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Grandbridge Real Estate Capital LLC

by Chris Dyson, Senior Vice President

In this article for last year's publication, we posed the question, "Where have all the lenders gone?" We went on to say, "These are interesting times, to say the least, for anyone contemplating long-term financing for every class of income property." That was in the fall of 2007, just after the rise and fall, at least for now, of the CMBS bubble when borrowers seeking aggressive financing for any income property type could, seemingly, select from a myriad of lenders offering loan-to-value options of up to 90% and payment terms of interest-only for up to 10 years. Most thought, at the time, that perhaps, like other CMBS hiccups, the market would return, and the good times would resume. One year later, we finally seem to be reaching the realization that times have changed for more than just a few months, if not permanently.

The credit crunch, which started in the sub-prime residential sector and spilled over into the commercial financing sector, seems to be here to stay for a while. Most CMBS (commercial mortgage-backed securities) shops have substantially reduced real estate staffs, if not closed down the departments completely. This is certainly NOT the case for Grandbridge Real Estate Capital, the product of the last year's merger of Collateral Real Estate Capital, LLC (Collateral), and Laureate Real Estate Capital LLC. These two well-regarded real estate investment banking shops have been combined under the ownership of BB&T, one of the country's largest banking institutions, to form one of the strongest companies in its class, with a well diversified product line. For years, both companies boasted a flexible loan product line based upon strong ties to a wide array of capital sources. The addition of the Fannie Mae DUS® product line bolstered the product line of legacy Laureate producers, while access to the balance sheet of one of the nation's strongest banks did the same for legacy Collateral producers. To say the least, Grandbridge Real

Estate Capital ("Grandbridge") is very much in the market and funding manufactured home community loans today. Our broad base includes GSEs (Fannie Mae DUS®, Freddie Mac *Program Plus*® and MAP-approved FHA), insurance companies and banks, including our parent company, BB&T.

Although the days of 90% loan-to-value and 10-year interest-only payments may be over, Grandbridge is very much in the market for financing manufactured home communities and other sensibly structured income property transactions. Grandbridge continues to enjoy the surge of new DUS lending opportunities and the pace for our balance sheet lending program is brisk.

Customers can continue to expect the same reliable service from a staff of experienced loan origination officers who have successfully financed manufactured home communities for more than 20 years. Our reputation among industry leaders as the "go-to" source of capital for manufactured home community financing remains intact. Whether large or small, interim or permanent, fixed- or adjustable-rate, we have the tools and the know-how to get the deal done. Grandbridge's added strength simply enhances its predecessors hallmark as a company whose infrastructure includes an origination staff eager to place financing secured by manufactured home communities and a superior underwriting staff, both supported by a senior management team that understands the manufactured housing industry inside and out.

Grandbridge's senior management continues to believe very strongly in manufactured housing, supporting its loan originators' efforts to secure a greater share of the market for financing manufactured home communities. This includes the

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development of innovative new products and services, taking risks and securing the most diverse investor base in the country in order to offer the nation's most flexible and comprehensive loan packages. Although we are proud of our legacy and a list of accolades that includes recognition as America's #1 MHC Lender (according to the National Registry of Community Lenders in 2000), Fannie Mae's DUS Capital Markets Transaction of the Year (2001 and 2006), and the Manufactured Housing Institute's first ever Community Lender of the Year (2003), we are also proud of our consistent recognition as one of Fannie Mae's top DUS lenders by volume for manufactured housing communities year after year. Grandbridge is well-positioned to add to its status as one of the nation's top providers of capital for the manufactured housing industry.

Our reputation has been forged through the introduction of many mainstream capital providers, historically focused upon multifamily (apartments), retail and other "traditional" income property classes, into active participation in the business of financing manufactured home communities. Our influence is reflected by our company's leadership posts on various industry committees and subcommittees whose decisions have far-reaching impact upon MHC financing policy.

Grandbridge's focus remains on meeting each borrower's needs and expectations, from complicated transactions involving numerous properties, to simple single community deals. Whether it's a large structured transaction or a small Fannie Mae DUS subordinate loan, every deal is important and we invest what it takes to get each deal done...and done right. Grandbridge thoroughly understands the

operations of this commercial real estate asset and has the best and brightest professionals dedicated to servicing owner/operators in the manufactured housing community industry. Borrowers and investors have shared their positive experiences time and time again.

The balance sheet lending capability of Grandbridge, through our parent, BB&T, enables us to finance unique projects placing Grandbridge above the competition. Our nearly \$1 billion MHC loan portfolio, represents hundreds of manufactured home communities and community owners across the nation.

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