

NAI Bluestone Real Estate Capital Secures \$44M Construction Loan for The District at ODU



Philadelphia, PA-based **NAI Bluestone Real Estate Capital** has secured a \$44M senior construction loan on behalf of **Norfolk Housing, LLC**, an affiliate of a national real estate development company, for The District at ODU, a 909 bed student housing facility in Norfolk, VA.

The District at ODU is a four-story, 307 unit, 909 bed student housing facility located within walking distance of Old Dominion University, one of the nation's fastest growing universities. With the construction financing in place, development of the student housing complex is now underway and is scheduled for delivery in June 2010. This project will help meet the demands of increased enrollment at the school, which has led to a housing deficit of approximately 2,500-5,000 bedrooms.

Once complete, The District at ODU will be an upscale student housing development designed to serve both Old Dominion University and the nearby East Virginia Medical School. Each unit will come fully furnished and will include a washer/dryer. The property will offer a mix of single, double, triple and quadruple-bed housing options for students, along with amenities that include a swimming pool, computer lab, fitness center, recreation area and 24-hour maintenance.

To finance The District at ODU, NAI Bluestone secured a \$44M variable rate bond representing 65 percent of the stabilized value. The initial construction term interest rate is below 4 percent and will convert to a 10-year permanent mortgage with a sub 7 percent fixed interest rate amortized over 30 years.

"Securing any construction loan over \$15M without syndication is incredibly difficult in today's market, particularly when you have a time sensitive construction schedule," said Tim Bradley, Senior Associate at NAI Bluestone Real Estate Capital.

"In today's credit starved market, it more important than ever to find solutions that bridge the gap between community development needs - in this case, the need for additional student housing options - and available financing," said Matthew McManus , Chairman of NAI Bluestone Real Estate Capital.

NAI Bluestone Real Estate Capital is a Philadelphia-based commercial real estate investment banking and advisory firm that secures debt, mezzanine, equity and sponsor equity financing for developers.