



Black Bear Capital Partners arranges \$58 million refinancing for 503-511 Broadway

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Manhattan, NY Black Bear Capital Partners (BBCP), a subsidiary of Black Bear Asset Management (BBAM), has arranged \$58 million in financing on behalf of HSR Corp. for the refinance of a class-A, office building with ground-floor retail.

The \$58 million loan, provided by Morgan Stanley, featured a five-year fixed-rate loan on a full-term interest-only basis.

Located in the SoHo neighborhood, 503-511 Broadway is situated on the west side of Broadway between Spring and Broome Sts. The subject property consists of the commercial condo portion, which is a five-story office building with ground-floor retail. The property's space includes 111,164 s/f of office space and 10,000 s/f of ground-floor retail with the remainder being made up of storage space. Constructed in the early 1900s and acquired by HSR Corp. in 1982, the property also features 125 feet of street frontage along both Broadway and Mercer Sts. and offers flexible 25,000 s/f floor plates for tenants.

503-511 Broadway is 100% leased to an investment-quality tenant base including PacSun, Away Travel, and Bath & Body Works with majority of the leases extended through 2027 and a weighted average lease term (WALT) of 4.5 years. The retail condo portion of the building, which is not part of the collateral, was sold to Inditex in 2015 for a record sale of \$280 million. The international fashion corporation, which is the parent company of Zara, paid \$20,588 per s/f for the 13,600 s/f ground floor as well as an additional 27,588 s/f across the second floor and cellar.

COO and managing partner Bryan Manz, senior managing partner Emil DePasquale and associate George Pektor of BBCP arranged the financing package.

“We are proud to have been a part of financing this historic property in SoHo,” Manz said. “The lender was able to provide attractive financing with minimal structure that stood out in today’s volatile market.” He added that BBCP was able to utilize the longstanding reputation of the sponsor, and the high quality of this asset, to achieve a favorable and flexible structure that is consistent, yet reflective of the borrower’s business plans. “The lender provided tremendous execution.”

“The subject property has proven its resiliency in the wake of the COVID-19 pandemic and has emerged in a triumphant position,” DePasquale said. “As long-term owners, the sponsorship has done an incredible job in operating and managing the asset since their acquisition in 1982.”

BBAM/BBCP, which services transactions across all property types, closed numerous complex refinance packages in excess of \$1 billion in 2022 despite challenging market conditions. The firm, which has offices in New York, New Jersey, Chicago and most recently Boca Raton and Tampa, Fla., continues to expand its national platform and market penetration.

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