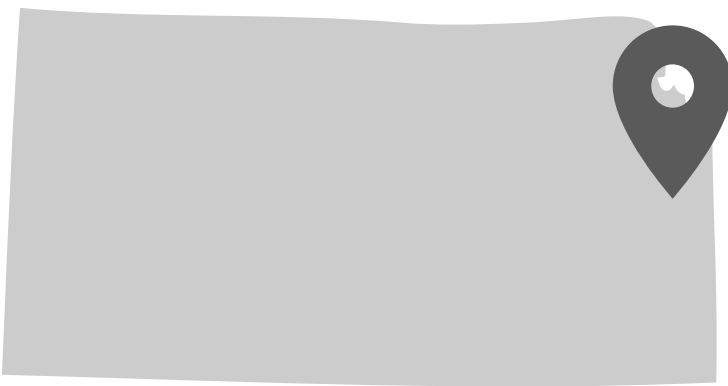




# 12024 LEAVENWORTH RD

## KANSAS CITY, KS



Asset Type: Land

Start Date: 10/11/24    End Date: 1/31/25    Duration: 3 Months

### LOAN TERMS

Spectra received 3% in interest per month for 3 months, and a 4% origination fee.

### WHY THIS BORROWER CHOSE SPECTRA

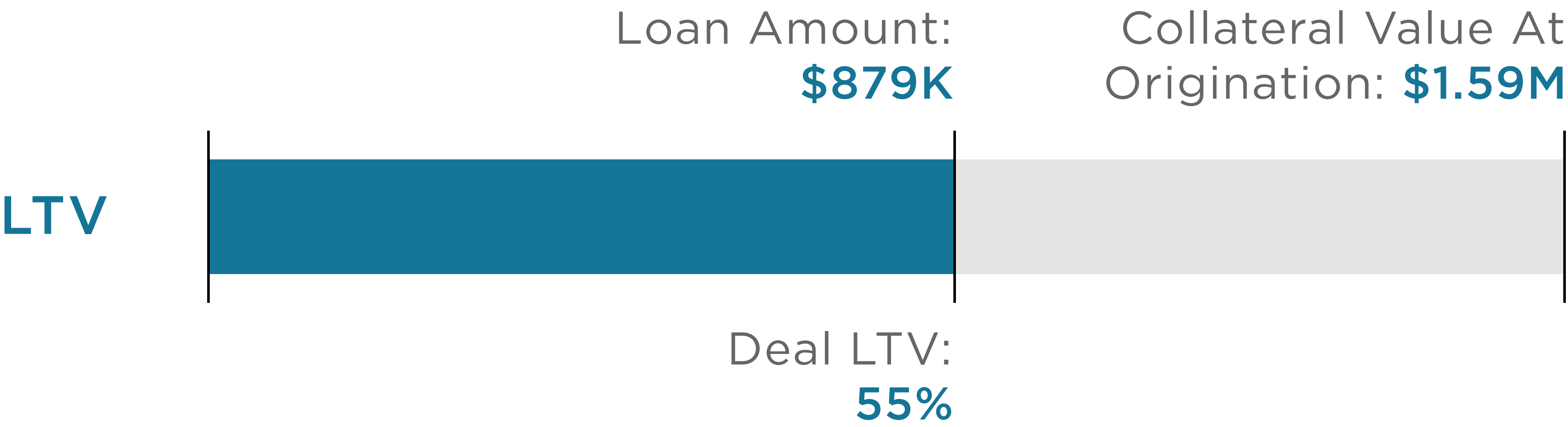
The short nature of the loan and attractive development opportunity the borrower had made him less sensitive to this higher interest rate. Additionally the ability to get funding quickly was of prime importance.

### WHY SPECTRA PROVIDED THE LOAN

The borrower had a sale agreement in place with D.R. Horton Inc. to develop the 66-acre parcel of land into homes. This demonstrated investor and home builder interest in the site. The loan is being collateralized by the subject property and the sponsor anticipated paying off the loan within 90 days.

Additionally, the sponsor brought over \$700K of hard cash equity to the deal and was experienced with 8 similar land acquisition projects from cradle to grave.

The stabilized loan-to-value was favorable at 55% using very conservative assumptions and there was an expectation of imminent liquidity events.



### BACKGROUND

The borrower approached Spectra after another lender failed to perform and the seller was not willing to provide additional, material extensions to the contract. There was a sale agreement in place between the sponsor and D.R. Horton Inc. to develop the land into homes. The borrower requested \$879,000 to purchase the land on a 3-month term. The loan was being collateralized by the subject property at 12024 Leavenworth Rd, Kansas City, KS, which consists of 66 acres. The borrower anticipated paying off the loan within 90 days, due to anticipated imminent liquidity events.

Borrower had an extremely high credit score above 800, put significant amount of cash down on the property, and still had plenty of reserves. This asset was in a fast-growing part of the greater Kansas City metropolitan area.

### MARKET OVERVIEW

From 2010 to 2023, population and household growth have been strong across all measured radii, a trend expected to continue in line with the overall Kansas City MO-KS MSA. Given current market conditions and strong demand for new construction, most builders are actively seeking lots and land, with market participants indicating that activity continues to accelerate while inventory struggles to keep pace. In the rental market, demand has risen through the first half of 2024, with annual absorption reaching 4,800 units over the past 12 months—2,700 of which occurred in the first two quarters—driven by rising consumer confidence and easing economic concerns. Notably, renters gravitated toward newly built 4 & 5 Star properties, which accounted for 3,200 units of absorption, while demand in the lower-priced segment remained stagnant, with occupancy flat for over two years.

### RESULTS

Monthly payments of ~\$2,000 were made consistently and on time and full payment was made at maturity.