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A Bridge That Made Cents

Bridge financing from Sterling Pacific Financial provides a creative solution – and a happy ending – for a long-term local business owner with a critical space problem.

Architectural firm owner Robert had been a tenant in his Santa Cruz building for more than 20 years. When he first established his business, he only occupied 800 square feet, but over time he successfully grew his firm to occupy 2600 square feet of retail and service space, plus a small warehouse area.

Eventually, rising rents and growing space needs meant that Robert needed to either commit to the location where the business had grown and flourished, or find a new home with room for growth. Robert felt that the ideal solution would be to purchase the building in which he was currently renting. Unfortunately, he had tried that twice before and had been unable to reach an agreement with the owner, who would only negotiate on a quick close basis. Because Robert planned to use SBA financing – which typically takes four to six months to complete – he couldn't come close to meeting his landlord's requirements.

Robert wanted to try one last time to buy the building. This time, though, he knew he would need to take a different tack.

Fortunately, Robert had heard about Sterling Pacific, and learned about the possibility of bridge financing. Robert contacted us and explained his situation. Moving much more quickly than a commercial bank or the SBA, Sterling Pacific evaluated Robert's deal within a matter of days, and offered him a commitment to provide a bridge loan within two weeks of a negotiated contract. Despite the fast turnaround, our extensive pre-work included appraising the building, performing environmental review of the property, as well as all of the necessary due diligence on Robert and his business.

With a commitment from Sterling Pacific in hand, Robert entered into negotiations with the building owner. Now able to provide the seller a short close, Robert was successful in striking a deal to buy the property and finally own his building.

"I felt like I was about to lose everything and then I found Sterling and simply found peace of mind," Robert recalls.

Sterling Pacific's interest-only, twelve-month bridge financing gave Robert the time he needed to secure attractive, long-term financing from the SBA. Within seven months of his purchase, Robert had his SBA loan – and, had paid back his Sterling Pacific bridge loan ahead of schedule.

"I thought the days of doing business this way were a thing of the past," says Robert. "Sterling was like a breath of fresh air!"

