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Cornerstone Realty Consultants arranges \$19 million financing

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Cornerstone Realty Consultants arranged a \$19 million loan for its client allowing for the acquisition of a 265 unit multifamily portfolio. The five property portfolio includes 216 units in Malden and 49 units in neighboring Medford. The buyer, Hillside Urban Properties LLC, took advantage of a rare opportunity to acquire a portfolio of assets that would immediately provide economies of scale associated with operating a large number of apartment units in a single geography. This was critical as the majority of the buyer's existing portfolio lies within Boston.

The portfolio was nearly 100% occupied at the time of acquisition providing a stabilized group of assets which offer further upside to the new owner via programmatic rental increases and planned unit renovations.

Cornerstone was able to provide its client a 10 year fixed rate with an 81% loan-to-value. Paul Natalizio, principal of Cornerstone, said, "The strength of the borrower and lender appetite for multifamily assets brought a lot of lenders into the mix including banks, insurance companies, and the GSE's. That lender competition helped us exceed our client's expectations and deliver the rate and terms he was looking for on this large acquisition."

Cornerstone has also arranged a \$1.545 million loan for its client allowing for the acquisition of 6 apartments located at 304 Newbury St. The four story plus basement brick building features retail units on the basement and first floor levels with six onebedroom apartments on the upper levels.

The residential units were 100% occupied at the time of acquisition which was unique in its structure.

The retail and apartment units were owned by the seller as a commercial/residential building, however, the buyers worked with the seller to create a condominium just prior to closing so that one buyer could acquire the retail units and the other could acquire the residential units. An entity owned by Boston Real Estate Collaborative (BREC), known as 304 Newbury Street Residential LLC acquired the residential units and Linear Retail acquired the retail units via a separate transaction.

The property's location on Boston's famed Newbury St. makes this asset not only a sought after investment, but also a sought after residence for local tenants as it provides access to all of Boston's business districts and the vast retail and entertainment amenities in the area. BREC plans to renovate much of the residential portion of the building upon the expiration of the existing tenant leases which will further enhance the assets value.

BREC, who was seeking additional proceeds as part of their loan package to fund the renovation work they have planned at the property, turned to Cornerstone to help them secure the financing for this unique acquisition. Cornerstone Vice President Brett Pagani shared that, "any challenges lenders saw with the unique acquisition structure were mitigated by the property's location, and the strength and experience of Boston Real Estate Collaborative." Having never previously

worked with Cornerstone, Brent Berc of BREC commented that, "after helping some of our business associates with a rather complex financing we were confident Cornerstone could deliver the structure and product that they did to help make 304 Newbury Street a successful addition to our portfolio."

Cornerstone specializes in structuring and sourcing innovative financing for all property types. In addition, Cornerstone provides 1031 exchange consulting and acquisition services. To learn more about Cornerstone Realty Consultants please call us at 781.438.1301 or email us at brett@cornerstonerc.com.

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