# Property Developer Finance and Valuation Course: Appraisal, Cash Flow and Leverage

8 – 12 February 2027
Paris

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## Programme Summary

Property developer finance and valuation is the subject of this one-week training course for finance directors, development and contracting executives and credit managers, ending in a sector financial analysis pack for one company or project. Developers and contractors carry long projects, uneven cash flow and heavy borrowing, which general finance tools often miss. The programme moves from sector accounts and revenue to appraisal, contractor margins, funding and leverage, then to valuation and risk. Mars Training Centre UK delivers this programme on property developer finance and valuation to mixed-organisation cohorts.

## The Business Case

Real estate developers and construction contractors commit large sums of money years before any income arrives, and a small error in cost, timing or margin can turn a project from profit to loss. Lenders and investors judge these businesses on cash, leverage and credible forecasts. Leaders who read sector accounts correctly and test their assumptions can defend decisions to boards, banks and investors.

- Project Returns: Become clearer when appraisal assumptions are tested against cost and sale scenarios.
- Cash and Funding Pressure: Ease when cash flow and work-in-progress are forecast by project.
- Lender Confidence: Rises when leverage and covenant headroom are reported with evidence.

## Principles and Evidence Base

- IFRS 15 Revenue from Contracts with Customers: Governs revenue recognition for construction contracts and property sales, applied in Sessions 1 and 3.
- IAS 40 Investment Property: Covers measurement of investment property at fair value or cost, applied in Sessions 1 and 4.
- International Valuation Standards: Issued by the IVSC for property valuation, applied in Session 4 to assumptions.
- Discounted Cash Flow Analysis: Values project cash flows at a required return, applied in Sessions 2 and 5.

## Intended Participants

- Finance directors who answer for results and funding.
- Development executives who decide which projects to start.
- Contracting executives who manage bids and margins.
- Investment managers who appraise opportunities.
- Credit managers who set covenants.

Typical settings include property development, contracting, banking and investment funds.

## Learning Outcomes

1. Participants will be able to diagnose financial health from sector accounts.
2. Participants will be able to evaluate development feasibility and appraisal results.
3. Participants will be able to analyse contractor margin and work-in-progress positions.
4. Participants will be able to construct cash flow, funding and leverage views.
5. Participants will be able to compare valuation approaches.
6. Participants will be able to justify a sector financial analysis pack to a board or lender.

## Programme Structure

## Day 1: Property Developer Finance and Valuation Foundations

How do developers and contractors earn, record and report their results?

- Sector Financial Statement Reading Guide
- IFRS 15 Revenue Recognition Review
- Inventory and Investment Property Classification
- IAS 40 Measurement Comparison
- Sector Ratio Dashboard

## Day 2: Development Feasibility and Appraisal

Does a development earn enough return for its cost and risk?

- Residual Land Value Method
- Development Appraisal Template
- Cost and Programme Allowance Review
- Discounted Cash Flow Return Table
- Sale and Rent Assumption Test

## Day 3: Contractor Margin and Work in Progress

Is a contractor earning the margin its contracts promise?

- Bid Margin Build-Up Sheet
- Contract Margin Fade Review
- Work-in-Progress Schedule Analysis
- Over and Under Billing Position
- Retention and Payment Cycle Forecast

## Day 4: Funding, Leverage and Valuation

How much debt can the business carry, and what is the property worth?

- Project Funding Structure Outline
- Leverage and Cover Ratio Set
- Covenant Headroom Test
- Income and Comparable Valuation Methods
- International Valuation Standards Assumption Check

## Day 5: Sector Financial Analysis Pack for One Company or Project

Do the earlier tools combine into one pack a board or lender can accept?

- Applying the Session 2 Development Appraisal Template
- Testing the Session 3 Work-in-Progress Schedule Analysis
- Checking the Session 4 Covenant Headroom Test
- Rehearsing the Lender Challenge
- Completing the Sector Financial Analysis Pack

## Methodology

The programme uses a data workshop built on prepared financial extracts for two businesses, a residential developer and a building contractor, each with accounts, appraisal inputs, contract schedules and loan terms. Participants work in groups, challenge each other's assumptions, run sensitivity analysis on cost, price and timing, and defend findings to peers acting as a lender.

- Suggested activity: Rebuilding an appraisal after a cost rise and a sales delay.
- Suggested activity: Finding the contract where margin fades after bid.
- Suggested activity: Testing a loan covenant under a lower sales scenario.

## Capstone Output

Each participant completes a sector financial analysis pack for one company or project. It holds an accounts review, an appraisal or margin summary, a cash flow and funding view, a covenant test and a sensitivity table. At work it is used to brief a board, support a credit request and decide which projects to fund first.

## Frequently Asked Questions

### Is a training programme on property developer finance and valuation suitable for managers without a property background?

Yes. Property developer finance and valuation is taught from prepared extracts and templates. It assumes responsibility for finance, investment or credit decisions, but needs no earlier work in property or construction.

### Which standards and models does property developer finance and valuation rest on?

Property developer finance and valuation rests on IFRS 15 for revenue, IAS 40 for investment property, the International Valuation Standards for valuation, and discounted cash flow analysis for appraisal, each applied to prepared cases.

### How is the pack from property developer finance and valuation used at work?

You use the sector financial analysis pack to brief your board, support a credit request, and decide which projects to fund or defer first.

### How does property developer finance and valuation differ from a programme on corporate finance?

Property developer finance and valuation concentrates on appraisal, contractor margin, funding and valuation in property and construction, while a corporate finance programme covers capital structure and policy across all sectors.