

## Business



Architectural rendering of the planned three-story apartment buildings to be built near the proposed site of the American Dream Miami mega-mall near Miami Lakes.

# Terra Group to build 1,400 apartments near Miami Lakes

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The Miami-based developer Terra has closed on a deal to buy 70 acres just south of the proposed site of the American Dream Miami mega-mall for \$52 million, one of the largest purchases of land in Miami-Dade County in 2019.

David Martin, president and co-founder of Terra, said his company will build 1,369 rental apartments in three phases at the site,

which is located on NW 170th Street between the Florida Turnpike and I-75 near Hialeah, Hialeah Gardens and Miami Lakes.

The seller was the real estate investment firm Prologis, which originally planned to develop an industrial facility at the location.

The site neighbors several large employers, including the Boeing Distribution Services headquarters, three Preferred Freezer frozen-food cold storage warehouses and the high-end

lighting manufacturer Fine Art Lamps. Home Depot is building a distribution warehouse nearby that would employ another 600 people.

"The location has an amazing visibility, it has great access in and out of the area, and it's adjacent to a big employment center," Martin said. "The theme of this project is to build communities close to where people work. The other theme is attainable housing. The zoning allowed us to build up to 4,000 units, but we're building much less to

deliver affordable price points."

Martin said the size of the units will range from 700 to 1,500 square feet. The average rent of one-bedroom units will be between \$1,400-\$1,600. Two-bedrooms will go for \$1,800-\$2,200. Three-bedrooms will run between \$2,400-\$2,500. Construction is scheduled to begin in early 2020.

According to rentjungle.com, the average rent of an apartment in nearby Miami Lakes in October was \$1,954, a 10.5 percent increase from the same period in 2018. The average rent of an apartment in Hialeah was \$2,128 in November, a 5.3 percent increase year over year.

Although the housing giant Lennar Corp. recently built a residential community in Miami Lakes, those units were single-family homes priced between \$546,000 and \$645,000.

Martin said the project will be built in three phases, each with its own clubhouse and amenities. The second and third phases will include age-restricted units reserved for seniors.

A new study by the real estate research firm CoStar shows Miami leads the U.S. in the number of new apartments under construction, with 10.8 percent of its total existing inventory in development, the highest in the nation.

Christos Costandinides, director of market analytics for CoStar in Miami, said home prices in Miami have appreciated by about 50% in the past five years, forcing more people to become renters. In the past year, 80% of all residential building permits issued in the Miami area were for apartments, with permits for single-family homes accounting for the remaining 20%, according to Costandinides.

Martin said that despite the site's proximity to American Dream Miami, his project is not dependent on that massive mall ever being built.

"I don't mind if it comes or doesn't," he said. "It's not necessary to this site. We're hopeful that they meet all their objectives and we'll coordinate with them in whatever capacity they need. But we don't need this mall to happen now or 10 years from now. It's not a necessary component."

The sale closed Dec. 9. Brian Smith, managing director for JLL in South Florida, represented Prologis in the transaction. Jason Shapiro and Sean Harrington, managing directors of Aztec Group, arranged the financing on behalf of Terra. The commercial bank Synovus provided a \$43 million loan to Terra to complete the purchase.

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