

Miami Builder Colombo Forges Ahead With Condos Despite Slowdown

By Jonathan Levin

- Colombo's CMC Group just closed \$236 million in financing
- Developers are financing projects with higher-cost loans

Developer Ugo Colombo has shored up financing for his latest high-end Miami condominium tower, one of the capstones to the downtown Brickell neighborhood that emerged from nowhere over the past decade. Even as concerns mount about a glut in high-priced Miami condos, Colombo's CMC Group completed \$236 million in construction loans for its Brickell Flatiron project. Jim Shindell, a lawyer with Bilzin Sumberg representing Colombo on the deal, said that the financing includes mortgage and mezzanine loans.



Brickell Flatiron project. Source: CMC Group

While Miami's condo market has slowed from the feverish pace of the past decade, the Flatiron deal is the latest sign that developers can still finance their projects, provided they meet certain conditions. The Paramount Miami World Center recently landed a \$285 million loan and the One Thousand Museum project, designed by the late Pritzker Prize-winning architect Zaha Hadid, near the Perez Art Museum Miami, got \$225 million.

Borrowers generally have to show significant pre-sales to get funding. Brickell Flatiron, for instance, is 60 percent sold. And developers have been forced to finance bigger portions of their costs with high-interest-rate mezzanine loans, according to Ezra Katz, chief executive of Miami-based Aztec Group, which provides real estate development capital.

Shindell declined to disclose the interest rates on CMC Group's loans for the Brickell Flatiron. Colombo wasn't available to comment. "The projects that have good strong developers and that have a sales story, and a good roster of existing pre-sales -- they'll get financed," said Anthony Graziano, senior managing director in Miami with Integra Realty Resources Inc., an advisory firm. "I just think the money's going to be more expensive."

Colombo is also known around South Florida as the owner of The Collection, a dealer of Ferraris, Maseratis, Aston Martins and other ultra-high-end automobiles.