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Real Estate

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People, Events and Places in Real Estate

Lending activity now approaching historic levels for leading Orlando-area firms

ALTAMONTE SPRINGS — Commercial property mortgage lending activity is now approaching historic highs for Mercantile Capital Corporation, which specializes in U.S. Small Business Administration (SBA) 504 loans for small business owners who want to acquire or develop their own facilities.

Christopher Hurn, chief executive officer of Mercantile Capital Corporation, said the six-year old company is seeing as many loan proposals as it did during its peak in mid-2007.

"We attribute the increase in deal flow to stimulus plan anticipation," Hurn explained. "I think the small business community is shaking off the doom and gloom attitude and starting to take a more practical approach to severely discounted commercial property assets that represent enormous opportunities for business owners," he said.

"The Obama administration is doing some things to help the small business community, and we think leading small business owners are starting to act on the situation," Hurn said. "Lower commercial property values and near historic lows in financing rates won't last much more than the next eighteen months. Innovative entrepreneurs within the small business community have a tendency to be leading indicators in my opinion, so we're starting to see a shift," Hurn said.

Hurn said Mercantile Capital Corporation's increase in lending activity is also attributed to the fact that few lenders are actually lending these days. "The financial crisis has never been one of cost of capital, it's been an issue of access to capital," Hurn said.

"We think the universe of owner-user commercial property deals has shrunk, but we're getting a much larger share of the fewer deals that are out there. The creditworthiness of our deals is increasing, only the strongest and healthiest transactions are getting done these days, and deals that would have ordinarily gone to a large regional bank are now coming to us," Hurn said.

For more information call 407-786-5040.