

# Universal Features

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## Universal Features

### Introduction

In order to quickly learn how to use Investit Pro there are a few basic concepts and things you need to know. These can be learnt quickly.

Once you understand the basic concepts outlined in this section then **focus on learning how to use “Projection Wizard”** which is the heart of Investor Pro

Analyzing real estate involves projecting revenues and expenses over time using Projection Wizard which allows you to quickly enter and project expenses and revenue. Even the most complex lease arrangements can be quickly entered using Projection Wizard.

Once you have mastered Projection Wizard you can quickly enter simple to highly complex revenue and expenses projections and leases and utilize the full power of Investor Pro.

Following are the key things you need to know. For more detailed information and step by step instructions review the specific Investit Pro Guides.

### Investit Online Learning Center

To help you learn how to use Investit Pro quickly go to the Investit Online Learning Center by clicking on the “Investit Online Learning Center” on the Investit Panel.

The Online Learning Center consists of the following sections;

1. **Investit Guides** explaining how to use Investit Pro. You are currently viewing an Investit guide
2. **Investit Examples**. Investit Pro comes pre-loaded with examples which are available from the Investit Panel Investit Examples folder.

You can select and print out the Investit Examples which contain the input information and step by step instructions on how to enter the data. This is a great way to learn Investit Pro. The best practice example is the “Invest Retail + Rent Roll & Cat” because it uses nearly all the features of Investor Pro such a Categories, Rent Roll, Free Rent, % Rent, Rent Caps and expenses Caps and Stops.

3. **Resources** contains check lists, articles on real estate investment analysis, a list of all the financial formulas with practice examples etc., to help you learn more about commercial real estate, investment and development.

## **Which Program should I use. Analyzer or Investor Pro ?**

### **Analyzer**

The focus of Analyzer Pro is on Income and Expense Statement analysis and Income & Expense Statement Analysis comparison.

As an example, you want to determine the value of a rental apartment building and have received the last year income & Expenses Statement from the owner.

The question is "How realistic is the income & Expense Statement.

You use Analyzer Pro to enter the Income & Expenses Statement provided by the owner in Column 1 and then look at the Financial Measures report to determine if the income & expenses are realistic or not.

Then you re-do the Income and Expense statement in Column 2 adjusting any rents, vacancies and expenses that are incorrect or unrealistic.

Then use Goal Seeking to determine the value of the building based on the desired return such as the Cap Rate, Return on Equity, Gross Income Multiplier etc.

Analyzer Pro can be used to analyze and value;

- Rental Apartment Buildings
- Retail Properties
- Office Buildings

and investments involving "Units" such as;

- Trailer Parks
- Nursing Homes
- Min Warehouses
- Marina's etc.

## **Investor Pro**

Is used to carry out long term investment analysis using discounted cash flow analysis over the long term and is used to determine the value of the property based Investor's desired return.

**Note: Investor Pro** analyzes an investment or lease over the long term. **Analyzer Pro** analyzes the Income & Expense Statement at one point in time.

Investor Pro is use for;

- Long term Investment Analysis
- Buy v Lease Analysis
- Lease Analysis. Landlord's perspective
- Lease Analysis. Tenant's perspective
- Development Analysis for;
  - Land Subdivisions
  - Condo and townhouses
  - Condo conversions
  - Income properties such as office building, rental apartments etc

Templates are provided for;

- Office buildings
- Retail Stores and shopping centers
- Industrial Complexes
- Rental Apartment Buildings
- Mixed Use Buildings
- Hotel and Motels

..plus you wanted to analyze a Water Slide Park you can quickly create your own templates

To explore Investor Pro open up Investor Pro an then select an Investit Example and then view the various reports.

Following is an example of the Net Cash Flow Report before tax and a graph showing the Purchase Price versus the Desired Return.

**Net Cash Flow (Before Tax)**

Capital Plaza

Investment Analysis Office with Rent Roll

Currency: \$

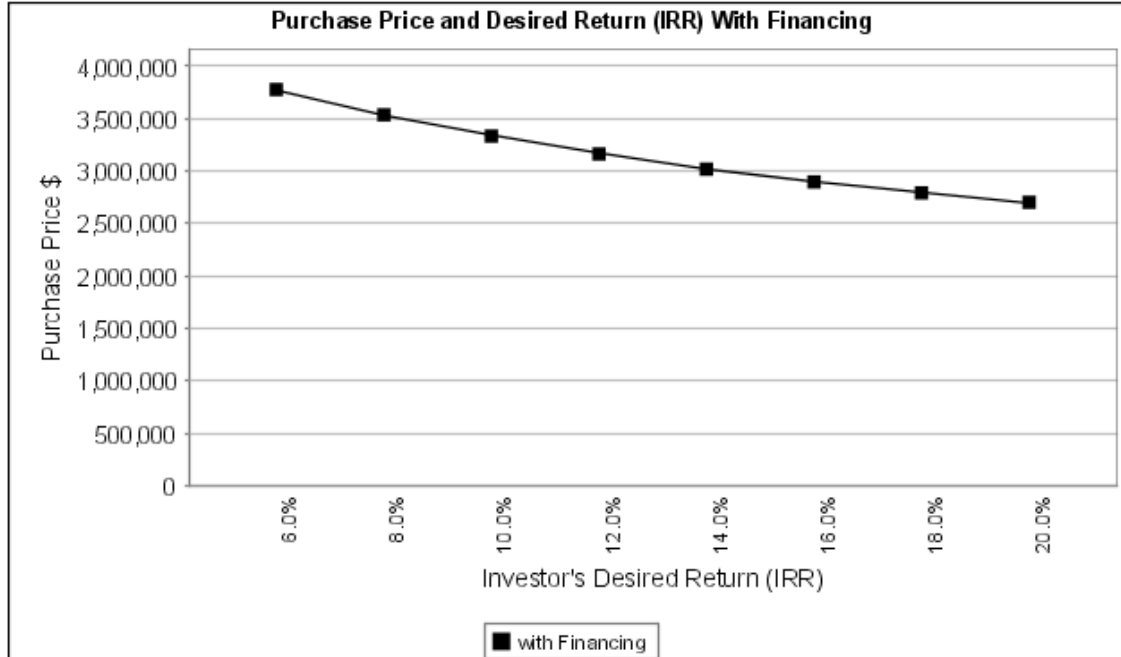
Year	Investment	Financing		Operating Cash Flow (Before Tax)	Sale Proceeds (Before Tax)	Net Cash Flow (Before Tax)
		Borrow	Paid Back			
Year 1 Jan-Year 1 Dec	\$ (3,000,000)	\$ 2,000,000	-	-	-	\$ (1,000,000)
Year 2 Jan-Year 2 Dec	-	-	-	27,102	-	27,102
Year 3 Jan-Year 3 Dec	-	-	-	75,485	-	75,485
Year 4 Jan-Year 4 Dec	-	-	-	76,533	-	76,533
Year 5 Jan-Year 5 Dec	-	-	-	77,870	-	77,870
Year 6 Jan-Year 6 Dec	-	-	-	79,637	-	79,637
Year 7 Jan-Year 7 Dec	-	-	-	111,010	-	111,010
Year 8 Jan-Year 8 Dec	-	-	-	112,661	-	112,661
Year 9 Jan-Year 9 Dec	-	-	(1,668,926)	114,375	-	114,375
				116,156	3,704,762	2,151,991
					Total	\$ 1,826,663

**Financial Returns (Before Tax) with Financing**

Internal Rate of Return (IRR)	14.28%
Net Present Value (NPV) at 13.00%	\$ 87,720
Modified Internal Rate of Return (MIRR)	12.60%
Short Term Financing Rate (Before Tax)	8.000%
Short Term Reinvestment Rate (Before Tax)	3.000%

**Financial Returns (Before Tax) without Financing**

Internal Rate of Return (IRR)	10.57%
Net Present Value (NPV) at 13.00%	(\$ 406,153)
Modified Internal Rate of Return (MIRR)	8.90%
Short Term Financing Rate (Before Tax)	8.000%
Short Term Reinvestment Rate (Before Tax)	3.000%



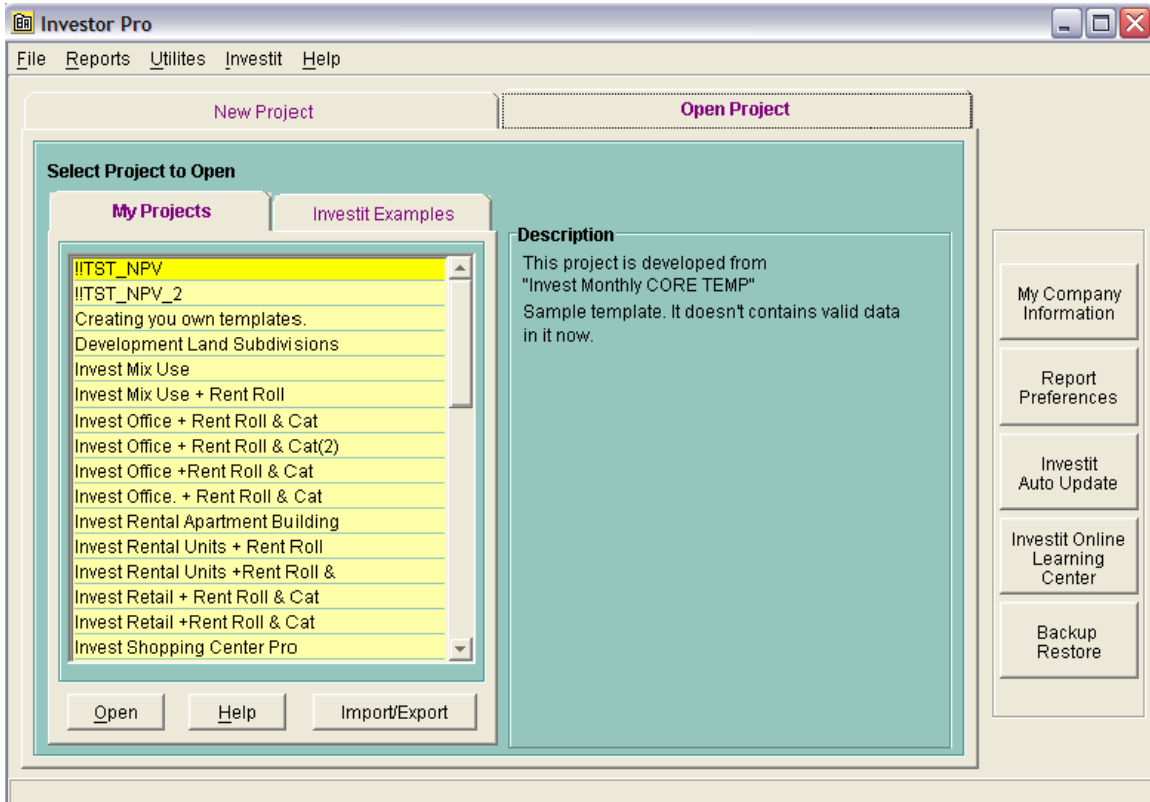
## The Investit Panel

When you open Pro the first thing you see is the Investit Panel which allows to;

1. Select an Investit Template and start a project
2. Select one of your own templates in the My Template folder
3. Select and Investit Example
4. Open a project you have created and Saved

The investit Panel provides quick access to;

1. Auto Update
2. Company Information
3. Report Preferences
4. Investit Online Learning Center
5. Utilities such as Back Up, Import and Exports, Deleting Projects and My Templates etc



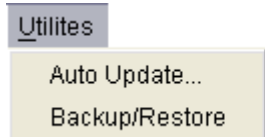
## Auto Update

Investit will be continually adding new reports, graphs templates and features. Auto Update allows you to download new features.

If you are connected to the web you will be notified that an update is available and the text on the Auto Update date Button will turn red.

You can access Auto Update from the;

### Utilities Menu



### Investit Pro Panel

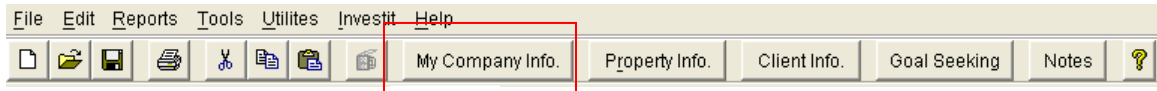




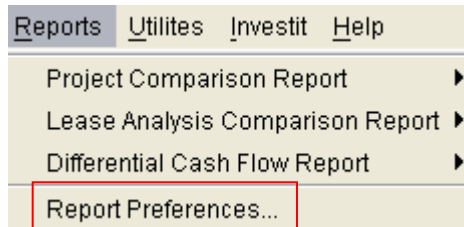
## Getting Set Up. First Things First

The first thing you should do is;

1. Set up your Company and Personal Information by clicking on the Company Information button on the Panel or the screen and completing the information and entering disclaimer Statement



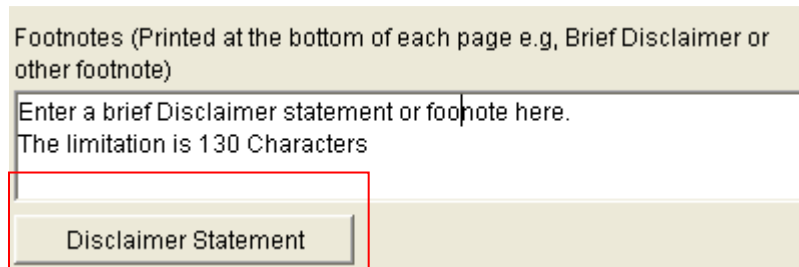
2. Following this use Report Preferences to select what information you want printed on the reports and your preferred font. Report Preferences can be accessed from the Investit Panel or from the Report Menu



## Setting up a Disclaimer Statement

There are two Disclaimer options;

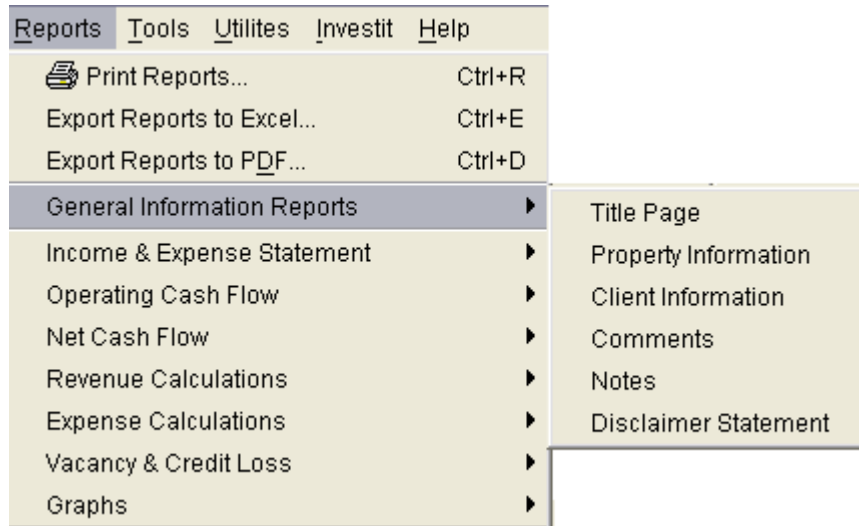
1. **Brief Disclaimer Statement or footnote** that is printed at the bottom of each page. The footnote Disclaimer Statement is limited to 130 characters.
2. **Long Disclaimer Statement** that is printed as a report. Use this if your Disclaimer Statement is longer than 130 characters. Click on the Disclaimer Statement Button and enter your Disclaimer Statement. The Disclaimer Statement can be printed from the **Report Menu** > General Information Reports > Disclaimer Statement



## Entering a Project and Printing reports

Analyzing a Project involves the following basic steps.

1. Select the appropriate Template Type
2. Enter the data by clicking on the tabs
3. In Revenue and Expenses folders enter and project the information using Projection Wizard
4. Once the data is entered you can then print the Reports and Graphs from the Report Menu, Export to Excel or to PDF.



## Project and Project Names

Project refers to a specific analysis of a property. The analysis is saved under the Project Name.

As an example, you are considering buying a small office building and are using Investor to analyze it. By entering the information, and then saving the analysis using "Save Project" under the project name "Park Plaza", a project is created.

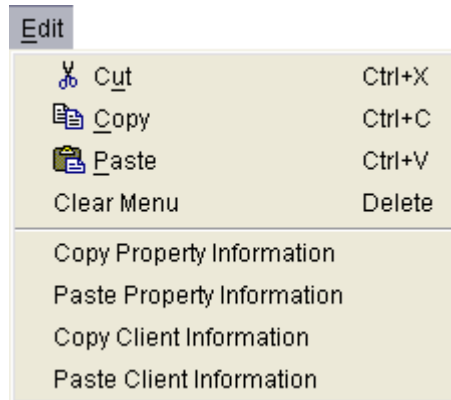
## Copying and Transferring Project and Client Information

You can copy or transfer the information entered in an existing Project Information or Client Information Folders a New or Project

This saves re-entering the Project or Client information.

### Steps

1. Open the Project which has the Property or Client information you wish to Copy
2. On the Edit Menu select "Copy Property Information" or "Copy Client Information"

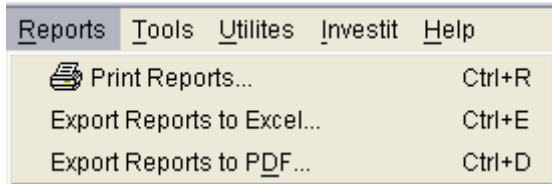


3. Open a New Project or an existing Project that wish to transfer the Property or Client information to.
4. Complete the transfer by selecting the appropriate activity "Paste Property Information or "Paste Client" information

## Sending your reports to others via Excel or PDF

Your report can be quickly exported to Excel or PDF as follows;

1. Select on the Reports menu either Export to Excel or PDF



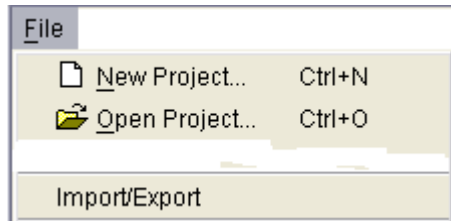
2. Select the reports to be Exported click on the Export to Excel button



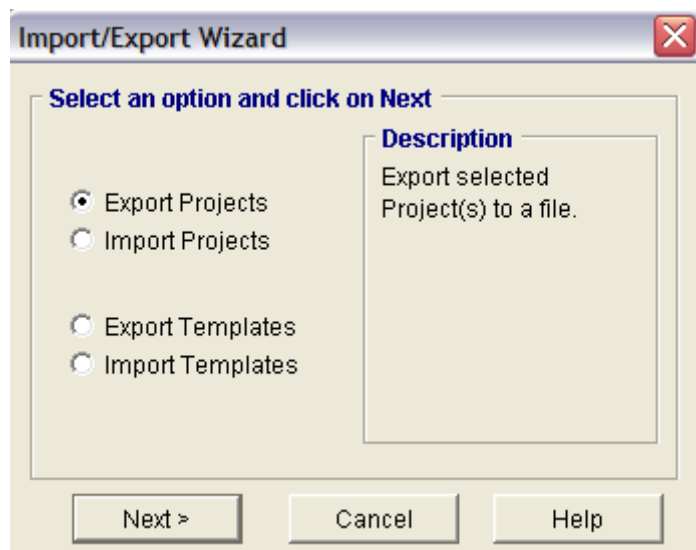
3. Name and Save the File to the Desktop or select a Folder using the Window's browser
4. You can now e-mail the Excel or PDF file

## Importing and Exporting “Projects” and “My Templates” Between computers that have Investit Pro installed

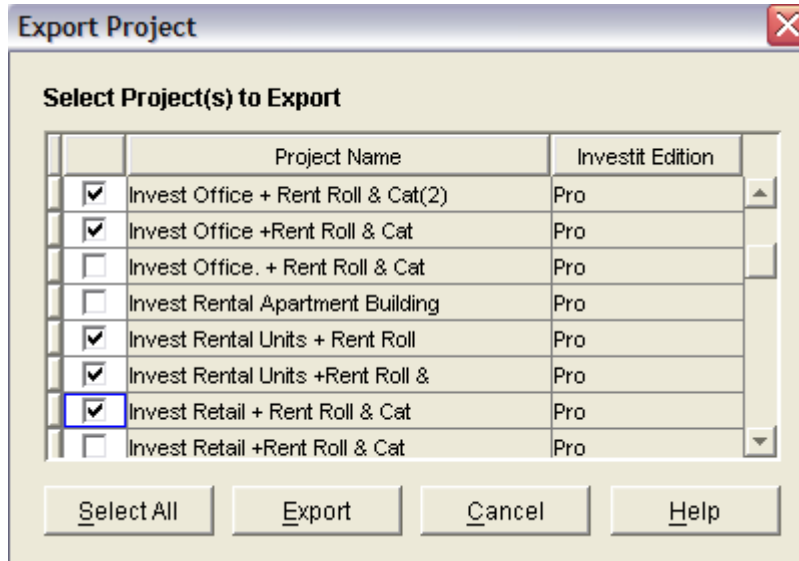
1. In The File Menu select Import/Export



2. Select Import/Export to display the Import/Export Wizard



3. Select the activity and click on the “Next “button. For this example we will “Export”
4. Select the Projects to be Exported and click on the “Export” button



5. Using the Windows Browser name the “File” and save to the desktop or select a “Folder” using the Browser.
6. You can now e-mail the projects you have Exported.

Follow the same procedure to transfer “My Templates “

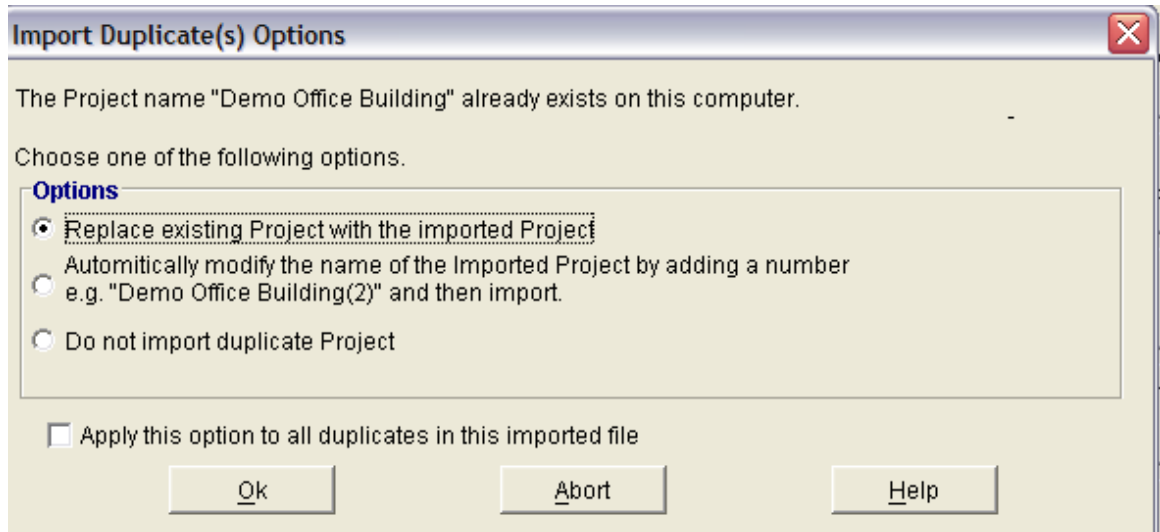
### Duplicate Project or Template Names

If you attempt to import a Project or Template that has the same name as one saved on your computer the Duplicate warning message will be displayed offering you several options.

1. Replace the Project or Template saved on your computer with the imported project
2. Import the duplicate but modify the Name by adding (1) to the end of the imported project or Template name. As an example if the Project name is “Parklane” the imported Project becomes “Parklane(1)”
3. Don’t import

**Note:** The imported file may contain several duplicate Project or Templates. You can apply you selected option to all the duplicate Projects or Templates by clicking on the check box

Apply this option to all duplicates in this imported file



## Calculation of Financial Measures based on Potential & Effective Gross Income

Certain Financial Ratios such as the;

- Gross Income Multiplier
- Default Ratio (Breakeven Point)
- Operating Expense Ratio

can be calculated using either the;

- Potential Gross Income (Also called Scheduled Gross Income)
- Effective Gross Income (Which deducts the Vacancy & Credit Loss)

Investor and Analyzer Pro allows you to select whether the Financial Ratios are calculated using the Potential or Effective Gross Income.

The selection is made on the Project Info Tab



**Calculate Financial Measures based on**

Potential Gross Income

Effective Gross Income

Some reports show the Financial Measures using both the Potential and Effective Gross Incomes because there is room on the reports to display both results.

Other reports show the Financial Measures calculated using either the Potential or Effective Gross Income based on you selection in the Project Info Folder. This is because there is insufficient room to display both results.



## Creating Your Own Templates

### Introduction

You can modify Investit templates and adapt them to your own needs.

Some possibilities. Creating templates to analyze a;

1. Water Park
2. Trailer Park
3. Nursing home
4. Hotel plus a Marina
5. Golf Club

From time to time Investit will add new templates that will be available on Auto Update.

In addition to creating unique templates you may want to adapt the Investit templates to local conditions and terminology.

The default Entry Choice in most Investit commercial templates is set to \$ per Sq Ft per Yr which is the most common way of quoting commercial leases rates.

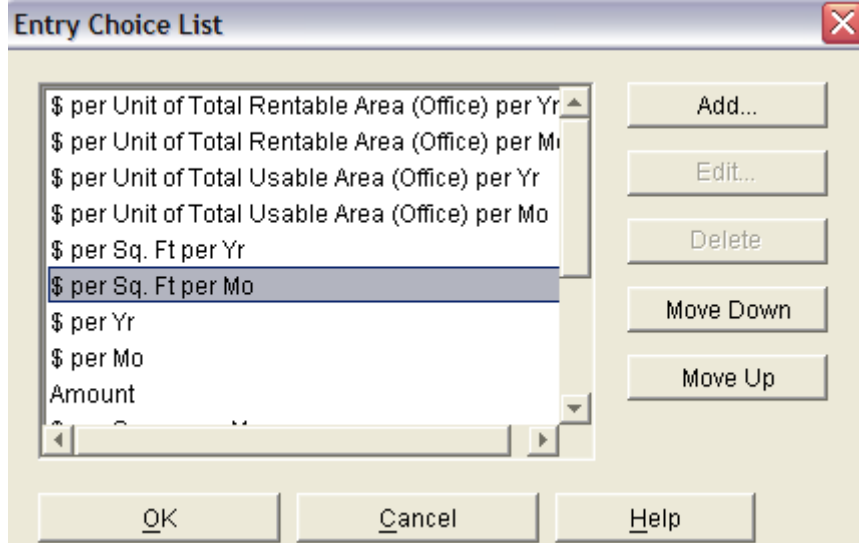
However, in California and some other rates lease rate are quoted % per Sq. Ft per Mo.

You can modify the Investit templates as follows and then save as "My Template"

### Resetting the default Entry Choice

Following is an example on how to set the defaults Entry Choice/ to \$ per Sq Ft per Mo

1. Open the Investit template you wish to modify E.g., Invest Office
2. Open the Expense Folder
3. Click on the Entry Choice to display the list and select "Edit" at the bottom of the list

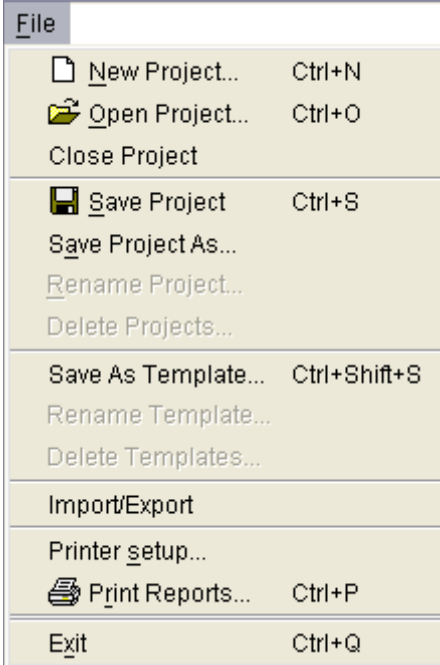


4. Select and move the Entry Choice "\$ per Sq Ft per Mo" to the top of the list
5. Repeat this Process for all the Revenue and Expense Grids.
6. When you add a row the default Entry Choice is now \$P per Sq. Ft per Mo

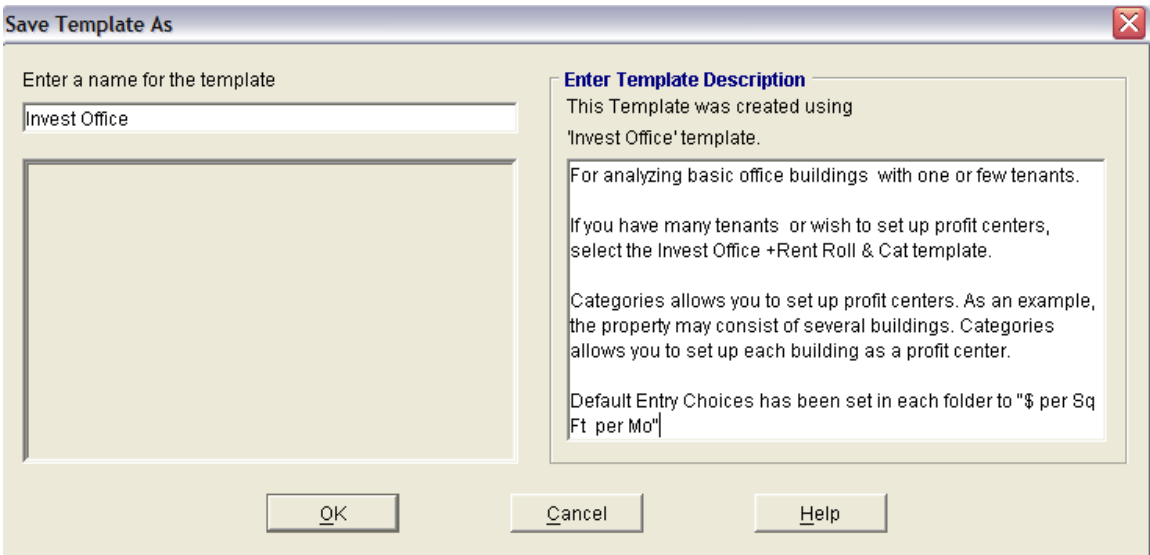
Maintenance	\$ per Sq. Ft per Mo	0	<input checked="" type="checkbox"/>	\$ 0.00	\$ 0.00
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### To save “My Template”

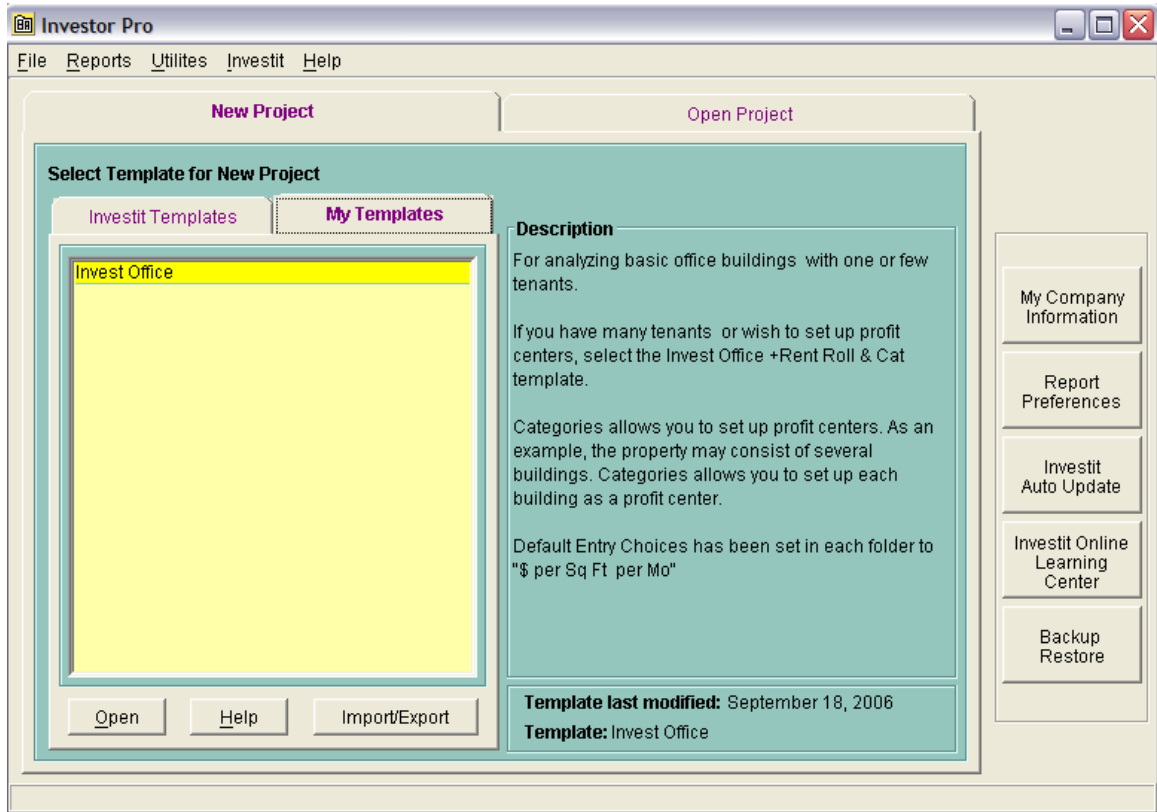
1. On the File Menu select “Save as Template”



2. Enter the Template Name. You can also describe the template in the Description Frame. In this case we added “Default Entry Choice has been set in each folder to “\$ per Sq Ft per Mo” at the bottom of the description frame.



3. On the Investit Panel “My Template” folder we have added an **Invest Office** Template adapted to the California and other States that use \$ per Sq. Ft per Mo rather than \$ per Sq Ft per Yr for lease rates



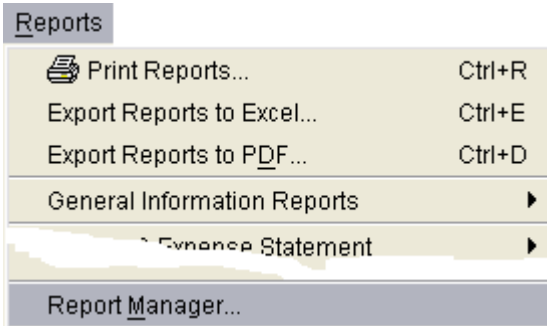
File Menu allows you to “Delete” and “Rename Templates”

## Report Manager

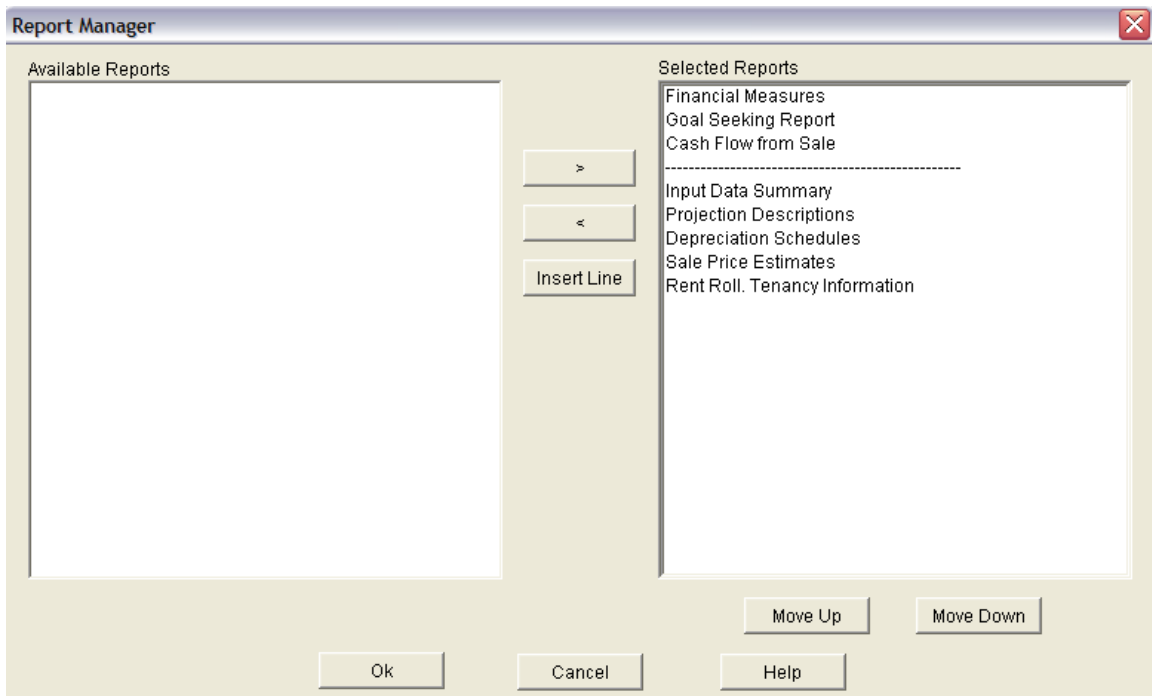
### Introduction

Report Manager allows you to select which report you would like to listed on the Report Menu and allows you to re-arrange certain section of the Report menu list.

Report Manager is accessed form the Report Menu



Select Report Manager from the Reports Menu



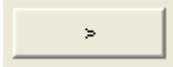
To remove a Report from the Selected Reports

- 1) Select the report to be removed from the Selected Report list Selected Report List

- 1) Click on the transfer button  which will remove the selected report from the Selected Report List

To transfer an Available Report to Selected Report

- 2) Select the report to be transferred from the Available Report to the Selected Report List

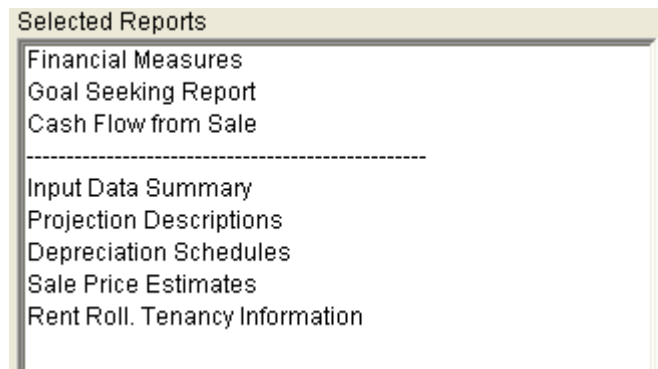
- 3) Click on the transfer button  which will transfer the selected report to the bottom of the Selected Report List

Re-arranging the Selected Report List

- 1) Use the Move Up and Down buttons to re-arrange the Selected Report list

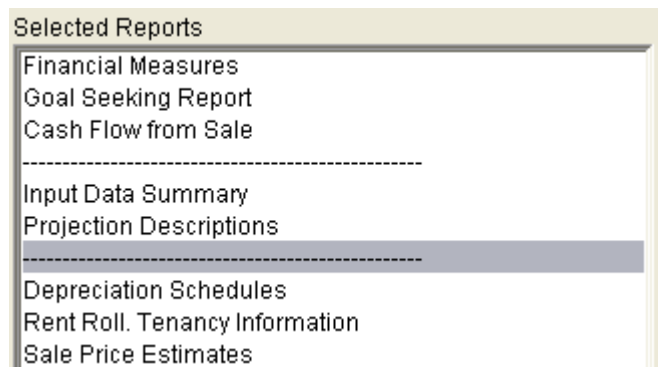
### Insertion Line

The insertion line allows you to group your reports on the Report Menu

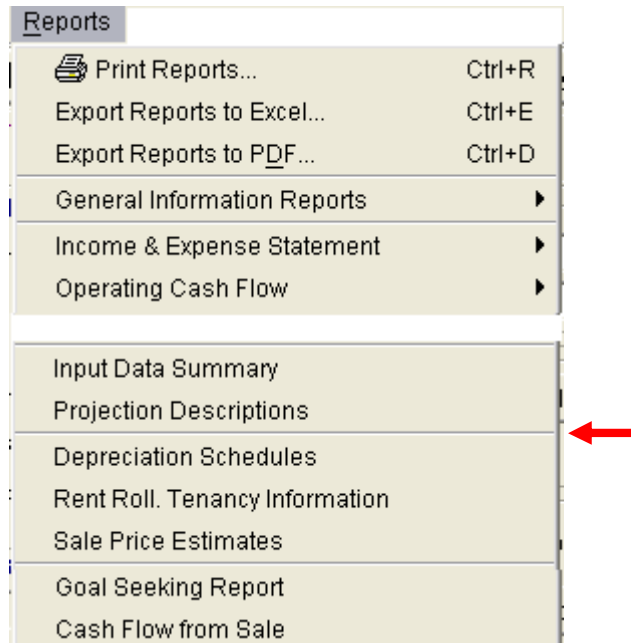


To insert a line

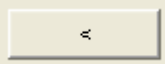
- 1) Click on the Report and then click on the Insert button and the line will be inserted above the selected report. In the example below a line has been inserted below the Projection Description Report



The Report Menu below reflects the inserted line below "Projection Descriptions"



To Remove an inserted line

- 1) Click on the Insert Line and then on the  button

An Inserted Line can be moved up or down by clicking on the Inserted line and using the Move Up or Move Down buttons.