Module Specification

Real Estate Finance and Investment

Version: 2023-24, v5.0, 14 Jul 2023

Contents

Part 1: Information

Module title: Real Estate Finance and Investment

Module code: UBLMQK-30-M

Level: Level 7

For implementation from: 2023-24

UWE credit rating: 30

ECTS credit rating: 15

Faculty: Faculty of Environment & Technology

Department: FET Dept of Architecture & Built Environ

Partner institutions: None

Field: Architecture and the Built Environment

Module type: Module

Pre-requisites: None

Excluded combinations: None

Co-requisites: None

Continuing professional development: No

Professional, statutory or regulatory body requirements: None

Part 2: Description

Overview: The module is to be delivered in partnership with Industry, and will cover topics deemed essential to develop a high-level understanding of investment in property from both debt and equity perspectives.

Features: Not applicable

Educational aims: See Learning Outcomes

Outline syllabus: The themes addressed will typically be international in nature, and whilst a UK focus will exist in discussion of practical application, global investment considerations, investment overseas and exchange rate risk will all be specifically addressed.

The following topics will be explicitly covered:-

The Who, Why and How of Investing in Property:

Property as an Investment Class

Financing Options and Structuring

Risk vs Return

Debt Capital Markets:

Loan to Value

Interest Rate Cover Ratios

Banking Covenants in Loan Documentation

Liquidity

Residual Positions

Ability to Refinance

Revolving Credit Facilities

Interest Rate Management and Hedging

Foreign Investment and Exchange Rate Risk

Covenant Strength

Accounts Analysis

Sector Exposure

Tenant Exposure

Debt Portfolio Risk Management

Development Finance vs Investment Finance Considerations

Equity Capital Markets:

SPV investment

Crossing Debt

Portfolio Financing

Balance Sheet Lending

Debt Clubs

Debt Syndication

Derivatives

Joint Ventures

Private Finance Initiative

Govt Banked Infrastructure Funds

The Importance of Qualitative Issues:

Working relationships

Personal judgement

Practical Case Studies and Experience from Industry

Key

Part 3: Teaching and learning methods

Teaching and learning methods: Lecture/discussion plus extensive use of worked examples, case studies and hands-on computer exercises, to cover a range of situations.

Module Learning outcomes: On successful completion of this module students will achieve the following learning outcomes.

   MO1 Demonstrate working knowledge of the principles and rationale for property investment.

   MO2 Have an in-depth appreciation of organisations and corporate structures in the property investment industry.

   MO3 Apply quantitative techniques in investment and finance decision-making.

   MO4 Interpret, apply and appraise debt and equity property funding.

   MO5 Evaluate the efficacy of alternative funding structures in different situations and their effects upon the parties concerned.

   MO6 Analyse a real estate investment opportunity, identify potential funding strategies and appraise their relative benefits.

MO7 Develop insight of complex real estate and financial structures, including legal, technical and liability implications.

Hours to be allocated: 300

Contact hours:

Independent study/self-guided study = 260 hours

Face-to-face learning = 40 hours

Total = 300

Reading list: The reading list for this module can be accessed at readinglists.uwe.ac.uk via the following link https://uwe.rl.talis.com/modules/ublmqk-30-m.html

Part 4: Assessment

Assessment strategy: As this module is both highly technical in nature and teaching is to be delivered by industry partners, assessment will require industry partners' involvement. It is proposed that a portfolio comprising a multiple choice test to examine the pre-reading and a financial modelling exercise will be undertaken before attendance at the block week.

At the end of the block week students will make a formal 20 minute group presentation on a proposed investment strategy to assessors from UWE and industry. This will be assessed by 10 minutes questioning which will test, in depth, the student's grasp of the issues taught on the module. Students will be given individual marks based on their presentation and answers to questions addressed individually.

The 3,000 word report will allow a more theoretical and academic investigation of the learning outcomes of the module. Further, financial modelling will be assessed by means of a set exercise, to be submitted before the start of the Block Week, to ensure each student is confident with creating a financial model for assessing the return on investment of a standing property investment.

Assessment tasks:

Portfolio (First Sit)

Description: A 30-min multiple choice test and creation of an Excel-file of a leveraged investment property appraisal, producing IRRs and Equity multiples. Students will be using the platform to learn how to model a financial DCF appraisal all prior to block week attendance.

Weighting: 30 %

Final assessment: No

Group work: No

Learning outcomes tested: MO1, MO2, MO3, MO4, MO6, MO7

Presentation (First Sit)

Description: Task 2: Group presentation (20 mins plus 10 min Q and A session)

Weighting: 35 %

Final assessment: No

Group work: Yes

Learning outcomes tested: MO1, MO3, MO4, MO5, MO6

Report (First Sit)

Description: 3000 word report

Weighting: 35 %

Final assessment: Yes

Group work: No

Learning outcomes tested: MO1, MO2, MO3, MO4, MO6, MO7

Portfolio (Resit)

Description: A 30-min multiple choice test and creation of an Excel-file of a leveraged investment property appraisal, producing IRRs and Equity multiples. Students will be using the platform to learn how to model a financial DCF appraisal all prior to block week attendance.

(For Distance learners no requirement to be present at the UWE campus – use of video conferencing facilities to supervise)

Weighting: 30 %

Final assessment: No

Group work: No

Learning outcomes tested: MO1, MO2, MO3, MO4, MO6, MO7

Presentation (Resit)

Description: Task 2

If all team failed – a group presentation (20 minutes plus 10 minutes questions and answers)

If not all members of the team failed - an individual presentation (15 minutes plus 10 minutes questions and answers)

Weighting: 35 %

Final assessment: No

Group work: Yes

Learning outcomes tested: MO1, MO3, MO4, MO5, MO6

Report (Resit)

Description: 3000 word report

Weighting: 35 %

Final assessment: Yes

Group work: No

Learning outcomes tested: MO1, MO2, MO3, MO4, MO6, MO7

Part 5: Contributes towards

This module contributes towards the following programmes of study:

Real Estate Finance and Investment [Frenchay] MSc 2023-24

Real Estate Finance and Investment [Distance] [DA] MSc 2023-24

Real Estate Finance and Investment [Frenchay] MSc 2022-23

Real Estate Finance and Investment [Distance] [DA] MSc 2022-23