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**ModernValue Software  
for Commercial Real Estate**  
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## Features

**ModernValue**  
Professional

Powerful 2012 versions I & II

# This is smart, easy, flexible software!



### About Modern Value Software

ModernValue was developed after years of valuation experience with Excel and Argus software. The result is a premium software.

Designed by Stuart Haxton - award-winning multi-million dollar investment real estate buyer (\$148 million in 19 transactions) & commercial real estate appraiser. Formal education: BBA Business Finance • Appraisal Institute • Kahr Argus, NY

## Version I

### Income

- 10-year cash flow projection (expandable 2 to 20 years!)
- Rent roll for up to 60 tenants
- Unlimited dollars & values
- Year 1 Rent auto-blends the mid-year bumps of each lease!  
Accurate to the day!
- For office, retail, industrial .... any type of standard commercial investment property! (for apartments/multi-plexes version - call)

## Version II

Extra Powerful Calculations for...

Includes all of Version 1... plus these items!

Accurate to the day!

### Income

- **Powerful programming for lease rollovers!**  
Roll to Renewals and Market Rent based on renewal probabilities for each tenant! Accurate to the day! Powerful behind-the-scenes programming!
- More Rent input options:
  - Easy Stepped Rent (fixed rent amounts in any year)
  - Percentage Rent
  - Renewals have multiple easy ways to input, including option for rent to renew "at market".

## Expenses

- Step-up levels of simple to more complex expense inputs / analysis. No over-working a simple analysis!
- Compare expense line-items to real-world \$ per sf data (for office/retail - included)
- Tenanting Expenses: Easy application for Tenant Improvements & Leasing Commissions!
- Other: You can separately input non-regular expenses.

## Value

- Automated returns of Cap Rate, Yield IRR, MIRR, Discount Rate, PV, Cash on Cash.
- Audit the rent cash flow line for each tenant: Audit-check for correct input. All on a single worksheet!
- Easy calculation of net end sale price (terminal sale).
- **Loans** Up to 3 fixed-interest loans + 1 refinance. (see below for more detail)
- **Tax** After tax cash flows. Calculate depreciation benefits. (see below for more detail)

## Expenses

- **Powerful programming for lease rollovers!**  
Renewal & Market assumptions for tenant improvements, leasing commissions, free rent, and vacancy/downtime, etc.  
Default to same for each tenant, or apply different.
- **Stepped expense increases - by line item. Including stepped assessed value and stepped tax rate.**

## Value

- Simple toggle to change analysis between Simple and Complex.  
  
Keeping it SIMPLE! So if you want a full valuation before inputting Renewals and Market assumptions ... then Toggle Simple. If you later input then... Toggle Complex!

Items below are in BOTH versions 1 and 2!

Automated!

- Dashboard overview with sensitivity inputs in one spot!
- Print & Copy buttons throughout are automated 1-click  
Click Copy, then easily paste into Word.
- Auto-populate your Company Name throughout!
- Flexible formats that can be changed.

**Inputs are easy** and intuitive!

**Important** audit-checks! You don't have to go back and check if you forgot what you did!  
These are on the Dashboard!

**Color coded** fonts so you know exactly where to input/overwrite data and which numbers/cells are automated/program cells. Simply, red/maroon font for your inputs, blue/black font for program cells!

**Duplicate** Input one lease and copy it so you don't have to re-input same data.

**Tech or Valuation Help** is readily available when you need it - call or text. We are usually available 7 days a week! If we don't answer your call, simply leave a phone/text message for a quick call back. You can also set up an appointment.

Easy

## Accurate

- **Powerful** programming automates the complex calculations.
- **Excellent** user-clarity on how returns are calculated! Visually and by formula transparency!
- **Transparency!** Most cells can be easily followed (forward or backward) and the formulas are there for you to see how they work!
- **MS Excel!** ModernValue is an Excel based program because of its powerful programming capability, user-friendly experience, and program stability!

**General inflation/Growth** Easily changed - and can vary year by year - in the four separate categories of: rent, expenses, other income, and capital items!

**Other Software** You can import cash flow data from other software for a better final analysis within ModernValue.

**Stepped Rent allows** for simple inputs of fixed rents for each tenant.

## Flexible

## Audit Alerts

**Important audit alerts located on the Dashboard** Automated double-checks for you!

Some items allow you to change from a steady increase to varying increases/decreases each year. For examples: overall rent and rent vacancy, market rent and market vacancy for each tenant (version 2 only), and inflation categories. But you don't need to be afraid of changing these (you may later forget what you did), because the Dashboard tells you if it is unsteady - alerting you that you made manual changes! And don't worry, your changes are easy to change back to steady!

**Other Alerts** include: an alert if you inputted any Stepped rents, if you applied After-Tax calculations, if your End Sale was a Capital Gain or Loss, and more!

**Reports** Premium designed for placement in professional reports and brochures for investors, lenders, or buyers and sellers!

**Tax** After tax cash flows! Can be simply toggled on/off.

Sophisticated analysis is done on a single worksheet by inputting your marginal tax rates and applying them: Income Tax rate (for yearly income tax), Depreciation Tax savings, and for the final sale - Capital Gain tax and Tax on allowable Recapture of prior depreciation booked. Four different ways to easily apply a value to the land portion (which is taken out of depreciation calculation) - including assessed value, or by simply applying a rule-of-thumb percentage. Worksheet & formulas can be modified (not guaranteed IRS compliant).

**Loans** Up to 3 fixed-interest loans and 1 refinance with full amortization tables. Input LTV or loan dollar amount, years of amortization, loan points, interest rate, and apply interest-only. Debt Coverage Ratios calculate for each cash flow year. Amortization table. Other loans types could be added manually.

**Miscellaneous Non-regular income and expenses** Items can be added - in any year! Input in the year it happens in *today's dollars* - automation inflates it for you. **Its very simple!** Inputs here may include: Acquisition costs, partnership expenses, non-regular expenses (example: renovation costs), non-regular income.

Complete

## Extras

**4 Automated Graphs** of cash flow. Copy & modify as you need.

**Helpful notes** on items of possible confusion.

**Partnerships** Simple and Preferred partnerships. Detailing equity and return proportions. Call or email to get a copy of how preferred is structured.

**Break-Even** Easily change rent or vacancy to find Year 1 break-even point, in a stand-alone analysis.

**Lease Expiration Chart** of Current Leases (fully automated) showing number of tenants expiring, percent of square feet expiring, and dollars expiring each year. **(Lenders are interested in these numbers!)** (see Screenshots PDF)

**Moving Cap Rate** A proper analysis to visualize how Value and Cap Rate can change each year.

**Expense Comparable Data** Get comfortable with the reasonableness of your expense line items! Do they appear high or low? This is where sellers manipulate data (besides of course, vacancy and market rent)! You will be an instant pro! Quickly scrap an overpriced property or see opportunity in an underpriced property!

About this Expense Comparable Data: This is hard-to-get, quality data of nationwide properties! This is not second-hand data. It was all obtained by Stuart Haxton over 2 years! Range & median line-item expenses per sf from a large sample of data of: Typical multi-tenant office and retail buildings of \$5 million to \$10 million in value, in the US. Buildings of one or two levels with parking lots and less than 10 years old. Data compiled over years of 2006 to 2007. Cost outlier regions (like NY, coastal, depressed regions) excluded from this sample data.

## Special Extras!

ModernValue Software by  
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