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The Saga of Jorge Perez and the Related Group

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THE SAGA OF JORGE PÉREZ

Miami's billionaire Condo King begins the process of passing on the empire, even as it expands its global reach. Pérez is the chairman and CEO of the Related Group, a privately-owned global real estate company he founded in 1979. *Forbes'* 2023 list of the richest people in the U.S. pegged Pérez's net worth at \$1.7 billion. He has overseen the construction of more than 100,000 luxury and affordable residences – some 17 million-square-feet of real estate – selling properties worth more than \$50 billion. Now, his sons are taking over.



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SPECIAL REPORT: SPAIN

As Greater Miami has developed since the 1960s into the U.S. business hub for Latin America and the Caribbean, Spain has strengthened that special relationship. Today, Spain has more companies in Miami-Dade County than any other overseas nation – roughly 400, according to the Spain-U.S. Chamber of Commerce, which calls Miami home. Those businesses run the gamut from food and wine sellers to tile makers, construction giants, banks, retail, airlines, and, recently, many tech startups.





THE SAGA OF Jorge Perez

“ I continue to act as chairman and CEO at Related, but now I have the pleasure of leading the company alongside my two sons, Jon Paul and Nick...”

JORGE M. PÉREZ, CHAIRMAN AND CEO
OF THE RELATED GROUP, WITH SONS
JON PAUL (LEFT) AND NICK (RIGHT)

Miami's billionaire Condo King begins the process of passing on the empire, even as it stretches its global reach



RELATED GROUP'S COCONUT GROVE HEADQUARTERS

BY JOSEPH A. MANN JR.

Born in Buenos Aires to Cuban parents, Jorge M. Pérez is emblematic of the global city that Miami has become – and which he, in no small measure, helped create. Now 74, Pérez arrived in Miami when he was 19 years old. He traveled to Miami from Colombia, where his parents had relocated and ran a business, to study at Dade County Junior College, now Miami Dade College.

Today, he is a billionaire and heads one of the largest real estate development firms in the country. Pérez is the chairman and CEO of the Related Group, a privately-owned global real estate company he founded in 1979. *Forbes'* 2023 list of the richest people in the world pegged Pérez's net worth at \$1.7 billion. He has overseen the construction of more than 100,000 luxury and affordable residences – some 17 million-square-feet of real estate – selling properties worth more than \$50 billion.

Most of Pérez's Miami-based Related Group's projects have risen in South Florida, and most of those in Miami, transforming the city's silhouette. More are on the horizon. Coming next is the stunning St. Regis Residences Miami, a 50-story tower with 154

luxury condos, and the Baccarat Residences, a 75-story glass tower with 360 high-end residences, both on Brickell Avenue. Like other branded residences, these two are designed to attract wealthy buyers from New York, Europe, and especially Latin America.

The company is also developing or planning more residential and mixed-used structures in countries like Mexico, Brazil, Panama, and Turkey, as well as in other Florida cities and five states outside of Florida. Altogether, Related is currently building more than 35,000 units worth an estimated \$27 billion, including 12,000 units of affordable housing, 12,600 units of market-rate rentals, and 9,000 condos and mixed-use properties – 1,300 of them internationally.

DEVELOPING BUILDINGS AND A WORLD-CLASS ART COLLECTION

Beyond the abundant crop of condominium high-rises Pérez has built, he has also accumulated a vast collection of world-class contemporary art, especially works from Latin America. He began



buying art when he was attending college (thanks to his success at informal poker games) and began his collection while still a student, with an acquisition of a print by the famous surrealist Man Ray.

While artworks adorn his home, Pérez donated many to the eponymous Pérez Art Museum Miami (PAMM), which he was instrumental in founding 10 years ago. Pérez also installed some of his collection at Related's architecturally stunning headquarters in Coconut Grove, as well as placing art in company offices and in its condo and rental buildings, whether affordable or deluxe. In Coconut Grove, Related's headquarters has works that range from one by Frank Stella ("Scramble: Descending Green Values/Descending Spectrum"), who is considered among the greatest living American artists today, and another by South African Zanele Muholi ("Faniswa, Cape Town"), a world-renowned photographer.

While Pérez remains the head of Related Group and dedicates time to his philanthropic work, the entrepreneur – dubbed "The Condo King" by Florida media – began turning over major responsibilities to two of his four children in 2012. Thirty-eight-year-old Jon Paul began working at the family-owned company in that year and was named president of Related Group in November 2022. His brother Nick, 35, started full-time work in 2017 and currently is president of the company's huge Condominium Division.

"I continue to act as chairman and CEO at Related, but now I have the pleasure of leading the company alongside my two sons, Jon Paul and Nick," Pérez says. "Thankfully, having JP and Nick at the helm allows me to really focus on the aspects of development that I enjoy most. Today, that includes conversations around properties' architecture and design, community benefits, and, of course, the signature art collections that grace every single one of our projects. While I'm not involved in the day-to-day as I once was, I continue to provide

counsel and guidance on a wide variety of projects. That includes conducting a final walkthrough once projects are deemed complete."

GETTING STARTED IN MIAMI – A PIZZERIA AND SELLING ENCYCLOPEDIAS

"I was 19 and came to attend Miami Dade College," Pérez says. "I worked at a pizza restaurant in the kitchen and sold encyclopedias door to door." Pérez worked and studied in Miami for two years, then won a full scholarship to C.W. Post College in Long Island, New York. He lived on-campus (room and board were covered by his scholarship) and graduated summa cum laude, with a perfect 4.0 average. "I was supposed to be valedictorian but left before the actual graduation ceremony," he says.

After earning a bachelor's degree in economics at C. W. Post and a master's degree in urban planning at the University of Michigan, Pérez returned to Miami and worked as a City of Miami urban planner, focusing on improving low-income communities. "My time in the public sector allowed me to learn the nuances of the South Florida market and the development industry as a whole," he says. "After a few years, I realized I could drive further impact and enjoy greater freedom as a private sector developer. So, at age 29, I founded Related Group." The initial focus: underserved communities, which typically did not garner the attention of major developers.

"My first projects were a couple of small, affordable housing renovations in Little Havana and Homestead. The projects were very small, but they leased quickly and showed me there was pretty much infinite demand for this type of high-quality, accessible housing." Since then, Related has built, rehabilitated, and managed more than 25,000 affordable housing units, and is currently developing



“We invest in affordable housing projects for a number of reasons, including social responsibility, government incentives, and long-term financial stability. Everyone deserves housing they are proud to call home.

JORGE M. PÉREZ, ON RELATED GROUP'S COMMITMENT TO AFFORDABLE HOUSING, SUCH AS THE LIBERTY SQUARE PROJECT, ABOVE.

12,000 more such units. In addition, the company builds workforce housing communities, typically located in prime urban areas, which offer the next step up in the housing chain.

“While luxury condos may indeed provide higher profit margins, we invest in affordable housing projects for a number of reasons, including social responsibility, government incentives, and long-term financial stability,” says Perez. “Everyone deserves housing they are proud to call home.”

The cost of “affordable housing” varies from place to place and depends on local, state, and federal housing assistance programs. In general, it refers to housing that costs a certain percentage of the Area Median Income (AMI), starting at around 30 percent. Beneficiaries may obtain housing vouchers that pay part, or all, of their rent. “Workforce housing” refers to homes for families whose income is too high to qualify for affordable housing. “Market-rate” means housing without direct subsidies.

One of Related's affordable projects is the Gallery at West Brickell, a 29-story residential tower on SW 10th St. in Miami with

THE RELATED GROUP

FOUNDED IN MIAMI IN 1979 BY JORGE M. PÉREZ,
CHAIRMAN AND CEO



ART GALLERY EL ESPACIO 23

CURRENT OPERATIONS: Over 35,000 units under active development with an estimated value of more than \$27 billion. This includes condos and mixed-use developments, market-rate rental buildings, and affordable housing in the U.S., Mexico, Brazil, and Argentina.

HEADQUARTERS: Miami, plus offices in cities with ongoing projects throughout the U.S. and abroad.

EMPLOYEES: 731 full time. Also, thousands of construction workers employed by contractors at ongoing Related projects and by contractors/suppliers who provide hundreds of millions of dollars in construction work and materials.

PARTNERSHIPS: Airbnb, Grupo Hotelero Santa Fé (Mexico), Bueno Netto (Brazil), Starwood Capital Group, The Related Companies, SH Hotels & Resorts, NoMad Hotels, Marriott's St. Regis and Ritz-Carlton brands, among others.

PROPERTY MANAGEMENT: TRG Management, set up in 1984, a subsidiary that manages 20,000 units in several states.

PHILANTHROPY: The Related Philanthropic Foundation, the group's charitable arm, and the Jorge M. Pérez Family Foundation, the family's philanthropic fund. Grants and donations include:

The Pérez Art Museum Miami (PAMM), formerly the Miami Art Museum, renamed in honor of Jorge Pérez after he made a \$40 million gift in 2013. Total contributions – in cash and works of art – reportedly now reach more than \$60 million.

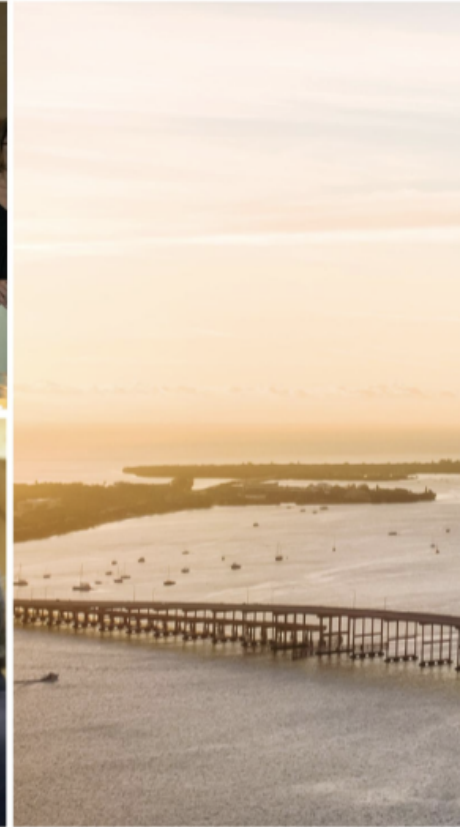
The Miami Foundation (\$33 million donation)

CreARTE – Provides residents access to the arts and focuses on making Miami a global hub for artistic excellence.

El Espacio 23 – A 28,000-square-foot contemporary art space in Miami's Allapattah neighborhood.

The Giving Pledge: Pérez joined this campaign, founded by Warren Buffett and Bill Gates, in which members pledge to give a major share of their wealth to charities when they die.

Plus: National Young Arts Foundation, Big Brothers Big Sisters of Miami, United Way of Miami-Dade, YMCA, and others.



an estimated price tag of \$190 million. A third of the 465 units are affordable or workforce housing. "It offers the high-rise lifestyle – complete with infinity pools and cutting-edge amenities – but at a much more accessible price," says Pérez. Another major affordable project is Liberty Square, located in Miami's low-income Liberty City. It is a 1937 public housing project that Related is partnering with Miami-Dade County to redevelop; it is expected to provide 1,455 affordable and market-rate residences.

While he became a major developer of affordable housing in Miami, Pérez says he knew from the outset that the city "had the potential to become a luxury hotspot similar to areas like New York City, Los Angeles, or London." But it wasn't until the late 1990s that he began to work on his first luxury condo, the Portofino Tower in South Beach, an impressive 44-story residential building with 206 condos. "That first project was incredibly successful and showed me – and the entire industry – that there was a huge amount of unmet demand for high-end waterfront residences."

JON PAUL PÉREZ AND THE EXPANSION OF RELATED

Related began expanding outside Miami around 2010, when the company's market-rate and affordable groups began looking at opportunities in Tampa and Orlando. "Florida as a whole is thriving," says Jon Paul Pérez, Related Group's president and Jorge's eldest son. "Today we've got projects in pretty much every major market in the state from Ft. Myers and Naples to St. Petersburg and Jacksonville. We're also helping establish lesser-known markets."

“Our international division is busier than ever. As we speak, we have more than ten towers underway across Mexico and Brazil...”

JON PAUL PÉREZ (TOP LEFT), ON THE COMPANY'S OVERSEAS EXPANSION

NICK PEREZ (BOTTOM LEFT) IN BRAZIL FOR THE LAUNCH OF RELATED'S CONDOMINIUM DEVELOPMENTS THERE

OPPOSITE: THE ST. REGIS RESIDENCES MIAMI

As for international investments, Related has been studying overseas markets for more than two decades, Jon Paul says, and new projects abroad have mushroomed in recent years. Even though current international builds represent a relatively small percentage of Related's overall business, the company plans to grow this share, working with foreign partners. "Our international division is busier than ever," says Jon Paul, who oversees day-to-day operations, manages a wide range of partnerships, and dedicates much of his time to expanding overseas investments.

"As we speak, we have more than ten towers underway across Mexico and Brazil. My father began to explore investment opportunities as far back as the early 2000s, but we really began to build momentum with our SLS-branded projects across the Riviera Maya." Mexico's Rivera Maya is located near Cancún, and Related has partnered there with the SLS luxury hotel group.



"To date, we've delivered three sold-out towers in Cancún and have many others under active construction," he says. Despite strong competition in international markets, "We see tremendous growth potential, particularly in markets like Mexico and Brazil."

Related's biggest condo project to date outside the U.S. is Parque Global, located in São Paulo, Brazil, the country's largest city (12.3 million residents). When completed, Parque Global will have five, 47-story towers and 672 units located on an expansive green footprint. The complex will have luxury residences, playgrounds, sport facilities, supermarkets, an infinity pool, and other amenities. Three of the towers are already sold out. Partners in the venture are the Related Group (Jorge Pérez), Brazil's Bueno Netto development group (Adalberto Bueno Netto), The Related Companies (Stephen M. Ross), and the Starwood Capital Group (Barry Sternlicht).

Nick Pérez, Jon Paul's younger brother, is president of Related's Condominium Development division, which manages a portfolio worth more than \$15 billion and currently has 20-plus projects in development. Some of the major ones he is spearheading are the St. Regis Residences Miami, Residences at Six Fisher Island, and Residences at Rivage Bal Harbour.

The condominium division is one of the reasons that Related has, over the last 36 months, experienced its most dramatic period of growth. In the last two years alone, the condo division has logged more than \$3 billion in sales, with \$600 million-plus coming from international sales in the last 18 months.

Part of that growth was due to a major influx of buyers from New York City, California, and other areas where residences were

fleeing COVID restrictions and seeking a warmer and more open environment – as well as lower taxes.

"South Florida is only getting more attractive and there are people all around the world looking to make this their permanent home," Nick says. "For years, South Florida was primarily a destination for snowbirds from Canada and the Northeast, as well as Latin American buyers from Colombia, Brazil, and Argentina. However, the region's appeal has broadened dramatically in recent years. In fact, one of our biggest buyers lately has been Turkey. We are very bullish that our international market will continue to grow as our cultural and lifestyle offerings deepen and word-class events – like Formula 1 and FIFA – come to South Florida."

Some of Related's current Florida projects include a second Ritz-Carlton Residences tower in Tampa (the first 27-floor tower is sold out) and the first new condo development in Hillsboro Beach in two decades, a 92-unit "Rosewood Residences" luxury waterfront property. Related's largest project in the U.S. outside Miami is also in Tampa: West River, an entire neighborhood with more than 1,700 units, including mixed-income, affordable, workforce, and market-rate rentals and sales.

"AN INDELIBLE IMPRINT"

Part of Related's success has come from Pérez's penchant for partnerships, working with other developers in Miami rather than competing with them. Edgardo DeFortuna, another prominent developer of luxury condominiums in South Florida, has become

close friends with Pérez in the nearly two decades since they met. "Not only do I admire Jorge and his team, we've worked together on many projects, some in marketing and sales, and sometimes in development," says DeFortuna, another Argentine native. "We have done two projects in Argentina, and a three-tower project in Paraguay, both very successful... You would think that competitive companies would hide what [makes them] successful. But [Jorge has] shared all the things he was doing, right down to the amenities in the projects. In that sense he is always... very open. He really wants [others] to be successful."

DeFortuna and Pérez have become such close friends since they met that they now take family trips together, most recently to Toronto and to the Canadian wilderness. Both avid sports fans, they continued their habit of taking annual bike trips together. "We used to race, but now we are little more relaxed about it," says DeFortuna.

Nitin Motwani, managing partner of Merrimac Ventures and the \$5 billion Miami Worldcenter development, has known the Pérez family for years. "Merrimac Ventures' partnerships with Related Group on The Crosby, our newest condominium development at Miami Worldcenter, and the Waldorf Astoria Residences in Pompano Beach, have been natural and seamless," says Motwani. "Like the Pérez brothers, my brother [Dev] and I both followed in our parents' real estate development footsteps. We met Nick and JP years ago and always talked about one day working together."

Another important partnership for Pérez was with fellow billionaire developer Stephen M. Ross, owner of the Miami Dolphins. Friends for many years, both set up companies called Related: Ross founded The Related Companies in New York City in 1972 and remains chairman; Jorge Pérez founded the Related Group in Miami in 1979. The two companies have worked together on projects for many years, and currently are partners in the huge Parque Global development in Brazil. Both of Pérez's sons also spent years in New York working for the Related Companies. But by late 2022, real estate media reported that the two companies had separated, for reasons that neither developer wished to discuss.

Pérez has partnered with many other developers over time, including the Dezers in Miami, and, years ago, with Donald Trump in New York. "I was very close to him until he became president," according to an article in the *Miami Herald*. "He offered me several posts within his administration and asked me to build the wall between the U.S. and Mexico. I said no." Pérez was unhappy with Trump's political trajectory and has since severed ties.

Related's path to success was not always smooth, however. The Group entered into its first Las Vegas venture in 2005. It didn't go well. Working with actor George Clooney and Rande Gerber, the husband of model and actress Cindy Crawford, the project envisioned building condos, a hotel, and a casino. According to *The Real Deal*, the project was selling well but Jorge discovered that construction costs were so high that "I'm going to lose money for every condo that I sell," the publication quoted Pérez. "So, we had to scratch that. Thank God somebody gave us a great offer for the land, and we left Las Vegas."

The 2008 banking and real estate financial crisis and national recession was a challenge of a much larger magnitude. It posed a serious threat to Related and other developers, who depend on bank financing and advance payments from individual condo buyers to build new properties. "The 2008 financial crisis was by far our most challenging time," says Jorge. "In fact, prior to this period, we'd never had a year that wasn't more successful than the last. We had such stratospheric growth up until this point that I grew to believe we were bigger than the market – a mistake I'll never make again." Jorge went on to say that by negotiations with lenders, partners, and buyers, "we were able to emerge from that crisis a stronger, more



“Not only do I admire Jorge and his team, we've worked together on many projects, some in marketing and sales, and sometimes in development...”

EDGARDO DEFORTUNA (LEFT) ON HIS PARTNERSHIP WITH JORGE M. PÉREZ, SHOWN ABOVE ON A TRIP TO TORONTO.

resilient organization.”

That resiliency is now evident in the overseas and statewide expansion of Related Group's projects, especially under the direction of sons JP and Nick. Indeed, with its enormous impact on Miami's skyline, and the internationalization of the city's population through selling homes to foreign investors, Jorge Pérez and the Related Group have garnered praise both for their far-reaching projects and for their impact on Miami business and culture.

"The Related Group has left an indelible imprint on both Miami and on Florida," says Pamela Fuertes Berti, dean of the Miguel B. Fernandez Family School of Business, Trade and Transportation at Miami Dade College. "Mr. Pérez's visionary approach, coupled with his roles as an urban planner, developer, and philanthropist, have profoundly influenced the skyline of our community" – and the Miami brand outside the city. ●

"The expansion of the Related Group internationally serves as a testament to Miami's global business reputation and our community's brand," says Fuertes Berti. "The company stands as an exemplary illustration of a multinational company and successful entrepreneurship 'Founded in Miami.'" ●