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In battle for buyers, developers sell over-the-top luxury

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A rendering of the bowling alley at the Estates at Acqualina. ARX SOLUTIONS

Real estate is war – and for residential developers in Miami, luxury is the weapon of choice.

Today's condo towers aren't just offering the high ceilings, rooftop pools and European appliances of building cycles past.

Instead, their amenities are the stuff of whimsy, fantasy and incredible wealth: cigar lounges, dog walkers and monumental sculptures by Jeff Koons. Glass between the kitchen and living room that turns opaque when you entertain and want to shield your guests from the unseemly commotion of cooking. An elevator for your Bentley.

The trend kicked off as developers coming out of the crash realized one thing: To avoid getting burned in the next bust, they needed to demand that buyers put down more money before closing. To justify the 50 percent deposits that became standard, the new projects would need eye-catching, over-the-top amenities that would make the extra investment seem worth it to the ultra-rich.

“The goal is to stand out,” said Philip Gutman, vice president of sales at the national real-estate broker Douglas Elliman. “Developers are trying to get onto the radar of all the local agents to make sure that their project is the first one being shown. The more bells and whistles these projects have, the more of a draw they're becoming.”

Despite high prices – well into the millions – and high maintenance fees – well into the thousands per month – buyers accustomed to such New York/Los Angeles-style luxuries have responded well, Gutman said.

Building concierges – who make dinner reservations and walk the dog – and 24-hour security have become almost standard for the highest-end projects. At the One Thousand Museum tower on Biscayne Boulevard, each unit will come with a safety deposit box in a bank-style vault next to the building’s security room.

“We’ve seen people focusing more on the lifestyle that comes with living in one of these buildings than on the actual units,” Gutman said. “We have a lot of New York buyers looking for second and third homes down here, and they’re pretty much demanding the same level of service they’d get up there.”

One way to satisfy that need: full-service, resort-style living contained within the building.

At the 54-story Turnberry Ocean Club in Sunny Isles Beach, Turnberry Associates plans to devote three full stories to amenities. The “Sky Club” will feature a restaurant, two bars, a yoga studio, a nail and blow-dry salon, as well as cantilevered “sunrise” and “sunset” pools that jut out from the building on its ocean and bayfront sides.

“We’re not trying to create a bunch of gimmicky add-ons,” said Dan Riordan, president of residential development at Turnberry. “We’re asking ourselves: If you lived here, what would you actually use three to four times a week?”

That project is expected to be ready in 2018. Prices start at \$4 million for units with three bedrooms and 2,900 square feet of space.

At the Ritz-Carlton Residences in Sunny Isles Beach, developers Fortune International Realty and the Château Group are offering services similar to those of a South Beach hotel, including a restaurant, bar and pool lounge connected to the beach, a dog-walking and pet-grooming center, and a private yacht available for charter.

“The buyer today wants total service and refuses to compromise on that aspect,” said Edgardo Defortuna, president of Fortune International.

For many projects, entertainment is also a part of the draw.

Residents of the two towers at the Estates at Acqualina in Sunny Isles will be able to bowl, go ice-skating, play virtual golf and drive a Formula One race via simulator – all elements of a 45,000-square-foot complex devoted solely to amenities. Developer Jules Trump has dubbed one of its floors the “Circus Maximus.”

At Palazzo del Sol on exclusive Fisher Island, where a penthouse recently sold for \$35 million, residents will be able to take advantage of private massage rooms, an on-call butler and fur storage.

“We have affluent buyers that travel from ski resorts and winter vacations, so it’s convenient to have a place for their furs,” said Dora Puig, the project’s director of sales.

Other developers are drawing attention to their outdoor amenities.

The team behind Biscayne Beach Residences, between 29th St. and 30th St. on Biscayne Boulevard in Edgewater, has created a man-made, sandy beach on 344 feet of bayfront.

At [Paramount Miami Worldcenter](#), a 60-story tower going up alongside the \$1.04 billion Miami Worldcenter mall in the Park West district of downtown, developers will plant a six-acre athletic complex on the mall’s roof. The outdoor space – nine stories in the air – will include a soccer field, two tennis courts and a running trail.

“In this new cycle, everyone is trying to keep up with the buyers,” said Daniel Kodsi, the tower’s developer. “The driving force is what the market demands.”

In the digital age, advanced technology is also making its way into Miami’s ultra-luxury condos.

"We're talking about things as basic as an iPad that controls your lights and shades and air-conditioning all the way up to pressing an app on your phone that calls your car from a robotic parking garage," said Ryan Shear of the Property Markets Group, which is developing Echo Brickell in the financial district (starting at \$1,060 per square foot) and Muse in Sunny Isles (starting at \$1,674 per square foot).

Brickell House, being developed by Harvey Hernandez, debuted its own robotic parking system in November. Residents simply drive in, park their car and scan a keycard before an automated lift whisks their car away to a parking space.

"This way, people don't have to drive up several stories looking for parking," Hernandez said. "It gave us great exposure during sales. A lot of buyers said the parking was a great attraction."

Buyers can expect to pay heavy maintenance fees for the amenities, as well the 24/7 security that has become standard. Monthly fees for larger units at the highest-end projects can run more than \$8,000 per month.

But Craig Studnicky, a principal at the real-estate sales and marketing firm ISG, said most developers have learned that buyers don't want to pay high maintenance fees for amenities they don't use on a regular basis.

"They're generally not adding amenities to beef up a sales brochure," Studnicky said. "That doesn't get you anywhere."

Flashy service amenities add to the star power that has long been part of the South Florida lure since early in this development cycle: brand names, star architects and high-quality contemporary art.

In addition to Ritz-Carlton, developers are building the [Armani/Casa tower](#), the [Fendi Château Residences](#) and the Porsche Design Tower, which won [national headlines](#) for a car elevator that will allow residents to park in a clear “sky garage” next to their apartments – and show off their luxury automobile to guests. The Armani and Porsche towers are by Dezer Development.

Miami is also attracting world-renowned architects to design its towers.

Invariably referred to as “starchitects” in press releases from developers, they include Rem Koolhaas and Renzo Piano in Miami Beach, Bjarke Ingels in Coconut Grove, and Zaha Hadid downtown.

Art is a big driver, too.

The Related Group has placed a sculpture by Fernando Botero outside its SLS Lux Brickell. Related – whose president Jorge Pérez funded the Pérez Art Museum Miami – uses contemporary art in nearly all its projects and keeps an art consultant on staff.

And at the Oceana Bal Harbor, which will open in early 2017, the Argentine developer and art collector [Eduardo Costantini](#) paid about \$14 million for two monumental sculptures by Jeff Koons that will adorn the tower’s outdoor spaces.

Buyers will become part-owners of the Koons.

Another already-built Costantini project, Oceana Key Biscayne, features a mural by the Brazilian artist Beatriz Milhazes behind the desk of a concierge who can order a car service, handle your dry cleaning, reserve theater tickets and take care of your apartment when you’re away.

The abundance of luxury amenities also means developers may need a new way to hawk their wares.

The digital design firm ArX Solutions – which has offices in Coral Gables, New York and Buenos Aires – is one of several companies around the globe using videogame engines to develop 3D, interactive architectural renderings.

Using a phone, tablet, TV screen or even the virtual reality headgear called Oculus Rift, ARX technology allows prospective buyers to feel like they are walking through condo units and amenity areas. Users can also customize furnishings and decor with the click of a button.

“The projects are becoming so complex that it can really help to give people a more realistic experience,” said Patricio Martín Navarro, the firm’s U.S. president. “This helps them visualize exactly what they are buying.”

All that luxury may feel like a stick in the eye to many locals. Miami is one of the [least affordable housing markets in the country](#).

“We’re seeing a lot of international money, so a lot of the folks who live here are not participating as much in the boom,” especially in Miami Beach, said Aaron Drucker, managing broker at the real-estate firm Redfin. “The locals are moving inland.”

But even some wealthy buyers — especially the foreigners that Miami’s market depends on — likely won’t make good on their contracts come closing time.

“The last three outs are the hardest, and that’s closing the sale on people who put down deposits,” said Peter Zalewski, a South Florida-based condo analyst. “Developers are going to have to convince these buyers to do so at a time when foreign currencies are declining and the world economy is stagnating while the dollar is strong.”

Zalewski said he’s bullish on the overall market but expects some high-end projects to be abandoned or scaled back in the next 18 to 24 months.

“We’re definitely going to see a thinning of the herd,” he said. “And I think the next wave is already focusing on more moderate, mainstream development.”