

News Clips Report

Stirling Nabs \$27M CMBS Loan for Walgreens Portfolio GlobeSt.com

11/29/2010

COVINGTON, LA-**Stirling Properties Inc.** has obtained a \$27.16 million loan to refinance a portfolio of eight Walgreens drugstores totaling 116,070 square feet.

Located throughout Louisiana, the properties were completed between 2007 and 2010 and average 14,509 square feet per store. Leases are guaranteed by Walgreens and lease terms range from 20 to 24 years, according to Kevin MacKenzie, a managing director with HFFs Dallas office who worked on Stirlings behalf to arrange the loan.

MacKenzie tells GlobeSt.com that Stirling Properties wanted to place long-term debt on the properties to replace existing construction loans. The strong sponsorship, good tenant credit and the number of assets made for an attractive portfolio, he says, adding that a number of lenders were interested in financing the portfolio.

Goldman Sachs Commercial Mortgage Capital LP provided the securitized loan, which had a fixed-rate of 4.92%. The loan was cross-collateralized by all eight assets, MacKenzie says. While there were a wide variety of options for the financing, ultimately Goldman provided competitive terms and ran an extremely smooth closing process, he adds. MacKenzie notes the loan illustrates the fact that the CMBS market is increasingly active, providing additional options for borrowers. The credit quality was a driver of the deal, he points out. Walgreens credit is A rated, but due to the amount of exposure some lenders have to the credit, it was great to have the CMBS market as alternative to traditional lending sources. Categories: Retail, Capital Markets, Southwest