South Florida Real Estate 2017 Outlook Survey

BERGER SINGERMAN
FLORIDA'S BUSINESS LAW FIRM

# What is your expectation for the economic outlook of the South Florida commercial real estate market for 2017?
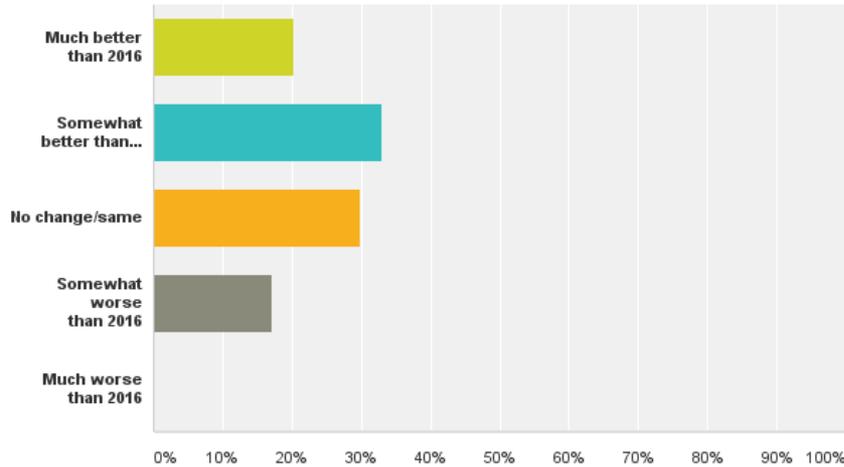
Answer Choices	Responses
Much better than 2016	20.21%
Somewhat better than 2016	32.98%
No change/same	29.79%
Somewhat worse than 2016	17.02%
Much worse than 2016	0.00%

Which South Florida commercial real estate sector do you believe will have the highest returns in 2017?
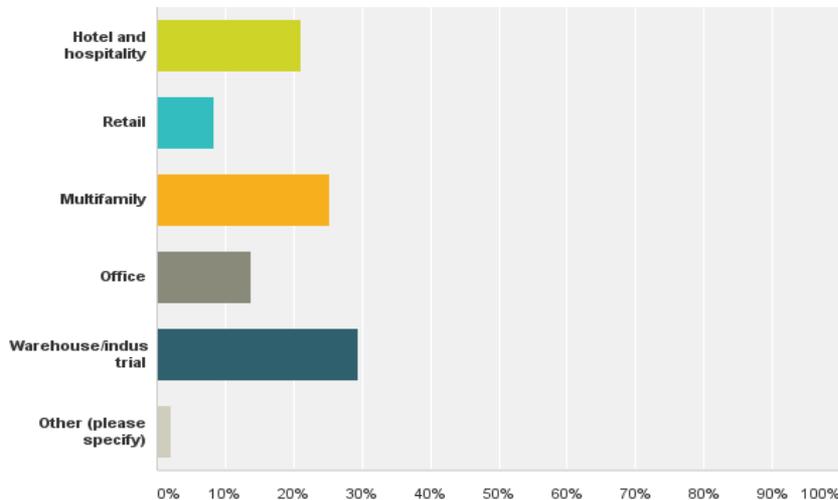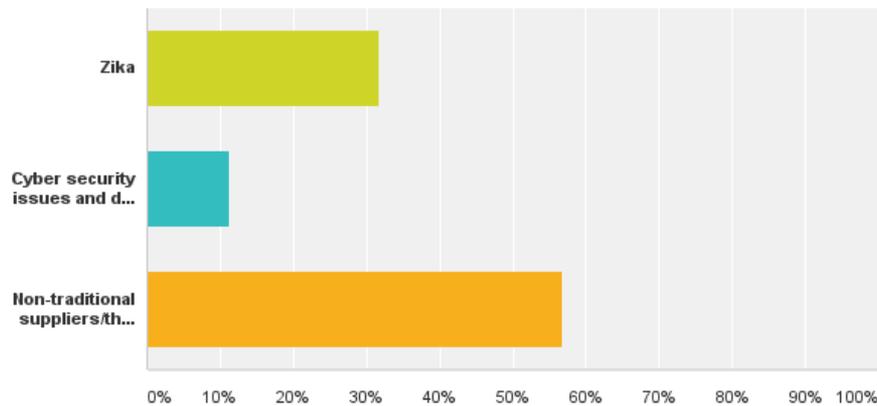

Answer Choices	Responses
Hotel and hospitality	21.05%
Retail	8.42%
Multifamily	25.26%
Office	13.68%
Warehouse/industrial	29.47%
Other	2.11%

In your opinion, foreign Investment in the South Florida real estate market for 2017 will:
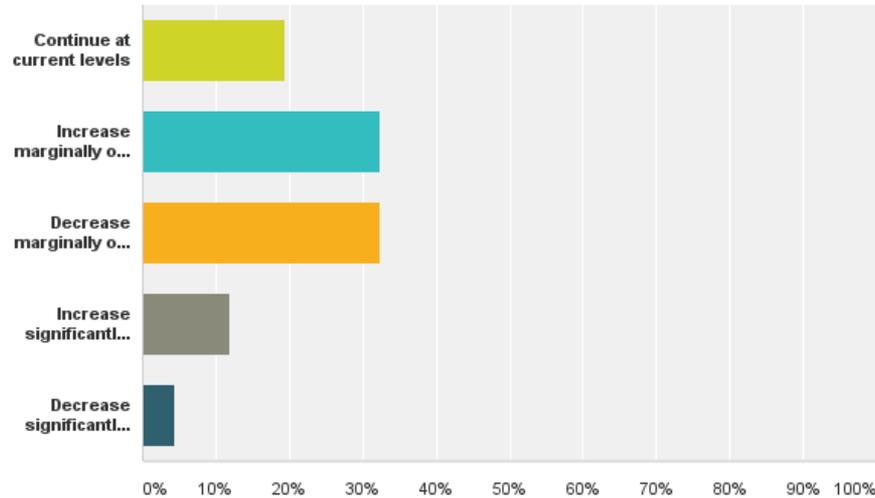

Answer Choices	Responses
Continue at current levels	19.35%
Increase marginally over current levels	32.26%
Decrease marginally over current levels	32.26%
Increase significantly over current levels	11.83%
Decrease significantly over current levels	4.30%

What do you expect will have the most negative impact on the South Florida hotel/hospitality market in 2017?
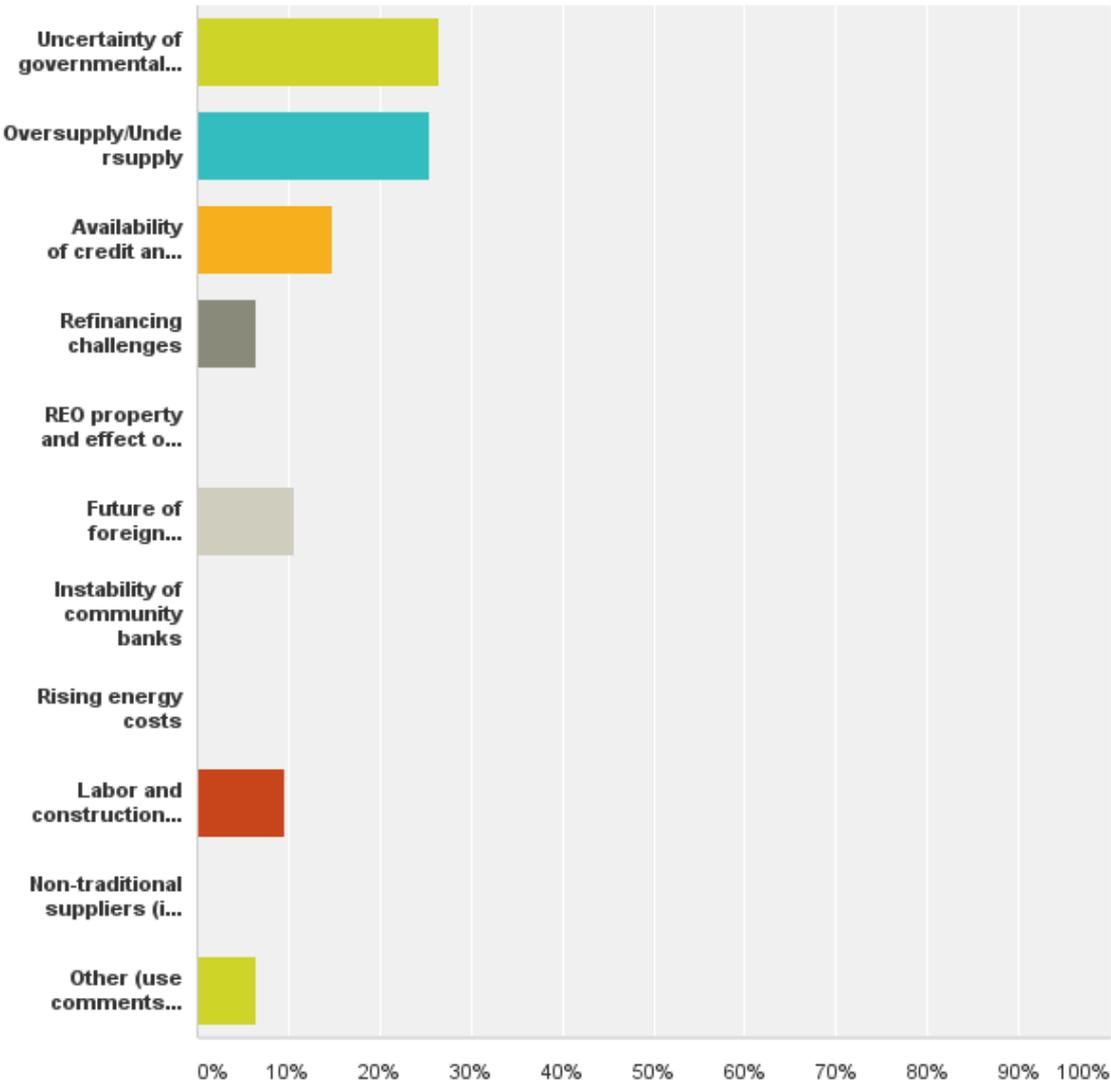

Answer Choices	Responses
Zika	31.82%
Cyber security issues and data breaches	11.36%
Non-traditional suppliers/the sharing economy (i.e. AirBNB, VRBO)	56.82%

Where do you anticipate foreign investment in South Florida real estate will come from in 2017? Rank in order of largest contributor (1) to smallest (8):
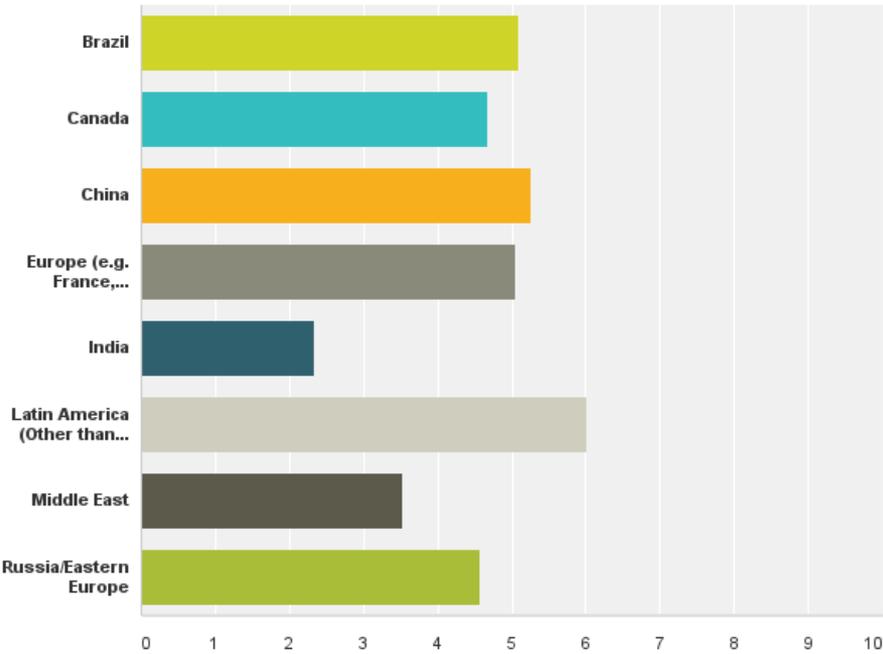

	1	2	3	4	5	6	7	8
Brazil	18.42%	15.79%	9.21%	15.79%	13.16%	13.16%	10.53%	3.95%
Canada	10.26%	14.10%	17.95%	11.54%	11.54%	15.38%	10.26%	8.97%
China	25.97%	6.49%	15.58%	14.29%	12.99%	10.39%	10.39%	3.90%
Europe (e.g. France, England)	7.59%	21.52%	17.72%	20.25%	8.86%	8.86%	10.13%	5.06%
India	1.32%	3.95%	2.63%	2.63%	9.21%	15.79%	17.11%	47.37%
Latin America (Other than Brazil/ Spanish-speaking)	31.71%	23.17%	13.41%	8.54%	6.10%	7.32%	6.10%	3.66%
Middle East	2.60%	3.90%	9.09%	10.39%	22.08%	16.88%	23.38%	11.69%
Russia/ Eastern Europe	8.75%	13.75%	16.25%	16.25%	13.75%	8.75	8.75%	13.75%

What do you believe is the most pressing issue facing the real estate industry?
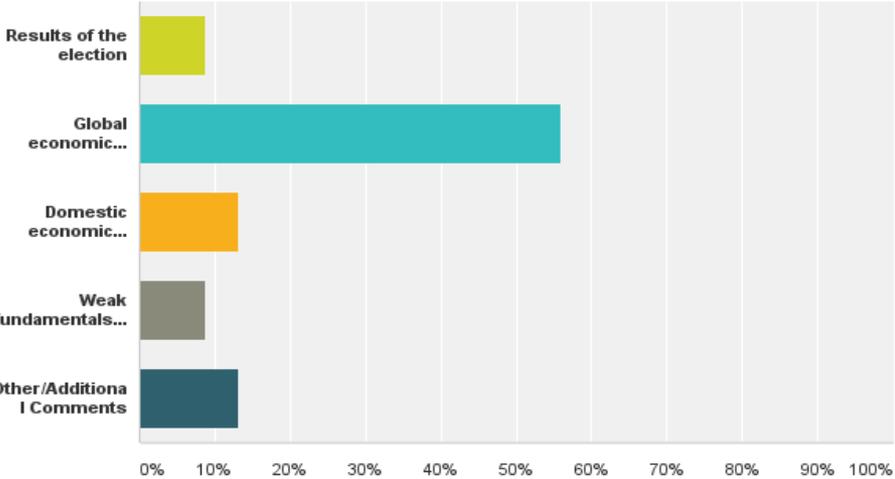

Answer Choices	Responses
Uncertainty of governmental policy	26.60%
Oversupply	25.53%
Availability of credit and credit quality	14.89%
Refinancing challenges	6.38%
REO property and effect on pricing	0.00%
Future of foreign investment	10.64%
Instability of community banks	0.00%
Rising energy costs	0.00%
Labor and construction costs	9.57%
Non-traditional suppliers (i.e. AirBNB)	0.00%
Other	6.38%

What is the primary reason for your optimism and confidence in the real estate market?
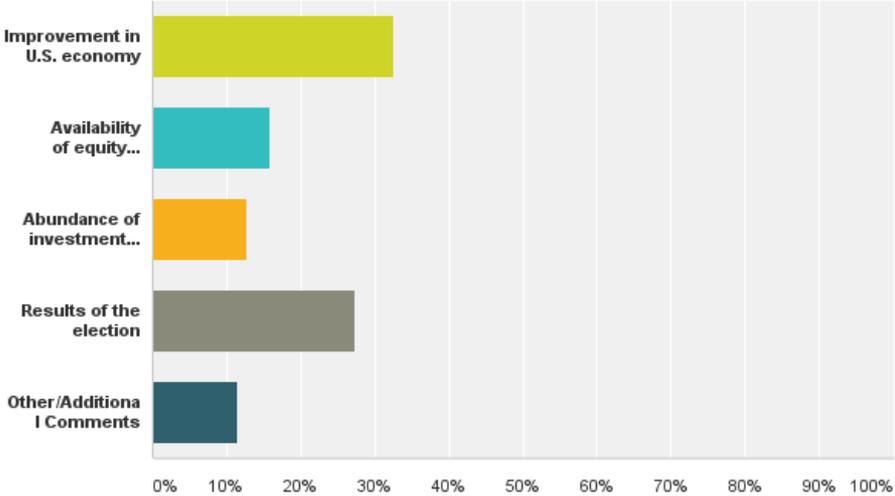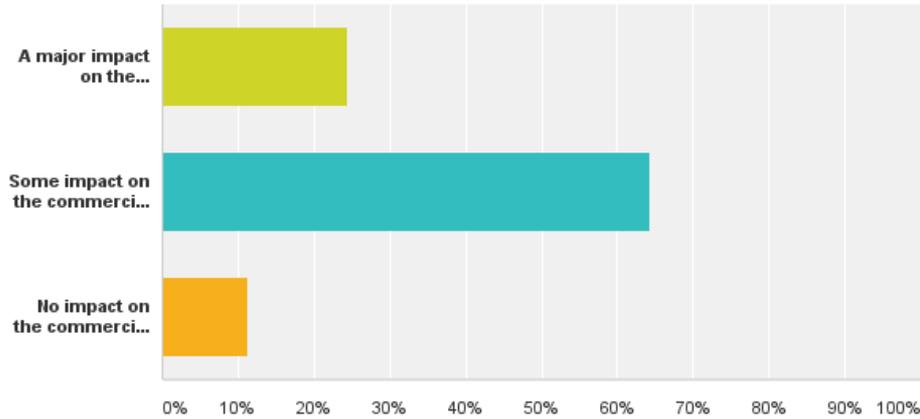

Answer Choices	Responses
Improvement in U.S. economy	31.91%
Availability of equity capital investment	15.96%
Abundance of investment opportunities	12.77%
Results of the election	27.66%
Other	11.70%

# What is the primary reason for your lack of optimism and confidence in the real estate market?

Answer Choices	Responses
Results of the election	8.89%
Global economic conditions and uncertainty	56.67%
Domestic economic conditions and uncertainty (i.e., negative interest rates)	13.33%
Weak fundamentals in core sectors	7.78%
Other	13.38%

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Do you feel that the result of the presidential election will have:

| Answer Choices	Responses
A major impact on the commercial real estate industry	24.74%
Some impact on the commercial real estate industry	63.92%
No impact on the commercial real estate industry	11.34%

What technology/innovation trend will be most disruptive to the real estate market this coming year?
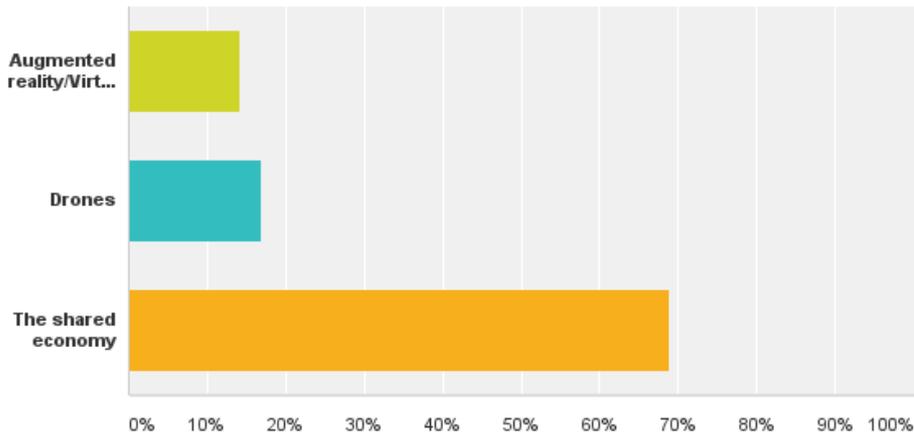
Answer Choices	Responses
Augmented reality/virtual reality	14.47%
Drones	17.11%
The shared economy	68.42%

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How do you expect cap rates to perform in 2017 for each market segment?
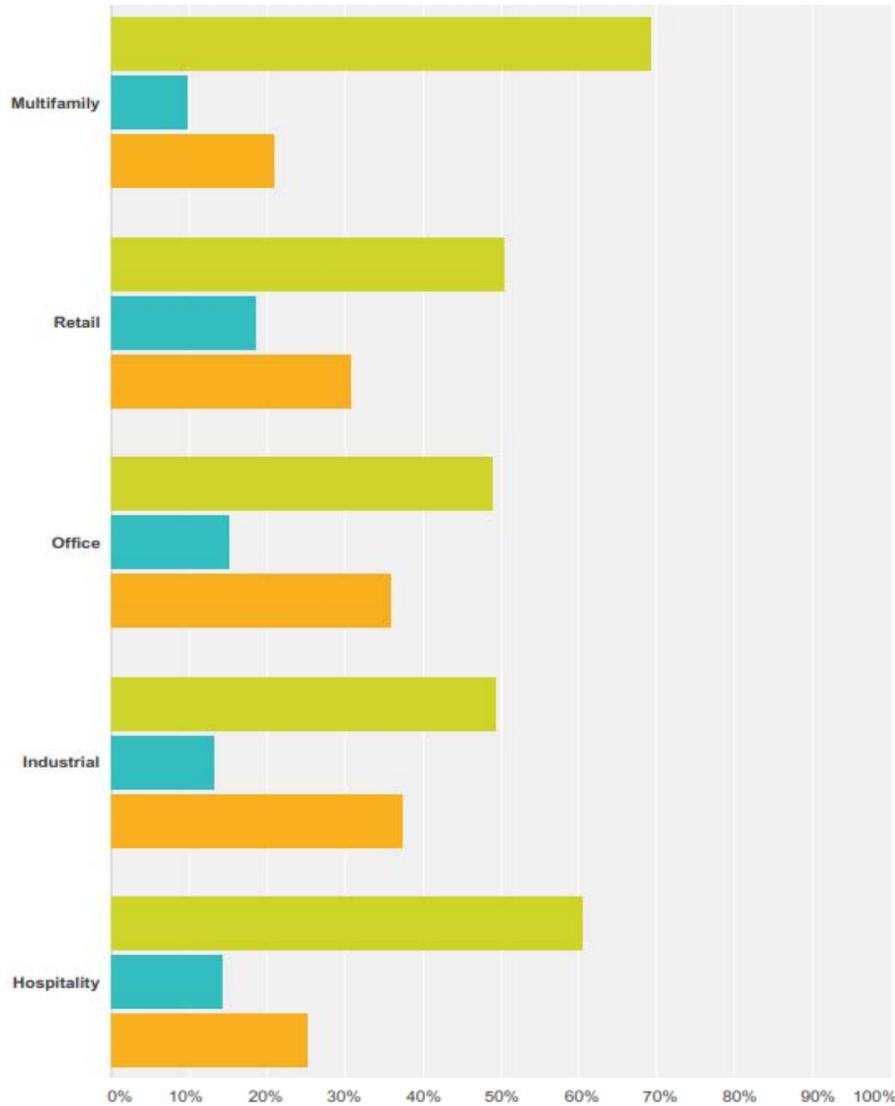
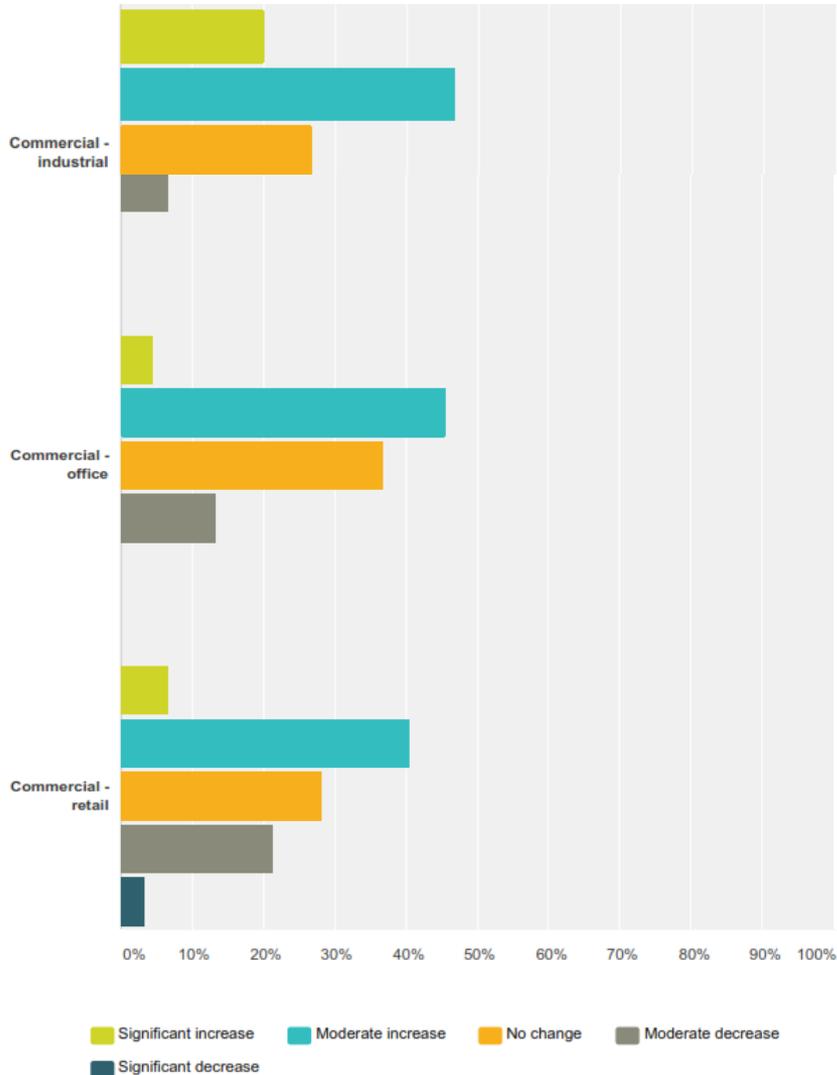|	Increase	Decrease	No change
Multifamily	69.23%	9.89%	20.88%
Retail	50.55%	18.68%	30.77%
Office	48.91%	15.22%	35.87%
Industrial	49.45%	13.19%	37.36%
Hospitality	60.44%	14.29%	25.27%

Increase   Decrease   No Change

Over the next 12 months, what do you expect to happen to purchase volume for each of the following property types?
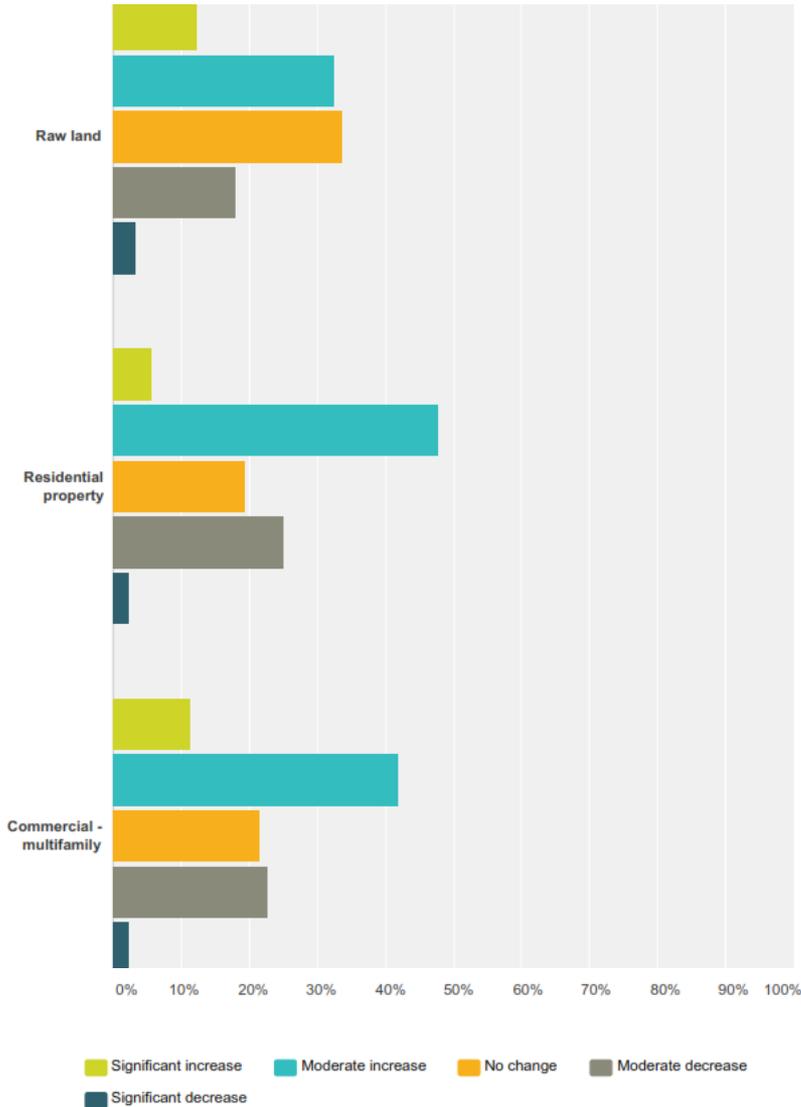

	Significant Increase	Moderate Increase	No change	Moderate Decrease	Significant Decrease
Raw land	12.36%	32.58%	33.71%	17.98%	3.37%
Residential property	5.68%	47.73%	19.32%	25.00%	2.27%
Commercial – multifamily	11.36%	42.05%	22.73%	22.73%	2.27%

Significant increase ■ Moderate increase ■ No change ■ Moderate decrease ■ Significant decrease

Over the next 12 months, what do you expect to happen to purchase volume for each of the following property types (continued)?

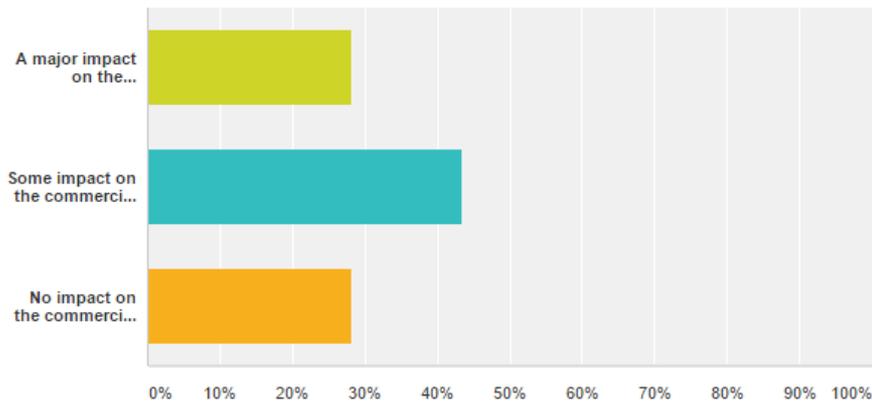|	Significant Increase	Moderate Increase	No change	Moderate Decrease	Significant Decrease
Commercial – industrial	20.00%	46.67%	6.67%	6.67%	0.00%
Commercial – office	4.44%	45.56%	13.33%	13.33%	0.00%
Commercial – retail	6.74%	40.45%	21.35%	21.35%	3.37%

■ Significant increase ■ Moderate increase ■ No change ■ Moderate decrease
■ Significant decrease

Demographics - Gender
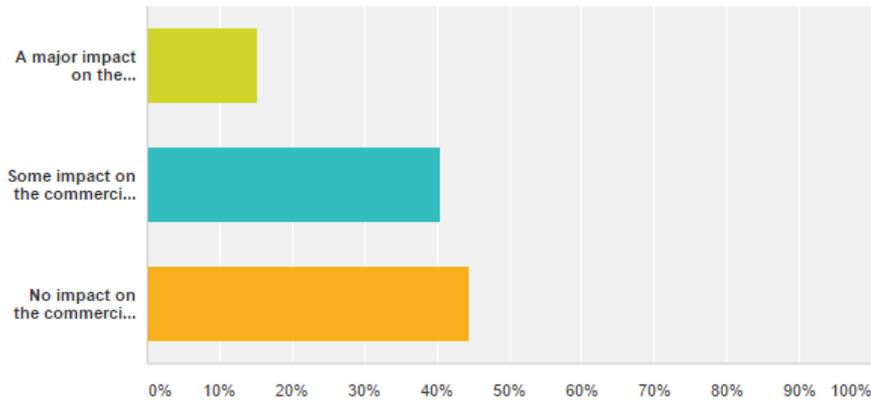
Answer Choices	Responses
Male	86.46%
Female	13.54%

Demographics - Generation

Answer Choices	Responses
Millennials or Gen Y (born 1981 – 2000)	14.47%
Generation X (born 1965 – 1980)	17.11%
Baby Boomers (born 1946 – 1964)	68.42%
Other	4.12%