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Miami Beach apartment/retail building sold for \$21M to New York investor

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A mixed-use building in Miami Beach sold for \$21 million to an affiliate of New York-based Springhouse Partners.

Goldwater Realty, a Miami Beach-based company managed by Zalman Fellig, sold the building at 1700 Alton Road to AC 1700 Alton Owner, which is managed by Springhouse Partners founder Adam Verner. Forte Capital Management was also part of the deal. The buyer obtained a \$19.04 million mortgage from **Ladder Capital Finance**.

Constructed in 1923 on a 15,000-square-foot lot, the five-story building totals 35,530 square feet. It has 8,165 square feet of retail space on the ground floor, 70 studio apartments and 33 parking spaces. It's a block north of the popular Lincoln Road pedestrian mall.

A Vespa scooter store is the main tenant.

Jordan Ray, Jason Cohen, Ari Hirt and Axel DeAngelis of New York-based Mission Capital was the mortgage broker on the deal. He said the loan includes future funding for extensive renovations to the property. The buyer intends to convert it into a hospitality use, said Ray, who noted that it was originally a hotel.

Ladder Capital is a specialty finance firm. Ray said its interest rates are a little higher than conventional banks, but its loans are usually non-recourse.

"On a construction loan you are in and out quickly and the rate isn't that important," Ray said.

The property last traded for \$1 million in 1991, but it has since been renovated. The county property appraiser valued it at \$3.5 million in 2014.

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