

Cohen Financial Secures \$13 Million Construction Financing For Two Self-Storage Properties in Arizona

Phoenix (May 1, 2017) – Cohen Financial, a division of SunTrust Bank and a national real estate capital services firm, announced today that it has arranged \$13 million construction financing with a regional bank to develop two self-storage properties in the Phoenix, Arizona metropolitan area. Both properties are multi-level and 100 percent air-conditioned.

Kevin Sellers, Director of Capital Markets in the Cohen Financial Phoenix office, arranged a \$6.85 million loan for a 126,700 square-foot self-storage facility in Scottsdale that features drive-through access. He also arranged a \$6.15 million loan for a 105,000 square-foot self-storage facility in Chandler. Both loans have a loan term of 4 years, adjustable rate based on the 30-day LIBOR index and limited recourse to the operating sponsor after completion of construction. The first three years are interest-only before converting to a 25-year amortization schedule. The borrower entity is a partnership between a self-storage owner/operator, a Phoenix-based investment group and an institutional equity group. The lead sponsor is a long-term client of Mr. Sellers. The Scottsdale transaction closed on April 26. The Chandler transaction closed on March 24.



MVP Storage Scottsdale



MVP Storage Chandler

“The self-storage owner/operator has a deep history of building, owning and operating self-storage properties,” said Sellers. “The partnership was formed to build a portfolio of self-storage properties in the Western United States. The Chandler and Scottsdale properties are the first two transactions closed by the partnership.”

After the project reaches stabilization and certain cash-flow performance benchmarks are met, the ownership group can elect to exercise an option to extend the term of the loan with a fixed rate. “Our ability to arrange the construction loan with limited personal recourse was critical to the lead sponsor. In the current environment, securing commercial construction financing is challenging. We spoke with numerous potential lenders to find the optimal construction and mini-perm debt which met the sponsor’s financing objectives. Most banks are cautious about financing commercial construction projects and are under pressure from regulators to carefully manage their construction loan portfolio,” added Sellers.

About Cohen Financial

As part of its acquisition by SunTrust Bank, a subsidiary of SunTrust Banks, Inc. (NYSE: STI), Cohen Financial has joined the SunTrust Commercial Real Estate (CRE) line of business, which is part of SunTrust's Wholesale Banking Segment. Cohen Financial provides access to capital markets debt placements and consulting services for financial institutions, commercial real estate developers and investors. Also well recognized as one of the nation's leading loan servicers and special servicers, Cohen Financial provides third-party rated, primary and special loan servicing, loan administration and advisory services. Cohen Financial serves clients throughout the U.S. from offices in six major markets.

About SunTrust Banks, Inc.

SunTrust Banks, Inc. is a purpose-driven company dedicated to Lighting the Way to Financial Well-Being for the people, businesses, and communities it serves. Headquartered in Atlanta, SunTrust operates an extensive branch and ATM network throughout the high-growth Southeast and Mid-Atlantic states, along with 24-hour digital access. Certain business lines serve consumer, commercial, corporate, and institutional clients nationally. As of March 31, 2017, SunTrust had total assets of \$206 billion and total deposits of \$163 billion. The Company provides deposit, credit, trust, investment, mortgage, asset management, securities brokerage, and capital market services. SunTrust leads onUp, a national movement inspiring Americans to build financial confidence. Join the movement at onUp.com.