MADISON REALTY CAPITAL

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MADISON REALTY CAPITAL PROVIDES $48 MILLION FIRST MORTGAGE LOAN FOR OFFICE DEVELOPMENT IN MANHATTAN'S EAST VILLAGE
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*Senior loan is part of a $79.1 million financing that fully capitalizes
a 10-story boutique mixed-use office development at 3 St. Mark's Place*

November 14, 2019 – New York, NY – Madison Realty Capital has provided a $48.0 million senior loan for the funding of a $79.1 million financing package for the development of a mixed-use office project at 3 St. Mark's Place in Manhattan's East Village neighborhood.

Hana Financial Group, a leading South Korean financial services company, provided Real Estate Equities Corporation (REEC), an experienced local developer with an additional $31.1 million of mezzanine financing to fully capitalize the project.

"Hana approached us to provide the first mortgage loan on this financing package in order to leverage our strong construction lending program and market expertise," said Josh Zegen, co-founder and managing principal of MRC. "Our intimate knowledge of the national lending landscape allows us to partner with global financial institutions deploying capital into the US. We provide our expertise in complex structuring, due diligence and quick execution, in addition to on-going servicing and asset management."

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REEC's development plans call for a 10-story, 68,224-square-foot modern boutique office building with eight floors of office space, a fitness center, roof deck, and 7,886 square feet of retail. REEC entered into a 99-year ground lease for the property in 2017.

"We are very familiar with this sponsor given their excellent reputation and successful execution of similar boutique mixed-use projects in Manhattan," Zegen added. "We are pleased to be financing this high-quality office property and that we were able to close in a timely manner to meet the needs of the borrower."

The property is well-located at the corner of St. Mark's Place and 3rd Avenue in a section of Manhattan's East Village that has seen significant growth in demand for quality office space from a mix of tech, finance, law, and family office tenants in recent years.

The site is adjacent to 51 Astor Place, a 400,000-square-foot office and retail asset developed by Minskoff Equities that is home to anchor tenants IBM Watson and St. John's University, in addition to a strong retail roster that includes Shake Shack, Flywheel, Bluestone Lane and Orange Theory. The property is within walking distance to New York University, Washington Square Park and the R, W, 6 and L subway trains.

"This a prime location for both tech tenants seeking a full-building identity and boutique financial services firms in search of well amenitized, Class-A product outside of Midtown but proximate to transit," Zegen added. "We're excited by the increased demand for this type of product and are confident that the asset is well-positioned to capitalize on the continued growth of this submarket."

About Madison Realty Capital
Madison Realty Capital (MRC) is a New York City-based real estate private equity firm focused on debt and equity investment strategies. Founded in 2004, MRC has closed on approximately $11 billion of transactions in the multifamily, retail, office, industrial and hotel sectors. The firm manages investments in the United States on behalf of a global investor base. MRC is a fully integrated firm with over 60 employees across all real estate investment, development, and property management disciplines. Among other industry recognitions, MRC has been named to the Commercial Observer's prestigious "Power 100" list of New York City real estate players and is consistently cited as one of the industry's top construction lenders.