



Real Estate Asset Management Risk Scorecard

Assess portfolio risk before it becomes a performance problem. This scorecard helps real estate owners, operators, and asset managers evaluate eight critical risk areas — and identify where corrective action may be needed before market conditions expose hidden vulnerabilities.

QUARTERLY REVIEW TOOL

MAXIMUM SCORE: 40

Real Estate Asset Management



How to Use This Scorecard



Review each of the eight risk categories and assign a score from **1 to 5**. Add all scores to calculate your **Portfolio Risk Score** out of 40.

5 – Strong

Well controlled, actively monitored

4 – Healthy

Minor gaps, manageable exposure

3 – Moderate

Some vulnerabilities need attention

2 – High Risk

Significant weaknesses present

1 – Critical

Immediate action required

RISK AREAS 1-2

Cash Flow & Liquidity



Cash Flow Strength

Does rental income reliably cover operating expenses and debt? Are variances identified and investigated quickly? Watch for slower rent collections, rising expenses, or recurring negative budget variances.



Liquidity & Cash Reserves

Can the portfolio absorb vacancies, unexpected capital expenditures, or refinancing delays without emergency financing? Thin reserves can turn small disruptions into larger financial problems.

Debt & Vacancy Risk



Debt & Refinancing Risk

Are loan maturities tracked, debt service coverage monitored, and refinancing scenarios modeled before deadlines?

Stress test: What happens to cash flow if borrowing costs rise before the next refinancing?

Vacancy & Occupancy Risk

Is vacancy monitored against market benchmarks? Are underperforming assets actively managed? **Stress test:** What happens if vacancy increases by 10-15% across your most exposed assets?

Tenant & Lease Expiration Risk



Tenant Risk

A portfolio can appear diversified while carrying significant concentration risk. Monitor credit quality, payment history, and industry exposure. Watch for late payments or heavy dependence on a small number of tenants.



Lease Expiration Risk

Track expirations 12–24 months ahead. Are renewals staggered, and is rollover probability assessed for significant tenants?

Key question: What percentage of portfolio income is tied to leases expiring within the next 12–24 months?

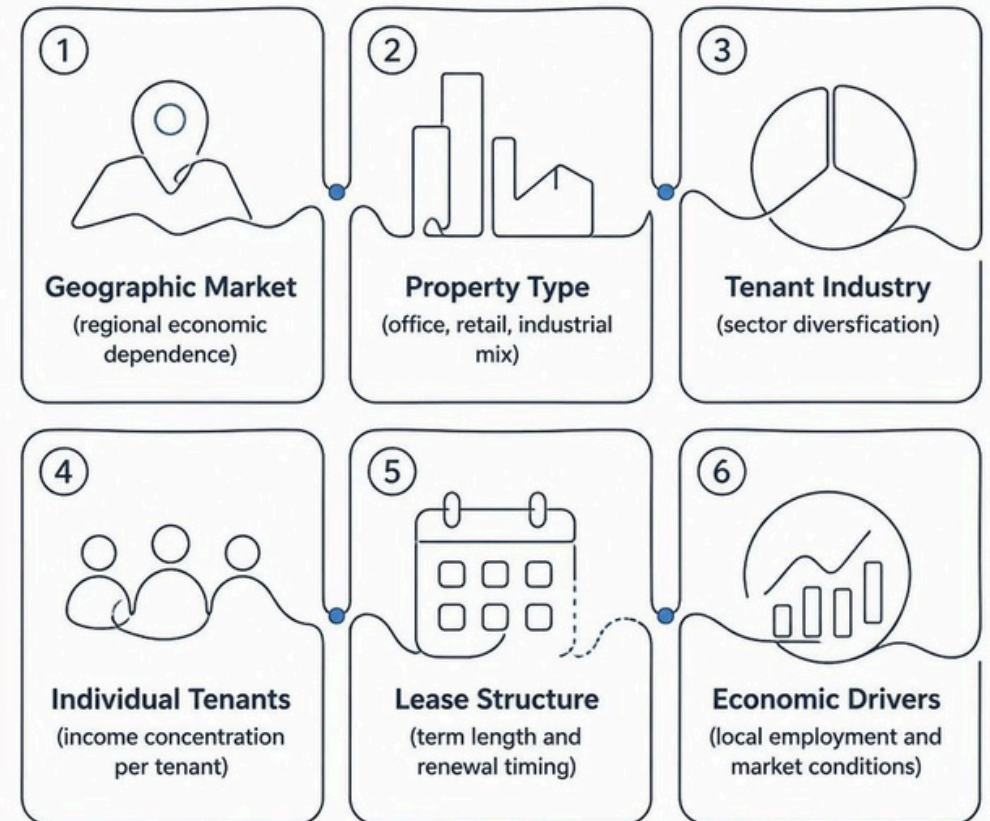
Reporting & Market Concentration

Accounting & Reporting Risk

Are financial statements accurate, timely, and standardized? If leadership relies on outdated financials or inconsistent data, accounting has become a **portfolio risk** — not just an administrative issue.

Market Concentration Risk

Exposure may concentrate by geography, property type, tenant industry, or lease structure. Diversification across these dimensions is one of the most effective portfolio-level risk controls available.



Your Portfolio Risk Score



Add your scores across all eight categories. Maximum: **40 points**.

40

Maximum Score

33

Strong Threshold

25

Moderate Threshold

17

Elevated Threshold

Score Range	Risk Level	Recommended Action
33–40	Strong	Maintain quarterly risk reviews
25–32	Moderate	90-day improvement plan for weakest areas
17–24	Elevated	Detailed asset-level reviews and stress tests
8–16	High Risk	Immediate asset-by-asset remediation plan

The 6-Step Portfolio Risk Management Framework

Once risks are identified, use this cycle to move from assessment to action.



Monthly Risk Dashboard & Final Health Check

Key Metrics to Track Monthly

- **Financial:** NOI, budget vs. actual, rent collections, cash balance
- **Debt:** DSCR, loan maturities, covenant compliance
- **Leasing:** Occupancy, expirations, renewal pipeline
- **Portfolio:** Geographic and property-type concentration

Portfolio Health Check

Answer **Yes** or **No** to each. If you answer **No** to two or more, a deeper review is warranted.

- 1.Can we identify which assets would become vulnerable first?
- 2.Do we have current financial data to make quick decisions?
- 3.Have we stress-tested vacancy, refinancing, and tenant-loss scenarios?
- 4.Do we have sufficient liquidity for unexpected requirements?
- 5.Are major lease expirations and debt maturities visible in advance?

From Risk Visibility to Better Decisions

Strong asset management isn't about eliminating every risk — it's about knowing where risk sits, how significant it is, and what action to take **before** it affects asset value or income.

Accurate Accounting

Disciplined Monitoring

Proactive Leasing

Stress Testing

Use this scorecard quarterly — and revisit it whenever financing conditions, tenant performance, or portfolio strategy changes.

- ❏ **Need better portfolio visibility?** OHI supports real estate businesses with accounting and financial reporting services designed to improve accuracy, scalability, and portfolio-level insight. Talk to OHI about your real estate accounting requirements.





THANK YOU

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