

N.Y. developer Shahab Karmely takes on South Florida

KAR Properties has paid more than \$100 million to purchase five SoFla parcels

January 12, 2015 09:45AM

By [Ina Cordle](#)

New York developer Shahab Karmely is aiming his focus squarely on South Florida, assembling several properties for future condominium and mixed-use projects, with a desire to combine compelling architecture and aesthetic design. Karmely, founder and principal of New York-based KAR Properties, has purchased more than \$100 million of real estate during the past two years in Hallandale, Wynwood and along the Miami River. In fact, the company's primary



Shahab Karmely, founder and principal of KAR Properties

focus has shifted from New York to South Florida, he said. "It's a combination of loving the city

"You have to deliver what you promise to your buyer."

and getting sticker shock in New York, and the timing of Miami and where it is going." After living on several continents, the Iranian native said he finds Miami a place that is still maturing, offering the chance for renewal. "I am in Miami because I saw

the opportunity there and fell in love with the city. I have lived in Bangkok, London, Milan, New York, L.A., Frankfurt, and spent substantial amount of time in cities in India, because of business, and in Latin America," said Karmely, 52. "And I look at mhas holdings throughout the United States, Southeast Asia and Europe. The firm has bought, redeveloped and sold more than 3 million square feet of office, luxury mixed-use, and industrial space, and currently manages a portfolio of more than 2 million square feet. In New York, Karmely's first project was converting a warehouse at 601 West 54th Street, which was originally used as storage for Packard vehicles, into 88 showrooms for furniture, home decor and rugs. That helped keep that industry from debunking to Secaucus, New Jersey, he said. He later redeveloped 219 East 67th Avenue, the former home of Christie's East auction house, into Loft 67. The chic, condo loft building helped herald the arrival of downtown lofts, uptown. In 2006, David Blitzer of

Blackstone Group paid \$9.4 million for a penthouse there. Karmely had always visited South Florida, staying on the beach for a few days at a time. But two years ago, inspired by Swire Properties' plans for Brickell City Centre, he decided to take a deeper look at the area. He spent two weeks surveying the region — by helicopter, boat and car — to understand the market. By spring 2013 he had made his first purchase along the Miami River. In all, KAR Properties has accumulated five parcels in South Florida. It first paid \$27.5 million for a 1.8-acre river property at 24 Southwest Fourth Street, which was the site of two failed condo projects. Karmely then added two more adjacent river parcels totaling 3 acres, for a combined purchase price of \$33.1 million. In November 2014, his company paid \$34 million for a condo site at 2000 South Ocean Drive in Hallandale Beach. And in December 2014 KAR paid \$12.5 million for a 1.03-acre site in Wynwood, at 2050 North Miami Avenue. Karmely said he has a disciplined approach to buying. "Our motto is be selective in what you do, combine excellence in design with strategic vision and quality of execution," he said. "You have to deliver what you promise to your buyer." He still views Miami as a relative bargain among global capitals. "You can buy a world-class condo for less than in São Paulo or Rio, or a third of what you would have to spend in New York and a fifth of London, Paris, Moscow, Shanghai or Tokyo," he said. Karmely has chosen his sites with the potential for neighborhood development in mind. He picked Hallandale for its midpoint location. "Hallandale is not dense like Sunny Isles Beach. It has a beautiful beach and it is centrally located," he said. "Miami is becoming this beautiful pearl that stretches from South Beach to Fort Lauderdale — Sunny Isles, into Hollywood and Fort Lauderdale. This pearl necklace is being built as we speak." Miami developer Alan Ojeda, owner of Rilea Group, sees Karmely as a long term, strategic investor here. He said he hopes to partner with him on a project at some point in the future. "Some people come into a market because it is a hot market and that is it. They have to catch the next wave or they are out." Ojeda said. "He is a long term player. He recognizes Miami is a very important city, becoming more important. And even if he doesn't catch the next wave, he is here to stay." Karmely has yet to reveal his plans for his South Florida sites. He will announce the first two condo projects, along the Miami River and in Hallandale, in the spring, and expects to break ground by the end of the year or in early 2016. His goal is to start with aesthetically pleasing design, using a renowned architect. The plan, he said, is to offer condos with "amenitized living and lifestyle features." That means paying attention to such details as ceiling height, the exposure to light, wiring, soundproofing, the experience of the elevator, the feel of the lobby, and how residents are greeted when they arrive. "The real art is giving people what they don't even know they want," he said. For Wynwood, Karmely intends to expand his holdings, with the idea of creating a mixed-use project

in keeping with the area's character and artsy vibe. "In Wynwood we want to take our time and put in the right project," he said. "We're watching how Wynwood is evolving." Karmely was born in Iran, and fled the country in 1978, arriving in the United States as a teenager. He studied business at New York University, then completed his studies in fine art and art history in London. Now a weekly visitor to South Florida, he and his wife are weighing moving here full-time with their two young sons. He said he is currently shopping for a condo or home in the Brickell area or Coconut Grove, with a plan to relocate within a year. As a refugee himself, he said Miami's international culture resonates with him. "We want to be part of the fabric of Miami and bring about with our projects a new sense about design and architecture and the quality of what can be built in Miami," he said. "We hope to be a complementary part of this great city."

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