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race to the top

AT PRESS TIME, THERE ARE 25 HOMES OR CONDOS IN MIAMI ON THE MARKET FOR MORE THAN \$25 MILLION. WHAT'S BEHIND THIS NEW, PRICEY RUSH? BY ANDY WANG

What do you do after you've sold nearly \$50 million of new property in one record-breaking deal? You quickly get to work adding more than \$50 million of new property to the market.

Last August, Douglas Elliman Senior Vice President Oren Alexander shattered the ceiling for Miami real estate when he closed on a \$47 million deal for the newly built mansion at 3 Indian Creek. The all-cash sale of that 30,000-square-foot colossus—built by Alexander's father, Shlomi, and Felix Cohen—fortified the young broker. And now 25-year-old Alexander is doubling down; you could even say tripling down.

He has partnered with his brothers to develop two mansions being built by their father. The 12,000-square-foot “island Colonial beach house” with both

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The newly built 3 Indian Creek sold for a stunning \$47 million.

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golf-course and bay frontage at 30 Indian Creek is priced at \$30 million, while the 11,000-square-foot “tropical modern beach house” on the wide-open bay at 252 Bal Bay Drive in Bal Harbour is listed for \$25 million.

“Being that in Miami, for most of the people in the high end that are purchasing, this is their fourth, fifth, or sixth home, we felt \$25 million was more of the sweet spot,” Alexander says.

Alexander’s homes are part of a growing trend of ultraluxe properties that have hit the market at levels higher than Miami has ever seen. Between official listings and homes that are quietly being shopped to select buyers, it’s not hard to find two dozen properties that start at Alexander’s “sweet spot.” Call it 25 over \$25 million.

The properties include everything from Alexander’s Chad Oppenheim-designed Bal Bay Drive house to billionaire Leroy Schechter’s \$45 million mansion at 12 Indian Creek to the \$55 million Palazzo d’Oro residence with \$5 million of Fendi Casa furnishings at The Mansions at Acqualina in Sunny Isles Beach.

Mayi de la Vega, founder and CEO of One Sotheby’s International Realty, notes that there were five closed sales for \$19.5 million and above in Miami-Dade County in 2012. “If you compare that to 2011, there were only two closed sales over \$19.8 million,” she says. And the interest in the high-end market is only growing.

De la Vega says that when she had Alex



The Palazzo d’Oro residence at The Mansions at Acqualina is on the market for \$55 million.

“When there is a trophy property, people will pay for it.”

—MAYI DE LA VEGA

Rodriguez’s house on 4358 North Bay Road listed for \$38 million last year, “I had seven showings for that house in December. That’s totally unheard of. We had celebrities. We had people from all over the world.”

Rodriguez has since taken his home off the market, but de la Vega notes that the pricing for the mansion doesn’t seem ridiculous, given what else is happening in Miami. “They were looking at the price—we’re talking \$2,000 a square foot,” she says of the potential buyers she saw in December. “Compared to what Faena is coming up with, there’s value, believe it or not.”

De la Vega is referring to developer Alan Faena’s remake of the old Saxony hotel into Faena House, a 47-unit, Foster + Partners-designed residential tower, part of a Collins Avenue complex that will also include entertainment and parking structures designed by Rem Koolhaas.

“Faena’s is going to start at about \$3,000 per square foot,” de la Vega says. “It’s a first for Miami. If they do what they say they’re going to do, I think there’s plenty of wealth around the world that’s going to buy it.”

Douglas Elliman, which is quietly marketing Faena, is also working on sales at the Edition, the Ian Schrager overhaul of the Seville hotel, which will include 26 residences expected to trade at top-of-the-market prices. And de la

Vega, seeing international interest for the highest-end properties, recently repriced units she’s marketing at the W South Beach, raising the numbers overall to above \$2,000 per square foot.

Price increases are the norm. According to data from Zilbert International Realty, Miami Beach condos in 2012 traded for close to \$1,000 per square foot. That’s up from about \$750 per square foot three years prior.

“Miami lacks quality inventory,” says de la Vega, who notes that the city is finally catching up architecturally to other world-class destinations. “When there is a trophy property, people will pay for it.”

And Alexander points out that the owners of Miami’s most valuable properties likely won’t go anywhere soon because trading homes would likely result in higher taxes. “There’s an inventory shortage, and it’s only going to continue to get tighter as time goes on,” Alexander says. “These families are acquiring what’s available. Because of property taxes, they’ll never sell; they have no place to go.”

“We do have a shortage of exceptional over-the-top waterfront homes,” says Mark Zilbert, Zilbert International Realty’s president and CEO, whose firm had the listing for the \$21.5 million sale of Netscape founder Jim Clark’s Setai penthouse in December 2011. (One Sotheby’s International brought in the buyer.)

The price per square foot of \$3,463 was a Miami record until January 2013, when Zilbert International Realty sold a 7,100-plus-square-foot penthouse at The Setai for \$27 million. And don’t be surprised if that record gets broken soon.

“We’re definitely higher than our previous peak, and it keeps going, too,” Zilbert says. “I don’t think we’ve topped off. The more we give the super super elite, the more they’re going to accept it. They’ll pay whatever it costs.” **OD**



Chad Oppenheim-designed Bal Bay Drive house.