

NEWS RELEASE

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FOR IMMEDIATE RELEASE

**MADISON REALTY CAPITAL PROVIDES \$23.3 MM ACQUISITION LOAN
FOR HIGH-PROFILE SOHO MIXED-USE DEVELOPMENT SITE**

*Borrower Assembles Site Through Distressed and Traditional Acquisitions,
Plans Residential Condominiums With Prime Retail Space at Street Level*

June 15, 2017 – New York, NY – Madison Realty Capital (MRC), an institutionally-backed real estate investment firm focused on real estate equity and debt investments in the middle markets, provided a \$23.3 million first mortgage acquisition loan collateralized by a prime mixed-use development site located at 182-188 Spring Street in SoHo. The borrower acquired 182-186 Spring Street through a bankruptcy auction, and closed simultaneously on the adjacent townhouse located at 188 Spring Street, including its air rights. The total consideration for the acquisitions is \$31.565 million.

“We’re seeing an uptick in distress-related financing opportunities that engage the full flexibility and creativity of the MRC platform. In this case, we completed a time sensitive financing transaction to facilitate a complex acquisition that combined a bankruptcy auction purchase with a non-distressed acquisition to create an irreplaceable assemblage,” said Josh Zegen, Co-Founder and Managing Principal of MRC. “The deal was presented to MRC because of our successful existing relationship the borrower, and their recent experience with our rapid underwriting and execution capability – we closed a \$52 million construction loan for them in 2016. We believe this is an incredibly well-located assemblage with great prospects for successful redevelopment into luxury condominiums and class A retail.”

The borrower plans to build high-end residential units above ground-floor retail space on the assemblage, in a development totaling approximately 37,278 gross square feet. This property, in the highly desirable SoHo neighborhood, is situated in a market with little to no developable land, very limited condo inventory, and limited new retail boxes. The site is located on the corner of Spring Street and Thompson Street, near several renowned restaurants, high-end retail stores, and subways.



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Existing structures at 182 Spring Street are substantially demolished, and demolition is already complete at 186 Spring Street. 188 Spring Street currently includes a vacant four-story, 2,239 SF, single family townhouse, which is also expected to be demolished.

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 \$6.0 billion of transactions in the multifamily, retail, office, industrial and hotel sectors.