

## H3 Hollywood halts construction and sales at 60% presold

Buyers have placed 50 percent deposits on their units, which start at \$250K

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Renderings of the H3 Hollywood condo project in downtown Hollywood

**UPDATED Sept. 22, 2016 3:50 p.m.** The developer of H3 Hollywood, a condo project in downtown Hollywood with 60 percent of its units under contract, has halted construction and sales while it tries to find financing, *The Real Deal* has learned.

The move comes as the planned 15-story, 247-unit development is at the 13th floor of construction, sources told *TRD*.

In an emailed letter to buyers, the developer, Hollywood Station Investments LLC, said construction had been on pace until recently, "However, general market conditions have deteriorated and this has affected the condominium like many other projects."

Construction is now "in standby but we are diligently working with a lender to obtain construction financing and we hope to resolve this matter in the coming months," the development group, led by Diego Besga and Alex Nahabetian, wrote. "Due to the fact that over 60 percent of the units have been pre-sold, we believe we can obtain the necessary financing to finish construction of the condominium."

Fortune International Realty handled sales for the development at 2165 Van Buren Street, but the project has stopped marketing units, an agent told *TRD*.

Buyers under contract have placed 50 percent deposits on their units.

Condos at H3 Hollywood begin at \$250,000, with a median price per square foot of \$300. Units range from studios to one- two- and three-bedrooms, from 594 square feet to 1,579 square feet.

Construction had been expected to be completed by December 2016 or January 2017.

Calls to the project's sales director, members of the development team, their attorney and the general contractor were not returned on Wednesday.

**Joe Hernandez, a member at Weiss Serota Helfman Cole & Bierman and chair of the law firm's real estate practice group,** said that in many cases there is a deadline imposed by federal law for completion of construction of a project, which gives buyers the right to terminate and get their money back.

Similar situations occurred in the last cycle, such as at the failed Solis Resort in Sunny Isles Beach, said Peter Zalewski, a real estate consultant and the founder of Condo Vultures. "It's history repeating itself," he said.

H3 Hollywood is the latest project to be canceled, put on hold or delayed amid a slowdown in the condo market this cycle, as the strong U.S. dollar and foreign economic turmoil continue to dampen sales.

Among the developments, Boulevard 57, a planned mixed-use project on Biscayne Boulevard in Miami, called off condo sales this summer, and the entire site is now being marketed for sale. The Conrad Fort Lauderdale Beach, a condo-hotel in Fort Lauderdale, is facing months of delays, a construction lien from its general contractor and an opening date that hinges on a yet-to-close refinancing deal. And Auberge Miami, a planned condo tower just north of downtown Miami is delaying construction until at least year-end 2018.