Spring 2017
[Capital & Partnership Structuring *with Advanced Excel Modeling***]**
Thursdays, 6pm-8pm
200 Fayerweather

Instructors:
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TA:
[TBD]

I. COURSE DESCRIPTION

The *Capital & Partnership Structuring with Advanced Excel Modeling* course offers understanding of how various financial products in the capital markets are structured, and how various partnerships are structed in the real estate private equity market. In addition, the understanding of such structures is bolstered through building excel models in class to analyze the structures.

The course is structured as introducing the concepts first and then walking through how the concepts are utilized in the market via documentations and excel modeling analyses.

II. COURSE REQUIREMENTS AND ASSIGNMENTS

Students will be expected to have a strong command of Microsoft Excel, and good understanding of the basics of capital structures and partnership structures.

II. COURSE GRADING CRITERIA

Course grading criteria are as follows:

- Attendance and in-class participation: 70%
- Assignments: 10%
- Mid-term exam/project: 10%
- Final exam/project: 10%

III. COURSE OUTLINE

Class 1: 1/19/2017: ADVANCED EXCEL FUNCTIONS
· If statements
· Array functions (SUMIF, SUMIFS, SUMPRODUCT)
· Lookup functions (VLOOKUP, HLOOKUP, INDEX, MATCH, INDIRECT)
· Good modeling habits
· Useful output pages and summaries
· Different types and uses of financial models
· Understanding the real estate P&L (line by line) with different asset types

Class 2: 1/26/2017: BRIDGE DEBT STRUCTURING
· Review model structure and construction
  · Understanding debt metrics and relevant output pages; Why are they relevant?
  · Debt service / Operating reserve sizing
  · Returns matrix (GAAP vs IRR)

Class 3: 2/2/2017: MEZZANINE DEBT / PREFERRED EQUITY STRUCTURING
· Review model structure and construction
  · Current return / accruals – What is it and how to accurately model?
  · Minimum multiple concept
  · Equity kicker

Class 4: 2/9/2017: JOINT VENTURE EQUITY STRUCTURING I
· Partnership term sheet
· Joint venture agreement
· Distribution waterfall

Class 5: 2/16/2017: JOINT VENTURE EQUITY STRUCTURING II
· Catch-up provision
· Clawback provision
· How to negotiate JV terms

Class 6: 2/23/2017: FUND FORMATION STRUCTURING & MISCELLANEOUS TOPICS
· Private equity fund structure – fund level vs. JV level vs. property level
· Real estate private equity fund terms
· Private placement memorandum & limited partnership agreement
· Tax structuring considerations
· Miscellaneous topics:
  · Back-of-the-envelope analysis
  · Mental Math
    · Cap Rate -> IRR; IRR <-> Multiple
    · Cash-on-cash
  · Reviewing of others' models

Class 7: 3/2/17: Final Exam + Q&A