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Mid-priced condos are selling fast

A proposed downtown Miami condominium is demonstrating that there is life in the low- to mid-priced end of the housing market, despite the overall slowdown.

BY MATTHEW HAGGMAN

mhaggman@MiamiHerald.com

This year the sales centers for many proposed housing developments have been quiet as a library. Not at Loft 3.

Last weekend, the downtown Miami project aimed at middle-income buyers had to keep its doors open to sales past midnight. The 33-story project is on track to be sold out by the end of this week.

Amid the ongoing slump in the housing market, there appear to be pockets of strong demand for well-located housing at prices middle-income buyers can afford. In Loft 3, for example, one-bedrooms start at \$159,000 and two-bedrooms at \$293,000.

"This has been a very, very underserved market," said Oscar Rodriguez, who heads the attainable housing division of Related Group, the Miami developer building Loft 3.

After a five-year housing boom left prices way out of reach for many buyers, the demand for projects like Loft 3 is drawing more builders into the "workforce" or "attainable" housing niche.

Canyon-Johnson Urban Funds of Los Angeles, co-led by former NBA star Earvin "Magic" Johnson, recently announced an investment in a condo in Miami's Little Havana neighborhood, where buyers put 5 percent down on units starting at \$250,000. G.L Homes in Sunrise reported brisk sales for Boynton Beach houses starting at \$312,000.

The starting numbers are lower than the September existing-home median prices of \$270,800 for condos in Miami-Dade and \$370,300 for houses in Broward, according to the Florida Association of Realtors.

BUYERS IN AND OUT

At Loft 3's sales center this week at Northeast 2nd Avenue and Northeast 2nd Street, dozens of buyers filed in and out -- county employees, city police officers, a Miami-Dade College professor.

It felt like 2004 all over again, right down to the investors who have otherwise largely disappeared from the market. Two real estate agents from Swire, a developer that has built much of Brickell Key in Miami, came in to each buy units.

"I am buying a unit for myself and for a client who lives in Spain," said Samira Ramirez, who was joined by her colleague, Susanne Rohatynsky. Both said they already own condos on Miami's Brickell Avenue. "My clients think the price points are very good. I will try to resell my unit," Ramirez said.

One prospective buyer, who works for Miami-Dade County government, said he was tired of commuting from South Miami. Another, a dance professor at Miami-Dade College's Wolfson Campus in downtown Miami, said her kids are moving out of their Kendall house.

"I want to be able to walk to work, to go to the Carnival Center," said Diane E. Brownholtz, who has lived in South Florida for 31 years. "I grew up in Chicago, so I know what it is like to live in a city."

The project is Related Group's third in downtown Miami that is largely focused on middle-income buyers. Related, headed by developer Jorge Perez, previously built Loft Downtown and is building Loft 2, a building that vaults the Metromover line. Both are on Northeast 2nd and 3rd streets.

As the market turned, Related has refocused part of its efforts on building lower-priced condos near employment centers and mass transit hubs, such as a large development it is proposing near Jackson Memorial Hospital.

GOVERNMENT SUPPORT

Yet many developers say land and construction costs so much that they can't sell for lower prices without government support. For example, the city allowed Related to use a city-owned garage across the street for resident

parking. Also, Related bought the land several years ago, when prices were better.

And Related's size often allows it to strike better deals with contractors and for construction materials. Related Group is among the biggest in the country.

The formula is paying dividends this week, despite an overall challenging market. By Thursday afternoon -- less than a week after opening -- Rodriguez said 415 units were sold with 80 left. The activity prompted the kind of statements not heard in months.

Said Frantz Cesar, a buyer in his 50s, as he walked out the condo's sales center: ``You feel like you have to buy something before prices start going up again.''