



<h2>Development / Construction Financial Model</h2>

Project title:	Development / Construction Financial Model	Date:	17-Jul-20
Responsible:	Mr Rebar	Time:	10:15 AM

Development / Construction Financial Model

Contents

➔ Development / Construction Financial Model

- ☐ Inputs
- ☐ Calculations
- ☐ Monthly Outputs
- ☐ Yearly Outputs
- ☐ Charts
- ☐ Ratios
- ☐ Checks



For Training Purposes Only

© Big4WallStreet.com

© Excel Business Modeling Solutions

All rights reserved

www.big4wallstreet.com

www.big4wallstreet.org

Important Disclaimer:

The Model has been constructed for a specific purpose and is not intended for distribution to third parties.

The Model's use is intended solely for training and educational purposes in order to support customers of "Big4WallStreet.com" copyrighted under "Excel Business Modeling Solutions" (EBMS).

EBMS does not assume any responsibility or liability / damages whatsoever - real or perceived - to the client or to any third party, for any other use or purpose.

No part of this document can be reproduced or shared in any way without the prior written permission of EBMS.

In case of copyright infringement EBMS will contemplate pursuing all available legal remedies, including seeking monetary damages, injunctive relief, and an order that you pay court costs and attorney's fees.

The Model is fully functional
Model Checks are OK

Period type	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
Start of period	01-Jan-21	01-Feb-21	01-Mar-21	01-Apr-21	01-May-21	01-Jun-21	01-Jul-21	01-Aug-21	01-Sep-21	01-Oct-21	01-Nov-21	01-Dec-21	01-Jan-22	01-Feb-22	01-Mar-22	01-Apr-22	01-May-22	01-Jun-22	01-Jul-22		
End of period	31-Jan-21	28-Feb-21	31-Mar-21	30-Apr-21	31-May-21	30-Jun-21	31-Jul-21	31-Aug-21	30-Sep-21	31-Oct-21	30-Nov-21	31-Dec-21	31-Jan-22	28-Feb-22	31-Mar-22	30-Apr-22	31-May-22	30-Jun-22	31-Jul-22		
Period Number	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19		
YEAR	2021	2021	2021	2021	2021	2021	2021	2021	2021	2021	2021	2021	2022	2022	2022	2022	2022	2022	2022		

1 . General information

Project title:	Name	Development / Construction Financial Model
Responsible:	Name	Mr Rebar

2 . Model timeline

Model start date	Date	01-Jan-21
Forecasting Period	Months	1
Start of forecast periods	Date	01-Jan-21
Actual		Actual
Forecast		Forecast

3 . Model Color Coding

3.1 Cells Color Coding

Restricted Cell	100
Model Input Data	100
Call Ups	100
Calculations	101

3.1 Worksheets / Tabs Color Coding

Input Sheets	
Calculations Sheets	
Output Sheets	
Admin Sheets	

4 . Date and Time Conventions

Days in Year	Days	365
Days in Month	Days	30
Months in Year	Months	12

5 . Calculation Conventions

Multipliers	USD	1,000
-------------	-----	-------

Development / Construction Financial Model

Inputs

The Model is fully functional
Model Checks are OK



Period type
Start of period
End of period
Period Number

Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
01-Jan-21	01-Feb-21	01-Mar-21	01-Apr-21	01-May-21	01-Jun-21	01-Jul-21	01-Aug-21	01-Sep-21	01-Oct-21	01-Nov-21	01-Dec-21
31-Jan-21	28-Feb-21	31-Mar-21	30-Apr-21	31-May-21	30-Jun-21	31-Jul-21	31-Aug-21	30-Sep-21	31-Oct-21	30-Nov-21	31-Dec-21
1	2	3	4	5	6	7	8	9	10	11	12
0.04%	0.34%	1.89%	6.85%	16.13%	24.75%	24.75%	16.13%	6.85%	1.89%	0.34%	0.04%
0.04%	0.34%	1.89%	6.85%	16.13%	24.75%	24.75%	16.13%	6.85%	1.89%	0.34%	0.04%
0.04%	0.34%	1.89%	6.85%	16.13%	24.75%	24.75%	16.13%	6.85%	1.89%	0.34%	0.04%
0.04%	0.34%	1.89%	6.85%	16.13%	24.75%	24.75%	16.13%	6.85%	1.89%	0.34%	0.04%
0.04%	0.34%	1.89%	6.85%	16.13%	24.75%	24.75%	16.13%	6.85%	1.89%	0.34%	0.04%
0.04%	0.34%	1.89%	6.85%	16.13%	24.75%	24.75%	16.13%	6.85%	1.89%	0.34%	0.04%
50.00%	50.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
8.33%	8.33%	8.33%	8.33%	8.33%	8.33%	8.33%	8.33%	8.33%	8.33%	8.33%	8.33%
50.00%	50.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
50.00%	50.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Mechanical Works	USD	15,000	Normal Dist.
Specialties	USD	50,000	Normal Dist.
Equipment	USD	65,000	Normal Dist.
Architects Fees	USD	15,000	Normal Dist.
Engineers Fees	USD	20,000	Normal Dist.
Contingency	USD	9,000	Normal Dist.
Hard Costs	USD	1,160,000	
Pre Opening	USD	9,000	Custom 1
Working Capital	USD	12,000	Level Dist.
Building Operations	USD	21,000	
Closing Costs	USD	10,000	Custom 1
Finance Costs	USD	11,631	Custom 1
Total Construction Costs	USD	1,663,131	
Check		OK	

OPERATING ASSUMPTIONS

1 . Revenues

		Rent	% Vacancy
Unit 1 - Efficiency	USD per month / %	1,200	5.00%
Unit 2 - Efficiency	USD per month / %	1,200	5.00%
Unit 3 - One Bedroom	USD per month / %	1,800	5.00%
Unit 4 - One Bedroom	USD per month / %	1,800	5.00%
Unit 5 - Two Bedroom	USD per month / %	2,000	5.00%
Unit 6 - Two Bedroom	USD per month / %	2,000	5.00%
Unit 7 - Two Bedroom	USD per month / %	2,000	5.00%
Unit 8 - Two Bedroom	USD per month / %	2,000	5.00%
Unit 9 - Three Bedroom	USD per month / %	2,500	5.00%
Unit 10 - Three Bedroom	USD per month / %	2,500	5.00%
Rent Escalation Rate	% per Year	2.00%	

2 . Expenses

Management	% on Net Rental Revenue	5.00%
Refurbishments	% on Net Rental Revenue	6.00%
Electricity	USD per month	350
Gas	USD per month	250
Yearly Insurance	USD	5,000
Yearly Property Taxes	USD	12,000
Costs Inflation Rate	%	1.50%

Development / Construction Financial Model

Inputs

The Model is fully functional
Model Checks are OK



Period type	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
Start of period	01-Jan-21	01-Feb-21	01-Mar-21	01-Apr-21	01-May-21	01-Jun-21	01-Jul-21	01-Aug-21	01-Sep-21	01-Oct-21	01-Nov-21	01-Dec-21
End of period	31-Jan-21	28-Feb-21	31-Mar-21	30-Apr-21	31-May-21	30-Jun-21	31-Jul-21	31-Aug-21	30-Sep-21	31-Oct-21	30-Nov-21	31-Dec-21
Period Number	1	2	3	4	5	6	7	8	9	10	11	12

DEBT FINANCING

Principal	USD	1,163,131	
Interest Rate	%	5.50%	
Tenor	Years	8.00	Whole years only, After Construction Period
Loan Type	#	Amortized	
Custom Repayment per Month	%	1.50%	Only when "Custom" loan type is selected
Debt Issuance Costs	%	1.00%	

VALUATION

Sell Property by	Year	31-Dec-30
Exit Cap Rate	%	10.0%
Exit Selling Costs	%	4.0%
Discount Rate (Project)	%	8.0%
Discount Rate (Equity)	%	12.0%

End of Sheet

The Model is fully functional Model Checks are OK	Period type	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
	Start of period	01-Jan-21	01-Feb-21	01-Mar-21	01-Apr-21	01-May-21	01-Jun-21	01-Jul-21	01-Aug-21	01-Sep-21	01-Oct-21	01-Nov-21	01-Dec-21	01-Jan-22	01-Feb-22	01-Mar-22
	End of period	31-Jan-21	28-Feb-21	31-Mar-21	30-Apr-21	31-May-21	30-Jun-21	31-Jul-21	31-Aug-21	30-Sep-21	31-Oct-21	30-Nov-21	31-Dec-21	31-Jan-22	28-Feb-22	31-Mar-22
	Period Number	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
	YEAR	2021	2021	2021	2021	2021	2021	2021	2021	2021	2021	2021	2021	2022	2022	2022

1 . Property Pro Forma Cash Flow																
Maximum Potential Gross Revenue Vacancy Net Rental Revenue % Growth Management Refurbishments Electricity Gas Yearly Insurance Yearly Property Taxes Total Expenses % Growth Net Operating Income (NOI) NOI Margin Construction Costs Equity Injection Debt Drawdown Interest on Debt Capital Repayment Financing Cash Flows Opening Cash Cash Flow Closing Cash	USD	-	-	-	-	-	-	-	-	-	-	-	-	19,380	19,380	19,380
	USD	-	-	-	-	-	-	-	-	-	-	-	-	(969)	(969)	(969)
	USD	-	-	-	-	-	-	-	-	-	-	-	-	18,411	18,411	18,411
	%	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	0.0%	0.0%
	USD	-	-	-	-	-	-	-	-	-	-	-	-	(921)	(921)	(921)
	USD	-	-	-	-	-	-	-	-	-	-	-	-	(1,105)	(1,105)	(1,105)
	USD	-	-	-	-	-	-	-	-	-	-	-	-	(355)	(355)	(355)
	USD	-	-	-	-	-	-	-	-	-	-	-	-	(254)	(254)	(254)
	USD	-	-	-	-	-	-	-	-	-	-	-	-	(423)	(423)	(423)
	USD	-	-	-	-	-	-	-	-	-	-	-	-	(1,015)	(1,015)	(1,015)
	USD	-	-	-	-	-	-	-	-	-	-	-	-	(4,072)	(4,072)	(4,072)
	%	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	0.0%	0.0%
	USD	-	-	-	-	-	-	-	-	-	-	-	-	14,339	14,339	14,339
	%	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	77.9%	77.9%	77.9%
	USD	(191,855)	(195,303)	(47,989)	(105,457)	(195,628)	(295,650)	(295,650)	(195,628)	(87,957)	(30,489)	(12,487)	(9,039)	-	-	-
	USD	57,679	58,715	14,427	31,704	58,813	88,884	88,884	58,813	26,443	9,166	3,754	2,718	-	-	-
	USD	134,176	136,587	33,561	73,752	136,815	206,767	206,767	136,815	61,513	21,323	8,733	6,322	-	-	-
	USD	-	-	-	-	-	-	-	-	-	-	-	-	(5,496)	(5,451)	(5,405)
	USD	-	-	-	-	-	-	-	-	-	-	-	-	(9,973)	(10,018)	(10,064)
	USD	191,855	195,303	47,989	105,457	195,628	295,650	295,650	195,628	87,957	30,489	12,487	9,039	(15,469)	(15,469)	(15,469)
	USD	0	-	-	-	-	-	-	-	-	-	-	-	-	(1,130)	(2,260)
	USD	-	-	-	-	-	-	-	-	-	-	-	-	(1,130)	(1,130)	(1,130)
	USD	-	-	-	-	-	-	-	-	-	-	-	-	(1,130)	(2,260)	(3,390)

Outputs (M)

The Model is fully functional Model Checks are OK	Period type	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
	Start of period	01-Jan-21	01-Feb-21	01-Mar-21	01-Apr-21	01-May-21	01-Jun-21	01-Jul-21	01-Aug-21	01-Sep-21	01-Oct-21	01-Nov-21	01-Dec-21	01-Jan-22	01-Feb-22	01-Mar-22	
	End of period	31-Jan-21	28-Feb-21	31-Mar-21	30-Apr-21	31-May-21	30-Jun-21	31-Jul-21	31-Aug-21	30-Sep-21	31-Oct-21	30-Nov-21	31-Dec-21	31-Jan-22	28-Feb-22	31-Mar-22	
	Period Number	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	

2 . Investment Exit

		Month0	Month1	Month2	Month3	Month4	Month5	Month6	Month7	Month8	Month9	Month10	Month11	Month12	Month13	Month14	Month15
Project Cash Flow																	
Project Investment	USD																
Free Cash Flows	USD																
Net Exit Proceeds	USD																
Project Cash Flows	USD	-	(191,855)	(195,303)	(47,989)	(105,457)	(195,628)	(295,650)	(295,650)	(195,628)	(87,957)	(30,489)	(12,487)	(9,039)	14,339	14,339	14,339
Equity Cash Flow																	
Project Investment	USD																
Free Cash Flows	USD																
Net Exit Proceeds	USD																
Equity Cash Flows	USD	-	(57,679)	(58,715)	(14,427)	(31,704)	(58,813)	(88,884)	(88,884)	(58,813)	(26,443)	(9,166)	(3,754)	(2,718)	(1,130)	(1,130)	(1,130)

The Model is fully functional
Model Checks are OK

Period type	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
Start of period	01-Jan-21	01-Jan-22	01-Jan-23	01-Jan-24	01-Jan-25	01-Jan-26	01-Jan-27	01-Jan-28	01-Jan-29	01-Jan-30
End of period	31-Dec-21	31-Dec-22	31-Dec-23	31-Dec-24	31-Dec-25	31-Dec-26	31-Dec-27	31-Dec-28	31-Dec-29	31-Dec-30
Period Number	1	2	3	4	5	6	7	8	9	10
Year	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030

1 . Property Pro Forma Cash Flow

Maximum Potential Gross Revenue	USD	-	232,560	237,211	241,955	246,795	251,730	256,765	261,900	267,138	272,481
Vacancy	USD	-	(11,628)	(11,861)	(12,098)	(12,340)	(12,587)	(12,838)	(13,095)	(13,357)	(13,624)
Net Rental Revenue	USD	-	220,932	225,351	229,858	234,455	239,144	243,927	248,805	253,781	258,857
% Growth	%	n/a	n/a	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Management	USD	-	(11,047)	(11,268)	(11,493)	(11,723)	(11,957)	(12,196)	(12,440)	(12,689)	(12,943)
Refurbishments	USD	-	(13,256)	(13,521)	(13,791)	(14,067)	(14,349)	(14,636)	(14,928)	(15,227)	(15,531)
Electricity	USD	-	(4,263)	(4,327)	(4,392)	(4,458)	(4,525)	(4,592)	(4,661)	(4,731)	(4,802)
Gas	USD	-	(3,045)	(3,091)	(3,137)	(3,184)	(3,232)	(3,280)	(3,330)	(3,379)	(3,430)
Yearly Insurance	USD	-	(5,075)	(5,151)	(5,228)	(5,307)	(5,386)	(5,467)	(5,549)	(5,632)	(5,717)
Yearly Property Taxes	USD	-	(12,180)	(12,363)	(12,548)	(12,736)	(12,927)	(13,121)	(13,318)	(13,518)	(13,721)
Total Expenses	USD	-	(48,866)	(49,720)	(50,590)	(51,475)	(52,376)	(53,293)	(54,227)	(55,177)	(56,144)
% Growth	%	n/a	n/a	1.7%	1.7%	1.7%	1.8%	1.8%	1.8%	1.8%	1.8%
Net Operating Income (NOI)	USD	-	172,066	175,631	179,268	182,980	186,768	190,634	194,578	198,604	202,713
NOI Margin	%	n/a	77.9%	77.9%	78.0%	78.0%	78.1%	78.2%	78.2%	78.3%	78.3%
Construction Costs	USD	(1,663,131)	-	-	-	-	-	-	-	-	-
Equity Injection	USD	500,000	-	-	-	-	-	-	-	-	-
Debt Drawdown	USD	1,163,131	-	-	-	-	-	-	-	-	-
Interest on Debt	USD	-	(62,893)	(55,969)	(48,656)	(40,930)	(32,768)	(24,145)	(15,036)	(5,414)	(0)
Capital Repayment	USD	-	(122,733)	(129,657)	(136,970)	(144,696)	(152,858)	(161,481)	(170,590)	(180,212)	-
Financing Cash Flows	USD	1,663,131	(185,626)	(185,626)	(185,626)	(185,626)	(185,626)	(185,626)	(185,626)	(185,626)	(0)
Opening Cash	USD	0	-	(13,560)	(23,555)	(29,913)	(32,559)	(31,417)	(26,410)	(17,457)	(4,479)
Cash Flow	USD	-	(13,560)	(9,995)	(6,358)	(2,646)	1,142	5,007	8,952	12,978	202,713
Closing Cash	USD	-	(13,560)	(23,555)	(29,913)	(32,559)	(31,417)	(26,410)	(17,457)	(4,479)	198,234

The Model is fully functional
Model Checks are OK

Period type	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
Start of period	01-Jan-21	01-Jan-22	01-Jan-23	01-Jan-24	01-Jan-25	01-Jan-26	01-Jan-27	01-Jan-28	01-Jan-29	01-Jan-30
End of period	31-Dec-21	31-Dec-22	31-Dec-23	31-Dec-24	31-Dec-25	31-Dec-26	31-Dec-27	31-Dec-28	31-Dec-29	31-Dec-30
Period Number	1	2	3	4	5	6	7	8	9	10

2 . Investment Exit

Project Cash Flow		Total
Project Investment	USD	-
Free Cash Flows	USD	20,110
Net Exit Proceeds	USD	1,984,963
Project Cash Flows	USD	2,005,073

Equity Cash Flow		
Project Investment	USD	-
Free Cash Flows	USD	(301,766)
Net Exit Proceeds	USD	1,984,963
Equity Cash Flows	USD	1,683,197

Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
	(1,663,131)	172,066	175,631	179,268	182,980	186,768	190,634	194,578	198,604	202,713
	-	-	-	-	-	-	-	-	-	1,984,963
-	(1,663,131)	172,066	175,631	179,268	182,980	186,768	190,634	194,578	198,604	2,187,676

	(500,000)	(13,560)	(9,995)	(6,358)	(2,646)	1,142	5,007	8,952	12,978	202,713
	-	-	-	-	-	-	-	-	-	1,984,963
-	(500,000)	(13,560)	(9,995)	(6,358)	(2,646)	1,142	5,007	8,952	12,978	2,187,676

The Model is fully functional
Model Checks are OK

Period type		Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
Start of period		01-Jan-21	01-Jan-22	01-Jan-23	01-Jan-24	01-Jan-25	01-Jan-26	01-Jan-27	01-Jan-28	01-Jan-29	01-Jan-30
End of period	31-Dec-20	31-Dec-21	31-Dec-22	31-Dec-23	31-Dec-24	31-Dec-25	31-Dec-26	31-Dec-27	31-Dec-28	31-Dec-29	31-Dec-30
Year		2021	2022	2023	2024	2025	2026	2027	2028	2029	2030

1 . Investment Ratios

Discount Rate (Project)	%	8.0%
Discount Rate (Equity)	%	12.0%
Loan to Value Ratio	%	71%
Net Operating Income	USD	

	0	172,066	175,631	179,268	182,980	186,768	190,634	194,578	198,604	202,713
Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10

Project Metrics

Free Cash Flows	USD	
Internal Rate of Return	%	12.4%
Net Present Value	USD	449,410
Investment	USD	1,663,131
Returns	USD	3,668,205
Cash on Cash	#	2.2x

0	-1,663,131	172,066	175,631	179,268	182,980	186,768	190,634	194,578	198,604	2,187,676
---	------------	---------	---------	---------	---------	---------	---------	---------	---------	-----------

Equity Metrics

Free Cash Flows	USD	
Internal Rate of Return	%	17.4%
Net Present Value	USD	245,176
Investment	USD	500,000
Returns	USD	2,183,197
Cash on Cash	#	4.4x

0	-500,000	-13,560	-9,995	-6,358	-2,646	1,142	5,007	8,952	12,978	2,187,676
---	----------	---------	--------	--------	--------	-------	-------	-------	--------	-----------

Debt Ratios

Debt Principal	USD	1,163,131
Interest Payment	USD	
Capital Repayments	USD	
Debt Yield	%	
Coverage Ratio	#	
Debt Service Coverage Ratio (DSCR)	#	

0	62,893	55,969	48,656	40,930	32,768	24,145	15,036	5,414	0
0	122,733	129,657	136,970	144,696	152,858	161,481	170,590	180,212	0
0.0%	14.8%	15.1%	15.4%	15.7%	16.1%	16.4%	16.7%	17.1%	17.4%
n/a	2.74x	3.14x	3.68x	4.47x	5.70x	7.90x	12.94x	36.68x	n/a
n/a	0.93x	0.95x	0.97x	0.99x	1.01x	1.03x	1.05x	1.07x	n/a

Other Metrics

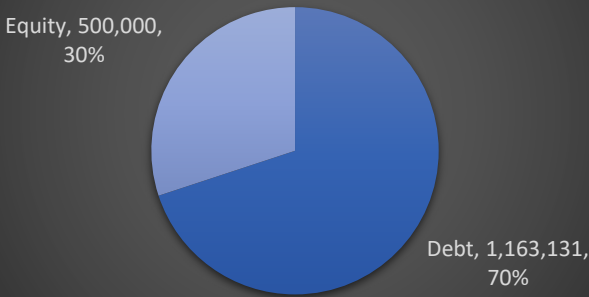
Initial Cap Rate	%	10.48%
Exit Cap Rate	%	10.00%



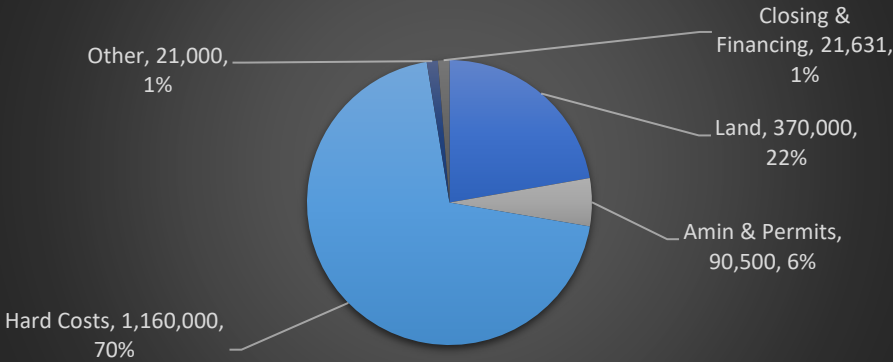
The Model is fully functional
Model Checks are OK

1 . Charts (in USD unless otherwise stated)

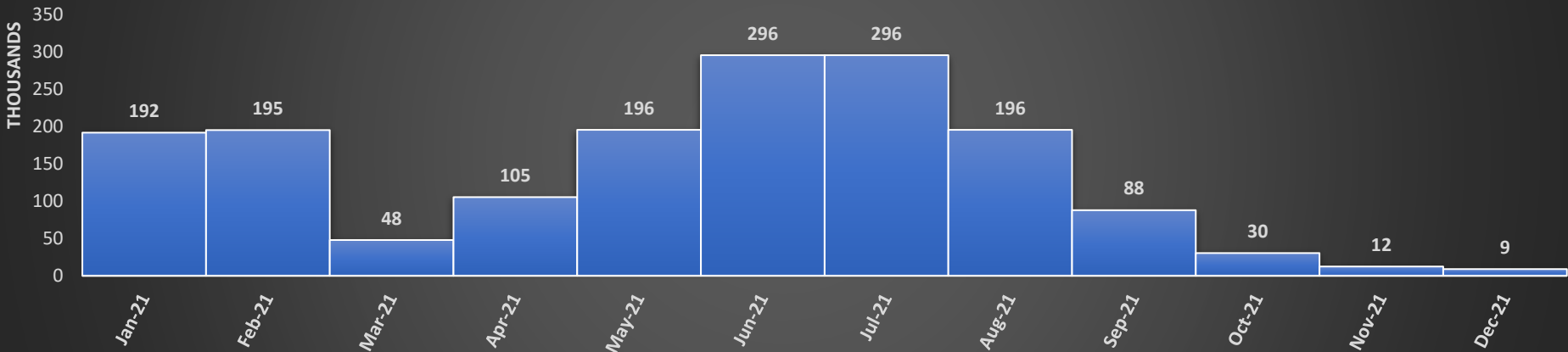
Sources of Funds



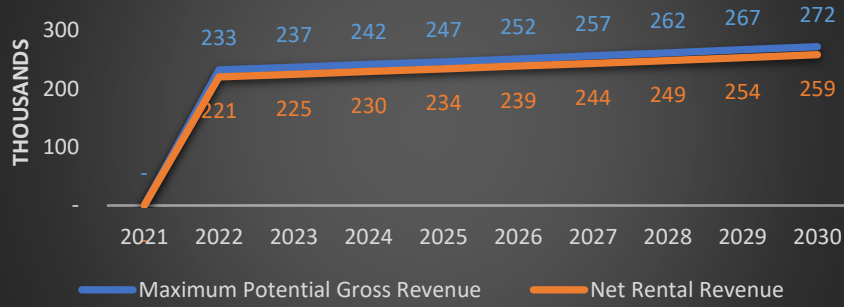
Uses of Funds



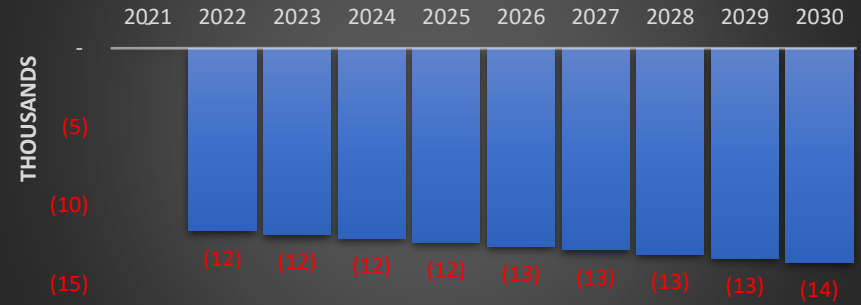
Construction Costs



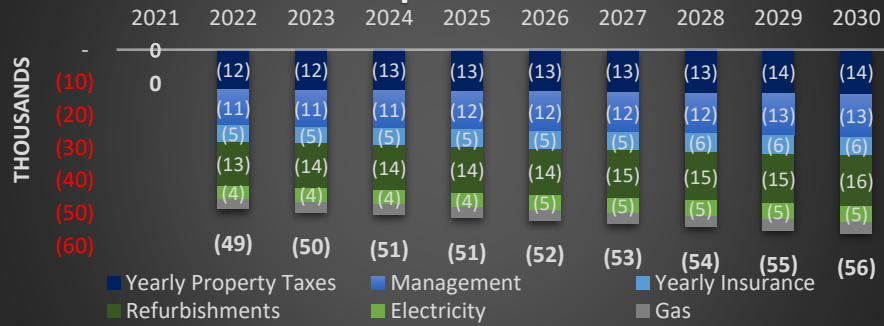
Revenues



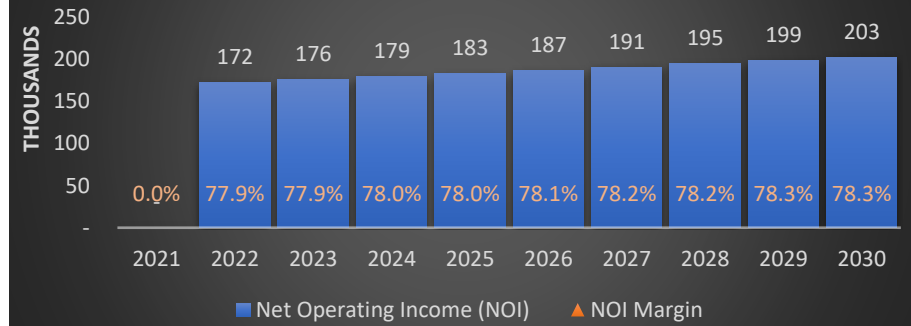
Vacancies

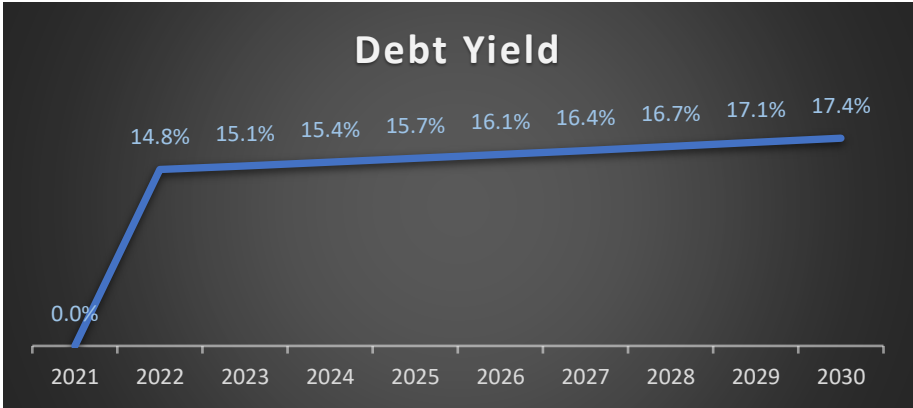
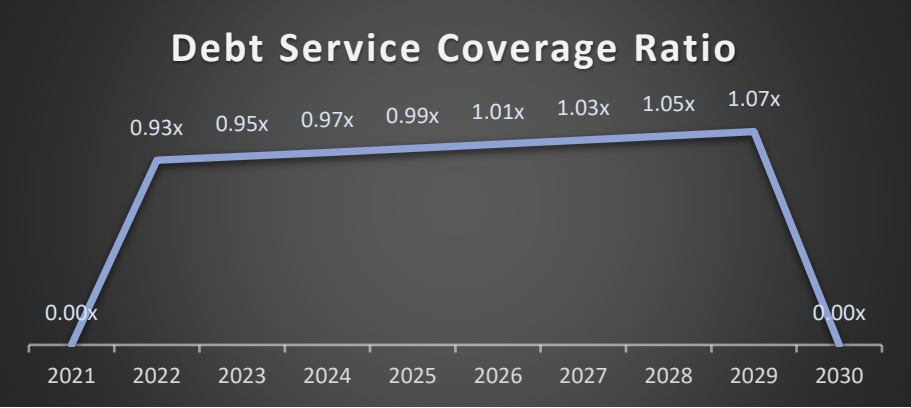
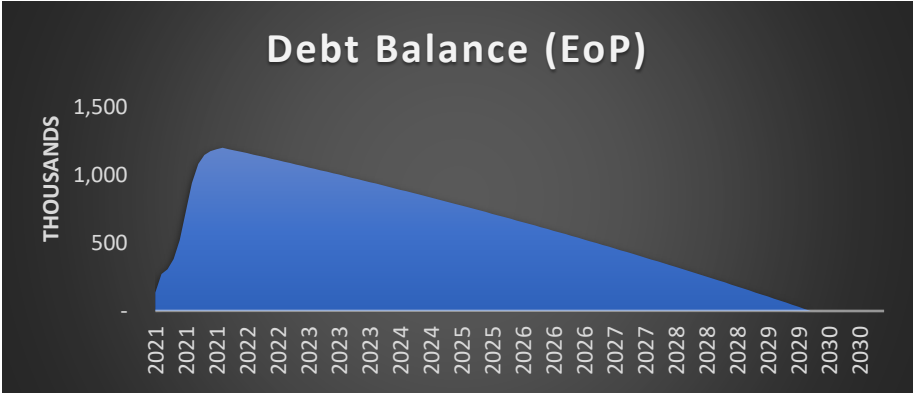
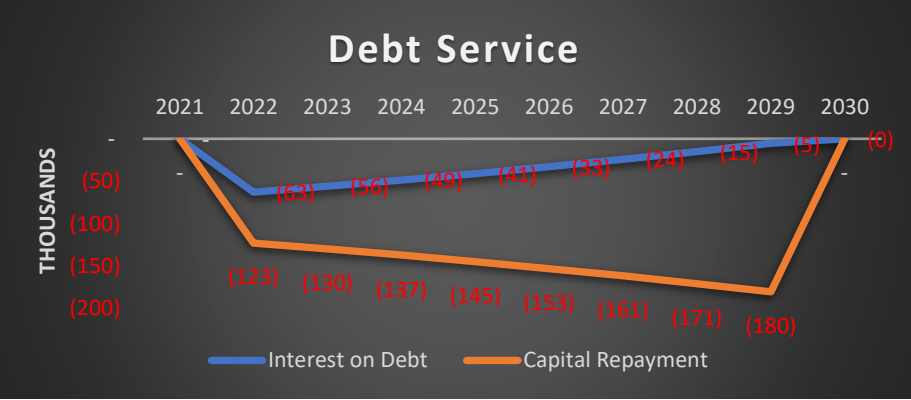


Expenses

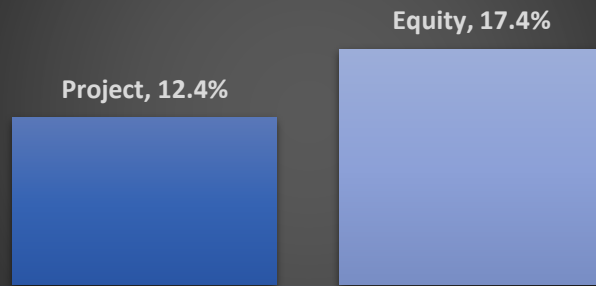


Net Operating Income (NOI)

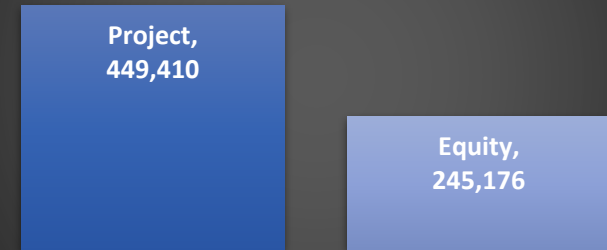




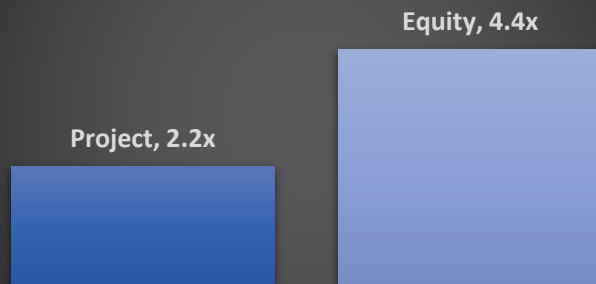
Internal Rate of Returns



Net Present Values



Cash on Cash



Cap Rate Evolution

