



nerej

iCap Realty Advisors arranged sale and financing for Hart St. Medical

September 11, 2008 - Financial Digest

Harout Ghazarian and Zeev Douek, directors at iCap Realty Advisors of NY have arranged both the sale and financing for the Hart St. Medical Center. Ghazarian and Douek advised the seller and purchaser, respectively.

The 53,000 s/f medical-office property traded for \$9 million (or an 8.5% capitalization rate). The complex, located directly across from the Hospital of Central Conn., was built in 1966 with a substantial addition completed in 1991.

"This was a well orchestrated transaction," said Ghazarian, "We were able to negotiate a highly competitive sale price for the seller and, simultaneously, deliver excellent upside potential to the foreign purchaser; all within a very turbulent market. Our ability to arrange and manage the acquisition financing in-house is what made this deal possible."

iCap successfully negotiated a \$7 million (78% loan-to-purchase price) acquisition loan for a term of 5 years for the purchaser. "With the lending environment growing increasingly more conservative, we used our long standing lending relationships to successfully arrange non-recourse acquisition financing that had pricing and leverage that were reminiscent of a pre-credit crunch transaction," said Douek. The fixed-rate loan carries a coupon of 175 basis points + the 5-year SWAP rate. The loan is non-recourse to the principals of the borrower, requires no collection of reserves, and offers flexibility in prepayment.

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