

Mission Capital Markets Participation in Apartment Loan

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Commercial Real Estate Direct Staff Report

Mission Capital Advisors is offering, on behalf of an undisclosed client, a 49 percent stake in a \$29.8 million mortgage on three apartment properties in Mississippi and Louisiana.

The loan, which was originated in May, carries a floating rate and matures in two years. It was originated with a rate pegged to Libor plus 400 basis points and a 1 percent exit fee. The participation would receive a rate of Libor plus 350 basis points.

The mortgage was originated to fund the purchase of the three properties and reposition them. According to offering material distributed by Mission, the owner of the properties, described as an owner of 6,500 units, put up \$3.3 million in equity in the portfolio.

The mortgage is backed by a 264-unit property in Denham Springs, La., which was constructed four years ago, a 176-unit property in Biloxi, Miss., which was constructed in 1986, and an 80-unit property in Gulfport, Miss., which was built in 1986. The three have an average occupancy rate approaching 98 percent.