

REAL ESTATE WEEKLY

Alchemy-ABR secure \$183M construction financing for new Chelsea development

By Real Estate Weekly
Impressions: N/A



Alchemy-ABR Investment Partners have landed \$183 million in construction financing for a new 190-unit apartment tower in Chelsea.

Square Mile Capital Management announced that it served as mezzanine lender on the loan with Pacific Western Bank as the senior lender.

As co-developer on the project, Alchemy-ABR Investment Partners, a partnership between Alchemy Properties and ABR Partners, expect to begin construction on the site at 258-278 8th Avenue by Q1 2022.

Chelsea 23rd Realty – and LLC affiliated with the Jemal Family’s JJ Operating – is the third co-developer. Chelsea 23rd Realty acquired the site in 2017 and filed plans to demolish the property, which currently holds a branch of CVS and a New York Sports Club.

The LLC also already signed a deal with Target to occupy approximately 28,000 s/f of retail space at the base of the building.

Upon completion, the 190-unit building will feature 33,000 square feet of ground-floor and below-grade retail, as well as amenities that include a common rooftop terrace, landscaped terrace on the second floor, fitness center, amenity lounge, speakeasy, touchless elevator and lobby entrances, and a bike room.

“We are proud to announce the closing of this transaction, which highlights the continued faith in the recovery of New York City,” said Kenneth Horn, Co-Founder and Partner of Alchemy-ABR Investment Partners, and Joel Breitkopf Co-Founder and Partner of Alchemy-ABR Investment Partners in a joint statement, “We are confident in our investment and optimistic about the strong demand for a high-quality rental offering in Chelsea, one of Manhattan’s most dynamic neighborhoods.”

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The site is located immediately adjacent to the 23rd Street subway station and is nearby many walkable amenities including Chelsea Market, The High Line, Chelsea Piers, and Hudson Yards. Additionally, the submarket features industry-leading employers such as Google, Twitter, Microsoft, and Palantir.

258-278 8th Avenue marks the second project financing that Square Mile has closed on in New York City in the past month, after closing on 125 West 57th Street at the end of June, which will deliver approximately 185,000 square feet of Class A office space in Midtown Manhattan.

Square Mile Capital Vice President Eric Juster said, “We are bullish on the long-term demand prospects for high quality, transit-oriented multifamily product in New York City, and believe there will be substantial demand upon delivery in 2023.”

<https://rew-online.com/alchemy-abr-secure-183m-construction-financing-for-new-chelsea-development/>