



## DebtX Offers \$30.5Mln Loan on Ariz. Apartments

*Commercial Real Estate Direct Staff Report*

DebtX is marketing a performing \$30.5 million mortgage on a Tempe, Ariz., apartment property on behalf of a lender client.

The Boston loan-sales adviser expects to take offers for the loan on September 18.

According to offering information provided to investors, the loan was originated to facilitate the 376-unit property's acquisition and renovation. It carries a fixed rate of 5.92 percent and matures in 2012.

Despite the loan's performing status, its collateral just barely generates enough cash flow to service it fully. That's largely due to the ongoing renovation at the property, which DebtX has not identified. As a result, the property is 89 percent leased.

The loan represents only 70 percent of the property's value, and its owner is said to have cash equity in the property. So despite its less-than-break-even coverage, the loan could very well continue to perform as expected.

The loan is one of a slew of offerings totaling some \$200 million that DebtX will be bringing to market in the coming weeks. Banks, pressured by regulators and their shareholders to get their portfolios into shape, have become more agreeable to loan sales.

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