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Hidroock secures construction loans for new hotels

Manhattan-based owner Hidroock Realty announced that it secured two loans totaling \$66 million for the \$126 million development of two brand-new hotels in Midtown Manhattan.

The hotels will be located at 960 Avenue of the Americas and 25 West 37th St., continuing the gentrification of the traditionally industrial Fashion District.

BBVA Compass Bank provided a \$36 million construction loan for the \$72 million development of the hotel located at 960 Avenue of the Americas.

Hidroock acquired the property's mortgage at a discount from Societe Generale in October 2009 after the previous owner did not meet expected income requirements. The company subsequently foreclosed on the building in August 2010 and began the redevelopment process slowly thereafter to convert the 100,000 s/f office building into a hotel.

The new hotel is slated for completion in October 2012, and will host 167 guestrooms, a rooftop bar and ground floor retail.

The Bank of Nova Scotia provided a \$30 million construc-



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tion loan for the \$54 million hotel at 25 West 37th Street.

Hidroock acquired that property in 2009 and later determined that value lied in redeveloping the previous two low-rise buildings on the site into a hotel. The project will include 173 guestrooms when completed in October 2013.

"While lenders are still insecure about funding new construction projects, we were able to negotiate mortgages with fantastic terms to develop two hotels, which are among the most respected and successful in the industry," said Abraham Hidary, president of Hidroock

Realty. "The general consensus in the real estate industry is that financing is still hard to obtain — especially for new developments — yet we've found that it is available for experienced operators in stable markets."