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## MHCommercial Teams with Waterfall Asset on \$49.75Mln South Fla. Office Buy

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### *Commercial Real Estate Direct Staff Report*

MHCommercial Real Estate Fund I, which was [formed late last year by NAI/Merin Hunter Codman](#), has partnered with Waterfall Asset Management on the \$49.75 million, or \$204.73/sf, acquisition of Golden Bear Plaza, a 243,000-square-foot office building in Palm Beach Gardens, Fla.

The venture purchased the three-building complex from Alliance Partners HSP, a Philadelphia affiliate of the Shidler Group that's led by Clay Hamlin and [had acquired it three years ago for \\$62.3 million](#). It had purchased the property from Equus Capital Partners, which had invested roughly \$1.5 million on upgrades. Alliance Partners' plan was to invest another \$2.3 million on renovations. At the time, the property, which includes parking for 727 vehicles, was 82.3 percent occupied.

Golden Bear Plaza, less than 13 miles north of downtown Palm Beach, was developed in stages between 1985 and 1990 by Nicklaus Cos., the development company formed by golf legend Jack Nicklaus. The property, at 11760, 11770, 11780 and 11790 U.S. Highway 1, is now 90 percent leased.

It's the third investment for MHCommercial, which was formed by Jordan Paul and Dung Lam, principals of NAI/Merin, and the company's founder, Neil Merin. The fund has the capacity to make up to \$200 million of investments and targets office, retail, multifamily and industrial properties in the Southeastern United States.

For Waterfall Asset, an \$8.8 billion investment manager, the property is its first in South Florida. It includes a fitness center and exterior terraces for most office suites.

The venture funded its purchase with a loan from M&T Bank. MHCommercial previously had said that it would aim to place loans of 65 percent to 70 percent of its properties' value.

The M&T loan allowed Alliance Partners to pay off a \$42.1 million mortgage that Varde Partners had provided and funded through VMC Finance, 2018-FL1. That loan was facing its initial maturity in July, but included extension options.

Golden Bear Plaza, which is near Interstate 95, had generated \$2.6 million of net operating income during the 12 months through the end of September 2017, according to servicer data compiled by [Trepp LLC](#). That grew slightly, to \$2.7 million, last year, giving the MHCommercial/Waterfall Asset purchase price a 5.4 percent capitalization rate.

Tenants at the property include AT&T, which occupies 40,213 sf; Otis Elevator Co., which last year signed for 21,231 sf; and Biomet 3i, which leases 20,935 sf. Other tenants include Pike Electric, Dycom Industries and NextEra Energy.

NAI/Merin will continue to manage and lease the property, which it has done for 17 years, since Equus had purchased it. It also had brokered Equus' sale to Alliance Partners.

*Comments? E-mail [Orest Mandzy](#), or call him at (267) 327-4281.*



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