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Conway Capital secures $8.892 million loan from Urban Standard Capital; Gleitman of Mercury Capital assists

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Seth Weissman

Charles Brosens

Brooklyn, NY Conway Capital has closed on a $8.892 million acquisition loan from Urban Standard Capital (USC) to purchase four residential and mixed-use properties. Seth Weissman and Charles Brosens of USC delivered the financing and Mercury Capital's Eric Gleitman represented the buyer, Conway Capital. The 12-month loan included a six month extension option and interest rate under 9%.

228 Livingston Street - Brooklyn, NY

302 East 5th Street - Brooklyn, NY

710 DeGraw Street - Brooklyn, NY

74 First Place - Brooklyn, NY

Conway Capital, led by Abe Cohen, purchased the four properties for $11.5 million with plans to upgrade the residential units for luxury high end rental use. The portfolio consists of 14 residential units and two commercial spaces (one of which was vacant at closing). The properties include:

74 First Pl. in Carroll Gardens, a 5,324 s/f four-story building with five residential units;
228 Livingston St. in Boreum Hills, a 4,904 s/f four-story building with two residential units and two commercial stores;
710 DeGraw St. in Park Slope, a 3,938 s/f four-story building with four residential units; and
302 East 5th St. in Park Slope, a 2,772 s/f three-story building with three residential units.

“This was a very complex transaction,” said Brosens, a vice president at USC. “All the residential units were delivered vacant at closing or shortly after. As a result, the portfolio had no positive cash flow and we we didn’t have an interest reserve on our loan or any funds held back at closing for the construction work. From the time we received the term sheet, we closed in under 30 days.”

According to Brosens, the legal structure entailed four individual mortgages with separate release prices, separate ownership interests and tenants in common (TICs) for each property, “Our relationship and familiarity with the sponsor enabled us to be creative and structure a loan in a way a lot of other firms would not have been able to do,” Brosens said.