

Real Estate Finance & Investment

The weekly issue from Real Estate Finance Intelligence www.realestatefinanceintelligence.com

Capital Markets

Mesa West Sets \$1B Origination Goal

Los Angeles-based value-add lender **Mesa West Capital** expects to originate about \$1 billion of real estate loans in 2012, matching its activity last year. The company originates three- to five-year, non-recourse first mortgages priced from 6-7% at around a 65% loan-to-value. “We provide financing for real estate owners to stabilize their assets. We are the interim solution,” said **Ronnie Gul**, principal.



Ronnie Gul

So far this year, Mesa West has already originated a \$130 million loan to refinance debt on the **Hyatt Regency Embarcadero** in San Francisco. It also completed a \$57 million office recapitalization in Houston and funded a \$43 million acquisition loan for 150 & 151 El Camino, a Class A office complex in Beverly Hills.

“In some cases we have owners facing maturity issues, but want to hold on to the property to get the pricing they are looking for,”

Gul noted. Others are in need of financing to acquire an empty but well-located building. “We often see these deals with well capitalized owners, but they need someone flexible on capital for three to five years to hold on to the asset or fix it up,” he added.

Mesa West is seeking retail, office, multifamily and hospitality properties in markets west of Denver. It is also looking at opportunities in New York, Boston, Washington, D.C., Atlanta, Miami and Chicago and considers only newly built, Class A properties. “Even though a Class B property might be fully occupied, when tenants’ leases are up, they are flocking to newer, higher-quality buildings,” said **Steve Fried**, principal.

Property	Amount	Location
150 & 151 El Camino	\$43 million	Beverly Hills
184 Liberty Corner	\$40.6 million	Warren, N.J.
Hyatt Regency Embarcadero	\$130 million	San Francisco
Ardendale Apartments	\$9.5 million	Vancouver, Wash.
Office recap	\$57 million	Houston
Total	280.1 million	

Source: Mesa West Capital