

NEWS RELEASE

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**MADISON REALTY CAPITAL PROVIDES \$38.0 MILLION LOAN FOR NEW
MIDTOWN MANHATTAN HOTEL DEVELOPMENT AT 525 EIGHTH AVENUE**

***Loan to finalize construction of new 28-story hotel in the Garment District for leading
hotelier and repeat MRC borrower Sam Chang***

July 23, 2018 – New York, NY – Madison Realty Capital (MRC) announced the closing of a \$38.0 million loan collateralized by a new hotel development situated at 525 Eighth Avenue, near the corner of West 36th Street in the Garment District neighborhood of Midtown Manhattan.

The borrower, McSam Hotel Group led by prominent New York developer Sam Chang, is currently constructing a 106,827-square-foot, 28-story building on the site that will feature a 320-key Radisson hotel upon completion. The ground-up development is well underway with 20 stories already finished and the new MRC loan proceeds will be used to finalize construction on the building, which is expected to be delivered within the next 12 months. Additionally, the borrower has invested substantial cash equity into the project and structured a favorable 99-year ground lease on the site as part of the overall development.

This deal also represents the second recent transaction Madison Realty Capital (MRC) has completed with Sam Chang, having provided a \$16.50 million acquisition and construction financing package in February 2018 that was used for another hotel development located at 38-04 11th Street in Long Island City, Queens.

“Madison Realty Capital continues to finance transformational real estate projects with highly-regarded developers and this new hotel at 525 Eighth Avenue is another classic example,” said Josh Zegen, Co-Founder and Managing Principal of MRC. “We are confident this new hotel will be a standout property in Midtown when it’s finalized and we’re pleased to once again work with Sam Chang, a repeat MRC borrower who understands our ability to execute efficiently and quickly deliver on funding needed to bring a project to completion.”



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Sam Chang is one of the country's most active hospitality sector developers, owning and operating close to 100 hotels nationwide with multiple hotels currently under development in the New York City area. Upon delivery, the new Radisson Hotel at 525 Eighth Avenue will cater to both leisure and business travelers and offer guests top-of-the-line amenities and an excellent location within walking distance to Times Square, Penn Station, Madison Square Garden as well as an abundance of shopping and restaurants.

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 \$8.0 billion of transactions in the multifamily, retail, office, industrial and hotel sectors.