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## Investors pay over \$50 million for Coral Gables office building



By **Brian Bandell** – Real Estate Editor, South Florida Business Journal  
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The office building at 255 Alhambra Circle, Coral Gables.

LNDMRK DEVELOPMENT, TERRANOVA CORP. AND TOROSE EQUITIES

A partnership between Lndmrk Development, Terranova Corp. and Torose Equities acquired the 255 Alhambra office building.

A source close to the deal said the price was more than \$50 million, but the parties didn't announce it. The deed has yet to be filed in county records.

RREEF America REIT II Corp., a fund managed by Deutsche Bank, sold the 220,000-square-foot office building and its parking deck at 255 Alhambra Circle to the local developers.

The property last traded for \$59.9 million in 2006, so it sold for either a slight discount or basically broke even.

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The 13-story office building was built on the 1.3-acre site in downtown Coral Gables in 1972. The buyers said they plan to enhance the building's amenities.

Alex Karakhanian, principal of Lndmrk Development, said that while there will still be hybrid work and some downsizing of office space, there's still good demand for office space in Coral Gables because companies are relocating here. Plus, there's not much office construction.

"It will become a recipe for healthy office occupancy," he said. "Office space is going to find users."

Karakhanian said the partners obtained financing for the deal, which is also a good sign for the local office market.

The 255 Alhambra building is about 80% occupied, he said. Tenants include TD Bank, TD Ameritrade, Driftwood Acquisition, Kraft Food and Colson Hicks Eidson.

"It is rare to find an institutional-grade property like this strategically located in a high-barrier-to-entry submarket with so much upside potential," stated Scott Sherman, founder and principal of Torose Equities. "This property is positioned to generate strong returns with stable in-place cash flow. Our contrarian approach of buying office and retail spaces when everybody is being extremely cautious has once again enabled us to find strong value in an asset class and market we're very bullish on."

For Terranova, this deal increases the company's holdings in Coral Gables. It's already the largest property owner on Miracle Mile, with a mix of offices and retail. In fact, Terranova proposed a new office building there in 2022.

"Terranova has long seen the growth potential for Coral Gables, and we are thrilled to continue to invest in the community through the office building acquisition at 255 Alhambra Circle," stated Stephen Bittel, founder and chairman of Terranova. "The area offers companies a holistic business and lifestyle opportunity which serves as an extremely attractive alternate to traditional hot commercial real estate markets like Brickell and downtown Miami."