



BH3 Management and F2 Capital Lend \$17.5M Bridge Loan for Adaptive Reuse of Trophy Office Tower in Southern California

Topaz Tower, a 294,000 sq ft office tower near Los Angeles' vibrant waterfront will soon be converted into 244 multi-family rentals

SAN PEDRO, CA. - FEBRUARY 20, 2024 - [BH3 Management](#) and [F2 Capital](#) have provided a \$17.5 million bridge loan for Forbix and Urban Stearns' conversion of Topaz Tower, a 12-story, 294,000 square-foot office building located in Los Angeles. The developer has received entitlements to transform Topaz into a 244-unit multifamily building. Originally built in 1990, the two-tower property occupies a full city block and includes 30,000 square feet of ground floor retail and an adjacent 650 space parking garage. The repositioned property will offer 244 units with various sized Studio, 1-bedroom, and 2-bedroom unit layouts averaging 839 square feet.

Centrally located between Los Angeles and Orange County, Topaz Tower Apartments will provide residents access to the emerging Class A coastal submarket of San Pedro, a once sleepy naval hub now transformed into a growing live-work-play community. Topaz is ideally located just steps away from the \$800 million West Harbor development, that will make the neighborhood one the most active waterfronts in southern California.

"Our firm is excited by the opportunity to provide capital to this innovative adaptive reuse project in a booming market," said **Greg Freedman, co-CEO & co-Founder of BH3 Management**. "Alongside F2 Capital, which has a long record of success in this market and seasoned developers like Forbix and Urban Stearns, we're happy to be a part of this highly anticipated development."

There are no high-rise projects under construction and very low rental vacancies in the 3-mile radius around Topaz Tower, further solidifying the project's attraction for coastal seeking renters with 70% of the units featuring balconies and expansive ocean-views, plus a rooftop deck with a resort-style pool.

Located just two blocks away from West Harbor, a 42-acre dining, entertainment, and retail destination on the waterfront, Topaz Tower tenants will have easy access to all the mixed-used destination's amenities. The property will also be the closest multi-family development to the Port of Los Angeles, the biggest port in the country and the busiest seaport in the Western Hemisphere, which is a big economic driver for the region.

"The location and market conditions in San Pedro make this an attractive project for us. Additionally, we've had a long-standing relationship with BH3 and had been looking for the perfect deal to collaborate on," said **Jonathan Fhima, CEO of F2**."

The real estate market is trying to adapt to the Covid-19 pandemic's impact on work, and transitioning from traditional offices to hybrid or remote work has been a hot topic of discussion, however not always logistically and financially viable.

“There’s a big craze right now in metro markets for office to housing conversions, but few projects have gotten done,” **Fhima** said. “We’re proud to have the right partners and are excited to assist with delivering this type of product to the market in an area that’s already so unique with year-round ocean breezes and breathtaking views of the California coastline. It’s really a hidden gem of Los Angeles.”

About BH3 Management

BH3 is a vertically integrated real estate investment, operations, and development firm, led by co-founders Daniel Lebensohn and Gregory Freedman, and Executive Chairman Eric Edidin, along with 26 additional professionals between its offices in South Florida, New York City, and Denver. The company's core focuses include: Development, CRE Debt Investing, Opportunistic CRE Equity, and Growth Equity for operating business in real estate, construction and adjacent sectors. The firm and its partners emphasize value creation and positively impact the communities where they invest. For more information, visit www.bh-3.com.

About F2 Capital

F2 is a coming-of-age private equity firm focused on real estate debt investment strategies. The platform concentrates on the origination of senior bridge loans, mezzanine loans, preferred equity investments, and the financing of performing and non-performing loans in primary markets across the United States. F2’s basis driven organization is fueled by direct relationships with world renowned sponsors and the capital markets eco system, and outperforms industry standards when it comes to rapid deal execution, flexibility, reliability, and bespoke structures. In Q2 2022, F2 formed a joint venture with Concord Companies, a nationally recognized real estate private equity firm with an aggregate diversified portfolio value in excess of \$1.5B. To learn more, visit <https://www.f-two.com>.

About Forbix

Headed by Emil Khodorkovsky, Forbix is a nationwide, full-service real estate owner, operator, developer, and lender with offices in Calabasas, California, and Brandon, Mississippi. Their team has spearheaded over \$5 billion of debt financing, acquisitions and asset repositions. With hundreds of units under development and a current portfolio aggregate value of \$500 million across various states, their investment strategy is centered on value-added deals. For more information, visit <https://www.forbix.com/>.



About Urban Stearns

With Shy Cohen and Lee Rubinoff at the helm, Urban Stearns specializes in investing in real estate developments including multifamily and mixed-use ground-up constructions in the growing neighborhoods of Los Angeles. Offering extensive knowledge in capital markets, real estate, and building zoning codes, Urban Stearns' leadership has been operating investments on behalf of institutional investors, high-net worth individuals, private equity firms, pension funds, and family offices for over thirty years. Visit <https://www.urbanstearns.com/> to learn more.