

These were the top 10 outer borough loans in August

The largest deal by a long shot was a \$1B loan from the state to Montefiore Health System

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Clockwise from top left: 110 East 210 Street, One Willoughby Square, 2 North 6th Place in Brooklyn (Credit: Montefiore Health System and DBOX)

The top 10 outer borough loans recorded in August pulled off the rare feat of being more valuable than the top 10 loans in Manhattan.

The loans were worth about \$2.8 billion overall, mainly thanks to a \$1.2 billion bond financing from the Dormitory Authority of the State of New York to Montefiore Health System. This was the largest outer borough deal by far for August, while a \$380 million loan from Natixis Real Estate Capital to Douglaston Development was in the No. 2 spot.

Brooklyn dominated the list overall, occupying the second through ninth spots. Queens had no loans on the list, while the loan for Montefiore was centered on the hospital system's Bronx facilities.

The full list of the top 10 outer borough loans recorded in August is as follows:

1) The Bronx's Billions – \$1.2 billion

The largest outer borough financing last month by a long shot was the **\$1.2 billion** in bonds issued by the Dormitory Authority of the State of New York to Montefiore Health System. DASNY issued \$685 million in bonds on a portfolio of the hospital system's Bronx facilities, while Montefiore issued \$482 million of its own bonds. The state funding was a series of 30-year revenue bonds meant to pay down about \$240 million in prior federal bonds and reimburse Montefiore for \$400 million worth of capital projects.

2) Douglaston in Williamsburg – \$380 million

The second largest loan was for **\$380 million** from Natixis Real Estate Capital to Douglaston Development for its Williamsburg rental tower at 2 North 6th Street. The package replaces a \$276.7 million construction loan from Capital One and includes a gap mortgage worth \$103.3 million. Douglaston's project stands 40 stories tall and contains 554 units.

3) Willoughby, Part I – \$235 million

JEMB Realty landed the No. 3 spot with a **\$235 million construction loan** for One Willoughby Square. Canadian-based lender Otéra Capital provided the loan for JEMB's 500,000-square-foot office tower in Downtown Brooklyn. The project should be done by early 2021, and about one-third of it is leased so far. Tenants include a public school and FXCollaborative Architects, which is designing the building as well.

4) Willoughby, Part II – \$200 million

This loan was part of a **\$530 million financing package** for Brooklyn Point from a consortium of institutions led by M&T Bank. The money is for the condominium tower at **138 Willoughby Street**, a project from Gary Barnett's Extell Development that will stand 68 stories tall with 485 units and a projected sellout of \$901 million. The loan includes a condition requiring Extell to pay back at least \$100 million from the proceeds of condo sales within the first 42 months.

5) Citizen Kayne – \$200 million

Kayne Anderson Real Estate Advisors landed a **\$200 million mortgage** from BMO Harris Bank on the former Jehovah's Witnesses property at **21 Clark Street** in Brooklyn Heights. The company bought the 15-story building last November for about \$200 million and plans to convert it into luxury housing for seniors. The financing replaces a prior \$106.7 million loan from Wells Fargo.

6) Sands (Street) of – \$157 million

Breaking Ground, one of the most prolific affordable housing developers in New York, received this **\$157 million loan** from the city's Department of Housing Preservation and Development for **90 Sands Street**. The company bought the former Jehovah's Witnesses building in Dumbo from Aby Rosen's RFR Realty for \$170 million and plan to build affordable and supportive housing at the site.

7) RedSky Smilin' At Me – \$122.7 million

RedSky Capital and JZ Capital Partners landed a **\$122.7 million loan** for a four-parcel development site at the corner of Berry and North 6th Streets in Williamsburg from JPMorgan Chase. The money replaces \$138.57 million from KKR. RedSky and JZ paid \$32.25 million to buy the development site from Thor Equities.

8) Bushwick Building – \$110 million

Bushwick Realty Holdings led by Moshe Braver, landed a \$110 million mortgage to refinance its 200-plus apartment project in Bushwick. Braver has so far completed three six-story buildings at **869-871 Bushwick Avenue**. His firm is now developing a 56-apartment building at **889 Bushwick Avenue** and a 168-apartment building at **340 Evergreen Avenue**. The loan was arranged by Eastern Union Funding.

9) Arbor Day – \$97.2 million

This **\$97.2 million loan** from Arbor Realty Trust to Toby Moskovits' Heritage Equity Partners for **564 St. John's Place** in Crown Heights saved the property from going into foreclosure. Moskovits and her partner Michael Lichtenstein were in a legal battle over the fate of the property with lender Benefit Street Partners, which was suing them for defaults and had set Aug. 22 as the foreclosure date for the site.

However, the loan from Arbor Realty Trust will pay off Benefit Street Partners and keep the property in Moskovits' and Lichtenstein's hands.

10) Return of the Mack Real Estate Credit Strategies – \$80 million

Mack Real Estate Credit Strategies loaned Slate Property Group and Meadow Partners \$80 million for **1 Flatbush Avenue** in Downtown Brooklyn. It was part of a **\$125 million refinancing** for the site that replaced roughly \$110 million in previous debt on the property, split between \$30 million from Winter Properties and \$80 million from Wells Fargo. The 183-unit rental development will span 170,000 square feet.