

Two Silicon Valley Construction Loans Arranged by Marcus & Millichap Capital Corp. for \$44.8 Million

SAN FRANCISCO--(BUSINESS WIRE)-- Marcus & Millichap (NYSE:MMI) today announced its financing division Marcus & Millichap Capital Corp. (MMCC) has arranged two construction loans totaling over \$44.8 million for the construction of two multifamily urban infill projects in Santa Clara and San Jose, California. The first loan was \$19.1 million for Downtown Gateway, a mixed-use condominium project located at 1313 Franklin Street in Santa Clara. The second loan was \$25.7 million for a 100-unit upscale apartment project, located at 180 Balbach Street in San Jose.

Joel Westle, director in MMCC's San Francisco office, arranged the debt placement on behalf of Silicon Sage Builders, a developer/contractor specializing in urban infill developments in Silicon Valley.

"The borrower engaged MMCC previously on another project and was impressed with our work and market knowledge, so they offered us the 1313 Franklin Street project," said Westle. "While their loan for 1313 Franklin Street was under contract, the borrower tapped MMCC for yet another project, 180 Balbach Street. While we were finalizing the contract for 1313 Franklin Street, MMCC was able to source a lender for 180 Balbach Street that provided much more favorable terms than the borrower was quoted previously. We closed both loans in spite of challenges in sourcing construction capital for new projects in areas of Silicon Valley where construction has been heaviest post-recession."

The loan for 1313 Franklin Street was interest only and structured with a 24-month term with an attractive interest rate. The loan-to-value is 70 percent. The loan for 180 Balbach Street was structured with a three-year term at interest only. The loan-to-value is 75 percent.

About Marcus & Millichap (NYSE: MMI)

With over 1,600 investment sales and financing 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 8,700 transactions in 2015 with a value of approximately \$37.8 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

Marcus & Millichap Capital Corporation (MMCC) is a subsidiary of Marcus & Millichap (NYSE: MMI), a leading commercial real estate investment services firm with offices throughout the United States and Canada. Through its network of national, regional and local lenders, MMCC provides capital markets products for a wide variety of investment

properties, including apartments, shopping centers, office buildings, industrial facilities, single-tenant net-lease properties, seniors housing, hotels/motels, manufactured home communities and self-storage facilities. In 2015, MMCC closed more than 1,600 commercial real estate financing transactions. To learn more, please visit: www.mmCapCorp.com

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