Real Estate Finance I Tutorial

Real Estate Financial Modeling

Summer 2018

Location: Avery 113

Credits: 1.5

Instructor: Johnny Din

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<u>DESCRIPTION</u>

Specific Objectives of the Excel Lab:

1. Be able to use the analytical and financial modeling tools necessary to undertake the financial analysis of real estate investments, structure appropriate real estate debt, and evaluate the feasibility of real estate development projects.
2. Have a working knowledge of real estate investment, development and construction financial modeling.
3. Be able to analyze and compare the relative attractiveness of various real estate investment and/or development projects.
4. Have created a comprehensive Discounted Cash Flow Pro Forma for the investment in a real estate property.

<u>GRADING CRITERIA</u>

Attendance (40%): *Grading will be done either at the first 10 minutes or at the last 10 minutes of class.*

Midterm (30%): *The midterm will cover the materials from session 1 to session 3.*

Final (30%): *The final will cover the materials from session 5 to session 8.*

<u>COURSE OUTLINE</u>

Session 1 (6/6/18): Course Introduction

Financial Modeling Basics

Session 2 (6/13/18): Introduction to Excel Functions

Excel Short Cuts

Formatting

Financial Functions

Session 3 (6/20/18): Leases and Concessions

Gross Lease – Landlord and Tenant Perspectives

Net Lease – Landlord and Tenant Perspectives

Concessions and Effective Rent Calculations

Session 4 (6/27/18): Midterm

Session 5 (7/11/18):

Unlevered Cash Flow

PV, NPV, WACC, BTIRR, ATIRR

Session 6 (7/18/18): Financing

Loan Sizing

Amortizing Loan

Interest-Only Loan

Construction Loan

Session 7 (8/1/18): Levered Proforma

Levered Cash Flow

PV, NPV, WACC, BTIRR, ATIRR

Session 8 (8/2/17): Final