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FLORIDA'S BUSINESS LAW FIRM

SOUTH FLORIDA'S REAL ESTATE MARKET IN 2016: WHAT LOCAL REAL ESTATE PROFESSIONALS HAVE TO SAY

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At the end of 2015, Berger Singerman conducted a survey of about 100 developers, brokers, investors, lenders and contractors to help gauge the opinions of the local real estate professionals regarding the South Florida real estate market and trends. The 2016 South Florida Real Estate Outlook Survey results revealed that there is a positive outlook of the 2016 real estate market in South Florida: local real estate professionals expect the real estate market in South Florida to be at least as active in 2016 as it was in 2015.

KEY THEMES OF THE SURVEY:

1. More than 42 percent of survey participants said that 2016 will be “somewhat better” than 2015. About 37.43% percent said there would be “no change” in the market next year, and only 13.13% said 2016 will be “somewhat worse” than 2015.
2. The survey respondents identified multifamily (26.26%) hospitality (21.21%), retail (20.20%) as the sectors to yield highest returns in 2016.
3. 37.37% of the respondents believe that foreign investment in South Florida real estate will actually increase in 2016, even if marginally, over the 2015 level with 34.12% of foreign investment to come from Latin American countries (other than Brazil) and17.86% from Brazil.
4. Uncertainty of governmental policy was identified as the most pressing issue facing the real estate industry (44.9% of those surveyed) with the respondents also concerned about the outcome of the global economic conditions. However, 44.90% of respondents identified improvement of U.S. economy as the primary reason for their optimism and confidence in the real estate market.
5. When it comes to politics, most respondents believe that a democrat wining the upcoming presidential election will have no impact on the commercial real estate industry (44.44%), and a republican winning the election will have some impact on the commercial real estate industry (43.43%).

Between the foreign money flowing in and investors positioning themselves to benefit from population growth and favorable interest rates, it looks like South Florida’s real estate market will continue to grow.

For more information on this topic, please contact the author, Iryna Ivashchuk, on the firm’s Business, Finance & Tax Team.

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