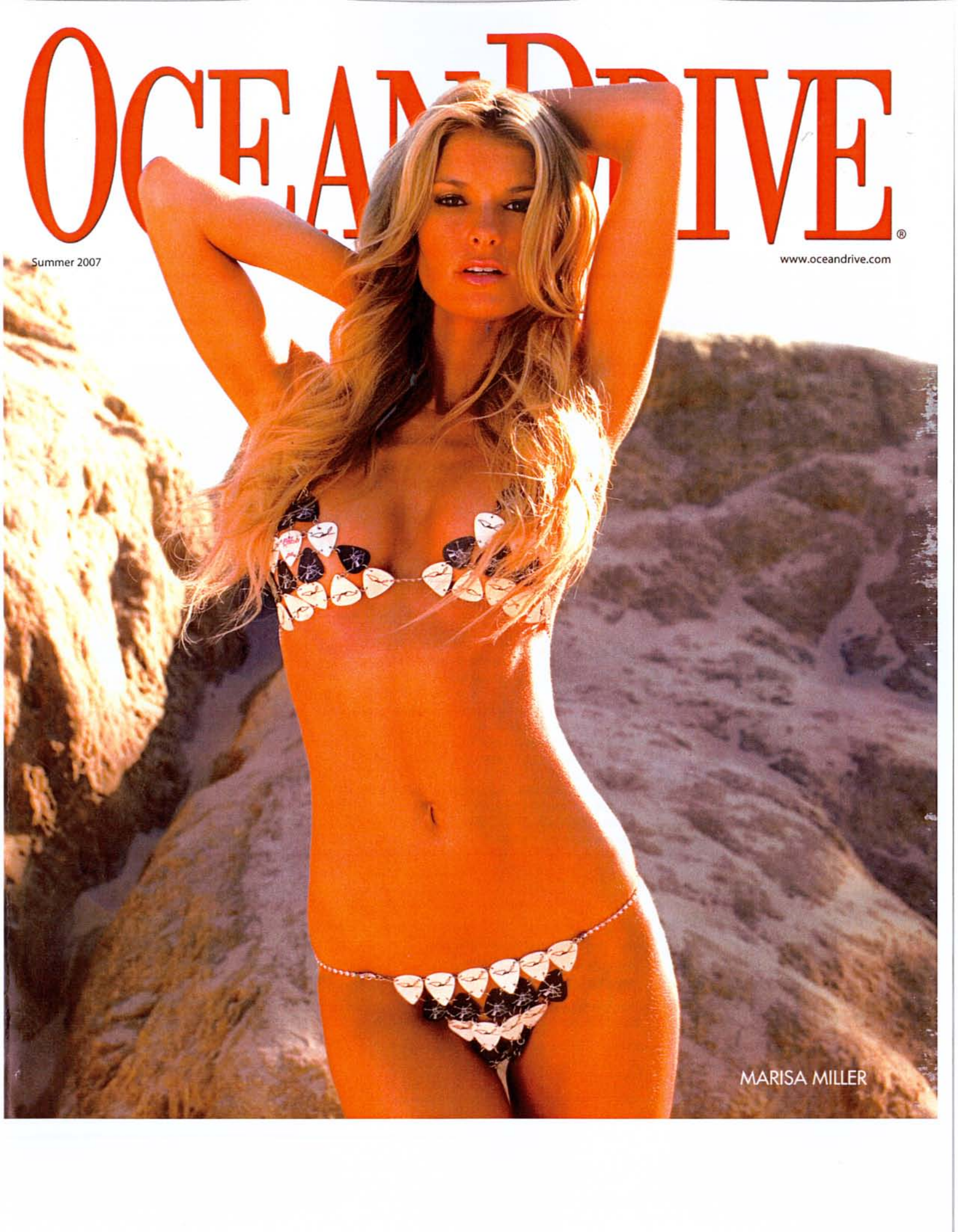


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MIAMI MOGULS

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THE WINNING FORMULA OF A REAL-ESTATE SUPERSTAR *R. Donahue Peebles Reflects on His Success in The Peebles Principles*

Throughout R. Donahue Peebles' lucrative real-estate career, the entrepreneur's profile has soared as high as the projects he has developed. Many of them, such as the Bath Club and the Royal Palm Crowne Plaza, today are Miami Beach landmarks. Yet the empire he built from scratch stretches from here to San Francisco—and now also includes 13 acres in Las Vegas, where Peebles announced he will build a five-star Arquitectonica-designed hotel. Beyond the notoriety he has garnered for his property development and accompanying financial success is the story of how the son of a single mother grew up to amass a fortune estimated at a quarter of a billion dollars.

As a Washington, D.C., teenager, Peebles served as a Congressional page, a post that taught him the value of making savvy political connections and led him to work as a fund raiser for former Mayor Marion Barry's winning campaign. That led to his appointment as chairman of the City's property-tax appeal board, which laid the foundation for his impending success in real estate and his becoming a multimillionaire by age 27.

Peebles' path to business superstardom is chronicled in his new book, *The Peebles Principles* (Wiley, \$24.95). Its pages are packed with details of his deals and valuable tips for aspiring entrepreneurs. The 47-year-old Miami Beach resident sat down to tell *Ocean Drive* about the book and his business empire.

OCEAN DRIVE: In your book, you mention so many well-known players that it is almost a tell-all. What kind of response did you get?

R. DONAHUE PEEBLES: This was certainly not a score-settling book. I wanted to give the reader a real reality of what I was doing, whom I was doing it with and the strategic process. If a person wasn't critical to the deal they didn't get named. Those who were named—the ones I've spoken to, anyway—were pleased to be in the book, because most people were mentioned in a favorable light. And even those who were in there because we had a bumpy start, well, we went forward and they were happy to be named, as well. You say understanding governmental politics is essential for business people. Whom do entrepreneurs in Miami need to know today?

Real-estate development, which is Miami's primary industry aside from tourism, is regulated at the municipal level. If you're in Miami Beach, then you need a rapport with the city commissioner and the mayor. Same thing for the City of Miami or Coral



R. Donahue Peebles, here with his wife, Katrina, is a real-estate superstar with a reach from Miami across the country. Now he details his winning formula in his new book, *The Peebles Principles*, left.

Gables. If you're interested in government contracting, get to know the county commission: They control the airport and other public-works efforts. These contracts are good opportunities for women and minority-owned businesses because the open process levels the playing field.

People used your friendship with Marion Barry to fabricate a connection between you and Louis Farakhan. Suddenly you were anti-Semitic. Rumors are common in the workplace. How do you combat them?

Principle #1: Control the deal; to win as an entrepreneur, you have to control a key to the deal.

Principle #2: Make your money going into the deal by taking early risk.

Principle #3: Only by putting yourself in the right place at the right time can you seize opportunities.

Principle #4: If the key is not working, be prepared to change the lock. If that lock does not work, try the window.

Principle #5: Never underestimate the importance of

When I first came to Miami Beach people took personal shots. But I called up and met with as many people as I could. I took them to lunch and gave them a chance to know me in person—people from the Chamber of Commerce, the Kiwanis club—and once they got to know me the rumors were difficult to believe.

How can you tell if someone is a con artist?

Initially, you have a good gut instinct. I'm a good listener, and I encourage people to talk about themselves. I try to focus the conversation on other issues, not only business activity. I'm a firm believer in meeting potential business people in social situations, as well, such as a dinner with our spouses. How a person interacts with his wife is a good indication of how they'll interact with me. Those signs are present if you look at them.

You say people should never be afraid to make a low-ball offer, but they are. Why?

They worry that negotiating will jeopardize the deal. The ultimate objective is being successful in getting the property or the deal done or whatever you're pursuing. And sometimes people commit to those things, emotionally. But the objective shouldn't be getting the deal at all costs but at economic circumstances that are advantageous to you, and that requires negotiating.

What is the worst advice you have ever received?

Don't worry, it will all work out. And the second worst is: Take care of the downside; the upside will work itself out. If you're going to get rich, you have to think about upside.

If people take one thing from the book, what should it be?

Never quit. That's the overriding strength of the successful entrepreneur. Sometimes things don't go well, but you don't necessarily have to change the idea, but rather your approach to the idea. 📌

THE PEEBLES PRINCIPLES

dealing with details yourself, especially the financial details.

Principle #6: Think carefully about what the other parties want, and start any deal with that in mind.

Principle #7: If someone is attacking you, take them on immediately, even if the fight is a costly one.

Principle #8: Be the last man standing.

Principle #9: Understand the power of good partnerships and make use of them.

Principle #10: Execution is more important than the idea.