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Miami Condos With Robots and Mini-Apartments Sell Out

Demand for Small Units Prompts Economists to Ask If It Signals a Potential Recession



The 31-story YotelPad Miami aims to feature robot butlers that can deliver food to rooms. (Aria Development Group)

A fast-selling high-rise condominium in downtown [Miami](#) is banking on two 21st-century trends to create demand: home-sharing rentals and a robot concierge service.

The 31-story YotelPad Miami, sporting mechanical butlers and 231 micro units, has sold out in 15 months, an indication that condos priced below \$500,000 are in demand even in a market with a glut of available units for sale.

The YotelPad condos range in size from 417 square feet to 708 square feet. They can be rented on a short-term basis with no restrictions, making them ideal for investor-owners who want to



tap into the growing home-sharing niche made popular by Airbnb, according to the developer, Aria Development Group. Still, questions remain about the increasingly crowded concept with neighbors complaining about loud noise and parties and some municipalities and homeowner's associations [moving to ban](#) short-term rentals.

The project's sales are getting attention in real estate circles across the country because Miami condos became the first major U.S. market to signal the start of the Great Recession more than a decade ago. Economists and analysts still monitor development patterns in South Florida, even as the U.S. economy set a record in July with 121 straight months of expansion.

YotelPad is a condo brand by Yotel, a London-based firm with major shareholders such as an affiliate of Starwood Capital Group. The Miami property at [227 NE 2nd St.](#) , which also includes 222 hotel rooms, will have three robots that can deliver food, packages and other items to rooms, freeing up human workers to perform "more value-added tasks," Aria's David Arditì said in an interview.

Yotel uses the robots at other properties worldwide, and the perk is becoming increasingly common in the hotel industry, with the world's first robot-run hotel opening in Japan in 2015, according to Forbes.



The YotelPad Miami pool deck looks out over the city skyline. (Aria Development Group)

YotelPad Miami and its robot butlers are near Paramount Miami Worldcenter, a 60-story downtown condo that has space that converts into a [skyport for flying cars](#), a modern version of the 1960s Jetsons cartoon series. But these early cars will more resemble helicopters.



“Technology is coming, and it’s coming faster in cities with high-end real estate,” said Ken Johnson, an economist and real estate professor at Florida Atlantic University.

More than half of the YotelPad Miami buyers are from Mexico, China and Colombia, according to the developer. In a corridor flush with unsold million-dollar condos, the YotelPad units are under contract from \$300,000 to \$499,000.

“It confirmed a lot of our underlying assumptions,” Aria's Arditi said. “I just think the amount is in line with what that investor market is looking for.”



YotelPad Miami is expected to open in 2021. (Aria Development Group)

YotelPad Miami is similar to a venture started by Miami-based Newguard Development Group, which is [partnering with Airbnb](#) to build condo towers specifically for home sharing.

Yotel operates seven airport hotels worldwide, with the first YotelPad scheduled to open next year in Park City, Utah, followed by projects in Miami and Mammoth Mountain, California, in 2021.

YotelPad owners can rent the condos themselves or put them in a management program and pay for Yotel to maintain and rent the units.

Condo-hotels traditionally have struggled because of these pricey maintenance fees, though the soaring popularity of short-term rentals makes the concept more inviting,

according to analysts.

Peter Zalewski, a principal in the CondoVultures.com consulting firm in Miami, said the timing of YotelPad Miami in 2021 will give the struggling Miami market time to rebound. If the condo sector still is hurting, some of the YotelPad buyers could choose to walk away from their deposits, he said.

A market balanced perfectly between buyers and sellers has about six months of supply, meaning it would take that long to sell all the units if no more came on the market, according to brokers. Downtown Miami has more than a 22-month supply of condo-hotel units for sale and about a 62-month supply of traditional condos priced at \$1 million or more, according to the Cranespotter's database operated by CondoVultures.



YotelPad owners may quickly find that the only way to make the numbers work is to rent the units themselves, Zalewski said, adding that it would take local, hands-on ownership, something that would be difficult for many foreign buyers.

What's more, while nearby Miami Beach has been aggressively pursuing owners who illegally operate short-term rentals, the city of Miami so far hasn't done the same, Zalewski noted. That would increase competition for YotelPad Miami owners, he added.

"This is the flavor of the month, the shiny object in the condo market right now," he said of the condo-hotels. "But a lot of these people may find out that this won't be as positive an experience as they think it is."

For the Record

YotelPad Miami's architect is Stantect, and the general contractor is Beauchamp Construction. Development Services Solutions is providing management services during construction. The OneWorld Properties brokerage handled condo sales.