

September 19, 2014 3:28 pm

High-end property in Fort Lauderdale outperforms rest of market

By Caroline Thorpe

Buyers of upmarket condos and town houses are lapping up the coastal city's laid-back feel and sunny weather



Riverwalk, next to the New River, in downtown Fort Lauderdale

Fort Lauderdale's high-end homes market is summed up in three words by estate agent Susan Rindley: "Hot, hot, hot!" She adds: "We're the best deal when you think about South Florida."

Rindley's enthusiastic claim bears scrutiny (not only because the coastal city enjoys more than 3,000 hours of sunshine a year). High-end property – the top 10 per cent by value – outperformed the rest of Fort Lauderdale's housing market in the 12

months to June, according to Douglas Elliman estate agents. Square footage values for upmarket condos and town houses rose 17.5 per cent, to an average of \$477, while the figure for high-end detached houses increased 4.2 per cent to an average of \$570.

This represents relatively good value, historically speaking. Research by Savills suggests average house prices remain 29 per cent below their 2006 peak, compared with 26 per cent in nearby Miami.

Fort Lauderdale, 23 miles north of Miami and 42 miles south of Palm Beach on Florida's Gold Coast, has traditionally attracted "sunbirds" seeking relief from cold winters elsewhere in the US and Canada. The city of 172,000 people offers a laid-back alternative to Miami's dazzle, its 165 miles of inland waterways and canals earning it the moniker "Venice of America" – and providing a supply of waterfront properties. "People go to breakfast, lunch and dinner by boat. It's a city that feels like a town," says Rindley.

While North Americans are still investing, observers note that wealthy international buyers are now starting to drive the market.

"Fort Lauderdale is increasingly popular among high-end buyers, particularly for out-of-towners seeking a second, third or fourth vacation home," says Kelly Charles, senior sales associate at One World Properties.

"The rebound of the South Florida real estate market is spearheaded by sales to foreigners from Argentina, Brazil, Canada, Colombia and England."

Charles says a key catalyst for the shift is a \$2.3bn upgrade of Fort Lauderdale's airport, which is "opening up" the city. A second runway is due to launch this month and airlines have unveiled more than 20 new routes in the past year, including direct flights to London, Lima and Scandinavia.



In turn, developers are improving the proposition for buyers. One World Properties says 12 new condominium buildings – which are rated by out-of-towners for their “lock-up-and-leave” qualities – are planned for locations near the sea. Particularly eye-catching is Paramount, an 18-storey oceanfront development.

“There’s only one new development on the beach in Fort Lauderdale and that’s Paramount. It’s a unique opportunity,” says Charles, part of the development’s sales team. “It’s a new luxury development averaging [sales of] \$800 per sq ft. If you were to replicate this building in Miami Beach it’d be double that.”

Less dear it may be, but Paramount aims to bring something of Miami to Fort Lauderdale and is designed by Miami-based architect Luis Revuelta. “We’re excited to have a piece of Miami in Fort Lauderdale: upscale, beautiful architecture and it’s bringing in more international people,” says Rindley, of One Sotheby’s International Realty.

Gizmos in each residence will include integrated Sonos speaker systems, Nest thermostats and security camera wiring – controllable via tablet and smartphone. Valet parking is automated (residents park in accessible bays before free-rolling robots transport their vehicle to a secure garage) and communal amenities will feature an infinity pool, spa and fitness centre.

Prices start at \$1.2m for two bedrooms and 1,900 sq ft, rising to \$9m for a sea-view duplex penthouse with 12ft ceilings, private roof terrace and plunge pool. Construction starts in November and should end in 2016.

Some buyers may favour the flexibility of a condo-hotel complex. Less than a mile south of the Paramount site is the Ritz-Carlton. Built in 2007, three floors on top of the five diamond-rated hotel are given over to private residences, which buyers can occupy or lease out at will.



Number 5 Harborage Isle Drive, Harbor Beach, \$32m

An alternative is one of 290 condo-hotels at Conrad Fort Lauderdale Beach Residences, where prices start at \$500,000. The 24-storey, ocean-facing building is undergoing a \$30m refurbishment aimed at the “world-traveller looking for a turnkey lifestyle with high-touch service at a relative value”.

Condos priced for less than \$1m constitute 37 per cent of the high-end market, Douglas Elliman data show, while the \$1m-\$3m bracket accounts for 59 per cent of sales. By comparison, 73 per cent of high-end houses fetch \$1m-\$3m, with the rest going for \$3m or more.

Number 5 Harborage Isle Drive falls into the higher bracket. One Sotheby’s is marketing the six-bedroom, seven-bathroom home in the Harbor Beach neighbourhood, which Rindley calls “the Beverly Hills of Fort Lauderdale”, for \$32m.

The market for such properties is small, says Caldwell. “Something more than \$3m sells maybe every three months; it’s not uncommon to have something on the market for over a year. [Buyers include] international, dotcom people, race-car drivers, big-time celebrity sportspeople and businessmen – these are second or third homes.”

Could the uptick in overseas interest in Fort Lauderdale inject pace at the top of the market? Maybe, says Caldwell. “There’s a lot of money here and people want to invest, knowing it’s becoming more international.”

BUYING GUIDE

The number of violent crimes recorded annually in Fort Lauderdale has fallen 9 per cent since 2011, down to 603

The price of an average upmarket condo or town house rose 23.3 per cent in the 12 months to June this year, to \$1.3m

It is possible to fly direct from Fort Lauderdale to 40 international cities

What you can buy for . . .

\$1.5m A waterfront town house

\$3.9m A contemporary, three-bedroom penthouse on an inland waterway

\$22m A seven-bedroom, eight-bathroom waterfront house of “superyacht quality”