



Slatt provides acquisition financing for 60-acre industrial site

October 15, 2024 - National News

Ontario, CA Slatt Capital, Inc., a commercial mortgage banking firm, has successfully arranged acquisition financing for a 60-acre industrial plot. This deal marks the inaugural financing executed by Slatt with one of its correspondent life company lenders.

The transaction was overseen by Slatt Capital principal Antonio Hachem and his team, who guided the client through the financing process.

The project's backer, RCCD, Inc., boasts more than 35 years of expertise in land development, large-scale real estate financing, and homebuilding, currently focusing on land entitlement. RCCD's team is also involved in executive management and supports the New Model Colony (NMC) consortium. The NMC is a select group jointly developing 4,000 acres in Ontario, which will ultimately accommodate over 30,000 residents alongside schools, retail centers, a college, an office park, and industrial zones.

The original plan for this 60-acre site involved proceeding with recently approved entitlements, valid for 15 years, to construct an industrial business park. This included 13 buildings for build-to-suit and/or speculative purposes, along with an IOS component spanning about 10 acres beneath high-tension power lines. However, two key factors have led to a change in strategy. First, the softening of capital markets and the industrial sector created less favorable conditions. Second, much of the existing truck parking in the area lacks proper permits and zoning, including the required Temporary Use Permit (TUP) or Conditional Use Permit (CUP) for legal IOS operations. These circumstances prompted RCCD to temporarily halt vertical construction and instead obtain a TUP to run the entire property as an IOS facility with 1,863 parking spaces.

Hachem said, "This IOS facility offers crucial space for authorized truck and trailer parking, especially as Ontario works to reduce illegal and unpermitted sites. The demand for such facilities remains strong. Furthermore, RCCD has collaborated closely with local authorities to develop a plan that's already approved for future industrial space in the Ontario market."

IOS has recently emerged as an appealing asset class, requiring minimal development for successful operation. It's gaining traction among institutional investors in both debt and equity markets, demonstrating resilience and high tenant demand in Ontario and other major industrial hubs nationwide.

While the current TUP allows for IOS operations for four years, RCCD remains flexible in its

approach to the property's development. The company is open to exploring various opportunities that align with market demands, including potential build-to-suit projects for the planned industrial buildings, which range from 23,000 to 160,000 square feet.

New York Real Estate Journal - 17 Accord Park Drive #207, Norwell MA 02061 - (781) 878-4540