalised (i.e. excludes Uses where their cap rate is zero).
Weighted Average Cap Rate	<p>The weighted average capitalisation rate (WACR) of all the tenants, weighted by the gross income of each use. This single figure is shown as each Use may have a different Current Capitalisation Rate (as displayed at the top of the report). The formula is:</p> $\frac{\text{Gross Rent to be capitalised (Base Rent + Recoverables - Income Not Capitalised)}}{\text{The total sum of:}} \times \text{Gross Rent for each Use} \times \text{Inverse of the Current Cap Rate for that Use}$
Core Income	This is the main income entered in the 'Tenants' sheet (excludes 'Other Income' entered on the 'Setup' sheet) and is capitalised at the Weighted Average Capitalisation Rate (WACR).
Other Income	This is the secondary income capitalised by its own special Current Capitalisation Rate nominated on the Setup sheet.
Lease Up Allowance Adjustments	A defined number of months (from the Date of First Period) of Leasing Up Allowances and Reletting Costs (Fees and Incentives) is deducted from the capitalised values (except for capitalisation based on Passing Income).
Capital Expenditure Adjustments	A defined number of months (from the Date of First Period) of Capital Expenditure is deducted from the capitalised values. It may also be discounted to a present value as nominated on the Setup sheet.
Bonus/Overage Rents	<p>Bonus/Overage is the portion of rental income received (exc. Other Income) over and above the Market Rent. Rental Bonuses only affect the Reversionary Market value and are discounted to a present value using a separate discount rate as nominated on the Setup sheet.</p> <p>Refer to the DCF report for a monthly/yearly summary of the Bonus Rents (before being discounted).</p>
Rental Shortfalls	<p>Rental Shortfalls is the portion of rental income received (exc. Other Income) below the Market Rent. Rental Shortfalls only affect the Reversionary Market value and are discounted to a present value using a separate discount rate as nominated on the Setup sheet.</p> <p>Refer to the DCF report for a monthly/yearly summary of the Shortfall Rents (before being discounted)</p>

Manual Adjustments

There are 2 types of manual adjustments that can be made on the Capitalisation Summary:

1. **Before Income Capitalisation:** If there are any adjustments (positive or negative) to be made to the net income that is being capitalised, these can be entered for each valuation method.

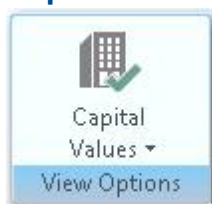
Total Net Income	3,522,500
Less: Income not Capitalised (Nil Cap Rate applied)	-
Less: Long Term Vacancy Allowance @ 0.00% pa *	-
Plus: Manual Adjustments	500,000
Net Income for Capitalisation (inc Adjustments)	4,022,500

2. **After Income Capitalisation:** If there are any adjustments (positive or negative) to be made to the capitalised value, up to 10 different ones can be entered for each valuation method.

Manual Adjustments	
Agreed Adjustment to Value	500,000
	-
	-

The number of manual adjustment rows for this purpose can be adjusted, just by using the [Add] and [Delete] buttons.

Capital Value View Options



There are 2 options for reporting the Capitalisation Values:

1. **Report on Cap Summary:** You may choose any or all valuation methods to be displayed in the report, just by selecting the checkboxes for each.
2. **Report on Exec Summary:** Select from the drop-down list on the Cap Summary sheet, one of the four Capitalisation approaches to be displayed as the preferred calculation method for the Executive Summary report.

Report on Cap Summary	
<input checked="" type="checkbox"/>	Passing Income
<input checked="" type="checkbox"/>	Current Income Fully Leased
<input checked="" type="checkbox"/>	Net Market
<input checked="" type="checkbox"/>	Reversionary Market
Report on Exec Summary	
<input type="text" value="Net Market"/>	
<div> <div>Passing Income</div> <div>Current Inc Fully Leased</div> <div>Net Market</div> <div>Reversionary Market</div> </div>	

10.3 DCF

The Discounted Cash Flow sheet:

- Displays the breakdown of the entire cash flow by month or by financial year for all the major income and expenditure items:
- Displays a running IRR, Running Yield and Sale Price at the end of each financial year.
- Allows you to nominate or calculate a purchase price for the property based on a Target IRR.

EstateMaster Investment Appraisal		0	1	2	3	4	5	6
Year Ending		Jun-2008	Jun-2009	Jun-2010	Jun-2011	Jun-2012	Jun-2013	Jun-2014
Base Rent	(Calculated)	1,542,263	3,142,636	3,249,374	3,359,331	3,556,458	3,800,267	3,906,028
Market Rent	(Calculated)	1,611,672	3,320,044	3,419,648	3,522,235	3,627,902	3,736,739	3,848,841
Bonus/Shortfall		(265,321)	(177,408)	(176,272)	(162,904)	(71,443)	(191,691)	(237,611)
Bonus Rent		17,880	34,817	36,348	38,556	105,953	108,228	122,926
Shortfall Rent	Based on Received Base Rent (inc. Vacancy & Lease Up)	(283,200)	(212,025)	(206,618)	(201,460)	(177,396)	(300,120)	(360,737)
Base Rent	(Received)	1,346,351	3,142,636	3,249,374	3,359,331	3,556,458	3,544,848	3,611,030
Recoveries		-	-	-	-	-	-	-
Gross Income		1,346,351	3,142,636	3,249,374	3,359,331	3,556,458	3,544,848	3,611,030
Other Income		-	-	-	-	-	-	-
Outgoings		(293,974)	(605,585)	(623,753)	(642,466)	(661,740)	(681,592)	(702,039)
Incentives		(80,000)	-	-	-	-	(45,500)	-
Letting Fees		-	-	-	-	-	(11,044)	(11,372)
Capital Expenditure		(20,168)	(40,336)	(40,336)	(40,336)	(40,336)	(40,336)	(40,336)
Lease Up (Vacancies)		-	-	-	-	-	-	-
Long Term Vacancy Allowance @ 0.00% pa		-	-	-	-	-	-	-
Net Cash Flow before Interest and Tax		952,210	2,496,715	2,585,285	2,676,529	2,854,384	2,766,376	2,857,283
Property Purchase & Sale Price		(32,000,000)	-	-	-	-	-	-
Stamp Duty on Purchase		-	-	-	-	-	-	-
Purchase and Sale Costs		(560,000)	-	-	-	-	-	-
Outgoings Adjustments		-	-	-	-	-	-	-
TOTAL		(32,960,000)	-	-	-	-	-	-
Total Investment Cashflow	35,722,185	(32,007,790)	2,496,715	2,585,285	2,676,529	2,854,384	2,766,376	2,857,283
Running Sale Value		30,022,138	30,078,088	31,124,718	33,164,813	32,748,775	33,317,423	29,216,997
PV of Sale Value		30,022,138	27,343,716	25,722,808	24,917,215	22,367,854	20,687,488	16,492,233
Running Yield		3.51%	8.43%	8.44%	8.19%	8.84%	8.59%	9.96%
Running IRR		-	1.77%	6.60%	9.16%	8.76%	9.00%	7.20%
The running IRRs above are calculated based on the yearly cash flow and thus will differ from the calculated monthly IRR on the left								
Nominated Purchase Price	32,000,000							
Calculated IRR (per annum Effective)	10.19%							
Net Present Value (NPV)	393,927							
Total Purchase Price (inc. costs)	32,960,000							
Discount Rate (per annum Effective)	10.00%							
		Terminal Capitalisation Rates		Terminal Sale Value		PV of Terminal Sale Value		
		Core Income		10-Dec-17		Discounted @ 10.00%		
		8.50%		0.00%		42,292,702		
						16,435,691		

Cash Flow Detail

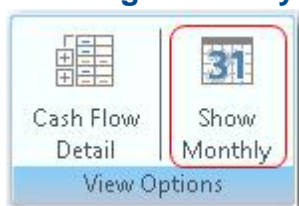


Clicking the [View] button will load the 'View Options' for the DCF sheet, allowing the user to select which sections should be collapsed (only show sub totals) or expanded (show all detail).

When expanded, it will also display the 'Manual Input' row for the relevant section. This row allows the user to make manual adjustments to any of the cash flow sections (eg. adding their own rental income or leasing costs).



Showing a Monthly or Yearly DCF



Clicking the [Show by Month/Year] button will toggle between a Monthly and Yearly (Financial Year) view of the cash flow. When in 'Yearly' mode, additional outputs will be displayed to the user (see below).

Running Sale Value	32,615,386	32,745,079
PV of Sale Value	32,615,386	29,768,253
Running Yield	7.28%	8.43%
Running IRR	-	16.09%

Displayed when in 'Yearly' mode

Calculate Purchase Price



Either enter a [Nominated Purchase Price](#) on the Setup sheet or click the [Calculate Purchase Price] button and it will calculate the required purchase price in order to achieve the desired IRR/XIRR (Discount Rate) specified.

Nominated Purchase Price	24,000,000	Nominated Purchase Price	24,156,750
Calculated IRR (per annum Effective)	8.10%	Calculated IRR (per annum Effective)	8.00%
Net Present Value (NPV)	156,750	Net Present Value (NPV)	(0)
Total Purchase Price (inc. costs)	24,000,000	Total Purchase Price (inc. costs)	24,156,750
Discount Rate (per annum Effective)	8.00%	Discount Rate (per annum Effective)	8.00%

Manually enter a Purchase Price on the Setup sheet

Run the 'Calculate Price' function to find where Calculated IRR/XIRR = Discount Rate

Definition of Outputs

Base Rent (Calculated)

This is the escalated Base Rent, which may include Turnover Rent, that is calculated for reference purposes. It is based on the Base Rent and Escalation Profile entered in the [Current Base Rent](#) section of the tenancy schedule.

Market Rent (Calculated)

This is the escalated Market Rent, that is calculated for reference purposes. It is based on the Market Rent and Escalation Profile entered in the [Market Rent](#) section of the tenancy schedule.

Bonus/Shortfall Rents

It displays where the Base Rent (Received) is above (Bonus) or below (Shortfall) the Market Rent (Calculated), up until the Initial Lease expires (Lease + Option, or Termination Date). Since it compares the actual rent received to the full potential Market Rent, it will be impacted by vacancies, rent-free periods, lease up periods and option probabilities.

Base Rent (Received)

This is the escalated Base Rent, which may include Turnover Rent, that the tenant is actually receiving. It may be affected by Vacancy, Rent-Free periods, Option periods, Option Probability, Leasing Up Period (on termination and during the [lease replication](#) phase), [annual Rent Reviews](#) and [reversion to Market Rents](#).

For periods where rent is displayed in grey italic font (confined to the 12 months after the Terminal Sale Date), this is where a lease up

vacancy is forecasted to occur, however for purposes of calculating the Terminal Sale Value, the tenancies are capitalised assuming they are fully let, and the cost of the lease up vacancy is deducted from the capitalised value, rather than being capitalised.

Estate Master Licensed to: Unlicensed	Month No. Month	118 Jul-2021	119 Aug-2021	120 Sep-2021	121 Oct-2021
Base Rent	(Received)	796,322	796,322	880,674	880,674
Tenant 1		60,169	60,169	58,989	58,989
Tenant 2		60,111	60,111	58,932	58,932
Tenant 3		-	-	25,608	25,608
Tenant 4		16,098	16,098	32,195	32,195

A summary of the Lease Up Vacancies, is displayed further down the DCR report.

Estate Master Licensed to: Unlicensed	Month No. Month	118 Jul-2021	119 Aug-2021	120 Sep-2021	121 Oct-2021
Lease Up (Vacancies)		-	-	(57,084)	(32,195)

Recoveries

These are the outgoings that are recovered from the tenants, either on a lump sum basis, percentage basis or a percentage of the increase after the base year, as entered in the [Recoverables](#) section of the tenancy schedule.

Gross Income

Base Rent (Received) + Recoveries

Other Income

This is the recurring escalated income as entered in the [Other Income](#) section of the Setup sheet.

Outgoings

These are the escalated Outgoings as entered in the [Outgoings schedule](#).

Incentives

These are the incentives that are paid for [Initial Fitout / Lump Sum Incentives](#), [Option Incentives](#) and [Reversion to Market Incentives](#)

Letting Fees

These are the letting fees paid for the [Initial Lease](#) and [Reletting to Market](#).

Capital Expenditure

These are the escalated capital expenditure costs as entered in the [Capex](#) sheet.

Lease Up (Vacancies)

These are any vacancies that are a result of a [Lease Up period](#), either during the initial lease or during a [Lease Replication](#). The next 12 months of these from the Disposal Date are deducted from the Terminal Sale Value.

Long Term Vacancy Allowance

This is the Vacancy Allowance, calculated as a percentage of Gross Income. It is based on the percentage input and start month entered in the [DCF](#) section of the Setup sheet.

Net Cash Flow Before Interest and Tax

Gross Income + Other Income

Less

Outgoings + Incentives + Letting Fees + Capex + Long Term Vacancy Allowance

Total Investment Cash Flow

This is the cash flow of the property that includes property purchase price, acquisition costs, all rental revenue and expenses, disposal costs, and terminal sales revenue.

Calculated IRR/XIRR

This is the Internal Rate Return of the Investment Cash Flow (before interest and tax) from the date of acquisition through to the period of the cash flow where the property is sold or disposed of.

Net Present Value	This is the NPV of the Investment Cash Flow (before interest and tax) from the date of acquisition through to the period of the cash flow where the property is sold or disposed of.
Total Purchase Price	Displays the total purchase price for the property including stamp duty, outgoing adjustments and purchase costs.
Terminal Sale Value	<p>By default, this is calculated by capitalising the Net Income (Gross Income + Other Income - Outgoings - Long Term Vacancy Allowance) of the proceeding 12 months using the weighted average of the Terminal Capitalisation Rates applied to each use, less any adjustments for Lease Up Vacancies, Incentives, Letting Fees and Capital Expenditure that are occurring in the proceeding 12 months.</p> <p>When determining the proceeding 12 months of rental income, Option Probabilities are not taken into consideration. Any Use where their Terminal Capitalisation Rate has been entered as zero is also ignored.</p> <p>In addition, the Terminal Sale Value can also be manually defined in the Sale section of the Setup sheet. Entering a value in this input will ignore the capitalisation of future income and use that value as the actual disposal/sale value.</p> <p><u>About the Terminal Value:</u> Cash flow analysis is completed over a defined investment period. Property tends to appreciate over time and will have a substantial value at the end of any investment period. To accommodate this, an estimated sale price must be included at the end of the cash flow to reflect the value of the property to the owner at that time. A notional sale must conclude the cash flow even though the owner may not intend to actually sell the property at that time.</p>
Running Sale Value *	The estimated Terminal Sale Value of the property if it was sold at the end of that financial year.
PV of Sale Value *	The present value of the annual 'Running Sale Value', discounted by the nominated discount rate .
Running Yield *	The quotient of the property's net income (Gross Income + Other Income - Outgoings - Long Term Vacancy Allowance) and the annual 'Running Sale Value'. If the first year does not start on the first month of the financial year, the yield will be lower than normal.
Running IRR/XIRR *	Running IRR/XIRR is calculated on a yearly basis (thus differing from the calculated monthly IRR/XIRR), assuming the property is sold on the last day of the year.

* These results are only available when the cash flow view is in 'Yearly' mode.

10.4 Investment Cash Flow

Drawdown	(4,500,000)	(4,500,000)	-	-
Interest Charged	(2,880,789)	-	(18,750)	(18,828)
Loan Fees Charged	-	-	-	-
Payments	(7,380,789)	-	-	-
Loan Balance		(4,500,000)	(4,518,750)	(4,537,578)
LVR %	65.87%	50.00%	50.21%	50.42%
Lender Cash Flow	2,880,789	(4,500,000)	-	-
IRR	5.12%			
Interest Coverage Ratio	4.31	-	15.66	15.59
Debt Service Ratio	1.21	-	15.66	15.59

Definition of Outputs for Debt Loans

Drawdown	The loan drawdowns automatically occur at the time of acquisition and are based on the LVR% input.
Interest Charged	This shows any interest that is charged on the loan, and is calculated based on the Loan Type and the Base + Margin Rates entered.
Loan Fees Charged	This shows any fees that are charged on the loan, including Line Fees and any other fees and costs inputted.
Payments	This shows any principal and/or interest payments made to the lender.
Loan Balance	This shows the current balance of the loan.
LVR%	This is the ratio of the loan principal to the purchase price at the month of acquisition.
Lender Cash Flow	This is the actual cash flow of the lender, including all drawdowns and payments.
IRR/XIRR	This is the Internal Rate Return on the lenders cash flow
Interest Coverage Ratio	This is the ratio of net operating income to interest expense and other loan fees. It is an indicator of how well the investment's internal income covers debt servicing obligations. In addition to a running ratio, a total weighted average ratio is also displayed.
Debt Service Ratio	This is the ratio of net operating income to loan repayments. It is an indicator of how well the investment's internal income covers debt repayment obligations. In addition to a running ratio, a total weighted average ratio is also displayed.

Total Interest Coverage Ratio *	(W/A)	3.71	13.68	13.63	13.57
Total Debt Service Ratio	(W/A)	3.71	13.68	13.63	13.57
Total LVR % (on estimated running capitalised property value *)			7.18%	7.22%	7.25%
Net Cash Flow After Debt Funding & Before Tax			293,542	293,542	293,542
IRR on Net Cash Flow (per annum Effective)		138.16%			
Fund Management Fees					
Management Fee *	1.00%	per annum	41,667	41,667	41,667
Other Fees (Manual Input)			-	1,200	-
Cash Flow Available for Investors			251,875	250,675	251,875
Target Distributions (% p.a)			8.00%	8.00%	8.00%
Funds Under Management					
Working Capital Balance	50,000,000		46,251,875	46,286,046	46,319,103
Equalisation			(81,458)	(82,658)	(81,458)
Interest on Working Capital	3.00%	per annum	115,630	115,715	115,798
Distributions					
Investor's Cash Flow (Initial Contribution and Distributions)			333,333	333,333	333,333
IRR on Investor's Cash Flow (per annum Effective)		(4.19%)			
NPV @ Discount Rate of	8.00%	(22,189,203)			

Definition of Outputs for Fund Management

Interest Coverage Ratio

This is the ratio of net operating income to interest expense and other loan fees. It is an indicator of how well the investment's internal income covers debt servicing obligations. In addition to a running ratio, a total weighted average ratio is also displayed.

Debt Service Ratio

This is the ratio of net operating income to loan repayments. It is an indicator of how well the investment's internal income covers debt repayment obligations. In addition to a running ratio, a total weighted average ratio is also displayed.

Total LVR%

This is the ratio of the current total loan principal to the:

1. The purchase price at the month of acquisition.
2. The estimated running capital value (after the acquisition date). Estimated running capitalised property value is based on the property NCF before interest and tax, (exc Capex) capitalised at the nominated capitalisation rate.

Net Cash Flow After Debt Funding & Before Tax

This is the cash flow of the property after taking into consideration the funds sourced from the debt lenders and the respective financing fees to fund the acquisition. It excludes the fees associated with fund management.

Its related IRR/XIRR is also displayed.

Cash Flow Available for Investors

This displays the cash flow that is available to investors after fund management fees have been taken into account.

Working Capital Balance

This is the cash available for the funds manager. It should not be permitted to go negative, as it indicates that there are insufficient funds.

Equalisation

This is the monthly amount that is needed to bridge the gap between the raw distribution to investors and the revised distribution to investors. It represents the funds that are either required or excess in the current period if the revised distribution is to be met.

Interest on Working Capital

This is the interest income, or expense, for the working capital account from the previous period.

Investor's Cash Flow

This is the actual contributions by and distributions to investors, following the target distribution policy. It uses the working capital fund to smooth the raw available distribution from operations.

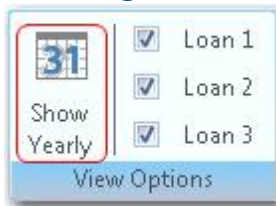
IRR/XIRR on Distribution to Investors

This is the Internal Rate Return on the initial contribution and actual distributions following the distribution policy input as target distribution.

NPV/XNPV

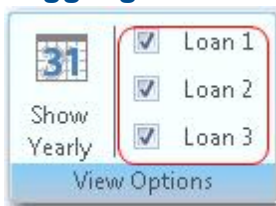
This is the Net Present Value of the on the initial contribution and actual distributions following the distribution policy input as target distribution, at the specified discount rate.

Showing a Monthly or Yearly Investment Cash Flow



Clicking the [Show by Month/Year] button will toggle between a Monthly and Yearly (Financial Year) view of the cash flow.

Toggling the Loan Facilities



By selecting/unselecting the checkboxes for each loan, they can be hidden or shown.


10.5 Charts

There are 2 Chart Reports available in EstateMaster IA:

1. Tenancy Charts: displaying tenant and use composition.
2. Outgoings Charts: displaying comparison of outgoing costs.

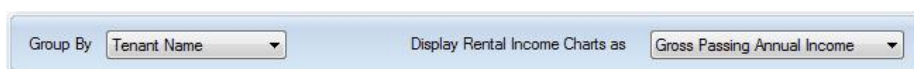
These charts can either be printed, exported to Excel/PDF or copied to the clipboard to paste it in other documents.

Tenancy Charts

The Tenancy charts are generated by clicking on the [Charts]  menu button on the 'Tenants' tab.

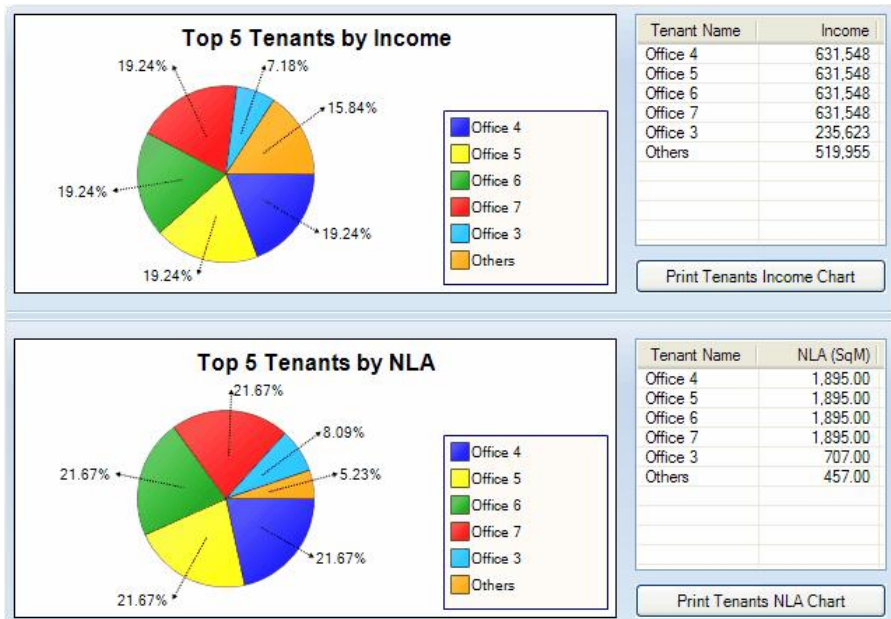
Choose from the drop down boxes:

- Whether to graph the 'Income' pie charts using the Gross Passing Annual Income or the Gross Market Annual Income.
- Whether to group the 'Tenant' pie charts by 'Tenant ID', 'Tenant Name' or have no grouping (each row on the Tenant sheet is individually reported on the chart).

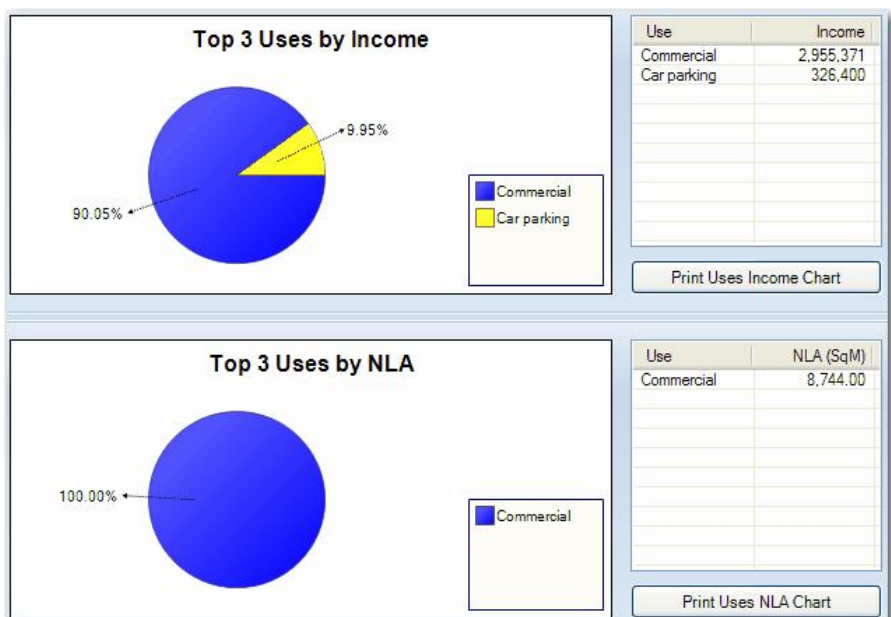


There are six (6) charts which display information on income, areas, lease expiries and escalations.

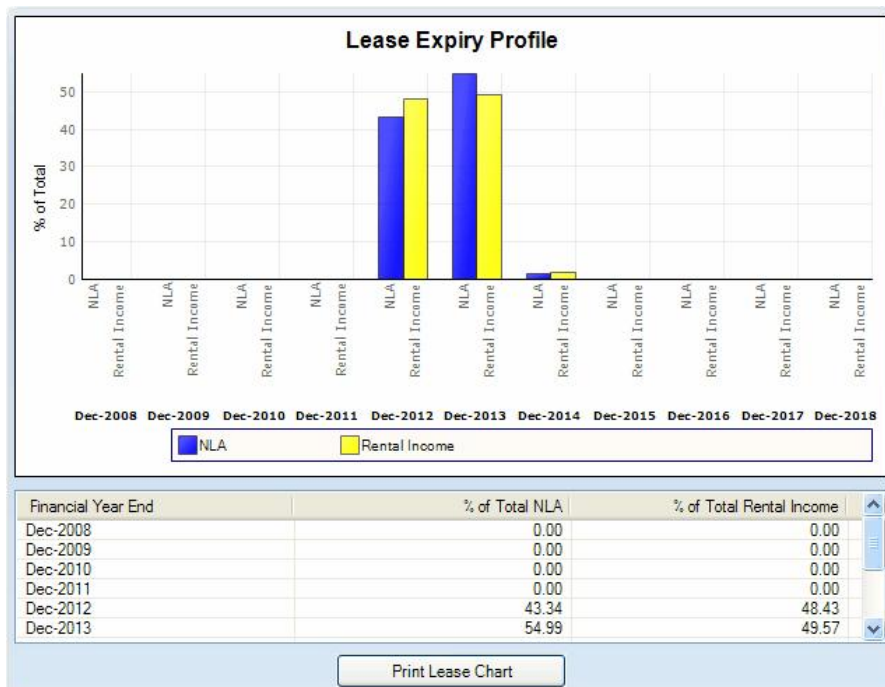
- Two pie charts which show a breakdown of the top 5 tenants by Income and by Net Lettable Area (NLA).



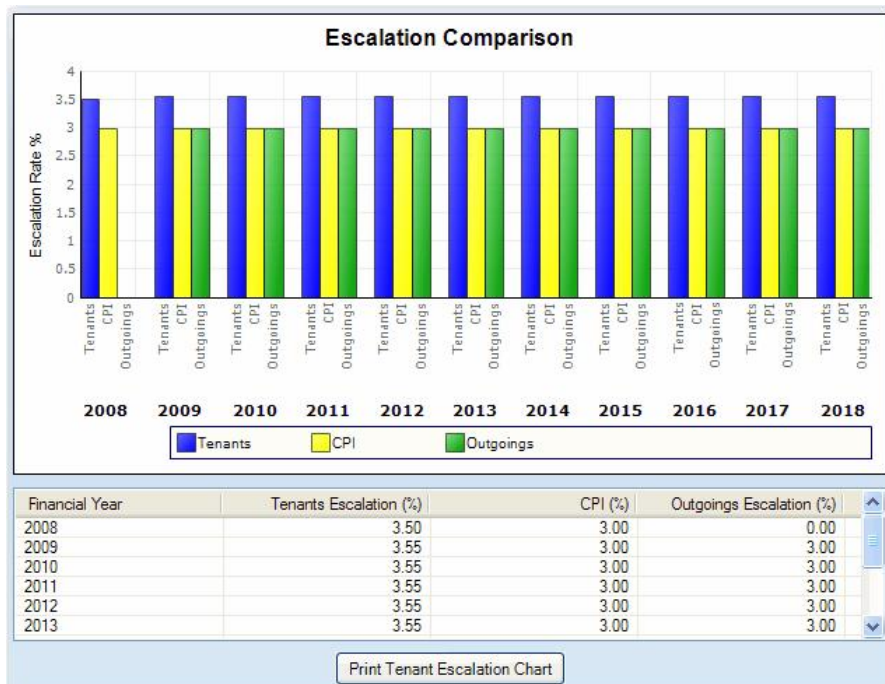
- Two pie charts which show a breakdown of the top 3 uses by Income and by Net Lettable Area (NLA).




3. A column graph that displays the annual Lease Expiry Profile (of Initial Lease Expiries). The chart is on a financial year basis.



4. A column graph comparing the CPI, weighted average outgoings escalation rates and the weighted average tenant escalation rates. The weightings are all done on an income basis for tenants and costs basis for outgoings. The weighted average tenant escalation rates are based on the [lease structure inputs](#) and do not include rental revenue behaviour through the notional relet to market at the end of the initial lease.



Outgoing Comparison Charts

The Outgoings charts are generated by clicking on the [Charts]  button on the 'Outgoings' tab.

The chart compares the actual outgoing costs against up to 2 industry benchmarks that can be entered by the user on the 'Outgoings' sheet. If any benchmarks are not used (either left blank or hidden), then they will not be displayed on the chart.

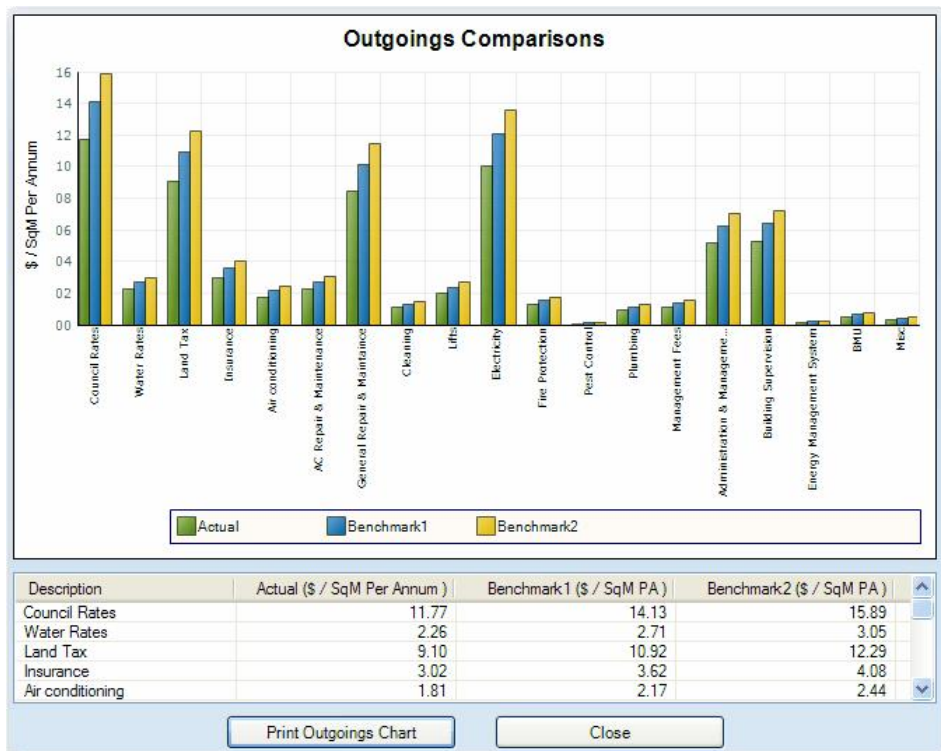
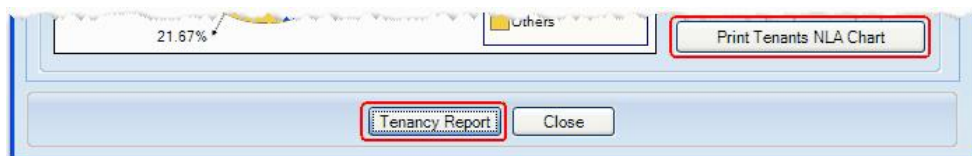



Chart Functions

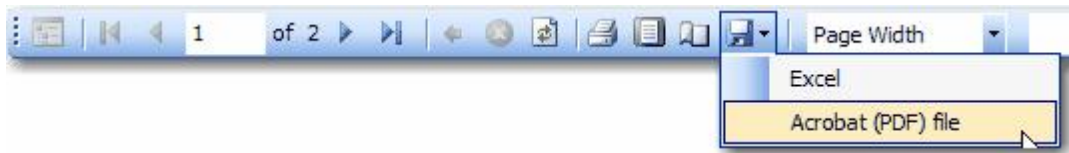
Printing

To print the charts while viewing them, either click on the [PrintChart] button to print the individual chart, or click on the [Tenancy Report] button (Tenancy Charts) located at the bottom of the Tenancy Charts screen. The 'Tenancy Report' is a compilation of all 6 Tenancy Charts on one printable report, and when the button is clicked, it will generate the report in a print preview before giving the option to print it.



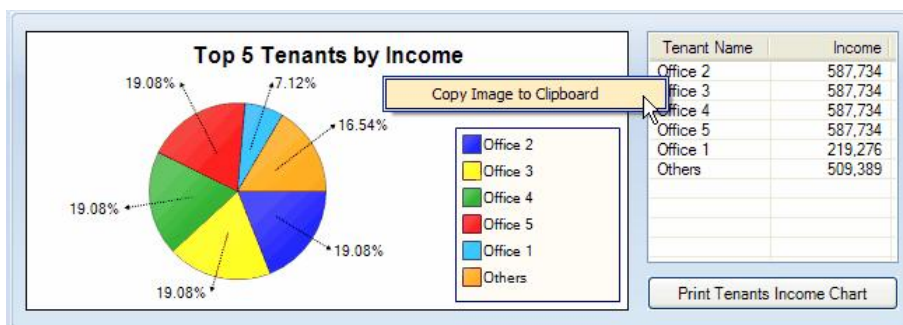
Export to Excel/PDF

This feature is only available for the 'Tenancy Report'. When the report is generated, click on the  button, and it will give you the options to export the report as an Excel file or a PDF file.



Copy to Clipboard

This feature is available for all charts. To copy a chart to the clipboard as a Bitmap image, while viewing the chart, right-click it and select [Copy Image to Clipboard]. Once it is clicked, the image then can be pasted in any other document, such as Microsoft Word, Excel, etc.



Part


XI

11 Printing Reports

Conducting a Final Check

There are numerous output report sheets in the EstateMaster IA 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 valuation 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 you wish to print on then click [Print].

Auto Page Breaks

On the Discounted 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.

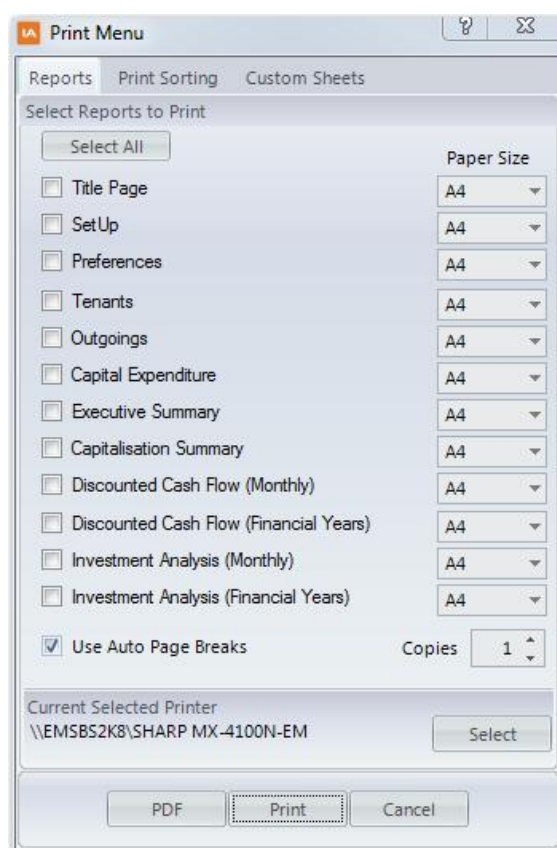
Selecting your Printer

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

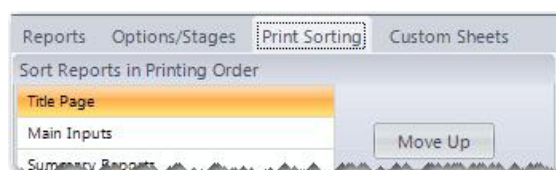
EstateMaster IA has its own built-in PDF writer. When you initially installed the software, a printer would have been added to your list if Printers called "EstateMaster PDF Printer". This is used to generate PDF files of the selected reports. When [PDF] is clicked:

- If multiple reports are selected, a single PDF file will generated containing all those reports in the orders as selected in the 'Print Sorting' tab.



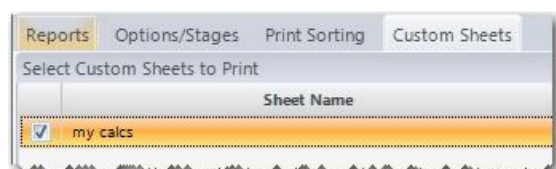
Print Sorting

Using the 'Move Up/Down' buttons, the user can sort the printing order of the selected reports.



Custom Sheets

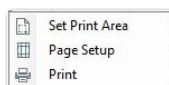
If there are any custom worksheets in the model, the user can select to print them here. They will be printed in the order they appear, after the standard reports are printed. If once of the custom worksheets are greyed out in this list, it indicates there is nothing to print on that sheet.



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 sheet.

11.1 Custom Worksheets

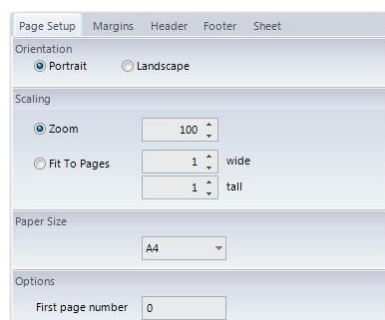
If using User-Inserted Worksheets, printing functionality is provided to customise how these worksheets are printed. This is available via the [Sheet Context Menus](#). When right-clicking on a User-Inserted Worksheet, the following options are provided:



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')
- Paper Size
- 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

XII

12 Using the EstateMaster Enterprise Database

12.1 Introduction to the Enterprise Database

The EstateMaster Enterprise Database is a central data management tool that allows the user to archive development cash flows created in the EstateMaster DF (Development Feasibility), DM (Development Management), IA (Investment Appraisal) and HF (Hotel Feasibility) software.

It is available to all users of EstateMaster DF and DM version 3.xx and above, EstateMaster IA 2.xx and EstateMaster HF 2.xx and above.

When using it in conjunction with EstateMaster CC (Corporate Consolidation), it allows users to generate consolidate or comparison reports for selected cash flows, projects or portfolios to calculate forecasted and actual investment returns including, development profit, internal rate of return and net present value.

The EstateMaster Enterprise Database can be used to:

- Archive all input and cash flow data from EstateMaster DF, DM, IA and HF files.
- Generate comparison summary and cash flow reports for unlimited number of development options (when used with EM CC).
- Generate consolidated summary and cash flow reports for unlimited number of development stages (when used with EM CC).

12.2 Preparing Data for Exporting

The EstateMaster Enterprise Database is a powerful data repository and a robust framework for high level reporting. It is therefore recommended that the data that is exported to it is accurate and meaningful.

Before exporting your EstateMaster IA file into the Enterprise Database, please ensure that the following key areas are set:

Intro Sheet

1. Project Introduction

This is information that will be used in the Enterprise Database to identify your Project, please insure it is completed. The 'Project Number' and 'Project Title' are distinctive: This will be the most unique identifier of this Project that the cash flow belongs to. Any cash flows with the same Project Number and Project Name will grouped together in the Enterprise Database.

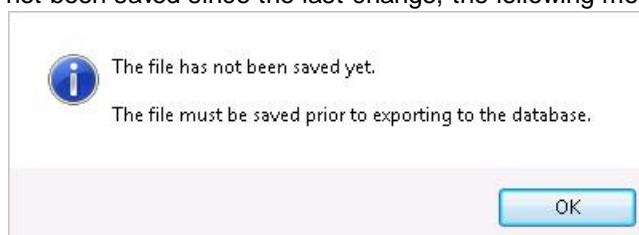
Other mandatory fields to be completed on the the Intro sheet include Property Name, Property Type, Status and Valuation Date

INVESTMENT APPRAISAL		Project Introduction	
Project Number		Project Number	
Project Name		Project Name	
Property Name		Property Name	
Description		Property Description	
Street Address		Address	
City/Suburb		City/Suburb	
State/County		State/County	
Zip/Post Code		Zip/Post Code	
Country		Country	
Prepared By		Prepared By	
Prepared For		Prepared For	
Property Owner		Owner Name	
Property Type	Commercial		
Title Details		Title Details	
Purpose	Purpose of Valuation/Appraisal		
Instructions		Instructions	
Interest Valued	Interest Valued		
Valuation Date	Friday, January 01, 2016		
Status	Under Review		

12.3 Exporting to the Database

To export all the input data in your EstateMaster IA file to the Enterprise Database, follow these steps:

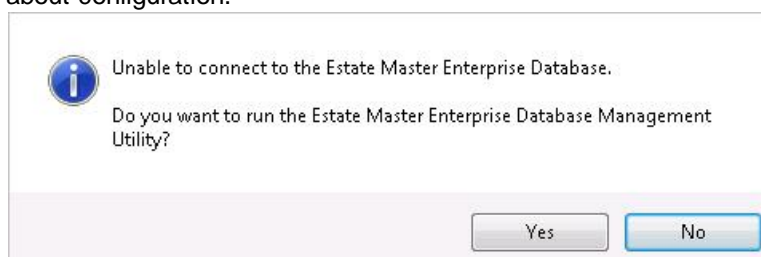
1. Ensure that your data is ready and [prepared to be exported](#) and the file is saved. If this file has not been saved since the last change, the following message will appear.



2. Go to 'Data' in the [Ribbon Menu](#) and select 'Export to Database'



3. If the database configuration file (EMDB.ini) is not found on the system (and hence a connection to the Enterprise Database cannot be established), then the following error message will appear. It will prompt the user to run the Enterprise Database Management Utility to assist in setting up a connection. Please refer to the Enterprise Database Operations Manual for more information about configuration.




4. Once the connection is successful, an Export Wizard will appear.


Step 1 - Project Allocation

- Using the Project Name and Project Number on the Intro sheet of the IA file, it will attempt to find that Project in the database. If the project is already in the database, it will skip Step 1 and continue to Step 2. Otherwise, the following messages may appear on the wizard:

- **It is the first Project to be created in the database**

 This is the first project that will be created in the database. Make sure project number and name are correct.

- **Project Number and Name don't exist in the database**

 Project Number 'P100000' and Project Name 'Project Title' do not exist in the database. Add a new project or append cash flow(s) to an existing project.

- **There is a mismatch between the details on the file and in the database**

 The Project Name 'Project Title' in DF does not match the Project Name in the database for Project Number 'C06069'.

- If it is the first Project that is created in the database, then by default the Project Name and Number that are entered in the file are used for creating the Project in the database, with the ability for the user to update these before exporting. If any of the other messages appear, two options are available to the user:

- **Add New Project to Database:** If this option is selected, by default, it will use the details on the Intro sheet of the IA file as the Project Number and Name. The user can edit this if necessary directly in the wizard, and the Intro sheet will be automatically updated.

☒ Add new project to database ☐ Append to existing project

Project Number:

Project Name:

- **Append to Existing Project:** If this option is chosen, the Project Number and Name fields are disabled, and the user is required to select a project that is already in the database. Once selected, the Intro sheet will be automatically updated.

☐ Add new project to database ☒ Append to existing project

Project Number:

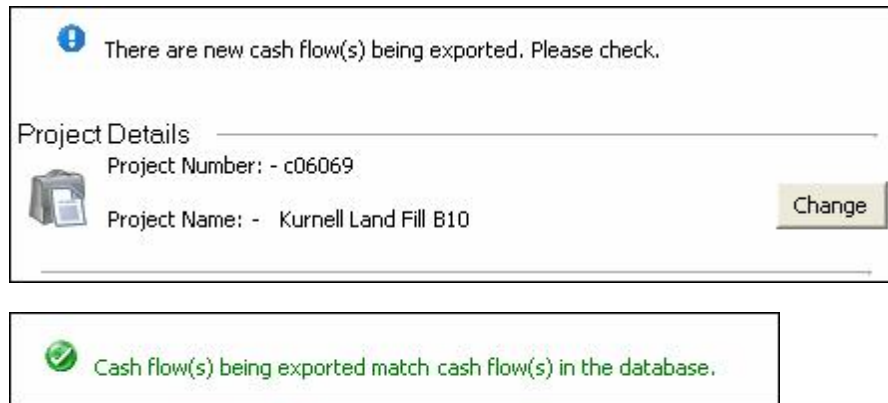
Project Name:

Database Projects

Project Number	Project Name
C06068 Mid Case	Cockle Creek Masterplan Area A (No BGR) Mid Case
P00000	Cockle Creek Masterplan Area A with BGR High Case
C06069	Kurnell Land Fill B10

Step 3 - Confirm Export Details

3. If the project is already in the database, it will go then the following messages may appear. The user has the ability to change the project the cash flow is being exported to if required. It will also inform the user if this is a new cash flow being exported, or if the cash flow already exists in the database.



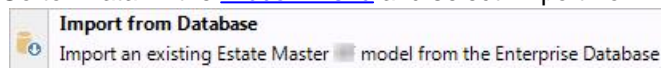
Step 4 - Export Data

1. Once satisfied with the details, click [Export] to begin the data transfer process.

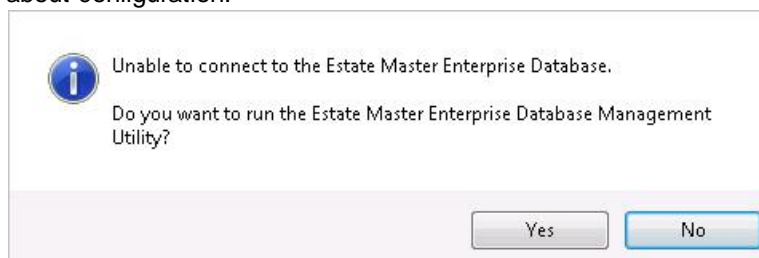
12.4 Importing from the Database

To import input data in your EstateMaster DM file from the Enterprise Database, follow these steps:

1. Go to 'Data' in the [Ribbon Menu](#) and select 'Import from Database'



2. If the database configuration file (EMDB.ini) is not found on the system (and hence a connection to the Enterprise Database cannot be established), then the following error message will appear. It will prompt the user to run the Enterprise Database Management Utility to assist in setting up a connection. Please refer to the Enterprise Database Operations Manual for more information about configuration.



3. Once the connection is successful, an Import Wizard will appear.

Step 1 - Select Project

1. The first step will display a list of the Projects that exist in the Enterprise Database. If there is an extensive list, you can filter it either by Project Number or Name.

Estate Master DM Import Wizard - Step 1 of 3

Import Cash Flows
Select which project you wish to import from.

Filter list by Project Number or Name.

Project Number:

Project Name:

Project Number	Project Name
C06068 Mid Case	Cockle Creek Masterplan Area A (No BGR) Mid Case

Next > Cancel

2. Select the appropriate project and click on 'Next'.

Step 2 - Select Cashflow

1. The next step will display all the cash flows that exist in the selected Project in the database. You can sort the list by clicking on the column headers.

Estate Master DM Import Wizard - Step 2 of 3

Import Cash Flow
Select which cash flows you wish to import.

Project Number:- C06068 Mid Case Project Name:- Cockle Creek Masterplan Ar

Cash Flow Title	Export Date	Import
Lots 3, & 9 as BGR	16/03/2007 2:48 PM	<input type="checkbox"/>
Lots 3, & 9 as BGR	16/03/2007 2:26 PM	<input type="checkbox"/>

< Back Import Cancel

2. Select the cash flows you wish to import. There is a maximum of 1 cash flows you can import into a DM file from the database at any one time.

Step 3 - Import

1. Once the cash flows have been selected, click on 'Import' to begin the file transfer process.