

Wells Backs New Orleans Office Deal

02/04/2011

Wells Fargo has originated a \$49.5 million fixed-rate mortgage for the buyer of an office tower in New Orleans.

The 10-year loan is backed by the 674,000-square-foot Pan-American Life Center in the central business district. **Stirling Properties** of Covington, La., bought the building from fund operator Equastone for \$66 million.

The mortgage has a 5.86% coupon and a 30-year amortization schedule. The loan-to-value ratio is about 75%. **Stirling** funded the balance of the purchase with equity raised from local investors.

Wells plans to securitize the loan, which closed with the purchase on Dec. 23. Walker & Dunlop brokered the mortgage.

San Diego-based Equastone bought the building for \$54.5 million in 2006, when the city was struggling with the aftermath of Hurricane Katrina. Equastone increased the occupancy rate to more than 90%, from 72%.

The 28-story granite building stands at 601 Poydras Street, across from a federal courthouse. Major tenants include Pan-American Life Insurance and law firms McGlinchey Stafford and Lemle & Kelleher.