BAYFIELD



Real Estate Developer
Financial Modelling in Excel

Public & In-house training: Two days

Learn how to model and analyse development projects using Excel.

Residual and payback methods are completed and their advantages compared with cash flow models. You will learn how to put together a full development project cash flow model and interrogate the different metrics such as profit-equity multiples, profit on cost, net present value and internal rate of return.

You will learn how to calculate debt requirements as well as model drawdown facilities and rolled up debt facilities that remain flexible with a changing project. The course also gives you the skills to test the project using risk analysis techniques to help you understand the impact of phasing, growth, over-runs and costs inflation.

On this course you will...

- Learn how to calculate land and profit residuals
- Learn how to structure a full development cash flow, including phased sales, S-curve and straight line cost functions
- Learn how to find maximum bidding prices for site development and building refurbishments
- Understanding development financing considerations and learn how to optimise financing
- Analyse financial and project completion risk
- Employ best practice and find solutions to common modelling problems

Who will benefit from this course?

- Developers
- Surveyors
- Real Estate professionals at any level with exposure to real estate financial models on a frequent basis
- Fund managers
- Asset managers
- Land managers
- Planning managers
- Lenders

Course Outline

DAY ONE

Learn how to build a discounted cash flow, analyse returns and understand the components of development models

- Gross versus Net Yields, calculating Net Development Value (NDV)
- Profit residual, with and without financing
- Site residual, how to calculate profit without knowing your costs.
- Introducing financing to site residual calculations
- Purchase price and acquisition costs
- Phased Sales, marketing and disposal costs
- Modelling construction costs using straight line basis, fixed costs, variable costs, incidental costs and construction fees
- Professional fees
- Income and expenditure project functions
- Logic functions, logic tables and array formulae

DAY TWO

Learn how to build a detailed property development project cash flow, add financing and perform risk analysis on commercial development projects

- Multiple IRRs, competing projects, scoping and linear programming, maximising performance
- Return metrics: Equity profit ratio (EPR), Costs paid out of proceeds (POP), Profit on cost ratio (PCR)
- Alternative site calculation, Net present value (NPV),
- Modelling construction costs using S-curve, variable costs, incidental costs and construction fees
- Switching between scenarios
- Introduction to Development financing, Pari Passu versus Equity First Financing
- Debt scheduling: brought forward and carried forward method
- Consideration of the impact of development finance interest, fees and covenants

Contact us

Email: r.augustiniene@bayfieldtraining.com
Telephone: +44 (0) 207 866 8180
Website: www.bayfieldtraining.com

Address:

Unit 4 Grain House
Mill Court, Great Shelford
Cambridge CB22 5LD