MULTI-HOUSING NEWS

# Naftali Credit Partners Closes Mezzanine Loans Backing Pair of NYC Assets

By Gail Kalinoski July 26, 2024

The properties are located in Queens and Manhattan.


Groundbreaking ceremony at 24-01 Queens Plaza. *Image courtesy of New Empire Corp.*

Naftali Credit Partners has closed on two mezzanine loans totaling $31.4 million for ground-up condominium projects in New York City: a 117-unit project in Queens' Long Island City neighborhood and a 20-unit luxury building in Manhattan's Greenwich Village.

The two mezzanine loans will be used to refinance the projects' existing land loans and fund future development costs. The transactions are the fourth and fifth deals of the firm's second opportunistic debt fund. Since March 2023, Naftali Credit Partners has lent approximately $104 million from the fund.

The larger, $18 million loan was secured by New Empire Corp., a New York City-based development and construction firm that is constructing 24-01 Queens Plaza North, a mixed-use property in the Long Island City section of Queens. That property includes 1,828 square feet of commercial space. New Empire broke ground on the condo community in July 2023. The 19-story building will offer a mix of studios and one- and two-bedroom units. Amenities will feature a penthouse resident lounge, communal outdoor spaces, a fitness center and onsite parking. ODA Architecture designed the 115,000-square-foot project.

In addition to financing the mezzanine loan for 24-01 Queens Plaza North, Naftali Credit Partners is responsible for structuring the entire loan, syndicating the senior position to Axos Bank for a total of $72 million in financing.

Magnum Real Estate Group, a New York City-based real estate acquisition, development and management firm, secured a $13.4 million mezzanine loan from Naftali Credit Partners to help finance development of 813-815 Broadway, a 20-unit luxury condo project in Greenwich Village that will have 2,389 square feet of commercial space. The property will feature condos ranging from one to three bedrooms with 10-foot ceiling heights. Naftali Credit Partners also structured the entire $38.4 million construction loan for the developer, syndicating the senior loan to Israel Discount Bank.

**Nashville mezzanine deal**

In April, Naftali Credit Partners provided a mezzanine loan to Tidal Real Estate Partners for the refinancing of 1111 Church St., a 20-story, 380-unit luxury community in Nashville, Tenn. J.P. Morgan issued the senior note for the transactions that totaled $120 million and were arranged by Walker & Dunlop. The proceeds replaced the existing construction loan and provided bridge financing for the owners before a sale or permanent financing. The Class A property in the North Gulch neighborhood in downtown Nashville came online last year.

Naftali Credit Partners