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By [Bruce Haring](#) | Los Angeles

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The Embassy Suites in Glendale is a 12-story, all-suites hotel.

GLENDALE, CA-A \$50-million refinancing of a bridge loan secured by the **Embassy Suites** hotel here has been obtained by **Continental Funding Group**. **Mitch Paskover**, president of **CFG**, arranged the refinancing.

The borrower, **Newage Glendale LLC**, requested a fixed rate, non-recourse loan that would refinance the existing bridge loan and provide substantial cash-out. Continental approached a number of lenders including banks, CMBS lenders and life insurance companies before finding **JP Morgan** as the lender who understood its business plan.

The lender lowered their debt yield below 10.5% to get to a loan amount that replaced the existing bridge loan and provide enough cash-out to meet the borrower's requirements. The five-year, non-recourse loan has a fixed interest rate in the low 4% range, with a 30-year amortization schedule and no lender fee.

The Embassy Suites consists of a 12-story, all-suite hotel with 272 rooms that opened in November, 2008. Located at 800 N. Central Ave., immediately north of the 134 Freeway, the property is constructed above a three-story subterranean parking garage with an atrium design typical of many Embassy Suites.

However, unlike most Embassy Suites, some guestrooms are double-loaded (a term meaning rooms on both sides) off of the interior corridors. The public spaces on the first floor include a gift shop, lounge, the **Bistro 800** restaurant, a business center, and administrative offices. A fitness center, outdoor swimming pool, guest laundry, and 6,998 square feet of meeting space are located on the second floor.

Newage Glendale LLC owns a portfolio of Southern California assets that include hotels, retail, residential, restaurants and mixed-use properties. In addition to the Embassy Suites in Glendale, its portfolio includes the **Sheraton Hotel** in Anaheim, **Courtyard Marriott** in Baldwin Park, **Residence Inn by Marriott** in La Mirada, and the **Rancho Cielo Estates** in Rancho Santa Fe. The borrower's retail properties include **Puente Hills East** in the City of Industry and it has previously owned **Kaleidoscope** in Mission Viejo and **Simi Valley Town Center** in Simi Valley.

"Even though the finance market has come back for commercial properties, the market for limited service hotels is still a bit conservative," Paskover tells GlobeSt.com. "Hotels are viewed more as a business and not one of the four main real estate product types. Most lenders will underwrite a limited service hotel with debt yields between 11%-12% based on the trailing 12-months income. A number of lenders who quoted the transaction were coming up with a loan amount that did not meet the borrower's requirements for cash-out."

Paskover says the recent comments by **Federal Reserve** chairman **Ben Bernanke** on a possible end to stimulus measures have affected business. "The 10-year Treasury has gone up almost 60 basis points and spreads have increased anywhere from 40-50 basis points. All-in we have seen borrowing costs increase over 100 basis points."

[As previously reported by GlobeSt.com](#), CFG was also involved in a \$74 million refinancing of the **Atlantic Times Square** mixed-use property in Monterey Park.

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About Our Columnist



Bruce Haring is a business journalist whose work has appeared in USA Today, the Associated Press, Rolling Stone, Entertainment Weekly and many other online and print publications. He is the author of five books, including the award-winning "Off The Charts," and is the founder of the New York and San Francisco book festivals.

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