Investor
Projection Wizard

Introduction

Projection Wizard is used to enter and project revenue and expenses In Investor Pro.

The entry projection options available in Projection Wizard allow you to enter absolutely and any kind of lease or projection, no matter how complex.

IMPORTANT NOTE

The key to using Investor Pro is learning to use Projection Wizard

Once you have learnt how to use Projection Wizard you can quickly enter and project even the most complex and unusual lease arrangements.

Entering data in the Revenue and Expenses Grids. Single Entries versus projections

Single Entries. Enter directly in the Grid

If you are entering single entries such as $ 134,000 in Year 1 Feb and $160,000 in Year 1 April, make these single entries directly in the grid as follows;

Expenses							
Description	Entry Choice		Qty	Year 1 Jan...	Year 1 Feb...	Year 1 Mar...	Year 1 Apr...
Maintenance	Amount	▾		$ 0	$ 17,500	$ 0	$ 21,600

You can edit or change the Single Entry directly in the grid.

Entry followed by a Projection

If you wish to enter and then project the entry, don't enter the entry directly in the grid. Use Projection Wizard.

To open Projection Wizard click on the Projection Wizard button

Projection Wizard	Projection Description

Projection Wizard Grid example

				Start Date		Time Period				
Paid	Project Entry Using…	Entry	Year	Month	To End	Yrs	Mos	Increase	Cont. Proj.	
Monthly for 12 Months ▼	Annual Compounding ▼	$ 10,000.00	Year 1 ▼	Jan ▼	☑	11 ▼	0 ▼	3.00%		

The Projection Description button allows you to see a description of the entry and projection.

Projection Description

Maintenance

Entry Choice: $ per Month

Year 1 Jan $10,000.00   per Month paid monthly for 12 months

                 Compounding at 3.00% per year for next 10 years

The results from Projection Wizard are displayed in the Revenue or Expense grid and are greyed out indicating that in cell is part of a projection.

Changes are made in the Projection Wizard. To make a change to a projection, double click on one of the greyed out cells in the grid or click on the Projection Wizard button to display the Projection Wizard

| Maintenance	$ per Mo	▼		☑	$ 10,000.00	$ 10,000.00

The quickest way to learn how Projection Wizard works is to enter the following example

Template: Invest Rental Units
Analysis Period: 10 years
Folder: Expenses
Description: Maintenance
Entry Choice: Amount

$10,000 per Month for the 12 months then increasing at 3.00% compounding until the end of the Analysis Period

Steps

1. Open the template "Invest Rental Units" and enter the Analysis Period of 10 years
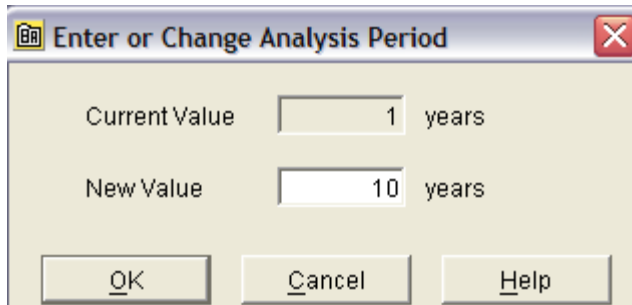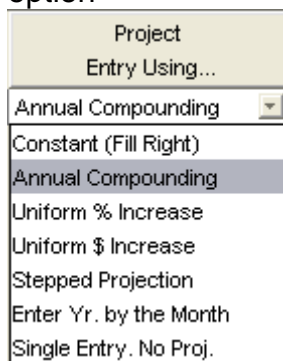
2. Open the Expenses Folder
3. Click on the Maintenance row
4. Click on the Projection wizard button to display the Projection Wizard
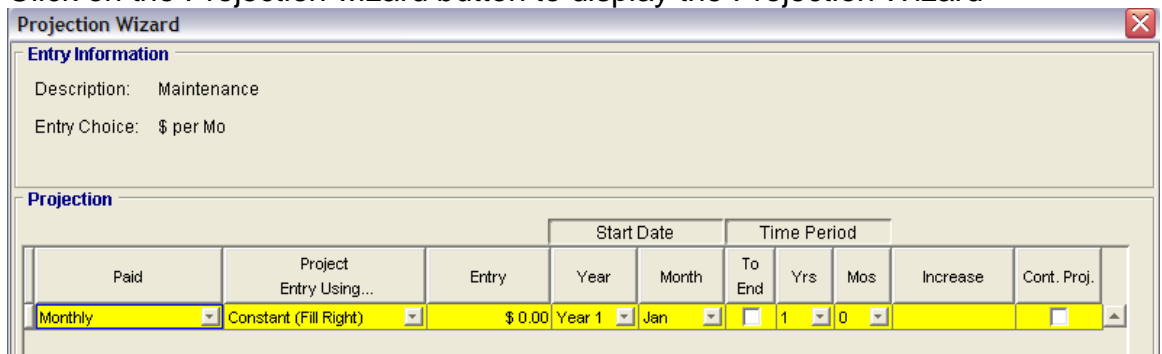
5. In the "Paid" column" select the "Monthly for 12 Months" option

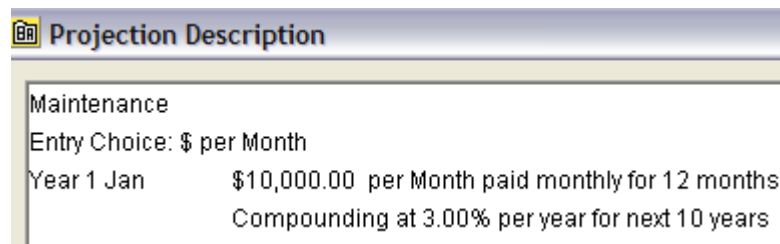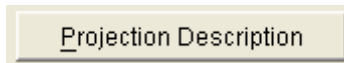6. In the "Project Entry Using…" column select the "Annual Compounding" option

7. In the "Entry" column enter the starting Amount of "$10,000"

8. In the "Time Period Column" click on the "To End Button" will automatically project until the end of the Analysis Period

9. In the "Increase" column enter the Annual Compounding Rate of 3.00%

The completed Projection Wizard is;

			Start Date		Time Period				
Paid	Project Entry Using...	Entry	Year	Month	To End	Yrs	Mos	Increase	Cont. Proj.
Monthly for 12 Months ▾	Annual Compounding ▾	$ 10,000.00	Year 1 ▾	Jan ▾	☑	11 ▾	0 ▾	3.00%	

10. To see what you have entered and projected click on the Projection Description button

Projection Description

Projection Description

Maintenance
Entry Choice: $ per Month
Year 1 Jan $10,000.00 per Month paid monthly for 12 months
                        Compounding at 3.00% per year for next 10 years

11. Click on the "Ok" button. The results in the Expense grid are;

Maintenance	$ per Mo		▾		☑	$ 10,000.00	$ 10,000.00

Notice that the projection is greyed out. Changes to the projection have to be made in the Projection Wizard.

To change the projection, double click on the greyed out section of the row or on the Projection Description button. This will take you to the Projection Wizard where you can change or modify the entry and projection.

Projection Wizard. What does each Column options do?

"Entry Information" frame. Describes the entry and shows the Entry Choice made in the Revenue or Expense grid;

    Description: Maintenance
    Entry Choice: $ per M

"Paid" column. Allows you to choose how the entry will be paid or entered.

Paid "Monthly" The payment is made, projected and calculated monthly regardless of the Entry Choice. The calculation is based on a monthly payment even if the Entry Choice is $ per year or $ per Sq Ft per Yr.

As an example, if the entry is $12,000 per year paid monthly, the monthly payment is $12,000/12 = $1,000

$12,000 per Yr "Paid Monthly" is the same as $1,000 per month paid monthly

Example No. 1
Entry Choice: Amount.
Paid: Monthly
Entry: $10,000 Year 1 Jan
The $10,000 paid monthly will be projected based on the selection in the "Project Entry Using..." column.

Example No. 2
Entry Choice: $ per Sq Ft per Yr.
Quantity: 5,000 Sq. Ft
Paid: Monthly
Entry: $12.00
The $12.00 per Yr paid monthly will be projected based on the selection in the "project Entry Using..." column.

Important Note: $12 per Sq Ft per Yr paid monthly is equivalent to entering $1.00 per Sq Ft per Mo

Paid "Monthly for 12 Months" The payment is made each month for 12 months and then projected using the "Project Using options..." This is likely the most common method of entering and projection revenues and expenses.

As an example, $12 per Sq Ft per Yr paid monthly for 12 months starting Year 1 Jan means that the payment for the first 12 months (year 1 Jan to Dec) is based on $12 per Sq Ft per Yr which is equivalent to $1.00 per Sq Ft per Month.

This is very common way of expressing lease rates which the lease rate is quoted an annual basis but paid monthly

As an example, a lease $12.00 per Sq Ft paid monthly is the same as $1.00 per Sq Ft per Mo. If the rentable area is 1,000 Sq Ft the monthly payment is ($12.00/12) x 1,000 which is $1,000 per month.

Example:

Template: Invest Office
Analysis Period: 10 Years
Folder: Expenses
Description: Maintenance
Entry Choice: $ per Mo
Starting Date: Year 1 Jan
Starting Amount: $12,000 per Mo paid monthly for 12 months then increasing at
                   4.00% compounding for 3 years.

Steps:
1. Open an "Invest Office" template
2. Set the Analysis Period to 10 Years
3. Click on the "Expenses" folder
4. Click on the "Maintenance" row
5. Click on the "Projection Wizard" button
6. In "Projection Wizard" dialog make the following entries:

Paid: "Monthly for 12 Months"
Project Entry Using: "Annual Compounding"
Amount: $12,000
Staring Date: Year 1 Jan
Time Period: 3 years
Increase   3.00% per year compounding

The entries in Projection Wizard are:

Projection

Paid	Project Entry Using...	Amount	Start Date		Time Period			Increase	Cont. Proj.
			Year	Month	To End	Yrs	Mos		
Monthly for 12 Months ▼	Annual Compounding ▼	$ 12,000	Year 1 ▼	Jan ▼	☐	3 ▼	0 ▼	3.00%	☐

7. To see what you have entered and projected click on the Projection Description button

> Projection Description

Projection Description

Maintenance
Entry Choice: $ per Month

Year 1 Jan $12,000.00 per Month paid monthly for 12 months

                Compounding at 3.00% per year for next 2 years

OK   Print Report   Help

The resulting calculations are:

Yr	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
1	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000
2	12,360	12,360	12,360	12,360	12,360	12,360	12,360	12,360	12,360	12,360	12,360	12,360
3	12,731	12,731	12,731	12,731	12,731	12,731	12,731	12,731	12,731	12,731	12,731	12,731
4	13.113	13.113	13.113	13.113	13.113	13.113	13.113	13.113	13.113	13.113	13.113	13.113

Paid "Every 12 Months" The payment is made every 12 months.

As an example, property taxes are paid in July each year.

Example:

Description:	Property Taxes
Entry Choice:	Amount
Paid:	Every 12 months
Project Entry Using…:	Annual Compounding
Entry:	$9,000
Staring Date:	Year 1 July
Increasing"	3.00% per year compounding
Time Period:	4 years

The entries in Projection Wizard are:

Paid	Project Entry Using...	Amount	Start Date		Time Period			Increase	Cont. Proj.
			Year	Month	To End	Yrs	Mos		
Every 12 Months	Annual Compounding	$ 9,000	Year 1	Jul	☐	4		3.00%	☐

The resulting calculations are:

Yr	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
1							9,000	-	-	-	-	-
2	-	-	-	-	-	-	9,270	-	-	-	-	-
3	-	-	-	-	-	-	9,548	-	-	-	-	-
4	-	-	-	-	-	-	9,834	-	-	-	-	-

Note: The ⌐ - ⌐ - ⌐ indicates that the year and month are part of the projection.

View the Projection description by clicking on the "Projection Description" button

Projection Description

Property Taxes
Entry Choice: Amount
Year 1 Jul $9,000 paid every 12 months
                   Compounding at 3.00% per year paid every 12 months for next 3 years

"Project Entry Using" column is used for selecting the method of projecting the entry. The choice are;

```
        Project
       Entry Using...
Constant (Fill Right)      ▼
Constant (Fill Right)
Annual Compounding
Uniform % Increase
Uniform $ Increase
Stepped Proj. (Lease)
Enter Yr. by the Month
Single Entry. No Proj.
```
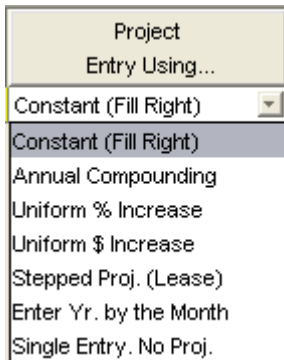
Constant (Fill Right). The entry is repeated to the right for the time period specified

"Annual Compounding". The entry is increased each year at the annual compounding rate entered.

> **Note:** Annual Compounding is only available for "Paid Monthly for 12 Months" or "paid Every 12 Months. It is not available for "Paid Monthly.

>> **Example**: $10,000 paid monthly for 12 months then increasing at 2.50% compounding per year

Uniform % Increase. The entry is increased by the % Increase.

  Example: $10,000 paid yearly then increasing at a Uniform % Increase of 4.00% year starting Year 1 Jan

The results are; Year 1 Jan $10,000, Year 2 Jan $10,000 + 4.00% = $10,400 Year 3 Jan $10,000 +4.00% x 2 = $10,800 etc.

Uniform $ Increase. The entry is increased by a fixed $ amount.

  Example: $10,000 paid yearly increasing at a $2,000 per year

The results are; Year 1 Jan $10,000, Year 2 Jan $10,000 + $2,000 = $12,000 Year 3 Jan $12,000 + $2,000 = $14,000

Stepped Proj. (Lease). Is used to enter conventional lease where the payment is constant for the term of the lease.

The following diagram illustrates a Stepped Proj. (Lease) where the rent rate of $10.00 per Sq Ft per Yr is constant for the first term of three years then increases to $11.25 for the second term four years. The increase in this case is base on the first term rate of $10.00 increasing at 4.00% compounding per year for three years to $11.25 per Sq. Ft per Yr.
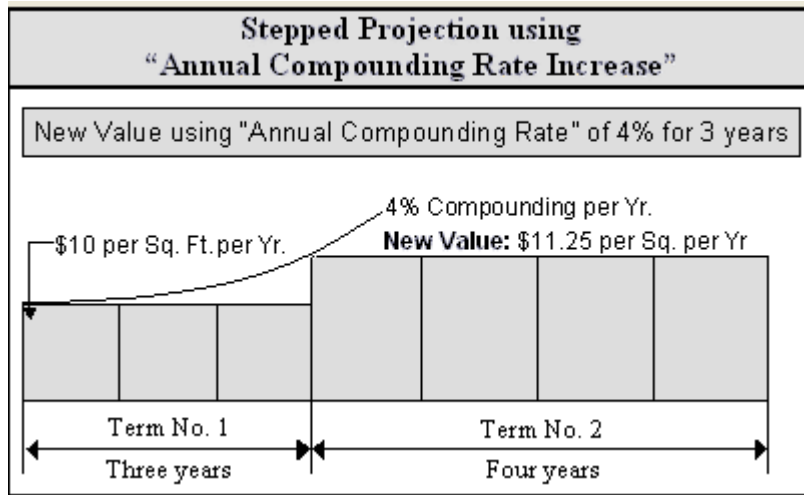

Example
Revenue Grid entries
Description: Base Rent
Entry Choice: $ per Sq Ft per Yr
Quantity: 4,000 Sq. Ft

Projection Wizard entries

Rent Rate:	First Term: $24.00 per Sq Ft per Yr
No. of Term:	3
Time period for each term:	3 years
Increase at End of Term:	Based on "Annual Compounding Increase"
Increase End of Term 1:	3.00% compounding per year for 3 years
Increase End of Term 2:	4.00% compounding per year for 3 years

Projection Wizard Steps.

1. Select "Project Using…" Stepped Proj. (Lease) option
2. Select the method for calculating the increase at the "End of the Term" which is "Annual Compounding Rate Increase" option
3. Enter the Number of Term.: 3
        Note. The Number of Terms cannot be less than 2
4. Click on the Ok button
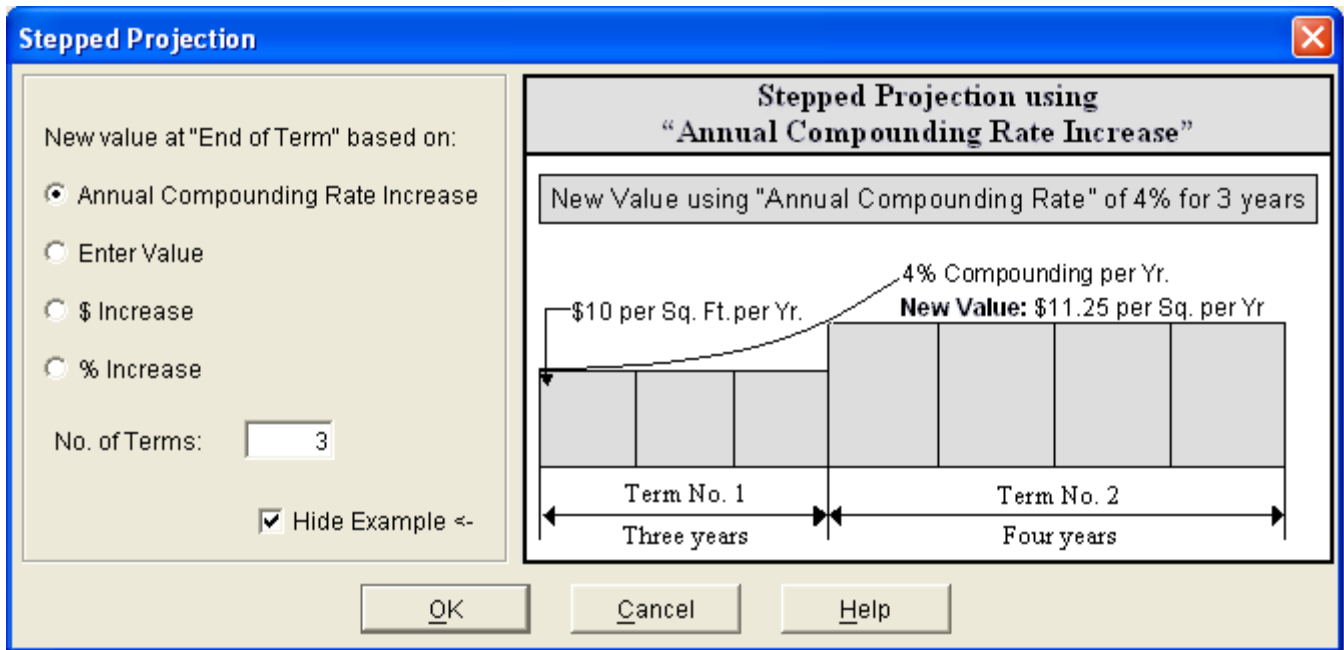
In the Projection Wizard screen make the following entries and selections;

     5.   Enter Column. $24.00 in row No. 1

     6.   Term 1 set the "Time Period" to 3 years and "Increase" column to 3.00%

     7.   Term 2 set the "Time Period" to 3 years and "Increase" column to 4.00%

     8.   Term 3 set the "Time Period" to 3 years

Click on the Projections Description Wizard button to view the entry and projection descriptions.
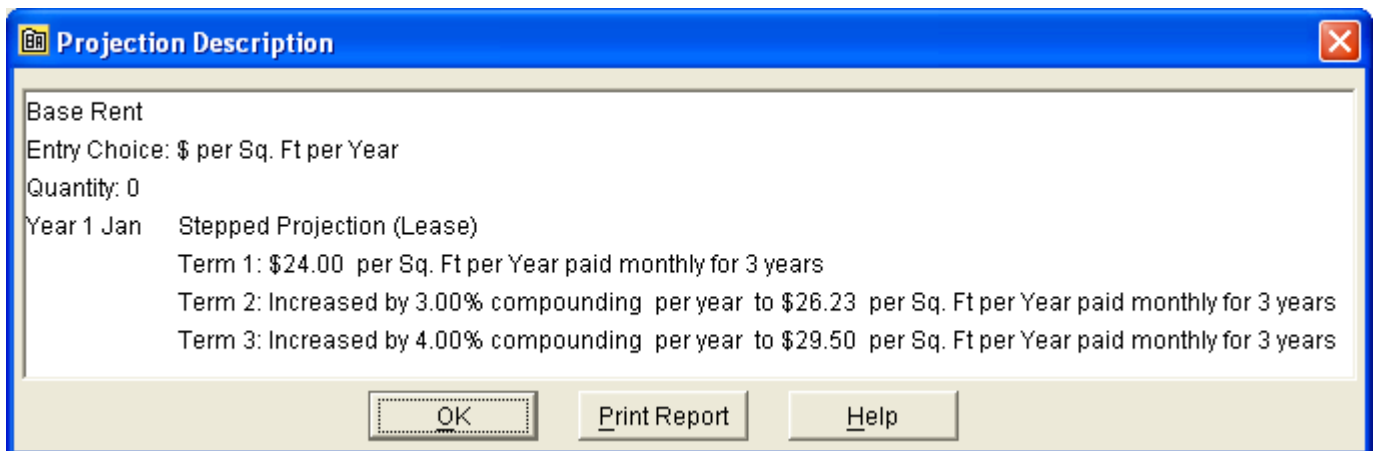
Enter Yr. by the Month
Allows you to make entries that change during the year to then to project them into the future. "Enter Yr. by the Month" is ideal for making entries that follow seasonal patterns which occur in the tourist industry such as hotel room rates, shopping center retail sales for calculating % Rent etc.

Example:
An apartment building in a seaside resort rents the 22 two bedroom units on a monthly basis. The rents vary based on the time of the year as follows;

Revenue Grid
Analysis Period: 4 years
Description: Two Bedroom Units
Entry Choice: Amount

Year 1	Monthly Rent
Jan	$1,200
Feb	$1,200
Mar	$1,200
Apr	$1,200
May	$2,500
June	$4,800
July	$4,800
Aug	$4,800
Sept	$1,200
Oct	$1,200
Nov	$2,500
Dec	$3,000

Then increasing at 4.00% compounding per year

Entry Steps

Revenue grid
1.   Description: Two Bedroom Units
2.   Entry Choice: $ per Unit per Mo
3.   Click on Projection Wizard button

Projection Wizard
4.   Select Project Entry Using "Enter Yr, By the Month"
5.   Enter the monthly rental rates in the "Enter Yr. By the Month' grid

Enter Year by the Month

Starting Year | Year 1 ▼ |

Starting Month | Jan   ▼ |

Month	Monthly Rate
Year 1 - Jan	$ 1,200.00
Year 1 - Feb	$ 1,200.00
Year 1 - Mar	$ 1,200.00
Year 1 - Apr	$ 1,200.00
Year 1 - May	$ 2,500.00
Year 1 - Jun	$ 4,800.00
Year 1 - Jul	$ 4,800.00
Year 1 - Aug	$ 4,800.00
Year 1 - Sep	$ 1,200.00
Year 1 - Oct	$ 1,200.00
Year 1 - Nov	$ 2,500.00
Year 1 - Dec	$ 2,500.00

6.   Click on the "Cont. Proj check box to add the next row
7.   Click on the "To End"
8.   Enter 4.00% in the Increase column

Following resulting entries and projections are;

Yr	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
1	1,200	1,200	1,200	1,200	2,500	4,800	4,800	4,800	1,200	1,200	2,500	3,000
2	1,248	1,248	1,248	1,248	2,600	4,992	4,992	4,992	12,360	1,248	2,600	12,360
3	1,747	1,747	1,747	1,747	2,704	5,192	5,192	5,192	12,731	1,747	2,704	12,731
4	1,817	1,817	1,817	1,817	2,812	5,399	5,399	5,399	13.113	1,817	2,812	13.113

			Start Date		Time Period				
Paid	Project Entry Using...	Entry	Year	Month	To End	Yrs	Mos	Increase	Cont. Proj.
Monthly	Enter Yr. by the Month		Year 1	Jan					✔
	Annual Compounding		Year 2	Jan	✔	12	0	4.00%	

Click on the "Projection Wizard" button the view a description of the entries

Projection Description

Two bedroom Units
Entry Choice: $ per Unit per Month
Quantity: 26

		Monthly Rate
Year 1	Jan	$1,200.00
	Feb	1,200.00
	Mar	1,200.00
	Apr	1,200.00
	May	2,500.00
	Jun	4,800.00
	Jul	4,800.00
	Aug	4,800.00
	Sep	1,200.00
	Oct	1,200.00
	Nov	2,500.00
	Dec	2,500.00

then Compounding at 4.00% per year paid every 12 months for next 12 years

Editing entries in the Enter Yr, By the Month grid

If you need to modify any of the entries click on the Edit Enter Year by the Month
button to display the grid

Single Entry. No. Proj. This option allows you to enter a specific entry in a specific month. A single Entry cannot be projected. You can also enter Single Entries directly in the Revenue or Expense grids.

More complex Projection Example. Using the "Cont:" and "New Projection Features"

This example shows you how to use "Cont:" to continue a project and "new" to start a new projection.

Analysis Period: 15 years

Revenue Grid
Description: Base Rent
Entry Choice: $ per Sq Ft per Yr
Quantity: 12,000 Sq Ft

Projection Wizard
Starting Date: Year 1 Jan $20 Per Sq Ft per Yr paid monthly for 12 months.
Then increasing at 3.00% per year compounding for 3 more years, the increasing at 4.00% compounding for 2 more year.

The space will be vacant for the first 6 months of Year 7 from Jan to June. Then a new lease has been arranged as follows;

Starting Date: Year 7 July
Starting Rate: $27.00 per Sq. Ft per Yr
No. of Terms: 2
Term No. 1:   5 years
Term No. 2:   3 years
Renewal Rate based on Annual Compounding
Renewal rate at end of first term based on 3.50% per year compounding

Steps
1. Open up any Investor "Invest" Template such as "Invest Office"
2. Set the Analysis Period to 20 years
3. Select Revenue Folder and enter the following in the first row;
      Description: Base Rent
      Select Entry Choice: "$ per Sq Ft per Yr"
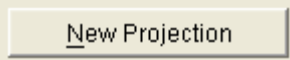   Enter Quantity: 12,000 Sq. Ft
      The complete grid is;

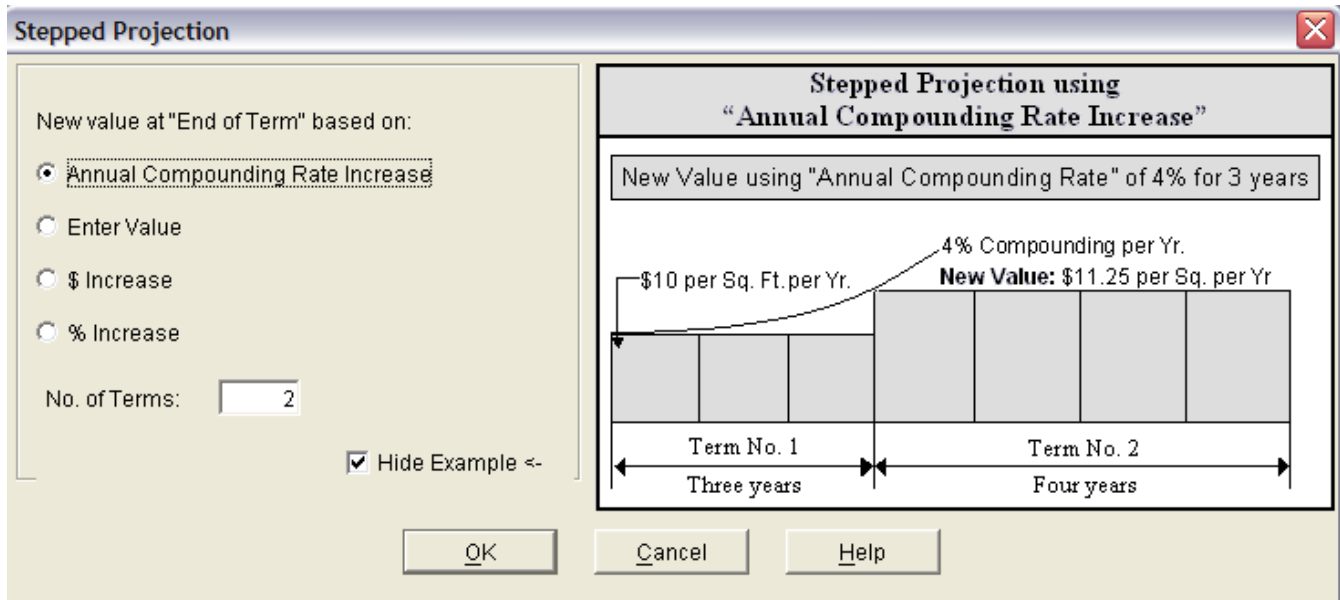| Revenue		
Description	Entry Choice	Qty
Base Rent	$ per Sq. Ft per Yr	12,000

.
4. Click on the "Projection Wizard" Button
5. Paid Column: Select "Monthly for 12 Months"
6. Project Entry Using… Column: Select "Annual Compounding"
7. Entry Column: $20.00

8. Time Period Column: 4 years (This also cover the first 12 months)
9. Increase Column: 3.00%
10. Check the "Cont. Proj." combobox to continue the projection
11. Project Entry Using… Column: Select "Annual Compounding"
12. Time Period Column: 2 years
13. Increase Column: 4.00%

The entries to this stage in the Projection Wizard grid are;

Projection				Start Date		Time Period				
Paid	Project Entry Using...	Entry	Year	Month	To End	Yrs	Mos	Increase	Cont. Proj.
Monthly for 12 Months ▾	Annual Compounding ▾	$ 20.00	Year 1 ▾	Jan ▾		4 ▾	0 ▾	3.00%	☑	▲
	Annual Compounding ▾		Year 5	Jan	☐	2 ▾	0 ▾	4.00%	☐	

14. Click on the [New Projection] button to start a new projection.
15. Project Entry Using… Column: Select Stepped Proj. (Lease) to display the Stepped Projection screen;

16. Click on the Ok button. Because the Lease Renewals will be based on Annual Compounding Increase and has 2 terms which are the default settings.

Projection Wizard Grid
17. Entry Column: Enter $27.00
18. Start Date Column: Set to Year 7 July
19. Set Term No. 1 Time Period to 5 years
20. Increase Column: Enter 3.50%
21. Next row set Term No. 2 Time Period to 3 years

The complete Projection Wizard is;

Projection				Start Date			Time Period			
Paid	Project Entry Using...	Entry	Term	Year	Month	To End	Yrs	Mos	Increase	Cont. Proj.
Monthly for 12 Months ▾	Annual Compounding ▾	$ 20.00		Year 1 ▾	Jan ▾		4 ▾	0 ▾	3.00%	✔ ▲
	Annual Compounding ▾			Year 5	Jan		2 ▾	0 ▾	4.00%	☐
Monthly ▾	Stepped Proj. (Lease) ▾	$ 27.00	1	Year 7 ▾	Jul ▾		5 ▾	0 ▾	3.50%	
			2	Year 12	Jul	☐	1 ▾	0 ▾		

To view a description of the entries and projections click on the Projection Description Button

Projection Description

Base Rent
Entry Choice: $ per Sq. Ft per Year
Quantity: 12,000

Year 1 Jan	$20.00 per Sq. Ft per Year paid monthly for 12 months
	Compounding at 3.00% per year for next 3 years
	then Compounding at 4.00% per year for next 2 years
Year 7 Jul	Stepped Projection (Lease)
	Term 1: $27.00 per Sq. Ft per Year paid monthly for 5 years
	Term 2: Increased by 3.50% compounding per year to $32.07 per Sq. Ft per Year paid monthly for 1 year

The above example illustrates the versatility and power of Projection Wizard

"Learning Projection Wizard is so important if you wish to fully utilize the analytical power of Investor Pro"