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SOUTH FLORIDA REAL ESTATE NEWS

## Pompano Beach mixed-use project scores \$45M construction loan

*Apartment-retail project was delayed due to unfavorable lending market*

Miami

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By Lidia Dinkova



*Renderings of Old Town Square multifamily-retail development in Pompano Beach. ( Old Town Square, Adache Architects)*

A planned apartment-retail project in Pompano Beach's Old Town district scored a \$45 million construction loan, following a roughly yearlong delay.

The \$72 million Old Town Square will have 281 multifamily units, just over 5,000 square feet of retail and a garage with more than 300 spaces, according to Adam Adache of co-developer Cavache Properties.

The 10-story project on 1.7 acres will be on the east side of Northeast First Avenue, between Northeast Second and Third streets.

Bank OZK provided the construction loan.

Originally slated for completion this year, Old Town Square now is expected to be finished in 2023. Construction is expected to start in November.

The delay was caused by unfavorable financing conditions amid the pandemic. Although the developers had loan options last year, terms were stricter and offered lower loan-to-value ratios, Adache said.

“We still had offers to finance. They just weren’t what we were looking for,” he said. “ If you were planning to get \$45 million, at the time, in financing from a construction lender, it might have been \$35 million.”

Pompano Beach-based Cavache and project partner Wilson Enterprises, based in Delray Beach, waited for the loan market to loosen and obtained construction permits in the meantime, Adache said.

In 2019, Old Town Square obtained \$7.8 million

(<https://therealdeal.com/miami/2019/09/18/cavache-properties-scores-cra-funding-for-pompano-project/>) in financing in the form of tax incentives from the Pompano Beach Community Redevelopment Agency.

The Old Town project is part of a larger initiative by the CRA to redevelop the area. It includes plans for a 70-acre downtown innovation district

(<https://therealdeal.com/miami/2019/06/11/developers-welcome-pompano-beach-accepting-offers-for-downtown-innovation-district/>). The CRA is envisioning an office and retail hub with other real estate, and solicited bidders in 2019.

Cavache, led by Daniel and Adam Adache as well as Anthony Cavo, is a real estate investor and developer, according to its website. Its affiliates are brokerage Adache Real Estate, Adache Group Architects, and dredging and site development contractor Cavache.

Cavache projects include the 30 Thirty North Ocean in Fort Lauderdale.

In other planned Pompano Beach (<https://therealdeal.com/miami/tag/pompano-beach/>) projects, The Related Group plans (<https://therealdeal.com/miami/2021/09/30/related-group-wins-rezoning-for-second-oceanfront-condo-development-in-pompano-beach/>) its second oceanfront condo with 119 units.

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