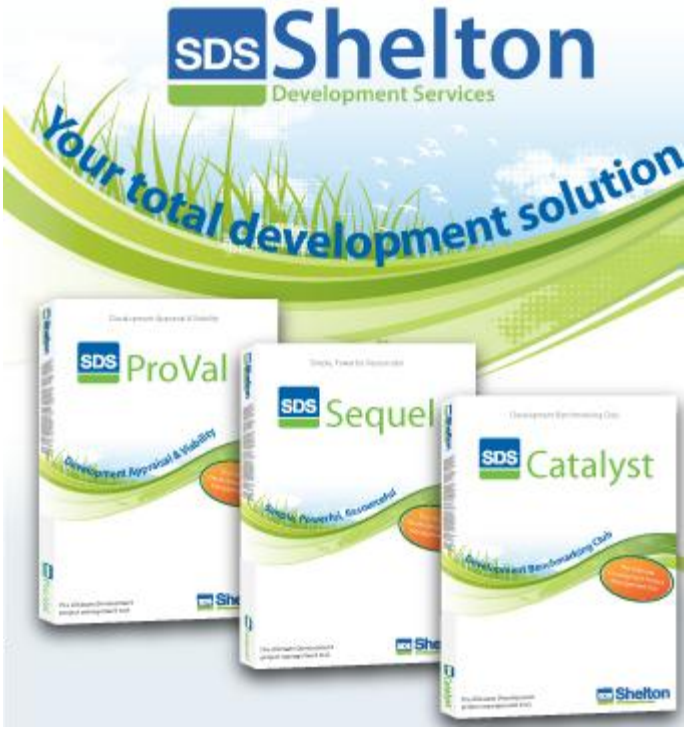

SDS ProVal LS

USER MANUALS

Overview

Quick Start Guide

User Manual

Administrator Manual

Main Contents

Last Updated

October 2012

Changes relating to release of 12.4

1. Rearrangement of contents within sections
2. Some content moved to a separate sections
3. Reports updated

Overview of ProVal LS

ProVal LS is an appraisal tool for assessing the financial viability of a development. An appraisal can consist of any number of different unit types and tenures, such as market sale, social rent, affordable rent, shared ownership, commercial, etc.

Although appraisals can be created from scratch, the recommended procedure is to start a new appraisal from a template. A template has pre-set scheme-wide default values, such as inflation rates and milestone definitions.

Unit types can be organised in a library where all unit inputs can also be pre-set.

Dragging unit types from the library into an appraisal template is a quick and easy way to complete an appraisal.

Viability results are reported for each unit, for all units of the same Product Type and for the scheme as a whole.

Schemes can be consolidated.

Standard reports can be supplemented with reports designed by the user.

Quick Start Guide

Steps

1. Starting the Application
2. Project Folder
3. Appraisal Layout
4. Start Appraisal
5. Loans
6. Milestones
7. Add a Dwelling Type
8. Default Dwelling Types
9. Insert New Dwelling Type
10. Additional Unit Attributes
11. NPV Rates
12. Sales & Staircasing
13. Rent Allowances
14. Setting the Rent
15. Units Summary
16. Capital Costs
17. Scheme Fees
18. Subsidy
19. Development Cashflow
20. Total Scheme Cost
21. Private Finance
22. Inflation
23. Long Term Capital Receipts
24. Long Term Results
25. Long Term Cashflow
26. Save & Close
27. Close Application

Overview

In this Quick Start Guide we take you through the basic steps of starting and completing an appraisal.

For a full description of each section of the appraisal, see the User Manual.

For a full description of the administrative aspects of the application, see the Administrator Manual.

Step 1

Starting the Application

1. Click on the SDS ProVal LS icon on your desktop.
2. Enter the credentials and password as prompted. Some of these may already be preset.
3. Click the green OK button to open the application.

Step 2

Project Folder

1. Look at the tree on the left hand side of the screen.
2. Expand the Defaults folder.
3. Expand the Appraisal Templates.
4. Select a Template option. For the purposes of following this Quick Start Guide, we recommend selecting the demonstration template, supplied at the time of purchase (or for trial purposes). This template has illustrative values set by default.
5. Right mouse click and choose Create from Template.

Step 3

Appraisal Layout

The appraisal is on the right hand side of the screen.

The centre window will display an Appraisal Summary, for each product type and for the scheme as a whole. As no units have yet been added, product type summaries are not yet showing.

Navigation buttons are across the top of the screen - A, B, C, etc.

Use the +/- gadgets to expand/collapse the sections and to maximise screen area.

Use the scroll bars on the right to move up and down. The inner scroll bar acts on the selected section, the outer scroll bar moves the entire appraisal screen.

Step 4

Start Appraisal

A template typically has a lot of data set by default, but you can amend it as you go along.

1. Enter a scheme name of your choice.
2. Enter or amend any other field in this section.

Step 5

Loans

Each Product Type can have its own loan repayment method. All units of a particular Product Type will have the same long term loan parameters.

1. Expand Loans.
2. Set a Loan Repayment Method. There are 3.
    a. Overdraft (recommended).

    This method repays the loan principal and interest as quickly as income allows. If income exceeds loan interest then the loan balance will reduce, but if income is less, then the loan balance will increase.

b. Annuity

   This repays the loan principal and interest by equal annual instalments (rather like a repayment mortgage).

c. Hybrid

   This is like the Overdraft method except the loan balance will not increase. If the income is insufficient to repay the interest the loan balance remains the same and the shortfall is reported as a deficit. Deficits will accumulate until income exceeds the interest at which point the deficits will be paid off and finally the loan balance will be repaid.

3. Set a Loan Rate for the long term cashflow. This can be set over multiple periods and can vary for each loan type.

4. Set last column – Cross Subsidy – to Y(es). This setting ensures that as the loan on one Product Type is repaid, the income from those units is used to repay other loans.

5. Collapse Loans.

Step 6

Milestones

1. Expand Milestones.

2. The Cashflow Start date is not an event, simply a calendar date for Month 1 of the development cashflow - typically set to the day that the appraisal is created.

3. Each milestone event is set by an offset from an earlier event, or to the Cashflow Start date. For each milestone choose a description then set an offset (months). The calendar date will be displayed.

4. Move the cursor away from this section and if the sequence has changed the milestones will be reordered. Warning messages are displayed if the sequence of milestones is illogical.

5. Unit handovers are defined in the appraisal by setting an offset (i.e. a period of months) from the First Handover milestone. The Last Handover (or Practical Completion) is calculated from the last unit handover in the appraisal and so does not have to be set as a milestone.

6. Likewise, sales timings are defined by setting an offset (a period of months) from its handover date. So the First Sale and Last Sale milestones will be calculated from the first and last unit sale dates in the appraisal and do not have to be input as milestones.

Step 7

Add a Dwelling Type

1. Click on the navigation button A.
2. Expand the Unit Attributes area.
3. There are no units in this appraisal yet.
4. You could add one manually by clicking the green button *Add New Unit*, but we recommend that you use one of the demonstration units which have data set by default. This is explained in the next step.

Step 8

Default Dwelling Types

1. Look back at the folder tree on the left hand side.
2. Under the Defaults folder you will see a folder called Unit Types. In here standard units are stored in a library. These unit type defaults are grouped into folders, typically referring to different product types.
3. Expand the folders and you will find some demonstration unit types. These demonstration types already have preset illustrative data.

Step 9

Insert New Dwelling Type

1. Put your cursor onto one of the unit types and holding down the left mouse button, drag the unit into the appraisal area.
2. Release the cursor and the unit will be added.
3. Repeat for more unit types.
4. Set the number of units for each type accordingly.
5. To create more screen area collapse the folder tree.

The Appraisal Summary window shows the summary position for the product types of the units just imported.

Step 10

Additional Unit Attributes

1. Expand Additional Attributes area.
2. Review the data and amend/input as necessary.
3. Use the inner scroll bar on the right to move up and down.
4. Collapse Additional Attributes.

Step 11

NPV Rates

1. Expand NPV Rates area.
2. Set a discount rate and discount period for each type.
3. Use the inner scroll bar on the right to move up and down.
4. Collapse Long Term Rates.

Step 12

Sales & Staircasing

1. Expand Sales & Staircasing.
2. The equity percentage to be sold is set here, as well as any staircasing.
3. For ‘units for sale’ set the Offset from Handover to define when the unit is sold (sales receipts are received).
4. For staircasing, input a Start Year and End Year to specify when additional equity will be sold (this will be averaged across the period) and enter the maximum equity to be sold.
5. Collapse Sales & Staircasing

Step 13

Rent Allowances

1. Expand Rent Allowances.
2. Each unit can have its own allowances set over different periods.
3. All allowances are set in a similar way.
4. Expand each section and review inputs set by default.
5. The last allowance is for Major Repairs.

Step 14

Setting the Rent

1. Expand Rent.
2. The first part is read-only, where the Target Rent and the Rent Cap are displayed for information.
3. Enter a Market Rent Yield % (on the Market Sales Value) or a specific Market Rent per Week, as applicable
4. Expand Residential Rent (per week)
5. Select the way you want to set the rent and enter.
6. There are two entries. In the top part of the input, select a method, e.g. % of Market Rent, % of Target Rent, etc. In the lower input set an appropriate value, e.g. 80% of Market Rent
7. Note that the rent can be changed over different periods in the long term cashflow.
8. Collapse Rents.

Step 15

Units Summary

1. Expand Units Summary.
2. This is a Read-Only section.
3. A Floor Area & Hab' Room Summary is shown.

4. Expand the Costs Summary. Select the a unit tab to display its cost summary.

Step 16

Capital Costs

1. Click on the navigation button B.
2. Acquisition, Works, Fees and Other Costs are set here. They can be set at a scheme level (e.g. a scheme acquisition cost) and/or at a unit level (a cost attributable to that unit type only).
3. Capital Costs, whichever way they are set, are always apportioned to each unit. The apportionment method is set by the user.
4. Expand Acquisition.
5. To enter a cost for the scheme, complete the first section. Click green + button to add a new cost row.
6. To enter a cost at a unit level, expand Unit Acquisition. Select a Unit Type. This when combined with the Unit Value defines the cost.
7. Collapse Acquisition.
8. Set Works costs in the next section in a similar way.

Step 17

Scheme Fees

1. While in Section B, expand Fees.
2. Using the 3 radio button options at the start of this section, choose whether to set fees at the Unit Level, at the Scheme Level, or Combined (i.e.by a combination of Unit Level and Scheme Level inputs).
3. To define the fees at the Scheme Level, add costs in the first table. Assign the cost to a Product Type.
4. To define fees at the Unit Level, expand the table – Unit Fees - below the Scheme Level table.
5. Collapse fees.

Step 18

Subsidy

1. Expand Section C – Subsidy.
    a. Subsidy (grant) can either be set per unit in the first table, or at a scheme level in the table below - Subsidy Analysis .
    b. Each row identifies a source of grant.
2. Do not enter Internal Subsidy at this position. Inputs here are treated as actual cash received.
3. Click the green + icon to add more rows.
4. Collapse subsidy section.

Step 19

Development Cashflow

1. Click the D navigation button.
2. Set interest rate for the development cashflow (applicable to negative and positive balances).
3. Expand Development Cashflow Forecast.
4. The development cashflow is in landscape format and is displayed in the centre of the screen with its own horizontal scroll bar.
5. All individual subsidy and cost items can be cashflowed separately, or the total for the heading can be cashflowed as a single sum.
    a) Cashflow forecast profiles are available for fast completion of the cashflow. Alternatively, costs can be entered manually.
    b) Expand Works Costs.
    c) Click on Works Cost blue button.
    d) Select spread method - say Curve.
    e) Choose a curve from the available shapes, e.g. S-curve.
    f) Set a *From* and *To* date. Milestones are recommended.
    g) Click Ok.

6. Repeat for other cost headings.

7. When using a Manual method of forecasting, the cashflow will have to be manually updated if any cost or income changes.

8. Sales income is shown for information in the development cashflow, but no income is recognised in the development cashflow or interest. The attributable cost for the unit is calculated at its handover date and this is paid off by generating a loan in the long term cashflow where any subsequent sales income will be shown. Therefore if the sale of the unit occurs some time after its handover, the interest holding cost will be seen in the long term cashflow.

9. Collapse Development Cashflow.

Step 20

Total Scheme Cost

1. Click the E navigation button.

2. This is a read only section displaying the costs, analysed for each dwelling type, for each Product type and for the whole scheme.

3. Expand the navigation tree and select the option as required.

4. Collapse section.

Step 21

Private Finance

1. Click the F navigation button.

2. Expand Loan Report

3. For each Loan Type/Product Type the repayment period and the position against the loan parameters (set at the start of the appraisal) are reported. The loan repayment period is the earliest that the loan can be repaid from the income of the relevant units alone, as measured from the first handover of all units.

4. Expand Requirement tab. This is a Read-Only position showing the long term loan for each Product Type.

5. If appropriate, make ad hoc adjustments to the loan and for internal subsidy (not recommended) on the Product Type tab.

Step 22

Inflation

1. Click the G navigation button.
2. Set a Base Inflation Rate – this relates to the user's preferred definition, e.g. RPI, CPI, etc.
3. Expand Income Inflation Margins.
4. Set each margin to be added (or deducted) from the Base Inflation Rate as required.
5. Expand Allowances Inflation Margins.
6. Set each one as required.
7. Collapse Inflation.

Step 23

Long Term Capital Receipts

1. Click the H navigation button.
2. Expand Long Term Capital receipts.
3. Add lump sums received in the long term cashflow as appropriate.
4. Collapse section.

Step 24

Long Term Results

This section displays the viability results for the scheme and for each unit.

1. Click the I navigation button
2. Expand Long Term Results.
3. Note that the NPV of the scheme is calculated at the first handover date of all units
4. For other NPV calculations, expand Unit Results.
5. Collapse Outputs.

Step 25

Long Term Cashflow

1. Expand Cashflow.
2. The cashflow extends to 100 years and has its own horizontal scrollbar.
3. Click on the Show Charts button in the centre of the screen to view customisable charts.

Step 26

Save & Close

The appraisal is saved as you go along.

1. Click the close gadget on the tab of the appraisal at the top of the screen.
2. Click Save Changes.
3. Expand the Project Tree.
4. Your appraisal will be found in the Unfiled folder.
5. Here it can be renamed, moved to another folder and opened for editing.
6. Right mouse click and select the appropriate option.

Step 27

Close Application

1. Close any appraisals using the close gadget on the appraisal tab.
2. To close the application, click the close gadget at the top right corner of the screen.

User Manual

Contents

7.0 Section A - Unit Details

- 7.1 Unit Attributes
  - 7.1.1 Dwelling Description
  - 7.1.2 Units
  - 7.1.3 Floor Area
  - 7.1.4 Product Type
- 7.2 Additional Attributes
  - 7.2.1 Number of Bedrooms
  - 7.2.2 Yes/No Questions
  - 7.2.3 Persons
  - 7.2.4 Current Market Value
  - 7.2.5 January 199 Value
  - 7.2.6 Offset from First Handover
  - 7.2.7 Handover Date
  - 7.2.8 Adjust Area %
  - 7.2.9 Additional Floor Area
  - 7.2.10 Habitable Rooms
  - 7.2.11 Storeys
  - 7.2.12 Supported Stay Period
  - 7.2.13 Other Description
- 7.3 NPV Rates
  - 7.3.1 NPV Discount Rate
  - 7.3.2 NPV Discount Period
- 7.4 Sales & Staircasing
- 7.5 Rent Allowances
  - 7.5.1 Major Repairs
- 7.6 Rent
- 7.7 Units Summary

8.0 Section B – Scheme Costs

- 8.1 Capital Costs – Scheme Level (Acquisition, Works, Other)
- 8.2 Capital Costs – Scheme Level (Fees)
  - 8.2.1 Fees Analysis Table
- 8.3 Unit Capital Costs – Scheme Level (Acquisition, Works, Fees, Other)

1.0 Opening Appraisals

This section describes starting a new appraisal and opening an existing appraisal for further editing.

There are 3 options:

1. Start a new appraisal
2. Edit an existing appraisal
3. Start a new Consolidation

1.1 Starting a New Appraisal

The recommended method of starting a new appraisal is to create one from a template. This will minimise data input and is therefore quickest. There are 3 general methods for starting a new appraisal:

1. From a template
2. From an existing appraisal
3. From scratch

1.1.1 Templates

New scheme appraisals are typically created from templates. These are stored in the folder Appraisal Templates in the Defaults system folder at the top of the Project Tree. If you cannot see the project tree, click the round SDS logo, choose View and then select Project Tree.

A template is like a blank appraisal, except that some scheme-wide values are preset.

The template does not include units. Completed appraisals can be saved as a template, but the units will be removed.

As many templates can be created as you wish, but we recommend you keep these to a minimum in order to avoid too much work managing them and to reduce the possibility of confusion with users.

Inputs which are specific to a particular unit type (e.g. the management allowance) should be saved with the unit.

Some inputs can be stored in the template and/or as a specific input with the unit. E.g. A works cost could be stored in the template as a cost applicable to all units, or with the

unit as a cost specific to a particular unit type. Where both options are used, both costs will be added together. In this way individual units might have different works costs, but scheme-wide sums could be included as extra works costs.

Sometimes it may be helpful to start a new appraisal from a previously created appraisal, rather than starting from scratch using a template. This is like editing an existing appraisal and saving it as a new version as you might with an Excel workbook. This practice is not recommended.

To download detailed information about setting defaults, see the Guidance on the SDS ProVal LS support page of the website.

Starting a New Appraisal from a Template

1. Expand the Defaults folder in the project tree.
2. Expand the Appraisal Templates folder.
3. Right mouse click on a template name and select the option: Create from template.
4. The appraisal will be saved in the Unfiled system folder.

Creating a Template from an Existing Appraisal

1. Expand the Project tree and select the scheme appraisal.
2. Right mouse click and select the option: Save as Template.
3. You can now start a new appraisal from this new template as described above. Note that units will have been removed.

Creating a Duplicate Template

1. Expand the Project tree and highlight the template name.
2. Right mouse click and select the option: Duplicate.
3. A new template will now be called "Copy of....."
4. Rename the new appraisal. Right mouse click and select the option: Rename.

1.1.2 Starting a New Appraisal from an Existing Appraisal

1. Expand the Project Tree and highlight the scheme appraisal name.
2. Right mouse click and select the option: Duplicate.
3. A new appraisal will now be called Copy of.....
4. Rename the new appraisal. Right mouse click and select the option: Rename.
5. Right mouse click and select the option: Edit.

1.1.3 Starting a New Empty Appraisal

1. Right click on a Folder, e.g. My Schemes.
2. Select New then ProVal then Scheme Appraisal.
3. The new appraisal will be stored in the My Schemes folder

1.2 Open Existing Appraisal

1. Expand the folder in which the appraisal is saved and 'right mouse click' on the appraisal name.
2. Select Edit.
3. Alternatively double click on the name.

1.3 Opening a ProVal XL Appraisal (ProVal in Excel)

1. Select an appraisal folder in the Project Tree.
2. Right mouse click, select Import.
3. Select ProVal Excel Appraisal.
4. In the ProVal Import Options window, navigate to the location of the appraisal.
5. Select the appraisal.
6. Click the Import button.

Note that owing to methodology and other changes adopted in ProVal LS, the results will not be strictly comparable. Please refer to the document on the website to explain the differences.

1.4 New Consolidation

To create a consolidation:

1. Highlight an appraisal folder in the project tree.
2. Right mouse click and choose New.
3. Choose ProVal then Consolidation.
4. A new consolidation will be created - note that it has a different icon.
5. Rename the consolidation appropriately.
6. Drag and drop appraisals from the project tree into the consolidation.

See further information about consolidations in this manual.

2.0 Unit Type Defaults

Nearly every input applicable to a unit can be preset as a unit type default, rather than at the scheme level. Store your standard unit types in the Unit Types folder, which can be found in the Defaults folder. Sub-folders can be created to organise unit types into categories of your choice.

As with templates, the extent to which inputs are preset is your choice.

Example

Create folders named 2-Beds, 3-beds, etc. Save units of different product types in an appropriately named folder.

Alternatively, create folders named Affordable Rent, Shared Ownership, Outright Sale, etc. Save units of different sizes in an appropriately named folder.

Sub folders can be created to organise unit types.

Another possibility is to set some unit types with very few defaults.

Where inputs can be set by default, the appraisal process will be faster.

Defaults can be amended, subject to the user having permission.

Additional information on setting defaults can be found on the SDS ProVal LS support page of the website.

2.1 Creating a Unit Type Default

This can be done in 3 ways.

1. Start a new appraisal and add several different sized units of the same Product Type. Save the units individually as Unit Type defaults. This is recommended.
2. Open an existing appraisal. Select a unit type and Save as Default.
3. Create from an existing Unit Default.

Create From New Appraisal

1. Start a new appraisal.
2. Go to Section A, expand Unit Attributes.
3. Click the button - Add a New Unit - at the start of Unit Attributes.

4. Tip! For units which have defaults that are similar, add several columns at the above step.

5. Common inputs can be entered across all types in one operation using a <Ctrl + Enter> keyboard shortcut.

6. On completing the data, right mouse click at the head of the column and choose Save as Default.

7. Repeat Step 6 for all unit types.

8. Save and reopen the appraisal. Inputs can now be amended to suit a different set of units and then repeat Steps 5 to 6

9. Retain this appraisal for future use should you wish to review defaults.

The following unit values are set in Section A:

- Unit Attributes
- Additional Unit Attributes
- NPV Rates
- Sales & Staircasing
- Rent Allowances
- Rent

Unit capital costs are set in Section B and subsidy per unit is set in Section C.

Create From Existing Appraisal

1. Open an existing appraisal.

2. Expand Unit Details in Section A.

3. Expand Unit Attributes.

4. Right mouse click at the head of the column and choose Save as Default.

Create From an Existing Default Type

1. In the project tree expand the Templates folder.

2. Expand Unit Types folder.

3. Select a folder and choose a unit type. Right mouse click and select Duplicate. This will create Copy of ....

4. If necessary drag this copy to a different folder.

5. Right mouse click on Copy of... and select Rename. Amend as necessary and save.

6. Right mouse click again and select Edit.

7. Amend data.

8. Click the Close gadget at top of Column and save the changes.

3.0 Entering Data

General

1. To expand a particular section of the appraisal use the "+" (plus) gadget or the "-" (minus) gadget to collapse/hide it. Collapse all parts of a section with a key combination of 'Ctrl' plus - (minus sign).

- Read-only data is identifiable by a grey background. This data cannot be edited. The permission setting determines whether the user's job role permits editing. Other options are read-only or hidden.

2. Cells with a pink background must have data entered. Also marked with a triangular red field indicator when not completed.

3. Some cells have restricted input options; select one from the drop down list.

4. Hover the mouse cursor over the input question text for further explanation. Display the Help window at the foot of the appraisal for more information, or hover the mouse over the input cell to display the Help text.

5. For answering questions requiring a Y/N response, select one of the two options.

6. Click ONCE into a cell and the whole of the cell contents will be highlighted. Start typing to overwrite existing data or use the Delete key to remove it. Avoid using the backspace key to remove data as blank spaces can easily be left Alternatively use the right mouse option and select Clear.

7. Using a keyboard combination of <Ctrl + Enter> will fill the data in all columns to the right and left, or use the right mouse option to display the context menu. Select Copy Across to fill all columns left and right. Copy and paste options will also be found in the context menu.

8. Use the tab button or mouse to move between inputs.

- Some data is entered in two-parts, viz. the Input Type (per unit, per person, etc.) and Input Value. These will be combined to give the total.

3.1 Cell Editing

Right mouse click to access these options:

- Clear - delete the contents of the cell.
- Revert to Default - Replace the value with the original default value.
- Cut - remove the contents of the cell to the clipboard.
- Copy - copy the contents of the cell.
- Paste - paste the contents of the clipboard into the cell.
- Copy Left - this enters the value across all columns to the left.
- Copy Across - this enters the value across all columns, left and right.
- Copy Right - this enters the value across all columns to the right.
- Print – prints a screen view of the section.
- Export Appraisal – Exports the data to an XML file
- Permissions - Administrator function to restrict access to the cell. The options are Editable, Read-Only or Hidden and are set by job role to which the user has been assigned.

3.2 Defaults

Where a value has been previously specified by default, it can still be changed, assuming the user has permission. After changing a default a warning message will be displayed and added to the Warnings tab in the bottom window. An orange triangular indicator will be displayed in the cell to identify this event. Hover over the indicator to see the Warning message.

Inputs which have no default value will be checked for being within a reasonable range. This range is set within the application. Where the input lies outside this range, a warning will be given and if left outside the range, the Warning indicator will remain. Warnings of this kind are not necessarily mistakes, just that the input is unusual.

3.3. Comments

You can annotate your input with a comment, like adding a cell note in Excel. While in the cell, go to the User Comments tab in the bottom window and type something. A triangular blue cell indicator will be displayed. Hover over the indicator to see the comment.

4.0 Appraisal Windows Overview

1. Start a new appraisal. Several new windows appear.

   The appraisal is displayed in its own tab and so it is possible to have multiple appraisals open and to move between them by selecting the tab. This tab also has the close gadget which will prompt the save menu.

2. To maximise the screen view of the appraisal, close the Project tree and Summary widow, using the "<" minimise gadget Double click on the vertical bar to reveal it, or select Project Tree from the View menu option in the SDS logo.

3. To zoom the image, place the cursor on the title bar and use the mouse wheel. You can also ‘Reset the Zoom’ from the View menu in the SDS button.

4. To remove the blue cloud background, choose the View menu in the SDS button and select ‘Remove Cloud Background’.

4.1 Appraisal Summary Window

This has two tabs.

1. Summary

2. Section Map

Summary

The Summary tab displays the key results of your appraisal. The top panel shows the Appraisal Summary (all units) and the panel(s) underneath show similar results for each Product Type in the Appraisal.

Section Map

The Section Map tab highlights which appraisal section has focus. There is a Question Finder navigation box at the bottom of this window. Double click on a question to move to that section.

This window can be resized. It is also possible to close it using the "<" minimise gadget at the top right corner of the window. Double click on the vertical bar to reveal it, or select it from the View menu option in the SDS logo.

4.2 Appraisal Window

Across the top of the appraisal window are 2 sets of buttons.

1. Undo and Redo buttons.

2. Navigation Buttons

Undo and Redo

Use these to step back or forward from the last event.

Navigation

The Navigation buttons highlight which section of the appraisal has focus and can be used to move between sections. Put the mouse over a button to see a description.

Beneath these buttons the appraisal itself will be displayed.

Tip!

Use a keyboard combination of <Ctrl + -> to fully collapse the currently selected section.

Use a keyboard combination of <Ctrl + Shift + -> to collapse all sections.

4.3 Bottom Window

The height of this window can be resized.

It has a number of functions and facilities.

Formula Field

Create a formula for your cell entry rather than entering a specific input value. To use natural language references to other inputs or to read-only outputs in the same appraisal, use its cell reference name.

The remaining facilities and information in this window are displayed on 6 tabs.

1. Help
2. User Comments
3. Validation
4. Errors
5. Warnings
6. Support

Help

This displays guidance on what the question is about. You can also hover the mouse over an input cell to display the Help.

User Comments

This is a free text entry box so that you can add your own notes and comments. E.g. you might want to explain why you have used a particular value. A blue cell indicator will identify comments. Hold the cursor over the indicator to see the comment.

Validation

This area can be used to explain reasons for inputs being outside validated limits.

Errors

This displays errors which have been made by the user. A field is provided for the user to add a comment about each error. An error is displayed when an essential input cell has not been completed. A red cell indicator will identify such errors. Hover the cursor over the indicator to see the comment. The number of errors will also be displayed on the tab of the Errors window.

Warnings

This displays when entries fall outside a system-defined validated range and/or when a default value has been amended. A field is provided for the user to add a comment about each error warning. An amber cell indicator will identify warnings and will display any user comment made in relation to it. Hold the cursor over the indicator to see the comment. The number of warnings will also be displayed on the tab of the Warnings window. A Warning is not necessarily an indication of a mistake.

Support

This displays information about how to get help from SDS and other information.

5.0 Appraisal Header

Overview

Click the ‘Start’ navigation button if the beginning of the appraisal is not already visible. This section now has focus which is indicated by the orange border. It has 4 sub sections.

- Basic Scheme Information - Name, local authority, and other scheme-wide data.
- Loans - long term loan parameters
- Milestones - event timings.
- Address and other location information.

5.1 Basic Scheme Information

Read-only data has a grey background.

Cells with a pink background identify essential data.

Some cells input options as listed in a drop down list.

For further guidance on cell editing, see 3.0.

Most of the inputs in this section are free text and the questions are self explanatory. Some less obvious data inputs are described below:

Rent Paid at End of Period

This setting applies to rent income in the long term cashflow and affects the way interest and NPV are calculated. Although rent is typically defined as a rent per week, the long term cashflow converts this to a monthly income. Setting this input to "Y" means that the rent is received at the end of the month. Setting to "N" means it will be received at the start of the month.

Smooth Tenant Payments

Not all months have the same number of weeks. Set to "Y" to smooth the annual rent into 12 equal monthly amounts. See also 'Rent Paid at End of Period' above.

Site Area

This is a two-part entry. Enter either as acres or hectares.

Changing from acres to hectares (and vice versa) will force a conversion. E.g. Enter 2 Acres. Change to Hectares: the input is converted to 0.81.

5.2 Loans

Each Product Type has its own long term loan type (for convenience this has the same name as the Product Type). Each loan has its own loan repayment method, loan terms and covenant settings. All units of the same Product Type inherit the same loan type.

When 'Cross Subsidy' has been set to (Y)es, subsequent income from a Product Type where the loan has been repaid will be used to assist the repayment of the next 'most expensive' loan type.

5.2.1 Loan Repayment Method & Loan Terms

There are 3 Loan Repayment Methods

1. Overdraft (recommended)
2. Annuity
3. Hybrid

Overdraft (recommended)

This method repays the loan principal and interest as quickly as income allows. If the income exceeds the loan interest, the loan balance will reduce, but if income is less than the interest cost, the loan balance will increase - just like an overdraft.

A loan repayment period is not set for this method. Instead, the appraisal reports the year that the loan can be paid off. It is possible that the loan will never be paid off if the interest is very high and/or the income is very low.

A cashflow surplus arises once the loan has been paid off.

Annuity

This repays the loan principal and interest by equal annual instalments (rather like a repayment mortgage). These instalments will change if the interest rate changes.

Hybrid

This is similar to the Overdraft method except the loan balance does not increase. When the income is insufficient to repay the interest the loan balance remains the same and the difference is recorded and displayed as a Cashflow Deficit. This deficit accumulates until income exceeds the interest at which point the deficit will be repaid and thereafter the loan balance will be repaid. No interest is added to the deficit.

For each loan type set a loan interest rate. This can be set at different rates over varying periods.

5.2.2 Covenant Settings

Each loan can have 3 **optional** covenant settings.

1. Maximum Facility
2. Maximum Loan:Value
3. Maximum Loan:Cost

These do not affect the results. Loan repayments and the loan balance is not restricted by these covenants, but any breach is highlighted in the report at Section F - Private Finance.

Maximum Facility

This is the maximum amount of the loan facility. Note that the loan balance can increase when using the Overdraft repayment method described above.

Maximum Loan:Value

This is the ratio (by percentage) of the loan balance and market sales value that you do not want to exceed. E.g. 80% would mean that the loan should not exceed 80% of the market sales value.

Maximum Loan:Cost

This is the ratio (by percentage) of the loan balance and Total Scheme Cost that you do not want to exceed. E.g. 80% would mean that the loan should not exceed 80% of the Total Scheme Cost.

5.2.3 Interest Rates

The loan interest rate(s) for each loan type can be varied by any number of periods over the 100 years long term cashflow.

The interest rate on the development loan is set separately, see Section D.

5.3 Milestones

Milestones are key timing events used to facilitate the creation of a development cashflow. They can also help inform users when key events are expected to happen.

Milestones can be set by default in a template using abstract event names.

There are 8 standard milestones, but you can add your own milestone descriptions. The standard milestones are:

Abbreviation	Milestone Description
CS	Cashflow Start
EoC	Exchange of Contracts (Land)
LCL	Legal Completion (Land)
SoS	Start on Site
FH	First Handover
FS	First Sale
PC	Practical Completion (Last Handover)
LS	Last Sale

The first milestone - Cashflow Start - defines the calendar date of Month 1 of the cashflow. When starting a new appraisal the Cashflow Start date will default to the current date (and will stay fixed thereafter, unless edited). It is not an event.

Milestones will be chronologically reordered when the mouse is moved away from this section.

An error warning is displayed, if a milestone's timing is illogical, e.g. setting FH (First Handover) before SoS (Start on Site). You may need to scroll to the right to see the message. Enter comments about the milestones in the last column. Milestone timing errors are not displayed in the Errors window at the bottom of the appraisal.

Each unit type in the appraisal can have its own handover date. This is set as an offset period (months) from the First Handover milestone. The Practical Completion milestone cannot be edited. It is defined as the last handover date of all units in the appraisal.

Similarly, each unit type can have its own sales date. This is set as an offset period (months) from the handover of the unit. The First and Last Sale milestones cannot be edited. They are defined as the first and last sale dates of all units in the appraisal.

First and Last Sale milestones are ignored when there is no unit being sold.

Milestones are defined by an offset from another milestone, i.e. a number of months, after (or before) a previous event.

Phased handovers (and sales) are handled within the appraisal by varying the unit handover date (and unit sale date) of each unit type. Setting a date for a particular

dwelling type defines that event for all units of that dwelling type.

Examples

a. Start on Site (SoS) could be defined as "LCL + 3". This means that the Start on Site will begin 3 months after Legal Completion of the land contract.

b. First Handover (FH) could be defined as "SoS + 12". This means that the First Handover will happen 12 months after the Start on Site.

c. Assume the First Handover milestone is February. Units in Column A can have their handover offset set +3 months after the First Handover. These units will therefore handover in May and setting a sales offset of +4 months will mean that the sales income from these units will be received in September.

5.4 Site Address

The Site Address section is underneath Milestones.

Add additional postal address details of the scheme location.

If you have a suitable internet connection, entering a postcode will display the Ordnance Survey X and Y coordinates and the latitude and longitude.

Entering the first part of a postcode will return the position for the centre of that area.

6.0 Adding & Deleting Unit Types

There is no limit to the number of unit types in an appraisal. However, speed may be affected, depending on the hardware specification and network speed.

When starting a new appraisal (or editing an existing appraisal) a new unit type can be inserted into the appraisal in one of two ways.

1. Using the 'Add a New Unit' button
2. Dragging a unit from the Unit Types library in the Defaults folder (recommended)
3. Duplicate a unit from within the appraisal, or drag from another appraisal

6.1 'Add New Unit' Button

Click 'Add a New Unit button, at the start of the Unit Attributes in Section A. An empty column will be added to the appraisal. There are no preset inputs, but there are system defaults which check the reasonableness of the input.

6.2 Importing from the Unit Types Library

This is the recommended method.

Expand Section A and expand Unit Attributes.

1. From the Project tree select the Defaults folder and then expand Unit Types. Select a folder and expand to show the unit types.
2. You may want to close the Appraisal Summary window and adjust the zoom setting so that you can see both the appraisal window and the Project tree.
3. With a Unit Type highlighted, hold down the left mouse button, drag the Unit Type from the Project tree into Section A and drop it somewhere in the Unit Attributes appraisal area.

Tip! To re-use a unit type from another appraisal: open the appraisal, save the unit type as a default (see Section 2.0) and then proceed as above.

6.3 Duplicate an Existing Type

In an opened appraisal, duplicate an existing Unit Type.

1. Expand Section A
2. In the unit column heading (A, B, C....) right mouse click. Select Duplicate.

A duplicate unit type is added to the end column of the appraisal.

To import a unit type from another appraisal:

1. Expand the project tree to find the appraisal.
2. Highlight the appraisal to list the unit types in the appraisal.
3. Drag a unit type from the Project tree into the new appraisal as described in 6.2 above.

6.4 Delete a Unit Type

1. Right mouse click on the column heading (A, B, C...)
2. Select Delete Unit Column OR click the cross gadget in the column heading.
3. Confirm your decision at the next dialog box.

7.0 Section A - Unit Details

Section A lists inputs which can be set at a unit level, except for unit capital costs (these are in Section B – see below). All inputs can be set by default. Section A has these subsections:

7.1 Unit Attributes

7.2 Additional Attributes

7.3 NPV Rates

7.4 Sales & Staircasing

7.5 Rent Allowances

7.6 Rent

7.7 Units Summary

7.1 Unit Attributes

These primary attributes describe the unit type:

- A dwelling description.
- The number of units of this type.
- The floor area.
- A Product Type description (sometimes loosely described as the tenure).

Inputs are defined per unit.

7.1.1 Dwelling Description

Any text that helps describe the unit type. E.g. House, Flat, Shop, Type ABC1.

Adding "?" after the description will force the description to change depending on whether it is identified as a house or flat, the Product Type and the number of bedrooms. Entering the "?" on its own will have the same effect.

7.1.2 Units

The number of units of this type.

7.1.3 Floor Area

Although this can be defined to suit your own purposes, it is usual to input the gross internal floor area. Additional floor area for other communal and shared spaces can be added in Additional Attributes and in the Units Summary.

7.1.4 Product Type

The formal description of this unit type. Select from the drop down list of options.

- Affordable Rent
- Commercial
- Intermediate Rent
- KW Intermediate Rent
- KW New Build Homebuy
- New Build Homebuy
- Other
- Private Rent
- Rent to Homebuy
- Social Rent

In the above descriptions, KW refers to "Key Workers".

The Administrator can create other Product Types and also amend their descriptions.

7.2 Additional Attributes

These attributes provide further information about the unit.

They include:

- Number of Bedrooms
- Is Bedsit?
- Persons
- Current Market Value
- January 1999 Value
- Offset from First Handover (months)
- Handover Date
- Is Flat?
- Adjust Area by %
- Additional Floor Area
- Is New Build?
- Habitable Rooms
- Is Commercial?
- Is Shared?
- Storeys
- Is Extended Family
- Is Elderly/Cat 2 Frail?
- Supported Stay Period
- Other Description

Inputs apply to all units in the column.

7.2.1 Number of Bedrooms

Enter the number.

7.2.2 Yes/No Questions

Is Bedsit? If it is a Bedsit, enter 1 for No. of Bedrooms and select the "Y" option.

Select the appropriate Y or N option for the following:

- Is Flat?
- Is New Build?
- Is Commercial?
- Is Shared?
- Is Extended Family?
- Is Elderly/Cat 2 Frail?

These attributes will not affect the appraisal results. They help describe the kind of unit being developed.

7.2.3 Persons

Enter the number of bed spaces/persons.

7.2.4 Current Market Value

Enter the current value of the property as if available for sale/purchase in the open market (ignore the actual tenure for this purpose, if different).

7.2.5 January 1999 Value

To display the target rent for a unit input the value of the property as if available for sale/purchase in the open market (ignore the tenure) as at January 1999. This value is usually derived by applying an index to the Current Market Value. Property Indices are published on the web by Nationwide, Halifax, and others.

7.2.6 Offset from First Handover

The number of months after the First Handover milestone date. Enter 0 if the handover is the same as the First Handover milestone.

7.2.7 Handover Date

Read-Only. This is the calendar date that the unit hands over.

7.2.8 Adjust Area by %

Input a percentage adjustment when additional floor area is required for units which have communal or circulation space outside the unit floor area.

This input is linked to Additional Floor Area - see below. Enter extra floor area in either cell and the other cell will display accordingly.

7.2.9 Additional Floor Area

Additional Floor Area (by m^2) can be added for units which have communal or circulation space outside the habitable floor area.

This input is linked to Adjust Area by %. Enter extra floor area in either position and the other field will display accordingly.

Additional floor area (by m^2) can also be added at a scheme level in the Units Summary.

7.2.10 Habitable Rooms

Enter the number of rooms within the unit which are defined as habitable. These are typically bedrooms and living rooms.

7.2.11 Storeys

Enter the number of storeys. The number of storeys for flats can be defined flexibly, meaning either the number of storeys in the flat, or the number of storey in the block.

7.2.12 Supported Stay Period

Select one of 4 options from the drop down list: Permanent, Medium Short, Very Short. These descriptions can be defined as suits the organisation. The stay period is the length of time that the tenant is expected to occupy the unit.

7.2.13 Other Description

This is any text which helps to describe the unit. User-defined questions can also be created by the Administrator.

7.3 NPV Rates

In this section enter the Net Present Value (NPV) discount rate and period.

The NPV rate and period can be varied to suit the risk profile of the unit type.

7.3.1 NPV Discount Rate

This is the rate at which future income/expenditure will be discounted to 'present value' as at a particular date, e.g. the handover date of the unit, or the date of first handover of all units.

7.3.2 NPV Discount Period

This is the period of years to calculate the NPV. The NPV is actually calculated on a monthly basis, i.e. income (or expenditure) is assumed to arise at monthly intervals.

7.4 Sales & Staircasing

- Sales income is accounted for in the long term cashflow and reduces the loan balance. This means that sales which occur some months after the handover do not affect the development interest.
- Sales income is shown for information only in the development cashflow.
- Ground rents (as set in the Rents section) can be capitalised and sold in the long term cashflow. To capitalise the ground rent set a Ground Rent Yield. After selling ground rents no further ground rents will be received.
- Set a 'Sales %' to be sold. If selling all the equity in one transaction, enter 100%.
- Set a period (months) from the Handover Date to define when the units will be sold. A value of zero means that the sale will happen at unit handover. All units in the column are treated as having the same sales date.
- Alternatively, on the line - Defer Initial Sale Until End of Year - show the year in the long term cashflow when a sale is to take place.
- For units where less than 100% of the equity has been sold, enter Start and End year to define the sale of further levels of equity up to a Maximum Equity % to be Sold. The sale receipts are timed at the end of the year. Staircasing periods are timed from the handover of the unit irrespective of when the first sale event occurs. If after staircasing there is equity remaining the final sale of equity can be sold.

Revenue allowances do not reduce when the unit staircases, but the rent reduces pro rata the unsold equity. All rent and allowances will cease when 100% of the equity is sold, except ground rents which will continue to be received until sold.

7.5 Rent Allowances

Rent allowances are the revenue expenses incurred during the long term management of the units. These are defined under these headings:

- Managing Agent
- Management
- Maintenance
- Service Costs
- Reinstatement
- Other Allowances

- Voids and Bad Debts
- Major Repairs

Managing Agent

When using an external lettings agent, specify the fee paid to the agent as a percentage of the gross rent collected (excluding service charges and ground rents). VAT can be added to this cost.

Management

Specify a sum per annum (per unit).

This cost can be inflated from the Management Inflation Base Year up to the unit handover date, at the inflation rate specified at the start of Section G - 'Inflate Allowance to Handover at'. Inflation is applied to whole years only.

Maintenance

This follows the same principles as described above for Management.

Service Costs

This follows the same principles as described above for Management.

A separate Service Charge (the income) is set in Rents section. When rents are set which are inclusive of a services' charge, set the cost of providing the services here.

Reinstatement

This follows the same principles as described above for Management.

Other Allowances

This follows the same principles as described above for Management.

Voids and Bad Debts

Specify a % loss to be deducted from the gross rent for voids and bad debts. This will also apply to Service Charges.

7.5.1 Major Repairs

This cost includes major repairs, planned and cyclical maintenance.

There 2 ways to define this cost.

1. By establishing a sinking fund (recommended)
2. By defining life cycle costs

Sinking Fund

- Input Type - Select the appropriate option from the list box.
- Net Works Costs - the total works for the unit
- User Input Sum - a lump sum for this unit (e.g. an alternative to the works cost).
- Input Value - a % on one of the above sums (as chosen). This can vary over the period of the long term cashflow up to 100 years.
- Defer to Start of Year - delay the cost to a specified year number after handover.

Life Cycle Costings

Select this option in the Unit Type box.

- Life Cycle Cost - choose an archetype of unit life cycle costings (these have to be predefined by default by the Administrator).
- Multiplier - apply a multiplier to the costs, e.g. 1.05 will uplift all costs by 5%.

7.6 Rent

This section has the following sub sections:

- Cost Rent
- Residential Rent
- Service Charges
- Commercial Rent
- Ground Rent

Cost Rent

The Cost Rent expresses the revenue costs (allowances and loan cost) incurred at handover, which if charged as a rent would meet the revenue costs in Year 1.

Service Costs and the Total Cost per week and per annum are displayed.

Also shown are the Handover Date and the Target Rent/Rent Cap for social rent (as at the Handover Date). Note that a *Jan. '99 value* in Section A is a required input for this tenure.

There are two input boxes to help set an intermediate or 'Affordable' rent. The first method is to enter an annual rent yield, i.e. the annual rent divided by the Market Sales Value, expressed as a percentage. Alternatively, the Market Rent can be entered as a specific sum. These inputs define a rent which can then be selected when setting the rent.

Setting the Residential Rent

Rents can be varied over the long term cashflow. Assuming the rent does not change (apart from inflation) set the period as 'Year 1 to 100'. The rent is set in two stages. In the top half of the input box, select a rent calculation method from the drop down list. In the lower input box enter an appropriate sum or percentage.

The rent at Year 1 will be displayed as a Read-Only value in the line below.

To prevent further changes to the set rent (including updates to inflation data) set 'Lock Rents' to "y". Note that rents must be unlocked if changes need to be made. This fixes the rent so that any changes which might otherwise have affected the rent will be ignored.

The set rent is displayed as a percentage of Target Rent and as a percentage of the Unsold Equity.

Service Charges

Service Charges (i.e. income) can be made equal to Service Costs (i.e. expenditure as set in the Rent Allowances) by setting the flag Make Service Charges Always Equal to Costs to "y". Service Charges can also be set manually.

Commercial Rent

Commercial rent can be varied over the long term cashflow. It must always be set as £/m² per annum, not as a rent per week or per month.

Ground Rent

Ground rents can be varied over the long term cashflow. Round rents continue to be received until sold.

7.7 Units Summary

This has 2 subsections.

Floor Area & Habitable Rooms

Costs Summary

Floor Area & Habitable Rooms

This is a simple statement of total floor area split between residential and commercial also showing any communal floor area and a conversion from m^2 to ft^2. Habitable rooms summary is also displayed for Residential Rent, Residential Sale and Other.

Costs Summary

A summary of Total Scheme Cost is shown on a tab for each unit type. See also a similar display in Section E.

Averages are shown per unit and per person, along with percentage ratios with Market Sales Value. The cost elements making up the Total Scheme Cost (TSC) are also shown as percentages of the TSC.

Cost:Value Percentage

The ratio of the Total Scheme Cost divided by the Current Market Sales Value (%).

Note that the total scheme cost does not include subsidy or sales income.

8.0 Section B - Capital Costs

Capital costs can be defined at the scheme level, e.g. a single acquisition cost for the scheme, and/or for each Unit Type.

With the exception of Fees, where special rules apply, capital costs entered for the scheme are added to costs entered for the units, so that a combination of inputs is possible.

All capital costs are allocated to a Product Type and apportioned to each unit by floor area, average per unit, or by persons.

Section B has these subsections:

- Acquisition Cost
- Works Cost
- Fees
- Other Costs

For Acquisition, Works and Other costs, the process is the same. The process for Fees is described below.

8.1 Capital Costs – Scheme Level (Acquisition, Works, Other)

Costs can be defined over any number of rows. Click the green + button to add a new row. To delete a cost, click the red x button.

Description

A text description of the cost.

Input Type

Select from the drop down list.

Input Value

The input sum relevant to the selected Input Type.

Applies To

Choose the units to which the cost applies. This data is used to allocated the cost back to the nominated units. By default the cost applies to all types.

Allocate Cost by

Select from the drop down list. Choose how to spread the cost between the units types

selected in the Applies To column.

Cost Base Year

Select from the drop down list. The Input Value will be inflated at the Inflation Rate up to the Inflate to milestone.

Inflate to

Select from the drop down list to a milestone date. The Input Value will be inflated to this date (whole years only).

Inflation Rate

The rate to inflate the Input Value.

VAT

Enter the VAT rate and the Inflated Total will have VAT added.

Acc. Code

Any text to identify an Account Code to which this cost should be posted in the finance system. This is memorandum information only.

Underneath this table is a sub total followed by a summary of any costs as defined in Unit Costs in Section A.

8.2 Capital Costs – Scheme Level (Fees)

Click the radio button at the start of this section to select the preferred method of defining fees:

- **Unit Level**

  Define a fee in the Unit Fees table for each unit by using a simple input. The Fees Analysis table will be ignored. The process is as described below.

- **Scheme Level**

  Use the Fees Analysis table to calculate fees from a detailed analysis of costs. Any fees defined in Unit Fees table will be ignored.

- **Combined**

  Use both methods described above and add the results together. In the absence of a default set by the user, this is the application default option.

8.2.1 Fees Analysis Table

Click the green + button to add a new row. To delete a cost, click the red x button.

Description

A text description of the cost.

Input Type

Select from the drop down list.

Input

The input sum relevant to the selected Input Type.

Applies To

Choose the units to which the cost applies. This data is used to allocated the cost back to the nominated units. By default the cost applies to all types.

Allocate Cost by

Select from the drop down list. Choose how to spread the cost between the units types selected in the Applies To column.

Cost Base Year

Select from the drop down list. The Input Value will be inflated at the Inflation Rate up to the Inflate to milestone.

Inflate to

Select from the drop down list. A milestone date. The Input Value will be inflated to this date (whole years only).

Inflation Rate

The rate to inflate the Input Value.

VAT

Enter the VAT rate and the Inflated Total will have VAT added.

Acc. Code

Any text to identify an Account Code to which this cost should be posted in the finance system.

8.3 Unit Capital Costs (Acquisition, Works, Fees, Other)

The inputs here are:

Input Type - Select from the drop down list box.

Input Value - Enter a value to match the Input Type.

Cost Base Year - Select a year from which the Input Value should be inflated. (Optional).

Inflation Rate - Enter a rate (%) to inflate the Input Value

Inflate to - The milestone to inflate the Input Value, from the Cost Base Year, by the Inflation Rate.

VAT % - Add VAT to the (inflated) cost.

The inflation option is useful when the payment is expected to be made some considerable time into the future, or when a default value was set some considerable time ago. Inflation is added in whole years only.

The following are Read-Only outputs for each unit.

- Unit Cost Gross Total, including inflation and VAT
- Allocated Costs as defined at the scheme level
- Total capital cost

9.0 Section C - Subsidy

Subsidy (SHG, other public grant, but not internal subsidy) can be entered for each unit type, or entered as a single summarised sum for the scheme.

In the first table, enter subsidy on an individual unit type basis.

Click the green + button to add additional sources of grant.

Alternatively, in the second table, define subsidy as a scheme total, or as an average per unit, or as an average per person. This is easier and quicker than defining subsidy for each unit type.

These two tables are linked, so that inputs in one will be synchronised with the other.

Note that the inputs in the two tables are not added together (as with capital costs).

Only enter subsidy in this section which is received as real cash during the development period.

Subsidy received after the scheme has been completed can be entered in the long term cashflow as a capital receipt in Section H.

10.0 Section D - Development Cashflow

The development cashflow shows the expenditure of income and expenditure (I/E) during the development period, the capitalised interest cost, as well as the monthly requirement for finance during the development period.

The development cashflow period is unrestricted in length.

I/E items entered as separate sums (such as with an analysis of fees) can be spread as a total for all items, or each item can be spread individually. Setting the spread profile at the top level of the I/E category (e.g. Subsidy, Acquisition, Works, etc.) will force all subsidiary items to inherit the same cashflow profile.

To assist in forecasting the cashflow, sums can be spread using a variety of profiles in conjunction with milestones or calendar dates. Alternatively, selecting the manual option allows each monthly sum to be entered by the user.

If costs/income are amended, the cashflow will automatically update when profiles and milestones/dates have been used, unless set as a manual spread option.

Development interest rates, cashflow profiles and milestones, to be used in the appraisal, can be set in the appraisal template.

Section D has the following subsections:

- Interest rates and the interest total together with a summary report of events.
- Development Cashflow Forecast

10.1 Read-only Information Reports

Total Interest Cost

Where this is shown as a negative it means an interest cost has been incurred.

Total Remaining Balance to Forecast

This should be zero when the cashflow has been properly completed.

Cashflow Events

Calendar dates.

Peak Cumulative Cashflow

This is the maximum borrowing requirement.

10.1.1 Interest Calculation

Interest is calculated assuming the transaction occurs in the middle of the month.

Interest in the month = (Opening balance + Cashflow in the month /2) x monthly interest rate.

10.2 Development Cashflow Forecast

Expand the Development Cashflow Forecast.

The cashflow has several columns:

Description

This is a category description for each income/cost. Expand the category to see individual lines of data.

Spread

The method used determines the profile of the I/E. Click the button to select a spread method and specify dates. Spread profiles are described more fully in the next section.

Budget

The total capital cost as defined by the user.

Balance to Forecast*

This is the Budget outstanding after a forecast has been entered. This sum will be zero when the cashflow has been properly completed. A warning will be given when the cashflow has not been properly completed.

Earlier Total*

This is the cumulative total before the start of the visible part of the cashflow.

Cashflow

Monthly columns show calendar dates, month numbers and milestones. At the bottom of the cashflow forecast a scroll bar allows the cashflow to be scrolled left/right. Only a small section of the cashflow will be visible at any one time on screen.

Cut, copy and paste commands are available when the cursor is in the cashflow forecast area - right mouse click to access these.

Later Total*

This is the cumulative total after the visible part of the cashflow.

Last Date*

The last date of the cashflow.

* These columns can be selected/deselected by right mouse click when the cursor is placed on the column headings row.

10.2.1 Spread Profiles

Expand a cashflow I/E description row.

Where cost headings have multiple input rows the costs can be forecast as a total (all individual costs will have the same profile) or each row can be spread separately. It is recommended in the first instance to cashflow at the total level and set profiles for subsidiary items by exception.

WARNING. Setting the profile at the total row will overwrite all individual spread profiles.

Click the Spread button. Choose an option:

- By percentage
- Manual
- Curve

Spreading Using the Percentage Option

1. Click the green + button to add a row.
2. Enter a percentage.
3. Define timing either by selecting a Milestone or a Month Number.
4. Add more rows as necessary.
5. Click Ok. The button text will display 'By Percent'.

Spreading Using the Manual Option

1. The row of the cashflow forecast will become editable.
2. Enter sums as required in any month. The button text will display ‘Manual'. If the budget changes the forecast will need amending manually.

Spreading Using the Curve Option

1. Select a curve profile. Additional user defined curves can be added as an Administrator function.

2. Enter a 'From' date. This can be defined as a Milestone, Month Number or Calendar Date.

3. Repeat for the 'To' date.

4. Click Ok. The button text will display the chosen curve profile symbol.

10.3 Handovers

This row identifies when one (or more) unit types are handed over, i.e. they are ready for occupation.

The total cost of the unit with the capitalised interest, is transferred to the long term cashflow (where a long term loan arises) and the Cumulative Balance in the development cashflow reduces.

The handover date for each unit type is defined in Section A - Unit Attributes.

Sales receipts will be shown in the long term cashflow. The interest cost of the period between handover and sale will accrue in the long term cashflow. Sales timings are shown in Sales & Staircasing in Section A.

10.4 Charts

Click the SDS logo top, of screen. Click View then choose Charts\DevCashflow Chart. The chart opens in a separate tab. To close the chart, click the red cross gadget in the chart tab. Alternatively, click the button at the underneath the development cashflow.

10.5 Development Interest

Section D -Development Cashflow.

Enter an interest rate to be used on negative balances (a borrowing rate). The same rate applies to positive balances (an investment rate).

10.6 Development Cashflow in ProVal LS Compared with ProVal XL

The development interest is calculated differently in ProVal LS compared with ProVal XL (ProVal in its Excel version). In ProVal XL the long term cashflow starts after the last transaction, i.e. typically practical completion or last sale. The opening loan in the long term cashflow is the cumulative balance as at the end of the development cashflow (ignoring any user adjustments) and development interest is capitalised up to the last transaction. In ProVal LS a unit type drops out of the development cashflow at its handover date. The total cost at that point, together with the capitalised development interest, is paid for by creating a long term loan.

In ProVal LS, sales income is shown for information in the development cashflow, but no sales income is recognised in the development interest calculation. Sales receipts are shown in the long term cashflow.

11.0 Section E - Total Scheme Cost

This section is Read-Only.

The total scheme cost with a basic cost analysis, together with averages and percentages is shown for the scheme, for each tenure and for each unit type. Expand the tree and select the appropriate option.

12.0 Section F - Private Finance

This has 3 subsections.

1. A loan report.
2. The private finance requirement.
3. Value:Loan Ratios

Details of the different loan types, repayment method and interest rates are defined in the Loans section at the start of the appraisal.

12.1 Loan Report

In the Loans section at the start of the appraisal, a loan repayment method (viz. overdraft, annuity or hybrid) is assigned to each product type (e.g. affordable rent, social rent, shared ownership, etc.). In the appraisal, each dwelling type column (e.g. 1-bed flat, 2-bed house, etc.) is assigned a particular product type.

Each dwelling type column in Section A has its own long term loan. The loan begins at the handover of the units in that column. Units in other dwelling type columns may have different handover dates.

For each product type, the Appraisal Summary window reports the financial results of all the units that share that product type. One of these is labelled 'Last repaid year'. This is the worst year number (counting from the first handover of any product type in the whole appraisal) to repay the loans for all units in all dwelling type columns of that product type.

The Loan Report in Section F shows the financial results of all the units in all dwelling type columns that share the same product type, on a consolidated basis. The 'Loan repaid by year' reports the repayment year number (counting from the first handover of any units in the whole appraisal) from all the dwelling type columns of that product type.

Example 1.

Assume three dwelling columns A, B, C are of a **single** product type (e.g. affordable rent).

The individual loan repayment periods for these might be Year 30, 35 and 38 respectively. Taken together therefore the 'Loan Repaid by year' may be reported in the Loan Report in Section F as Year 36. This is because of the consolidation effect, i.e. income from units that repay their loan early helping to repay the remaining loans quicker.

The ‘Last Repaid Year’ as reported in the Product Summary will be Year 38, i.e. the last repayment year of all units of that product type.

The way loans are repaid, can be modified by the user. The attribute, ‘cross subsidy’ can be turned on or off in the Loans section at the start of the appraisal.

12.1.1 Loan Cross Subsidy

With ‘cross subsidy’ turned on, the various product type loans will help each other out. Surplus cash from one product type will automatically be used to repay a poor performing loan. The system applies any surplus to pay off the most expensive loan first (i.e. the one with the highest interest cost). Determining this cross subsidy priority is reviewed on a monthly basis. With this option turned on, the whole scheme's consolidated long term loan will probably pay off quicker, thereby making the scheme more viable.

Example 2

The cross subsidy attribute is turned on.

Assume three dwelling columns A, B, C are of a **different** product type (e.g. affordable rent, shared ownership, social rent).

The individual loan repayment periods for these might be Year 30, 25 and 38 respectively.

The ‘Last Repaid Year’ as reported in the Appraisal Summary will be Year 29, i.e. the last repayment year of all units of all product types.

Other information in this report includes

- Peak loan and year
- Peak loan as a percentage of the maximum facility
- Maximum ‘loan/market sales value’ percentage
- Maximum ‘loan/cost (A&W only)’ percentage
- Grant total

The parameters for the facility are defined in the Loans section at the start of the appraisal.

12.2 Private Finance Requirement

A loan adjustment and a capital contribution can be made on the product tab (not on the total tab).

A loan adjustment is any adjustment to the loan which the user wishes to make for any reason. **A positive input reduces the loan**. A description field is provided when using this facility.

A Capital Contribution is similar to a loan adjustment. Some users show internal subsidy here (not recommend). Normally internal subsidy is not shown as an input as it does not reduce the initial borrowing requirement.

The above adjustments are apportioned to each unit column weighted by their loan requirement.

12.3 Value : Loan Ratios

This report provides similar information as described above, for each dwelling type.

Value

Value can have several definitions. In this section, the current market value of the unit is repeated (and it van also be amended here) and the NPV of the Net Rent (another definition of value).

The ‘User Specified Value’ input allows the user to add a third definition of value, as may be appropriate.

Ratios of value to loan by percentage are reported.

By entering a ‘Target Value: Loan’ ratio, the affordable loan (i.e. the loan that meets the target definition) is reported. The affordable loans are given for each of the various definitions of value as described above.

The rent yield is the net rent in the first year compared with the opening loan, by percentage.

13.0 Section G - Inflation

Inflation parameters are used mainly to govern the way income and expenditure I/E increases in the long term cashflow after the unit has handed over.

Inflation can also be applied to all capital costs.

13.1 Inflating Capital Costs

1. In Sections B the capital costs (e.g. acquisition, works, fees) can be inflated. Inflation parameters are entered in the relevant section. This is useful when historical costs need to be updated, or when current costs need to be inflated to some future point.
2. Enter the costs and an Inflation Base Year (i.e. the point from which inflation applies).
3. Enter an inflation rate.
4. Enter a milestone, representing the end of the inflation period.
5. Inflation is added in whole years only.

Inflation can be added to scheme level costs and costs entered at a unit level.

13.2 Inflating Revenue Income/Expenditure

Initial revenue allowances (management, maintenance, etc.) are entered in Section A. These can be inflated from the Base Year (i.e. the point from which inflation applies) up to the handover of the unit. The inflation rate for this period is set at the start of Section G - Inflate Allowances to Handover. Inflation is added in whole years only.

In Section H, inflation rates for I/E in the long term cashflow can be set over multiple periods. Rates must be set over the full 100 years term of the cashflow. A valid rate can be 0% or negative.

1. Start by setting a Base Inflation Rate. This is the organisation's view of underlying long term inflation, such as Retail Price Index (RPI) or Consumer Price Index (CPI). The organisation must adopt its own definition.
2. Set a margin to be added to (or deducted from) the Base Inflation Rate, for each of the income/allowance categories, varying the margin as necessary over multiple periods up to 100 years.
3. The Effective Inflation Rate is the actual inflation rate used in the long term cashflow (i.e. the Margin added to the Base Inflation Rate).

I/E categories are shown separately.

14.0 Section H – Long Term Capital Receipts

In this section, capital sums can be entered in the long term cashflow.

1. Click the green + button to create an input row.
2. Complete the inputs as prompted.
3. Positive sums indicate capital receipts. Negative sums indicate a capital expenditure.
4. The receipt will be shown in the long term cashflow as Other Capital Receipts in the loan section of the cashflow.

15.0 Section I - Long Term Results

This has two sections

- Scheme Results
- Unit Results

15.1 Scheme Results

Max. Annual Deficit Year

The year in which the cashflow is at its most negative.

Capitalised Year 1 Net Revenue Deficit

The revenue deficit capitalised at the interest rate.

Cumulative Surplus at Year x

Period as defined in Section A (Long Term Rates).

NPV Discount Rates

The NPV discount rate(s) as set in Section A - Long Term Rates.

Summarise Cashflow to Year x

Period(s) as defined in Section A (Long Term Rates).

NPV at First Handover

The Net Present Value of the scheme is calculated by:

$$\underline{\text{NPV Net rent + Cap. Receipts - Loan}}$$

The loan represents the initial capital costs at the point the units hand over. If the scheme has phased handovers then loans will also be discounted.

NPV of Net Rent Only

The Net Present Value of all net rental income.

Capital Value of Scheme at Year 1

The Net Present Value of a capital value as defined in Section A. This sum is not a cashflow item. It is typically the residual asset value of the unit(s).

Discounted Capital Value

Capital Value of Scheme at Year 1 (as above) discounted by the NPV discount rate.

NPV of all Capital Receipts

The Net Present Value of all capital receipts (typically sales and staircasing receipts).

IRR

Internal Rate of Return - The NPV discount rate which returns a zero NPV.

Total Set Aside Receipts

The cash total of subsidy which has been set aside when a unit staircases. Staircasing details are set in Section A, Sales & Staircasing.

Loan

For a description of the loan repayment methods see Outputs in Section A.

Results give the peak loan and the year it occurs, the breakeven and the repayment period.

See also the Loan report in Section F - Private Finance

Interest

Total interest is given.

Interest Cover is defined in the appraisal as all income divided by interest (%). Minimum interest cover is reported as a percentage and the year it occurs. A Target Interest Cover is the user's desired requirement. The year this is achieved after the Minimum Cover occurs is reported.

15.2 Unit Results

This section shows viability results and other outputs, per unit.

It has the following sub-sections:

- Unit Cost : Current Market Value, by percentage
- Receipts Set Aside
- Net Present Value
- Internal Rate of Return
- Loan
- Cumulative Deficit

Cost : Current Market Value, by percentage

The Cost:Value comparisons are also shown in the Units Summary (Section A) and Total Scheme Cost Summary (Section E).

For product & scheme viability results see also Summary Window.

The ratio is not affected by the amount of grant.

Receipts Set Aside

Shown for information only, these receipts arise when additional equity is sold on shared ownership dwellings and Social Housing Grant has to be set aside, pro rata. Receipts ion the long term cashflow will be reduced accordingly.

15.2.1 Net Present Value (NPV)

Net Present Value (NPV) viability results for each unit are displayed.

To include the NPV of the residual asset value of the unit, enter the Asset Value at Year 1 (the year when the unit hands over). Enter an asset value inflation rate. The inflated asset value will then be discounted by the unit NPV Discount Rate over the unit NPV Discount Period to give the NPV of Asset Value at handover. Note that this is not shown in the long term cashflow as it is not a cash item.

The NPV discount rate and period are set in the NPV Rates in Section A, or they can be entered here. The NPV at the Unit Handover Date is calculated as follows:

NPV of Net Rent
+NPV of Capital Receipts
+ NPV of Asset Value
= **NPV of income**
– Allocated Opening Loan
= **NPV at Unit Handover Date**

The Allocated Opening Loan represents the initial unit capital cost, so does not need to be discounted because it is already the 'present value' of the net costs (this will typically be the total scheme costs less subsidy).

A ranking for NPV is provided together with the year in which the NPV is zero (NPV Breakeven Year).

Note that the NPV for the unit is shown at its handover date. When units have different handover dates, the NPV for the scheme will not be the sum of the NPV for each unit.

NPV results calculated at the same point in time are given as follows. These can be added together.

- NPV at date of the First Unit Handover
- NPV at the date of the Last Unit Handover (PC)

- NPV at the land acquisition date (Legal Completion of Land milestone)

15.2.2 Internal Rate of Return (IRR)

Internal Rate of Return (i.e. the discount rate which returns a zero NPV) at the point of handover is displayed together with the ranking.

15.2.3 Loan

This has these sections

- Allocated Opening loan
- Loan Repayment - Year
- Interest Total

The Allocated Loan is derived from the total costs for the unit less any subsidy. Sales income will be taken into account in the long term cashflow and will be used to reduce the opening loan balance.

Loan Repayment

The payback results accord with the loan repayment methodology adopted as set in the Loans section at the start of the appraisal and described in 5.2.1 above.

See also the loan report for the Product Type given in Section F

Annuity Method

Peak Loan will always be as at Year 1 of handover as the principal is repaid from the beginning.

Year Income First Exceeds Cost - the year in which the income exceeds the annuity loan repayment. Usually called the breakeven year.

Peak Cumulative Debt - the total cash deficit which has accrued when the income cannot meet the annuity loan repayment.

Peak Cumulative Debt Year -the year in which the Peak Cumulative Debt occurs.

First Cumulative Breakeven Year - The first year in which surpluses, after paying the annuity loan repayment, have repaid the earlier deficits.

Last Cumulative Breakeven Year - The last year in which surpluses, after paying the annuity loan repayment, have repaid the earlier deficits. Normally this is the same as the First Cumulative Breakeven Year unless deficits arise subsequently.

Overdraft (recommended)

Peak Loan - this will increase if the income is less than the interest on the loan. In extreme conditions the loan may never be paid off.

Year Income First Exceeds Cost - the year in which the income exceeds the interest on the loan. Usually called the breakeven year.

Peak Cumulative Debt - not applicable.

Peak Cumulative Debt Year - not applicable.

First Cumulative Breakeven Year - not applicable.

Last Cumulative Breakeven Year - not applicable.

Hybrid

Peak Loan will always be as at Year 1 of handover. If interest is greater than income a deficit will arise. This deficit (shown as a negative cashflow) will increase until the income exceeds the loan interest at which point the cashflow deficit is paid off followed thereafter by the repayment of the loan.

Year Income First Exceeds Cost - the year in which the income exceeds the interest. Usually called the breakeven year.

Peak Cumulative Debt - the total cash deficit which has accrued when the income cannot meet the interest.

Peak Cumulative Debt Year -the year in which the Peak Cumulative Debt occurs.

First Cumulative Breakeven Year - The first year in which surpluses, after paying the interest, have repaid the earlier deficits.

Last Cumulative Breakeven Year - The last year in which surpluses, after paying the interest, have repaid the earlier deficits. Normally this is the same as the First Cumulative Breakeven Year unless deficits arise subsequently.

Interest

Interest Total – The total long term interest incurred.

Min. Interest Cover – Year – The year when the ratio of interest to net income is worst.

Target Interest Cover % – Enter a desired ratio of income to interest (%).

Target Interest Cover First Met – The year the Target Interest Cover (as above) is met.

No. of Years Interest Cover is met – The period of the cashflow where the Target Interest Cover (as above) is met or exceeded.

15.2.4 Cumulative Deficit

Cumulative Deficit/Surplus is the total deficit after interest/loan repayments at the end of the NPV period.

The maximum Annual Deficit is the year in which the worst deficit occurs.

Capitalised Year 1 Net Revenue Deficit is the capital value of the necessary loan adjustment to ensure a break-even at Year 1 (year of handover) using the long term interest rate.

16.0 Section J - Long Term Cashflow

Each section of the cashflow can be expanded and/or collapsed to facilitate viewing.

To see future years of the cashflow, use the scroll bar at the bottom of the cashflow. It extends to 100 years.

Year 1 is set by the First Handover Milestone. E.g. if the First Handover Milestone is say February 2014 then Year 1 of the long term cashflow will begin at February 2014 and end at 31 January 2015.

Income/expenditure is linked to milestone events such as the unit handover and sales timings.

Charts

Click the Show Charts button in the long term cashflow.

Alternatively, click the SDS logo, select View then choose Cashflow Charts.

The chart opens in a separate tab. To close the chart, click the close gadget (red cross) in the chart tab.

17.0 Section K - Affordability

The affordability section considers the purchaser's cost of buying a unit. Costs are made up of mortgage costs for the equity purchased, rent and service charges.

1. The Current Market Value can be edited. It will link to the input made in Section A.

2. Specify a purchaser's mortgage APR and repayment term. For the purposes of calculating the mortgage cost a standard repayment mortgage is assumed.

3. If applicable, enter a deposit to be paid by the purchaser. This can be by a percentage of the market value, of equity purchased or by a sum. These inputs are linked. The deposit will reduce the mortgage.

   - The mortgage required and cost (per year, per month and per week) is reported.
   - Gross rent (per year, per month and per week) is reported as entered in Section A - Rents.
   - Service Charges will be as set with the rent. Alternatively, enter a user defined service charge, but note that this charge will not be shown in the long term cashflow. This is helpful when you wish to assume that service costs and charges are neutral on the viability of an appraisal.

4. Total cost to the purchaser is shown (per year, per month and per week).

5. The Total Cost/Earnings Ratio (%) can be set as a Target (a maximum not to be exceeded) which defines what is affordable, i.e. the total cost should not exceed the target percentage of the household income to be considered affordable.

6. Enter the estimated household income per year for the unit.

7. Enter the Mortgage Earnings Multiplier. This will determine the mortgage that the householder can borrow, based on their income (after taking into account rent and service charges).

The following outputs are provided:

Minimum Earnings Required

This is the minimum earnings that the purchaser will need in order to qualify for the mortgage.

Minimum Earnings Ratio

This is the ratio of total cost divided by minimum earnings.

Max. Mortgage on Earnings

This is the maximum mortgage based on the household income and the Mortgage Earnings Multiplier.

Affordable Equity Share using Multiplier*

The affordable equity share can be calculated from two positions a) using the Mortgage Earnings Multiplier and b) using the Target Total Cost Earnings Earnings Ratio. This result is based on the Mortgage Earnings Multiplier.

Affordable Equity Share using Target Earnings Ratio*

The affordable equity share can be calculated from two positions a) using the Mortgage Earnings Multiplier and b) using the Target Total Cost Earnings Ratio. This result is based on the Target Total Cost Earnings Ratio.

Min. Affordable Equity Share*

This is the minimum of the above two results. This level of equity will mean that the purchaser will qualify for the mortgage and stay within the Target Total Cost Earnings Ratio.

Outright Sale Cost per Week

The cost of purchasing 100% of the equity (less any deposit) by a mortgage.

Homebuy Saving per Week

This is the difference between the Outright Sale Cost per Week and the actual cost per week.

Homebuy % of Full Sale Cost

This is a comparison of the actual cost with the Outright Sale Cost (%).

* Important: The calculation of the Affordable Equity Share ignores the difference in rent which would follow an actual change to the equity share purchased.

18.0 Section L - Residual Land Value

The residual land value for any unit can be assessed from its Gross Development Value (GDV). The residual land value is what a purchaser could afford to pay for the land, based on the GDV, the development costs and the profit required.

For private sales the GDV will be the estimated Current Market Value. The GDV for a social housing unit is made up of the following sums:

- Affordable Loan plus
- Internal Subsidy (an input representing the policy of the HA) plus
- Sales Income (as defined in the appraisal)
- External Subsidy (as defined in the appraisal)

The Affordable Loan is the NPV of the net income. Note that this calculation does not guarantee that the net rent can repay the loan within the desired loan repayment term.

The Assessed Land Value is derived from the GDV as above less the following costs.

- The works cost
- An assumption by percentage of the GDV for fees and interest
- An assumption by percentage of the GDV for profit

Note that Stamp Duty Land Tax is not deducted.

The Residual Land Value (RLV) will generally be higher for larger units. To make valid comparisons between different unit types, the RLV has to be converted to a value per acre. This is achieved by applying the Average Plotting Density - upa (units per acre). Rankings for each unit type are shown, where the highest RLV per acre has a ranking of 1.

Important Note !

The RLV results are indicative. This section is not a detailed residual land appraisal as might be used in the private sector. It shows the land values for each unit type to aid in determining the unit mix of the scheme.

19.0 Consolidation

A consolidation holds data from more than one appraisal. There is no limit on the number of appraisals in a consolidation.

NB. A consolidation holds dynamic data. This means that if the appraisal is amended after being consolidated, the consolidation will be updated. To create a static copy of the appraisal data, first create a copy of the appraisal (right click on the appraisal name in the project tree and select Duplicate. It is advisable to lock this copy (so it does not get amended further). To lock the appraisal, right mouse click and choose Lock.

Consolidations cannot themselves be consolidated.

Data in the consolidation cannot be edited.

To create a consolidation:

1. Highlight an appraisal folder in the project tree.
2. Right mouse click and choose New.
3. Choose ProVal.
4. Choose Consolidation.
5. A new consolidation will be created - note that it has a different icon.
6. Rename the consolidation appropriately.
7. Drag and drop appraisals from the project tree into the consolidation.

The consolidation reports the following:

Consolidated costs.

A list of schemes and the details of their consolidation.

Unit Details.

Long Term Cashflow.

20.0 Reports

There is a selection of standard reports.

You must select the appraisal in the project tree first, but there is no need to open it.

1. Select the appraisal in the project tree.
2. Right mouse click
3. Choose Reports.
4. Select a particular report.
5. Use the menu options for printing, emailing, saving, etc.
6. To close the chart, click the close gadget in the chart tab.

To switch between the appraisal and the report, use the 'Alt + Esc' keyboard shortcut.

New reports can be designed, or existing reports customised, to suit the organisation. Please refer to SDS for further information.

Reports can also be accessed from the SDS logo, but this requires the appraisal to be open.

1. With the appraisal open.
2. Click the SDS logo, then click View and choose Reports
3. Select Preview
4. Select a report
5. To close the report, click the ‘red cross’ gadget in the chart tab.

21.0 Getting Help & Support

In the Appraisal

When completing the appraisal, help text is provided on questions and inputs.

- Hover the cursor over the question and a comment tool tip will appear.
- Hover the cursor over the input box and a help tool tip will appear.

Help Window

In the bottom window of the appraisal there is a Help tab. This displays both the question comment (as described above) and the help text. This tab can be left permanently open while working on the appraisal.

Adding User Comments

The user can add 'cell comments' about particular inputs.

1. Select an input field.
2. In the bottom window click on the User Comments tab.
3. Enter some text.
4. A blue triangular indicator will appear in the input field.
5. Place the cursor on this indicator and a tool tip will display the comment.

Warnings

Warnings are reported when the input fails the inbuilt validation rules. They are also displayed when the user amends an input set by default.

Inbuilt validations are broadly set and are intended to prevent typing errors. An orange warning triangle will appear in the input field. Place the cursor on this indicator and a tool tip will display the warning.

There is a tab for all warnings in the bottom window. The tab will show the number of warning messages. A reason for the input can be added in the Warnings tab. Scroll to the right to see the Reason heading. When a reason has been given, this will be displayed with the tool tip. It is also displayed in the Validation window.

Inputs as set by default may initially fail the validation test. Once they are saved as a default, warnings will not be displayed in a new appraisal. If the user amends the default value, a warning will be created as described above.

Validations

This window can be used to enter the user's comments when a default value is varied, or if the system validation limits are exceeded. It is linked to the Reason cell at the end of the list view in Warnings.

Errors

Errors are generated when an essential input is missing. A red warning triangle will appear in the input field. Place the cursor on this indicator and a tool tip will display the error.

There is a separate tab for all errors in the bottom window. The tab will show the number of error messages. A reason for the error can be added in the Errors tab. Scroll to the right to see the heading. When a reason has been entered, this will be displayed with the tool tip.

Exporting the Appraisal Data

Sometimes it is necessary to see the appraisal in order to provide support. Support can also be provided across the Internet so that an SDS Support person can directly observe what is happening on the user's machine. Alternatively, the appraisal can be emailed to SDS.

To send the appraisal to SDS for support:

1. Highlight the appraisal in the Project tree
2. Right mouse click
3. Select Send to SDS for Support
4. Complete the email pro forma
5. Send

General Support Information

In the bottom window, select the Support tab.

Contact details and system information are displayed.

Administrator Manual

Contents

Overview

All configurations are carried out through Global Properties.

Click the SDS round logo and choose View and Global Properties.

1. **Account Codes**

   Information about finance codes.

2. **Curves**

   Forecast spread profiles for use in the development cashflow.

3. **Organisations**

   Information about your organisation(s)

4. **Product Types**

   Dwelling type definitions

5. **User Defined Questions**

   Creating a user-defined question

6. **Life Cycle Costs**

   Setting up archetypes to match against an appraisal dwelling type

7. **Local Authorities**

   List of local authorities

8. **Roles and Users**

   Information about users and their job roles

9. **Permissions**

   Details about what job roles are permitted to do.

10. **Benchmarking and Sensitivity**

    Settings used to create benchmarking and sensitivity reports.

11. **Globals**

    System settings used mainly by SDS.

1.0 Account Codes

Account codes identify where costs and incomes should be accounted for in the finance system. They have no impact on the appraisal.

Codes are shown in the appraisal for information. There is no direct link with the finance system.

Category

This is any name for a group of account codes.

Identify whether it is an I/E category (individual codes can overwrite this setting).

Identify whether it is a cash/non-cash category (individual codes can overwrite this setting).

Expand the category in the left hand tree of this screen to view individual account codes.

Add/Delete codes

1. Click the Add Code or Delete buttons
2. Identify whether it is an income/expenditure - this will override the Category setting.
3. Identify whether it is a cash/non-cash category - this will override the Category setting.
4. Codes can be imported from SDS Sequel - see link at top of form. Note that codes in SDS Sequel are defined independently of the appraisal.
5. Tolerance is currently not used in ProVal LS.
6. An Alias is an alternative (friendly) name by which the account code can be described. Click Add Alias and enter alias name.
7. Click Ok to confirm changes.

2.0 Curves - Development Cashflow Forecast Spread Profiles

Curves define how income/expenditure can be automatically spread in the development cashflow forecast.

There are some system curves already set. These are:

S-curve (a sine function)

Increasing Payments

Decreasing Payments

Equal Payments

However, you can also create your own curves.

Creating a user-defined curve

1. Click Add
2. Give the curve a name
3. Move the left hand point up or down
4. Move the right hand point up or down
5. Left click anywhere in the grid to create a third point.
6. Move this third point to create a curve of your choice (Click on point, hold mouse button down and drag point
7. Right mouse click on the third point to delete it.
8. Click Ok to confirm.

These curves will be available for use in the development cashflow.

3.0 Organisations

You can have multiple organisations. Organisations are listed in the left hand tree. Organisations can have multiple sites (locations).

Adding an Organisation

1. Click Add Organisation

2. Complete details as prompted - see also below.

Licence Editor

If logged in as an administrator, the button Show License Editor will allow you to enter a licence key as provided by SDS.

Add Site

A site is location where the organisation operates, such as a regional office.

A site can have users assigned to it (enter the user first).

Logo

Select an organisation.

Click on the icon to the left of its name.

Select an image from a file on your system.

Delete

Click Delete to remove a selected site or organisation.

4.0 Product Types

Product Types are descriptions of a dwelling type, e.g. Affordable Rent, Homebuy, Outright Sale

By default a list of types is provided. These cannot be amended.

Adding/modifying product types

1. Click Add
2. Amend the name to your choosing
3. Set the attribute to describe the behaviour of the appraisal.
4. The attributes are:

- Sale - Can the unit be sold ?
- Commercial - is it non residential ?
- Rented - can a rent be set ?
- Shared - can it be partially sold (e.g.Homebuy) ?

5. Click Ok to confirm changes

Click Delete to remove the product type from the list.

Click Edit to amend details of existing product types.

5.0 User Defined Questions

Questions prompting data input can be created by the organisation.

The tree lists all questions. They are grouped under Consolidation, Dwelling Type and Scheme Appraisal, then by section, then by inputs or outputs (results).

System questions cannot be edited except for the Comments. This is the text which will appear in a tool tip when the cursor is placed over the question. This text will also appear in the Help window of the appraisal along with the system help.

Add A Question

1. Select a section where the new question is to appear.
2. Click Add
3. It will show as New Question at th bottom of the Inputs list.
4. Edit the question text - this is what the user will see in the appraisal.

Answer Type

Choose from the list.

Unique Name

One will be provided if you don't enter something.

Validation Formula

Contact SDS for help to set this.

This controls whether the user's input in the appraisal will display a warning if the validation formula is broken. Input validation is designed to highlight unusual data or mistakes.

Validation Message

This is what the user will see in the Warnings window.

Total Formula

Contact SDS for help with this.

Comments

This is the text which will appear in a tool tip when the cursor is placed over the

question. This text will also appear in the Help window of the appraisal along with the system help.

Help

This text will appear in the tool tip when the cursor is placed over the input box in the appraisal and it will also be displayed in the Help window.

Options

To restrict the user's input to a specific value(s), click Add at this position. Click Add again to add more items in the list. The list will be provided as a drop down list in the appraisal.

6.0 Life Cycle Costs

Define unit archetypes with appropriate Life Cycle Costs to represent the major repair costs in the long term cashflow.

Archetypes are matched with units in the appraisal. Life Cycle Costs can be adjusted in the appraisal by applying a multiplier.

The tree lists the existing archetypes.

Add a New Archetype

1. Click Add
2. Give the archetype a Dwelling Type name and Net Floor Area.
3. Click the green + button to add a new row of cost item for the archetype.
4. Set the following properties for this cost item:
    - Name - description of the cost item.
    - Quantity - the number of the cost item.
    - Unit - units of measurement.
    - Current Rate - the cost of the item per unit.
    - First Renewal - the year that the cost first applies in the long term cashflow after the unit handover.
    - Cycle Years - the frequency of recurrence after First Renewal.
5. Click Ok.

7.0 Local Authorities

A full list of local authorities is supplied with the application including those which have been superseded or amalgamated with others.

Edit

1. Select the Local Authority (LA).
2. Click the Edit (pencil shaped icon) to amend the attributes of the LA.
3. Click the icon again to confirm the changes.

Remove

1. Select the LA.
2. Click the red cross button to remove the LA from the list.
3. Click Add Local Authority to add a new LA.

Add

1. Click Add Local Authority.
2. A new row is added.
3. Enter the data as prompted. The attributes are described below.
4. Code - The LA code used for administrative purposes.
5. County - its geographic location.
6. Start Year - the first financial year that this LA will be available. In the appraisal the LA list will be filtered on the Funding Year.
7. End Year - the year after which the LA will not appear in the appraisal as set by the appraisal Funding Year.

8.0 Roles and Users

This section allows you to define those users who can access the application and set their job role. Security and permissions settings apply to a job role.

The tree lists existing roles and users.

There is no limit to the number of users held within the system, but each user will take a licence key the first time he/she logs in. Once the organisation's licence total has been reached no further users will be allowed to log in. Licence keys are provided by your supplier.

Add Role

1. Click the button Add Role.
2. Give the role a name.
3. Enter any useful information about this role, such as what users can/cannot do.
4. Click Add/Remove to assign a user to the role. All users must be assigned to a role.

Add User

1. Select a role in the list which the user will have.
2. Click the button Add User
3. Enter the following attributes:

- Name - of the user
- Log on - what the user types to log into ProVal LS.
- Reset Password - overwrites this user's current password.
- Is active? - setting this to N(o) prevents the user from logging on.
- Address - details as appropriate. Use the Add/Remove button.
- Roles - the role(s) which the user has been assigned to.
- Sites - where the user is located - Use the Add/Remove button.

Delete User/Role

1. Click Delete to remove the selected user or role from the system.

9.0 Permissions

This section defines the restrictions placed on job roles. Users are assigned to job roles so the permissions effectively define what he/she can, or cannot, do.

The Reset button clears all the permissions in the table (i.e. removes all controls). Use with care!

There are 3 sections:

Administration

Questions

Project / Appraisals

Administration

This area defines what the role is allowed to do from an administrative perspective.

Examples

Changing another user's password, creating projects, unlocking other peoples appraisals.

You can also determine which roles can open the global property pages.

The options are:

Hidden - the option is not visible

R/O (Read-Only) - changes will not be saved, but the information will be viewable.

Questions

This area allows the user to control which questions the user has access to. All appraisal sections and questions are listed. These can be made Hidden or Read only, as defined above.

Alternatively, permissions can be set when working in the appraisal. Right mouse click to display the context menu and choose Permissions.

Project / Appraisals

This area defines what the role can do in the Project Tree. The options are Hidden or Read only, as defined above.

Use this area to prevent access/modification to folders and appraisals.

Alternatively, permissions can be set when selecting an item in the project tree. Right mouse click to display the context menu and choose Permissions.

10.0 Benchmarking and Sensitivity

Benchmarking and sensitivity options will be added in a future update.

11.0 Globals

This area lists system variables that are modified during the application's use.

We recommend that this area is not used. It is mainly for SDS administrative settings.

<<<<>>>>