

Thorofare Lends \$34.5M Against For Collins, CO Apartments

March 23, 2022

Thorofare Capital has provided \$34.54 million of construction financing to fund the completion of the 197-unit Willow Street Residences in Fort Collins, Colo.

The loan will allow the property's developer, CA Ventures of Chicago, to retire a construction loan that had been provided by Associated Bank of Green Bay, Wis. The property, on a two-acre site at 223 Willow St. in Fort Collins' River District, is nearly 90 percent completed. Construction is slated for completion by August.

Thorofare's loan can, under certain circumstances, be increased by \$11 million, to \$45.54 million, and its coupon reduced when the property gets its certificate of occupancy and its value is re-calculated.

The Thorofare financing is a culmination of a rocky development road for CA Ventures. In 2019, it had acquired the property's site, which had housed a truck storage facility run by Schrader Oil Co., for \$3.5 million. It then lined up financing from Great Western Bank of Chatsworth, Calif.

Great Western in 2020 had filed to take the project, by then stalled, through a foreclosure action that it had filed. That's when Associated stepped in with its financing. CA Ventures also had lined up \$9 million of mezzanine financing from an affiliate of Peninsula Investments Group, a Miami investment manager with substantial holdings in apartment and student-housing properties. That loan remains in place. As such, Thorofare had to negotiate a new inter-creditor agreement with the lender.

Willow Street Residences is just east of Fort Collins' downtown area and north of the city's Old Town neighborhood in an area called the River District, a former industrial section that now is chock full of art galleries, music venues and theaters. It sits along the Cache la Poudre River.

Fort Collins, meanwhile, is home to Colorado State University, whose total enrollment in the last school year was nearly 32,500 students. An estimated 80 percent of students at the college live off-campus, according to Unique Properties, a Denver affiliate of TCN Worldwide.

The property is just more than a mile from Colorado State's campus and will have a mix of studio, one- and two-bedroom units that average 581 square feet. They'll be fitted with stainless-steel kitchen appliances, quartz countertops and washers and dryers. The property also will have bicycle storage, parcel lockers, an outdoor deck and clubroom.

Fort Collins, in the foothills of the Rocky Mountains, is nearly 60 miles north of Denver and 45 miles

south of Cheyenne, Wyo. It only relatively recently has drawn the attention of institutional investors. And for good reason. Population has grown by more than 22 percent since 2010, driven largely by the university and certain area high-tech companies, including Hewlett Packard, whose Z Workstation operation is headquartered in the city, Intel Corp. and Advanced Micro Devices Inc.

The city's stabilized vacancy rate is only 3.8 percent, according to Unique Properties. Meanwhile, it estimated that monthly rents had climbed last year by 13.8 percent from the previous year, to \$1,553/unit.

While absorption has remained healthy, few new units are being brought online. Thorofare estimated that only 146 units were delivered over the past 12 months, versus 556 units having been absorbed.

<https://crenews.com/2022/03/23/thorofare-lends-34-54mln-against-fort-collins-colo-apartments/>

DISCLOSURE: This reprinted article being provided for informational purposes only and intended for our non-advisory loan origination and servicing clients only. The content herein was prepared by third parties of which we have no editorial control, so we do not warrant the reliability of any statements herein. Nothing herein is an offer or solicitation for the purchase or sale of any security, may not be relied upon in connection therewith, and is qualified in its entirety by any related Private Placement Memorandum and Partnership Agreement. An investment in a private real estate fund involves a substantial degree of risk and investors could lose some or all of their investment.