



'This Was a Strange Deal': Miami Attorney Details \$40.5 Million Apartment Sale

Mark Meland of Meland Russin & Budwick closed the sale of Madison Oaks, which treats an apartment community as condos for tax savings.

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By Lidia Dinkova



Meland Russin & Budwick co-founder and partner Mark Meland

Miami attorney Mark Meland closed a \$40.5 million sale of a garden-style apartment complex posing as condominiums in Pinellas County.

ESG Kullen, a New York-based real estate owner and investor, sold the 250-unit Madison Oaks community in Palm Harbor to Residential Management

Inc., a New York-based multifamily property manager. The Oct. 23 deal breaks down to \$162,000 per unit.

Meland, a partner at Meland Russin & Budwick, worked with firm associate Bryan Vega on behalf of ESG Kullen.

“This was a strange deal,” Meland said. “It’s a rental project except the actual ownership of this is condominium.”

For tenants and anyone else who drives onto the property, they see an apartment community, and it’s operated like one, Meland said. But in documents and on the Pinellas County property appraiser’s office’s website, the property is owned as if it were 250 individual condos.

Over time, ESG Kullen acquired all 250 units, first buying 205 and then the rest, always operating the units as apartments.

But legally ESG Kullen owned the units as condos, which lowered its property tax bill, Meland said.

“The current seller terminated the condo in 2014, and the condominium went away. It was just like a regular apartment complex. But then we realized that the ... tax (on) 250 units would be less than one apartment complex, so we’d save a lot of money,” Meland said. “We decided to reconvert it, and we turned it back to a condominium to save on the real estate taxes. It’s a very unusual situation, but it was done to save money.”

As for how this affected the recent sale, it took some explaining.

“The way it was owned, it was a little unusual because 250 condo units were sold,” Meland said. “The deed has 250 condominium units.”

ESG Kullen was formed in 2009 by New York real estate entrepreneur Eric Granowsky and Los Angeles-based developer Thomas DelPonti. It focuses on multifamily, including the Belaire Club in Boca Raton and some of the units at Mission Club Villas in Orlando, [according to its website](#).