

Case Study

Transaction Advisory

Client Profile

A US based real estate investment and development company specializing in mixed-use commercial properties across the US

Transaction Snapshot

Size - \$40 million
Jurisdiction - US
Asset Type – Commercial
Real Estate (CRE)

About Oxane Partners

Oxane Partners provides bespoke solutions to alternative investment firms throughout their investment lifecycle. Since inception, Oxane has supported more than 40 financial institutions of all sizes including hedge funds, private equity funds, asset managers and investment banks across all major asset classes and jurisdictions.

To talk about our expertise and solutions offering, please reach us at:
info@oxanepartners.com

Background

The real estate investment firm wanted to perform a financial analysis of doing a mixed-use development project with hotels, offices and luxury residential properties in the US; both from a development as well as operating model point of view.

Oxane's Approach

Oxane's core real estate analysis team discussed the project details over multiple calls with the client to get their perspective on the transaction. Post discussions, one of the Senior Analyst created the bespoke development and operating model from the ground-up. The model was then run through by a second layer and reviewed by a Vice President to ensure quality control.

Oxane supported the client under the following areas :

Model Development

- Detailed financial model for the development project while also modelling the capitalization yield to sell the properties over the next 10 years

Cash flow Modelling

- Build a cash flow model depicting ongoing and projected construction and operating expenses to arrive at the net operating cash flow from the portfolio

Property Level Modelling

- Each property was individually modelled owing to the diverse nature of the properties and the geographies

Cash flow Distribution

- Distributed the net operating and sales cash flow from the portfolio between the developer and co-investor in a specified waterfall based on a dynamic hurdle rate

Returns Analysis

- Summary of the returns from the project based on an exit date including calculation of IRR, CoCx etc.