

## Idaho-based lender secures \$27 million bridge loan on SoHo building

Landlord Continental Equities Group took out a bridge loan from A10 Capital to make property upgrades

By Daniel Geiger

December 1, 2016

A lender eager to build its footprint in the city just secured a \$27 million bridge loan on a SoHo building.

A10 Capital gave the owner of 535 Broadway, a five-story, 14,500-square-foot building near the corner of Spring Street, the debt to replace a \$23.5 million securitized mortgage it had previously held on the property that was set to expire.

The landlord, Continental Equities Group, a firm controlled by siblings Jack Jangana, Jenny Jaim and Joyce Reiss, took out a bridge loan—a form of temporary debt—because it has plans to make property upgrades to increase revenue. The principals at Continental were not immediately available to comment on their plans.

Chris McDaniel, an executive vice president at A10 Capital, said the firm won the deal in part because it was willing to convert the loan into a permanent mortgage once Continental finishes its work repositioning the property.

“Our strategy has been to meet the needs of our clients and be flexible,” said McDaniel. “Our ability to do a long term loan makes us unlike a lot of other bridge lenders.”

Bridge loans are typically taken by landlords to finance improvements to a property. Because the deals carry more risk, lenders typically charge higher interest rates. The loans are typically held for a period of a few months or years to make upgrades and improve a property’s cash flow before locking in longer term financing.

535 Broadway has ground floor retail space along what is considered SoHo’s busiest and most valuable shopping corridor. The space is currently occupied by Lucky Brand Jeans. Above, the building has four full floor apartments.

A10 Capital is based in Boise, Idaho, but McDaniel said he was hired to build the company’s New York book of loans.

“We want to grow in the bridge and conventional mortgage loan business here,” said McDaniel. “We’re aiming to lend against a variety of property types from retail to residential and office.”