Real Investments:
Gaining the Edge

The first of this two-part series examines programs that help real estate professionals scrutinize their investments. Written by those in the business, the programs offer practical help.

S oftware for the real estate professional has appeared in two distinct waves. The first real estate programs were written by programmers, who made many assumptions—not all of them correct—about what real estate professionals needed. The current generation of software, however, has been developed by real estate professionals themselves, and naturally they have taken a more realistic approach to solving problems in their field.

This two-part series reviews five real estate software packages designed to make life easier for agents and brokers. In this issue, we'll discuss programs that aid real estate professionals in examining investments.

Berge Software's Real Estate Asset Management Software System is composed of five application programs: *In-*

vestment Analysis, Acquisitions & Disposition Analysis, Land & Lease Analysis, and *Commercial Finance Residential Finance.* Each package costs $595. An optional software subscription service offers ongoing program enhancements, program updates, manual updates, and phone-in consulting.

The service costs $60 annually per application package and is well worth the cost. The programs are thorough, but they can appear complex at points, especially for the beginner in real estate. That's why a help line is a real plus.

Investment Analysis and *Acquisition & Disposition Analysis* are starting points. In fact, if you plan to eventually purchase

all five components, it would be a good idea to "convert" your operation over to them one or two at a time.

You can quickly evaluate investment opportunities with an Income/Expense Analysis subprogram that is part of *Investment Analysis.* After you enter income, vacancy, credit loss, and operating expense information for a single period of up to 25 years, the program computes gross income, total operating expenses, and net operating income for that period. The result is tied to a detailed cash-flow analysis for financial projections, showing rates of return. The manual not only "walks" you through each step of the process but also gives examples so you will understand it.

Acquiring and disposing of property can mean large gains or losses. The scope of analysis in Berge Software shows there is genius behind the design of these programs. The "exchange recap" function provides a balance sheet for an exchange involving as many as ten "legs," or parties. Another subprogram performs computations on installment sales and alternative offers. The program computes rates of return and present values for any number of cash flows.

The programs are all menu-driven. Program flow charts help explain what is going on and how the programs actually work. Once you are in a program se-

Illustration: Carter Goodrich

quence, you merely answer a series of questions. You'll find that just about any kind of mortgage calculation is available, from basic to advanced, and that the printed reports are excellent and complete.

Although some aspects of the programs may seem awkward at first, it is mostly a matter of adjusting to the procedures and becoming comfortable with them. These software packages are complete, and, as their high prices would lead you to expect, they do their jobs well.

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The Real Estate Consultant
Consultant Systems, Inc.
3704 State St., Suite 311
Santa Barbara, CA 93105
(805) 682-8927
List Price: $275; enhanced version, $404.
Requires: 64K RAM, one double-sided disk drive.

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Of all the real estate packages I reviewed, *The Real Estate Consultant* came out on top. It is simple to use, its manual sets an excellent example for other companies to follow, and the program handles complex tasks superbly.

In less than 10 minutes you can learn how to use *The Real Estate Consultant*, and if you do have a problem, it's easy to find a solution. The manual's page numbers correspond to the line numbers you see in the program as you respond to prompts. This method is a unique and effective approach to solving the nagging problem of how to find what you need in a manual.

After you make your selection from *The Real Estate Consultant*'s main menu, you work with 22 modules or overlays that do everything from amortizations to in-depth cash-flow analysis. Although this program's capabilities are essentially the same as those of the other programs, the package differs in two

ways. First, the program does the complex computations so that you need only input information. The program has built in the theories and formulas so you don't need to know them.

Second, it contains the most complete information on partnerships and syndications of any real estate package on the market today.

A self-training demo disk lets you work your way through a $2 million syndicated partnership, for example. The demo, which clearly illustrates how easy the program is to use and how effective the information reports will be, is another of the extra touches in *The Real Estate Consultant*. Other such touches are the display of the filename at the bottom of the screen and the program's ability to catch a printer error by asking you to ceck your printer.

Calculations that used to take days when performed manually can now be done in less than 10 seconds using the program. For instance, selecting correct percentage splits of general partners in syndications can take 20 to 30 hours using the old method.

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Advanced Real Estate Analyzer
Syntax Systems, Inc.
6642 S. 193rd Place, Suite N107
Kent, WA 98032
(206) 251-8438
List Price: $595
Requires: 128K RAM, two double-sided disk drives.

CIRCLE 781 ON READER SERVICE CARD

Though not as polished as the Berge programs, Syntax Systems's *Advanced Real Estate Analyzer* (AREA) handles a wide range of real estate applications. Syntax, too, offers telephone support for $100 annually. This all-in-one package literally eliminates the need for a calculator and hand-typed reports.

The program can be used without as much preliminary study as the Berge programs. However, the manual could be

more helpful. Too often it is assumed that you will know automatically what to do next. If you're a beginner, you could easily get lost. But because *AREA* is menu driven and prompts you with questions, a computer novice should be able to use it just by following the instructions on the screen.

Mortgage information is quite detailed. The program can handle anything from complete amortization data to calculations involving up to ten mortgages with partial-year starts and finishes.

Because AREA is menu driven, even a novice should be able to use it.

Analysis projections range up to 20 years. Seven different conventional depreciations schedules, ACRS, or direct depreciation are available, as are before- and after-tax calculations of cash-on-cash. Cash-flow analyses for each year across an entire projected ownership period are impressive and fast. The program's speed allows you to do "what if" modeling merely by changing one or more figures and then recalculating.

A demonstration program package is available for $50, which allows you to test out the program before buying it. If you decide that you want to buy, the $50 will be applied to the purchase of the complete package.

Each of these packages takes a very tedious yet important job and lets the PC do the dirty work. Real estate professionals can spend their time on the job at hand: making the best decision based on the information gathered and calculated.

In an upcoming issue I'll take a look at two other programs that approach real estate from a slightly different perspective but still offer tools to make a real estate professional's life easier and more productive. ∎

Real Estate Returns

Real estate offices have their pick of quality software performers. EZ-RE Investor helps individuals evaluate investment options, while DataBroker's forte is keeping a multitude of listings in order.

T he typical software needs of a real estate office go far beyond the analysis of information. In the last issue, I reviewed three programs that did just that. (See "Real Investments: Gaining the Edge," *PC*, Volume 4 Number 2.) Here are two real estate programs with different focuses: a *1-2-3* overlay package and a program for complete office management.

EZ-RE Investor performs fewer tasks than the programs discussed in the last issue but does accomplish its intended functions in a very handy way with the assistance of *1-2-3*. A helpful tutorial gets you started.

The program has four basic functions. With RENTHOUS you can examine a variety of options for purchasing a single-unit residential property using up to three mortgages. All calculations are made to help you determine the highest

FACT FILE

EZ-RE Investor
LB Associates, Inc.
8817 Skokie Lane
Vienna, VA 22180
(703) 938-9093
List Price: $50
Requires: 256K RAM, Lotus's *1-2-3* (Release 1A), one disk drive, printer.

CIRCLE 792 ON READER SERVICE CARD

rate of return. The EQUISHAR function, similar to RENTHOUS, is designed for the investor who is buying a property with the expectation that a tenant will pay all of the expenses. The INVESTOR function is a *1-2-3* template that allows you to evaluate just about any real estate investment venture. MORTGAGE lets you print out a loan amortized over a period of up to 45 years (and in an impressive format with compressed print).

The overlays are designed to accept modification for any special requirements. Although I didn't receive a manual with my review copy of the software, there were instructions—20 pages of them—that were quite adequate. How-

ever, to use the templates, you must be familiar with *1-2-3*.

The *EZ-RE Investor* may not be a huge commercial success, but it is a good package for someone interested in the four areas it covers. The logic of its computations is sound, and the results are first-class.

Getting Organized

Of the five real estate packages I have examined, only *DataBroker* from Data-Broker Systems addresses the problems of organizing a real estate office and keeping track of information. This complete real estate management system is capable of working with some popular

Illustration: Carter Goodrich

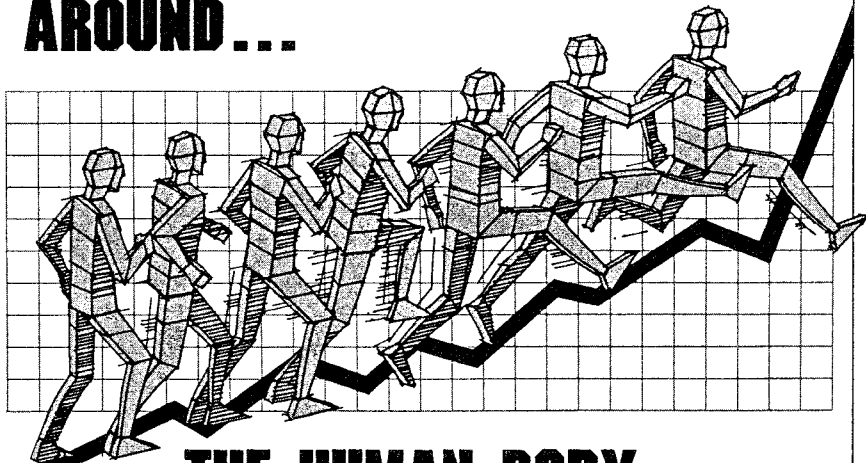word processing programs now on the market and is available in versions designed for single or multiple offices.

Another aspect that sets *DataBroker* apart from the rest is that its manufacturer will sell you either the software alone or a complete hardware and software package, including a PC-XT.

Like *EZ-RE Investor*, *DataBroker* is divided into four logical areas: Sales Management, General Ledger, Accounts Payable, and Escrow/Trust Accounting. With these modules you can accomplish many useful tasks.

Subprograms let you keep track of the activities of sales associates. Year-to-date figures can be recorded by number, name, office, commissions, units sold, and volume. Sales figures can easily be compared with those of previous years. Detailed reports also provide compara-

> DataBroker is divided into four logical areas: Sales Management, General Ledger, Accounts Payable, and Escrow/Trust Accounting.

tive analysis of actual sales with sales goals. Commissions can be organized and managed to avoid delays. The system even prints commission checks as well as other types of checks.

The program is slow at points because it must change back and forth between modules; however, there are no really problematic delays. The menus are self-explanatory and well thought out, and the selections have been carefully designed with the user in mind.

Until now, keeping track of listings was a function no real estate software has offered. *DataBroker*'s Sales Management module handles the task well. In this area, as in the rest of the program, the reports are impressive and thorough, and the options are plentiful. The information provided includes active listings by territory and price, listings aging report, source of listings report, listings ex-

piration report, summary of office listings and sales, detailed office listings and sales, and source of listings and sales. Furthermore, all this information can be printed out in just about any order, depending on office needs. Such built-in flexibility is a luxury more programs should offer.

The General Ledger and Accounts Payable modules are equally thorough. From invoicing to the balance sheet, a complete set of accounting records can be produced.

Added Attraction

A real plus for *DataBroker* is its Escrow/Trust Accounting module, which maintains and tracks escrow-fund transactions and escrow banking accounts. Reports are compiled by contract number, general ledger number, bank number, or date. Escrow transactions are posted to the *DataBroker* General Ledger system and are reflected in financial statements. Anyone in real estate understands the importance of such records and recognizes the need for absolute control. The *DataBroker* system provides control that would stand up to the most stringent accounting audit.

Because this package is so extensive and complex, it requires much training and effort to use effectively . Taking it one step (or module) at a time is probably the most effective way to introduce *DataBroker* into a real estate office.

As with all such decisions, the choice

of which real estate software to use comes down to personal preference and individual need. Each package reviewed in this two part series can do the job it is

designed to do. Thus, real estate professionals have their choice of several effective, quality software programs geared to meet their business needs.   ∎

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DataBroker, Version 2.0
DataBroker Systems
1717 N. Naper Blvd.
Naperville, IL 60566
(800) 323-2749
List Price: Software and training: single office system, $2,595; multiple office system, $3,995.
Requires: 192K RAM, hard disk, one disk drive, dot matrix parallel printer.

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