

# EstateMaster Development Feasibility



EstateMaster Development Feasibility (DF) is a powerful, flexible and easy to use feasibility and valuation tool. From a comprehensive and intuitive set of user inputs, it calculates key investment performance indicators, such as Residual Land Value, Profit, Margin, NPV and IRR. Using the sensitivity and probability analysis tools, simple yet detailed risk assessments can be performed on the project with ease, while the ability to compare multiple options ensures that the best financial outcome for the development site is achieved.

Like all the EstateMaster products, DF is developed in a Microsoft .Net platform which, while being completely independent from Microsoft Excel, still retains all the user friendly feel, flexibility and functionality of a spreadsheet interface. With the adoption of EstateMaster DF you too will be able to benefit from the corporate wide standardisation of feasibility reporting and valuation.

## Data Inputs

- User friendly spreadsheet input environment allowing you to create custom formulas, links to other worksheets or run Excel functions
- Variable cash flow rest periods – months, quarters, half-years and years.
- Input preference tool to set currency and tax options, joint venture settings, hurdle rate assumptions and other general preferences.
- Insert additional worksheets to assist you in customising the program
- 'Resize Model' feature allowing the user to expand or contract the size of the model by setting the number of Time Periods (between 45 – 480) and cost and revenue input items.
- Enter project costs such as:
  - Land Acquisition
  - Professional Fees
  - Construction Costs
  - Statutory Fees
  - Land Holding Costs
  - Miscellaneous Costs
  - Selling and Leasing Costs
- Enter project revenues such as:
  - Sales Revenue
  - Rental Income and Capitalised Sales
  - Interest on Deposits
  - Other Income
- Apply construction and/or project contingencies.
- Create custom s-curve profiles and apply to all project cost payments.
- Apply up to 10 years of annual rent reviews for individual rental tenancies.
- Apply up to 10 years of escalation rates on all costs and sales revenues.
- Set up Sale Revenue Collection Profiles to control instalment payments for Sales.
- Inbuilt calculators for Stamp Duty and Land Tax.
- Automatic and flexible GST/VAT input credit and liability calculation.
- Nominate when GST/VAT liabilities are paid and credits are reclaimed
- Lower risk of errors with background calculations checking and correcting input errors, cell validation and warnings to highlight data input errors.

## Financing

- 5 sources of finance:
  - Equity.
  - Loans 1, 2 & 3 (other equity debt lenders).
  - Senior loan (line of credit facility).
- Calculate loan limits as percentage of various cash flow components or a fixed amount.
- Calculate fees as a percentage of the loan or a fixed amount.
- Nominate drawdown and repayment methods.
- Flexibility in loan commencement, maturity and refinancing.
- Multiple methods to calculate how interest is calculated and paid for.
- Provide profit share to lenders.

## Performance Analysis

- Summary Report which analyses:
  - Project Costs and Revenues.
  - Tax Credits and Liabilities.
  - Development Yields and Revenue Rates.
- Key performance indicators such as development profit, NPV, IRR, residual land values, etc.
- Returns on funds invested such as debt exposure, payback dates, loan ratios, IRR on equity, etc.
- Dynamic landscape cash flow table, allowing the user to view the occurrence of cash inflows and outflows and manipulate the financing.
- Various project cash flow charts which graphically display the position of equity and debt.
- Cash Flow report which can display full detail line-by-line or at a summary level.
- Generate a project timeline (Gantt Chart) at a click of a button and make adjustments to timing.
- Stage Cash Flow report provide a stage-by-stage breakdown of project costs and revenues and allocation of global costs.

## Financial Accounting

- Profit and Loss and Balance Sheet reports.
- Multiple methods for revenue recognition and profit realisation thresholds.
- Calculate corporate tax on profits.

## Advanced Functions

- Store and recall up to 8 options/stages in one file for comparison/consolidation purposes.
- Consolidate report to enable the user to compare multiple development options or view consolidated stages of a single project.
- Sensitivity analysis of development variables such as constructions costs, sale values, interest rates, construction period, rents, etc.
- Determine probability profiles of development margin and IRR.
- Model different joint venture arrangements between a land owner and developer, splitting costs, revenues and profit to either party at any pre-determined ratio.
- Create custom file templates that contain pre-defined inputs and settings, and store them in a central directory to share with other users.

## Other Features

- Insert your company logo on reports.
- Print menu allowing the user to select multiple reports to print or PDF.
- Import external spreadsheets and link to data input
- Export to Microsoft Excel.
- Email files directly from DF.
- Insert your corporate logo and project image.

## Integration with Other Systems

- Link to external Excel Workbooks to fetch live data and automate inputs. \*
- Link to external Word Documents to automate reporting. \*
- Export input data and cash flows to a central and secure SQL database. \*
- Import your feasibility directly into Estate Master Development Management (DM).

## Contact Sales:

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## Development Summary and Performance Indicators

SUMMARY OF PROJECT RETURNS						
<b>Sample Project</b> Land Servicing Only						
Time Span	Jul-07 to Jan-11					
Type	Residential					
Status	Under Review					
Site Area	500 Acre					
FRR	0.1					
Project Size	11000 Lots		1.0474 Acre of the Area			
	500000 BUA Spm		1.0474 Acre of the Area			
		Total AED	Lot	AED Per BUA Spm	AED Per	Total Net Revenue
<b>Revenues</b>						
<b>Gross Sales Revenue</b>	Quantity	Sell Price	AED/SqFt			
	2000	5,000,000.00	686.50	3,432,787.378	312,072	6,866
	1020	2,550,000.00	494.88	1,261,936.195		
	770	1,925,000.00	818.69	1,375,987.527		
	210	525,000.00	1,133.07	594,863.856		
				(137,311,495)		
<b>Less Selling Costs</b>				12,463	275	-4.2%
<b>Less Purchases Costs</b>				-	-	0.0%
<b>NET SALES REVENUE</b>				3,295,475.883	299,589	100.0%
<b>Interest Received</b>				-	-	0.0%
<b>Other Income</b>				-	-	0.0%
<b>TOTAL REVENUE</b>				3,295,475.883	299,589	100.0%
<b>Costs</b>						
<b>Land Purchase Cost</b>		900,000,000	81,818	1,800	27.2%	
<b>Land Acquisition Costs</b>		-	-	-	0.0%	
<b>Construction Costs (inc. Contingency)</b>		1,177,629,247	107,857	2,355	35.7%	
<b>Other Construction Costs</b>		1,076,972,043	97,265	2,141	32.5%	
<b>Contingency</b>		107,057,204	9,732	214	3.2%	
<b>Professional Fees</b>		152,987,839	13,908	306	4.6%	
<b>Statutory Fees and Contributions</b>		208,299,269	18,936	417	6.3%	
<b>Miscellaneous Costs 1</b>		-	-	-	0.0%	
<b>Miscellaneous Costs 2</b>		-	-	-	0.0%	
<b>Miscellaneous Costs</b>		-	-	-	0.0%	
<b>Project Contingency (Reserve)</b>		74,595,757	6,781	149	0.0%	
<b>Land Holding Costs</b>		195,985	18	0	0.0%	
<b>Pre-Sale Commissions</b>		-	-	-	0.0%	
<b>Finance Charges (inc. Line Fees)</b>		3,500,000	318	7	0.1%	
<b>Interest Expense</b>		194,027,818	17,639	388	5.9%	
<b>Plus Corporate Tax</b>		-	-	-	0.0%	
<b>TOTAL COSTS</b>		2,711,235,775	246,476	5,422	82.3%	
<b>Performance Indicators</b>						
<b>Net Development Profit</b>		584,240,108	53,113	1,156		
<b>Development Margin (Profit/Risk Margin)</b>	Based on total costs (inc. selling costs)	20.51%				
<b>Residual Land Value</b>	Based on Target Margin of 25%	797,712,599	72,519	1,595		
<b>Net Present Value</b>	Based on Discount Rate of 25%, p.a. Nominal	(470,955,583)				
<b>Benefit Cost Ratio</b>		0.7784				
<b>Project Internal Rate of Return (IRR)</b>	For annual Nominal	12.87%				
<b>Residual Land Value</b>	Based on IRR	429,944,417	39,086	860		

## Preferences

Estate Master DF Preferences

Currency: British Pound (£ - GBP)

Taxation Format: VAT (Value Added Tax)

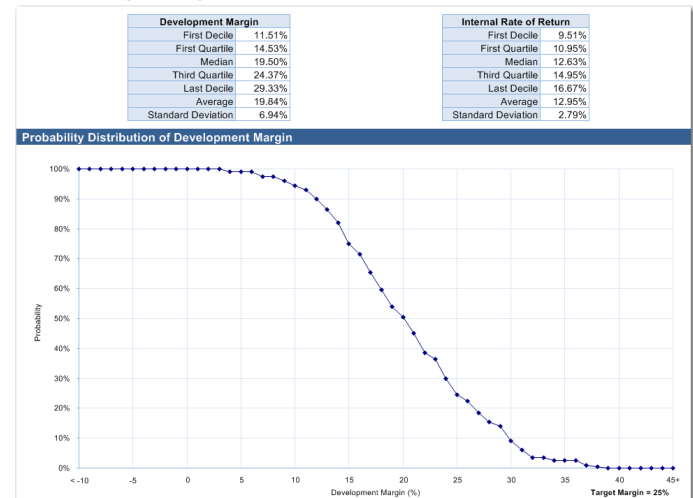
Stamp Duty (Tax on Transfer of Land/Property): UK Based On: Land inc. VAT

Input Number Format: 0.00

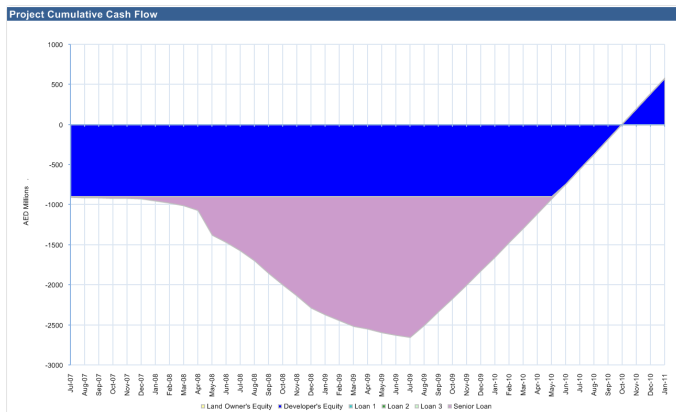
Calculations: Taxation, Financial Reporting, Joint Venture, Financing

Buttons: Ok, Cancel, Reset

## Probability Analysis



## Cash Flow Charts



## Sensitivity Analysis



## Comparison of Options and Consolidation of Stages

EstateMaster DF Development Feasibility	1	2	3	4
<b>CONSOLIDATION OF STAGES</b>	Land Servicing Only	Land Servicing - All Opt	Built Form - Sold at End	Built Form - Self Lighten
<b>Sample Project</b>	Service and Sell Vacant Land as Master Developer	Staged Land Purchase Agreement - Service and Sell Vacant Land as Master Developer	Built Form option with sales at the end of the project	Built Form - Self Lighten to reduce funding requirements
	2,000 Lots 500,000 BUA Spm 500 Acre Residential Under Review	2,000 Lots 500,000 BUA Spm 500 Acre Residential Under Review	2,000 Lots 500,000 BUA Spm 500 Acre Residential Under Review	2,000 Lots 500,000 BUA Spm 500 Acre Residential Under Review
Estate Master Licensed to: Estate Master Administration				
<b>Revenues</b>				
Gross Sales Revenue	3,432,787,378	3,369,077,388	11,312,452,556	7,632,181,988
Less Selling Costs	(137,311,495)	(134,763,096)	(452,498,102)	(305,287,280)
Less Purchases Costs	-	-	-	-
<b>NET SALES REVENUE</b>	3,295,475,883	3,234,314,292	10,859,954,454	7,326,894,709
Interest Received	-	-	-	-
Other Income	-	-	-	-
<b>TOTAL REVENUE</b>	3,295,475,883	3,234,314,292	10,859,954,454	7,326,894,709
<b>Costs</b>				
Land Purchase Cost	900,000,000	900,000,000	900,000,000	900,000,000
Land Acquisition Costs	-	-	-	-
Construction (inc. Construct. Contingency)	1,177,629,247	1,306,091,161	4,631,369,491	4,631,369,491
Professional Fees	152,987,839	168,958,857	583,766,914	583,719,172
Statutory Fees and Contributions	208,299,269	208,299,269	249,959,122	249,959,122
Miscellaneous Costs 1	-	-	-	-
Miscellaneous Costs 2	-	-	-	-
Miscellaneous Costs	-	-	-	-
Project Contingency (Reserve)	74,595,757	81,596,932	264,907,593	264,907,593
Land Holding Costs	195,985	152,867	1,729,213	137,790
Pre-Sale Commissions	-	-	-	-
Finance Charges (inc. Line Fees)	3,500,000	3,500,000	3,500,000	3,500,000
Interest Expense	181,637,288	23,811,984	664,992,328	1,205,973
Plus Corporate Tax	-	-	-	-
<b>TOTAL COSTS</b>	2,698,845,385	2,692,411,069	7,900,224,663	6,634,799,142
<b>Performance Indicators</b>	1	2	3	4
Gross Development Profit	596,630,497	541,903,223	3,559,729,791	692,095,567
Net Developer's Profit after Profit Share	596,630,497	541,903,223	3,559,729,791	692,095,567
Development Margin (Profit/Risk Margin)	21.04%	19.17%	45.92%	9.97%
Target Development Margin	25.00%	25.00%	25.00%	25.00%
Residual Land Value (Target Margin)	810,018,750	764,640,546	2,197,447,321	65,875,220
Breakeven Date for Cumulative Cash Flow	Oct-2010	Apr-2010	Apr-2012	Jul-2008
Discount Rate (Target IRR)	25.00%	25.00%	25.00%	25.00%
Net Present Value	(470,172,393)	(130,198,307)	(212,865,400)	966,886,477
Date of Commencement	Jul-07	Jul-07	Jul-07	Jul-07
Holding Discount Rate	10.00%			
NPV at Start of Consolidated Cash Flow	(470,172,393)	(130,198,307)	(212,865,400)	966,886,477
Benefit Cost Ratio	0.778	0.933	0.942	1.264
Project Internal Rate of Return (IRR)	12.97%	18.34%	22.57%	112.65%
Residual Land Value (NPV)	429,827,607	735,775,393	687,134,600	1,866,886,477

## System Requirements

- Intel Core Duo (3GHz) or Quad (2.4GHz) processor (or equivalent) with 2Gb RAM.\*
  - Microsoft Windows Vista SP2 or Server 2008, or later. (Apple Mac requires Virtual PC software to run Estate Master).
  - Microsoft .Net Framework 4 or later.
- \* Recommended minimum hardware specifications.