

S3 originates \$210m construction financing for Brooklyn mixed-use project

The New York-based manager has steadily grown its East Coast lending book with development financing opportunities.

Randy Plavajka - 18 minutes ago

S3 Capital is expanding its East Coast construction financing footprint this week with a \$210 million deal in Brooklyn's Sunset Park neighborhood.

The New York-based manager originated the construction loan on behalf of Brooklyn-based Watermark Capital Group to develop a 28-story, 497-unit tower at 6208 8th Avenue in Brooklyn. The March 17 financing marks one of S3's more sizable finance undertakings in recent months as the firm built a steady streak of bridge and construction financing deals in Florida and the East Coast more broadly.



6208 8th Avenue in Brooklyn, New York.
Source: S3 Capital

“The Sunset Park housing market is significantly under-supplied, and this development will bring a substantial amount of in-demand, transit-oriented housing units to the community,” said Robert Schwartz, co-founder and partner at S3 Capital.

The deal was arranged by advisory Arrow Real Estate Advisors and brought to fruition by S3's Shawn Safdie and Steven Jemal, both managing directors of origination. Watermark and New York-based manager Maguire Capital had acquired the site in 2023 through a series of interest- and debt-related deals totaling about \$80 million.

Jemal noted that S3's financing underscores the firm's confidence in the Brooklyn submarket and opportunity to add housing across the New York City boroughs needing it most.

For S3, the deal stacks more financing momentum to what has been an active first quarter of the year. The firm anticipates reaching an estimated \$1 billion in originations by March's end to cap off the three-month span. Since launching a credit business in 2013, S3 has originated \$6 billion in financing activity across 700-plus loans.

S3's origination activity to date has primarily focused on multifamily bridge and construction lending opportunities in and around top-tier markets.

Late in February, the firm funded a [\\$50 million construction financing](#) package for a mixed-use condominium project in Sarasota, Florida. The firm – a wholly owned subsidiary of Spruce Capital – has funded almost \$1 billion of loans in the state since 2020, Jemal previously noted in *PERE Credit's Term Sheet* newsletter.