

# THE REAL DEAL

REAL ESTATE NEWS

RESIDENTIAL SOUTH FLORIDA

## “So much wealth”: Why the rush for waterfront homes rolls on in South Florida

Late start to season, billionaire moves, proposed tax cuts fueling a hotter-than-usual summer



*Dora Puig, Keith Menin, Russell Savage, Mick Duchon, Danny Hertzberg, Dina Goldentayer and Anna Sherrill with 5300 North Bay Road, 94 La Gorce Circle in Miami Beach, 9111 Collins Avenue N721 in Surfside and 6500 North Bay Road (Legendary Productions, MR Luxury Group at ONE Sotheby's International Realty, Gabriel Matarazzo, Gabba Visuals, Become Legendary, Dina Goldentayer, Menin Hospitality, Johnston, Carmenate, Duchon, Dora Puig, Coldwell Banker, Anna Sherrill)*

Developer Keith Menin paid \$16.1 million for a waterfront home on North Bay Road in April 2024, and he teamed up with the billionaire founder of Rockstar Energy to renovate and flip the property.

Two years later, Menin and Russell Savage (previously Weiner) sold the home at 5300 North Bay Road for \$27 million. A land trust purchased the property, after a deal with a previous buyer fell through. It was on the market for \$28 million, down from the \$32.5 million asking price for the

property in October, listed with One Sotheby's International Realty agents Marko Gojanovic, Reid Heidenry and Roberto Quiroz.

"Not everyone is willing to wait three, four, five years for something to be built," said Danny Hertzberg of the Jills Zeder Group at Coldwell Banker, who represented the buyer. The property stood out because of a lack of inventory of updated or recently completed homes on North Bay Road, he said. Hertzberg declined to identify the buyer.

The deal is one of many that have closed recently in Miami Beach, Surfside, Fisher Island, Palm Beach and other luxury enclaves, even as brokers enter the slow summer season.

Agents are also bullish that a proposed cut to property taxes will propel prospective buyers to pull the trigger on a purchase, fueling more deals. The Florida Legislature recently voted to send a proposed constitutional amendment to voters in November. The amendment would favor homesteaded property owners, raising the \$50,000 homestead exemption on primary residences to \$150,000 in 2027 and \$250,000 in 2028.

"It was a very fruitful season but it hasn't slowed down yet," said Mick Duchon, a top agent at the Corcoran Group. Duchon recently represented the seller of the waterfront mansion at 94 South Hibiscus Drive in Miami Beach. James Vitas, founder and CEO of VMD Companies, a real estate firm based in North Andover, Massachusetts, sold the custom home.

The buyer's broker, Dora Puig of Luxe Living Realty, said her client is from London, "another market that's a disaster," Puig said. She declined to identify the buyer, but said they are upgrading from a vacation home to a full-time house.

Not the pandemic frenzy, but a "mild fever"

Sales took off in mid January, after billionaire Google co-founders Larry Page and Sergey Brin made big moves: Page acquired three properties in Coconut Grove for a combined \$188 million, and Brin entered into a contract to purchase a waterfront home on Allison Island in Miami Beach for \$51 million. The proposed wealth tax in California, which heads to voters in November, was the final straw, brokers say.

It's "all about California," Puig said. "Up to 70 percent of my deals are tech buyers. Maybe 80 percent are from California. They're coming quietly and nicely."

Many of the deals closing now were inked in February, March and April, she said. Property records show and brokers confirm that buyers want waterfront homes.

Some agents say that buyers are starting to flip contracts for homes. "When you start to see that happen, you're going into pandemic-era selling," Puig said. It's not at the same level, she said, but it's "like a mild fever."

But they're also buying large condos at the Surf Club complex in Surfside, on Fisher Island, Apogee in South Beach, and elsewhere, agents say.

For both Puig and Duchon, recent activity includes the \$20.7 million sale of unit 207 in the south tower at the Surf Club Four Seasons, which closed in April for \$4,400 per square foot. Puig brought the buyer, which The Real Deal previously reported is New York developer Richard Cohen, and Duchon represented the seller. Cohen's move is part of the "seismic" migration of wealth to South Florida, the law firm representing him said at the time. (Starbucks billionaire Howard Schultz paid \$44 million for a penthouse in March, announcing his move on LinkedIn.)

Also at the Surf Club, unit 721 in the north tower traded for \$27.3 million (\$29.3 million, according to the brokers). At more than \$5,100 per square foot, it's one of the most expensive non-penthouse sales.

Todd Green, a senior managing director and portfolio manager at First Manhattan, sold the four-bedroom, four-bathroom condo to an undisclosed buyer, represented by Douglas Elliman's Devin Kay. The deed hasn't been recorded.

Green made a tidy profit: he paid just \$12.4 million for the condo in 2017, the year the Surf Club was completed. His unit also came with an extra bonus. It's the only non-penthouse with a tandem garage.

Anna Sherrill, a One Sotheby's International Realty agent who represented the seller alongside Eric Johnson, said the Surf Club and Fort Partners' newer buildings adjacent to the oceanfront development are their own unique ecosystem.

"As soon as something comes to market, as long as it's priced right and pretty, it's moving quickly," Sherrill said. "There's just a lot of activity in the high end. I'm happy to see a deal close at this time of year at that price point. From Miami to Palm Beach, it's still incredibly strong."

This sustained spike in demand isn't isolated to Miami-Dade, as Sherrill noted.

A handful of sales have also closed in Palm Beach. In May, a company tied to Randall Smith of the multibillion-dollar "vulture" investment firm Alden Global Capital sold a new waterfront mansion in Palm Beach for \$93.3 million to a trust.

This week, finance CEO Henry Fernandez paid \$25 million for a non-waterfront home in Palm Beach. A trust sold the renovated house at 134 Casa Bendita to Fernandez and his wife, Alexia, according to property records. Margit Brandt of Premier Estate Properties brokered the deal.

"There's just so much wealth," Puig said.

#### Land on the move

This week, the waterfront lot at 6500 North Bay Road in Miami Beach sold for \$18.9 million. The sellers are hotelier Jason Rubell and Michelle Simkins. They paid \$10.8 million for the property in 2021, selling it five years later for a 75 percent markup.

The buyer will likely tear down the circa-1950 house and build a new mansion on the 0.4-acre lot. The off-market deal was brokered by Dina Goldentayer of Douglas Elliman.

It's not public knowledge who purchased the property, but spec home developers are back in the market, scooping up land. So are end-users, agents say.

A month ago, Luxury home developer Alex Pirez, through his Mocca Group, acquired a 1-acre waterfront property at 665 Leucadendra Drive in Gables Estates for \$24.3 million, with plans to likely demolish the existing 1999-built home and construct a new mansion.

In Palm Beach, the waterfront estate that belonged to Palm Beach's oldest resident, who died earlier this year, is under contract to a buyer just months after her death. Smith's 6,700-square-foot home at 350 Island Road, which is on the market with Todd Peter of Sotheby's International Realty for \$39.5 million, will likely be torn down.

"Land started to move in February because there's no more pretty houses," Puig said.

Duchon agrees.

"There was such a limited amount of turnkey product to choose from that buyers decided to purchase land," he said. "Competition between end users and developers for the land dramatically picked up in January. It's become a very tight marketplace."