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Madison Realty Capital, Newbond Buy Public Hotel's Nonperforming Loan for \$177M

Deutsche Bank and Aareal were the sellers of the debt.

BY CATHY CUNNINGHAM | OCTOBER 6, 2022 11:53 AM



215 CHRYSTIE STREET

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Commercial Observer has learned.

Madison Realty Capital and **Newbond Holdings** acquired the nonperforming debt from lenders **Deutsche Bank** and **Aareal Bank** at a face value of \$177.3 million, fully accrued to roughly \$190 million, sources told CO.

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Eastdil Secured advised Deutsche Bank and Aareal in the note sale, which closed in late September and allows the two lenders to fully recoup their principal balance and the majority of the accrued default interest, sources said.

The 28-story, 254,700-square-foot asset — at **215 Chrystie Street**, between East Houston and Stanton streets on the Lower East Side — was opened by hospitality legend Shrager and Witkoff in 2017. It comprises 367 guest rooms in a boutique hotel plus 11 luxury condominium residences at the top of the building.

As the very early days of the coronavirus pandemic battered New York City, Shrager temporarily shuttered the hotel on Mar. 23, 2020, [reopening it](#) in July 2021.

In July, The Real Deal reported the senior debt was being marketed following [a maturity](#)

Corporation. Whether the mezzanine loan eventually traded hands isn't clear.

In November 2021, Madison Realty Capital and Newbond Holdings [announced they were joining forces](#) in a new partnership, **Madison Newbond**, aimed at originating and purchasing hospitality loans across the U.S.

Eastdil Secured is also marketing the [147-key Williamsburg Hotel](#), currently in bankruptcy, and the 100-room **Z Hotel** in Long Island City, Queens, which is currently real estate owned.

Officials at Witkoff, Newbond and Madison Realty Capital didn't respond to requests for comment. Eastdil officials declined to comment.