



Kaushansky of Arbor originates \$41.65 million bridge loan for the acquisition of 440-bed skilled nursing facility in Syracuse

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Syracuse, NY Arbor Realty Trust, Inc., has completed the recent funding of a \$41.65 million bridge loan for the acquisition of James Square Health and Rehabilitation Center, a 440-bed skilled nursing facility. The facility has been renamed Bishop Rehabilitation and Nursing Center.

Alexander Kaushansky,
Arbor Realty Trust

Alexander Kaushansky, vice president, originations at Arbor Realty Trust, arranged financing for the property, which offers long-term nursing and rehabilitation services. The bridge loan carries an initial term of 36 months and was underwritten with plans for a HUD takeout loan upon completion of the business plan.

Evan Goldenberg of EBEX Holdings assisted all parties in the financing. Ari Dobkin, managing director at Meridian Capital Group, represented Edward Farbenblum, operator and principal at VestraCare, to Arbor.

New York-based seniors housing and healthcare firm VestraCare acquired Bishop Rehabilitation from a Chicago-based seller. The new ownership has immediate plans to appoint a new property administrator, retrain staff, rebrand the community and invest over \$4 million in capital improvements as part of an overall repositioning strategy.

"This was a very complex transaction, but we were able to get behind the business plan to offer the most aggressive terms possible," Kaushansky said. "In the end, it was a pleasure working with a team so passionate about breathing new life into this facility."

Farbenblum has successfully executed similar turnaround strategies at three other skilled nursing facilities in the state.

"James Square is a well-located property in close proximity to Syracuse's medical district that unfortunately has experienced more than its fair share of struggles," Farbenblum said. "We were quickly able to identify several areas for physical and operational improvements, and are grateful for being connected to a financial partner like Arbor who was able to see our vision for the property."

“While Arbor is known as a powerhouse in the multifamily lending space, they aren’t the first name that comes to mind in healthcare—I think that is now starting to change,” Dobkin said. “Alex and his team were able to quickly get us to the closing table with extremely competitive loan terms that set James Square up for long-term success.”

Bishop Rehabilitation features two, four-story nursing facilities built in 1970 and 1982 and a single-story maintenance facility constructed in 2014, all situated on 5.5 acres. Amenities at the property include an activities room, barber/beauty salon, dining hall, recreation room, outdoor courtyard, full-service pharmacy and a physical therapy room.

“This transaction is indicative of Arbor’s growing commitment to serving the healthcare sector,” said Ivan Kaufman, chairman, president and CEO of Arbor Realty Trust. “The new operators have a reputable track record of revitalizing similar assets, and we are happy to provide a creative loan solution that will help provide a better quality of life for hundreds in the Syracuse area. We are very committed to growing our healthcare business and have large funding goals for 2018.”

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