



## **Silver Arch Capital closes \$30.4 million loan for hotel purchase; Merchants Hospitality is borrower**

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Manhattan, NY Silver Arch Capital Partners has completed a \$30.4 million loan closing for the purchase of the Out Hotel in Midtown. The purchase will also herald the return of the Playboy Club on the hotel's grounds later this year.

The borrower, real estate management company Merchants Hospitality, Inc., has entered a partnership with hotel and restaurant branding company Cachet Hospitality Group to transform the 105-room, three-story Out Hotel located in Hell's Kitchen into the future Cachet Boutique New York hotel. Playboy Enterprises, Inc., in turn, has partnered with global hotel entity Cachet to construct a Playboy Club franchise location on the property's ground floor.

The property is located on West 42nd St. between 10th and 11th Aves. in the Theatre Row area.

Carlton Group chairman Howard Michaels and managing director Steven Weiss represented the borrower.

"We needed a lender who could think outside the box," said Weiss. "Jeffrey Wolfer, president and CEO of Silver Arch Capital Partners, was able to quickly underwrite the deal and deliver on a first mortgage bridge loan for the acquisition and renovation of the Cachet Hotel NYC and the iconic Playboy Club."

"We, along with our partners, are pleased to help Merchants Hospitality kick-start its latest real estate venture," said Jeffrey Wolfer. "Borrowers look to us when they can't secure conventional lending. Silver Arch Capital offers quick loan closings on real estate with unique circumstances that tend to cause traditional lenders to turn away."

Expected to launch in 2017, the Cachet Boutique New York will be a world-class destination for travelers. The hotel will feature guest rooms adorned with urban chic furnishings and art-deco decor. Amenities include wellness facilities, such as an open-air Zen garden and an outdoor spa and Jacuzzi. A central feature of the hotel, the Great Lawn, is a 2,000 s/f indoor-outdoor wine bar and meeting and event space, with fire pits. For on-site dining, the rustic Eden restaurant will provide breakfast, lunch and dinner.

The new Playboy Club is set to open more than 30 years after the original Playboy Club closed in 1986. This latest iteration will feature a lounge bar, full-service dining room, game room and retail

shop.

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