

Report Summer Internship 2011 with Tishman Speyer, London, UK by Frank Nyanda

Trainee:

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Employer: Tishman Speyer properties UK Limited, London, UK

1.0 Introduction

This is my brief description of work experience obtained after the internship with Tishman Speyer in European regional office in London. The internship program was in real estate portfolio management.

2.0 Description of work experience

2.1 Portfolio Creation

With Tishman Speyer, I learnt how to create a portfolio that is purely real estate. The portfolio is comprised of funds, each comprising of various assets diversified into different geographical locations. The essential skill obtained was creating a portfolio from the asset level, fund level and hence a combination of various funds. Each asset is allocated to a specific fund depending on how the characteristics of the asset match the objectives of the fund.

The portfolio is divided into three basic funds namely value added fund, strategic office fund and core fund. I had an opportunity to learn how active fund management strategy can be effectively adopted instead of the traditional passive strategy which only tends to mimic the market performance.

2.2 Preparing and reporting cash flows

The other important skill learnt is preparing, reporting and forecasting cash flows from a standing asset. Existing rental cash flows are put into models to determine the actual performance and a variance between projected and actual return is computed. I learnt practically how to forecast rental cash flows with respect to economic scenarios and rental reviews.

2.3 Creation of asset models

Essentially, portfolio management may include the use of asset and portfolio models. With Tishman Speyer, I learnt various skills on how asset models are designed, through sophisticated excel formulas and reasonable assumptions. By working with the acquisition team, I gained knowledge on how acquisition models can be used to determine the price to be paid for the asset, taking into account the required internal rate of return, market value and other factors. With the fact that Tishman Speyer is an international property developer, I acquired potential skills on how models can be designed in such a way that they match with laws, regulations and principles guiding property investment in specific countries. These for instance include taxation and lease agreements.

2.4 Updating asset models

After working on asset and acquisition models, I gained skills on how to update market information, validating assumptions made in the asset and acquisition models. The frequent

search for market information is vital since significant variations in the market are likely to affect the performance of the asset and the portfolio in general. I learnt how models can be used to generate information necessary for quarterly and annual reports for both the company and investors.

2.5 Working with other teams related to portfolio management

Working with Tishman Speyer, I also learnt how various teams in the company such as legal, tax, equity capital markets, asset management, acquisition, design and construction, property management and accounts work together with the portfolio management team.

3.0 Conclusion

In deed the internship was a potential experience and exposure in my carrier. Apart from experience, it added me a lot of confidence to work in international boundaries. I must therefore admit that as far as my profession of real estate investment analysis is concerned, Tishman Speyer has by far made me a better person.

