

HAUTE LIVING

LUXURY REAL ESTATE AND DESIGN

MAGAZINE



IT'S SHOWTIME!

Jorge Perez brings
Hollywood to Real Estate



“After the boom in the residential market, it was natural that commercial real estate would come back.”

AT SMK CAPE HORN'S HEADQUARTERS
Michael Konig, Samuel Konig and Eduardo
Covarrubias

An Office to Call Home

RIISING FASTER THAN ITS RETAIL OFFICE BUILDINGS, SMK CAPE HORN IS PIONEERING AN INDUSTRY.

By Melissa Cantor | Photography by Reynaldo Ales

With residential sales booming, retail sales are following suit, and SMK Cape Horn Development Group pioneered this market. Eduardo Covarrubias, a partner at SMK Cape Horn, says that the innovative real estate development group that brought the first retail office space to Brickell Avenue, “all got started one afternoon at Gordon Biersch.”

While a partnership between four of the most powerful and prominent men in real estate and finance—Covarrubias, Michael Konig, Samuel Konig and Eduardo Romero—might not seem like the type of alliance that can be forged over a few beers, this is Miami after all. In this city, a Chilean investment banker hailing from JP Morgan in New York City (Covarrubias), a real estate tycoon and former real-life apprentice of Donald Trump’s (M. Konig), an investment banker focused on public equity markets (S. Konig) and the former president of Bank of America in Colombia (Romero), can come together, spot a niche, and forever change commercial real estate both in this city and nationwide.

HL: You came together with the intent to enter the commercial real estate business. Why this industry specifically?

S. KONIG: When we saw the explosion that was going to come in the residential market, we thought it was a

natural fit that commercial real estate would probably come back—businesses would want to come to Miami.

This also goes back to our backgrounds and global perspective on the market, as we all grew up in South America. Because there isn’t the sophisticated infrastructure of banking and real estate finance that there is in the U.S., in South America commercial real estate is an asset.

HL: Having determined that you wanted to introduce the office condo to Miami, what was your first project?

M. KONIG: The first project that we picked was 1110 Brickell Avenue. We decided to do it partly because of the location. From now to 20 years from now, Brickell Avenue will always be a prime location, the Wall Street of Miami.

HL: Your next project was 1680 Michigan Avenue. Why do you market this building as the perfect location?

E. COVARRUBIAS: The beach has the media entertainment element that we don’t have in Brickell.

M. KONIG: It’s perfect because it’s very close to where you play and where you live. It’s a very exclusive work location, because there is such a limited amount of square feet on the beach, and most of these buildings are leased. The opportunity to own commercial space here makes this even more exclusive. Also, we

provide amenities with the ownership side: 24-hour security and concierge. It’s almost like a condo—this is a home for your office.

HL: This seems like an industry that is in many ways separate and different from the residential real estate market.

S. KONIG: It is a totally different set of factors that drive the industry. There are actually over 1,000 office condos in Miami-Dade, but they’re out in warehouses, not exactly on Main and Main.

M. KONIG: A commercial condo is more about financial reasoning, while a residential condo is a lot more emotional, because it’s about where you’re going to live and how you’re going to decorate it. There’s appreciation, of course, and there’s a business element to it, but it’s a lot more emotional than a commercial condo, where the intents are guided by what businesses can pay for rent. It’s a more stable market; you don’t have these fluctuations where you go to \$1,500 a square foot for space, but you have increases that are much steadier.

HL: Now that 1680 Michigan is complete, what are your future projects?

S. KONIG: We have a new acquisition on Key Biscayne, but we’re also looking at new projects. Because all of our backgrounds are in finance, we look very heavily on the financing and putting a deal together structurally. It’s definitely not just the real estate end of it; we’re almost like a one-stop shop for real estate investment banking. Part of our job is to find projects that make sense. There’s no real estate bubble—there are just a lot of people who present projects that may be unrealistic, and so there’s a need for a lot of filtering and an understanding of what can and cannot be done. **HL**