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Beech Street Capital provides \$17.8 million to acquire Chestnut Place Apartments

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Beech Street Capital, LLC has provided a \$17.8 million Fannie Mae conventional loan to acquire Chestnut Place Apartments, a six-building, three-story, garden-style apartment complex totaling 207 units. The transaction was originated by Mike Edelman, senior vice president of Beech Street.

The transaction illustrates Beech Street's ability to respond rapidly in dynamic situations. When the original borrower dropped out, Beech Street continued to follow the bidding and approached the ultimate buyer with a winning proposition. The buyer had received a discounted price on the property, but in return was obligated to close the deal by year's end, just four weeks later. Because it had already completed a substantial portion of the documentation, Beech Street was in a position to help the borrower meet this requirement. "We added value to the process because we are persistent and work quickly," said Edelman. "We were able to save the borrower a substantial sum on the deal."

Chestnut Place is located in the Boston MSA, an apartment market with an overall vacancy of 4.3% and rent growth of 6.6% during the second quarter of 2011.

The fixed-rate loan has a 10-year term, 9.5 years of yield maintenance, and an initial 2.5-year interest-only period followed by a 30-year amortization schedule on an actual/360 basis.

Chestnut Place was built in 1970 and has been well maintained and frequently updated.

Over the last year alone, property improvements have included new roofs, parking lot overlay, landscaping upgrades, new entrance doors and telephone entry systems. Common area renovations included painting, carpeting and lighting, as well as separate water metering of each building, resulting in cost savings.

Beech Street is a mortgage banking company engaged in originating, underwriting, closing, and servicing high-quality multifamily mortgage loans for existing and proposed apartment buildings and manufactured home communities throughout the U.S. Beech Street is a Fannie Mae DUS lender, a Freddie Mac Program Plus Seller Servicer, and an FHA MAP and LEAN lender.

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