

Commercial Real Estate Lending

Assess the unique lending risks that commercial properties present



SKILLS
APPLICATION
LAB

2

DAYS

OVERVIEW

To improve the quality of commercial real estate loans and decrease portfolio risks, organizations need commercial real estate lenders to consider more than just net operating income and debt service coverage ratios. In this Skills Application Lab, participants apply the Real Estate Lending Decision Strategy™ in a dynamic, instructor-facilitated training event built around real-world credit case studies that immerse participants in the loan decision process.

WHO SHOULD ATTEND

Anyone with commercial real estate lending responsibilities, including commercial real estate lenders, relationship managers, commercial lenders, credit analysts, and loan review staff who have completed the companion Commercial Real Estate Lending E-Learning course with an assessment score of at least 80%.

RESULTS AND BUSINESS BENEFITS

Upon completion, participants will improve on-the-job performance by:

- Conducting confident conversations with borrowers around their strategies and goals
- Evaluating the effect of each stage of the project on cash flow, NOI, and debt service coverage
- Identifying key risks inherent in the ownership, management, and property
- Assessing the strength of all repayment sources and tailoring an appropriate loan structure

INTERACTIVE EXPERIENCE



Multimedia
Instruction



Group
Collaboration



Instant
Polling



Live
Coaching



Real-World
Cases



Customized
Delivery



SKILLS APPLICATION LABS BY OMEGA PERFORMANCE

Facilitator-led Skills Application Labs provide an exciting and challenging opportunity for lenders to apply the skills and knowledge they've acquired in Omega Performance E-Learning courses. During these live training events, participants evaluate loan opportunities that are brought to life via comprehensive business and personal financial statements, "meetings" with the borrower, and (where applicable) up-to-date industry information. Prior to the event, your facilitator will work with you to incorporate your organization's policies and procedures into the training, and customize the delivery in ways that make it even more meaningful and relevant to your learners. As a result, participants will exit training with experience they need not only to succeed as lenders, but to succeed as lenders *at your organization*.

MOODY'S
ANALYTICS

Omega
performance

LEARNING SOLUTIONS

Interactive Case Studies

① Flex Facility

RIVERBEND INDUSTRIAL BUILDING

OVERVIEW

Local real estate investor George King is seeking a loan to purchase the Riverbend Industrial Building, a 20-year-old office-warehouse flex facility in a 12-building industrial park. While George has a solid track record as an investor and property manager, this particular building poses some challenges: it needs some potentially costly repairs, and one of its eight units has been vacant for years—and may even be unleaseable.

Case details include:

- Borrower: Riverbend Properties, LLC (a special-purpose entity)
- Property: 82,300-square-foot office-warehouse flex facility
- Purchase price: \$7 million
- Loan request \$5.4 million
- Of note: The ownership structure is complex, involving several interlocking entities

PRIMARY CASE STUDY OBJECTIVES

- Identify each related party's ownership interest
- Determine the risks associated with the property's ownership, management, and needed repairs
- Evaluate the impact of changes to the current net operating income and operating expenses

② Neighborhood Shopping Center

PROVIDENCE TOWN CENTER

OVERVIEW

Burnett Development Group is a well-known commercial real estate developer. The group's general partner, David Burnett, and his four limited partners are seeking financing to purchase a 3-year-old, undervalued shopping center. Their goal is to improve the center's market appeal through cosmetic and structural enhancements, then resell it at a profit in four years; however, issues with the existing tenants and future road construction may impact net operating income.

Case details include:

- Borrower: Providence TC Partnership (a special-purpose entity)
- Property: 75,000-square-foot neighborhood shopping center
- Purchase price: \$6.4 million
- Loan request: \$5.4 million
- Of note: The anchor space is vacant, and the tenant has the right to sublet the space

PRIMARY CASE STUDY OBJECTIVES

- Address the risks inherent in tenant turnover, upfitting, and nearby road construction
- Evaluate owners' and managers' ability to successfully complete upgrades and maintain occupancy
- Evaluate likely changes in net operating income and debt service capacity during and after road construction

FIND OUT MORE ABOUT OMEGA PERFORMANCE TRAINING

For detailed course descriptions and to speak with an Omega Performance training consultant, please contact us at:

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