

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



This sheet sets out the general guidelines of a loan program and is designed solely as an aid to prospective borrowers and other clients. It does not represent or imply a contract or a commitment to lend funds. A commitment to lend funds may only be made by a written letter issued by NewPoint to a prospective borrower. This term sheet is subject to change at any time without notice at the sole discretion of NewPoint Real Estate Capital LLC. Arizona Commercial Mortgage Banker License CBK – 0926535. Nevada Mortgage Company License 5605. California DFPI Finance Law License 603F812. California commercial real estate broker activities are conducted through NewPoint Multifamily Capital Corporation (California Department of Real Estate Broker License No. 01995692, which is a wholly owned subsidiary of NewPoint Real Estate Capital LLC. New York Real Estate Broker Company License No. 10991236549. North Carolina Collection Agency Permit No. 112712. North Dakota Money Broker License MB104168. South Dakota Non-Residential Mortgage Lender License 1140125.ML-NR. To view NewPoint's complete licensing information please visit newpoint.com/licensing-disclosures.

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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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