

Two Hotels, Two Loans, \$66M

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960 Sixth Ave. rendering

NEW YORK CITY—Securing financing for Manhattan hotels can be hard to come by, but for owner **Hidrock Realty**, its two latest Fashion District hotel projects have garnered \$66 million in construction loans. The hotels, located at 960 Avenue of the Americas and 25 West 37th St., have generated interest from domestic and international banks.

“I don’t know if lending is back to the norm, but there are loans out there for projects that are well-located, well-operated and by strong developers that are putting in a lot of equity,” Hidrock Realty’s president **Abraham Hidary** tells GlobeSt.com. “You can’t just get financing for a hotel that’s just anywhere, but Midtown Manhattan has a good of a shot as anyone else.”

According to Hidrock, **BBVA Compass Bank** provided a \$36 million construction loan for the \$72 million development at 960 Avenue of the Americas, while the **Bank of Nova Scotia** provided a \$30 million construction loan for the \$54 million hotel at 25 West 37th St.

Hidary says the projects come at a time where more hospitality options are needed as Manhattan’s Penn Station submarket and Far West Side continue to emerge. “This particular area should have had a lot of hotels because it is very centrally-located, great transportation and in walking distance to Times Square, Bryant Park and Macy’s,” he says. “As one hotel opens, you need another because more and more people are discovering this area and realizing how great it is.”

At 960 Avenue of the Americas, Hidrock acquired the property’s mortgage at a discount from **Societe Generale** in October 2009 after the previous owner did not meet expected income requirements. In August 2010, the company foreclosed on the building and planned to redevelop the existing 100,000-square-foot office building into a 167-key hotel with ground-floor retail and a rooftop bar. It is scheduled for completion in October 2012. For the bar, a lease has been signed with an operator, but Hidary could not disclose names, citing confidentiality agreements.

At 25 West 37th St., two low-rise buildings will be redeveloped into a 173-key guestroom hotel when completed in October 2013. “It will be a larger-type room with a couch and a kitchen area, so it is a little bit different than the typical hotel room that you see in these developments,” he says. “This one is on a side street so it is more of a destination for tourism.”

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