



TREZ CAPITAL

MORTGAGE CASE STUDY – OCTOBER 2018

CASE STUDY – FOOTHILLS INDUSTRIAL



LOAN DETAILS (2017 funding):

Amount: \$21,500,000

Type: 1st mortgage providing 95% LTV (96% of P/P)

PROPERTY

Type: 226,613 multi-tenant industrial

Vacancy: 2.4%

Rent roll: 4 tenants (10.4% Month to Month lease)

Building age: 1990 (in good condition)

CASE STUDY – FOOTHILLS INDUSTRIAL

CHALLENGES

Rollover risk (potential 13% near term vacancy, 87% lease maturity by 2020)

High leverage financing, potential rising cap rate environment

STRENGTHS

Experienced sponsor with proven ability to execute

Below market leases, strong tenants

Good location

Meaningful corporate covenant

CASE STUDY – FOOTHILLS INDUSTRIAL

THEN VS NOW... AND OUR EXIT

	Original Funding (2017)	Partial Exit (May 2018)	Final Exit (2019-20)
NOI	\$1.34 million	\$1.49 million	\$1.61 million
Vacancy	2.4% → 12.8%	0%	3%
LTV	95%	91%	Max 70%
DSCR	0.93x	0.95x	1.25X
Lender(s)	Trez 1 st \$21.5MM	Conv. 1 st \$13.9MM Trez 2 nd \$5.4MM	Refinance with Conventional 1 st + Equity Payment