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REAL ESTATE PROPERTY REPORT

Miami Developers Court New York Restaurateur to Help Sell Luxury Condos

Since the pandemic, more landlords have facilitated new high-end eateries



A rendering of the Villa, a 58-story luxury condominium tower on the southern Florida waterfront.

PHOTO: BINYAN STUDIOS

By *Kate King* [Follow](#)

April 3, 2023 8:00 am ET

Major Food Group, the proprietor of trendy Manhattan restaurants such as Dirty French and the Italian eatery Carbone, is extending its brand into the booming Miami residential real-estate business.

The hospitality company, which opened its first restaurant in 2011, is joining two Miami-based developers to build a 58-story luxury condominium tower on the southern Florida waterfront. The project is Major Food Group's first affiliation with a residential building. It will be known as the Villa and will include Major Food Group restaurants, which the company said will likely be new concepts that draw elements from its existing brands.

"Food and beverage is now a forethought whereas before it might have been an afterthought," said David Martin, chief executive of Terra, one of the developers.

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The Villa will cost \$500 million to build and will break ground this winter, Mr. Martin said. It is scheduled to open in 2026.

The collaboration is the latest example of how landlords are increasingly turning to high-end restaurateurs to generate cachet, sell condos, drive up office rents or boost foot traffic for nearby retail properties.

Mall owner Simon Property Group Inc. said last week that Spanish chef José Andrés would open three restaurants at its shopping centers in Las Vegas and Palo Alto, Calif. In New York City, office landlord SL Green Realty Corp. tapped French chef Daniel Boulud to open public restaurants and dining services for tenants at its newest Manhattan developments, One Vanderbilt and One Madison Avenue.

Inflation has barely damped Americans' enthusiasm for dining out. Spending at bars and restaurants rose 15.3% in February from a year earlier, well above the pace of annual inflation, which was 6% in February according to the Labor Department's consumer-price index.

Major Food Group and Terra declined to comment on their financial relationship. But since the pandemic, more landlords are making it easier for restaurateurs to get started and minimize risk by lowering base rents and taking a percentage of the restaurant's monthly profit, said Andrew Moger, vice chairman at the brokerage Ripco Real Estate.



Simon Property Group said last week that Spanish chef José Andrés would open two restaurants at its shopping centers in Las Vegas.

PHOTO: SIMON

The Howard Hughes Corp. approached French chef Jean-Georges Vongerichten years ago about opening a restaurant in Pier 17, the developer's dining and entertainment venue on the southern Manhattan waterfront. Under their arrangement, the developer shouldered most of the costs associated with building out the seafood restaurant, the Fulton, and accepted a percentage of sales in lieu of rent, said Howard Hughes Chief Executive David O'Reilly. The chef and developer split the restaurant's profit, he said.

Howard Hughes said it has reached similar arrangements with several other restaurateurs, including Momofuku's David Chang and Andrew Carmellini of NoHo Hospitality Group.

"We came out of the pandemic with better results than we had ever seen at all our restaurants," Mr. O'Reilly said.

Mr. Vongerichten last year expanded at Howard Hughes properties, opening a 53,000-square-foot food emporium at the South Street Seaport. Howard Hughes also acquired a minority stake in Jean-Georges Management for \$45 million.

José Andrés Group entered retail after years of opening restaurants in luxury hotels, said President Sam Bakhshandehpour. The restaurateur opened Mercado Little Spain, a 35,000-square-foot food hall, in 2019 in the base of a new mall built by developer Related Cos. in its Hudson Yards mega-project on Manhattan's far west side.



A rendering of the Villa, which will cost \$500 million to build and is scheduled to open in 2026.

PHOTO: BINYAN STUDIOS

“For our real-estate partners, we accomplish two things: We help them push rents,” Mr. Bakhshandehpour said. “We become a destination for locals, we drive traffic and put them on the map.”

José Andrés Group’s partnership with Simon offers the opportunity to snag prime locations with heavy foot traffic, such as the Las Vegas Strip where the chef will open his Mediterranean restaurant Zaytinya at the Forum Shops at Caesars Palace.

In residential development, dining has become a standard amenity akin to gyms and spas, Mr. Martin said. Terra, which is teaming with the developer One Thousand Group on the Villa, recently sold out another restaurant-branded residential building, Mr. C Residences, that is wrapping up construction in Miami’s Coconut Grove neighborhood, with Ignazio Cipriani, a fourth-generation member of the family that runs Italian hospitality company Cipriani.

Branded residences, historically the dominion of luxury hotels, have in recent years attracted interest from other industries including restaurants, fashion houses and high-end car companies. Developers say they can charge premiums for condo units that are affiliated with luxury brands, which also can help distinguish their product in competitive markets.

The Villa residences will include about 60 units starting at \$4.5 million and offering 360-degree views of Biscayne Bay in Miami’s Edgewater neighborhood. There will be 20,000-square-feet of restaurant amenities, including a residents-only Italian restaurant, residential dining, private chef services and cooking lessons. The building will also have one restaurant open to the public.

Major Food Group is entering the residential business as prices have been falling in much of the country, but Miami remains a hot market. The city had the fastest annual home-price growth in the country in January at 13.8%, according to S&P Dow Jones Indices.

The New York-based Major Food Group has opened seven restaurants and private clubs in Miami over the last two years. Adding residential to its portfolio felt like the natural next step, said co-owner Jeff Zalaznick.

“Opening a restaurant, we’ve obviously done many times,” he said. “This time we get to help create the building that surrounds it and all the amenities.”

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