

# THE GLR GROUND LEASE: A COMPELLING FINANCING SOLUTION

Transaction Size	Property Types	NOI Coverage	Geography	Risk Profile	Rates
\$10M - \$200M+	All Residential & Commercial Property Types	Min 3.5x	Top 30 MSA's	Core, Value Add, Development	Core   30Y UST + 0.25%-0.75% V.A.   30Y UST + 0.75%-1.25% Dev.   30Y UST + 1.00%-1.50%

The **GLR Ground Lease** is an interest only, 99-year financing product intended to maximize Sponsor returns and address capital requirements for core to opportunistic real estate investments. The **GLR Ground Lease** is a return-enhancing alternative to conventional financing, and offers a highly competitive cost of capital.

**Maximize Returns**  
The GLR Ground Lease increases Sponsor's overall IRR / cash-on-cash returns

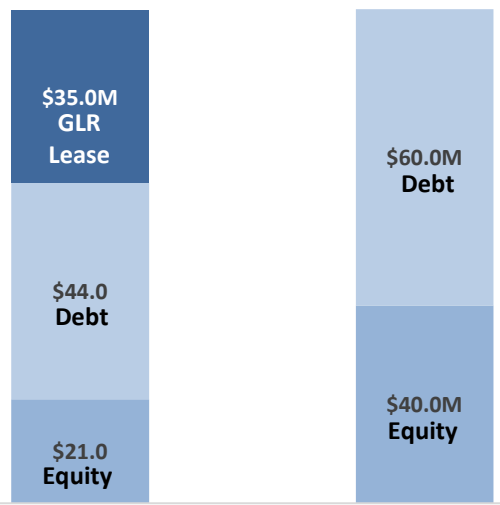
**Cost - Efficient Financing**  
Higher all-in "leverage" at a lower blended cost of capital than a senior + mezzanine loan combination

**Reduce Risk**  
Limit interest rate and refinancing risk while also providing lenders with better DSCR's and debt yields

**Lender Approved**  
Banks, debt funds, CMBS, life companies & agencies are comfortable with the GLR Ground Lease

**Seamless Execution**  
GLR will leverage existing lender relationships to offer Sponsor a full capital stack solution

## The GLR Ground Lease REDUCES Sponsor equity requirement and ENHANCES ROE<sup>1</sup>



GLR Ground Lease		Fee Simple
\$21.0	Equity Requirement	\$40.0
\$100.0	Purchase Price	\$100.0
24.4%	IRRs	16.1%
2.69x	Equity Multiple	1.98x
10.7%	Cash-on-Cash	7.8%
1.74x	DSCR	1.80x

**Key Lease Terms**  
99 years, 2% annual rent escalations, periodic CPI rent resets, absolute triple net lease

**Leasehold Lender Rights & Remedies**  
Standard notice and cure provisions to lessee and leasehold lender

**Development Project Requirements**  
"Shovel-ready" projects: full permits, GMP construction contract, performance bond, loan agreement, and completion guarantee from Sponsor



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<sup>1</sup>15-Year Hold Period. Fee Simple: 60% LTV, 6.50% i/o, 5.75% exit cap rate. Leasehold: 35% ground lease, 4.50% ground lease rate, 60% Leasehold LTV, 7.00% i/o, 6.00% exit cap rate.