



nerej

Cain International and Madison Realty Capital arrange financing to develop the Raffles Back Bay

August 09, 2019 - Financial Digest

Boston, MA Cain International and Madison Realty Capital (MRC) complete financing to develop the Raffles Boston Back Bay Hotel & Residences at 40 Trinity Place. Cain, which will provide the majority of the equity to develop this marquee property, has entered into a joint venture with Trinity Stuart LLC, a partnership between two entities: Hoteliers Gary and Jeffrey Saunders of Saunders Hotel Group and developer Jordan Warshaw of The Noannet Group. MRC will provide \$314 million in construction financing to the project which has a total capitalization of over \$400 million.

“We are thrilled to be entering the Boston market with such a premier hospitality brand and fantastic partners who have been long time contributors to the development of this great city,” said Jonathan Goldstein, CEO of Cain. “We look forward to bringing a best-in-class property to the Back Bay that seeks to not only meet but exceeds the expectations of today’s consumers.”

“This transaction offered MRC the opportunity to finance the construction of a marquee hospitality and residential asset with exceptional ownership and we are pleased to have delivered a solution tailored to the sponsor’s needs,” said Josh Zegen, co-founder and managing principal at MRC. “This also represents our first Boston deal and the fact that it’s a substantial loan for an irreplaceable, transformative property in the market is emblematic of our growing reputation as a national lender with the ability to underwrite large transactions and quickly deliver the necessary financing.”

The Raffles Boston Back Bay Hotel & Residences is the first announced Rafflesbranded hotel and residential property in the United States. Upon completion, the 33-story mixed-use project will consist of 147 hotel rooms and 146 residential units, as well as multiple amenities and dining options for guests and residences led by the renowned service offering of the Raffles brand

This equity investment builds on Cain International’s luxury hospitality portfolio in gateway cities across the U.S. In a series of transactions last year, Cain International made an equity investment in the Waldorf Astoria Beverly Hills, The Beverly Hilton Hotel and the adjacent land at 9900 Wilshire Boulevard to be developed under a single master plan designed by Lord Norman Foster. The firm has provided financing to advance the development of Aman Hotel & Residences in New York City’s historic Crown Building. Cain International’s other U.S. investments include a portfolio in Miami including the development of the luxury residence towers Missoni Baia and Una and a new office development at 830 Brickell. Cain International has also backed The St. James, a sports, wellness and active lifestyle business, which opened its first flagship location outside of Washington D.C. and has announced its second location outside of Chicago. Notably in 2018 the group divested its stake

in hotel group sbe Entertainment to Accor S.A., the parent company of Raffles.

The financing MRC is providing will retire the existing debt on the property. This transaction also comes on the heels of several substantial financing transactions Madison Realty Capital has closed, including a recent \$225 million construction loan on The Residences at Mandarin Oriental luxury condominium tower in Boca Raton, Florida. In total, MRC has closed over \$10 billion in nationwide transactions throughout the firm's history.

Riaz Cassum and Anthony Cutone of JLL (formerly HFF) arranged for both the equity and debt financing from Cain International and Madison Realty Capital.

New England Real Estate Journal - 17 Accord Park Drive #207, Norwell MA 02061 - (781) 878-4540