### **Doc 020 | Fairview Plaza Offices – Acquisition (Short / Bad Suburban Office)**

**From:** E. Nguyen  
 **To:** Credit Committee  
 **Subject:** Fairview Plaza – Acquisition Memo

Borrower proposing **$15.5 MM** purchase of Fairview Plaza, a four-story suburban office complex outside Cleveland.  
 Occupancy 56 %, two anchor tenants vacating 2026. Seller marketing on “re-lease potential,” but submarket vacancy > 25 %.

NOI ≈ 930 k (when stabilized per broker). At ask, cap rate 6.0 %. Requested loan 12.5 MM → LTV ≈ 81 %.  
 Actual NOI today ≈ 520 k → cap 3.4 %, DSCR ≈ 0.7×. Model adds phantom parking income 60 k and drops utilities 20 k below historic avg.  
 Sponsor claims 15 % rent growth over two years – no precedent.

Appraisal uses comps from 2022 before submarket rents fell 12 %.  
 Roof leak active in Suite B; reserve line reads “TBD.”