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CRG Realty Capital, LLC handles financing boutique hotels one client at a time

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Today, boutique hotels are fast becoming the go-to urban destinations for hip and trendy restaurants, lounges and a lifestyle of living for guests seeking style, comfort and entertainment.

At the Hotel on Rivington on Manhattan's burgeoning Lower East Side, guests can eat at mid-night in the hotel's chic THOR Restaurant, dance until 4 a.m. in the hotel's club lounge or relax in one of the cutting-edge designed rooms with 360-degree city views from the hotel's floor-to-ceiling windows.

In today's red-hot hotel sector, CRG Realty Capital, LLC (CRG) of Englewood, N.J. is finding lots of opportunities to work on hotel deals for hip boutique hotel developers with grand bohemian visions—from New York's SoHo, Lower East Side, East Village and Tribeca neighborhoods—to Beverly

Hills and South Beach. The firm, which advises developers and investors on arranging equity and debt capital and structuring transactions, is riding the wave of hotel development, with its growing list of clients and their proliferation of boutique hotels.

Founded in 1996 by Mitchell Adelstein, CRG is an active player in the Manhattan market where it has recently arranged a \$33 million loan for 21 Penn Plaza, a commercial office building, a \$40.25 million permanent loan for the Hotel on Rivington, a \$57.5 million construction loan for the Thompson LES Hotel, and a \$28 million permanent loan for the 60 Thompson Hotel in Soho.

"Hotel developers are coming to us looking for strategies to grow their brand through development and acquisition," said Adelstein, CRG's presi-

dent who brings over 20 years of real estate finance expertise to his clients. "In order to do that they need the right debt and equity resources and new deal opportunities and that's where we come in."

CRG, which was born out of a real estate development company, has nurtured relationships with developers who see CRG as more than investment advisors.

"We become part of their team and understand all facets of their company" said CRG executive vice president Jonathan Bloomberg. "We've operated pretty much under the radar, but with the latest wave of expansion, we are getting more known in this industry as the go-to-guys if you are a hotel developer with a vision. It's a pretty exciting time for all of us at CRG."

Michael Pomeranc, whose family owns Thompson Hotels, comments on CRG's ability to get the job done. "CRG reaches beyond the typical range of services—from pro forma analysis and packaging, to financial consulting, valuation support and construction management," said Pomeranc, who brought in CRG to recapitalize 6 Columbus, a new Thompson Hotel

under construction at Columbus Circle (formerly the Westpark Hotel), and to arrange construction financing for the new Thompson LES, a \$70 million hotel project currently under construction on Allen Street. CRG also facilitated Thompson's \$40 million acquisition and redevelopment of the Thompson Beverly Hills Hotel (the former Beverly Pavilion).

"Not only do developers get our finance acumen, but we deliver the bullet-proof market support and deal underwriting," said Adelstein, who is also an adjunct professor at Columbia University, where he teaches real estate finance to tomorrow's aspiring developers.

Before founding CRG, he was a director with a New York investment banking firm where he arranged over \$250 million of transactions and a senior manager and director with Ernst & Young in the real estate consulting and tax division.

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