

# ZAKARIN

PUBLIC RELATIONS



High-end real estate starting to move

**Polyana da Costa, DBR.**

After months of waiting and watching, wealthy buyers are returning to South Florida's **luxury** housing market.

A stronger stock market, cheap interest rates and signs that prices for **luxury** properties have bottomed out are boosting the confidence of those who can afford to pay millions for a residence.

"Many high-end buyers were pretty much on hold for the last two years," said Lore Smith of Sotheby's International in Palm Beach, who said she is booked solid with showings for January.

"I was showing properties before, but buyers weren't anxious to make offers. They wanted to watch what was on the market. Now that they see the inventory is moving, and they feel prices are the lowest [level they are likely to go], they are starting to become more confident."

Smith said she started to see inquiries and offers rise earlier this month.

Carmen D'Angelo Jr., a broker and owner of Boca Raton-based Premier Estate Properties, said he noticed the improvement in the high-end market in the third quarter. In September, his company represented **luxury** home developer Frank McKinney in the \$15.5 million sale of Acqua Liana, a seven-bedroom eco-friendly mansion that has been on the market for sale since its completion in 2008.

A stronger stock market has contributed to the return of the wealthy buyers, D'Angelo said.

"Wherever the stock market is, the high end real estate market follows," D'Angelo said. "Most people with large wealth invest in the stock market. When the market goes up, their portfolio is worth more, and they feel like they can buy."

Several multimillion-dollar residential deals have closed in South Florida in recent weeks.

Greg Wells, chairman of Hazard, Kentucky's First Trust Bank paid \$3.69 million for a 3,800-squarefoot oceanfront home in Fort Lauderdale, according to Broward County public records. The four-bedroom, five-bath home is on a half-acre site. The deal closed on Dec. 22.

A couple of days earlier, Miami cosmetic surgeon Dieter Manstein paid \$3.8 million for a six-bedroom, eight-bathroom home in Coral Gables. The house was originally listed for \$4.7 million.

In Miami's Coconut Grove, Carlos Hakim, a biomedical engineer recently got a steep discount when he paid \$10.2 million for a house on South Moorings Way. The property was listed for \$14.9 million.

Miami-Dade property records show the five bedroom, five-bathroom house was sold by Gerald Kelfer, vice chairman of Avatar Holdings, a publicly traded homebuilder based in Coral Gables.

Toni Schragger, an agent with Avatar Real Estate Services, which is not affiliated with Kelfer's company, marketed the home. She said lower prices are one of the biggest factors luring buyers back to the market.

Prices for high-end houses in South Florida have declined 30 percent to 40 percent from 2007/2008 levels, brokers say.

"A lot of people were sitting on the sidelines," Schragger said. "And sellers are now being more realistic in terms of prices."

## RITZ-CARLTON DEALS

Palm Beach County also has seen its share of multimilliondollar sales, including condo deals.

One property that has been active is the new Ritz-Carlton Residences on Singer Island in Riviera Beach. Miami-based Lionheart Capital and the New York-based investment firm Elliott Management bought the 146 unsold units in the 242-unit project at 2700 N.

Ocean from developer Daniel Catalfumo in June for about \$120 million.

Last month, the partners struck a deal to make the property the sixth Ritz-Carlton Residences without a hotel component.

Since the takeover, the oceanfront project has sold 11 units totaling about \$18 million in sales, according to Carolyn Ellert of Premier Sales Group. She is marketing the units in the project.

One purchaser is Ashok Khubani, who runs Ontel Products, a New Jersey-based company that makes TV infomercials pitching inventors' products. An entity controlled by Khubani named Ask Florida LLC paid \$4.6 million for three units at Ritz-Carlton.

With the latest purchase, Ask Florida, which is owned by Khubani family members, owns nine units in the project.

In the first quarter of this year, Ask Florida bought three units for \$1.6 million, \$1.75 million and \$600,000. In early 2008, the entity purchased its three first units in the building, when it was still owned by Catalfumo, for prices in the \$2 million range.

"We have been talking to buyers all over the world," said Ellert, who declined to comment on specific buyers.

While the Ritz brand is a key factor in attracting buyers, the recent wave of sales is a sign **luxury** properties are rebounding, according to Ellert.

"The **luxury** market in general had stalled for some period," she said. "The recent sales are definitely a good sign."

This month alone, there were five condo sales in Palm Beach County worth \$2 million or more, and 25 houses over \$2 million sold.

In Miami-Dade 10 houses and 15 condominiums priced at \$2 million or more sold in December.

Broward County, which typically has fewer high-end sales, didn't do as well. Only two houses over \$2 million sold in December.

Much of the jump in activity in Miami-Dade comes from condo deals, according to Ron Shuffield, president of Esslinger Wooten Maxwell in Miami. Sales of condos priced at \$2 million or more rose 33 percent in the past six months, compared to the same period of 2009, he said.

Shuffield attributed the increase in condo sales to the influx of foreign buyers — including Canadians and Brazilians — who want to take advantage of bargain prices and a weak dollar. "They prefer condos because it's easy to maintain," he said.

Broker James Basilio of BasLer International Realty in Miami said he has seen an increased interest from foreign buyers, especially Brazilian politicians and celebrities seeking vacation properties.

"There are a lot of good deals right now," he said. "There are homes listed for \$12 million being negotiated for \$6 million."

The lower prices and the resulting increase in sales also have cut the inventory of **luxury** properties listed for sale. In November, there were 592 homes priced at \$2 million or more for sale, a 22 percent drop from 756 in the same month a year earlier, according to data compiled by Shuffield.

There were 466 condos price at \$2 million or more for sale last month, a 26 decrease from 627 a year earlier.

Despite tighter inventory, prices have not started to increase, and the sales activity generated by the lower prices is expected to continue throughout 2011, said Beth Butler, president of ONE Sotheby's International Realty.

"The activity will certainly continue in 2011," Butler said. "Since the height of the market, the news was so bad for so long that people were sort of frozen in place. But they are more confident and ready to make deals again."

#### AT A GLANCE

Selected December **luxury** house and condo sales in South Florida  
AT A GLANCE

Property	Price	Buyer
3301 S. Moorings Way	\$10.2 million	Carlos Hakim
270 Harbor Drive, Key Biscayne	\$6.18 million	Rita Cabases Goni
2700 North Ocean, Singer Island	\$4.6 million	Ashok Khubani
287 Carabella Court Coral Gables	\$3.8 million	Dieter Manstein
2812 N. Atlantic Blvd., Fort Lauderdale	\$3.6 million	Greg Wells
2500 S. Ocean Blvd., Unit 702, Boca Raton	\$3.5 million	Barbara Sabatino
3535 S. Ocean Drive, Unit 2603, Hollywood	\$2.65 million	Jitendra and Sunita Saxena