

Multi-State Self-Storage Portfolio Lands \$47M Bridge Loan

Talonvest Capital placed the floating-rate financing—which is secured by seven new properties totaling 539,000 square feet—with a life company.

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by Scott Baltic

Metro Storage LLC, of Lake Forest, Ill., has received a \$47.4 million bridge loan secured by a portfolio of seven self-storage facilities, according to Talonvest Capital Inc., which negotiated the loan.



The self-storage facilities total about 539,000 net rentable square feet and are described as being of institutional quality. The properties only recently received their certificates of occupancy and are early in lease-up.

A life insurance company funded the non-recourse, three-year loan, proceeds of which were used to retire the recourse construction financing from various commercial banks.

The lender allowed a maximum 70 percent advance rate and priced the floating-rate loan over 30-day LIBOR at a competitive spread. The loan was structured with two 12-month extension options and no prepayment penalty after the 18th month of the loan term.

Talonvest, of Irvine, Calif., stated that as a result of competition for the loan, it was able to get the lender to eliminate a going-in debt yield requirement, and all proceeds were funded at closing.

The seven properties, operating as Metro Self Storage, are in Blaine and Burnsville, Minn.; Brown Deer, Wis.; Springfield, N.J.; and Northbrook, Skokie and Deerfield, Ill., a Talonvest spokesperson told Commercial Property Executive.

“The Talonvest team understood our objectives, knew the right lenders to bring into the competition, negotiated a great loan, and helped us establish a new

lending relationship,” Martin Gallagher, president of Metro Self Storage, said in a prepared statement.

The Talonvest team members representing Metro Storage included Kim Leslie Bishop, Jim Davies, Tom Sherlock, Eric Snyder and Terra Hendrich.

ONGOING RELATIONSHIP

Last summer, Talonvest had negotiated **three construction loans totaling \$24.1 million** for Metro, for the development of three self-storage facilities in Chadds Ford., Pa., and Naperville and Addison, Ill.

In January, Talonvest **arranged three separate bridge loans** on behalf of Devon Self Storage, for the acquisition of two self-storage facilities in downtown Chicago and a three-property portfolio in Grand Rapids, Mich. The loans totaled \$27.2 million.