



## LEADS &amp; POTENTIAL OPPORTUNITIES

## Methodology

In the course of integrating the tracking of **Troubled Assets (TA)** into our system we are presented with many cases that are not quite troubled (that we used to call Potentially Troubled) but are more accurately classed as **Leads and Potential Opportunities**. These are situations that may fall into distress but are not currently before the courts or otherwise meeting the criteria to be classed as truly troubled. It is just this less-distressed status that makes these of interest to investors looking for more stabilized properties or new projects for the next cycle.

RCA's **Leads and Potential Opportunities (LPO)** allows subscribers to search by US geography as desired for all LPO properties or by selecting among properties classed along the following subtypes.

### Lead & Opportunity Subtype:

- **Deferred/Abandoned** - Development that has been stalled or abandoned before breaking ground or starting serious construction.
- **Maturing Loan** - Deal with a loan due to mature within 12 months, while credit markets remain tight those needing financing will struggle to find willing lenders.
- **Underperforming Conversion/Redevelopment** - Deal in which the buyer had planned to convert the property into condos and sell off individually or otherwise redevelop but for any number of reasons could not proceed with the conversion or is left with a significant portion of unsold units.
- **Challenged Development** - Development has been delayed, halted, scaled back, or cancelled due to reasons including but not limited to: failure to sell or lease initial units, funding cut off from a lender. To differentiate these from the above category, these properties are new ground up development.
- **Tenant Bankrupt** - Deal in which the bankruptcy of a tenant represents a large enough % of occupancy that it may imperil the borrower's ability to service debt or otherwise operate the asset.
- **Owner Financially Troubled** - Deal in which the owner of the property is under financial pressure generally, but not necessarily relating to this specific property.

Please see the Troubled Asset Methodology document at [www.rcanalytics.com](http://www.rcanalytics.com) for more detail on the overall research process.