## **Auburn Ridge Business Park – Refinance Overview (Industrial / Warehouse)**

**Deal Overview:** Auburn Ridge is a two-building industrial park totaling 310 k SF located in a tertiary Michigan market. The borrower requests a refinance at an increased valuation following limited capital improvements. The property is 74 % occupied, with two short-term leases rolling within twelve months and a 30 k SF vacancy in Building B that has been vacant since 2023.

**Key Underwriting Metrics:**

* **Current Loan Request:** 22.5 MM (@ 5.85 % fixed, 5-year term)
* **As-Is Value:** 26.8 MM (84 % LTV)
* **NOI:** 1.42 MM (stabilized Yr-2 1.56 MM)
* **Cap Rate:** 5.3 % vs. 7 % market average
* **DSCR:** 0.96× → 1.12×
* **IRR (levered):** ≈ 8.6 %
* **Tenant Concentration:** Top two tenants = 58 % of GLA

**Observations:** The rent roll is heavily front-loaded with lease expirations in 2026. Borrower has not budgeted sufficient TIs/LCs (underwritten $2 psf vs. historical $5). Insurance increased 18 % YoY with no offset. Vacancy and roll risk combined create coverage pressure.

**Committee Feedback:** Refinance request considered premature; value not supported by market cap. Recommend reduce proceeds to ≤ 20 MM or require additional equity injection.