

REAL ESTATE

Leverage dominates luxury residential financing

July 28, 2021



One Million Dollar Plus is helping with the financing of the Los Angeles-based Paramour Estate purchase. Image credit: Ira L. Meltzer

By MICKEY ALAM KHAN

Often called the "Lender to the Stars," Ira Meltzer and his team at One Million Dollar Plus have funded more than \$5 billion in luxury and ultra-luxury residential financing to swanky residences in Aspen, Beverly Hills, Hawaii, Manhattan and Florida.

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The 35-year-old company's goal is to help clients maximize wealth and benefits for borrowers seeking to finance more than \$1 million. **One Million Dollar Plus'** offerings include preparation, strategy and facilitating jumbo and mega-jumbo mortgages.

"In a way, the lifestyle changes set in motion by 2020 reset the luxury market," Mr. Meltzer said.

"We're seeing a reinvigoration in buyers' focus on acquiring new property with the ideal location and level of style and comfort that we expect to continue, if not grow even more," he said.

In this dialogue, Mr. Meltzer discusses trends in luxury residential financing, the resilience of the high-end property market, interest rates and loans for the affluent with complicated finances. Please read on.

What is the dominant trend currently in luxury residential financing?

A dominant trend in luxury residential financing right now is leverage.

Our billionaire and multi-millionaire clientele thrive on leveraging their ultra-luxury property to buy more property and continue to build their wealth.

By assessing the complexities of our client's current portfolio to determine a strategic pathway to financing their new property, we can secure some of the lowest interest rates in the United States.

For high-net-worth individuals, this thorough approach is essential to finalizing a purchase, refinance, construction financing or home equity line of credit.

What explains this exuberance in luxury real estate sales? Will it last beyond 2021?

The COVID-19 pandemic has confined homeowners to their residence, forcing them to reevaluate what is most important in their environment.

This has ultimately accelerated the sale of ultra-luxury real estate because buyers are craving more space.

Both families and individuals alike are prioritizing homes with plenty of room to relax and work from home, including amenities readily available within the residence like a fitness or yoga center, spa facility, pool, cinema, basketball/tennis/sport courts and more.

There is always an appetite for luxury for both domestic and international high-net-worth buyers.

For those involved in the luxury markets, including our clients, the desire to own the best automobiles, private planes, yachts, fine art and real estate never goes out of style and knows no bounds.

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Tara and Ira L. Meltzer

Why is the United States seeing some of the lowest interest rates on the market?

What we are seeing right now in the U.S. is a seller's market.

The inventory of million-dollar luxury homes on the market for purchase is low and with the pandemic-fueled drive toward homeownership, interest rates are dropping accordingly.

This seller's market means that there is extremely stiff competition for buyers, which forces many to compete with cash offers.

We are working with clients to position themselves accordingly and take advantage of this current environment, while advocating for them every step of the way via our relationships with banks and lenders.

Our knowledge of the market and contact with private banks and lenders is what has helped us secure interest rates as low as 1.875 percent, 10/1 interest only on a \$6.5 million mansion in Montecito, California near the Duke and Duchess of Sussex's estate.

With significant holding in real estate and private investments, HNWI have complex financial records that can prevent them from being approved for million-dollar loans or reduced interest rates. How to overcome that challenge?

Our team continuously works with billionaire and multi-millionaire clientele and specializes within the niche of ultra-high-net-worth individuals.

We retrieve and organize the necessary financials from the client to analyze what they can qualify for and then pair them with the best private banks for their unique financing needs in order to find the lowest interest rates.

For those approved, how can celebrities and other HNWI cut the interest rate on the multi-million-dollar mortgages?

The current seller's market in the U.S. means that it is an advantageous and complex time to invest in luxury real estate.

The supply-and-demand imbalance requires a careful approach that considers a celebrity or high-net-worth

individual's entire portfolio.

The best way to manage this is to work with a financing advisor that knows the best avenues for purchase financing or refinancing.

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