

NEWS RELEASE

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Media inquiries, contact
Great Ink Communications: (212) 741-2977
Tom Nolan – tom@greatink.com
Eric Waters – eric.waters@greatink.com

MADISON REALTY CAPITAL PROVIDES \$53.50 MILLION ACQUISITION AND CONSTRUCTION FINANCING FOR 208 DELANCEY STREET DEVELOPMENT SITE ON LOWER EAST SIDE

Local Developer and Repeat MRC Borrower to Build Condominium with Community Facility in Emerging NYC Residential Submarket, Neighboring Expansive Essex Crossing Development

January 4, 2018 – New York, NY – Madison Realty Capital (MRC) provided a \$53.50 million acquisition and construction financing package collateralized by a partially-constructed mixed-use development at 208 Delancey Street on the Lower East Side of Manhattan. The borrower, New Empire Real Estate Development, a local developer and management firm that has previously closed similar transactions with MRC, plans to construct an approved 69-unit residential condominium building that will total approximately 85,000 square feet upon completion with an additional 10,201-square-foot community facility on the site.

MRC funded an initial \$15.00 million at closing to the borrower and has committed to fund an additional \$38.50 million to complete construction of the project. The \$53.50 million financing package MRC is providing represents approximately 70% of the total project cost.

The property, located on the corner of Delancey Street and Pitt Street, includes a gross area of 84,579 square feet and a net sellable area of 62,529 square feet. The seller began construction on the site in 2011 and completed excavation, foundation, and superstructure work through the fourth floor, but received a stop work order midway through the project. With the new MRC financing in place, the purchaser was able to acquire the distressed property and intends to demolish the existing structure, repair any structural deficiencies and begin work on the revised new building plans.

“MRC is excited to be a part of this project given the neighborhood’s strong fundamentals and lack of new residential construction at a more affordable price point,”

NEWS RELEASE

said Josh Zegen, Co-Founder and Managing Principal of MRC. “In addition, there is significant development activity that will continue to enhance the area including the adjacent Essex Crossing development that is expected to bring over 1.9 million square feet of new residential, commercial, and community space to the Lower East Side when completed.”

About Madison Realty Capital (MRC)

MRC is a New York-based real estate investment firm that pursues real estate equity and debt investments in the middle market. Founded in 2004, MRC has invested in approximately \$7.0 billion of transactions in the multifamily, retail, office, industrial and hotel sectors.