



#### DURATION

2 - 3 hours  
per topic



#### DELIVERY CHANNEL

eLearning



#### Topics:

- 1 Understanding Distressed Market Dynamics
- 2 Analysing Current and Future Cash Flow
- 3 Determining Debt Service Coverage and Long-Term Viability

#### Microlearning

## Distressed Market Series - Commercial Real Estate

### ASSESSING, MANAGING, AND MITIGATING COMMERCIAL REAL ESTATE CREDIT RISK IN A DISTRESSED ENVIRONMENT

#### COURSE OVERVIEW & BENEFITS

In the current distressed market, commercial real estate lenders are faced with many challenges. They must assess economic and market trends, identify the current risks to commercial properties, and closely monitor their existing loans portfolio. In addition, lenders will need to assess a property's ability to withstand a changing competitive environment and determine whether the existing credit facility is viable.

The Commercial Real Estate segment of our Distressed Markets series addresses these challenges with a short, targeted, solution that reinforces employees' competencies with the knowledge and practical skills they can immediately and confidently apply on the job.

The course reviews the different types of risks inherent in real estate deals, guides participants through cash flow and coverage analyses, and highlights issues of valuation in a distressed market.

Participants will be better able to understand the impact of a downturned market, reassess the relevant risk factors under distressed conditions, and explore the best strategies to manage and contain these risks.

#### LEARNING OBJECTIVE

Reinforce employees' competencies to identify and analyse the risks associated with commercial real estate loans in a distressed market and apply best practises to assess and manage these risks.

#### COMPETENCIES GAINED

##### Participants will be able to:

- Evaluate the impact of market trends and the economic environment on commercial real estate viability.
- Identify the factors affecting cash flow, and formulate projections for a property's future performance.
- Identify specific risks to a commercial property's cash flow and valuation arising from the market recession.
- Explain the impact of the distressed market on the debt service coverage ratio.
- Analyse the variables in a sensitivity analysis and determine the effect of current market trends.
- Identify the characteristics of distressed real estate loans and develop strategies for dealing with them.

#### TARGET AUDIENCE

The program 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 work with commercial property owners.

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ASSESSING, MANAGING, AND MITIGATING COMMERCIAL REAL ESTATE CREDIT RISK IN A DISTRESSED ENVIRONMENT

### TOPIC DETAIL

TOPIC	DESCRIPTION
1 Understanding Distressed Market Dynamics	Analyses market dynamics during the pandemic and discusses the factors driving the property market, the short- to medium-term outlook for demand, rental income, and occupancy trends.
2 Analysing Current and Future Cash Flow	Updates traditional cash flow, liquidity, valuation tools, and techniques to determine a commercial property's liquidity level in the current pandemic-induced recession.
3 Determining Debt Service Coverage and Long-Term Viability	Demonstrates how to assess the debt repayment ability of a commercial property in a changing competitive environment, and examines how a property's performance can be affected by downturns in the market.

Each topic contains three engaging components to reinforce skills:



**Relevancy:**

An Expert Speaker webcast exploring the implications of a distressed market. (30 to 35 minutes)



**Best Practices:**

Interactive eLearning that covers key concepts and skills that can be applied on the job. (1 to 1.5 hours)



**Application:**

Online real-world case study to give participants an opportunity to apply the skills they have learned. (30 minutes)