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BUSINESS

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REAL ESTATE

Former Equity One execs form new investment firm

■ Former Equity One executives have launched a new real estate investment company, Global Fund Investments.

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Real estate executive Doron Valero is going back to his entrepreneurial roots.

Valero, who helped create Equity One in 1992 and until the end of last year served as president and chief operating officer, has formed a new real estate investment company, Global Fund Investments. The Miami

Beach company hopes to make \$250 million in acquisitions this year focusing on shopping centers

in urban markets in Florida and Texas, although the company will consider acquisitions throughout the Southeast.



VALERO

hold it for 15 years," said Valero, 50, the company's managing partner. "Our goal is to create value.

"We're not looking to build a portfolio and

•TURN TO GLOBAL FUND, 3C

REAL ESTATE

Global Fund eyes urban projects

• GLOBAL FUND, FROM 1C

The value that you create in an urban location is significantly higher."

Global plans to focus primarily on the redevelopment of existing centers and building new infill projects on vacant land or by demolishing other uses. In limited instances, the company will also consider buying top performing centers in prime locations.

This year, Global expects to acquire between eight and 10 properties in Florida, about half of which will be in the tri-county area.

"We're looking for the older and ugly centers that need a face lift, a neck lift and all of the above," said Valero, who started his real estate career buying and renovating old Art Deco apartment buildings on Miami Beach in the '80s. "The ones where weather and gravity have already taken their toll. There are plenty of them."

Valero has already assembled a team of 24 people, including two former Equity One executives who will be his partners at Global: Alan Merkur, former director of acquisitions, and Rafi Zitvar, former director of capital markets.

Their goal will be to find redevelopment opportunities like the old Skylake Mall in North Miami Beach, which was dilapidated and almost empty when Equity One bought it in 1998 for \$11 million. Equity One de-malled the project and turned it into the Shops at Skylake, now a thriving shopping center anchored by Publix, LA Fitness and TJ Maxx.

But unlike his previous job with a publicly traded real estate investment trust that had to grow to meet the demands of Wall Street investors, here Valero welcomes the chance to grow at his own pace. During Valero's tenure, he helped grow Equity One into a more than \$2 billion public company with about 200 properties.

"We're not going to run after deals just to do deals," Valero said. "We're going to do it smart."

In the last 60 days Global has raised \$50 million in private equity from individuals and institutions, whose identities Valero declined to disclose. The firm also has a joint venture with Investcorp International to pursue acquisitions in Texas and a contract to manage 25 centers in Texas for Investcorp.

"To be able to get the brain power of somebody like Doron is a very good thing for us," said Jonathan Dracos, co-head of the real estate division at Investcorp.

Industry analysts say Valero won't have any difficulty finding access to other capital for his acquisitions.

"The market is aggressively looking for opportunities to invest in the Southeastern United States and especially Florida," said David Fick, an analyst with Stifel Nicolaus, who knows Valero from his time at Equity One. "I don't know of anyone who has got better relationships with tenants or with the investment community than Doron."