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Continental Funding Refinances Four Properties

By [David Phillips](#) | West

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SACRAMENTO, CA—The Los Angeles-based commercial real estate investment banking firm, **Continental Funding Group** has successfully placed a **cash-out refinancing** on four commercial assets in greater Sacramento County.

CFG's J.M. Grimaldi represented the sponsor, a local owner operator. Grimaldi refinanced three of the assets in a pool transaction. These consisted of **office**, **industrial** and **retail** properties in the Sacramento area totaling 153,379 square feet. He also arranged the refinancing of **Fairway Commons**, a **64,394 square** foot neighborhood **shopping center** in **Roseville, CA**.

"With the pool transaction, the client's request was for a bridge-like structure with a conventional rate and flexible prepay," Grimaldi says. "Given a blended occupancy rate of 62%, CFG was able to structure a competitive mini-perm by cross-collateralizing all three properties and ultimately met all the client's needs."

The total loan commitment for the three-property pool consisted of **\$11,150 million**, or 70% of the total stabilized value. Initial funding was **\$9 million** with the additional **\$2.15 million** available for earn-out as new leases are signed. The five-year, WSJ prime-based loan floats at 1% over the prime rate with a floor of 4.25%.

The refinance loan for Fairway Commons is non-recourse with a **10-year term** and a fixed interest rate. The shopping center is anchored by **Big Lots** and **99 Cents Only**, which recently took occupancy after signing a new 10-year lease. "On this property we were able to maximize leverage with an aggressive debt yield through one of our conduit correspondents," states Grimaldi. "The **\$5,025,000** loan came in at 65% of value and was priced at 220 bps over the 10-year swap."

Commenting on the transactions, Grimaldi said, "These deals are only a couple of examples of the variety we see in financing requests and how we are able to align property dynamics with client objectives to provide optimal solutions."

Continental Funding Group, founded in 2006, is a leading commercial real estate investment banker providing capital markets insight and creative financing strategies tailored to suit the needs of its clients and the unique characteristics of their properties. In 2013, CFG closed more than **\$300 million** in debt and equity transactions.

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About Our Columnist



David Phillips is a Chicago-based freelance writer and consultant with more than 20 years experience in business and community news. He also has extensive reporting experience in the food manufacturing industry for national trade publications.

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