

BMC Capital Internship

BMC Capital, LP has their corporate office located in Dallas, Texas, with smaller offices in St. Louis, Austin, San Antonio, Houston, Denver, and Santé Fe. BMC Capital is recognized as a leader in commercial real estate financing from \$500,000 to \$15 million. The firm is a direct lender and capital markets intermediary. Their capital markets expertise and local real estate knowledge allows them to provide some of the best capital markets execution for clients across the country. BMC Capital's services include origination of commercial mortgage loans, bridge lending, mezzanine lending, construction lending, loan assumptions, and loan servicing. While BMC is best known for small balance lending, the firm has the capability to finance individual loans up to \$100 million. BMC services its clients through a network of nationwide offices. Founded in 1991, the firm has financed billions of dollars of transactions for thousands of customers.

As an intern at BMC Capital, versatility was demanded. My core assignments were to calculate underwriting for the Loan Officers at their respective offices, create marketing packages for the Loan Officers to send to clients, and provide market analysis for the Loan Officers in markets across the country.

Before I came to Dallas this summer, I did not even know what underwriting was and had very little knowledge of the financial world other than an introductory finance class. At BMC, as an underwriter, I quickly learned all the nuances that go into making projections for commercial real estate properties. I have learned what to dismiss on an income and expense statement, and I have learned how to classify items for bigger categories such as Repairs and Maintenance or

General Administrative costs. It was also interesting to read over the personal financial statements and resumes of our extremely affluent clients to see their past experiences and whether they were credible for deals.

Here is an example of the underwriting and analysis I did for a retail property (2014, T6M, T3M, T1M): “The property seemed to be cash flowing nicely with a Debt Service Coverage ratio (DSCR) of over 2.000x and a Cap Rate of 12%. I then did a tenant overview and found there were 11 tenants totaling 30,000 Sq. Ft with one vacancy. The one vacant tenant was the smallest tenant at 1200 Sq. Ft. On average, most leases expired in 2019 or after.”

When providing market analysis for the Loan Officers, I was asked to use multiple resources to come up with the information necessary for the particular market. I learned how to use commercial real estate databases-CoStar Property and LoopNet. CoStar and LoopNet gave me extensive information about the building, sales price, demographics, competitors, among other things. I also did research online for other information, including major employers and unemployment rates, which was needed to determine the value of a commercial property in a particular market. The following paragraph is an example of an executive summary I wrote for a property located in Austin, Texas:

“The property is located in Austin, Travis County, Texas. With a population of approximately 1.7 million residents, the Austin MSA is the 35th largest metropolitan area in the United States. The Austin MSA increased over 4% over the past decade and continues to demonstrate solid growth and is considered one the best cities to live in the United States. The city of Austin reported a 2010 population of 790,390, making it the fourth –largest city in Texas.

Austin is the nation's No. 2 "Nation's Top Performers through the Recession and the Recovery" according to the Brookings Institution (4/14/2014). It is also ranked No. 1 "Best City for Future Job Growth" and leads a list of seven Texas metros that rank among the 10 areas expected to have the fastest job growth through 2015, according to Forbes. Major employers in the area include Dell Inc., IBM, AMD, Central Market, and State and Local government. The apartments are conveniently located in north central Austin, just 2 blocks north of U.S. Highway 183. Access to the Central Business District, approximately 8 miles to the south, is via Mopac Blvd. or I-35. The surrounding area is comprised of neighborhood restaurants, retail shops and commercial uses along Highway 183, Burnet Rd. and Ohlen Road, as well as other multi-family properties and single-family homes in the \$100,000 to \$125,000 range. Major employers such as Freescale Semiconductors, Dell, IBM, and the University of Texas Pickle Research Center are nearby. Constructed in 1973, the property has 44 units with approximately 39,360 square feet on 1.45 acres of land. The owner has recently completed improvements to the apartments including roof and A/C replacements, new laundry equipment, exterior paint, siding replacement, and interior rehabilitation".

The BMC internship experience taught me that I can work really well independently. I am young and should not restrict myself to opportunities based on location or whether I know someone. When forced to be on your own, there is no telling who you will meet if you have an open mindset.

Towards the beginning of the internship, I was frustrated with the bombardment of information and tasks that seemed insurmountable, but as I became more knowledgeable about

the commercial real estate work, I learned to like the work I was doing. I am not entirely sure how the internship has affected my career goals, but I do know I have learned valuable skills and made quality connections that will help me with my future career.