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Dealmaker: NBS Arranges \$20.75M in Everett, Wash.

Aug. 14, 2014—Tucker, Michael mtucker@mba.org

NBS Financial Services, Seattle, arranged \$20.75 million for the Esterline Building, a 216,000-square-foot Class A manufacturing property in Everett, Wash.

NBS Principal Mike Wood and Associate Finance Officer Austin Johnson represented lender State Farm Insurance Co., Bloomington, Ill.

Wood said the transaction involved several challenges. First, borrower Capstone PF LLC, Seattle, sought a long-term, fully amortizing loan for a non-investment grade tenant. The deal also involved a high loan-per-square-foot metric of \$95. And the collateral stands on an unsubordinated ground lease with Snohomish County, typically a deterrent for many lenders.

"A single-tenant deal obviously carries more risk, but any initial hesitation by the lender was overcome by the strong sponsorship and the institutional-grade quality of the building," Wood said. "The lender was not only comfortable, but confident in the Esterline Building's enduring stability in the market. It was an attractive investment."

Wood structured the loan with a 20-year term and 20-year amortization schedule and the borrower locked an interest rate "in the 4 percent range," he said.

Built in 2009, the Esterline Building includes 50,000 square feet of ground-floor office space, six loading docks and 26-foot clear heights. Korry's Electronics, a subsidiary of Esterline, fully occupies the property as its headquarters.