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#### UPDATE

## Beech Street Closes On \$44M Loan

By [Brian J. Rogal](#) | Chicago

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2 East 8th Street

CHICAGO—**Beech Street Capital, LLC**, has given a vote of confidence to the buyers of 2 East 8<sup>th</sup> Street. The Maryland-based firm has closed a \$43.9 million **Fannie Mae** structured adjustable rate mortgage for the acquisition of the student-housing tower. **Marc Realty Residential LLC, Atlas Real Estate Partners** and **Angelo Gordon & Co.** of New York City bought the 330-unit building earlier this year for \$59 million. A story in **Crain's** quoted **Robert Bronstein**, president of the **Scion Group LLC**, a Chicago-based student housing investor, who critiqued the joint venture's plan to market the tower to companies as a summer housing option for interns or other employees, saying "they underestimate the marketing and turnover costs of what is essentially an extended-stay hotel."

Yesterday, however, Beech Senior Vice President **Mitch Sinberg** said that "we believe in the borrower's vision that there is a tremendous amount of benefit related to the property. The transaction shows our commitment to our clients, as well as the continued momentum in the student housing space."

And the joint venture partners certainly believe in their vision. "We have a deep knowledge of this market," **David L. Ruttenberg**, a principal of MRR, told [GlobeSt.com](#) last month. He added that the immediate neighborhood only contains a couple of buildings that can compete in the summer with their new building. "There's more demand than supply. We know it's there; this is not a guess."

Sinberg and Senior Vice President **Michael Wallace**, both headquartered in Beech Street's Fort Lauderdale office, originated the transaction. The seller was Philadelphia-based **Equus Capital Partners**. The floating-rate loan is for 10 years and included an interest-only period.

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### About Our Columnist



Brian J. Rogal is a Chicago-based freelance writer with years of experience as an investigative reporter and editor, most notably at *The Chicago Reporter*, where he concentrated on housing issues. He also has written extensively on alternative energy and the payments card industry for national trade publications.

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