



Carlton seeing increase in loan restructuring, capital placement deals

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According to Carlton chairman Howard Michaels, the firm is seeing a significant increase in the number of loan restructuring, tactical advisory and capital placements deals.

The Carlton Group sites these factors as the reasons why the market is bringing more buyers and sellers together:

- * A significant increase in market liquidity which is allowing borrowers to bring in investors or pay more for an asset to strike a mutually acceptable transaction.
- * Many distressed holders are now starting to make profits and have an increased tolerance to take losses and truly mark properties to market.
- * An increase in property values which provides a better chance for buyers and sellers to agree on terms.

Carlton has seen a significant increase in its own restructuring practice as the firm is currently handling over \$1 billion in loan restructuring, tactical advisory and capital placements. The company is also raising in excess of \$3 billion of equity and debt for various acquisition and recapitalization transactions.

"Oftentimes, trying to gain consensus with servicers and/or financial institutions on mutually acceptable loan modification terms is like trench warfare," said Michaels. "There are many competing interests which a servicer or financial institution must take into account prior to entering into an acceptable restructure."

The firm's clients include international and domestic investors which range from family office, high net worth, private equity and other risk adjusted capital providers who are looking to invest in prime, United States assets (along with quality U.S operators).

Carlton focuses on loan restructuring and providing advice and sophisticated tactical expertise to borrowers. The firm employs sophisticated valuation and modeling techniques and specializes in structuring multi tiered capital stacks with a variety of different lenders in order to achieve its client's desired leverage objectives.

"For the most part, the fundamental cornerstone of the restructure is agreeing on current market property valuation," said Michaels. "The next step is to review and thoroughly become familiar with the loan documentation so that everyone clearly understands and can maximize the rights afforded in the documentation.

"Finally, two of the most critical factors are accessing or investing the capital necessary to effect the modification and plain old around the clock salesmanship and negotiation to increase chances of making a deal rather than getting into protracted litigation," said Michaels.

Carlton Advisory Services, Inc. is an international real estate investment banking firm prominent in commercial and residential loan sales, debt and equity placement and merchant banking. Carlton also specializes in arranging passive, promotable equity for real estate and real estate-related Fund vehicles for many of its clients who include some of the most successful developers and financial institutions around the world. Carlton was founded in 1991, and has consummated in excess of \$50 billion of transactions.

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