

OFFICE BUILDING EXPRESS CANADA EXAMPLE

INTRODUCTION

This office example uses features such as Free Rent.

For simplicity there are only two tenants used in the example.

Tenant A. 5,000 Sq. Ft

Tenant B. 3,400 Sq. Ft

The Investit Template used is "Invest Office Yearly"

This practice example consists of two Sections;

1. The input information for the project
2. The instructions for entering the project data

PROJECT INFO. Folder

Property Name: Capital Plaza
Description: Office Building Example
Starting Date: Year 1 Jan
Building Area 9,500 Sq Ft
Total Rentable Area: 8,400 Sq. Ft
Total Usable Area: 7,119 Sq Ft
Land Area: 105,000 Sq Ft
Frontage: 300 Ft
Analysis Period: 10 Years
Purchase Price: \$2,700,000
Acquisition Costs: \$30,000

INVESTOR Folder

Marginal Tax Rate: 37.00%
Discount Rate: Before Tax 13.00%
Percentage of Capital Gain Rate: 50.00%
Short Term Rates Before Tax for calculating the Modified Internal Rate of Return (MIRR)
Financing Rate: 8.000%
Reinvestment Rate: 2.500%

INVESTMENT Folder

Description: Land
Amount: \$900,000
Year 1 Jan
CCA Class: Land (No Deprec.)

Description: Building
Amount: \$1,830,000
Year 1 Jan
CCA Class: Building

EXPENSES Folder

Operating expenses paid for by the investor such as taxes, insurance, maintenance, property management etc

Property Taxes

\$35,000 compounding at 4.00% per Yr for the next 2 years then increasing at 3.00% per year compounding for the remaining term

Insurance

\$15,000 compounding at 4.00% per year

Maintenance

\$600 per month compounding at 3.00% per year

Utilities

\$450 per month compounding at 3.00% per year

Property Management

5.00% of Effective Gross Income per year

GENERAL REVENUE Folder

Tenant A: 5,000 Sq. Ft

Tenant A Base Rent

\$25.00 per Sq. Ft per Yr paid monthly. One term of one year and two terms of five years. Increase for the second term based on 3.00% compounding per year for five years. Increase for the third term based on 4.00% compounding per year for five years.

Free Rent

25.00% in Year 1

Tenant A Recov. Expenses

\$5.00 per Sq. Ft per Year compounding at 3.00% per year

Tenant B: 3,400 Sq. Ft

Tenant B Base Rent

\$27.00 per Sq. Ft per Yr paid monthly. One term of two years, one term of five years and one term of four years. Increase for the second term based on 3.00% compounding per year for five years. Increase for the third term based on 4.00% compounding per year for four years.

Tenant B Recov. Expenses

\$5.00 per Sq. Ft per Year compounding at 3.00% per year

Parking

60 Spaces at \$45.00 per Space per Month for one year then compounding at 3.00% per year for two years. Then compounding at 4.00% per year for three years. Then compounding at 5.00% per year for five years.

VACANCY Folder

Detailed Entries

Tenant A Base Rent

3.00% of Revenue

Tenant A Recov. Expenses

3.00% of Revenue

Tenant B Base Rent

3.00% of Revenue

Tenant B Recov. Expenses

3.00% of Revenue

FINANCING Folder

1. Mortgage (Borrowing)

Type: Standard Mortgage
Year 1 January 1, \$2,300,000
Time Period: 10 years
Amortization: 25 years
Interest Rate: 7.00%

SALE Folder

Real Estate Commissions

5% of Sale Price

Selling Expenses

Selling Expenses 2% of Sale Price
Legal Fees: \$6,000

Sale Price

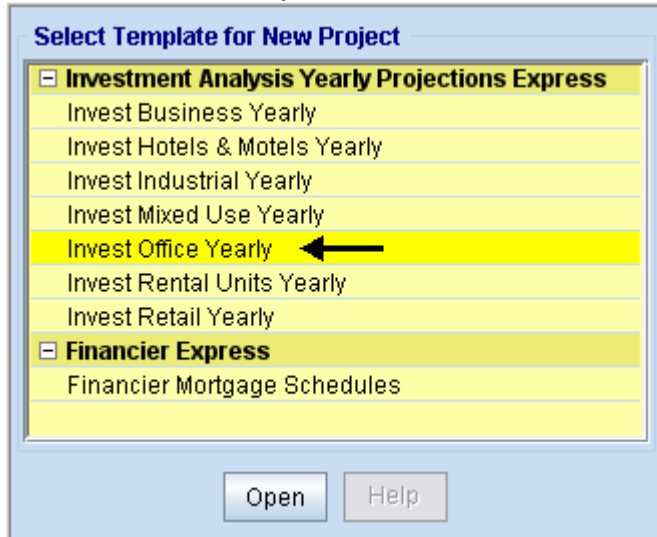
Based on a Cap Rate of 7.00% using Based on the Income for the year following the Sale i.e., based on the Income & Expenses for year 11.

INSTRUCTIONS FOR ENTERING THE PROJECT INTO INVESTOR EXPRESS

Getting started

The first step is to open the Investor Express Template “Invest Office Yearly” as follows:

1. Open Investor Express.
2. Select the New Project Folder then select the Investit Template folder



3. Select and open the Investit template “Invest Office Yearly” The analysis period dialog will open at this point.
4. Enter 10 years and click OK

Entering the project data and information

PROJECT INFO Folder

1. Enter the Property Name: Capital Plaza
2. Enter Description: Investment Analysis Office with Rent Roll
3. Enter Purchase Price: \$2,700,000
4. Enter Acquisition Costs: a) Select type “Amount” from the scrolling menu
b) Enter \$30,000 into the entry field
5. Enter Building Area: 9,500 Sq. Ft
6. Enter Rentable Area: 8,400 Sq. Ft
7. Enter Usable Area: 7,119
8. Enter Land Area: 105,000 Sq. Ft
9. Enter Frontage: 300 Sq. Ft

The Project Info screen should look like this;

Investor Express - Office Building Express

File Edit Reports Tools Utilities Investit Activation Help

My Company Info. Property Info. Client Info. Notes

Project Info. Investor Investment Expenses Revenue Vacancy Financing Sale

Report Headers

Property Name Capital Plaza ←

Description Office Building Example ←

Total Purchase Price

Purchase Price \$ 2,700,000 ←

Acquisition Costs → \$ 30,000 Amount

Total Purchase Price \$ 2,730,000

Analysis Time Period

10 Years Change Analysis Time Period

Entry Information

Enter Revenue and Expenses Yearly Change Entry Information

Starting Date January Year 1

Calculate Financial Measures based on

Potential Gross Income Effective Gross Income

Edit Unit of Measure

Building

Building Area 9,500 Sq. Ft ←

Office

Rentable Area 8,400 Sq. Ft ←

Usable Area 7,119 Sq. Ft ←

Add On Factor 17.99%

Land

Land Area 105,000 Sq. Ft ←

Frontage 300 Ft ←

Template: Invest Office Yearly Express

Investor Folder

1. Enter the Discount Rate Before Tax: 13.00%

Notes:

The Discount Rate is used to calculate the Net Present Value and Net Effective Rent

The program automatically calculates the Discount Rate After Tax

2. Enter Short Term Rates Before Tax
 - Financing Rate: 8.00%
 - Reinvestment Rate: 2.5.00%

INVESTMENT Folder

The Investment Folder should appear like this;

Investor Express USA - Untitled Project Express

File Edit Reports Tools Utilities Investit Activation Help

My Company Info. Property Info. Client Info. Notes

Project Info. Investor **Investment** Expenses Revenue Vacancy Financing Sale

Investment Losses: Active Investor. No Loss Limitation

Purchase Price and Capital Improvements

Description	Amount	Year	Month	Depreciation Method	Recovery Period [yrs]
Land	\$ 0	Year 1	Jan	Land (No Deprec.)	39.0
Improvements	\$ 0	Year 1	Jan	Commercial Prop. St Line	15.0
Land Improvements	\$ 0	Year 1	Jan	Land Improv. 150% DB	1.0
Mortgage Fees and Points	\$ 0	Year 1	Jan	Amort. Mortgage Fees	1.0

Purchase Price [Year 1 Total] \$ 0

Add Insert Delete Move

Comments

Template: Invest Office Yearly Express

First Row

1. Enter the Amount: \$900,000

Second Row

1. Select row 2 'Building'
2. Enter the Amount: \$1,830,000

Third Row

1. Select row 3 'Land Improvements'
2. Click on the button

Fourth Row

1. Select row 4 with Description 'Mortgage Fees and points'
2. Click on the button

Your entries for the Investment should look like this;

The screenshot shows the 'Investment' tab in the 'Investor Express USA - Office Building Express' software. The 'Investment Losses' dropdown is set to 'Active Investor. No Loss Limitation'. Below this is a section titled 'Purchase Price and Capital Improvements' containing a table with the following data:

Description	Amount	Year	Month	Depreciation Method	Recovery Period [yrs]
Land	\$ 900,000	Year 1	Jan	Land (No Deprec.)	
Improvements	\$ 1,830,000	Year 1	Jan	Commercial Prop. St Line	39.0

Below the table, the 'Purchase Price [Year 1 Total]' is displayed as \$ 2,730,000. There are buttons for 'Add', 'Insert', 'Delete', and 'Move' below the table, and a 'Comments' button at the bottom right. The status bar at the bottom indicates 'Template: Invest Office Yearly Express'.

EXPENSES Folder

Operating expenses paid for by the investor such as taxes, insurance, maintenance, property management etc

Property Taxes

\$35,000 compounding at 4.00% per Yr for the next 2 years then increasing at 3.00% per year compounding for the remaining term

Insurance

\$15,000 compounding at 4.00% per year

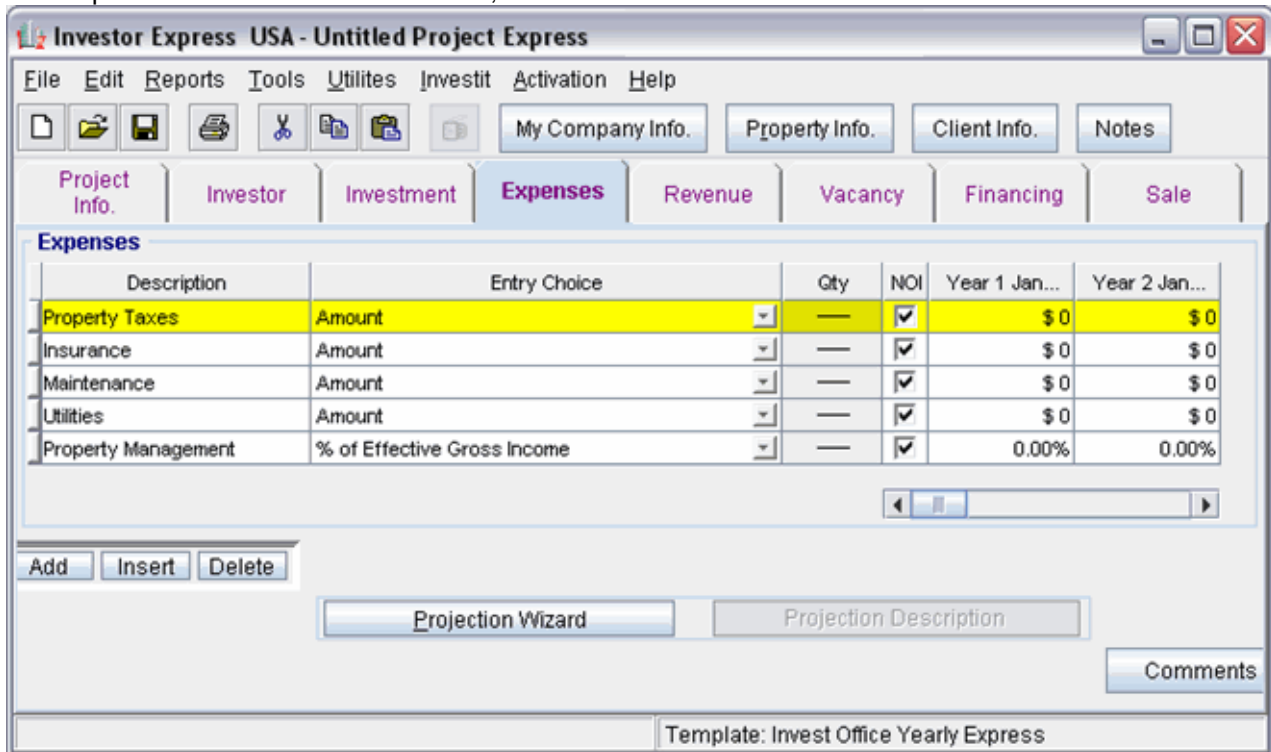
Maintenance

\$600 per month compounding at 3.00% per year

Utilities

\$450 per month compounding at 3.00% per year

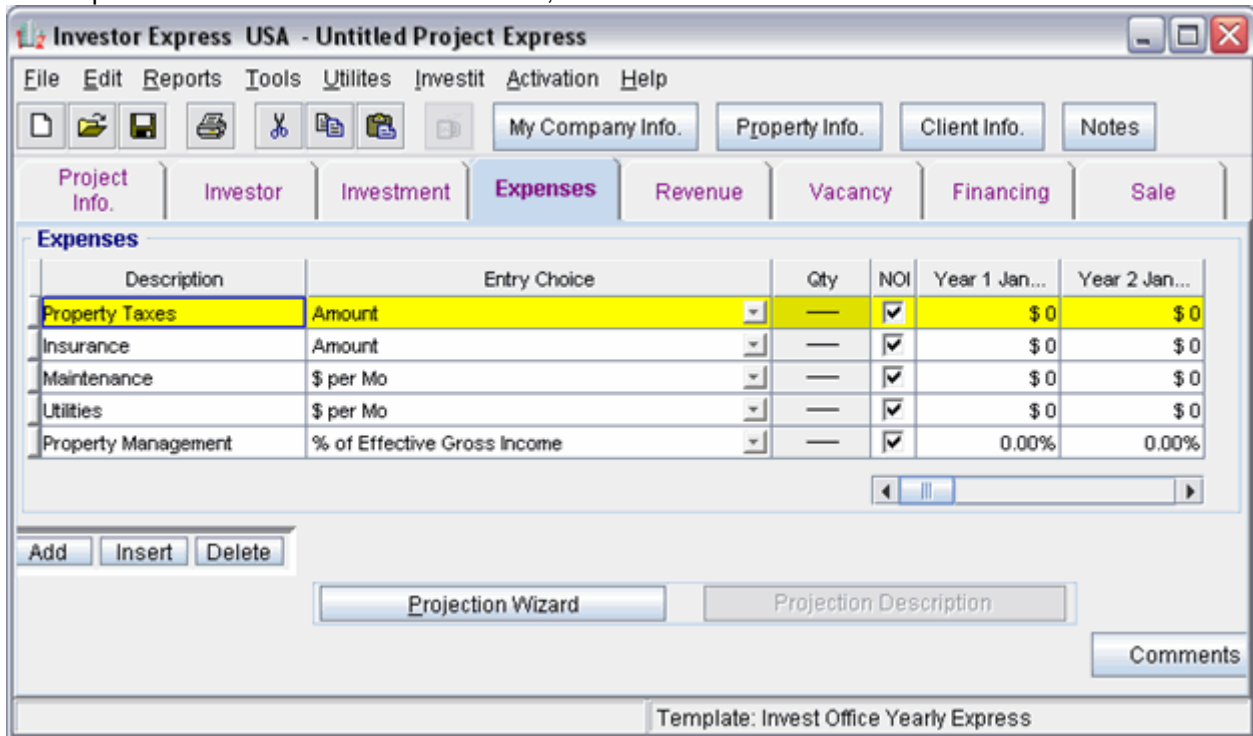
The Expenses folder should look like this;




Steps for setting up the Expenses folder

1. Select row 3 'Maintenance'
2. Select Entry Choice "\$ per Mo"
3. Select row 2 'Utilities'
4. Select Entry Choice "\$ per Mo"


The Expenses folder should now look like this;

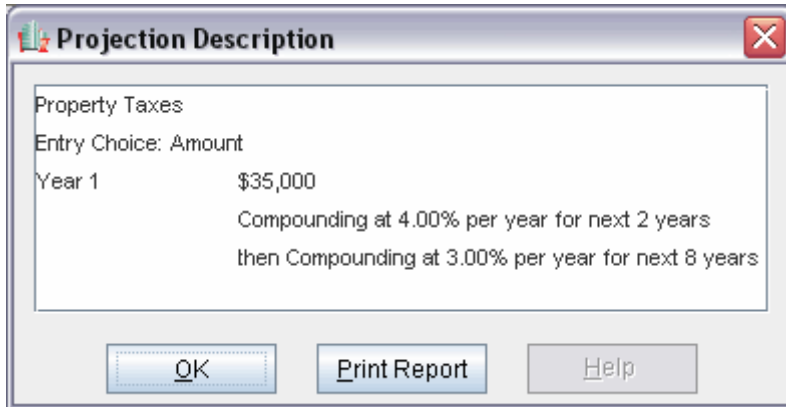


Steps for setting up Property Taxes

1. Select row 1 'Property Taxes'
2. Click on the  button
In the **Projection Wizard**

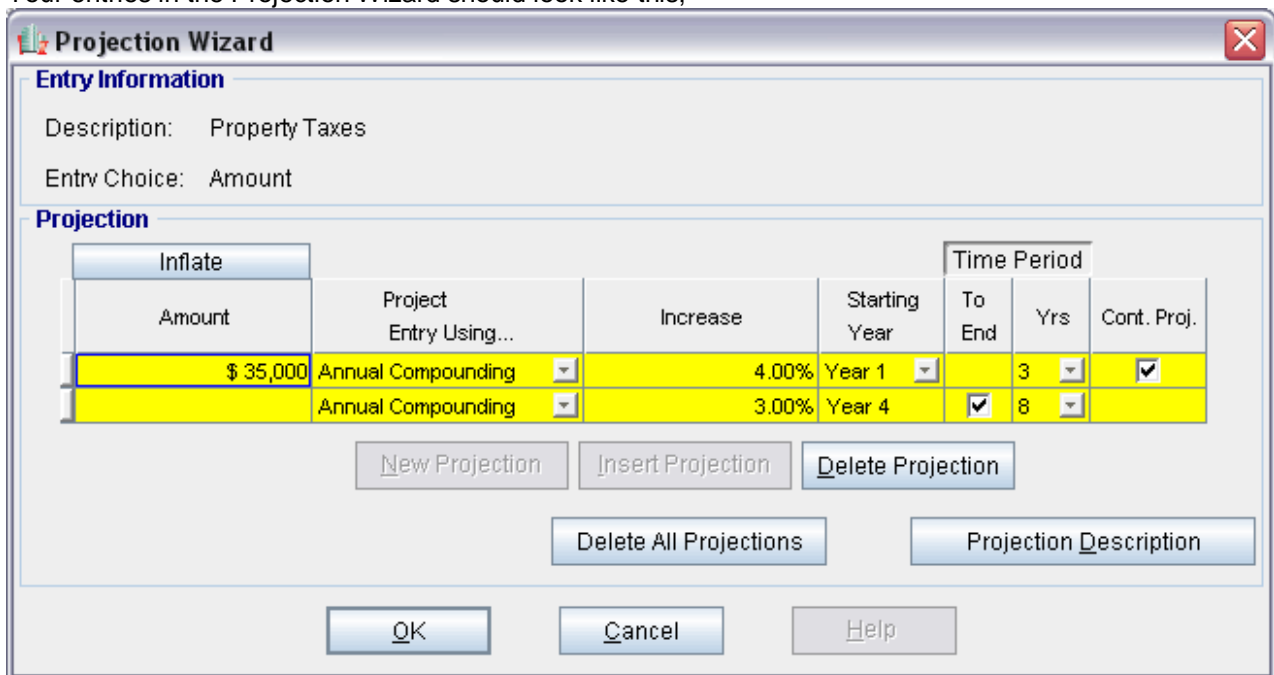
3. **Amount column:** Enter \$35,000
 4. **Project Entry Using column:** Select "Annual Compounding"
 5. **Increase column:** Enter the Compounding Rate of 4.00%
 6. **Time Period column:** Select 3 Years
 7. **Continue Projection:** Select the Cont. Proj. checkbox
- Row 2
8. **Project Entry Using column:** Select "Annual Compounding"
 9. **Increase column:** Enter the Compounding Rate of 3.00%
 10. **Time Period column:** Select "To End" checkbox

To view your entries, click on the  button, which describes the entries and projections.




Press OK to return to the Projection Wizard


Your entries in the Projection Wizard should look like this;



Press OK to return to the Expenses folder

Steps for setting up Insurance

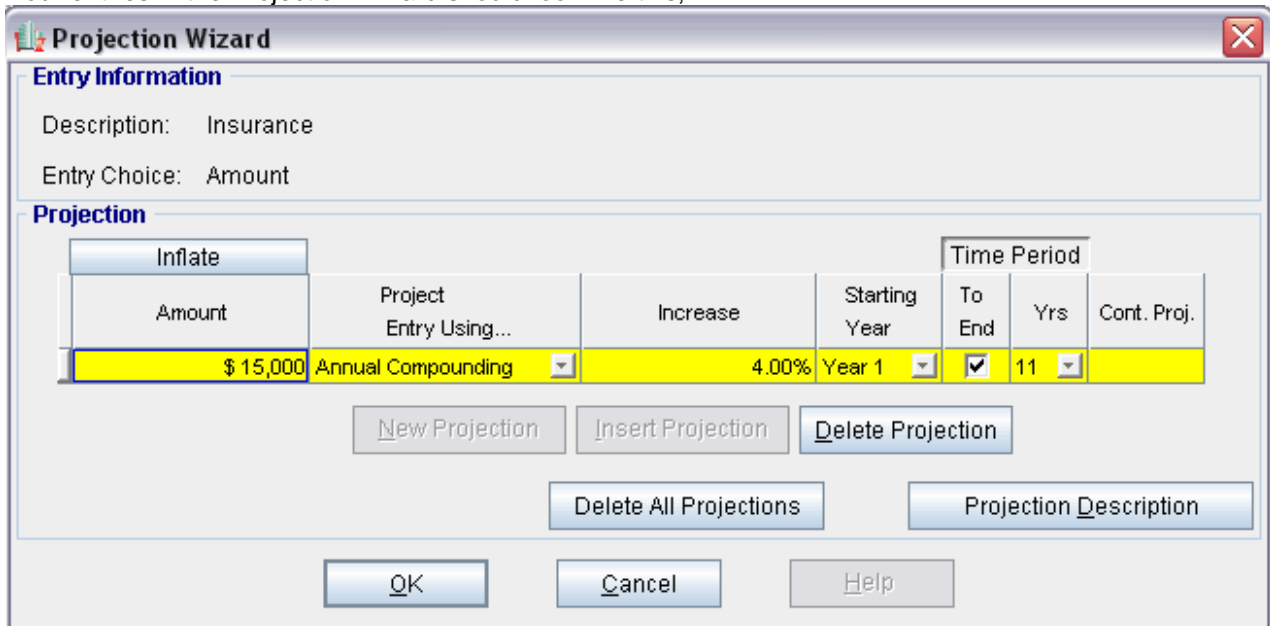
1. Select row 2 'Insurance'
2. Click on the  button
In the **Projection Wizard**
3. **Amount column:** Enter \$15,000
4. **Project Entry Using column:** Select "Annual Compounding"
5. **Increase column:** Enter the Compounding Rate of 4.00%
6. **Time Period column:** Select the "To End" checkbox

To view your entries, click on the  button, which describes the entries and projections.




Press OK to return to the Projection Wizard

Your entries in the Projection Wizard should look like this;



Press OK to return to the Expenses folder

Steps for setting up Maintenance

1. Select row 3 'Maintenance'
2. Click on the  button
In the **Projection Wizard**
3. **Amount column:** Enter \$600
4. **Project Entry Using column:** Select "Annual Compounding"
5. **Increase column:** Enter the Compounding Rate of 3.00%
6. **Time Period column:** Select the "To End" checkbox

Your entries in the Projection Wizard should look like this;

The screenshot shows the 'Projection Wizard' dialog box with the following details:

- Entry Information:**
 - Description: Maintenance
 - Entry Choice: \$ per Mo
- Projection Table:**

Entry	Project Entry Using...	Increase	Starting Year	Time Period		
				To End	Yrs	Cont. Proj.
\$ 600	Annual Compounding	3.00%	Year 1	<input checked="" type="checkbox"/>	11	
- Buttons:** New Projection, Insert Projection, Delete Projection, Delete All Projections, Projection Description, OK, Cancel, Help.

Press OK to return to the Expenses folder

Steps for setting up Utilities

1. Select row 4 'Utilities'
2. Click on the  button

In the **Projection Wizard**

3. **Amount column:** Enter \$450
4. **Project Entry Using column:** Select "Annual Compounding"
5. **Increase column:** Enter the Compounding Rate of 3.00%
6. **Time Period column:** Select the "To End" checkbox

Your entries in the Projection Wizard should look like this;


The screenshot shows the 'Projection Wizard' dialog box with the following details:

- Entry Information:**
 - Description: Utilities
 - Entry Choice: \$ per Mo
- Projection Table:**

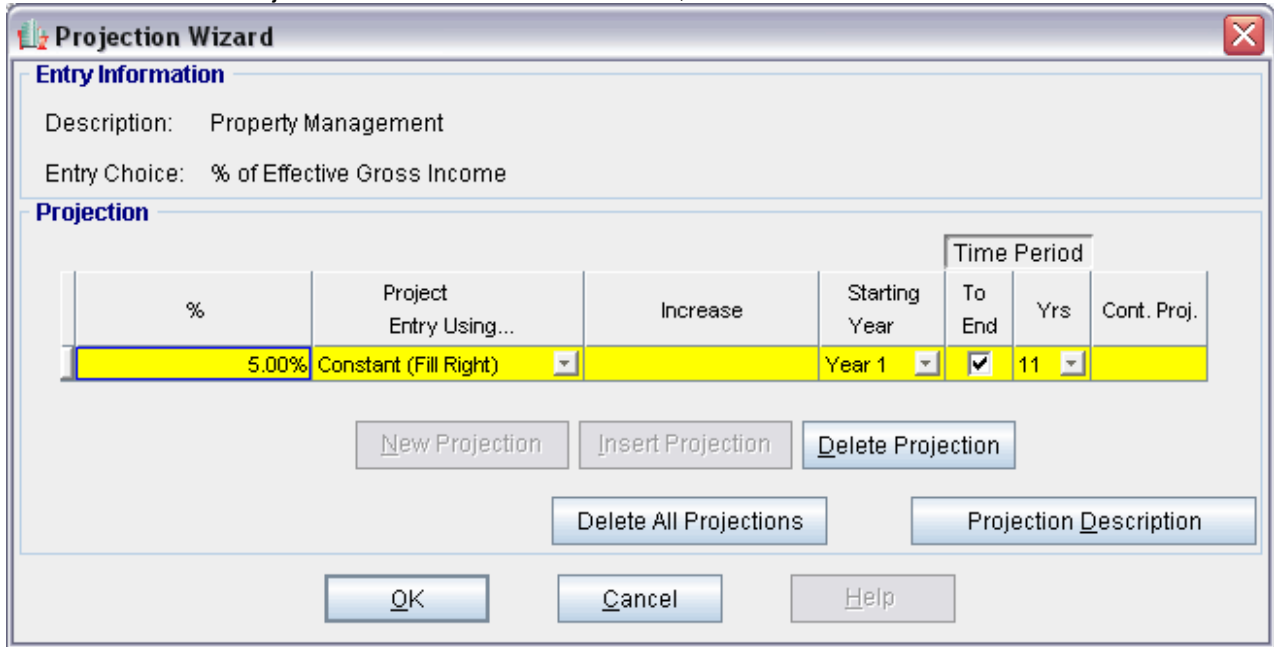
Entry	Project Entry Using...	Increase	Starting Year	Time Period		
				To End	Yrs	Cont. Proj.
\$ 450	Annual Compounding	3.00%	Year 1	<input checked="" type="checkbox"/>	11	
- Buttons:** New Projection, Insert Projection, Delete Projection, Delete All Projections, Projection Description, OK, Cancel, Help.

Press OK to return to the Expenses folder

Steps for setting up Property Management

1. Select row 4 'Management'
 2. Click on the  button
- In the **Projection Wizard**
3. **% column:** Enter 5.00%
 4. **Time Period column:** Select the "To End" checkbox

Your entries in the Projection Wizard should look like this;



%	Project Entry Using...	Increase	Starting Year	Time Period		
				To End	Yrs	Cont. Proj.
5.00%	Constant (Fill Right)		Year 1	<input checked="" type="checkbox"/>	11	

Press OK to return to the Expenses folder

GENERAL REVENUE Folder

Tenant A

5,000 Sq. Ft

Tenant A Base Rent

\$25.00 per Sq. Ft per Yr paid monthly. One term of one year and two terms of five years. Increase for the second term based on 3.00% compounding per year for five years. Increase for the third term based on 4.00% compounding per year for five years.

Free Rent

25.00% in Year 1

Tenant A Recov. Expenses

\$5.00 per Sq. Ft per Year compounding at 3.00% per year

Tenant B

3,400 Sq. Ft

Tenant B Base Rent

\$27.00 per Sq. Ft per Yr paid monthly. One term of two years, one term of five years and one term of four years. Increase for the second term based on 3.00% compounding per year for five years. Increase for the third term based on 4.00% compounding per year for four years.

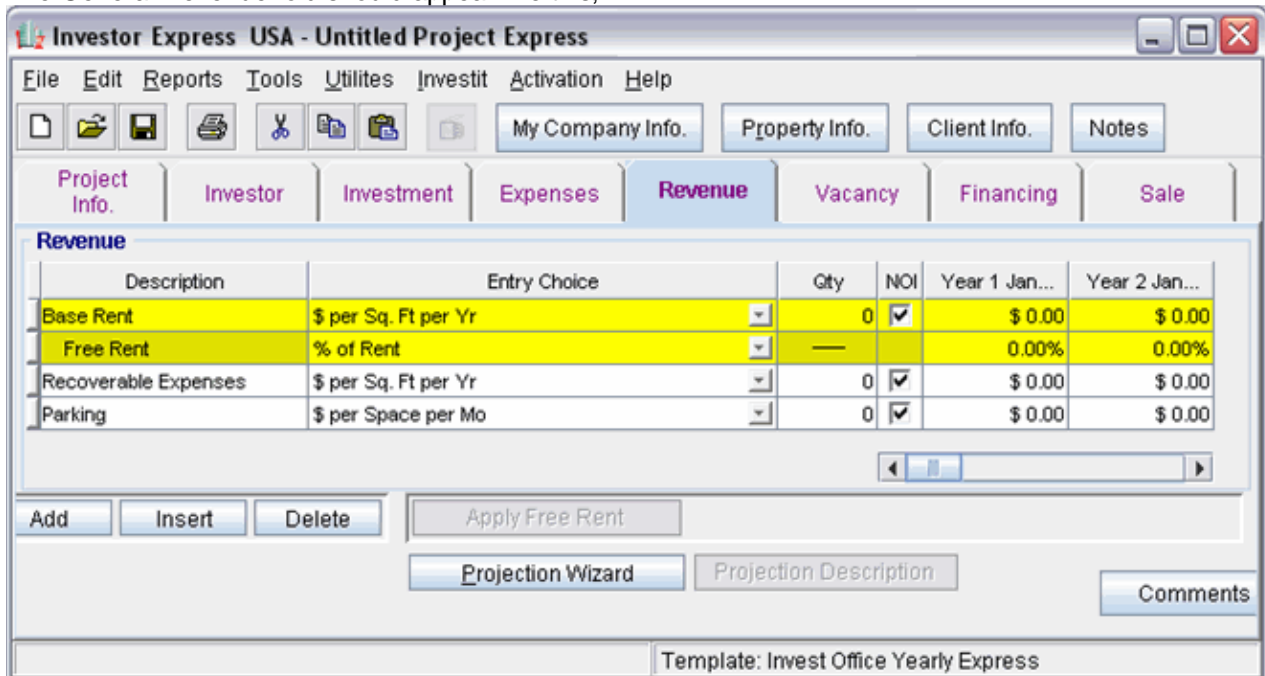
Tenant B Recov. Expenses

\$5.00 per Sq. Ft per Year compounding at 3.00% per year

Parking

60 Spaces at \$45.00 per Space per Month for one year then compounding at 3.00% per year for two years. Then compounding at 4.00% per year for three years. Then compounding at 5.00% per year for five years.

The General Revenue fold should appear like this;



Steps for setting up the Revenue folder

1. Select row 1 'Base Rent'
2. Enter Description "Tenant A Base Rent"
3. Enter QTY: 5,000

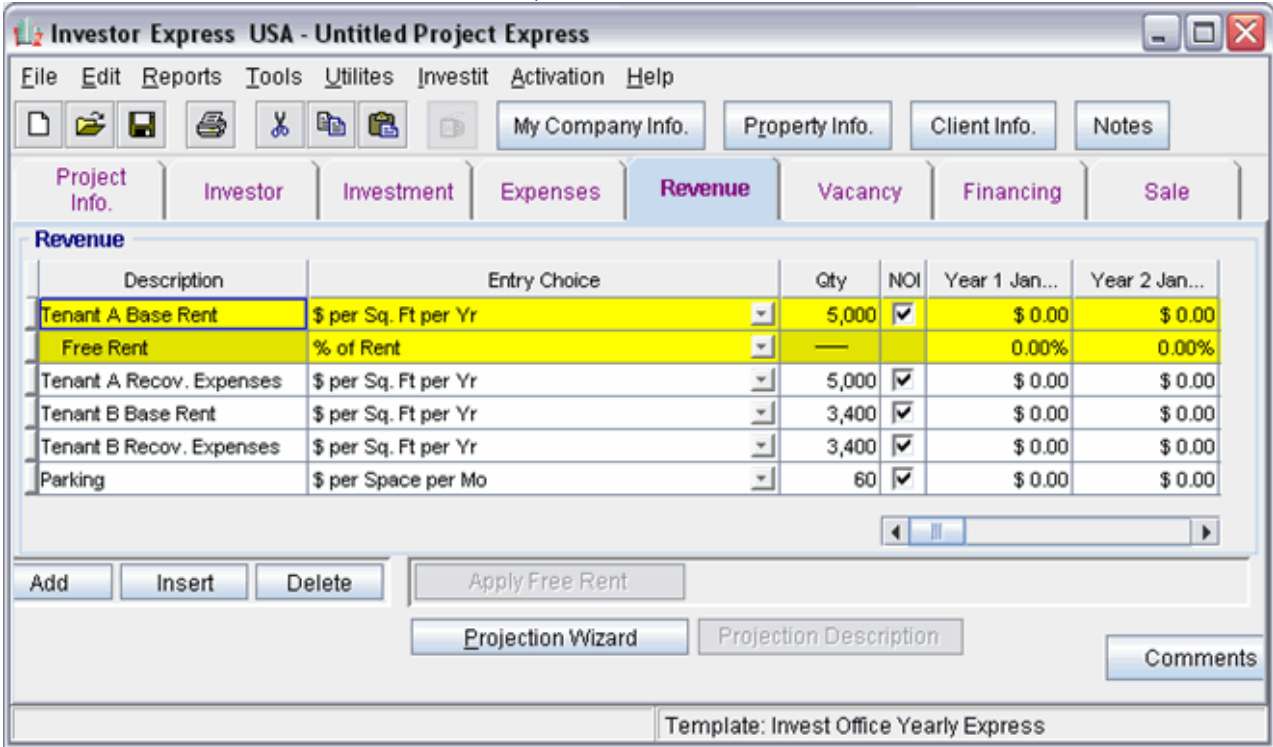
4. Select row 3 'Recoverable Expenses'
5. Enter Description "Tenant A Recov. Expenses"
6. Enter QTY: 5,000

7. Select row 4 'Parking'
8. Enter QTY: 60

9. Press the Insert button TWO times. Two new rows will appear above 'Parking'
10. Select row 4 with no Description
11. Enter Description "Tenant B Base Rent"
12. Select Entry Choice "\$ per Sq. Ft per Yr"
13. Enter Qty: 3,400

14. Select row 5 with no Description
15. Enter Description "Tenant B Recov. Expenses"
16. Select Entry Choice "\$ per Sq. Ft. per Yr"
17. Enter QTY: 3,400

The Revenue folder should now look like this;




Steps for Entering Tenant A

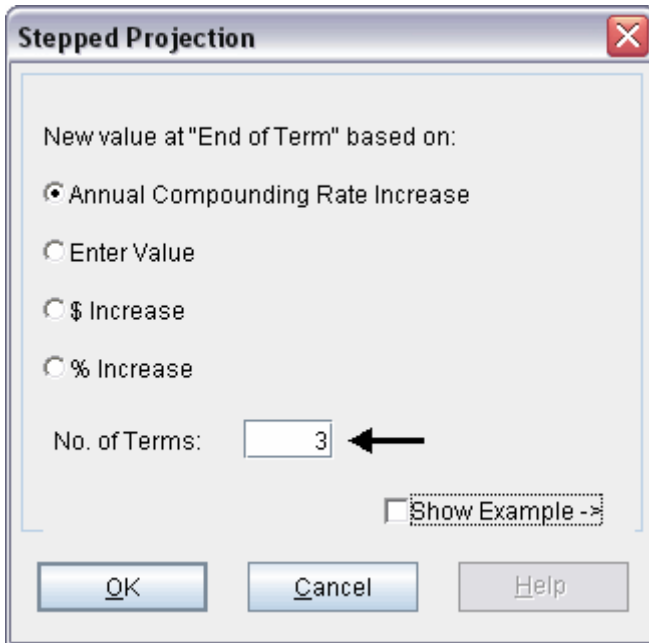
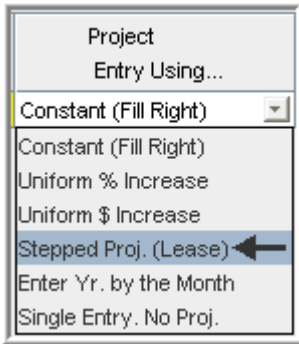
Tenant A Base Rent

\$25.00 per Sq. Ft per Yr paid monthly. One term of one year and two terms of five years. Increase for the second term based on 3.00% compounding per year for five years. Increase for the third term based on 4.00% compounding per year for five years.

Free Rent

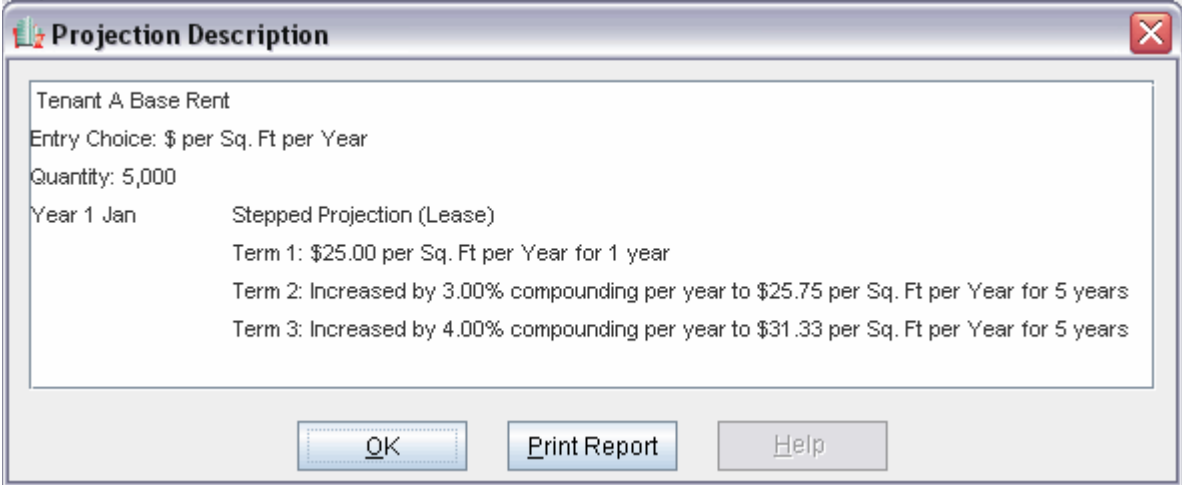
25.00% in Year 1

1. Select row 1: 'Base Rent'
2. Click on  which displays the Projection Wizard
3. **Project Entry Using.. column:** select "Stepped Proj. (Lease)"



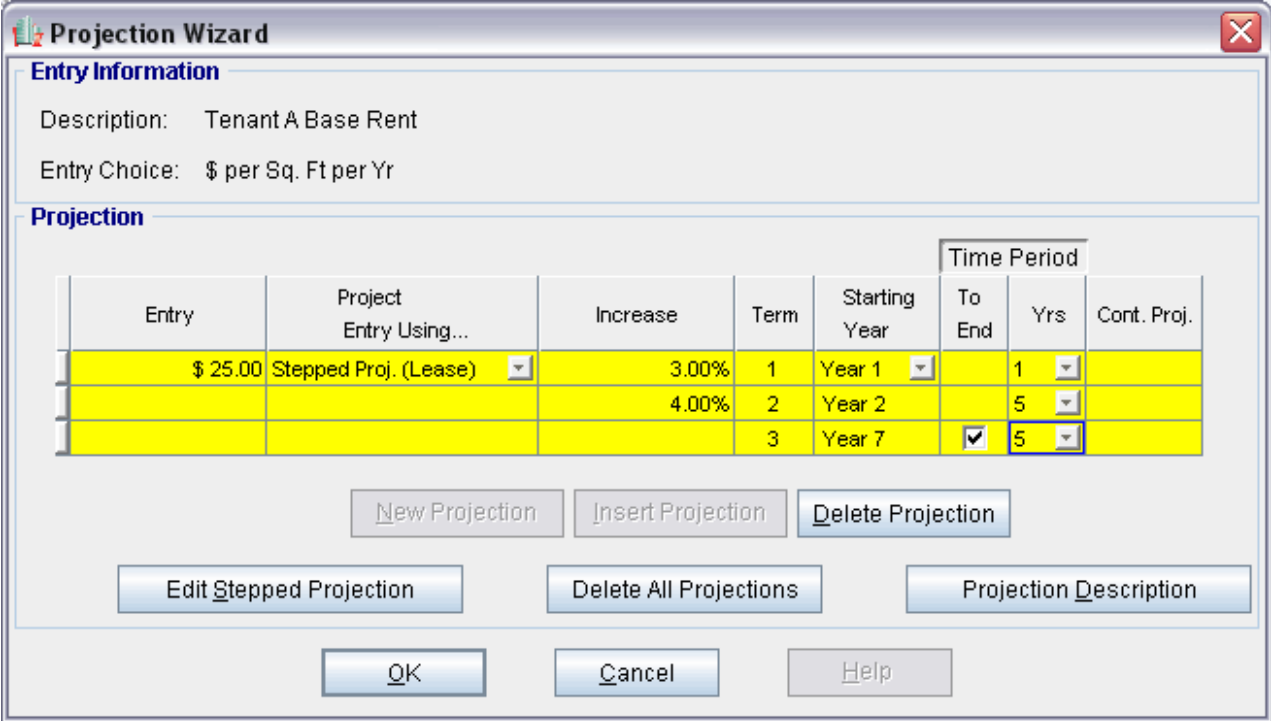
4. Set the No. of Terms to 3 and click OK
5. **Entry column:** Enter the lease rate \$25.00
6. **Increase column:** Set row 1 to Annual Compounding Rate at 3.00%. Set row 2 to 4.00%
7. **Time Period column:** Leave Term 1 (the first row) at 1 year. Set term 2 (the second row) to 5 years and set Term 3 (the third row) to 5 years or check the "To End" box.

To view your entries, click on the **Projection Description** button, which describes the entries and projections.



Press OK to return to the Projection Wizard

The projection should look like this;



Press OK to return to the Revenue sub-folder

Entering the **Free Rent**.


25.00% of Base Rent in Year 1

1. Enter 25.00% in Year 1 Jan, Feb and March on the entry grid

Revenue						
Description	Entry Choice	Qty	NOI	Year 1 Jan...	Year 2 Jan...	
Tenant A Base Rent	\$ per Sq. Ft per Yr	5,000	<input checked="" type="checkbox"/>	\$ 25.00	\$ 25.75	
Free Rent	% of Rent	—		→ 25.00%	0.00%	

Entering **Tenant A Recov. Expenses**

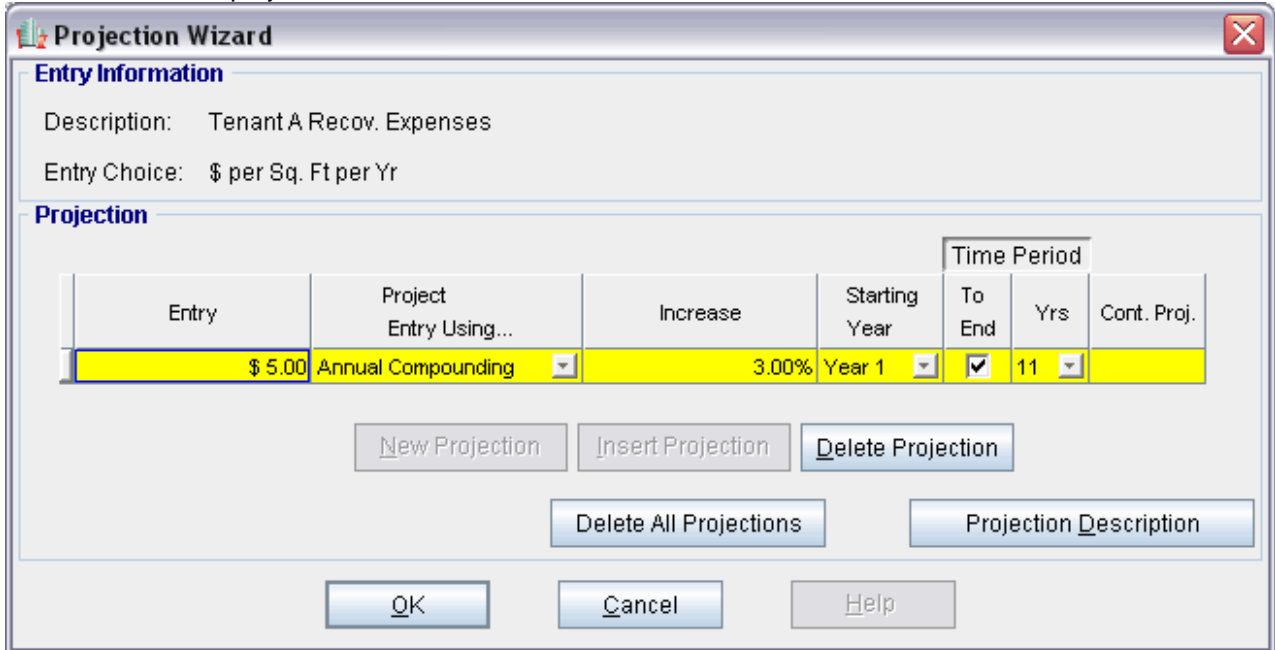
\$5.00 per Sq. Ft per Year compounding at 3.00% per year

1. Select row with Description "Recoverable Expenses"
2. Click on  which displays the Projection Wizard

In the **Projection Wizard**

3. **Entry column:** Enter \$5.00
4. **Project Entry Using column:** Select "Annual Compounding"
5. **Increase column:** Enter the compounding rate of 3.00%
6. **Time Period column:** Check the "To End" box.

Your entries in the projection wizard should look like this:



Projection Wizard

Entry Information

Description: Tenant A Recov. Expenses
Entry Choice: \$ per Sq. Ft per Yr

Projection


Entry	Project Entry Using...	Increase	Starting Year	Time Period		
				To End	Yrs	Cont. Proj.
\$ 5.00	Annual Compounding	3.00%	Year 1	<input checked="" type="checkbox"/>	11	

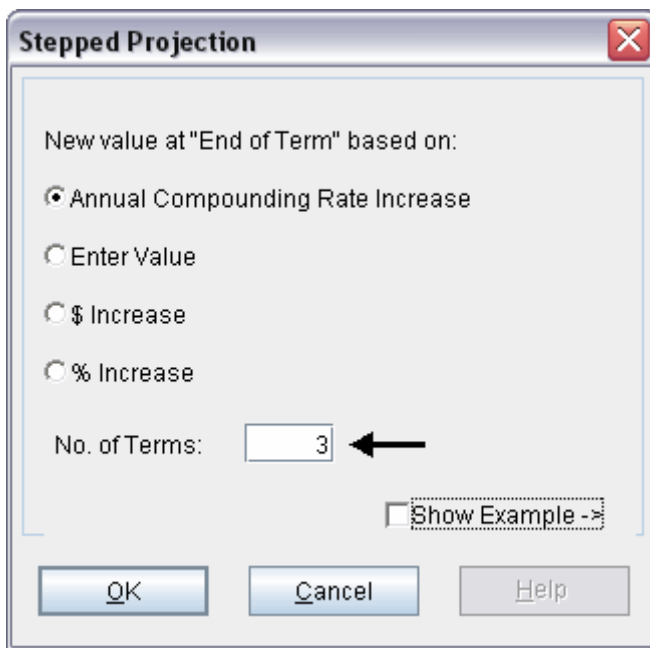
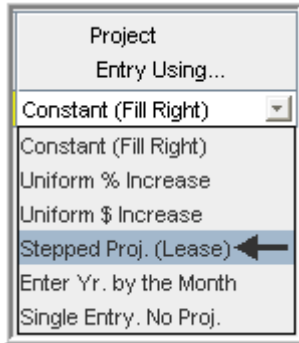
Press OK to return to the Revenue sub-folder

Steps for Entering Tenant B

Entering **Tenant B Base Rent**

\$27.00 per Sq. Ft per Yr paid monthly. One term of two years, one term of five years and one term of four years. Increase for the second term based on 3.00% compounding per year for five years. Increase for the third term based on 4.00% compounding per year for four years.

1. Select row 4: 'Tenant B Base Rent'
2. Click on  which displays the Projection Wizard
3. **Project Entry Using.. column:** select "Stepped Proj. (Lease)"



4. Set the No. of Terms to 3 and click OK
5. **Entry column:** Enter the lease rate \$27.00
6. **Increase column:** Set row 1 to Annual Compounding Rate at 3.00%. Set row 2 to 4.00%
7. **Time Period column:** Leave Term 1 (the first row) at 2 years. Set term 2 (the second row) to 5 years and set Term 3 (the third row) to 4 years or check the "To End" box.

The projection should look like this:

Projection Wizard

Entry Information

Description: Tenant B Base Rent

Entry Choice: \$ per Sq. Ft per Yr

Projection


Entry	Project Entry Using...	Increase	Term	Starting Year	Time Period		Cont. Proj.
					To End	Yrs	
\$ 27.00	Stepped Proj. (Lease)	3.00%	1	Year 1		2	
		4.00%	2	Year 3		5	
			3	Year 8	<input checked="" type="checkbox"/>	4	

Buttons: New Projection, Insert Projection, Delete Projection, Edit Stepped Projection, Delete All Projections, Projection Description, OK, Cancel, Help

Press OK to return to the Revenue sub-folder

Entering **Tenant B Recov. Expenses**

\$5.00 per Sq. Ft per Year compounding at 3.00% per year

1. Select row with Description "Recoverable Expenses"
2. Click on  which displays the Projection Wizard

In the **Projection Wizard**

3. **Entry column:** Enter \$5.00
4. **Project Entry Using column:** Select "Annual Compounding"
5. **Increase column:** Enter the compounding rate of 3.00%
6. **Time Period column:** Check the "To End" box.

Your entries in the projection wizard should look like this:

Projection Wizard

Entry Information

Description: Tenant B Recov. Expenses

Entry Choice: \$ per Sq. Ft per Yr

Projection


Entry	Project Entry Using...	Increase	Starting Year	Time Period		Cont. Proj.
				To End	Yrs	
\$ 5.00	Annual Compounding	3.00%	Year 1	<input checked="" type="checkbox"/>	11	<input checked="" type="checkbox"/>

Buttons: New Projection, Insert Projection, Delete Projection, Delete All Projections, Projection Description, OK, Cancel, Help

Press OK to return to the Revenue sub-folder

Entering **Parking**

60 Spaces at \$45.00 per Space per Month for one year then compounding at 3.00% per year for two years. Then compounding at 4.00% per year for three years. Then compounding at 5.00% per year for five years.

1. Select row 1 'Property Taxes'
 2. Click on the  button
In the **Projection Wizard**
 3. **Amount column:** Enter \$45.00
 4. **Project Entry Using column:** Select "Annual Compounding"
 5. **Increase column:** Enter the Compounding Rate of 3.00%
 6. **Time Period column:** Select 3 Years
 7. **Continue Projection:** Select the Cont. Proj. checkbox
- Row 2
11. **Project Entry Using column:** Select "Annual Compounding"
 12. **Increase column:** Enter the Compounding Rate of 4.00%
 13. **Time Period column:** Select 3 Years
 14. **Continue Projection:** Select the Cont. Proj. checkbox
- Row 3
15. **Project Entry Using column:** Select "Annual Compounding"
 16. **Increase column:** Enter the Compounding Rate of 5.00%
 17. **Time Period column:** Select "To End" Checkbox

Your entries in the Projection Wizard should look like this;

Projection Wizard

Entry Information

Description: Parking

Entry Choice: \$ per Space per Mo

Projection

Entry	Project Entry Using...	Increase	Starting Year	Time Period		Cont. Proj.
				To End	Yrs	
\$ 45.00	Annual Compounding	3.00%	Year 1		3	<input checked="" type="checkbox"/>
	Annual Compounding	4.00%	Year 4		3	<input checked="" type="checkbox"/>
	Annual Compounding	5.00%	Year 7	<input checked="" type="checkbox"/>	5	

New Projection Insert Projection Delete Projection

Delete All Projections Projection Description

OK Cancel Help

Press OK to return to the General Revenue folder

VACANCY Folder

Detailed Entries

Tenant A Base Rent

3.00% of Revenue

Tenant A Recov. Expenses

3.00% of Revenue

Tenant B Base Rent

3.00% of Revenue

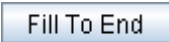
Tenant B Recov. Expenses

3.00% of Revenue


Entering the Vacancy

The Default Vacancy Type is Detailed Entries. For this example that is correct.

Tenant A Base Rent

1. Enter 3.00% into Year 1 Jan
2. Click on the  button

Tenant A Recov. Expenses

1. Enter 3.00% into Year 1 Jan
2. Click on the  button

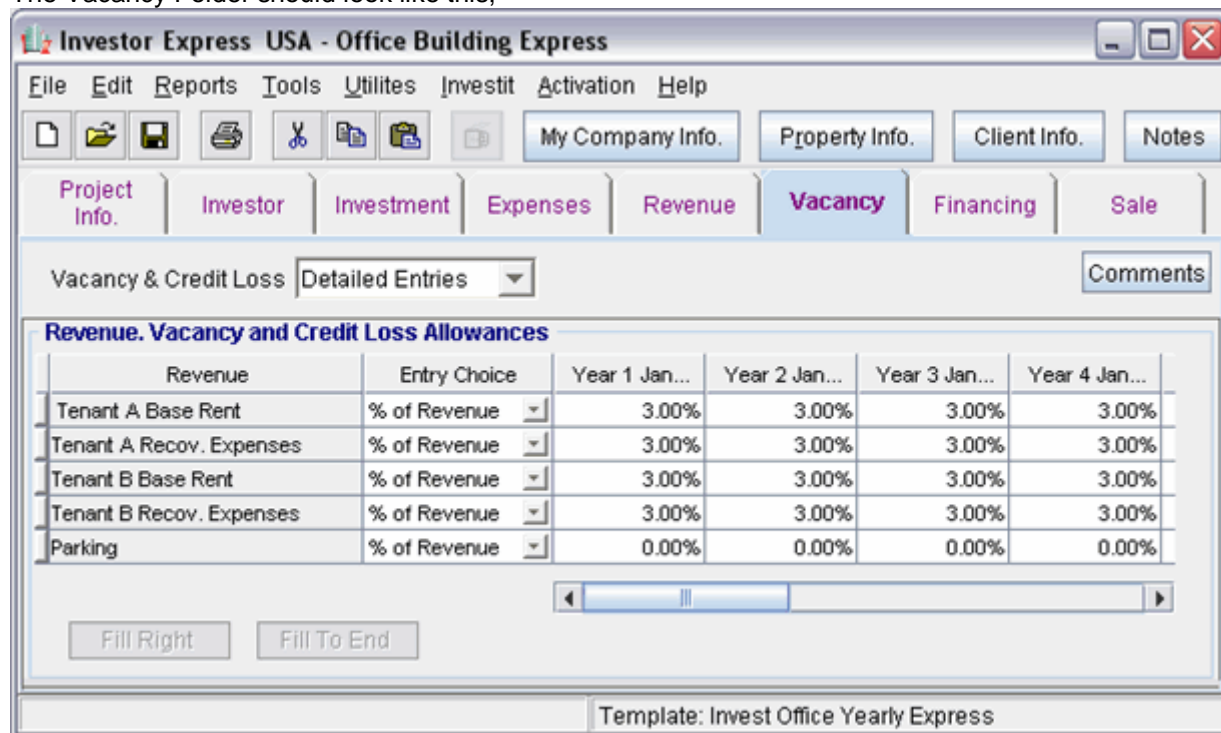
Tenant B Base Rent

1. Enter 3.00% into Year 1 Jan
2. Click on the button

Tenant B Recov. Expenses

1. Enter 3.00% into Year 1 Jan
2. Click on the button

The Vacancy Folder should look like this;



Select the Financing tab

FINANCING Folder

Mortgage (Borrowing)

Type: Standard Mortgage
 Year 1 January 1, \$2,300,000
 Time Period: 10 years
 Amortization: 25 years
 Interest Rate: 7.00%

Setting up a mortgage

1. Click on the Financing folder tab
2. Click on the Add Mortgage button
3. Amount box: \$2,300,000
4. Description box: "First Mortgage"
5. Time Period box: 10 Years
6. Amortization box: 25 Years

- Nominal Interest Rate box: 7.00%

The mortgage dialog should look like this;

The screenshot shows a 'Mortgage' dialog box with the following sections:

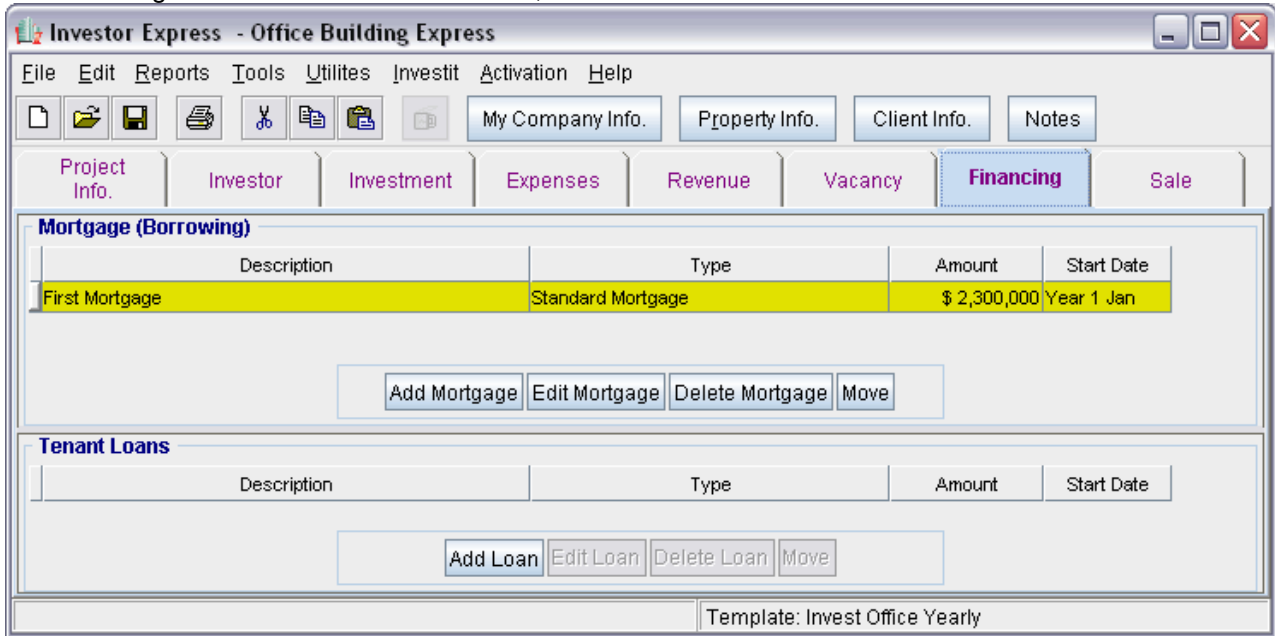
- Mortgage Details:**
 - Analysis Period: Year 1 Jan to Year 10 Dec
 - Commencing: Year 1 (dropdown), Month: January (dropdown)
 - Type: Standard Mortgage (dropdown)
 - Amount: \$ 2,300,000 (input), Interest Rate: Fixed (dropdown)
 - Description: First Mortgage (input)
- Mortgage Settings:**
 - Payment Frequency: Monthly (dropdown)
 - Additional Payments/Borrowing:
 - Payment Rounded: Up to Nearest Cent (dropdown)
 - Compounding Frequency: Semi-annually (dropdown)
- Terms and Amortization Details:**
 - No of (Balloon) Terms: 1 (input)
 - Table with columns: Term No, Time Period (Years, Months), Amortization (Years, Months), and Nominal Interest Rate.

Buttons at the bottom: OK, Compute, Fill Down, Cancel, Help, Comments.

Term No	Time Period		Amortization		Nominal Interest Rate
	Years	Months	Years	Months	
1	10	0	25	0	7.000%

- Press the **Compute** button
- Press the OK button to return to the Financing folder

The financing folder should now look like this;

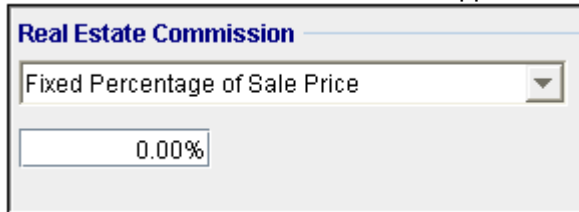


Select the Sale Folder

Real Estate Commissions

5.00% of Sale Price

The Real Estate Commission should appear like this;



Entering the Real Estate Commission

1. Enter 5.00% in the appropriate box

The Real Estate Commission should now look like this;



Selling Expenses

Selling Expenses 2.00% of Sale Price

Legal Fees: \$6,000

The Selling Expenses should appear like this;

Description	Entry Choice	Expense
Selling Expenses	Amount	\$ 0
Legal	Amount	\$ 0

Add Insert Delete Move

Entering the Selling Expenses

1. Select row 1 'Selling Expenses'
2. Expense: \$6,000
3. Select row 2: 'Legal Fees'
4. Enter Expense: \$3,000

The Selling Expenses should now look like this;

Description	Entry Choice	Expense
Selling Expenses	% of Sale Price	2.00%
Legal	Amount	\$ 6,000

Add Insert Delete Move

This example does not contain Selling Expenses so leave the fields as they are.

Sale Price

Base on a Cap Rate of 7.00% using Based on the Income for the year following the Sale i.e., based on the Income & Expenses for year 11.

The Sale Price Estimator should appear like this;

Sale Price Estimator

Sale Price Wizard

\$ 0

1. Press the  button

The Sale Price Wizard dialog will pop up;

Financial Measure	Based on the income for the last year		Based on the income for the year following the Sale	
		Sale Price		Sale Price
Potential Gross Income Multiplier	0.00	\$ 0	0.00	\$ 0
Effective Gross Income Multiplier	0.00	\$ 0	0.00	\$ 0
Cap Rate	0.00%	\$ 0	0.00%	\$ 0
Net Income Multiplier	0.00	\$ 0	0.00	\$ 0
Compound Annual Growth Rate	0.00%	\$ 0	Enter Your Own Estimation	
Uniform Annual Increase	0.00%	\$ 0		

For this example we are using a Cap Rate

Row 1

1. In the second entry field to the right of Cap Rate: enter 7.50%

Note: the field with the red box around it is the correct field on the above screenshot

The Sale Price should now automatically appear in the field to the right

2. Click on the selection box next to the Sale Price

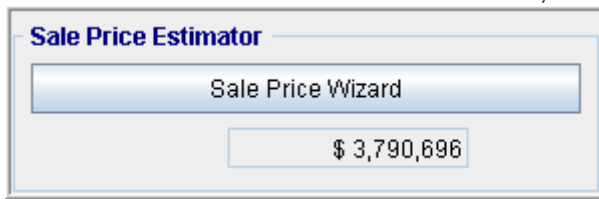
Note: the correct field is circled in red on the above screenshot

The Sale Price Wizard should now look like this;

Financial Measure	Based on the income for the last year		Based on the income for the year following the Sale	
		Sale Price		Sale Price
Potential Gross Income Multiplier	0.00	\$ 0	0.00	\$ 0
Effective Gross Income Multiplier	0.00	\$ 0	0.00	\$ 0
Cap Rate	0.00%	\$ 0	7.00%	\$ 3,790,696
Net Income Multiplier	0.00	\$ 0	0.00	\$ 0
Compound Annual Growth Rate	0.00%	\$ 2,730,000	Enter Your Own Estimation	
Uniform Annual Increase	0.00%	\$ 2,730,000		

Press OK to return to the Sale folder

The Sale Price Estimator should look like this;



The screenshot shows a window titled "Sale Price Estimator". Inside the window, there is a button labeled "Sale Price Wizard". Below the button, the estimated sale price is displayed as "\$ 3,790,696".

SAVE YOUR PROJECT