

# THE WALL STREET JOURNAL.

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## MANSION

### ROMANCING THE OVERSEAS BUYER

To boost sales, U.S. developers tailor interiors for specific cultures; for Brazilians, white leather and big terraces

BY CANDACE JACKSON

AT THE MARQUIS Residences, a luxury condo tower in downtown Miami, a model unit featured earthy wood accents and furnishings created by a high-end California designer. Yet sales for two-bedroom units were sluggish. "I thought [the interiors] were fabulous," says Lori Ordovery, a New York-based consultant for the developers. "But they didn't speak to the buyer."

So last year, Paulo Bacchi, a well-known furniture-maker and designer from Brazil, was hired to create a new look. Now, the model has white leather sectional sofas, sandstone tile floors and other contemporary furnishings. Mr. Bacchi, CEO of design retailer Artefacto, also put the designs on his company's website, which Ms. Ordovery says helped introduce more Brazilians to the building. Fifteen units sold within the first month after the switch. Today, only one of the 306-unit building's apartments remain—and about 30% of buyers are Brazilian.

With sales to overseas buyers surging, U.S. developers are increasingly designing for a global audience. New buildings and residences now have kitchens outfitted with wok burners to attract Asian buyers. Oth-



#### MORE SPARKLE

Overseas buyers often have a bigger appetite for statement pieces like the crackled bronze wall in this model at the Baccarat Residences in New York.

ers have European-style bathtubs and bidets for Western tastes. South American-inspired residences include sprawling balconies that can accommodate large extended families for dining and playing games.

"I can look at an apartment or

house and almost figure out the nationality of buyers who are there," says Mark Zilbert, president and CEO of Miami-based Zilbert International Realty. "Whether it's deliberate or not, [developers] are putting in a lot of features that appeal to that taste

and color palette."

The designs are driven by a robust appetite from the international jet set looking for second homes in the U.S. In 2012, international buyers purchased \$82.5 billion in residential real

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High-end real estate hits some bumps in Zurich **M5**

Bryan Derballa for The Wall Street Journal (2-Baccarat); Karl Neumann (Big Sky)

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 estate in the U.S.—up from \$53.4 billion in 2010, according to the National Association of Realtors. On average, international buyers spend about twice as much as a typical American buyer, according to NAR, with an average purchase price of \$400,000.

In Florida, 26% of all home sales went to buyers from outside the U.S. in 2012, making it the state with the largest number of foreign buyers, according to NAR. In Miami, about 60% of buyers came from overseas last year, according to the Miami Association of Realtors. In New York City, real-estate appraiser Jonathan Miller estimates that as much as one-third of condo and townhouse sales in Manhattan went to international buyers last year. In new buildings, as many as half of the buyers were foreign.

To sell the Baccarat Residences, a 50-story glass condominium tower under construction across from the Museum of Modern Art in midtown Manhattan, a model set up in the building's showroom includes striking materials like lacquered zircote-wood walls and a crackled-bronze sculptural wall embedded with tiny pieces of glass made by a British artist. Each residence will have a custom Baccarat fixture, and kitchens have sleek cabinetry, electromagnetic cooking surfaces and Miele appliances. Cabinets are several inches higher than in typical American kitchens. In keeping with a more European look and to allow room for exotic appliances like woks.

It's a look designed to appeal to a global palate: "Americans are much more conservative, much like with fashion," says Tony Ingrao, the designer who is creating the interiors. "There's almost a global taste emerging."

The building, designed by Skidmore Owings & Merrill, will have 61 condos priced from \$3.5 million to \$60 million when completed in 2014.

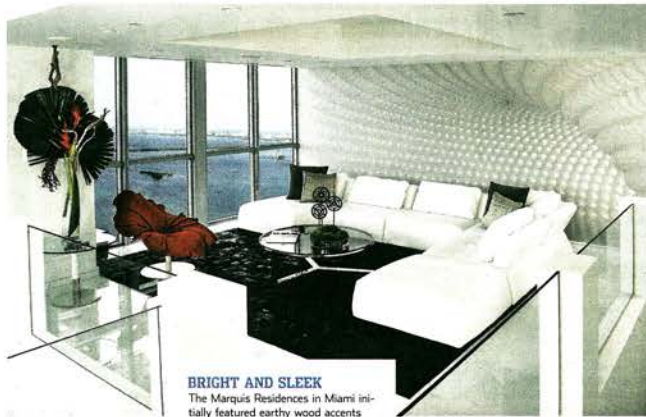
In Miami, marketers at Vizcaya, twin 49-story towers in downtown Miami on Biscayne Bay, created model units for a designer showcase outfitted by interior designers from five different countries—Venezuela, Brazil, Spain, Colombia and the U.S. "It's really about the nuances," says Philip J. Spiegelman, who handles marketing for the developer. "Colombians may like very modern-contemporary, while the Brazilians may like something more conservatively contemporary." Before the international models were created, 653 of the 849 apartments were unsold. Sales began in March 2011, and today, about 150 units remain, with prices ranging from \$300,000 to \$2.2 million. Most buyers are coming from Argentina, Venezuela and Brazil.

Natalie Brabner, a 38-year-old fitness trainer from São Paulo, recently paid \$1.8 million for a three-bedroom unit in Echo Aventura on the water near Miami. When it opens—construction is expected to begin later this year—apartments will include extra-large balconies with outdoor kitchens. "Brazilians, they love to spend their afternoons hanging out and making a little barbecue," Ms.



#### LARGE OUTDOOR SPACES

At Faena House in Miami, the Argentine developer included large balconies called 'aleros,' shown in an artist's rendering. The spaces are designed around South Americans' love of outdoor living.



#### BRIGHT AND SLEEK

The Marquis Residences in Miami initially featured earthy wood accents and furnishings. Changing to a contemporary look with white leather sectional sofas jump-started sales. Now, the building is nearly sold out, with about 30% of buyers from Brazil.



Brabner says. And the maid's quarters within the apartment were also appealing in case the couple decided to travel with a maid or nanny in the future. "It's a different lifestyle in Brazil, and you can afford that," she says.

At Faena House, a coming Miami complex by an Argentine developer with prices ranging from \$2.3 million to \$50 million, developers are calling the sprawling balconies "aleros," a Spanish word for patio.

Because security is less of a concern in Miami than it is back home, Brazilians often choose to purchase and keep their most expensive cars in the U.S., where they cost less and don't require extra safety features, like bulletproof windows. As a result, many of Miami's newest buildings include elaborate private garages and expansive private terraces.

Lambert Ranch, a master-planned community in Irvine, Calif., was built with Asian buyers in mind. To observe feng shui principles, an elaborate "ming tong" ceremony was held before construction: It involved burying gold coins throughout the property to symbolize good fortune. Floor plans also observed feng shui: Stairwells, for example, don't directly face the front door, for ideal energy-flow. Homes, which typically cost between \$900,000 and \$1.5 million, also come with optional wok kitchens, a separate space for aromatic cooking. So far, about 65% of buyers have been of Asian descent, with many from China.

For condo buildings, developers say hotel-like services can help attract buyers from overseas. The Baccarat building will also include a large hotel component, with a concept by the creator of Starwood's W Hotel brand. One57, a 90-story tower in midtown Manhattan that is currently under construction, will sit on top of a Park Hyatt hotel.

When Emma Peng, a 20-year-old Shanghai native studying at New York University, purchased a one-bedroom apartment in Manhattan's 400 Fifth Ave., the building's amenities, including concierge service and an adjacent hotel where visiting friends can stay, were critical selling points. She was also looking for a south-facing unit. The southern exposure "is very important to the Chinese," she says, both for cultural and practical reasons because it maximizes natural daylight. Ms. Peng, who is a junior, purchased the apartment with the help of her parents.

Size matters, too. Some very wealthy Russian buyers in the New York market have started partnering with developers before construction to make sure units in prime locations can be combined to create large, estate-size apartments, says Edward Mermelstein, a lawyer who works primarily with buyers from Russia and Eastern Europe. "Foreign capital is sort of greasing the wheels and making these projects go much faster than they'd normally go forward."

Sezgin Yalcin, a senior manager at a financial-software company from Paris currently living in New York, sought out new construction when purchasing a pied-à-terre in midtown Manhattan. "When we moved to the U.S. the first time, we wanted to live in a glass building, like we'd seen on TV," says the father of two. He bought a one-bedroom at the Orion, a glass condo building near Times Square with a three-story "amenity suite" and an indoor pool, with the help of Prime NYC, a local brokerage. "You have an image of what America is, and that was our image."

See more photos of how U.S. developers are designing buildings to grab wealthy global buyers at [WSJ.com/Mansion](http://WSJ.com/Mansion).



#### HOTEL SERVICES

Manhattan's 400 Fifth Ave. has concierge service and an adjacent hotel where overnight guests can stay, both selling points for overseas buyers.



#### CULTURAL CUES

To attract Asian buyers, Lambert Ranch in Irvine, Calif., conducted a "ming tong" ceremony before construction that involved burying gold coins throughout the property to symbolize good fortune. Many of the residences include separate wok kitchens for aromatic cooking. Homes range from \$900,000 to \$1.5 million.



PHOTOS COURTESY OF: (TOP) JAMES SPYGLER; (MIDDLE) JAMES SPYGLER; (BOTTOM) JAMES SPYGLER