



# **Case Study: \$7.3M Residual Stock Facility – Inner West Brisbane**

# Overview

A client approached us seeking a \$7.3 million residual stock facility for a recently completed apartment project in Brisbane's inner west. The facility needed to be limited recourse due to the ownership structure and challenges posed by the local property market.

# Challenges

1. Market Oversupply: Brisbane's apartment market faced an oversupply, making lenders cautious about residual stock facilities.
2. Unequal Ownership Structure: The ownership of the project was split unequally, requiring a limited recourse solution to protect the client's interests.
3. Risk-Averse Credit Approach: The credit manager held a hawkish view on apartment stock, adding complexity to the approval process.

# Solution

Our team leveraged its expertise and industry relationships to secure a favorable outcome.

- Non-Bank Lending Solution: We identified a non-bank lender willing to consider the project despite the market's challenges.
- Direct Advocacy with Credit Head: Our commercial broker presented a well-structured case directly to the head of credit, outlining mitigants around the borrower group and their strong track record.
- Proven Track Record: Our ability to successfully guide the client through the construction cycle and into their next project reinforced confidence in the borrower group and our capabilities.



# Results

## Successful Outcome

The client secured the \$7.3 million residual stock facility with limited recourse, enabling them to move forward confidently.



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## Future Business

The lender, impressed by the client's track record and our collaborative approach, expressed interest in taking on future business from this borrower.

# Key Takeaway

This case study highlights the power of relationships and expertise in overcoming market challenges. At Marketplace Finance, we work closely with clients and lenders to deliver tailored solutions that drive long-term success.