

Underwriting Intensive I

How to Underwrite Income Producing Real Estate from a Lending Perspective

Wed, Nov 1, 2017 – Wed, Dec 6, 2017

Course Description

The course will cover all major facets of underwriting stabilized, income-producing commercial real estate from a lending perspective. Students will learn how to effectively underwrite office, retail, industrial, multifamily and hotel properties. Topics and estimated timeframes are below. Timeframes may change slightly depending on class participation which is strongly encouraged.

Class	Location	Time	Topics to be Covered
Class 1 Wed, Nov 1	113 Avery	6-8pm	• Course Introduction • Industry terms and definitions • Where does underwriting fit into the acquisition process • Underwriting timeline • Anatomy of Real Estate Cash Flow • Underwriting guidelines for each asset class • Transaction Strengths & Weaknesses <i>Hotel Case Study</i> • Understanding the opportunity • Sponsorship
Class 2 Wed, Nov 8	113 Avery	6-8pm	<i>Hotel Case Study (continued)</i> • Loan Application • Sizing & Underwriting the cash flow • Analyzing the competitive set & demand generators • Seasonality • Franchise Agreements & Property Improvement Programs (PIPs) • Site Inspection • How to write an Investment Committee Memo <i>Homework Assignment 1</i> – Each student will be given a hotel broker/deal package, market information and a loan application. Each student will be required to underwrite the transaction, write an Investment Committee Memo and compile an underwriting model (model to be provided).
Class 3 Wed, Nov 15	113 Avery	6-8pm	• Turn in Hotel Investment Committee Memo and model • Take Exam 1 – Open Book – Hotel Concentration (1 hour) • Q&A second hour

Class 4 Wed, Nov 27	113 Avery	6-8pm	Retail Case Study • Understanding the opportunity • Loan Application • Competition • Lease Rollover
Class 5 Mon, Nov 29	113 Avery	6-8pm	Retail Case Study (Continued) • Occupancy Cost Analysis • Co-tenancy • Sizing & stress testing the cash flow Homework Assignment 2 - Each student will be given a retail broker/deal package, market information and a loan application. Each student will be required to underwrite the transaction, write an Investment Committee Memo and compile an underwriting model (model to be provided).
Class 6 Wed, Dec 6	113 Avery	6-8pm	• Turn in Hotel Investment Committee Memo and model • Take Exam 2 – Open Book – Retail Concentration (1 hour) • Q&A second hour

Grading

Homework Assignment 1 25%
Exam 1 – Hotel Concentration 25%
Homework Assignment 2 25%
Exam 2 – Retail Concentration..... 25%

Required Textbook / Materials

The class materials will be posted on the university's web site at courseworks2.columbia.edu. There is no required text book, but strongly recommend reading all materials posted to Courseworks prior to class.

Instructors

Professor

Roger Nussenblatt
Email rogernussenblatt@gmail.com

Teaching Assistant

Alice Guo
Email: yun.guo@columbia.edu