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Executive Profile: Newgard Development Group's Harvey Hernandez on the pursuit of his dream job



Harvey Hernandez, CEO at Newgard Development Group, at his Miami offices.

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By **Brian Bandell** – Real Estate Editor, South Florida Business Journal
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Harvey Hernandez

Age: 51

Birthplace: Caracas, Venezuela

Residence: Miami

Current position: CEO of Newgard Development Group, founder of Natiivo Hospitality

Boards/organizations: Member of the Urban Land Institute

Education: Attended Miami Dade Community College

Harvey Hernandez came from Venezuela to Miami, at 19, without a job and no local connections in the business world.

But more than 30 years later, he's become one of the most active developers in South Florida.

Miami-based Newgard Development Group has a five-tower development site on the south side of the Miami River, and the first building there – the 362-unit Lofty Brickell – is 95% sold and breaks ground this year. He also heads Natiivo Hospitality, which creates multifamily buildings centered around short-term rentals.

Hernandez said he plans to launch his first Natiivo project in Fort Lauderdale this year. His company recently bought a property on Broward Boulevard for \$31.24 million.

With 20 employees, Newgard recently moved into a new office in downtown Miami as it prepares for more growth.

What was your first job? When I arrived at 19, I worked in a restaurant for a little more than a year. It was a Cuban cafeteria in downtown Miami. Fast forward many years, and I was very close to buying the building where the cafeteria was located, but I lost it to Moishe Mana.

Why did you come to the United States? Like many immigrants I was looking for opportunities. I wanted to come to the U.S., learn another language, perhaps expose myself to other opportunities. I came by myself. I didn't even know where I was going to stay. I had no friends. I stayed in a hotel by the airport. It was a Holiday Inn. It cost me \$85 that night. I had \$1,600 total so that was a very expensive night. I needed a cheaper place to shelter.

What was your first successful business venture? A computer wholesale business. I started a business out of a room in my townhouse I was renting in Kendall. I was a computer purchasing agent for some people in South America. They needed a printer or computer part, and I would procure it and ship it to them and make sure the whole process was taken care of. I moved it to a very small office in the Doral area. And within a year I needed to move again. In the next year I needed to purchase a warehouse and it became a big business. By 2000, I was able to sell it and raise the capital to start my first real estate ventures.

How did you get into real estate? In 1998, I started buying smaller apartments buildings and renovating them and renting them. I fell in love with the creation side of real estate and the deal making. When I sold my business I had a portfolio of smaller buildings mostly in the Gables area. I felt like I wanted more of a challenge. I was able to buy a nice piece of land and design something, get it approved, pre-sell it and build it and deliver it. Our first project was Gables View, an 83-unit building of 12 stories.

How are you blending short-term rentals with traditional real estate? Five years ago we developed a nice building called Brickell House and moved our offices there. One day as I went to my office I saw people coming in and out of the Brickell House lobby with suitcases and I was fascinated with the amount of traveling they were doing. The owners of those apartments were doing a ton of short-term rental, Airbnb

business. Despite being done under the table and the secrecy, it was growing year over year. I wondered what would happen if, instead of fighting this activity, you embrace it and create a product around it. That's the beginning of Natiivo. We have three buildings. Two others are on the drawing board. We also have two Loftys being built and two more on the drawing board.

Are higher interest rates a problem for condo development? High interest rates are a problem for anybody in real estate. It's been a huge challenge for us. We are very fortunate that in Florida we can use buyer deposits towards capitalization of these buildings. That allows us to reduce our loan amount. Instead of 70% of your building cost, you get a loan that is 40% or 50% of your costs. But instead of doing four or five deals at the same time, we may do two or three.

What's your favorite local restaurant? LPM Restaurant & Bar, with southern French cuisine. We brought it from Europe, and it's in Brickell House.

What streaming show are you watching? I love "Succession." I love the family dynamic in the business how they deal with that. It's very interesting and entertaining.