THE SMART AGENCY

Select Capital Markets/Finance Coverage

Achieved by The Smart Agency, Inc.

Select Capital Markets/Finance Coverage

Contents

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Pieces of Coverage

Total number of online, offline and social clips in this book

507M
Online Readership

Combined total number of people that visit the websites featuring coverage

45M
Monthly Visits

Monthly Visits

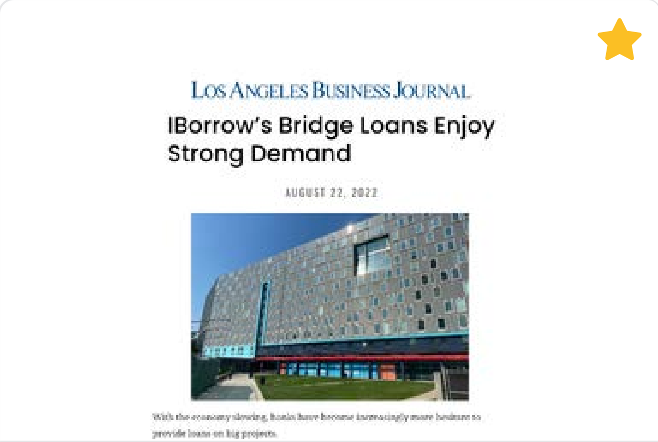
1.7K
Distribution

Distribution

2.45M
Followers

Followers

Highlights



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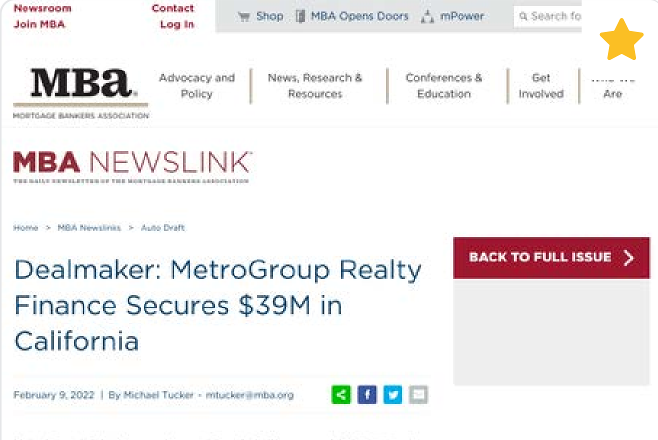
Los Angeles Business Journal (11-000)



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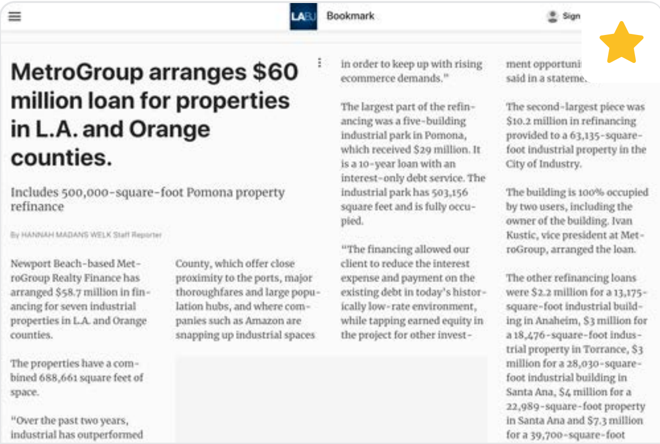


LABJ Bookmark

MetroGroup arranges $60 million loan for properties in L.A. and Orange counties.

Includes 500,000-square-foot Pomona property refinance

By HANNAH MADANS WELK Staff Reporter

Newport Beach-based MetroGroup Realty Finance has arranged $58.7 million in financing for seven industrial properties in L.A. and Orange counties.

The properties have a combined 688,661 square feet of space.

"Over the past two years, industrial has outperformed

County, which offer close proximity to the ports, major thoroughfares and large population hubs, and where companies such as Amazon are snapping up industrial spaces

in order to keep up with rising ecommerce demands."

The largest part of the refinancing was a five-building industrial park in Pomona, which received $29 million. It is a 10-year loan with an interest-only debt service. The industrial park has 503,156 square feet and is fully occupied.

"The financing allowed our client to reduce the interest expense and payment on the existing debt in today's historically low-rate environment, while tapping earned equity in the project for other invest-

ment opportuni
said in a stateme.

The second-largest piece was $10.2 million in refinancing provided to a 63,135-square-foot industrial property in the City of Industry.

The building is 100% occupied by two users, including the owner of the building. Ivan Kustic, vice president at MetroGroup, arranged the loan.

The other refinancing loans were $2.2 million for a 13,175-square-foot industrial building in Anaheim, $3 million for a 18,476-square-foot industrial property in Torrance, $3 million for a 28,030-square-foot industrial building in Santa Ana, $4 million for a 22,989-square-foot property in Santa Ana and $7.3 million for a 39,700-square-foot

Los Angeles Business Journal

Los Angeles Business Journal (08-01125)

Commercial RealEstate Direct

iBorrow Lends $52Mln Against Phila. Student-Housing Property

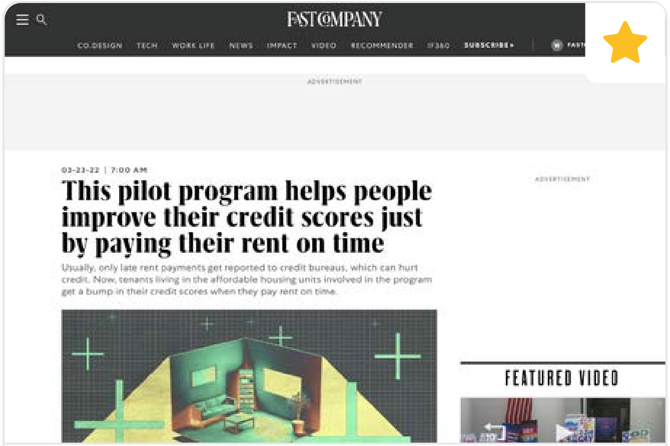
February 23, 2022

iBorrow has provided $52 million of financing against the Edge Student Village, a 240-unit and 798-bed student-housing property next to Temple University's main campus in Philadelphia.

The property, at 1601 North 15th St., is owned by Emet Capital Management, which had acquired it last year for $60 million, or $250,000/unit, from Campus Living Villages of Sydney, Australia.

Commercial RealEstate Direct

Commercial Real Estate Direct (11-01370)



FAST COMPANY

03-23-22 | 7:00 AM

This pilot program helps people improve their credit scores just by paying their rent on time

Usually, only late rent payments get reported to credit bureaus, which can hurt credit. Now, tenants living in the affordable housing units involved in the program get a bump in their credit scores when they pay rent on time.

FEATURED VIDEO

Fast Company

Fast Company (10-01100)

Coverage

387 pieces

GlobeSt.

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GlobeSt.com

Kairos Brings Financial Support to Affordable Residents

The firm has partnered with Esusu and Freddie Mac to help residents build or repair credit scores.

By **Kelsi Maree Borland** | January 15, 2022 at 02:46 PM

Affordable housing developer Kairos Investment Management Company believes that service-based amenities in affordable housing are of great importance to the success of residents and the property—and it is continuing to expand its offerings. The firm has partnered with Esusu and Freddie Mac to provide residents with access to credit reporting so that they are able to build a credit score or repair a poor credit score.

"This recent partnership with Esusu and Freddie Mac, for example, helps renters build and strengthen their credit scores, which in turn can assist them in becoming future homeowners," Jonathan Needell, President and Chief Investment Officer of Kairos Investment Management Company, tells GlobeSt.com. "All residents are automatically enrolled in the Esusu and Freddie Mac credit score program and are free to opt-out if they choose."

January 15, 2022 ONLINE

GlobeSt. (10-01100)

globest.com/2022/01/15/kairos-brings-fin...

Monthly Visits

45K

Monthly Visits

The property management team leads the efforts, taking a hands on approach to educate tenants on the importance of good credit. "Our property management teams carefully explain to the residents the benefits of participating, allowing them to begin establishing or repairing low credit scores immediately by reporting rent payments monthly as a positive credit event rather than just a negative credit event when a tenant fails to pay," says Needell.

The partnership is an example of the types of programs and services that Kairos is sourcing for tenants. "Our recent partnership with Esusu and Freddie Mac comes from collaborative efforts with our property management teams to present activities and programs from which our residents can benefit," Needell says. "By carefully curating programs to match the needs of residents at each property, we are able to offer resources and support they can use in their daily lives."

Ultimately, Needell believes that these amenities not only have a positive impact on the residents' personal lives but also drives operational success at the property. "We believe programs like these enable residents to feel heard and supported by their landlord," he says. "When residents feel recognized and uplifted in this way, we believe they are more likely to continue residing at our properties and recommend these communities to friends and family. This contributes to decreased vacancy rates and strong demand for housing."

Los Angeles Business Journal

August 22, 2022 ONLINE

Los Angeles Business Journal (11-000)

labusinessjournal.com/real-estate/iborro...

Monthly Visits

160K

Monthly Visits

LOS ANGELES BUSINESS JOURNAL

IBorrow's Bridge Loans Enjoy Strong Demand

AUGUST 22, 2022

With the economy slowing, banks have become increasingly more hesitant to provide loans on big projects.

That's where iBorrow comes in.
Founded in 2013, the West Los Angeles-based firm is a direct lender that provides short-term bridge financing to commercial property owners at competitive interest rates on a non-recourse basis.

Brian Good, iBorrow's chief executive, formed the company with Andy Smith and cousins Andy Peltz and Harlan Peltz.
During its nine years in business so far, iBorrow has completed more than $1.1 billion in private commercial real estate loans.

Yield PRO

PRO is multihousing news and strategy for owners and operators seeking to increase their asset value through streamlined processes and best practices.

YIELD PRO

Kairos Investment Management Company acquires 238-unit affordable multifamily property in competitive market of Northern Georgia for $34.6 million

The property is located near downtown Atlanta, offering residents convenient access to major employers, vibrant city life, and entertainment options

February 17, 2022

Kairos Investment Management Company acquired Walton Crossing, a 238-unit affordable multifamily community in Atlanta, Georgia.

February 17, 2022 ONLINE

Yield Pro (10-01330)

yieldpro.com/2022/02/kairos-investment-...

Monthly Visits	**40K** Monthly Visits

Kairos Investment Management Company (KIMC), a firm that focuses on value-based real estate investments with favorable risk/reward characteristics, has acquired Walton Crossing, a 238-unit affordable multifamily community in the Atlanta metropolitan area of Austell, Georgia. Kairos purchased the property from the seller, an affordable housing developer located in the same area, for $34.6 million.

"We have seen the demand for high-quality, affordable housing outpace available supply throughout the country, especially in markets that attract renters due to job availability and lifestyle," says Carl Chang, CEO and Founder of Kairos. "As a company that actively takes a proactive approach to asset management, our team is adept at identifying properties that can benefit from our value-add strategy and enhance the lifestyle of present and future renters."

Built in 1990, Walton Crossing is nestled in the desirable Austell submarket of Atlanta and situated on 20.07 acres. Located approximately 15 miles from downtown Atlanta, the multifamily community is well within a 35-minute drive from the historic city which offers residents a myriad of employment opportunities and well-known attractions.

"We find the location of this property compelling for our firm as we target stable cash-flowing properties in strong secondary markets that offer low vacancy rates and above average population growth while being conveniently situated near major employers," adds Chang. "Walton Crossing aligns perfectly with Kairos' impact strategy for affordable housing communities near urban areas like downtown Atlanta, which are predicted to see a growth in the multifamily, retail, office, and restaurant sectors in 2022."

As part of Kairos' impact strategy, the firm will deploy ESG programs which will help conserve water and further the company's sustainability efforts and social programs which are tailored to the needs of the residents.

Walton Crossing offers an appealing mix of one-, two-, and three-bedroom units, to which the firm plans to install washers and dryers for tenants' convenience. The majority of the units are income and rent restricted to 60 percent of the area's median income, which aligns with the firm's mission to make affordable housing more accessible and positively impact residents' quality of life.

The apartment community also offers desirable interior amenities, such as fireplaces, extra storage space and a balcony or patio area, in addition to walk-in closets, energy-efficient kitchen appliances, and air conditioning units. Common area amenities are composed of a community pool, private fitness center, spacious playground, tennis & sport court, gazebo, and an adventure center with a kitchen, classrooms, and community space. The adventure center also offers a bonus amenity of a complimentary after-school enrichment programs for children of


The Mogharebi Group brokers sale of 108-unit multifamily community in Palm...
February 17, 2022


Rents up in January
February 16, 2022


NAHB Power Hitters with Sanford Steinberg
February 16, 2022


Intercontinental Real Estate Corporation and MG Properties acquire multifamily community in...
February 16, 2022

Industry links

Apartment Internet Marketing Conf
Institute of Real Estate Management
Mortgage Bankers Association
National Apartment Association
National Association of Home Builders
National Multi Housing Council
PCBC Multifamily Trends Conference
U.S. Green Building Council
Urban Land Institute

Connect CRE National

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connectcre

National

June 30, 2022

Q&A with MetroGroup's J.D. Blashaw: The Rise of MOBs & the Future of Lending Within This Asset Class

As medical office buildings (MOBs) garner more hype and media attention as "the darling" of current investment portfolios, Connect spoke with J.D. Blashaw, VP at MetroGroup Realty Finance, a commercial mortgage banking firm specializing in debt financing and capital advisory services, to gain insight into how these projects are financed, the new normal of conversion, and the viability of this asset moving forward.

Q: What qualifier makes the medical office sector a strong and stable asset for investors? And what about the events of the last two years has strengthened the viability of this asset moving forward?

June 30, 2022 OFFLINE

Connect CRE National (08-01809)

connectcre.com/stories/qa-with-metrogro...

Monthly Visits **55.4K**

Monthly Visits

IPE Real Assets

Global market intelligence for institutional real assets investment

IPE REAL ASSETS

Accord Group raises $105m for US, Western Europe fund

29 NOVEMBER 2022

Accord Group has raised $105m (€101m) for a fund which makes strategic investments alongside real estate managers in the US and Western Europe.

The global real estate strategic investment and capital advisory firm's debut fund, Accord Catalyst Fund, has so far completed four investments, including investments in the US targeting multifamily properties in gateway markets and, UK deals involving retail-to-residential conversion and for-sale residential investments.

Desi Co, Accord Group's managing partner and co-founder, said the fund was created to "catalyse the growth of real estate managers in the US and Western Europe by providing both strategic capital and capital advisory expertise".

November 29, 2022 ONLINE

IPE Real Assets (18-02265)

realassets.ipe.com/news/accord-group-ra...

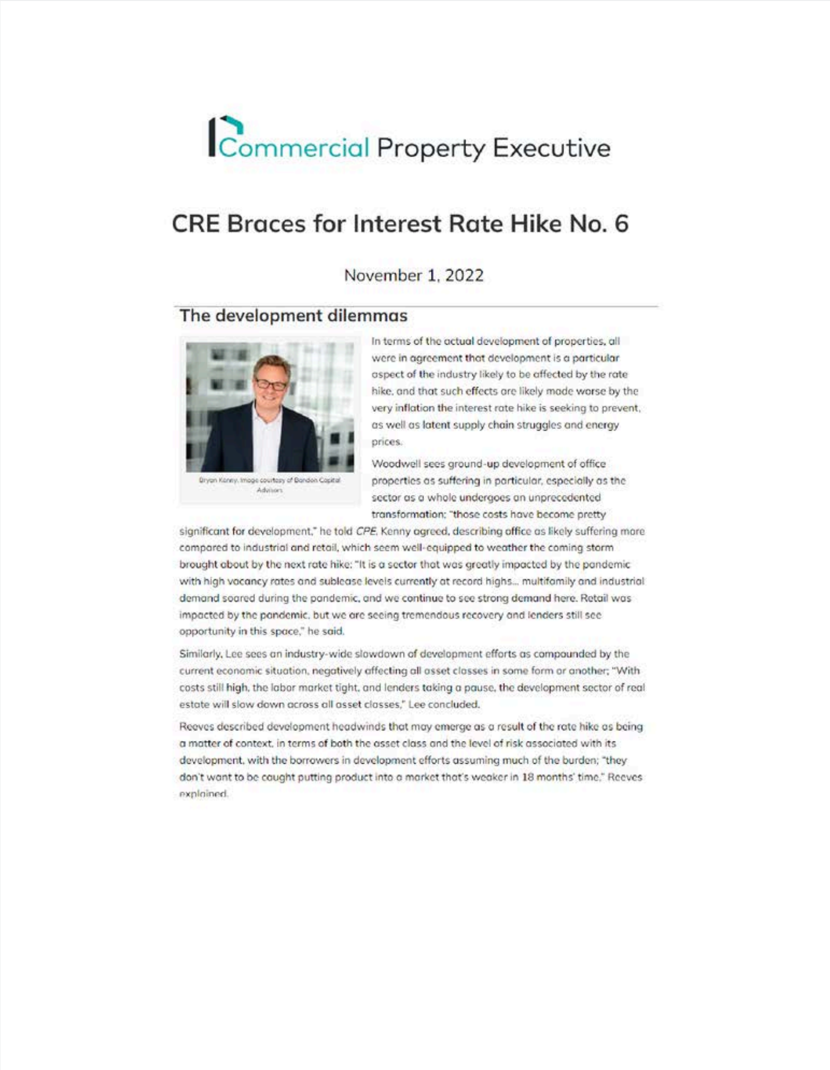
Monthly Visits

24.2K

Monthly Visits

Commercial Property Executive

Search commercial real estate listings for sale or lease — office spaces for lease, retail spaces, industrial properties and more.



Commercial Property Executive

CRE Braces for Interest Rate Hike No. 6

November 1, 2022

The development dilemmas

Bryan Kenny. Image courtesy of Bandon Capital Advisors

In terms of the actual development of properties, all were in agreement that development is a particular aspect of the industry likely to be affected by the rate hike, and that such effects are likely made worse by the very inflation the interest rate hike is seeking to prevent, as well as latent supply chain struggles and energy prices.

Woodwell sees ground-up development of office properties as suffering in particular, especially as the sector as a whole undergoes an unprecedented transformation: "those costs have become pretty significant for development," he told *CPE*. Kenny agreed, describing office as likely suffering more compared to industrial and retail, which seem well-equipped to weather the coming storm brought about by the next rate hike: "It is a sector that was greatly impacted by the pandemic with high vacancy rates and sublease levels currently at record highs… multifamily and industrial demand soared during the pandemic, and we continue to see strong demand here. Retail was impacted by the pandemic, but we are seeing tremendous recovery and lenders still see opportunity in this space," he said.

Similarly, Lee sees an industry-wide slowdown of development efforts as compounded by the current economic situation, negatively affecting all asset classes in some form or another: "With costs still high, the labor market tight, and lenders taking a pause, the development sector of real estate will slow down across all asset classes," Lee concluded.

Reeves described development headwinds that may emerge as a result of the rate hike as being a matter of context, in terms of both the asset class and the level of risk associated with its development, with the borrowers in development efforts assuming much of the burden; "they don't want to be caught putting product into a market that's weaker in 18 months' time," Reeves explained.

November 01, 2022 ONLINE

Commercial Property Executive (38-02459)

commercialsearch.com/news/cre-braces-f...

Monthly Visits

15.9K

Monthly Visits

Los Angeles Business Journal

February 21, 2022 ONLINE

Los Angeles Business Journal (08-01125)

labusinessjournal.com/news/2022/feb/21/...

Monthly Visits **426K** Monthly Visits

LOS ANGELES BUSINESS JOURNAL
Tuesday, February 22, 2022 THE COMMUNITY OF BUSINESS™

Industrial Properties in LA, Orange County Get $60M Loan

By Hannah Madans Welk

Monday, February 21, 2022

Like 0 Share Share Tweet

An industrial park in Pomona was part of the loan..

Newport Beach-based MetroGroup Realty Finance has arranged $58.7 million in financing for seven industrial properties in L.A. and Orange counties.
The properties have a combined 688,661 square feet of space.

"Over the past two years, industrial has outperformed virtually all other real estate sectors, with demand and activity reaching record highs as 2021 came to a close," J.D. Blashaw, vice president at MetroGroup, said in a statement. "The market continues to be highly competitive, particularly in the prime markets of Los Angeles and Orange County, which offer close proximity to the ports, major thoroughfares and large population hubs, and where companies such as Amazon are snapping up industrial spaces in order to keep up with rising ecommerce demands."

The largest part of the refinancing was a five-building industrial park in Pomona, which received $29 million. It is a 10-year loan with an interest-only debt service. The industrial park has 503,156 square feet and is fully occupied.

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Reader Poll
READER POLL: Have you rented a shared space within the last six months?
- Yes, I rented an Airbnb, VRBO or similar vacation space.
- Yes, I used a pool-sharing or similar shared recreational space.
- Yes, I have used a coworking space.
- No, I have not used any of these services in the last six months.

cast vote

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GlobeSt.com

KIMC Is Targeting These Two Unlikely Cities for Affordable Housing

San Francisco and Las Vegas are among the firm's top target markets for affordable housing investment this year.

By **Kelsi Maree Borland** | February 02, 2022 at 05:52 PM

Affordable housing investor Kairos Investment Management Company is taking a contrarian approach to investment in 2022. As part of that strategy, the firm is targeting two unlikely, San Francisco and Las Vegas, which Jonathan Needell, president and chief investment officer of the firm says fit the company's investment profile.

"We carefully research and consider market conditions to identify areas offering great potential for investment that are often overlooked or disregarded by other investors," Needell tells GlobeSt.com. "Our contrarian approach allows us to identify niche markets where we see growth opportunities, such as supply-constrained markets, markets with below-asking rental rates, or areas where vacancy rates are low but on the road to recovery."

February 02, 2022 ONLINE

Globe St. (10-01037)

globest.com/2022/02/02/kimc-is-targetin...

Monthly Visits

112K

Monthly Visits

San Francisco and Las Vegas—two cities that aren't normally grouped together—fit that profile, says Needell. "Both of [the cities] have been negatively impacted by the pandemic," he explains.

San Francisco has already started its recovery cycle, with both apartment and office demand beginning to return in the second half of the year. "We believe it is destined to recover soon as the city known as an innovation hub," says Needell, describing the city's recovery as a rollercoaster. "Companies continue to safely bring back employees to the office and large-scale employers continue to set up offices in the Bay Area." Needell points to the example of Facebook parent Meta signing a 1 million-square-foot lease in the market in early December.

Similarly, Las Vegas also began its recovery in the second half of the year. "Visitor numbers are up 80% compared to spring of 2020 when the pandemic hit the hardest," says Needell. "With lower costs of living and a favorable tax environment for businesses, many tech companies have relocated to the Entertainment Capital of the World, further highlighting the market's strength and growth opportunities."

Last year, KIMC acquired 209th Street, a mixed-used asset in San Francisco, and Siena Townhomes, a multifamily property in Las Vegas. "Our recent loan originations and acquisitions show how we have continuously remained ahead of the game with our investments," says Needell.

Yield PRO

PRO is multihousing news and strategy for owners and operators seeking to increase their asset value through streamlined processes and best practices.

YIELD PRO

iBorrow provides financing to support acquisition and strategic upgrades of student housing asset in Austin, Texas

October 11, 2022

iBorrow, a nationwide private direct lender for commercial real estate, has provided financing to Hawkwood Ventures LLC, a national commercial real estate investor, for the acquisition of a 140-bed, four-story student housing asset which serves students attending the University of Texas in Austin, Texas.

The $11.2 million financing will fund a series of capital improvements to better position the facility to benefit from record occupancy in the student housing sector, according to Brian Good, CEO of iBorrow.

"This transaction reflects our belief in student housing's continued normalization to pre-Covid levels and its overall resilience as an investment-worthy asset class," explains Good, who notes that student housing for the universities tracked by RealPage Analytics were already 86.2 percent preleased for Fall 2022 in June. "Since the pandemic, we've seen an increase in student housing occupancy as an even deeper value has been placed in on-campus life as an essential part of the college experience."

October 11, 2022 ONLINE

Yield Pro (11-02304)

yieldpro.com/2022/10/iborrow-provides-fi...

Monthly Visits **72.5K**
Monthly Visits

Real Assets Advisor

Commercial real estate investment publications, news, trends, resources and events for America, Europe, & Asia Pacific.

INSTITUTIONAL REAL ESTATE, INC.

NOVEMBER 30, 2022

Accord Group achieves final close for first institutional commingled fund

Accord Group, a global real estate strategic investment and capital advisory firm, has closed its first institutional commingled fund with around $105 million in equity commitments. The capital came from institutional investors representing pension funds, sovereign wealth funds, and fund-of-funds based in the United States, United Kingdom and Europe.

The Accord Catalyst Fund was established to catalyze the growth of real estate managers in the United States and Western Europe by providing both strategic capital and capital advisory expertise, according to Desi Co, managing partner and co-founder of Accord Group.

"The Accord Catalyst Fund is emblematic of our efforts to be in a long-term 'accord' with sponsors, by providing access to capital in an increasingly challenging and complex environment while serving as a trusted advisor on their strategic and operational needs through multiple cycles," said Co. "By combining these capabilities, we aim to deliver to r

November 30, 2022 ONLINE

Institutional Real Estate, Inc. (18-02265)

irei.com/news/accord-group-achieves-fin...

Monthly Visits

31.9K

Monthly Visits

Los Angeles Business Journal

March 07, 2022 ONLINE

Los Angeles Business Journal (08-01125)

labusinessjournal.com/real-estate/50-milli...

Monthly Visits **426K** Monthly Visits

Los Angeles Business Journal
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HOME › REAL ESTATE

REAL ESTATE

$50 Million in Financing Given to Golden Bee Properties

BY HANNAH MADANS WELK

MARCH 7, 2022

49

Southfield East and West is a 143-unit multifamily property.

Mid-City-based Golden Bee Properties has received nearly $50 million in financing for a variety of multifamily properties in L.A.
The financing is a capitalization of seven multifamily properties and purchase financing for a two-property portfolio in Long Beach.

NorthMarq's Zalmi Klyne arranged the financing.
Southfield East and West, a 143-unit multifamily property, received roughly $30 million. It is located at 5565 and 5700 S. Ackerfield Ave. in Long Beach.

The transaction consisted of a two-year bridge loan with three one-year extensions.
“The lender understood Golden Bee’s acquisition/rehab plans and understood ADUs,” Klyne said in a statement. “They stuck with the borrower through many deal changes and ended up receiving the best terms available.”

The other portfolio, known as the South Los Angeles Portfolio, received nearly $19 million. The portfolio consists of seven multifamily properties with a total of 108 units.
The loan is a permanent-fixed loan from a regional bank structured with three-year
interest-only terms.

“Golden Bee has already finished the majority of the rehab/renovation of the properties. The recapitalization and cash-out of these deals will allow them to maximize value and take these assets to the next level,” Klyne said in a statement.

Golden Bee Properties was founded in 2011 with a focus on workforce housing in Southern California and Southern Nevada.
The firm currently has $200 million of real estate under management.

A number of other large loans have been processed in L.A. recently. MetroGroup Realty Finance announced last month it arranged $58.7 million in financing for seven industrial properties in L.A. and Orange counties. The largest was a five-building industrial park in Pomona that received $29 million. And in January a California portfolio owned by a private investor that includes L.A. properties received $223 million in permanent financing.

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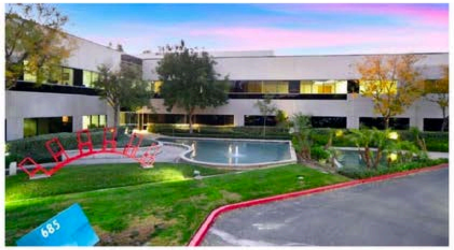
California

December 22, 2022



MetroGroup Secures $23M Acquisition Financing for IE Offices

Newport Beach, CA-based commercial banking firm MetroGroup Realty has secured acquisition financing to close a 1031 exchange transaction for a pair of office properties in the Inland Empire. The loans include $7.6 million for a 62,000-square-foot asset in Corona, CA and $15 million for a 178,000-square-foot office park in San Bernardino, CA (pictured).

"The borrower recently sold an industrial property in Monrovia, CA and was seeking reliable financing terms in order to secure the trade property and take advantage of a 1031 exchange opportunity," said MetroGroup VP Ivan Kustic who arranged the financing. "The attractive yields for these assets coupled with strong fundamentals made these investments worthwhile for our client."

The loan to support the Corona asset has an interest rate in the high-4% range with a 60-day rate lock and 25-year amortization. The loan for the San Bernardino office park has a 75-day rate lock, 30-year amortization and a low-5% interest rate.

December 22, 2022 ONLINE

Connect CRE California (08-02210)

connectcre.com/stories/metrogroup-secu...

Monthly Visits

45.9K

Monthly Visits

Kansas Business Journal

November 15, 2022 ONLINE

L.A. Business First (11-02302)

bizjournals.com/losangeles/news/2022/11...

Monthly Visits

2.47M

Monthly Visits

L.A. BUSINESS FIRST

Santa Clarita's Old Orchard Shopping Center to make some upgrades with refi loan funds

Nov 15, 2022

The 100,00-square-foot strip mall is anchored by a Vallarta Supermarket, with other tenants including Starbucks, Dominos Pizza and a dialysis clinic.

PERE

PERE tracks how the relationship between investment managers and investors drives equity capital into private real estate.

PERE

28 November 2022

Accord closes first institutional fund

The San Francisco-based capital advisory firm is targeting strategic capital investments in real estate managers.

November 28, 2022 ONLINE

PERE (18-02265)

perenews.com/accord-closes-first-instituti...

Monthly Visits **32.4K** Monthly Visits

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INSTITUTIONAL REAL ESTATE, INC.

DECEMBER 12, 2022

Accord announces European expansion, opens office in Munich

Accord Group has opened a new office in Munich to deepen its presence in Europe. The office will be led by Dr. Alexander Kerscher, a real estate private markets professional with more than 11 years of experience on both sides of the institutional investment arena, as an investor and a manager.

Kerscher, who previously served as vice president of business development at Wafra Europe Ltd., will leverage his relationships with capital partners across Europe and the United Kingdom, on behalf of Accord's clients, as well as his experience in sourcing and underwriting investment opportunities, supporting Accord's investment vehicles.

"Europe is an extremely important region for Accord, both in terms of investment opportunities and a highly sophisticated investor base seeking cross-border real estate investment," said Paul Jackson, managing partner.

December 12, 2022 ONLINE

Institutional Real Estate, Inc. (18-02364)

irei.com/news/accord-announces-europe...

Monthly Visits

31.9K

Monthly Visits

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GlobeSt.com

Features

CRE Lending Flourishes Despite Headwinds

CBRE's Index reported a 69% rise year-over-year.

By Paul Bergeron | May 17, 2022 at 08:01 AM

Despite rising inflation and heightened geopolitical risks, Q1 commercial real estate lending activity edged higher, led by alternative lenders, according to the latest research from CBRE.

The CBRE Lending Momentum Index released this week found that lending was up by 69% year-over-year and 5.5% quarter-over-quarter. It now stands 50% above its February 2020 pre-pandemic close. Lending by debt funds and mortgage REITs, in particular, have helped

May 17, 2022 ONLINE

CRE Lending Flourishes Despite Headwinds (11-1234)

globest.com/2022/05/17/cre-lending-flour...

Monthly Visits

71.5K

Monthly Visits

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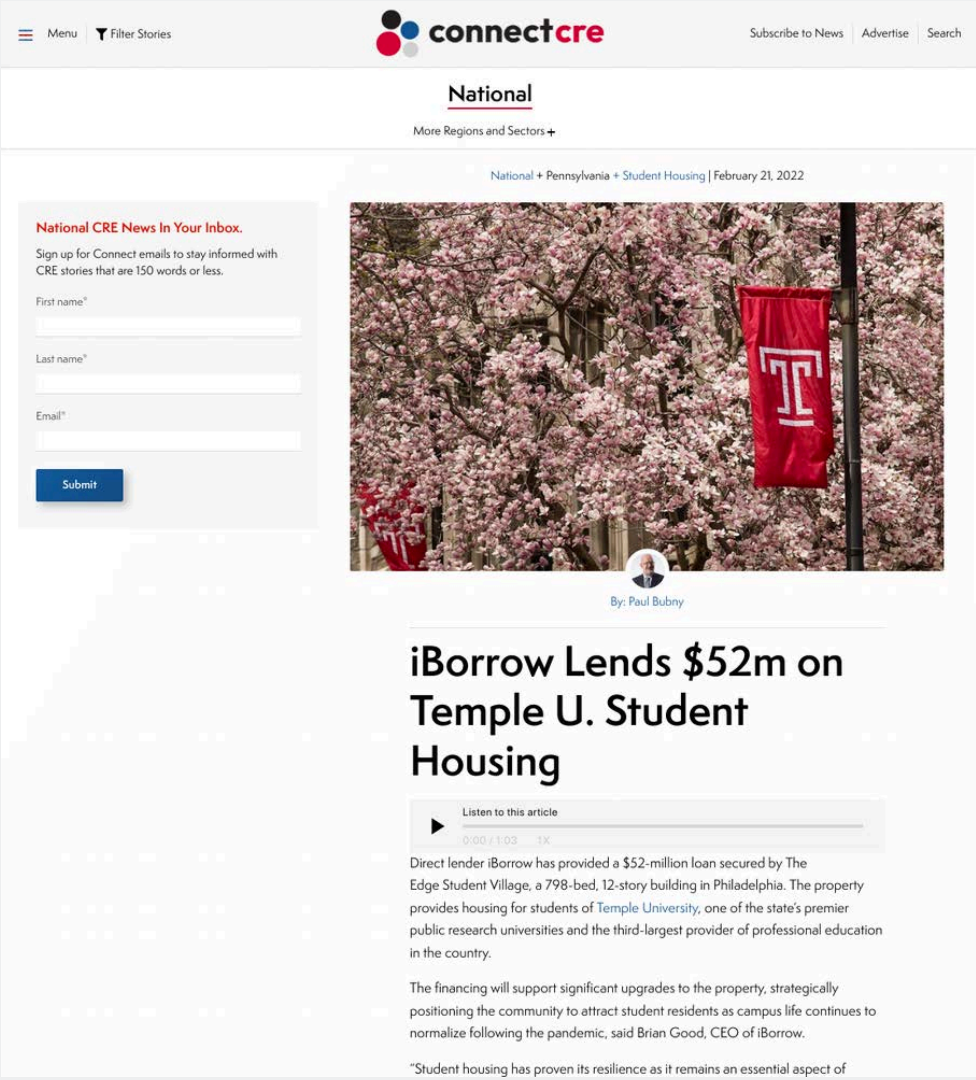

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National + Pennsylvania + Student Housing | February 21, 2022

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By: Paul Bubny

iBorrow Lends $52m on Temple U. Student Housing

Listen to this article

Direct lender iBorrow has provided a $52-million loan secured by The Edge Student Village, a 798-bed, 12-story building in Philadelphia. The property provides housing for students of Temple University, one of the state's premier public research universities and the third-largest provider of professional education in the country.

The financing will support significant upgrades to the property, strategically positioning the community to attract student residents as campus life continues to normalize following the pandemic, said Brian Good, CEO of iBorrow.

"Student housing has proven its resilience as it remains an essential aspect of

February 21, 2022 OFFLINE

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MILE HIGH CRE

Historic Office Property a "Contrarian Opportunity" in Downtown Denver

August 29, 2022

Kairos Investment Management Company (KIMC) has partnered with private real estate investment firm Harbor Associates to acquire The George, an eight-story historic office and retail property totaling 91,027 square feet, located at 820 16th Street in downtown Denver. A sale price was not disclosed.

"This joint venture acquisition aligns well with our contrarian approach, through which we invest in overlooked markets that have a demonstrated pattern of growth," says Carl Chang, CEO and founder of Kairos. "In 2020, Denver was named one of the top moving destinations in the country and ranked among the top five US cities for inbound growth. As large financial institutions become more cautious with their underwriting, our seasoned investment team will continue to carefully research areas of opportunity like Denver where Kairos can partner with firms to acquire assets with value potential."

The George is a property that synchronizes with Kairos' value strategy, which makes value-based real estate investments in strong recovery and growth markets by selecting assets primed for capital and operational improvements. As part of this strategy, Kairos plans to add value to the property by leasing up office spec suites within the building and exploring the development of additional uses within the building, notes Jonathan Needell, CIO of Kairos.

"Many investors are being conservative about placing capital in sectors like office and retail that were hit hardest during the last two years," says Needell. "Conversely, Kairos views these sectors as contrarian opportunities to acquire properties that are positioned to increase in value after the pandemic. The George benefits from its location, as the Denver metro area is consistently ranking as one of the top cities for startups in the US, offering a high-quality, active lifestyle and lower cost of living compared to markets like Chicago and New York."

August 29, 2022 ONLINE

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milehighcre.com/historic-office-property-...

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iBorrow Lends $52Mln Against Phila. Student-Housing Property

February 23, 2022

IBorrow has provided $52 million of financing against the Edge Student Village, a 240-unit and 798-bed student-housing property next to Temple University's main campus in Philadelphia.

The property, at 1601 North 15th St., is owned by Emet Capital Management, which had acquired it last year for $60 million, or $250,000/unit, from Campus Living Villages of Sydney, Australia.

Emet Capital, a New York investment manager that specializes in affordable, student and senior housing, is expected to upgrade the Edge Student Village, which was constructed in 2006.

"As more students return to campus following the pandemic, the market demand for on-campus student housing is positioned for growth," explained Brian Good, chief executive of iBorrow. "The borrower's strategic upgrades to The Edge to enhance curb appeal will drive up resident demand, resulting in a substantial increase in net operating income."

Edge Student Village includes a two-story fitness center, study spaces, a laundry facility, lounge areas and a community kitchen. It has studios with 210 square feet, deluxe studios, which are slightly larger, and junior suites with two bedrooms and two bathrooms.

The property also is being marketed to students attending Drexel University, which is about three miles from Temple but is accessible via public transportation.

"As more students return to campus following the pandemic, the market demand for on-campus student housing is positioned for growth," Good said.

February 23, 2022 ONLINE

Commercial Real Estate Direct (11-01370)

crenews.com/2022/02/23/iborrow-lends-...

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YIELD PRO

Kairos Investment Management Company acquires 103-unit affordable multifamily property in Glendale, Colorado

The property is located close to downtown Cherry Creek and several distinguished educational institutions

January 13, 2022

Kairos Investment Management Company acquired Forest Manor Apartments, a 103-unit affordable multifamily property in Glendale, Colorado. (Photo courtesy of KIMC)

January 13, 2022 ONLINE

Yield PRO (10-01044)

yieldpro.com/2022/01/kairos-investment-...

Monthly Visits

40K

Monthly Visits

Kairos Investment Management Company (KIMC), a firm that focuses on value-based real estate investments with favorable risk/reward characteristics, has acquired Forest Manor Apartments, a 103-unit affordable multifamily property in Glendale, Colorado.

"Kairos is constantly looking for markets similar to Glendale, Colorado, where there is a strong demand for quality and expertly managed affordable housing communities. In these areas, which tend to be less efficient and competitive, we can apply our differentiating management strategies to provide what we believe to be much-needed and superior affordable housing" says Carl Chang, CEO and Founder of KIMC. "Identifying markets that have experienced significant population growth in the last several years yet have been unable to meet the need for affordable housing, enables us to acquire properties within these areas and improve them and bring them up to market value. This is a win-win for all, as those seeking quality affordable housing can live in such communities while we look to maximize property value."

Forest Manor is located close to Cherry Creek and downtown Denver, only 40 minutes from the Denver International Airport, and provides convenient access to bus stops along Route 83. It is also in close proximity to the University of Denver and other highly rated schools within the Cherry Creek School District.

In addition, residents enjoy convenient access to outdoor amenities such as museums, historical parks, and a variety of shopping and dining locations, all within walking distance or accessible by nearby public transportation services.

Connect CRE New York & Tri-State

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August 15, 2022

iBorrow Loan Supports Acquisition of Wainscott Inn in Eastern LI

iBorrow has provided financing to a well-known boutique hotel/inn owner and operator to support the acquisition and renovation of Wainscott Inn, a 30-room boutique inn situated on the east end of Long Island in Sagaponack, NY. The $3.3-million financing assists the borrower in adding the property to its portfolio and will serve as a bridge loan as the sponsor pursues construction permits and city approvals.

The financing occurs as travel is ramping back up post-pandemic and hospitality-sector fundamentals improve, said Brian Good, CEO of iBorrow.

"As people return to traveling, the hospitality sector is benefitting from the rebound of the effects of the pandemic," he said. "In Q4 2021, hotel occupancies had risen to 63.2% across the nation from 48.9% one year prior. As a result, hotel investors are increasingly placing capital in assets like Wainscott Inn, which is located at a convenient destination for both business and leisure stays."

August 15, 2022 OFFLINE

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Features

Single Tenant Auto Properties Compress Amid Increasing Demand

The Boulder Group cites overall market conditions as the primary reason.

By **Paul Bergeron** | March 04, 2022 at 07:03 AM

A market dominated by auto parts retailers, the single-tenant auto sector's national asking cap rates decreased to 5.40% in Q4, according to The Boulder Group's 2021 Net Lease Auto Report.

This represented a 49-basis point increase when compared to the prior year.

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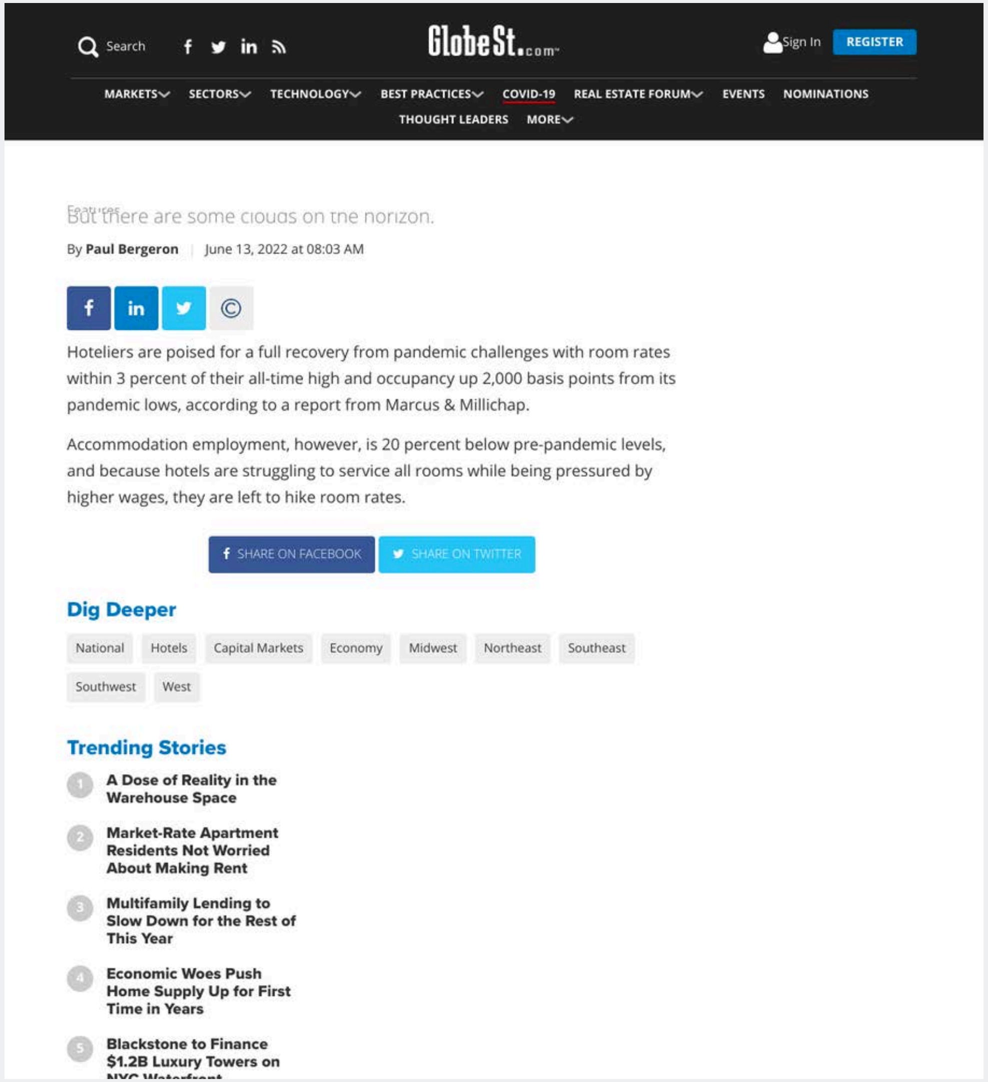

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Features

But there are some clouds on the horizon.

By Paul Bergeron | June 13, 2022 at 08:03 AM

Hoteliers are poised for a full recovery from pandemic challenges with room rates within 3 percent of their all-time high and occupancy up 2,000 basis points from its pandemic lows, according to a report from Marcus & Millichap.

Accommodation employment, however, is 20 percent below pre-pandemic levels, and because hotels are struggling to service all rooms while being pressured by higher wages, they are left to hike room rates.

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June 13, 2022 ONLINE

GlobeSt. (18-000)

globest.com/2022/06/13/hoteliers-look-fo...

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ALM | GLOBEST.COM

Cash-Out Refinancing for Malls Continues to Rise

October 13, 2022

There's been a continued rise in cash-out refinancing across shopping malls and retail centers, according to Patrick Ward, president at MetroGroup Realty Finance.

He tells GlobeSt.com that, this way, retail developers can improve the curb-side appeal of their assets, which in-turn drives greater foot traffic.

For instance, his team recently completed an $18.5 million refinance of a 56,173 square-foot unanchored retail center in northern San Diego. It was to update the center, accordingly, and appeal to changing consumer demand.

"Northern San Diego is a region poised for continued growth and development, and therefore it needs sophisticated and sufficient retail centers to meet the influx of demand," Ward said.

"Additionally, retail centers are also seeing increased success when they strategically repurpose empty space. For instance, using refinance capital to incorporate a fitness destination or a grocery store that focuses on a particular niche, like Asian cuisine or a health-focused supermarket."

He said that strategic reaggregates of space such as these drastically increase foot traffic and "spark excitement" amongst local consumers, who increasingly value these particular retail types.

October 13, 2022 ONLINE

GlobeSt (08-11014)

globest.com/2022/10/13/cash-out-refinan...

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California + Orange County + Finance | February 9, 2022

By: Jason Middleton

$50M in Refinancing Deal in LA, OC Counties

February 09, 2022

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recapitalusa.com/three-market-trends-to-...

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Real Estate Capital USA

The US commercial real estate debt markets are gearing up for a 2022 that will look a lot like the last couple of years, but with new twists on old trends and adapting old ways of looking at new niches.

Here are three things that were at the top of *Real Estate Capital USA's* conversations going into 2022.

Real-time analysis will replace rear-view analysis

Historically, commercial real estate lenders and investors have primarily used backward-looking analysis when underwriting loans and acquisitions. But this is changing as more market participants embrace tech-powered deal and portfolio management and leasing platforms.

A case in point is the monthly VTS Office Demand Index, launched last year to track tenant tours of office properties across the US and provides market participants with an early indicator of tenant demand.

"The folks who have accepted this analytical perspective on the markets want to use this information to get ahead of the trend," says Eli Gilbert, head of market research at VTS.

The bottom line is that real-time, weekly, or even monthly data provides more accurate insight into what is going on at properties and in markets – and allows lenders and borrowers to underwrite loans from a more robust place.

Liquidity premiums will rise for niche sectors

Movie studios, life sciences properties, single-family residential properties and data centers are a handful of the niche sectors that are inching toward the mainstream, with commercial real estate lenders working to get hold of asset classes that may resemble more established sectors at first glance but are actually very different.

There are relatively few lenders active in these sectors, with these players working to evaluate and underwrite challenges that include the delayed draws on single-family residential development loans that are a sharp contrast to loans in the multifamily sector that are nearly fully funded on day one, notes Daniel Jacobs, a partner and head of originations at New York-based debt fund manager Asia Capital Real Estate.

A key takeaway for lenders, however, is that these niche sectors often only have a handful of lenders, which translates into a liquidity premium for those active in parts of the market that are set to see significant growth.

Racing to lock rates

There's been a lot of talk about the Federal Reserve's plans to raise interest rates over the next two years as the US emerges from the pandemic. But there's been less discussion of how this will affect borrower behavior going into 2022.

The Mortgage Bankers Association is expecting the 10-year Treasury bill to average just less than 2 percent in 2022, up from the roughly 1.75 percent level where it started the year.

Ivan Kustic, a vice-president at Los Angeles-based mortgage banker MetroGroup Realty Finance, tells *Real Estate Capital USA* borrowers looking to lock in low rates is likely going to be a major theme of 2022.

"Almost without exception, the mortgages that we have provided in the last couple of years have been at rates lower than what has been paid off in that time. And while interest rates remain at record lows, they are increasing," Kustic says. "We've been encouraging our clients to review their current interest rates, and if applicable, estimate the cost of their prepayment premiums and compare that to what is available today."

Borrowers should take note: banks and insurance companies can commit to terms going as far out as 18 months. This could give these lenders an edge over debt funds and other alternative lenders.

The Registry

May 03, 2022 ONLINE

The Registry Southern California Real Estate News (08-01574)

theregistrysocal.com/18-5mm-financing-s...

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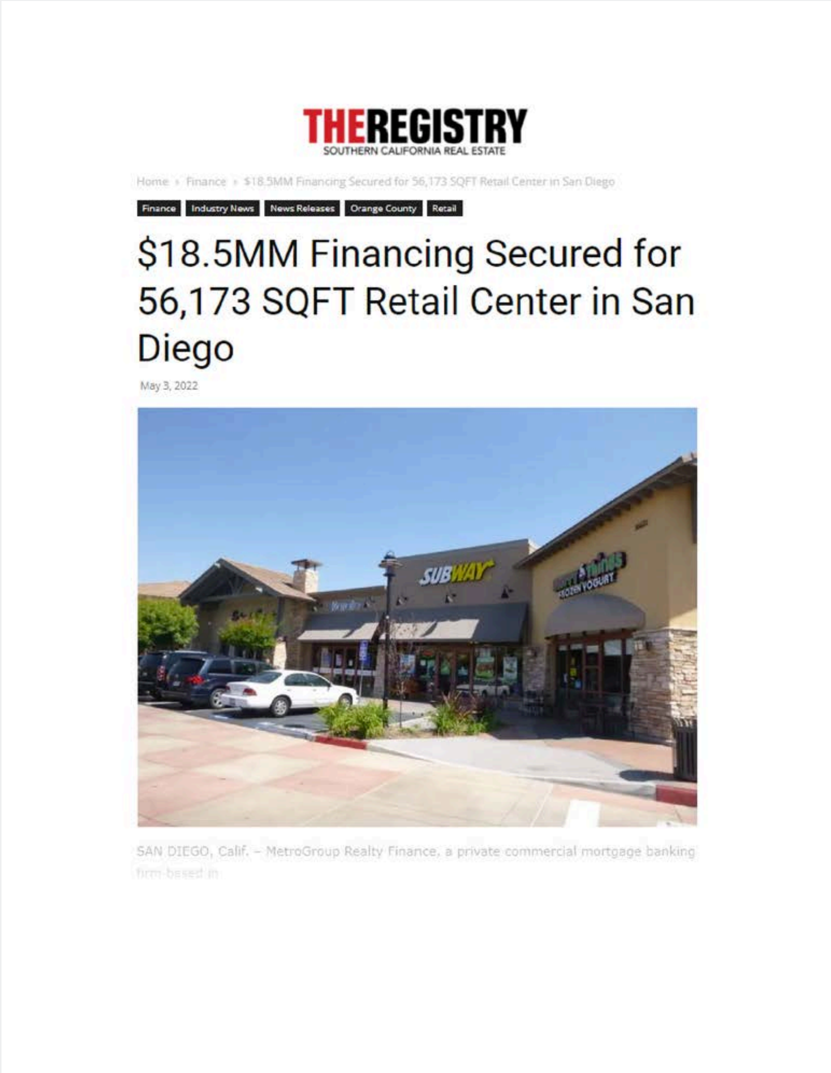

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$18.5MM Financing Secured for 56,173 SQFT Retail Center in San Diego

May 3, 2022

SAN DIEGO, Calif. – MetroGroup Realty Finance, a private commercial mortgage banking firm based in

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Features

Domestic Growth Markets Offer Opportunity in Affordable Housing

Kairos Investment Management Company is capitalizing on the supply-demand imbalance of affordable product in growth markets.

By **Kelsi Maree Borland** | January 19, 2022 at 06:24 AM

Demand for affordable housing is continuing to outpace supply—a problem that has been plaguing the country for years and one that Jonathan Needell, president and CIO of Kairos Investment Management Company doesn't imagine subsiding anytime soon. As a result, there is ample investment capital active in the affordable housing sector. To curb the competition, Kairos is focusing on domestic growth markets.

"At Kairos, one of our strategies is capitalizing on the supply/demand imbalance by identifying areas in domestic growth markets in which to invest and targeting multifamily assets in those areas," Needell tells GlobeSt.com. "By acquiring properties in domestic growth markets, we can more efficiently implement renovations and improvements that aim to raise the quality of affordable housing for residents."

January 19, 2022 ONLINE

Globe St. (10-0986)

globest.com/2022/01/19/domestic-growth...

Monthly Visits

112K

Monthly Visits

Markets that fit the mold have supply constraints with below market rents and improving vaccine rates. “We carefully research and consider market conditions to identify areas offering great potential for investment that are often overlooked or disregarded by other investors,” says Needell. “Our contrarian approach allows us to identify niche markets where we see growth opportunities.”

Following the pandemic, San Francisco and Las Vegas are both markets on the firm’s radar. While the markets are on different scales, they were both badly impacted by the pandemic and are already showing signs of strong recovery. San Francisco, for example, has already seen a rebound in office leasing, a strong sign of recovery. “Companies continue to safely bring back employees to the office and large-scale employers continue to set up offices in the Bay Area,” adds Needell. “An example of this is Facebook parent Meta, which signed a 1 million square-foot lease in the market in early December.” Last year, the firm acquired 209th Street, a mixed-used asset in the city.

Las Vegas, on the other hand, suffered from reduced leisure travelers, but already, visitor numbers are springing back, up 80% from spring 2020. “With lower costs of living and a favorable tax environment for businesses, many tech companies have relocated to the entertainment capital of the world, further highlighting the market’s strength and growth opportunities,” says Needell. In Las Vegas, Kairos acquired apartment community Siena Townhomes.

In addition to focusing on high growth markets, Kairos is also curbing competition by using internal investment management teams, which helps the firm tailor services to support each property. “Following a contrarian yet well-thought-out path can set investors apart from the pack and position them for future success," says Needell.

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By Kelsi Maree Borland

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By Paul Bergeron

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Los Angeles Business Journal

February 21, 2022 ONLINE

Los Angeles Business Journal (08-01125)

edition.labusinessjournal.com/article/281...

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MetroGroup arranges $60 million loan for properties in L.A. and Orange counties.

Includes 500,000-square-foot Pomona property refinance

By HANNAH MADANS WELK Staff Reporter

Newport Beach-based MetroGroup Realty Finance has arranged $58.7 million in financing for seven industrial properties in L.A. and Orange counties.

The properties have a combined 688,661 square feet of space.

"Over the past two years, industrial has outperformed virtually all other real estate sectors, with demand and activity reaching record highs as 2021 came to a close," J.D. Blashaw, vice president at MetroGroup, said in a statement. "The market continues to be highly competitive, particularly in the prime markets of Los Angeles and Orange County, which offer close proximity to the ports, major thoroughfares and large population hubs, and where companies such as Amazon are snapping up industrial spaces in order to keep up with rising ecommerce demands."

An industrial park in Pomona was part of the loan..

The largest part of the refinancing was a five-building industrial park in Pomona, which received $29 million. It is a 10-year loan with an interest-only debt service. The industrial park has 503,156 square feet and is fully occupied.

"The financing allowed our client to reduce the interest expense and payment on the existing debt in today's historically low-rate environment, while tapping earned equity in the project for other investment opportunities," Blashaw said in a statement.

The second-largest piece was $10.2 million in refinancing provided to a 63,135-square-foot industrial property in the City of Industry.

The building is 100% occupied by two users, including the owner of the building. Ivan Kustic, vice president at MetroGroup, arranged the loan.

The other refinancing loans were $2.2 million for a 13,175-square-foot industrial building in Anaheim, $3 million for a 18,476-square-foot industrial property in Torrance, $3 million for a 28,030-square-foot industrial building in Santa Ana, $4 million for a 22,989-square-foot property in Santa Ana and $7.3 million for a 39,700-square-foot industrial building in L.A.

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Kairos Investment Buys 103-Unit Forest Manor Apartments in Glendale, Colorado

Posted on January 14, 2022 by Amy Works in Acquisitions, Affordable Housing, Colorado, Multifamily, Western

Located in Glendale, Colo., Forest Manor Apartments features 103 apartments, a swimming pool and laundry facilities. (Image courtesy of Kairos Investment Management Co.)

GLENDALE, COLO. — Kairos Investment Management Co. has acquired Forest Manor Apartments, an affordable multifamily property located at 625 S. Forest St. in Glendale. Terms of the transaction were not released.

Built in 1974, Forest Manor features 103 apartments in a mix of a single studio, 74 one-bedroom and 28 two-bedroom units with air conditioning, carpeted floors and spacious closets. The property was last renovated in 2001. Community amenities include a swimming pool and laundry facilities. Kairos plans to renovate the asset by implementing interior and exterior upgrades, including interior repairs and upgrades to units, new flooring for interior hallways, exterior roof repairs, pool renovation and common-area amenities.

January 14, 2022 ONLINE

REBusinessOnline (10-01044)

rebusinessonline.com/kairos-investment-...

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Monthly Visits

Multifamily Executive

BH Management Services Named Freddie Mac Impact Sponsor of the Year

October 25, 2022

For its efforts preserving and creating affordable rental housing while advancing residents' interests, BH Management Services has been named Freddie Mac Multifamily's 2022 Impact Sponsor of the Year.

"From the way they have sought to build a diverse and inclusive team to their focus on building communities that are sustainable for tenants and the environment, BH is a multifamily company that puts people first," said Steve Johnson, vice president of production and sales for Freddie Mac Multifamily. "We're proud to name BH our second annual Impact Sponsor of the Year. They set a great example for the industry by proving that you can both do good and do well."

Joanna Zabriskie, CEO, BH Management Services

BH manages approximately 100,000 units and owns 50,000 units, ranking No. 8 on the National Multifamily Housing Council's 2022 list of top apartment managers and No. 22 on the 2022 list of top apartment owners. The company uses its scale to make a difference in its residents' lives. It leverages Freddie Mac's credit building initiative to report on-time rent payments, which helps its residents establish a solid foundation for their financial futures. In addition, the company offers flexible rent payment arrangements and helps deliver millions in annual rental assistance.

The company also prioritizes sustainability and diversity. It has focused on reducing its environmental footprint by implementing energy- and water-saving measures. As a diversity, equity, and inclusion pioneer in the industry, it touts that its management team is over 50% women and its workforce over 50% diverse.

October 25, 2022 ONLINE

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multifamilyexecutive.com/business-financ...

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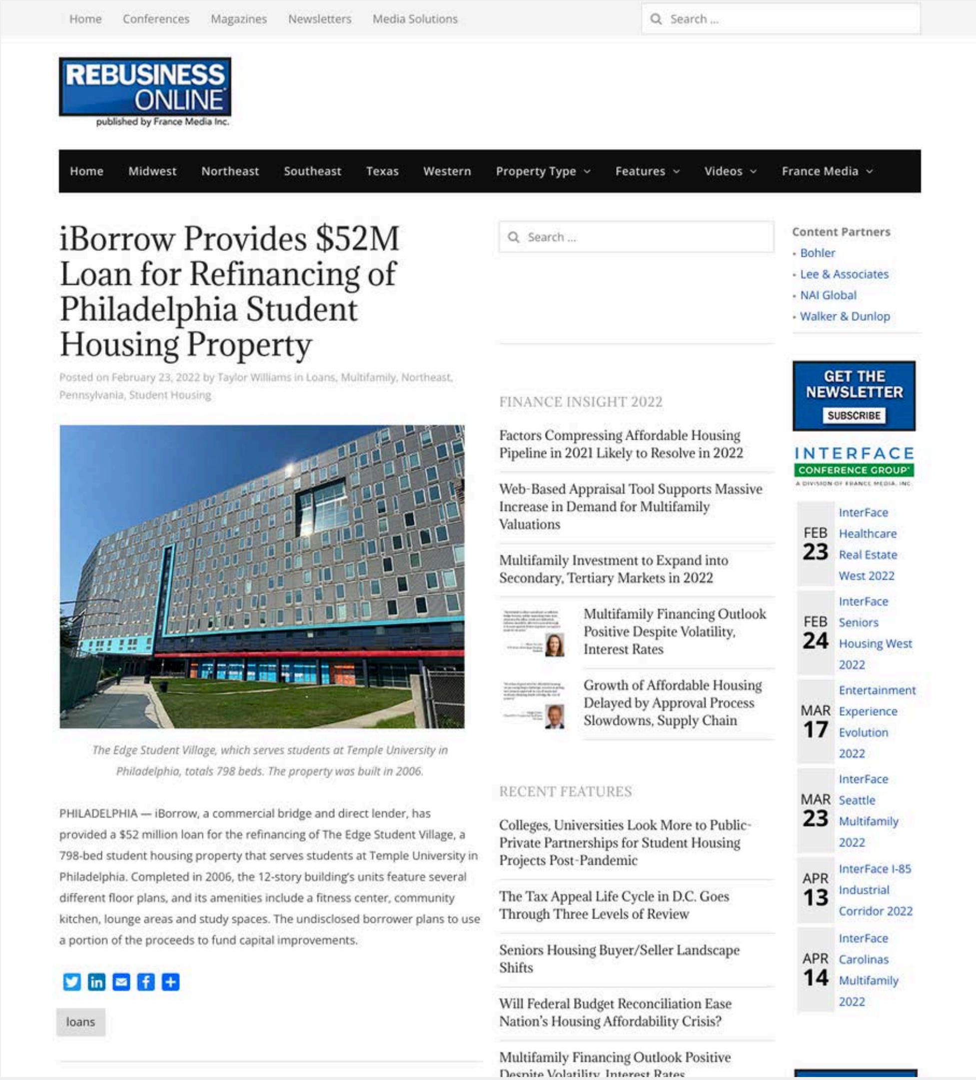

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iBorrow Provides $52M Loan for Refinancing of Philadelphia Student Housing Property

Posted on February 23, 2022 by Taylor Williams in Loans, Multifamily, Northeast, Pennsylvania, Student Housing

The Edge Student Village, which serves students at Temple University in Philadelphia, totals 798 beds. The property was built in 2006.

PHILADELPHIA — iBorrow, a commercial bridge and direct lender, has provided a $52 million loan for the refinancing of The Edge Student Village, a 798-bed student housing property that serves students at Temple University in Philadelphia. Completed in 2006, the 12-story building's units feature several different floor plans, and its amenities include a fitness center, community kitchen, lounge areas and study spaces. The undisclosed borrower plans to use a portion of the proceeds to fund capital improvements.

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Globe St. Real Estate Forum

September 13, 2022 OFFLINE

GlobeSt. Real Estate Forum (08-01722)

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Monthly Visits

assets since 2018. Last year, the investment management firm acquired 144 last-mile properties in 82 transactions totaling more than $750 million. Led by founder and CEO Adir Levitas, Faropoint has a unique business model focused on assets that are not actively marketed by national brokerage firms. As stand-alone properties, these assets are often overlooked by other investors. Investing in markets with strong demographics and high construction barriers to entry, the company further targets inefficiencies in the marketplace that can be solved with technology and scaled using proprietary real estate underwriting and portfolio management methods. Faropoint's success can be attributed to deep local market knowledge; an emphasis on maintaining on-the-ground ties with brokers, building owners and tenants; its use of in-house proprietary technology to manage deal pipeline and improve underwriting and execution capabilities; and its strong relationships with well-capitalized investment partners to ensure certainty to close. Additionally, the firm notably grew from 60 team members in 2021 to 100 professionals as of April of 2022, with plans to double that size by the end of this year. Based in Hoboken, NJ, Faropoint currently has offices spread across eight markets, covering the Northeast, Southeast, Midwest and Texas. ◆

HSA COMMERCIAL REAL ESTATE

HSA Commercial Real Estate was one of the first developers to build class A warehouse space along the I-94 logistics corridor between Chicago and Milwaukee. HSA's first project in the region in 2009, a 184-acre multi-use business park near the Wisconsin-Illinois border, played a major role in positioning the region as a logistics and manufacturing hub. Jack Shaffer founded the firm in 1981 and leads it today as chairman along with vice chairman and CEO Robert Smietana. The company's portfolio encompasses 16 million square feet, with an estimated five million planned or under construction on 500 acres of developable land. In the past three years, HSA has continued to solidify its reputation as a market leader through the development of state-of-the-art class A warehouses to support the intense demand from e-commerce and other industries. During the pandemic, HSA set its sights beyond the immediate uncertainty to focus on the increasing need for class A warehouses in its core markets. In summer 2020, the firm executed a 381,874-square-foot, long-term lease with Kenco Logistics Services at the Heartland Corporate Center in Shorewood, IL. At the time, it was one of the largest industrial leases executed in the Chicago market since the start of the pandemic, and the firm's momentum has continued since then, despite challenges posed by rising material costs and delays associated with supply chain disruption. ◆

METROGROUP REALTY FINANCE

As a commercial mortgage banking firm with nearly 40 years of experience in the industrial real estate industry, MetroGroup Realty Finance has executed more than $5 billion in commercial mortgage financing transactions since its founding in 1983. During the past three years, MetroGroup has provided more than $120 million in financing related to industrial properties throughout the country, with an emphasis on key industrial hubs in Southern California. The firm, which specializes in real estate financing and capital advisory services, is led by founder and president Patrick Ward and VPs J.D. Blashaw and Ivan Kustic. A significant amount of the firm's activity is focused in the industrial sector, where the team has secured strategic financing on behalf of the owners of a range of properties including warehouse and distribution facilities, manufacturing buildings, industrial business parks, adaptive reuse and more. From large institutions and smaller owner-users, to long-term, triple-net-lease investments and older manufacturing buildings in need of renovation, MetroGroup has a deep understanding of its clients' business plans. The firm has developed and maintained strong relationships with several distinct capital sources to best serve the needs of each borrower. As the demand for industrial space and activity in the market have reached record highs in the past year, MetroGroup has played an instrumental role in helping clients take advantage of historically low interest rates and secure lucrative investment opportunities — even in helping small businesses navigate and survive the pandemic. While the firm works on large, institutional transactions, MetroGroup also has made a mark with smaller owner-users. In recent months, the firm has helped several owner-users seeking cash-out refinancing to help ease the impact of the pandemic, achieving liquidity necessary for their businesses to thrive via SBA loans and other avenues. ◆

OPPIDAN INVESTMENT CO.

Oppidan Investment Co. is striving to meet the industrial sector's rapidly growing demand with projects such as its newest development, a nine-property industrial pipeline that will include 1.5 million square feet of class A space in Minnesota and North Carolina. The development is the result of a $157.3 million equity partnership with Rockpoint Group. The three-phase project includes the two-building office/warehouse development Chaska Creek Industrial Park, the three-building warehouse Bunker Lake Business Park and a 121-acre site for Apex Commerce Center. Oppidan began construction on five buildings in 2021 and anticipates completion of all nine buildings in the next two years. Led by president Pat Barrett and SVPs Jay Moore, Tim Brent and Ian Halker, Oppidan has grown into a nationally recognized real estate development company since its founding in 1991. The company has successfully developed 550 projects valued at more than $4 billion and spanning 25.7 million square feet across 39 states and parts of Canada. Oppidan is the Latin word for "investing in your city," a mission that the company takes seriously. The firm also encourages its employees to give their time to community organizations. ◆

PREMIER DESIGN + BUILD GROUP

In 2004, Alan Zocher, Brian Paul and Alec Zocher saw an opportunity to make a difference in the industrial general contracting world. The trio founded PREMIER Design + Build Group with the goal of creating a client-focused company that offered a single point of communication for clients' design and construction needs to save time, reduce risks and lower costs. The new company put its concept-to-completion strategy to the test on Damen Marketplace, a complete warehouse design and construction spec project in Chicago, IL. Since then, the co-founders have grown to a team of more than 90 employees, with revenues exceeding $650 million expected in 2022. Launched in the Chicago suburbs, PREMIER has expanded its ability to serve a rapidly growing client base by opening additional offices in the Southwest and Northeast regions, as well as an office in downtown Chicago. Today, the three founders serve as managing principals of the company, alongside president Michael Pacini, principal and director of construction Mark Melone, and principal and Southwest market leader Steven Gabbert. PREMIER has more than 60 industrial projects currently underway. In 2021, PREMIER moved forward with plans to expand despite the uncertainties facing the industry due to the ongoing pandemic. The firm began work on a new corporate headquarters and celebrated its groundbreaking with an outdoor party at the site of its future home in Chicago's northwest suburbs. ◆

SAXUM REAL ESTATE

Boutique real estate investment and development firm Saxum Real Estate aims to create thoughtful and innovative real estate investment strategies by identifying emerging trends and seizing unseen opportunities. This mindset is what pushed Saxum to pursue the industrial and cold storage asset class. Founded in 2014 by managing principal Anthony Rinaldi, the company's industrial platform covers a total of 3.5 million square feet in cold storage and 4.1 million square feet in dry industrial space across the nation. Saxum built one of the earliest speculative cold storage assets in the nation – the two-phased Burleson Cold Storage facilities, totaling 840,000 square feet across three buildings. The project features three class A convertible cold storage facilities with a temperature capability range of -10 degrees to 40 degrees Fahrenhei t. Since then, the firm has become one of the nation's most active cold storage developers, with more than $1 billion in cold storage investments slated and a mission to grow its portfolio to include more than 10 million square feet of cold storage assets. The firm recently repositioned a facility of industrial warehouse buildings collectively totaling 524,500 square feet in Savannah, GA, which included a robust capital improvement plan that ultimately brought the asset to 100% leasing status with market-leading rents. In addition, Saxum recently developed and executed two ground-up, build-to-suit cold storage industrial facilities in San Antonio, TX and Romulus, MI for Mucci Farms, one of the nation's largest greenhouse vegetable producers. ◆

TITAN DEVELOPMENT

Titan Development is one of the Southwest's largest and most active real estate development and investment firms. Led by CEO Christopher Pacheco, fund manager and partner Ben Spencer, and partners Kevin Reid and Kurt Browning, the firm has established a proven track record across a diversified class of real estate investments. Since its inception in 1999, the firm has completed more than $3 billion in real estate development with more than $511 million of assets under management, and more than 15.5 million square feet of developed real estate. Titan has acquired many strategically-located acres of land that are ideally situated for master-planned industrial parks in attractive secondary and tertiary markets across New Mexico and Texas. The firm works with manufacturers, e-commerce and distribution companies, auto industry suppliers, logistics experts and high-tech industry suppliers to understand and solve problems that address the fast-changing needs of today's businesses. The company was recognized by NAIOP New Mexico for the team's success in expanding beyond its New Mexico roots to become a major presence in the Southwest. The firm also received an industrial award for its work on the Highlands Skybridge in Albuquerque, NM that connects Presbyterian Hospital via a walkway to the new Ronald McDonald House. Many team members at Titan Development continue to support the project cooking meals for families that stay at the Ronald McDonald House, as well as through monetary contributions. ◆

WARE MALCOMB

Industrial is in Ware Malcomb's DNA. Beginning in 1972, the company was founded on principles of great design for industrial and office properties. In the past three years, Ware Malcomb has created two specific design innovations within the industrial sector – the multi-story prototype and cold-ready prototype – that are transforming the industrial market. Its original multi-story prototype focused on facilitating industrial development in highly sought-after and land-constrained locations by building vertically without expanding the building footprint. More recently, the firm has evolved the prototype to work in dense population centers that are now demanding last-touch delivery as the e-commerce industry flourishes; allowing for returns on investment that weren't previously possible. In addition, Ware Malcomb has built a cold speculative prototype designs that support speculative cold building development. The firm currently has multiple projects under construction based on this prototype, with recently completed locations in Texas and Florida. With more than 50 years of expertise, Ware Malcomb has designed more than one billion square feet of industrial buildings. Led by CEO Ken Wink, the company offers professional architecture, planning, interior design, civil engineering, branding and building measurement services to corporate, commercial/residential developer and public/institutional clients worldwide. ◆

WHARTON INDUSTRIAL

Wharton Industrial is the industrial development and investment platform for Wharton Equity Partners, a New York City-based investment and development firm at the intersection of real estate and technology. Since Wharton Industrial's official formation in late 2017, it has been at the forefront of the industrial landscape's ongoing transformation, driven largely by the rise of e-commerce. Wharton was ahead of the curve in 2016 when it recognized the impending growth of e-commerce and the likelihood that it would eventually supplant traditional retail, driving demand for industrial space around the country's core markets. Despite its limited prior experience in the sector, the firm quickly settled on a core strategy of acquiring and developing big-box distribution centers and last-mile delivery facilities in overlooked locations. The company assembled a team of experts and began focusing on key markets along the Eastern Seaboard, Central Florida and the Southeast. As of April 2022, the platform has acquired and developed or is developing more than $1 billion in transactions, spanning nine million square feet; generating more than 30% IRRs on properties that it has sold. Despite its relatively new entry into the sector, Wharton has already made an outsized impact in fueling its growth and preparing individual markets for its continued expansion. Under the leadership of founder, president and chairman Peter C. Lewis, the firm has completed construction of major warehouses, begun a new venture in an emerging industrial market in the Southwest, taken on the remediation and redevelopment of brownfields and other eyesores, and created thousands of jobs in less than four years. ◆

The Registry

February 09, 2022 ONLINE

The Registry Southern California Real Estate News (08-01125)

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THEREGISTRY
SOUTHERN CALIFORNIA REAL ESTATE

MetroGroup Realty Arranges $58.7MM in Financing for Seven Industrial Properties in Southern California

February 9, 2022

NEWPORT BEACH, Calif. – MetroGroup Realty Finance, a private commercial mortgage banking firm based in Newport Beach, California, recently arranged a total of nearly $58.7 million in financing on behalf of the respective owners of seven industrial properties totaling 688,661 square-feet in the Los Angeles and Orange County markets of Southern California.

The firm has experienced an influx of interest in financing for industrial properties over the past several months, as investors and owner-users are strategically taking advantage of the competitive market, as well as seeking to lock in still-record-low interest rates before hikes go into effect this year, according to J.D. Blashaw, Vice President at MetroGroup.

"Over the past two years, industrial has outperformed virtually all other real estate sectors, with demand and activity reaching record highs as 2021 came to a close," says Blashaw. "The market continues to be highly competitive, particularly in the prime markets of Los Angeles and Orange County, which offer close proximity to the ports, major thoroughfares, and large population hubs, and where companies such as Amazon are snapping up industrial spaces in order to keep up with rising e-commerce demands."

Blashaw adds that MetroGroup successfully utilized strong, long-term relationships established within a network of lenders to secure ideal terms and meet the specific needs of its clients.

"By effectively communicating the desirability and position of each property within their respective submarkets, we were able to demonstrate the long-term values and secure loans that best fit each borrower's unique business plans," explains Blashaw.

The firm arranged refinancing for seven transactions total, including the following properties:

Five-Building Industrial Park in Pomona, California

MetroGroup provided a total of $29 million in refinancing regarding a 503,156 square-foot industrial park totaling five buildings in the Los Angeles County submarket of Pomona, California.

The property is fully occupied by a variety of tenants, with uses ranging from light manufacturing, warehouse and distribution.

Blashaw explains: "The financing allowed our client to reduce the interest expense and payment on the existing debt in today's historically low-rate environment, while tapping earned equity in the project for other investment opportunities."

The loan featured an interest rate in the high-2% range, fixed for 10 years with interest-only debt service.

Industrial Asset in City of Industry, California

MetroGroup secured $10.2 million in refinancing for a 63,135 square-foot industrial property in the Los Angeles County submarket of City of Industry, California.

The building is currently 100% occupied by two users, with more than 50% of the space being utilized by the owner of the building.

The borrower requested cash-out refinancing to provide working capital to support its growing business recovering from the impacts of the pandemic, explains MetroGroup Vice President Ivan Kustic, who arranged the loan.

"We have worked with many owner-users who seek cash-out refinancing to help ease the impact of the pandemic and help their businesses thrive," says Kustic. "Due to our long-standing relationships in the capital markets, we were able to provide an SBA loan after working directly with the CDC and our lender to provide cash-out refinancing at competitive pricing, despite historical cash flow not initially supporting the loan request."

According to Kustic, MetroGroup was able to secure competitive pricing with a blended rate in the low-3% range for the projection-based loan.

The five additional financing transactions include:

- The $2.2 million refinance of a 13,175 square-foot industrial building in Anaheim, California
- The $3 million refinance of a 18,476 square-foot industrial building in Torrance, California
- The $3 million refinance of a 28,030 square-foot industrial building in Santa Ana, California
- The $4 million refinance of a 22,989 square-foot industrial building in Santa Ana, California
- The $7.3 million refinance of a 39,700 square-foot industrial building in Los Angeles, California

About MetroGroup Realty Finance

Founded in 1983, MetroGroup Realty Finance is a private, Newport Beach-based mortgage banking company that specializes in providing capital advisory and mortgage banking services for properties throughout the United States. With deep experience across a variety of property types including office, retail, industrial, multi-family, mixed-use, hotel/lodging, and land, MetroGroup has established long-term relationships with well-respected capital sources, through which the firm delivers lasting results to its clients. Additional information is available at www.metrogroupfinance.com.

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Kairos Acquires 103-Unit Denver Community

By **Olivia Bunescu** - January 18, 2022

Kairos Investment Management Co. has bought Forest Manor, a 103-unit community in Glendale, Colo. The property was previously owned by **Alden Torch Financial**, which bought it in 2016, according to Yardi Matrix data.

Forest Manor. Image courtesy of Kairos Investment Management Co.

Completed in 1974 and renovated in 2001, Forest Manor comprises three buildings, standing three stories tall and includes studio, one- and two-bedroom apartments averaging 576 square feet. Community amenities feature a tennis court, a volleyball court, a pool and two laundry facilities. KIMC is planning to upgrade the flooring and interior hallways, as well as common-area amenities.

Located at 625 S. Forest St., the property is within 1 mile of many retail options, including a Target, Bed Bath & Beyond, Walgreens, several dining destinations, as well as the Cherry Creek Plaza business center. Downtown Denver is situated some 5 miles northwest.

KIMC's strategy is to acquire properties in growing markets such as Glendale and create affordable communities by improving and bringing them to market value, mentioned Carl Chang, CEO & Founder of KIMC, in a prepared statement. A couple of months ago, KIMC also acquired a Las Vegas affordable community for $41 million.

TAGS Kairos Investment Management Company

January 18, 2022 ONLINE

Multifamily Real Estate News (10-01044)

multihousingnews.com/kairos-acquires-10...

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SOUTHWEST NEWS

Kairos Targets Markets Similar to Glendale for Affordable Housing

January 27, 2022 ONLINE

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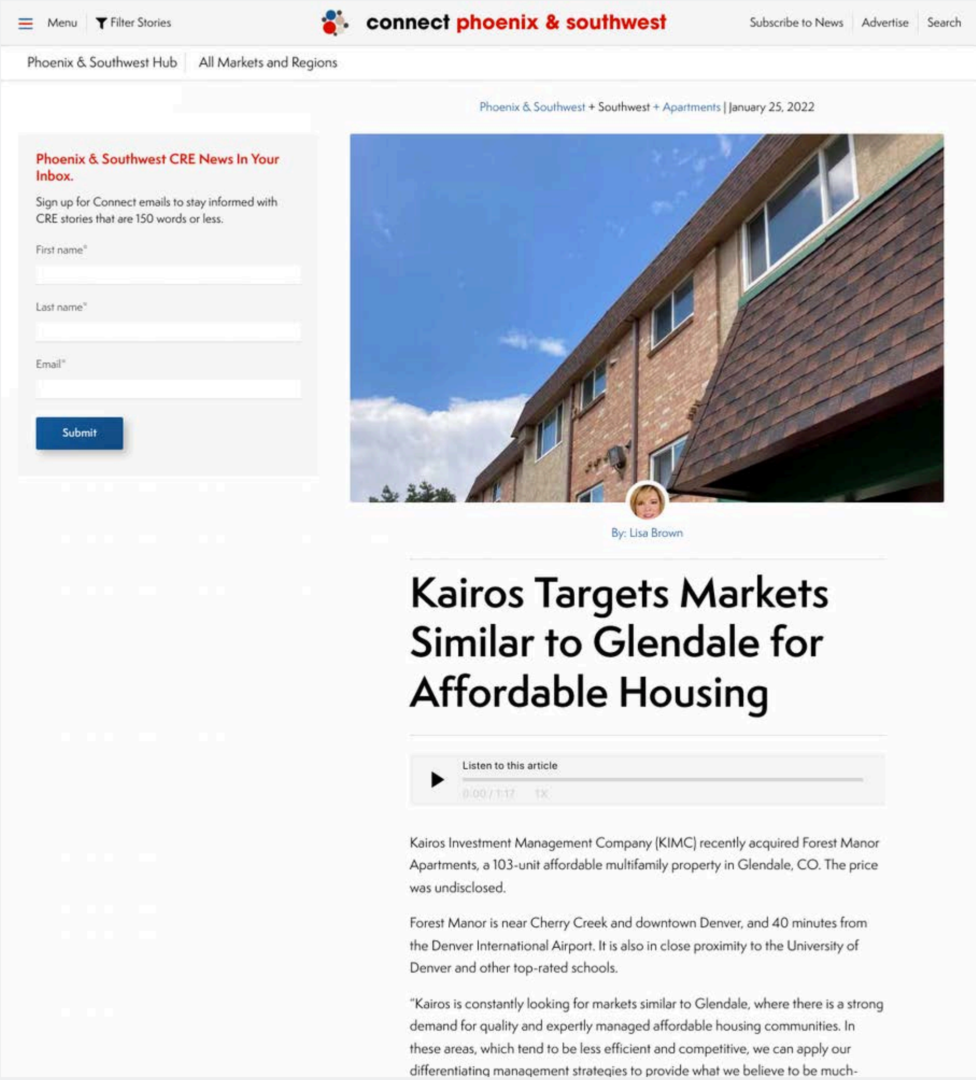

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By: Lisa Brown

Kairos Targets Markets Similar to Glendale for Affordable Housing

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Kairos Investment Management Company (KIMC) recently acquired Forest Manor Apartments, a 103-unit affordable multifamily property in Glendale, CO. The price was undisclosed.

Forest Manor is near Cherry Creek and downtown Denver, and 40 minutes from the Denver International Airport. It is also in close proximity to the University of Denver and other top-rated schools.

"Kairos is constantly looking for markets similar to Glendale, where there is a strong demand for quality and expertly managed affordable housing communities. In these areas, which tend to be less efficient and competitive, we can apply our differentiating management strategies to provide what we believe to be much-

January 25, 2022 ONLINE

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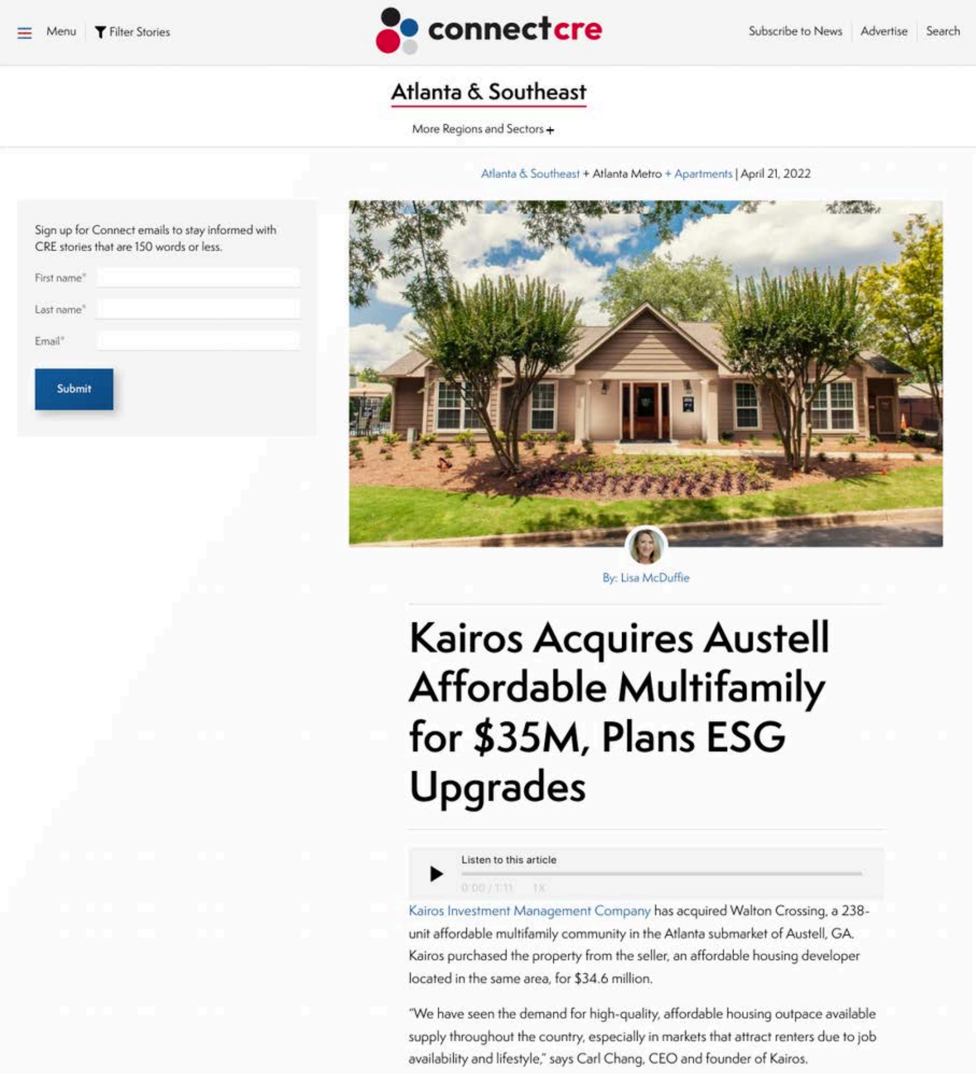

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By: Lisa McDuffie

Kairos Acquires Austell Affordable Multifamily for $35M, Plans ESG Upgrades

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Kairos Investment Management Company has acquired Walton Crossing, a 238-unit affordable multifamily community in the Atlanta submarket of Austell, GA. Kairos purchased the property from the seller, an affordable housing developer located in the same area, for $34.6 million.

"We have seen the demand for high-quality, affordable housing outpace available supply throughout the country, especially in markets that attract renters due to job availability and lifestyle," says Carl Chang, CEO and founder of Kairos.

April 21, 2022 ONLINE

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March 28, 2022 OFFLINE

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Global investor snags $620 million portfolio

by Jenna Walters

DENVER – A global private investment firm added to its Denver-area holdings with the purchase of a seven-property multifamily portfolio in Central Park.

Starwood Capital Group acquired the Central Park portfolio, an asset comprising 1,445 units and nearly 100,000 square feet of office and retail space.

Jordan Robbins

According to public records, the buyer purchased the portfolio for $619.5 million from seller Brookfield Properties. Jordan Robbins and Pamela Koster of JLL brokered the sale.

Constructed between 2004 and 2019, the portfolio ranges from luxury, core-plus wrap and garden-style product to value-add garden-style homes, offering a mix of floor plans averaging 917 square feet. At closing, the entire portfolio was 93% occupied. This number includes the Class A retail and office space, home to nearly three dozen national and regional tenants, including Starbucks, Orangetheory Fitness and Chipotle.

The multifamily portion of the portfolio includes 7575 Town Center at 7575 E. 29th Place, The Aster Conservatory Green at 4890 Willow St., Botanica Town Center at 2853 Roslyn St., Crescent Flats at 7470 E. 29th Ave., The Aster Town Center at 3131 Roslyn Way, and The Aster Town Center North at 3207 Syracuse St. The commercial space is spread across the East 29th Avenue Town Center.

According to Robbins, the portfolio garnered significant interest, signifying a desire by investors to complete large-scale deals. He said Starwood, as an experienced Denver area investor, was the perfect fit. The buyer adds the Central Park portfolio to a list of global holdings worth more than $105 billion. ▲

CoStar

Starwood Capital Group acquired a multifamily portfolio in Central Park, including 7575 Town Center.

Class A industrial asset sells for $318 million

by Jenna Walters

A 1.15-million-square-foot Class A industrial park in northwest Denver traded hands.

A group of institutional investors advised by J.P. Morgan Global Alternatives acquired the 66-acre Pecos Logistics Park from developer Westfield Co. According to public records, the asset, located at 5675-5725 Pecos St., sold for $318 million. Tyler Carner, Jeremy Ballenger, Jessica Ostermick and Jim Bolt of CBRE brokered the deal on behalf of the seller.

Upon completion, the park will encompass seven buildings featuring 28- to 32-foot clear heights, shared amenity space for tenants, Union Pacific rail access, trailer parking and at least 3,000 amps of power per building. Phase I of the project, totaling 675,100 sf across four buildings, wrapped up in September. Phase II, adding 471,000 sf across three buildings, is scheduled for completion in the second quarter of this year. At closing, Phase I was 68% leased.

The park's location in a highly competitive Denver submarket, coupled with its luxury amenity package and initial leasing success, proved attractive to the buyer, Carner noted.

"Pecos Logistics Park is an irreplaceable property with one of the best locations in Denver for capitalizing on the last-mile e-commerce evolution and overall industrial expansion," Carner said. "Two-thirds of Denver's population is accessible within a 15-mile radius, and highway access is unmatched. The quality of tenants that have already committed to the project is proof of its value."

Nick Firth of J.P. Morgan Asset Management deemed the asset a welcome addition to the buyer's portfolio, saying, "Pecos Logistics Park is a modern, state-of-the-art warehouse park in a prime, supply constrained location, prized for its accessibility to Denver's growing population. We're pleased to add it to our nationwide industrial portfolio of 75.9 million square feet, including 2.8 million square feet of the best industrial space in the Denver market." ▲

Developer Westfield Co. sold the newly constructed Pecos Logistics Park.

January 13, 2022 — ONLINE

Colorado Real Estate Journal (10-01044)

crej.com/colorado-real-estate-journal-curr...

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Done Deals

Monday, January 24, 2022

Kairos Investment Management Co. (KIMC) CEO Carl Chang Named Board Chair to Los Angeles Branch of San Francisco Federal Reserve Bank

Carl Chang

LOS ANGELES, CA, Jan. 24, 2022 - Kairos Investment Management Company (KIMC), a firm that focuses on value-based real estate investments with favorable risk/reward characteristics, has recently announced the appointment of its CEO, **Carl Chang**, to Chair of the

January 24, 2022 ONLINE

Done Deals (10-0954)

alex-donedeals.blogspot.com/2022/01/ka...

Monthly Visits

31.4K

Monthly Visits

Board for the Los Angeles Branch Board of Directors of the Federal Reserve Bank of San Francisco.

This appointment comes as part of the Federal Reserve Act of 1913, which requires each of the 12 Reserve Banks to function under the supervision of a Board of Directors.

Under this act, the Board of Directors has the responsibility to represent the interests of the 12th Reserve District to help fulfill operational and policy responsibilities.

Federal Reserve Bank of San Francisco
101 Market Street, San Francisco, CA 94105

"This appointment marks a huge step forward for not only our firm but also for firms that are in similar industries as Kairos," says Chang.

“One of our main areas of responsibility as Board members is to act as a link between the government and businesses in the private sector and voice our views on current and future monetary policies.

"I look forward to carrying out this important mission in my new role with the Board.”

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March 29, 2022

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May 01, 2022 ONLINE

PERE (18-000)

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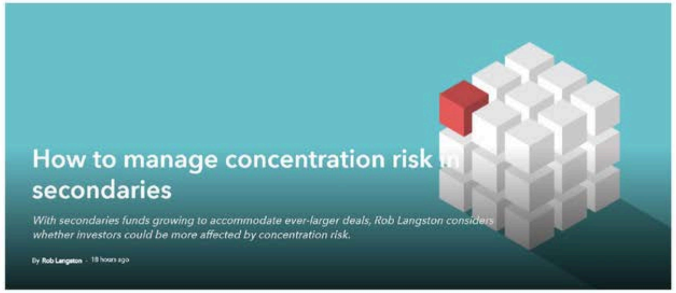
PERE



As the real estate secondaries market has become more sophisticated in recent years, and investor demand for diversification and real estate exposure has increased, deals have gotten bigger. According to data from Landmark Partners and Preqin, $10.6 billion in real estate secondaries was transacted on the global market in 2021, a new record.

As such, managers are targeting larger fundraises to meet this competition. PERE data shows that four of the five largest real estate secondaries funds currently in market are looking to raise at least $1.5 billion in capital. And while annual fundraising has been uneven, 2020 was a record year for the market, with $7.34 billion secured.

"Every secondaries fund has grown in size to address the larger-size deals," says Jeff Giller, partner and head of StepStone Real Estate. "They should be able to scale up to handle larger transactions and meet increasing overall market volume."

But as deal and fund sizes have grown, with GP-led single-asset restructurings increasingly common investments, to what extent are investors facing greater concentration risk? And how can they mitigate that risk?

"Usually, the very large deals are shared by multiple secondaries firms," explains Giller. "They [often] do it in a club format, where the various competitors will team up to buy large deals together. A single buyer will take it down and then offer pieces of the deal to other secondaries buyers, or the manager or investor will set pricing and select different buyers to acquire the interests. But funds are also getting bigger and increasingly able to take on larger-size deals."

The emergence of bigger funds is coming about as managers look for greater efficiencies and economies of scale, says Desi Co, managing partner at San Francisco-headquartered Accord Group.

> *"Secondaries investors are able to right-size their participation in large deals to manage the level of exposure to any single asset"*
>
> *Philip Chapman*
>
> *Lazard*

"We've been saying for a while that we think the world will coalesce to not only a dozen or two mega-funds, but a dozen or two specialist funds," Co explains. "New niches will always emerge, but at the end of the day, it's all about being the national champion or international champion in your specialist area."

Understanding the risk

There are several ways secondaries investors can ensure they are not caught out by concentration risk. Due diligence, for example, is the primary way to ensure that investors understand their exposure to single assets.

"Large, sophisticated investors – especially those that also have direct investment arms – are increasingly willing and able to undertake such an exercise," says Philip Chapman, real estate secondaries specialist at investment bank Lazard. "The diligence required for syndicate parties can be somewhat lighter as they gain a degree of comfort from the work done by the lead investors that determine price and terms."

Giller says StepStone Real Estate has found that a focus on manager-led secondaries – a part of the market where volumes have grown considerably in recent years – gives the firm better insight into the assets it owns, as it can often be challenging to perform due diligence on traditional investor-led secondaries.

"On GP-led secondaries, the manager is usually willing to provide detailed asset-level information for our due diligence, while in traditional investor secondaries, there is no incentive for the manager to do so," he says. "Usually, the manager limits what they'll share with buyers of investor secondaries to quarterly reports, so it's impossible to do the kind of due diligence you would do when you're buying an individual property or even a portfolio of properties in investor-led secondaries."

Deep underwriting can also help increase potential investors' understanding of a deal, says Sarah Schwarzschild, managing director and co-head of global multi-manager platform BGO Strategic Capital Partners.

"We are real estate investors first and ground every deal in real estate underwriting," she explains. "Our proprietary traditional secondaries model allows us to do a sum-of-the-parts underwriting with projections and valuations of individual assets. "One reason we do deep real estate underwriting is because we believe risk management starts there," Schwarzschild continues, adding that the firm also mitigates risk through careful portfolio construction and diversification across asset, manager, property type and geography.

Bigger can be better

For many in the secondaries market, the increasing number of larger deals should allow investors to side-step the issue of concentration risk.

"Secondaries investors are able to right-size their participation in large deals to manage the level of exposure to any single asset," adds Lazard's Chapman. "It should also be noted that real estate secondaries funds are raising larger and larger funds, which helps mitigate concentration risk – large funds are more capable of absorbing large deals without the exposure representing excessive concentration within the fund."

> *"One reason we do deep real estate underwriting is because we believe risk management starts there"*
>
> *Sarah Schwarzschild*
>
> *BGO Strategic Capital Partners*

Investors will also typically be disciplined when it comes to the maximum exposure they are willing to take on a single asset, says Chapman. "On a large transaction, this typically results in the need for additional syndicate capital to fill any funding gap, rather than a negative pricing impact."

To some, larger funds and bigger deals are a sign that the real estate secondaries market is maturing and should remain a long-term feature.

"It feels like, in the last five years, real estate secondaries funds have really come of age," says Accord's Co. "I think it's because they've offered a combination of buying investor interests, as well as recapitalizing whole portfolios and large assets.

"So the logical way for a small guy to participate is to be more involved in those kinds of vehicles.

"This whole industry is moving more toward [being] bigger in all dimensions – bigger managers, bigger funds, even smaller investors trying to write bigger checks," notes Co. "Everything is moving toward bigger, [but] that is the natural sort of countermeasure to any kind of inherent concentration that's going on."

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Kairos Grows Affordable Housing Portfolio With Purchase in Suburban Atlanta

California Firm Shells Out Nearly $35 Million for Walton Crossing in Austell

Walton Crossing (CoStar)

By John Lowery

February 28, 2022 | 5:47 P.M.

A California firm that targets value-add real estate for investment has snapped up an affordable housing complex in suburban Atlanta as it looks to grow its holdings in the sector.

February 28, 2022 ONLINE

CoStar (10-01330)

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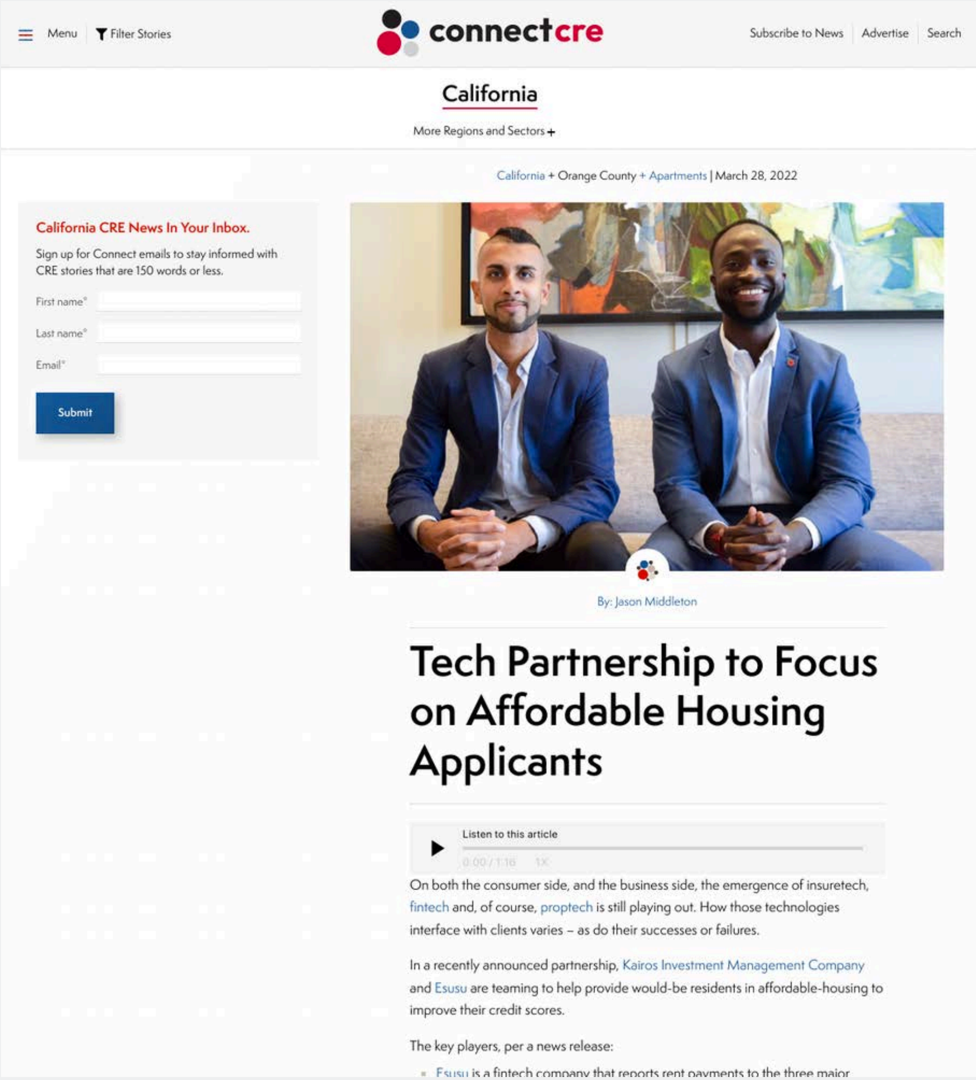
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By: Jason Middleton

Tech Partnership to Focus on Affordable Housing Applicants

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On both the consumer side, and the business side, the emergence of insuretech, fintech and, of course, proptech is still playing out. How those technologies interface with clients varies – as do their successes or failures.

In a recently announced partnership, Kairos Investment Management Company and Esusu are teaming to help provide would-be residents in affordable-housing to improve their credit scores.

The key players, per a news release:

- Esusu is a fintech company that reports rent payments to the three major

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Kairos Investment Management Company Introduces Program to Help Residents at Its Affordable Housing Communities Improve their Credit Scores

3/25/22

Kairos Investment Management Company (KIMC) has launched a new program for its affordable housing communities to help residents improve their credit profiles. The program is led by Esusu, the pioneering fintech company that reports rent payments to the three major credit bureaus (Equifax, Transunion, and Experian) with the goal of helping renters boost their credit scores and assist property managers with maximizing returns.

"Kairos is committed to providing social programs that aim to better the lives of residents in multiple ways," says Carl Chang, CEO of KIMC. "In the past quarter, we had over 12,383 residents benefit from a variety of our social programs, which are tailored specifically to meet the needs of those in each apartment community. After the last two challenging years of the pandemic, opportunities for renters to improve their financial profiles are in especially high demand. We are thrilled to offer this program to the many residents at our communities who might not otherwise be able to raise their credit scores."

As part of a larger initiative announced in November 2021, Esusu is working with Freddie Mac to enable KIMC to bring these rent reporting and credit-building capabilities to 19 of its affordable housing communities. "This exciting new program strives to elevate the financial profiles of residents at our affordable multifamily communities," said Anita Rodriguez, Impact Program Manager for KIMC. "Those who pay their rent on-time will automatically have those payments reported to the top three credit bureaus by Esusu, allowing residents to build their credit at no cost. Improved credit scores come with many benefits, including better interest rates on credit cards, car loans, and more. We believe Esusu's model offers a great benefit for the residents of our communities."

Founded in 2018, Esusu uses rent reporting and data solutions to bridge the racial wealth gap. There are over 45 million people in the United States without a credit score and a majority of those without credit or credit thin profiles are renters. Esusu partners with property owners and housing providers like KIMC to create credit-building opportunities for renters. "Our partnership integrates Esusu's credit building and renter support capabilities into Kairos Investment Management Company's already comprehensive social impact strategy for renters," said Samir Goel and Abbey Wemimo, Co-Founders of Esusu. "Both companies are aligned and focused on our collective efforts to dismantle barriers and roadblocks for renters while creating affordable and quality housing solutions and credit options for working families."

"Esusu also uniquely offers Rent Relief for residents experiencing financial hardship," Rodriguez adds. "The initiative gives renters the opportunity to apply for access to interest-free, no-fee loans to help cover the cost of rent for up to two months," Rodriguez adds.

KIMC is introducing residents to Esusu both digitally and with printed flyers to ensure that every resident is informed regardless of Wi-Fi, smartphone, or computer access.

"Only 8% of service coordinators who work closely with affordable housing residents report that these renters have reliable internet access," explains Rodriguez. "We have created a one-page printed document explaining the program in English, Spanish, and Creole (for our Florida residents). Our goal is to help as many of our residents as possible with improving their financial situations."

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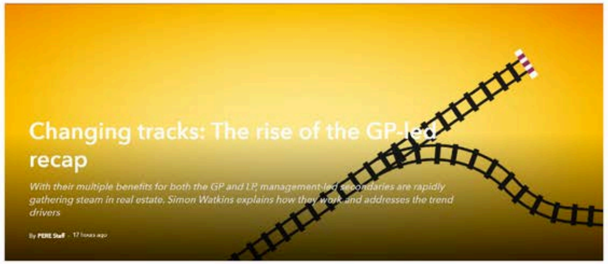

The growth in GP-led secondaries and recapitalizations of real estate funds passed a watershed in February with Blackstone's $21 billion recap of its Mileway European logistics platform. The deal, which saw ownership transfer from multiple funds to Blackstone's core-plus arm, was not just the largest GP-led yet – it was the largest real estate transaction of any kind.

GP-led secondaries anrecd recaps are relatively new to real estate, but growing fast. According to data from Landmark Partners and Preqin, real estate secondaries transactions totaled $10.6 billion in 2021 – up 24 percent from 2020. And in the past five years, GP-led deals grew at an annualized rate of 38 percent per year, as reported by Landmark Partners and Greenhill.

Understanding the drivers

The essence of a GP-led secondaries or recap is straightforward. Management seek new investors for the assets, and the existing investors generally either cash out or roll over their investment into a new vehicle.

The key appeal of GP-led secondaries is that they provide a new source of liquidity for investors, while also opening the way for fresh capital to be invested in the assets. Managers that know their assets well and have confidence in their future performance can continue their involvement and their carry.

"These have become win-win scenarios," says Desi Co, managing partner at investment and advisory firm Accord Group. "The selling shareholders achieve better net proceeds than from a straight sale; the manager is delighted to continue to be in the management of these assets. There's a chance for a second promote, and then you've got the buyer coming in, which is delighted they can avoid the J-curve by buying into an existing pool of assets. The buyer often gets more control and more transparency."

Jeff Giller, head of global real estate at StepStone, points to the growth of the mega-cap managers as another driver. "Nearly half the capital in the market is now being allocated to the 10 largest managers, which is leaving some of the really good small- and medium-sized managers with capital constraints. So, one thing managers can do to help fill the gap is to recapitalize their current vehicles.

"The other big driver of the increasing number of continuation vehicles is there's been a lot of new entrants to the GP-led secondaries market. These are mostly traditional secondaries investors, which have recently added GP-led secondaries to their playbooks."

The perception of secondaries has also changed. Regarded for many years as a defensive move carried out to shed distressed assets or source emergency capital, secondaries are now mainstream transactions increasingly seen as positive and proactive strategies.

Sarah Schwarzschild, managing director and co-head of BGO Strategic Capital Partners, part of Canada-based real estate management group BentallGreenOak, says: "These transactions have stopped being seen as a mechanism to deal with distress, to being a tool that is utilized by investors to manage their own portfolios. So today I think the stigma has evaporated."

Meanwhile, real estate as an asset class has characteristics that may make it particularly suitable for GP-led secondaries. Co cites the well-known real estate motto, "location, location, location." The value of location is typically long-lasting, Co argues, so why would you sell?

While investors may have good reason for wanting to exit, other investors with a different strategy or time horizon may see value in retaining exposure to real estate assets for much longer. And the managers, who really know the assets, may feel even more strongly about wanting to stay invested.

Structuring secondaries

With every fund and portfolio being different in composition and investor profile, there are countless variations in how secondaries and recapitalizations are structured. The vast majority, however, involve either a new fund or a new corporate joint venture that takes over the assets.

Stefan Lempen, managing director and co-head of private real estate integrated investments at Partners Group, explains: "With a new fund, the new investors subscribe to that new fund and the old investors sell or roll part or all of their stake. If they used to have 10 percent in the previous structure, they may decide to take 10 percent in the new structure, or maybe only 7 percent, or they might exit and take cash. Or if you create a joint venture corporate entity, it can take over the assets, and then the managers and those that wish to roll over their investment subscribe to shares in the corporate entity.

"These two methods are very similar, but jurisdiction might make a difference to which you choose," adds Lempen. "In Germany, for example, corporate taxes mean you tend to limit your universe of buyers if you do it through a joint venture."

Naming your price

In any GP-led secondaries or recapitalization, the issue of value is the most obvious point of potential conflict between the interests of managers and investors. Real estate has the advantage of being relatively straightforward to value, and funds typically carry out valuations as a matter of course every year or six months.

Giller at StepStone adds that the adoption of mark-to-market accounting over the last decade means that manager marks are more accurate than they used to be – investors should be able to go into a secondaries situation confident they have a sound starting point for understanding the asset value.

Nevertheless, there will often still be wrinkles to smooth out, particularly in an uncertain market where valuations may change fast or unpredictably.

"There is an element of time lag and uncertainty," says Lempen. "Very often, there is a new lease that is not fully agreed, or refurbishment costs of older building structures and installations are not clear yet, which means future net cashflows leave room for interpretation. Ideally, you have one or two professional real estate valuers issuing a report.

"Those valuation reports are presented to investors with a recommendation, including a suitable capital structure. You might find there are investors that challenge the recommendation. In such a case, the various concerns from investors have to be worked through in full transparency with the support of the valuation experts until an agreement can be reached. Fully transparent and clear investor communication is very important to get right in this business."

The option to roll over into any continuation vehicle should be a safety valve, allowing investors that do not wish to exit to continue their interest and benefit from any further upside. Without the rollover option, Lempen says transactions "risk being caught in a vicious circle of arguing whether the proposed price is right or not."

Accord Group's Co agrees. "In almost all the recap transactions we've done, and we've done about 12 of these now, with a little over $7 billion of gross value, there has been a rollover option. It's very important that the investors aren't required to sell and have the option to continue in the next phase of the journey of the properties."

The market has come a long way in a few short years, but it is still early days. Whatever the ongoing complexities and challenges, those involved in GP-led secondaries, on all sides, appear unanimous that their growth in real estate will only continue.

Protecting the investor

Does regulation need to come to their rescue?

In a GP-led secondaries transaction, the fund manager is in the rare position of being both buyer and seller: they buy from the investors, but also represent the investors as the seller. Every transaction will be different, says Steven Cowins, partner at law firm Greenberg Traurig. But, he adds, there are three basic pillars to ensuring fairness.

"First, what do the fund's constitutional documents say about conflicts? Second, what is the legal background? Are you an FCA-regulated firm? An SEC-regulated firm? Third is all about good investor relations. It is the most nuanced element, but it is of equal importance to the other two," says Cowins.

Third-party asset valuations and rollover options provide considerable protection for investors. But despite these already being typical in most secondaries, there is still room for subjectivity in the discount to asset value that investors should accept in return for liquidity. A recap is also an opportunity to renegotiate fees, terms of control and the manager's carry in the new vehicle; ensuring fairness is about more than just getting the right headline price.

The Securities and Exchange Commission has the broader issue of fairness in its sights and has proposed rules that will require all GP-led secondaries to seek third-party 'fairness opinions' to be distributed to investors.

Such a regulatory requirement will clearly add to the administrative work involved in GP-led secondaries. "It's certainly going to put a heavy burden on all but the largest secondaries sellers because the manager wouldn't have an interest in paying for the opinion for a traditional secondaries, so the cost would likely have to be borne by the investor that is selling. Maybe for fund continuation vehicles, or other types of GP-led secondaries where the sponsor benefits, it makes more sense for the manager to cover the cost, but it could slow down the pace of transactions," says StepStone's Jeff Giller.

Despite widespread caution about the effect of more bureaucracy, many players are already seeking fairness opinions. Indeed, in carrying out its $21 billion recapitalization of Mileway, Blackstone acquired two fairness opinions.

Desi Co at Accord Group believes most of the market is already moving toward fairness opinions. "It's something that we're increasingly doing already. Anything that gives comfort that fairness has been achieved is to be welcomed. So I don't really have a big problem with it. Transactions might become a little bit more cumbersome, but if that brings more trust, that's good."

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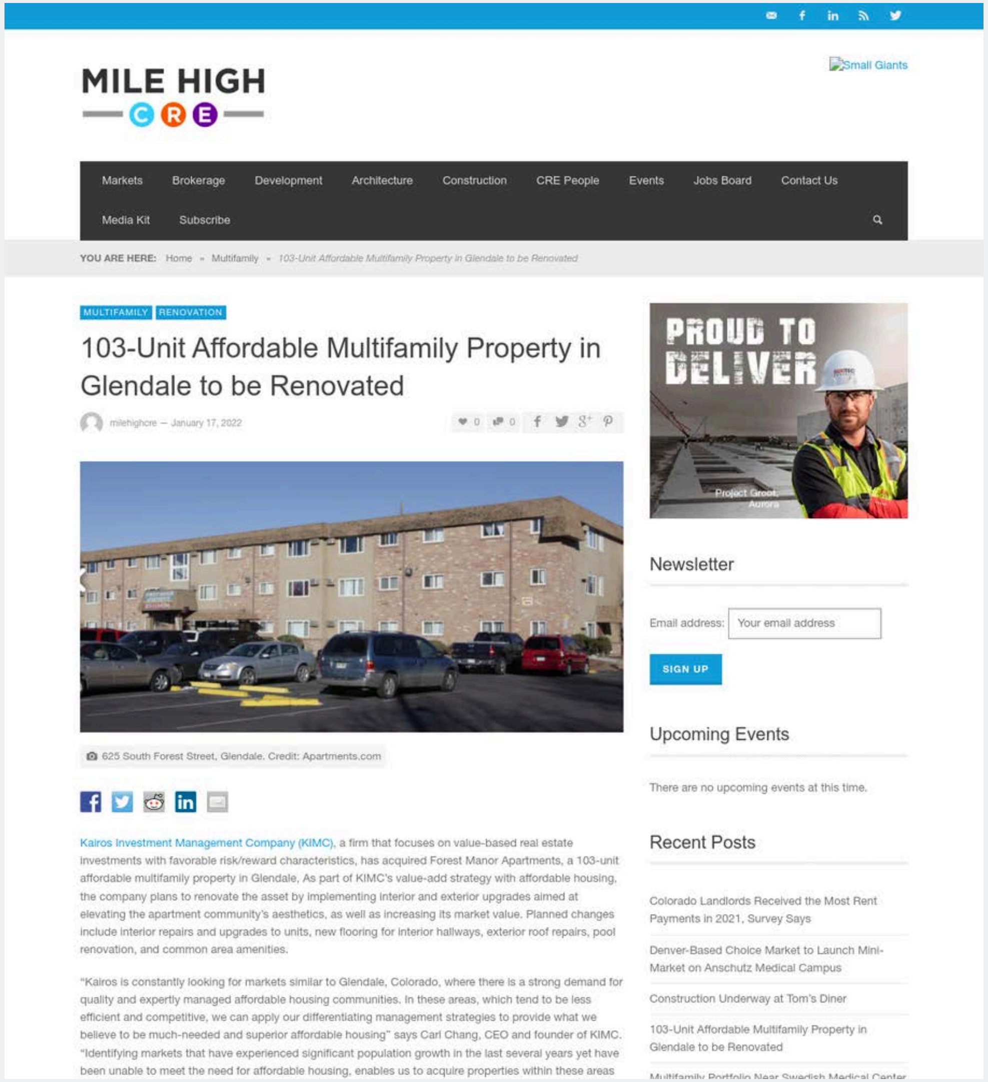

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MULTIFAMILY RENOVATION

103-Unit Affordable Multifamily Property in Glendale to be Renovated

milehighcre – January 17, 2022

625 South Forest Street, Glendale. Credit: Apartments.com

Kairos Investment Management Company (KIMC), a firm that focuses on value-based real estate investments with favorable risk/reward characteristics, has acquired Forest Manor Apartments, a 103-unit affordable multifamily property in Glendale, As part of KIMC's value-add strategy with affordable housing, the company plans to renovate the asset by implementing interior and exterior upgrades aimed at elevating the apartment community's aesthetics, as well as increasing its market value. Planned changes include interior repairs and upgrades to units, new flooring for interior hallways, exterior roof repairs, pool renovation, and common area amenities.

"Kairos is constantly looking for markets similar to Glendale, Colorado, where there is a strong demand for quality and expertly managed affordable housing communities. In these areas, which tend to be less efficient and competitive, we can apply our differentiating management strategies to provide what we believe to be much-needed and superior affordable housing" says Carl Chang, CEO and founder of KIMC. "Identifying markets that have experienced significant population growth in the last several years yet have been unable to meet the need for affordable housing, enables us to acquire properties within these areas

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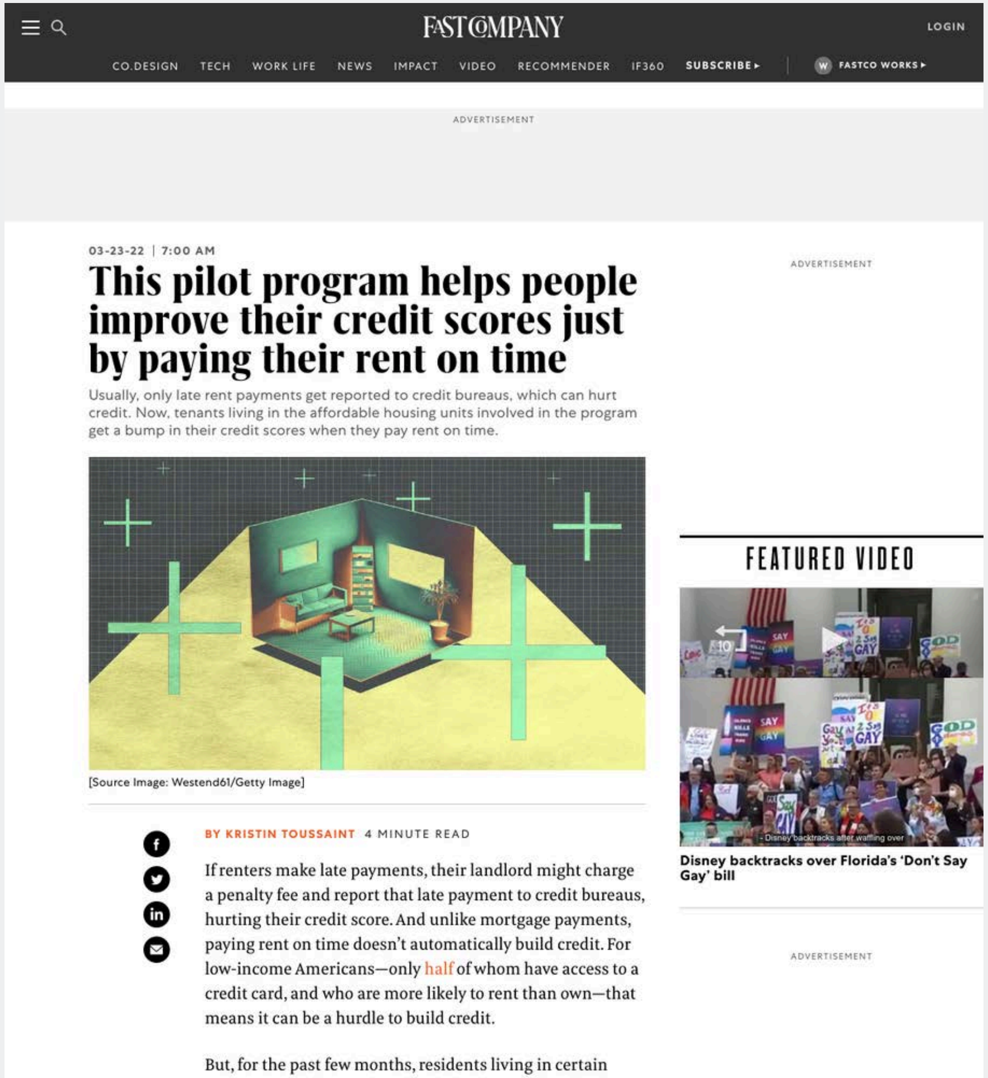

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This pilot program helps people improve their credit scores just by paying their rent on time

Usually, only late rent payments get reported to credit bureaus, which can hurt credit. Now, tenants living in the affordable housing units involved in the program get a bump in their credit scores when they pay rent on time.

[Source Image: Westend61/Getty Image]

BY KRISTIN TOUSSAINT 4 MINUTE READ

If renters make late payments, their landlord might charge a penalty fee and report that late payment to credit bureaus, hurting their credit score. And unlike mortgage payments, paying rent on time doesn't automatically build credit. For low-income Americans—only half of whom have access to a credit card, and who are more likely to rent than own—that means it can be a hurdle to build credit.

But, for the past few months, residents living in certain

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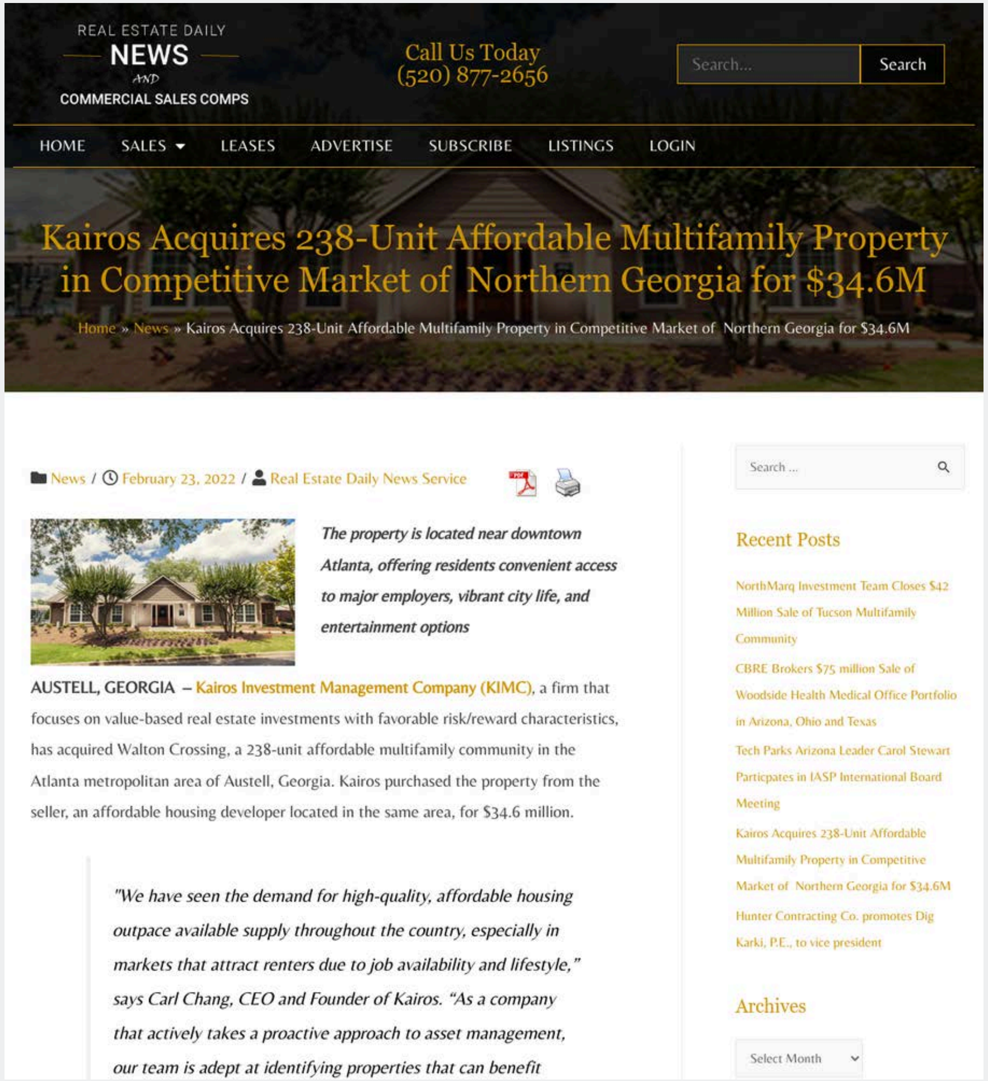

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News / February 23, 2022 / Real Estate Daily News Service

The property is located near downtown Atlanta, offering residents convenient access to major employers, vibrant city life, and entertainment options

AUSTELL, GEORGIA – Kairos Investment Management Company (KIMC), a firm that focuses on value-based real estate investments with favorable risk/reward characteristics, has acquired Walton Crossing, a 238-unit affordable multifamily community in the Atlanta metropolitan area of Austell, Georgia. Kairos purchased the property from the seller, an affordable housing developer located in the same area, for $34.6 million.

> *"We have seen the demand for high-quality, affordable housing outpace available supply throughout the country, especially in markets that attract renters due to job availability and lifestyle," says Carl Chang, CEO and Founder of Kairos. "As a company that actively takes a proactive approach to asset management, our team is adept at identifying properties that can benefit*

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Kairos Investment Management Company Acquires 238-Unit Affordable Multifamily Community for $34.6 Million in Georgia

MARCH 17, 2022 SHARE

AUSTELL, GA - Kairos Investment Management Company (KIMC), a firm that focuses on value-based real estate investments with favorable risk/reward characteristics, has acquired Walton Crossing, a 238-unit affordable multifamily community in the Atlanta metropolitan area of Austell, Georgia. Kairos purchased the property from the seller, an affordable housing developer located in the same area, for $34.6 million.

"We have seen the demand for high-quality, affordable housing outpace available supply throughout the country, especially in markets that attract renters due to job availability and lifestyle," says Carl Chang, CEO and Founder of Kairos. "As a company that actively takes a proactive approach to asset management, our team is adept at identifying properties that can benefit from our value-add strategy and enhance the lifestyle of present and future renters."

Built in 1990, Walton Crossing is nestled in the desirable Austell submarket of Atlanta and situated on 20.07 acres. Located approximately 15 miles from downtown Atlanta, the multifamily community is well within a 35-minute drive from the historic city which offers residents a myriad of employment opportunities and well-known attractions.

"We find the location of this property compelling for our firm as we target stable cash-flowing properties in strong secondary markets that offer low vacancy rates and above average population growth while being conveniently situated near major employers," adds Chang. "Walton Crossing aligns perfectly with Kairos' impact strategy for affordable housing communities near urban areas like downtown Atlanta, which are predicted to see a growth in the multifamily, retail, office, and restaurant sectors in 2022."

As part of Kairos' impact strategy, the firm will deploy ESG programs which will help conserve water and further the company's sustainability efforts and social programs which are tailored to the needs of the residents.

Walton Crossing offers an appealing mix of one-, two-, and three-bedroom units, to which the firm plans to install washers and dryers for tenants' convenience. The majority of the units are income and rent restricted to 60% of the area's median income, which aligns with the firm's mission to make affordable housing more accessible and positively impact residents' quality of life.

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Following the sun: Institutions diving into Sun Belt markets work to stay clear of potential risks

BY BETH MATTSON-TEIG

For many institutions, the "why" of investing in the Sun Belt is a pretty straightforward growth story. The bigger question is where to position strategic investments to generate the best risk-adjusted returns in a large geographic region that has become increasingly competitive.

Compelling growth sweeping through the Sun Belt is by no means a new trend. The 18 states that make up this region of the southern United States are now home to more than half the country's population. Prior to the pandemic, the Sun Belt boasted some of the fastest-growing markets in the country, and COVID-19 propelled even more migration, corporate relocation and job growth in the region. According to JLL, markets such as Atlanta; Austin; Charlotte, N.C.; Dallas; Denver; Miami; Nashville; and Raleigh, N.C., have experienced population growth from 2010 to 2020 ranging between 10.0 percent and 30.0 percent, outpacing the U.S. average growth rate of 7.1 percent.

July 01, 2022 ONLINE

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People are drawn to Sun Belt markets by good jobs, a lower cost of living and a better quality of life, including shorter commute times, great outdoor experiences and plenty of live-work-play amenities. Employers also like the business-friendly environment that exists in many Sun Belt states, with less regulation and lower costs. Population and job growth are strong incentives for institutions to break out of their typical investment focus on gateway markets and expand into secondary, and even tertiary markets, in southern states.

"Our strategy is not necessarily to say, 'We want to invest in the Sun Belt.' We're looking at markets nationally and trying to target the ones we think have the best risk-adjusted returns. It just happens to be working out that many of those are in the Sun Belt," says Richard Kleinman, co-chief investment officer for the Americas and head of U.S. research and strategy at LaSalle Investment Management.

"The Sun Belt has been at the top of our list for some time," says Jonathan Needell, president and chief investment officer at Kairos Investment Management Co. That focus results, in part, from an algorithm the firm has developed to identify markets that are experiencing population growth at one to two times the national average, in context with other filters, such as property pricing. "We also like places where there is overlap with population growth and innovation markets, and the Sun Belt gets a lot of that attention," he says. Some examples of micro markets where Kairos Investment is actively targeting investment opportunities for multifamily and highly amenitized office properties include Austin; Tempe, Ariz.; and in Atlanta near the Georgia Institute of Technology campus. The company also likes lower-tax states, and has good allocations to both Florida and Texas.

Dialing in on growth markets

Markets that are commonly on the top of the buying list for many institutions include Atlanta, Austin, Charlotte, Dallas/Fort Worth, Nashville, Phoenix, Raleigh-Durham and Florida. The reality is the Sun Belt is a large geography with numerous viable markets, as well as strategies and perceptions that vary widely depending on the market, property type and individual investment vehicle.

"The Texas markets are very well established at this point and growth will normalize, and we expect Charlotte, Raleigh, Nashville and Charleston [S.C.] will continue to experience outsized growth," says Carly Tripp, global chief investment officer and head of investments for Nuveen Real Estate. Charlotte and Raleigh have very focused employment opportunities, specifically banking and tech, while Nashville and Charleston offer a very distinct cultural element that makes them incredibly unique and appealing to younger generations. They are also very popular second-home and tourist markets, which support housing and retail, she says.

Operationally, Nuveen's housing, industrial and healthcare/tech-related investments in the Sun Belt are performing incredibly well and demonstrating resiliency in spite of a volatile macro environment, notes Tripp. "As a landlord and lender, we have the benefit of seeing dense data on a daily basis for how real estate is performing day to day. We extrapolate that and look at themes on a macro level, like overall spending on healthcare, the aging millennial population, and how technology is changing the way we utilize real estate," says Tripp.

Those insights help to guide strategy and investment decisions. Nuveen Real Estate, for example, recently announced it is partnering with Crescent Communities to develop Carson South End, a 31-story mixed-use building in Charlotte. The project includes nearly 560,000 square feet of LEED-certified class A office space, 10,000 square feet of retail space, more than 100 apartment units and a 200-key luxury boutique hotel.

Institutions also have a positive outlook on the sustainability of growth in the region. “We believe the growth drivers of the Sun Belt region have been in place for quite some time and represent continuing long-term trends. As such, we think opportunities will exist over the near, medium and long term in the region,” says Jeb Belford, chief investment officer at Clarion Partners. Of the four major property types, industrial and apartment are by far the two most popular for investors. Clarion, for example, has developed 27 industrial projects totaling 9 million square feet in the region over the past three years, and it recently acquired 15 apartment assets valued at approximately $1 billion across the Carolinas, Florida, Austin, Nashville and Southern California.

“Within the industrial sector, developing to core, we believe, is more compelling than acquiring stabilized assets at historically low cap rates,” says Belford. “Within the apartment sector, both development of new assets as well as acquiring existing, more affordable-level assets, where conditions are tight, are compelling.” Outside of the four major property types, Clarion Partners likes the compelling fundamentals in life sciences, self-storage and housing-related subsectors, including single-family rentals, active adult/55+ properties and manufactured housing.

Exploring smaller markets

LaSalle Investment Management is investing in the Sun Belt across different strategies, including both its open-end core funds and closed-end value-added funds. In particular, the firm has been actively buying industrial, residential and medical office assets. Part of LaSalle’s strategy has been to focus on smaller markets, such as Raleigh-Durham and Sarasota, Fla. The company acquired Summerhouse Lakewood Ranch, a 257-unit class A property in the Sarasota suburb of Lakewood Ranch in January, for example. LaSalle Research and Strategy points to the Sarasota-Bradenton market’s high household income, educated workforce and proximity to live-work-play amenities — ranking it highly on its Small Market Apartment Target analysis. The Sarasota-Bradenton market also is experiencing high occupancy levels, with vacancies that dipped below 2 percent at the end of 2021.

“We’re active in large markets, like Atlanta, Dallas and Phoenix, but we’re also reaching more into the smaller Sun Belt markets, as well,” notes Kleinman. A key attraction of those smaller markets is growth. “We’ve seen stronger growth in small markets in the last several years than in larger markets, at least on a percentage basis,” he says. Diversification also is a part of that strategy. “It’s about getting exposure to a variety of markets and a variety of market types nationally, and we want to build some of those smaller markets into our portfolio alongside the larger ones,” he adds.

Competition in hot Sun Belt markets also is driving some investors to look at opportunities in smaller secondary and tertiary markets. The traditional hurdle for institutional investors has been less liquidity, however, which creates risk on the exit strategy. Another issue is market depth. "While the Sun Belt does have major cities, like Atlanta and Dallas, it also has strongly growing smaller metros that have been less invested in historically, and don't provide the depth of transactions or market information as do the more traditional major cities," says Belford.

Navigating potential pitfalls

One of the biggest challenges investors face is stiff competition. The markets on everyone's shortlist are crowded with buyers, which is putting pressure on cap rates. According to data from MSCI Real Assets, four of the top five most active markets for transaction activity in 2021 were in the Sun Belt. Dallas topped the list at $46.8 billion in sales, followed by Atlanta at $37.1 billion, Los Angeles at $31.7 billion, Phoenix at $29.3 billion and Houston at $27.4 billion.

"Sales activity has been healthy in the Sun Belt region, but the stories about the Sun Belt often get a little overly optimistic," notes Jim Costello, head of real estate economics and chief economist at MSCI Real Estate. "Part of the issue is that there just aren't enough assets, and you see that in the way prices are reacting," he says. On the investment sales side, too much capital is chasing too few assets, which is creating a bit of a bottleneck. At the same time, strong demographic growth and limited supply are resulting in surging rents. "That combination creates a situation that is driving price growth," says Costello.

Institutions that are pursuing investment opportunities throughout the Sun Belt are being mindful of pricing risk, climate risk and low barriers to entry that could shift market fundamentals and asset-level performance. "The secret is out at this point, and there is a lot of competition for high-quality real estate in these markets. We are disciplined investors, and look for value and opportunity. If we have to underwrite all the expected growth to make sense of pricing, we won't participate," says Tripp.

Some markets have fewer barriers to entry, including ample land for new supply that could change market dynamics in terms of competition and rent growth. Multifamily investors, in particular, are wary of increased competition from for-sale and build-to-rent single-family homes and townhomes. Although a recent run-up in home prices and higher mortgage rates means competition is less of an issue, that doesn't mean it won't be an issue in the future, as it is often cheaper to build homes in some of these Sun Belt locations with high availability of land, notes Needell.

Climate risk also is weighing more heavily on investment decisions. That doesn't necessarily mean institutions won't invest in markets, such as Houston, New Orleans or Miami, that have more exposure to hurricanes and flooding, but institutions are cognizant of the overall exposure within their respective portfolios. "Institutional investors are becoming more aware of these risks and also finding more tools to underwrite the risks," says Kleinman. "So, we need to put these climate risks alongside the other risks and opportunities that come with any investment, and make sure that climate risk is part of the discussion when we look at getting an appropriate risk-adjusted return and maintaining appropriate diversification."

But, despite the risks, as long as Sun Belt markets continue to attract people and jobs, many institutional investors will continue to head south, as well.

Beth Mattson-Teig is a freelance writer based near Minneapolis.

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Friday, February 25, 2022

Kairos Investment Management Co. Acquires 238-Unit Affordable Multifamily Property in Austell, GA for $35 Million

Walton Crossing, **1820 Mulkey Road, Austell, GA**

AUSTELL, GA – Kairos Investment Management Company (KIMC), a firm that focuses on value-based real estate investments with favorable risk/reward characteristics, has acquired **Walton Crossing**, a 238-unit affordable multifamily community in the Atlanta metropolitan area of Austell, Georgia.

February 25, 2022 ONLINE

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Monthly Visits

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Kairos purchased the property at 1820 Mulkey Road from the seller, an affordable housing developer located in the same area, for $34.6 million.

Carl Chang

"We have seen the demand for high-quality, affordable housing outpace available supply throughout the country, especially in markets that attract renters due to job availability and lifestyle," says **Carl Chang**, CEO and Founder of Kairos.

“As a company that actively takes a proactive approach to asset management, our team is adept at identifying properties that can benefit from our value-add strategy and enhance the lifestyle of present and future renters.”

Jonathan Needell

Built in 1990, Walton Crossing is nestled in the desirable Austell submarket of Atlanta and situated on 20.07 acres.

“Walton Crossing is a valuable cash-flowing asset in our portfolio, as its proximity to major medical centers and large-scale employers in a rapidly growing city positions it for stable long-term growth,” says **Jonathan Needell**, President and CIO of Kairos.

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The Benefits of Helping Renters Build Credit

By Laura Calugar

Operations & Technology | Featured Stories | Marketing | National

Today, renters in the U.S. occupy almost 44 million housing units, according to statista.com. And the roof over their head heavily depends on how good their credit score is.

One of the fastest ways for them to build that credit is to have their positive rent payments reported to the three major credit bureaus—Equifax, Experian and TransUnion—and property management companies can play a key role in building their renters' credit profiles and scores. For example, operators using resident portals such as RentCafe can easily report positive rent payments through the platform. **Resident-Link**—the first company that enabled residents to build and establish their credit—is incorporated within RentCafe, which uses Experian RentBureau to include positive rental payment data in Experian credit reports.

Image by Tierra Mallorca via Unsplash

One of the largest property management firms that chose to participate in a rent payment reporting program is **Greystar**. In fact, Greystar was instrumental in the development of Resident-Link and pioneered the product.

"We were first to market with rent reporting and complete identity theft protection. It is important for us to look for ways to improve the resident experience, and getting credit for paying your largest monthly expense on-time is a perfect fit," Greystar Senior Director Advantage Solutions Greg Ebbert told *Multi-Housing News*.

In February, **IDIQ**—a company providing credit monitoring services and identity theft protection—acquired Resident-Link after taking note of the growing number of residents understanding the benefits of having their positive rent payments reported.

"Residents view this amenity as something that directly benefits them personally," said Sherrie Hubler, vice president of Resident-Link provided by IDIQ. "Unlike other amenities some residents might not use, credit is something each of us needs today."

And when renters feel supported by their landlords and property managers, they are more likely to be satisfied with the resident experience which, in exchange, boosts collections and retention rates, according to Jonathan Needell, president & CIO of **Kairos Investment Management Co**.

In March, investment and asset management company **Kairos** launched a new program for its affordable housing communities to help residents improve their credit scores, led by **Esusu**. Renters whose payments are reported are highly motivated to continue making on-time payments, which results in higher property returns and stable occupancy levels.

"By enrolling into this program, residents can strengthen or grow their credit profiles, which can open the door for opportunities such as qualifying for employment, auto loans and credit cards," Needell said.

READ ALSO: Reporting to Credit Bureaus Makes Better Business

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News & Analysis

Lenders stick to wait-and-see stance after latest Fed rate hike

The latest 75-basis-point installment has brought a further pause on less-than-great deals.

Randy Plavajka - 08/02/2022

The Federal Reserve's well-publicized program of interest rate hikes – including a move Wednesday to implement another 75 basis point increase – have created more challenges for commercial real estate debt market participants in the last three to five months more than anything else happening across the landscape.

Carl Chang, chairman of the Federal Reserve Bank of San Francisco's Los Angeles branch board and founder of Santa Margarita, California-based Kairos Investment Management, said that while expected, the rate increases have led many lenders to hit pause.

"Everybody is being cautious especially balance sheet lenders, because of the market uncertainty and so most are taking a defensive posture," Chang said. "We have several large banking relationships and they're only considering new loans with their tier one borrowers, not considering doing any new business at the moment."

The wait-and-see stance is creating less liquidity in the market, which Chang said will have a negative effect on the sector as a whole. With the Fed reducing its balance sheets alongside the rate hikes, Chang said the bond market will also miss out on one of the largest liquidity providers in the bond markets. He noted the next three to six months will be interesting to see play out, especially with CMBS origination already down.

Chang said preparations for future rate hikes will revolve around refinancing, pricing adjustments and sector rebalancing. In scenarios where there may be debt maturity issues on a given asset or portfolio, he said lenders and borrowers have to get in front of it now given the difficulty and cash required to refinance.

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August 02, 2022 ONLINE

Real Estate Capital USA (10-02123)

recapitalusa.com/lenders-stick-to-wait-an...

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Countering inflation

Wednesday's rate hike was the Federal Reserve's second 75 basis point hike in as many months. Fed chair Jerome Powell said during a July 27 conference the central bank will continue to try to stymy inflation, with intentions of ending the year with a key rate ranging between 3.25 to 3.5 percent. With the 75bps hike, the Fed's key rate now ranges from 2.25 to 2.5 percent.

"We're trying to do the right amount," Powell said. "We are not trying to have a recession and we don't have to." He noted doing too little on interest rate programming would leave more uncertainty in the economy and do greater pricing damage to consumers.

The fresh hike marks the Fed's fourth increase this year and arrives after a similar 75bps uptick instituted in June. In its July 27 note, the central bank said it anticipates ongoing increases in the target range will be appropriate to continue fighting macro pressures.

Property-level impact

Rob Gilman, partner and co-leader of New York-based advisory Anchin, Block & Anchin's real estate group, said the rising interest rates will require landlords to pay more on debt service when refinancing for the same amount.

"With decreases in values – especially commercial properties – it was already difficult to replace existing debt coming due with a new loan at the same amount," Gilman said. "Add in higher interest rates, and the amount you can borrow will be even lower. This might trigger landlords to have to contribute more capital into the property. Typically in periods of rising interest rates, prices and values decrease. This will also have an effect on refinancings."

For current development projects with construction loans on a variable rate, Gilman said expected profits on a deal will be reduced. "Landlords and developers need to monitor the rising rates and might have to consider selling off units quicker to pay off debt to keep profits higher," he said. Anchin's team has already been

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meeting with clients to plan for the upcoming 12 to 18 months to account for the changing environment.

Delving into sector-specific effects, Chang said his team has seen some pricing discovery and adjustments. Multifamily and industrial remain stable on pricing – despite some negative leverage on the industrial front – while retail and office begin to unfold further.

Closed-end funds present another area of reflection for managers and institutions amid the rate increases. "Pricing discovery is difficult at the moment," Chang said, citing closed-end funds nearing the end of their fund life. "We are seeing some discounted pricing in CRE which maybe a window of opportunity for those that want to be contrarian and consider a value play."

For the commercial real estate debt landscape, the central bank's rate increases have served as a slight damper on the burgeoning loan activity taking place across asset classes and most sizably in the multifamily and industrial sectors. Insurers, banks and alternative lenders steeped in the space have all noted adjustments to deal frequency, with more borrowers and investors cautious on taking on any heightened risk in the changing rate environment.

Alongside the hike, the Fed also plans to continue reducing its holdings of Treasury securities, agency debt and agency mortgage-backed securities as part of its initiative to shrink its balance sheet. The Russia-Ukraine conflict was cited as a continuous driver of human and economic hardship by the bank, especially because of the resulting upward pressure on inflation.

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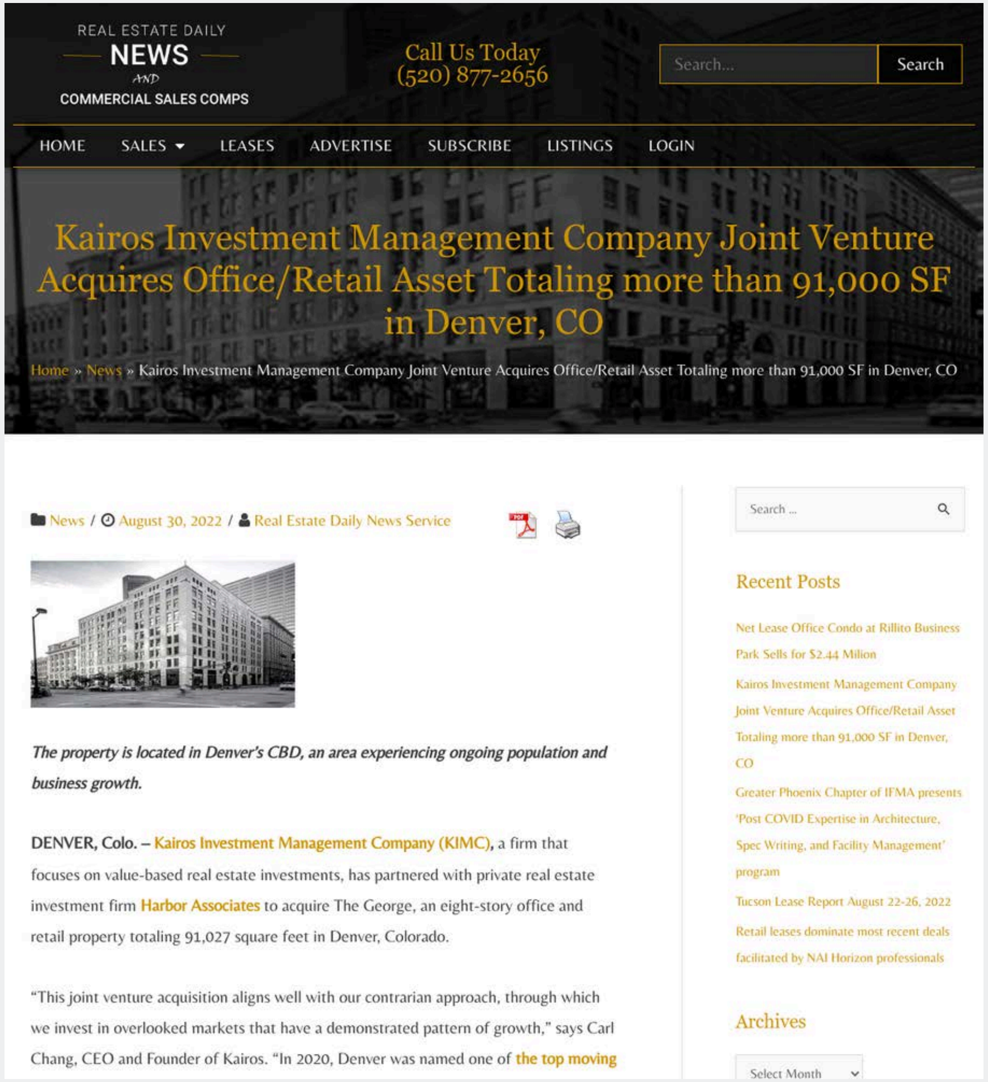

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Kairos Investment Management Company Joint Venture Acquires Office/Retail Asset Totaling more than 91,000 SF in Denver, CO

Home » News » Kairos Investment Management Company Joint Venture Acquires Office/Retail Asset Totaling more than 91,000 SF in Denver, CO

News / August 30, 2022 / Real Estate Daily News Service

The property is located in Denver's CBD, an area experiencing ongoing population and business growth.

DENVER, Colo. – Kairos Investment Management Company (KIMC), a firm that focuses on value-based real estate investments, has partnered with private real estate investment firm Harbor Associates to acquire The George, an eight-story office and retail property totaling 91,027 square feet in Denver, Colorado.

"This joint venture acquisition aligns well with our contrarian approach, through which we invest in overlooked markets that have a demonstrated pattern of growth," says Carl Chang, CEO and Founder of Kairos. "In 2020, Denver was named one of the top moving

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Kairos Investment, Harbor Associates Buy 91,027 SF The George Office Building in Denver

August 30, 2022

The George in Denver features 91,027 square feet of office space and ground-floor retail space.

DENVER — A joint venture between Rancho Santa Margarita, Calif.-based Kairos Investment Management Co. and Harbor Associates has purchased The George, an office and retail property located at 820 16th St. in Denver. Terms of the transaction were not released.

Constructed in 1906 and renovated in 2020, The George is an eight-story, 91,027-square-foot office building with ground-floor retail space. The asset recently received property improvements, including new conference areas, a new lounge, updated HVAC and bicycle storage.

August 30, 2022

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The Industrial Sector Is No Longer Surging

August 02, 2022

Indications that the high-performing industrial market has hit a plateau are growing, according to a report by Newmark.

Factors include economic and geopolitical headwinds that have "incited a significant slow-down" in economic growth and uncertainties around prospective demand.

Newmark reported that just five markets have +30 million square feet under construction and accounted for one-third of total square footage in the pipeline — Dallas, the Inland Empire, Phoenix, Chicago and PA's I-81/I-78 Corridor.

It expects that in coming quarters, "the deficit between net absorption and deliveries will tighten as demand likely softens back to pre-pandemic levels and deliveries rise in line with the record-high pipeline."

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4 Strategies for Community Building

November 07, 2022

Keeping your renters engaged is critical not only for resident satisfaction, but also for long-term retention. Put simply: Residents who feel connected to their communities are just more apt to stick around.

It doesn't stop there, though. According to property owners, engaged residents also care for their communities better—resulting in less wear and tear and a more attractive property overall.

"If a resident views a Tides property as a home, they are far more likely to have a higher pride of ownership over their units and the common areas," says Ryan Andrade, co-founder and principal at Tides Equities, which owns multifamily properties throughout Arizona, California, Nevada, and Texas.

Does that mean you should throw a mixer or start grilling hot dogs by the pool each Friday? Maybe, but don't dive in just yet. In today's rental landscape—and particularly post-pandemic—residents' needs are changing. Here's what you can do to adapt.

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August 31, 2022

Kairos Investment Management Co. Joint Venture acquires office/retail asset totaling 91,027 SF in Denver, CO

DENVER, CO. -- Kairos Investment Management Company (KIMC), a firm that focuses on value-based real estate investments, has partnered with private real estate investment firm Harbor Associates to acquire **The George**, an eight-story office and retail property totaling 91,027 square feet at 820 16th Street in Denver, CO.

"This joint venture acquisition aligns well with our contrarian approach, through which we invest in overlooked markets that have a demonstrated pattern of growth," says **Carl Chang,** CEO and Founder of Kairos.

"In 2020, Denver was named one of the top moving destinations in the country and ranked among the top five U.S. cities for inbound growth.

"As large financial institutions become more cautious with their underwriting, our seasoned investment team will continue to carefully research areas of opportunity like Denver where Kairos can partner with firms to acquire assets with value potential."

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Denver | Deal Sheet

This Week's Denver Deal Sheet

August 31, 2022 | Nancy Kristof, Bisnow Denver

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Kairos Investment Management Co. partnered with private real estate investment firm Harbor Associates to acquire The George, a 91K SF, eight-story office and retail property at 820 16th St. in Denver. The seller and sales price were undisclosed.

August 31, 2022 ONLINE

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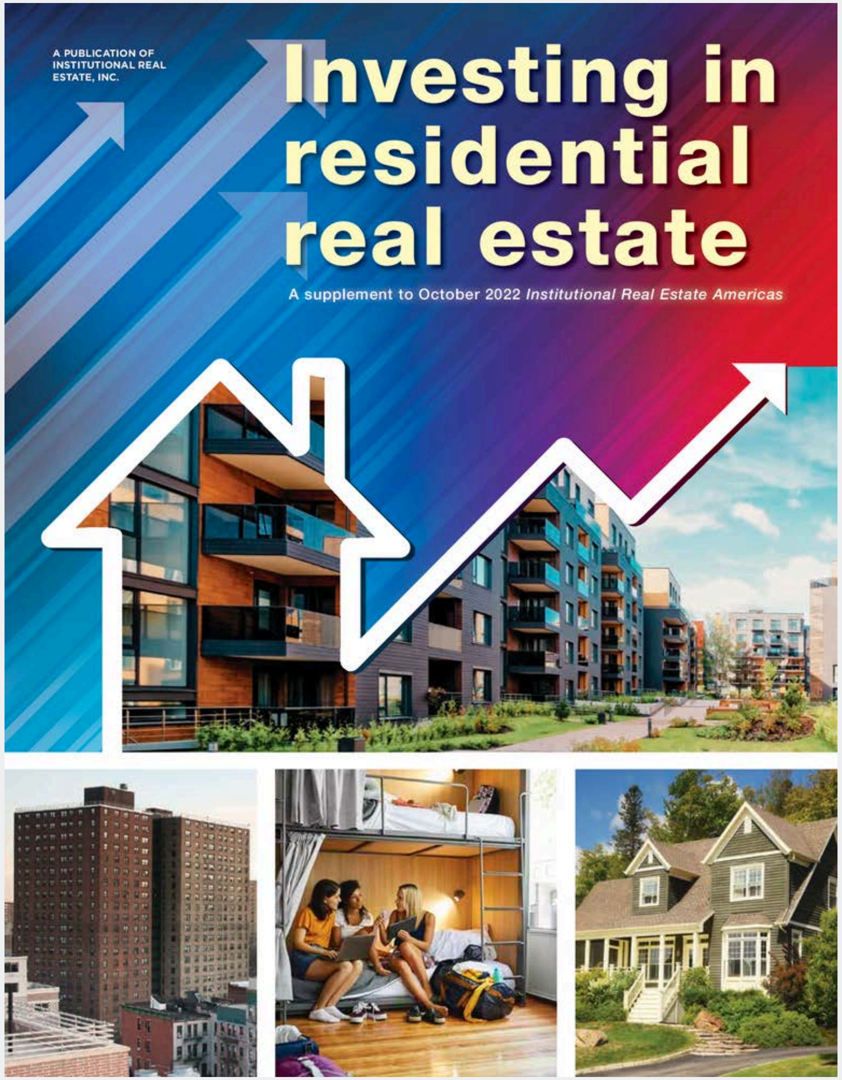

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Making an impact

A look at the affordable housing sector

by Loretta Clodfelter

With rental rates surging in the past year — asking rents were up by double digits in most major markets across the United States as of early 2022 — the need for affordable housing has come into even sharper focus.

Nearly three-quarters of households earning less than $30,000 per year and almost half of households earning between $30,000 and $45,000 per year are cost burdened, according to Harvard University's Joint Center for Housing Studies. (Cost-burdened households are defined as those paying more than 30 percent of income for housing.)

The demand for affordable housing outstrips the available supply, which creates an opportunity for investment in the segment, notes Jonathan Needell, president and CIO at Kairos Investment Management.

As an investment class, affordable housing can be either regulated — with rents tied to area median income (AMI), often reserved for households with 60 percent or less of AMI — or unregulated, often called "naturally occurring affordable housing" or NOAH. What is often called "workforce housing" is unregulated but generally aimed at low- to middle-income renters.

"Affordable housing is an asset class that continues to be undersupplied," says Needell. "There is simply not enough product to support ongoing demand. In fact, demand for affordable housing actually increased during the pandemic. This supply imbalance is one of the reasons this asset class is attractive to investors, as it is a relatively stable asset class that performs in both up and down markets." Needell points out that many affordable communities have strong occupancy rates and waiting lists, resulting in very limited turnover.

"The imbalance of supply and demand continues to drive the affordable housing crisis across the country," says Pamela West, senior portfolio manager for Nuveen Real Estate Impact Investing.

The need for affordable housing in Canada, generally defined as housing that costs less than 30 percent of total household income, is growing, just as it is in the United States.

"Canada has the highest population growth rate in the G7," says Tsering Yangki, head of real estate finance and development at Dream Unlimited Corp. "This is driven predominantly by immigration, where Canada is projected to welcome 461,000, 447,000 and 451,000 new immigrants over 2022, 2023, 2024, respectively. Meanwhile, Canada has the lowest number of housing units per 1,000 residents among G7 countries. To close the current housing deficit and meet future demand with population growth, an additional 1 million homes need to be built over the next 10 years. With limited supply in housing units for ownership in conjunction with population growth, an increase in prices for housing units — both rental and ownership — is impacting the demand for affordable housing."

"Over the course of the pandemic, we witnessed multifamily apartments with affordable housing maintain higher occupancy rates and more resiliency than fully market-rate properties."

The impact of COVID-19

"The pandemic has amplified this issue because of the loss of income, lack of wage increases and the pace of rent inflation, which has been driving more people into lower income quintiles — already exacerbated by the existing housing deficit," says West. She notes that as homeownership becomes less attainable for most lower- to middle-income earners, that deficit continues to grow.

"We have been seeing strong demand. One of the silver linings during the pandemic was the recognition that due to strong state and federal subsidies — particularly Section 8 vouchers and project-based contracts — the occupancy and income associated with affordable housing properties was very stable," says Liz Diamond, managing director – head of affordable originations with Berkadia.

"Affordable housing communities also saw less defaults and higher collection rates throughout the pandemic compared to market-rate units," says Needell. "This is because residents are often not paying more than 30 percent of their income toward rent, whereas market-rate renters are often paying upwards of 50 percent of their income on rent. These fundamentals are increasingly making this asset class attractive to investors, especially as it can act as a stabilizer within their portfolios."

"Over the course of the pandemic, we witnessed multifamily apartments with affordable housing maintain higher occupancy rates and more resiliency than fully market-rate properties," says Jamie Cooper, portfolio manager at Dream Unlimited Corp. He says investors seeking long-term, risk-adjusted returns have found affordable housing to be an attractive asset class that can provide stable income and reasonable growth.

And on the lending side, Diamond adds, "Due to the ever-increasing focus by many states and municipalities to increase their supply of affordable and workforce housing, there are many borrowers looking to acquire existing affordable properties as well as convert market-rate assets to properties encumbered with rent and/or income restrictions."

Affordable housing's investor base

Affordable housing is attracting a wide swath of investors, and the rise of ESG-focused investing has brought new attention to the segment, especially the regulated affordable housing space.

"The investor base is wide-ranging and includes family offices, institutions and pension funds, as they all seek risk-adjusted returns and desire investments that can deliver tangible social and environmental impact," says Yangki.

"The landscape of investors is changing from private ownership to more institutional ownership," says West. "The durable income and resiliency of this sector is appealing to many investors, but it also clearly addresses ESG and impact investing goals for many firms."

Diamond agrees there is an increased focus on affordable and workforce housing fueled by ESG-motivated funds and companies. "They are working with borrowers to deploy debt or equity, and in return they are requiring the borrower restrict rents and incomes," notes Diamond.

In the United States, one of the sources of affordable housing investment is the low-income housing tax credit (LIHTC) space.

"The investor makeup for LIHTC is predominantly banks, insurance companies and government-sponsored enterprises," says Lynn Ambrosy, managing director and portfolio manager, U.S. Low-Income Housing Tax Credit, at Aegon Asset Management. "Historically speaking, the asset class has enjoyed a low foreclosure rate and attractive relative value. In addition, banks have regulatory motivations, insurance companies have access to longer-term capital, and the GSEs invest to meet specific affordable housing objectives." Ambrosy adds that there are other corporate investors in the market as well, but due to the longer-term nature of the investment, these firms have been less active and less likely to be long-term repeat investors.

"With a large focus on affordable and workforce housing, there are many borrowers and investors looking to acquire existing affordable properties as well as convert market-rate assets to properties encumbered with rent and/or income restrictions. These restrictions have taken different forms; some are sponsor initiated, possibly to appeal to an ESG-focused equity partner," says Diamond.

Unlike in the United States, where there have long been attractive programs available for private-sector developers to create new affordable housing, the availability for the private sector to invest in Canada is just emerging, notes Cooper.

"Historically, Canada's affordable housing has been developed, owned and managed by various levels of government," says Cooper. "As the increase in demand for affordable housing increases and existing supply ages, all levels of Canadian government are exploring new avenues to deliver this much needed supply. In recent years, Canadian governments have created public-private partnerships with the private sector to deliver more affordable housing, particularly through sales of surplus government land. The land is typically offered at a discount to market value and is paired with attractive financing at preferential terms. In recent years, this has created a new asset class and opportunity for impact-focused investors to participate in providing a solution to Canada's growing affordable housing crisis."

Affordable housing and impact investment

The increased emphasis on investments that meet environmental, social and governance goals has brought added attention to affordable housing. Some investors are taking it a step further to look for investments that make a positive impact — and affordable housing can fit into that broader class of investments.

"There is an influx of capital chasing ESG investments, and affordable housing is a prime example of this," says Needell.

"Adhering to IFC's definition of impact investing 'as an approach that aims to contribute to the achievement of measured positive social and

environmental impacts' and recognizing that affordable housing intersects with social justice, social determinants of health, climate change, any affordable housing investment fits into the broad impact investment focus," says Cooper.

"From a portfolio diversification standpoint, investments in low-income housing tax credits [LIHTC] provide exposure to multifamily real estate that is inherently socially responsible. To deliver the full impact, the real estate must perform and be operationally successful, meaning that the properties are built, stabilized and functioning as safe affordable housing for qualified tenants," says Ambrosy.

But the focus on how a property might make a social impact has led to a deeper discussion of what a property owner could offer at the asset level.

"Investors have more recently asked, 'What else?,' which leads to a deeper discussion regarding impact," says Ambrosy. "As my colleague Martha Peyton, our managing director and global head of real assets research, and her team noted in a recent thought leadership piece, additional layers could come in the form of providing support services for seniors, veterans, individuals with disabilities and others. There could be a stated mission to help residents that are formerly homeless or recovering from substance abuse. There could also be services that assist residents access education, secure employment, gain skills, and improve health and wellness." Ambrosy says investors have an ability to find investments that are most in line with where they want to provide an impact.

"We are extremely optimistic about the affordable housing market, especially in affordable investments that are also tied to social impact," says Needell. And the focus on doing good [as a social impact] does not have to get in the way of doing well [as an investment].

"We have found that by investing in affordable housing investments holistically through social programming, our properties tend to perform better," says Needell. "For example, in many of our affordable communities, we provide residents with programs such as financial literacy and credit building, and after-school programs for kids, among many others."

"The delivery of affordable housing has been particularly challenged by the recent increase in interest rates, as affordable housing construction in Canada is generally funded with higher leverage than conventional residential development."

Investment markets

So, which geographic markets are most popular for affordable housing investment?

"Many investors focus on gateway markets, coastal markets and those markets that are significantly supply-constrained, which mirrors traditional multifamily investment," says West. But there are opportunities for investment nationwide.

"We believe the affordable housing crisis is national and focus on primary, secondary and tertiary markets across the U.S. We find that all of those markets carry significant wait lists on affordable housing properties whether you are in NYC or Mississippi," adds West.

Diamond notes the most investment volume is in states with higher population counts. "Some of this is attributed to LIHTC allocations, which are tied to population, or allocations of tax-exempt bonds — the larger the state, the larger the state balance sheet — as well as more populous states or cities that have a large inventory of multifamily rental," says Diamond. "Given that, we see a lot of deals in California, Texas, Florida, Georgia, Maryland and Virginia."

Diamond adds there has been an increase in affordable housing investment volume in states and municipalities that are offering tax exemptions in return for rent/income restrictions. "One example is the Public Facilities Corporation [PFC] structure in the state of Texas," says Diamond. "We are also seeing more private companies partnering with sponsors to provide subordinate debt or equity in return for agreeing to record rent and income restrictions. This has resulted in more opportunities in Washington state and the D.C. metro area."

Similar patterns can be seen in Canada.

"The most highly desired markets for affordable housing are, unsurprisingly, the markets where the need for affordable housing is the greatest, particularly the Greater Toronto Area," says Cooper.

The impact of rising inflation

The current inflationary environment has seen a steep increase in the cost of housing. And the Federal Reserve's efforts to curb inflation — raising the target federal funds rate — has pushed interest rates higher, including mortgage rates.

For traditional multifamily, inflation has played out through an increase in rents across many states, but it has also made homeownership less affordable, notes West.

"For government-subsidized housing, those rents are keeping pace with market rents without directly impacting tenants," says West. "However, as a responsible investor, we are primarily maintaining rents at levels that are affordable to tenants earning 60 percent of AMI or less to prevent significant displacement."

"One important thing to note for investors is that affordable housing is a stable investment that often works as a defensive strategy in times of uncertainty. It can also act as a hedge against inflation, as rents are often tied to area median income. As AMI increases throughout the U.S., affordable rents increase alongside this," says Needell.

Diamond notes rising interest rates are affecting all lending deals, including those for affordable housing projects. "Currently, most transactions are debt-service coverage constrained, versus loan-to-value constrained. Both tax-exempt and taxable rates are on the rise. This means borrowers are having to come to the table with more equity on acquisitions, and cash-out refis may not yield as much cash-out, along with a rate that may not be as advantageous as they were looking for," says Diamond.

"Borrowers are working with their partners on all sides of deals to fill gaps, whether it's working to find additional subordinate debt or going back to their LIHTC issuer to get additional tax credit allocations," adds Diamond. "For some transactions, the agencies are willing to consider additional leverage if those deals meet target criteria for affordability, such as low LTV or strong markets with significant rent advantages — meaning affordable rents well below market rents."

Higher interest rates and increased construction costs have put pressure on all development projects.

"The delivery of affordable housing has been particularly challenged by the recent increase in interest rates, as affordable housing construction in Canada is generally funded with higher leverage than conventional residential development," says Yangki.

"It is still not uncommon to experience delays in development timelines due to broader supply-chain challenges, increased construction costs and higher interest rates. However, this industry continues to show its resiliency, and development teams continue to find ways to deliver this much-needed housing," says Ambrosy.

"As we have seen more creativity around ways to convert existing market-rate assets to affordable, it is helping to decrease the time it takes to add to the affordable housing stock. A LIHTC transaction, whether new construction or substantial rehab, takes time to process. With both public and private partnerships providing equity, debt or tax exemptions, it is helping to open up the space and bringing additional developers and owners into the mix," says Diamond.

The impact of government regulation

Given the role of government regulation in the affordable sector, policy shifts have major effects on the investment space.

"On a positive note, the pandemic has placed a focus on the need for new zoning, housing subsidies — and it's brought more awareness to the difficulty in developing new affordable units at a pace that outstrips the expirations of existing affordable units," says West. "The government, cities, states and other stakeholders are providing tools to continue to attract private equity to the market by offering additional subsidies through expense management, such as tax abatements." However, notes West, the increase in insurance for affordable housing is becoming a significant issue in how these deals pencil in the market.

"The LIHTC program has been one of the only ways affordable housing has been developed in this country through a public-private partnership. New policy has been introduced through that legislation that will help preserve existing housing and continue new development," says West. But, she notes, it will take local and state government to get creative with zoning and other subsidies to create positive momentum and impact in the long term.

"The recent 13-page Housing Supply Action Plan from the Biden administration is a step in the right direction for affordable housing. This plan has the goal to increase the affordable housing supply and encourages more mixed-income properties, which will have a positive impact on the affordability crisis in the U.S.," says Needell.

Ambrosy notes, there is always movement on the legislative front that could affect things such as future tax credit allocations, availability of bonus depreciation or credit rates, to name a few recent examples.

"We are also seeing restrictions with governmental agencies vis-à-vis the Public Facilities Corporation transactions in the state of Texas. Borrowers partner with a Housing Authority [HA], agreeing to a leasehold interest with the HA as lessor; the borrower agrees to rent and income restrictions at a minimum equaling 50 percent of units at 80 percent AMI in return for a full tax exemption," says Diamond.

"On a positive note, the pandemic has placed a focus on the need for new zoning, housing subsidies — and it's brought more awareness to the difficulty in developing new affordable units at a pace that outstrips the expirations of existing affordable units."

The opportunity to invest in affordable housing in Canada has historically been limited to investors prepared to participate in development projects, notes Yangki, but this is now changing. "Earlier this year, through collaborative engagement, Dream supported the federal government in the design and launch of an innovative new financing program that allows existing apartment properties to be financed with attractive debt in exchange for preserving units at affordable rates. This now enables the creation of affordable housing in existing apartment stock, rapidly expediting the creation of affordable housing in Canada and enabling investors to access affordable housing without development exposure," says Yangki.

Looking ahead

Affordable housing is well positioned to be an attractive investment, given the favorable supply/demand fundamentals. In addition, new investment opportunities may arise from regulatory changes or legislative efforts. And an increased emphasis on ESG-focused investments could bring in new investors to the space. ❖

Loretta Clodfelter is senior editor of *Institutional Real Estate Americas*.

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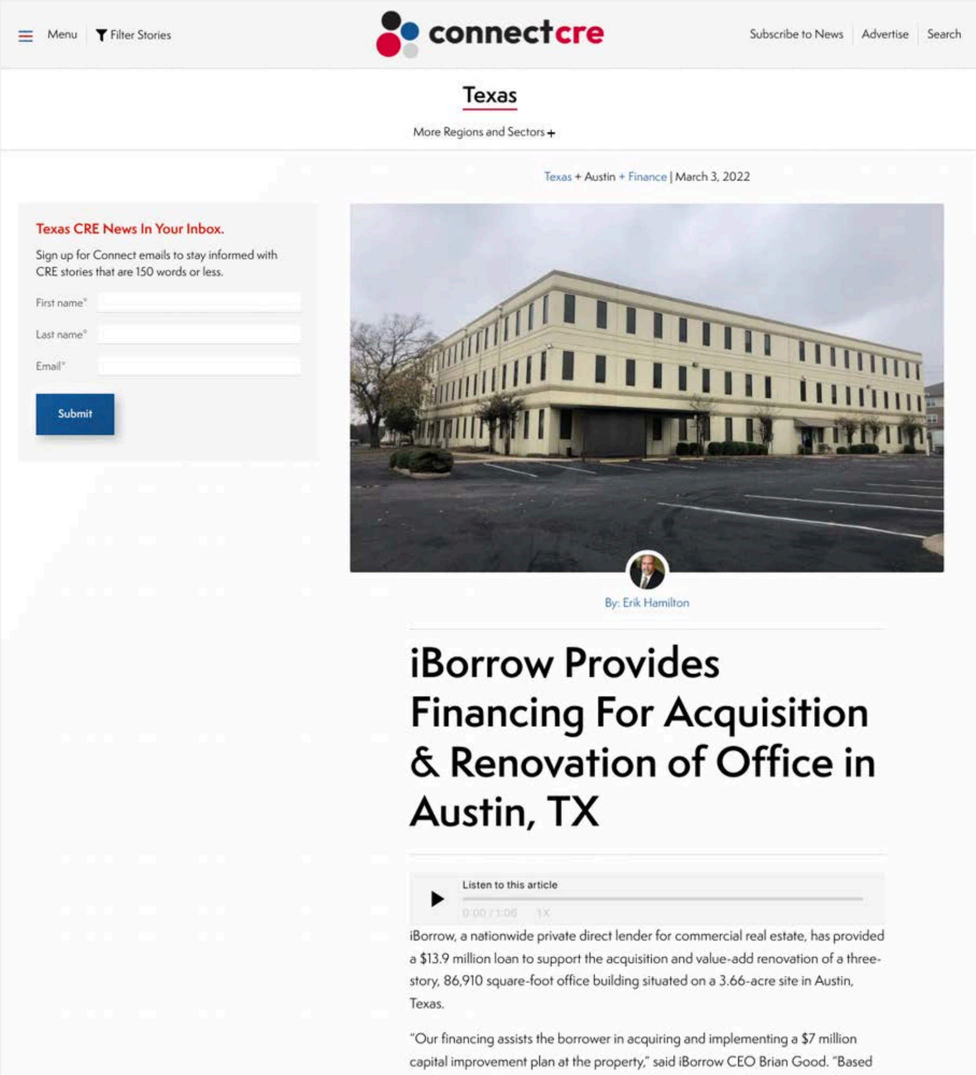

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By: Erik Hamilton

iBorrow Provides Financing For Acquisition & Renovation of Office in Austin, TX

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iBorrow, a nationwide private direct lender for commercial real estate, has provided a $13.9 million loan to support the acquisition and value-add renovation of a three-story, 86,910 square-foot office building situated on a 3.66-acre site in Austin, Texas.

"Our financing assists the borrower in acquiring and implementing a $7 million capital improvement plan at the property," said iBorrow CEO Brian Good. "Based

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Philadelphia Student Community Lands $52M Financing

By Olivia Bunescu - February 16, 2022

f | t | in

Emet Capital Management has secured a $52 million loan for The Edge Student Village, a 798-bed community in Philadelphia, serving the students at Temple University. **iBorrow** provided the loan, which will support upgrades to the property.

The Edge Student Village

The company acquired the community from **Campus Living Villages** for $60 million last year in an all-cash deal, Yardi Matrix shows.

Completed in 2005, the 12-story building comprises 240 units with studio and two-bedroom floorplans, ranging from 210 to 360 square feet. Property amenities include a fitness center, lounge area, community kitchen, bike storage, study spaces and laundry facilities, as well as 40 available parking spaces.

The Edge Student Village is located at 1601 N. 15th St., within walking distance of Temple University and The Liacouras Center. Various retail and dining options, including The Fresh Grocer of Progress Plaza and Sullivan Progress Plaza Shopping Center, are less than half a mile from the property.

The community is one of the 17 completed properties and 8,396 rooms serving students at Temple University. There are also two planned or prospective properties that will add roughly 1,300 rooms to the current inventory, according to Yardi Matrix data.

The student housing sector is expected to grow, as the campus experience is remaining an essential aspect of the university life. The investment represents an opportunity for the borrower to implement upgrades and enhance curb appeal, driving up resident demand, Brian Good, CEO of iBorrow, said in a prepared statement.

February 16, 2022 ONLINE

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iBorrow targets Texas for a growth edge

CEO Brian Good cites multifamily and industrial for competitive opportunities to fill bank gaps.

iBorrow is planning to carve out more deals in Texas to remain competitive amid an influx of premium debt funds, banks and insurers vying for space in its core markets of regional office, industrial and multifamily.

Brian Good, CEO at the Los Angeles-based short-term bridge specialist, told *Real Estate Capital USA* that the firm views Texas as the best market in the country right now for business, having established a preliminary foothold in Austin this month.

iBorrow had been targeting an Austin entry for some time prior to securing its first deal in the city this month. "With owners in Texas, you really have to know the local players," Good said. "They don't want to go to California to borrow money, they would rather stay home and help the locals."

In the recent deal, iBorrow signed a $13.9 million loan to support the acquisition and value-add renovation of a three-story office building on a 3.7-acre site in Austin. Good said the signing will serve as a launching pad for iBorrow to get more loans rolling throughout the city.

He added that the firm likes Austin because of the city's steady population growth rate, which has averaged around 50,000 new residents per year in recent history, according to US Census Bureau data.

Texas's comparative density, among other characteristics, means the state provides more opportunities than some other popular southern states like Florida, Good said. Dallas, Houston, Austin and even San Antonio all present future business growth opportunities for iBorrow, and the firm is looking to fill gaps left by banks and lenders that hesitate to work with more entrepreneurial borrowers.

Multifamily, industrial and office opportunities nationwide are top of mind for the firm. Good said industrial conversions into office spaces will be a big play for iBorrow in the future, along with existing industrial properties in areas that have seen recent cyclical spikes in popularity.

"On the flipside of that, a lot of people have been buying industrial property at the highest price possible on buildings that are really obsolete," Good said, noting such properties feature, for example, low ceilings or lack infrastructure compared to more viable existing offerings. "That's going to bite some people."

In some cases, Good said, developers are scooping up industrial buildings and overpaying for the land alone because of attractive zoning and the potential to expedite the permit process when redeveloping the property. "The pricing on industrial is astronomical – especially in LA and California – but I think there are plays there that are exciting for us and that we can get involved with," he said.

On the multifamily front, Good said the current low cap-rate environment has investors continually buying and trading apartment deals, in some cases with no research into the property's underlying problems, at a rate he's never seen before.

"There are a lot of people out there that are buying properties with a moderate to heavy lift that don't have the capability to do that," Good noted, adding that the changes needed on the properties can get quite complicated. "Overpaying is going to come back to haunt some of these borrowers in the near future."

Rescue capital is another realm where iBorrow is spotting opportunities. In the multifamily space especially, Good said being patient on the sidelines could present cheaper deals supported by guarantees for quick sales or other alternatives that save borrowers from exacerbating margins of error.

iBorrow has also completed a few hotel-to-multifamily conversions and examined other similar potential opportunities recently. Good noted such deals make for an interesting play, but can be heavy lifts on par with, or worse than, new construction, depending on building compatibility.

While the office sector lacks the strength of multifamily and industrial, it is strong enough to provide more growth potential for iBorrow, Good said. The firm prefers multi-tenant office deals and prepared borrowers that bring a full package of conservative estimates, permit timelines and general proof they've thought through the process of carving out new business in the category.

On a nationwide basis, iBorrow is also looking toward Seattle, Nevada and Arizona for additional growth after backing new deals in each area in recent quarters. But Good said the firm is doing more business in the Southeast and Northeast US than in the Southwest region.

The firm has cut three to four deals in New Jersey in the last month to back its Northeast US push. On February 15, iBorrow also provided a $52 million loan to support property upgrades on a 798-bed, 12-story Temple University student housing complex in Philadelphia.

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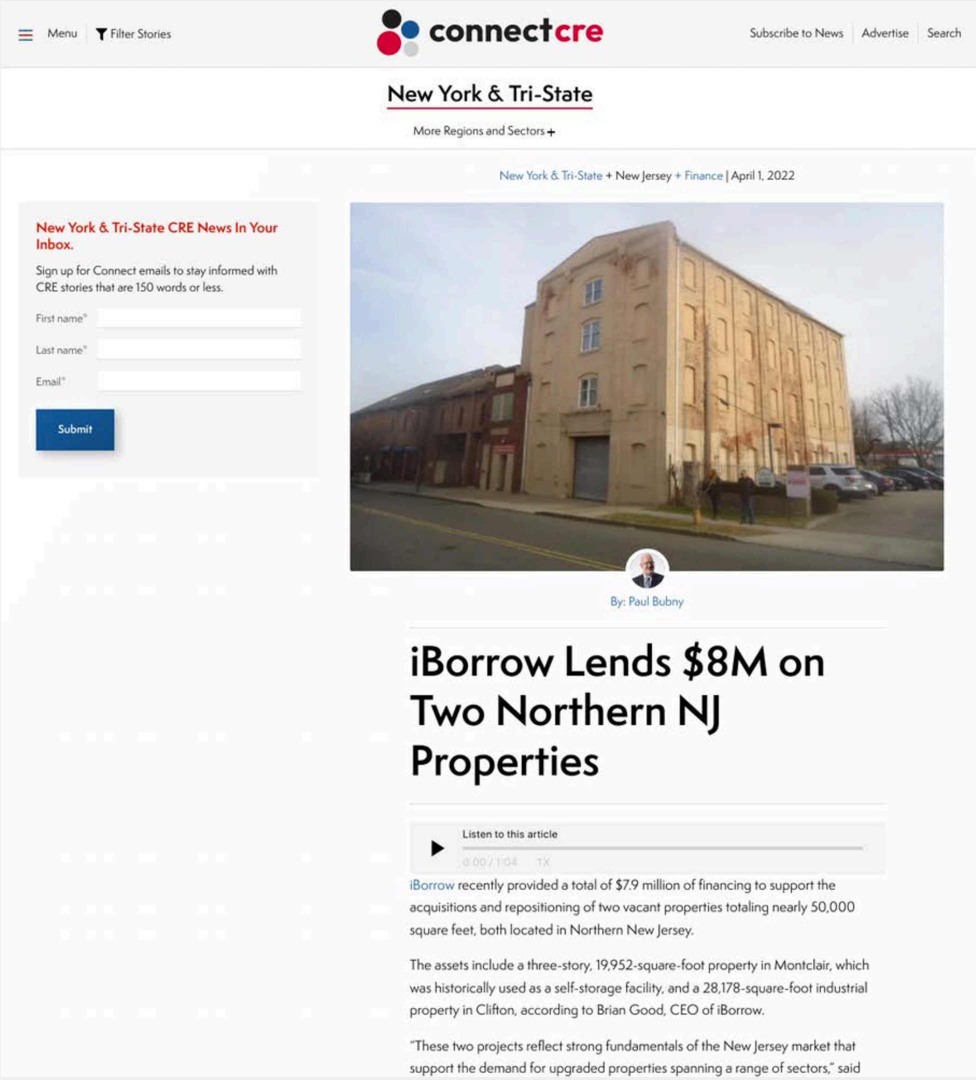

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By: Paul Bubny

iBorrow Lends $8M on Two Northern NJ Properties

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iBorrow recently provided a total of $7.9 million of financing to support the acquisitions and repositioning of two vacant properties totaling nearly 50,000 square feet, both located in Northern New Jersey.

The assets include a three-story, 19,952-square-foot property in Montclair, which was historically used as a self-storage facility, and a 28,178-square-foot industrial property in Clifton, according to Brian Good, CEO of iBorrow.

"These two projects reflect strong fundamentals of the New Jersey market that support the demand for upgraded properties spanning a range of sectors," said

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Fine Print: Historic Exton building lists for $2.25M; New York firm secures $52M loan to renovate housing near Temple University

By Natalie Kostelni – Reporter, Philadelphia Business Journal
Feb 18, 2022, 6:30am EST

A roundup of recent real estate transactions across the Philadelphia region.

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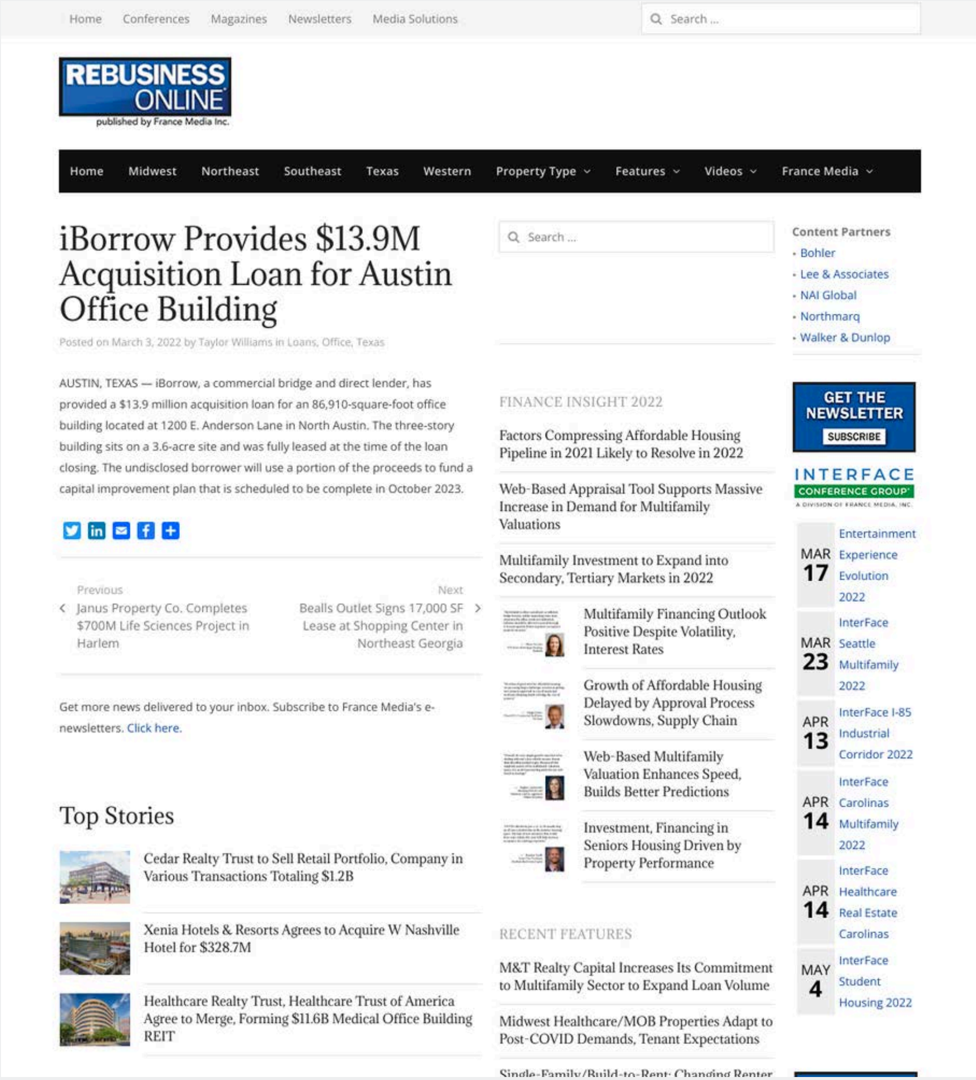

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iBorrow Provides $13.9M Acquisition Loan for Austin Office Building

Posted on March 3, 2022 by Taylor Williams in Loans, Office, Texas

AUSTIN, TEXAS — iBorrow, a commercial bridge and direct lender, has provided a $13.9 million acquisition loan for an 86,910-square-foot office building located at 1200 E. Anderson Lane in North Austin. The three-story building sits on a 3.6-acre site and was fully leased at the time of the loan closing. The undisclosed borrower will use a portion of the proceeds to fund a capital improvement plan that is scheduled to be complete in October 2023.

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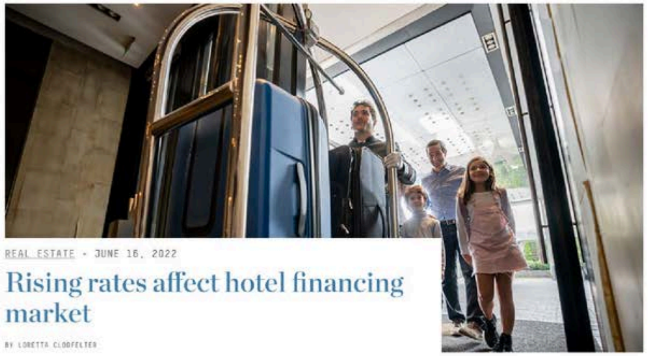

REAL ESTATE • JUNE 16, 2022

Rising rates affect hotel financing market

BY LORETTA CLODFELTER

Borrowers are facing a more challenging environment. Treasury yields are rising and the Federal Reserve increased the target federal funds rate by 75 basis points at the FOMC meeting July 15.

"Due to the rapid rise of interest rates and inflation after an extended period of record-low rates, many lenders are proactively widening spreads, especially on riskier investments," said Andy Peltz, co-executive chairman at iBorrow, a nationwide direct lender for commercial property bridge financing, in an interview with IREI. "We anticipate some volatility in the coming months with pricing rising."

Despite the volatility, hotel financing is seeing a rebound as travel has picked up.

"According to the Mortgage Bankers Association, hotel property loan originations saw the greatest year-over-year increase of all sectors at 359 percent," said Peltz. "As travel has started to pick back up and hospitality

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rebounds from the effects of the pandemic, we will continue to see an influx of capital in the hotel sector in the coming months and years."

Peltz added that lenders are cautious after the drastic pandemic-induced challenges faced over the past two years. "That said, most have a better understanding of the various product segments they are most comfortable lending in and have developed new guidelines and underwriting standards as to how to invest in these segments moving forward," said Peltz. "While markets and brands have their own nuances, generally, recovery in the sector has been characterized by hotels that cater to business travel lagging behind destination hotels attracting those traveling for leisure."

Regarding loan-to-value ratios, Peltz said they had reached pre-pandemic levels as of the beginning of 2022.

"Last year and earlier this year, we've seen that many prominent lenders in the hospitality space are willing to offer leverage on par with pre-pandemic levels —primarily in the 70–75 percent range, and willing to go up to 80 percent on behalf of full-service destination and extended-stay properties," said Peltz. "With CMBS loans, we are continuing to see lower LTVs of around 60 percent. That said, we anticipate lenders will become a little more price sensitive given the recent upward pressure on interest rates."

Nonbank lenders have been playing a key role in hospitality lending.

"As certain segments of the hotel industry demonstrate strong recovery, banks have been steadily re-entering the hotel lending space over the past year after largely pulling away in 2020," said Peltz. "That said, alternative financing sources including debt funds and private bridge lenders continue to provide the most capital."

He added that nonbank lenders were critical to the survival of many hospitality properties, offering adaptability and solutions to hotel owners who could not wait for 90 days to close a financing transaction.

"In fact, some of these alternate lenders recognized strategic opportunities and a light at the end of the tunnel for hospitality and tourism even before many travel restrictions were lifted," said Peltz. "For example, at iBorrow, we were aggressive on destination hotels even in the midst of the worst of the pandemic, providing capital to 10 transactions in financing related to hotel properties over the past two years."

In addition, CMBS hotel loan delinquencies dropped significantly in 2021 after hitting a high of approximately 15 percent in second quarter 2020, and continue to trend downward, noted Peltz, with the CMBS hotel loan delinquenty rate currently sitting at 6.75 percent, and originations have increased over last year.

"While CMBS lenders are still applying a relatively conservative approach to underwriting compared to many other property sectors, we believe CMBS is still a key player for borrowers in hospitality who may not qualify for alternate types of loans," added Peltz.

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Thursday, April 7, 2022

iBorrow provides financing for acquisitions and value-add repositionings of two vacant properties in New Jersey

Brian Good

MONTCLAIR, NJ and CLIFTON, NJ - iBorrow, a nationwide private direct lender for commercial real estate, recently provided financing to support the acquisitions and repositionings of two vacant properties totaling nearly 50,000 square feet, both located in Northern New Jersey.

The assets include a three-story, 19,952 square-foot property in Montclair, which was historically used as a self-storage facility, and a 28,178 square-foot industrial property in Clifton, according to **Brian Good**, CEO of iBorrow.

"These two projects reflect strong fundamentals of the New Jersey market that support the demand for upgraded properties spanning a range of sectors," explains Good.

He notes that the state saw solid population growth over the past decade, especially within the Northern counties where these properties are located.

"Both of the assets will allow the borrowers to serve the needs of their respective submarkets through strategic conversions into new product types with sound and actionable business plans."

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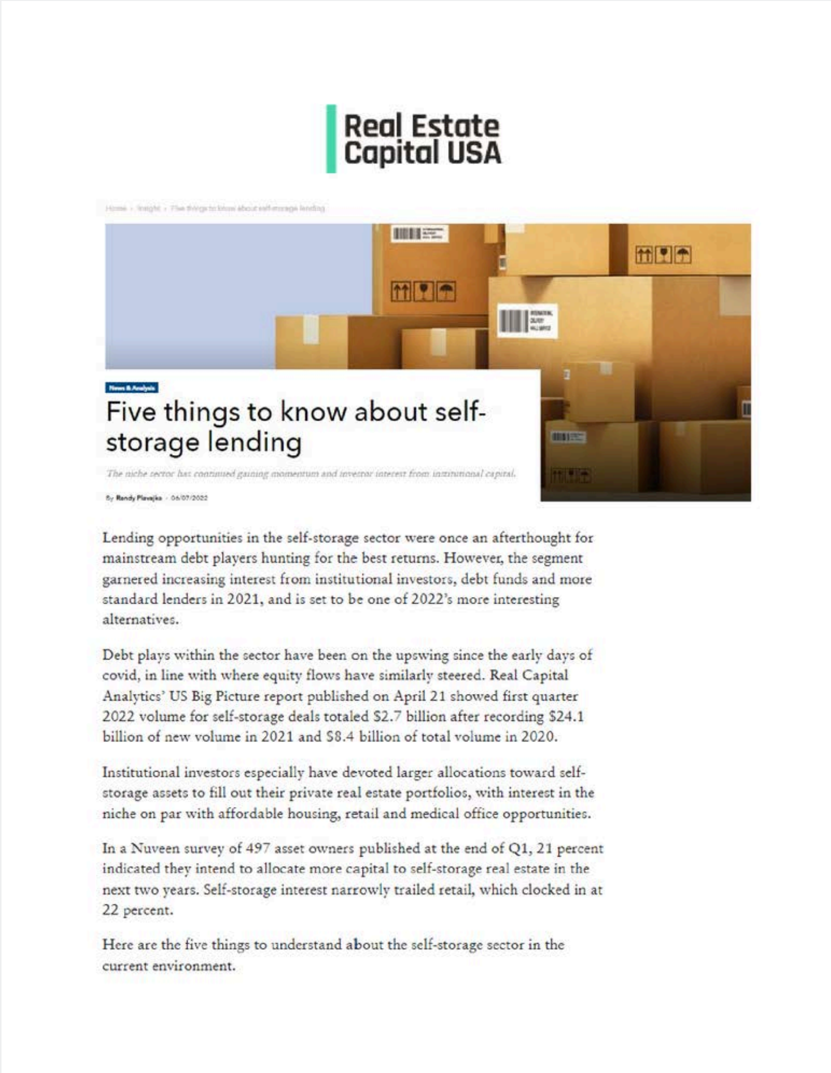

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News & Analysis

Five things to know about self-storage lending

The niche sector has continued gaining momentum and investor interest from institutional capital.

By Randy Plavajka · 06/07/2022

Lending opportunities in the self-storage sector were once an afterthought for mainstream debt players hunting for the best returns. However, the segment garnered increasing interest from institutional investors, debt funds and more standard lenders in 2021, and is set to be one of 2022's more interesting alternatives.

Debt plays within the sector have been on the upswing since the early days of covid, in line with where equity flows have similarly steered. Real Capital Analytics' US Big Picture report published on April 21 showed first quarter 2022 volume for self-storage deals totaled $2.7 billion after recording $24.1 billion of new volume in 2021 and $8.4 billion of total volume in 2020.

Institutional investors especially have devoted larger allocations toward self-storage assets to fill out their private real estate portfolios, with interest in the niche on par with affordable housing, retail and medical office opportunities.

In a Nuveen survey of 497 asset owners published at the end of Q1, 21 percent indicated they intend to allocate more capital to self-storage real estate in the next two years. Self-storage interest narrowly trailed retail, which clocked in at 22 percent.

Here are the five things to understand about the self-storage sector in the current environment.

June 07, 2022 ONLINE

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1 Institutionalization is steady on both sides

Larger lenders have poured into self-storage debt opportunities through the pandemic as the industry has become a more unified entity, with corporations replacing the prior mom-and-pop fragmentation.

Greg Michaud, head of real estate finance at Voya Investment Management, says the strain on office deals in New York City, San Francisco and other big markets drove eyes toward smaller markets and niche products where returns could survive broader market volatility.

The hunt for viable debt deals has been backed by larger, more established borrowers diving into the self-storage arena, too. Michaud says the increased attention and development being done in the niche has presented some concerns about overbuilding, though no foreboding signals have materialized yet. "It has been a great asset class through the global financial crisis and through the pandemic, and we are just not seeing a trend down in pricing for the units."

2 Consolidation fuels innovation

The self-storage industry is no longer composed of just mom-and-pop entities, a fact that has added more stability for underwriting and sourcing wider deals in the current landscapes.

Brian Good, chief executive of Los Angeles-based bridge lender iBorrow, tells *Real Estate Capital USA* that having a larger management entity in place running the facilities creates more efficiencies when it comes to reporting, technology usage and potential expansion opportunities. "It is a pretty good investment for savvy investors," Good says. "The yields are there; the returns are there. As a result, the institutional investors have leaned into the investment and made it harder for the smaller owners to expand and grab market share."

Michaud notes the bigger owners and operators also have advanced software to figure out the lease-up process that mom-and-pop operations may lack. He says the efficiency created with a more corporate entity almost allows for airline-style seating on pricing for units.

3 Leasing is sticky

The only thing worse than having to move an entire batch of items into a storage unit once is having to move it twice or more. The general theory lenders such as Voya, iBorrow and others have acknowledged is once a tenant has moved their belongings into a unit, they are unlikely to transport them repeatedly.

This stickiness means once an asset is leased up, it generally remains so and provides more concrete terms to underwrite as a lender. Good says the lease-up period on self-storage assets will typically be slower and can take up to three years before a sustainable occupancy is reached.

Voya, in comparison, opts for full assets already maintaining a 70 percent or more occupancy rate to ensure the deal is a good fit for the core or core-plus buckets of the New York-based manager's portfolio.

4 Oversaturation can sour opportunities

As with many things in life, it is possible to have too much of a good thing even when it comes to the supply of self-storage assets. Demand is certainly on the rise among investors, and flexible working conditions have only stoked tenant demand.

Michaud says the previous theory behind finding viable self-storage assets to lend on was to look next to multifamily developments where smaller apartment sizes may beget a need for additional room for tenants' surplus belongings. Now, he says demographics drive the thesis.

"Building this stuff was never an easy task because nobody wanted it in their backyard," Michaud says. "It was hard to zone. What we are finding now is old K-Marts are being converted to self-storage. Even old warehouses are being converted into this type of space."

5 Location matters

The so-called best markets for self-storage assets to lend on look different now than in prior years, especially now with more flexibility around where Americans conduct their work on a day-to-day basis.

In a large metro area like Los Angeles, Good says it is important to consider self-storage tenants may be willing to drive to stow their belongings in cities such as Ontario, or elsewhere in the Inland Empire of Southern California, if they are only dropping in once or twice a year.

Assets located close to freeways and highways still bode well for drawing business but can come with a premium for their ease of access alone. American spending habits have also reshaped how the ideal self-storage facility looks and functions.

Michaud notes trailer and RV purchases increased through the pandemic, and without appropriate space in the driveway, new owners had to look toward self-storage facilities for a solution. Climate-controlled units are also seeing increased demand and, in Sunbelt markets, having the amenity on hand is essential for securing new tenants, whereas in the Northeast US it may be less of a necessity.

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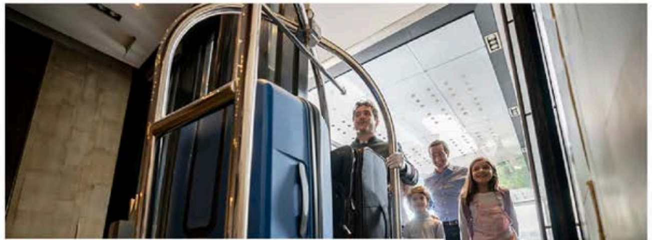

INVESTORS · JUNE 16, 2022

Rising rates affect hotel financing market

BY LORETTA CLODFELTER

Borrowers are facing a more challenging environment. Treasury yields are rising and the Federal Reserve increased the target federal funds rate by 75 basis points at the FOMC meeting July 15.

"Due to the rapid rise of interest rates and inflation after an extended period of record-low rates, many lenders are proactively widening spreads, especially on riskier investments," said Andy Peltz, co-executive chairman at iBorrow, a nationwide direct lender for commercial property bridge financing, in an interview with IREI. "We anticipate some volatility in the coming months with pricing rising."

Despite the volatility, hotel financing is seeing a rebound as travel has picked up.

"According to the Mortgage Bankers Association, hotel property loan originations saw the greatest year-over-year increase of all sectors at 359 percent," said Peltz. "As travel has started to pick back up and hospitality rebounds from the effects of the pandemic, we will continue to see an influx of capital in the hotel sector in the coming months and years."

June 16, 2022 ONLINE

Institutional Real Estate, Inc. (11-01858)

irei.com/news/rising-rates-affect-hotel-fin...

Monthly Visits

53.4K

Monthly Visits

Peltz added that lenders are cautious after the drastic pandemic-induced challenges faced over the past two years. "That said, most have a better understanding of the various product segments they are most comfortable lending in and have developed new guidelines and underwriting standards as to how to invest in these segments moving forward," said Peltz. "While markets and brands have their own nuances, generally, recovery in the sector has been characterized by hotels that cater to business travel lagging behind destination hotels attracting those traveling for leisure."

Regarding loan-to-value ratios, Peltz said they had reached pre-pandemic levels as of the beginning of 2022.

"Last year and earlier this year, we've seen that many prominent lenders in the hospitality space are willing to offer leverage on par with pre-pandemic levels —primarily in the 70–75 percent range, and willing to go up to 80 percent on behalf of full-service destination and extended-stay properties," said Peltz. "With CMBS loans, we are continuing to see lower LTVs of around 60 percent. That said, we anticipate lenders will become a little more price sensitive given the recent upward pressure on interest rates."

Nonbank lenders have been playing a key role in hospitality lending.

"As certain segments of the hotel industry demonstrate strong recovery, banks have been steadily re-entering the hotel lending space over the past year after largely pulling away in 2020," said Peltz. "That said, alternative financing sources including debt funds and private bridge lenders continue to provide the most capital."

He added that nonbank lenders were critical to the survival of many hospitality properties, offering adaptability and solutions to hotel owners who could not wait for 90 days to close a financing transaction.

"In fact, some of these alternate lenders recognized strategic opportunities and a light at the end of the tunnel for hospitality and tourism even before many travel restrictions were lifted," said Peltz. "For example, at iBorrow, we were aggressive on destination hotels even in the midst of the worst of the pandemic, providing capital to 10 transactions in financing related to hotel properties over the past two years."

In addition, CMBS hotel loan delinquencies dropped significantly in 2021 after hitting a high of approximately 15 percent in second quarter 2020, and continue to trend downward, noted Peltz, with the CMBS hotel loan delinquenty rate currently sitting at 6.75 percent, and originations have increased over last year.

“While CMBS lenders are still applying a relatively conservative approach to underwriting compared to many other property sectors, we believe CMBS is still a key player for borrowers in hospitality who may not qualify for alternate types of loans,” added Peltz.

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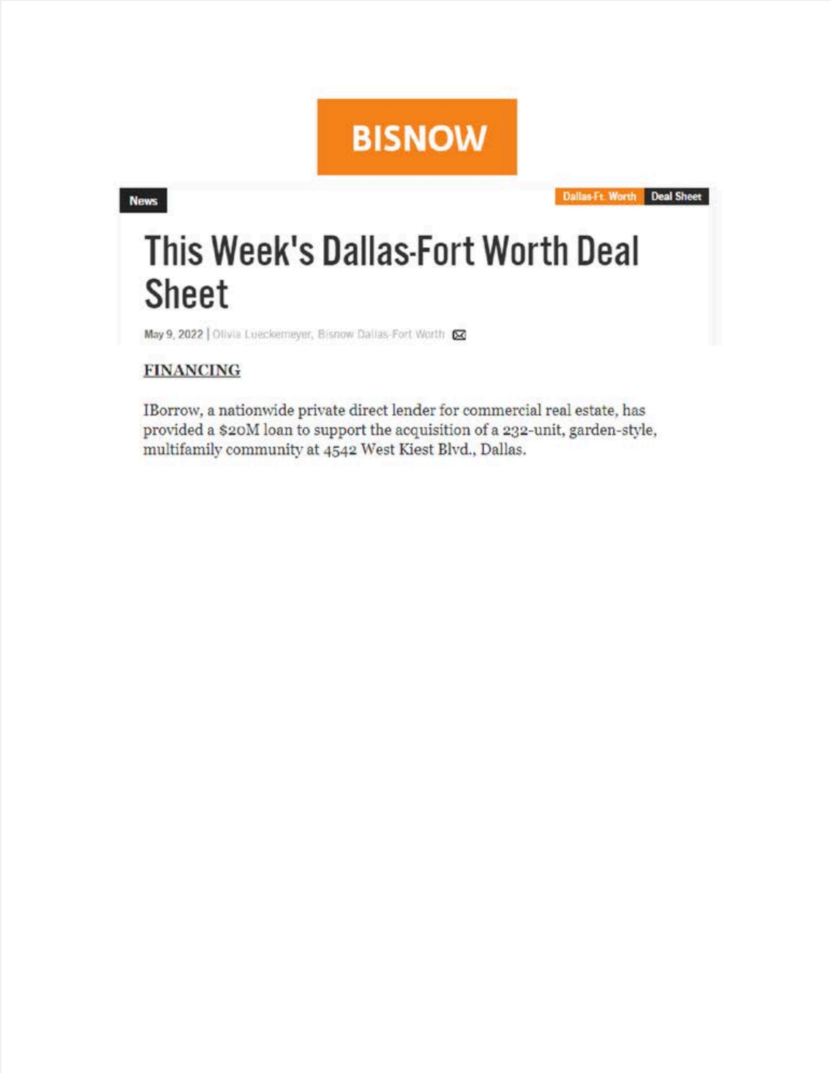

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News

Dallas-Ft. Worth | Deal Sheet

This Week's Dallas-Fort Worth Deal Sheet

May 9, 2022 | Olivia Lueckemeyer, Bisnow Dallas-Fort Worth

FINANCING

IBorrow, a nationwide private direct lender for commercial real estate, has provided a $20M loan to support the acquisition of a 232-unit, garden-style, multifamily community at 4542 West Kiest Blvd., Dallas.

May 09, 2022 ONLINE

Bisnow (11-01696)

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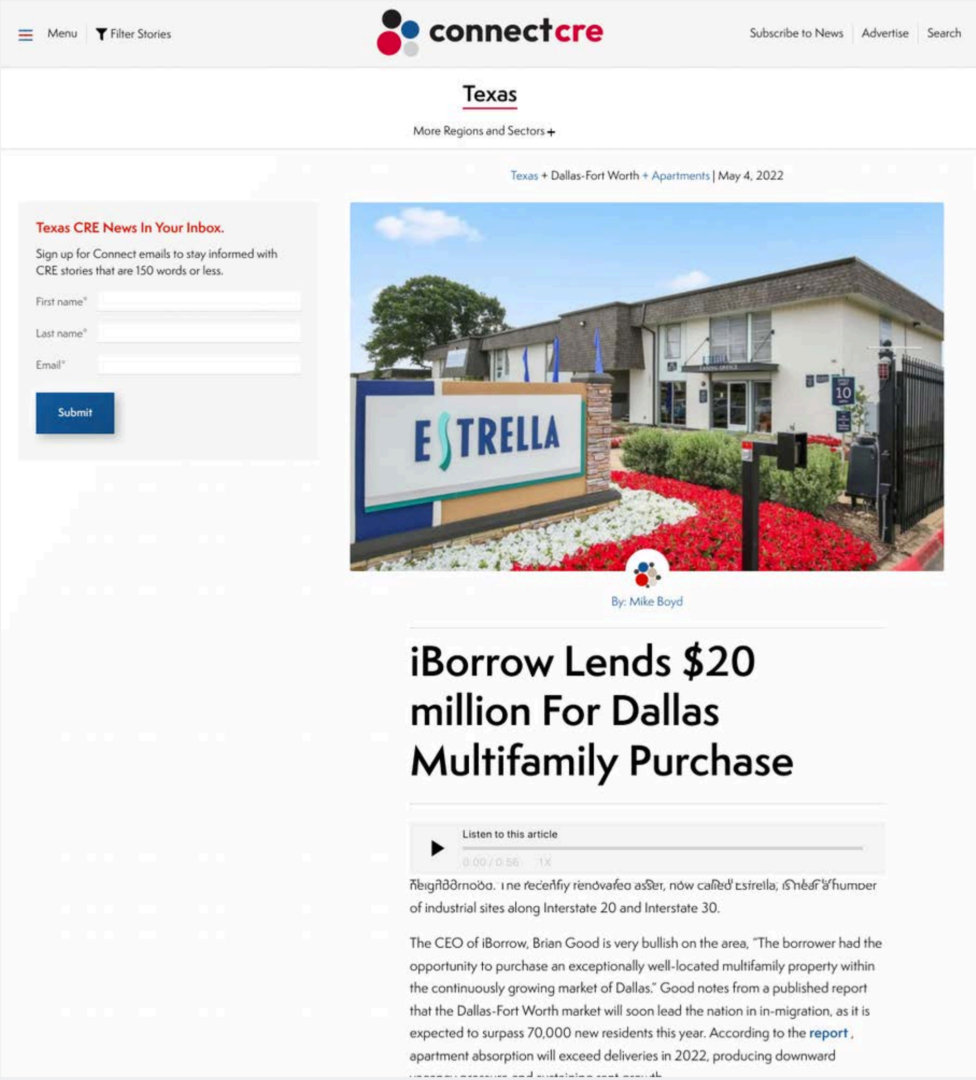

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By: Mike Boyd

iBorrow Lends $20 million For Dallas Multifamily Purchase

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neighborhood. The recently renovated asset, now called Estrella, is near a number of industrial sites along Interstate 20 and Interstate 30.

The CEO of iBorrow, Brian Good is very bullish on the area, "The borrower had the opportunity to purchase an exceptionally well-located multifamily property within the continuously growing market of Dallas." Good notes from a published report that the Dallas-Fort Worth market will soon lead the nation in in-migration, as it is expected to surpass 70,000 new residents this year. According to the report, apartment absorption will exceed deliveries in 2022, producing downward

May 04, 2022 ONLINE

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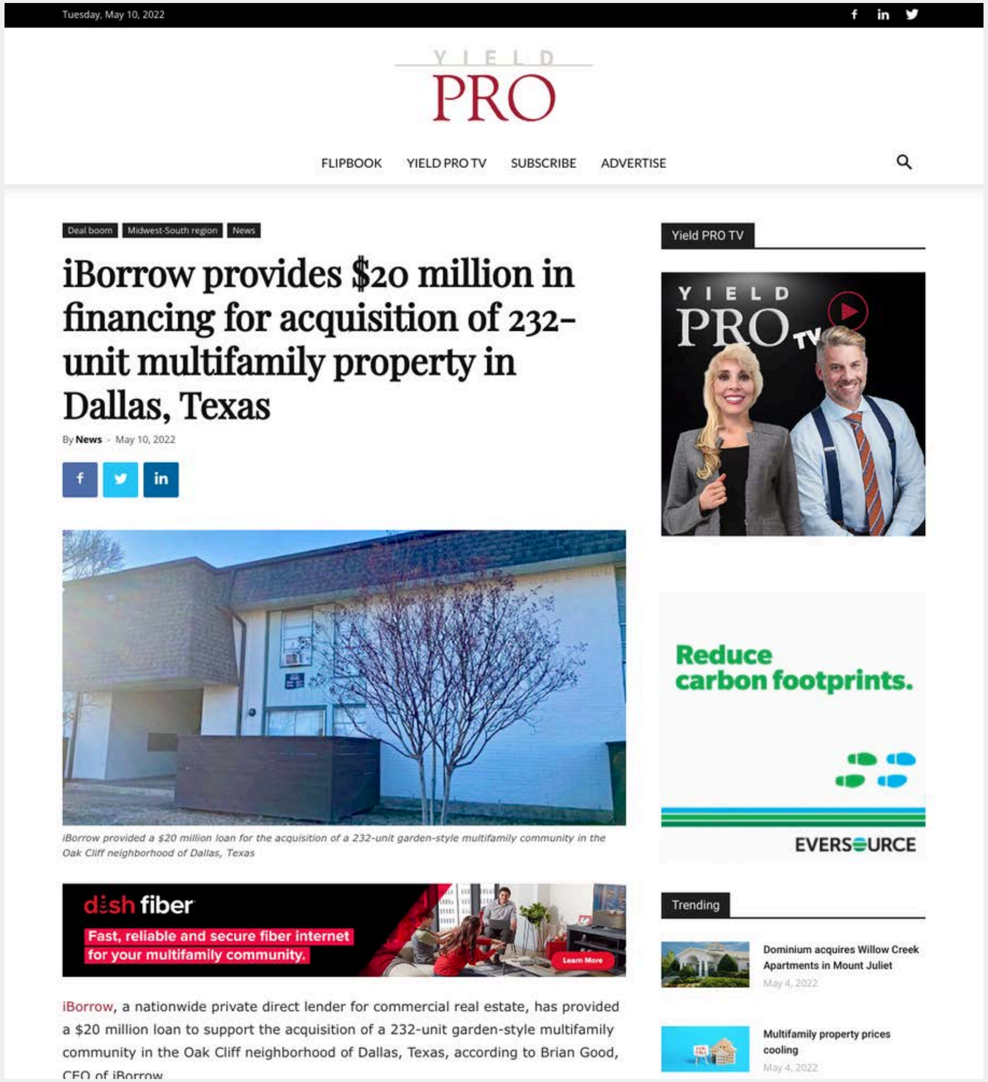

Tuesday, May 10, 2022

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iBorrow provides $20 million in financing for acquisition of 232-unit multifamily property in Dallas, Texas

By **News** - May 10, 2022

iBorrow provided a $20 million loan for the acquisition of a 232-unit garden-style multifamily community in the Oak Cliff neighborhood of Dallas, Texas

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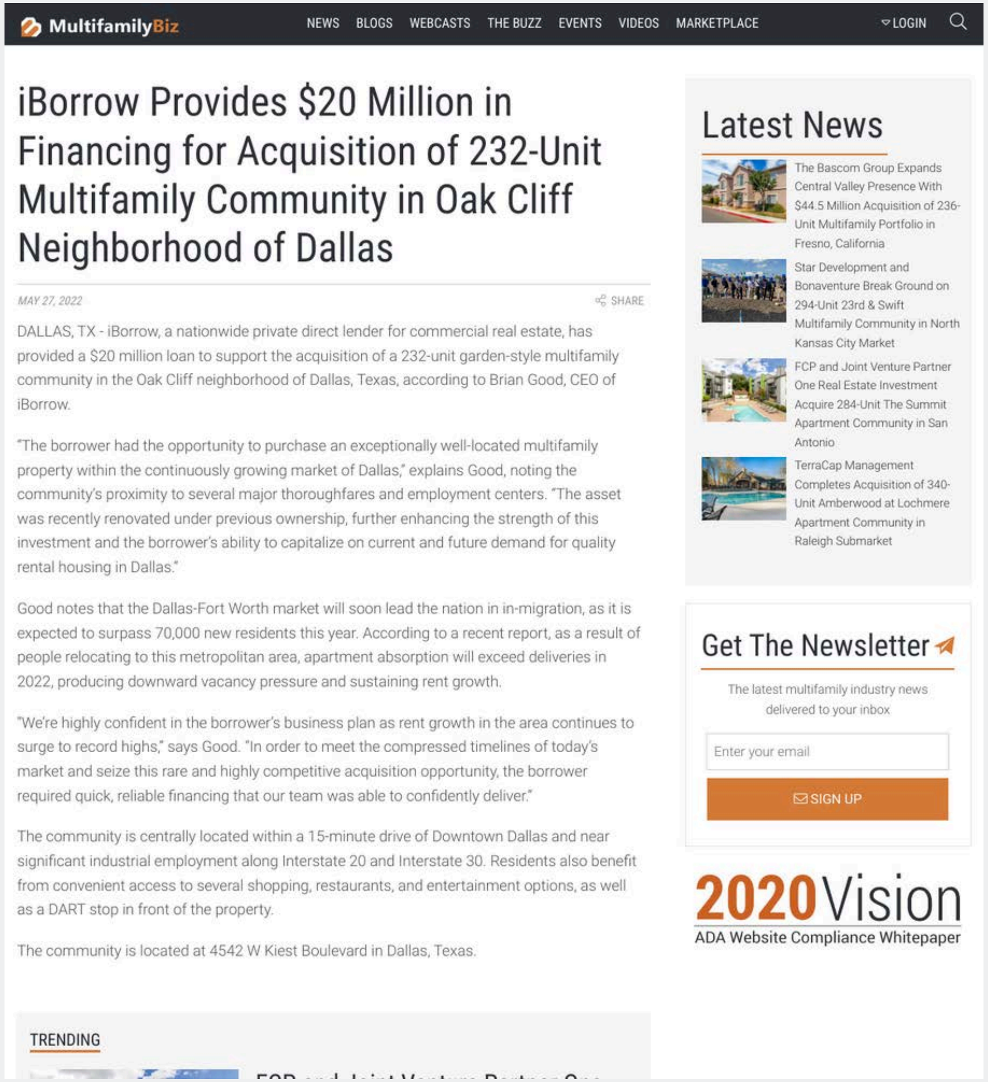

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iBorrow Provides $20 Million in Financing for Acquisition of 232-Unit Multifamily Community in Oak Cliff Neighborhood of Dallas

MAY 27, 2022 SHARE

DALLAS, TX - iBorrow, a nationwide private direct lender for commercial real estate, has provided a $20 million loan to support the acquisition of a 232-unit garden-style multifamily community in the Oak Cliff neighborhood of Dallas, Texas, according to Brian Good, CEO of iBorrow.

"The borrower had the opportunity to purchase an exceptionally well-located multifamily property within the continuously growing market of Dallas," explains Good, noting the community's proximity to several major thoroughfares and employment centers. "The asset was recently renovated under previous ownership, further enhancing the strength of this investment and the borrower's ability to capitalize on current and future demand for quality rental housing in Dallas."

Good notes that the Dallas-Fort Worth market will soon lead the nation in in-migration, as it is expected to surpass 70,000 new residents this year. According to a recent report, as a result of people relocating to this metropolitan area, apartment absorption will exceed deliveries in 2022, producing downward vacancy pressure and sustaining rent growth.

"We're highly confident in the borrower's business plan as rent growth in the area continues to surge to record highs," says Good. "In order to meet the compressed timelines of today's market and seize this rare and highly competitive acquisition opportunity, the borrower required quick, reliable financing that our team was able to confidently deliver."

The community is centrally located within a 15-minute drive of Downtown Dallas and near significant industrial employment along Interstate 20 and Interstate 30. Residents also benefit from convenient access to several shopping, restaurants, and entertainment options, as well as a DART stop in front of the property.

The community is located at 4542 W Kiest Boulevard in Dallas, Texas.

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iBorrow Provides $20M Acquisition Loan for Dallas Apartment Community

Posted on May 10, 2022 by Taylor Williams in Loans, Multifamily, Texas

DALLAS —iBorrow, a Los Angeles-based commercial bridge and direct lender, has provided a $20 million acquisition loan for a 232-unit apartment community located at 4542 W. Kiest Blvd. in the Oak Cliff neighborhood of Dallas. According to *Apartments.com,* the property offers two-bedroom units with an average size of 969 square feet. The borrower was not disclosed.

May 10, 2022 ONLINE

REBusiness Online (11-01696)

rebusinessonline.com/iborrow-provides-2...

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Tuesday, May 10, 2022

IBorrow provides $20 million in financing for acquisition of 232-unit multifamily property in Dallas, TX

Brian Good

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May 10, 2022 ONLINE

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alex-donedeals.blogspot.com/2022/05/ib...

Monthly Visits

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Monthly Visits

232-unit garden-style multifamily community at 4542 West Kiest Boulevard in the Oak Cliff neighborhood of Dallas, TX

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INVESTORS · JUNE 16, 2022

Rising rates affect hotel financing market

BY LORETTA CLODFELTER

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June 16, 2022 ONLINE

Institute for Real Estate Operating Companies (11-01858)

irei.com/news/rising-rates-affect-hotel-fin...

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Real Estate Weekly

August 14, 2022 ONLINE

Real Estate Weekly (11-02075)

rew-online.com/iborrow-provides-financin...

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REAL ESTATE WEEKLY

IBORROW PROVIDES FINANCING FOR ACQUISITION ANDRENOVATION OF FAMED HAMPTONS BOUTIQUE HOTEL ON LONG ISLAND, NEW YORK

August 14, 2022

iBorrow,a nationwide private direct lender for commercial real estate, has provided financing to a well-known boutique hotel/inn owner and operator to support the acquisition and renovation of Wainscott Inn, a 30-room boutique inn situated on the east end of Long Island in Sagaponack, New York.

The financing comes at a time when travel is ramping back up post-pandemic and hospitality-sector fundamentals are improving, according to Brian Good, CEO of iBorrow.

"As people return to traveling, the hospitality sector is benefitting from the rebound of the effects of the pandemic," says Good. "In Q4 2021, hotel occupancies had risen to 63.2% across the nation from 48.9% one year prior. As a result, hotel investors are increasingly placing capital in assets like Wainscott Inn, which is located at a convenient destination for both business and leisure stays."

iBorrow's $3.3 million financing of this asset assists the borrower in adding the property to its portfolio and will serve as a bridge loan as the sponsor pursues construction permits and city approvals.

"iBorrow has always been a reliable source to assist in funding projects we have invested in over the years," says Jon Heoing at Atlantic Equity Partners. "This particular investment shows strong potential as tourism and travel recover. The financing iBorrow helped to secure is structured to assist us in executing our business plan of acquiring the asset and implementing full renovations."

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iBorrow provides financing for acquisition and renovation of historic Hamptons' boutique hotel on Long Island, NY

SAGAPONACK, NY – iBorrow, a nationwide private direct lender for commercial real estate, has provided financing to a well-known boutique hotel/inn owner and operator to support the acquisition and renovation of **Wainscott Inn**, a 30-room boutique inn situated at 3720 Montauk Highway on the east end of Long Island in Sagaponack, NY.

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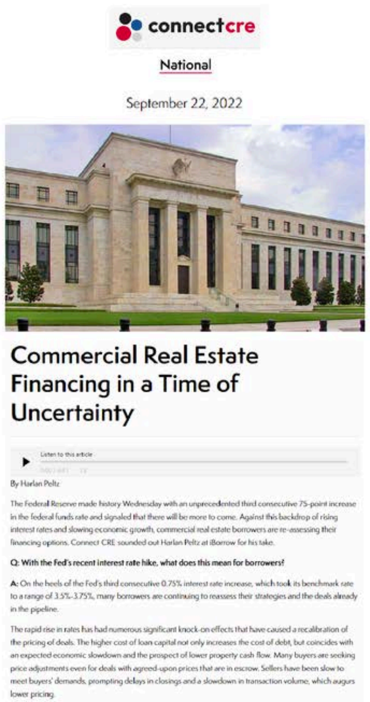

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National

September 22, 2022

Commercial Real Estate Financing in a Time of Uncertainty

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By Harlan Peltz

The Federal Reserve made history Wednesday with an unprecedented third consecutive 75-point increase in the federal funds rate and signaled that there will be more to come. Against this backdrop of rising interest rates and slowing economic growth, commercial real estate borrowers are re-assessing their financing options. Connect CRE sounded out Harlan Peltz at iBorrow for his take.

Q: With the Fed's recent interest rate hike, what does this mean for borrowers?

A: On the heels of the Fed's third consecutive 0.75% interest rate increase, which took its benchmark rate to a range of 3.5%-3.75%, many borrowers are continuing to reassess their strategies and the deals already in the pipeline.

The rapid rise in rates has had numerous significant knock-on effects that have caused a recalibration of the pricing of deals. The higher cost of loan capital not only increases the cost of debt, but coincides with an expected economic slowdown and the prospect of lower property cash flow. Many buyers are seeking price adjustments even for deals with agreed-upon prices that are in escrow. Sellers have been slow to meet buyers' demands, prompting delays in closings and a slowdown in transaction volume, which augurs lower pricing.

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Brian Good, Harlan Peltz, Andy Peltz, Andrew Smith, Emin Aboolian and Kehvon Thomas

Company: iBorrow

$392.6 Million

Provides short-term bridge financing to commercial property owners on a non-recourse basis

Loan size ranges from $3 million to $100+ million

Founded in 2013, iBorrow is a direct lender that provides short-term bridge financing to commercial property owners at highly competitive interest rates on a non-recourse basis. In just nine years, iBorrow completed more than $1.1 billion in private commercial real estate loans. the company lends on virtually all commercial real estate property types nationwide—office, hospitality, mixed-use, industrial, multifamily, and more. This includes unconventional situations, with fast response times and flexible structures to suit the requirements of virtually any borrower within the CRE space.

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SOUTHERN CALIFORNIA REAL ESTATE

100,000 SQFT Shopping Center in Santa Clarita Secures $15MM Refinancing

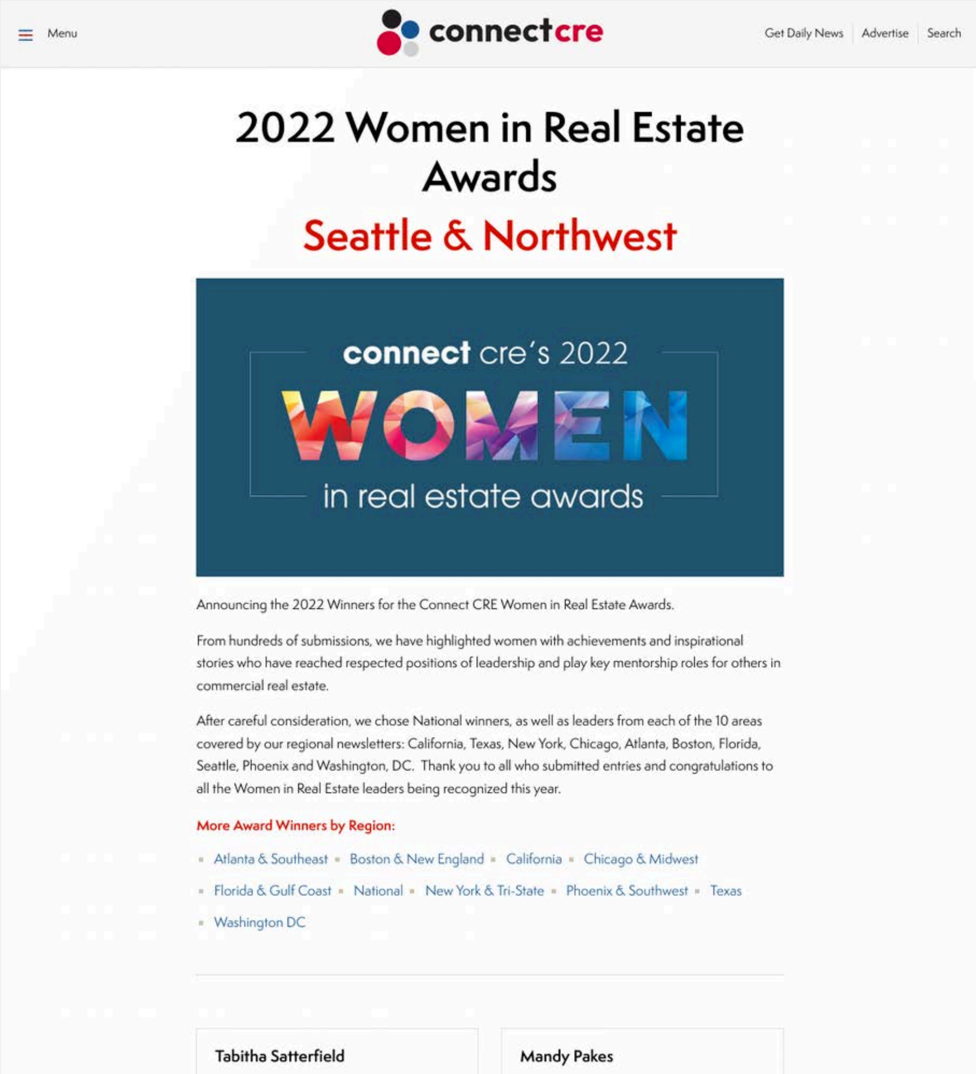
November 10, 2022

SANTA CLARITA, CA – iBorrow, a nationwide private direct lender for commercial real estate, has provided a $15 million loan to refinance the Old Orchard Shopping Center, a 100,000 square-foot strip center located in Santa Clarita, California. The proceeds of the refinancing will retire an outstanding CMBS loan, and provide for a reserve for tenant improvements and leasing commissions for newly leased suites.

"The Old Orchard Shopping Center, with its strong anchor tenant, over 100,000 leasable square feet, and large parking lot on a busy thoroughfare, represents the kind of opportunities iBorrow finds attractive," says Brian Good, CEO of iBorrow. "Commercial strip-mall style properties in densely populated suburban neighborhoods like Santa Clarita are continuing to rebound well post-COVID. This property's unique mix of grocery, fast food and niche tenants should provide resilience even during an economic downturn."

The current rising interest rate environment presents an ideal time for borrowers to seek out alternative lending sources. Fast closings and advantageous pre-payment terms from non-bank bridge lenders like iBorrow means commercial property investors can secure the funding they need to close or refinance assets and then wait for rates to drop before securing long-term lending, adds Good.

Connect CRE Seattle & Northwest



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2022 Women in Real Estate Awards

Seattle & Northwest

Announcing the 2022 Winners for the Connect CRE Women in Real Estate Awards.

From hundreds of submissions, we have highlighted women with achievements and inspirational stories who have reached respected positions of leadership and play key mentorship roles for others in commercial real estate.

After careful consideration, we chose National winners, as well as leaders from each of the 10 areas covered by our regional newsletters: California, Texas, New York, Chicago, Atlanta, Boston, Florida, Seattle, Phoenix and Washington, DC. Thank you to all who submitted entries and congratulations to all the Women in Real Estate leaders being recognized this year.

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November 30, 2022

Santa Clarita Retail Center Secures $15M Refi Loan

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Private commercial real estate lender iBorrow has provided a $15 million loan to refinance the Old Orchard Shopping Center in Santa Clarita, CA. The proceeds of the refinancing will retire an outstanding CMBS loan and provide for future tenant improvements and leasing commissions.

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According to Good, the current rising interest rate environment presents an ideal time for borrowers to seek out alternative lending sources. Fast closing and advantageous pre-payment terms from non-bank bridge lenders like iBorrow means commercial property investors can secure the funding to refinance, and then wait for rates to drop before securing long-term lending.

November 30, 2022 ONLINE

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iBorrow Provides $11.2M Acquisition Loan for Austin Student Housing Property

October 13, 2022

AUSTIN, TEXAS — iBorrow, a Los Angeles-based commercial bridge and direct lender, has provided an $11.2 million acquisition loan for a 140-bed student housing property located at 900 W. 23rd St. near the University of Texas at Austin. According to Apartments.com, the property features three-bedroom units with an average size of 1,104 square feet. The borrower, Hawkwood Ventures LLC, plans to use a portion of the proceeds to fund capital improvements.

October 13, 2022 ONLINE

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published by France Media Inc.

iBorrow Provides $15M Refinancing for Old Orchard Shopping Center in Santa Clarita, California

November 11, 2022

SANTA CLARITA, CALIF. — iBorrow has provided a $15 million loan for the refinancing of Old Orchard Shopping Center, a retail strip center in Santa Clarita. The loan proceeds will retire an outstanding CMBS loan and provide for a reserve for tenant improvements and leasing commissions for newly leased suites.

Located at 23329-23449 Lyons Ave., Old Orchard Shopping Center features 100,000 square feet of retail space and is anchored by Vallarta Supermarkets.

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October 7, 2022

UT Student Housing Asset Changes Hands

Hawkwood Ventures has acquired 900 West, a 140-bed, four-story student housing asset that serves students attending the University of Texas in Austin. Lender iBorrow provided $11.2 million in financing which will fund a batch of capital improvements at the 52-unit project, which was built in 2003.

The property is already 86% released for students coming back in the fall in 2022. iBorrow's Brian Good has seen student housing trend up, "Since the pandemic, we've seen an increase in student housing occupancy as an even deeper value has been placed in on-campus life as an essential part of the college experience." Rents range from $1,300 to $3,200 a unit.

The student housing asset is located at 900 W. 23rd Street in Austin, Texas.

October 07, 2022 ONLINE

Connect CRE Texas (11-02304)

connectcre.com/stories/ut-student-housin...

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7 DECEMBER 2022

People moves: Europa Capital appoints Kalkofen real estate finance head

Accord Group – The global real estate strategic investment and capital advisory firm has appointed **Alexander Kerscher** to lead its new office in Munich, Germany. Kerscher, who previously served as VP of business development at **Wafra Europe**.

Eltel Sweden – **Lars Nilsson** has been appointed managing director and will be part of the group management team. Nilsson recently served as CEO of **Certego Group**. Nilsson succeeds **Leif Göransson** who will remain with Eltel until 31 March 2023 to secure a smooth transition.

December 07, 2022 ONLINE

IPE Real Assets (18-02364)

realassets.ipe.com/news/people-moves-e...

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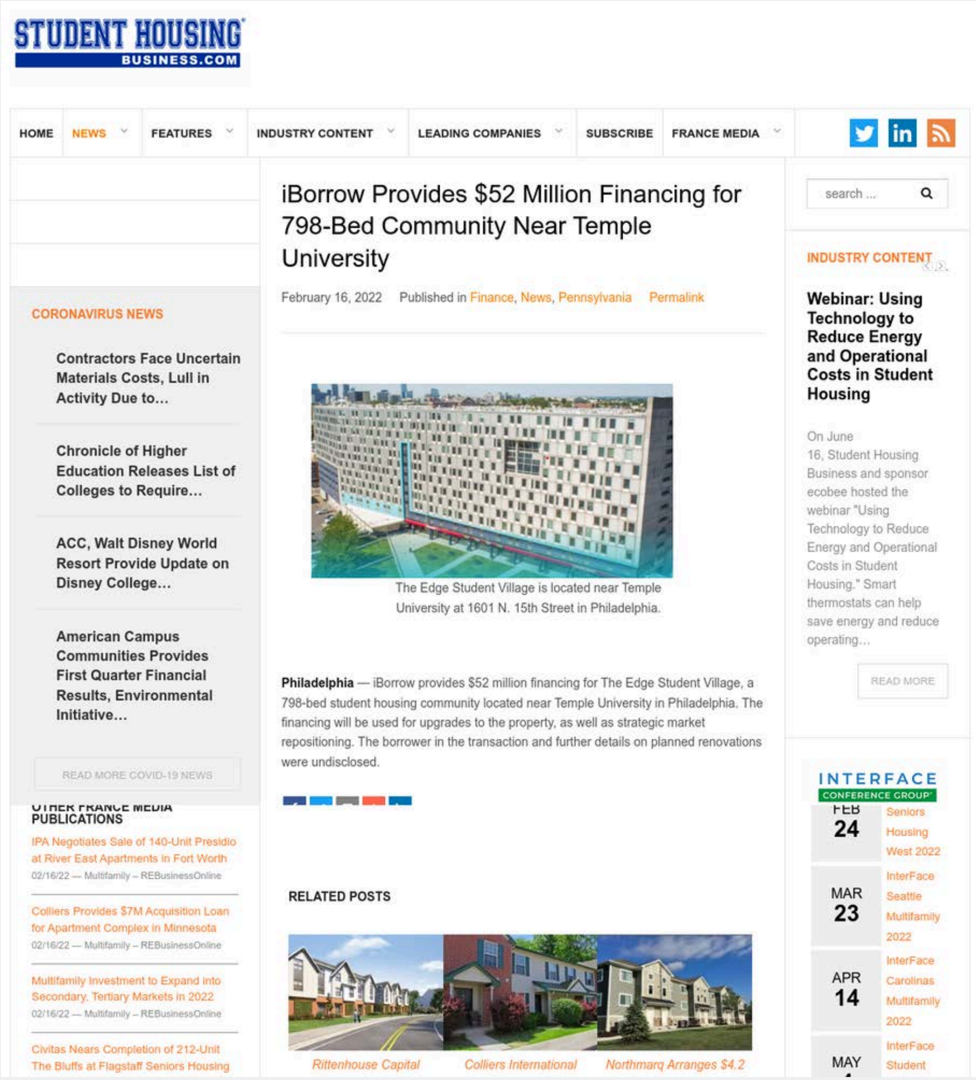
Student Housing Business

- Student Housing Business -



STUDENT HOUSING BUSINESS.COM

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iBorrow Provides $52 Million Financing for 798-Bed Community Near Temple University

February 16, 2022 Published in Finance, News, Pennsylvania Permalink

The Edge Student Village is located near Temple University at 1601 N. 15th Street in Philadelphia.

Philadelphia — iBorrow provides $52 million financing for The Edge Student Village, a 798-bed student housing community located near Temple University in Philadelphia. The financing will be used for upgrades to the property, as well as strategic market repositioning. The borrower in the transaction and further details on planned renovations were undisclosed.

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Student Housing Business (11-01370)

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Monthly Visits **6.42K** Monthly Visits

National Apartment Association / UNITS Magazine

NATIONAL APARTMENT ASSOCIATION

Making Affordable Housing Pencil Out

September 14, 2022

Everybody wants more affordable housing—these companies make it work.

The need for more affordable housing is a constant refrain in the rental housing industry. The remedies include build-to-rent communities, inclusionary zoning, up-zoning, mixed income housing, ADUs and tinkering with tax credits. Obstacles include "NIMBYism" (residents who advocate against having these projects— "not in my backyard"), land-use policies, politics and the ongoing labor shortage. But there are some firms who have figured out how to make it work.

How the Money Works

Rehabbing, re-financing or building new affordable communities all rely on the Low-Income Housing Tax Credit (LIHTC) program, which was created by the Tax Reform Act of 1986. LIHTC is technically administered through the U.S. Treasury Department but gets a big assist from the Department of Housing and Urban Development (HUD) and the state housing finance agencies. Properties funded through the LIHTC program must qualify as affordable for 30 years. Affordability eligibility is calculated using household income as compared to an area's median income.

LIHTC comes in two varieties: 4%, and 9% credits. The 9% credits are dispensed through local housing authorities via a highly competitive award process regulated by the housing authorities' Qualified Allocation Plans. The plans vary by community and may include qualifications like access to public schools, access to public transportation and green building standards. Four percent credits are allocated to projects that receive at least 50% of their fundings through tax exempt bonds.

September 14, 2022 ONLINE

National Apartments Association / UNITS Magazine (10-01914)

naahq.org/making-affordable-housing-pe...

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31.9K

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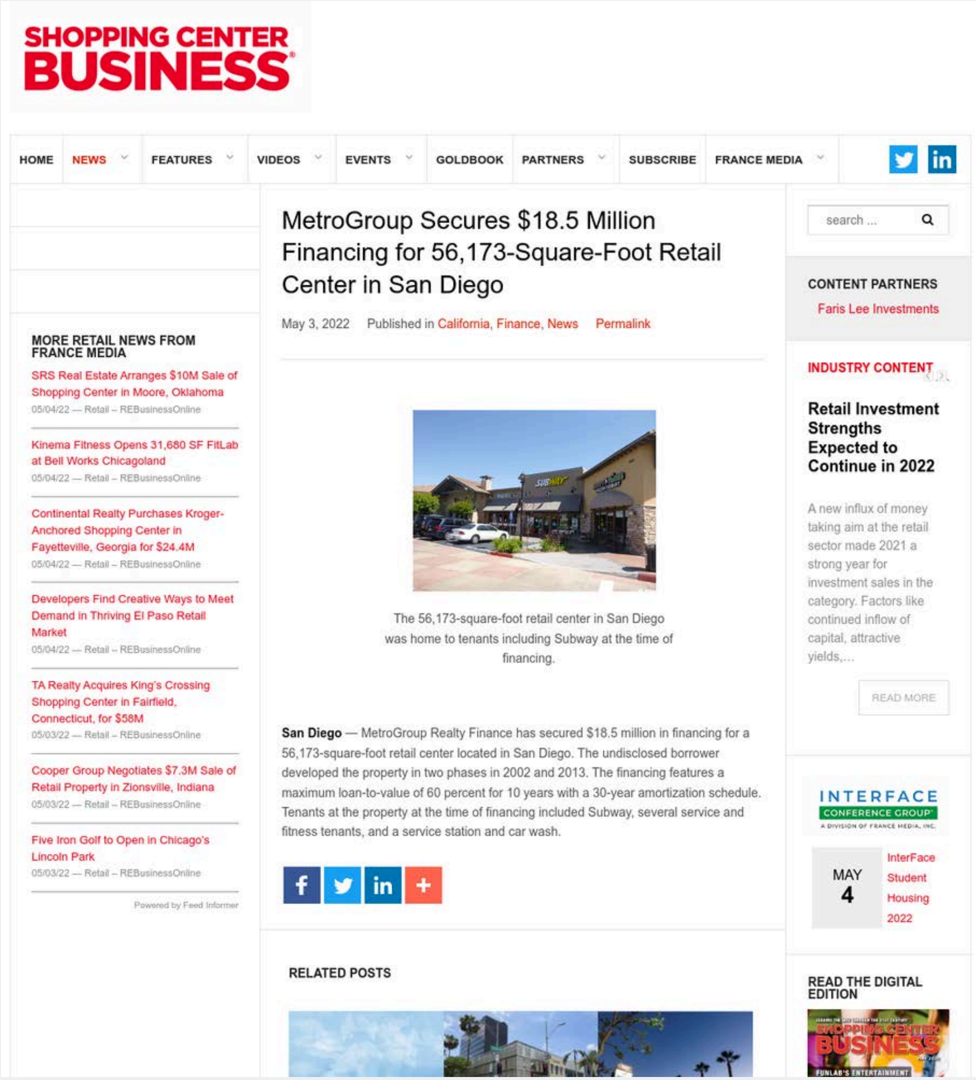

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MetroGroup Secures $18.5 Million Financing for 56,173-Square-Foot Retail Center in San Diego

May 3, 2022 Published in California, Finance, News Permalink

The 56,173-square-foot retail center in San Diego was home to tenants including Subway at the time of financing.

San Diego — MetroGroup Realty Finance has secured $18.5 million in financing for a 56,173-square-foot retail center located in San Diego. The undisclosed borrower developed the property in two phases in 2002 and 2013. The financing features a maximum loan-to-value of 60 percent for 10 years with a 30-year amortization schedule. Tenants at the property at the time of financing included Subway, several service and fitness tenants, and a service station and car wash.

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MetroGroup Secures $18.5M Financing for 56,173 SF Retail Center in San Diego

The 56,173-square-foot retail center in San Diego was home to tenants including Subway at the time of financing.

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The financing features a maximum loan-to-value of 60 percent for 10 years with a 30-year amortization schedule. Tenants at the property at the time of financing included Subway, several service and fitness tenants, and a service station and car wash.

May 05, 2022 ONLINE

California Centers Weekly Newsletter (08-01574)

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Dealmaker: MetroGroup Realty Finance Secures $39M in California

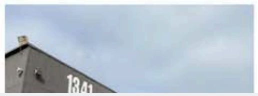
February 9, 2022 | By Michael Tucker - mtucker@mba.org

MetroGroup Realty Finance, Newport Beach, Calif., arranged $39.2 million for industrial properties totaling 566,285 square feet in southern California.

J.D. Blashaw, Vice President at MetroGroup, said interest in financing industrial properties has grown as investors and owner-users take advantage of the competitive market and seek to lock in low interest rates.

“Over the past two years, industrial has outperformed virtually all other real estate sectors, with demand and activity reaching record highs as 2021 came to a close,” Blashaw said. “The market continues to be highly competitive, particularly in the prime markets of Los Angeles and Orange County, which offer close proximity to the ports, major thoroughfares and large population hubs and where companies such as Amazon are snapping up industrial spaces to keep up with rising e-commerce demands.”

MetroGroup provided $29 million in refinancing for a five-building, 503,150-square-foot industrial park in Los Angeles County submarket Pomona, Calif.



February 09, 2022 ONLINE

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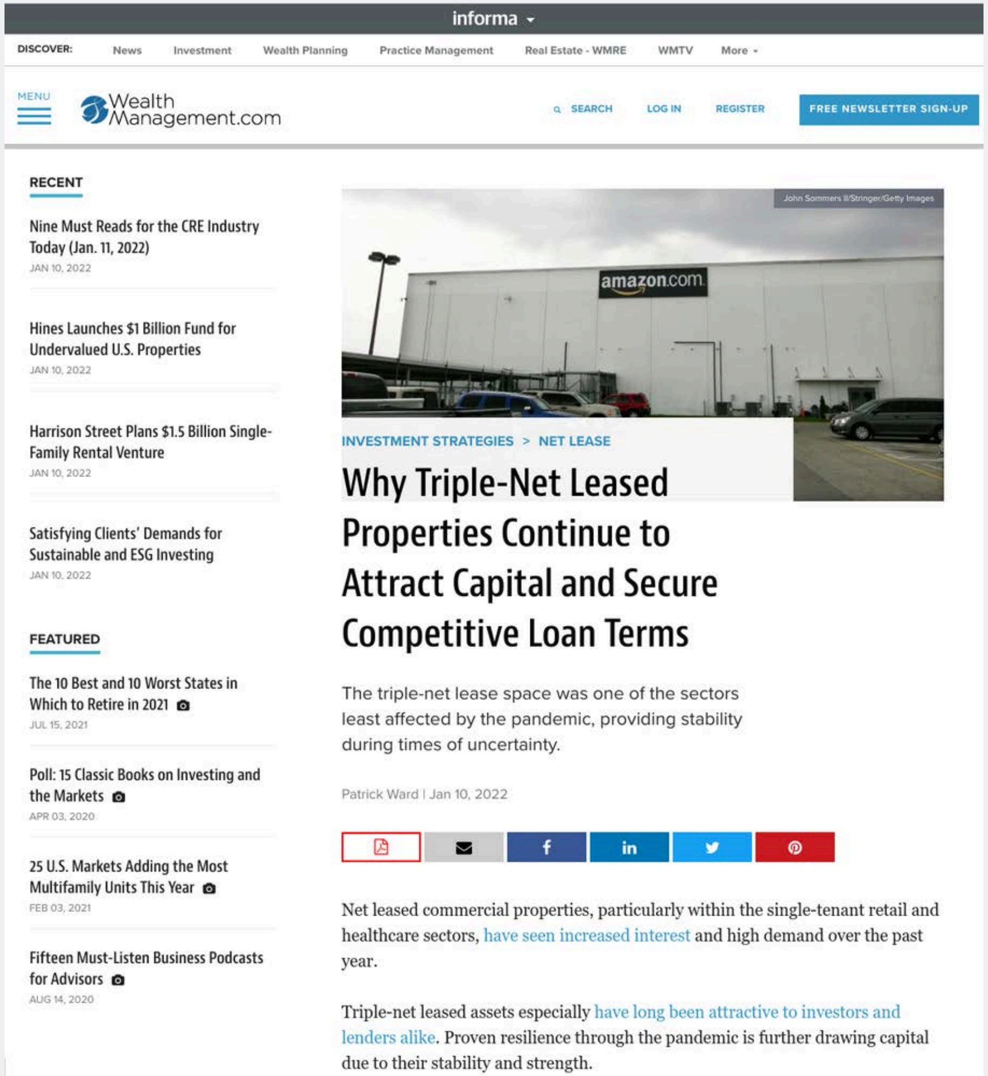
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INVESTMENT STRATEGIES > NET LEASE

Why Triple-Net Leased Properties Continue to Attract Capital and Secure Competitive Loan Terms

The triple-net lease space was one of the sectors least affected by the pandemic, providing stability during times of uncertainty.

Patrick Ward | Jan 10, 2022

Net leased commercial properties, particularly within the single-tenant retail and healthcare sectors, have seen increased interest and high demand over the past year.

Triple-net leased assets especially have long been attractive to investors and lenders alike. Proven resilience through the pandemic is further drawing capital due to their stability and strength.

January 06, 2022 ONLINE

Wealth Management (08-0470)

wealthmanagement.com/net-lease/why-tr...

Monthly Visits **298K** Monthly Visits

Scotsman Guide

October 01, 2022 ONLINE

Scotsman Guide (08-02130)

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Monthly Visits

109K

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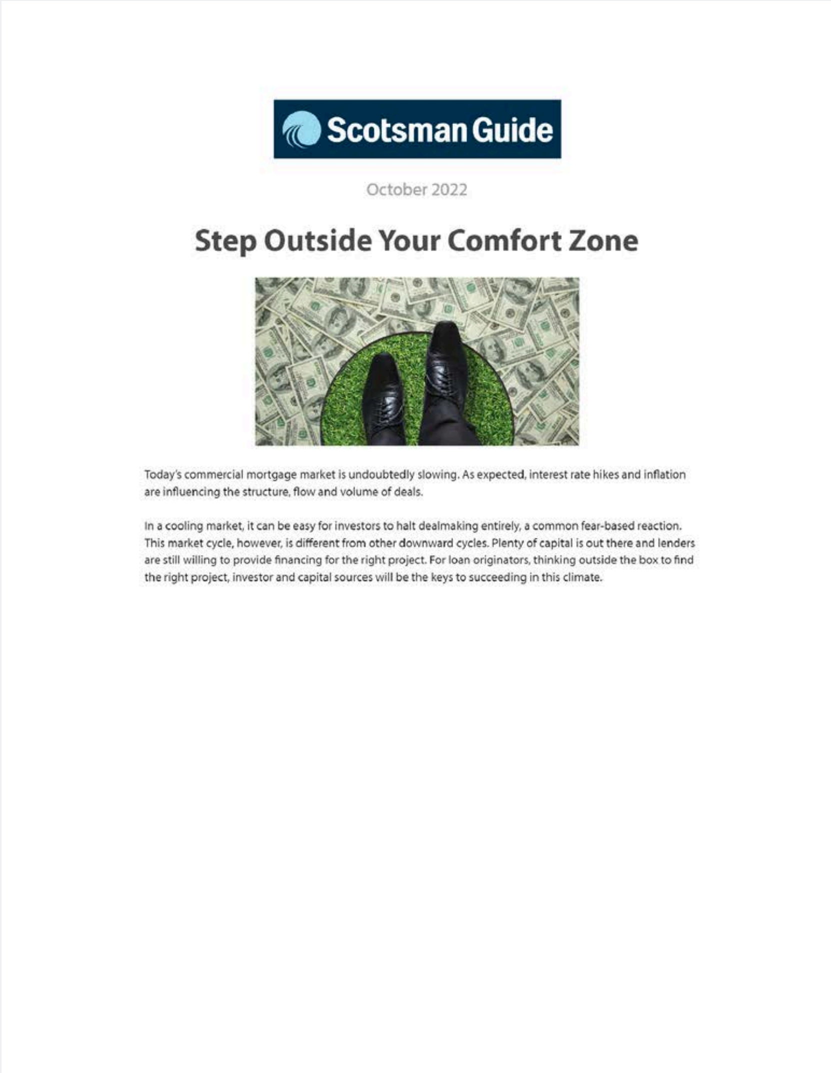

Scotsman Guide

October 2022

Step Outside Your Comfort Zone

Today's commercial mortgage market is undoubtedly slowing. As expected, interest rate hikes and inflation are influencing the structure, flow and volume of deals.

In a cooling market, it can be easy for investors to halt dealmaking entirely, a common fear-based reaction. This market cycle, however, is different from other downward cycles. Plenty of capital is out there and lenders are still willing to provide financing for the right project. For loan originators, thinking outside the box to find the right project, investor and capital sources will be the keys to succeeding in this climate.

Mid Atlantic Real Estate Journal

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4B — April 22 - May 19, 2022 — New Jersey — Mid Atlantic Real Estate Journal www.marej.com

New Jersey

Construction company plants roots in New Jersey, opens new office in Morristown

Conor Evans joins The Albert M. Higley Co. as regional vice president

MORRISTOWN, NJ — **The Albert M. Higley Co.** is happy to announce the hiring of **Conor Evans**, Regional Vice President, New Jersey. Conor's hire signifies the opening of AMHigley's new office located in Morristown and the commitment to growing the firm's footprint within the state. As a Morristown resident, Evans recognizes the opportunity to build relationships and build community by finding ways to add value within the construction industry of Central and North Jersey.

Conor Evans

"What appealed to me about AMHigley's culture and vision is that it is collaborative, community-focused, and entrepreneurial. These aspects fit very well in a close-knit state like ours. As such, our expansion into Morristown will be focused on winning work through trusted partnerships so we can build our local community!" Conor said when asked about joining the AMHigley team.

President & CEO, **Gareth Vaughan**, adds "Regional Expansion always comes down to finding opportunities where we can do what we've done for 97 years in Cleveland, BUILD COMMUNITY. We find places where our core values align and where we can help clients realize their mission."

Since 1925, AMHigley's plans, decisions, and actions strictly adhere to a set of values that form our guiding principles of PEOPLE, ETHICS, RESPECT, COMMITMENT, & EXCELLENCE. To date, AM Higley has completed more than 11,000 projects totaling in excess of $9 billion of construction for many of the region's leading corporations and institutions. Their dedication to best-of-class service, innovation and problem solving, client satisfaction, and improving communities helps make them the construction professionals of choice.

AMHigley builds more than just buildings. They build the offices where you work, the schools where you learn, and the hospitals where you heal. AMHigley builds environments to live, work, and play. Their team goes beyond bricks and mortar by connecting people and place. **MAREJ**

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iBorrow provides financing for acquisitions of two properties in NJ

MONTCLAIR and CLIFTON, NJ — iBorrow provided financing to support the acquisitions and repositionings of two vacant properties totaling nearly 50,000 s/f, both located in Northern NJ

The assets include a three-story, 19,952 s/f property in Montclair and a 28,178 s/f industrial property in Clifton, according to **Brian Good**, CEO of iBorrow.

iBorrow secured a $4 million loan to support the acquisition and renovation of a 19,952 s/f asset in Montclair.

The borrower, a full-service real estate investment and development company, identified a prime opportunity to convert the three-story building, which was previously used as a self-storage facility, into a mixed-use property featuring office and retail space, according to Good.

iBorrow has provided $3.9 million in financing for the acquisition and repositioning of a 28,178 s/f industrial building in Clifton.

The borrower, a leading storage solution company in New Jersey, plans to implement approximately $1.5 million in capital renovations to convert the asset into a self-storage facility featuring 397 units with a total of 26,590 rentable s/f, according to Good.

"This property's location in Northern NJ near several major thoroughfares makes it very well positioned to serve the greater NY metropolitan area, which is one of the country's top markets for self-storage demand," said Good. **MAREJ**

May 03, 2022 ONLINE

Mid-Atlantic Real Estate Journal (11-01427)

online.flippingbook.com/view/839987761/...

Green Street

HUD Loan Inked On Chicago Rentals

Draper and Kramer Mortgage has originated a $58.4 million construction loan for a multifamily property in Chicago's West Loop neighborhood.

The Chicago-based lender closed the loan on April 5 for local developer **Tandem Development.** The **HUD** loan is part of the agency's 221(d)(4) program, which offers lenders certain protections against default for construction and development debt.

The non-recourse loan represents a 78% loan-to-cost ratio on the property, with a 40-year term and 40-year amortization.

Tandem will use the funds to build 1044 West Van Buren, an 18-story building with 196 rental units and 1,775 sf of first-floor retail space. The property will have 78 on-site parking spaces and 143 bike spaces. The firm plans to begin construction this spring, with completion expected in the second quarter of 2023.

Many units will have balconies. Amenities are slated to include a rooftop fitness center and yoga studio, a coworking lounge with private offices, a sky lounge and game room, and a deck area with firepits and grills. Architecture firm **Antunovich Associates** designed the property.

The property is between South Racine Avenue and South Morgan Street, close to a **Target** and a stop on the L commuter train. Median household income in the building's ZIP code is $120,000, and 79% of residents have a college degree, according to **U.S. Census** data. ❖

Economic Outlook Shifting Negative

Commercial real estate professionals are nearly as pessimistic now about prospects for the economy as they were at the start of the pandemic, according to a **CRE Finance Council** survey.

The quarterly survey of members of the organization's board of governors found that their outlook for the next year has become more dismal over the past three months, ending a six-quarter run when they viewed the future as getting brighter or staying the same. It was the second-sharpest dip in sentiment in the history of the index, behind only the first quarter of 2020.

With rising global volatility and expectations for a steep climb in interest rates, respondents predict a prolonged negative impact on spreads and borrower demand. CREFC plans to release the results today.

Still, despite their gloomy outlook, only about a quarter of participants believe the sagging economy will weigh on commercial real estate fundamentals or reduce the availability of capital. That's different from the beginning of the pandemic when the survey was more uniform in its pessimism.

The Sentiment Index survey was conducted March 24 to April 4 and received 48 responses from lenders, investors and other industry participants.

"The Sentiment Index reflects a certain yin and yang at work," said **Lisa Pendergast,** CREFC's executive director. "There is uncertainty about inflation, Ukraine, the **[Federal Reserve]** being in motion. Will the Fed, through overkill, push us into recession, or not do enough and let inflation continue to roar? Folks are somewhat sanguine about property markets, but they are concerned about all of the above."

That uncertainty was evident, with participants starkly negative on five of the 10 questions, but more evenly divided on the other five.

For example, 75% predicted that the U.S. economy will worsen in the coming year, 21% said it would stay the same and 4% percent said it would improve. Similarly, 81% thought rising interest rates will negatively affect commercial real estate finance operations, while 13% expected business to stay the same and 6% see a positive effect.

But when asked whether the ready availability of equity capital will continue, 50% said it would stays the same, 25% said it would fall and 25% percent said it would rise. They were similarly divided on how potential changes in commercial real estate fundamentals would impact their businesses: 48% said a neutral effect, 27% positive and 25% negative. ❖

Lender Ramps Up Originations, Hiring

Bridge lender **iBorrow** is continuing to add staff as it looks to bolster the amount of rapid-close loans it originates each year.

The private mortgage REIT is on track to write at least $800 million of middle-market bridge loans on all major property types across the U.S. this year, up from about $400 million in 2021, said chief executive **Brian Good.** It also has doubled the size of its staff to about 25 people over the last two years.

Now, the company is looking to add five to 10 staffers in its Los Angeles headquarters. The openings for loan underwriters and asset-management pros call for three to five years of experience. Candidates can email the head of human resources, **Sarah Katz,** at sarah@iborrow.com.

The lender originates nonrecourse debt ranging from $3 million to more than $100 million, though its sweet spot is $15 million to $20 million. The average loan size last year was about $17 million.

The maximum loan-to-value ratio is typically around 75%, and terms usually run from two to three years. The company services its own loans.

Good said iBorrow does not finance construction or write land loans. Rather, it focuses on bridge loans tied to value-added strategies, with an emphasis on closing them in as little as three weeks.

"When [commercial-property owners] have to sit down with a bank and provide reams of information for months, it's kind of disheartening," he said. "You can't sit around for three months in this market."

Good founded iBorrow in 2013 with two partners: **Andrew Peltz** and **Harlan Peltz,** who are cousins and co-executive chairmen of the firm. **Andrew Smith** came aboard as the fourth partner four years ago. Originally formed as an investment manager named **Eagle Group Finance,** iBorrow assumed its current name six years ago and became a REIT in late 2018. ❖

April 15, 2022 PRINT

Green Street Commercial Mortgage Alert (11-000)

Monthly Visits **39.2K** Monthly Visits

Hotel Business

August 12, 2022 ONLINE

Hotel Business (11-02075)

hotelbusiness.com/three-hotels-financed/

Monthly Visits

65.2K
Monthly Visits

HB
HOTEL BUSINESS

August 12, 2022

Three hotels financed

Hotels in New York, Pennsylvania and New Mexico have received financing as the hospitality market continues its positive climb back from the pandemic.

iBorrow provides financing for Hamptons boutique hotel
iBorrow, a nationwide private direct lender for commercial real estate, has provided financing to Atlantic Equity Partners to support the acquisition and renovation of Wainscott Inn, a 30-room boutique inn on the east end of Long Island in Sagaponack, NY.

The financing comes at a time when travel is ramping back up post-pandemic and hospitality-sector fundamentals are improving, according to Brian Good, CEO, iBorrow. "As people return to traveling, the hospitality sector is benefiting from the rebound of the effects of the pandemic," he said. "In Q4 2021, hotel occupancies had risen to 63.2% across the nation from 48.9% one year prior. As a result, hotel investors are increasingly placing capital in assets like Wainscott Inn, which is located at a convenient destination for both business and leisure stays."

Shopping Center Business

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SHOPPING CENTER BUSINESS

iBorrow Provides $15 Million Refinancing for Santa Clarita Shopping Center

November 14, 2022

Santa Clarita, Calif. — iBorrow has provided $15 million in refinancing for Old Orchard Shopping Center, a 100,000-square-foot retail center located in Santa Clarita. Proceeds of the financing will retire an outstanding commercial mortgage-backed security loan and fund tenant improvements and leasing commissions. Occupants at the property, located at 23329-23449 Lyons Ave., include grocery and fast-food tenants.

November 14, 2022 ONLINE

Shopping Center Business (11-02302)

shoppingcenterbusiness.com/iborrow-pr...

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MBA NEWSLINK

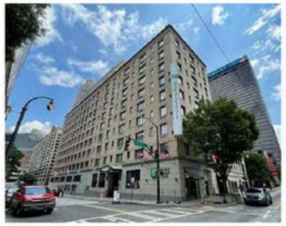
THE DAILY NEWSLETTER OF THE MORTGAGE BANKERS ASSOCIATION

November 2, 2022

Dealmaker: iBorrow Provides $25M Bridge Loan in Atlanta

iBorrow, Los Angeles, provided a $24.9 million bridge loan to refinance a 173-key Holiday Inn Express & Suites asset in downtown Atlanta, Ga.

iBorrow CEO Brian Good said the financing allowed the borrower to implement a strategic property improvement plan at the hotel. "The sponsor came to us to help upgrade the property," he said. "We were ultimately able to fund 100 percent of the CapEx budget to improve the hotel with renovations including the scheduled property improvement plan, tenant improvement allowance and leasing commission reserves."



Holiday Inn Express & Suites, Atlanta.

Good noted Atlanta hotel occupancy continues to rise and is approaching pre-pandemic levels. "While there are some concerns over whether the influx of new development may soften this recovery, the hotel's location and experienced ownership position it for success in the market," he said. The subject property is at 111 Cone St. NW.

November 02, 2022 ONLINE

MBA Newslink (11-02300)

newslink.mba.org/mba-newslinks/2022/n...

Monthly Visits

38K

Monthly Visits

MBA

November 21, 2022 ONLINE

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newslink.mba.org/mba-newslinks/2022/n...

Monthly Visits

38K
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November 21, 2022

Dealmaker: iBorrow Provides $26M for Retail, Student Housing

iBorrow, Los Angeles, provided $26.2 million in financing for a California retail center and a Texas student housing property.

In Santa Clarita, Calif., iBorrow provided a $15 million loan to refinance the 100,000-square-foot Old Orchard Shopping Center located at 23329-23449 Lyons Ave. The loan retired an outstanding commercial mortgage-backed securities loan and provided a reserve for tenant improvements and leasing commissions for newly leased suites.

"Commercial strip-mall style properties in densely populated suburban neighborhoods like Santa Clarita are continuing to rebound well post-COVID," said iBorrow CEO Brian Good. "This property's unique mix of grocery, fast food and niche tenants should provide resilience even during an economic downturn."

Good said the current interest rate environment presents a good time for borrowers to seek out alternative lending sources. "In a rising interest rate world, seizing opportunities to purchase well-located assets or refinance existing properties requires a true funding partner that looks holistically at the deal, not just at the investor's credit report," he said.

In Austin, Texas, iBorrow provided $11.2 million to Hawkwood Ventures LLC, Los Angeles, for a 140-bed, four-story student housing asset at 900 W. 23rd Street that serves students attending the University of Texas-Austin.

The financing will fund a series of capital improvements to better position the property to benefit from record occupancy in the student housing sector, Good noted.

"The borrower is highly entrepreneurial and sees substantial opportunity in providing quality housing to University of Texas students as they take ownership of this asset and look to maximize its value," Good said. "Even though there are challenges due to recent interest rate increases, rising rents and solid pre-leasing trends in student housing all indicate strong fundamentals for the investor."

LODGING Magazine

LODGING is the official publication of AHLA — hotel news, lodging news, hotel business tips, hospitality industry coverage, and hotel trends.

November 29, 2022 ONLINE

Lodging (11-02303)

lodgingmagazine.com/iborrow-provides-fi...

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LODGING

iBorrow Provides Financing for Sandcastle Oceanfront Resort Acquisition

November 29, 2022

MYRTLE BEACH, South Carolina—iBorrow announced that it has provided financing to a Los Angeles-based investor in commercial real estate and technology companies for its acquisition of the Sandcastle Oceanfront Resort, a 240-key beachfront resort hotel in Myrtle Beach, South Carolina. The $14.3 million financing, secured by iBorrow, provides funds for the purchase and capital improvements of the hotel.

"Post-COVID vacation travel and the ability to work from anywhere make resort-oriented properties in warmer climates an excellent opportunity for commercial real estate investors," says Brian Good, CEO of iBorrow. "The borrower identified a fantastic property and needed a financing partner that could help them close the deal quickly. These are the types of transactions that are a perfect fit for iBorrow's business model."

Despite the fact that South Carolina's hotel and tourism sector was hard hit by the pandemic, hotel and hospitality employment in the Myrtle Beach area continued to rebound in the first half of 2022 and remain a primary driver of economic output for the region, notes Good.

The Sandcastle property has a 30-year history of serving the vacation population in Myrtle Beach. Prior to the COVID-19 pandemic, the area was visited by 20.6 million people annually spending more than $11 billion. Though overall visitor levels have not yet rebounded to pre-pandemic levels, the area continues to be a strong destination for golfers with over 90 courses and 2.7 million rounds played in 2021.

UK Daily News

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UK Daily News
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Accord Group Raises $105 Million for US Western Europe Fund

30 November 2022

Accord Group has raised $105 million (€101 million) for a fund that makes strategic investments with real estate managers in the US and Western Europe.

Accord Catalyst Fund, the first fund from the global strategic real estate investment and capital advisory firm, has completed four investments to date, including investments in the US targeting multifamily properties in gateway markets and transactions in the UK targeting retail to residential conversions and the sale include residential investments.

Desi Co, managing partner and co founder of Accord Group, said the fund was created to "support the growth of real estate managers in the US and Westem Europe by providing both strategic capital and capital advisory expertise."

Co said: "The Accord Catalyst Fund is symbolic of our efforts to be 'in one' with sponsors over the long term, providing access to capital in an increasingly challenging and complex environment while serving as a trusted advisor to their strategic and operational needs across multiple cycles.

"By combining these skills, we want to offer real estate managers a faster route to becoming a dominant player in their specialty; Our goal is to create a diversified portfolio of interests for our investors, spanning a range of strategies, sectors, regions and risk profiles."

November 30, 2022 ONLINE

UK Daily News (18-02265)

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Alexander Kerscher leitet erste deutsche Accord-Niederlassung

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Von München aus will der Investment-Manager Accord Group in den deutschen Markt einsteigen. Die Leitung über den Standort übernimmt Alexander Kerscher.

Der Investment-Manager Accord Group hat in München seinen ersten deutschen Standort eröffnet. Bisher war das Unternehmen in London, San Francisco, Hongkong und Seoul aktiv. Die Leitung über das deutsche Büro übernimmt Dr. Alexander Kerscher als Managing Director. Zu seinen Aufgaben gehören die Suche nach Partnern für strategische Investments und die Vertiefung von Beziehungen zu Investoren. Zuletzt war Kerscher Vice President beim US-amerikanischen Alternatives-Investment-Manager Wafra aktiv in den Bereichen Real Estate und Business Development.

December 07, 2022 ONLINE

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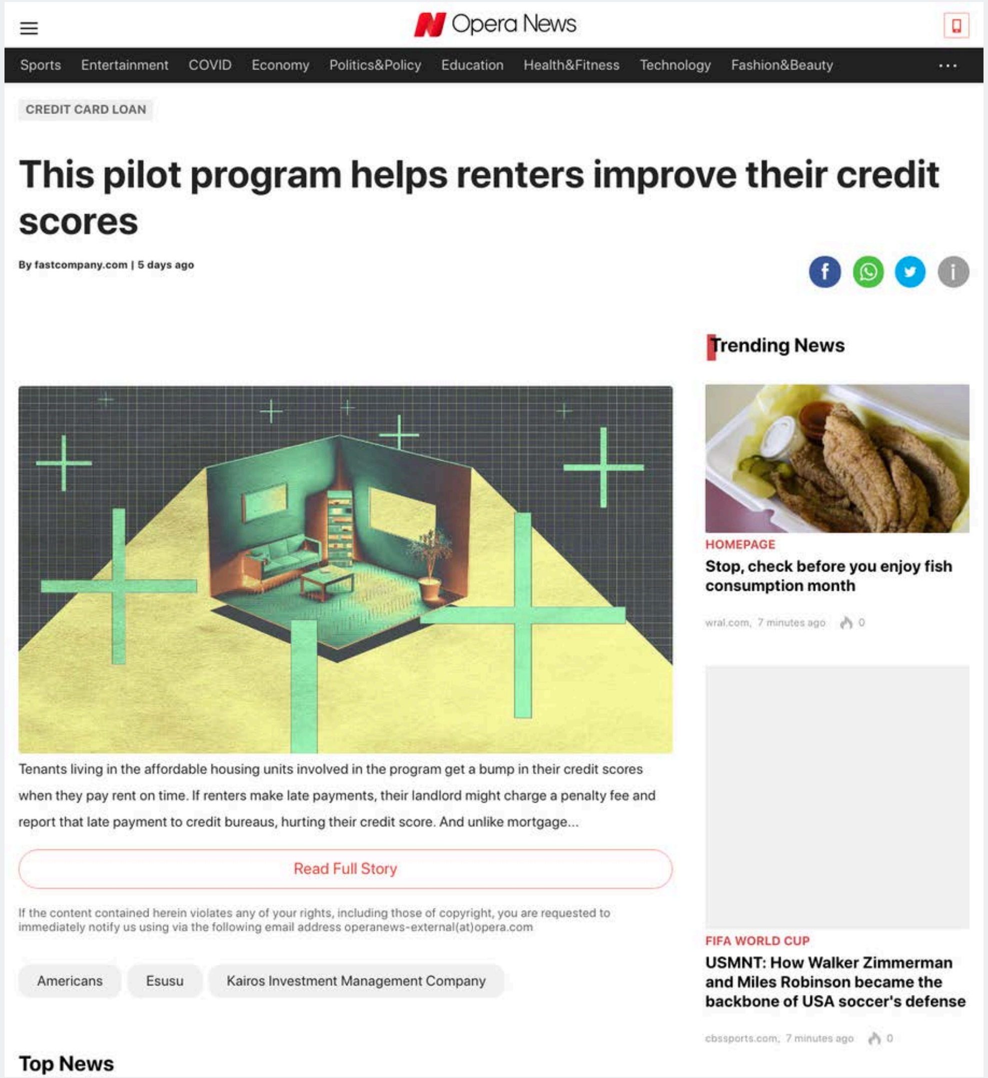

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CREDIT CARD LOAN

This pilot program helps renters improve their credit scores

By fastcompany.com | 5 days ago

Tenants living in the affordable housing units involved in the program get a bump in their credit scores when they pay rent on time. If renters make late payments, their landlord might charge a penalty fee and report that late payment to credit bureaus, hurting their credit score. And unlike mortgage...

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Glendale, CO

Kairos Investment Buys 103-Unit Forest Manor Apartments in Glendale, Colorado

By Amy Works

rebusinessonline.com 5 days ago

GLENDALE, COLO. — Kairos Investment Management Co. has acquired Forest Manor Apartments, an affordable multifamily property located at 625 S. Forest St. in...

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January 14, 2022 ONLINE

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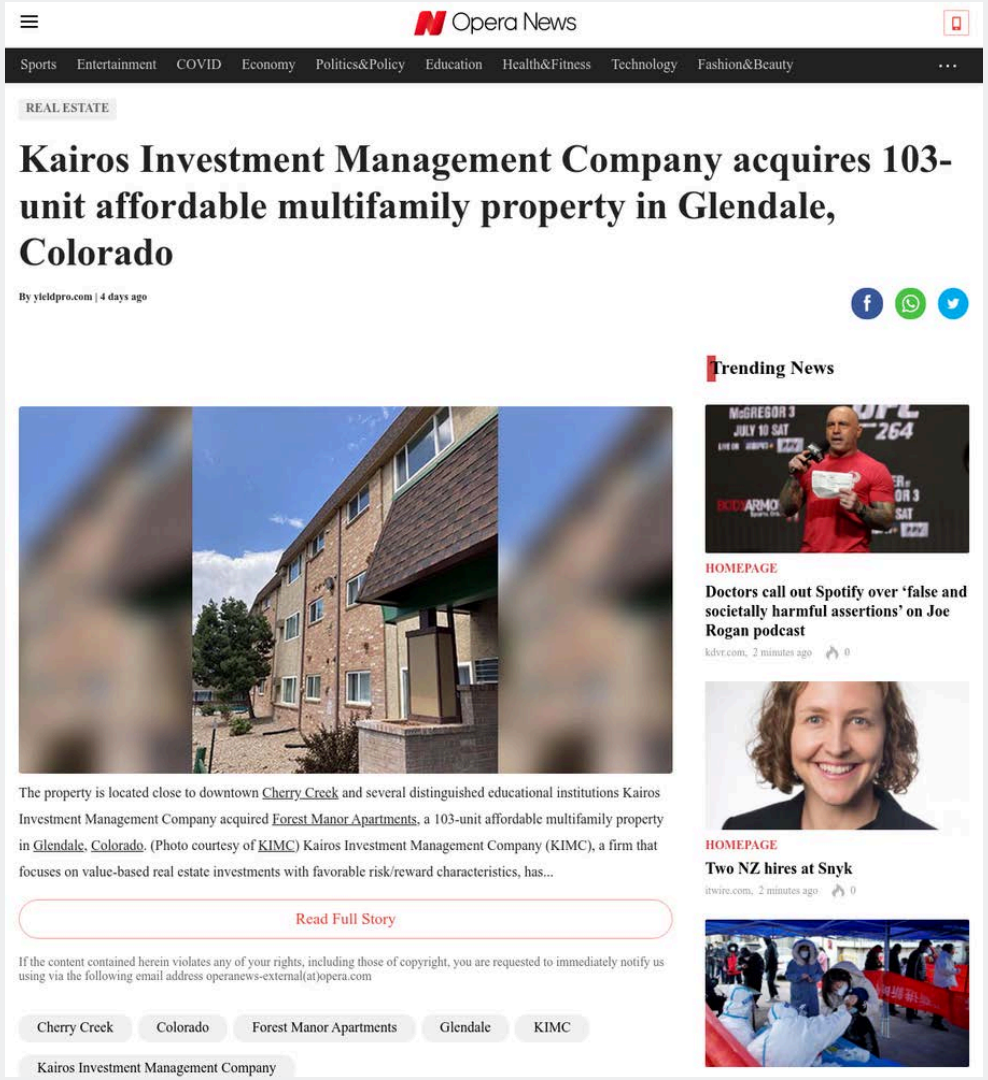

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REAL ESTATE

Kairos Investment Management Company acquires 103-unit affordable multifamily property in Glendale, Colorado

By yieldpro.com | 4 days ago

The property is located close to downtown Cherry Creek and several distinguished educational institutions Kairos Investment Management Company acquired Forest Manor Apartments, a 103-unit affordable multifamily property in Glendale, Colorado. (Photo courtesy of KIMC) Kairos Investment Management Company (KIMC), a firm that focuses on value-based real estate investments with favorable risk/reward characteristics, has...

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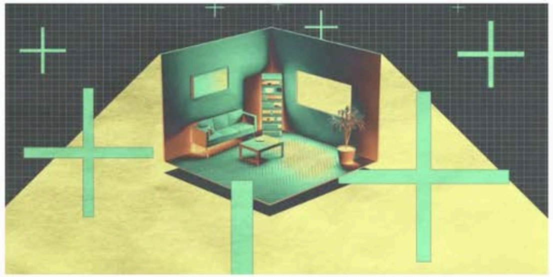
This pilot program helps renters improve their credit scores

by Shawn Johnson — March 23, 2022 in Innovation



If tenants make late payments, their landlord can charge a penalty fee and report the late payment to the credit bureaus, hurting their credit score. And unlike mortgage payments, paying rent on time doesn't automatically create credit. For low-income Americans—only half of whom have access to credit cards, and who are more likely to rent than themselves—this means it could be a barrier to building credit.

But, for the past few months, residents living in some affordable housing units across the country have been able to increase their credit score simply by paying their rent on time. The initiative is a partnership between Kairos Investment Management Company, a private equity firm focused on real estate investing, and Asusu, a fintech company, which creates tools to allow renters to report their payments to the three major credit bureaus.

Kairos offers credit-building tools to 19 of its affordable housing communities, which include nearly 4,000 units in seven states, including Florida, Texas and Oregon. This allows landlords to report payments on time to the credit bureaus instead of simply reporting them late. Esusu worked with Freddie Mac to help cover some of the sign-up costs for the landlords. (Sign-up costs for landlords can vary; it's $2 per month for some, $50 per year for others; Freddie Mac has other partnerships helping cover some of the costs, too.) .) If a tenant is late in payment, ESUSU cancels their enrollment instead of sending that information to

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Kairos Investments Buys 103-Unit One Manor Apartment in Glendale, Colorado

January 14, 2022, 2:17 AM

Located in Glendale, Colo., One Manor Apartments features 103 apartments, a swimming pool, and laundry facilities. (Image courtesy of Kairos Investment Management Company)

Glendale, Colo. Kairos Investment Management Company has acquired One Manor Apartments, an affordable multifunctional property located at 625 S. One St. in Glendale. The terms of the transaction were not released.

Built in 1974, Forest Manor features 103 apartments in a mix of single studios, 74 one-bedroom and 28 two-bedroom units with air conditioning, carpeted floors, and spacious wardrobes. The property was last renovated in 2001. Community amenities include a swimming pool and laundry facilities.

Kairos plans to renovate the property by implementing interior and exterior

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The Fifth Skill

The Fifth Skill News

This program helps people boost their credit scores just by paying the

By Montather Rassoul

March 23, 2022

March 23, 2022 ONLINE

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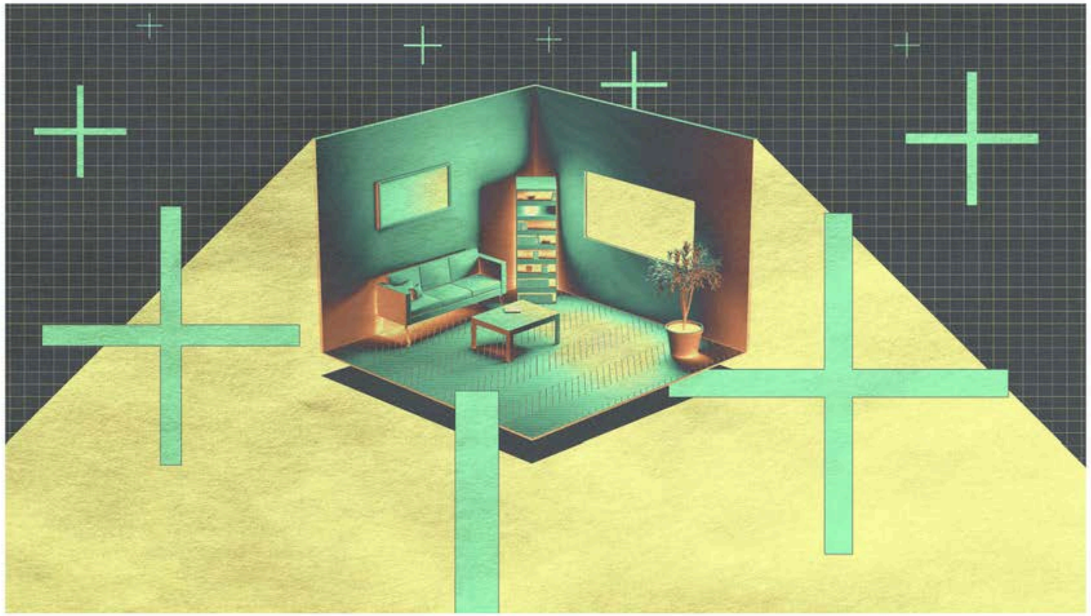

If renters make late payments, their landlord might charge a penalty fee and report that late payment to credit bureaus, hurting their credit score. And unlike mortgage payments, paying rent on time doesn't automatically build credit. For low-income Americans—only half of whom have access to a credit card, and who are more likely to rent than own—that means it can be a hurdle to build credit.

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Watch This pilot program helps people improve their credit scores just by paying their rent on time – Fast Company Latest World News Online

If renters make late payments, their landlord might charge a penalty fee and report that late payment to credit bureaus, hurting their credit score. And unlike mortgage payments, paying rent on time doesn't automatically build credit. For low-income Americans—only half of whom have access to a credit card, and who are more likely to rent than own—that means it can be a hurdle to build credit.

But, for the past few months, residents living in certain affordable housing units across the country have been able to raise their credit scores just by paying their rent on time. The initiative is a partnership between Kairos Investment Management Company, a private equity firm focused on real estate investments, and Esusu, a fintech company that builds tools to allow renters to report their payments to the three major credit bureaus.

Kairos offered the credit-building tool to 19 of its affordable housing communities, which covers about 4,000 units across seven states, including Florida, Texas, and Oregon. It allows landlords to report timely payments to credit bureaus, rather than only reporting late ones. Esusu worked with Freddie Mac to help cover some of the sign-up costs for landlords. (Sign-up costs for landlords can vary; for some it's $2 a month, for others $50 a year; Freddie Mac has helped cover some costs in other partnerships, as well.) If a renter is late on a payment, Esusu unenrolls them rather than sending that information to credit bureaus; Kairos says pre-pandemic, 99% of its rent was collected on a regular monthly basis; it's dropped to 97% during the pandemic but is expected to improve.

March 24, 2022 ONLINE

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“It’s an interesting way to approach the problem, in that they’re positively reporting rent payments on tenants’ credit to build credit, where normally landlords only report if there’s a negative result,” says Jonathan Needell, president and chief investment officer at Kairos.

Esusu also tracks improvement in credit. In its first report for Kairos, Needell says that 46% of the residents who signed up to be in the rent-reporting program improved their credit score by at least one point. The highest improvement was 168 points. There’s only been one report looking at one month of the program, so while data is relatively scarce, other partnerships with Esusu have found that a majority of residents enrolled in a rent-reporting program saw their credit scores increase by an average of 32 points, and that these programs helped thousands of renters who didn’t have credit scores at all to establish their “financial identities.” For people with poor credit—which often means paying more fees to borrow money and higher insurance premiums—low scores often mean remaining in a cycle of poverty, even when they begin to earn higher wages.

Renters have been in particularly precarious financial situations lately, amid pandemic job losses, the end of pandemic-era rent relief programs and eviction protections, and with rents hitting all-time highs across the country. As of September 2021, around 10.7 million renters remained behind on their rent. But financial struggles among renters existed before the pandemic, when renters had credit scores between 87 and 106 points lower than homeowners.

Esusu also offers a rent relief initiative, for which renters can apply for interest-free loans to help cover the cost of rent for up to two months. So far, Esusu has distributed loans of about $7,000 or six of Kairos’s tenants in the first two months of offering that opportunity. The average length of that loan was only four weeks. “When people are behind, they’re just a little behind,” Needell said. Many people in affordable or regulated housing are service workers in hourly wage jobs, so if they miss work because they’re sick, “they’re down a week of pay and they just need to catch up. So it’s not surprising that a small loan can go a long way to helping them.”

Kairos offers other social programs, too, like free flu shots, a free lunch program for children in the summer, and free tax prep services. Kairos has also run programs with nonprofits to provide backpacks and school supplies around back-to-school season. Needell concedes that these benefits ultimately help the management company, too—tenants may have issues paying rent around the beginning of the school year because they prioritize getting necessary items for their kids—but they can also help ease renters' financial burden.

The credit-building program with Esusu could help these tenants even when they no longer live in these units. "These are people that when they go to their next unit at their next property may benefit from having a better credit and getting into a better property. They also might get a better credit card rate because their credit score is higher. They might actually qualify for a mortgage for the first home quicker because they have better credit," Needell says. Lower-income tenants tend to have to give deposits for utilities, too, though that can be dropped, depending on the area and the company, if someone has good credit. "There's lots of benefits to having that better credit."

Watch This pilot program helps people improve their credit scores just by paying their rent on time – Click for Read Full News Story

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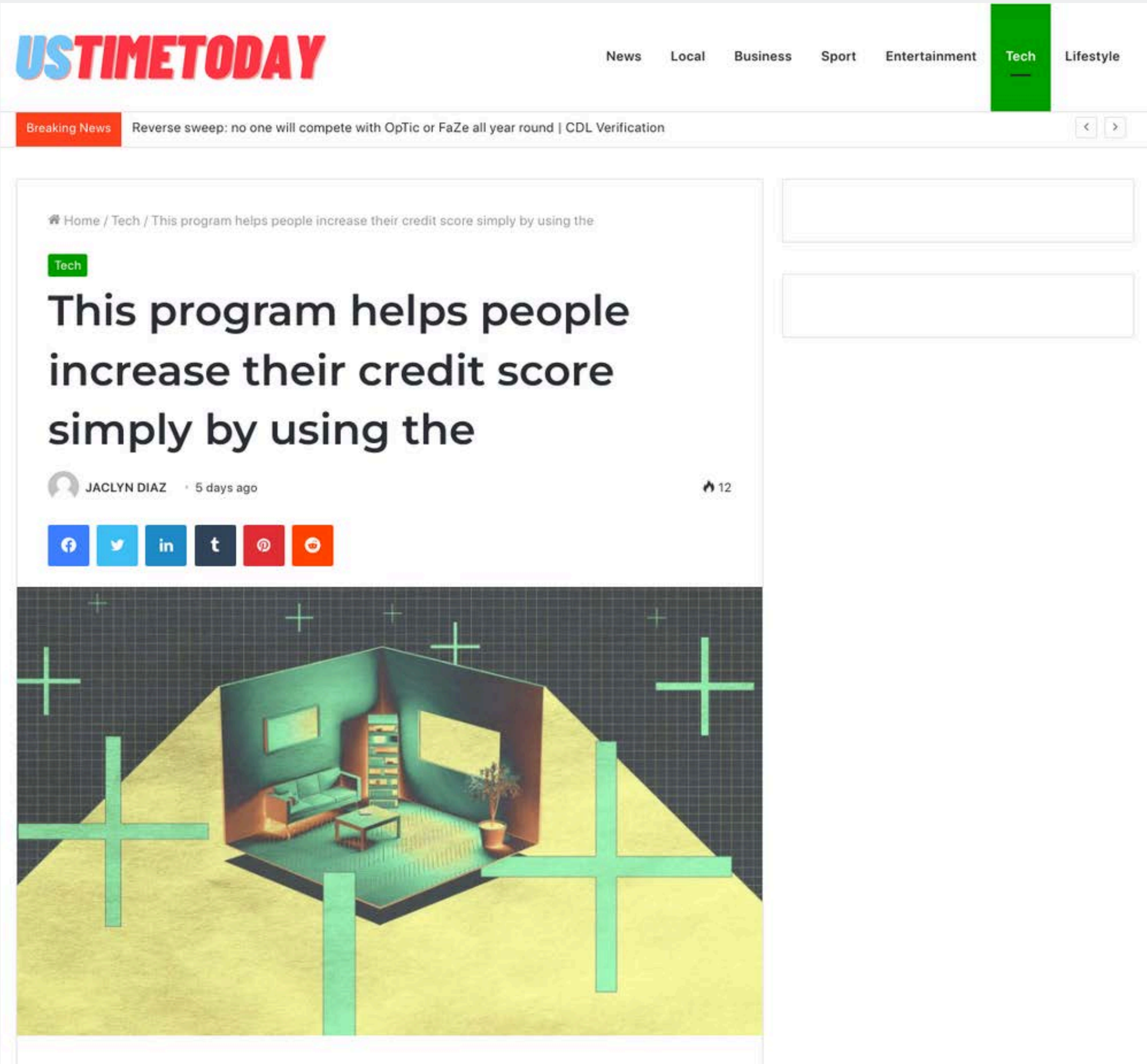

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Kairos Investment Management Co. in Rancho Santa Margarita recently bought this 238-unit affordable apartment complex in Austell, Ga., for $34.6 million. (Courtesy of Kairos Investment Management)

Kairos buys apartments in Georgia for $35M

Rancho Santa Margarita-based Kairos Investment Management Co. recently acquired a 238-unit affordable apartment complex in Austell, Ga., for $34.6 million.

The 32-year-old Walton Crossing community sits on 20 acres and is about 15 miles from downtown Atlanta. Kairos said most of the units are income and rent-restricted to 60% of the area's median income.

February 28, 2022 ONLINE

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vigourtimes.com/8-los-alamitos-apartmen...

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"We have seen the demand for high-quality, affordable housing outpace available supply throughout the country, especially in markets that attract renters due to job availability and lifestyle," says Carl Chang, CEO and founder of Kairos. "As a company that actively takes a proactive approach to asset management, our team is adept at identifying properties that can benefit from our value-add strategy and enhance the lifestyle of present and future renters."

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KIMC Is Targeting These Two Unlikely Cities for Affordable Housing

By Kelsi Maree Borland

GlobeSt.com 2022-02-02

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www.globest.com

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REAL ESTATE

Kairos Acquires 238-Unit Affordable Multifamily Property in Competitive Market of Northern Georgia for $34.6M

By realestatedaily-news.com | 1 month ago

The property is located near downtown Atlanta, offering residents convenient access to major employers, vibrant city life, and entertainment options AUSTELL, GEORGIA – Kairos Investment Management Company (KIMC), a firm that focuses on value-based real estate investments with favorable risk/reward characteristics, has acquired Walton Crossing, a 238-unit affordable multifamily community in the...

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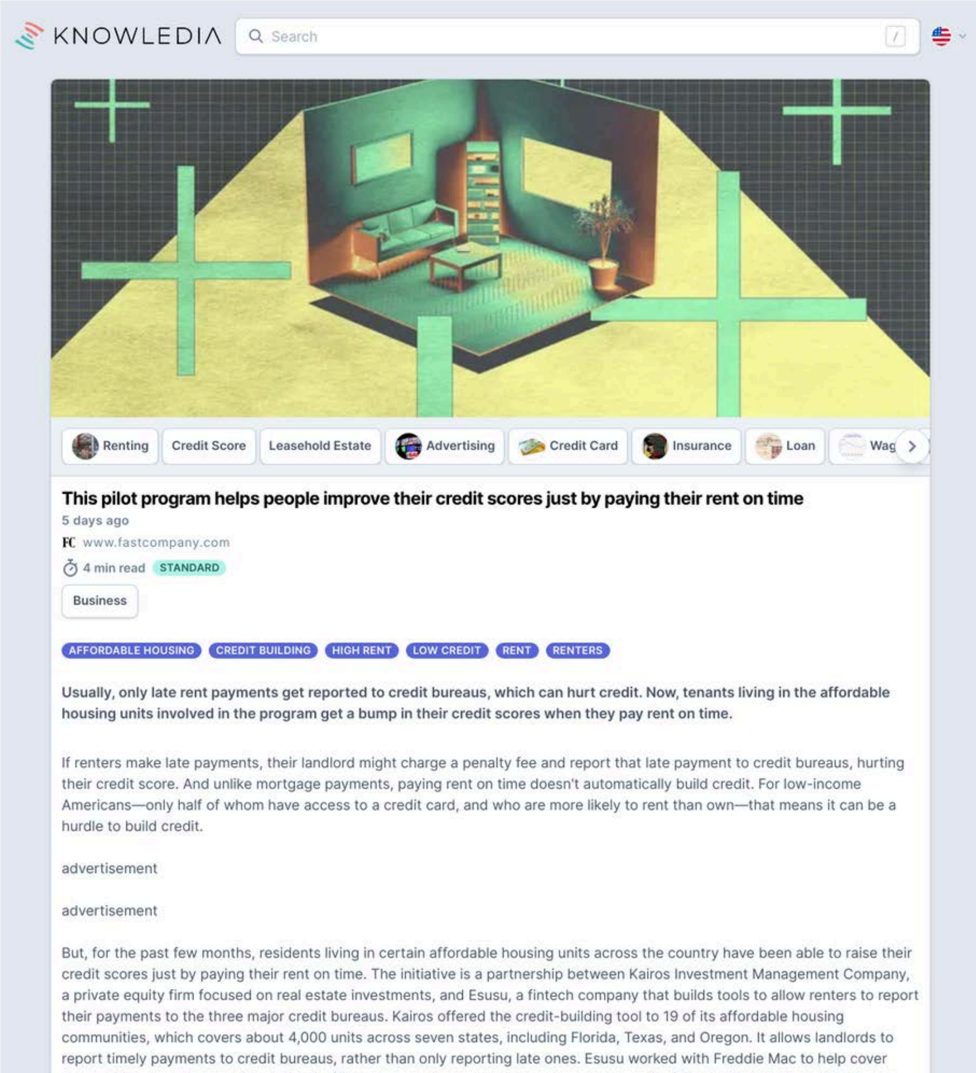

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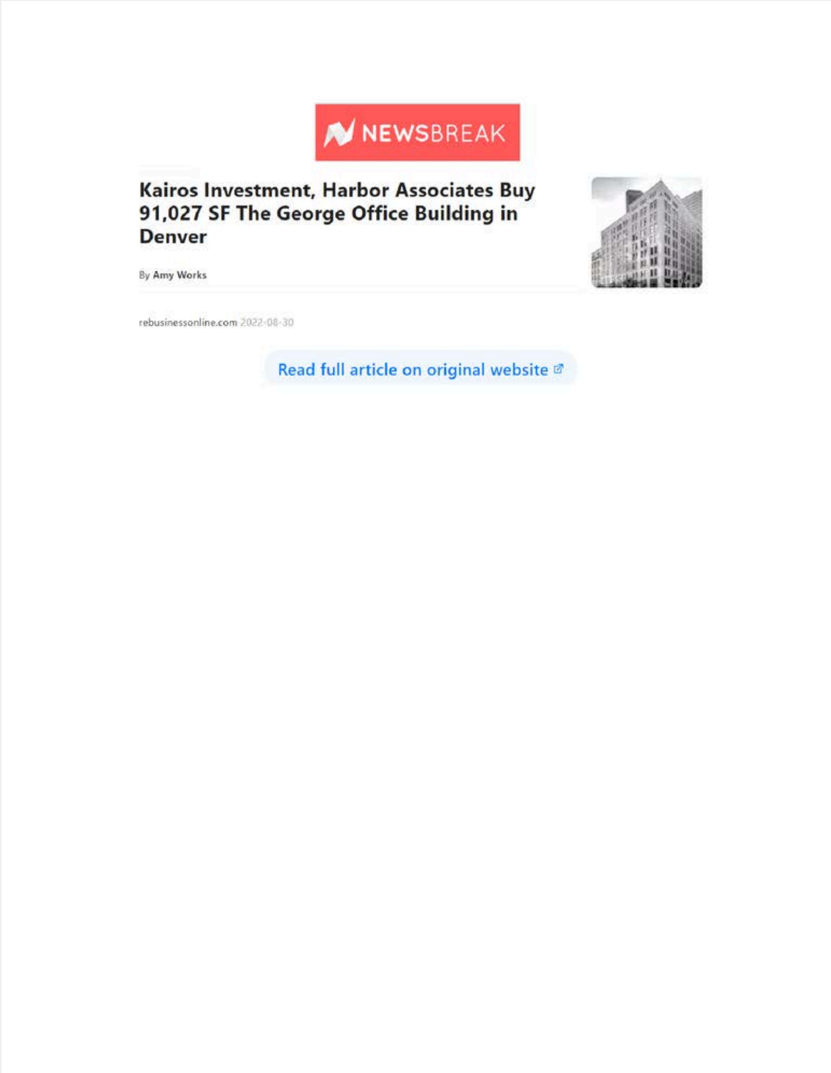

NEWSBREAK

Kairos Investment, Harbor Associates Buy 91,027 SF The George Office Building in Denver

By Amy Works

rebusinessonline.com 2022-08-30

Read full article on original website

August 30, 2022 ONLINE

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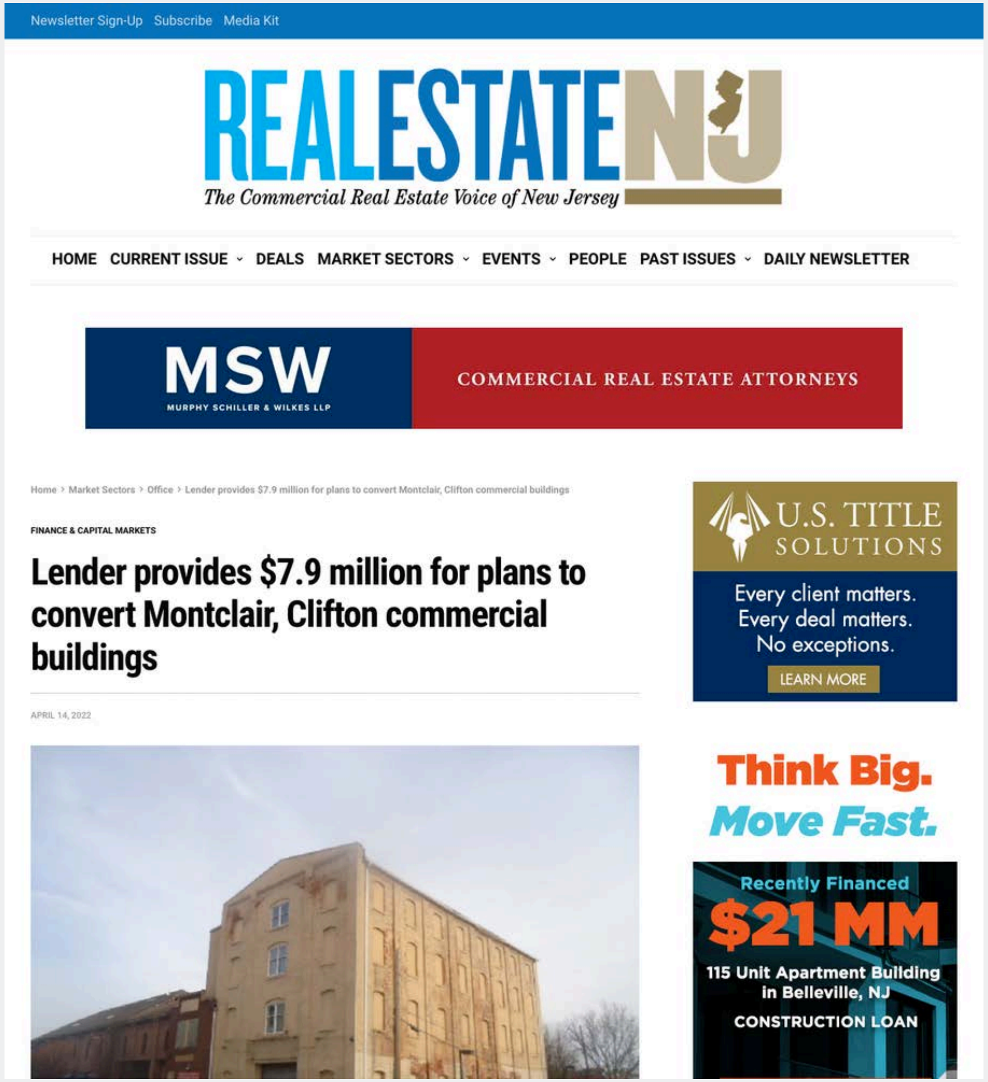
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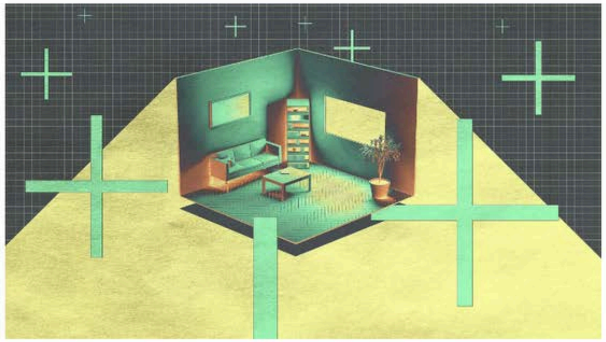

This program helps renters boost their credit scores & More Credit News

If renters make late payments, their landlord might charge a penalty fee and report that late payment to credit bureaus, hurting their credit score. And unlike mortgage payments, paying rent on time doesn't automatically build credit. For low-income Americans—only half of whom have access to a credit card, and who are more likely to rent than own—that means it can be a hurdle to build credit.

But, for the past few months, residents living in certain affordable housing units across the country have been able to raise their credit scores just by paying their rent on time. The initiative is a partnership between Kairos Investment Management Company, a private equity firm focused on real estate investments, and Esusu, a fintech company that builds tools to allow renters to report their payments to the three major credit bureaus.

Kairos offered the credit-building tool to 19 of its affordable housing communities, which covers about 4,000 units across seven states, including Florida, Texas, and Oregon. It allows landlords to report timely payments to credit bureaus, rather than only reporting late ones. Esusu worked with Freddie Mac to help cover some of the sign-up costs for landlords. (Sign-up costs for landlords can vary; for some it's $2 a month, for others $50 a year; Freddie Mac has helped cover some costs in other partnerships, as well.) If a renter is late on a payment, Esusu unenrolls them rather than sending that information to credit bureaus; Kairos says pre-pandemic, 99% of its rent was collected on a regular monthly basis; it's dropped to 97% during the pandemic but is expected to improve.

"It's an interesting way to approach the problem, in that they're positively reporting rent payments on tenants' credit to build credit, where normally landlords only report if there's a negative result," says Jonathan Needell, president and chief investment officer at Kairos.

March 23, 2022 ONLINE

World News (10-01100)

worldnews.upexampaper.com/saga-hit-by...

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109K

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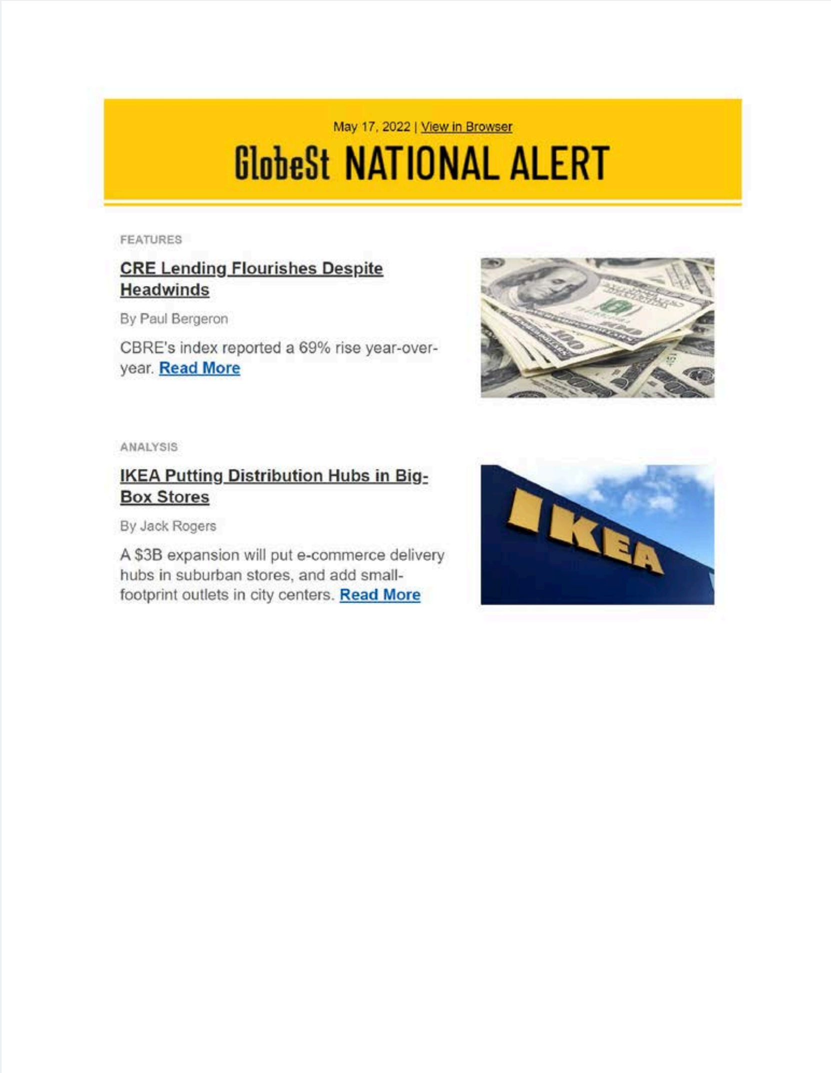

May 17, 2022 | View in Browser

GlobeSt NATIONAL ALERT

FEATURES

CRE Lending Flourishes Despite Headwinds

By Paul Bergeron

CBRE's index reported a 69% rise year-over-year. Read More

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By Jack Rogers

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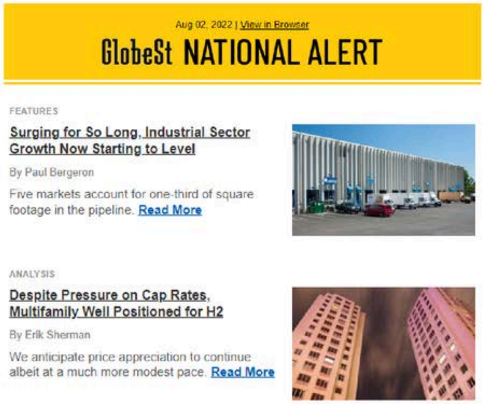

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Surging for So Long, Industrial Sector Growth Now Starting to Level

By Paul Bergeron

Five markets account for one-third of square footage in the pipeline. Read More

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Despite Pressure on Cap Rates, Multifamily Well Positioned for H2

By Erik Sherman

We anticipate price appreciation to continue albeit at a much more modest pace. Read More

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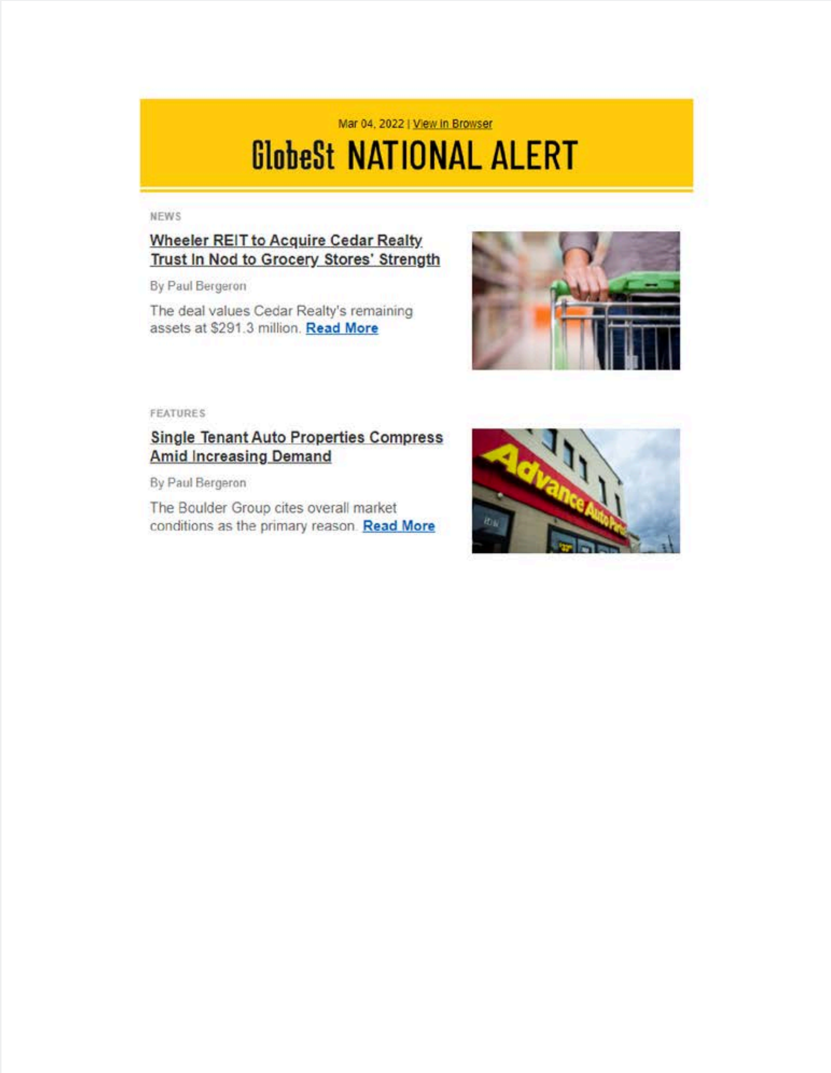

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Wheeler REIT to Acquire Cedar Realty Trust In Nod to Grocery Stores' Strength

By Paul Bergeron

The deal values Cedar Realty's remaining assets at $291.3 million. Read More

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Single Tenant Auto Properties Compress Amid Increasing Demand

By Paul Bergeron

The Boulder Group cites overall market conditions as the primary reason. Read More

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irei.com/publications/article/global-consid...

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INSTITUTIONAL REAL ESTATE, INC.

OCTOBER 1, 2023: VOL. 35, NUMBER 9

Global considerations: With a strong dollar and outsized growth projected for select international markets, are North American investors changing their tune on overseas transactions?

Since the pandemic hit at the start of this decade, the property picture globally has become more uncertain and less consistent. Economies around the world have oscillated and diverged, making a strong case for U.S. property investors to diversify abroad.

U.S. investors used to view offshore investing as a "yield enhancer," notes Tricia Peterson, managing partner at real estate private equity manager and adviser Accord Group Holdings. They demanded risk premiums for any international investments to compensate for foreign-currency risk, geopolitical concerns and so on. But as they grew comfortable with international exposure and some of those risks abated in a relatively stable picture, U.S. players took on overseas holdings for diversification, rather than to goose returns.

The divergent economic performance and governmental responses to COVID's disruption have increased the relevance of that diversification. Real estate that was highly correlated across countries has started to perform quite differently, with different nations at very different points in their recovery and economic cycles.

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PERE (18-070)

perenews.com/germany-teeters-on-the-e...

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21 September 2023

Germany teeters on the edge of significant distress

Pension fund pain

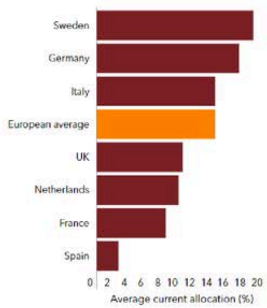
Given market consensus that values have further to fall in Germany, there will be an outsized impact on institutional investors with direct real estate holdings in the country.

Paul Jackson, managing partner at San Francisco- and London-based Accord Group, a capital advisory firm that opened an office in Munich last year, points out that pension funds in Germany are not only substantially domestically focused, but also have considerable allocations to real estate.

Indeed, *PERE* data shows that institutional investors based in Germany have the second-highest average current allocation to real estate out of the region's largest markets, at 16.7 percent. The average for Europe's seven largest real estate markets stands at 11.3 percent.

HIGH EXPOSURE

Institutional investors in Germany have the second-highest average current allocation to real estate of the region's largest markets



Source: PERE

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Property Week

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ONLINE

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24 November 2023

Matter launches single-family rental fund with £110m Placefirst recapitalisation

Investment firm Matter Real Estate has provided a £110m recapitalisation fund for 560 single family rental (SFR) homes developed and managed by Placefirst, in its first investment for a new fund targeting the residential sub-sector.

David Christie, Matter Real Estate chief executive

In its debut deal, long-term, core investment vehicle, Matter UK Residential Income Fund SCSp (MUKRIF) acquired the five Placefirst schemes in Leeds, Liverpool, Dudley, Sheffield and Accrington.

The investor said the fund would also target further acquisitions from Placefirst, as well as other developers.

UBS Asset Management Real Estate & Private Markets, which will act as the anchor LP in the investment vehicle, agreed to invest £105m into the new fund earlier this month.

Matter Real Estate chief executive David Christie said: "The recapitalisation of our Placefirst investment through the acquisition of a large portfolio of rental properties by MUKRIF provides a capital infusion, putting the developer and operator of build-to-rent single-family homes on a trajectory for additional growth.

"Both Placefirst and the investors participating in MUKRIF will benefit in the coming years."

Matter Real Estate made its first investment in Placefirst in 2016 and the firm has since completed 1,500 homes, with an additional 1,000 under construction.

In May 2022, Matter Real Estate completed a £150m refinancing package for Placefirst, as part of a five-year debt facility provided by a strategic lending partner.

Accord Group advised Matter Real Estate on the fund's launch .

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INSTITUTIONAL INVESTING IN INFRASTRUCTURE

INFRASTRUCTURE - SEPTEMBER 1, 2023: VOL. 16, NUMBER 8

U.K. social infrastructure: Opportunity hiding in plain sight

Along the United Kingdom's M4, or any major motorway for that matter, roadside service stations offer essentials such as petrol, food and other services. Elsewhere, childcare facilities, educational centers and waste-management locations quietly serve the population with much-needed social infrastructure. This asset class often passes unnoticed by investors but remains a lucrative and growing segment for the savvy investor.

The need to improve social infrastructure has been recognized in the United Kingdom for many years. Back in 2017, the London Plan devoted an entire chapter to this topic, placing substantial emphasis on the creation of essential facilities, including childcare and educational centers, healthcare and social facilities, and sports parks and recreation areas. The London Plan serves as an overarching blueprint for the growth of London as it seeks to meet the needs of its diverse population.

September 01, 2023 ONLINE

Institutional Investing In Infrastructure (18-045)

irei.com/publications/article/u-k-social-infr...

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NOVEMBER 2023

Remaining strong

The prospects for the logistics market have never been better

According to BNP Paribas' *Real Estate's European Property Outlook 2023* report, investor demand for industrial and logistics properties rose from 15 percent of total commercial real estate investment, to 22 percent, between 2017 and 2022. Current macro- and micro-level drivers should perpetuate that demand.

The growth of online sales has profoundly affected the logistics sector. According to AEW, the ecommerce share of retail in Europe had grown to 11.5 percent by 2022. Over the next 10 years, that is expected to double to 25 percent. With ecommerce, consumers expect reliable and fast delivery. This is where strategically located, efficient and modern logistics assets come into play.

High-spec properties that can provide the most efficient access to highly populated urban areas and provide cost-effective solutions for storage and fulfillment are well placed to capitalise on the ecommerce trend. Prime logistics assets are extended-height buildings, with at least 10 metres of clearance, and are sized between 30,000 square metres and 50,000 square metres. They have dock-level and floor-level access doors that are suitable for multiple tenants, and excess space for trailer parking. Access to major highways and proximity to ports and airports add to a property's utility and appeal.

Acreage for greenfield development is in extremely short supply, and the European Union's 2050 net-zero land take objective will further limit new greenfield building. Renovating and repurposing brownfield assets has, therefore, become the primary focus of development. Increasing costs of construction, however, have impacted developer completions. As a result of this lack of new facilities, vacancy rates for logistics assets across Europe are expected to remain at record lows of around 2.6 percent, according BNP Paribas Real Estate.

High demand and low supply are the recipe for rental growth. According to Cushman & Wakefield, prime rents for logistics properties in Europe have been growing at an impressive rate of 14 percent, year-over-year. As competition for industrial land is only expected to worsen, rents will continue to go up.

Logistics assets across Europe are prime targets for investors, but CBRE says the northern countries of Germany, Sweden, Denmark and the Netherlands are distinctive for their very low vacancy rates and strong rental growth.

Cushman & Wakefield says Germany has seen year-over-year prime rental growth of 15 percent. Prime yields in Germany rose 100 basis points last year to 4 percent, and investment saw a record inflow of €10 billion.

In Sweden, e-commerceDB, an ecommerce data provider, expects online sales growth to surpass 16 percent in 2023 and enjoy a compound annual growth rate between 2023 and 2027 of 9.4 percent, driving logistics demand to unprecedented levels. Most new developments are focused on owner-occupiers. There is room for growth, however, in speculative development opportunities, to meet the demand for undersupplied smaller tenants across Sweden. According to CBRE's *Sweden Logistics Market Snapshot* for the fourth quarter of 2022, overall vacancy rates in Sweden sit at 1 percent, with prime rents increasing by as much as 10 percent year-over-year.

Build-to-suit developments for owner-occupiers have historically driven the Danish market. All-time low vacancy rates present an opportune time to capitalise on speculative developments to correct the supply and demand imbalance.

In the Netherlands, very high inflation of 11.6 percent in 2022 has hamstrung new construction, adding more pressure on already limited supply. Cushman & Wakefield reports prime rents increased by as much as 22 percent, thanks to a 2.6 percent vacancy rate.

Although higher interest rates will affect yields in the near term, the long-term prospects for the value growth of logistics properties in Europe have never been better. ❖

Paul Jackson is managing partner, London, at **Accord Group Holdings.**

ONLINE

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REALASSETS ADVISER

July 1, 2023

O Canada! Immigrants and investment in new housing flowing into country

The Canadian multifamily real estate market continues to exhibit some of the most compelling property sector fundamentals in North America. The demographic and economic characteristics underpinning the Canadian housing market have resulted in a perfect storm of low supply, high demand, and a growing shift to renting as the rising cost of homeownership puts purchasing out of reach for many prospective buyers.

Investment in new construction continues to flow into the Canadian residential market, but it has been lumpy over the past 12 months, as the market digests recent interest rate increases. For example, from December 2022 to January 2023, seasonally adjusted total investment in the residential sector across Canada rose 1.9 percent to about $11 billion (14.9 billion Canadian dollars). However, investment fell by 2.38 percent between October and November 2022. By comparison, U.S. residential construction investment fell 0.6 percent in January, continuing a residential investment contraction that has lasted for seven straight quarters, the longest such stretch since 2009.

July 01, 2023 ONLINE

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Affordable housing gap spells opportunity

As the gap between supply and demand for affordable housing widens, institutional investors see opportunities to invest to meet ESG goals and boost financial returns, writes Keith Button.

Guest Writer - 5 June 2023

June 05, 2023 ONLINE

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October 11, 2023

Nuveen Tackles Affordable Housing with Open-End Impact Fund

The biggest risk tied to affordable housing is the complexity of navigating municipal entities for tax credits and abatements that make such deals work, Bell noted. However, as affordable housing can generate income, and with attractive financing and constant tenant demand, the sector has become resilient, Bell said.

There are still issues Nuveen's fund may confront. While an open-end fund allows managers to continuously raise capital, its offer of periodic liquidity could be problematic when limited partners need it, Bell noted.

But the strategy also should appeal to institutional investors, especially as they increasingly scrutinize managers for greenwashing and transparency, said **Desi Co**, a managing partner at the **Accord Group**.

Having a large manager like Nuveen launch this product could further help scale the segment and impact theme, Thornley said.

"Institutional investors are hungry for more impact opportunities. This is one that is sitting in plain sight... It is primed for additional institutional uptake and hopefully Nuveen... could be another catalyst to continuing to bring attention to the opportunity," he said.

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Nominations

Women of Influence 2023

Here are the honorees for 2023's Women of Influence Awards.

By Erika Morphy | July 27, 2023 at 08:37 AM

We send this issue to press with much pride and a little trepidation. On the following pages you will read stories of hundreds of women who have made their mark in commercial real estate through many praise-worthy accomplishments. Getting on this list was not easy, in no small part because there were so many quality applicants to consider. But here they are despite the fact that the industry has long been seen as one primarily dominated by men.

Ideally, the path forward would be more of the same for these and other women who strive for achievement in our space: hard work and recognition when it is due. But that path has clouded somewhat in the wake of the recent Supreme Court

July 27, 2023 ONLINE

Women of Influence 2023 | GlobeSt

globest.com/2023/07/27/women-of-influe...

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FEBRUARY 1, 2024

To sell or not to sell?: That is the question; and the answer may lie in whether you can afford to hold

Denominator effect

There's been a denominator effect for portfolios because it was so difficult to deploy capital in 2022 and 2023, says Jacob Slone, managing director at Harbor Group International. The dearth of new deals has meant that declines in the existing portfolio are magnified.

Even if the denominator of the overall portfolio stabilizes, the numerator of property values have some room for downward adjustment, mentions Tricia Peterson, managing partner at Accord Group Holdings. That means institutional investors with hard caps on real estate allocation – such as pension funds, endowments and foundations – will find themselves overallocated to property as a result. They would therefore need to reduce exposure to remain within their caps.

Peterson adds that how active an investor is in the current market will vary dramatically by type. Overallocated investors may be resigned to higher financing and falling prices, and be "proceeding accordingly, with due caution," she says. Conversely, more aggressive or opportunistic investors believe now is the time to expand their portfolio and "pencil in the new normal."

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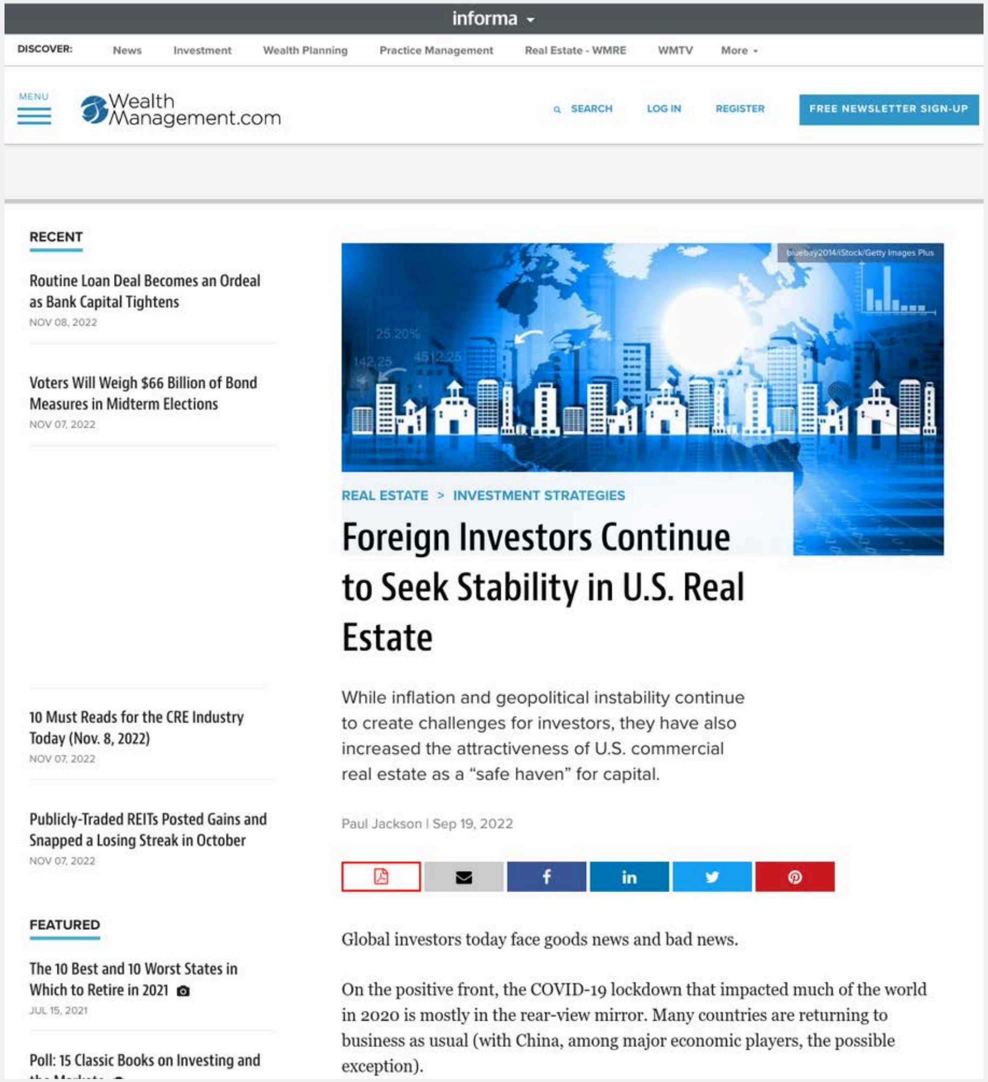

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Foreign Investors Continue to Seek Stability in U.S. Real Estate

While inflation and geopolitical instability continue to create challenges for investors, they have also increased the attractiveness of U.S. commercial real estate as a “safe haven” for capital.

Paul Jackson | Sep 19, 2022

Global investors today face goods news and bad news.

On the positive front, the COVID-19 lockdown that impacted much of the world in 2020 is mostly in the rear-view mirror. Many countries are returning to business as usual (with China, among major economic players, the possible exception).

September 19, 2022 ONLINE

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AMERICAS - SEPTEMBER 1, 2022: VOL. 34, NUMBER 8

The doctor will see you now: Recession-resistant healthcare real estate has strong supply and demand fundamentals

BY LORETTA CLODFELTER

The fundamental story of healthcare real estate investment begins with demographics – everyone knows the U.S. population is getting older – but it doesn't stop there. Both supply and demand fundamentals support the investment thesis.

"Clearly, the aging of the U.S. population is a demographic shift that is driving the long term positive outlook we have for healthcare real estate – in particular, medical office buildings. About 10,000 U.S. residents turn 65 every day in the U.S.," says Steve Bolen, U.S. head of healthcare real

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People moves: BNP Paribas REIM's head of strategy leaves

17 AUGUST 2022

Sirius Real Estate, IMMO, Schroder Real Estate, Immobel Capital Partners, Cushman & Wakefield, Credit Suisse, Greystone, BNP Paribas REIM, Spek Advisory FZE, CBRE, Middleburg Communities, PTM Partners, JBG Smith, 57 Ocean, Lehrer Cumming, Accord Group, Invesco Real Estate

BNP Paribas REIM – **Maarten van der Spek**, who joined BNP Paribas REIM as head of strategy in April last year, has left the company to start an advisory business. Van der Spek disclosed on his LinkedIn profile that he has started his own company, **Spek Advisory FZE**. Prior to joining BNP Paribas REIM in 2021, Van der Spek was a senior strategist at Abu Dhabi Investment Authority for almost five years. Before that, he was as director of strategy for private real estate at PGGM. He joined the Dutch investor in 2009.

Heimstaden – **Frans Heijbel** has been appointed managing director within strategy and M&A at Heimstaden. Heijbel joins from Sweden's biggest pension fund Alecta, a long-term investment partner of Heimstaden. At Alecta, Heijbel was head of international real assets. Heijbel has been a board member at Heimstaden Bostad for about four years on behalf of Alecta - a position from which he will step down, as he joins Heimstaden. Christian Fladeland, Heimstaden's CIO, said Heijbel would bring considerable experience to the firm, after his 20-plus years in the property and finance industries in Stockholm and London.

August 17, 2022 ONLINE

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realassets.ipe.com/news/people-moves-b...

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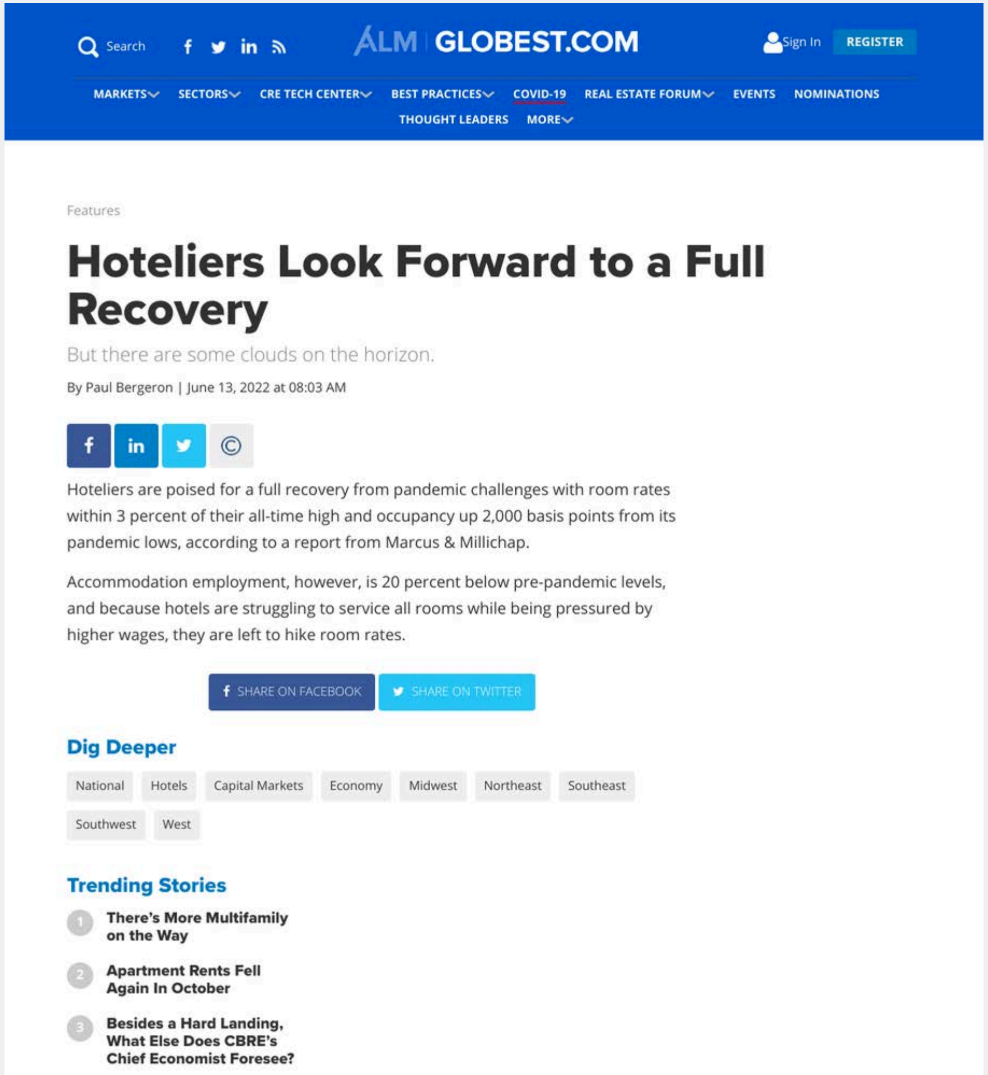

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Features

Hoteliers Look Forward to a Full Recovery

But there are some clouds on the horizon.

By Paul Bergeron | June 13, 2022 at 08:03 AM

Hoteliers are poised for a full recovery from pandemic challenges with room rates within 3 percent of their all-time high and occupancy up 2,000 basis points from its pandemic lows, according to a report from Marcus & Millichap.

Accommodation employment, however, is 20 percent below pre-pandemic levels, and because hotels are struggling to service all rooms while being pressured by higher wages, they are left to hike room rates.

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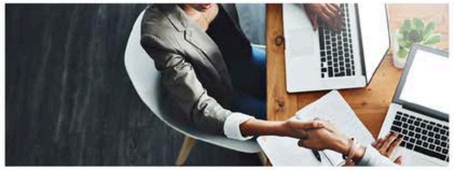

PEOPLE • AUGUST 17, 2022

Accord Group names Rita Ling managing director, Asia

BY RELEASED

Accord Group, a global real estate strategic investment and capital advisory firm, has appointed Rita Ling to managing director, Asia, as part of the firm's commitment to strategic and ongoing global growth.

Ling, who previously served as managing director and head of investor relations at Invesco Real Estate in Asia, as well as at Phoenix Property Investors in Hong Kong, will help to expand Accord's efforts in Asia in response to growing demand in the region, according to [illegible] managing partner at Accord.

August 17, 2022 ONLINE

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Blueprint: CPP and PIF's hotel bets, PERE's database update, Alecta's senior loss

CPP Investments and PIF make commitments to hotels, PERE adds live fundraising charts to its database, Alecta loses a senior real estate executive to a longtime manager, and more in today's briefing, exclusively for our valued subscribers.

PERE Staff 23 August 2022

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PERE News (18-01906)

perenews.com/blueprint-cpp-and-pifs-hot...

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Real Estate Alert

“We’re seeing a much higher level of due diligence when it comes to investment decisions,” said **Jack Berquist,** managing partner of **Accord Group,** a San Francisco-based advisory firm. “When approaching potential investment opportunities today, limited partners are looking to invest with managers that have experience navigating economic uncertainty, a steady track record through cycles, experience with a variety of capital sources and asset types, and the ability to manage debt risk.”

PRINT

Real Estate Alert

Placement Agents That Raise Capital For Real Estate Vehicles

Sponsor	Contact	The Skinny
360 One Firm New York	Mark Sanor 917-470-3012 msanor@361firm.com	Provides capital-raising and advisory services for funds, co-investment vehicles and direct deals. Works with family offices and funds globally, and hosts networking events in more than 20 countries. Founded in 2019 and also known as "361Firm." Affiliate of technology-focused broker-dealer Stonehaven.
Accord Group San Francisco	Jack Berquist 415-939-3494 jberquist@accord-group.net	Global investment bank founded in 2013 and focused solely on real estate. Raises capital and provides strategic advisory and M&A services, including recapitalizations of funds, portfolios and platforms. Clients have included Avanath Capital Management, Cabot Properties, High Street Logistics Properties, Sares Regis and Swift Real Estate Partners. Offices in San Francisco, Chicago and London, with senior executives in Munich, Seoul and Hong Kong. Directly manages $150 million-plus of institutional equity it pitches as "one-stop shopping" to help capitalize managers.

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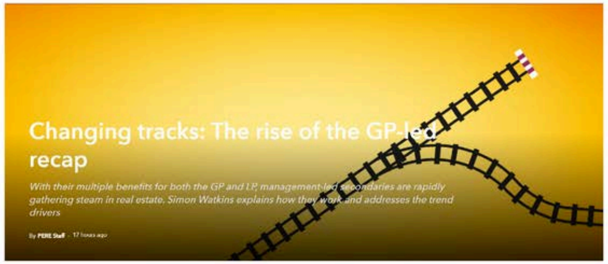

The growth in GP-led secondaries and recapitalizations of real estate funds passed a watershed in February with Blackstone's $21 billion recap of its Mileway European logistics platform. The deal, which saw ownership transfer from multiple funds to Blackstone's core-plus arm, was not just the largest GP-led yet – it was the largest real estate transaction of any kind.

GP-led secondaries anrecd recaps are relatively new to real estate, but growing fast. According to data from Landmark Partners and Preqin, real estate secondaries transactions totaled $10.6 billion in 2021 – up 24 percent from 2020. And in the past five years, GP-led deals grew at an annualized rate of 38 percent per year, as reported by Landmark Partners and Greenhill.

Understanding the drivers

The essence of a GP-led secondaries or recap is straightforward. Management seek new investors for the assets, and the existing investors generally either cash out or roll over their investment into a new vehicle.

The key appeal of GP-led secondaries is that they provide a new source of liquidity for investors, while also opening the way for fresh capital to be invested in the assets. Managers that know their assets well and have confidence in their future performance can continue their involvement and their carry.

"These have become win-win scenarios," says Desi Co, managing partner at investment and advisory firm Accord Group. "The selling shareholders achieve better net proceeds than from a straight sale; the manager is delighted to continue to be in the management of these assets. There's a chance for a second promote, and then you've got the buyer coming in, which is delighted they can avoid the J-curve by buying into an existing pool of assets. The buyer often gets more control and more transparency."

Jeff Giller, head of global real estate at StepStone, points to the growth of the mega-cap managers as another driver. "Nearly half the capital in the market is now being allocated to the 10 largest managers, which is leaving some of the really good small- and medium-sized managers with capital constraints. So, one thing managers can do to help fill the gap is to recapitalize their current vehicles.

"The other big driver of the increasing number of continuation vehicles is there's been a lot of new entrants to the GP-led secondaries market. These are mostly traditional secondaries investors, which have recently added GP-led secondaries to their playbooks."

The perception of secondaries has also changed. Regarded for many years as a defensive move carried out to shed distressed assets or source emergency capital, secondaries are now mainstream transactions increasingly seen as positive and proactive strategies.

Sarah Schwarzschild, managing director and co-head of BGO Strategic Capital Partners, part of Canada-based real estate management group BentallGreenOak, says: "These transactions have stopped being seen as a mechanism to deal with distress, to being a tool that is utilized by investors to manage their own portfolios. So today I think the stigma has evaporated."

Meanwhile, real estate as an asset class has characteristics that may make it particularly suitable for GP-led secondaries. Co cites the well-known real estate motto, "location, location, location." The value of location is typically long-lasting, Co argues, so why would you sell?

While investors may have good reason for wanting to exit, other investors with a different strategy or time horizon may see value in retaining exposure to real estate assets for much longer. And the managers, who really know the assets, may feel even more strongly about wanting to stay invested.

Structuring secondaries

With every fund and portfolio being different in composition and investor profile, there are countless variations in how secondaries and recapitalizations are structured. The vast majority, however, involve either a new fund or a new corporate joint venture that takes over the assets.

Stefan Lempen, managing director and co-head of private real estate integrated investments at Partners Group, explains: "With a new fund, the new investors subscribe to that new fund and the old investors sell or roll part or all of their stake. If they used to have 10 percent in the previous structure, they may decide to take 10 percent in the new structure, or maybe only 7 percent, or they might exit and take cash. Or if you create a joint venture corporate entity, it can take over the assets, and then the managers and those that wish to roll over their investment subscribe to shares in the corporate entity.

"These two methods are very similar, but jurisdiction might make a difference to which you choose," adds Lempen. "In Germany, for example, corporate taxes mean you tend to limit your universe of buyers if you do it through a joint venture."

Naming your price

In any GP-led secondaries or recapitalization, the issue of value is the most obvious point of potential conflict between the interests of managers and investors. Real estate has the advantage of being relatively straightforward to value, and funds typically carry out valuations as a matter of course every year or six months.

Giller at StepStone adds that the adoption of mark-to-market accounting over the last decade means that manager marks are more accurate than they used to be – investors should be able to go into a secondaries situation confident they have a sound starting point for understanding the asset value.

Nevertheless, there will often still be wrinkles to smooth out, particularly in an uncertain market where valuations may change fast or unpredictably.

"There is an element of time lag and uncertainty," says Lempen. "Very often, there is a new lease that is not fully agreed, or refurbishment costs of older building structures and installations are not clear yet, which means future net cashflows leave room for interpretation. Ideally, you have one or two professional real estate valuers issuing a report.

"Those valuation reports are presented to investors with a recommendation, including a suitable capital structure. You might find there are investors that challenge the recommendation. In such a case, the various concerns from investors have to be worked through in full transparency with the support of the valuation experts until an agreement can be reached. Fully transparent and clear investor communication is very important to get right in this business."

The option to roll over into any continuation vehicle should be a safety valve, allowing investors that do not wish to exit to continue their interest and benefit from any further upside. Without the rollover option, Lempen says transactions "risk being caught in a vicious circle of arguing whether the proposed price is right or not."

Accord Group's Co agrees. "In almost all the recap transactions we've done, and we've done about 12 of these now, with a little over $7 billion of gross value, there has been a rollover option. It's very important that the investors aren't required to sell and have the option to continue in the next phase of the journey of the properties."

The market has come a long way in a few short years, but it is still early days. Whatever the ongoing complexities and challenges, those involved in GP-led secondaries, on all sides, appear unanimous that their growth in real estate will only continue.

Protecting the investor

Does regulation need to come to their rescue?

In a GP-led secondaries transaction, the fund manager is in the rare position of being both buyer and seller: they buy from the investors, but also represent the investors as the seller. Every transaction will be different, says Steven Cowins, partner at law firm Greenberg Traurig. But, he adds, there are three basic pillars to ensuring fairness.

"First, what do the fund's constitutional documents say about conflicts? Second, what is the legal background? Are you an FCA-regulated firm? An SEC-regulated firm? Third is all about good investor relations. It is the most nuanced element, but it is of equal importance to the other two," says Cowins.

Third-party asset valuations and rollover options provide considerable protection for investors. But despite these already being typical in most secondaries, there is still room for subjectivity in the discount to asset value that investors should accept in return for liquidity. A recap is also an opportunity to renegotiate fees, terms of control and the manager's carry in the new vehicle; ensuring fairness is about more than just getting the right headline price.

The Securities and Exchange Commission has the broader issue of fairness in its sights and has proposed rules that will require all GP-led secondaries to seek third-party 'fairness opinions' to be distributed to investors.

Such a regulatory requirement will clearly add to the administrative work involved in GP-led secondaries. "It's certainly going to put a heavy burden on all but the largest secondaries sellers because the manager wouldn't have an interest in paying for the opinion for a traditional secondaries, so the cost would likely have to be borne by the investor that is selling. Maybe for fund continuation vehicles, or other types of GP-led secondaries where the sponsor benefits, it makes more sense for the manager to cover the cost, but it could slow down the pace of transactions," says StepStone's Jeff Giller.

Despite widespread caution about the effect of more bureaucracy, many players are already seeking fairness opinions. Indeed, in carrying out its $21 billion recapitalization of Mileway, Blackstone acquired two fairness opinions.

Desi Co at Accord Group believes most of the market is already moving toward fairness opinions. "It's something that we're increasingly doing already. Anything that gives comfort that fairness has been achieved is to be welcomed. So I don't really have a big problem with it. Transactions might become a little bit more cumbersome, but if that brings more trust, that's good."

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ACCORD FUND INVESTS IN NOBLE HOSPITALITY: Accord Group Holdings LLC has committed capital to Noble Investment Group's new venture, Noble Hospitality Fund V, L.P. The investment was made through Accord's affiliate, Accord Catalyst Fund. Additionally, Accord has established an advisory relationship with Noble through its U.S. broker affiliate, Accord Capital Partners LLC. Established in 2013, Accord has completed $13.5 billion in deal activity, with most transactions being cross-border.

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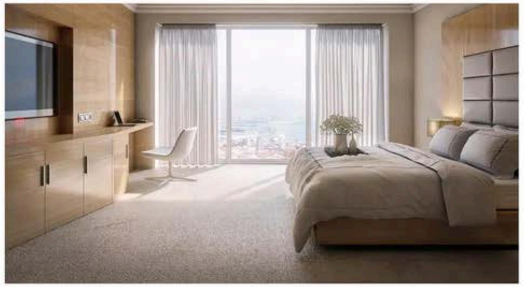
JANUARY 26, 2024

Accord announces commitment to Noble Hospitality Fund V



Accord Group Holdings, a global real estate strategic investment and capital advisory firm, has made a capital commitment to Noble Investment Group's latest venture, Noble Hospitality Fund V (Noble Fund V).

The investment was made through Accord's affiliate, the Accord Catalyst Fund, a discretionary institutional comingled fund that seeks to catalyze the growth of real estate managers in the United States and Western Europe. Accord also has initiated an advisory relationship with Noble via its U.S. broker-dealer affiliate, Accord Capital Partners.

"With alternative investments on the rise, we continue to see strong opportunity within the hospitality sector and were pleased to invest in Noble V," said Desi Co, managing partner, Accord Group. "Hitting the fund's hard ceiling of $1 billion in equity commitments is a testament to the Noble team and the opportunity presented to institutional investors. The fundamentals of the hotel industry make it uniquely positioned to benefit from pent up demand for travel in a post-pandemic environment while also providing the opportunity to act as a hedge against inflation. Hotels can reset rates daily, whereas other asset classes are often locked into long-term leases."

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Accord invests in Noble Hospitality Fund V

By CRE Herald - 26/01/2024

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This investment was made through its affiliate, the Accord Catalyst Fund

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FEBRUARY 9, 2024

Understanding the hospitality sector with Desi Co of Accord Group

In January, Accord Group Holdings, a global real estate strategic investment and capital advisory firm, announced it had made a capital commitment to Noble Hospitality Fund VZ (NHF V) and that it had acted as a capital adviser for the fund, helping it hit its hard cap of $1 billion earlier in the month.

Managed by Noble Investment Group, NHF V is investing in value-add opportunities in select-service and extended-stay hotels across the United States.

In an interview with IREI, Desi Co, managing partner at Accord, explained in greater detail what he and Accord find enticing about the hospitality sector in today's market environment.

"One, it tends to run at very high operating margins, typically much higher than full-service hotels," Co said. Those lower margins are due to a number of reasons, including lower labor needs which enable it to offer nightly rates just below higher-end hotels."

Secularly, another factor contributing to the favorable outlook for select-service and extended-stay assets is the expansion of remote and hybrid work in recent years that is enabling people to travel to their holiday locations a day earlier.

"That's a real thing in the industry, that extra day," said Co. "It's a huge added source of demand."

Cyclically, hotels traditionally can act as a protection against inflationary conditions as they are essentially offering daily leases that can respond to inflation trends.

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Her journey: Women of the industry share their early career beginnings with the next generation

Passion

The real estate industry is filled with an infinite range of career paths and motivations. Even so, some of these women did not plan on entering real estate initially. They just found themselves drawn to the industry.

Like Maureen Joyce, head of U.S. real estate asset management and equity portfolio management at Barings; Tricia Peterson, managing partner at Accord Group Holdings; Soultana Reigle, head of U.S. equity at PGIM Real Estate; Melissa Rose, senior managing director, capital markets at JLL; and Maria Stamolis, CIO and head of investment management at Lincoln Property Co., who all say they “fell” into it.

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Base Equities Gets $26 Million Commitment

By Hannah Madans Welk

Monday, February 21, 2022

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Base Equities invested in the Quinn, a Phoenix hotel converting to multifamily.

Westwood-based Base Equities, an investment company focusing on preferred equity in commercial real estate assets, has formed a joint venture partnership with Maryland-based Alex Brown Realty.

The company's ABR Chesapeake Fund VI is giving $26 million to Base Equities. Base Equities was founded in 2021 and is led by principals Michael Bastan and Eli Moghavem.

The company focuses on small-balance preferred equity investments ranging from $1 million to $5 million. The money is invested in commercial real estate, focusing on value-add multifamily transactions that range from $5 million to $30 million.

"The Base Equities team has identified an underserved need for reliable equity partners providing preferred equity investments of $1 million to $5 million," Tom Burton, senior managing director and chief investment officer of ABR, said in a statement. "Based on this forward-thinking strategy and well-aligned values and experience, including target

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Base Equities partners with Alex Brown Realty on commercial assets.

Alex Brown Realty commits $26 million through fund

By HANNAH MADANS WELK Staff Reporter

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REAL ESTATE - JUNE 24, 2021

Base Equities launches debut fund

BY ANDREA ZANDER

Los Angeles–based private equity investment company Base Equities has launched its new fund, Base Preferred Equity Fund I, targeting $50 million in commitments.

The fund will strategically focus solely on small-balance — $1 million to $5 million — preferred equity for commercial real estate investments, with an emphasis on multifamily transactions in the $5 million to $30 million range with proven sponsors who can maximize the upside through value-add renovations.

"This fund is uniquely dedicated to this underrepresented segment of the capital stack and offers investors the opportunity to be insulated from loss while receiving current cash flow, due to each investment's protections in the lowest equity loss position," said Michael Bastan, a co-founder and principal of Base Equities. "With this model of short-term investment, in which sponsors typically only need funds for one to three years, investors in the fund will be able to capitalize on current trends rather than depend on future market growth."

Eli Moghavem, Base Equities co-founder and principal, added, "Demand for equity is high, and sponsors must be able to react quickly and nimbly to take advantage of strong opportunities with a reliable equity partner. This small-balance preferred equity fund creates the potential for investors to achieve equity-level returns while undertaking less risk than in typical equity investments."

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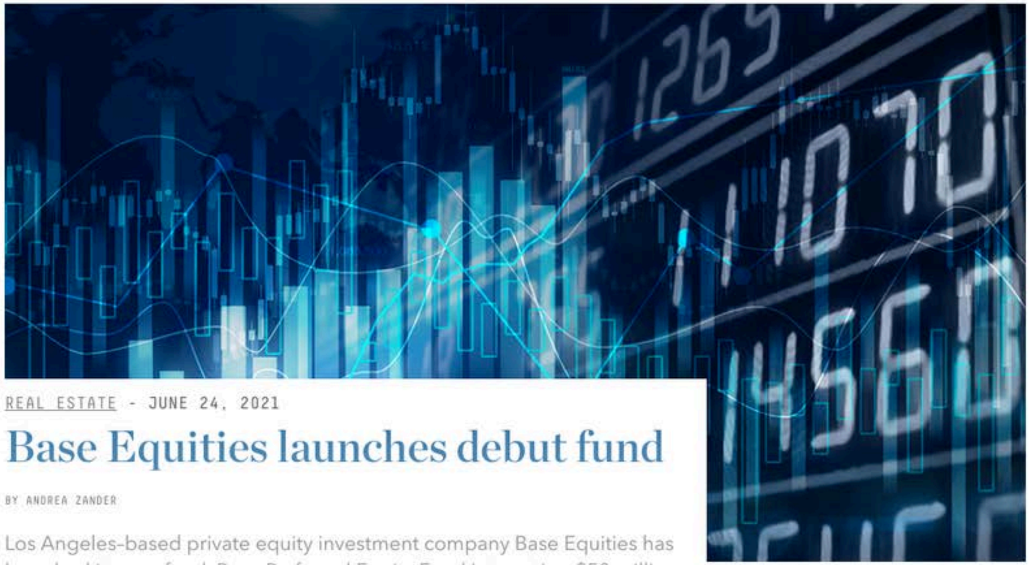

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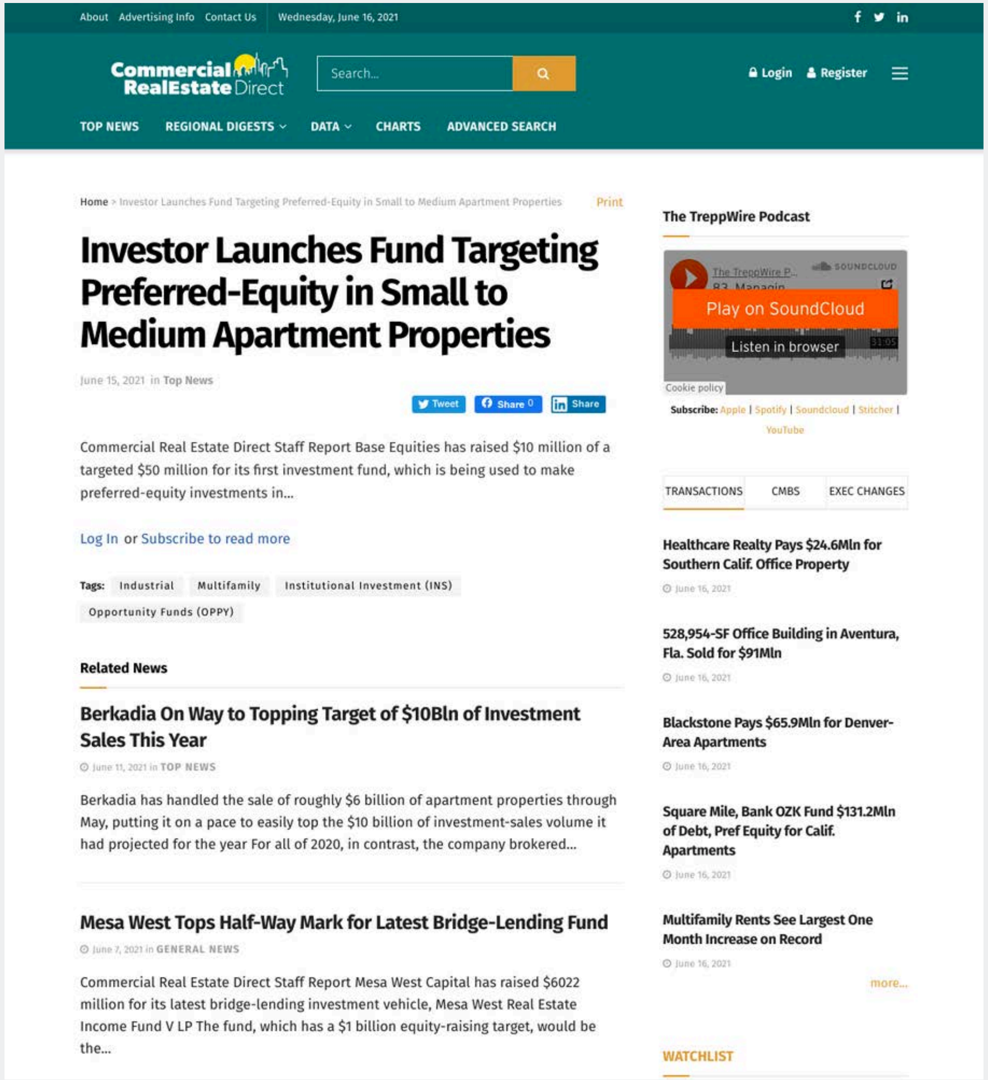

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Ex-LaSalle debt pro eyes new funds to grow firm

Base Equities will seek first institutional clients with next vehicle

Peter Benson
22 JUN 2021

Former LaSalle Debt Investors principal Eli Moghavem is eyeing institutional fund launches for his new value-added management firm Base Equities.

The Los Angeles firm launched first fund, Base Preferred Equity Fund I, this month, targeting $50m in commitments from mostly high-net-worth individuals and family offices.

The firm offers preferred equity investments to established sponsors in US multifamily and commercial assets. It was founded last month by Moghavem and Brookside Equities founder Michael Bastan.

Speaking to *REFI*, Moghavem said the pair are eyeing a quick expansion to an institutional client base once it has raised the first fund.

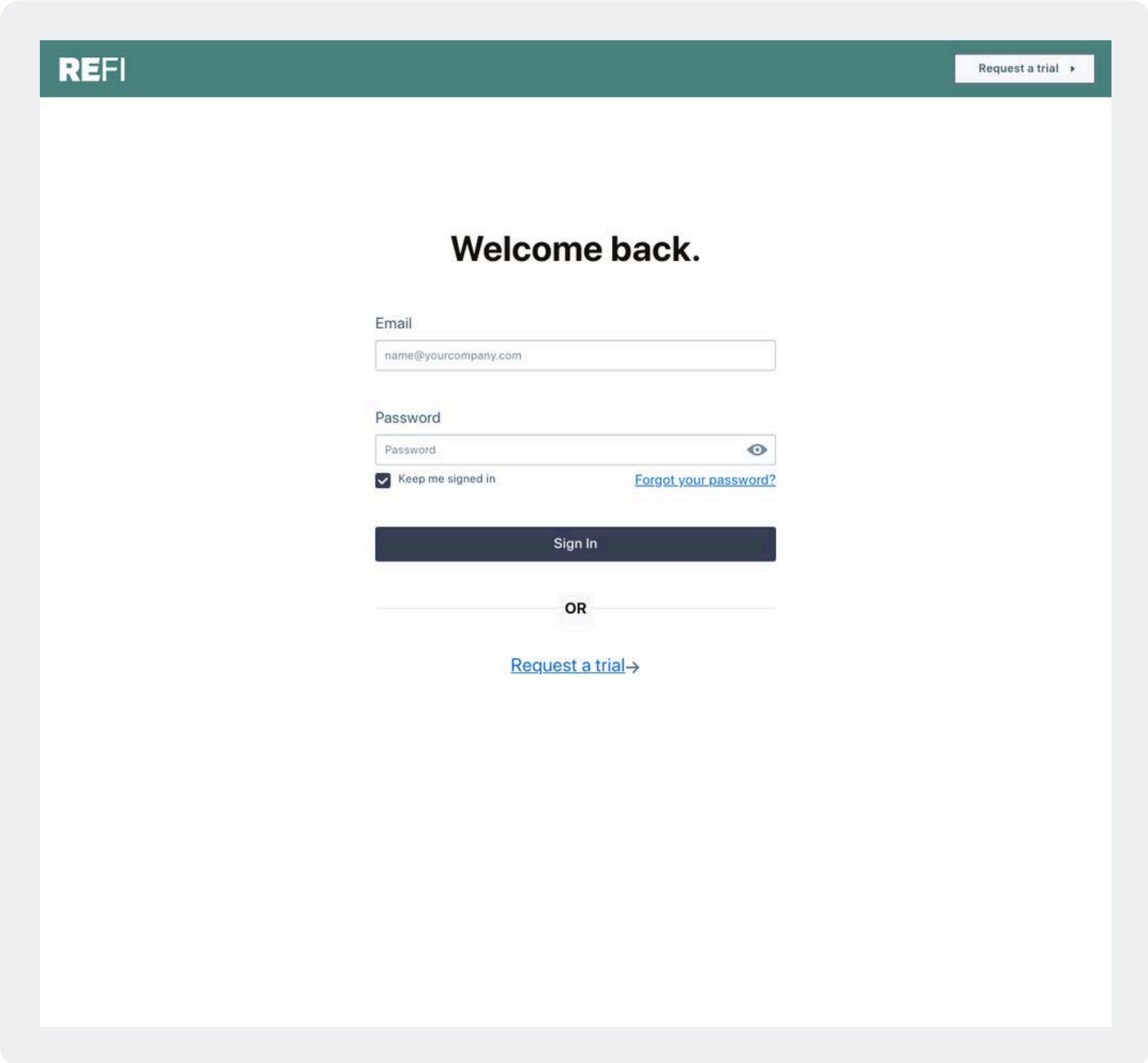
"We expect to have larger successor funds after this," he said. "We hope the next one has a more institutional base."

Moghavem was responsible for loan origination, underwriting and asset management of nearly $1bn at LaSalle.

He was also involved in the fund formation, fund raising and due diligence of two mortgage REITs for LDI, comprised primarily of institutional investors. He has experience in loan originations, restructurings and asset management of multifamily, industrial, office, retail and hospitality assets.

Bastan founded Brookside in 2008 and acquired, managed and repositioned US value-add real estate. He's secured over $300m of real estate in non-performing loans since 2008.

The average commitment size is thought to be between $150,000 and $200,000 per investor, and Base is looking to provide net returns of around 14%.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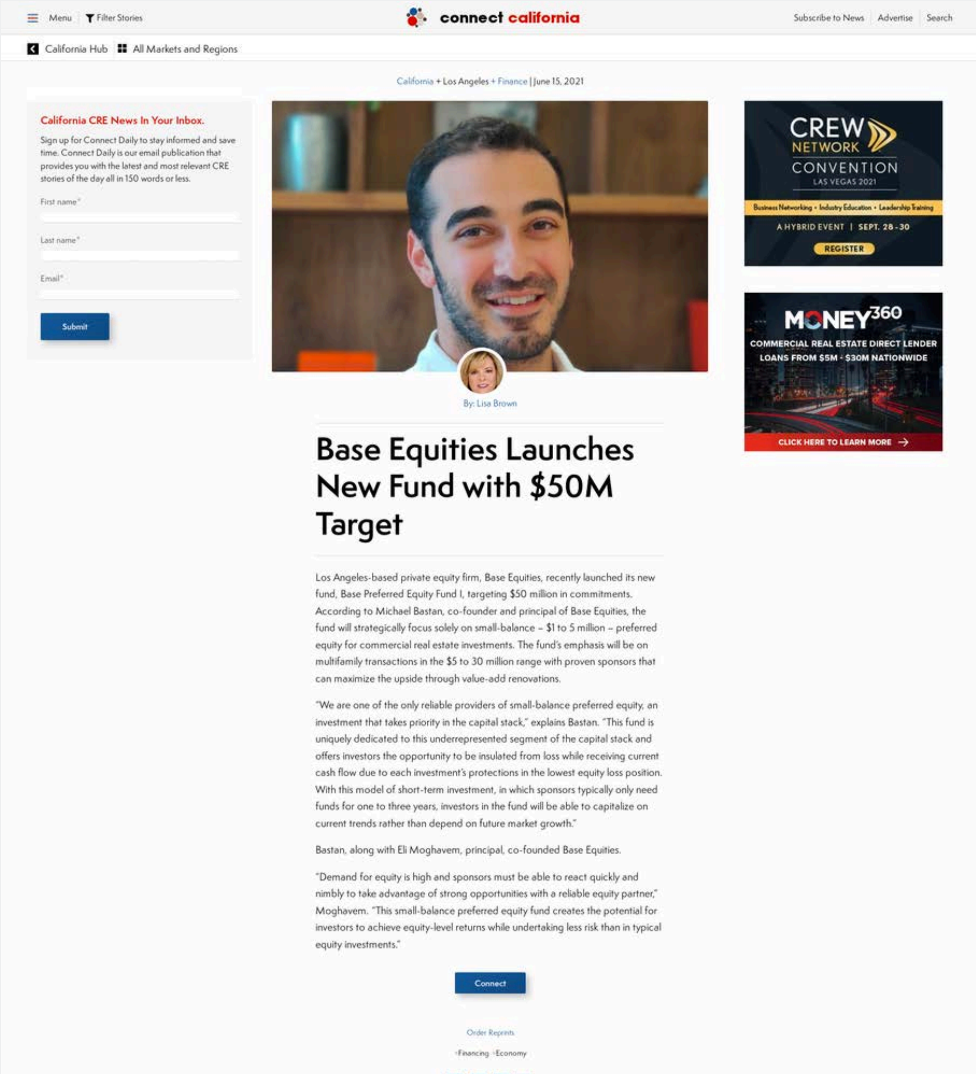
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Base Equities Launches New Fund with $50M Target

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"We are one of the only reliable providers of small-balance preferred equity, an investment that takes priority in the capital stack," explains Bastan. "This fund is uniquely dedicated to this underrepresented segment of the capital stack and offers investors the opportunity to be insulated from loss while receiving current cash flow due to each investment's protections in the lowest equity loss position. With this model of short-term investment, in which sponsors typically only need funds for one to three years, investors in the fund will be able to capitalize on current trends rather than depend on future market growth."

Bastan, along with Eli Moghavem, principal, co-founded Base Equities.

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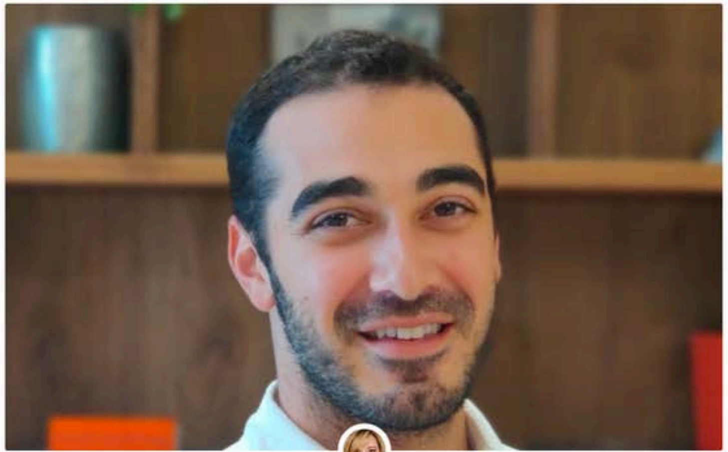

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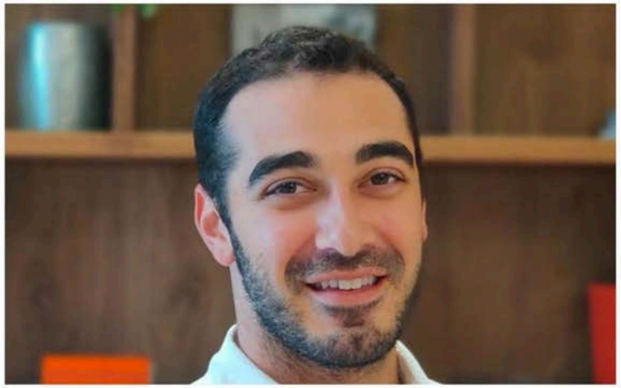

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Base Equities, a Los Angeles-based private equity firm that specializes in providing preferred equity to established sponsors in commercial real estate assets across the United States, has launched its new fund, Base Preferred Equity Fund I, targeting $50 mil in commitments.

According to Michael Bastan, a Co-Founder and Principal of Base Equities, the fund will strategically focus solely on small-balance – $1-5 mil – preferred equity for commercial real estate investments, with an emphasis on multifamily transactions in the $5-30 mil range with proven sponsors who can maximize the upside through value-add renovations.

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Bastan and Moghavem founded Base Equities after more than 25 years of combined experience in acquisitions, property management, repositioning, asset management, underwriting, and loan originations in the commercial real estate industry on a national scale.

The fund's projected return to investors is a 14% net return, generated from in-place cash flows, up-front payment reserves, and value appreciation realized after the implementation of an approved value-add program.

Base Equities is currently invested in three assets undergoing hotel-to-multifamily conversion, which are on track to exceed the targeted return. Additionally, Bastan previously founded Brookside Equities, a private equity investment company focused on acquiring, managing, and repositioning value-add real estate throughout the U.S. The principals now own and operate a portfolio of over 800 apartment units in multiple states.

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Base Equities Launches Debut Fund with Goal of $50 Mil in Commitments

6/17/21

Base Equities, a Los Angeles-based private equity firm that specializes in providing preferred equity to established sponsors in commercial real estate assets across the United States, has launched its new fund, Base Preferred Equity Fund I, targeting $50 mil in commitments.

According to Michael Bastan, a Co-Founder and Principal of Base Equities, the fund will strategically focus solely on small-balance – $1-5 mil – preferred equity for commercial real estate investments, with an emphasis on multifamily transactions in the $5-30 mil range with proven sponsors who can maximize the upside through value-add renovations.

"We are one of the only reliable providers of small-balance preferred equity, an investment that takes priority in the capital stack," explains Bastan. "This fund is uniquely dedicated to this underrepresented segment of the capital stack and offers investors the opportunity to be insulated from loss while receiving current cash flow, due to each investment's protections in the lowest equity loss position. With this model of short-term investment, in which sponsors typically only need funds for 1-3 years, investors in the fund will be able to capitalize on current trends rather than depend on future market growth."

Bastan and Moghavem founded Base Equities after more than 25 years of combined experience in acquisitions, property management, repositioning, asset management, underwriting, and loan originations in the commercial real estate industry on a national scale.

The fund's projected return to investors is a 14% net return, generated from in-place cash flows, up-front payment reserves, and value appreciation realized after the implementation of an approved value-add program.

Base Equities is currently invested in three assets undergoing hotel-to-multifamily conversion, which are on track to exceed the targeted return. Additionally, Bastan previously founded Brookside Equities, a private equity investment company focused on acquiring, managing, and repositioning value-add real estate throughout the U.S. The principals now own and operate a portfolio of over 800 apartment units in multiple states.

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June 11, 2021 ONLINE

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ACQUISITIONS

Transactions & Financings: Welltower's $4 Billion Credit Facility; Ziegler's $141M Financing Deal Volume

By Chuck Sudo | June 11, 2021

Financings

Base Equities targeting $50M in commitments with new preferred equity fund

Los Angeles-based private equity firm Base Equities is launching a new small-balance fund focusing solely on small-balance $1 million to $5 million) preferred equity for commercial real estate investments, with an emphasis on multifamily transactions in the $5 million to $30 million. The fund is targeting $50 million in commitments from high net worth individuals, family offices and corporations, and will target value-add transactions with proven sponsors.

Approximately 25% of the fund's commitments will be earmarked for other property types, including senior housing.

Companies featured in this article:
Base Equities, Blueprint Healthcare Real Estate Advisors, BMO Harris Healthcare Real Estate Finance group, Fitch Ratings, Fleet Landing, HJ Sims, Holland Home, Landis Home Retirement Community, LifeSpire of Virginia, Mary's Woods, Miriam Osborn Memorial Home Association, Pinnacle Living, Presbyterian Homes, Presbyterian Senior Living, Senior Living Investment Brokerage, Senior Living Partners, Sunset Retirement Communities & Services, Symphony Care Network, Tabitha Senior Care, The Forest at Duke, Tryko Partners, Welltower, Ziegler

ACQUISITIONS

Transactions & Financings: Welltower's $4 Billion Credit Facility; Ziegler's $141M Financing Deal Volume

By **Chuck Sudo** | June 11, 2021

Share

Welltower (NYSE: WELL) improved its near- and long-term liquidity.

The Toledo, Ohio-based health care real estate investment trust closed on an expanded $4 billion unsecured revolving line of credit. This will replace an existing $3 billion credit facility.

Additionally, Welltower has two existing facilities outstanding: a $500 million term loan and a $250 million Canadian dollar ($250.5 million US) term loan. The new facility was supported by 31 incumbent and new financial institutions and was heavily oversubscribed. It consists of a tranche that matures on June 4, 2023 and a $3 billion tranche that matures on June 4, 2025. Both tranches may be extended for two successive terms of six months at Welltower's option.

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Lifespire of Virginia, Pinnacle Living finalize home health joint venture

Lifespire of Virginia and Pinnacle Living have agreed to a joint venture agreement to provide home health and other organizational support services.

The new venture, Senior Living Partners of Virginia (SLP), will allow both organizations to formally collaborate and expand their growth

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Base Equities Launches New Fund with $50M Target

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Los Angeles-based private equity firm, Base Equities, recently launched its new fund, Base Preferred Equity Fund I, targeting $50 million in commitments. According to Michael Bastan, co-founder and principal of Base Equities, the fund will strategically focus solely on small-balance – $1 to 5 million – preferred equity for commercial real estate investments. The fund's emphasis will be on multifamily transactions in the $5 to 30 million range with proven sponsors that can maximize the upside through value-add renovations.

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Emles launches long/short equity ETF

Emles Advisors has launched an actively managed ETF that seeks to deliver hedge fund-like returns through a long/short equity strategy. The Emles Alpha Opportunities ETF (EOPS US) has listed on Cboe BZX Exchange and is managed by Nathan Miller, former long/short equity manager at NGM Asset Management, Citadel Investment Group, and RBC Capital.

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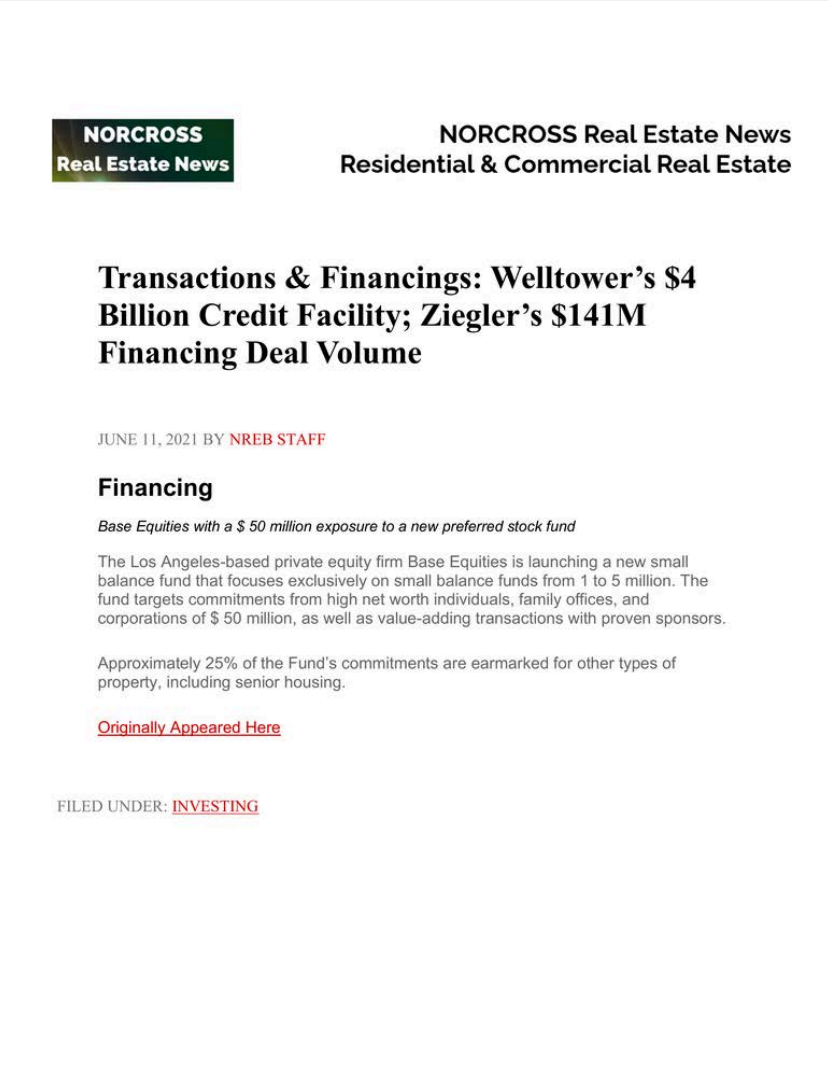

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Transactions & Financings: Welltower's $4 Billion Credit Facility; Ziegler's $141M Financing Deal Volume

JUNE 11, 2021 BY NREB STAFF

Financing

Base Equities with a $ 50 million exposure to a new preferred stock fund

The Los Angeles-based private equity firm Base Equities is launching a new small balance fund that focuses exclusively on small balance funds from 1 to 5 million. The fund targets commitments from high net worth individuals, family offices, and corporations of $ 50 million, as well as value-adding transactions with proven sponsors.

Approximately 25% of the Fund's commitments are earmarked for other types of property, including senior housing.

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JUNE 11, 2021 BY NREB STAFF

Welltower (NYSE: WELL) improved its short- and long-term liquidity.

Toledo, Ohio-based Health Care Real Estate Investment Trust signed an expanded unsecured revolving line of credit of $ 4 billion. This will replace an existing $ 3 billion credit facility.

In addition, Welltower has two existing facilities outstanding: a $ 500 million term loan and a $ 250 million Canadian term loan ($ 250.5 million). The new facility was supported by 31 established and emerging financial institutions and was heavily oversubscribed. It consists of a tranche that matures on June 4, 2023 and a USD 3 billion tranche that matures on June 4, 2025. At Welltower's option, both tranches can be extended by two consecutive terms of six months each.

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Virginia-based Lifespire and Pinnacle Living Complete Home Care Joint Venture

Lifespire of Virginia and Pinnacle Living have entered into a joint venture agreement to provide home health and other organizational support services.

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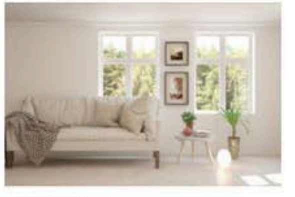

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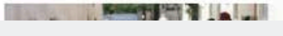

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TRANSACTIONS AND FINANCING: WELLTOWER'S $ 4 BILLION CREDIT FACILITY; ZIEGLER'S $ 141 MILLION FINANCING VOLUME

BY SOPHIA JACOB
JUNE 11, 2021

Funding

Core stocks targeting $ 50 million in commitments with a new preferred equity fund

Los Angeles-based private equity firm Base Equities is launching a new low-balance fund focusing only on low-balance preferred stocks ($ 1-5 million) for commercial real estate investments, with an emphasis on multi-family transactions of $ 5 to $ 30 million. . The fund targets $ 50 million in commitments from high net worth individuals, family offices and businesses, and will target value-added transactions with proven sponsors.

About 25% of the fund's commitments will be allocated to other types of property, including senior housing.

Source link

June 11, 2021 ONLINE

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BY SOPHIA JACOB / JUNE 11, 2021 / 0 / 0

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Welltower (NYSE: WELL) has improved its short and long term liquidity.

The Toledo, Ohio-based healthcare real estate investment trust has closed an extended $ 4 billion unsecured revolving line of credit. This will replace an existing $ 3 billion credit facility.

In addition, Welltower has two existing facilities outstanding: a $ 500 million term loan and a C $ 250 million (US $ 250.5 million) term loan. The new facility was backed by 31 existing and new financial institutions and was significantly oversubscribed. It consists of a tranche that

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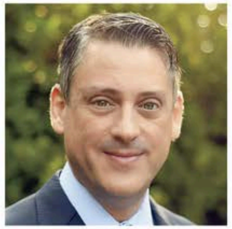
March 18, 2023

Andrew Smith



Partner
iBorrow
Lending

A partner at iBorrow, a private real estate debt fund for commercial real estate, Andrew Smith is the ultimate financing visionary. He works alongside the founding partners of iBorrow, overseeing operations and providing insight that has helped the firm grow into a leading non-bank financing source for the commercial real estate market since its inception in 2013.

Under Smith's strategic guidance, iBorrow has closed 65 transactions with a valuation of more than $850 million within the last three years. As a whole, iBorrow has completed more than $1.3 billion in private loans in less than 10 years. Well-versed in financing for all CRE asset classes, the company lends on virtually all commercial real estate property types nationwide – office, hospitality, mixed-use, industrial, multifamily, and unconventional situations. With nearly 30 years of experience in the industry, Smith is a proven leader with extensive knowledge in real estate, finance, and asset management.

March 18, 2023 ONLINE

Los Angeles Times (11-02621)

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What Signature Bank's Shutdown Means for the NYC-Area CRE Market

March 15, 2023

Problems of Perception

Harlan Peltz, co-executive chairman at **iBorrow**, a commercial real estate lending firm, sees the biggest impacts 's of SVB failure to be on sentiments in the financial markets. "[It's] is a relatively small portfolio, so the impact appears to be on perception, and the falling equity prices reflect the market's attempt to quantify risk across the banking sector stocks," Peltz said. "But, given the FDIC's definitive action, I would expect the knock on-effect to be relatively mild and contained vs. what it would have been without intervention."

Regarding Signature's assets, Peltz anticipates a likely shift towards depositors pivoting their investments towards larger banks. "It may cause depositors at small banks to move their deposits to larger banks," he said. "The borrowing costs will continue to be paid for by the borrowers and the loans serviced by the note owner, regardless of who owns the bank."

March 15, 2023 ONLINE

Commercial Property Executive (11-037)

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Envision Enters Cold Storage Sector With $1.5B in Purchasing Power

Envision Cold, a new cold storage company, has entered the scene with $1.5 billion in buying and development power. It has already acquired assets in Oakland, San Francisco, Laredo, Texas, and Vancouver, BC.

Newmark advised on the capital raise and formation of the company, led by Newmark Co-Presidents of Debt & Structured Finance, Jordan Roeschlaub, and Dustin Stolly. Newmark secured $500 million for its capitalization.

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Envision Enters Cold Storage Sector With $1.5B in Purchasing Power

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By Richard Berger | August 16, 2023 at 08:13 AM

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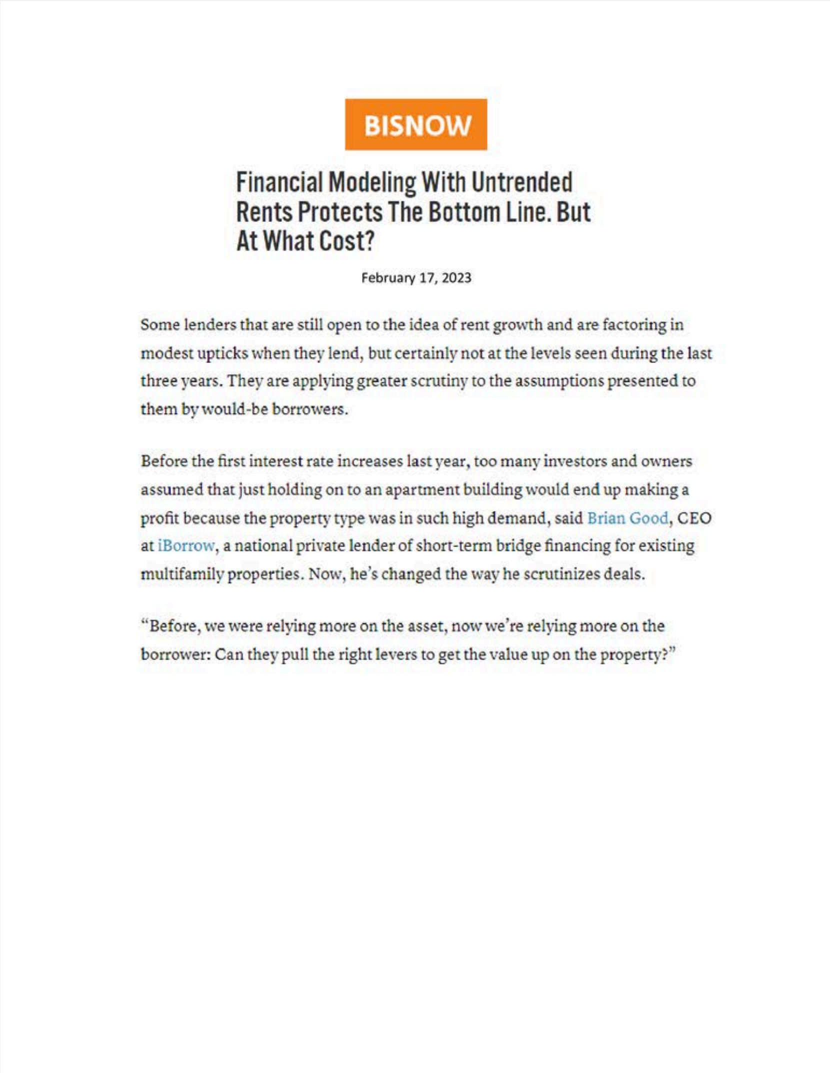

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Financial Modeling With Untrended Rents Protects The Bottom Line. But At What Cost?

February 17, 2023

Some lenders that are still open to the idea of rent growth and are factoring in modest upticks when they lend, but certainly not at the levels seen during the last three years. They are applying greater scrutiny to the assumptions presented to them by would-be borrowers.

Before the first interest rate increases last year, too many investors and owners assumed that just holding on to an apartment building would end up making a profit because the property type was in such high demand, said Brian Good, CEO at iBorrow, a national private lender of short-term bridge financing for existing multifamily properties. Now, he's changed the way he scrutinizes deals.

"Before, we were relying more on the asset, now we're relying more on the borrower: Can they pull the right levers to get the value up on the property?"

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September 22, 2023

iBorrow Provides $5M for Medford Industrial Facility

iBorrow, a nationwide private direct lender for commercial real estate, has closed a $5.14 million loan to finance the acquisition of a 41,000-square-foot industrial facility in Medford, New York.

"Investors, sellers and others cannot simply put their commercial real estate transactions on hold while banks remain on the sidelines," said Brian Good, CEO of iBorrow. "They continue to need access to reliable, transparent financing that allows them to stay on track with their business plans, or to achieve liquidity on a timely basis."

The industrial facility features one loading dock, five drive-in doors, 22' clearance heights, and is situated on a 3.11-acre parcel of land in a submarket with a low 2.6% vacancy rate. The financing will allow the sponsors to make further improvements to the facility and begin leasing it at market rental rates.

September 22, 2023 ONLINE

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in any part of the capital stack. The firm's national portfolio focuses on key gateway cities and its capital partners include both US and international institutional investors, Global 500 institutions and family offices. The Los Angeles-based firm has led more than a dozen landmark real estate projects since its inception in 2012, and it has organically grown to more than $3 billion of assets under management, with more than $5 billion in cumulative transactions closed. The firm launched the Cottonwood Real Estate Founders Fund during the height of the COVID-19 pandemic and it continues to serve as the new cornerstone of the company's ongoing growth. The company is led by founder and CEO Alexander Shing, who is regularly sought out by prominent institutional investors looking for guidance on the best way to unlock value or address operational, financial or structural challenges.

CP CAPITAL US

During the past three decades, since its inception in 1989, CP Capital US (formerly HQ Capital Real Estate) has fine-tuned its rigorous investment approach in order to execute investments in the most efficient way, and it has developed deep relationships and partnered on multiple deals as an equity partner with top national and regional real estate developers, owners, operators and brokers. Delivering value to the commercial real estate finance and equity space as a capital partner and manager of multifamily investments, CP Capital US keeps a pulse on emerging trends in the market, understands how to strategically invest and manage equity, and adapts its investment strategies to capitalize on market cycle, favorable supply and demand fundamentals. CP Capital US has invested in $15 billion worth of US real estate assets on behalf of global institutions, family offices and ultra-high-net-worth individuals. Its investments total more than 70,000 multifamily units and 21 million square feet of commercial space. Beyond being a capital provider, the firm's in-house capabilities include asset and construction management, capital markets, legal, reporting, and tax structuring expertise. During the past year, CP Capital US has entered seven joint-ventures with leading development and management partners to bring best-in-class multifamily projects to high-growth markets. Each new development features class A unit interior finishes and a range of high-end community amenities. In 2021, CP Capital US also facilitated the disposition of 12 properties, representing a total volume of nearly $850 million.

DRIFTWOOD CAPITAL

As a hospitality-focused, vertically-integrated commercial real estate investment, development and lending firm, Driftwood Capital fortuitously had a significant amount of committed capital readily available to deploy at the time of the pandemic, when hotel owners and developers desperately needed capital and traditional senior lenders began to shy away from hospitality lending. Ideally positioned to help the hospitality sector weather the storm, Driftwood Capital launched the Driftwood Lending Partners fund in late 2020, and immediately identified a niche for small- to mid-sized loans. During the fund's first 18 months, DLP participated in more than $900 million of financings for high-quality hotels and sponsors across the country, while simultaneously exploring distressed opportunities, land purchases and purchasing loans that were in default. The company has quickly become a dominating lender within the niche hospitality lending space; primarily offering equity injections, mezzanine loans and well-capitalized joint-venture partnerships. Established in 2015, the company deeply understands the challenges that hotels face in today's unprecedented market. The firm analyzes all lending opportunities through an equity lens and leverages decades of industry knowledge when issuing loans, while its in-house team of experts oversees deal sourcing, underwriting, financing, asset management, operations, development and legal issues. Led by founder, chairman and CEO Carlos Rodriguez Sr. and founder, president and COO Carlos Rodriguez Jr., Driftwood Capital contributes to its communities through support of non-profit organizations and it is also heavily focused on energy and water conservation through building systems and amenities.

FREEDOM FINANCIAL FUNDS LLC

As a proven reliable source of capital, Freedom Financial Funds LLC provides real estate professionals in the western US with the bridge and construction capital that they need to add value to commercial real estate projects. The firm has always been guided by the philosophy of having a plan B, C and D, so when many lenders disappeared in 2020 due to fear or funding issues, Freedom Financial Funds was prepared to assist its clients. This philosophy is discussed in a best-selling book authored by Freedom Financial Funds CEO Michael Klein and principal Stanley Kafka. Written prior to the pandemic, the book is based on a six-step process that the firm follows and its basis proved to withstand the policies and actions that loans and borrowers faced during COVID-19. In April 2020, the firm closed two construction loans, while most lenders were closed for business. With 85% of the firm's annual volume coming from repeat borrowers, Freedom Financial Funds proves to be a bespoke lender that well-qualified borrowers prefer instead of a bank. Founded in 2016, the company has originated and managed $1.6 billion in bridge and construction loans without suffering a single loss and without ever having to foreclose on its collateral.

IBORROW

As traditional lenders have become more conservative in recent months, iBorrow has pioneered the non-bank bridge loan space by delivering a needed source of funds for entrepreneurs. As a non-bank financing source for the commercial real estate market, iBorrow focuses on providing timely financing to typically underserved borrowers, which has driven a shift for real estate entrepreneurs to seek and secure funding from sources other than incumbent banks and has created new opportunities on both the investor and developer sides. Priding itself on applying non-discriminatory lending practices, the firm is focused on creating a vehicle for short-term real estate financing transactions, where the entrepreneur and their visions are seen for the opportunities they are—not just credit ratings and cash flows. As an efficient and reliable commercial real estate lending provider, the firm provides short-term bridge financing to commercial property owners at highly competitive interest rates on a non-recourse basis, and it offers loan closing times as short as two to four weeks. Due to its strong underwriting and understanding of its borrowers' needs, the firm has never missed a funding, its investors have never lost principal, and it has completed more than $1.3 billion in private loans, ranging from $3 million to more than $100 million, since its inception in 2013. During the past three years, iBorrow has closed 65 transactions valuing $850 million and it was on track to double its 2021 origination volume in 2022, while also doubling the size of its team.

KAY PROPERTIES & INVESTMENTS

Established in 2010 with an emphasis on providing real estate investment options to high-net-worth clients looking for passive real estate ownership, Kay Properties & Investments now serves as one of the nation's most experienced investment firms specializing in Delaware Statutory Trust and private equity real estate investments. Led by founder and CEO Dwight Kay, the firm has created one of the largest 1031 exchange and real estate investment online marketplaces. The fully-integrated platform provides clients access to a marketplace of DSTs, independent advice on individual DST sponsor companies, customized DSTs available to only Kay Properties clients, due-diligence and vetting on each DST property, and the industry's first DST secondary market for investors wanting to sell their DST interests prior to the property selling. In 2021, the company's clients participated in thousands of transactions, and the $610 million of equity invested through the Kay Properties platform was invested in more than $8 billion of real estate offerings, totaling 50 million square feet of space nationwide. The firm's investment approach strategies help mitigate the risks of real estate ownership and investment, while maximizing the potential to achieve income, shelter income from tax and realize asset-value appreciation. Kay Properties & Investments is deeply committed to sharing its knowledge of the DTS marketplace. The firm created an educational platform for DST 1031 investors, which includes weekly webinars and interactive conference calls, monthly seminars and workshops, a blog, a podcast, and it offers a custom one-on-one consultation.

KAYNE ANDERSON REAL ESTATE

Alternative investment manager Kayne Anderson Real Estate has been a leading investor in sectors such as medical offices, senior housing, student housing, multifamily and self-storage since its inception in 2007. Proven to be active in all market cycles, the firm provides certainty of efficient execution to borrowers and strong risk-adjusted returns to investors. With more than $14 billion of assets under management across its opportunistic equity, alternative core equity, and real estate debt funds, Kayne Anderson Real Estate primarily invests in Freddie Mac K-deals and it directly originates whole loan solutions. As one of a limited number of Freddie Mac select sponsors, Kayne Anderson Real Estate has developed a $10 billion relationship with Freddie Mac and it is one of its largest borrowers and B-Piece buyers. The firm boasts a highly-seasoned leadership team, a more than 80-person vertically-integrated team, and experienced in-house investment and operations professionals for multi-tiered evaluation and underwriting processes. The company launched its debt platform in 2015 and expanded it in 2018 with the launch of the direct origination lending arm Superean Capital. Since its inception, Superean Capital has originated $3.7 billion in loans, including $2 billion in volume in the first seven months of 2022. In 2022, the firm also closed its largest debt fund with $1.88 billion in capital commitments. Kayne Anderson Real Estate is also a founding governor of the PREA Foundation, which furthers the values of the institutional real estate investment community by advancing industry-wide diversity and inclusion.

LEV

Utilizing proprietary technology that automates transactions, matches lenders with loans and closes deals quickly, Lev aims to help real estate owners and investors access the best financing available. Dedicated to digitizing the space and meeting the demand of fast, digital experiences that mirror the best practices of consumer lending, Lev reimagines industry transactions by bringing speed and transparency to commercial real estate financing through an AI-powered user experience. It has rewritten the rules for commercial real estate financing by ridding lenders and borrowers of lengthy and tedious paperwork, while adding a layer of transparency. Despite launching the company just before the COVID-19 pandemic, co-founders Yaakov Zar and Sammy Greenwall successfully guided Lev through a challenging first year and ended 2021 with more than $1 billion mortgages closed and a company that was five times its original size. Since its inception in 2019, Lev has become one of the industry's top 100 loan originators—having facilitated more than $1.6 billion in just under three years. Closing deals up to three times faster than traditional brokerages, the firm provides quotes 20% faster than the industry average, and 72% of its deals receive more than five quotes within a week of being posted. Lev continues to roll out new technology, work with notable partners and expand into new verticals. Most recently, the firm launched the first open-source lending database for commercial real estate lending, which allows borrowers to search real-time financing options from top commercial real estate lenders.

LONE OAK FUND

Lone Oak Fund continues to grow organically through its relationships within the mortgage brokerage community and its commitment to providing reliable, fast service and flexible, fair pricing. The un-leveraged debt fund provides first trust deeds from $1 million to $50 million on California commercial real estate and non-owner occupied residential properties. As a direct portfolio lender, the firm services all loans in-house, with no prepayment penalties, no minimum yield maintenance and non-recourse. Founded in 2003, Lone Oak Fund plays a vital role in providing bridge financing for time-sensitive and value-add transactions in the private lending space. Often sought out when bank financing is not a viable option, the firm assists borrowers in closing purchases quickly and efficiently. Lone Oak Fund has more than 1,500 investors and more than $1.3 billion in capital. Prior to the pandemic, the company invested heavily in proprietary software for its origination and loan servicing departments and it was committed to making safe, low leverage first trust deeds. Its foresight in these areas enabled a seamless transition for continued efficient work and it allowed the firm to withstand market volatility. The firm's commitment to making safe loans has fueled its growth in recent years. In 2021, Lone Oak Fund funded more than $800 million in new loans, and it expects its 2022 year-end volume to be comparable.

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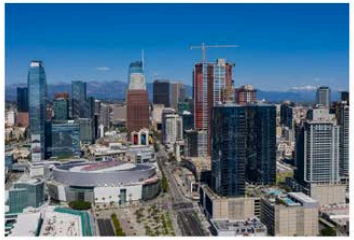
This Week's LA Deal Sheet

January 16, 2023



IBorrow provided a $17.38M refinance loan on two midrenovation multifamily properties — one in Lawndale and the other in Oceanside. The bridge loan from iBorrow will be used to refinance the borrower's existing debt and provide additional funds to complete full unit renovations and capital expenditure work, as well as lease-up.

January 16, 2023 ONLINE

Bisnow (11-02628)

bisnow.com/los-angeles/news/deal-sheet...

Monthly Visits

250K

Monthly Visits

REJournals

December 11, 2023 ONLINE

REJournals (11-086)

rejournals.com/best-practices-for-midwes...

Monthly Visits **40.1K** Monthly Visits

DECEMBER 11, 2023

Best practices for Midwest industrial borrowers as a downturn looms

According to Lee & Associates' Q3 2023 North American Market Report, vacancy rates in key Midwestern markets including Chicago, the Twin Cities, Cincinnati, Columbus and Kansas City, Kansas, all increased in the third quarter on both a year-over-year and quarter-over-quarter basis. Absorption in key Midwestern markets is down year-over-year, as is new space coming online.

For borrowers in the Midwestern industrial segment, then, it will be critical over the next several months to take stock of their various investments and business plans, and to think proactively about working with their lenders to ensure that their loans remain in good standing.

Brian Good, managing partner, iBorrow

Following are some key best practices that can help these borrowers prepare to weather a potential downturn:

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Done Deals

November 14, 2023

iBorrow provides $12.7 million to finance sales-leaseback of former Stellantis industrial facility in Toledo, OH

Toledo, OH- iBorrow, a nationwide private direct lender for commercial real estate, announced the closing of a $12.7 million loan to finance the sale-leaseback of a 208,968 square foot warehousing and distribution facility in Toledo, OH.

The facility was previously owned by a subsidiary of Stellantis, the multinational manufacturer of leading automotive brands including Jeep, Chrysler and Dodge.

To facilitate the transaction, iBorrow customized the financing package to accommodate potential re-leasing activities, including a future funding component for light capex and other costs, and incorporated the ability for the borrower to refinance with long-term debt in the future.

November 14, 2023 ONLINE

Done Deals (11-073)

alex-donedeals.blogspot.com/2023/11/ibo...

Monthly Visits

31.4K

Monthly Visits

NewsBreak

NewsBreak provides latest and breaking Ashburn, VA local news, weather forecast, crime and safety reports, traffic updates, event notices, sports, entertainment, local life...

NEWSBREAK

November 13, 2023

rebusinessonline.com

iBorrow Provides $12.7M Acquisition Loan for Sale-Leaseback of Industrial Facility in Toledo, Ohio

4 days ago

Go to Publisher's website

November 13, 2023 ONLINE

NewsBreak (11-073)

newsbreak.com/toledo-oh/32280266620...

Monthly Visits

2.17M

Monthly Visits

REBusiness Online

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REBUSINESS ONLINE

iBorrow Provides $12.7M Acquisition Loan for Sale-Leaseback of Industrial Facility in Toledo, Ohio

November 13, 2023

TOLEDO, OHIO — iBorrow has provided a $12.7 million loan to finance the sale-leaseback of a 208,968-square-foot industrial facility in Toledo. The property was previously owned by a subsidiary of Stellantis, a manufacturer of brands such as Jeep, Chrysler and Dodge. To facilitate the transaction, iBorrow customized the financing package to accommodate potential re-leasing activities, including a future funding component for light capital expenditures and other costs, and incorporated the ability for the borrower to refinance with long-term debt in the future. The building supports warehousing and logistics operations for a 3 million-square-foot Stellantis manufacturing facility, which is also located in Toledo. The property features a clear height of 34 feet, 102 truck doors and roughly 292 parking spaces. The single-tenant facility is fully leased. The borrower is an owner and operator of industrial real estate properties nationwide.

November 13, 2023 ONLINE

REBusiness Online (11-073)

rebusinessonline.com/iborrow-provides-1...

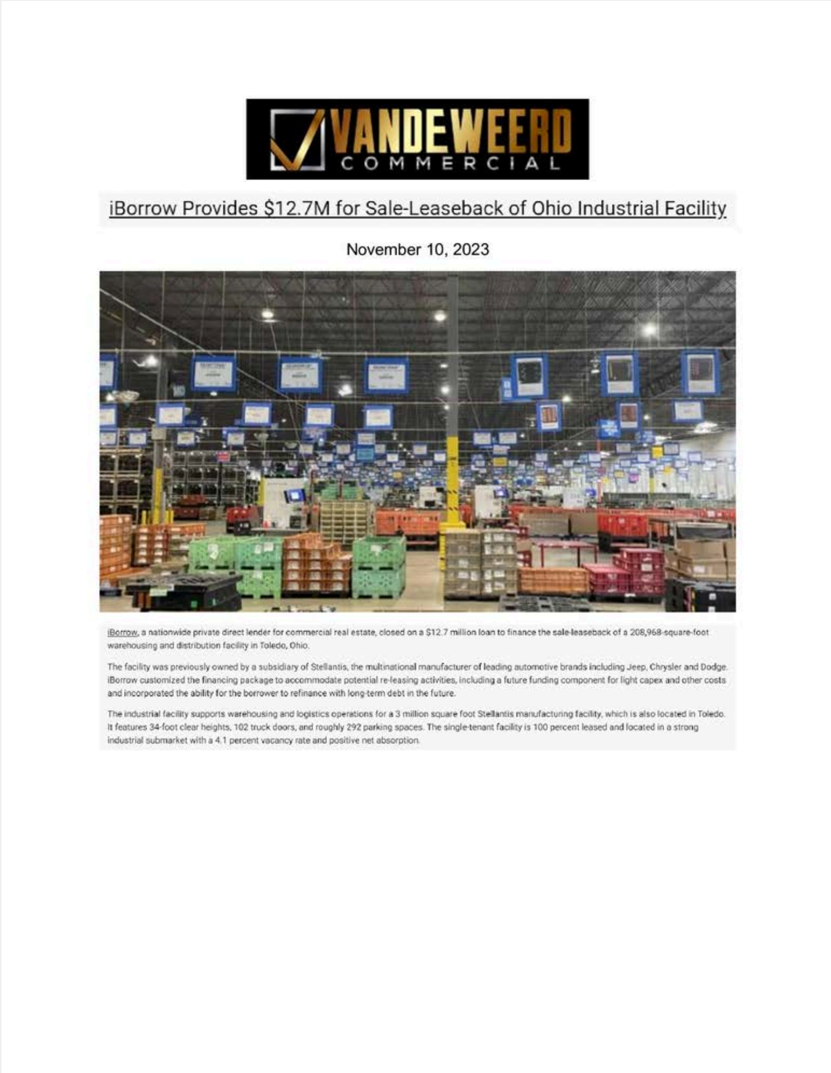
Monthly Visits

93.7K

Monthly Visits

VANDEWEERD COMMERCIAL

Offering customized commercial real estate solutions to investors, developers, entrepreneurs, and business owners nationwide.



VANDEWEERD COMMERCIAL

iBorrow Provides $12.7M for Sale-Leaseback of Ohio Industrial Facility

November 10, 2023

iBorrow, a nationwide private direct lender for commercial real estate, closed on a $12.7 million loan to finance the sale-leaseback of a 208,968-square-foot warehousing and distribution facility in Toledo, Ohio.

The facility was previously owned by a subsidiary of Stellantis, the multinational manufacturer of leading automotive brands including Jeep, Chrysler and Dodge. iBorrow customized the financing package to accommodate potential re-leasing activities, including a future funding component for light capex and other costs and incorporated the ability for the borrower to refinance with long-term debt in the future.

The industrial facility supports warehousing and logistics operations for a 3 million square foot Stellantis manufacturing facility, which is also located in Toledo. It features 34-foot clear heights, 102 truck doors, and roughly 292 parking spaces. The single-tenant facility is 100 percent leased and located in a strong industrial submarket with a 4.1 percent vacancy rate and positive net absorption.

November 10, 2023 ONLINE

Vandeweerd Commercial (11-073)

vandeweerdre.com/iborrow-provides-12-7...

Off Plan Property Exchange

November 10, 2023 ONLINE

Off Plan Property Exchange (11-073)

offplanpropertyexchange.com/news/iborr...

Off Plan Property Exchange

iBorrow Finances Sale-Leaseback of Stellantis Warehouse in Toledo

November 10, 2023

iBorrow, a leading nationwide private direct lender for commercial real estate, recently announced the completion of a significant loan worth $12.7 million. This loan is intended to finance the sale-leaseback of a massive warehousing and distribution facility in Toledo, Ohio, spanning an impressive 208,968 square feet.

Previously owned by a subsidiary of Stellantis, a multinational manufacturer renowned for iconic automotive brands such as Jeep, Chrysler, and Dodge, this facility is an integral part of the company's operations. The funding provided by iBorrow was expertly tailored to cater to potential re-leasing endeavors, accommodating future funding requirements for light capital expenditures and other expenses. Additionally, the loan offers the borrower the opportunity to refinance with long-term debt down the line.

The impressive industrial facility serves as a hub for warehousing and logistics operations for Stellantis' sprawling 3 million square foot manufacturing facility, also based in Toledo. Boasting impressive features like 34-foot clear heights, 102 truck doors, and approximately 292 parking spaces, this single-tenant property is currently fully leased.

Situated in a robust industrial submarket, the facility enjoys a highly favorable location with a low vacancy rate of just 4.1 percent and positive net absorption. The commitment and expertise displayed by iBorrow in customizing this financing package highlight their ability to navigate complex transactions while ensuring long-term advantages for all parties involved.

Source: [Domain URL]

REBusiness Online

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September 26, 2023

iBorrow Provides $5.1M Acquisition Loan for Industrial Property in Medford, New York

MEDFORD, N.Y. — iBorrow, a Los Angeles-based commercial bridge and direct lender, has provided a $5.1 million acquisition loan for a 41,000-square-foot industrial property located in the Long Island community of Medford. The facility sits on 3.1 acres and features a clear height of 22 feet, five drive-in doors and one loading dock, as well as proximity to Montauk Highway and the Long Island Expressway. The borrower was not disclosed.

September 26, 2023 ONLINE

Rebusiness Online (11-048)

rebusinessonline.com/iborrow-provides-5...

Monthly Visits

93.7K

Monthly Visits

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Wednesday, September 20, 2023

iBorrow provides $5 million for acquisition of industrial facility in Medford,NY

Medford, NY, Sept. 20, 2023 – iBorrow, a nationwide private direct lender for commercial real estate, today announced the closing of a $5.14 million loan to finance the acquisition of a 41,000 square foot industrial facility in Medford, NY.

iBorrow was able to structure a customized financing package and close on the transaction quickly, in keeping with the seller's need for liquidity and the sponsor's desire for an expedited closing process.

"With ongoing uncertainty surrounding interest rates and the Fed continuing to consider future rate hikes, banks and other traditional financing sources continue to hang back, putting pressure on CRE investors and developers who need to move forward with their business plans," says **Brian Good**, CEO of iBorrow.

"Fortunately, our team specializes in rapid, in-depth due diligence and structuring, and we were pleased to provide a custom-tailored solution that fit the seller's and sponsor's objectives in this transaction, along with their condensed timeframe."

September 20, 2023 ONLINE

Done Deals (11-048)

alex-donedeals.blogspot.com/2023/09/ib...

Monthly Visits **31.4K** Monthly Visits

REJournals

July 25, 2023 ONLINE

REJournals (11-023)

rejournals.com/iborrow-closes-15-65-milli...

Monthly Visits **40.1K** Monthly Visits

JULY 25, 2023

iBorrow closes $15.65 million loan for refinance of cold-storage industrial facility in Michigan

iBorrow, a nationwide private direct lender for commercial real estate, closed a $15.65 million loan to refinance a 238,575-square-foot cold-storage industrial facility in Taylor, Michigan.

The borrower is a best-in-class national industrial real estate firm that specializes in the acquisition, repurposing and management of manufacturing and distribution facilities across the United States.

The cold storage facility features 27-foot clear heights, 25 dock doors and two drive-in doors, along with 100 car parking spaces, 40 trailer spaces and a new concrete parking lot. The property's proximity to the Norfolk Southern Rail Service and the Detroit Metro Airport, combined with frontage along 1-94, make it an attractive location for a wide range of occupants.

The borrower acquired the property in 2021 at a significantly lower occupancy level and made substantial improvements, allowing it to achieve the property's current 100% occupancy level. In addition to recapitalizing the facility's current financing structure, the transaction with iBorrow will also allow the borrower to make further improvements to the property.

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July 20, 2023

iBorrow Provides $15.65M to Refinance Cold Storage Facility

iBorrow, a nationwide private direct lender for commercial real estate, closed a $15.65 million loan to refinance a 238,575-square-foot cold-storage industrial facility in Taylor, Michigan.

The borrower is a best-in-class national industrial real estate firm that specializes in the acquisition, repurposing and management of manufacturing and distribution facilities across the United States.

The borrower acquired the property in 2021 at a significantly lower occupancy level and made substantial improvements, allowing it to achieve the property's current 100% occupancy level. In addition to recapitalizing the facility's current financing structure, the transaction with iBorrow will also allow the borrower to make further improvements to the property.

"With our strong financing capabilities and consistent risk management practices, iBorrow is well-positioned to serve as a reliable source of funding for borrowers at multiple stages throughout their respective investment cycles," says Brian Good, CEO of iBorrow.

July 19, 2023 ONLINE

Connect CRE (11-023)

connectcre.com/stories/iborrow-provides...

Monthly Visits

121K

Monthly Visits

San Fernando Valley Business Journal

July 19, 2023 ONLINE

San Fernando Valley Business Journal (11-013)

sfvbj.com/featured/local-properties-get-9-...

Monthly Visits

27K

Monthly Visits

SAN FERNANDO VALLEY BUSINESS JOURNAL

THE COMMUNITY OF BUSINESS™

JULY 20, 2023

Local Properties Get $9.2 Million Loan

A $9.2 million loan to refinance a portfolio of three properties, including two in the Valley area, was recently announced. The three properties are a mid-construction 14-unit multifamily property in Toluca Lake; a 9,300-square-foot retail center in Melrose Hill; and a 141,166-square-foot lot of land that has been zoned for residential use Glendale.

iBorrow, a private direct commercial real estate lender based in Sawtelle, is behind the loan.

Brian Good, iBorrow's chief executive, said the construction of the multifamily project is mostly complete, but the borrower needed more time to fully see the project through. The refinancing will enable the borrower to complete construction, which is expected to occur within a two-to-three-month timeframe.

REBusiness Online

REBusinessOnline delivers commercial real estate news to you daily. Covering industrial, multifamily, office, retail real estate and more.

REBUSINESS ONLINE

July 20, 2023

iBorrow Provides $15.6M Loan for Refinancing of Cold Storage Facility in Taylor, Michigan

TAYLOR, MICH. — iBorrow has provided a $15.6 million loan for the refinancing of a 238,575-square-foot cold storage facility in Taylor, a southwest suburb of Detroit. The borrower, a national industrial real estate firm, acquired the asset in 2021 and made substantial improvements. The property, now fully occupied, features a clear height of 27 feet, 25 dock doors, two drive-in doors, parking for 100 cars, 40 trailer spaces and a new concrete parking lot. The borrower intends to make further improvements to the facility, which is situated near Norfolk Southern rail service, the Detroit Metropolitan Wayne County Airport and I-94.

July 19, 2023 ONLINE

REBusiness Online (11-023)

rebusinessonline.com/iborrow-provides-1...

Monthly Visits

93.7K

Monthly Visits

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July 11, 2023

iBorrow Closes on Refi for Mixed Portfolio of LA Properties

iBorrow, a nationwide private direct lender for commercial real estate, closed on a $9.2-million loan to refinance a portfolio of three properties in the Los Angeles area. They include a mid-construction 14-unit multifamily property in the Toluca Lake neighborhood of North Hollywood, a 9,300-square-foot retail center in Los Angeles and a 141,166-square-foot lot in Glendale that has been zoned for residential use.

The loan will enable the borrower to complete construction on the multifamily property, which is expected to occur within a two- to three-month timeframe.

"While construction on the multifamily project is substantially complete, the borrower in this transaction needed additional time and funding to realize their full vision for the project," said Brian Good, CEO of iBorrow."The iBorrow team was able to move quickly to provide a refinancing package that met the borrower's needs for this portfolio of properties."

July 11, 2023 ONLINE

Connect CRE (11-013)

connectcre.com/stories/iborrow-closes-o...

Monthly Visits

49.9K

Monthly Visits

CRE MARKETBEAT

Bringing you the daily commercial real estate investing beat.

CRE MARKETBEAT

July 5, 2023

iBorrow Refinances $42M in Florida, Continuing Expansion

iBorrow, a nationwide private direct lender, recently closed a $41.6 million loan to refinance five properties in Palm Beach. The portfolio consists of two multifamily buildings with 16 and 12 units respectively, as well as three single-family homes totaling 32,636 square feet. The luxury single-family residence is 9122 square feet and features six bedrooms, seven and a half bathrooms plus amenities such as swimming pool and private dock with lake access.

Andy Peltz co-executive chairman of iBorrow commented on the transaction: "This $41.6 million refinancing in an attractive market showcases two key elements of our value proposition: flexibility & speed" He added that Florida will remain an important part of their lending strategy due to its strong real estate fundamentals & growth potentials

July 05, 2023 ONLINE

CRE MarketBeat (11-02)

cremarketbeat.com/iborrow-refinances-4...

Monthly Visits

472

Monthly Visits

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July 5, 2023

iBorrow Continues Push into Florida with $42M Refi

Nationwide private direct lender iBorrow has closed a $41.6 million loan to refinance a portfolio of five properties in Palm Beach. The portfolio consists of two multifamily properties, a luxury single-family home and two additional single-family homes, totaling 32,636 square feet.

The multifamily properties include 16 and 12 units, respectively. The luxury single-family residence in the portfolio totals approximately 9,122 square feet and includes six bedrooms, seven and a half bathrooms, a swimming pool, and a private dock with lake access.

"This $41.6 million refinancing in a highly desirable market provides a powerful demonstration of two of the key pillars of iBorrow's value proposition: flexibility and speed," says Andy Peltz, co-executive chairman of iBorrow. "Florida is and will continue to be a big part of our overall lending strategy as we believe in the fundamentals and growth of the state's real estate market."

July 05, 2023 ONLINE

Connect CRE (11-02)

connectcre.com/stories/iborrow-continue...

Monthly Visits

49.9K

Monthly Visits

MBA Newslink

MBA Subscription Industry news source covering the latest residential, commercial and multifamily real estate finance news from national newspapers and MBA journalists....

July 03, 2023 ONLINE

MBA Newslink (11-02)

newslink.mba.org/mba-newslinks/2023/ju...

MBA NEWSLINK®
THE DAILY NEWSLETTER OF THE MORTGAGE BANKERS ASSOCIATION
July 3, 2023

Dealmaker: iBorrow Closes $42M Loan to Refinance Palm Beach Properties

iBorrow, Los Angeles, closed a $41.6 million loan to refinance a portfolio of five properties in Palm Beach, Fla.

The properties include two multifamily buildings and three single-family homes.

"Our borrower needed to close quickly due to the upcoming maturity of the initial loan on the properties, while organizing the redevelopment of the other assets," said Andy Peltz, Co-Executive Chairman of iBorrow. "We were able to move expediently while structuring the loan with certain release provisions to allow the borrower to have flexibility in its future plans."

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June 29, 2023

iBorrow provides $41.6 million to refinance portfolio of multifamily and residential properties in Palm Beach, FL, continuing its push into the Florida lending market

Los Angeles, CA – iBorrow, a nationwide private direct lender for commercial real estate, has closed a $41.6 million loan to refinance a portfolio of five properties in Palm Beach, Florida, expanding its lending presence in the Florida market.

The portfolio consists of two multifamily properties, a luxury single-family home and two additional single-family homes, totaling 32,636 square feet.

"This $41.6 million refinancing in a highly desirable market provides a powerful demonstration of two of the key pillars of iBorrow's value proposition: flexibility and speed," says **Andy Peltz**, Co-Executive Chairman of iBorrow.

"Our borrower needed to close quickly due to the upcoming maturity of the initial loan on the properties, while organizing the redevelopment of the other assets.

Andy Peltz

June 28, 2023 ONLINE

Done Deals (11-02)

alex-donedeals.blogspot.com/2023/06/ib...

Monthly Visits

1.75K

Monthly Visits

Connect CRE National

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National

March 23, 2023

Brian Good

The experts also indicated that the debt maturity issue doesn't just involve asset type. Certain loan types might be more vulnerable to debt maturity challenges than others. Kadish noted, above, that maturing bridge loans might be problematic. Also mentioned frequently are Commercial Mortgage-Backed Securities. And getting back to the office segment, many of those maturing loans are held by CMBS.

"This will result in different dynamics for the borrower and the property than say, a multifamily property with a commercial loan from a local bank that is maturing and needs to be financed," according to iBorrow's Good.

But not all CMBS loans might be problematic in the coming years. Kadish explained that 10-year CMBS loans issued in 2013 across all commercial property sectors were refinanced before interest rates began to rise. That debt is "now safely refinanced with low-cost, fixed-rate debt," he added.

March 23, 2023

PRINT

Connect CRE National (11-036)

connectcre.com/stories/debt-maturity-wh...

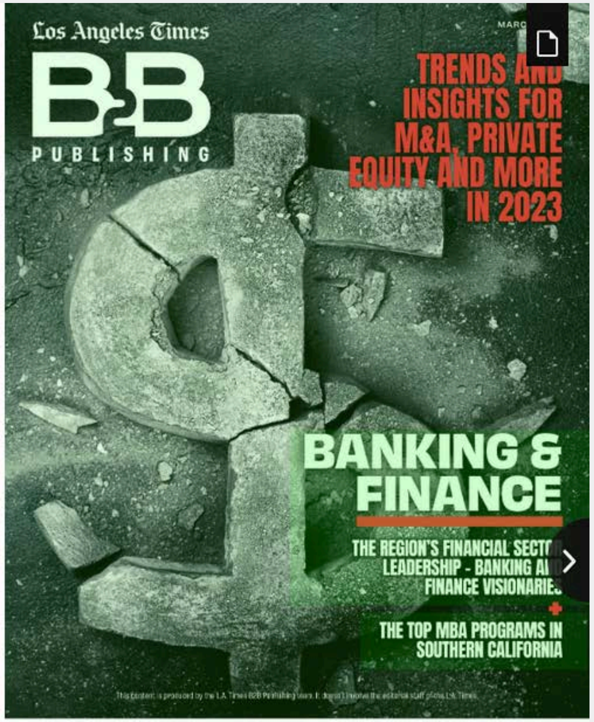
Monthly Visits

45.9K

Monthly Visits

Los Angeles Times: B&B

Digital Revenue Solutions for Media Companies



March 17, 2023 ONLINE

Los Angeles Times: B&B (11-02621)

npaper2.com/business--visionaries/2023/...

Monthly Visits

7.35K

Monthly Visits

REBusiness Online

REBUSINESS ONLINE

published by France Media Inc.

March 14, 2023

Midwest News

Unibail-Rodamco-Westfield to Add 200,000 SF of Healthcare Space at Westfield Old Orchard Mall in Skokie, Illinois

Crestlight Capital Acquires 1.1 MSF Industrial Portfolio Near Detroit Metro Airport

iBorrow Provides $13.5M Loan for Refinancing of Two Industrial Properties in Michigan, Indiana

Marcus & Millichap Arranges $9.5M Sale of Retail Property in Woodridge, Illinois

March 14, 2023 OTHER

REBusiness Online Newsletter (11-013)

rebusinessonline.com/iborrow-provides-1...

Monthly Visits

65.4K

Monthly Visits

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iBorrow Provides $13.5M Loan for Refinancing of Two Industrial Properties in Michigan, Indiana

March 14, 2023

ALMA, MICH. AND MUNSTER, IND. — iBorrow has provided a $13.5 million loan for the refinancing of two industrial properties in Alma and Munster. The two manufacturing facilities are fully leased and total 301,000 square feet. The loan will enable the borrower to refinance $12 million in existing debt on the portfolio, as well as recapitalize the ownership structure by buying out an equity partner. The properties are located at 2000 Michigan Ave. in Alma, a city in central Michigan, and 9325 Kennedy Court in Munster, a city in Northwest Indiana.

March 14, 2023 ONLINE

REBusiness Online (11-013)

rebusinessonline.com/iborrow-provides-1...

Monthly Visits	65.4K Monthly Visits

MBA Newslink

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MBA NEWSLINK®

THE DAILY NEWSLETTER OF THE MORTGAGE BANKERS ASSOCIATION

Dealmaker: iBorrow Provides $14M for Midwest Industrial Properties

March 13, 2023

iBorrow, Los Angeles, provided $13.5 million for two fully leased single-tenant industrial properties in Michigan and Indiana.

The manufacturing facilities at 2000 Michigan Ave. in Alma, Mich., and 9325 Kennedy Court in Munster, Ind., total 301,000 square feet; automotive and heavy gauge steel industries firms occupy the respective properties.

iBorrow CEO Brian Good noted the loan helped the borrower refinance $12 million in existing debt on the portfolio as well as recapitalize the ownership structure by allowing the borrower to buy out an equity partner.

"While the sponsor had a fast-approaching hard deadline, iBorrow was able to quickly complete the underwriting process and close the loan in just three weeks," Good said.

The Midwest industrial sector has experienced significant growth in recent years, due in part to the region's central location and excellent transportation infrastructure, which allows companies to move goods throughout the country.

"This deal was attractive to us due to the strength of the borrower, the locations of the two properties and the long-term lease agreements in place," Good said. "These assets perfectly demonstrate the strong demand for well-located industrial buildings in the Midwest."

Good noted the Michigan property sits in a robust industrial market with a 1.85% vacancy rate, while the Indiana property is within a Chicago submarket near the Illinois border and has easy access to interstate highways.

March 13, 2023

ONLINE

MBA Newslink (11-013)

newslink.mba.org/mba-newslinks/2023/m...

Monthly Visits

38K

Monthly Visits

Connect CRE Chicago & Midwest

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Chicago & Midwest

March 10, 2023

iBorrow Arranges Financing on Manufacturing Facilities in Michigan and Indiana

iBorrow, a nationwide private direct lender for commercial real estate, has provided a $13.5-million loan collateralizing two fully leased single-tenant industrial properties, one in Alma, MI and a second in Munster, IN. The two manufacturing facilities total 301,000 square feet and are leased to reputable tenants in the automotive and heavy gauge industries.

According to iBorrow's CEO Brian Good, the loan was structured to help the undisclosed borrower refinance $12 million in existing debt on the portfolio, as well as recapitalize the ownership structure by allowing the borrower to buy out an equity partner.

"While the sponsor had a fast-approaching hard deadline, iBorrow was able to quickly complete the underwriting process and close the loan in just three weeks," said Good. "We ultimately provided a customized financing solution to meet the borrower's tight timeline in a unique situation."

March 10, 2023 ONLINE

Connect CRE Chicago & Midwest (11-013)

connectcre.com/stories/iborrow-arranges...

Monthly Visits

45.9K

Monthly Visits

LODGING Magazine

LODGING is the official publication of AHLA — hotel news, lodging news, hotel business tips, hospitality industry coverage, and hotel trends.

LODGING

iBorrow and Rueben Brothers Provide Financing for Property Formerly Known as the Standard Hotel

March 1, 2023

WEST HOLLYWOOD, California—iBorrow announced that it has provided financing to Ian Schrager and Ed Scheetz to enable their acquisition of a 139-key hotel property formerly known as the Standard Hotel in West Hollywood, California. The $86.7 million loan was funded through a co-lending partnership between iBorrow and Reuben Brothers.

"We've observed that the hospitality sector has experienced increasing demand in gateway cities, including Los Angeles, and we are confident in the ability of this successful and experienced team of hotel operators to execute on their plan as West Hollywood continues to draw tourists," said Andy Peltz, co-executive chairman at iBorrow. "iBorrow continues to be drawn to opportunities in the hospitality sector that involve well-located assets and sound business plans, including renovation and repositioning."

David Reuben Jr. said, "Ian Schrager and Ed Scheetz identified an opportunity to acquire this historic property located in the heart of the Sunset Strip, an iconic tourist destination, and plan to renovate and rebrand the hotel to the PUBLIC Hotel flag, which required a creative and flexible financing structure. We were able to assist by providing funds in a timely manner that were sufficient to support the acquisition and the process of obtaining the permits needed to execute the long-term business plan—especially as the property will remain non-operational through the term of the loan."

March 01, 2023 ONLINE

LODGING Magazine (11-02701)

lodgingmagazine.com/iborrow-and-ruebe...

Monthly Visits

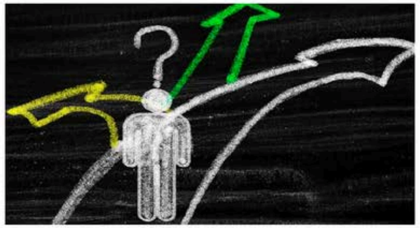
32.6K

Monthly Visits

Real Assets Advisor

Commercial real estate investment publications, news, trends, resources and events for America, Europe, & Asia Pacific.

INSTITUTIONAL REAL ESTATE, INC.



AMERICAS - MARCH 1, 2023: VOL. 35, NUMBER 3

Split decision: Borrowers are likely to find 2023 to be a tale of two halves

Federal Reserve actions, their impact on the trajectory and shape of the term structure of interest rates, and the consequential impact on financial markets and the economy are the key questions in first quarter 2023. Regardless of one's prediction about the duration of Fed intervention, rates are likely going higher, which will have a wide range of impacts on the commercial real estate market.

From a borrower's most basic point of view, the prospect of higher interest rates in 2023 — added to the increases of 2022 — means higher borrowing costs, higher cap rates and lower property values. From a lender's point of view, higher interest rates have caused many lenders to throttle back or suspend their plans to lend, substantially limiting the availability of credit, which adds further pressure to rates. Also, many lenders who are themselves borrowing from floating-rate leverage lines to fund loans to their borrowers have found themselves squeezed, both because of the

March 01, 2023 ONLINE

Institutional Real Estate, Inc. (11-02490)

irei.com/publications/article/split-decision...

Monthly Visits

31.9K

Monthly Visits

Connect CRE

connectcre

February 23, 2023

iBorrow Provides $87M Acquisition Financing for Historic LA Hotel

Commercial real estate lender iBorrow has provided financing to hoteliers Ian Schrager and Ed Scheetz to enable their acquisition of the former 139-key Standard Hotel property at 8300 Sunset Boulevard in West Hollywood, CA. The $86.7 million loan was funded through a co-lending partnership between iBorrow and Reuben Brothers.

Schrager and Scheetz plan on renovating the historic property on the Sunset Strip, and will rebrand the hotel to the PUBLIC Hotel flag. According to a news release, a creative and flexible financing structure was needed, especially as the property will remain non-operational through the term of the loan.

"We've observed that the hospitality sector has experienced increasing demand in gateway cities, including Los Angeles, and we are confident in the ability of this successful and experienced team of hotel operators to execute on their plan as West Hollywood continues to draw tourists," said Andy Peltz, Co-Executive Chairman at iBorrow.

March 01, 2023 ONLINE

Connect CRE Newsletter (11-02701)

connectcre.com/stories/iborrow-provides...

Monthly Visits **45.9K** Monthly Visits

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MBA NEWSLINK

Dealmaker: iBorrow, Reuben Brothers Provide $87M for West Hollywood Hotel

February 28, 2023

iBorrow, Los Angeles, and Reuben Brothers, London, provided $86.7 million for a hotel formerly known as the Standard Hotel in West Hollywood, Calif.

The bridge financing allowed sponsors Ian Schrager and Ed Scheetz to acquire the 139-key property at 8300 Sunset Boulevard in West Hollywood.

"We've observed that the hospitality sector has experienced increasing demand in gateway cities, including Los Angeles, and we are confident in the ability of this successful and experienced team of hotel operators to execute on their plan as West Hollywood continues to draw tourists," said Andy Peltz, iBorrow Co-Executive Chairman.

CBRE, Dallas, recently forecast increased revenue per available room growth for the hotel industry in 2023 despite economic challenges. The report said the sector should see growth in demand for leisure and corporate travel.

February 28, 2023 ONLINE

MBA Newslink (11-02701)

newslink.mba.org/mba-newslinks/2023/f...

Monthly Visits

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published by France Media Inc.

iBorrow, Reuben Brothers Provide $86.7M Acquisition Loan for Standard Hotel in West Hollywood

February 28, 2023

WEST HOLLYWOOD, CALIF. — iBorrow and Reuben Brothers, through a co-lending partnership, have funded a $86.7 million loan for the acquisition of a hotel asset in West Hollywood. The borrowers, Ian Schrager and Ed Scheetz, will use the loan to purchase 139-room property formerly known as the Standard Hotel.

The buyers plan to renovate the asset and rebrand the hotel to the PUBLIC Hotel flag. The hotel is located at 8300 Sunset Blvd.

February 28, 2023 ONLINE

REBusiness Online (11-02701)

rebusinessonline.com/iborrow-reuben-br...

Monthly Visits

65.4K

Monthly Visits

REBusiness Online

REBUSINESS ONLINE
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February 28, 2023

Western News

iBorrow, Reuben Brothers Provide $86.7M Acquisition Loan for Standard Hotel in West Hollywood

EAH Housing Breaks Ground on $58M Affordable Seniors Housing Community in Hilo, Hawaii

First Industrial Plans 1 MSF First Stockton Logistics Center in Stockton, California

IPA Negotiates Sale of 240-Unit Mountain Park Apartments in Phoenix

Bascom Group Acquires 230-Unit Active Adult Community in Lakewood, Colorado

February 28, 2023 OTHER

REBusiness Online Newsletter (11-02701)

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Monthly Visits

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Hotel Business

HB
HOTEL BUSINESS

February 24, 2023

Schrager receives financing for purchase of former Standard Hotel

iBorrow, a nationwide private lender for commercial real estate, has provided financing to Ian Schrager and Ed Scheetz to enable their acquisition of a 139-key hotel property formerly known as the Standard Hotel in West Hollywood, CA. The $86.7-million loan was funded through a co-lending partnership between iBorrow and Reuben Brothers.

"We've observed that the hospitality sector has experienced increasing demand in gateway cities, including Los Angeles, and we are confident in the ability of this successful and experienced team of hotel operators to execute on their plan as West Hollywood continues to draw tourists," said Andy Peltz, co-executive chairman, iBorrow. "iBorrow continues to be drawn to opportunities in the hospitality sector that involve well-located assets and sound business plans, including renovation and repositioning."

David Reuben Jr., co-owner, Reuben Brothers, said, "Ian Schrager and Ed Scheetz identified an opportunity to acquire this historic property located on the Sunset Strip, an iconic tourist destination, and plan to renovate and rebrand the hotel to the Public Hotel flag, which required a creative and flexible financing structure. We were able to assist by providing funds in a timely manner that were sufficient to support the acquisition and the process of obtaining the permits needed to execute the long-term business plan—especially as the property will remain non-operational through the term of the loan."

February 24, 2023 ONLINE

Hotel Business (11-02701)

hotelbusiness.com/schrager-receives-fina...

Monthly Visits

30.4K

Monthly Visits

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RENTV
Real Estate News & Media

Ian Schrager and Ed Scheetz Acquire Former Standard Hotel in West Hollywood for Rebranding into a PUBLIC Hotel property

2/24/23

Ian Schrager and Ed Scheetz recently purchased the 139-key hotel property formerly known as the Standard Hotel in West Hollywood. The hotel property is located at 8300 Sunset Blvd, midway between La Cienega and Crescent Heights Blvds in the heart of the Sunset Strip.

The acquisition was funded with an $86.7 mil loan that was funded through a co-lending partnership between iBorrow and Reuben Brothers. The buyers plan to renovate and rebrand the hotel to the PUBLIC Hotel flag. The new loan will support the property acquisition and the process of obtaining the permits needed to execute the long-term business plan—especially as the property will remain non-operational through the term of the loan.

According to a recent report, CBRE forecasts increased RevPAR growth for the hotel industry in 2023, despite economic challenges. The industry is expected to see growth in demand for leisure and corporate travel, driven by the increasing availability of COVID-19 vaccines, pent-up demand, and a shift towards remote work.

February 24, 2023 ONLINE

RENTV (11-02701)

rentv.com/content/homepage/mainnews/...

Monthly Visits

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February 24, 2023

Los Angeles Adaptive Reuse & Repositioning

Cinema Operator Cineworld Receives Zero Bids For U.S. Assets

Hoteliers Land $87M Acquisition Loan For Former Standard Hotel In West Hollywood

Wayfair Abandons Plans For 1.2M SF Warehouse Already Under Construction

February 24, 2023 ONLINE

Bisnow Social: Morning Brief Newsletter (11-02701)

connectcre.com/stories/iborrow-provides...

Monthly Visits

11K

Monthly Visits

Commercial RealEstate Direct

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iBorrow, Reuben Brothers Lend $86.7Mln for West Hollywood, Calif., Hotel

February 23, 2023 in General News

IBorrow has partnered with Swiss hedge-fund operator Reuben Brothers to provide $86.7 million of mortgage financing to facilitate the purchase of the 139-room Standard Hotel in West Hollywood,...

February 23, 2023 ONLINE

Commercial RealEstate Direct (11-02701)

crenews.com/2023/02/23/iborrow-reube...

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3.54K
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California

February 23, 2023

iBorrow Provides $87M Acquisition Financing for Historic LA Hotel

Commercial real estate lender iBorrow has provided financing to hoteliers Ian Schrager and Ed Scheetz to enable their acquisition of the former 139-key Standard Hotel property at 8300 Sunset Boulevard in West Hollywood, CA. The $86.7 million loan was funded through a co-lending partnership between iBorrow and Reuben Brothers.

Schrager and Scheetz plan on renovating the historic property on the Sunset Strip, and will rebrand the hotel to the PUBLIC Hotel flag. According to a news release, a creative and flexible financing structure was needed, especially as the property will remain non-operational through the term of the loan.

"We've observed that the hospitality sector has experienced increasing demand in gateway cities, including Los Angeles, and we are confident in the ability of this successful and experienced team of hotel operators to execute on their plan as West Hollywood continues to draw tourists," said Andy Peltz, Co-Executive Chairman at iBorrow.

February 23, 2023 ONLINE

Connect CRE California (11-02701)

connectcre.com/stories/iborrow-provides...

Monthly Visits

45.9K

Monthly Visits

The Real Deal

The leading source for real estate news and information. Covering the deals, developments and policies that matter the most.

THE REAL DEAL

Reuben Brothers finance Schrager's purchase of former Standard hotel in Hollywood

Ian Schrager and Ed Scheetz bought the 139-key hotel for $112.5M in early February

February 23, 2023

The Reuben brothers helped finance Ian Schrager and Ed Scheetz's recent acquisition of the former Standard hotel in Hollywood.

David and Simon Reuben, the U.K.-based investor brothers, teamed up with iBorrow, a bridge loan borrower, to lend $86.7 million in financing for the acquisition, iBorrow announced on Thursday.

Schrager and Scheetz bought the property for $112.5 million earlier this month, records show, after a year of litigation-related delays over a billboard on the property. The two are planning to reopen the 139-key hotel under Schrager's Public hotel brand.

The loan is due on Feb. 1, 2024, according to documents filed with L.A. County. The property will not open until after the loan matures, according to a statement from David Reuben.

February 23, 2023

ONLINE

The Real Deal (11-02701)

therealdeal.com/la/2023/02/23/reuben-b...

Monthly Visits

871K

Monthly Visits

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MBA Subscription Industry news source covering the latest residential, commercial and multifamily real estate finance news from national newspapers and MBA journalists....

MBA

MORTGAGE BANKERS ASSOCIATION

Commercial/Multifamily Briefs

February 8, 2023

iBorrow, Oaktree Capital Management Expand Their CRE Loan Program
iBorrow, Los Angeles, expanded its partnership with funds managed by Oaktree Capital Management L.P. and renewed its senior credit facility through Encina Lender Finance and Webster Bank.

iBorrow has been providing commercial real estate bridge loans to investors and developers since 2013, and has been partnering with Oaktree since 2021. The firm focuses on non-recourse real estate loans in the $3 million to $100+ million size range for borrowers that have deep expertise in the acquisition, renovation, and sale/refinance of commercial real estate assets.

"Access to this renewed credit facility will enable iBorrow, in partnership with Oaktree, to pursue additional financing opportunities for real estate investors across the United States and grow our loan portfolio at a time when there is heightened demand for private financing programs like ours," said Andrew Smith, Partner at iBorrow.

February 08, 2023 ONLINE

MBA Newslink (11-02629)

newslink.mba.org/cmf-newslinks/2023/fe...

Monthly Visits

38K

Monthly Visits

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Debt, Equity and Finance Rainmakers In CRE

February 3, 2023

IBORROW As traditional lenders have become more conservative in recent months, iBorrow has pioneered the non-bank bridge loan space by deliver-ing a needed source of funds for entrepreneurs. As a non-bank financing source for the commercial real estate market, iBorrow focuses on providing timely financing to typically underserved borrowers, which has driven a shift for real estate entrepreneurs to seek and secure fund-ing from sources other than incumbent banks and has created new opportunities on both the investor and developer sides. Priding itself on applying non-discriminatory lending practices, the firm is focused on creating a vehicle for short-term real estate financing transactions, where the entrepreneur and their visions are seen for the opportunities they are—not just credit ratings and cash flows. As an efficient and reliable commercial real estate lending provider, the firm provides short-term bridge financing to commercial property owners at highly com-petitive interest rates on a non-recourse basis, and it offers loan closing times as short as two to four weeks. Due to its strong underwriting and understanding of its borrowers' needs, the firm has never missed a funding, its investors have never lost principal, and it has completed more than $1.3 billion in private loans, ranging from $3 million to more than $100 million, since its inception in 2013. During the past three years, iBorrow has closed 65 transactions valuing $850 million and it was on track to double its 2021 origination volume in 2022, while also doubling the size of its team.

February 03, 2023

ONLINE

GlobeSt (11-02288)

globest.com/2023/02/03/rainmakers-in-c...

Monthly Visits

160K

Monthly Visits

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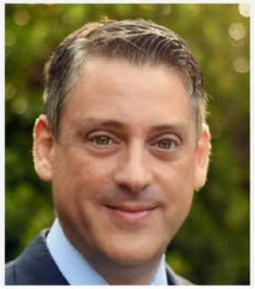
Done Deals

Tuesday, January 31, 2023

iBorrow and Oaktree expand their commercial real estate program



- **Los Angeles, CA –** iBorrow, a nationwide private direct lender for commercial real estate, announced the expansion of its partnership with funds managed by Oaktree Capital Management L.P. ("Oaktree"), and the renewal of its senior credit facility through Encina Lender Finance ("Encina") and Webster Bank ("Webster").

iBorrow has been providing commercial real estate bridge loans to investors and developers since 2013, and has been partnering with Oaktree since 2021.

The firm focuses on non-recourse real estate loans in the $3 million to $100+ million size range for borrowers that have deep expertise in the acquisition, renovation, and sale/refinance of commercial real estate assets.

January 31, 2023

ONLINE

Done Deals (11-02629)

alex-donedeals.blogspot.com/2023/01/ib...

Monthly Visits

481

Monthly Visits

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January 30, 2023

Latest News

> Oaktree, iBorrow expand JV to boost originations up to $1 billion in 2023
> Comunidad lands $400m Freddie Mac affordable housing finance package
> New York lenders brace for potential mezzanine, preferred equity recording tax

January 30, 2023 OTHER

Real Estate Capital USA Newsletter (11-02629)

recapitalusa.com/oaktree-iborrow-expan...

Monthly Visits

7.35K

Monthly Visits

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Real Estate Capital USA

Oaktree, iBorrow expand JV to boost originations up to $1 billion in 2023

January 30, 2023

The Los Angeles-based duo originate fixed- and floating-rate loans of up to $100m on value-added properties.

January 30, 2023 ONLINE

Real Estate Capital USA (11-02629)

recapitalusa.com/oaktree-iborrow-expan...

Monthly Visits

7.35K

Monthly Visits

Commercial Mortgage Alert

Green Street

Commercial Mortgage Alert

THE WEEKLY UPDATE ON REAL ESTATE FINANCE & SECURITIZATION

JANUARY 27, 2023

THE GRAPEVINE

Gregg Delany and **Kenneth Lorman** have left **Eyzenberg & Co.** to join **X-Caliber Capital** as executive managing directors. They started this month as bridge-loan originators in the firm's Irvington, N.Y., headquarters. Lorman reports to Delany, who reports to CEO **Christopher Callahan.** Both new hires were managing directors at Eyzenberg. Delany spent five years there after earlier stints at **Greenwich Group International** and **MC-Five Mile.** Lorman joined Eyzenberg last January after five-plus years at **Lee & Associates.**

Cushman & Wakefield has hired a senior broker in Washington. **Alex Basile** joined on Jan. 23 as an executive director, working alongside

See GRAPEVINE on Back Page

JV Eyeing Debt For Massive LA Studio Project

A partnership between **Bain Capital** and **Bardas Investment** is seeking $408 million of financing for one of the biggest Hollywood studios to be constructed in decades.

The project, dubbed Echelon Studios, will encompass five soundstages with nearly 100,000 sf, along with 339,000 sf of creative-office space and 95,000 sf of office space in individual bungalows. The complex, on Santa Monica Boulevard, also likely will have a retail component. Bain and Bardas plan to break ground this summer, with completion set for around yearend 2025.

The joint venture is taking proposals to finance the development via advisor **Cushman & Wakefield.**

The venture paid $81.9 million for the 5-acre parcel in February 2021 and shortly thereafter proposed to redevelop it as an office and production facility. The property uses the address 5601 Santa Monica Boulevard but occupies the full block

See STUDIO on Page 13

CMBS Lenders To Provide Life-Science Loan

Blackstone has lined up a $400 million CMBS loan from **Goldman Sachs** and **Wells Fargo** to finance a laboratory-and-office complex in South San Francisco.

There is no outstanding debt on Gateway of Pacific 2, which the fund giant owns via its **BioMed Realty** division. The collateral for the five-year, fixed-rate mortgage comprises two connected buildings with 441,000 sf of lab and office space at 750 Gateway Boulevard. There's also a garage at 760 Gateway Boulevard that doesn't generate revenue.

Goldman and Wells intend to securitize the interest-only debt via a stand-alone CMBS offering that's expected to price within the next two weeks (BX 2023-LIFE). **Eastdil Secured** is advising Blackstone on the financing, which is slated for origination on or before the closing of the CMBS transaction.

The 5.5-acre property, completed in 2021, was appraised at $700 million by **Newmark** as of Jan. 2. That translates to a loan-to-value ratio of 57.1%. The debt yield

See LENDERS on Page 13

Related, Alta Out For Miami Condo Financing

A joint venture that's planning to build a high-end condominium tower in Miami's Arts & Entertainment District is looking for $259 million of financing for the project.

Local investors **Related Group** and **Alta Developers** have begun preliminary work on the 317-unit Casa Bella Residences. They're in the market for the loan via **Newmark** and are casting a relatively wide net for financing options.

The planned 57-story tower, at 1444 Biscayne Boulevard, was designed by architecture firm **B&B Italia.** The condos are slated to have luxury-level finishes such as private elevators with biometric security, Sub-Zero refrigerators and Wolf ceramic glass cooktops. They also will have views of the city and Biscayne Bay.

The building is to have a two-floor suite of amenities that will include a fitness and wellness center, entertainment areas, a game room, a playroom, conference and coworking space, and a beauty salon. There would be a pool with a deck and

See CONDO on Page 11

January 27, 2023 OTHER

Commercial Mortgage Alert (11-02629)

Monthly Visits

2.75K

Monthly Visits

AJ Capital Seeks To Refi Six Hotels

AJ Capital Partners is making the rounds with lenders in a bid to refinance a hotel portfolio with $238 million of debt.

The collateral for the financing package would be six properties, encompassing about 1,145 rooms, that fly AJ's Graduate flag. The Nashville-based investment manager and hotel operator is reaching out to lenders via **Eastdil Secured.** The preference is for a floating-rate loan running five years.

All the hotels were completed within the last four years near major colleges — consistent with AJ's business model for the Graduate brand of developing near schools, hospitals or medical-research facilities. They are:

- The Graduate Eugene, a 275-room hotel at 66 East Sixth Avenue in Eugene, Ore., half a mile from the **University of Oregon.**
- The Graduate Fayetteville, a 234-room property at 70 North East Avenue in Fayetteville, Ark., half a mile from the **University of Arkansas.**
- The Graduate Annapolis, a 215-room hotel at 126 West Street in Annapolis, Md., half a mile from the **U.S. Naval Academy.**
- The Graduate Columbus, a 171-room property at 750 North High Street in Columbus, Ohio, a little over a mile from **Ohio State University.**
- The Graduate State College, a 150-room hotel at 125 South Atherton Street in State College, Pa., two blocks from **Pennsylvania State University's** campus.
- The Graduate Palo Alto, a 100-room hotel at 488 University Avenue in Palo Alto, Calif., half a mile from the **Stanford University** campus.

The Palo Alto hotel opened a month ago. The remaining properties opened in 2019. Leverage on the new loan would be around 51%, pegging the portfolio's value at roughly $465 million.

AJ, also known as Adventurous Journeys, invests in several sectors but controls a concentration of hotel and resort properties in the U.S. and U.K. It launched the Graduate hotel brand in 2014 and now lists 33 of the properties on its website, with at least two more under development. ❖

Greystone Refis Michigan Apartments

Greystone has originated a $100.1 million **Fannie Mae** mortgage to refinance a Detroit-area apartment property that had been backing a floating-rate **Freddie Mac** loan.

The new fixed-rate loan, which closed on Dec. 30, has a five-year, interest-only term. The collateral is the 504-unit 83 West, owned by **Embassy Group**, an Airmont, N.Y.-based investment firm led by **Yshia David Willner.**

The 93%-occupied complex was valued at roughly $159 million, putting the loan-to-value ratio at 63%. **AMP Residential**, a borrower-affiliated firm based in Indianapolis, manages the complex.

Embassy acquired the garden-style property in 2018 using Freddie financing. The firm refinanced it with another Freddie loan, totaling $100 million, in 2021. That debt was securitized in a K deal that same year (2021-KF122). The new fixed-rate Fannie loan provides a lower rate than the recent yield on the 2021-vintage floater, given the roughly 425-bp runup in SOFR since then.

The complex is at 6423 Silverbrook West in West Bloomfield, 25 miles northwest of downtown Detroit. It was built in 1986 and renovated in 2019. Rents start at about $1,700 for two-bedroom units. Roughly 30% of apartments are affordable to tenants earning 80% of the area median income, a key metric for Fannie's affordable-housing goals.

Units have private entrances, attached garages and balconies or patios. Amenities include a pool and a playground. ❖

Bridge Lender Expects Rapid Growth

A partnership between **iBorrow** and **Oaktree Capital Management** that writes bridge loans on U.S. commercial properties aims to boost originations to between $800 million and $1 billion this year.

After closing on $612 million of non-recourse, senior debt via their joint venture over the last 15 months, the Los Angeles-based firms expect to accelerate opportunistic investments this year. They are on track to close on roughly $100 million of new loans within the next two weeks, according to iBorrow partner **Andrew Smith**, who oversees capital-markets activities for the private mortgage REIT.

Originations under the program are funded jointly, but iBorrow sources lending opportunities, deals directly with borrowers and handles loan servicing and asset management. Many of the loans are leveraged via a credit facility provided by **Encina Lender Finance** of Milton, Ga. and Stamford, Conn.-based **Webster Bank.**

The credit line recently was renewed for three years. That should enable iBorrow and Oaktree "to grow our loan portfolio at a time when there is heightened demand for private financing programs like ours," Smith said. He added that "we are comfortable with lending on complex situations" and can close on a financing within two to four weeks, if necessary.

The venture's book of outstanding loans is about $600 million. It originates fixed- and floating-rate debt of up to $100 million on all types of value-added properties. The average loan size is about $15 million, with a sweet spot between $3 million and $50 million. Terms generally range from one to three years, but can be as short as six months or as long as four years. ❖

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REBUSINESS ONLINE
published by France Media Inc.

iBorrow Provides $17.4M Refinancing for Two Multifamily Properties in Southern California

January 20, 2023

LAWNDALE AND OCEANSIDE, CALIF. — iBorrow has provided a $17.4 million refinancing for two multifamily communities.

The properties include a 76 percent-leased, 50-unit asset in Lawndale and a fully vacant, 18-unit property in Oceanside. Both assets are currently undergoing renovations.

The bridge loan will be used to refinance the undisclosed borrower's existing debt, while also providing the additional proceeds needed to complete full unit renovations, implement capital expenditures and lease up the property to stabilization.

January 20, 2023 ONLINE

REBusiness Online (11-02628)

rebusinessonline.com/iborrow-provides-1...

Monthly Visits

65.4K

Monthly Visits

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MORTGAGE BANKERS ASSOCIATION

Dealmaker: iBorrow Provides $17M for Two Apartment Properties

January 12, 2023

iBorrow, Los Angeles, provided a $17.3 million refinance loan on two mid-renovation multifamily communities in southern California.

The borrower used the bridge loan to refinance existing debt, complete unit renovations and for lease-up expenses, said Brian Good, CEO of iBorrow.

"We were able to provide a loan that enabled the borrower to complete the renovations of two exceptionally well-located multifamily properties in southern California while preserving equity," Good said. He noted the market has experienced rental rate increases approaching 20% since 2020.

The properties included a 76% leased 50-unit, 44% renovated asset in Lawndale, Calif., and a vacant 18-unit property in Oceanside, Calif.

"Our client's previous loan included two additional properties that did not have any release provisions structured, so two loans were required to refinance all four assets," Good said. iBorrow closed its loan simultaneously with the loan for the two other properties.

January 12, 2023 ONLINE

MBA Newslink (11-02628)

newslink.mba.org/mba-newslinks/2023/ja...

Monthly Visits

38K

Monthly Visits

The Registry

January 11, 2023 ONLINE

The Registry (11-02628)

theregistrysocal.com/two-southern-califor...

Monthly Visits **7.65K** Monthly Visits

THEREGISTRY
SOUTHERN CALIFORNIA REAL ESTATE

Two Southern California Multifamily Properties Receive $17.38MM Refinancing

January 11, 2023

LOS ANGELES, Calif., – iBorrow, a nationwide private direct lender for commercial real estate, has provided a $17.38 million refinance loan on two mid-renovation multifamily communities located in Southern California.

The bridge loan will be used to refinance the borrower's existing debt, while also providing the additional proceeds needed to complete full unit renovations and capex work, then lease up the asset to stabilization, says Brian Good, CEO of iBorrow.

"We were able to provide a loan that enabled the borrower to complete the renovations of two exceptionally well-located multifamily properties in Southern California while preserving equity," explains Good. "We're highly confident in the borrower's business plan to bring in-demand upgraded space to the market, which has experienced rental rate increases of nearly 20% since 2020."

Good adds that iBorrow was able to meet the borrower's unique requirements for fast, reliable financing to fund the accretive property renovations.

Yield PRO

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YIELD PRO

iBorrow provides $17 million in refinancing for two mid-renovation multifamily assets in Southern California

By News - January 10, 2023

iBorrow, a nationwide private direct lender for commercial real estate, has provided a $17.38 million refinance loan on two mid-renovation multifamily communities located in Southern California.

The bridge loan will be used to refinance the borrower's existing debt, while also providing the additional proceeds needed to complete full unit renovations and capex work, then lease up the asset to stabilization, says Brian Good, CEO of iBorrow.

"We were able to provide a loan that enabled the borrower to complete the renovations of two exceptionally well-located multifamily properties in Southern California while preserving equity," explains Good. "We're highly confident in the borrower's business plan to bring in-demand upgraded space to the market, which experienced rental rate increases of nearly 20 percent since 2020."

Good adds that iBorrow was able to meet the borrower's unique requirements for fast, reliable financing to fund the accretive property renovations.

January 10, 2023 ONLINE

Yield Pro (11-02628)

yieldpro.com/2023/01/iborrow-provides-1...

Monthly Visits **40K** Monthly Visits

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Commercial Property Executive

November 23, 2023

Reich Brothers Strikes Ohio Sale-Leaseback Deal

Reich Brothers has purchased a 309,968-square-foot industrial facility in Toledo, Ohio, from **Stellantis**. The cross-dock property will be leased back for parts distribution.

The concrete tilt-up, cross-dock facility in Toledo came online in 2000. *Image courtesy of Reich Brothers*

iBorrow provided a $12.7 million loan to finance the sale-leaseback of the warehouse and distribution property. The transaction marks Reich Brothers' first acquisition in the Toledo market.

Built in 2000 for Stellantis to service a Jeep Wrangler and Gladiator assembly facility, the property features 32-foot clear heights, 102 truck docks, 50-foot by 50-foot column spacing, ESFR systems, more than 200 trailer spots and 292 car spaces.

The concrete tilt-up facility located at 1435 Matzinger Road on 28.5 acres is off Interstate 75, which provides direct access to nearby metro Detroit, some 50 miles north, as well as other interstates in the area. The property is next to a DHL facility, as well as numerous other industrial buildings along Matzinger Road and Enterprise Boulevard.

November 23, 2023 ONLINE

Commercial Property Executive (11-073)

commercialsearch.com/news/reich-broth...

Monthly Visits **28.8K** Monthly Visits

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November 10, 2023

iBorrow Provides $12.7M for Sale-Leaseback of Ohio Industrial Facility

iBorrow, a nationwide private direct lender for commercial real estate, closed on a $12.7 million loan to finance the sale-leaseback of a 208,968-square-foot warehousing and distribution facility in Toledo, Ohio.

The facility was previously owned by a subsidiary of Stellantis, the multinational manufacturer of leading automotive brands including Jeep, Chrysler and Dodge. iBorrow customized the financing package to accommodate potential re-leasing activities, including a future funding component for light capex and other costs and incorporated the ability for the borrower to refinance with long-term debt in the future.

The industrial facility supports warehousing and logistics operations for a 3 million square foot Stellantis manufacturing facility, which is also located in Toledo. It features 34-foot clear heights, 102 truck doors, and roughly 292 parking spaces. The single-tenant facility is 100 percent leased and located in a strong industrial submarket with a 4.1 percent vacancy rate and positive net absorption.

November 10, 2023 ONLINE

Connect CRE (11-073)

connectcre.com/stories/iborrow-provides...

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Nominations

Industrial Influencers

Here are the industrial influencer selections for 2022.

By **Erika Morphy** | September 02, 2022 at 07:00 AM

The industrial asset class shows little sign of wear and tear, although it is equally true that the category is not surging as it did last year. That, though, is a function of the economy and not necessarily industrial's fundamentals. Change, however, is underway in the category as we have discussed elsewhere in this issue and it will require the top men and women to continue to navigate these new trends. We believe we have picked that top talent with this year's industrial influencers.

September 02, 2022 ONLINE

Industrial Influencers | GlobeSt (08-01722)

globest.com/2022/09/02/industrial-influe...

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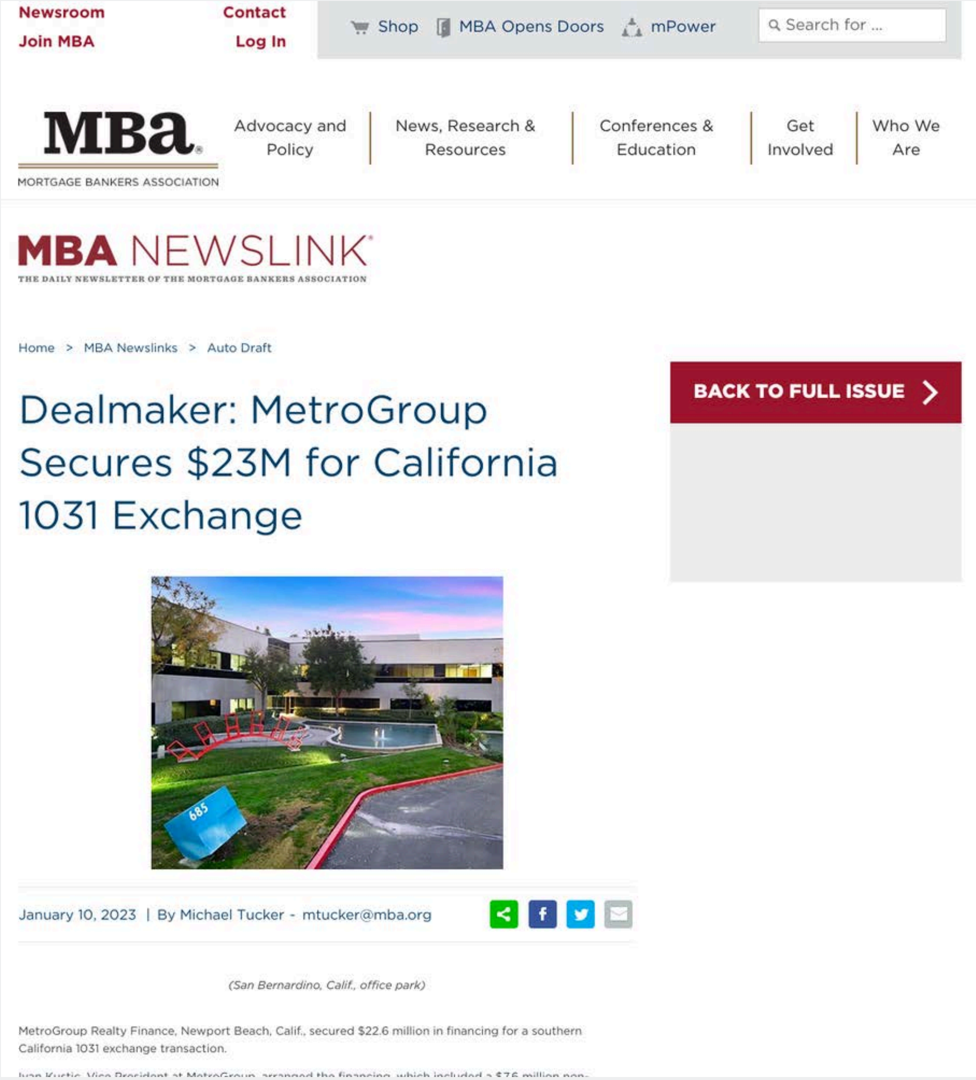

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MBA NEWSLINK
THE DAILY NEWSLETTER OF THE MORTGAGE BANKERS ASSOCIATION

Home > MBA Newslinks > Auto Draft

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Dealmaker: MetroGroup Secures $23M for California 1031 Exchange

January 10, 2023 | By Michael Tucker - mtucker@mba.org

(San Bernardino, Calif., office park)

MetroGroup Realty Finance, Newport Beach, Calif., secured $22.6 million in financing for a southern California 1031 exchange transaction.

January 10, 2023 ONLINE

MBA Newslink (08-02210)

newslink.mba.org/mba-newslinks/2023/ja...

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BREAKING NEWS MBA Survey Sees Commercial/Multifamily Markets Move Toward Stability

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THE DAILY NEWSLETTER OF THE MORTGAGE BANKERS ASSOCIATION

Volume 22 Issue 4 | Friday, January 06, 2023

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MBA CREF Outlook Survey: Unsettled Markets to Dissipate in 2023

Commercial and multifamily mortgage originators are experiencing an unsettled market for borrowing and lending but anticipate those conditions will slowly stabilize over the course of this year, the Mortgage Bankers Association's 2023 Commercial Real Estate Finance Outlook Survey found.

Record Share of Home Sellers Offer Concessions to Buyers

The housing market's about-face from a sellers' market to a buyers' market played out in stark fashion in the fourth quarter, with a record share of home buyers asking for—and receiving concessions in home sales, said Redfin, Seattle.

Top National News Jan. 6, 2023

Here's a summary of Top National News Items from major news sites and industry trade publications. To get started, click on the headline above:

Quote

"Commercial real estate markets are entering 2023 amid a great deal of uncertainty and, as a result, a significant slowdown in activity. Leaders of top commercial real estate finance firms believe that overall uncertainty will dissipate over the course of the year, but with a host of factors that will drag–rather than boost–the markets in 2023." --Jamie Woodwell, MBA Head of Commercial Real Estate Research.

STATLINK

January 06, 2023 ONLINE

MBA NewsLink (08-02210)

newslink.mba.org/mba-newslinks/2023/ja...

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Retail Real Estate News Highlights 2022

SHARE SHARE

The retail sector is constantly changing and evolving. In order to keep up with the most recent trends, we've gathered some of the latest and most impactful highlights of **retail real estate news in 2022**.

January 05, 2023 ONLINE

Retail Real Estate News Roundup (08-02210)

n3realestate.com/retail-real-estate-news/

Monthly Visits **2.7K** Monthly Visits

Cash-Out Refinancing Becoming More Popular for Shopping Malls

Patrick Ward, president at MetroGroup Realty Finance, discusses the continued rise in cash-out refinancing across the Unites States. Shopping malls and retail center developers can then improve the curb-side appeal of the properties and hopefully drive foot traffic to the locations. **Read More**

money.usnews.com

April 25, 2019 ONLINE

U.S. News & World Report (37-075)

money.usnews.com/investing/investing-1...

U.S. News & WORLD REPORT

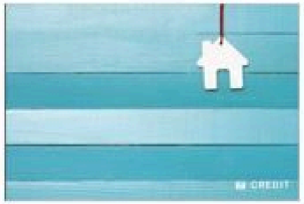
7 of the Best Conservative Investments for 2019

Risk tolerance plays a big role in deciding which investments to choose.

By **Barbara Friedberg**, Contributor April 25, 2019, at 11:27 a.m.

VIEW ALL IN ONE PAGE 7 of 10

Real estate crowdfunding



Real estate crowdfunding allows investors to own a piece of a large real estate project. This asset class tends to be less volatile than public market real estate investments, according to Adam Hooper, co-founder and CEO at RealCrowd. For instance, investing in affordable multifamily housing offers cash flow and a stable conservative investment, Hooper says. This sector is especially compelling with low inventory and the high demand for affordable housing. Some, although not all, real estate crowdfunding firms are available to wealthy investors and lack liquidity. Despite these drawbacks, for investors seeking to own real estate directly, without the management headaches, this is a conservative investment strategy to add to a diversified portfolio.

finance.yahoo.com

YAHOO! FINANCE

7 of the Best Conservative Investments for 2019

USNews Barbara Friedberg

U.S.News & World Report April 25, 2019

Real estate crowdfunding

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April 25, 2019 ONLINE

Yahoo Finance (37-075)

finance.yahoo.com/news/7-best-conserva...

fa-mag.com

January 21, 2019 ONLINE

fa-mag.com (37-051)

fa-mag.com/news/broadmark-relaunches-...

FINANCIAL ADVISOR

Broadmark Relaunches Real Estate Fund On RealCrowd

JANUARY 21, 2019 • JOYCE BLAY

Broadmark Real Estate Management II LLC is once again turning to the online platform RealCrowd to raise investment capital.

RealCrowd, headquartered in Portland, Ore., is an online marketplace that connects sponsors directly with accredited investors. Backed by venture capital seed accelerator Y Combinator, RealCrowd has hosted more than $4.5 billion in real estate offerings through its platform, spanning more than 170 investments across 38 states, according to the company.

Other Articles: *Nuveen Says: Go Direct To Real Estate* • *RealCrowd Opens First One-Stop Shopping QOZ Fund Marketplace*

Trending Articles: *The World's 10 Most Admired Companies* • *The World's Biggest Economies In 2018*

Broadmark, with corporate offices in Denver, has raised $30 million through the RealCrowd online investment platform. Broadmark has relaunched its Broadmark Real Estate Lending Fund II on RealCrowd with a target goal of $10 million.

Broadmark provides private hard money real estate financing in Colorado, Utah and Texas. The firm is a reliable and reputable financial resource for small-to-mid-sized builders and developers who need timely funds for commercial or residential projects.

The Broadmark fund, which currently has $359 million in assets under management (AUM), underwrites short-term, first-position loans to finance real estate transactions. The Broadmark fund has generated annualized returns in excess of 11 percent since its initial inception.

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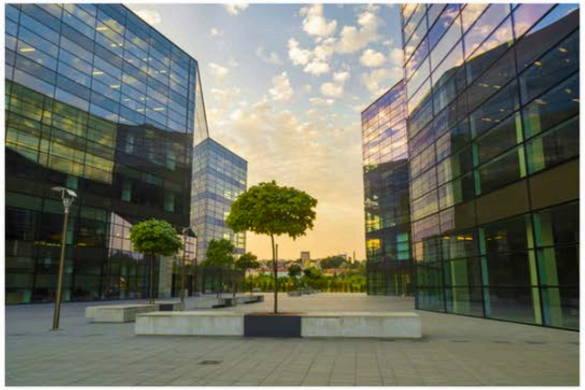
Buy a Building or Invest in Real Estate with a Group? Key Distinctions All Investors Should Know

Adam Hooper
Expertise: | 4 Articles Written



Individual investors have more opportunities to participate in real estate investment than ever before.

These expanded opportunities have come about as a result of investors increasingly recognizing the benefits of investing in real estate—most notably, portfolio diversification, greater control over the asset, and access to a significantly more stable and generally less risky investment category than stocks or bonds.

Two of the most popular ways for individuals to invest in real estate are buying a building individually or investing in real estate with a group, often called investing in a syndication. Syndicated group investments are sourced and structured by a professional real estate investment manager, often

March 09, 2020 ONLINE

Bigger Pockets Blog (37-145)

biggerpockets.com/blog/buy-a-building-o...

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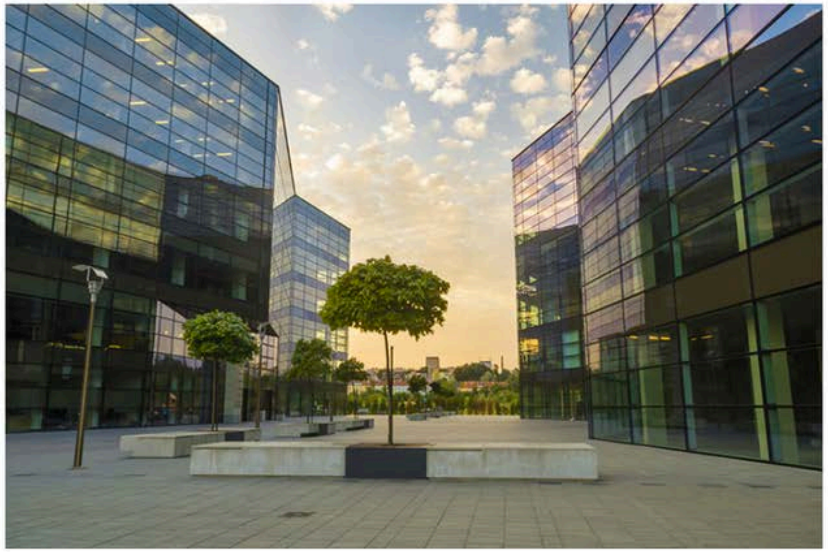
Blog > Commercial Real Estate > Buy a Building or Invest in Real Estate with a Group? Key Distinctions All Investors Should Know

Commercial Real Estate Mar 09, 2020

Buy a Building or Invest in Real Estate with a Group? Key Distinctions All Investors Should Know

Adam Hooper
Expertise: | 4 Articles Written



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March 16, 2020 ONLINE

GlobeSt (37-141)

globest.com/2020/03/16/opportunity-zon...

GlobeSt.com

Opportunity Zones Hope for Influx of Capital

Oregon has 834 census tracts, more than 300 of which were eligible by meeting the definition of a "low income community" in terms of median family incomes or poverty rates, and Governor Brown's nomination resulted in 86 QOZs.

Each zone consists of an entire census tract, as established for the decennial US Census (credit: Matthew Rader).

PORTLAND, OR—Opportunity Zones can deliver significant tax savings on medium- to long-term investments in economically disadvantaged communities. This tax incentive pertains to both the capital gains invested initially through a qualified opportunity fund/QOF, as well as future capital gains earned on the original investment in zone-based businesses or projects.

"A major factor that will impact CRE this year is opportunity zones," Adam Hooper, co-founder and CEO of RealCrowd, tells GlobeSt.com. "There was a slow start to opportunity zones in 2019. However, now that the final regulations were released in late December, we should see an influx of capital moving to the space. The latest regulations provided much-needed clarification to many investors in order to understand how to properly structure deals moving forward."

Each zone consists of an entire census tract, as established for the decennial US Census. Tracts vary in size but generally align with population density. Oregon has 834 census tracts, more than 300 of which were eligible by meeting the definition of a "low income community" in terms of median family incomes or poverty rates.

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Opportunity Zones Hope for Influx of Capital

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By **Lisa Brown** | March 16, 2020 at 04:00 AM

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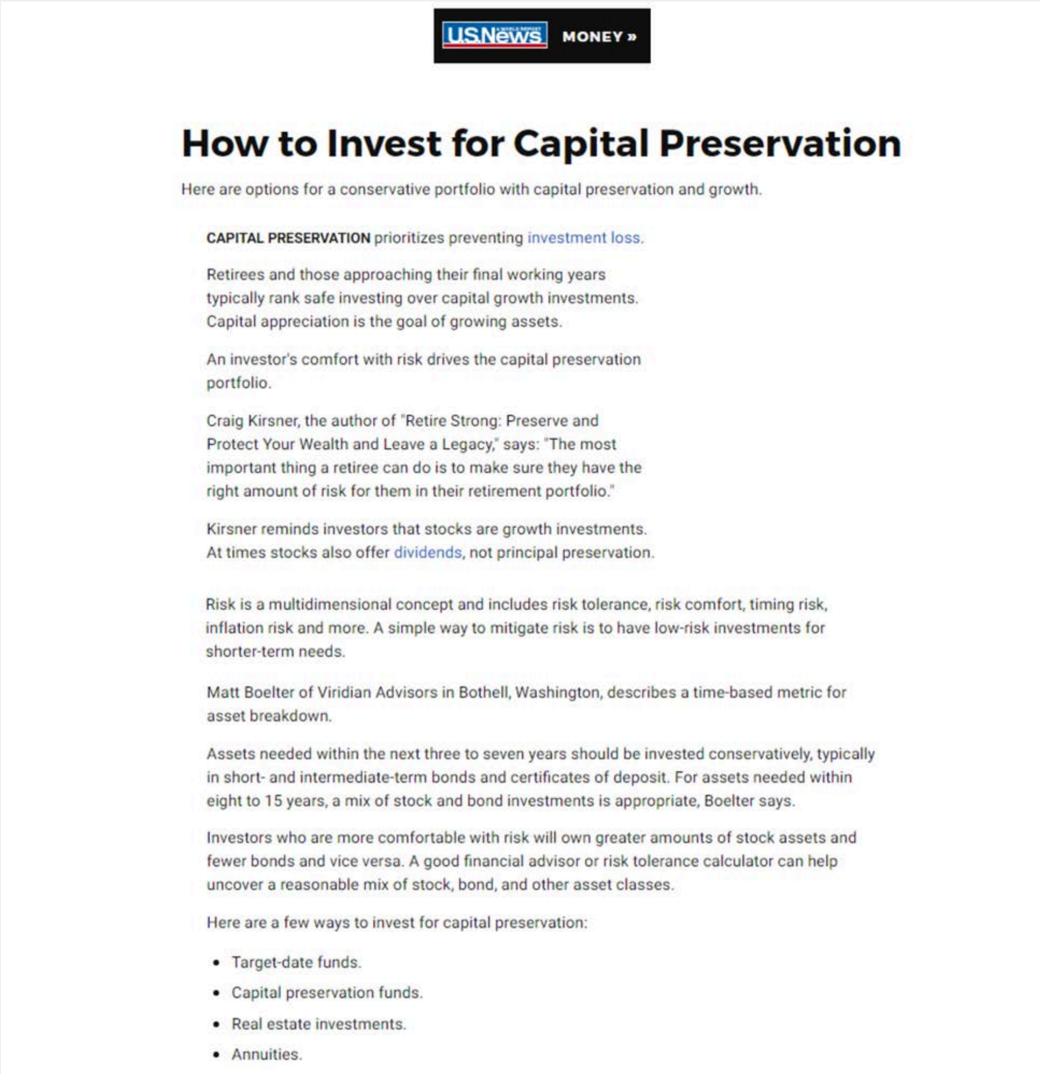
January 02, 2020

U.S. News & World Report (37-133)



USNews MONEY »

How to Invest for Capital Preservation

Here are options for a conservative portfolio with capital preservation and growth.

CAPITAL PRESERVATION prioritizes preventing investment loss.

Retirees and those approaching their final working years typically rank safe investing over capital growth investments. Capital appreciation is the goal of growing assets.

An investor's comfort with risk drives the capital preservation portfolio.

Craig Kirsner, the author of "Retire Strong: Preserve and Protect Your Wealth and Leave a Legacy," says: "The most important thing a retiree can do is to make sure they have the right amount of risk for them in their retirement portfolio."

Kirsner reminds investors that stocks are growth investments. At times stocks also offer dividends, not principal preservation.

Risk is a multidimensional concept and includes risk tolerance, risk comfort, timing risk, inflation risk and more. A simple way to mitigate risk is to have low-risk investments for shorter-term needs.

Matt Boelter of Viridian Advisors in Bothell, Washington, describes a time-based metric for asset breakdown.

Assets needed within the next three to seven years should be invested conservatively, typically in short- and intermediate-term bonds and certificates of deposit. For assets needed within eight to 15 years, a mix of stock and bond investments is appropriate, Boelter says.

Investors who are more comfortable with risk will own greater amounts of stock assets and fewer bonds and vice versa. A good financial advisor or risk tolerance calculator can help uncover a reasonable mix of stock, bond, and other asset classes.

Here are a few ways to invest for capital preservation:

- Target-date funds.
- Capital preservation funds.
- Real estate investments.
- Annuities.

Target-Date Funds

Historically, during all 20-year periods, stock market returns were positive. So using this as a guide, investors can be confident in keeping money not needed for several decades in the stock market for greater growth.

For investors seeking a one-fund investment, a target-date fund is an easy way to achieve diversification, capital preservation and modest appreciation for a low fee. A target-date fund includes stock and bond investments and is designed to manage risk.

The secondary goal of a target-date fund is total return growth. These funds automatically rebalance and are professionally managed to become more conservative as the target retirement date approaches.

For example, the Vanguard Target Retirement 2025 Fund (ticker: VTTVX) is designed for someone expecting to retire in approximately three to seven years.

With a 60% stock and 40% bond allocation, the fund spans the U.S. and global stock and bond markets. Each year until 2025, the fund will reduce the stock allocation and increase fixed assets. After 2025 the fund reverts to a 50% stock, 50% bond portfolio.

The fund continues to reduce stock exposure and increase fixed assets until it reaches a 30% stock and 70% fixed allocation by roughly 2032.

The 30% stock/70% bond allocation is an ideal capital preservation portfolio. This conservative asset allocation is a straightforward way to invest for income and a modest total return.

Capital Preservation Funds

Other capital preservation funds, with completely different investment approaches than the target retirement product, are the First Trust Target outcome exchange-traded funds, says Scott Thompson, president of Thompson Wealth Advisors in North Carolina. These time- and option-based funds place a band around both potential investment gains and losses.

The FT Cboe Vest U.S Equity Buffer ETF Nov (FNOV) attempts to provide returns up to 12.36% while capping losses at 10%. To achieve this goal, the fund invests in customized FLEX options. This specific fund is designed for capital protection through Nov. 20.

Thompson explains that if the S&P 500 index drops 10% during the target period, the fund return would be zero, protecting the invested capital from any loss. On the flip side, if the S&P 500 rises 15%, FNOV would return 12.36%, the upper cap of the fund.

For investors looking outside of typical Wall Street investing, real estate is an ideal diversifier and a path to capital preservation. Owning real property like rental real estate outright offers tax benefits, capital preservation and appreciation.

Alina Trigub, a managing partner at New York-based SAMO Financial offers several creative real estate investing outlets including real estate investing clubs, where investors get together to purchase real estate as a group.

Real Estate Investments

For those who prefer to leave the management to professionals, there are many avenues for real estate investing including, REITs, real estate crowdfunding and professionally managed direct real estate investments.

"By investing directly in real estate assets, there is an opportunity for a higher yield and often a more stable asset as it is not tied to changes in the traditional markets," says Adam Hopper, co-founder and CEO of RealCrowd, a real estate crowdfunding platform.

Popular new real estate investing platforms include EquityMultiple, RealtyMogul, Fundrise, RealCrowd and CrowdStreet. Some of these firms require that your money remain invested for several years. This type of real estate investing might require certain income and net-worth levels.

Annuities

Annuities are a popular insurance product for guaranteed cash flow. After making a lump sum or series of payments, an annuity provides regular cash flow, beginning either immediately or at a time in the future.

With countless varieties and fees, buying an annuity can be confusing. High-fee annuities are less desirable than more transparent low-fee products. By purchasing an annuity from a discount financial company like Vanguard, you have the opportunity for lower fees.

While providing cash flow, an annuity can help preserve your net worth and additional investments.

Investing for capital preservation can also lead to growth. These investment principles will shore up your capital while allowing for modest growth.

To avoid timing risk, maintain a liquid net worth in the amount of one to two years of living expenses to protect assets should the market tank during the first year or two of retirement.

Set up an asset allocation with a worst-case loss scenario that you can accept.

Either with a financial advisor or on your own, choose diversified conservative investments that span stock, bond, real estate and other asset classes. Check retirement and financial calculators to validate your financial assessments.

Lastly, it's important to understand how your investments work and the fees. Try to keep investment management fees as low as possible.

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The Ultimate Guide to Analyzing Commercial Real Estate

As private investors increasingly discover the advantages of investing in commercial real estate (CRE), they are also noticing the contrast between CRE investment and other financial ventures.

While CRE investment through real estate investment trusts (REITs) is similar to buying shares in the stock and bond markets, direct real estate investing—in which buyers purchase buildings on their own, via a third-party manager, as part of a group investment, or through an online platform like RealCrowd—is quite different.

These transactions require evaluating and analyzing properties to determine if they match with the investor's financial goals.

Investors who are new to CRE may be unfamiliar with how to go about analyzing real estate for investment purposes. The process is unlike house or apartment hunting; rather, it entails a deeper level of due diligence to discern an asset's ability to generate return on investment.

Direct investing on one's own versus in a group or via an online syndicate requires a different degree of analysis. Those who invest alone reap all of the benefits of ownership; however, they also must take on all of the due diligence and assume all of the risk.

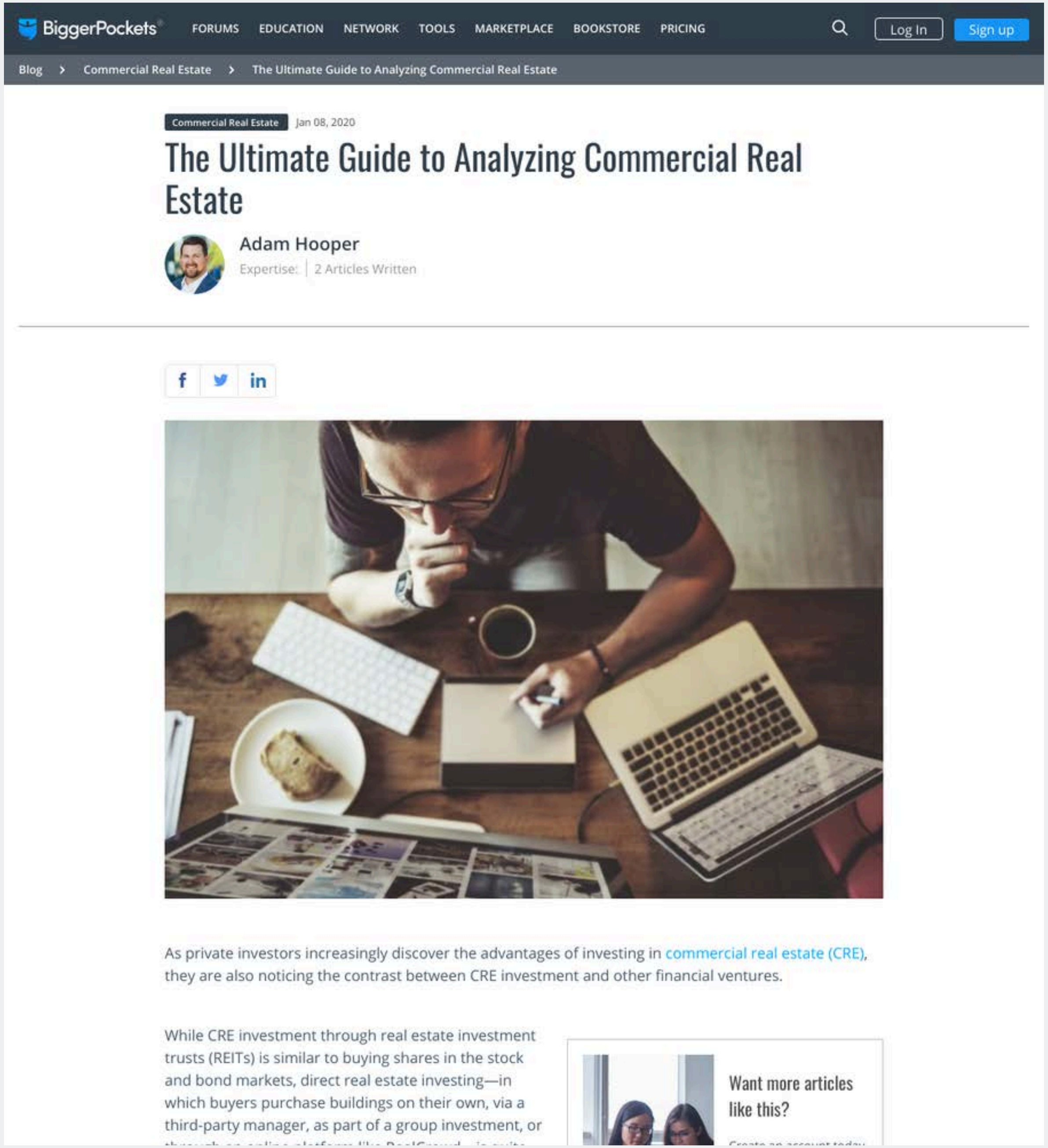
When investing in a group or with an online platform, the rewards, responsibilities, and risk are spread out amongst multiple investors.

Below is a helpful guide for all direct investors to follow when analyzing commercial real estate properties for investment.

January 08, 2020 ONLINE

biggerpockets.com (37-139)

biggerpockets.com/blog/commercial-real-...



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Commercial Real Estate Jan 08, 2020

The Ultimate Guide to Analyzing Commercial Real Estate

Adam Hooper

Expertise: | 2 Articles Written

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February 05, 2020 ONLINE

GlobeSt (37-119)

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Influencers In Technology

Tech has always been a tricky space for commercial real estate. At first, the industry was a laggard in tech adoption; then it soon caught up. In the...

Tech has always been a tricky space for commercial real estate. At first, the industry was a laggard in tech adoption; then it soon caught up. In the meantime, technology has been evolving to the point where it can remake companies' business models and go-to-market strategies. Keeping up with these trends requires both tech acumen and a deep understanding of commercial real. We've identified some of the top people who have accomplished that in the following pages.

ADAM HOOPER

RealCrowd

A true disrupter of the industry, Adam Hooper has assisted more than 20,000 investors in more than $5.5 billion worth of commercial real estate transactions to date. Helping people overcome the initial hesitation of crowdfunding, Hooper successfully altered the investment process through innovative strategies. Launching RealCrowd less than six years ago, he has grown the firm to become one of the nation's largest online investment platforms by offering individual investors direct access to capital markets. Continually venturing into new technologies that bolster the industry, Hooper also founded ReAllocate in 2019 as a fintech platform that evaluates investment risks for independent advisors and provides access to professionally-managed, direct investments. As co-founder and CEO of RealCrowd and ReAllocate, Hooper guides both firms' vision and strategy, while leading growth and ensuring all needs of employees, customers and investors are met. Deeply committed to empowering and informing investors, he regularly produces data-rich, educational content through RealCrowd to help everyday investors understand the market and make the best decisions possible. Furthermore, he launched a prominent podcast in 2017, featuring industry leaders as guests, in efforts to educate listeners on investing. Through his successes, Hooper has garnered national respect and recognition as an industry powerhouse, with a track record for constant innovation.

Nominations

Influencers In Technology

Tech has always been a tricky space for commercial real estate. At first, the industry was a laggard in tech adoption; then it soon caught up. In the...

By **Erika Morphy** | February 05, 2020 at 07:00 AM

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GlobeSt. Real Estate Forum is a must-read for the nation's leading decision makers in all segments of the commercial property industry. Each issue

January 31, 2020 ONLINE

GlobeSt. Real Estate Forum - Jan/Feb 2020 (37-119)

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JANUARY/FEBRUARY 2020

INFLUENCERS IN TECHNOLOGY

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JOHN HELM
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ADAM HOOPER
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IREI Newsline

November 26, 2019 ONLINE

Institutional Real Estate, Inc. (56-018)

irei.com/publications/article/forecast-202...

REALASSETS ADVISER

Forecast 2020: The economic caution flag is out

If you liked 2019, then settle back and enjoy 2020.

Despite being hit by volatility from all sides – politics, stock prices, trade wars, weather patterns, energy supplies, the price of avocados – the 2019 economic climate was relatively calm, especially for real assets. Gross domestic product (GDP) continued to grow, albeit at a snail's pace. Consumer confidence remained strong. Unemployment was at its lowest in the past 50 years. Jobs were added at a good clip. And numbers released in early November show these trends are continuing, though possibly at a bit slower pace. There is, therefore, no obvious reason to believe we won't continue to see a slowly expanding economy, happy consumers and employed workers in the new year.

Why, then, does it seem everyone is talking about recession? Part of the angst is simply due to people believing in their gut that all good things must end sometime, and it is probably time for the record-setting expansion to end. No one wants to be caught unaware, like Wile E. Coyote, when that anvil finally falls from the sky.

This uneasiness and uncertainty are not completely unwarranted. Afterall, the economic indicators are throwing off mixed signals. Some are in the "let's keep the party rolling" range, while others are waving red flags. Whether you believe the economy is solid or you believe it is being held together with bubble gum and duct tape depends on which economic indicators you put your faith in.

December 19, 2019

REFI (37-127)

Real Estate Fund Intelligence

FUNDRAISING

Chestnut Funds launches OZF on online platform

The opportunity zone fund will sit on RealCrowd, a direct investment online real estate platform and will target investments ranging from $1m to $5m

Will Muoio 19th December 2019, 2:15 pm

Chestnut Funds has launched an opportunity zone fund that'll invest in healthcare, retail, office and mixed-use properties. The opportunity zone fund will sit on **RealCrowd,** a direct investment online real estate platform and will target investments ranging from $1m to $5m.

"Our strategy is unique in the marketplace. Through three separate fund families, we target real estate opportunities [that are] too large to efficiently source capital and too small for institutional investmet," said **Steen Watson**, co-founder.

Adam Hooper

Chestnut Funds manages several funds that delivers value in middle-market real estate working with operating partners. The funds will target properties in designated opportunity zones in the Mid-Atlantic, Southeast and Rocky Mountain states. There are over 8,700 opportunity zones across US states and territories. "By focusing on this niche, we are able to participate in value investing opportunities that are underserved by the full range of capital providers," Watson added.

The Chattanooga, Tenn.- based real estate fund management firm selected RealCrowd due to its ability to ensure credibility among accredited investors, especially through its recently launched full due diligence report for every sponsor in the marketplace. "Because RealCrowd connects sponsors directly with accredited investors, we are able to substantially broaden our reach and introduce our unique strategy to a wide variety of investors throughout the nation," said Watson.

IREI Newsline

November 26, 2019 ONLINE

Real Assets Adviser ONLINE (32-180)

irei.com/publications/article/roundtable-m...

REALASSETS ADVISER

Roundtable: Modernizing SEC and FINRA regulations?

BY CONTRIBUTING EXECUTIVES

How should the SEC and FINRA modernize their regulations to better serve the interests of RIAs, broker/dealers, and individuals and family investors?

Max Sharkansky, managing partner, Trion Properties
Regulation A+'s implementation has fostered an environment for smaller companies, startups and crowdfunding platforms to flourish, while opening up opportunities for a wider range of investors. That said, some managers have still struggled to devise a seamless process for their investors working within its limits, including Tier II's total equity limit of $50 million for nonaccredited funds. Given the overall benefits of deregulation, a continued loosening – such as an increase in that cap from $100 million to $150 million – will result in an even broader pool of investors, more efficiently raised funds, and improved overall health of the investment community.

Real Assets Advisor

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Chestnut Funds launches opportunity zone fund on RealCrowd platform

Chestnut Funds, a fund manager specializing in real estate investment, has launched an opportunity zone fund on RealCrowd, a direct investment online real estate platforms.

Chestnut Opportunity Zone Fund will invest in healthcare, retail, office and mixed-use properties located in designated opportunity zones in the mid-Atlantic, Southeast and Rocky Mountain states. Target investment amounts are between $1 million and $5 million.

"Our strategy is unique in the marketplace. Through three separate fund families, we target real estate opportunities too large to efficiently source capital and too small for institutional investment," says Steen Watson, co-founder of Chestnut Funds. "By focusing on this niche, we are able to participate in value investing opportunities that are underserved by the full range of capital providers."

With investments in many U.S. markets, Chestnut Funds manages several funds that deliver value by sourcing and investing in middle-market real estate alongside proven operating partners.

December 17, 2019 ONLINE

Institutional Real Estate, Inc. (37-127)

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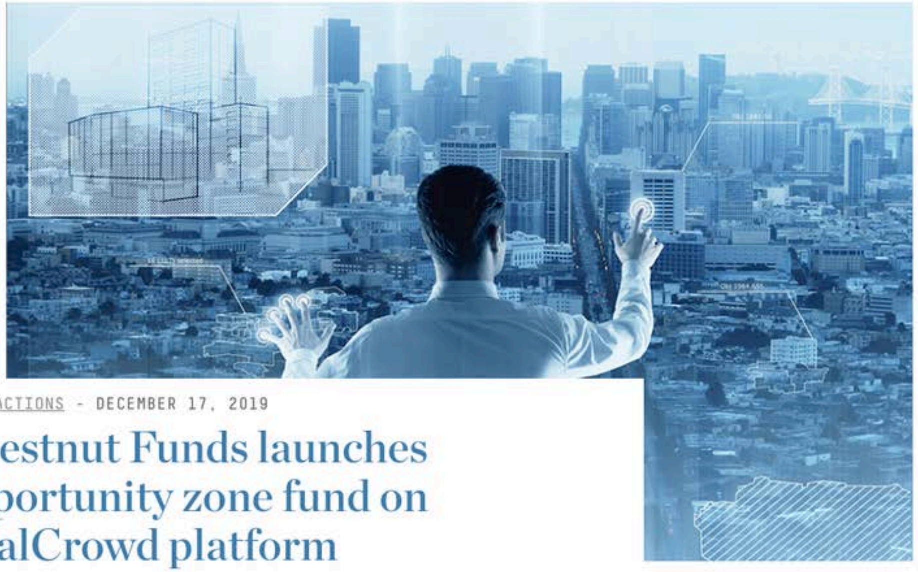

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Chestnut Funds Launches OZ Fund in Southeast

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"We had tremendous success utilizing RealCrowd as part of our fundraising strategy for a previous fund," said Steen Watson, co-founder of Chattanooga, TN-based Chestnut Funds. "We were impressed by RealCrowd's thorough vetting process, and recognized that its accredited investor audience would be an ideal match for this fund's target deal size."

RealCrowd requires that each real estate Sponsor on its platform prove more than 10 years of principal-level experience and over $50 million in transactional history, while also ensuring that each investor is accredited.

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December 19, 2019

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NEWSLINE

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November 29, 2019 ONLINE

Bigger Pockets (37-111)

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5 Real Estate Trends That Will Impact Investments in 2020

Many individuals have discovered the numerous benefits of investing in real estate—most notably, diversification into a dependable asset class that provides steady return on investment from rental income in the face of market volatility.

Like the U.S. economy in general, real estate has been in a very long growth period. As we move into the next phase of the economic cycle, several real estate trends are emerging that will affect investments in this sector. As one of the nation's leading direct investment online real estate platforms, we highlight below the real estate trends we see as most impactful for investors in 2020:

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December 02, 2019 ONLINE

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What Does the Inverted Yield Curve Mean for CRE?

In this **EXCLUSIVE**, Adam Hooper of RealCrowd shared insights about what the inverted yield curve means for the commercial real estate industry and the opportunities in the current market climate.

Supply remains constrained in both the industrial and office sectors despite ongoing demand.

PORTLAND, OR—Long-term interest rates on bonds reached below short-term rates for the first time since 2007 and yields for the two-year Treasury bill exceeded those of the 10-year Treasury bill for a brief period. This inverted yield curve has historically preceded national recessions by five to 18 months. In this **exclusive**, Adam Hooper, co-founder and CEO of RealCrowd, recently shared insights about what the inverted yield curve means for the commercial real estate industry, how interest rate cuts could impact the market and which opportunities exist in the current market climate.

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By Lisa Brown

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REALASSETS ADVISER

Your credentials, please: Would an expanded definition of accredited investor be a good thing?

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In July 2018, the House of Representatives passed a bipartisan package of bills known as the JOBS Act 3.0 in an effort to catalyze capital formation and IPOs and expand the public's opportunity to invest. As part of that package, the SEC has been asked to include education and job experience as qualifying criteria for becoming an accredited investor.

The SEC is considering several other methods of opening up the qualification of accredited investor to a wider group of people. Some of these methods include adding inflation-adjusted income and net-worth thresholds without investment limits to the criteria, indexing financial thresholds for inflation on an ongoing basis, allowing spouses to pool their investments in order to qualify, and replacing the $5 million asset test for entities with a $5 million investments test that would include all entities, or expanding the types of entities that may qualify.

The SEC is also considering grandfathering in current accredited investors, expanding the criteria beyond net worth and income, allowing investors who have been advised of the risks to opt in, allowing informed employees of private funds to invest in their employers' funds, and allowing clients of registered financial professionals – after being educated on the risks – to become accredited.

Essentially, more people than ever before may be able to become accredited investors. The question is, is this a good thing or a bad thing for the investment community?

November 01, 2019

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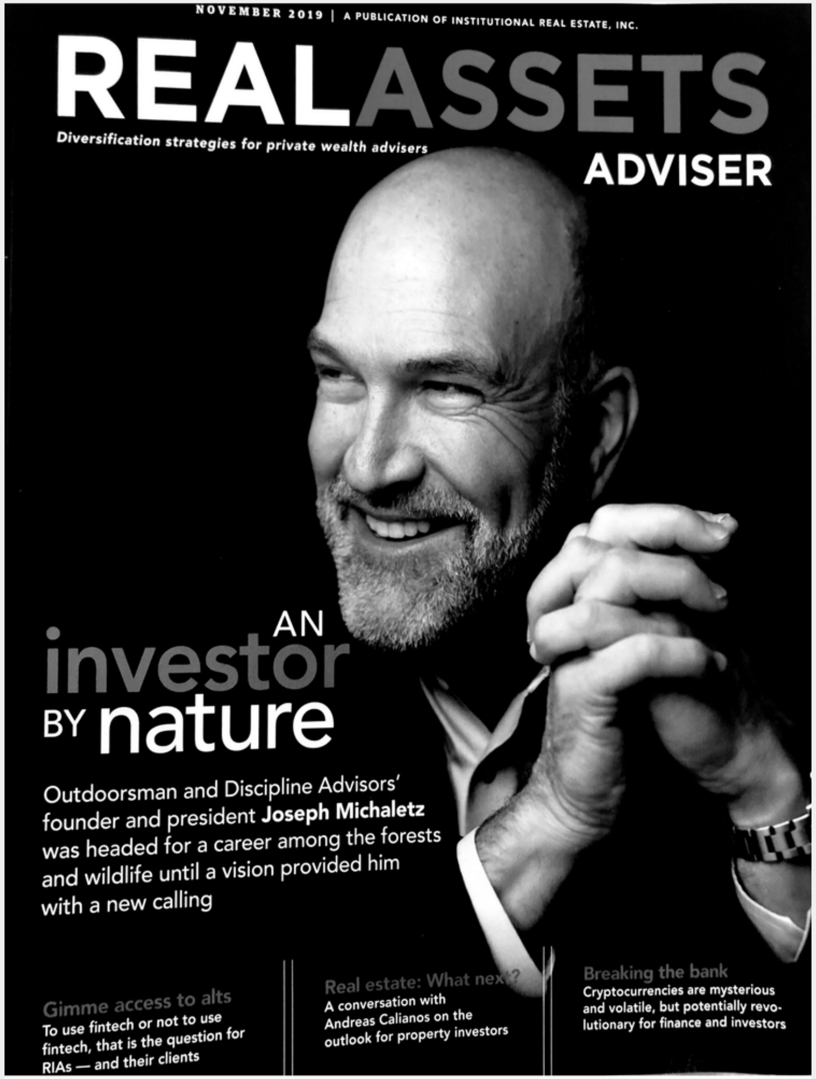

[THE BIG PICTURE]

By Adam Hooper

Your credentials, please

Would an expanded definition of accredited investor be a good thing?

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> *"Essentially, more people than ever before may be able to become accredited investors."*

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THE POTENTIAL TO BE GOOD, WITH CERTAIN PROVISIONS

Expanding the opportunity to become an accredited investor has been on the minds of the investment community since the passage of the original JOBS Act in 2012. The definition of an accredited investor is certainly due for an update as it has not changed since 1982, and we can all agree $1 million of net worth and $200,000 to $300,000 of income today is a lot different than it was nearly 40 years ago.

However, given that more people qualify as accredited investors under the original definition, it is interesting that the SEC is considering ratcheting down the income threshold rather than the expected raising of standards to catch up to inflation-adjusted measures of income and net worth.

The fact that the SEC is considering broadening access to this qualification to bring investment opportunities to a greater number of people is a good thing. But, with greater opportunity comes greater risk from a consumer-protection standpoint, and it raises questions. Is testing for accreditation a valid checkpoint? Does acknowledging awareness of certain risks mean an investor can truly bear the actual risk? The answers to these questions are currently unclear.

The concept of a financial professional, ideally a registered investment adviser (RIA), acting as an accrediting gate seems logical and wise. If an investor is working under the guidance of a professional who is acting in a fiduciary capacity, theoretically that professional would have the ability to fully understand an investor's financial wherewithal to accept certain amounts of risk. This provision may enable more investors to work with knowledgeable professionals and reap the benefits of investment.

However, this authority should also come with certain requirements of the financial professional, whether those requirements are asset class–specific certifications

or an ability to properly demonstrate an appropriate standard of understanding of those risks.

EFFECTS ON THE REAL ESTATE INVESTMENT COMMUNITY

The proposed new rules have the potential to benefit the real estate investment community but could also bring with them an increase of risk for unsophisticated investors. They could create a benefit to the community by further increasing access to real estate investment, which is one of the greatest wealth-creation tools of all time. But, no matter how valuable a tool real estate investment is, the point of the SEC and these regulations is to prevent undue risk to people who can't bear that risk. If the new definition of an accredited investor is created without these precautions, the rules could introduce the potential for harm to real estate investors who don't fully understand the risks involved with direct investments.

What is needed is a way to understand an asset class on a quantified, risk-first basis, so that investors and financial professionals alike can make more prudent risk-based decisions. The accredited investor rules are founded in investor protections, but just because an investor meets a certain wealth or income threshold doesn't mean they truly understand the underlying risks of any given investment.

In fact, the objective would be to identify, quantify and communicate risk inherent to real estate investment. Since its inception, the real estate industry has operated on gut feel without any standardized, centralized or objective risk categorization. Even in defining core, value-add and opportunistic investments, there are no real quantifications of risk in each category, so how can you have a risk-adjusted return conversation if you can't quantify those risks and returns?

When investors understand their risk tolerance and goals by reviewing quantified data, they can remove some of that uncertainty.

As long as the new accredited investor definition requires additional qualifications, such as working with an RIA or financial manager and who has ways to help clients withstand that risk, the effects on the real estate investment community will be a net positive.

Another smart solution for the real estate community is the proposed educational component to the new regulations, the ability to test into being definitionally accredited. This component will help real estate investors to understand more complex financial scenarios and structures that are often found in private investments historically only available to accredited investors.

PROTECTING INVESTORS

At the end of the day, the SEC typically looks at these proposed changes from a consumer-protection angle rather than simply dropping barriers and allowing people who don't understand the risks to have a field day.

Education is an important factor in decreasing exposure to risk. As it stands now, people without the financial means of an accredited investor who know a lot about the risks and rewards of real estate investment are not allowed to invest in those deals, but someone who has the money can, even if they are not educated. This doesn't make sense. Investors should be subject to testing and possibly credentialing to demonstrate that they have the necessary understanding to reduce their investment risk. ■

Adam Hooper is co-founder and CEO of **ReAllocate,** a **RealCrowd** company.

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September 05, 2019 ONLINE

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MFE TECHNOLOGY

How Will Blockchain and 5G Impact the Multifamily Sector?

Proptech is changing the face of real estate from a primarily old-school business to a modern, nimble industry.

Integration of technology affects real estate companies' ability to deliver for their clients as well as to attract and retain top talent, and these firms are increasingly realizing that property technology (proptech) helps keep them at the front of the pack.

In turn, technology companies are beginning to understand how real estate works in order to deliver products that solve pain points for the industry. And venture capitalists are taking note: Forbes reports that investment in proptech companies ballooned from $20 million in 2008 to roughly $4 billion in 2018.

As proptech evolves, blockchain and 5G are the latest buzzwords making their way into real estate professionals' vernacular. Will these rising technologies impact the multifamily sector—and if so, when and how?

Exploring Blockchain

Blockchain is a digital ledger that records, verifies, and maintains transactions across computers that are linked together in a network. Each user in the network has an electronic "key" that gives them access to the ledger. The technology is revolutionary in that it decentralizes and democratizes data, making the network difficult to breach and ensuring that data is accurate, transparent, and thorough.

Courtesy RealCrowd

Adam Hooper, RealCrowd

Blockchain will not likely affect how apartment renters interact with multifamily owners or managers. It won't change how they research a community, locate an available unit, apply for a rental agreement, pay their rent, or register a maintenance request.

However, blockchain does have the potential to disrupt multifamily investment and operations. Some of the changes the sector could see from blockchain include:

A faster and more accurate property-search process—With all information about a property easily accessible and verified, the chance of inaccurate data being transmitted to interested buyers is significantly reduced. Blockchain would circumvent unreliable data sources, making the process of searching for an apartment building in which to invest much more efficient.

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August 27, 2019 ONLINE

Midyear Outlook

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Wealth Management

2019 Midyear Outlook

High Net Worth Investors Are Smitten with Commercial Real Estate

By Adam Hooper

REALLOCATE, A REALCROWD COMPANY

Once upon a time, commercial real estate was considered an alternative investment category. High net worth investors may have dabbled in the market, but it was not a primary asset class for them.

This has changed as the sector has earned a solid reputation as a comparatively safe means to attain portfolio diversification, growth and near-term cash flow.

According to RealCrowd's recent survey of high net worth investors, 53 percent of respondents indicated that they plan to make two-to-four direct real estate investments in 2019, a 20 percent rise from the number of investments they made in the asset class during the prior year. In addition, 47 percent of respondents indicated a desire to allocate more than 25 percent of their investment portfolio to commercial real estate, particularly in the areas of multifamily, industrial, funds, office, hospitality, and retail.

These responses indicate substantially increased interest in the real estate asset class from high net worth investors. It highlights real estate's strength, and it also demonstrates a high comfort level with investments, even considering the current prolonged period of economic expansion.

Many high net worth investors are also adopting a long-term hold strategy for their real estate investments. Our survey revealed that 46 percent of respondents are looking for real estate investments with hold periods of five-to-seven years, and 15 percent of respondents are looking for investments with hold periods of 10 years or more. This strategy dovetails with Opportunity Zone legislation, which provides sizable tax benefits on capital gains for holding a real estate asset in an opportunity zone for seven years or longer.

Also interesting is how high net worth investors are embracing different methods of investing in real estate. Nearly 80 percent of respondents said they invest in real estate assets online through direct investing; 43 percent said they purchase their own real estate assets; and 36 percent indicated that they purchase their real estate assets offline with partners. While our status as an online real estate platform does make us somewhat biased, we are beginning to see more investors utilizing digital methods of investing in the market, which shows that they are becoming more comfortable with this format.

Another intriguing finding involves how the stock market impacts respondents' real estate investments. While 72 percent of investors surveyed say the stock market has no impact on their real estate investments, they also indicated that they are three times more likely to invest in real estate when the stock market feels at the top versus at the bottom.

Therefore, even though investors aren't depending on the stock market to guide specific real estate transactions, they are using it to gauge the overall health of the economy, which then informs their real estate investment decisions.

As the real estate market matures, it continues to capture a larger slice of the high net worth investment pie. Investors are becoming savvier about this asset class, recognizing it as a category whose risk-adjusted returns often outperform stocks and bonds and a key tool in their wealth-management strategy. ■

Adam Hooper is Co-Founder and CEO of ReAllocate, an innovative technology platform serving independent investment advisors. The platform helps RIAs provide access to professionally managed direct real estate investments via its risk-based Allocation Intelligence (AI) platform. ReAllocate adds value to the services RIAs provide their clients and strives to help advisors strengthen their businesses through creating operational efficiencies and enhancing client relationships. ReAllocate is a RealCrowd company.

Learn more at www.reallocate.com.

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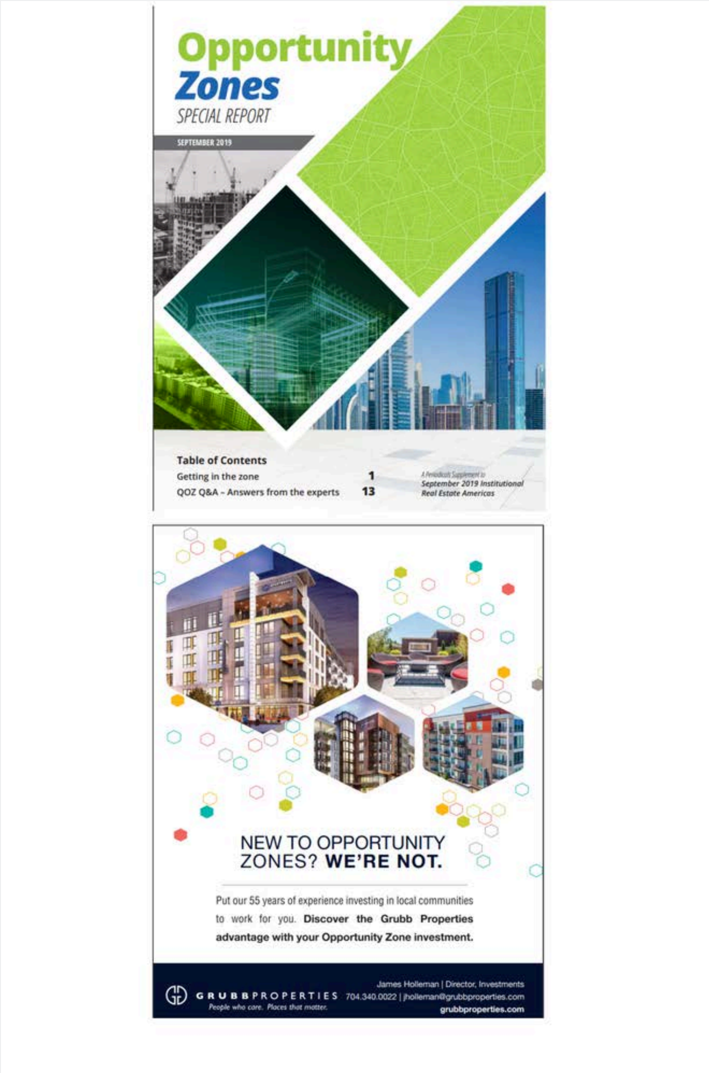

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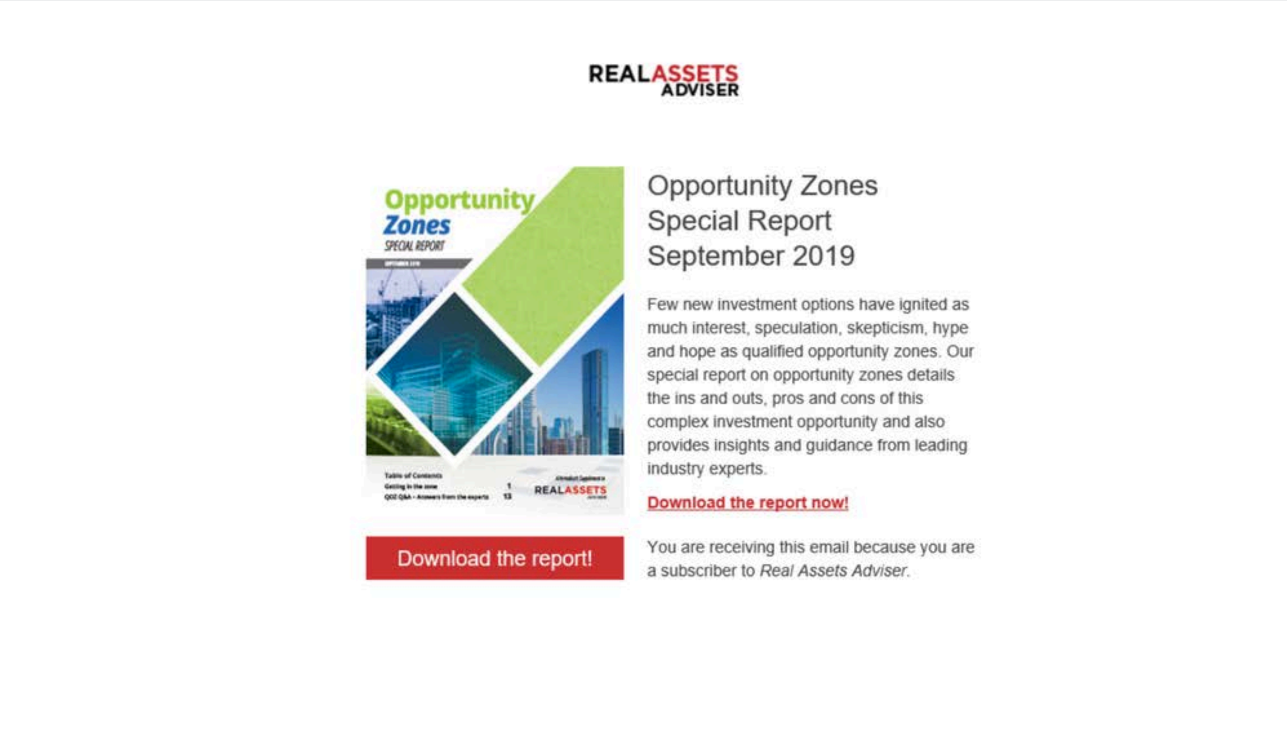

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Opportunity Zones
Special Report
September 2019

Few new investment options have ignited as much interest, speculation, skepticism, hype and hope as qualified opportunity zones. Our special report on opportunity zones details the ins and outs, pros and cons of this complex investment opportunity and also provides insights and guidance from leading industry experts.

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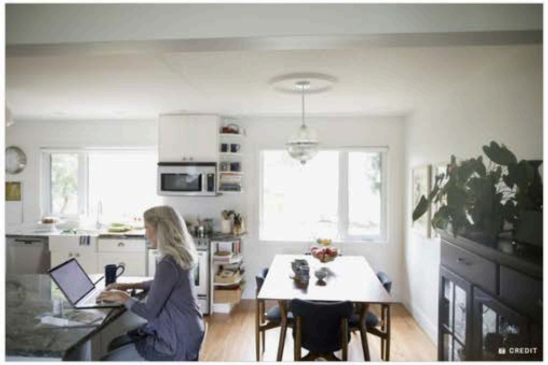

Retirement planning mistakes you may regret.

Gone are the days when employees worked for decades for one employer and received a decent pension and Social Security to fund a comfortable retirement. Retirement investing is now a consumer's responsibility. Ultimately, financial decisions made during your life determine your retirement lifestyle. David Thomas, CEO at Equitas Capital Advisors in New Orleans, says, "From the World War II generation to the baby boomers, we saw the shift from Social Security to self-security. The problem is that all too few are providing for their self-security, and the ones that do are not doing enough." Workers who depend solely on Social Security for their retirement face a challenge. For a successful financial future, avoid these seven retirement pitfalls.

Investing only in stocks and bonds.

Real estate investment trust, known as REITs, and other real estate investments offer another diversification benefit to current retirees and those in the accumulation phase. "The Jobs Act of 2012 changed the game for many investors, opening new doors to diversify their portfolios with more real estate options rather than sticking strictly to stocks and bonds," said Adam Hooper, CEO and founder of RealCrowd, a crowdfunding commercial real estate firm in Oregon. Real estate investment also tends to be less volatile than the stock market acting as a stabilizer within a portfolio with a strong opportunity for returns, Hooper adds. By investing in REITs or real estate crowdfunding, investors increase their opportunity for cash flow and appreciation.

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July 31, 2019 ONLINE

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YAHOO! NEWS

7 Retirement Investment Strategies to Avoid

Barbara Friedberg, U.S News & World Report

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Relying on rules for retirement asset allocation.

Avoid simplistic asset allocation recommendations. Victor Haghani, the founder of Elm Partners, cautions against this retirement maxim: "Appropriate percentage allocation to equities should be 100 minus your age, or in light of longer expected lifespans, 110 or 120 minus your age," as they ignore important variables. This rule of thumb misses an investor's level of risk aversion, income from wealth, pension and Social Security, he says. A more holistic view must be considered, which includes income needed in retirement, bequest wishes, level of real interest rates and estimated future stock market returns. Depending upon those considerations, it might be appropriate for an 80-year-old to invest 75% in equities and 25% in fixed assets or a 40-year-old to maintain a 30% equity position.

Putting all retirement savings in IRAs and 401(k)s.

Investors enjoy the tax-deferral benefits of retirement accounts. But there's no avoiding the tax man forever. Without additional funds, outside of a retirement account, a retiree withdrawing from a 401(k) is forced to pay taxes on that withdrawal with money from the account. "This has a downward spiraling effect on the pre-tax monies. A better accumulation strategy would be to split savings into both pretax IRA, 401(k) plans and post-tax savings like a brokerage account invested in low-fee exchange-traded funds," says Martin E. Levine, a chief financial officer at 4Thought Financial Group. That way, investors can increase the retirement account tax-deferral benefits by withdrawing funds at a slower pace.

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7 Retirement Investment Strategies to Avoid

Learn how to avoid common retirement mistakes.

Investing only in stocks and bonds.

Real estate investment trust, known as REITs, and other real estate investments offer another diversification benefit to current retirees and those in the accumulation phase. "The Jobs Act of 2012 changed the game for many investors, opening new doors to diversify their portfolios with more real estate options rather than sticking strictly to stocks and bonds," said Adam Hooper, CEO and founder of RealCrowd, a crowdfunding commercial real estate firm in Oregon. Real estate investment also tends to be less volatile than the stock market acting as a stabilizer within a portfolio with a strong opportunity for returns, Hooper adds. By investing in REITs or real estate crowdfunding, investors increase their opportunity for cash flow and appreciation.

finance.yahoo.com

July 05, 2019 ONLINE

Yahoo Finance (37-096)

finance.yahoo.com/news/5-tips-invest-ma...

5 Tips to Invest With a Maxed 401(k)

If you're in the fortunate position of maxing out your 401(k) contributions and still having the ability to do more, there are other investment avenues that will allow you to add to your nest egg in the most tax-advantaged way possible.

Experts suggest the following strategies for retirement investors looking to do more to save for retirement:

-- Invest in an annuity.

-- Explore tax-advantaged real estate funds.

-- Make after-tax 401(k) contributions

-- Invest in a college savings plan.

-- Contribute to a health savings account.

[**See:** 8 Things to Remember When Reviewing Your 401(k).]

Invest in an Annuity

An annuity is an insurance company-issued investment that the investor pays into in order to receive a fixed sum of money for the rest of your life. The goal of investing in an annuity is to receive a guaranteed income later.

There are different types of annuities.

"An annuity can be used in a number of ways; they can be your primary source of retirement income or a supplement to an existing (individual retirement account) or 401(k)," says Dan Kruse, vice president and actuary at Securian Financial in St. Paul, Minnesota.

Unlike other options for retirement investments, annuities are not subject to Internal Revenue Service contribution limits, although certain contracts may have a maximum limit, Kruse adds.

Explore Tax-Advantaged Real Estate Funds

Opportunity zone funds are a new form of investment that allow investors part of corporation or partnerships to defer, reduce and even eliminate capital gains taxes by buying qualified properties for the long term, says Chris Rawley, founder and CEO at Harvest Returns and fund manager of the Sustainable Agriculture Opportunity Zone Fund in Fort Worth, Texas.

Opportunity zones are economically depressed areas designated in 2018 as part of the Tax Cuts and Jobs Act.

"Once tax-free accounts are maxed out, an investment of capital gains into a qualified opportunity zone fund can be appropriate for investors to achieve tax-advantaged growth in their retirement portfolio, as long as they don't need the principal invested for at least 10 years," Rawley says.

There are about 8,700 areas across the country that have been designated as opportunity zones.

Adam Hooper, cofounder and CEO at Oregon-based RealCrowd, a real estate crowdfunding platform, says in the case of qualified fund investments that are held for more than a decade, there will be zero capital gains taxes due on any appreciation over the original investment amount.

"It is important to note that only qualified capital gains can be invested in these programs, but the benefits can be quite meaningful if structured accordingly," he says.

secure.viewer.zmags.com

July 01, 2019 ONLINE

National Real Estate Investor Midyear Outlook 2019 (37-...

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Where Are Real Estate Investors Placing Their Money This Year?

By **Adam Hooper**

Real estate continues to attract high net worth investors who recognize it as a relatively safe asset class with tremendous potential to increase ROI. Within the real estate category, investors have many choices as to where to place capital, including core, value-add and opportunistic investments. So, where are they focusing their attention this year?

In a recent survey conducted by RealCrowd, we asked high net worth investors which real estate strategies they are looking to invest into, and over 80 percent of them responded that value-add opportunities were a part of their plans. While core-plus real estate came in second at 67 percent, opportunistic investments were targeted by 49 percent of respondents, which shows that investors are relying significantly on the upside of repositioning to increase ROI.

Another sign of this mindset is real estate investors' rising interest in secondary and tertiary markets. In all, 72 percent of our survey respondents said they plan to invest in secondary markets in 2019, and 32 percent said they're eyeing tertiary markets for real estate deals this year. Although 52 percent of those surveyed are still targeting primary markets, it's clear that valuations in those markets have grown too rich for many high net worth investors' blood, spreads have thinned out and they are looking elsewhere for higher yield on their investments. Value-add opportunities tend to be easier to find and have less institutional competition in these cooler markets, so the chance of buying an asset at a lower price, renovating it, and selling it for a significant profit is much greater than it would be in the primary markets.

Promising for the commercial real estate market as a whole is the way high net worth investors are viewing it as a central investment strategy. Nearly half of survey respondents said they want to allocate more than 25 percent of their portfolio to commercial real estate, an indication of how highly they value the category as part of their portfolio-diversification strategy.

It's also worth noting that the high net worth cohort is also tech savvy, with 79 percent of those surveyed saying they choose to invest in real estate directly through an online platform. Their preference for direct investing as a means of growing wealth and rounding out their portfolios appears to be growing, as 33 percent said they made between two and four online real estate purchases in 2018 and 53 percent said they plan to make between two and four of these purchases in 2019—a 20 percent rise. Since 58 percent of respondents indicated that the sponsor's experience and track record are very important to their investment decision, it seems that once they complete their due diligence on the platforms and sponsors, they tend to feel very aligned with those entities in working toward achieving their investment goals.

In addition to the financial advantages of investing in value-add assets, many investors are also attracted to the social impact of these investments. Adding value to a property elevates and revitalizes the surrounding area and benefits the local community. This is also the philosophy of the new federal Opportunity Zone legislation, which seeks to enhance the lives of people in underserved zones of the country by incentivizing economic investment in those areas via capital gains tax breaks. Whether the motivation is financial, philanthropic, or a combination of the two, improving real estate is a movement that continues to gain momentum among investor groups. ■

Photo: Getty Images

Adam Hooper is the co-Founder and CEO of RealCrowd, one of the first real estate equity crowdfunding companies. RealCrowd has hosted more than $5 billion in real estate offerings through its platform, spanning more than 200 investments across 38 states. Contact Adam at adam@realcrowd.com.

Learn more at www.realcrowd.com.

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RESEARCH - JUNE 12, 2019

New survey shows majority of high-net-worth investors lean toward value-add real estate

BY KALI PERSALL

A new survey by direct investment platform RealCrowd has revealed that 80 percent of high-net-worth real estate investors are targeting value-add real estate assets as part of their wealth management strategy.

In addition, 47 percent of respondents are looking to allocate more than 25 percent of their investment portfolio to commercial real estate.

Also, 72 percent of investors are looking for transactions in secondary markets.

"Savvy real estate investors recognize the huge upside to investing directly in properties that have a value-add component," said Adam Hooper, co-founder and CEO of RealCrowd.

"As investors look to increase real estate allocations as part of their overall strategies, they're seeking outsized returns compared to other asset classes, and in a high percentage of transactions today, that return comes from value-add investments – often in secondary markets where there are more opportunities and less institutional competition."

The survey also found that 49 percent of investors are seeking opportunistic real estate investments, while 34 percent prefer core properties. Multifamily was the most-desired asset class, followed by industrial, funds, office, hospitality and retail.

Portland, Ore.-based RealCrowd has hosted more than $5 billion in real estate offerings through its platform, spanning more than 200 investments across 38 states.

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June 25, 2019   ONLINE

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globest.com/2019/06/25/whats-attracting...

GlobeSt.com

What's Attracting High Net-Worth Investors to Value-Add Assets?

A recent survey by RealCrowd revealed that 80% of high net-worth investors are planning to invest in value-add real estate as part of wealth-management strategies.

Hooper says value-add assets provide opportunities to invest in noncore and less expensive properties.

PORTLAND, OR—A recent survey revealed that 80% of respondents are planning to invest in value-add real estate as part of wealth-management strategies. RealCrowd recently completed the online survey of high net-worth investors.

The survey indicated these investors are also focusing increasingly more on secondary and tertiary markets to source these deals, and are relying heavily on direct online real estate platforms to do so. GlobeSt.com spoke with Adam Hooper, co-founder and CEO of RealCrowd, about his insights into the survey's most interesting tidbits.

GlobeSt.com: What are some of the key takeaways from the survey?

Hooper: We found that high net-worth investors are growing more interested in value-add real estate assets to diversify their portfolios and build wealth. As the focus of development in the real estate industry today is leaning more toward redevelopment and value-add plays, we are seeing increased demand from investors for these assets and opportunities.

The survey also revealed that that 47% of respondents want to allocate one-quarter of investment portfolios to commercial real estate, which demonstrates their affinity for and trust in the sector as a stable investment category. And we learned that nearly three-quarters (72%) of respondents are seeking transactions in secondary markets, while 64% say they have no regional preference for their investments. That speaks to the high level of competition for strong deals in primary markets, which is a sign of the industry's good health.

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June 25, 2019 ONLINE

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California Alert

Jun 25, 2019

EXCLUSIVE

What's Attracting High Net-Worth Investors to Value-Add Assets?

By Lisa Brown

A recent survey by RealCrowd revealed that 80% of high net-worth investors are planning to invest in value-add real... Read More

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June 14, 2019 ONLINE

Wealth Advisor (37-074)

thewealthadvisor.com/article/realcrowd-s...

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RealCrowd Says HNW Investors Poised to Boost Real Estate Investments in 2019

(crowdfund insider) -- Real estate **crowdfunding platform RealCrowd** reports that HNW investors are looking to increase their portfolio of real estate investments during 2019.

According to a survey by the Fintech platform, 53% of surveyed HNW individuals expect to make "two-to-four direct real estate investments in 2019."

Specific details on the survey process were not revealed.

This is a big improvement over the year prior when just 33% said they made between two and four such investments in 2018, demonstrating a 20% rise year-over-year.

The survey also stated that 47% of respondents' desire to allocate more than 25% of their investment portfolio to commercial real estate.

RealCrowd says the asset classes they are most attracted to are multifamily, industrial, funds, office, hospitality, and retail.

Property crowdfunding platforms have made the once difficult to access asset class far more manageable. Investors may now go online and visit a variety of real estate marketplaces targeting a diverse range of the investment sector.

Adam Hooper, co-founder and CEO of RealCrowd, said the survey results are indicative of substantially increased interest by HNW investors seeking to diversify their portfolio holdings:

"A healthy number of investors are including real estate as part of their wealth management strategy, and many are increasing their allocations to this industry, which really speaks to its strength. This also shows that their comfort level with investments is still high in the face of a long period of economic expansion."

RealCrowd's survey also revealed that 46% of respondents are looking for real estate investments with hold periods of five-to-seven years, while 15% of respondents are looking for investments with hold periods of 10 years or more.

Hooper said this is evidence of a trend for a long term buy and hold strategy:

"The latest Opportunity Zone legislation supports this strategy as well, providing sizable tax benefits on capital gains for holding a real estate asset in an opportunity zone for seven years or longer."

A majority of respondents (79%) said they invest in real estate assets online through direct investing. 43% said they purchase their own real estate assets and 36% indicated that they purchase their real estate assets offline with partners.

Hooper said the trust in direct real estate investment platforms continues to grow.

Respondents also indicated that they are 3X more likely to invest in real estate when the stock market feels at the top versus at the bottom.

"While investors may not be using the stock market to guide the specifics of their real estate investments, they tend to be more bullish about these investments when there are signs that the economy is doing well, such as when stocks are strong," stated Hooper. "This indicates that they are looking at factors outside of the stock market to help them choose their real estate investments, a sign of their confidence in the sector as a whole."

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RealCrowd Survey Reveals High-Net-Worth Investors Covet Value-Add Assets

A survey by Portland-based RealCrowd reveals 80% of respondents are planning to invest in value-add real estate as part of their wealth management strategy. The survey also found that 47% of respondents' desire to allocate more than 25% of their investment portfolio to commercial real estate.

"Savvy real estate investors recognize the huge upside to investing directly in properties that have a value-add component," says Adam Hooper, co-founder and CEO of RealCrowd. "As investors look to increase real estate allocations as part of their overall strategies, they're seeking outsized returns compared to other asset classes, and in a high percentage of transactions today, that return comes from value-add investments—often in secondary markets where there are more opportunities and less institutional competition."

Another interesting finding of the survey was that 72% of respondents seek transactions in secondary markets, while 64% say they have no regional preference for their investments. The survey also revealed that 49% of respondents are seeking opportunistic real estate investments, while 34% prefer core properties. The top asset class they are most interested in investing is multifamily, followed by industrial as the second most popular, and then funds, office, hospitality, and retail.

The shift toward online investing was reflected in the survey, too. The results showed that 79% invest in direct real estate through an online platform like RealCrowd.

June 11, 2019 ONLINE

Connect Media

connect.media/realcrowd-survey-reveals-...

lending-times.com

June 06, 2019 ONLINE

Lending Times (37-074)

lending-times.com/2019/06/06/thursday-j...

Lending Times

"Best Journalist Coverage" - Lending Industry Award, 2017

Real Crowd Says HNW Investors Poised to Boost Real Estate Investments in 2019 (Crowdfund Insider), Rated: A

Real estate crowdfunding platform RealCrowd reports that High Net Worth (HNW) investors are looking to increase their portfolio of real estate investments during 2019. According to a survey by the Fintech platform, 53% of surveyed HNW individuals expect to make "two-to-four direct real estate investments in 2019." Specific details on the survey process were not revealed.

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IREI Newsline

PODCASTS

Shop Talk: Integrating AI with real estate crowdfunding platforms

How is artificial intelligence going to be applied to real estate crowdfunding? What are the weaknesses of AI? What void is crowdfunding filling in the real estate market? And how can wealth managers use crowdfunding platforms on behalf of their clients? Our guest – Adam Hooper, founder and CEO of RealCrowd, an online real estate equity marketplace – takes on those subjects. (05/2019)

May 01, 2019 ONLINE

Institutional Real Estate, Inc. (37-065)

irei.com/video-and-podcast/shop-talk-inte...

wealthmanagement.com

May 10, 2019 ONLINE

Wealth Management (37-078)

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WEALTH PLANNING > HIGH NET WORTH

How the New Opportunity Zone Regulations Affect Wealth Managers

The guidance offered some clarity as to how operating businesses can comply with the opportunity zone rules.

May 10, 2019

By Adam Hooper

The buzz about Opportunity Zones has grown louder since the regulation was first created by the Tax Cuts and Jobs Act of 2017. The legislation encourages investment in regions of the country the federal government has determined are underserved and in need of economic revitalization.

RIAs especially, being very much in tune with the capital gains positions of their clients, will no doubt be hearing a lot about opportunity zone investments over the next several years. Their position also makes them susceptible to pitches of subpar projects, so it's important for them to keep a keen eye out for qualified deals. It can't be overstated that you can't let the tax tail wag the dog into a marginal deal just because of the benefits—deals still need to pencil on their own merit, and the tax incentives should just be the icing on an already delicious cake.

Aside from the humanitarian aspect of these transactions, real estate investors were immediately incentivized by the capital gains tax benefits the new law promised but were wary about jumping in until the IRS fleshed out some of the specifics. The first round of guidance was released in October 2018, answering some questions but still leaving many unanswered; a second round was just released in April 2019. As in the first round, the latest round affects how wealth managers and RIAs should advise their clients on investing in opportunity zones.

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REAL ASSETS ADVISER - MAY 1, 2019: VOL. 6, NUMBER 5

Blue light special: Have retail real estate investors found their lane?

BY JOSEPH DOBRIAN

How are investors responding to the evolution of retail real estate? Are they moving away from retail properties, in response to recent vacancies and downsizings in many malls and shopping centers? Or are they still finding ways to reap attractive returns, without abandoning the category?

According to industry executives, increased online sales have indeed reduced demand for brick-and-mortar retail space. Overall, rents have compressed, and the value of many retail assets has dwindled. The cliché "flight to quality" is trumpeted as it invariably is during times of weakness. However, quality assets are available, and a canny investor will find opportunities to reposition underperforming properties. The investment community has not abandoned retail – but the category now wears a warning label: "Needs work."

Notwithstanding recent cries of doom, freestanding retail REITs were the top-performing segment of the U.S. REIT market in 2018, delivering a 13.93 percent total return for the year compared to 11.43 percent for the next-most-successful REIT segment, manufactured homes. This, in a year when REITs slightly outperformed the S&P 500 and ran well ahead of the Russell 2000. Jim Costello, senior vice president at Real Capital Analytics, reports in a recent article that sales of mall properties shot up in volume in 2018 – more than 800 percent – with great disparity in pricing depending on asset quality.

Online purchases have changed the retail landscape dramatically. The

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April 22, 2019 ONLINE

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June 05, 2019 ONLINE

Crowdfund Insider (37-074)

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CROWDFUND INSIDER

RealCrowd Says HNW Investors Poised to Boost Real Estate Investments in 2019

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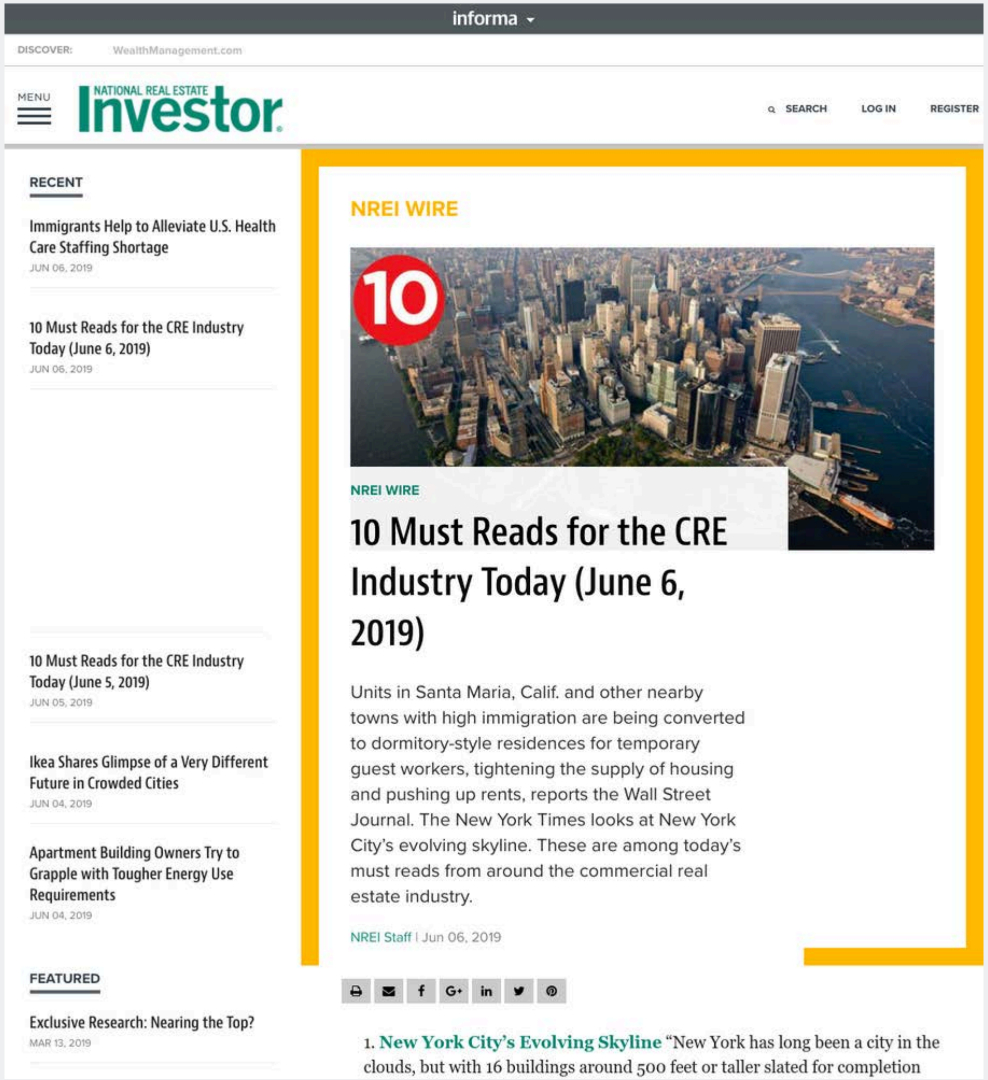

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MAR 13, 2019

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10

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10 Must Reads for the CRE Industry Today (June 6, 2019)

Units in Santa Maria, Calif. and other nearby towns with high immigration are being converted to dormitory-style residences for temporary guest workers, tightening the supply of housing and pushing up rents, reports the Wall Street Journal. The New York Times looks at New York City's evolving skyline. These are among today's must reads from around the commercial real estate industry.

NREI Staff | Jun 06, 2019

1. New York City's Evolving Skyline "New York has long been a city in the clouds, but with 16 buildings around 500 feet or taller slated for completion

June 06, 2019 ONLINE

National Real Estate Investor

nreionline.com/nrei-wire/10-must-reads-cr...

globest.com

April 29, 2019 ONLINE

GlobeSt (37-079)

globest.com/2019/04/29/does-second-ro...

GlobeSt.com

Does Second Round of Opp Zone Rules Clear Up Confusion?

While HUD estimates that opportunity zones could spur as much as $100 billion a year in investments, evidence suggests this is far from being realized, so new rules seek to clear up the confusion that was holding investors back.

Hooper says the biggest clarification involves how operating businesses can comply with the rules.

PORTLAND, OR—Created by the Tax Cut and Jobs Act of 2017, opportunity zones seek to spark economic development in distressed areas by encouraging long-term investments through tax breaks. The tax incentive allows investors to defer or minimize taxes on capital gains and, when the investment is remains in play for more than a decade, eliminate capital gains taxes all together.

The Treasury Department recently released a **second round of rules** clarifying requirements for opportunity zones in a move designed to encourage more development in low-income areas, according to Housing Wire. The **new rules** are intended to make it easier for developers looking to take advantage of the tax breaks promised by investing in opportunity zones, and clear up some of the confusion that was holding investors back.

More than 8,700 communities housing approximately 35 million Americans have been designated as opportunity zones. While HUD estimates that opportunity zones could spur as much as $100 billion a year in investments, evidence suggests this potential is far from being realized.

The new rules specify that investors can share stakes in opportunity zone funds and are permitted to sell start-ups in these areas as long as they reinvest the funds in other qualifying businesses or assets. And the regulations clarify that real estate investors can lease and refinance those properties. The Treasury's new guidance also makes it easier for investors looking to fund small business in these low-income areas by approving tax breaks for those exporting goods and services from outside the zone.

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April 29, 2019 ONLINE

GlobeSt Newsletter CA alert (37-079)

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Apr 29, 2019

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By Lisa Brown

While HUD estimates that opportunity zones could spur as much as $100 billion a year in investments, evidence suggests... Read More

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WisdomTree Restructures 2 Funds: Portfolio Products

In other product news, an impact investment opportunity launched that aims to fix the gender disparity in small business lending.

RealCrowd Invites RIAs to Test Its New Real Estate Investment Software

RealCrowd is launching a test-pilot program for its new technology platform serving independent investment advisors.

Called ReAllocate, the platform will help RIAs provide access to professionally managed direct real estate investments via its risk-based Allocation Intelligence (AI) platform.

The platform will help advisors match investors with risk-appropriate real estate investment opportunities.

ReAllocate's risk-scoring methodology and matching algorithms transparently align client goals with professionally managed direct real estate investments, identifying risk across five major sectors – the market, the asset, the manager, the capitalization and the partnership structure – to ensure the investments align with the investors' risk profiles.

ReAllocate is inviting investment and financial advisors to **apply for participation in the test program** that will allow its team to work with a select few advisors, identifying what RIAs require most to ensure they can provide the best experience for their clients.

April 01, 2019 ONLINE

ThinkAdvisor (37-069)

thinkadvisor.com/2019/04/01/wisdomtree-...

IREI Newsline

REALASSETS ADVISER

REAL ASSETS ADVISER - MARCH 1, 2019: VOL. 6, NUMBER 3

Tax alert for FAs and RIAs: Revisions to the IRS code offers five significant benefits to CRE investors

BY ADAM HOOPER

The advantages of commercial real estate investments over other types of investments are undisputed, particularly in the current economic environment: higher yields, relatively lower risk and the opportunity to diversify within the field. In fact, so many investors have discovered the upside of CRE investment that in the past couple of decades it has moved from a fringe or alternative category to a legitimate category in the investment world.

Aside from the positives mentioned above, there are also myriad tax advantages to CRE investment of which many RIAs and FAs may not be aware. While some of these benefits are newer and stem from the federal legislation known as the Tax Cuts & Jobs Act of 2017, others have been around longer.

Here, the top five tax benefits of CRE investment that RIAs and FAs should know about:

March 01, 2019 ONLINE

Institutional Real Estate, Inc. (37-065)

irei.com/publications/article/tax-alert-fas-r...

[MARKET VIEW]

By Adam Hooper

Tax alert for FAs and RIAs

Revisions to the IRS code offers five significant benefits to CRE investors

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Here, the top five tax benefits of CRE investment that RIAs and FAs should know about:

Opportunity zones: Since the passing of the tax and jobs act at the end of 2017, opportunity zones have become all the rage in CRE circles. A once-in-a-generation tax incentive that has been fairly accurately described as a 1031 on steroids, this new provision affords tax breaks to those who invest in the development of commercial real estate projects in areas of the country the government has designated as opportunity zones — economically distressed, low-income areas. The benefits of opportunity zone investments include the ability to defer capital gains taxes until end of year 2026, a possible 15 percent step-up in basis of the taxable gain, and a tax exclusion on the appreciation o investments made into opportunity zone funds. Whil the benefits of opportunity zone development are sig nificant enough to entice investors and developers those areas, the rules for achieving those benefits a strict and have required clarification from federal age cies, some of which was recently provided; however, this writing, we are still waiting on U.S. Department Treasury and IRS for final regulations and guidance some of the finer points of the new provision.

“The key for investors doing 1031 exchanges is to continue to stay on top of both the timing and structure requirements as they execute on each exchange.”

Depreciation: One of the tried-and-true benefit real estate investing is using the accelerated depr ation afforded to real estate owners. This allows to reduce dramatically both your tax basis in the estate as well as your taxable income. Some typ commercial real estate investments can realize benefits of depreciation more than others. For e ple, if you contrast and compare direct investm and REITs, you get accelerated depreciation whe invest directly (as in a real estate investment), bu with a REIT; therefore, if you invest directly in mercial real estate, you can use losses from th estate to offset other income.

1031 exchange: With some leg work, a exchange can be a powerful tool for deferring tal gains. A 1031 exchange allows for the defe

Real Assets Adviser Print (37-065)

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Distribution

capital-gains taxes so long as the gains are used to purchase "like kind" property. The key for investors is to continue to stay on top of both the timing and structure requirements as they execute on each exchange. Because of this, RIAs and FAs must follow current tax laws and understand how they apply to 1031 exchanges for real estate. Would a particular asset be eligible for a 1031 exchange or not? What are the available strategies upon sale if a gain is recognized? Also, some real estate assets are harder to exchange out of, so they might not make sense for all investors.

Qualified business income deduction: Along with opportunity zones, the qualified business income deduction was a major tax benefit to the passing of the tax and jobs act. This deduction states that passive members of an LLC that own an investment property are entitled to a 20 percent tax deduction on income for some investments — and in most cases, commercial real estate qualifies. The National Association of Realtors recently reported that the IRS has issued final rules on which commercial real estate investments qualify for the 20 percent business-income tax deduction. Earlier, the ruling stated that if an investor's income was more than $157,500 for single filers or $315,000, for joint filers and the investor had exchanged one property for another to defer taxes under section 1031 of the tax code, the amount of the new deduction might be reduced because of the swap. After the association of realtors and other trade groups reached out to the IRS to change this treatment, the IRS made that change. Now, under the final rules, investors can use the unadjusted basis of the depreciable portion of the property to claim at least a partial deduction. In addition, the association of realtors reports, two other provisions were changed by the new rules: the eligibility of rental income for the deduction and how the deduction applies to 1031 exchanges. Now, rental-property income can also qualify for the new deduction, as long as the investor shows that the rental operation is part of a trade or business. The IRS has released proposed guidelines that include a test for determining if a rental-income situation rises to the level of a trade or business. If the scenario qualifies under that test, investors can claim the deduction as long as their rental activities (e.g., maintaining and repairing property, collecting rent, paying expenses, and conducting other typical landlord activities) total at least 250 hours a year. If the activity totals less than that, investors can still try to take the deduction, but they need to show the IRS that the activity is part of a trade or business.

A friendlier tax climate: The environment for investing in commercial real estate has definitely become more tax-friendly in recent months. The biggest impact the tax and jobs act has had for CRE investors from a tax perspective is that it has given the economy a boost in terms of employment and available capital. Real estate growth is tied to job growth and employment statistics. In a sense, the tax environment has generated a positive environment for employment, and real estate is a direct beneficiary of that. ■

Adam Hooper is co-founder and CEO of **RealCrowd**.

wealthmanagement.com

March 19, 2019 ONLINE

Wealth Management (37-069)

wealthmanagement.com/technology/risk-...

TECHNOLOGY

Risk Meets Real Estate In New Advisor Pilot

Should independent financial advisors help clients invest directly in real estate? RealCrowd's REAllocate is on the cusp of launching an advisor-centric platform to help them do just that.

Samuel Steinberger | Mar 19, 2019

Outside of REITs, some financial advisors are nervous about putting clients into real estate investments. Financial incentives don't always line up for advisors, as investing in real property doesn't always align with a fee-based advice model or a commission-based business. Then there's comfort and familiarity; If an investment goes poorly (and they can) the advisor could be in bad shape with his or her client with no easy way out.

As in other areas of financial services, technology is stepping in to fill a perceived need. Following the Jobs Act, an updated version of which is being considered by the Senate Committee on Banking, Housing, and Urban Affairs, companies like real estate crowdfunding site RealCrowd have begun soliciting investments from investors. RealCrowd's latest tool, REAllocate, matches accredited investors with opportunities to invest in real property, by evaluating the risk profiles of both the investor and the investment. REAllocate Pro is the version of the tool intended for financial advisors.

REAllocate Pro is currently running a test-pilot program for advisors. The firm says it will help advisors differentiate their investment offers to clients and attract assets to which they can charge under their AUM business model. It's also looking at providing advisors compensation based on the fees the company charges to investors, according to CEO Adam Hooper.

The tool works by taking the risk profile of investors, either through an in-house risk questionnaire or pulling client information from an integration with Riskalyze. Real estate investments, a "historically opaque asset class," are, on the platform, quantified and measured across market, manager, capitalization and partnership structure, said Hooper. The firm performs due-diligence on the investments to round out advisors' fiduciary duties, he added. Once a match is made, the platform will facilitate the transaction.

nreionline.com

NATIONAL REAL ESTATE **Investor**

FINANCE & INVESTMENT

Risk Meets Real Estate in New Advisor Pilot

Should independent financial advisors help clients invest directly in real estate? RealCrowd's REAllocate is on the cusp of launching an advisor-centric platform to help them do just that.

Samuel Steinberger | Mar 20, 2019

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March 20, 2019 ONLINE

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February 07, 2019 ONLINE

Connect Media (37-051)

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Broadmark's Adam Fountain Explains Gap in Short-Term Financing Market

February 7, 2019

By Adam Fountain, co-owner of Broadmark Real Estate Management

Q: What has caused a gap in the market for short-term real estate financing?
A: Regional, community lenders used to provide short-term real estate financing for small to mid-sized builders and developers. Many of these banks were forced to either close or consolidate because of the financial crisis of 2008.

The banks that remain are larger, more cumbersome and prefer to lend to larger builders with steady cash flows. Smaller builders and developers tend to have lumpy cash flow but good balance sheets. They build highly marketable projects, and have a real need for consistent, efficient sources of credit. We look beyond cash flow to the underlying collateral.

Our firm's biggest problem is raising enough capital to meet demand for our loans. We decided to re-introduce our open-ended fund, Broadmark Real Estate Lending Fund II (BRELF II) on the RealCrowd platform. The fund has $359 million in assets under management, and is targeting a $10 million fundraise on RealCrowd. It writes short-term, first-position loans for real estate transactions in Colorado, Utah, and Texas without using leverage.

We like the RealCrowd platform because it introduces us to accredited investors that we would not have met otherwise. Our firm has raised more than $30 million in capital through RealCrowd. We were also impressed with their vetting of us. We were required to go through an extensive due diligence process before they placed us on their platform.

Q: How are short-term real estate loans typically used by the borrower?
A: Generally, these types of loans are used to develop, renovate or upgrade commercial or residential properties. The loan is repaid through the sale of the property or refinancing into a long term loan.

Q: What else is important to know about short-term loans?
A: There is strong demand for these loans. Small to mid-sized builders and developers continue to play an important role in meeting the demand for housing, typically supplying the bulk of new home construction. This is especially true in urban infill areas that have seen tremendous population and economic growth since the financial crisis. In a credit market with shrinking supply and fundamental demand, investors have a unique opportunity to realize attractive yields at modest levels of risk. BRELF II allows investors to immediately diversify across an entire portfolio of 125 conservatively underwritten, short term, first position loans.

IREI Newsline

REALASSETS ADVISER

FUNDRAISING - JANUARY 17, 2019

Broadmark relaunches open-end real estate lending fund

BY RELEASED

Broadmark Real Estate Management II (BREM), a private lender serving small to mid-sized builders and developers in the Mountain West, has relaunched its open-ended fund Broadmark Real Estate Lending Fund II (BRELF II) on RealCrowd, a direct investment online real estate platform.

The fund, which currently has $359 million in assets under management, underwrites short-term, first-position loans to finance real estate transactions in Colorado, Utah and Texas. Investors are immediately diversified across the entire portfolio of 125 conservatively underwritten loans. BRELF II has generated annualized returns in excess of 11 percent since inception.

"There is a significant gap in the market for short-term real estate financing," says Adam Fountain, co-owner of BREM. "Short-term loans are typically used to develop, renovate, or improve a commercial or residential property."

Fountain notes that many smaller regional banks, which in the past provided short-term debt, were forced to close their doors or were absorbed by larger banks following the 2008 financial crisis.

"Small regional banks that survived the Great Recession rarely provide short-term financing in the current market as a result of more restrictive regulations," said Fountain. "This creates a gap in the credit market and an opportunity for us and our investors."

RealCrowd is an online marketplace that connects sponsors directly with accredited investors. "Our platform is unique among crowdfunding providers based on the ability for investors to establish a direct relationship with the real estate sponsor," says Adam Hooper, co-founder and CEO of RealCrowd. "Many of today's crowdfunding sites function like a hedge fund, which can drive up fees on both sides. To keep costs low and give everyday accredited investors access to institutional-quality investments, RealCrowd serves as a direct marketplace where these entities build new relationships."

January 17, 2019 ONLINE

Institutional Real Estate, Inc. (37-051)

irei.com/news/broadmark-relaunches-ope...

globest.com

January 17, 2019 ONLINE

GlobeSt (37-051)

globest.com/2019/01/17/fund-narrows-ga...

GlobeSt.com

Fund Narrows Gap for Short-Term Financing

Many smaller regional banks, which previously provided short-term debt, were forced to close or were absorbed following the 2008 financial crisis, and Broadmark is satisfying an unmet need for short-term financing.

By **Lisa Brown** | January 17, 2019 at 04:00 AM

Hooper says RealCrowd allows investors to establish a direct relationship with the sponsor.

PORTLAND, OR—Broadmark Real Estate Management II LLC, a private lender serving small to mid-sized builders and developers in the Mountain West, has relaunched its open-ended fund, Broadmark Real Estate Lending Fund II on **RealCrowd**. The fund, which currently has $359 million in AUM, underwrites short-term first position loans to finance real estate transactions in Colorado, Utah and Texas.

Investors are immediately diversified across the entire portfolio of 125 conservatively underwritten loans. BRELF II has generated annualized returns in excess of 11% since its inception.

"There is a significant gap in the market for short-term real estate financing," says Adam Fountain, co-owner of BREM. "Short-term loans are typically used to develop, renovate or improve a commercial or residential property. We are satisfying an unmet need for short-term financing while offering an investment product poised to deliver strong risk-adjusted returns to our investors for the long-term."

Fountain notes that many smaller regional banks, which in the past provided short-term debt, were forced to close or were absorbed by larger banks following the 2008 financial crisis.

"Small regional banks that survived the Great Recession rarely provide short-term financing in the current market as a result of more restrictive regulations," says Fountain. "This creates a gap in the credit market, and an opportunity for us and our investors."

Broadmark Real Estate Lending Fund II is targeting a fundraise of approximately $10 million through the RealCrowd **crowdfunding** platform.

link.globest.com

January 17, 2019 ONLINE

National (37-051)

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Jan 17, 2019

Fund Narrows Gap for Short-Term Financing

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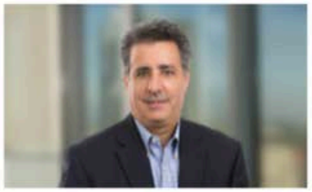

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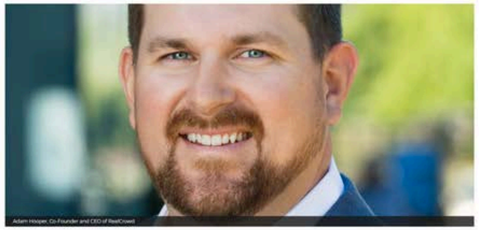
GLOBAL REAL ESTATE NEWS

Broadmark Real Estate Management Relaunches "Broadmark Real Estate Lending Fund II" on Realcrowd Direct Investment Platform

January 17, 2019—Broadmark Real Estate Management II, LLC ("BREM"), a private lender serving small to mid-sized builders and developers in the Mountain West, has relaunched its open-ended fund, "Broadmark...



Adam Hooper, Co-Founder and CEO of RealCrowd

Blau Journal | 6 Views | January 17, 2019

January 17, 2019—**Broadmark Real Estate Management** II, LLC ("BREM"), a private lender serving small to mid-sized builders and developers in the Mountain West, has relaunched its open-ended fund, "Broadmark Real Estate Lending Fund II" ("BRELF II") on RealCrowd, one of the nation's leading direct investment online real estate platforms.

The fund, which currently has $359 million in AUM, underwrites short-term, first position loans to finance real estate transactions in Colorado, Utah and Texas. Investors are immediately diversified across the entire portfolio of 125 conservatively underwritten loans. BRELF II has generated annualized returns in excess of 11-percent since inception.

> "THERE IS A SIGNIFICANT GAP IN THE MARKET FOR SHORT-TERM REAL ESTATE FINANCING," SAYS ADAM FOUNTAIN, CO-OWNER OF BREM. "SHORT-TERM LOANS ARE TYPICALLY USED TO DEVELOP, RENOVATE, OR IMPROVE A COMMERCIAL OR RESIDENTIAL PROPERTY. WE ARE SATISFYING AN UNMET NEED FOR SHORT-TERM FINANCING WHILE OFFERING AN INVESTMENT PRODUCT POISED TO DELIVER STRONG RISK-ADJUSTED RETURNS TO OUR INVESTORS FOR THE LONG-TERM."

Mr. Fountain notes that many smaller regional banks, which in the past provided short-term debt, were forced to close their doors or were absorbed by larger banks following the 2008 financial crisis.

"Small regional banks that survived the Great Recession rarely provide short-term financing in the current market as a result of more restrictive regulations," says Mr. Fountain. "This creates a gap in the credit market and an opportunity for us and our investors."

Broadmark Real Estate Lending Fund II is targeting a fundraise of approximately $10 million through the **RealCrowd** crowdfunding platform.

"We have had tremendous success utilizing RealCrowd as part of our global fundraising strategy," says Mr. Fountain. "By partnering with RealCrowd, we are giving investors the opportunity to invest directly into our fund, while also providing the convenience of doing so via a user-friendly online platform. To date, our firm has raised more than $30 million in capital through the RealCrowd platform."

RealCrowd is an online marketplace that connects sponsors directly with accredited investors.

"Our platform is unique among crowdfunding providers based on the ability for investors to establish a direct relationship with the real estate sponsor," says Adam Hooper, Co-Founder and CEO of RealCrowd. "Many of today's crowdfunding sites function like a hedge fund, which can drive up fees on both sides. To keep costs low and give everyday accredited investors access to institutional-quality investments, RealCrowd serves as a direct marketplace where these entities build new relationships."

RealCrowd also has a high bar for approval to be featured on its marketplace. The firm ensures that each real estate Sponsor on its platform has more than 10 years of principal-level experience and more than $50 million in transactional history, while also ensuring that each investor is accredited. They recently announced the launch of a full due diligence report for every sponsor that is featured on the marketplace, increasing the transparency and availability of information for prospective investors.

January 17, 2019 ⊕ ONLINE

Blau Journal (37-051)

blaujournal.com/broadmark-real-estate-m...

seniorhousingnews.com

January 30, 2019 ONLINE

Senior Housing News (37-048)

seniorhousingnews.com/2019/01/30/opp...

SENIOR HOUSING NEWS

FINANCE & DEVELOPMENT

Opportunity Zones Hold Untapped Potential for Driving Senior Housing Development, Investment

By Chuck Sudo | January 30, 2019

Alachua County/Flickr | CC BY 4.0

Created by the 2017 Tax Cuts and Jobs Act, "opportunity zones" hold immense promise for senior housing investment and development, particularly for more affordable options. However, senior housing appears to be an overlooked asset class so far, when it comes to opportunity zone funds and projects in the works.

The 2017 law created qualified opportunity zones offering tax incentives for certain investment in lower income urban, suburban and rural Census tracts across the country. Opportunity zones hold the probability to offer significant tax benefits to investors who re-invest capital gains earnings into new investments, without having to pay taxes on the gains. There are over 8,700 opportunity zones in the U.S.

For investors and sponsors, the most exciting aspect of opportunity zones is, unlike a Section 1031 exchange where capital gains must be reinvested into similar assets in order to defer paying taxes, the gains may be invested in different asset classes, so long as the investor is willing to hold on to the investment long term.

This could further drive senior housing investment, at a time when this asset class is increasingly recognized as institutional-grade. Similarly, it could spur development, particularly in low-density areas of the country where the aging population is growing and there is a lack of senior housing supply, RealCrowd CEO Adam Hooper told Senior Housing News. Palo Alto, California-based RealCrowd is an online commercial real estate investment platform that is positioning itself to take advantage of opportunity zones.

globest.com

December 10, 2018 ONLINE

(37-048) GlobeSt

globest.com/2018/12/10/the-buzz-about-o...

GlobeSt.com

The Buzz About Opportunity Zone Tax Benefits

Established by Congress in the Tax Cuts and Jobs Act of 2017, Opportunity Zone legislation is a community development program to encourage long-term investments in low-income US communities.

Hooper says opportunities will open up in regions that historically have low capital investment.

PORTLAND, OR—Many large institutional funds, fund managers and commercial investors are exploring the **tax benefits** of Opportunity Zones, and most intend to make this part of future commercial real estate **investment strategies**. In fact, a new marketplace has been launched to provide the average accredited investor with access to newly formed Opportunity Zone fund investments.

RealCrowd's offering will focus solely on investments offered by third-party real estate sponsors that intend to be qualified Opportunity Zone fund projects, according to Adam Hooper, co-founder and CEO of RealCrowd. Hooper points out that Opportunity Zone projects are still in the infancy stages and regulations related to these investments continue to be defined and clarified by the US Treasury.

December 10, 2018

(37-048) GlobeSt California E-newsletter

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California Alert

Dec 10, 2018

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By Kelsi Maree Borland

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By Lisa Brown

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By Lisa Brown

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January 15, 2019 ONLINE

Done Deals (37-051)

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Done Deals

Broadmark Real Estate Management Relaunches Broadmark Real Estate Lending Fund II on Real Crowd

Portland, OR (Jan. 15, 2019) - Broadmark Real Estate Management II, LLC ("BREM"), a private lender serving small to mid-sized builders and developers in the Mountain West, has relaunched its open-ended fund, "Broadmark Real Estate Lending Fund II" ("BRELF II") on RealCrowd, one of the nation's leading direct investment online real estate platforms.

The fund, which currently has $359 million in AUM, underwrites short-term, first position loans to finance real estate transactions in Colorado, Utah and Texas.

Investors are immediately diversified across the entire portfolio of 125 conservatively underwritten loans.

"Our platform is unique among crowdfunding providers based on the ability for investors to establish a direct relationship with the real estate sponsor," says **Adam Hooper**, Co-Founder and CEO of RealCrowd.

"Many of today's crowdfunding sites function like a hedge fund, which can drive up fees on both sides. To keep costs low and give everyday accredited investors access to institutional-quality investments, RealCrowd serves as a direct marketplace where these entities build new relationships."

Adam Hooper

Adam J. Fountain

BRELF II has generated annualized returns in excess of 11-percent since inception.

"There is a significant gap in the market for short-term real estate financing," says **Adam Fountain**, co-owner of BREM. "Short-term loans are typically used to develop, renovate, or improve a commercial or residential property.

"We are satisfying an unmet need for short-term financing while offering an investment product poised to deliver strong risk-adjusted returns to our investors for the long-term."

Mr. Fountain notes that many smaller regional banks, which in the past provided short-term debt, were forced to close their doors or were absorbed by larger banks following the 2008 financial crisis.

"Small regional banks that survived the Great Recession rarely provide short-term financing in the current market as a result of more restrictive regulations," says Mr. Fountain. "This creates a gap in the credit market and an opportunity for us and our investors."

Broadmark Real Estate Lending Fund II is targeting a fundraise of approximately $10 million through the RealCrowd crowdfunding platform.

"To date, our firm has raised more than $30 million in capital through the RealCrowd platform."

RealCrowd also has a high bar for approval to be featured on its marketplace. The firm ensures that each real estate Sponsor on its platform has more than 10 years of principal-level experience and more than $50 million in transactional history, while also ensuring that each investor is accredited.

RealCrowd is one of the nation's leading direct investment online real estate platforms. As one of the first real estate equity crowdfunding companies, the firm has hosted more than $4.5 billion in real estate offerings through its platform, spanning more than 170 investments across 38 states.

Headquartered in Portland, Oregon, RealCrowd is backed by venture capital seed accelerator Y Combinator in 2013.

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commercial real estate

RealCrowd Launches Online Marketplace for Opportunity Zone Investments

Portland, OR-based RealCrowd launched a new marketplace to give everyday accredited investors access to newly-formed Opportunity Zone fund investments. The new offering will focus solely on investments offered by third party real estate sponsors that intend to be qualified Opportunity Zone fund projects.

RealCrowd's Adam Hooper says, "Opportunity Zone projects are still in their infancy, and regulations related to these investments continue to be defined and clarified by the U.S. Treasury. That said, there are tax benefits that cannot be ignored by everyday accredited investors. One of the hallmarks of our platform is that we provide investors with access to opportunities that were previously only available to the most elite or largest investment firms. Opportunity Zone investments certainly fall into this category."

Hooper notes this segment is likely to become a key investment strategy over the next decade for large institutional funds, fund managers, and commercial investors who are exploring the tax benefits of Opportunity Zones.

January 02, 2019 ONLINE

(37-048) Connect Media

connect.media/realcrowd-launches-onlin...

bisnow.com

November 20, 2018 ONLINE

Bisnow (37-052)

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News

National Capital Markets

Pro Athletes Leveraging Connections With Former Teammates To Invest In Commercial Real Estate

After a career pitching for teams like the Washington Nationals, the Pittsburgh Pirates and the Minnesota Twins, there was a moment in 2017 Matt Capps knew his ball-throwing days were over. At the time, he was a free agent, bouncing around minor league teams after shoulder surgery.

"The phone quit ringing," Capps said. "I just kind of had that moment of awakening."

Gibberish77/Wikipedia

Highgate Partners' Matt Capps, a former relief pitcher for the Minnesota Twins

By then, Capps had two small kids at home. So he decided in April to leave professional baseball behind him after seven seasons, during which he earned more than $18M. He spent a few months as a stay-at-home dad, shuttling his kids to school and around until he realized he needed to do something else.

"There were only so many car-pool lines I was capable of sitting in," Capps said. "And that being said, it's hard to sit. [Professional athletes] are Type-A personalities."

Earlier this year, Capps joined Atlanta-based Highgate Partners, a commercial real estate investment firm. While he had personally invested in real estate, beginning with a Florida investment home in 2007, he is now using his experience as a Major League Baseball pitcher and getting former teammates and other professional athletes to invest with his firm.

seniorshousingbusiness.com

SENIORS
HOUSING BUSINESS

Three Ways Opportunity Zones May Impact Seniors Housing Investments

Tax incentives could increase investment, entice developers.

By Adam Hooper, Co-Founder and CEO, RealCrowd

By 2030, 75.5 million baby boomers will be 65 and older.

This expansive generation is increasingly retiring, downsizing and living on a fixed income, and investors are aware of the windfall that may become available.

In fact, seniors housing topped the list of all residential segments in this year's Urban Land *Emerging Trends in Real Estate* report in terms of its development and investment prospects.

As investment in this sector climbs, many are wondering how the new Opportunity Zones tax policy will impact investment in seniors housing.

As an online direct real estate investment platform, this is how we believe this new tax policy will impact seniors housing investment over the next several years:

November 28, 2018 ONLINE

Seniors Housing Business (37-047)

seniorshousingbusiness.com/industry-voi...

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November 28, 2018 ONLINE

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Industry Voices

Three Ways Opportunity Zones May Impact Seniors Housing Investments

By Adam Hooper, Co-Founder and CEO, RealCrowd

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As investment in this sector climbs, many are wondering how the new Opportunity Zones tax policy will impact investment in seniors housing.

crowdfundinsider.com

CROWDFUND INSIDER

RealCrowd Targets Opportunity Zone Investments

November 26, 2018

Written by JD Alois

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RealCrowd, a real estate crowdfunding platform for accredited investors, has launched a new marketplace to provide access to newly formed Opportunity Zone fund investments.

November 26, 2018 ONLINE

Crowdfund Insider

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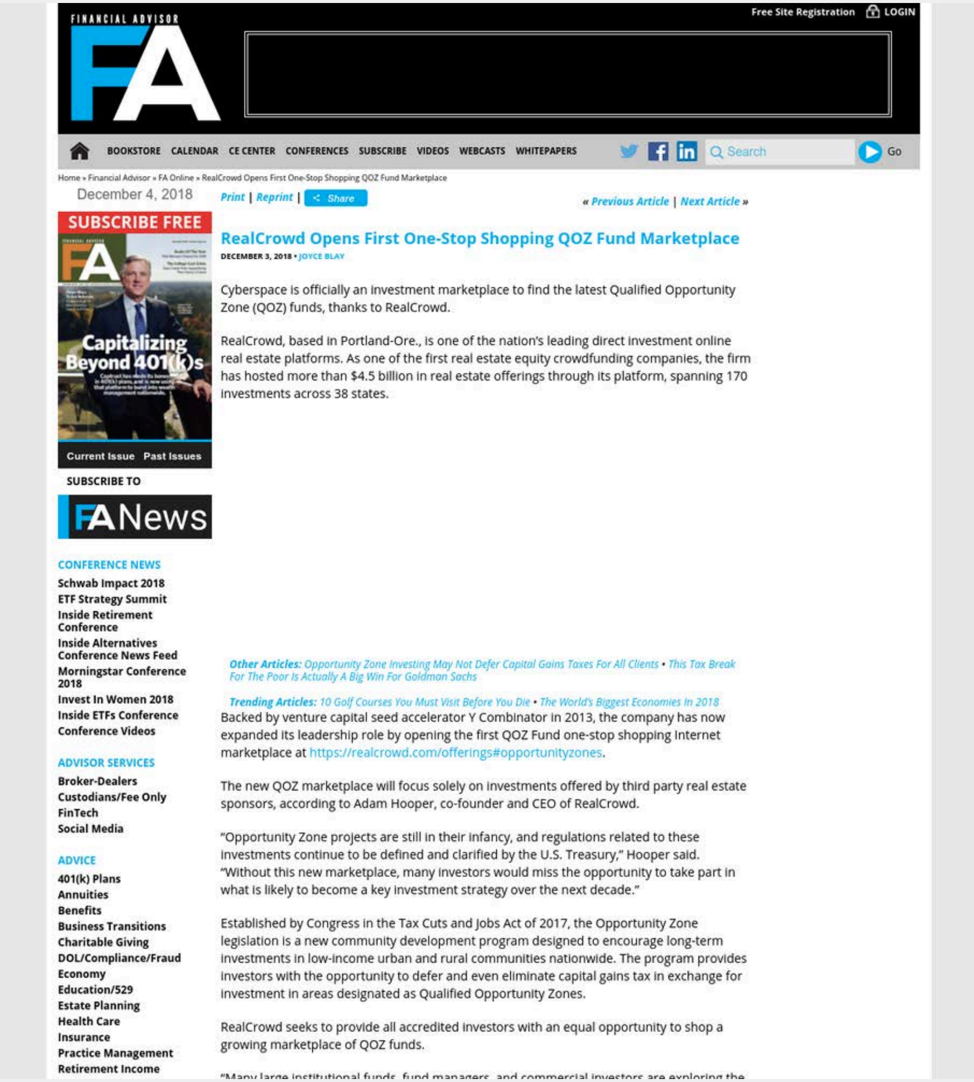

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December 4, 2018

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RealCrowd Opens First One-Stop Shopping QOZ Fund Marketplace

DECEMBER 3, 2018 • JOYCE BLAY

Cyberspace is officially an investment marketplace to find the latest Qualified Opportunity Zone (QOZ) funds, thanks to RealCrowd.

RealCrowd, based in Portland-Ore., is one of the nation's leading direct investment online real estate platforms. As one of the first real estate equity crowdfunding companies, the firm has hosted more than $4.5 billion in real estate offerings through its platform, spanning 170 investments across 38 states.

Other Articles: Opportunity Zone Investing May Not Defer Capital Gains Taxes For All Clients • This Tax Break For The Poor Is Actually A Big Win For Goldman Sachs

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Backed by venture capital seed accelerator Y Combinator in 2013, the company has now expanded its leadership role by opening the first QOZ Fund one-stop shopping internet marketplace at https://realcrowd.com/offerings#opportunityzones.

The new QOZ marketplace will focus solely on investments offered by third party real estate sponsors, according to Adam Hooper, co-founder and CEO of RealCrowd.

"Opportunity Zone projects are still in their infancy, and regulations related to these investments continue to be defined and clarified by the U.S. Treasury," Hooper said. "Without this new marketplace, many investors would miss the opportunity to take part in what is likely to become a key investment strategy over the next decade."

Established by Congress in the Tax Cuts and Jobs Act of 2017, the Opportunity Zone legislation is a new community development program designed to encourage long-term investments in low-income urban and rural communities nationwide. The program provides investors with the opportunity to defer and even eliminate capital gains tax in exchange for investment in areas designated as Qualified Opportunity Zones.

RealCrowd seeks to provide all accredited investors with an equal opportunity to shop a growing marketplace of QOZ funds.

"Many large institutional funds, fund managers, and commercial investors are exploring the

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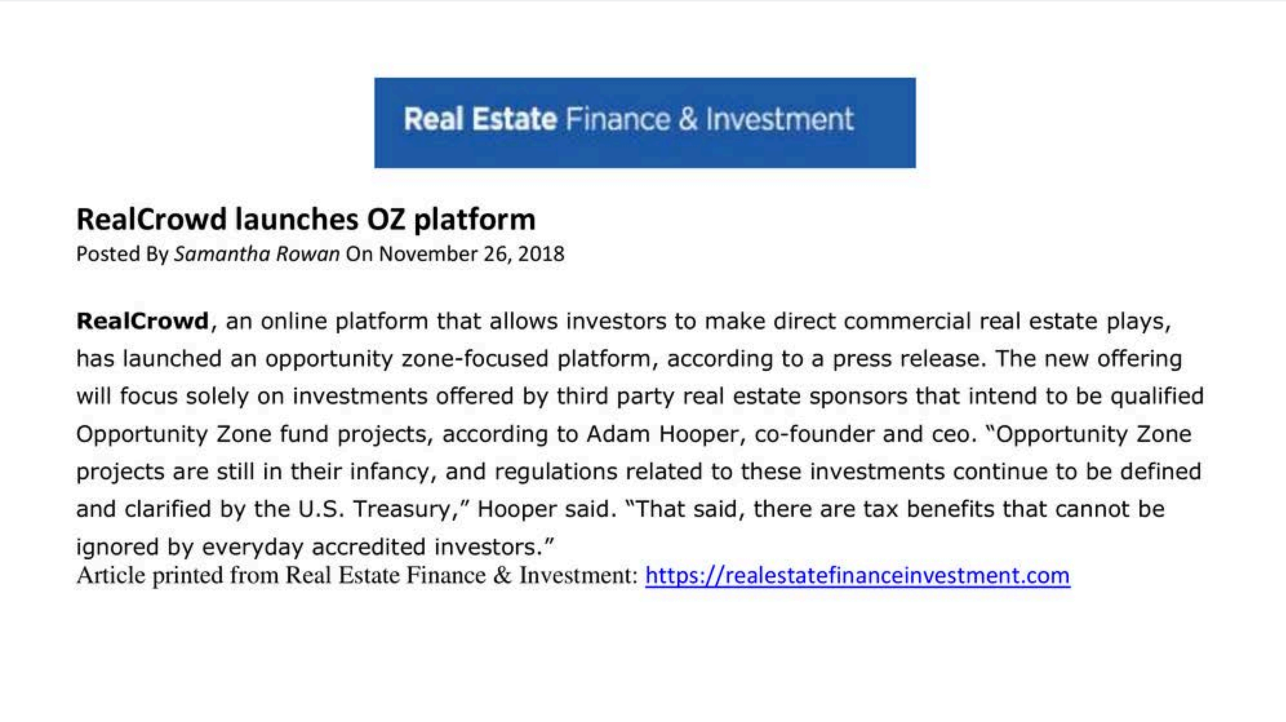

Real Estate Finance & Investment

RealCrowd launches OZ platform

Posted By *Samantha Rowan* On November 26, 2018

RealCrowd, an online platform that allows investors to make direct commercial real estate plays, has launched an opportunity zone-focused platform, according to a press release. The new offering will focus solely on investments offered by third party real estate sponsors that intend to be qualified Opportunity Zone fund projects, according to Adam Hooper, co-founder and ceo. "Opportunity Zone projects are still in their infancy, and regulations related to these investments continue to be defined and clarified by the U.S. Treasury," Hooper said. "That said, there are tax benefits that cannot be ignored by everyday accredited investors."

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Done Deals

RealCrowd Launches Online Marketplace for Opportunity Zone Investments

Portland, OR --RealCrowd, one of the nation's leading direct investment online real estate platforms, has launched a new marketplace to give everyday accredited investors access to newly formed Opportunity Zone fund investments.

The new offering will focus solely on investments offered by third party real estate sponsors that intend to be qualified Opportunity Zone fund projects, according to **Adam Hooper**, Co-Founder and CEO of RealCrowd.

"Opportunity Zone projects are still in their infancy, and regulations related to these investments continue to be defined and clarified by the U.S. Treasury," says Hooper.

"That said, there are tax benefits that cannot be ignored by everyday accredited investors. One of the hallmarks of our platform is that we provide investors with access to opportunities that were previously only available to the most elite or largest investment firms.

Adam Hooper

"Opportunity Zone investments certainly fall into this category. Without this new marketplace, many investors would miss the opportunity to take part in what is likely to become a key investment strategy over the next decade."

Established by Congress in the Tax Cuts and Jobs Act of 2017, Opportunity Zone legislation is a new community development program to encourage long-term investments in low-income urban and rural communities nationwide. The program provides investors with the opportunity to defer and even eliminate capital gains tax in exchange for investment in these regions.

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November 29, 2018 ONLINE

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RealCrowd Launches Online Marketplace for Opportunity Zone Investments

November 29, 2018— RealCrowd, one of the nation's leading direct investment online real estate platforms, has launched a new marketplace to give everyday accredited investors access to newly formed Opportunity Zone fund investments.

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> "OPPORTUNITY ZONE PROJECTS ARE STILL IN THEIR INFANCY, AND REGULATIONS RELATED TO THESE INVESTMENTS CONTINUE TO BE DEFINED AND CLARIFIED BY THE U.S. TREASURY," SAYS HOOPER. "THAT SAID, THERE ARE TAX BENEFITS THAT CANNOT BE IGNORED BY EVERYDAY ACCREDITED INVESTORS. ONE OF THE HALLMARKS OF OUR PLATFORM IS THAT WE PROVIDE INVESTORS WITH ACCESS TO OPPORTUNITIES THAT WERE PREVIOUSLY ONLY AVAILABLE TO THE MOST ELITE OR LARGEST INVESTMENT FIRMS. OPPORTUNITY ZONE INVESTMENTS CERTAINLY FALL INTO THIS CATEGORY. WITHOUT THIS NEW MARKETPLACE, MANY INVESTORS WOULD MISS THE OPPORTUNITY TO TAKE PART IN WHAT IS LIKELY TO BECOME A KEY INVESTMENT STRATEGY OVER THE NEXT DECADE."

October 22, 2018

Real Estate Forum (37-020)

REAL ESTATE FORUM'S

50 UNDER 40 2018

The New Class of Commercial Real Estate's Rising Stars

It's one thing to have a successful career, but it's another thing altogether to reach a remarkable level of success in the early part of one's career. But that's the predominant thread tying this year's class of 50 Under 40 together.

The members of this diverse group have very different backgrounds, upbringings, educational attainments and even family histories. Some come from longstanding families heavily involved in real estate, while others had no such background and changed the direction of their careers after starting in other fields. Some have built businesses from the ground up, while others are instrumental in the current success of their companies. Many also take time out of their schedules to make notable contributions to their communities or charitable causes.

Whatever their past experiences, they all share the common traits of tenacity, intelligence and forethought. These emerging leaders are combining tried and true methods of relationship building along with new ways of doing business. Indeed, they have set the bar for excellence while many are still in their 30s.

Culled from an already-impressive initial list of nearly 400 young commercial real estate leaders, the rising stars who made the short list are already establishing their presence in the industry.

JULIAN FREEMAN, 38

Partner
Cox, Castle & Nicholson LLP
Irvine, CA

Known as a powerhouse dealmaker for prominent institutional landlord clients, Julian Freeman became the youngest partner at CCN upon being elected to the role in 2016. He routinely handles some of the most complicated lease transactions in the Western US on a first-chair basis, often opposite *Fortune* 500 companies, averaging some 200 deals per year totaling more than two million square feet. Freeman currently manages portfolio leasing for more than 50 million square feet of office, industrial and retail projects, supervising a team of associate lawyers and paralegals working on up to 50 transactions at any given time. He has served in various leadership roles both outside of the firm and within, including as a member of CCN's skills development committee overseeing the internal continuing education program, as well as the associate, recruiting, marketing and research advisory committees.

DANIEL J. GALVAN, 34

Principal
Coldwell Banker Commercial Rio Grande Valley
McAllen, TX

Daniel Galvan was only 22 when he became licensed to practice real estate but he moved quickly to become one of the market's top producers and "go-to" brokers. By the time he was 25, he earned his broker's license, took part in the acquisition of the Coldwell Banker Commercial franchise for the Rio Grande Valley, and obtained the CCIM Designation. Soon after that, he was named Coldwell Banker Commercial's Rookie of the Year, and for every year since 2012, he was named to CBC's Circle of Distinction. As the principal broker of the company, he handles both recruitment and transaction management, closing some 100 transactions per year. He currently oversees a leasing portfolio of over 2.5 million square feet of office, industrial and retail space and serves as lead property manager for another 125,000 square feet.

JIMMY GOODMAN, 39

Partner
The Boulder Group
Wilmette, IL

Under Jimmy Goodman's guidance, the Boulder Group has been ranked among the top 10 US companies for single-tenant retail transactions by Real Capital Analytics and CoStar for the past six years. Throughout his 15-year career, he's worked on the sale of more than 500 net lease transactions aggregating $3.1 billion in value. On an annual basis, Goodman is involved in an average of 100 transactions valued approximately $400 million, on behalf of high-net worth individuals, developers, public and private REITS, partnerships and institutional investment funds. To date in 2018, he has closed on the sale of approximately $262 million of net lease assets occupied by major credit tenants. Outside of real estate, he is involved in the construction and capital campaign for the Bernard Zell Anshe Emet Day School.

STEVE GROETSEMA, 33

Partner, Midwest Region
Bridge Development Partners
Chicago

A strong work ethic coupled with resilience and an ability to be a "jack of all trades" helped Steve Groetsema rise from analyst to partner at Bridge Development within just eight years. His ability to lead and execute with creativity and certainty has contributed significantly to Bridge's success, making it one of the most active developers in Chicago. Since taking on the role of director of leasing and development in 2012, Groetsema has sold more than 5.5 million square feet of industrial product, with an additional 3.6 million feet under development, including seven O'Hare redevelopments totaling 3.1 million square feet that are valued at $485 million-plus. Groetsema, who has earned multiple industry recognitions, serves on the board of directors of NAIOP and as a mentor for the NAIOP Developing Leaders Program.

JENNY HAEG, 37

Vice Chairman, Advisory & Transactions
CBRE
San Francisco

Nicknamed the "startup whisperer," Jenny Haeg has nearly two decades of CRE experience advising a star-studded roster of startups and technology companies. Much of her success is attributed to her ability to understand and maintain clients' cultural identities as their businesses scale. When she founded Custom Spaces, after serving as the youngest SVP in the history of the CAC Group, it was the first and only female-founded CRE firm in San Francisco history. Also at that time, there was no other Bay Area firm focused on technology startups such as Airbnb, Square, Medium, Instacart and Spotify. Under her guidance as CEO, the firm soon expanded to provide real estate solutions for tech companies in markets such as New York, Los Angeles, Tokyo and London. In her current role at CBRE, which acquired Custom Spaces in 2017, she represents high-growth startups and tech companies in the Bay Area and nationally.

ADAM W. HOOPER, 37

Chief Executive Officer
RealCrowd
Portland, OR

In less than five years, Adam Hooper grew his firm from a start-up to one of the leading online investment platforms in the country. He worked in CRE for over a decade before entering the tech world, during which time he launched three national platforms for investment sales and brokerage. He also served as a partner at a leading capital markets firm, where he was integral in over $1 billion in joint venture equity transactions. When Hooper founded RealCrowd in 2013, it was one of the first crowdfunding companies for commercial real estate. Since then, the platform has helped 20,000-plus investors take part in more than $4.5 billion worth of commercial real estate transactions. RealCrowd remains one of the only online investment platforms in the US that offers direct investment in real property. Last year, Hooper launched a podcast on commercial real estate investing that has generated more than 125,000 downloads.

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INVESTMENT > ALTERNATIVE INVESTMENTS

Opportunity Zones Explained

What advisors need to know about this new policy and the tax benefits for their clients.

By Adam Hooper

Opportunity Zones is a new community development program established by Congress in the Tax Cuts and Jobs Act of 2017 to encourage long-term investments in low-income urban and rural communities nationwide.

The idea originated from tech billionaire Sean Parker, the former president of Facebook and creator of Napster. In 2013, Mr. Parker enlisted powerful allies and formed the Economic Innovation Group, a Washington think tank to help him press the policy into law.

The program essentially rewards reinvestment of profit into "Opportunity Zones" defined as low-income census tracts selected by state governors and certified by the U.S. Treasury Department.

There are roughly 8,700 Opportunity Zones throughout the U.S., providing real estate investors with the opportunity to defer or even eliminate capital gains tax.

The Triple-Threat Tax Treatment

Capital gains tax deferral, step-up in basis, and capital gains tax elimination are the triple-threat tax advantages real estate investors may see with investment in Opportunity Zones.

Derek Uldricks, President of Virtua Partners, a global private-equity real estate investment firm that recently created its first opportunity zone fund, demonstrates the tax benefits that can be realized by investors.

October 02, 2018 ONLINE

Wealth Management (37-027)

wealthmanagement.com/alternative-inve...

October 31, 2018

Real Assets Adviser (37-019)

By Anna Robaton

Trends in real estate investing

As the growth cycle matures and decelerates, conventional thinking undergoes some revisions

Investors have plenty to celebrate this year on the economic front. The U.S. economy continued its nearly decade-long expansion and has been stronger lately than many people expected. Gross domestic product grew by more than 4 percent in second quarter 2018 — the highest rate in four years.

So why aren't commercial real estate investors and lenders quite as bullish as they were a short time ago?

The reasons are many. The U.S. economy appears to be firing on all cylinders, but deal volume peaked in late 2015, and asset prices, while rising, are no longer growing at double-digit rates. Supply is a concern in some parts of the country, particularly in gateway markets, and rent growth has generally cooled, more or less tracking inflation. "Positive, but pedestrian rent growth" — of 1 percent to 2 percent — "will be the norm in many sectors," according to Green Street Advisors' *Commercial Property Outlook* for the second quarter.

THE END OF EXUBERANCE

By some accounts, a greater sense of normalcy is returning to commercial real estate now that interest rates are climbing from historical lows. In September, the Fed hiked its benchmark short-term interest rate for the eighth time since it began its normalizing policy in late 2015.

"In some respects, we are moving back to a more normal market," says Jim Costello, senior vice president at Real Capital Analytics. "The only reason that deal volume was growing at double-digit rates every year — as prices were growing at the same time — is that the falling interest-rate environment made it easy for buyers and sellers to come together on expectations. It was a kind of unnatural period."

How is the new normal — or rather, a return to the old normal — changing the calculus for investors? And with a greater sense of trepidation in the air, what property types and geographic areas are attracting capital flows from institutional and private investors?

INDUSTRIAL MIGHT

Among other things, the once-sleepy industrial sector has become a darling of investors. In what may be the homestretch of the current real estate cycle, industrial is outperforming many other sectors, largely because it is benefitting from one of the biggest disruptive forces of our time: e-commerce.

And we are not only talking about the rise of Amazon.com Inc. Many traditional retailers are investing heavily in their e-commerce platforms, contributing to robust demand for warehouse and distribution facilities, especially those near major cities. E-commerce sales, according to Green Street, are growing at a much faster pace than sales tied to brick-and-mortar stores and will continue to do so over the next several years.

Despite a high level of development activity, the industrial sector's vacancy rate stood at less than 5 percent in the second quarter of this year, a historical low, according to a JLL report. Annualized rent growth was slightly more than 6 percent — or more than twice the rate of inflation.

Strong transaction activity — driven by institutional investors' acquisitions of entire companies and portfolios — has generally pushed up industrial property values, which rose by 11 percent during the 12 months ended in the third quarter, according to Green Street.

In some of the country's tightest markets, such as Los Angeles and Seattle, industrial properties are now fetching nearly as much as office properties on a square-footage basis — narrowing what has long been a wide pricing gap between the two asset classes, says Tim Lee, vice president of corporate development and legal affairs at Olive Hill Group, a Los Angeles–based commercial real estate investment firm.

"Industrial is still very hot. Prices are coming up close to office asking prices. There has always been a huge gap in prices per square foot" between the two sectors, says Lee.

REDISCOVERING THE BURBS

As the cycle matures, investors are also turning their attention to suburban office properties — an asset class some assumed, in the years following the global financial crisis, might never make a full comeback.

In the post-recession era, investors largely favored office buildings in central business districts, in part because they believed those assets would benefit disproportionately from the millennial generation's oft-reported penchant for living and working in urban areas.

During the past year, overall deal volume has declined in the office sector, with fundamentals generally "uninspiring as [landlord] concessions remain high and demand growth tepid," according to Green Street's *Commercial Property Outlook* for the second quarter.

Yet single-asset sales of suburban office buildings are still at record-high volumes, and they are well above the pace of activity at the peak of

the last cycle in 2007, according to Costello of Real Capital Analytics.

"I thought the suburbs were dead," he quips.

The simplest explanation, he said, is investors are pursing higher yields in the burbs. But Costello believes there's more to the story: Namely, a growing number of young adults are heading to the suburbs, and employers are keen to be near talent, which bodes well for demand.

"Early in the cycle, it was all about wanting to own CBD office buildings because millennials are moving to the city, and they want to live, work and play" in urban markets, says Costello.

"We're 10 years from the last [financial] crisis, and a lot has changed along the way. One predictable thing that happened is everybody got older, and some [millennials] are starting to pair up and move to the suburbs," he added.

A Brookings Institution study released earlier this year found 2012 was the peak of the "back to the city" movement in the United States. Since then, suburbanization has picked up, as has a movement to rural areas and Snow Belt–to–Sun Belt population shifts, according to the study, which analyzed census data. The trend, however, notes Costello, "doesn't mean that everything in the suburbs is suddenly golden."

Little appetite exists, he explains, for the 1980s-era "vintage" office building sitting at the end of an isolated cul-de-sac. But office buildings in what Costello calls "pockets of urbanity in the suburbs" — highly walkable neighborhoods with public-transportation options, shops and restaurants — have seen strong price appreciation, he said.

APARTMENTS BACK IN FOCUS

The search for yield is also renewing investor interest in multifamily properties. Apartments are among the most-attractive sectors for private-market investors, according to Green Street, which reports strong job creation is keeping rents growing in the face of supply pressures in many markets.

"The reason we see a lot of interest in multifamily is that investors can get yield," says Adam Hooper, co-founder and CEO of RealCrowd, a commercial real estate crowdfunding platform. "There are few options right now where investors can get consistent, healthy cash flow."

Class B multifamily properties are particularly attractive, notes Hooper, partly due to relatively limited supply. During the recent building boom, many developers have focused on more expensive class A buildings.

"We've seen a lot of value-add multifamily lately," explains Hooper. "You can find assets that had been mismanaged, or the previous owner didn't have the capital for upgrades," and make improvements to properties that will benefit from continued strong rental demand.

To keep up with demand, the United States will need 4.6 million new apartment units by 2030, according to a 2016 study commissioned by the National Apartment Association and the National Multifamily Housing Council. The study found the apartment industry averaged 225,000 completions a year between 2011 and 2016 — falling short of the roughly 328,000 average yearly completions needed to meet demand.

To some extent, the renewed interest in the apartment sector represents a flight to safety, says Lee of Olive Hill Group. Prices in the sector rose by 4 percent during the 12-month period ended in the second quarter, reports Green Street.

"If we have a recession, companies can shrink down their office [space], but people still need a place to live," he adds. "There's still a strong appetite [among investors] for multifamily."

California is a notable exception, Lee adds. Earlier this year, many would-be apartment investors were sitting on the sidelines, waiting to see the outcome on Proposition 10. If passed in November's midterm election, the ballot initiative would allow cities and counties across the state to expand rent control.

NICHE SECTORS GET THEIR DUE

On a national level, many investors have already expanded their horizons beyond apartments and other core property sectors. After years of rising asset prices, investors now have a "greater appreciation" for so-called niche assets, says Cedrik Lachance, Green Street Advisors' director of REIT research.

The trend is particularly evident in the public market, where REITs that own assets such as student housing, manufactured homes and storage facilities generally have been trading at a premium to their private-market asset values. The same cannot be said for REITs that own more-traditional property types, notes Lachance.

"When you look at real estate that has the biggest discounts to private asset values, it's the core sectors. Most niche sectors have been trading at a premium to asset values," he says.

"The public market," adds Lachance, "is saying that prices are unduly inflated in sectors like office and much more palatable in historically noncore sectors."

ADJUSTING TO THE NEW NORMAL

For private market investors, particularly those who are relatively new to commercial real estate, today's market conditions take some getting used to, says Hooper of RealCrowd. That has meant coming to terms with less-robust return expectations and longer-term horizons for deals, which, ideally, will allow investors to ride out market fluctuations.

"The return expectation hasn't kept pace

Class B multifamily properties are particularly attractive, partly due to relatively limited supply.

with the reality of where the market is today," he says. "There's a mismatch between return expectations and the reality of where we are in the cycle."

"The easier, value-add deals are fewer and far between," adds Hooper. "You now have to look more closely at the [investment] manager, and how they're approaching things differently" from the herd.

The smart money, says Larry Sullivan, president of Passco Cos., does not necessarily worry about what is happening today, or even tomorrow. Long-term investors, he says, should be thinking about trends — demographic and otherwise — that will drive real estate demand over the next decade. That's the approach his Irvine, Calif.-based firm has taken since its founding in 1998.

WHO IS GENERAITON Z?

Today, Sullivan and his colleagues are pondering such questions as: What attributes will come to define Generation Z — the demographic cohort following the millennials — and what are the implications for real estate demand?

Millennials, for instance, may be content to live in tiny spaces, but members of Generation Z (an estimated 70 million people) may prefer apartments that can accommodate workstations, he said. The number of self-employed workers in the United States is expected to rise dramatically in the coming years.

"It's too early in the game to figure out what exactly this next renter cohort will want, but you have to start thinking about it," says Sullivan.

"The smart money has to consider what trends will drive demand, so that the assets purchased today are still viable eight to 10 years from now," he adds.

That kind of thinking led Passco — which shifted its focus 12 years ago from the retail sector to multifamily — to invest in the Southeast between 2006 and 2012. During that period, many other investors were focused on the two coasts. But Sullivan and his colleagues believed the Southeast was poised for strong population and job growth, driven by an influx of millennials as well as companies relocating from other regions owing to state-government incentives and other factors. His firm's instincts proved right, says Sullivan.

"We were trying to figure out where to buy [apartment properties], and we landed on the Southeast, partly because the yields were higher. More importantly, we felt it was a part of the country that would explode with jobs and population growth," he explains.

"We've harvested great gains from the investments we made between 2006 and 2012. We were smart — and we got lucky — to sense what we believed to be a demand curve and invest into it," says Sullivan.

A HEARTLAND RENAISSANCE?

Passco is still bullish on the Southeast, but it is also keeping an eye on the Midwest, which might benefit from the Trump administration's efforts to bring more manufacturing jobs back to the United States.

"The U.S. coasts are still strong because of the affinity of capital" for those markets, says Sullivan. But "the Midwest might have a renaissance of a certain nature," he adds. "That is a more-risky curve, and it has longer to play out, but it's interesting to watch." ■

Anna Robaton is a freelance business journalist based in Portland, Ore.

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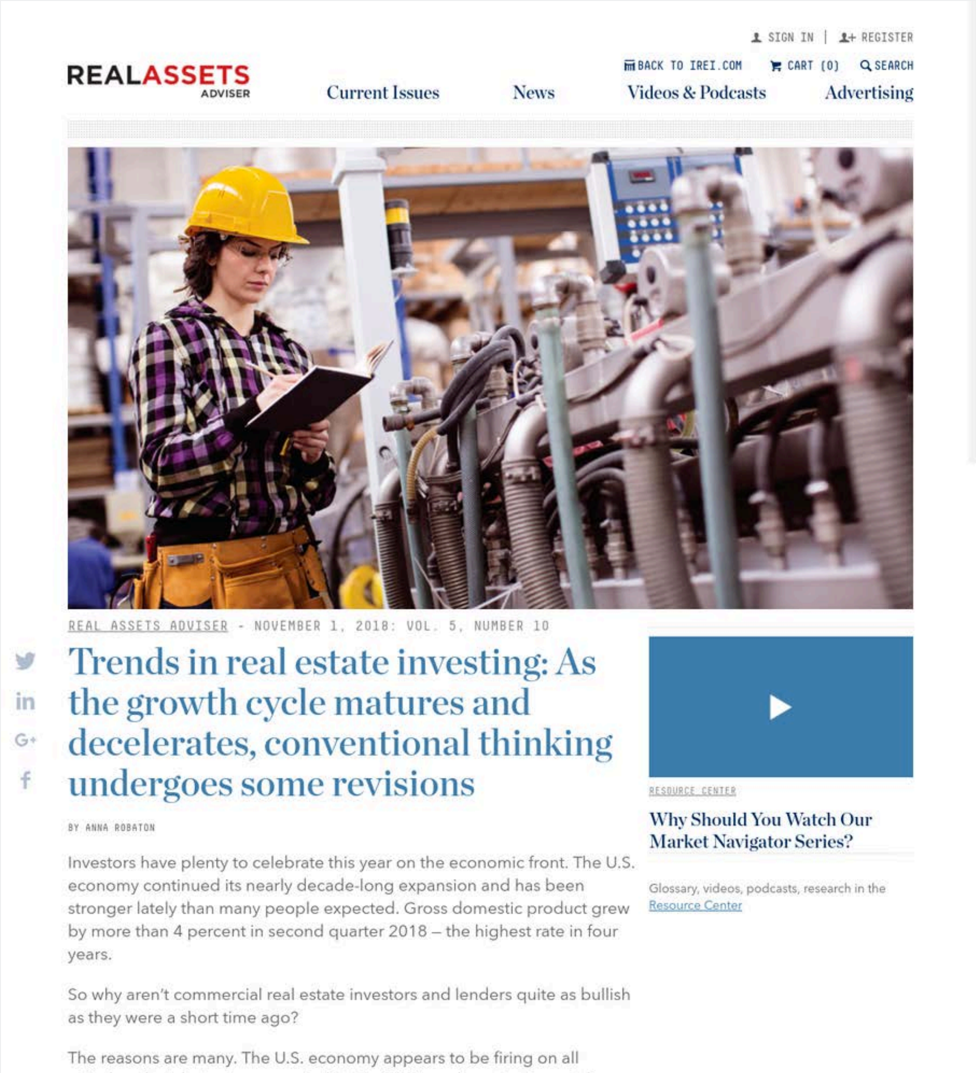

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Trends in real estate investing: As the growth cycle matures and decelerates, conventional thinking undergoes some revisions

BY ANNA ROBATON

Investors have plenty to celebrate this year on the economic front. The U.S. economy continued its nearly decade-long expansion and has been stronger lately than many people expected. Gross domestic product grew by more than 4 percent in second quarter 2018 – the highest rate in four years.

So why aren't commercial real estate investors and lenders quite as bullish as they were a short time ago?

The reasons are many. The U.S. economy appears to be firing on all

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Expect a Strong Close to a Strong 2018

This year, investment activity has been strong across investment classes, and blockchain and opportunity zones will fuel more activity in the fourth quarter.

Expect a strong close to the end of the year. 2018 has been a healthy year for investment activity and real estate performance, living up to initial expectations and surpassing the anemic performance in 2017. "Investment performance in 2018 thus far has met our initial expectations. We anticipated a strong year and have ultimately seen this across the board for all product types," **Adam Hooper**, co-founder and CEO of **RealCrowd**, tells GlobeSt.com. Opportunity zone funds and blockchain are expected to fuel a strong close to an already healthy year, as well as activity well in to 2019.

Industrial and multifamily product has continued to be the darling assets classes this year. Industrial has been driven by e-commerce industry, which is expected to surpass $700 billion by 2022, according to Hooper. "Demand for industrial properties across the U.S. has continued to rapidly grow," he says. "In fact, industrial vacancy across the nation continues to be at an all-time low, hovering around 4.8% at the end of Q2 this year." Multifamily activity has thrived in secondary markets this year, where Hooper says that "supply constraints and new construction costs prevent class-A development, thus creating opportunity in value-add strategies for older vintage properties." There has been a boom in multifamily construction activity across the nation, but investment activity has yet to wan. "Multifamily saw a rapid influx in development over the last few years and many investors were uncertain as to whether or not this would result in an oversaturation of the market," adds Hooper. "Owners and investors who are closely monitoring the development pipelines of specific submarkets will continue to find value within the multifamily space."

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By Kelsi Maree Borland

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By Kelsi Maree Borland

Liberty Property Trust sells a five-property 806,000-square-foot portfolio in Phoenix for $255 million. **Read More**

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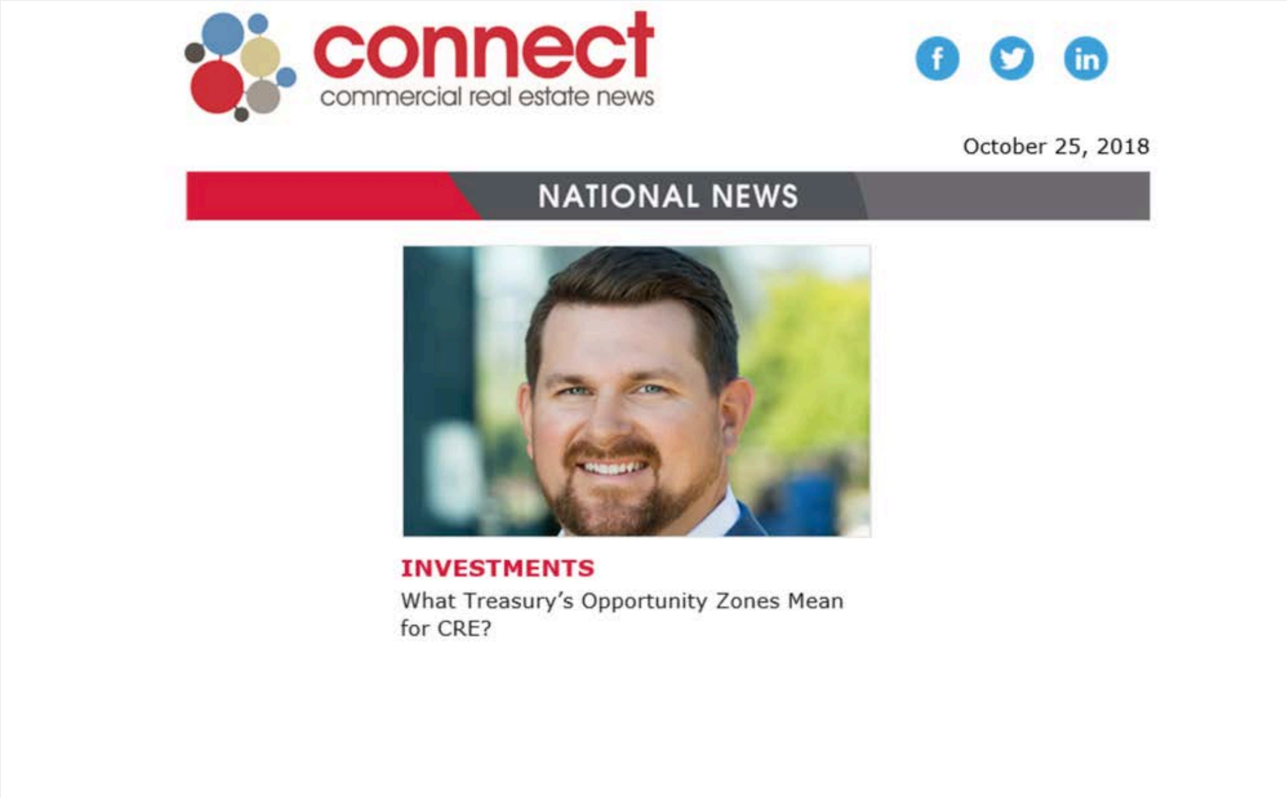

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Who Is the Right Capital Base for Opportunity Zones?

The recent regulations released for Opportunity Zone Funds answered a lot of questions, but there are still a handful of unknowns.

Opportunity zone funds are the hottest topic in commercial real estate. Last month, the first round of regulations was officially released, answering many of the questions investors have about the funds—but not all of them. There are still a set of unknowns, most of which should be answered in a second round of regulation announcements at the end of the year. Other mysteries will have to come from experience rather than guidance, namely the question of who will be investing in these funds and which capital base is the best demographic for these opportunities.

"We haven't seen a lot of focus on what the capital base looks like and who the right investors are for these projects," **Adam Hooper**, CEO of **RealCrowd**, tells GlobeSt.com. "Is it going to be high net worth individuals that have capital gains, or is it going to be unaccredited investors that have capital gains? They are probably less likely to have capital gains, but there is nothing in this regulation that prohibits an unaccredited investors from participating and taking advantage of that gain deferral. We are trying to figure out the best capital base to fund these opportunity zone projects."

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Biggest Risk for Investment: Political Unpredictability

An unforeseen event triggered by the current political climate is among the biggest concerns for investors next year.

The unpredictable political climate is among the biggest concerns for investors next year—along with rising interest rates and the lengthy cycle. The current administration has made irregularity its staple, and for some investors, that has caused some uncertainty. However, investors that hold onto underwriting standards should be able to weather the next downturn—whenever it comes.

"One of the biggest concerns is an unforeseeable or unknown event that could occur as a result of the current political climate," **Adam Hooper**, co-founder and CEO of **RealCrowd**, tells GlobeSt.com. "This administration and the political environment overall has been a bit unpredictable, which has created some uncertainty among investors resulting in a more cautious investment approach."

Rising interest rates and the length of the cycle are also top concerns, according to Hooper. The Fed increased interest rates again in September, and many expect that they will up them again in December and several times in 2019. Additionally, next year will mark the longest economic recovery in history, begging the question, when will it end? "There is also growing concern in regard to rising interest rates and whether we will now be moving into an inflationary environment. Interest rates have been on a steady uptick over the last year, and we anticipate this will continue into 2019," explains Hooper. "Lastly, we are currently in one of the longest market recovery and growth cycles in recent history. Many anticipate that we may see a slight market correction in the next few years and most certainly a tempering of the strong growth we've been enjoying in our industry."

As a result of these concerns, RealCrowd's 2019 strategy is focused on conservative underwriting standards and shrewd attention to fundamentals. "As always, we urge investors to truly do their homework and have a deep understanding of the risk they are taking with all of their investments," adds Hooper. "We remain heavily focused on education and providing investors with the tools to make smarter investments. We want our investors to have the tools to understand and break down complex deals so that they are not just focused on the projected return, but rather starting with risk."

While this has been RealCrowd's strategy, Hooper says that some investors have become too focused on returns. "In our industry specifically, we have seen an unfortunate trend of focusing solely on the returns provided without a full understanding or appreciation for the risk investors are taking to get those returns," he says. "While our platform is geared towards providing everyday investors with access to commercial real estate deals that have traditionally only been available to institutional investors, we know there is a lot of work to do in helping those investors get to the bottom of how much risk they should be taking on."

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California Alert

Nov 05, 2018

Q&A

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By Lisa Brown

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By Kelsi Maree Borland

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By Kelsi Maree Borland

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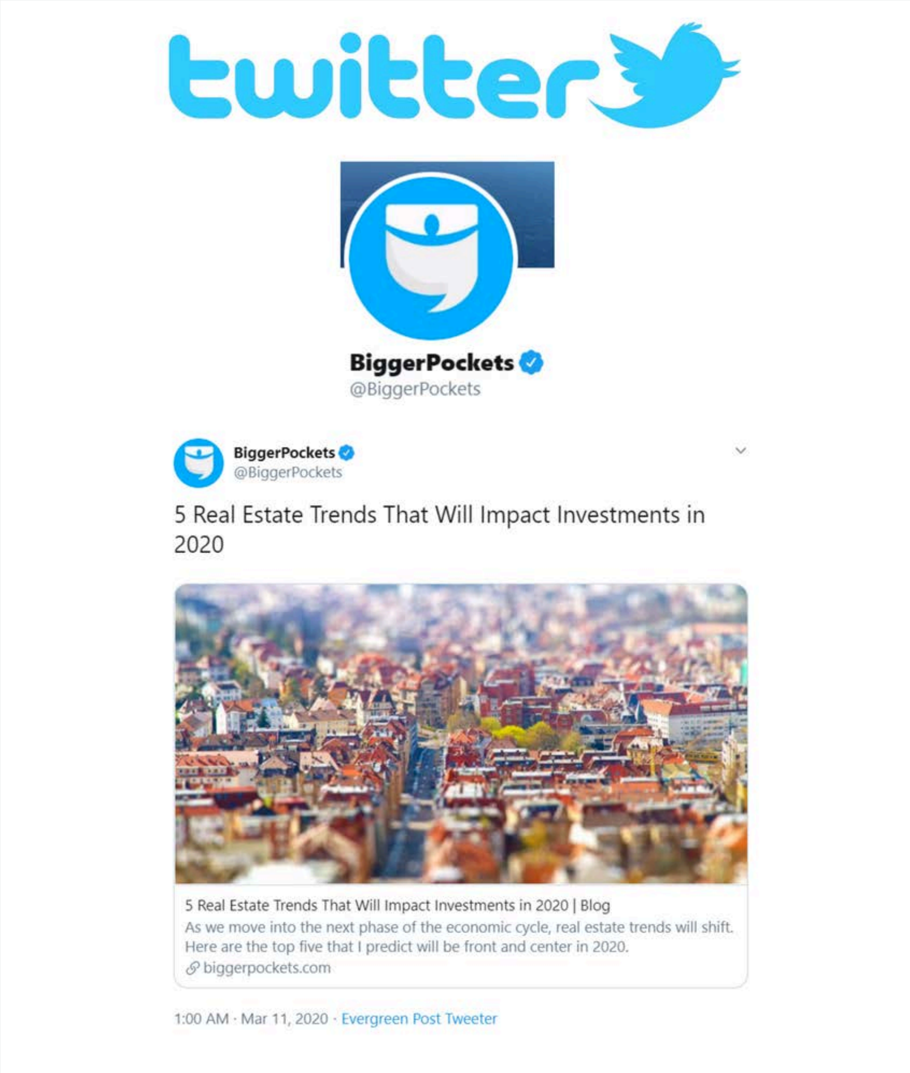

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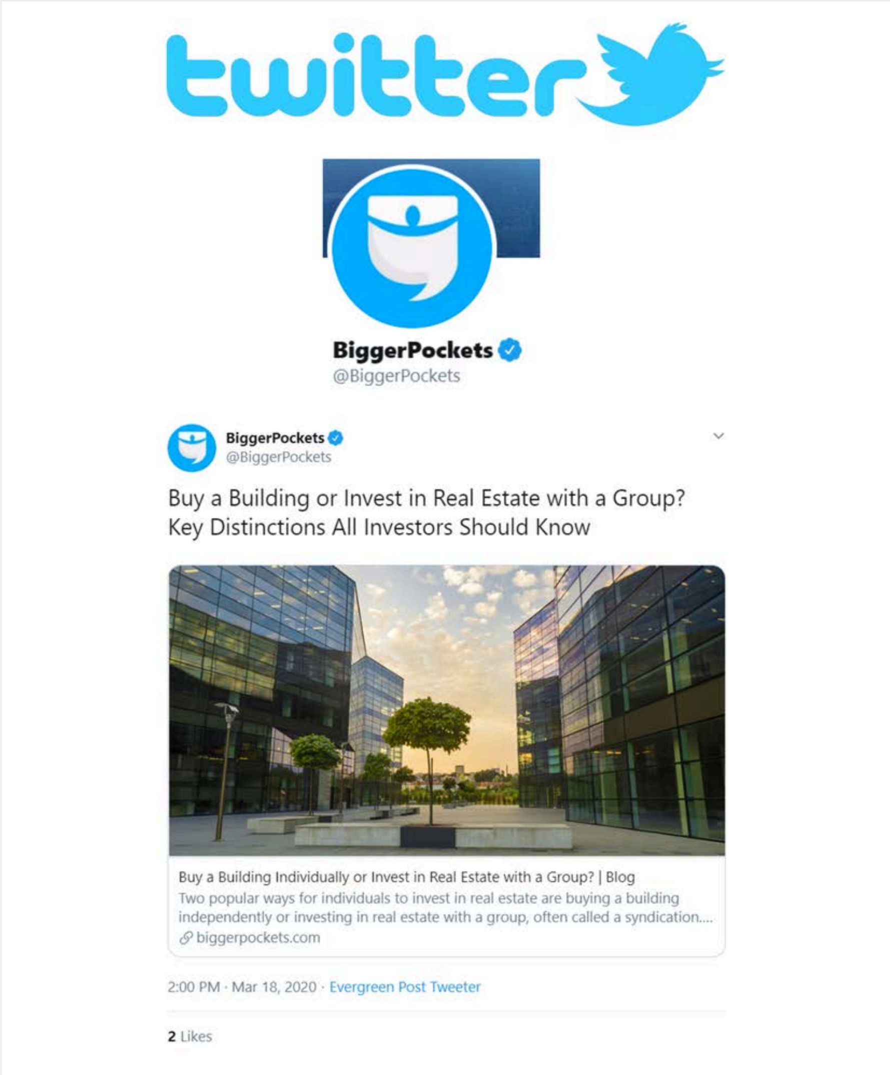

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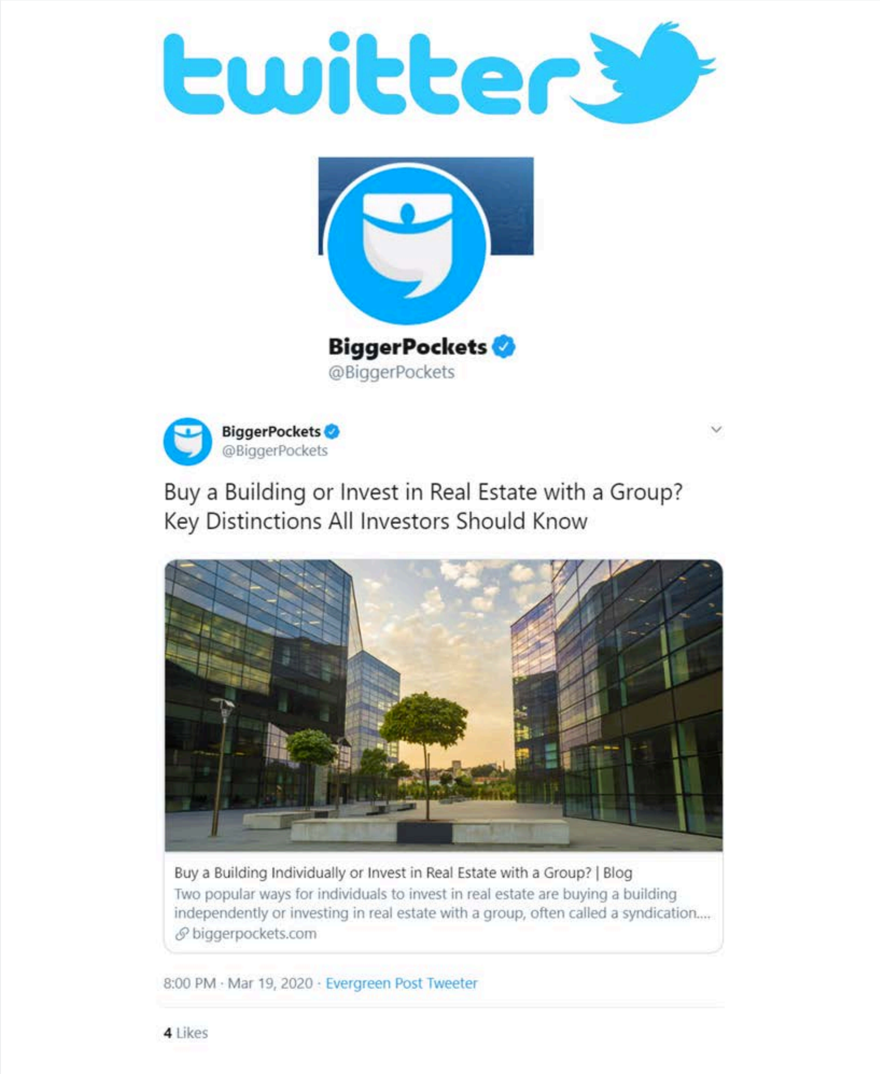

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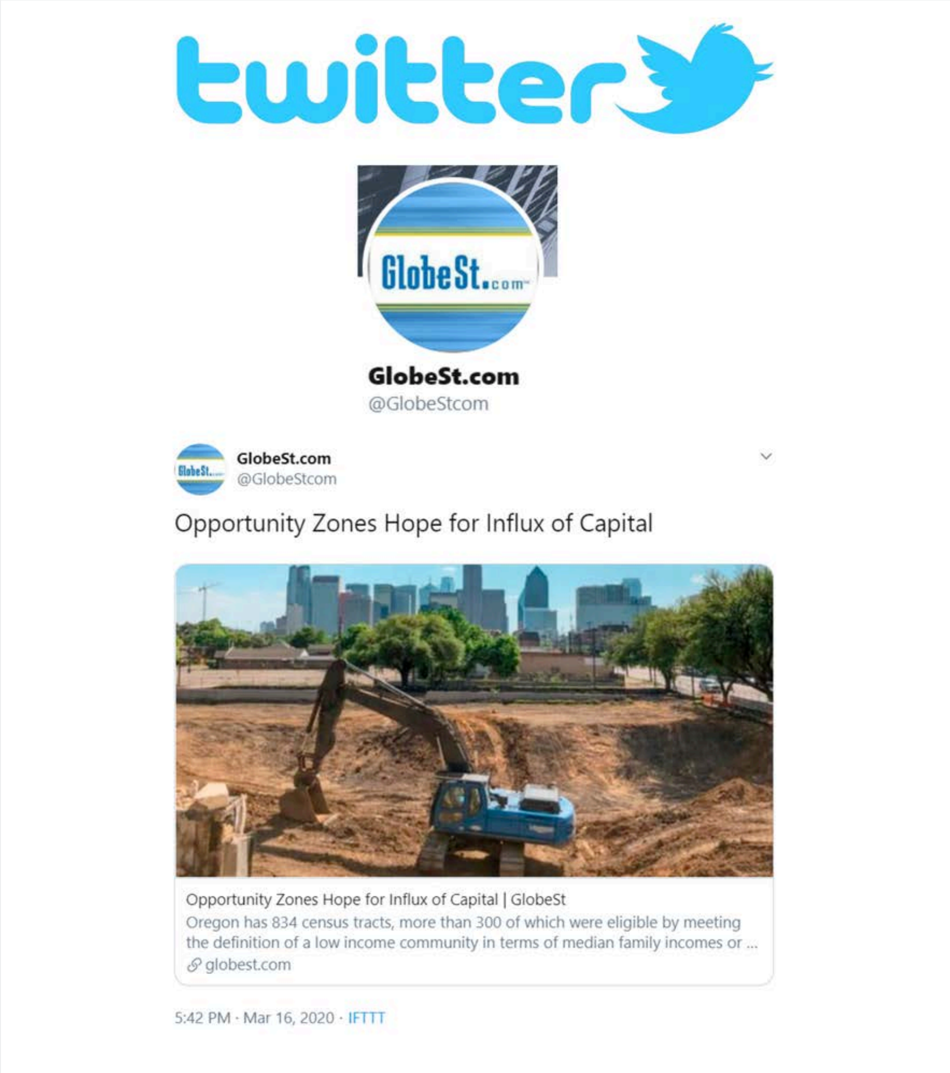

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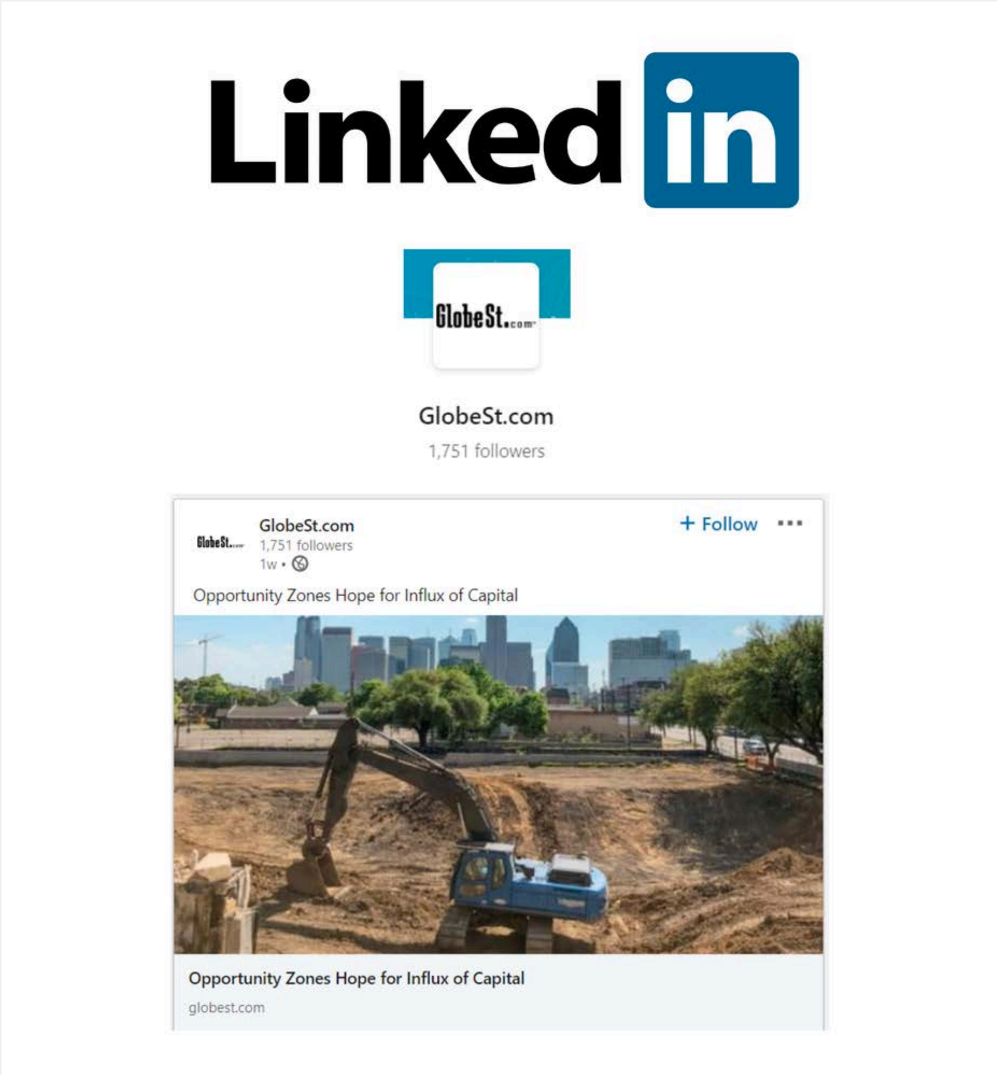

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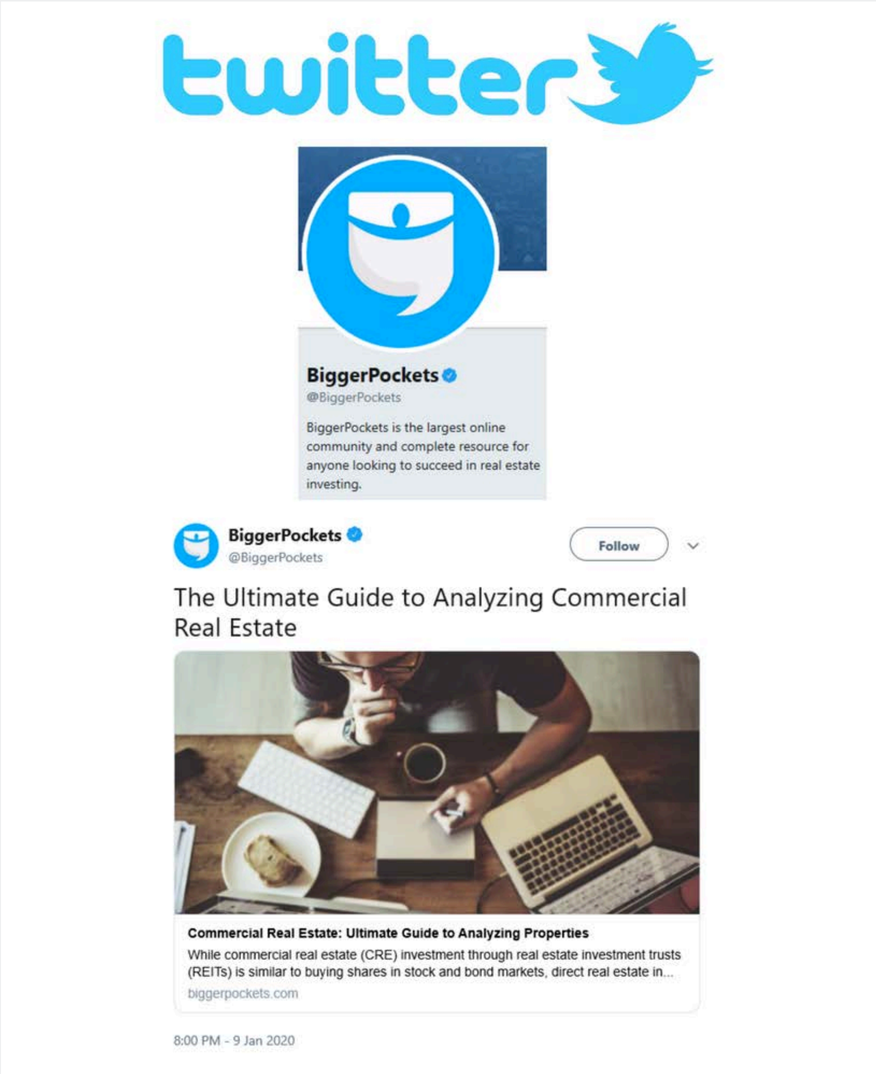

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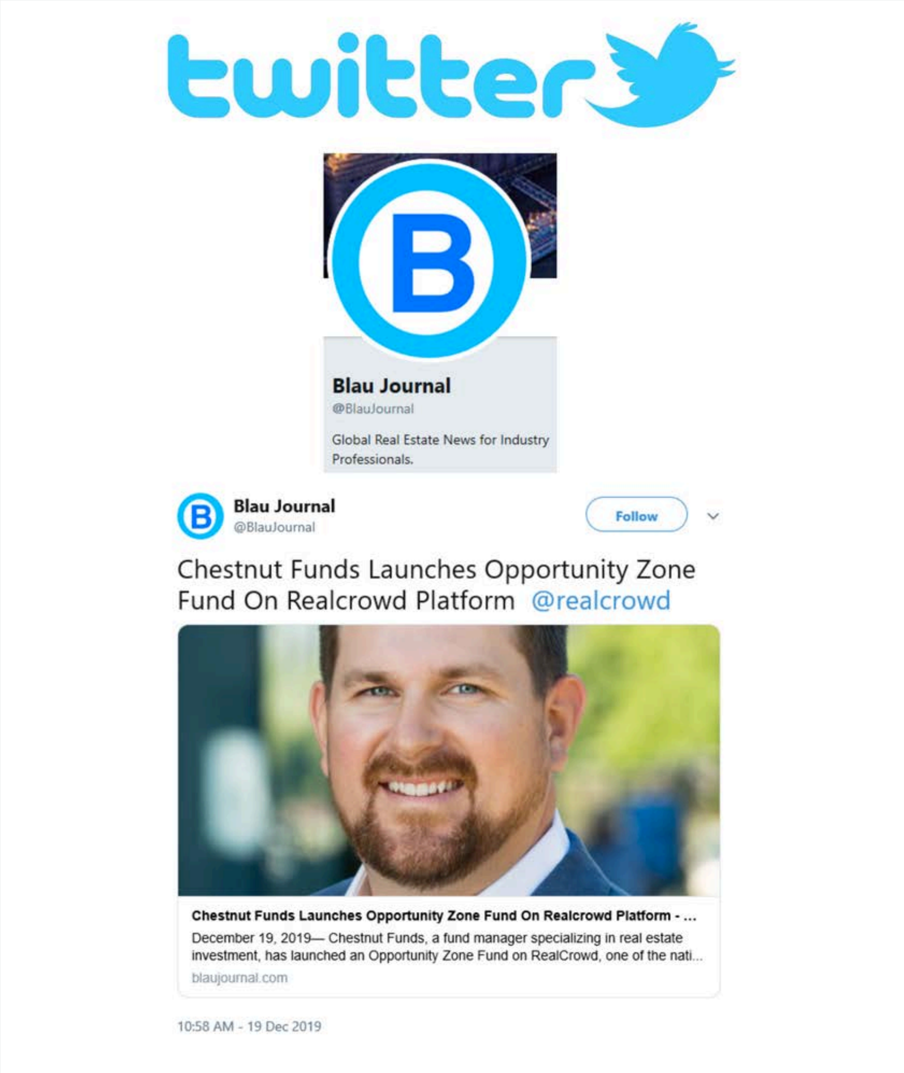

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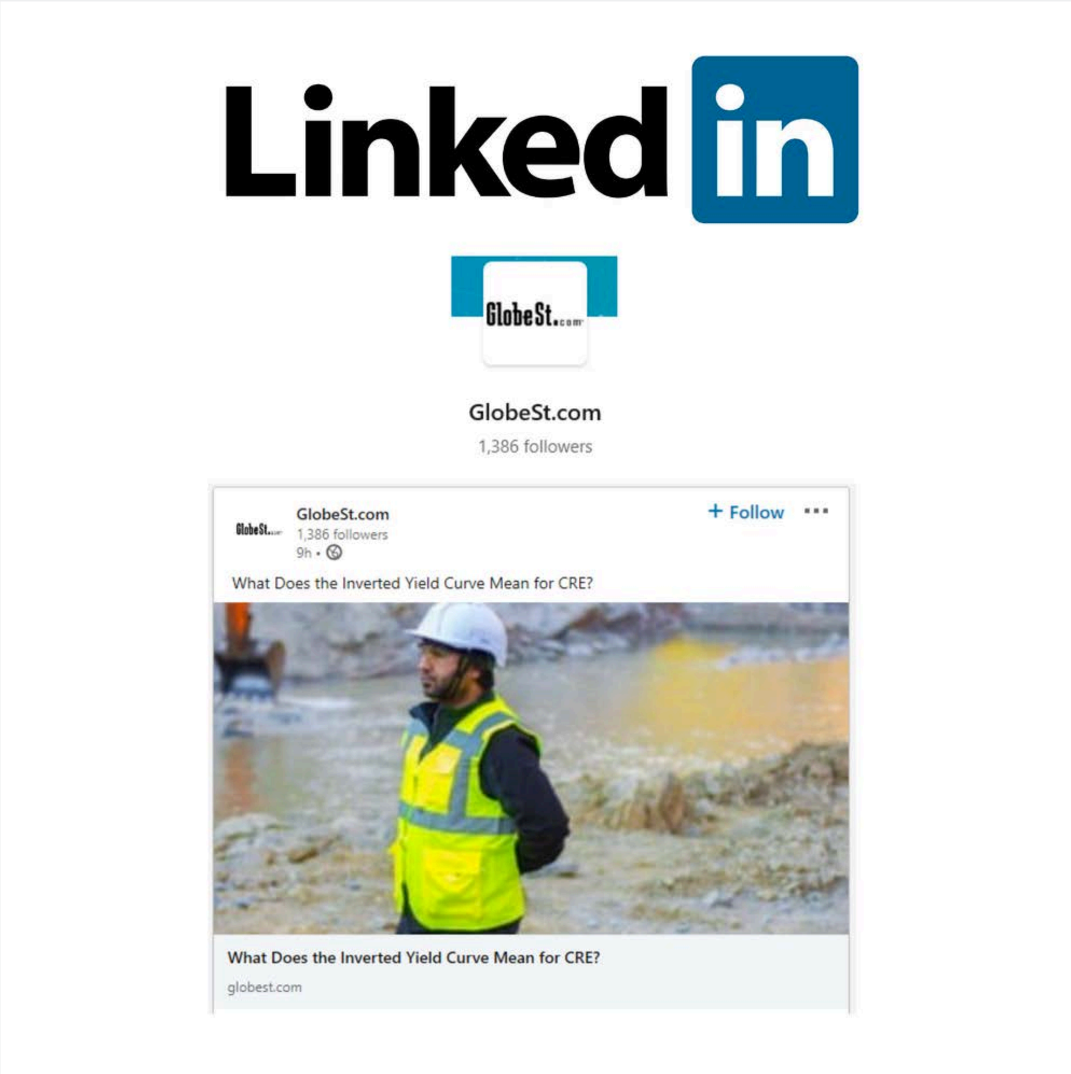

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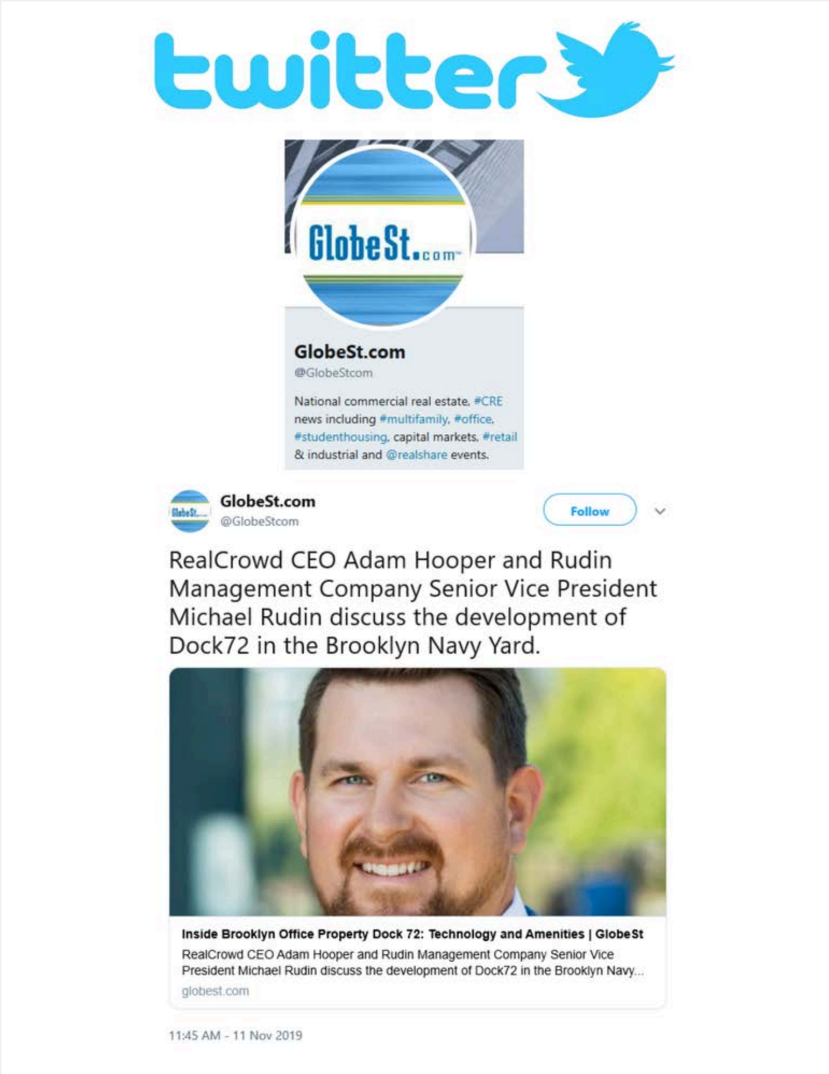

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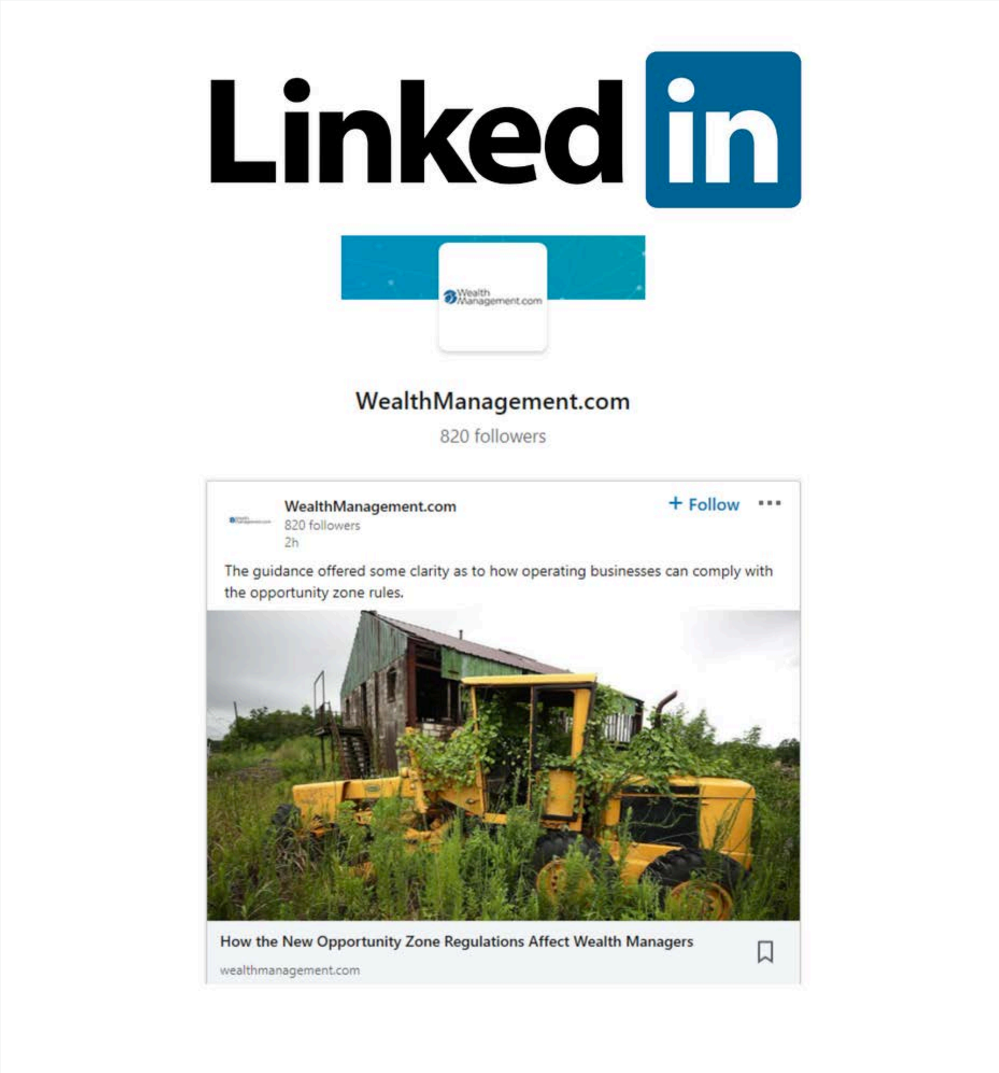

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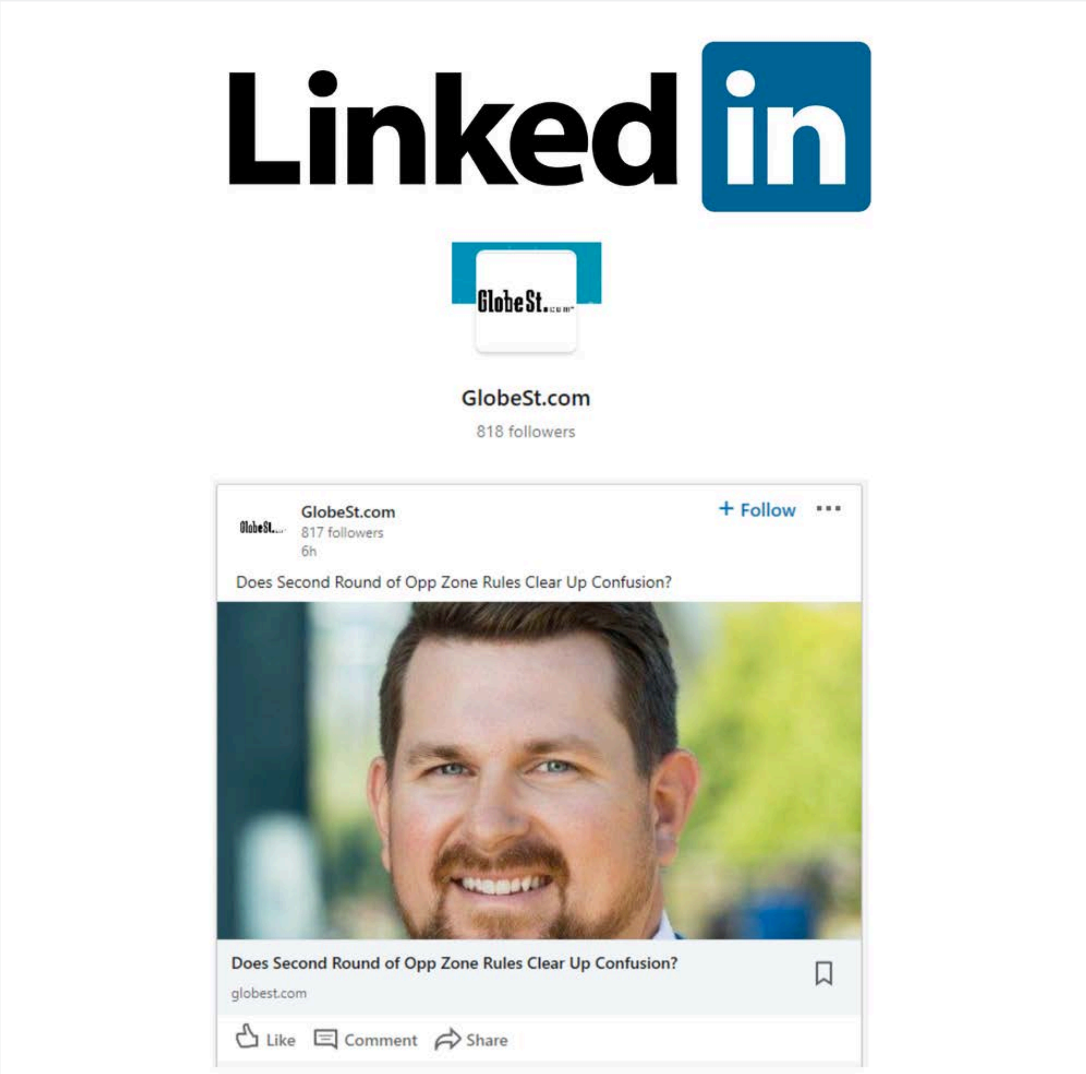

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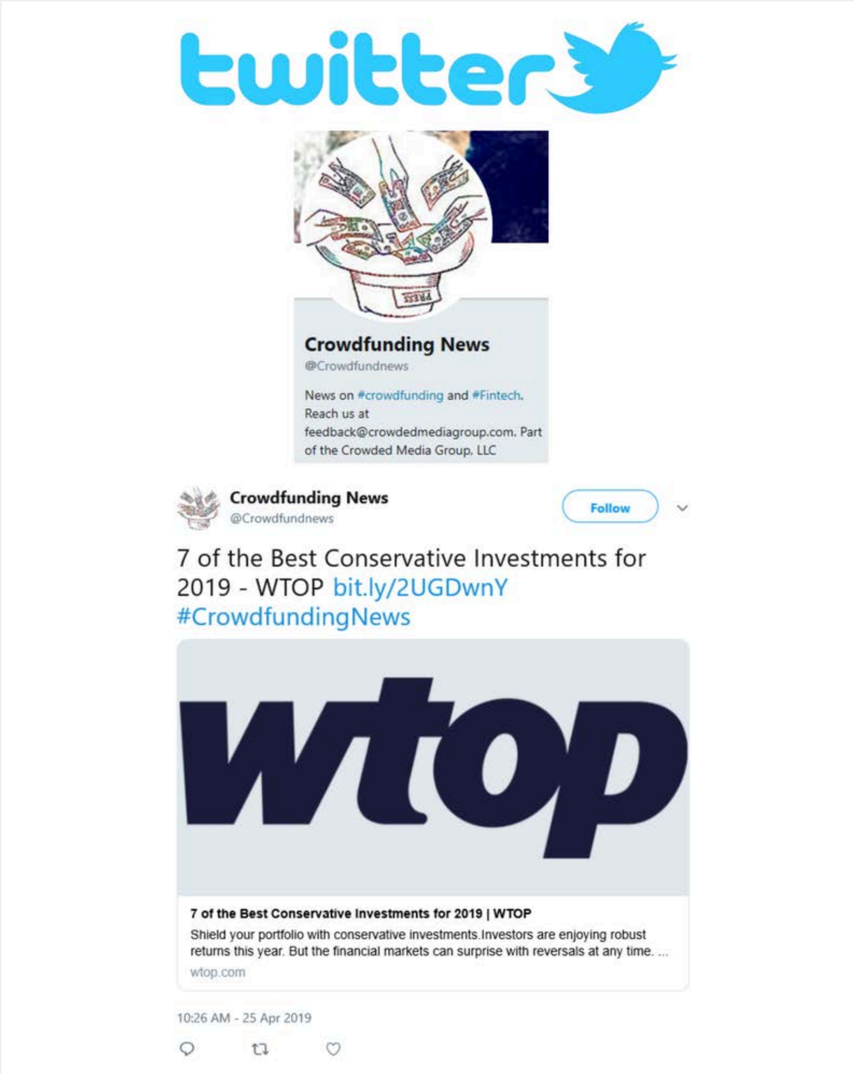

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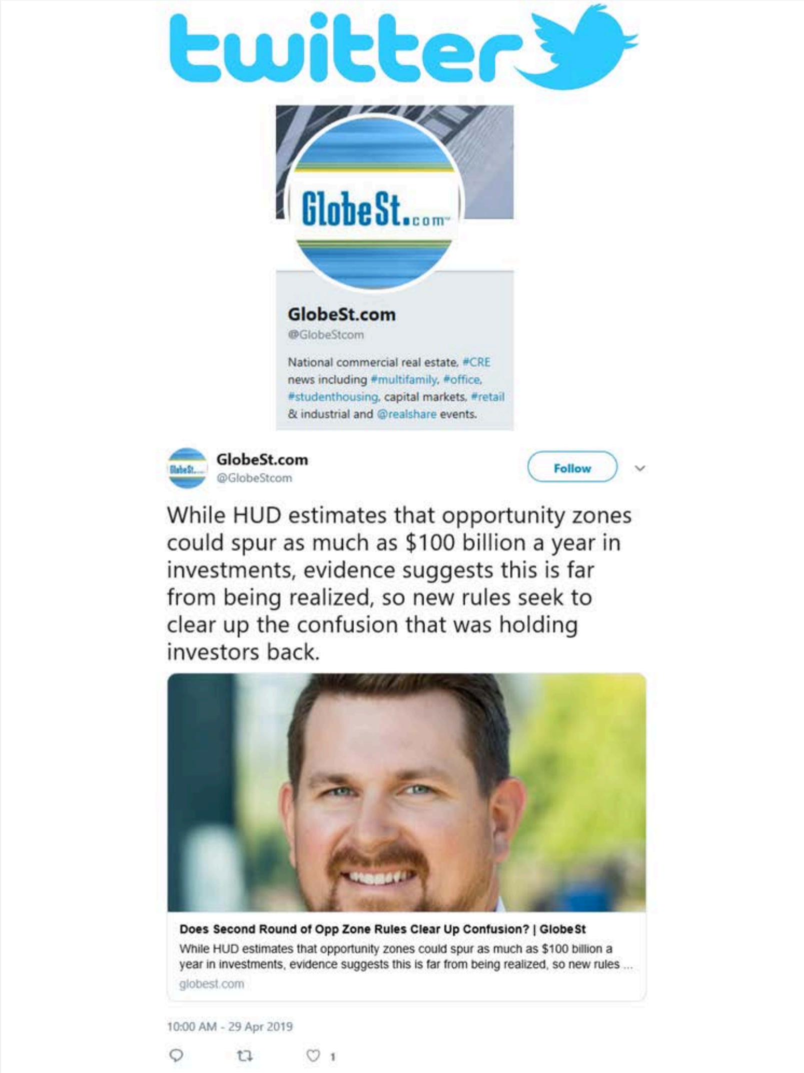

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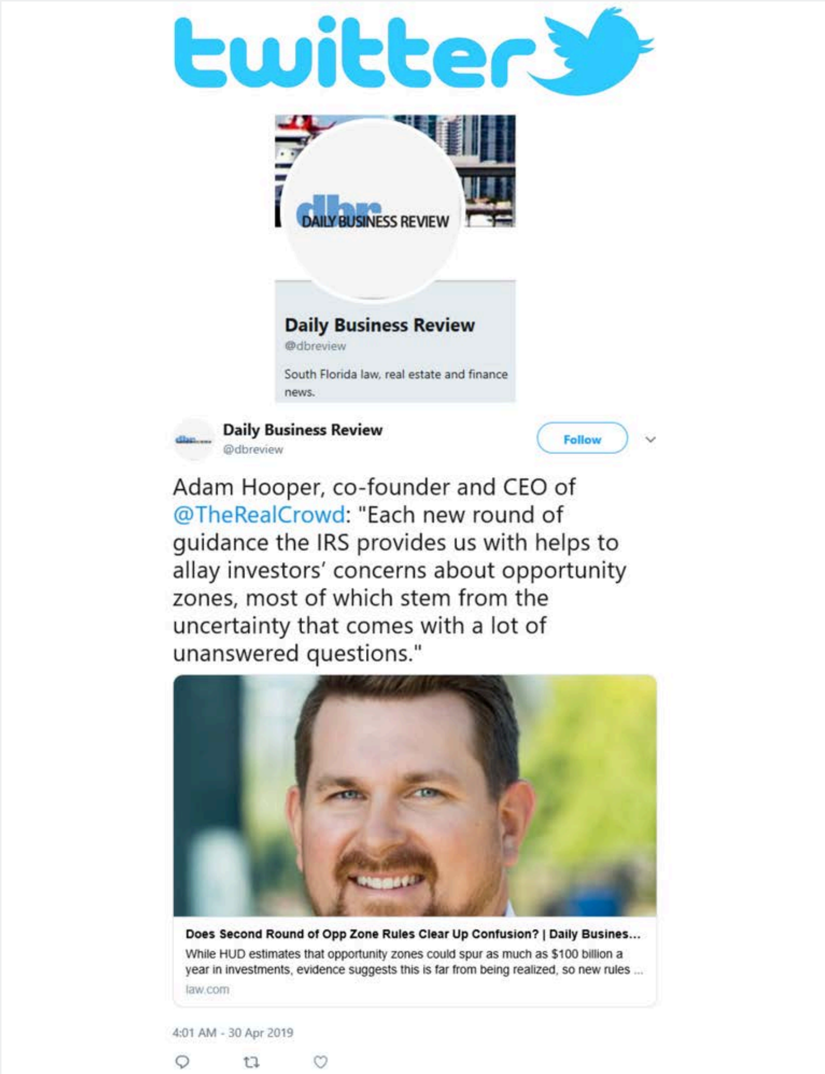

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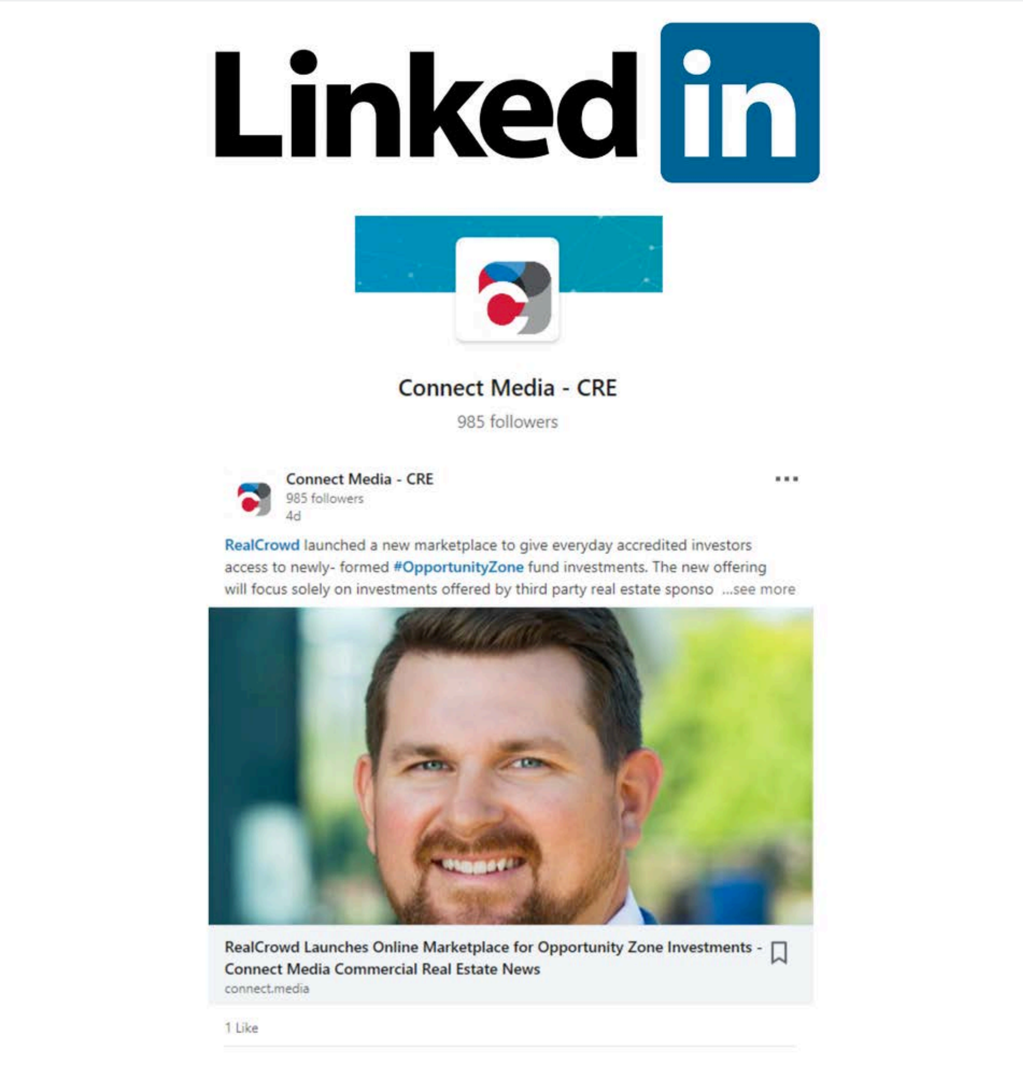

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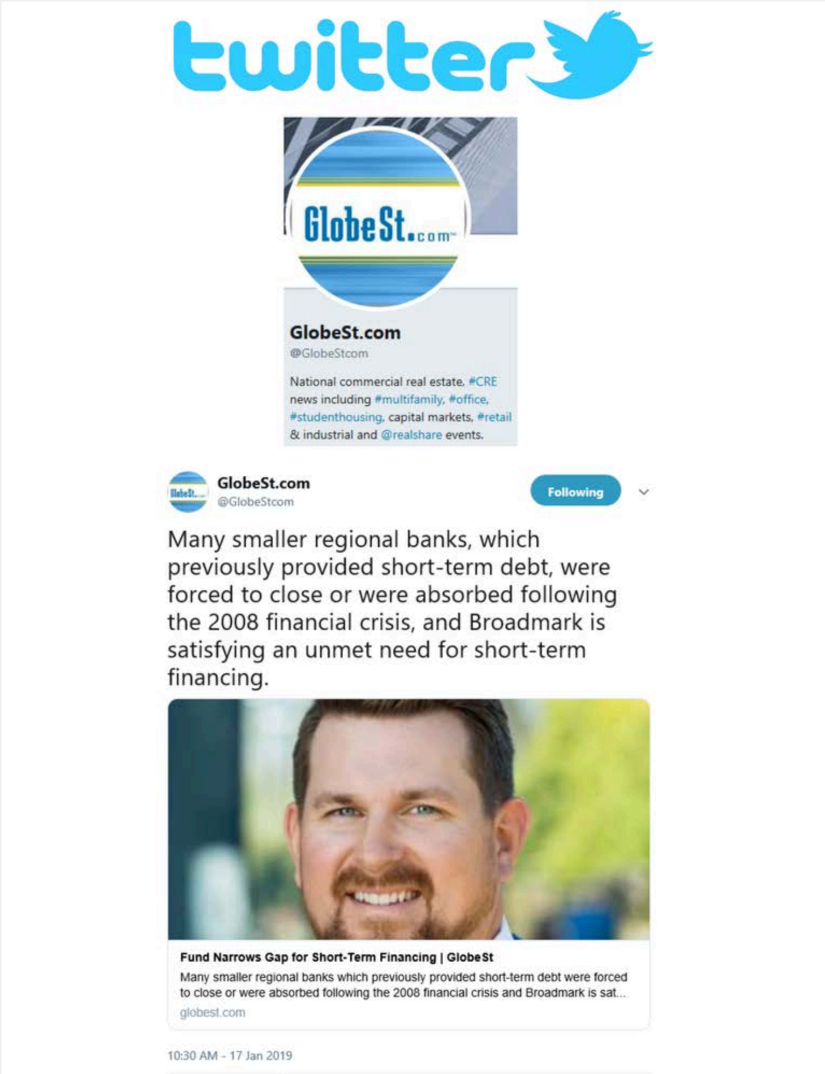

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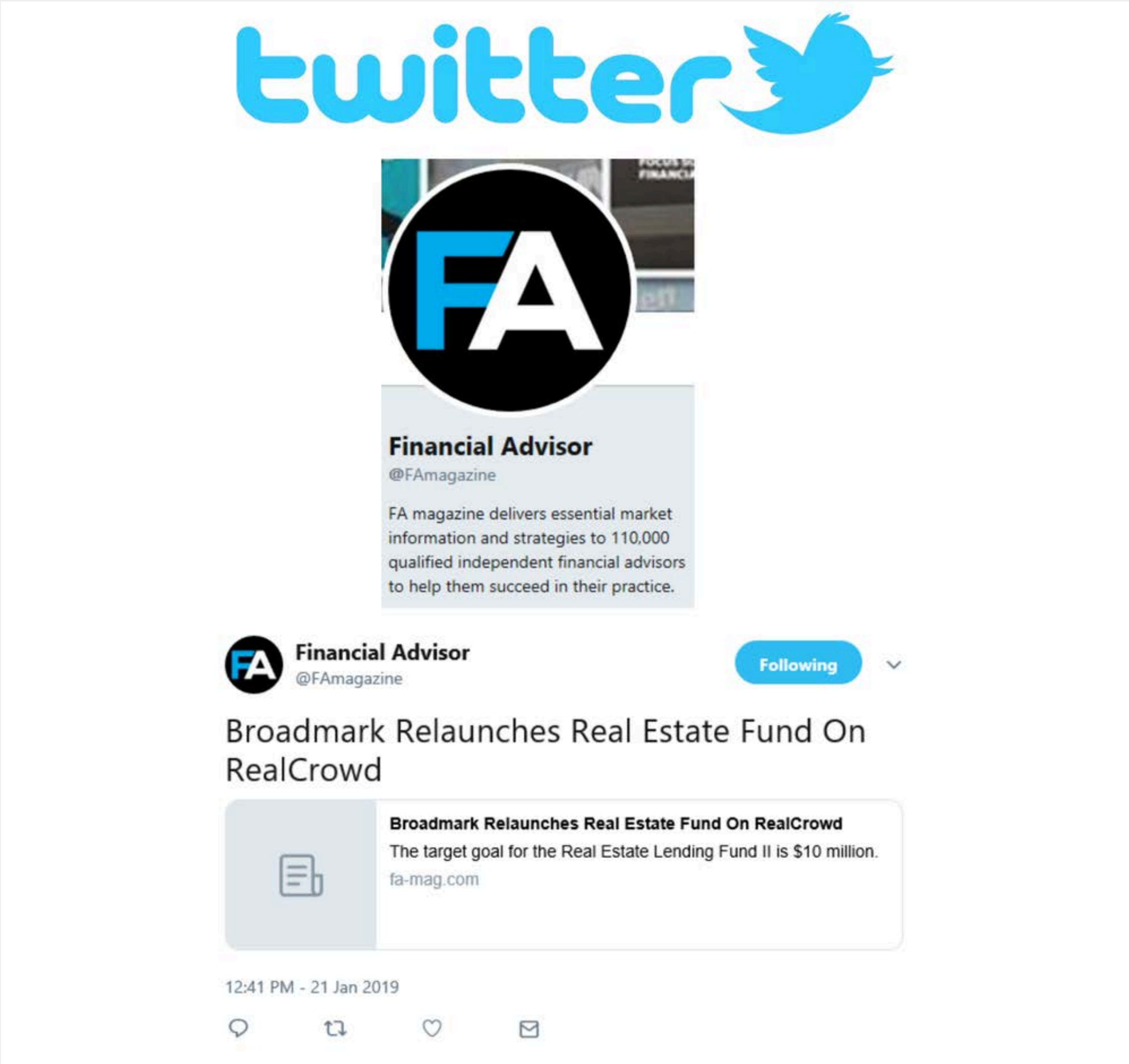

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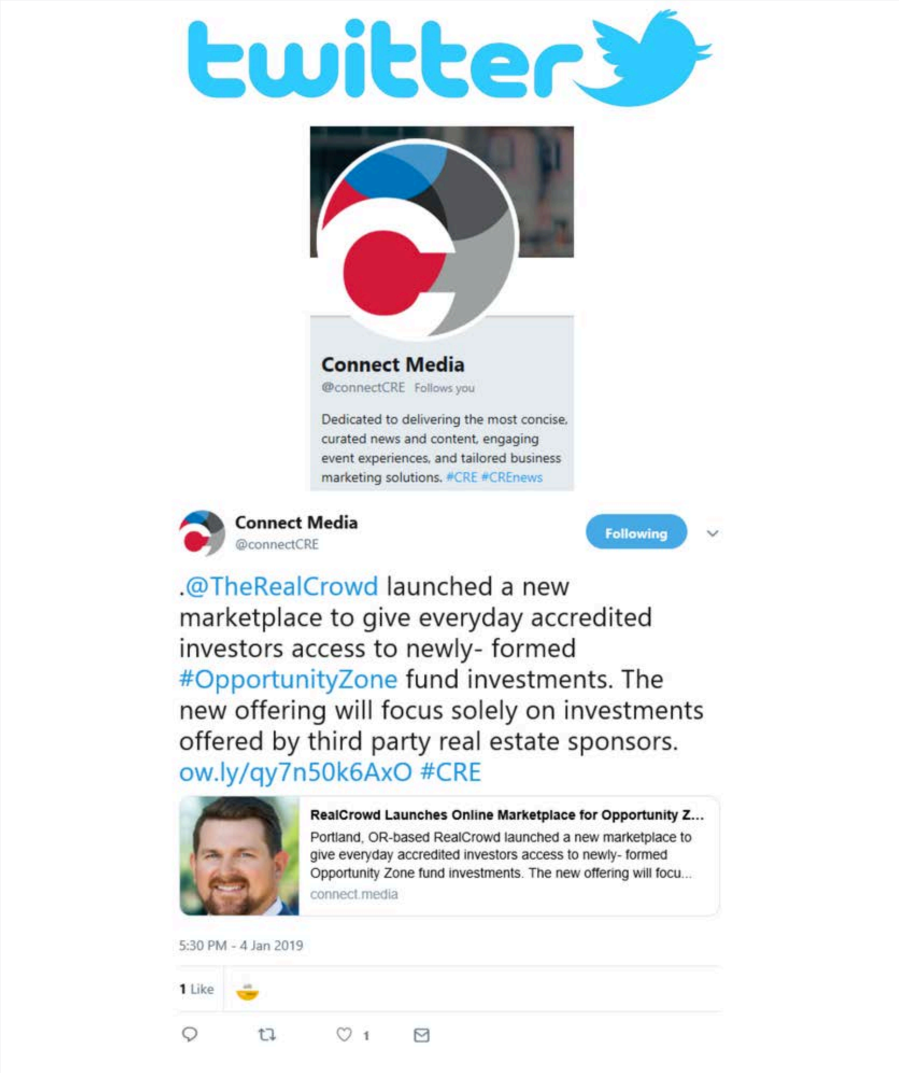

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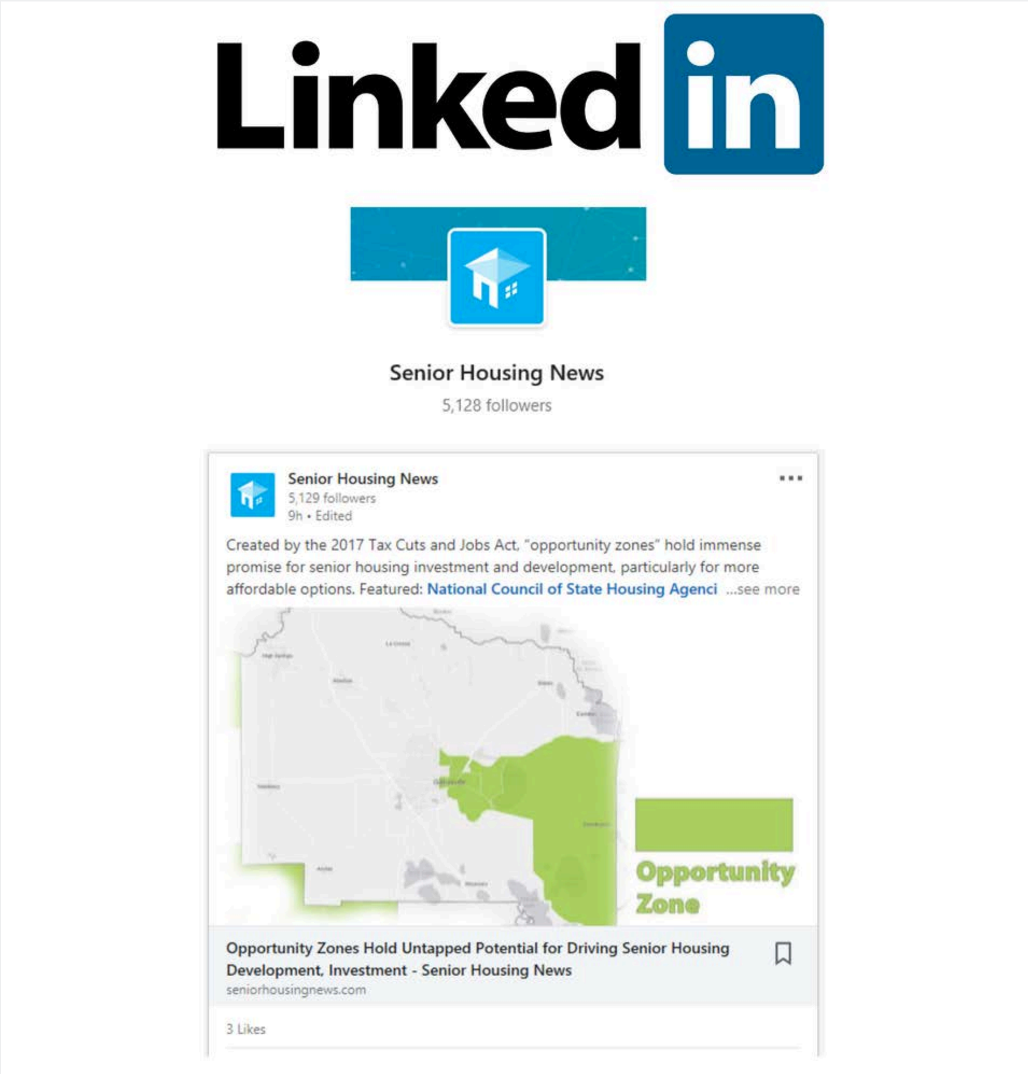

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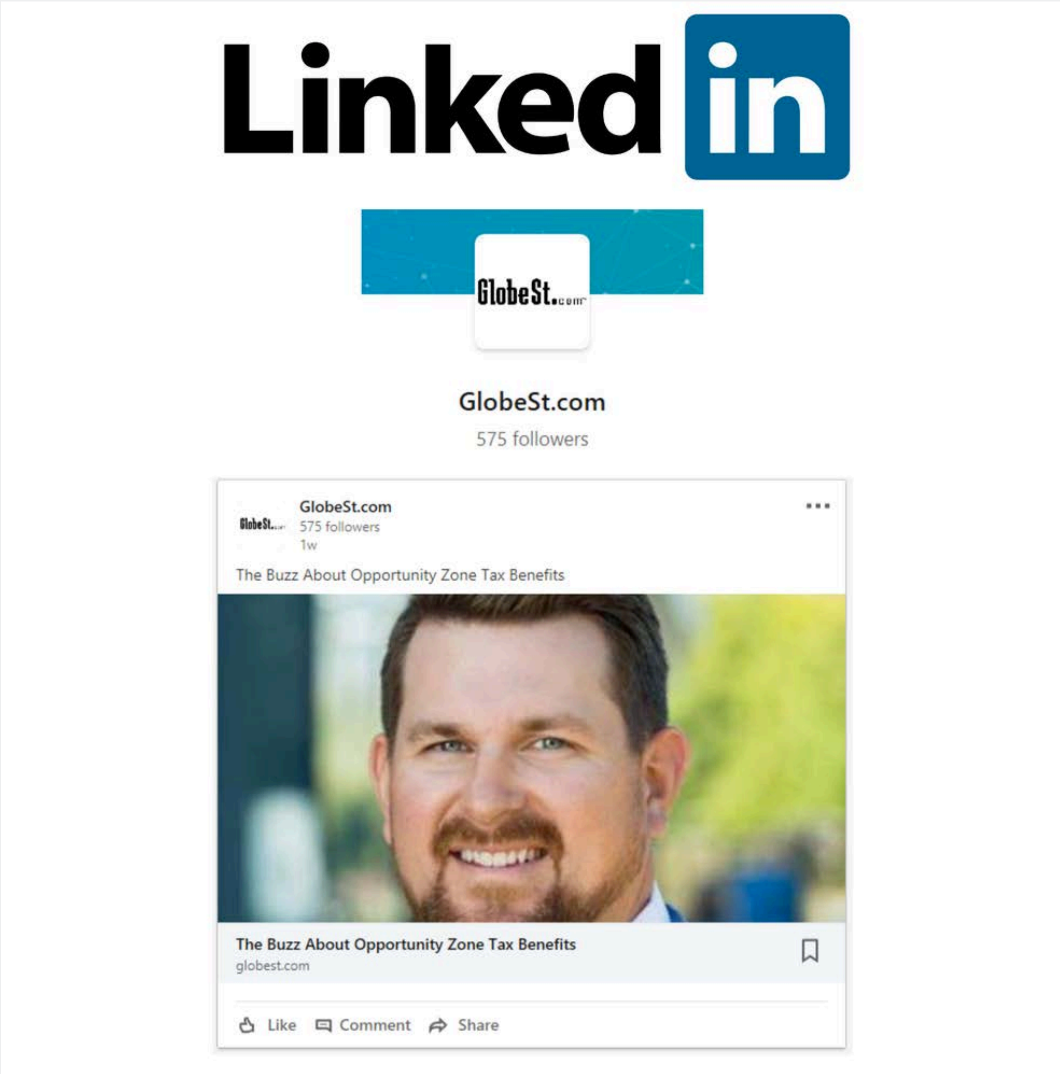

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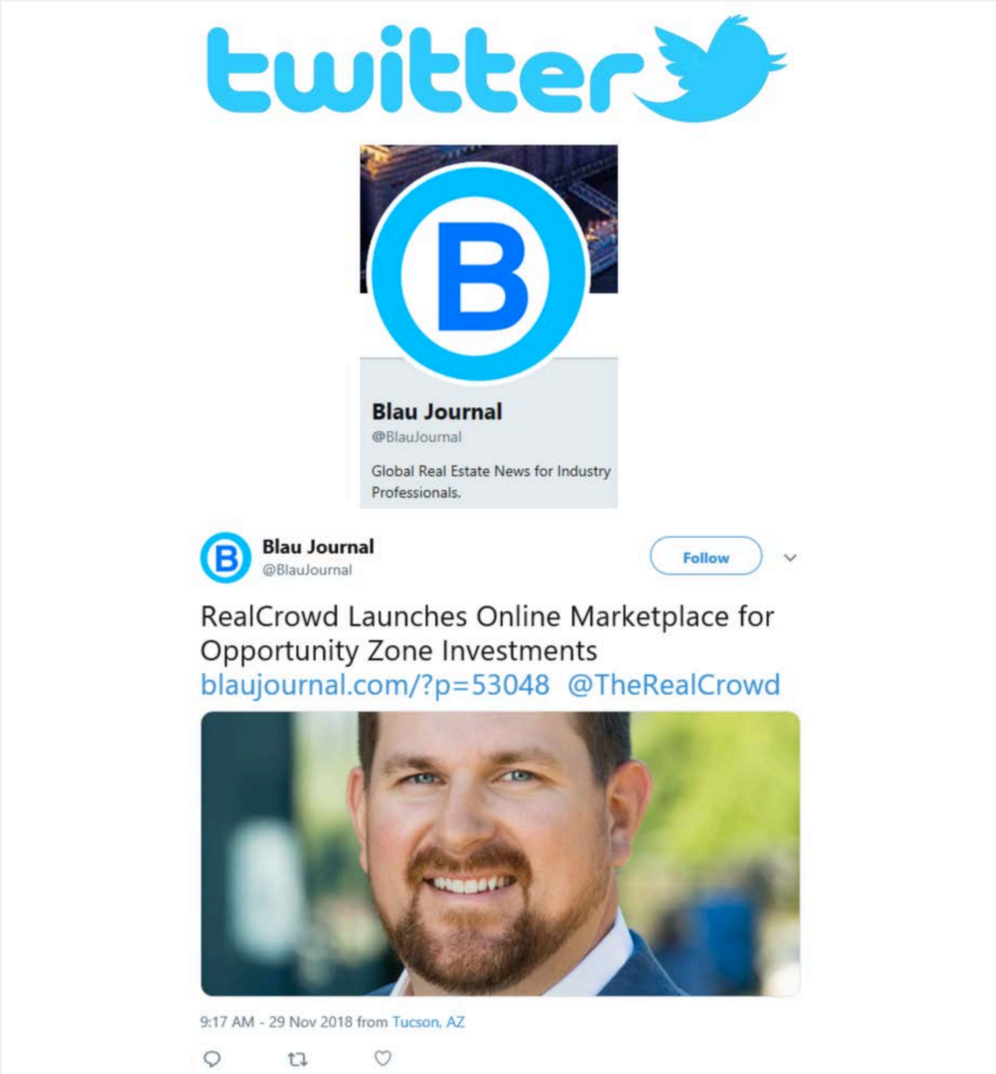

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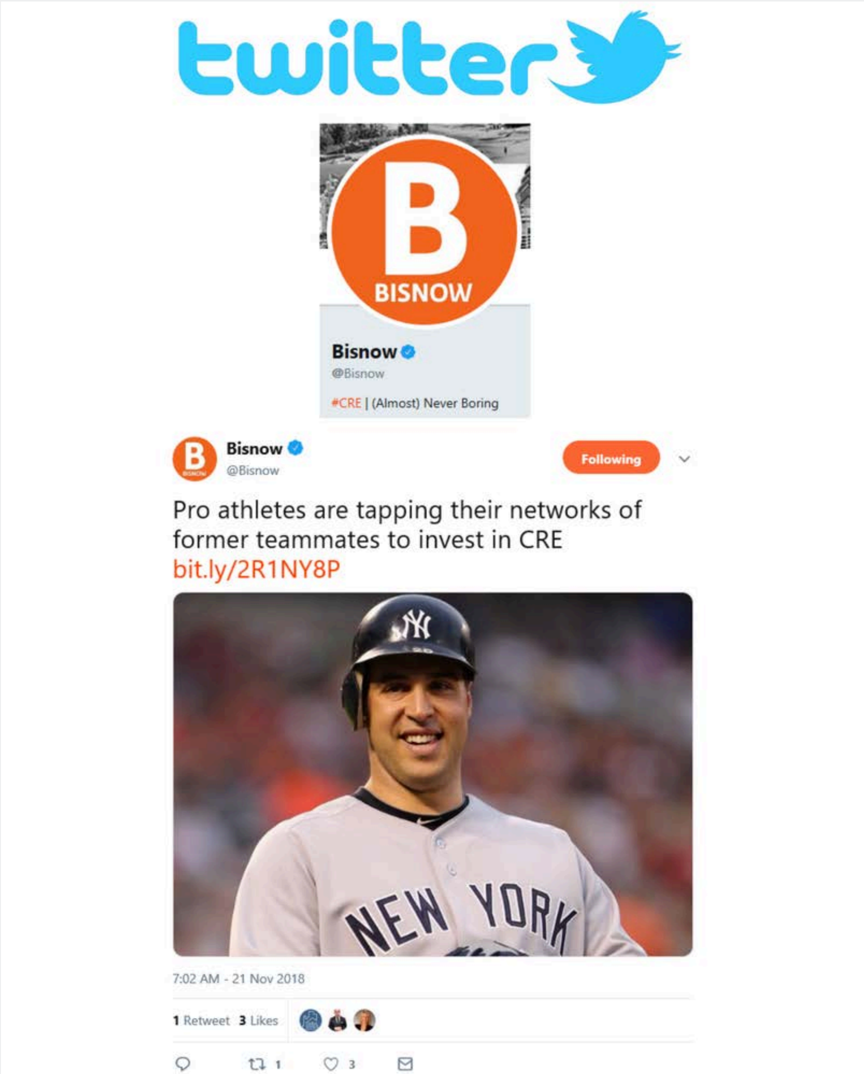

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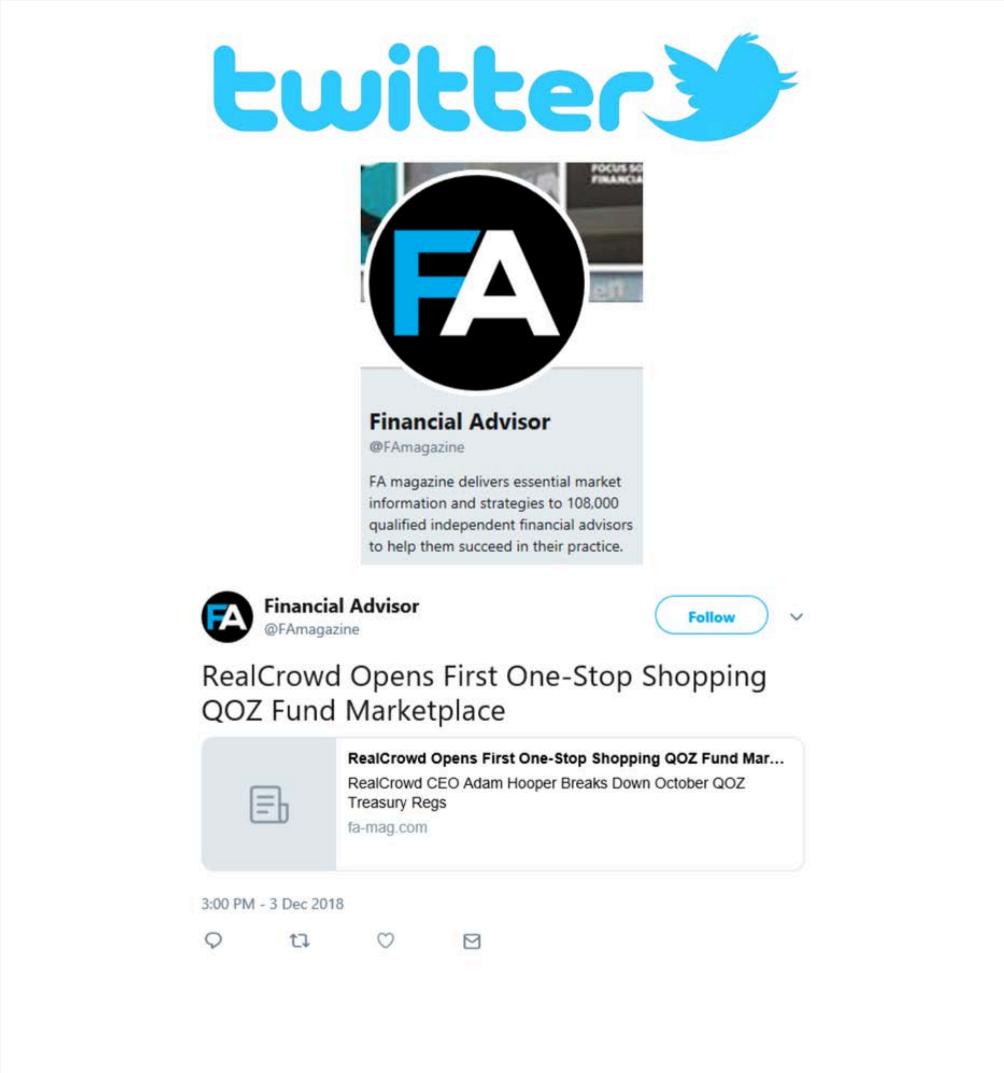

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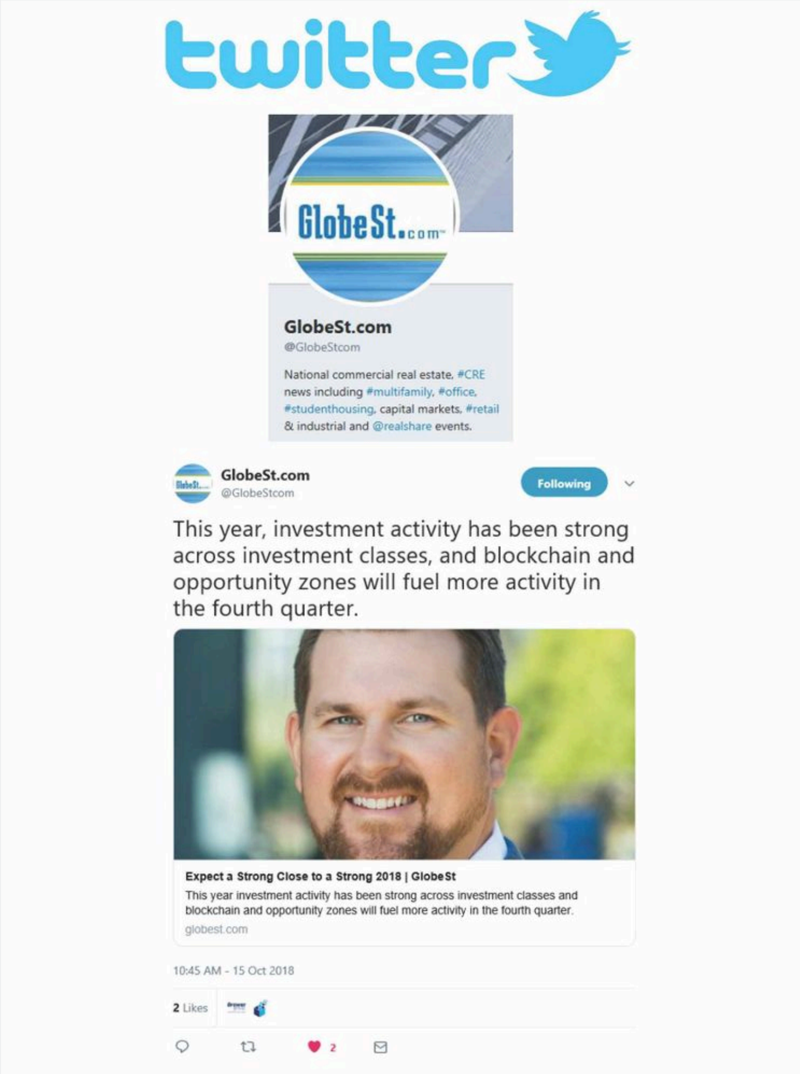

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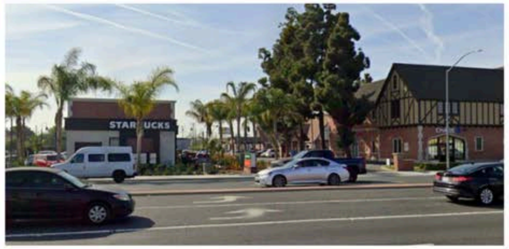
Tauro Capital Arranges $50 Million in Loans for Developers



Funds will go toward new properties with tenants such as Starbucks.

Downtown-based Tauro Capital Advisors Inc. has secured a total of $50 million in loans for three developers on triple-net lease properties. Tauro Capital's Stephen Stein and Tony Festa arranged the loans.

The largest loan was for $25 million for an unnamed Santa Monica-based developer, which plans to use the money to develop new triple-net properties for tenants including 7-Eleven, Starbucks, Dutch Bros. Coffee and Chick-Fil-A, according to Tauro Capital.

The second loan, Tauro Capital said, was for $15 million to a Western developer for triple net developments for Circle K, O'Reilly Auto Parts, AutoZone, Starbucks and other tenants.

The third loan, for $10 million, was for a private developer based in Northern California. The money will fund future developments in California for tenants including Starbucks, Grocery Outlet and 7-Eleven.

The providers for all three loans were private lenders and debt funds. The loans were 100% loan-to-cost, which frees up equity without asking for profit sharing.

LOS ANGELES BUSINESS JOURNAL
Monday, August 31, 2020 THE COMMUNITY OF BUSINESS™

Tauro Capital Arranges $50 Million in Loans for Developers

By Hannah Madans

Monday, August 31, 2020

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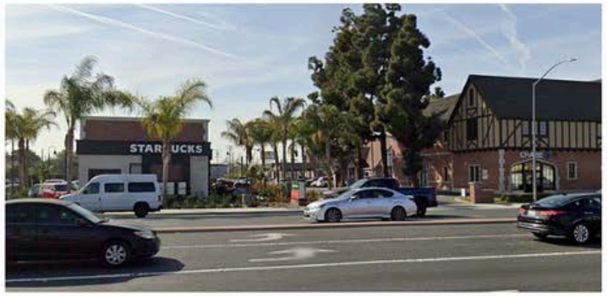

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COMMERCIAL PROPERTY EXECUTIVE

For Lenders, Real-Time Analysis Mandates Caution: Q&A

Tauro Capital Advisors Senior Director Anthony Johnston on how lenders' approaches to evaluating potential deals have shifted.

As lenders and sponsors have gradually adjusted to closing deals in the age of COVID-19, certain standards have shifted and caution has taken center stage. When it comes to evaluating a new deal, lenders are going the extra mile, scrutinizing current market dynamics and carefully reviewing sponsors' track records and balance sheets.

Anthony Johnston, senior director at Tauro Capital Advisors, spoke to *Commercial Property Executive* about lenders' new approach amid the pandemic, capital flows and what to expect from the financial markets going into next year.

Anthony Johnston, Senior Director, Tauro Capital Advisors.

As an intermediary, what can you tell us the availability of capital in the current economic context?

Johnston: Despite the pandemic, capital continues to remain available. There are a variety of capital sources willing and able to lend in the current environment. There has been a small percentage of lenders who have left the market. These lenders were typically highly leveraged and relied on the collateralized loan obligation market and warehouse lines. That said, most lenders have remained and are actively looking for deals. In fact, life insurance companies are one lender type that still has a significant portion of their yearly allocations available. These lenders are seeking assets to add to their portfolios.

Beyond this, the commercial mortgage-backed securities market has begun to return as new portfolios are being assembled and expected to be securitized within the next period. Overall, we anticipate that there will be ample capital sources available to meet investor demand over the next several months and into next year.

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>
> Anthony Johnston
> *Senior Director, Tauro Capital Advisors*

Underwriting has certainly become more conservative in light of recent events. What are lenders expecting from borrowers?

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By Timea-Erika Papp

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THE DAILY NEWSLETTER OF THE MORTGAGE BANKERS ASSOCIATION

Dealmaker: Tauro Capital Advisors Secures $50M for Triple-Net-Lease Developers

Tauro Capital Advisors, Los Angeles, secured $50 million in revolving debt facilities for single-tenant triple-net-lease property developers.

Managing Partner Stephen Stein and Director Tony Festa arranged the financings.

Smart & Final.

“Single-tenant triple-net-leased product has continued to emerge as a stable asset class of choice for many investors across the country,” said Festa. “The industry saw a similar trend out of the 2008 downturn and throughout the last cycle, when single-tenant net-leased properties continued to perform and emerged from the recession relatively unscathed and resistant to market conditions.”

Festa noted a similar shift recently as more investors turn to NNN product, “rather than more management-intensive alternatives.”

The three loans arranged included:

–A $25 million facility for local developer in Santa Monica, Calif., that plans to develop additional properties including for tenants 7-Eleven, Starbucks, Dutch Bros. Coffee and Chick-Fil-A.

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Dealmaker: Tauro Capital Advisors Secures $50M for Triple-Net-Lease Developers

August 25, 2020 | By Michael Tucker - mtucker@mba.org

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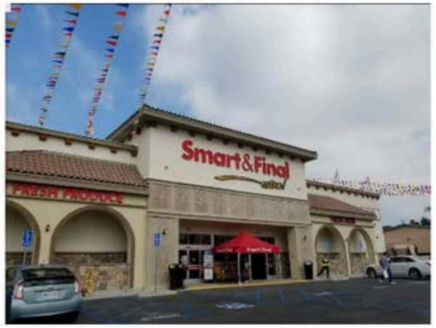

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INVESTORS · JULY 23, 2020

Amid pandemic, Fed support maintains liquidity in real estate capital markets

The COVID-19 pandemic has brought widespread economic disruption and introduced uncertainty in the real estate capital markets over the past several months, similar to most other industries.

"The pandemic caused a sharp decline in the economy that did not leave the capital markets completely unscathed," said Scott Lee, managing partner at Tauro Capital Advisors. "The CMBS market was hit the hardest. In April, almost all lending in the CMBS market stopped, followed by an influx in delinquencies in May and June."

One of the factors affecting CMBS – a large percentage of hospitality loans were originated in the CMBS market, and hospitality was one of the industries that was most significantly impacted as travel, especially business travel, has evaporated amid the pandemic. STR recently reported U.S. hotel occupancy was 33.5 percent in the second quarter.

"That said, the CMBS market is already starting to rebound as new portfolios are being assembled and expected to be securitized within the next 60 days," said Lee. "Beyond this, there are still a tremendous amount of capital sources available to meet investor demand, especially as the Fed has made several moves to support the capital markets and maintain liquidity."

In March, the Federal Reserve cut the target federal funds rate to near zero. Other moves by the Fed include massive securities purchases, backstopping money-market funds, relaxing regulatory requirements, providing direct lending to banks and large corporations, and supporting lending to small and medium-sized businesses and nonprofit organizations.

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BY LORETTA CLODFELTER

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Pent-Up Capital Leads to Renewed Lending Activity

While lenders are being conservative in their underwriting, many are actively funding new loans.

At the onset of the pandemic more than three months ago, the capital markets instantly froze amid extreme market uncertainty. Today, some of the dust has settled—although uncertainty remains the primary market characteristic—and the is pent up capital and many lenders actively lending on new deals.

"One of the major misconceptions about the capital markets right now is that there is a lack of available capital," **Stephen Stein**, managing partner at **Tauro Capital Advisors**, tells GlobeSt.com. "In reality, there is pent-up capital and lenders interested in providing loans right now. The capital markets have certainly not been shielded by the impacts of COVID-19 and some lenders are being a bit more conservative in their underwriting. That said, there are still a tremendous number of capital sources available with lenders who are currently underwriting deals across all property types with the exception of hospitality."

In addition to lender activity, this has also proven to be a good time for borrowers to secure debt for the right deal. "Interest rates remain historically low creating a strong appetite by investors for refinancing," says Stein. "Many deals underwritten several years ago with much higher interest rates are starting to mature. In the current environment, sponsors are able to take advantage of these historically low rates to restructure their financing for long-term success."

One of the drivers behind this misconception is that the recession is like the 2008 financial crisis. However, the dynamics of this market dislocation are much different. "The 2008 financial downturn was actually much different as it originated in the real estate market. Prior to COVID-19, the fundamentals within the real estate sector were strong. Therefore, we are confident that we will see these rebound, especially now as the economy has started to re-open," says Stein.

July 15, 2020 ONLINE

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By **Kelsi Maree Borland** | July 15, 2020 at 02:00 PM

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Dealmaker: Tauro Capital Advisors Secures $21M for Triple-Net-Lease Assets

Tauro Capital Advisors, Los Angeles, secured $20.5 million in financing for four triple-net-lease developers and investors.

Tauro Director Deryl Deese arranged $15 million to allow a single-tenant triple-net-leased developer to expand its portfolio through new site acquisitions and development. "There is certainly a flight to safety underway among investors and developers, which has resulted in an influx in demand for single-tenant triple-net-lease properties," said Deese.

Wendy's illustration courtesy of Tauro Capital Advisors

Deese said the $15 million facility will allow the sponsor to increase liquidity by freeing up otherwise tied-up equity and pursue more opportunities without sharing any profit participation.

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Dealmaker: Tauro Capital Advisors Secures $21M for Triple-Net-Lease Assets

September 11, 2020 | By Michael Tucker - mtucker@mba.org

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Wendy's illustration courtesy of Tauro Capital Advisors

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The appeal of triple-net-lease assets in the COVID-19 environment

One of the biggest open questions during the coronavirus pandemic is what impact it will have on the office industry.

In "A triple play," a market perspective in the November 2020 issue of *Institutional Real Estate Americas,* Stephen Stein, managing partner of Tauro Capital Advisors, shares the factors driving investor interest in single-tenant triple-net-leased assets (NNN).

"We have seen expanded interest in triple-net-lease assets since the start of the pandemic, and we expect this demand to continue," notes Swehla.

According to Stein, single-tenant triple-net-leased assets are traditionally stable, they are low maintenance and require fewer capital expenses for the buyer, and they can offer specific tax and liquidity advantages. And there is an increasing shortage of NNN inventory.

For more on how these factors will support investment in NNN assets, read the market perspective here.

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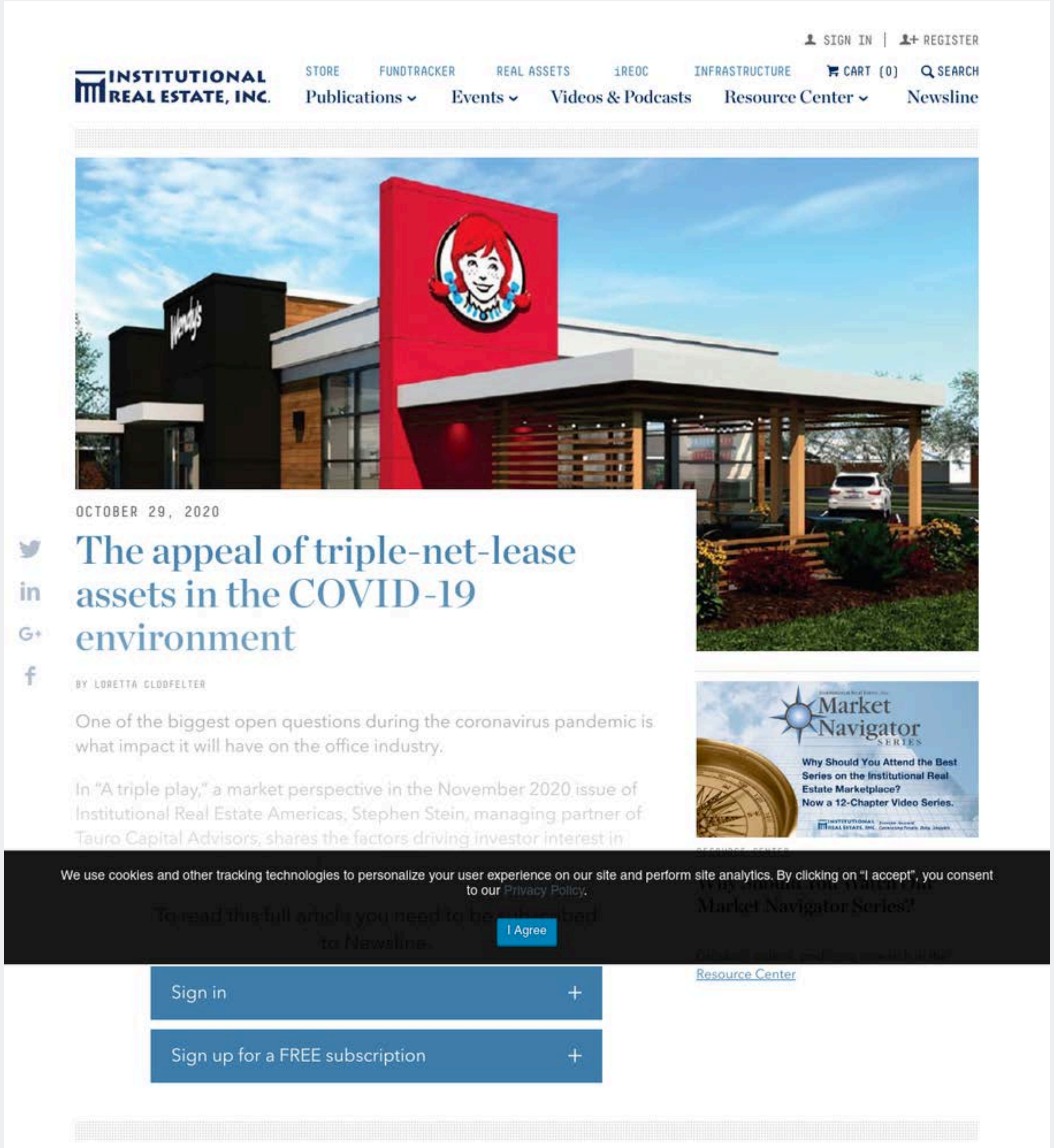

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BY LORETTA CLODFELTER

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CMBS, Construction Lending Slows

CMBS lenders and construction lenders have slowed down substantially, but loans are still getting done.

CMBS and construction lending have been the two most impacted sectors during the pandemic. Lenders in these two categories have slowed activity significantly. In CMBS, the market had a lot of exposure to both the retail and hospitality markets. Construction lenders, on the other hand, are moving forward with extreme caution.

"The CMBS market has certainly been impacted by COVID-19, and although was on hiatus the last few months, new portfolios are now being assembled and expected to be securitized within the next 60 days," **Stephen Stein**, managing partner at **Tauro Capital Advisors**, tells GlobeSt.com. "A large majority of hospitality loans over the last several years were originated by CMBS lenders and initially caused stress within this sector. As hotels have begun to re-open for leisure travel, we have seen the CMBS market begin to slightly rebound."

On the construction lending side, lenders are taking a more conservative approach. "We are seeing many banks and traditional lenders take a more conservative approach to their underwriting when it comes to construction deals. Lenders are more than ever focused on sponsorship, tenants and collections through the pandemic," says Stein.

While there has been some disruption, deals are still getting done. Tauro's **Matt Bucaro** and **Matt Ingle** has secured financing for two retail centers during the pandemic. "There are lenders out there who currently see opportunities in the retail sector," says Stein. "This is very similar to what we saw in 2008 where distressed retail gave way to new retail concepts and a shift towards experiential retail. We may see a similar renaissance in the retail sector now."

Features

CMBS, Construction Lending Slows

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By **Kelsi Maree Borland** | July 30, 2020 at 02:00 PM

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Kelsi Maree Borland

Kelsi Maree Borland is a freelance journalist and magazine writer based in Los Angeles, California

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Net Lease Properties Offer Real Estate Investors Stability in Uncertain Times

By Hannah Madans

Monday, October 19, 2020

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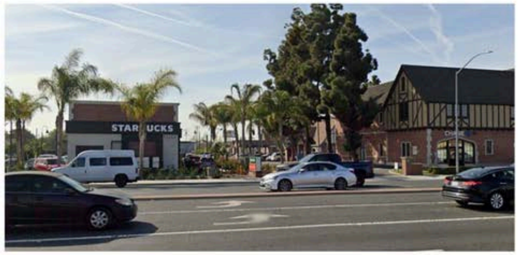

Tauro Capital secured $50 million in loans in August for three developers interested in developing triplenet lease properties, including Starbucks locations.

With Covid-related uncertainty top of mind for many investors, net lease properties have become one of the most in-demand real estate asset types in Los Angeles.

Offering a combination of steady income and hands-off management, net lease properties accounted for 20.2% of total commercial sales in the second quarter, compared with 13.3% the previous quarter, according to research from CBRE Group Inc.

The L.A. market ranked No. 3 in the nation for total net lease investment volume during the second quarter, CBRE said.

Driving that gain was the industrial sector, which saw net lease investment increase to 48% while activity in the office and retail areas decreased.

Peter Belisle, market leader for Jones Lang LaSalle Inc., said single-tenant lease properties are "always desirable during a recession."

In net lease assets, tenants still sign a lease. But unlike with traditional leases where owners still handle associated costs and property issues, tenants cover costs and maintenance.

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Monday, October 19, 2020

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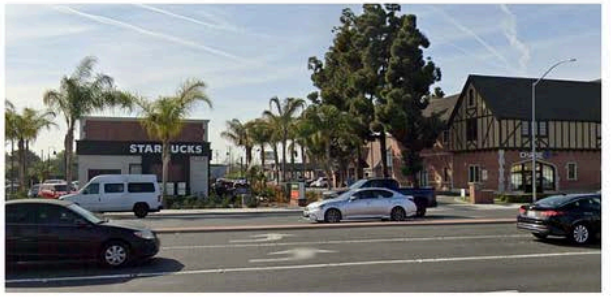

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BUSINESS STRATEGY

Tauro Capital sees demand for triple-net-leased product

The Los Angeles capital advisory firm saw the same trend during the 2008 Global Financial Crisis

Roodgally Senatus | 31st July 2020, 12:02 pm

Tauro Capital Advisors, a Los Angeles-based commercial real estate services company, is seeing an influx of interest in triple-net-leased deals as investors shift their focus towards more stabilized properties during the ongoing Covid-19 pandemic.

The 60-year-old company has observed that multifamily investors who have focused on rent collections these past few months may begin shifting to triple-net-leased stabilized properties, senior director **Matt Bucaro** told *REFI US*.

"These properties tend to require less hands-on management and are often backed by corporate or franchise guarantees, which make them a bit more stable when compared to other asset classes," he added.

This is a trend Tauro saw during the 2008 Global Financial Crisis, a time in which there was significant demand for the triple-net-leased product. "This asset class truly demonstrated its ability to remain stable throughout the crisis. Today, we are seeing a similar shift, especially among 1031 exchange buyers," Bucaro said.

Capital Square 1031, a Richmond, Virginia-based investment manager that specializes in Delaware statutory trusts for Section 1031 exchanges, is one of those investors capitalizing on triple-net-leased opportunities during the pandemic.

The firm has acquired a triple-net-leased medical office building in Augusta, Georgia in an all-cash and no debt transaction. The property is 100% leased on a triple net basis for 12 years to **Champion Orthopedics**.

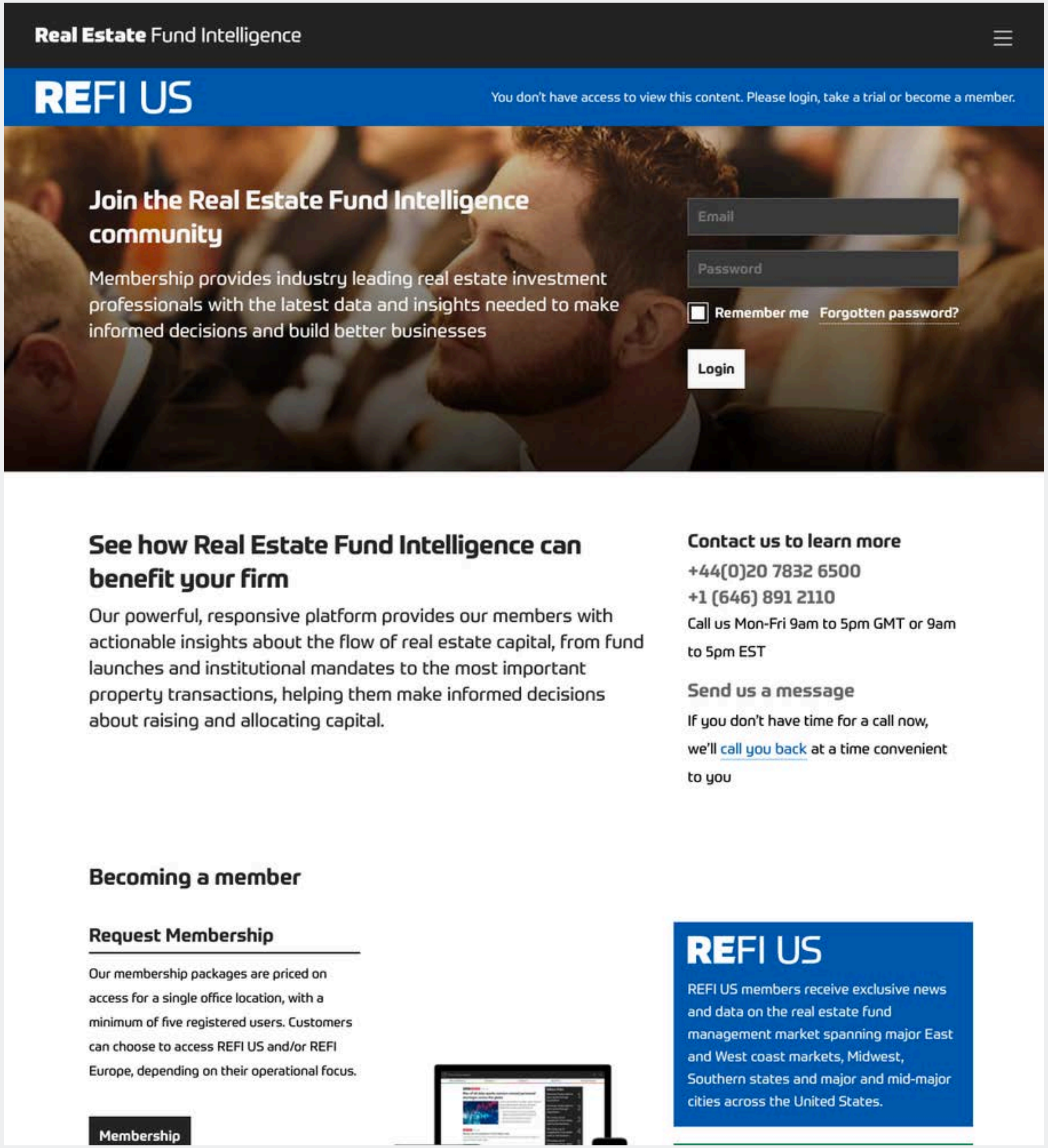
Tauro's capital transactions business

Tauro has been extremely active throughout the pandemic, associate director **Matt Ingle** told *REFI*, highlighting that he and Bucaro alone have completed nearly $10m in transactions over the last 30 days.

"All of these deals were originated during Covid-19 and even though the second wave of shutdowns in various states, we were able to keep them on track with our lender relationships," said Ingle.

In the partners' latest deal, they closed a triple-net-leased transaction for a CVS in Panama City Beach, Florida for $2.8m. Ingle and Boricua also closed several others over the last few weeks including a construction financing deal in San Diego and an automotive center in Arizona.

"We were able to demonstrate to lenders the value in these retail opportunities and structure financing that fit our clients' specific needs," said Bucaro. "In addition to these retail transactions, we recently arranged financing for the refinance of a multifamily property in Long Beach, California. We were able to structure the financing in a way that allowed the sponsor to take some cash out and achieve a low interest rate."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NNN Construction Deals Still Get Attention From Lenders

New triple-net lease retail construction deals are getting multiple bids when brought to market.

New triple-net lease retail new construction deals are continuing to garner lender interest through the pandemic. **Tauro Capital Advisors** recently completed three new construction triple-net loan transactions totaling $50 million. The firm says that it received several bids from lenders when it took the transactions to the market.

"We continue to receive several bids on NNN construction deals when we take these to market," **Tony Festa**, director and capital advisor at Tauro Capital Advisors, tells GlobeSt.com. "One of the key reasons for this is our unique approach and deep lender relationships. Each week up to three lenders presents to our entire team, providing in-depth details on what opportunities they're actively lending on and their specific qualifiers. Because of this, we always know where the capital is, what they are looking for, and how to access it for our clients."

Tauro attributes at least some of its success in placing these deals with its experience placing debt, which is necessary in the current market when lenders are cautious. "We are one of the most active financial intermediaries in the NNN construction space so lenders are confident in the opportunities we bring to the table and they know we will continue to present new ones," says Festa. "This provides us with a level of negotiating power that allows us to better serve our clients and deliver strategic financing and terms that best suit their business plans."

Many developers, particularly in the retail sector, believe there is no capital for new construction. However, Festa says that there is ample capital in market for new construction deals. "One of the major misconceptions in the market right now is that there is a lack of capital available, especially regarding construction financing and new developments," he says. "The fact is, there is capital available, and lenders are in the business of putting that capital to work. During times like these the focus is on limiting uncertainty, and single-tenant net-leased development is a great way to mitigate risk."

The three deals included a property in Santa Monica with a 7-Eleven, Starbucks, Dutch Bros. Coffee and Chick-Fil-A; a property with Circle K, O'Reilly's, AutoZone and Starbucks; and a developer building a Starbucks, Grocery Outlet and 7-Eleven. "Our ability to secure $50 million in debt facilities for these three different sponsors during the pandemic is demonstrative of this," says Festa. "Since we first announced the $50 million in credit facilities placed, we have sourced another $15 million construction facility and in discussions with two other developers and prospective lenders.

These were an good fit for lenders because net lease assets mitigate risk for the property ownership. "Investors are currently shifting focus or diversifying their portfolios into assets that can limit downside exposure in a time when other asset classes are not as safe as they were once perceived to be," says Festa. "Triple-net leased properties also tend to require less hands-on management so investors who have been focused on other assets classes that are management intensive may also shift towards to these types of deals."

NNN Construction Deals Still Get Attention From Lenders

New triple-net lease retail construction deals are getting multiple bids when brought to market.

By **Kelsi Maree Borland** | September 15, 2020 at 04:00 AM

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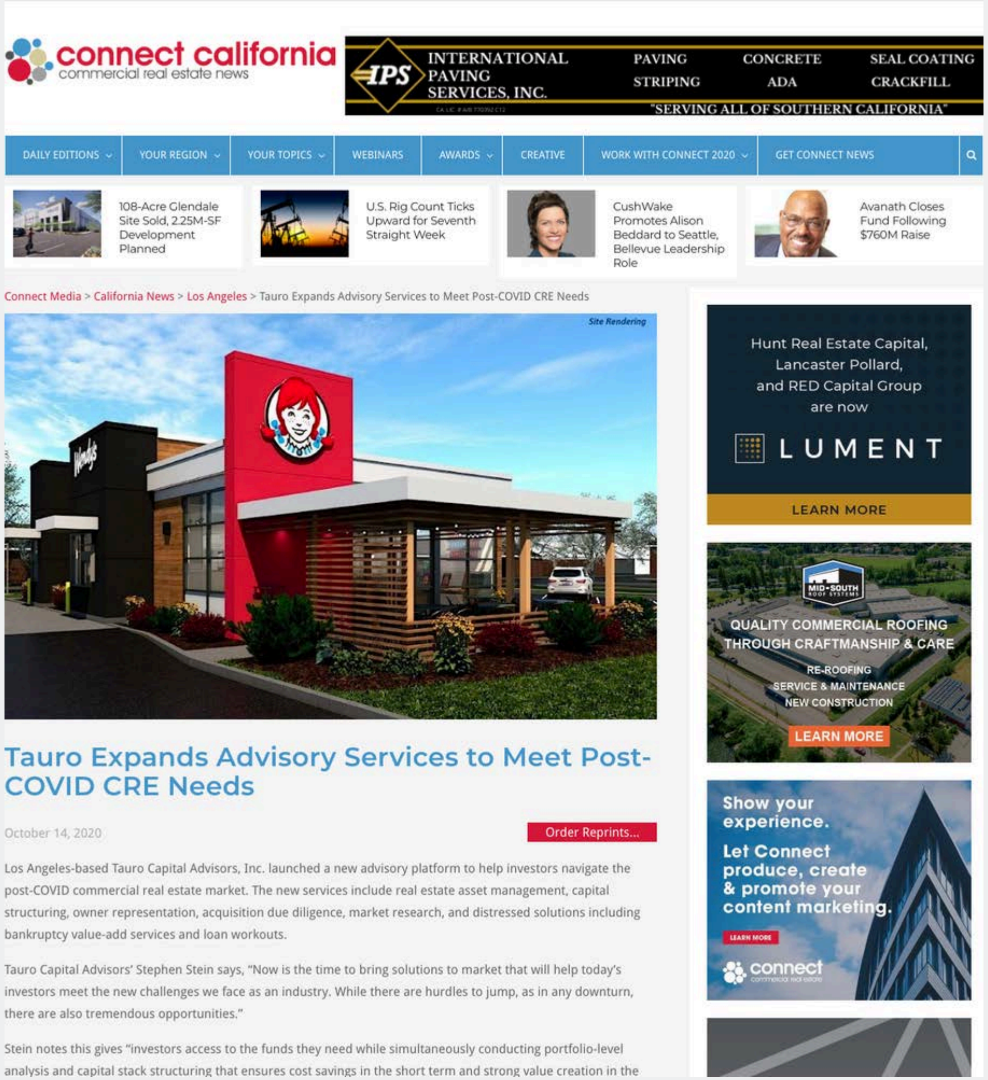

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Tauro Expands Advisory Services to Meet Post-COVID CRE Needs

October 14, 2020

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Los Angeles-based Tauro Capital Advisors, Inc. launched a new advisory platform to help investors navigate the post-COVID commercial real estate market. The new services include real estate asset management, capital structuring, owner representation, acquisition due diligence, market research, and distressed solutions including bankruptcy value-add services and loan workouts.

Tauro Capital Advisors' Stephen Stein says, "Now is the time to bring solutions to market that will help today's investors meet the new challenges we face as an industry. While there are hurdles to jump, as in any downturn, there are also tremendous opportunities."

Stein notes this gives "investors access to the funds they need while simultaneously conducting portfolio-level analysis and capital stack structuring that ensures cost savings in the short term and strong value creation in the

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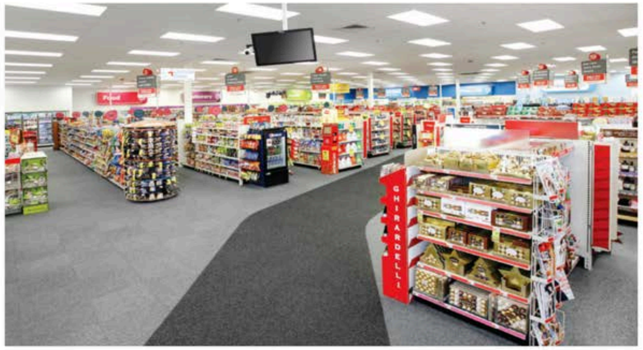

Investing to the third power: Why people are betting on triple-net-lease assets in the COVID-19 environment

BY STEPHEN STEIN

COVID-19 has complicated commercial real estate investment in an unprecedented way. The health and economic crisis has made nearly every investor pause and re-evaluate their commercial real estate investment strategies, regardless of their risk tolerance.

While some investors will choose to sit on the sidelines longer, others are demonstrating a strong appetite for certain property types that show consistent promise and strong performance. In fact, many in the industry believe the commercial real estate investment trends that were in place before the crisis hit are likely to continue, and possibly even accelerate, as a result of COVID-19.

One of these trends is the desire to own single-tenant triple-net-leased assets (NNN). NNN assets are perennially one of the most popular real estate product types in both good and bad economic times. Industry experts, such as SRS Real Estate Partners, have reported activity in the net-lease space has remained strong during the pandemic for sectors such as necessity-based uses, publicly traded companies with strong financial positions, and quick-serve restaurants with drive-throughs.

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Capital Eyes Single-Tenant NNN Investments

Single-tenant triple-net assets are generally stable, a quality investors want during times of economic uncertainty.

Investors are beginning to gravitate to single-tenant triple net assets as the pandemic wears on. These assets tend to be stabilized investments, a quality that investors want during times of economic uncertainty. As a result, there has been an increase in demand and transaction volume for single-tenant triple-net tenants.

"There has certainly been a shift among investors over the last several months towards asset classes that tend to be more stabilized in times of uncertainty," **Tony Festa**, director and capital advisor at **Tauro Capital Advisors**, tells GlobeSt.com. "Single-tenant triple-net leased deals are one of those types of assets. This was proven in the 2008 financial downturn when NNN properties continued to perform, despite economic uncertainty. Many of the underlying businesses such as fast food locations, coffee shops, and gas stations have proven to be successful despite previous economic cycles and continue to do so now."

Single-tenant triple net assets are considered a flight to safety. In today's market, most capital is looking to mitigate risk. "We believe that many investors are currently in a flight to safety where they are looking for assets that provide downside protection or reduce overall risk," says Festa. "As a result, we are seeing an influx of investment and development within the single-tenant triple-net space."

In addition to the increase in demand for single-tenant triple-net assets, developers are also launching new construction projects in this asset niche. In fact, Tauro Capital recently closed three loan facilities valued at $50 million for developers building new single-tenant properties. "We are finding that there is a large variety of capital sources available for single-tenant NNN development deals," says Festa. "Lenders across the board have become slightly more conservative in their underwriting and are placing a larger emphasis on quality sponsors and their track record, tenant and tenant performance and rent collection."

It isn't only developers and investors. Lenders have been responding as well. "NNN lease deals typically include quality, creditworthy tenants, so lenders continue to be drawn to these types of deals," says Festa. "Based on what we're hearing from lenders, we are one of the most active intermediaries in the triple-net-lease sector, closing several triple-net deals of all types and across the country throughout the pandemic."

The three recent deals are a good example of the demand. "We were able to secure 100% financing options for the sponsors, which will allow them to expand their NNN development pipelines," says Festa. "We anticipate that over the next several months and well into next year that there will be ample capital available to meet investor demand for more NNN development opportunities."

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By **Kelsi Maree Borland** | September 09, 2020 at 04:00 AM

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Culver City Office Site Secures $110 Million Loan

By Hannah Madans

Monday, October 12, 2020

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900 Corporate Pointe in Culver City Photo by Sibylle Allgaier

The Symantec Southern California Campus in Culver City has received a $110 million loan.

The nearly 288,000-square-foot office property located at 900 Corporate Pointe sold this summer for $120 million.

Northwood Investors purchased the site from Tempe, Ariz.-based NortonLifeLock Inc., formerly Symantec Corp.

The company's name change came last year after the Symantec brand was sold to Broadcom Inc. in a $10.7 billion deal.

The Culver City campus was 33% leased at the time of the sale, according to CoStar Group Inc.

The loan, which came from Blackstone Group Inc., was arranged by Cushman & Wakefield's Rob Rubano.

Arranging the loan was challenging, according to Rubano, but not necessarily just because of the pandemic.

"You had a corporate seller, Symantec, and they were doing a partial sale-leaseback leasing back 30% of the building for a short period of time. It is a transitional loan," he said.

In sale-leaseback agreements, the seller continues to use the building as a lessor but gets the financial benefits of selling the property. The buyer, meanwhile, has guaranteed income during the time of the leaseback and can line up new tenants or make changes to the property while still earning money.

Rubano said that despite Covid-19, he found multiple interested lenders.

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Culver City Office Site Secures $110 Million Loan

By Hannah Madans

Monday, October 12, 2020

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900 Corporate Pointe in Culver City Photo by Sibylle Allgaier

The Symantec Southern California Campus in Culver City has received a $110 million loan.

The nearly 288,000-square-foot office property located at 900 Corporate Pointe sold this summer for $120 million.

Northwood Investors purchased the site from Tempe, Ariz.-based NortonLifeLock Inc., formerly Symantec Corp.

The company's name change came last year after the Symantec brand was sold to Broadcom Inc. in a $10.7 billion deal.

The Culver City campus was 33% leased at the time of the sale, according to CoStar Group Inc.

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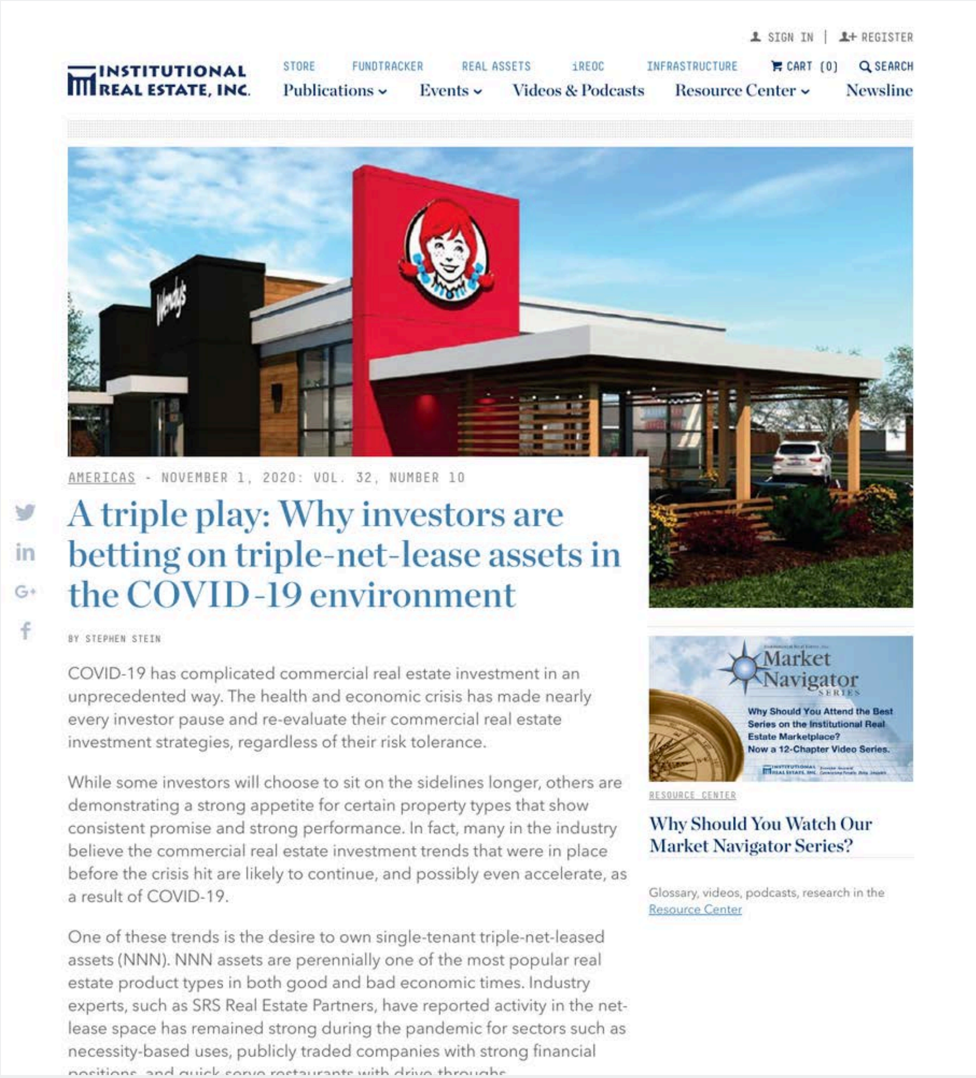

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A triple play: Why investors are betting on triple-net-lease assets in the COVID-19 environment

BY STEPHEN STEIN

COVID-19 has complicated commercial real estate investment in an unprecedented way. The health and economic crisis has made nearly every investor pause and re-evaluate their commercial real estate investment strategies, regardless of their risk tolerance.

While some investors will choose to sit on the sidelines longer, others are demonstrating a strong appetite for certain property types that show consistent promise and strong performance. In fact, many in the industry believe the commercial real estate investment trends that were in place before the crisis hit are likely to continue, and possibly even accelerate, as a result of COVID-19.

One of these trends is the desire to own single-tenant triple-net-leased assets (NNN). NNN assets are perennially one of the most popular real estate product types in both good and bad economic times. Industry experts, such as SRS Real Estate Partners, have reported activity in the net-lease space has remained strong during the pandemic for sectors such as necessity-based uses, publicly traded companies with strong financial positions, and quick serve restaurants with drive throughs

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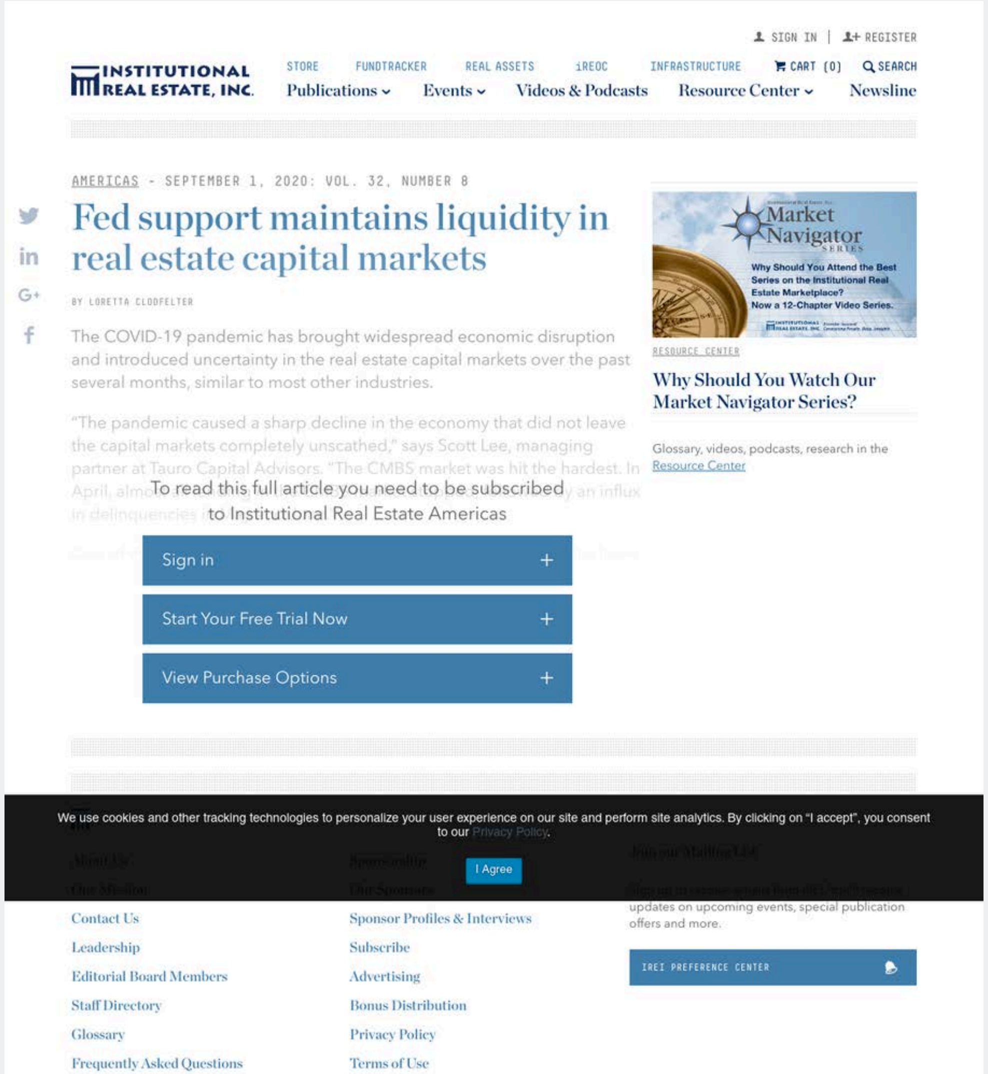

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Fed support maintains liquidity in real estate capital markets

BY LORETTA CLODFELTER

The COVID-19 pandemic has brought widespread economic disruption and introduced uncertainty in the real estate capital markets over the past several months, similar to most other industries.

"The pandemic caused a sharp decline in the economy that did not leave the capital markets completely unscathed," says Scott Lee, managing partner at Tauro Capital Advisors. "The CMBS market was hit the hardest. In

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SoCal Industry Roundup: Cain Intl. Taps Ex-Disney Exec Nick Franklin

John Ollen also joins NKF from Tishman Speyer

CLOCKWISE FROM TOP LEFT: NICK FRANKLIN, STEPHEN STEIN, JOHN OLLEN AND MIKE HUTH. PHOTOS: CAIN INTERNATIONAL, TAURO CAPITAL ADVISORS, NKF, JLL

Investment firm **Cain International** has hired **Nick Franklin** — a former executive for **The Walt Disney Company** and **KB Home** — to its Los Angeles office, Commercial Observer can first report.

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As senior managing director, Franklin will oversee Cain's U.S. private equity portfolio, which includes **The St. James**, **Competitive Socialising** and **The AllBright**. Franklin was most recently president of **Kelly Slater Wave Company**, and previously served as executive vice president of strategic operations for KB Home. His 18 years with Disney included serving as executive vice president of **Walt Disney Parks and Resorts** around the world, and a leadership role in real estate development and its portfolio of theme parks and hospitality operations.

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CLOCKWISE FROM TOP LEFT: NICK FRANKLIN, STEPHEN STEIN, JOHN OLLEN AND MIKE HUTH. PHOTOS: CAIN INTERNATIONAL, TAURO CAPITAL ADVISORS, NKF, JLL

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Tauro Capital Advisors Arranges Three Real Estate Debt Facilities Totaling $50 Mil

Tauro Capital Advisors Inc has secured a total of $50 mil in revolving debt facilities that will enable single-tenant, triple-net-leased developers to expand their portfolios through new site acquisitions and development. Tauro's Stephen Stein and Tony Festa worked together to arrange the financings.

"Single-tenant triple-net-leased product has continued to emerge as a stable asset class of choice for many investors across the country," explains Festa. "The industry saw a similar trend out of the 2008 downturn and throughout the last cycle, when single-tenant net-leased properties continued to perform and emerged from the recession relatively unscathed and resistant to market conditions. Today, we are seeing a similar shift as an increasing number of investors turn to NNN product rather than more management-intensive alternatives."

The three recent facilities arranged by Tauro include:

• $25 mil facility to develop additional NNN properties including national credit tenants 7-Eleven, Starbucks, Dutch Bros. Coffee and Chick-Fil-A.

• $15 mil facility arranged on behalf of a western developer who will use the facility for NNN developments for Circle K, O'Reilly's, AutoZone, Starbucks amongst other national credit tenants.

• $10 mil facility arranged on behalf of a private developer in Northern California to fund future development for a variety of major tenants throughout California including Starbucks, Grocery Outlet, 7-Eleven.

All three facilities were secured through private lenders and debt funds offering 100% loan-to-cost debt facilities. This provides increased liquidity for developers by freeing up otherwise tied up equity allowing them to pursue more opportunities without sharing any profit participation. The use of funds includes reimbursement of all pursuit costs, leasing commissions, and due diligence, as well as land acquisition, financing and construction costs, and a development fee if desired.

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Tauro Capital Arranges $50 Million in Loans for Developers

Downtown-based Tauro Capital Advisors Inc. has secured a total of $50 million in loans for three developers on triple-net lease properties. The loans were 100% loan-to-cost, which frees up equity without asking for profit sharing.

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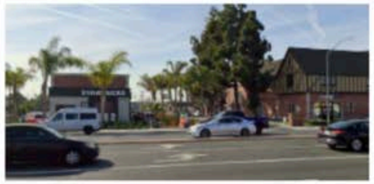

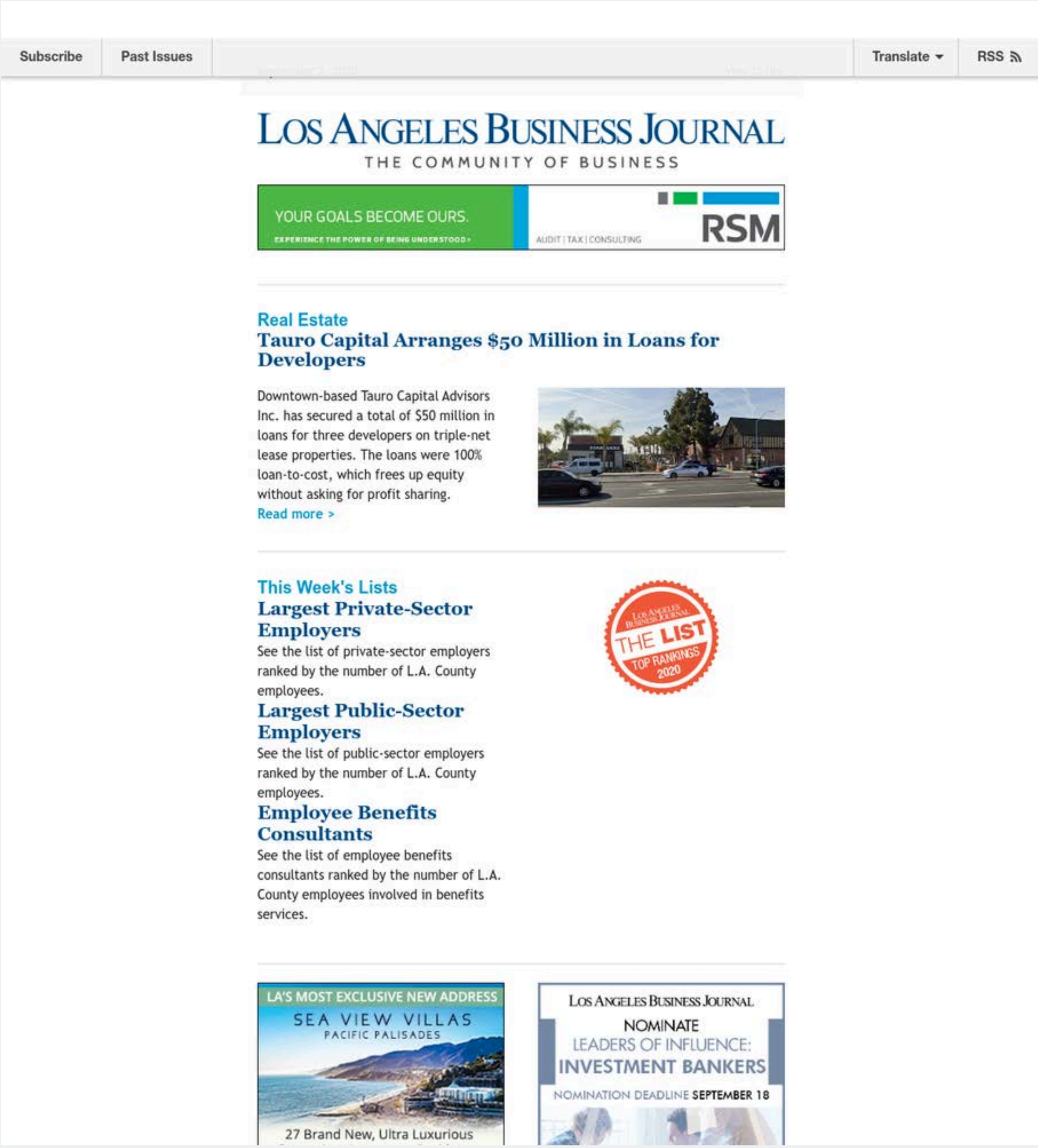

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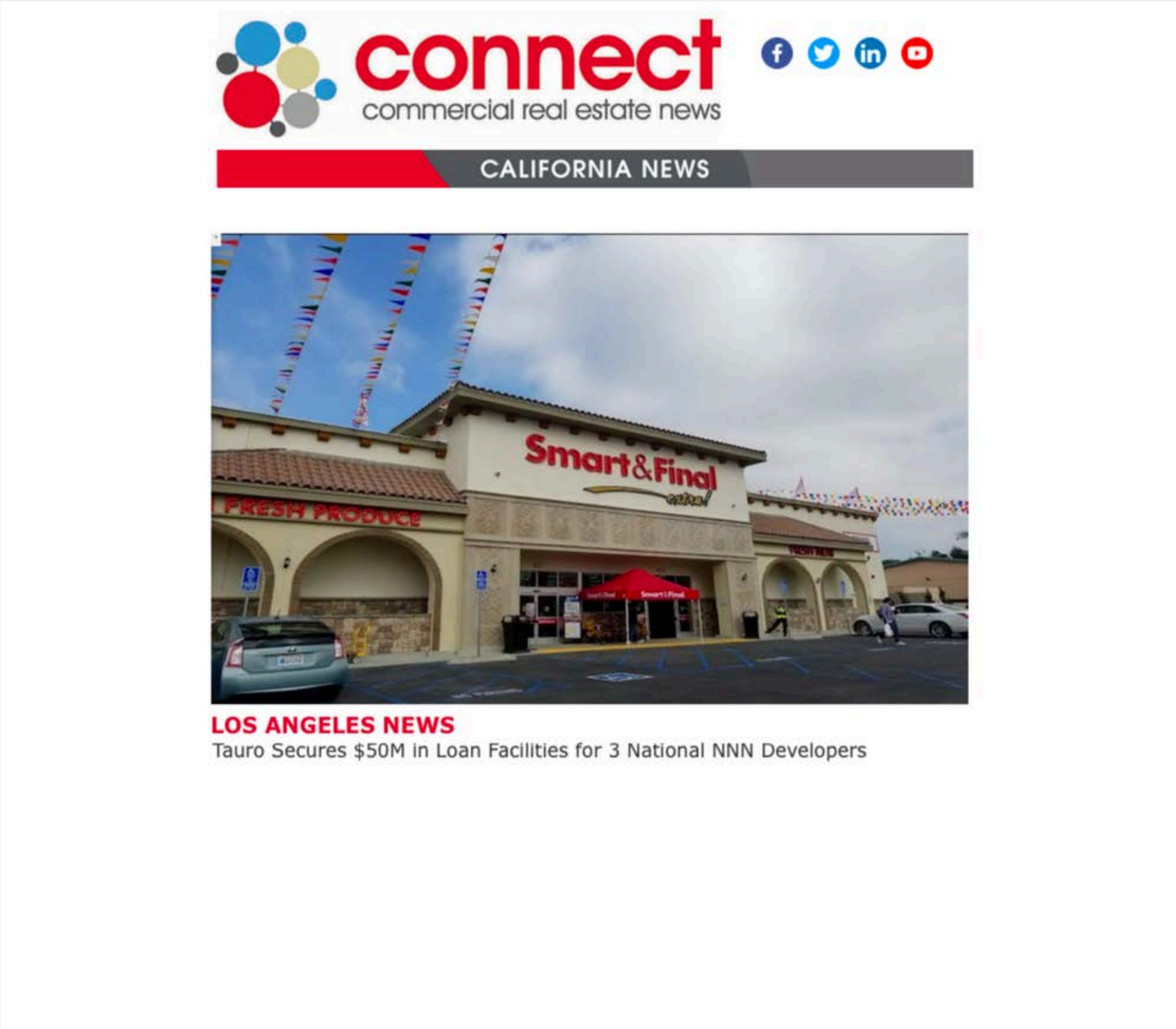
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Tauro Secures $50M in Loan Facilities for 3 National NNN Developers

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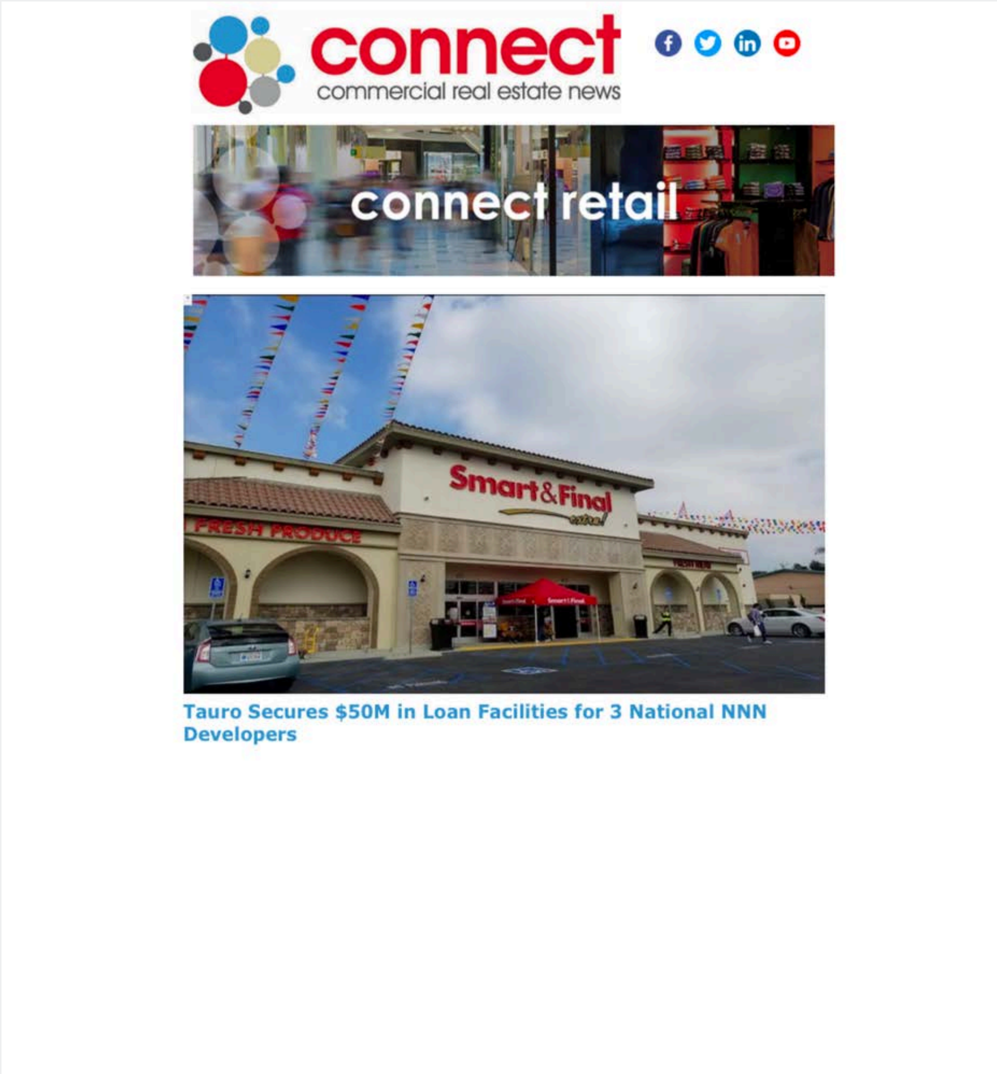

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Tauro Capital Advisors Secures $50 Million in Loan Facilities for Three National Triple-Net-Lease Developers

LOS ANGELES, CA — Tauro Capital Advisors, Inc., a fully integrated financial services company with a diverse background in all aspects of commercial real estate, has secured a total of $50 million in revolving debt facilities that will enable Single-Tenant-Triple-Net-Leased developers to expand their portfolios through new site acquisitions and development.

Stephen Stein, Managing Partner and **Tony Festa,** Director, Capital Advisor at Tauro Capital Advisors, Inc. worked together to arrange the financings.

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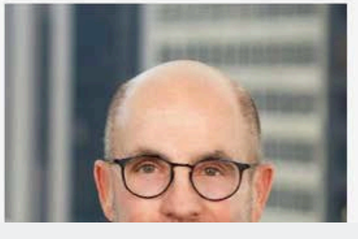

According to Festa, there has been an increase in demand for NNN properties regardless of the current environment thus fueling the accelerated pace of NNN development.

"Single-tenant triple-net-leased product has continued to emerge as a stable asset class of choice for many investors across the country," explains Festa.

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Tauro Secures $50M in Loan Facilities for 3 National NNN Developers

Los Angeles-based Tauro Capital Advisors, Inc. secured a total of $50 million in revolving debt facilities that will enable single-tenant, triple-net-leased developers to expand their portfolios through new site acquisitions and development. Tauro's Stephen Stein, and Tony Festa arranged the financings.

Festa says "Single-tenant triple-net-leased product has continued to emerge as a stable asset class of choice for many investors across the country. The industry saw a similar trend out of the 2008 downturn and throughout the last cycle, when single-tenant net-leased properties continued to perform and emerged from the recession relatively unscathed and resistant to market conditions."

Transactions include:
– A $25 million facility for a Santa Monica developer for NNN properties involving 7-Eleven, Starbucks, Dutch Bros. Coffee and Chick-Fil-A.
– A $15 million facility for a western developer for NNN developments involving Circle K, O'Reilly's, AutoZone, Starbucks amongst other national credit tenants.
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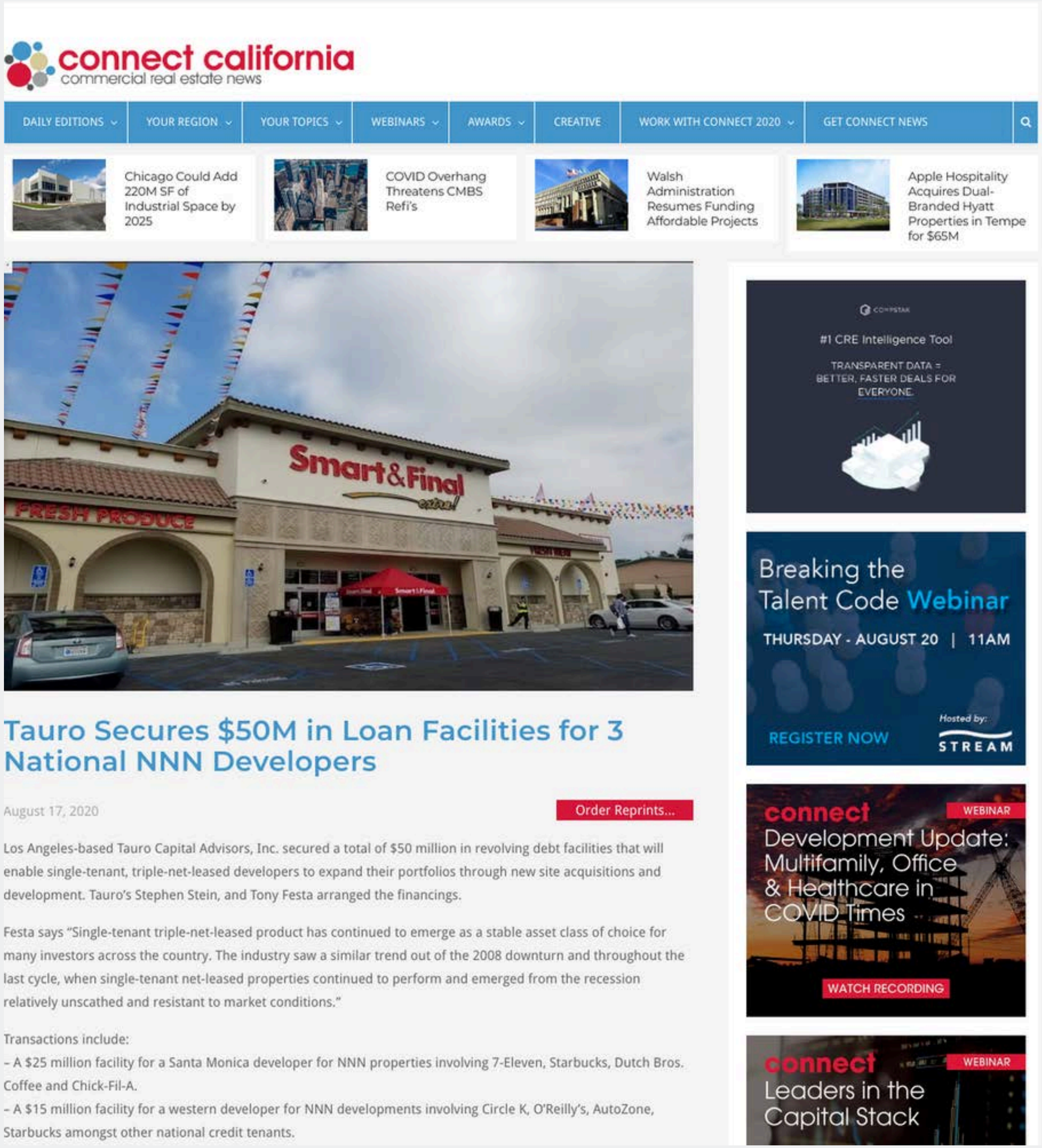

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Tauro Secures $50M in Loan Facilities for 3 National NNN Developers

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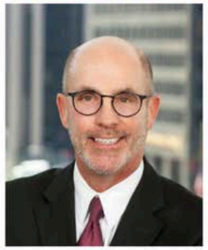
Tauro Capital Advisors Secures $20.5 Million for Four Triple-Net-Lease Investors and Developers



Stephen Stein

LOS ANGELES, CA – Tauro Capital Advisors, Inc., a fully integrated financial services company with a diverse background in all aspects of commercial real estate, has secured a total of $20.5 Million in financing on behalf of four triple-net-lease developers and investors.

The deals include a $15 million debt facility for a NNN lease developer, as well as acquisition financing for three triple-net-lease deals totaling $5.5 million, all of which closed within the last 30 days.

"We are one of the most active intermediaries in the triple-net-lease sector and have continued to secure and structure quality financing on behalf of our clients throughout the pandemic," says **Stephen Stein,** Managing Partner at Tauro Capital Advisors.

"In fact, these deals come on the heels of Tauro securing $50 million in debt facilities for three triple-net-lease developers and investors just last month."

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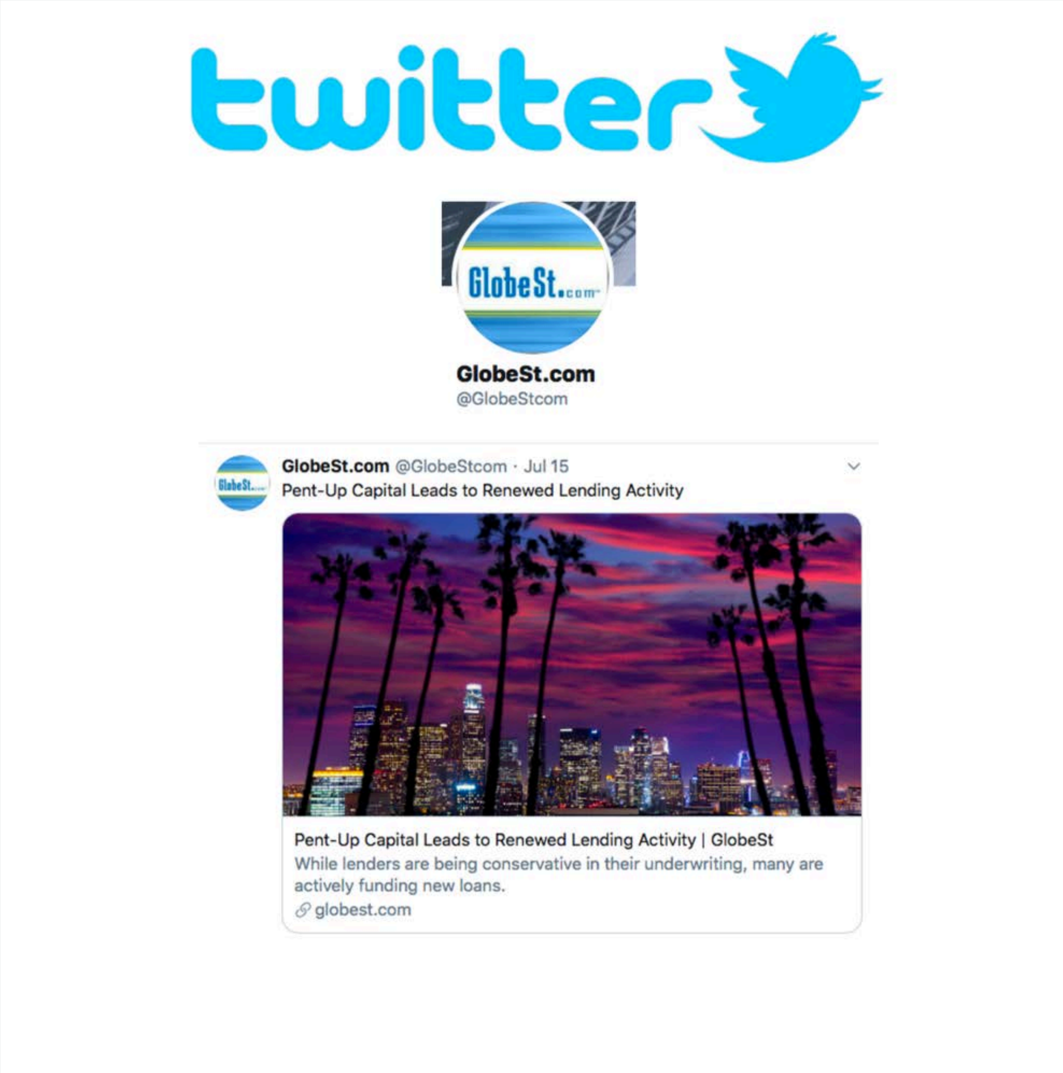

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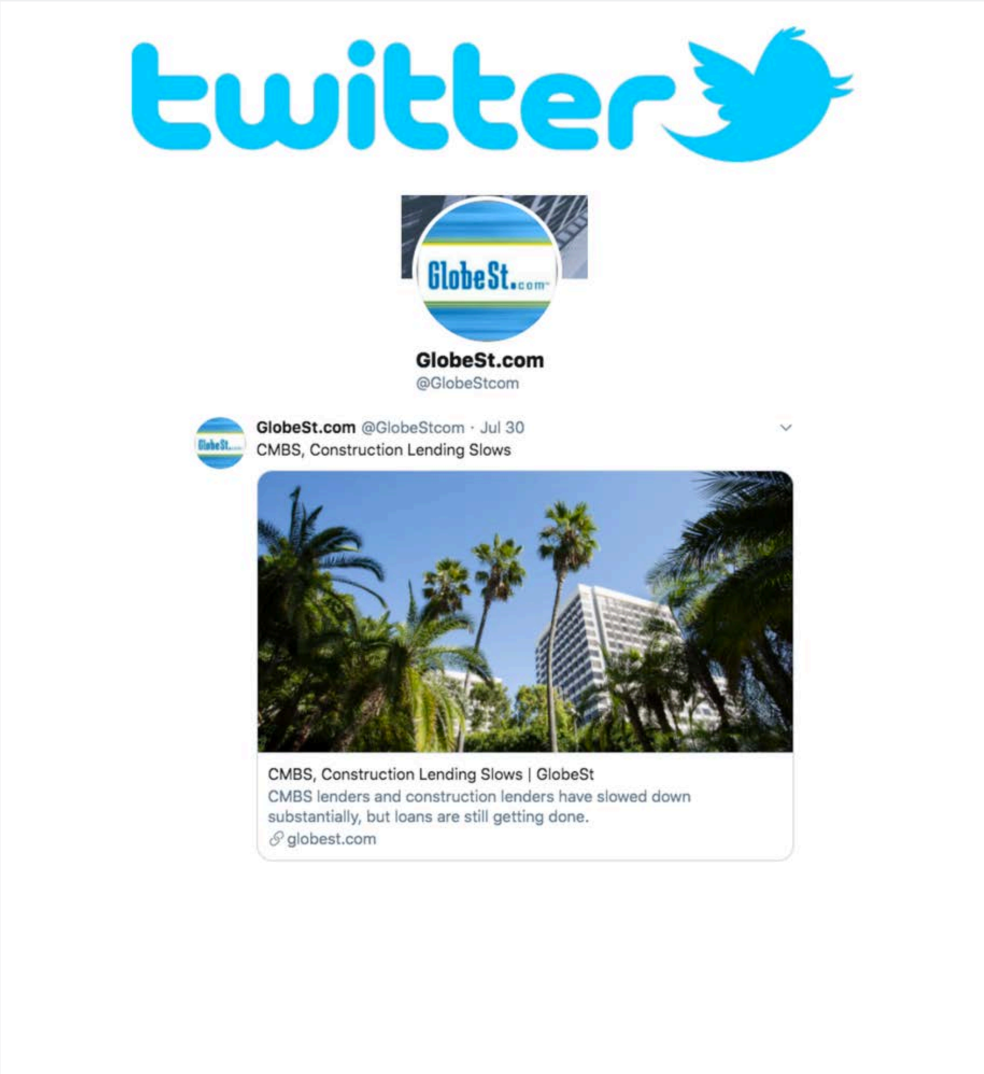

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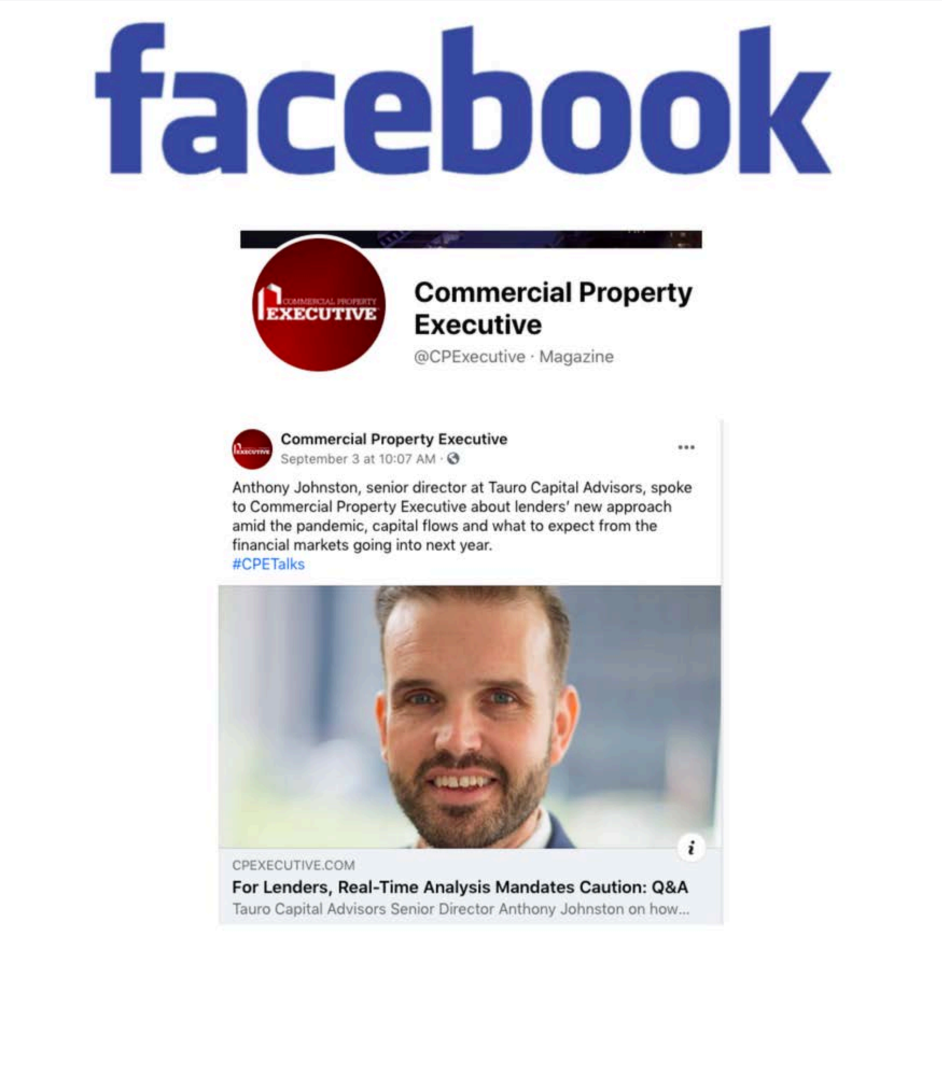

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