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BUILDING ON THE EDGE

Developers Reid Boren and Taylor Collins hope a novel beachfront condo in Miami's East Edgewater district will draw those seeking the waterfront lifestyle.

By Jeff Zbar | Photography by Jorge Parra



BUILDING ON THE EDGE

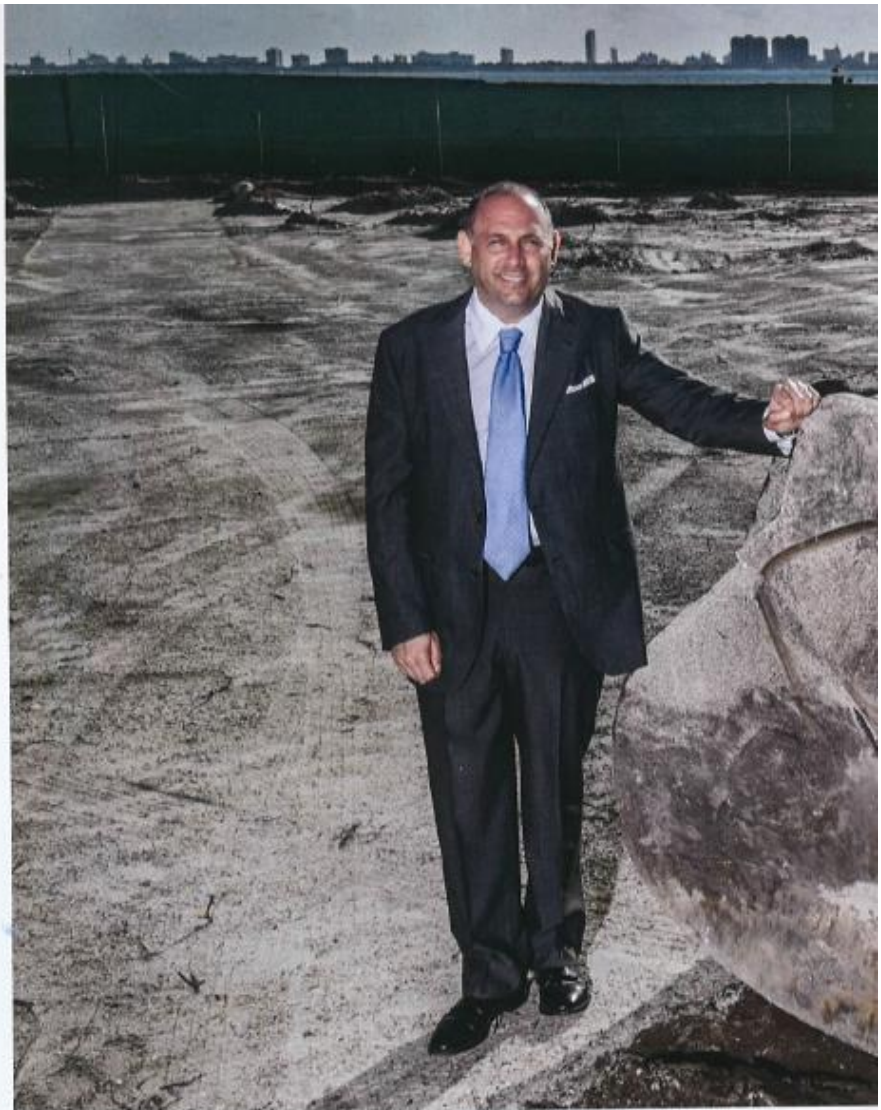
Reid Boren and Taylor Collins are well aware of what is probably the most commonly cited axiom in real estate. "Location, location, location." It's recited like an aphorism, whether by developers or buyers, realtors or retailers.

These days, though, Boren and Collins adhere to a different motto.

"If you're going to be on the water," said Boren, "be on the water."

That's what the co-managing partners of Eastview Development LLC, have in mind with their 2.68-acre parcel in Miami's emerging East Edgewater bay-front community. Perched at the edge of Biscayne Bay, the parcel will be home to Biscayne Beach, a luxury condominium with direct water frontage that will deliver forever-unobstructed views.

Five years ago, few would have ventured such a move. Once a blighted, don't-go-there zone, East Edgewater today is the fast-growing, northern boundary of Miami's emerging 24-7 urban center. It borders Biscayne Boulevard from Northeast 17th Street and the Venetian Causeway north to the Julia Tuttle Causeway. To the south are the AmericanAirlines Arena, the Perez Art Museum Miami, and the under



Raid Borens and Taylor Collins, co-managing partners at Eastview Development LLC.



Rendering of aerial view of Biscayne Beach, East Edgewater, Miami Residences

construction Patricia and Philip Frost Museum of Science.

Nearby are the Design District, and Wynwood Arts District, and to the west and south are Midtown and downtown Miami. Luxury shopping, like Hermes, Dior Homme, and scores of other exclusive retailers, and high-end dining establishments have arrived.

"If you're blocks away from Hermes," said Boren, "you're in a good neighborhood."

Travel along Biscayne Boulevard and turn east on 29th Street. Drive past the Corpus Christi Catholic Church, the one- and two-story Spanish-style homes and vacant lots for sale, and the lattice of condo towers rising high beside the road. At the end, where the road meets the seawall is the future home of Biscayne Beach.

The Beach—Redefined

Biscayne Beach is somewhat of a misnomer. The beach will be 1,200 tons—or about 120 truckloads—of sand spread over almost 13,000 square feet facing the bay. The resulting private, residents-only beach club will have lounge chairs, fire pits, and very high-end finishes. There will be an infinity-edge pool, cabanas, and a beach bar. Boren, a restaurateur with four upscale eateries and bakeries in Palm Beach County, is negotiating with an international restaurant to open on site.

Across the 25-foot public easement mandated by Miami 21, the city's land use and urban planning code, where land meets bay, will be 335 feet of newly built seawall. Residents will have access to three small piers where they



can launch kayaks and paddle boards kept in an onsite storage shed. "You'll be able to take your paddle board from storage, walk it out and get into the bay," said Collins. "You'll get to experience one of the real treasures of Miami."

The Biscayne Beach condo itself will rise 52 stories with 399 luxury residences starting in the \$400,000s. All will offer floor-to-ceiling glass, and depending on particular orientation, views of Miami's western expanse, or the bay and Miami Beach. The developers said they've already taken a reservation for one of the "Sky Penthouses," with its own private rooftop pool and garden terrace. Published prices for such lofty luxury: \$9 million.

After talking with real estate brokers and scoping the competition, they've included Snidero cabinetry and Miele appliances—"things Edgewater has never seen," said Collins. Their hope is that by stepping up standard

amenities in what will be larger-than-standard units, they will attract buyers.

"That's been a very conscious decision for us," said Collins. "We might make a little bit less, but we'll stand out among some great projects."

The concept seems to be working. Before the sales center on Biscayne and 30th Street even opened in February, Biscayne Beach had taken reservations on more than 70 percent of its units—mostly to wealthy Latin Americans, northeastern hedge fund and money managers, and locals hoping to have a retreat or home amid Miami's emerging cultural milieu.

Real Estate Lifers' Vision

Boren and Collins both are real estate lifers who have been business partners for more than a decade. They met socially in Palm Beach

County, where their business is based. To avoid a daily 75-mile commute to 29th and Biscayne, they maintain a Miami condo near the American Airlines Arena.

Collins, 37, is a fifth-generation Floridian and third-generation developer, born in Leesburg and raised in Ocala where his father owns thousands of acres and built thousands of homes. Young Collins grew up working the lumber yard and riding with the workmen who delivered concrete to job sites.

Boren, 42, arrived in Florida from New York in 1989 and graduated from Rollins College in Winter Park. He began his real estate career in residential and commercial mortgage and equity management, helping developers secure construction loans and managing sales teams.

Collins brings land-use and development experience. Boren is a marketer, brander, and sales closer.

Collins started poking around the Miami market about three years ago. Their interest piqued by what the two thought would be a resurgent market in a growing cultural and international destination, "We decided to take a chance," he said. They looked at Brickell and North Beach, but the bay's western edge caught their eye.

"We really liked what was happening in the Edgewater area," said Collins.

In 2013, their development team—including backer GTIS Partners—spent \$31 million on 2.68 acres of prime bay-front property.

The Next Condo Boom

As Collins walked the raw dirt of the newly cleared parcel, where apartments once stood and pilings still poked up from the ground, an excavator rumbled across the lot. A seagull called from over the bay. A jet roared as it climbed away from Miami International Airport six miles to the west.

The cacophony was pierced by the ping of hammers pounding metal on another condo also rising along 29th Street.

"East Edgewater is a busy place, part of the next construction boom taking off in Miami's urban core," said Marc Samoff, chairman of the Miami Downtown Development Authority and a Miami city commissioner whose district includes East Edgewater. "From the Central Business District and West Brickell to East Edgewater, the urban lifestyle is attracting a variety of buyers," he said.

"Areas like East Edgewater are booming as foreign and local buyers flock to this untapped strip of prime bay-front land," added Samoff.

What a difference five years makes. As recently as 2009, some 63 percent of all new units in downtown Miami were occupied. Half



Rendering, Aerial West View of Biscayne Beach,
East Edgewater, Miami Residences

were owner-occupied, half were renters, according to figures from the Miami Downtown Development Authority (DDA). Over time, occupancy has grown. In 2010, 74 percent of units were occupied. From 2011 through 2013, figures hit 85 percent, 93 percent and 97 percent, respectively.

Inventory all but disappeared. As of year-end 2012, 93 percent of new downtown condo units were sold, leaving an unsold inventory to just over 1,500 units, according to DDA statistics, as prepared by Focus Real Estate Advisors.

In the first quarter of 2013, average unit sale prices were \$425,498, compared to \$351,078 the first quarter of 2010, according to the DDA.

With pent-up demand seemingly obvious, a new expansion cycle has begun. As of 2013, some 5,500 new residential units were in the developer pipeline for greater downtown Miami; 65 percent of these already are approved and under construction, including 19 new condo towers.

Nine towers with 2,200 units – or about 16 percent of the total proposed for the Brickell Avenue, downtown, and Biscayne Boulevard corridor – are in development or have been proposed for East Edgewater, said Peter Zalewski, principal with real estate consultancy Condo Vultures LLC. Some are west of Biscayne Boulevard. But the sweet spot is between the boulevard and the bay, he said.

Given the distance from Miami's Central Business District—arguably the nexus of the

highest-value development—East Edgewater buyers will enjoy something of a price discount. With the Miami World Center and Genting's evolving plans for the old *Miami Herald* property, there's some risk for speculators and investors swooping in, said Zalewski. But for those buying as a primary residence, "Edgewater will be the only place on the water that's affordable."

Undeterred by Competition

Competition is keen. The Melo Group is building Skyview, an apartment tower at Northeast 22nd Street. The "800-pound gorilla" on the block—as Zalewski put it—is Jorge Perez and The Related Group. In 2013, the company broke ground on luxury condo Icon Bay on Northeast 28th Street. The company paid \$29 million for a parcel three blocks away at Northeast 31st Street where Paraiso Bay will reside. Little more than a year prior, that land had sold for \$11.5 million. Icon Bay and Paraiso Bay towers should bring more than 1,000 units online when completed in 2015 and 2016, respectively.

Perez paid 42 percent less for his 31st Street land than Eastview paid for theirs, said Zalewski. Perez paid even less for the Icon Bay parcel. "That's a pretty stark example" of the pricing realities and competition Biscayne Beach may face, he said.

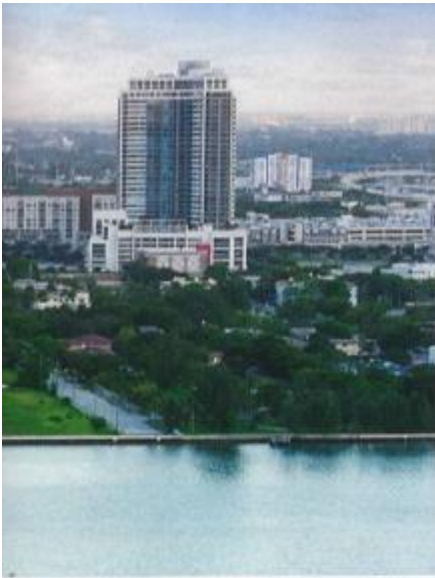
If Boren and Collins are spooked by the competition, they don't let on. Actually, Boren sees being bookended by The Related Group's towers as validation of concept. And, he has faith in the product they're putting out, in his and Collins' experience, and in the nod from his New York partners.

"The guys at GTIS are very smart. That speaks volumes to the global strength of the market," he said. "Other projects speak to how the area is going to be. No one would want to come to our building and pay our prices if others weren't validating the purchase. So that's encouraging."

Then, there's that motto of being on the water. "For some towers going up, being one block off the water is one block too far," said Alicia Cervera Lamadrid, managing partner of Cervera Real Estate. Cervera advised Collins and Boren on the property, comps, value, and pricing in 2013. Today, her firm is the exclusive broker for Biscayne Beach.

"Other properties may be down the street, or have a view," said Cervera. "But it's never the same as being right on the water."

Cervera also appreciates the principals' use of outside consultants. Aside from Coral Gables-based firm, BCArchitects, the developers have tapped WHLC Architecture from Baton Rouge, Louisiana. The exclusive design partner is Thom Filicia, a New Yorker made famous for



ABOVE: Rendering of penthouse unit and (RIGHT) the beach

his appearance on the Emmy-Award winning show, *Queer Eye for the Straight Guy*. This being Reid and Collins' first Miami project brought a fresh perspective, she said.

"It was interesting to work with people who hadn't done a preponderance of things in Miami. You don't start with a love affair with the city. They appreciate the opportunities that the city has," said Cervera. "It's often complicated by people who come in thinking they know it all. Miami was built by people who were arriving. Each comes with a different idea, a different aesthetic."

One partner in Biscayne Beach who does know Miami is Robert Vahradian, senior managing director with GTIS Partners, a New York-based \$2.5 billion global real estate investment firm and the project's co-sponsor. Vahradian is bullish on Biscayne Beach.

His previous company, The Athena Group, had developed projects around Florida. In South Beach, the firm bought The Waverly at South Beach for \$97.25 million in 2002 and converted its 399 rental units to condos.

Then as now, the properties share such attributes as a strong location, good timing, and market demand. So, when Collins and Boren secured the contract, GTIS Partners liked what Vahradian called "a very desirable site"—335 feet of waterfront, close to downtown, and blocks from the Design District and the Julia Tuttle Causeway, which heads east to the beach and west along State Route 112 to Miami

International Airport. They tied up the parcel at an opportune time.

"The market is clearly in a great part of the cycle," said Vahradian, whose firm is also involved in One Brickell, in which it is joint venturing with Perez and The Related Group.

"The site we have in Edgewater is special. It has all the great fundamentals. There's not a lot of developable waterfront left in Miami."

No there isn't, and this team has bought up the few that do remain. To be sure, the area is

dotted with low-rise teardowns. There's one immediately to the south, and others along the bay front.

But as towers rise behind them—one already exists immediately west that will lose its once-prime southeast view—the refrain remains.

And if speaking in lockstep on their key selling point—as a developer, and a team selling to future residents—there's that motto:

"If you want to live on the water," said Collins, "buy on the water." **E**