



432 CATAWBA VALLEY HICKORY, NC

Asset Type: Land

Start Date: 7/29/24 End Date: 3/26/25 Duration: 6 Months

WHY THIS BORROWER CHOSE SPECTRA

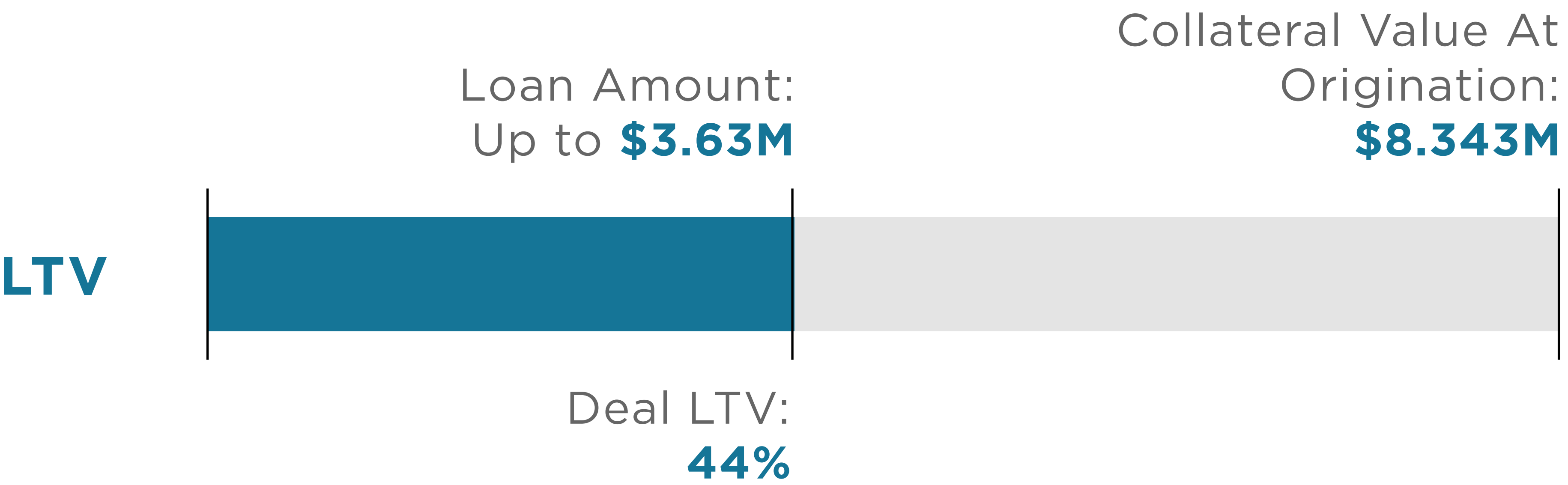
The borrower was looking for bridge financing to effectuate the purchase of over 150 acres of land that would be developed into 309 single-family paper lots.

WHY SPECTRA PROVIDED THE LOAN

Based on the sponsor's sale price to the home builder, there was substantial cushion in a default scenario. The significant population growth and investor interest in the Hickory market provided adequate liquidity to support a sale.

The borrower was reputable and had a successful track record of completing at least 8 similar transactions and others in progress.

Furthermore, the implied loan-to-value was favorable at 44% and the liquidation value of \$4.98M was well below the \$8.336M sale price.



LOAN TERMS

Spectra received 2.5% in interest per month for 6 months, and a 2.5% origination fee.

BACKGROUND

The borrower was under contract for \$3.6M to acquire over 150 acres of land in Hickory, NC. Over \$700,000 was invested into the deal to entitle the land for 309 single-family paper lots. An executed contract was in place with Resibuilt to sell the paper lots for a total price of \$8.343M, or \$27,000 per lot. The borrower was seeking a 6-month bridge loan to effectuate the purchase and anticipated selling the lots to Resibuilt in advance of maturity of the Spectra note.

Borrower possessed a successful track record of completing similar transactions and was based in nearby Charlotte. The Hickory market was in the midst of significant population growth and receiving interest for land development from several home builders.

MARKET OVERVIEW

Between 2000 and 2022, the Hickory market had experienced significant population growth of 15.10%. The city was growing at an annual rate of 0.59%. Median household income grew 9.67% between 2021 and 2022. The combination of population and income growth created a prime opportunity for home development. The site itself was well situated to provide access to employment and retail centers. Catawba Valley Medical Center and Klingspor Abrasives USA are two of the largest employers in Hickey, and located approximately 5 miles west of the development.

RESULTS

The borrower paid the loan in full after two, month long extensions.