

Where Does Money Come From?



Hello, Dr. Fix-a-Knee's office, how may I help you?



C O	2
M M E	3
R C I A	4
L R E A L	5
E S T A T E	6
<hr/>	
L E N D I N G	7
N O P R E P A Y	8
<hr/>	
A P P R A I S A L	9

Seeing Clearly in Commercial Real Estate Lending

In today's challenging commercial real estate market, clarity is essential. This presentation will explore current market pressures and provide clear solutions to help you navigate these turbulent times.



Market Pressures in Focus



1 Interest Rate Reality

Historic jumps from 3.5% to over 7% have increased monthly debt service by 40-60%. This directly impacts property cash flows and investor returns.

2 Loan Maturity Pressure

\$544 billion in loans maturing through 2025 face significant challenges. Current property values often fall below original loan amounts, requiring substantial additional equity.

3 Property Performance Stress

Reduced net operating income, increased vacancy rates, and rising operational costs are squeezing margins. This creates a perfect storm for property owners and lenders.

Clear Solutions: Loan Extensions

1

Extended Amortization

Reamortizing the loan over a longer term can reduce monthly payments, easing cash flow. Extending the repayment period, helps align debt obligations with the business's strategic goals.

2

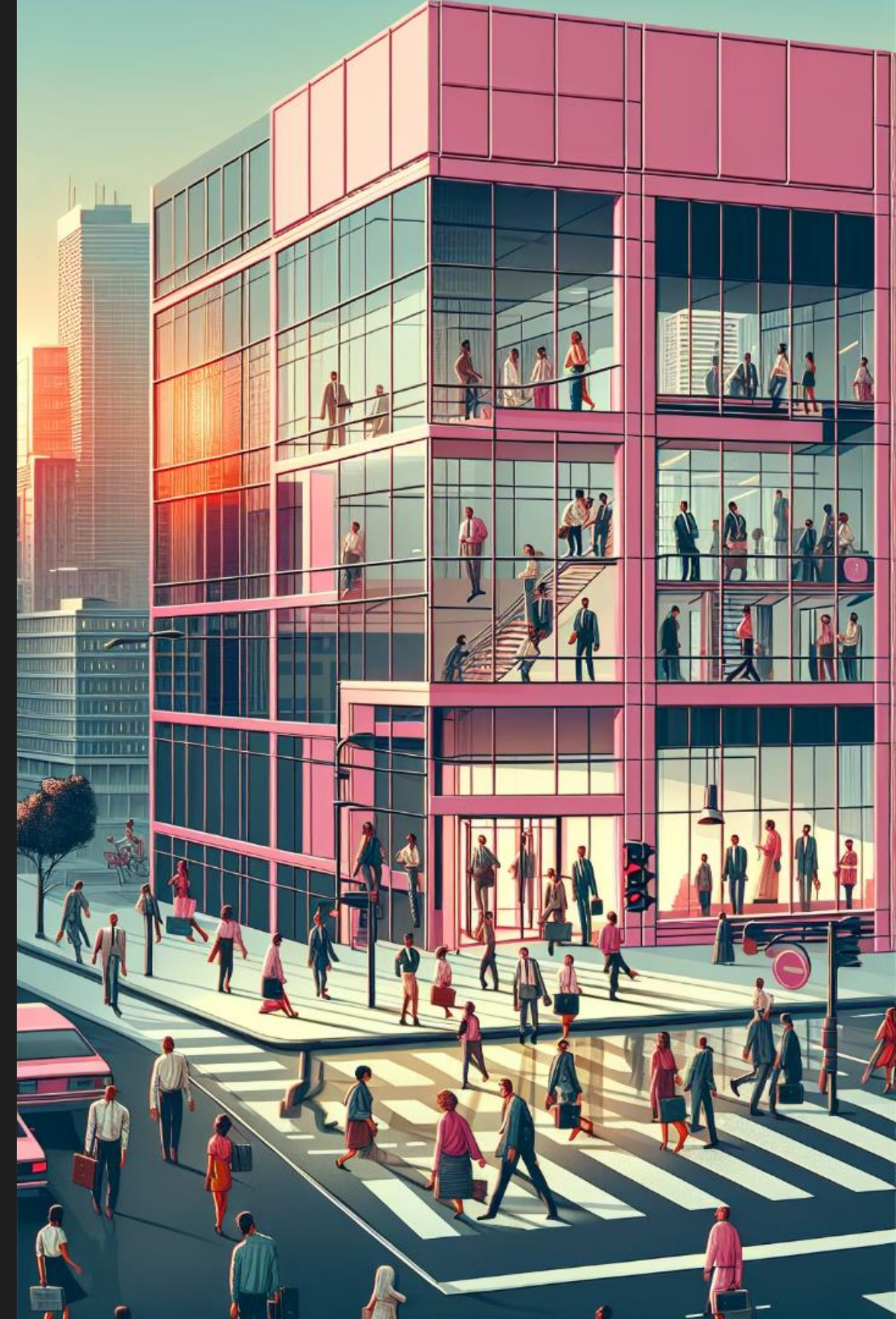
Stabilization Strategy

Present a clear plan to improve property value. This may include renovations, repositioning, or aggressive leasing efforts.

3

Interest-Only Payments

Implementing short-term interest-only payments lowers immediate obligations allow borrowers to stabilize cash flow during economic challenges.



Refinancing? Seeking a New Loan?

= New Requirements

“Suggested” Debt Service Coverage Ratio: Minimum 1.25xx

Maximum Loan to Value: 75% Inv 90% OO

Increased Cash Reserves: Certain Sectors





Clear Path to Approval

1

Updated Financial Statements

Provide current personal and business financial statements. Include three years of tax returns for comprehensive review.

2

Debt Schedule

Submit a detailed schedule of business debt. This helps lenders assess overall financial health and capacity. GLOBAL DEBT SERVICE.

3

Property Performance Data

Present detailed, up-to-date property performance metrics. This information drives faster, more informed lending decisions.

Case Study - Office

Location: The Midwest

Overview: 193,134 SF, 6th & 7th floors

Loan: \$18.5MM

Appraised: \$32.4MM

Mitigants

Remote Workers: Master lease requirement

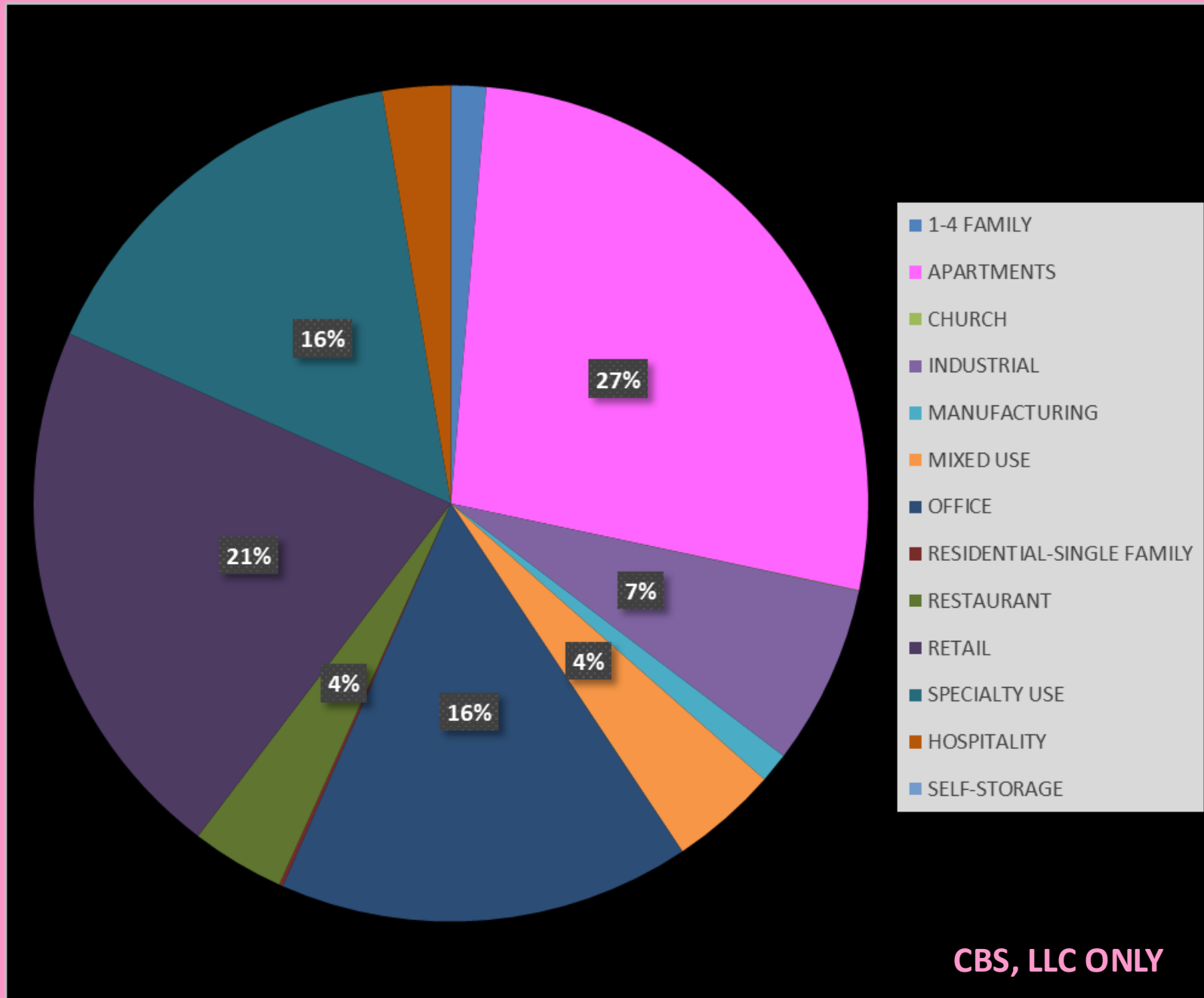
LTV: 58%

Guarantee: Unlimited, 40MM SF under ownership

Reserve Requirement: \$250K, NOI quarterly sweep



Curious About Closings? YTD





Building Clear Partnerships



Transparent Communication

Foster open, honest dialogue throughout the lending process. Address concerns proactively to build trust.



Clear Expectations

Set realistic goals and timelines from the initial discussion. This aligns all parties for smoother transactions.



Consistent Approach & Follow Through

Maintain a steady, reliable process. This builds confidence and strengthens long-term relationships between lenders and borrowers.



®

Cooperative
Business Services



Leslie A. Biskner, CCIM

Executive Vice President/Commercial Lending Group

O: 888.697.6555 x 108 | M: 614.203.8188

lbiskner@cbscuso.com | www.cbscuso.com

The Power of Collaboration ®