

UK hedge fund provides \$240M construction loan for Four Seasons condo project

Children's Investment Fund is backing Genton Property Group project near Beverly Hills

Katherine Clarke



A rendering of the Four Seasons project

The Children's Investment Fund (TCI), a U.K.-based hedge fund, is providing a \$239 million construction loan for the Four Seasons Private Residences project near Beverly Hills, *The Real Deal* has learned.

The financing allows developer Genton Property Group and its partner Alcion Ventures to begin construction on the 58-unit luxury building, at 9000 W. Third Street. Genton CEO Jonathan Genton said he secured the loan based on more than \$147 million in combines sales contracts and reservations for the units.

Securing capital during a drought in new development financing was a challenge, Genton said. Over the past year, banks have been cutting down their luxury condo construction lending, with some even stepping away from the market altogether amid concerns of a supply glut.

"There are a lot of people trying to get debt today," Genton said. "It's challenging — probably even more so in L.A. than in New York for projects of this caliber."

While buyers had already reserved units at [the luxury project](#), construction could not commence until the loan was secured, Genton said.

“It was critically important to our investors and international pool of buyers that we eliminated every obstacle before beginning primary construction,” he said. “While today’s challenging lending and regulatory environment pushed back out initial ambitious timeline, we are now moving full-steam ahead.”

Genton said he had shied away from deals that would have required him to bring on multiple lenders.

“We considered it, but if you open yourself up to club deals or mezzanine, everything gets a lot more complicated,” he said.

TCI, which donates a large share of its profits to its eponymous charity, has been an active lender on luxury condominium projects in New York. The fund ponied up \$400 million for developer Harry Macklowe’s 432 Park Avenue and \$600 million for Silverstein Properties’ Four Seasons-branded condo and hotel at 30 Park Place, both in Manhattan. It also put up \$450 million for the Zeckendorf brothers’ 520 Park Avenue.



Jonathan Genton

Genton said the loan for his West L.A. project was small by the fund’s standards. “They typically do only giant loans,” he said, adding that TCI may have been interested in aligning itself with the Four Seasons brand again. A spokesperson for the fund was not immediately available for comment.

HFF brokered the deal with TCI.

Genton is planning to ask as much as 50 percent more for his units than other condo buildings in the neighborhood, including other hotel-branded condos like the Montage and the celebrity hot spot Sierra Towers. The development has been in the works since 2008, when Genton acquired the site, and it was approved in 2009 by the City Council. But it’s faced a series of obstacles since then, including community opposition to its height and a battle with the owners of the Four Seasons Hotel next door.

The 9,000-square-foot penthouse, which comes with a private six-car garage, could become the most expensive condo ever sold in L.A., Genton predicted, though he declined to comment on its asking price.

The project is expected to be completed in two years.

The original article can be found [here](#).