

The Mad Dash to South Florida by Manhattan Real Estate Players

The big names behind soaring Manhattan and Brooklyn towers are rushing to build waterfront condos and, yes, office buildings in the Sunshine State

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Oshrat Carmiel



The Indian Creek Residences on the Harbor Islands in Miami is part of a wave of South Florida development by New York investors. Williams New York

South Florida is the new darling of Manhattan real estate investors.

Developers with global portfolios of landmark skyscrapers have been surging into the Sunshine State, building waterfront condos, apartment rentals and — in a move that's counterintuitive in most other U.S. metros — office buildings.

Many of the incoming investors have a unique pedigree: they helped drive a New York City construction boom of ultra-luxury condos over the past decade.

These builders of soaring Manhattan and Brooklyn towers, priced at evermore soaring figures, are now sensing similar opportunities — and client bases — down South.

"There are more players in our market now than ever before, which says a lot about South Florida," said Alan Hooper, co-principal and co-founder of Fort Lauderdale development firm Urban Street Development, which is working with the global developer Hines to re-imagine an arts and cultural district in that city. "There's a lot of developers and investors that are coming from outside the market, where before it was just locals working by ourselves."

In 2021 and 2022, real estate firms poured \$34.2 billion and \$29.2 billion, respectively, into the three counties that make up the southeastern edge of the state. Those annual tallies are higher than any year of the previous decade, and they're likely record-setting, according to data by MSCI Real Assets.

At the peak of this heightened investment — fourth quarter 2021 — the dollar amount poured into South Florida commercial real estate was 259% greater than the average for any fourth-quarter period between 2015 and 2019. The U.S. was seeing heightened investment too — but at a rate that was 130% greater than its fourth-quarter average.

Here's a look at some the big-name firms from elsewhere that are planting a flag, expanding their reach and testing the limits of the South Florida market.

Savanna Project, Olara, West Palm Beach



Savanna, an investment firm with a portfolio of office buildings in Manhattan, Queens and Brooklyn, is now establishing a foothold in West Palm Beach, where financial services companies like Goldman Sachs and BlackRock have opened up offices, with more on the way.

It began acquiring parcels near the downtown waterfront in 2021, and now controls about seven acres, Andrew Kurd, the firm's co-chief investment officer said in an interview.

It's first order of business: luxury condos. By year end, Savanna will begin construction of its debut-Florida project, a 275-unit tower called Olara.

Condo prices there will start at \$2 million. That's the upper tier of the market in West Palm, but for Manhattanites who might be browsing, it's the median price of new development where they come from. Amenities include a marina with eight slips and three boats available for rent by unit owners.

The New York-to-Florida pipeline is clear from the sales efforts. This month, Savanna's brokers will hold a marketing event in the Hamptons, the Long Island resort towns that draw Wall Street executives for the summer.

"These major finance companies are making commitments to West Palm," Kurd said. "If you look at the amount of office space being built now, it translates into 5,000 to 7,000 new jobs. That's a pretty strong metric."

Hines and Urban Street Development Project: FAT Village, Fort Lauderdale



Hines, the global firm that's built skyscraping towers in New York, San Francisco and Shanghai, is part of a team that's re-imagining two city blocks of an arts district in downtown Fort Lauderdale. In 2021, Hines entered into a joint venture with Urban Street Development — whose principals began assembling the site, parcel by parcel, over a decade ago — to bring new urban density, retail chic and a restaurant scene to the district known as FAT Village. (That's short for Food Art Technology.)

"Hines believes that South Florida is not just experiencing a blip on the radar— this is a true transformation of the marketplace," said Alan Kennedy, the managing director at Hines who oversees Florida investments.

Construction begins in October on the first phase of the \$450 million FAT Village project: an office building and two rental towers, with a combined 600 apartments, all within walking distance of the Brightline commuter train, according to Tim Petrillo and Alan Hooper, Urban Street's co-founders.

The 180,000-square-foot, six-story office building will be constructed largely of timber, with visible wood beams and columns, on each of the office floors, as well the building's exterior.

Office rents are projected in the mid-\$70's per square foot, Hines' Kennedy said. That's a healthy premium over the average asking rate for Broward Class A office space in the second quarter, which was \$40.74, according to [Colliers](#).

"Trophy office space doesn't mean the biggest building on the block anymore," Kennedy said.

Hines is also importing its New York luxury condo experience to South Florida. The developer — which built a [1,050-foot tower](#) adjacent to New York City's Museum of Modern Art — is planning a 106-unit condo development in West Palm Beach where prices start at \$10 million and go up to \$75 million. That would set local price records.

Landau Properties Project: Indian Creek Residences & Yacht Club Bay Harbor Islands (Miami)



As the former CEO of New York-based Fortis Property Group, Jonathan Landau knows his way around a luxury condo development. His old firm built several of them – including one of Brooklyn’s priciest towers.

Last year, Landau and his family started their own development company. Its debut project is a boutique condo and private yacht club in Miami, with units priced at a level that guarantees exclusivity.

"What interested me was the fact that now you have, for the first time probably in the history of South Florida, a year-round market that includes huge relocations of massive companies with high-paying executives," Landau said in an interview. "There’s a shortage of high-quality homes and services. There’s a tremendous appetite for top-of-the-line product."

The eight-story waterfront project has just nine condominiums, with unit prices averaging \$2,000 per square foot, Landau said. Purchase commitments have been signed on two units so far, Landau said.

Amenities include: a private yacht club and marina exclusive to unit owners; six boat slips, five of which will be for sale, the other for community use

And there's more ...

A who’s who of the Manhattan development world is busy assembling parcels and filing plans for ambitious projects in South Florida.

- Naftali Group, which found success selling pricey new condos on Manhattan’s Upper East Side, has assembled a development site in Miami and filed plans to build a 65-story tower with nearly 800 residential units. It would be the firm’s first Florida venture.
- Aby Rosen, whose RFR Holding owns New York’s landmark Chrysler Building, filed plans this summer to build a 104-story hotel and residential tower in downtown Miami.
- Witkoff, no stranger to the Miami market, is fortifying its footprint there. Last month the firm and its partners secured a \$430 million construction loan to redevelop Miami Beach’s Shore Club, where condo pricing starts at \$6 million, and units so far have sold for an average price of \$20 million.
- Harry Macklowe, the 86-year-old titan of New York City real estate, is assembling a development site in North Bay Village, between Miami and Miami Beach. He’s also filed plans to build an apartment complex near Dadeland Mall on a site he purchased last year.

It's the first foray into Florida for Macklowe, whose name is more synonymous with grand New York projects. His 432 Park tower on Manhattan's Billionaires' Row had, for a time, set a sales price record for a single condo. And he's currently undertaking the city's biggest-ever office-to-residential conversion with his 566-condo project at One Wall Street.

"Everyone who's got a project in New York seems to have something going on in Florida," said Jonathan Miller, president of appraiser Miller Samuel Inc. who tracks housing data in both markets.

"It's a combination of diversification and linkage: one of the biggest demand drivers for Florida is people from the Northeast, so it makes sense for developers who are established in those markets to have a foothold in the sunbelt states," Miller said.