

## **Developer Ophir Sternberg lured from New York by Miami's potential [The Miami Herald]**

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Aug. 28--Developer Ophir Sternberg was born in Israel, but as the son of a sea merchant captain, he said, he spent much of his childhood at sea, with four years in Kobe, Japan. Perhaps that explains the ease with which he has pursued real estate deals around the globe: in New York, Macau, Nicaragua, Brazil and Miami, which he now calls home. Over its history, the company has acquired, developed and repositioned \$4 billion of property.

With its partner, New York-based Elliot Associates, Sternberg's Lionheart Capital purchased the \$120 million Ritz-Carlton Residences in Palm Beach in 2010. In 2012, the company paid \$20 million for the building and land previously occupied by Miami Heart Institute. The nine-acre site edges the waterway and a "hidden" lagoon on Meridian Avenue, in the heart of a mid-Miami Beach residential neighborhood. The company brought in Italian designer Piero Lissoni to create 111 units under the Ritz-Carlton Residences brand in the former hospital shell -- a strategy required by zoning codes -- and 15 stand-alone villas priced from \$2 million to \$40 million. More than half the units are sold, according to the company.

After a stint as a paratrooper in Israel's special forces, Sternberg moved to New York and began working in real estate, buying up distressed properties and repositioning them. He moved to Miami in 2009.

How did you get to the U.S.? How did you get your start in real estate?

I always knew I wanted to live in New York, the global epicenter of business. After completing my military service in Israel, I had the opportunity to relocate to New York. I was immediately drawn into real estate investments and took to the solidity of this industry. I especially appreciated the creativity of structuring deals.

You specialize in repositioning assets. What exactly does that mean?

An asset, or property, needs repositioning when it is not reaching its full potential -- in terms of management, design, financial or partnership structure, or marketing. For whatever reason, this asset is not fulfilling its true promise, and our role is to intervene, adjusting the asset so that it maximizes its full potential in all areas.

What brought you to Miami?

With its strong potential as a leading global gateway city, Miami had enticed me for quite some time. I finally made the move from New York City in 2009. My timing was ideal in that I wasn't overexposed to the market when it turned, and I was also in a robust position to purchase assets that were up for sale at the time.

And what keeps you here?

I love everything about Miami, from both a personal and professional standpoint. Miami is a vibrant, progressive, international city that has changed since I moved here six years ago and continues to transform today. I am equally excited and honored to play a direct role in this city's economic evolution.

What do you see as Miami's greatest assets for potential real estate buyers?

Miami offers no shortage of desirable assets. What comes to mind are high-quality construction developments designed by international architectural superstars, the ease of commute -- both within the city of Miami, as well as from other national and international destinations -- and finally, the long-term appreciation of real property.

What do you see as Miami's greatest challenges for a real estate developer?

Currently, the greatest challenge, especially for luxury developers, is finding prime waterfront sites with a good basis for development. With that said, the demand for a good product is there, so once you've selected a location and are approved to develop, the project is set up for a significant return on investment.

Do you see any nationalities emerging as new feeder markets for Miami real estate?

The Middle Eastern and Asian markets are growing. We have sold multiple units in both of our Ritz-Carlton projects to Asian and Middle Eastern buyers. Previously Miami was known for drawing in South Americans and New Yorkers, with an occasional Southern European buyer rounding out the mix. How

ever, with the overabundance of exemplary projects now being developed, all eyes are on Miami. This is one of the only cities across the globe that features developments by Herzog & de Meuron, Piero Lissoni, Zaha Hadid, Richard Meier and many others, all building simultaneously.

You were involved in a project on Singer Island. Tell us about that.

The Ritz-Carlton Residences, Singer Island, Palm Beach, was the first project we undertook in South Florida, as well as the first of two Ritz-Carlton Residences in our portfolio. (The second is The Ritz-Carlton Residences, Miami Beach).

We acquired two completed oceanfront condominium

towers in Singer Island, and after several upgrades to the facilities, we enlisted Ritz-Carlton to manage it as a stand-alone residence. The property has been a complete success for us, for the residents and for the Ritz-Carlton brand. We recently sold one of our last remaining units for \$8.95 million.

The Miami Heart site is a pretty prime catch as real estate goes. How did you snag it?

Similar to most real estate deals, it required a strategic combination of intelligence, timing, perseverance and luck.

Tell us about the project you are doing there. Who are your partners? How big is it, how many units will it have, and what do they cost?

Lionheart Capital has developed both Ritz-Carlton Residences in partnership with Elliott Management. Elliott is a \$26 billion hedge fund operating since 1976, one of the oldest hedge funds in existence.

The Ritz-Carlton Residences, Miami Beach, is the first full-scale architectural endeavor in the United States by the renowned Italian architect Piero Lissoni. The residential development consists of 111 condominium residences, averaging about 3,000 square feet, and a limited collection of 15 stand-alone Villa Residences, which are custom private homes with waterfront and garden-front views. Prices range from \$2 million to \$40 million.

How did Piero Lissoni become involved with your project?

I have admired Piero Lissoni's talent and style for a long time. Before enlisting him to design The Residences, I previously stayed at two of his hotels, the Conservatorium in Amsterdam and the Mamilla Hotel in Jerusalem. I appreciated the unique design of these iconic buildings, and I wanted to create something similar at The Ritz-Carlton Residences, Miami Beach.

Piero has been actively involved in making The Residences a reality, and his work with scale and adaptive reuse makes him a perfect fit for this project.

You are building on the exact footprint of the hospital for zoning reasons. That has to create physical challenges when it comes to construction and design. Tell us about those.

We are building with the entire original structure. The process has proved to be a bit like a jigsaw puzzle, configuring the necessities of a custom-designed home, the amenities of an ultra-luxury condominium and the requirements of a 21st century municipality all into an existing shell.

We are currently in the end stages of what is arguably the trickiest part of the process -- retrofitting foundations and structures for the building's new use. What we've learned is that the benefits of using the original structure for this adaptive reuse project are endless. First, because of expenses, the fortress-like concrete construction can never be replicated in a new construction project. Additionally, the multilevel, mid-rise scale of the project allows for a wonderful connection to the natural environment, and the units that feature expansive terraces could never be efficiently replicated in a new construction project.

The project is an unusual location, in the middle of a residential neighborhood. How did you work with the neighbors?

We believe firmly in establishing and maintaining positive relationships with our neighbors. As you may be aware, we had to undergo a rezoning process in order to transform the Miami Heart Institute from hospital to residential zoning. We accomplished this on our first rezoning reading thanks to our diligent neighborhood outr

each program, where we actively addressed the needs and concerns of surrounding residents and worked proactively to develop mutually beneficial resolutions to all issues.

With our neighbors' support and the rezoning approval granted, we are able to offer a 10-story residential building in the heart of a predominantly single-family home neighborhood. A development of this size can no longer be replicated, and as such, The Residences will always retain their 360-degree protected views.

Many luxury projects on the beach are selling primarily to out-of-towners. Who is buying at your project?

Unlike other projects, our buyers are 50 percent local at this point in time. The local market truly understands the

exceptional reputation and unique features of this project. They realize how unusual it is to find a residential development designed for living in Miami -- the expansive floor plans and terraces, the protected natural views, the lifestyle-focused amenities, such as the on-site marina and captained VanDutch 40-foot day yacht, and the access to key transportation routes are just a few examples. For our local buyers, these attributes far outweigh anything that other luxury waterfront properties can offer.

What kind of luxury amenities does your project offer residents?

A point of pride for us at The Ritz-Carlton Residences, Miami Beach, is our selection of life-enriching amenities. These include an on-site, captained day yacht, 36 private boat dockages at our waterfront marina, a tropically landscaped, half-acre rooftop pool deck with an infinity pool and waterfall, a poolside restaurant, a cinema-style screening room, a zen meditation garden, a spa with steam room, sauna and treatment suite, a state-of-the-art fitness center, indoor and outdoor yoga studios, a billiard room, a landscaped exercise path circumnavigating the property, pet-grooming amenities, a children's lounge, a waterfront social room with a bar and catering kitchen, a bike sharing program and a curated library.

We are also building the world's first art studio within a residential development. It will feature a wall that imitates north-facing light with room for painting, sculpting, jewelry-making, beadwork and more.

Are you working on other projects in Miami?

Currently, we are working on a high-end retail project located in the Design District, as well as two oceanfront condominium towers in Pompano Beach.

You have a project in Nicaragua. Tell us about that.

Interestingly, my Nicaragua projects are connected to The Ritz-Carlton Residences, Miami Beach. When I purchased the Miami Heart Hospital for the Ritz-Carlton Residences, I received ownership of a large quantity of hospital beds and equipment. I decided to donate these to a worthy cause, the American Nicaraguan Foundation, a Miami-based nonprofit run by Alfredo Pellas, whose family is one of the most prominent in Nicaragua.

Mr. Pellas graciously invited me to visit his country, and I immediately fell in love with the landscape, the people and the culture. I quickly realized that Nicaragua is a rapidly growing destination for tourism and vacation-home real estate, and now is the time to invest.

Our first initiative was to purchase Aqua Wellness Resort, a barefoot luxury resort in Nicaragua's Pacific Emerald Coast. We are currently enhancing and enlarging the resort, so that in November 2016, Aqua will be rebranded as Six Senses Nicaragua -- the Asian luxury brand's first outpost in the Americas. We are also developing a "luxury circuit" of Six Senses properties for guests, including a spa hotel in the Spanish Colonial city of Granada, which is Nicaragua's No. 1 tourist destination.

We are also planning a boutique equestrian resort in partnership with Rancho Chilamate on over 300 acres.

What other projects are you working on around the globe?

We are now working on several large-scale opportunities in Brazil, specifically within Rio de Janeiro and São Paulo.