

UNIVERSITY OF MIAMI REAL ESTATE RESEARCH INITIATIVE

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Commercial Real Estate Sentiment Survey

MAPPING the FUTURE of SOUTH FLORIDA

Research Sponsor



February 7, 2025



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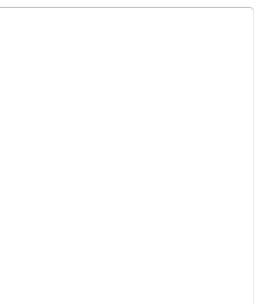
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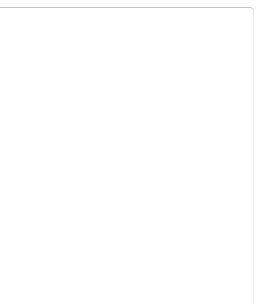


Giaffon Lam



Agenda

- **Market Overview**
- **Investment Landscape**
- **Policy Insights**
- **Climate Resilience**
- **Key Takeaways & Conclusion**



A Snapshot of Today's Current Events



Source: The Economist

Tax Cuts and Impact?



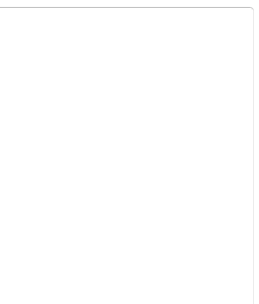
Source: The New York Times

Higher Rates for Longer?



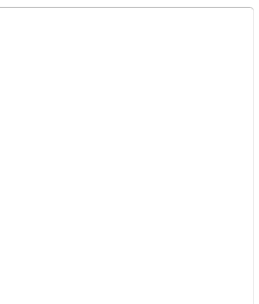
Source: Business Standard

Inflationary?



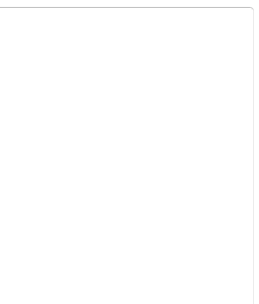
Positive Investment Views, Except for Office

Asset Class	2020	2021	2022	2023	2024	2025
▪ Industrial	Up	Up	Up	Up	Up	Up
▪ Multifamily	Up	Up	Up	Up	Up	Up
▪ Office	Neutral	Down	Down	Down	Down	Down
▪ Retail	Neutral	Down	Down	Neutral	Neutral	Up
▪ Hospitality	Up	Down	Down	Up	Neutral	Up

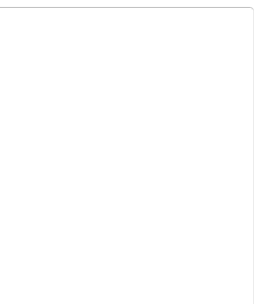
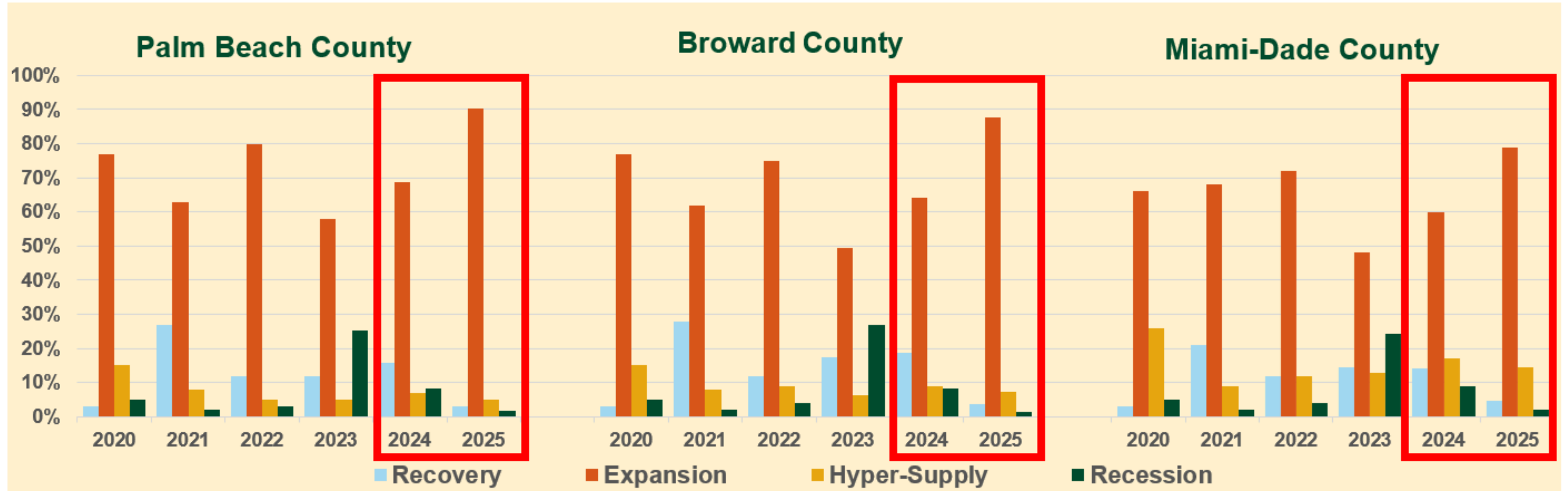


Predominant Sentiment: Hold Continues to Dominate

Asset Class	2020	2021	2022	2023	2024	2025
▪ Industrial	Buy	Buy	Buy	Hold	Hold	Hold
▪ Multifamily	Hold	Buy	Buy	Hold	Hold	Buy
▪ Office	Sell	Sell	Hold	Sell	Sell	Hold
▪ Retail	Hold	Sell	Hold	Hold	Hold	Hold
▪ Hospitality	Sell	Buy	Buy	Hold	Hold	Hold

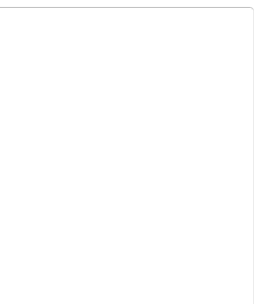


Despite Headwinds, Expansion Sentiment Persists



Rising Demand Across Property Types, Except Office

Asset Class	Prior 18 Months	Next 5 Years
▪ Industrial	Strong Demand	Strong Demand
▪ Multifamily	Strong Demand	Strong Demand
▪ Office	Weak Demand	Weak Demand
▪ Retail	Stable Demand	Strong Demand
▪ Hospitality	Stable Demand	Strong Demand



Expensive Land Prices & High Rents Deter CRE Investments



Expensive Land Prices



High Rents



Availability of Workforce



Environmental Concerns



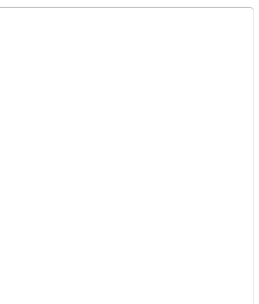
Regulations



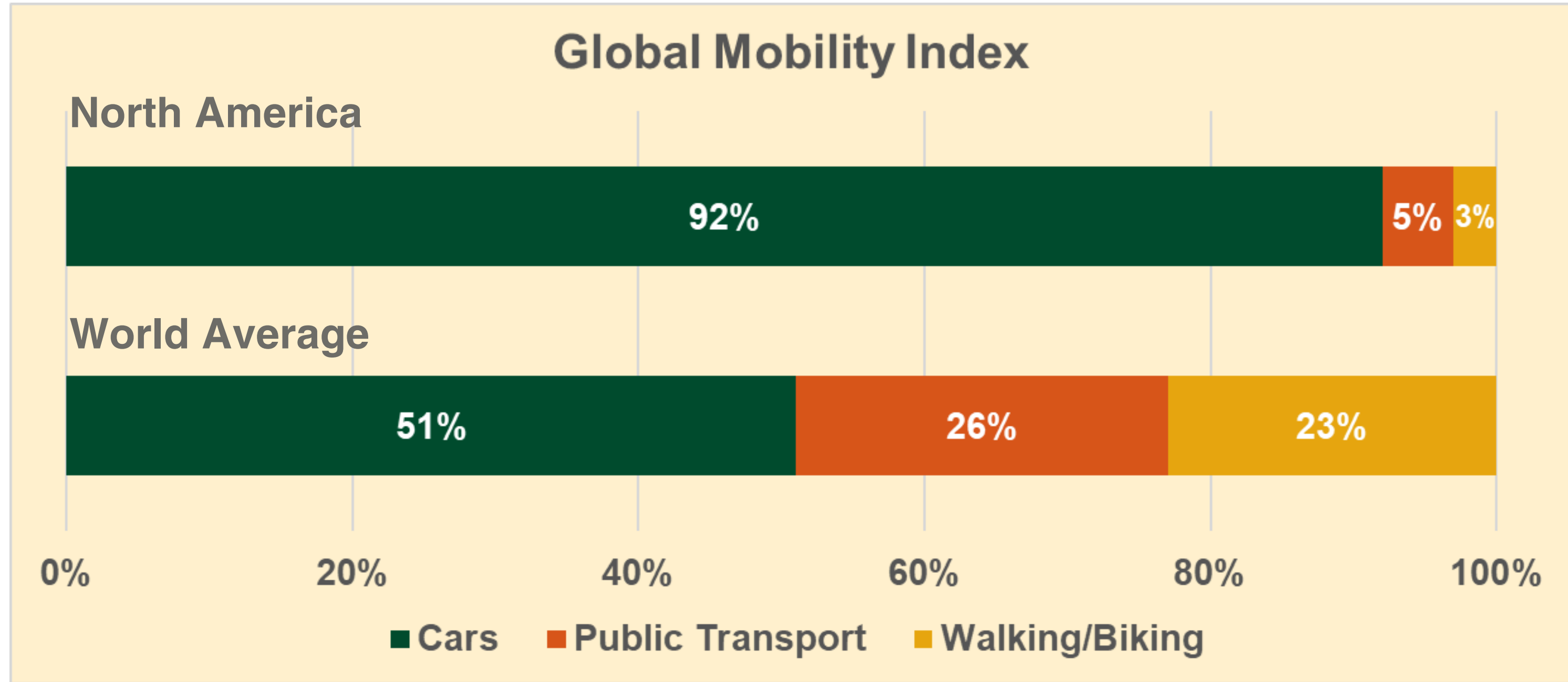
For-Sale Housing Affordability



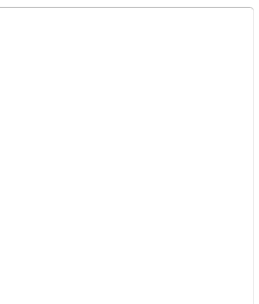
Traffic & Mobility Concerns



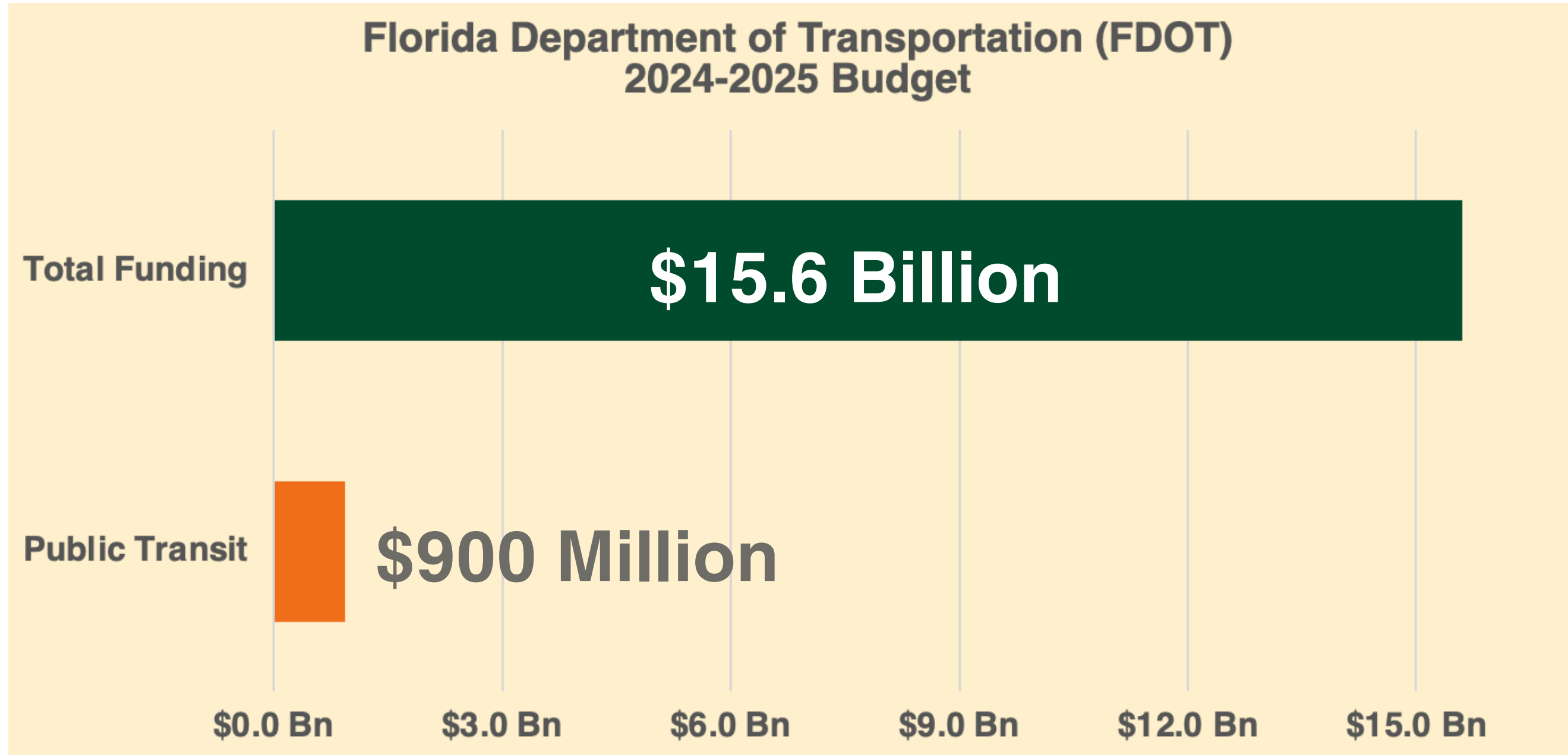
More Investment in Public Transportation



Source: The ABC of Mobility, Environment International 2024



More Investment in Public Transportation



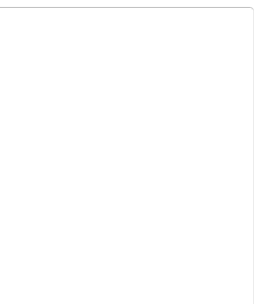
**Current Funds
Allocated Towards
Public Transit**

6%

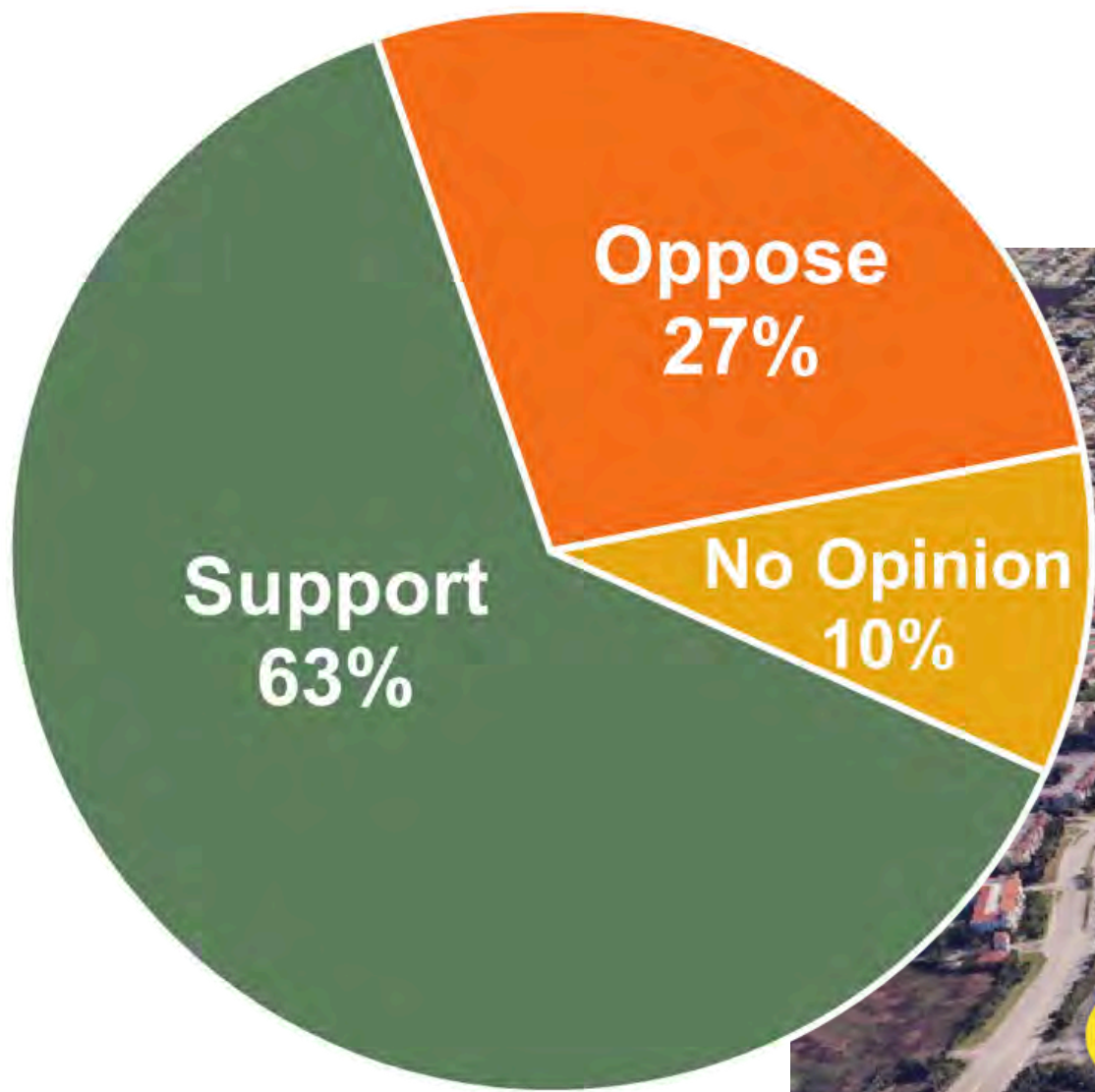
**Funds Suggested to
be Allocated
Towards Transit**

30%

Source: Florida Department of Transportation



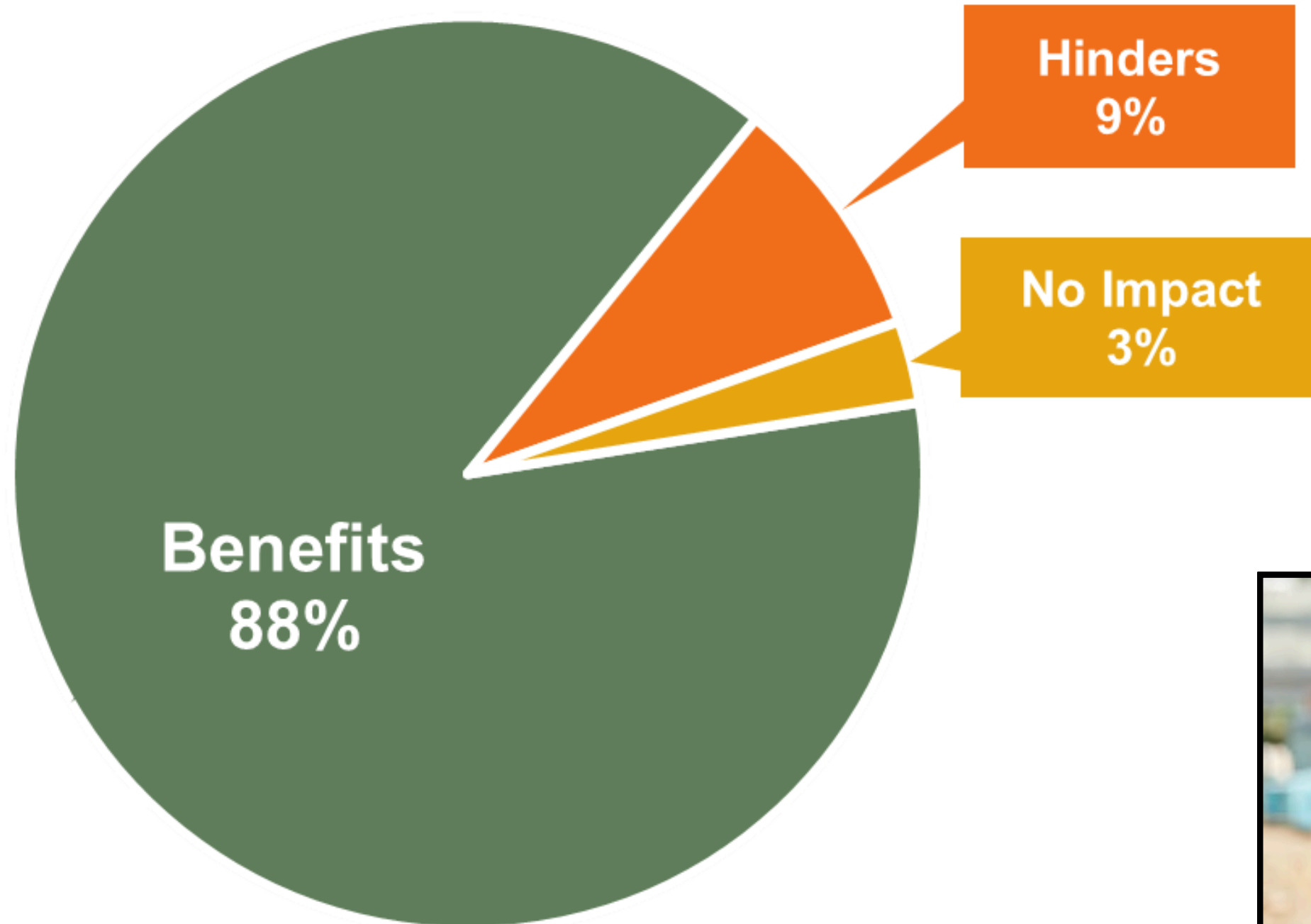
Support to Eliminate Parking Minimums



(~20,000 Spaces)

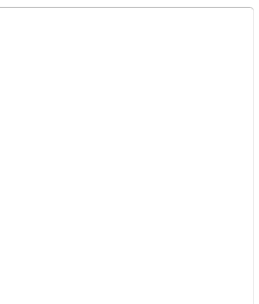
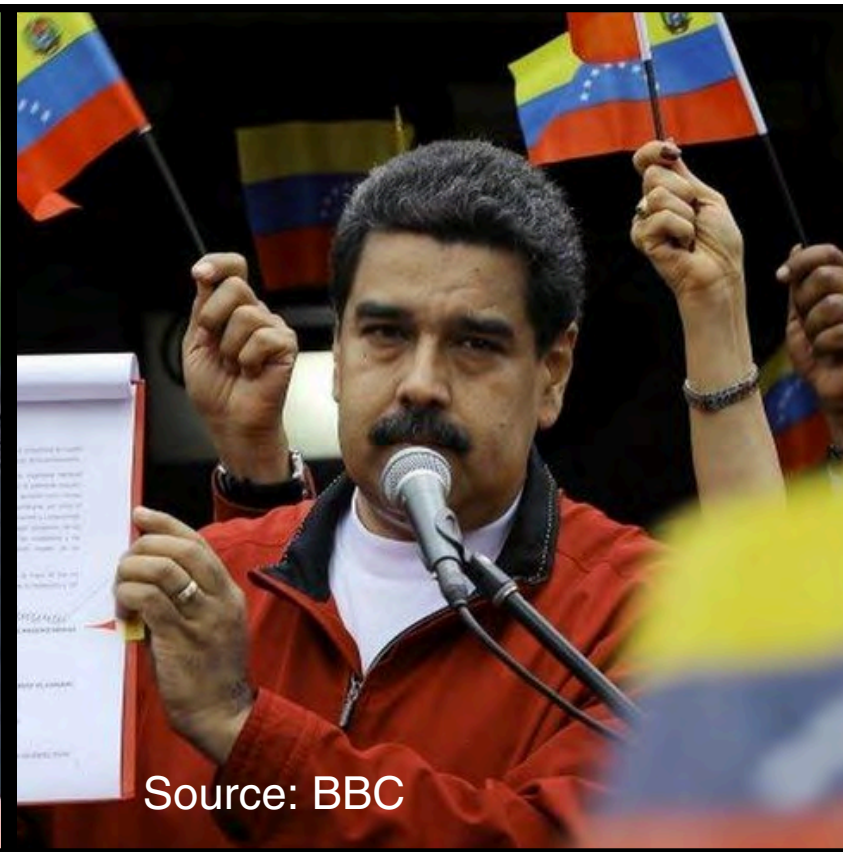


Immigration Has Positive Impacts for South Florida Real Estate

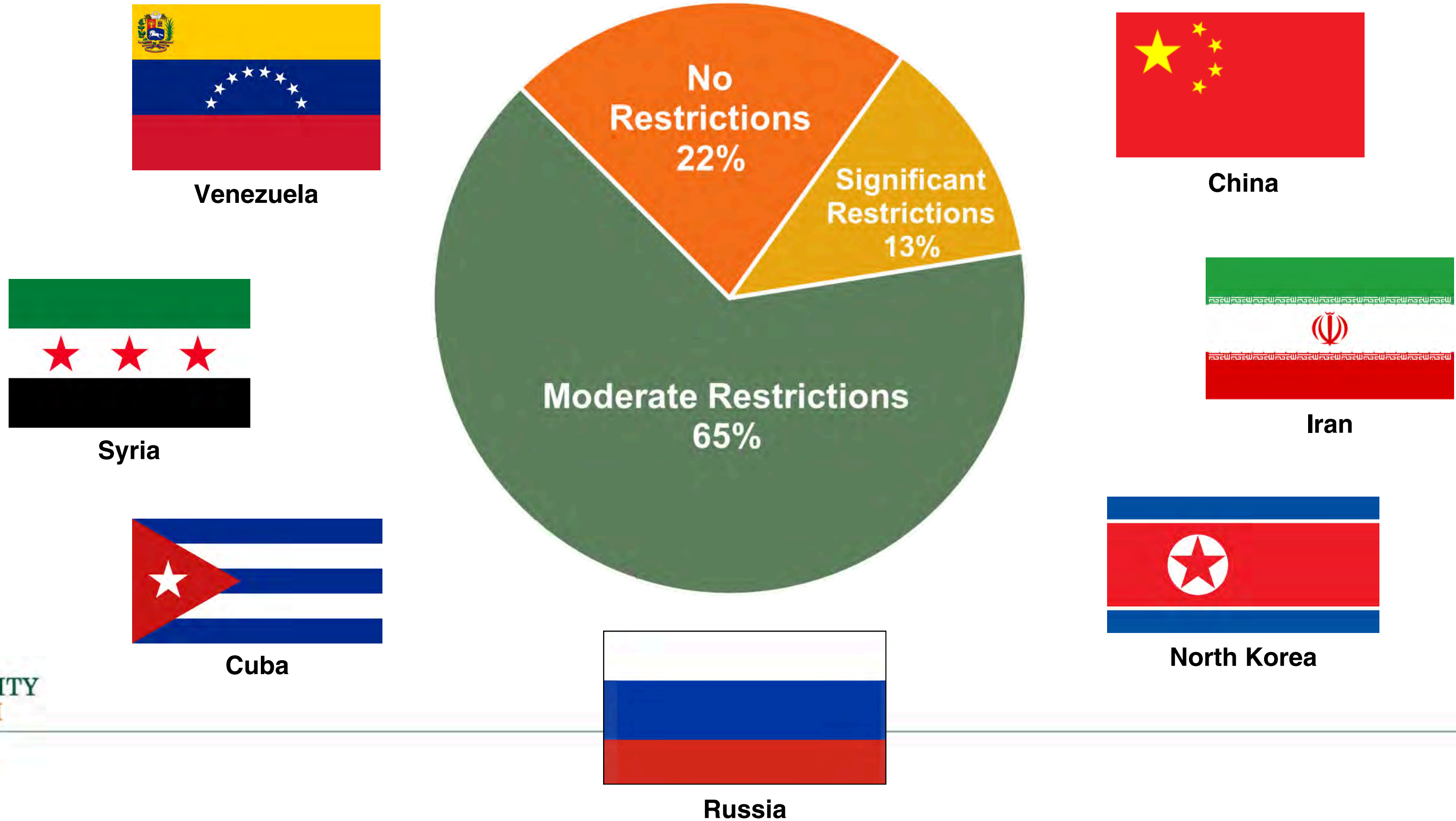


Restrictions on Specified Foreign Buyers

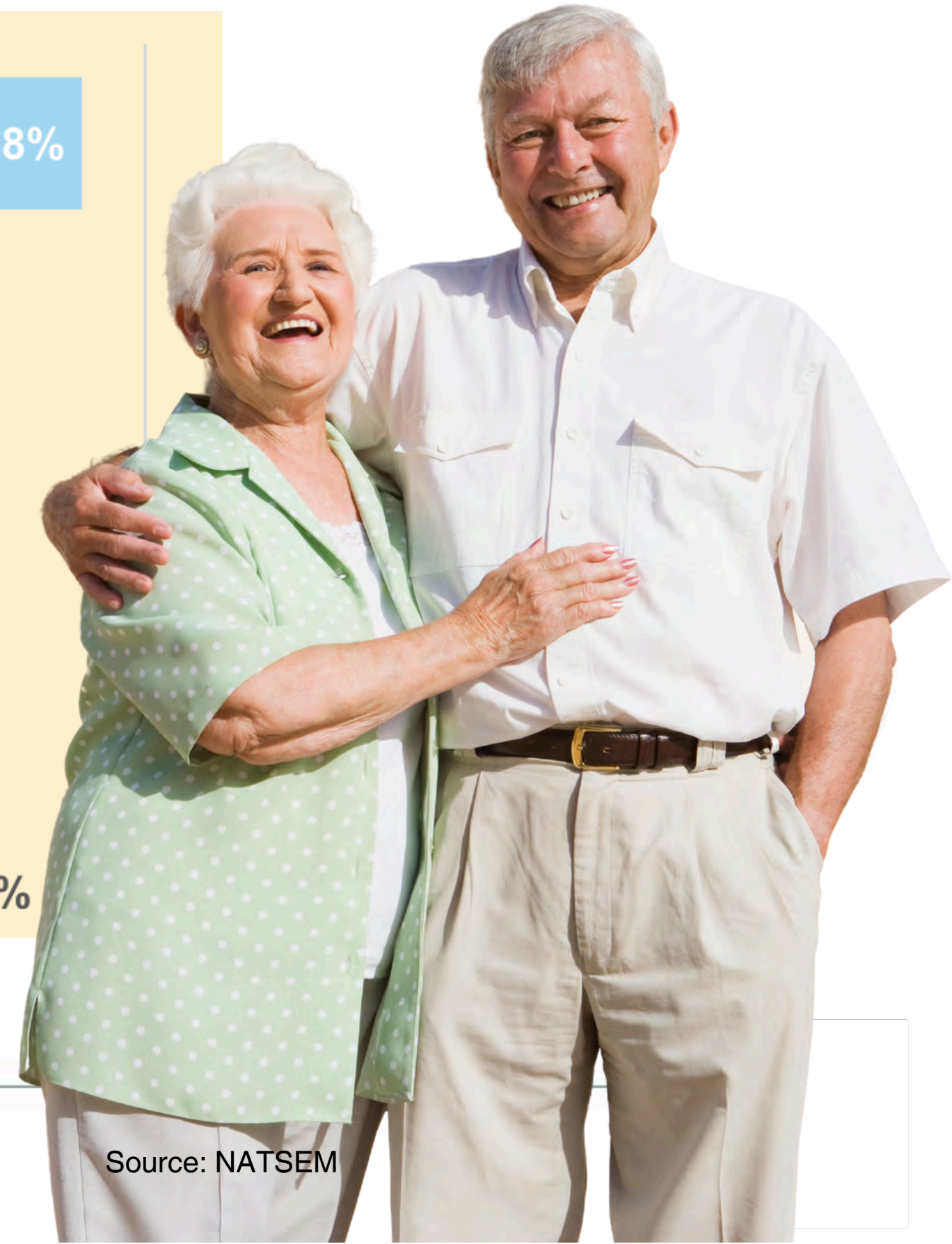
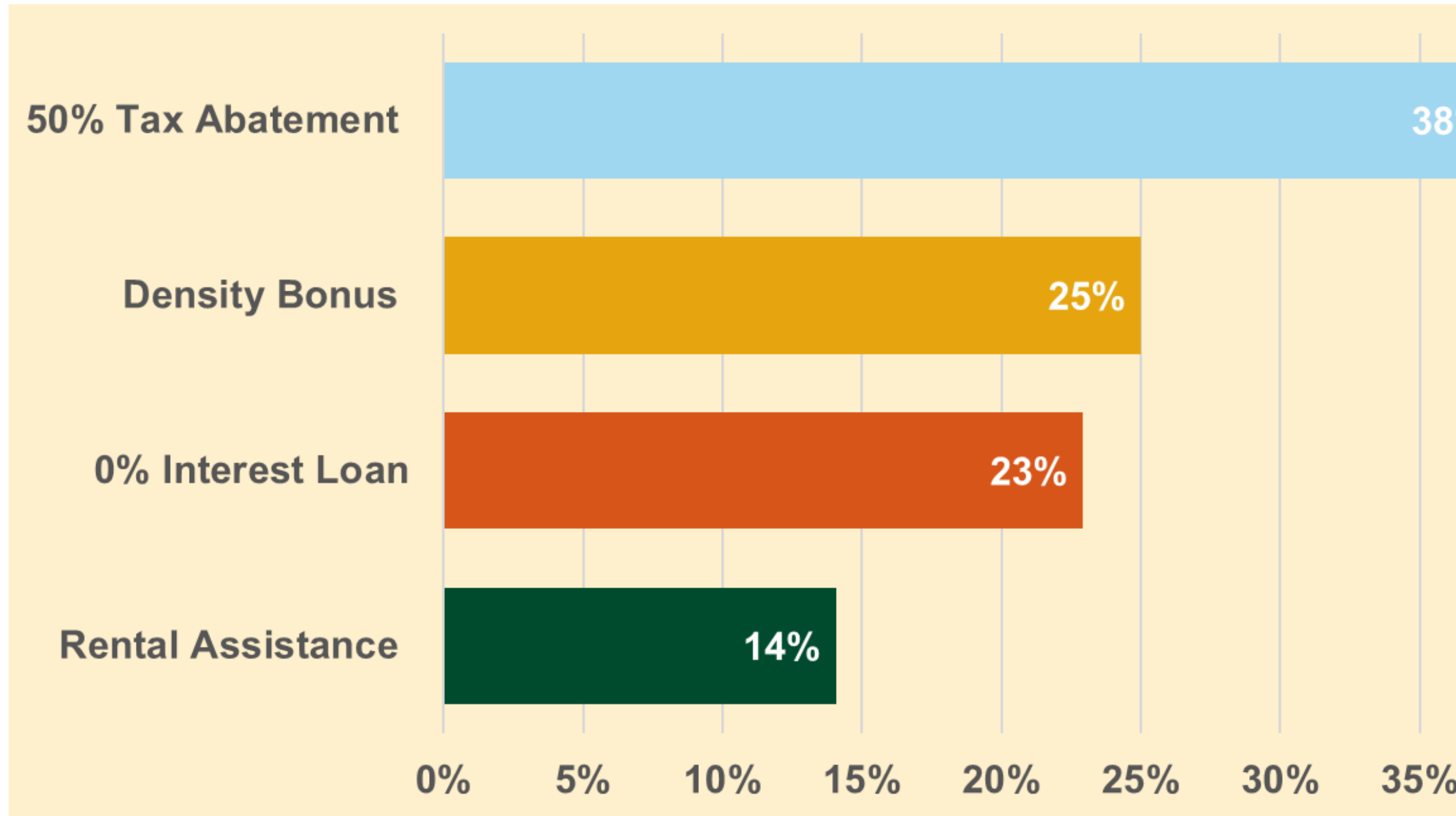
Florida 2023 SB 264 restricts real property ownership by individuals and entities associated with foreign countries of concern



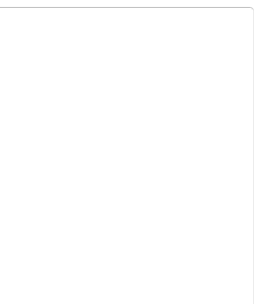
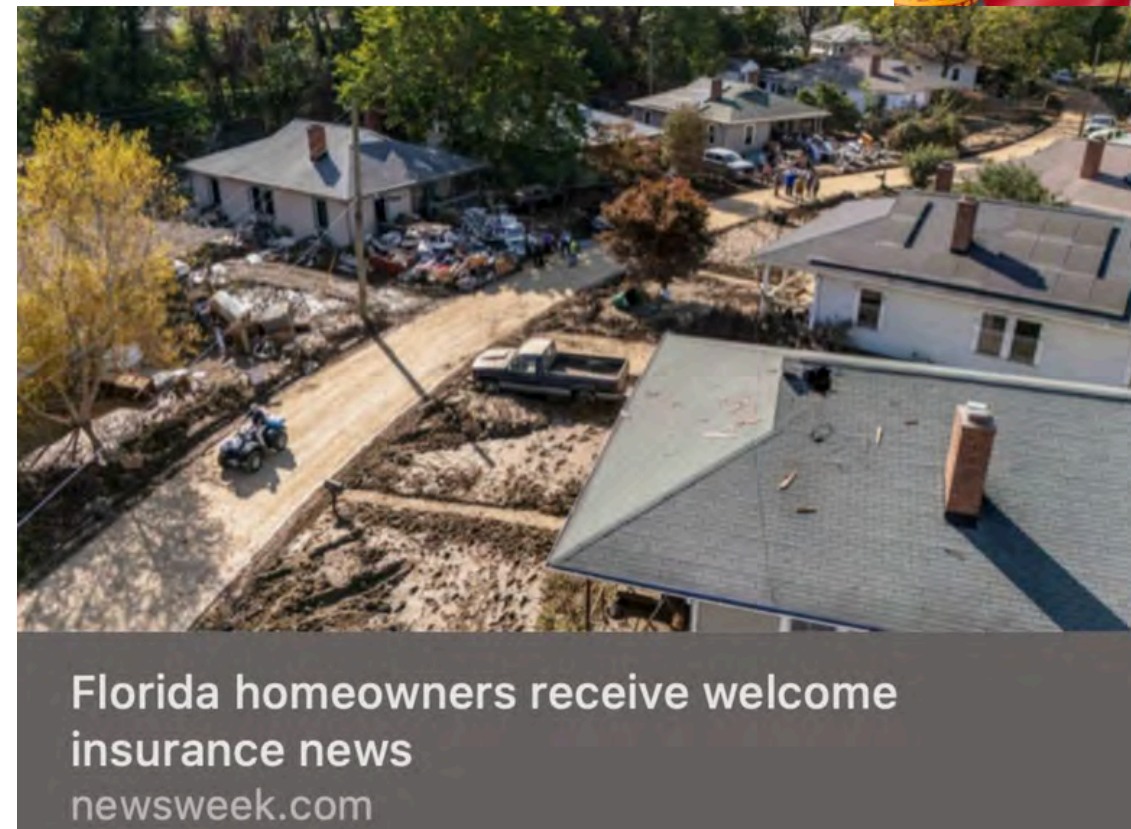
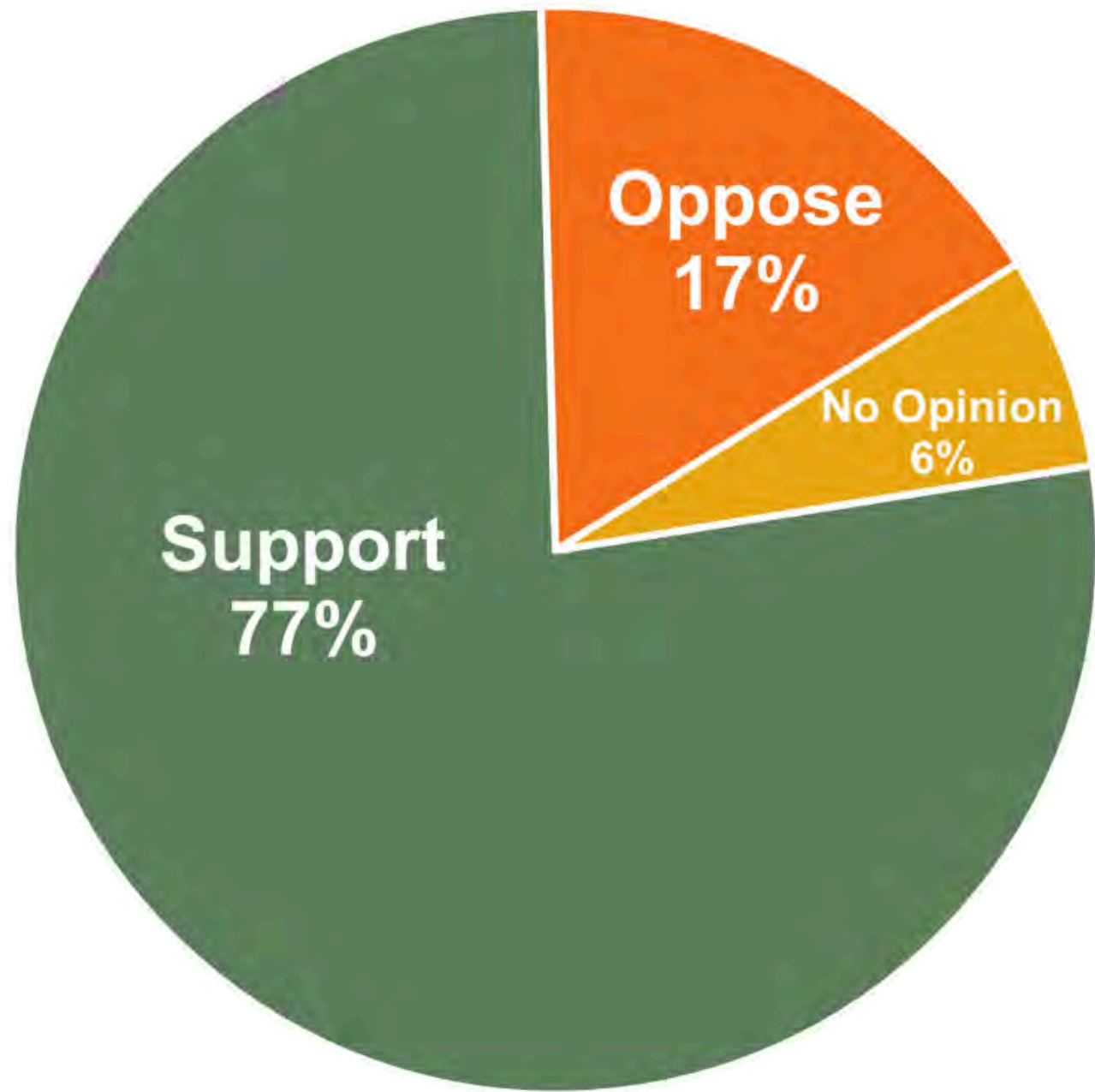
Majority Supports Restrictions on Specified Foreign Buyers



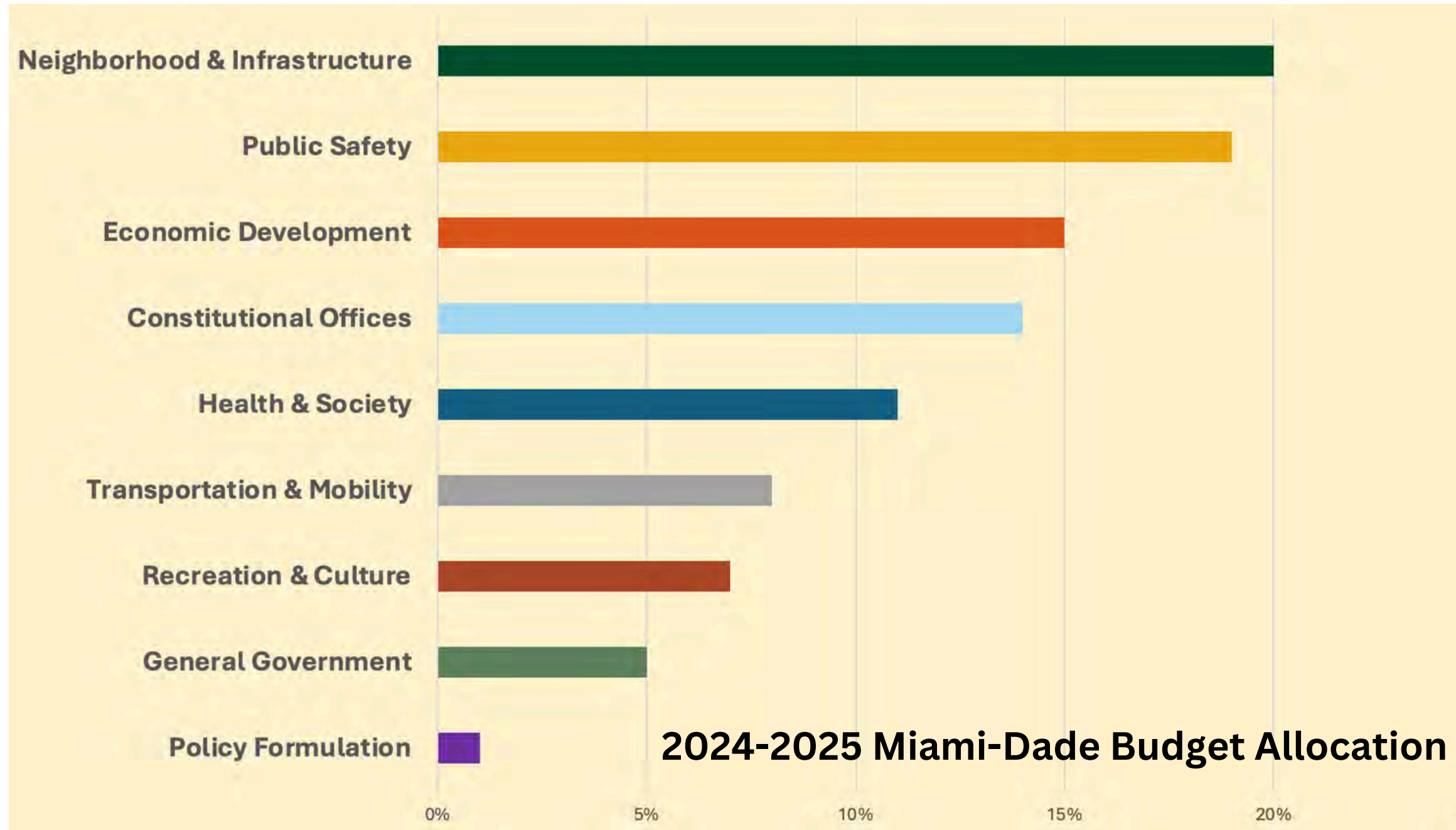
Incentives Supported to Develop Senior Housing



Public Subsidies Encouraged to Attract Private Insurance



Support To Allocate Tax Revenue Towards Resiliency



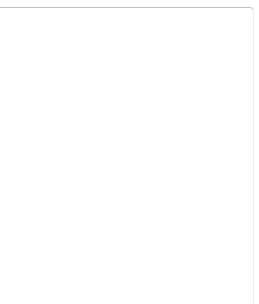
Source: Miami-Dade Office of Management and Budget

**Current Funds
Allocated Towards
Resiliency**

??%

**Respondents
Suggested Amount
Towards Resiliency**

26%



Understanding Climate Risks in South Florida

The Problem

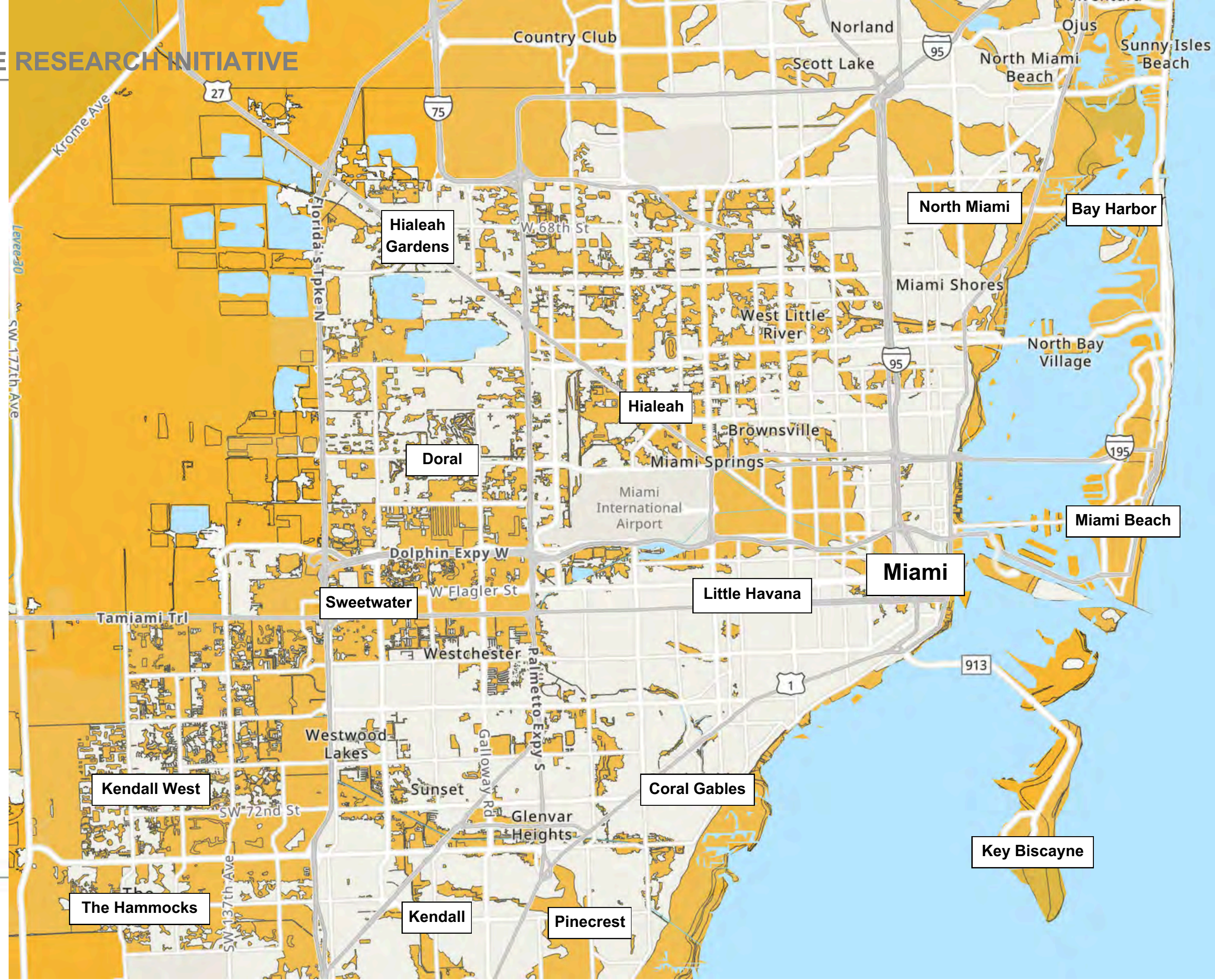
- No comprehensive approach
- FEMA maps overlook current storm driven flooding
- Increasing impacts of sea level rise
- Climate change not factored



Climate Risk Map

Miami Dade

 FEMA Flood

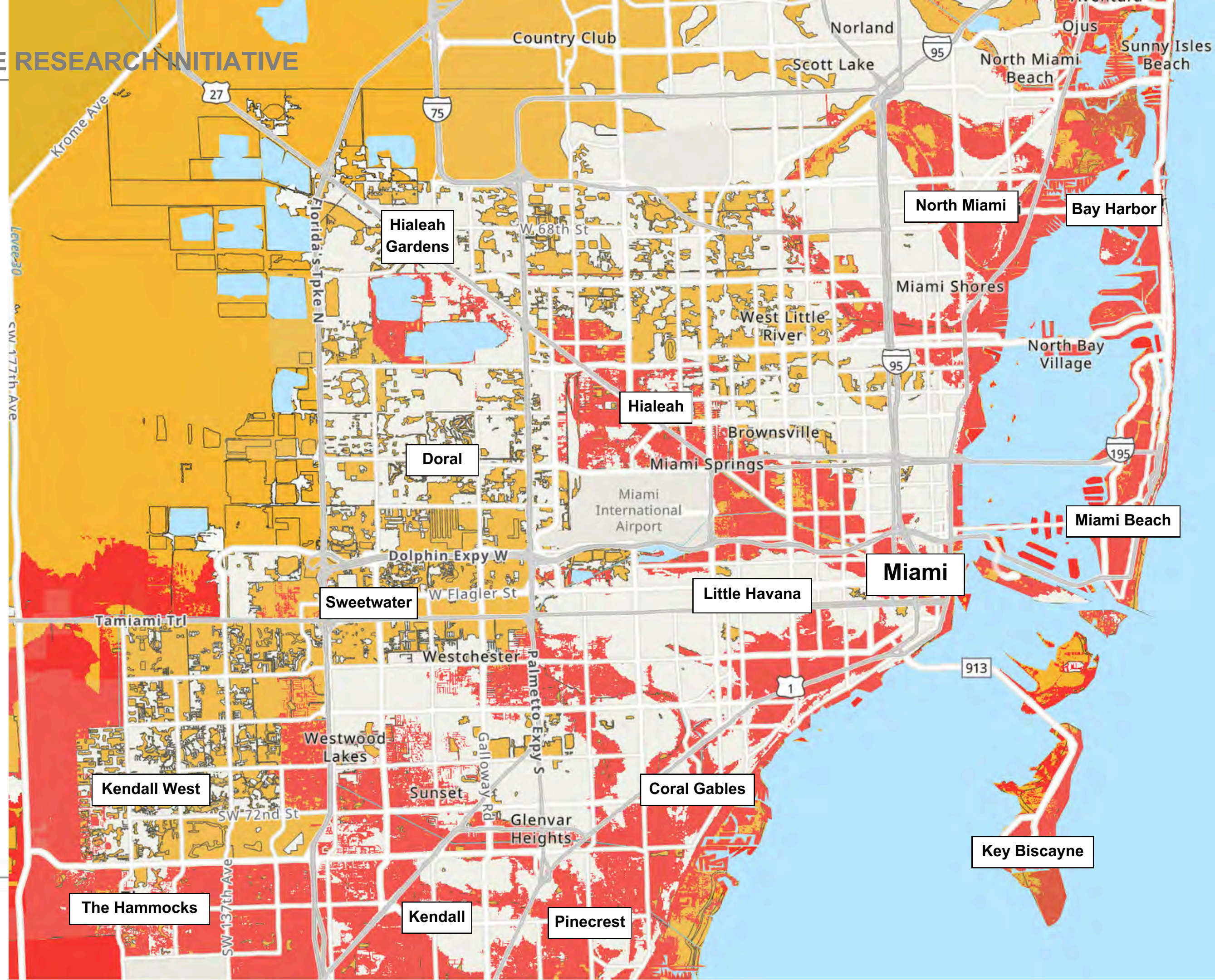


Climate Risk Map

Miami Dade

 FEMA Flood

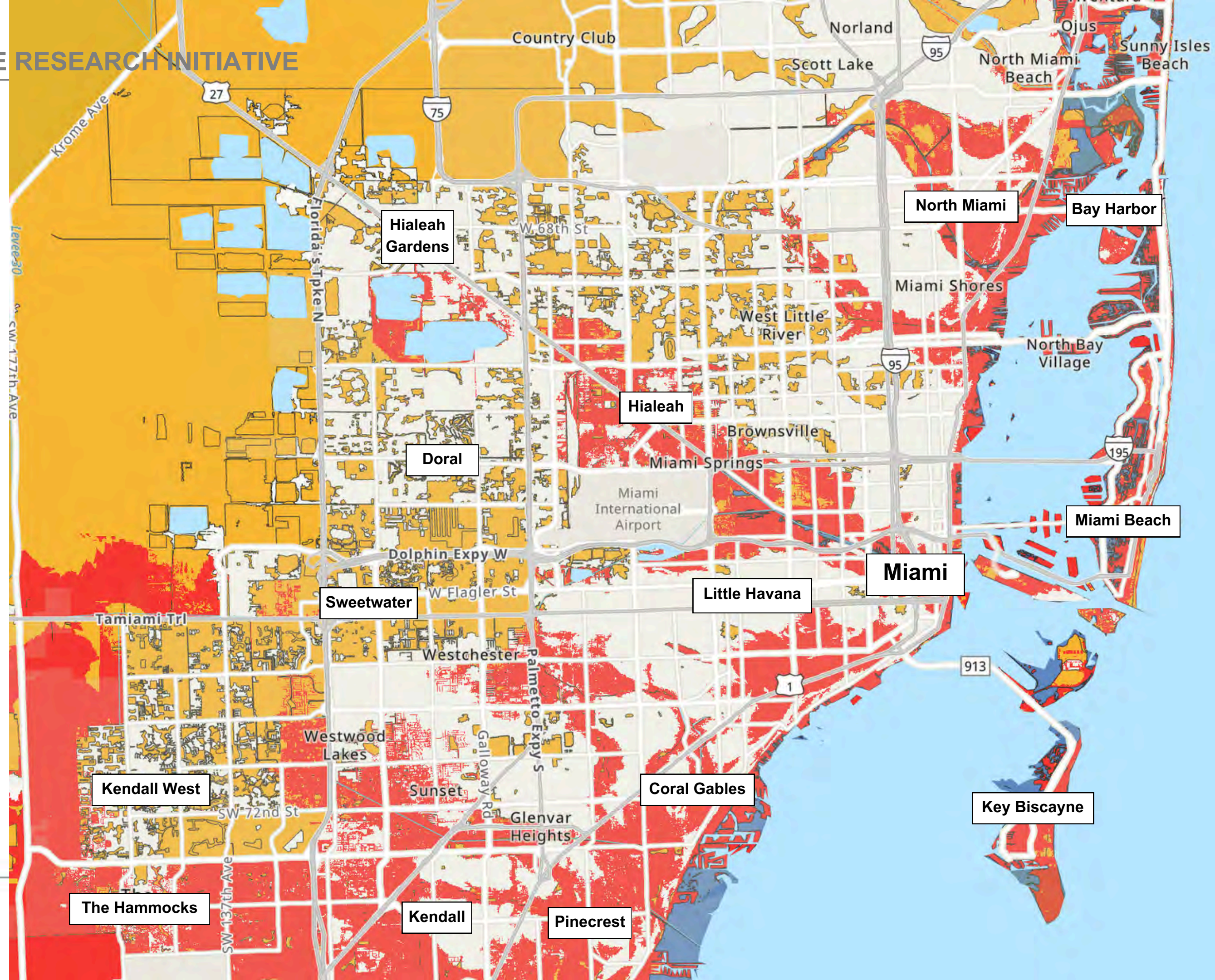
 Storm Surge



Climate Risk Map

Miami Dade

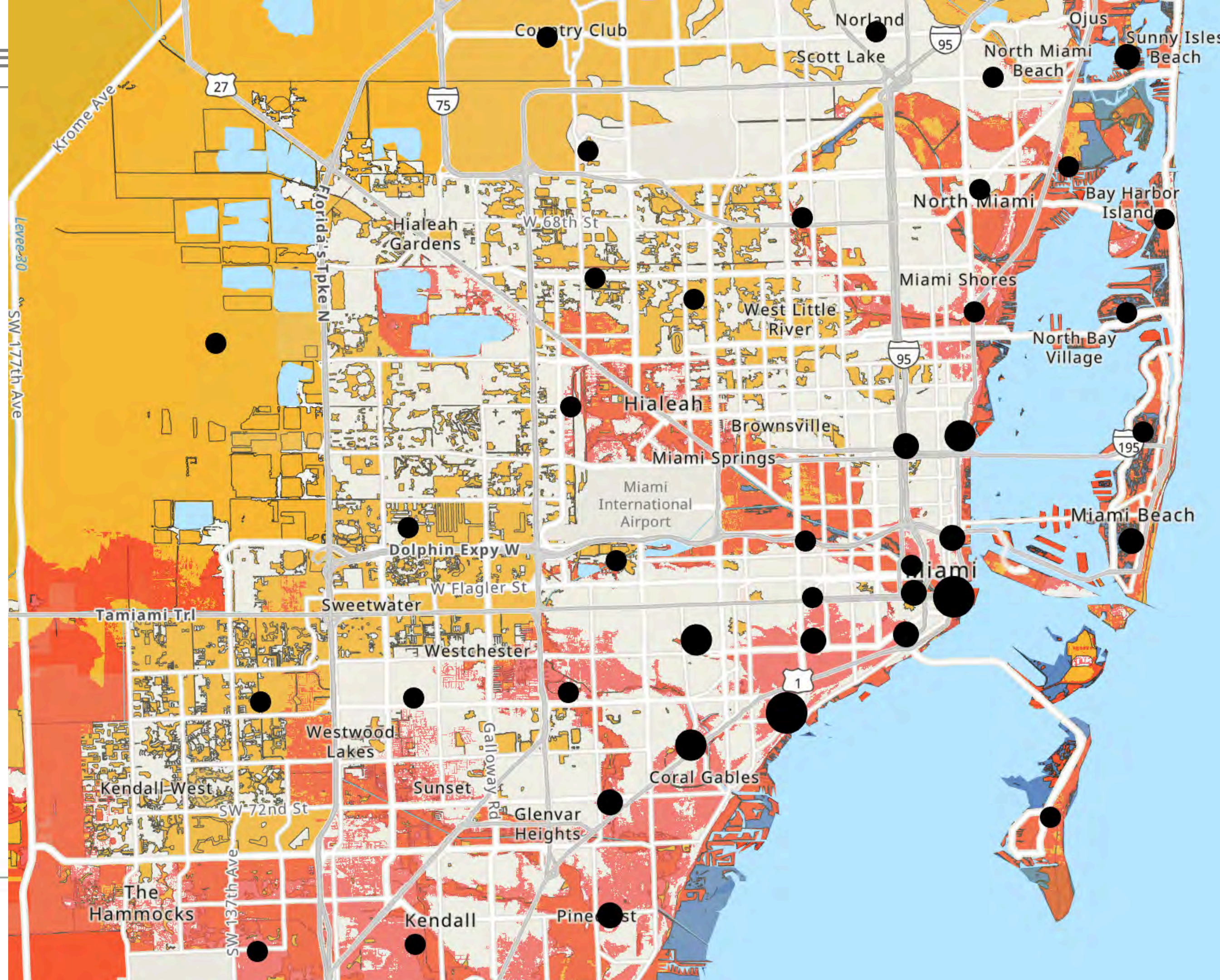
-  FEMA Flood
-  Storm Surge
-  Sea Level Rise (2050)



Holdings

Miami Dade

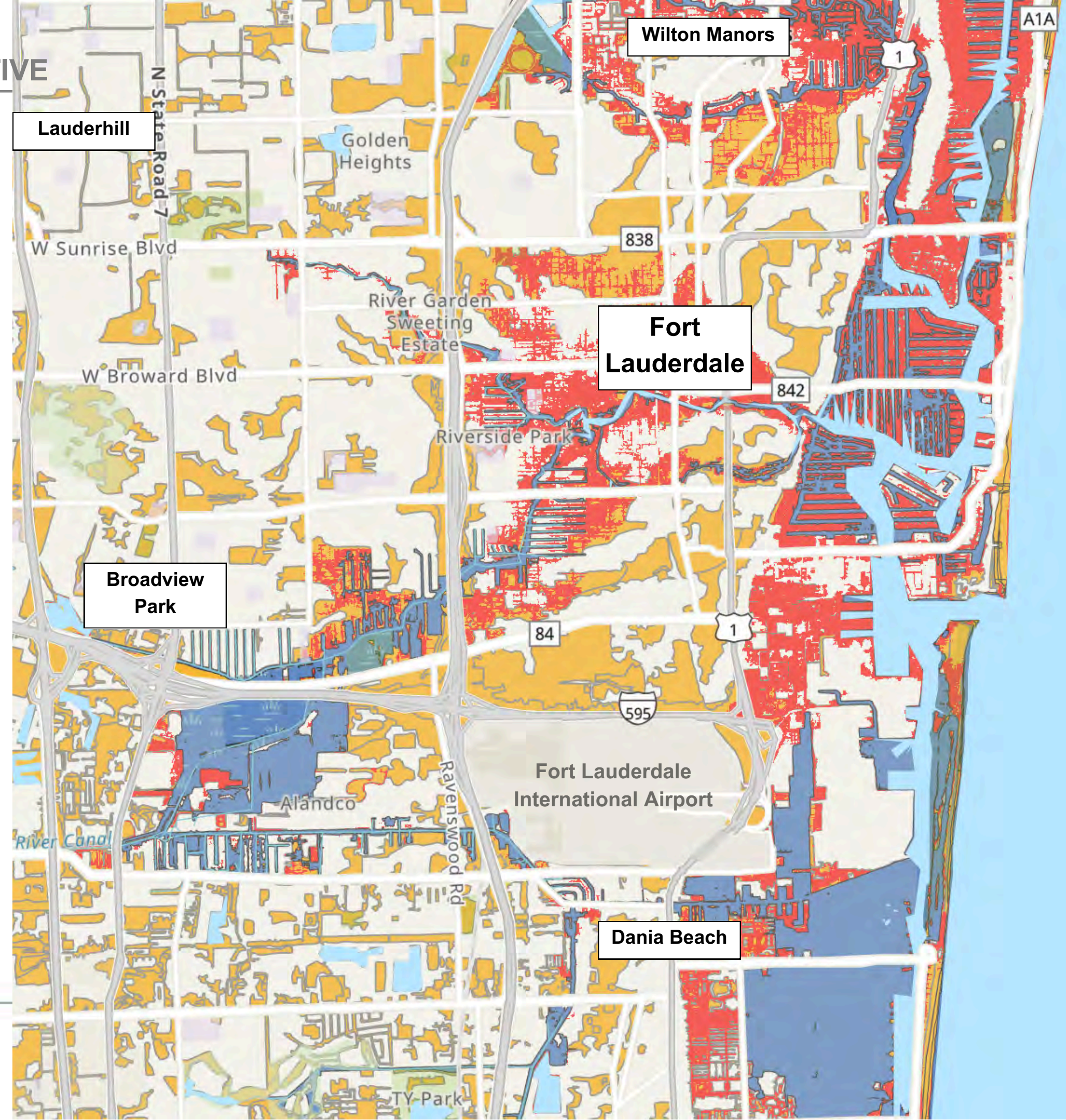
-  FEMA Flood
-  Storm Surge
-  Sea Level Rise (2050)
-  Location of respondents' holdings



Climate Risk Map


Broward

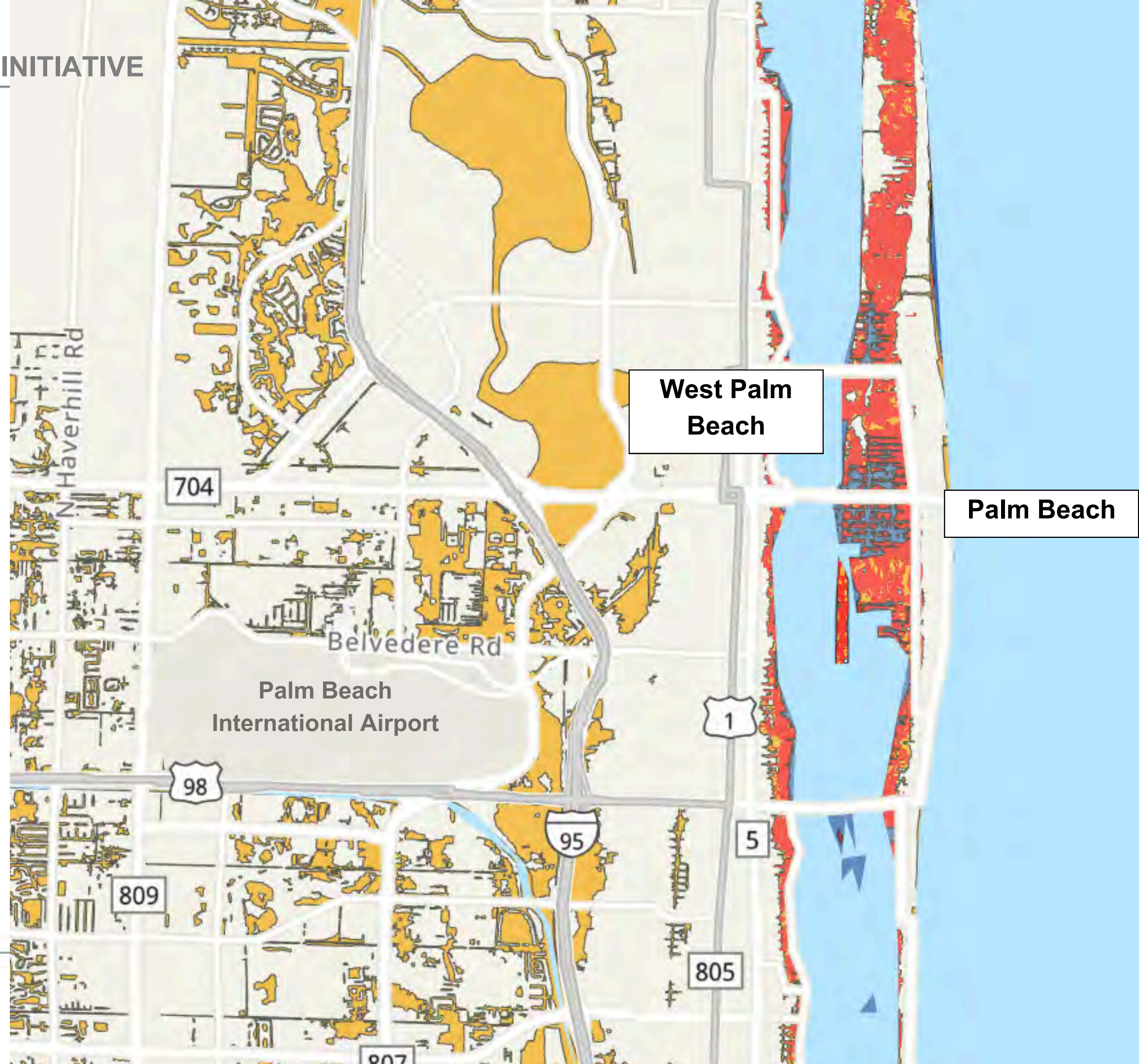
-  FEMA Flood
-  Storm Surge
-  Sea Level Rise (2050)



Climate Risk Map

Palm Beach

-  FEMA Flood
-  Storm Surge
-  Sea Level Rise (2050)

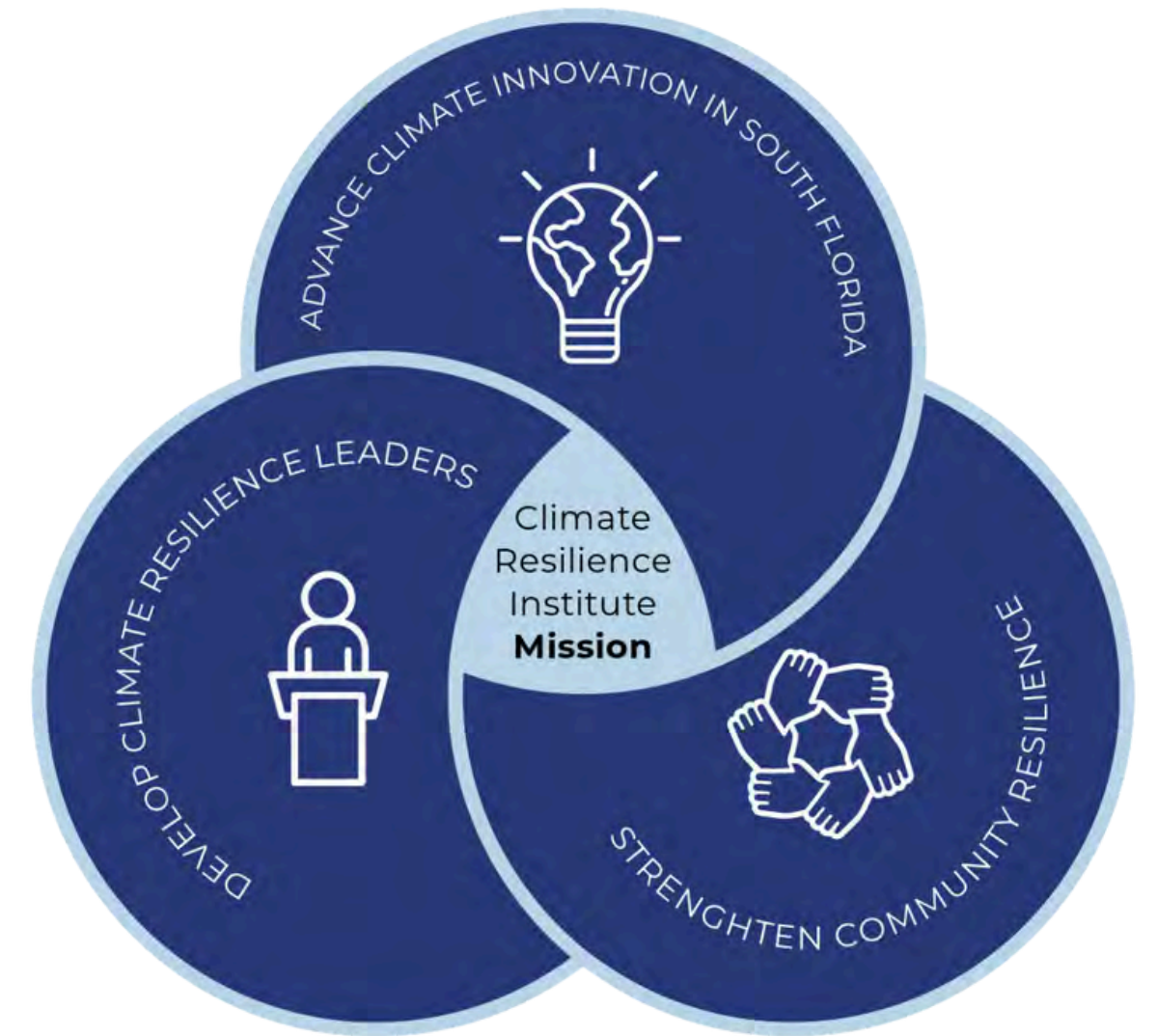


Key Takeaways

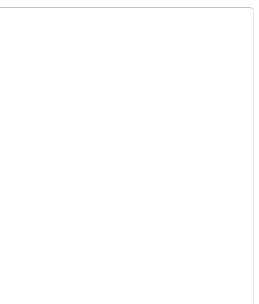
Themes	What Next
• Markets	Optimism across the board, office remains weak but sentiment is shifting
• Transportation	Support for investment, with traffic as the major concern
• Policy	Support for parking reductions, Incentives for affordable/senior housing
• Climate	Flooding and sea-level rise demand urgent and coordinated action



Resources



resilience.miami.edu



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