

June 16, 2009

HOUSING

N.J. home builder buys Tivoli Isles mortgage

K. Hovnanian Homes, a Red Bank, N.J.-based home builder, paid BankAtlantic an undisclosed sum to purchase a \$40.7 million mortgage the bank had on the Tivoli Isles residential project in Delray Beach.

The note covers 128 finished lots and 32 spec homes, which are part of a 315-unit active adult residential community, according to PMA Sales Group, the broker in the transaction.

Hovnanian's Florida division president, Mark Hodges, said his company has agreed with the project's original developer, Palm Beach-based Home Devco, on an uncontested foreclosure action that will enable Hovnanian to take title to the property later this year.

Several months ago, Fort Lauderdale-based BankAtlantic had filed a notice of foreclosure against Home Devco, which has already partially built the project at U.S. 441 and Atlantic Avenue.

"Finally we're seeing financial institutions taking a realistic look at their nonperforming assets," said F. Thomas Godart, a development specialist for PMA Sales Group, in Boca Raton.