

REAL ESTATE INVESTMENT STRATEGIES

Structured Debt/Equity Financing Overview

Lument Real Estate Investment Strategies Group is a proprietary investment arm of Lument Real Estate Capital Holding, LLC. This group offers competitive, subordinate structured debt and equity for strong Sponsors seeking additional capital in addition first mortgage financing.

ADVANTAGES

- Provides “gap” capital with prepayment flexibility for acquisitions, refinances, or transitional needs.
- Lower minimum current pays allow for stronger combined debt service coverage and more favorable last dollar combined LTVs.

INVESTMENT AMOUNT	\$2 million and up
TERM	Coterminous with underlying first mortgage
PREFERRED RETURN	~ 13% – 15% + with flexible pay and accrue structures
CURRENT PAY	Negotiable, generally a minimum of 7%; Soft and hard pay structures available depending on senior lender
TARGET LTV	80% - 85%
MINIMUM DSCR	1.05x based on amortizing senior mortgage + current pay
AMORTIZATION	Interest only
PREPAYMENT	Open subject to minimum interest
FEES	Negotiable
RECOURSE	Non-recourse subject to market standard carve-outs
GEOGRAPHY	Primary and Secondary U.S. MSAs