Investit Academy. InhouseProgram
Course outlines

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101. How to Analyze & Value Income Properties

Learning objectives

This video introduces the fundamentals of real estate investment analysis and discusses the issues, complexities and dangers involved in listing and selling commercial properties.

Specific objectives are to:

1. provide a good understanding of the basic financial measures used to evaluate and determine the value of rental apartment buildings and commercial properties.

2. explore the advantages and disadvantages of the most used financial measures.

3. demonstrate how to analyze and adjust Income & Expenses Statements and what expenses need to be included when using Cap Rates to determine the property value.

4. provide an in-depth overview of the capitalization rate as it is used in commercial real estate, and to explain the factors that influence the Cap Rate

5. show how to analyze apartment and commercial buildings and how to re-do the financial statements so that they more realistically reflect the financial performance of the buildings.

6. provide an introduction to risk analysis and financial ratios for measuring risk

7. how to read a lease and discuss important terms and clauses in the lease that can affect the value of a commercial building

8. provide an understanding of the weakness of using Cap Rates with a brief introduction to long term real estate investment analysis

9. show how to identify properties that may be hard to sell because of income tax consequences

10. show the importance of having a professional engineer assessment of the building on behalf of a buyer, by using real-world examples

Skills and benefits

How to analyze and restructure "Income & Expense Statements" so that they more realistically represent the financial performance of the property

2. How to use the various financial measures such as the Gross Income Multiplier, Cap Rate, etc., to value an income property and appreciate the limitations of these simplistic approaches

3. Understand how important it is for the buyer of income properties to obtain professional engineering, tax, and legal advice

The knowledge and skills developed during the in-house program will improve your ability to analyze and value income properties.

102. Real Estate Investment Analysis

Learning objectives.

The overall objective is to provide an understanding of how to carry out in-depth real estate analysis investment analysis and how to apply investment analysis techniques to different types of properties or types of real estate. **How to use investment analysis to create deals.**

Topics

1. The significant weaknesses in using Cap Rates to make real estate investment decisions compared to the discounted cash flow approach. Examples illustrating the disadvantage of the Cap Rate approach to establishing value

2. Time value of money concepts. The Internal Rate of Return (IRR) and Net Present Value financial measures and discounted cash flow analysis

3. Steps involved in carrying out long term real estate investment analysis and discounted cash flow analysis

4. Real estate taxation

5. Impact of financial leverage on the investment return and investment risk

6. A framework for exploring creative financing creative financing

7. How to use real estate analysis techniques to help list, sell or lease or invest wisely

Skills and benefits

How to:

Carry out and apply in-depth real estate analysis to different types of income properties

Determine the value of an income property using the discounted cash flow analysis approach

Assess the investment risk

Financially structure a real estate transaction using creative financing

The knowledge and skills developed will improve your ability to value, list, sell or lease income properties and how to use investment analysis techniques to put deals together and make you money and make wise investment decisions.

103. Development Analysis and Valuing Land

Learning Objectives.

The overall objective of the video is to provide an understanding of:

1. How to carry out development analysis to determine land values for unit projects such as land subdivisions and condominium projects and income properties such as office buildings

2. The issues and difficulties associated with determining land value

Topics

1. Issues related to using simplistic approaches, such as $ per Acre or Sq. Ft to value land

2. The backdoor or land residual approach to valuing land

3. Factors that affect land values. Examples are illustrated using photographs

      Soil and site conditions
      Architectural, design & zoning constraints

4. Development Analysis Case Study. Condominium development

5. Development Analysis Case Study. Retail center development

6. Sensitivity & Risk analysis. What numbers have the biggest impact on the development profit?

7. Analyzing a "Mixed" unit and income property development. Case study3

8. Income property development. Sell or hold analysis

9. Renovation analysis

10. Profitability analysis and ratios & assessing the development risks

11. Quick Proforma approach versus detailed monthly cash flow development analysis

12. Construction loan requirements

13. Offer to Purchase versus Options. Pros & cons.

14. Tips for creating an offer & Keeping the offer together

15. Keeping the offer together

16. Land assembly and analyzing sites with assembly potential

Skills and benefits obtained from the video

1. How to analyze development sites and determine land values using the development analysis approach

2. Appreciate the difficulties and uncertainties in determining land value

The knowledge and skills developed during the video will improve your ability to value, list and sell development sites or develop successful projects.

203. Office, Retail and Industrial Leasing

Learning Objectives

To provide a comprehensive understanding of:

1. The leasing process and terms used in leasing
2. How to read a lease and what to look for in a lease
3. The differences between the different kinds of leasing markets
4. How tenants go about choosing a location and space
5. What question to ask the landlord and tenant
6. Some of the complex issues involved leases and lease negotiations
7. Why leases are often complex, lengthy documents
8. How to carry out lease comparison analysis from a landlord & tenant perspective

Topics

1. Overview of landlord and tenant leasing objectives
2. Tenant compatibility considerations and issues
3. Leasing characteristics by different types of properties
4. The leasing process and documents
5. Types of Leases
6. Types of Rent

   - Base Rent & Additional Rent or Recoverable Expenses
   - Free Rent
   - Percentage Rent

7. Areas and Area Measurement
   - Rentable and Usable Areas and Load Factor
   - Space Measurements and the BOMA Standards
   - How to measure different types of properties
   - Issues related to measuring space
   - Leasing new space. Tenant Improvements and build-outs

8. Assignment & Subletting
8. Operating Expenses, Recoverable Expenses, and related issues and considerations
9. Renovating and subdividing space, including structural considerations
10. Lease Comparison Analysis and the Net Effective Rent from landlord & tenant perspective
11. Case Study. Comparing three different lease arrangements
13. Valuing ground leases.
14. Blending and extending a lease
15. Impact of leases on the property value and marketability
16. Tips for reading leases

Skills and benefits obtained from the video

1. Increased knowledge of lease terms and the leasing process
2. The differences involved in leasing office, industrial and retail space
3. A deeper understanding of the complex issues related to leasing
4. How to compare leases from will improve your ability to negotiate and analyze leases from a tenant and landlord perspective.