TRAINING THE STREET℠

Real Estate Fundamentals

Learn the essentials of the commercial real estate industry (CRE) from acquisition modeling to cash flow analysis. You'll also learn fundamentals like; occupancy/vacancy, absorption, rent rolls with an overview of lease types and how to calculate rents based on leasable square footage.

WHAT YOU WILL LEARN

- Excel Best Practices and Efficiencies
- CRE cash flow analysis
- Acquisition modeling
- How to calculate IRRs and NOI yield
- Lease types

(704) 927-9688
trainingthestreet.com

We unlock career potential

COURSE DETAILS

Real Estate Fundamentals Course

WHO IS THIS COURSE FOR?

- Commercial real estate firms that need to get small groups or individuals up to speed (new, lateral, or off-cycle hires)
- Financial services professionals looking to learn the intricacies of commercial real estate
- Those looking to transition into commercial real estate and seeking a better understanding of how to model and understand commercial real estate

PREREQUISITES

Fundamental knowledge of financial accounting: TTS recommends our self-study book, Fundamentals of Financial Accounting and Analysis.

SCHEDULE

9:00 am to 5:00 pm each day with an hour lunch around noon and shorter breaks throughout the day.

LEARNING OPTIONS

This course is available in-person and virtually.

COURSE PRICING

Early Registration: $1,150 (per day)*
Standard Registration: $1,250

** register at least 30 days in advance*
Additional discounts offered to existing clients
Group rates available

COURSE CALENDAR

Course syllabus on next page

TRAINING THE STREET℠

We unlock career potential

(704) 927-9688 | trainingthestreet.com

SYLLABUS

Real Estate Fundamentals Course

Day 1
Real Estate Fundamentals Using Applied Excel

Key Fundamental Real Estate Topics:

- Provide an overview of commercial real estate as an alternative asset class and how it is viewed in the context of investment management
- Discuss CRE fundamentals including occupancy/vacancy, absorption, rent rolls, stacking plans, property taxes/ insurance, physical space utilization, etc.
- Introduce and calculate the fundamental elements of a property cash flow statement
- Provide an overview of lease types (triple net, full-service gross, base year stop lease) and calculate rents based on leasable square footage.

Key Excel Skills:

- Develop diverse date capabilities including an understanding of serial dates, EOMONTH, TODAY, YEAR, ROUNDUP and Fill Series
- Introduce popular text functions to clean, aggregate and disaggregate real estate data including LEFT, RIGHT, MID, and FIND
- Build and differentiate INDEX, OFFSET, MATCH and LOOKUP functions
- Analyze real estate data using SUMIF, COUNTIF, and Nested IF functions
- Introduce the SUMPRODUCT function and review advanced versions needed to perform conditional and categorical analysis (e.g., location, property type, etc.)
- Integrate TEXT functions and introduce more complex, multiple-output data tables (e.g., blending a multiple and a cap rate in the same output).
- Introduce Excel waterfalls ("bridges") to highlight key financial outputs
- Complete XY Scatter charts to explore cap rate valuations based on multiple series categorical variables (e.g., location or property type)

Day 2
Real Estate Acquisition Financial Modeling

Key CRE Financial Modeling Topics:

- Brief review of financial modeling Excel Best Practices including shortcut keys, formula construction, design, format, and formula auditing
- Compare and contrast different property types, their property cash flow characteristics, and review approximate cap rates
- Model gross and effective net revenue based on high-level growth assumptions and vacancy rates
- Build sources and uses of funds in the acquisition model for two different deal types: 'Core+' and 'Value Add' acquisitions
- Calculate purchase price and indicative cap rates including adjustments to NOI, the basis of the investment and corresponding effective cap rates (e.g., all-in vs. purchase price)
- Project leasing and capital costs (e.g., Tis, LCs and capex demands) with an emphasis on arriving at levered free cash flow
- Evaluate the nature of each deal type, business plan and future investment requirements
- Calculate IRRs and multiple time periods—both levered and unlevered
- Calculate NOI yield and cash-on-cash yields throughout the expected holding period and create summary output
- Calculate real estate-specific data tables including returning multiple outputs in the same data table (e.g., NOI multiple/cap rate)
- Introduce the concept of 'front-loaded' capex (e.g., through sources and uses) versus CapEx invested over time (via the cash flow statement) and implications for IRR calcs
- Summarize the output of the two deal types using self-referencing IF statements and compare-and-contrast different risk/reward parameters