

## **This Week's South Florida Deal Sheet: \$250M Brickell Office Tower Sale Would Set 2023 Record**

October 2, 2023

A pair of Northeast-based investors are purchasing the 801 Brickell Ave. office tower for around \$250M, The Real Deal reported. The sale price would mark the highest price paid for a South Florida office building this year.

New York-based Monarch Alternative Capital and Connecticut-based Tourmaline Capital Partners are planning to buy the 28-story, 695K SF property from Nuveen Real Estate. The investment firms are financing roughly 60% of the purchase price, sources told TRD.

The building is more than 90% leased, with tenants including Nuveen's Southeast headquarters, investment firm Selvatra, Cassel Salpeter & Co. bank and insurance provider Swiss Re Group.

Nuveen, the investment arm of TIAA, paid \$80.3M for the building in 2002, according to property records.

Adam Spies and Marcella Fasulo of Newmark, along with Mike Davis and Dominic Montazemi of Cushman & Wakefield, are representing the seller.

### **SALES**

The San Francisco-based real estate investment firm Stockbridge purchased Lyons Technology Center, a six-building light industrial property totaling 233K SF in Coconut Creek, according to a release. Principal Asset Management sold the properties for a combined \$48.9M, the South Florida Business Journal reported.

The development is 89% leased to 44 tenants across a range of industries. The properties, which include a total of 572 parking spaces, are at 4611, 4811 to 4911 and 4701 Johnson Road.

Principal Asset Management was represented by JLL Capital Markets Investment Sales team led by brokers Luis Castillo, Cody Brais, Wells Waller and analysts Taylor Osborne and Aaliyah St. Louis.

A pair of developers with ties to Latin America paid \$13.5M for a 0.45-acre parcel at 3618 Northeast Fifth Ave. in Edgewater, according to a release. The buyers are planning to build a condo and hotel tower on the property but have yet to reveal plans for the development.

The property was purchased by Urban Network Capital Group, which is headquartered in Mexico City and has a Miami office, and Vertical Developments, a joint venture between Peru-based V&V Group and Location3 Investments, an investment firm with offices in Miami and Argentina. Records indicate the seller was an entity controlled by Hotelex Group, a Miami-based hotel development and management company.

Alfonso Jaramillo from Fortune International Realty represented the buyers in the deal.

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## **FINANCING**

Driftwood Capital secured a \$47M refinancing for the 150-key Canopy by Hilton West Palm Beach Downtown at 380 Trinity Place, according to a release. Bank of America provided the three-year, full-term loan with interest-only and two one-year extension options to Driftwood, a vertically integrated commercial real estate firm based in Coral Gables.

A Berkadia Hotels & Hospitality team in South Florida including Managing Directors Michael Weinberg and Scott Wadler arranged the financing on behalf of Driftwood, which built the 13-story hotel in 2020.

The hotel is part of Hilton's luxury boutique brand and includes a ground-floor restaurant, a bar on the rooftop pool deck and 3K SF of meeting space.

The hotel's construction began in 2017 and was financed with equity from Driftwood, including a \$27.7M loan from First American Bank and \$19M raised through the EB-5 visa investment program, according to the South Florida Business Journal.

Coral Gables-based MG Developer and New York-based Baron Property Group locked in an \$18M land loan for Metro Parc North, the second phase of the joint venture's Metro Center mixed-use development in Hialeah. New York-based real estate lender RMWC provided the loan.

The 663-apartment Metro Parc North will span an entire block that includes 901 East 26th St. and is expected to deliver in 2026. It complements the under-construction Metro Parc, a 560-unit, 10-story building that broke ground in 2022. The third phase of the project, the 347-apartment Metro Park South, is slated to finish construction in 2017.

In addition to nearly 1,600 apartments, the Metro Center project will also include 35K SF of ground-floor retail. The development will replace single-family homes that MG Developer began acquiring in 2021 through an entity called Metro Parc Hialeah, property records indicate.

Ayush Kapahi, a principal and founding partner at HKS Real Estate Advisors, and Jeffrey Donnelly and Dmitry Levkov, executive vice presidents at Colliers, secured the financing for the joint venture.

## **CONSTRUCTION AND DEVELOPMENT**

Palm Beach County commissioners approved plans for national homebuilder D.R. Horton to construct 621 townhomes on 57.3 acres at the site of the former Turtle Bay Golf Club, according to the Palm Beach Post. The shuttered golf course, located on the corner of Century Blvd. and North Haverhill Road, is part of the Century Village community in West Palm Beach.

D.R. Horton worked with the community to win support for the project after a different developer faced pushback for a separate plan at the golf course a decade ago, the Palm Beach Post reported.

D.R. Horton and an affiliate of Delray Beach-based developer Kolter Group purchased the site in July 2022 for \$37M after the original plans were approved by the county commission but never moved forward.

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The joint venture agreed to improve the drainage system in and around the new development to win an endorsement from the United Civic Association, an umbrella organization for condo associations in the 7,854-residence development.

South Florida-based developers Related Group and Merrimac Ventures are planning a Waldorf Astoria-branded condo project in Pompano Beach, The Real Deal reported.

The joint venture is planning to build a 28-story tower on a 1.8-acre site at 1350 South Ocean Blvd. A Merrimac affiliate purchased the site for \$11.5M in 2011 along with an adjacent 4-acre property that has since been developed into luxury rentals.

The planned 92-unit development would have condos ranging from two to five bedrooms, two restaurants, around two dozen boat slips and a pool deck atop a three-story parking podium.

Residents have begun to move into the 11-story Oaklyn apartments in Oakland Park after the property, developed by Fort Lauderdale-based Newrock Partners, received a temporary certificate of occupancy last month, according to a release.

The 274-apartment property with 19K SF of ground floor retail is located at 3333 North Federal Highway and was built on parking lots at an office property called the Kennan Building. It has units ranging from 451 SF studios to 1,172 SF two-bedroom apartments. Amenities at the development, designed by Kobi Karp Architecture and built by First Florida, include maker spaces, recording studios and a rooftop pool deck and lounge.

Newrock was formed in 2020 by Koby Assaraf, the former chief development officer of Miami-based Link Real Estate, and Dan Deitchman, the owner of Pennsylvania-based Brickbox Development.

The developers purchased the site in July 2021 for \$5.2M, according to property records, a month after securing a \$67.5M construction loan from New York-based S3 Capital Partners, The Real Deal reported at the time.

## **PEOPLE**

Joe Nesseler joined the West Palm Beach-based Shoreham Capital as the investment and development firm's managing director of finance, according to a release. Nesseler, who has executed more than \$50B of transactions in his more than 20-year career, will lead financial strategy, investment management, capital allocation and transaction execution.

He joins Shoreham after working for 14 years as the director of real estate investment banking at Wells Fargo and Eastdil Secured, the private real estate investment banking division of the bank that was sold in 2019.

Shoreham Capital was founded in 2022 by Doug Faron, a former managing director at the Los Angeles-based real estate investor CIM Group; Steve Figari, a former managing director at New York-based Slate Property Group; and Nick Zoumas, the president of the West Palm Beach developer JNS Homes.