



Shorewood Real Estate Group and Bridge Investment Group close on \$88m construction loan

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Queens, NY Shorewood Real Estate Group, in partnership with Bridge Investment Group, closed on an \$88 million loan to finance the construction of 1 Archer Ave. Apartments in the Jamaica neighborhood. The construction facility was provided by East West Bank and a syndicate of lenders to construct the first development financed with Opportunity Zone Capital from Bridge and Shorewood.

Shorewood's Opportunity Zone Fund was created shortly after the 2017 tax reform created Opportunity Zones, tracts of land across the United States that meet certain federal criteria to be considered "distressed communities." Investment in Opportunity Zones is encouraged—and rewarded with significant tax benefits. The intent was to incentivize investment in areas in need of revitalization.

The Archer Ave. site is within a Qualified Opportunity Zone. The full site, located at 160-05 Archer Ave., will be a 320,000 s/f mixed-use development that will include a 23-story building with ground floor retail, below grade parking, and 315 residential units. Under the Affordable Housing New York Program and in adherence to the Inclusionary Housing Program, 30% of the units will be reserved for affordable housing. Anticipated rents for those units will be well below market value. According to Shorewood CEO Lawrence Davis, the affordability component was a critical consideration to the overall project.

"We are committed to quality development that serves our investors, and also the communities in which we build," said Davis. "Jamaica, Queens has a rich history and unique character and our project is being developed to enhance the neighborhood." According to Davis, Opportunity Zones were designed to bring needed capital into communities just like Jamaica.

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