

UNDERSTANDING OUR CLIENTS' NEEDS AND TAILORING AN APPROPRIATE LENDING SOLUTION

Challenges:

- Only three weeks remaining in 1031 exchange period with borrower facing a possible \$700,000 loss
- Original prospective lender offered unfavorable terms and was unable to move the transaction forward in a timely manner

Results:

- Leveraged strong relationship with new lender to accommodate timing issues
- Transaction closed with more favorable terms, rate and pre-pay conditions
- Able to make SNDA a post-closing condition of loan, an unusual term that allowed the transaction to close on time

A Marcus & Millichap client with a 1031 exchange requirement had identified a Walgreens in Orlando, Fla., for purchase. The buyer and his broker worked directly with a prospective lender, who was subsequently unable to finance the transaction. With only three weeks remaining in the 1031 exchange period, the buyer and broker turned to Marcus & Millichap Capital Corporation (MMCC) for their expertise and assistance to finance this transaction on time.

The MMCC loan officer immediately assessed the needs of the borrower and contacted a lender that MMCC had a strong relationship with. Because the loan officer knew the requirements of the lender, he was able to gather the necessary information from the borrower and present it to the lender in just two days. He also ordered an appraisal and environmental

report from firms that he knew could meet the transaction's tight deadline.

In less than two weeks, the lender had the necessary documentation. With only one week remaining, however, there were still loan conditions that remained outstanding. Working with the lender, the MMCC loan officer was able to negotiate an unusual arrangement that allowed the borrower to postpone certain loan conditions until after the loan's closing. This allowed the borrower to purchase the property within the 1031 deadline and avoid a possible \$700,000 loss.

Due to MMCC's strong relationship with the lender, we were able to meet the client's specific needs, close the transaction in a timely manner and obtain more favorable terms, rate and pre-pay conditions.