

## Top Deals 2019: Southwest Florida

### Residential sales once again reign in three-county region

by: [Kevin McQuaid](#) | Commercial Real Estate Editor

Unlike the other two geographic submarkets that make up the Gulf Coast region, residential sales comprised the majority of Top Deals in Southwest Florida in 2019.

Four of the top five deals in Southwest Florida involved housing of some kind, in fact, though traditional apartment deals made up only half of the total. The other two deals were of a manufactured home and recreational vehicle park and a condominium project that is part of a hospitality resort.

In 2018 and 2017, by comparison, nine of the 10 largest deals comprised apartment trades, driven by population and job growth and a relative lack of inventory.

Combined, the five Top Deals cost investors \$397.85 million in 2019, a decline of 16.4% from the 2018 total — though last year the sale of a single asset, the Hyatt Regency Coconut Point Resort & Spa, accounted for roughly 40% of the submarket's total.

But while overall volume dropped, parity between deal sizes remained. This year's No. 5 Top Deal, for the Channelside Apartments in Fort Myers, generated \$65.2 million, whereas in 2018 the No. 5 transaction involved the Mosaic at the Forum apartments, which sold for \$49.7 million.

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### **1). Gulfstream Isles Apartments: \$109 million**

When Dallas-based Lurin Capital acquired the Gulfstream Isles apartments in Fort Myers this fall, it marked the second time in the past three years that the 936-unit complex has sold at a record price for the area.

In 2016, when Starwood Capital bought the 1601 Red Cedar Drive complex on 39 acres, it paid a then-record \$95.2 million.

The 42-building community was completed in phases in 1998 and contains a plethora of amenities, including four swimming pools, multiple tennis courts and dog parks, a fitness center, on-site coffee shop and a children's playground.

Lurin Capital's purchase is part of an ambitious plan to ramp up in the coming years and build a sizeable portfolio to rival other regional players. By 2021, the company says it seeks to have a portfolio with as many as 12,500 units and valued in excess of \$1 billion.

"We seek to acquire assets at a significant discount to replacement cost, maximize value by addressing any physical or operational issues through aggressive asset management and targeted value-add initiatives, and look to capitalize on the investment once the asset is stabilized," the company says.

## **2). Crystal Shores Condominiums: \$84.5 million**

Marriott Vacations Worldwide Corp. spent \$84.5 million to consolidate ownership of the Crystal Shores condominiums on Marco Island in Collier County.

The move gave the Orlando-based company full control of the units at the 215-condo resort. Marriott Vacations had made three other significant purchases to acquire units there since 2006.

In all, the company invested \$199.45 million to buy units in the four-towered resort along with select commercial sites, records indicate.

In the latest acquisition, Marriott Vacations bought the 600 S. Collier Blvd. units from an affiliate of 54 Madison Partners, a New York financier.

Founded in 1984, Marriott Vacations operates timeshare resorts affiliated with Bethesda, Md.-based Marriott International Inc., the world's largest hotel operator. Marriott Vacations became a publicly traded entity itself in 2011.

### **3). Citrus Park: \$72 million**

Carlyle Property Investors bought the Citrus Park mobile home and recreational vehicle park in Bonita Springs in mid-2019, in one of the more unorthodox commercial real estate deals of the year.

Analysts note that such transactions, while atypical, often provide better and more stable yields than other property investments because of the customer base they serve. In the wake of the Carlyle deal, New York-based Blackstone Group and other institutional players have followed suit along the Gulf Coast, records indicate.

In this case, the subsidiary of the giant Washington, D.C., investment firm bought the 420-acre Citrus Park property from Trost International Inc., the developer of the property.

Trost developed the 1,536-unit community beginning in the 1970s on what had been orange groves. Today the 55-plus community features amenities such as swimming pools, tennis and shuffleboard courts, a softball field, golf driving range and a dance hall.

Carlyle Property, which was formed in September 2015, specializes in buying multifamily assets, according to records filed with the U.S. Securities & Exchange Commission. In all, its assets are valued in excess of \$1 billion, SEC records indicate.

#### **4). Gartner Inc. offices: \$67.15 million**

Kawa Capital Management completed its second major Lee County property investment in mid-November, when it bought a trio of buildings occupied by event planner and consultant Gartner Inc.

Gartner in 2017 embarked on the buildings as part of a corporate expansion with Atlanta-based TPA Group, a development firm that also has ongoing projects in Tampa and in Pasco County.

In all, the three buildings contain 240,000 square feet and were developed in the Skyplex Commercial Park, a 1,150-acre business park adjacent to the Southwest Florida International Airport owned by the Lee County Port Authority.

The buildings, which will be occupied by the Stamford, Conn.-based Gartner on a long-term lease basis, were completed by TPA Group earlier this year.

Over the past five years, Gartner has grown to become one of Southwest Florida's largest private employers, with 1,600 employees occupying more than 500,000 square feet of office and related space.

Also in November, Aventura-based Kawa Capital spent \$33.3 million to buy 41 acres around the Edison Mall, in Fort Myers, from mall owner Washington Prime Group in a sale-leaseback.

## 5). Channelside Apartments: \$65.2 million

Like the Gulfstream Isles property, the Channelside apartments' sale of earlier this year marked the second time since 2016 that the complex has traded hands.

When an affiliate of Wyse Technology Investments, of California, bought the 325-unit complex on Aug. 1, it was 95% occupied.

Seller Meyers Group, of Coral Gables, had paid \$55 million for the complex, which was completed in 2015.

It features a saltwater swimming pool, an upscale fitness center and units with 9-foot, four-inch ceiling heights. Unit sizes range from 791 square feet to 1,400 square feet.

The six-building complex, at 15270 Ballast Point Drive, kicked off a wave of new multifamily rental development in the region. Since then, more than a half-dozen new apartment projects have been completed in Fort Myers and Naples, and more are planned.