



720 CORTLAND PERTH AMBOY, NJ

Asset Type: Multifamily

Start Date: 4/24/24 **End Date:** 4/1/25 **Duration:** 6 Months

LOAN TERMS

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

WHY SPECTRA PROVIDED THE LOAN

Based on current NOI and the sponsor's purchase price, there was substantial cushion in a default scenario. All of the sponsors' revolving debt was paid at closing and there was proof that the collections account on credit was paid in full.

The asset was stabilized, 100% occupied, and located in the NYC metro area.

The project's stabilized loan-to-value was an attractive 41%, based on a conservative appraisal estimate of \$1.75M.

	Loan Amount: Up to \$723K	Collateral Value At Origination: \$1.75M
LTV	<div style="width: 41%; background-color: #0070C0; height: 10px; display: inline-block;"></div>	<div style="width: 59%; background-color: #F0F0F0; height: 10px; display: inline-block;"></div>

Deal LTV:
41%

WHY THIS BORROWER CHOSE SPECTRA

The guarantors chose Spectra as the property was inherited and the guarantors were not approved by the bank to assume the in-place loan. At the time of origination, there was a lis pendens on the property, which the Spectra loan cleared.

BACKGROUND

The borrower acquired the property via inheritance and the current lender called the loan. The current lender did not approve the borrower to assume the loan. The subject property had 10 total units, and 4 were month-to-month leases. The borrower planned to increase rents and acquire new tenants because the units were rented below market value.

MARKET OVERVIEW

Perth Amboy is in the NYC metro area and has an average market rent of \$2,908 per month. The rate of renters in the area was 65%, with an average vacancy rate of 3.9%. Housing in the Perth Amboy area has seen consistent appreciation since Q1 of 2000. In the last 12 months, total appreciation is up 4.85% and in the last quarter appreciation was up 0.41%.

RESULTS

The borrower paid the loan off in full. The payback included multiple loan extensions where Spectra was able to earn an additional return.