

1060 Brickell sales take off

South Florida Business Journal - by Oscar Pedro Musibay

Fortune International Realty discounted its way into a near sellout at 1060 Brickell, which had sales stall after the residential meltdown.

Since taking over the project about three months ago, Fortune lowered unit pricing by about \$200 a square foot, to an average of \$200 a square foot.

The same strategy worked for Brickell on the River, which was down to a handful of unsold units in its 327-unit second tower last week.

New York-based **Extell Development Co.** was able to close on 230 units at the \$400-a-square-foot preconstruction price, but then sales stopped.

Once the pricing dropped to \$200 a square foot, investors bit.

The developer wanted to achieve fast sales and we began selling at what we perceived was the market price today," said Walter Defortuna, chairman of Fortune International.

"They are buying on the idea that they are stealing," said Peter Zalewski, managing principal of **Condo Vultures Realty**. His company tracked 188 closings at 1060 Brickell from the end of May until the first week of August.

The developer of Brickell on the River said its recent sales success allowed it to satisfy the construction loan on the \$110 million second tower, paying off the last \$15.3 million owed on June 29.

Michael Bedzow, president of Brickell on the River developer Groupe Pacific, said there were only about three units left in the 327-unit building, at 31 S.E. Fifth. St., in Miami. The average unit was priced at more than \$200 a square foot, with units on the top floors going for more than \$300 a square foot.

Bedzow said there were two variables that drove the building's success, despite a weak residential market: His pricing was below many of his competitors and he received Fannie Mae approval in the spring. He said he is getting a wide range of buyer types, from first-time homeowners to investors.

Zalewski said Fortune's brokers have been making frequent trips to Argentina to court prospective buyers, which is the same strategy used during the boom. While some Canadians have returned to the condo investment market with the strengthening of its money, Latin Americans are driving the all-cash deals.

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Zalewski noted that some buyers are picking up two or three units at a time – and urging friends to do the same.

“Investors are jumping from one building to another as the developer cuts the price,” he said.

Leo Zabezhinsky, manager of business development and real estate for the **Miami Downtown Development Authority**, said the area’s appeal is also helping drive demand.

“Discounted pricing is accelerating absorption of units in downtown Miami, which is, in turn, translating into a wave new of residents moving into the district,” he said. “The combination of affordability and attractiveness for urban living is driving this demand.”