



Real Estate Analyst Financial Modelling in Excel

Public & In-house training: Two days

Learn how to build Real Estate Cash Flows in Excel. This course is the only one of its kind that shows you how to build sophisticated flexible models from first principles. The course concentrates on tools and solutions rather than templates. Several alternatives are built from scratch offering you maximum control over the model building process.

You will learn how to set up rent functions for a multi-let property including all the standard lease features occurring in the UK. You will also learn how to add debt structures, calculate various return metrics and build in sensitivities and scenarios to complete your Real Estate investment case.

On this course you will...

- Revise income mathematics
- Learn how to structure a cash flow
- Learn how to build lease behaviour into income streams
- Build in different debt structures
- Analyse using sensitivity and scenario analysis
- Employ all the short-cuts and solutions to common modelling problems

Who will benefit from this course?

- Real Estate Analysts and Investors
- Surveyors
- Portfolio Analysts
- Investment Managers
- Real Estate professionals at any level with exposure to real estate financial models on a frequent basis
- Mid-level to senior 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
- 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
- APC candidates who would like the opportunity to consolidate their competencies by understanding how theory and variables interact within the precision context of a financial model.

Course Outline

DAY ONE

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

- Term and 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

Know 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)

Contact us

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