



ARGUS
Developer™

Reference Manual

Release Version 4.05



ARGUS Software: ARGUS Developer Reference Manual

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ARGUS Developer was formerly known as CircleDeveloper.

ARGUS Development Budget was formerly known as CircleBudget.

ARGUS Valuation - Capitalisation was formerly known as Circle Visual Investor.

ARGUS Multiview was formerly known as CircleMultiview.

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CHAPTER 1

The ARGUS Developer Workplace

This section provides an explanation of the items you see on the screen.

You should install your copy of Developer before you begin reading this user guide. For detailed instructions on installing, activating and licensing ARGUS Developer, please refer to the ARGUS Developer Installation Guide.

Starting ARGUS Developer

You can start ARGUS Developer by double-clicking its icon in the program folder, or double-clicking on the shortcut created on the desktop.

When you start the program for the first time, you will be prompted to activate your license.

If you are evaluating ARGUS Developer for the first time or you have purchased a new license, you will need an activation code to start up. If you are upgrading an existing license (in other words, evaluation to full or increasing a network license from 2 users to 4 users) then you will require an upgrade code.

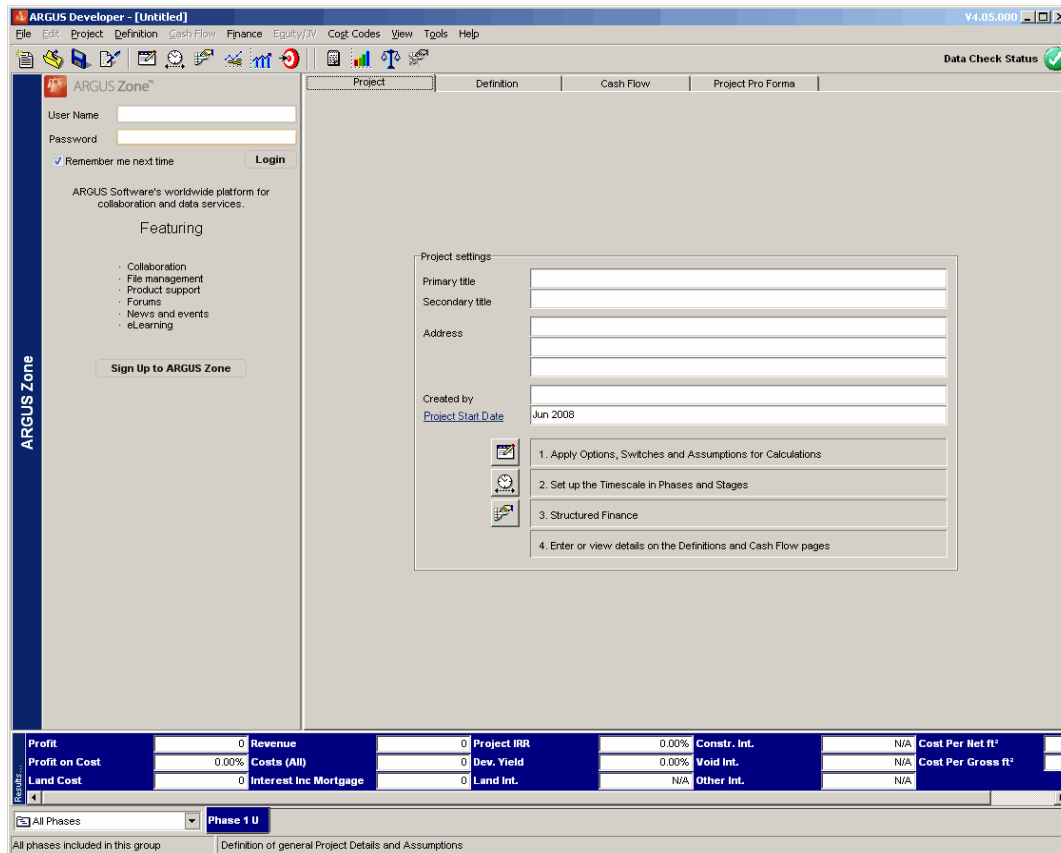
For more detailed instructions on licensing ARGUS Developer, please refer to the ARGUS Developer Installation Guide.

What's on the Screen?

This section provides an overview of the major elements on the ARGUS Developer screen, such as title bar, toolbar, phase tab and status bar.

The Main ARGUS Developer Screen

When you start ARGUS Developer, a new, blank project is created. The following illustration identifies each part of the ARGUS Developer screen.



Title bar

The title bar appears at the very top of the page and shows the name of the file you are working on. For new projects, the name will be shown as [Untitled] until you save it under a different name.

Tool bar

If you have a mouse, you can use the buttons on the toolbar at the top of the screen, beneath the title bar, to access commonly used commands. You can display or hide the toolbar by selecting **Options** from the **Tools** menu, then either select or clear the **Show Project Toolbar** option.

Phase Group selector

In multi-phased projects, you can selectively group together any of the phases in any combination for analysis purposes. The phase group selector drop-down box allows you to choose any of the phase groups. When you choose a phase group, the program reformats the phase tab to show only the phases in the current group. You can find the selector on the bottom left-hand corner of the screen.

Phase tabs

The phase tab is used to navigate between individual phases in a project. Each time you select a phase tab, all the information relating to that phase is revealed to you, the finance calculations are reworked and the results are shown on the results bar and on reports.

In multi-phased projects, there is a tab titled “Merged Phases”. Choose this tab when you want to see the overall valuation for a group of phases. When this tab is chosen, the following happens:

1. The program re-calculates each phase in the group to determine the correct land value and interest charges.
2. The items in each of the grouped phases are placed in the cash flow and an overall interest charge is calculated.

3. The results of the overall calculation are shown in the Results Bar.
4. The items in Definition are disabled to prevent editing of any items.

Status bar

The field you are currently working on determines what information is shown in the status bar, at the bottom of the screen.

The status bar displays a brief description of the currently selected field in the Definition tab. If you are saving or loading a project, that status bar displays a progress meter to inform you that the task is under way.

ARGUS Zone sidebar

The ARGUS Zone sidebar (on the left-hand side of the window) allows you to work with Developer files that you have stored on ARGUS Zone. The sidebar provides access to folders within the Zone that you can use for collaborative purposes, wherever you are in the world. ARGUS Zone (formerly known as RealPulse) provides access to services and resources that aid you in your use of ARGUS products.

You can log into the Zone using the sidebar, or via the use of the ARGUS Zone website:

<http://www.arguszone.com>

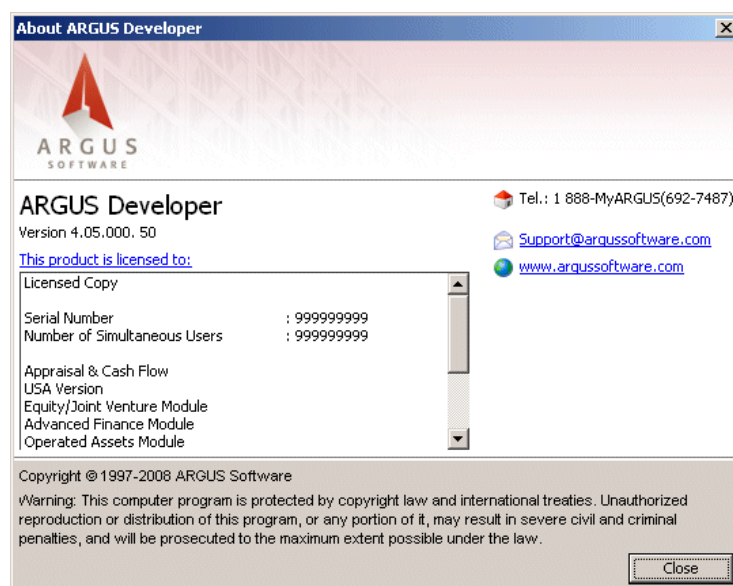
On occasions when you are not using the ARGUS Zone sidebar, you can hide it by clicking on the arrow button that appears between the Zone sidebar and the tabs in the main window.

See “Using the ARGUS Zone sidebar” on page 230 for further information.

Licensing information

A part of ARGUS Developer that is particularly useful (especially when calling technical support) is the About ARGUS Developer dialog.

To display this dialog, use the **Help | About ARGUS Developer** menu option:



About dialog box

This dialog contains contact details for ARGUS Software and information about the version number of the software, licensing and modules installed.

CHAPTER 2

Starting Work - Assumptions

This section explains the basic procedures for creating new projects, saving your work, opening existing projects and printing.

Creating a Project



To create a new project at any time, click on the **Start New Project** button on the toolbar.

If you are currently working on a project, you will be prompted to save it before the new project is created.

You will be asked to select the template you require if more than one template is available. Users are able to compile many templates, each template containing the common, core information required for a development type.

The new project will be created with your standard calculation options already set.

Project Details

The Project Tab is used to enter general details, including the title, address, user's name and project start date.

The screenshot displays the ARGUS Developer software interface. The main window is titled "ARGUS Developer - [Untitled]" and shows the "Project" tab selected. The interface includes a menu bar (File, Edit, Project, Definition, Cash Flow, Finance, Equity/IV, Cost Codes, View, Tools, Help) and a toolbar with various icons. The "Project" tab contains the following fields and options:

- User Name:** [Text input field]
- Password:** [Text input field]
- Remember me next time
- Login:** [Button]
- Project settings:**
 - Primary title:** [Text input field]
 - Secondary title:** [Text input field]
 - Address:** [Text input field]
 - Created by:** [Text input field]
 - Project Start Date:** Jun 2008
- 1. Apply Options, Switches and Assumptions for Calculations:** [Button]
- 2. Set up the Timescale in Phases and Stages:** [Button]
- 3. Structured Finance:** [Button]
- 4. Enter or view details on the Definitions and Cash Flow pages:** [Button]

At the bottom of the window, there is a summary table with the following data:

Profit	0	Revenue	0	Project IRR	0.00%	Constr. Int.	N/A	Cost Per Net ft ²	
Profit on Cost	0.00%	Costs (All)	0	Dev. Yield	0.00%	Void Int.	N/A	Cost Per Gross ft ²	
Land Cost	0	Interest Inc Mortgage	0	Land Int.	N/A	Other Int.	N/A		

The bottom status bar shows "All Phases" and "Phase 1 U".

You can also change settings for Calculation Assumptions, Timescale, Finance and Residual targets.

Titles You can enter two title descriptions of up to 80 characters each.

Address Three fields are available for the property address, each of which can be up to 80 characters long.

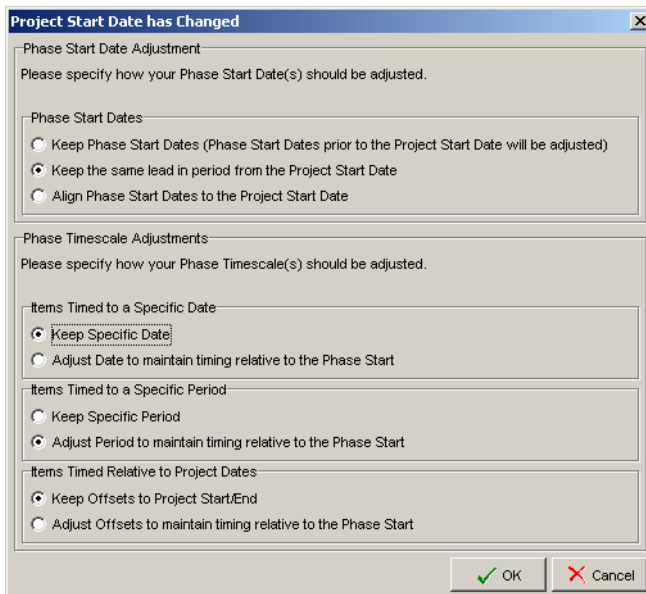
Created By Enter your name or initials into this field.

Start Date and Timescale Adjustment

Project Start Date Enter the starting date or click onto the **Project Start Date** hypertext link and use the Date Picker to pick a date:



If you change the project start date with the Date Picker, you will see a dialog like the following:



If you just wish to accept the date you have chosen with the Date Picker, just click on **OK** without changing any of the settings in this dialog.

This dialog will allow you to specify how your phases and timescale should be adjusted.

First, specify how you want the phase start date to be adjusted, using the controls in the **Phase Start Dates** section:

- **Keep Phase Start Dates** - This option allows you to keep the phase start dates for phases after the project start date. Any phases with start dates before the project start date will be adjusted.
- **Keep the same lead in period from the Project Start Date** - This option allows you to keep the same lead in period between the project start date and the phase start date.

- **Align Phase Start Dates to the Project Start Date** - This option allows you to change the phase start dates so they align with the project start date you have chosen with the Date Picker.

After this, you can specify how you want the phase timescale to be adjusted, using the controls in the **Phase Timescale Adjustments** section. Here, you can adjust a phase's timing relative to a specific date, period or the project date.

- **Keep Specific Date/Period/Offsets to Project Start/End** - These options allow you to keep the date, period or offsets that you have specified. By default, when you choose a date with the Date Picker, the **Keep Specific Date** option will be automatically selected.
- **Adjust Date/Period/Offsets to maintain timing relative to the Phase Start** - These options allow you to specify that ARGUS Developer will automatically adjust the project start date timing in order to maintain a relative timing with the phase start. You can do this by specifying that the adjustment is to be made by date, period or timing offset.

Calculation Assumptions

Before working with ARGUS Developer for the first time, you should check the assumptions for calculation. For example, you might want to:

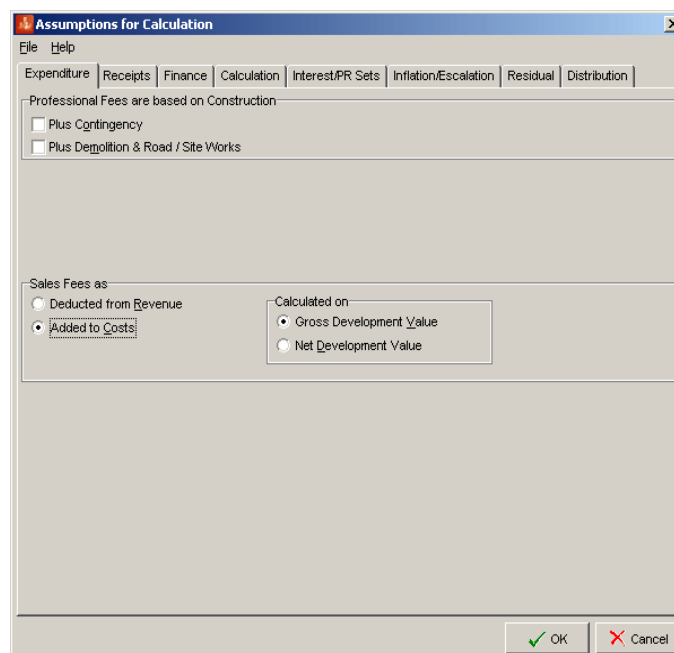
- Specify the distribution curve type for construction payments;
- Check the assumptions for receipts and income flow;
- Specify the finance setup - Structured Financing or 100% debt funding;
- Specify Residual targets for Acquisition Price.

To change the assumptions for calculation



Click on the **Assumptions** button on the toolbar.

The Assumptions dialog box is divided into several tabs. When you select a tab, the options for that tab are displayed. Settings are determined by selecting or clearing the check boxes or by typing or selecting new information. The new settings take effect when you close the dialog box, and remain in effect until you change them.



Expenditure Tab

See above picture for screenshot.

You can make settings for Professional Fees, Purchaser's Costs and Sales Fees on this page.

Professional Fees

Professional fees are related to the base construction costs. In addition, you may include Contingency and Demolition/Road payments.

Purchaser's Costs

Note: To show options for purchaser's costs in the appraisal, select File | Administration | System Configuration and then tick Show Purchaser's Costs.

Purchaser's Costs may be viewed in two ways - as (a) a deduction from the Gross Capitalization, or (b) as an addition to the total costs:

- To deduct Purchaser's Costs from the Gross Capitalization and place them in the Realization section of the Project Pro Forma, select **Deducted from Revenue**.
- To add Purchaser's Costs to the total project costs and show them in the Costs section of the Project Pro Forma, select **Added to Costs**.

There are two options for the calculation of Purchaser's Costs. They can be calculated on the Gross Development Value or on the Net Development Value.

In some circumstances, it will be appropriate to include Unit Sales in addition to Capitalized Rent in the calculation of Purchaser's Costs. Check the **Apply to Unit Sales** box to include any unit sales.

Unit sales may include housing for example, where the net value, or price, of the house is the known value. Capitalized rents would, conversely, be discounted to calculate the price from a known gross value which includes purchaser's costs.

Sales Fees

Sales Fees may be viewed in two ways - as (a) a deduction from the Gross Capitalization, or (b) as an addition to the total costs.

- To deduct Sales Fees from the Gross Capitalization and place them in the Realization section of the Project Pro Forma, select **Deducted from Revenue**.
- To add Sales Fees to the total project costs and show them in the Cost section of the Project Pro Forma, select **Added to Costs**.

There are two options for the calculation of Sales Fees. They can be calculated on the Gross Development Value or on the Net Development Value.

Receipts Tab

Options for tenants' rental flow and capitalization methods.

Tenant's Rent

ARGUS Developer can automatically generate income streams for tenants where developments are retained as investments or where pre-lets are achieved. Before an income stream can be generated, valid lease terms must have been entered for the appropriate tenants. Where lease terms have not been entered, no income stream will be generated.

To	Do this
Generate an income flow from the tenant's lease	Check the Show tenant's true income stream check box.
Use the income streams to offset development costs	Check the Offset income against development costs check box.
Add the income streams to the project's revenue balance	Uncheck the Offset income against development costs check box.
Set the rent payment cycle for existing tenants definitions and each new tenant	Select the rent payment cycle from the drop-down box and check the Apply Cycle to all tenants check box.
Set the rent payment cycle for new tenants, leaving the existing tenants alone	Select the rent payment cycle from the drop-down box and uncheck the Apply Cycle to all tenants check box.
Apply a Vacancy and Rent Free period for the first lease renewal only	Check the Vacancy and Rent Free apply to first renewal only check box.
Specify a Vacancy and Rent Free period for all lease renewals	Uncheck the Vacancy and Rent Free apply to first renewal only check box.
Specify that the escalation starts from the Lease Start Date.	Check the Growth starts from Lease Start Date check box.
Specify that the Ground Rent is deducted from Stepped Rent.	Check the Deduct Ground Rent From Stepped Rent check box.

Note: When income is generated, the Rent Free Cost options will be disabled, as the Rent Free period will be accounted for within the cash flow.

Capitalization

To	Do this
Use the hardcore method for capitalization (not used in the US).	In the Capitalization Method drop-down, select the “Hardcore” option.
Use the Capitalize Sale Date NOI method for capitalization (formerly called “initial yield method” in previous versions).	In the Capitalization Method drop-down, select the “Capitalize Sale Date NOI” option.
Use the Capitalize 12 Month NOI method for capitalization.	In the Capitalization Method drop-down, select the “Capitalize 12 Month NOI” option. See “Calculation of NOI for Capitalization based on 12 months from date of sale” on page 11.
Apply a default capitalization rate to a new tenant as it is created.	Enter the desired capitalization rate into the Default Capitalization Rate field.
Apply the same capitalization rate to all existing tenants and to all new tenants.	Check the Apply Cap Rate to all tenants check box.
Allow users to establish a tenant by tenant capitalization rate.	Uncheck the Apply Cap Rate to all tenants check box.
Automatically assign a sale date to each tenant.	Check the Default stage for Sale Date and choose a stage from the drop-down list.
Synchronize the end of the income flow with the sale of the property.	Check the Align end of income stream to Sale Date check box.
Synchronize the end of the income flow with the sale of the property to all tenants.	Check the Apply Alignment to all tenants check box.
Remove TI costs and Lease Commissions from the capitalization.	Check the Deduct post-sale TI costs and Lease Commissions from Capital Value check box.
Reduce the proceeds of sale when the “Capitalize 12 Month NOI” method is active.	Check the Deduct Post-Sale TI Costs and Lease Commissions from Capital Value check box.

When the Capital Value is Modified

When you are editing area-based items in the Cash flow, ARGUS Developer will update the linked area definition. However, when a Capitalized Rent is modified, there are two possibilities:

- Keep the Rent the same and recalculate the Cap Rate;

or:

- Keep the Cap Rate the same and recalculate the Rent Rate or the Market Rental Value.

Select **Recalculate the Cap Rate** or **Recalculate the Rent Rate or Market Rental Value** as appropriate.

Valuation Tables

You can choose the way in which rents and ground leases are valued from the **Valuation Tables** option. Options available are: **Annually in Arrears**, **Quarterly in Advance (Effective)** and **Quarterly in Advance (Nominal)**.

Rent Free Cost Methods

There are several approaches to the calculation of Rent Free Costs.

If you have elected to generate income streams for each tenant, the start of the rent flow will be delayed by the length of the Rent Free period. The options shown in the Rent Free Costs section will be unavailable.

In cases where income streams are not required, there are two options to represent the loss of income:

1. Change the Capital Value by applying a Present Value calculation to each tenant. Each Capital Value will be discounted, or deferred, by the length of the Rent Free period using the Capitalization Rate.
2. Take a proportion of the MRV and either deduct it from the Revenue balance, or add it to the Cost balance.

Calculation of NOI for Capitalization based on 12 months from date of sale

Calculations

The “Capitalize 12 month NOI” option uses the following calculation methodology:

1. **Base Rental Income** - includes the following:
 - Base Rent from current term at the time of sale and continuing as per the actual term of the lease (such as escalations or steps if any).
 - If the current term ends during the 12 month period, market rental value during any vacant and/or free rent periods.
 - Renewal rent for any subsequent term(s) that fall within the 12 month period.

All of these are subject to any vacancy percentage or fixed amount that was applied at the point of sale (in other words, under the Capitalization section of the Area form). The aggregate of these is the basis of capitalization for the base income component. No further adjustment is made where there is rental loss due to vacancy or free rent.

2. **% Rent** - if there is any percentage rent calculated, it would only apply for the remainder of the term in effect at the time of sale (maximum of 12 months), plus any renewal (only where there is no vacancy or free rent between terms) that falls within the 12 month period. No adjustment would be made for “market” percentage rent or any renewals where there has been a vacancy or free period.
3. **Rent Additions and Costs** - only those that are capitalized are included. Rent Additions and Costs are calculated during periods of free rent, so only the treatment of Rent Additions and Costs during vacancy need to be considered. Since Base Rent is being calculated during periods of Vacancy, Rent Additions and Costs are included also to simulate having a lease in place. Therefore, Rent Additions and Costs are included during the entire 12 month period, with no need to do separate calculations for each base term/vacant/renewal segment that could be included in the 12 months. These are not subject to vacancy at this time.
4. **TIs and Lease Commissions** - it is possible to have TIs and/or Commission costs payable in respect of a new or renewal lease that would commence during the 12 month projection. On the Receipts tab in the “Capitalization” area, if the **Deduct Post-Sale TI Costs and Lease Commissions from Capital Value** check box is checked on, this reduces the proceeds of sale when this Capitalization method is active.

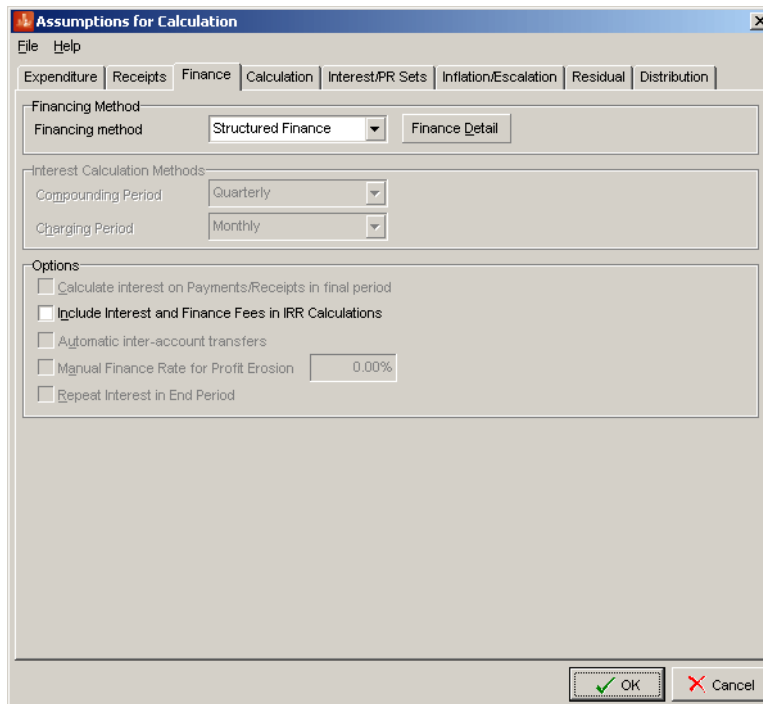
Escalation and Inflation

During the 12 month run off period, it is assumed that escalation will continue on rent, turnover (percentage) rent and Additional Rent revenues. Inflation will continue on TI costs and Additional Rent costs.

Historic Data Files

Existing files are defaulted to calculate according to the current calculation methodology, in respect of capitalization (in other words, “off”) so values will not change on existing files.

Finance Tab



Finance in ARGUS Developer can be analyzed in different ways:

1. Basic (Interest Sets) offers 100% debt funding.
2. Structured Financing.

Please see “Structured Finance” on page 135. for a detailed explanation on Structured Finance.

Select **Basic (Interest Sets)** and many of the options on this page will be available. Select **Structured Finance** and the options on this page will be disabled, since the values are input elsewhere in the program.

The Structured Finance functionality is a separate module of the ARGUS Developer program. It may or may not be available depending on the contract entered into by the user. The module can be activated later if it is not currently available. This can be done without the need to upgrade the software but using an alphanumeric code that enables the module. This ensures that Structured Financing can be switched on quickly.

Compounding Period

This is only available when **Basic (Interest Sets)** is selected.

The period at which the interest will be added to the principal amount. Possible values are **Monthly**, **Quarterly**, **Semi Annually** and **Annually**.

Charging Period

The period in which the interest amount will be charged and shown in the cash flow. This setting does not affect the calculation of interest.

Calculate Interest on Payments/Receipts in Final Period

Selecting this option will allow interest to be rolled up into the Exit Period of the cash flow. Untick this option and interest will not be charged in the Exit Period.

Include Interest and Finance Fees in IRR Calculations

Selecting this option will use the interest values and finance arrangement fees when calculating the IRR for the project. This option is available for both Basic (Interest Sets) and Structured Financing methods.

Automatic Inter-Account Transfers

When this option is selected, a surplus in any of the interest accounts will be used to pay off costs in other accounts. This option is normally left unchecked.

Manual Finance Rate for Profit Erosion

If this option is selected, you can enter the finance rate that will be used to calculate the Profit Erosion. Profit Erosion is displayed on the Project Pro Forma page.

Repeat Interest In End Period

If selected, this will repeat the penultimate month's interest in the sale period.

Calculation Tab

Note: The options you see displayed on this tab depend on what has been selected in the **System Configuration** window. To display all options, select **File | Administration | System Configuration** and then tick the appropriate check boxes.

The timing of Payments and Receipts is specified on this page. Site Payments can be timed differently from other payments.

Timing

The following controls are available in the **Timing** section:

Site Payments

If site payments take place at the beginning of each period, select **Advance**. If they take place at the end of each period, select **Arrears**.

Other Payments

If payments other than site payments take place at the beginning of each period, select **Advance**. If they take place at the end of each period, select **Arrears**.

Negative Land

If negative land payments take place at the beginning of each period, select **Advance**. If they take place at the end of each period, select **Arrears**.

Receipts

If receipts take place at the beginning of each period, select **Advance**. If they take place at the end of each period, select **Arrears**. Receipts are usually in Advance.

IRR Options

The following controls are available in the **IRR Options** section:

Initial Guess Rate

The IRR calculation requires a starting point. This option is used to specify that point and is defaulted to 8%. It will not normally be necessary to change this value.

The **Minimum** and **Maximum** IRR options refer to the thresholds within which an IRR will be reported. If the calculated IRR is outside either of the specified thresholds, it will be reported as “Out of Range” in the Results bar.

Minimum

Here, you can specify a lower threshold. If it is under this threshold, an IRR will be reported as “Out of Range”.

Maximum

You can use this field to specify a higher threshold. If it is over this threshold, an IRR will be reported as “Out of Range”.

IRR Tolerance

When calculating an IRR, ARGUS Developer discounts the cashflow repeatedly until the Net Present Value falls between zero and the IRR Tolerance.

Discounting Options

The following controls are available in the **Discounting Options** section:

Manual Discount Rate

Where the cash flow is to be discounted at a rate other than the IRR, select this option and enter the discount rate. The Present Value and rate will be shown in the Performance Measures section of the Project Pro Forma report.

Leasing/Rent Review Fees calculated on

Leasing and rent review fees can either be calculated off the gross Market Rental Value (**Gross MRV**) or the MRV after deductions (**MRV Net of Deductions**).

Note: To enable these calculation options in the Assumptions for Calculation form, select File | Administration | System Configuration and then tick Show Leasing/Rent Review Fees options.

Vacancy Costs calculated on

Vacancy costs can either be calculated off the gross area (**Gross Area**) or the area after deductions (**Net Area**).

Development Yield, Rent Cover

The performance measures Development Yield and Rent Cover can be calculated on the gross exit MRV, or the exit MRV after deductions for service charges and/or ground rent. You can specify the calculation method by selecting either of the following radio buttons:

- **MRV at Sale Date(s)**
- **Rent at Sale Date(s)**

To allow backwards compatibility with older versions of ARGUS Developer, Development Yield options available here are:

- **Include Tenants with no Capital Value**
If a tenant has no capital value because of a zero yield or Initial Yield Valuation, you can include the MRV by checking this check box.
- **Include Turnover Rent**
This option will only be visible if you have selected **Show Net Development Yield option** in the System Configuration window (see “System Configuration” on page 257). This option allows you to include Turnover (or percentage) rent in the Development Yield calculation.
- **Net of Non-Recoverable Costs**
To deduct percentage and/or fixed deductions from MRV, check this check box.
- **Net of Ground Rent**
To deduct Ground Rent from MRV, check this check box.
- **Net of Rent Additions/Costs**
To include Rent Additions/Costs, check this check box.

Note: To enable these calculation options in the Assumptions for Calculation form, select File | Administration | System Configuration and then tick the Show Net Development Yield option.

Interest/PR Sets Tab

ARGUS Developer enables interest to be calculated by applying Interest and Preferred Return (PR) Sets to every item in the cash flow. A default interest set is automatically applied to each new cost and receipt as it is entered.

A Set is a group of interest rates that are identified by name and are entered by the user.

A common debit and credit interest rate, or Preferred Return, set is used when the **Structured Financing** option is selected. Note that when **Structured Financing** is used, an Interest Set is applied to a Source’s total contributions, not to individual cost or receipt items.

Separate debit and credit rates are available when **Basic (interest sets)** are used.

ARGUS Developer defaults to use the first set from the list shown to the left hand side of the window. Highlight an entry from the list and the relevant rates are shown in detail on the right.

Users can vary interest rates over time by entering changing rates and the number of months over which each interest rate will run. Rates are entered as annual equivalent values. Enter a rate for zero months and ARGUS Developer will run this rate in perpetuity or, in reality, to the end of the cash flow.

All items with the same interest set will use the same rates when calculating finance. If you modify the rates within a set, ARGUS Developer recalculates the finance costs for all items attached to that set.

Interest is calculated on the net total amount in each period. Where the net period total is negative (in other words, an outflow), the Debit rate is applied. Where the net period total is positive (in other words, an income), the Credit rate is applied.

An interest set called “Construction Loan” is always created automatically when you start a new project.

Enter the Debit and Credit rates, and the number of months, into the table.

The screenshot shows the 'Assumptions for Calculation' dialog box with the 'Interest/PR Sets' tab active. On the left, a tree view shows 'Construction Loan' and 'Preferred Return'. The 'Construction Loan' is selected. On the right, a table titled 'Rates for Selected Set' is shown. The table has columns for '#', 'Debit Rate', 'Credit Rate', 'Months', and 'Start Date'. The 'Start Date' is set to 'Jul 2008'. The table contains 10 rows of data, with the first row having a Debit Rate of 7.00% and a Credit Rate of 0.00%. The remaining rows have 0.00% for both rates and 0 for months.

#	Debit Rate	Credit Rate	Months	Start Date
1	7.00%	0.00%	0	Jul 2008
2	0.00%	0.00%	0	
3	0.00%	0.00%	0	
4	0.00%	0.00%	0	
5	0.00%	0.00%	0	
6	0.00%	0.00%	0	
7	0.00%	0.00%	0	
8	0.00%	0.00%	0	
9	0.00%	0.00%	0	
10	0.00%	0.00%	0	

The example above features only two Sets. Many more could be entered, however. “Construction Loan” is highlighted on the left hand side and the individual rates appear to the right. The development appraisal above is currently running **Basic (Interest Sets)**, so both debit and credit rate columns are shown. Select **Structured Financing** and one interest rate column appears. The values entered are used for both interest charging and Preferred Return purposes.

Users can enter multiple interest rates against each loan type or Set. Interest calculations can therefore take account of anticipated interest rate changes over time. Whether the percentage rate is anticipated to run for 6 months or 36, the percentage rate is always an annual value. Entering zero months against a percentage rate means that rate will run in perpetuity from that point in time. We suggest users always enter zero months against the last rate. This ensures interest will always continue to be charged if the length of the cash flow is extended by one month or 30 years.



To add an Interest Set, click on the **Add** button on the toolbar. Enter the Debit and Credit rates into the table as applicable.



To delete an Interest Set, highlight the relevant Set and click on the **Delete** button on the toolbar.

Inflation and Escalation Tab

The following topic refers to Inflation, but the principles apply equally to Rent Escalation sets.

Inflation Sets

Cost Inflation is incorporated by attaching an Inflation Set - essentially a list of rates - to a cost in either the Definitions page or the Cash Flow. An inflation set is a shorthand way of identifying inflation rates by a name. All costs attached to an inflation set will use the same rate when calculating inflation. If you modify the rate within a set, ARGUS Developer recalculates the inflation for all costs attached to that set.

A set called “Inflation Set 1” is created for each new project and more can be added when necessary. By default, inflation is not applied to any cost. A set can hold up to 10 different inflation rates, each of which becomes active on a specified date.

When a cost has inflation applied to it, the inflated figure is shown on all screens and reports.

Name	Stepped	Anniversary Month	Pro Rate to First Anniversary	Full Rate on First Anniversary	Advance or Arrears
Inflation Set 1	<input type="checkbox"/>	January	<input type="checkbox"/>	<input type="checkbox"/>	Arrears

#	Rate	Months	Start Date
1	0.00%	0	Jan 2007
2	0.00%	0	
3	0.00%	0	
4	0.00%	0	
5	0.00%	0	
6	0.00%	0	
7	0.00%	0	
8	0.00%	0	
9	0.00%	0	
10	0.00%	0	



To add an Inflation/Escalation Set, click the **Add** button on the toolbar. Enter a name to identify the set and then type the rates and dates for each step. Note that the rate will be used in perpetuity, unless a number of months is entered or a date is entered against the next step.



To delete an Inflation/Escalation Set, click the **Delete** button on the toolbar. Any cost that used the deleted set will now have inflation/escalation ignored. If you want inflation applied to these items, you will need to attach another inflation/escalation set.

Stepped

When selected, this allows you to step inflation/escalation on an annual basis. If selected, the anniversary month becomes active and you can choose which month coincides with the increase.

Anniversary Month

This is the month from which the inflation/escalation starts. Select the month from the drop-down list. Before you can use this control, you must first check the **Stepped** check box.

Pro-Rate to First Anniversary

This starts the calculation from the first period, using a compounding approach. Before you can use this control, you must first check the **Stepped** check box.

Full Rate on First Anniversary

This uses the full annual rate on the first anniversary, rather than a monthly proportion of the annual rate. Before you can use this control, you must first check the **Stepped** check box.

Advance or Arrears

Use this drop-down list to specify whether the inflation/escalation will be applied in advance or in arrears.

Residual Tab

Use the **Residual** option for projects where the land cost is the unknown element. If you want to enter the land cost manually, you should select **Fixed Land Value**.

The options that control the residual calculations are:

- **Fixed Land Value**, where you enter the known land cost;
- **Allow Residualized Land Only**, where the program calculates the land value using a target type;
- **Allow Residualized and Fixed Land**, where you can enter a manual land value and then ask for the program to include the value when it does the overall residual calculation.

When you click on one of the **Residual** options, the following screen appears:

Land Cost Mode

Fixed Land Value

Allow Residualized Land Only

Allow Residualized and Fixed Land

If you choose the **Fixed Land Value**, there are no further selections to make on this screen.

If you choose the **Allow Residualized Land Only** or **Allow Residualized and Fixed Land** options, further options are available.

You can choose a target type and rate to calculate the residualized land cost.

Specific Fixed Targets

Target Type: Profit on Cost

Phase Number	Profit on Cost	Locked Value?	Treat Neg. Land as Revenue
1. Office Component	20.00%	<input type="checkbox"/>	<input type="checkbox"/>
2. Retail Component	25.00%	<input type="checkbox"/>	<input type="checkbox"/>
3. Residential Condo...	N/A	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Target Type Click on the **Target Type** drop-down box and select a target. There are six target measures: **Profit on Cost**, **Profit on GDV**, **Profit on NDV**, **Project IRR**, **Development Yield** and **Profit Amount**.

Target Rate The Target Rate is the value that the residual function will use to determine whether the correct Land Value has been found. All Target Types will require an entry to be made for each defined phase.

Locked Value This allows you to exclude a phase from the residual calculation in situations where the land cost is fixed. Using this option, you can mix both known and unknown phase land values in the same project.

To allow entry of a known land cost on the Definition page, put a check in this field.

Treat Negative Land as Revenue There may be some developments where the costs far outweigh any income receivable from the sale. If you are looking for a specific return in these circumstances, a negative land value may be generated. In essence, the program treats a negative land value as if it were an injection of money into the project so that a profit can be realized. Due to the sensitivity of the residual targeting function, it may be necessary to treat the negative land as an income rather

than a cost. If the program is not producing a value, try checking the **Treat Neg. Land as Revenue** check box.

Multi-Phasing - Single Land Cost

If you are working with a multi-phased project, you can elect to calculate a single, up front land value for all linked phases. When this option is active, the program will merge all linked phase cash flows before calculating a single land cost.

When viewing the cash flow or summary for individual phases, there will be no land cost or fees shown. To show the residual land cost valuation together with fees, select the **Merged Phase** tab in Original Linked Phases mode or in a new grouping.

If you are entering Land Transfer Tax and Acquisition Fees as percentage values, they must be entered into the first phase of your linked scheme. When the program is residualizing to a Land Value, it will use the fee structure from the first linked phase.

To calculate a single land cost:

1. Select **Single Land Residual at project start** from the **Multi-Phasing** drop-down list.
2. Choose a target type from the drop-down list.
3. Enter a value into the **Single Value** (target rate) field.

Multi-Phasing - Separate Valuations

You may elect to perform separate valuations for each phase in a linked scheme. When you select the **Merged Phases** tab, the individual valuations from each phase will be added together.

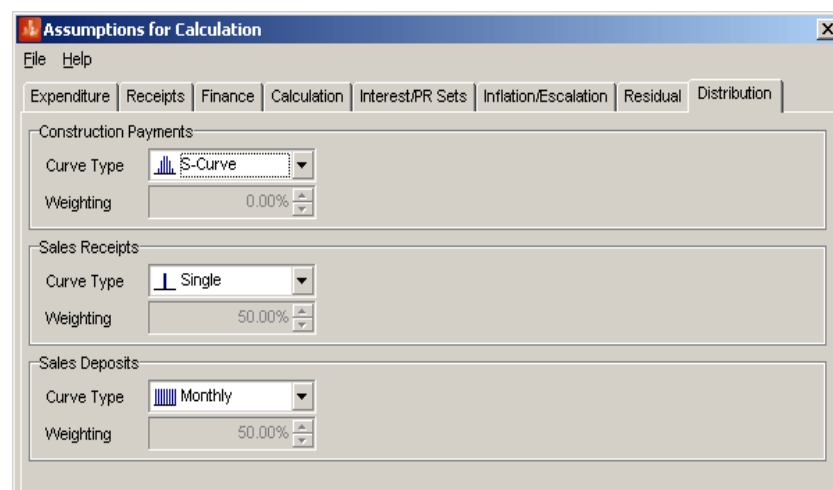
When viewing the Cash Flow or Project Pro Forma for individual phases, the land cost and fees will be included.

To calculate separate land costs:

1. Select **Separate Land Residual for each phase** from the **Multi-Phase** drop-down list.
2. Choose a target type from the drop-down list.
3. Enter a value into the target rate field. You may enter different target rates for each phase.

Distribution Tab

You can make settings for the timing of **Construction Payments**, **Sales Receipts** and **Sales Deposits** on this page.



Construction Payments

Choose the manner in which Construction Costs will be distributed in the Appraisal. The default is **S-Curve**. This may be changed by selecting a curve type from the drop-down menu.

If a Weighted payment is selected, you can enter the weighting % value. A value less than 50% shows a straight-line curve whose values rise and a value greater than 50%, a curve whose values fall.

Sales Receipts

Choose the manner in which Sales Receipts will be distributed in the Appraisal. The default curve type is **Single**. This may be changed by selecting a curve type from the drop-down menu.

Sales Deposits

Choose the manner in which Sales Receipts will be distributed in the Appraisal. The default is an **Even** distribution. This may be changed by selecting a curve type from the drop-down menu.

If you change the option for Construction Costs, you will be asked to confirm your change, and whether you wish to recurve existing construction items, when you click on the **OK** command button.

CHAPTER 3

Timescale & Phasing

This section explains the Development Timescale and Phasing options in ARGUS Developer.

Development Timescale



Before you start to enter data, you should define the Timescale.

To define a new timescale or change an existing timescale, add, delete and copy phases, choose the **Timescale and Phasing** button from the toolbar.

The screenshot shows the 'Timescale and Phasing' dialog box. It includes a menu bar (File, View, Options, Help) and a toolbar with icons for adding, deleting, copying, and pasting phases. The main area contains a table of development stages and a Gantt chart.

No.	Development Stage	Duration	Start Date	End Date
1	Purchase	1	Jan 2008	Jan 2008
2	Pre-Construction	3	Feb 2008	Apr 2008
3	Construction	12	May 2008	Apr 2009
4	Post Development	0	May 2009	May 2009
5	Leasing	12	May 2009	Apr 2010
6	Income Flow	12	May 2010	Apr 2011
7	Sale	16	Mar 2010	Jun 2011

Below the table, there are fields for 'Project Start Date' (Jan 2007), 'Phase Start Date' (Jan 2008), 'Phase Name', and 'Phase End Date' (Jun 2011). A 'Phase Length (months)' field is set to 42. A note indicates: '(Allows for overlapping stages) Hold down SHIFT to move the dragged stage and any attached stages together.'

The Gantt chart shows three phases: Phase 1 (42 mths) from Jan 07 to Jul 10, Phase 2 (42 mths) from Jan 08 to Jul 11, and Phase 3 (40 mths) from Jan 09 to May 12. The overall project duration is 64 mths from Jan 07 to May 12.

When the Timescale and Phasing window appears, you can enter the project start date and a phase name, and fill out the duration of the phase.

Stages of Development

There are 7 predefined stages of development that can be used to describe the timescale of a phase. Their order in the table follows the typical sequence of a development project. Each stage records its duration and start date, plus other information about how the stage is anchored to others.

Every cost and receipt entered into the Appraisal is linked to the one of the stages defined on this page. If you change the duration of any stage, all dependent costs and receipts will be automatically re-timed.

Stages are normally linked together so that a change in one stage’s duration automatically re-times the others. The default setup is to have the timing run from Purchase to Sale, with each stage starting only after the previous one is completed.

Other scenarios are possible:

- Stages are linked, but you choose the order;
- Stages can be unlinked and manually timed to any date in the timescale;
- Stages can run concurrently.

Stage Name Each of the stages has a default name. You can change the name of any of the stages to suit your particular development. Changing the name, however, does not change the stage’s purpose. To change a stage name, click into the **Development Stage** field and press **F2** to edit.

Stage Duration The duration of each stage is measured in months. You do not have to enter the duration for every stage. Where your project does not have a need for a stage, enter zero (0). The most commonly used stages are Pre-Construction, Construction and Leasing.

Start Date The starting date for the development stage.

End Date The end date for the development stage (this is a read-only calculated field).

Entering the Timescale

The timescale for a phase is entered by typing the duration of each stage into the timetable. When the lengths of each stage have been entered, you can modify how the stages are linked together. Stages can be modified using the keyboard, or by dragging bars around the time chart with the mouse.

To modify the timescale using the keyboard



Click on the **Extra Detail Columns** button on the toolbar to show detailed stage information.

No.	Development Stage	Duration	Start Date	End Date	Anchored To	Align	Offset
1	Purchase	1	Jan 2008	Jan 2008	Phase Start	Start	0
2	Pre-Construction	3	Feb 2008	Apr 2008	Purchase	End	0
3	Construction	12	May 2008	Apr 2009	Pre-Construction	End	0
4	Post Development	0	May 2009	May 2009	Construction	End	0
5	Leasing	12	May 2009	Apr 2010	Post Development	End	0
6	Income Flow	12	May 2010	Apr 2011	Leasing	End	0
7	Sale	16	Mar 2010	Jun 2011	Income Flow	End	-14

Phase Length (months): 42
 (Allows for overlapping stages) Hold down SHIFT to move the dragged stage and any attached stages together.

Validations Timescale

Project Timescale

Project Start: Jan 07, Project End: May 12

Phase 1: 42 mths (Jan 08 to Jul 10)

Phase 2: 42 mths (Jan 09 to Jul 11)

Phase 3: 40 mths (Jan 09 to May 12)

Project: 64 mths (Jan 07 to May 12)

All Phases: Phase 1 | Phase 2 | Phase 3

OK Cancel

To	Do this
Change a stage's Start Date	Click in the Start Date column and select a date from the Date Picker.
Link a stage to another stage	Select a stage from the Anchored To column.
Link a stage to the start of another stage	Choose Start from the Align column.
Link a stage to the end of another stage	Choose End from the Align column.
Offset a stage by a number of months from the start or end of another stage	Enter the number of months into the Offset column.
Unlink the stage and let it have its own start date	Select Fixed Date from the Anchored To column.

To modify the timescale using the mouse

Click into the chart part of the timetable:

To	Do this
Change the Start Date <i>and</i> unlink it from other stages	Click on the left end of a bar and drag either to the left or the right.
Change the duration independently of other stages <i>and</i> keep the start date	Click on the right end of a bar and drag to the left or the right.
Change the duration <i>and</i> change the start date independently of other stages	Hold down the Shift key, click on the left end of a bar and drag to the left or the right.
Move the stage <i>and</i> any dependent stages	Hold down the Shift key, click into the middle of a bar and drag to the left or the right.
Move the stage independently of other stages	Click into the middle of a bar and drag to the left or the right.

To reset the timescale and re-link all stages



Click the **Reset Stages to Default Layout** button on the toolbar, or use the **File | Reset Stages to Default Layout** menu option.

This will reset any manual changes you have made to the stages (such as a stage being moved to a position before the previous stage):

No.	Development Stage	Duration	Start Date	End Date	Jun 08	Aug 08	Oct 08	Dec 08		
1	Purchase		1 Jun 2008	Jun 2008	■					
2	Pre-Construction		1 Jul 2008	Jul 2008		■				
3	Construction		1 Aug 2008	Aug 2008			■			
4	Building Fitout		1 Jul 2008	Jul 2008		■				
5	Operations Start		1 Oct 2008	Oct 2008				■		
6	Holding Period		1 Nov 2008	Nov 2008					■	
7	Sale		1 Dec 2008	Dec 2008						■

Resetting will set the stages so they follow on in a neatly stepped layout, in the order in which they are listed:

No.	Development Stage	Duration	Start Date	End Date	Jun 08	Aug 08	Oct 08	Dec 08		
1	Purchase		1 Jun 2008	Jun 2008	■					
2	Pre-Construction		1 Jul 2008	Jul 2008		■				
3	Construction		1 Aug 2008	Aug 2008			■			
4	Building Fitout		1 Sep 2008	Sep 2008				■		
5	Operations Start		1 Oct 2008	Oct 2008				■		
6	Holding Period		1 Nov 2008	Nov 2008					■	
7	Sale		1 Dec 2008	Dec 2008						■

Changing the timeline scale

To change the timeline to show a different scale, you can use the options provided in the **Options | Phase Timeline Scale** menu. The choices here are:

- **Scale To Fit** - This is the default option; it scales the display automatically to fit the number of months being represented.
- **Monthly** - This changes the display to show months.
- **Quarterly** - This changes the display to show quarters.
- **Semi-Annual** - This changes the display to show six-monthly blocks of time.
- **Annual** - This changes the display to show years.

Phase Details

Project Start Date To change the project start date, click on the **Date Picker** button. When the Date Picker appears, choose the Month and Year and click on **OK**. All dates are assumed to start on the first of the month.

If you change the Project Start Date, you will be asked to confirm the realignment of Phase Start Dates and Lease Start Dates.

Phase Start Date The start date of a phase can be later than the start date of the project. If you want to change the phase start date, click on the Date Picker.

Phase Name You can assign a name to a phase for easy identification on the phase tabs. To name a phase, type directly into the **Phase Name** edit box. To force the program to display the name on the phase tabs, select **Options**, then tick the **Display Phase Name on tabs** menu option.

Phase End Date The end date of the phase is displayed in this read-only field.

Adding a Phase



A new phase can be added at any time by using the **Add Phase** button on the toolbar. If you use a default template for your projects, it is possible to create the new phase with the settings in the template, otherwise a blank phase will be added.

To add a blank phase

- First, ensure that the **New Project Template** is set to **default** by using the **File | Administration | System Configuration** menu option to open the System Configuration dialog and selecting the **default** item in the **New Project Template** drop-down list. Click **OK** to exit this dialog.
- In the Timescale and Phasing window, click on the **Add Phase** button. A new blank phase is created and added to the end of the phase list.

To add a phase with default values

- Use the **File | Administration | System Configuration** menu option to open the System Configuration dialog, and choose a saved template from the **New Project Template** drop-down list. Click **OK** to exit this dialog.
- In the Timescale and Phasing window, click on the **Add Phase** button. A new phase is created and added to the end of the phase list. It will contain any default area records, costs and fees in the selected template.

Deleting a Phase



To delete a phase

- Select the tab of the phase you wish to delete and click on the **Delete Phase** button.
- When the phase is deleted, all area records, costs, fees and so on are deleted. If any phase other than the final phase is selected, phases will be renumbered after the existing phase is removed.
- If you delete the final phase, ARGUS Developer will add a default blank phase.

Copying a Phase

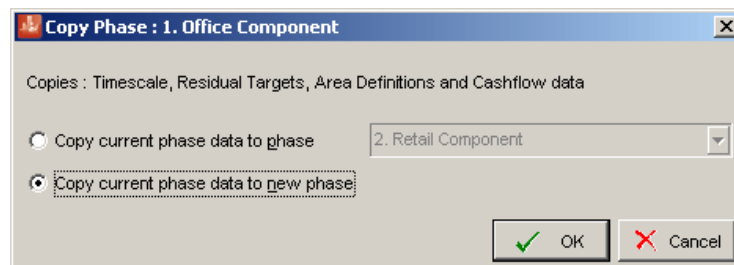
When you copy a phase, ARGUS Developer copies all data associated with the phase to either a new phase or another nominated phase in a multi-phased project.

All data including timescale, area definitions for Capitalized Rent and Sales, residual targets, costs and receipts will be copied into the new phase.



To copy the current phase

- Select the tab of the phase you wish to copy.
- Click on the **Copy Phase** button.
- Select the phase that you want to copy into:



To	Do this
To add the copied data as a new phase.	Check the Copy current phase data to new phase check box
To copy the data into an existing phase	Check the Copy current phase data to phase then select the phase from drop-down menu.

Grouping/Linking Phases

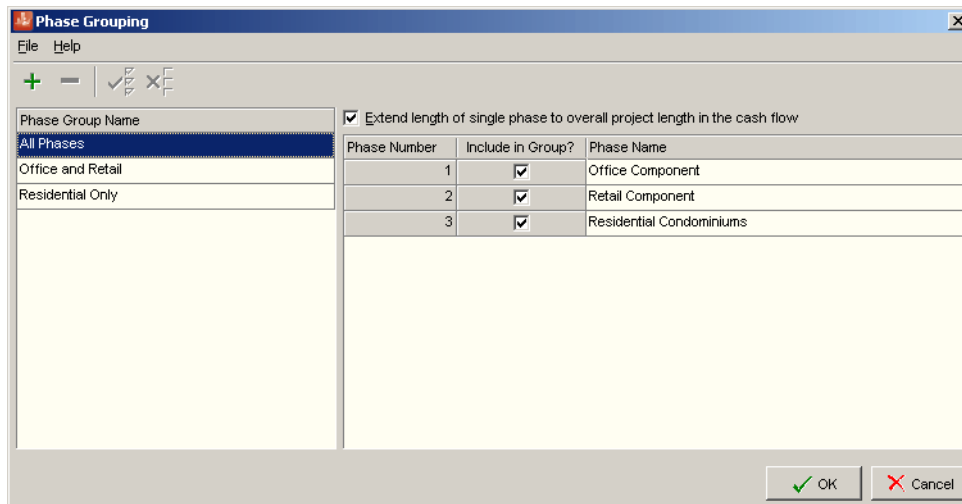
You can break a scheme down into individual phases and then join them together to form a single comprehensive project. This method assumes that each phase holds all its own costs, receipts and land value, forming an independent project until it is linked with one or more other phases.

Within the All Phases mode, an extra tab is created, named **Merged Phases**. You must click on the **Merged** tab to see the addition of Results from each linked Phase.



To merge phases

- Click the **Group Phases** button on the toolbar.
- Select **All Phases** or add a new group.
- Choose phases that you wish to merge together by ticking the **Include in Group?** box.
- To extend the length of each single phase in the group to overall project length in the cash flow check this option.



To merge all phases within the group



Click on the **Include All Phases** button.

To de-select all phases



Click on the **Exclude All Phases** button.

To create new grouping of phases



Click on the **Add New Group** button.

To delete groupings of phases



Click on the **Delete Group** button.

Inter-relating phases and stages

Anchoring phases

It is possible to anchor a phase's timing with another phase, or with a specific stage within another phase. This will lock the phases together, so that any changes that you make to the timing of one will be reflected in the timing of the other. The start of the phase will be locked to the phase and stage you have selected.



Before you begin, click on the **Extra Detail Columns** button on the toolbar to show detailed stage information. This shows the **Anchored To**, **Align** and **Offset** columns (outlined in green here for illustrative purposes):

...	Phase Name	Phase End Date	Start Date	End Date	Anchored To	Align	Offset	Jan 07	Dec 07
1	Jan 2007	Jan 2007	Jan 2007	Jan 2007	Phase Start	Start	0		
3	Feb 2007	Apr 2007	Feb 2007	Apr 2007	Purchase	End	0		
12	May 2007	Apr 2008	May 2007	Apr 2008	Pre-Construction	End	0		
0	May 2008	May 2008	May 2008	May 2008	Construction	End	0		
12	May 2008	Apr 2009	May 2008	Apr 2009	Post Development	End	0		
12	May 2009	Apr 2010	May 2009	Apr 2010	Leasing	End	0		
16	Mar 2009	Jun 2010	Mar 2009	Jun 2010	Income Flow	End	-14		

42

Hold down SHIFT to move the dragged stage and any attached

Select the phase that you wish to work on by clicking on the appropriate phase tab at the bottom of the Timescale and Phasing window.

Click on the **Phase Start Date** control. In previous versions, this would open a date picker (as with the **Project Start Date** control), but now a dialog like the following will open:

Phase 2: Phase Start is Anchored to

Phase: Project Start (Default)

Stage: Start (Fixed Date)

Date: Jan 2007

Offset by: 0

OK Cancel

To select another phase to which this current phase will be anchored, use the **Phase** drop-down:

Phase 2: Phase Start is Anchored to

Phase: Project Start (Default)

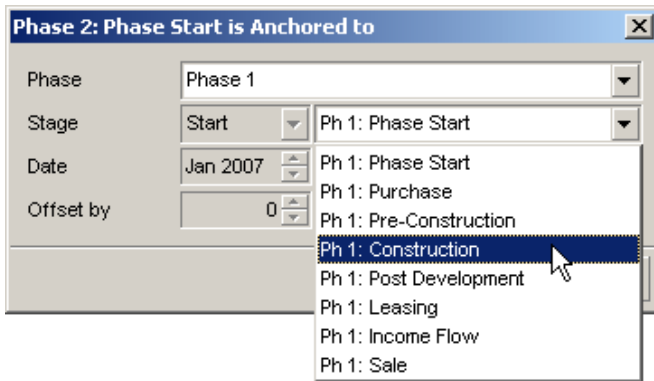
Stage: Project Start (Default)

Date: Phase 1

Phase 3

Selecting an option here will anchor the current phase to the specific stage you have selected.

Next, you can (optionally) use the **Stage** drop-down to select a specific stage within the phase you have selected:



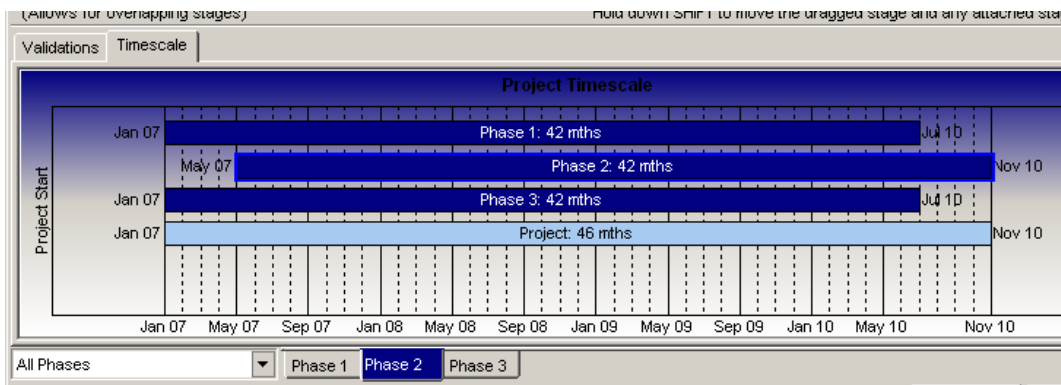
Selecting an option here will anchor the current phase to the specific stage you have selected.

If it becomes active, you may also use the first drop-down next to **Stage** to specify whether to anchor against the start or the end of the stage you have selected.

If required, you may wish to use the **Offset by** field to “fine-tune” the timing.

When you click **OK**, you will note that the dates in the Start Date and End Date will change to adjust to the new anchored timing.

In addition, the phase display will change to show the new start timing for the phase:



Anchoring stages

You can also anchor specific stages to stages in other phases.



Before you begin, click on the **Extra Detail Columns** button on the toolbar to show detailed stage information. This shows the **Anchored To**, **Align** and **Offset** columns (outlined in green here for illustrative purposes):

...	Phase Name					
...	Phase End Date	Jun 2010				
on	Start Date	End Date	Anchored To	Align	Offset	Jan 07 Dec 0
1	Jan 2007	Jan 2007	Phase Start	Start	0	
3	Feb 2007	Apr 2007	Purchase	End	0	
12	May 2007	Apr 2008	Pre-Construction	End	0	
0	May 2008	May 2008	Construction	End	0	
12	May 2008	Apr 2009	Post Development	End	0	
12	May 2009	Apr 2010	Leasing	End	0	
16	Mar 2009	Jun 2010	Income Flow	End	-14	

42

Hold down SHIFT to move the dragged stage and any attached

Select the phase that you wish to work on by clicking on the appropriate phase tab at the bottom of the Timescale and Phasing window.

Look at the **Anchored To**, **Align** and **Offset** columns and decide which stage you would like to anchor to a stage in another phase.

Click on the **Anchored To** control for the stage you have chosen. A dialog like the following will open:

Phase 3: Construction is Anchored to [X]

Phase: Phase 3 (Default) [v]

Stage: End [v] Pre-Construction [v]

Date: May 2007 [v] [2]

Offset by: 0 [v]

[OK] [Cancel]

To select another phase to which this current stage will be anchored, use the **Phase** drop-down:

Phase 3: Construction is Anchored to [X]

Phase: Phase 2 [v]

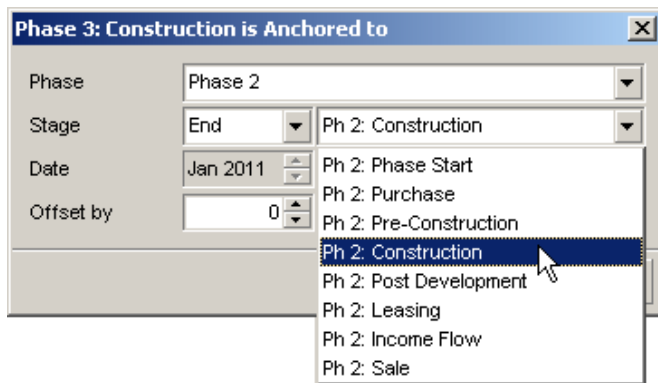
Stage: Phase 1 [v]

Date: Phase 2 [v]

Offset by: Phase 3 (Default) [v]

Selecting an option here will anchor the current stage to the specific phase you have selected.

Next, you can use the **Stage** drop-down to select a specific stage within the phase you have selected:



Selecting an option here will anchor the current stage to the specific stage you have selected.

If it becomes active, you may also use the first drop-down next to **Stage** to specify whether to anchor against the start or the end of the stage you have selected. Alternatively, you can specify the start or end by selecting from the drop-down in the **Align** column in the Timescale and Phasing window:

Anchored To	Align	Offset	Jan 07	Dec 07	No
Phase Start	Start	0			
Purchase	End	0			
Pre-Construction	End	0			
Construction	Start	0			
Post Development	End	0			
Leasing	End	0			
Income Flow	End	-14			

Hold down SHIFT to move the dragged stage and any attached st

If required, you may wish to use the **Offset by** field to “fine-tune” the timing. Alternatively, you can specify the offset amount by using the stage’s **Offset** field in the Timescale and Phasing window.

When you click **OK**, you will note that the dates in the Start Date and End Date will change to adjust to the new anchored timing.

Timescale Validation

Whenever the timescale is changed in any way, ARGUS Developer will automatically reorganize all time-based information in the Area Schedules and Cash flow. In some cases, the timing of some costs or receipts will be manually overridden and fall outside the normal rules of reorganization. To ensure that items with manually overridden timings fall within their parent phases, a validation check will be undertaken.

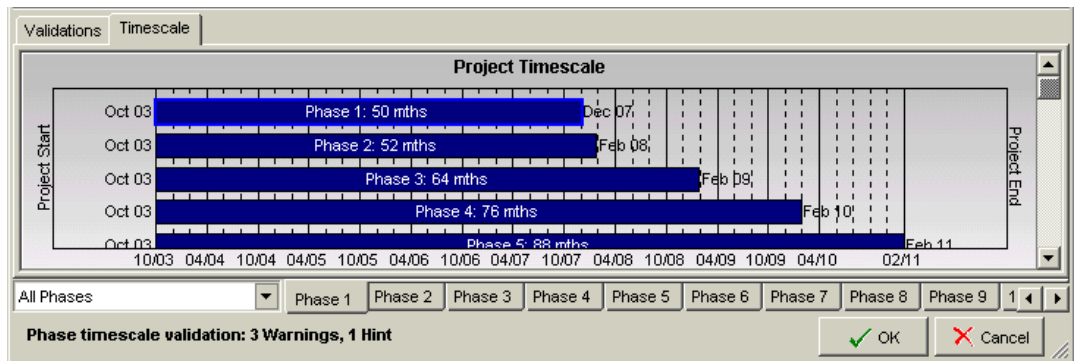
Changes that cause the project to be reorganized are:

- New project start date;
- New phase start date;
- Shortening the duration of a stage;
- Moving a stage;
- Unlinking a phase;
- Copying or deleting a phase.

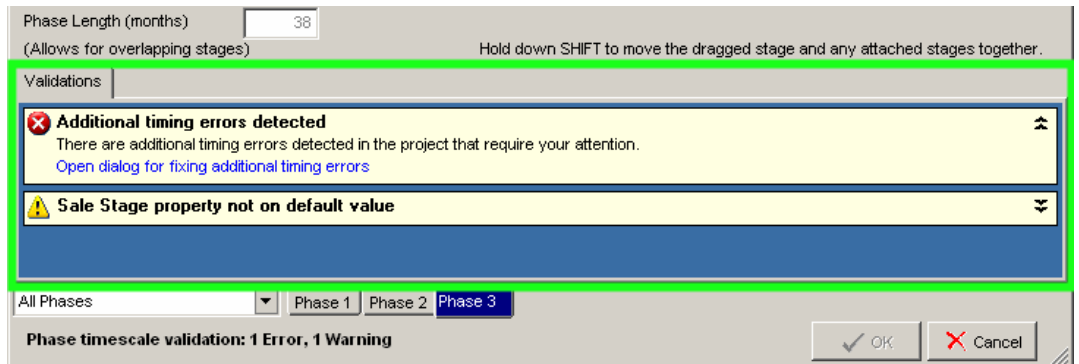
After reorganization, manually timed items may be left hanging outside the parent phase’s timescale. In such cases, a warning is given and corrective action taken.

Causes of invalid timing are:

- Item starts before the project start date;
- Item starts before the phase start date;
- Item starts after the phase end date;
- Item starts within the phase, but ends after the phase;
- An offset is greater than the length of its parent stage.



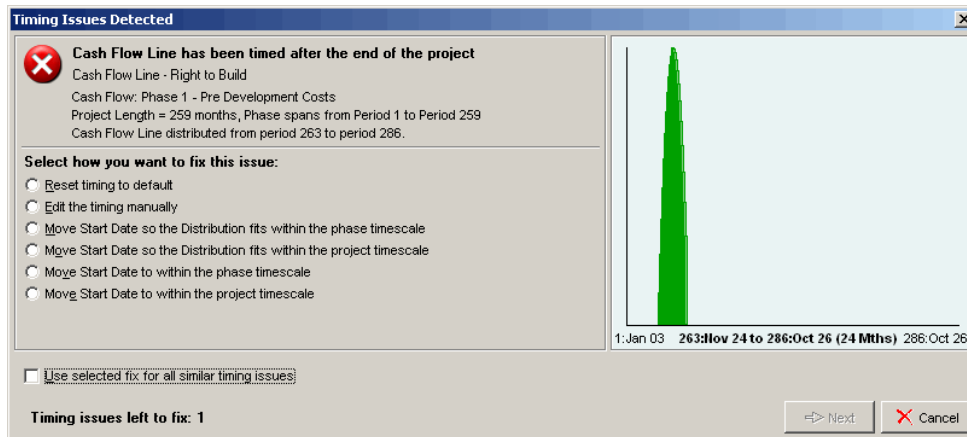
Once a timing issue is detected by ARGUS Developer, a tab called **Validations** appears (outlined here in green for illustrative purposes):



On this tab you will see either a hint or a warning and a list of suggestions on how to resolve the problem.

The status bar below the phase tabs will also summarize the number of warnings and hints.

If you have a warning message, you may be provided with a clickable link (in blue text) that will help you to solve the problem. Click on this link to open the Timing Issues Detected dialog:



This dialog will give you guidance and options you can select in order to fix the timing issues.

Important note

There may be times when you find that the Sale stage is “locked” and you can not adjust its length.

This may be because the **Options | Automatically Adjust Timescale** option in either the Single Unit Sales or Multi Unit Sales area form has been checked.

If you need to adjust the length of time for the Sale stage, you should first go to the Definition tab, open the Single Unit Sales and Multi Unit Sales area forms and uncheck the **Options | Automatically Adjust Timescale** menu option.

CHAPTER 4

Capitalized Rent and Unit Sales



To enter a schedule of tenants and capitalized rent, click on the **Capitalized Rent** expansion button on the **Definition** page.

When the Area, Construction and Lease schedule appears, enter the information required relating to gross and net floor space, construction, rent rates and cap rate.

The following buttons are available in this window (note that the options you see displayed will depend on the functionality options you have chosen in the System Administration window - see “Country” on page 257):



Add Area To add a tenant, click on the **Add** button. A new blank record will be added after the final area and displayed on the screen.



Delete Area To delete a tenant from the schedule, click on the **Delete** button.



Insert Area To insert a tenant, click on the **Insert** button. A new blank record will be added before the current area, and displayed on the screen.



Copy Area Copies area definition.



Define Master Ground Lease Defines Master Ground Lease in terms of length of lease, Sinking Fund and tax on Sinking Fund.



Stepped Rents Defines Stepped Rent Profiles.



Leasing Commission Profiles Creates four different types of commission for you to choose from.



Lease Events Shows lease events during rental flow stage including rent reviews, renewals and escalation.



Spot Residuals Allows Spot Residuals to be calculated on various fields within the schedule and detail views.



Interest/PR Sets Displays Interest/Preferred Returns sets as shown on **Assumptions** menu.



Inflation/Escalation Displays Inflation/Escalation sets as shown on **Assumptions** menu.



Valuation Options Options for rental flow period and Inflation/Escalation.

To toggle between the Detail view and Quick Entry Schedule, use the two buttons shown here:



Line Detail View Clicking on the drill button shows the Line Detail view. The following is an example of the Line Detail view:

The screenshot shows a software window titled "Areas, Construction, Rent and Capitalization - Phase 1". It contains several data tables and fields:

- Header Fields:**
 - Heading: Retail (Ground Floor)
 - Unit Number: 1
 - Use Type: Retail Shop
 - Number of Units: 1
 - Parking Stalls: 0.0
 - Gross Unit Area ft²: 6,000
 - Gross Area ft²: 6,000
 - Net Unit Area ft²: 5,400
 - Net Area ft²: 5,400
 - Gross:Net Ratio: 90.00% (Locked)
 - Additional Unit Area ft²: 0
 - Additional Area ft²: 0
 - Alternate Area: 0
 - ITZA Area ft²: 0
- Construction Cost Table:**

Rate pf ²	150.00
Rate Additional pf ²	0.00
Cost / Unit	900,000
Cost / Parking Stall	0
Parking Stalls Cost	0
Gross Cost	900,000
Stage	Construction
Starts in	May 2007
Distribution Months	12
TI Rate pf ² (Leasing)	0.00
- Rent % Rent Lease Financial Table:**

Market Rent Rate pf ² pa	70.00
Rent Escalation	(None)
Step Rent Profile	(None)
Annual Rent / Unit	378,000
Gross Market Rent pa	378,000
Initial Rent	378,000
% Vac. & Non-rec Cost	0.000%
Fixed Non-Recov. Cost	0
Total Non-Recov. Cost	0
Ground Rent Deductions	0
Annual Rent	378,000
Rent Free Period (Months)	12
Lease Comm. Profile	(None)
- Rent Capitalization Table:**

Cap Rate%	6.0000%
Initial Rent	378,000
Changes during Lease	0
Rent at Capitalization Date	378,000
% Vac. & Non-rec Cost	0.000%
Fixed Non-Recov. Cost	0
Total Costs	0
% Rent	0
Valuation Rent	378,000
Capitalized Rent	6,300,000
Manual Capital Value	0
Stage	Sale
Capitalized At	Mar 2009

Line Detail view



Schedule View Clicking on this button shows the Quick Entry Schedule. The following is an example of the Schedule view:

Area		General					
No.	Heading	Unit Number	Use Type	Number of Units	Parking Stalls	Gross Unit Area ft²	Gross Area ft²
1	Retail (Ground Floor)	1	Retail Shop	1	0.0	6,000	6,000
2	Offices (First Floor)		Offices	1	0.0	7,000	7,000
3	Offices (Second Floor)		Offices	1	0.0	7,000	7,000
				3	0.0	20,000	20,000

Heading	Type	Amount	Selection	Total	Timing	Inflation Set	GST Rate
Construction Break	Fixed Amount	0	No Selection	£0	Construction	Ignore	0.00%

Gross Area ft²	Net Area ft²	Gross Cost	Gross Rent	Capitalized Rent
20,000	17,300	£3,350,000	£735,000	£12,790,909

Schedule view

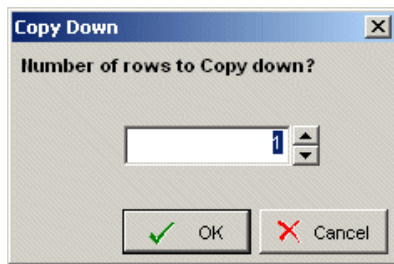


Fill Down Allows you to populate an entire column with the value you have currently selected in the grid. This opens a dialog that allows you to specify how many rows you would like to populate:

Fill Down dialog



Copy Down Allows you to populate an entire column by copying the value you have currently selected in the grid. This opens a dialog that allows you to specify how many rows you would like to populate:



Copy Down dialog



Show Tenant Cash Flow Statement Previews Tenant Cash Flow Statement for current tenant or all tenants.



Saving and exiting To save all costs and receipts to the cash flow and exit the schedule, click on the **OK** button.

Note: You are not required to enter a value into every field. For those that are not applicable, leave them at zero (0).

General Area Information

Heading	Retail (Ground Floor)	Gross Unit Area ft ²	6,000	Additional Unit Area ft ²	0
Unit Number	1	Gross Area ft ²	6,000	Additional Area ft ²	0
Use Type	Retail Shop	Net Unit Area ft ²	5,400	Alternate Area	0
Number of Units	1	Net Area ft ²	5,400	ITZA Area ft ²	0
Parking Stalls	0.0	Gross:Net Ratio	90.00%	<input type="checkbox"/> Locked	

Heading You can label each area with a heading of up to 60 characters in length.

Unit Number Reference number.

Use Type Select a category for the current area definition. You can fully customize this field, adding, deleting or changing any of the pre-defined entries. Modifications to this list are the responsibility of your systems administrator.

Number of Units Enter the number of identical units for the current area definition. For example, 10 factory units or 20 apartments.

Parking Stalls This is the number of parking space to include in the area record. This field is used to calculate the Parking Stalls Cost which forms part of the Gross Cost. This field allows a single decimal in the input so that non-standard sizes of parking space can be modelled.

Additional Unit Area This is the additional unfinished area per unit.

Additional Area This is the total additional unfinished area. The additional unfinished area is not included in the gross or net unit area and merely functions as a way to calculate the Gross Cost.

Floor Areas

These fields provide the facility to enter gross and net floor areas for a building. You can enter either the floor area per unit, or the total area for construction costs and rental value or sales income.

When you enter a value into the **Unit Area** fields, the **Total** fields are calculated automatically, and vice versa.

The ratio of the disposal (net) area to construction (gross) area is shown in the **Gross:Net Ratio** field. This field can be locked at a fixed value so that all floor areas will be calculated with reference to it.

Alternate Area This area can be used for calculating costs based on areas.

Construction Costs

You can enter the basic construction cost for each unit in one of three ways:

The Rate/ft² or Rate/M², the Cost/Unit rate, or the Gross Cost. Whichever of these values you enter, the others will be calculated automatically if you have entered appropriate figures in the Floor Area section.

Construction Cost		Financial	
Rate pf ²		150.00	← Basic construction cost
Rate Additional pf ²		0.00	
Cost / Unit		900,000	
Cost / Parking Stall		0	
Parking Stalls Cost		0	
Gross Cost		900,000	
Stage	Construction	...	← Timing of construction costs
Starts in	May 2007		
Distribution Months		12	
TI Rate pf ² (Leasing)		0.00	← Tenant improvement rate (initial) based on net area and defaults to start of lease
Click to View Construction Cost Breakdown			

Construction Costs will be distributed over the duration of the Construction Stage defined in the Timescale and Phasing screen.

Parking Spaces Cost This read-only field displays the total cost spent on parking spaces by showing the value of Parking Spaces multiplied by Cost /Parking Space.

Rate Additional This field is the cost multiplier for the Additional Area.

Cost / Unit The gross cost is calculated differently from previous Developer versions because it now takes into account the additional area. The Cost / Unit is now calculated as follows:

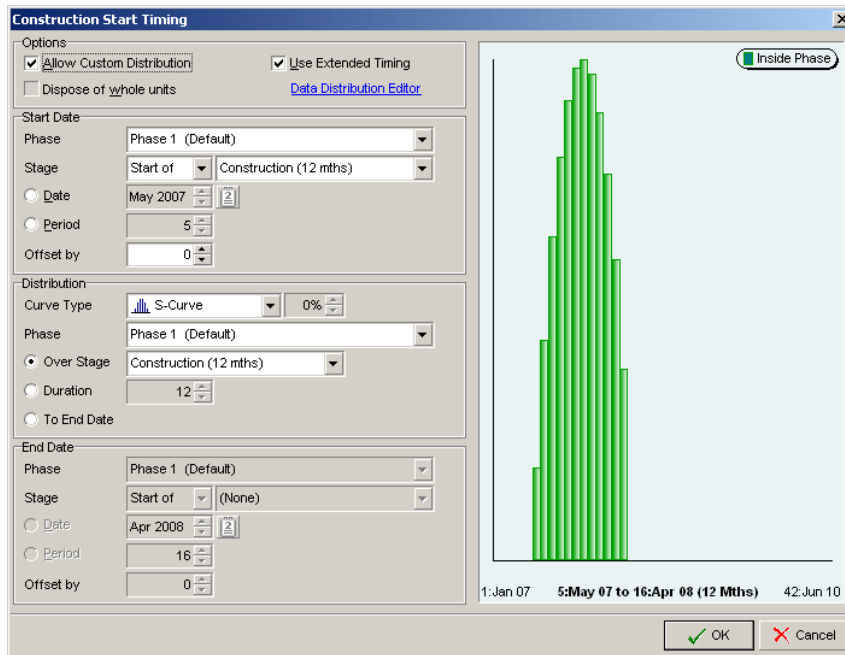
$$\text{Cost Unit} = \text{Gross Unit Area} \times \text{Rate} + \text{Additional Unit Area} \times \text{Additional Rate}$$

Gross Cost The gross cost is calculated differently from previous Developer versions because it now takes into account the additional area and parking space calculations. The Gross Cost is now calculated as follows:

$$\text{Gross Cost} = \text{Gross Area} \times \text{Rate} + \text{Additional Area} \times \text{Additional Rate} + \text{Parking Spaces} \times \text{Cost / Parking Space}$$

Timing of Construction Costs

You can manually alter the distribution of the construction costs by clicking into the **Construction Start Timing** option on the **Stage** row (note that if you have loaded a file containing data that is distributed, you will see a dialog like the following; if you are entering data for the first time, you may see a simpler dialog without distribution - see “Other timing dialogs” on page 103):

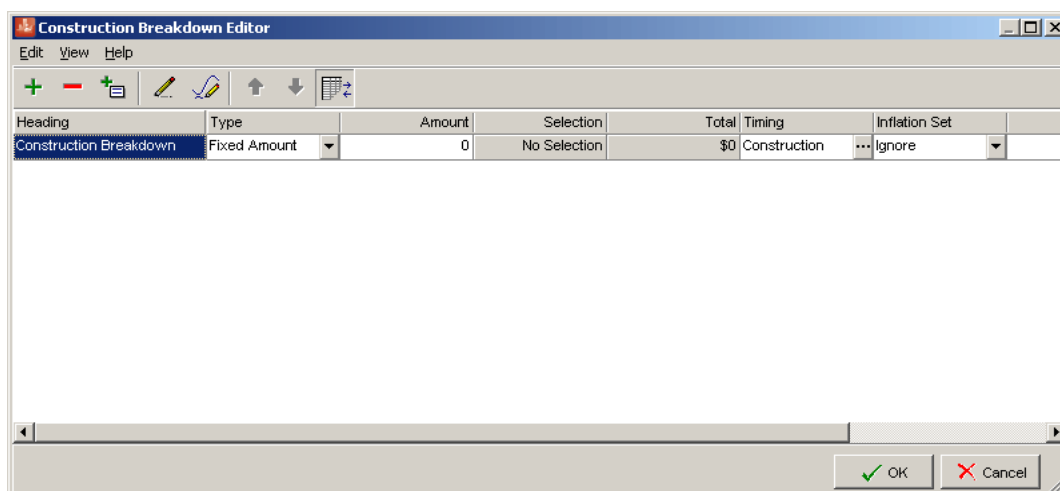


The default will start the construction costs at the start of the construction stage as previously defined.

To	Do this
Make the construction costs start at the beginning of another stage.	Use the drop-down menu to select another stage.
Make the construction costs start at a specific date.	Select Date then use the up/down arrows in the Date option to select the date.
Make the construction costs start at a specific period.	Select Period then use the up/down arrows in the Period option to select the date.
Redistribute the Construction costs.	Click on Data Distribution Editor .

Construction Cost Breakdown

If you click on the **Click to View Construction Cost Breakdown** link (the text shown in blue on the Construction Costs tab), the Construction Breakdown Editor will be opened:



For further details of this editor, see “Construction Cost Breakdown” on page 63.

Construction Costs - Financial

You can apply inflation to the construction cost, specify Interest and GST rates on the Financial page.

Construction Cost	Financial	
Inflation	(Ignored)	← Inflation Set selector
Interest Set	Construction Loan	← Shows Interest Set
Ignore Interest	<input type="checkbox"/>	
GST Rate	0.00%	← GST and recovery rates
GST Recovery Rate	0.00%	
Cost Type	Add to Cost	← Cost type selector
Exclude Gross Area	<input type="checkbox"/>	

Cost Inflation

A set called Inflation Set 1 is created for each new project and more can be added when necessary. By default, inflation is not applied to any cost. A set can hold up to 10 different inflation rates, each of which becomes active on a specified date. Inflation sets can be defined on the **Inflation/Escalation** tab within **Assumptions**. Please see “Inflation and Escalation Tab” on page 16.

If you have different rates within the set, this will be indicated by showing **var.** when selected.

Construction Interest

To enable interest to be calculated for the construction cost in the current area, select a Set number from the **Interest Set** drop-down list. To ignore interest, check the option **Ignore Interest**.

Construction Loan is attached automatically when each new area is created in basic finance mode. If **Structured Debt and Equity** is chosen in **Assumptions** the interest options are disabled.

GST

To calculate GST on the Net Cost, enter a rate into the **GST Rate** field. If any portion of the GST can be reclaimed, enter the amount as a % into the **Recovery Rate** field.

GST is recovered in accordance with the rules selected on the GST Schedule available from the Project Menu.

Exclude Gross Area

For purposes of Professional Fee calculations, you can elect to exclude the gross area from the totals. Use the **Exclude Gross Area** selector to do this. Any calculations that rely on the total Gross Area (Rate per Square Foot or Rate per Square Meter) will not include these values.

Annual Rent

You can enter the annual rent for each unit in one of four ways:

The Rate/ft² or Rate/M², the Rent/Unit rate, or the Annual Gross Rent. Whichever of these values you enter, the others will be calculated automatically if you have entered values into the Floor Area section.

Rent	% Rent	Lease	Financial
Market Rent Rate p/ft ² pa			70.00
Rent Escalation		(None)	
Step Rent Profile		(None)	
Annual Rent / Unit			378,000
Gross Market Rent pa			378,000
Initial Rent			378,000
% Vac. & Non-rec Cost			0.000%
Fixed Non-Recov. Cost			0
Total Non-Recov. Cost			0
Ground Rent Deductions			0
Annual Rent			378,000
Rent Free Period (Months)			12
Lease Comm. Profile		(None)	
Click to View Rent Additions/Costs			

Annotations:

- Basic Annual Rent (points to Market Rent Rate p/ft² pa)
- Fixed and % deductions (points to % Vac. & Non-rec Cost)
- Annual Rent (points to Annual Rent)
- Rent Free period in months (points to Rent Free Period (Months))
- Additions/Costs to rent (points to Click to View Rent Additions/Costs)

Rent Escalation

You can use the **Rent Escalation** drop-down to select an escalation set - this applies an escalation rate to the MRV.

Step Rent Profile

For use if you have income flow during the development. You can define a stepped rent profile and select this profile from this form. For more information see “Stepped Rents” on page 46.

%Vacancy/Fixed Non-rec Cost

You can enter deductions from the Annual Rent by filling in **% Vac. & Non-rec. Cost** and **Fixed Non-recov. Cost**. You may want to allow for a Service Charge that is taken off the tenant’s rent before capitalization.

Total Non-recov. Cost

This is the total of both the **% Vac. & Non-rec. Cost** and **Fixed Non-recov. Cost** amounts.

Annual Rent

Annual Rent is the rent that will be used to calculate the Capital Value.

Annual Rent is derived from the Gross Rent, less any deductions and including any escalation. When the tenant’s rent is flowing, the Annual Rent takes into account any rent reviews.

Rent Free Period (mths)

A rent free period can be granted to a tenant by filling in the Rent Free Period field. The loss of income can be represented in several ways. For more information see “Rent Free Cost Methods” on page 11.

It is the Net capitalized rent that is fed into the cash flow, and it is used to calculate the project’s total revenue.

Lease Comm. Profile

Commissions are paid to an agent for services in letting the property.

You can use the **Lease Comm. Profile** drop-down to select a leasing commission profile - this applies a leasing commission rate to the MRV.

For more information about setting up leasing commission profiles, see “Leasing Commission Profiles” on page 47.

Rent Additions/Costs

This schedule is accessed by clicking on the link. You are able to add unlimited rows of data for either costs or revenues. The value, depending on whether it is a cost or a revenue, will be deducted or added to the investment valuation.

To	Do this
Add/Delete new rows.	Use the Add and Delete buttons.
Change Revenue/Cost.	Click in box and select from drop-down.
Change Type.	Click in the field and choose from one of various options: <ol style="list-style-type: none"> 1. Fixed Amount/Unit/Year. 2. Fixed Amount/Area/Year. 3. Amt/ft²/yr x Net Area (or Amt/m²/yr x Net Area). 4. Amt/ft²/yr x Gross Area (or Amt/m²/yr x Gross Area). 5. Amt/ft²/yr x Alternate Area (or Amt/m²/yr x Alternate Area).
Apply to different area/units from the area schedule.	Click into Selection and apply to a tenant.
Apply escalation to rows.	Click into Escalation field and select from menu of escalation sets (previously defined).
Apply private or tenant capitalization rate.	Click into Capitalization field and choose either Use Private Rate or Use Tenant Rate . If choosing Use Private Rate , enter rate to the right of box.

Heading	Cost or Revenue	Type	Amount	Selection	Inflation / Growth	Capitalization
Rent Additions/Costs	Revenue	Fixed Amount /Unit /Year	234	2 Unit(s)	(Ignored)	No Capitalization

% Rent

The % Rent tab can be used to enter information about sales from retail units. The method of calculating the % Rent is also specified here.

Rent	% Rent	Lease	Financial
Sales Volume pa	0		
Sales Volume pf ² pa	0.00		
% Rent Rate	0.000%		
Breakpoint Type	Zero		
Arbitrary Break amount	0		
Arbitrary Break pf ² pa	0.00		
Turnover Escalation	(Ignored)		

← Sales volume per annum and per square meter/foot

← Breakpoint type selector

← Escalation Set selector

Sales Volume pa

Turnover is linked to the Sales Volume which can be inflated in line with the % Rent Escalation Set if required. Enter the Volume figure, and the equivalent rate per unit area is calculated.

Sales Volume pa per unit area

Turnover is linked to the Sales Volume which can be inflated in line with the % Rent Escalation Set if required. Enter the Sales Volume p.a. per unit area figure and the equivalent Sales volume p.a. is calculated.

% Rate

The multiplier is applied to the Sales Volume to produce the Turnover or % Rent.

Breakpoint Type

There are three breakpoint types:

- **Zero Breakpoint**

The % of Turnover multiplier is applied to the entire Sales Volume p.a.

Example: 1,000,000 Sales Volume pa * 7% of Turnover = 70,000 pa.

- **Natural Breakpoint**

This is sometimes used where the total rent comprises a core, or base, income and an additional Turnover Rent. The lease may guarantee the landlord a certain percentage of the total income subject to a minimum core rent that can move over time. This core rent is calculated as an equivalent value in terms of Sales Volume. This equivalent value forms the Natural Breakpoint. The Natural Breakpoint will move as core rents increase and decrease.

Example: 1,000,000 Sales Volume pa, 8% of Turnover and a 10,000 standard rent.

Given the landlord is entitled to 8% of Sales Volume, the 10,000 standard rent would be worth 125,000 to him/her, if it were expressed as Sales Volume. This 125,000 is the Natural Breakpoint.

10,000 core rent / 8% of Turnover = 125,000 Natural Breakpoint.

Only Sales Volume in excess of the Breakpoint is valued as turnover rent.

(1,000,000 Sales Volume - 125,000 Natural Breakpoint) * 8% = 70,000 Turnover Rent

The total rent payable is the 10,000 core rent plus 70,000 Turnover Rent.

- **Arbitrary Breakpoint**

Only Sales Volume in excess of the Arbitrary Breakpoint is used to calculate the Turnover Rent. Arbitrary Breakpoints are entered as amounts per month, per unit area.

Example: 1,000,000 Sales Volume, 8% of Turnover and 200,000 Arbitrary Breakpoint.
 (1,000,000 Sales Volume - 200,000 Arbitrary Breakpoint) * 8% of Turnover = 64,000.

Arbitrary Break amt and Arbitrary Break pf²/pm²

This field displays a zero when the **Zero Breakpoint** option or the **Natural** option is chosen. Select **Arbitrary Breakpoint**, and they become both input and output/display fields.

Turnover Escalation

You can define if the Sales Volume remains static throughout the cash flow, grows during the income period or grows over the whole cash flow period. Select the **Ignore** option to retain the Sales Volume throughout or choose a pre-defined Escalation Set from the drop-down. Escalation Sets are created and amended on the Interest/Inflation, Rent Escalation screen and run from either the cash flow start or Leasing Date, depending on the setting on the Assumptions/Defaults, Valuation screen.

Lease Options

Where a development is retained as an investment or where Pre-Lets are achieved, the information on the **Lease** tab will generate a flow of rental income in the cash flow. To enable the flow of rent from the lease details, select **Valuation** from the main menu then tick **Tenant's Income Stream**.

Rent	% Rent	Lease	Financial	
Lease Start Date		Income Flow	...	← The date upon which the lease starts
Term (Years)			5	← Term in years and months
Term (Months)			0	
Payment Cycle		Quarterly (Adv)	▼	← Payment Cycle of Rent
Review Cycle Years			5	← How often the rent is reviewed
Align to Sale Date		<input type="checkbox"/>		← Synchronizes end of rent flow with sale
Vac. Cost Rate pf ² pa			0.00	← Vacancy cost
Renew this Lease		<input checked="" type="checkbox"/>		← Renewal option
Renewal Term (Years)			5	
Renewal Term (Months)			0	← Renewal Term in years and months
Leasing Period			0	
Rent Free Period (Months)			0	
TI Rate pf ² (Renewal)			0.00	

Lease Start Date The period from which rent will start to flow in the cash flow. If a rent-free period has been granted, the number of months will be added to the lease start date to determine the date on which the rent will start to flow.

Note: To adjust the lease start date, click on the **...** button.

To	Do this
Make the lease start date commence at the beginning of another stage.	Use the Stage and Phase settings in the timing dialog to select another stage.
Make the lease start date commence on a specific period.	Use the Period option to select the date in the timing dialog.

To	Do this
Make the lease start date commence on a specific date.	In the timing dialog, select Date then use the date picker to select the date.

Term This is the length of lease in years and months.

Payment Cycle Frequency for rent payments - either monthly, quarterly, semi-annual or annual in advance.

Review Cycle Rent Review cycle in years.

Align to Sale Date To synchronize the end of the income flow with the sale of the property, should the lease expire before the sale date.

Vacancy Cost Rate $pf^2 pa$ (or **Vacancy Cost Rate $pm^2 pa$**) Cost incurred during initial leasing period, as measured from the Start Date of the 5th Stage of the current Phase until the lease comes into effect; and during periods of vacancy between terms if a Leasing Period (entered in whole months) has been defined.

Renew this lease You can renew the lease by checking this option.

Renewal Term (Years) You can specify the renewal term of the lease here (years). The default here is set to 5 years.

Renewal Term (Months) You can specify the renewal term of the lease here (months).

Leasing Period If you choose to renew the lease you can enter a leasing void period in months.

Rent Free Period (mths) If you choose to renew the lease you can enter a rent free period in months.

TI Rate pm^2/pf^2 (Renewal) Tenant Improvement Rate on Renewal. Cost is based on net area and is triggered on renewal.

Lease Events



Use the **Lease Events** button to view a schedule of rents and MRVs including escalation:

Date	Duration	Event	Rent	MRV
01/07/2006	0ys 9m	Initial Rent Free	0	581,200
01/04/2007	1y 3m	Market Rent	581,200	581,200
01/07/2008	0ys 0m	Exit on Sale Period	581,200	581,200

The Rent and MRVs are usually the same at the Leasing and Review dates (though this may not be the case if, for example, a stepped rent profile has been applied). The Exit event shows the MRV plus any escalation on the Rent from the last Rent Review.

Monthly Rent Rates

Rents are normally entered as annual payments. For some European countries, rents are specified as monthly payments. Both the Rent rate and the MRV can be specified as monthly rates.

To specify monthly rates

1. Tick the **Monthly Rent Rate** option on the **Options** menu.
2. Confirm the change.
 - All rental areas will be recalculated with the current rent rate interpreted as a monthly rate.
 - The Monthly Rent Rate option will now be ticked on the **Options** menu.

To specify annual rates

1. Untick the **Monthly Rent Rate** option on the **Options** menu.
2. Confirm the change.
 - All rental areas will be recalculated with the current rent rate interpreted as an annual rate.
 - The Monthly Rent Rate option will now be unticked on the **Options** menu.

Note: This is a global switch and affects all rents across all phases.

Rent - Financial

You can specify Interest and GST rates on the **Financial** page:

Rent	% Rent	Lease	Financial
Interest Set	Construction Loan		
Ignore Interest	<input type="checkbox"/>		
GST Rate	0.00%		
GST Recovery Rate	0.00%		
Cost Type	Add to Revenue		

← Interest Set selector

← GST rate and recovery

← Cost Type selector

Interest Set

To calculate interest on the rent for the current area, select a Set name from the **Interest Set** drop-down list. To ignore interest on the rent, select **Yes** from the **Ignore Interest** drop-down list.

Interest Set number 1 is attached automatically when each new area is created.

GST

To calculate GST on both the Net Rent and Capitalized Rent, enter a rate into the **GST Rate** field. If any portion of the GST can be reclaimed, enter the amount as a percentage into the **Recovery Rate** field.

GST is recovered in accordance with the rules selected on the GST Schedule available from the **Project** menu.

Stepped Rents

At the grant of a new lease, terms agreed between landlord and tenant may include provision for stepped rents - fixed uplifts in rent at specified intervals. On the next event (expiry/renewal) following the defined stepped rents it is assumed that market rent will resume.

Stepped rents only apply during the first lease (in other words - not to a renewal lease) and when tenant's income flow is activated during the development. Stepped rents cannot be set for dates after the project end date.

Stepped rents are not subject to escalation.

Stepped rent profiles are created in the **Capitalized Rent** screen and applied to a tenant using the **Stepped rent profile** selector. To apply a profile to a tenant, click onto the stepped rent profile selector on the **Rent** tab and select the required profile from the drop-down list.

The screenshot shows a software window titled "Areas, Construction, Rent and Capitalization - Phase 1". The "Rent" tab is selected, displaying a table of financial and lease data. A callout line points to a button labeled "Stepped Rent button" and another callout line points to a dropdown menu labeled "Stepped Rent selector".

Construction Cost	Financial	Rent	% Rent	Lease	Financial	Rent Capitalization	
Rate pf ²	150.00	Market Rent Rate pf ² pa			70.00	Cap Rate%	6.0000%
Rate Additional pf ²	0.00	Rent Escalation		(None)		Initial Rent	378,000
Cost / Unit	900,000	Step Rent Profile		Step Profile 1		Changes during Lease	0
Cost / Parking Stall	0	Annual Rent / Unit			378,000	Rent at Capitalization Date	378,000
Parking Stalls Cost	0	Gross Market Rent pa			378,000	% Vac. & Non-rec Cost	0.0000%
Gross Cost	900,000	Initial Rent			378,000	Fixed Non-Recov. Cost	0
Stage	Construction	% Vac. & Non-rec Cost			0.0000%	Total Costs	0
Starts in	May 2007	Fixed Non-Recov. Cost			0	% Rent	0
Distribution Months	12	Total Non-Recov. Cost			0	Valuation Rent	378,000
TI Rate pf ² (Leasing)	0.00	Ground Rent Deductions			0	Capitalized Rent	6,300,000
		Annual Rent			378,000	Manual Capital Value	0
		Rent Free Period (Months)			12	Stage	Sale
		Lease Comm. Profile			(None)	Capitalized At	Mar 2009



To create a stepped rent profile, click on the **Stepped Rent Profiles** button to open the definition screen.

For each stepped rent profile, the following fields must be defined:

- Name of the stepped rent profile.
- Base Date (when the first step starts).
- Stepped rent profile comprising a date, duration, step type and rate.

Step	Date	Duration (Months)	Type	Rate
1	May 2009	12	Rate pf ² pa	100.00 pf ²
2	May 2010	12	Rate pf ² pa	200.00 pf ²
3	May 2011	12	Rate pf ² pa	300.00 pf ²
4	May 2012	12	Rate pf ² pa	400.00 pf ²
5	May 2013	Perp	Resume Market Rent	

Stepped Rent Profile definition form

The table below sets out the five types of rent step:

Step Type	Stepped Rent Basis
Rate pf ² (or pm ²).	Net floor area x Rate.
Rate pf ² (or pm ²) adjustment.	Net floor area x (previous rate +/- rate adjustment).
\$ Rent pa/unit.	\$ Rent per annum.
\$ Rent pa/unit adjustment.	Previous rent +/- rent adjustment.
Resume Market Rent.	Market rent. This step type effectively terminates the stepped rents and reverts to the annual rent defined in the Rent form.

A net floor area must be entered for the tenant for Rate pf² (or pm²) and Rate pf² (or pm²) adjustment step types.

**Add**

To add a new stepped rent profile, click on the **Add** button. The cursor will be moved to the new line.

**Delete**

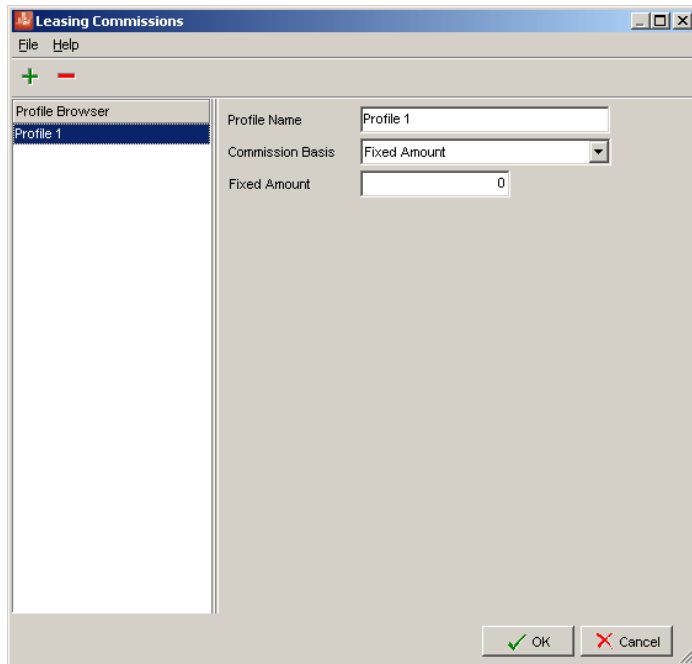
To delete a stepped rent profile, click on the **Delete** button. You will be asked to confirm your choice.


Leasing Commission Profiles

To set up leasing commission profiles, click on the **Leasing Commission Profiles** button:



This opens the Leasing Commissions window:



You can set up multiple profiles with different leasing commissions by clicking on  to add a new profile.

Profile Name

Use this field to type in a name for the leasing commission profile.

Commission Basis

You can use this drop-down to select any one of the following types of Leasing Commission:

1. **Fixed Amount** on completion of the letting, a fixed amount is paid by the Developer/Landlord.
2. **Rate pm²** (or **Rate pf²**) on completion of the letting, a rate per square meter or foot is paid. There is also the option of entering a different rate (based on Net Area) if the lease renews.
3. **% of Base Rent** on completion of the letting, you are able to define several steps with different rates if necessary. You can also enter a renewal rate for the entire term. This uses the total base rent over:
 - (a) First term of lease.
 - (b) Subsequent renewal terms.
 Base Rent includes turnover but excludes Rent Additions/Costs.
4. **% of Gross Rent** on completion of the letting, you are able to define several steps with different rates if necessary. You can also enter a renewal rate for the entire term. This uses Total Rent over:
 - (a) First term of lease.
 - (b) Subsequent renewal terms.
 Gross Rent includes turnover and Rent Additions/Costs.

Depending on which option you select here, you will see different controls that will allow you to specify amounts or rates.

If you select the **Fixed Amount** option, you will be able to specify an amount (rather than a rate) in the **Fixed Amount** field.

If you select the **Rate pm²** (or **Rate pf²**) option, you will see the following controls:

The screenshot shows the 'Leasing Commissions' dialog box. On the left is a 'Profile Browser' with 'Profile 1' selected. The main area contains the following fields:

- Profile Name: Profile 1
- Commission Basis: Rate pf²
- First Term Rate pf²: 0.00
- Renewal Rate pf²: 0.00
- Apply to First Renewal only

Buttons for 'OK' and 'Cancel' are at the bottom right.

The **First Term Rate** allows you to specify a rate for the first term, while the **Renewal Rate** field allows you to specify a different rate (based on Net Area) if the lease renews. If you wish, you can make this renewal rate apply to just the first renewal by checking the **Apply to First Renewal only** check box.

If you select the **% of Base Rent** or **% of Gross Rent** option, you will see the following controls:

The screenshot shows the 'Leasing Commissions' dialog box with the 'Commission Basis' set to '% of Base Rent'. It features a table for 'Commission Rates for First Term' and a 'Renewal Rate' field.

Step	Months	Rate %
1	60	0.00%
2	0	0.00%
3	0	0.00%
4	0	0.00%

Below the table, the 'Renewal Rate (entire term)' is set to 0.00%. The 'Apply to First Renewal only' checkbox is checked. Buttons for 'OK' and 'Cancel' are at the bottom right.

Here, you can define a stepped series of rates.

To add further steps, just click on the **Add Step** button:



In the **Months** column, type in the number of months for which the rate in each step will be applied.

In the **Rate %** column, type in the rate that will apply in each step.

If you wish to do so, you can specify a renewal rate in the **Renewal Rate (entire term)** field. In addition to this, you can make this renewal rate apply to just the first renewal by checking the **Apply to First Renewal only** check box.

Hotel Valuations

Typically, hotel valuation is based on room and occupancy rates rather than floor area. Occupancy rates may vary throughout the year. The valuation should reflect this.

To establish the rental value of a hotel, therefore, occupancy profiles must be defined for different rooms within the hotel, to specify the occupancy rate (as a percentage) for each month of the year. These occupancy rates are then multiplied by the room rate to calculate the total annual rental value.

In the hotel valuation module, an extra Use Type is available for hotels in the Capitalized Rent schedule. When Hotel use type is selected, an extra tab labelled **Hotel** becomes available in the Rent form in the detailed screen view, and the **Rent** tab is hidden (see below).

A new area definition should be created for each type of room in the hotel for which a separate occupancy profile is to be defined. For each, the following fields are available on the **Hotel** tab:

Hotel	Lease	Financial
Room Rate (Daily)		70.00
Occupancy Profile		100% Occupancy
Room Rate (Annual)		25,550
Gross Market Rent pa		25,550
Rent Escalation		(None)
% Vac. & Non-rec Cost		0.000%
Fixed Non-Recov. Cost		0
Total Non-Recov. Cost		0
Ground Rent Deductions		0
Valuation Rent		25,550
Rent Free Period (Months)		12
Click to View Room Occupancy Profiles		

Fixed daily room rate (\$), applied throughout the year
 Occupancy profile (see below)
 Gross annual rent per room, calculated as room rate X 365 Days X occupancy profile
 Total gross rent, calculated as Rent/Room multiplied by the number of rooms
 Vacancy allowances (see below)
 Gross Rent less Total Deductions
 Rent free period in months

Vacancy Allowance There are two fields available to allow the definition of a vacancy allowance as a percentage of the total gross rent and/or as a fixed amount. These are totalled to calculate the Total Deduction from the Gross Rent.

Occupancy Profile To define an Occupancy Profile, click on the **Click to View Hotel Occupancy Profile** hypertext link on the **Hotel** tab. This opens the definition screen:

	Profile Name	Jan	Feb	Mar	Apr	May	Jun	Jul
1	100% Occupancy	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
2	80% Occupancy	80.00%	80.00%	80.00%	80.00%	80.00%	0.00%	0.00%

Any number of profiles can be created. For each profile created, you should enter a name and occupancy rate for each month of the year. The monthly rate offers a more flexible approach to occupancy rates, modelling realistic income profiles. If a yearly occupancy rate only is required this can be achieved by entering the same rate for each month. A single daily room rate, defined in the **Hotel** tab, is applied throughout the year.



Adding a line To add a new occupancy profile, click on the **Add** button. The cursor will be moved to the new line.



Deleting a line To delete a line from the schedule, click on the **Delete** button. You will be asked to confirm your choice.

To apply an occupancy profile, use the occupancy profile selector in the **Hotel** tab of the Rent form. For hotel valuations, lease terms and renewal assumptions are available in the **Lease** tab. The usual options for interest and GST apply to hotel valuations and may be accessed from the **Financial** tab.

Rent Capitalization

You can capitalize rental income by entering the Cap Rate% into the **Rent Capitalization** table.

Rent Capitalization	
Cap Rate%	5.5000%
Initial Rent	178,500
Changes during Lease	0
Rent at Capitalization Date	178,500
% Vac. & Non-rec Cost	0.000%
Fixed Non-Recov. Cost	0
Total Costs	0
% Rent	0
Valuation Rent	178,500
Capitalized Rent	3,245,455
Manual Capital Value	0
Stage	Sale
Capitalized At	Mar 2009

← Escalation on Rent either +ve or -ve

← Rent at sale date including any escalation

← Deductions from capital value

← Deductions from Rent

← % Rent Addition

← Rent less deductions plus growth

← Override Capital Value with manual entry

← Timing of sale

Cap Rate%

You can enter the Cap Rate percentage to capitalize rental income.

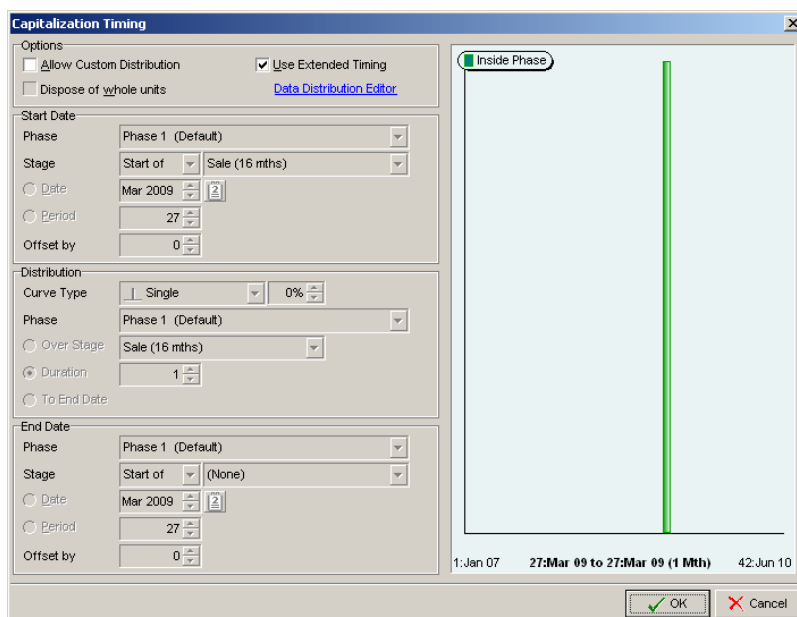
Manual Capital Value

Where a capital value has been agreed for a unit, you can enter it directly into the **Manual Cap. Value** field. Any value entered into this field will override the calculated value and will be used in the valuation of the project.

Timing of Sale

You can change the period in which the property is sold by clicking on the **Stage** button.

This opens a Capitalization Timing dialog, which you can use to define the stage's timing (note that if you have loaded a file containing data that is distributed, you will see a dialog like the following; if you are entering data for the first time, you may see a simpler dialog without distribution - see "Other timing dialogs" on page 103):



The default will sell the property at the start of the Sale stage.

To	Do this
Make the sale date start at the beginning of another stage.	Use the drop-down menu to select another stage.
Make the sale date start at a period.	Select Period then use the up/down arrows in the Period option to select the date.
Make the sale date start at a date.	Select Date then use the up/down arrows in the Date option to select the date.
Redistribute the Sale Date.	Click on Data Distribution Editor .

Unit Sales

To enter a schedule of non-capitalized units to be sold, click on the **Unit Sales** button on the Definition page.

To enter a schedule of single unit sales, click on the **Single Unit Sales** button. See “Single Unit Sales” on page 69.

To enter a schedule of multi-unit sales, click on the **Multi Unit Sales** button. See “Multi Unit Sales” on page 72.

Floor area details and construction costs may be entered in the same way as for capitalized units. See “Construction Costs” on page 37 for further details.

You can enter the sale value for each unit in either of three ways:

- The Rate/ft² or Rate/M²;
- The Sales Value/Unit rate;
- The Gross Sales.

Whichever of these values you enter, the others will be calculated automatically if you have entered a net floor area into the **Unit Area** section.

Unit Sales	Deposits	Financial
Rate pf ²		392.86
Escalation Set	Escalation Set 1	▼
Sales / Unit		275,000
Gross Sales		2,750,000
% Deduction		0.000%
Fixed Deduction		0
Total Deduction (Grown)		0
Net Sales (Escalated)		2,750,000
Stage	Sale	...
Starts In	Mar 2009	
Distribution Months		1
Click to View Sales Additions/Costs		

← Sales Value per unit

← Gross Sales Value x number of units

← % and Fixed deductions

← Calculated Net Sale Value = Gross Sale Value - Deductions + Escalation

← Timing of Sales Values

← Schedule where you can enter additions/costs

Sales receipts will be placed at the end of the Sale Stage defined in the timescale.

Timing of Net Sale Value

The Sale Stage is assumed for Sales Values. You can override the default start and duration of the Sale stage independently for each area. At the foot of the **Sales** column, there are fields that determine the timing and distribution of the Net Sale Value.

Stage This field by default shows the label **Sale**. This indicates that the Net Sale Value is linked to the Sale Stage defined in the Timescale and Phasing screen. The Net Sale Value is placed in the period after the end of the Sale Stage.

The advantage of linking sales values to a Stage is that if you change the stage in the Timescale and Phasing screen, then all sales values linked to it will be automatically updated.

Starts In This field shows the date upon which the Net Sale Value is placed in the cash flow. You can adjust the start date by using the following options:

Distribution Months This field will display the length of the sales period in the cash flow.

Distribution Type This indicates the type of distribution.

Distribution Weighting If “Weighted” is chosen for distribution type you are able to type in a percentage in this field.

Sales Distribution This links straight to **Data Distribution Editor** where you can dispose of whole units manually.

To	Do this
Make the sale date begin at the start of another stage.	Use the drop-down menu to select another stage.
Make the sale date fall on a period.	Select Period then use the up/down arrows in the Period option to select the date.
Make the sale date fall on a date.	Select Date then use the up/down arrows in the Date option to select the date.
Distribute the sales over a specific period.	Check the box Allow Custom Distribution and use Data Distribution Editor to alter distribution type.
Dispose of Sales Unit by Unit.	Check the box Allow Custom Distribution and use Data Distribution Editor . Once in Data Distribution Editor, check Dispose of whole units box.

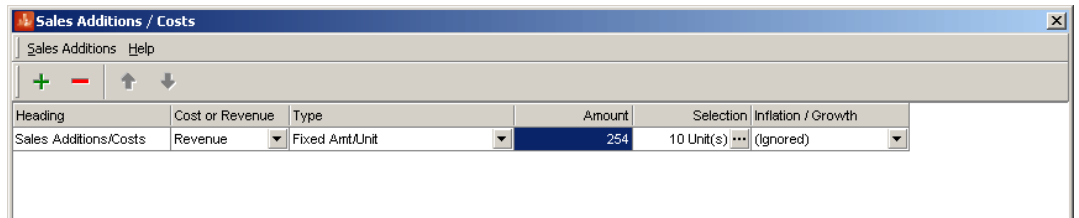
When you make adjustments to the timings of the sales, the changes will be reflected in the **Stage**, **Starts In**, **Distribution Mths** and **Distribution type** fields.

Sales Additions/Costs

This schedule is accessed by clicking on the link. You are able to add unlimited rows of data for either costs or revenues. The value, depending on whether a cost or a revenue, will be deducted or added to the sales valuation.

To	Do this
Add/Delete new rows.	Use the Plus and Minus buttons.
Change Revenue/Cost.	Click in box and select from drop-down.

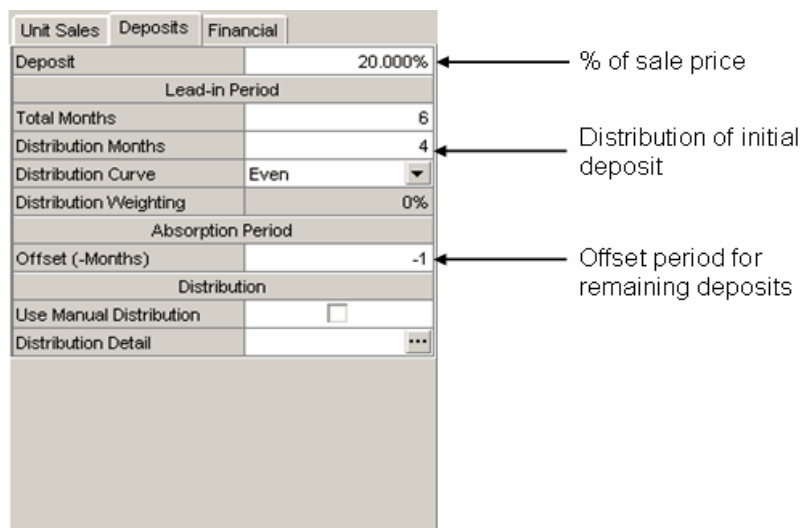
To	Do this
Change Type.	Click in field and choose from one of various options: 1. Fixed Amount/Unit/Year. 2. Amt x Net Area. 3. Amt x Gross Area. 4. Amt x Alternate Area.
Apply to different area/units from the area schedule.	Click into Selection and apply to unit(s).
Apply inflation to rows.	Click into Inflation field and select from menu of inflation sets (previously defined).



Deposits/Pre-Sales

Residential developers will typically take a deposit for an apartment or house up front, with the remainder paid on completion of the building's construction.

The value of the units will be distributed in two sections: a period over which deposits will be received, and a single amount for the remainder.



Deposit % Deposit as a percentage of sale price to be paid up front.

Total Months The number of months before the first sale when the deposit is paid.

Distribution Months The period over which the deposits can be spread prior to the first sale from the Initial Deposit Term.

Deposit Curve The deposits can be distributed using any of the standard methods available in ARGUS Developer.

Distribution Weighting If you use the weighted distribution type, this field becomes active.

Offset (-Months) After the first sale, all deposits are aligned to the sale date if the value is 0. If you choose -1 the deposits will be placed in the month before the sale date.

Use Manual Distribution Selecting **Yes** allows you to manually distribute the deposits.

Distribution Detail Opens up the data distribution function for editing.

Example1:

20 Units are to be sold @ \$250,000 each, over a 5 month period on an even curve basis. Therefore, 4 units will be sold each month. A 10% deposit is to be taken for each unit and the initial deposits (on the first month's sales) are to be taken 4 months before the first 4 units are sold, and spread over a two month period on an even basis. The remaining deposits are to be paid 2 months before the units are sold - this is the Absorption period. The graphics above and below reflect this scenario.

		9	10	11	12	13	14	15	16	17	
		Apr 2006	May 2006	Jun 2006	Jul 2006	Aug 2006	Sep 2006	Oct 2006	Nov 2006	Dec 2006	
Row Heading	TOTALS	Construction					Sale				
Revenue											
Sale -	4,500,000	0	0	0	0	900,000	900,000	900,000	900,000	900,000	
Deposits -	500,000	50,000	50,000	0	100,000	100,000	100,000	100,000	0	0	

Example 2 (With Escalation):

Five (5) units are to be sold @ \$250,000 each over a 5 month period. Therefore, 1 unit is sold per month. A 10% deposit is to be taken for each unit and the initial deposit is to be taken 4 months before the first unit is to be sold. The other deposits are to be taken the month before the sale in the Absorption period. The sales line has escalation applied at 2% per annum from the project start date. In the example below, we see an initial deposit of \$25,500 in August 2006 and the first sales figure of \$229,500 in month 17.

For the first sale in December 2006, the program escalates the sales figure up to the month in which the deposit is taken (August 2006). Assuming the project starts in August 2005, the calculation is:

$$\$250,000 * 1.02^1 = \$255,000$$

$$\text{Deposit of 10\%} = \$25,500$$

Remainder is \$229,500 in December 2006.

For the remaining 4 sales, the program escalates the sales figure up to the month in which the deposit is taken, and the remainder appears a month later.

		13	14	15	16	17	18	19	20	21	
		Aug 2006	Sep 2006	Oct 2006	Nov 2006	Dec 2006	Jan 2007	Feb 2007	Mar 2007	Apr 2007	
Row Heading	TOTALS	Construction					Sale				
Revenue											
Sale - Small Condos	1,155,871	0	0	0	0	229,500	231,020	231,401	231,784	232,166	
Deposits - Small Condos	128,430	25,500	0	0	0	25,669	25,711	25,754	25,796	0	

Sales Fees

The Sales Fees tab is displayed in the Unit Sales, Single Unit Sales and Multi Unit Sales forms. It allows you to specify commission settings for sales.

Sales Fees	
Comm. at Sale %	0.00%
Comm. at Completion %	0.00%
Unsold Unit Fee / Month	0.00

This has the following fields:

Commission at Sale % This is commission being paid upon the signing of a sales contract to a third party. You can use this to model sales agent fees on a per-area basis.

The amount being paid is a percentage of the grown unit price, therefore escalation/inflation on the line itself is ignored. The distribution on the line follows the distribution on the Sales Starts line for the area.

Commission at Completion % This is commission being paid upon sales completion to a third party. Again, you can use this to model sales agent fees on a per-area basis.

The amount being paid is a percentage of the grown unit price, therefore escalation/inflation on the line itself is ignored.

The distribution on the line follows the distribution on the Actual Completions line for the area, taking the escalation factor information from the Sales Starts line for the area.

Unsold Unit Fee / Month This is a fee that is payable on units for which construction has completed, but that so far remain unsold. You can use this to model condominium fees for multi-unit developments, site security for single unit developments and so on.

The amount is multiplied on a per-period basis with the number of units for each period as found on the Units Available line for the area.

Quick Entry Area Schedule

You can save time when entering floor space details by using the Quick Entry Schedule. This method of entry allows you to define your areas using a spreadsheet-style table that displays only the minimum number of fields.

To open the Quick Entry schedule, click on the **Schedule View** button:



The Quick Entry schedule is comprised of three main sections:

- The toolbar that allows you to change the number of fields displayed and to copy fields and rows;
- The Area data entry grid;
- The Construction Cost Breakdown grid (displayed when you use the **View | Show Cost Breakdown** menu option);
- The summary of areas, costs and revenues.

Area		Construction						
No	Heading	Rate p/ft²	Rate Unfinished p/ft²	Cost / Unit	Cost / Parking Space	Parking Spaces Cost	Gross Cost	Stage
1	Retail (Ground Floor)	150.00	0.00	900,000	0	0	900,000	Construction
2	Offices (First Floor)	175.00	0.00	1,225,000	0	0	1,225,000	Construction
3	Offices (Second Floor)	175.00	0.00	1,225,000	0	0	1,225,000	Construction
		Avg: 166.67	Avg: 0.00	Avg: 1,116,667	Avg: 0	0	3,350,000	

Heading	Type	Amount	Selection	Total	Timing	Inflation Set	GST Rate	Recovery Rate
Construction Breakdown	Fixed Amount	0	No Selection	\$0	Construction	Ignore	0.00%	0.00%

Gross Area ft²	Net Area ft²	Gross Cost	Total MRV	Capitalized Rent
20,000	17,300	\$3,350,000	\$735,000	\$12,790,909

Quick Entry schedule showing optional Construction Cost Breakdown grid

Quick Entry Toolbar

When in Schedule View, the following additional buttons will appear:



Fill Down Copy a single value down through a column by clicking on the **Fill Down** button. Move to the value you want to copy, click on the button and enter the number of times the value is to be copied. The value is copied down the column, replacing existing entries. This differs from Copy Down because the Fill Down dialog has options that allow you to specify a sequence of values. See “Fill Down” on page 61.



Copy Down Copy a single value down through a column by clicking on the **Copy Down** button. Move to the value you want to copy, click on the button and enter the number of times the value is to be copied. The value is copied down the column, replacing existing entries. See “Copy Down” on page 62.

Quick Entry Table

The quick entry table is a grid of rows and columns. Each row represents a definition for a single area, and each column represents a field within the area. A selected cell appears highlighted on the screen. The active cell is the cell into which data is entered when you start typing. Only one cell is active at a time.

Some cells will remain fixed – you may not enter a value into them. These fields are calculated automatically and include: Total rent deductions, Net rent p.a. (or Valuation Rent), Net capitalized rent and Rent free amount.

The table contains a subset of the available fields for area definition. You can see more detail for the current area by clicking on the **Line Detail** button. Use the detail view for entering inflation, escalation, interest sets and for specifying the timing of construction costs and receipts.

Summary section

The summary section (shown below) shows the running totals for Gross area, Gross cost, Net area, MRV and Capitalized Rent:

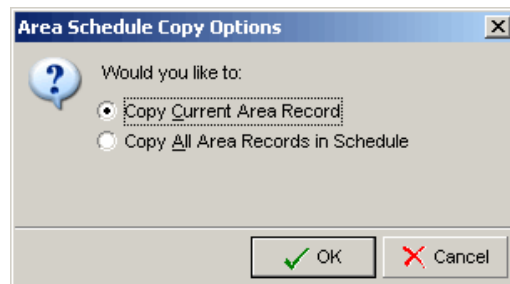
Gross Area ft ²	Net Area ft ²	Gross Cost	Total MRV	Capitalized Rent
20,000	17,300	\$3,350,000	\$735,000	\$12,790,909

Housekeeping functions in the schedule view

In the schedule view, you have access to copy, paste and move functions that allow you to copy and paste and move area records between schedules. This allows you to duplicate records, in order to speed up data input.

Copying area schedules

To copy records in the schedule, use the **Edit | Copy Area Schedule...** menu option to open the Area Schedule Copy Options dialog:

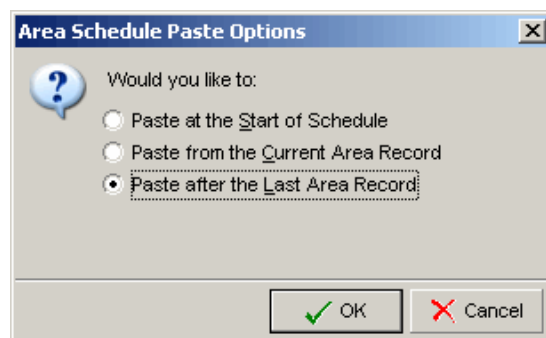


Select either the **Copy Current Area Record** option to copy just the record you currently have selected in the schedule, or select the **Copy All Area Records in Schedule** option to copy all the area records.

Click **OK**. You can now use the Paste function to create new copies of the area records.

Pasting area schedules

To paste records into a schedule, use the **Edit | Paste into Area Schedule...** menu option to open the Area Schedule Paste Options dialog:



To paste the record(s) at the top of the schedule list, select the **Paste at the Start of Schedule** option.

To paste the record(s) at the currently selected point in the list, select the **Paste from the Current Area Record** option.

To paste the record(s) after the last record in the schedule list, select the **Paste after the Last Area Record** option.

Moving an area record to another schedule

If you wish to move the currently selected area record to another schedule list, use the **Edit | Move Area Record to Another Schedule...** menu option.

This opens the following dialog:



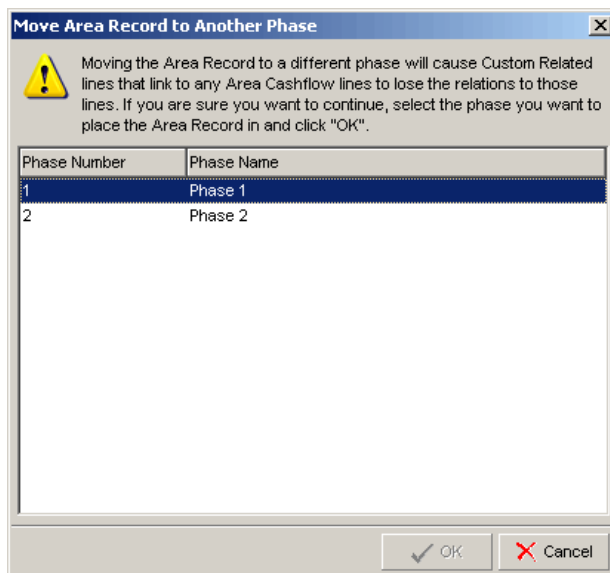
Here, you can select a schedule from the options listed. Select the schedule and click **OK**.

Note that if you move the record to a schedule of a completely different type, you may lose some data - because the record has been converted.

Moving an area record to another phase

If you wish to move the currently selected area record to another phase, use the **Edit | Move Area Record to Another Phase...** menu option.

This opens the following dialog:



Here, you can select a phase from the options listed. Select the phase and click **OK**.

Your area record will be copied to the phase you have chosen.

Copying values in the schedule

There are two methods that you can use for copying values within the schedule:

- Fill Down;
- Copy Down.

Fill Down



Fill Down allows you to populate an entire column with the value you have currently selected in the grid.

To use this method, select a cell containing a value and click on the **Fill Down** button to open the dialog. The dialog allows you to specify how many rows you would like to populate:

Use the following options to specify the number of rows that you wish to copy to, and click **OK**.

Note: Some options are grayed out - this state depends on the type of cell you have currently selected.

Fill Down

This option allows you to type in the number of rows that you wish to fill down.

Type

This option allows you to choose the type of step value that you are going to use. The following option buttons are available:

- **Linear** This allows you to specify a numeric value that is used to increment or decrement the fill values.
- **Percentage** This is a percentage of the original value (in the cell from which you are copying).

Date Unit

This option allows you to choose the type of date units when performing a fill down on date fields (this only becomes active if you select a cell containing date information). The following option buttons are available:

- **Month** If this option is specified, increments are in months.
- **Year** If this option is specified, increments are in multiples of 12 months.

Append (text field only)

This option allows you to append a numeric value at the end of the original value, in text fields. You can use this in conjunction with specifying a step value; this can be used (for example) in the Heading column to copy and increment names. The number that is appended is separated from the original text by a space.

Step Value

This option allows you to specify a step in the value that will be incremented or decremented for each successive row. A decrement can be specified by entering a negative number. If no value exists in the current row's column, the increment/decrement begins on the next row.

Every

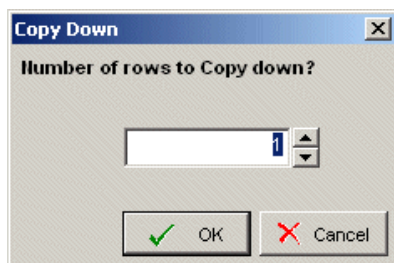
This option allows you to specify the frequency of the increment/decrement that you defined in the **Step Value** field.

For example, if you enter a “Step Value” of 1 month with “Every” set to 5, the first 5 rows including the current row would have no change, with the next 5 rows being incremented by 1 from the value in the current cell - overwriting the contents of the cells being filled. The next 5 rows would be further incremented relative to the contents of the current row, this time by 2 months - again overwriting the contents of the cells being filled.

Copy Down



Copy Down allows you to populate an entire column by simply copying the value you have currently selected in the grid. This opens a dialog that allows you to specify how many rows you would like to populate:



Copy Down dialog

To use this method, select a cell containing a value and click on the **Copy Down** button to open the dialog.

Enter the number of rows that you wish to copy to, and click **OK**.

Construction Cost Breakdown

This entry table is a grid, like the quick entry table (this area is outlined in green in the picture below).

No.	Heading	Unit Number	Use Type	Number of Units	Parking Stalls	Gross Unit Area ft ²	Gross Area ft ²	Net Unit Area ft ²	Net Area ft ²	Gross:Net Ratio	Locked
1	Retail (Ground Floor)	1	Retail Shop	1	0.0	6,000	6,000	5,400	5,400	90.00%	<input type="checkbox"/>
2	Offices (First Floor)		Offices	1	0.0	7,000	7,000	5,950	5,950	85.00%	<input type="checkbox"/>
3	Offices (Second Floor)		Offices	1	0.0	7,000	7,000	5,950	5,950	85.00%	<input type="checkbox"/>
					3	0.0	20,000	20,000	17,300	17,300	Avg: 86.67%

Heading	Type	Amount	Selection	Total	Timing	Inflation Set	GST Rate	Recovery Rate
Construction Breakdown	Fixed Amount	0	No Selection	\$0	Construction	Ignore	0.00%	0.00%

Gross Area ft ²	Net Area ft ²	Gross Cost	Gross Rent	Capitalized Rent
20,000	17,300	\$3,350,000	\$735,000	\$12,790,909

Entering costs

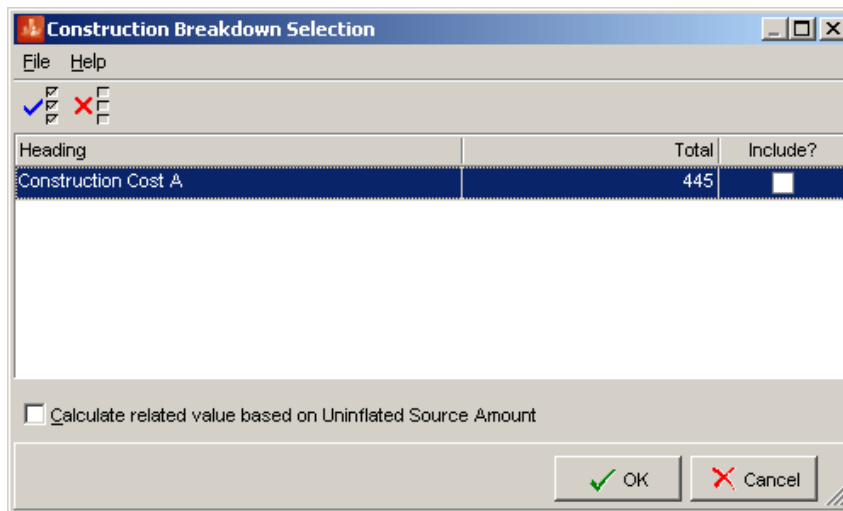
When you enter new items in this list, they will initially use the default heading of “Construction Breakdown”. You can rename these entries to something more appropriate if you require.

You can use it to enter a detailed list of items that make up the total cost for the unit. When a cost breakdown has been entered, the **Constr. Rate pf²** (or **Constr. Rate pm²**) and **Gross Cost** fields in the main form are updated with costs from the schedule. They are then disabled to prevent any changes.

You can add individual items to this list with the **Add New Cost** button: 

You can specify the type of cost with the **Type** drop-down:

If you choose the **Related %** option, you will be able to select specific costs from a list, for inclusion in the Construction Cost Breakdown calculation. If you click on the **Selection** control for the entry for which you have chosen the **Related %** option, the Construction Breakdown Selection schedule will be displayed:




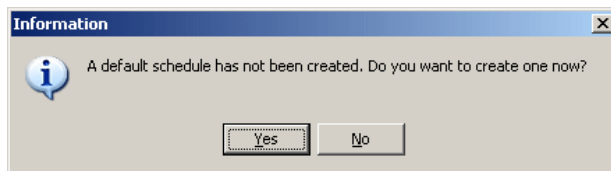
Here, you can check specific items to include them in the calculation.

If you wish to calculate the related value based on an uninflated source amount, check the check box at the bottom of the schedule.

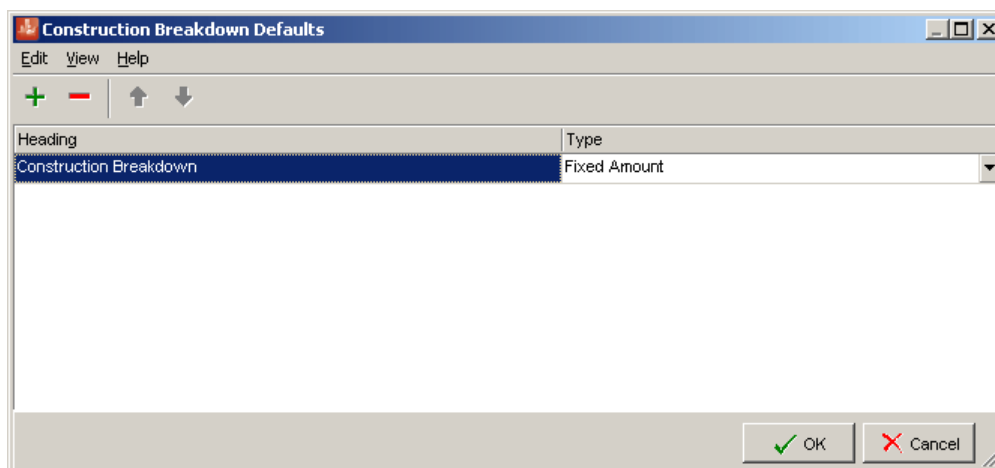
Click **OK** to exit from the schedule.

Adding a cost breakdown from defaults

When you click on the **Add Full Breakdown From Defaults** button  for the first time in your working session, you will be prompted to create default settings if none currently exist:



If you select **Yes**, the Construction Breakdown Defaults schedule will be displayed:



You can use this schedule to create a list of default costs only. You can use the up and down arrows to change the order of entry.

Once you have created a breakdown schedule, you can attach it to any area record by clicking the **Add Full Breakdown From Defaults** button:



If you have a standard list of costs that are used many times in an appraisal, you can simplify the entry process by creating a template which can be used when required in any area record. The template can contain a list of cost names with a cost type for each - (fixed, related percentages and so on) each of which can be overridden when attached to an area record.

If you need to edit these default costs, click on the **Edit Breakdown Defaults** button:



Clicking on this button will open the Construction Breakdown Defaults schedule.

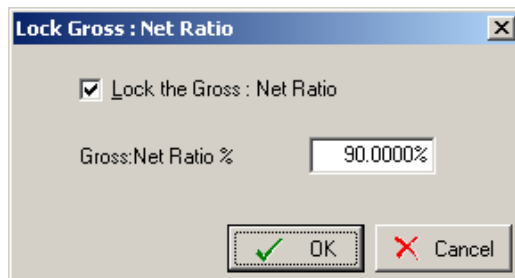
Area Options

Lock Gross: Net Ratio

Any or all of the areas defined can have their Gross to Net ratio locked so that the gross and net areas maintain a fixed ratio. Depending on your settings, when you change the net area, the gross area will be recalculated, or when you change the gross area, the net area will be recalculated.

To lock the Gross to Net ratio

1. Choose **Lock Gross:Net Ratio** from the **Area** menu
2. Check the **Lock Gross:Net Ratio** check box.
3. Enter the fixed ratio into the **Gross:Net Ratio %** field.
4. Click on the **OK** button.



The following courses of action will be presented to you:

To	Do this
Apply the locked ratio to any new area definitions.	Select the To NEW areas only radio button and click on OK .
Apply the locked ratio to every existing area definition and to all new definitions.	Select the To ALL area definitions option button and click on OK .
Cancel the locked ratio setting.	Click on the Cancel button.

Gross to Net Ratio

You can specify how Gross and Net areas are calculated when the ratio is changed by using the **Ratio** option on the **Options** menu.

To change the Net area

- Tick the **Ratio - Change Net Area** option from the **Options** menu.

To change the Gross area

- Tick the **Ratio - Change Gross Area** option from the **Options** menu.

Valuation Tables

The valuation tables determine the factors used in the valuation of rents.

To choose a valuation table method

1. Select **Tables** from the **Valuation** menu.
2. Choose one of the table types.

The capital values will be re-calculated automatically when the table type changes.

Rent Free Methods

You can change the method used to value rent free periods from the **Valuation** menu.

Note: The Rent Free methods are not available for selection when the Tenant Rent Flow option is active. When this option is active, the method used is always “Defer start of rent flow”.

To change the rent free cost method

1. Select **Rent Free Methods** from the **Valuation** menu.
2. Choose one of the rent free methods.

The rent free costs will be re-calculated automatically when the method changes.

Tenant's Income Stream

You can enable or disable the flow of rent from tenant's leases from the **Valuation** menu.

To enable the flow of rent

1. Tick the **Tenant's True Income Stream** option on the **Valuation** menu, to show a rental income stream between lease start and sale dates in the cash flow.
2. The rents will be re-calculated when this option is changed.

To disable the flow of rent

1. Untick the **Tenant's True Income Stream** option on the **Valuation** menu.
2. The rents will be re-calculated when this option is changed.

Imperial and Metric Units

You can convert between Imperial and Metric units by using the conversion option on the **Options** menu.

To convert area-based units

Choose the **Convert to Metric** or **Convert to Imperial** option from the **Options** menu.

- When this option is changed, all area-based definitions are re-calculated to the new standard. Floor space, Rent, Sales and Construction rates are converted. Any costs that have been defined on a rate/pt² or rate/m² basis will also have their rates converted.
- Note that switching between the two standards can create small discrepancies due to metric area measurements and monetary values being held to two decimal places.

Save Zero Value Items

This is for setting up templates. If you want a template that has fees related to items in the area schedule, you first need to create the items in the area schedule and then populate the cash flow with them. You will most likely not be entering any costs or rents/sales into the schedules at this stage - only zeros. ARGUS Developer will not save zero items in the schedule into the cash flow, so you check **Save Zero Items** in the area schedule to get ARGUS Developer to show zero area-based cash flow lines.

Show Names on Area Tabs

You can name individual areas such as (for example) Unit 1, Unit 2. This option allows you to choose whether these headings appear on the area tabs for reference.

Stepped Base Rent Rate = MRV Rate

If this is activated, the first step of the selected Stepped Rent Profile on the base date is used as the Market Rent Rate.

Allow Negative Rents

In most projects, you will be working with Positive Rents. In some circumstances, it may be necessary to enter negative rents in order to capitalize a cost.

Use this option to allow entry of negative amounts.

Menu Options for Displaying and Selecting Columns

To select the types of columns that you wish to see displayed in the Areas, Construction, Rent and Capitalization or Areas, Construction and Unit Sales schedules, you can use the following menu options:

Selecting all columns

Use the **Columns | All** menu option to display all columns.

Construction Costs columns

Use the **Columns | Construction** and **Columns | Construction Financial** menu options to display the construction cost columns.

Rent columns

In the Areas, Construction, Rent and Capitalization form, use the menu options to display all rent columns (options available are Rent, Rent Financial, Turnover Rent and Rent Capitalization).

Hotel columns

In the Areas, Construction, Rent and Capitalization form, use the **Columns | Hotel** menu option to display all hotel-related columns.

Operated Asset columns

In the Areas, Construction, Rent and Capitalization form, use the **Columns | Operated Asset** menu option to display all operated asset-related columns.

Lease Details columns

In the Areas, Construction, Rent and Capitalization form, use the menu options to display all lease details columns (options available are Lease and Ground Lease).

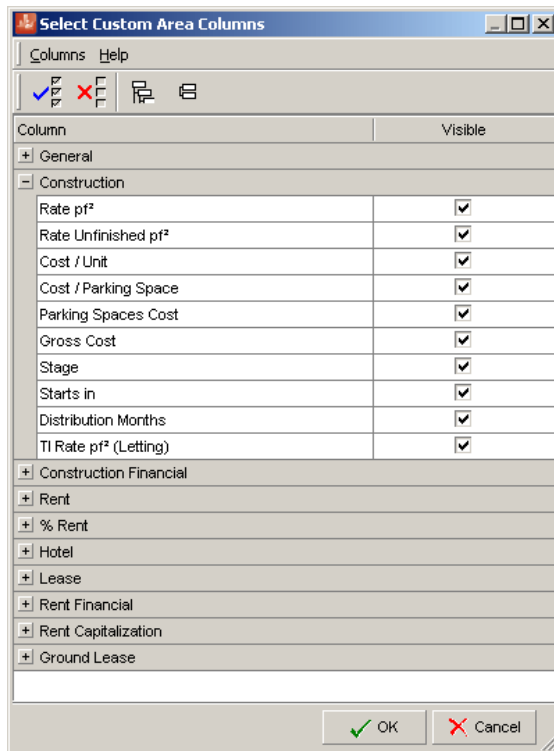
Sales columns

In the Areas, Construction and Unit Sales form, use the menu options to display the sales columns. You can select Sales, Sales Deposits, Sales Fees and Sales Financial columns.

Custom columns

Use the **Columns | Custom** menu option to display the custom columns (if any have been defined).

To choose the specific custom columns that will be displayed in the schedule, use the **Columns | Column Selector** menu option to open the Custom Column Selector window:



Check all the custom columns that you wish to include in the Areas, Construction, Rent and Capitalization or Areas, Construction and Unit Sales schedule.

If you wish to check all options, use the **Columns | All On** menu option.

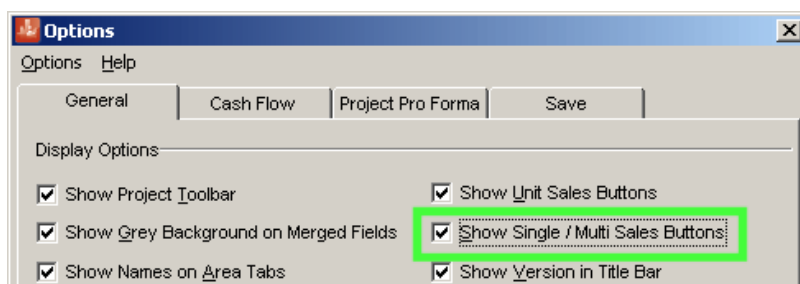
If you wish to uncheck all options, use the **Columns | All Off** menu option.

To accept your settings and exit from the window, you can either click **OK**, or use the **Columns | Save Changes & Exit** menu option.

Residential Sales

In addition to the Unit Sales form, single unit sales and multi unit sales forms are available. These are intended primarily for use in residential developments.

To enable these buttons on the Definition screen, use the **Tools | Options...** menu option to open the Options window:



Check the **Show Single/Multi Sales Buttons** check box to display these options. They will be displayed in the Definition screen as follows:

Areas, Build rates, Revenues & Values	
Capitalized Rent	0 ...
Unit Sales	0 ...
Single Unit Sales	0 ...
Multi Unit Sales	0 ...

Single Unit Sales

To enter single unit sales, click on the **Single Unit Sales** detail button. This opens the Single Unit Areas, Construction and Sales form:

The screenshot shows the 'Single Unit Areas, Construction and Sales - Phase 1' window. It features a menu bar (Area, Edit, View, Options, Help) and a toolbar with various icons. The main area is divided into several sections:

- Area Section:** Includes fields for Heading, Unit Number, Use Type (set to 'Undefined'), Number of Units (set to 1), and Parking Stalls (set to 0.0).
- Unit Sales Section:** Includes fields for Gross Unit Area ft², Gross Area ft², Net Unit Area ft², Net Area ft², and Gross:Net Ratio (set to 90.00% and Locked).
- Construction Costs Section:** Includes fields for Rate pf², Rate Additional pf², Cost / Unit, Cost / Parking Stall, Parking Stalls Cost, Gross Cost, Stage (set to 'Construction'), Starts in (set to 'May 2007'), Starts per (set to 'Month'), Starts / Month, and Construction Duration.
- Unit Sales Section (continued):** Includes fields for Rate pf², Escalation Set (set to '(None)'), Sales / Unit, Gross Sales, and Net Sales (Escalated).
- Sales Distribution Section:** Includes fields for Deposit %, Sales %, Units, and Months to Complete.
- Sales Fees Section:** Includes fields for Sales per, Units / Month, and Months to Complete.

At the bottom of the window, there are buttons for 'OK' and 'Cancel', and a status bar showing 'Area 1'.

Data entry in the Single Unit Sales form is similar to the methods used in the Capitalized Rent form, but there are a few differences:

Construction Cost distribution – Single Unit Sales

The Single Unit Sales setup allows you to define construction starts progressively, typically in groups of units.

Doing the construction in batches of units flattens the construction curve, and because sales revenues and not just deposits start coming through during the area construction, finance requirements and interest payments for a project can be reduced.

Construction Costs		Financial
Rate pf ²		0.00
Rate Additional pf ²		0.00
Cost / Unit		0
Cost / Parking Stall		0
Parking Stalls Cost		0
Gross Cost		0
Stage	Construction	...
Starts in	Dec 2007	
Starts per	Month	▼
Starts / Month		0
Construction Duration		0

[Click to View Construction Cost Breakdown](#)

The following is a summary of the Single Unit Sales-specific controls on this tab (outlined in green above):

Stage / Starts in This defines the start timing for the first batch of units to be constructed.

Starts per Here you can choose the cycle in which constructions start. This can be monthly, two-monthly or quarterly. The first cycle starts at the construction start period.

Starts / Cycle This defines the number of units that begin construction each cycle. Until a non-zero value has been entered here, all units start construction in the first construction period.

Construction Duration The construction duration defines the number of months each unit to be constructed takes to complete.

Sale Distribution – Single Unit Sales

The sales distribution for single unit developments is controlled through some fields unique to single unit developments and others that are shared with multi unit sales.

The timing for the sales is controlled through a standard timing popup in the Sales column of the single unit sales form.

Sales Distribution		Sales Fees	
Sales Deposit			
Deposit %			0.000%
Initial Sales at Apr 2009			
Sales %			0%
Units			0
Balance of Sales - 1 Month(s)			
Sales per	Month		▼
Units / Month			0
Months to Complete			0

The following is a summary of the controls on this tab:

Initial Sales – Units This is the number of units that is expected to be sold when the sale for the area is first launched. Normally more sales contracts are expected to be signed during that month than during the regular sales period. If this field is non-zero, the number of units in the first sales period is taken from this field. If the field is left zero, the number of units sold in the first sales period is controlled through the regular sales fields.

Initial Sales – Sales % This field is a “virtual” field. The actual value stored on the area record is the number of units sold on day one. However, the Initial Sales can be entered as a percentage.

Balance of Sales – Sales per This field determines the sales cycle to be used. It can be monthly, two-monthly or quarterly.

Balance of Sales – Sales /Month/2 Months/Quarter This field determines the number of units sold during a sales cycle. If this field is zero, the total number of units minus in the first month sales period, or an adjusted number of units in the second month of the sales period if day one sales have been modelled for the area.

Regular Sales – Months to Complete This field determines the minimum number of months between the signing of a sales contract and the completion of the sale. What determines the actual difference in months is whether enough units have been constructed to cater for the demand.

Regular Sales – Deposit % This is the deposit percentage. The deposit for a sale is payable on the signing of a sales contract and so the distribution on a deposit line for a single unit sales area is directly determined through the fields controlling the sales distribution.

Multi Unit Sales

To enter multi unit sales, click on the **Multi Unit Sales** detail button. This opens the Multi Unit Areas, Construction and Sales form:

Construction Costs		Financial	
Rate pf ²	0.00	Rate pf ²	0.00
Rate Additional pf ²	0.00	Escalation Set	(None)
Cost / Unit	0	Sales / Unit	0
Cost / Parking Stall	0	Gross Sales	0
Parking Stalls Cost	0	Net Sales (Escalated)	0
Gross Cost	0	Initial Sales Timing	
Stage	Construction	Stage	Construction
Starts In	May 2007	Starts In	May 2007
Distribution Months	12	Contract Selection	
		Pre Constr. Completion	(None)
		Post Constr. Completion	(None)

Sales Distribution		Sales Fees	
Initial Sales at May 2007			
Sales %	0%	Units	0
Sales Prior to Construction			
Sales %	0%	Units / Month	0
Sales During Construction - 11 Month(s)			
Sales %	0%	Units / Month	0
Sales After Construction - 1 Month(s)			
Sales %	100%	Units / Month	0
Months to Complete	0	Monthly Move In	0
Move In - 1 Month(s)			

Data entry in the Multi Unit Sales form is similar to the methods used in the Capitalized Rent form, but there are a few differences:

Sales Distribution – Multi Unit Sales

The most complicated automatic sales distribution can be modelled through the multi unit sales schedule.

Multi unit sales contain up to four sales periods. Depending on when the sales start, controlled through a normal timing popup in the sales column, is timed, there may be initial (day one) sales, sales prior to construction, sales during construction and absorption sales, where absorption sales are sales that happen after construction for the area has been completed.

Sales Distribution	Sales Fees
Initial Sales at Apr 2009	
Sales %	0%
Units	0
Sales Prior to Construction	
Sales %	0%
Units / Month	0
Sales During Construction	
Sales %	0%
Units / Month	0
Sales After Construction - 1 Month(s)	
Sales %	100%
Units / Month	0
Months to Complete	0
Move In - 1 Month(s)	
Monthly Move In	0

Initial Sales – Units This is the number of units that is expected to be sold when the sale for the area is first launched. Normally more sales contracts are expected to be signed during that month than during the regular sales period. If this field is non-zero the number of units in the first sales period is taken from this field. If the field is left zero, the number of units sold in the first sales period is controlled through the regular sales fields.

Initial Sales – Sales % This field is a “virtual” field. The actual value stored on the area record is the number of units sold on day one. However, the Initial Sales can be entered as a percentage.

Sales Prior to Construction – Sales / Month This is the number of units that is expected to be sold each month prior to the start of the area construction.

Sales Prior to Construction – Sales % This field is a “virtual” field. The actual value stored on the area record is the number of units sold each month prior to construction. However the number of units sold prior to construction can be entered as a percentage, which will then be automatically converted to a number of units per month.

Sales During Construction – Sales / Month This is the number of units that is expected to be sold each month during the area construction.

Sales During Construction – Sales % This field is a “virtual” field. The actual value stored on the area record is the number of units sold each month during construction. However, the number of units sold during construction can be entered as a percentage, which will then be automatically converted to a number of units per month.

Absorption Sales – Absorptions / Month This is the number of units that is expected to be sold each month after the area construction completes.

Absorption Sales – Absorptions Months This field determines the minimum number of months between the signing of a sales contract and the completion of the sale. What determines the actual difference in months is how long a client has to wait until he can take possession of the unit, which is controlled through Monthly Move In field.

Move In – Monthly Move In The monthly move in determines for how many units the sale can be completed each month. For example, the number of people moving into a condo development is restricted by the number of elevators and allowing more units to be occupied would be counter-productive. In such cases you can use the monthly move in field to delay sales completions.

Sales Contract – Multi Unit Sales

Multi unit sales areas do not have a deposit % field, and sales revenue instead is spread using sales contracts. Each area record can use two different contract types, one for sales that occur prior to construction completion (the Presales Contract) and one for sales that occur after construction of the area has completed (the Absorption Contract).

When no contracts are used, the full unit price is collected when the sale completes.

The following picture shows the contract selection fields (outlined in green):

Unit Sales	Financial
Rate pf ²	0.00
Escalation Set	(None) ▼
Sales / Unit	0
Gross Sales	0
Net Sales (Escalated)	0
Initial Sales Timing	
Stage	Sale ...
Starts In	Dec 2007
Contract Selection	
Pre Constr. Completion	(None) ▼
Post Constr. Completion	(None) ▼
Click to View Sales Additions/Costs	

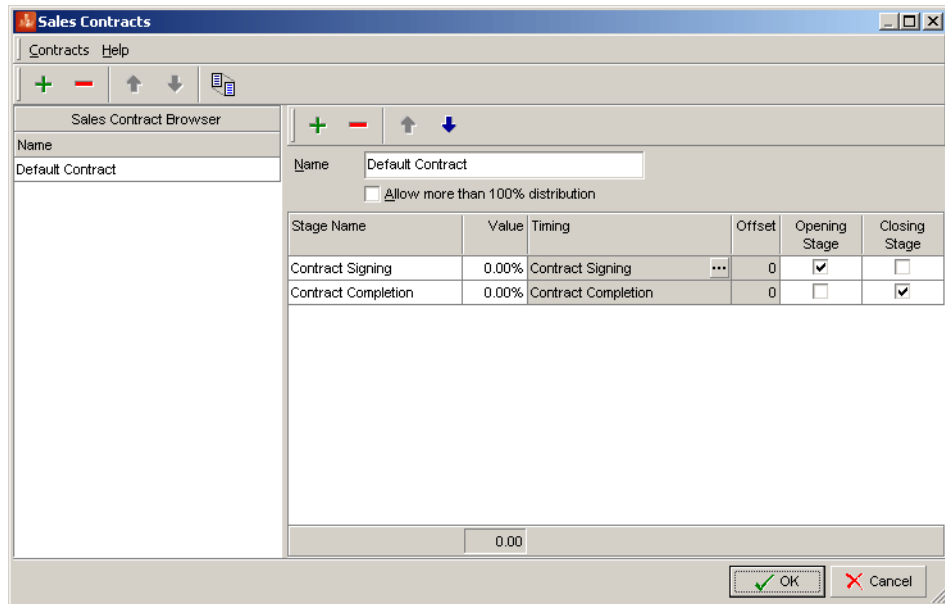
Sales Contract Editor



You can open the Sales Contracts Editor by using the **Edit | Sales Contracts...** menu item or the **Sales Contracts** button on the toolbar, when in the Multi Unit Sales schedule.

The sales contract editor works in a similar manner to other Developer schedule editors. A minimal contract defines an opening and a closing stage and would typically collect a deposit percentage at the opening stage and collect the remainder at the closing stage.

Each contract definition requires an opening and a closing stage and collects 100% (or optionally more) of the unit sale price.



Allow more than 100% distribution In some cases, absorption units sold after area construction completes are valued higher than units sold prior to construction completions. The **Allow more than 100% distribution** check box can then be used to provide an uplift in this sale's price.

Value This column allows you to define a percentage for each stage.

Timing This column allows you to define when a stage occurs. This control opens a timing dialog that you can use to specify the stage or start date (see "Other timing dialogs" on page 103).

Offset This column allows you to enter an amount that offsets the stage from the Construction month. This permits you to fine-tune the timing of the stage.

Opening Stage The opening stage of a sale is defined as the stage in the sale of a single unit is the sales start or when the client signs the contract to buy the unit. For opening stages, the timing is controlled through the sales starts unit information line and thus a number of months offset from the construction start cannot be entered.


Closing Stage The closing stage of a sale of a single unit is the sales completion or when the client takes possession of the unit. For closing stages, the timing is controlled through the actual completions unit information line and thus a number of months offset from the construction start cannot be entered.



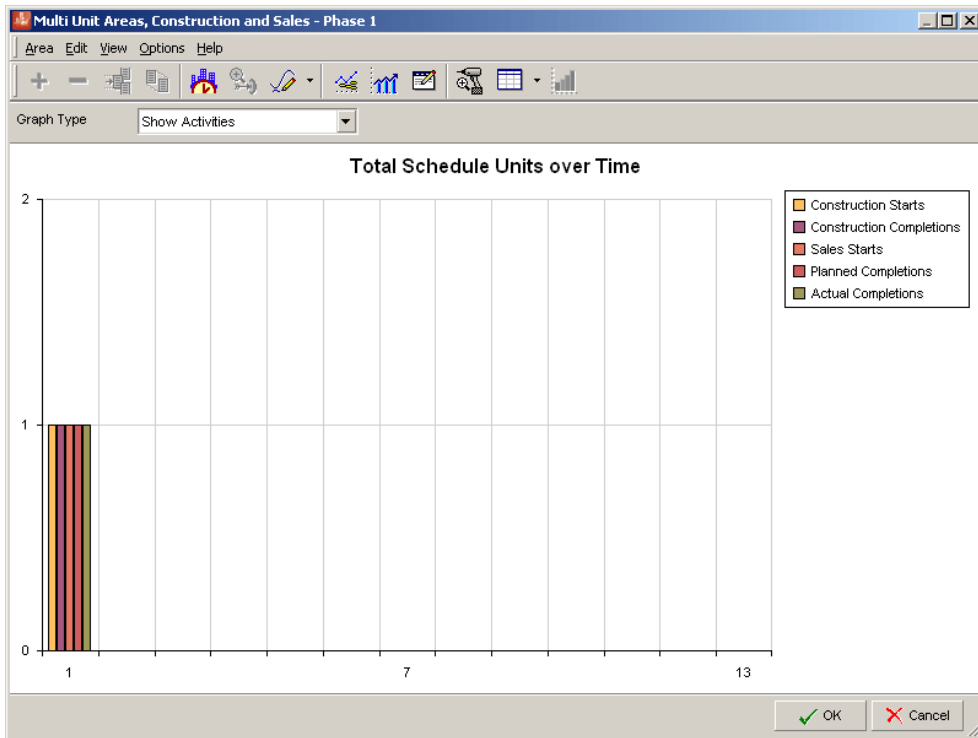
Copying a contract To make a copy of a contract, select the contract to be copied and click on the **Copy Contract** button.

Graph view in the Sales schedules

You can view sales activity graphs in all of the sales schedules (Unit Sales, Single Unit Sales and Multi Unit Sales).

To view these graphs, just click on the **Graph View** button  on the toolbar in any of these sales schedules.

The view will change to display a graph of the sales data you have input:



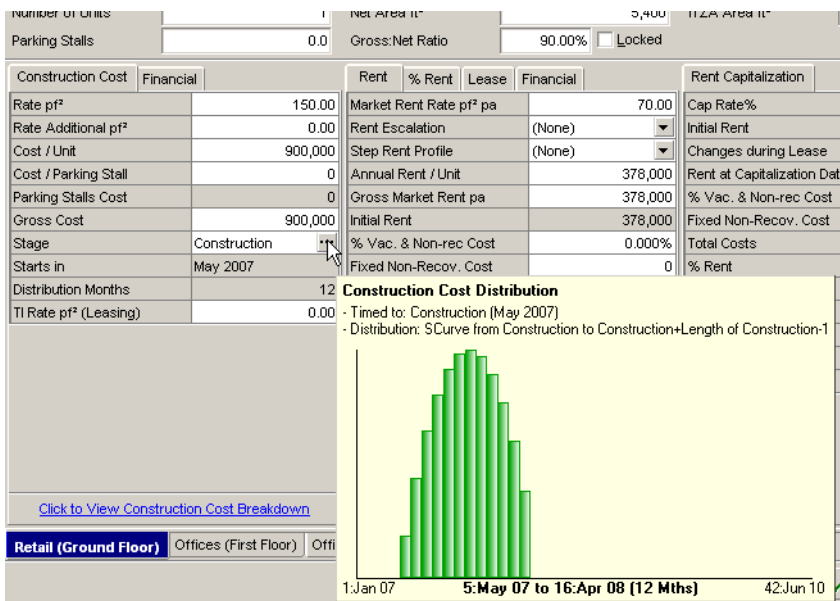
The **Graph Type** drop-down above the graph allows you to choose between a chart of activities or a chart of cumulative activities.

If you wish to change the view back to a data input mode, click on the **Line Detail View** or **Schedule View** buttons.

Timing and Distribution summaries

In the Capitalized Rent, Unit Sales, Single Unit Sales and Multi Unit Sales forms, wherever you find a timing control (usually marked “Stage” or with a **...** button), you will be able to view pop-up summaries of the currently set timing and distribution.

To view the pop-up summary, hold your mouse pointer over the timing control in the form:



Operated Assets

The Operated Assets feature is one of the optional Developer modules. You may need to purchase a license for this module before you can start working with Operated Assets.

The Operated Assets module allows you to specifically focus on managing rent and occupancy rates for business premises, including Hotels, Golf Courses, Marinas, Serviced Apartments, Self Storage and so on.

Note: Once you have set up any operated assets, you may wish to create a report of the data you have entered. An Operated Assets report is available in the Enhanced Reports section of the reporting module - see “Report Content: Enhanced Reports” on page 210.

Using Operated Assets - Brief Overview

To enter and value operated assets, use the following procedure:

Open the Areas, Construction, Rent and Capitalization screen, and choose a Use Type of Amusement Park, Golf Course, Marina or New Hotel. These are defined as custom Use Types in the Use Types window - see “Use Type Classes” on page 255.

This displays an Operated Asset tab in place of the Rent tab:

New Hotel	Financial
Occupancy/Rates Profile	(None)
Income Start Timing	Income Flow ...
Click to View Operated Asset Profiles	

The Rent Capitalization tab will also change:

Rent Capitalization	
Cap Rate%	10.0000%
NOI at Capitalization Date	0
Capitalized Rent	0
Manual Capital Value	0
Stage	Sale
Capitalized At	Dec 2007

← Net Operating Income at sale date
 ← Override Capital Value with manual entry
 ← Timing of sale

Use the **Click to View Operated Asset Profiles** link to open the Operated Assets Editor, where you can enter an occupancy profile and any operating revenues and expenses:

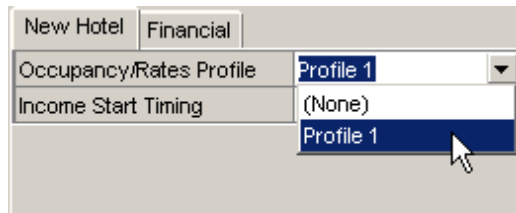
To start, you will need to create some pages and specify data on the **Occupancy and Rates** tab. See “Occupancy and Rates tab” on page 79 for further information.

On the **Operating Revenues/Expenses** tab, enter the revenues and operating expenses. See “Operating Revenues/Expenses tab” on page 82 for further information.

Note: For some calculation types, it is necessary that pages on the **Occupancy and Rates** tab have been created beforehand.

When you have finished creating the profile, click **OK** to close down the window and return to the area form.

You can now use the revenue and expense profile in the area form using the **Occupancy/Rates Profile** drop-down:



Occupancy and Rates tab

The Occupancy and Rates tab allows you to enter the types of variables required to calculate the base income and operating revenues and expenses for a business operation. The types of variable are predefined and are listed in the table below. This tab holds an unlimited number of different pages of data, each page representing a single variable type. For example, in a hotel, you would have occupancy rates and the number of rooms.

Each page holds rates that change month by month and year by year. For simple operations, this may be % occupancy rates and average daily room rates. For more complex operations such as a marina, where many different variables are used, there could be dock length, monthly rate/ft and % occupancy.

The start date of Operated Asset Pages is (by default) the month of the commencement of the Holding Period (Stage 6 in the current Phase), therefore if you change the timing of this Stage, the Page timeframe will change also. You can also force the start date of the Pages to begin in January of the calendar year in which the Holding Period begins - but this is not as flexible as the default method. To select the method you wish to use, check or uncheck the **Begin Occupancy and Rates at start of Holding Period** option in the **Profiles** menu.

The profile requires you to enter each variable type required as a page in a notebook. When adding a page, you will be asked to specify what type of variable it will be used for, the Page Name and the number of decimal places required for the data. The variable types are:

Variable Type	Description
Occupancy Rates	This is used to specify the monthly occupancy of the operated unit as a percentage.
Available Units	This is used to specify the number of units available per month.
Average Daily Rates	The daily rate charged for occupancy of the unit. To calculate the monthly charge, the program multiplies the daily rate by the number of days in each month. From month to month, the number of days changes and this is reflected in the calculation.
Average Weekly Rates	The weekly rate charged for occupancy of the unit. To calculate the monthly charge, the program multiplies the weekly rate by the number of weeks in the month. This is done by dividing the number of days in each month by 7. From month to month, the number of days changes and this is reflected in the calculation.
Monthly Rates	The monthly rate charged for occupancy of the unit.
Daily Activities	Used where calculations are based on the number of times per day an activity takes place. To calculate the monthly charge, the program multiplies the Daily Activities by the number of days in the month.
Weekly Activities	Used where calculations are based on the number of times per week an activity takes place. To calculate the monthly charge, the program multiplies the Weekly Activities by the number of days in the month divided by 7.

Variable Type	Description
Monthly Activities	Used where calculations are based on the number of times per month an activity takes place.
Measurement - Linear	Used where calculations are based on the length of the occupied unit. For example, in a marina, charges may be made based on the length of the dock in which a boat is kept.
Measurement - Square	Used where calculations are based on the area of a unit.

Click on the **Add Profile** button to add a profile to the Profile Browser.

On the **Occupancy and Rates** tab, click on the **Add Page** button to enter a profile of occupancy percentage and average daily rates. This opens the following dialog:

Here, you must define the basic properties of the asset page, such as a name, a data type (see table above) and a number of decimal places for any data that will be displayed.

Click **OK** to close down the dialog. Using the page properties you just defined, this creates a new page in the editor:

Year	Average	Month 1	Month 2	Month 3	Month 4	Month 5
1 - 2009	80.00%	80.00%	80.00%	80.00%	80.00%	80.00%

You can create as many profile pages as you require, each representing an asset or a data type.

For each of these asset profile pages, you can create a year-based schedule containing whatever type of data you have specified in the page properties. You can add a year's set of rates by clicking the **Add Year** button.

Note: Adding a year to one page will add a year to all other pages in the profile. The **Year** label will automatically increment to show the year (for example, if the current year is 2008, the first entry would read 1 - 2008, the next entry 2 - 2009 and so on).

In the example shown here, this contains an occupancy profile (this shows the occupancy percentage for each month).

Note: You can change the data type for a page at any time by right-clicking on the page and selecting Page Properties from the right-click menu.

The Occupancy and Rates page has the following options for creating a profile:



Add Page Allows you to add a new data page to the profile.



Delete Page Allows you to delete a page from the profile.



Move Left and **Move Right** These buttons allow you to shuffle the order of the data pages.



Add Year Allows you to add a new year line to the schedule.



Delete Year Allows you to remove a year line from the schedule.



Fill Row Allows you to populate the currently selected row with the value currently selected.

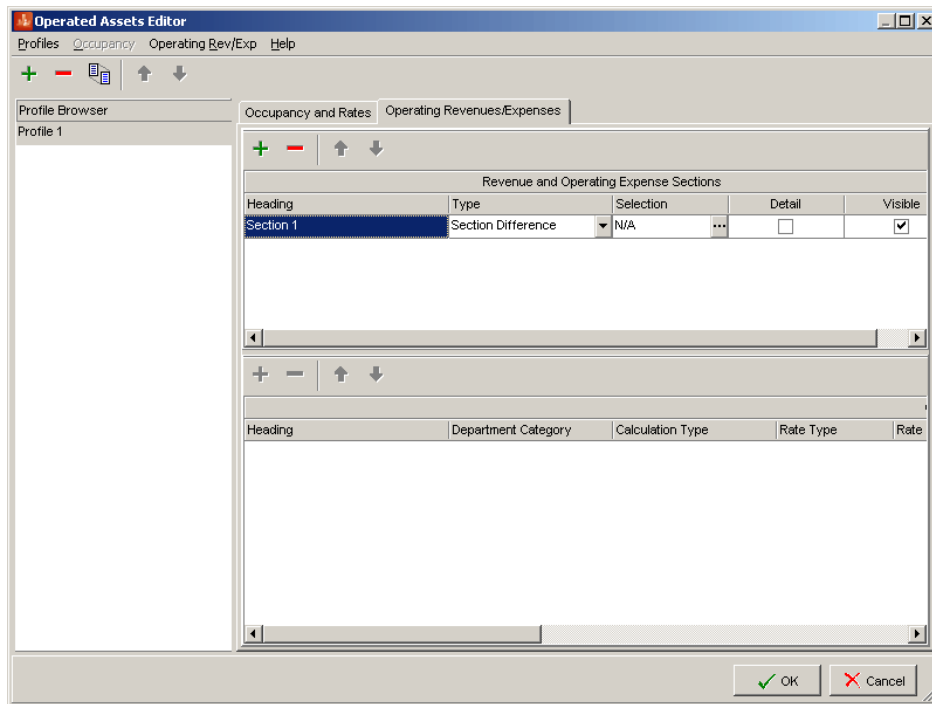


Fill Right Allows you to fill all the cells to the right of the current cell, using the value in the selected cell.



Fill Down Allows you to fill all the cells underneath the current cell, using the value in the selected cell.

Operating Revenues/Expenses tab



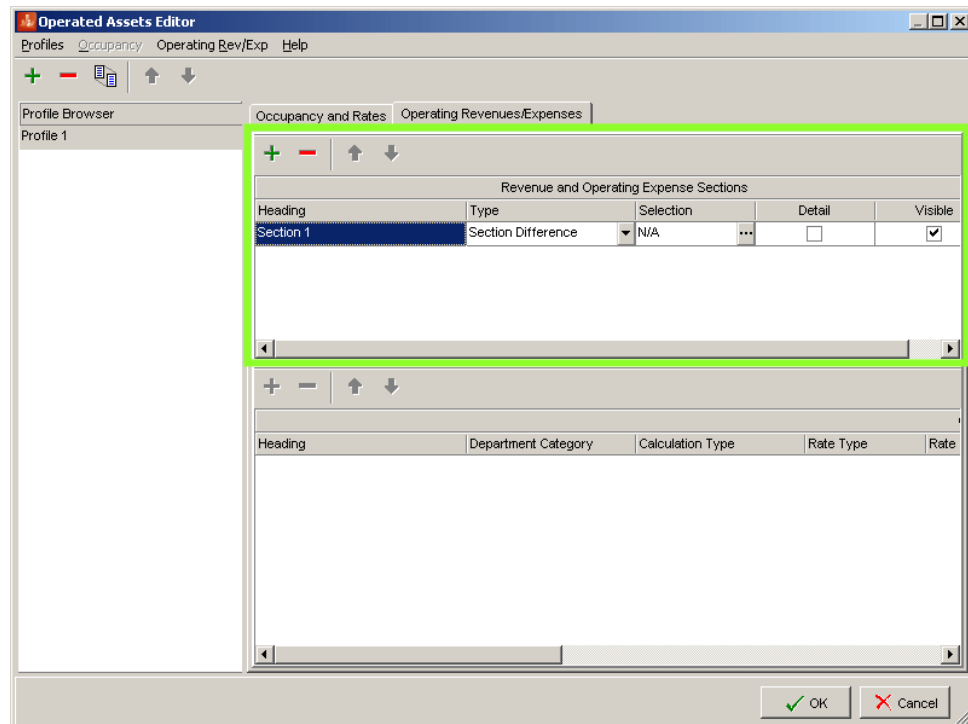
This tab is used to generate the base income, additional revenue and operating expenses for the operation.

An operated asset usually has several sections of cost categories, each of which can be based on other sections or calculated from the page variables defined on the **Occupancy and Rates** tab.

Developer allows an unlimited number of sections and, within each section, an unlimited number of revenues or operating expenses.

Revenue and Operating Expense Sections

Each of the sections can hold either revenues or operating expenses.



The following columns are displayed in this section of the Operating Revenues/Expenses tab:

Heading – this is used to identify the section in the cashflow and reports. It will also be used when the section is used as the basis for other calculations such as section summaries, section differences or percentage of section total.

Type – used to identify what the section contains: Revenue, Expense, Section Summary or Section Difference.

When a revenue item or an expense item is added to the Operating Revenue and Expense Detail part of this tab, the Type will be used to automatically set the new item's Cost Type. Note that, if you change the Type from Revenue to Expense and vice versa, the program will change the "Cost Type" entries in the section below, after confirming that you want this to happen.

Summary and Difference sections can also be used as the basis for other calculations. You might want to base some operating expenses on a Departmental Profit section, which is itself based on one or more other sections.

- **Section Summary** - This type of section is used to add together each of the revenues or operating expenses in other sections. The calculation produces a new section, containing a copy of the revenues and operating expenses from each of the selected sections. When these are written to the cashflow, they will be grouped on the Category Code assigned to each revenue and operating expense item.
- **Section Difference** - This type of section is used to subtract one or more sections from each other. The calculation produces a new section, grouped on the Category Code assigned to each revenue and operating expense item.

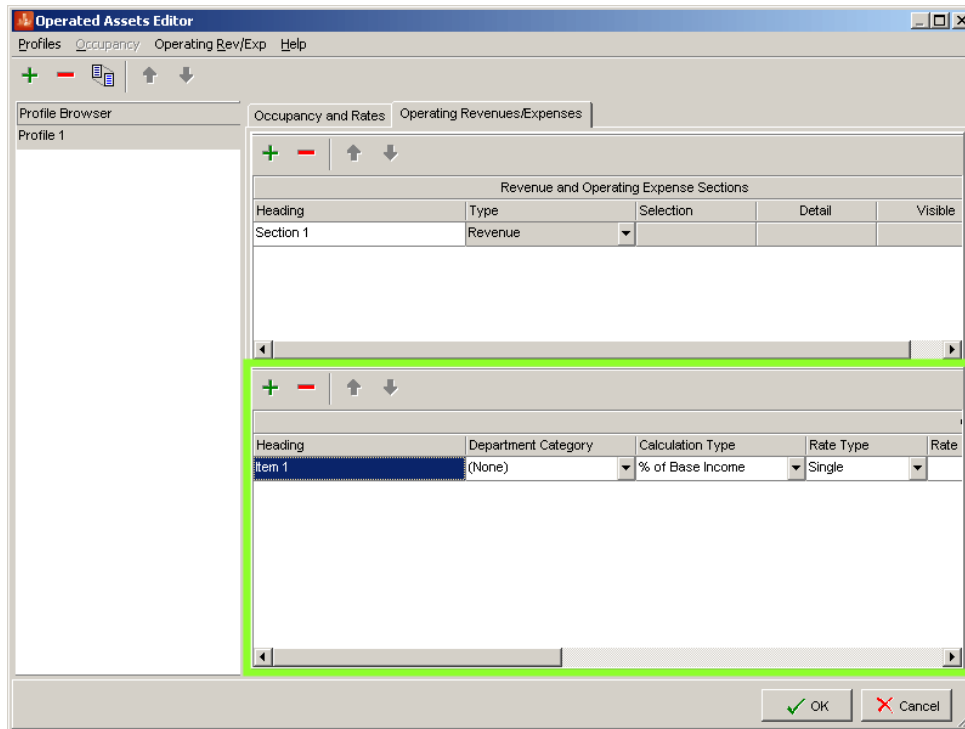
Selection - for Section Summary or Section Difference, this is used to identify which other sections will be added or subtracted to calculate the new section.

Detail – use this check box to specify whether the Section Summary or Section Difference will contain a full detailed list of each of the items summarized or subtracted (if checked), or whether a single total line will be calculated (if left unchecked).

Visible – use this check box to specify whether the Section Summary or Section Difference will appear in the cashflow. It may be that these types of section are included only for calculation of other operating expenses, in which case they would not be shown in the cashflow.

Operating Revenue and Expense Detail

Each section can hold an unlimited number of either revenues or operating expenses:



Heading – used to identify the item in the cashflow and on reports. It is also used when the item forms the basis for another calculation such as the percentage of another item.

Department Category – used mainly in the calculation of Section Summaries and Section Differences as outlined above. See also “Department Categories” on page 86.

Calculation Type – used to specify the method used to calculate monthly revenues or expenses in the cashflow. Depending on the method chosen, you may be required to enter a Rate or make a Selection of sections or categories from a popup dialog.

See the table “Calculation of Monthly Amounts” on page 87 for a list of calculation types and a description of each.

Rate Type – For most calculation types, the Rate Type will be either Single or Variable.

If Single is chosen, the **Rate** field allows you to enter a single rate for the entire projection period. If Variable is chosen, the **Rate** field expands to allow you to enter a table of rates that change month by month over any number of years.

There are two calculation types that have different options for the Rate Type: Amount / Occupied Asset and Amount / Available Asset. For these calculation types, Developer needs to know whether the Rate Type is Daily, Weekly or Monthly.

If a Daily, Weekly or Monthly rate type is chosen, the **Rate** field allows you to enter a single rate for the entire projection period.

If a Daily Variable, Weekly Variable or Monthly Variable rate type is chosen, the **Rate** field expands to allow you to enter a table of rates that change month by month over any number of years (example shown here is for Daily Variable Rates):

Year	Average	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month
1 - 2009	40000	40000	40000	40000	40000	40000	40000	40000
2 - 2010	45000	45000	45000	45000	45000	45000	45000	45000

Use this window to specify the pattern of rates throughout the year. Depending on the options you selected from the **Calculation Type** and **Rate Type** drop-downs, you will be able to enter either an amount or a percentage.

Selection – this field is enabled for the following Calculation Types:

- Base Income;
- Other Income;
- Straight % of Section Total;
- % of Other Category;
- Amount/Occupied Asset;
- Amount/Available Asset;
- Amount per Unit;
- Amount per Activity;
- Netted Down % of Section Total;
- Rate per Linear measure;
- Rate per Square measure.

Use the popup selection editor to choose which sections, categories or pages of rates will be used for the calculation:

Section Heading	Include?
Section 1	<input type="checkbox"/>
Section 2	<input type="checkbox"/>

Cost Type – Allows you to select a cost type (either a Revenue or a Cost).

Inflation/Growth Set – this is used for growing revenues and inflating expenses.

Cap Method – the Cap Method is used to select which items will be included in the capitalization of Net Operating Income. The default method “Tenant Rate” is automatically selected when a new line item is created.

Type	Description
None	No capitalization of the operating revenue or expense.
Tenant Rate	Capitalizes the operating revenue or expense using the Cap Rate on the area record.
Private Rate	Capitalizes the operating revenue or expense using a rate entered for this item.

See the discussion in “Capitalization method” on page 88 for the approach used in capitalization calculations.

Capitalization Rate – the private rate used to capitalize this operating revenue or expense.

Notes – here, you can enter any notes for the line item.

Department Categories

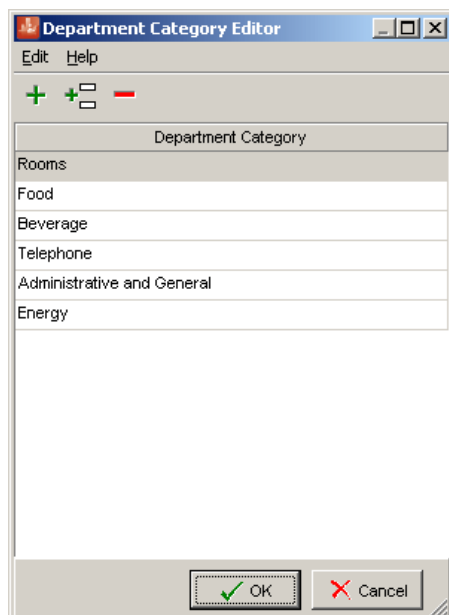
The department categories you can create here are simply labels that you can use for categorizing each item you enter in the Operating Revenue and Expense Detail section.

Once you have created all categories, you can select them from the **Department Category** drop-down in the Operating Revenue and Expense Detail section (see “Operating Revenue and Expense Detail” on page 84).

Where Section Summary/Differences are defined, the department category can be used to summarize individual line items into a single line. There is an option in the cashflow that controls whether individual or summarized lines are displayed.

For example, if you have multiple detail lines in a summary or difference section with a category of “Telephone”, you can combine the detail lines into a single line with the heading “Telephone”.

Use the **Operating Rev/Exp | Department Categories** menu option to open the Department Category Editor:





To add a category, click on the **Add Category** button.

In the list, enter some descriptive text that can be used as a categorization label.



To insert a category, click on the **Insert Category** button.



If you need to delete a category, click on the **Delete Category** button.

Click **OK** to save your list of categories.

Calculation of Monthly Amounts

As explained in the previous section, the **Calculation Type** drop-down is used to tell Developer how to perform the calculation for the category.

Calculation Type	Description
Base Income	<p>This is used to calculate the basic revenue generated from occupancy or use of an asset. For hotels, this is the revenue from letting the room to a guest on a daily basis.</p> <p>The program uses the pages of rates setup on the Occupancy and Rate tab to calculate the base income. Using the Selection dialog, choose which pages of Occupancy %, Available Units and Daily/Weekly/Monthly rates will be multiplied together to calculate the base income.</p>
% of Base Income	For operating revenues or expenses that are calculated as a % of the Base Income. It will not include any items that are defined as Other Income. Expenses based on occupancy of hotel rooms would use this type of calculation.
Other Income	This is used to calculate basic revenue in exactly the same way as Base Income. Other Income differs from Base Income in that it will not be included in the % of Base Income calculations, described above.
Straight % of Section Total	For operating expenses that are calculated as a % of the total amount in another section. In a hotel, you may find that some expenses are based on the total gross revenue.
% of Other Category	For operating expenses that are calculated as a percentage of another category defined in the current section or another section. In a hotel, you may find that the expense of the Telephones is based on the total revenue generated from use of telephones in guests' rooms.
Amount/Occupied Asset	<p>For operating expenses that are calculated as a rate per occupied unit. Use the Selection dialog to choose the Occupancy % and Available Units pages. These will be multiplied together to calculate the occupancy and multiplied by the rate entered.</p> <p>For example, if a hotel has 100 rooms at 50% occupancy, there would be 50 occupied units which would be multiplied by the rate entered.</p>

Calculation Type	Description
Amount/Available Asset	For operating expenses that are calculated as a rate per available unit. Availability in this sense refers to maximum availability, not accounting for any occupancy. Use the Selection dialog to choose the Occupancy % and Available Units pages. These will be multiplied together to calculate the occupancy and multiplied by the rate entered. For example, if a hotel has 100 rooms, there would be 100 available units which would be multiplied by the rate entered.
Amount/Unit	Where "Unit" is used to describe rooms, rounds of golf, berths in a marina and so on. The number of units, which could change over time, will be taken from the Available Units page under the "Occupancy and Rates" tab and multiplied by the Units field on the area record. This will be multiplied by the number of days in the month and the rate.
Amount/Month	Enters a fixed amount per month into the cashflow. This is not dependent on occupancy or any other section.
Amount/Week	Multiplies the weekly rate by the number of weeks in the month and enters this into the cashflow. This is not dependent on occupancy or any other section.
Amount/Activity	For operating revenues and expenses that are calculated as a rate multiplied by a page of activity rates entered on the "Occupancy and Rates" tab. When performing the calculation, Developer will use the Daily, Weekly or Monthly activity setting on the page of activity rates to arrive at the correct amount. For example, in a hotel, you may calculate Food & Beverage as a rate multiplied by the number of covers for breakfast.
Netted Down % of Section Total	For operating expenses that are calculated as a percentage of the total amount in the same section, including itself. This would be similar to the way in which we calculate purchaser's costs when they are calculated on the net development value.
Rate per foot/meter	For operating expenses that are calculated as a rate multiplied by a linear measure as defined on an "Occupancy and Rates" profile. Expenses in a marina may be calculated on the length of the berth.
Rate per square foot/ meter	For operating expenses that are calculated as a rate multiplied by a square measure as defined on an "Occupancy and Rates" profile.

Capitalization method

The Net Operating Income Capitalization Approach will be used to value the asset.

Net operating income can be capitalized using the "Cap Method" option in the Revenue and Expense profiles. Choose either "Tenant Rate" or "Private Rate" to capitalize the item.

"Tenant Rate" will pick up the Capitalization Rate from the area record to which the profile is attached. "Private Rate" will enable you to enter a manual Capitalization Rate for the item.

When capitalizing, Argus Developer projects for one year beyond the sale date to establish stable revenues and expenses. It will then use this projected years' worth of figures to capitalize the net operating income.

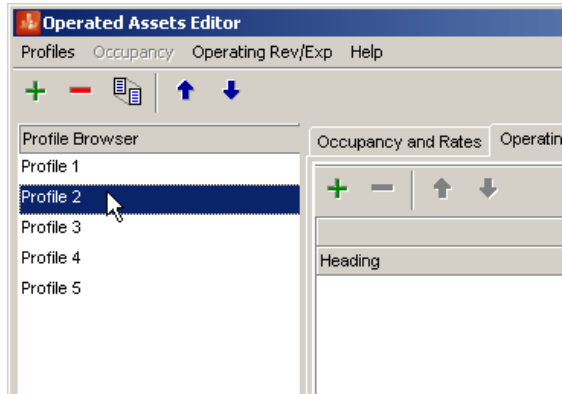
You must choose a Capitalization Rate for each item of revenue and expense to ensure that the correct Net Operating Income is capitalized.

This is the same approach as that used in Additional Rent/Sales where each item can be included or excluded from capitalization. This may or may not be necessary for the valuation of the operated assets so may change in the future to have a single capitalization option for the entire profile.

Copying an Operated Asset profile

After creating an Operated Asset profile, you may wish to make a copy for use as a quick start in creating a new one that is slightly different.

To copy a profile, first select the one you want to copy from the Profile Browser:

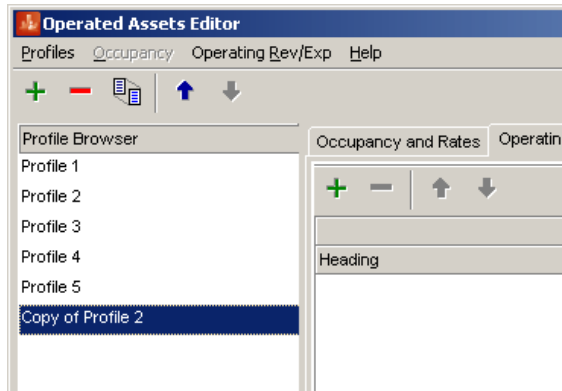


Click on the **Copy Profile** button:



You will be prompted to confirm the action. Click **Yes** to proceed.

This creates a copy of the profile, adding it to the list:



You can proceed to rename the profile and configure it as with other profiles.

CHAPTER 5

Entering Costs/Receipts and editing data

When you have set the options for Assumptions and Timescale, you are ready to start entering the project's cost and receipt information.

Definition

Click on the **Definition** tab. When the Definition page appears, you will see that there is a single comprehensive screen for entering costs and revenues.

Each field shows values for the current phase only. If the **Merged Phases** tab is selected, each field shows the total values for all linked phases.

The data fields are generally displayed in three columns, as shown below, however this can be changed to one or two columns by selecting **Definition Options** from the **View** menu.

Areas, Build rates, Revenues & Values	
Capitalized Rent	12,790,909 ...
Unit Sales	6,750,000 ...
Single Unit Sales	0 ...
Multi Unit Sales	0 ...
Land & Acquisition	
Residualized Price	-7,361,605 ...
Land Cost	0 ...
Land Transfer Tax	-294,464 ...
Fixed DCC	0 ...
Survey	0 ...
Agent Fee	1.00% ...
Legal Fee	2.00% ...
Other Acquisition	0 ...
Site Area (Acres)	0.00 ...
Net Land Area (Acres)	0.00 ...
Construction Costs	
Construction Cost	-5,287,500 ...
Contingency	5.00% ...
Demolition	0 ...
Road/Site Works	0 ...
Statutory/Municipal	0 ...
Developers Contingency	0.00% ...
Other Construction	0 ...
Municipal Costs	0 ...
Professional Fees	
Architect	6.00% ...
Quantity Surveyor	2.00% ...
Structural Engineer	1.00% ...
Mech./Elec.Engineer	2.00% ...
Project Manager	1.00% ...
Construction Manager	0.50% ...
Other Professionals	0 ...
Marketing, Leasing & Disposal	
Marketing	-100,000 ...
Leasing Cost	15.00% ...
Leasing Legal Fees	5.00% ...
Purchaser's Costs	5.7625% ...
Sales Agent Fee	1.00% ...
Sales Legal Fee	0.50% ...
Additional Data	
Additional Fees	0 ...
Dev. Management Fee	0.00% ...
Rent Review Fee	0.00% ...
Additional Revenue	0 ...
Additional Costs	0 ...
Additional Related	0 ...
Rent Additions/Costs	0 ...
Sales Additions/Costs	0 ...

Navigation

You can move between fields by pressing the TAB key to go forwards or SHIFT + TAB to go backwards. Alternatively, click into each field with the mouse button - the field's contents will then be highlighted and you can overwrite any existing value.

Field Expansion

Each of the fields can be expanded to reveal extra detail. Some fields such as Town Planning expand to reveal only a single item. Others such as Capitalized Rent or Additional Costs expand into a full schedule comprising many items.



Double-click inside any field or click on the **Detail View** button to view or edit any field in detail.

Results Bar

The Results Bar usually sits below the Definition page and is updated in real time as new values are entered. It is a live snapshot of your project and shows the key performance indicators such as Profit, Revenue, Cost and Interest amounts, as well as IRR and ratios.

Profit	0	Revenue	0	GST	0	Cost Per Net ft ²	0.00
Profit on Cost	0.00%	Costs (All)	0	Project IRR	0.00%	Cost Per Gross ft ²	0.00
Land Cost	0	Mortgage Interest	0	Dev. Yield	0.00%	Floor Area Ratio	0.00

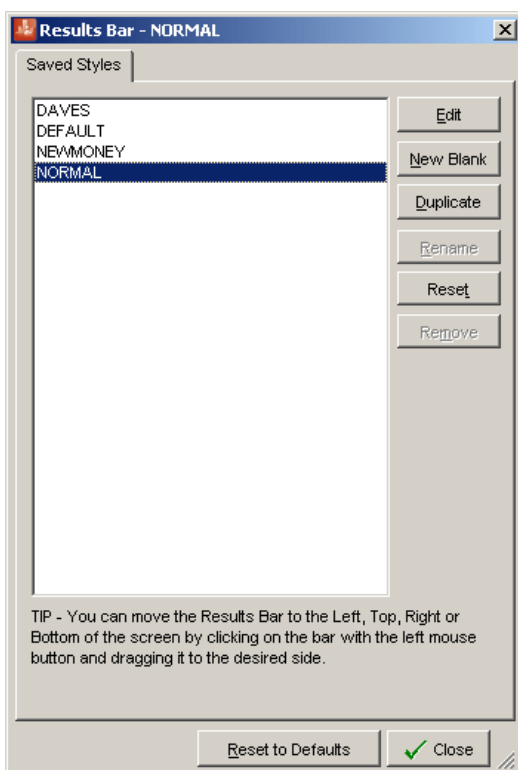
You can choose to hide or display the Results Bar using the View menu, Show/Hide Results option, or by clicking onto the **Show/Hide Results Bar** button in the bottom right hand corner of the screen.

The panel can also be repositioned by left-clicking onto the Results Bar and dragging it to your preferred position on screen.

This panel can be customized to include only the results you are interested in. Right-click on the Results Bar and select **Configure Results Bar**.

Saved Styles

Customized Results Bar layout styles can be created, edited and saved.

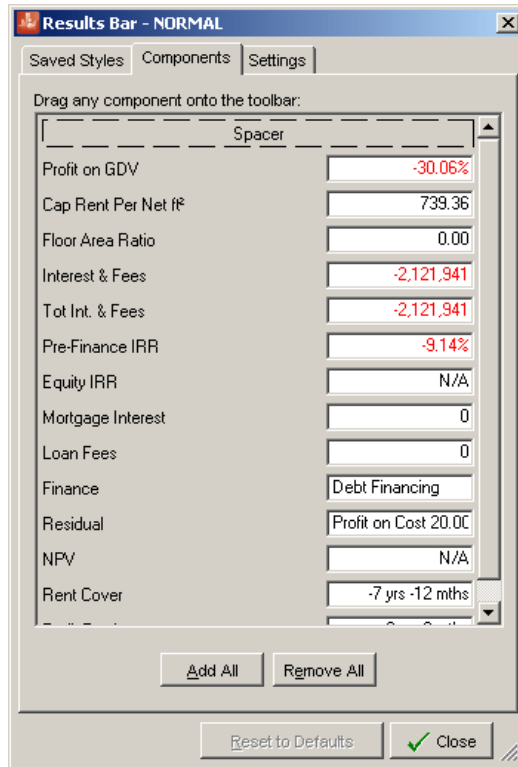


- To edit an existing Results Bar layout style, select the style and click **Edit**.
- To create a new blank style, click **New Blank**. When prompted, enter a name for this new style and click **OK**.
- To make a copy of an existing style, click **Duplicate** and enter a name when prompted.
- To rename a saved style, click **Rename** and enter the new name.

- To reset a style to the default style, click **Reset**.
- To delete a saved style, click **Remove**.

Components

Select a Results Bar layout style and click on the **Components** tab to customize the performance indicators shown on the Results Bar.



To	Do This
Fill a space on the Results Bar from point of insertion to bottom of Results panel.	Click and hold mouse on Filler and drag and drop at insertion point.
Create a space on the Results Bar between two components.	Click and hold mouse on Spacer and drag and drop between components.
Drag additional components onto the Results Bar.	Click and hold the mouse on a component and drag and drop it onto Results Bar.
Drag components from the Results Bar back to the Results Bar Configuration form.	Click and hold the mouse on a component and drag and drop it onto Components form.
Re-position Results Panel when the Results Bar Configuration form is showing.	Click onto the Results Bar , hold and drop on chosen position.

Viewing cost breakdown by group

If you scroll down to the bottom of the list on the Components page, you will see that the totals for major cost groups are included among the components you can use in the Results Bar:

Balancing Account	0
Land & Acquisition	-7,876,917
Additional Data	0
Construction Costs	-5,551,875
Professional Fees	-660,938
Marketing, Leasing & Disposal	-1,119,134

Settings

The vertical and horizontal gaps between result fields and labels, and the width of these fields on the Results Bar can be adjusted using the options on the **Settings** tab.

This tab also provides option to customize the fonts and colors used.

You are also able to adjust the number of components in each row and column by using the options in the **Order of Results Fields** section.

Results Bar - NORMAL

Saved Styles | Components | **Settings**

Vertical gap between results: 1

Horizontal gap between results: 0

Horizontal gap after labels: 0

Label width: Auto

Result field width: 100

Label justification: Left

Label font: ABC abc

Result field font: ABC abc

Colors:

Order of Result Fields

Left to Right
 Top to Bottom

Row Count: 3

Editing Data

As you work on a project, you will want to edit values, percentage fees, options, copy data and so on. This section describes how to make changes to your data.

Data can be entered into the detailed editor window in several ways:

- Fixed amount;
- Related/percentage data (note that you can enter percentages up to 10,000%);
- Gross/Net/Alternate rate per square meter or square foot;

- Rate per unit;
- Rate per gross land area;
- Multiply rate by units.

In addition to this, there are also the following context-specific options:

- Related to RR Dates (Rent Review);
- Land Transfer Tax.

Double-click into any field in the Definition page, or right-click on a row in the Cash Flow and select **Edit Source** from the drop-down menu, to open the detailed editor dialog box for an item.

Common controls found in the detail editors

In the detail editors that you can open from the Definition page or Cash Flow, there are common controls, such as buttons and drop-downs, which perform the same tasks wherever you are.

The following list describes these controls:

Type	Amount
Related to RR Dates	
Fixed Amount	
Related %	
Rate/pf ² Gross	
Rate/pf ² Net	
Rate/pf ² Alternate	
Rate/pf ² Unfinished	
Rate/Unit	
Rate/Gross Land Area	
Rate/Net Land Area	
Multiply Rate by Units	
Related to RR Dates	

Type drop-down

Select the required data type from the drop-down menu, and the editor form will change to display fields for that data type.

Each of these data entry types are dealt with in turn in “Fixed Amount items” on page 98, “Related/ Percentage Data” on page 99, “Rate Per Square Foot/Meter” on page 103, “Amount per unit items” on page 104, “Rate on Leasing” on page 106, “Multiply Rate by Units” on page 107, “Rate/Gross Land Area” on page 107, “Land Transfer Tax” on page 108 and “Related to RR Dates (Rent Review)” on page 109.

Amount

Use this entry field to type in an amount consistent with the type of data you selected in the **Type** drop-down. You can enter a fixed monetary amount, a percentage, or a number of units.

Selection

This control will only become active if you select a data type that allows you to specify a percentage or a number of units. When you click on the **Selection** control, a dialog will appear, allowing you to select a number of items or units. The type of selection dialog you see here will depend on the data type you selected in the **Type** drop-down.

Total

This read-only field shows the total amount of money for this cost.

Repeat Cycle

This drop-down allows you to specify a periodic cost type, so that the cost specified here can be repeated at regular intervals.

	Repeat Cycle	Repeat Frequency	Timing
£21,816	Quarterly	3	Constructi

(None)
Monthly
Quarterly
Semi-Annually
Annual
Custom

The following choices are available here:

- **(None)** - This is a one-off cost that does not repeat;
- **Monthly** - This allows you to specify that the cost will repeat on monthly intervals;
- **Quarterly** - This allows you to specify that the cost will repeat on quarterly (3-monthly) intervals;
- **Semi-Annually** - This allows you to specify that the cost will repeat on semi-annual (6-monthly) intervals;
- **Annual** - This allows you to specify that the cost will repeat on yearly intervals;
- **Custom** - This allows you to define a custom number of months as the repeat period. The **Repeat Frequency** field becomes active so you can type in an amount.

If you define a repeat cycle, this will have an effect on the timing and distribution of the amount (the example below shows a quarterly repeat cycle). Click on the **Timing** control to see this effect on the distribution:



The **Change Labels** button can be used to customize the label or heading for an item which

appears in the Definition and Cash Flow screens, and/or in Reports and the Project Pro Forma screen. See “Customizing Labels” on page 116.



Adding an Item

To add a new item, click on the **Add** button. The new item is added to the end of the cost/receipt table.



Deleting an Item

To delete an item, click onto its heading then click on the **Delete** button.



Delete all fees To delete all fees from the schedule, click on the **Delete All** button. The fees will be removed from the schedule.



Timing and Distribution

To view a graph of the way in which the cost is distributed, click on the **Data Distribution** button. You can change the timing and distribution using the options described in “Data Distribution” on page 111.



View Financial Data

You can view extra columns (such as for setting the Cost/Revenue type) by clicking on the **View Financial Data** button.

Use the **Cost Type** control to specify how the total value is treated in the calculations (in other words, the cost type). In this drop-down, you have the following choices:

- **Cost** The amount will be added to the project’s total costs.
- **Cost (Reducing Revenue)** The total amount for this item will be used to offset/reduce the project’s total revenue.
- **Revenue (Reducing Cost)** The amount will be offset against the project’s total costs, reducing the total cost balance.

Also, you can use the controls to apply Interest and/or Inflation sets, and to enter GST and GST recovery rates:

- **Interest Set** Enter the appropriate set name into the **Interest Set** field. By selecting a set name, interest rates are attached to the item. To switch off interest, check the **Ignore Interest** check box.
- **Inflation/Escalation Set** Select either **Ignore** or a set name from the drop-down list. By selecting a set name, Inflation/Escalation rates are attached to the item.
- **GST Rate** Enter the rate of GST applicable to the item.
- **Recovery Rate** Enter the rate of GST recovery that can be achieved for the item.



Move Up

You can choose a fee from within a list and move it up the row order.



Move Down

You can choose a fee from within a list and move it down the row order.

Fixed Amount items

To change any fixed amount field, click into it in the Definition page and type in the new value. As you click into the field, ARGUS Developer selects the entire field and positions the cursor over the click point.



To view more detail, click onto the **Detailed Definition** button to open the **Fixed Amount detailed editor** dialog box.

Alternatively, in the Cash Flow, right-click on a row and select **Edit Source** from the drop-down menu to open the detailed editor dialog box.

Heading	Type	Amount	Selection	Total	Repeat Cycle	Repeat Frequency	Timing
Marketing	Fixed Amount	100,000	No Selection	\$100,000	(None)	1	Leasing

The new amount entered will replace any previously entered value in the Definition and Cash Flow sections. The amount will be distributed across the cash flow row in proportion to the current distribution.

If **Structured Financing** is used, the Interest Set is disabled.

You can exclude the cost item from the interest calculations by selecting the **Ignore Interest** check box.

The Timing dialog (called by clicking on the **Timing** control in the editor window) allows you to enter the starting date for the item's payment:

Timing and Distribution

Options

- Allow Custom Distribution
- Use Extended Timing
- Dispose of whole units
- [Data Distribution Editor](#)

Start Date

Phase: Phase 1 (Default)

Stage: Start of Leasing (12 mths)

Date: May 2008

Period: 17

Offset by: 0

Distribution

Curve Type: Monthly 0%

Phase: Phase 1 (Default)

Over Stage: Leasing (12 mths)

Duration: 3

To End Date

End Date

Phase: Phase 1 (Default)

Stage: Start of (None)

Date: Jul 2008

Period: 19

Offset by: 0

1:Jan 07 17:May 08 to 19:Jul 08 (3 Mths) 42:Jun 10

OK Cancel

You can attach an item to one of the development stages in the **Stage** drop-down list. Items attached to development stages are automatically re-timed whenever changes are made to the project timescale.

The timing of an item can be offset from the start of the development stage by using the **Offset by** field to specify a number of months from the start of the stage that the item is to be delayed.

Alternatively, to fix the item at a specific date or period in the cash flow, select **Date** or **Period** from the **Start Date** list. You can then use the spinner arrows to select a date or a period. Now, when changes are made to the project timescale, the item will remain fixed in the chosen date or period.

Tick the **Allow Custom Distribution** box to spread the total payment over any number of periods. The use of the **Data Distribution Editor** is covered in “Data Distribution” on page 111.

Related/Percentage Data

To change any related/percentage data item, click into it in the Definition page and type the new value. As you click into the field, ARGUS Developer selects the entire field and positions the cursor over the click point.



To view more detail, click onto the **View Detail** button to open the detailed editor dialog box. Alternatively, in the Cash Flow, right-click on a row and select **Edit Source** from the drop-down menu to open the detailed editor dialog box.

In the detail editor, you can choose the **Related %** option from the **Type** drop-down to switch the editor into Related/Percentage mode.

The **Amount** field allows you to change the related %, to specify which other costs/receipts this item will be related to and both the basis and type of relation.

Heading	Type	Amount	Selection	Total	Repeat Cycle	Repeat Frequency	Timing
Architect	Related %	6.00%	6 line(s) ...	\$317,250	(None)	1	Construction ...

Note: You can enter a percentage of up to 10,000% here. Most of the time, you would only need to enter percentages up to 100%, but Developer allows larger amounts to be entered in certain situations.

To select the items to which the fee is related, click on the **Selection** control and use the browser table in the Related Items Selection window:

Category	Phase	Heading	Include?
Purch Cost	1	Purchaser's Costs	<input type="checkbox"/>
Sale Agent	1	Sales Agent Fee	<input type="checkbox"/>
Sale Legal	1	Sales Legal Fee	<input type="checkbox"/>
Res Lnd Cost	1	Residualised Price	<input type="checkbox"/>
Stamp Duty	1	Stamp Duty	<input type="checkbox"/>
Acq Agent	1	Agent Fee	<input type="checkbox"/>
Acq Legal	1	Legal Fee	<input type="checkbox"/>
Construct.	1	Retail (Ground Floor)	<input checked="" type="checkbox"/>
Construct.	1	Offices (First Floor)	<input checked="" type="checkbox"/>
Construct.	1	Offices (Second Floor)	<input checked="" type="checkbox"/>
Construct.	1	1 Bed Flats	<input checked="" type="checkbox"/>
Construct.	1	2 Bed Flats	<input checked="" type="checkbox"/>
Othr Constr	1	Other Construction	<input checked="" type="checkbox"/>

You can use either the mouse or the keyboard for selection.

Using the mouse

To relate to an item using the mouse, click into the check box in the **Include?** column once with the left mouse button.

Using the keyboard

To relate to an item using the keyboard, move to the item's row in the browser table using the up/down arrow keys, and press the space bar to check the **Include?** check box.



Click the **Select All** button to select all items in the browser table simultaneously.



Click the **Deselect All** button to remove the selection from all items.

Calculate related value based on Uninflated Source Amount Where fees are related to items that may be inflated, you have the option of calculating the fee on the uninflated amount by ticking this box.

Override the default relation for this fee All related items are related automatically to their source rows in the cash flow. If you wish to change which items you are relating to, make your selection in the browser. The program will ask for confirmation that you wish to override the default relation settings and, when confirmed, check the **Override the default relation for this fee** check box. To reset the fee relation to the default relation settings, uncheck the **Override the default relation for this fee** check box.

Basis The basis for the relation is normally **Straight** – in other words, the fee is an exact percentage of the source items. Other options are **Netted Down** or **Grossed Up** fees (see below).

In some circumstances, you may wish to set up Netted Down or Grossed Up fees. The table below illustrates the effect of using the different relation basis types.

Relation Basis

Basis	Amount	Related %	Total
Straight	10,000	x 10%	1,000
Grossed Up	10,000 x 110%	x 10%	1,100
Netted Down	10,000 / 110%	x 10%	909

Type The relation type is used to specify how the related amounts will be placed period by period in the cash flow. For example, if you wanted Contingency to follow the Construction payments exactly, a Period by Period type of relation type would be used.

The **Type** drop-down is updated automatically when you make selections in the browser table. The table below illustrates the use of different relation types.

Type	Description
Period by Period to 1 row	Values in the related line follow the distribution of a single source line exactly, period by period.
Period by Period to many rows	Values in the related line follow the distribution of a block of source lines exactly, period by period.
Period to 1 row	A single period is related to the total value of a single source line.
Period to many rows	A single period is related to the total value of a block of source lines.
Period to Period	A single period is related to a single period on just one other line.
Custom Distribution to 1 row	The total value in the related line is locked to the total value of the single source line. Values in the related line can, however, be distributed in any way you like.
Custom Distribution to many rows	The total value in the related line is locked to the total value of a block of source lines. Values in the related line can, however, be distributed in any way you like.

Relation Type

The **Financial** and **Advanced** pages for Related/Percentage data are similar to those for Fixed Amount items. See “Fixed Amount items” on page 98.

Timing

By default, related items follow the distribution of the items to which they are attached. However, the distribution of related items can be customized in the Timing dialog.

The Timing dialog is called by clicking on the **Timing** control in the editor window:

The start date for distribution of the item can be attached to one of the development stages in the **Stage** drop-down list. The timing of an item can also be offset from the start of the development stage by using the **Offset by** field to specify a number of months from the start of the stage by which the item is to be delayed. Items attached to development stages are automatically re-timed whenever changes are made to the project timescale. In addition, you have the choice of aligning the timing with the start or end of a stage, using the “Start of” and “End of” options in the small drop-down next to the **Stage** drop-down list.

Alternatively, to fix the item at a specific date or period in the cash flow, select **Date** or **Period**. You can then use the spinner arrows to select a period. Now, when changes are made to the project timescale, the item will remain fixed in the chosen date or period.

To fine-tune the Start Date or End Date, you can use the **Offset by** control to specify a negative or positive number that will alter the start date or end date that you have set so far.

Check the **Allow Custom Distribution** box to spread the total payment over any number of periods. If you wish to open the Distribution Editor, click on the **Data Distribution Editor** link (the blue text at the top of the dialog).

The use of the **Data Distribution Editor** is covered in “Data Distribution” on page 111.

Check the **Use Extended Timing** box if you wish to see further options allowing you select phases in the Start Date, Distribution and End Date groups (using the **Phase** drop-downs). These options allow you to reference any phase besides the current (default) phase. If you do so, the timings will be anchored to the specified stage in the phase you have selected.

When dealing with the timing of sales items, the **Dispose of whole units** check box becomes active. This is checked by default, but you can leave it unchecked if you wish to sell units in smaller increments. This check box is not enabled for non-sales items.

In the Distribution group, the **To End Date** option button allows you to enable the End Date group, which allows for selection of an End Date for the distribution that can reference any other phase or stage.

Other timing dialogs

Throughout ARGUS Developer, you may see another type of timing dialog (different to the one described above):

This type works in much the same way as the timing dialog described earlier, with the exception that it has no chart and does not allow distribution.

Rate Per Square Foot/Meter

To switch the detail editor into this mode, select any of the **Rate/pf²** or **Rate/pm²** options (depending upon whether you have Imperial or Metric measurements selected) from the **Type** drop-down list.

You can choose whether the rate is to be applied to **Gross**, **Net** or **Alternate** floor areas of the selected area items.

This does not apply if the rate per sq ft/per sq m is to be applied to the site area.

Heading	Type	Amount	Selection	Total	Repeat Cycle	Repeat Frequency	Timing
Marketing	Rate/pf ² Gross	70.00 pf ²	35,500 ft ² ...	\$2,485,000	(None)	1	Leasing

Amount To change the rate per sq ft/per sq m, simply type into the **Amount** box.

To select areas that will be included in this calculation, click on the **Selection** control to open the following window:

Heading	Gross Area ft²	Include?
Group : Capitalized Rent		
Retail (Ground Floor)	6,000 ft²	<input checked="" type="checkbox"/>
Offices (First Floor)	7,000 ft²	<input checked="" type="checkbox"/>
Offices (Second Floor)	7,000 ft²	<input checked="" type="checkbox"/>
Group : Unit Sales		
1 Bed Flats	7,000 ft²	<input checked="" type="checkbox"/>
2 Bed Flats	8,500 ft²	<input checked="" type="checkbox"/>

Selected Gross Area: 35,500 ft²

Scope Define the area to which the rate applies in the **Area** field. Options available are as follows:

- **Apply to all areas** The cost will be applied to the total floor area of the phase.
- **Apply to selected areas** When this option is selected, a browser table is displayed (as illustrated above) listing all defined area items for the phase, from both the Capitalized Rent and Unit Sales forms. To select the areas to which the rate is applied, use the browser table. The total selected floor area is displayed at the bottom of the dialog box. You can use either the mouse or the keyboard for selection.

Using the mouse

To select an item using the mouse, click into the check box in the **Include?** column once with the left mouse button.

Using the keyboard

To select an item using the keyboard, move to the item's row in the browser table using the up/down arrow keys, and press the space bar to check the **Include?** check box.



Click the **Select All** button to select all area items simultaneously.



Click the **Deselect All** button to remove the selection from all items.

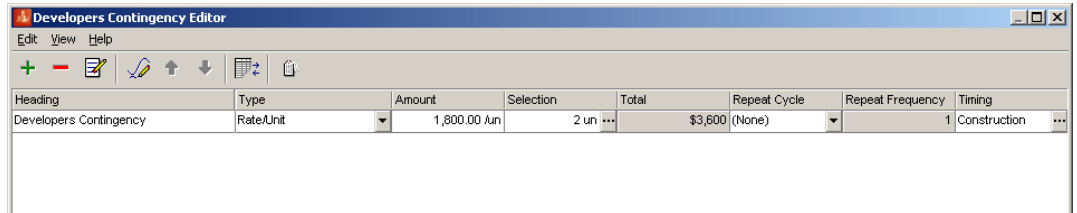
Amount per unit items

Cost/receipt data may also be entered as an amount per unit in the Definition screen.

To change any item entered as an amount per unit, click onto it in the Definition page and enter the new value. As you click onto an item in the browser list, ARGUS Developer selects the entire field for editing.



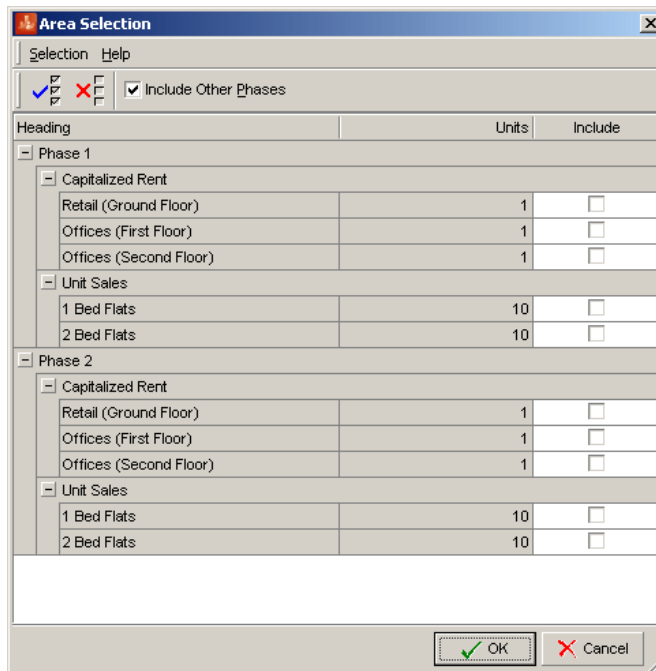
To view more detail, click onto the Detail View button to open the detailed editor window. Alternatively, in the Cash Flow right-click on a row and select **Edit Source** from the drop-down menu to open the detailed editor window.



To switch the detail editor into this mode, select the **Rate/Unit** option from the **Type** drop-down list.

To change the amount per unit to be applied, simply type into the **Amount** field.

To select units that will be included in this calculation, click on the **Selection** control to open the following window:



A browser table lists all defined area items, and the associated number of units, for the phase from both the Capitalized Rent and Unit Sales forms. To select the units to which the rate is applied, use the browser table. The total number of units selected is displayed at the bottom of the dialog box. You can use either the mouse or the keyboard for selection.

If you wish to display all the area items from other phases, check the **Include Other Phases** box. You can use this option to include units from the other phases - this is a time-saving feature.

Using the mouse

To select an item using the mouse, click into the check box in the **Include?** column once with the left mouse button.

Using the keyboard

To select an item using the keyboard, move to the item's row in the browser table using the up/down arrow keys, and press the space bar to check the **Include?** check box.



Click the **Select All** button to select all area items simultaneously.



Click the **Deselect All** button to remove the selection from all items.

Rate on Leasing

Leasing agent/legal fees may also be entered as a rate on leasing in the Definition screen. See also “Leasing Costs” on page 127.

To change any item entered as a rate on leasing (for example, Leasing Agent Fee or Leasing Legal Fee), click onto it in the Definition page and enter the new value. As you click onto an item in the browser list, ARGUS Developer selects the entire field for editing.



To view more detail, click onto the **Detailed Definition** button to open the detailed editor window. Alternatively, in the Cash Flow right-click on a row and select **Edit Source** from the drop-down menu to open the detailed editor window.

To change the amount per unit to be applied, simply type into the **Amount** field.

Heading	Type	Amount	Selection	Total	Repeat Cycle	Repeat Frequency	Timing
Letting Legal Fee	Related to Leasing Dates	5.00%	3 tenant(s)	\$0.00		1	Income Flow

A browser table lists all defined leasing items, and the associated rents, for the phase from the Capitalized Rent form. To select the tenants to which the rate is applied, use the browser table.

Tenant Name	Leasing Date	Net Rent	Include
Area 0	Jun 2008	\$0	<input checked="" type="checkbox"/>

Override the default relation for this fee

OK Cancel

You can use either the mouse or the keyboard for selection.

Using the mouse

To select an item using the mouse, click into the check box in the **Include?** column once with the left mouse button.

Using the keyboard

To select an item using the keyboard, move to the item's row in the browser table using the up/down arrow keys, and press the space bar to check the **Include?** check box.



Click the **Select All** button to select all area items simultaneously.



Click the **Deselect All** button to remove the selection from all items.

Multiply Rate by Units

Fees may be entered as a rate multiplied by units in the Definition screen.

To change any item, click onto it in the Definition page and enter the new value. As you click onto an item in the browser list, ARGUS Developer selects the entire field for editing.



To view more detail, click onto the **Detailed Definition** button to open the detailed editor window. Alternatively, in the Cash Flow right-click on a row and select **Edit Source** from the drop-down menu to open the detailed editor window.

In the **Type** drop-down, select **Multiply Rate by Units**.

To change the rate to be applied, simply type into the **Amount** field.

Heading	Type	Amount	Selection	Total	Repeat Cycle	Repeat Frequency	Timing
Fixed DCC	Multiply Rate by Units	800.00 per	3.00 Planne...	\$2,400 (None)		1	Purchase

To specify a number of units by which you wish to multiply the rate, click on the **Selection** control.

This opens the following dialog box:

Multiply Rate by Units

Edit Help

Number of Units:

Unit Description:

Total Amount: \$0.00

OK Cancel

You can use this dialog box to enter a number of units and a brief description of the units involved.

Rate/Gross Land Area

Fees may be entered as a rate multiplied by gross land area in the Definition screen.

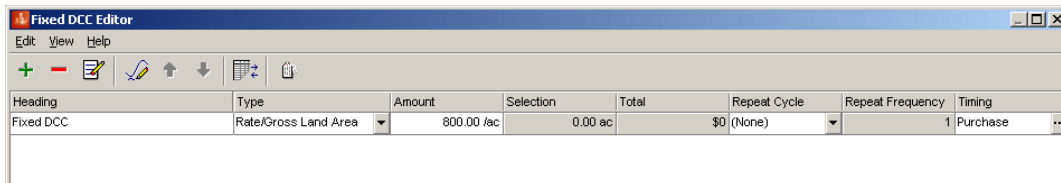
To change any item, click onto it in the Definition page and enter the new value. As you click onto an item in the browser list, ARGUS Developer selects the entire field for editing.



To view more detail, click onto the **Detailed Definition** button to open the detailed editor window. Alternatively, in the Cash Flow right-click on a row and select **Edit Source** from the drop-down menu to open the detailed editor window.

In the **Type** drop-down, select **Rate/Gross Land Area**.

To change the rate to be applied, simply type into the **Amount** field.



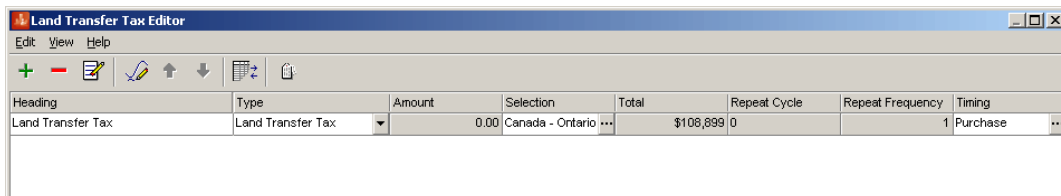
Land Transfer Tax

Fees may be entered for Land Transfer Tax in the Definition screen. See also “Land Transfer Tax” on page 120.

To change any item, click onto it in the Definition page and enter the new value. As you click onto an item in the browser list, ARGUS Developer selects the entire field for editing.

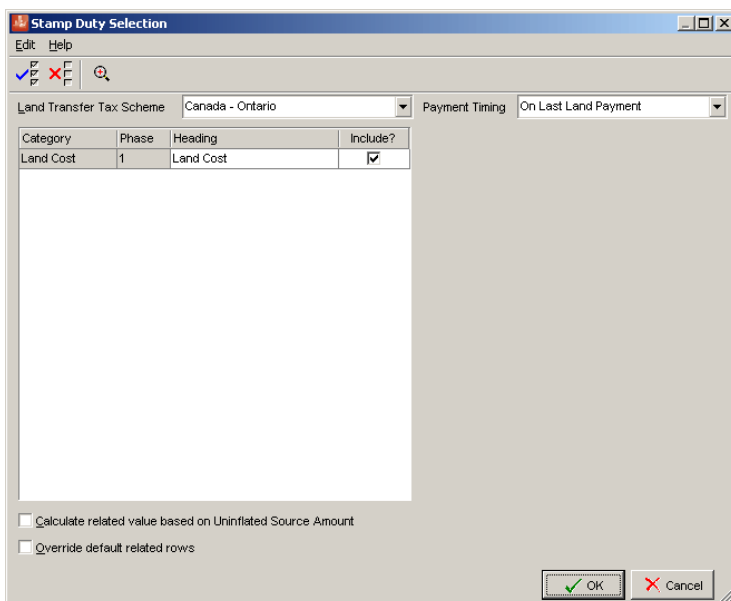


To view more detail, click onto the **Detailed Definition** button to open the detailed editor window. Alternatively, in the Cash Flow right-click on a row and select **Edit Source** from the drop-down menu to open the detailed editor window. This will open the Land Transfer Tax editor:



In the **Type** drop-down, select **Land Transfer Tax**.

To change the land transfer tax amount/rate to be applied, you will need to click on the **Selection** button and select items from the Land Transfer Tax Selection window:



In this window, a browser table lists all defined land items for the phase. To select the items to which the land transfer tax will be applied, use the browser table. To select the land transfer tax scheme that you wish to apply to the items you have selected, select the appropriate scheme from the **Land Transfer Tax Scheme** drop-down list.

If you currently have no land transfer tax schemes defined, click on the **Edit Land Transfer Tax Schemes** button (see below).

You can use either the mouse or the keyboard for selection.

Using the mouse

To select an item using the mouse, click into the check box in the **Include?** column once with the left mouse button.

Using the keyboard

To select an item using the keyboard, move to the item's row in the browser table using the up/down arrow keys, and press the space bar to check the **Include?** check box.



Click the **Select All** button to select all area items simultaneously.



Click the **Deselect All** button to remove the selection from all items.



Click the **Edit Land Transfer Tax Schemes** button if you wish to edit the profile of the land transfer tax scheme you are using, or to create new land transfer tax schemes. This will take you to the Land Transfer Tax Schemes window (see “Land Transfer Tax” on page 120 for further details of this window).

Related to RR Dates (Rent Review)

You may enter Rent Review Fees as a “Related to RR Dates” value in the Definition screen. See also “Rent Review Fees” on page 130.

To change any item, click onto it in the Definition page and enter the new value. As you click onto an item in the browser list, ARGUS Developer selects the entire field for editing.

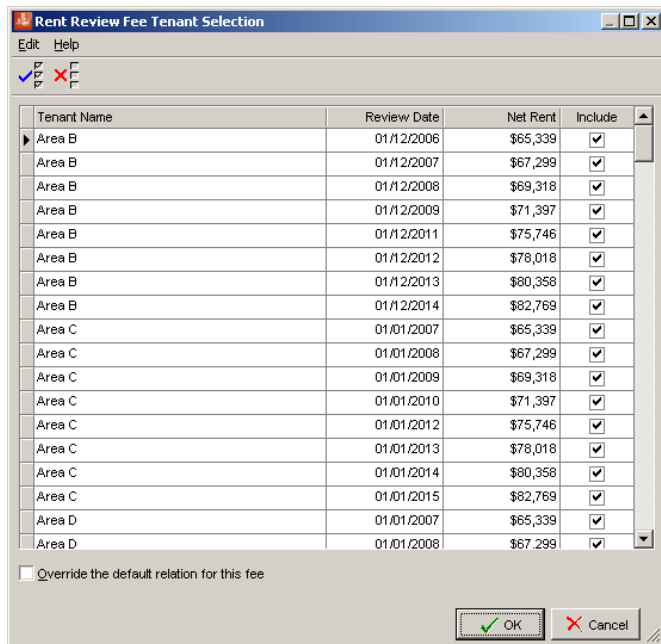


To view more detail, click onto the **Detailed Definition** button to open the detailed editor window. This will open the Rent Review Fee editor:

Heading	Type	Amount	Selection	Total	Repeat Cycle	Repeat Frequency	Timing
Rent Review Fee	Related to RR Dates	10.00%	10 tenant(s) ...	\$0.0		1	Income Flow ...

In the **Type** drop-down, select **Related to RR Dates**.

To change the rate and amount to be applied, you can type a rate in the **Amount** box and click on the **Selection** button to select tenants from the Rent Review Fee Tenant Selection window:



In this window, a browser table lists all defined tenants for the phase. To select the tenants that you wish to include, use the browser table.

You can use either the mouse or the keyboard for selection.

Using the mouse

To select an item using the mouse, click into the check box in the **Include** column once with the left mouse button.

Using the keyboard

To select an item using the keyboard, move to the item's row in the browser table using the up/down arrow keys, and press the space bar to check the **Include** check box.



Click the **Select All** button to select all area items simultaneously.



Click the **Deselect All** button to remove the selection from all items.

Adding notes

In any editor window, you can add notes to each record in the editor by clicking on the **Notes** button. This opens a window similar to the following:



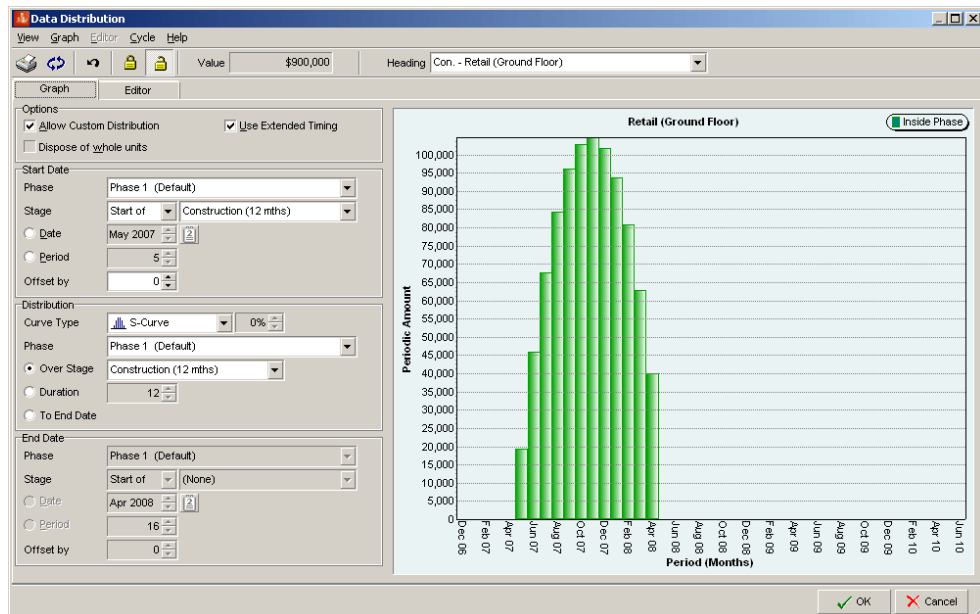
Type in or paste any informative text that you wish to record here, and click on **OK** to proceed.

Data Distribution

Graph

This screen provides a graphical view showing how values are distributed over the timescale of the project. In addition, it enables you to re-time and redistribute values using the standard construction-type curves.

The screen can be opened from the Cash Flow by right-clicking on a value and selecting the **Data Distribution** option.



Alternatively, to customize the distribution of a specific item in the Cash Flow, right-click on the selected row and select **Data Distribution** from the drop-down menu.

In Data Distribution, you can redistribute an item by selecting it from the **Heading** field.

By default, related items follow the distribution of the items to which they are related. To customize the distribution of a related item, you must check the **Allow Custom Distribution** check box before the timing can be modified.

Heading The **Heading** drop-down box allows you to scroll through all defined values for the project. As the heading changes, both the Options and Graph change to reflect current values.

Total Shows the total amount entered for the item.

Start Date You can attach an item to one of the development stages in the **Stage** drop-down list. Items attached to development stages are automatically re-timed whenever changes are made to the project timescale.

The timing of an item can be offset from the start of the development stage by using the **Offset by** field to specify a number of months from the start of the stage by which the item is to be delayed.

Alternatively, to fix the item at a specific date or period in the cash flow, select **Date** or **Period** from the **Start Date** list. You can then use the spinner arrows to select a date or a period. Now, when changes are made to the project timescale, the item will remain fixed in the chosen date or period.

Distribution CurveType Contains pre-defined curve types for distributing the total amount across the cash flow row.

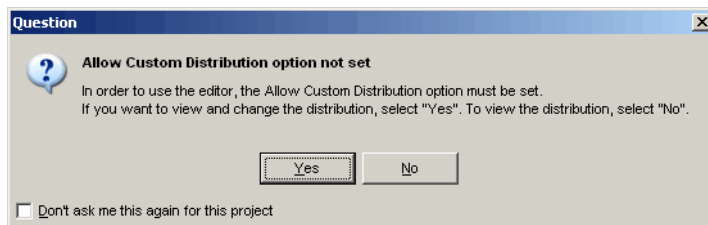
Over Stage You can attach an item to one of the development stages in the drop-down list.

Duration Holds the total duration period for the final distributed amount.

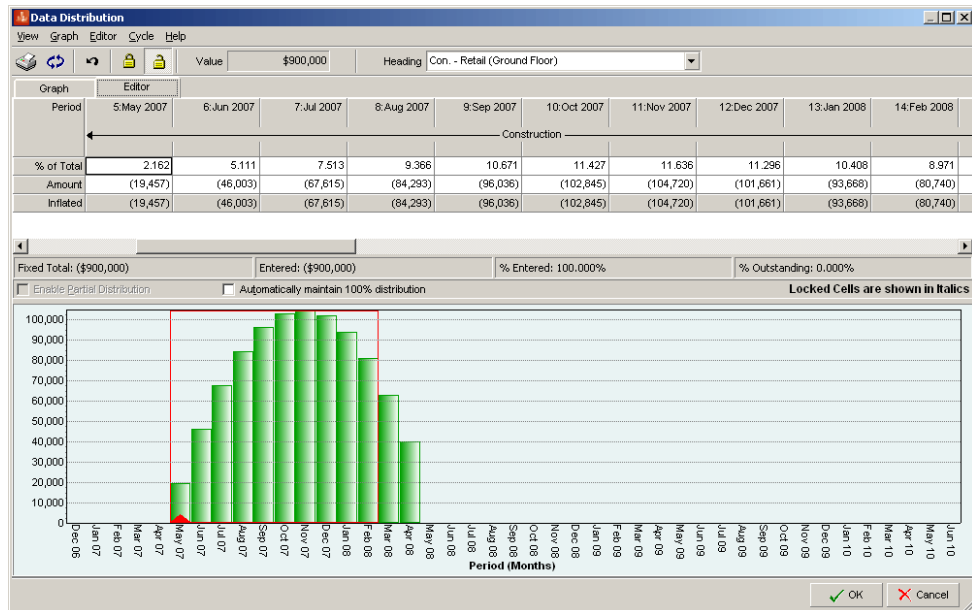
Alternative graph options You may display the graph in different ways, using the options in the **Graph** menu (**Bar**, **Line** and **Pie**).

Editor

You can precisely specify the way values are distributed in the cash flow by using the Editor. To open the editor, check the **Allow Custom Distribution** check box on the **Graph** tab, then click on the **Editor** tab. If you do not select the **Allow Custom Distribution** check box on the **Graph** tab before clicking the **Editor** tab, a prompt will appear, to confirm that you wish to set custom distributions:



Click **Yes** to proceed. The **Editor** tab will be displayed:



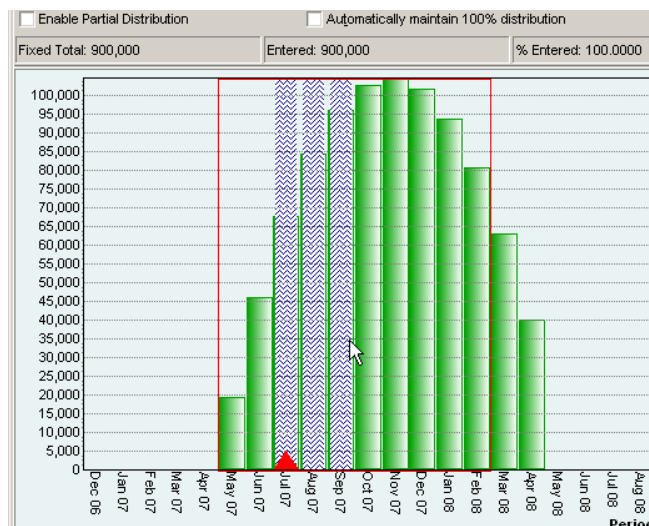
The Editor shows data from a single line in the cash flow. It expands the cash flow line into two separate rows, one showing the % of total value in each period and the other the actual value in each period. A third row shows the inflated cost if Inflation/Escalation has been applied to the item.

To edit the distribution, if the relation type is fixed, use the Editor schedule to enter the percentage of Total value into each period or to enter fixed amounts. These items can then be locked (see below).

Automatically maintain 100% distribution After typing a new percentage figure or actual value into a cell, the Editor can adjust all other % figures or period fixed amounts to absorb the difference between the new and previous value to give a total of 100%, if **Automatically maintain 100% distribution cell** is ticked. If you do not wish ARGUS Developer to automatically adjust other cell values to maintain a total value of 100%, then untick this option.

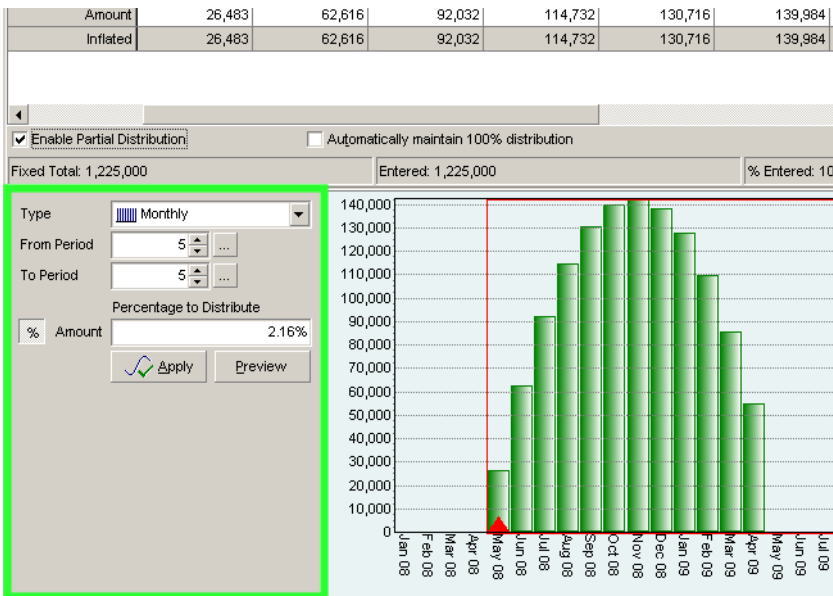
Locking a cell's value Any cell can be locked so that its value does not change when other cells are edited. You can lock either the percentage value or the amount, but not both in the same period. To lock a cell, select the cell and click on the **Lock Cell** button. Locked items are shown in italics.

Selecting cells You can select any number of cells at a time by clicking on a cell, and "painting" a range. This will select multiple cells. Alternatively, you can select or "paint" a range of periods shown in the chart, by clicking and dragging:



Alternative graph options You may display the graph in different ways, using the options in the **Graph** menu (**Bar**, **Line** and **Pie**).

Enable Partial Distribution To adjust part of the item’s distribution, tick **Enable Partial Distribution** and define the distribution required. This opens a new section (outlined in green here for illustrative purposes):

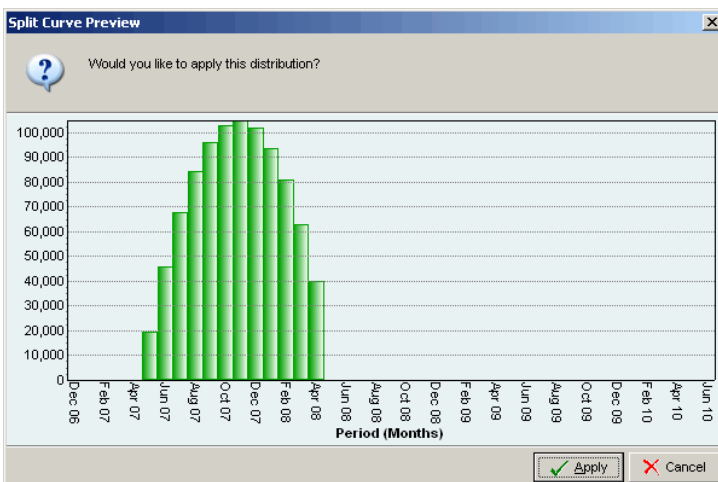


- Select the curve **Type** to distribute part of the value/cost across the cash flow from the list of pre-defined curve types.
- Select the period over which part of the item is to be redistributed using the **From Period** and **To Period** fields.
- Specify the amount or percentage of the value/cost to be distributed over the selected period in the **Amount /% for Redistribution** field. Then click **Apply** to apply the defined partial distribution. To see the distribution before you apply it, click on the **Preview** button.



Preview

Click on **Preview** to view the curve distribution before you apply it. This opens the Split Curve Preview window:



This window shows what the distribution would look like if you use the settings you have made. If you are happy with this distribution, click on the **Apply** button.



Print Graph

Opens a preview screen of the distribution graph for the item, from which the graph can be printed.



Reset to Default Timing

Overrides any changes made and resets the distribution of the item to the default timing.



Undo All Changes

Cancels all changes made and resets the distribution of the item.



Lock Current Cell

Locks the currently selected cell.



Unlock Current Cell

Unlocks the currently selected cell.

Copying a Phase



You can make a copy of a phase in the Timescale and Phasing window by clicking the **Copy Phase** button.

This opens the Copy Phase form.

All data including timescale, area definitions for Capitalized Rent and Unit Sales, residual targets, costs and receipts will be copied into either an existing phase or a new phase which is added to the end of the phase list.

In multi-phased projects, you have the option of copying the data into an existing phase. If you select this option, all data in the existing phase will be erased before the copy takes place.

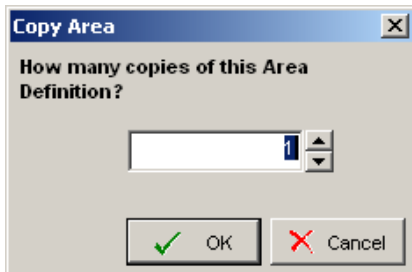
If you have only one phase defined, a new phase will be created before the copy takes place.

Copying an Area

To copy an area definition, you must have the Capitalized Rent or Unit Sales form open. To open the form, click on the expansion button in the **Definition** page.



Click onto the **Copy Area** button, or from the **Area** menu choose **Copy Area** to open the Copy Area dialog:



Enter the number of copies required and click on **OK**. The current area will now be copied and added as a new area definition.

Customizing Labels

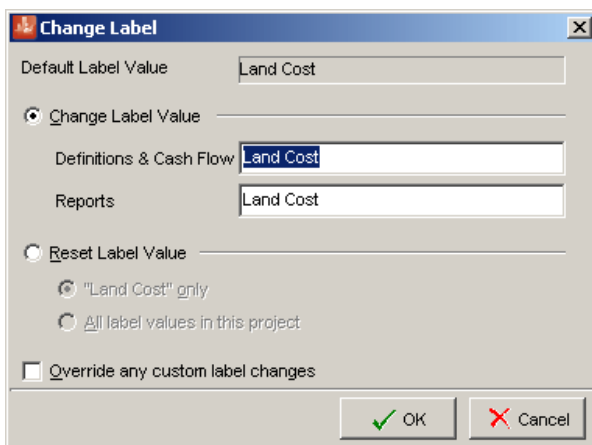
You can customize the labels for many of the fields you see on the Definition screen. When you customize a label, the change is immediately realized in the Cash Flow, Project Pro Forma and Reports.



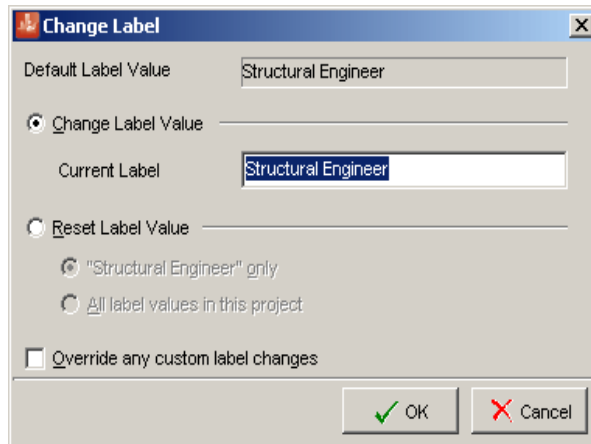
The **Change Label** button in the detail editor dialog box can be used to customize the label or heading for an item which appears in the Definition and Cash Flow screens, and/or in Reports and the Project Pro Forma screen.

To change a label

1. Double-click on the required label in Definition, or click onto the **Change Labels** button in the detail editor dialog box.
2. If you are editing the label for the Land Cost, type a new description into the **Definitions & Cash Flow** field and/or **Reports** field.



If you are editing the label for any of the other detail editors, type a new description into the **Current Label** field.

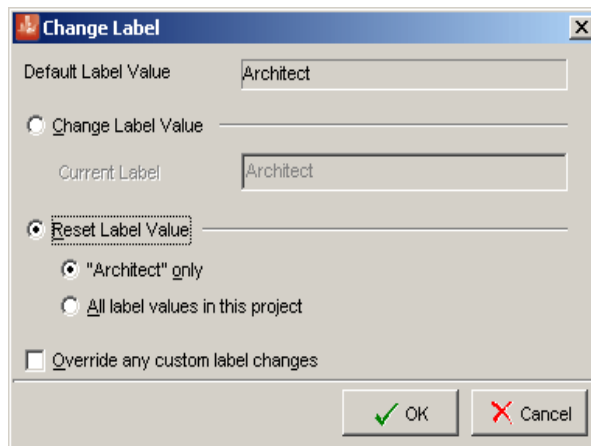


3. Click on the **OK** button to accept your settings.

To reset a label to its original value

It is possible to reset a specific field label back to its original factory setting.

1. Double-click on the required label in Definition, or click onto the **Change Labels** button in the detail editor dialog.
2. Select the **Reset Label Value** option, then select the first option button (for example, "Architect" only).

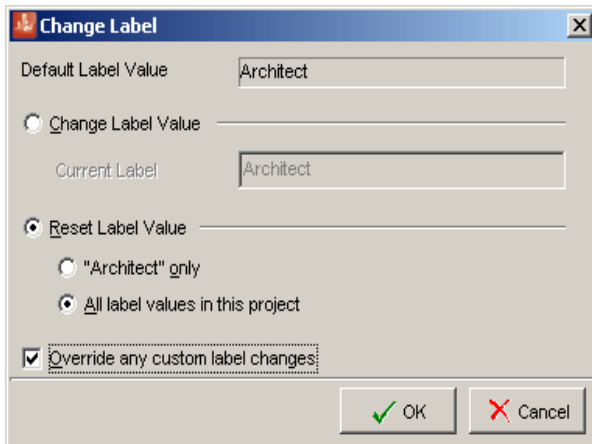


3. Click on the **OK** button to accept your settings.

To reset all labels to their original values

It is possible to reset field labels back to their original factory settings.

1. Double-click on any label in Definition, or click onto the **Change Labels** button in the detail editor dialog.



2. In the Change Label dialog, select the **All label values in this project** option.

Warning: Be aware that this option can reset all the field labels shown in the Definition tab.

3. If you wish to reset all labels that have been customized within the detail editor, check the **Override any custom label changes** check box.

Warning: Be aware that if this check box is used in conjunction with the “All label values in this project” option, this can reset all the field labels in both the Definition tab and within each detail editor, including any you have customized.

If this check box is used on its own (with no other option selected), it will just remove any customizations you have made to the labels of records within the currently selected detail editor.

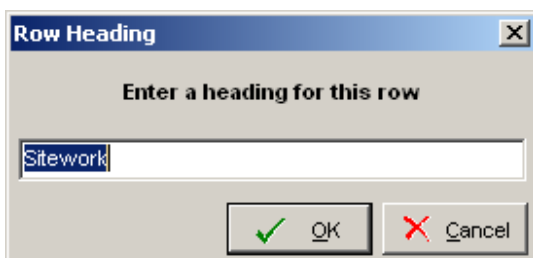
4. Click on the **OK** button to accept your settings.

Changing Cash Flow row headings

Row headings can be changed directly in the cash flow. Click onto the row heading:

Survey	21	x	x
- Construction Costs			
Demolition	27	x	x
Road/Site Works	28	x	x
Con. - Unit 1	24	x	x
Con. - Unit 2 (overall rate no ITZA)	24	x	x
106 cost	80	x	x

Type the required label into the **Row Heading** form:



Click on the **OK** button to accept the new heading.

CHAPTER 6

Acquisition Costs

This section describes the entry of all costs associated with the site acquisition.

Acquisition Price

You can enter the Acquisition Price in one of three ways:

1. Set a Residual Target and let the system calculate the acquisition price.
2. Enter the acquisition price directly into the field on the **Definitions** screen.
3. Click on the expansion button and enter a schedule of known land acquisition prices. This method is useful where parcels of land are acquired separately, but where you still need a residual site value to complete the development. In this case, you will also need to set a Residual Target.

Methods 1 and 2 assume that the acquisition cost will occur in the first period of the Purchase Stage defined in the Timescale and Phasing screen. As with all costs and receipts, however, you can reschedule the Purchase to take place in any period of the cash flow.

If you have set a Residual Target, the Acquisition Price is calculated automatically and cannot be modified. A flag indicating “Residualized Price” will be shown next to the value.

If the Acquisition Price is known, you may enter the value in the **Land Cost** field.

If you have entered a schedule of fixed acquisition prices, the **Land Cost** field shows the total of all fixed purchases.

Fixed Acquisition Price

ARGUS Developer allows a mixture of residual and fixed land costs within each phase. You could set up the fixed acquisitions independently of any residual land cost. The Fixed Acquisition Price schedule is intended for those types of development where parcels of land must be acquired separately in order to complete acquisition of the entire site.

Any Land Transfer Tax and Acquisition fees will be extended to include fixed land costs.



To enter the fixed land costs, click on the **Land Cost** detail button.

The Fixed Acquisition Price editor is displayed, into which you can enter the periodic amounts for each plot purchase.

Total	Heading	Timing	GST Rate%	GST Recovery%	Cost Type	Allow Relate?	0:Oct 2007	1:Nov 2007
2,500,000	Plot A	Purchase	7.00	100.00	Cost	<input checked="" type="checkbox"/>	0	2,500,000
0	Plot B	Purchase	7.00	100.00	Cost	<input checked="" type="checkbox"/>	0	0

Please see “Editing Data” on page 94 for further details of the common controls in this editor.

Land Transfer Tax

This can be entered in various different ways:

- Using customized bandings (see below for further explanation).
 - As a percentage of Acquisition Price;
 - As a fixed amount;
 - As a rate per square foot or meter;
4. As an amount per unit.

Heading	Type	Amount	Selection	Total	Repeat Cycle	Repeat Frequency	Timing
Land Transfer Tax	Land Transfer Tax	0.00	Canada - Ontario	\$108,899.00		1	Purchase

Please see “Editing Data” on page 94 for further details of the common controls in this editor.

ARGUS Developer allows you to enter unlimited bandings where the basis of tax is a set of percentages based on stepped thresholds.

To set up bandings, click **File | Administration | Edit Land Transfer Tax Schemes...**

Lower Limit	Upper Limit	Percentage	Cumulative	Cumulative Amount
\$0	\$55,000	0.500%	<input checked="" type="checkbox"/>	\$0.00
\$55,001	\$250,000	1.000%	<input checked="" type="checkbox"/>	\$275.00
\$250,001	(No limit)	1.500%	<input checked="" type="checkbox"/>	\$2,225.00



Adding a Scheme

To add a scheme to the schedule, click on the **Add Scheme** button. The cursor will be moved to the new row.



Deleting a Scheme

To remove a scheme from the schedule, click on the **Delete Current Scheme** button. When asked to confirm the deletion, click on the **Yes** button.

You are now able to rename the scheme to suit your requirements and now have the ability to define the bandings for your land transfer tax scheme.

Lower Limit

This is the lowest figure in the individual band.

Upper Limit

This is the highest figure in the individual band.

Percentage

The percentage that applies to the particular band.

Cumulative

In some countries, the tax is a continual accumulation from one band to the next as opposed to a single percentage applied to the total value. By checking the **Cumulative** box ARGUS Developer carries forward the amount from the last banding to the next (**Example:** lower limit \$0, upper limit \$55,000, Percentage 0.5% [$[\$55,000 - \$0] * 0.005 = \$275$ fixed amount carried through to next banding]).

Fixed Amount

This figure is calculated from the previous banding and carried through to be added to next banding (see Cumulative explanation above).

Rounding

The Rounding Amount affects what land value is passed to the land transfer tax calculation. The Land Value is rounded up to the nearest Rounding Amount to calculate the land transfer tax.

Manual Cumulative Amounts

You can enter manual amounts when this box is ticked.



Flag All Bands as Cumulative

Turns all bands into cumulative mode.



Reset the Cumulative Flag on all bands

This button will turn off cumulative mode for all bands.

Town Planning, Survey, Agent Fee and Legal Fee costs can all be entered in this section of Definition. Please see “Editing Data” on page 94 for further details of the common controls in this editor.

Note: If you open a .wcf file containing land transfer tax schemes that are not currently saved in your master Land Transfer Tax file, the Unknown Land Transfer Tax Schemes window will be displayed. To update your master Land Transfer Tax file, check the schemes listed in this window and click OK. This will update the list of land transfer tax schemes shown in the Land Transfer Tax Schemes window. See also “Unknown Land Transfer Tax Schemes” on page 228.

Other Acquisition Costs

A schedule is available for defining any other costs associated with the site acquisition. These can be defined as percentage related amounts or fixed amounts. Where a percentage related amount is entered, the value is related to the Land Cost.

Each cost will be placed at the beginning of the Purchase stage defined in the timescale.

Heading	Type	Amount	Selection	Total	Repeat Cycle	Repeat Frequency	Timing
Contamination	Fixed Amount	500,000	No Selection	\$500,000	(None)	1	Purchase
Environmental Assessment	Related %	2.00%	2 line(s) ...	\$150,993	(None)	1	Sale-26 ...

Please see “Editing Data” on page 94 for further details of the common controls in this editor.

Site Area

Enter the Site Area in this field. You can change the units of measurement for Site Area by choosing **Options** from the **Tools** menu. On the **General** tab, change the units by selecting from the **Land Measured in** list.

It is possible to base other costs on the Site Area. The Site Area will be converted when changing Imperial and Metric units.

CHAPTER 7

Construction Costs

This section describes the entry of all costs associated with construction.

Construction Cost

The Gross Construction cost is shown in this field. It is the addition of all construction costs in the Capitalized Rent and Sales schedules. You cannot edit this field.

The Construction cost is distributed over the Construction stage defined in the timescale using the prevailing Construction curve type (as specified in the Assumptions for Calculation window, **Distribution** tab - see “Distribution Tab” on page 19).

Below this, there are several different construction cost fields available, into which you can enter an unlimited number of items. The construction costs are:

- Contingency;
- Demolition;
- Road/Site Works;
- Statutory/Municipal;
- Developers Contingency;
- Other Construction;
- Municipal Costs.



Click onto the detail button to open up the Detail Editor on each cost.

Heading	Type	Amount	Selection	Total	Repeat Cycle	Repeat Frequency	Timing
Contingency	Related %	5.00%	5 line(s) ...	\$264,375	(None)	1	Construction ...

Please see “Editing Data” on page 94 for further details of the common controls in this editor.

The following costs will be placed as a single amount in the first period of the construction stage defined in the timescale:

- Demolition;
- Road/Site Works;
- Statutory/Municipal.

These costs will be distributed and the duration of the construction stage defined in the timescale using the prevailing construction curve type:

- Contingency;

- Developer's Contingency;
- Other Construction;
- Municipal Costs.

Other Construction Costs



Click on the **Other Construction** detail button to open the schedule.

You can enter any other construction-related costs into the Other Construction Cost schedule.

Each cost can be specified in one of several ways:

- as a fixed amount;
- as a Rate pm² Gross (or Rate pf² Gross) multiplied by the total gross build area of selected tenants or properties;
- as a Rate pm² Net (or Rate pf² Net) multiplied by the net build area of selected tenants or properties;
- as a Rate pm² Alternate (or Rate pf² Alternate) multiplied by the alternate area of selected tenants or properties;
- as an amount per unit multiplied by the total number of units for selected tenants or properties.

Heading	Type	Amount	Selection	Total	Repeat Cycle	Repeat Frequency	Timing
Escalators	Rate/Unit	6,789.00	2 un	\$13,578	(None)	1	Construction
Soil Tests	Fixed Amount	699	No Selection	\$699	(None)	1	Construction
Other	Rate/pf ² Gross	2,345.00 pf ²	35,500 ft ²	\$83,247,500	(None)	1	Construction

Please see “Editing Data” on page 94 for further details of the common controls in this editor.

When a cost type is entered the other options are disabled, for example if you enter a fixed amount, the Rate/ pf² (or Rate/ pm²), Area, Rate/Unit and Units cells are all disabled (see graphic above).

When a new item is created, it will automatically have professional fees attached to it. If you do not want professional fees to be calculated for the item, uncheck the **Allow Prof. Fee** check box.

Municipal Costs



Click on the **Municipal Costs** detail button to open the Municipal Costs schedule.

Please see “Editing Data” on page 94 for further details of the common controls in this editor.

The same options apply in this schedule to the other construction costs as detailed above.

CHAPTER 8

Professional Fees

Professional fees are, by default, calculated as a percentage of construction costs defined in the Capitalized Rent and Sales forms. You can choose to include **Contingency** and/or **Demolition** and **Road/Site Works** in the calculations. To do this, check the relevant check boxes on the **Expenditure** tab of the Assumptions for Calculation window (see “Expenditure Tab” on page 8).

The fee amount will be distributed and the Construction stage defined in the timescale using the prevailing construction curve type.

Professional Fees

This section describes the entry of all professional fees.

There are six standard Professional Fee fields available, plus Other Professionals into which you can enter an unlimited number of items.

The six standard fees are: Architect, Quantity Surveyor, Structural Engineer, Mechanical/Electrical Engineer, Project Manager and Construction Design Manager.



Click onto the magnify button to open up the Detail Editor on each fee. Please see “Editing Data” on page 94 for further details of the common controls in this editor.

Other Professionals

This schedule is used for entering any other Construction-related fees and fixed costs.



Click on the **Other Professionals** expansion button to view the schedule.

Other Professionals Editor							
Edit View Help							
Heading	Type	Amount	Selection	Total	Repeat Cycle	Repeat Frequency	Timing
Insurance	Related %	2.0000%	6 line(s)	\$105,750	(None)		1 Construction
Permits and Fees	Related %	2.0000%	6 line(s)	\$105,750	(None)		1 Construction
Interior Design	Multiply Rate by Units	3,333.00 per	3.00	\$9,999	(None)		1 Construction
Appraisal	Rate/Unit	22.00 Au	2 un	\$44	(None)		1 Construction
Web Posting	Fixed Amount	2,345	No Selection	\$2,345	(None)		1 Construction ...

Please see “Editing Data” on page 94 for further details of the common controls in this editor.

CHAPTER 9

Marketing, Leasing & Disposal Costs

This section describes the entry of marketing, leasing and disposal costs.



Click onto the Detail View button to open up the Detail Editor for Marketing, Leasing Agent Fees, Leasing Legal Fees, Sales Agent Fee and Sales Legal Fee.

Note: Please see “Editing Data” on page 94 for further details of the common controls in this editor.

Marketing

The Marketing cost can be placed as a single amount at the beginning of the leasing stage defined in the timescale.

Heading	Type	Amount	Selection	Total	Repeat Cycle	Repeat Frequency	Timing
Marketing	Fixed Amount	100,000	No Selection	\$100,000	(None)	1	Leasing

Please see “Editing Data” on page 94 for further details of the common controls in this editor.

Leasing Costs

Enter the Leasing Cost and Legal Fees as a Rate on Leasing (% of Rent), fixed amount, rate per square foot/meter or as an amount per unit. Also, please see “Leasing Commission Profiles” on page 47 for more specific treatment of leasing costs on a tenant basis.

The Leasing Cost and Legal fees will normally be placed as single amounts at the start of the Sale stage defined in the timescale. If the Fees are entered as percentage values, their timing will follow that of the rental items to which they relate.

The Leasing Fees are, by default, always related to all rental items defined in the Area Schedule. When you save the Area Schedule, ARGUS Developer checks the number of rental area definitions and updates the Leasing Fees relation. You can select which rental items the fees apply to by clicking on the **Selection** control and checking the appropriate boxes in the **Include** column.

Heading	Type	Amount	Selection	Total	Repeat Cycle	Repeat Frequency	Timing
Leasing Agent Fee	Related to Leasing Dates	15.00%	3 tenant(s)	\$0	0	1	Income Flow

Please see “Editing Data” on page 94 for further details of the common controls in this editor.

Purchaser's Costs

Purchaser's Costs, when entered as a related percentage, are normally related to Capitalized Rent. You can choose to include Non-Capitalized Sales in the calculation. To do this, click on the **Assumptions** button on the main toolbar and check the box **Apply to Unit Sales** under the **Expenditure** Tab.

Purchaser's Costs will normally be placed as a single amount at the start of the Sale stage defined in the timescale. If the cost is entered as a percentage value, its timing will follow that of the items to which it is related.

Purchaser's Costs defined as a related percentage are, by default, related to all items defined in the Capitalized Rent form. When you save and exit from the Capitalized Rent form, ARGUS Developer checks the number of rental area definitions and updates the Purchaser's Costs relation.

Sales Fees

Enter the Sales Agent and Legal fees as a percentage of total Capitalized Rent, fixed amount, rate per square foot/meter or as an amount per unit.

If the Fees are entered as percentage values (the default), their timing will follow that of the items to which they are related. The other choices available for calculating Sales Agent and Legal Fees will by default be placed as a single amount at the start of the Sale stage defined in the timescale.

The Sales Fees are related by default to the following items:

- Unit Sales from the Sales Schedule;
- Capitalized Rents from the Rent Schedule;
- Purchaser's Costs, if required to be calculated on the Net Development Value;
- Capitalized Rent Additions and Costs.

When you save either of the Rent Area Schedule, Sales Area Schedule or Additional Rent/Costs Schedule, ARGUS Developer automatically checks for any new additions or deleted records and updates the Sales Fees relation.

Note: If you have selected the Override Default Relations check box, the Sales Fee relation will not be updated.

CHAPTER 10

Additional Data

This section describes the entry of any additional Revenues, Costs and Fees that are not included on the Definition screen. They can occur at any time during the project and are not tied to any stage of development.

Additional Fees

The additional fee is normally entered as a fixed amount. This will be placed as a single amount at the beginning of the purchase stage defined in the timescale.

Additional fees can also be entered as related percentage fees, rate per floor area/unit, and so on.



Click onto the **Detail View** button to open up the Detail Editor for **Additional Fees**:

Heading	Type	Amount	Selection	Total	Repeat Cycle	Repeat Frequency	Timing
Additional Fees	Fixed Amount	0	No Selection	\$0 (None)		1	Purchase

Please see “Editing Data” on page 94 for further details of the common controls in this editor.

Dev. Management Fee

This fee is typically entered as a percentage related fee. You must decide upon which costs the fee will be calculated.



To do this, click on the **Detail View** button to open up the Detail Editor for **Dev. Management Fee**:

Heading	Type	Amount	Selection	Total	Repeat Cycle	Repeat Frequency	Timing
Dev. Management Fee	Related %	0.00%	0 line(s)	\$0 (None)		1	Purchase

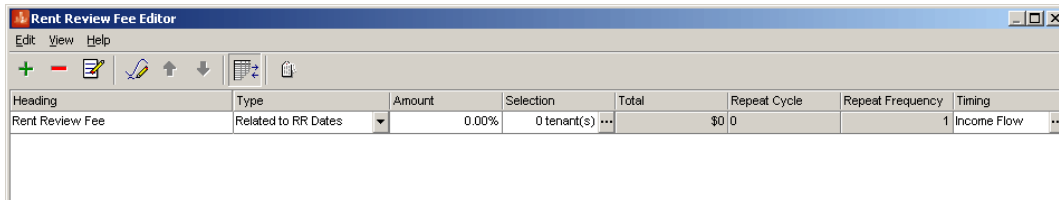
Click on the **Selection** control. If the Dev. Management Fee is entered as a percentage value, its timing will follow that of the items to which it is related.

The Dev. Management Fee can also be defined on other bases including as a fixed amount, rate per floor area/unit and so on.

Please see “Editing Data” on page 94 for further details of the common controls in this editor.

Rent Review Fees

Rent Review fees can be entered as a percentage when the Tenant’s Rental Income Stream mode is active. If (during the Income Flow stage) the property is subject to reviews, the program will calculate fees based on the net rent achieved (inclusive of rental growth). As a related cost, its timing will follow that of the items to which it is related.



Rent review fees can also be entered as a fixed amount, rate per square foot or meter, an amount per unit, or other options - and will normally be placed as a single amount at the start of the Income Flow stage defined in the timescale. To change the timing, double-click in the **Cost** field to open up the detailed definition screen and select the **Timing** control.

Please see “Editing Data” on page 94 for further details of the common controls in this editor.

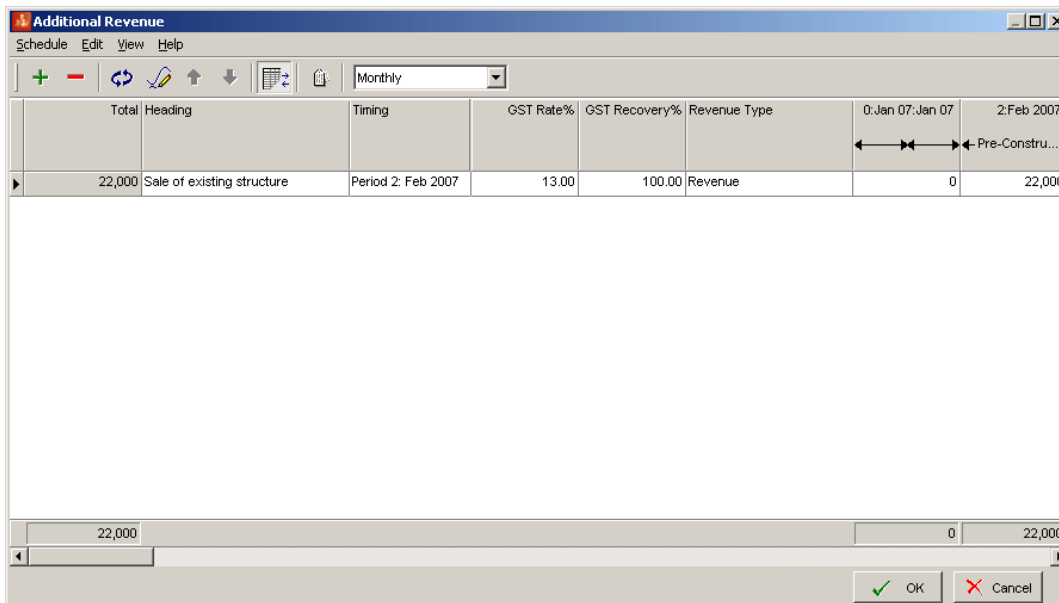
Additional Revenue

Any miscellaneous income streams can be entered into the Additional Revenue Schedule.



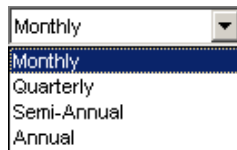
Click on the **Additional Revenue** button to view the schedule.

Enter a heading for the item and press the Enter key. Move to each of the periods where the income is receivable, enter the amount and press the Enter key.



Please see “Editing Data” on page 94 for further details of the common controls in this editor.

In addition to these common controls, you will see the following control:



Period display

You can define how the data columns are displayed by choosing the appropriate setting from the drop-down in the toolbar.

Additional Costs

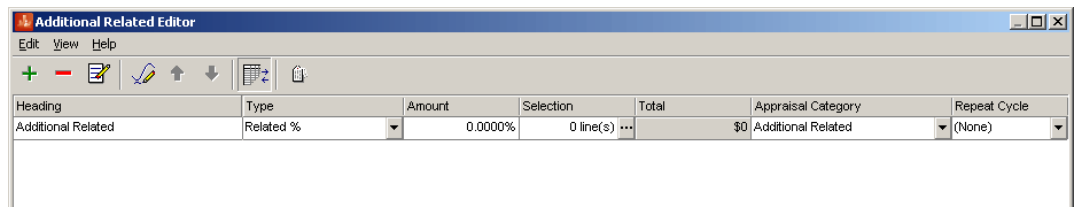
Any miscellaneous costs may be entered using the Additional Costs schedule. The use of this schedule is as described in the Additional Revenue section above.

The Additional Costs schedule differs from the Additional Revenue schedule in one respect. Where costs are required to offset some of the revenue and are to be shown in the Realization section of the Project Pro Forma, you will need to change the item's sign.

To change the sign of an item, click on the **Show All Columns** button to reveal the extra fields for GST Rate, GST Recovery Rate and Cost Type. Click on the **Cost Type** drop-down list and select "Cost Reducing Revenue". To confirm the change, click on the **OK** button.

Additional Related

Any miscellaneous related items may be entered using this schedule. It is possible to define second sets of Sales Fees, Grants and Geared Ground Leases on this schedule.



Please see "Editing Data" on page 94 for further details of the common controls in this editor.

To create a new related cost or receipt:

Type the name into the heading cell. The heading will appear in the Cash Flow and Project Pro Forma and on reports.

Select a category. The Category determines where the cost/receipt will appear on the Project Pro Forma.

Enter the percentage relation.

Select the type of Cost or Receipt. This field will be updated automatically after the Category has been chosen, but you may amend it at any time.

Choose whether you wish to relate the percentage to grown or ungrown amounts by checking/ unchecking the box.

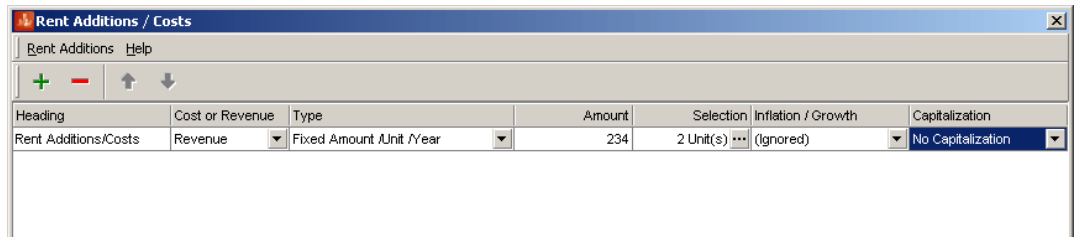
Next, move to the Relation Browser and select the items to which the cost/receipt will be related. You can use either the mouse or the keyboard for selection.

To	Do this
Use the mouse	To relate to a single item, click its heading once with the left button.
Use the keyboard	To relate to a single item, move onto its heading using the up/down arrow keys and press the space bar.

Rent Additions/Costs

You can add unlimited rows of data for either costs or revenues. The value, depending on whether a cost or a revenue, will be deducted or added to the investment valuation.

To	Do this
Add/Delete new rows.	Use the Plus and Minus buttons.
Change Cost or Revenue.	Click in box and select from drop-down.
Change Type.	Click drop-down and choose from one of several options: <ol style="list-style-type: none"> 1. Fixed Amount/Unit/Year; 2. Fixed Amount/Area/Year; 3. Amt/m²/yr x Net Area (or, if Imperial, Amt/ft²/yr x Net Area); 4. Amt/m²/yr x Gross Area (or, if Imperial, Amt/ft²/yr x Gross Area); 5. Amt/m²/yr x Alternate Area (or, if Imperial, Amt/ft²/yr x Alternate Area); 6. % of Base Rent; 7. % of Gross Rent (this includes Base Rent, plus all other Rent Addition items related to this area record, except for other % of Gross Rent items).
Enter Amount.	Type in the amount for the cost or revenue into the Amount field.
Apply to different area/units from the area schedule.	Click into Selection and apply to a tenant.
Apply escalation to rows.	Click into Escalation field and select from menu of escalation sets (previously defined).
Apply private or tenant capitalization rate.	Click into Capitalization field and choose either Private Rate or Tenant Rate . If choosing Private , enter rate to the right of box. If you do not wish to capitalize the rent addition/cost, select No Capitalization .



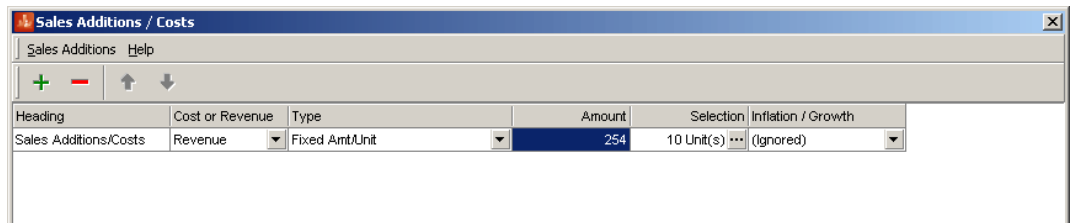
Please see “Editing Data” on page 94 for further details of the common controls in this editor.

Sales Additions/Costs

You can add unlimited rows of data for either costs or revenues. The value, depending on whether it is a cost or a revenue, will be deducted or added to the sales valuation.

The use of this schedule is as described in the Rent Additions/Costs section above.

To	Do this
Add/Delete new rows.	Use the Plus and Minus buttons.
Change Cost or Revenue.	Click in box and select from drop-down.
Change Type.	Click in field and choose from one of 4 options: <ol style="list-style-type: none"> 1. Fixed Amount/Unit; 2. Amt x Net Area; 3. Amt x Gross Area; 4. Amt x Alternate Area.
Enter Amount.	Type in the amount for the cost or revenue into the Amount field.
Apply to different area/units from the area schedule.	Click into Selection and apply to a tenant.
Apply inflation/escalation to rows.	Click into Inflation or Escalation field and select from menu of escalation sets (previously defined).

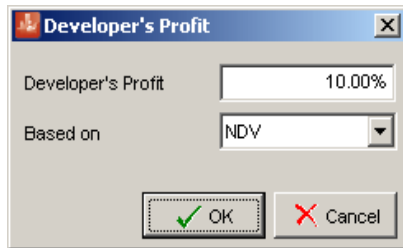


Please see “Editing Data” on page 94 for further details of the common controls in this editor.

Developer’s Profit

You can include an allowance for Developer’s Profit, as a cost to the project.

Select **Developer's Profit** from the **Definition** menu. This opens the Developer's Profit dialog:



The image shows a dialog box titled "Developer's Profit". It has a close button (X) in the top right corner. The dialog contains two input fields: "Developer's Profit" with the value "10.00%" and "Based on" with a dropdown menu showing "NDV". At the bottom of the dialog are two buttons: "OK" with a green checkmark icon and "Cancel" with a red X icon.

Enter the Developer's Profit as a percentage of the Net Development Value, then click **OK**.

An additional row will be added to the cash flow displaying this item.

CHAPTER 11

Structured Finance

ARGUS Developer's Structured Finance Module allows you to quickly model the finance component of real estate projects or portions of projects you have created in ARGUS Developer. An unlimited number of project participants and loans can be set up in the Structured Finance Module.

The Structured Finance Module takes the project cash flow and creates a Finance cash flow based on the ordered contributions, repayments and profit distribution of the funding sources.

The Structured Finance Module offers the following capabilities:

1. Creation of multiple Sources of Funds from:
 - Individual Lender(s);
 - Individual Equity Participant(s).
2. Mortgage takeout financing:
 - Selection of income stabilization date;
 - Calculates maximum mortgage available based on project income;
 - Calculates debt service ratio.
3. Powerful profit distribution capabilities:
 - Percentage distributions;
 - Waterfall distributions;
 - Fixed amount distributions;
 - Performance measures;
 - Preferred return calculations, IRR lookback and Promote interests.
4. Creation of a Finance cash flow for the project that shows contributions, repayments and profit participation for each Finance Source, based upon the project cash flow and the finance structuring assumptions made in the Finance Module.
5. Fine-tuning the cash requirements ("Contributions") and receipts ("Repayments") for each individual Source of funds through the "Timed Contributions" and "Timed Repayment" features in the Finance cash flow. This feature allows you to time project contributions and repayments, in addition to the "Auto" generated Contributions and Repayments that are generated by ARGUS Developer, based on the project's costs and revenues.
6. The Finance cash flow has a Balancing Account that acts as an overdraft account if you specify contribution limits for equity or debt - this shows the amount of finance shortfall in the project.
7. Balances between equity partners and loans can be transferred which allows inter-partner and inter-loan payments and repayments - for example, a construction loan can take over the balance of pre-development costs from an equity partner. Formerly called Timed Finance Events Transactions, these are now referred to as Inter-Source Transactions and are structured for easier setup and maintenance. See "Assumptions Setup: Inter-Source Transactions Tab" on page 148.

ARGUS Developer's Structured Finance Module offers the following features:

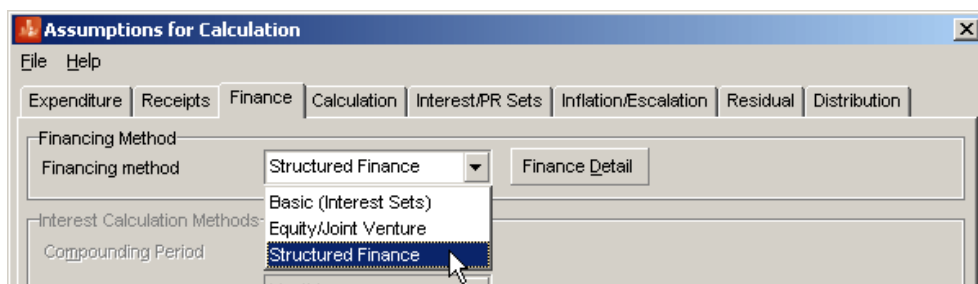
1. It is an integral part of the software, so that changes to Project cash flows and results are instantly reflected in all elements of the Finance calculations.
2. It provides an extremely fast way to model deal structures that include multiple Equity Sources, multiple Loans during construction, and long-term (takeout) amortizing Mortgages.
3. Each Participant (whether an Equity Source of Funds or a Loan) in a Project has the following Contribution elements that can be set by the user:
 - Order of Contribution;
 - Contribution as a percentage of Total Cost;
 - Fixed Contribution Amount;
 - Maximum Contribution Amount;
 - Timed Contribution amounts at specific dates.
4. Each Participant (whether an Equity Source of Funds or a Loan) in a Project has the following Repayment elements that can be set by the user:
 - Order of repayment;
 - Timed repayment amounts at specific dates;
 - For both Equity and Debt Sources, timed repayments of Profit at specific dates - this provides accurate simulation of Preferred returns;
 - Control over the first date at which Repayments of any kind (of original Contributions or Profit that is automatically calculated) are paid for any Source.
5. A conventional amortizing Mortgage loan can be set up for the project. A mortgage can be defined with a variety of parameters for calculation of amount, interest compounding frequency, or amortization period. For more information see "Assumptions Setup: Mortgage Tab" on page 153.

Structured Finance Module: Assumptions Setup



If the Structured Finance Module has not been enabled for a project data file, click on the **Assumptions** button on the main ARGUS Developer toolbar.

Then select the **Finance** tab on the dialog as shown below and select **Structured Financing**. The **Basic (Interest Sets)** option is the traditional single-source financing module.



Note that, once you select the Finance option, the options related to Basic Finance are grayed out (disabled) on the Assumptions, Finance screen as shown below.

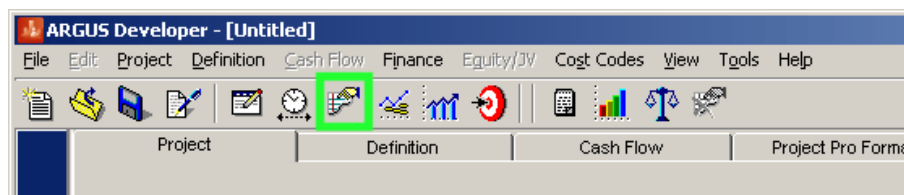
To enter the Setup area for the Finance module:

Finance Detail

Once you have selected **Structured Financing**, the **Finance Detail** button becomes active.

Click the **Finance Detail** button and the main Setup area for defining Finance will appear.

Note that once the Structured Finance mode is activated, a shortcut button on the main toolbar also becomes active, as shown below. This also opens the Finance Setup form:



Assumptions Setup: Sources Tab

When you access the Finance Setup area, the Sources window appears.

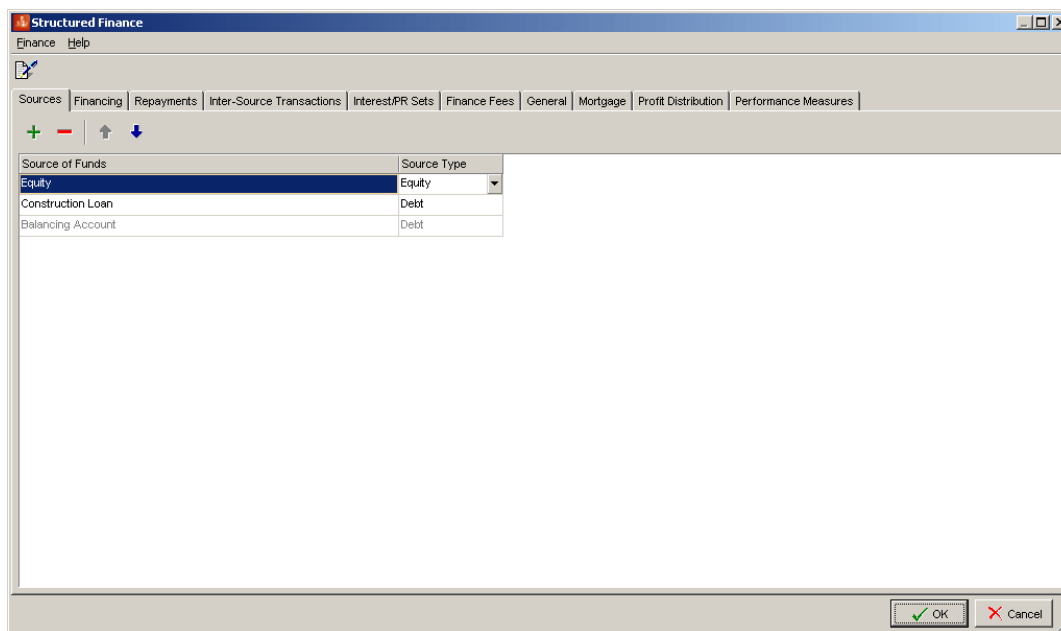
On this page, you can create any number of Sources to participate in a Finance definition. Within the context of ARGUS Developer, “Sources” include:

Equity Sources - provide funds to the project and typically participate in profit distribution. Equity Sources often have various preferred return profit distribution options.

Debt Sources - provide funds to the project in the form of interest bearing loans. Typically are repaid with the return of loan principal and accrued interest but also can participate in Profits.

Balancing Account - this is a default Source which is always part of a Finance definition. The Balancing Account is used to provide money to a project when all the money from other Sources is spent.

The Balancing Account is also the holder of any undistributed Profit during the Project.



When you enter Sources of Funds you only need to set up each Source once even if the source has multiple contributions or levels of profit participation.

The controls on the toolbar are:



Click this button to preview or print a copy of the Funding Source Cash Flow report. This report contains a summary of all the funding sources.



Click to add a new Source which can then be named. For each Source, select the type (either Equity or Debt) with the drop-down selector. This type selection is used to separate interest paid to equity and debt on the Project Pro Forma.



Click to delete the currently highlighted Source. You are requested to confirm this action before proceeding.

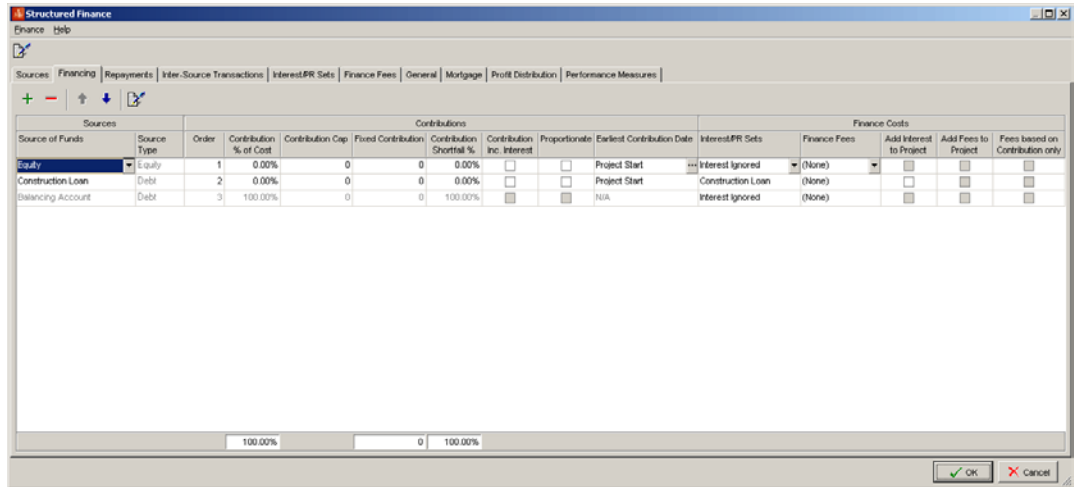


Click the up and down arrows to re-order Sources in the list.

Assumptions Setup: Financing Tab

The individual columns in the screen below are grouped into several main categories, left to right:

- Sources;
- Contributions;
- Finance Costs.



Sources Category:

Heading	Type	Description
Source of Funds	Text: drop-down selector	Available choices are from the Sources tab, as explained above. This identifies the Source on screens & reports. Note that the Balancing Account is always entered for you and cannot be removed - it is a necessary part of the analysis and always appears on the last line. Each Source listed in the Sources tab can be referred to more than once in the Financing and Profit Distribution tabs, depending upon the Contribution, Repayment and Profit allocations of your current Project. Each line in this column must have a Source attached.
Source Type	Text	This is the Source Type - either Debt or Equity as defined in the Sources tab.

Contributions Category:

Heading	Type	Description
Order	Integer	<p>The order in which each Source contributes to the project. A Contribution Order can be shared between any number of Finance Sources. Individual Finance Sources can be referenced repeatedly in this list, each with a different Contribution Order, as required. This allows multiple Sources to be in the same order - for example, the first 20% of project costs can be funded by two equity sources, and the remaining 80% by a construction loan. Another term for Contribution Order is "Tranche".</p> <p>The Balancing Account is always the highest (largest) number - always the last Source to contribute. It will only contribute when the project is under-financed - in other words, there are more costs in the Project Cash Flow than Financing Sources contributions defined. This is an error condition that you must correct.</p> <p>The actual timing of Contributions is triggered by the Project's need for funds, the Contribution order of the current Finance Source line, and is further subject to any Timed Contributions entries that can be entered in the main Finance Cash Flow view that appears for each Finance Source.</p>
Contribution % of Cost	Direct entry as percentage	<p>The amount to be contributed expressed as a percentage of total development costs, including Land. If other Finance Source(s) has/have the same Contribution Order, the actual amount contributed in any month will be split evenly between sources unless the Proportionate switch is checked on, in which case the Proportion is relative to the % each source is contributing within the current Contribution Order. You cannot exceed 100% in a Contribution Order.</p>
Contribution Cap	Amount	<p>If entered, this is the maximum that a Source will contribute when Contribution % of Cost is entered.</p>
Fixed Contribution	Amount	<p>The amount the Source will contribute in monetary terms. If entered, cancels any % Contribution and Contribution Cap amounts.</p>

Heading	Type	Description
Contribution Shortfall %	Direct entry as percentage	This field provides a way to identify which Source(s) will fund Shortfall(s) in Contribution as the project proceeds. See “Contribution Shortfall %” on page 142 for further explanation of this field.
Contribution includes interest	Check on or off	If not checked, this option adds the interest to the Contributions without testing to see if the total amount being Contributed exceeds the user-specified amount or percentage of cost. This is the default setting. If checked On , includes the interest payable on the loan in the total amount contributed by the current row’s Finance Source. It has the effect of reducing the current Finance Source’s total amount contributed to the project by the amount of interest payable on the loan.
Proportionate	Check on or off	If On , determines the contributions for all Finance Sources in the current Order to be in proportion to one another, based upon the Contribution % of Cost item above. If Off , the amount contributed in any month for Finance Sources in this order will be split evenly between the Sources, irrespective of their % contributions. Another term for proportionate contributions is “Pari Passu”.
Earliest Contribution Date	Selection with timing dialog	This control opens a timing dialog (see “Earliest Contribution Date” on page 141), allowing you to specify the earliest date of contribution to be made by the Source. Note: If you delay the start of Contribution by a Source, and other Sources have already fully contributed, the Balancing Account will have to pick up the shortfall. If you delay the start of Contribution by a Source that is not the highest-ordered Source for Contributions, the program will look to the other higher-ordered Sources for the Contribution.

Earliest Contribution Date

If you select the **Earliest Contribution Date** control, the following timing dialog will be opened:

This dialog allows you to select the timing of the earliest contribution. In addition, if a finance source is available for selection within the period you have specified, you may (optionally) choose to select it.

Contribution Shortfall %

The fields in the “Contribution Shortfall %” column provide a way to identify which Source(s) will fund Shortfall(s) in Contribution as the project proceeds.

A Contribution Shortfall will be funded in whole or in part by Sources that are identified as being contributors to a Shortfall, which could occur at any point in a Project. Shortfalls will be funded in the percentage amount for each Source identified as being a contributor, irrespective of their Order of Contribution - in other words, a Source could commence funding prior to the time it would have otherwise, had it not been a Shortfall Contributor.

It is not necessary to enter a total of 100% (or any % for that matter) in the “Contribution Shortfall %” column - thus, if a Shortfall is not 100% funded, the balance will fall to the Balancing Account.

Note: You are not permitted to provide in excess of 100% Shortfall Funding - note that the “Contribution Shortfall %” column cannot exceed 100%.

Shortfalls are added, with interest if specified for the Source, to the Balance of the Source and will be repaid in the Order of Repayment along with Auto and Manual Contributions, without discriminating amongst the type of Contributions.

Where there are Contribution Caps or Fixed Contributions entered, a shortfall may result.

An example of the use of this functionality is to provide for adequate funding of a Project where Source(s) with the highest Order(s) of Contributions have the “Contribution Inc. Interest” switch on. Unless other settings are made to provide for full funding (for example, the “Add Interest to Project” and/or “Add Fees to Project” switches), this can and typically does result in a Balancing Account contribution that may or may not be fully repaid prior to the end of the Project.

Finance Costs Category:

Heading	Type	Description
Interest/PR Sets	Text: drop-down selector with content from the Interest/PR Sets tab	Selects a user defined rate structure (defined in the Interest/PR Sets tab in this area) that includes the interest rate(s), and compounding frequency. Note: If interest is applied to a Source, the interest amount is a cost to the project, reducing the project's profitability. Preferred Returns (PR) are a distribution of profit that are calculated in the same manner as interest but are taken from the available profit.
Finance Fees	Text: drop-down selector with content from the Finance Fees tab	Selects a user defined Finance Fee definition (defined in the Finance Fees tab) that includes fees and points for each loan.
Add Interest to Project	Check on or off	If checked On , the interest for the current Source will be added to the Project Cost exclusive of financing charges, for the purpose of calculating funding requirements.
Add Fees to Project	Check on or off	If checked On , the Fees for the current Source will be added to the Project Cost for the purpose of calculating funding requirements. This control works in a similar manner to "Add Interest to Project".
Fees based on Contribution only	Check on or off	Only enabled if a Finance Fee has been selected. Forced to On if Add Interest to Project is on, otherwise selectable. If On , the fee is based on the Source's Contribution Amount which can include Interest and Fees if the Add Interest/Add Fees switches are turned on. If Off , the Fee is based on the Source's Contribution including interest.

Assumptions Setup: Repayments Tab

The individual columns in the screen below are grouped into several main categories, left to right:

- Sources;
- Repayments;
- Interest Repayments.

This component of the Structured Finance Module allows you to define any number of repayment regimes that can be applied individually to sources.

The items included for definition are as follows:

Sources Category:

Heading	Type	Description
Source of Funds	Text	This identifies the Source on screens and reports. Note that the Balancing Account is always entered for you and cannot be removed - it is a necessary part of the analysis and always appears on the last line. Each Source listed in the Sources tab can be referred to more than once in the Financing and Profit Distribution tabs, depending upon the Contribution, Repayment and Profit allocations of your current Project. Each line in this column must have a Source attached.
Source Type	Text	This is the Source Type - either Debt or Equity as defined in the Sources tab.
Contribution Order		This read-only field shows the contribution order that has been set on the Financing tab.

Repayments Category:

Note: Repayments for each Source line must have either a) % of Funds allocated or b) Proportionate Repayment box checked.

Heading	Type	Description
Order	Integer: does not have to be unique	Repayment within the context of the Finance module refers to repayment of Contributions and Interest. It does not include Profit or Preferred Returns, which are dealt with separately in the Profit Distribution tab (see “Assumptions Setup: Profit Distribution Tab” on page 155).

Heading	Type	Description
Manually Time Repayments	Check on or off	<p>If On, allows you to enter Timed Repayments for this row's Source Contribution in the Finance Cash Flow grid.</p> <p>Note: When this is on, no Auto Repayments are made for the current Source row - all Repayments must be done manually.</p>
Repayment Source	Text: drop-down selector	<p>This identifies the source of cash for repayments of capital and interest. If Available Cash is selected, the program will use all available receipts in the project to repay the loan. If either of Rate/Sale Unit or % of Sale Value is selected, the program will use a proportion of receipts for Unit Sales to repay the loan.</p> <p>Note: The Rate/Sale Unit or % of Sale Value selections have their parameters set in the next entry.</p>
Unit Sales Selection		<p>A field that displays the current number of Unit Sales items selected for repayment, based on up to three tiers of Rate and Units, and in the case of Rate per Unit, an Escalation Set. A zero entry for Upto (Units) means that the Rate selected will be applied until the Source is fully repaid. The Upto (Units) entry is cumulative, not additive.</p> <p>Selecting certain options in the "Repayment Source" drop-down will make this control become active. When it is active, you can open a Unit Sales Selection window (see "Unit Sales Selection" on page 147).</p>
Unlimited Repayment	Check on or off	<p>This option is available when either of Rate/Sale Unit or % of Sale Value are selected. When On, the proportion of receipts from Unit Sales will continue to be paid, as profit, to the source after the loan has been repaid. If Off, the repayments will end when the loan has been fully repaid.</p> <p>Note: Checking this box On should be used with caution, as it can potentially repay a lender (in the form of Profit) much more than just Capital, Interest and Fees.</p>

Heading	Type	Description
Proportionate	Check on or off	If On , the Repayment (Contributions and Interest only) for all Finance Sources in the current Order to be in proportion to the Contrib. % of Cost item in the Contributions category. If Off , the actual amount of Repayment in any month for Finance Sources in this same order will be paid out evenly between sources, irrespective of their % Contributions.
% of Funds Available	% value	Enter the % of positive cash flows (if any) available each month to repay this Source's Contributions and Interest.

Interest Repayments Category:

Heading	Type	Description
Repay Interest Only	Check on or off	If On , the source's interest charges are automatically paid by the repayment source as they occur. If Off , the source's interest charges are repaid according to its Repayments Category terms.
Include Fees	Check on or off	If On , any fees associated with the Source that was being repaid will be included with the Interest. If Off , the fees will not be included.
Repayment Source	Text: drop-down selector	The selected source in this field pays the Source of Funds interest if the Repay Interest Only check box is On .
Repayment %	% value	Defines what percentage of the interest is repaid when the Repay Interest Only check box is On .
Repayment End Timing	Select from a drop-down list	This controls when the Repayment Source stops paying the Source of Funds interest when the Repay Interest Only check box is On . When active, this control opens a timing dialog (see "Other timing dialogs" on page 103).

Unit Sales Selection

If you select “Rate/Sale Unit” from the Repayment Source drop-down on the Repayments tab, the following window will open if you select the Unit Sales Selection control:

The screenshot shows a dialog box titled "Unit Sales Selection" with a menu bar containing "Edit" and "Help". Below the menu bar is a "Scope" dropdown menu set to "Apply to all sales areas". The main area contains a table with the following data:

Heading	Rate	Upto (Units)	Rate	Upto (Units)	Rate	Escalation Set
All Sales Areas	0 Ann	0	0 Ann	0	0 Ann	Ignore

At the bottom right of the dialog box are "OK" and "Cancel" buttons.

This window allows you to define up to three tiers of Rate and Units and an Escalation Set for the current number of Unit Sales items selected for repayment.

A zero entry for Upto (Units) means that the Rate selected will be applied until the Source is fully repaid. Note that the Upto (Units) entry is cumulative, not additive.

Use the **Scope** drop-down to make settings for all units (“Apply to all sales areas”), or to specific sales areas (“Apply to selected sales areas”).

If you select “% of Sale Value” from the Repayment Source drop-down on the Repayments tab, the following window will open if you select the Unit Sales Selection control:

The screenshot shows a dialog box titled "Unit Sales Selection" with a menu bar containing "Edit" and "Help". Below the menu bar is a "Scope" dropdown menu set to "Apply to all sales areas". The main area contains a table with the following data:

Heading	Rate	Upto (Value)	Rate	Upto (Value)	Rate
All Sales Areas	0.00%	0	0.00%	0	0.00%

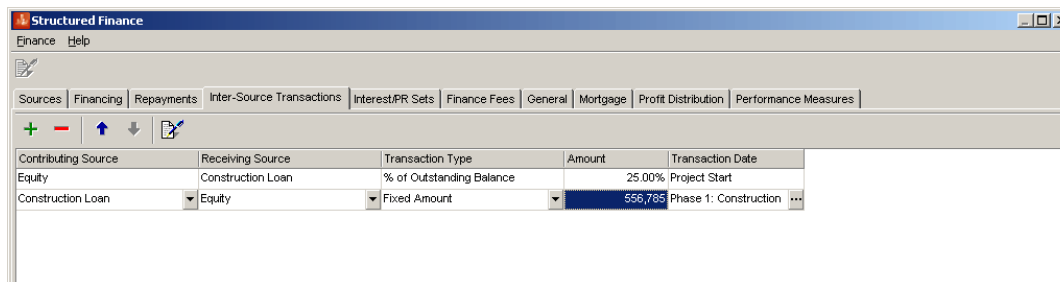
At the bottom right of the dialog box are "OK" and "Cancel" buttons.

This window allows you to define up to three tiers of Rate and Units for the current number of Unit Sales items selected for repayment.

A zero entry for Upto (Value) means that the Rate selected will be applied until the Source is fully repaid.

Use the **Scope** drop-down to make settings for all units (“Apply to all sales areas”), or to specific sales areas (“Apply to selected sales areas”).

Assumptions Setup: Inter-Source Transactions Tab



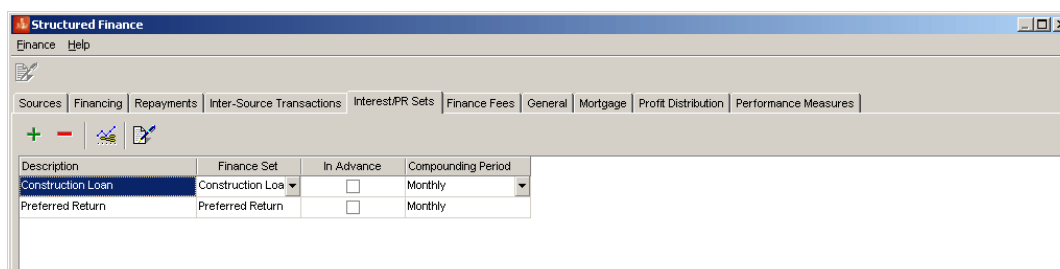
This component of the Finance Module allows you to set up a table that indicates which Source is repaying another Source, specifying the date and the amount (as a monetary value or percentage).

This allows you to link Sources in order to transfer amounts of money between them.

The timing of the payments is controlled by selection of stages of development, and the use of other timing triggers such as loan start dates, in addition to fixed dates or periods.

Heading	Type	Description
Contributing Source	Select from a drop-down list	This allows you to identify the Source from which funds will be transferred.
Receiving Source	Select from a drop-down list	This allows you to identify the Source that will receive the transferred funds from the Contributing Source.
Transaction Type	Select from a drop-down list	This allows you to specify whether the amount to be transferred will be a fixed monetary amount, or calculated from a percentage.
Amount	% value or monetary amount	This field allows you to type in a fixed monetary amount or a percentage, defining the amount of the transaction.
Transaction Date	Selection from a timing dialog	This timing control allows you to specify when the transaction takes place. This opens a timing dialog (see “Other timing dialogs” on page 103).

Assumptions Setup: Interest/PR Sets Tab



This component of the Finance Module allows you to define any number of Interest rate or Preferred Return regimes that can be applied individually to Sources - whether Debt or Equity.

The items included for definition are as follows:

Heading	Type	Description
Description	Text	The label that refers to the definition - examples: Citibank Loan, or Lead Investor Preferred Return.
Finance Set	Text: drop-down selector with content from Interest/PR Sets form.	Selects the Interest rate(s) (can change over time) that this item will apply. See below for an explanation of the Interest Rates/PR Sets setup screen.
In Advance	Check on or off.	If On , charges interest in the month it is funded. If Off , first charges interest in the month following the funding.
Compounding Period	Select from a drop-down list.	Choices include Monthly, Quarterly, Semi-Annually, Annually or None (no compounding period, i.e. simple interest).

Interest/PR Sets Definition



To open the screen to set up interest rates, click on the **Interest/PR Sets** button in the **Interest/PR Sets** tab.

#	Rate	Months	Start Date
1	0.00%	0	Jun 2008
2	0.00%	0	
3	0.00%	0	
4	0.00%	0	
5	0.00%	0	
6	0.00%	0	
7	0.00%	0	
8	0.00%	0	
9	0.00%	0	
10	0.00%	0	

This screen is also part of the main Assumptions for Calculation dialog that is accessible in the main work area of ARGUS Developer. You can make entries from either point of access. See “Interest/PR Sets Tab” on page 15 for further details.



You can define any number of rate regimes that can vary over time by using the **Add** icon and re-labelling the Interest Set Name for each definition item. You can vary interest rates over time by specifying the rate and the number of months that each rate applies.



Click **Remove Finance Rate** to remove an interest rates set.

Assumptions Setup: Finance Fees tab

Fee Set Name	Heading	Fee Type	Fee Basis	Fixed Amount	% Amount	% pa Amount	Fixed Loan Amount	Charging Period	Start Date	End Date	In Advance	Charge If Undrawn
Fee Set 1	Bank Fees	Related	Fixed Loan Amount	0	0.00%	0.00%	20,000	Single	First Draw on Loan	N/A	<input type="checkbox"/>	<input type="checkbox"/>
	Fixed Amount Fee 1	Fixed	Drawn Amount	0	0.00%	0.00%	0	Single	First Draw on Loan	N/A	<input type="checkbox"/>	<input type="checkbox"/>
	Fixed Amount Fee 2	Fixed	Drawn Amount	0	0.00%	0.00%	0	Single	First Draw on Loan	N/A	<input type="checkbox"/>	<input type="checkbox"/>
	Related Fee 1	Related	Drawn Amount	0	0.00%	0.00%	0	Single	First Draw on Loan	N/A	<input type="checkbox"/>	<input type="checkbox"/>
	Related Fee 2	Related	Drawn Amount	0	0.00%	0.00%	0	Single	First Draw on Loan	N/A	<input type="checkbox"/>	<input type="checkbox"/>

This component of the Structured Finance Module allows you to define any number of Financing Fees that can be applied to Source contributions on the Financing tab of the module. The items included for definition for each Fee Set Name are as follows:

Standard Fees Category

Heading	Type	Description
Fee Set Name	Text - direct input by user	The label that refers to the definition - examples: National Bank Loan Fee, or Lead Investor Fees
Heading	Text as shown above; not editable	Each item defined in the Fee Set Name field above is set up by default to be a choice of two Fixed Amount Fees and two Related Fees. However, the fee type for each line can be changed if, for example, three related fees were required.
Fee Type	Select from a drop-down list	Allows the selection of a categorization type for the fee (can be an entered amount, or related to the loan amount). Choices are Fixed and Related .
Fee Basis	Select from a drop-down list	Only applies to Related Fee items. Choices are: 1) Drawn Amount (the actual calculated amount of the loan plus interest), or 2) Fixed Loan Amount (manually entered in the next column to the right). 3) Undrawn Amount (where the loan amount is not used - calculates an amount even when there are no draws on a loan). This option is only available if you have the "Show Undrawn Loan Fees" option checked in the System Administration settings - see "Country" on page 257.
Fixed Amount	Amount	Only applies to Fixed Amount items.
% Amount	Percent input	Only applies to Related Fee items.
Fixed Loan Amount	Amount	Only applies if Fee Type selection is set to Related Fee. A manually entered amount on which the fee may be calculated.
Charging Period	Select from a drop-down list	The default is "Single". Other options are Monthly, Quarterly, Semi-Annually, or Annually.

Heading	Type	Description
Start Date	Specify with a timing dialog	Allows you to specify a start date for the finance fee. This opens a timing dialog similar to the one described in “Other timing dialogs” on page 103.
End Date	Specify with a timing dialog	Allows you to specify an end date for the finance fee. This opens a timing dialog similar to the one described in “Other timing dialogs” on page 103.

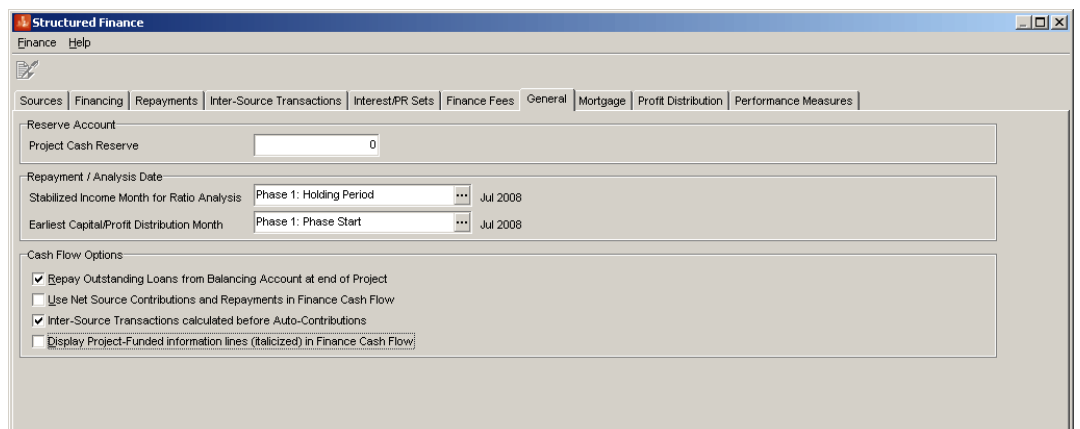
Undrawn Fees Category

Heading	Type	Description
In Advance	Check box	Allows you to specify whether any undrawn fees will be charged in arrears (if the box is not checked) or in advance (if the box is checked). Whether any charge will be made is determined by the setting you make in the Charge if Undrawn check box. Becomes available if the “Undrawn Amount” option is selected from the Fee Basis drop-down.
Charge if Undrawn	Check box	Allows you to specify whether or not there is a charge if the loan is undrawn. Becomes available if the “Undrawn Amount” option is selected from the Fee Basis drop-down.

These options only become visible if you check the **Show Undrawn Loan Fees** option in the System Configuration window (see “Country” on page 257).

Assumptions Setup: General Tab

The General tab allows you to specify a variety of parameters as shown below:



Project Cash Reserve The Project Cash Reserve is an amount held back from receipts for payment of any substantial costs that occur after income from leases starts to flow or sales come on line. The Project Cash Reserve is funded from Project Receipts, after debt and equity sources have been repaid.

Reserve account rules The reserve account serves the following purposes:

1. A reserve for cash in the early stages of the project where equity contributions are manually timed at the start of a project rather than automatically drawn when the cash is required. The reserve account works in conjunction with the “earliest capital / profit” distribution switch on the general tab which prevents capital and profit from being distributed in the early stages of the project where there is excess cash.
If equity contributions, manually timed at the start of the project, are greater than the cash required in the month in which they are contributed and there are no debt sources to repay, the funds will flow into the reserve account without limit. The reserve will then be drawn down to fund project costs as required in advance of equity or debt sources.
2. An overdraft account to cover costs after all financing sources have reached their limit. The reserve account will be drawn prior to the balancing account to cover financing shortfalls. The reserve amount will be built up to the amount entered on the General Tab after all debt and equity partners have been repaid.
3. An operating or warranty fund to be consumed when necessary and released at the end of the project. The reserve will be drawn upon as necessary and rebuilt when funds are available after all debt and equity partners have been repaid.

In all cases, the reserve account will be released at the end of the project cash flow to repay any outstanding equity or debt, or as profit.

It is possible that the Project Cash Reserve can exceed the stated limit due to:

- Over-funding of a project due to Timed (user-defined as of a date) Contributions from either Debt or Equity Sources; or
- The Earliest Capital/Profit Distribution Month is set to hold back positive cash flow from the Project for a period of months.

At the end of the Project, any balance in the Project Cash Reserve is distributed to the Sources as profit distribution.

After Debt and Equity Sources have been repaid, any further receipts will be used to build up the cash Reserve if a Reserve amount has been set up. When the amount in the cash Reserve reaches the amount entered into the Project Cash Reserve field, any surplus receipts are then available as profits for distribution.

Stabilized Income Month for Ratio Analysis This is used to establish a point in time (a month) for calculating the Initial Yield in projects that do not take out a Mortgage. This date is used for the Development Yield ratio calculation. Note that this date can be set on, or relative to, a Phase Stage date using the standard controls for date selection that appear throughout the program.

Earliest Capital/Profit Distribution Month Number of months from the Project Start Date before any Repayment of original Contributions and Interest (if any) and /or Profit will be distributed to Equity Sources, or Loan Sources if they are flagged as “Participating” in the Finance Source tab.

Note: This setting is ignored by Timed Profit Payments as described in the Finance Cash Flow section of this chapter (see “Finance Module: Cash Flow View” on page 159).

If the Project generates revenue prior to the Earliest Capital/Profit Distribution Month, the money is held by the Balancing Account until such time as the program allows Capital/Profit Distribution. Note that this date can be set on or relative to a Phase/Stage date using the standard controls for date selection that appear throughout the program.

Repay Outstanding Loans from Balancing Account at end of Project This option is used to determine whether any loans that remain outstanding at the end of the cashflow will be repaid from the Balancing Account. If **On**, the Balancing Account will make a contribution to the loan that will repay all outstanding capital + interest + loan fees. This will appear as an Auto Contribution in the source loan’s cash flow. If **Off**, any loan that has not been repaid will remain unpaid and the cash flow may show a deficit.

Use Net Source Contributions and Repayments in Finance Cash Flow This option, when **On**, will use any receipts from rent, unit sales or other sources to offset project costs before drawing on

financing sources for contributions. It is an internal source of financing. When **Off**, the financing sources will contribute to project costs, then the receipts will be used to repay the sources. This could have the effect of both drawing on and repaying a loan in the same period.

Inter-Source Transactions calculated before Auto-Contributions This option, when **On**, permits the calculation of inter-source transactions before auto-contributions. When **Off**, the calculation of inter-source transactions occurs after auto-contributions. See also “Assumptions Setup: Inter-Source Transactions Tab” on page 148.

Display Project-Funded information lines (italicized) in Finance Cash Flow This option, when **On**, will show additional information rows in the Finance Cash Flow for each Source that has its interest or fees funded by the project. The data in these rows will be italicized. When checked **Off**, these rows will not be displayed in the Finance Cash Flow.

Assumptions Setup: Mortgage Tab

For developments with income-generating leases that are held for a period after completion of construction, a Mortgage can be taken out to repay Sources that have funded the development.

The Mortgage debt servicing (principal and interest) can be funded from the monthly net operating income. When the property is sold, the Mortgage is paid off from the proceeds of the sale.

The amount of the mortgage can be based on the Net Operating Income from the property or can be set by the user. When the property’s income is deemed to be stable, capitalization of the income is calculated at a single capitalization rate to determine the value of the property for mortgage financing. This does not affect Project-level cash flows or values. To calculate the maximum funding amount, the capitalized amount is multiplied by the Loan to Value % (shown as the **Mortgage Amount as % of Value** entry below).

Mortgage Active for this Scenario This is an on/off button that enables or disables the Mortgage (long-term amortizing debt) within the Finance module. If you check this on, the options below it are enabled.

Heading	Description
Month to place mortgage	This date selection field is used for two purposes: <ol style="list-style-type: none"> To determine the monthly net operating income from the project when income is stabilized To place the start of the Mortgage in the financing cash flow
Monthly stabilized income	This non-editable, read-only field shows the net operating income from the development cash flow in the month chosen in the Month to Place Mortgage selector above.

Heading	Description
Annual stabilized income	This is the Monthly Stabilized Income multiplied by 12 - the value is not editable.
Manual stabilized income (annual)	This field can be used to override the Annual Stabilized Income amount - this allows users to set the mortgage amount above the amount that would be income based. When the value of this field is other than zero, the program uses this amount in the Mortgage amount calculation. When the value is zero, the program uses the value in the Annual Stabilized Income field above for the mortgage amount calculation.
Mortgage amount as % of value	Also referred to as Loan to Ratio Value. This is the relationship between the amount the lender will lend, and the value of the property.
Cap Rate	The cap rate is used to capitalize the Annual Stabilized Income or Manual Stabilized Income, whichever has been chosen above, to determine the property value for the mortgage. It does not affect the capitalized value of leases in the main Project analysis area of ARGUS Developer.
Project Cap Rate Value	This is the capitalized Annual Stabilized Income or Manual Stabilized Income, whichever has been chosen above.
Maximum Funding Amount	This is the Project Cap Rate Value multiplied by the Mortgage Amount as % of Value.
Mortgage Issued	You can use this field to override the Maximum Funding Amount, and take out a different principal amount Mortgage on the property up to the maximum funding amount. When this field is left at zero, the program uses the Maximum Funding Amount value.
Amortization Period	This is the number of months over which the Mortgage would be fully amortized.
Annual Interest Rate	This is the stated annual rate of interest charged on the Mortgage by the lender.
Compounding Frequency	This used in the calculation of the Monthly Interest Factor. Monthly is the standard choice for the USA, Semi-Annual in Canada.
Monthly (DS) Principal and Interest	This calculated field shows the monthly amount (Principal and Interest) repayable to the Mortgage lender.
Annual (DS) Principal and Interest	This shows the annual amount repayable to the Mortgage lender.
Debt Service Ratio	This shows the ratio of net operating income to annual Mortgage repayment. The higher the ratio, the better able the project is able to service the debt. A ratio of 1.0 would be a break-even situation where the net operating income is just enough to cover the Mortgage payments. Most mortgage lenders would have a minimum ratio of more than 1.0.
% Finance Fee	This is a percentage of the "Maximum funding amount" or "Mortgage Issued" values in the Mortgage Value section (Mortgage Issued is an override).
Fixed Finance Fee	A monetary amount that is in addition to the amount specified in the "% Finance Fee" field.

Heading	Description
Add total fees to mortgage issued	<p>This is an on/off setting to specify whether to add the total fees to the mortgage issued.</p> <p>If checked (ON), the full amount of the mortgage is funded and received by the relevant Source, but the opening balance of the Mortgage is increased by the amount of the fees. This will result in higher mortgage payments and interest compared with the unchecked option.</p> <p>If this option is left unchecked (OFF), the total fees entered will be deducted from the proceeds of the mortgage that is actually received by the relevant Sources (usually the primary debt Sources).</p>

Assumptions Setup: Profit Distribution Tab

This screen defines the key elements of profit-related distributions to the various Sources of funds that have invested in a project.

Profit distributions can range from being very simple to very complex. The simplest distribution would be one Source receiving all profits - this requires only one line of profit distribution. Another simple structure would be two Sources splitting profits on a percentage basis.

ARGUS Developer allows the set up of unlimited numbers of distributions between Sources. The **Profit Distribution** tab allows profits to be distributed in flexible orders (also called waterfalls) - the results of which are easily followed in the Finance Cash flow.

Sources		Returns								
Source of Funds	Source Type	Order	Profit Distribution Type	Inc. Pref. Return in IRR Lookback	Fixed Amount	Percentage Split	IRR Lookback%	% Allocation of Funds in Order	Interest/PR Sets	Include Loan Fees
Equity	Equity	2	Residual Percentage	<input type="checkbox"/>	0	60.00%	0.00%	0.00% (None)		<input type="checkbox"/>
Equity 2	Equity	2	Residual Percentage	<input type="checkbox"/>	0	40.00%	0.00%	0.00% (None)		<input type="checkbox"/>

Note: You may need to install the Advanced Finance module in order to obtain this “waterfall” feature.

The following table describes the set up of profit distribution:

Heading	Type	Description
Source of Funds	Text; non-editable drop-down list	Select from the list of Sources in the Sources tab at left of window. Each line must have a Source.
Source Type	Text	Displays the type (either Debt or Equity) of Source for the current line, as defined in the Sources tab.
Order	Integer	Order refers to the priority in which the various Sources receive Profit distributions. Multiple Sources can be in an Order - if there are a number of orders in a profit distribution they could be referred to as “Waterfalls” or “Tranches” of profit distribution.

Heading	Type	Description
Profit Distribution Type	Text: non-editable drop-down list	<p>Choices are:</p> <ol style="list-style-type: none"> 1. Preferred Return 2. Profit Amount 3. IRR Lookback 4. IRR Lookback at Sale Date 5. Promote 6. Residual Percentage. <p>Note: You cannot mix Profit Distribution Types within the same Profit Distribution Order except IRR Lookback and Promote.</p> <p>For important rules about the application of the above choices please see “Profit Distribution Types” on page 157.</p>
Preferred Return included in IRR Lookback	Check box	<p>This setting only applies if the Preferred Return option is selected in the Profit Distribution Type drop-down.</p> <p>If you check this check box, the Preferred Return will be included in the IRR Lookback. If unchecked, the IRR Lookback return is on top of the Preferred Return.</p>
Fixed Amount	Amount	Allows an order with a fixed profit amount distribution. This applies if Profit Amount is selected in the Profit Distribution Type field.
Percentage Split	% value	Only applies if Residual Percentage is selected in the Profit Distribution Type field. This is the percentage of profit to be distributed to the Source.
IRR Lookback percentage	% value	This setting only applies if IRR Lookback or IRR Lookback at Sale Date is selected in the Profit Distribution Type drop-down.
% Allocation of Funds in Order	% value	Refers to the % of funds this Source will receive towards its current row definition Profit, within the current Order. Applies to all Profit Distribution Types except Preferred Return and Residual Percentage.
Interest/PR Sets	Text; non-editable drop-down list	This setting only applies if the Preferred Return option is selected in the Profit Distribution Type drop-down. Available choices are from the entries made in the Interest/PR Sets tab.

Heading	Type	Description
Include Loan Fees	Check box	This setting only applies if the Preferred Return option is selected in the Profit Distribution Type drop-down. If you check this check box, the loan fees calculated on a Source's contributions will be included in the cash flow used for calculating the Preferred Return.

Profit Distribution Types

Below is an explanation of the terms used in the **Profit Distribution Type** field above:

Preferred Return - calculated like interest based on the balance of capital over time, it is treated as a distribution of Profit. When funds are available, they are applied to the accrued balance of Preferred Returns outstanding first, then to the outstanding capital balance (the return of contributed capital is called Repayment). Preferred Return types must be in the lowest numbered Profit Order and not mixed with other types.

Preferred Returns cannot be attached to any Source of Funds shown in the **Profit Distribution** tab for which there is an Interest/PR Set defined in the **Finance** tab.

Profit Amount - a fixed amount of profit to be distributed.

IRR Lookback - pays funds to a financing Source until the target IRR is achieved, evaluated on a monthly basis from available cash flow. The target IRR cannot decrease for the same Source of Funds as the Profit Order number increases.

IRR Lookback at Sale Date - pays funds to a financing Source at sale date.

Promote - a Promote profit distribution is allocated the last available percentage of funds in a Profit Order in conjunction with an IRR Lookback Source. A Promote is paid indefinitely until the IRR Lookback is fully paid. This is the only way in which a Promote can be used. Thus, a Promote cannot be the only Profit type with a Profit Order - it must be entered in conjunction with an IRR Lookback. It is permitted to have more than one Source that has a Promote within an IRR Lookback Order.

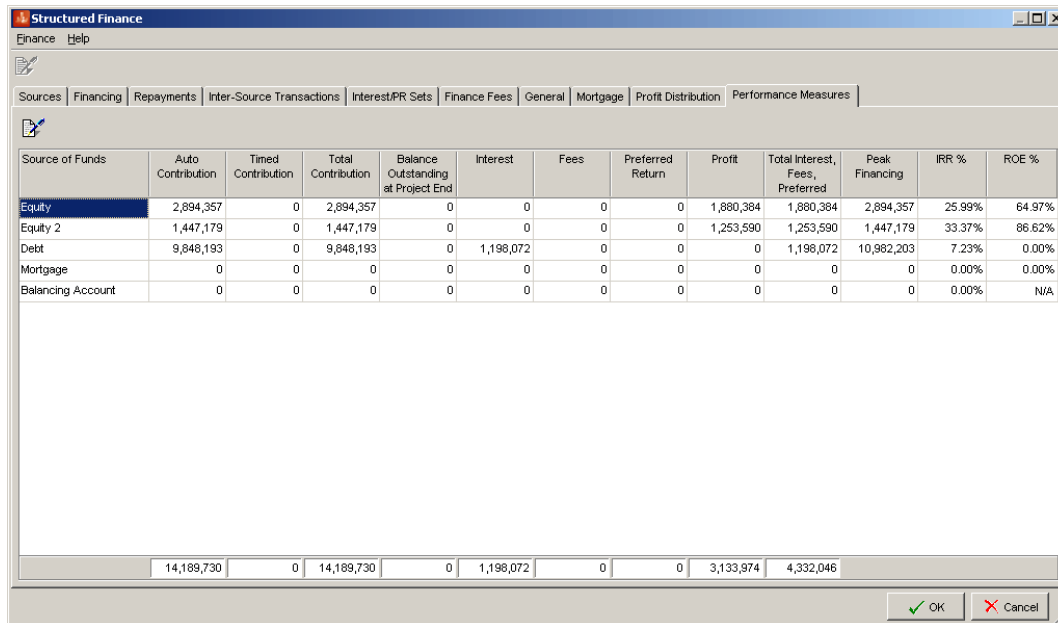
Residual Percentage - the final waterfall of distribution, this is the remaining profit to be distributed in a project. The Residual Percentage type can only be associated with the highest Profit Order number. The total percentage payable to all Residual entries within the highest Order should not exceed 100%.

Assumptions Setup: Performance Measures Tab

The Performance Measures tab is a display of the returns for each Source in a Project, based on the currently active Phase/Group of Phases. The basic screen appears below.

This view is a static, non-editable view of the current status of each Source, including the Balancing Account. If the Balancing Source is not showing zero contributions and/or profit, you should investigate the status of your other Sources, as positive or negative balances in the Balancing Account tends to indicate incomplete Profit distribution or under-funding of the project.

The values are updated automatically when you change a field on any of the other tabs.



The screenshot shows the 'Structured Finance' application window with the 'Performance Measures' tab selected. The table displays financial metrics for different sources of funds. The data is as follows:

Source of Funds	Auto Contribution	Timed Contribution	Total Contribution	Balance Outstanding at Project End	Interest	Fees	Preferred Return	Profit	Total Interest, Fees, Preferred	Peak Financing	IRR %	ROE %
Equity	2,894,357	0	2,894,357	0	0	0	0	1,880,384	1,880,384	2,894,357	25.99%	64.97%
Equity 2	1,447,179	0	1,447,179	0	0	0	0	1,253,590	1,253,590	1,447,179	33.37%	86.62%
Debt	9,848,193	0	9,848,193	0	1,198,072	0	0	0	1,198,072	10,982,203	7.23%	0.00%
Mortgage	0	0	0	0	0	0	0	0	0	0	0.00%	0.00%
Balancing Account	0	0	0	0	0	0	0	0	0	0	0.00%	N/A
<hr/>												
<div style="display: flex; justify-content: space-between;"> 14,189,730 0 14,189,730 0 1,198,072 0 0 3,133,974 4,332,046 </div>												



You can print a report showing the screen contents using the Print Preview icon on the left side of the screen.

Heading	Type	Description
Source of Funds	Text	Based on the status of entries made in the Sources and other tabs in this dialog.
Auto contribution	Amount	The total amount of money contributed to the Project by a Source, excluding any Timed (manually entered) Contributions.
Timed contribution	Amount	This is the total amount of money contributed to the Project by a Source per the Timed Contribution entries in the Cash Flow view.
Total contribution	Amount	This is the total of the Auto and Timed Contributions for each Source.
Balance Outstanding at Project End	Amount	Amount of contributions not repaid by the end of the project.
Interest	Amount	The amount of Interest attributable to the Source.
Fees	Amount	The amount of Fees attributable to the Source.
Preferred Return	Amount	The amount of the preferred return profit distributed to the source.
Profit	Amount	The amount of profit that is distributed to this Source during the course of the Project. It includes any Cash Reserve that is distributed at the end of the Project.

Heading	Type	Description
Total Interest, Fees, Preferred Return & Profit	Amount	The total of Interest, Fees, Preferred Return and Profit for each Source.
Peak Financing	Amount	This is the maximum amount drawn on a loan, calculated from the Loan Balance line.
IRR %	Percentage	The Internal Rate of Return, calculated on a monthly basis. Interest is only included if the switch on the Assumptions - Finance tab is set to Include Interest in IRR Calculations.
ROE %	Percentage	Return on Equity. This is the Source's Profit divided by their Total Contribution.

Finance Module: Cash Flow View

Once you have entered your Finance Assumptions, you can view the results in the Cash Flow area of the program. This area shows you the results in a timed cash flow, compared with the snapshot view in the Performance Measures area tab in the Finance Setup. Reports of the Cash Flow can be previewed and printed from the Reports area of the program (see "Reporting Structured Finance" on page 169.)

To access the Finance Cash Flow view, go into the main workspace of ARGUS Developer and select the Cash Flow tab, then the **Finance Cash Flow** button. Note, however, that the "Structured Financing" mode must be selected for the Finance Sources cash flow to display. If the "Basic (Interest Sets)" mode is active, Structured Finance Cash flow details will not display.



Click **Finance Cash Flow** on the cash flow page. This will reveal the Project Cash Flow, Debt Source(s), Equity Source(s), Mortgage (if applicable), Balancing Account and the Combined Sources.

Heading	Total	5 May 2007	6 Jun 2007	7 Jul 2007	8 Aug 2007	9 Sep 2007	10 Oct 2007	11 Nov 2007	12 Dec 2007
+ Finance : Project Cash Flow Pre-Finance IRR: 15.8%									
- Finance : Equity In # 1: 20% Out # 3 Contribution Proportion: 66.67% Repayment Proportion: 66.67%									
Timed Contribution: Project	0	0	0	0	0	0	0	0	0
Auto. Project Contribution	(2,894,357)	0	0	0	0	0	0	0	0
Total Contribution	(2,894,357)	0	0	0	0	0	0	0	0
Interest	0	0	0	0	0	0	0	0	0
Timed Repayment: Project	0	0	0	0	0	0	0	0	0
Auto. Repayment	2,894,357	0	0	0	0	0	0	0	0
Total Repayment	2,894,357	0	0	0	0	0	0	0	0
Closing Balance	(2,894,357)	(2,894,357)	(2,894,357)	(2,894,357)	(2,894,357)	(2,894,357)	(2,894,357)	(2,894,357)	(2,894,357)
Net Cash Flow (IRR)	0	0	0	0	0	0	0	0	0
Cumulative Net Cash Flow	(2,894,357)	(2,894,357)	(2,894,357)	(2,894,357)	(2,894,357)	(2,894,357)	(2,894,357)	(2,894,357)	(2,894,357)
- Profit Distribution : Equity Order # 2: Profit Type: Residual Percentage Total Return: 11,880,384									
Timed Profit Participation	0	0	0	0	0	0	0	0	0
Profit	1,880,384	0	0	0	0	0	0	0	0
- Finance : Equity 2 In # 1: 10% Out # 3 Contribution Proportion: 33.33% Repayment Proportion: 33.33%									
Timed Contribution: Project	0	0	0	0	0	0	0	0	0
Auto. Project Contribution	(1,447,179)	0	0	0	0	0	0	0	0
Total Contribution	(1,447,179)	0	0	0	0	0	0	0	0
Interest	0	0	0	0	0	0	0	0	0

Profit	3,133,974	Revenue	18,803,833	Project IRR	15.82%	Constr. Int.	N/A	Cost Per Net ft
Profit on Cost	20.00%	Costs (All)	-15,669,859	Dev. Yield	0.00%	Void Int.	N/A	Cost Per Gross
Land Cost	-7,381,805	Interest Inc Mortgage	-1,198,072	Land Int.	N/A	Other Int.	N/A	

The Finance Cash Flow view provides a detailed breakdown of each Finance Source over the life of the Project. Options in this area that you can select on the lower toolbar area include the following:



Click to expand all cash flows.



Click to collapse all cash flows.

Cash Flow View Cycle - choices of Monthly, Quarterly, Half Yearly and Annually.

Show Timed Finance Rows - check/uncheck this option to display/hide the Timed Finance Rows.

View Order - select from the following:

- Show Detailed Cash Flows in Contribution Order - this view provides a more detailed breakdown than the Consolidated view;
- Show Consolidated Profit & Source Cash Flows;
- Show Profit by Distribution Order, then Detail.

Group Lines

The Project level view is always shown as the first group in the Finance Cash Flow.

Each Source then has a grouping line which will display basic assumptions and performance measures:

+ Finance : Project Cash Flow Pre-Finance IRR: N/A
+ Finance : Financial Partner In # 1: 10% Out # 3 Contribution Proportion: 50.00% Repayment Proportion: 50.00%
- Profit Distribution : Financial Partner Order # 1: Profit Type: Preferred Return IRR: 0.0% Total Return: \$0

IRR The IRR is based on the “Net Cash Flow (IRR)” line (second from the bottom).

ROE (Return on Equity) Total Returns divided by total Contributions.

In # Refers to the order of Contribution (1 is first, 2 is next, and so on) and the percentage of Cost Contribution.

Out # Refers to the Order of Repayment; noting that the Balancing Account is always repaid first. Within both Equity and Debt sources, you can specify them with the same (or different) Order number.

Debt Funding Source

This source type (Debt) only appears if you have defined a Debt funding source; one such Group view will appear for each defined Debt source of finance.

Finance : Construction Loan		In # 2: 80%	Out # 2	Interest: 12.00%	Contribution Proportion: 100.00%	Repayment Proportion: 100.00%			
Timed Contribution: Project		0	0	0	0	0	0	0	0
Auto. Project Contribution	(1,044,717)	(23,962)	(26,276)	(25,706)	(24,881)	(23,801)	(22,466)	(20,877)	
Total Contribution	(1,044,717)	(23,962)	(26,276)	(25,706)	(24,881)	(23,801)	(22,466)	(20,877)	
Fixed Amount Loan Fees	(50,000)	(50,000)	0	0	0	0	0	0	
% Loan Fees	(5,291)	(5,291)	0	0	0	0	0	0	
Total Loan Fees	(55,291)	(55,291)	0	0	0	0	0	0	
Interest and Fees	(68,705)	(55,291)	(240)	(505)	(767)	(1,023)	(1,272)	(1,509)	
Timed Repayment: Project		0	0	0	0	0	0	0	0
Auto. Repayment	1,113,422	0	0	0	0	0	0	0	
Total Repayment	1,113,422	0	0	0	0	0	0	0	
Closing Balance		(79,253)	(105,769)	(131,980)	(157,627)	(182,451)	(206,189)	(228,575)	
Net Cash Flow (IRR)	0	(79,253)	(26,516)	(26,211)	(25,648)	(24,824)	(23,738)	(22,386)	
Cumulative Net Cash Flow		(79,253)	(105,769)	(131,980)	(157,627)	(182,451)	(206,189)	(228,575)	

Timed Contributions These are “spot” figures you enter in a specific period in the Cash Flow view (monthly only). When a Timed Contribution is entered, no automatic contribution will be calculated in the same period. If the Cash Flow does not require the full amount entered, the excess is added to the Reserve Account in the Project Cash Flow as a receipt, and will be distributed back to the Sources according to their definitions.

Auto. Contributions These are contributions calculated by the program from the cash requirement in any period, and are defined in the main Finance Setup area. At the outset of the project time frame, the Source may have committed an amount representing its Contribution to the project. The program will spend this as and when required, until the balance is reduced to zero.

Total Contributions The total of Timed and Auto Contributions.

Loan Fees Fixed amount, % and Total loan fees. Please see “Assumptions Setup: Finance Fees tab” on page 150 for Loan Fee information.

Interest and Fees The total amount of interest accumulated by the Partner’s loan in the period displayed, plus any loan fees defined.

Timed Repayments Timed Repayments refer to the date and amount specific Repayment of original Contributions and Interest (if any) for this Source. If there is not enough money available, the Balancing Account will fund any shortfall.

Auto Repayments Automatically calculated Repayment of original Contributions and Interest (if any) for this Source. “Repayments” specifically exclude Profit (if any).

Total Repayments Total of Timed and Auto Repayments.

Closing Balance The current period ending balance of account for this Source.

Timed Profit Participation Includes contributions/repayments/interest/profit.

Auto Profit Participation This is optional, allowing for Debt Sources that earn interest and/or a share of Profits; this option is defined in the main Finance Setup covered in the first section of this chapter.

Total Profit Participation The total of Timed and Auto Profit Participation.

Net Cash Flow (IRR) The actual line used for the calculation of IRR.

Cumulative Net Cash Flow Current period net position for this Source.

Equity Source

Equity sources earn their return from Repayment of their original Contributions, their share of available distributions from cash flow, proceeds of Sale and Proceeds of Mortgage (permanent financing), and any Reserve amount held by the Balancing Account at the end of the Project.

Finance : Financial Partner								
	In # 1: 10%	Out # 3	Contribution Proportion: 50.00%			Repayment Proportion: 50.00%		
Timed Contribution: Project	0	0	0	0	0	0	0	0
Auto. Project Contribution	(130,590)	(3,760)	(5,258)	(6,628)	(7,871)	(8,987)	(9,975)	(10,836)
Total Contribution	(130,590)	(3,760)	(5,258)	(6,628)	(7,871)	(8,987)	(9,975)	(10,836)
Interest	0	0	0	0	0	0	0	0
Timed Repayment: Project	0	0	0	0	0	0	0	0
Auto. Repayment	130,590	0	0	0	0	0	0	0
Total Repayment	130,590	0	0	0	0	0	0	0
Closing Balance		(3,760)	(9,018)	(15,645)	(23,516)	(32,503)	(42,478)	(53,313)
Net Cash Flow (IRR)	0	(3,760)	(5,258)	(6,628)	(7,871)	(8,987)	(9,975)	(10,836)
Cumulative Net Cash Flow		(3,760)	(9,018)	(15,645)	(23,516)	(32,503)	(42,478)	(53,313)

See previous notes for the Debt Source for an explanation of the line types shown above.

Mortgage

Finance : Mortgage									
	IRR: 7.2%	Annual Int. Rate/Comp: 7.00%/Monthly	Annual Payment(P+I): \$594,437			DS Ratio: 1.29	Initial Loan/Value Ratio: 0.75		
Opening Balance		0	6,389,333	6,389,333	6,377,068	6,364,731	6,352,322	6,339,841	6,327,287
Interest	3,745,915	0	0	37,271	37,200	37,128	37,055	36,982	36,909
Principal Repaid	6,389,333	0	0	12,265	12,337	12,409	12,481	12,554	12,627
Total P+I Payment	10,135,248	0	0	49,536	49,536	49,536	49,536	49,536	49,536
Closing Balance		0	6,389,333	6,377,068	6,364,731	6,352,322	6,339,841	6,327,287	6,314,660
Net Cash Flow (IRR)	3,745,915	0	(6,389,333)	49,536	49,536	49,536	49,536	49,536	49,536

These lines display the monthly cash flows related to the mortgage.

Balancing Account

Finance : Balancing Account								
	Project IRR: 0.0%							
Timed Contribution	0	0	0	0	0	0	0	0
Timed Contribution: Profit	0	0	0	0	0	0	0	0
Total Contribution	0	0	0	0	0	0	0	0
Interest	0	0	0	0	0	0	0	0
Timed Repayment: Profit	0	0	0	0	0	0	0	0
Total Repayment	0	0	0	0	0	0	0	0
Closing Balance		0	0	0	0	0	0	0
Profit Distribution	19,203	0	0	0	0	19,203	0	0
Profit Participation	0	0	0	0	0	0	0	0
Net Cash Flow (IRR)	0	0	0	0	0	0	0	0
Cumulative Net Cash Flow		0	0	0	0	0	0	0

See previous notes for Debt sources for an explanation of the line types shown above.

Combined Sources

Finance : Combined Sources		Project IRR: 102.3%						
Auto. Project Contribution	(3,873,903)	(479,805)	0	0	0	0	0	0
Timed Contribution: Project	0	0	0	0	0	0	0	0
Total Contribution	(3,873,903)	(479,805)	0	0	0	0	0	0
Loan Fees	(66,667)	0	0	0	0	0	0	0
Non-Mortgage Interest and Fees	(301,022)	(27,297)	(32,134)	(32,221)	(32,309)	0	0	0
Auto. Repayment	4,174,925	23,438	23,438	23,438	4,104,613	0	0	0
Timed Repayment: Project	0	0	0	0	0	0	0	0
Total Repayment	4,174,925	23,438	23,438	23,438	4,104,613	0	0	0
Closing Balance		(4,054,825)	(4,063,521)	(4,072,304)	0	0	0	0
Profit Participation	9,419,805	0	0	0	2,348,614	14,357	14,357	14,357
Net Cash Flow (IRR)	9,419,805	(483,665)	(8,696)	(8,783)	6,420,918	14,357	14,357	14,357
Net Cash Flow (Equity IRR)	9,419,805	0	0	0	3,123,395	14,357	14,357	14,357
Net Finance Cash Flow	0	0	0	0	0	0	0	0
Cumulative Net Cash Flow		(4,054,825)	(4,063,521)	(4,072,304)	2,348,614	2,362,971	2,377,328	2,377,328

See previous notes for Debt sources for an explanation of the line types shown above.

General Principles of the Structured Finance Module

Treatment of Preferred Returns

Preferred Returns are considered as a distribution of profits of a project, rather than an Interest cost. This means that a Preferred Return is not part of the total Project cost, as it is paid to an equity source - and thus results in a lower cost base for the Project than if the same amount was paid as an Interest cost. Accrued Preferred Returns are repaid prior to the repayment of a Source's Contribution.

Repayment Order

You cannot go to the next Repayment Order # until the repayment of Sources in the current Repayment Order # is complete. For example:

Repayment order 2, available cash distribution:

Partner A	20%
Partner B	10%
Construction Loan	70%

Repayment Order 3:

Partner C	100%
-----------	------

If Partner A gets fully repaid but Partner B and the Construction Loan have balances outstanding, the intent is to finish paying off Partner B and the Construction Loan before moving onto Partner C, otherwise Partner C would have been included in Repayment Order 2.

The above principles apply within the context of the month-to-month calculations that ARGUS Developer does; therefore it is possible that a Repayment Order 3 could be repaid in the same month as a Repayment Order 2 from an overall (project) perspective, as long as the calculations were complete for Order 2 within the same month. This is further affected by the potential inclusion of Timed Profits.

Setup of Interest Cost and a Preferred Return for the same Source

You cannot have an Interest cost in the Financing Tab and a Preferred Return in the Profit Distribution tab for the same Source of Funds (irrespective of order).

Profit Distribution Definition

In the Profit Distribution tab, Preferred Return definition(s) must be entered as the lowest order. The actual order number can be any number, just as long as it is the lowest number in the order column.

Note: There is no connection between the order numbers that appear in the Profit Distribution screen and the Financing screen - they work independently.

You cannot mix Profit Distribution Types within the same Profit Distribution Order except IRR Lookback and Promote.

Timed Profits

Timed Profits are not permitted when Preferred Returns are selected for a Finance setup.

Repayment Orders

Debt and Equity Sources are repaid before the Project Cash Reserve is funded.

IRR Calculations

ARGUS Developer provides a number of different Internal Rate of Return (IRR) calculations. All IRR values are calculated on a monthly basis, with the monthly rate converted to an annual rate with the general formula: $1 - (1 + \text{monthly IRR})^{12}$. The IRR is recalculated automatically to reflect the currently active Phase or Group of Phases.

The Results Panel can be configured to display the following three IRR measures (right-click in the Results Panel to reconfigure), as shown in the following sample screenshot:

Pre-Finance IRR	17.30%
Project IRR	35.62%
Equity IRR	64.94%

In addition to the above IRRs, there are individual IRRs calculated for each Source in a Project – for both Debt and Equity Sources.

The various IRRs are explained below:

Pre-Finance IRR

This IRR is the IRR that a Phase or Group of Phases would produce without regard to financing costs (interest) and without consideration of how the Project is funded.

The following screenshot shows the “Net Cash Flow Pre-Finance (IRR)” line from the Finance Cash Flow view, which is calculated prior to the consideration of Interest and Profit.

Finance : Project Cash Flow Pre-Finance IRR: 17.3%							
Revenue: Unit Sales	0	0	0	0	0	0	0
Revenue: Rental Income	7,669,458	23,438	23,438	23,438	63,893	63,893	63,893
Revenue: Capitalized Rent	9,671,188	0	0	0	0	0	0
Revenue: Other	0	0	0	0	0	0	0
Total Revenue	17,340,645	23,438	23,438	23,438	63,893	63,893	63,893
Cash Outflows (Dev. Costs)	(5,179,799)	(479,805)	0	0	0	0	0
Net Cash Flow Pre-Finance (IRR)	12,160,846	(456,368)	23,438	23,438	63,893	63,893	63,893
Mortgage Funding	6,389,333	0	0	0	6,389,333	0	0
Mortgage Repayment: Total P&I	(10,135,248)	0	0	0	0	(49,536)	(49,536)
Reserve In	7,934,587	0	0	0	863,396	14,357	14,357
Reserve Out	(7,934,587)	0	0	0	(863,396)	(14,357)	(14,357)
Reserve Balance		0	0	0	0	0	0
Available for Distribution	13,594,730	23,438	23,438	23,438	6,453,227	14,357	14,357
Timed Profit Distribution	0	0	0	0	0	0	0
Auto. Profit for Distribution	7,975,639	0	0	0	904,448	14,357	14,357
Profit Distribution to Order 1	41,052	0	0	0	41,052	0	0
Profit Distribution to Order 2	7,934,587	0	0	0	863,396	14,357	14,357

Combined Sources IRR

Also referred to as “Project IRR” (it is shown as **Project IRR** in the results bar), this is a composite of the monthly cash flows for all Sources (both Debt and Equity) of the following Contributions and Repayments over the life of the Project or Phase or Group of Phases that are currently activated:

Contributions:

- All Debt Sources;
- All Equity Sources.

Repayments including Interest:

- All Debt Sources;
- All Equity Sources.

All Profit Distributions (Profits include Preferred Returns):

- All Debt Sources;
- All Equity Sources.

The calculation of the Combined Sources IRR is illustrated below in the Finance Cash Flow area:

Finance : Combined Sources Project IRR: 35.6%							
Auto. Project Contribution	(5,179,799)	(479,805)	0	0	0	0	0
Timed Contribution: Project	0	0	0	0	0	0	0
Total Contribution	(5,179,799)	(479,805)	0	0	0	0	0
Loan Fees	(72,553)	0	0	0	0	0	0
Non-Mortgage Interest and Fees	(439,292)	(38,609)	(43,559)	(43,760)	(43,963)	0	0
Auto. Repayment	5,619,091	23,438	23,438	23,438	5,548,778	0	0
Timed Repayment: Project	0	0	0	0	0	0	0
Total Repayment	5,619,091	23,438	23,438	23,438	5,548,778	0	0
Closing Balance		(5,464,372)	(5,484,493)	(5,504,815)	0	0	0
Profit Participation	7,975,639	0	0	0	904,448	14,357	14,357
Net Cash Flow (IRR)	7,975,639	(494,976)	(20,121)	(20,322)	6,409,264	14,357	14,357
Net Cash Flow (Equity IRR)	7,975,639	0	0	0	1,940,408	14,357	14,357
Net Finance Cash Flow	0	0	0	0	0	0	0
Cumulative Net Cash Flow		(5,464,372)	(5,484,493)	(5,504,815)	904,448	918,805	933,162

The “Total Contribution” line is the total of all Contributions from all Debt and Equity Sources.

The “Net Cash Flow (IRR)” line is the total of all net Cash Flows for all Debt and Equity Sources.

Equity IRR

This is the overall combined IRR (not an average) of all Equity Sources in a Project based on:

- All Equity Source Contributions;
- All Equity Source Repayments including interest, if any;
- All Equity Source Profits including Preferred Returns, if any.

The Equity IRR will typically be higher than the Combined Sources IRR, since the Equity IRR takes advantage of the Debt Financing, whereas the Combined Sources IRR is a composite IRR for all sources including the Debt Sources.

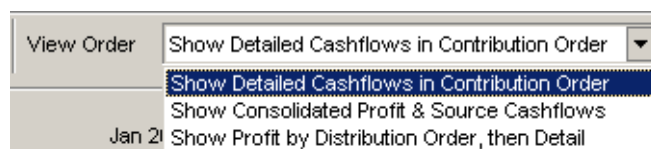
To see the individual IRR for each Equity Partner, refer to any one of the following areas:

- Finance Setup – Performance Measures;
- Finance Cash Flow view (as shown in the Combined Sources IRR explanation above);
- Report Menu – Funding Source Cash Flow report.

Timed Contributions

Timed Contributions allow you to re-distribute the timing of a Source’s Contributions to a Project – they do not provide for changing the actual amount of Contribution. If you require detailed control (instead of the “Auto” Contributions calculated by the program) over the total Contribution made by a Source, use either the **Contribution Cap** or **Fixed Contribution** fields in the Financing tab of the Finance Setup.

To enter Timed Contributions, the View Order in the Finance Cash Flow area must be set to the “Show Detailed Cashflows in Contribution Order” option, as shown in the screen below:



For example, the Developer’s Contribution is payable in irregular amounts as required by the specific needs of the Project for cash. However, if the Developer has agreed to pay a certain amount “up front” in the first month this can be defined as a timed contribution, with the balance of his contribution payable as required by the project calculated automatically by ARGUS Developer, as shown below.

- Finance : Developer							
In # 1: 10% Out # 3 Contribution Proportion: 50.00% Repayment Proportion: 50.00%							
Timed Contribution: Project	0	0	0	0	0	0	0
Auto. Project Contribution	(517,980)	(3,760)	(5,258)	(6,628)	(7,871)	(8,987)	(9,975)
Total Contribution	(517,980)	(3,760)	(5,258)	(6,628)	(7,871)	(8,987)	(9,975)
Interest	0	0	0	0	0	0	0
Timed Repayment: Project	0	0	0	0	0	0	0
Auto. Repayment	517,980	0	0	0	0	0	0
Total Repayment	517,980	0	0	0	0	0	0
Closing Balance		(3,760)	(9,018)	(15,645)	(23,516)	(32,503)	(42,478)
Net Cash Flow (IRR)	0	(3,760)	(5,258)	(6,628)	(7,871)	(8,987)	(9,975)
Cumulative Net Cash Flow		(3,760)	(9,018)	(15,645)	(23,516)	(32,503)	(42,478)

Note that the automatically calculated “Auto. Contribution” in month one is zero, with the Timed Contribution: Project Amount being active. The total amount Contributed by the Developer has not changed from that originally calculated by ARGUS Developer.

Timed Contributions can be made for any Debt or Equity Source.

Timed Repayments

Timed Repayments may be made in the Finance Cash Flow view in the “Show Detailed Cashflows in Contribution Order” view in two ways:

1. In a similar manner as for the Timed Contributions described above, where the program will automatically re-distribute the timing of a Source’s Repayments from the Project. In this mode, the program will not change the actual amount of Repayment relative to it being calculated in full “Auto. Repayment” mode.

This method requires that the **Manually Time Repayments** check box in the Repayments tab of the setup area is clear (off) for the Source, as shown below:

Sources Financing Repayments Inter-Source Transactions Interest/FRR Sets Finance Fees General Mortgage Profit Distribution Performance Measures														
Sources				Repayments						Interest Repayments				
Source of Funds	Source Type	Contribution Order	Order	Manually Time Repayments	Repayment Source	Unit Sales Selection	Unlimited Repayment	Proportionate	% of Funds Available	Repay Interest Only	Include Fees	Repayment Source	Repayment %	Repayment End Timing
Equity	Equity	1	3	<input checked="" type="checkbox"/>	Available Cash	N/A	<input type="checkbox"/>	<input type="checkbox"/>	0.00%	<input type="checkbox"/>	<input type="checkbox"/>	(None)	100.00%	Project End
Equity 2	Equity	1	3	<input type="checkbox"/>	Available Cash	N/A	<input type="checkbox"/>	<input checked="" type="checkbox"/>	0.00%	<input type="checkbox"/>	<input type="checkbox"/>	(None)	100.00%	Project End
Debt	Debt	2	2	<input type="checkbox"/>	Available Cash	N/A	<input type="checkbox"/>	<input type="checkbox"/>	100.00%	<input type="checkbox"/>	<input type="checkbox"/>	(None)	100.00%	Project End
Balancing Account	Debt	3	1	<input type="checkbox"/>	Available Cash	N/A	<input type="checkbox"/>	<input type="checkbox"/>	0.00%	<input type="checkbox"/>	<input type="checkbox"/>	(None)	100.00%	Project End

Once this is set, you can enter “Timed Repayments” in the Cash Flow area for the Source under discussion.

2. With complete control over the amount and timing of Repayments. To do this, check the **Manually Time Repayments** box “on” for the Source in question in the screen above. When this box is checked on, the “Auto. Repayments” for the Source is disabled completely, allowing for (only) arbitrary and un-adjusted Repayments.

Timed Profits

Timed Profits may be entered into the Profit Distribution Cash Flow Group in the Finance Cash Flow.

To do this, you must first set the Finance Cash Flow view to **Show Detailed Cashflows in Contribution Order**. Then the “Profit Distribution” Group will appear and will be editable, as shown for a typical Source in the following screen segment:

Profit Distribution : Financial Partner		Order # 2: Profit Type: Residual Percentage		Total Return: \$1,983,647					
Timed Profit Participation		0	0	0	0	0	0	0	0
Profit		1,983,647	0	0	0	0	0	0	0

Whenever a Timed Profit Participation is entered into a given month, then any Profit previously calculated automatically in that month is removed, and the total profit payable to the Source over the total Project will be adjusted up or down depending upon the amount entered. In other words, the total amount of Profit paid to the current Source will not be maintained at its originally calculated value prior to a Timed Profit Participation value being entered.

Timed Finance events

Note: Where Timed Finance Events are active in existing version 4 files that are upgraded to version 4.05, the inputs for Timed Finance Events are retained and the Timed Finance Events functionality retained - UNTIL you remove (zero out) all such entries.

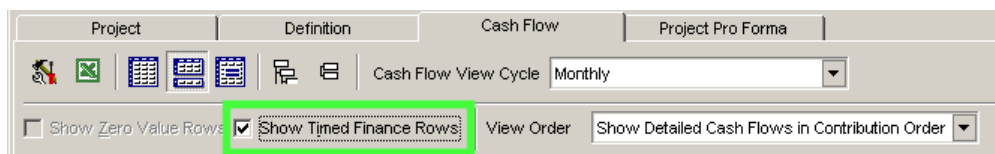
If you remove all Timed Finance Events, this area of functionality disappears; it is no longer available within a file, and is replaced by the Inter-Source Transactions feature (see “Assumptions Setup: Inter-Source Transactions Tab” on page 148).

Timed Finance Events are manually entered finance transactions between any two Sources in a Project. Each matching Timed Finance Contribution and Timed Finance Repayment must occur in the same month.

Note: Do not confuse Timed Finance events with Timed Contributions, Timed Repayments and Timed Profits, which are discussed separately in this chapter.

Transferring balances between Equity Sources and Debt Sources (Timed Finance events) allows inter-partner and inter-loan Contributions and Repayments. For example, a construction loan can take over the balance of pre-development costs from an equity partner. These transfers were formerly called Timed Finance Events, and are now known as Inter-Source Transactions.

To enable this feature, in the Finance Cash Flow check the **Show Timed Finance Rows** option, as shown below.



When this option is checked, two additional rows appear in each source's cash flow and in the combined sources cash flow:

- Timed Contribution: Finance Transaction;
- Timed Repayment: Finance Transaction.

Note: The Show Timed Finance Rows check box is not displayed unless you are using files (created in an earlier version of Developer) that have Timed Finance Events set up already. If you do not see this check box displayed, you should use the new Inter-Source Transactions feature (see “Assumptions Setup: Inter-Source Transactions Tab” on page 148).

To enter Timed Finance events, the View Order must be set to the “Show Detailed Cashflows in Contribution Order”. The other two view order settings will display the Timed Finance events as entered, but they do not allow the original entry or editing of Timed Finance events.

In the example below, the Construction Loan funds 60% of project costs, in addition to repaying the Developer's Equity in March 2007. The Developer's contributions are fully complete by the end of February 2007, and so in the following month a Timed Repayment is made to repay the developer's equity. This appears as an entry on the Timed Repayment: Finance Transaction row in the Developer's cash flow, and a Timed Contribution: Finance Transaction in the Construction Loan cash flow, as shown below.

- Finance : Developer		In # 1: 10% Out # 3		Contribution Proportion: 50.00%		Repayment Proportion: 50.00%	
Timed Contribution: Project	0	0	0	0	0	0	0
Timed Contribution: Finance Transaction	0	0	0	0	0	0	0
Auto. Project Contribution	(517,980)	(3,760)	(5,258)	(6,628)	(7,871)	(8,987)	(9,975)
Total Contribution	(517,980)	(3,760)	(5,258)	(6,628)	(7,871)	(8,987)	(9,975)
Interest	0	0	0	0	0	0	0
Timed Repayment: Project	0	0	0	0	0	0	0
Timed Repayment: Finance Transaction	0	0	0	0	0	0	0
Auto. Repayment	517,980	0	0	0	0	0	0
Total Repayment	517,980	0	0	0	0	0	0
Closing Balance		(3,760)	(9,018)	(15,645)	(23,516)	(32,503)	(42,478)
Net Cash Flow (IRR)	0	(3,760)	(5,258)	(6,628)	(7,871)	(8,987)	(9,975)
Cumulative Net Cash Flow		(3,760)	(9,018)	(15,645)	(23,516)	(32,503)	(42,478)

Finance : Construction Loan								In # 2: 80%	Out # 2	Interest: 12.00%	Contribution Proportion: 100.00%	Repayment Proportion: 100.00%
Timed Contribution: Project	0	0	0	0	0	0	0	0	0	0	0	
Timed Contribution: Finance Transaction	0	0	0	0	0	0	0	0	0	0	0	
Auto. Project Contribution	(4,143,839)	0	0	0	(269,936)	(492,088)	(491,092)					
Total Contribution	(4,143,839)	0	0	0	(269,936)	(492,088)	(491,092)					
Fixed Amount Loan Fees	(50,000)	0	0	0	(50,000)	0	0					
% Loan Fees	(22,553)	0	0	0	(22,553)	0	0					
Total Loan Fees	(72,553)	0	0	0	(72,553)	0	0					
Interest and Fees	(439,292)	0	0	0	(72,553)	(2,699)	(7,647)					
Timed Repayment: Project	0	0	0	0	0	0	0					
Timed Repayment: Finance Transaction	0	0	0	0	0	0	0					
Auto. Repayment	4,583,131	0	0	0	0	0	0					
Total Repayment	4,583,131	0	0	0	0	0	0					
Closing Balance		0	0	0	(342,489)	(837,276)	(1,336,015)					
Net Cash Flow (IRR)	0	0	0	0	(342,489)	(494,787)	(498,739)					
Cumulative Net Cash Flow		0	0	0	(342,489)	(837,276)	(1,336,015)					

The Timed Contribution: Finance Transaction entry in the Construction Loan cash flow increases the total contribution from this source and the total interest calculated on this contribution.

In summary, Timed Finance events allow you to simulate financial transactions between Sources based on the following guidelines:

- To enable this feature, you need to first check the **Show Timed Finance Rows** option in the Finance Cash Flow;
- To input the data for the Timed Finance events, the View Order setting in the Finance Cash Flow area must be set to “Show Detailed Cashflows in Contribution Order”;
- Each Timed Finance event must consist of a matching Contribution and Repayment, in the same month. Please note that there is no error checking for this – it is up to you to ensure the entries are correct, regarding the amount and date.

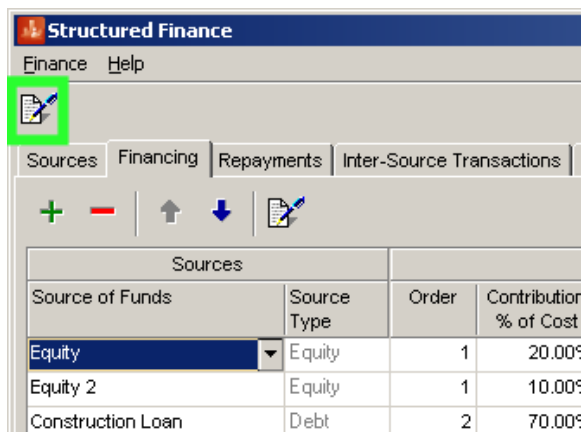
Reporting Structured Finance



You can print, view and write to PDF/Word/HTML individual cash flow statements for each Source in a Finance Setup, from the **Reports** button in the main ARGUS Developer workspace toolbar.

You can also view and print from the Structured Finance window by clicking on this button.

If you click on the Financing tab and click the **All Sources Report** button that is immediately below the menu (shown below):



- this will open the Funding Source Cash Flow report:

Preview Report

Next Previous Zoom In Zoom Out Zoom Width Zoom Page Print Close

FUNDING SOURCE CASH FLOW LICENSED COPY

Step By Step Example
Phase 1 (Multi Use Project Phase 1) Page A 1

Source of Funds Type	Equity	Equity		
Heading	1	2	3	4
	Jan 2008	Feb 2008	Mar 2008	Apr 2008
Timed Contribution: Project	0	0	0	0
Auto. Project Contribution	(4,723,117)	0	0	0
Total Contribution	(4,723,117)	0	0	0
Interest	0	0	0	0
Timed Repayment: Project	0	0	0	0
Auto. Repayment	0	0	0	0
Total Repayment	0	0	0	0
Closing Balance	(4,723,117)	(4,723,117)	(4,723,117)	(4,723,117)
Net Cash Flow (IRR)	(4,723,117)	0	0	0
Cumulative Net Cash Flow	(4,723,117)	(4,723,117)	(4,723,117)	(4,723,117)

ASSUMPTIONS	ANALYSIS	
Contribution Order	1 Contribution	\$4,723,117
Contribution %	20.0% Timed Repayment	\$0
Capped at	\$0 Auto Repayment	\$4,723,117
Contribution	\$0 Total Repayment	\$4,723,117
Repayment Order	3 Peak Financing Amount	\$4,723,117
	Profit	\$0
	Project IRR	0.0%
	Return on Equity	0.0%

CASH ON CASH	As at Apr 2009	Apr 2010
Annual Return	0.0%	* 120.0%

Preview: Page 1 of 50 Zoom factor: 100.0%

Alternatively, if you click on a tab in the Structured Finance window, you will see that a **Print Preview** button is available on the tab:

Structured Finance

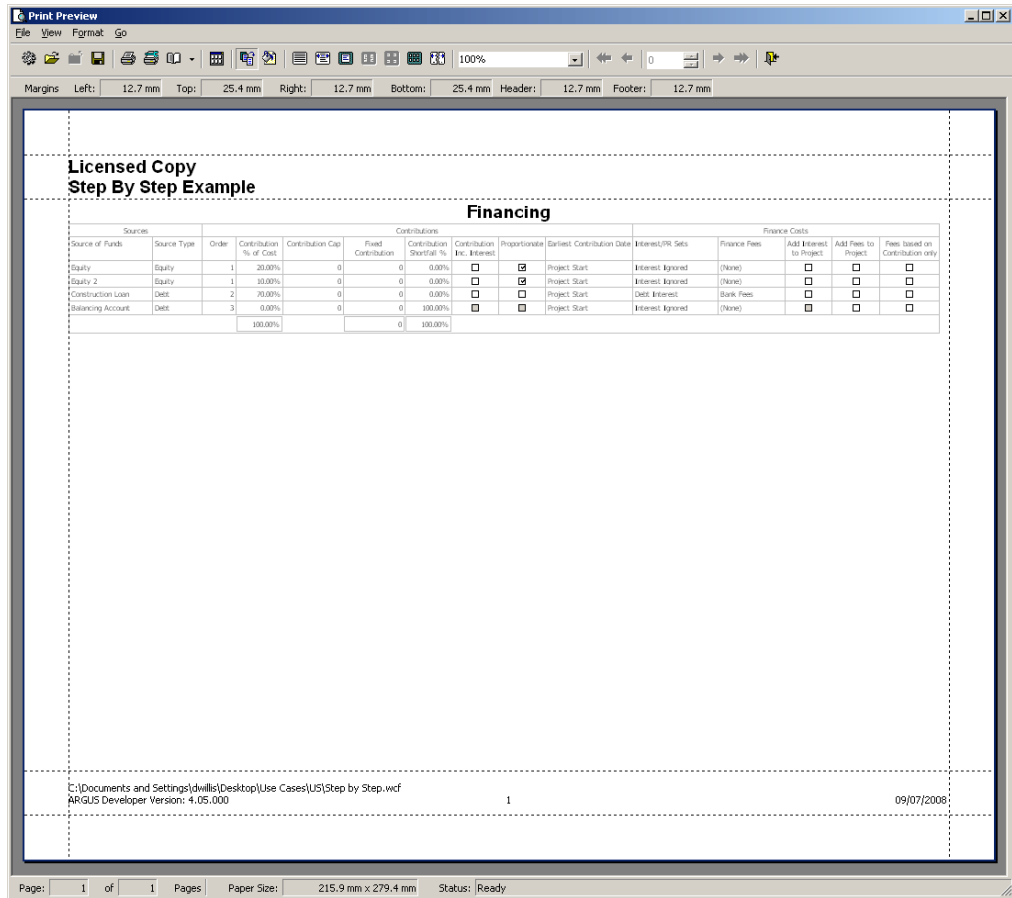
Finance Help

Sources Financing Repayments Inter-Source Transactions

+ - ↑ ↓

Sources			
Source of Funds	Source Type	Order	Contribution % of Cost
Equity	Equity	1	20.00%
Equity 2	Equity	1	10.00%
Construction Loan	Debt	2	70.00%

Clicking on this button will open a print preview window, allowing you to format and print a copy of the data you have entered in the selected page in the Structured Finance window:



Exporting to Excel



To export the finance cash flow to Excel, click the **Excel** button on the Cash Flow page.

CHAPTER 12

Sensitivity Analysis

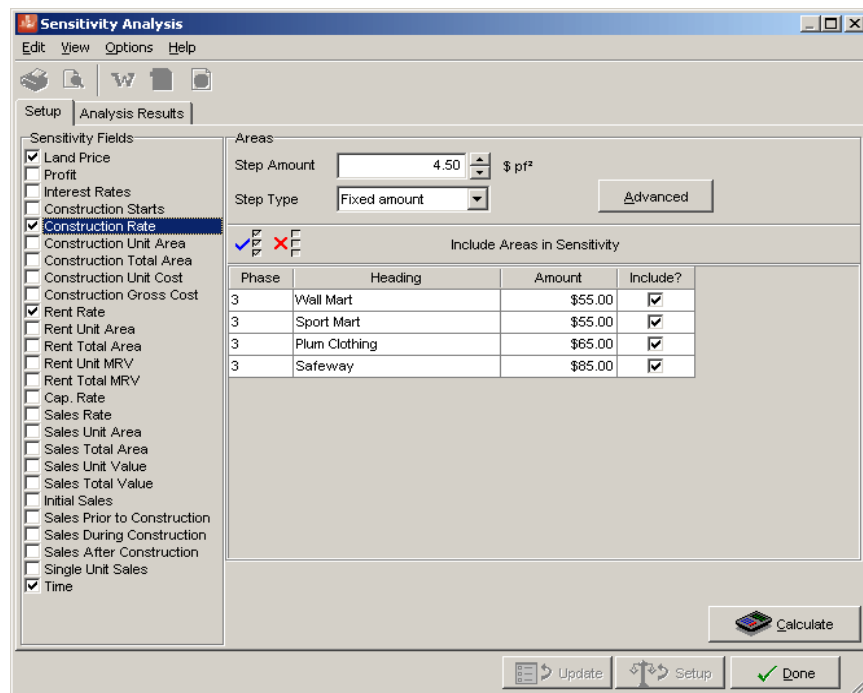
The Sensitivity Analysis module allows you to run “What if?” calculations on your project. You can choose to vary many of the variables in the area schedules in addition to Profit, Land Value, Interest Rates and Time.

To complete calculations for each variable, the analysis will take two steps down and two steps up from the current value. This gives five results for each variable, including the mid-point where the value does not change.

Where Time is included as a variable, the analysis will only step up from the current value.



You can select the items to be used in the Sensitivity Analysis by clicking the **Sensitivity Analysis** button on the toolbar.



Starting Sensitivity

The **Sensitivity Fields** section lists the fields available for analysis. You can select up to three standard fields in addition to the **Time** field. The standard fields are Land Price to Sales Total Value in the list above.

To add a field to the Sensitivity Analysis

In the **Sensitivity Fields** list, click on the check box to the left of the required field(s). The detailed definition panel is now shown on the right-hand side.

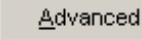
In the detailed definition panel, select the preferred Step Type and Amount and specify which areas/phases are to be sensitized, as set out in the table below.

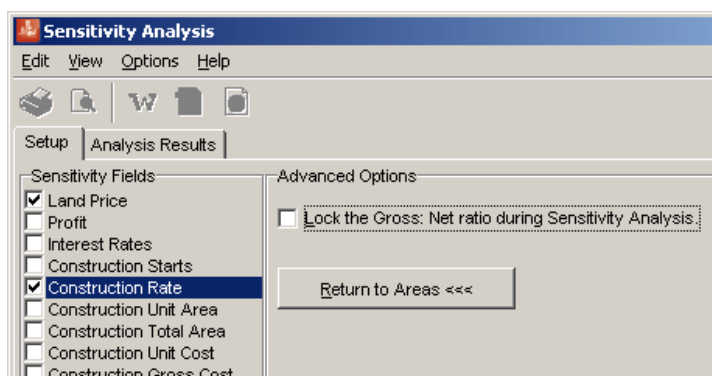
To Sensitize	Do this
Land Price	Check the Land Price field. Enter Step Amount and Step Type. Check each required phase in the phase list.
Profit	Check the Profit field. Enter the Step Amount and Step Type. If required, choose to override the current profit target with a new base rate. Check each required phase in the phase list.
Interest Rates	Check the Interest Rates field. Enter the Step Amount and Step Type. Check the Debit and/or Credit rate checkboxes. If multiple interest sets are defined, choose each required set from the list.
Area field	Check the Area field. Enter the Step Amount and Step Type. Check the required areas in the table by clicking the Include check box.
Time	Choose the Time field. Enter the Step Amount and choose the Development Stage. Check each required phase in the phase list.



The buttons **Include All** or **Exclude All** can be used to quickly select or deselect all areas and/or phases to be used in the sensitivity analysis.

Additional options

Additional options can be displayed by clicking on the **Advanced** button: 



Here, you can specify whether or not the Gross: Net ratio should be locked during calculation of the sensitivity analysis.

If you click the **Advanced** button with the “Time” field open, the advanced options will be different - here, you will be able to specify phase timescale adjustments.

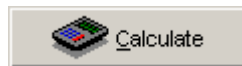
To return to the standard options in the Sensitivity Analysis window, click on the **Return to Areas** button.

Analysis Pre-Check

Before proceeding with the analysis, there are a few points to consider, as these may affect the results of the calculations.

1. Where the project is using a Single Interest Set, it will not be possible to choose individual interest sets for variation in the analysis.
2. If you have chosen Time as one of the variables, the program may not calculate any variations for the following reasons:
 - Interest rates have not been entered;
 - There are Fixed Dates entered into the Timescale form;
 - Costs or receipts have been manually timed in the cash flow.

Running the Analysis



When the fields have been chosen, you can run the Sensitivity Analysis by clicking on the **Calculate** button or selecting the **Analysis Results** tab.

ARGUS Developer will now run through 5, 25, 125 or 625 separate valuations depending upon the number of fields chosen.

While the analysis is calculating the results, a progress meter is displayed in the centre of the screen. You can stop calculation at any time by clicking on the **Cancel** button. If you do cancel the calculations, the program can display a partial set of results.

Note: If you are working in Land Residual mode, the analysis may take a while to complete.

Viewing the Analysis

The **Analysis Results Matrix** shows the results of the separate valuations. The central cell of the matrix shows the project's current Land Value or Profit Amount.

If you are working in Land Residual mode, the Land Value and Profit % are shown.

If you are working in Profit Residual mode, the Profit Amount and Profit % are shown.

The screenshot shows the 'Sensitivity Analysis' window with the 'Analysis Results' tab selected. The window title is 'Sensitivity Analysis' and it has a menu bar with 'Edit', 'View', 'Options', and 'Help'. Below the menu bar is a toolbar with icons for 'Setup', 'Analysis Results', and 'Done'. The main area displays a table titled 'Table of Profit Amount and Profit on Cost %'. The table has columns for 'Constr. Rate Land Price' and five columns for different profit variations: '- \$9.00 ft²', '- \$4.50 ft²', '\$0.00 ft²', '+ \$4.50 ft²', and '+ \$9.00 ft²'. The rows represent different profit amounts: '\$0', '\$0', '\$0', '\$0', and '\$0'. The central cell (row 3, column 4) is highlighted in blue, showing a profit amount of '\$3,601,663' and a profit percentage of '24.14%'. Below the table, there are controls for 'Rent Rate' (with buttons for '- \$3.00 ft²', '- \$1.50 ft²', '\$0.00 ft²', '+ \$1.50 ft²', '+ \$3.00 ft²') and 'Time (Construction)' (with a slider from 10 mths to 14 mths). At the bottom of the window are buttons for 'Update', 'Setup', and 'Done'.

Constr. Rate Land Price	- \$9.00 ft ²	- \$4.50 ft ²	\$0.00 ft ²	+ \$4.50 ft ²	+ \$9.00 ft ²
\$0	\$4,433,593 31.47%	\$4,017,538 27.70%	\$3,601,663 24.14%	\$3,186,013 20.77%	\$2,770,449 17.59%
\$0	\$4,433,593 31.47%	\$4,017,538 27.70%	\$3,601,663 24.14%	\$3,186,013 20.77%	\$2,770,449 17.59%
\$0	\$4,433,593 31.47%	\$4,017,538 27.70%	\$3,601,663 24.14%	\$3,186,013 20.77%	\$2,770,449 17.59%
\$0	\$4,433,593 31.47%	\$4,017,538 27.70%	\$3,601,663 24.14%	\$3,186,013 20.77%	\$2,770,449 17.59%
\$0	\$4,433,593 31.47%	\$4,017,538 27.70%	\$3,601,663 24.14%	\$3,186,013 20.77%	\$2,770,449 17.59%

It is possible to view other variables in the matrix.

Click on the **View** menu option. Several variables are available:

- Land Price;
- Finance Cost;
- Profit Amount;
- Profit %s (Cost and GDV);
- Project IRR%;
- Equity IRR;
- Development Yield%;
- Rent Cover.

Printing the Analysis



You can print a report that contains the analysis results matrix, a list of each of the items included and their variable steps by clicking on either the **Preview** or **Print** buttons.

The report is available only after the calculation has been run.

Note: If you want to print additional result variables, change the Analysis Results Matrix using the View menu option. Then reprint the Sensitivity Analysis.



The analysis results matrix can also be exported into Word by clicking on the **Print to Wordprocessor** button.



You can create an Adobe Acrobat .pdf file of the analysis results matrix by clicking on the **Print to Adobe Acrobat PDF** button.



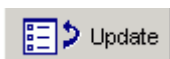
Alternatively, the analysis results matrix can be saved as an HTML file by clicking onto the **Print to Web Page (HTML)** button.

Updating the Project

The sensitivity calculations and results are held separately from the main project. However, you can force the project to adopt the variables that produce any of the measures shown in the analysis results matrix.

The project variables will be permanently changed and the project recalculated to reflect the Land Value, Profit% (and so on) shown in the Sensitivity Results.

To update the project with the current variables



Move to a cell in the analysis results matrix. Click on the **Update** button.

Restrictions

The following restrictions apply to the fields available for sensitivity:

- % Fees cannot be sensitized;
- Fixed values such as Demolition costs cannot be sensitized;
- Any items entered into the Additional Costs or Revenues schedules cannot be sensitized.

Options

If you are working in a currency where numbers require a large number of digits, you may find that the results in the matrix do not fit entirely within each cell. If this is the case, you can change the way the results are displayed by switching off cell formatting.

To switch off cell formatting

Choose **Format Results Cell** from the **Options** menu.

To	Do this
Format the result cells.	Tick the Format Results Cells option.
Suppress formats in the result cells.	Untick the Format Results Cells option.

CHAPTER 13

Cash Flow

The Cash Flow is a flexible analysis tool that records all costs and receipts entered into the Definition section of the program. Financial calculations are carried out automatically when any value changes.

The ability to define precise cost distribution as well as relationships between various items of data offers a powerful, flexible tool that deals with almost every type of single or multi-phased scheme.

A development project is normally evaluated by the revenue return on expenditure. The simple mathematical surplus (or deficit) is a general guide only that the project is worth pursuing. The true performance of the money and its comparison with alternative forms of investment is more apparent after discounting the entire project to equate the costs and revenues to present day figures.

The Cash Flow undertakes these calculations in real-time by producing the discount (DCF) rate at which the Net Present Value is zero, or as near to zero as can be calculated.

Cash Flow

What's on the Cash Flow Screen?

The cash flow is comprised of several main sections:

1. The toolbar that allows you to change the appearance and cycle of the cash flow.
2. The properties of each row, such as the Heading and Interest Set.
3. The cash flow grid containing the project costs and receipts.
4. The Interest/Inflation and Totals grid.
5. The status display on the bottom of the window, which shows information about the currently selected cell.

Heading	Category	Tagged	Hidden	Locked	Phase	Related	Sign	Inflation	Notes	Total	Aug 2007	Sep 2007	Oct 2007	Nov 2007	Dec 2007	Jan 2008	Feb 2008	Mar 2008
Stamp Duty	14	x	x	x	1	x	--	x	x	(294,464)	0	0	0	0	0	0	0	0
Agent Fee	16	x	x	x	1	x	--	x	x	(73,816)	0	0	0	0	0	0	0	0
Legal Fee	17	x	x	x	1	x	--	x	x	(147,232)	0	0	0	0	0	0	0	0
Construction Costs																		
Con. - Retail (Ground Floor)	24	x	x	x	1	x	--	x	x	(900,000)	(84,293)	(96,036)	(102,845)	(104,720)	(101,861)	(93,668)	(80,740)	(62,8
Con. - Offices (First Floor)	24	x	x	x	1	x	--	x	x	(1,225,000)	(114,732)	(130,716)	(139,984)	(142,536)	(138,372)	(127,492)	(109,896)	(85,5
Con. - Offices (Second Floor)	24	x	x	x	1	x	--	x	x	(1,225,000)	(114,732)	(130,716)	(139,984)	(142,536)	(138,372)	(127,492)	(109,896)	(85,5
Con. - 1 Bed Flats	24	x	x	x	1	x	--	x	x	(875,000)	(81,951)	(93,369)	(99,369)	(101,811)	(98,837)	(91,066)	(78,497)	(61,1
Con. - 2 Bed Flats	24	x	x	x	1	x	--	x	x	(1,062,500)	(99,512)	(113,376)	(121,415)	(123,628)	(120,017)	(110,580)	(95,318)	(74,2
Contingency	25	x	x	x	1	x	--	x	x	(264,375)	(24,761)	(28,211)	(30,211)	(30,762)	(29,863)	(27,515)	(23,717)	(18,4
Professional Fees																		
Architect	32	x	x	x	1	x	--	x	x	(317,250)	(29,713)	(33,853)	(36,253)	(36,914)	(35,836)	(33,018)	(28,461)	(22,1
Quantity Surveyor	33	x	x	x	1	x	--	x	x	(105,750)	(9,904)	(11,284)	(12,084)	(12,305)	(11,945)	(11,006)	(9,487)	(7,3
Structural Engineer	34	x	x	x	1	x	--	x	x	(52,875)	(4,952)	(5,642)	(6,042)	(6,152)	(5,973)	(5,503)	(4,743)	(3,6
Mech./Elec. Engineer	35	x	x	x	1	x	--	x	x	(105,750)	(9,904)	(11,284)	(12,084)	(12,305)	(11,945)	(11,006)	(9,487)	(7,3
Project Manager	36	x	x	x	1	x	--	x	x	(52,875)	(4,952)	(5,642)	(6,042)	(6,152)	(5,973)	(5,503)	(4,743)	(3,6
Construction Manager	37	x	x	x	1	x	--	x	x	(26,438)	(2,476)	(2,821)	(3,021)	(3,076)	(2,906)	(2,751)	(2,372)	(1,8
Marketing/Leasing																		
Marketing	40	x	x	x	1	x	--	x	x	(100,000)	0	0	0	0	0	0	0	0
Finance Details																		
Net period total										4,332,046	581,883	(682,950)	(709,955)	(722,898)	(701,780)	(646,600)	(557,359)	(434,0
Period Total For Interest										824,536	(9,533,154)	(10,226,388)	(10,970,671)	(11,732,239)	(12,477,131)	(13,171,189)	(13,780,0	
Total Interest + Fees (All Loans)										(1,198,072)	(26,734)	(30,284)	(34,328)	(38,670)	(43,112)	(47,458)	(51,506)	(55,0
Period Total For IRR										4,332,046	581,883	(682,950)	(709,955)	(722,898)	(701,780)	(646,600)	(557,359)	(434,0
Cumulative Total C/F										3,133,874	533,154	(10,226,388)	(10,970,671)	(11,732,239)	(12,477,131)	(13,171,189)	(13,780,054)	(14,269,1

Cash Flow Toolbar



You can change the appearance of the cash flow, its colour, font and so on by clicking on the **Cash Flow Options** button or selecting **Options** from the **Tools** menu.



The cash flow can be exported to Excel by clicking on the **Export to Excel** button or by using the **Import and Export** options in the **File** menu.

Select the amount of detail by choosing between **Project Cash Flow** and **Finance Cash Flow** views:



Project Cash Flow.



Finance Cash Flow.

When Structured Finance is applied to a project appraisal and the Finance Cash Flow view is selected, the project cash flow and finance cash flows can be expanded and collapsed using the buttons:

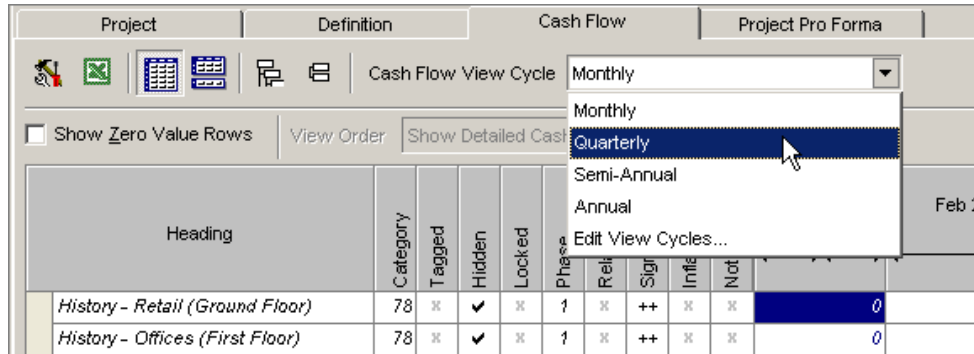


Expand All Cash Flows.



Collapse All Cash Flows.

Change the viewing cycle by selecting **Monthly**, **Quarterly**, **Semi-Annual** or **Annual** from the **Cash Flow View Cycle** drop-down box.




If you wish to add new view cycles to the list, select the **Edit View Cycles...** option. See “Editing View Cycles” on page 197 for further details.

Show Zero Value Rows If this option is checked, all zero value rows will be displayed in the cash flow. If this option is not checked, then any zero value rows will not be displayed.

Row Properties

The row properties show you additional information about each row in the cash flow, in several columns immediately after the Row Heading column. You can hide these to show more data in the cash flow grid.

To display the Row Properties, click on the **Cash Flow Options** button  and check the **Show Row Properties** check box. Uncheck this option to hide row properties.

Heading	Category	Tagged	Hidden	Locked	Phase	Related	Sign	Inflation	Notes	Jan 07	Jan 07	1	Feb 2007	2	Mar 2007
Acquisition Costs															
Residualized Price	12	x	x	x	1	x	--	x	x				(7,361,605)		0
Stamp Duty	14	x	x	x	1	x	--	x	x				(294,464)		0
Agent Fee	16	x	x	x	1	✓	--	x	x				(73,616)		0
Legal Fee	17	x	x	x	1	✓	--	x	x				(147,232)		0
Construction Costs															
Con. - Retail (Ground Floor)	24	x	x	x	1	x	--	x	x				0		0
Con. - Offices (First Floor)	24	x	x	x	1	x	--	x	x				0		0
Con. - Offices (Second Floor)	24	x	x	x	1	x	--	x	x				0		0
Con. - 1 Bed Flats	24	x	x	x	1	x	--	x	x				0		0
Con. - 2 Bed Flats	24	x	x	x	1	x	--	x	x				0		0
Contingency	25	x	x	x	1	✓	--	x	x				0		0
Professional Fees															
Architect	32	x	x	x	1	✓	--	x	x				0		0
Quantity Surveyor	33	x	x	x	1	✓	--	x	x				0		0

Heading Each row has a heading in the first column. The heading is normally filled in automatically from the Definition screen, but you can specify new headings in the cash flow. The heading is printed in the cash flow reports.

- Category** Each row has a cost/revenue category automatically assigned when it is created. The category tells ARGUS Developer how to treat the item. You are not allowed to change the category.
- Tagged** Rows can be tagged so that an operation can be performed on the entire block. When a row is tagged, a “Y” shows in the cell and the row is coloured with a darker background.
- Hidden** A row may be hidden, so that its data cells are not included in row/column totals, neither do they attract any interest. When a row is hidden, a “Y” shows in the cell.
- Locked** A locked row is one on which the data cells cannot be changed by typing a value into the grid. When a row is locked, a “Y” shows in the cell.
- Related** Rows can be related to other rows by defining a relationship at a fixed percentage. Where a row is related, a “Y” shows in the cell.
- Phase** Shows the phase number to which the row belongs. You are not allowed to change the phase number.
- Sign** Shows the sign for the values on the row: ++ indicates a revenue, -- a cost, +- a cost offsetting income and +- income offsetting cost.
- Interest** When Basic Finance (Interest Sets) is applied to a project, each row has an interest set attached to it. This governs the rate at which interest is calculated on each of the data cells. The interest set number is shown in this cell. When Structured Financing is applied to a project, this column is not displayed.
- Inflation** Each row may have an inflation or escalation set attached to it. This governs the rate at which inflation or escalation is calculated on each of the data cells. If inflation has been applied, then a “Y” is shown in the cell. If no inflation set is applied to a row, then “N” will be displayed.
- GST** Each row may carry Gross Sales Tax (GST) at any specified rate together with a rate at which GST may be recovered. If a row carries GST, a “Y” is shown in the cell.
- Notes** Each row can have notes attached. If a row has notes defined, a “Y” is shown in the cell. You can add notes by clicking on the **Notes** cell in the grid; this will open an editor window.

Cash Flow Grid

The cash flow is a grid of rows and columns. Each cell is the intersection of a row and column and holds periodic costs and receipts.

When starting ARGUS Developer for the first time, you should find that all costs are displayed in red and all receipts in blue. You can change the colour of the cell values by clicking on the **Cash Flow Options** button or by choosing **Options** from the **Tools** menu.

Generally, you first select the cell you want to work with, and then you enter data or choose a command. A selected cell appears highlighted on the screen. The active cell is the cell into which data is entered when you start typing. Only one cell is active at a time.

To change the active cell

Move the mouse pointer to a cell and click into it, or use the cursor keys.

To scroll through the grid

1. Move the mouse pointer to the down arrow in the vertical scroll bar on the right edge of the grid, and then click.
The grid moves down one row.
2. Click the scroll bar area below the scroll box, in the vertical scroll bar on the right edge of the grid. The grid scrolls down one screen.

3. Move the mouse pointer into the scroll box. Hold the mouse button down, move the pointer back to the top of the vertical scroll bar, and then release the mouse button. This is called dragging. The grid scrolls back up to the first row.

Status display

The status display shows information about the currently selected cell. It is located on the bottom of the Cash Flow window (outlined in green here for illustrative purposes):

Total Interest + Fees (All Loans)					(1,198,072)	(26,734)	(30,284)	(34,328)	(38,670)	(43,112)	(47,458)
Period Total For IRR					4,332,046	581,883	(662,950)	(709,955)	(722,898)	(701,780)	(646,600)
Cumulative Total C/F					3,133,974	533,154	(10,226,388)	(10,970,671)	(11,732,239)	(12,477,131)	(13,171,189)

Profit	3,133,974	Revenue	18,803,833	Project IRR	15.82%	Constr. Int.	N/A	Cost Per M	
Profit on Cost	20.00%	Costs (All)	-15,669,859	Dev. Yield	0.00%	Void Int.	N/A	Cost Per G	
Land Cost	-7,361,605	Interest Inc Mortgage	-1,198,072	Land Int.	N/A	Other Int.	N/A		

All Phases	Phase 1	R30.43 C10.42	Architect: 6.0000% of Con. - Retail (Ground Floor) to O.	Normal	ID: 170922
------------	---------	---------------	--	--------	------------

The following list shows the types of information displayed here (from left to right):

- How many of the phases are included/not included in the currently-displayed phase grouping;
- The current phase name;
- The currently selected cell's location in the Cash Flow grid;
- The type of value the cell contains;
- The status of the currently selected cell (whether it has "Normal" status or otherwise);
- An ID number which uniquely identifies the currently selected cell. If you need to do so, you can quote this number when making a call to technical support.

Useful status display options

In addition to the useful information described above, you can also use the status display to show an average, count or sum total of multiple cells.

To display an average

1. Select multiple cells in the grid by clicking and dragging to "paint" a range of cells.
2. The ID number (on the far right of the status display) will change to display a number.
3. Right-click on this number and select the **Average** menu option.
4. The number will change to show the average of the values in the cells you selected:

Average: (58,407)

To display a cell count

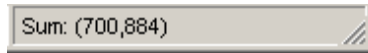
1. Select multiple cells in the grid by clicking and dragging to "paint" a range of cells.
2. The ID number (on the far right of the status display) will change to display a number.
3. Right-click on this number and select the **Count** menu option.
4. The number will change to show the number of cells you selected:

Count: 12

To display a sum total

1. Select multiple cells in the grid by clicking and dragging to "paint" a range of cells.

2. The ID number (on the far right of the status display) will change to display a number.
3. Right-click on this number and select the **Sum** menu option.
4. The number will change to show the total of the values in the cells you selected:



Other settings

When using the **Average**, **Count** and **Sum** features, there are also other menu options available when you right-click on the ID number:

- **Include Hidden Rows** If you check this option, any hidden rows that are within the currently-selected range of cells will be included in the **Average**, **Count** or **Sum** calculation.
- **Include Zero Rows** If you check this option, any zero rows that are within the currently-selected range of cells will be included in the **Average**, **Count** or **Sum** calculation.
- **Include Heading Rows** If you check this option, any heading rows that are within the currently-selected range of cells will be included in the **Average**, **Count** or **Sum** calculation.

Cash Flow Commands

You can manipulate the information shown in the cash flow by adding and deleting rows, and changing links to other rows. The cash flow commands are accessed from the **Cash Flow** menu. Alternatively, you can right-click with the mouse to access the more frequently used commands. In addition, copy, cut and paste functions are accessed from the **Edit** menu.

Copy/Paste

You can copy and paste individual cells or entire rows of data within the cash flow. In addition, you can copy the distribution curve from one row to another. Please note that, whilst you can copy any row in the cash flow, you cannot paste to related rows.

To copy a cell

1. Select the cell that you want to copy
2. Choose **Copy Cell** from the **Edit** menu or press CTRL-C on the keyboard.
3. Select the cell or range of cells that you want to paste into.
4. Choose the **Paste** command from the **Edit** menu or press CTRL-V on the keyboard.
If you select any area-based cells when pasting, the associated area record will be updated.

To copy a row

1. Move to the row that you want to copy.
2. Choose **Copy Row** from the **Edit** menu.
3. Move to the row that you want to paste into.
4. Choose **Paste** from the **Edit** menu or press CTRL-V on the keyboard.

To copy a row's distribution curve

1. Move to the row that you want to copy.
2. Choose **Copy Row Distribution %** from the **Edit** menu.
3. Move to the row that you want to paste into.
4. Choose the **Paste** command from the **Edit** menu or press CTRL-V on the keyboard.
The data values on the pasted row will now follow those on the copied row.

Cut/Paste

You can cut and paste a cell from one period to another on the same cash flow row.

To cut a cell

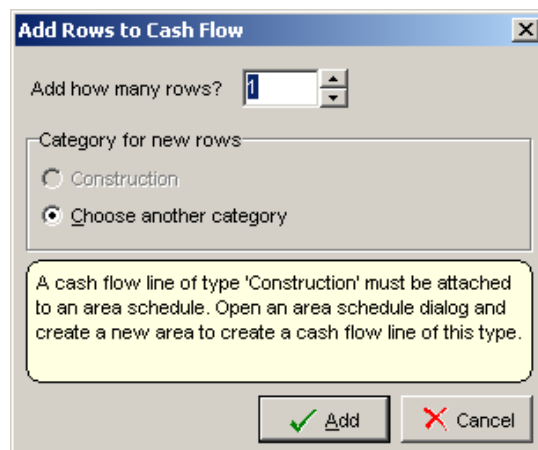
1. Move to the cell that you want to cut.
2. Choose **Cut Cell** from the **Edit** menu.
3. Move to the cell that you want to paste into.
4. Choose the **Paste** command from the **Edit** menu or press CTRL-V on the keyboard.

Add Row

Use the **Add Row** command when the Definition screen does not have a pre-defined field for your particular cost or receipt, or when defining a cash flow from scratch.

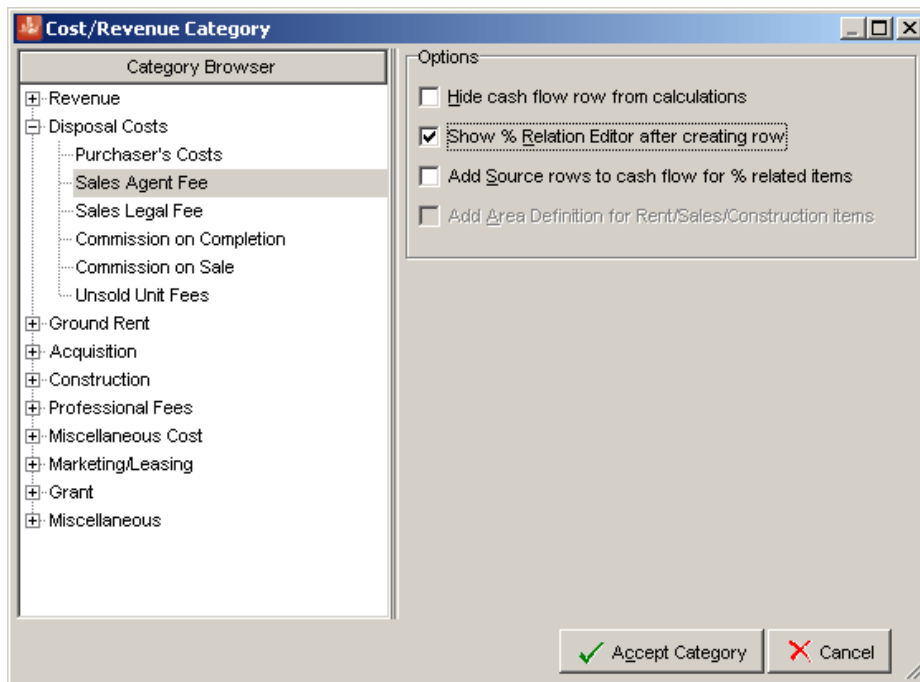
To add new rows to the cash flow

1. Select **Add Row** from the **Cash Flow** menu.
2. Enter the number of rows by typing a number or by using the spinner arrows.
3. Choose either the default category or click the **Choose another category** radio button to choose your cost or receipt type.
4. Click on the **Add** button.



To code newly added rows

1. Select a category from the Category Browser list (see graphic below). It is important that you code each new row, as it is the code that determines where the row will be placed in the cash flow and how the row's value will be treated in the calculations.
2. Make any selections from the **Options** section (see below for further explanation of the options listed).
3. Click on **Accept Category**.
After each new line is added, a progress label is updated on the screen.



Options

There are several options that determine what happens to a row after it is created:

Hide Cash Flow Row from Calculations Select this check box to hide the row from calculations. This box will be selected automatically if you code a line as any of the following: Annual Rent, Ground Rent, Rent History or Existing Income.

Show % Relation editor If you want to relate the row to another, select the **Show Relation** check box. When you click on **Accept Category**, the Relate form is displayed and you can relate the row to any other rows.

Add Source rows If you create a row that is normally dependent on other items being present (for example, Architect fee which is related to Construction among other things), you should select the **Create Source** check box. ARGUS Developer will automatically generate rows that the new fee depends on.

Add Area definition If you are creating a Rent, Sales or Construction row, you may want ARGUS Developer to generate an Area definition record. In this case, the new row is linked to an area definition.

If you are creating a Construction row, you will be asked to specify whether the construction data is linked to a Rent or Sales definition.

Edit Source

Select **Edit Source** from the **Cash Flow** menu, or by right-clicking with your mouse and selecting **Edit Source** from the drop-down menu. This opens the Detail Editor for the selected cash flow row which can then be edited or amended.

Please see “Editing Data” on page 94 for further details of the common controls in the Detail Editor.

Delete Row

You can delete a row from the cash flow to permanently remove it from the project. When you delete a row, it disappears from the Definition screen and the following rows shift up to fill the space.

To delete a row from the cash flow

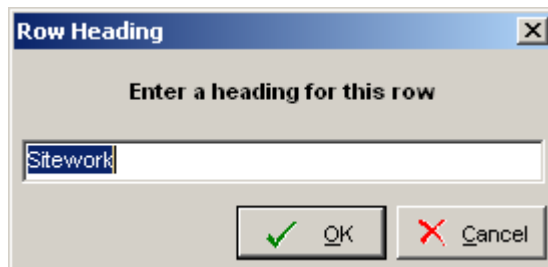
1. If you want to remove several rows in one go, tag the rows (see the section on Tag below).
2. Select **Delete** from the **Cash Flow** menu or press CTRL-DELETE to delete the row.
3. Confirm the deletion.
Rows are deleted from the cursor position downwards and the cash flow is recalculated.

If you delete a row that was created from an area definition, the area definition will be deleted. This means that if you delete a Capitalized Rent row, its MRV and Construction rows will be deleted too.

If you delete a row that has related fees attached to it, then the related fee is converted automatically into a fixed amount. You will not lose the information in the related fee cells.

Heading

You can change the standard heading of any row from within the cash flow to update area records and reports.



To change the heading

1. Move to the row whose heading you want to change.
2. Select **Heading** from the **Cash Flow** menu or press the **H** key on the keyboard.
3. Enter the new heading and press **OK**.

Lock/Unlock

You can lock rows in the cash flow to prevent manual values being entered into the data cells. Related rows are locked automatically on creation.

To lock a row

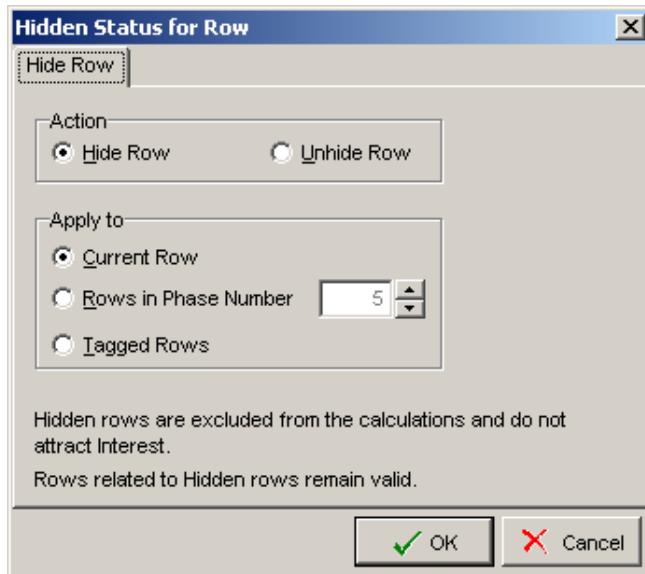
1. Move to the row that you want to lock.
2. Select **Lock/Unlock** from the **Cash Flow** menu or press the **L** key on the keyboard.

Omit (Hide)

You can mark rows as hidden so they are not included in the row/column totals, neither will they attract any interest.

Hidden rows can still be used as the basis for relationships, and it is possible to hide one or more rows in the worksheet and relate a normal fee line to it. In this case, only the figures in the related rows are used by the calculations.

When printing cash flow reports, you can choose whether or not to print hidden lines.

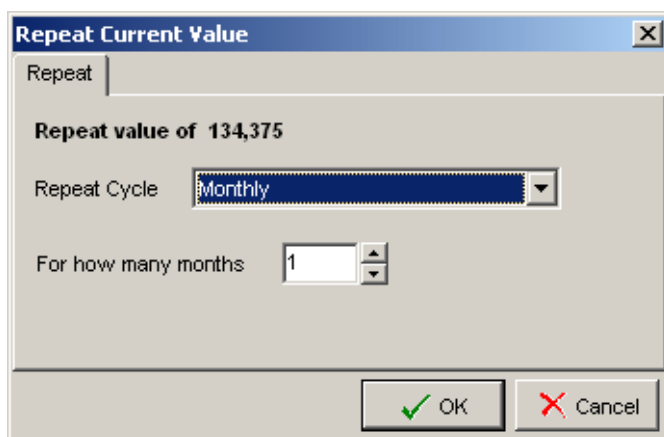


To hide a row

1. Move to the row that you want to hide.
2. Select **Omit (Hide)** from the **Cash Flow** menu or press the **O** key on the keyboard.
3. If the row is currently hidden, the Omit dialog box will have the **Unhide** option selected.
If the row is currently unhidden, the Omit dialog box will have the **Hide** option selected.

Repeat

You can quickly copy a single cell backwards and forwards through any non-related row using a variety of standard distribution cycles: monthly, quarterly and so on. If you repeat a cell on an area-based row, the associated area record will be updated.

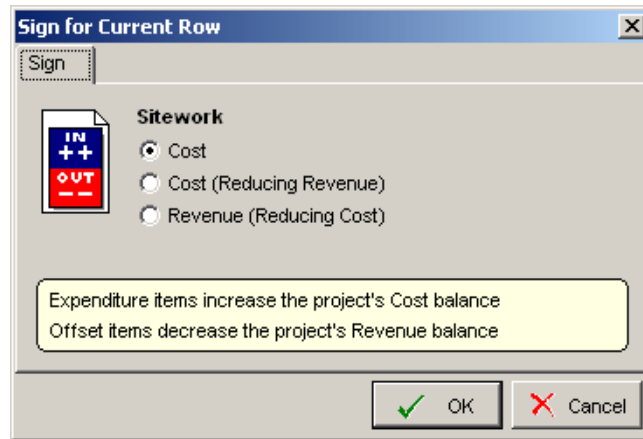


To repeat a data cell

1. Move to the cell that you want to repeat.
2. Select **Repeat** from the **Cash Flow** menu or press the **R** key on the keyboard.
3. Choose the **Repeat Cycle** from the drop-down list.
 - Periodic Cycle. Enter the number of months in the cycle and the number of months over which the cell will be repeated.
 - Any other cycle. Enter the number of months over which the cell will be repeated.

Sign

Every row in the Cash Flow carries a sign that indicates whether it is a Cost or Revenue. Two additional signs specify whether a Cost row will be used to offset/reduce Revenues or whether a Revenue row will be used to offset Costs.



To change the sign for a row

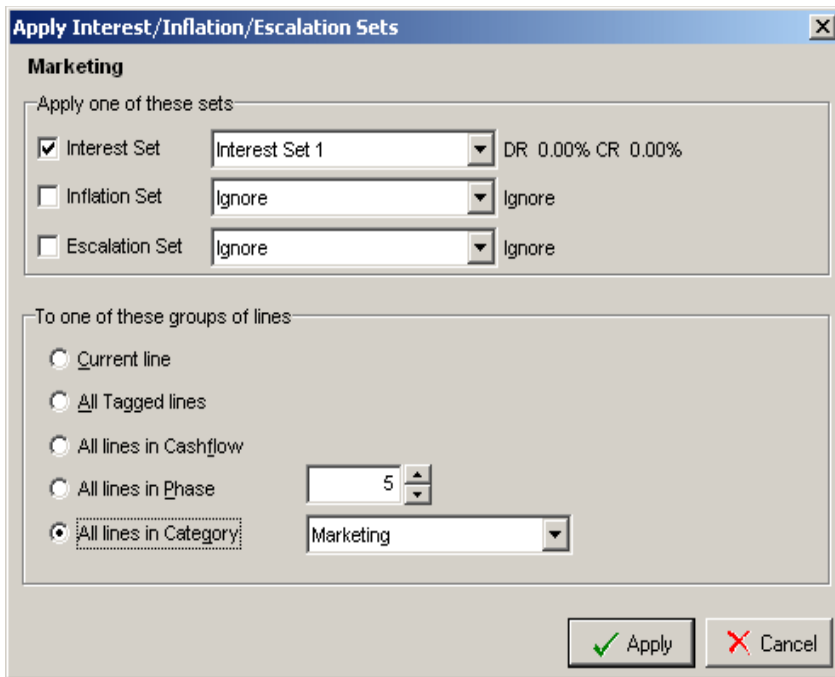
1. Move to the row for which you wish to change the sign.
2. Select **Sign** from the **Cash Flow** menu.
3. Choose a sign from the drop-down list.

Interest and Inflation

Interest, inflation and escalation sets can be selected and applied to a single or selection of rows in the Cash Flow.

To apply interest/inflation/escalation sets

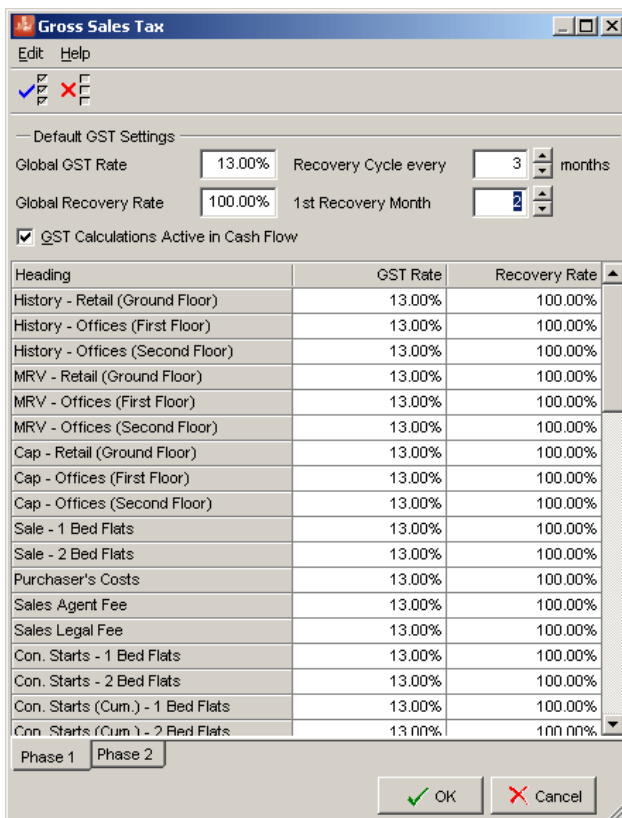
1. Select **Interest & Inflation** from the **Cash Flow** menu.
2. Select the interest, inflation and/or escalation set(s) to be applied from the drop-down lists. As you change set numbers the pre-defined rates are shown to the right of the field.
3. Choose the rows that the selected sets are to be applied to. Sets can be applied to the current row, to tagged rows, or to all lines in the cash flow, phase or category by selecting the required option.
4. Click **Apply** to apply your settings.



Gross Sales Tax

You can apply a GST rate and recovery rate to individual rows by selecting **GST** from the **Cash Flow** menu.

The GST dialog is displayed with the corresponding cash flow row highlighted.

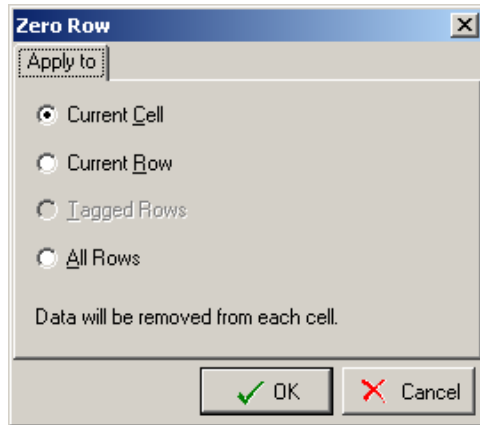


Type the values for GST rate and Recovery rate against the required item(s) in the table in the lower half of the GST form, and then click on the **Save** command button.

For further information see Chapter 14 'Gross Sales Tax' on page 207.

Zero Row

You can remove the data values without removing the row from the Cash Flow by setting each cell to zero.



To zero either a cell or row

1. Move to the cell or row.
2. Select **Zero Row...** from the **Cash Flow** menu.
3. Choose the range that you want to zero and click on **OK**.

To zero tagged rows

1. Tag the range of rows (see the section on Tag below).
2. Select **Zero Row...** from the **Cash Flow** menu and click on **OK**.

Note: Any rows that are attached to an area definition will be updated automatically.

Row Properties

Row Properties provides additional information about the selected row in the Cash Flow.

Heading Each row has a heading in the first column. The heading is normally filled in automatically from the Definition screen, but you can specify new headings in the Cash Flow by clicking onto the **Heading** button. The heading is printed in the Cash Flow reports.

Phase Shows the phase number to which the row belongs. You are not allowed to change the phase number.

Order This refers to the block of similar lines to which the row belongs. The Cash Flow is constructed from a series of blocks of rows such as Revenue, Acquisition, Construction and so on. These blocks of lines are sorted by phase, so that all rows for revenue items for a phase are grouped together in the Cash Flow.

Group Order This is the order of individual lines within an Order block.

Category Each row has a cost/revenue category automatically assigned when it is created. The category tells ARGUS Developer how to treat the item. You are not allowed to change the category.

Sub Group The sub group is used to direct an Additional Related fee to a specific position on the Project Pro Forma report. The default setting for Additional Related costs is cost group 50. To change the position of an Additional Related fee, select the appropriate category of the item that it should appear below in the Project Pro Forma.

Tag Rows can be tagged so that an operation can be performed on the entire block. When a row is tagged, this check box will be checked and the row is coloured with a darker background in the Cash Flow.

Hide A row may be hidden, so that its data cells are not included in row/column totals, neither do they attract any interest. When a row is hidden, this check box will be checked.

Lock A locked row is one on which the data cells cannot be changed by typing a value into the grid. When a row is locked, this check box will be checked.

Timing If the distribution of the item in the Cash Flow has been manually altered, this check box will be checked. You can further adjust the timing by clicking on the **Timing** button.

Distribution This shows the current data distribution pattern. You can edit the data distribution by clicking on the **Distribution** button.

Relate Rows can be related to other rows by defining a relationship at a fixed percentage. Where a row is related, this field summarizes the percentage relation, the rows to which the item is related and the relation type.

Sign Shows the sign for the values on the row: ++ indicates a revenue, -- a cost, -+ a cost offsetting income and +- income offsetting cost.

Interest Each row has an interest set attached to it. This governs the rate at which interest is calculated on each of the data cells. The interest set number and the defined rates for that set are shown.

Interest Timing The interest timing, in advance or in arrears is shown here. This setting can be locked.

Inflation Each row may have an inflation or escalation set attached to it. This governs the rate at which inflation or escalation is calculated on each of the data cells. The set number and the defined rates for that set are shown.

GST Each row may carry Gross Sales Tax (GST) at any specified rate together with a rate at which GST may be recovered. If a row carries GST, the GST rate and recovery rate are shown.

Total Shows the total for the item in the Cash Flow. If escalation is applied, it shows the amount plus escalation.

Unescalated Shows the total excluding escalation.

Properties of Row Number 50

Current Row

Left Click on a Button to Modify or Examine an Item

Heading	Quantity Surveyor		
Phase	1	Order	4
		Group Order	16
Category	33	Quantity Surveyor	
Sub-Group	0	Net Land Area	
Tag	<input type="checkbox"/> Row tagged in the Cash Flow		
Hide	<input type="checkbox"/> Row hidden from calculations		
Lock	<input type="checkbox"/> Row locked against manual entries in the Cash Flow		
Timing	<input type="checkbox"/> Distribution manually altered		
Distribution	Distribution is calculated by the System		
Relate	2.00% of (41 - 46) Match period by period to many rows, Straight		
Sign	Cost		
Interest	Interest Set 1 - DR 7.00% CR 0.00% [Group 2]		
Interest Timing	In Arrears	<input type="checkbox"/> Lock	
Inflation	Inflation/Escalation Ignored		
Total	105,750		
Unescalated	105,750		

OK Cancel

Cell Properties

By using the **Cash Flow | Cell Properties** menu option or right-clicking on a cell in the Cash Flow and using the **Cell Properties** menu option, you can see the properties of the cell that is currently selected.

Period Number This is the month in which the selected value sits in the Cash Flow.

Value This is the value of the cell.

Inflated Value This is the value plus any inflation.

Distribution This is the percentage of the cell in terms of the total for the entire row.

Fixed This indicates whether or not the cell is fixed.

Export Cash Flow to Excel

You can export the Cash Flow to Excel in either of the following ways:

- Raw data with formulae.
This opens Excel and pushes all the data from your Cash Flow into a pre-defined template.
- Full export.
This opens the Import and Export wizard which allows you to export data to a range of applications. For further information on these options see “Importing and Exporting Data” on page 241.

Tag

You can tag a block of lines prior to using the **Omit** or **Zero** commands so that the command works on the whole block in one go. The tagged blocks are shown here outlined in green for illustrative purposes:

Heading	Category	Tagged	Hidden	Locked	Phase	Related	Sign	Interest	Initiation	GST	Notes	13	14	15	16	17	18	19	20		
												Jan 2008	Feb 2008	Mar 2008	Apr 2008	May 2008	Jun 2008	Jul 2008	Aug 2008		
												Construction			Holding Period						
Revenue																					
History - Retail (First Floor)	78	✓	✗	✗	1	✗	++	✓	✗	✗	✗	0	0	0	378,000	378,000	378,000	378,000	378,000		
History - Offices (Second Floor)	78	✓	✗	✗	1	✗	++	✓	✗	✗	✗	0	0	0	178,500	178,500	178,500	178,500	178,500		
History - Offices (Third Floor)	78	✓	✗	✗	1	✗	++	✓	✗	✗	✗	0	0	0	178,500	178,500	178,500	178,500	178,500		
MRV - Retail (First Floor)	3	✓	✗	✗	1	✗	++	✓	✗	✗	✗	0	0	0	0	0	0	0	0		
MRV - Offices (Second Floor)	3	✓	✗	✗	1	✗	++	✓	✗	✗	✗	0	0	0	0	0	0	0	0		
MRV - Offices (Third Floor)	3	✓	✗	✗	1	✗	++	✓	✗	✗	✗	0	0	0	0	0	0	0	0		
R Flow - Offices (Second Floor)	7	✓	✗	✗	1	✗	++	✓	✗	✗	✗	0	0	0	0	0	0	14,875	14,875		
R Flow - Offices (Third Floor)	7	✓	✗	✗	1	✗	++	✓	✗	✗	✗	0	0	0	0	0	0	14,875	14,875		
Cap - Retail (First Floor)	4	✓	✗	✗	1	✗	++	✓	✗	✗	✗	0	0	0	0	0	0	0	0		
Cap - Offices (Second Floor)	4	✓	✗	✗	1	✗	++	✓	✗	✗	✗	0	0	0	0	0	0	0	0		
Cap - Offices (Third Floor)	4	✓	✗	✗	1	✗	++	✓	✗	✗	✗	0	0	0	0	0	0	0	0		
Sale - 1 Bed Flats	2	✗	✗	✗	1	✗	++	✓	✗	✗	✗	0	0	0	0	0	0	0	0		
Sale - 2 Bed Flats	2	✗	✗	✗	1	✗	++	✓	✗	✗	✗	0	0	0	0	0	0	0	0		
Acquisition Costs																					
Residualized Price	12	✗	✗	✗	1	✗	--	✓	✗	✗	✗	0	0	0	0	0	0	0	0		
Construction Costs																					
Con. - Retail (First Floor)	24	✓	✗	✗	1	✗	--	✓	✗	✗	✗	(80,740)	(62,878)	(40,082)	0	0	0	0	0		
Con. - Offices (Second Floor)	24	✗	✗	✗	1	✗	--	✓	✗	✗	✗	(109,896)	(85,584)	(54,556)	0	0	0	0	0		
Con. - Offices (Third Floor)	24	✗	✗	✗	1	✗	--	✓	✗	✗	✗	(109,896)	(85,584)	(54,556)	0	0	0	0	0		
Con. - 1 Bed Flats	24	✗	✗	✗	1	✗	--	✓	✗	✗	✗	(78,497)	(61,132)	(38,969)	0	0	0	0	0		
Con. - 2 Bed Flats	24	✗	✗	✗	1	✗	--	✓	✗	✗	✗	(95,318)	(74,231)	(47,319)	0	0	0	0	0		

To tag a block of rows

- Before you can tag any rows, the row properties must be visible. To do this, use the **Tools | Options...** | **Cash Flow** menu option and make sure that **Show Row Properties** is checked.
- To tag a row in the Cash Flow, click into the **Tagged** cell in the Row Properties section. The **Tagged** indicator will change to display a tick, and the tagged line will now be shown with a differently-coloured background (the color that is displayed here depends on your color settings).
 - To tag a group of contiguous rows, hold down the SHIFT key as you make the selection.
 - To tag a group of non-contiguous rows, hold down the CTRL key as you make the selection.
 - To remove the tags from all tagged lines, click anywhere into the Cash Flow grid.

Finance Cash Flow: Basic Finance (Interest Sets)

The Cash Flow can be expanded to show a second grid containing column totals, interest and inflation rates, and GST payments and receipts when **Basic (Interest Sets)** has been selected as the financing method in the **Finance** tab of **Assumptions for Calculation**.

You can use the Finance view to override the periodic rates for any of the interest and inflation sets or to enter the fixed interest total for a period.



To show the Finance Cash Flow, click on the **Finance Cash Flow** button on the **Cash Flow** toolbar. The Finance grid is shown here outlined in green for illustrative purposes:

Heading	Category	Tagged	Hidden	Locked	Phase	Related	Sign	Inflation	Interest	GST	Notes	Oct 2004	Nov 2004	Dec 2004	Jan 2005	Feb 2005	Mar 2005	Apr 2005	May 2005	Jun 2005	
Fixed DCC	20	x	x	x	1	x	--	x	x	x		0	0	0	0	0	0	0	0	0	0
Survey	21	x	x	x	1	x	--	x	x	x		0	0	0	0	0	0	0	0	0	0
Construction Costs																					
Demolition	27	x	x	x	1	x	--	x	x	x		0	0	0	(500,000)	0	0	0	0	0	0
Road/Site Works	28	x	x	x	1	x	--	x	x	x		0	0	0	(1,000,000)	0	0	0	0	0	0
Con. - Unit 1	24	x	x	x	1	x	--	x	x	x		0	0	0	(13,512)	(31,947)	(46,955)	(58,537)	(66,692)	(71,420)	0
Con. - Unit 2 (overall rate no ITZA)	24	x	x	x	1	x	--	x	x	x		0	0	0	(16,863)	(39,870)	(58,600)	(73,054)	(83,231)	(89,133)	0
10% cost	80	x	x	x	1	x	--	x	x	x		(20,000)	0	0	0	0	(100,000)	0	0	0	0
Contingency	25	x	x	x	1	x	--	x	x	x		0	0	0	(1,519)	(3,591)	(5,278)	(6,580)	(7,496)	(8,028)	0
Professional Fees																					
Architect	32	x	x	x	1	x	--	x	x	x		0	0	0	(3,037)	(7,182)	(10,555)	(13,159)	(14,992)	(16,055)	0
Quantity Surveyor	33	x	x	x	1	x	--	x	x	x		0	0	0	(607)	(1,436)	(2,111)	(2,632)	(2,998)	(3,211)	0
Structural Engineer	34	x	x	x	1	x	--	x	x	x		0	0	0	(911)	(2,154)	(3,167)	(3,948)	(4,498)	(4,817)	0
Mech./Elec. Engineer	35	x	x	x	1	x	--	x	x	x		0	0	0	(607)	(1,436)	(2,111)	(2,632)	(2,998)	(3,211)	0
Project Manager	36	x	x	x	1	x	--	x	x	x		0	0	0	(1,215)	(2,873)	(4,222)	(5,264)	(5,997)	(6,422)	0
Miscellaneous Costs																					
Security	43	x	x	x	1	x	--	x	x	x		(2,400)	(2,400)	(2,400)	(2,400)	(2,400)	(2,400)	(2,400)	(2,400)	(2,400)	(2,400)
Marketing/Leasing																					
Marketing	40	x	x	x	1	x	--	x	x	x		0	0	0	0	0	0	0	0	0	0
Total GST paid												0	0	0	0	0	0	0	0	0	0
GST recovered on cycle date												0	0	0	0	0	0	0	0	0	0
Net period total												(20,400)	(400)	(400)	(1,538,672)	(90,888)	(233,399)	(166,204)	(189,303)	(202,697)	(18,203,854)
Period Total for Interest												(15,305,727)	(15,326,127)	(15,479,686)	(15,480,086)	(17,018,758)	(17,349,540)	(17,582,939)	(17,749,142)	(18,201,854)	(18,203,854)
Inflation Set 1. Rate pa = 1.00%												1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Interest Set 1. Debit Rate pa = 6.00%												6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00
Interest Set 1. Credit Rate pa = 0.00%												0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total for Interest Set 1												(76,529)	(76,631)	(77,398)	(77,400)	(85,094)	(86,748)	(87,915)	(88,746)	(91,009)	(91,009)
Total Interest (All Sets)												(76,529)	(76,631)	(77,398)	(77,400)	(85,094)	(86,748)	(87,915)	(88,746)	(91,009)	(91,009)
Period Total For IRR												(20,400)	(400)	(400)	(1,538,672)	(90,888)	(233,399)	(166,204)	(189,303)	(202,697)	(18,203,854)
Cumulative Total CF												(15,404,655)	(15,481,686)	(15,559,485)	(17,175,557)	(17,351,540)	(17,671,686)	(17,925,805)	(18,203,854)	(18,497,560)	(18,497,560)

In the Finance view, you can show the minimum of detail by using the **Tools | Options...** menu option, selecting the Cash Flow tab in the Options window then checking the **Show Brief Finance Details** check box. This view hides the inflation and interest rate rows and shows only GST (if applied), the period totals and total interest amounts.


Current Inflation Set

Shows the rates for any of the defined inflation sets. You can modify the profile of rates to easily recalculate inflation for any items attached to the set.

To change the current inflation/escalation set

1. Right-click within the Finance grid.
2. Select **View Inflation/Escalation Sets** from the popup menu.
3. Select the set number.

To enter stepped inflation/escalation rates

1. Click on the **Inflation/Escalation Sets** button on the main toolbar: 
2. Enter the stepped rates into schedule.

Current Interest Set

Shows the Debit and Credit rates for any of the defined interest sets. You can modify the profile of rates to easily recalculate interest for any items attached to the set.

To change the current interest set

1. Right-click within the Finance grid.
2. Select **View Interest Sets** from the popup menu.
3. Select the interest set name from the list.

To change a fixed interest rate

1. Click on the **Inflation/Escalation Sets** button on the toolbar.
2. Change the rates in the schedule.

To enter stepped finance rates

1. Click on the **Inflation/Escalation Sets** button on the toolbar.
2. Enter the stepped rates into the schedule.

To enter a fixed finance cost

1. Move to the **Total for Construction Loan** row in the Finance grid.
2. Type the fixed finance cost into the required cell and press Return.
The Finance grid will display the amount in the Debit Rate cell and blank out the rate in the Credit Rate cell.

Finance Cash Flow: Structured Finance



To show the Finance Cash Flow, click on the **Finance Cash Flow** button on the **Cash Flow** toolbar. When **Structured Financing** has been selected as the financing method in the **Finance** tab of **Assumptions for Calculation**, the Finance Cash Flow will display individual cash flows for each Debt and Equity partner created together with Project Cash Flow and Combined Partners cash flows.

For further information on Structured Finance, see “Structured Finance” on page 135.

Within the Finance Cash Flow, each individual partner cash flow can be expanded or hidden by clicking onto the “+/-” expansion button next to each partner’s name. All of the partner cash flows can be expanded or hidden simultaneously using the buttons:



Expand all Cash Flows.



Collapse all Cash Flows.

Heading	Total	13 Jan 2004	14 Feb 2004	15 Mar 2004	16 Apr 2004	17 May 2004	18 Jun 2004	19 Jul 2004	20 Aug 2004	Sep 2
Finance: Project Cash Flow Pre-Finance IRR: 17.9%										
+ Finance: Developer In # 1: 30% Out # 3 Contribution Proportion: 100.00% Repayment Proportion: 100.00%										
+ Profit Distribution : Developer Order # 2: Profit Type: Residual Percentage Total Return: \$3,569,084										
- Finance: Construction Loan In # 2: 70% Out # 2 Interest: 8.00% Contribution Proportion: 100.00% Repayment Proportion: 100.00%										
Timed Contribution: Project	0	0	0	0	0	0	0	0	0	0
Auto. Project Contribution	(8,363,214)	(2,442,485)	(5,000)	(5,000)	(5,000)	(221,546)	(421,670)	(609,464)	(740,636)	
Total Contribution	(8,363,214)	(2,442,485)	(5,000)	(5,000)	(5,000)	(221,546)	(421,670)	(609,464)	(740,636)	
Interest	(623,532)	0	(16,245)	(16,386)	(16,529)	(16,672)	(18,260)	(21,193)	(25,398)	(30,5
Timed Repayment: Project	0	0	0	0	0	0	0	0	0	0
Auto. Repayment	8,986,745	5,800	0	0	0	0	0	0	0	4,606,
Total Repayment	8,986,745	5,800	0	0	0	0	0	0	0	4,606,
Closing Balance		(2,436,685)	(2,457,930)	(2,479,316)	(2,500,845)	(2,739,063)	(3,178,993)	(3,809,650)	(4,575,684)	
Net Cash Flow (IRR)	0	(2,436,685)	(21,245)	(21,386)	(21,529)	(238,218)	(439,931)	(630,657)	(766,034)	4,575,
Cumulative Net Cash Flow		(2,436,685)	(2,457,930)	(2,479,316)	(2,500,845)	(2,739,063)	(3,178,993)	(3,809,650)	(4,575,684)	
+ Finance: Mortgage IRR: 5.1% Annual Int. Rate/Comp: 5.00%/Semi-Annual Annual Payment(P+): \$764,578 DS Ratio: 0.00 Initial Loan/Value Ratio: 0.00										
+ Finance: General Partner Project IRR: 0.0%										
+ Finance: Combined Sources Project IRR: 31.8%										

When your project has GST calculations active, the Project Partner Cash Flow will show several extra lines (in the **Finance: Project Cash Flow Pre-Finance** section of the Cash Flow): **Net GST**, **GST Cost** and **GST Revenue**. These extra rows are shown here outlined in green for illustrative purposes:

Project		Definition		Cash Flow		Project Pro Forma	
Cash Flow View Cycle: Monthly							
<input type="checkbox"/> Show Zero Value Rows <input type="checkbox"/> Show Timed Finance Rows View Order: Show Detailed Cash Flows in Contribution Order							
Heading	Total	13 Jan 2004	14 Feb 2004	15 Mar 2004	16 Apr 2004	17 May 2004	18 Jun 2004
Finance : Project Cash Flow Pre-Finance IRR: 17.8%							
Gross Sales Tax : GST Revenue	0	0	0	0	0	0	0
Gross Sales Tax : GST Cost	(1,070,224)	(839,280)	0	(650)	650	(28,801)	(25,366)
Gross Sales Tax : Net GST	0	(839,280)	838,630	(650)	650	(28,801)	(25,366)
Revenue: Unit Sales	0	0	0	0	0	0	0
Revenue: Rental Income	1,447,000	0	0	0	0	0	0
Revenue: Capitalized Rent	17,069,778	0	0	0	0	0	0
Revenue: Other	1,051,024	5,800	833,630	0	0	0	0
Total Revenue	19,567,802	5,800	833,630	0	0	0	0
Cash Outflows (Dev. Costs)	(14,442,939)	(7,301,080)	0	(5,650)	(4,350)	(250,347)	(447,036)

- **GST Revenue** - this is the amount of GST that is added to the revenue. This will happen when there is a GST reclamation.
- **GST Cost** - this is the amount of GST that is added to or subtracted from the project costs. This will happen (a) when there is a GST payment but no reclamation; (b) when there is a GST reclamation.
- **Net GST** - this line shows the net amount of GST Paid and GST Reclaimed in each period. The Net GST will be used to (a) add to costs; (b) offset costs; and (c) add to revenues.

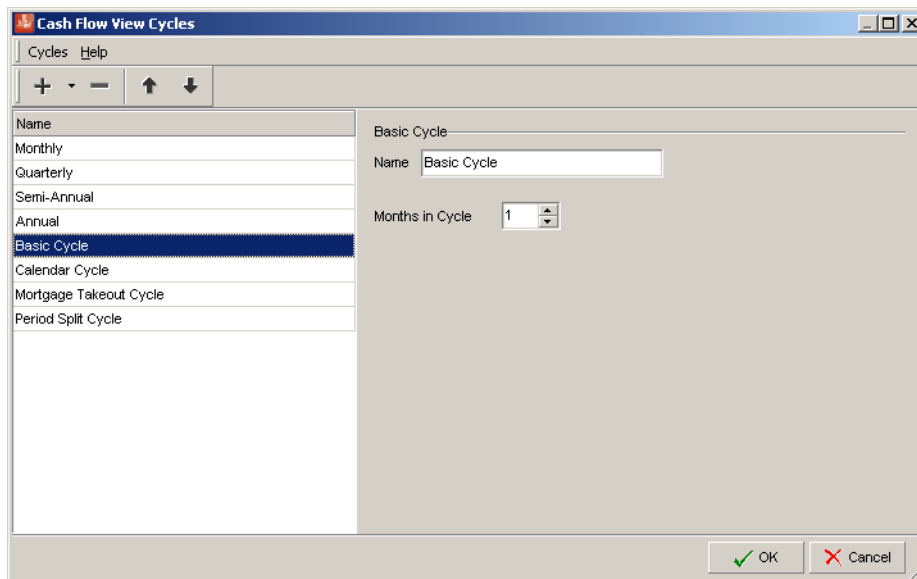
Editing View Cycles

In the Cash Flow, you can specify time periods other than the default options for viewing data. The default view cycles available from the **Cash Flow View Cycle** drop-down box are **Monthly**, **Quarterly**, **Semi-Annual** or **Annual**. To add new view cycles to this list, select the **Edit View Cycles...** option.

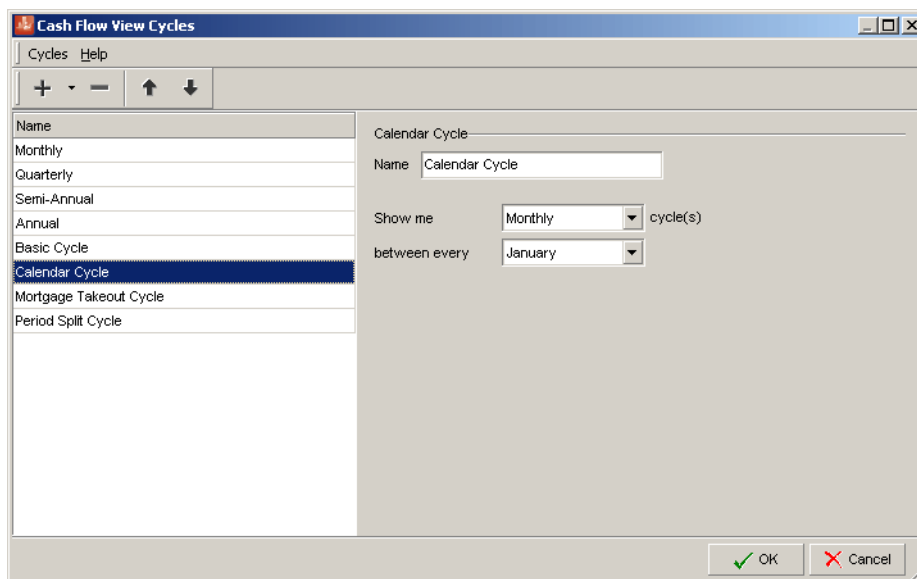
This opens the following window:

Here, you can add several different types of view cycle:

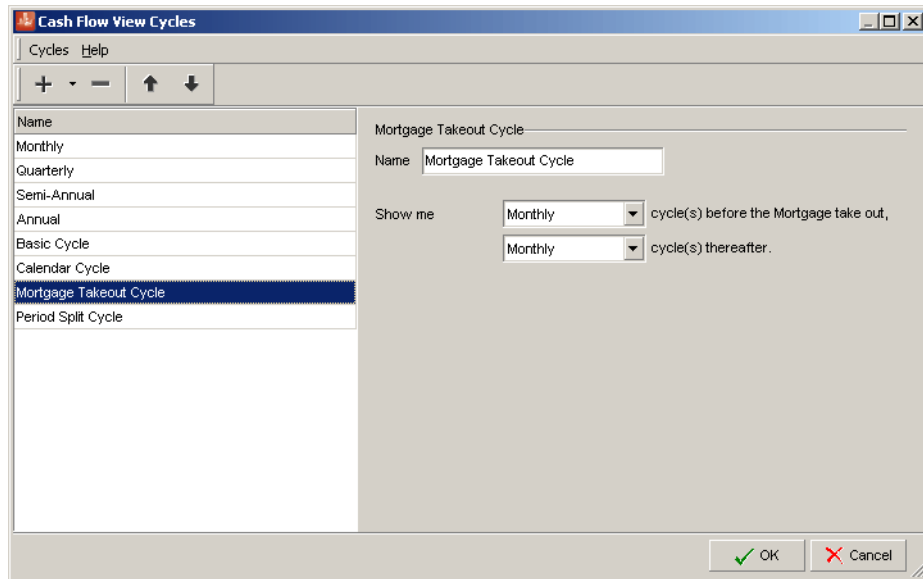
- **Basic Cycle** - A basic cycle allows you to specify a number of months for the cycle:



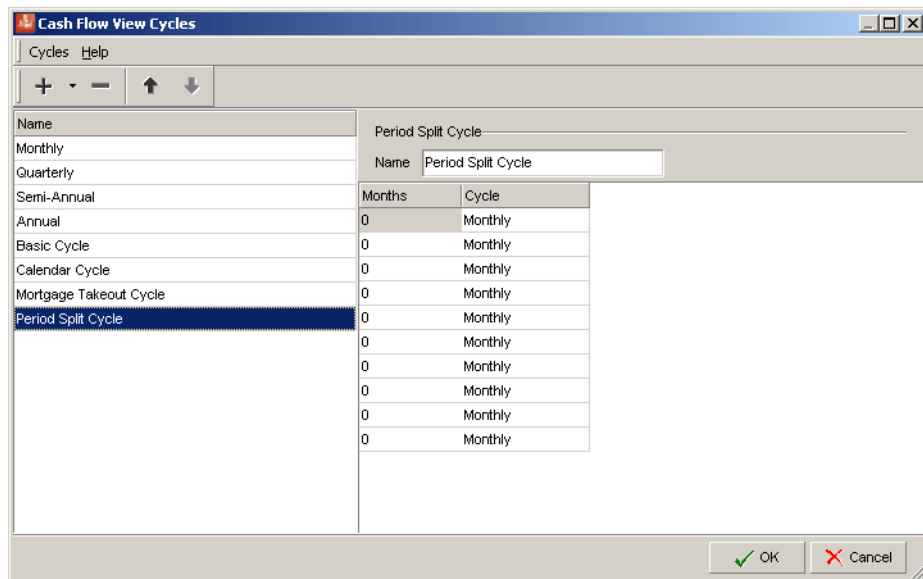
- **Calendar Cycle** - A calendar cycle allows you to specify a cycle that can repeat at regular intervals throughout a calendar year. For example, you can specify a recurring quarterly cycle that occurs throughout the year, beginning in April.





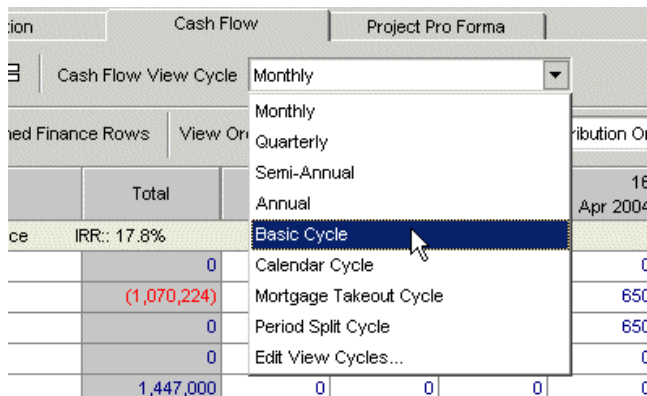
- **Mortgage Takeout Cycle** - a mortgage takeout cycle can allow you to specify a view cycle before and after the mortgage takeout in the cash flow, if you wish to display different view cycles.



- **Split Cycle** - a split cycle allows you to view the cash flow using a mixture of the basic types (single, monthly, quarterly, semi-annual, annual).
Example: For the first 4 months you could specify a monthly cycle, then for the next 6 months, you could specify a quarterly cycle, and for the remainder you could specify a semi-annual view cycle.



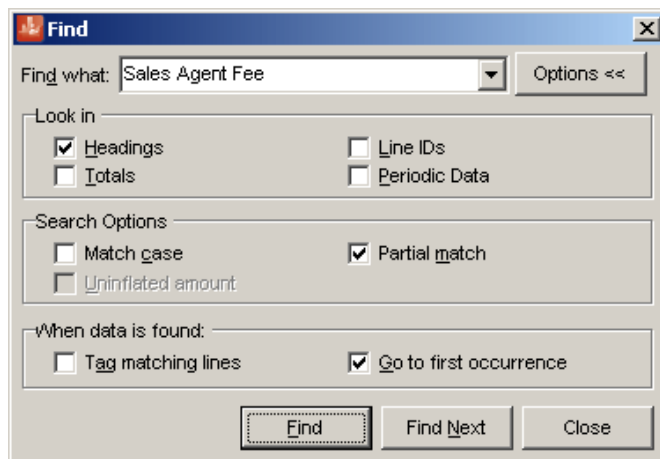
Once you have added new view cycles to this window, you can use the up  or down  arrows to specify their relative position in the list. This will determine their position when they are displayed in the **Cash Flow View Cycle** drop-down list:



Note: You will not be able to delete or edit the default view cycle values, but you can change their order in the list.

Cashflow search facility

To search for a specific item in the cash flow, use the **Edit | Find...** menu option to open the Find dialog:



In the **Find what** field, type in what you are looking for - this could be a specific number, or row heading. Previous search strings will be stored so you can use them again at a later time - just select them from the drop-down.

Use the **Look In** controls to specify where you wish to search within the cashflow.

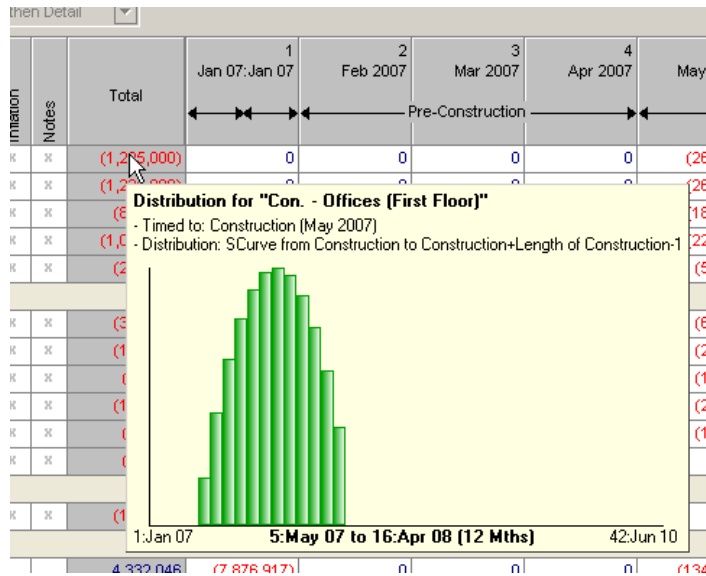
In the **Search Options** section, you can use the controls to fine-tune your search.


Use the controls in the **When data is found** section to specify what action will be taken when the object of the search has been found.

Click on **Find**, or **Find Next** if you wish to skip to the next occurrence.

Distribution summaries on totals

To view a visual summary of the distribution for each row item, hold your mouse pointer over the Total column. A pop-up window will appear, showing a graph of the distribution:

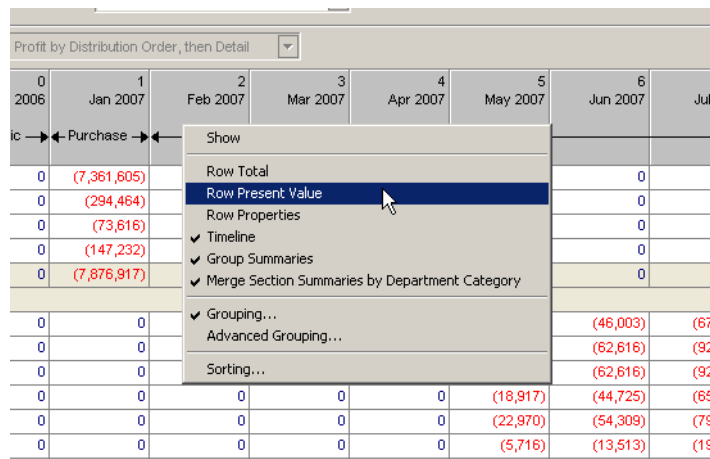


If you do not have this Total column displayed, click on the **Cash Flow Options** button  to open the Options window.

Check the **Show Row Total Column** box to turn on the Total column.

Column and group options in the Project Cash Flow

In the Project Cash Flow, it is possible for you to quickly turn various column and row group options on or off. To do this, right-click anywhere in the column heading to open the menu:



This menu allows you to toggle various columns on or off:

- **Row Total** - This is a total of all the values on the row;
- **Row Present Value** - This shows the PV of the values on the row;
- **Row Properties** - This shows all the Row Properties columns.

Other cash flow items can be toggled on or off:

- **Group Summaries** - These are extra rows that contain totals for each group of rows that you have defined;
- **Timeline** - This displays the timeline in the heading row (the timeline indicates which months belong to each stage/phase);

- **Merge Section Summaries by Department Category** - This merges together several levels of section summaries to produce one summary.

Grouping rows

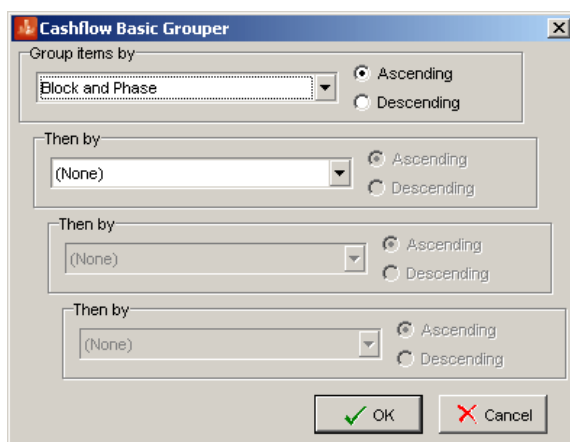
In the cash flow, you can set up groupings of rows to make the cash flow presentation easier for you to read. You have a choice of 2 types of grouping complexity:

- Basic grouping;
- Advanced grouping.

Basic grouping

Right-click anywhere in the column heading to open the menu and select the **Grouping...** option.

This opens the Cashflow Basic Grouper dialog:



Here, you can define up to 4 levels of grouping by selecting types of rows and row attributes, and defining a sort direction.

For example, in level 1 you could select “Category”, and in level 2 you could select “Cost Code”. This would perform the primary grouping on the category, and a secondary grouping on the cost code.

Other grouping criteria you can select here are attributes that have been set, such as “Locked”, “Hidden” or “Tagged”.

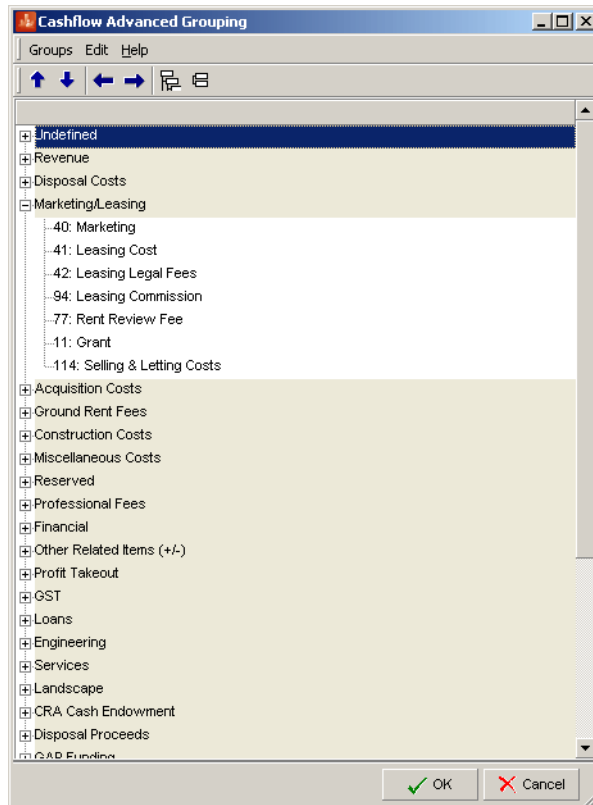
You can turn off a grouping level by selecting “(None)”. This will turn off the grouping level and any other level below it.

The default option is “Default Category Order”, which groups the rows in a default order (“factory settings”).

When you have defined a grouping pattern in this dialog and clicked on **OK**, the rows in the cash flow will arrange themselves according to this pattern.

Advanced grouping

Right-click anywhere in the column heading to open the menu and select the **Advanced Grouping...** option. This opens the Cashflow Advanced Grouping window:



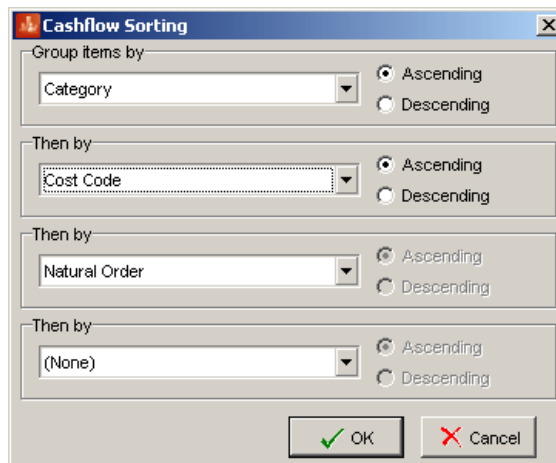
In the Cashflow Advanced Grouping window, you can move the existing groupings and row items about by using the arrow buttons.

If you wish to create new groups, you can use the **Edit | Add Main Group** and **Edit | Add Sub Group** options. You can give these groups any name you want, and you can drag existing row items from other groups into a group you have created.

When you click **OK**, the cashflow row and grouping structure will change to reflect the modifications you have made.

Sorting in the cash flow

You can specify a default sorting method for the cash flow rows by right-clicking on the column headings and selecting the **Sorting...** option. This opens the Cashflow Sorting dialog:



Here, you can define up to 4 levels of sorting by selecting types of rows and row attributes, and defining a sort direction.

For example, in level 1 you could select “Category”, and in level 2 you could select “Cost Code”. This would perform the primary sort on the category, and a secondary sort on the cost code.

Other sort criteria you can select here are attributes that have been set, such as “Locked”, “Hidden” or “Tagged”.

You can turn off a sort level by selecting “(None)”. This will turn off the sort level and any other level below it.

The default option is “Natural Order”, which sorts the rows in a default order (“factory settings”).

When you have defined a sorting pattern in this dialog and clicked on **OK**, the rows in the cash flow will arrange themselves according to this pattern.

Exporting to Excel



To export the cash flow data to Excel, click the **Excel** button on the Cash Flow page.

Alternatively, you may also use the **Finance | Cash Flow Data from Current View** menu option.

Highlighted Funding Source Report

To display a funding source report for a specific phase, select the appropriate phase tab and use either the **Finance | Highlighted Funding Source Report...** menu option, or if you are currently viewing the Finance Cash Flow, right-click on the cash flow heading and select the **Highlighted Funding Source Report...** menu option:

	5	6	7	8	9	
	May 2008				Sep 2008	Oct
	0				0	
	0				0	
	0				0	
	0				0	
	0	0	0	0	0	0
	(134,316)	(317,566)	(466,756)	(581,883)	(662,950)	(709)
	(134,316)	(317,566)	(466,756)	(581,883)	(662,950)	(709)

This will generate a funding source report for the selected phase:

Preview Report

Next Previous Zoom In Zoom Out Zoom Width Zoom Page Print Close

FUNDING SOURCE CASH FLOW LICENSED COPY

Step By Step Example
Phase 1 (Multi Use Project Phase 1) Page A 1

Source of Funds
Type

Project Cash Flow Pre-Finance
Project

Heading	1 Jan 2008	2 Feb 2008	3 Mar 2008	4 Apr 2008
Total Revenue	0	0	0	0
Cash Outflows (Dev. Costs)	(14,275,757)	0	0	0
Net Cash Flow Pre-Finance ((14,275,757)	0	0	0
Auto. Profit for Distribution	0	0	0	0
Profit Distribution to Order 1	0	0	0	0

ASSUMPTIONS

ANALYSIS	
IRR	-3.227%
Initial Yield	0.000%
Initial Equity Yield	0.000%
Initial Yield on Cost	0.000%

Preview: Page 1 of 13 Zoom factor 100.0%

CHAPTER 14

Gross Sales Tax



Click on the **GST Schedule** button to apply Gross Sales Tax to any item previously entered through the Definition screen. If you cannot see the button, use the **File | Administration | System Configuration | Country** menu option. You can then check the **Include Gross Sales Tax screens** check box.

Default GST Settings

Use this section to set the Global GST rate, Global Recovery Rate, Recovery Cycle and the first period in which GST will be recovered.

You can switch the GST calculations on or off by selecting the **GST Calculations Active in Cash Flow** check box. The settings you have made to GST and recovery rates will be unaffected by this switch.

Applying GST

Use the **GST** schedule to apply the global GST options set, or to enter specific GST and Recovery rates for individual items.

Gross Sales Tax

Edit Help

— Default GST Settings

Global GST Rate: 13.00% Recovery Cycle every: 3 months

Global Recovery Rate: 100.00% 1st Recovery Month: 2

GST Calculations Active in Cash Flow

Heading	GST Rate	Recovery Rate
History - Retail (Ground Floor)	13.00%	100.00%
History - Offices (First Floor)	13.00%	100.00%
History - Offices (Second Floor)	13.00%	100.00%
MRV - Retail (Ground Floor)	13.00%	100.00%
MRV - Offices (First Floor)	13.00%	100.00%
MRV - Offices (Second Floor)	13.00%	100.00%
Cap - Retail (Ground Floor)	13.00%	100.00%
Cap - Offices (First Floor)	13.00%	100.00%
Cap - Offices (Second Floor)	13.00%	100.00%
Sale - 1 Bed Flats	13.00%	100.00%
Sale - 2 Bed Flats	13.00%	100.00%
Purchaser's Costs	13.00%	100.00%
Sales Agent Fee	13.00%	100.00%
Sales Legal Fee	13.00%	100.00%
Con. Starts - 1 Bed Flats	13.00%	100.00%
Con. Starts - 2 Bed Flats	13.00%	100.00%
Con. Starts (Cum.) - 1 Bed Flats	13.00%	100.00%
Con. Starts (Cum.) - 2 Bed Flats	13.00%	100.00%

Phase 1 Phase 2

OK Cancel

The global GST settings entered can be applied (and removed) to all items listed in the GST schedule simultaneously using the command buttons on the toolbar.



Apply Rates to All Rows This button will apply the global rates to all items.



Remove Rates in all Rows This button will remove rates from all items.

Global GST Rate This allows you to specify the GST rate that will be applied to all items if you click on the **Apply Rates to All Rows** button.

Global Recovery Rate This allows you to specify the recovery rate that will be applied to all items if you click on the **Apply Rates to All Rows** button.

Recovery Cycle every This is the periodic cycle on which GST is recovered. So, for example, if it is recovered quarterly, the recovery cycle would be 3 months; if it is recovered annually, the recovery cycle would be 12 months.

1st Recovery Month This allows you to specify the first month of the project in which GST is recovered. So for example, GST is first recovered in month 2 of the project if you specify 2 here.

The GST rates applied are displayed, item by item, in the GST Schedule. This schedule shows three columns: **Heading**, **GST Rate** and **Recovery Rate**.

The GST rate and Recovery rates may be varied for any item. Change any of the rates by moving to the cell and typing a new value.

Gross Sales Tax calculations may be viewed in the Finance Cash Flow. For further information, see "Finance Cash Flow: Basic Finance (Interest Sets)" on page 194.

CHAPTER 15

Printing Reports

There are many reports available within ARGUS Developer, most of which are accessed from the Report Printer screen.



The Report Printer is opened by clicking on the **Reports** button.

Report Content: Standard Reports

When the **Standard Reports** button is selected in the **Reports Group** section, the **Report Content** tab contains a list of standard reports used in ARGUS Developer that can generate flexible files for any reporting purpose. The primary reports are the Project Pro Forma and Detailed Cash Flow.

- **Project Pro Forma** This report presents the costs, receipts and measures of performance in a straightforward, industry-standard manner, as displayed on the Project Pro Forma screen. It includes schedules of areas, rents and construction costs, together with all other inputs.
- **Detailed Cash Flow** This report shows the time-based flow of costs and receipts in the project. Each item has its own row in the report, and there are a variety of options that determine the look of the report.

Report Printer

Print Edit Help

Report Date: 05/12/2007 Company Name: Licensed Copy

Reports Group: Standard Reports, Enhanced Reports

Include?	Title	Description	Date
<input checked="" type="checkbox"/>	Cover Sheet	Title, Address and Date	
<input checked="" type="checkbox"/>	Timescale & Assumptions	Timescale, Calculations Assumptions and Notes	
<input checked="" type="checkbox"/>	Project Pro Forma	Detailed project pro forma	
<input checked="" type="checkbox"/>	Condensed Project Pro Forma	Project Pro Forma without full detail	
<input checked="" type="checkbox"/>	Rent & Sales Schedule	Summary of floor areas, rates, tenure and Cap. Rates	
<input checked="" type="checkbox"/>	Rent & Sales Schedule	Basic summary of floor areas, rates & Cap Rates	
<input checked="" type="checkbox"/>	Construction Schedule	Floor Areas and rates	
<input type="checkbox"/>	ITZA Summary	Breakdown of Zone A schedule	
<input type="checkbox"/>	GST Summary	Summary of GST paid and recovered	
<input checked="" type="checkbox"/>	Additional Costs/Revenues	Summary of miscellaneous costs/receipts	
<input checked="" type="checkbox"/>	Costs/Receipts Cash Flow	Lists each item with amount, date and relations	
<input checked="" type="checkbox"/>	Detailed Cash Flow	Prints every line in the Cash Flow	
<input checked="" type="checkbox"/>	Grouped Cash Flow	Prints costs/receipts in grouped blocks	
<input checked="" type="checkbox"/>	Phased Cash Flow	Prints Cost & Revenue lines for each phase	
<input checked="" type="checkbox"/>	Overage	Overage summary by partner	
<input type="checkbox"/>	Sensitivity Analysis	Detailed summary of sensitivity analysis	
<input checked="" type="checkbox"/>	Tenant Cash Flow Statement	Detailed statement of Tenant's Cash Flow	
<input checked="" type="checkbox"/>	Funding Source Cash Flow	Prints a Detailed Funding Source Cash Flow Report	
<input type="checkbox"/>	Data Checker Report	Prints Data Checker Report	

Done



Include All Sections This selects all reports by checking the **Include?** column check box for each report.



Exclude All Sections This unchecks the **Include?** column check box for all reports.

To print a report

Click on the **Reports** button on the toolbar to open the Report Printer screen.

From the **Report Content** tab, select the report pages you want to include in your report by checking the **Include?** check box against the required report title.



Click onto the **Print Report** button on the toolbar to print the report.



Choose the **Preview Report** button to check the layout of the report before printing it.



Export to Wordprocessor This exports the report into Word. The .RTF file format is selected by default.



You can create an Adobe Acrobat .pdf file of your selected reports by clicking onto the **Export to Adobe Acrobat (PDF) Format** button.



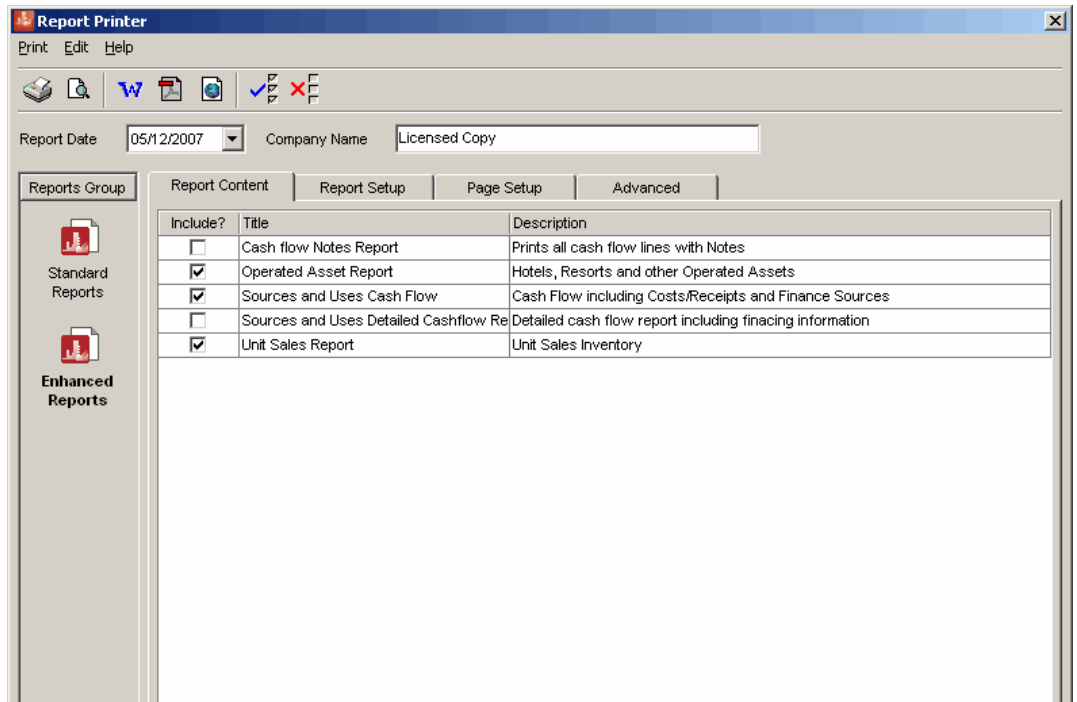
Reports can also be saved as HTML files by clicking onto the **Export to Web Page (HTML)** button.

Report Date By default, this will show today's date. To change the date printed on reports edit this field.

Company Name This can be edited to change the company name displayed on reports.

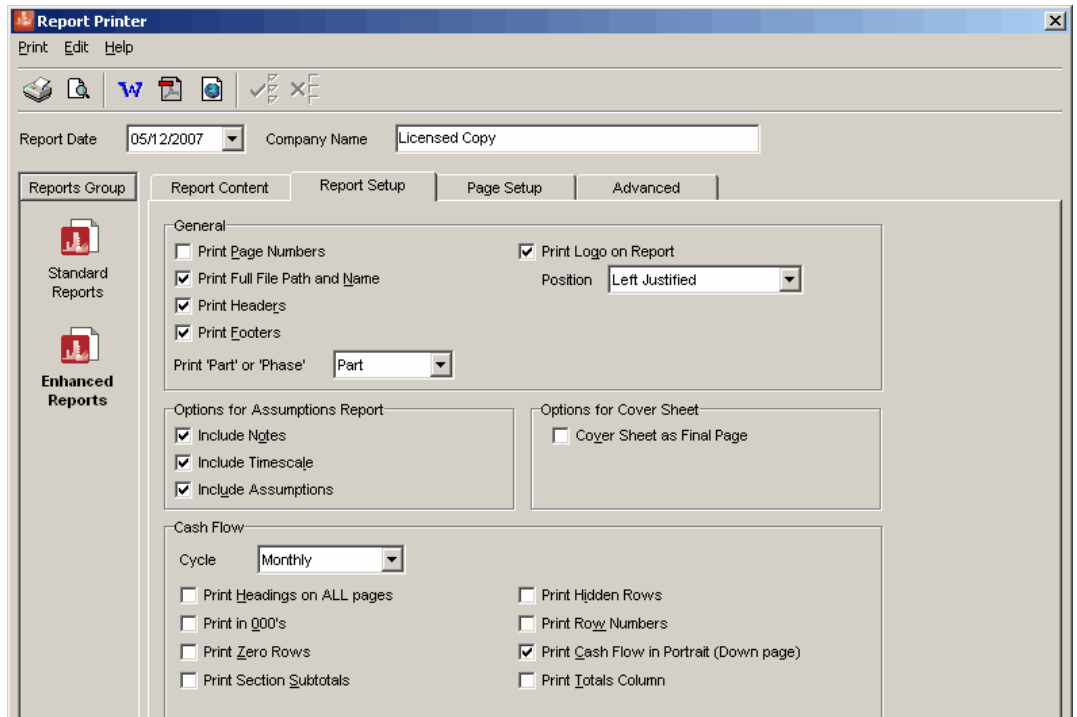
Report Content: Enhanced Reports

When the **Enhanced Reports** button is selected in the **Reports Group** section, the **Report Content** tab contains a list of enhanced reports for specific purposes (such as Operated Assets, hotels and sales reports):



Report Setup

To change the way the report looks on the page, choose the **Report Setup** tab. This is not available for Crystal Reports.



On this page, you can choose to suppress headers/footers and page numbers, and customize the Cash Flow report.

To print page numbers

Check the **Print Page Numbers** check box. Page numbers will appear centered in the footer at the bottom of each page of the report. Page numbering begins at 1 and increases sequentially by 1 for each page.

To print the full file path and name

Check the **Print Full File Path and Name** check box. The full file path and name of your data file will appear left-aligned in the footer at the bottom of each page. For security reasons, you may want only the folder and file name to appear. In this case, uncheck this check box.

To print page headers

Check the **Print Headers** check box. The header appears at the top of each page. It contains your Company Name together with the primary and secondary titles of the project entered on the Project page.

To print page footers

Check the **Print Footers** check box. The footer appears at the bottom of each page. It contains the project file name, ARGUS Developer version number and report date.

To print the description “Part” or “Phase”

Select either **Part** or **Phase** from the drop-down list. This description appears on those sections of the report that print information on phases, such as the Timescale and Project Pro Forma.

Print Logo on Report

You can include a logo at the top of each page of the report by checking this option. The logo is a bitmap file and is located in the Report\Logo folder. Save your logo with the name `ClientLogo.bmp` and save it in this folder. You can select the logo's position from the **Position** drop-down.

Options for Assumptions Report

There are several options in this section that you can use for controlling the content of the Assumptions Report:

Include Notes Use this option to include or exclude notes.

Include Timescale Use this option to include or exclude the timescale.

Include Assumptions Use this option to include or exclude assumptions.

Options for Cover Sheet

Cover Sheet as Final Page Use this option to force the cover sheet to be the final page in the report.

To change the Cash Flow cycle

Select Monthly, Quarterly, Semi Annually or Annual from the **Cycle** drop-down list. The cycle will be initially set by the **Cash Flow View Cycle** on the main Cash Flow screen, but can be overridden here.

To print row headings on all Cash Flow pages

Check the **Print Headings on ALL pages** check box.

The label chosen for each item in the cash flow will appear in the first column of every page on the Cash Flow report. To reduce the number of printed pages, you could uncheck this option. In this case, headings will appear only on the left-most pages of the report.

To print Cash Flow amounts in 000's

Check the **Print in 000's** check box. The value printed in each period in the Cash Flow report is rounded to the nearest thousand. All interest amounts and column totals will also be printed in 000's.

To print rows with a zero value

Check the **Print Zero Rows** check box. Any row with a total value of zero will be included in the report. Uncheck this option to reduce the number of pages in the report.

To print section subtotals

Check the **Print Section Subtotals** check box. A subtotal will appear for each section in the Cash Flow report.

To print rows that are hidden

Check the **Print Hidden Rows** check box. Any row that has been hidden will be included in the report. Uncheck this option to reduce the number of pages in the report.

To print row numbers against each row

Check the **Print Row Numbers** check box. The line numbers allocated to each row in the Cash Flow will be printed. Uncheck this option to reduce the number of pages in the report.

To print the Cash Flow in portrait

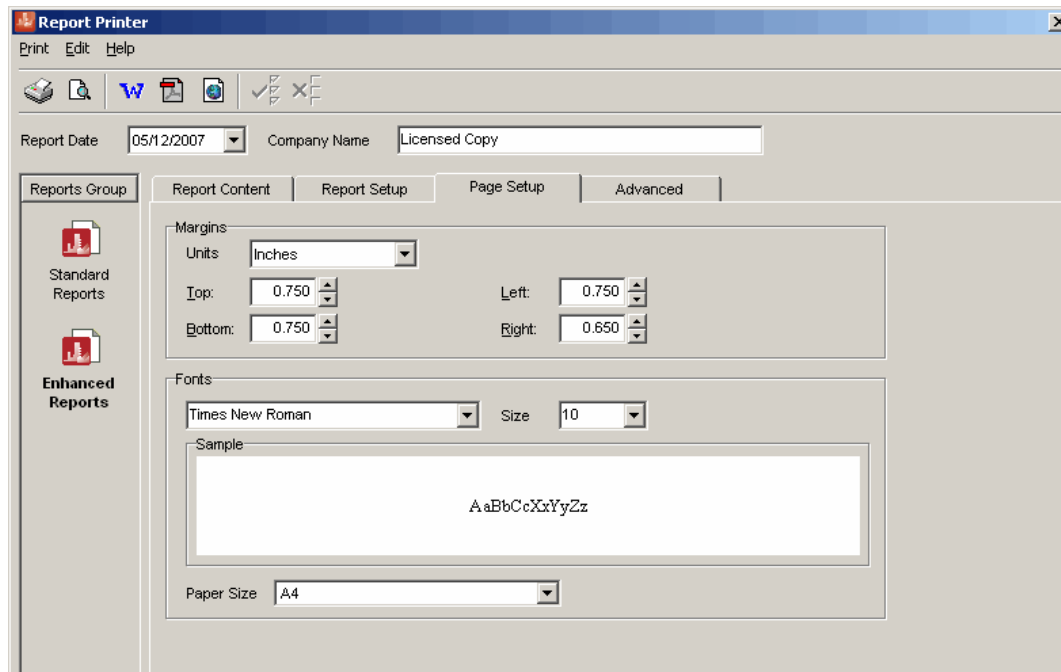
When the **Print Cash Flow in Portrait (Down page)** check box is checked, the Cash Flow reports will be printed in portrait layout (in other words, down the page). The normal setting is to have the Cash Flow report printed in landscape (in other words, across the page). This option can help reduce the number of pages in the report for short projects with a large number of items.

To include a Cash Flow totals column

Check the **Print Totals Column** check box. A totals column will be included for each row in the Cash Flow after the row headings column in the detailed and grouped Cash Flow reports.

Page Setup

To change the page layout and font for your report, choose the **Page Setup** tab. This is not available for Crystal Reports.



To change the margin settings

- Choose either Centimeters or Inches from the **Units** drop-down list.
- Modify the Top, Bottom, Left and Right values.

To change the Font

- Choose a font name and size from the drop-down lists.
- You can also enter a font size by typing a value. A sample of the font is shown in the **Sample** box below.

To change the paper size

- Choose a size from the **Paper Size** drop-down list. This option is useful for printing large Cash Flows on A3 paper.

Caveats and Watermarks

It is sometimes useful to include a message on each page of the report to indicate to the reader any special considerations. Caveats and Watermarks can be added in the **Advanced** tab of the **Report Printer** screen (see following screenshot). This is not available for Crystal Reports.

Caveats

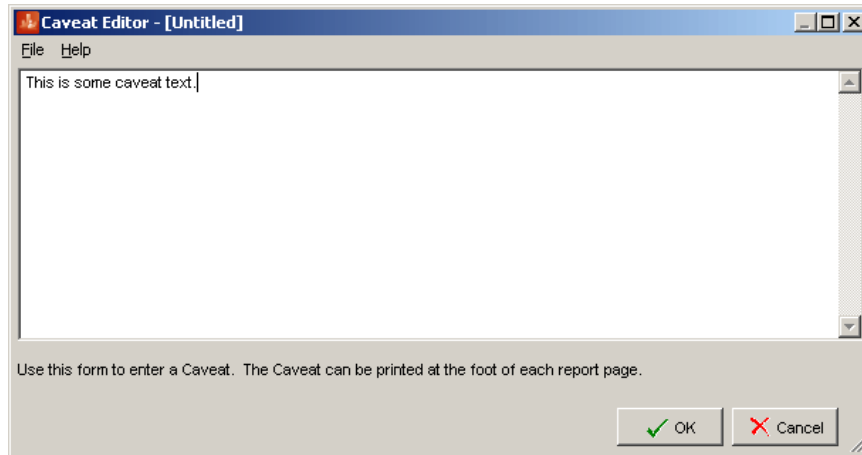
ARGUS Developer allows the definition of an unlimited number of caveats, any of which can be attached to a project. A caveat can be printed at the foot of each page of a report, directly above the footer, by attaching it to the project.

To add a caveat to a report

To add a caveat to a report, check the **Print Caveat on each Page** check box, then browse to select the caveat to be attached to the report in the **Caveat Name** field.

To define a new caveat

Use the **Caveat Editor** button to open the following window:



Type in some text and click on **OK**.

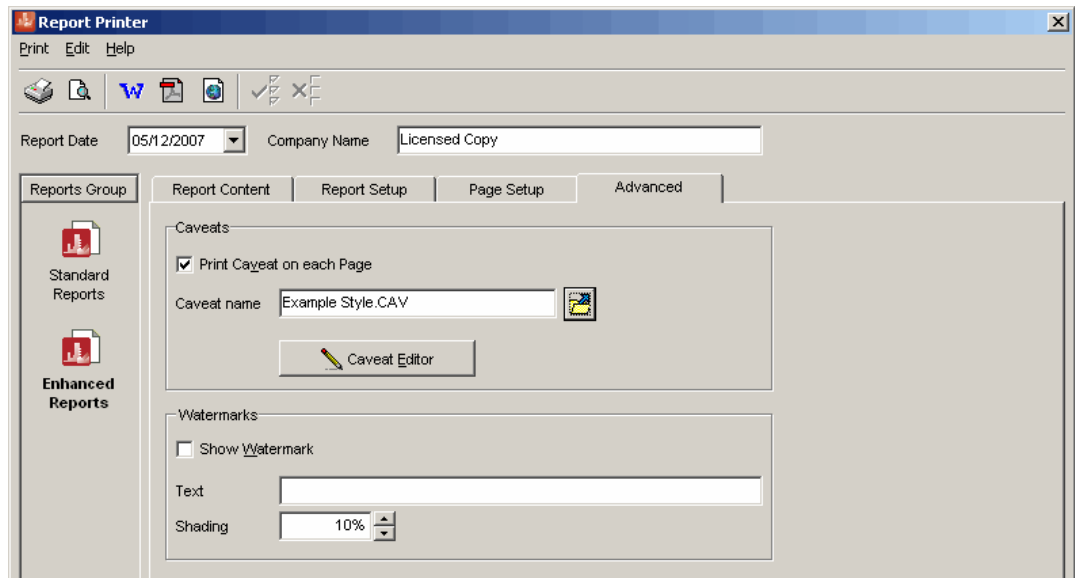
To add the caveat to your library, simply save it as a new file in your template folder. This can then be attached to the report using the **Caveat Name** field, as set out above.

Note: An alternative method of opening the Caveat Editor is to use the Project | Caveat Editor... menu option from the main screen.

Watermark

A brief watermark may be added to each page of a report by checking the **Show Watermark** option.

Type in the text required and select the level of shading.

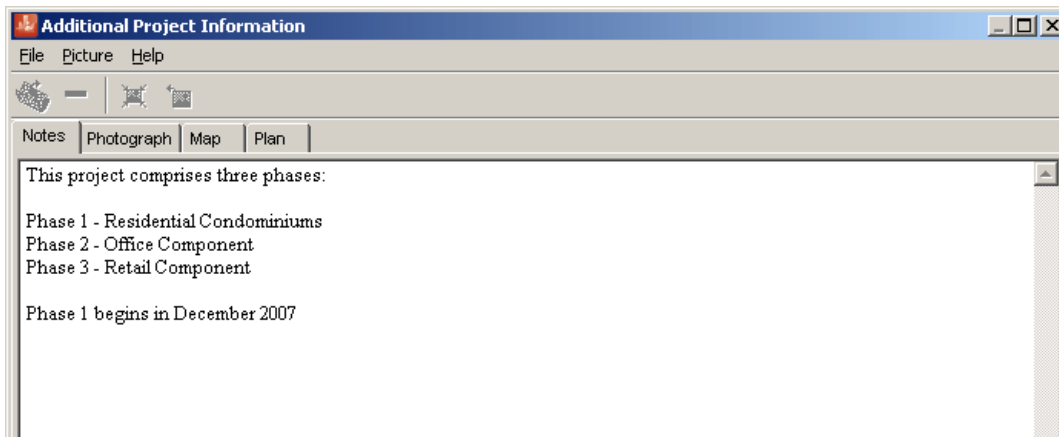


Notes and Images

Additional Project Information



You can add extra text to the data file by using the **Notes and Images** button on the toolbar in the ARGUS Developer main screen.



Any text you have added here will appear in the Timescale & Assumptions report (the following is an example using the Report Preview feature):



Photograph, Map and Plan

You can attach an image to the .WCF file by means of a link to a file on the computer or network. If the recipient of the .WCF file has access to the link on the computer or network, they will see the attachment.

Use the **File | Load Graphic** menu choice to select a BMP or JPEG file:



CHAPTER 16

Viewing a Project

You can view your project in several ways: Definition, Cash Flow, Project Pro Forma, Data Distribution and Graphical Analysis. When you switch from one view to another, the cursor remains in the same location to mark your place.

Two views show data for the current phase selection: **single phase** or **linked phases**.

Cash Flow

You can look at all costs and receipts line by line by selecting the **Cash Flow** tab. Use this view if you wish to see the distribution of data period by period. For further information, “Cash Flow” on page 179.

Project Pro Forma

You can see a traditional Pro Forma by selecting the **Project Pro Forma** tab. The Project Pro Forma is laid out with Revenues at the top, followed by Costs, with Profit and other performance measures at the end.

Project Pro Forma for Part 1				
REVENUE				
Sales Valuation	ft²	Rate ft²	Gross Sales	
1 Bed Flats	7,000	\$392.86	2,750,000	
2 Bed Flats	8,500	\$470.59	4,000,000	
Totals	15,500		6,750,000	6,750,000
Rental Area Summary				
	ft²	Rate ft²	Rent at Lease Start	Rent At Sale
Retail (Ground Floor)	5,400	\$70.00	378,000	378,000
Offices (First Floor)	5,950	\$30.00	178,500	178,500
Offices (Second Floor)	5,950	\$30.00	178,500	178,500
Totals	17,300		735,000	735,000
Investment Valuation				
Retail (Ground Floor)				
Market Rent	378,000	Cap Rate	6.0000%	6,300,000
Offices (First Floor)				
Market Rent	178,500	Cap Rate	5.5000%	3,245,455
Offices (Second Floor)				
Market Rent	178,500	Cap Rate	5.5000%	3,245,455
				12,790,909
GROSS DEVELOPMENT VALUE				
				19,540,909
NET DEVELOPMENT VALUE				
Purchaser's Costs		5.76%	(737,076)	
				18,803,833
TOTAL PROJECT REVENUE				
				18,803,833
DEVELOPMENT COSTS				
ACQUISITION COSTS				
Residualized Price			7,361,605	
Stamp Duty			294,464	
Agent Fee		1.00%	73,816	
Legal Fee		2.00%	147,232	
				7,876,917
CONSTRUCTION COSTS				
Construction	ft²	Rate ft²	Cost	
Retail (Ground Floor)	6,000	\$150.00	900,000	
Offices (First Floor)	7,000	\$175.00	1,225,000	
Offices (Second Floor)	7,000	\$175.00	1,225,000	
1 Bed Flats	7,000	\$125.00	875,000	
2 Bed Flats	8,500	\$125.00	1,062,500	
Totals	35,500		6,307,500	6,307,500

Profit	3,133,874	Revenue	18,803,833	Project IRR	15.82%	Constr. Int.	N/A	Cost Per Net Ft²	4
Profit on Cost	20.00%	Costs (All)	-15,669,859	Dev. Yield	0.00%	Void Int.	N/A	Cost Per Gross Ft²	4
Land Cost	-7,361,605	Interest Inc Mortgage	-1,198,072	Land Int.	N/A	Other Int.	N/A		

The level of detail of information displayed in the Project Pro Forma can be changed; for example, a full or summary investment valuation can be displayed.



These options can be accessed by clicking onto the **Project Pro Forma Options** button or by selecting **Options** from the **Tools** menu. Check or uncheck the options as required in order to show or hide detailed information on the Project Pro Forma page.

For further information on these options see “Project Pro Forma” on page 270.

Data Distribution

Data Distribution displays a graph showing how each value is distributed over time for any defined item. It also allows you to retime and redistribute values (this topic is covered in more detail in “Data Distribution” on page 111).

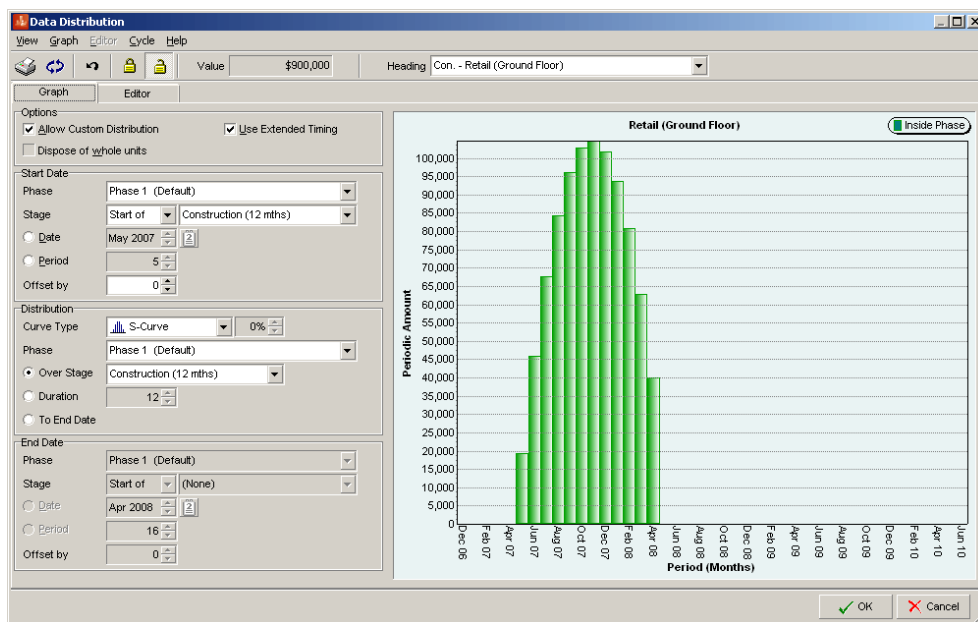


To view the distribution of an item, click onto the **Data Distribution** button on the toolbar or select **Data Distribution** from the **Tools** menu.

From the Definition screen, click into a field then click on the **Data Distribution** button to view this item’s distribution.

From the Cash Flow, click onto a row then click the **Data Distribution** button, or right-click with your mouse and select **Data Distribution** from the menu.

A graph showing how the data is distributed over time is displayed.



This graph can be printed by clicking on the **Print Graph** button to preview the report, then click on **Print**.

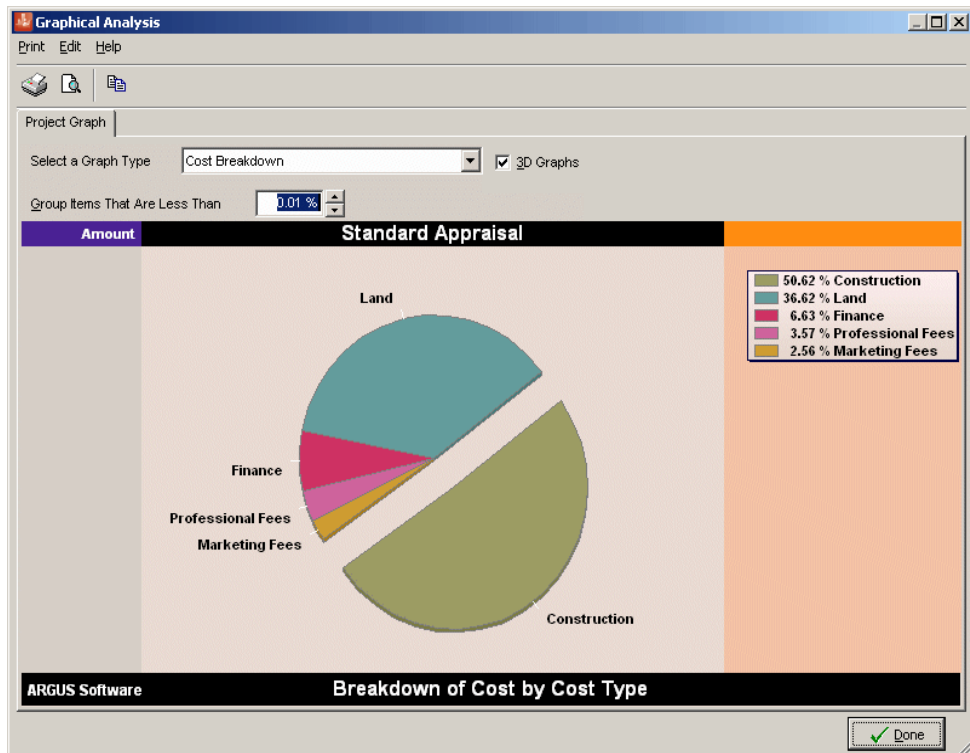
Graphical Analysis



Graphs can be generated to analyze the project in different ways by clicking on the **View Graphs** button on the toolbar.

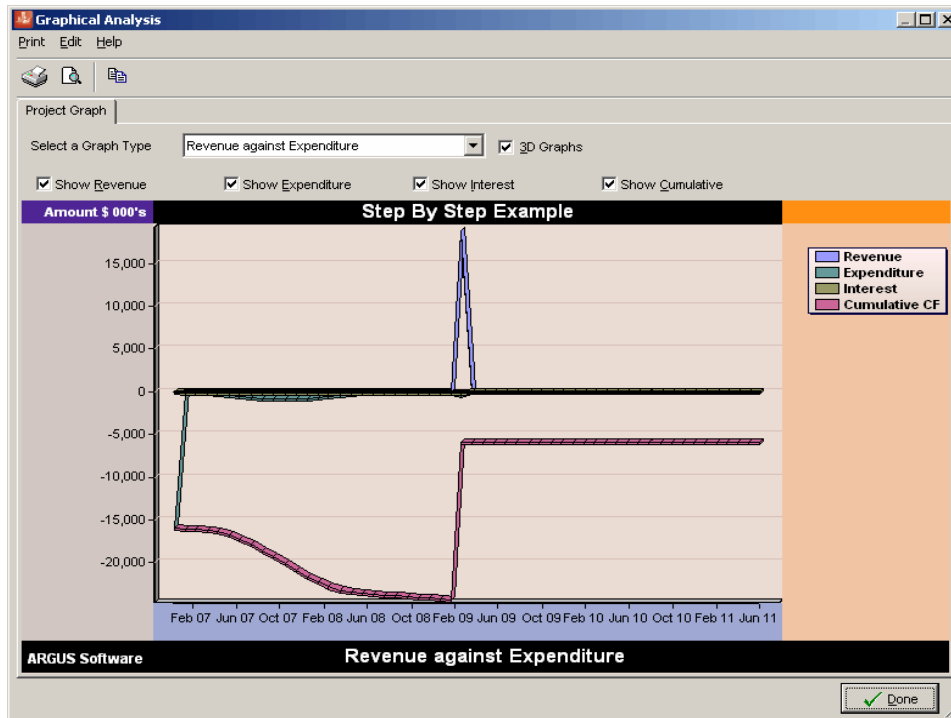
The graphs available to view are:

- Revenue against Expenditure;
- Running Yield on Cost;
- Cost Breakdown;
- Rental Income;
- Occupied Area Over Time;
- Total Area Over Time;
- Occupied and Total Area over Time.



In the **Cost Breakdown** graph, you can change the graph display by using the **Group Items That Are Less Than** control to change the threshold sensitivity.

If you select the **Revenue against Expenditure** option from the drop-down, additional controls will become available:



The **Show Revenue**, **Show Expenditure**, **Show Interest** and **Show Cumulative** check boxes allow you to display or hide various options in the graph.



To print a graph, click onto the **Print** button.



To preview a graph before printing, click onto the **Print Preview** button.



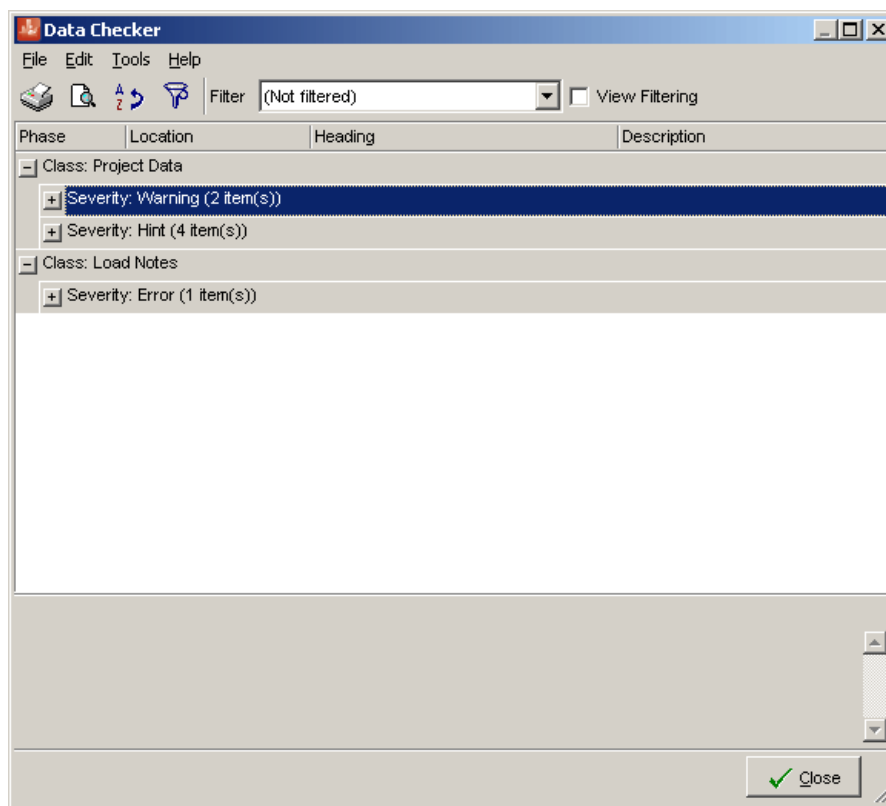
The graph can also be copied to the clipboard, to be pasted into another application such as Word or Excel, by clicking on the **Copy To clipboard** button or by using the **Edit | Copy to clipboard** menu option.

To switch graphs to a 3D display, check the **3D Graphs** check box. If you uncheck this check box, the graphs will be displayed in 2D.

CHAPTER 17

Data Checker

The **Data Checker** is a useful tool that assists you with identifying inconsistencies within your data. It is situated at the top right of the main ARGUS Developer screen and has three levels for both **Project Data** and **Load Notes**. These are **Errors**, **Warnings** and **Hints**.



On the main ARGUS Developer screen, the data checker's status is shown as one of the images listed below. A green tick indicates there are no issues, an exclamation mark indicates the checker has registered some warnings, an information symbol suggests a hint and a red cross symbol indicates errors within the Project Data or Load Notes.

1. No Issues:



2. Warning:



3. Hint:



4. Data Error:



5. Data Error with Project Load Info:



Opening the Data Checker

If the program detects any warnings, errors or hints on project load the data checker is automatically opened.

When you click on either of the messages listed above, the data checker is opened for viewing. Another way to view the data checker is by clicking **Tools | Show Data Checker**.

Once in the checker, the main screen is split into several headings:

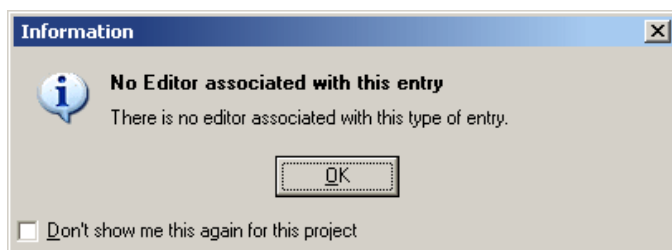
- **Phase** - The phase in which the issue has been detected.
- **Location** - The area of the program that is affected by the issue (such as Cash Flow or rent schedule).
- **Heading** - The heading of the line in the Cash Flow.
- **Description** - Description of the issue found.

Fixing Data Checker Issues

When the program detects errors, warnings and hints you can double-click on the message and this will automatically open the part of the program where the issue lies. For example, if there is a timing issue, the program will automatically open the data distribution editor and you can then make the changes accordingly.

When the **Project Load Info** message appears, the file loaded may have had a discrepancy which will be automatically fixed by ARGUS Developer. These alterations will be documented in the Load Notes section in the data checker.

Some lines do not automatically open as the Cash Flow line may have been removed from the project.



Edit Menu

When the data checker recognizes any errors, warnings or hints the edit drop-down menu has a number of functions that can be used to quickly rectify the issues:

Edit Source - This will take you to the part of the program where the issue is located.

Allow Leases to start After Sale Date - Allows leases to start after the Sale Date. This is useful for loading .WCF files created in earlier versions.

Align Lease Start Date to Capitalization Date for this Tenant - Aligns Lease Start Date to the Sale Date for the highlighted tenant.

Align Lease Start Date to Capitalization Date for all Tenants - Aligns Lease Start Date to the Sale Date for all tenants that are shown in the data checker.

Reset Timing on System Timed Item - Resets timing to default on the highlighted warning for manually timed or distributed lines.

Reset Timing on ALL System Timed Items - Resets timing to default on all system timed items for manually timed or distributed lines.

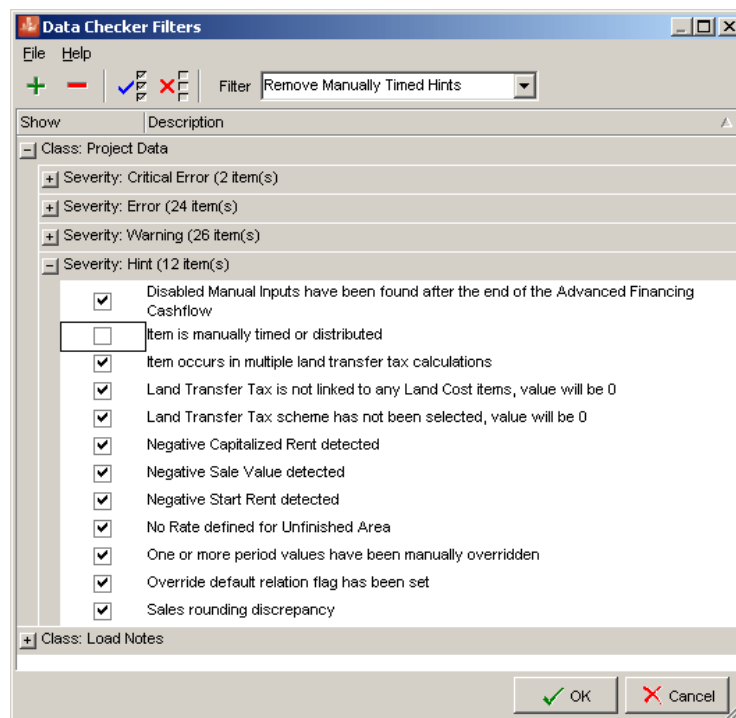
Remove Load Note - Deletes highlighted load note.

Remove All Load Notes - Deletes all load notes in data checker.

Filters



By clicking on the **Edit Filters** button or using the **Tools | Edit Filters...** menu option you can customize the errors, hints and warnings that appear under the classes Project Data and Load Notes. For example, if you wanted to filter out any manually timed or distributed hints you could **Add a new filter** and call this filter **Remove Manually Timed Hints**. By unchecking the **Item is manually timed or distributed** box, it will no longer show these hints; instead, it will report at the bottom of the form that events have been hidden by the current filter.



Tools Menu

Reset Sort

Reset Sort resets the data checker issues back to the original order. You can also perform this operation by using the **Reset Sort** button:

**Edit Filters...**

This opens the Data Checker Filter form as described earlier in the chapter.

CHAPTER 18

Managing Files

Creating a new Project

When you start ARGUS Developer, a new blank project is opened.

The new project is based on a stored default project template. To begin work, start entering the timescale, costs and receipts.



If you want to create a new project at any time, click on the **Start New Project** button on the toolbar.

If you are currently working on a project, you will be prompted to save it before the new project is created.

The new project will be created with your standard calculation options already in place.

Opening a Project



To open a project, click on the **Open Project** button on the toolbar.

When the Open dialog box appears, click onto the file name of the project you wish to open to highlight it, so that it appears in the **File name** box, then click on the **Open** button.

If you don't see the project you want. The File name box initially shows projects in your designated Data Directory. If the project you want is not listed, browse to another drive or folder in the **Look In** box.

To open one of the projects you worked on most recently, select the project file name from the list at the bottom of the **File** menu in ARGUS Developer.

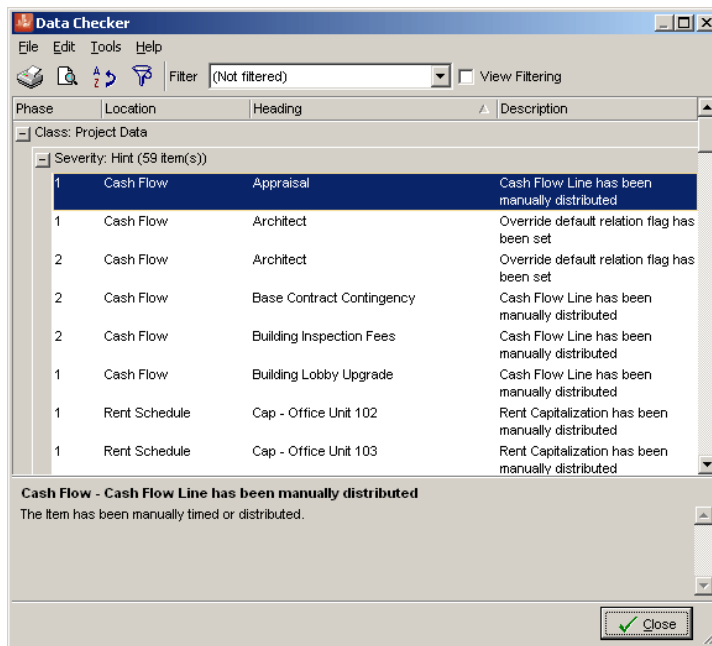
Information displayed when opening a project

When you open some projects, you may see additional information displayed. This may be because there are settings in the file which cause certain conditions to arise.

Messages may be displayed in the following types of windows:

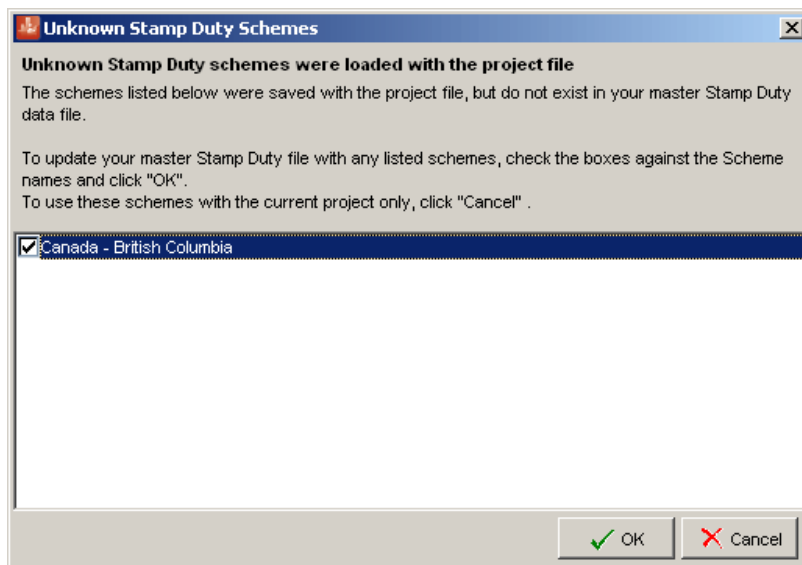
Data Checker

The Data Checker (see “Data Checker” on page 223 for further details):



Unknown Land Transfer Tax Schemes

The Unknown Land Transfer Tax Schemes window:



If this window appears, it will list any land transfer tax schemes in the project file that are not currently saved in your master Land Transfer Tax file. To update your master Land Transfer Tax file, check the schemes listed and click **OK**.

For further details of how to set up or manage land transfer tax schemes, see “Land Transfer Tax” on page 120.

Important notes on project load

In cases where a project file is loaded, but there is no license to support the data in the file (generally caused when the recipient of a Developer file does not have the same modules that were used by the creator of the file):

- Where the project file contains Equity/JV data but there is no Equity/JV license available, the program will set the financing method to Basic (Interest Sets). The Equity/JV data will remain in the project and will be saved to the data file. This ensures that, if the file is opened on an installation with the Equity/JV license, the alternate financing method can be restored.
- Where the project file contains Finance module data but there is no Finance module license available, the program will set the financing method to Basic (Interest Sets). The Finance module data will remain in the project and will be saved to the data file. This ensures that, if the file is opened on an installation with the Finance module license, the alternate financing method can be restored.
- Where the project file contains Advanced Finance module data but there is no Finance module license available, the program will set the financing method to Basic (Interest Sets). The Advanced Finance module data will remain in the project and will be saved to the data file. This ensures that, if the file is opened on an installation with the Finance module license, the alternate financing method can be restored.
- Where the project file contains Advanced Finance module data but there is no Advanced Finance module license available, BUT there is a Finance module available, the program will set the profit distribution type for each source to Residual Percentage. The Advanced Finance module data will be removed. This data can only be reactivated by opening the project on a system with the Advanced Finance module present and re-entering the advanced profit distributions.
- Where the project file contains Operated Asset module data but there is no Operated Asset module license available, the program will set the use type of each area record that has an operated asset use type to Undefined. The Operated Asset module data will remain in the project and will be saved to the data file. This ensures that if the file is opened on an installation with the Operated Asset module license, the data can be restored.

Note: A warning will be given before any of the above-mentioned transformations of the data file take place. It will be possible to abandon loading the project at this point.

Note: Where the use types are modified to read Undefined, the program will calculate the area records on a normal rental income basis. As the operated asset data has been detached from the area records, the rent, rental income and capitalization will be zero.

Saving a Project



To save a project, click onto the **Save Project** button on the toolbar, or select the **Save** or **Save As** options from the **File** menu.

When you save a project for the first time, ARGUS Developer displays the Save As dialog box so that you can type in a name for the project data file. By default, files will be saved into your designated Data Directory. If you wish to save the file to another drive or folder, browse to this drive or folder in the **Save in** box then click **Save**.

Naming a project in Windows

In Windows, a filename can be up to 255 characters long, including the path to your folder, followed by an optional period (.) and a file extension. ARGUS Developer will supply the file extension, which is .WCF.

File names cannot include any of the following characters: forward slash (/), backslash (\), greater than sign (>), less than sign (<), asterisk (*), period (.), question mark (?), quotation mark ("), pipe symbol (|), colon (:), or semicolon (;).

You cannot use a period except to separate the filename from the extension.

Emailing a Project

You can email any of your project data files to a client or to another user from within ARGUS Developer. To use this function, your email package must be fully MAPI compliant. If you are unsure whether your email package is MAPI compliant, ask your System Administrator.

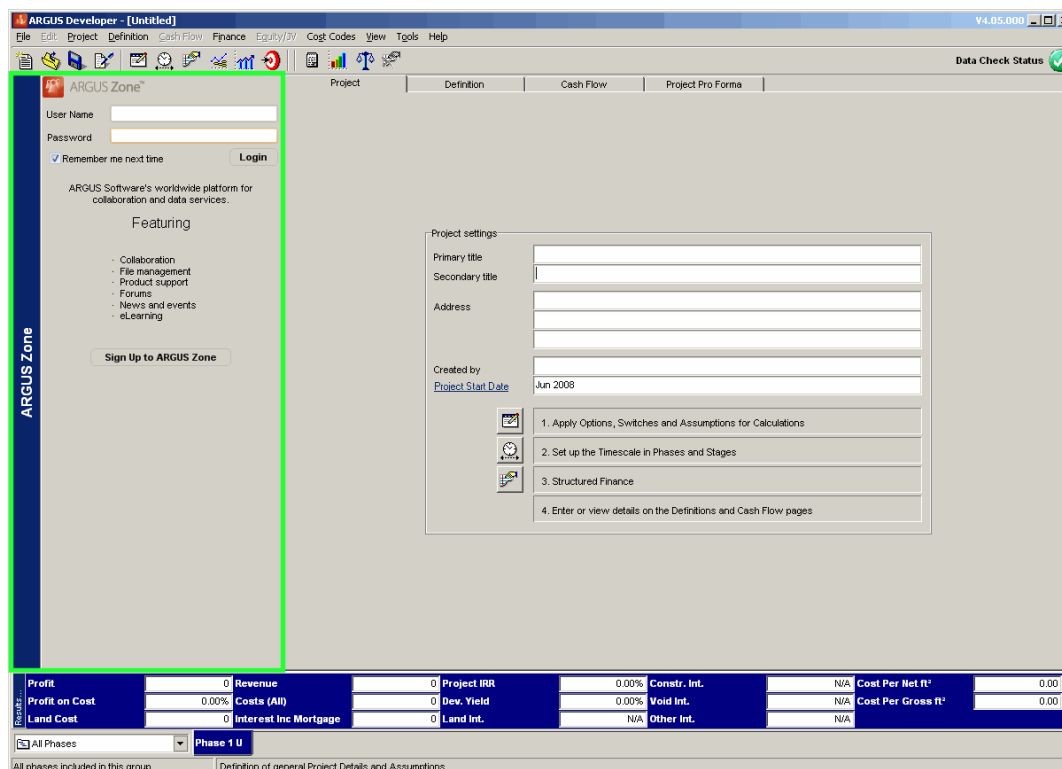
To E-mail a project data file

1. If you want to send your open project file, you must first save the file to your hard drive.
2. Next, select **Mail Data File** from the **File** menu.
3. Choose a data file from the Open dialog browser and click onto the **Open** button.
4. The program will then open a new message with the selected data file automatically attached. You can then enter the recipient's email address and any message.
5. Click on the **Send** button or select **Send** from the **File** menu.

You are also able to send .WCF files the usual way. Simply create a new email message and browse to the data folder location and attach the file.

Using the ARGUS Zone sidebar

The ARGUS Zone sidebar is located on the left-hand side of the Developer main window (shown here outlined in green for illustrative purposes):



The sidebar allows you to work with Developer files that you have stored on ARGUS Zone. The sidebar provides access to folders within the Zone that you can use for collaborative purposes, wherever you are in the world. ARGUS Zone (formerly known as RealPulse) provides access to services and resources that aid you in your use of ARGUS products.

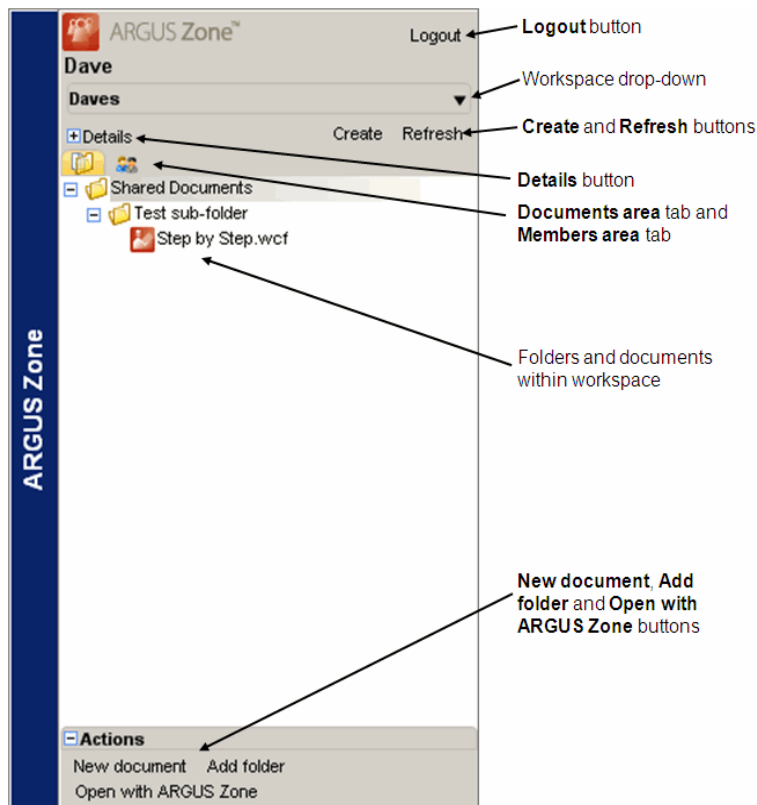
You can log into the Zone using the sidebar, or via the use of the ARGUS Zone website:

<http://www.arguszone.com>

If you are not yet a subscriber to ARGUS Zone, you can sign up by clicking on the **Sign Up to ARGUS Zone** link.

Once you have set up a user account and password for use with ARGUS Zone, you will be able to enter your user name and password in the boxes provided in the sidebar. Click the **Login** button to log in.

The sidebar will change to show a folder display similar to the following:



You can use this folder system to navigate in much the same way as Windows Explorer. The sidebar contains the following features:

- **Logout button** - Use this button if you wish to log out of ARGUS Zone.
- **Workspace drop-down** - Use this drop-down to select a workspace that you are permitted to access. Some of these workspaces may be for personal use, and some may be for collaborative use.
- **Create button** - Use this button to add a new workspace.
- **Refresh button** - Use this button to refresh the display.
- **Details button** - Use this button to show details about the workspace.
- **Documents area tab** - Select this tab to view the files and folders within the currently selected workspace.
- **Members area tab** - Select this tab to show a list of all the users who have access to this workspace.
- **New document button** - Use this button to bring a new file into the workspace. You can browse your hard drive or network for a file, then upload it to the Zone with this feature. Note that if you need to delete or rename a file, you must go to the ARGUS Zone website to do so.
- **Add folder button** - Use this button to add a sub-folder under the folder you have currently selected.

Note that if you need to delete or rename a sub-folder, you must go to the ARGUS Zone website to do so.

- **Open with ARGUS Zone button** - Use this button if you wish to go to the ARGUS Zone website and access the currently selected folder. This will open a web browser window, with the appropriate folder contents displayed in the Zone.

The following options only appear once you have selected a file in one of the folders:

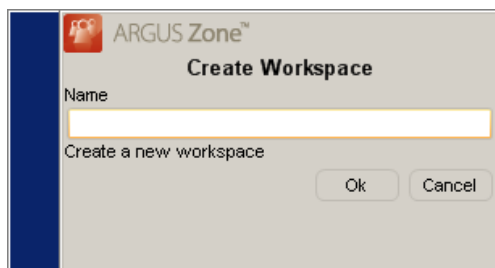
- **Open document button** - Use this button to open the currently selected file with the appropriate application.
- **Version history button** - Use this button to view the version history and owner of the file.
- **Check out button** - Use this button to check out the currently selected file. Checking out allows you version-control a file; this is particularly useful in collaborative or group projects where there are several people who will contribute to the data in a file.
- **Check in button** - Use this button to check a file in. This option only appears if you have performed a check out procedure on a file.
- **Undo check out button** - Use this button to undo a check out procedure. This option only appears if you have performed a check out procedure on a file.

Adding a workspace

A workspace is an area within the Zone where you can store files and folders.

To add a new workspace to the list in the workspace drop-down, click on the **Create** button.

The sidebar changes to show the following:



Type in a name for the new workspace and click on the **OK** button.

Note: If you wish to permit other users to access this workspace, you will need to open the Workspace Explorer in the ARGUS Zone website, and invite the other users as collaborators.

Opening a workspace

To open a workspace in the Zone, use the workspace drop-down. You can select a workspace from the list. If you have not yet defined a workspace, you will need to go onto the ARGUS Zone website to do so, or use the **Add** button.

Opening a folder in the Zone

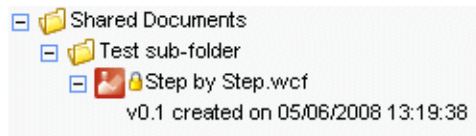
To open a folder with the Zone website, first select the folder or sub-folder and click on the **Open with ARGUS Zone** button. This will take you directly to the appropriate folder in the workspace, displayed in a web browser window.

Note: If you do this and you are taken to the login page of ARGUS Zone instead, it means that you have been automatically logged out of the Zone (because of account inactivity). To fix this, log in again, and repeat the Open with ARGUS Zone action.

Checking a file out

To check a file out, select the file and click on the **Check out** button.

A padlock symbol will be displayed next to the file's name, indicating that the file is locked for editing purposes.



You will be able to open the file, edit it and save it without other users overwriting it. After you have finished editing the file, you should check the file back in, so that other users can use the file. Each time you do this, a version-controlled backup of the file will be stored in the Zone.

If you wish to reverse a check out procedure, select the file and click on the **Undo check out** button.

Checking a file in

When you add a document to the Zone storage, it is checked in by default.

Each time you check a file in, a version-controlled backup of the file will be stored in the Zone.

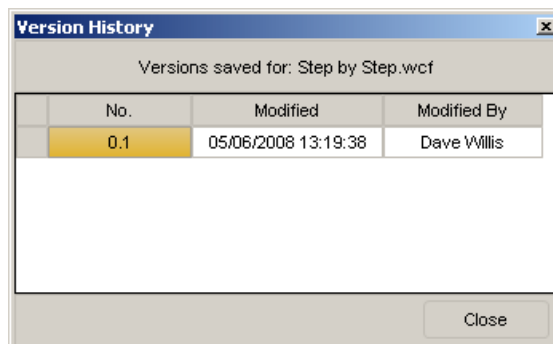
To check a file in when it has been checked out, select the file and click on the **Check in** button.

Viewing the change history of a file

The change history of a file shows how many times a file has been checked in after revision, and shows the names of the users who have done this.

To view the change history, select the file name and click on the **Version history** button.

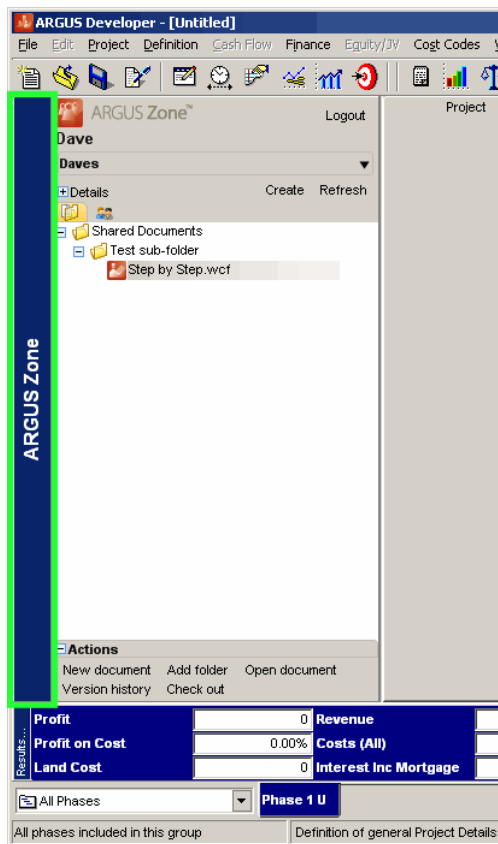
This opens the Version History window:



Note: If the document has gone through so many revised versions that you now have a very long list, you may wish to delete some of these minor versions, leaving the current version in place. You will only be able to do this by logging into the ARGUS Zone website.

Hiding the ARGUS Zone sidebar

On occasions when you are not using the ARGUS Zone sidebar, you can hide it by clicking on the vertical ARGUS Zone border that appears on the far left of the sidebar (shown here outlined in green for illustrative purposes).



This is a toggle, so clicking on the border again will open the Zone sidebar.

To resize the Zone sidebar, you can use the mouse to drag the right-hand edge of the Zone sidebar. The mouse cursor will change automatically to a resizing cursor when you position it over the line between the Zone sidebar and the tabs in the main window.

CHAPTER 19

Working with Templates

You can avoid the routine, repetitive work of creating new appraisals if you base them on templates designed for the types of development appraisal you create most often.

A template is an outline for the type of development, its costs, fees, yields and calculation options.

ARGUS Developer provides several templates. You can use them as they are or tailor them to your specific requirements.

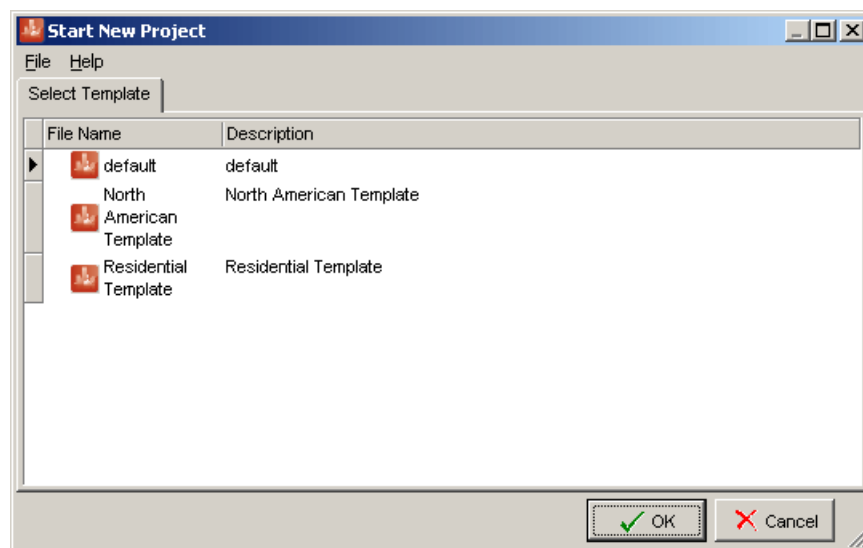
Templates are held in a location common to all users of the system. The default location for templates is the Template folder within the installation folder. This is set on the **Data File Locations** page of **System Configuration** screen, which can be accessed by selecting **Administration** from the **File** menu (**File | Administration | System Configuration | Data File Locations**). Templates are stored as .ptl files.

By defining templates, you can ensure that all users start with your company default assumptions and fees. You might like to add non-standard fees and costs that are not pre-defined on the Definitions screen, for example Income from Advertisement Hoardings or Building Regulations fees.

Starting a New Project from a Template

You can save time by basing new projects on any of the stored project templates.

From the **File** menu, choose **New (Template)**, and then, if you have more than one template defined, select the template you wish to use from the list in the **Start New Project** form. ARGUS Developer opens a copy of the template as a new project.



Alternatively, clicking on the **Start New Project** button automatically opens the default template. The default template is set in **File | Administration | System Configuration | Country**.

When the template has loaded, you can start work on the project by entering the title, address and so on, followed by the timescale, finance rates and residual options. The default assumptions and fees will be in place and you can start to enter your costs and receipts.

Modifying and Creating Templates

You can modify a template just as you would a project: open the template, edit the assumptions and fees, and then save the template. Creating a template is similar to creating and editing any normal project.

To modify an existing template

1. Open the template by selecting **New (Template)** from the **File** menu or by clicking onto the **Start New Project** button to open the default template.
2. Make any modifications.
3. Save the data file under the same file name, using **Save As** from the **File** menu.

To base a new template on an existing template

1. Open an existing template by selecting **New (Template)** from the **File** menu and selecting the template from the list provided in the Start New Project form.
2. Make any modifications.
3. Save the data file as a new template, by selecting **Save As** from the **File** menu and saving the file under a new name as a project template (.ptl) file type in the Template folder.

To base a new template on the Default Project template

1. Click on the **Start New Project** button on the toolbar to open the default template.
2. Make any modifications.
3. Save the data file as a new template, by selecting **Save As** from the **File** menu and saving the file under a new name as a project template (.ptl) file type in the Template folder.

To base a new template on an existing project

1. Open the project by selecting **Open** from the **File** menu or by clicking onto the **Open Project** button.
2. Make any modifications.
3. Save the project file as a new template, by selecting **Save As** from the **File** menu and saving the file as a project template (.ptl) file type in the Template folder.

Related Fees

An area record must be created in the cash flow before entering any percentage-related area-based fees. Examples of these fees include Contingency and Professional Fees. You need not fill in any of the headings, areas or rates in the area records.

You should, therefore, add blank Capitalized Rent *and* Unit Sales area records to your template. If you do not add these records, fee relations will not be up to date.

To create a blank area record in the cash flow

1. Go to the Definition screen.
2. Open either the **Capitalized Rent** or the **Unit Sales area schedule**.
3. Select the **Save Zero Value Items** option from the **Options** menu.
4. Click on the **Done** button.

Opening an Existing Template

You can open an existing project template by choosing **New (Template)** from the **File** menu.

Select the template you want from the list in the **Start New Project** form. If you don't see the file you want in the Template directory, use the browser to view another drive or directory.

Saving a Template

You can save a project template by using the **File | Save As...** menu option and saving it as Project Template file type (.ptl). By default, ARGUS Developer will save a template file into the Template folder.

If you are running ARGUS Developer from a network, and have a common Template directory, the project template is then immediately available to all users.

To save a new template

1. Use the **File | Save As...** menu option.
2. Check that the new template is being saved into the Template folder or browse to another location, if required. Type the name into the **File name** field.
3. Select project template (.ptl) file type and click on **Save**.

To replace an existing template

1. Use the **File | Save As...** menu option.
2. Browse to select the template to be replaced from the file list.
3. Confirm that you want to make permanent changes to the template.

Add new phases from Default Template

1. Use the **Tools | Options...** menu option.
2. Check the **Add new phase from Default Template** check box.

CHAPTER 20

Spot Residual Values

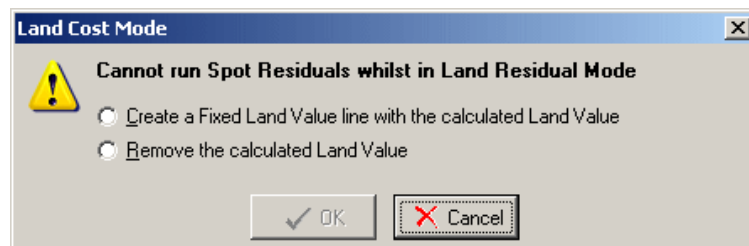
You can obtain a residual value for many fields other than Land Value by selecting a field in Definition, or a row in the Cash Flow, and selecting **Spot Residual Value** from the **Tools** menu. Alternatively, you can press the **F6** function key:



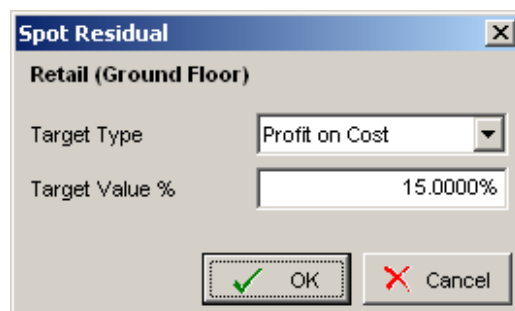
The spot residual function is available in Capitalized Rent and Unit Sales by clicking on the **Spot Residual** button, and in the Additional Revenues/Costs/Related schedules by selecting **Spot Residual** from the **Edit** menu.

If you attempt to run a spot residual in an incompatible field in Definition, a warning message is displayed.

ARGUS Developer must be in Fixed Land Cost mode before the spot residual can be run. If you select the function while the Land Residual mode is active, a warning will be displayed.



You will then be given the opportunity of switching to Fixed Land Cost mode, either retaining the calculated land value or removing this amount, and running the spot residual.



Select the result variable to be targeted by making a selection from the **Target Type** box. Next, enter the target value and click **OK**.

In some cases, ARGUS Developer will be unable to produce a result. A warning will be displayed and the data returned to its original state.

If a related percentage fee is the subject of the spot residual calculation, and its value drops below zero, a warning will be displayed and the fee percentage returned to its original state.

Area-based Residuals



You can run spot residual calculations from within the area schedules for Capitalized Rent or Unit Sales by clicking on the **Spot Residuals** button. The spot residual function can be used to determine build costs, rents or sales values to fine tune a development.

When an area field is residualized, the program recalculates the area and updates the cash flow. If the resultant value is either negative or does not achieve the target profit, the current area and the cash flow are returned to their original state.

The fields available for spot residualizing within the area schedules are shown in the table below:

Building	Rent	Sales
Gross Area	Net Area	Net Area
Build Rate	Annual Rent Rate (MRV rate pf ² /pm ² p.a.)	Sales Rate
Cost/Unit	Annual Rent/Unit	Sales/Unit
Gross Cost	Annual Gross Rent	Gross Sales
	Cap Rate %	
	Manual Capital Value	

To residualize an area field

1. Click into the selected field and either click onto the **Spot Residuals** button or press the **F6** key.
2. Enter the **Target Type** and **Value** and click **OK**.

Cash Flow-based Residuals

You can run spot residuals from within the cash flow across a range of different types of item: fixed amounts, percentage-related fees and area-based amounts.

If you choose a valid area-based row, the program will adjust the contents of the area record automatically.

If you choose an MRV row, the Capitalized Rent will be updated automatically.

If you chose a Capitalized Rent row, the program may adjust either the Cap Rate or the MRV rate to arrive at the target value. To specify which variable is recalculated when the Capital Value is modified, select either **Recalculate the Cap Rate** or **Recalculate the Rent Rate or Market Rental Value** on the **Receipts** tab of **Assumptions for Calculation**.

Note: You will not be able to residualize Rent Free Costs. These are calculated from an integral number of months and the residual function returns a non-integral value. Neither will you be able to residualize rents when tenants' rental income streams are generated in the cash flow.

To residualize a cash flow row

1. Click into a cell in the selected row, and select **Spot Residual Value** from the **Tools** menu or right-click within a cell and select Spot Residual from the drop-down menu. Alternatively, you can press the **F6** key.
2. Enter the **Target Type** and **Value** and click **OK**.

CHAPTER 21

Importing and Exporting Data

If you have tenant or property details held in another system and want to use them in ARGUS Developer, you can import Area Definitions into ARGUS Developer by using the **Import and Export Wizard**.

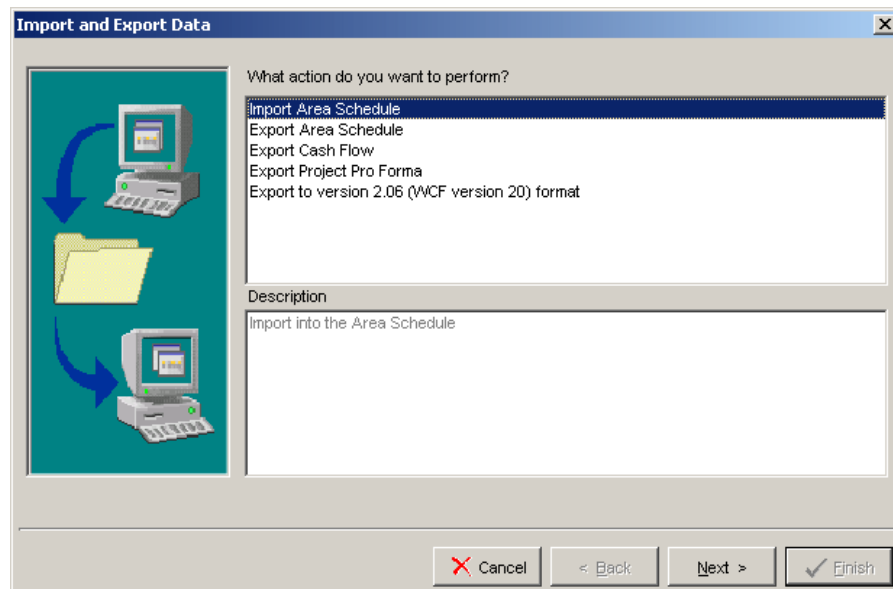
The import function allows the user to add tenant/property information from a text file into the ARGUS Developer area schedules. The text file could be generated by any system that can output comma separated variable (CSV) files. It should have the extension .TXT.

For further information about the format of the interface file, please contact ARGUS Support.

Importing Data

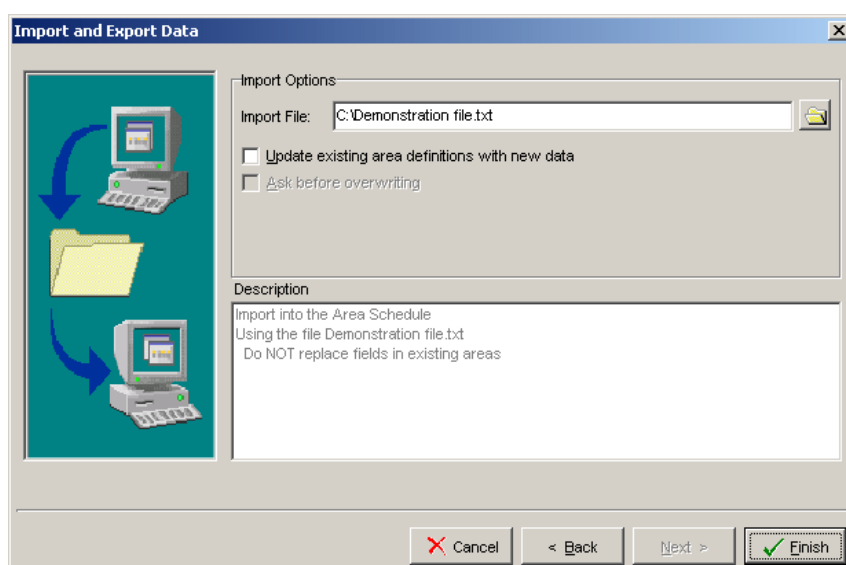
The **Import and Export Wizard** will guide you through the process of getting information from another application into ARGUS Developer.

The Import and Export Wizard can be opened by selecting **File | Import and Export | Import and Export Wizard...**



To import floorspace details into a file for the first time

1. On the **File** menu, click **Import and Export | Import and Export Wizard...**
2. Select **Import Area Schedule**, then click the **Next** button.
3. Choose the file you want to import by entering its name or by using the browser button.
4. Uncheck the **Update existing area definitions with new data** and **Ask before overwriting** check boxes.
5. Click the **Finish** button.



To re-import data into an existing project

1. On the **File** menu, click **Import and Export | Import and Export Wizard...**
2. Select **Import Area Schedule**, then click the **Next** button.
3. Choose the file you want to import by entering its name in the **Import File** field or by using the browser button.
4. Choose the required import options (see table below).

To	Do this
Overwrite the project's existing area definitions. Areas will be matched on the Heading and Phase Number.	Check the Update existing area definitions with new data check box.
Add definitions as new records.	Uncheck the Update existing area definitions with new data check box.
Review definitions before overwriting.	Check the Ask before overwriting check box.

5. Click the **Finish** button to complete the process.

Exporting Data

When you wish to use the data you have created in ARGUS Developer in another package, you can use the **Import and Export Wizard**. For example, you may wish to use the cash flow data and combine it with floorspace information to perform analysis on a property, or to use the development costs only to model the refurbishment of a property in ARGUS Valuation - Capitalisation.

ARGUS Developer data can also be exported into ARGUS Multiview and ARGUS Development Budget.

You can export ARGUS Developer's data to a range of applications: Microsoft® Excel®, ARGUS Valuation - Capitalisation® and to any other application that accepts Comma Separated Value files.

Microsoft® Excel®

Excel® provides the ultimate in flexibility when working with numerical data such as cash flows. Formatting functions allow you to present your information in a variety of styles, and its formula-based approach allows you to combine different figures for detailed analysis.

Working closely with Excel®, ARGUS Developer defines a set of templates that can be used for presentation and analysis of cash flows and appraisal summaries. Templates are provided to handle the differing types of data generated by a development project.

Export to Excel®

When you export into Excel®, ARGUS Developer will open up the application on your desktop and push the data into one of several pre-defined templates. The template and the data are chosen according to the type of report that you want to create.

A simple report will contain a detailed line-by-line cash flow for each item in the project. After the data section, the GST and Interest value rows are included, followed by the column totals. When the report has been pushed to Excel®, ARGUS Developer will provide some additional formatting for the row and column headings.

Export to ARGUS Valuation - Capitalisation®

The export to ARGUS Valuation - Capitalisation produces a file that contains all the information required to generate an investment cash flow. The ARGUS Valuation - Capitalisation cash flow calculates a single Purchase Price and one Capitalization value for each tenant. Since ARGUS Developer also calculates these values for each project, you are given the option to suppress these values to avoid double-counting.

After the export has been completed, you will need to go into ARGUS Valuation - Capitalisation and attach the export data file to the relevant portfolio or property.

Export to ARGUS Multiview®

ARGUS Developer cash flow data can be exported to ARGUS Multiview. It will save the file as a .CCF file and then ARGUS Multiview can read these files.

Export to ARGUS Development Budget®

ARGUS Developer cash flow data can be exported to ARGUS Development Budget. It will save the file as a .XML file, and ARGUS Development Budget can then import these files. See also “Exporting data to ARGUS Development Budget®” on page 246 for a step-by-step description of the procedure.

Export to Comma Separated Values file

ARGUS Developer data can also be exported to Comma Separated Value files (.CSV). These can be opened in other applications such as word processors, spreadsheets, databases and other proprietary packages.

When the export has been completed, you can go to another package and open the file. At this point, there may be options available for importing the file.

Export to reXML®

ARGUS Developer data can be exported to reXML, in the form of specially-formatted XML files. These files can be opened in products compatible with reXML.

To export files in reXML format, use the **File | Import and Export | Export to reXML...** menu option. You will be prompted to enter a file name and location. See also “Exporting data to reXML” on page 250.

Export to Version 2.06

For occasions when you need backwards compatibility, you can save ARGUS Developer files in Visual Developer 2.06 format.

To export files in 2.06 format, use the **File | Import and Export | Export to Version 2.06...** menu option. You will be prompted to enter a file name and location.

Alternatively, you can use the the Import and Export Wizard to perform the same task.

Import and Export Wizard

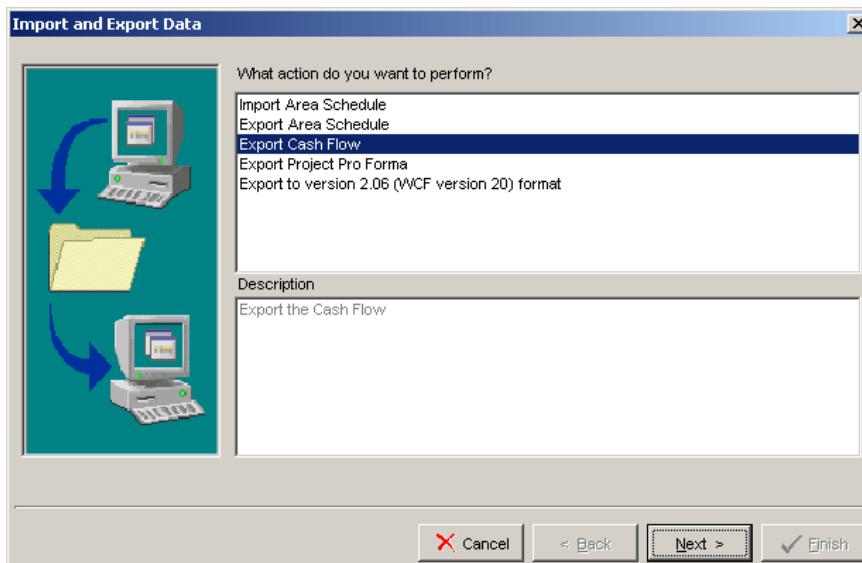
The Wizard will guide you through the process of getting your data from ARGUS Developer into another application.

On the **File** menu, select **Import and Export | Import and Export Wizard...**

You then have several options:

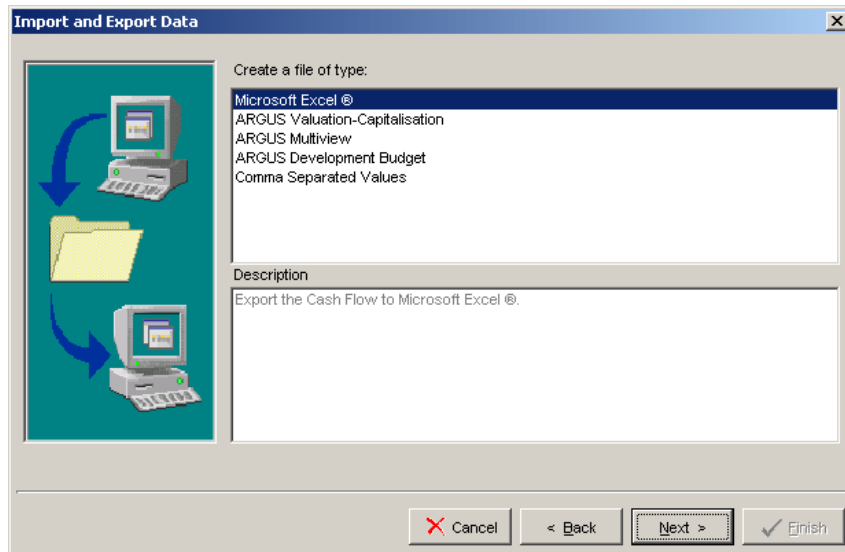
- **Import Area Schedule**
- **Export Area Schedule**
- **Export Cash Flow**
- **Export Project Pro Forma**
- **Export to version 2.06 (WCF version 20) format**

Follow the instructions in the **Import and Export Wizard** to complete the process.



Export Cash Flow

1. Select **Import and Export | Import and Export Wizard...** from the **File** menu, and click onto the **Export Cash Flow** option, then click **Next**.
2. Choose to export to **Microsoft Excel**, **ARGUS Valuation - Capitalisation**, **ARGUS Multiview**, **ARGUS Development Budget** or as **Comma Separated Values**, then click **Next**.



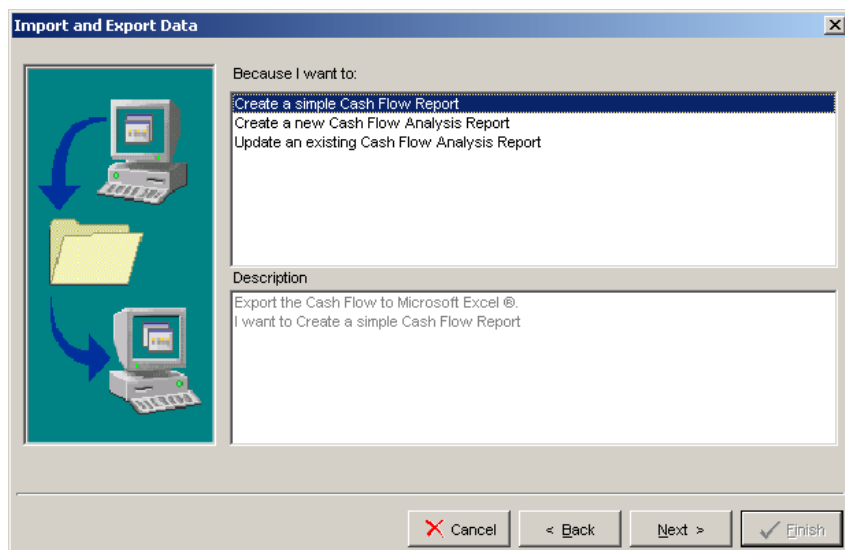
a) To export the data to **Microsoft Excel**, there are several options:

Create a Simple Cash Flow Report. You must then enter the cash flow cycle required (in months) and specify whether hidden row values and group labels are to be exported. To reduce the number of rows of data in the exported cash flow, uncheck both these check boxes.

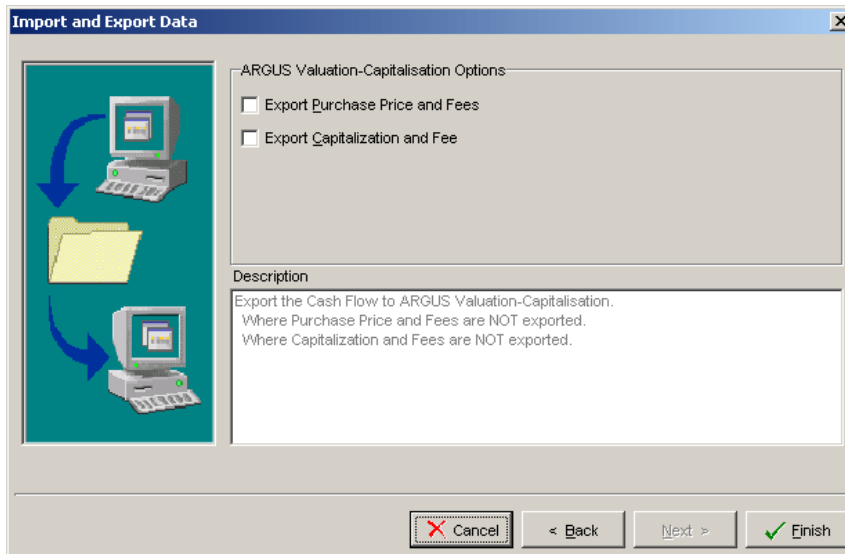
Create a new Cash Flow Analysis Report. Choose a template for the report from the list provided or, if you do not see the template you require in the default Excel Analysis Template folder, use the browser to view another drive or directory.

Update an existing Cash Flow Analysis Report. Choose a report from the list provided or, if you do not see the report you require, use the browser to view another drive or directory. See “Updating an existing Cash Flow Analysis Report” on page 246 for a quicker way to get to this section.

Click **Next** then **Finish** to complete the export process.



b) To export the data to **ARGUS Valuation - Capitalisation**, you must specify whether the Purchase Price and Capitalization are to be exported. To suppress these values, uncheck the **Export Purchase Price and Fees** and **Export Capitalization and Fee** options. Click **Finish**.

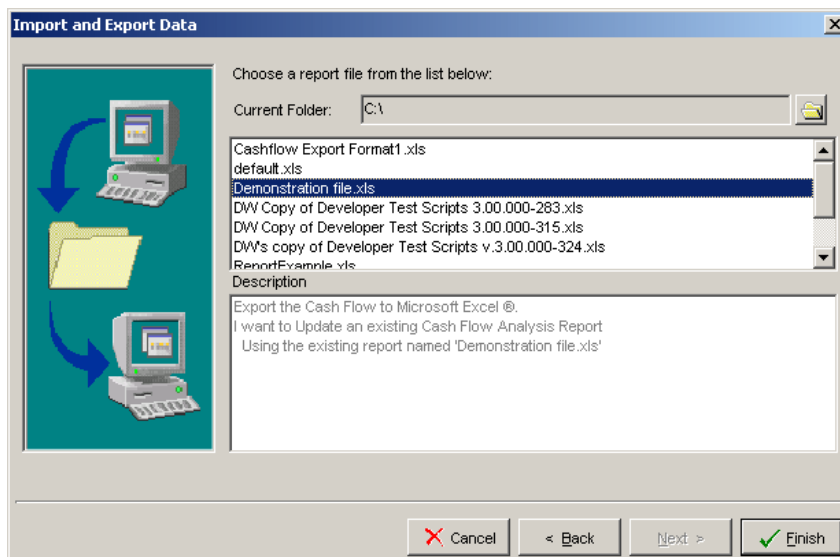


c) To export the data as **Comma Separated Values**, enter the cash flow cycle required (in months) and specify whether hidden row values and group labels are to be exported. To reduce the number of rows of data in the exported cash flow, uncheck both tick boxes. Click **Finish** to complete the process.

Updating an existing Cash Flow Analysis Report

If you have already created an existing cash flow analysis report in an Excel file, you may wish to update this frequently. To make this process quicker, a separate menu option is available for this purpose, so you don't have to spend time clicking on options in the Import and Export Wizard.

Use the **File | Import and Export | Update Analysis Report...** menu option to open this specific part of the Import and Export Wizard:



Select the appropriate file and click **Finish** to complete the process.

Exporting data to ARGUS Development Budget®

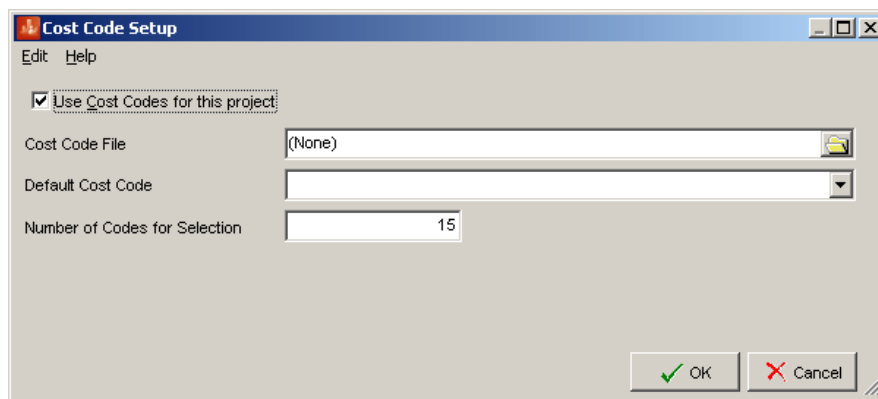
If you have ARGUS Development Budget, you will want to export data from ARGUS Developer.

To do this, you will have to arrange the data in a form that can be easily read by ARGUS Development Budget. To structure your data correctly, you should use the same cost codes in both systems.

To use the same cost code structure as ARGUS Development Budget, you can create a cost code template file (this is an XML file containing all the cost code items that you have set up in ARGUS Development Budget - see “Exporting a Cost Code Set” in your ARGUS Development Budget reference manual for further details).

Once you have created this template file, you can proceed to convert your data in ARGUS Developer.

Use the **Cost Codes | Cost Code Setup...** menu option to open the Cost Code Setup window:



Click on the **Use Cost Codes for this project** check box.

Use the **Cost Code File** control to browse for the XML file you created. If you followed the instructions in your ARGUS Development Budget reference manual, you should find the XML file in ARGUS Developer’s **Template** directory (for example, C:\Program Files\ARGUS Software\ARGUS Developer\Template).

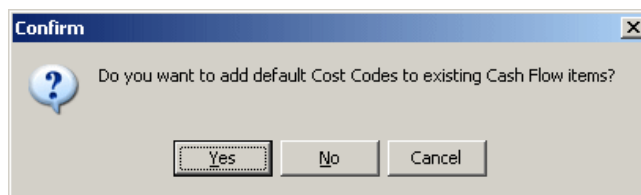
When you have selected the XML file, the **Default Cost Code** and **Finance Charge Cost Code** drop-downs will be populated with a list of all the cost code items.

Use the **Default Cost Code** drop-down to select a cost code that will be used as an initial default setting for all the cost items in the cash flow. This is optional - you can leave it blank by deleting the text from the field.

You can change the number of cost codes that are shown in these drop-downs by specifying a number in the **Number of Codes for Selection** box.

Click on the **OK** button to proceed.

A message will be displayed (this message will be displayed each time you change the settings):



Click on the **Yes** button to proceed.

Open your cash flow by clicking on the **Cash Flow** tab.

You will notice that there is a new **Cost Code** column in the cash flow, each cell containing the cost code that you selected for use as the default cost code.

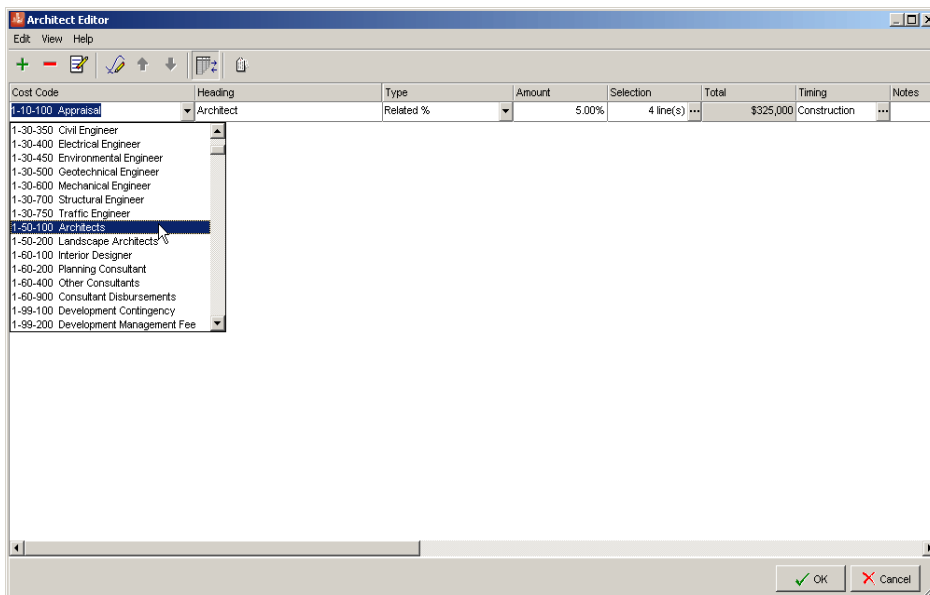
This default cost code (which is an initial setting) will need to be replaced by the correct cost code. To assign the correct cost codes, click on the drop-down arrow and scroll through the list of cost codes. Select the cost code that most closely matches the row item in the cash flow:

Heading	Category	Tagged	Hidden	Locked	Phase	Related	Sign	Interest	Initiation	GST	Notes	Cost Code	1	2	3
													Jul 2006	Aug 2006	Sep 2006
Sale - 2 Bedroom Units	2	x	x	x	4	x	++	✓	x	x	x	1-10-100 Appraisal	0	0	0
Sale - 3 Bedroom Units	2	x	x	x	4	x	++	✓	x	x	x	1-10-100 Appraisal	0	0	0
Disposal Costs													← Pre-Construction →		
Sales Agent Fee	9	x	x	x	4	✓	-+	✓	x	x	x	1-10-100 Appraisal	0	0	0
Acquisition Costs															
Land Cost	86	x	x	x	4	x	--	✓	x	x	x	1-10-100 Appraisal	(2,500,000)	0	0
Land Transfer Tax	14	x	x	x	4	✓	--	✓	x	x	x	1-10-100 Appraisal	(25,000)	0	0
Agent Commission	16	x	x	x	4	✓	--	✓	x	x	x	1-10-100 Appraisal	(25,000)	0	0
Legal Fee	17	x	x	x	4	x	--	✓	x	x	x	1-10-100 Appraisal	(20,000)	0	0
Fixed DCC	20	x	x	x	4	✓	--	✓	x	x	x	1-10-100 Appraisal	(520,000)	0	0
Survey	21	x	x	x	4	x	--	✓	x	x	x	1-20-200 Surveyor	(5,000)	0	0
Construction Costs															
City Levy	27	x	x	x	4	✓	--	✓	x	x	x	1-10-100 Appraisal	0	0	(52,000)
Offsite Services	28	x	x	x	4	x	--	✓	x	x	x	1-10-500 Rendering/Models	0	0	(250,000)
Con. - 1 Bedroom Units	24	x	x	x	4	x	--	✓	x	x	x	1-20-100 Strata Survey	0	0	(63,023)
Con. - 2 Bedroom Units	24	x	x	x	4	x	--	✓	x	x	x	1-30-100 Acoustic Engineer	0	0	(63,023)
Con. - 3 Bedroom Units	24	x	x	x	4	x	--	✓	x	x	x	1-30-200 Building Envelope Engineer	0	0	(66,730)
Tax during Construction	25	x	x	x	4	✓	--	✓	x	x	x	1-30-300 Certified Professionals	0	0	(3,084)
Sewer Levy	29	x	x	x	4	✓	--	✓	x	x	x	1-30-350 Civil Engineer	0	0	(52,000)
Professional Fees															
Architect	32	x	x	x	4	✓	--	✓	x	x	x	1-30-400 Electrical Engineer	0	0	(9,639)
Quantity Surveyor	33	x	x	x	4	✓	--	✓	x	x	x	1-30-450 Environmental Engineer	0	0	(1,809)
Structural Engineer	34	x	x	x	4	x	--	✓	x	x	x	1-30-500 Geotechnical Engineer	0	0	(741)

Perform this procedure for all the items shown in the cash flow.

Alternatively, you can assign these cost codes by going into each of the editors that are called from the **Definition** page. To do this, click on the **Definition** tab.

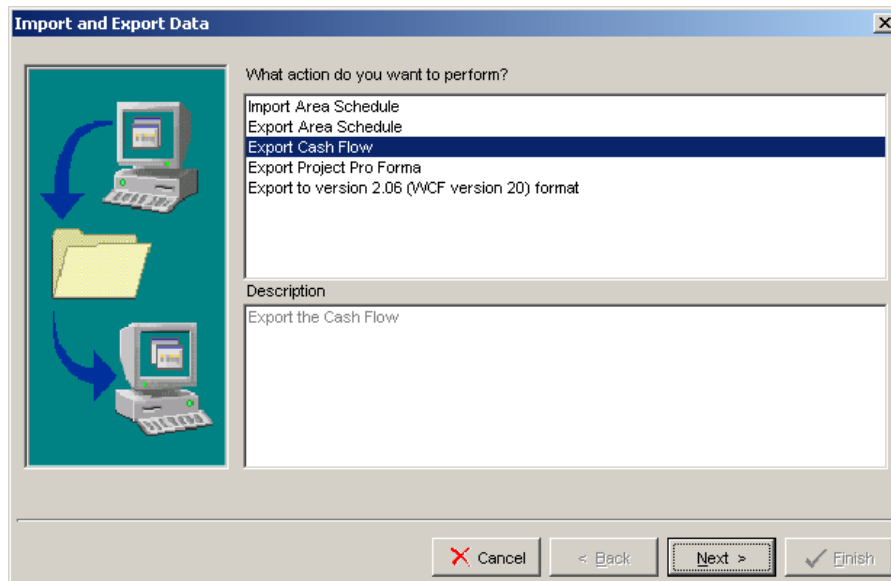
Click on the **Detail View** button **...** next to any of the cost items to open the editor window:



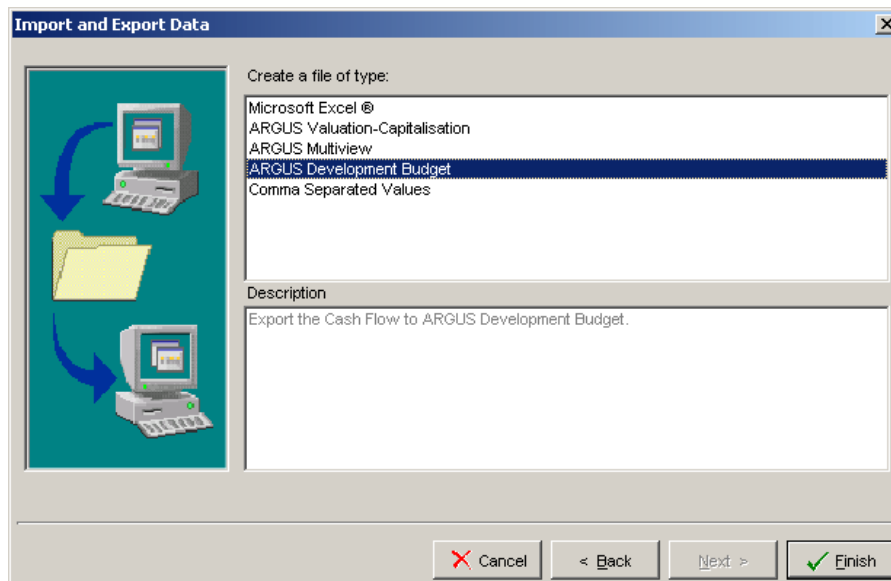
In the **Cost Code** column, you can select the appropriate cost code from the drop-down list.

Once you have finished setting up all the cost code assignments, you will want to export the cash flow in ARGUS Development Budget format.

To do this, use the **File | Import and Export | Import and Export Wizard...** menu option to open the Import and Export Wizard:

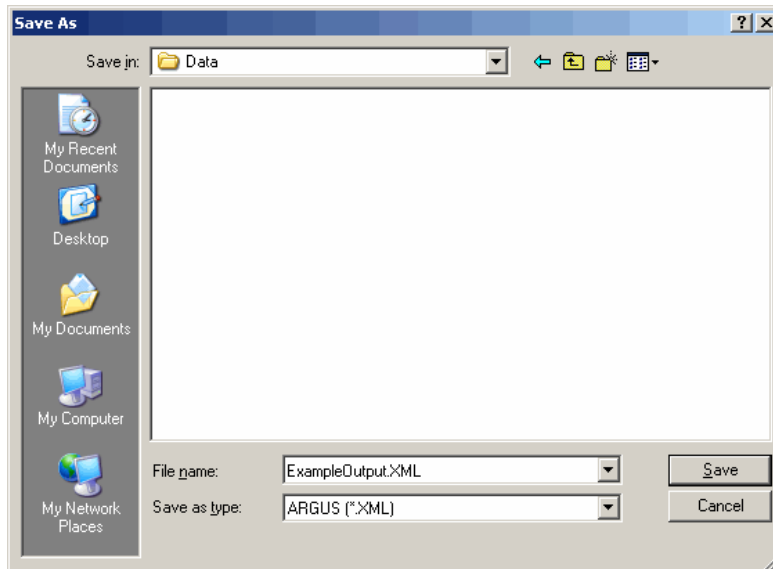


Select the **Export Cash Flow** option and click on **Next** to proceed.



Select the **ARGUS Development Budget** option and click on the **Finish** button.

You will be prompted to enter a name for the export file:



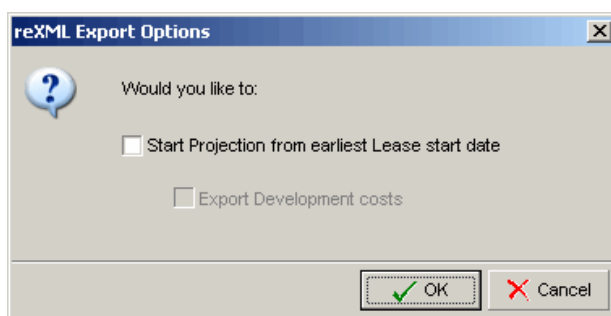
Type in a name for the XML file and click on **Save** to proceed.

The file should now be ready for you to import into a budget worksheet in ARGUS Development Budget, using the Forecast Data Wizard. See “Importing data into the budget worksheet” in your ARGUS Development Budget reference manual.

Exporting data to reXML

ARGUS Developer data can be exported to reXML, in the form of specially-formatted XML files. The resulting files can be opened in products compatible with reXML (such as ARGUS Valuation - DCF).

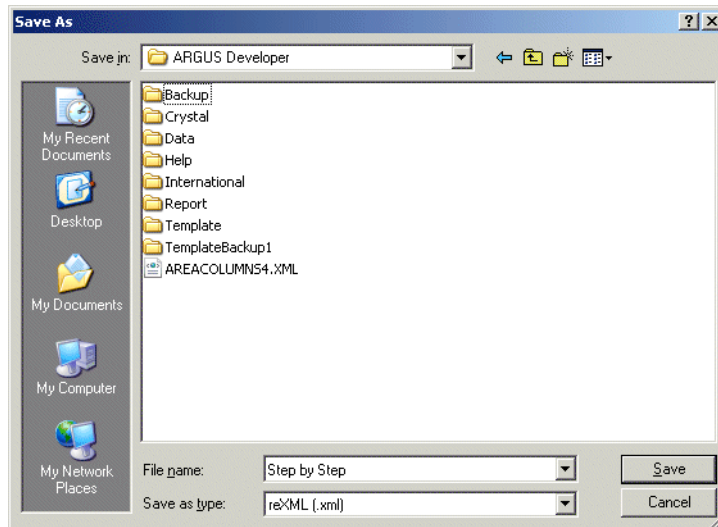
To export files in reXML format, use the **File | Import and Export | Export to reXML...** menu option to open a dialog like the following (the default export function is shown below):



See the following section for information about the options in this dialog.

Available options for exporting to reXML

Regardless of the status of the check box selections, when you click **OK**, ARGUS Developer will display a standard Save As... dialog that prompts for an export file name:



Once the file name is entered (it defaults to the name of the current Developer file, but with an .XML extension), the XML export file is written and the program returns to the main Developer workspace. This file can be read by ARGUS Valuation-DCF using the appropriate File Import/Export menu option when there is no DCF file open.

The default setting (where **Start Projection from earliest Lease start date** is left unchecked) as shown in the picture at the start of this section, exports the monthly development cost and basic Area information from the start month to the last month of the Project as defined in ARGUS Developer. Note that Sales values and Finance information are not exported. Also note that no Unit Area assumption or calculation information is written to the file - this export includes only Cap Area record information.

What is exported when using this option:

- Project Name, Start Date, End Date.
- All project development costs, line by line and month by month, for the currently selected Phase or Group of Phases as Development Costs. These are categorized as Land/Acquisition Costs, Hard/Construction Costs, or Soft/Development Costs as appropriate. Note that Finance Costs are not part of Development Costs.
- All “Cap Areas” (lease records) from all selected Phases, with basic rent roll information - Name, Type, Size, Start Date, Term/Expire, Detail Base rent prior to vacancy allowance (if any) over the term of the lease, and Market Leasing Assumption categorization which is based on unique Market Rent and Length of term within the Developer file. Note that Cap Area data does not include TIs, Commissions, Vacant Costs, Rent Additions and Costs.
- Operated Asset revenue and expense information is **not** exported.

If the **Start Projection from earliest Lease Start Date** option is checked, you have the further option to choose whether or not to check the **Export Development costs** option.

If the **Export Development costs** option is **not** checked, there are no costs exported to the XML file - only Area information, in the same detail as described above.

If the **Export Development costs** option is checked, development costs up to, but not including the earliest lease start date for the current phase view are written to the XML file, as a single lump sum on a specific line headed “Costs Prior to Leasing”. The other development costs occurring on or after the earliest lease start date are listed individually and monthly by line item.

Note: The ARGUS Developer file name will be exported as the property name - this is used by ARGUS Valuation-DCF to search for a file name to update if “Update model” is chosen.

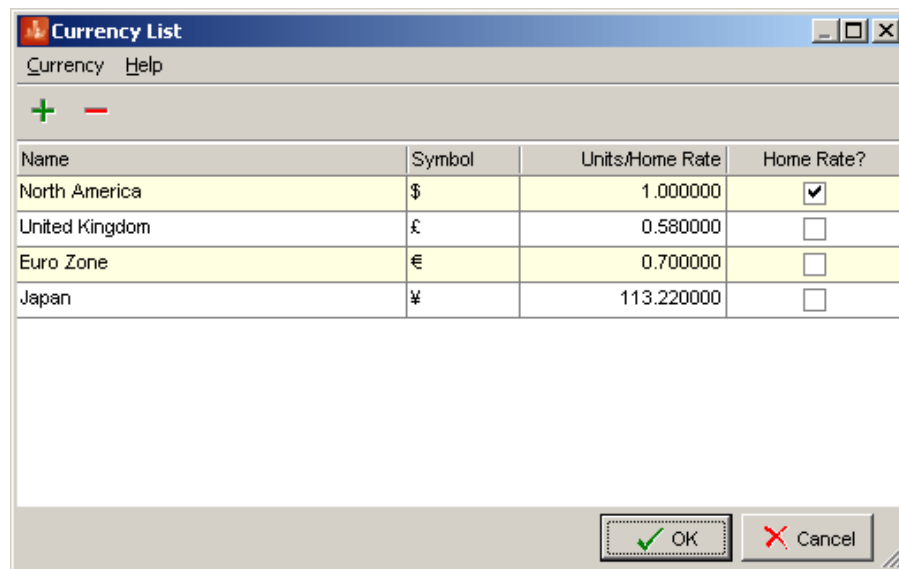
CHAPTER 22

Working with Other Currencies

Convert your project into another currency by selecting **Currency** from the **Tools** menu.

The currency conversion function is available in the Project, Definition, Cash Flow or Project Pro Forma screens.

When you first enter the currency screen, you will see your home currency on the first row of the table. To enable currency conversion, you must add the appropriate currency to the table by entering its name, symbol and conversion rate. Multiple entries can be made as required.



To add a new currency, click on the **Add Currency** button or select **Add Currency** from the **Edit** menu. A new row will appear in the table in which you should enter the name of the currency you wish to use, the symbol used to represent the currency and the conversion rate (**Units/Home Rate**) to be used.



To delete an item from the currency list, select the item and click on the **Delete Currency** button or select **Delete Currency** from the **Edit** menu.

To convert your project to a new currency, check the **Home Rate?** option check box for the required currency and ARGUS Developer will convert all values in the project using the **Units/Home Rate** entered. You can enter amounts to 6 decimal places.

During the conversion, ARGUS Developer works through each of the Capitalized Rent and Unit Sales definitions from the area schedules, and converts the rates and unit values. All Gross Costs and Capital Values are then recalculated and written to the cash flow.

Next, all the fixed values are converted and the project is recalculated. All reports will now show the converted values with the appropriate currency symbol.

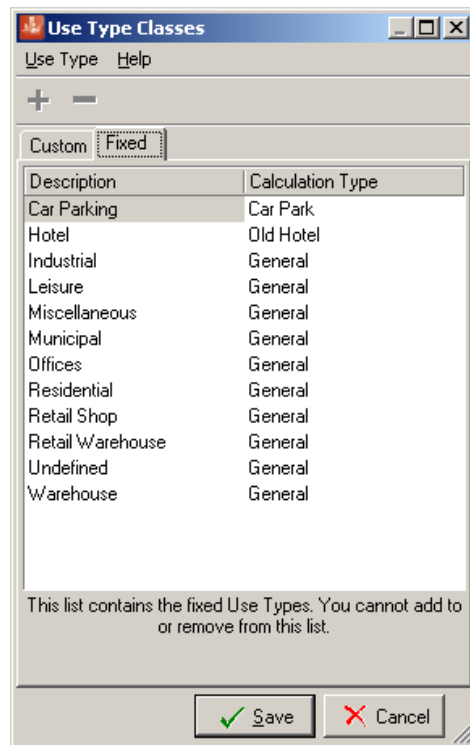
CHAPTER 23

Use Type Classes

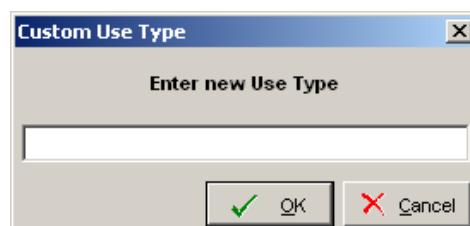
You can customize the list of Use Type Classes to include an unlimited number of descriptions. A Use Type can be recorded against each tenant or property entered in the Area Schedules.

ARGUS Developer comes with a Fixed, or standard, set of Use Type Classes. Additional types can be entered under the Custom heading.

To customize Use Classes, use the **File | Administration | Edit Use Types...** menu option and click on the **Custom** tab in the Use Type Classes editor:



Adding a new Use Type - to add a new Use Type Class, click on the **Add a Use Type** button on the toolbar, or use the **Use Type | Add Use Type...** menu option. This opens the following dialog:



Enter the name of the new use class into the text box and click **OK**.



Deleting a Use Type - to delete a Use Type Class, select the use type and click on the **Delete a Use Type** button on the toolbar, or use the **Use Type | Delete Use Type...** menu option.

Changes to the list are immediately available to the person who made the change. They are only available to other users once they have closed and reopened the software.

Note: ARGUS recommends that no other users are running ARGUS Developer when the changes are made. After changes have been made, the user who made the changes should then close the program before everyone is allowed access once more.

The list of use type classes is saved with each project data file. This ensures that your use type classes are available to any clients or colleagues to whom you send the project data.

CHAPTER 24

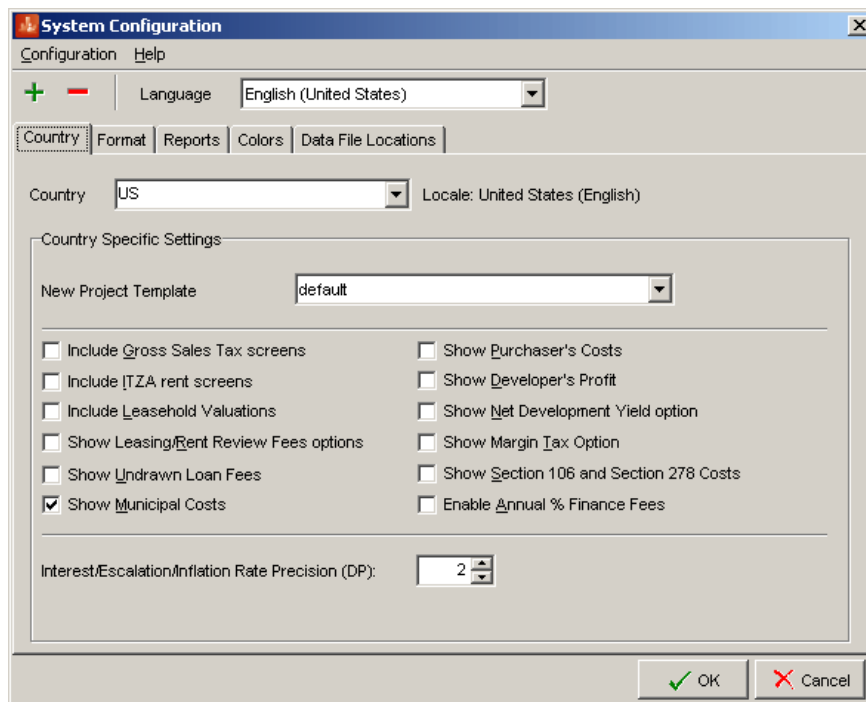
System Configuration

There are a number of options available to change the system configuration. These can be accessed by selecting **System Configuration** from the **Administration** option in the **File** menu.

Country

ARGUS Developer takes country-specific formatting instructions directly from the Windows operating system installed on your PC. However, where you are preparing a development appraisal that must be formatted for another country, you will need to change some of the formatting instructions.

You can use the **Country** settings to change the way in which numbers are formatted. The Country settings will be stored with the project data file and will remain in effect until you change them or select the **Start New Project** button. After selecting the **Start New Project** button, the Country settings will revert to the Windows defaults stored in your default project file.



To add a new configuration, click on the **Add Configuration** button on the toolbar. Select a Country from the drop-down list, enter a configuration name into the dialog box and press **OK**.



To delete a configuration, select the configuration from the Country drop-down list and click on the **Remove Configuration** button on the toolbar.

Language

Select the required language from the drop-down list.

Country

Select the name of the Country from the drop-down list. This does not automatically fill in the other fields on this screen.

Country Specific Settings

New Project Template

Select the default new project template from the drop-down list. This is the default template that is opened by clicking on the **Start New Project** button.

Various check boxes enable certain options to be enabled or disabled in the program for different country configurations:

- **Include Gross Sales Tax screens**
If this is checked, then the Gross Sales Tax screens are enabled and can be opened by clicking on the GST Schedule button. If this option is not checked, then the GST Schedule button is removed from the button bar and the Gross Sales Tax screens are not available for use.
- **Include ITZA rent screens**
To activate the Retail Zoning (Area ITZA) rent screens this option should be checked. ITZA definition screens may then be opened in the Capitalized Rent form by clicking on the Retail Zoning (Area ITZA) button or selecting Zoning (Area ITZA) from the Area menu. If this is unchecked, then the ITZA options are disabled.
- **Include Leasehold Valuations**
To enable the valuation of leasehold interests, defined in the Capitalized Rent screen, this option must be checked. If this option is unchecked, then freehold interests only may be valued.
- **Show Leasing/Rent Review Fees options**
If this option is checked, users may specify whether Leasing/Rent Review fees are calculated on gross MRV or MRV net of deductions. These options may be selected in the Calculation tab of Assumptions for Calculations. If this box is not checked, these options are hidden.
- **Show Undrawn Loan Fees**
If this option is checked, undrawn loan fees are displayed on the the Finance Fees page of the Finance window (see “Assumptions Setup: Finance Fees tab” on page 150).
- **Show Municipal Costs**
To enable the definition of Municipal Costs in the Definition screen, this box must be checked. If this option is unchecked, the Municipal Costs field will not be visible in the Definition screen.
- **Show Purchaser’s Costs**
To enable the definition of Purchaser’s Costs in the Definition screen, this box must be checked. If this option is unchecked, the Purchaser’s Costs field will not be visible in the Definition screen.
- **Show Developer’s Profit**
If this is checked, the Developer’s Profit option may be selected from the Definition menu in the toolbar. If this is not checked, Developer’s Profit is disabled.
- **Show Net Development Yield option**
If this option is checked, then the user may specify whether the calculation of the Development Yield is to be net of service charge and deductions and net of ground rent. These options may be defined in the Calculation tab of Assumptions for Calculation. If this box is not checked, these options are hidden.
- **Show Margin Tax option**
To enable the definition of Margin Tax in the Gross Sales Tax dialog and Cash Flow screen, this

box must be checked. If this option is unchecked, the Margin Tax options will not be visible in the Gross Sales Tax dialog or Cash Flow screen. This feature is not used in the USA or Canada.

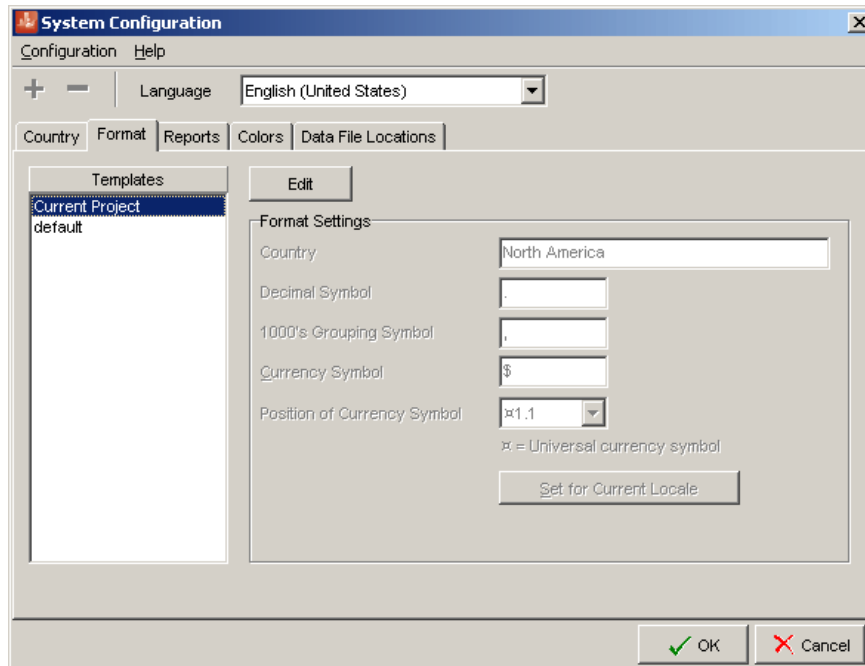
- Show Section 106 and Section 278 Costs**
 To enable the definition of Section 106 and Section 278 costs in the Definition screen, this box must be checked. If this option is unchecked, the Section 106 Costs and Section 278 Costs will not be available as menu options when you click on the **Other Construction** button in the Definition screen. This feature is not used in the USA or Canada.
- Enable Annual % Finance Fees**
 To enable the editing of the **% pa Amount** field in the Finance Fees tab (in the Structured Finance screen, when you have the “Related” fee type selected), this box must be checked. If this option is unchecked, the **% pa Amount** field will not be editable. See also “Assumptions Setup: Finance Fees tab” on page 150.

Format

The **Format** tab allows currency and other settings to be defined for project templates and for the current project listed in the **Templates** box.

Select the current project or template from the **Templates** list provided.

To edit the settings for the selected template or project, click onto the **Edit** button. This enables the **Format Settings** fields to be amended, as shown below. Click **Save** to save changes, or **Cancel** to return to the default settings for the selected template.



Country

Type in the country name.

Decimal Symbol

Enter the symbol to be used for indicating decimal values into the **Decimal Symbol** box.

1000's Grouping Symbol

Enter the symbol that will be used to group the digits in large values into the **1000's Grouping Symbol** box.

Currency Symbol

Enter the symbol that identifies a country's currency into the **Currency Symbol** box.

Position of Currency Symbol

You can specify where the currency symbol appears in relation to a currency value. A placeholder symbol represents the setting that is specified in the **Currency Symbol** box.

Set for Current Locale

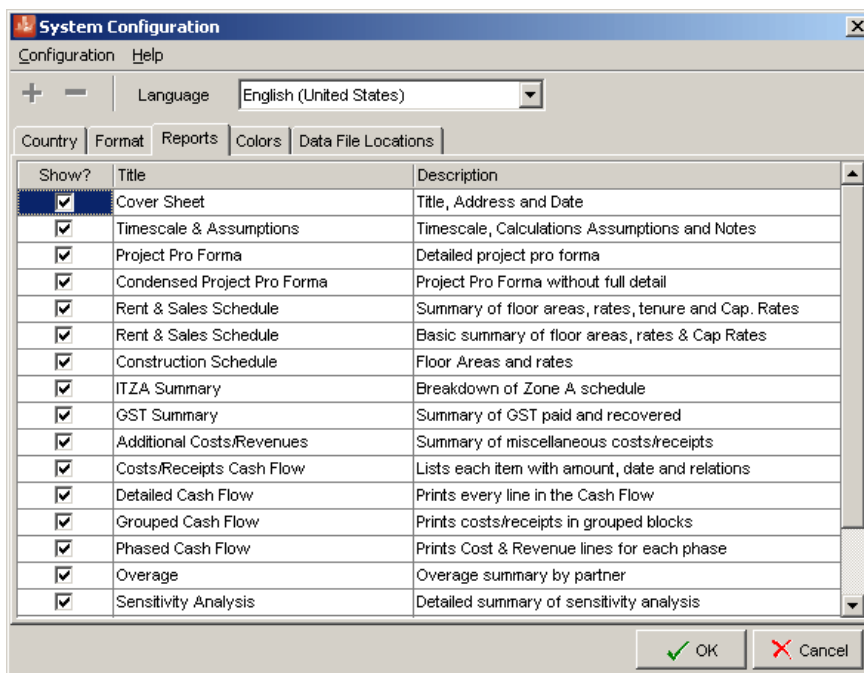
This resets all the settings in the **Format** tab for the selected template to those defined for the current locale.

Set from <country> Locale

This resets all the settings in the **Format** tab for the default template to those defined for the selected country configuration, as defined on the **Country** tab of System Configuration.

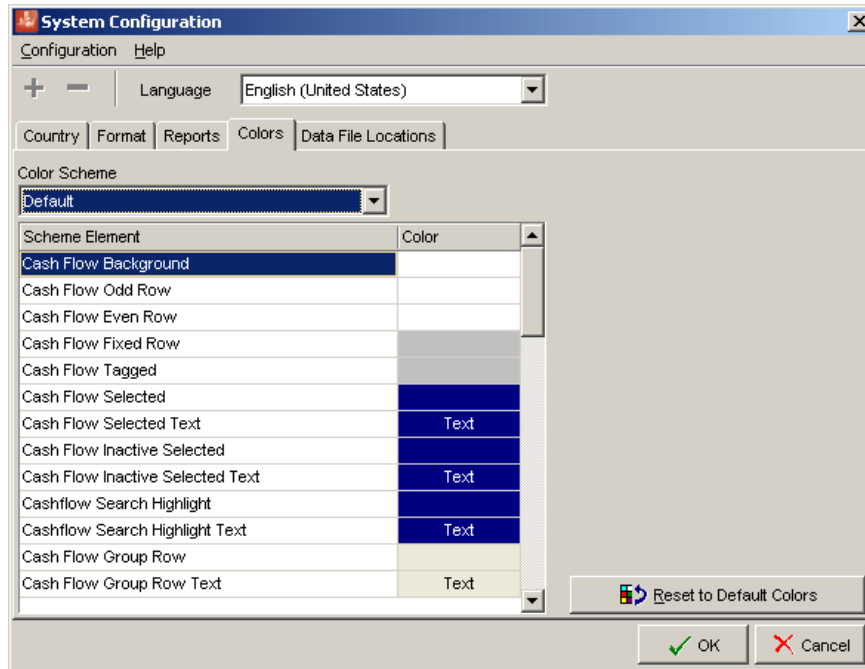
Reports

The **Reports** tab provides a list of all reports available in ARGUS Developer. Only those reports which are checked in the **Show?** column will be visible and available for selection by users from the Report Printer form.

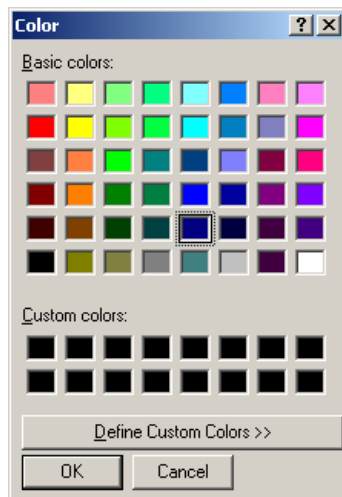


Colors

You can change the colors that ARGUS Developer uses to display text and numbers on screen by making settings on the **Colors** tab.



To change a setting, select the item you want from the **Scheme Element** list, and click in the **Color** column alongside it. Then, select a color from the palette:



Color Scheme

You can choose from a variety of color schemes that are coordinated throughout ARGUS Developer. You can change colors at any time without affecting your project data.

You can select existing color schemes from the **Color Scheme** drop-down.

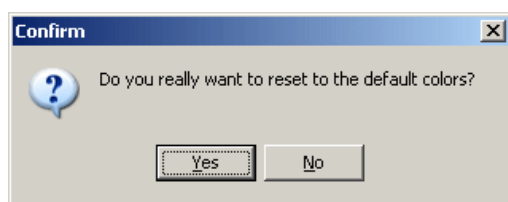
For each of the color schemes, the color of text and backgrounds in the Cash Flow, Results Bar, Project Pro Forma and Phase tab highlight can be customized. To do this, click in the Color column for the required scheme element and the color palette (as shown above) allows you to select the color for that specific element.

Note: The color schemes work best on monitors that can display 16-bit colors or more. If you only have 16 or 256 colors available, use the “Default” color scheme. Ask your Systems Administrator for information on setting up your monitor to display more colors.

Reset to Default Colors



If you wish to cancel all changes and return to the default colors, click the **Reset to Default Colors** button. You will be prompted to confirm that you wish to reset the color scheme:



Data File Locations

Use the **Data File Locations** tab to tell ARGUS Developer where to load and save its data files.

User Data Folder

The default location for saving and loading data files. The Data folder is common to all users of the system.

General Template Folder

The default location for the template data files. The templates control the creation of the Cash Flow and the layout of the Project Pro Forma. They are common to all users of the system.

If you create any Project Template files, they should be stored in this directory.

General Excel Template Folder

The default location for general Excel template files which are used when data is exported into Excel as a simple cash flow. They are common to all users of the system.

Cash Flow Analysis Excel Template Folder

The default location for Cash Flow Analysis Excel template files. The templates are used when data is exported into Excel to create analysis reports. They are common to all users of the system.

Report Folder

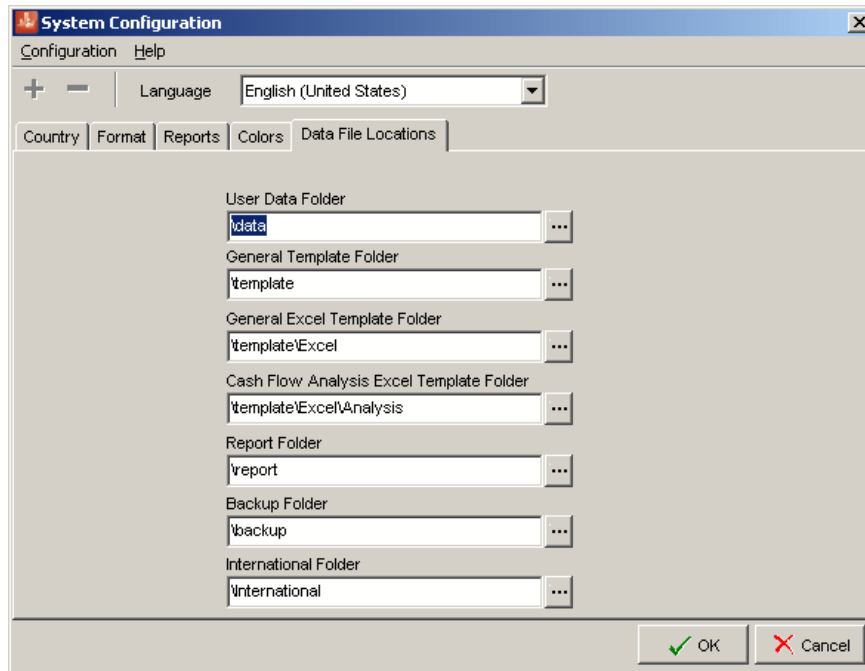
The location of report template files.

Backup Folder

The default location for saving backup files. When the option to create backups is selected, backup files are created each time a data file is saved. The Backup Directory is common to all users of the system.

International Folder

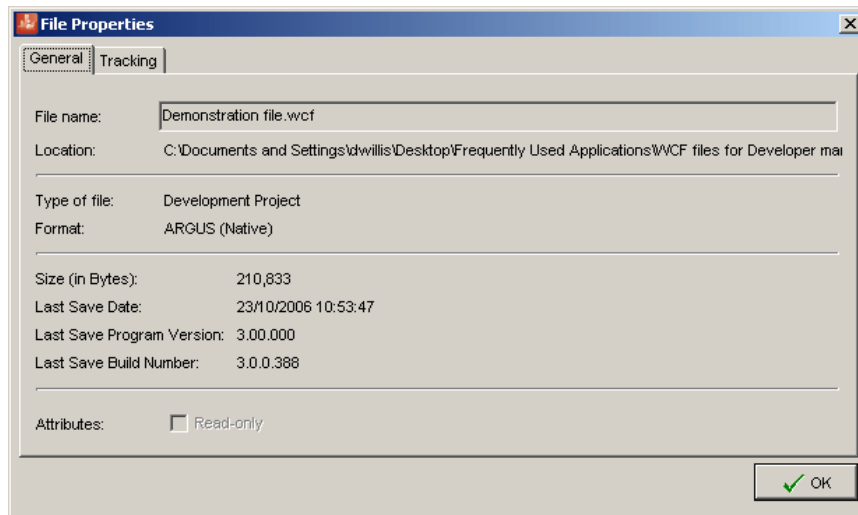
The location of files used for translations of the program into different languages. Each country has a sub-folder containing the translation dictionaries.



Properties

By selecting **Properties...** from the **File** menu in the main ARGUS Developer window, you can view information relating to the open project file.

General tab



File name The file name which was given to the file when it was last saved.

Location The filename and path where the file is currently saved.

Type of file Description of file type.

Format This will be either ARGUS or ARGUS XML windows cash flow.

Size (in Bytes) The size of the file in bytes.

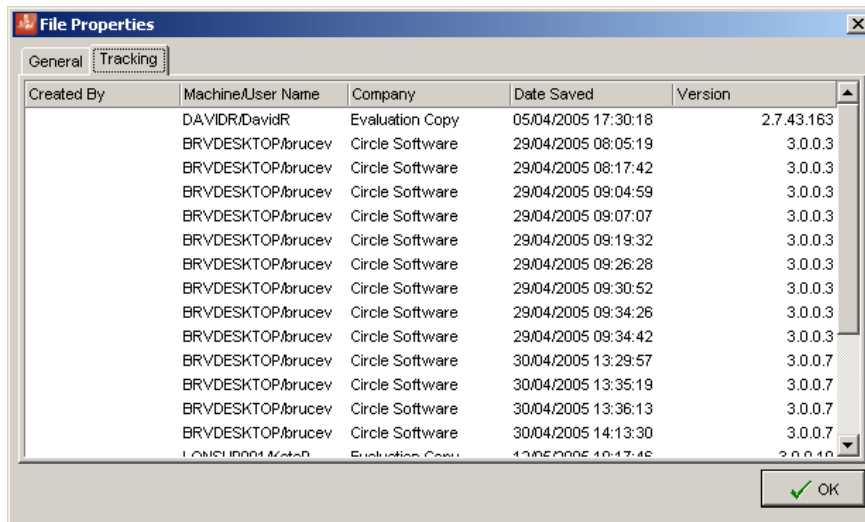
Last Save Date The date and time of the last time the file was saved.

Last Save Program Version The program version in which the file was last saved.

Attributes Indicates whether the data file is read-only or not. If the check box is ticked, the file is read-only.

Tracking tab

The **Tracking** tab enables you to see the save history of the file.



Created By	Machine/User Name	Company	Date Saved	Version
	DAVIDR/DavidR	Evaluation Copy	05/04/2005 17:30:18	2.7.43.163
	BRVDESKTOP/brucev	Circle Software	29/04/2005 08:05:19	3.0.0.3
	BRVDESKTOP/brucev	Circle Software	29/04/2005 08:17:42	3.0.0.3
	BRVDESKTOP/brucev	Circle Software	29/04/2005 09:04:59	3.0.0.3
	BRVDESKTOP/brucev	Circle Software	29/04/2005 09:07:07	3.0.0.3
	BRVDESKTOP/brucev	Circle Software	29/04/2005 09:19:32	3.0.0.3
	BRVDESKTOP/brucev	Circle Software	29/04/2005 09:26:28	3.0.0.3
	BRVDESKTOP/brucev	Circle Software	29/04/2005 09:30:52	3.0.0.3
	BRVDESKTOP/brucev	Circle Software	29/04/2005 09:34:26	3.0.0.3
	BRVDESKTOP/brucev	Circle Software	29/04/2005 09:34:42	3.0.0.3
	BRVDESKTOP/brucev	Circle Software	30/04/2005 13:29:57	3.0.0.7
	BRVDESKTOP/brucev	Circle Software	30/04/2005 13:35:19	3.0.0.7
	BRVDESKTOP/brucev	Circle Software	30/04/2005 13:36:13	3.0.0.7
	BRVDESKTOP/brucev	Circle Software	30/04/2005 14:13:30	3.0.0.7
	LOUSI.../KateD	Evaluation Copy	12/05/2005 10:17:48	3.0.0.10

Created By The name of the user. This is taken from the **Created by** field on the Project page.

Machine/User Name The name used to identify your computer and user name within your organization. This also identifies changes made to the file when it is sent to another organization.

Company The Company Name. This is taken from the license name issued when the license was activated.

Date Saved The date and time of the last time the file was saved by that particular user.

Version The program version in which the file was saved.

CHAPTER 25

Changing Settings and Display Options

Options

You can change many of the default settings to customize the way in which ARGUS Developer works. For example, you may want to:

- Automatically save your project at specified intervals while you work;
- Change the units of measurement;
- Change the font settings.

To change the default settings, choose **Options** from the **Tools** menu.

Alternatively, in the Cash Flow and Project Pro Forma, you can click the **Options** button:



The Options dialog box is divided into four tabs: **General**, **Cash Flow**, **Project Pro Forma** and **Save**.

When you select a tab, the options for that tab are shown. Settings are determined by selecting or clearing the check boxes or by typing or selecting new information. The new settings take effect when you close the dialog box by clicking the **OK** button, and remain in effect until you change them.

General

Display Options

Show Project Toolbar

You can hide the Project Toolbar from display to give more room on the screen. Clear the **Show Project Toolbar** check box to hide the toolbar.

Show Gray Background on Merged Fields

When this option is checked, the fields in the Definition screen for the **Merged Phases** tab will be displayed with a gray background and black font. If unchecked, the fields are displayed with a white background and gray font.

Show Names on Area Tabs

For the tenant/area name (from the **Heading** field in the Area Schedule) to appear on area tabs in the Area Schedules (Capitalized Rent and Unit Sales) check this option. If this option is unchecked, then the tabs will display the area number, such as Area 1, Area 2 and so on. This applies to both Capitalized Rent and Unit Sales entries.

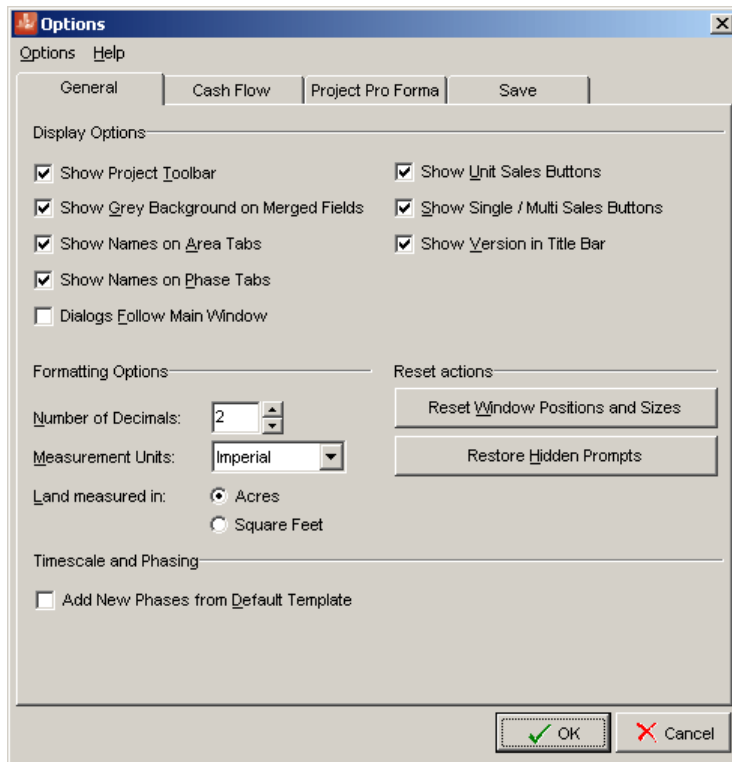
Show Names on Phase Tabs

For the Phase Name to appear on phase tabs, check the **Show Names on Phase Tabs** option. If this check box is cleared, the standard phase numbering will appear on phase tabs, such as Phase 1, Phase 2, and so on.

Dialogs Follow Main Window

If this option is checked, dialog boxes will automatically open in the main window in which the ARGUS Developer program is open. If this option is unchecked, the dialog will open in the window in which it was last closed.

This option only applies if you have more than one monitor.



Show Unit Sales Buttons

For users who do not intend to work on developments involving Non-Capitalized Sales, you may prefer to hide the button that opens the **Unit Sales** form in the Definition screen. Clear the **Show Unit Sales Buttons** check box to hide this option in the Definition screen.

Show Single/Multi Sales Buttons

You may prefer to hide the buttons that open the **Single Unit Sales** and **Multi Unit Sales** forms in the Definition screen. Clear the **Show Single/Multi Sales Buttons** check box to hide these options in the Definition screen.

Show Version in Title Bar

Check this check box if you wish to display the ARGUS Developer version number in the main title bar.

Formatting Options

Number of Decimals

To increase or decrease the precision of figures on the Project Pro Forma and printed reports, you can specify the number of decimal places using the spinner arrows.

Measurement Units

Specifies whether the floor space definitions are held in Imperial (square feet) or Metric (square meters). Changing this option will recalculate all area-based definitions to the new standard. Floor space, rent, sales and construction rates are converted. In addition, all step increments in the Sensitivity Analysis function will be converted.

The Site Area will also be converted between the two standards.

Note: Switching between the two standards can create small discrepancies due to metric area measurements and monetary values being held to two decimal places.

Land Measured in

Specifies the unit of measurement for the Site Area. The units are displayed against the **Site Area** field on the Definition page. When you enter a value into the Site Area field, the Project Pro Forma shows the cost of the land per unit of measurement.

Add New Phases from Default Template

This check box allows you to specify whether or not new phases will use the default template when you create them.

Reset Actions

Reset Window Positions and Sizes

This option resets all window positions and sizes to the default settings.

Restore Hidden Prompts

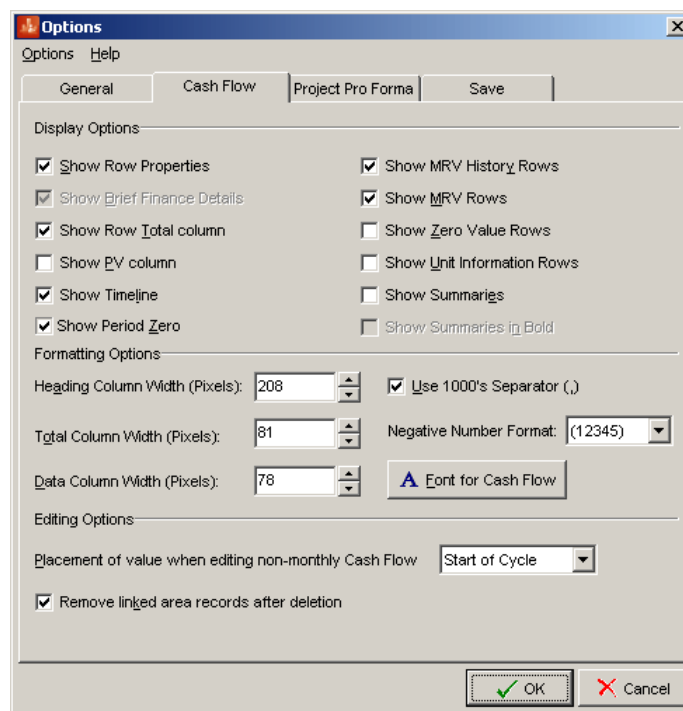
When prompt messages appear in the program, the user is given the option to choose not to be asked again for the project. Checking this option will restore hidden prompts when a user has previously opted not to be prompted again.

Timescale and Phasing

Add New Phases from Default Template

When adding a new phase, if you wish this new phase to include default information such as timescale, fee relations, escalation sets etc, from your default template, check the **Add New Phases from Default Template** option. If this option is unchecked, then ARGUS Developer will create a new blank phase.

Cash Flow



Show Row Properties

If this option is checked, additional columns will be displayed on the left hand side of the Cash Flow screen, setting out the properties of each row in the cash flow. You can display more data columns in the Cash Flow by clearing this check box to hide these fixed columns.

Show Brief Finance Details

When **Basic Finance (Interest Sets)** is applied to a project, you can hide some of the GST, Interest and Inflation data rows in the Finance Cash Flow by selecting this option. Select the **Brief Finance Display** check box to hide Interest and Inflation Rate rows. If GST has been set for any items, the program will show GST paid and reclaimed, regardless of the **Brief Finance Details** check box setting.

Show Row Total Column

An additional column at the start of the cash flow is displayed showing row totals when this option is checked. Clear the **Show Row Total Columns** check box to hide this column.

Show PV Column

An additional column at the start of the cash flow is displayed showing the row total's Present Value when this option is checked. Clear the **Show PV Column** check box to hide this column.

Show Timeline

The Timeline is displayed at the top of the cash flow directly beneath the date row, indicating the duration of each stage of the project, when this option is selected. If this check box is cleared, the timeline will not be displayed.

Show Period Zero

If you check this option, period zero will be displayed in the Cash Flow and in the Data Distribution window, on the Editor tab (see "Data Distribution" on page 111). By default, this option is switched off.

Show MRV History Rows

If this option is checked, additional rows will be displayed in the cash flow showing the market rental value (MRV) for each unit of accommodation defined in the Capitalized Rent screen during the cash flow, taking into account any rental escalation settings. These rows are hidden from calculations. To hide these rows from display, clear the **Show MRV History Rows** check box.

Show MRV Rows

If this option is checked, a separate row showing the market rental value (MRV) at exit for each unit of accommodation defined in the Capitalized Rent screen will be displayed in the cash flow. If this check box is cleared, then MRV rows will not be displayed.

Show Zero Value Rows

If this option is checked, all zero value rows will be displayed in the cash flow. If this option is not checked, then any zero value rows will not be displayed.

Show Unit Information Rows

If this option is checked, rows showing information about the number of units under construction will be displayed in the cash flow.

Show Summaries

If this option is checked, a summary total row will be displayed at the bottom of each section in the cash flow.

Show Summaries in Bold

If this option is checked, the summary total row will be displayed in bold.

Formatting Options

Heading Column Width (Pixels)

This allows you to increase the width of the row heading column in the cash flow to accommodate long item headings in full. To change the width, type a value into the **Heading Column Width** box or use the spinner arrows.

Total Column Width (Pixels)

To change the column width for totals, type a value into the **Total Column Width** box or use the spinner arrows. This will define the width for the total column and PV column.

Data Column Width (Pixels)

If you are working with currencies that have a large number of digits, you may need to increase the width of the data columns to see each figure in full. To change the width, type a value into the **Data Column Width** box or use the spinner arrows.

Use 1000's Separator

You can format numbers with or without a separator between every third digit. To include a separator, select the **Use 1000's Separator** box.

Negative Number Format

You can choose from three different formats for displaying negative numbers in the cash flow: plain, -ve sign or bracketed.

Font for Cash Flow

You can choose the font used to display the Cash Flow data on screen. Click onto the **Font for Cash Flow** button to display the Font dialog box. You can select the font name and size, but not any of the other font properties.

Editing Options

Placement of value when editing non-monthly Cash Flow

If you are editing a cash flow that is displayed in a non-monthly cycle, such as quarterly or annual, ARGUS Developer needs to know where it should place any edited values. You have the option of placing the value at the start of the cycle or at the end of the cycle; in other words, if you were editing a quarterly cash flow, the value would be placed in either the first month of the quarter or in the final month of the quarter.

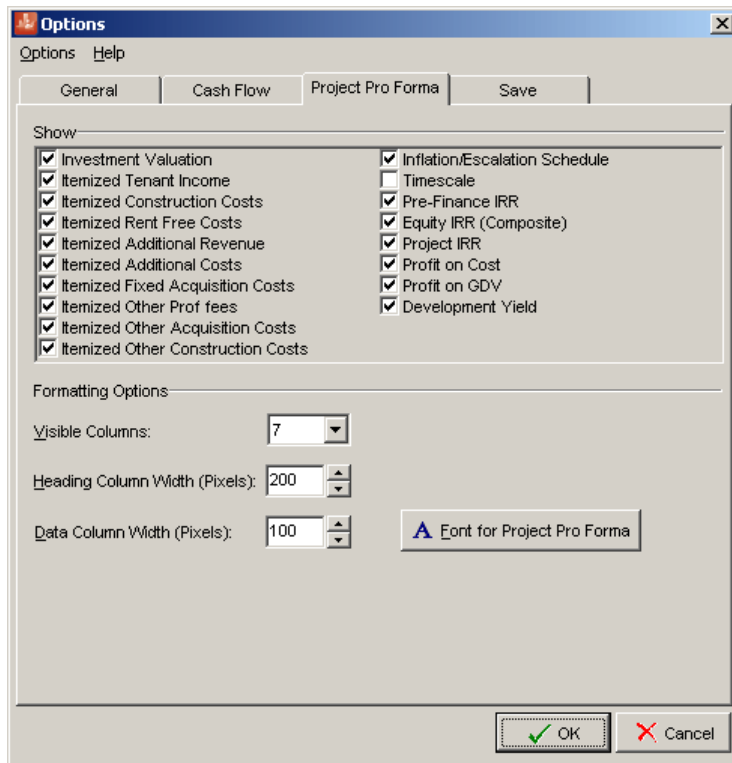
Remove linked area records after deletion

When you are deleting area-based rows from the cash flow, you can have the program automatically delete the area record that generated it. This means that any other rows linked to the same record, such as the MRV or Capitalized Rent will be automatically deleted.

Alternatively, rather than remove the area record, you can instruct the program to keep the area record and any linked rows. In this case, only part of the area record will be removed and its relevant field values set to zero.

To	Do this
Delete the area record and any linked rows.	Check the Remove Linked Area Records check box.
Keep the area record any linked rows.	Uncheck the Remove Linked Area Records check box.

Project Pro Forma



Investment Valuation

Select the **Investment Valuation** check box to show the full Investment Valuation on the Project Pro Forma page which displays a breakdown of each of the Unit Sales and Capitalized Rent definitions including the number of units, area, rate and yield. To show a summary of Sales and Rents, clear the **Investment Valuation** check box.

Itemized Tenant Income

When tenants' income flow is activated in the cash flow, a breakdown by accommodation unit is displayed in the Project Pro Forma screen when the **Itemized Tenant Income** check box is selected. To display a single summary line only, clear this check box.

Itemized Construction Costs

To show a breakdown of each of the Construction Cost definitions that includes the number of units, area and rate, select the **Itemized Construction Costs** check box. To show a summary line instead, clear the check box.

Itemized Rent Free Costs

You can show a detailed list of the Rent Free costs by selecting the **Itemized Rent Free Costs** check box. To show a summary line that shows only the total cost, clear the check box.

Itemized Additional Revenue

You can show full schedule of additional revenue, including the heading and amount, by selecting the **Itemized Additional Revenues** check box. To show a summary line that shows only the total additional revenue, clear the check box.

Itemized Additional Costs

To show a full schedule of any additional costs defined, including the heading and amount, in Project Pro Forma, select the **Itemized Additional Costs** check box. To show a summary line that shows only the total costs, clear the check box.

Itemized Fixed Acquisition Costs

A full schedule of all fixed acquisition costs will be displayed in the Project Pro Forma if this option is checked. To show a summary line of the total fixed acquisition costs only, clear the check box.

Itemized Other Professional Fees

You can show a full list of all the Other Professional Fees, including the heading, percentage and amount, by selecting this option. To show a summary line that displays only the total amount, clear the check box.

Itemized Other Acquisition Costs

To show a full schedule of Other Acquisition Costs in Project Pro Forma, select the **Itemized Other Acquisition Costs** check box. To show a summary line that shown only the total costs, clear the check box.

Itemized Other Construction Costs

You can show a full schedule of Other Construction Costs, including the heading and amount, by selecting the **Itemized Other Construction Costs** check box. To show a summary line that shows only the total costs, clear the check box.

Inflation/Escalation Schedule

The Inflation/Escalation schedule can be included at the end of the Project Pro Forma report by selecting the **Inflation/Escalation Schedule** check box. The schedule shows each item in the Area Schedules to which inflation or escalation has been applied. Each line shows the area item heading, the unescalated Capitalized Rent, the amount of escalation and the total Capitalized Rent (with escalation) for the item.

Timescale

You can show a summary of the phase timescale detailing the length and date of each stage by selecting the **Timescale** check box. This timescale summary is displayed in the Finance section of the Project Pro Forma. The timescale is only shown for single phase projects or, in a multi-phased scheme, when a single phase is viewed.

IRR

There are several types of IRR you can specify here. You can suppress the display of the IRR on the Project Pro Forma screen and printed report by clearing any of the various **IRR** check boxes. To display the IRR, select the appropriate check box.

Profit on Cost, Profit on GDV

There are two types of profit you can specify here. You can enable or suppress the display of the Profit on Cost or Profit on GDV on the Project Pro Forma screen and printed report by checking or unchecking the appropriate check boxes.

Development Yield

You can enable or suppress the display of the Development Yield on the Project Pro Forma screen and printed report by checking or unchecking the check box.

Formatting Options

Visible Columns

The Project Pro Forma is displayed on an invisible grid. You can set the number of columns in the grid by typing a number between 5 and 8 into the **Visible Columns** box. The Project Pro Forma template has 7 columns at present; the extra one is for future expansion. You must set the number of visible columns to 7 in order to display the full Investment Valuation in the Project Pro Forma.

Heading Column Width (Pixels)

You can set the width of the column used to display the line headings by typing a number between 50 and 300 into the **Heading Column Width (Pixels)** box. You may need to adjust this setting after changing the font size, or to suit the resolution of your monitor.

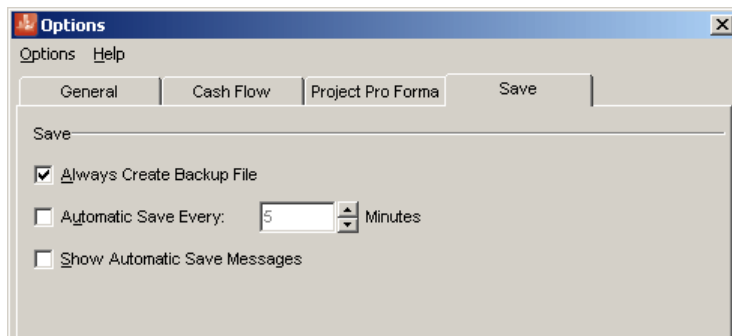
Data Column Width (Pixels)

You can set the width of the column used to display each item's values, totals and sub-totals by typing a number between 40 and 300 into the **Data Column Width (Pixels)** box. You may need to adjust this setting after changing the font size, or to suit the resolution of your monitor.

Font for Project Pro Forma

The font used to display the Project Pro Forma on screen may be altered. Select the **Font for Project Pro Forma** button to display the Font dialog box. The font name and size can be changed, but not the other font properties.

Save



Always Create Backup File

Copies the previous version of a project to a backup file every time you save your project. Each new backup replaces the previous backup file. ARGUS Developer saves the file with the extension .WCK and places it in the Backup Directory specified in the **Data File Locations** tab in **File | Administration | System Configuration...**

Automatic Save

Automatically saves a copy of your project at the interval you enter in the **Minutes** box (enter a number from 1 to 120). If your computer hangs (stops responding) or you lose power unexpectedly, ARGUS Developer opens this file the next time you start. The file may contain unsaved information that would otherwise be lost from the project.

Note: The Automatic Save does not replace the Save command. You must still save your project when you finish working on it.

Show Automatic Save Messages

Shows a message indicating each time that it has performed the auto-save function based on the frequency suggested in the **Automatic Save Every Minutes** box.

CHAPTER 26

Contact details

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