

Madison Realty Buys Defaulted Note Against Brooklyn Condos

Madison Realty Capital has purchased a \$23.5 million defaulted note against 49 unsold units at the Breakers at Sheepshead Bay, a 75-unit residential condominium property in Brooklyn, N.Y.

The New York investment manager bought the loan from TD Bank, which was represented in the sale by Mission Capital Advisors of New York.

The Breakers was completed three years ago along the waterfront in Sheepshead Bay, in the southern part of Brooklyn. Soon after the property's completion, however, the property's developer defaulted. And in August, it filed for bankruptcy. It had sold a number of units, however, at prices of up to \$825,000.

The property was started in 2004 and during the market's peak years, projections called for some units to sell for upwards of \$1 million.

If Madison Realty were to take over the property, it would use its in-house capabilities to prepare the property's remaining units for sale and sell them.

Madison Realty [earlier this year](#) raised more than \$100 million of equity commitments for an investment vehicle that would pursue distressed-debt acquisitions and bridge-loan originations. Recently, it acquired a [distressed loan against a 40-unit apartment building in Staten Island, N.Y.](#), and a [mortgage against a 47-unit apartment property in Brooklyn's Williamsburg neighborhood](#).

The company was founded in 2004 by Josh Zegen, who previously had founded a mortgage adviser, and Brian Shatz, who previously ran an investment fund, Bluegrass Growth Fund Partners.

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