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Miami's Latest Newcomers: Wealthy Turkish Home Buyers

Amid global turmoil, Turkish buyers have set their sights on Miami's condo developments, purchasing luxury properties for use as second or third homes.

By Alina Dizik

Long a hub for Latin Americans, Miami is now attracting newcomers from across the Atlantic: affluent Turkish home buyers looking for stable investments in real estate.

In the past two years, Turkish buyers have set their sights on Miami's condo developments, purchasing large properties for use as second or third homes. Overall, luxury-condo developers are seeing about 5% of preconstruction inventory sold to buyers from Turkey, according to developers.

"There's a good return on investment, and the returns are in dollars," says Hilal Borque, who in December opened a Miami franchise of Istanbul-based Turyap Realty. Real-estate agents estimate about 10,000 Turks live in the city part time. Many potential buyers are also interested in meeting the requirements for the EB-5 visa, which after an investment of at least \$500,000 eventually allows them to acquire permanent U.S. residency.

Earlier this year, three units at the Ritz Carlton Residences Sunny Isles Beach under construction were sold to Turkish buyers for about \$4 million each, says Edgardo Defortuna, a developer and founder of Fortune International Group, a real-estate firm. The building, co-developed by Fortune and Chateau Group, offers mostly three- and four-bedroom units, along with a kids club, and 2.2 acres of landscaped outdoor area set along the beachfront.

Just two years ago, "we'd hardly get interest, let alone any sales," said Mr. DeFortuna. Last month, the company website recorded a sharp uptick in visitors from Turkey. A high-end real-estate website, Luxury Portfolio, cites a 58% increase in web traffic from Turkey in June, compared with June 2015.

Turkish buyers are typically looking for larger beachfront units to host extended family, says Reid Boren of Two Roads Development. Mr. Boren is increasingly marketing Miami to Turks looking for more stable investments, especially after the country's recent coup attempt. Terror attacks across Europe and a tumbling lira back home have also helped fuel Turkish interest.

"We call this 'Plan B,' and it's part of our marketing strategy" for buyers from the country, says Mr. Boren, who traveled to Istanbul last month and hosted sales presentations at a luxury hotel. Affluent Turks typically own second homes in the South of France and London, but many now view the U.S. as a more stable investment than those locations, he adds.

Mr. Boren recently sold an \$8.6 million, two-story penthouse unit in his 399-unit Biscayne Beach building to a Turkish buyer. The building, which is scheduled for completion in December, is located in Miami's Edgewater neighborhood and will have a private beach. The penthouse comes with a private rooftop pool and the buyer added a wine fridge and replicated the master bath to

create a second master suite, Mr. Boren says. "The Turkish buyers' level of sophistication is extremely high."

Gulsah Cantas, founder of Istanbul-based interior architecture and design firm Kontra, has visited Miami numerous times on behalf of clients for the past two years. Currently she is working on interiors for four Turkish clients in Miami. Last month, she scouted out the Louver House, a 12-unit South Beach preconstruction building with units from \$1.9 million to \$3.6 million, on behalf of several potential buyers. "Life is easier here," said Ms. Cantas. "There's good weather, good food and it's fun."

Turkish developers are also investing in the area. Last year, the Istanbul-based Suzer Group partnered with another real-estate firm, ASSR Capital, to buy a nearly 1-acre oceanfront property for \$41 million with plans to spend another \$105 million to build a luxury hotel, says founder Baran Suzer. Separately, Mehmet Bayraktar, a Miami-based developer who previously worked on mixed-use projects in Istanbul, has developed Island Gardens, a marina with slips for superyachts up to 500-feet long on Miami's Watson's Island. Nearby hotels and restaurants are slated for completion in 2019.

Because of the Turkish influx, a newly built consulate was completed earlier this year in Miami's Brickell City Tower. And Turkish Airlines in October 2015 added a daily Istanbul-to-Miami route.

For Turkish buyers, Miami's luxury condos can be more affordable than the similarly exclusive areas of Istanbul or Bodrum, a seaside destination, where prices are more than three times more per square foot, says Carlos Rosso, president of the developer Related Group. His company's building, Residences by Armani Casa in Sunny Isles Beach, has gotten a lot of interest from potential buyers in Turkey. "They want names that are instantly recognizable," Mr. Rosso says.

In 2014, Tugba Koc, 33, purchased a two-bedroom condo in the Icon building in Miami's South Beach, where similar units sell for close to \$2 million. The family moved in after a yearlong renovation, which included knocking down walls to create an open floor plan and updating the marble floor. The ability to walk to nearby restaurants and stroll along the beach is key, said Ms. Koc who owns the property with her sister and parents. "We have a view of the ocean and downtown," she said.

Nurdan Yildirim, the real-estate agent who worked with Ms. Koc on the deal, says the increase in sales to Turkish buyers has helped offset an overall decline in Miami's luxury market, which has created a glut of unsold units. "The local people here are not really buying, so there's huge competition between developers." In June, she traveled with developers at the Related Group to Istanbul to host sales presentations. Despite recent security issues in the country, many are eager to hold face-to-face meetings, she adds.

In November, Hulya Uyar paid \$700,000 for a two-bedroom condo on the 16th floor of Hyde Beach House, located north of Miami in Hallandale, Fla. When construction on the building is finished in late 2018, condo owners will be allowed to rent their furnished units for up to 150 days a year, allowing the 49-year-old cosmetics importer to earn income on her investment. The full-service building with a resort-type feel was a draw for Ms. Uyar, who wanted to be farther away from the crowds of South Beach. "The

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[development's] beach club was very important," said Ms. Uyar who spends a few months of the winter in the city.

Peggy Fucci, founder of real-estate agency OneWorld Properties, says her new Turkish clients are eager to invest in preconstruction properties that have staggered payments where half of the home price is paid after construction is completed. Often, details of the sale are ironed out over the phone, but Ms. Fucci and part of her team visited Istanbul twice in the past six months to meet potential buyers. When her clients arrive in the U.S., they're ready to close the deal. "When they come to Miami to shop, they've already decided that they want to live here," she says.