



Lionheart Strategic Management, Citigroup and Bank of Montreal provide \$375 million in funding for acquisition of an office complex

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Jersey City, NJ Lionheart Strategic Management LLC (Lionheart), an affiliate of Fisher Brothers that manages capital on behalf of third-party investors, has provided \$150 million in financing on behalf of an institutional investor to 601W Companies for its acquisition, renovation, and lease-up, of Harborside 1-3, an office complex located on the waterfront. Lionheart's financing included a senior mortgage loan, a mezzanine loan and a preferred equity tranche. The acquisition is also being partially financed by a senior loan jointly provided by Citigroup and Bank of Montreal that is secured by a portion of the portfolio.

The acquisition includes the 100% vacant, but recently renovated, Harborside 1 office tower, and the 81% leased Harborside 2-3 that is home to long tenured tenants with significant remaining weighted average lease term. All three buildings interconnect and total more than two million s/f of commercial space. Veris Residential (formerly Mack-Cali Realty) was the seller. 601W Companies

plans to lease-up vacant space in part by enhancing and activating Harborside's common areas and to develop high-quality amenities throughout the properties, including a fitness center, a lounge with a rooftop deck, and a conference center. The project will also include a waterfront experience, anchored by 90,000 s/f of retail space at the Property.

"Jersey City is the fastest growing city in the state of New Jersey, with a thriving residential market, exceptional mass transit access, and an unparalleled view of the Manhattan skyline and Hudson Waterfront," said Sang Kim, vice president at Lionheart Strategic Management. "Post-renovations, Harborside will epitomize the office product that remains in vogue with end users despite the turbulence that the COVID-19 pandemic unleashed on the office market.' With its large floor plates (up to 120,000 s/f), high ceilings (13'), and oversized windows, Harborside 1-3 will surely be the best-in-class office product in a dynamic growth area, especially considering its spectacular planned amenities, adjacency to mass transit and unparalleled views of the NYC skyline."

"This transaction is a great proxy for our approach at Lionheart, which is to tailor bespoke capital solutions to fit unique business plans," said Andy Klein, managing director and co-head of investments at Lionheart Strategic Management. "Our flexibility and proactive approach allowed us to provide multiple tranches of capital in a highly complicated and structured transaction. We're thrilled to once again transact with 601W as well as Citibank/BMO and eagerly await the finished product."

Lionheart has overseen \$1 billion in investor commitments for various real estate credit strategies in markets around the world and deployed more than \$750 million of capital throughout the firm's tenure. Recently, Lionheart provided a \$67.6 million investment to 601W Companies for the redevelopment of 801 South Canal St., an office building in the Southwest Loop neighborhood of Chicago.

Klein and Kim led the transaction for Lionheart Strategic Management. Meridian Capital Group brokered the senior debt on behalf of the borrower.

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