

Partner helps joint venture secure \$120M loan



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Reid Boren, a partner at Eastview Development, said the construction loan from Blackstone Real Estate Debt Strategies boosted the credibility of the Biscayne Beach project.

Dealmaker: Reid Boren

The Deal: A joint venture between Eastview Development and GTIS Partners closed a \$120 million loan on Aug. 8 from Blackstone Real Estate Debt Strategies to fund construction of Biscayne Beach, a luxury condominium development in Miami's Edgewater neighborhood.

Details: When Eastview Development and GTIS Partners hit the market to fund their 399-unit luxury high rise, one major factor played in their favor: Hundreds of buyers had already snagged condominiums at Biscayne Beach, a 51-story glass, stone and stainless steel tower with one-bedrooms starting around \$500,000 and penthouses with multimillion-dollar price tags.

Construction began in June and is likely to last until December 2016, but buyers have already accounted for most of Biscayne Beach's inventory. Hundreds snapped up condos with floor-to-ceiling glass windows, oversized balconies, 10-foot ceilings, sweeping water and city views, penthouses promising private rooftop garden terraces, and a building with two tennis courts, dog park, pool, spa, cabanas, valet parking and daytime concierge service. Sales surpassed \$250 million at the start of September, with more than 70 percent of units under contract.

"What worked for us is we've been so well received in the market," said Boren, a partner at West Palm Beach-based Eastview Development. "There are lots of end users, and we think a lot of our buyers will actually live in the building."

Buoyed by brisk sales and about a \$50 million equity investment, the partners maintained talks for months with multiple potential lenders for the project at 711 NE 29th St., in Miami's East Edgewater community.

But it was GTIS' long-standing relationship with Blackstone that sealed the deal between the developers and private equity investor.

New York-based GTIS Partners is a global real estate investment firm with offices in Los Angeles, San Francisco and Sao Paulo, Brazil. It's completed about \$250 million in financing with Blackstone—a relationship that boosted the credibility of the joint Miami project. Robert Vahradian, the firm's senior managing partner, led the deal with Boren.

It took about 60 days to close on the \$120 construction loan, which matures six months after the end of construction with an option to extend by one year. Gavin M. Loughlin from Greenberg Traurig's Miami office represented Eastview and GTIS. And New York-based Fried, Frank, Harris, Shriver & Jacobson represented Blackstone.

"We're a very conservative group and Blackstone is a very conservative lender, so we both feel very comfortable about the position we're in," Boren said.

The developers say they expect to use only a fraction of the available loan amount, thanks to robust pre-construction sales.

Quote: "Since we closed we've been selling at a robust pace," Boren said. "We know we are more than well capitalized and would certainly have enough to finish the building if sales dropped off."

Background: Boren has more than 20 years of real estate experience in financing, management, sales and development. He is former managing partner of K&B Equity Group, general partner of Title Matters LLC, Beanstalk Networks LLC and 331 Freeport Partners.

—Samantha Joseph