

ARDEN CAPITAL

NMLS # 2684216

COMMERCIAL BRIDGE LENDING 101

A Quick Guide for Real Estate Investors

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WHAT IS A COMMERCIAL BRIDGE LOAN?

A **commercial bridge loan** is short-term financing used by real estate investors to “bridge” the gap between a current need and a future permanent financing solution or sale. These loans are typically used to acquire, reposition, refinance, or stabilize commercial real estate quickly.

WHY INVESTORS USE BRIDGE LOANS

- **Speed:** Fast closings—often in days, not weeks.
- **Flexibility:** Less documentation, asset-based approvals.
- **Opportunity-Driven:** Ideal for off-market acquisitions, value-add projects, or distressed property buys.
- **Short-Term:** Usually 6–36 months with interest-only payments.

TYPICAL USE CASES

- Purchasing properties not yet stabilized
- Acquiring value-add properties with planned renovations
- Refinancing to pull cash out before long-term financing
- Buying under market value for future resale or repositioning
- Transitional financing for properties in lease-up or under construction

LOAN TERMS SNAPSHOT

Feature	Typical Range
Loan Term	6–24 months (sometimes up to 36)
Interest Rates	8% – 12% (depends on risk and market)
Loan-to-Value	Up to 80% of purchase or stabilized value
Recourse	Full, partial, or non-recourse
Prepayment Penalties	Varies (some flexible, some yield maintenance)
Closing Time	As fast as 5–10 business days

WHAT MAKES A GOOD BRIDGE LOAN CANDIDATE?

- ✓ Experienced investors
- ✓ Properties with a clear value-add plan
- ✓ Exit strategy in place (sale or refinance)
- ✓ Fast-moving deal where traditional lenders can't keep up

EXIT STRATEGIES FOR BRIDGE LOANS

- **Permanent Refinance:** DSCR, bank, life company, or agency loans
- **Sale of the Property:** Flip after stabilization or renovation
- **Cash-Out via Portfolio Refinance:** On multiple assets

WHAT ARDEN CAPITAL BRINGS

- Fast term sheets & streamlined underwriting
- Deep understanding of investor strategy
- Loans for multifamily, mixed-use, office, retail, industrial
- Custom structures: interest-only, draws for rehab, cross-collateralization

READY TO EXPLORE A DEAL? Contact Us Today!



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