

Coastal Construction is busier than ever

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The amount of work Coastal Construction is hammering out now makes the real estate frenzy of the last decade seem like a period of moderate exuberance.

The Miami-based, family-owned firm has nabbed some of the largest development contracts in this boom cycle, including the Surf Club, Miami Beach's Faena District, Mansions at Acqualina, Porsche Design Tower and part of Dacra's Miami Design District development. A look into its pipeline shows the formidable size of the next wave of projects to come.



JOCK FISTICK

Coastal Construction's Tom C. Murphy, Sean Murphy and Thomas Murphy Jr. at the Palm Court, in the heart of Miami's Design District.

Chairman Thomas Murphy Jr. founded the company in 1968 as a one-man operation, driving around South Florida on jobs such as converting garages to dens and building out patios. Sometimes he took his son Tom C. Murphy - now co-president - with him on the Volkswagen bus.

By 2008, Coastal had \$1.6 billion in work under contract and, including projects on the table but not under contract, \$3.2 billion in its pipeline. Then it saw the recession coming.

"We built a pro forma for 2009 based on no sales, and we had to make it work," Thomas Murphy said.

The company laid off about 200 people. Coastal turned away clients during the recession, and it still refuses to accept jobs when it isn't comfortable with the personalities involved, Tom Murphy said. "You won't go broke not taking a job but you can go broke taking a bad job."

Now, Coastal has \$2.5 billion in jobs under contract and \$10 billion in its pipeline, Thomas Murphy said. Its workforce has rebounded to 415 people, including 53 previously laid off and rehired.

Co-President Sean Murphy said the challenge is finding qualified manpower. It often brings subcontractors in from out of town, and teaches local people trades on job sites.

“The great thing about how we look at the business is there is as much non-condo as there is condo,” Thomas Murphy said. “We have never seen the hospitality market like this. There are brands with no hotels here, and they want to build two.”

The office market is beginning to stir. Thomas Murphy said three developers are exploring Miami projects of between 600,000 and 1 million square feet, as they believe the city will attract large end-users.