



Lisser of Johnson Capital arranges \$9.5 million loan for hotel; also places \$2.05 million financing for six units at Ten63

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Daniel Lisser, managing director in Johnson Capital's New York City office, and Better Commercial Mortgage, Inc. have jointly arranged \$9.5 million in financing for the 128-room Wyndham Garden Hotel in the Long Island City section of the borough.

The seven-story select-service hotel recently opened in May 2012. It is located at 44-29 9th St. and was developed by a local developer. Since opening, the hotel has performed very strongly, achieving market occupancy levels and room rates.

The debt, which is being used to refinance two existing land and bridge loans on the property, was provided by Hall Structured Finance, an entrepreneurial private direct lender. The interest-only debt has a three-year term and a floating interest rate.

Lisser said, "Due to the limited operating history of the property, our focus was on finding a lender who could understand the strength of the property and the market. In the end, we ended up with a lender that understood the market and the intrinsic value of the property, even with the limited operating history."

In another transaction, Lisser arranged \$2.05 million in financing for the three remaining residential units and the three commercial units at the Ten63 Condominium in the Long Island City neighborhood of the borough.

Located at 1063 Jackson Ave., the eight-story condominium building was developed in 2009 by two locally based development groups. It contains 41 residential units on floors two through eight with two retail units on the ground floor. Three of the residential units, as well as the two retail suites, remain unsold. The developers retained the last three residential units, which includes two penthouses. All of the retail units and residential units are leased.

The debt was provided by a local credit union with a fixed interest rate for a term of five years. A key feature of the loan was the ability to prepay the loan at any time without a prepayment penalty.

Lisser said, "Our focus on finding the right finance solution for our client led us to examine many capital scenarios. In the end, we ended up with a lender that had a great combination of proceeds, competitive interest rate and prepayment flexibility."

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