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## Calmwater Lends \$41.9Mln for Purchase of Nonperforming Loan

Calmwater Capital has provided \$41.9 million of financing to fund Dornin Investment Group's purchase of a nonperforming loan against the 232,863-square-foot Rose Canyon Business Park in San Diego.

Dornin, of Laguna Beach, Calif., paid par for the loan. It didn't identify the loan's collateral, nor the seller. But it's believed to have been LoanCore Capital, which last year had provided what then was \$51.3 million of financing for Vertical Ventures' \$72.8 million purchase of the Rose Canyon property, at 4901 Morena Blvd. At the time, the property was nearly fully occupied, but it faced the maturity of leases governing nearly half its space in its first year. Its current occupancy couldn't be learned.

The property was built in 1976 and underwent renovations in 2001. It has 15- to 18-foot clear heights, 70 ground-level doors, 464 parking spaces for cars and an office component.

For Dornin, the loan purchase is its latest, as it's bought nearly \$500 million of loans since 2020.

"This latest acquisition continues our niche strategy of acquiring well-collateralized, nonperforming debt on quality real estate," explained Chris Dornin, chief executive of the company, adding that it has another \$100 million of deals slated to close within the next 45 days and has more than \$400 million of acquisitions in its pipeline. His company, he said, was a "vertically integrated firm with deep knowledge

and experience in structured finance, workouts, modifications, foreclosures, bankruptcies, asset and property management, construction management and leasing across all property types."

The company pursues senior loans, with balances of \$5 million to \$200 million each, that might be nonperforming and secured by all major property types across the country.

Calmwater, meanwhile, has long provided note-on-note financing. It operates an investment fund, Calmwater Real Estate Credit Fund IV, through which it had raised \$372 million of investor commitments last year. The vehicle is a follow-up to Fund 3, through which it had raised \$636 million in 2018.

"This is a unique time in the market cycle where well-capitalized and experienced groups like Dornin will find opportunities to acquire notes from lenders looking to liquidate their positions and be able to generate attractive risk-adjusted returns for their investors," explained Larry Grantham, managing principal of Calmwater, which is headquartered in El Segundo, Calif.

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