TOP LIFE COMPANY CONSTRUCTION LENDERS
(PROJECTED CONSTRUCTION ALLOCATIONS FOR 2013)

LIFE COMPANY	PROJECTED TOTAL	DETAILS
Prudential	$400M-$500M	Multifamily projects; loans will be $50M to $100M
Cornerstone Real Estate Advisers	$300M	Multifamily, large industrial, pre-leased office, retail, conservative LTC hotel projects; loans will be $35M to $100M
Pacific Life	$250M-$500M	Urban multifamily, pre-leased credit-tenant office and industrial; loans will be $40M to $500M
ING Investment Management	$200M-$300M	Multifamily and grocery-anchored retail projects with a $20M typical loan size
Principal Real Estate Investors	$150M	Multifamily, pre-leased office, industrial, anchored-retail; loans will be $20M to $50M
Guardian Life	$100M	Construction/perm loans for multifamily; loans will be $25M to $50M
Ameritas	$20M	Construction/perm loans for owner-occupied and credit-tenant projects; loans will be $1M to $7M

Other Active Life Company Construction Lenders: **Northwestern Mutual**, all property types with some pre-leasing, most loans will start at $50M; **New York Life**, multifamily, retail, office and industrial; loans will be $10M to $100M; **American National**, pre-leased properties; loans will be $10M to $50M; **Security National Capital**, loans with a SBA exit.

HOTELIERS SEE INCREASED CONSTRUCTION DOLLARS...

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Lowe Enterprises originates first mortgage construction loans and private equity for certain projects. Deals will be $25M or less; select-service hotels will be preferred. Count on 8.5% to 10% rates. Lowe works with small and mid-sized developers. The lender looks into EB-5 financing for equity or mezz. **Regional Capital Group** provides EB-5 construction financing for projects at $25M and above. Preferred returns start at 5% and branded select- and full-service assets will be desired. The EB-5 could be senior or subordinate pieces, but usually look like equity.

Banks have been holding back the last few quarters but are expected to be bullish through the end of the year. Most banks require 50% recourse, which burns off once the hotel reaches a debt yield benchmark. Rates will be 4% to 5%. **Wells Fargo** originates construction money to relationship sponsors in markets in need of new supply such as Nashville, Tenn., Austin, Texas, Denver and New York City. **M&T Bank** and **US Bank** will also be active with relationship borrowers. **Deutsche Bank** looks closely at sponsorship, past projects and leverage.

Look for new bank players to enter the game in the near future. Keep an eye out for regional and local banks, including **Doral Bank** and **Preferred Bank** to pick up steam in the next few quarters. **Applied Bank** provides $7M to $20M construction loans with LTC up to 65%. The bank prefers select-service and extended stay Marriott and Hilton branded hotels but will look at independent/boutique assets in certain markets. A few select life companies such as **Cornerstone Real Estate Advisers** will be active. Life company rates will be 1% higher than banks.

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BANKS & LENDERS
(Supplemental to the Directory)

Applied Bank: 37012 Country Club Road, Rehoboth Beach, DE 19971. Carl Kruelle, III, Chief Lending Officer, (302) 326-4200, Ext. 29512. carl_kruelle@appliedbank.com

BankUnited: 2201 W. Hillsboro Blvd., Deerfield Beach, FL 33442. Christopher Hynes, VP, (954) 427-8635. chynes@bankunited.com

CapitalSource: 633 W. Fifth St., 33rd Floor, Los Angeles, CA 90071. James Pieczynski, CEO/Director, (213) 443-7700.

Centerline Capital Group: 14850 Quorum Drive, Suite 150, Dallas, TX 75254. Vic Clark, Managing Director, (972) 868-5757. vclark@centerline.com

Cornerstone Real Estate Advisers: 1500 Main St., Suite 1900, Springfield, MA 01115. David Colangelo, Managing Director, (413) 226-1421. dcolangelo@cornerstoneadvisers.com

Doral Bank: 623 Fifth Ave., 13th Floor, New York, NY 10022. Kenneth DiGregorio, SVP/Chief Loan Officer, (212) 329-3708. kdigregorio@doralbankny.com

Investors Bank: 101 JFK Parkway, Short Hills, NJ 07078. Richard Spengler, EVP/Chief Lending Officer, (855) 422-6548.

Mountain Real Estate Group: 13860 Ballantyne Corporate Place, Suite 130, Charlotte, NC 28277. Peter Fioretti, Chairman/CEO, (704) 930-7511. pfioretti@mrec.com

OneWest Bank: 888 E. Walnut St., Pasadena, CA 91101. Joseph Otting, CEO, (626) 535-4870.

ORIX: 2 Wisconsin Circle, Suite 575, Chevy Chase, MD 20815. Lisa Sexton, Director, (240) 483-0684. lisa.sexton@orix.com

Prudential: 180 N. Stetson St., Suite 5600, Chicago, IL 60601. Richard Flohr, Managing Director, (888) 263-6880.

ReadyCap Commercial: 114 Pacifica, Suite 400, Irvine, CA 92618. Steven Skolnik, CEO, (949) 769-3030. steve.skolnik@readycapcommercial.com

Resmark: R. Kent Grahl, President, Resmark Land and Housing, (858) 676-0608, Ext. 100. kgrahl@resmark.com

RockBridge: 4100 Regent St., Suite G, Columbus, OH 43219. Adam Valente, Managing Director, (614) 246-2446; Gavin Freytag, SVP, (614) 246-2437. advalente@rockbridgecapital.com; gkfreytag@rockbridgecapital.com

Rockland Trust: 288 Union St., Rockland, MA 02370. Chris Oddleifson, President/CEO, (781) 982-6660.

Sabal Commercial Advisors: 4675 MacArthur Court, Suite 1550, Newport Beach, CA 92660. Ned Smith, Relationship Manager, (949) 517-0897. ned.smith@sabalfin.com

Sabal Financial Group: 4675 MacArthur Court, Suite 1550, Newport Beach, CA 92660. Tom Farrell, Director of Builder Lending, (949) 517-0856. tom.farrell@sabalfin.com

Sunwood & Associates: 9740 Appaloosa Road, Suite 130, San Diego, CA 92131. Don Faye, Partner, (619) 573-1800.

HOTELIERS SEE INCREASED CONSTRUCTION DOLLARS...

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Marriott, Hilton, Starwood and Hyatt properties will see the most available construction capital. Lenders will be active in markets with demand generators such as Boston, Los Angeles, Anaheim, Calif., Miami's South Beach and Chicago. Seattle, Pittsburgh and Indianapolis will see more lender attention this year. Count on recovered secondary and tertiary locales to also be active. Oil and gas cities in North and South Dakota could be tough due to a lack of barriers to entry.

Lenders will want meaningful liquidity and net worth — up to 10 times the loan amount — to support project guarantees. Borrower global cash flow needs to cover cost issues that arise during construction and provide debt service support until stabilization. Developers should possess experience in their specific markets and management familiarity or a strong management team in place.

DEALMAKER DATABANK

Capital Advisors Inc.
434 Fayetteville St., Suite 2120, Raleigh, NC 27601
Clark Jenkins, VP
(919) 835-9825
clark.jenkins@capadvisors.com

Capital Advisors arranges $3.28M in acquisition financing for Arlington West and Pecan Grove Apartments in Greenville, N.C. Vantage South Bank provides the five-year loan, with a 25-year amortization schedule.

Cohen Financial
2 N. LaSalle St., Suite 800, Chicago, IL 60602
Daniel Rosenberg, Partner/Managing Director-Capital Markets
(312) 602-6148
drosenberg@cohenfinancial.com

Cohen Financial secures a $4.5M acquisition loan with Greystone for a retail/multifamily property in Skokie, Ill. This was a 10-year, non-recourse loan.

EagleBridge Capital
33 Broad St., Eighth Floor, Boston, MA 02109
Ted Sidel, President
(617) 292-7177, Ext. 10
tsidel@eaglebridgecapital.com

EagleBridge arranges a $10M loan with Rockland Trust for a warehouse/manufacturing building leased to FedEx and Cheer Pack in West Bridgewater, Mass. The rate is fixed for 10 years at 4.5%.

Eastern Union Funding
3839 Flatlands Ave., Suite 211, Brooklyn, NY 11234
Abraham Bergman, Managing Partner
(718) 567-4922
abeb@easternuf.com

Eastern places a $9M new first lien mortgage for Sunset Park, an owner-occupied industrial property. Interest is 4.25% fixed with 25-year amortization. The borrower was able to consolidate the existing real estate loan and partner debt into one mortgage.

George Smith Partners
10250 Constellation Blvd., Suite 2700, Los Angeles, CA 90067
Raffi Sarkissian, SVP
(310) 867-2924
rsarkissian@gspartners.com

Sarkissian will close 100-plus industrial loans a year, most of which will be owner user. He recently arranged a 90% leveraged deal for a 120,000-s.f. property in Los Angeles. The blended rate was fixed for 20 years in the low 4% range.

HFF
4350 La Jolla Village Drive, Suite 450, San Diego, CA 92122
Zachary Koucos, Director
(858) 812-2351
zkoucos@hfflp.com

HFF places a $3.6M refi with GE Real Estate for Rancho Rialto MHC in Rialto, Calif. LTV was 75%. Interest came in at 4.46% and debt yield was 9%. GE liked the strong occupancy, cash flow history and demand in the market.

Highland Realty Capital
880 Apollo St., Suite 130, El Segundo, CA 90245
Mike Guterman, Principal
(310) 607-9242
mike@highlandrc.com

Guterman secures $11M of JV equity for Inland Pacific Builders based in Pismo Beach, Calif. The funds will be used to acquire five residential projects located from Santa Maria to San Luis Obispo totaling 397 lots and five nearly completed homes.

Johnson Capital
2603 Main St., Suite 200, Irvine, CA 92614
Ryan Chapman, SVP
(949) 660-1999
ryanchapman@johnsoncapital.com

Johnson Capital closes an acquisition loan with a bank for a multifamily property in Los Angeles. The property was fully occupied but had limited operating history. The borrower was looking for a short term and flexibility, making it ideal for a bank lender.

Johnson Capital
7377 E. Doubletree Ranch Road, Suite A-170, Scottsdale, AZ 85258
Neal Churney, SVP; David Susank, SVP
(602) 522-0065
neal.churney@johnsoncapital.com

Churney and Susank specialize in multifamily and mobile home park loans starting at $3M. Recent deals have been in California, Arizona and Washington. Count on the duo to close $200M to $250M this year.

MAC Realty Advisors LLC
2300 North St. N.W., Washington, DC 20037
Andrew McAllister, Executive Director;
Bruce Levin, Executive Director
(202) 296-0007
amcallister@macrealtyadvisors.com; blevin@macrealtyadvisors.com

MAC Realty Advisors finalizes $50M in debt and equity with life company lenders for Braddock Metro Place, an apartment community in Alexandria, Va. McAllister and Levin also arrange a $28M non-recourse construction loan for an apartment development in Washington, D.C., with a bank lender.

Venture West Funding
2301 Rosecrans Ave., Suite 3170, El Segundo, CA 90245
Matt Douglas, Principal
(310) 706-4462
mattd@ventwest.com

Venture West completes five loans totaling $20.2M for the refinance of five apartment buildings in West Los Angeles. Chase, Sterling Bank and CapitalSource provided the financing. The non-recourse, cash-out loans have competitive five- and 10-year fixed rates.

LENDERS FLOOD CMBS

Look for new and former conduits to get involved with the lending sector in the coming months. Existing CMBS shops will ramp up programs, allocate more money and hire additional originators. Conduits will enter new markets to win deals. CMBS will be robust for at least five years. The large number of loans set to mature over the next few years will spur additional players to enter the space. Don't be surprised to see some of these players provide 80% leverage and rates in the low 3% range.

Watch for **Credit Suisse** to re-launch its dormant conduit group in the near future, while **UBS** ramps back up this year and hire new staff. **Arbor Commercial Mortgage** expands its newly enhanced CMBS program by creating a dedicated business unit and hiring new staff. **Fannie Mae** and **Freddie Mac** could also start to securitize loans soon.

Some new players will provide loans under $5M, a market rarely tapped by current CMBS lenders. Once these players securitize a few pools with smaller loans, others will follow suit. **ReadyCap Commercial** will start securitizing its bridge and permanent loans by Q4 or early 2014. This marks the company's first time in the CMBS sector. Loans will be $500K to $10M. Office, multifamily, retail, industrial and self storage will be targeted. Leverage could reach the mid-70% range with 10% to 11% debt yield. ReadyCap will compete with fast closings.

Centerline Capital hires a full-time conduit origination staff to be aggressive with underwriting in the coming months. Loans start at $3M, with an $8M to $20M average. Rates will be 3.75% to 4.5% with leverage up to 80% for trophy deals. Multifamily, retail and office will be desired. Centerline boasts regional offices to provide one-on-one, long-term relationships with borrowers.

Count on **Prudential** to double CMBS originations this year through its JV CMBS company, **Liberty Island Group**. Hotel, office, industrial, retail, self storage and multifamily will be desired. The lender works with properties in secondary and tertiary markets. Count on a $10M to $30M loan sweet spot, with a $7M minimum. Leverage will reach 75%. Prudential services all its loans. **Sabal Financial Group** expands its CMBS business with the launch of **Sabal Commercial Advisors**, which will leverage the company's existing conduit loan platform as a third-party underwriter and due-diligence provider.

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