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## Lucent Capital Arranges \$23 Mil on AZ Office Property

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Lucent Capital has arranged \$22.75 mil in senior financing on behalf of Wolff Urban Development and American Capital for the recapitalization of its leasehold interest in Scottsdale Center, a Class A office building in Scottsdale, AZ.

The 100k sf Scottsdale Center is an institutional-quality office complex originally built by the borrowers in 2008. The property is located at the intersection of Scottsdale Blvd and Princess Dr, adjacent to the Scottsdale Fairmont Resort and immediately adjacent to the newly opened Maravilla Scottsdale, a newly opened luxury resort retirement community.

The subject property is 94% leased to high quality, seasoned tenants, with 65% of the building leased on a long-term, NNN-basis to a world class continuing education/training facility for dentists.

Despite "best-in-class" sponsorship and high quality of the building, there were several challenges in securing the financing, not the least of which was the high concentration of leased space to a single tenant, collateral which was a leasehold interest and perceptions held by many lenders that fundamentals still have not returned to the Arizona market .

Terms of the new balance sheet portfolio loan on the property included: 75% loan-to-cost leverage, an initial term of five years with three years of interest-only, open to prepayment at any time without a penalty and a 25% repayment guarantee. While the loan was priced 2.20% over the 90 day Libor, the borrowers took advantage of the historically low Libor swap rates and swapped the loan to a fixed-rate for five years at under 3.7%. The loan proceeds are being used to pay off the existing debt on the property.

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