

Real estate recovery: A comeback story for houses on Palm Beach

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At this time last year, plenty of Palm Beach real estate agents were still trying to forget 2009, a year when lackluster home sales and plummeting home prices proved the island wasn't nearly as insulated from the nation's property woes as many had thought.

But this season, those same agents have watched as things finally began to make their way back to normal in the single-family home market — or at least to some semblance to normal. The past six months, especially, have seen an escalating number of residential deals in all price ranges, buoyed by better economic news and the climbing stock market.

And prices on the high end, if not exactly stratospheric, have at least scraped the bottom of low-flying clouds. Seven Palm Beach homes or vacant lots sold since the beginning of September at prices of \$17 million or more, according to deeds filed with the Palm Beach County Clerk's office. Last season, only four properties sold in that price category.

"This season has been a very good sign that we're getting back to normal after a few bumpy years," said Palm Beach Board of Realtors President Jeffrey Cloninger of Jeffrey A. Cloninger and Associates. "I think that in all, we've seen extraordinarily good buys at every price."

The condominium market, however, remains stickier than the single-family segment, especially in the buildings south of Sloan's Curve, where there's a glut of units, many older and in need of renovation. And although the number of condo transactions has climbed over the past year, property records show, prices have not kept pace, according to the latest Evans Report, an analysis of transactions by Palm Beach real estate attorney Leslie Evans.

Top sales

Real estate agents who specialize in single-family homes across the island and higher-end condominiums were busy this season making up for lost time, as many sellers finally accepted the fact that their properties would likely fetch less than what they did three or four years ago at the height of the boom.

"We're seeing buyers and sellers [accepting] a realism that we haven't seen in a few years in Palm Beach — and deals are getting done," Cloninger said. "I think there was a learning curve for everybody — brokers, agents, buyers, sellers. People who are actually selling their homes are basing prices on 'comparables' — what other similar properties have sold for — and not on what their neighbors may be asking for their houses."

And prices? "If we are not at the bottom, we can see it from here," Cloninger added.

Brokers are reporting that the inventory of houses on the island has loosened a bit, although the supply of newer homes — especially those on the water — remains tight.

Breaking records

Buyers, in turn, have eagerly returned for the house-hunting safari, and many are ready to spend after having suffered months of what Sotheby's International Realty agent Ned Monell has dubbed "frugality fatigue."

"We're seeing buyers with a real conviction to buy," Monell said after 102 Canterbury Lane, a North End oceanfront estate he co-listed with agent Cristina Condon, sold at the end of March for a recorded \$26.4 million. It was the largest Palm Beach transaction, up to that time, since 2008.

The house, once the home of the late Canadian media mogul Izzy Asper, was sold by an entity created by Asper called House of Canterbury Inc. Paulette Koch of the Corcoran Group represented the buyer, Parkview Associates LLC.

That sales record was broken by another deal this month that marked the largest home sale of 2011: An oceanfront home at 40 Blossom Way changed hands for a recorded \$29.15 million. Condon represented the seller, the estate of C. Graham Berwind, and broker Lawrence Moens of Lawrence A. Moens Associates acted on behalf of the buyer, a trust.

Rounding out the list

Condon, Moens and Koch, in fact, were the key players in the highest-dollar Palm Beach deals since the season began in September — but they've often been tight lipped about the details of their deals. Citing confidentiality agreements with their clients, the three won't disclose the names behind the trusts and limited liability companies that so often cloak the identities of those who will actually be occupying the residences sold on the island.

And like many other Palm Beach real estate agents, they tend to shy away from discussing any differences between a property's listed price, the price recorded on the deed and the prices that the buyer may actually have shelled out.

"The recorded purchase price may not necessarily reflect the whole transaction," Evans said.

In any case, the following transactions, listed in descending order of the recorded prices, rounded out the rest of the season's home and property sales of \$16 million or more, in addition to the two biggest-dollar sales mentioned earlier.

- Last month, the ocean-to-lake estate of former media mogul and convicted fraudster Conrad Black at 1930 S. Ocean Blvd. — on and off the market for several years — sold for \$23.1 million through an entity called LJC Property Holdings LLC, represented by Moens. Paulette Koch and her son, Dana, represented the buyer, a trust.
- Also in April, Moens sold 1255 S. Ocean Blvd., a vacant lakefront parcel he co-owned with a partner, whose name he wouldn't disclose, through a trust for about \$22.7 million. Represented by Condon, the buyer was identified on the deed as Connecticut billionaire Thomas P. Peterffy, who bought it through a revocable trust established in his own name. The 5.98-acre parcel comprises two buildable lots and a protected bird sanctuary.
- In October, a seven-bedroom seaside mansion at 1075 N. Ocean Blvd. sold for \$22.5 million in the largest home sale of 2010. Condon represented sellers Michael P. and Paola Schulhof. Moens represented the buyer, a trust.
- In February, Sean M. Healey, represented by Lore Smith of Sotheby's International Realty, bought a five-bedroom oceanfront house at 6 Via Los Incas on the North End for \$17.05 million. Smith also represented the seller, Milan Associates LLC.
- At the end of December, Richard and Leslie Schlesinger's oceanfront home at 801 S. County Road in Palm Beach sold for a recorded price of \$16.8 million. The 1929 house designed by Maurice Fatio was bought by a trust, represented by Bunny Hiatt and her son, Jack Elkins, of Engel & Voelkers. Paulette and Dana Koch acted on behalf of the Schlesingers.

Other notable sales

In addition, six deals this season were recorded in the \$10 million to \$13 million range, property records show.

- This month, 101 El Mirasol sold for \$12.5 million, with Moens handling both sides of the deal.
- Moens also handled both sides of the December sale of 1090 N. Lake Way, sold for \$12.35 million.
- Last week, 1071 N. Ocean Blvd. sold for about \$12 million, with Moens acting on behalf of the seller and Christian Angle of Christian Angle Real Estate representing the buyer.
- Also last week, 930 S. Ocean Blvd. sold for \$11.5 million; Moens represented both the buyer and seller in the private deal.
- In February, 1067 S. Ocean Blvd. sold for about \$11 million, with Linda A. Gary Real Estate representing both sides.
- And this month, 326 Via Linda changed hands for \$10.93 million, with Moens representing the seller and Angle acting on behalf of the buyer.

Mid-range deals

Biggest deals aside, the numbers in the middle range of the market also tell a story. From September 2009 to May 2010, an anemic nine single-family homes or vacant lots had changed hands for between \$5 million and \$10 million, according to the prices recorded by the Palm Beach County Clerk's office on their deeds of sale. But sales in that price range category skyrocketed this season, with more than 25 homes selling since September.

Those transactions included, in November, the recording of the deed of sale for convicted scammer Bernie Madoff's vacation home at 410 N. Lake Way for \$5.65 million to a trust. And just last week, the home at 200 Algoma Road belonging to Marion Madoff — the wife of Peter Madoff, Bernie's brother and business associate — sold for \$5.5 million, also to a trust. That sale means that the Madoff family no longer owns any properties on the island.