

1,100 apartments due on Cloughton Island, page 9
Fisher Island, with \$108 million in sales, builds, page 9

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Renovated deco condos a hot, untapped market

By CINDY KRISCHER GOODMAN

Renovated Art Deco condominiums are an untapped market in South Beach.

Investors are buying Art Deco properties and converting them into rental apartments.

But developers and realtors are finding the real demand is for condominiums.

"I have a list of more than 100 people who inquired recently about buying an Art Deco unit in South Beach," said Doug Dewitt, president of New Wave Realty. "There just isn't the kind of supply that people are looking for."

Developers are hearing about this demand and several are looking into condominium conversions.

"The first developer who does the proper condominium conversion of older Art Deco conversions are going to clean up," Mr. Dewitt said.

Met Schlessor, a New York investor, recently renovated the Alamac Apartments and is completely rented out. But he's also had requests to convert his rentals to condominiums.

Developer Robert Sherman, president of Diversified Investment and Management Corp., tested the condominium market by creating a townhouse project at Jefferson and Lincoln. He turned 16 units into eight townhomes selling for \$55,000 each.

But Mr. Sherman said he's turning the project back into a rental because unit buyers couldn't get financing. "There is not enough comparable

condominium sales for banks to fund high-end condominiums in the changing South Beach market," Mr. Sherman said. "Appraisers didn't have anything to compare to."

Mr. Sherman says his five rental projects are completely rented to tenants age 21 to 30.

Harnet Court Apartments, 15th Street and Pennsylvania Avenue, rented its 27 units in 60 days, according to Doris Myers of Deco Realty.

"Demand is there for condominiums and rentals," she said. "The demand is specific for Art Deco condominiums. There's a lot of

condominiums in Miami Beach but the new buyers want Art Deco units."

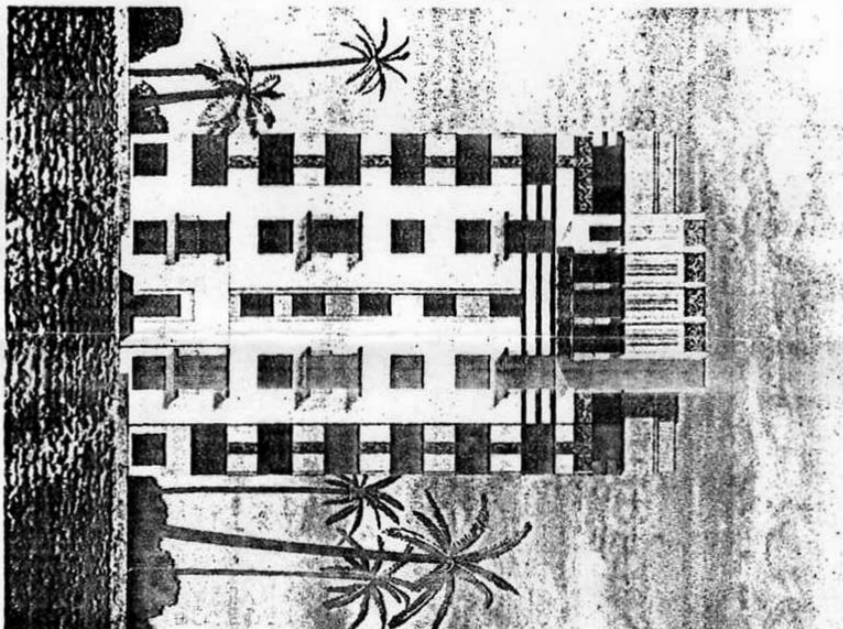
"The people living in the Beach have the ability to buy but can't find the right type of opportunity."

Ms. Myers is working with developer Michael Harvey, who purchased the Helen Mar and is selling units.

"About 42 out of 54 units are under contract," according to Ms. Myers. She says common areas were redone but each unit buyer has to renovate his unit.

Ms. Myers says it took a while but financing is beginning to come through from Dime Savings and CentTrust.

"Rental demand is always strongest because it's easier to commit for the short term but in South Beach there's a place for condominiums, too."



Units being sold in The Helen Mar