

## 5 Questions With Greg West of ZOM Living



GREG WEST, CEO OF ZOM LIVING, AND WATERMARK AT CORAL GABLES, FLA.

Apartment developer [Zom Living](#) has projects underway throughout South Florida and the Sun Belt. ZOM is in the midst of developing the 1,200-unit MiLine project in unincorporated Miami-Dade County, and the company's ZOM Senior Living division recently completed projects in Coral Gables, Wellington and West Palm Beach.

In all, the company has 4,500 units in various stages of development, said Greg West, CEO of ZOM Living, who spoke to Commercial Observer about rents, conversion projects, and the opportunities and challenges in the market moving forward.

*The following interview has been edited for length and clarity.*

**Commercial Observer:** Multifamily rents shot way up during the pandemic, then hit a plateau. What are

### **you seeing on that front?**

**Greg West:** There was a period of time where the rate of growth was extreme. That ended for the most part in the middle of 2022. Since the middle of 2022 all the way to the first half of this year, rents have been pretty flat. We have overbuilding in South Florida, as we do around the country. But the market is absorbing it. Because of the supply that's coming onto the market, we're not able to grow rents at all.

However, there have been very few new housing projects that have started, so by the middle of 2025 all the new projects will be delivered. And in 2026 and 2027, we could start to see rent growth again.

### **Apartments are hot, offices are not. Are you able to convert office buildings to apartments?**

The older suburban office that's not very desirable in the marketplace is a ripe opportunity for redevelopment. We're in the site plan approval process with the City of Doral for a suburban office building. If we move forward, we'll tear the building down and build new.

We've looked at adapting office buildings quite a few times. It's very, very unusual, shall we say. The configuration of an office building is just not conducive to residential – office buildings have bigger floorplates, and residential wants smaller floorplates. But in South Florida, all of the virgin real estate is gone, so development opportunities only come from repurposing obsolescent uses.

### **Your MiLine project is near the Ludlam Trail. How do amenities factor into your new projects?**

The home is not the only factor. People care about what amenities they have in close proximity. There's a huge value-add to being able to go somewhere and not have to get into your car. For that reason, we were very attracted to the Ludlam Trail property.

In terms of other amenities, we want people to be comfortable that the gym we provide allows them to get rid of their gym membership. Gyms and swimming pools are No. 1 and No. 2 in terms of amenities, but a fast-growing No. 3 is giving people a place to work outside of their homes. We typically provide some offices for rent, so you can leave your things in there and no one else can have access to it. But if you just need a desk for an hour or two, there's no charge for that.

### **Before the pandemic, multifamily developers talked about “renters by choice” – tenants who could afford to buy but chose to rent. Is that type of tenant still a force?**

The renter by choice definitely still exists. There's been a secular change in our society. We're more mobile than we've ever been, and people change jobs more than ever. As people change jobs, they often change location. If you own your housing, it really puts a constraint on the choices you have in your professional career. We see a lot of people rent for that reason.

The other thing is that the spread between renting and owning has never been higher – home prices are high, the cost of insurance is rising. There's a growing segment of the population that can't afford to buy, or who just choose not to buy.

### **What's your biggest challenge?**

The availability of financing. The recent economic cycle has caused a lot of investors to pull back and not invest at all, or to invest very, very selectively. What investors seek the most is stability. The worst outcome for them is to buy something and to have it be less than they paid for it in a month or a year. So they just choose not to invest. It's been that way for two years now.

I think we've hit bottom. The Fed cutting rates is a sign of that. There's still a lot of uncertainty around the election, but I think 2025 is going to be a much better year.

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