

OFFICES

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Miami. SMK bought the building, which sits on 2.74 acres and has 500 parking spaces, for \$12.5 million under the name 119 Partners LLC.

It bought the 95,000-square-foot building at 1110 Brickell Ave. in October 2003 for \$15.1 million and picked up the 82,000-square-foot building at 1680 Michigan Ave. in Miami Beach for \$14.5 million in June 2004.

Although SMK principal Michael Konig said he and his partners haven't made up their minds, Biscayne Centre is likely to be converted as well.

"We probably are" going to convert the building, Konig said. "We are just continuing to run our numbers and run our models to make sure what we want to."

Founded in 2002, SMK focuses on small- to mid-sized properties. The company has four principals: brothers Samuel and Michael Konig, Eduardo Romero and Eduardo Covarrubias. Before the launch, Michael Konig was vice president of operations at the Trump Grande Ocean Resort & Residences in Sunny Isles Beach. Samuel Konig, who launched and sold the online trading company Equity Station, also was a partner in the Miami-based investment firm Bayshore Financial Group. Romero was Bank of America's president for Latin America operations in Venezuela and Colombia and worked on mergers and acquisitions for Proctor & Gamble. Covarrubias worked in syndications for JPMorgan.

Biscayne Centre is a good candidate for conversion because it is centrally located and close to Bal Harbour and Aventura, said Christian R. Lee, a broker with CB Richard Ellis.

He and Charles Foschini of LJ Melody represented the seller, Biscayne Centre LLC, and the buyer.



SMK Cape Horn Development Group has four principals: Michael Konig, Eduardo Romero, Eduardo Covarrubias and Samuel Konig. The Konigs are brothers.

Regions Bank provided the financing, but terms were not disclosed.

The building, which was constructed in 1986 and last sold for \$7.4 million in 1990, is in good condition and 90 percent occupied.

Several variables play into the timing of a conversion, including rental rates, tenant profiles, the long-term stability of leases in the building and the neighborhood and the length of time companies have operated in the area, Michael Konig said.

The average lease size is 1,600 to 1,800 square feet. Tenants include a variety of businesses ranging from accounting firms to telecom and media companies.

The tenant mix at 1110 Brickell — one of the first office conversions in the financial district south of downtown Miami — includes advertising agencies, architects and accountants. Space in the nine-story building has been selling for an average \$280 per square foot and the building is about 95 percent sold, Michael Konig said.

One broker said Biscayne Centre is a good candidate for conversion because it is centrally located and close to Bal Harbour and Aventura.

At 1680 Michigan, about 65 percent of the 11-story building is sold with space averaging \$340 a square foot.

Konig said he expects the condo office market to keep doing well because of the steady influx of Latin American businesses, which tend to buy their space, and because interest rates are still low, making a purchase economically practical.

The potential for rising interest rates, which Federal Reserve chairman Alan Greenspan signaled Wednesday, makes office condos even more marketable, Konig said.

"If rental rates go up and rates shoot through the roof, they are locked in and that's a hedge against inflation," he said. ♦

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PEOPLE

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Other newly elected SunFest officers are: **Stephan A. Yeckes**, architect, 2007 president-elect; **Leann Evans**, treasurer, Palm Beach County School District treasurer; and **Gregory Fagan**, past-president, who is president of Schaefer & Fagan Consulting Engineers Inc.

New board members are: **Phillip Friedly**, first vice president and regional manager for Washington Mutual; **Rick Jenkins**, general manager for Aramark Corp.; and **Michael A. Weeks**, a lawyer with Ward Damon & Posner.

• **Jan R. Cummings**, **Carl Buccellato**, **Susanne Cornfeld Hurowitz** and **Dr. Atif Mahmoud Hussein** have been appointed to the Memorial Foundation and **Joe DiMaggio Children's Hospital** Foundation board of directors.

Cummings is a former member of the Broward County School Board.

Buccellato is a retired executive with more than 30 years of marketing and senior management experience.

Hurowitz helps nonprofit organizations design and implement fundraising and strategic planning initiatives.

Hussein is medical director at the Memorial Cancer Institute and the Memorial Healthcare System's director of clinical oncology research. ♦

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