

DEALMAKERS

Legal Team Works Against 45-Day Clock on Apartment Deal

by **Mary Hladky**

Special to the Review

After joining Hackleman, Olive & Judd to head the Fort Lauderdale firm's real estate practice this year, Stephen Hoffman found his plate full.

The significant deals he and his team have handled included representing New York real estate investor Maurice Mann in the purchase of a 352-unit Jupiter luxury apartment complex.

That ball landed in their court because Mann is a long-term client of founding shareholder and managing partner Benjamin Olive. Olive represented him primarily on litigation-related matters, and Mann now needed real estate expertise.

The \$87.6 million sale of Barcelona Jupiter on 28 acres at 111 Sierra Drive closed



From left to right, Nicole Villarroel, Stephen Hoffman, Kristy Armada and Benjamin Olive.

May 17. Mann financed the acquisition with \$31.6 million in net proceeds from the \$45.8 million sale of a New York apartment building and a \$56 million loan from Metropolitan Life Insurance Co. The sales price equates to nearly \$250,000 per unit.

The seller was developer FLF 1030 LLC, an affiliate of

Jupiter-based FLF Holdings, whose principal Josh Simon is very active in acquiring commercial properties in the town.

"There was a lot of interest in this property," said Hoffman, whose team included real estate partner Kristy Armada and real estate associate Nicole Villarroel. "We were the successful bidder because we had

the funds to close and we could close in a short time frame.”

Since the time to get this deal done was short, the three attorneys and two paralegals worked on it for “a significant portion of every day for about a month,” Hoffman said.

One complication was that Barcelona Jupiter includes 75 units designated as workforce housing, which provides middle-income tenants who can’t afford market rates with rents they can afford.

“Getting our arms around the workforce housing ordinance was a little challenging,” he said.

Before the transaction could be completed, a lot of paperwork had to be checked for accuracy. The team had to make sure each workforce housing tenant was properly categorized, their incomes were accurately reported to the town and other reporting requirements were met.

Much of their other work was typical for this type of transaction, but the 45 days they had to complete due diligence added pressure, Hoffman said.

“The main issue was trying to compress that into a short time frame posed some fairly unique challenges,” he said.

Transactions have become fast-paced as a result of money pouring in from real estate investment trusts, Hoffman said.

“From my viewpoint, those entities are creating a lot of pressure on the market. They are paying very low return on investments, which makes it difficult for normal investors to compete with that,” he said. “Normal investors are looking at other ways to make themselves look better in the seller’s eyes. One of the ways to do that is to say, ‘We can close quickly.’”

Hoffman practiced with Mastriana & Christiansen in Fort Lauderdale for more than 25 years and recently joined Hackleman Olive from Perlman, Bajandas, Yevoli & Albright. Projects he has worked on include the development of Sawgrass Mills mall in Sunrise, Bass Pro Outdoor World in Dania Beach and The Ritz-Carlton in Fort Lauderdale.

Construction of Barcelona Jupiter was completed last year on the site of a former mobile home park.

The one-, two- and three-bedroom apartments, which are 95 percent rented, feature granite countertops, wood plank flooring

and stainless steel appliances. Amenities include a fitness center, fitness path around a lake, summer kitchen with barbecue grills, yoga studio, billiards room with 10 televisions, dog park and playground.

Rents range from \$1,410 to \$2,400 a month, according to its website. It is certified by the Florida Green Building Coalition.

FLF Holdings principal Simon still owns property adjacent to Barcelona Jupiter. Construction has started on development that will include medical offices and two restaurants.

Mann founded Mann Realty Associates in 1980, which got its start with the acquisition and renovation of three buildings in Harlem and now owns or manages 20 buildings, according to his company’s website.

Barcelona Jupiter is not Mann’s first foray into South Florida. He has invested in several condos and owns a 26-unit apartment complex in Fort Lauderdale.

“I’m always open to future acquisitions and developments in South Florida,” he said in an email. “But for the time being I am focusing on my recent acquisition in Jupiter.”