
Developers Split on Impact of Trump Presidency on Real Estate

by Carla Vianna

Miami's wealthiest developers have contradicting views on how a Donald Trump presidency will shape the city's real estate-driven economy.

Billionaire developer Jorge Perez, who spoke Thursday on a panel hosted by the Urban Land Institute, noted Miami is a city heavily intertwined with global trade. If Trump were to restrict trade between the U.S. and foreign countries, namely Miami's Latin American neighbors, the South Florida economy could take a big hit.

While the conversation was focused on South Florida's slowing condominium market, much of the rhetoric focused on how Trump's potential policy changes may bruise or boost the region's real estate market.

"I think he's surrounding himself with very right-winged, small thinkers," said

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Perez, who leads one of Miami's most acclaimed development companies, the Related Group.

Perez said he witnessed an immediate reaction from concerned buyers in Mexico and Argentina as well as from other Latin American countries whose citizens have shaped Miami's real estate landscape for decades. "Are we going to be treated differently?" they've asked him.

Perez, who knows the New York real estate mogul well from previous business dealings, said Trump knows what it's like to be an international real estate developer.

"He understands the importance of foreign investments to cities like New York and Miami, so hopefully he will listen to clearer minds, more rational minds, to allow for greater trade," Perez said.

Other developers welcomed the Trump presidency with optimism.

Manhattan-based HFZ Capital, which is redeveloping the Shore Club in South Beach into a condo-hotel, has noted an increased interest from institutions and high-net worth individuals since the election. The company has pre-sold a third



J. ALBERT DIAZ

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of the Miami Beach project's 67 condo units after buying the property in 2013.

Chairman and founder Ziel Feldman praised Trump's pro small-business policies, saying he expects Trump to fuel moves by world leaders that will drive economies away from a "socialist type of structure."

"We're a consumer country. We need to become a manufacturing country again," Feldman said, adding globalization has hurt U.S. employment, a senti-

ment shared by many Trump supporters.

New York developer Moishe Mana, who has publicly criticized Trump for his strict views on immigration and his refusal to release his tax returns, said the contrasting views voiced by panelists in the same industry prove how unpredictable the president-elect can be.

"We see that we have a president that just got elected, and we're still guessing what he's going to do," said Mana, who

like Trump crafted a real estate career in New York before venturing to Miami.

"I am so fearful," Mana said. "I did not sleep for the last three weeks."

Anthony Graziano, who moderated the panel, noted markets have reacted positively to Trump's election.

CONDO MARKET

Panelists approached the condo market with a softer tone.

"The market for overpriced condominiums and houses has slowed down," conceded Howard Lorber, chairman of Douglas Elliman Realty and president and CEO of Miami-based Vector Group Ltd.

He attributed the slowdown to the election and the Zika virus scare but added, "We find the market to be in pretty good shape."

Sales of existing condos continue to fall across Miami-Dade County, according to the latest report from the Miami Association of Realtors. Transaction volume dropped 30 percent in October from a year before. But median condo prices continue to rise, climbing to \$214,000 in October even with total inventory nearly 20 percent higher than a year ago.

These numbers don't include thousands of luxury units

planned or under construction across the county.

Russian developer Vladislav Doronin, who is building the 57-story, 146-unit Missoni Baia in Miami's Edgewater neighborhood, said his sales are doing "very well."

"We have a lot of international buyers, even from London, Italy, Turkey and of course Latin America," he said. His development company, OKO Group, just spent \$54 million on a neighboring piece of land, which he plans to develop in the future.

The Grove at Grand Bay, a recently completed high-end condo in Miami's Coconut Grove, closed \$400 million in sales over the summer, reported developer David Martin.

Other developers are eyeing the market cautiously.

Inigo Ardid, co-president of Key International, the company behind luxe condo towers like 400 Sunny Isles and 1010 Brickell, said getting a new project off the ground over the next two years will be difficult.

The market will slowly chug through the current lull and bounce back stronger than before, he predicted, just as it has repeatedly done throughout his lifetime in Miami.