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Sykes of Beech Street Capital, LLC closes \$9.5 million loan for Marion Square

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Beech Street Capital, LLC closed a \$9.5 million FHA 223(f) loan to refinance Marion Sq., a 44-unit multifamily complex. Nordblom Company, the borrower has long been associated with the two standalone buildings that comprise the property. Nordblom built the first in 2003 after purchasing the land from a related entity, while it bought the other, originally built in 1913, more than 40 years ago and rehabilitated it during the late 1990s. Brian Sykes, senior vice president of originations in Beech Street's Boston office, originated the transaction.

Nordblom has been developing and managing office, retail, and multifamily real estate in the Boston area since 1924. Because Nordblom's objective was to hold this asset well into the foreseeable future, it wanted to lock in a low interest rate for as long as possible. Beech Street proposed the FHA 223(f) program, a new option for the company. As this was Nordblom's first HUD experience, the Beech Street team made sure that by the time the deal was under application, Nordblom was very comfortable with the process.

"For the right borrower, the 223(f) program is ideal," said Sykes. "This was certainly the case for Nordblom." Thanks to Beech Street's expertise, HUD's Boston office issued a commitment letter in less than four months—and Nordblom locked in a 35-year very attractive rate.

"We were extremely happy with the outcome," said J. Daniel Bowen, senior vice president and director of capital markets for Nordblom. "Beech St. proved to be an able and knowledgeable partner, familiar with the intricacies of HUD finance and focused on moving the deal forward as expeditiously as possible."

The Marion Sq. apartments feature hardwood flooring, and many have marble flooring in the bathrooms. The six penthouses have ultra-high-end finishes including bamboo flooring and soapstone countertops.

The fixed-rate loan has a 35-year term with a 35-year amortization schedule.

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