



## **HKS Capital Partners arranges \$725 million in loans**

April 23, 2012 - Financial Digest

Last spring Jerry Swartz founded HKS Capital Partners, along with Ayush Kapahi and Jon Harrington in their own Flatiron offices.

Now a year later the boutique real estate capital advisory firm that specializes in debt and equity finance nationwide has funded \$725 million in deals. About 20% of those deals have been construction loans, where Swartz says banks are loosening up lending restrictions.

"We have been very fortunate in our client acceptance and bank relationship expansion over the past ten months," said Swartz, who predicts a bright picture for the future of local commercial finance. His firm recently hired four new associates, and also moved to a new, expanded loft office in the Chelsea neighborhood.

The firm will continue on creating even stronger relationships with our lending sources, according to Swartz. The company, founded on a team-orientation approach for loan placement, is focused on refinancing all asset types, multifamily, hotel, retail, office, industrial and mixed use properties in the five boroughs and tri-state area.

Recently, HKS provided a \$10 million construction loan to complete the renovation and conversion of 72 Poplar St., the former 84th Police Precinct, a four-story brick building located in the historic landmark district of Brooklyn Heights. They also provided: a \$20 million, ten-year non-recourse loan (30-year amortization) on two self-storage facilities: one outside of Houston and the other outside of Chicago. That transaction was arranged by HKS Capital's managing director of originations Chad Johnson, out of the firm's Kansas City office.

Other recent New York deals include: a \$14.015 million permanent mortgage of a 90-unit portfolio located in the Bronx, featured a fixed rate of 4.2% and a 10-year-term. A \$6.1 million refinance of a mixed-use building containing 30 apartments, four stores and an office located at 242 East 10th St. The loan features a fixed rate of 4.375% and an unusual 12-year-term. An \$8 million loan acquisition collateralized by land in Williamsburg, Brooklyn; this was 80% loan to cost, non-recourse, interest only, with a three-year-term. A \$7.5 million permanent mortgage was placed on two existing boutique hotels in midtown near the Empire State Building at 4.5% interest only for 10 years. A \$2.6 million ground-up construction loan of a seven story, 12-unit multifamily building located in Prospect Heights Brooklyn. This loan features a 5.5% fixed rate and a 24-month term. A \$900,000 permanent mortgage was placed for a six-story, 115 unit SRO located on the Upper West Side, which featured a fixed 4.125% rate for a five year term. A \$950,000 refinance of a four story, five-unit, multifamily building located in Fort Greene Brooklyn; features a 4.75% fixed rate for a 10-year-term.

"At HKS, the ability to understand, communicate, and navigate the underwriting process to ensure a successful transaction is paramount," said partner Jon Harrington. "We are successful because we give detailed attention to underwriting, and provide lenders with thorough and reliable numbers, lender connections and technological innovations."

