

news release

for immediate release

HREC Capital Markets Group Arranges Financing for Homewood Suites Oakland-Waterfront Oakland, California



(Denver, Colorado; San Diego, California) - HREC Capital Markets Group, the dedicated mortgage brokerage team within HREC Investment Advisors, is pleased to announce it arranged a \$13,000,000 senior loan for the refinancing of the leasehold interest in the 132-suite Homewood Suites by Hilton Oakland-Waterfront in Oakland, California. The 10-year fixed rate non-recourse loan was provided by an international bank. Greg Porter, Senior Vice President and Principal Mike Armstrong in the San Diego office, exclusively represented the borrower, a private partnership.

"When the client approached us, the existing loan was quickly maturing and his refinance with a big bank lender had stalled over the lender's estoppel requirements that were unacceptable to the ground lessor. We were able to quickly identify a more nimble lender who agreed to the ground lessor's version of the estoppel, and close within a very tight timeframe," said Greg Porter.

The Homewood Suites Oakland Waterfront is situated adjacent to the Port of Oakland's \$1.5 billion mixed-use Brooklyn Basin Development which, once complete, will bring 3,100 residential units, 200,000 square feet of retail and commercial space, and 32 acres of parks and trails to the neighborhood. Porter added, "Ownership and lender recognized that the Brooklyn Basin project will greatly enhance the hotel's positioning in an already vibrant East Bay market. This loan allowed our client to "cash-out" equity in the hotel for property improvements and retain ownership in an asset poised to benefit from the neighborhood's upcoming enhancements."

"Our experienced and dedicated hotel mortgage brokerage team and extensive national HREC active lender database allowed us to successfully craft a solution to meet the overall objectives of our client," added Mike Armstrong, Principal and head of HREC's Capital Markets Group.

About HREC®: HREC® is the nation's leading lodging and gaming real estate advisory firm specializing in property sales, mortgage brokerage, equity/JV structuring, consulting (market studies and appraisals), and litigation support. With offices throughout North America, HREC® is distinguished by unwavering commitment to client service and success through its team approach, intellectual capital and hotel/casino specialization.

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