

# Investment Appraisals Workshop

## Who is it for?

This facilitated workshop is **ideal** for colleagues working in NHS estates, strategy, planning, or finance roles. Created for those **with limited or no prior** exposure to investment appraisals.

Aimed at ICBs, provider Trusts, or System Partners who want to **build their foundational knowledge** of the subject.

## Why is it important?

Investment appraisal capability is **crucial to delivering the NHS 10-Year Plan**.

Understanding financial metrics like Internal Rate of Return (IRR) and Net Present Value (NPV), can allow for better informed decisions on investment into the estate - enabling systems to prioritise projects that deliver long-term value, reduce health inequalities, and improve care closer to home. Most importantly it **maximises value** from your estate.

## Why attend?

### By attending, you will:

- Develop a **practical understanding** of how investment appraisals inform NHS estate decisions.
- **Understand Gross Development Value (GDV), Net Development Value (NDV)** and how they are linked to residual land value.
- **Build hands-on experience** in calculations and investment modeling through practical exercises.
- **Gain confidence** in interpreting and questioning financial models.
- **Understand** key valuation concepts, known as 'yields' and their different types; with their implications for property strategy and investment output metrics.
- Learn how to **engage more meaningfully** with stakeholders and partners (e.g. NHSPS, private investors, Trusts).



## How will the **workshop run?**

**Interactive sessions** using our expertise to deliver group exercises, open discussion, and Q&A throughout. Includes a practical worked example and ends with a walkthrough of a hypothetical investment model, showing how assumptions affect key metrics. The workshop is best delivered in groups of 4-12 and can be hosted at your premises or ours.

## What will it **involve?**

This **two-hour introductory session** provides a practical foundation in investment appraisal for healthcare estates. **This can be tailored to real-life examples from your system.**

Using our expertise the session combines presentation, hands-on examples and group activities to build confidence in understanding financial appraisals for estate decisions.

### **Topics include:**

- Introduction to GDV.
- Understanding property yields and how they impact valuation and investment decisions.
- How leases affect value to the freeholder.
- Investment cashflows, IRR, and Net Present Value.
- A hands-on worked example to apply the learning in-context.

Inputs	Annual	Quarterly
Valuation Date	31-Dec-23	
Holding Period	10 yrs	40 qrts
Passing Rent	215,000	53,750
ERV	273,690	68,423
Review period	5 yrs	20 qrts
Rental Growth	2.00%	0.50%
Initial Yield	6.63%	
Exit Yield	8.83%	2.14%
Discount Rate	8.00%	1.94%

**Table 1:** An Assumptions Table on a hypothetical scenario of a health centre acquisition.

## Workshop **feedback**

**4.83/5 Star** - Overall Satisfaction from the workshop (Norfolk & Waveney ICB).

**+100 NPS Score** to the question - Would you recommend this session to an NHS Colleague?

“ **Really helpful session** – explained complex terms in a way that made sense! ”

“ **Engaging and interactive** – I especially appreciated the practical example. ”

“ This helped me understand how financial decisions are made around estate investment. **It's made me feel more confident** asking questions at project meetings. ”



**Contact your Relationship Partner for more information or to discuss next steps:**

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