

Real Estate Financial Modeling

Finance, Accounting, Budgeting
Madrid (Spain)
20 - 24 Jan 2025

UK Training

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Real Estate Financial Modeling

Ref: 321602_141559 **Date:** 20 - 24 Jan 2025 **Location:** Madrid (Spain) **Fees:** 4400 Euro

Introduction

Learn the fundamentals of building a real estate financial investment model using Excel. Discover how to organize and to present data in order to analyze real estate investments more efficiently.

Course Objectives of Real estate financial modeling

- Implement 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 analyses the results.
- On the third and fourth day you will learn how to model and analyse development projects using both residuals and cash flow methods. It will show you how to interrogate and compare alternative return metrics such as profit-equity multiples, profit and cost, net present value, worth and internal rate of return. You will also learn how to model cash flow from different sector office, retail and leisure.
- On the fifth day debt structures will be covered as well as joint ventures and partnership financing. You will also learn how to implement the full spectrum of the risk analysis from sensitivity to Monte Carlo.

Real estate financial modeling Course Outlines

Day 1

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
- Sensitivity analysis

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Day 2 Real Estate Analyst II

- 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

Day 3 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

Day 4 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

Day 5 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

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www.blackbird-training.com



training@blackbird-training.com



+44 7480 775526 / +44 7401 177335