# Using the Pro Forma Excel Template

The pro forma template combines all of the skills you have learned in planning a project and does most of the math calculations for you. It makes reviewing projects much faster than doing everything on a calculator. Now that you understand all of the functions that the workbook performs, you can customize it to your own needs. The fields that you have to fill in are highlighted in yellow. All the other fields calculate automatically. Follow the order of steps below to generate a complete five-year operating projection.

1. *Sources and Uses Sheet*- Enter the project name, address & gross square footage of building in the gray block at the top of the page

2. *Construction Budget Sheet-* Estimate construction expense per square foot and enter at the bottom middle of the sheet where highlighted

3. *Development Budget Sheet-*  Enter the acquisition cost and enter estimated development expenses by line item

4. *Feasibility Report-* Fill out the feasibility report in full, including the spaces that you will be renting, the size of each space, the use, and any additional fees that you expect to collect from tenants.

5. *Operating Projections*- Estimate and enter the operating expenses highlighted.

6. *Sources and Uses Sheet*- Go back to Sources and Uses and note the total amount in “uses.” You will now need to identify enough “sources” of funds to match these uses. Start by entering your loan(s). You can flip to the Operating Projections sheet to check Loan to Value Ratios and Debt Coverage Ratios to test different loan amounts. Once your loans are entered, you must enter an equity amount to make the sources and uses balance.

7. *Operating Projections*- Double check your LTVs and DCRs to ensure that your loans are realistic. Finally, look at your projected Return on Investment (ROI) at the bottom of the Operating Projection to see if the project works. You can now go back and make adjustments to any prior step to test different assumptions to maximize ROI.