

# Trio Helps Steelbridge Close \$85 Million Naples Deal

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Bill Bailey, Jay Caplin and Michael Manno

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**Dealmakers:** Jay Caplin, Bill Bailey and Michael Manno

**The Deal:** In a month of heavy trading, Steelbridge Capital's South Florida principals were bullish in Naples, spending about \$85 million to acquire three office towers.

**Details:** The September deals followed acquisitions in Fort Lauderdale and Orlando, as Caplin, Bailey and Manno strengthened Steelbridge's office portfolio in hard-to-enter Florida markets.

The group owns commercial property in Miami-Dade, Broward and several other major markets. But in recent weeks, the Miami trio's expansion strategy focused on Naples, an affluent West Florida community known for high-end retail, fine dining and luxury waterfront homes.

"What we're looking for is high-barrier markets where it's difficult to build new office space," said Caplin, Steelbridge's managing principal. "Naples is attractive because there's no additional supply coming on stream."

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To gain a foothold in the North Naples submarket of Collier County, the Steelbridge executives led an \$85 million play for office buildings with strong anchors and a roster of tenants in finance, law and other professional services. They use both debt and equity to purchase discounted real estate, which they then reposition for higher rents after aggressive capital improvements.

In July the group scooped up the 68,000-square-foot Suntrust tower for \$17.5 million, then laid the ground work for a round of acquisitions in coming months.

Within 60 days, they struck a \$33.65 million deal with Community Health Systems Inc. for the Pelican Bay Executive Center, former headquarters of luxury homebuilder WCI Communities Inc.

Steelbridge paid about \$200 per square foot for the three-building complex with 190,000 square feet of Class A space and a lineup of tenants like Huntington National Bank, Morgan Stanley Smith Barney LLC, Private Capital Management LP and UBS Financial Services Inc.

"Typically we look in markets in close proximity to strong residential, which is ideal for banks," Caplin said.

In a second September deal, Caplin, Bailey and Manno picked up the six-story Wells Fargo Financial Center and an adjacent property with 66,175 square feet on nearly 10 acres near the upscale Waterside Shops. At the time of the sale the offices were about 71 percent leased to tenants like Wells Fargo bank, the Hahn Loeser & Parks law firm, NewsBank Inc. and Fischer International Systems Corp.

That same month, they turned their attention away from Naples long enough to snap up a deeply discounted Fort Lauderdale property. In a \$32.55 million deal with Palm Beach-based Tricony CFC LLC, Steelbridge regained control the Cypress Financial Center—a property it had once sold for \$48 million.

Fresh on the heels of that acquisition the group closed an off-market trade with New York-based Cabot Investment Properties for a 16-story Wells Fargo tower in downtown Orlando.

The Miami trio says the focus is on Naples and other markets with high job growth, strong barriers to entry and affluent residents.

Quote: "We now control over 15 acres at the center of Naples," Manno said in a statement. "We think owning both SunTrust and Pelican Bay Executive Center gives us both operating synergies and a dominant ownership position in that market, allowing us to cater to a broad spectrum of potential tenant demand."

Background: Caplin's 24-year career in commercial real estate includes a stint as executive director of Cushman & Wakefield's capital markets group. Bailey is Steelbridge's senior asset manager and former senior vice president of the Allen Morris Co. And Manno uses his background in construction and redevelopment to guide Steelbridge's asset management services.