



FM Capital secures \$50 million construction loan for 50 Sussex Ave. in Newark, NJ

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Newark, NJ FM Capital, a New York City-based commercial real estate firm specializing in loan originations and direct lending, has secured a \$49,908,489 construction loan in support of 50 Sussex Ave. in the University Heights district.

The 15-story, 203-unit rental property, scheduled for completion in mid-2024, is being developed by Tona Construction and Management. The development's ground floor will include 2,000 s/f of commercial space.

The FM Capital brokers in the transaction were executive vice president Josh Pollack, vice president Avi Eyal and vice president David Wenger.

With a 24-month term, the transaction carries a 75% loan-to-cost ratio including the property's imputed land value -- and amounting to 80% of actual costs.

To mitigate risk and meet the borrower's requirements, FM Capital leveraged a combination of three lenders: Valley National, Bank Leumi Le-Israel, and Be-Aviv.

The project is the first New Jersey development for Tona Construction and Management, which has a substantial portfolio of building projects in Brooklyn and Florida.

"This property is a perfect illustration of the revitalization now underway in Newark's central core," said Eyal. "FM Capital leveraged our keen understanding of the real estate finance marketplace to deliver a competitive loan for this outstanding project."

According to Pollack, Tona Construction and Management used its own funds to pour twelve floors of concrete before the loan closed.

The building, which stands in close proximity to NJIT, Rutgers and Saint Michael's Hospital, is designed by INOA Architecture of New York City.

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