

Development Boom Still Going Strong

The reports of South Florida's boom busting appear to be greatly exaggerated.

I reached that conclusion after attending an Urban Land Institute event and reviewing the One Liners in this issue of SFBW. People in Miami are reading plenty about softening in the condominium market, but they might not know there is a project in Palm Beach Gardens near Scripps Florida that would have 2,000 homes, 700 multifamily units and up to 4 million square feet of office space. In Delray Beach, Kaufman Lynn is planning a new headquarters on Congress Avenue, which the city is actively working to revitalize.

At NAI Global's Florida Forum, Jordan Paul, CEO of NAI/Merin Hunter Codman, said Palm Beach County is in the middle of its glory days.

In Broward County, Art Falcone is getting ready to break ground on transforming the former Fashion Mall in Plantation. Flagler Village in downtown Fort Lauderdale continues to explode: Two Hilton brands will be in a new hotel on First Avenue, and Lennar just got a \$61.7 million construction loan for 384 apartments on Fourth Street.

New hot spots continue to emerge in Miami-Dade County. Developer Tony Cho and investor Bob Zangrillo are planning Magic City, a 15-acre development in Little Haiti with a potential value of \$1 billion. The Rubell Museum, a pioneer in Wynwood, is moving to Allapattah north of Jackson Memorial Hospital. I expect artists will follow as Wynwood rents steepen.

Russian developer Vladislav Doronin likes Miami so much that he just bought a site next to his Missoni Baia condo project for \$54 million.

Even the Miami City Commission is cashing in by exploring the sale of its Miami Riverside Center to Adler Group, which wants to build Nexus Riverside with than a million square feet of shops, apartments and hotel rooms.

There are some notes of caution, though.

Inigo Ardid, co-president of Key International, said at an Urban Land Institute forum that it will be very difficult to get projects started in the next year or two. Related Group chairman Jorge Perez said buyers hear reports of a slowdown and now want to haggle more over prices. Terra Group president David Martin says resellers need to have a more realistic tone on price rather than expecting something that doesn't make sense.

At the NAI forum, Jeremy Larkin, co-chairman of NAI Miami, sees signs of a bust in condo activity but says it won't show up until data is reported in April. Economic slowdowns and currency issues are prompting some buyers to exit contracts for pennies on the dollar. The good news? There may be some better bargains ahead in some overheated markets.



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