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Bankruptcy judge approves Madison Realty's purchase of Costa Hollywood Beach condos

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TRD MIAMI / By TRD Staff

Lender for embattled Costa Hollywood Beach Resorts acquired the 52 unsold condos, avoiding a bankruptcy auction.

The lender for embattled Costa Hollywood Beach Resorts acquired the property's unsold condos, avoiding a bankruptcy auction.

A federal bankruptcy judge confirmed the plans last week as part of the property owner's Chapter 11 bankruptcy exit plan, according to South Florida Business Journal. The lender, Madison Realty Capital, is paying $43 million for the units.

No qualified bids for the 52 unsold units and the common areas for the condo-hotel at 777 North Ocean Drive in Hollywood came by an Aug. 13 deadline, resulting in the acquisition.

The 274 units previously sold to investors were not included in the deal, according to the South Florida Business Journal.

The resort filed for Chapter 11 bankruptcy protection in September, five months after New York-based Madison sought to foreclose on the property. The defendants in the lawsuit include an entity called Costa Hollywood Property Owner and managing member Moses Bensusan, who also has served as loan guarantor.

Madison lent the development group $70 million in 2016. The foreclosure suit against the development group and its principal alleged the group was in default of $41 million. — Wade Tyler Millward

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