

**Developer Express CANADA
21000 SQ. FT RETAIL CENTER DEVELOPMENT EXAMPLE**

INTRODUCTION

This example uses the Quick Proforma Retail template.

This practice example consists of three Sections;

1. The input information for the project
2. Explanation of Developer special features for carrying out development analysis
3. The instructions for entering the project data

PROJECT INFORMATION

Property Name: Sterling Plaza

Description: 21 000 Sq. Ft Retail Center

Building Area: 22,500 Sq. Ft

Gross Leasable Area: 21,000 Sq. Ft

Land Area: 80,000 Sq. Ft

Frontage: 300 Ft

Land & Dev. Costs Folder**Land Costs sub folder**

<u>Description</u>	<u>Amount</u>	<u>Hard Cost</u>	<u>Soft Cost</u>
Land	\$1,200,000	✓	
Legal Fees	\$12,000		✓
Appraisal Fees	\$8,000		✓

Site Preparation sub folder

<u>Description</u>	<u>Amount</u>	<u>Hard Cost</u>	<u>Soft Cost</u>
Site Clearing	\$15,000	✓	
Site Servicing Costs	\$85,000	✓	
Miscellaneous Site Costs	\$12,000	✓	

Construction sub folder

<u>Description</u>	<u>Amount</u>	<u>Hard Cost</u>	<u>Soft Cost</u>
Building	\$85.00 per Unit of Total Building Area	✓	
Parking & Landscaping	\$150,000	✓	
Leasehold Improvement Allow.	\$20.00 per Unit of Total Gross Leasable Area	✓	

Professional Fees sub folder

<u>Description</u>	<u>Amount</u>	<u>Hard Cost</u>	<u>Soft Cost</u>
Architectural & Engineering	7.00% of Construction and Site Prep. Costs		✓
Engineering	4.00% of Construction and Site Prep. Costs		✓
Mortgage Brokerage Fees	\$65,000		✓

City Fees sub folder

<u>Description</u>	<u>Amount</u>	<u>Hard Cost</u>	<u>Soft Cost</u>
Permits & Fees	\$47,000		✓
Impact Fees	\$95,000		✓
Property Taxes	\$75,000		✓

Miscellaneous sub folder

Miscellaneous costs

<u>Description</u>	<u>Amount</u>	<u>Hard Cost</u>	<u>Soft Cost</u>
Miscellaneous Dev. Costs	\$25,000	✓	

Contingency Allowance

7.00% of Land, Dev. & Financing Costs

Construction Financing Folder

Equity: \$700,000

Interest Rate: 8.00%

Development Time

Pre-Construction Period: 5 Months

Construction Time: 9 Months

Sales Period: 7 Months

Lease-up Period: 6 Months

Income: 0.50

Operating Expenses: 0.50

Leasing Expenses: 0.50

Selling Expenses Folder

Real Estate Commission

5.00% of Sale Price

Selling Expenses

Marketing & Advertising: \$30,000

Legal Fees: \$25,000

Leasing Fees

Leasing Fee: \$75,000

Income & Expenses folder

Income & Expenses during the Lease-up Period sub folder

Lease-up Period: 6 months

Income

<u>Description</u>	<u>Amount</u>
Rental Income	\$181,000
Recoverable Expenses (TIM's)	\$67,000

Operating Expenses

<u>Description</u>	<u>Amount</u>
Taxes	\$85,000
Insurance	\$16,000
Maintenance	\$8,000
Property Management	\$15,000

Stabilized Income & Expense Statement sub folder

Income

<u>Description</u>	<u>Amount</u>	<u>Vacancy</u>
Rental Income	\$27.00 per Unit of Total Gross Leasable Area per Yr	5.00%
Recoverable Expenses (TIM's)	\$10.00 per Unit of Total Gross Leasable Area per Yr	5.00%

Operating Expenses

<u>Description</u>	<u>Amount</u>
Taxes	\$145,000
Insurance	\$18,000
Maintenance	\$2.00 per Unit of Total Gross Leasable Area per Yr
Property Management	5.00% of Effective Gross Income

Permanent Financing Folder

Loan/Value Ratio: 75.00%
Debt Service Ratio: 1.25

Mortgage Details

Nominal Annual Interest Rate: 6.750%
Amortization Period (Years): 25

Mortgage Settings

Payment Frequency: Monthly
Payment Made At: End of Period
Compounding Frequency: Monthly

Sale Folder

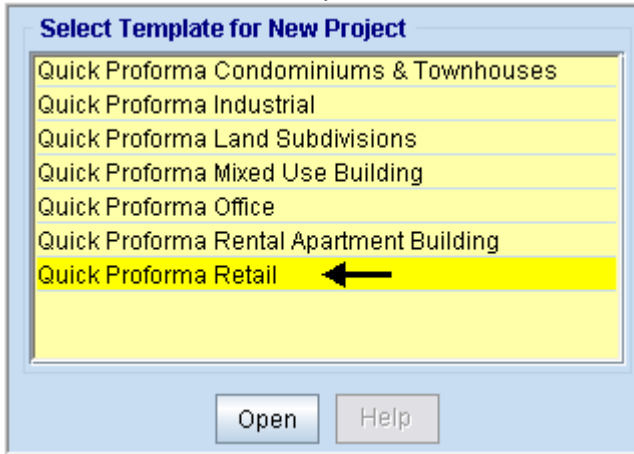
<u>Description</u>	<u>Entry</u>
Sale	7.50% Cap Rate

INSTRUCTIONS FOR ENTERING THE PROJECT INTO DEVELOPER PRO

Getting started

The first step is to open the Developer Pro Template “Quick Proforma Retail” as follows:

1. Open Developer Pro.
2. Select the Investit Templates folder

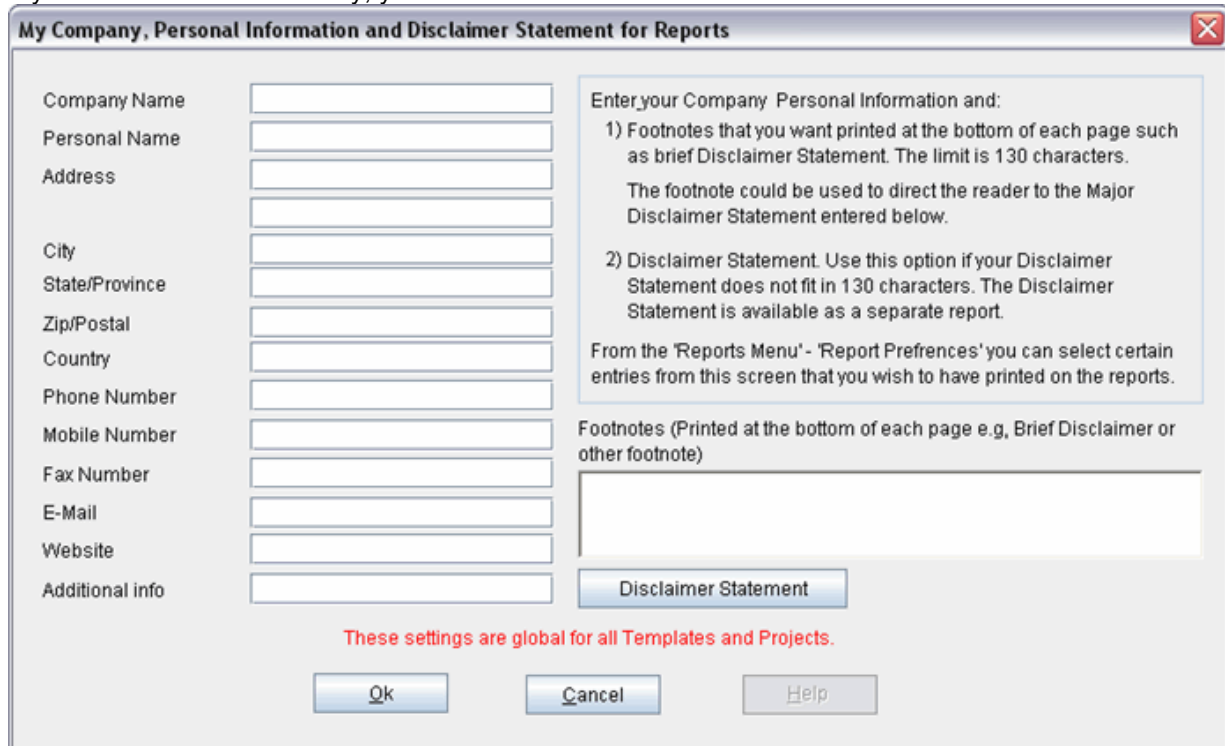


3. Select and open the Investit template “Quick Proforma Retail”

Entering the project data and information

If you haven't done so already, you should take the time to fill out

My Company Info.



My Company, Personal Information and Disclaimer Statement for Reports

Company Name

Personal Name

Address

City

State/Province

Zip/Postal

Country

Phone Number

Mobile Number

Fax Number

E-Mail

Website

Additional info

Enter your Company Personal Information and:

- 1) Footnotes that you want printed at the bottom of each page such as brief Disclaimer Statement. The limit is 130 characters. The footnote could be used to direct the reader to the Major Disclaimer Statement entered below.
- 2) Disclaimer Statement. Use this option if your Disclaimer Statement does not fit in 130 characters. The Disclaimer Statement is available as a separate report.

From the 'Reports Menu' - 'Report Preferences' you can select certain entries from this screen that you wish to have printed on the reports.

Footnotes (Printed at the bottom of each page e.g, Brief Disclaimer or other footnote)

Disclaimer Statement

These settings are global for all Templates and Projects.

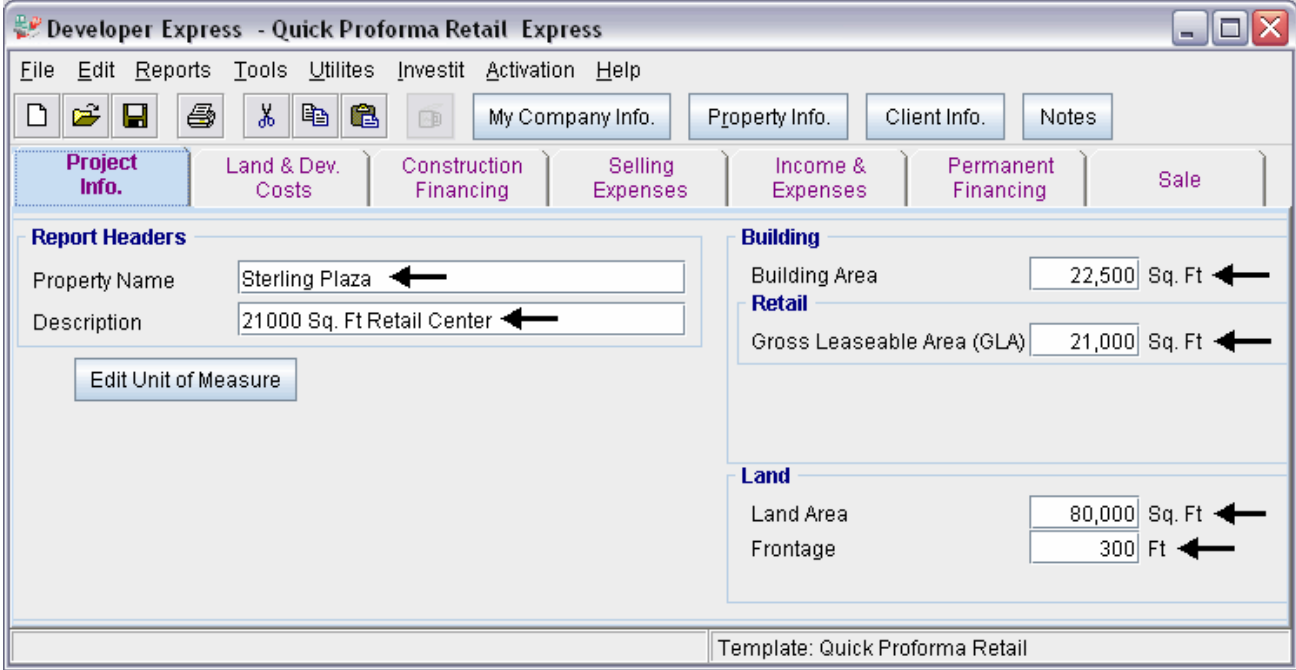
Ok Cancel Help

Note the sentence in red

PROJECT INFO Folder

1. Enter the Property Name: Sterling Plaza
2. Enter Description: 21000 Sq. Ft Retail Center
3. Enter Building Area: 22,500 Sq. Ft
4. Enter Gross Leasable Area: 21,000 Sq. Ft
5. Enter Land Area: 80,000 Sq. Ft
6. Enter Frontage: 300 Ft

The Project Info screen should look like this;

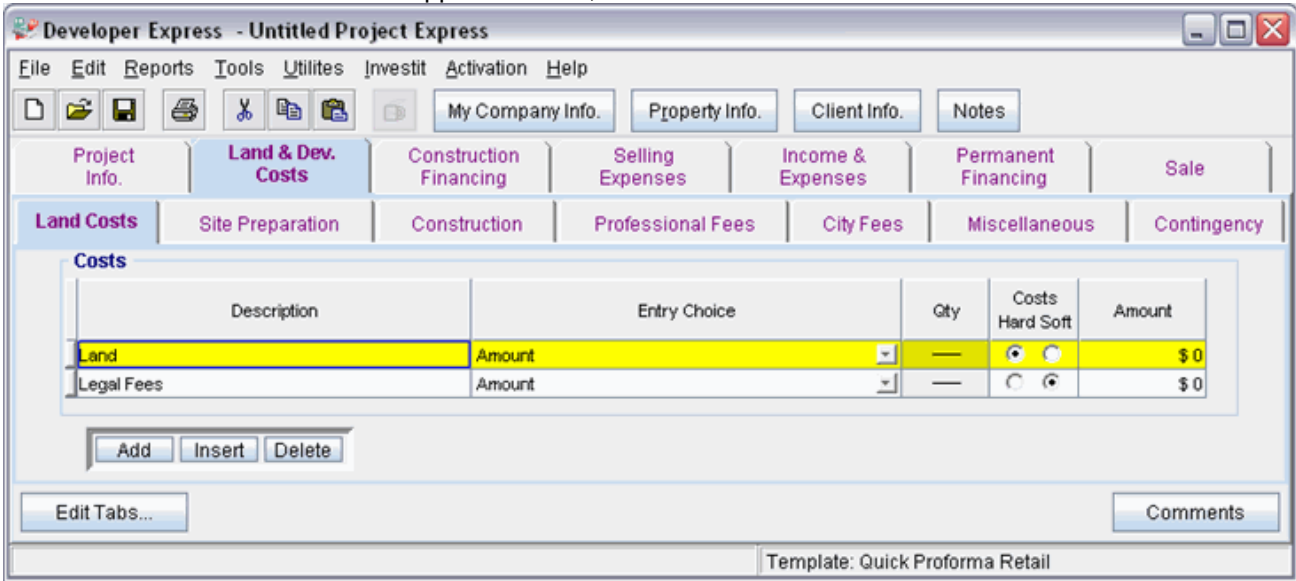


LAND & DEV. COSTS folder

Land Costs sub folder

<u>Description</u>	<u>Amount</u>	<u>Hard Cost</u>	<u>Soft Cost</u>
Land	\$1,200,000	✓	
Legal Fees	\$12,000		✓
Appraisal Fees	\$8,000		✓

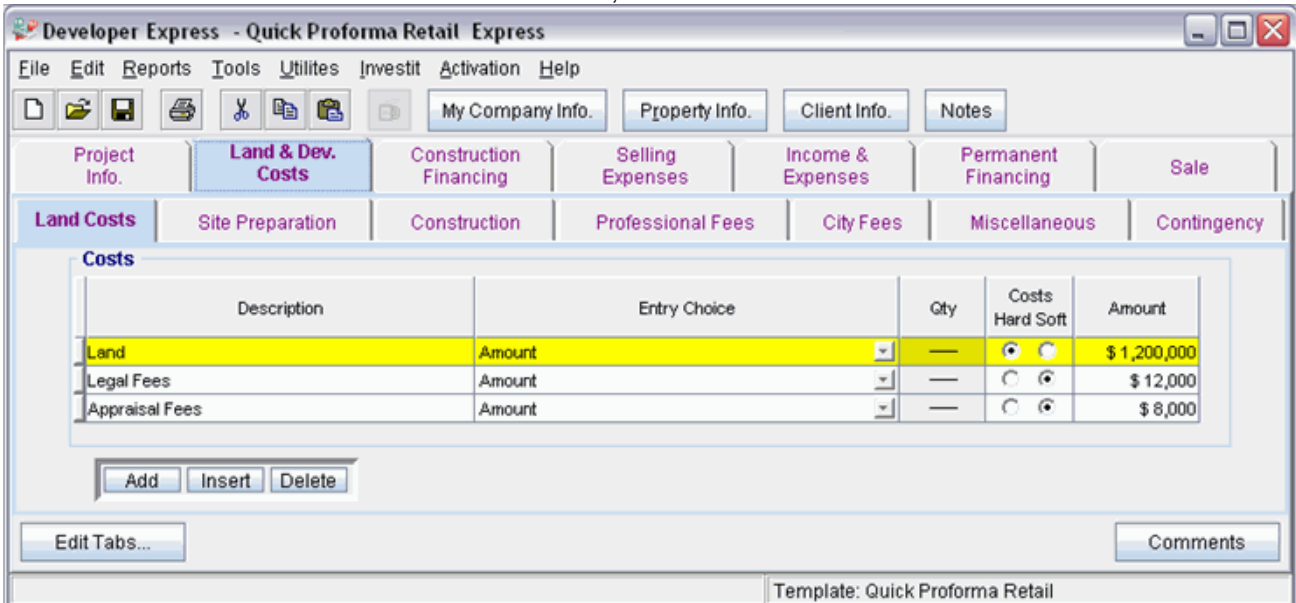
The Land Costs sub folder should appear like this;



Instructions for entering the Land Costs

1. Select row with Description 'Land'
2. Enter the Amount: \$1,200,000
3. Select row with Description 'Legal Fees'
4. Enter the Amount: \$12,000
5. Press the button
6. Select row with Description 'Appraisal Fees'
7. Enter the Amount: \$8,000

The Land Costs sub folder should now look like this;

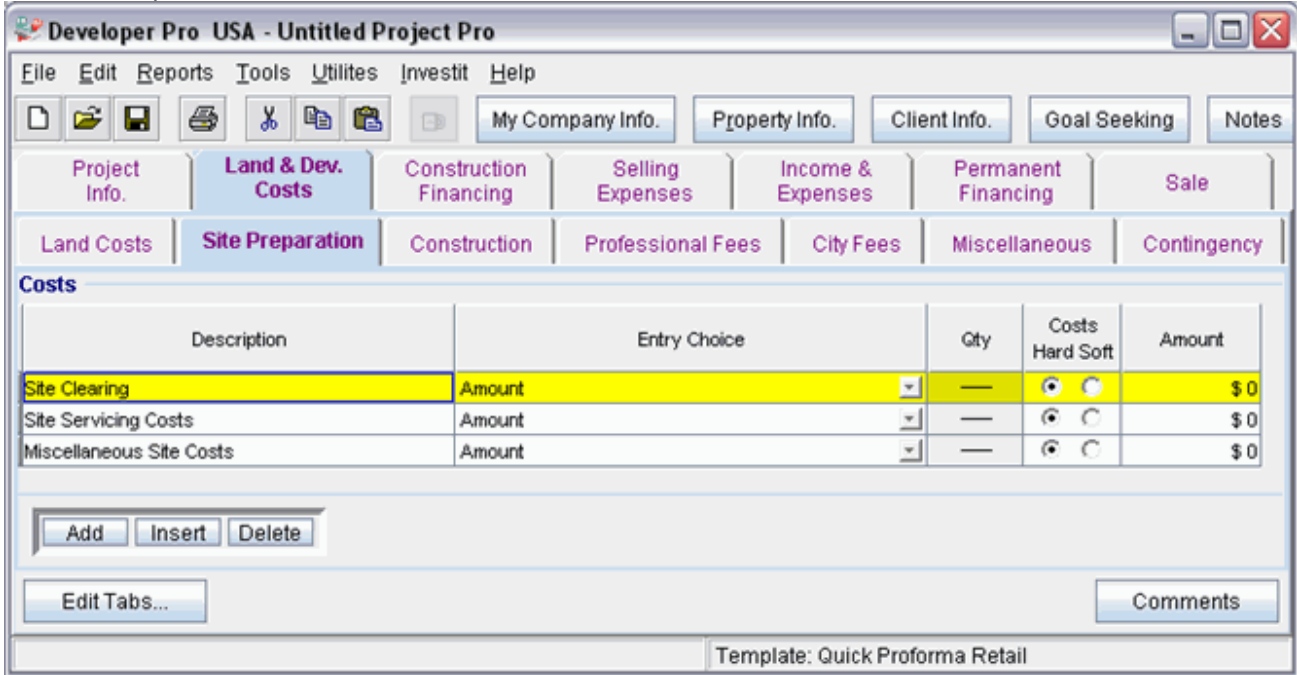


Click on the Site Preparation tab to go to the Site Preparation sub folder

Site Preparation sub folder

<u>Description</u>	<u>Amount</u>	<u>Hard Cost</u>	<u>Soft Cost</u>
Site Clearing	\$15,000	✓	
Site Servicing Costs	\$85,000	✓	
Miscellaneous Site Costs	\$12,000	✓	

The Site Preparation sub folder should look like this;



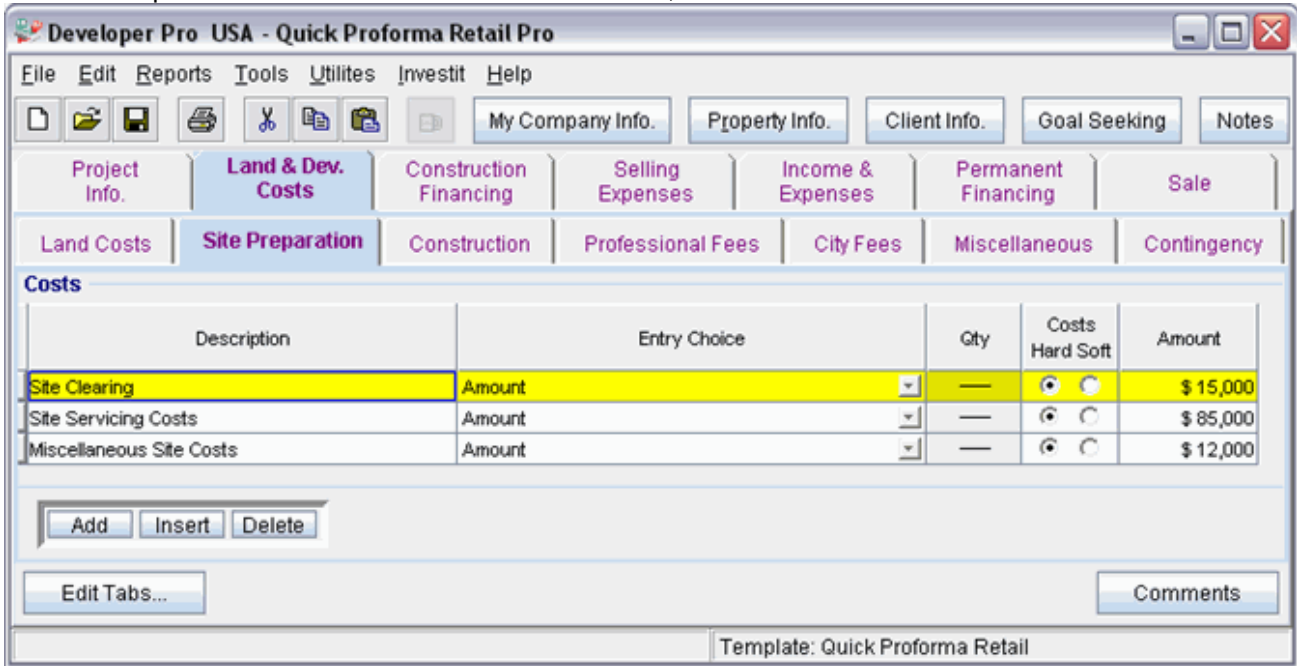
Instructions for entering the Site Preparation

1. Select row with Description 'Site Clearing'
2. Enter the Amount: \$15,000

3. Select row with Description 'Site Servicing Costs'
4. Enter the Amount: \$85,000

5. Select row with Description 'Miscellaneous Site Costs'
6. Enter the Amount: \$12,000

The Site Preparation sub folder should now look like this;

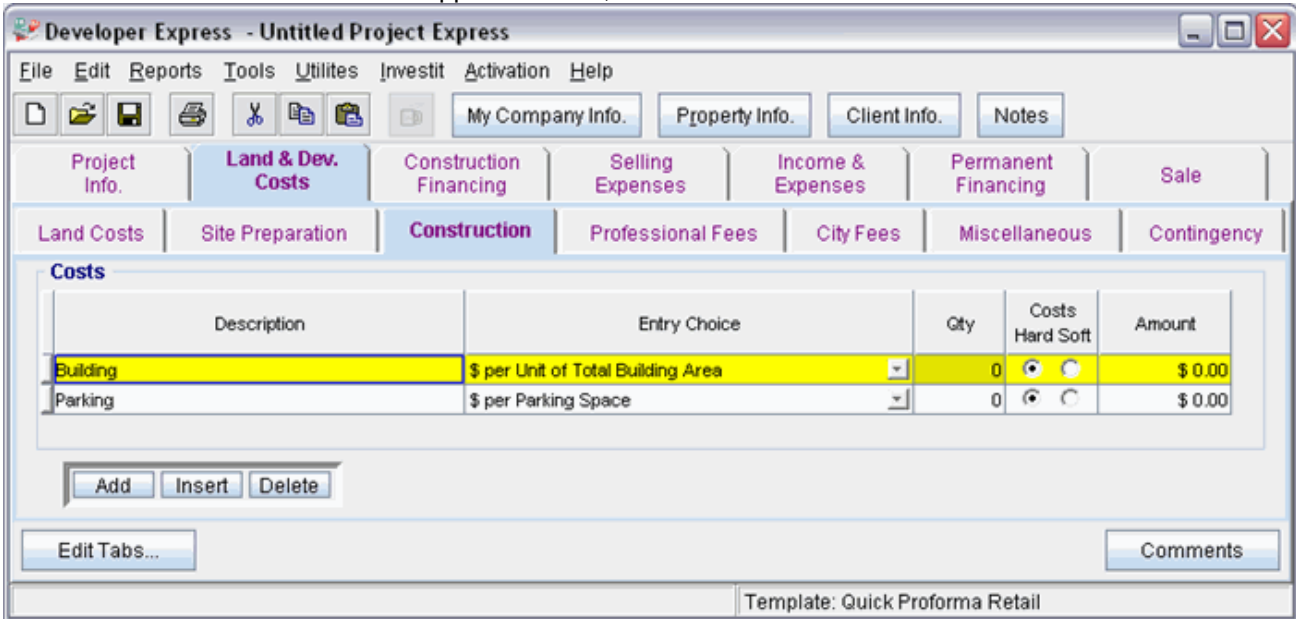


Click on the Construction tab to go to the Construction sub folder

Construction sub folder

<u>Description</u>	<u>Amount</u>	<u>Hard Cost</u>	<u>Soft Cost</u>
Building	\$85.00 per Unit of Total Building Area	✓	
Parking & Landscaping	\$150,000	✓	
Leasehold Improvement Allow.	\$20.00 per Unit of Total Gross Leasable Area	✓	

The Construction sub folder should appear like this;



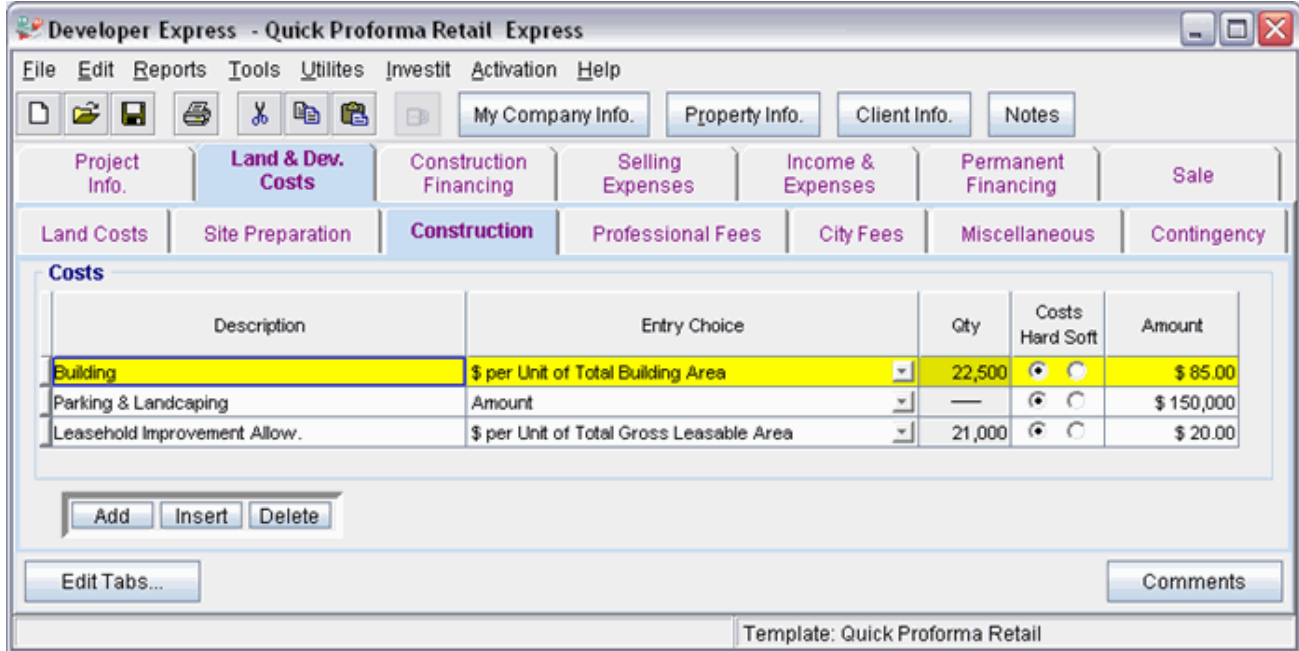
Steps for entering the Construction Costs

1. Select row with Description 'Building'
2. Enter the Amount: \$85.00

3. Select row with Description 'Parking'
4. Enter the Description 'Parking and Landscaping'
5. Select Entry Choice 'Amount'
6. Enter the Amount: \$150,000

7. Press the button
8. Enter the Description 'Leasehold Improvement Allow.'
9. Select the Entry Choice '\$ per Unit of Gross Leasable Area'
10. Enter the Amount: \$20.00

The Construction folder should now look like this;

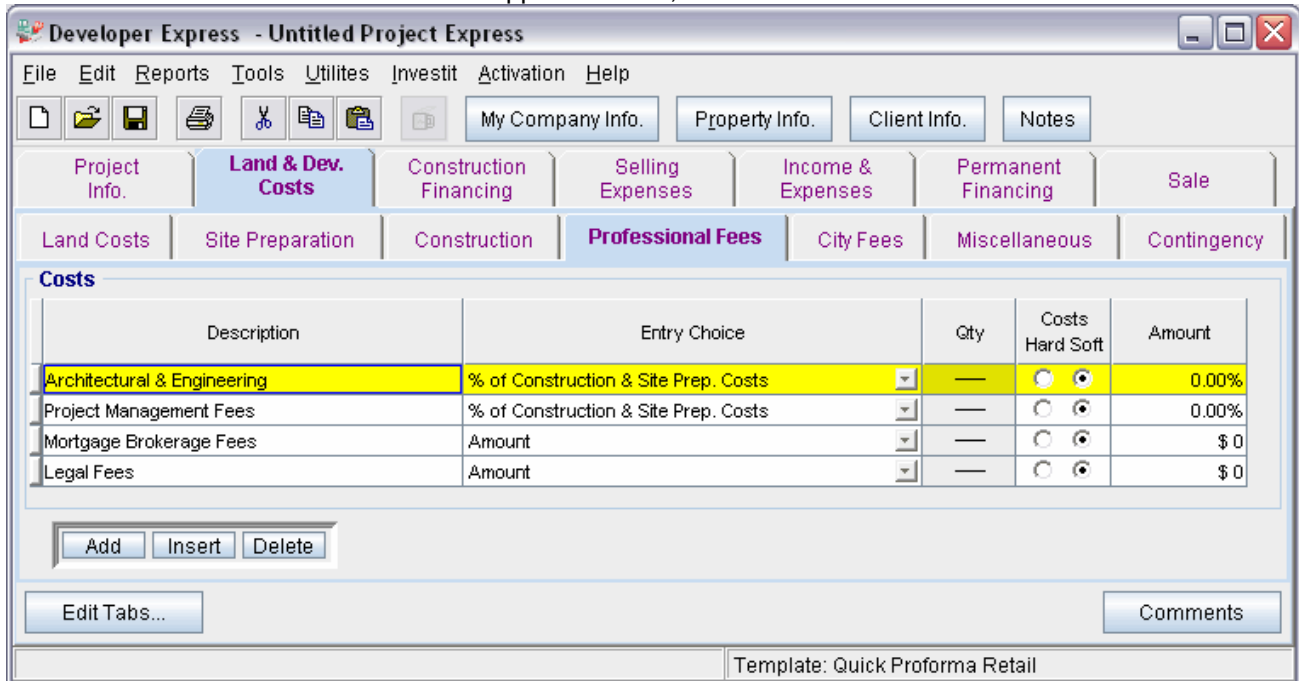


Click on the Professional Fees tab to go to the Professional Fees sub folder

Professional Fees sub folder

Description	Amount	Hard Cost	Soft Cost
Architectural & Engineering	7.00% of Construction and Site Prep. Costs		✓
Engineering	4.00% of Construction and Site Prep. Costs		✓
Mortgage Brokerage Fees	\$65,000		✓

The Professional Fees sub folder should appear like this;




Steps for entering the Professional Fees

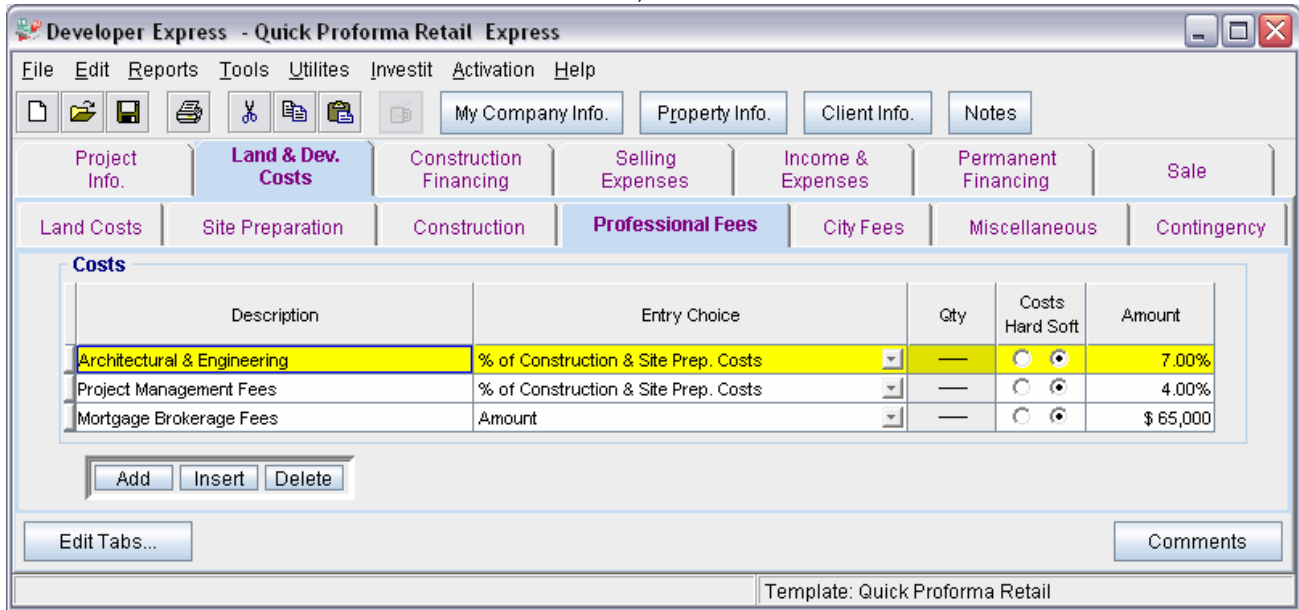
1. Select row with Description 'Architectural & Engineering'
2. Enter the Amount: 7.00%

3. Select row with Description 'Project Management Fees'
4. Enter the Amount: 4.00%

5. Select row with Description 'Mortgage Brokerage Fees'
6. Enter the Amount: \$65,000

7. Select row with Description 'Legal Fees'
8. Click on the  button

The Professional Fees sub folder should look like this;

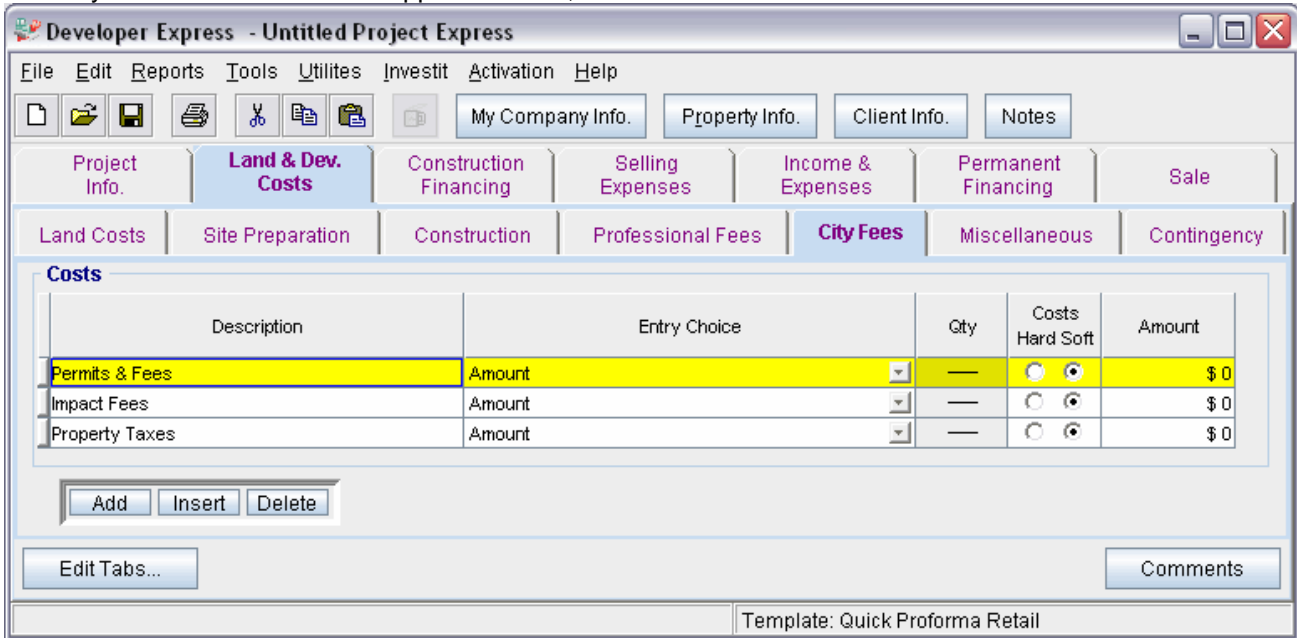


Click on the City Fees tab to go to the City Fees sub folder

City Fees sub folder

Description	Amount	Hard Cost	Soft Cost
Permits & Fees	\$47,000		✓
Impact Fees	\$95,000		✓
Property Taxes	\$75,000		✓

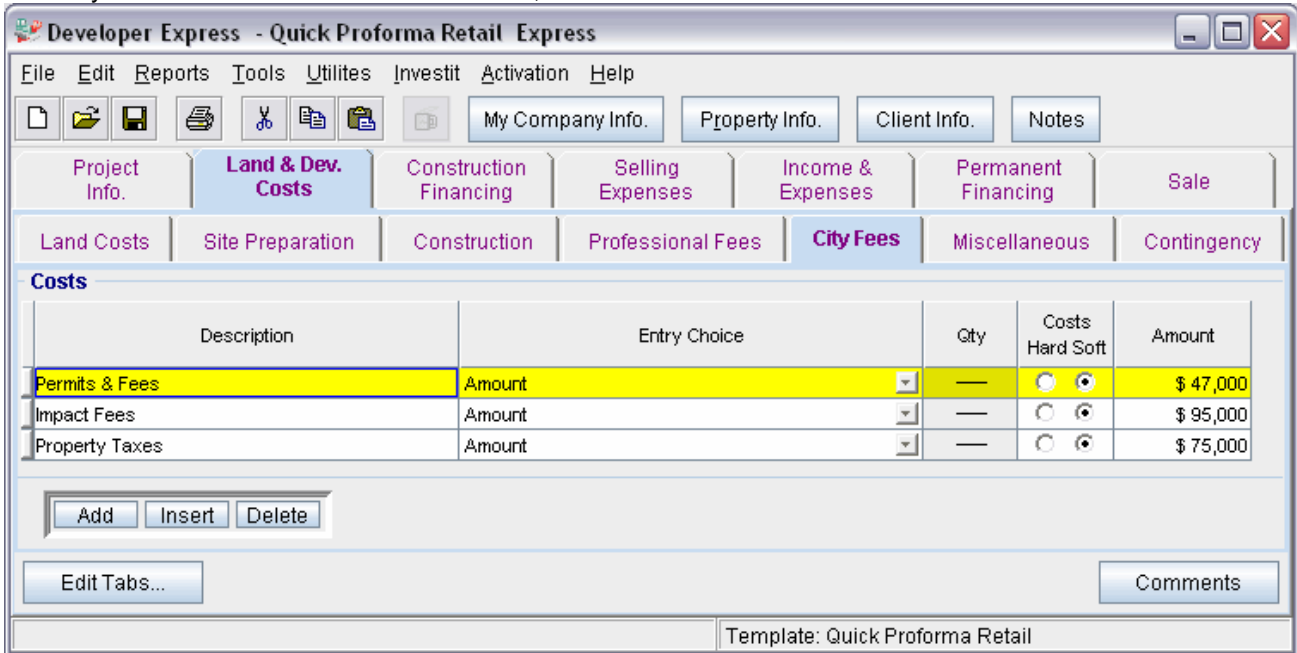
The City Fees sub folder should appear like this;



Steps for entering the City Fees

1. Select row with Description 'Permits & Fees'
2. Enter the Amount: \$47,000
3. Select row with Description 'Impact Fees'
4. Enter the Amount: \$95,000
5. Select row with Description 'Property Taxes'
6. Enter the Amount: \$75,000

The City Fees sub folder should look like this;

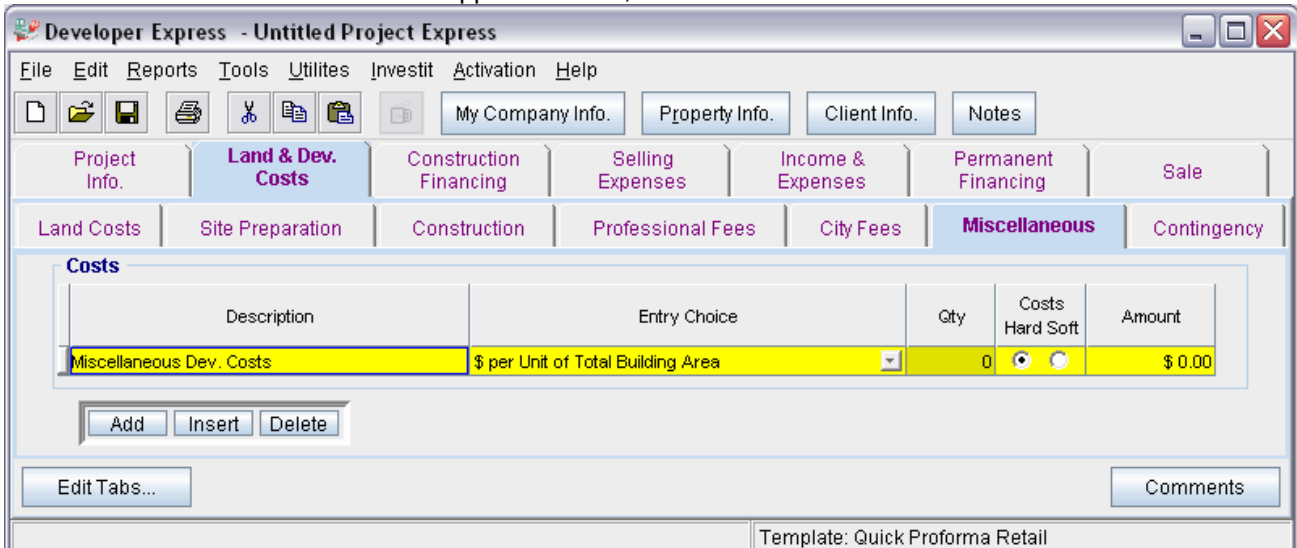


Click on the Miscellaneous tab to go the Miscellaneous sub folder

Miscellaneous sub folder

Description	Amount	Hard Cost	Soft Cost
Miscellaneous Dev. Costs	\$25,000	✓	

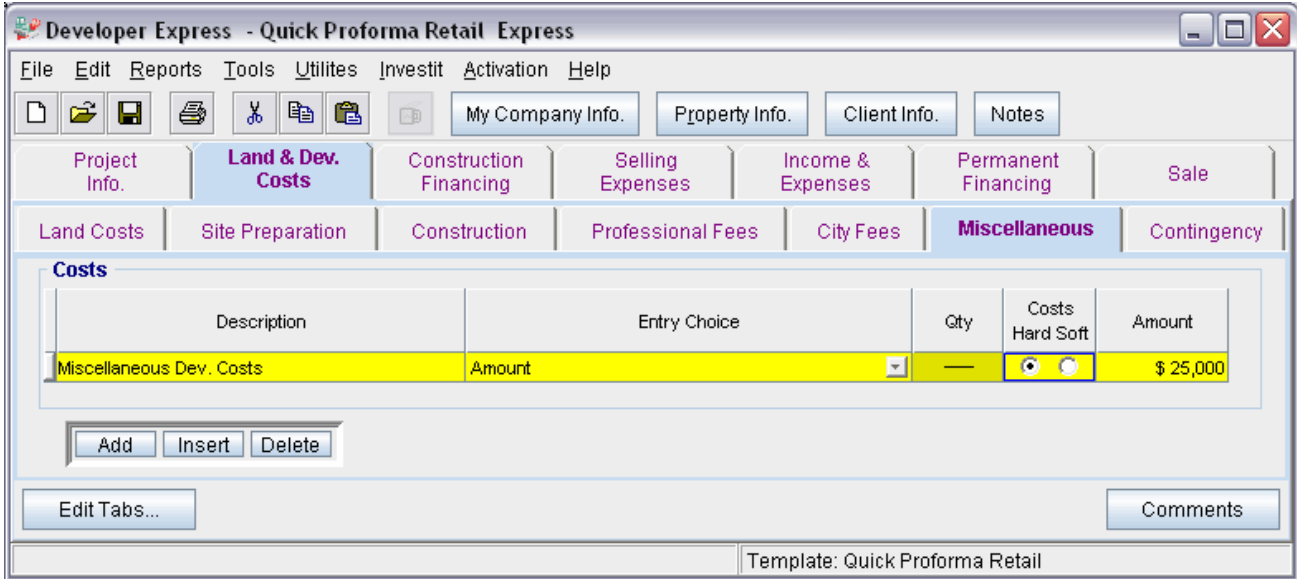
The Miscellaneous sub folder should appear like this;



Steps for entering the Miscellaneous

1. Select row with Description 'Miscellaneous Dev. Costs'
2. Enter the Amount: \$25,000

The Miscellaneous sub folder should now look like this;

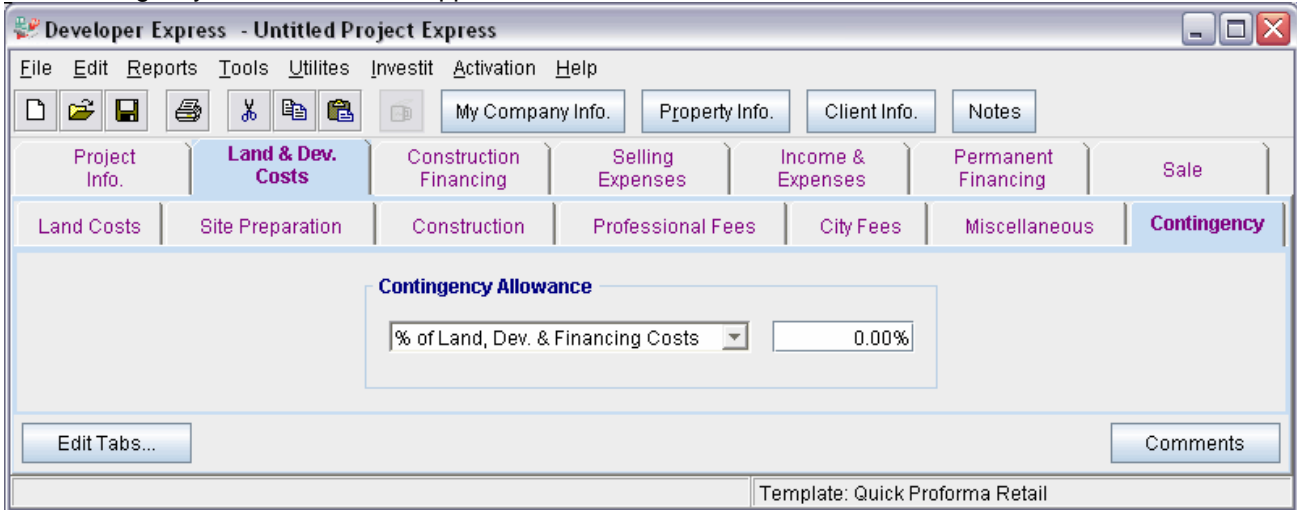


Click on the Contingency tab to go to the Contingency sub folder

Contingency Allowance

7.00% of Land, Dev. & Financing Costs

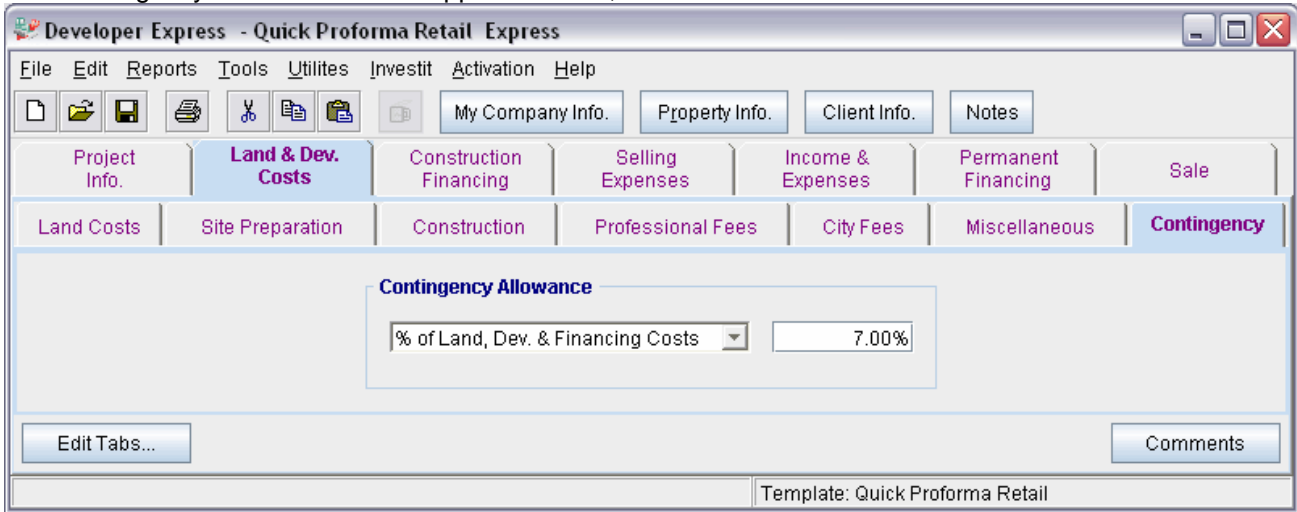
The Contingency sub folder should appear like this;



Steps for entering the Contingency

1. Enter the Amount: 7.00%

The Contingency folder should now appear like this;



Click on the Construction Financing tab to go to the Construction Financing Folder

CONSTRUCTION FINANCING FOLDER

Equity: \$700,000
Interest Rate: 8.00%

Development Time
Pre-Construction Period: 5 Months
Construction Time: 9 Months
Sales Period: 7 Months
Lease-up Period: 6 Months

The Construction Financing Folder should appear like this;

Developer Express - Untitled Project Express

File Edit Reports Tools Utilites Investit Activation Help

My Company Info. Property Info. Client Info. Notes

Project Info. Land & Dev. Costs **Construction Financing** Selling Expenses Income & Expenses Permanent Financing Sale

Equity
Amount

Financing
Construction Loan. Interest Rate

Financing Adjustment Factors
Equity Adjustment

Development Time (in Months)
Pre-Construction Period
Construction Time
Sales Period
Lease-up Period

Construction Loan

Description	Amount
Land Costs	1.00
Site Preparation	0.75
Construction	0.50
Professional Fees	0.75
City Fees	0.75
Miscellaneous	0.50
Selling Expenses	0.50
Sales Period	1.00
Lease Up Period	1.00

Lease-up Period
Income
Operating Expenses
Leasing Fees

Reset Comments

Template: Quick Proforma Retail

Steps for entering the Construction Financing

1. Enter the Equity Amount: \$700,000
2. Enter the Construction Loan. Interest Rate: 8.00%
3. Enter the Pre-Construction Period: 5 Months
4. Enter the Construction Time: 9 Months
5. Enter the Sales Period: 7 Months
6. Enter the Lease-up Period: 6 Months

The Construction Financing Folder should look like this:

Developer Express - Quick Proforma Retail Express

File Edit Reports Tools Utilites Investit Activation Help

My Company Info. Property Info. Client Info. Notes

Project Info. Land & Dev. Costs **Construction Financing** Selling Expenses Income & Expenses Permanent Financing Sale

Equity
Amount

Financing
Construction Loan. Interest Rate

Development Time (in Months)
Pre-Construction Period
Construction Time
Sales Period
Lease-up Period

Financing Adjustment Factors
Equity Adjustment

Construction Loan

Description	Amount
Land Costs	1.00
Site Preparation	0.75
Construction	0.50
Professional Fees	0.75
City Fees	0.75
Miscellaneous	0.50
Selling Expenses	0.50
Sales Period	1.00
Lease Up Period	1.00

Lease-up Period
Income
Operating Expenses
Leasing Fees

Reset Comments

Template: Quick Proforma Retail

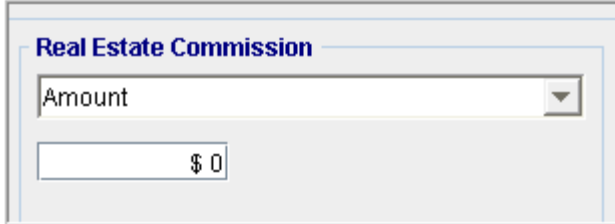
Click on the Selling Expenses tab to go to the Selling Expenses folder

Selling Expenses Folder

Real Estate Commission

5.00% of Sale Price

The Real Estate Commission should appear like this;



Entering the Real Estate Commission

1. Select "Fixed % of Sale Price" from the scroll down menu
2. Enter the Amount: 5.00%

The Real Estate Commission should now look like this;

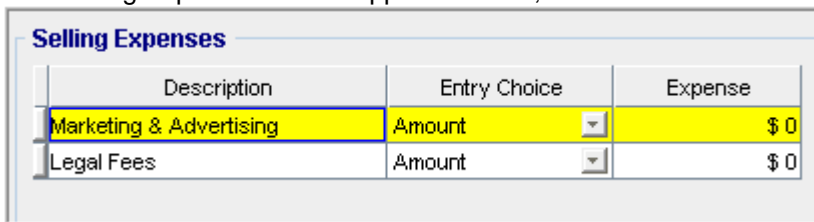


Selling Expenses

Marketing & Advertising: \$30,000

Legal Fees: \$25,000

The Selling Expenses should appear like this;



Description	Entry Choice	Expense
Marketing & Advertising	Amount	\$ 0
Legal Fees	Amount	\$ 0

Entering the Selling Expenses

1. Select row 1 'Marketing & Advertising'
2. Enter Expense: \$30,000
3. Select row 2: 'Legal Fees'
4. Enter Expense: \$25,000

The Selling Expenses should now appear like this;

Selling Expenses		
Description	Entry Choice	Expense
Marketing & Advertising	Amount	\$ 30,000
Legal fees	Amount	\$ 25,000

Leasing Fees

Leasing Fees: \$75,000

The leasing fees should appear like this;

Leasing Fees			
Description	Entry Choice	Qty	Amount
Leasing Fees	Amount	—	\$ 0

1. Enter Amount: \$75,000

The Leasing Fees should now look like this;

Leasing Fees			
Description	Entry Choice	Qty	Amount
Leasing Fees	Amount	—	\$ 75,000

Income & Expenses folder

Income & Expenses during the Lease-up Period sub folder

Lease-up Period: 6 months

Income

Description	Amount
Rental Income	\$181,000
Recoverable Expenses (TIM's)	\$67,000

Operating Expenses

Description	Amount
Taxes	\$85,000
Insurance	\$16,000
Maintenance	\$8,000
Property Management	\$15,000

The Income should appear like this;

Lease Up Period <input type="text" value="6"/> Months	
Income	
Description	Amount
Rental Income	\$ 0
Recoverable Expenses (TIM's)	\$ 0

1. Enter the Rental Income: \$181,000
2. Enter the Recoverable Expenses (TIM's): \$67,000

The Income should now look like this:

Lease Up Period <input type="text" value="6"/> Months	
Income	
Description	Amount
Rental Income	\$ 181,000
Recoverable Expenses (TIM's)	\$ 67,000

The Operating Expenses should appear like this;

Operating Expenses	
Description	Amount
Taxes	\$ 0
Insurance	\$ 0
Maintenance	\$ 0
Property Management	\$ 0

1. Enter the Taxes: \$85,000
2. Enter the Insurance: \$16,000
3. Enter the Maintenance: \$8,000
4. Enter the Property Management: \$15,000

The Operating Expenses should now look like this;

Operating Expenses	
Description	Amount
Taxes	\$ 85,000
Insurance	\$ 16,000
Maintenance	\$ 8,000
Property Management	\$ 15,000

Stabilized Income & Expense Statement sub folder

Income

<u>Description</u>	<u>Amount</u>	<u>Vacancy</u>
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Rental Income	\$27.00 per Unit of Total Gross Leasable Area per Yr	5.00%
Recoverable Expenses (TIM's)	\$10.00 per Unit of Total Gross Leasable Area per Yr	5.00%

Operating Expenses

<u>Description</u>	<u>Amount</u>
Taxes	\$145,000
Insurance	\$18,000
Maintenance	\$2.00 per Unit of Total Gross Leasable Area per Yr
Property Management	5.00% of Effective Gross Income

The Income should appear like this;

Income					
Tenancy Description	Income Entry Choice	Qty	Amount	Vac. and Bad Debt Allow.	
Rental Income	\$ per Unit of Total Gross Leasable Area per Yr	21,000	\$ 0.00	0.00%	
Parking	\$ per Space per Mo	0	\$ 0.00	0.00%	
Recoverable Expenses (TIM's)	\$ per Unit of Total Gross Leasable Area per Mo	21,000	\$ 0.00	0.00%	

1. Select row 1 'Rental Income'
2. Enter Amount: \$27.00
3. Enter Vac. And Bad Debt Allow: 5.00%

4. Select row 2 'Parking'
5. Press the button

6. Select the row with description 'Recoverable Expenses (TIM's)'
7. Select Income Entry Choice: '\$ per Unit of Total Gross Leasable Area per Yr'
8. Enter Amount: \$10.00
9. Enter Vac. And Bad Debt Allow: 5.00%

The Income should now look like this;

Income					
Tenancy Description	Income Entry Choice	Qty	Amount	Vac. and Bad Debt Allow.	
Rental Income	\$ per Unit of Total Gross Leasable Area per Yr	21,000	\$ 27.00	5.00%	
Recoverable Expenses (TIM's)	\$ per Unit of Total Gross Leasable Area per Yr	21,000	\$ 10.00	5.00%	

The Operating Expenses should appear like this;

Operating Expenses				
Expenses Paid for by the Landlord	Expense Entry Choice	Qty	Amount	
Taxes	Amount	—	\$ 0	
Insurance	Amount	—	\$ 0	
Maintenance	Amount	—	\$ 0	
Property Management	% of Effective Gross Income	—	0.00%	

1. Select row 1 'Taxes'

2. Enter Amount: \$145,000
3. Select row 2 'Insurance'
4. Enter Amount: \$18,000
5. Select row 3 'Maintenance'
6. Select Expense Entry Choice: '\$ per Unit of Total Gross Leasable Area per Yr'
7. Enter Amount: \$2.00
8. Select row 4 'Property Management'
9. Enter Amount: 5.00%

The Operating Expenses should now look like this;

Operating Expenses			
Expenses Paid for by the Landlord	Expense Entry Choice	Qty	Amount
Taxes	Amount	—	\$ 145,000
Insurance	Amount	—	\$ 18,000
Maintenance	\$ per Unit of Total Gross Leasable Area per Yr	21,000	\$ 2.00
Property Management	% of Effective Gross Income	—	5.00%

Permanent Financing folder

Loan/Value Ratio: 75.00%
Debt Service Ratio: 1.25

Mortgage Details

Nominal Annual Interest Rate: 6.750%
Amortization Period (Years): 25

Mortgage Settings

Payment Frequency: Monthly
Payment Made At: End of Period
Compounding Frequency: Monthly

The Permanent Financing folder should appear like this;

The screenshot shows a software interface for configuring permanent financing. It features three main sections: 'Loan/Value Ratio' and 'Debt Service Ratio' at the top, each with a text input field. Below these is a section titled 'Mortgage Details' which contains 'Nominal Annual Interest Rate' and 'Amortization Period (Years)', both with text input fields. At the bottom is a section titled 'Mortgage Settings' which contains three dropdown menus for 'Payment Frequency', 'Payment made at', and 'Compounding Frequency'. The values shown in the screenshot are 0.00% for the ratios, 0.000% for the interest rate, 0 for the amortization period, and Monthly for all three frequencies.

1. Enter the Loan/Value Ratio: 75.00%
2. Enter the Debt Service Ratio: 1.25
3. Enter the Nominal Interest Rate: 6.750%
4. Amortization Period (Years): 25

The Permanent Financing folder should appear like this;

Loan/Value Ratio	<input type="text" value="75.00%"/>	←
Debt Service Ratio	<input type="text" value="1.25"/>	←
Mortgage Details		
Nominal Annual Interest Rate	<input type="text" value="6.750%"/>	←
Amortization Period (Years)	<input type="text" value="25"/>	←
Mortgage Settings		
Payment Frequency	<input type="text" value="Monthly"/>	
Payment made at	<input type="text" value="End of Period"/>	
Compounding Frequency	<input type="text" value="Monthly"/>	

Sale folder

The sale folder should appear like this;

Sale Price				
Description	Sale Price Based on	Cap Rate	Amount	Sale Price
Sale	Cap Rate	0.00%		\$ 0

1. Enter the Cap Rate: 7.50%

The sale folder should now look like this;

Sale Price				
Description	Sale Price Based on	Cap Rate	Amount	Sale Price
Sale	Cap Rate	7.50%		\$ 6,816,560

SAVE YOUR PROJECT