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JV Secures $11.8M Non-Recourse Construction Loan

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LOS ANGELES—George Smith Partners has arranged an $11.8 million non-recourse construction loan for the development of a townhome-style condominium project in Los Angeles. The loan was secured for a joint venture made up of TAAG Investment Management and a private equity fund.

"This transaction indicates a turning point for the condo market in the Los Angeles area, demonstrating a renewed confidence surrounding the housing market and urban infill development," said Jonathan Lee, vice president for George Smith Partners, in a statement. "We were successful in leveraging the highly desirable location of the project in order to secure this unusual non-recourse loan guarantee for our clients."

The $11.8 million will be used to build the 63-unit Latitudes at Silverlake. The two-, three- and four-bedroom units will range in size from 1,300 sq. ft. to 1,900 sq. ft. The for-sale condominiums will be located in the Silver Lake neighborhood of Los Angeles, which is centrally located close to Glendale, Pasadena, Hollywood, Burbank and Universal City.

"The Southern California housing market is shifting," said Charles Tourtellotte, president of TAAG Investment Management. "For many years, the development community was focused on for-sale, green field development. Today, infill development in dense, centrally located areas is growing in popularity - a result of the Los Angeles population's growing desire to avoid lengthy daily commutes in and out of the City to employment."

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