

Long-Term Investment

An Interview with Matthew Whitman Lazenby, President and Chief Executive Officer, Whitman Family Development LLC

EDITORS' NOTE Matthew Whitman Lazenby, President and Chief Executive Officer of Whitman Family Development, is the fourth-generation leader in the family-owned business that began developing commercial real estate in Miami in the early 20th century. Lazenby represents his company in development, leasing, operational and asset-management issues, including for the international, luxury shopping destination Bal Harbour Shops, located on Miami Beach, and for the more than 500,000



Matthew Whitman Lazenby

square feet of retail space planned for Brickell City Centre, a \$1.05 billion, mixed-use development in downtown Miami's Brickell area. Before joining his uncle, Randall Whitman, and grandfather, Stanley Whitman, as a leasing agent at Bal Harbour Shops in 2003, Lazenby had been employed by Robert K. Futterman & Associates, where he was immersed in New York City's retail industry and came to appreciate the tenant's perspective in selecting sites and negotiating with landlords. Lazenby had also been a leasing agent for The Taubman Company, a publicly traded Real Estate Investment Trust (REIT), headquartered in Bloomfield Hills, Michigan. At Bal Harbour Shops, Lazenby soon rose to director of leasing/general partner and then to operating partner. In 2013, Lazenby was named President and CEO of Whitman Family Development. Lazenby is a member of numerous trade groups and is active in community organizations, including the Urban Land Institute, the International Council of Shopping Centers, Mount Sinai Hospital's Foundation Board, the Buoniconti Fund to Cure Paralysis' Board of Directors, and Miami Country Day School's Board of Trustees, where he serves as its secretary. Lazenby holds a master's degree in real estate development and urbanism from the University of Miami and an undergraduate degree in English literature from the University of North Carolina at Chapel Hill. He previously taught English at his alma mater, St. Thomas Episcopal School in Miami.

COMPANY BRIEF Whitman Family Development (whitmanfamilydevelopment.com) is a family-owned, diversified real estate development, management, and leasing company specializing in retail and headquartered in Miami Beach, Florida. Among other interests, Whitman Family Development is the developer, owner and operator of the acclaimed Bal Harbour Shops, ranked the world's

#1 shopping center by the International Council of Shopping Centers, and is the co-developer of the retail components of Miami's Brickell City Centre.

Will you discuss the history and heritage of Bal Harbour Shops?

In 1957, my family purchased a 16-acre site across the street from the beach in Bal Harbour, paying a record price for the retail property. My grandfather, Stanley Whitman, immediately realized the potential in luxury retail decades before the rest of the shopping

center industry caught on. He traveled around the U.S. studying shopping center designs to discover innovations that would make his all-luxury fashion center unique and responsive to the needs of the customer. Opening in 1965, Bal Harbour Shops had a serene visual aesthetic like no other shopping destination with lush tropical landscaping and an upscale merchant mix of what were then principally New York tenants. In 1971, my grandfather succeeded in enticing Stanley Marcus to open the first Neiman Marcus outside of Texas. When Saks Fifth Avenue opened in 1976, Bal Harbour Shops

became the first shopping center to have Saks Fifth Avenue and Neiman Marcus together under one roof. In 1977, Gucci joined the tenant roster at Bal Harbour Shops and quickly generated record sales. The world's most coveted fashion and jewelry brands followed, establishing Bal Harbour Shops as the nation's top retail sensation and the world's most productive shopping center.

How do you describe Whitman Family Development's culture and values?

We are proud to be in our fourth generation of ownership. Our unrelenting focus on the long-term investment is part of our DNA and I believe part of our continuing success. My grandfather made Bal Harbour Shops an experience, a tropical oasis to see and be seen. We want to safeguard Bal Harbour Shops' unique character and continue to provide the emotional connection our customer has come to expect.

What have been the keys to Whitman Family Development's leadership in the industry and how do you define the Whitman Family Development difference?

We have a dedicated team of diverse professionals – some of whom have been with us for 40 years or more – who are an indispensable



The center courtyard at Bal Harbour Shops



The north Koi pond at Bal Harbour Shops

part of our success, who love what they do and the people with whom they do it, who share a common value set, who have all adopted a common mission, and who share willingly in both our triumphs and in our tribulations too. In short, our team is like a family and it's one of which I am very proud.

Will you provide an overview of Whitman Family Development's portfolio and upcoming development plans?

Whitman Family Development is a family-owned, diversified real estate development, management, and leasing company. Among other interests, we are the developer, owner, and operator of Bal Harbour Shops, ranked the world's #1 shopping center by the International Council of Shopping Centers, and are the co-developers of the retail components of Miami's Brickell City Centre.

As for what's next, the expansion of Bal Harbour Shops began in 2018 with a plan to expand the shopping center to a little over 600,000 square feet from 450,000 square feet,

nearly doubling the current mall store space. The \$550-million renovation plan will protect the idyllic experience and maintain the intimacy of the human scale, while recognizing that we need to continue to be responsive to the evolving needs of our customers. We are focused on designing the next generation of Bal Harbour Shops that celebrates the stores themselves with the compelling design that continues to resonate with people on an emotional level.

Through the success of the *Bal Harbour* magazine and our recently launched Commerce division, we also have a well-defined strategy to expand Bal Harbour Shops itself into a leading lifestyle brand.

What are your views on the future of retail and the need for retailers to adapt and evolve to meet the needs of today's shoppers?

Shoppers' behaviors and expectations have changed dramatically and continue to evolve. I do not believe in the end of shopping centers, but rather in the resurgence in brick and mortar

for the luxury sector when engaging with your customer with a consistent message. One specific uptick we are noticing is that restaurants themselves are generating business that is every bit as strong as the other categories like apparel, jewelry, and shoes. Part of our DNA and growth strategy has been focused on restaurant development as that creates the most person-to-person connections and meaningful experiences that define us.

What do you see as Whitman Family Development's responsibility to be engaged in the communities it serves and to be a force for good in society?

Our civic responsibility is the root of what my family has always been all about. We host annual events at Bal Harbour Shops that are dedicated to advancing and supporting our community such as Ice Cream We Love, which continues my grandfather's philanthropic legacy in supporting Holtz Children's Hospital, and we have a long-standing history of engaging with the community broadly.

What do you feel are the keys to effective leadership and how do you describe your management style?

The most effective leaders are good listeners first and foremost. They speak last; not first. They provide, foster, and safeguard the company's vision, mission, and values and have no tolerance for anyone who does not. But they support with steadfast conviction everyone else and, like a gyroscopic stabilizer on a boat, do their level best to keep the boat steady no matter how hard or how fast the waves come.

What has made the family dynamic work so well for Whitman Family Development?

Our unrelenting focus on the long term liberates us from limiting our earnings focus to quarterly results and measures value creation not over a typical 10-year hold period, but over the generations. But you need multiple generations for that type of outlook to be successful and we're fortunate to be on our fourth with a fifth in the offing. Being a part of something larger than you, that began before you were born and will live on long after you die, is immensely rewarding.

What advice do you offer to young people interested in a career in real estate?

Buy low and sell high. A close second would be this, a takeaway from a class I took at the University of Miami whilst pursuing a degree in real estate development and urbanism: "Real estate is a 10-year cycle with a 5-year memory." When you hear someone say, "This time it's different," it almost certainly will be exactly the same.

With all that Whitman Family Development has achieved over generations, are you able to take moments to reflect and celebrate the wins, or are you always looking to the future and the next opportunity?

There are no victories without failure and while we do a decent job of celebrating the wins where we can, I give us more credit for examining the failures in the hopes of learning from them and applying those lessons to the next opportunity. To be sure, we don't always get this right – but we always try. ●