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Miami Heat

Slowly but surely, debt is trickling back into the Miami condo market.

Two New York developers, Property Markets Group and JDS Development Group, have secured a \$106 million construction loan for Echo Aventura, a 190-unit luxury building planned for a waterfront site north of Miami.

Since the downturn, risk-averse banks have avoided making large loans to Miami condo builders, forcing them to shift to a model where they rely on their own cash or take big down payments from buyers and use that money to pay for construction.

But, in February, the lending freeze began to thaw when a family-run builder received \$160 million in debt from an Alabama bank to build ultraluxury condos in nearby Sunny Isles Beach.

Now, Echo Aventura's financing marks what is likely the second-largest Miami condo loan since the downturn, with the money coming from NorthStar Real Estate Income Trust, a nontraded real-estate investment trust based in New York.

"Many of the banks got burned last cycle, and they're focusing on more stable markets like New York and D.C.," said Jordan Ray, managing director of Mission Capital Advisors, which arranged the Echo Aventura financing. "Non-conventional lenders are filling the gaps in Miami right now."

Of course, lenders are still being cautious with their money, charging high rates: The Aventura loan has a two-year term and an interest rate of nearly 8%.

—Robbie Whelan

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