



CIRE EQUITY

The Gateway at Wynwood / Case Study





High Yield Mezzanine Loan / Behind the Deal

Overview →

- Origination of 36-month high-yield B-Note
- Collateralized by newly constructed, 12-story Class-A mixed-use building in Miami, FL
- Attractive going-in basis of 62.5% LTV

Market Positioning →

- Extremely dynamic location; 17,000+ multi-family units under construction within five miles
- Substantial institutional ownership and national tenant interest in the Wynwood submarket
- Borrower demonstrating strong leasing momentum both before and during underwriting
- Leading office market with limited competitive Class-A product ready to lease

Deal Source →

- Leveraged personal relationship with senior note holder to originate off-market deal with better-than market terms
- Contrarian high-yielding opportunity created by lender pullback despite attractive basis

Active Management →

- Negotiated for 509 bp spread to A-Note Holder's position despite conservative LTV and DY basis
- Initial lease up risk mitigated by structured upfront reserve and ongoing interest reserve requirement
- Maximized profitability by negotiating for B-Note fee participation and expense rebates
- Significant downside protection through attractive debt yield basis and CIRE's ability to own and operate in a distressed scenario

16.4%

Gross IRR¹ ›

1.2x

Gross IRR¹ ›

13.8%

FFO Yield¹ ›

Deal Drivers ›



RELAT



INEFF



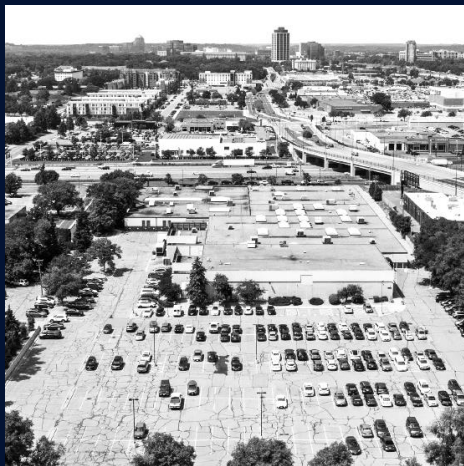
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VALUE



INNOV



Location ›

Miami, Florida

Property Type ›

Mixed-Use - Office / Retail

MSA ›

Miami / Ft. Lauderdale / Pompano Beach

Building Size ›

224,880 SF

Occ. (As-Is / Stabilized) ›

66.2% / 92.5%

B-Note Coupon² ›

SOFR + 1,100 (15.4% initial)

LTV (As-Is / Stabilized) ›

62.5% / 58.4%

NOI Debt Yield ›

6.3% / 10.0%

Close Date ›

Q1 2023

Underwritten Investment Performance ›

Gross IRR ›

16.2%

Equity Multiple ›

1.2X

FFO Yield ›

13.9%

Loan Term³ ›

3 Years

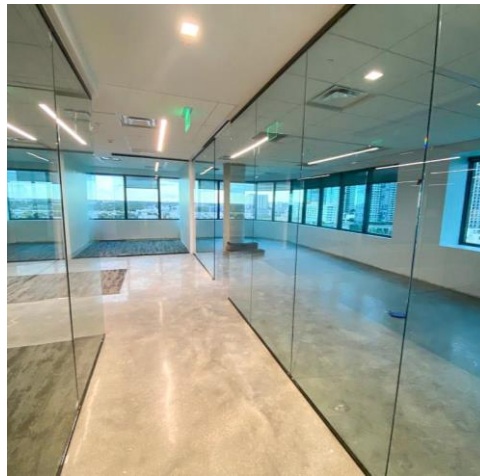
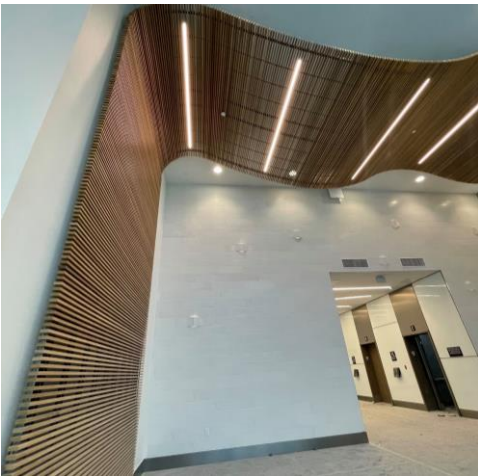
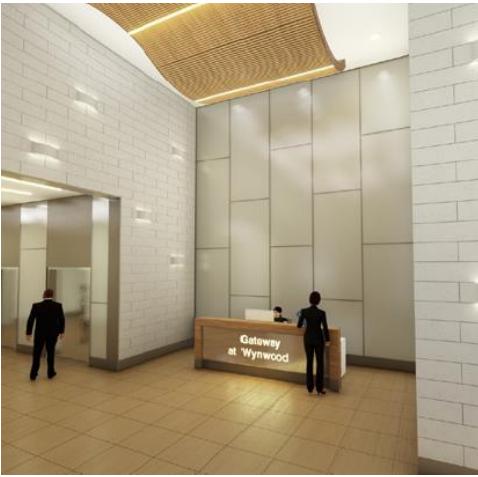
Footnotes

¹ Displayed Gross IRR and FFO Yield is net of 1.85% fund management fee and G&A load

² Displayed B-Note interest is net of a 25-bps servicing fee to A-Note holder

³ Minimum Interest Period of 18 months







Disclosures ›

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