



Madison Realty Capital provides \$38 million loan for new Midtown Manhattan hotel development

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Manhattan, NY According to Madison Realty Capital, (MRC) it has closed a \$38 million loan collateralized by a new hotel development situated at 525 Eighth Ave., near the corner of West 36th St. in the Garment District neighborhood of Midtown.

The borrower, McSam Hotel Group led by developer Sam Chang, is currently constructing a 106,827 s/f, 28-story building on the site that will feature a 320-key Radisson hotel upon completion. The ground-up development is well underway with 20 stories already finished and the new MRC loan proceeds will be used to finalize construction on the building, which is expected to be delivered within the next 12 months. Additionally, the borrower has invested substantial cash equity into the project and structured a favorable 99-year ground lease on the site as part of the overall development.

This deal also represents the second recent transaction MRC has completed with Chang, having provided a \$16.5 million acquisition and construction financing package in February that was used for another hotel development located at 38-04 11th St. in Long Island City, Queens.

“Madison Realty Capital continues to finance transformational real estate projects with highly-regarded developers and this new hotel at 525 Eighth Ave. is another classic example,” said Josh Zegen, co-founder and managing principal of MRC. “We are confident this new hotel will be a standout property in Midtown when it’s finalized and we’re pleased to once again work with Chang, a repeat MRC borrower who understands our ability to execute efficiently and quickly deliver on funding needed to bring a project to completion.”

Chang is one of the country’s most active hospitality sector developers, owning and operating close to 100 hotels nationwide with multiple hotels currently under development in the NYC area. Upon delivery, the new Radisson Hotel at 525 Eighth Ave. will cater to both leisure and business travelers and offer guests top-of-the-line amenities and an excellent location within walking distance to Times Square, Penn Station, Madison Square Garden as well as an abundance of shopping and restaurants.

MRC is a New York-based real estate investment firm that pursues real estate equity and debt investments in the middle market. Founded in 2004, MRC has invested in \$8 billion of transactions in the multifamily, retail, office, industrial and hotel sectors.