BAYFIELD



European Real Estate Analyst
Financial Modelling in Excel

Public & In-house training: Two days

Learn how to generate cash flows arising from European lease codes and conventions. The course revises financial modelling theory prior to a detailed analysis of the different covenants existing in the various jurisdictions of Continental Europe. Inter European investments present additional challenges in the permutations of covenants and subsequent rent projections.

This course shows you how to build European cash flow models whilst minimising the complexity and size of rent functions.

On this course you will...

- Revise financial modelling structures and techniques
- Learn the covenants prevalent in different countries throughout Europe
- Devise solutions and techniques to project flexible rent functions
- Apply and analyse debt structures
- Analyse using sensitivity and scenario analysis

Who will benefit from this course?

- 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 ungeared 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
- Switching between Annual, Quarterly and Monthly DCF models
- 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)
- Analysing the IRR for errors (data tables, charting)
- Sensitivity analysis and Scenario testing
- International comparison of property market

DAY TWO

Know how to build a multi-let property cash flow and analyse advanced debt structures

- 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 leases 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)
- Creating Annual summaries of quarterly/monthly cash flows
- Modelling stressed cash flows for debt purposes
- Interest only and amortising loans (PMT)

Contact us

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