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Cornerstone Realty Capital arranges \$14.82m in financing - also handles \$6.955m financing for multifamily development

September 11, 2020 - Financial Digest



One of the Cambridge/Somerville portfolio properties

Cambridge, MA Cornerstone Realty Capital arranged \$14.82 million in financing for the refinance of a portfolio of apartment properties located throughout Cambridge and Somerville. The portfolio, comprised of 35 units spread across 8 buildings, has a unit mix of one ground floor commercial unit, five one-bedroom units, two two-bedroom units, 14 three-bedroom units, 11 four-bedroom units, and two five-bedroom units. The properties range in size from a three-family to an eleven-unit building. The property owners have implemented a capital improvement plan at each property to optimize floor plans and achieve market rents. These renovations included the improvement of the HVAC systems, the addition of modern white shaker cabinets and stainless-steel appliances in the kitchens, tiling the bathrooms and adding new combination tub/showers, and the refinishing of the hardwood flooring throughout the subject properties. The hands-on management style and routine improvements of the portfolio has resulted in the properties being consistently well-maintained with little to no deferred maintenance throughout. Because of this, the properties sustain at or near 100% occupancy while allowing for the property owner to incrementally raise rents along market trends.

Patrick Brady, vice president at Cornerstone, said, "This portfolio financing was a great display of maneuvering the restrictions brought on by COVID-19, and success and execution on all sides of the table. We were appreciative of working with a bank that was willing to allow for digital third-party inspections that provided tenants with comfort during the early stages of the statewide shutdown. The borrower was able to lower their rate and recapitalize, allowing for future acquisitions, growth, and renovations of their existing assets. And the loan was underwritten, closed and funded with all

parties working remotely. A textbook case study for streamlining the commercial real estate financing process!”

Cornerstone was able to arrange a low 10-year fixed rate followed by a 30-year amortization schedule.

In addition, Cornerstone has also arranged \$6.955 million in financing for the construction of a multifamily development in the Egleston Sq. neighborhood of Jamaica Plain, Mass. The property currently includes a mix of vacant lots, a single-family dwelling, and a two-family dwelling. Once construction is complete, the property will consist of four three-family properties, one on each lot, for a total of 12 units. Each three-family will feature three four-bedroom/two-bathroom units, totaling 1,300 s/f, and the development will be completed to condo quality finishes. The units will feature dark hardwood flooring in the kitchens, living areas, and bedrooms. All of the living areas will be highlighted with crown molding and the kitchens will include granite countertops, custom cabinets, and high-end stainless-steel appliances. The bathrooms will feature dark wood vanities and custom tile surround showers. Residents will benefit from in-unit washers and dryers, as well as one parking space for every unit.

Andrew Saccone, executive vice president at Cornerstone, said, “The Egleston Sq. neighborhood of Jamaica Plain, notable for its access to public transit and young, working professional population, has long been targeted by real estate investors. Here, the borrower was able to bring these under-utilized parcels, in the near vicinity of public parks and several subway stations, to their highest and best use in a way that aptly conforms with the neighborhood’s existing housing stock.”

Cornerstone was able to deliver a low fixed-rate financing structure with 24 months of interest only followed by a 28-year amortization.

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