

Q & A WITH BERNARD WOLFSON

The developer talks about Miami's first green hotel

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By Alexander Britell



Bernard Wolfson and the new Hampton Inn in Brickell Tower

After 40 years in Miami real estate, developer Bernard Wolfson, president of Hospitality Operations, is bringing a first to the market -- the city's [only LEED hotel](#), a Hampton Inn in Brickell. The hotel is set for a soft opening in September, with a grand opening around the end of October. Wolfson, whose company owns five other Hampton Inn properties in the Miami area, along with a Wingate by Wyndham in Fort Lauderdale, talked to The Real Deal about greening the Brickell hotel, the changing market in Miami and the commercial sector's impact on Miami hospitality.

How did you make the decision to build the Brickell property as a green hotel?

Well, we finally found a piece of land that made sense, and we bought it, and we wanted to be up-to-date and cutting edge. We realized that doing LEED and being green, being sustainable is the way to go. Customers like it, environmentally sensitive customers like it, and we feel we're doing the right thing. In the long run we'll save costs on energy and other items. So this gave us a great opportunity to build a new hotel.

Is LEED different for hotels than office properties, which are increasingly looking to the certification?

Hotels are a tough thing because they use so much water and energy -- disproportionately to, say, an office building or a retail store. So the standards are the same, but because of the consumption of energy that a hotel requires, it's a little harder road to hoe.

Do you think we'll see more green hotels in Miami?

I think any sensible, realistic developer, whether he's doing hotels or office buildings, will look to LEED, because I think that's where the future is. Many people aren't going to pay extra for it, and of course we're not charging extra for it, although it costs us more to put it together. I think it's up to the individual developer. I think a smart developer would consider LEED, or at least consider implementing items that would be environmentally sensitive and safe to the environment.

What's the current state of the Miami hotel market?

Well, everybody got hurt a little bit in the recession. But I think we've recovered pretty well. The current market is pretty iffy, but we've come back strong in the last two years since the recession. So I think hotels were hurt pretty badly, as all businesses were, and [there are] those that are capable are recovering and we're among them. As a matter of fact, [the market] recovered to the point where I decided to build a new hotel in what would be considered a very difficult market.

What motivated that decision?

Well that's our business. We had a good location, we were able to acquire the property for a fair price. We hadn't built a hotel since 2002, because the land prices were skyrocketing, mainly because the condo developers were running up the price of land very high. For them, it might have worked, but it didn't make economic sense for a hotel to pay the price that was being demanded for land parcels. We bought this at the

end of 2007. It was slotted to be phase two of a neighboring condo, but the developer, who was out of Texas, saw that it was not a wise thing to do and moved on. We're doing a large Hampton Inn -- most run between 100 to 150 rooms, and we're doing 220 rooms. We're able to spread the cost of the land across more rooms.

Has changing activity in the residential market trickled over to the hotel market? Is there any relationship between the two markets?

The residential apartments [in Miami] don't have a great impact one way or another on the hotel. They're not going to hurt the hotel, they're not going to help it. My concern from the hotel standpoint is the offices that are down there -- the Brickell area, especially between the river and 15th Road, is the prime office area in Miami, but they don't have a mid-priced hotel. They have very nice, five-star hotels, and they service a clientele that's not our market. We're mid-priced, and when they rent for \$300 per night, we can rent for \$200 a night, and we're giving an alternative to a visitor who needs to be in that area for business.

Are you looking at more projects?

We're always looking for stuff. Our main focus right now is getting this one downtown and opened. There's not one specific area we're looking at, but if something comes up, we're considering it. We do want to stay in the Dade County, Broward County area. Right now 110 percent of our efforts are to get this particular hotel opened.