



## **Madison Realty Capital closes a \$7.5 million first mortgage for completion/opening of hotel**

November 25, 2013 - New York City

Madison Realty Capital (MRC) has closed a \$7.5 million first mortgage loan to finance completion and opening of a 60-room boutique hotel in the Bushwick neighborhood, according to Joshua Zegen, co-founder and managing member of the firm.

"Bushwick is today what Williamsburg was 10 years ago - a destination for New York's creative class that continues to increase in popularity," said Zegen. "This new funding from MRC will enable the owners to complete construction and open their doors to take advantage of the demand for high-quality hotel product in this market. Given the limited competition we expect the project to succeed."

MRC originated a \$7.5 million first mortgage loan, collateralized by the partially complete 23,719 s/f hotel, which is located at 19 Bogart St. In addition to 60 hotel rooms, the property will feature four commercial units for ground-floor retail opportunities. The proceeds of the MRC loan will be used to retire existing debt, fund remaining construction costs and cover closing expenses.

The area immediately surrounding the hotel has seen a great deal of residential development, given its close proximity to Williamsburg and Manhattan. Along with the increase in residential demand, the area has attracted hotels to service short-term stay occupants looking to enjoy an evolving neighborhood at an affordable price. The surrounding market benefits from public transportation access on the L train - the property is three blocks from the Morgan Avenue stop. The hotel, which will not operate under a major chain brand, is positioned as a select-service product targeting an audience seeking accommodations superior to neighboring hostels. The operator is familiar with the local market dynamics and the evolution of the Bushwick neighborhood.

About Madison Realty Capital (MRC)

Founded in 2004, Madison Realty Capital is an institutionally backed commercial real estate firm specializing in flexible debt and equity financing solutions for middle-market transactions throughout the United States. MRC invests in the multifamily, retail, office and industrial sectors and has completed in excess of \$1.2 billion of transactions in 28 states to date. MRC's vertically integrated platform encompasses origination, servicing, asset management, property management and construction management expertise to maximize the value of its investments.

New York Real Estate Journal - 17 Accord Park Drive #207, Norwell MA 02061 - (781) 878-4540