

## Glitzy parties in South Florida help spur buzz about condos

By Paul Owers, Sun Sentinel

10:10 a.m. EST, February 25, 2011

It's time to party again.

During the condo boom, developers spent big on shindigs to introduce luxury buildings to real estate agents and their well-heeled clients. The music stopped with the housing bust, but now the glitz and glamour are returning.

Recent South Florida parties have included fancy food, models, bouncers and red carpet. At the Mint at Riverfront party in Miami last month, hired performers used wire cables to leap from balcony to balcony, their long red capes dangling behind them.

That brought back memories of the Midtown at Miami bash in 2005, when tightrope walkers put on a show.

Real estate agents say the parties help build buzz around units that have languished on the market.

"There's kind of a 'wow' to it all," said Teda Melero, a longtime broker, who views the parties as essential in the public relations game.

In 2004 and 2005, at the height of the housing frenzy, parties pumped up prospective buyers, who rushed to sign contracts before prices could increase. Today they're used to re-launch buildings that have new owners and big price cuts.

In many cases, once-high-flying developers lost projects to their lenders, who sold the largely empty condominiums to bulk buyers at discounted prices.

Peter Zalewski, principal of CondoVultures.com, a Bal Harbour-based real estate firm, said the soirees are "the first part of the psychological warfare" in which new ownership groups try to convince buyers that prices won't go any lower.

While some prospective buyers and existing unit owners make the guest lists, the parties are mostly meant for well-connected real estate brokers, who go out and sell their clients on a particular project.

"It's like spreading the gospel," Zalewski said.

A Feb. 3 event at Trump Hollywood cost BH3, the luxury oceanfront condo's new owner, nearly \$100,000.

Four models wearing Ivanka Trump's jewelry line mingled among the 800 champagne-sipping guests. The Donald arrived late but still made the rounds, and waiters served an array of hor d'oeuvres and desserts, including risotto kisses and hazelnut French macaroons.

"It was so glamorous," said Daria Eckert, an existing unit owner at Trump Hollywood who attended the event. "It will do what it was supposed to do, but it may take a year or a couple of years."

[Donald Trump](#) was similarly impressed.

"It was a beautiful evening," he said. "I really think it made an impression. The building's doing well."

By the next morning, two prospective buyers had signed contracts, Miami-based BH3 said.

Prices range from about \$700,000 to more than \$6 million. When Miami developer Jorge Perez unveiled Trump Hollywood in summer 2009, prices were \$1.3 million to more than \$7 million.

BH3 paid \$160 million for Trump Hollywood's \$225 million mortgage after lenders took the 41-story project back from Perez in November. Trump will continue to license his name to the development.

Perez insisted he had buyers for about two-thirds of the units, but he was able to fill only about 10 percent of the 200-unit building. BH3 said it has generated 16 sales totaling \$22 million. Of those, eight have closed and four are scheduled for the next two weeks.

"We're ecstatic with the sales pace," BH3 principal Greg Freedman said, sitting in the lobby as guests arrived for the party. "People are bullish again on (South Florida), just at a different price point. We are very patient guys. We know we have a gem here."

Ophir Sternberg, managing partner of Lionheart Capital, new owner of The Ritz-Carlton Residences Singer Island in [Riviera Beach](#), said he was impressed with the get-together at his 242-unit oceanfront condo on Jan. 21.

The evening featured Blackriver Caviar and Stolichnaya vodka and appearances by Palm Beach socialite Lori Stoll and former New York Giants running back Tucker Frederickson.

"A great party, very successful," Sternberg said. "We got a lot of compliments."

And a few signed contracts. Following the party, three buyers stepped forward but have yet to close, Sternberg said.

Since Lionheart bought the two-tower development, it has closed nearly 20 sales, with every buyer paying cash, Sternberg said. Units are selling for \$700,000 to nearly \$5 million, with the two penthouse units going for more than \$10 million.

Last year, Lionheart, a Miami-based private equity firm, bought the remaining 146 condos from Catalfumo Construction of [Palm Beach Gardens](#) for \$117.3 million. The Ritz-Carlton now manages the project, formerly known as 2700 N. Ocean Drive.

Two more Miami parties, **Canyon Ranch Living** [Miami Beach](#) and Vizcayne (formerly [Everglades](#) on the Bay) are planned for March.

David Concheso, 39, attended a party last year at the EPIC condo in Miami before deciding to buy in another building. He said a party provides an informal setting for prospective buyers to meet other residents and the sales staff.

"But it's just a party," he said. "What makes you want to buy a condo is the condo itself."

Many buyers still consider units overpriced, with the median prices in Broward and [Palm Beach](#) counties below \$100,000, according to the Florida Realtors trade group.

CondoVultures' Zalewski attended two events recently, and he said brokers mostly stood around drinking and handing out business cards. There seemed to be little interest in touring the units.

Zalewski, whose firm serves as a consultant to investor groups looking to buy condos at deeply discounted prices, said many bargain hunters want to pay in the range of \$250 a square foot for luxury units.

But the building owners need to achieve sales prices in the \$350 to \$400 range, Zalewski said. He expects the standoff to last at least a few more quarters.

"Today's buyers are buying with cash," he said. "They're not buying on the feel-good story. I'd be willing to bet these parties aren't going to have much of an impact."

[Powers@tribune.com](mailto:Powers@tribune.com) or 561-243-6529.