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Bridge Investment Opportunity Zone Fund Partners on New Apartment Tower

By Lidia Dinkova | January 27, 2021 at 01:18 PM



Wynwood Haus multifamily project to rise at 1765 North Miami Ave. Courtesy photo

When a development duo bought a vacant Miami site two years ago, it was a gamble to bet an opportunity zone fund would step in to help bankroll a project.

But TSG Group and Linéaire Group won the wager, as Bridge Investment Group opportunity zone fund is now a partner in the Wynwood Haus multifamily tower.

Bridge Investment, a real estate investment manager with South Florida holdings, started its own OZ fund after the 2017 Tax Cuts and Jobs Act created the concept. It's meant to incentivize real estate and business investment in economically stagnating areas by allowing investors to defer and reduce their taxes.

Wynwood Haus will be a 20-story, 224-unit apartment tower with 5,500 square feet of ground-floor commercial space. Construction is to start by April.

It will rise on a six-lot property at 1765 North Miami Ave., just south of Miami City Cemetery.

TSG, based in Coral Gables, and Linéaire, based in Miami, acquired the land for \$5.9 million in 2019, betting an OZ fund would partner with them.

“From day one, TSG and Lineaire sought to partner with a firm who would not only provide the necessary capital, but also bring deep-rooted expertise in multifamily development to help us position this project as one of the top-performing assets in South Florida,” said Diego Bonet, Linéaire managing partner.

Bridge Investment owns 18 Florida assets, including [downtown Miami’s Museum office tower](#) and Doral Square offices.

The OZ legislation allows investors to defer federal taxes on capital gains earned from any venture by putting the capital gains in a qualified OZ fund. The longer an investor keeps capital gains in an OZ fund, the more tax benefits are in store. A five-year investment means 10% of the capital gains won’t be taxed, and a seven-year investment means 15% of the capital gains won’t be taxed.

Also, if investors keep their funds in an OZ project for 10 years, then they won’t have to pay taxes on the appreciation value of that OZ project either.

Bridge Investment is one of the biggest OZ funds, as last summer it [reported raising \\$1.3 billion in its OZ strategy](#). Wynwood Haus is its first Miami investment under its OZ strategy.

“Our presence in the Wynwood submarket of Miami supports our strategy of focusing on QOZs in high-growth U.S. markets,” said David Coelho, Bridge OZ partner, chief strategy officer and chief investment officer.

Aside from the OZ fund boost, Wynwood Haus also secured \$14 million in incentives from the Omni Community Redevelopment Agency, funds that will support designating a portion of the units as workforce housing. Workforce housing is more expensive than affordable housing, but still gives tenants a reprieve from escalating market-rate rents.

Wynwood Haus will have studios, and one and two bedrooms with large balconies.

The biggest amenity draw will be a rooftop pool deck offering expansive views of Miami and Biscayne Bay. There also will be a gym, sauna, steam room, yoga studio and coworking space.

Wynwood Haus also is centrally located as it's walking distance from the School Board Metromover station.

Enzo Enea, a global landscape architecture firm, is the designer of the outdoor gardens. The rest of the project features architecture by renowned Miami-based Corwil Architects and curated interiors by Linéaire Group's sister company, Liéaire Designs.

Multifamily has remained buoyant even as other asset classes have struggled during the coronavirus pandemic.

Case in point: TSG, Linéaire and Bridge aren't the only ones building Miami apartments, as developer [Michael Swerdlow is working on his Sawyer's Landing with 578 affordable housing units for the elderly in Overtown.](#)

Camilo Lopez, CEO and managing partner of TSG, said the firm focuses on in-demand real estate, at the same time including "superior attributes."

"This opportunity with Linéaire and Bridge allows our firm to collaborate to design Wynwood Haus with the highest caliber of offerings," he said, "from rooftop amenities not typically found in multifamily developments, to attractive unit mix and unobstructed views, all of which appeal to the area's resident profile."

<https://www.law.com/dailybusinessreview/2021/01/27/bridge-investment-opportunity-zone-fund-partners-on-new-apartment-tower/>