

Invest:

Miami 2020

An in-depth review of the key issues facing Miami-Dade's economy, featuring the exclusive insights of prominent industry leaders



Prudent strategy

Sticking to one judicious philosophy regarding debt can help determine long-term success



Tibor Hollo

Chairman & President – Florida East Coast Realty

well-thought-out projects that they feel they need. However, I feel that some regulations in certain areas of Miami-Dade should be revised because it can prove to be very challenging as a developer to try to meet all of these regulations.

What trends are you closely monitoring?

The two main trends that we are monitoring are the Airbnb and co-living concepts. Some fine companies are already incorporating these concepts. A few years ago, we didn't know what co-living was. Now, this concept can save people 30-35% of their normal rent because multiple people are sharing a living room and a kitchen. The younger generations accept co-living as a viable option for a lower cost of living and have no problem doing so.

The new generation also wants to have certain amenities in the building. Just putting in a gym is not enough anymore. We ascertain demand by asking our tenants what they like and what they want to see. We are now equipping our buildings with features like social rooms and private dining/wine rooms because of these conversations.

What is the status of the Panorama Tower project?

We recently completed Panorama Tower, which is the tallest building in the state of Florida and the tallest residential building south of Manhattan. A major building like this, soaring 85 stories with around 3 million square feet, 821 luxury rental apartments and countless amenities, still requires much work even after it's completed. There can be so many items that you realize you should have added or not added, so it takes time to perfect and refine the offerings. We have spent the last year doing this for Panorama Tower, which ultimately has strengthened the appeal of the building and living experience. ■

What is the secret to the longevity of Florida East Coast Realty in the Miami market?

We have had long-term success in this market because we made a decision to stick to one particular philosophy. Whether rain or shine, we stuck to the philosophy of never borrowing more than 50% of our costs on a project. Most developers like to get maximum money but our philosophy has served us well over all these years. Whatever happens in the marketplace, we are protected. My advice to developers is to borrow prudently. It is easy to fall into the trap of over-borrowing, but you shouldn't do it if you don't have to.

How would you describe the regulatory environment for development in Miami-Dade?

I find the city of Miami to be very cooperative toward