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Broker worked nine months before striking Vegas jackpot

By Paola Iuspa-Abbott

Dealmakers: Mark Pordes



Mark Pordes
Photo by A.M. Holt

The Deal: Pordes engineered the \$119 million acquisition of 427 condos in the Veer Towers at CityCenter in Las Vegas. An affiliate of MGM Resorts International sold the units to LVP Owner LLC, a partnership between Aventura-based Pordes Residential Sales & Marketing LLC and an affiliate of New York-based Ladder Capital Finance Holdings LLLP. The deal closed Dec. 20.

Details: Pordes, who brokered some the largest condo bulk deals in South Florida after the recession, worked on the Las Vegas deal for nearly nine months. He turned his attention to Las Vegas a year ago after condo bulk opportunities in South Florida dried up. His focus remains on luxury condos.

Veer Towers opened in 2010 as part of CityCenter, which consists of multiple hotels, a casino and a shopping center. CityCenter is a joint venture between MGM Resorts International and a subsidiary of Dubai World, a Dubai-owned holding company. Pordes initially reached out to the MGM affiliate to offer them his services marketing and selling the units spread between the two Veer Towers. When he prepared a presentation for MGM about his marketing strategy and analyzed the upside potential of the units, he stumbled into a much better deal.

"I decided that it would be more interesting to purchase the units for my own account than just help them in the sale program," he said.

So he made an offer to buy in bulk about 120 studios in both towers.

Later that deal morphed into Pordes buying all the one- and two-bedroom units "because someone else was competing against us to buy the studios," he said.

Eventually his partnership ended up buying all the condos. About 75 percent of the units are rented.

"It was challenging with the negotiations going back and forth to get the deal done," he said of the changing transaction.

To be able to close, Pordes met with several private equity firms in New York and ended up joining forces with Ladder Capital, he said.

"Ladder has the majority equity obviously in the deal, and I am the managing member for our group," he added.

Kevin O'Grady, senior managing director of Cohen Financial in Miami, and his colleague Eric McGlynn, a director, secured the structured financing from the Ladder Capital affiliate on behalf of Pordes Residential.

Pordes said he was attracted to the deal because the bulk opportunity wasn't on the market so he saw more room to negotiate a good price. When a deal is actively marketed, competition tends to drive prices up. He bought the condos for "a little over \$300 a square foot," he said.

The asking price for the same units during construction in the condo boom was \$850-\$1,100 per square foot.

"When the market crashed, 50 percent of the buyers decided not to close, so MGM decided to rent out the majority of the units thinking the market wasn't ready for sale again," Pordes said.

But now, the Las Vegas market has begun to improve, and Pordes expects to sell out the units in 3½ years. He plans to ask \$485-\$750 per

square foot, depending on the location of the units in the tower and the views. Pordes and his partnership plans to open a sales office on Brickell Avenue to cater to the Latin American market, he added.

Quote: "Prices in Miami have gotten crazy, so it is very difficult to buy anything in the condo sector," he said. "There is nothing else to buy. There may be some C-quality merchandise, but that is not what I operate in."

Background: Pordes is founder and chief executive officer of Pordes Residential.