

## Mezzanine Construction Loan – Multi-Family Rental Apartment



### Project Details

- 230 units in Durham Region
- Twin buildings – initially one intended for condo and one intended for apartment rental; both were eventually sold as condos
- Construction Style – 4-storey frame with surface parking
- Highly experienced builder

### Loan Structure

- \$8.5 million, mezzanine 2<sup>nd</sup> construction loan, representing  $\pm$  85% LTV, subordinate to a  $\pm$  60% LTV conventional first mortgage
- Centurion 2<sup>nd</sup>, supported by 2<sup>nd</sup> collateral charges on two other existing completed rental buildings
- Interest accrual as part of construction budget
- Structured with a permitted \$1 million pre-development soft cost allowance, available prior to construction commencement
- Additional \$2 million mezzanine term 2<sup>nd</sup>, provided on the collateral properties, interest only
- Project underwritten based on valuation as 1 condo and 1 rental building
- First right of refusal to acquire the rental building and the two collateral properties upon project completion, but ultimately sold out as condos