

DYNAMIC JV/PREF EQUITY MULTIFAMILY INVESTORS
(2015 PROJECTED INVESTMENTS AND PREFERENCES)

INVESTOR	VOLUME	DETAILS
Investin PLC	\$200M	\$500K-\$10M JV equity pieces, \$3M-\$5M average; ground-up, urban-infill projects, 10-150 units; 100% return on equity within 24 months; 50%-80% of profit to the firm; Chicago, Atlanta, Houston, Dallas, Austin, Texas, Denver, Seattle, Boston, Portland, Ore.
Parse Capital	\$150M+	\$7M-\$40M pref equity pieces, selective JV equity; construction focused; all types, including suburban garden complexes; mid-teens IRRs; Western U.S., Boston, Chicago, FL, Atlanta

SPOTLIGHT ON CROWDFUNDING

Property Type: Full-Service Hotel in Joplin, Mo.
Raise Amount: \$2.6M JV Equity
LP Breakdown: 72 Investors
Average Investment Size: \$37K

The JV equity raised through **Realty Mogul** allows the sponsor to acquire the property and fund future renovation and rebranding plans. The well-located hotel has minimal full-service competition in the market, making it a strong investment. The investors were drawn to the favorable cost basis and the experienced sponsor. The crowdfunded raise amount equaled 86.1% of the equity; the sponsor contributed \$420K. This was a 506B transaction, so it was marketed as a private placement and shown only to Realty Mogul's 16,000-plus accredited investors. RealtyMogul.com raised 100% of the LP capital. The company charged an origination fee to the sponsor upon closing of the investment.

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FOREIGN LENDERS FLOCK TO U.S.

The influx of foreign capital will drive down spreads, causing U.S. lenders to stretch lending parameters. Count on foreign lenders to push leverage further than domestic lenders and forgo recourse to win strong construction deals. As foreign owners and investors enter the U.S., look for more lenders to come along for the ride. Other international lenders will try to get money into offshore investments and participate in the U.S. economy, which many perceive as a safe zone. Look for lenders from Asian countries, Spain, Mexico, Canada and Western Europe. Count on up to 50% to 80% leverage and floating rates, which can be lower than U.S. lenders.

Watch for Asian banks such as **Bank of China**, **ICBC**, **First Commercial Bank of Taiwan** and

BULLISH BANK CONSTRUCTION LENDERS
(2015 PROJECTED ORIGINATION VOLUME AND PREFERENCES)

BANK	VOLUME	DETAILS
SunTrust Bank	\$2.2B+	Funded \$543M YTD; multifamily and industrial focused, along with hotels, retail, office; 70%-80% LTC, 65%-75% LTV for construction/mini-perms; up to five-year terms with 36-month construction period converting to mini-perm; full recourse during construction with burn down provisions
Bank of Oklahoma	\$1.7B	Funded \$400M YTD; office, warehouse, retail, multifamily; three- to seven-year terms; OK, TX, AZ, CO, NM, AK, MO, KS
BMO Harris Bank	\$1B	Spec industrial, multifamily, preleased office and retail; 55%-70% LTC; three-year terms with one-year extensions; Libor-plus 210 to 265; top 40 MSAs, Midwest emphasis
First Niagara	\$1B	Multifamily, office, retail, warehouse/distribution; upstate NY, western PA/OH, Boston, New York City, Philadelphia, D.C.
Associated Bank	\$750M	Funded \$269M YTD; multifamily, retail, office, industrial; 70%-80% LTC; 24- to 30-month terms, three- to five-year mini-perms
Bank of the West	\$700M	Multifamily, industrial, office, retail, single family, senior and student housing; CA, Western U.S.
Opus Bank	\$250M	Funded \$205M YTD; multifamily with up to 85% LTC; preleased industrial, office, retail with up to 75% LTC; two- to three-year initial terms; recourse with burn offs; Seattle's Puget Sound, major CA markets
BankUnited	\$100M	\$5M-\$45M loans for multifamily, retail, office, industrial, hotels; 65%-75% leverage; five-, seven- and 10-year terms; Eastern U.S.
Inland Bank & Trust	\$13M+	Funded \$13M YTD; multifamily, build-to-suit for credit tenants with long-term leases; up to 18-month terms with three- to five-year mini-perms; Chicago
Fidelity Bank Atlanta	\$10M	Funded \$5M YTD; any SBA eligible project other than hotels and gas stations

Other Active Bank Construction Lenders:

Bank of Arizona, industrial, office, multifamily, retail; 60%-75% LTC; 12- to 72-month terms; AZ, UT, CA, OR.

The Washington Trust Company, \$5M-\$15M loans for all properties; 65%-70% LTC; Eastern U.S.

BANKS, LENDERS & EQUITY PROVIDERS

(Supplemental to the Directory)

BRT Realty Trust: 60 Cutter Mill Road, Suite 303, Great Neck, NY 11021. Mitchell Gould, EVP, (516) 773-2712.
mitch@brtrealty.com

Buchanan Street Partners: 888 San Clemente Drive, Suite 200, Newport Beach, CA 92660. Chris Herthel, SVP,
(949) 219-1205. cherthel@buchananstreet.com

Case Real Estate Capital: 336 W. Passaic St., Fourth Floor, Rochelle Park, NJ 07662. Sanford Herrick, Managing Principal,
(201) 845-4244. sherrick@caserealestatecapital.com

Colony Capital: 2450 Broadway, Sixth Floor, Santa Monica, CA 90404. Brian Lee, SVP, (310) 552-7160.
blee@colonyinc.com

Dekel Capital: 1880 Century Park E., Suite 250, Los Angeles, CA 90067. Shlomi Ronen, Managing Principal, (310) 570-2201.
sronen@dekelcapital.com

Executive PLC - Andrea Casandra, COO, (646) 338-6487, andrea.casandra@executiveplc.com

DEALMAKER DATABANK

CBRE
33 Arch St., 28th Floor, Boston, MA 02110
Carlos Febres-Mazzei, SVP
(617) 912-7083
carlos.febres@cbre-ne.com

CBRE closes construction debt and equity financing for a large infill project in a Boston submarket. The total project will cost nearly \$300M.

CBRE
2800 Post Oak Blvd., Suite 2300, Houston, TX 77056
Brian Stoffers, Global President-Debt & Structured Finance
(713) 787-1999
brian.stoffers@cbre.com

CBRE arranges \$49.6M for the purchase of a multitenant office building in Minnesota with GE. The firm also closes \$40M for the construction of a luxury condo project in Atlanta. Orix provided the three-year floating rate with limited recourse.

CBRE
101 California St., 22nd Floor, San Francisco, CA 94111
Jesse Weber, SVP
(415) 772-0235
jesse.weber@cbre.com

CBRE completes \$44.6M in construction financing for Eviva Mission Bay, a 129-unit multifamily community in San Francisco, with East West Bank.

Cohen Financial
1717 McKinney Ave., Suite 900, Dallas, TX 75202
Casey Townsend, VP Capital Markets
(866) 315-6232
ctownsend@cohenfinancial.com

Cohen Financial secures a \$1.3M five-year loan for a medical office building in a Dallas suburb with a local bank lender. The rate came in at 4.6% and leverage reached 75%.

Grandbridge Real Estate Capital
222 S. Ninth St., Suite 3200, Minneapolis, MN 55402
Dave Rasmussen, SVP
(612) 341-7899
drasmussen@grandbridge.com

Grandbridge arranges a \$4.1M non-recourse loan and \$2M in equity for the purchase of an office/warehouse property in Fridley, Minn....

The debt was placed with a local bank and the equity was provided by a regional equity fund.

HFF
50 Rockefeller Plaza, 15th Floor, New York, NY 10020
Michael Gigliotti, Managing Director
(212) 632-1811
mgigliotti@hfflp.com

HFF closes a \$360M loan for the development of a new luxury condominium project in Manhattan, N.Y. HFF worked on behalf of the borrower to secure the construction loan through the Industrial and Commercial Bank of China.

Pacific Southwest Realty Services
8840 Complex Drive, Suite 101, San Diego, CA 92123
David Hamilton, Commercial Loan & Equity Production
(858) 522-1451
dhamilton@psrs.com

Pacific Southwest Realty arranges \$2.9M for the refinance of a single-tenant medical imaging facility in Modesto, Calif., with a federal credit union. The rate came in at 3.7% and the 15-year term has three, five-year rate resets and no prepayment penalty.

PMZ Capital
570 Seventh Ave., Suite 805, New York, NY 10018
Michael Sonnabend, Managing Member
(212) 277-8252
sonnabend@pmzcapital.com

PMZ closes a \$6.2M acquisition loan for a Hampton Inn in Bossier, La. The LTC was 75%. The older, 25-year-old property needed a major PIP. Sonnabend showed the deal was strong because of the borrowers' financial contribution and local demand generators.

Thomas D. Wood & Company
620 Bypass Drive, Clearwater, FL 33764
Douglas Rozzell, SVP
(813) 235-0921
drozzell@tdwood.com

Thomas D. Wood secures \$3M for a grocery-anchored ground lease deal in Florida. The lender was a local community bank that followed the developer to the market. Leverage was 100% of cost.

CMBS TO FUND TERTIARY HOTELS...

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Select-service assets quickly become the industry darling, with rare urban select-service assets extremely favored by lenders. Big investors such as **Blackstone** begin to aggressively seek select-service assets. The majority of select-service assets are in secondary and tertiary markets, pushing lenders into more remote areas. Many lenders will back off deals near oil demand generators in Texas and North Dakota because prices are going down.

LENDERS REACH FOR SMALL BUSINESS