

Sale & Leaseback Transactions

London: 26 March, 29 October

Course Overview:

Sale/leaseback arrangements – whereby a firm sells part or all of its property holdings and enters into a long-term net lease with its new owner – remain highly popular instrument through which businesses can cash in on their property assets. These deals have been accelerating as property assets are increasingly perceived as decisive instruments in corporate valuation and strategy.

Through a range of detailed case studies, financial models and presentations from the standpoint of both corporate vendors and investors, this course reviews the process from start to finish. It includes a detailed analysis of the assessment criteria, the benefits and the pitfalls of undertaking this complex decision.

Participants are required to bring a laptop with a USB Port to the course.

Course Content:

What is sale and leaseback?

- Purpose
- Structure
- Results
- History
- Current Use
- Statistics

Case Studies: Le Meridien Hotels, Kingfisher, Tesco, Travelodge, IBM

Why use sale and leaseback?

- Cost of capital
- Comparative cost-benefit techniques
- Risk management issues
- Investor perceptions
- Impact on the balance sheet
- Legal structures (eg limited partnerships)
- Disadvantages of sale and leaseback techniques for vendors
- The position of the investor

Case Study: International Accounting Standards and sale and leaseback

Assessment criteria

- Role of discounted cash flow
- Alternative methods
- Optionality and sale and leaseback
- Importance of forecasting
- Risk assessment

Case Study: Hotel investment models

OpCo and PropCo

- What is the structure
- Why is it used
- Examples of use

Case Study: Sainsbury's use of OpCo/PropCo

Financing the Deal

- Role of senior debt (including leverage level analysis)
- Junior and other subordinate debt (including PIK)
- Hybrid financing techniques
- Role of Equity

Case Study: Private equity investments in sale and leaseback

Course Conclusion: deal breakers and makers in sale and leaseback transactions

Times	Cost	Solicitors Regulation Authority (SRA) CPD Hours
09.30-17.00	£575 + VAT (£675.63)	6

Delivering this course in-house for you to a number of participants could be very cost effective.
Please call us on 020 7387 4484 to discuss this further.