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Commercial RE Bail Out in Beverly Hills

By Paul Muolo

Even Beverly Hills has distressed assets. But commercial real estate advisory firm Lucent Capital has come to the rescue-yet again.

The company has arranged a \$10 million senior bridge loan for the repositioning of a distressed office building located in high-value enclave outside Los Angeles.

The five-story, 45,000-square-foot Class B structure on South Beverly Hills Drive was acquired by a local, family-owned real estate firm from a specialty servicer in January 2012 at significantly below its replacement cost. The balance sheet, portfolio loan was at a 75% loan-to-cost leverage with a term of up to seven years-with three years of interest only debt service-and was priced at an interest rate of Libor plus 2.15% with no floor.

"We are seeing greater movement of distressed assets by the banks and special servicers, facilitated by the availability of financing at very competitive terms for value add assets, even those that are non-cash flowing," says Lucent managing director Steven Yazdani.

In January, Lucent, which itself is based in Beverly Hills, secured a \$10.6 million senior bridge loan for the owners of a mixed-use property located in the town known locally as the "Golden Triangle."



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