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Condo switchers flee Fla.

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Miami's condo market has nothing in common with its weather forecast these days; it's freezing cold with a chance of bad investment.

That might explain why more Florida condo converters are showing up in the Triangle.

Meet **Haim Einhorn**. He has spent decades converting rentable apartments to for-sale residences in South Florida. But when Miami's condo market went south, he headed north.

"Florida is saturated," he says. "I saw the balloon popping. That drew my attention to get out."

He found Dutch Village, a 106-unit apartment complex in West Raleigh.

He has a contract to buy it for \$6.5 million, or \$61,321 per unit, and he wants to sell units to current renters, young professionals and N.C. State University and Meredith College students for \$89,900 to \$112,900 each, after a \$2 million renovation. The deal is to close within a month.

Condo conversions were all the rage when low, low mortgage rates enabled more people to buy second homes or take the plunge into homeownership.

But as rates rose last year -- shrinking the pool of potential buyers -- conversions waned.

Condo converters spent at least \$9 billion on apartments across the country in 2006 -- about one-third what they spent in 2005, according to data from the New York research firm Real Capital Analytics. In Miami, they spent at least \$624 million on apartments in 2006 -- half what they spent in 2005.

But in the Triangle, where the population is booming, more converters have surfaced. Converters spent at least \$15 million on Triangle apartments in 2006 -- chump change by Miami standards, but more than twice what converters spent in 2005.

Last year's total has already been topped this year. Last month a converter paid \$48.8 million for 350 Avera Place apartments near Brier Creek in northwest Raleigh.

Local apartment brokers don't expect a big wave of condo conversions here. Home loans are becoming harder for some buyers to obtain. Plus, there's still a lot of competition from reasonably priced new developments.

Puig Development of Hialeah, Fla., found that out the hard way. Last year, it paid \$14.9 million for Polo Run, a 278-unit Raleigh apartment complex off U.S. 70, north of Interstate 440.

It was Puig's first conversion attempt outside Florida, where it had spent a decade converting thousands of apartments.

Puig decided to abandon its conversion plans, and is keeping Polo Run as rentals, says Puig executive Alex Valdes, adding: "Everything's slow for us."

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