CASE STUDY: COMMERCIAL REAL ESTATE

Strategic Lending Solutions for Evolving Real Estate Portfolios

TRISTATE CAPITAL

An experienced commercial real estate investor had successfully financed numerous property acquisitions and renovations using securities-based lines of credit (SBLOCs). Their diverse portfolio comprising retail centers, office buildings, and industrial warehouses had grown significantly over the years. However, as the scale of their business expanded and interest rates fluctuated, the challenge of managing capital costs became increasingly complex.

Recognizing the need for more sophisticated financial solutions, the investor's advisor introduced them to TriState Capital as a partner with expertise in flexible and customized financing options.

THE TRISTATE CAPITAL ADVANTAGE

Flexible Rate Structures: TriState Capital offered both variable and fixed-rate SBLOC options tailored to help the investor address borrowing costs more flexibly while continuing to use the liquidity of their substantial securities portfolio to establish their borrowing base.

Customized Solutions: TriState Capital's collaborative approach focused on deeply understanding the investor's business model, growth aspirations, and cash flow needs, which enabled the creation of a customized financing package designed to meet immediate and future needs.

Strategic Consolidation: In collaboration with their advisor, the investor decided to consolidate their existing loans with TriState Capital while also expanding their borrowing base by moving additional eligible investments to the advisor. This provided an enhanced capacity for future acquisitions and greater financial stability.

THE RESULTS

- **30% reduction in capital costs** within the first year of transitioning to TriState Capital's fixed-rate SBLOC solution.
- **$25 million in new property acquisitions** funded through the expanded SBLOC strategy.
- **Increased efficiency and greater portfolio liquidity achieved** by consolidating loans with TriState Capital.

WE MAKE IT HAPPEN.

INNOVATIVE RATE STRUCTURES *Fixed and variable*

CUSTOMIZED SOLUTIONS *Meeting clients' objectives*

PERSONAL SERVICE *An experienced, dedicated team*

EFFICIENT EXECUTION *Working capital in days*

CONTACT US
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Securities-based lending is a non-purpose margin loan secured by eligible, marketable securities. It is non-purpose because the proceeds of the line of credit cannot be used to purchase or carry securities. Securities-based lending has special risks and is not suitable for all investors. The risk of securities-based lending include: (i) market fluctuations that may cause the value of pledged assets to decline, (ii) a decline in the value of the pledged securities that could result in selling the securities to maintain equity, and (iii) possible adverse tax consequences as a result of selling securities. Fluctuations in market interest rates could also affect the applicable index rate that applies to your line of credit, causing the cost of the credit line to increase significantly. The interest rates charged on lines of credit backed by securities are determined in part by the line of credit amount as outlined in the loan documents.

TriState Capital Bank is a Pennsylvania chartered bank.