



Your Roof May Leak

by Steve Banegas

Have you ever noticed after a bad hail storm that a lot of people go into the roofing business? Obviously, there is money to be made in roofing at that particular point in time and opportunistic people know this. So, why not be a roofer? How hard can it be if you know how to hammer down shingles?

The difference in quality is only seen over time...when leaks occur. And try to get that opportunistic roofer to repair his shoddy work 3 years later. He may not even be in the roofing business anymore.

CMBS borrower/owner advocacy is no different. Many people entered the space either after the big "storm" of 2008 when all the CMBS loans defaulted or are entering now in anticipation of the huge tsunami hitting land soon in the form of CMBS maturities which are overleveraged. They are opportunistic people who see big opportunities. No one can fault them for that. As an owner though, you need to do your research and know which borrower advocates have done this as their core business, way before the first storm of 2008, and which ones have jumped in to take advantage of the big storms.

You don't want a leak later on...