

# Asia Real Estate: Capital Market Valuations & Private Equity

Course Duration: 8 hours

## Key Learning Outcomes

- Describe Asia real estate public/ private equity capital markets and valuation techniques;
- Apply cutting-edge real estate models, strategic structures and proven value added techniques to enhance profitability;
- Value multiple real estate assets and developments while utilizing the Three Appraisal Approaches
- Recognise the pros and cons of direct, private equity, fund and REIT structures
- Assess where the current Asia real estate market investment opportunities are.

## Who Should Attend

- CEOs, CFOs, COOs with responsibility for Strategic Management
- Investment Bankers
- Real Estate Consultants / REITs Managers
- Financial Analysts
- Institutional Investors
- CFA Candidates

## Course Outline

### Section A: Listed Developers and REITs

#### 1. Basic Methodology of Discounted Cash flows

- Net Present Value (NPV)
- Internal Rate of Return (IRR)
- Payback Period
- Other Investment Decision Criteria

#### 2. Physical Real Estate Valuation

- NOI and Cap rate

#### 3. Capital Market Valuations

#### 3.1 Calculating the cost of equity, cost of debt and WACC (Weighted average cost of capital)

- The truth on cost of capital
- What should it be? - Cost of equity, cost of debt & WACC.
- Computing the beta for a stock
- Estimating the risk free rate
- Estimating the equity market risk premium
- The concept of a tax shield
- Why capital structure is important
- Computing WACC

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## Course Outline cont.

### 3.1 Calculating the cost of equity, cost of debt and WACC (Weighted average cost of capital)

- The truth on cost of capital
- What should it be? - Cost of equity, cost of debt & WACC.
- Computing the beta for a stock
- Estimating the risk free rate
- Estimating the equity market risk premium
- The concept of a tax shield
- Why capital structure is important
- Computing WACC

### 3.2 Discounted cash flow valuation

- Computing free cash flow
- Determining terminal value using different methods
- Determine fair value
- Sensitivity analysis

#### *Case Study*

### 3.3 Comparable methods

- Price to earnings – Not all P/Es are created equal
- Price to book
- Price to sale
- Price to cash flow
- EV/EBITDA ratio

### 3.4 Sum of Parts Valuation

How to value the different parts of the business

#### *Case Study*

### 4. REIT valuation

- Explain Dividend yield
- Net Asset Value
- REIT comparables

## Section B: Asia Private Equity

### 5. Introduction to Asia private equity

- How to calculate expected IRR
- Merits and considerations of deal structuring
- Identify exit opportunities

#### *Case Study*

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## Training Methodology

- Lecture style presentation
- Hands-on exercise
- Case studies discussion

## Training Requirements

- Participants are not required to have specific prior experience of any of the subject areas. More experienced individuals will be able to build on their knowledge through practical, current case studies.

## Speaker's Profile



**Prof. Roy Ling, CFA** is currently a Managing Director at RL Capital Management. Concurrently, he also serves on the Boards of 5 listed companies across Asia, and is also an Adjunct Professor in Finance at the EDHEC Business School and the SP Jain School of Global Management.

Prior to RL Capital, Prof. Ling was a senior real estate investment banker with JPMorgan, Lehman Brothers, Goldman Sachs and Salomon Smith Barney, performing a broad range of corporate finance, equity research and real estate financings. Prof. Ling is a Chartered Financial Analyst and was a former Board Director of the CFA Society of Japan. He was honored as one of 20 Rising Stars in Real Estate by Institutional Investor in March 2008.

He graduated from INSEAD with a Global EMBA and from the National University of Singapore with a Bachelor of Business Administration with Honors.

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