

11:10 am – 12:00 pm - Concurrent Session 1A

Retail in Motion: Investment Trends, Financing Reality, and Deal Flow

Session Description

This panel of industry-leading owners and financiers will discuss the current environment for investing in and financing retail properties. Hear about recent deal flow, availability of credit, and what it takes to get transactions over the finish line today. Other topics discussed will interest rate trends, underwriting standards, and AI implementation.

Panel Members

Moderator	Jason Miller Chief Investment Officer Grand Sakwa Properties 28470 13 Mile Road Farmington Hills, MI 48334 P: (248) 538-6370 E: jmiller@grandsakwa.com
Panel Members	
Richard Broder Partner & Founder Broder Sachse Real Estate 3663 Woodward Ave., Suite 550 Detroit, MI 48201 P: (313) 765-1480 E: rbroder@brodersachse.com	Andrew Bell Managing Director Lormax Stern Development Company 38500 Woodward Avenue, Suite 200 Bloomfield Hills, MI 48304 P: (248) 530-9418 E: abell@lormaxstern.com
Adam Gould Senior Vice President BWE – Bellwether Enterprise 1915 Southfield Road Birmingham, MI 48009 P: (248) 686-2833 E: adam.gould@bwe.com	David Skaff Senior Vice President CRE Relationship Manager, Sr. Old National Bank 2723 S. State Street, Suite 210 Ann Arbor, MI 48104 P: (734) 887-2630 E: dave.skaff@oldnational.com

- I. Introductions
 - a. Moderator
 - b. Panelists

- II. Retail Investments and Developments
 - a. Richard & Andrew
 - i. What's the latest on the development side for you guys? Are you guys currently active with ground-up construction?
 - ii. Have you seen acquisition activity picking up for Retail Properties?
 - 1. Buy-side and Sell-side or neither?
 - 2. If so, stabilized or value-add?
 - b. Dave & Adam
 - i. How is activity for you on the acquisition and development financing fronts?
 - 1. Bank, Lifeco, CMBS?
 - 2. Plenty of dry powder but not enough Retail deals starting or being acquired?

- III. Interest Rates, Cap Rates, Leverage, and DSCR
 - a. Dave & Adam
 - i. Recent trends in SOFR and Treasury Yields.
 - ii. Recent trends in Credit Spreads
 - iii. All in rates in today's Lending environment?
 - b. Richard & Andrew
 - i. Recent trends in Cap Rates
 - ii. How has this affected LTV?
 - iii. Are Appraisals still supporting current cap rates in the market?
 - c. Everyone
 - i. Lifeco vs. Bank vs. CMBS
 - 1. Who is more DSCR constrained and who can push leverage more?
 - 2. What do Max LTVs, Max LTCs, and Min DSCRs look like today for different sources?
 - 3. Construction vs. Bridge vs. Permanent?

- IV. Lending Liquidity for Retail Properties in 2026
 - a. Regional and Local Banks – Dave
 - i. For a couple of years in a row, it seems like Regional and Local Banks have been on pretty solid footing, right? Anything specific to note with Retail lending targets, etc.
 - b. Lifeco, CMBS and CLO Bridge Liquidity – Adam
 - i. Similar to last year, it seems like we still have a demand issue versus a supply issue?
 - ii. Seems like most lenders have plenty of liquidity, but a few Lifecos are pretty full-on Retail after topping off on the asset class over the last few years?

- iii. CMBS will pretty much fund as much Retail financing as possible.
 - c. Richard and Andrew, what is your take on access to Lending for Retail Properties?
 - d. Different kinds of financing for Grocery-Anchored properties vs. Neighborhood vs. Neighborhood Centers vs. STNL properties?
- V. Underwriting Standards and Timelines
 - a. Underwriting has continued to be rigid with no stone left unturned.
 - b. No cutting corners on up-to-date Tax & Insurance Costs
 - i. Appraisers seem to be taking most tax numbers all the way up to the uncapped value for appraisal purposes.
 - ii. Insurance costs continue to go up, and some Lenders want to increase taxes for underwriting purposes by 5-10% of the existing policy cost.
 - c. Is 60 days still customary for closing a Loan once a Loan Application has been signed?
 - i. Sellers on acquisition deals can certainly hold up the process and Lenders for Buyers will still need to obtain all DD that a Lender will need.
 - ii. Patience can certainly be necessary on acquisition deals.
- VI. Artificial Intelligence for Investing and Financing Retail Properties
 - a. Corporate Use of Ai for Sponsors and Lenders
 - i. Placer Ai
 - ii. Click Ai
 - iii. Copilot/Chat GPT
 - iv. Adam - BWE IT Group, which now has an entire Ai staff and is testing certain functions for Ai. Some examples include:
 - 1. Testing the ability to issue Loan Applications, Commitment Letters with Salesforce Data for deals
 - 2. Insurance Reviews for Loans
 - 3. Compare 3rd Party Reports to Deal Underwriting
 - v. Review Leases and generate Estoppels
- VII. Overall Property performance and Loan performance
 - a. Retail properties seem to be performing very well other than a handful of big box tenants and some STNL properties.
 - i. Rich and Andrew?
 - ii. Adam & Dave, have you seen any notable servicing issues in your Retail Loan portfolios?
 - b. Has everyone been seeing quick re-tenanting when tenants leave? Big box, SNTL, In-line, etc.?
- VIII. Other Potential Topics if we need to fill time?
 - a. How are geopolitical issues and tariff uncertainty affecting deal flow and lending?

