



# CALDES DEVELOPMENT VALUER FULL TUTORIAL

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## **1.0 Introduction**

CALDES Developer is the Estate Gazette's most highly rated Windows-based development appraisal, discounted cash flow and project monitoring system. It has many features that set it apart from other appraisal systems including its unique Development Setup Wizard and its ability to work directly with live spreadsheets.

Having entered your essential data using the Setup Wizard, CALDES constructs 7 fully interconnected spreadsheets. The programmes' framework then intuitively guides' novice users through the development process, while spreadsheet flexibility allows extensive programming for the more adventurous.

A brief description of each of the spreadsheets is given below, and on the next few pages examples of printouts available from the programme are shown. Each spreadsheet has been carefully developed to provide for a specific purpose, be it an appraisal, cashflow, sales schedule, construction schedule or a list of fees, rates or timings.

### ***Appraisal Summary Spreadsheet***

A clear and concise standard Appraisal, listing all the main incomes and costs and a set of summary results, such as Profit on Cost, Internal Rate of Return and Net Present Value. A copy can be re-formatted in propriety Excel for adding to standard reports or sending to clients via Email.

### ***Land Spreadsheet***

A summary of project and land information, allowing multiple tranches of land to be dealt with simultaneously.

### ***Overalls Spreadsheet***

A breakdown of overall fees and rates, 2 timings with tools to automatically spread the timing of payments and interest.

### ***Cash Flow Spreadsheet***

A familiar spreadsheet cash flow, interchangeable between both monthly and quarterly periods. Complex financial deals can easily be set-up, with VAT available on every item. Interest rates and proportions can be altered to meet variable changes throughout the life of the project.

### ***Sensitivity Analysis Spreadsheet***

Up to 3 axes can be selected, and analysed from a long list of variables including timings and building sizes.

### **Proprietary Spreadsheet**

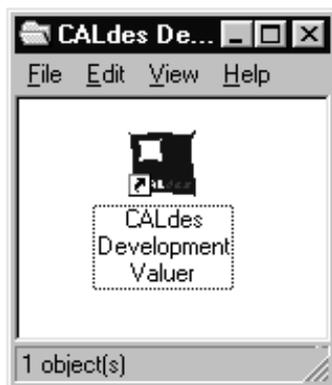
This can be used as a gateway to other Windows systems and most property software. You can even build up your own Microsoft Excel© Spreadsheets via Add-ins. Modules currently include:

- Accounting Link (**NEW**)
- Combined Cash Flow
- Zoned Retail
- Hotelier
- Actual v Budget
- Customised Solutions

For details on any of these modules or to arrange a demonstration of CALDES Developer please contact our Head Office on +44 (0) 870 420 8348.

## **1.1 DISK INSTALLATION**

- Insert the CD-ROM
- Start Windows
- Choose **RUN** from the File Manager menu or Start Menu in Windows
- Type: **d:/setupdv** and then press **OK**
- Press **OK** and follow the on screen instructions.
- Once installed run the program by double clicking on the CALDES Developer Icon in the CALDES Development Software Group that is on your desktop (or under the Start Menu in Windows)



- You will then be asked for a password. This changes on a random basis, so you will need to call us at this point, with the Security Dialogue Box on screen (0870 420 8348.). If we are not available just press OK and cancel the software until later.

### **1.2 Network Installations**

Please refer to Appendix – A for information on Installing CALDES Development Valuer on to a Network.

### **Important!**

This tutorial has been designed as a starting point and we suggest that it should be read whilst using the system, not on its own. If the manual does not

answer your query please feel free to call CALDES on +44 (0) 20 7439 4995

## **2.0 ABOUT THE SYSTEM**

### **2.1 The CALDES Pyramid System**

- The system is split into three areas and grows in functionality and flexibility using what we have called the “Pyramid System.” This means that to start with, much of this manual will not be required.
- Initially CALDES provides you with the bare essentials of a development, and allows you to expand to an almost unlimited extent.

---

### **2.2 The Development Setup Wizard and Database**

- Stores frequently used variables such as rents and building costs, fees and interest rates.
- (To Quit CALDES completely here select the "Finish Setup" bottom tab and then the "Quit CALDES" button.)

---

### **2.3 Spreadsheets**

- For storing and fine tuning Appraisals and Cash Flows.
- (To Quit CALDES completely here use the File Menu and Exit.)

---

### **2.4 The on-line help system**

- Press F1 for help on the current subject, whilst using the program.

- To quit the help system completely, use the File Menu and Exit.

### **3.0 THE DEVELOPMENT SETUP WIZARD**

- The following tutorial shows you how to produce a full spreadsheet based development appraisal and cash flow to meet an *individual development scenario* without time consuming copying and pasting of spreadsheet rows and columns and constant checking of formula - Use the CALDES Development Setup Wizard!
- Please note that this is only used to set up the initial project. You can extend the project to an almost unlimited extent using the “Pyramid System” (see above.)
- To follow our tutorials use the figures in brackets or pictures shown.

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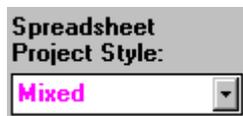
#### **3.1 Basic features**

- For additional help whilst using CALDES select the New User Help.



This will give you on screen prompts whilst entering data.

- Set Up Style. Click on the arrow for a selection of different use type scenarios. For instance, select Residential and your spreadsheets will be “Set Up” to give a more



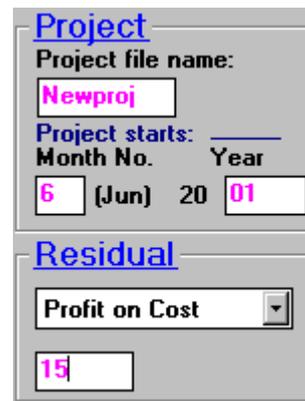
residential feel, including bedrooms and bathrooms.

- You can define what is shown and what is hidden in the Defaults spreadsheet in the main spreadsheet section. (See section 15)

#### **3.2 Basic Site Information**

Development Setup Wizard:

- Essential project information is added to the Land Information box.
- This includes an eight-letter file name (so that the files remain compatible with all versions of Windows). No full stops, commas, hyphens or question marks can be used.
- The Project Start date is also entered on this screen: This is the date that when the first payment is made. Initially CALDES assumes that this is the land purchase date although, this can be changed later in the land spreadsheet. Check that the date is the current month. If not then your



computer clock is wrong. This is the *only* real date in the whole system. Once set all other dates are whole months from this date.

- Add either a Land Value, a preferred profit on cost or a Development Yield (Further options are available through the Sensitivity Analysis).

### 3.3 Basic Project Information & Phasing

- Decide whether you want to phase the project.
- For the purposes of this Tutorial we have selected to do an unphased development.

#### 3.31 Unphased Option

**Overalls**

**Construction**

Start Mnth For x mnths

2 (Jul) 12 (Jun)

**Void**

6

Phase?

[ 19 months from project start to last sale: Jan 03]

**Interest rate**

8.00 %

Add the number of months from project start to construction start in the “Start Month” box. (2) (Prebuild period)

Type in the number of months for construction, including the start month. (12)

Type the void between the end of practical completion/construction to the last sale (6)

#### Simple Phased Option: Up to 7 Phases

1. Ignore the boxes shown in the overalls section and click on the “Phase?” button instead.
2. Add in each phase exactly as for the phased option. The difference is that you can add up to 7 phases. You

must work through each phase in order from the top only.

3. Click “OK”. You have now fixed your phases, but they can be changed later on in the Unit Breakdown Spreadsheet. You will note that you can no longer change the simple phased option.

**CALdes Phasing**

This screen allows you to phase the projects' construction and sales. This allows you to define up to 7\* phases and then allocate each unit or group to a phase.

WHOLE PROJECT				
Month No.	Year	Con. Start Month	Con. Period	Void Period
Start: 5	(May) 19 98	3 (Jul)	13 Months (Jul)	5 Months (Jan 2000)
Phase 1	Con. Start: 3	Con. Period: 12	Void Period: 6	Jan 2000 <input checked="" type="checkbox"/> OK
Phase 2	Con. Start: 6	Con. Period: 10	Void Period: 3	Nov 1999 <input checked="" type="checkbox"/> OK
Phase 3	Con. Start: 8	Con. Period: 6	Void Period: 3	Sep 1999 <input checked="" type="checkbox"/> OK
Phase 4	Con. Start: <input type="text"/>	Con. Period: <input type="text"/>	Void Period: <input type="text"/>	<input type="checkbox"/> OK
Phase 5	Con. Start: <input type="text"/>	Con. Period: <input type="text"/>	Void Period: <input type="text"/>	<input type="checkbox"/> OK
Phase 6	Con. Start: <input type="text"/>	Con. Period: <input type="text"/>	Void Period: <input type="text"/>	<input type="checkbox"/> OK
Phase 7	Con. Start: <input type="text"/>	Con. Period: <input type="text"/>	Void Period: <input type="text"/>	<input type="checkbox"/> OK

Cancel OK Help

(\* CALdes DOES provide you with the flexibility to define much more complex phasing and sales schedules than allowed here. This is done in the 'Unit Break-down' spreadsheet. However, we recommend that you use this phasing tool to outline your project first.)

4. Now allocate each unit to a phase using the dropdown box, which will be showing, in the unit area next to the unit type.

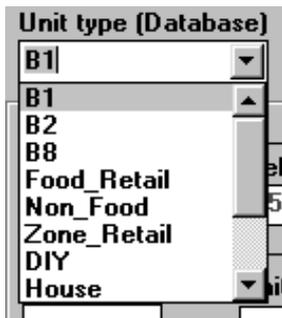
#### 3.33 Complex Phased Option: Up to 250 Phases

- Set up a simple phased scheme and then change each individual unit in the Unit Breakdown spreadsheet. (See Section 11.0)

#### 3.34 Interest Rates

- Check the main interest rate. (You can also add multiple sources, variable on a monthly basis from the Cash Flow Spreadsheet. See Section 12.0. (8)

### 3.4 Basic Unit information



- Select a building type by clicking on the arrow and selecting a unit from the drop down box. Pick the use type that most closely matches your unit or floor of the unit. (You can change the actual name / floor of the unit later in the Unit Breakdown spreadsheet. i.e. B1 could be renamed as Office. (B1))
- Check the areas, rents and costs. Please note that you can use this section as a calculator, locking specific cells. For instance, locking your gross to net ratio will mean that any changes made to the gross area will change the net area. You can define the names of these areas in the spreadsheet areas later, allowing for the mix of terminology used between residential or commercial development. The “No. Multi Units” acts as a multiplier, allowing you to build up large schemes without adding each individual unit. Only do this if the unit areas and construction costs are the same. (You can schedule sales of grouped units in the Unit Breakdown spreadsheet.) All default figures can be edited in the main Appraisal Defaults section.

Unit costs		Totals	
Cost per ft <sup>2</sup>	Locks	No. sub units	
65	<input type="checkbox"/>	1	
Unit Build Cost			
1911780	<input type="checkbox"/>		1911780
Unit areas			
Gross Ext Area			
29412	<input type="checkbox"/>		29412
Internal Area			
25000			25000
Gross to net ratio	<input checked="" type="checkbox"/>		
		85	%

- To add any additional units or floors click the “More Units” button. Note that this will bring up a list of units with areas, rents and costs. At this stage you can not delete items once added. (You can delete them later by selecting the item to delete in the Appraisal and then using the Spreadsheet Control menu.)



- Important! The current unit shown will already be added to your scheme. This means that you only click “More Units” to add another unit. Note how the unit Number changes at the top.

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### 3.5 Bullet Payments

- To add any other costs or revenue select the appropriate button. These will be added as “bullet payments” to the appraisal and cash flow.
- Note that this excludes fees and VAT, which are dealt with in sections 4.0 and 5.0. Also, marketing and rent-free periods are dealt with in section 11.0.



- Having selected one of the above buttons you will be shown the following screen:

Appraisal & Cash flow only

**Additional costs.**

Name

Total amount

Timings

Starting at month  from project start.

Spread over  months on a

basis at  per month.

Last month in project is 20

- Type in the name of the payment, how much, when it happens and over what period of time you would like to spread it. If you want to spread these cost over a more elaborate time frame you can literally type over the amounts in the cash flow later. (30,000 in month 1 spread over 2 months)
- To add further items click “Next (Add another Item)” otherwise click “Add Item and finish.” Alternatively, if you click “Cancel (current item and finish)” you can delete your last item and return to the previous screen. At this stage you can not delete items that have already been added. Although, you can delete items later by selecting them in the in the Appraisal Spreadsheet and then selecting: “Spreadsheet

Control-> Delete Selected Unit/Payment/VAT.”

(30,000 in month 1, Spread over 2 months)

## 4.0 VAT Defaults

- The VAT default section allows you to set up a standard range of starting figures for VAT. The left-hand figure is the percentage of each item’s cost that has VAT on it. This is usually 0 or 100. The right hand figure is a percentage of the left-hand percentage recovered. This will almost always be 0 or 100. Once set up, the VAT section can be left. It only needs to be changed if you change from say residential, where both boxes in construction will usually be 0, to commercial where they will usually be 100. For mixed use schemes leave them as 100 and then change the residential units only back to 0 in the cash flow if required.
- You can change VAT on any individual item from the Cash Flow spreadsheet. (See Section 12.4 VAT in the Cash Flow).

**Construction**

- When setting up a new development you are forced to use these figures. If you return to this screen from an existing project you may force all items in each section to a different setup with the Use or Ignore option.

Use	Ignore
<input checked="" type="radio"/>	<input type="radio"/>

- Remember to check the VAT rate and number of months to recovery. You will see recovered VAT with a “-R” in the Cash Flow. (100 in all exc. Proceeds and Land)

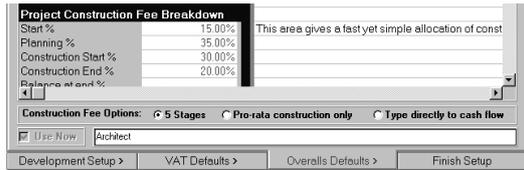
## **5.0 Overall Defaults**

- Please note that if you are on a network, then changing these figures for an individual project here will change them for all users. Therefore, it is advisable not to edit these here, but make changes in the overalls spreadsheet in the main appraisal.
- To change items in this section you will need to unlock the restricted access to defaults in the initial password section. Select ‘File’ then untick the “restrict access to defaults”, you will then need a password which we will supply (0870 420 8348). It is important to lock this area back down when you have made your adjustments. Use the same process to re-tick.
- The Overalls spreadsheet is a mini database of project *default* figures. This provides a structured starting point to your development. You can then expand to more detail in the spreadsheet areas if required. Once set up you should not change them here each time you start a new project. Change the matching figures in the Overalls spreadsheet instead.
- The Project Construction Fee %’s allow you to add initial fees for each main category. As these will vary

<b>Unit costs</b>		<b>Totals</b>	
Cost per ft <sup>2</sup>	Locks	No. Multi Units	
<input type="text" value="30"/>	<input type="checkbox"/>	<input type="text" value="1"/>	
<b>Unit Build Cost</b>			
<input type="text" value="300000"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="text" value="300000"/>
<b>Unit areas</b>			
<b>Gross Ext Area</b>			
<input type="text" value="10000"/>	<input type="checkbox"/>	<input type="text" value="10000"/>	
<b>Internal Area</b>			
<input type="text" value="9000"/>		<input type="text" value="9000"/>	
<b>Gross / net ratio</b>		<input type="checkbox"/>	<input type="text" value="90"/> %

from project to project, a percentage must be added. Remember that these are starting figures for all *new* projects only. You can change them to lump sum figures or add in more items in the Overalls Spreadsheet of the individual project later.

- The Breakdown allows you to make a fast, simple spread of how these fees are paid. There are three different options to choose from at this point:
- 5 Stages:** A simple spread of fees over the whole project period using the percentage system provided in the Overalls Defaults. (See Section 10.0).
- Pro Rata Construction Only:** A spread of fees pro rata construction costs. (See Section 10.0).
- Type Directly to Cash Flow:** Unlocks the fees section of the Cash Flow Spreadsheet allows the greatest level of flexibility. (See Section 10.0).
- Select the one that best suits your needs by clicking on the Radio Buttons at the bottom of the screen. For the purposes of this Tutorial a simple 5 Stage Spread is being used.



- If you change your mind about how you want your fees spread, you can always change this option from the Spreadsheet Control Menu later on in the program.
- Non construction fee defaults are added to the “Other fees section.” Please add your own default figures here. Planning and building regulation fees are nominal lump sum figures.
- Letting fees will only be allocated to commercial uses unless otherwise specified in the Unit Breakdown spreadsheet, so you do not have to remove them for residential schemes.
- Other costs such as marketing and rent-free periods can be added to each individual unit in the unit breakdown spreadsheet. (See Section 11.0 Unit Breakdown.)

Other fees	
Planning Total	0
Building Regs Total	0
Letting legal fee %	3.50%
Letting Agent fee %	10.00%
Sale Legal fee %	0.75%
Sale Agent fee %	1.50%
Timings in months	
Planning	1
Building Regulations	1
Marketing start	10
Marketing % at each sale.	
Finance	
Compounding	Monthly
Beginning/End of period	Beginning
Credit rate	6.00%
NPV Discount Rate	15.00%

- The Timings section allows you to detail which month, *from the start of the whole project*, in which planning, building regulations and marketing happen. Also for residential sales you can add a % of the sale as a marketing cost. Remember that the construction and sales timings were set in the Development Set-Up Wizard at the beginning and can also be changed in the Unit Breakdown Spreadsheet for each individual unit.
- The finance section defines how interest is calculated. The compounding is fixed at this point, but can be manipulated in the Cash Flow Spreadsheet.
- A standard Credit rate, if the bottom line of the cashflow becomes positive, may be used.
- A net present value of your profit may be determined using the discount rate set here. For a full definition of NPV and IRR, including exactly how they are calculated, select F1 in the help system. We do not use the standard spreadsheet NPV formula, as there

have been concerns over its reliability.

## **6.0 Initial appraisal**

- The Development is now set up - Where is my appraisal?
- Select the "Finish Setup" Tab at the top of the screen.
- Press the "Go to spreadsheet appraisal" button for a full spreadsheet based interactive appraisal and cashflow, with investment and project monitoring capabilities.



- You will be presented with the appraisal showing a complete breakdown of all income and expenditure. For more information see Section 6.0 Initial Appraisal.
- The net land value for our tutorial will be 1,915,839 (2,011,631 gross) Initially you will not be able to see the Net Figure. See the Next section for more details.

Net	Gross
1,915,839	2,011,631
<b>1,915,839</b>	<b>2,011,631</b>

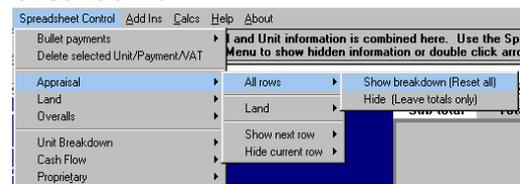
- To print, select the menu bar: "File->Print ALL." and then from the Print option box select the Appraisal tab. Then select the Print button and follow the prompts. When complete click the Done tab to return to the spreadsheets area. *You have now done your first appraisal using*

**CALDES.** To Fine tune the Development see the next section.

## **7.0 SPREADSHEET AREA** **- An Overview**

### **7.1 The Menu Bar**

All functions available to each spreadsheet are available from the Spreadsheet Control Menu. In the outline below, when you see "->" that means a sub menu of the current menu. For instance the menu selection below would be " **Spreadsheet Control-> Appraisal-> All Rows-> Show breakdown.**"



### **7.2 The Scroll Bars**

To move around the spreadsheets click on the arrows at the top and bottom or left and right of the spreadsheet area (if shown.). If they are not shown then click on the spreadsheet first. If they are still not shown then the spreadsheet should not scroll in this direction.



### **7.3 The spreadsheet tabs**

Along the top of the spreadsheets are a selection of buttons or "Tabs", which allow you to move to each spreadsheet.

## 7.4 Spreadsheet Overview

- CALDES Spreadsheets are exactly the same as any other spreadsheet. We have provided a few rules below to make life easier.
- Each spreadsheet has a specific function. Generally the blue area is where the name/text for each row is displayed. This area will only move/scroll up and down, but not left and right.
- Along the top will be the headings in white or Grey. These will move/scroll left and right but not up and down.
- White cells are where you type in your information.
- Grey cells show results.



- The current cell ref. is shown in the top left corner under the buttons. The current cell contents are shown in the bar to the right.
- Notes can be added in the white cells to the right of most spreadsheet. You can view Spreadsheet Notes by selecting: "Help-> show spreadsheet notes."
- Press F6 on your keyboard to show the row and column headings.
- Press F7 on your keyboard to hide the row and column headings.
- Press F8 to force all spreadsheets to recalculate (This is not normally necessary, but can be used as a check.)

- Use the Floating Eye button for a mini appraisal/sensitivity sheet, irrespective of the current spreadsheet.

---

## 8.0 The Appraisal Summary Spreadsheet.

- This is the first spreadsheet that you will see after using the Setup Wizard. You can not change anything from this spreadsheet. It only shows the results. (Land value, profit, IRR, NPV etc.)
- All changes are made in the other spreadsheets. However, by double clicking on any figure, this will take you to the correct spreadsheet to edit the figures.
- The Appraisal Summary will initially show a complete appraisal (including a breakdown of all fees and costs). To show totals only select the menu: "Spreadsheet Control-> Appraisal-> All Rows-> Hide (leave totals only)."
- **Important!** If you are ever unsure about whether a figure has been displayed in the appraisal use the "Spreadsheet Control -> Appraisal-> All Rows-> Show breakdown." command to reset the appraisal. This is because CALDES allows you to hide or display rows as required using the menu: "Spreadsheet Control -> Appraisal-> Show next row or Hide next row." (For the bank etc.!).
- This is a clear, standard appraisal where land value can be shown as part of the input figures or as a result

at the bottom. To move land select:  
**"Spreadsheet Control->  
 Appraisal-> Land-> Option 2:  
 Show as a result"**

- To find the IRR you will need to select the Goal Seek Button:



- To reset the profit or land cost you need to select the floating eye.

### 9.0 The Land Spreadsheet.

- To add up to 10 other tranches of land select: **"Spreadsheet Control-> Land Spreadsheet->Show Tranch2"**

Preferred profit %	
NET LAND COST	1,000,000

- Note that the Stamp Duty and land fees are also here. You can add a percentage or a full amount. Be sure to check that these figures meet current Stamp Duty requirements.
- You can also add more tranches later using the menu: **"Spreadsheet Control-> Land-> Show Tranche 2"** etc. Note that the fees of the following tranches automatically equal the previous tranche unless otherwise overtyped. The first tranche is always the net value less any other tranches. This feature can not be changed. Other tranches can be added as percentages or lump sum values. We suggest that you use percentages if you are looking for land value based on a profit and use actual values if you know the land value and are using CALDES to find your profit.
- At the top of the Land spreadsheet is other project information. This will

not be printed on the land spreadsheet, but it can affect the display of the appraisal. The project name, the start date and metric or imperial units can be changed from here too.

- The project start date, (not necessarily the land purchase date) can be changed here. For example to add March 2001, type 3/2001

## **10.0 OVERALLS** **SPREADSHEET**

### **10.1 Construction fees**

- Add in fees as percentages of construction costs or whole amounts (any figure over 100 is assumed to be a whole amount).
- To change the way in which fees are dealt with through out your cash flow select: **"Spreadsheet Control-> Overalls-> fees"**. This will give you four options for spreading fees:
  - Option 1a - Over 5 lump sums:** Spreads the payment of fees over the whole project period. The spread is determined by the percentages that were entered on the Overalls Default Screen in the Setup Wizard, but can be edited here.
  - Option 1b - 5 Stages, spread Construction:** Takes the total percentage of fees allocated to the start and finish of the construction period and spreads them over the construction period on a pro rata basis.
  - Option 2 - % of Construction Only:** A spread of fees pro rata construction costs.

**Option 3 – Free Type:** Unlocks the Fees Area on the Cash Flow Spreadsheet allowing you to type in fees directly to the Cash Flow Spreadsheet.

- You can add in more fees by typing the label required and entering either a % or fixed figure.
- You can detail up to 10 different fees here. The Cash Flow will allow further flexibility.
- You can create a typical spread of fees over the development in the "Breakdown of Above" section. Always add your worst case scenario and then amend it later if required. (If this does not provide a detailed enough forecast then use the other costs *bullet payments* instead.) Type in the percentage of the fees that you expect to be paid in line with the main project timings. For instance if you expect to pay 20% of your fees at the beginning of construction add 20% in line with "Construction start." Check that the total is 100% when you have finished.

**10.2 Planning fee, Building regulation fee, Letting fees and sale fees.**

This section allows you to add overall fees for planning, building regulations, letting legal and agent fees and sale legal and agent fees. In a mixed use scheme units can be excluded from letting fees by selecting the appropriate unit in the Unit Breakdown Spreadsheet and putting a Y or N in row 57. Press F6 on your keyboard to show row and column headings of the current spreadsheet. Press F7 to hide them again.

**10.3 Overall Timings. Understanding how this section works**

- The Timing section is for the **whole** project. You must set these dates first and then phase individual units in the Unit Breakdown.

TIMINGS in months	
Planning month	1
Building Regulations month	1
Construction start	3
Repeat?	Monthly <input type="checkbox"/>
Construction months	12 14
Marketing month	10
Void months (from construction)	6
Project end date	21

- Planning month is the month from the start of the whole project that planning is paid for.
- Building Regulations month is the month from the start of the whole project that Building Regulations is paid for.
- Construction start is the month from the start of the whole project that the first element of construction is paid for.
- Repeat? - This allows you to define a flat "Monthly" construction cost or a number of "S-Curve" options by clicking on the grey cell at

ref: D899  Monthly  and selecting from the drop down list which will appear below the cell. Note the box in the margin - this highlights to the user that a drop down box is linked to the grey cells in that row. All units will then take the same form of construction costs unless otherwise specified in the Unit Breakdown Spreadsheet. (Also you can type directly over the cash flow for a detailed construction cost analysis. See Section 12.0)

- Construction Months allows you to define how long all phases of construction take. If construction starts in month 3 and takes 12 months add 12 here (not 15.) If you have two phases of construction, the first starting in month 3 and taking 12 months and the second starting in month 8 and taking 12 months add 17 here. This can also be done automatically with the Phasing Tool in the Setup Wizard, for new projects.
- Marketing month is the month when you expect to pay for marketing. Remember that if your marketing is complicated it can always be added as an other cost, which can then be typed over in the cash flow on an “as it happens basis.” This is true of any item and is detailed later in the cash flow section of this tutorial. (See Section 12).
- The void period is the number of months from the end of the last phase of construction to the very last sale. So if you finish construction in month 12 and expect to have already sold some units, (detailed in the unit breakdown sales schedule area,) but that it will take another 6 months to sell the remaining units, just add 6 as your void. Remember that you can easily check when items are paid for or sold by checking the cash flow proceeds.
- The project end date automatically calculates how long the whole project is currently expected to take, from your first payment to your last sale. (Some recoverable VAT may be expected after this date however.)

#### 10.4 Finance.

- The Finance section allows you to change basic interest rates etc. For more detailed multi-layered finance, variable on a monthly basis. (See Section 12.8).

FINANCE	
Compounding	Monthly
Beginning or end of period?	Beginning
Credit rate	6.00%
Negative interest rate	10.00%
NPV Discount rate.	15.00%
Bank arrangement fee	
Date (month) of fee	1
VAT rate	17.50%
VAT recovery (Months)	3

- Compounding is initially fixed as monthly, paid at the beginning of the following month. You can however change this to Quarterly by selecting monthly; the option quarterly will be displayed.
- If your cash flow becomes positive before the end of your project you could earn interest on that money, as your bank balance would be positive. For valuation purposes you may wish to add a positive rate here.
- The negative interest rate that you have designated in the “Setup Wizard” was automatically sent to this cell of the Overalls spreadsheet and is currently being used in the cash flow. To change your overall interest rate type in a new one here. Note that multi-levelled finance, variable on a monthly basis, with equity, mezzanine, mortgages, interest on any single item etc. is available in the cash flow, in the next tier of the Pyramid System if required.
- The **Net Present Value** discount rate (NPV) returns today’s value of your

profit, based on the annual cash flow values before interest at the current discount rate. The net present value of an investment is today's value of a series of future payments (negatives values) and income (positive values). The NPV investment begins one period before the date of the first annual cash flow value and ends with the last annual cash flow value.

- The net present value is calculated using the following formula:  

$$1 / ((1 + \text{Discount rate})^{((\text{Month Number} - 1) / 12)}) * \text{monthly net cash flow on a monthly basis and then added together. This equates exactly to the Parry's tables and does not use any Excel PV or NPV formula. Remember that, unlike other systems, all CALDES formula are visible (but locked) and available for examination. If you require more information about any of our calculations please call us.}$$
- Bank arrangement fee. Easily forgotten, this can be added as a percentage of your maximum borrowing requirement or as an actual cost. Add the date that this payment is paid, from the beginning of the whole project.
- The VAT rate has come from the VAT Defaults sheet at the start of the program. It is shown here for printing purposes, but can also be changed here. VAT is applied at this rate, recovered on this basis and can be seen in the cash flow. To change VAT on whole sections go back to the VAT Setup Screen by selecting the fourth button from the left at the top of the screen (VAT can be changed/added to any individual item in the Cash Flow. This is detailed in the cash flow Section 12.4. You can even simulate the

effect of multiple VAT rates using our percentage system.)

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## **11.0 UNIT BREAKDOWN SPREADSHEET**

- This spreadsheet allows you to schedule and fine tune individual units. You are able to change specific details such as internal and external areas, costs, construction dates, marketing, other costs and sales, related to specific units.
- *Please note that all items added here **in any one column** will be shown under the same name in the appraisal. In other words, if you have a unit called "B1a Office Unit 1" then any other costs, marketing etc. will be shown as "B1a Office Unit 1" in the Other costs section of the Appraisal and called "B1a Office Unit 1" in the Marketing section of the appraisal. If you want to add an item under its own name, such as contaminated land, it should be added as a bullet payment, using the Menu: "Spreadsheet Control-> Bullet Payments-> Costs", or the Menu: "Spreadsheet Control-> Bullet Payments-> Proceeds "*
- You don't have to use this spreadsheet just for buildings. Any cost or revenue that needs automatic scheduling should be added here. If however the item is a simple cost or revenue then use the bullet payments, method, as it is less demanding on system memory.

### **11.1 Adding more units.**

- Select the Menu: "Spreadsheet Control-> Unit Breakdown-> Add new Unit." A new column will be added and a pop down box will provide you with a selection of default units. Select an item from the list. If none of the items provided are suitable select the "Blank" option and fill out your own details. Also see 11.3 Changing a units name, below.

### 11.2 Deleting units.

- Select the column of the unit which you want to delete and then select the Menu: "Spreadsheet Control-> Delete selected unit/payment/VAT." You can also delete the unit from the Appraisal by clicking on the Unit in the Appraisal and then the same menu command. Note that you can not delete the last unit. Change its use instead (See Changing a units use type below). Alternatively, you could change the number of Sub-Units to zero.

### 11.3 Changing a units name.

- Select the column of the unit which you want to change and then select the Menu: "Spreadsheet Control-> Unit Breakdown-> Change Unit Name" and then just type the name. The first three rows will all be shown in the appraisal. The name will be truncated to 20 letters or numbers.

UNIT BREAKDOWN	
	B1a Office Unit 1
<input type="checkbox"/> USE TYPE	B1a
UNIT NAME	Office
UNIT NUMBER	Unit 1

- You will note that each units details are shown twice. This is so that you

can see the Current unit even if you scroll down to lower rows. To change a unit's details you need to scroll up to the area shown above and select the appropriate row.

### 11.4 Changing a units use type.

- The drop down box symbol  USE TYPE is shown next to the words "Use Type" in the Unit Breakdown spreadsheet. By clicking on any grey cell in line with this symbol you will be shown a drop down box. In this instance it is the use type drop down box, which will give you a list of available default units. Click on a new use type.

USE TYPE	B1a
UNIT NAME	B1
UNIT NUMBER	B2
Phase	B8
	Food_Retail
	Non_Food
	DIY
UNIT PROCEEDS	House
	Flats
	Leisure
	General
	Blank
NUMBER OF SUB UNITS	
Net Area per unit	
Rent/Rate per area or Unit value	
Loss ground rent	

### 11.5 Visible and hidden rows.

- The Unit Breakdown is currently set up to show only those rows that match your particular development style (Residential, commercial, mixed use.) You were able to make a choice as to which style of development you require in the Setup Wizard. The available styles have a predetermined set up, which you are able to customise to your requirements. The images shown here are with all available rows showing. (See the Defaults Spreadsheet Section 15 for instructions on how to set up, show or hide Unit Breakdown rows.)

<b>NUMBER OF SUB UNITS</b>	1
Net Area per unit	25,000
Rent/Rate per area or Unit value	18.00
Yield	8.00%
Letting Legal/Agent?	Y

- Other available sections include a proceeds or sales schedule and other costs. See Section 11.10 for further details.

### 11.6 The Unit Description area.

- The top part of the Unit Breakdown allows you to add a description of the Unit, including:

<b>USE TYPE</b>
<b>UNIT NAME</b>
<b>UNIT NUMBER</b>
Number of floors
Floor level
Number of bedrooms
Number of bathrooms
Number of reception rooms
Terrace/Balcony

- Remember that all green text lines are our default suggestions, but that they can be changed using the Menu: "Spreadsheet Control-> Unit Breakdown-> Edit Green text."

### 11.7 The Unit Proceeds area.

- Number of Sub units: This is a multiplier. For example, if you have 5 identical units, instead of adding 5 identical columns just add 5 in the Number of Sub Units row. The areas, value, costs and construction period will be the same for all units. You can sell them at different times however, using the sales schedule outlined later in this section.
- You must have at least 1 Sub-Unit for the column to be calculated.

- The net area per unit is hot linked to the gross area and changes here will automatically prompt you to update the gross area too if required. *Note: The net area is multiplied by the number of sub units in the current column.*
- Rent/Rate per area or Unit Value will automatically differentiate between a commercial rent such as £15 per square foot, a residential rate such as £200 or a Lump sum value such as £150,000. If you are using another currency then you may want to change the threshold value, i.e. the value at which a rate becomes a lump sum. This can be done by opening up the calculations section using the Menu: "Spreadsheet Control-> Unit Breakdown-> Proceeds (sales)-> Show Calcs."
- A ground rent can be added.
- A yield can be added to commercial units.
- Purchasers acquisition costs and purchasers finance costs can be added in the usual way. Purchasers acquisition cost can be calculated in two ways. The first is based on the unit value and the second is on the value at yield. To examine or change the method used see the Menu: "Spreadsheet Control-> Unit Breakdown-> Proceeds (sales)-> Show calcs."
- The letting Legal/Agent row allows you to have a mixed use scheme and allocate letting fees to some units and not to others. Simply type a Y to allocate fees and an N to remove fees. The default for residential units is N and for Commercial it is Y.

### 11.8 The Unit Costs section.

UNIT COSTS	
UNIT CONSTRUCTION	
Construction Area per unit	29,412
Costs per area / Total unit cost	65.00
Number of parking spaces	
Cost per space	
Other construction costs	
Contingency	
Construction start	3
<input type="checkbox"/> Repeat	Monthly
Construction months	12
<b>Total (ex interest)</b>	<b>1,911,780</b>

- This area starts with unit construction. The construction area is linked to the internal area and changes here will automatically prompt you to update the internal area too if required. *Note: The construction area is multiplied by the number of sub units in the current column.*

- The Cost per area/ Total Unit Cost allows you to add either a cost per square foot or a total unit cost in this cell. CALDES is automatically able to differentiate between the two.
- Construction timings for individual units. This performs in exactly the same way as in the Overalls spreadsheet as outlined in section

10.3 Overall Timings, but on each individual unit. Initially the dates and repeat are the same as in the Overalls spreadsheet, but you can simply type over the formula with a number of your choice. This allows you to phase every unit, which in effect allows you up to 255 phases per scheme. You could then add other schemes in the Combined Cash Flow system for an even wider view of your portfolio. To replace the original formula select the cell in question and then press the F5 key on your keyboard.

- Note, that if you reduce the length of your cash flow to before a date which you have fixed here, then CALDES will prompt you to check these dates.

### 11.9 Unit Marketing

- Unit marketing is relatively straightforward. Note that all marketing entered in this area will be automatically placed in the month that you have allocated to marketing in the Overalls spreadsheet and that the marketing will be described as belonging to the current unit in the appraisal. If you want to put marketing of an item under a heading other than the current unit then you must add it as a bullet payment using Menu: "Spreadsheet Control-> Bullet payments-> Costs." Alternatively you may select the item in the cash flow and move it using the Ctrl Key and the arrow keys on your keyboard. For more information see the Cash Flow Section 12.

### 11.10 Unit Other Costs and Revenues or Bullet Payments?

- Other costs or revenues can be added in two ways. They can either be attached to a unit, being displayed in

the appraisal under the *units* name, or they can be bullet payments under their *own* name.

- For bullet payments select the Menu: "Spreadsheet Control-> Bullet Payments-> Proceeds " or Menu: "Spreadsheet Control-> Bullet Payments-> Costs." This will ask you for a name, an amount, a date and a period of time that you would like to spread the payment over. Once added you can adjust the spread of the cost by typing directly into the cash flow for the item concerned.
- For payments related to specific *units* you can use the *other costs* or *other proceeds* sections. Remember that these costs will be shown in the appraisal under the current unit name and not the name of the cost or revenue - use bullet payments as described above for *named* costs or revenues.
- The *unit other costs* and *unit other proceeds* sections use a simple process which involves adding the *total* amount, the month that the payments start being paid, a period to spread the payments across and how often those payments repeat (monthly, quarterly etc.)

<b>Foundations</b>	10,000
↑ Month	2
<input type="checkbox"/> Repeat?	Monthly
Number of months	None
↓ Fee?	Monthly
<b>TOTAL COSTS (Ex interest)</b>	Quarterly
	Biannually
	Annually

- In the above example a *total* cost of £10,000 is being paid monthly, starting in month 2 for 20 months (the 20 is hidden beneath the drop down box. To display the drop down box click on the grey *Repeat?* cell. To confirm that the process is

understood, have a look in the cash flow spreadsheet.

- Cost 1 and Revenue 1 are shown by default. Further Costs are accessed by the Menu: "Spreadsheet Control-> Unit Breakdown-> Other Costs -> Show 2"etc.

### 11.11 Sales schedules

- To schedule sales, we can use two methods. Either the default, which allows you to type percentages directly into the cash flow. This though is restricted to only nine entries per unit.
- The other option is to fill in a schedule sheet, which will appear below the unit proceeds section. To use this "Spreadsheet Control-> Unit Breakdown-> proceeds (sales)-> use free type (default) and untick this.
- The schedule will appear showing all ten receipts. N.B. Receipt 1 is always the remainder and will need to show a value.

<b>Sales schedule</b>	50.00%
↑ Start Month	5
<input type="checkbox"/> Repeat?	Monthly
↓ Number of months	5
Rate of sale per month	1.00

- Remember that the box next to the  **Repeat?** indicates a drop down box, which can be accessed by clicking on any of the grey repeat cells in that row.

### 11.12 Pre-Sales Income

- To add any income streams to the appraisal we need to offset this against any of the costs.

- Select "Spreadsheet Control-> bullet payment-> rental

income". This will give you a pro forma, which will allow you to add the rental income.

- The rental can be added quarterly, but this will not be quarter dates.
- When naming the rental income use the unit name and this income will appear as a negative cost in the other costs section of the main appraisal.

## **12.0 THE CASH FLOW SPREADSHEET**

### **12.1 Cash Flow Overview**

- This spreadsheet is where all the interest calculations take place. Rather than using complex formula in the appraisal, we simply cross-reference our appraisal exactly to our cash flow. This leads to an exact match between the two, without the danger of upgrades making previous spreadsheets unstable. This also guarantees the reliability of our sensitivity analysis, especially when using multiple variable interest rates.
- Information can be sent to the cash flow from other spreadsheets or sent to other spreadsheets from the Cash Flow (this is automatic).
- Whilst there are limitations to exactly where an item can be displayed, we have provided the flexibility to place any item at any date, using our bullet payment system, described throughout this tutorial. This means that every scenario can be tackled, though some may require going deeper into the pyramid than others.
- CALDES has provided a host of tools to tackle complex cash flow scenarios and speed up and simplify

data manipulation. In particular, CALDES can be used as a project monitor, well beyond the initial appraisal process.

### **12.2 Cash Flow Date system**

- All dates are monthly, but cash flows can be displayed quarterly, or annually by selecting: "Spreadsheet Control-> Cash Flow -> View/Monthly/ Quarterly/ Annual".
- You can also change the calculation of interest to quarterly or annually by selecting: "Spreadsheet Control-> Cash Flow-> Finance -> compounding"
- The current month number and date is always shown along the top of the cash flow. To change the start date go to the top of the land spreadsheet. (See section 9.0) If the dates appear wrong in the cash flow then make sure that you have entered the date correctly in the land spreadsheet and not used a date in the middle of the month. As all calculations are done in a monthly cash flow, the above entry would not affect your calculations.

### **12.3 The cash flow sections.**

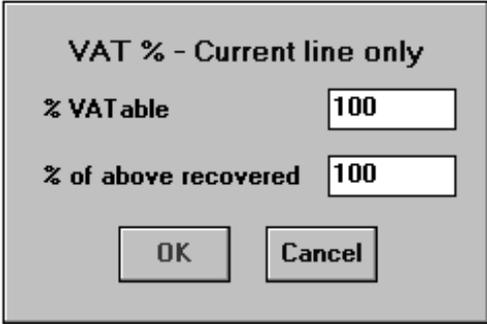
- You have three display options.
- The first option automatically hides all the rows except the totals for each section of payments and costs in the cash flow. This includes total VAT and cumulative costs. A typical example would be for the Land Section, where only the total monthly land cost, the total monthly VAT and the cumulative Land cost would be shown. To use this option select the: "Spreadsheet Control-

> Cash Flow-> All Rows -> Hide (leave totals only.)"

- The second option automatically hides all rows with no information in them and shows all rows with information in them, including the totals in the option above. However it does not show the individual VAT rows for each item. This is the default option but can be turned off using the menu: "Spreadsheet Control-> Cash Flow-> All Rows -> Show (Reset all excluding VAT)"
- The third option shows all rows in the above two options, *plus* each individual VAT row. To use this option select the menu: "Spreadsheet Control-> Cash Flow-> All Rows -> Show (Reset all excluding VAT)"

#### 12.4 VAT in the Cash Flow.

- Having used Option 3 in section 12.3 above, you are presented with each items VAT line, grouped at the bottom of each section in the Cash Flow. Only items with VAT are shown. To show an item without VAT select the item above and then select the menu: "Spreadsheet Control-> Cash Flow-> Show next row"
- To change the VAT for a row, select the VAT row concerned and then select the menu: "Spreadsheet Control-> Cash Flow-> VAT (Current Row)". You will be presented with an input box. Type in the percentage of that item which will accumulate VAT and the percentage recovered.



VAT % - Current line only

% VATable 100

% of above recovered 100

OK Cancel

#### 12.5 Changing or moving payments in the Cash Flow.

- There are three ways of changing or moving items in the cash flow. You should thoroughly investigate each option and decide which will meet your requirements.
- The first is to go to the spreadsheet where the item originates. i.e. for anything to do with Land go to the Month cells for each tranche of Land in the Land Spreadsheet, for other timings go to the Timings area of the Overalls spreadsheet. (Note that *phased* construction and sales timings must be changed in the unit breakdown.) *This is the preferred option, as it keeps the scheduling of information automatic, but it is also the longest way of doing it. Using this option allows any information to be moved or changed.*
- The second way is to select the item in the cash flow and slide it along in time. The only limitation with this method is that you can only move white cells. Select the cell and then hold down your Ctrl (Control) key on your keyboard. (Bottom left.) The white cell will change to yellow. Now press the left or right arrow key, keeping the Ctrl key down. (There is a slight delay initially.) When you let go of the Ctrl key the original amount will reappear in that cell. Note that unlike Excel's copy and paste, if there is a number in the

cell already then it will be added to the new number, keeping the total the same as before. Only interest will be affected. You can also drag the pink bar above each tranche of land in the same way. This will move all items in that tranche to a new date and change the month in the Land spreadsheet too.

- The third option is to type directly over the information. This is also limited to white cells, but has a second limitation: You can only type over cells indicated by a light blue (cyan) square in the left margin. The most flexible of these are bullet payment rows. Typing into them is just like typing into any normal spreadsheet, but with the changes being automatically shown in the Appraisal and having an affect on the interest. Construction cost behaves slightly differently. If you type over a construction cost the cell changes to cyan. This means that it is a fixed cost, or an "actual" cost. Any differences will be spread across all non-cyan coloured cells, in relation to any S-Curves etc, keeping total construction costs the same.
- Construction fees can be typed over using the menu: **"Spreadsheet Control-> Overalls-> Fees->Opt3-Free Type."**

## 12.6 Changing the names of items in the cash flow.

- There are two ways of changing names.
- The first is for rows with their names in green. To change these select the menu: "Spreadsheet Control->Cash Flow->Edit green text." You will then see the name (if any) in the edit bar at the top of the screen. Just type in a new name.

- All other names, *except* planning, building regulations, letting & sale agents and any titles, can be changed from the relevant linked spreadsheet. In other words to change a Land item go to the Land spreadsheet. To change a unit name go to the Unit Breakdown spreadsheet. To change a fee go to the Overalls spreadsheet.

## 12.7 Display of cash flow columns for printing.

- When you print the cash flow it will print all visible columns. This means that if you don't want to print a particular portion of the cash flow you can select any cells in the columns that you don't want and then select the menu: "Spreadsheet Control->Cash Flow->Hide selected columns."

- For a more complex scenario you can use the automatic column display tool, using the menu: "Spreadsheet Control->Cash Flow->View->Monthly/Quarterly/Annual." Please note that this will not change the actual calculations of the cash flow, just the display of the rows and columns. To change interest calculations use the menu: "Spreadsheet Control->Cash Flow -> Finance ->compounding."

	Start month	End month	Month shown
Monthly	1	12	+ remainders
Quarterly	13	24	3rd
Annually	25	68	12th

Current month: Nov 98

Project end month (incl VAT recovery): 68

Options:  
 Show cumulative totals only  
 Show last sale column  
 Show last VAT recovery column

Buttons: Calculator, OK, Cancel

- The above box will change the *display* of the cash flow to be shown on a monthly basis for the first year, a quarterly basis for the second year, on the third month in the quarter and annually for the last three years in the twelfth month of the year. Additionally the option to show only the cumulative total rows has been selected. The option to show the last sale column, whatever month it is in, has also been selected. Finally the last column of VAT recovery will also be included.
- The above box can also be accessed from the Cash Flow options of the Printing Selection box by pressing:



## 12.8 Complex Finance options, using the Cash Flow.

- Until now finance has involved simple concepts: We have a single rate of interest over the whole project, compounding on a monthly or quarterly basis. This information is entered into the Development Set-up Wizard at the beginning of the appraisal, and can be changed in the Finance section of the Overalls spreadsheet.

- The cash flow allows you to have up to four levels of finance, variable on a monthly basis, and directly linked to any other part of the system. This allows you to find the interest on say the land only, or on equity, mezzanine finance etc.
- **Important!** The first source of finance is always the remainder of your total borrowing requirement in any one month. For example if you have £300,000 as equity you could add this as source two with an interest rate of zero. If your total borrowing in that month was £1,000,000 then source 1 would automatically be the remainder - 70% - at it's own interest rate.
- The Source 1 percentage can only be changed by changing other sources of borrowing because it is always the remainder! The others may be defined, either as a percentage of total borrowing, or a lump sum amount.

↓	<b>FINANCE</b>	Monthly	
↑	<b>Source 1</b>	-Bank	(808,621)
	Negative Monthly Interest		(6,778)
	Cumulative Negative Interest		(13,513)
	% of borrowing		70.00%
↓	Negative Rate	10.00%	10.00%
↑	<b>Source 2</b>	-Equity	(348,572)
	Negative Monthly Interest		
	Cumulative Negative Interest		
	% of borrowing/ Amount		30.00%
↓	Negative Rate		

- To set your finance sources select the menu: "**Spreadsheet Control-> Cash Flow-> Finance-> Edit Source,**" and select the source in question.

- Add in the source's description.
- Source interest rate: If you want the source to automatically be the same as your default source, set in the Setup Wizard then "Use main negative rate", otherwise select "Use other rate" and type in a new interest rate.
- Source 1: Having set the description and interest rate you should press "Add and finish." You can not add a borrowing amount or percentage, as source 1 is always the remainder of your total borrowing requirement.
- Source 2 or greater: You can also add in your borrowing requirement and the date at which it enters your cash flow. Unlike your main Source (1) you can assign Sources 2 - 4 to be either a percentage of total borrowing or a percentage of the land value, or first in last out option; this is done in the bottom part of the Finance Dialogue Box. Once all changes have been made click "Add and finish."

- Once the sources are visible in the cash flow you don't need to use the pop up boxes. You can select the cell that you want to change and just type over it. CALDES will prompt you with any irregularities in your payments.
- To reset a row, select the row in question and then use the menu: "Spreadsheet Control-> Cash Flow->Replace/mend current row."
- *How do I choose the interest rate chargeable on the equity input or a nil interest rate?* Select the menu: "Spreadsheet Control-> Cash Flow-> Finance-> Edit Source 2," type in the description of the equity, a rate of 0, the amount of equity in amount/% and when that equity is first used in the month box. Then press add and finish and check the cash flow.
- *How do I evaluate the interest on a standard loan, over a fixed period and ignore the drawdown and payback features of the CALDES cashflow?* Select the menu: "Spreadsheet Control-> Cash Flow-> Finance-> Edit main source," and add an interest rate of 0. Then select the menu: "Spreadsheet Control-> Cash Flow-> Finance-> Edit Source 2," and add in the amount of the loan and when it happens. Check the positive rate too - you may want to reduce it to 0.
- *How do I set up complex finance deals with formula related to various parts of the system?* Use the cash flow notes and formula section at the bottom of the cash flow. Please call for more information.

## **13.0 THE PROPRIETARY SPREADSHEET**

- No other Development Appraisal Software allows you to customise your own spreadsheets and link them into the system!
- CALDES on the other hand gives you a blank spreadsheet with Microsoft Excel formatting and functionality without the need to buy Excel itself. You can then save any spreadsheet and load it into Excel.
- To customise your own spreadsheet select the menu: "Spreadsheet Control-> Proprietary->(and then make a selection) "
- Much of the system can be linked in and out of this spreadsheet by selecting a blank cell and pressing the equals key and then clicking on the cell reference which you want to connect to. When connecting to other spreadsheets, you should be aware that cell references move when *more units* are added. To combat this you need to use the OFFSET formula or *Named Cells*. For more information please contact CALDES.
- You can build up your own mini appraisal by connecting to the floating eye spreadsheet. For more information please call CALDES.
- You can copy and paste information to and from the proprietary spreadsheet using the Windows clipboard. Select the area to copy and then select the menu: "Edit-> copy..." or "Edit-> Paste...."

- You can import the Appraisal Spreadsheet in to properties by selecting “File-> Propriety-> Import Current Spreadsheet”
- **Important!** Proprietary spreadsheets are saved separately from the other spreadsheets. Remember to click the “Save Proprietary” Button in the “Save dialogue box.”

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## **14.0 SENSITIVITY-ANALYSIS**

- To run the sensitivity analysis, select the Sensitivity Spreadsheet. You will be presented with a number of options.
- To change an option, click on the drop down arrow and then select an option.
- Decide on which unit to include in the sensitivity.
- Decide on the number of steps required for each variable – these must be an odd number as the middle number is the current answer.
- When the required variables have been set click Run Sensitivity.

- Running the sensitivity analysis is a relatively slow procedure, but the method used by CALDES is an important feature of our system. On a Pentium 75Mhz with a simple scheme the sensitivity should take under a minute for profit and two minutes to work out land values. This is because we don't use formula to approximate our cash flow. We have found this to be too unreliable when using multiple variable interest rates or when issuing upgrades. Having run the sensitivity analysis you can put the figures from one of the options back into the system and be guaranteed that you will achieve the same results. This is because all figures are taken from real cash flows.
- You can stop the Sensitivity Analysis at any time by clicking the stop button that appears on your screen while the Sensitivity Analysis is running.
- On stopping the Analysis CALDES asks if you would like to return to your original appraisal before the analysis was run or, if you would like to insert the last sensitivity analysis calculated.

---

## **15.0 The UNIT DEFAULTS SPREADSHEET**

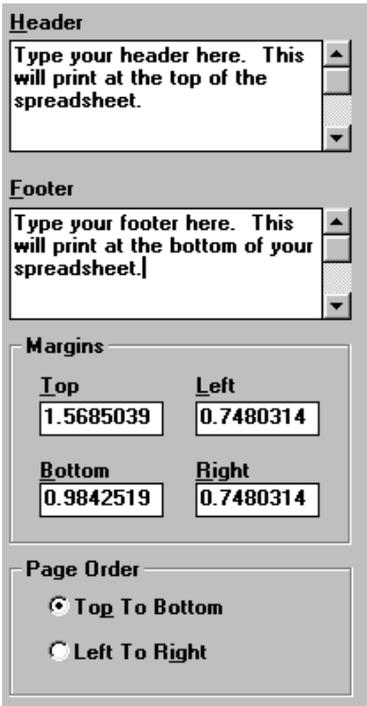
- This spreadsheet allows you to set up your own default starting figures for each standard unit type.
- It also allows you to determine how items are displayed in the unit breakdown when you select a Residential Setup Style or a

Commercial Setup Style in the Setup Wizard.

- To change a unit's default starting figure scroll across to the use type required and then type in the new default value.
- To change a setup style scroll across to the use type required such as residential and then click on the row that you don't want displayed in the column that you want to change. If the cell has the words  then on it will remove the words "Hide Row"  and the row will be displayed at start up. It is a simple toggle. Also it will change the current setup in your unit breakdown.

## **16.0 PRINTING**

- To print select the menu: "File->Print All"



- You will be shown a print box with a number of options. To print all the spreadsheets click the button below.

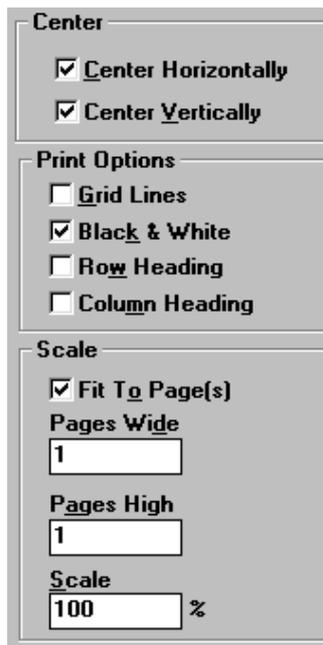
[Click here to print all sheets](#)

- To print individual sheets select the appropriate tab.



- Each tab will have three standard buttons: Page Setup, Print Setup and Print.
- Some tabs will have additional functions related to the specific spreadsheet. These will be functions already covered in other sections, but given as a reminder here.
- Page Setup: This is a standard page setup dialogue box with areas for headers, footers & margins for logo's etc.
- All new projects will have our standard setup. When you save a project any changes will be saved with that project, but any new projects will remain as our default settings. If you need to change the default file please call.
- Please note that colour changes, reformatting and the addition of borders etc. can all be done, but they require a little care, depending upon what you intend to do. For this reason we recommend that you contact us once you are familiar with other features of the program and we will guide you through these additional functions.

- You can also determine the page positioning, colour, scale etc. Please note that fit to pages overrides the scale option.
- Print setup allows you to change the page orientation, the current printer and any other network or printing options.

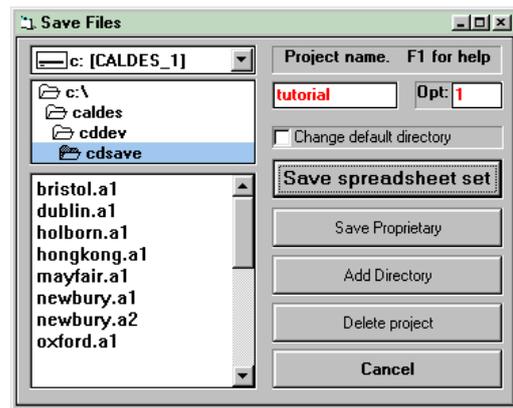


- When these settings are correct for the current spreadsheet press the Print button
- Print any other spreadsheets and then press the “Done” tab to finish printing.

---

## **17.0 FILES: SAVING, OPENING AND NEW PROJECTS**

- To save a file select the menu: "File-> Save" You will see the following box.



- Type in the project name. (Up to 8 letters)
  - You can add up to 99 options with the same file name. The option number will be added after the letter a. e.g. **project.a12** would be option 12 of a file called project.
  - To save the full project click the “Save spreadsheet” button. This will save all the spreadsheets *except* the proprietary and the sensitivity. Each spreadsheet is actually saved separately but only one file (the appraisal, and hence the letter a) is shown to reduce the size of the list.
  - **Important!** The Proprietary spreadsheet is saved separately from the other sheets, as it often does not contain any information. This reduces the space required on your hard disk. To save the Proprietary spreadsheet click the “Save Proprietary” button.
  - You can also add in new directories and save them as the default save directory.
  - You can delete a project by selecting the project and pressing the “delete project” button.
-

## **18.0 FREQUENTLY ASKED QUESTIONS**

- *Can I incorporate my Excel/Lotus spreadsheet appraisals?* Yes, but the file must be saved as an Excel version 4 file. Any later version of Excel can save the file as version 4 using the Save As option. To use Lotus files in CALDES load them into Excel first and save them as version 4 Excel files. We are able to do this for you on request.
- Later versions of Lotus can read Excel files direct.
- *I only handle simple single building projects, CALDES seems to be a sledgehammer to crack a walnut?* CALDES is in use by a large number of small developers who require quick, simple, professional solutions in a reliable format, to anything from single houses to large factories. The inherent flexibility of CALDES is able to respond as the requirements grow for more sophisticated solutions, involving various sources of finance and providing project monitoring capabilities.
- *Can I return to the development set up area / Wizard?* Yes, but as it's name suggests it is for setting up the development only. All changes to the current project should be made in the spreadsheets themselves. Return to the development spreadsheet by clicking on the button four from the left:  

- *Can I cut and paste into other documents?* Yes, but only from the proprietary and cash flow spreadsheets. If you want to copy from other sheets. There are

exceptions to this rule and other more complex ways of doing this too, beyond the scope of this manual. If you require further information please call CALDES.

- *What flexibility do I have in the presentation of any part of the appraisal, including font type and size?* You may also load any of our spreadsheets into the proprietary sheet or Excel and change them, but we recommend that you always use a copy of the original.
- *Why are there two ways of dealing with other costs?* One option is for a cost on the whole project, the other is for costs related to specific units. (See section 11.9 Unit Other Costs and Revenues or Bullet Payments.)
- *When you type information directly into the Construction costs of the Cash flow why does it prompt me as to whether I want to keep those costs when ever I change the Unit Breakdown?* You are now using the cash flow as a project monitoring tool. CALDES is warning you that you have typed in project "actuals" and that you should not change them. If you don't want to use this feature, don't type into the construction cost area of the cash flow - change it from the unit breakdown instead. (For more information see 11.7 The Unit Costs area and 12.5 Changing or moving payments in the Cash Flow).
- *When I add up all the Construction start, the construction months and the void in the timings in the Overalls spreadsheet why is the project end date one month later than I would expect?*

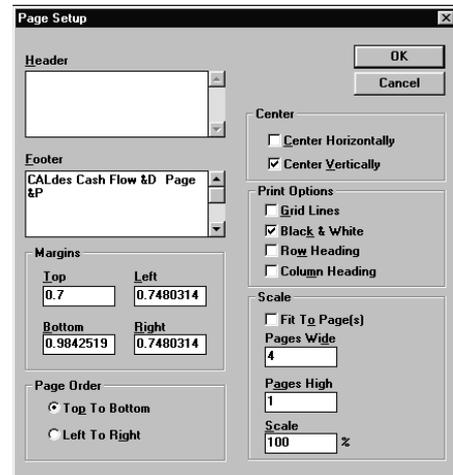
TIMINGS in months	
Planning month	1
Building Regulations month	1
Construction start	3
Repeat?	Monthly <input type="checkbox"/>
Construction months	12 14
Marketing month	10
Void months (from construction)	6
Project end date	21

In the above example construction starts in month 3 and continues for 12 months. (3,4,5,6,7,8, 9,10,11,12,13,14) plus a void of 6 months (15,16,17,18,19,20), with the project income being at the beginning of the following month (21)

- *How do I alter the database to my particular setup?* There are two areas, the first for Unit defaults and the second for Overalls and VAT including fees, rates and timings. For Unit Defaults see section 15.

*How do I enlarge my Cash Flow print out?* Go to the Cash Flow Tab on the Print Menu Screen (see Section 16.0) and click on the “Print Setup” button. Depending on the number of rows of information that

you want to select the appropriate page orientation: For Cash flows that contain a lot of units or fees etc select “Portrait” for larger text. Click “OK” and then click on the “Page Setup” button.



Click on the “Fit to Page” box, so that the cross disappears. Then select the how many pages you want to spread your cash flow over. Click on “OK” and print as described in section 16.0.

# FAQ'S

**QUESTION:** What does the 'Worst Case' figure in the appraisal mean? Where does it come from?

**ANSWER:** This is the total cost of the project including finance, i.e. the amount of money that you will require for the project including finance and interest on the finance. Note that the appraisal only shows the interest on the finance, not the finance itself, because that is what is used to fund all the other costs.

**Where is it in the cash flow?** It is usually in the last month of the project.

**Calculation:** Worst case total borrowing plus cumulative negative interest. E.g. In the cash flow go to the last month and add up all the different sources of finance (E.g. Source 1, Source 2 etc.) Then add the cumulative negative interest for each of those sources

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