



2019 Year in Review: Jonathan Lewis, JLJ Capital

December 31, 2019 - Spotlights

Name: Jonathan Lewis

Company: JLJ Capital

What was your greatest professional accomplishment in 2019?

Our team closed over \$180 million in loans. We established a White Label Program for brokers which allows us to fund loans for brokers at closing. This has been done in the residential market but not in the commercial market. We were pleased to partner with BridgeInvest to provide a senior loan of \$45.5 million to Sovereign Properties develop Dolce Twin Creeks, Phase II, a 366-unit multifamily project on 10+ acres in the Dallas suburb of Allen, Tex. Cottonwood Communities, Inc., a publicly registered non-traded REIT also committed to loan up to \$10 million for the project. We believe that Texas has all the economic drivers to make it the fastest growing market in United States over the next decade. We are ahead of our plan and are in a strong position going into 2020.

What was your most notable project, deal, or transaction in 2019?

329 Broadway in Brooklyn is a \$57 million mid-construction loan for the completion of a strikingly-designed mixed-use, 17-story tower. When completed the building, with a gross building area of 105,364 s/f above grade, will include 63 apartment units and almost 60,000 s/f of retail space. The first floor will be devoted to retail space, the second floor to a commercial office, with three additional floors of community facilities. This particular deal had a significant amount of complexity and we were excited to be able to put it together.

What are your predictions for commercial real estate in 2020?

We expect to see less transactions in 2020 due mismatch of buyer and seller. Builders are going to have to put up more equity for loans. The NY rent laws are going to have a dampening effect on the growth of NYC rental units. We will see a decline in new buildings. From my perspective as both a real estate investor and someone who lends against real estate, valuations have gotten way out of line. In most markets, properties are "priced to perfection." Should a long-awaited recession or some other negative event occur, these pricing models are bound to collapse.