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*SOUTH BEACH*

## **Condo-hotel planned for South Beach's 'quiet' side**

**An apartment building on the west side of South Beach will be the new condo-hotel offering by the company that has Delano and the Shore Club on the ocean.**

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Hotel firm sets sight west

The company behind the Delano and the Shore Club plans a new \$170 million condo-hotel in a quiet stretch of South Beach: the western shore.

Morgans Hotel Group announced Tuesday that an affiliate was buying a waterfront apartment tower at the Mirador residential complex on West Avenue. The 342-room tower will be named Mondrian, after the company's trendy Los Angeles hotel.

The move by the company once run by famed hotelier Ian Schrager will test the hip quotient of South Beach's western edge -- currently a stretch of high-end apartment towers and recent condo conversions.

While Starbucks has arrived along with a smattering of retail, the neighborhood lacks the clubs, fine dining and boutiques that dominate South Beach's eastern side.

Even so, the Mondrian would overlook Biscayne Bay and the Miami skyline, and **Morgans has a reputation for luring celebrities and local party crowds to its hotel bars and restaurants.** "If anyone can do it, I think they can do it," said Scott Brush, a hotel consultant in Palmetto Bay.

The Mondrian announcement comes amid an expansion spree by Morgans, with the purchase of the Hard Rock Hotel in Las Vegas, an expansion of the Delano and plans for a second one in Vegas, and new Mondrians in Arizona and Vegas.

Also on Tuesday, Morgans executives announced a \$3.7 million profit for the second-quarter, up from a \$19 million loss a year ago. The Delano led the company's 10 hotels in room revenue growth for the quarter, up 11 percent to \$358 per room.

Morgans and its partner, Miami developer Hudson Capital, will pay \$110 million for the Mirador building and **spend \$60 million on renovations**. Abraham Galbut is a principal at Hudson, and his brother Russell runs Crescent Heights, the Miami condominium converter selling the Mirador. Executives could not be reached at either company.

Cara Mantovani, a broker involved with Mirador condo sales who said she will be selling Mondrian units, too, said most rooms will sell for between \$600,000 and \$700,000.

The announcement coincides with a downturn in the condo-hotel market.

**"The situation with regular condos right now is pulling down condo-hotels,"** said Guy Trusty, a commercial broker specializing in hotels.