



# AVANA Capital Provides \$65 Million In Financing For Tallest Modular Construction Hotel in the world

## LOAN DETAILS

**Project Type:**  
Hospitality

**Loan Type:** Construction & Mini Perm

**Loan Amount:** \$65 million

**Project Description:**  
Ground-up construction of a 25-story, 168-room AC by Marriott hotel through modular construction

**Location:**  
Manhattan, NY

**Jobs Created:** 80+

## Challenge

842 Enterprises, Inc. wanted to redevelop a parcel that the family had owned since 1993 in Manhattan's North of Madison (NoMad) district. After conducting a market analysis, the family decided a hotel would be the highest and best use for the site. However, the family's experience in hospitality is limited and their proposed approach—to build the hotel with modular pods manufactured in Poland—would be difficult to finance.

842 Enterprises needed a lender that not only believed in the family's vision, but also understood the nuances of modular construction and its benefits.

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AZ CBK# 0921662 | CA DBO# 603K752



**AVANA CAPITAL**  
COMMERCIAL REAL ESTATE DEBT FUND

Forget the double-wide. A modular tower doesn't have to look like stacked boxes or floating dorm rooms in the sky. The simple fact is, substantial hotels require duplicative symmetry and operational efficiency; modular construction-cost-efficient and quality-controlled-meets those needs perfectly

## Solution

After closely vetting the deal, AVANA Capital found the project to have many positive attributes. First, although the family's hospitality experience was limited, this project wasn't their first hotel. The family entered the hospitality space in April 2015 with the opening of their 135-key Cambria Hotel & Suites in New York. The family had enlisted the support of Concord Hospitality Enterprises as the management company at the Cambria, and planned to use Concord again at their proposed AC by Marriott.

842 Enterprises was also planning to use the Skystone Group as its general contractor. Skystone has constructed two other projects in NYC using the modular method, both of which used pods manufactured at the same facility in Poland. AVANA Capital toured those two projects and found them to be of high quality and very busy with guests.

The project's architect also impressed AVANA Capital. 842 Enterprises had hired Danny Forster, a well-known architect and host of the Science Channel series "Build It Bigger" as its lead architect. Forster designed one of the first North American AC Hotels by Marriott and is a strong believer in the benefits of modular construction.

Ultimately, after seeing the strengths of the project and project team, AVANA Capital agreed to provide 842 Enterprises with a \$65 million construction loan. AVANA Capital has financed other modular construction projects and felt comfortable with the approach 842 Enterprises was taking related to this development effort.

## Result

Construction of this AC by Marriott hotel is expected to be completed by March 2021. The approximately 103,000 sq. ft. hotel will contain 168 guest rooms, three food and beverage facilities, a fitness center, and indoor meeting and banquet facilities. When complete, the 25-story hotel will be the tallest modularly-constructed hotel in the United States and the world.

842 Enterprises anticipates creating more than 80 permanent jobs at this AC by Marriot hotel, a project that will have an economic multiplier effect that benefits other NoMad-area businesses both during construction and upon completion.



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