

Dominion Healthcare Funds Assisted-Living Facility

Look for **Dominion Healthcare Financial Corporation** to continue offering alternative funding to the HUD-dominated senior housing industry. Dominion offers its direct lending program nationwide to owners of age-restricted housing facilities with a focus on borrowers with strong operational histories.

Dominion originated a 15-year, \$4.5M mortgage on July 10 to refinance the **Whitcomb Tower** senior apartment and assisted-living facility in St. Joseph, Mich. The loan allowed **Whitcomb Tower Corporation** to pay off a maturing life company loan and obtain cash out for other venues. Dominion started the variable rate at 8.5% for the fully-amortizing mortgage. It underwrote the mortgage to 65% LTV. Rents support a 1.4 DSC.

Whitcomb Tower was built in 1928 and last renovated in 1973. It was 86% occupied at closing. The 134-unit senior housing facility is a six-story structure totaling 95,777 s.f on less than one acre of land. Amenities include a common area with a main dining room, an activity/exercise room, a beauty shop, a small dining room on the second floor, a courtyard and an excellent view of Lake Michigan. St. Joseph is 90 miles from Chicago.

Dominion was compelled to fund the loan because it is a historic facility in a location where many of the community's events occur. Dominion will underwrite its deals to a maximum 75% LTV and requires a minimum 1.45 DSC.

Dominion will write 10- to 25-year adjustable-rate mortgages, bridge loans/interim loans and 10- to 25-year fixed-rate mortgages. The nationwide lender will consider underwriting assisted-living facilities, congregate-care facilities, hospitals, independent-living facilities, industrial buildings, medical clinics, rehabilitation facilities and skilled-nursing facilities.

Borrowers can expect loans to be priced from the low 8% to high 8% range depending on quality.

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SWH, Newbridge Fund Condo Land A&D

Private lenders step forward to fund more high priced land acquisition and development loans for condominium complexes as many traditional lenders remain cautious for such deals. The easing of the housing markets in many areas has banks and savings banks backpedaling on deals until markets improve.

Hackensack, N.J.-based **SWH Funding Corp.** recently teamed up with newly formed investment company, **Newbridge Realty Capital, LLC** to approve a seven-month, \$6.25M acquisition and pre-development loan to start a 64-unit high-end residential condominium project in Sheepshead Bay, Brooklyn, N.Y.

The lenders liked the location of the project and the track record of principal **Emmons Avenue LLC**. The principal's successful completion of similar projects in the area and large investments completed with its own equity made the transaction a secure one for the lenders.

The lenders priced the deal at 12.5% and charged a 5% closing fee. They lending team underwrote the loan to a 76% LTV. Prepayment is allowed anytime after a minimum collection of four months of interest. **Scott Hartstein** of SWH and **Bradley Settleman** of Newbridge Realty Capital worked on this deal.

The proceeds of the loan, along with \$2.65M of equity from Emmons Avenue LLC, allowed the borrower to purchase the property known as the **Palm Shore Club** for \$7.6M to develop the complex. The capital is being used for the purchase as well as to complete the plans and city approval process, obtain an environmental study, establish reserves for taxes, insurance and minor post-closing environmental clean-up costs and to pay closing costs.

Palm Shore Club is a vacant summer resort club and catering facility located along the south side of Emmons Avenue, between Sheepshead Bay and Emmons Avenue. The proposed development will consist of upscale attached units totaling more than 100,000 s.f. Common amenities include parking, a clubhouse with a pool and possibly a small marina for residents.

SWH finances short-term bridge loans to qualified borrowers for acquisitions, refinancings, turnaround/work-out situations, foreclosure and bankruptcies for all types of properties. SWH writes mortgages and other loan structures from \$2M to \$50M nationwide. Borrowers can expect the private lender to price loans in the 12% to 15% range. It underwrites mortgages and loans to a maximum 80% LTV.

Newbridge Realty Capital is a private investment firm founded in 2001 by **David Loo** and **Richard Ortiz**, former executives of **Credit Suisse First Boston**, to pursue opportunistic investments in real estate.

Corus Bank Backs Boston Hotel Development...

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Prepayment is usually written with a window-end term refinance without penalty.

The boutique hotel will offer a lobby bar downstairs, exercise room and breakfast room. Delivery is expected in the fall or winter of 2003.

Corus Bank is an active construction lender nationwide, specializing in condominium, hotel, office and apartment loans. Corus typically writes 18-month construction loans from \$5M to \$65M. Loans typically roll into three-year mini-perms with 20-year amortization schedules. The bank holds loans up to \$65M for its own account and will syndicate larger transactions.