

## Broker Works Around Anchor Tenant's Contract in Miami Office Sale

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Alex D. Zylberglait *J. Albert Diaz*

When Alex Zylberglait brought the Miami office property at 5000 Biscayne Blvd. to the market, multiple interested buyers came forward.

The Marcus & Millichap senior vice president wasn't surprised, given the asset's location, tenants and significant redevelopment potential.

"Everything was positive," Zylberglait said.

There was, however, an intrusive challenge that would curb interest from several prospective buyers: The property's anchor tenant, Bank of America, held a contract with lease renewal options at significantly below-market rental rates.

That "would make the pricing unattractive to most traditional investors looking for regular market yields," he said.

The contract inhibited the site's redevelopment, which could consist of more than 220 units and 321,000 square feet of mixed-use space on 1.5 acres.

But First States Investors 5200 LLC, an affiliate of KBS Realty Advisors in California, was committed to selling.

Zylberglait was able to trade the property for \$6.5 million, which he said was a slight discount compared to what it would have sold for if the buyer could redevelop instantly. The property could have easily fetched north of \$10 million, he added.

A company called 69th St Loan LLC, led by investors Alex Karakhanian and Damian Narvaez, purchased the Class B office building June 9.

Karakhanian, an active investor in what has been dubbed Miami's MiMo district, paid about \$366 per square foot for the 17,784 square feet of office space, according to Miami-Dade County property records.

Zylberglait represented both the buyer and seller. Miami partner Brandon Biondo of Murai Wald Biondo & Moreno represented the buyers.

"We proactively targeted a strategic group of buyers who are committed to making a positive contribution to the evolution of this neighborhood," Zylberglait said.