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Repeat borrower uses \$400,000 WAC construction loan for Greenwich “spec” house

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Greenwich, CT Worth Avenue Capital, LLC (WAC) closed a \$400,000 construction loan for a builder. The loan proceeds will be used to complete the construction of a luxury “spec” house in one of the toniest neighborhoods. The loan is secured by a blanket junior mortgage on three separate homes in town with an underlying LTV of 60%.

The builder is one of WAC’s multiple repeat borrowers. WAC has provided numerous construction loans to this builder who has built and sold all of the homes that were associated with each transaction. The borrower has two luxury homes in town that have been fully completed while the third home will be completed in February 2023.

The two homes that have been completed are currently being marketed for sale and WAC’s new loan origination to this borrower will be paid off in full upon the sale of either of the aforementioned homes.

Despite the dramatic increase in interest rates during 2022, the town’s real estate market is still very active as evidenced by the continued shortage of new construction in the town along with a continued abundance of active buyers. There are still numerous potential wealthy buyers who would like to relocate to this suburb and purchase a brand new luxury home.

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