

PNC Real Estate Finance Funds Largest Multifamily Development in Pittsburgh in Nearly a Decade

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PNC Real Estate Finance Inc., a member of The PNC Financial Services Group Inc., announced today it has led the funding of the largest multifamily housing development in Pittsburgh in nearly a decade.

The \$70.2 million project, located in the city's North Shore area, involves the conversion of five vacant manufacturing buildings into 267 luxury loft apartments. The former industrial buildings were purchased by The Ferchill Group from the H.J. Heinz Co. in 2001. A subsidiary of PNC Real Estate Finance provided the \$35 million FHA-insured mortgage loan on the H.J Heinz Lofts. The balance was funded through Historic Tax Credits and a Conservation Easement, both purchased by National City Bank.

Midland Loan Services Inc., a wholly owned subsidiary of The PNC Financial Services Group, Inc., will service the loan through the construction phase as well as the 40-year permanent loan. Construction began earlier this month and the first phase of units are expected to be ready for occupancy by summer of 2004.

"Working closely with the developer, the Mayor's Office, the Pittsburgh Office of HUD, and the Urban Redevelopment Authority of Pittsburgh, PNC became an integral part of the team charged with resolving the many complex issues involved in this historic reuse," said Barbara Sullivan, vice president of PNC Real Estate Finance. "PNC and Midland are very proud to have participated in this important urban development, which we believe will accelerate the rejuvenation of the city's North Shore area."

PNC Real Estate Finance, a member of The PNC Financial Services Group Inc. (NYSE: PNC), specializes in financial solutions for the acquisition, development, permanent financing and operation of commercial real estate nationally. The company offers treasury and investment management, access to the capital markets, commercial mortgage loan servicing and other products and services to clients that develop, own, manage or invest in commercial real estate.

Midland Loan Services is a leading third-party provider of services and technology solutions for the commercial real estate finance industry. One of the largest commercial loan servicers, the company's portfolio totaled approximately \$78 billion at June 30, 2003.

Reach Midland Loan Services at www.midlandls.com

SOURCE: PNC Real Estate Finance Inc.

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