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Six Projects In 60 Days

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MIAMI—With half a dozen rental and mixed-use projects all getting underway within weeks of one another, Related Development's Steve Patterson tells GlobeSt.com how his group zeroes in on where to build.



Related Development's president and CEO, Steve Patterson

MIAMI—It wasn't exactly by design, but Related Development, the rental and mixed-use arm of Related Group, unleashed a blitzkrieg of new construction in late 2016 and early 2017, breaking ground on no fewer than six projects across four markets in in a 60-day period. They include a Whole Foods at 14th Street and Spring in Atlanta; Apogee Buckhead, a mixed-use development also in Atlanta; Town Southern in Royal Palm Beach, FL; Town Maitland at Relago in Maitland, FL; Town Westshore at Marina District in Tampa, FL; and Tampa Tribune, a mid-rise residential development on the site of a former newspaper building, also in Tampa.

GlobeSt.com caught up with Related Development's CEO and president, Steve Patterson, regarding the firm's amped-up development schedule and matching product to market. An edited version of that conversation appears below:

GlobeSt.com: Six projects in 60 days—is that unprecedented as far as Related Group is concerned?

Steve Patterson: That is a big number, and in a perfect world, we don't plan it that way. These projects all came out of a second wave of acquisitions that had significant land-use entitlements or other significant problems that caused them to be long lead-time starts. We'd gone out looking for these as land prices began to escalate a couple of years ago, all with one- or two-year lead times. These particular six all seemed to have their tail-ends within a 60-day period.

GlobeSt.com: Aside from having land-use entitlement or similar issues, do these projects have other elements in common?

Patterson: In fact, they're all very diverse. Obviously one is a Whole Foods, so that's unique to the group. The others are split roughly 50/50 between mid- to high-rise and garden-type product. We're not targeting any particular product type; what we're focusing on is markets that we believe have excess demand because of job growth that either exists today or we anticipate will occur in the next 12 to 24 months. We tracked it pretty closely, and we believe these markets are still underserved.



A rendering of Related Development's Tampa Tribune project, one of two on which the company broke ground recently in Tampa, FL.

GlobeSt.com: Along with breaking ground on these projects, you recently opened the residential phase of Cityplace at Doral. Tell us about the project.

Patterson: That project is 304 units and it sits on top of 250,000 square feet of what we would call experiential retail. There are a lot of residential-friendly tenants that create a menu that is more about the experience than it is just about shopping. We should be 70% to 80% open by mid-March.

GlobeSt.com: Across your portfolio, there are projects that are mixed-use as well as those that are strictly residential. Can you tell us how you determine the best mix of uses?

Patterson: It's interesting because we do have a lot of legs on the stool here, particularly with regard to our two busiest groups, the condominium group and multifamily rentals. The location selections are almost opposite of each other. On the market-rate rental side, we try to avoid submarkets that have extensive amounts of condo production, because in many instances those condos turn out to be rentals at the end of the day. And frankly, we don't want to step on each other's toes. The condo guys tend to look at inner-city, money-center locations, particularly in Miami, and anything on the water. Now having said that, two of the projects that we're starting are both on the water but they don't happen to be in busy condo markets.

GlobeSt.com: There are plans to expand into other markets throughout the South. Give us a sense of how you target those markets and what phase Related Development is in with regard to zeroing in on them.

Patterson: We're targeting markets throughout that whole Southeast crescent. Washington, DC is about as far north as we go, and we sweep through all of the Eastern coastal markets, across the Gulf into Texas and all the way into Arizona. We don't compete with the Related Cos., a sister company that covers the Northeast as well as Chicago.

We're looking at markets within the crescent and at multifamily production within those markets, construction costs and permitting numbers, as well as the job growth numbers. We're constantly looking for good opportunities, and we think South Florida, Orlando, Tampa and Atlanta are still well in balance and still have plenty of room for growth.



Paul Bubny ›

Paul Bubny is managing editor of Real Estate Forum and GlobeSt.com. He has been reporting on business since 1988 and on commercial real estate since 2007. He is based at ALM Real Estate Media Group's offices in New York City.

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CONTACT PAUL BUBNY

