

Dealmakers



Dealmakers details the players behind recent significant business transactions. Deals that qu transactions, M&A work, investment banking or privatizations. An expanded Dealmaker of ti tion of special interest — selected either because of its size or scope or because of the dr To suggest candidates for Dealmakers, contact Jay Rees at jrees@alm.com. Dealmakers shouk not involve local companies or properties.

Brokers guide sale of building leased by federal government

Dealmakers: Alex Zylberglait and Ryan Shaw.

The Deal: The Marcus & Millichap brokers represented Kiely Commercial in the \$10.7 million sale of the Department of Homeland Security and the U.S. Immigration and Custom Enforcement building in Key West to a pair of brothers from Philadelphia.

Details: Craig and Kurt Hoffman paid \$969 per square foot for an 11,305-square-foot office building on a 1.15-acre site at 2000 N. Roosevelt Road.

The Hoffmans, who were represented by three brokers in Marcus & Millichap's Philadelphia office, plan to keep the property as a long-term investment, Zylberglait said.

The Department of Homeland Security is in the early stages of a 15-year lease. Closing the sale was not particularly long or arduous for the brokers despite the building's high-profile tenant, he said. But the government performs an extensive vetting of potential landlords.

"I don't know the government process, but the buyers needed approval from the tenancy," he said. "Access to the property was a concern; being able to show the property [to potential buyers]. We sell a lot of properties with government tenants throughout the country."

The seller was Kiely Commercial Inc., operating as Key West GSA LLC. Kiely handled the build-to-suit construction of the building for the government in 2006. The two-story office was built to withstand a Category 5 hurricane and has a diesel-powered backup generator.

Kiely, based in Tampa, decided to sell the building after completing construction, Zylberglait said. The company viewed the sale as an "opportunity to capture equity," he said.

Background: Zylberglait is associate vice president of investments and Shaw is an investment specialist in the Miami office of Marcus & Millichap Real Estate Investment Services.

Good debt helps broker close deal

Dealmaker: Real estate broker Christian R. Lee

The Deal: Lee was the transaction broker in the sale of One Riverview Square in downtown Miami. The 148,684-square-foot office property sold for \$49.6 million. Rubicon America Trust, a publicly traded company in Australia, sold the building to real estate investment manager Eaton Vance Management in Boston. The deal closed in mid-April.

Details: Lee marketed the building for about a month in late 2007 before Eaton Vance signed a contract in December. For the deal to close, two things had to happen: Eaton Vance needed approval to assume a loan and an office build-out for a federal agency tenant had to be completed.

The mortgage assumption was time consuming, Lee said, but he noted that he'd better get used to it since buyers are likely to be assuming more loans until there's an easing of the crisis gripping the credit markets. Lee declined to provide details on the loan or the lender.

"It can really help when there is a good debt in place that the buyer can assume," Lee said. Lee defined good debt as an existing mortgage with a reasonable loan-to-value ratio, a favorable interest rate and a favorable amortization period.

Rubicon acquired the eight-story building at 333 S. Miami Ave. in 2006. Miami-Dade County property records do not show how much Rubicon paid for the property built in



Christian R. Lee said it is difficult for him to close deals in today's market and 'it was a great price for the seller.'

2004. But Rubicon's Web site said the building sold \$2.7 million above the sell valuation for the asset.

"It was a great price for the seller in today's market conditions," Lee said. "For the buyer it was a good opportunity to

costs and immediate return from the lease back."

The deal is the second commercial conversion facilitated by Casal in the past year. Capital brokered the \$8.5 million sale of the ABRO Industries building in Medley in May 2007.

Demand for industrial space in Miami-Dade County is consistent in the midst of a real estate slowdown, Casal said.

"The industrial [sector] is more conse

Details: The Miami venture paid about \$103 per square foot for the warehouse at 11450 NW 34th St. in Doral on May 28. Built in 1999 on a 32,635-square-foot parcel southeast of the intersection of Northwest 34th Street and 117th Avenue, the warehouse attracted interest from several institutional investors, Casal said, who represented the joint venture, which includes Capital Commercial Group as a partner.

Casal will oversee the warehouse condo