



Madison Realty Capital provides \$23.3 million loan for SoHo development site

July 18, 2017 - Financial Digest

Manhattan, NY Madison Realty Capital (MRC) has provided a \$23.3 million first mortgage acquisition loan collateralized by a mixed-use development site located at 182-188 Spring St. in SoHo. The borrower acquired 182-186 Spring St. through a bankruptcy auction, and closed also on the adjacent townhouse located at 188 Spring St., including its air rights. The total consideration for the acquisitions is \$31.565 million.

“We’re seeing an uptick in distress-related financing opportunities that engage the full flexibility and creativity of the MRC platform. In this case, we completed a time sensitive financing transaction to facilitate a complex acquisition that combined a bankruptcy auction purchase with a non-distressed acquisition to create an irreplaceable assemblage,” said Josh Zegen, co-founder and managing principal of MRC. “The deal was presented to MRC because of our successful existing relationship the borrower, and their recent experience with our rapid underwriting and execution capability – we closed a \$52 million construction loan for them in 2016. We believe this is an incredibly well-located assemblage with great prospects for successful redevelopment into luxury condominiums and class A retail.”

The borrower plans to build high-end residential units above ground-floor retail space on the assemblage, in a development totaling 37,278 gross s/f. This property, in the SoHo neighborhood, is situated in a market with little to no developable land, very limited condo inventory, and limited new retail boxes. The site is located on the corner of Spring St. and Thompson St., near several restaurants, retail stores, and subways.

Existing structures at 182 Spring St. are substantially demolished, and demolition is already complete at 186 Spring St. 188 Spring St. currently includes a vacant four-story, 2,239 s/f, single family townhouse, which is also expected to be demolished.

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