

G.L. Homes ventures into a new territory with commercial projects

By ED DUGGAN

South Florida Business Journal

GL Homes is cranking up its commercial development pipeline and branching into the residential workout arena. Michael Friedman, a 10-year commercial veteran with Stiles Corp., has been named president of G.L. Commercial. The Sunrise-based developer has four commercial projects underway:

- The Shoppes at SilverIsles in Miramar is a mortgage-free 35,000-square-foot retail complex at the northwest corner of Miramar Parkway and Dykes Road, just west of the Interstate 75 interchange. More than 97 percent of the space is leased to Chili's, CVS, Regions Bank and Citicorp.
- Canyon Town Center is a 200,000-square-foot retail and office complex anchored by Publix, Walgreens, and Bank of America. Located on the southeast corner of Boynton Beach Boulevard and Lyons Road, it's one of only two approved commercial sites in that area and is more than 40 percent preleased. There are 6,500 new homes already approved nearby, and more than 30,000 existing homes within a 5-mile radius. Completion is planned by year-end.
- Fountain Square is an 80,000-square-foot retail and office center in Pembroke Pines. Sixty percent of the project is retail, with the balance offices. More than 90 percent of the retail space is leased. It is set to open in June.
- 1600 Sawgrass is a 100,000-square-foot office building in the Sawgrass Corporate Park. Part of the mortgage-free building is G.L. Homes' headquarters, and the balance is fully leased.

Itchko Ezratti, founder and president of G.L. Homes, has a reputation for marching to his own home-building hammer. Even the G.L. in his company title is an inside joke: It stands for "good luck." But the money flowing into G.L.'s coffers is serious business.

G.L. Homes had revenue of \$683 million in 2007, down from \$872 million in 2006. It ranked No. 17 in the South Florida Business Journal's list of the regions' largest private companies.

"I would unquestionably rate G.L. as one of the finest non-public builder-developers in Florida," said real estate analyst Lewis Goodkin, founder of Miami-based Goodkin Consulting.



The 35,000-square-foot retail complex is more than 97 percent leased to national tenants

With major portfolios of completed and ongoing communities in Broward and Palm Beach counties, Israel-born Ezratti is not the typical real estate plunger. "He has never been one to seek publicity, yet always demonstrated the capacity to purchase substantial properties with investor funds, often outbidding frustrated competitors of all sizes," Goodkin said.

With 32 years in business, Ezratti has demonstrated himself as a careful student of cycles and human nature. Ezratti said he

THE DETAILS

G.L. Homes ongoing communities

- **Botanica Lakes**, Fort Myers
- **Canyon**, Boynton Beach
- **Falcon Trace**, Vero Beach
- **Greystone**, Boynton Beach
- **Sunset Falls**, Miramar
- **Valencia Lakes**, Tampa
- **Valencia Pointe**, Boynton Beach

Levitt and Sons and TOUSA, with over-leveraged projects and unwieldy debt loads, have thrown in the towel and filed Chapter 11. Lennar Corp., Levitt Corp., WCI Communities, Hovnanian and Tarragon have all walked away from land deposits, cut costs, deferred projects and sold off assets in an attempt to remain solvent. Still others - such as private development firms Boca Developers and EB Developers - are negotiating to give back some of their properties to the lenders, victims of an unforgiving marketplace, bad timing and a credit freeze.

G.L. isn't dumping assets or projects, but it is tapping opportunities created by these and other toppling titans. Ezratti has set up G.L. Consulting Services to do problem community workouts for a fee plus a profit-retention bonus. There are already three banks as clients, although the tight-

generally relies on his own understanding of markets. As such, Ezratti started moving into commercial projects when the light at the end of the residential tunnel turned out to be an oncoming locomotive.

His competitors got struck. Some, like

lipped Ezratti declined to name them. "It's not the kind of notoriety that a bank wants, and they all sought us out for our discretion," he said.

People who know Ezratti describe him as a strong competitor and a charitable man. He was a law student at the University of Tel Aviv and a bank teller in Washington, D.C., where he studied at night. "I just studied things that interested me, like engineering, drafting and architecture," he said. "I learned what I needed to know and moved on."

In an industry known for interstellar Wall Street leverage, mezzanine equity financing and second and third mortgages, Ezratti could probably be considered an arch-conservative, preferring low-leverage, paid-off properties, careful planning and diversification.

Goodkin said Ezratti's timing is impeccable. "He jumped on the retirement community niche at the right time," Goodkin said. "He certainly will be favorably positioned for the vast baby-boomer market that will make Florida their No. 1 target in the future." G.L. is not standing still. It has been offered real estate companies and opportunistic deals in California, Arizona, Nevada and Texas, Ezratti said. They all got a thumbs down.

Instead, the company is considering opening an office in North Carolina - Charlotte or Raleigh - where the market is estimated to yield about a 7 percent better gross return. "It won't be a move for a quick hit," Ezratti said. "If we open there, it will be for 10 to 15 years."

THE DETAILS

G.L. Homes completed communities

Palm Beach County

- Bristol Bay at Lake Charleston, Lake Worth
- Bristol Isles at Lake Charleston, Lake Worth
- Canyon Isles, Boynton Beach
- Canyon Lakes, Boynton Beach
- Cinnabar, Boynton Beach
- Colors, Boynton Beach
- Colors Le Palais, Boynton Beach
- Emerald Isles at Lake Charleston, Lake Worth
- Laguan at Mission Bay, Boca Raton
- Nautica, Boynton Beach
- Nautica Isles, Greenacres
- Nautica Isles West, Greenacres
- Nautica Lakes, Royal Palm Beach
- Nautica Sound, Boynton Beach
- Saturnia, Boca Raton
- Saturnia Isles, Delray Beach
- Symphony, Boca Raton

- Symphony Bay, Boca Raton
- Valencia Falls, Delray Beach
- Valencia Isles, Boynton Beach
- Valencia Lakes, Boynton Beach
- Valencia Palms, Delray Beach
- Valencia Shores, Lake Worth

Broward County

- SilverLakes, Pembroke Pine
- Silver Isles, Miramar
- Silver Shores, Miramar
- Silver Falls, Miramar
- Isles at Sunset Lakes, Miramar
- Riverstone, Davie
- Long Lake Estates, Davie
- Long Lake Ranches, Davie
- Long Lake Ranches West, Davie
- The Enclave at Wyndham Lakes, Coral Springs
- The Island at Wyndham Lakes, Coral Springs