

## LOTUS ARRANGES UNIQUE DUAL-STRUCTURE \$70 MILLION ACQUISITION AND CONSTRUCTION FINANCING FOR PPG AND L3C ON BAY HARBOR ISLANDS CONDOMINIUM PROJECT

**Miami, FL – August 1st, 2022** – Lotus Capital Partners, LLC (“Lotus”), a boutique real estate capital advisory firm, announced today that it has successfully arranged and structured a \$70 million acquisition and development financing package for Pearl Property Group (“PPG”) and L3C Capital Partners (“L3C”) (collectively, the “Sponsor”) for a 46-unit luxury waterfront development in Bay Harbor Islands, in Miami, Florida.

PPG and L3C are acquiring a prime 1-acre site facing the Bay Harbor waterway with spectacular water views. The site currently consists of a 30-unit condominium building. Sponsor is under contract and will close simultaneously with all unit owners tendering this units. Within several months following the acquisition, the Sponsor plans to demolish the existing improvements and begin site preparation work for vertical construction. Upon completion, the Property will consist of 46 high-end condominiums featuring luxury designs and finished and averaging approximately 2,800 square feet. The development will maximize unit views and provide a full suite of first-class amenities, including a state-of-the-art fitness center, a resort club pool overlooking the water, and a marina.

Lotus arranged a unique dual-structure financing package with MSD Partners, providing the Sponsor with (a) acquisition financing to purchase the real estate, and (b) stapled to a ground-up construction loan to develop the property.

“There is a lot of talk about this dual-tranche structure; however, its rarely seen or done in the market. Here we understood our client’s needs and were able to work with a creative lender that saw the world the same way as we did”. Said Faisal Ashraf, Lotus’s Managing Partner. Adding, “traditionally, a sponsor will secure acquisition and pre-development financing first, and then, likely 12-24 months later, seek construction financing once their plans are set and they have met the customary milestones required to secure construction financing. That often leads to uncertainty for the sponsor and results in significant friction costs. In the case of the financing package we have secured, the acquisition loan will address the pre-development needs of the Sponsor, including demolition, excavation, marketing costs along with the acquisition of transfer development rights. At a later date, likely towards the 3Q 2024, MSD will fund the construction tranche providing our clients with a smooth end-to-end capital process.”

Residential growth has exploded in Bay Harbor, Bal Harbor, and Surfside in recent years due to a strong in-migration of professionals, entrepreneurs, and businesses to South Florida. The area is ideally located central to South Florida's most prominent cities, including, Miami (15 miles), Fort Lauderdale (25 miles), and Aventura (7 miles) providing ample amenities including miles of beaches as well as a high density of dining and shopping options, including Bal Harbour Shops, a 450,000 SF open-air shopping mall known throughout Miami as a luxury shopping destination.

PPG has recently completed several projects in the area, including the ground up development of the 250-unit, 27-story, SLS Residence in Hallandale Beach which Lotus arranged a \$100 million in financing for as well as the redevelopment of the The Altair Hotel, a 96-unit condominium hotel which is currently over 80% sold out. PPG is further developing 58 Oak in Hollywood, a 58-unit residential building targeting either luxury rental clientele or an independent living model.

“Our team is proud to have structured a truly ‘one-stop’ financing solution for the PPG and L3C teams. This financing package provides execution certainty in an uncertain and volatile lending market,” said Lotus Managing Partner, Faisal Ashraf. “PPG is a repeat client of ours with whom we have had a tremendous, 20-year relationship and we are incredibly proud to have closed this unique financing on their behalf.”

### **About Lotus Capital Partners, LLC**

Lotus Capital Partners is a New York based real estate investment banking firm focused on arranging structured debt, preferred equity and mezzanine financing for commercial real estate transactions.

Lotus is one the fastest growing capital arrangers in the US, bringing a strong analytical, hands-on private banking approach to sourcing capital for our clients. The core team our team is comprised of former lending and placement veterans who have closed more than \$40 billion in structured real estate debt transactions. This previous experience has led to unmatched capital relationships, many of them off-market. The firm's sourcing approach combines a meticulous understanding of the issues, creative solutions-based thinking, and most importantly, a relentless advocacy for those we serve.

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