

## Underwriting Intensive II

### How to Underwrite Income Producing Real Estate From a Lending Perspective

Wed, January 18, 2017 – Wed, March 1, 2017

#### Course Description

The course will cover all major facets of underwriting the repositioning of income-producing commercial real estate from a lending perspective. The class will focus primarily on the multifamily sector, however the basic underwriting concepts will be applicable when underwriting transitional office, retail, industrial and hotel properties. Class topics and timeframes (listed below) may change slightly depending on class participation which is strongly encouraged.

Class	Topics to be Covered
<b>Class 1</b>  <i>Wed, Jan 18, 2017</i>	<ul style="list-style-type: none"> <li>• Course introduction</li> <li>• Transitional asset overview</li> <li>• 5 C's of credit</li> <li>• Review of underwriting income producing commercial real estate</li> <li>• Begin the Multifamily Case Study: The Opportunity</li> </ul>
<b>Class 2</b>  <i>Wed, Jan 25, 2017</i>	<b><i>Case Study – Multifamily</i></b> <ul style="list-style-type: none"> <li>• Floating rate loan application</li> <li>• Loan sizing</li> <li>• Takeout analysis</li> <li>• Calculating interest reserves</li> </ul>
<b>Class 3</b>  <i>Wed, Feb 1, 2017</i>	<b><i>Case Study – Multifamily (continued)</i></b> <ul style="list-style-type: none"> <li>• LIBOR Cap analysis</li> <li>• Review of financial analysis</li> <li>• Investment Committee Memo</li> </ul>
<b>Class 4</b>  <i>Wed, Feb 8, 2017</i>	<ul style="list-style-type: none"> <li>• Complete Investment Committee Memo review</li> <li>• Review homework assignment</li> </ul> <p><b><i>Homework Assignment 1 - Deal teams will be given a multifamily broker/deal package, business plan and loan application. Teams will be required to underwrite the transaction, write an Investment Committee Memo, present their analysis and financing recommendations to the class (40% of grade).</i></b></p>
<b>Class 5</b>  <i>Tue, Feb 15, 2017</i>	<ul style="list-style-type: none"> <li>• Class presentations</li> <li>• Case study Q&amp;A</li> <li>• Review second homework assignment</li> </ul> <p><b><i>Homework Assignment 2: - Deal teams will be given a different multifamily broker/deal package, business plan and loan application. Teams will be required to underwrite the transaction, write an Investment Committee Memo and present their analysis and financing recommendations to the class (60% of grade).</i></b></p>

<b>Class 6</b>  <i>Wed, Feb 22, 2017</i>	<ul style="list-style-type: none"> <li>• Final class presentations</li> </ul>
<b>Class 7</b>  <i>Wed, Mar 1, 2017</i>	<ul style="list-style-type: none"> <li>• Final Exam</li> </ul>

**Homework**

As mentioned above, there will be two homework assignments and students will be divided into deal teams to complete. Deal teams will be given a multifamily broker/deal package, business plan and loan application. They will be required to underwrite the transaction, write an Investment Committee Memo and determine whether they would fund the loan based on the terms in the loan application. If not, the Investment Committee Memo should reflect how the loan should be modified. Each deal team will present their analysis and financing recommendations to the class for each assignment.

The committee memos must be typed, stapled and hand delivered at the beginning of class on the date due. Each team member’s name, SSN or CUID must be included. Assignments not handed in on time will not be accepted – no exceptions.

Detailed instructions will be given on the day the assignment is handed out.

**Grading**

Class Presentation 1	25%
Class Presentation 2	40%
Final Exam	35%

**Required Textbook / Materials**

The class materials will be posted on the university’s web site at <https://courseworks.columbia.edu>. Students are expected to download, print and bring to class. There is no required text book, but strongly recommend reading all materials posted to Courseworks prior to class.

**Prerequisites:**

It is highly recommended students have taken the UW Intensive I Class offered in the Fall or have had significant commercial real estate underwriting experience. This is an advanced underwriting class.

**Instructors**

I unfortunately cannot hold on-campus office hours, however I am available by email at the addresses provided below so please email me with any problems or questions.

Professor

**Roger Nussenblatt**

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Teaching Assistant

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