

# How And Why Multifamily Development Is Different In This Cycle

GlobeSt.com caught up with Greg West, president and Chief Development Officer of ZOM, to get some insights in part one of this exclusive interview.



*Greg West, president and Chief Development Officer of ZOM*

MIAMI—**Greg West**, president and Chief Development Officer of ZOM, is currently developing close to 2,000 rental **apartment** units in Miami's urban core. He was also recently appointed to serve a two-year term as the chair of the **Urban Land Institute's** Southeast Florida and Caribbean chapter.

At the helm of an organization that serves as a leading advocate for responsible land use, West discussed exclusively with GlobeSt.com the efforts underway to increase the region's resiliency following natural disasters, what are some of the mobility challenges South Florida faces as population grows rapidly, and the state of the region's multi-family real estate market.

**GlobeSt.com: Resiliency is a topic gaining attention particularly following this year's active hurricane season, with major storms impacting portions of the US and the Caribbean, and rising sea levels. What efforts are the public and private sectors engaging in to help make the region more resilient?**

**West:** Resiliency is not new to South Florida. This is something we became aware of as a community in an acute way following Hurricane Andrew's passage. That triggered massive changes in our building codes and how we look at new development.

Most recently, Hurricane Irma has been the most substantial example of how those changes to the building code have proven effective. Communities across South Florida are also taking steps to make a substantial financial investment to address drainage issues to combat both storm surge and sea level rise.

Take the City of Miami Beach, a coastal community severely impacted by climate change, has been revamping its Storm Water Management Plan to incorporate the impacts of sea level rise and investing \$500 million to install dozens of pumps and raise roads and seawalls across the city. Another example is the recent yes vote Miamians casted giving green light to a \$400 million general obligation bond issuance to finance several infrastructure improvements, with half slated to combat rising sea level with storm drain upgrades, flood pumps and sea walls. This funding mechanism will pay for much-needed infrastructure and drainage improvements across Miami-Dade.

**GlobeSt.com: As a major multifamily developer in South Florida, how is this latest wave of multifamily development activity different from previous real estate cycles, and why?**

**West:** The drivers behind the **multifamily** rental development market this cycle is so much more diverse than they have ever been before. We have traditional demand from job growth, but we also have non-traditional demand from other sources, including a desire for urban living as a trend growing locally and nationally. More people see buying a home as a big risk following the financial crisis and housing market burst, which coupled with high home prices and dwindling inventory in South Florida, makes apartment living much more appealing than years before.

In Downtown Miami alone, ZOM is building close to 2,000 apartment units across the Brickell and downtown Miami neighborhoods, including the already opened Monarc at Met 3, a 462-unit building with a Whole Foods in the street level and Solitair in Brickell set to open its 435 apartments this December. Early next year, the firm is also going to start a residential project in downtown Fort Lauderdale called Las Olas Walk comprised of 456 units.

Another factor fueling **apartment** living is that the world has become an increasingly smaller place. Younger professionals are becoming more mobile in their careers and also in their lifestyles.

The ability to rent housing offers the freedom to live in short notice where you want with a variety of valuable amenities at their fingertips. Because of this shift, the modern standard of luxury rental project in an urban setting is designed much more differently than passed generations, with attractive lifestyle amenities offered within.

# This Trend Is Rising At An Unprecedented Pace

“South Florida, with a combined population of 6 million people, has always been somewhat disconnected.”

**MIAMI**—With more than 20 years of experience in the rental housing market, **Greg West**, president and Chief Development Officer of **ZOM**, has been directly responsible for over \$3.5 billion of development, including 27 projects that ZOM has started since the financial crisis across the US, particularly in South Florida. As such, he has his finger on the pulse of multifamily in the region.

**GlobeSt.com** caught up with **Greg West**, president and Chief Development Officer of ZOM, to get his thoughts on challenges and opportunities in the market in part two of this exclusive interview. You can still read part one of this interview: *How and Why Multifamily Development Is Different In This Cycle*.

**GlobeSt.com:** *I understand mobility is an area of focus for Urban Land Institute’s Southeast Florida chapter. What initiatives is the organization driving to help improve mobility in the region and why has this become a central focus?*

**West:** The pace of investment in mobility in South Florida is happening at an unprecedented pace and with that comes better access to public transportation within the urban nodes of South Florida. Take Miami Central Station, which is compiling four rail services—Brightline, Metrorail, Metromover and Tri-Rail—in one public transit hub. Brightline will bring high-speed rail service that will connect the south and central parts of the state with stations in Miami-Dade, Broward, Palm Beach and Orlando.

Also, the Wave streetcar system, which will soon start construction in Fort Lauderdale, is another multi-million-dollar investment that will help accelerate the value and growth of this urban area. Further investment in public transportation makes sense when the pattern of **real estate** development supports it. For example, transit-oriented development generates riders and that provides top-line revenue for the transit agencies.

South Florida, with a combined population of 6 million people, has always been somewhat disconnected. This investment in public transportation allows us to position South Florida more as a region and brand around it.

ULI has been part of advocating for this process. For example, the recent filing by South Florida for the Amazon headquarters bid is an example of how by linking our communities sets a bridge for opportunity in economic development. ULI aims to stimulate and facilitate continued discussions across geographical borders and bring the players to the table to collaborate rather than compete.

**GlobeSt.com:** *With South Florida experiencing robust commercial and residential development activity in recent years, what do you consider some of the advantages and also challenges that such fast-paced growth poses for the market?*

**West:** Florida will always have structural advantages in the form of climate and a favorable tax structure. That is engrained in the region’s DNA and will always fuel some measure of economic development.

The significant investment in infrastructure improvements is fueling that economic engine. The fast pace of development we are experiencing today is driven by the investments underway to improve airports and seaports, bridges and public transportation, as well as in cultural amenities including new museums and public parks.

Major cities worldwide are facing similar challenges as a result of steady growth. We need to continue to improve infrastructure in these areas and ensure this remains a continued, long-term efforts to help secure the region’s competitive advantage and preserve quality of life.