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From: S. Patel
To: D. Rowe, Finance Team
Date: March 4
Subject: Glenview Industrial – Model not tying out

Just ran through the Glenview model again. Something off in the debt service tab—line 38 showing 1.62 DSCR which can't be right given NOI 1.9M and debt svc 1.75M. Should be closer to 1.08×. Also, cap calc still pulling from "stabilized" NOI (2.3M) instead of in-place.

Randy mentioned we could quote 7.0 cap "if clean," but that assumes the renewal on the 48k SF tenant. They've sent an LOI but no executed doc. Might need to haircut occupancy to 88 % until it's firm.

Hard costs came in light again. Budget from Precision says 9.8M; spreadsheet still 9.3M. Check if we're including the extra dock doors (six at 45k ea?).

If we keep base rent at 8.75/SF and push expense recovery, IRR looks like ~9.4 % levered. Not great but maybe fine if we trim equity to 20 %. Lender term sheet says 70 % LTC, 8.2 % fixed, IO 18 mo.
Still feels tight.

Reply – D. Rowe:
The 1.62 is a carryover from test scenario (no interest reserve). I'll clean.
Regarding Precision, they've confirmed change order pricing; will re-upload revised PDF.

Also note, land cost line in sources tab still includes old broker fee. Delete row 7.

From: S. Patel
ok, just make sure the version we send to credit Monday matches the new rent roll (tenant "Superior Plastics" now 44k SF not 46k). I'll re-run yield-on-cost once the DSCR fixes. Expect 7.9–8.1 % if we assume full lease-up Q2 next year.

Reply – R. Lin (Analyst):
Can confirm – comps on similar industrial in Elgin closed at 6.7–7.1 cap, but those were newer builds. If we haircut 50bps for age, value ~25M feels fair.

Final note – S. Patel:
Alright, leave it conservative. Call it 24.5M value, LTV about 82 %. We'll caveat: *proceed subject to lease execution and updated budget confirmation.*