

Soft market causes delays for some condo projects

BY ED DUGGAN

Slow market conditions are causing delays in some major West Palm Beach residential projects, while others are still moving ahead.

It's good news/bad news at The Edge. But it's mostly good.

The Edge's first phase has now sold 299 of its 307 units and is currently pouring the 14th-floor slab. Delivery of completed lofts is estimated for February.

But the second phase of the Edge has been delayed. The Woods Partners' lofts project notified its 17 reservation buyers that the second phase is on hold for the time being, according to Jay Jacobson, South Florida director for the Atlanta-based developer.

A soft market and some permitting issues influenced the decision to defer the second phase at least until later in the year, he said, adding that market conditions will determine the timing for a reintroduction and a new marketing campaign.

"We offered the second-phase reservation holders units in the first phase, which a few accepted. Others got refunds and the balance told us to just hold on to their deposits," Jacobson said.

A sluggish market is working against



The Related Group's Icon Palm Beach has 53 percent of its units under reservation, officials say.

some new projects.

Eighty Points West, a 147-unit project on the Intracoastal Waterway at North Flagler Avenue has had slow off-season

going, according to Cliff Preminger, president of Boca Raton-based developer T-Rex Capital. Sales have topped 13 percent, but the project is still full steam ahead, he said.

The 338-unit Palladio Terrace, a spark plug for redevelopment in the Northwood section of West Palm Beach, seems to be marking time.

Its Miami-based developer, Merco Group, said it has more than 80 percent of the 193 Palladio North Tower units under contract, but hasn't started vertical construction, citing negotiations in the spring with its unidentified lender over additional forms to be signed by purchasers.

In February, Homero Meruelo of the Merco Group said the buildings were being value-engineered in an effort to make them "more efficient." In value engineering, lower-cost materials or methods are substituted for

more expensive ones, especially during material or labor shortages.

While Jorge Perez, CEO of the Related Group, has cancelled two projects in Las Vegas and decided against a partnership for a Jacksonville project, his two projects in West Palm Beach are powering ahead.

Related Group VP, Barbara Salk has the day-to-day oversight for the two high-rise offerings. In the last two-and-a-half years, nearly 900 units in five different Related West Palm Beach communities have closed.

Related's CityPlace South Tower, with an urban address, has about 87 percent of its 420 units under contract. With an average selling price of \$445 a square foot, Salk said she sees smooth sailing to sellout.

Related also owns a land parcel adjacent to the CityPlace South Tower, which seems ideal for another tower, but no plans have been announced for the tract.

Icon Palm Beach, a 138-unit waterfront high-rise with a beach club on the Intracoastal, has 53 percent of the units under reservation, Salk said, and expects to move those to contracts in July.

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