

### **Meridian Negotiates \$118M Financing for Queens Multifamily Buy**

**By Terence Cullen**

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New Jersey-based Treetop Development closed on a financing package for the purchase of a Queens, N.Y., multifamily portfolio, Commercial Observer can first report.

California-based ACORE Capital provided the \$118 million in debt for Treetop's acquisition of eight buildings in Flushing and Elmhurst, according to Meridian Capital Group, which arranged the financing.

The three-year deal carries a Libor-based floating rate, two one-year extension options and full-term interest-only payments.

"The financing we used in this transaction was very creative. Rather than using a first mortgage and a mezzanine loan, we used a vehicle referred to as a 'stretched first' through the lender, ACORE," Treetop Principal Azi Mandel said in prepared remarks provided to CO. "In this type of financing, a single lender—usually a fund—provides both the senior and mezzanine loans and blends the rates."

Treetop will invest approximately \$10 million in capital expenditure and interior upgrades throughout all of the properties, Mr. Mandel said. The sponsor retained the architectural firm Woods Bagot to renovate all of the lobbies and common areas and upgrade each building's exterior foliage.

Meridian Senior Managing Director Ronnie Levine and Vice Presidents Isaac Lifshitz and Aggelos Sklavenitis negotiated the deal.

"Our client intends on proactively managing this portfolio through the close monitoring of leasing and expenses as well as an accretive building-wide renovation and capital improvement program," Mr. Levine said. "They have successfully executed this strategy numerous times in the past and have a stellar track record for value creation at the asset level."

Treetop bought the 608-unit portfolio in December for \$138 million, Crain's New York Business reported at the time. That gives the debt deal a loan-to-value ratio of about 85 percent.

The buildings, seven of which are in Flushing, range from 50 to 65 years old. The properties combined total 546,169 square feet, which include residential, commercial, storage and garage space.

Meridian closed more than \$35 billion in financing in 2015—a new annual record for the national commercial mortgage brokerage giant.

A representative for ACORE did not return a request for comment.