

NATIONAL

Lighting Up The Room With Solutions

OCTOBER 13, 2017 | BY PAUL BUBNY

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NEW YORK CITY—Earlier this month, Lotus Capital Partners, a boutique investment banking firm launched in 2016 by industry veteran Faisal Ashraf, announced that it had arranged a \$318-million capital stack to finance the construction and recapitalization of Via Mizner, a two-million-square-foot mixed-use project in downtown Boca Raton, FL. Currently in various stages of development, Via Mizner will include a 164-key Mandarin Oriental, the first new luxury hotel this Florida has seen in nearly a century and the largest Mandarin Oriental –branded project developed in the US over the past decade. The financing marks the largest in Florida this year.

“We win business a little differently than many of our peers,” Ashraf tells GlobeSt.com. “Ours is a story of career bankers and career distribution people that have come together to build a real estate capital markets advisory shop, and that’s sort of counter-cyclical to what you typically see. You typically see an advisor aspire to be a debt fund or a hedge fund or a lender.

Ashraf, for example, ran the capital markets desk at Credit Suisse, and ran capital markets and large loan origination for Cantor Commercial Real Estate prior to founding Lotus, named after the flower that can blossom under adverse conditions. “I formed the company last year after a couple of years of thought and seeing how there’s a massive void of high-quality advisories arranging capital,” he says.

The story of the Via Mizner deal “falls in line with that. We competed in a very crowded marketplace for advisory, as you can imagine. A deal of this significance and a client of this significance typically has 20- or 30-year relationships, and this was not a long-term client of Lotus Capital, but one that we were able to persuade that our advisory was a little different from everybody else’s.

“We competed with all of the Hall of Fame players, and the differences between them and us can be marked in a few categories,” he says. For one thing, “We’re a boutique firm, so we don’t light up the room with five managing directors and stories of seven offices; we light up the room with solutions.”

Additionally, says Ashraf, “We understood this to be a two-million-square-foot ecosystem in various stages of development in Boca Raton, a city that needs a little bit of a story to be told. We had a lot of creative ideas around structuring and great flexibility in the financing structure that the sponsor needed to realize their vision. You can only bring that vision and meet that vision if you’re a career lender. The fact that I’ve closed \$5 billion in construction loans as a lender allows me to be a pretty good advisor, and very smart, sophisticated sponsors get that.”

He adds that it makes for “a very powerful pitch in front of sponsors when you can say that you’ve done \$5 billion of this yourself. They appreciate that you understand the nuances and the technicalities and are able to articulate this to a lender.”

The difference between Lotus’ “interview,” as it were, and that of the traditional brokerage advisory firm for the Via Mizner deal was that “ours was turning more into a real advisory conversation, as opposed to a brokerage one. Through that, we were able to secure the assignment, and five or five months later we arranged the year’s largest financing in the state of Florida.” It’s one element of a track record that Ashraf says will see the company end 2017, its first full year of operation, with \$1 billion in closed transactions, quickly ranking it among “the top 1% in the country.”



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