



Real Estate Financial Modelling School

Financial Modelling in Excel

Public & In-house training: Five days

Available Methods Of Delivery



Classroom



Online



Self-Study

Financial modelling school is an intensive week meticulously designed to teach the best practices to create flexible and robust cash flows in Excel. This school combines three of our courses:

- **Real Estate Analyst**
- **Real Estate Investor**
- **Real Estate Modelling Masterclass**

Each of these courses is interlinked to give you a full understanding of the subject using Excel. By the end of the week you will be fully proficient in building complex real estate financial models.

On this course you will...

- You will implement financial cash flows in excel throughout the whole week.
- In the first two days you will learn how to develop rent functions and net operating income. We will show you how to value and appraise property investments and calculate, interpret and analyses the results.
- On the third and fourth day, you will learn how to model and analyse development projects including finance and residuals. Moreover, it will show you how to interrogate different return metrics such as profit-equity multiples, profit and cost, net present value, worth and internal rate of return. Debt structures will be also covered as well as joint ventures and partnership financing.
- The fifth day, you will learn how to implement the full spectrum of the risk analysis.

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 I

- 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)
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DAY TWO

Real Estate Analyst II

- 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)
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DAY THREE

Real Estate Investor I

- Modelling international variations in real estate income streams i.e. Includes indexation patterns, rent caps, discounts / premiums to indexation, rent free periods, as well as how to deal with costs during vacancy
 - Modelling sector variations in real estate income streams i.e. Office versus industrial, retail & leisure
 - Further senior debt covenants
 - Advance Rent Function techniques to manage feature rich lease structures
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DAY FOUR

Real Estate Investor II

- Introduction to development appraisals
 - Residual models, site and profit calculations
 - Development cash flows versus Investment cash flows
 - Introduction to straight line versus S-curve costing
 - Phased asset sales in development appraisals
 - Discounting development cash flows
 - Complimentary return metrics for development appraisals
 - Introduction to development finance
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DAY FIVE

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

Contact us

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