



Institutional-Grade Modeling Fuels Nordic's Rapid Growth

cremodels.com

\$75M
in syndicated deals

12
Seattle-area
multifamily buildings

3-4X
repeat investments
by satisfied LPs

Nordic Partners Investments had done just a couple of multifamily deals when cofounder **Jeff Derus** decided to take a more sophisticated approach to underwriting. The Seattle-based company had been relying on a high-level annual property operating data (APOD) sheet up to that point.

"Once we went to do our third deal, in which we were syndicating, I said, 'Look, what if there's something wrong in this APOD model and it produces a result that's not accurate?'" Derus recalled. "I didn't feel good about that. I wanted to find the best software out there."

Based on a recommendation from an institutional investor, Derus and Nordic Partners cofounder **Kevin Falk** tried out CREModels' **CRE Suite platform**. It has played a central role in the company's rapid growth over the past four-and-a-half years.

"The total value of the syndicated deals that we've purchased where we've done underwritings using the CRE Suite has now reached about \$75 million," Derus said. "Our portfolio has grown to 12 multifamily residential buildings across the Port of Seattle."

One example is **Nordic Pointe**, a 21-unit apartment building in one of Seattle's premier rental submarkets, the bustling Magnolia neighborhood.

Nordic Partners uses the CRE Suite's pro forma and waterfall/partnership analysis tools to negotiate acquisitions and efficiently communicate with existing and prospective investors. That includes dynamic,



market-tested templates for making multifamily acquisitions and automatically generating compelling OMs. These tools work seamlessly with Microsoft Excel and Word to make exporting a snap.

SATISFIED LPS

During its initial push into syndication, Nordic was able to use the CRE Suite to accurately predict cash-on-cash through the project lifecycle. This built trust that then prompted multiple LPs to reinvest three or four times with Nordic, fueling its growth.

"Our focus is on doing well by the investors," Derus said. "The definition of that is driving deal performance through cash-flow accuracy and predictability. You tell them you're going to do 'A' and you do 'A.' We have a strong name locally because we have been able to hit our predicted numbers."

CRE Suite's dynamic templates are packed with granular detail that promotes such accuracy, Derus noted.

"This is not a 30,000-foot view. I'm actually plugging in my rents now, what I believe they'll be going forward, the length of the construction period," he explained. "The model will hit the cash flows for that construction period. I can then go build custom waterfalls for my syndication and my investors."



“ I wanted to find the best software out there. The total value of the syndicated deals we’ve purchased where we’ve done underwritings using the CRE Suite has now reached about \$75 million. I wouldn’t do my business on any other platform. ”



Jeff Derus
Nordic Partners Investments
Principal

CRE Suite’s underwriting calculation engines and financial model library reflect years of experience on the part of our real estate analysts and technology team. The formulae have been continually refined for more than a decade based on hundreds of projects and client engagements.

That attention to detail is noticeable to users, Derus said. “This is clearly battle-tested to an extent that I’ve never seen before in other software,” he said. “I feel very comfortable with the model. When you plug it in, there are no errors.”

HIGH-IMPACT COMMUNICATION

In Derus’ view, the platform shines as a communication tool as well. Even exporting the raw sheet without more sophisticated data visualizations can be powerful. “It’s an impressive, institutional-level sheet with multiple rollup pages,” he noted. “We used it just this last week in a two-hour meeting where we were pitching a deal to 150 doctors.”

During that presentation, Nordic showed screenshots drawn directly from the CRE Suite as well as clips that walked the audience through the model. “We find that the more we share from the platform, in terms of the export packet and the screenshots, the more trust it creates,” Derus said.

Nordic now receives inquiries from third parties around Seattle who are looking for assistance in executing deals. Here, too, the CRE Suite provides an edge.

“We’ll send them a CREModels package and say, ‘Here’s our perspective on the deal,’” Derus explained. “It immediately builds credibility. When they look at the model, they’ll say, ‘This is great analysis. Yes, let’s work together.’”

TRUST-BUILDING MODEL GOVERNANCE

Some real estate financial models are insecure, because users can accidentally edit or delete the wrong cell, compromising accuracy. CRE Suite preserves all iterations of clients’ financial models. Additional safety features protect clients’ data from the inadvertent introduction of errors.

Derus sees this model-governance system as another



trust-builder. “It’s very locked down,” he said. “It shows us what we should and shouldn’t edit and touch, so that we can’t inadvertently break our own model.”

HIGH-TOUCH CUSTOMER SERVICE

Having spent many hours in the platform, Derus can now zip through models effortlessly and is able to quickly game out different scenarios.

When he does have a question, the analyst team at CREModels is highly responsive, he said. “They really care about their clients. I also appreciate their willingness to customize the environment for you. It allows us to tailor it to our specific client base.”

Concludes Derus: “If somebody is serious about real estate investing, if they’re serious about syndicating and investing other people’s money, they owe it to their investors and to themselves to get CREModels. That is my bold statement. I wouldn’t do my business on any other platform.”

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