

# DEVELOPMENT TREND

## Luxury Developers Reach New Heights With Hotels, Condo Conversions

Luxury developers transforming existing city landmarks into prestigious high-end condos have sprouted in trendy locales such as Philadelphia (National Geographic Traveler's Next Great City) and chic Miami Beach.

Located in Philadelphia's Franklin Park on a larger than normal lot, the 30-unit Metro Club Condominiums was converted from a hospital and boasts two prominent features most standard condos lack: space and sound proof units.

The bones and structure were built above and beyond the standards of a typical building since the stress loads of the floors had to be extra thick," reports Marc Palermo, vice president of JMI Residential Sales and

Suggesters for The Latest Developments.

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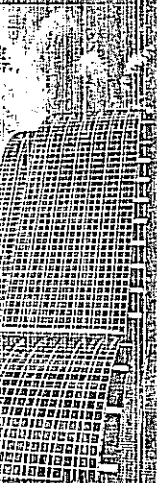
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Marketing. Today one of the biggest complaints is that you can hear people above and below you. Not in this case.

The buildings are preserved through our large drive-in entrance, oversized lobby, terrazzo flooring, marble walls, bronze sculpture, elevator banks and large corridors.

The historic oceanfront Caribbean hotel is heating up Miami Beach with a unique restoration of the existing building into 25 luxury units and the construction of an additional 68-unit tower. According to John Casey, president of Christa Development, the Caribbean renovation will recapture the glamour it once enjoyed in the '40s and '50s with celebrity guests. Christa will conserve the

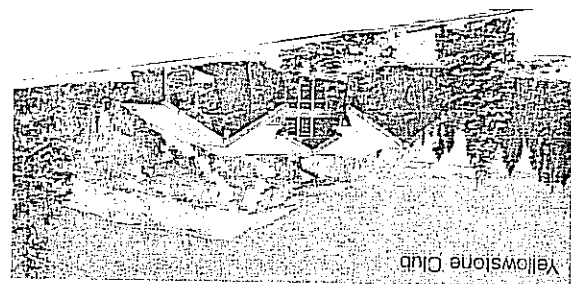
should be sent to: Mark Mojica, Managing Editor, UNIQUE HOMES, 272 Wall Street, Floor 10, New York, NY 10038. Phone: (609) 688-1100 ext. 157; fax: (609) 688-0020.



original facade of the 15-story tower plus additional oceanfront heated pool and whirlpools, a socialite bar, wine cellar, pool table, state-of-the-art times center, a wine vault with space for each resident and more. Pricing starts at \$1 million per unit.

Palermo reasons that condo conversions are hotter today than ever because "people are busy working and getting out with family and friends. They do not want to buy a home and start a construction project."

—Erica Sapiro



Yellowstone Club

KEEPING UP WITH THE WEALTHY in the United States can be a daunting project. However, The American Affluence Research Center does just that. And as part of its Spring 2005

## Fractionals, Clubs Lack Recognition

Survey of Affluent Americans, the AARC asked survey respondents about fractional home ownership and destination club membership.

Only about half of the survey respondents were familiar with these concepts for vacation homes, according to the survey results. However, the survey also reports that familiarity has increased by 50 percent or more since the Fall 2002 survey.

If it is taking time for this to catch on, it may stem from lack of advertising. "These new concepts haven't been promoted enough," says Ron Kurtz, president of AARC. Although many advertise heavily in *The Wall Street Journal* and upscale magazines, he adds that it will take more word-of-mouth advertising and media publicity for a higher level of awareness.

In addition, people less than 60 years of age tend to be more familiar with this vacation home option. It is a concept more attractive to a younger market, says Kurtz, since they have the ability to vary where they spend their time, as opposed to an older market, which tends to prefer full ownership. The survey found that 7 percent of respondents plan to build a new primary or vacation home in the next 12 months, and that the "number of respondents planning major remodeling or acquisition of a vacation residence are at historic highs for this survey."

Ultimately, the AARC's survey finds that second home and/or vacation home ownership among the wealthy are trending upward. Kurtz thanks low mortgage rates, a comeback in the stock market, a focus on domestic travel and the significant return realized on the investment.

—Alison DiPaolo