

## MDG, Housing Partnership buy 500-unit Bronx rental for \$78M

*The firms secured \$106M in financing for the Michelangelo Apartments deal*

By [Ben St. Clair](#) | April 18, 2017 03:10PM

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MDG Design & Construction and the nonprofit the Housing Partnership purchased the 498-unit Michelangelo Apartments rental building in the South Bronx for \$78.1 million, according to property records filed Tuesday.

The 25-story property at 225- [255 East 149th Street](#) contains 498 residential units and 22 commercial units over 547,382 total square feet, records show. The transaction occurred last month, but entered the public record Tuesday.

MDG and Housing Partnership lined up \$105.8 million in financing for the purchase, including an \$82.6 million loan from the New York State Housing Finance Agency – with the mortgage giant Fannie Mae providing credit enhancement – and a \$23.2 million loan from the seller, BSR Management. The mortgages are also for a strip of vacant land adjacent to the building.

MDG and the Housing Partnership could not immediately be reached for comment.

In 2015, the property grossed \$8.2 million of income, netting \$3.7 million after expenses not including debt repayments. Because it is part of the Mitchell-Lama program, which is intended to support affordable housing for middle-income New Yorkers, the building is not subject to property tax.

The city valued the building at \$24.4 million in 2016, according to tax records.

The sale comes amid a spike in Bronx development, with the Chetrit Group and Somerset Partners planning to develop a [1,300-unit market-rate rental project](#) in the Mott Haven neighborhood. In total, investors put [\\$3.3 billion](#) into the borough in 2016.

*(To see our Bronx commercial sales Deal Sheet, [click here](#))*

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225- [255 East 149th Street](#)