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M&T Realty Capital closes \$20.1m loan for three building apartment complex

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Mike Killion, vice president and Arnold Smeenck, national production manager for M&T Realty Capital Corp. have reported the closing of a \$20.1 million apartment loan in the Fenway neighborhood. The property is comprised of three 5-story brick buildings at 105-109 and 131 Peterborough St. containing 111 apartments. The apartments have been substantially improved with new kitchens and baths over the last several years. Historical occupancy has been very strong. Because of the property's proximity to Northeastern University and the Berklee School of Music as well as other colleges in the area, the loan was processed through M&T's Dedicated Student Housing loan program, which provides attractive loan terms while recognizing the management issues presented by the predominant student occupancy of the property. Peterborough St. is a premier location in the city; the Museum of Fine Arts, Symphony Hall, and Fenway Park are all within walking distance. The sponsors of the loan have a long history in the Fenway.

The loan structure is a 10 year term, fixed at a very competitive rate in the mid 5% range with 30 year amortization schedule. The loan is non-recourse and assumable. A feature of the loan which owner/operators have found attractive is the ability to access equity during the life of the loan through a supplemental mortgage provided by M&T RCC. The availability of supplemental loans is determined subject to underwriting requirements at the time of application (at least 12 months after closing the original loan).

Killion and Smeenck said that they were pleased to add this loan to the portfolio of loans, closed and serviced by M&T RCC. To date M&T RCC has stayed in place as the servicer for all its New England multifamily loans.

Killion said "this policy allows locally based M&T staff to become knowledgeable about maintenance and management issues specific to each property which enhances the value of the relationship for both M&T and the borrower."

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