



## assignment | challenge

## Abbot Bros. Development

Abbott Bros. Business Park, Inc. (“Abbott”) is a Southern California based real estate development company specializing in industrial real estate development.

IRES was exclusively engaged to represent Abbott in the procurement of \$33.2 million in construction financing for a two phase speculative 342,000 square foot multi-tenant industrial/business park in Valencia, California. Specific challenges for the Discovery Gateway Spectrum Phase I & II financing were as follows:

- The development was speculative with minimal pre-leasing
- Discovery Gateway was located in a suburban area with a high industrial vacancy factor
- The transaction required IRES to educate investors on the unique development opportunity that would not be subjected to the existing high market vacancy and slow inventory absorption
- Abbott required a 60-day transaction process for commencement through closing in a effort not to compete with proposed speculative developments

## outcome | results

IRES assisted Abbott in structuring and procuring a LIBOR-based non-recourse loan, which not only provided the capital to carry construction costs, but also provided a conversion SWAP to permanent financing.

The transaction was completed within the time period required to successfully close on the land acquisition. As a result of the structure, Abbott Bros. Development and its financial partners will most likely achieve equity yields in excess of 30% of over three years.

### QUICK FACTS

#### STRUCTURED FINANCE Project Financing

342,000 square feet  
Construction Financing  
\$33,200,000 Financing  
Valencia, CA

### IRES CONTACT

**Bret Hardy**  
213.861.3321  
[bret.hardy@colliers.com](mailto:bret.hardy@colliers.com)

### CLIENT REFERENCE

**Jim Abbott**  
Principal  
Abbott Bros. Development  
213.627.3338  
[abbott@naginc.com](mailto:abbott@naginc.com)

