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THE WEEKLY UPDATE ON REAL ESTATE FINANCE AND SECURITIZATION

Inland Maps Growth, Seeks Investor

Bridge lender **Inland Mortgage Capital** wants to line up a partner to help fund its expansion.

Inland is seeking an investor that can make a capital commitment of around $50 million. Likely candidates would include family offices and small insurance companies, said the shop's president, **Art Rendak.** Inland will continue to invest its own equity and to use a warehouse line from a regional bank.

The firm also plans to add three staffers — an originator, an underwriter and an asset manager — at its Oak Brook, Ill., headquarters to support the expansion.

Inland launched its bridge-lending business in late 2014 with a focus on short-term, floating-rate debt of $3 million to $12 million on transitional properties. During its first 12 months of operation, its originations totaled about $80 million, in line with expectations.

Rendak sees increasing opportunity in the coming months. "We like Class-B multi-family properties in growing secondary markets — Charlotte, Phoenix, Denver, and cities in Florida and Texas," he said. "And we're seeing acquisition activity in those places starting to heat up, as investors go in search of yield. So we expect to see more demand for acquisition financing this year."

The shop also looks at refinancing opportunities. Rendak said it recently provided financing to retire an approximately $6 million conduit loan on a suburban Detroit shopping center anchored by Target and Costco. The borrower couldn't qualify for a new securitized loan because one of the anchors was leaving and efforts to re-lease the space were ongoing.

The subsidiary of Inland Real Estate Group writes loans on all property types except hotels, but has a particular focus on multi-family deals and can offer especially competitive pricing for such assignments, Rendak said. The typical loan has a three-year term with two one-year extension options. Loan-to-value ratios top out at around 75% for most property types and 80% on multi-family deals. ❖

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M&T Syndicate Backing Office Project in DC

An **M&T Bank** syndicate has originated a $400 million loan for the development of a large office property in Washington.

A joint venture between **Douglas Development** and **Brookfield Property** plans to construct the 756,000-square-foot complex at 655 New York Avenue NW, across from the Walter E. Washington Convention Center. The projected value at completion, scheduled for 2019, is about $750 million.

M&T led the loan and brought in three other lenders at the closing: **Citizens Bank, Industrial and Commercial Bank of China** and **TD Bank.** The floating-rate loan, which closed this week, has a five-year term, including extension options. **Ackman-Ziff Real Estate** advised the Douglas partnership on the financing.

Washington-based Douglas has been laying the groundwork for the project for several years. In 2013, it acquired a site at 617 New York Avenue NW, previously occupied by the Marrakesh Restaurant, for $12.8 million. Within months, it scooped

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Prime Finance Snags First B-Piece Purchases

Prime Finance, which is making a push into the B-piece market, has lined up its first two investments.

The New York shop and a partner have agreed to buy the below-investment-grade portions of separate conduit deals led by **Wells Fargo** (WFCM 2016-C34) and **Citigroup** (CGCMT 2016-C1). The senior portions of both deals will hit the market within a few weeks.

Until now, Prime's commercial real estate debt operation has targeted bridge loans, mezzanine debt and preferred equity. But in January, the company hired industry veteran **Luke Dann** to set up and oversee a B-piece platform, with an eye toward being a buyer under new risk-retention rules that take effect at yearend and will reshape the B-piece sector. Dann, a principal and head of commercial MBS investments, previously worked at **LNR Partners,** a Miami Beach unit of **Starwood Property.**

Prime, which doesn't have its own special-servicing operation, is teaming up on

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Berkeley Point Buys Oppenheimer's FHA Unit

Berkeley Point Capital, a rapidly growing agency lender owned by **CCRE,** has acquired **Oppenheimer & Co.'s FHA**-lending platform.

With the transaction, which closed last week, Berkeley Point assumed 17 originators and underwriters, along with Oppenheimer's pipeline of pending loans. The acquired unit, Oppenheimer Multifamily Housing & Healthcare Finance of North Wales, Pa., primarily originates FHA loans on assisted-living facilities, nursing homes and other healthcare properties.

The takeover significantly expands Berkeley Point's footprint in the FHA market. Last year, Oppenheimer was the sector's ninth-biggest lender, with $380.5 million of closed FHA-insured loans, according to a ranking published by sector leader **Red Capital.** Berkeley Point, based in Bethesda, Md., ranked 36th, with $71.1 million of closed FHA loans.

The Oppenheimer employees moving over to Berkeley Point don't include the

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THE GRAPEVINE

Situs laid off several people in its commercial MBS group this week, including managing director **Martha Hitipeuw** and director **Bruce Spain** at its Houston headquarters. Both joined the company in 2000. Hitipeuw led a team of underwriters and due-diligence providers. The buzz is that Situs also made cuts in a handful of regional offices, though the New York outpost was spared. Sources attributed the reductions to a slowdown in conduit lending. The company didn't respond to requests for comment.

Sentinel Investments has hired a veteran insurance executive to take the reins of its commercial lending program. **Paul Wolters** will join the firm, an investment arm of **National Life,** in the next few weeks. He spent about 23 years with the U.S. real estate platform of **Allianz,**

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