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Joint Venture Obtains \$20M in Financing

By Dees Stribling, Contributing Editor

Great Mills, Md.—The owners of Hickory Hills East Apartments in southern Maryland, joint venture between affiliates of BAF Associates and the Raleigh Cos., have obtained \$20.2 million in financing for the property. The 231-unit rental property is in Great Mills, Md. near the Naval Air Station Patuxent River.

Hickory Hills East is at 22501 Iverson Dr., and was built in two phases. Phase I, consisting of 168 units, was completed in 1993, while phase II, consisting of 63 units, was built in 1999.

Rialto Mortgage Finance, a New York-based conduit lender, provided the non-recours financing. The deal includes a 10-year term and five years of interest-only payments with a 75 percent loan-to-value ratio and a fixed interest rate below 4.6 percent.

Aztec Group Inc., a Florida's real estate investment and merchant banking firm, secured the financing, with director Charles Penan and senior managing director Howard Taft working on the deal. "The closing speaks to the strength of the multifamily market and lenders' willingness to finance stable, income-producing assets in infill locations, such as Hickory Hill East Apartments," said Taft.

BAF Associates is an opportunistic real estate investment and development firm located in suburban Washington, D.C. The company has been the general partner in over 50 deals, many involving multifamily properties in the metro D.C.