

## Q&A **3 QUESTIONS** with Arnaud Karsenti



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Arnaud Karsenti, managing principal, 13th Floor Investments

**A**rnaud Karsenti, managing director of Miami-based 13th Floor Investments, has led his company to become one of the largest developers in South Florida. And now it's expanding its reach to other states.

The developer has more than 6,000 residential units in the pipeline, including a 25-story tower with 372 units in downtown West Palm Beach, the 367-unit Ashworth Apartments in Hallandale Beach, and the 854-unit final phase of Link at Douglas, which would include an office building. 13th Floor is

also partnering with other developers to buy out the Castle Beach Club condominium in Miami Beach and the First Miami Presbyterian Church on Brickell Avenue.

**Do you believe rents will continue rising in South Florida?** Building new product is more expensive, so it requires higher rents. But rents rising is part of the problem, as the rents result in inflation. But, long term, South Florida will still win because people want to be here.

**How has this impacted your strategy for your homebuilding division?** We are building more for-rent homes. There's a lot of demand for single-family rentals. Rising interest rates have made homeownership more difficult to obtain.

**What factors do you consider when you enter a deal?** We protect investor capital and we keep leverage low. We'll take more risk if we're dealing with a big return, like a condo. We're investors first and developers second.