Developer Pro USA
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

Description	Amount	Hard Cost	Soft Cost
Land	$1,200,000	✔	
Legal Fees	$12,000		✔
Appraisal Fees	$8,000		✔

Site Preparation sub folder

Description	Amount	Hard Cost	Soft Cost
Site Clearing	$15,000	✔	
Site Servicing Costs	$85,000	✔	
Miscellaneous Site Costs	$12,000	✔	

Construction sub folder

Description	Amount	Hard Cost	Soft Cost
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

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		✔

City Fees sub folder

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

Miscellaneous sub folder

Miscellaneous costs

Description	Amount	Hard Cost	Soft Cost
Miscellaneous 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
    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

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

Stabilized Income & Expense Statement sub folder

Income

Description	Amount	Vacancy
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

Description	Amount
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

Sales Folder

Description	Entry
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
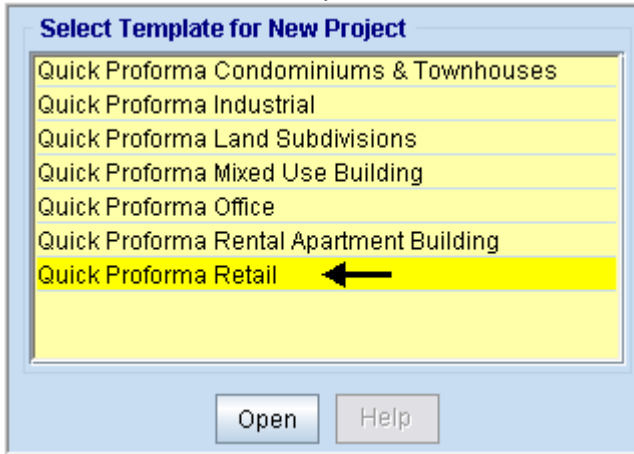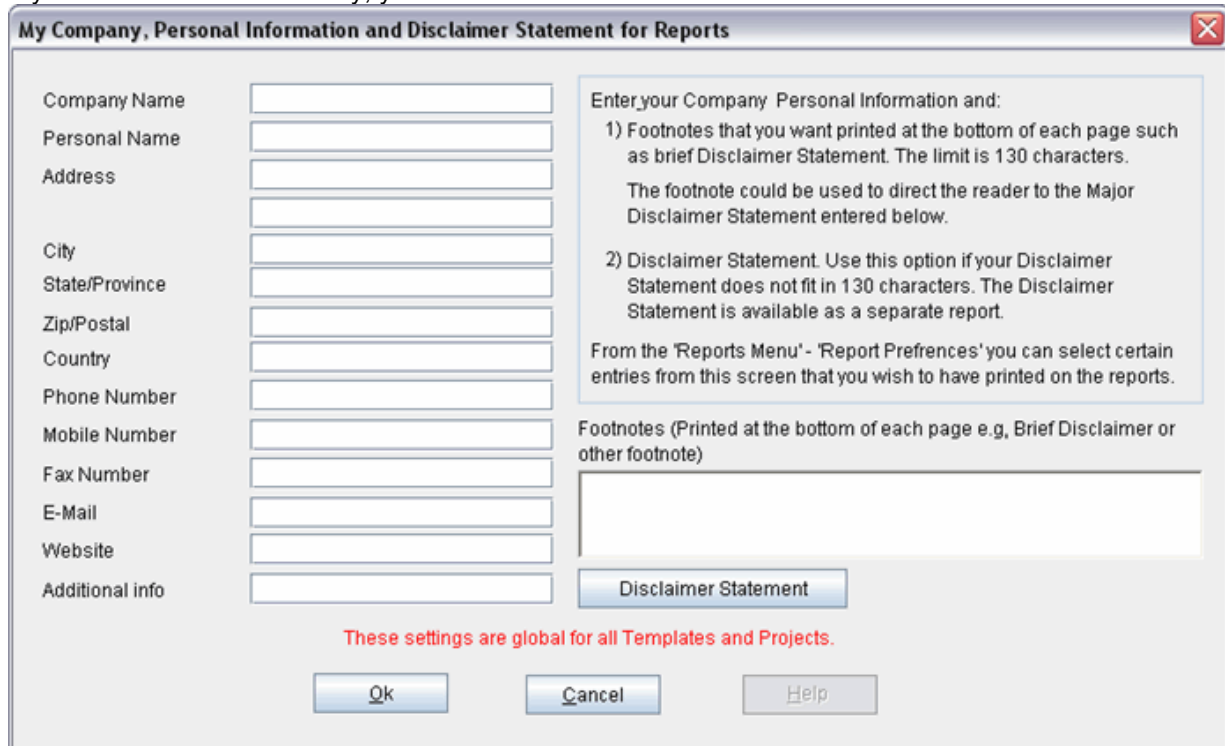
3. Select and open the Investit template "Quick Proforma Retail"

Entering the project data and information

If you haven't done so already, you should take the time to fill out [My Company Info.]

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

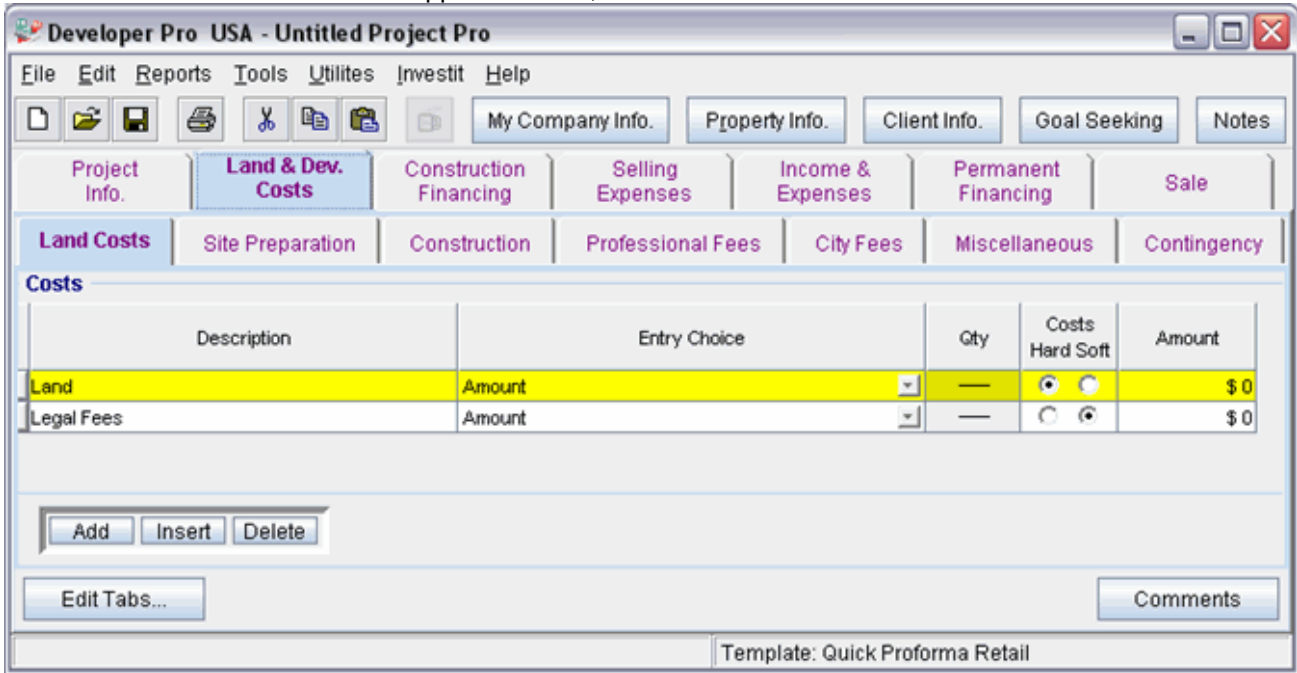The Project Info screen should look like this;
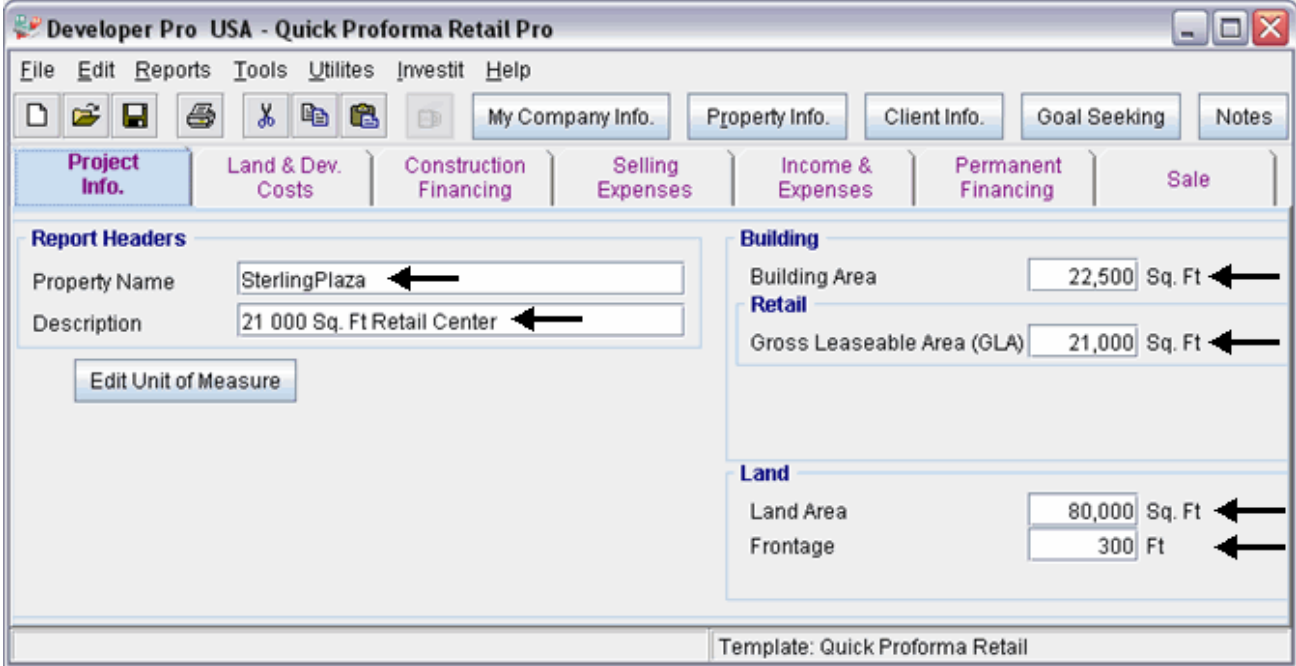
LAND & DEV. COSTS folder

Land Costs sub folder

Description	Amount	Hard Cost	Soft Cost
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. Select row with Description 'Appraisal Fees'
6. Enter the Amount: $8,000
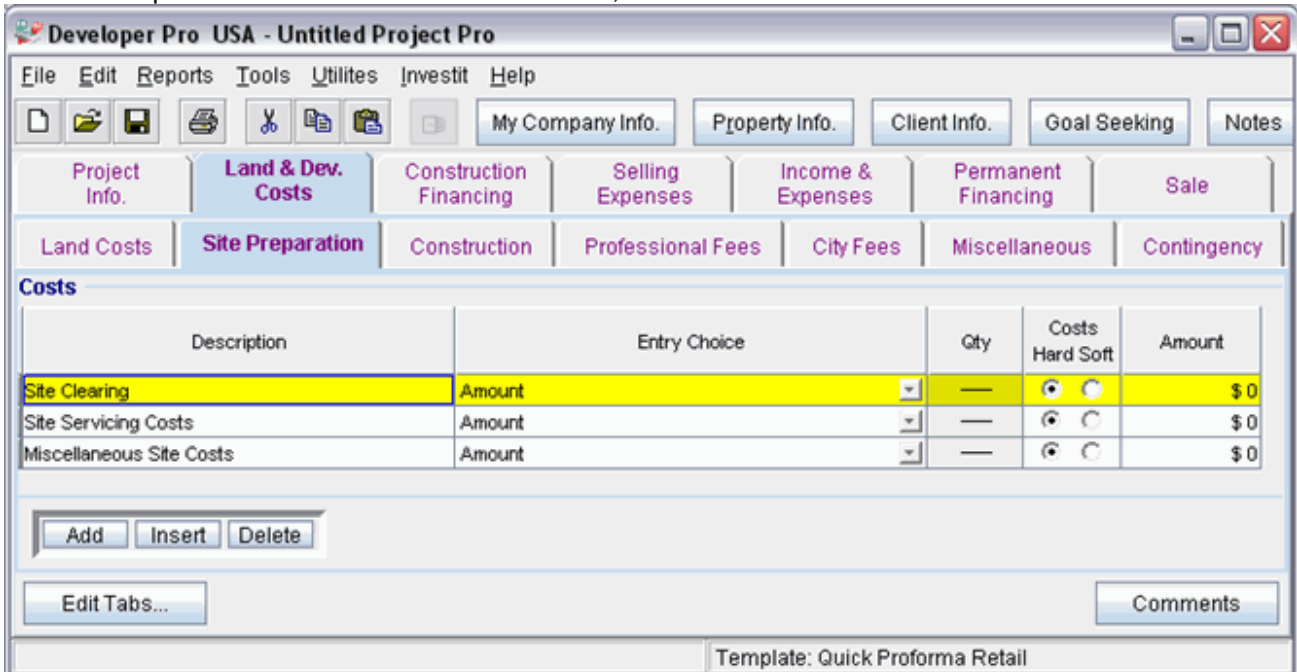
The Land Costs sub folder should now look like this;
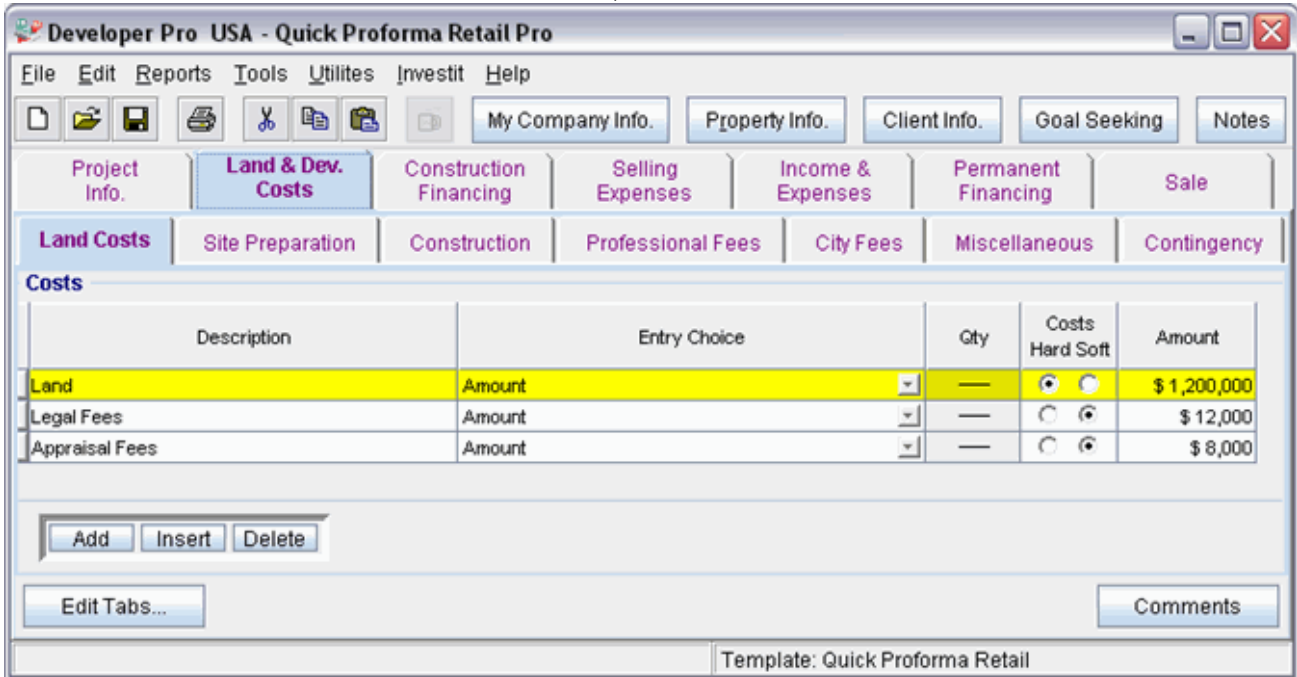
Click on the Site Preparation tab to go to the Site Preparation sub folder

Site Preparation sub folder

Description	Amount	Hard Cost	Soft Cost
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
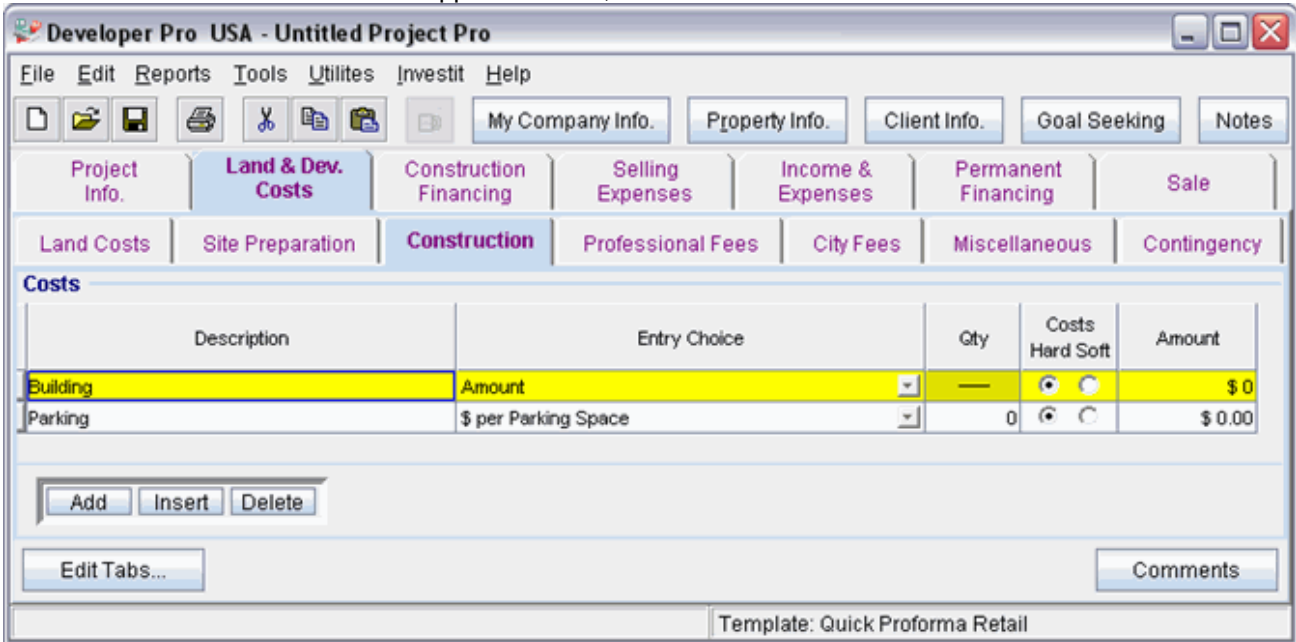
The Site Preparation sub folder should now look like this;
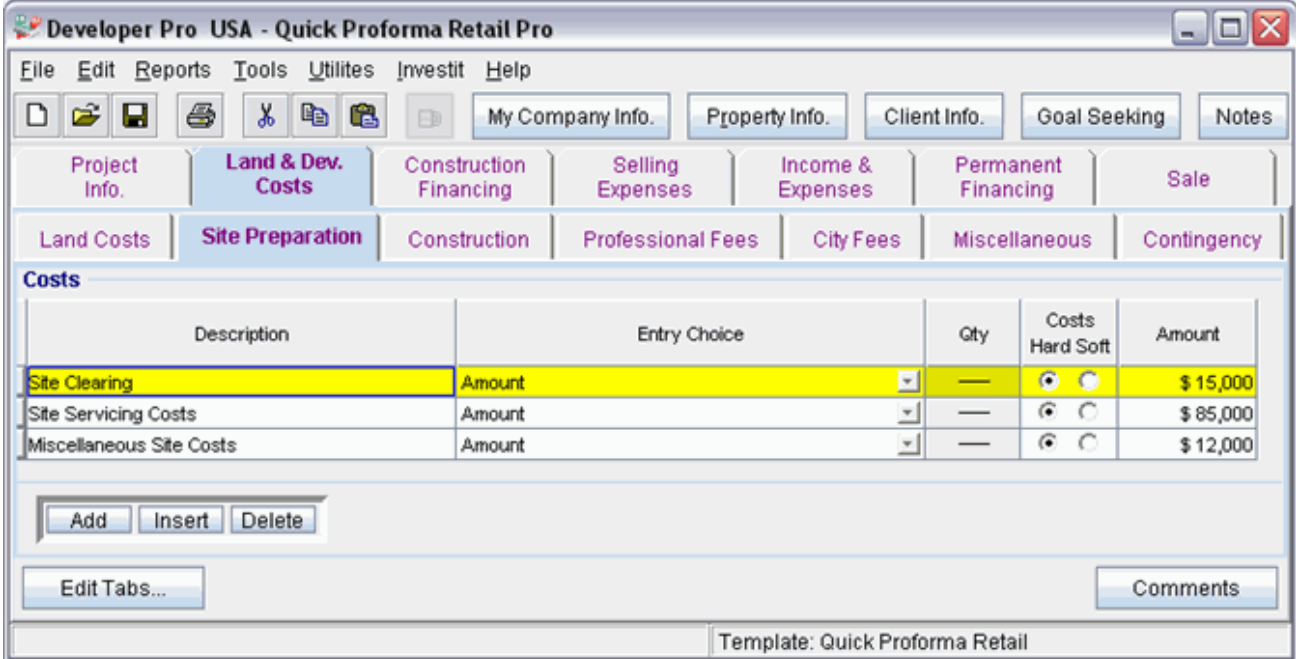
Click on the Construction tab to go to the Construction sub folder

Construction sub folder

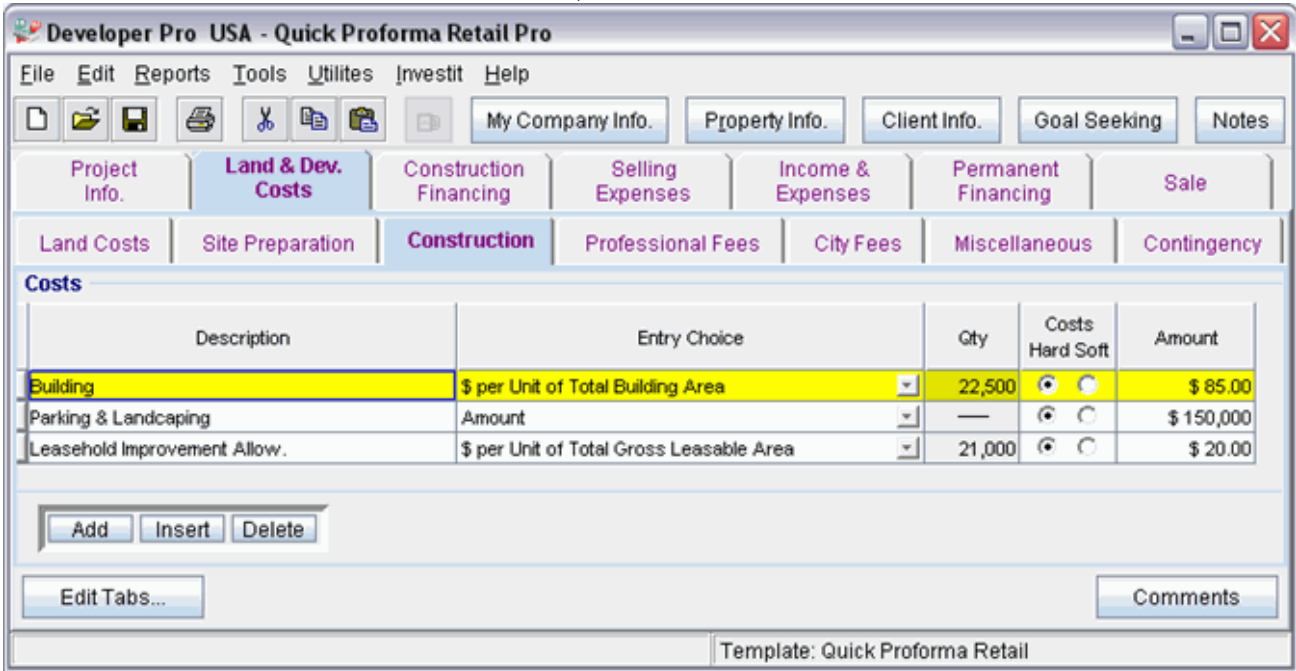| Description	Amount	Hard Cost	Soft Cost
Building	$85.00 per Unit of Total Building Area	✔	
Parking & Landscaping	$150,000	✔	
Leasehold Improvement Allow.	$20.00 per Unit of Total Gross Leasable Area	✔	

The Construction sub folder should appear like this;

Steps for entering the Construction Costs

1. Select row with Description 'Building'
2. Select Entry Choice: "$ per Unit of Total Building Area"
3. Enter the Amount: $85.00

4. Select row with Description 'Parking'
5. Enter Description "Parking & Landscaping"
6. Enter the Amount: $150,000

7. Click on the [Add] button to add a new row
8. Enter 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

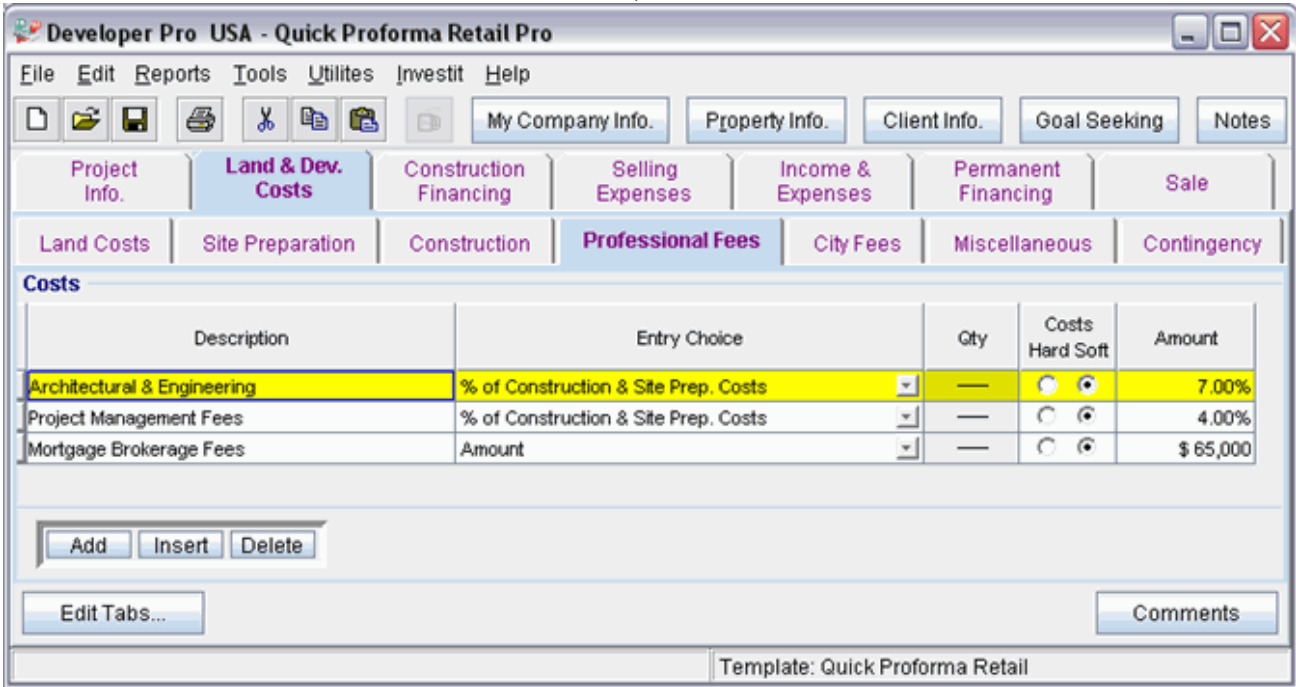| Description	Amount	Hard Cost	Soft Cost
Architectural & Engineering	7.00% of Construction and Site Prep. Costs		✔
Engineering	4.00% of Construction and Site Prep. Costs		✔
Mortgage Brokerage Fees	$65,000		✔

The Professional Fees sub folder should appear like this;
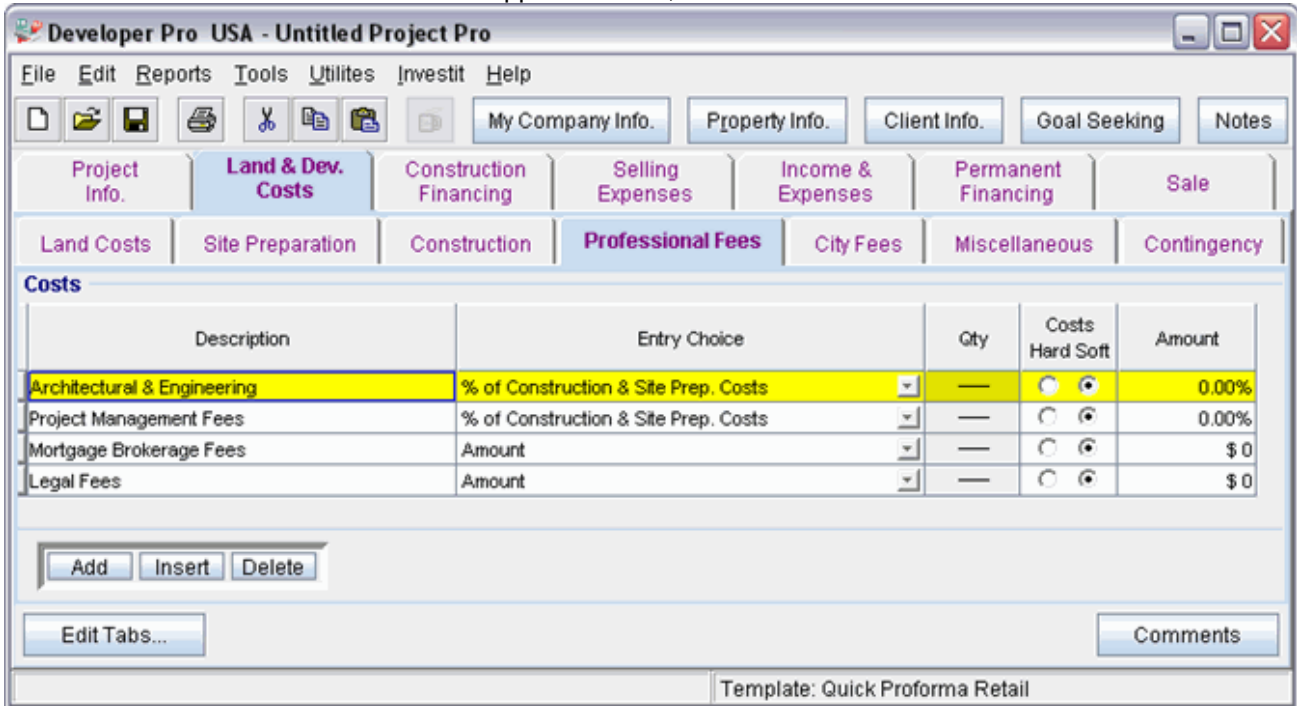
Steps for entering the Professional Fees

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 [Delete] 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

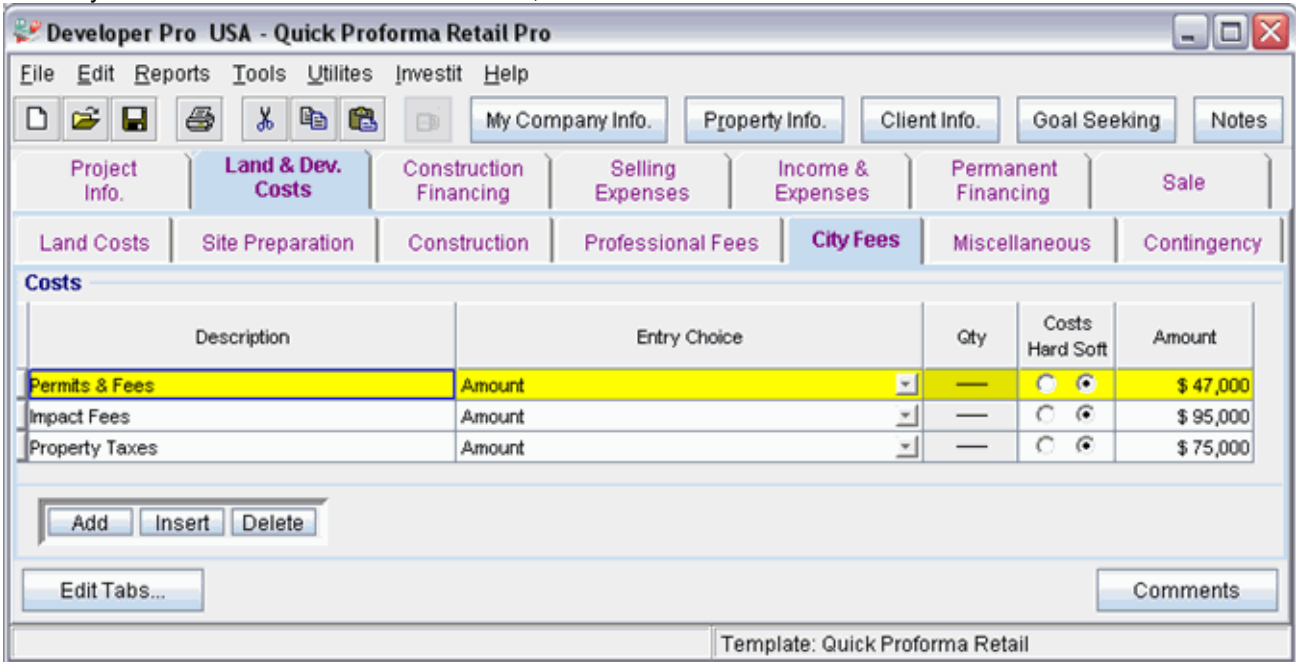| Description	Amount	Hard Cost	Soft Cost
Permits & Fees	$47,000		✔
Impact Fees	$95,000		✔
Property Taxes	$75,000		✔

The City Fees sub folder should appear like this;
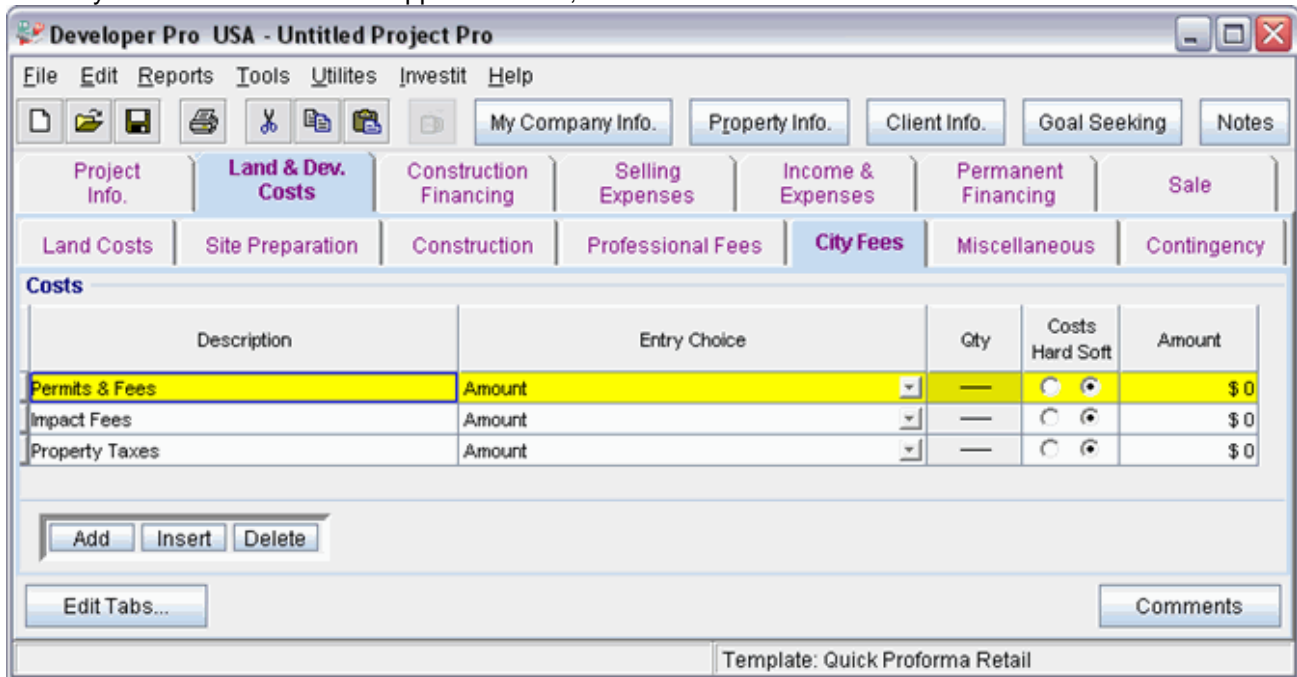
Steps for entering the City Fees

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 Costs	$25,000	✔	

The Miscellaneous sub folder should appear like this;
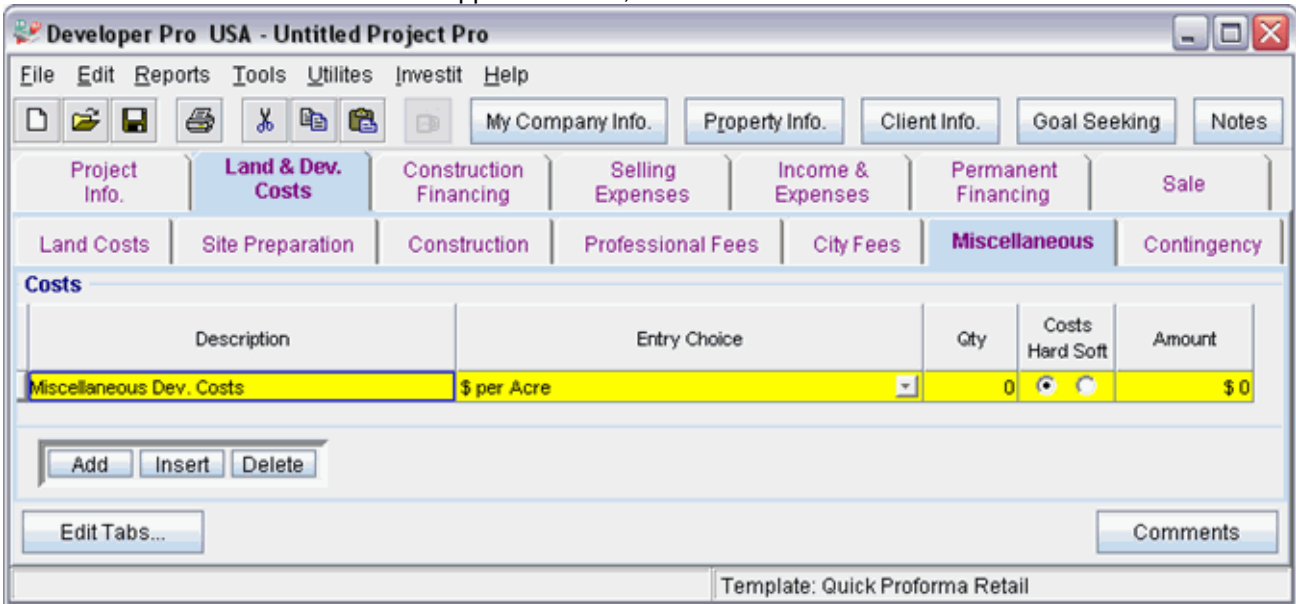
Steps for entering the Miscellaneous

1. Select row with Description 'Miscellaneous costs'
2. Select Entry Choice 'Amount'
3. Enter the Amount: $25,000

The Miscellaneous sub folder should now look like this;
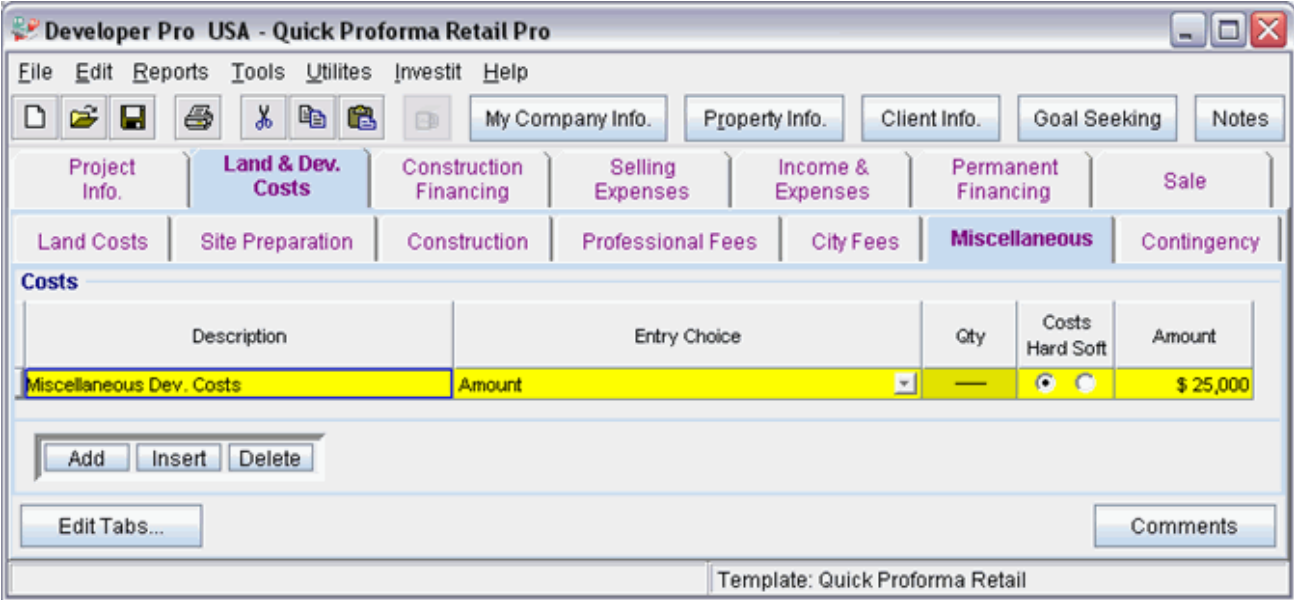
Click on the Contingency tab to go to the Contingency sub folder

Contingency Allowance
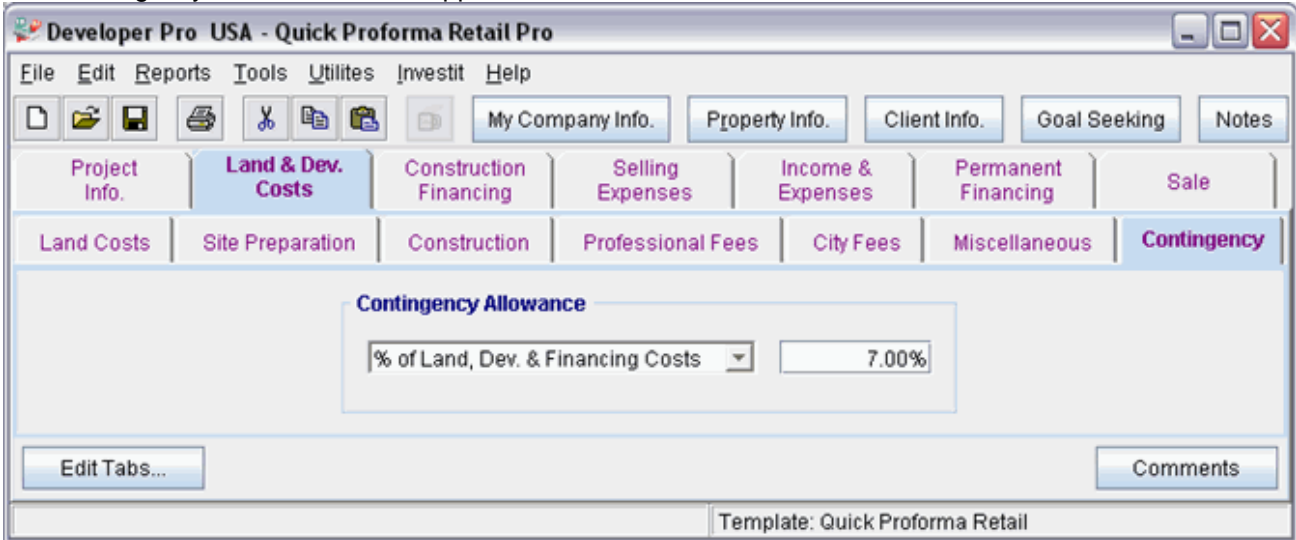7.00% of Land, Dev. & Financing Costs

The Contingency sub folder should appear like this;
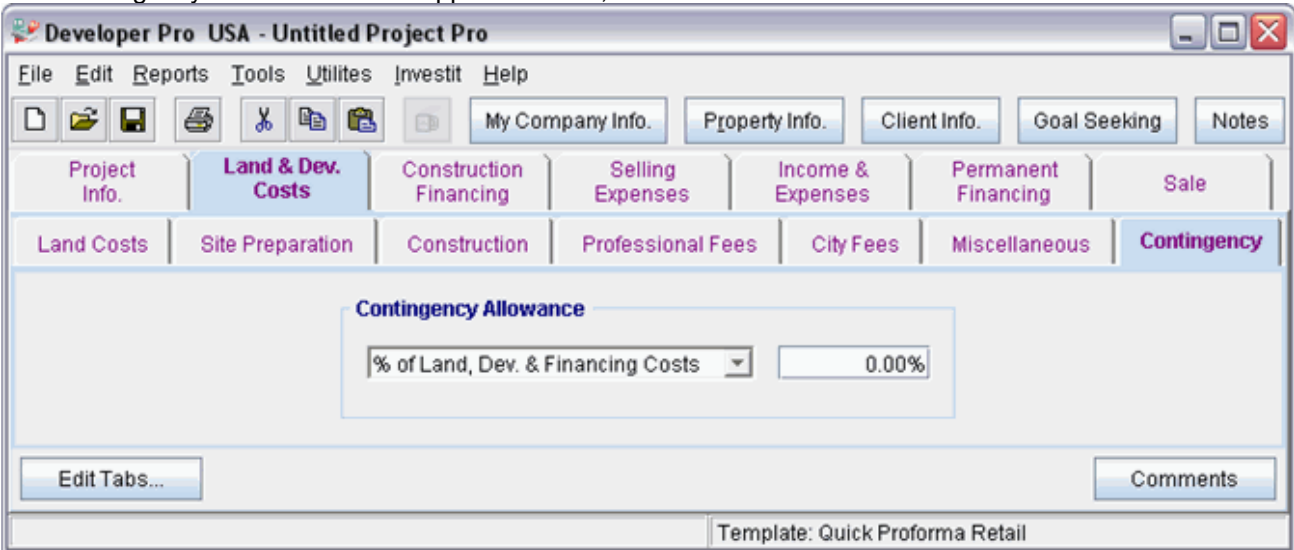
Steps for entering the Contingency

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
      Income: 0.50
      Operating Expenses: 0.50
      Leasing Expenses: 0.50

The Construction Financing Folder should appear like this;

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

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7. Enter the Lease-up Period:
> Income: 0.50
> Operating Expenses: 0.50
> Leasing Fees: 0.50

The Construction Financing Folder should look like this;

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

SELLING EXPENSES Folder

Real Estate Commission
5.00% of Sale Price

Selling Expenses
Marketing & Advertising: $30,000
Legal Fees: $25,000

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Leasing Fees
Leasing Fee: $75,000

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;

Entering the Selling Expenses
1. Select row 1 'Marketing & Advertising'
2. Enter Expense: $25,000

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 Fee: $75,000

The Leasing Fees should appear like this;

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

Enter Amount: $75,000

The Leasing Fees should now look like this;

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

Click on the Income & Expenses tab to go to the Income & Expenses folder

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

Note: The Lease-up Period should already show 6 months from entering the Lease-up period into the Construction Financing Folder.

Income

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

The Income should appear like this;

1. Select row with Description 'Rental Income'
2. Enter Amount: $181,000

3. Select row with Description 'Recoverable Expenses (TIM's)'
4. Enter Amount: $67,000

The Income should now look like this;

Operating Expenses

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

The Operating Expenses should appear like this;

1. Select row with Description 'Taxes'
2. Enter Amount: $85,000

3. Select row with Description 'Insurance'
4. Enter Amount: $16,000

5. Select row with Description 'Maintenance'
6. Enter Amount: $8,000

7. Select row with Description 'Property Management'
8. Enter Amount: $15,000

The Operating Expenses should now look like this;

Click on the Stabilized Income & Expense Statement tab to go to the Stabilized Income & Expense Statement sub folder

Stabilized Income & Expense Statement sub folder

Income

Description	Amount	Vacancy
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

Description	Amount
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

Income

Description	Amount	Vacancy
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%

The Income should appear like this;

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

4. Select row with Description 'Parking'
5. Press the Delete button

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

The Income should now look like this;

Operating Expenses

Description	Amount
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 Operating Expenses should appear like this;

1. Select row with Description 'Taxes'
2. Enter Amount: $145,000

3. Select row with Description 'Insurance'
4. Enter Amount: $18,000

5. Select row with Description 'Maintenance'
6. Select Entry Choice: '$ per Unit of Total Gross Leasable Area per Yr"
7. Enter Amount: $2.00

8. Select row with Description '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%

| Add | Insert | Delete |

Click on the Permanent Financing tab to go to the Permanent Financing folder

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 look like this;

1. Enter the Loan/Value Ratio: 75.00%
2. Enter the Debt Service Ratio: 1.25

3. Enter the Nominal Annual Interest Rate: 6.750%
4. Enter the Amortization Period (Years): 25

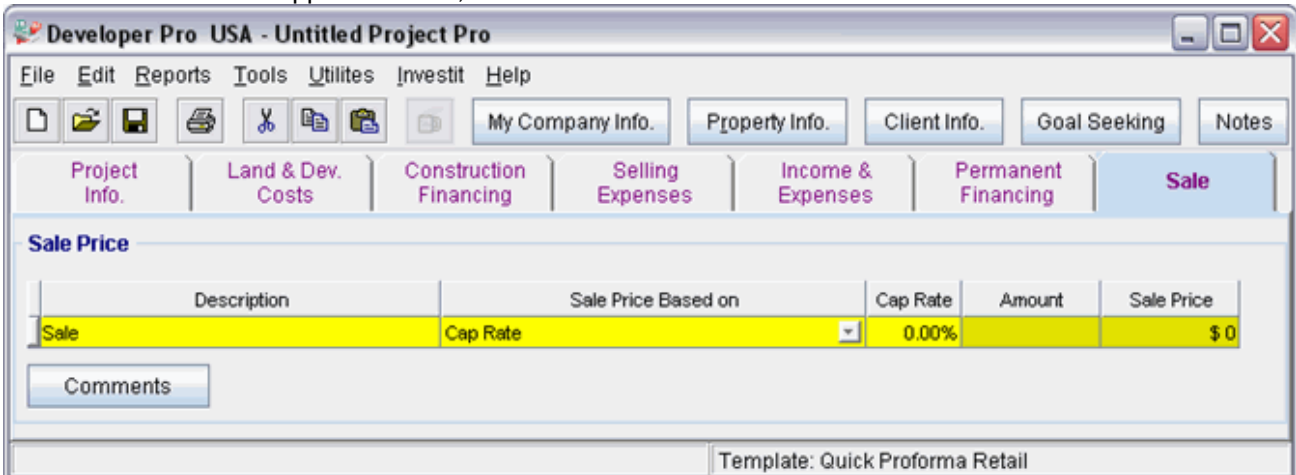The Permanent Financing folder should now look like this;
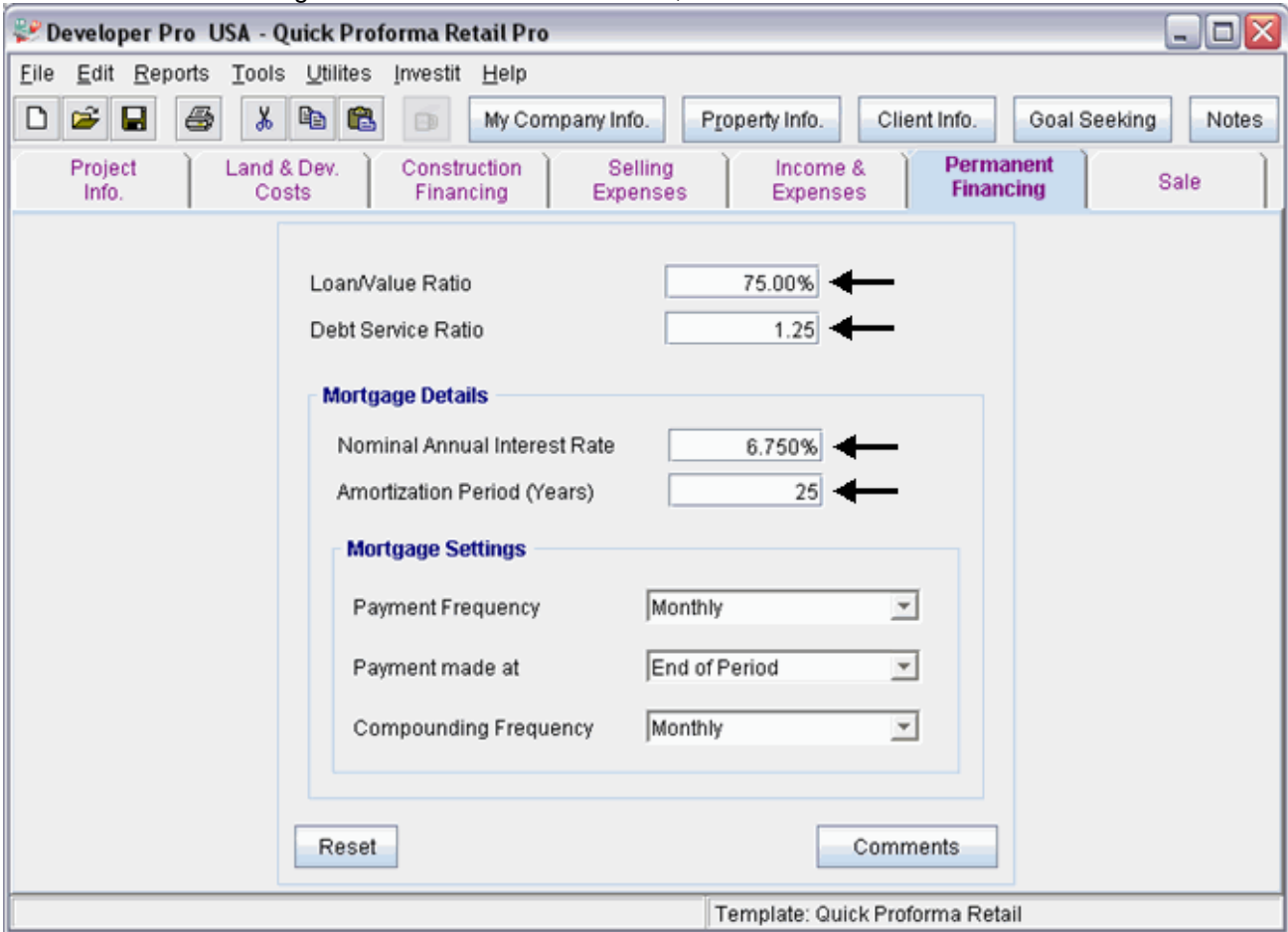
Click on the Sale tab to go to the Sale folder

SALES Folder

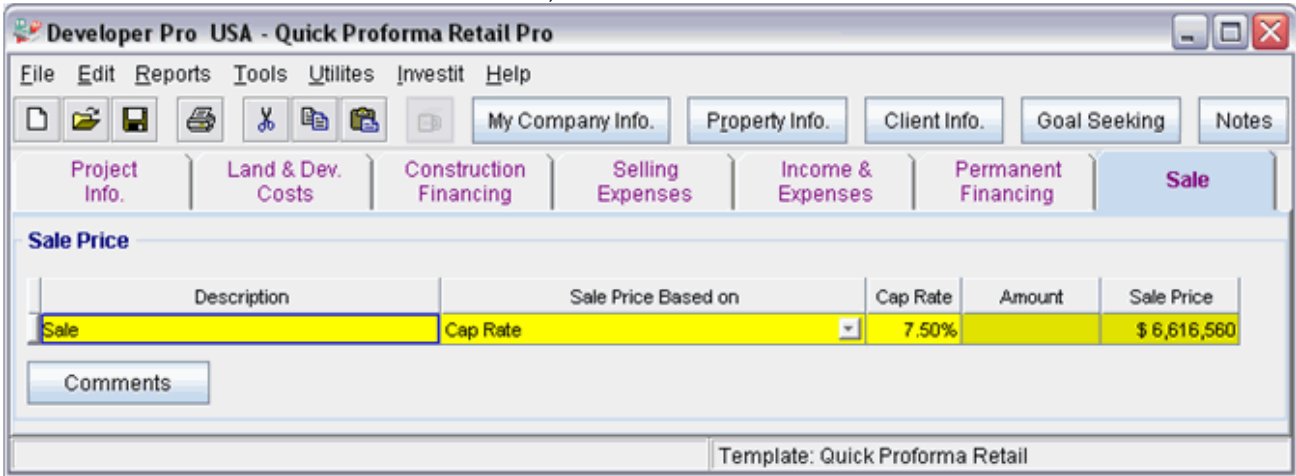| Description	Entry
Sale	7.50% Cap Rate

The Sale folder should appear like this;

Steps for entering the Sale

1.   Select Cap Rate: 7.50%

The Unit Sales folder should now look like this;

SAVE YOUR PROJECT