BAYFIELD



Real Estate Investment School

Available Methods Of Delivery

Classroom Virtual

Public & In-house training: Four days

The Real Estate Investment School is a four day course, that unravels the complexity of Investment Cash Flows through Advanced Modelling, Interpretation and Theory.

With a strong emphasis on practical application, you will gain a profound understanding of the complexities involved in analysing investment cash flows and interpreting their implications for effective decision-making.

Upon completion of the course, you will have the expertise to confidently model investment cash flows to a proficient level, empowering you to make informed financial decisions and drive positive outcomes for your investments.

This course combines the following three courses:

- **Real Estate Analyst**
- **Real Estate Modelling Masterclass**
- **Understanding Key Principles of Real Estate Financial Modelling**

On this course you will...

- Construct Investment Financial Models starting from foundational principles
- Learn how to value and appraise Property Investments
- Gain a comprehensive understanding of modelling tenancy schedules, including lease structures, rental income projections, lease expiry analysis, and lease renewal
- Develop proficiency in creating robust models
- Understand how the application and use structure finance products in Real Estate
- Learn advanced modelling techniques to analyse underlying asset risk
- Appreciate the importance of data in Investment cash flow modelling
- Gain a deep comprehension of the interrelationship between the metrics used in Investment cash flow modelling

Who will benefit from this course?

- Real Estate professionals at any level with exposure to real estate financial models on a frequent basis
- Junior or new Real Estate Analysts who would like to start building their own Real Estate models quickly, rather than relying solely on coaching from existing team members
- Mid-level to senior Real Estate Analysts
- Real Estate Managers who would like to gain an understanding of the dynamics of debt and financial return fluctuations in more detail
- Property industry modellers who would like to be fully proficient in building complex financial models

Course Outline

DAY ONE

Real Estate Analyst

- 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

- The 'Rent Function' and Multi-let cash flows
- The 'date problem' and assumptions in property asset cash flows
- Pattern of rents in UK, European and Index linked leases (Arrays, Lookups)
- 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)

DAY THREE

Real Estate Modelling Masterclass

- Mezzanine debt modelling
- Joint Venture structures between developers and lender/ equity partners
- Promote and profit share structure calculations
- Advance project cash flows with mezzanine debts
- Key Real Estate and investment risks, risk adjustment of exit yields
- Sensitivity and Scenario Analysis
- Monte Carlo Analysis

DAY FOUR

Understanding Key Principles of Real Estate Financial Modelling

- Real Estate Financial Modelling Mathematics
  - Time Value of Money
  - Net Present Value (NPV)
  - Internal Rare of Return (IRR)
  - Growth
  - What Discount Rate?
  - Certainty of a Cash flow
  - Liquidity
- Price, Value & Worth
  - Comparing Price, Value and Worth
  - Conventional Valuation Methods
  - Term and Reversion, Layer Method
  - Property Yields and Capitalisation Method
  - Exit calculations across Europe
- Discounting Cash Flow Models
  - Investment Appraisal Models
  - Cash flow inputs: Rents, Yields, Growth Rates, Target Returns
  - Cash-on-Cash and Equity Multiple
  - Discount Rates & Exit Cap Rate
  - Operating Assumptions
  - Adding borrowing and analysing geared returns
- Model Interpretation and Analysis
  - Sensitivity analysis and scenario analysis
  - Growth and inflation
  - Performance measures
  - Contemporary issues for analysis (such as the rise in interest rates)

Contact us

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