



Hudson Realty Capital funds three loans totaling \$27.45 million

September 26, 2011 - Financial Digest

According to Hudson Realty Capital, LLC, the firm has funded three loans totaling \$27.45 million.

Hudson Realty Capital has funded an \$11.6 million construction loan for the condominium conversion of a vacant commercial property in the borough's Park Slope neighborhood. The sponsor will utilize the proceeds to renovate the three-story building to incorporate 20,757 s/f of residential space and 6,175 s/f of below-street-level medical office space.

"Active in Brooklyn since our inception, Hudson was able to execute this complex, multi-tranche loan to allow this strong, experienced sponsor to immediately move forward with the renovation and construction of the lower floors, while obtaining the final approvals for the upper floors," said Spencer Garfield, managing director.

Located in Park Slope, just half a block from Prospect Park, the property is strategically situated in a prime area where there are significant barriers to development. Because the neighborhood is family-oriented, the property will feature a mix of 15 residential units, the majority of which will be three-bedroom units. All of the units will feature outdoor balconies or decks.

A \$10.2 million construction loan has been funded by Hudson Realty Capital. The sponsor will utilize the multi-tranche loan to proceed with site demolition and construction of a 23,306 s/f mixed-use building in the Manhattan SoHo neighborhood.

"This is one of our repeat borrowers who came to Hudson for speed, surety of execution and flexibility that are not available from traditional lenders," said Garfield.

Plans for the Greenwich Street property include the proposed construction of a nine-story building with eight floors of residential space and first-floor commercial space.

The unit mix consists of two one-bedroom units, five three-bedroom full floor units, and a three-bedroom penthouse duplex. The second floor also will house the building's gym, laundry facility and bicycle room. Construction is expected to be completed by mid-2012.

The SoHo loan is the second of four recently completed loans funded by Hudson in New York City for properties that involved some level of renovation. In general, Hudson's activities have focused on new bridge loan originations, discounted payoff financing, third-party debt acquisition financing and acquisition/renovation loans. The company also is active in large loan-portfolio acquisitions and asset management activities, the latest of which involved the purchase of a Colorado portfolio of 97 acquisition, development and construction (ADC) loans as part of an FDIC-structured sale.

Hudson Realty Capital has also funded a \$5.65 million DPO loan for a 14,000 s/f mixed-use loft building in Manhattan. The sponsor is utilizing the proceeds to refinance and renovate the five-story building located in the heart of the city's Tribeca neighborhood.

"This loan exemplifies a prevailing need for rescue capital among borrowers seeking to purchase their own debt back at a discount," said Garfield, who oversees the company's originations.

"Because Hudson offers speed and surety of execution, the borrower was able to obtain an exceptional price on his debt. As a result, Hudson financed 100% of the cost while maintaining a low loan-to-value."

Built in 1880, the historic wood-frame, brick-façade building on Washington St. is comprised of four floor-through residential units and 1,200 s/f of ground-floor retail space. Planned renovations include bathroom retrofits, sprinkler installations, exterior plantings and interior common area upgrades.

An opportunistic real estate investment company, Hudson continues to focus on middle-market investments generally in the \$2 million to \$35 million range per asset. The company's activities include originating, purchasing, participating in, servicing and restructuring special-situation debt. In addition, Hudson also invests directly in real estate and acquires under-performing assets and other real estate-related instruments.

Since the formation of its initial two funds in 2003, the company has closed more than \$3.5 billion in transactions and currently has more than \$2.5 billion of assets under management. Headquartered in New York City, Hudson maintains regional offices in Portland, Maine and Fort Myers, Florida.

Established as a Minority-Owned Business Enterprise (MBE), Hudson has been named among the New York Area's largest privately held companies and largest minority owned companies, as well as one of the Top 25 lenders nationally.

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