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# Irving's A10 Capital helping real estate investors put even bigger bets on North Texas

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Middle-market commercial real estate loan originator A10 Capital, which is based in Irving and Boise, Idaho, recently upgraded its North Texas operations, setting up one of its corporate offices in the former home of ESPN.

The relocation to 400 E. Las Colinas Blvd. in Irving comes at a time when the real estate investment market in Dallas-Fort Worth is on the rise, with A10 Capital becoming an increasingly active player.

With the Irving office, A10 has access to its key business partners and some of the best professional talent in the country that can source, underwrite and close loans for the firm, said Clint Lofman, senior executive vice president, who oversees loan origination in the central United States.

"It's been extremely competitive in the region and we are seeing the same thing everyone else is seeing: This is a very desirable place to be in," Lofman told the *Dallas Business Journal*.

Even with the competitive landscape, Lofman said real estate investors still want to put their chips on the Lone Star state and expects them to continue to do so for the foreseeable future.

The new Irving office will be home to 20 real estate investment professionals and employees. Last year, A10 Capital added more than 30 new employees throughout the United States.

Irving, where A10 Capital has been lending for the past seven years, has been a strategic base of operations for A10's national loan origination business, said [Jim Conway](#), the firm's chief credit and risk officer.

So far, A10 Capital has funded more than 38 million square feet of real estate deals ranging from \$1 million to \$25 million. And A10 has plans to help investors make even bigger bets on the bullish real estate market.

We chat with Lofman and Conway about the real estate investment and its history as a lending platform in North Texas:

**What's behind the firm's growth?** *Conway:* There's a high velocity of deals here in North Texas and so that's part of what's driving it, but also our success ratio has increased and we expect it to continue to increase. On any particular loan opportunity, we compete with 10 to 15 other lenders and the likelihood of winning any one individual loan, as a result, is relatively low, but we try to distinguish ourselves with some features, such as flexibility to lock in rates today to close in 30 to 60 days or make longer term loans. We will also take on projects where occupancy is relatively low.



JAKE DEAN

Jim Conway, Principal, Chief Credit and Risk Officer, left and Clint Lofman, Senior Executive Vice President, Origination

**Can you give me an example?** *Conway:* The former Fossil building in Richardson was 100 percent vacant and we increased the loan when it was necessary to provide additional tenant improvement and leasing commission dollars. There's a lot of lenders who won't do a bridge loan unless there's less than debt-to-service coverage, but we do that regularly. We think we have a better mousetrap and that's what's driving the growth.

*Lofman:* We now have a single-family rental initiative that we are seeing gain a lot of traction. We expect to continue to grow that platform. Not only do we have the permanent product that we launched over a year ago, but we have become a one-stop shop for value-add deals.

**How competitive is it for a real estate lender in North Texas right now?** *Lofman:* On the bridge loan side, we specifically targeted \$25 million and below because a lot of the money-centered banks on the coast — whether it's New York, Chicago or the West Coast — tend to chase loans \$30 million to \$200 million, which makes it an ultra-competitive space that's overpopulated by lenders. The money-centered banks aren't facing the small-sized loans and we also offer non-recourse financing, which is a key hook we have into the market.

**Do you expect the real estate market to remain strong for the foreseeable future?** *Lofman:* I think North Texas is likely to have an extended period of time into the future as real estate values rise. The fundamentals are sound on most property types. I think we may have got a little ahead of ourselves on luxury multifamily apartments, but industrial is super strong, retail is strong and office in most submarkets is strong.

*Conway:* We also have a note finance platform as well. Whether we see a downturn or a shift in the market, we will also lend on note purchases. We are not just a lender in the good times, but in times when it is tougher to finance purchases.

**Candace Carlisle**

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