



IREM Institute of Real Estate Management

COURSE LEARNING OBJECTIVES

Investment Real Estate Financing and Valuation – Part Two (ASM604)

Lesson 1: The Time Value of Money

- Recognize the importance of understanding the owners' goals and objectives
- Understand the concept and components of the time value of money (TVM)
- Visualize TVM using T-bars and timelines
- Apply the principles of TVM

Lesson 2: Discounted Cash Flow and Valuation

- Compare discounted cash flow (DCF) analysis to capitalization
- Apply DCF analysis to calculate market value
- Apply DCF analysis to calculate investment value

Lesson 3: Discounted Cash Flow and Investment Return

- Compare four measures of investment return
- Calculate cash-on-cash rate of return
- Calculate value enhancement
- Calculate net present value
- Calculate internal rate of return
- Discuss investment analysis technology

Lesson 4: Mid-Stream Analysis

- Understand the reasons for conducting a midstream analysis
- Perform midstream analysis calculations

Lesson 5: Discounted Cash Flow and Leases

- Classify types of leases and categories of rents
- Discount all economic terms of a lease to determine effective rent
- Calculate the cost to buy out leases while achieving a required return
- Analyze lease income to compare multiple leases

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