

\$107 Million in Investment Property Financing Secured by Marcus & Millichap

LOS ANGELES--(BUSINESS WIRE)-- Marcus & Millichap (NYSE: MMI) announced today it has arranged \$107 million in financing for two multifamily properties in California.

Jake Roberts and Anita Paryani, with Marcus & Millichap Capital Corporation (MMCC) and IPA Capital Markets, arranged the debt placements.

The first origination was a \$52 million bridge loan for Emerald Terrace Apartments in Los Angeles. The loan was structured at an interest only floating rate loan. The loan-to-total cost value — including all rehab dollars — is 72 percent. “This asset required significant renovation capital and a complete repositioning necessitating the pursuit of non-standard debt and equity options,” said Paryani, vice president capital markets. “We not only brought a number of interested lenders to the table and significantly improved pricing and terms but were able to secure a lender who completely bought into the value-add plan.”

“The purchase and repositioning of Emerald Terrace Apartments speaks to the emerging popularity of submarkets such as Silver Lake, Echo Park, Koreatown and Downtown with the millennial population,” said Roberts, first vice president capital markets. “These previously hidden pockets of Los Angeles real estate are becoming prime locations for value-add investments.”

The second origination was a \$55 million bridge loan for Fiori Estates, a multifamily complex located in Rohnert Park in Northern California.

“The loan was structured with an interest only floater under 3 percent all in. The loan-to-value is 65 percent and the loan-to-cost is 92 percent,” said Roberts. “Over an 18-month engagement period we were able to provide our client with an array of debt and equity solutions for the newly constructed, still-stabilizing Fiori Estates. We determined the client’s best option was to secure agency debt, but couldn’t close agency debt until the asset was fully stabilized and leased. In order to close the acquisition, we secured a lender that provided an aggressively priced bridge loan that could be taken out at any time with no prepay penalty.”

“This year, in the month of November alone, Roberts and Paryani closed over \$112 million in investment property finance transactions,” says William E. Hughes, senior vice president, MMCC. “Their strong performance closing investment property finance transactions, along with their experience, knowledge and lender relationships are indicative of MMCC’s expansion.”

One of the largest commercial real estate financial intermediaries in the U.S., MMCC has sourced and closed more than \$3.3 billion in debt and equity financing through 1,135 capital markets transactions during the first nine months of 2015. MMI’s Institutional Property Advisors (IPA) Capital Markets boasts the industry’s most comprehensive institutional capital

markets advisory platform and is supported by MMCC's 39 offices and more than 95 capital markets professionals.

"Our financing services provide an exciting revenue growth opportunity for MMI," said Hessam Nadji, senior executive vice president, Marcus & Millichap. "MMCC and IPA Capital Markets provide key value-added services to our investment sales teams across the firm and their clients nationwide."

About Marcus & Millichap (NYSE: MMI)

With over 1,500 investment professionals located throughout the United States and Canada, Marcus & Millichap is a leading specialist in commercial real estate investment sales, financing, research and advisory services. Founded in 1971, the firm closed over 7,600 transactions in 2014 with a value of approximately \$33.1 billion. The company has perfected a powerful system for marketing properties that combines investment specialization, local market expertise, the industry's most comprehensive research, state-of-the-art technology, and relationships with the largest pool of qualified investors. To learn more, please visit: www.MarcusMillichap.com

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Marcus & Millichap
Gina Relva, 925-953-1716
Public Relations Manager

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