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## Mission Seeks Bids on \$221M Portfolio

By Paul Bubny



NEW YORK CITY-Mission Capital Advisors, based here, has begun soliciting indicative bids on a \$221.4-million portfolio of loans and REOs for a regional bank, secured by real estate assets in Florida and six other states. It's the newest of three debt portfolios Mission Capital has been marketing this quarter, with a combined balance "north of \$600 million," the company's Will Sledge tells GlobeSt.com.

"Relative to our asset sales last year at this time, we have two to three times the amount of debt in the market," says Sledge, executive managing director at Mission Capital. "We do see an uptick in the need for services like ours. It's likely that over the next couple of weeks, we'll be engaged to market other portfolios on behalf of other institutional clients."

Part of the anticipated uptick in large portfolios is due to the normal cycle of banks getting assets off their balance sheets, and part of it is due to the current state of the market. "Because of the slow movement on the REO side and in the true real estate market, the debt business as a means to move collateral off balance sheets is one of the only games in town now," Sledge says. "It's also a very quick process. Whereas the real estate market may take months if not a year to move a piece of real estate, on the debt market it's generally a period of weeks." On this portfolio, for example, final bids are due March 18, with a closing date of March 25.

Overall, there are 50 loans or REOs within eight available pools, including 35 loans in Florida, four REOs in Florida, four loans in Georgia, three loans in Texas, and single loans in Alabama, Arizona, Louisiana and Nevada, according to Mission Capital. The assets include hospitality, industrial warehouse, retail, office, multifamily, residential condominiums, retail condominiums, townhomes and commercial and residential development land. The status of the loans ranges from non-performing to foreclosure to bankruptcy. In a release, Sledge says investors can target specific assets "by performance, collateral type or geography based on their individual acquisition criteria."

Sledge tells GlobeSt.com that it's too soon to tell what the returns on the portfolio will be when the final bids are in. "We let investors pick their spots," he says. "For instance, a homebuilder in Florida who's looking to take down additional lots and dollar-cost-average, his basis may not be willing to play in Texas. So you allow investors to take down the asset classes, performance types and geographic locations that they're interested in and focus on an asset-by-asset basis. That usually results in higher overall pull-through in pricing for the seller."

Although the portfolio is available to be purchased in one go, Sledge says it will probably sell piecemeal to multiple investors. "It's very unlikely that a single investor would have the ability to take down all or even a large portion of this debt based on the different geographic locations, asset classes and performance levels."