

S3 originates \$300m construction loan for Queens mega-development

The funding will be used by KS Group and Alma Realty for the first phase of Astoria Cove project featuring four mixed-use rental assets.

By Randy Plavajka, March 24, 2025

S3 Capital built on its construction lending momentum this week with a \$300 million development financing to build four mixed-use rental buildings in the Astoria neighborhood in Queens.

The New York-based manager and Spruce Capital affiliate is funding the first phase of a project called Astoria Cove on behalf of sponsors KS Group and Alma Realty, including a 26-story tower and three mid-rise buildings for a total of 731 residential units atop ground floor retail and parking.



A rendering of the Astoria Cove development in Queens, New York

Joshua Crane, co-founder and partner at S3, said the project would bring in-demand housing to a rapidly growing neighborhood and further transform the Astoria waterfront with enhancements to its public spaces and infrastructure.

The Astoria Cove project commands a fair amount of East River views with its location spanning 8-01, 4-34, and 5-57 26th Avenue in Queens. For KS, the project is part of a larger purchase of more than 2,800 units in the area.

For S3, the Astoria Cove financing helps the manager reach its estimated \$1 billion in originations target for the first quarter of 2025.

A week prior to the March 24 deal, the firm bolstered its debt presence across a neighboring borough with a \$210 million financing in Brooklyn's Sunset Park neighborhood. That construction financing for Brooklyn-based WatermarkCapital Group is being used to fund the development of a 28-story, 497-unit mixed-use tower at 6208 8th Avenue in Brooklyn.

Since entering the credit space in 2013, the firm has originated \$6 billion in financing activity across more than 700 loans. S3's origination focus typically revolves around multifamily bridge and construction lending opportunities in and around top-tier markets.

Data from PERE Credit's Lending Barometer shows S3 kicked off its year with a run of construction financings spanning New York, New Jersey and Florida ranging from \$50 million to \$79 million.