



BEB, Totem, Ofer Cohen and SK Development secure financing for 193,000 s/f housing development

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Brooklyn, NY The partnership team of BEB Capital (BEB), Totem, Ofer Cohen, and SK Development, have secured financing for a 193,000 s/f, 14-story, 187-unit mixed-income housing and retail development in Sunset Park. Canyon Partners Real Estate LLC and J.P. Morgan co-originated the \$96 million construction financing. Tribeca Investment Group arranged the \$25 million investment. Walker & Dunlop secured the financing on behalf of the ownership team.

Upon completion, 737 4th Ave. will deliver 187 residential units to the Sunset Park neighborhood, comprised of a mix of one-bedroom, two-bedroom, and three-bedroom residences. A total of 46 units will be permanently affordable at an average of 48% of area median income (AMI), one of the lowest AMI averages achieved in the last five years in Brooklyn.

Beyond new housing, the development includes a Community Benefits Agreement (CBA) signed with area community-based organizations including Fifth Avenue Committee (FAC). This agreement will ensure lasting benefits for the neighborhood, such as local jobs, M/WBE contracting, and green infrastructure improvements.

In addition, 737 4th Ave. will include 6,200 s/f of ground-floor retail space, with an executed lease to former tenant Dunkin Donuts for 1,275 s/f. The building will feature amenity spaces, including a fitness center, game and media lounge, co-working lounge, private dining and entertainment areas, tenant storage, and a roof garden with views of Brooklyn and New York Harbor.

Construction on the approximately \$143 million project is slated for completion in fall 2025.

The Walker & Dunlop New York Capital Markets team led by Aaron Appel, Jonathan Schwartz, Adam Schwartz, Keith Kurland, and Michael Ianno acted as the exclusive advisor and secured the financing on behalf of the ownership team.

“We’re thrilled to be partnering with Totem and SK Development to deliver Brooklyn’s latest multifamily project,” said Lee Brodsky, CEO of BEB Capital. “737 4th Ave. presents a blend of state-of-the-art, mixed-income residences, retail offerings, and infrastructure benefits to the Sunset Park community and beyond.”

737 4th Ave. will participate in the 421-a program known as Affordable New York and will benefit from a 35-year tax abatement. The development is located in an Opportunity Zone within Brooklyn’s “enhanced affordability area,” allowing the ownership team to leverage the maximum abatement and enable the most affordable units to be created.

“This project is a reflection of our commitment to community-driven development, and we are proud of our work with local organizations to help secure a myriad of benefits for the neighborhood during the entitlement process,” said Vivian Liao, principal of Totem. “We have specifically designed 737 4th Ave. to increase affordable housing at one of the lowest AMI averages in years and to create jobs and infrastructure benefits for Sunset Park.”

“At a time when New York City is facing the lowest vacancy rate of housing since 1968, I am proud to contribute to the creation of much needed housing units in this area of Brooklyn,” said Ofer Cohen. “I am fortunate to have worked with the BEB Capital, Totem, and SK Development teams to get to this point and thrilled that the project we started over six years ago is finally getting built.”

“It has been a true pleasure working with BEB Capital, Ofer Cohen, and Totem to bring this project to life. We are also extremely excited to be working on another deal with the teams from Canyon and J.P. Morgan,” said Scott Shnay, principal of SK Development. “Our mutual commitment to address New York’s need for more affordable housing is exemplified by 737 4th Ave., offering a best-in-class housing solution to the Sunset Park community.”

“We’re excited to participate in what promises to be a successful project,” said Jonathan Etzion, partner at Tribeca Investment Group. “737 4th underscores our commitment to working with excellent partners on thoughtful and complex developments that make a meaningful impact in their communities.”

“FAC is incredibly excited that the development team has secured the financing needed to construct 737 4th Ave., bringing 187 units of housing, including 46 units of much-needed affordable housing, and other amenities to Sunset Park. As part of the land use approval process in 2021, the development team signed a Community Benefits Agreement (CBA) with FAC and three other non-profits serving the local community committing to make the 46 units of permanently affordable housing more deeply affordable – in addition to committing to local hiring and sustainability features. The CBA also includes a commitment to set aside space within the building to facilitate future ADA

elevator access by the MTA at the 25th St. 'R' train and for publicly accessible bike parking, with local bicycle delivery people having preference for spaces," said Michelle de la Uz, executive director of Fifth Avenue Committee. "Totem and their partners' commitment to working with the community and making this project a reality, especially in this interest rate environment, is greatly appreciated and will help to address the city's housing crisis."

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