BAYFIELD

Real Estate Financial Modelling Bootcamp

Financial Modelling in Excel

Public & In-house training: Four days

Available Methods Of Delivery

Classroom Online Self-Study

This comprehensive school covers Real Estate Investment and Development cash flow modelling, aimed at enhancing the delegates skill base to meet the industry requirements. This is ideal for anyone looking to pass an APC exam or entry financial modelling test.

This course will top any education or pivot any previous employment with the skills needed for a career in Surveying and Real Estate Asset Management. Bayfield's pioneering training style combines Financial Modelling with a robust understanding of how the Real Estate market works and will help you master any interview and outperform your peers with robust, well defended financial models.

Real Estate Financial Modelling Bootcamp combines two of our courses:

- **Real Estate Analyst**
- **Real Estate Developer**

On this course you will...

- On the First and Second day of the Bootcamp you will learn how to build a Real Estate Investment focused Cash flow model from scratch. We will show you how to use this Cash flow model to make informed decisions and how to defend those decisions using a strong narrative in Investment Presentations.
- On the Third and Fourth day, you will adapt your modelling skills to help you work out how much money can be made building property from the ground up, using quick metrics and complete models. By the end of the week, you will be able to critically assess and defend a Real Estate project at any point from development to completed income generating investment.

Who will benefit from this School?

- Experienced or junior professionals in other sectors looking to switch to Real Estate.
- Recent Graduates in any discipline interested in a career in Real Estate.
- Junior or new Real Estate Analysts wanting to build their confidence and fill any gaps in their Real Estate Financial Modelling skills.
- New property entrepreneurs looking to raise finance or pitch for joint venture opportunities with more experienced partners.
- APC candidates looking to consolidate their understanding of how the theory and variables interact within the precision context of a financial model.

Course Outline

DAY ONE
Real Estate Analyst

Learn how to build a property asset cash flow, analyse geared, and un-geared IRRs.

- Term & Reversion and Layer Method Valuation (Intro to Excel)
- Equivalent Yield (Solver, Scenario and Goal Seek functions)
- Single-Let Discounted Cash Flow
- Cash Flow inputs (Rents, Yields, Growth Rates, Target Returns)
- Analysis and use of date series
- Internal Rate of Return (IRR) and Net Present Value (NPV)
- Comparing Value, Price and Worth
- Adding borrowing and analysing geared returns
- Introducing Rent Reviews and other 'events' into cash flows
- The 'Rent Function' concept and Logic functions (IF,OR,AND)
- Sensitivity analysis

DAY TWO
Real Estate Analyst

Learn how to build a multi-let property cash flow and apply the concepts on a hypothetical case study.

- The 'Rent Function' and Multi-let cash flows
- The 'date problem' and assumptions in property asset cash flows
- Reducing the rent function, intermediate calculations and modelling theory
- Modelling lease expiries, break clauses, voids, and upward only covenants
- Incorporating time-varying rental growth rates
- Analysing multi-let cash flows to see if the leases are sufficiently diversified
- Further IRR analysis (XIRR, MIRR)

Course Outline...continued

DAY THREE
Real Estate Developer

Learn how to build a discounted cash flow, analyse returns and understand the components of development models

- Gross versus Net Yields, calculating Net Development Value (NDV)
- Profit residual, with and without financing
- Site residual, how to calculate profit without knowing your costs.
- Introducing financing to site residual calculations
- Purchase price and acquisition costs
- Phased Sales, marketing and disposal costs
- Modelling construction costs using straight line basis, fixed costs, variable costs, incidental costs and construction fees
- Professional fees
- Income and expenditure project functions
- Logic functions, logic tables and array formulae

DAY FOUR
Real Estate Developer

Learn how to build a detailed property development project cash flow, add financing and perform risk analysis on commercial development projects

- Multiple IRRs, competing projects, scoping and linear programming, maximising performance
- Return metrics: Equity profit ratio (EPR), Costs paid out of proceeds (POP), Profit on cost ratio (PCR)
- Alternative site calculation, Net present value (NPV),
- Modelling construction costs using S-curve , variable costs,incidental costs and construction fees
- Switching between scenarios
- Introduction to Development financing, Pari Passu versus Equity First Financing
- Debt scheduling: brought forward and carried forward method
- Consideration of the impact of development finance interest, fees and covenants

Contact us

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