

On The Money

PALM BEACH BILLIONAIRE JEFF GREENE HOPES TO HELP U.S. ECONOMIC STABILITY

BY LESLIE KRAFT BURKE

A sk billionaire real estate investor Jeff Greene what's on his mind, and his answer might surprise you. It isn't the \$300 million investment he's made in Palm Beach County land or his substantial holdings in Manhattan and Los Angeles. It isn't even wondering if he can sell Palazzo di Amore, the Beverly Hills mansion he recently listed for \$195 million — making it the most expensive potential sale in the nation. He's thinking about the next worldwide economic disaster.

"My biggest worry is what kind of world I am leaving for my children," says Greene, 60, whose net worth has been pegged at \$3 billion by *Forbes*. He has three sons under the age of 6 with his wife, Mei Sze Chan, whom he married in 2007. The family's main residence has been on the island of Palm Beach since 2009.

"This economy where the 'have-lots' prevail and the 'have-nots' have comparatively nothing is doomed to fail," he says. "It likely will do so within the next 10 years and be a

worse economic crash than we have seen in the past. Unless we address the problem of global equalization of wages and the exponential growth of technology, we are missing our opportunity to build a secure foundation for our future."

Not many are talking about the problem, Greene notes, least of all the candidates who have emerged so far in the 2016 presidential election. This is particularly frustrating for

Greene, who ran as a Democrat in 2010 for the Florida U.S. Senate seat held by George LeMieux. Greene's platform was based on economic reform and job creation, strengthened by his promise to refuse campaign contributions from special interest groups and to limit individual donations to \$100. His campaign was endorsed by the *Tallahassee Democrat's* editorial board, which commended him for his "edge and an energy that

HIGHS AND LOWS: Greene against the West Palm Beach skyline; (Below) Greene, alongside his mother, delivering a concession speech after his 2010 Senate run



Photo by Brandon Kruse / The Palm Beach Post



Photo by Lannis Walters / The Palm Beach Post

make him want to push beyond the usual talking points,” remarking, “we like the toughness he would bring to the office.”

Although Greene’s attempt to win the Democratic nomination was unsuccessful, his desire to make a difference for the middle class persists – likely due to the fact that he grew up in the midst of it during the 1960s.

“It was a sweet time,” he says, speaking with us from his home in the Hamptons. “We all had stay-at-home moms, and, regardless of what our fathers did for a living,

we all went to the same school. Everyone took care of everyone else. Thinking about it reminds me that we are all in this world together. It’s important to remember that and let it inform your priorities.”

Greene’s father was a used textile machinery dealer who lost his livelihood in the family’s home city of Worcester, Mass., when the industry moved south. The family relocated to West Palm Beach in 1972, and his father died of a heart attack at age 51, when Greene was 24.

Greene put himself through Johns Hopkins University with

multiple scholarships and student loans. To make ends meet, he taught Hebrew school, checked IDs at the Hopkins gym and worked as a busboy at The Breakers when he was back home.

After receiving his bachelor’s degree at Johns Hopkins, Greene traveled the country selling circus tickets to pay for Harvard Business School, where he ultimately received his MBA. While a student there, he bought his first house and rented out rooms to support himself and help pave the way for future investments. By the time he

graduated, he had 18 properties.

Greene credits his intuitive skills for understanding people and situations when it comes to the significant success he’s had in real estate since then. Particularly impressive was his ability to predict the last collapse of the real estate market before it happened and taking steps to avoid losing his wealth in it.

“I can’t see around corners, but I can definitely guess at what’s around them,” he says. “In 2006, I had \$1 billion in real estate assets that I had amassed even considering the crash of the early 1990s. I could see that



HOMING IN: Greene in his Palm Beach home; (Below) Cameron Estates

the market as it was could never survive. How can housing prices move forward when people can't truly afford to buy their homes and jobs are being eliminated? I needed

and put him on the *Forbes* 400 list.

It's that sort of intuition and realistic view that led him to invest hugely in Palm Beach County. It wasn't nostalgia, he says, even though he has

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a hedge so if the market dropped, I wouldn't lose a big chunk of my net worth. So I began talking with people I thought would understand the bubble that was forming and how to mitigate its damage.”

One such source was hedge fund manager and billionaire investor John Paulson, who had devised the strategy of using credit default swaps to successfully bet against the U.S. subprime-mortgage lending market. Greene used the same strategy, and the return on his investments ultimately saved his business

fond memories of vacations spent here in the 1970s – and it's where his mother still lives, in West Palm Beach's Century Village.

“The intelligent planning that was done in West Palm Beach has undoubtedly revived it,” Greene says. “In 2009, I came to the market with lots of liquidity. It had very few players, and I could see even greater potential.”

The Palm Beach Post has likened his investments in the county to that of legendary magnate Henry Flagler, given that they will help foster the reimagining of West Palm Beach's



downtown and beyond. Greene's \$300 million investment in land and condominiums in the county since late 2009 is in addition to the \$11.8 million he paid for condos in Jensen Beach and more than \$10 million for condos in Pompano Beach.

Greene is particularly proud of Cameron Estates, the luxury rental apartment and townhome community under construction in West

Palm Beach on the site where the Atlanta Braves used to have spring training. The low-rise one-, two- and three-bedroom residences, some of which are now available, come with access to amenities atypical of Florida's rental communities, such as a private dog park and two lakes – along with a clubhouse that features bowling alleys, a movie theater and a demonstration kitchen.

Greene's life in Palm Beach is a conscious effort to achieve true work-life balance.

"I work a lot, but I work from home. It's important for me to be the one to take my kids to school and pick them up. In the summer, I see them off to camp. I want to be around for my family," says Greene, adding that because he married and had children later in life, he has a priority of spending as much time as possible with family.

His wife, who owned a thriving real estate business in the Catskills prior to her marriage to Greene, often visits the sites of his investments. Greene says he never hires an architect without her advice. His mother spends weekends with the family and often travels with them on vacations.

Greene prefers his home that's right on the sand in Palm Beach to the congestion of Los Angeles, where he lived for 28 years, and that of Miami-Dade County, where he and Chan lived for a while, on South Beach. The couple entertains frequently at their homes in Palm Beach and the Hamptons, where the conversation has lately involved how to drive economic change that could offset disastrous social unrest and crime throughout the country – and even worldwide, he says.

To help address the problem, Greene will host a "Closing the Gap" conference Dec. 6-8 at Palm Beach's Tideline Ocean Resort & Spa (which he owns), featuring speakers such as former Secretary of State Henry Kissinger; former Labor Secretary Robert Reich; prominent economist Nouriel Roubini; and *New York Times* columnist Thomas L. Friedman, along with other thought leaders on the subject.

"Although it sounds like a lot to do right now, we can fix this," he says. "We have the biggest economy in the world; everyone wants to come here. With the right policies, we can rise to the occasion." ○



THE GOOD LIFE:
Tideline Ocean Resort
& Spa; (Below) Greene
with wife Mei Sze Chan



TWO CENTS

Jeff Greene's Advice For Enterprising Youth

Get as much education as possible and continue it. You may have as many as four or five careers in your lifetime.

Be mindless of trends. Stay focused on your goals and don't get complacent when you reach them.

Change happens quickly; it's a fast-moving train. Always be ready for it.

Strive to be the best in every way. The world is much more competitive than ever before, so being your best will give you an edge.