



2016

On development with Paul Keller and Carlos Arnaiz

Carlos Arnaiz: How do you decide what to build next?

Paul Keller: We review market conditions (supply & demand & cost & revenue) in each Target Market we are investing in. Once we understand market conditions we look at various asset classes to determine highest and best use for a neighborhood/property. Our investors (Limited Partners) generally have target Markets and Asset Classes they are trying to invest in (“The Box”).

CA: What is your most important business relationship?

PK: Without question our investors.

CA: How should we respond to climate change?

PK: Mack Urban is trying to stay informed with building technologies that reduce the assets “footprint”. We look at both construction materials and building systems (MEP, Fire Life Safety, etc.)

CA: How will the future of your industry be different?

PK: Almost all of our development / investment activities are around the multi-family asset class. Therefore we are carefully watching both the millennials & the ageing boomers. Each has different needs and priorities. Community amenities and unit size are very important to millennials as well as service levels offered by our property management team(s). The boomers are very interested in surrounding land uses (universities, shopping, health care, etc.) along with building amenities and service levels. How these two groups behave and establish “norms” have biggest impact on our industry.

CA: How is our built environment changing?

PK: The movement of capital around the world and the social climate in each market is creating change. Capital has become very aware of worldwide investment opportunities and constraints. Rule of law and demographic conditions are on the forefront of investment decisions. The demands and desires (income, age, etc.) of the local population drive change.

CA: What is good architecture for you?

PK: Timeless design! Very high quality execution (details, materials, scale, etc.)

CA: What is your dream project?

PK: So far in my career (+35 yrs.) I have been very very lucky regarding my direct involvement with many different assets classes, master planned communities, resorts and projects (including the Cathedral in Los Angeles). At this point I'm most interested in tall slender buildings and TOD's.

CA: What project by another developer do you admire and why?

PK: My partner Bill Mack co-developed with Related Companies Time Warner Center at Columbus Circle in New York. That project is very well thought-out and designed. I admire a number of tall residential & commercial buildings in Hong Kong, Beijing, Vancouver and Miami. I really enjoy great design and execution.

CA: What keeps you up at night?

PK: Our execution on so many business plans at once and disappointing our investors and customers with stupid preventable mistakes.

CA: What was your biggest professional mistake?

PK: Investing too quickly and selling too late! (I have been very lucky to work over the years with mostly good and great architects).