
On Schedule
Version 5.0

User's Guide

RealData® Inc.
PO Box 691
Southport, CT 06890

www.realdata.com

© 1983-2020, RealData® Inc.

RealData is a registered trademark of RealData, Inc

On Schedule™ Version 5.0

© 1984-2020, RealData® Inc. All rights reserved.

This software and manual are both protected by U.S. copyright law (Title 17 United States Code). Unauthorized reproduction and/or sales may result in up to one year of imprisonment and fines of up to \$10,000 (17 USC 506). Copyright infringers may also be subject to civil liability.

Trademarks

RealData is a registered trademark of RealData, Inc.; Windows, Windows95, Windows98, Windows ME, Windows NT, Windows XP, Windows 2000 and Excel are trademarks of Microsoft Corp.; Acrobat is a trademark of Adobe Corp.

RealData® Inc.

PO Box 691

Southport, CT 06890

<http://realdata.com>

Table of Contents

Chapter 1. Introduction and General Information	1
System Requirements.....	1
Microsoft Excel.....	1
Macintosh.....	2
License Information	2
Additional Disclaimers.....	2
Files, Worksheets and Reports	2
Opening and Using Files and Worksheets	2
RealData Menu.....	4
Printing Reports	5
The Print Reports Dialog.....	6
Printing Reports to a PDF	6
Entering Data	7
Recalculation and Iteration	8
Chapter 2. Welcome and General Info	10
What the General Info Worksheet Does	10
Entering Data in the General Info Worksheet.....	10
Property Information.....	10
Month and Year Analysis Begins, Date of Report.....	10
Property Location, Developer, Report Prepared For and By, Lender.....	10
Logo	11
Zoom.....	11
Currency, Length and Area Settings	11
Discount Rate for NPV Calculations	11
Chapter 3. Development & Absorption.....	12
What the Development & Absorption Worksheet Does	12
Entering Data in the Development & Absorption Worksheet.....	12
Equity, Financing, and Transaction Assumptions.....	12
Unit Type Information.....	13
Site Costs	14
Development Projections.....	15
The Results	19
Chapter 4. Construction.....	22
What the Construction Worksheet Does	22
Entering Data in the Construction Worksheet.....	22
Construction Costs by Unit Type.....	22
Percentage of Unit Construction Cost Allocation	23
Chapter 5. Project Overview Report.....	25
Chapter 6. Project Executive Summary.....	26
Chapter 7. Partnership Data	27
What the Partnership Data Worksheet Does	27
Entering Data in the Partnership Data Worksheet	27
Waterfall Tier Option.....	29
Partnership Calculations.....	30
Chapter 8. Partnership Presentation	31
Chapter 9. Partnership Executive Summary	32
Chapter 10. Gantt Chart and Graphs.....	33
Chapter 11. User Worksheets	35

Table of Figures

Figure 1-1 RealData Menu.....	2
Figure 1-2 Excel 2003 Security Warning	3
Figure 1-3 Excel Worksheet Tabs	4
Figure 1-4 On Schedule Worksheet Tabs	4
Figure 1-5 Excel Menu Bar with RealData Menu.....	4
Figure 1-6 Print Dialog Box	5
Figure 1-7 Checkbox to Print to PDF	7
Figure 2-1 Project Name.....	10
Figure 2-2 Project Type.....	10
Figure 2-3 Discount Rate for NPV Calculations.....	11
Figure 3-1 Equity, Financing & Transaction Assumptions	13
Figure 3-2 Unit Type Information.....	14
Figure 3-3 Site Costs	15
Figure 3-4 Development Projections.....	18
Figure 3-5 Project Absorption.....	19
Figure 3-6 Cash Flow Plan	20
Figure 3-7 Loan Analysis	21
Figure 4-1 Construction Costs by Unit Type.....	23
Figure 4-2 Percentage of Unit Construction Cost Allocation	24
Figure 7-1 Type of Partnership	27
Figure 7-2 IRR and NPV reporting	27
Figure 7-3 Partnership Details	28
Figure 7-4 Waterfall Tier Option	29
Figure 7-5 Waterfall Tier Data Entry	30
Figure 7-6 Partnership Distributions	30
Figure 10-1 Gantt Chart.....	33
Figure 10-2 Cash Flow Graph.....	34
Figure 11-1 User Worksheets Menu.....	35

List of Acronyms

BOM – Beginning of Month

BOY – Beginning of Year

EOM – End of Month

EOY – End of Year

IRR – Internal Rate of Return

Chapter 1. Introduction and General Information

Thank you for purchasing RealData's *On Schedule, Version 5.0*. We are certain that you will find this easy-to-use application to be a powerful and versatile partner in your real estate development work.

Please review this manual and, in particular, read this section completely before you begin working with the program. This introduction will provide you with important information about the program's capabilities.

On Schedule is an advanced spreadsheet model designed specifically for use by developers and lenders involved in subdivision, condominium projects and land development. It might be best described as a loan draw scheduler or "economic critical path" program. With it you can evaluate on a month-by-month basis for as many as 120 months:

1. How much of the development loan must be drawn each month to proceed with the project as planned;
2. The status of each group of units with regard to its construction, sale, and settlement;
3. The amount of the loan that can be repaid out of sale and rent proceeds;
4. Distributions to partners; and
5. The overall inflow and outflow of funds.

On Schedule operates in conjunction with Microsoft Excel. You do not need to be an expert user of your spreadsheet software to make effective use of this model. On the contrary, you can simply "fill in the blanks" to produce a complete report in just minutes.

We do assume that you are familiar with some of the basic features and functions of your computer, such as connecting and using your printer, starting up your computer and copying files. With regard to Excel, this User's Guide will review some of its essential functions with which you should be acquainted. These functions include loading, printing, and saving files. For a detailed discussion of these topics and the many additional features of Excel, we recommend that you consult Excel's documentation.

System Requirements

On Schedule is an Excel workbook that takes up approximately 6 megabytes of space on your hard disk. Each completed analysis that you save will also take up another 5 or more megabytes. You can copy analyses onto CDs for archive purposes or to reclaim disk space. Other requirements include:

- Microsoft Excel 2010 or later for Windows computers
- Microsoft Excel 2011 or later for Macintosh computers.
- A laser or ink-jet printer
- A desktop or laptop computer. Most tablets and phones, even if they have Excel, will not properly run our software.

Microsoft Excel

On Schedule, Version 5.0 is fully compatible with the versions of Excel described above but will not work with other spreadsheet products. With macros enabled or content enabled, you should see the **RealData Menu** in the Excel ribbon:

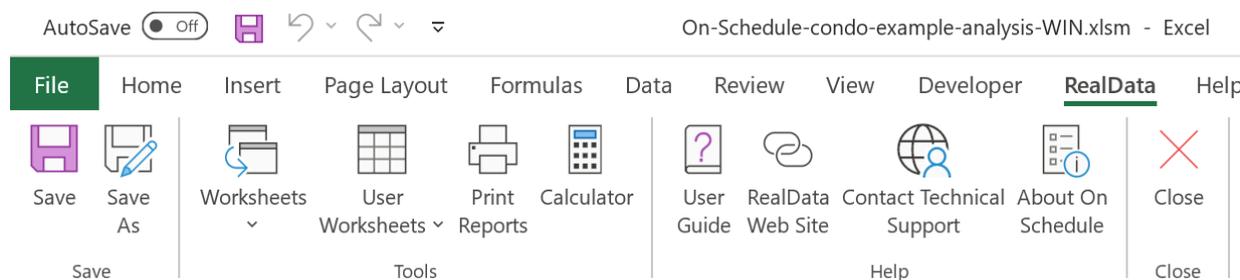


Figure 1-1 RealData Menu

You should save an *On Schedule* workbook specifically in the macro-enabled workbook format (.xlsm). In particular, you **MUST NOT** use file type Excel Workbook (*.xlsx), because this file type causes Excel to remove all of *On Schedule*'s essential macro code.

Macintosh

The screen captures in this user guide illustrate *On Schedule* and Excel on Windows. Users of *On Schedule* on a Mac computer will have a nearly identical experience. The calculations, reports and functions of the program are the same. Only a small portion of the macro code differs to accommodate the differences in the two operating systems.

License Information

Please read the license agreement at <http://www.realdata.com/p/license.shtml>. By installing the software, you accept the terms of the license. This software is not returnable once you have completed its purchase online. It is also not returnable once you have received it on compact disc, along with a serial number or password. Please note that you may make backup copies as you need for your own use.

Additional Disclaimers

In addition to other disclaimers contained in our license agreement and this User's Guide, be aware that RealData, Inc. is not in the business of providing tax, legal, investment or professional advice of any kind. The program is not intended for the preparation of tax returns.

The user should also be aware that financial activities outside the investment being analyzed may interact with the subject investment to produce tax consequences not anticipated by this program. The program does not take into account the impact of other investments, possible liability under the Alternative Minimum Tax or the At-Risk Rules.

Files, Worksheets and Reports

Opening and Using Files and Worksheets

You may have chosen during the installation to place an icon on the desktop. If so, you can simply double-click that icon to start the program.

Alternatively, select **Start** from the Windows desktop, then **Programs** and then **RealData**. From there, select **On Schedule** or any other RealData program you may have installed.

NOTE

You may see a security warning when you start up *On Schedule*. The message warns you that you are loading a workbook that contains macros and that malevolent individuals can embed viruses in such files to harm your computer. Excel displays this message when it loads *any* file that contains macros. It is not reacting to a security threat that it has found in our program. If you obtained your *On Schedule* program directly from RealData or from an authorized dealer or if you downloaded it from our secure web site, you have no cause for concern. You must select **Enable Macros for *On Schedule* to function.**

The procedure for enabling macros depends on which version of Excel you are using. In Excel 365, you will see a yellow notification bar similar to this:

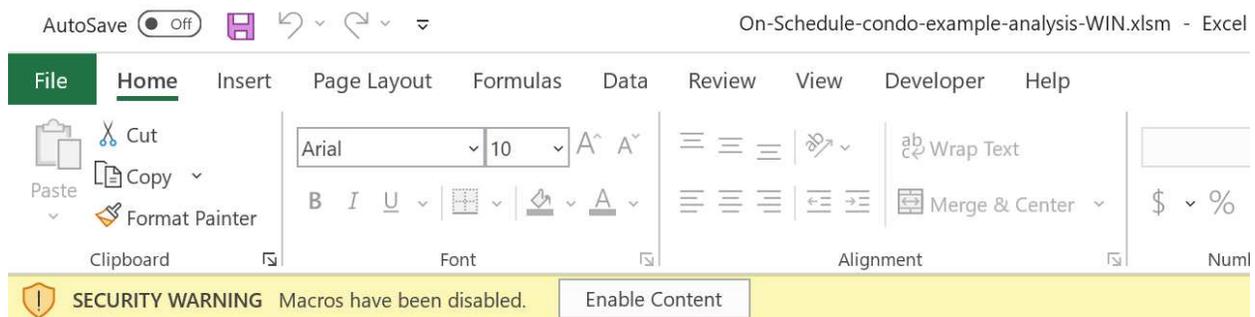


Figure 1-2 Excel 2013 Security Warning

Once you click the “Enable Content” button, thereafter Excel will automatically enable macros from RealData. Note that the correct macro security setting in Excel should be “Disable All Macros with Notification.” The macro settings can be found by clicking on **File** then **Options** then **Trust Center** from the left menu. Now click the button for **Trust Center Settings**. Select **Macro Settings** from the left menu.

With macros enabled, you will see the first page of an Excel workbook called the **Welcome** worksheet. The entire analysis resides in this one workbook file. The *workbook* is a collection of *worksheets* that have been bound together. Each sheet has a specific purpose and you “turn” the page to move from one part of the analysis to another.

While each sheet has a purpose, they are all also interconnected and share information. For example, the *Construction* worksheet provides information used on the *Development & Absorption* worksheet and both provide data for the *Project Overview Report*. The real advantage is that you don’t have to worry about keeping any of this straight; the program does it for you.

Moving from one page to another is very simple. Excel uses notebook tabs as a means of guiding you to the various sheets that make up a file. A generic Excel workbook has tabs that look like those shown in Figure 1-5:



Figure 1-3 Excel Worksheet Tabs

The *On Schedule* tabs have meaningful names but they are a bit long, so you won't be able to see more than four or five tabs at a time:



Figure 1-4 On Schedule Worksheet Tabs

To move to a particular sheet, select its tab. You can also use the arrows to the left of the tabs to scroll through the rest of the tab names. These arrows will take you forward and back through all of the tabs.

If the tabs or any portion of your spreadsheet window ever become hidden from view, select **View**, then **Arrange**; then choose **Tiled** from the list. Select **OK**.

RealData Menu

The **RealData Menu** (Figure 1-8) is added to the Excel menu bar at the far right when you open an *On Schedule* spreadsheet. It provides quick access to many useful features.

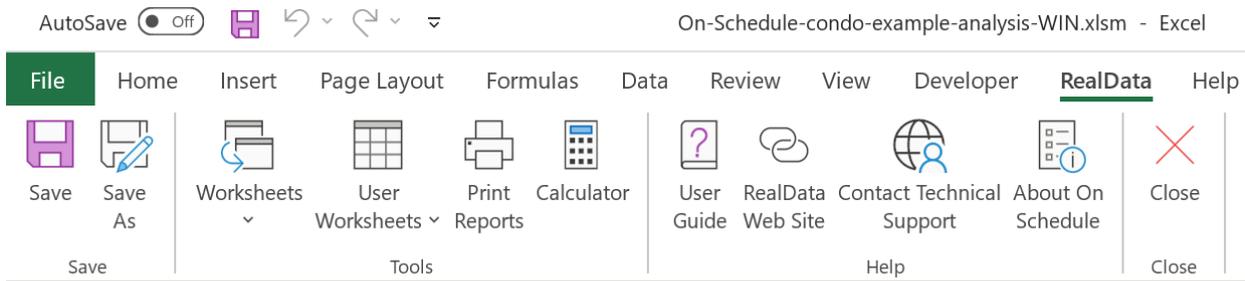


Figure 1-5 Excel Menu Bar with RealData Menu

The first item on the **RealData** menu is **Save**. After you have given the template a new name (e.g., “54 Main Street”), use this to save your file as you work on it. Next is the **Save As...** choice. We recommend that you immediately use this command to save the template with a new name whenever you begin a new analysis. Doing so will preserve the original blank template of the program. Should you accidentally overwrite the template, you must reinstall the software.

The **Worksheets** sub-menu displays convenient links to any section of the software. A second sub-menu, **User Worksheets**, provides functions which can add/delete/rename new, blank worksheets to your analysis for your additional calculations. Beyond that is **Print Reports**, which allows you to print any of 13 pre-formatted reports immediately, regardless of which sheet is currently displayed on the screen (for more information, see Printing Reports below). Finally, we offer a quick link to the Windows or Mac **Calculator** to help you make simple mathematical computations outside of the *On Schedule* program.

The next section gives you easy access to three valuable tools. The first is the **User Guide**, which you are reading right now. The two items that follow allow you to seek web-based help from us (provided you are connected to the Internet). The first, **RealData Web Site**, will connect you to www.realdatal.com, where you can check our Knowledge Base and Support section for information that might help you solve a particular problem. **Contact Technical Support** makes it easy to communicate with us if you have a specific question. **About On Schedule** displays a window containing the program version and build, as well as user registration information.

Finally, you have the option to **Close** the program. While **Close** needs no explanation, be assured that you will be prompted to save your work if you choose this option.

Printing Reports

To print reports, pull down the **RealData** menu, choose **Print Reports** and then select the report(s) you want to print.

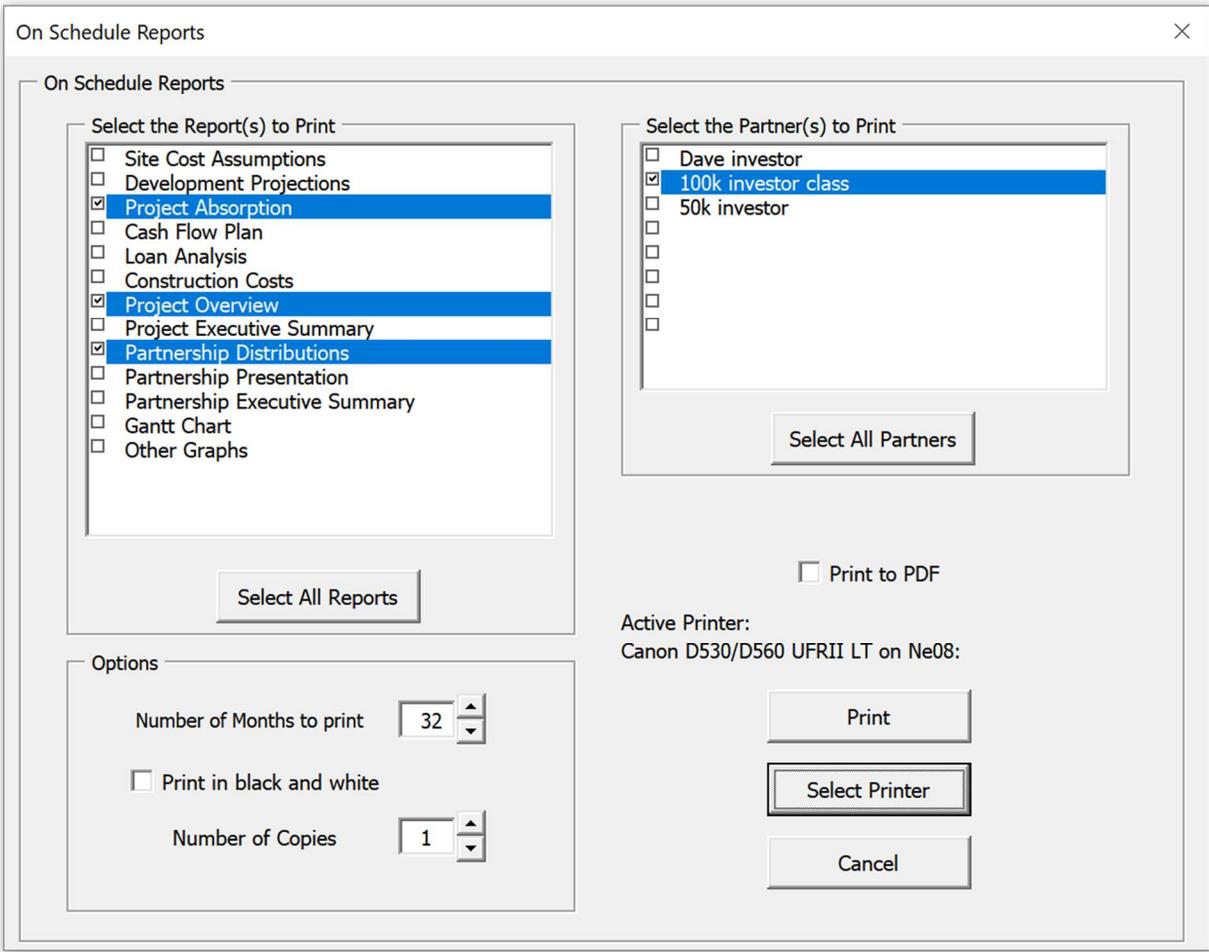


Figure 1-6 Print Dialog Box

You can also print parts of any visible worksheet by pulling down the Excel **File** menu and choosing **Print**. You will probably use this method only if you want to print a particular range or to select printing

options that are not part of the standard report formats. Be aware that if you use the Excel **Print** menu, you will not have any of the built-in *On Schedule* reporting options or layouts available.

Note

***On Schedule* gives you optionally the ability to create a PDF (portable document file) when printing from the RealData menu. See below for more information.**

The Print Reports Dialog

The print dialog box gives you a number of options when you are creating reports. It allows you to choose which device to print to, the number of copies to print and whether the output should be in color or black and white. *On Schedule* produces a month-by-month pro forma and this dialog also allows you to specify the number of months to include in your report, up to 120. Please note that this choice has no effect on the **Project Overview Report** and **Partnership Presentation**, which are not monthly, nor on the **Gantt Chart** or **Graphs**.

Note

With some printers, rather than using the “Print in black and white” checkbox, you may have to use the printer’s own control panel to configure black and white or color output. To do this, click the Select Printers button in the Print Reports dialog, choose your printer from the list and then click the Setup button.

Printing Reports to a PDF

You can print reports to a PDF and send them to a client or colleague as an email attachment. A PDF is an exact digital image of a printed report and can be opened by the Acrobat Reader available free from Adobe®. Please keep in mind that you may *not* send your client a copy of the Excel *On Schedule* workbook. That Excel file is in fact the program, which is licensed only for use by you, the user.

Before you can print reports to a PDF, the RealData PDF Print Driver must be installed. This driver is installed automatically as part of *On Schedule Version 5.0* installation. Please note that the RealData PDF Print Driver will work only with those RealData software products that have been enabled for this purpose.

To print reports to a PDF (after the driver has been installed as described above):

1. Go to the **RealData Menu** and choose **Print Reports**
2. From the Print Dialog Box used to initiate printing, mark the “Print to PDF” checkbox. See Figure 1-10 below.
3. Select whether you want to print in black and white. Note that you can logically create only one copy of a file at a time, so “number of copies” has no effect here.
4. Click **Print**. The program will then begin creating the file.
5. You will be prompted to name the file and to select a location where it should be saved. Name the file something meaningful, like MainStreetCondosCashFlow.pdf. This file can be saved anywhere on your computer. Once saved, this file can be easily attached to email.

6. To view your printout, you need the Adobe Acrobat Reader or another PDF Viewer application. Once this software is installed, just double-click on the PDF file and your PDF program will open the file automatically.

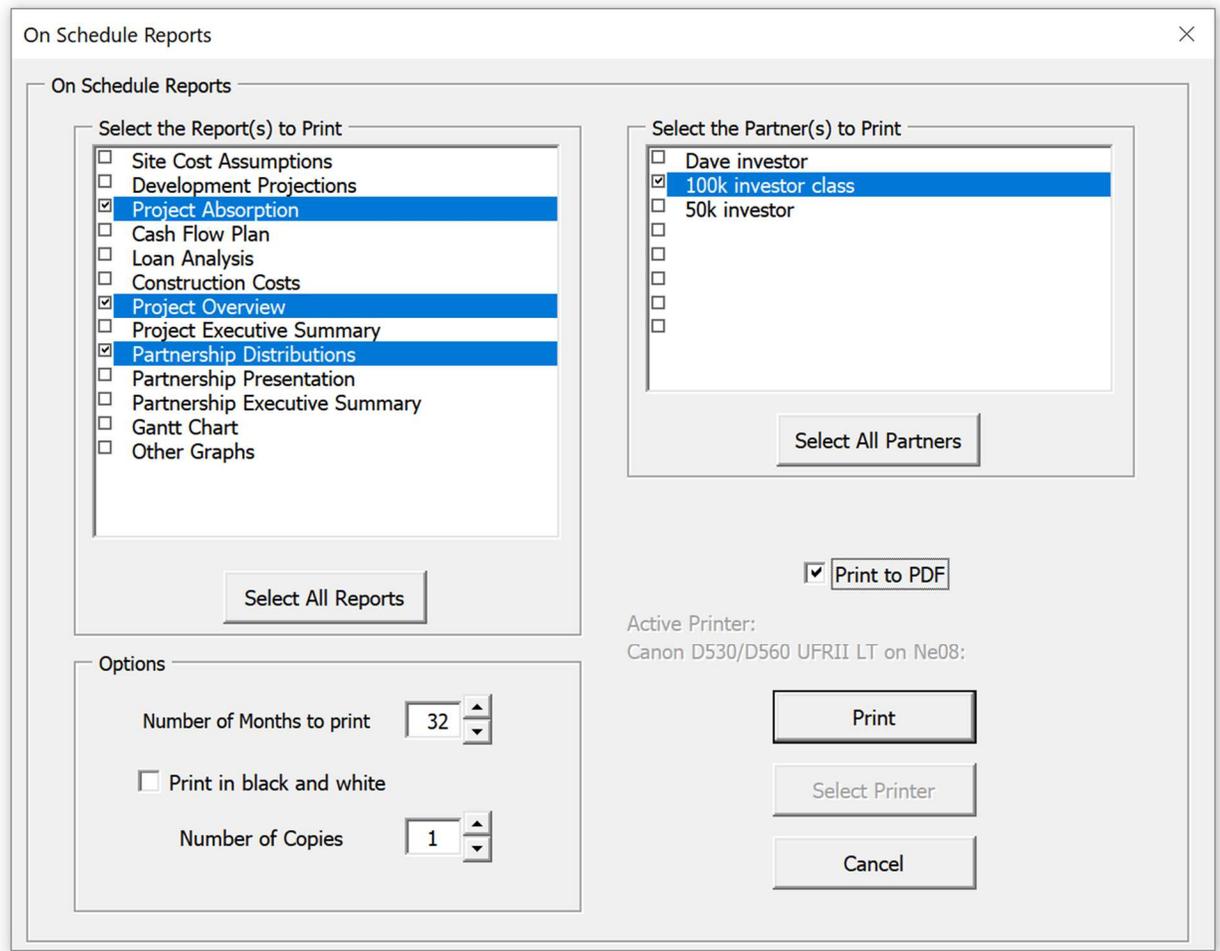


Figure 1-7 Checkbox to Print to PDF

Entering Data

Each worksheet, except for those designed as report-only, has areas that you will use to enter data. Much of the rest of this *User's Guide* is devoted to discussing the information that you will enter. Depending upon the property you are analyzing, you'll use some, but probably not all, of the data fields.

Most of the fields in *On Schedule* are spreadsheet cells containing formulas and formatting that you would certainly not want to erase accidentally. On the visible worksheets, we've displayed these cells in black, locked them, and protected the worksheets without a password to prevent you from accidentally changing any formulas or formatting.

On the **Review** menu in the Excel Ribbon you will find menu choices to unprotect or protect the current worksheet. You should unprotect a worksheet only if you are an experienced Excel user intending to make custom changes. There are also modules containing proprietary Visual Basic macro code. Do not

attempt to unlock the workbook or access the macro code. The passwords that protect these formulas and code are not available to users. Please recognize also that we cannot provide technical support for anything you yourself may create in the user worksheets or for any workbook whose sheets have been unprotected.

Throughout the worksheets we have provided quick reminders of important information in “cell notes.” You will know that there is a cell note available if you see a little red triangle in the upper right corner of the cell. If you hover your cursor over the cell note indicator, a comment will appear that will provide more information about the data you can enter into that cell. Often the cell note will be at the left end of a row, in the cell where the label for that row is located and it will pertain to the entire row.

To make entering information easier, we have also color-coded the data-entry cells. Cells that appear **blue** or **purple** are generally available for input, as follows:

- The **blue** cells are empty or contain 0. They are used for items such as the first-month development costs, or the amount of working capital. They may also contain labels that you can edit.
- The **purple** cells each contain an erasable formula that means, “Use whatever value is in the cell to the left.” These erasable formulas serve as a typing shortcut and can be found in areas where you are likely to want to enter the same information for each year.

For example, the interest rate for the development loan has a blue data-entry cell in the first year (Cell **D118** in the *Development & Absorption* worksheet), but purple thereafter. That means you can enter an amount in the first month and it will automatically duplicate itself in each subsequent month without your having to type it in. If you want to change the rate in the second month, however, you can simply type over the formula in that year and enter a new rate—remember we said the formula was “erasable.” You do not have to enter a rate for each month, but only if and when a change occurs. This new rate will be used for each subsequent month until you make another entry in the row.

Keep in mind that you are erasing the unprotected formula whenever you make an entry in a purple cell. If you want to restore a particular formula, it is very easy. Looking again at the development loan, if you entered 10.00% in month 2, you would be making that entry in cell **E118**. Before you made your entry, the cell had a formula that said, “This cell equals the cell immediately to the left.” Since the cell to the left is **D118**, the formula you erased was simply =**D118**. Type this in; the cell will once again equal whatever rate is used for the previous year.

Note also the button on line 71, “Restore Purple Cells.” If you decide that you want to go back to “square one” in making your development projections and would like to restore all of the purple cells to their original formulas, simply press this button to do so.

NOTE

When entering numeric data into the program, always enter numbers only. Do not type dollar signs, commas or letters along with numbers, or you will see the error message, “#Value!” in the current or dependent cells. Excel will not recognize such entries as numbers and will alert you with this error message, which often cascades to cells throughout the program.

Recalculation and Iteration

On Schedule is set for automatic recalculation. If you notice that your worksheet does *not* fill in with calculated values as you make each entry, then the automatic recalculation has been turned off.

To turn recalculation back on, select **Options** from the green **File** menu. Select **Formulas** from the left menu. Under **Calculation options**, select **Automatic**.

On Schedule, Version 5.0 does not require that iteration be enabled. The software will function properly whether it is on or off. By default it is off, but you may want to turn it on temporarily if you are copying data from an older saved workbook based on Version 4.0 build 1.29 or earlier, which required iteration to be enabled.

Chapter 2. Welcome and General Info

The workbook begins with a *Welcome* page that displays Internet links for viewing the latest product release, our online knowledge base, and the product user guide. We urge you to let us know of any change in your email address so that we can keep you up to date regarding these resources.

What the General Info Worksheet Does

The analysis begins with the next sheet, which is called *General Info*. On this page you will enter information that is used throughout the analysis and on most reports.

Entering Data in the General Info Worksheet

Property Information

The first data field on the *General* worksheet is “**Property Name**.” Your entry here will be used in the heading or cover page of each of the reports. Notice the placeholder text, “Property Name Here.” Be sure to type something meaningful in this cell or the placeholder will appear on all of your reports. This field is used only as a label for reports and does not affect the calculations of the program.



Project Name: Colonial Estates

Figure 2-1 Project Name

The second field allows you to specify the property type. Again, this information will appear in various reports but will have no effect on any calculations.



Project Type: Condominium Building

Figure 2-2 Project Type

Month and Year Analysis Begins, Date of Report

In the next two fields, you will enter the month and the year that the analysis will begin. You can type directly into the fields, or you can use the up-and down-arrows to raise or lower the numbers. Your entries will pass through to the other worksheets that use this information to perform calculations. Your entries define the starting point for an analysis that may go up to 120 months.

The next entry, “**Date of this Report**,” has no effect on calculations. It is strictly a label that will appear on various reports. Please note that unlike the other data-entry items on this page, this one appears in purple instead of blue. Purple fields contain formulas that we have purposely left unprotected so that you can erase them. In this case, the field has a formula that reads your computer’s clock and inserts today’s date. If you do not want to use the current date, just type what you want into the cell.

Property Location, Developer, Report Prepared For and By, Lender

The next several items —“**Property Location**,” “**Developer**,” “**Report Prepared For**,” “**Report Prepared By**,” and “**Lender**”— are again labels that the software will display on various reports. Be sure to type over or delete any of the placeholder text you see in these fields, otherwise that text will appear on your reports.

Logo

Use the **Set / Change Logo** button here to add a logo file which will be displayed on reports. Browse to the location of your logo file on your computer.

Zoom

Use the buttons in this section to set the size of the display for all worksheets within the On Schedule workbook.

Currency, Length and Area Settings

Click the button in this section to set the currency symbol and the units of length and area to be displayed within this program and on its reports.

Discount Rate for NPV Calculations

The purpose of the Net Present Value (NPV) calculation is to estimate the present worth of the future income stream. The rate that you choose accounts for the fact that money received in the future is less valuable than money received today. In this entry, "**Discount Rate for NPV Calculations**," you specify the discount rate, i.e., how much less valuable is money received 1 year from now than money received today.



Discount Rate for NPV Calculations	
Discount Rate:	10.00%

Figure 2-3 Discount Rate for NPV Calculations

Chapter 3. Development & Absorption

What the Development & Absorption Worksheet Does

The Development & Absorption worksheet is the heart of the *On Schedule* program. Here you will enter data regarding financing, development costs, development projections, and absorption.

Entering Data in the Development & Absorption Worksheet

Equity, Financing, and Transaction Assumptions

Begin your data entry by entering in cells C6 through C17 your working capital, loan commitment, and other items that typically do not vary from month to month. Note that each of these entries has a cell note, indicated by a small red triangle, which provides guidance for your data entries.

Working capital is the amount of cash that the developer and his/her co-investors are bringing to the project.

Working Capital Held in Reserve specifies how much of the working capital should be held back as a reserve (often a lender requirement); the balance will be applied to the development costs.

The *Value of Land* entry allows for the situation where you already own the land (or land and buildings) on which the project will be built and you may wish to treat it as part of your initial equity. Note that you can click on the label in cell A8 and choose from two options to describe what you own: “**Value of Land** (if owned and treated as project equity)” and “**Value of Land/Impr.** (if owned and treated as project equity),” the latter for use if there are structures on the property, as you might have with a rehabilitation project. Enter the value of that land and improvements here and the program will add it to your equity investment. The program takes this information into account when performing its internal rate of return calculation.

Maximum Loan Commitment is the maximum amount that the developer may draw from the lender. If you check the box below, “This is a revolving loan,” then the program will replenish the amount of money you can draw whenever you make payments against the outstanding loan balance. If you do not check this box, then the maximum loan commitment represents the maximum *cumulative* amount that may be drawn during the life of the project.

Pay Off Loan End-of-Month X is an optional data input that instructs the program to pay off the remaining balance on the development loan at a specified time. Your development loan will typically be retired by applying a portion of the proceeds of each sale against the loan balance (see row 107). However, you may retire the loan at any time if you have accumulated sufficient cash to do so and also to pay all future development costs.

Your entry here will instruct the program to pay off the outstanding balance of the development loan at the end of a specific month. The funds to retire the loan will be taken from the developer's accumulated cash, where a portion of the proceeds of sales and rent has been retained.

Keep in mind that for this entry to yield a meaningful outcome, you must have sufficient cash to retire the loan at the end of the month you specify and you must also have no further need for development loan advances in future months.

We recommend that you initially leave this cell set at “120” (the maximum number of months in the analysis). Run the complete analysis and then examine the cash flow and the loan analysis sections to determine if there is a reasonable earlier time to retire the loan. If so, then enter that month here.

Enter the *Loan Fee Percentage* in cell C12. This is the number of loan points paid to obtain the development loan. Enter any additional *Closing Costs* in cell C13.

The percentage entries in cells C14 through C16 prompt the user for fees and commissions related to unit sales.

Average Months from Sale to Settlement is the final entry in this section; it asks for the average number of months between the sale and settlement for the units in the project. This entry is the average number of months between the date of sale and the date of settlement, when money actually changes hands. Your choices are from 0 to 6 months. The use of 0 means that units will close and settle in the same month construction is completed. This, of course, implies that units were pre-sold. Deposit monies are assumed to be held in escrow and thus unavailable. They become part of the cash inflow at the time of settlement.

Figure 3-1 shows the completed Equity, Financing & Transaction Assumptions section.

4	EQUITY, FINANCING & TRANSACTION ASSUMPTIONS	
5		
6	Working Capital	500,000
7	Working Capital Held in Reserve	0
8	Value of Land (if owned and treated as project equity)	0
9	Maximum Loan Commitment	1,420,000
10	<input checked="" type="checkbox"/> This is a revolving loan	
11	Pay Off Loan End-of-Month X	44
12	Percent, Development Loan Fee	0.00%
13	Closing Costs, Development Loan	0
14	Percent, Real Estate Commission	0.00%
15	Percent, Closing & Legal Costs	0.00%
16	Percent, Transfer Tax	0.00%
17	Average Months from Sale To Settlement (0,1,2...6)	1

Figure 3-1 Equity, Financing & Transaction Assumptions

Unit Type Information

Just to the right of the Equity, Financing & Transaction Assumptions section is a table where you will enter information about a maximum of 8 unit types. If the project involves selling more than 8 types of units, you'll need to find 2 or more unit types that have similar construction costs, construction times and selling prices. You can then average these together into a single unit type. Keep doing this until you are down to 8 unit types or less.

In the first column, enter the name of each unit type. You can leave the default names, “Unit Type A” through “Unit Type H,” or you can choose other names. The revised names will appear on your reports. Of course, you do not need to use all eight unit types but you should start with type A and proceed through B, C, D, E, F, G and H in order as you need them. If no units of a particular type are ever built, that unit type will automatically be omitted from the reports. You need not clear the entries in rows that are unused.

In the second column, indicate how many months it takes to build a single unit of this type. Later, on the Construction worksheet, you will specify how construction costs are allocated among those months.

The last column (Total Number of Units) is colored black instead of blue, because it is not for data entry. The program calculates and displays the total number of each unit type, based on the projections you enter in rows 74 to 81.

Figure 3-2 shows the table of unit type information.

Unit Type	Number of Months to Build Each Unit	Total Number of Units
One bedroom unit	18	12
Two bedroom unit	18	12
Unit Type C	1	0
Unit Type D	1	0
Unit Type E	1	0
Unit Type F	1	0
Unit Type G	1	0
Unit Type H	1	0

Figure 3-2 Unit Type Information

Site Costs

In this section you enter site costs, which are costs related to the entire site rather than any one unit. There are three subgroups: Land Cost (row 25), Soft Costs (rows 28-47) and Hard Costs (rows 50-69).

You can change the names of any of the categories except Land Purchase Cost, where once again the label is actually a pull-down from which you may select one of three choices: “Land Purchase Cost,” “Land & Improvements, Purchase Cost” or “Improvements, Purchase Cost.” You may be buying land only or land with improvements; you may be leasing the land and purchasing just improvements. Keep in mind that you may be bringing property to the deal as equity (row 8, above) and also purchasing additional property here.

The changes you make to labels in this section will follow through to your reports. If any row in this section totals zero, then neither the label for the row nor the zero total will appear on the “Property Overview Report.”

For each category, you can enter a separate amount for each month. The cells are blue instead of purple, so when you enter an amount in one cell, it does not automatically propagate to the right. This is because site costs don't normally repeat the same amount each month.

21	SITE COSTS	Date:		01-2020	02-2020	03-2020
22		Month:		1	2	3
24	LAND COST					
25	Land & Improvements, Purchase Cost	0	350,000	350,000	0	0
27	SOFT COSTS					
28	Survey & Appraisal Fees	0	7,500	7,500	0	0
29	Feasibility Analysis	0	0	0	0	0
30	Environmental Survey, Remediation	0	0	0	0	0
31	Architectural & Engineering, Blueprints	0	75,000	25,000	0	50,000
32	Bonds	0	0	0	0	0
33	Legal, Title Work, Zoning	0	0	0	0	0
34	Permits	0	3,000	0	3,000	0
35	Engineering Offsite Costs	0	0	0	0	0
36	Land Taxes	0	0	0	0	0
37	Accounting & Auditing	0	0	0	0	0
38	Course-of-Construction Insurance	0	0	0	0	0
39	Advertising, Promotion & Signage	0	0	0	0	0
40	Consulting Fees	0	0	0	0	0
41	Development Fees	0	0	0	0	0
42	Project Management	0	0	0	0	0
43	Other Soft Cost	0	0	0	0	0
44	Other Soft Cost	0	0	0	0	0
45	Other Soft Cost	0	0	0	0	0
46	Other Soft Cost	0	0	0	0	0
47	Other Soft Cost	0	0	0	0	0
49	HARD COSTS					
50	Site Work	0	135,000	120,000	0	15,000
51	Road Construction	0	0	0	0	0
52	Storm and Sanitary Sewers	0	0	0	0	0
53	Landscaping	0	0	0	0	0
54	Utilities (Water, Electric, Gas)	0	0	0	0	0
55	Parking Garage	0	0	0	0	0
56	Detention Pond	0	0	0	0	0
57	Model Unit Decorating	0	0	0	0	0
58	Common Area Maintenance	0	0	0	0	0
59	Miscellaneous and Contingency	0	0	0	0	0
60	Other Hard Cost	0	0	0	0	0
61	Building Shell construction	0	975,000	250,000	500,000	225,000
62	Other Hard Cost	0	0	0	0	0
63	Other Hard Cost	0	0	0	0	0

Figure 3-3 Site Costs

Development Projections

In this section, you will schedule the beginning of construction and sales for the units in your project. *Number of Units Begun* is straightforward; enter the number of units begun each month (for each unit type) in rows 74 through 81. Note that column C in each of these rows will show you the total number of units you have entered.

On Schedule provides options for estimating the number of sales each month. Perhaps the simplest method is to enter a percentage in row 82. By entering a figure here, you will cause the program to estimate the number of monthly sales as a percentage of the number of units that are completed and

unsold. This estimate is, of course, always rounded to the nearest whole number of units. It applies equally to all unit types.

You can also fine-tune how the program calculates the monthly sales numbers by using rows 83 through 90, labeled *Minimum No. of Available Unit Type x Sold Each Month*. Using a simple percentage of the available units is usually inappropriate when the number of units becomes small. The number entered here is the minimum number of available units you would expect to sell in a month. Essentially, this combines with "Percent of Available Units Sold Each Month" to produce the following instruction: "Estimate the number of units to be sold as X percent of the total available, or Y units, whichever is more; however, if there aren't that many units available, then just sell all available units."

Keep in mind that you are selling units that you actually have available (line 128 for the first unit type). So, if you don't have any units available to sell in a particular month then this "minimum number of available units" has no effect in that particular month. Such cells appear with gray shading.

If you have a minimum defined for a month when the units available are less than that minimum, you will see the cell turn a cautionary yellow. This does not indicate a problem that you need to fix; it is simply to alert you to the fact that your minimum number of units is not available to sell this month.

Rows 99 through 106 ask you to enter an average price for each unit type. These values copy themselves across the row and by default remain unchanged. You can, however, change the average sales price in any month. Be sure to enter a sales price for every month where sales may occur, as indicated by the absence of gray shading. Often it is easier to enter values for all 120 months to be certain.

Percent Sale Proceeds Applied to Loan Repayment allows you to estimate how much of each sale should be applied to pay down your outstanding development loan. Each month that settlements occur, a certain percentage of the funds realized from those settlements will be used to make principal payments on the outstanding development loan balance. The portion not applied to the loan is carried forward to the following month and is available to apply toward development costs. Your entry here is the percentage applied to loan repayment for each month. Once again, be sure to enter a figure in this row for all months where sales occur.

The eight entries, *Average Construction Cost Per Unit Type* (rows 108 – 115), specify the average cost to the developer to complete each unit type as described on the *Construction* worksheet. The program assumes that the cost in any given month to construct a unit will be what you define on the *Construction* worksheet, at least initially. It enters these values in month 1 (column D) of the projection and also copies them automatically into months 2 - 120. If you believe that your construction costs will not be the same at some later point in the project as they were at the beginning, then you can override the construction costs by typing a different amount into any month. Keep in mind that construction costs are only operative in months where construction is actually occurring. In other words, if you have no units being built in months 110 – 120, do not be concerned that the default cost of construction appears in those months.

These entries (rows 108 – 115) are used in conjunction with the allocation of monthly costs of construction as you define them on the *Construction* worksheet. The program will calculate the project's total construction costs for a given month by taking the number of units in each phase (i.e. month) of construction and multiplying it by the percentage of total cost attributable to that phase.

Rental Revenue accounts for projects where you may receive income from some units during the development or redevelopment (e.g., condominium conversion) process.

Percent Rental Revenue Applied to Loan Repayment allows you to use a portion of rental revenue for loan reduction. Each month that rental revenue is received, a certain percentage of that revenue may be applied toward the outstanding development loan balance. The portion not applied to the loan is carried forward to the following month and is available to apply toward development costs. Your entry here is the percentage applied to loan repayment for each month.

Last is the entry for *Annual Interest Rate on Development Loan*. This annual rate will be used to compute the amount of interest expense for the given month (1/12th of the annual rate). Note that this row allows you to evaluate the potential impact of fluctuating interest rates.

Row 71 contains a button called "Restore Purple Cells." In the program as delivered, the purple cells in rows 82 to 115 and 117 to 118 contain erasable formulas that save you from the need to make repetitive entries. These formulas copy your first-month entry across the row unless you choose to interrupt that repetition by overwriting one or more of the purple cells.

After doing so, you may decide that you would prefer to go back to "square one" in making your development projections and would like to restore all of these purple cells to their original formulas. Simply press this button to do so.

		Restore Purple Cells		
DEVELOPMENT PROJECTIONS		Date:	01-2020	02-2020
		Month:	1	2
74	Number of One bedroom condos begun	12	0	0
75	Number of Two bedroom condos begun	12	0	0
76	Number of Unit Type C begun	0	0	0
77	Number of Unit Type D begun	0	0	0
78	Number of Unit Type E begun	0	0	0
79	Number of Unit Type F begun	0	0	0
80	Number of Unit Type G begun	0	0	0
81	Number of Unit Type H begun	0	0	0
82	Percent of Available Units Sold Each Month		50.00%	50.00%
83	Min. No. of Available One bedroom condos Sold Each Month		0	0
84	Min. No. of Available Two bedroom condos Sold Each Month		0	0
85	Min. No. of Available Unit Type C Sold Each Month		0	0
86	Min. No. of Available Unit Type D Sold Each Month		0	0
87	Min. No. of Available Unit Type E Sold Each Month		0	0
88	Min. No. of Available Unit Type F Sold Each Month		0	0
89	Min. No. of Available Unit Type G Sold Each Month		0	0
90	Min. No. of Available Unit Type H Sold Each Month		0	0
99	Average Monthly Selling Price Per One bedroom condos		125,000	125,000
100	Average Monthly Selling Price Per Two bedroom condos		165,000	165,000
101	Average Monthly Selling Price Per Unit Type C		0	0
102	Average Monthly Selling Price Per Unit Type D		0	0
103	Average Monthly Selling Price Per Unit Type E		0	0
104	Average Monthly Selling Price Per Unit Type F		0	0
105	Average Monthly Selling Price Per Unit Type G		0	0
106	Average Monthly Selling Price Per Unit Type H		0	0
107	Percent Sale Proceeds Applied to Loan Repayment		85.00%	85.00%
108	Average Construction Cost Per One bedroom condos		24,600	24,600
109	Average Construction Cost Per Two bedroom condos		32,800	32,800
110	Average Construction Cost Per Unit Type C		0	0
111	Average Construction Cost Per Unit Type D		0	0
112	Average Construction Cost Per Unit Type E		0	0
113	Average Construction Cost Per Unit Type F		0	0
114	Average Construction Cost Per Unit Type G		0	0
115	Average Construction Cost Per Unit Type H		0	0
116	Rental Revenue		0	0
117	Percent Rental Revenue Applied to Loan Repayment		0.00%	0.00%
118	Annual Interest Rate on Development Loan		6.00%	6.00%

Figure 3-4 Development Projections

The Results

In rows 123 and below you can view the results based on the assumptions you've entered. The results include a section that forecasts project absorption, another that details a month-by-month cash flow forecast, and a third that display the expected progress of your development loan. Each of these can be printed from the **RealData Menu** under **Print Reports**.

Note that under Cash Flow Plan, row 262 (Unit Construction Costs) will not be meaningful until you have completed the *Construction* worksheet, and row 272 (Distributions to Partners) will not be meaningful until you have completed the *Partnership Data* worksheet.

Brief examples are shown below. You can find complete sample reports by visiting the *On Schedule* product page at www.realdata.com.

123	PROJECT ABSORPTION	Date:	01-2020	02-2020	03-2020
124		Month:	1	2	3
125	Total One bedroom condos in Project		12	12	12
126	Units Sold to Date, End of Month		0	0	0
127	Units Left to be Sold		12	12	12
128	Units Available for Delivery, Beginning of Month		0	0	0
129	Less Units Sold (on deposit)		0	0	0
130	Plus New Units Completed		0	0	0
131	Units Available for Delivery, EOM		0	0	0
132	Units Settled This Month		0	0	0
133	Units Settled, to Date		0	0	0
134	Average Price of Settled One bedroom condos		0	125,000	125,000
135	Total Two bedroom condos in Project		12	12	12
136	Units Sold to Date, EOM		0	0	0
137	Units Left to be Sold		12	12	12
138	Units Available for Delivery, BOM		0	0	0
139	Less Units Sold (on deposit)		0	0	0
140	Plus New Units Completed		0	0	0
141	Units Available for Delivery, EOM		0	0	0
142	Units Settled This Month		0	0	0
143	Units Settled, to Date		0	0	0
144	Average Price of Settled Two bedroom condos		0	165,000	165,000

Figure 3-5 Project Absorption

CASH FLOW PLAN	Date:	01-2020	02-2020	03-2020
	Month:	1	2	3
CASH INFLOWS				
Total Working Capital		500,000		
Development Loan Advance		252,500	504,263	293,784
Net Cash Carried Forward		n/a	0	0
Sales, Closed and Settled		0	0	0
Rental Revenue		0	0	0
TOTAL INFLOWS		752,500	504,263	293,784
CASH OUTFLOWS				
	Total			
Land & Improvements, Purchase Cost	350,000	350,000	0	0
Survey & Appraisal Fees	7,500	7,500	0	0
Feasibility Analysis	0	0	0	0
Environmental Survey, Remediation	0	0	0	0
Architectural & Engineering, Blueprints	75,000	25,000	0	50,000
Bonds	0	0	0	0
Legal, Title Work, Zoning	0	0	0	0
Permits	3,000	0	3,000	0
Engineering Offsite Costs	0	0	0	0
Site Work	135,000	120,000	0	15,000
Road Construction	0	0	0	0
Storm and Sanitary Sewers	0	0	0	0
Landscaping	0	0	0	0
Utilities (Water, Electric, Gas)	0	0	0	0
Parking Garage	0	0	0	0
Detention Pond	0	0	0	0
Model Unit Decorating	0	0	0	0
Common Area Maintenance	0	0	0	0
Miscellaneous and Contingency	0	0	0	0
Other Hard Cost	0	0	0	0
Building Shell construction	975,000	250,000	500,000	225,000
Other Hard Cost	0	0	0	0
Unit Construction Costs	688,800	0	0	0
Real Estate Agents' Commissions	0	0	0	0
Transfer Tax	0	0	0	0
Closing Costs/Legal Expense	0	0	0	0
Development Loan Fee	0	0		
Development Loan Closing Costs	0	0		
Loan Interest	203,233	0	1,263	3,784
Loan Repayment, Principal	1,753,863	0	0	0
TOTAL OUTFLOWS		752,500	504,263	293,784
NET CASH EOM BEFORE DISTRIBUTIONS		0	0	0
DISTRIBUTIONS TO PARTNERS		0	0	0
NET CASH, END OF MONTH (incl. reserved working cap.)		0	0	0

Figure 3-6 Cash Flow Plan

The column called "Total" is the sum of all the projected monthly amounts to the right. Do not attempt to change any cells in the Cash Flow Plan. These values are calculated and are not intended to be altered manually by the user.

LOAN ANALYSIS	Date:	01-2020	02-2020	03-2020
	Month:	1	2	3
Development Loan Commitment		1,420,000		
Amount Drawn, Development Loan		252,500	504,263	293,784
Cumulative Amount Drawn		252,500	756,763	1,050,546
Balance Available		1,167,500	663,238	369,454
Loan Repayment from Proceeds of Sales & Rent Revenue		0	0	0
Amount Outstanding After Payment		252,500	756,763	1,050,546
Payoff of Full Loan Balance from Developer's Net Cash		0	0	0
NET CASH, LESS DEBT		(252,500)	(756,763)	(1,050,546)
Total Project Profit (Cash flows less working capital & land equity)	442,467			
Joe Developer's IRR	25.80%			
Joe Developer's NPV @ 10.00%	27,330			

Figure 3-7 Loan Analysis

Chapter 4. Construction

What the Construction Worksheet Does

In this worksheet you can itemize 28 categories of construction costs for each unit type. You can also specify the approximate timing of your expenditures during the construction process.

Keep in mind that the costs you enter on this worksheet are optional and represent unit construction costs only.

Entering Data in the Construction Worksheet

Construction Costs by Unit Type

Enter the total dollar or dollar per square foot amount for each of the construction cost categories in rows 7 through 34. A radio button at the top of this section indicates the unit of measure for your entries. You can modify the names of the category titles to suit the needs of your specific project and these titles will appear on the printed Construction Cost Report. Please note that the software automatically sums each column and displays the result in row 35; you should not overwrite the formulas in this row.

If you want to change the names of the unit types, you'll need to go back to the *Development & Absorption* worksheet and make the changes in rows 8 to 15, column E.

NOTE

Use the construction cost sections only to account for the costs involved in building the individual units, such as houses or condominiums. Enter global site costs in the Site Costs section of the Development & Absorption worksheet.

Figure 4-1 shows an example of this section of the worksheet in a project that has two unit types:

CONSTRUCTION COSTS BY UNIT TYPE	One bedroom condos	Two bedroom condos	Unit Type C
Site preparation, Demolition	0	0	0
Sewer laterals / Septic	0	0	0
Well / Water	0	0	0
Concrete / Foundation	0	0	0
Framing	0	0	0
Electric - rough in	2,000	3,000	0
Electric - finish and fixtures	600	800	0
Plumbing - rough in	0	0	0
Plumbing - finish and fixtures	0	0	0
Heating / Air Conditioning	3,000	4,200	0
Siding	0	0	0
Roofing	0	0	0
Masonry / Chimney / Fireplaces	0	0	0
Windows / Doors	0	0	0
Sheetrock and Taping	7,000	8,500	0
Interior Trim and Floors	0	0	0
Deck	0	0	0
Painting, Interior	1,500	1,800	0
Painting, Exterior	0	0	0
Kitchen Cabinets and Appliances	8,000	11,000	0
Carpeting	2,500	3,500	0
Security / Alarm System	0	0	0
Paving	0	0	0
Landscaping	0	0	0
Elevators	0	0	0
Miscellaneous	0	0	0
Other	0	0	0
Other	0	0	0
TOTAL CONSTRUCTION COST PER UNIT:	24,600	32,800	0
Square feet	700	1,100	0
TOTAL CONSTRUCTION COST PER SQUARE FOOT:	35.14	29.82	

Figure 4-1 Construction Costs by Unit Type

Percentage of Unit Construction Cost Allocation

In this section you will allocate construction costs for a single unit of each type, over the months required to build it.

Different types may require different lengths of time to build, so if Unit Type A requires 4 months you will make entries in months 1 - 4, and if Unit Type B requires 6 months you will make entries in months 1 - 6. The program automatically grays out cells for months beyond the number of months you entered on the *Development & Absorption* worksheet in cells H8 to H15.

Each entry represents the percentage of total unit construction cost allocated to that month of construction. For example, suppose in *Development & Absorption* cell H8 you indicated that it will take 4 months to build a typical Unit Type A. You review the unit design with your project manager and

decide that you will spend 20% of the total cost in month 1, 30% in month 2, 40% in month 3 and 10% in month 4. You will enter those percentages under Unit Type A in months 1-4, respectively.

Figure 4-2 shows an example of a completed construction cost timeline. In this example, you are projecting that it takes five months to construct a “Unit Type A.” On average, you expect to spend 25 percent of the \$24,600 construction costs during the first month of building this type of unit, 15 percent each during the second and thirds months, 20 percent in the fourth month, and 25 percent in the fifth month. As you will see in the project development section, you may be planning to start a group of units in February, then another group in May, and still another in August. *On Schedule* will help you sort out your anticipated construction costs for each month. For example, in May you may have costs associated with the first group of units being in their fourth month of construction and the second group in their first month of construction. *On Schedule* will track all of this for you.

PERCENTAGE OF UNIT CONSTRUCTION COST ALLOCATED TO EACH MONTH OF CONSTRUCTION (Maximum of 24 months to complete a unit)	One bedroom condos	Two bedroom condos	Unit Type C
Month 1 of Unit Construction	25%	25%	100%
Month 2	15%	15%	0%
Month 3	15%	15%	0%
Month 4	20%	20%	0%
Month 5	25%	25%	0%
Month 6	0%	0%	0%
Month 7	0%	0%	0%
Month 8	0%	0%	0%
Month 9	0%	0%	0%
Month 10	0%	0%	0%
Month 11	0%	0%	0%
Month 12	0%	0%	0%
Month 13	0%	0%	0%
Month 14	0%	0%	0%
Month 15	0%	0%	0%
Month 16	0%	0%	0%
Month 17	0%	0%	0%
Month 18	0%	0%	0%
Month 19	0%	0%	0%
Month 20	0%	0%	0%
Month 21	0%	0%	0%
Month 22	0%	0%	0%
Month 23	0%	0%	0%
Month 24	0%	0%	0%
(total should equal 100% for each unit type used)	100%	100%	100%

Figure 4-2 Percentage of Unit Construction Cost Allocation

Chapter 5. Project Overview Report

This worksheet is designed as a presentation-style report, suitable to give to a lender or partner as a summary or overview of your project. You can print this along with all other *On Schedule* reports by pulling down the **RealData Menu** and choosing **Print Reports**.

In the printed version of this report, monthly site cost categories that were unused in the analysis of this project will not appear.

There are no data entry cells on this worksheet.

Chapter 6. Project Executive Summary

This worksheet is designed as a one-page report, suitable to give to a lender or partner as a summary or overview of your project. You can print this along with all other *On Schedule* reports by pulling down the **RealData Menu** and choosing **Print Reports**.

There are no data entry cells on this worksheet.

Chapter 7. Partnership Data

What the Partnership Data Worksheet Does

If your project involves capital raised from investors, you may want to show those individuals not only your expectations for the project as a whole but also for their investment. On this worksheet you can enter basic assumptions about the structure of the partnership. That data will become the basis for three reports that you can give to individual partners.

You can list up to 8 limited partners or non-managing members on this worksheet. You then select one of these from a drop-down menu, and the program will automatically tailor the reports for that particular limited partner or non-managing member.

Entering Data in the Partnership Data Worksheet

At the top-left of the sheet you will see buttons that allow you to choose between nomenclature suitable for a limited partnership and for a Limited Liability Company.

Type of Partnership

Limited Partnership LLC

Figure 7-1 Type of Partnership

The Limited Partnership choice will cause “General Partner” and “Limited Partner” to appear in certain labels here and on the “Partnership Presentation” worksheet and report. The LLC choice will cause “Managing Member” and “Non-Managing Member” to appear. For the sake of readability in this section of the User’s Guide we will use just the terms General Partner and Limited Partner.

Below the Type of Partnership buttons is a set of check boxes indicating whether you want IRR and NPV to appear on the Loan Analysis report and the Partnership Presentation report.

Reports should include which IRR and NPV values?

Limited Partner: IRR NPV

IRR NPV

Figure 7-2 IRR and NPV reporting

The Loan Analysis report never includes the Limited Partner’s IRR or NPV. It will include the General Partner’s IRR and NPV if the corresponding checkboxes on the bottom are checked. The Partnership Presentation report will include the Limited Partner’s IRR and NPV and the General Partner’s IRR and NPV if the corresponding checkboxes are checked.

The section to the right is where you specify the details of the partnership.

General Partner:		Joe Developer			
Allocation of Cash to General Partner:		15.00%			

Limited Partners		Partner to analyze below: Dave investor			
Allocation of Cash to All Limited Partners:		85.00%			
Preferred Return for All Limited Partners:		5.00%			
#	Name	Cash Contribution	Land Contribution	Member Ratio	% of Cash Distributions
1	Dave investor	200,000	0	44.44%	37.78%
2	100k investor class	100,000	0	22.22%	18.89%
1	50k investor	50,000	0	11.11%	9.44%
1		0	0	0.00%	0.00%
1		0	0	0.00%	0.00%
1		0	0	0.00%	0.00%
1		0	0	0.00%	0.00%
1		0	0	0.00%	0.00%
4		450,000	0		
Initial Capital Investment					
		Cash	Land		
Total from All Limited Partners		450,000	0		
from Dave investor		200,000	0		
from Joe Developer		50,000	0		
Total from All Partners (General + Limited)		500,000	0		

Figure 7-3 Partnership Details

At the top, enter the name of the General Partner. The cell for the allocation of cash to the General Partner is colored black instead of blue, so it is not a data entry. The program automatically calculates this cell as whatever is left over after the allocation of cash to all Limited Partners.

The entry labeled “partner to analyze below” is a drop-down menu based on the list of partners in rows 17 to 24. Hence, you should fill in this list of partners first. Enter each partner’s cash and land contribution. The quantity entered under “#” should normally be 1, but you may want to set it to more than 1 if Name is something generic such as “100k investor.”

The program allocates cash flow first to pay preferred returns, then to return capital to all partners and finally to distribute the remaining cash to partners (i.e., the profit in excess of the preferred return). Your next entry, cell J4, is that percentage of remaining monthly cash flow to be paid to the entire group of Limited Partners. The program will allocate the balance to the General Partner.

Next, indicate what percentage, if any, is the preferred return for the Limited Partners.

For example, a 5.00% preferred return means that each Limited Partner is entitled to a 5% annual, non-compounded return on his or her investment before the General Partner receives any return at all. Each month, the amount due to the Limited Partner is calculated; if the partnership has not yet returned capital

and doesn't earn enough to pay the 1/12th of 5% percent in a given month, or if there is simply no cash distribution planned for a particular month, then the cumulative amount owed to the partner remains due.

Your final row of entries allows you to specify when and to what extent you will distribute cash to the partners. Express the distribution as a percentage of available cash in a given month (row 38) or a dollar amount (row 39). The program shows you how much cash is available each month, net of reserved working capital, but you will want to keep in mind that excessive early distributions will probably result in the need for additional borrowing and hence for greater interest costs.

Row 38 contains a button called "Restore Purple Cells." In the program as delivered, the purple cells in cells E38 through DS38 contain erasable formulas that save you from the need to make repetitive entries. These formulas copy your first-month entry across the row unless you choose to interrupt that repetition by overwriting one or more of the purple cells. See page 19 for more information.

In a development project (as opposed to an income-property investment) you may choose not to distribute cash until the project is done. In that case you would complete the analysis of the project first to estimate when it would be done and distribute all of the cash at that time. If you chose to distribute cash from time to time during the project, you would still want to pay attention to the completion date so that you could disburse the balance of the funds.

Previous builds of On Schedule version 5 required that you distribute 100% of the available cash in the last month in which you had money to distribute. As of version 5, build 1.24 on Windows (build 1.21 on Mac) the software will automatically detect the final month and apply a 100% distribution.

Remember that cash flows will be distributed according to your specified percentages only *after* the available cash has been used to pay the preferred return and to return capital invested to both the General and Limited Partners. Paying the preferred return takes precedence over all other distributions. If there is not enough cash to pay the preferred return when the project is completed, then the Limited Partners receive as much of it as they can, to the extent of the funds that are available. In other words, the preferred return is not a guaranteed return.

Waterfall Tier Option

You can activate waterfall tiers by ticking the checkbox located near cell A20 on the Partnership Data worksheet. If you check "Use Waterfall Tiers," then rows 6 to 12 will appear, allowing you to control the split of profits (after any preferred return and return of capital) with up to 4 tiers based on the IRR achieved by the entire group of limited partners (or non-managing members) from all distributions so far. These entries replace the single allocation of cash entry in cell J4 when waterfall tiers are disabled.

You may change the names of the tiers in column J. Enter minimum IRR values in one or more cells in column I and a corresponding allocation-of-cash amount in column L.

The image shows a rectangular dialog box with a title bar that reads "Waterfall Tier Option". Inside the box, there is a single line of text: an unchecked checkbox followed by the text "Use Waterfall Tiers".

Figure 7-4 Waterfall Tier Option

Limited Partners		Partner to analyze below: Dave investor	General Partner:
Preferred Return for All Limited Partners:		5.00%	
Tier Name	IRR Range	to All Limited Partners	
Tier 1	up to 15.00%	85.00%	
Tier 2	15.00% to 18.00%	80.00%	
Tier 3	18.00% to 20.00%	75.00%	
Tier 4	20.00% and above	70.00%	

Figure 7-5 Waterfall Tier Data Entry

Partnership Calculations

The following is an abbreviated version of this worksheet, showing the first three months of the cash available and the planned distributions.

PARTNERSHIP DISTRIBUTIONS	Date:	01-2020	02-2020	03-2020
	Month:	1	2	3
Net Cash EOM Before Distributions (Less Reserved Working Capital)		0	0	0
% of Available Cash to be Distributed Each Month	Restore Purple Cells >	0.00%	0.00%	0.00%
or dollar amount		0	0	0
Cash Distributions	Total			
Joe Developer	105,401	0	0	0
from Return of Capital	50,000	0	0	0
from Tier 1	55,401	0	0	0
All Limited Partners	837,066	0	0	0
Dave investor's total	372,029	0	0	0
from Preferred Return	32,500	0	0	0
from Return of Capital	200,000	0	0	0
from Tier 1	139,529	0	0	0
Total Distributions	942,467	0	0	0
Dave investor's IRR	21.05%			
Dave investor's NPV @ 10.00%	72,948			
Joe Developer's IRR	25.80%			
Joe Developer's NPV @ 10.00%	27,330			

Figure 7-6 Partnership Distributions

Chapter 8. Partnership Presentation

This worksheet is designed as a presentation-style report, suitable to give to a partner as a summary or overview of your project and of the partner's expected returns. You can print this along with all other *On Schedule* reports by pulling down the **RealData Menu** and choosing **Print Reports**.

There are no data entry cells on this worksheet.

Chapter 9. Partnership Executive Summary

This worksheet is designed as a one-page report, suitable to give to a partner as a summary or overview of your project and of the partner's expected returns. You can print this along with all other *On Schedule* reports by pulling down the **RealData Menu** and choosing **Print Reports**.

There are no data entry cells on this worksheet.

Chapter 10. Gantt Chart and Graphs

The *Gantt Chart* provides a visual timeline of development activities. A set of radio buttons at the top lets you select a monthly, quarterly or yearly chart. There is no other data entry on this sheet.

When printing the Gantt Chart report, the software will automatically determine the number of months, quarters or years to print. Only those unit types which contain data will print on the report.

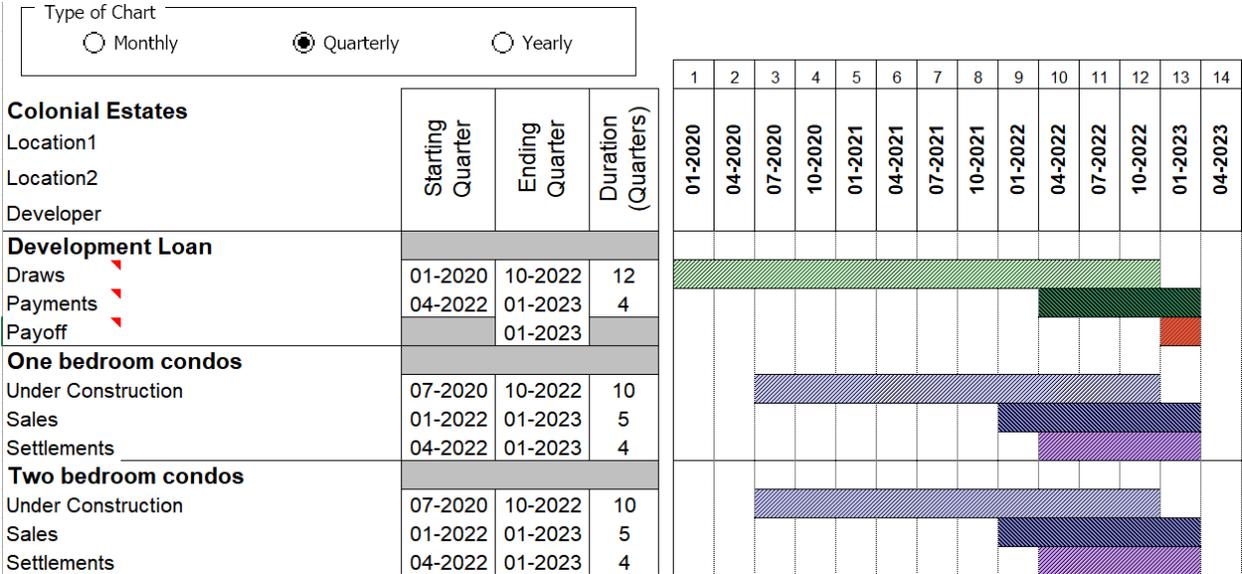


Figure 10-1 Gantt Chart

The *Graphs* sheet displays six graphs of financial data, such as the cash inflows and outflows shown below. As with the Gantt Chart sheet, there is a set of radio buttons at the top so you can select monthly, quarterly or yearly graphs. There is no other data entry on this sheet.

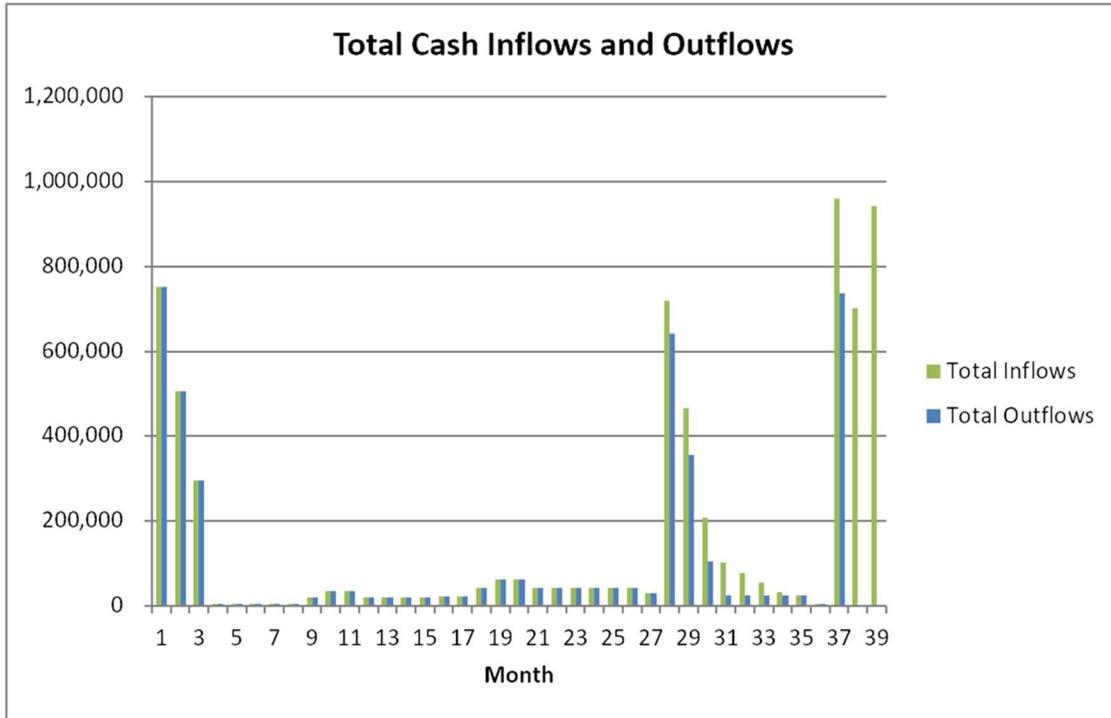


Figure 10-2 Cash Flow Graph

To print either of these two worksheets, pull down the **RealData Menu** and choose **Print Reports**.

Chapter 11. User Worksheets

An option within the RealData menu allows you to add user worksheets to your analyses. To add a worksheet, simply open "RealData" in the top Excel menu and then choose "User Worksheets." (See Figure 11-1 below.) The User Worksheets menu also provides options to delete or rename your sheets.

You may use these worksheets for performing incidental calculations or, if you are proficient with Excel, to design a subsidiary spreadsheet of your own that you can link into *On Schedule*.

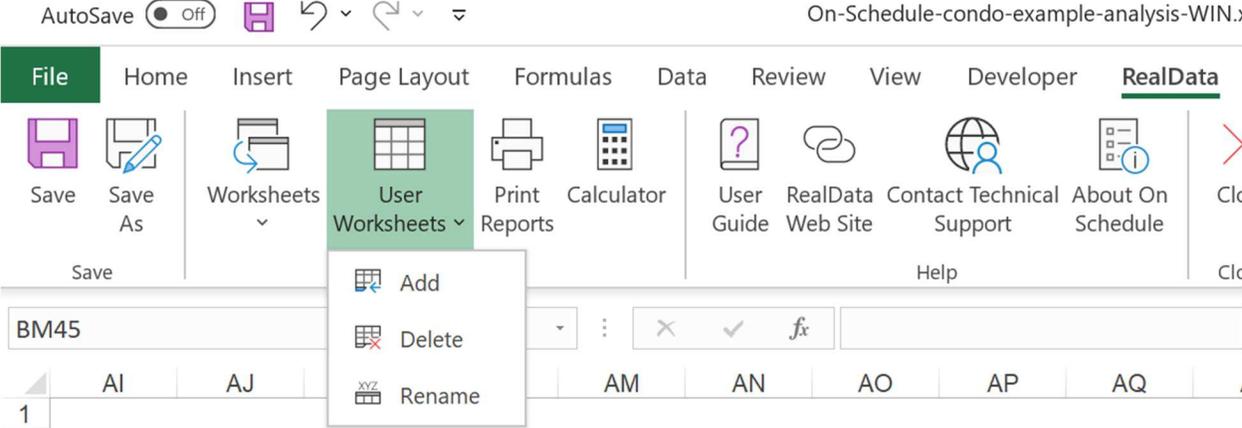


Figure 11-1 User Worksheets Menu

Index

A		L	
absorption	19	land purchase cost.....	14
B		land, value of	12
blue cells.....	8	limited partnership	27
C		LLC.....	27
cash distribution	29	loan commitment	12
cash flow.....	19	loan fee.....	13
cash flow, partner's allocation	28	loan interest	17
cell notes.....	8	loan, pay off.....	12
color-code	8	M	
commissions.....	13	macro security	3
construction costs.....	16, 22	macros	3
Copyright.....	1	O	
D		opening files and worksheets.....	2
date of this report.....	10	P	
disclaimers	2	partnership	29
distributions to partners	29	partnership data.....	27
E		Partnership Presentation.....	31
entering data.....	7	PDF	6
Excel.....	1	preferred return	28, 29
F		prepared by	10
file menu	5	prepared for	10
files, opening.....	2	Printing Reports.....	5
files, saving.....	4	Project Overview Report.....	25, 26, 32
formatting	7	property information	10, 11
G		property location.....	10
Gantt chart	33	property name	10, 11
General worksheet.....	10	property type.....	10
graphs	33	protect worksheet.....	7
I		purple cells	8
interest rate.....	8	Q	
internal rate of return	12	quit.....	5
investor	10	R	
J		recalculation	9
K		rental revenue	16
L		reports	4, 6
M		Restore Purple Cells.....	8, 17, 29
N			
O			
P			
Q			
R			

S

sales, average price.....16
sales, estimating15
sales, proceeds applied to loan.....16
security macro 3
settlement.....13
system requirements 1

U

unprotect worksheet 7
user work areas.....35

user's guide 4

W

welcome page 10
Windows 2
workbook..... 1, 3
working capital 12, 29
worksheet tabs 3
worksheet vs. workbook..... 3
worksheets, opening..... 2