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UNIVERSITY OF MIAMI REAL ESTATE RESEARCH INITIATIVE

Commercial Real Estate Sentiment Survey

Five Pillars of Long-Term Growth in South Florida

Research Sponsor



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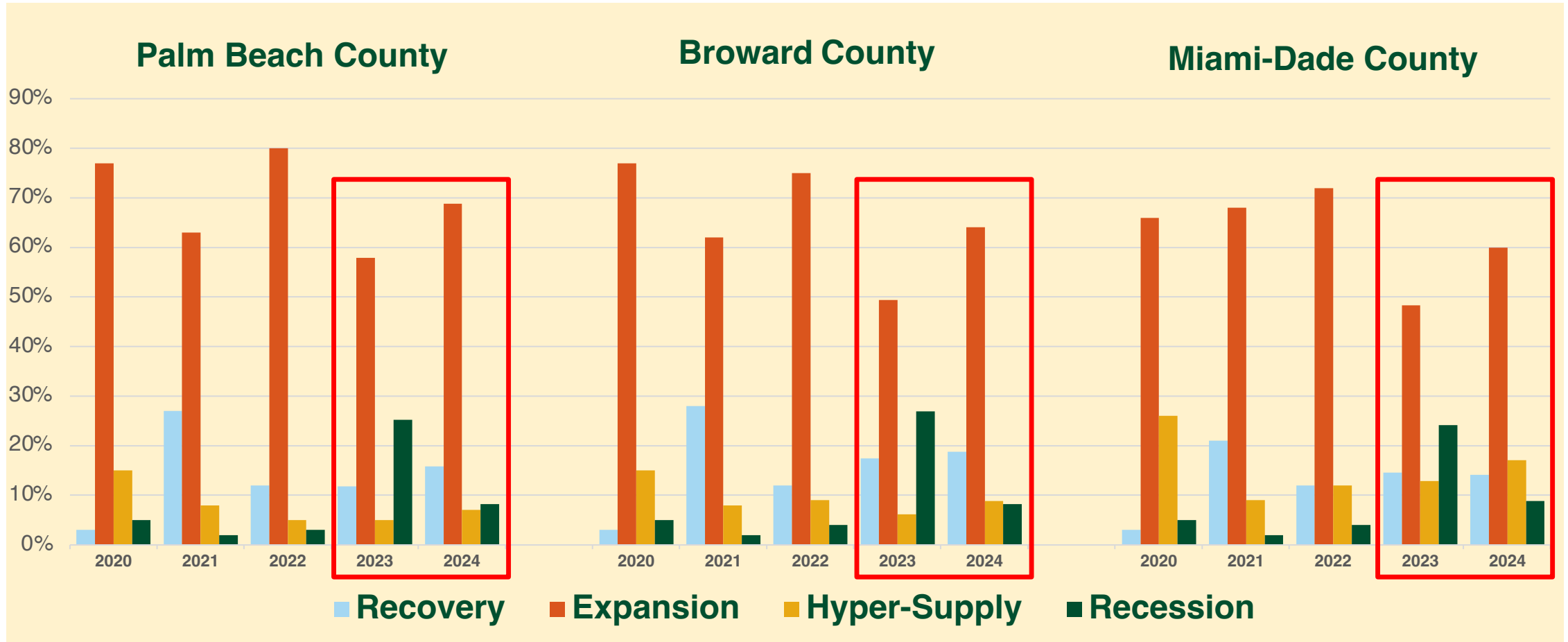
Agenda

- **Market Review and Analysis**
- **The Five Pillars**
- **Key Takeaways**



Source: Architectural Digest

Expansion Sentiment Grows, Recession Fears Diminish



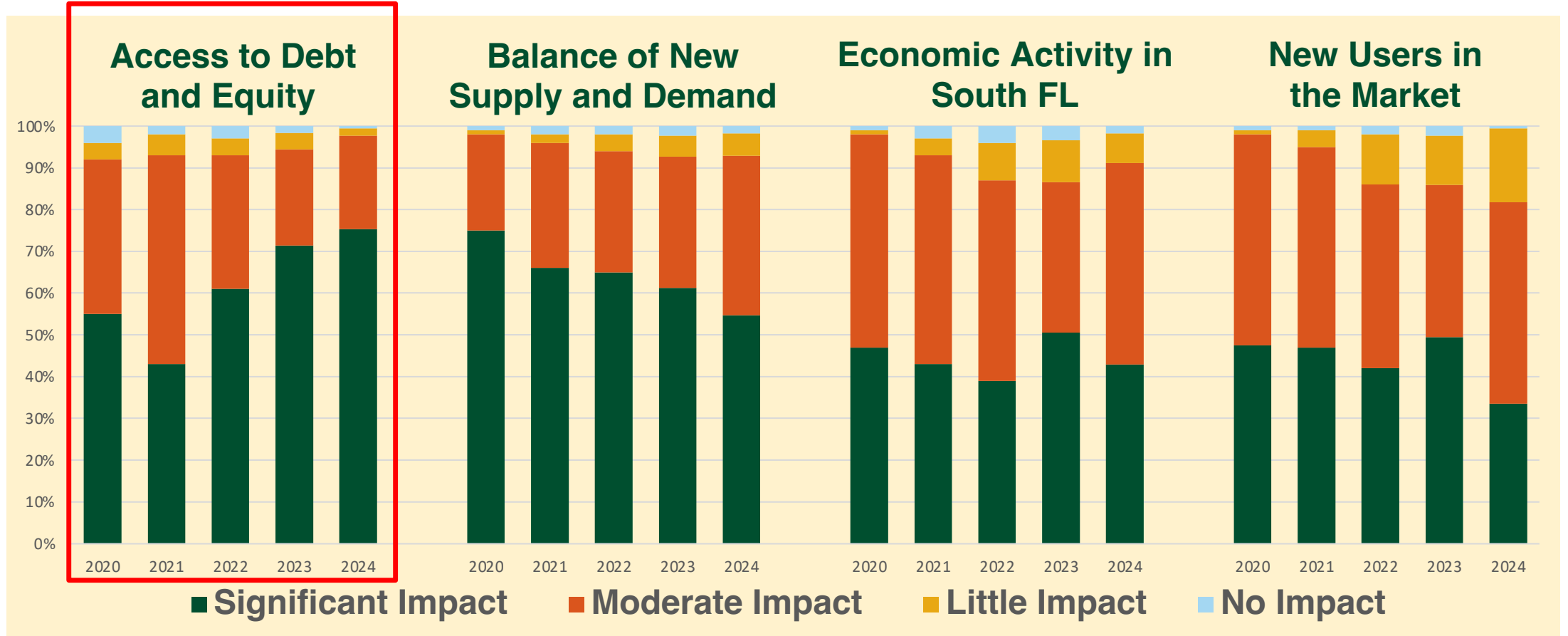
Predominant Investment Views by Asset Class

Asset Class	2020	2021	2022	2023	2024
▪ Industrial	Up	Up	Up	Up	Up
▪ Multifamily	Up	Up	Up	Up	Up
▪ Office	Neutral	Down	Down	Down	Down
▪ Retail	Neutral	Down	Down	Neutral	Neutral
▪ Hospitality	Up	Down	Down	Up	Neutral

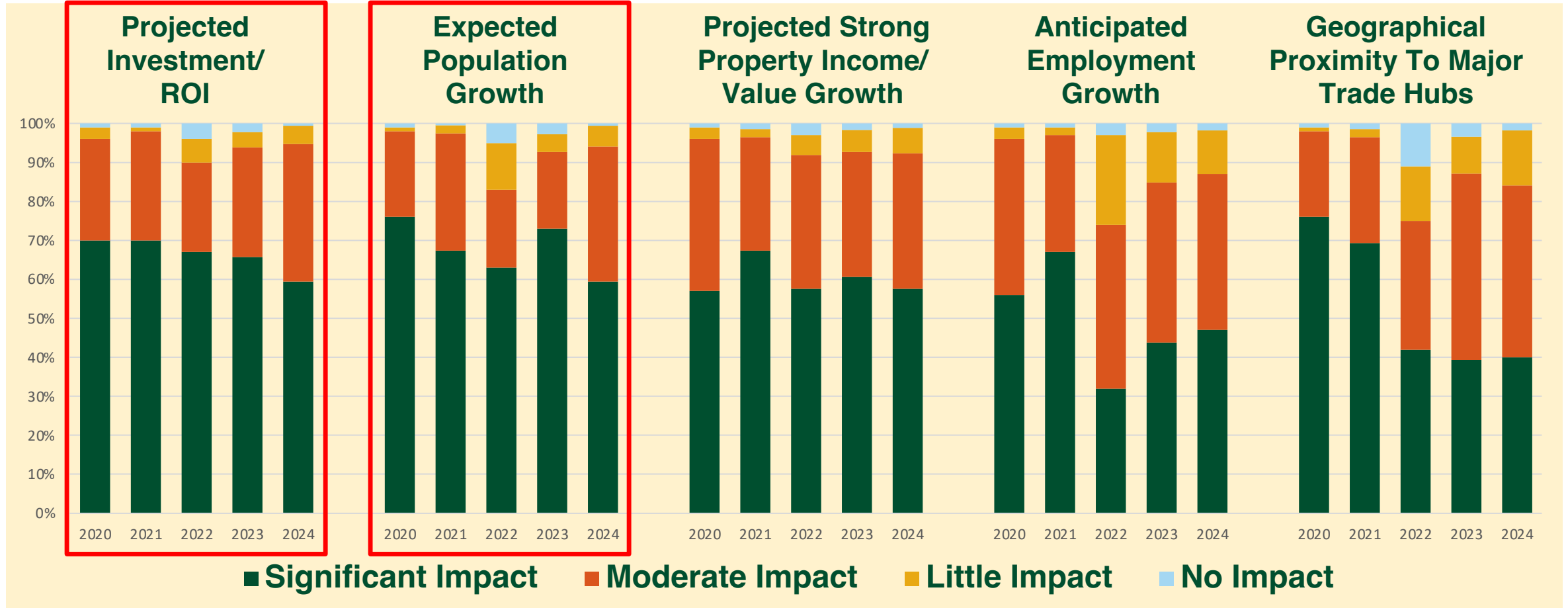
Predominant Sentiment is to Hold Assets

Asset Class	2020	2021	2022	2023	2024
▪ Industrial	Buy	Buy	Buy	Hold	Hold
▪ Multifamily	Hold	Buy	Buy	Hold	Hold
▪ Hospitality	Sell	Sell	Sell	Hold	Hold
▪ Retail	Hold	Hold	Hold	Hold	Hold
▪ Office	Hold	Sell	Hold	Sell	Sell

Access to Debt & Equity Remains Top Priority



Little Change Regarding Factors that Attract Investors



"Demand > Supply" Leads Return Expectations

Factor	2022	2023	2024
▪ Demand > Supply	Most Likely	Most Likely	Most Likely
▪ Asset Appreciation @Exit	Likely	Most Likely	Most Likely
▪ Cash Flow Blend @Exit	Likely	Most Likely	Most Likely
▪ Barriers to Entry	Likely	Likely	Most Likely
▪ Low Interest Rates	Likely	Least Likely	Likely
▪ Stable Construction Costs	Likely	Least Likely	Likely

South Florida Rising



Source: Brickell Magazine

The Five Pillars



Our Riff on the Miami Heat LOGO!

HOUSING

EDUICATION

ACCESIBILITY

TRANSPORTATION

TECHNOLOGY

HOUSING

Related Urban Group - Gallery on the River



HTG - Flagler Station



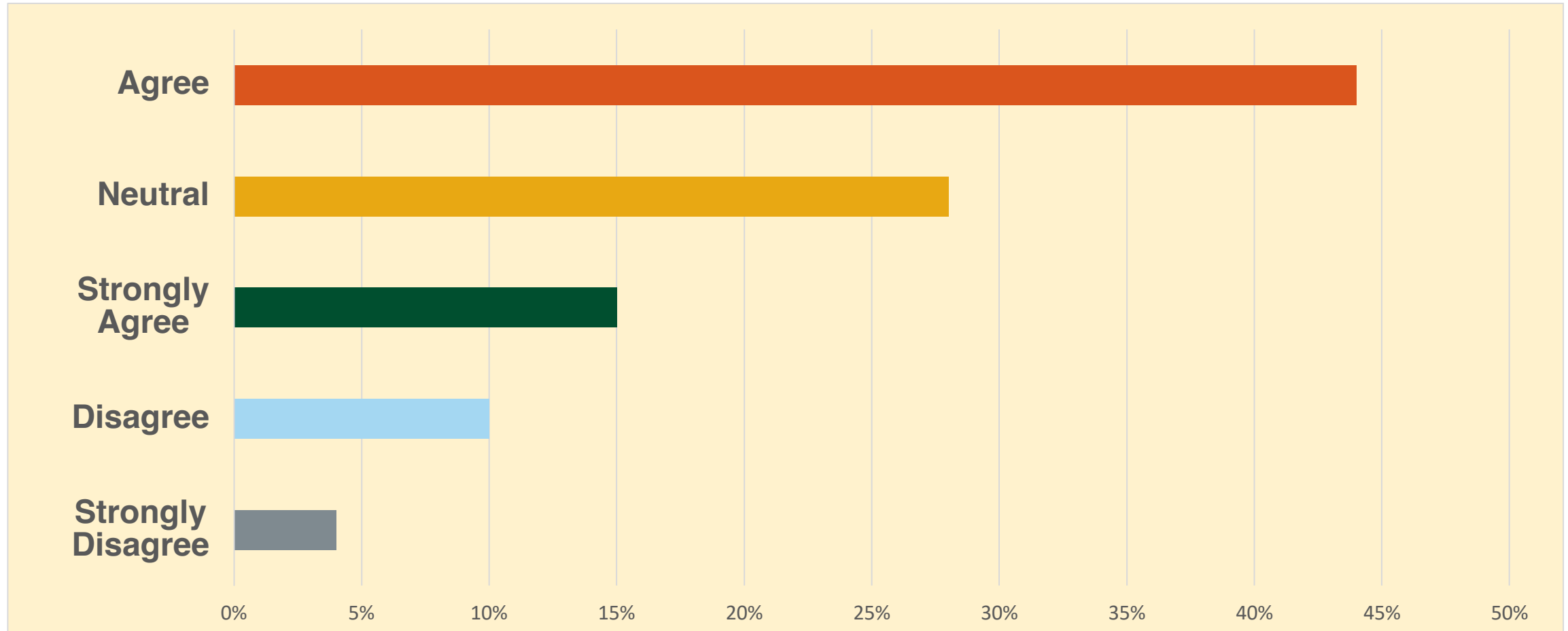
MRK Partners - Sawyers Walk



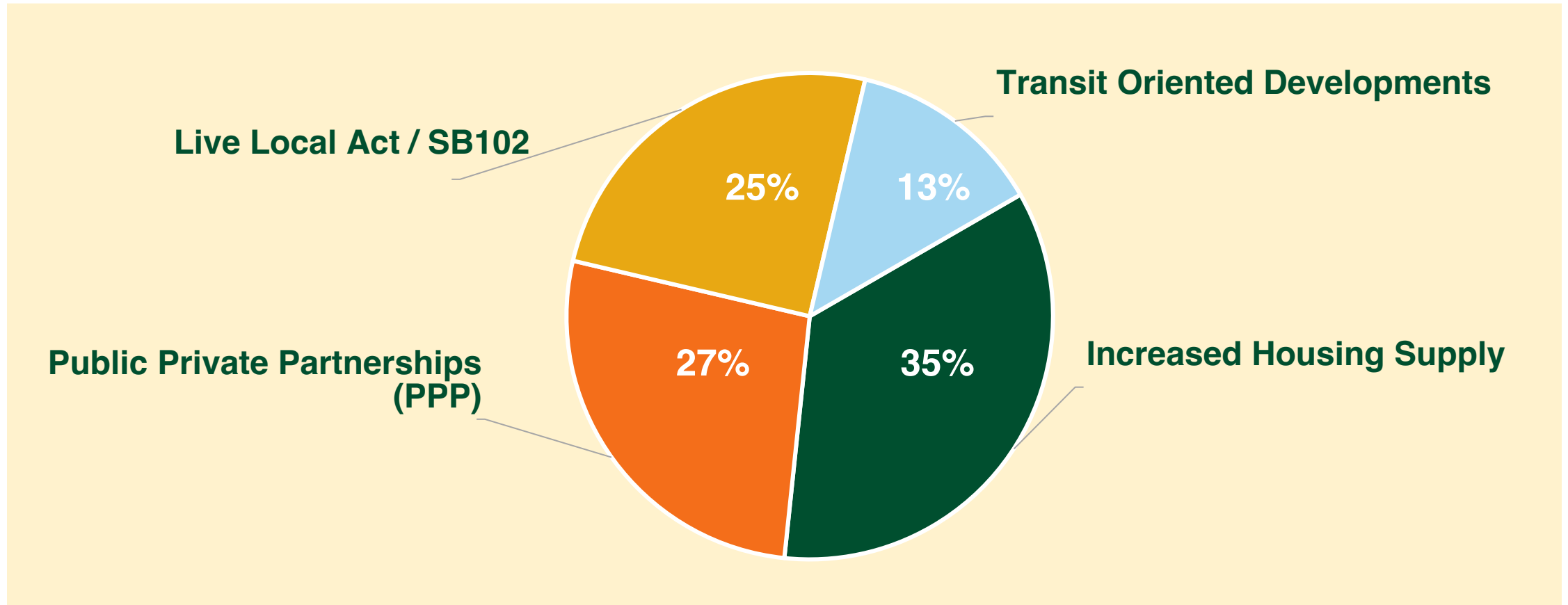
HTG - Hudson Village



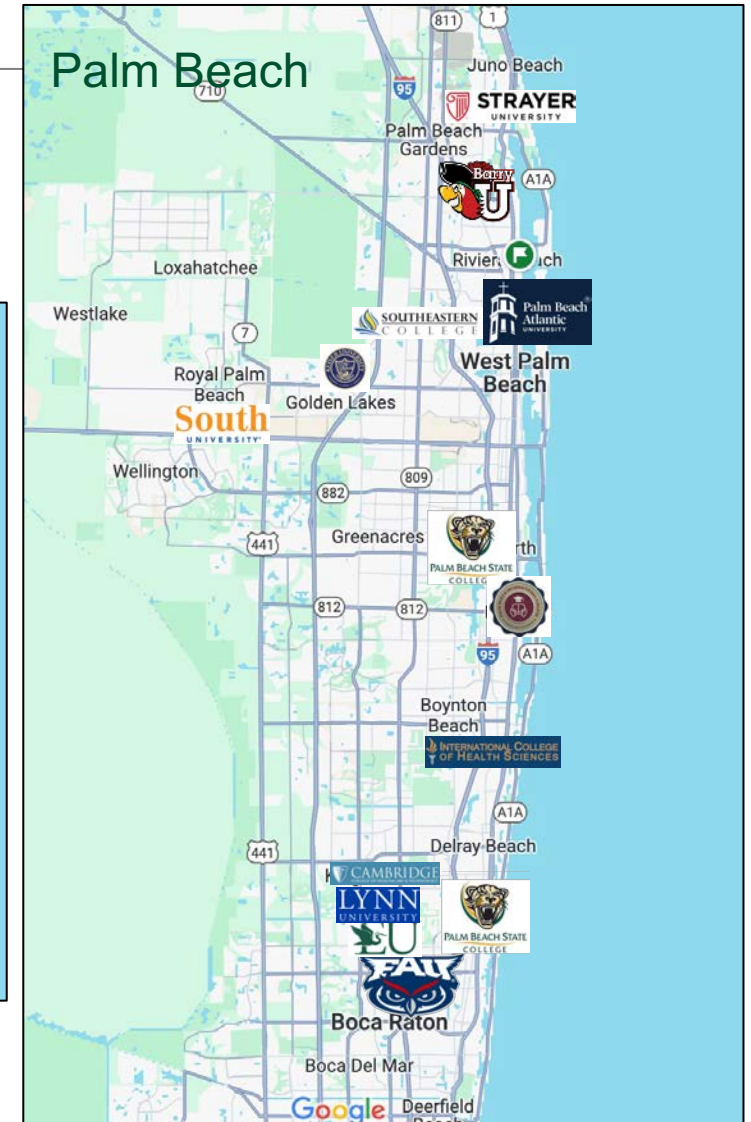
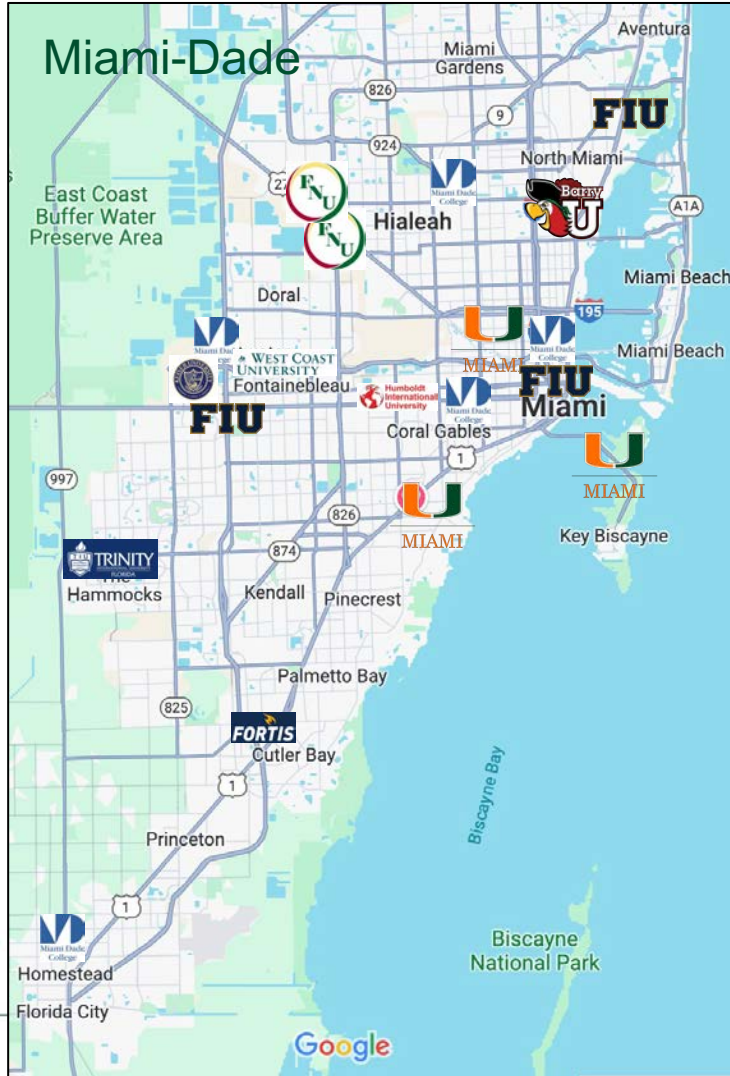
SB 102 Will Positively Affect Housing Affordability



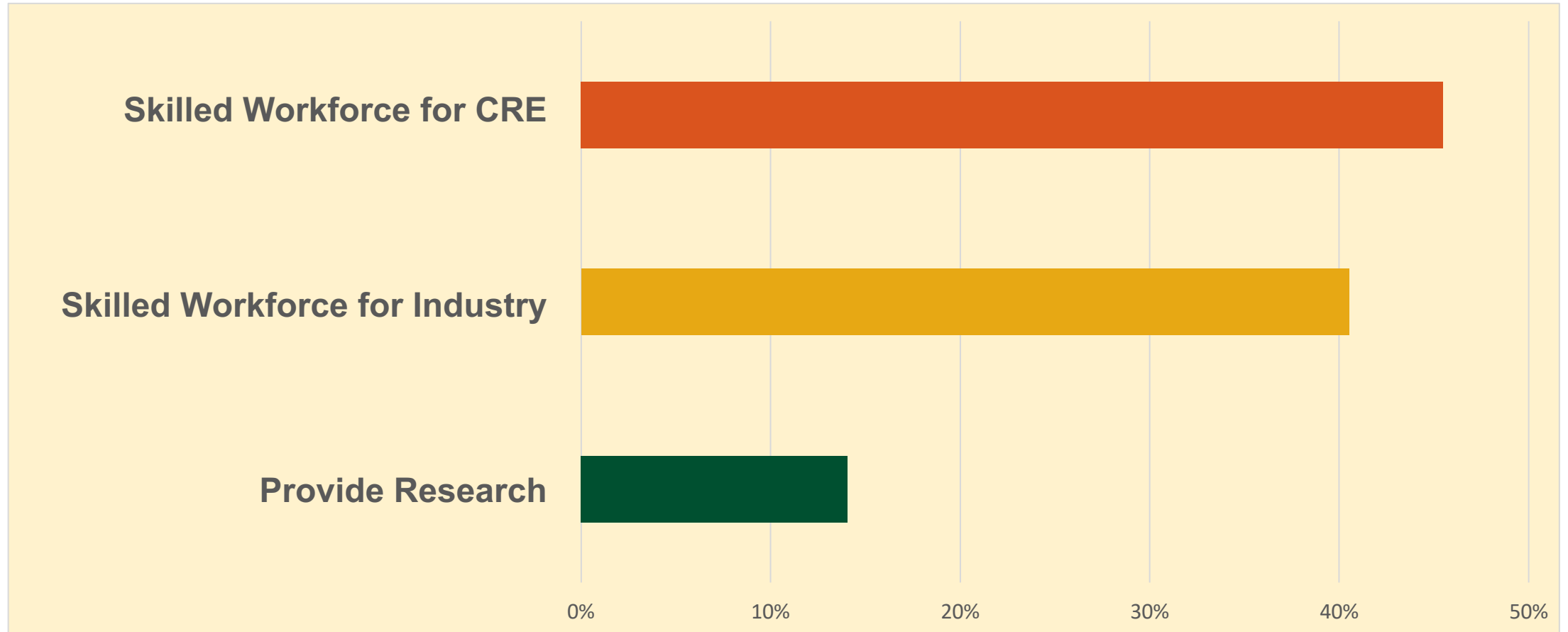
Increasing Housing Supply is Key to Affordability



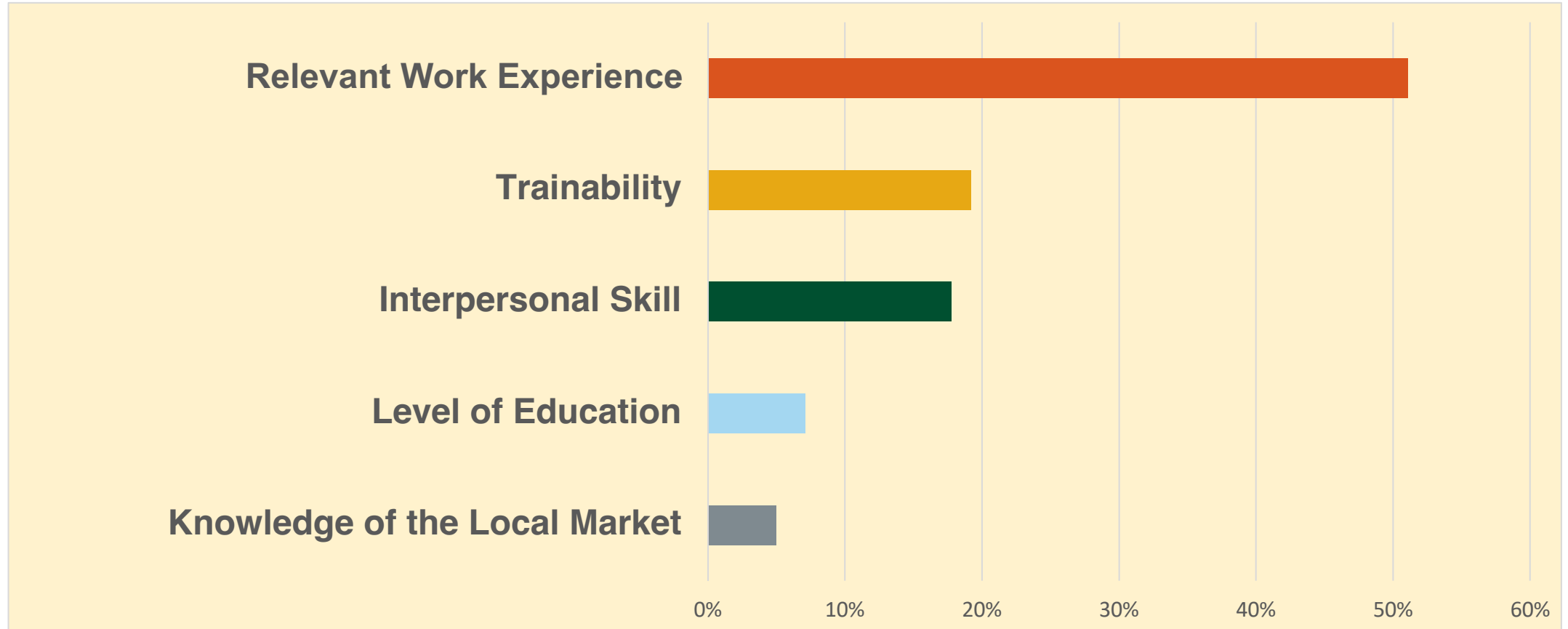
EDUCATION



Commercial Real Estate Expectation from Universities



Commercial Real Estate Expectation from Workforce

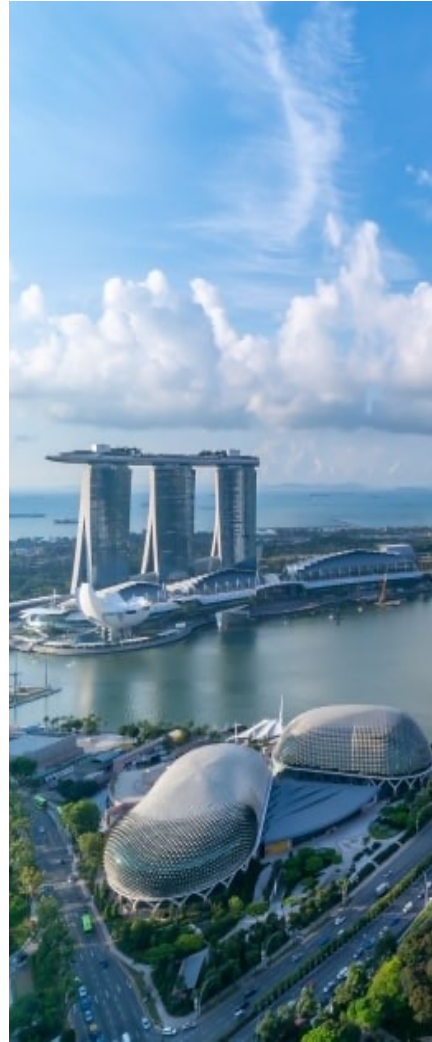


ACCESSIBILITY

Innovation

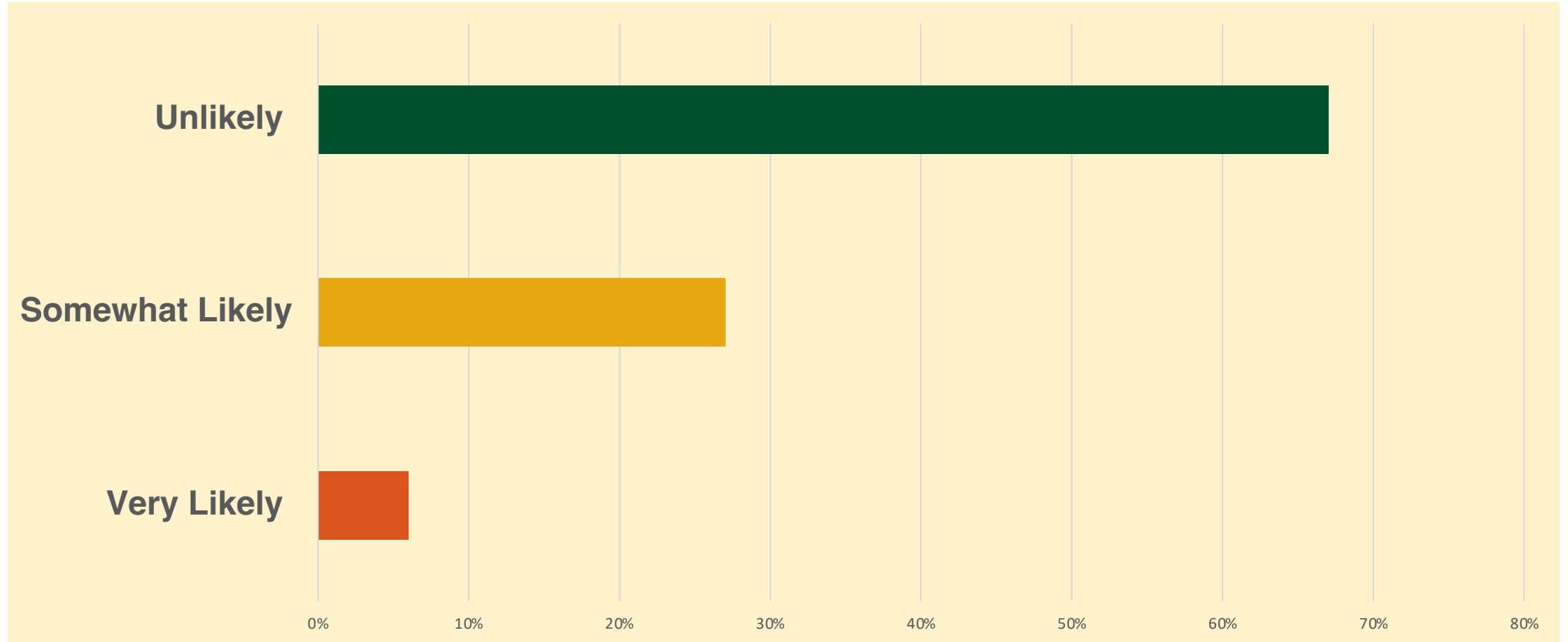
**Increased
Workforce
Participation**

**Broader
Consumer
Base**



Source: National Geographic

Accessible Units – Can We Build Them Without Incentives?



Incentives Rank High To Improve Accessibility



1. An additional 30% in Low-Income Housing Tax Credits (LIHTC)



2. A federal Income Tax Credit of \$5,000 per unit built



3. Ability to charge a 5% rental rate premium to able bodied tenants occupying an accessible unit



4. Density bonus of 2 market rate units for each ADA unit provided



5. Expedited Permitting process to facilitate administrative approvals

TRANSPORTATION

Transit Oriented
Developments
(TODS)

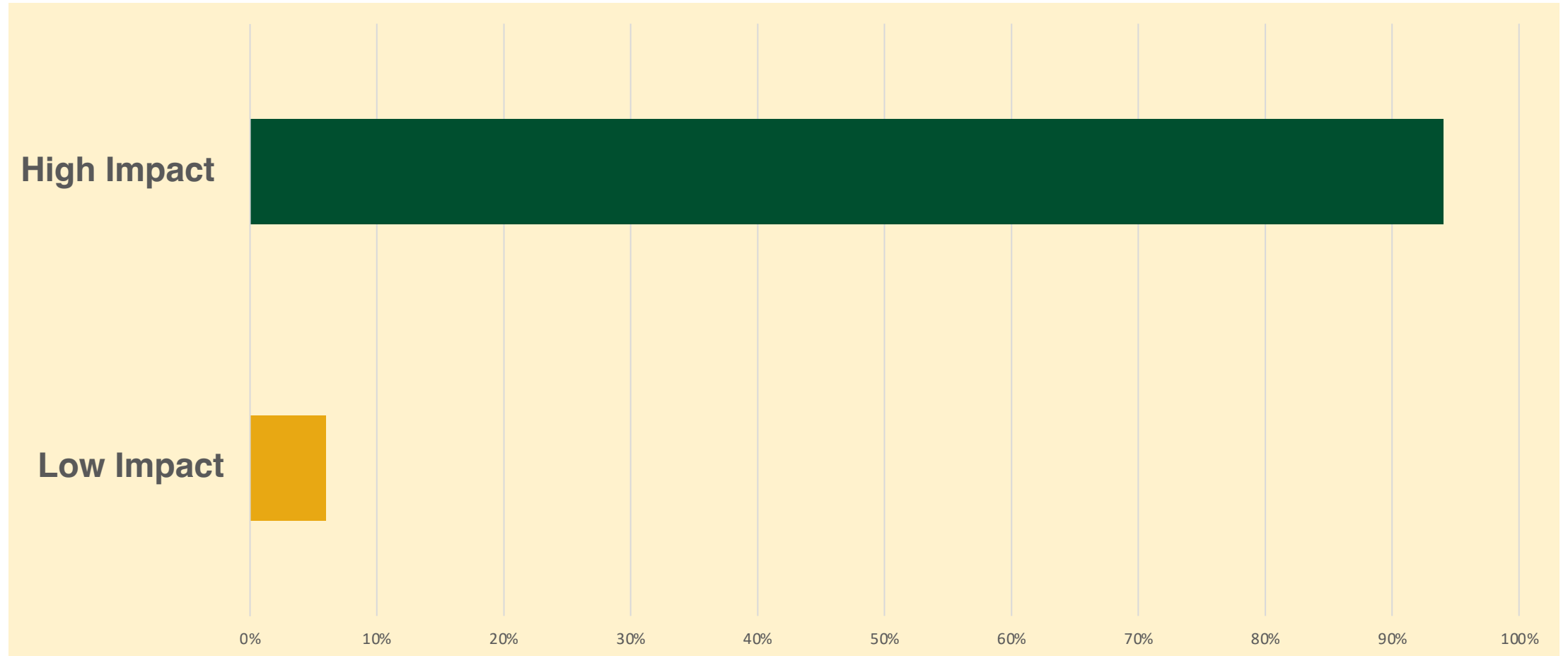
Sustainability

Better urban
design

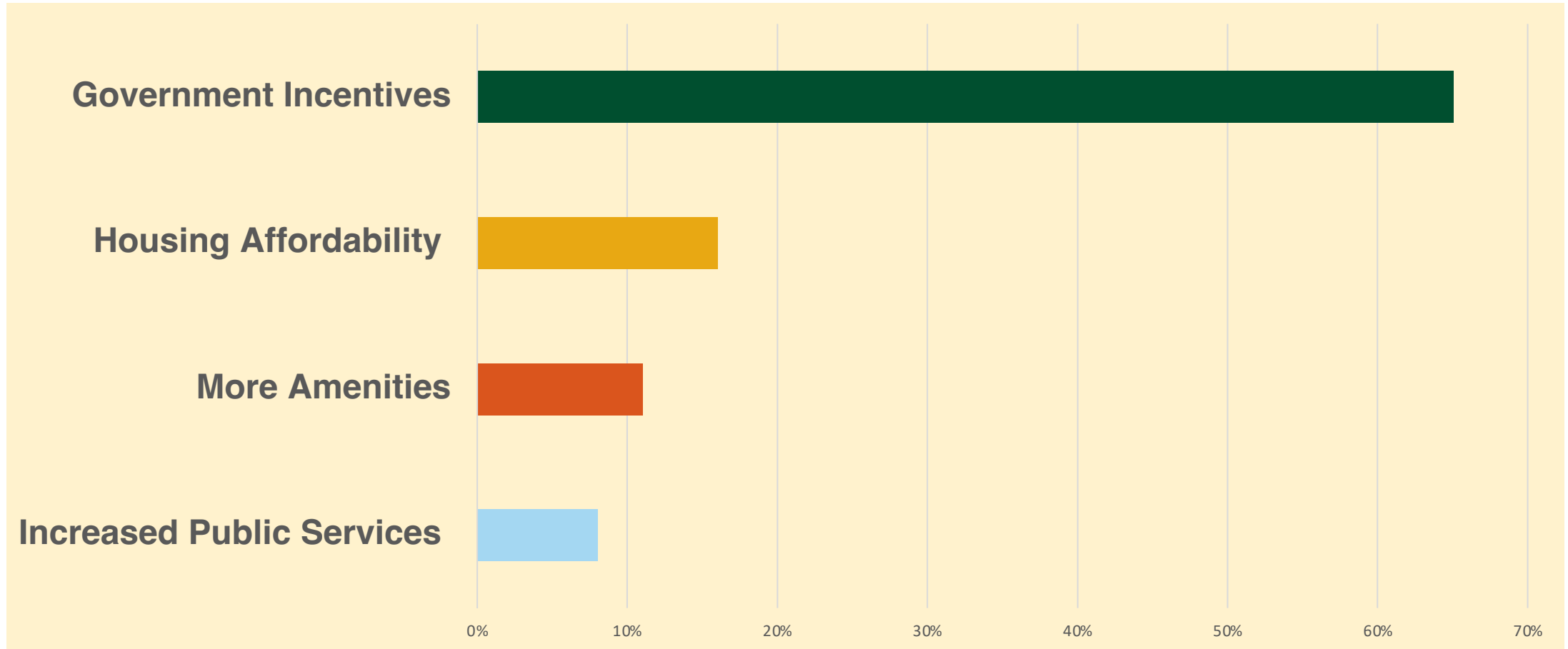


LINK at Douglas: 13th Floor Investments, Adler Group & Lefrak

Public Transit is Vital for TOD Viability



Government Incentives Key to Promoting TODs



TECHNOLOGY

Economy

Human
Connection

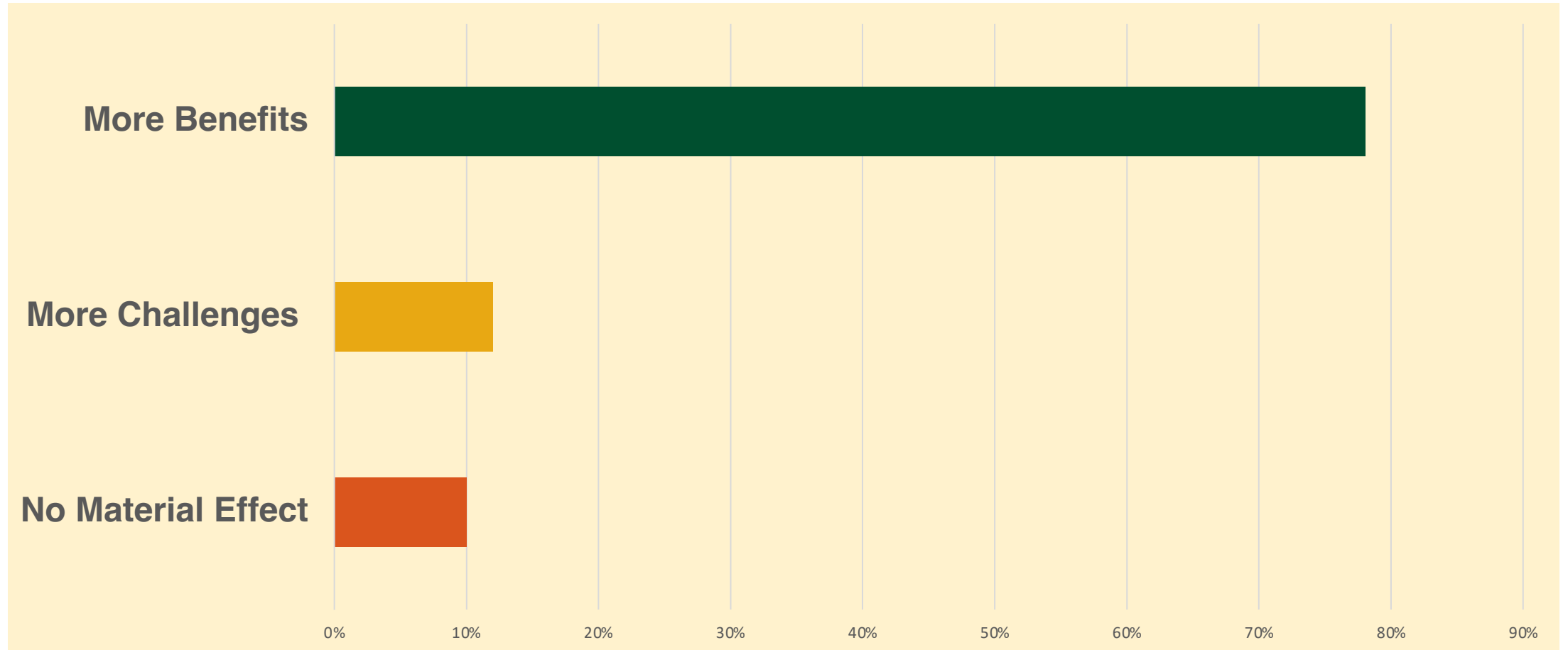
Virtual Reality

Artificial
Intelligence



AI Generated Image: MidJourney

The Impact of New Technologies in the South Florida CRE Market



Use Technology to Facilitate Permitting & Cost Savings



1. Streamlined Permitting Process



2. Additional Cost Savings



3. Enhanced Customer Services



4. Identification of New Business Opportunities



5. Optimized Employee Productivity

Key Takeaways (General)

Takeaway	Last Year	This Year
• Market Cycle Sentiment	Fear of Recession	Expansion Sentiment Grows
• Buy Hold Sell General Sentiment	Buy	Hold
• Direction of Value	Industrial/Multifamily	Industrial/Multifamily
• Impact on Market Values	Access to Debt and Equity	Access to Debt and Equity
• Factors that Attract Investors	Projected ROI	Projected ROI
• Return Expectations	Asset Appreciation at Exit	Demand Outpacing Supply

Key Takeaways (Five Pillars)

Pillar	What Next
• H ousing	Utilize SB-102 & PPP to Increase Supply
• E ducation	Provide CRE Knowledge Workforce
• A ccessibility	Promoting Universal Design
• T ransportation	Utilize Government Incentives
• T echnology	Integrate AI into Development & Operations

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<https://real-estate-impact.miami.edu/research/24>

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