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Why seven banks competed to finance Atlanta developer's first luxury condo in Houston

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Stolz Partners LLC has broken ground on The Sophie at Bayou Bend, [the Atlanta-based developer's first luxury condominium project in Houston](#).

The seven-story, 39-unit [condo building](#) will rise on a nearly two-acre site at 6017 Memorial Drive, near the Bayou Bend Collections and Gardens and Memorial Park.

Despite the oil slump, Stolz Partners — with the help of Sudhoff Cos., a Houston-based real estate company and majority equity partner — [presold half of The Sophie's units in less than a year](#). Most lenders require condo developers to sell at least half of its units before extending construction financing as well as 10 percent nonrefundable deposits from buyers.



COURTESY OF THE SOPHIE AT BAYOU BEND

“Condos are the only sector of the real estate market where there is such a high barrier to entry,” said [Jacob Sudhoff](#), CEO of Sudhoff Cos. “That’s why banks are still underwriting large loans for condos unlike multifamily projects.”

The brisk presales had seven banks competing to finance the project, developers said. Ultimately, the developers secured a construction loan in February from Laredo, Texas-based IBC Bank, which paved the way for the groundbreaking on May 11.

Stolz and Sudhoff attributed the brisk sales in The Sophie to its location near Memorial Park, Houston’s relatively small supply of new luxury condo units and the shifting Baby Boomer demographic, many of whom are downsizing from large suburban homes into urban condos.

“Twenty years ago, people were retiring in a golf course community,” said [Will Stolz](#), founder and owner of Stolz Partners. “But Baby Boomers want to be in town. It’s a huge turning point for Houston.”

Stolz and Sudhoff worked closely with Houston-based architect [Mirador Group](#) to [design a timeless boutique condo building that would appeal to well-heeled empty nesters](#).

The Sophie — a derivative of the word “sophisticated” — will feature 39 high-end units ranging in size from 2,400 square feet to nearly 5,000 square feet. The units will have 10-foot ceilings, engineered wood floors, Herringbone pattern hardwood entries, Subzero/Wolf appliance packages, direct elevator access on most units and 400-square-foot private terraces in each unit with outdoor kitchens and an optional pet relief area. Prices start at \$1.6 million.

The cast-stone midrise will [feature few amenities to lower HOA costs to about 40 cents per square foot](#). Common-area amenities include two-levels of gated parking as well as private garages, a fitness center with a yoga studio, a grand terrace with an outdoor kitchen and fireplace, a resistance pool, landscaped grounds with a dog park and a 24-hour attended lobby.

Stolz and Sudhoff also worked with condo buyers in The Sophie to semi-custom design their homes. As a result, some buyers chose to combine several units, with one buyer creating one gargantuan unit spanning 8,000-square-feet of interior space, 1,000-square-feet of covered terrace space and 6,000-square-feet of a rooftop garden. In addition, several wine connoisseurs have spent extra money turning an extra study into a climate-controlled wine vault.

The Sophie will rise on the former site of an Italian-style townhome project once proposed by Butler Brothers. The Houston-based luxury residential builder had broken ground on the 17-home Piazza Lucca community in early 2015, but scrapped the project amid the oil slump.

Stolz Partners has replatted the former townhome site into an unrestricted reserve for a condominium project. The developer will also demolish \$1.8 million worth of streets, underground utilities, walls, gates and underground detention, before building The Sophie.

Construction on The Sophie is expected to take 14 to 18 months. The first units are expected to be completed in mid-2018 with full completion by fall 2018.

Stolz and Sudhoff are also planning to develop Giorgetti Houston, the first luxury-branded condo project in Houston. The seven-story, 32-unit condo is proposed for the northeast corner of Steel Street and Virginia Avenue, just south of the West Ave mixed-use development in Upper Kirby.

Giorgetti Houston, also designed by Mirador Group, will feature a contemporary glass, stucco and masonry exterior, inspired by iconic furniture designs from the 118-year-old Italian furniture maker.

Nearly 40 percent of Giorgetti Houston's units have been sold since presales began four months ago, Sudhoff said. Units average about 3,000 square feet with between 500 to 2,000 square feet of terrace. Prices average just under \$2 million.

If presales stay on track, Giorgetti Houston could break ground by the end of the year, Sudhoff said.

The Sophie project partners:

Developer: Stolz Partners, based in Atlanta

General Contractor: Scott + Reid, based in Dallas

Architect: Mirador Group, based in Houston

Landscape Architect: McDugald-Steele, based in Houston

Sales/Marketing: Sudhoff Cos., based in Houston

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