

## Former Colony execs launch new firm – Exclusive

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*Miramar Capital has already formed a \$100m programmatic joint venture with Colony NorthStar and closed on two deals, including one with a Chinese private equity firm.*

Former Colony NorthStar executives Paul Fuhrman and Jae Yi, along with former development partner Perry Hariri, have founded Miramar Capital, a Santa Monica, California-based real estate operator and investment firm, PERE has learned.

Fuhrman was previously executive director and head of US acquisitions for opportunistic debt and equity investments at Colony Northstar for more than nine years. Yi had been at Colony for seven years and was a managing director responsible for the sourcing and execution of investments across various property types. Both left Colony in April. Hariri was principal and founder of Fortbay, a Silicon Valley-based infill development firm that was a longstanding partner of Colony NorthStar.

In addition to the three founding partners, Miramar currently has three employees, including senior associate Josh Mesna, controller Kye Lee and an office manager. The firm also expects to hire two or three additional staff by the end of the year, including an asset manager and an analyst.

Miramar, which officially launched in May, will target office and multifamily investments, primarily in California's Silicon Valley and southern California markets such as the South Bay and Culver City. The firm has already closed on two transactions and has an additional two deals in escrow. These include the acquisition last week of a fully-leased office building in Mountain View, California for \$18 million of equity, in partnership with Grand China Overseas Investment Management, the overseas investment arm of Chinese private equity firm Grand China.

The deal, which involved \$18 million of equity and had a total capitalization of \$34 million, is an example of the firm's covered land strategy, which targets properties with existing leases where the underlying land would have a higher value if the existing asset was torn down or otherwise converted to a different or more intense use. Miramar expects to get entitlements to build 300 residential units on the office building site.

“Residential is very valuable in Mountain View, where there’s a massive housing shortage,” said Fuhrman.

David Long, chief executive at Grand China, added: “We are excited about our new partnership with Paul and the Miramar team. They have the right skills to identify unique investment opportunities in a market where finding interesting opportunistic returns is increasingly difficult.”

Separately, Miramar also has established a \$100 million programmatic joint venture with Colony Northstar, targeting certain development and re-entitlement opportunities in California, according to Fuhrman.

Prior to its spinout, the Miramar team had executed on two covered-land investments in Silicon Valley with Colony a year and a half ago, involving the development of a multifamily and office complex on an existing office site and construction of a 700-unit apartment property on an existing 250-apartment building site. Miramar will now act as asset manager and co-developer of the two projects, which are expected to break ground next year and would require about \$150 million-\$200 million in third-party equity. Colony and Miramar are expected to jointly raise the third-party equity.

“Paul, Jae and Perry are all very talented professionals whom we know well and have direct experience with,” said Richard Saltzman, president and chief executive of Colony NorthStar. “In fact, the team sourced two transactions in Silicon Valley involving entitlement and redevelopment that we invested in previously and which are currently exceeding expectations. As a result, we are highly confident of Miramar’s ability to identify other similar joint venture equity opportunities.”

Fuhrman said the firm has opted to raise and invest capital on a deal-by-deal basis for the time being, partnering with institutional investors such as family offices and private equity firms.

“Capital is getting smarter and smarter,” he said. “A lot of partners like to do direct deals. The allocator model only works if you’re the Blackstones of the world. If you’re small and undersized, it’s a really hard model.”

Fuhrman added: “Maybe down the road we’ll raise a fund. When we have a track record with this firm, it’s something we’re going to consider. Right now, we’ll focus on doing direct deals.”