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What's the Deal? | Inside Indian Creek Residences & Yacht Club With Jonathan Landau



Indian Creek Residences & Yacht Club breaks ground:
Nestled along the picturesque south shore of Miami's Bay Harbor Islands, a new era of luxury living is on the horizon with the groundbreaking of Indian Creek Residences & Yacht Club. Spearheaded by Jonathan Landau of Landau Properties, this transformative project has already made waves by setting a record for the most expensive condo sale on the islands. With construction now underway, the project promises to redefine waterfront living in Bay Harbor Islands, offering a blend of unparalleled amenities, cutting-edge architectural design, and a coveted location overlooking Indian Creek Island and Country Club. Indian Creek is poised to become a beacon of elegance and sophistication in one of Miami's most exclusive neighborhoods.

What drew you to the deal?
During the pandemic, my son-in-law and business partner, DC Lowinger, visited his family in Miami and became infatuated with Bay Harbor Islands. He brought me a few deals to look at and we kept a close eye on the southern portion of the island that overlooks Indian Creek Golf Course. The sunsets are beautiful and the vibe is simply serene. This area offers the perks of waterfront living without all the commotion you get on the north side of the island.

After looking at a few deals, we worked with Menacham Kranz to make a deal for the site that would become Indian Creek Residences & Yacht Club. The fact that this site is roughly 20 feet wider than a single lot, neighbors a building built on an angle, and has exceptional views pushed us to conceive a development with world-class luxury residences. I always say that if you're going to sell waterfront living, then really sell waterfront living. We have some residences, like our penthouses, that have 75 feet of water frontage, and even our duplexes have roughly 45 feet of frontage. We didn't split the 45 feet of frontage into 15-foot bedrooms and 30-foot living spaces like a lot of other developers did —we gave the full waterfront to the living space and designed the homes in a more strategic way that resonated well with the market.

How did you secure financing for the construction loan?
We engaged Estreich & Company, in particular my brother Raffi Landau, to secure the financing. Interest rates were escalating and the market was turbulent, but we got a few term sheets that were interesting to us and ultimately felt that BridgeInvest was the best match. We had good chemistry with their team, and we felt they understood the market well. We secured a $29 million financing package.

What sets Indian Creek Residences & Yacht Club apart?
Our general approach to development is to bring a product to the market that is distinctive and unique. In a hot market, people jump on sites and take a cookie-cutter approach to the project based on data that's fed to them. A majority of projects on Bay Harbor Islands consist of 1, 2, and 3-bedroom units because developers want to cram in as many units as possible and market "waterfront living." Those deals aren't exciting to us because we don't like to compete for commodity placement, even in a hot market. What we found was that a lot of buyers who were looking to relocate to Miami or purchase a second home in the city were combining smaller units to create a much larger living space than what was offered on the market. When you go into a project and try to combine units, it's difficult to create a genuine luxurious layout unless the space was designed with large spaces to begin with. So we created a boutique building with large layouts. We wanted to sell actual waterfront living, not just a sliver of it, and it paid off. We recently signed a contract for our most expensive penthouse, which was asking $12 million, setting a new condo sale price record on the islands.

Who are the key partners or collaborators involved in this deal?
Sometimes what fate presents to you is better than what you could plan. I left my old company and started Landau Properties along with my daughter Yaeli and my son-in-law DC roughly the same time that Oren and Tal Alexander left Douglas Elliman and started OFFICIAL. I was friendly with the Alexanders before starting this new venture, but truly felt when we were assessing the market that they would be a great fit for us. OFFICIAL has led pre-construction condo sales and marketing for Indian Creek Residences & Yacht Club, and the collaboration has been very successful and enjoyable thus far. We also thought that it was paramount to integrate the water and boating lifestyle into our project. Working with people who live there, such as Oren who grew up within a few blocks from the site, we understood the lifestyle and the desires of the marketplace. We knew we had to include a boating amenity and decided to work with Elite Yacht to curate a private yacht club. We will have a dockmaster on site who will provide concierge services for all residents, including those who purchase a slip or use our shared slip. We'll have 5 private boat slips for purchase and 1 that will be owned by the condo, allowing residents to arrange a seamless pickup or drop-off right outside their door. The building also offers rooftop amenities with a swimming pool, outdoor dining, screening lounge, and much more.

What were unexpected challenges that you encountered with the deal?
There was some construction overhaul as a result of the collapsed building in Surfside that took place not too long before we purchased our site. There's also been a significant amount of new regulation related to demolition, foundations, and construction on Bay Harbor Islands. We were one of the first sites to have to be subjected to the new regulations and we fully embraced it. Because the requirements are still new, it took us more time than we anticipated to get our demolition permit and start construction, but thankfully the building department is accommodating and easy to work with. Developers who are planning on doing construction on the islands should be cognizant of these new regulations and plan accordingly.

What are Landau Properties Investment criteria?
Our vision is to bring unique projects to the market. We want to build something that is not tapped into already. As I said earlier, we aren't here to compete for commodity placement but to offer a special product. We are currently working on a mixed-use project in New York that's almost half a million square feet, which is going to be a market changer. We expect to bring that to market later this year. In Miami, we are currently working on a boutique office building also in Bay Harbor Islands and we are looking at other sites close to our Indian Creek Residences & Yacht Club where we can potentially double down and build another sought-after offering on the southern portion of the islands.

What advice would you give a CRE pro starting in the industry?
To paraphrase recently retired coach Nick Saban, there are five levels of performance: bad, average, good, great, and elite. You want to play in the "great" and "elite" segments of execution. If you're young, the only way that you'll ever play at the "great" or "elite" level is to first identify your basic skills- which are God-given. Then you need to hone and develop those skills, which means you have to be hungry, driven, and committed. So, find where your skillset is — whether it be design, development, finance, or sales — and then slot yourself in the segment of the industry that aligns with your skillset. Drake got it right when he said that he started from the bottom. You need to start at the bottom and work your way through and up. I think there are a lot of opportunities out there to succeed, you just need to be willing to do the work.

Final notes from Jonathan:
I feel blessed to wake up in the morning and work with people I love and work on projects we are passionate about. God has blessed us with the ability to execute, which is vital in this business. At the end of the day, you could have the most well-planned project but if you are unable to move past certain roadblocks, the deal stalls. Timing is important and we can't always plan perfect execution, so we need to recognize that we can't do it alone and we have to thank God for his blessings.