

Dealmaker: Thorofare Capital Lends \$33M in Colorado, California

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Thorofare Capital, Los Angeles, provided Hayman Properties LLC with \$19.8 million in first mortgage debt to acquire and lease up Parkway Office Centre, a 134,500-square-foot Class B office building in Denver.

Hayman Properties, Los Angeles, acquired the property for \$25.6 million from DPC Development Co., Greenwood Village, Colo.

Built in 1982 and renovated in 2008, Parkway Office Centre sits in downtown Denver's "Golden Triangle," one of the city's oldest neighborhoods. The eight-story brick office property with an adjacent three-story parking garage was 94 percent leased at closing. DPC Development Co. recently signed Denver Health and Hospital Authority, one of the city's largest health organizations, to a long-term lease for 33,000 square feet.

"Our financing allowed the sponsor to acquire a value-add office building that is located downtown, offers structured parking and is just a couple blocks away from the light rail station," said Felix Gutnikov, Principal and Origination Executive Vice President with Thorofare. "The financing was structured to enable Hayman to unlock the potential value by increasing the below-market in-place rents and attract new tenants for the near-term rollover space."

The five-year floating-rate non-recourse loan included a one-year extension option and a tenant improvement/leasing commission reserve as well as a future funding facility to cover any additional lease-up costs.

Hayman Properties focuses on institutional-quality office properties leased to strong credit tenants in growing secondary markets. It entered the Denver market earlier this year by acquiring Denver Tower, a 54,000-square-foot Class B central business district building.

In National City, Calif., Thorofare Capital funded a \$13.4 million floating-rate mortgage for a 91,500-square-foot industrial warehouse facility. The sponsor, a privately held San Diego commercial real estate investment firm, used the proceeds to acquire the property, perform modest capital upgrades and to pay tenant improvement and capital improvement to stabilize the asset.

The subject property, an industrial warehouse building with attached office, was vacant at closing, but the sponsor had a signed agreement for a tenant that will occupy 100 percent of the leasable area.

The three-year non-recourse interest-only loan was sized to a stabilized debt yield and requires just nine months of yield maintenance. Thorofare structured reserves for carry and lease-up costs.

<https://www.mba.org/mba-newslinks/2016/december/mba-newslink-friday-12-9-16/commercial/multifamily/dealmaker-thorofare-capital-lends-33m-in-colorado-california-x157781>

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