

MARKET INTELLIGENCE | HOTEL CONSTRUCTION FINANCING

In our role as an advisor we believe one of our responsibilities is to create a market for our clients projects and structure the most accretive solution. In this report we want to share our findings on one of our latest assignments and hopefully impart market intelligence that will shed some light on what lenders are willing to do.

Reach out to us to discuss your next project and how we can help you navigate the debt and equity markets.

PROJECT OVERVIEW:

- Hotel Construction Completion
- Flagged Hotel
- Brooklyn
- Sub \$20MM loan
- Seasoned developer and builder

OVERVIEW:

SCP was tasked with identifying a construction lender willing to finance the completion of a flagged boutique hotel in the heart of Brooklyn. The Sponsor is an experienced owner developer with decades of experience and a strong balance sheet.

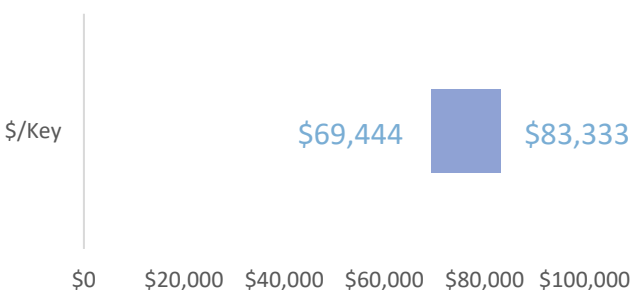
We agreed with the client to approach both local banks and debt funds as hotel construction is still one of the least favorable asset classes. This strategy afforded us to cover the market and assure that we were getting the best execution and pricing available.

INSIGHTS:

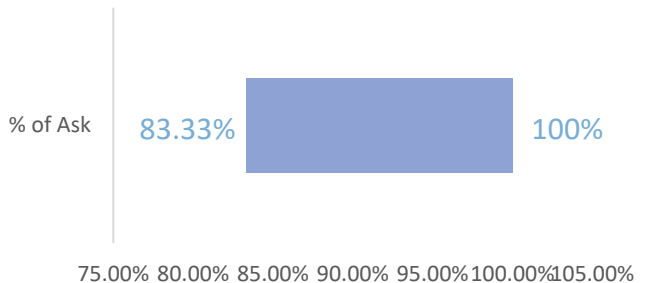
We were able to identify several lenders, primarily debt funds, that were willing to entertain the financing. This is a clear representation of the difference in credit mentality between banks and debt funds as most debt funds have been picking up the slack in the market and have a greater appetite to “bet” on NYC, outside of the traditional asset classes. Pricing was 200-300bps higher than typical bank hotel construction financing, however, the proposed loan structures are far more flexible.

Below are some more statistics from our ongoing assignment:

LENDER EXPOSURE | \$/KEY



LENDER % OF ASK



ABOUT US

Satori Capital Partners (“Satori” or “SCP”) is a boutique real estate investment and advisory firm founded in 2018. SCP’s two primary business lines are (i) debt & equity placement for acquisition, development and value-add real estate projects across the United States and (ii) originating, structuring and managing debt and equity investments on commercial real estate assets primarily throughout the Northeast of the United States.

SERVICES OFFERED

CAPITAL MARKETS

- **Debt:** We offer clients market-leading access to private debt capital. Such as:
 - First-lien loans, unitranche, mezzanine debt, preferred equity, DIP financing etc.
 - Our priority is to understand a clients investment and create bespoke debt solutions which offer the greatest flexibility
- **Equity:** Similar to our debt advisory business, we strive to identify and structure the most accretive equity solution for your project.
- We leverage our relationships to identify the right equity partner that will facilitate your acquisition, development or recapitalization.

ADVISORY

- **Financial Analysis:** SCP will provide on a standalone basis financial analysis and transaction modeling to its clients
- **Fairness Opinion:** SCP can provide an unbiased opinion on potential acquisitions or dispositions
- **Capital Structure:** We analyze and evaluate current capital structures and offer advice on strategies for improvement or future risk mitigation

DATA SERVICES

- **Exploratory Data Analysis (EDA):** SCP can provide a deep statistical and rich visual analysis of public and/or private datasets related to investment opportunities
- **Predictive Analytics through Machine Learning (ML):** SCP can offer predictive analytics for future returns of target investments with the use of the latest machine learning and deep learning algorithms
- **Custom Data Analysis:** Clients can outsource their data analytic needs with security to SCP. We can derive insights from the customer’s datasets with the use of state of the art algorithms in combination with external data sources.

CONTACT INFORMATION

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Important Information

Published on January 18, 2022.

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