



CBRE Capital Markets secure \$21.3 million financing for Cromwell Square

April 14, 2017 - Financial Digest

Cromwell, CT CBRE Capital Markets' Debt & Structured Finance team has secured \$21.3 million in bridge financing for Cromwell Sq., a 218,000 s/f community shopping center anchored by a 100,000 s/f K-Mart.

Mark Fisher and Alex Furnary of CBRE's Midtown Manhattan office, and Michael Riccio of CBRE's Hartford office, facilitated the loan on behalf of the borrower, Greenwich-based developer/owner/operator, HB Nitkin.

The sub-five percent, 10-year fixed rate bridge loan, with two years of interest-only and a 25-year amortization schedule thereafter, will fund as construction progresses. The loan will be used to replace an existing \$12.1 million loan and provide additional funds for the buy-out of an existing KMart lease and the associated costs of replacing it with a 65,000 s/f ShopRite grocery store and other future tenants. The redevelopment is anticipated to take 18 months and substantially increase the property's net operating income.

"This is a 70% LTV loan that also facilitates the buy-out, lease-up, tenant finish and carrying costs of this center's redevelopment. The bridge and long term permanent loan combination will save the client additional transactional fees and eliminate the risk of potentially rising interest rates in the future," said Fisher.

"We consider this deal to be the 'best of all worlds'," said Craig Way, vice president of leasing and acquisitions, who is running this redevelopment for Nitkin. "It's a bridge loan, construction loan and permanent loan all rolled into one."

The subject is located at 51 Shunpike Rd., west of Rte. 9 and 1.5 miles east of I-91 on the northwest corner of Shunpike Rd. and Rte. 372 (Berlin Rd./West St.).

X-Pect left its 33,000 s/f space contiguous with Kmart. Seizing an opportunity to redevelop the entire center, Nitkin bought out K-Mart's 100,000 s/f below market rent lease and replaced it with ShopRite. Nitkin is currently negotiating two other junior anchor leases which will account for the majority of the vacated space.

The HB Nitkin Group, headquartered in Greenwich, Connecticut, is a privately-owned real estate investment company specializing in the ownership, development, acquisition, and financing of institutional quality properties.

CBRE Group, Inc., a Fortune 500 and S&P 500 company headquartered in Los Angeles, is the world's largest commercial real estate services and investment firm (based on 2016 revenue). The company has more than 75,000 employees (excluding affiliates), and serves real estate investors and occupiers through approximately 450 offices (excluding affiliates) worldwide. CBRE offers a broad range of integrated services, including facilities, transaction and project management; property management; investment management; appraisal and valuation; property leasing; strategic consulting; property sales; mortgage services and development services.