

MANSION GLOBAL

In Miami, a \$300 Million Skyscraper Is Banking On Unrest in Turkey

Developer Bekir Okan's pursuit of Turkish investors is a new twist on an old strategy in the North American real-estate market

BY MAYA SWEEDLER ORIGINALLY PUBLISHED ON JULY 10, 2018 | THE WALL STREET JOURNAL | MIAMI



A rendering of the top-floor pool of Okan Tower.
Behar Font & Partners

The reelection in Turkey of President Recep Tayyip Erdogan last month did little to encourage foreign real-estate investors who have been avoiding the country because of his authoritarian rule.

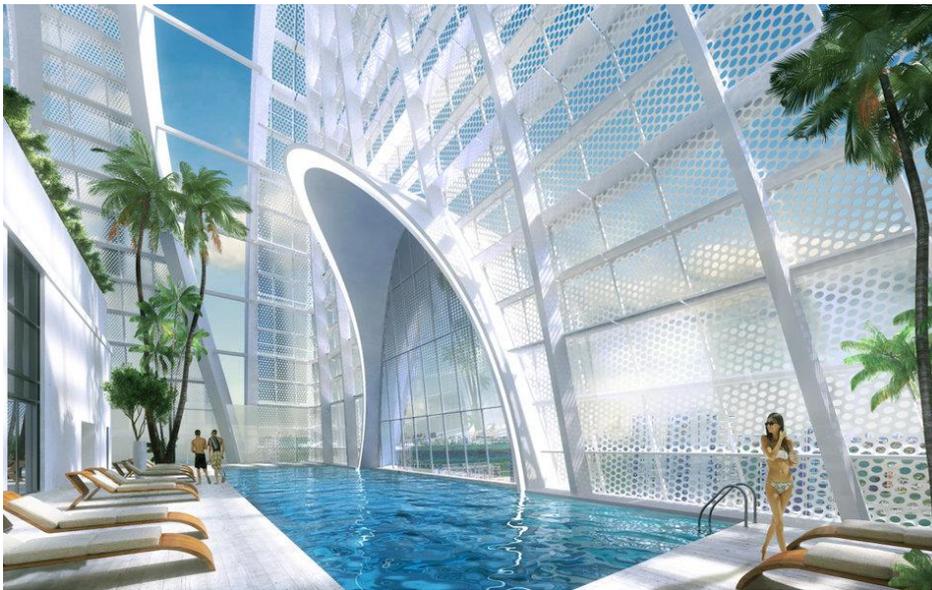
But the country's economic uncertainty may prove helpful to Turkish real-estate developer Bekir Okan and his plan for what would be one of Florida's tallest towers.

Mr. Okan, an active developer in Turkey and Central Europe, has been marketing condominiums in the planned 890-foot mixed-used project, named Okan Tower, to wealthy Turks eager to move capital out of their country. In May, he opened a 3,000-square-foot model condo in Istanbul to help his sales effort.

Mr. Okan predicts that Turkish investors will be even more eager to move capital out of the country in the wake of Mr. Erdogan's victory. "The Turks love Miami, the weather and the stability in politics," he said through an interpreter.

His company, the Istanbul-based Okan Group, has sold 45 of the Miami project's 389 residential units. Mr. Okan said he is hoping to break ground on the \$300 million project in November and complete it in 2022.

Mr. Okan's pursuit of Turkish investors is a new twist on an old strategy in the North American real-estate market. Developers of condominiums and other properties in major cities have increasingly been seeking buyers among wealthy foreigners dubious about the political and economic stability in their own countries.



A rendering of the top-floor pool of Okan Tower.
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Miami developers for years have been marketing real estate to Brazilians, Venezuelans, Mexicans and other Latin and South Americans who feel at home in South Florida. Asian buyers have pushed prices higher in North American markets like San Francisco, New York, Vancouver and Toronto.

Turks have for the most part stayed out of the U.S., preferring to put their money in European cities like London and Paris. But Mr. Okan is hoping to change that.

Turks "see potential for a future in South Florida, especially Miami," he said.

Designed by Miami architect Robert Behar, Okan Tower's amenities include a "sky pool" on the top floor, a restaurant and a hammam, or Turkish bath. And to ensure the connection to Turkey is not lost on viewers, the building's façade is modeled after a tulip, the Turkish national flower.

"Tulips are both the national flower of Turkey and symbolic of wealth," Mr. Behar said. "When first looking for inspiration, I wanted to create something that would leave a lasting impression in Miami that also had a symbolic reference to Turkey."

Mr. Okan is planning to finance Okan Tower, which is slated to include a 294-unit Hilton-branded hotel, with all equity, he said. Thus far, he has put in \$25 million. Unlike other Florida developers, he isn't planning to use deposits on presales to finance construction, he said.

Still, Mr. Okan is planning to move forward even as the Miami market continues to cool.

The average price per square foot in the downtown Miami condo resale market peaked at \$457 in 2015 before falling to \$405 in 2017, according to an April report from Integra Realty Resources commissioned by the Miami Downtown Development Authority.

Meanwhile, developers have been active. In 2016, they delivered 2,202 new units in downtown Miami, an eight-year high. This year, about 2,899 units are expected to be delivered, the Integra Realty Report said.

Okan Tower is planning price tags starting at \$318,500 for condo-hotel units, which will be operated as hotel rooms when the owners aren't there, and at \$1.9 million for duplex penthouses.



The building is modeled in the shape of a tulip, Turkey's national flower.
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Other luxury projects currently under construction in Miami include One Thousand Museum, a 62-story residential condominium that was one of Iraqi-British architect Zaha Hadid's final projects before her death in 2016. The 418-unit One River Point also is expected to be completed early next year. Among its amenities are a poolside food and beverage service, a 6,000-square-foot fitness center and a pet spa.

Mr. Okan, 68, who began his career as a math teacher, founded the Okan Group in 1972. Today, the group has investments in sectors ranging from energy and education to construction and tourism, and it has developed more than 15 million square feet of space in Turkey and Central Europe, Mr. Okan said.

Mr. Okan developed ties with South Florida in the early 1990s when he visited the region with former Turkish president Turgut Özal. Okan Tower would be his first major real-estate project in the U.S., though he also opened a satellite campus for his Istanbul-based Okan University in nearby Dania Beach, Fla., in 2015. Mr. Okan's daughter and youngest son also earned degrees from universities in South Florida, and two of his grandchildren were born in Miami Beach.

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