



Madison Realty Capital closes \$13 million loan

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Madison Realty Capital (MRC), an institutionally backed real estate private equity firm and asset manager focused on real estate equity and debt investments in the middle markets, has closed on a \$13 million loan that will be used to finance the acquisition and redevelopment of the landmarked Upper East Side townhouse located at 39 East 72nd St. By providing financing, MRC facilitated a closing within a limited time frame. The transaction will enable the borrower to reposition the 25-ft.-wide townhouse as a premier new residential development in order to capitalize on the highest and best use of the property.

"We have established a reputation for certainty of execution in time-sensitive deals, which helped us source and secure this great opportunity," said Josh Zegen, co-founder and managing member of MRC. "Our lending platform continues to identify quality middle-market deals in great locations, with experienced sponsors, helping us achieve our overall goal of strong risk-adjusted performance. This particular property has an interesting history, in addition to its stellar location and landmark status, and the borrower's business plan should add significant value."

The five-story townhouse at 39 East 72nd St. was constructed in 1881 by the architect and developer Robert Lynd as his personal residence. Formerly the home of fashion designer and heiress Gloria Vanderbilt, the townhouse is now occupied by a mix of commercial users, including two art galleries. Following the landmarks process, the borrower plans to convert the townhouse into luxury residential condominiums. The Upper East Side is a perennial favorite among condominium buyers, offering access to all of New York while maintaining a residential feel. Residential condominiums in the neighborhood are selling in excess of \$2,500 per s/f.

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