



LOAN SPOTLIGHT



Summary: Subject property, a multi-tenant office/retail building, was purchased vacant for \$1.2 million in May 2016. Purchase financing was secured through a private note. Borrower pre-leased the ground floor retail space to a local tenant subject to completion of improvements to their space. Borrower sought construction financing to pay off the existing private note and complete improvements to the ground floor retail space, as well as complete improvements to the two upper floors to turn it into creative office space. The strength of the deal was primarily due to the financial strength of the ground floor retail tenant and the significant rent they would be paying under a long-term lease. Neither of the smaller upper floors were pre-leased and would go to market after completion of construction. We were able to successfully arrange an interest-only construction loan with a initial term of 12 months and two 3-month extensions in order to meet the borrower's objectives: (1) pay off the existing balance on the private note; and (2) have the funds to complete the improvements to the ground floor and two upper floors. The construction loan was obtained without a prepayment penalty to provide the borrower with maximum flexibility to pursue the best available financing options for the construction take out, when that time comes. The existing construction lender has already expressed an interest in providing take out financing in the form of a 5 year or 7 year fixed term loan (our 'ace in the hole'), but it always makes sense to have back up options.

Loan Amount: \$1,237,000

Property Type: Retail

Location: Los Angeles County, CA

Purpose: Construction

Rate: 6.25%

Term/Amortization: 12 months with two 3-month options to extend

Interest Only: Yes - for full term plus extensions

LTC: 74%

Prepay: None

If you or someone you know might need our services, please forward this email to them or contact us for a loan quote specific to a property at (415) 680-0121. [Click here to sign up for our newsletter.](#)

Ask us about our CRE loan programs for cannabis tenants! We also offer generous referral fee program for 5+ multifamily and commercial real estate loans!



ABOUT OUR SERVICES

Pacific Financial Group is a full-service brokerage firm dedicated to providing clients with real estate loans, investment advice, financial planning and insurance services. Our success is the result of our client-focused commitment, professional integrity, industry and market knowledge and unique private banking approach to understanding the financial needs of our clients and delivering specifically tailored solutions. **[Visit our website to obtain additional information about the types of investment advice and insurance services we offer.](#)**

APARTMENT LOAN PROGRAMS

We are pleased to provide access to a large selection of 5+ unit multi-family loan programs from which to choose so you are assured of finding one that is best suited to meet your particular investment objectives. Drawing from our diverse pool of capital sources, your loan program options are limitless. **[Visit our website to obtain additional information about available apartment loan programs and interest rates.](#)**

COMMERCIAL LOAN PROGRAMS

We understand the importance of finding the best available financing to maximize your return on investment and have access to a large selection of commercial loan programs for office, retail, single tenant, self storage, industrial, hospitality, mixed use and owner-occupied commercial buildings, so you are assured of finding one that is best suited to meet your particular investment objectives. **[We also finance commercial properties with cannabis tenants and offer both conventional bank loans and private funds.](#)** Commercial loans are available from a diverse pool of capital sources which include local and regional banks, credit unions, life insurance companies, conduits, pension funds and private investors. **[Visit our website to obtain additional information about available commercial loan programs and interest rates.](#)**

RESIDENTIAL LOAN PROGRAMS

We have access to over 30 lenders that offer a variety of loan program options for owner-occupied residences, 2nd homes or 1-4 investment properties. Why limit yourself and deal with one lender when you can have access to a diverse pool of lenders with much more loan program options from which to choose? Below are some of the loan program features currently offered:

- Loans to single member LLC's and revocable trusts

- Stated income and interest only loans
- Debt ratios up to 50%
- Loan amounts up to \$3,000,000
- 100% gift toward a purchase down payment
- No monthly M.I. options available
- No income verification for investor properties / unlimited # of properties financed
- 3% down payment (conventional) & 10% down payment (jumbo) loan programs
- Delayed purchase financing
- Unlimited cash out

Call us today to discuss your specific loan needs.

Samuel A. Shummon, J.D.

Principal & Managing Broker

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