

Debt Advisory Services

PROPERTY

Retail – Single Tenant

LOCATION

Suburban Dallas, TX

LOAN TYPE

Portfolio Lender
First Mortgage

SITUATION

- The property was originally occupied by a single retail tenant. The tenant was not a national retailer and the downturn in the economy significantly hurt sales and the tenant vacated. The store was part of a larger center. The borrower had supported the loan for several months but market conditions suggested the property could be vacant for some period of time. Supporting the loan at its current level did not make economic sense. Although the business plan for the property was to find a replacement tenant for the entire space, this would take a significant amount of time and continued investment. The loan was not in default.

RESOLUTION

- A discounted pay-off (DPO) was successfully negotiated. The amount of the pay-off was 55% of the current outstanding loan balance. The DPO was capitalized with all cash equity although a recourse loan may be entertained in the future. The resolution took 75 days to complete.