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## "Hi Mom! I'm famous."

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### 1. Hi Mom! I'm famous.

I'm going to be running a class entitled "Advanced Pro-forma Modeling Using Excel" for the Urban Land Institute on December 7th and 8th in Washington, DC. For a working professional like me, this is a big deal. It's not every day that one of the largest and respected real estate development organizations asks you to teach a class for its members.

If you're interested in attending (or you want to see a headshot of my smiling face), go to:

<http://www.uli.org/AM/Template.cfm?Section=Search&template=/CM/HTMLDisplay.cfm&ContentID=70864>

If the link above doesn't work for you, just go to [www.uli.org](http://www.uli.org) and put my last name in the search bar. It's the first thing that comes up.

Oh, and for the record, I'm prematurely gray. (smile)

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### 2. Argus/Excel Trick of the Month

As for this month's tip, I figured I'd share a problem that a client of mine wrote me about. Here it is:

"Josh,

I wonder if you could answer a question regarding the apartment model as it relates to garage income. The assumption is that the garages will be occupied 100% of the time, independent of general vacancy, due to high demand and little supply.

The following are my sources of revenue:

Apartment unit rent - varies with occupancy  
Utility reimbursements - varies with occupancy  
Fee income - independent of occupancy  
Garage income - independent of occupancy

I am having trouble setting up my parameters so that vacancy gets taken

out of unit rents and utility reimbursements, but NOT out of the garage income or fee income.

If I set up the garages as a separate unit type and exclude it from general vacancy using the Unit Groups feature, then I have the option to base general vacancy on:

1. % of Potential Gross Revenue, in which case general vacancy gets taken out of the utility reimbursement (which is correct) but also out of the fee income (which it shouldn't).
2. % of All Rental Revenue, in which case general vacancy is not taken out of the fees (which is correct), but no vacancy is taken out of the utility reimbursement (which is a problem, because it is subject to vacancy).

I have the same problem when I set up the garage income in the "Miscellaneous Revenues" category. I can't seem to find the right combination to have general vacancy taken out of the unit income and the utility reimbursements, but NOT out of the fee income or the garage income.

- Lenka K. from Portland, OR"

Do you have a solution? I do. Think about for a bit. I'll reveal the answer on 11/1 on my web site at:

<http://www.kahrrealestate.com/Publications.shtml>

As always, if you have a complex Excel or Argus problem, let us know. We are always on the lookout for a new tip of the month, or for new projects to work on.

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### **3. Argus and Excel classes - The next Argus class is this weekend**

We continue to offer Argus classes in NYC, Boston, Chicago, and LA and an Excel class in NYC.

The Argus class covers in only two days how to use the software to finance, invest in, and develop real estate. All attendees also receive a copy of my 200 page training manual that is the product of over four years of teaching Argus at leading universities and corporations. It is the only manual of its kind that covers both the software and the important related financial issues.

The Excel class is a two day crash course in how to use Excel for real estate investment, finance, construction, and partnership modeling. We've accumulated so much material that we can't fit it into just one day anymore and so we expanded the class.

The class assumes minimal knowledge about Excel, but it rapidly progresses to a high level of discussion. We show attendees how to build financial models that include various bells and whistles including the impacts of leverage, taxation, and how to structure partnerships. Partnerships are one of the most complex pieces of building a financial model, and the class spends significant time hammering those issues out. We also spend a lot of time on development and construction models. In other words, it's a comprehensive introduction to advanced real estate analysis.

The schedule is:

Argus, New York, 10/21/06 and 10/22/06  
Argus, Chicago, 11/18/06 and 11/19/06

Argus, New York, 12/16/07 and 12/17/06

Argus, Boston, 1/13/07 and 1/14/07

Argus, Los Angeles, TBD... (it'll probably be in Jan/Feb when I can't stand the snow anymore)

Excel, New York, 12/2/06 and 12/3/06

All classes are taught by Joshua Kahr, Principal of Kahr Real Estate Services. They run from 9:00 am to 5:00 pm. All classes run on the weekend. Weekday classes are only available for companies and universities that require on-site group training (and yes, we do travel... 30 roundtrips via plane so far this year).

The fee is \$625 each for the Argus and Excel class. If you'd like to register 3 or more people from your organization, please contact us in advance and you will receive a 15% discount off the total fee. We also offer a 15% discount if you register for both classes.

To sign up for an Argus class or read more, go to:  
<http://www.kahrrealestate.com/argustraining.shtml>

To sign up for an Excel class or read more, go to:  
<http://www.kahrrealestate.com/exceltraining.shtml>

If you're interested in customized on-site training, contact Joshua Kahr directly at [josh@kahrrealestate.com](mailto:josh@kahrrealestate.com) for more information.

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