

6 Performing Loans Up for Grabs

CNO Financial subsidiary **40/86 Advisors** is marketing six performing office loans with a total balance of \$66 million.

The construction-to-permanent loans financed development of the collateral properties. They were written 7-10 years ago and mature between 2016 and 2022.

The six underlying properties are fully or nearly fully leased, although the single tenant at one building is terminating its lease. The loans have a 6.17% weighted average coupon, with a range of 5.65-6.64%. Two of the properties are in Arizona. The others are in Georgia, Iowa, Minnesota and New Mexico. Each property has 1-4 tenants.

Mission Capital is handling the auction for 40/86 Advisors, of Carmel, Ind. Investors can bid on any combination of loans. Initial bids are due Feb. 5, and final offers will be accepted Feb. 26.

The largest mortgage, with a \$20.7 million balance, is backed by a 216,000-square-foot property in Urbandale, Iowa, eight miles from Des Moines. The three-story building, at 1241 Meredith Drive, is fully leased to **Marsh & McLennan** until 2022. The net operating income was \$2.6 million in 2013. The loan matures in 2022.

A \$7.4 million loan is backed by a 41,000-sf building at 8950 North Oracle Road in Tucson, Ariz. The sole tenant, **Pulte Homes**, is exercising a termination option in its lease effective May 31, but has put a substantial termination fee in escrow for the lender. The loan matures on Jan. 1, 2018. The property is owned by **Oracle & Hardy 66**, a small REIT in Scottsdale, Ariz. ❖