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Miami Snaps Up Busted Condos

Public-Housing Agency Vies With Private Market For Bargain-Price Deals

Investors looking to snap up bargain-price condos in overbuilt Miami face competition: the Miami Beach Community Development Corp.

The public-housing agency recently paid \$5.7 million for the 35-unit Neptune Beach, one of the many failed condo conversions remaining from the housing boom, in prime South Beach.

The price comes to \$162,000 per unit, a big discount from an original selling price topping \$200,000.

The Mediterranean-style building, which boasts high-end porcelain floor tiles and Italian kitchen cabinets, will be used as affordable rental housing for employees of nearby stores and restaurants, says Roberto Datorre, the development agency's president.

Renters will pay from \$550 to \$650 a month.

The agency already has snapped up a 16-unit failed condo conversion in North Beach for a little more than \$1 million out of foreclosure. Another purchase is in the works. The city of Miami Beach and the state of Florida helped make the deals possible.

"The competition for failed condo projects just got a little bit more fierce in South Florida with the public sector now moving into a market that had been dominated by private-equity and institutional funds," says Peter Zalewski a

principal with real-estate consultancy Condo Vultures LLC, which reported the Neptune purchase in a newsletter.

—Dawn Wotapka

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