

The land under your deal is equity you already own.

We buy the land at closing and lease it back to you for **99 years, unsubordinated**. You keep the building, the depreciation and every dollar of upside. Your equity check drops by the land price — not by selling a promote, not by taking on a partner, and not by adding a second lien.

WHAT IT DOES TO A CAPITAL STACK

ILLUSTRATIVE DEVELOPMENT	CONVENTIONAL	WITH VGLV
Total project cost	\$60,000,000	\$60,000,000
Stabilized NOI (as complete)	\$4,200,000	\$4,200,000
Land purchased by VGLV at closing	—	\$18,480,000
Annual ground rent — 27.5% of NOI at a 6.25% cap	—	\$1,155,000
Rent coverage from stabilized NOI	—	3.6×
Cost the sponsor and lender must still fund	\$60,000,000	\$41,520,000

Why the land is worth more as rent

A dollar of NOI buys about **16.7×** as ground rent at a 6.00% cap, against roughly **11×** as amortizing debt at 1.25× coverage on a 7.19% constant.

That spread is why land reaches numbers debt cannot — and why the cheapest capital in your stack is the piece you were never offered.

\$18.5M

of your cost, funded at closing, that never amortizes, never matures, never balloons and never needs refinancing — because it is not debt. It is a sale. The rent is fixed for 99 years.

AGAINST WHAT YOU ARE PROBABLY BEING QUOTED

SOURCE	COST	WHAT IT TAKES
Preferred equity	low-to-mid teens	accrual, promote, control on default
Mezzanine	low-to-mid teens	amortizes, matures, intercreditor
C-PACE	~9–11%	super-priority lien; can block a refi
Ground lease	mid-6s	rent only — no lien on your leasehold

THE TERMS, PLAINLY

- **99 years.** Rent is 25–30% of stabilized NOI (20–25% hospitality), capitalized in the mid-6s.
- **2% fixed annual escalations.** A CPI test every ten years, capped at 3% annualized. **Never a fair-market reset** — the term that has destroyed more leasehold value than any other.
- **Unsubordinated, always.** Your leasehold lender gets the full mortgagee package: notice and cure, a new lease on rejection, no amendment without consent.
- **Re-scales both ways.** Rent is a stated percentage of underwritable NOI. If the number moves in diligence, the price moves with it — mechanically, not by argument.

TO GET A NUMBER BACK

- Address or parcel
- As-complete stabilized NOI
- Total project cost
- Asset type

That is enough for an indicative land value, the implied rent and coverage, and where it sits in your stack. Usually inside a week.

WHAT WE WILL NOT DO

- **We never lend on the leasehold.** We introduce leasehold lenders and arrange the debt; we never hold that paper.
- **We never subordinate the fee.** Not to a construction loan, not for a better price.
- **We do not pair with C-PACE,** which will not subordinate to a ground lease. HUD-insured debt is likewise incompatible.

Send us the one where the equity is short.

Stabilized NOI and total project cost is enough — no client names needed. We will tell you inside a day whether the land closes the gap. Principal capital — our own balance sheet, no syndicate, no outside investment committee.

Illustrative only. Figures are an example of the structure, not a quote, an appraisal, a commitment to purchase, or a commitment to provide or arrange financing. Actual pricing depends on asset type, market, lease terms and underwritable stabilized NOI. Leasehold debt sizing is set by the leasehold lender's underwriting. Nothing here is advice.

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