

# Invest.

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## Q&A:



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### **What was the impact of the pandemic on the development sector?**

That's a very broad question. On the management side, there were issues providing a sufficient number of employees to manage a property. Also, on the commercial side there were issues with some of our tenants still in terms of their ability to pay rent.

Thankfully the residential side fared much better. On the development side, there are more concerns. There has been inflationary pressure on materials and labor was difficult to obtain.

### **How do you expect cost and supply chain issues to develop?**

Inflationary pressure on costs is not new but today's environment, I think, includes pressures that are beyond inflationary. The problem arose because of COVID. Not only were manufacturers not able to produce the finished materials that we use but they also weren't able to collect the raw materials.

I don't know that you can really factor that kind of inflationary pressure into a project cost but I will say that if you haven't overleveraged yourself, you're probably better off than someone who has.

### **Do you see any similarities between now and the 2008 crash?**

I don't see any similarities. Ten years ago, there was an oversupply of real estate and a lot of people were invested in it hoping to make money in the market and they lost money. Now though, certainly the single-family market is extremely strong, and not as an investment tool.

Today, the government has tried to backstop a lot of renters and homeowners, and the institutional investors have a lot of cash for commercial assets, including single-family homes.

That being said, certain commercial and retail properties have been negatively affected and it will take some time to come back. ■