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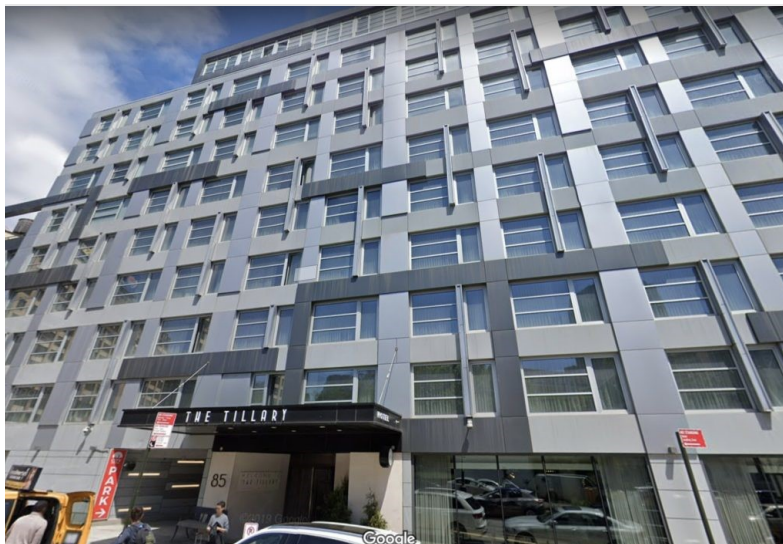
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## Isaac Hagar's Cornell Realty buys Tillary Hotel and apartments from Chetrit Group, Read Property Group for approximately \$95M

🕒 September 20, 2019 PincusCo Media  
(<https://www.pincusco.com/author/acris/>)



*Cornell Realty Management purchased 85 Flatbush Avenue Extension from the Chetrit Group for \$95 million (Credit: Google)*

By [Adam Pincus](#)

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**UPDATED 7:45 a.m., 9/22/2019:** Isaac Hagar's Cornell Realty Management and Rubin Equities Inc. closed today on the purchase of the Tillary Hotel and the attached rental building known as 60 Duffield in Downtown Brooklyn for approximately \$95 million, sources familiar with the transaction said. The sellers, the Chetrit Group and Robert Wolf's Read Property Group, developed the project.

Madison Realty Capital and the Bluestone Group financed the purchase of the property through a first mortgage and some mezzanine debt, totaling \$76 million, the sources said. The hotel and apartment building share the address 85 Flatbush Avenue Extension, and the building is 12 stories tall and approximately 126,000 square feet. It has been open for about four years. The building is legally divided into three condominium units, one for the hotel, one for the commercial restaurant space and another for the residential apartments. Henry Bodek of Galaxy Capital brokered the debt package, according to sources.

There are 174 hotel rooms on floors two through six, and 64 apartments on floors seven through 12, a review of city Department of Buildings records shows.

PincusCo reached out to all the identified participants in the deal, and none immediately responded to a request for comment.

Hagar's purchase of the building brings to a close his at least 15 year involvement in the property, one of the buildings emblematic of the transformation of Downtown Brooklyn.

Hagar has been involved since at least October, 2004, when his firm signed a contract to purchase a parcel from the energy company Sunoco, which was the first of three parcels that made up the site.

Hagar closed on that purchase on June 28, 2005, paying \$2.5 million. Two other parcels closed two days later, and all together the three properties cost \$10.3 million.

At the 2005 closing, Hagar obtained a \$11.25 million loan from Midtown-based Intervest Bank (which was later acquired by Bank OZK). That loan was assigned to U.S. Bank, which issued a refinance and construction loan package totaling \$50.04 million in March 2007.

Then the Great Recession hit, and the project fell into foreclosure. In 2013, Wolf's Read Property Group won a stake in the development through the entity Flatbush Note Holder LLC. Chetrit Group also became a party in the project by at least 2013.

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Construction continued and the city issued Chetrit an initial certificate of occupancy in July 2015, 10 years after the initial permit applications were filed in 2005.

In April 2018, Mack Real Estate Credit Strategies provided a \$57.5 million loan (<https://therealdeal.com/2018/04/23/chetrit-lands-83m-loan-to-refi-dobro-property/>) to the Chetrit-led partnership for 85 Flatbush, as part of a larger loan package.

This is not the first time Hagar and Josh Zegen's Madison Realty Capital and Bluestone have worked together. Madison and Bluestone arranged \$64 million in financing for Cornell Realty in November 2017 for the construction of **200 Kent Avenue** (<https://commercialobserver.com/2017/11/borrows-for-williamsburg-office-retail-construction/>).

*CORRECTION: An earlier version of this story identified Frontgate Management as the joint venture partner but the correct name is Rubin Equities Inc. They are both owned by the same individual. In addition, an earlier version of the story said Chetrit Group was the original purchaser in 2005, when in fact it was Isaac Hagar.*

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