Training course on Debt and Equity Financing for Commercial Real Estate

Professional Development Training Course Outline

Category	Real Estate Institute	**Duration**	5 Days
Base Fee	$1,500 USD	**Delivery Mode**	Online / On-site Hybrid

Course Introduction

In the capital-intensive world of commercial real estate (CRE), understanding and strategically utilizing Debt and Equity Financing is fundamental to acquiring, developing, and operating successful properties. The capital stack, a layered representation of the various financing sources, dictates risk, return, and control for all stakeholders. From senior debt and mezzanine loans to preferred equity and common equity, each layer carries distinct characteristics and implications for a CRE project's financial viability and investor returns. Mastering this discipline requires a deep understanding of loan structures, equity participation, risk assessment metrics (e.g., LTV, DSCR), and the ability to combine different capital sources optimally. For real estate investors, developers, lenders, and financial analysts, the capacity to structure and negotiate diverse financing arrangements is paramount for unlocking investment opportunities, managing financial risk, and maximizing project profitability. Failure to effectively navigate the complexities of CRE debt and equity financing can lead to funding shortfalls, inefficient capital structures, and missed investment potential. Training Course on Debt and Equity Financing for Commercial Real Estate is meticulously designed to equip the advanced theoretical insights and intensive practical tools necessary to excel. We will delve into sophisticated methodologies for analyzing the commercial real estate capital stack, master the intricacies of structuring various debt instruments (e.g., senior, mezzanine, construction loans), and explore cutting-edge approaches to evaluating equity financing options (e.g., common, preferred equity, joint ventures). A significant focus will be placed on understanding risk-return profiles, calculating key lending metrics (Loan-to-Value, Debt Service Coverage Ratio, Debt Yield), navigating capital markets, and aligning financing with project objectives. Furthermore, the course will cover essential aspects of deal structuring, negotiation tactics, and adapting to evolving market conditions and regulatory environments. By integrating industry best practices, analyzing real-world complex CRE financing case studies, and engaging in hands-on capital structuring and financial modeling exercises, attendees will develop the strategic acumen to confidently secure optimal financing, foster unparalleled project viability and investor returns, and secure their position as indispensable assets in the forefront of commercial real estate finance.

Programme Curriculum

Training Course on Debt and Equity Financing for Commercial Real Estate

Introduction

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Course Objectives

Upon completion of this course, participants will be able to:

1. Analyze the fundamental principles and strategic importance of **Debt and Equity Financing for Commercial Real Estate**.
2. Understand the **structure and hierarchy of the Commercial Real Estate Capital Stack**.
3. Master methodologies for evaluating and structuring **senior debt financing** (e.g., commercial mortgages, construction loans).
4. Develop expertise in comprehending and applying **mezzanine debt and preferred equity** within the capital stack.
5. Formulate comprehensive strategies for **structuring common equity investments** (e.g., syndications, joint ventures).
6. Comprehend and calculate key **lending metrics: Loan-to-Value (LTV), Debt Service Coverage Ratio (DSCR), and Debt Yield**.
7. Analyze the **risk and return characteristics** of different layers within the capital stack.
8. Understand the various **sources of debt and equity capital** in the commercial real estate market.
9. Apply principles of **deal structuring and negotiation tactics** for optimal financing.
10. Explore the impact of **macroeconomic factors and interest rates** on CRE financing decisions.

11. Anticipate and adapt to **emerging trends and innovations** in commercial real estate finance.
12. Design an optimal **Debt and Equity Capital Stack Strategy** for a commercial real estate project.
13. Understanding Risk and Return Across Different Layers of the Capital Stack.

Target Audience

This course is designed for professionals and aspiring individuals involved in financing commercial real estate:

1. **Real Estate Developers:** Securing capital for new projects.
2. **Real Estate Investors:** Structuring investments and managing returns.
3. **Commercial Lenders & Underwriters:** Assessing loan viability and risk.
4. **Financial Analysts:** Modeling complex capital structures.
5. **Private Equity Real Estate Professionals:** Understanding fund-level financing.
6. **Capital Advisors & Brokers:** Connecting projects with capital sources.
7. **Real Estate Law Professionals:** Drafting financing agreements.
8. **MBA/Finance Students:** Specializing in real estate finance.

Course Duration: 5 Days

Course Modules

Module 1: Introduction to Commercial Real Estate Financing

- The Capital Intensive Nature of Commercial Real Estate.
- Overview of the Commercial Real Estate Capital Stack: Hierarchy of Claims.
- Understanding Risk and Return Across Different Layers of the Capital Stack.
- The Importance of Optimal Capital Structuring for Project Success.
- Case Studies: Examples of Diverse Capital Stacks in CRE Projects.

Module 2: Senior Debt Financing

- **Commercial Mortgages:** Fixed-Rate, Floating-Rate, and Hybrid Loans.
- **Construction Loans:** Drawdown Schedules, Interest Reserves, Completion Guarantees.
- **Bridge Loans:** Short-Term Financing for Acquisitions or Value-Add Projects.
- **CMBS Loans:** Commercial Mortgage-Backed Securities and Securitization.
- Key Terms and Covenants in Senior Loan Agreements.

Module 3: Key Lending Metrics and Loan Sizing

- **Loan-to-Value (LTV) Ratio:** Calculation, Industry Standards, and Impact on Leverage.
- **Debt Service Coverage Ratio (DSCR):** Calculation, Minimum Requirements, and Cash Flow Assessment.
- **Debt Yield:** Calculation and its Significance from a Lender's Perspective.
- Applying these Metrics for Loan Sizing and Risk Assessment.
- Impact of Interest Rates and Amortization on Debt Service.

Module 4: Mezzanine Debt

- Positioning of Mezzanine Debt in the Capital Stack (Subordinate to Senior Debt, Senior to Equity).
- Characteristics of Mezzanine Loans: Higher Interest Rates, Unsecured Nature.
- Structure of Mezzanine Deals: Intercreditor Agreements, Equity Collateral.
- When to Use Mezzanine Debt: Bridging Funding Gaps, Maximizing Equity Returns.

- Risk-Return Profile of Mezzanine Lenders.

Module 5: Preferred Equity

- Positioning of Preferred Equity in the Capital Stack (Subordinate to All Debt, Senior to Common Equity).
- Characteristics of Preferred Equity: Fixed Return, Participation Rights.
- Distinguishing "Hard" vs. "Soft" Preferred Equity.
- Preferred Equity vs. Mezzanine Debt: Key Differences and Use Cases.
- Negotiating Preferred Return and Participation Terms.

Module 6: Common Equity and Equity Sources

- **Common Equity:** The Riskiest but Potentially Highest Returning Layer.
- Sources of Common Equity: Developer Equity, High-Net-Worth Individuals, Family Offices.
- **Real Estate Syndication:** Pooling Capital from Multiple Passive Investors.
- **Joint Ventures (JVs):** Partnerships Between Developers (GPs) and Capital Providers (LPs).
- Equity Contributions, Capital Calls, and Profit Distribution Principles.

Module 7: Capital Markets and Funding Sources

- **Traditional Lenders:** Commercial Banks, Credit Unions, Life Insurance Companies.
- **Non-Bank Lenders:** Debt Funds, Private Credit Funds.
- **Equity Capital Providers:** Private Equity Real Estate Funds, REITs, Institutional Investors.
- Emerging Sources: Crowdfunding Platforms, Government-Backed Programs.
- Navigating the Capital Markets Landscape for CRE.

Module 8: Deal Structuring, Negotiation, and Future Trends

- Optimizing the Capital Stack for Different Project Types (Acquisition, Development, Value-Add).
- Aligning Interests Between Debt and Equity Providers.
- Negotiation Strategies for Loan Terms, Equity Splits, and Waterfall Structures.
- Impact of Macroeconomic Cycles and Regulatory Changes on Financing.
- Future Trends: Green Financing, AI in Loan Underwriting, Blockchain for Capital Raising.

Training Methodology

- **Interactive Workshops:** Facilitated discussions, group exercises, and problem-solving activities.
- **Case Studies:** Real-world examples to illustrate successful community-based surveillance practices.
- **Role-Playing and Simulations:** Practice engaging communities in surveillance activities.
- **Expert Presentations:** Insights from experienced public health professionals and community leaders.
- **Group Projects:** Collaborative development of community surveillance plans.
- **Action Planning:** Development of personalized action plans for implementing community-based surveillance.
- **Digital Tools and Resources:** Utilization of online platforms for collaboration and learning.
- **Peer-to-Peer Learning:** Sharing experiences and insights on community engagement.
- **Post-Training Support:** Access to online forums, mentorship, and continued learning resources.

Register as a group from 3 participants for a Discount

Send us an email: info@fineskilltrainingcenter.com or call +254769199797

Certification

Upon successful completion of this training, participants will be issued with a globally recognized certificate.

Tailor-Made Course

We also offer tailor-made courses based on your needs.

Key Notes

- Participants must be conversant in English.
- Upon completion of training, participants will receive an Authorized Training Certificate.
- The course duration is flexible and can be modified to fit any number of days.
- Course fee includes facilitation, training materials, 2 coffee breaks, buffet lunch, and a Certificate upon successful completion.
- One-year post-training support, consultation, and coaching provided after the course.
- Payment should be made at least a week before the training commencement to FINESKILL TRAINING CENTER account, as indicated in the invoice, to enable better preparation.

Upcoming Scheduled Sessions

Start Date	End Date	Location	Price
07 Sep 2026	11 Sep 2026	Physical	$1,500
14 Sep 2026	18 Sep 2026	Physical	$1,500
21 Sep 2026	25 Sep 2026	Physical	$1,500
28 Sep 2026	02 Oct 2026	Physical	$1,500
05 Oct 2026	09 Oct 2026	Physical	$1,500
12 Oct 2026	16 Oct 2026	Physical	$1,500
19 Oct 2026	23 Oct 2026	Physical	$1,500
26 Oct 2026	30 Oct 2026	Physical	$1,500

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