

# Condos' value challenged

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The broker in charge of sales at the struggling Blue and Green Diamond condominiums suggested Tuesday the project is worth less than what the developer claims, challenging the financial assumptions that are crucial to the builder's plan for fending off foreclosure.

Developer NewFlorida Properties estimates its debts at \$100 million, but maintains it can still sell the remaining 180 vacant units at the massive Miami Beach towers for a \$40 million profit.

At a bankruptcy hearing Tuesday, a lawyer for broker Fortune International Realty cautioned that NewFlorida's estimate was overly optimistic.

"We do have some significant issues as to the market value of this property," Fortune attorney Peter Russin told U.S. Bankruptcy Judge A. Jay Cristol, saying that trusting NewFlorida's estimates would represent "a dangerous course."

The developer said the real problem is that Fortune is accepting low offers to pocket more commissions.

NewFlorida has asked Cristol to fire Fortune as part of the

developer's plan to salvage the long-troubled project, which is years behind schedule, the subject of dozens of lawsuits, and \$50 million behind on a loan from Union Planters Bank. The bank filed foreclosure proceedings in November, prompting NewFlorida to seek Chapter 11 bankruptcy protection.

Though Fortune sold only two units since Union Planters put the company in charge of sales this summer, it sent NewFlorida as many as 120 sales contracts in recent weeks for Diamond condominiums. NewFlorida asked Cristol to block the deals, saying the offers are

far too low to accept. Fortune estimates that the offers, worth about \$52 million, are \$20 million below what NewFlorida was asking for the condominiums.

NewFlorida lawyer Thomas Lehman said the company's sales estimates are solid and that Fortune was rushing to close deals before getting fired.

In an interview, Russin tempered his comments, saying NewFlorida needs adequate advertising for the Diamonds to get the prices it wants. But even with heavy promotion, he said NewFlorida's sales projections seemed "aggressive."