

With Younger Pérez as president, Miami's biggest developer moves into new directions

BY JANE WOOLDRIDGE JANUARY 4, 2021 07:00 AM



On Wednesday, December 23, 2020 Jon Paul Pérez, president of Related Group, is photographed at the upper roof poll deck of Wynwood25 one of local developments in Miami's Wynwood neighborhood. CARL JUSTE CJUSTE@MIAMIHERALD.COM

Jon Paul Pérez has been groomed for the real estate business literally since he was a toddler.

Long before he became South Florida's biggest condo developer, Jorge Pérez strapped his oldest son into the car to visit construction sites with business associates such as Adolfo Henriques, a banker who then financed many of Pérez's projects. When the boy was old enough for weekend soccer, he and his brother would come off the field, then head off with their dad to tour projects in progress.

But JP's leadership of the Related Group wasn't assured until November, when his father, Related Group's billionaire chairman and CEO, named him as the company's president just before his 36th birthday.

The elder Pérez's six-month COVID sojourn at his Colorado home sped the transition.

"He's not a Microsoft Teams - Zoom guy," leaving a need for an on-the-ground leader, JP said during a recent interview on the bayfront patio of his dad's home. The senior Pérez had slipped into another room, allowing his son to take center stage.

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“It allowed me to assume that leadership role while working with the executive team and run the company. ... I was able to navigate that in his eyes extremely well and keep the company moving, worrying about the right things and running different analyses and keeping him informed. I think that really gave him the comfort to say, ‘Hey, you know, you’re really ready.’”

For JP, as he is commonly known, the promotion is both energizing and daunting. “The first feeling was, you know, I hadn’t been that excited in a really long time. It was that feeling of, wow, I feel I’ve been working so hard for this. He will tell his friends how proud he is of me much more than he will tell me, so it was a sense of accomplishment.

“But at the same time, now there’s a lot more to accomplish. The real pressure is on.”

The transition comes at a tricky time for Miami real estate. Restaurants and hotels have been slammed by the pandemic. Companies are working remotely, reducing the need for office space. E-commerce has left many malls and traditional retailers at risk. Related’s longtime signature, luxury condos, were overbuilt even before the COVID lockdown that since has spurred many residents to flee high rises. While the company does have multiple projects in the growing sectors of multi-family rental and affordable housing, it has virtually no presence in the booming markets of single-family homes and warehouse.



Steve Patterson, left, president and CEO of Related Development, and Alberto Milo Jr., right, president of the Related Urban, stand at the site of a planned Related Group rental apartment and condo development project at 444 Brickell in Miami, Florida on Tuesday, October 27, 2020. Carl Juste CJUSTE@MIAMIHERALD.COM

“It can be really hard for next-generation members,” she said. “They can’t really complain to their friends. It looks pretty tone deaf to ever talk about anything but how fortunate you are, but the truth often is that’s it’s difficult. It’s lonely at the top, but it’s doubly so at a family business.”

Other Miami companies know the scenario well.

Last year, [Garth Reeves III](#) was named publisher of the Miami Times following the death of his mother, Rachel Reeves. In 2013, Ana Codina-Barlick was named chief executive of the Codina Companies, the development firm founded by her father, Armando Codina. In 2007, at the age of 36, Jose Mas became CEO of MasTec, taking over from brother Jorge (now chairman), who in turn took over from their father, Jorge Mas Canosa. Before them came Carnival Corp. Chairman Micky Arison, whose father Ted retired as company chairman in 1990, and Stuart Miller, who took over leadership of Lennar Homes from his father, Leonard, in 1997.

Those who have worked with JP say he's up to the job. They describe him as smart, likable, hard-working and "a good listener" — qualities that, they say, will aid him in this transition.

EXECUTIVE TEAM

His new job comes with the benefit of a [cadre of top-level professionals](#) who are longtime employees and partners. Henriques, the former banker, is now Related Group's vice chairman. Matt Allen, executive vice president and chief operating officer, has been with the company since 1999. Steve Patterson, president and CEO of Related Development, focused on multifamily rental, joined the company in 2010 as president of development of the multifamily division. Alberto Milo Jr. joined in 2009 to lead Related Urban Development, which develops affordable housing.

"I've been working with them very closely really since the beginning of the year so it was a it was a fairly smooth transition," JP said. "We have a company right now that has extremely bright, some of the best-in-the-industry executives."

Yet in early December, the longtime president of the condo division, [Carlos Rosso](#), left Related. Though Rosso's seemingly abrupt departure came weeks after the executive shift, the moves were not related, said Henriques. "The timing of the two things would lead people to immediately to say they were related... That is not the reality at all."

The company's transition will be evolutionary, Henriques said. Patriarch Jorge Pérez remains as chairman and CEO, with his hands firmly in the clay, even as the elder Pérez's passions philanthropy and for art — both at the namesake county-supported [Pérez Art Museum Miami](#) and his private exhibition space, [El Espacio 23](#) — engage more of his attention.

JP sees his father's ongoing involvement as a benefit, he said — and clearly means it. "What's great about it is I still have him here," says the son enthusiastically. While that means getting a phone call when he's running late or being nudged about settling down — he's still single — over lunch with Dolphins' owner Steve Ross, Jon Paul takes it in stride.



Developer and art collector Jorge M. Perez stands behind "Venus de Arles," 2018, a sculpture by Yinka Shonibare that is part of the inaugural show, "Time for Change," at El Espacio 23. Jose A. Iglesias
JJIGLESIAS@ELNUEVOHERALD.COM

"What happens in a family businesses, is there's really no time that you're away from work," he says. "You go from talking about the deal to personal stuff that a father and son would talk about if they weren't in a family business. I've always been used to that because it's always been that way." Most weekends involve some aspect of work, along with physical pursuits of biking — sometimes as many as 60 miles a day — golf, boating and lunch with friends. "I like to enjoy what Miami has to offer."

Of course, Steve Ross — chairman of New York-based Related Companies — isn't just another developer. A longtime family friend and sometimes partner with the Related Group, Ross helped lay the groundwork for JP's future, giving him a post-college job at his mammoth New York development firm whose signature project, the 28-acre [Hudson Yards](#), is one of Manhattan's most ambitious mixed-use developments ever.

It was by no means JP's first job.

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"I always wanted to work," he said. In the eighth grade, living in Utah with his mother, he worked at a Subway restaurant. "I was a sandwich artist. I was a very good sandwich artist — I could still make a very good Subway sandwich, cutting the bread and the whole thing." From there he graduated to busboy at an Italian restaurant before becoming an intern at his father's company.

When he graduated from the University of Miami, his father told JP to make his own career choice. "My father told me, 'You don't have to come into the business. You need to do what will make you happy.'" But, he said, "I never thought to do anything different, because I always saw what my father had done and I always looked up to him as a mentor and role model."

Still, in the beginning, his motivation was money — much as it had been with his childhood jobs. That changed during his half-dozen years in New York working with Ross's organization under its president, Bruce Beal, in the firm's ongoing real estate training program for recent graduates.



Bruce Beal Jr., and Miami Dolphins owner Stephen Ross, outside the Equinox Hudson Yards Hotel in New York City, December 9, 2019. Ross' Hudson Yards development is the largest private real estate development in the United States by area. The Vessel, the neighborhood's centerpiece, a spiral staircase, is a soaring new landmark meant to be climbed. CHARLES TRAINOR JR CTRAINOR@MIAMIHERALD.COM

While Jon Paul didn't have to go through the interview process, regular performance standards applied, Beal said. "He put his head down. He was appreciative and happy to be in a class of young people

learning the business.” The work spanned what Beal called “grunt work” — routine meetings and tasks — and higher-level responsibilities on a variety of projects, including Hudson Yards.

“He works hard. JP is a very good listener, very observant” — traits likely developed from working with his ebullient father, who often seems to fill the room, noted Beal. “In addition to being smart, [JP’s] affable and fun. People really like working with him.”

Under Beal’s mentorship, what began as a profession became a passion, said JP. “The excitement and the feeling you get when you work on your first project and see it complete and it’s sold out or rented and you’re just like, wow, this is amazing. The only other thing I wanted to do is produce movies — which is very similar to being a developer. You’re sort of the puppeteer, right? And you’re hiring all the professionals and putting all the pieces together, and then at the end of the day, you create an end product. I love it.”

But passion will only get a man so far — even when he’s the owner’s son. When JP joined his father’s Related Group in 2012, he felt he had to earn his way. “I always had to go above and beyond, and at the same time challenge [my father] but in a respectful way — so he knew that I was always thinking differently, not just thinking as an employee but thinking as an owner. You do that because you want that person to see that you want it and that you deserve it and that you have the capacity to be in that position. At the same time while you’re doing that, you’re gaining the respect of the employees. Because at the end of the day, it’s run as a corporation. It’s not run as a family business.”

WYNWOOD

In his first primary leadership role, JP spearheaded development of Residences by Armani Casa, a 300-unit luxury condo in Sunny Isles designed by the late Cesar Pelli and the fashion master Giorgio Armani that Related co-developed with Dezer Development. But his true proving ground was Wynwood — an unlikely choice for a company best known for gleaming towers in downtown and Brickell, but custom-made for a single urbanite in his thirties.

“Initially there was pushback from the executive team,” he said. His father didn’t see a long-term play for the company in a neighborhood where land-flipping was rampant and prices were skyrocketing, and wanted to be sure every possible downside had been considered.



On Wednesday, December 23, 2020 Jon Paul Perez, president of Related Group, is photographed at the upper roof pool deck of Wynwood25 one of local developments in Miami's Wynwood neighborhood. Carl Juste CJUSTE@MIAMIHERALD.COM

JP stuck with his argument. “If you look at the trajectory of growth in Miami, Brickell and Midtown were basically developed. And then you have Edgewater. So [Wynwood] should fill in.” High parking revenues generated in the neighborhood proved its vibrancy.

The executive team became convinced. JP took the lead, identifying land sites, structuring deals with partners, bringing in the project on time and under budget.

Today, Related is Wynwood’s biggest developer, with six projects encompassing 1800 rental units, office and retail. Already completed are Wynwood25, market-rate micro-rentals with an urban vibe just steps from Wynwood Walls; The Annex office building and The Bradley, sleek microunit rentals and interiors by musician and style-setter Lenny Kravitz. Under development are Wynwood29, Quarters co-living and The Dorsey; all are market-rate rentals.

“[JP] was very clear from the first day we met, that he respected what was unique in the the neighborhood, and that he would protect and embrace the artistic and industrial nature of the neighborhood,” said Albert Garcia, chairman of the Wynwood Business Improvement District. JP now serves on the BID board.

“He understood, to his credit, that this was something very different from the bread-and -butter for Related,” said Albert Garcia, chairman of the Wynwood Business Improvement District. “It gives a sense of where JP will continue to take company, bringing in markets that aren’t typical.”

JP is keen as well on Tampa — a city that, like Miami, is seeing an influx of companies from around the U.S. — and Jacksonville, along with the multifamily rentals that, along with affordable housing, take a larger role in Related’s playbook these days.

Over time, the strategy likely will change, informed by JP's discipline of observing before he decides.

"He's always coming in listening," said Garcia. "He's not the first person to speak. He's always cognizant of the impacts his projects have had and will have in the future."

SINGULAR STYLE

There it is again. Listener.

"He has his own style," said David Martin, CEO of Terra Group. "He's peaceful and thoughtful and methodical. It's very important in this business to really observe and understand and evaluate and make informed decisions."

The two firms co-developed Park Grove, a pair of luxury condo towers in Coconut Grove designed by star architect Rem Koolhaas. It's an experience Martin hopes to repeat.

"JP is a good, nice person. In today's world and in our industry, that's important. It builds bonds and collaborations."

If JP has a lot yet to learn, as some have suggested privately, he seems well on his way.

Daniel Domb, a managing partner at Boston-based real estate firm Rockpoint Group, has known the younger Pérez since he first joined Related Companies in New York.

"I've seen his development, from being a great listener and taking in all sides to now, more of a leadership role. ... He has a full grasp on the business, from the minutiae to execution to strategy."

In Henriques' view, JP is right where he should be.

"I have seen a young man who has matured as an amazing leader. He came into the company and he was one of four project managers and he was reporting into the leaders of each of the divisions... Over time not only has he learned, but he has been able to transition exceptionally well into a position of respect.

"It's a very difficult position to go from reporting in to people to having them report to you. Through his effort and what he has been able to accomplish, he has gained respect of the rest of the leadership."

Of course, the opinion that matters most is that of the company chairman and CEO. His father.

"What made me think he was ready?" said his father, who has returned to the patio. "You hear him, don't you?"

"The proudest thing for any father has to be to hear himself through his son's voice — not only what I've preached and thought but to have his own expression. I think Jon Paul exemplifies that."

A second son, Nicholas, 32, also works in the company, as a vice president. The change in JP's job means his brother reports to him — a situation that could be awkward.

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Says JP, “We’re extremely close and I have to find ways to push him but in a way that wouldn’t affect our relationship as brothers, right?... It takes some getting used to, but but he’s such a good kid and and we’re so close that it’s been it’s been fairly smooth.

“Ideally the dream would be that I’m CEO and he’s president or we’re co-CEOs. But all of that will depend on whether he has the capacity to do that job.”

His sister, Christina, is involved in the family’s philanthropic efforts, though not in the company. In the wings is yet another brother, Felipe.

Despite being dubbed the family baby, Felipe, 17, is anything but.

“He could sell snow to the Eskimos,” said JP, smiling. “He already thinks he’s already running the company.”



On Wednesday, December 16, 2020 Jon Paul Perez, President of Related Group, is photographed outside the company’s corporate office in downtown Miami, Florida. Note: The PhotoOp was only the portrait and nothing else. Corporate policy of “no visitor” during pandemic is strictly enforced. Carl Juste
CJUSTE@MIAMIHERALD.COM

A CONVERSATION WITH JON PAUL PEREZ

- On being a developer: “You become a creator, whether it’s super-luxury condos or affordable housing. Before every Thanksgiving, we give out turkeys to all of our affordable-housing residents, and the smile on their face — living in these brand new apartments and getting a turkey — they’re so happy, it makes you feel just as good as completing [luxury condo] Armani. Maybe better.”
- Aesthetics: “I think we’re different than most developers in that we’re not just about trying to make as much profit as possible on every single deal. It’s also important to [my father’s] legacy and potentially my legacy that when we develop, we’re thinking about enhancing neighborhoods and giving back to cities. We’re never going to have a blank wall; we’re going to put a mural or it’s going to be treated. If we have to build a little bit less density so that it architecturally fits within the neighborhood, we’ll do that....You just sort of you hope that by you setting an example that others will follow.”
- What’s next for South Florida: “Right now we’re coming out of this pandemic and saying, ‘where do we think the growth is going to be? Not it’s not just which neighborhoods, but where are the people coming from? We’re very bullish that there’s going to be a huge amount of these corporations moving in Miami, Fort Lauderdale, Palm Beach — maybe not moving all of their offices but a portion of the firm, like Blackstone....”

That led to the decision to build a Class A office building on Terminal Island at the MacArthur Causeway entrance to Miami Beach; the company also is looking at bidding on three sites being offered by the city of Miami Beach near Lincoln Road. “The heads of all these companies are buying homes on the Venetian Islands, Star Island and North Bay Road. They want to be close to where they are working, and their employees are living.” (And yes, he does think most people will return to offices.)

He also see opportunity in Coconut Grove. Related will relocate from its downtown offices to a 100,000-square-foot, eight-story building it is developing on Tigertail Avenue. It has additional space to lease that is drawing attention from financial services firms, he said.

- Climate change: He applauded efforts in Miami Beach to raise roads and improve infrastructure and hopes Miami will follow suit in the Brickell area. Both government and developers should raise base flood elevations. “We need to be conscious about the environment and be designing buildings that are more green and environmentally-friendly, such as LEED-certified.”
- Philanthropy and legacy: “[My father’s] legacy is is really two things. It’s the buildings and what he’s what he’s given back to communities as far as as far as enhancing neighborhoods, and now obviously [Pérez Art Museum Miami.] I definitely want to continue and build on the Related side and what he’s been able to do with that. I would love to be sitting here 40 years from now with my son in my shoes.

“As a family member, the legacy is the museum. Me and siblings are always going to be part of that and need to continue to carry that torch and represent it well. We do have a family foundation that at this point is mostly my father and [his stepmother] Darlene, my sister [Christina]... I hope to be involved it more over time, but at this point, I need to be focused on my role at this point in my life.”

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RELATED GROUP

Chairman and CEO: Jorge M. Pérez

President: Jon Paul Pérez

Vice Chairman: Adolfo Henriques

Executive Vice President / COO: Matt Allen

President and CEO / Related Development: Steve Patterson

President, Related Urban Development Group: Albert Milo Jr.

Founded: 1979

Company profile: Since the Great Recession, South Florida's largest condo developer (responsible for more than 100,000 condo and rental units) has diversified its portfolio to include market-rate multifamily rentals, affordable housing, and mixed-use projects, most in Florida. Key markets are Miami, Fort Lauderdale, Tampa, Jacksonville, Atlanta, Phoenix and soon, Denver.

Employees: 300