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SURVEY SAYS... LATIN AMERICA WILL CONTINUE TO DRIVE FOREIGN INVESTMENT IN SOUTH FLORIDA REAL ESTATE IN 2016

January 26, 2016

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Even the briefest glance out of our office windows shows the dramatic change Miami has undergone since the devastating real estate bubble burst between 2007-2009. The last few years have seen robust – some might even say irrationally exuberant – commercial and residential real estate growth. In large part, this growth is attributable to the persistence of economic instability in Brazil and political instability in Venezuela and other Latin American countries. Although the Latin American landscape continues to change, we have some buenas noticias. The 2016 South Florida Real Estate Outlook Survey conducted by Berger Singerman indicates that Latin America will continue to drive the flight capital into South Florida real estate investments throughout 2016.

In fact, 37.37% of the survey respondents believe foreign investment in the South Florida real estate market for 2016 will increase marginally over current levels. According to the survey, 34.12% of respondents anticipate foreign investment in South Florida real estate in 2016 will come from Latin American countries other than Brazil, while 17.86 % of foreign investment in 2016 coming from Brazil.

But will the troubles experienced in 2015 by Venezuela and Brazil, such as depreciation of their currencies, escalating political crisis and social tensions, slow down the rate of investment in the South Florida market? When asked, 18.37% of respondents believe the most pressing issue facing the real estate industry is the future of foreign investment, and 60.20% of respondents attributed global economic conditions and uncertainty as the primary reason for their lack of optimism and confidence in the real estate market.

The survey reveals that unlike other markets, continued flight capital from Latin America will still form a firm foundation for the South Florida real estate market in 2016. Despite the economic turmoil abroad, South Florida's proximity to Latin America, emerging financial district, growth in the areas of technology and venture capital, and not to mention its arts, weather, beaches and culture, will continue to position it as a safe haven for investment.

For more information on this topic, please contact Katherine Amador on the firm's Business, Finance & Tax Team.

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