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July auction for 18 luxury condo units in Lower Twp.

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Eighteen units at a 12-story luxury condo building in Lower Township, Cape May County, will go to auction July 10 in Atlantic City.

The 125-unit Grand at Diamond Beach was developed by Carlyle Group L.P., a private-equity firm based in Washington that manages assets of \$106.7 billion worldwide.

Carlyle broke ground for the project in 2007 and completed construction in mid-2009. But sales failed to materialize as the housing downturn took hold.

To date, just 34 units have closed, the developer said in a statement. Diamond Beach lies between the Wildwoods and Cape May.

According to data compiled and analyzed by Kevin Gillen, vice president of Econsult Corp. of Philadelphia, median prices have fallen by 32 percent since the downturn began at the Shore in 2006 and are down by 25 percent in Cape May.

Tumbling prices and slow sales motivated Carlyle Group to act.

'Most credible method'

"Since completion, market conditions have continued to change, and we have now come to a point where we, along with our consumer, are unclear as to what current market pricing should be," said Scott Jenkins, vice president of Carlyle Group.

"After much time, research, and deliberation, we have determined that the most credible method for moving forward is to auction a limited number of residences and allow the market to determine true value," he said.

Jon Gollinger, chief executive officer of Accelerated Marketing Partners in Boston, is handling the auction for Carlyle Group.

Gollinger is a familiar fixture in Center City, conducting auctions at the Murano at 21st and Market Streets, the Residences at the Phoenix at 1600 Arch St., and at Waterfront Square on the Delaware River, north of Spring Garden Street.

Higher sales

Those auctions also were designed to establish market values by letting buyers determine what they

were willing to pay for a limited number of units offered.

Not only did the units offered sell and close, but data from the city Recorder of Deeds Office show that all the buildings continue to show higher sales levels than they did before the auctions.

Many subsequent sales were to unsuccessful bidders, but others were the result of the heightened publicity surrounding each of the Center City auctions.

Of the 18 condos to be auctioned at the Grand at Diamond Beach, two have two bedrooms, 15 are two-bedroom-plus-den units, and one is a three-bedroom-plus-den unit, Gollinger said.

Last summer, the three-bedroom condo had an asking price of \$1.63 million; the minimum auction bid is \$980,000. The 15 two-bedroom-plus-den units once listed for up to \$894,000; minimum bids are \$330,000 to \$410,000. Originally, the two-bedroom units listed at about \$749,000; minimum bids will be \$315,000 each.

Noting last year's list prices, Gollinger said that "minimum bids starting at \$315,000 are laughable." There will be no hidden reserves or buyer's premiums.

Advance registration is required. Financing is available for qualified buyers. For information, call 1-888-458-4129.

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