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## Investment Strategies

### **Rising Rates Won't Roil Plans**

### **Harbor Capital Anticipates Strong Year**

Harbor Capital Group, a Houston-based commercial mortgage banker, expects to arrange more than \$500 million of loans and equity financing secured by Class A multifamily and commercial real estate in the coming year. This represents a 25% increase over 2004. "Rising interest rates will initially produce a slowdown in the capital markets but we expect the market to adjust quickly due to the strength of the economy and high liquidity," said Frank Satterfield, principal and founder. In 2004, Harbor closed 19 transactions totaling \$415 million and became a second largest source of commercial mortgage lending business for the PNC Bank Real Estate Finance Group and a fifth largest for MetLife.

The company can arrange a wide variety of loans ranging from mezzanine and bridge to permanent loans. Harbor's deals

average \$20 million but it can arrange loans of up to \$100 million, Satterfield said.

Satterfield established the company in 2004 to capitalize on low interest rates and the strong relationships he has built both with borrowers and lenders after more than 30 years in the business. Harbor Capital Group arranges financing from sources that include life insurance companies, investment banks, CMBS lenders and commercial banks. "We have recurring deals with high-class clients, but now we are looking to broaden that base," he said.

The company's clients have been investing throughout the United States, with a particular emphasis on Florida, Georgia, Texas and North Carolina's research triangle. In addition, metropolitan areas have been very popular, Satterfield said. "We have a capability to serve clients looking to purchase Class B properties, but right now our clients see Class A properties as better investments," he added.