

PRIVATE DEBT ORIGINATION

Bridge debt update

Principal Real Estate Investors offers competitive senior mortgage bridge debt-lending options, tailored to meet borrowers' needs. Bridge debt capital is available for light value-add transitional deals or full-leveraged stabilized assets. Key highlights of recently closed transactions and program parameters follow.



STRUCTURED



\$58 M bridge loan on a 5 building, 375,500 sq ft industrial portfolio



Northern part of Virginia in the District of Columbia MSA

77% Loan-to-cost

65% Loan-to-stabilized value

3-year term with 2, 1-yr extension options



STRUCTURED



\$45.4 M bridge loan on a 139-unit, 6-story apartment building



Belltown neighborhood in downtown Seattle, WA

71% Loan-to-value at origination

58% Loan-to-stabilized value

3-year term with 2, 1-yr extension options

The above examples are provided for illustrative purposes only and do not represent all of the bridge debt deals closed by Principal Real Estate Investors in 2021. The properties profiled above are intended to demonstrate the application of Principal Real Estate Investors' investment strategy and represents real estate transactions previously entered into by Principal Real Estate Investors. There is no guarantee that Principal Real Estate Investors will enter into any transactions having characteristics similar to those shown. It should not be assumed that any investments made in the future will be profitable or will equal the targeted performance of the properties presented here.

Deal parameters

Deal types	Light value-add, transitional bridge loans, or full-leverage stabilized senior mortgages
Size	\$25 million and up
Terms	Floating rate up to 5-year terms
Maximum LTV	Up to 80% last dollar loan-to-value available (transaction specific)
Minimum DSCR	1.15x DSC for stabilized properties; 1.0x DSC for non-stabilized properties
Property types	Institutional-quality office, industrial, retail, multifamily and select niche property types
Target markets	Primary and select secondary U.S. markets
Pricing	Varies by transaction, market-based variable rate pricing
Fees	Transaction specific, typically .75% to 1%
Prepayment	Fixed declining and flexible prepayment options available

Parameters are as of August 2022 and subject to change without notice



We open the door to an abundant number of deal structures.

So, the next time you are looking for a full-service, reliable lender, look to us

The information in this document has been derived from sources believed to be accurate as of August 2022.

Real estate investment options including commercial mortgage lending, private debt, leveraged loans, middle market debt, and second liens are subject to risks associated with credit, liquidity, interest rate fluctuation, adverse general and local economic conditions, borrower default, cash flow, and decreases in real estate values and occupancy rates. Terms, conditions, fees, expenses, pricing and other general guidelines and provisions are subject to change. As a general matter, commercial mortgage lending entails a degree of risk that is typically only suitable for sophisticated institutional and professional investors for whom such an investment is not a complete investment program and who fully understand and are capable of bearing the risks associated with such strategy.

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