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Harrington of HKS Capital Partners negotiates \$24.6 million construction loan

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HKS Capital Partners, a leading commercial real estate finance and advisory firm, has negotiated a \$24.6 million ground-up construction loan for a large three story multi-residential complex featuring 165 units. The 132,348 s/f proposed development site - to be called Barnbeck Place Apartments - is located next to premier health facility, medical offices and other amenities.

The 24-month loan rate is below 3% (250 over the one month LIBOR with no floor.) The loan amount was at 80% loan to cost, with the remaining 20% equity portion primarily coming from the borrowers appreciated land value - a very uncommon occurrence, especially outside the New York City area, according to HKS CAPITAL Partners co-founder John Harrington who negotiated the transaction.

"Our clients are highly experienced and sophisticated developers and property managers whose organization has been in operation for over 50 years, with completed projects in prominent locations throughout Connecticut and New York," added Harrington.

He said the lender considered the appreciated land value of the borrower's original acquisition made on this property in the early 1980's. "The borrowers own and operate over a thousand rental units in this market and they understand the local economy and rental market," said Harrington. "They feel that this specific project would be a perfect fit for the general location and the related amenities and services that have recently been developed on the adjacent lots." "This was a long awaited project that was well planned, and was mobilized because the right loan was structured."

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