



MAG Partners secures \$173 million financing from Madison Realty Cap.

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Manhattan, NY MAG Partners has secured a \$173 million construction loan from Madison Realty Capital that will allow work to commence next month on a 479-unit rental residential building at 241 W. 28th St. in Chelsea. The project will be developed under the Affordable NY program with 30% of its units reserved for low- and middle-income New Yorkers. Architecture firm COOKFOX designed the building. The project is a joint venture between MAG Partners, Safanad, Atalaya Capital Management and Qualitas, one of the biggest asset managers in Australia.

The construction financing was arranged by Adi Chugh of Maverick Commercial Properties. Jeff Rosen from MAG Partners represented ownership. The financing supports construction throughout the estimated 30-month construction period.

MAG Partners acquired the site in December 2018 via a 99-year ground-lease with Edison Properties. The development is expected to be complete in late 2022.

“As true believers in the future of New York City, we are thrilled to be able to begin construction on this innovative project that will bring mixed-income housing and hundreds of jobs at a critical time for the city,” said MaryAnne Gilmartin, founder and CEO of MAG Partners. “This is an incredibly desirable location as major tech companies continue to sign big leases within walking distance, and we expect to see very strong long-term demand for this property when it opens in 2022.”

Andrew Trickett, head of investments at Safanad, said, “We are excited to have the opportunity to be a part of this partnership group, led by one of New York’s most respected developers, MaryAnne Gilmartin. With our entry in this transaction concurrent with the closing of this loan, we are now poised to deliver a market leading asset in an irreplaceable location in a city that we believe will come back stronger than ever in the coming years.”

“We are very excited to have closed this \$173 million loan at a relatively low loan-to-cost with such an esteemed sponsorship group led by MaryAnne Gilmartin of MAG Partners as well as Atalaya and Qualitas,” said Josh Zegen, co-founder and managing principal of Madison. “This marquee 480-unit multifamily rental building, located within a few blocks of Hudson Yards and other prominent tech tenant expansions on the west side, will be one of the only new multifamily rental projects built in Manhattan in the next few years. We were pleased to fill a void which would customarily be financed

by conventional banks, and provide our flexibility, certainty, and conviction.”

Mark Fischer, global head of real estate at Qualitas said, “As a firm we continue to believe in the future of cities as places where the world’s most talented and creative minds congregate - we expect New York City to continue to lead the way on that front and the Chelsea neighbourhood to strengthen its attributes as a highly desirable place to live, work and play. We are excited to commence building this project.”

“Maverick CP was excited and honored to take on the assignment of advising on the financing of this marquis project with top class sponsorship in the most challenging financing market in the history of the world. However, the old adage held up and we knew that there is always opportunity in adversity. The sponsorships vision, their capital commitment to the deal, the lender’s resilience, and ability to be creative and constructive allowed all of us to see the financing come to fruition,” said Adi Chung, Managing Partner of Maverick Commercial Properties.

It was previously announced that MAG Partners had selected Rick Cook and COOKFOX, a firm that is the best and most prolific team for innovative contextual and sustainable development in New York, to design the building. The MAG Partners team previously worked with COOKFOX on 550 Vanderbilt and 535 Carlton in the Pacific Park development in Brooklyn.