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Worth Avenue Capital closes \$3.5 million line of credit to a CRE dev. group

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Hartford, CT Worth Avenue Capital, LLC (WAC) closed a \$3.5 million line of credit to a CRE development group. The purpose of the loan is to provide construction financing on a bridge basis to enable the borrower to continue the construction and development of a CRE project with class A tenants on a sixteen acre parcel of land in Fairfield County. One of the members of this development group is a repeat borrower of WAC.

The borrower recently purchased this parcel of land with the assistance of conventional bank financing and has obtained the necessary approvals from the municipality to construct a multi-tenant commercial development that includes CVS, Chick-Fil-A, T-Mobile, Panera Bread, Mission Barbecue, Cafe Nero, Texas Roadhouse, and several others.

The developer is also “spinning off” a small portion of the land and has that piece under contract for sale to a Marriott franchisee who will construct a new Marriott hotel on that particular site.

The loan is secured by a second mortgage on the sixteen acre parcel with an underlying LTV of approximately 46%. Upon the sale of the piece to the Marriott franchisee, the LTV on this loan will be reduced to approximately 30%. The loan was funded by WAC as part of a syndication through a cadre of WAC’s private investors.

The borrower is in the process of finalizing permanent construction financing on this project from a commercial bank and will pay off WAC’s loan in full within six months or so upon closing on the conventional bank financing.

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