

PalmBeachDailyNews.com
THE SHINY SHEET

Start or Renew Your Subscription
Palm Beach Daily News

Newsletter Center | Log In

Thursday, July 2, 2009

Web Search powered by YAHOO! SEARCH XML Learn more about RSS Mobile Access

site web

HOME NEWS SOCIETY BUSINESS ARTS FASHION OBITUARIES OPINION LIFESTYLES SHINY SHOTS ADVERTISE CONTACT US

REAL ESTATE
CLASSIFIEDS
AUTOMOTIVE
ADVERTISE

Read about the art of living... PALM BEACH LIFE Published February 8, 2009

E-mail this page Print this page Most popular

Does Bernard Madoff scandal help or hurt Palm Beach business?

By MEGAN V. WINSLOW, Daily News Staff Writer

Saturday, January 10, 2009

From CNN to the Dziennik publication in Poland, the Bernard Madoff scandal has lured global media attention — and the eyes of the world — to Palm Beach.

Local and outside observers acknowledge and regret the Ponzi scheme's devastation of Madoff's investors, but their opinions differ on whether the media spotlight blemishes the island's image or possibly benefits business here.

"It can go either way. It can also go both ways," said Nancy Del Risco, an international tourism consultant and a professor at Florida International University's School of Hospitality and Tourism Management.

Del Risco said she is not aware of detailed research on such scandals and their effect on a destination's tourism and business, but her professional experience suggests it would take more than one unsavory individual to sully a town's image.

A more likely culprit would be a natural disaster like a hurricane, Del Risco said.

"I don't think an individual will hurt a whole destination," she said. "It has to be another issue."

Some locals think that, despite the poor economy, the added attention could give Palm Beach businesses a boost with both local and visiting consumers.

The recent success of the Classic Collections consignment shop provides an example of the possible benefits.

Since Dec. 31, when a CNBC segment featured the shop and discussed its increase in consignment items from Madoff victims, there's been a surge of new customers, said Sally Kimball, the store's founder.

Requests for comment from Fox News, The Tampa Tribune and Bloomberg news service soon followed.

"We have been so busy — I can't tell you how fortunate we are," Kimball said. "And I think some of it is due to the publicity, and I think some of it is due to the fact that ... people were here for the holidays. I think The Breakers was full. The town was full. Over the holidays, it's normally very busy. But I would say that we saw probably a 25 to 40 percent increase in our business in terms of buying."

Town Councilman David Rosow said he's heard reports that interest in Palm Beach homes has perked up because some buyers perceive discounts from distressed Madoff investors.

But both Century 21 Realtor William Cummings and Realtor Linda Gary consider such perceptions false and unfruitful.

"The value of real estate determines the market and the price that it exchanges for, and Palm Beach has always had excellent value," Cummings said.

Gary said she has heard of six local Madoff investors who have placed their homes on the market.

A Breakers Row oceanfront condominium offered in the wake of Madoff's arrest garnered a strong market price of \$8.6 million when it sold days later, said Nadine House, of Northstar Homes of the Palm Beaches, who represented both the buyers and sellers of the condo.

Gary said December did bring an increase in prospective buyers, but that is due to the height of the social season and not because Madoff news coverage has attracted people to the area.

Palm Beach's allure of fine homes, dining, shopping and atmosphere is stronger than any stigma the community has gained from the scandal, she said.



Jeffrey Langlois

(enlarge photo)

Fox Business reporter Adam Shapiro gives a live report from in front of Bernard Madoff's house Monday on North Lake Trail. The global media attention on the alleged con man has also put the spotlight on Palm Beach businesses, real estate and tourism.

PRIVATE LAKEFRONT HOME
A gracious entertaining compound spanning 205' of lakefront on a high...[more details](#)

corcoran.com

"It's horrible what he did, but it is a huge world, and we still have people coming in wanting Palm Beach," she said.

As for tourists, Palm Beach's reputation as a world-renowned vacation spot should outweigh any negative connotations a financial scam might have, said Dia Kuykendall, corporate communications manager for Visit Florida, the state's official tourism information source.

"Despite whatever headlines might be out there about a particular area, Palm Beach is still known for good things," Kuykendall said. "You take the good with the bad."

Rosow agrees that video footage of Palm Beach's beauty and warm weather might entice visitors, but he said the focus of some stories could prove harmful because they portray the island in poor light.

"The terrible stories of people who have lost lots of money and reputation, nobody wants to endure that," Rosow said. "There's nobody walking around with a smile on their face because somebody else was defrauded of money."

Roger Everingham, general manager of The Colony, said he has not observed any change in business since the television crews began combing the island.

Well before Madoff's arrest, Everingham said he noticed the hotel began "running lighter" with fewer guests during the weekdays, but he blamed that on the general economy, he said.

Everingham does not anticipate any major upset caused by the increased media presence, but he noted that the increased coverage seems to show Palm Beach as a "bastion for wealth and finance."

Kimball said the negative news could lead visiting consumers to perceive the island as more accessible.

"I think people will look at it in hopefully a more humanized way," Kimball said. "In, like, 'Gee, wealthy people can have problems, too. Me living in Akron, Ohio, I have problems, but these people have problems, too.'"

"I think, if anything, it will humanize and take away the mystique of a town that people might have said, 'Oh, we can't go to Palm Beach. We won't be able to afford lunch.' I think people will see Palm Beach as a place where real people live, families live, children are raised, Girl Scouts sell cookies."

• [Full coverage of alleged Ponzi scheme and its aftermath](#)

By using this service you accept the terms of our [Visitor Agreement](#).

Copyright 2009 Palm Beach Daily News. All rights reserved.

The [Palm Beach Daily News](#)

[Privacy Policy](#) | [About this site](#) | [Write to us](#)

