

POWER COLLECTIVE

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Executive Profile: Key International's Inigo Ardid on real estate and change



Inigo Ardid, co-president of Key International, at his home in Key Biscayne

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Inigo Ardid

Age: 45

Birthplace: Madrid

Residence: Miami

Current position: Co-president, Key International

Previous position: VP, Key International

Education: B.B.A., Pepperdine University

Inigo Ardid first came to Miami at 3 1/2 years old. Since then, he's spent most of his life in South Florida and involved in Key International, the business founded by his father, Jose.

The Miami-based company has built 10 million square feet of residential properties and more than 3,000 hotel rooms in the southeastern U.S., Spain and Portugal. Aside from hotels and residential buildings, its portfolio includes about 407,000 square feet of office space across seven local buildings.

Ardid runs Key International with his father and brother, Diego. He also oversees land acquisition efforts and financing activities related to new developments. The *Business Journal* spoke to him about the twists and turns of the real estate market, how he prepares for disaster and what he does to relax.

What was your first job? Within Key International, helping manage a cargo handling company at the airport. I was 19 years old.

How has Miami changed for the better since your childhood? It has become a metropolis, a very serious city where there are very good businesses, a lot of diverse cultures, very good restaurants and a lot of different things to see - from the theater to museums, and Art Basel to sporting events. It has just become such a more grown-up city.

What still needs to change? South Florida, for a lot of the workforce, is a very expensive place to live. [Miami] shouldn't be a city where only rich people can live. It should be a city where you have housing stock for everybody. And the traffic impact is probably another of the big negatives of Miami.

How will South Florida's residential real estate market perform in the future? The residential market should remain strong. It does have some headwinds going into the next two years.

Let's start with the good part. There is a tremendous amount of demand. South Florida was a huge beneficiary of Covid, and the massive relocations that occurred throughout the U.S. I don't see any drop in occupancy. So that means we are not oversupplied, and it seems that people are staying in Florida.

[But] supply chain issues are a problem. It is more expensive than ever to build, and it is harder than ever to build. Even if you have a project that is ready to go, it is very difficult to find the labor. [If developers] can supply the market with more product, that will ensure that rents will stabilize or go down. But it is just hard to get the product built, which will keep rents high.

The higher interest rates could affect the market, especially the for-sale product. It will make it more difficult to buy.

That is a long way of saying there are a lot of things to be optimistic about, but there are some clouds on the horizon.

What about the hotel market? Leisure travel is back with a vengeance, but business travel is not. Hotels that are demand-driven will do very well. But if you have hotels that rely on business travelers, it is going to be more difficult.

Any thoughts on the office market? I think Class A office throughout South Florida is going to be a huge game-changer. We will continue to get the big financial firms and some tech, which will [mean more high-paying jobs].

What is your favorite TV show? “Yellowstone.” I like how [the show] builds out the characters, and makes you feel like you know them.

Where do you like to vacation? Costa Rica and the Bahamas.

What do you do to relax? I like being with my family, and I like surfing a lot. Whenever I am on vacation, I am either surfing or spear fishing.

In the *Business Journal's* Power Leaders in Real Estate section, you mentioned that the 2008 financial crisis changed you. How? Everything looked so strong in 2005 and '06. But it turned on a dime. We really saw how fragile the system is. You've got to be prepared for bad days.

How do you prepare for bad days now? The best way is cash. Cash, at times, feels like an asset that devalues tremendously, [but] in bad times it is what saves you. So, it is kind of like an insurance policy. It ensures you have enough cash to save your company on a rainy day.

Any other events that changed you? Having kids and being married changed me [for] the better. I have three kids - 14, 12 and 5. That changes your perspective on what is important and what is not important. You start living much more for them and much less for yourself.