

Forecast Variation Summary



Development Management

Forrest View Apartments Detailed DM

200 Apartments with ground floor retail

Time Span: Jun-06 to Apr-09 (34 Months)
Type: Miscellaneous
Status: Initial Budget
Site Area: 5,500 Sqm
FSR: 4:1

Project Size: 220 Units
 1 per 25.00 Sqm of Site Area
Project Size: 20,000 GFA (sqm)
 1 per 0.28 Sqm of Site Area
Equated GFA: 22,000.0 Sqm

Estate Master for Excel Licensed to: Unlicensed

COSTS & REVENUES	Manual Budget	Original Jun-2006	Project Aug-2006	Previous Aug-2007	Current Sep-2007	Variation to Previous	Variation to Project	Variation to Original	Variation to Manual Budget
	Enter Date								
REVENUE									
Total Sales Revenue	-	130,600,000	128,100,000	128,100,000	AUD 154,501,195	26,401,195	26,401,195	23,901,195	
Residential - 1 Bedroom Units	-	19,600,000	19,200,000	19,200,000	21,830,541	2,630,541	2,630,541	2,230,541	
Residential - 2 Bedroom Units	-	84,500,000	83,200,000	83,200,000	105,390,648	22,190,648	22,190,648	20,890,648	
Residential - 3 Bedroom Units	-	22,500,000	22,200,000	22,200,000	23,335,365	1,135,365	1,135,365	835,365	
Retail Shops	-	4,000,000	3,500,000	3,500,000	3,944,640	444,640	444,640	-55,360	
Less Selling Costs	-	(6,006,000)	(5,918,500)	(5,918,500)	(15,859,362)	-9,940,862	-9,940,862	-9,853,362	
NET SALE PROCEEDS	-	124,594,000	122,181,500	122,181,500	138,641,833	16,460,333	16,460,333	14,047,833	
RENTAL INCOME									
Rental Income	-	-	-	-	AUD -	-	-	-	
Less Outgoings & Vacancies	-	-	-	-	-	-	-	-	
Less Letting Fees	-	-	-	-	-	-	-	-	
Less Incentives (Rent Free and Fit Out Costs)	-	-	-	-	-	-	-	-	
Less Other Leasing Costs	-	-	-	-	-	-	-	-	
NET RENTAL INCOME	-	-	-	-	-	-	-	-	
Interest Received	-	-	-	-	237,198	237,198	237,198	237,198	
Other Income	-	-	-	-	-	-	-	-	
TOTAL REVENUE (before GST paid)	-	124,594,000	122,181,500	122,181,500	138,879,031	16,697,531	16,697,531	14,285,031	
Less GST paid	-	-	-	-	(13,686,960)	-13,686,960	-13,686,960	-13,686,960	
TOTAL REVENUE (after GST paid)	-	124,594,000	122,181,500	122,181,500	125,192,071	3,010,571	3,010,571	598,071	
COSTS									
Land Purchase Cost	-	17,000,000	17,000,000	17,000,000	18,870,000	1,870,000	1,870,000	1,870,000	
Land Transaction Costs	-	-	-	-	293,700	293,700	293,700	293,700	
Construction Costs (inc. Contingency)	-	70,000,000	70,000,000	71,500,000	80,495,976	8,995,976	10,495,976	10,495,976	
Other Construction Costs	-	-	-	-	80,495,976	-	-	-	
Professional Fees	-	5,294,498	5,317,133	5,310,170	5,704,973	394,803	397,840	410,475	
Statutory Fees and Contributions	-	7,780,000	7,780,000	8,177,100	9,034,372	857,272	1,254,372	1,254,372	
Miscellaneous Costs	-	-	-	-	-	-	-	-	
Miscellaneous Costs	-	180,000	180,000	180,000	980,960	800,960	800,960	800,960	
Project Contingency (Project Reserve)	-	-	-	-	-	-	-	-	
Land Holding Costs	-	648,750	872,500	1,978,610	2,607,077	628,467	1,734,577	1,958,327	
Pre-Sale Commissions	-	-	-	-	-	-	-	-	
Finance Charges (inc. Line Fees)	-	875,000	875,000	875,000	1,076,987	201,987	201,987	201,987	
Interest Expense	-	6,471,898	6,688,245	9,965,889	12,073,042	2,107,153	5,384,797	5,601,144	
TOTAL COSTS (before GST reclaimed)	-	108,250,146	108,712,878	114,986,769	131,137,086	16,150,317	22,424,208	22,886,941	
Less GST Credits Reclaimed	-	-	-	-	(12,265,356)	-12,265,356	-12,265,356	-12,265,356	
Plus Corporate Tax	-	-	-	-	-	-	-	-	
TOTAL COSTS (after GST reclaimed)	-	108,250,146	108,712,878	114,986,769	118,871,730	3,884,961	10,158,852	10,621,584	
PERFORMANCE INDICATORS									
Gross Development Profit ¹	-	16,343,854	13,468,622	7,194,731	6,320,341	-874,389	-7,148,281	-10,023,513	
Net Developer's Profit after Profit Share ²	-	16,343,854	13,468,622	7,194,731	6,004,324	-1,190,406	-7,464,298	-10,339,530	
Development Margin (or Profit/Risk Margin) ³	0.00%	14.30%	11.75%	5.95%	4.99%	-0.96%	-6.76%	-9.31%	
Net Present Value ⁴	-	1,813,501	(561,333)	(9,568,499)	(13,678,441)	-4,109,942	-13,117,108	-15,491,941	
NPV of Future Cash Flows ⁵	-	-	-	-	59,158,528	-	-	-	
Benefit Cost Ratio ⁶	-	1.02	0.99	0.89	0.8448	-0.05	-0.15	-0.18	
Project Internal Rate of Return (IRR) ⁷	0.00%	28.03%	24.08%	13.61%	11.40%	-2.21%	-12.68%	-16.63%	
Equity IRR	0.00%	-	-	-	30.86%	-	-	-	
Equity Contribution	-	-	-	-	25,020,864	-	-	-	
Peak Debt Exposure	-	-	-	-	111,816,611	-	-	-	
Equity to Debt Ratio	0.00%	-	-	-	23.92%	-	-	-	
Weighted Average Cost of Capital (WACC) ⁸	0.00%	-	-	-	12.20%	-	-	-	
Breakeven Date for Cumulative Cash Flow ⁹	Jan-1900	Dec-2007	Jan-2008	Dec-2008	Mar-2009	? 3 Month(s)	? 14 Month(s)	? 15 Month(s)	
Rent Cover ¹⁰	0	N.A.	N.A.	N.A.	N.A.	-	-	-	
Profit Erosion ¹¹	0	N.A.	N.A.	N.A.	N.A.	-	-	-	

Footnotes:

1. Development Profit: is total revenue less total cost including interest paid and received
2. Developer's Net Profit after distribution of gross profit of AUD316,017 to Finance Providers (may be applicable to Current Forecast Only)
3. Development Margin: is profit (net profit after profit share) divided by total development costs (net of selling and leasing costs).
4. Net Present Value: is the project's cash flow stream discounted to present value. The cash flow stream includes financing costs but excludes interest and corp tax. It includes profit share to other parties as a cash outflow.
5. NPV of Future Cash Flows: is the Net Present Value of all future cash flows from the current month (or the month the forecast was set). It excludes all historical cash flow items.
6. Benefit Cost Ratio: is the ratio of discounted incomes to discounted costs and includes financing costs but excludes interest and corp tax.
7. Internal Rate of Return: is the discount rate where the NPV above equals Zero.
8. The Weighted Average Cost of Capital (WACC) is the rate that a company is expected to pay to finance its assets.
9. Breakeven date for Cumulative Cash Flow: is the last date when total debt and equity is repaid (ie when profit is realised).
10. The total net development profit divided by the current net annual rental expressed as a number of years/months.
11. The period of time post practical completion that it can remain unsold (but leased out) until finance and land holding costs erodes the profit for the development to zero.

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RETURNS ON FUNDS INVESTED	Manual Budget	Original Jun-2006	Project Aug-2006	Previous Aug-2007	Current Sep-2007	Variation to Previous	Variation to Project	Variation to Original	Variation to Manual Budget
Equity									
Funds Invested (Cash Outlay) ¹	-	5,100,000	5,100,000	5,100,000	25,020,864	19,920,864	19,920,864	19,920,864	19,920,864
% of Total Funds Invested	0.00%	4.96%	4.94%	4.81%	19.31%	14.50%	14.37%	14.34%	14.34%
Peak Exposure ²	-	5,100,000	5,100,000	5,100,000	6,100,951	1,000,951	1,000,951	1,000,951	1,000,951
Date of Peak Exposure	Jan-1900	Jun-2006	Jun-2006	Jun-2006	Mar-2009	? 33 Month(s)	? 33 Month(s)	? 33 Month(s)	? 33 Month(s)
Month of Peak Exposure	N.A.	Month 0	Month 0	Month 0	Month 33				
Weighted Average Interest Rate	0.00%	N.A.	N.A.	N.A.	2.94%				
Interest Charged	-	-	-	-	465,372	465,372	465,372	465,372	465,372
Profit ³	-	16,343,854	13,468,622	7,194,731	6,469,696	-725,034	-6,998,925	-9,874,158	-9,874,158
Margin on Funds Invested ⁴	0.00%	320.47%	264.09%	141.07%	25.86%	-115.22%	-238.23%	-294.61%	-294.61%
Payback Date ⁵	Jan-1900	Dec-2007	Apr-2008	Dec-2008	Apr-2009	? 4 Month(s)	? 4 Month(s)	? 16 Month(s)	? 16 Month(s)
Month of Payback	N.A.	Month 18	Month 22	Month 30	Month 34				
IRR on Funds Invested ⁶	0.00%	160.51%	102.36%	42.19%	30.86%	-11.32%	-71.49%	-129.64%	-129.64%
Loan to Value Ratio ⁷	0.00%	3.91%	3.98%	3.98%	3.95%	-0.03%	-0.03%	0.04%	0.04%
Loan Ratio ⁸	0.00%	30.00%	30.00%	30.00%	135.06%	105.06%	105.06%	105.06%	105.06%
		of Land Purchase Price.	of Land Purchase Price.	of Land Purchase Price.	of Land Purchase Price.				
Loan 1 Lender Name									
Funds Invested (Cash Outlay)	-	11,900,000	11,900,000	11,900,000	13,209,000	1,309,000	1,309,000	1,309,000	1,309,000
% of Total Funds Invested	0.00%	11.58%	11.52%	11.21%	51.19%	-1.02%	-1.33%	-1.39%	-1.39%
Peak Exposure	-	13,953,686	14,093,223	15,413,550	16,669,306	1,255,756	2,576,083	2,715,620	2,715,620
Date of Peak Exposure	Jan-1900	Oct-2007	Nov-2007	Aug-2008	Oct-2008	? 2 Month(s)	? 11 Month(s)	? 12 Month(s)	? 12 Month(s)
Month of Peak Exposure	N.A.	Month 16	Month 17	Month 26	Month 28				
Weighted Average Interest Rate	0.00%	12.00%	12.00%	12.00%	9.92%	-2.08%	-2.08%	-2.08%	-2.08%
Interest Charged	-	2,292,860	2,456,058	3,829,615	3,658,564	-171,051	1,202,507	1,365,704	1,365,704
Line Fees Charged	-	-	-	-	(658,338)				
Application Fees Charged	-	-	-	-	660,450				
Profit Share Received	-	-	-	-	316,017				
Total Profit to Funder	-	2,292,860	2,456,058	3,829,615	3,976,693	147,078	1,520,636	1,683,833	1,683,833
Margin on Funds Invested	0.00%	19.27%	20.64%	32.18%	30.11%	-2.08%	9.47%	10.84%	10.84%
Payback Date	Jan-1900	Dec-2007	Jan-2008	Nov-2008	Dec-2008	? 1 Month(s)	? 11 Month(s)	? 12 Month(s)	? 12 Month(s)
Month of Payback	N.A.	Month 18	Month 19	Month 29	Month 30				
IRR on Funds Invested	0.00%	12.68%	12.68%	12.68%	11.26%	-1.42%	-1.42%	-1.42%	-1.42%
Loan to Value Ratio	0.00%	10.68%	11.00%	12.03%	10.79%	-1.24%	-0.21%	0.10%	0.10%
Loan Ratio	0.00%	82.08%	82.90%	90.67%	88.03%	-2.64%	5.13%	5.95%	5.95%
		of total Land Acquisition Costs.	of total Land Acquisition Costs.	of total Land Acquisition Costs.	of total Land Acquisition Costs.				
Loan 4 Lender Name									
Funds Invested (Cash Outlay)	-	85,770,626	86,278,799	89,138,035	91,377,866	2,239,831	5,099,067	5,607,240	5,607,240
% of Total Funds Invested	0.00%	83.46%	83.54%	83.98%	70.50%	-13.48%	-13.04%	-12.95%	-12.95%
Peak Exposure	-	88,859,600	89,404,516	94,040,353	95,997,726	1,957,373	6,593,210	7,138,126	7,138,126
Date of Peak Exposure	Jan-1900	Aug-2007	Sep-2007	Mar-2008	Mar-2008		? 6 Month(s)	? 7 Month(s)	? 7 Month(s)
Month of Peak Exposure	N.A.	Month 14	Month 15	Month 21	Month 21				
Weighted Average Interest Rate	0.00%	7.50%	7.50%	7.50%	7.27%	-0.23%	-0.23%	-0.23%	-0.23%
Interest Charged	-	4,179,038	4,232,188	6,136,274	7,949,106	1,812,832	3,716,918	3,770,068	3,770,068
Line Fees Charged	-	-	-	-	1,175				
Application Fees Charged	-	-	-	-	1,200				
Profit Share Received	-	-	-	-	7,951,481				
Total Profit to Funder	-	4,179,038	4,232,188	6,136,274	7,951,481	1,815,207	3,719,293	3,772,443	3,772,443
Margin on Funds Invested	0.00%	4.87%	4.91%	6.88%	8.70%	1.82%	3.80%	3.83%	3.83%
Payback Date	Jan-1900	Nov-2007	Dec-2007	Sep-2008	Apr-2009	? 7 Month(s)	? 16 Month(s)	? 17 Month(s)	? 17 Month(s)
Month of Payback	N.A.	Month 17	Month 18	Month 27	Month 34				
IRR on Funds Invested	0.00%	7.76%	7.76%	7.76%	7.54%	-0.23%	-0.23%	-0.23%	-0.23%
Loan to Value Ratio	0.00%	68.04%	69.79%	73.41%	62.13%	-11.28%	-7.66%	-5.91%	-5.91%
Loan Ratio	0.00%	88.06%	88.39%	91.97%	84.19%	-7.78%	-4.20%	-3.88%	-3.88%
		of total Hard Costs.	of total Hard Costs.	of total Hard Costs.	of total Hard Costs.				
Total Debt									
Funds Invested (Cash Outlay)	-	97,670,626	98,178,799	101,038,035	104,586,866	3,548,831	6,408,067	6,916,240	6,916,240
% of Total Funds Invested	0.00%	95.04%	95.06%	95.19%	80.69%	-14.50%	-14.37%	-14.34%	-14.34%
Peak Exposure	-	102,538,344	103,220,046	108,705,817	111,816,611	3,110,794	8,596,565	9,278,268	9,278,268
Date of Peak Exposure	Jan-1900	Aug-2007	Sep-2007	Mar-2008	Mar-2008		? 6 Month(s)	? 7 Month(s)	? 7 Month(s)
Month of Peak Exposure	N.A.	Month 14	Month 15	Month 21	Month 21				
Weighted Average Interest Rate	0.00%	8.65%	8.70%	8.76%	7.94%	-0.83%	-0.76%	-0.71%	-0.71%
Interest Charged	-	6,471,898	6,688,245	9,965,889	11,607,670	1,641,781	4,919,425	5,135,772	5,135,772
Line Fees Charged	-	-	-	-	(657,163)				
Application Fees Charged	-	-	-	-	661,650				
Profit Share Received	-	-	-	-	316,017				
Total Profit to Funder	-	6,471,898	6,688,245	9,965,889	11,928,174	1,962,285	5,239,929	5,456,276	5,456,276
Margin on Funds Invested	0.00%	6.63%	6.81%	9.86%	11.41%	1.54%	4.59%	4.78%	4.78%
Payback Date	Jan-1900	Dec-2007	Jan-2008	Nov-2008	Apr-2009	? 5 Month(s)	? 15 Month(s)	? 16 Month(s)	? 16 Month(s)
Month of Payback	N.A.	Month 18	Month 19	Month 29	Month 34				
Equity to Debt Ratio	0.00%	5.00%	5.00%	5.00%	23.92%	18.92%	18.92%	18.92%	18.92%
Loan to Value Ratio	0.00%	78.51%	80.58%	84.86%	72.37%	-12.49%	-8.21%	-6.14%	-6.14%
Loan Ratio	0.00%	100.75%	101.17%	103.51%	108.81%	5.30%	7.63%	8.06%	8.06%
					of Project Costs (net of Interest/Fees and GST)				

Footnotes:

- The total amount of funding injected into the project cash flow.
- The maximum cash flow exposure of that equity/debt facility including capitalised interest.
- The total repayments less funds invested, including profit share paid or received.
- Margin is net profit divided by total funds invested (cash outlay).
- Payback date for the equity/debt facility is the last date when total equity/debt is repaid.
- IRR on Funds Invested is the IRR of the equity cash flow including the return of equity and realisation of project profits.
- Loan to Value ratio is the Peak Equity/Debt Exposure divided by Total Sales Revenue.
- Loan Ratio is the total funds invested by the lender (cash outlay) divided by the nominated ratio calculation method. It includes capitalised interest and fees.