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UNIVERSITY OF MIAMI REAL ESTATE RESEARCH INITIATIVE

Commercial Real Estate Sentiment Survey

Emerging Trends and Perspectives on
Resilient Development in South Florida

February 10, 2023

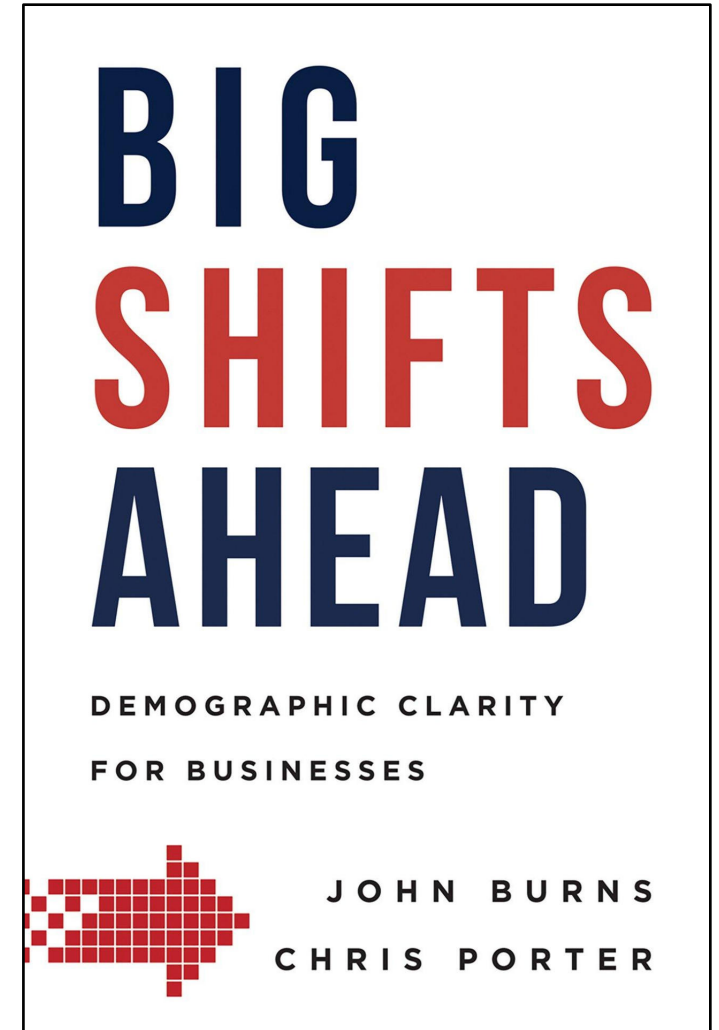
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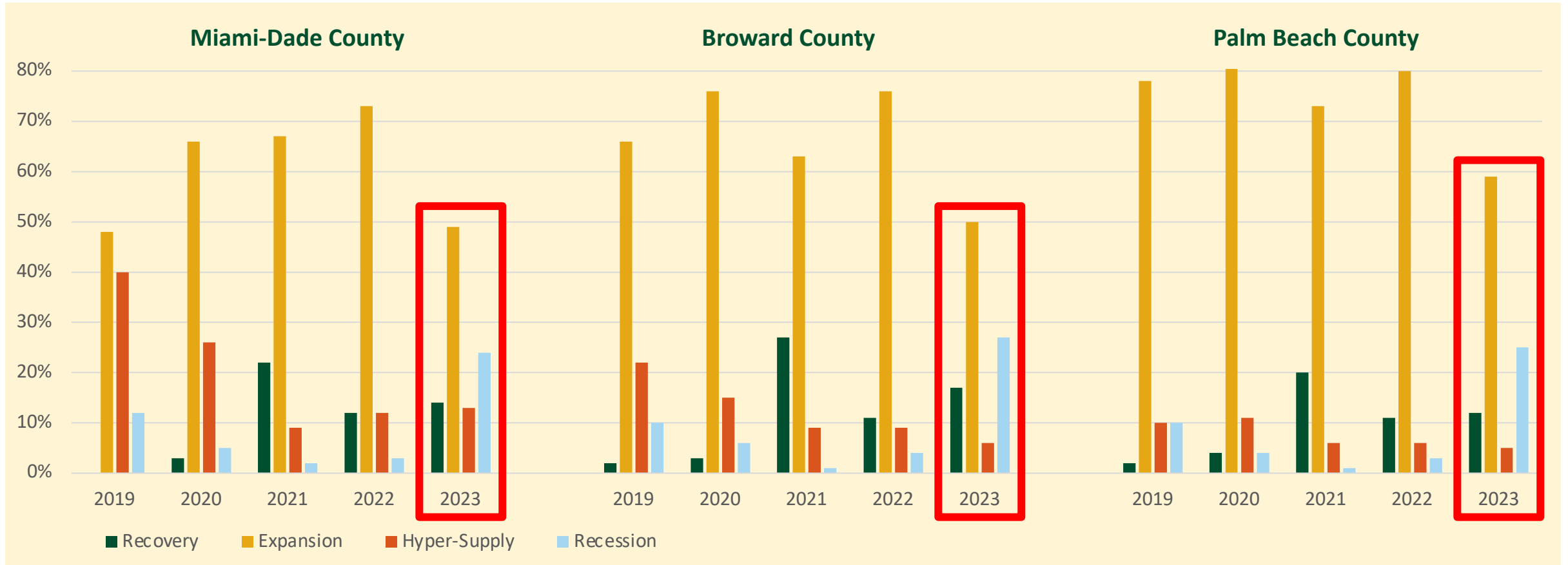
Devyn Bachman
Senior Vice President



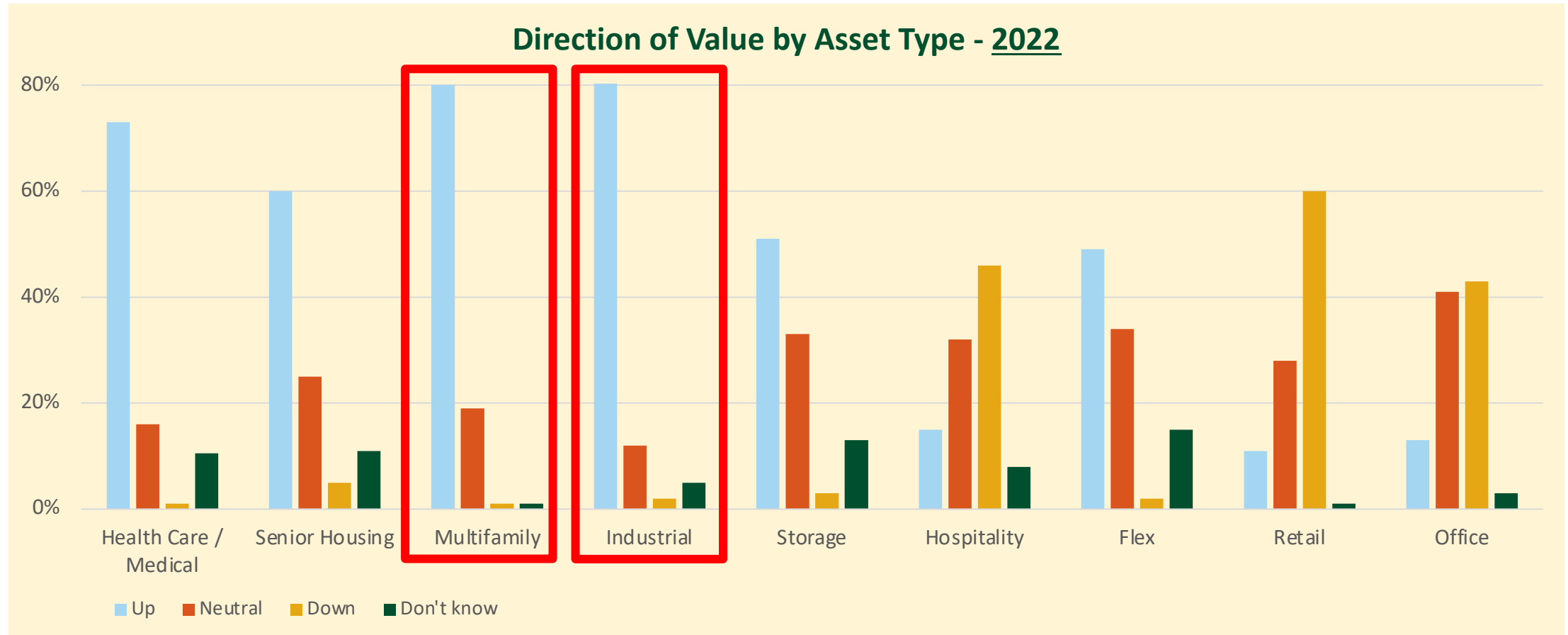
Agenda

- **Market Review and Analysis**
- **Where We Live**
- **Impact of Migration**
- **Exploring Diversity**
- **Key Findings**

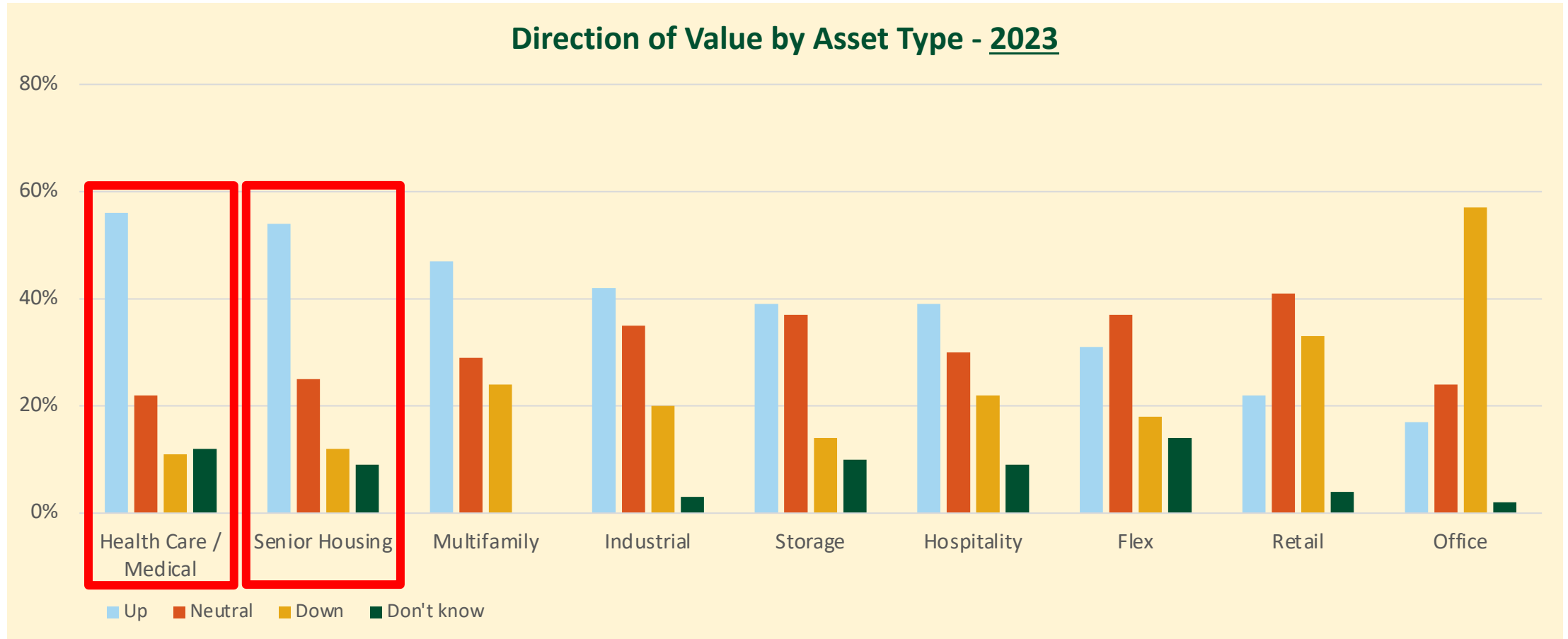
Fear of Recession Grows, but Expansion Still Favored



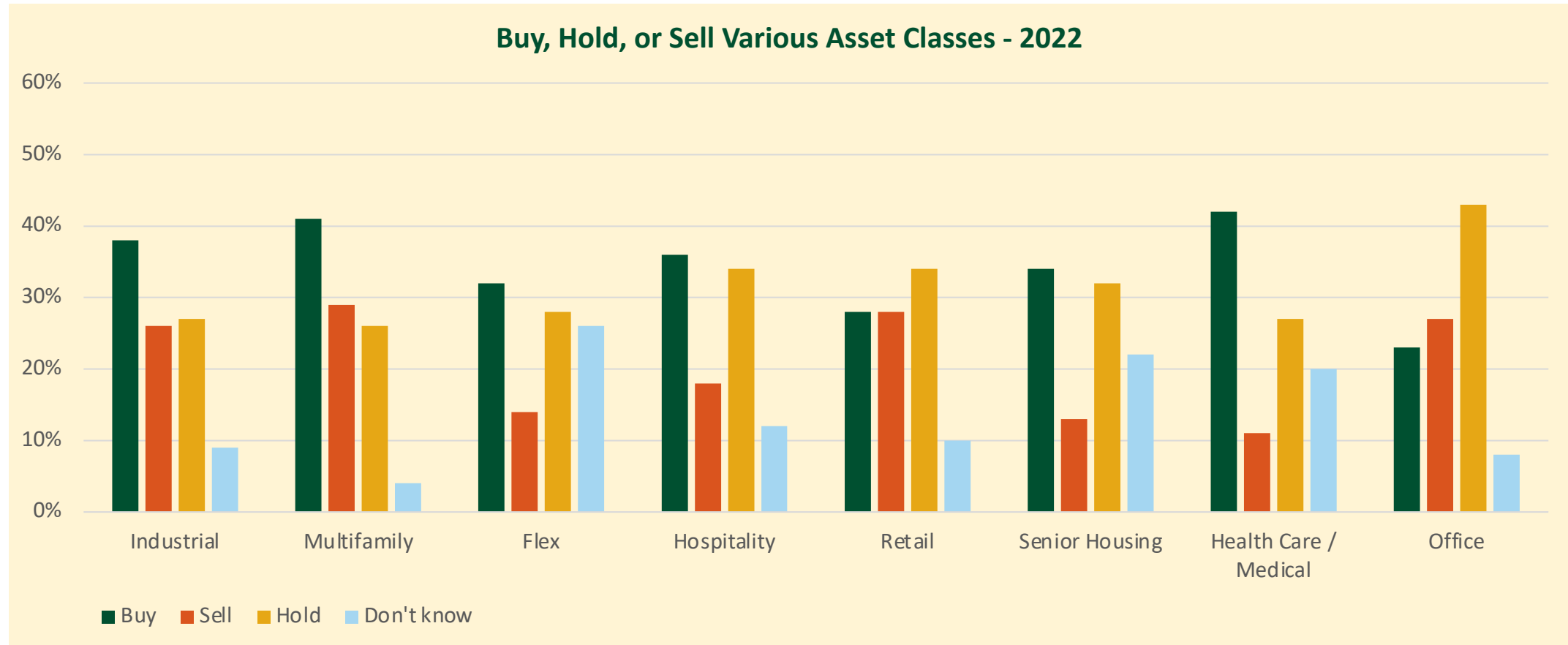
Last Year, Multifamily and Industrial Assets Led the Way



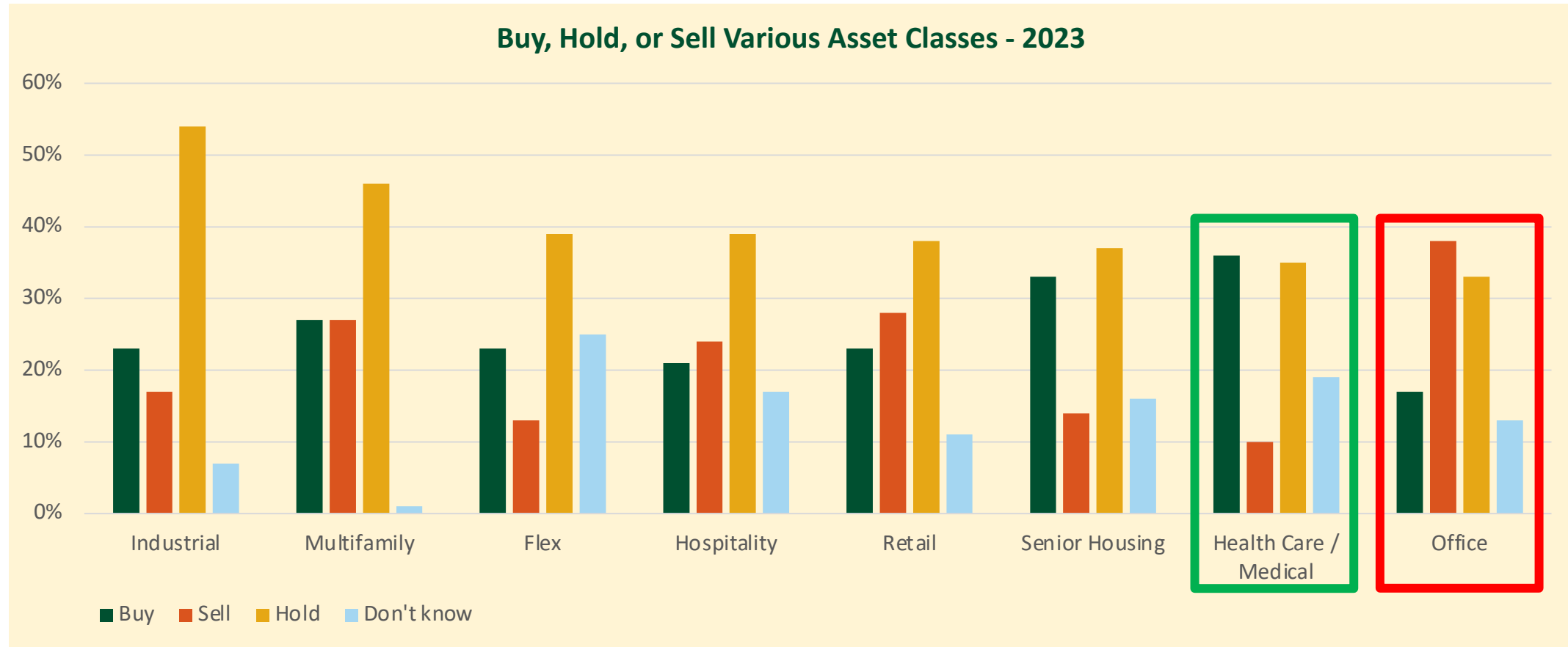
This Year, Medical and Senior Housing Assets Overtake



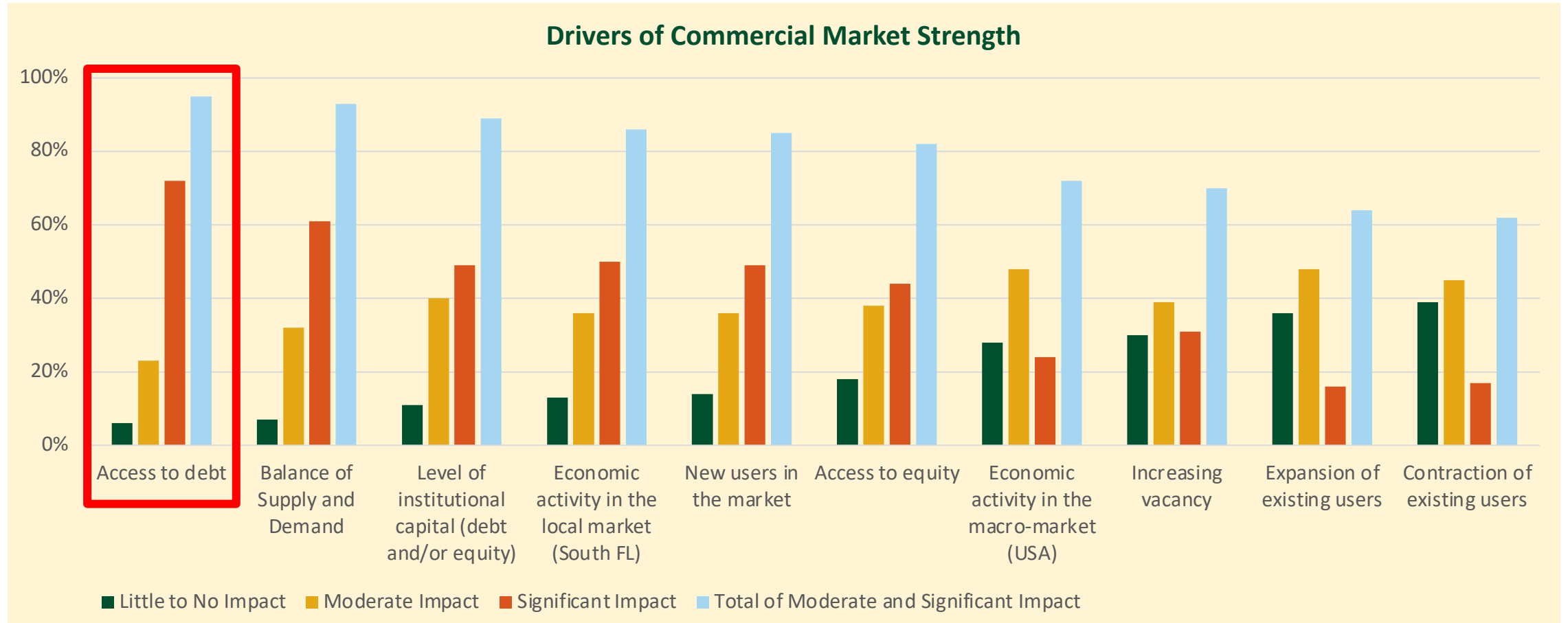
Last Year, the Overall Sentiment Was to Buy....



This Year, the Predominant Sentiment is to HOLD Assets



Access to Debt Tops Investors' Concerns



Supply/Demand and Access to Capital Dictate Investor Behavior

What do you believe is driving investor-buyer behavior most significantly in the current environment?

Category






Current CRE demand outpaces physical supply and rents are rising

Access to capital

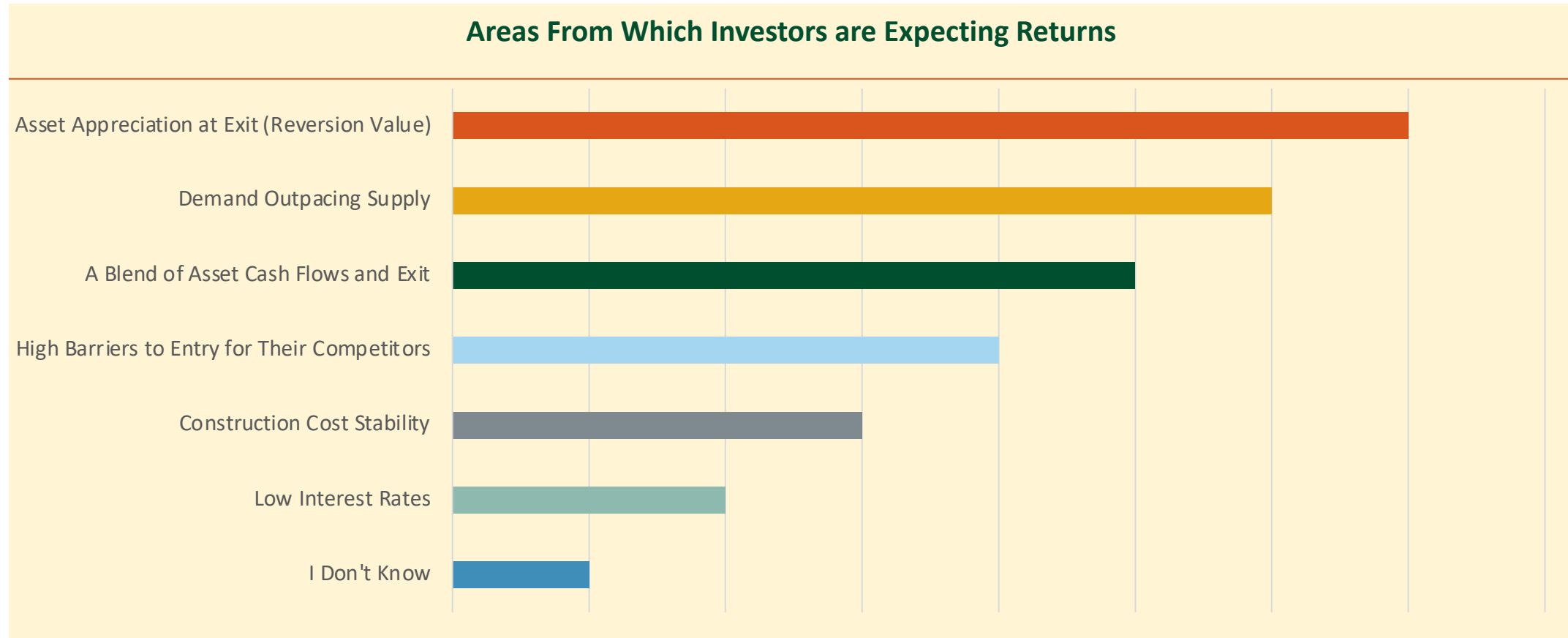
Favorable interest rates and cap rates

CRE yields are more attractive than alternative investments

CRE is currently under priced

2023 Rank	2022 Rank
1 	2
2 	4
3 	5
4 	3
5 	1

Asset Appreciation Still Leads in an Expansion Market



Desirability to Live in Urban, Suburban, and Surban Areas



Urban Area
37%

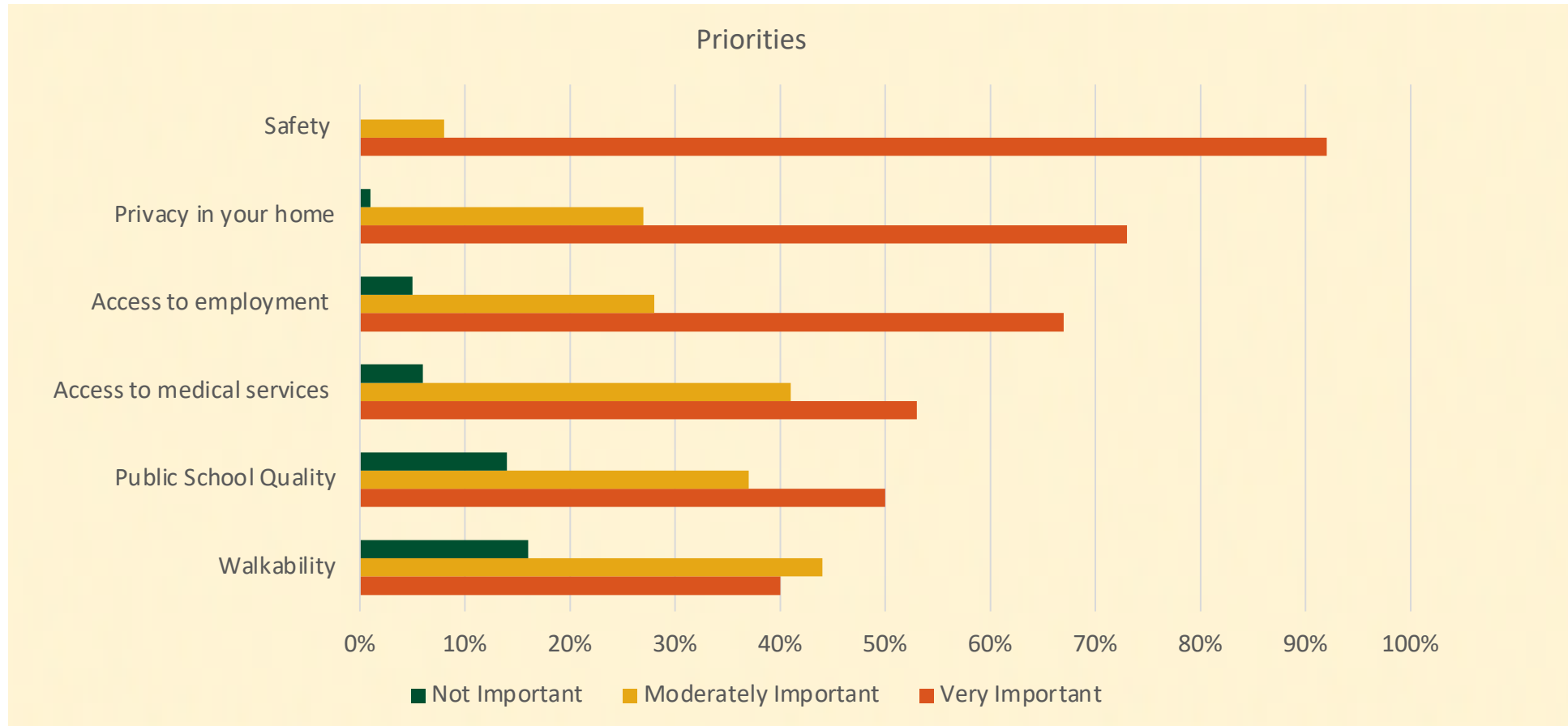


Suburban Area
21%



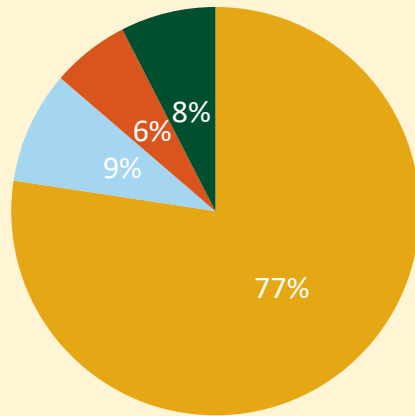
Surban Area
42%

Priorities when Purchasing a Home



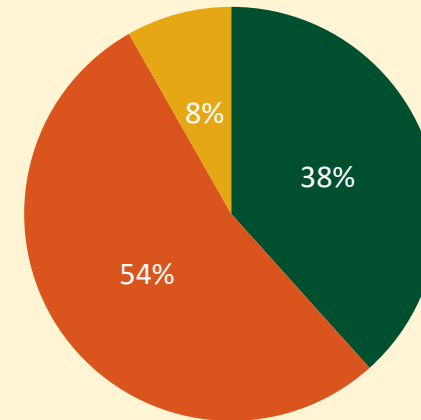
US Domestic Investors Leading South Florida's Real Estate Demand

In a post-pandemic environment, how will South Florida net-migration patterns change?



■ Increased net-migration ■ No change in net-migration
■ Decreased net-migration ■ Unsure

In the next 12 months, where do you think the greatest demand for South Florida real estate will come:



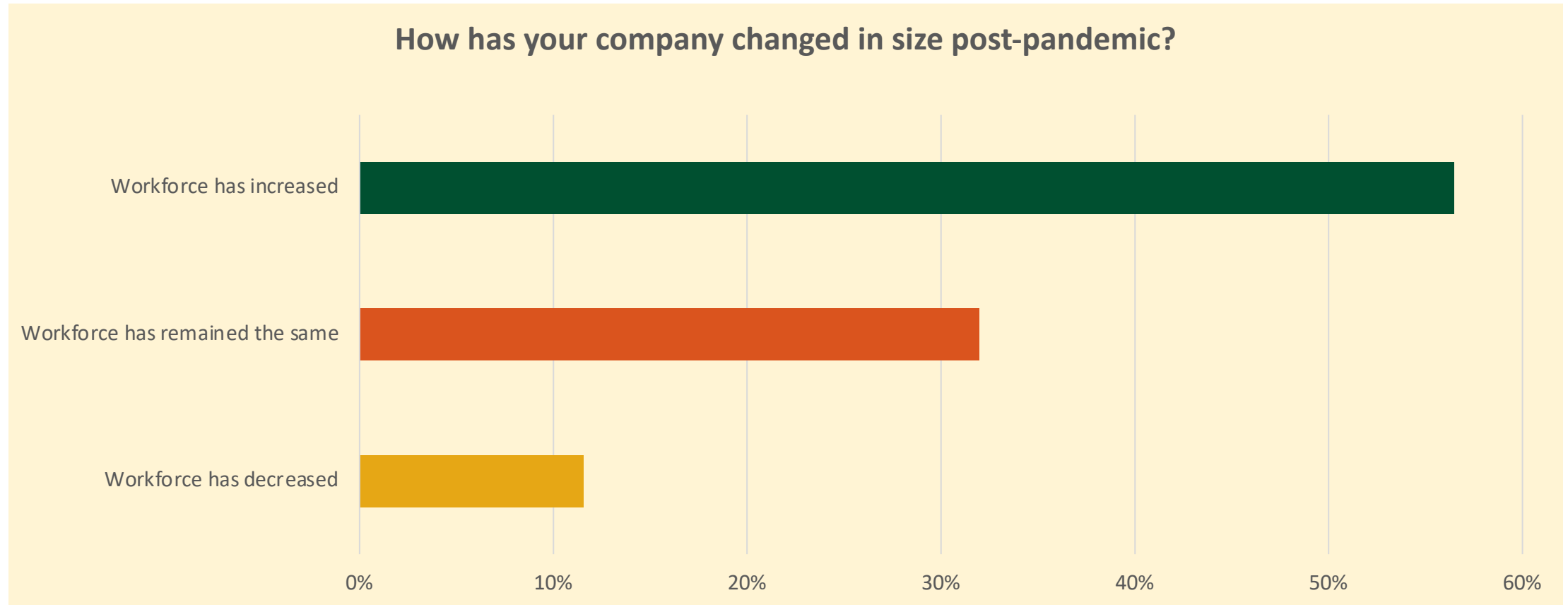
■ International ■ Domestic ■ Unsure

Migration Upward Trend in the Short and Long Term

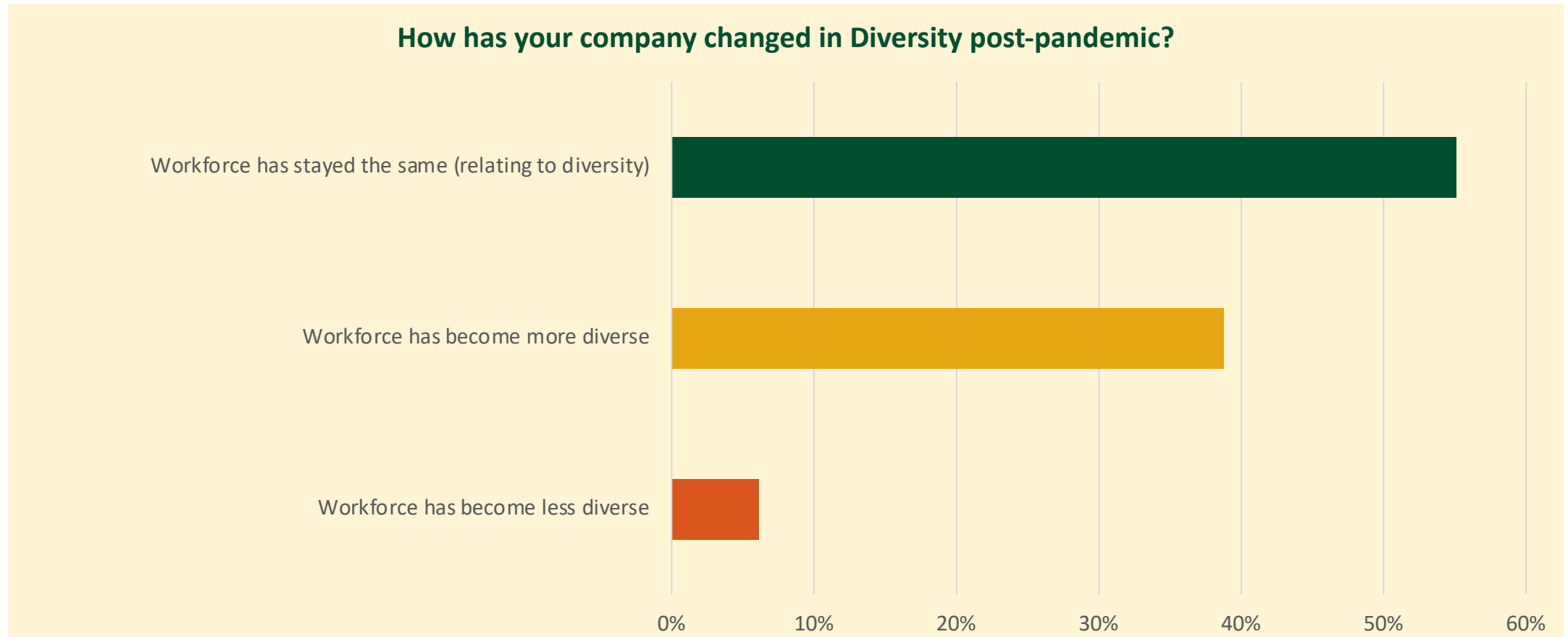
Please share with us your thoughts and ideas on the impact of migration on real estate in South Florida in the short-term and long-term:

Short-Term Drivers	Long-Term Drivers	Risks
Better Quality of Life	Pro-business Government	Congestion / Weak Transit System
Convenient Tax Policy	Business Relocating	Housing Affordability
Internationally Diverse Hub	Desirable Location For Post-grads	Cost of Living vs Wages

Companies are Hiring



Diversity is Present and Increasing



Key Findings

- **Market confidence wavers, but expansion still favored**
- **Access to debt and expensive capital is driving market sentiment**
- **Surban areas are favored over urban and suburban**
- **People prioritize safety most when purchasing a home**
- **In a post-pandemic environment, net migration will increase**
- **Greatest demand for South Florida's real estate will come from within the US**
- **Diversity in the workplace isn't going unnoticed and will be a key theme in years to come**

Acknowledgments

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Faculty

Mark Troen, FRICS, Lead Faculty Advisor

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