

JD Edwards EnterpriseOne Advanced Real Estate Forecasting

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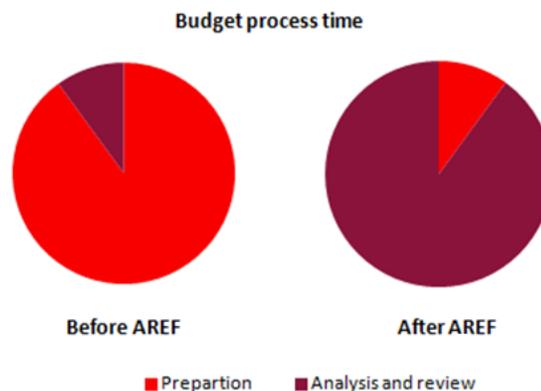
**JD EDWARDS
ENTERPRISEONE**

PRODUCT HIGHLIGHTS

- Increase accuracy of budget, forecast, and valuations
- Improve data integrity and staff productivity
- Maximize return on property and manage growth effectively

The Issue: Disparate Real Estate Budgeting, Forecasting, and Valuation Systems

Is your budget process painful and laborious? Do you find yourself spending more time on preparation and less on analysis? Does the pie chart below look familiar? Hours and hours of time spent exporting, reconciling, re-keying, and cross-referencing hundreds of spreadsheets with eleventh hour forecast and budget generation.



Many of the largest real property companies in the world tackle this formidable challenge with ease. They compute budgets and subsequent forecasts at the property and portfolio levels leveraging existing data, thereby avoiding disastrous errors and painful mistakes. These companies are able to increase integrity and accuracy, as well as save time and reduce costs. The solution is to automate forecasting calculations, use actual data, and simplify the complexities inherent with CAM, sales, percentage rent, and expenses.

The Solution: Advanced Real Estate Forecasting

Oracle's JD Edwards EnterpriseOne Advanced Real Estate Forecasting is a scalable, web-based solution. It integrates your transactional, budgeting, and forecasting

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FEATURE/FUNCTION HIGHLIGHTS

- 15-year budget forecast
- Unit-based forecasting
- User-defined assumptions
- Hierarchical assumption processing
- Net present value calculation
- Internal rate of return calculation
- 1,000 budget versions
- User-defined rent growth patterns:
 - Square feet
 - Flat amount
 - Percentage
- User-defined non-rent growth patterns
- Property cash flow reporting
- Recovery processing
- Forecasted sales import
- Square-footage validation on re-absorption
- Commission calculation
- Dynamic detailed line budget breakdown
- Ability to select accounts for summary reporting
- Complete drill-down capability
- Forecast results and audit trail validation
- Capability to examine forecasting sources and parameters
- Global revision of multiple selected units
- Ability to adjust desired forecast
- Irregular date patterns
- Multi-level budget security
- Multiple leases per unit (future and speculative leases)
- FASB 13
- Recurring billing
- Expense participation rules

processes so that you can:

- Eliminate reentering information
- Generate and analyze multiple economic scenarios
- Increase accuracy of budget, forecast, and valuations
- Generate up-to-date forecasts at the property and portfolio levels
- Increase data integrity
- Enhance employee efficiency
- Reduce reporting time and cost
- Access budget and forecast information anytime and anywhere
- One database, single source of truth
- Production data safe and secure, modeling done in a “sandbox” environment

Maximizing Investment Return

Advanced Real Estate Forecasting is essential to increasing investment returns. Forecasting enables you to optimize portfolio strengths and enhance current decision making while exposing underperforming properties. Based on the most accurate up-to-date information, you can better evaluate the timing of a potential sale to maximize return on investment.

Accurate budgeting stimulates cash flow, reduces expense participation errors, and expedites billing and rent receipts. The JD Edwards solution enables you to easily project future cash flows and provide up-to-date property valuation. Use of existing leasing information facilitates forecasting of CAM, sales, percentage rent, expenses, and occupancy with greater precision.

Powerful audit capabilities are an integral feature providing visibility into source data, setup information, and formulas to better understand how the system derived specific amounts. Sources are provided for all budget components including sales-based revenue participation, expense participation, and management fees.

Expense assumptions, based on historical, current, or future data, can be modified. All assumptions pertaining to market rents, tenant improvement allowances, commissions, sales per square foot, and property-level expenses are adjusted at user-defined growth rates. Other key measurements include:

- Net present value (NPV)
- Internal rate of return (IRR)
- Investor returns (ROI) based on forecasted net operating income (NOI)

Complex forecasting often requires a robust solution that can consider multiple economic scenarios using existing lease data, various unit level vacancy rates, renewal probabilities, and market assumptions.

Increasing Speed and Accuracy of Real Estate Forecasting and Budgeting

Advanced Real Estate Forecasting maintains the integrity of your financial data by providing a separate workspace for budget planning, forecasting future revenue, and expense streams. The solution provides tremendous flexibility and the capability to produce multiple “what-if” scenarios. A complete history of each scenario is retained together with all underlying assumptions, providing you with process controls.

The final, approved scenario automatically becomes the budget used by your financial system for ongoing comparison with actual costs and revenues. When the budget is in operation, you retain the flexibility to edit updates or lock down individual items to prevent unauthorized or accidental changes.

The three-way integration of your financial property data, budget, and forecasts facilitates ongoing improvement in forecasting accuracy and speed. For example, integration with JD Edwards EnterpriseOne Real Estate Management recurring billing, expense participation, and sales overage enables you to retrieve and derive forecasts based on actual business rules.

Advanced Real Estate Forecasting also enables you to:

- Validate investment decisions
- Model multiple economic situations
- Confirm market rent rates
- Ensure highest and best use of commercial space
- Analyze and report at the property and portfolio level
- Adjust rules to achieve a desired forecast
- Adjust unit configuration
- Examine forecasting sources and parameters
- Globally modify forecasting assumptions
- Forecast based on “live” lease data
- One database, a single source of truth

Managing Growth While Improving Staff Productivity

Advanced Real Estate Forecasting allows for sudden and massive growth in property/portfolio size while incurring minimal increases in overhead costs. Effectively manage complex lease agreements with ease. System integration virtually eliminates reentry of data, resulting in higher integrity and accuracy, avoiding time-consuming reconciliation of disparate information.

Oracle's JD Edwards Advanced Real Estate Forecasting is easy to implement and use, completely integrated, scalable, and cost effective.

Accessing Budget and Forecast Information Quickly, Anytime and Anywhere

Advanced Real Estate Forecasting provides deep, broad functionality accessible over the internet from a single database in a centralized environment.

Advanced Forecasting makes budgeting quick and simple, providing you more time to focus on growing your portfolio and maximizing value.

Solution Integration

- Real Estate Management
- Technology Foundation
- Financial Management



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For more information about JD Edwards EnterpriseOne, visit oracle.com or call +1.800.ORACLE1 to speak to an Oracle representative.

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