

Caplin departs Cushman & Wakefield, joins Steelbridge Capital

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The departure of Cushman & Wakefield of Florida's head of capital markets is the latest in a growing list of recent defections and layoffs from local brokerages.

Jay Caplin, head of the brokerage's Capital Markets Group, said July 6 that he was leaving the brokerage where he had worked for 22 years. He exited to join Miami-based real estate investment firm Steelbridge Capital as a managing principal, citing a desire to joint venture with investors in a down-market ripe with opportunity.

The list of those who recently exited big firms includes two major players at C&W.

Former branch manager Tere Blanca left in the spring to launch Blanca Commercial Real Estate, a commercial brokerage focused on office leasing and sales. Hank Klein, executive director of C&W in Florida, was notified last month that his position was being eliminated.

Scott Sime left as managing director of CB Richard Ellis late last year after a restructuring to become a name partner in William Holly's commercial brokerage firm. Randy Olen, formerly senior VP of brokerage services for CBRE, joined Sime and Holly in May as a principal in Holly Sime Realty.

Blanca said in February that instability in the commercial market, especially the office sector, was creating a unique demand for brokers like her with a depth of local experience and long-standing corporate relationships.

Caplin, who will now be buying property instead of representing sellers, echoed her



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Gavin Campbell and Jay Caplin will be co-managing principals at Steelbridge Capital.

sentiment, affirming that investors are putting a higher premium on local experience.

"There has been a paradigm shift in the way institutional and private capital seeks to invest in real estate," he said. "They are increasingly seeking to co-invest with strong, nimble, local operating partners with proven track records of finding the best opportunities in each local market."

Jeremy Larkin, president of NAI Miami

Commercial Real Estate Services Worldwide, said investors are going to seek him out because of his reputation and performance.

"The more experienced guys are leaving because investors don't go to CB and Cushman in a specific market. They go to Randy Olen, Jay Caplin and Jeremy Larkin," he explained. "Wherever he is, they will find him."

Gavin Campbell, who will be co-managing principal with Caplin at Steelbridge, said his new partner's arrival is timely, as credit begins to loosen and the separation between "the ask" and sale price continues to narrow.

Steelbridge owns and manages property throughout Florida. It sold Courvoisier Centre, on Miami's Brickell Key, for \$150 million in 2007 after an eight-year hold.

Caplin oversaw more than \$7 billion in transactions at C&W, including Equity Office Properties' \$307 million purchase of a half-stake in downtown Miami's landmark Wachovia Financial Center and full ownership of the 1221 Brickell building in 2006.

South Florida's commercial real estate market remains largely shut down. Sales of office buildings, warehouses, shopping centers and other commercial properties fell 77 percent, year-over-year, through May, according to data from Real Capital Analytics.

Only a handful of Florida deals of more than \$15 million have been had recently, partly because owners overpaid when the investment sales market was frothy and are resisting taking a haircut, industry experts say.

"We think valuations are finally starting to look attractive again," Campbell said in a state-

ment. "The opportunity to buy Florida assets at significant discounts to replacement cost is imminent, while the long-term job and demographic prospects for Florida and the Caribbean basin are as strong as ever."

The timing of Caplin's move was also driven in part by his professional maturation, he said. Caplin said he lacked the experience and leverage to take advantage of a similar market during the savings & loan crisis of the late 1980s and early 1990s, and didn't want to miss out on deals again during this down cycle.

Larkin said Caplin and others operating out of large brokerages also want more control over their own destiny, especially in light of cutbacks at the national shops. At C&W, some support staff was eliminated and broker commissions were decreased. Caplin said he had been contemplating his move for some time, and was not motivated by changes at C&W.

The fracturing of the investment sales sector will continue, creating more changes and opportunities.

Jose Juncadella, managing principal of Coral Gables-based Fairchild Partners, said he's increasingly hearing from real estate brokers who are shifting their focus to distressed assets, helping banks work them out and investment funds that are seeking to take advantage of the market.

"I believe that investment sales are going to get worse before they get better, and it will take until 2011 until things will start normalizing," he said.