

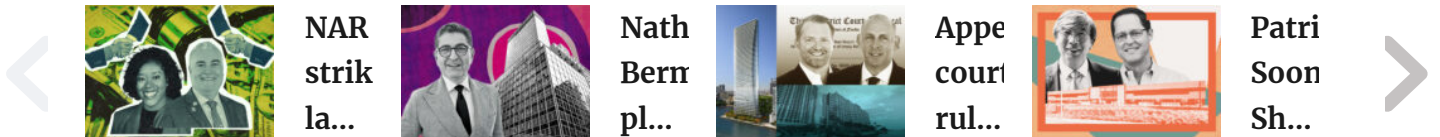
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TRENDING



NEW YORK



Maguire, Madison buy distressed loan on Fifth Avenue Hotel

New luxe NoMad hotel already faces financial problems



Maguire Capital's Marvin Azrak, Newbond Holdings Neil Luthra, and Fifth Avenue Hotel (Getty, thefifthavenuehotel, Maguire Capital, Newbond Holding)

By Keith Larsen

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Maguire Capital Group, Madison Realty Capital and Neil Luthra's Newbond Holdings nabbed a \$81.5 million distressed loan on a Fifth Avenue Hotel in Manhattan.

The firms bought the senior loan from Santander Bank and City National Bank of Florida. The loan matured and is in default, according to sources familiar with the deal. Columbia Pacific holds a mezzanine loan on the property.

It is unclear why the loan went into default. At least two mechanic's liens from subcontractors totaling over \$500,000 have been filed at the property, according to PropertyShark. Earlier this year, the hotel owners were reportedly in the market to **sell a stake** in the hotel.

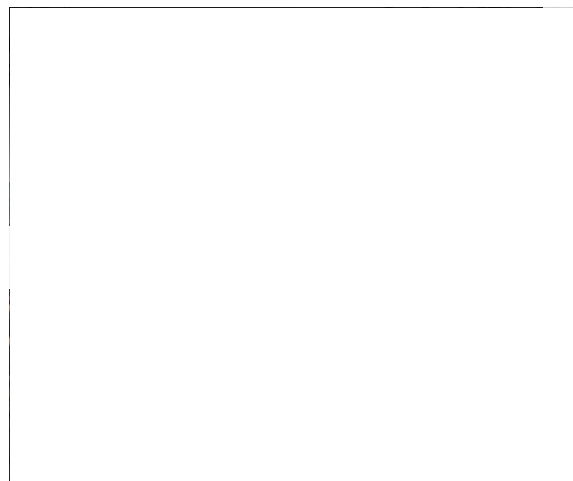
"The loan matured a month ago, and we expect to finalize the refinancing imminently," said a spokesperson for the Fifth Avenue Hotel.

The spokesperson did not elaborate on the hotel's plans to refinance or if the owners are in talks with the new lender group.

The 153-key Fifth Avenue Hotel was built on the former estate of Gilded Age socialite Charlotte Goodridge and opened late last year. Owner Flâneur Hospitality recently finished a 10-year restoration project, which joins the original five-story building with a new 24-floor tower.

It was among the most anticipated hotel openings in the city, with rates going from \$800 to \$3,000 a night.

Loan sales are seen as a marker of real estate distress. Lenders will sometimes buy troubled loans as a way to initiate a foreclosure to take over a property. Other times, the new lender will look to collect default interest that can go up to 24 percent in New York.



Maguire, led by Marvin Azrak, has become one of the more active players in New York distressed real estate. Last year, the firm initiated a foreclosure on 15 buildings owned by Daniel Ohebshalom, whom New York City's public advocate deemed the worst landlord in the city. Maguire also acquired the site of a long-stalled megaproject in Brooklyn's Sunset Park.

Madison and Newbond have also been busy buying up loans in distress. The firms bought the non-performing loan on Ian Schrager and Witkoff's Public Hotel in late 2022.

