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PARADISE REGAINED

After a spate of legal and financial troubles, the celebrity-studded Florida enclave of Fisher Island is mounting a comeback. Can a retreat only reachable by boat compete with the towers of Miami Beach?

BY ARIAN CAMPO-FLORES

SEVEN MINUTES from Miami Beach, an unusual island only reachable by ferry—or yacht—boasts one of the wealthiest ZIP Codes in the U.S. With its own post office, grocery store, restaurants and school, the island is an exclusive, self-contained retreat for its residents, who number up to 1,200 in winter. Over the years, celebrities such as Oprah Winfrey have had homes there.

But in recent years, Fisher Island lost some of its luster. The real-estate bust triggered a wave of selloffs. A protracted legal battle halted new development. Once sparkling amenities started to show their age. Some celebrities sold their homes.

Now, the 216-acre island, once a private retreat for William Vanderbilt II, is mounting a comeback. The Fisher Island Club—which oversees the island's amenities—has poured \$60 million into renovating dated facilities, including a spa, a beach club and the Vanderbilt mansion. A new condo building scheduled for completion next year will be the most opulent ever on the island, aimed at competing with the swanky towers rising in Miami Beach.

Buyers are attracted to the island's exclusivity as well as to its quiet, white-sand beaches. It is an oasis of manicured greens interspersed with Mediterranean Revival-style condo buildings.

Last month, the largest of three penthouses in the new condo building, called Palazzo Del Sol, sold to an undisclosed Russian buyer for \$35 million, nearly

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triple the previous record sale price on the island. The price per square foot, \$3,600, was 65% higher than the previous record and on par with figures for the most upscale penthouse in Miami Beach.

Island executives credit the condo project alone with boosting prices on Fisher Island by 20%. The average asking price among the more than 55 properties on the market across the is-

land is \$6 million, and the average price per square foot is \$1,620, according to Audrey Ross, senior vice president of EWM Realty International.

Palazzo Del Sol features butler service, fur-coat storage, an aperitivo bar and a movie theater. The building has a modern take on the Mediterranean Revival style, with zero-edge pools, ipe-wood cabanas and lush grounds by Swiss landscape architect **Enzo**

Enea. Inside the homes, white Boffi kitchens feature high-tech appliances and stone countertops. Bathrooms are appointed with statuary, book-matched marble and stand-alone tubs.

"In Miami, the whole market is design-driven," said Dora Puig, director of sales and marketing for the project, which is the first new construction on the island in seven years. "Fisher Island is finally partaking in that."

Nearly half the 47 residences in the 10-story building—which offers views of the ocean, South Beach and downtown Miami—have been sold, Ms. Puig said. Prices start at \$6.4 million for a three-bedroom, 3,800-square-foot unit. Buyers are from New York, Spain, Venezuela and elsewhere.

Jean-Pierre Murray was so smitten with the Palazzo Del Sol that he spent more than \$20 million for a three-bedroom unit on the fifth floor of the building, which he plans to live in, plus two more on the sixth floor that he combined into a single investment property. Those properties are in addition to five existing residences he owns on the island.

"I look for superprime property,



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things that are very, very scarce," said Mr. Murray, 46 years old, whose family owns hotels and industrial companies around the world.

Though he has homes in Beverly Hills, Paris and St. Tropez, he says there is something unique about Fisher Island. "You enter another world," he said. "Everything is calm. It's like entering a private estate."

That seclusion and tranquil vibe has long made Fisher Island alluring to business executives and celebrities. Because it is self-contained, residents can stay long stretches without ever crossing to Miami Beach.

But the real-estate crash triggered a wave of foreclosures and short sales. At one point, more than 160 of the island's 675 residences were on the market, said Heinrich von Hanau, chief executive of Fisher Island Holdings, whose subsidiary is developing Palazzo Del Sol. Ms. Winfrey sold her property in 2009.

Residents also complained that facilities weren't updated and service was deteriorating. "When you have an island like this, surrounded by water, it needs constant upkeep," said Bernard Lackner, chief executive of the Fisher Island Club, which also cares for the island's golf course and tennis courts. There reached a point, he said, when "things started to crack."

Adding to local woes was the death in 2008 of Arkady Patarkatsishvili, a mogul from the republic of Georgia, that set off a protracted international legal brawl over his assets, including undeveloped land and development rights on Fisher Island. The fight, which pit his widow and daughters against his former business associates, prevented any new developments.

In 2012, a U.S. bankruptcy judge in Miami ruled that the widow and daughters were the rightful heirs of the Fisher Island properties. The decision is on appeal with the 11th Circuit Court of Appeals, which is expected to rule in the coming months. Separately,

last year the widow and daughters obtained an order from the bankruptcy court that insulates development of the Fisher Island properties from the litigation. That order, which wasn't appealed, allowed the Palazzo Del Sol project to proceed.

It was about that time that the island was nearing completion of its \$60 million renovation started in 2008. The spa was completely refurbished, with new pools, a salon, and spinning and Pilates studios. The beach club got a makeover and two new bars. And the historic mansion, the two-story former Vanderbilt residence built in 1936 and designed by Palm Beach architect Maurice Fatio, was painstakingly restored.

Also in 2012, the club's board hired Mr. Lackner, then general manager of the Hôtel Plaza Athénée in New York, to upgrade the level of service. Among other things, he hired a sommelier, brought on a Michelin-starred pastry chef and organized events ranging from cooking classes to classical-music concerts.

Residents have responded enthusiastically. "It's like a new chapter" on the island, said Archie Drury, a 43-year-old movie producer and former Marine married to Czech model Karolina Kurkova.

He said he makes full use of the island's amenities—playing pool at the renovated Snooker Club in the Vanderbilt mansion and taking the couple's 5-year-old son to see cockatoos at the aviary.

Still, some real-estate agents say the island continues to be hobbled by the existing stock of condos, many of which were built in the 1980s and 1990s and are outdated.

"The new buildings on Miami Beach have so many amenities and the latest in technology," said Oliver Ruiz, managing broker at Sieber International Realty. "I don't think the older buildings will compare ever."

At the Palazzo Del Sol, architect Kobi Karp cut back on terraces so he could push the living areas to the

edge. With 10-foot ceilings and floor-to-ceiling windows, its residences are bathed in sun.

The indoor common areas, by interior designer Alison Antrobus of Antrobus and Ramirez, are meant to look modern but warm, with oak flooring, and lounge chairs and beds in the movie theater.

"We wanted to make it relaxed," Ms. Puig said, "because it's still an island. but luxurious."



USA

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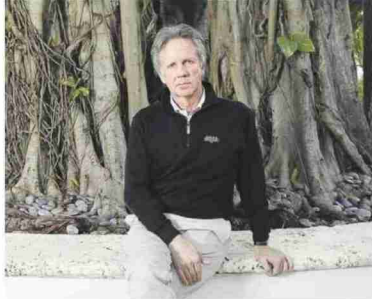
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ISLAND PROPERTIES Bernard Lackner, clockwise from above left, chief executive of the Fisher Island Club, which has put \$60 million into upgrading island amenities. Details from the island's famed Vanderbilt mansion and estate, built in the 1930s.



Alexia Fodere for The Wall Street Journal (5)



RETREAT REVISITED Dora Puig, director of sales and marketing for Palazzo Del Sol, with a model of the project. Jean-Pierre Murray spent more than \$20 million for a three-bedroom home in the complex plus two more units intended as an investment.



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New Offerings on the Island

L-R: Palazzo Del Sol (rendering); Luis Travieso/Luxury Living Realty



\$26.4 million
 7001 Fisher Island Dr.

Four bedrooms, 4½ bathrooms

A rendering of a 6,644-square-foot penthouse in the Palazzo Del Sol, set to open in 2016. The penthouse has 18-foot ceilings and features a pool and a summer kitchen.

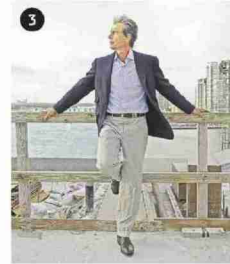
Agent: Dora Puig, Luxe Living Realty

\$8.7 million
 7121 Fisher Island Dr.

Four bedrooms, 4½ bathrooms

This 3,690-square-foot condominium in the Palazzo Del Mare complex features wraparound terraces, a wine cellar and a private elevator.

Agent: Karla Abaunza, Luxury Living Realty



TREASURED ISLAND 1. The OceanSide condo complex on Fisher Island. **2.** An aerial view of the Vanderbilt's estate and 264-foot yacht on the island in a photo dated December 1936. **3.** Heinrich von Hanau, chief executive of Fisher Island Holdings, whose subsidiary is developing Palazzo Del Sol, a luxury-condo project scheduled to be completed next year. **4.** A July 2014 aerial view of Fisher Island, after the Palazzo Del Sol broke ground on the right side of the upper shore, across from South Beach. The island is dominated by Mediterranean Revival-style buildings.