

Miami Wealth Boom Drives New \$1 Billion Mandarin Hotel Project



A cloud of dust and smoke filling the Brickell neighborhood following an implosion of the former Mandarin Oriental hotel on April 12. *Photographer: Zak Bennett/Bloomberg*

- Miami's Mandarin Oriental ended a 25-year run with a planned implosion to make way for a \$1 billion luxury project.
- The development will include a new 34-story Mandarin Oriental and a 66-floor residential tower with condos starting at \$6.6 million.
- The developer, Swire Properties Inc., has generated \$1.3 billion in sales from about half the units on offer, with the new hotel set to serve as the North American flagship for the Mandarin Oriental chain.

Miami's Mandarin Oriental ended a 25-year run with a planned implosion over the weekend that took less than a minute. From the rubble will rise a \$1 billion luxury project fueled by the city's wealth boom.

The development will consist of a new 34-story Mandarin Oriental, plus a 66-floor residential tower with two-bedroom condos starting at \$6.6 million. The building's two penthouses recently sold for \$50 million apiece before the implosion even occurred, and years before construction is slated for completion in 2030.

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The former Mandarin Oriental hotel following an implosion on the island of Brickell Key on April 12. *Photographer: Zak Bennett/Bloomberg*

The developer, Swire Properties Inc., says it's already generated \$1.3 billion in sales from about half the units on offer. The new hotel will serve as the North American flagship for the Mandarin Oriental chain, with fewer and bigger — and pricier — rooms.

“The combination of us, Mandarin, the location and the design is driving extraordinary sales success,” David Martin, president of Swire Properties, said in an interview before the implosion. “And it doesn't seem to be slowing down.”

Swire is part of the corporate family tree of a [200-year-old company](#) that owns Cathay Pacific Airways Ltd. and mostly operates in Asia. It's been in the Miami market for more than 40 years. In the late 1970s, Swire began buying up the man-made key next to Brickell, paying a financially struggling developer some \$17 million, Martin said.

It proceeded to develop the area now known as Brickell Key over the ensuing decades, adding condo and office buildings along with the Mandarin Oriental, which opened in 2000.



A rendering of the garden cabanas at the Residences at Mandarin Oriental in Miami. Source: Swire Properties/The Residences at Mandarin Oriental, Miami

During the financial crisis in 2008, Swire started to buy lots in central Brickell and eventually developed what is now Brickell City Centre. The popular mixed-use complex includes a high-end mall, hotel, office towers and condos, all connected to public transport in a neighborhood that's a favorite with social media influencers.

In the past few years, Swire exited those properties in a series of transactions that netted nearly \$1 billion in proceeds. That cash is now being deployed into the Mandarin Oriental hotel and branded residences project.



Onlookers along the waterfront before an implosion of the former hotel, center, on Sunday morning. Photographer: Eva Marie Uzcategui/Bloomberg

While Latin American buyers traditionally comprised about 75% of the investor pool in residential projects for

Swire, sales in the new development show that about 65% are US domestic customers, mainly from Florida, New York and California, according to Martin.

“The fact that this is mainly domestic US money speaks to the asset accumulation, capital accumulation that’s happened in the country in the last 10 to 20 years,” he said. “That’s pretty broad.”



A rendering of the penthouse level at the planned Residences at Mandarin Oriental in Miami.

Zoning rules in the area also changed over the past few decades, enabling Swire to pursue much taller buildings and more urban density in a rare walkable neighborhood with good transportation options.

Swire held a farewell bash for the old Mandarin Oriental in May of last year, in a nod to the nostalgia that many long-time visitors felt for the hotel, which was among the first five-star lodgings in the area outside of Miami Beach. The event also served to try to lure new buyers.

“Everybody has a story of the Mandarin,” Martin said. “The good news is we’re bringing it back.”