

DAYTONA GRANDE HOTEL

Daytona Beach, FL



Property Description

Romspen's conservative underwriting helped preserve investor capital and generate returns during the pandemic and its dislocations. In this case, Romspen had provided a \$41 million loan in 2019 for a hotel construction project in Daytona Beach, Florida, secured by the partially completed 459-room hotel and a six-story parking garage. The sponsor had already invested \$80 million of equity in the project which, when combined with a solid personal guarantee and additional real estate collateral, provided an ample margin of safety.

As the pandemic disrupted supply chains and the availability of construction trades, the project was delayed and debt-service and loan repayment deadlines were missed. Romspen worked with the borrower to navigate these difficult conditions, and upsized the loan to put the project on a firmer footing. We then stepped up loan enforcement efforts, which prompted the borrower to seek out refinancing options, and in November 2022 the loan was repaid in full. Romspen not only preserved investor capital, we achieved a double-digit annualized return, which was higher than our initial projections.

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Investment Period	Aug 2019 - Nov 2022
Mortgage	USD 41 Million
Purpose	Construction loan
Property Description	459 unit luxury hotel
Term	24 months
Rate	12%
LTV Ratio	68%
Additional Collateral	None
Repayment Source	Refinancing

Source: Romspen Investment Corporation

About Romspen Investment Corporation

With roots stretching back almost 60 years, Romspen Investment Corporation is one of Canada's largest private commercial mortgage firms. Romspen manages over \$3 billion of assets on behalf of retail and institutional investors globally and oversees one of Canada's largest private mortgage funds.