

CASE STUDY

CVC - PROPERTY

Background

After the market downturn in 2009, CVC saw opportunity in providing \$3.0m mezzanine finance to a Melbourne developer to complete the capital structure for a 70 apartment development. Planning approvals and presales had been achieved, and the developer had purchased the site below market values.

Structure

The loan was subordinated by a senior debt facility provided by a tier one senior lender. CVCMF was provided with a registered second mortgage to secure its interest.

Active Approach

Given CVC's track record and financial capacity, the senior financier was approving of the registered position for CVC. A security position that is not always available.

Performance

Construction of the project is completed and fully sold and settled in 2011.

Investment type	Property finance
Characteristics	Mezzanine debt
Investment size	\$3m
Investment period	18 months
IRR	25% p.a.



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