

Have a Bal

By ANDY WANG

Calling Miami's Bal Harbour community "exclusive" or "expensive" is an understatement along the lines of calling Rihanna "unpredictable."

This is an enclave — less than a square mile with only about 4,500 permanent residents, according to Police Chief Thomas E. Hunker — where the new St. Regis Bal Harbour hotel-condo complex has seen multiple foreign buyers pay more than \$20 million for a 14,000-square-foot full floor. It's where multiple lots for single-family homes on Bal Bay Drive have sold for more than \$5 million. And it's where Lamborghinis, Ferraris and even Bugattis dot the parking lot of the Bal Harbour Shops, a spot where visitors can pick out Audemars Piguet Royal Oak watches and eat Kurosawa bone-in ribeye plus lobster surf-and-turf at Stephen Starr's Makoto before purifying themselves with an oxygen facial at Gee Beauty.

"When people go to Monte Carlo and they go to some specialty shops, it usually says Monte Carlo, New York, Beverly Hills and Bal Harbour," says broker Oren Alexander of Prudential Douglas Elliman's the Alexander Group. "Bal Harbour is in that elite market, whether it's some of the best, most expensive shopping or some of the best beaches. Now we have one of the best hotels. And the hidden gem of Bal Harbour is the Village."

Alexander is referring to Bal Harbour Village's gated, ultra-safe, security-camera-laden community (free of homicides, sexual assaults or even robberies in 2011 and 2012, according to police department statistics), where he grew up and his family still has a home. And he's so bullish on the area, where residents include Miami Heat owner Micky Arison, that he's becoming a real estate developer there.

Alexander and his brothers are in contract to purchase "the last vacant lot on the wide-open bay in Bal Harbour Village" for close to \$6 million.

They plan to close in June and start construction on an almost 11,000-square-foot, six-bedroom "tropical modern beach house" that they expect to complete within two years. The house at 252



DOUG CASTANEDO

WHERE IT'S ALWAYS FASHION WEEK: New stores including Stella McCartney have helped the pricey Bal Harbour Shops hit high sales numbers despite the loss of stores like Louis Vuitton.

Bal Bay Drive, which Alexander plans to list for \$25 million, will be built by his father, Shlomi, and designed by architect Chad Oppenheim.

“We’re building off the success we’ve had with 3 Indian Creek,” Alexander says, referring to another Miami home, now with a \$52 million asking price, built by his father. “We’ve learned what high net-worth individuals want. We’ve learned that \$25 million is more in the budget for somebody looking for their fifth or sixth home.”

While Alexander says that confidentiality prevents him from revealing specific details about any deal, he did say he’s close to selling 3 Indian Creek.

“I’m confident that we will procure a sale in the next two months,” he says.

Alexander then plans to market 252 Bal Bay Drive while the home is under construction. The \$25 million asking price is in line with listing prices of other Village properties: The 12,879-square-foot house on the wide-open bay at 182 Bal Bay Drive is listed for \$29.5 million by Coldwell Banker’s Jill Eber and Jill Hertzberg (“the Jills”).

“You can walk to the Bal Harbour Shops,” Eber says of the location of both 182 and 252 Bal Bay Drive. “And for boaters, it’s great. You go around the corner, and you’re right in the Atlantic Ocean. I was showing [182] the other day, and I saw four dolphins playing in the water.”

“There are few communities in the whole city of Miami Beach that are truly private and guard-gated,” Hertzberg says of Bal Harbour Village’s appeal. “And in this community, there’s a limited number of waterfront homes, a limited numbers of lots.”

Eber says there are only 179 houses — including just 32 waterfront homes — in the gated Village area.

And many are being torn down or renovated to create even fancier homes.

“There are about 70 building permits out,” Chief Hunker told The Post.

Outside of the gated area and across from the Bal Harbour Shops is the St. Regis. It finally opened this year after delays not unlike those all over Miami as the real estate market cooled off. (The Post first visited the St. Regis sales center in 2006.) But now it’s a tremendous success story.

About 75 percent of the 245 units have found buyers at prices averaging around \$1,350 per square foot, says John Manrique, vice president of sales and marketing for the St. Regis’ residences.

Steven Menkes, a Toronto real estate developer, recently purchased a three-bedroom, four-bathroom St. Regis condo. The hotel services, the floor-to-ceiling windows and the terraces — “tremendous, 11 feet deep, outdoor living spaces,” Menkes says — were selling points. But, he adds, “probably the most important thing was location.”

Menkes had looked at South Beach's luxurious South of Fifth area but "thought Bal Harbour was a better place to be, a more relaxed feel. When you're in South of Fifth, you're in an urban area. We like that Bal Harbour is a restricted area, with very little in terms of supply."

Broker Mark Pordes of Pordes Residential, who has sold many units at the once troubled One Bal Harbour hotel-condo building slightly north of the St. Regis, notes that one thing that sets this area apart is that there is "no commercial space, no gas stations, no retail, no offices, no shopping centers other than the Bal Harbour Shops."

In November 2010, Pordes bought into a deal to acquire 42 units at One Bal Harbour. He started selling them individually in January 2011 and sold almost all the units in one year, for around \$750 per square foot, about \$200 per square foot more than what resales in the building were previously going for.

Pordes initially thought it would take him about two years to sell all the units, "not knowing the market would respond as quickly as it did." Only one unit, a two-bedroom, is still available.

Another sign of the Bal Harbour market's strength: Ron Shuffield, president of Esslinger-Wooten-Maxwell Realtors, notes that 55 percent of sales in Miami-Dade County overall are distressed sales, but in Bal Harbour, the number is only about 10 percent. And the percentage of distressed properties on the Bal Harbour market is even smaller.

Says Pordes: "There's really nothing left on the [Bal Harbour] market to speak of in terms of distressed condos. It's very difficult to grab any standing inventory."

One remaining opportunity that Pordes has looked at is the Bal Harbour Beach Club, a site that could be home to a waterfront hotel, condo complex or both. "One group I was representing was very close to making a deal," Pordes says.

That coveted site, which was once listed for \$225 million, could now be close to landing a different buyer, sources say. Buenos Aires developer/investor Eduardo Constantini is among those who have bid on the property.

Joseph Imbesi, president of the beach club, says he's still waiting to finalize a deal.

"To tell you the truth, there's been an offer made, but there's no hard money down," Imbesi says. "At the present time, I'm not talking to anyone. I'm in a waiting period. We're basically off the market."

Whatever happens with the waterfront site, local brokers say they have many foreign buyers clamoring for new vacation homes in Bal Harbour.

And it's this international jet set that's also largely powering the sales numbers at the Bal Harbour Shops, which hit a sky-high \$2,465 per square foot in March despite the departure of prominent stores including Louis Vuitton, Cartier and Dior. (Bal Harbour Shops newcomers including Balenciaga and Stella McCartney have performed well.)

“Our customer base for many, many years has been at least half tourists,” says Bal Harbour Shops managing partner Randall Whitman. “At the moment, I notice a lot of Russians and Brazilians. Tomorrow, it could be Germans or British.”

“Even though some [stores] have left, and those people are substantial, Bal Harbour is a necessary and relevant address for a lot of retailers,” says Miami retail broker Greg Masin, senior director at Cushman & Wakefield. “It isn’t going to lose its relevance because it lost Louis Vuitton.”