



Valencia Realty Capital arranges \$6.1 million loan for Lark Hotels for acquisition and redevelopment of 42-room hotel

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Saratoga Springs, NY According to Valencia Realty Capital, a provider of flexible, cost-efficient debt capital for commercial real estate investors and borrowers, it has arranged a \$6.1 million acquisition and redevelopment loan for Lark Hotels' 42-room boutique hotel.

"The borrower was seeking to mitigate their weighted average cost of capital, and our team managed to arrange high leverage, low-cost financing," said Alex Riccio, director of transactions at Boston-based Valencia Realty Capital. "We were able to achieve LIBOR-based pricing and a three-year loan term to cover the stabilization period. Most importantly, we are very happy to have successfully structured and sourced financing for Lark to help expand their growing boutique hotel brand."

"Financing was competitively sourced for the project despite the fact that many bank lenders in the debt capital markets are currently overexposed to hospitality assets, as well as speculative construction projects," said Stephen Smeke, managing director at Valencia Realty Capital.

Known as the Saratoga Downtowner, the independent flag hotel is located at 413 Broadway. Lark Hotels plans to renovate and redevelop the centrally located, downtown asset as a high-end lifestyle boutique hotel.

Founded in 2012, Lark Hotels currently owns and manages 23 hotels and four restaurants. Upon stabilization of the Saratoga Downtowner, the borrower will take out the construction loan with permanent financing.

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