

Analyzing Commercial Real Estate

CREDIT RISK ASSESSMENT AND LENDING DECISION SKILLS FOR COMMERCIAL REAL ESTATE LENDERS



DURATION

12 - 14 hours



DELIVERY CHANNEL

eLearning

Credit Coach Available



Course Modules:

- 1 Credit Analysis Foundations
- 2 The Property
- 3 External Risks
- 4 Property-Specific Risks
- 5 Cash Flow Analysis
- 6 Coverage Analysis
- 7 Property Valuation Issues for Lenders
- 8 Financing and Loan Structure

COURSE OVERVIEW & BENEFITS

Today's commercial real estate lenders must understand a myriad of property-related, economic and financial risks to make good credit and business decisions.

Analyzing Commercial Real Estate (ACRE) provides an analytical framework for assessing risks associated with commercial real estate and improving the quality of lending decisions. It reviews the different types of risks inherent in real estate deals, guides participants through cash flow and coverage analyses, and highlights issues of valuation and loan structuring.

The course leverages Moody's Analytics expertise as a leader in the global credit training industry and features engaging lessons, real-world examples and application exercises, as well as pre-course testing to optimize the learning experience.

LEARNING OBJECTIVE

Develop the skills and knowledge to identify and evaluate the risks associated with commercial property loans, make sound, defensible lending decisions; and build solid loan structures that strengthen the organization's portfolio and decreases its exposure to risk.

COMPETENCIES GAINED

Participants will be able to:

- Distinguish among different types of income-generating properties
- Assess property-specific and external risks associated with lending against commercial properties
- Evaluate the quality of the income a commercial property generates
- Structure historical and projected property cash flow statements and assess a property's ability to generate sufficient cash to repay debt as agreed
- Perform sensitivity analyses to assess a property's ability to continue to generate enough cash flow in less-than-ideal circumstances
- Properly discuss the commercial real estate appraisals process

TARGET AUDIENCE

ACRE is suitable for anyone involved in the commercial real estate lending process, including relationship managers, commercial lenders, credit analysts, underwriters and certain client-facing staff that market to and otherwise work with commercial property owners.