

PROPRIETARY SOLUTION  
**Ground Lease Financing**

## The Value of a Ground Lease

Unlock the full potential of your property. By separating land ownership from building operations, borrowers can generate long-term, predictable income while preserving control of the underlying asset. This advantageous structure offers flexibility, potential tax advantages, and the ability to maximize property value - without the upfront capital typically required.



### INCREASED PROCEEDS

Provides up to 20% more net proceeds than traditional debt on fee simple interests.



### EASE OF EXECUTION

NewPoint and FBRT providing both fee simple and leasehold financing (one-stop).



### LOWER COST

Significantly lower overall cost of capital.



### REPURCHASE OPTION FLEXIBILITY

Timing of repurchase options are flexible and can be adjusted to Sponsor needs.



### NO CPI LOOK BACK

Rent is known with certainty over entire 99-year period.



### AFFILIATED DEBT OPTIONS

Structured to be combined with a variety of NewPoint or FBRT bridge and permanent debt options.

## Program Terms

GROUND LEASE TO PROPERTY VALUE (FEE SIMPLE)	Up to 40%
LEASE NOI COVERAGE	2.50 – 4.00
INITIAL YIELD (OVER 30-YR TREASURY)	0.15 – 0.75%
RENT ESCALATION (PER ANNUM)	2.00 – 3.00%
CPI LOOKBACK	None
TERM	99 years
TARGET ASSET CLASSES	Market-rate multifamily and affordable properties
REPURCHASE OPTION AT LEASE TERMINATION	Lessee buyout option at \$1
EARLY PURCHASE OPTION	Yes, various options can be built-in
GROUND LEASE ACQUISITION FEE	Typically 1.00% - pending deal terms
GEOGRAPHY	Top 75 U.S. MSAs

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## Example Capital Stack

\$100M Project Value

### FEE SIMPLE

**Equity**  
\$35.00M

**Debt**  
\$65.00M

### WITH GROUND LEASE FINANCING

**Equity**  
\$21.46M

**Debt**  
\$45.39M

**Ground Lease**  
\$33.15M



## Representative Equity Returns

**Unlevered Yield**  
7.22%

**Cost of Capital**  
6.50%

**IRR**  
14.80%

**Multiple**  
3.10x

**Unlevered Yield**  
9.42%

**Cost of Capital**  
6.02%

**IRR**  
18.75%

**Multiple**  
3.98x



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