

DBA Newsletter

Developers & Builders Alliance

december | 06

2007 SYMPOSIUM

Fast forward -real estate trends and the impact of high density development over this decade

Land development for sustainable use

What lies ahead for future development in Florida

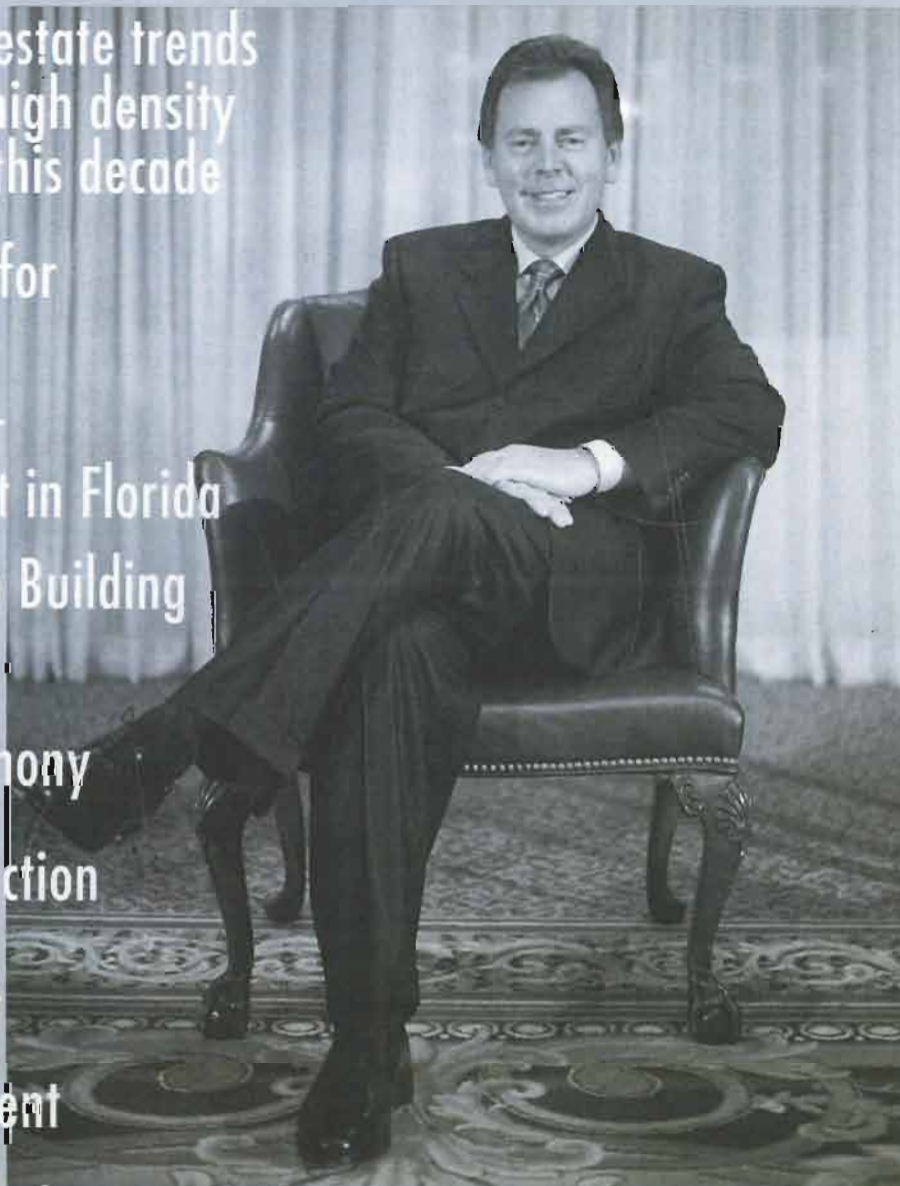
The State of Green Building in South Florida

Inauguration Ceremony

Design and Construction innovation for urban development

Urban Redevelopment

Opportunities in hotel development and entertainment properties



Richard C. Kessler
President, Developers & Builders Alliance
Chairman and CEO, The Kessler Collections

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Developers & Builders Alliance

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am pleased to be your 2007 Developers & Builders Alliance President. DBA has a short but rich history and a promising future. This was clearly evidenced by the first-rate presenters, relatable topics of discussion, and the outstanding attendance of its members at the DBA 2007 Symposium for the Building Industry last month; I thank each and every one of you who spent the day with us.

The Foundation has been laid for our DBA future, your future, by respected and experienced leaders in our industries. A future of membership growth with a focus on Central and North Florida, meaning more contacts and relationships with professional and important leaders. A future of expanded, relevant and powerful programs responding to your requests and needs. A future of enjoyable meetings and socials with old and new friends. In short, a future DBA that is more valuable to you.


DBA has a purposeful mission:

...To unify our members within the development and building industry
...To provide support, information and communication
...To serve as an advocate of diverse interests on public policy matters

With this mission, city leaders, builders and developers together can "Build a Better World". You are a valuable member and participant in DBA. Be creative, be supportive, and be enriched from this opportunity.

I look forward to our next meeting. Happy Holidays!

Personal regards,



Richard C. Kessler
President, Developers & Builders Alliance
Chairman and CEO, The Kessler Collections



about the President

Combining an entrepreneurial business sense with creative energy and dedication to purpose, Richard C. Kessler is a visionary, entrepreneur, astute businessman, philanthropist, Georgia Tech Bachelor and Masters degreed alumnus in Engineering, honorary Ph.D. recipient from Valparaiso University and Newberry College. Born in Savannah, Georgia and reared in Effingham County, Richard has received the Effingham County Honored Treutlen Award for Outstanding Leadership, the distinguished Alumnus Award at Georgia Tech, and the Dean's Medal for singular commitment and contribution to the Candler School of Theology at Emory University. During his 32 years in the field of hotel development and operations including nine as President and Chairman of Days Inn of America and 22 as President and CEO of The Kessler Enterprise, Inc., Kessler has become a nationally recognized industry leader. Having served seven years on the Industry Advisory Council of the American Hotel and Motel Association, he has helped to develop outstanding hospitality practices nationwide. His hotel company today is known as The Kessler Collection, a portfolio of boutique four and five diamond quality properties located in Florida, Georgia, Colorado and New Mexico.

As former Chairman of the Board for Lutheran Brotherhood (a Fortune 500 Minneapolis-based financial services organization), founder and Chairman of the New Ebenezer Conference and Retreat Center, founder and board member of Treutlen House for children, founder and sustainer of The Kessler Reformation Collection at Emory University's Pitts Theological Library, and sponsor of six scholarship programs, Kessler is a consummate supporter and leader of worthy causes.

years of speculation." Also noting, "concessionary buyer incentives, hidden or ignored by appraisers, mask true price declines". McCabe's forecast for 2007 "isn't pretty". He projects the downturn to shift into second and third gear in the second half of the year. He believes that the first quarter will see an uptick in sales as snowbirds and bargain hunters are enticed by discounts and incentives leading to probably three good months of sales volume. He predicts flippers not being able to sell for profits or can rent units near carrying costs resulting in foreclosures on closed properties to skyrocket. Speculators will begin "walking away" from deposits on unclosed units and some projects will see 40-50% cancellations. "Lenders begin calling notes on developers and REO becomes a popular term again", projects McCabe. He continues, "Wholesale, bulk, and portfolio sales have sudden impact drops on many Florida markets". According to McCabe the worst case scenario —The housing bubbles in California and Florida have a domino affect on Phoenix, Las Vegas, Denver, Chicago, Washington DC, etc. Two trillion in ARM's & Negative-Am interest only loans hit first adjustment in the next 30 months; many will see payments rise 40-50%. Again, foreclosures rates multiply. Inflation requires upward movement of short term rates and the housing slump moves from both coasts across the country. He concludes that paper wealth is greatly reduced or eliminated.

Raul Masvidal, Chair, ULI Southeast Florida/ Caribbean, spoke of *Land Development for Sustainable Use*. The essence of Mr. Masvidal's presentation is that South Florida's fast population growth forces it to act and think as a "region". To support this, he stated that "South Florida, in spite of its detractors such as Time magazine, continues to be a very attractive place to live. Immigration to South Florida, both domestic and foreign, presents a challenge but is what fuels high economic growth. In spite of its growth problems, Masvidal noted that fast-rate population growth will continue in the foreseeable future. He explained that the lack of available land for future development forces it to look to the urban core for development opportunities. He also included that the lack of good planning for infrastructure has been the region's major drawback. Human services needs have not kept pace with infrastructure advances. Transfers in relative populations within regions are inevitable when there are huge economic disparities between adjacent regions.

Carolyn Mitchell, President of the U.S. Green Building Council South Florida Chapter addressed the audience on the state of Green building in South Florida. She highlighted the rapid increase in the number of local green building projects in the last year but noted that South Florida is well behind other regions in adopting green building practices. Green design and construction practices significantly reduce or eliminate the negative impact of building on the environment and building occupants by using best-practices in sustainable site planning and design, safeguarding of water and water efficiency, energy efficiency and the use renewable energy, conservation of materials and resources and by ensuring indoor environmental quality. Ms. Mitchell noted that the South Florida market has only recently begun to catch up with other metropolitan areas where green building is more established. Projects registered with the U.S. Green Building Council to achieve certification according to its widely recognized Leadership in Energy and Environmental Design (LEED) rating system have risen from zero in 2005 to 12 today, with twice that number of projects incorporating sustainable building practices of some kind. There are more than 7,000 LEED registered projects throughout the United States, making South Florida a small fraction of the green building market. Ms. Mitchell noted that McGraw-Hill and the National Association of Office and Industrial Professionals are predicting a 30-65% increase in green construction nationally in the near term and cited as a reason for this rapid increase the growing recognition of the financial benefits of green building, which include lower operating costs, productivity and sales benefits for businesses operating in green buildings, higher asset valuation and risk reduction.

The U.S. Green Building Council's core purpose is to transform the way buildings and communities are designed, built and operated, enabling an environmentally and socially responsible, healthy, and prosperous environment that improves the quality of life. The organization has a committee-based structure that engages industry, government, the public, and others to support green building development. The U.S. Green Building Council South Florida Chapter was established to bring the resources of the U.S. Green Building Council to South Florida. The Chapter provides education about Green Building locally.

The Inauguration Ceremony of new DBA President, Richard C. Kessler, Chairman and CEO of The Kessler Collection, and a special recognition awarded to State Attorney, Katherine Fernandez-Rundle took place at the Symposium event

