

Apartments Development

20-year Analysis & Model



Best Practice Models
PROPPRO247



Apartments - Condo Style - Real Estate Development

The Hold and Lease Model Produces 20 Year Financial Statements

INPUT SHEET

DASHBOARD

VALUATION

CASH FLOW STATEMENTS

INCOME STATEMENTS

BALANCE SHEETS

BUSINESS PLAN TEMPLATE

This Development Model is for Build and Sell Profitability Analysis

BUILD TO SELL (QS TYPE)

QUICK COMPARE MULTI
PROJECTS TO SELL

PROPPRO247

INPUT SHEET - Apartment Real Estate (Hold and Lease Type)

Inputs for the 20-year Three Statement Analysis

ENTER BLUE CELLS ONLY

	100,00%	allocation
Investors Data	Amount	Share (%)
Investor 1 (Capital Invested - Equity shares?)	5 000 000	25,00%
Investor 2 (Capital Invested - Equity shares?)	2 500 000	10,00%
Investor 2 (Capital Invested - Equity shares?)	2 500 000	10,00%
Investor 4 (Capital Invested - Equity shares?)	2 500 000	10,00%
Investor 5 (Capital Invested - Equity shares?)	2 500 000	10,00%
Investor 6 (Capital Invested - Equity shares?)	2 500 000	8,00%
Investor 7 (Capital Invested - Equity shares?)	2 500 000	9,00%
Investor 8 (Capital Invested - Equity shares?)	3 000 000	11,00%
Investor 9 (Capital Invested - Equity shares?)	2 000 000	7,00%
External Funding Requirements (bankers)	45 000 000	9,00%
		240
		404 877 pm

Total Equity Investment

25 000 000

Investor amounts and (%)
shareholding allocation
up to (100%)

External Funding and
terms of loan

Total Costs Associated with the Development to completion

Total Initial Equity Invested in year (0) - The start	70 000 000	25 000 000	Time period (0)
Total development costs taking place in your <i>current</i> tax year cycle	39 000 000		Year 1
Total development costs taking place in your <i>next</i> tax year cycle	31 000 000		year 2
Total development costs taking place in your <i>next</i> tax year cycle	0		year 3
Total development costs taking place in your <i>next</i> tax year cycle	0		year 4

The estimated timing of
development expenditure.
Total equals 100%
Development Expenditure
Flow entered below.

The Total Monthly Income generated upon completion

What % of your apartments will become income generators in the current year?	1 264 000	0,00%	Starting annualised Income after vacancy	0
What (%) of your apartments will be Income generators in the next fin year? (year 2)	50,00%	year 1	6 825 600	
What (%) of your apartments will be Income generators in the next fin year? (year 3)	50,00%	year 2	6 825 600	
What (%) of your apartments will be Income generators in the next fin year? (year 4)	0,00%	year 3	0	
What is your anticipated Vacancy %	10,00%	year 4		
Your total monthly costs associated per (FT2) or (M2) apportionment	29	running average		
How many (ft2) or (m2) lettable space	10 200			

The estimated timing of
your rental inflows.

What is your expected lease increase per annum (%)	4,50%
What is your expected increase in costs per annum (%)	4,50%
What is your expected value (Cap rate of the finished apartments) (%)	10,50%
The Opportunity Cost (own funds) (%) - also used for MIRR formula	9,00%
What is your Income Tax Rate (%)?	28,00%
What is your Estimated CGT (%) on Asset Gains	28,00%

Annual increments and Cap Rate

Funding and Financial Data

Lease Information

Total area size of Building	11 800	FT2 or M2	
Lettable space units total size	10 200	Weighted aver lease/rental per square	123,92
Common Open Area	1 600	Common area as % of building	13,56%
Parking area	4 000		
No. of Parking Bays	160		
Total Operating Costs of the Building	300 000	29,41	per ft2 or m2

No. Units	Area/Size	Price per #2	Monthly	Monthly Costs	Total Space
10	100	120	120 000	29 412	1 000
20	110	120	264 000	64 706	2 200
25	120	120	360 000	88 235	3 000
20	200	130	520 000	117 647	4 000
			0	0	0
			0	0	0
			0	0	0
			0	0	0
			0	0	0
			0	0	0
			0	0	0
			0	0	0
			0	0	0

Enter your expected monthly development expenditure

In cells (H19 to H22) above, enter your expected (%) of

Development Expenditure Flow

Development Expenditure Flow		
Accumulative	Amount	Month No.
6 000 000	6 000 000	1
9 000 000	3 000 000	2
12 000 000	3 000 000	3
15 000 000	3 000 000	4
18 000 000	3 000 000	5
21 000 000	3 000 000	6
24 000 000	3 000 000	7
27 000 000	3 000 000	8
30 000 000	3 000 000	9
33 000 000	3 000 000	10
36 000 000	3 000 000	11
39 000 000	3 000 000	12
42 000 000	3 000 000	13
45 000 000	3 000 000	14
48 000 000	3 000 000	15
51 000 000	3 000 000	16
54 000 000	3 000 000	17

Lease Model - Apartment Real Estate Development

[Index](#)
[Inputs](#)
[Dashboard](#)
[Valuation](#)
[IS](#)
[BS](#)
[Bus Plan](#)

ANNUALISED CASH FLOW STATEMENTS

	0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Equity Investment											
Opening		25 000 000	28 494 213	-2 549 191	1 475 729	5 878 220	10 916 315	16 645 549	23 125 575	30 420 429	38 598 834
Development Costs		39 000 000	31 000 000	0	0	0	0	0	0	0	0
Operating Costs		0	1 800 000	3 681 000	3 846 645	4 019 744	4 200 633	4 389 661	4 587 196	4 793 620	5 009 332
Lease Income		0	6 825 600	13 958 352	14 586 478	15 242 869	15 928 798	16 645 594	17 394 646	18 177 405	18 995 388
Equity Investment	25 000 000										
External Funding amount received		45 000 000	0	0	0	0	0	0	0	0	0
Loan Repayment		4 858 520	4 858 520	4 858 520	4 858 520	4 858 520	4 858 520	4 858 520	4 858 520	4 858 520	4 858 520
Cash Flow before Opportunity (%)		1 141 480	-30 832 920	5 418 832	5 881 313	6 364 605	6 869 646	7 397 413	7 948 930	8 525 266	9 127 536
Balance before opportunity costs		26 141 480	-2 338 707	2 869 641	7 357 042	12 242 826	17 785 961	24 042 963	31 074 505	38 945 694	47 726 370
Opportunity costs/re-investment		2 352 733	-210 484	258 268	662 134	1 101 854	1 600 736	2 163 867	2 796 705	3 505 112	4 295 373
Closing Balance		28 494 213	-2 549 191	3 127 909	8 019 175	13 344 680	19 386 697	26 206 829	33 871 210	42 450 807	52 021 744
Income Tax Payments/credits		-465 659	245 943	1 871 895	2 140 955	2 428 365	2 741 147	3 081 255	3 450 782	3 851 972	4 287 234
Final Balance		28 494 213	-2 549 191	1 475 729	5 878 220	10 916 315	16 645 549	23 125 575	30 420 429	38 598 834	47 734 510

	Year 11	Year 12	Year 13	Year 14	Year 15	Year 16	Year 17	Year 18	Year 19	Year 20
Opening	47 734 510	57 906 502	69 199 537	81 704 397	95 518 311	110 745 382	127 497 027	145 892 452	166 059 149	188 133 428
Development Costs	0	0	0	0	0	0	0	0	0	0
Operating Costs	5 234 752	5 470 316	5 716 480	5 973 722	6 242 540	6 523 454	6 817 009	7 123 775	7 444 345	7 779 340
Lease Income	19 850 181	20 743 439	21 676 894	22 652 354	23 671 710	24 736 937	25 850 099	27 013 354	28 228 954	29 499 257
Funding amount received	0	0	0	0	0	0	0	0	0	0
Loan Repayment	4 858 520	4 858 520	4 858 520	4 858 520	4 858 520	4 858 520	4 858 520	4 858 520	4 858 520	4 858 520
Cash Flow before Opportunity (%)	9 756 908	10 414 603	11 101 893	11 820 112	12 570 650	13 354 963	14 174 570	15 031 059	15 926 090	16 861 397
Balance before opportunity costs	57 491 418	68 321 105	80 301 431	93 524 508	108 088 961	124 100 345	141 671 597	160 923 511	181 985 239	204 994 825
Interest - opportunity costs	5 174 228	6 148 899	7 227 129	8 417 206	9 728 007	11 169 031	12 750 444	14 483 116	16 378 671	18 449 534
Closing Balance	62 665 646	74 470 004	87 528 559	101 941 714	117 816 968	135 269 376	154 422 040	175 406 627	198 363 910	223 444 360
Income Tax Payments	4 759 144	5 270 467	5 824 163	6 423 403	7 071 586	7 772 349	8 529 589	9 347 477	10 230 482	11 183 385
Final Balance	57 906 502	69 199 537	81 704 397	95 518 311	110 745 382	127 497 027	145 892 452	166 059 149	188 133 428	212 260 975

Lease Model - Apartment Real Estate Development

[Index](#)
[Inputs](#)
[Dashboard](#)
[Valuation](#)
[CF](#)
[BS](#)
[Bus Plan](#)

ANNUALISED INCOME STATEMENTS

	Current	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Revenue	2 352 733	6 825 600	14 216 620	15 248 612	16 344 724	17 529 535	18 809 461	20 191 352	21 682 518	23 290 762
Lease Income	0	6 825 600	13 958 352	14 586 478	15 242 869	15 928 798	16 645 594	17 394 646	18 177 405	18 995 388
Interest earned	2 352 733	0	258 268	662 134	1 101 854	1 600 736	2 163 867	2 796 705	3 505 112	4 295 373
Expenditure	4 015 801	5 947 231	7 531 279	7 602 344	7 671 991	7 739 723	7 804 979	7 867 132	7 925 474	7 979 213
Operating Costs	0	1 800 000	3 681 000	3 846 645	4 019 744	4 200 633	4 389 661	4 587 196	4 793 620	5 009 332
Interest Paid Loan	4 015 801	3 936 748	3 850 279	3 755 699	3 652 247	3 539 090	3 415 318	3 279 936	3 131 854	2 969 881
Interest Paid Opportunity Cost	0	210 484	0	0	0	0	0	0	0	0
NPBT	-1 663 067	878 369	6 685 341	7 646 268	8 672 733	9 789 812	11 004 482	12 324 220	13 757 044	15 311 549
Income Tax	-465 659	245 943	1 871 895	2 140 955	2 428 365	2 741 147	3 081 255	3 450 782	3 851 972	4 287 234
NPAT	-1 197 408	632 426	4 813 445	5 505 313	6 244 368	7 048 665	7 923 227	8 873 438	9 905 072	11 024 315

	Year 11	Year 12	Year 13	Year 14	Year 15	Year 16	Year 17	Year 18	Year 19	Year 20
Revenue	25 024 409	26 892 338	28 904 023	31 069 560	33 399 716	35 905 968	38 600 543	41 496 470	44 607 626	47 948 792
Lease Income	19 850 181	20 743 439	21 676 894	22 652 354	23 671 710	24 736 937	25 850 099	27 013 354	28 228 954	29 499 257
Interest earned	5 174 228	6 148 899	7 227 129	8 417 206	9 728 007	11 169 031	12 750 444	14 483 116	16 378 671	18 449 534
Expenditure	8 027 466	8 069 243	8 103 441	8 128 834	8 144 053	8 147 580	8 137 726	8 112 622	8 070 189	8 008 131
Operating Costs	5 234 752	5 470 316	5 716 480	5 973 722	6 242 540	6 523 454	6 817 009	7 123 775	7 444 345	7 779 340
Interest Paid Loan	2 792 713	2 598 926	2 386 961	2 155 112	1 901 513	1 624 126	1 320 717	988 847	625 845	228 791
Interest Paid Opportunity Cost	0	0	0	0	0	0	0	0	0	0
NPBT	16 996 943	18 823 096	20 800 581	22 940 726	25 255 664	27 758 388	30 462 816	33 383 848	36 537 437	39 940 661
Income Tax	4 759 144	5 270 467	5 824 163	6 423 403	7 071 586	7 772 349	8 529 589	9 347 477	10 230 482	11 183 385
NPAT	12 237 799	13 552 629	14 976 418	16 517 323	18 184 078	19 986 040	21 933 228	24 036 371	26 306 954	28 757 276

Lease Model - Apartment Real Estate Development

[Index](#) | [Inputs](#) | [Dashboard](#) | [CF](#) | [IS](#) | [BS](#) | [Bus Plan](#)

VALUATION

This Valuation for 1st Year of Full Operations

Expected Operating Income Annualised	15 168 000
Expected Operating Expenditure Annualised	3 600 000
Vacancy (%)	10,00%
Your anticipated Cap Rate (%)	10,50%
Annual Rental Increment (%)	4,50%
Expected Annual Increment in Expenditure (%)	4,50%
Funders Rate (%)	9,00%
Amount of External Funding	45 000 000

Carried forward from your Input Sheet

Technical Valuation without timing of Development Flows 95 725 714

VALUATION WITH ALL CASH FLOWS NPV, IRR, MIRR

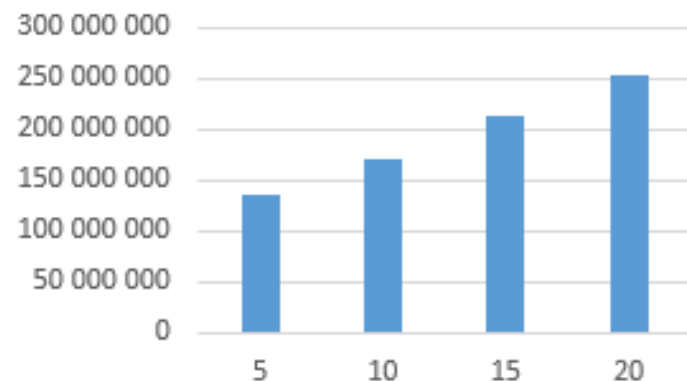
PROPPRO247		Cash Flow	Year	Cash Balance
		28 494 213	1	28 494 213
		-31 043 404	2	-2 549 191
		5 677 100	3	3 127 909
NPV	39 383 599	4 891 267	4	8 019 175
IRR	38,37%	5 325 505	5	13 344 680
MIRR	22,19%	6 042 017	6	19 386 697
		6 820 132	7	26 206 829
		7 664 381	8	33 871 210
NPV	51 345 713	8 579 596	9	42 450 807
IRR	27,10%	9 570 937	10	52 021 744
MIRR	16,85%	10 643 902	11	62 665 646
		11 804 358	12	74 470 004
		13 058 555	13	87 528 559
NPV	66 449 635	14 413 155	14	101 941 714
IRR	24,85%	15 875 253	15	117 816 968
MIRR	15,22%	17 452 408	16	135 269 376
		19 152 665	17	154 422 040
		20 984 586	18	175 406 627
NPV	83 491 665	22 957 284	19	198 363 910
IRR	24,25%	25 080 449	20	223 444 360
MIRR	14,41%			

Lease Model - Apartment Real Estate Development

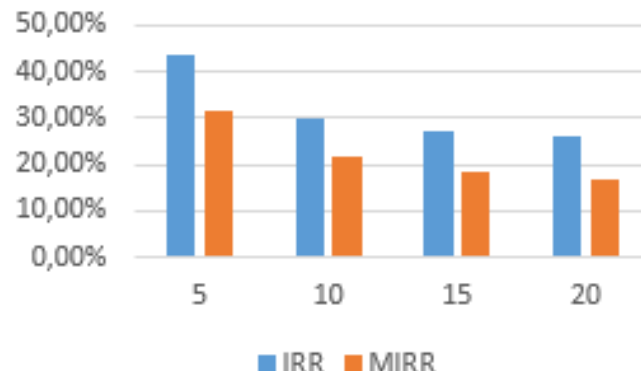
[Index](#) [Inputs](#) [Valuation](#) [CF](#) [IS](#) [BS](#) [Bus Plan](#)

DASHBOARD

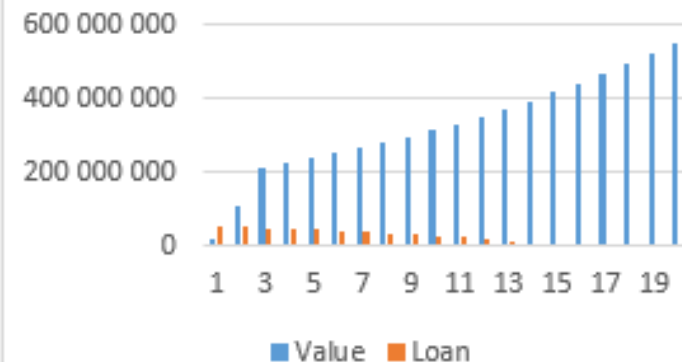
NPV



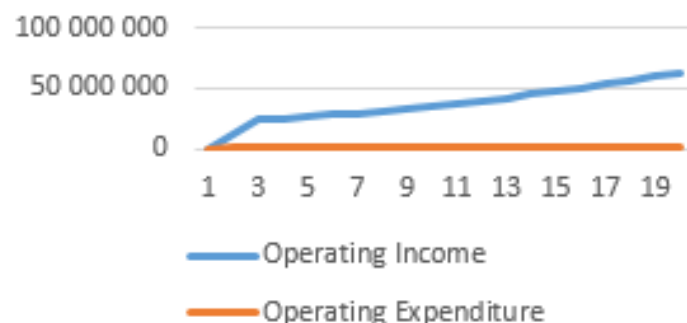
IRR vs MIRR



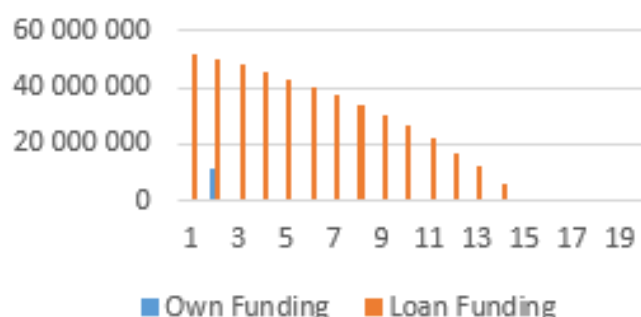
Value to Loan Ratio



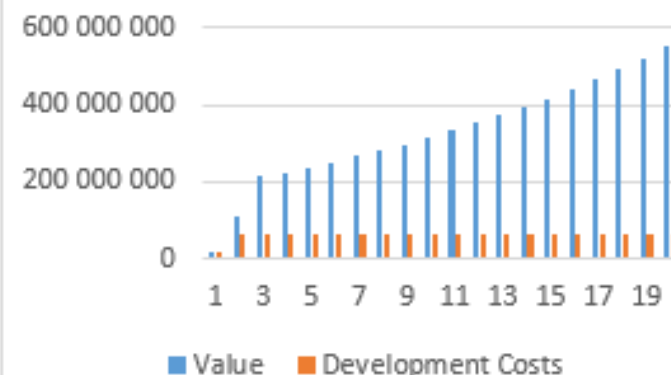
Operating Income to Operating Expenditure



Own Funding vs Loan Funding



Value to Development Costs



Apartment Development Business Plan

Executive Summary & Overview

Business Name Here

This is where you will summarise the main inputs such as market, personnel and important financial data!
 It is probably better to first complete the sections below and then extract the most pertinent data and info!
 Funding requirements.

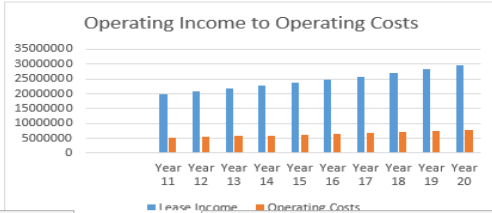
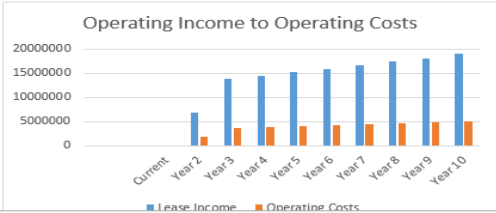
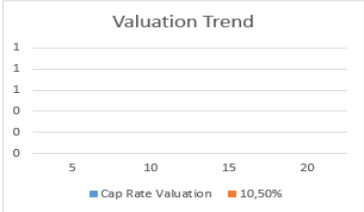
The Business Description & Structure

This is where you will outline the why and how of your products, basic business description and what you are selling.
 You will also provide an overview of personnel, your intellectual property and the legal structure of your company

The Market, Research & Strategies

This is where you will outline the why and how of your products stack up against competitors, your basic marketing/advertising strategy.
 You will also provide an overview of personnel, your intellectual property and the legal structure of your company
 You will also provide a bit of data analysis such as sales forecasts etc. (this we have automated for you below)

Profitability Analysis - NPAT			
Year 1	-1 197 408	Year 11	12 237 799
Year 2	632 426	Year 12	13 552 629
Year 3	4 813 445	Year 13	14 976 418
Year 4	5 505 313	Year 14	16 517 323
Year 5	6 244 368	Year 15	18 184 078
Year 6	7 048 665	Year 16	19 986 040
Year 7	7 923 227	Year 17	21 933 228
Year 8	8 873 438	Year 18	24 036 371
Year 9	9 905 072	Year 19	26 306 954
Year 10	11 024 315	Year 20	28 757 276

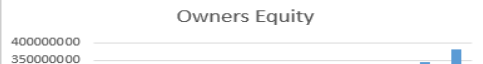
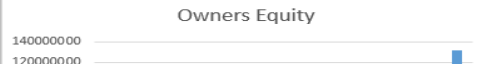
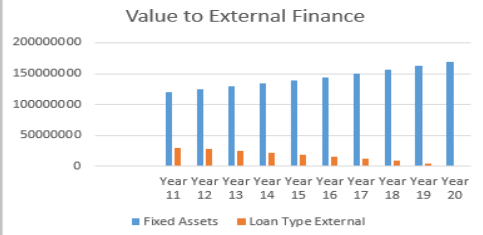
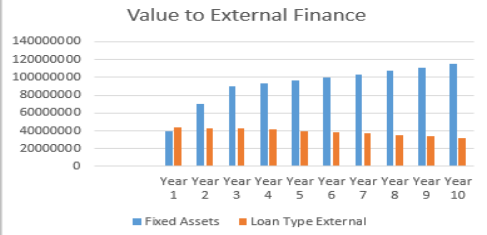


Financial Summary

IRR	
year 5	38,37%
year 10	27,10%
year 15	24,85%
year 20	24,25%

MIRR	
year 5	22,19%
year 10	16,85%
year 15	15,22%
year 20	14,41%

NPV	
year 5	39 383 599
year 10	51 345 713
year 15	66 449 635
year 20	83 491 665



For Sale Model - Apartment Development Opportunities

INPUT SHEET - Develop and Sell Model

Optional Inputs

Development Name	Jason Boulevard	No. Units	10	Weighted ave size	2100
Land Size (ft2) or (m2)	30 000	FSI	70%	Max Habitable area	21 000

yyyy/mm/dd

Start Date	2022/06/30
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Development Detailed Inputs

Enter your Cash Flows, Codes and Dates below

the first start date must be oldest

yyyy/mm/dd

Amount	Code	Date
1 500 000	1	2022/06/30
100 000	2	2022/07/30
250 000	3	2022/07/31
400 000	4	2023/07/31

7 400 000	22	2023/11/30
7 750 000	22	2024/01/30
1 000 000	20	2023/07/05
1 100 000	14	2023/08/30
170 000	15	2023/08/30
185 000	16	2023/08/30
196 000	17	2023/08/30
92 000	18	2023/09/25
765 000	19	2023/09/30

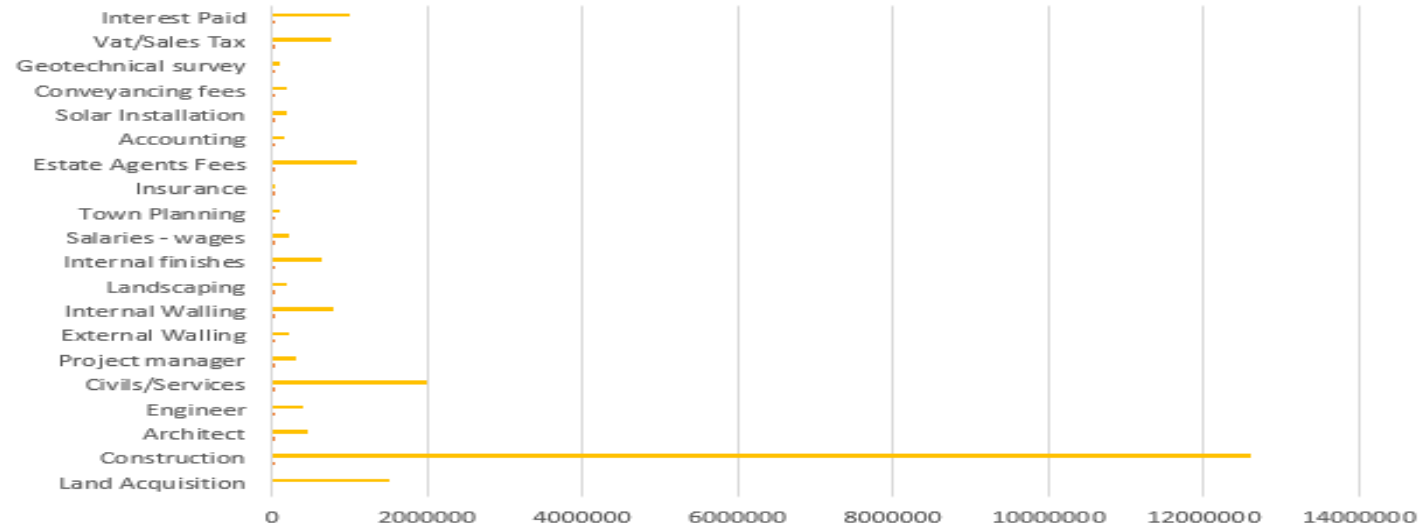
Change Expense Types

Funders %	Expense Type	Code
8,00%	Land Acquisition	1
	Construction	2
	Architect	3
	Engineer	4
	Civils/Services	5
	Project manager	6
	External Walling	7

XIRR	137,03%
XNPV	6 139 690
Gross Profit	7 572 000
GP %	24,79%

Amounts	% absorbed
1 500 000	6,53%
12 600 000	54,84%
470 000	2,05%
400 000	1,74%
2 000 000	8,70%
300 000	1,31%
212 000	0,92%

EXPENDITURE Ratios



For Sale Model - Quick Compare Apartment Development Real Estate Opportunities

Project A

Funders %	12,00%	
XNPV	3 505 354	Date Sensitive
XIRR	159,12%	Date Sensitive
Gross Profit %	43,00%	
Sales Income	10 000 000	
Expenditure	-5 700 000	

Project B

Funders %	12,00%	
XNPV	5 873 133	Date Sensitive
XIRR	62,73%	Date Sensitive
Gross Profit %	43,00%	
Sales Income	20 000 000	
Expenditure	-11 400 000	

Project C

Funders %	12,00%	
XNPV	593 893	Date Sensitive
XIRR	41,35%	Date Sensitive
Gross Profit %	50,00%	
Sales Income	2 000 000	
Expenditure	-1 000 000	

Project D

Funders %	12,00%	
XNPV	846 237	Date Sensitive
XIRR	25,97%	Date Sensitive
Gross Profit %	50,00%	
Sales Income	4 000 000	
Expenditure	-2 000 000	

NB No Dates must be earlier than the first date - formula will not work

(-) for expenditure Flows

Cash Flows	YYYY/MM/DD
-1 000 000	2020/01/11
-700 000	2020/02/28
-4 000 000	2020/08/20
10 000 000	2021/01/10

(-) for expenditure Flows

Cash Flows	YYYY/MM/DD
-2 000 000	2020/01/11
-1 400 000	2020/02/28
-8 000 000	2020/08/20
20 000 000	2021/08/10

(-) for expenditure Flows

Cash Flows	YYYY/MM/DD
-1 000 000	2020/01/11
2 000 000	2022/01/11

(-) for expenditure Flows

Cash Flows	YYYY/MM/DD
-2 000 000	2020/01/11
4 000 000	2023/01/11