CONCEPT

Commercial Real Estate Lending Course: DSCR, LTV, Rent Rolls and Construction Loans

16 – 20 May 2027
Riyadh - KAFD district five-star



Commercial Real Estate Lending Course: DSCR, LTV, Rent Rolls and Construction Loans

Ref: 1698_26541 **Date:** 16 – 20 May 2027 **Location:** Riyadh - KAFD district five-star **Fees:** 20000 SAR

Introduction:

Commercial real estate lending, covering DSCR, LTV, rent rolls and construction loans, is the subject of this 1-week course for bank property finance, credit risk and loan monitoring teams, ending with a Property Loan Underwriting and Monitoring Plan for a case lender. Lenders lose money when net operating income is overstated, tenant rollover is ignored, loans are sized on optimistic values and construction draws run ahead of verified progress. Nominees already originate, analyse or monitor property loans and work through case studies built on rent rolls and draw requests. CoreConcept Training Center delivers this commercial real estate lending course.

Course Objectives:

- Classify commercial property loan types, from bridge and construction facilities to stabilised investment loans, and match each to its repayment source
- Normalise net operating income from operating statements and rent rolls, adjusting for vacancy, rollover, non-recurring income and capital reserves
- Size a property loan as the lowest amount allowed by DSCR, debt yield and LTV constraints and defend the binding test
- Assess tenant concentration, lease expiry profiles and sponsor strength to set pricing, structure and recourse terms
- Control construction loans through loan-to-cost limits, interest reserves, cost-to-complete checks and evidence-based draw release
- Monitor property loan covenants, grade watchlist cases and select restructuring or workout options for stressed assets

Target Audience:

- Property finance teams responsible for originating and structuring loans secured on income-producing commercial property
- Credit risk teams responsible for reviewing and approving commercial property loan applications
- Construction lending teams responsible for draw requests, cost monitoring and completion risk
- Portfolio monitoring teams responsible for covenant testing, property reporting and watchlist reviews
- Special assets and recovery teams responsible for restructuring and working out stressed property loans

Course Outline:

Day 1: Commercial Property Lending Landscape and Loan Types

- Property Loan Taxonomy Across Bridge, Construction and Term Facilities
- Asset Class Risk Profiles for Office, Retail, Industrial and Hospitality
- Recourse Versus Non-Recourse Structures and Sponsor Support
- Property Cash Flow Repayment Source Versus Corporate Cash Flow
- Commercial Property Loan Book Current-State Concentration Review

Day 2: Net Operating Income, Rent Roll and Tenant Analysis

- Rent Roll Audit Against Signed Leases and Payment History
- Operating Statement Normalisation From Gross Income to NOI
- Vacancy, Collection Loss and Market Rent Reversion Adjustments
- Lease Expiry Schedule and Tenant Rollover Risk Mapping
- Tenant Credit Quality and Anchor Concentration Scoring

Day 3: Loan Sizing with DSCR, Debt Yield, LTV and Pricing

- DSCR Loan Sizing Using Underwritten NOI and Amortisation
- Debt Yield Test Independent of Interest Rate Assumptions
- LTV Limits Using Lender-Reviewed Valuation and Capitalisation Rate
- Combined LTV Where Mezzanine or Second Charges Exist
- Risk-Based Pricing Grid by Asset Class and Leverage Band

Day 4: Construction Loans, Covenants and Stressed Property Credits

- Loan-to-Cost Limits and Equity-First Funding Sequence
- Construction Draw Request Review With Quantity Surveyor Certification
- Cost-to-Complete Test and Interest Reserve Adequacy Check
- Property Covenant Set for DSCR, LTV and Occupancy Triggers
- Watchlist Grading, Cash Sweep and Workout Option Selection

Day 5: Case Study Underwriting and Monitoring a Property Loan

- Case Lender Data Pack of Rent Rolls and Statements
- Case NOI Normalisation and Binding Sizing Constraint Calculation
- Case Construction Draw Schedule and Cost-to-Complete Review
- Case Covenant Breach Scenario and Workout Recommendation
- Property Loan Underwriting and Monitoring Plan Completion and Defence

Skills You Will Gain:

- Rent Roll Verification
- NOI Normalisation
- Property Loan Sizing
- Tenant Rollover Analysis
- Construction Draw Control
- Cost-to-Complete Assessment
- Watchlist Grading
- Property Workout Structuring

Why Attend This Course:

- Deliver a Property Loan Underwriting and Monitoring Plan to the head of real estate finance and the credit committee as a reference for new property loans
- Decide the maximum loan on an income-producing or construction asset by identifying which of DSCR, debt yield or LTV binds
- Avoid releasing construction funds ahead of certified progress and lending against income that a rent roll does not support
- Share rent roll checklists, sizing templates and draw review procedures with origination, credit and monitoring colleagues

Conclusion:

Back at work, the participant presents the Property Loan Underwriting and Monitoring Plan to the head of real estate finance, the credit committee and the portfolio monitoring unit. Credit approvers use its sizing workings, tenant risk review and construction draw controls when deciding new commercial property loans and renewals, while monitoring staff use its covenant set and watchlist grades for existing exposures. After the first quarterly review cycle, the unit should compare underwritten NOI with reported income, check draw exceptions and update the sizing parameters and covenant triggers.

Frequently Asked Questions FAQ:

What should participants know before the commercial real estate lending course?

Participants should already work on property loans in origination, credit, construction lending or monitoring and be comfortable with spreadsheet calculations. Bringing an anonymised rent roll, operating statement or draw request helps them relate the case study work to their own portfolio.

How does commercial real estate lending differ from development appraisal or corporate credit analysis?

It takes the lender's view of a single property as the repayment source, sizing loans from NOI, DSCR, debt yield and LTV and controlling construction draws. Development appraisal courses price land and scheme returns, while corporate credit courses analyse a company's whole financial statements.

Why does commercial real estate lending use debt yield as well as DSCR and LTV?

Debt yield divides NOI by the loan amount, so it does not move with interest rates, amortisation or capitalisation rate assumptions. It gives lenders a stable check when low rates inflate DSCR or strong markets inflate valuations and LTV headroom.

What do participants take back from the commercial real estate lending course?

Participants take back a Property Loan Underwriting and Monitoring Plan for a case lender, with a rent roll checklist, NOI normalisation template, loan sizing worksheet, construction draw review procedure, covenant set and watchlist grading table.