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UNIVERSITY OF MIAMI REAL ESTATE RESEARCH INITIATIVE

South Florida Commercial Real Estate Sentiment Survey (4th Annual)

Emerging Trends and Perspectives in South Florida with a “Post-Pandemic” Focus

Research Sponsor

Integra Realty Resources

February 2022

University of Miami Commercial Real Estate Sentiment Survey

Abstract:

The University of Miami conducted its fourth-annual Commercial Real Estate Sentiment Survey in South Florida survey during January 2022, including a special focus on the "Post Pandemic" era. The Real Estate Research Initiative is conducted by the University of Miami's Masters in Real Estate Development + Urbanism (MRED+U) Program. Each year the survey engages real estate industry professionals throughout South Florida, including over 100 Real Estate Advisory Board members who support real estate education programs in the Architecture, Business, and Law Schools.

The respondents are comprised of leading real estate professionals, including real estate developers, owners, investors, advisors, architects, engineers, construction and allied fields who operate in the South Florida market. Respondents represent highly experienced professionals active throughout South Florida, with over 40% having 20+ years of experience and nearly 60% with 10+ years of experience in the market.

This annual survey was developed to examine and track sentiments regarding the commercial real estate market in Miami-Dade, Broward and Palm Beach counties from local real estate professionals on an annual basis and track changing perspectives over time. Respondents gave their viewpoints regarding perceptions and predictions for the market cycle in their respective counties,transaction volumes, key factors influencing real estate investment, and strategies for different commercial asset types.

In its fourth year, the survey focuses on the "Post Pandemic" era by assessing the current impact of COVID on South Florida Real Estate and looking ahead to the future. The questions asked respondents to share their views of the pandemic's impact during the past year and to apply their knowledge and expertise with regards to potential trends in the near-term future.

The research team included Dr. Charles Bohl, Director of the Master in Real Estate Development + Urbanism (MRED+U) Program; Mark Troen, FRICS, MRED+U Full-Time Lecturer and Senior Vice President at Brookwood Group Inc; MRED+U Advisory Board member Anthony M. Graziano, MAI, CRE and CEO at Integra Realty Resources. The MRED+U student team members were: Garrick Donnelly, Patrick Jones, Sara Maddady, Omar Mehany, Alvaro Otero Rodriguez, and Michael Parrott.

Key Findings:

- **The South Florida Commercial Real Estate Market Today**
  - As of early 2022, market participants are bullish on expansion with very little concern over hyper-supply or recessionary conditions. (See Table 1)
- **Direction of the South Florida Commercial Real Estate Market**
  - If transaction volume (total $ of property trades by county) is an indicator of market sentiment, the market was certainly buoyant in 2021, recording a near doubling of transaction volume in every South Florida County. Notably, Palm Beach County led the market in reversing declines in mid-2020 where Broward and Miami-Dade's upward swing commenced in Q1-2021.
  - These record-setting spikes should be expected to revert to the mean in 2022 as interest rates rise and other atypical effects of COVID begin to normalize.
- **Drivers of Commercial Market Strength**
  - Supply and Demand Balance, New Users to Market, and Economic Activity remained in the top three spots for the third year in a row.
  - Access to Debt moved to the number 4 spot in the rankings in 2022, up from number 7 (2021), indicating the relative importance of plentiful and cheap financing.
  - Macro economic activity moved from the #5 spot to #7, indicating South Florida's reduced reliance on macro forces and/or the relative importance of debt/equity in driving the regional market forward in spite of broader macro conditions.
- **Key Factors Affecting Investment and Demand**
  - Strong Property Income/Value growth topped this years survey of investment drivers at #1, up from the #5 spot in 2021.
  - Survey respondents still rank the educational institutions and educated workforce lower than the area's natural beauty as investment drivers, indicating the region has opportunities and challenges ahead in preparing the educational infrastructure to meet employment demand.
  - All of the deterrents ranked in the same order as in prior three years of surveying. The cumulative Moderate and Significant Impact indicators are down roughly 10%-15%, with many more respondents in 2022 saying these factors had little or no impact. This could be market driven since high levels of investment mean there is less concern over deterrents.
  - The correlation between workforce availability (ranked #2 on list of deterrents), and the prior low scores of educated workforce/institutions might inform public policy strategies around education matching workforce needs.

Key Findings – continued

- **COVID Pandemic Impact on Investor-Buyer Behavior**
  - There is a significant correlation on why respondents believe real estate is under-priced from Table 9 since respondents ranked exit appreciation higher than cash flow. Investors are expecting overall yields to be largely driven by appreciation in the asset, not near-term cash flow (Table 10). This disconnect from fundamental investing practices of buying cash flow shows a preference for speculating on the future more than on current known economic performance.
- **Effects of Pandemic on Urban vs. Suburban Demand**
  - Despite fears that COVID could bring about demand declines in urban areas nationally, current sentiment in South Florida is that urban areas will see greater demand than their suburban counterparts in the coming five years.
  - A super-majority of respondents indicated that within suburban locations, demand for mixed-use projects would overwhelmingly continue. These two slides appear to confirm that in Florida at least, the decline of urban living demand due to COVID may have been greatly exaggerated.
- **Effects of Pandemic on Office Demand**
  - The dominant overall sentiment is that users will reduce square footage at lease expiry. Combined with responses for going completely virtual, plus move and downsize responses, the overall sentiment is that existing tenant demand for office will be reduced, but not eliminated.
  - For employees, a more persistent hybrid model is likely in the coming 3-5 years.
- **COVID Influence on Use of PropTech**
  - Nearly 60% of respondents believe PropTech deployments were accelerated due to COVID.
  - The business case for PropTech (improved property performance) ranked #1 with collection/measurement to provide ESG metrics as #2. Transparency and regulatory compliance ranked last, confirming that PropTech adoption will likely be driven primarily by cost-benefit considerations.
- **Emergence of ESG (Environmental, Social, Governance) Factors**
  - ESG's importance in raising capital is of lesser importance, despite early indications that future capital allocations and investment decisions will be influenced by ESG factors.
  - This ranking of factors impacting decision-making around ESG is likely to figure more prominently in the future, but given the high barriers for securing new development approvals, a focus on social and governance considerations in addition to economics appears likely to drive higher ESG performance measurement in the development approval process.

The South Florida Real Estate Market Today:

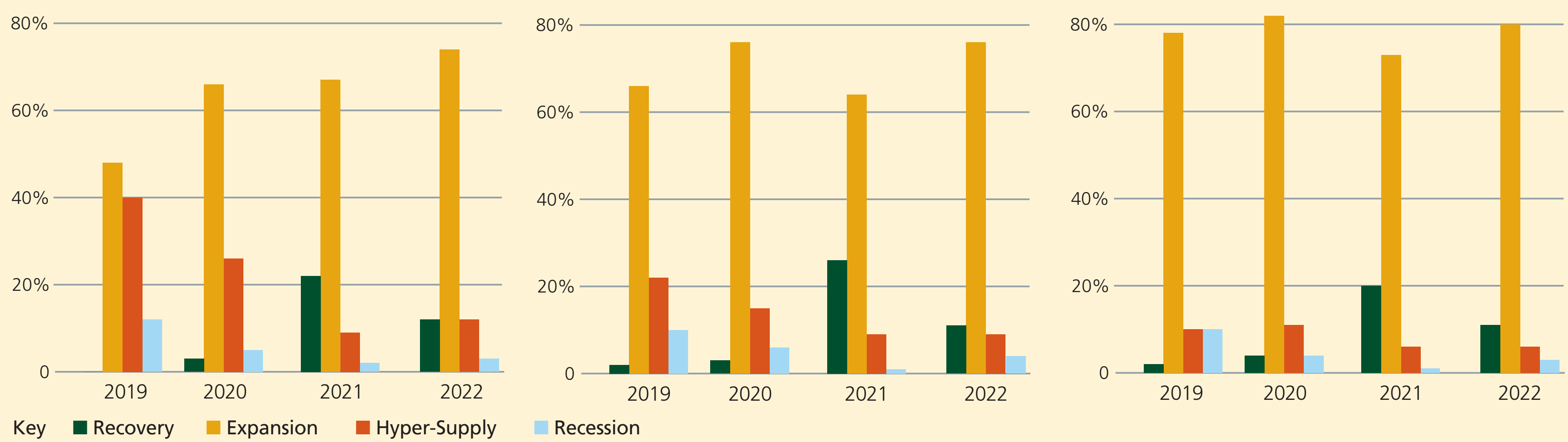
Similar to last year's results, survey recipients are anticipating continued strong expansion in the commercial real estate market in South Florida in the coming 12 months. This sentiment is notable throughout all counties (Miami-Dade County increased from 67% to 74%, Broward County from 64% to 76%, and Palm Beach County from 73% to 80%). As the pattern over the past four years shows, the Palm Beach County sentiment appears consistently the strongest between 2019-2022, with sentiment improving for Miami-Dade and Broward in 2022.

Not unexpectedly, sentiment in the early 2020 survey period showed a higher percentage of respondents indicating "recovery," which by early 2022 had been reduced by 50% in favor of expansion.

Despite the strength of the ongoing expansion, concerns about hyper-supply saw only a slight increase in Miami Dade (from 9% to 12%) and remains the same in Broward and Palm Beach. Finally, recession concerns decreased from 4% to 1% (2019 vs. 2022) in Broward County and declined from 10% to 2% in Miami-Dade between 2019-2022. As of early 2022, market respondents are bullish on expansion with very little concern over hyper-supply or recessionary conditions.

TABLE 1

Miami-Dade County | **Broward County** | **Palm Beach County**

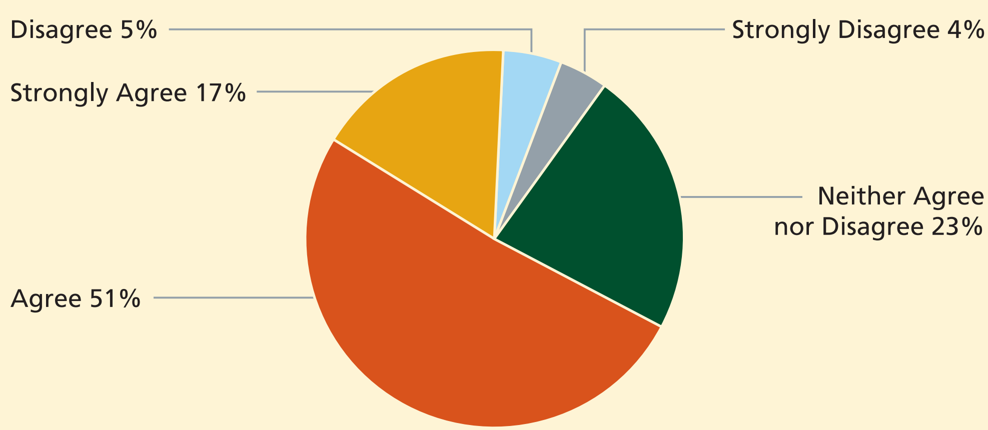


Volume of Real Estate Transactions:

The volume of transactions in South Florida is a key indicator of the overall state of the commercial real estate market. Similar to responses in 2021, survey participants overwhelmingly agree that the volume of transactions is an indicator of market sentiment, with 68 percent agreeing or strongly agreeing that transaction volume drives perceptions of market strength. The lower number of contradictory responses (9%) disagree/strongly disagree supports the premise that transaction volume is a valid market sentiment indicator in South Florida commercial real estate.

TABLE 2

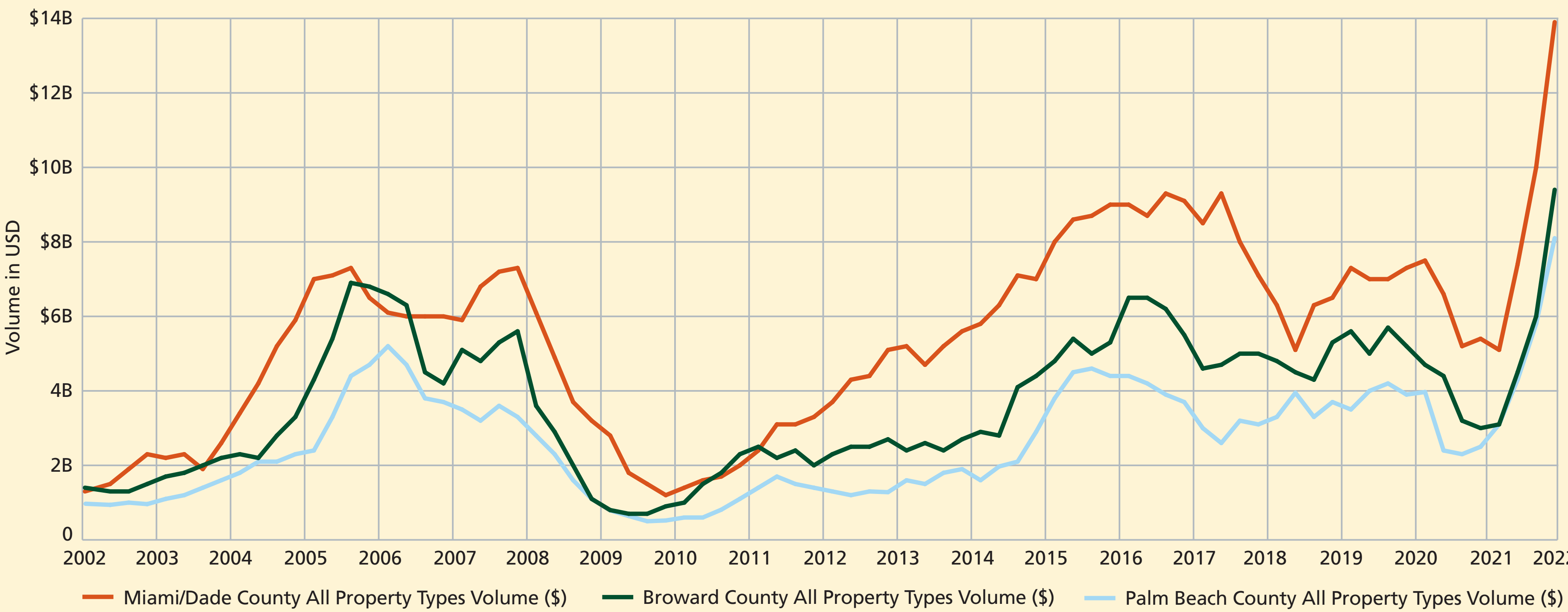
The volume of real estate transactions affects my impression of the commercial real estate market.



If transaction volume (total $ of property trades by county) is an indicator of market sentiment, the market was certainly buoyant in 2021, recording a near doubling of transaction volume in every South Florida County. Notably, Palm Beach County led the market in reversing declines in mid-2020 where Broward and Miami-Dade's upward swing commenced in Q1-2021. These record-setting spikes should be expected to revert to the mean in 2022 as interest rates rise and other atypical effects of COVID begin to normalize.

TABLE 3

Miami-Dade, Broward County, Palm Beach County – Trend Tracker – Volume – 2002-2022



Price floor selections do not apply to Indices, Hedonic or Fundamentals data. Volume displayed as 12 Months Totals.
Cap rates and PPU displayed as a 12 Month Average. Includes property or portfolio sales $2.5 million or greater. Q1 2022 preliminary data.

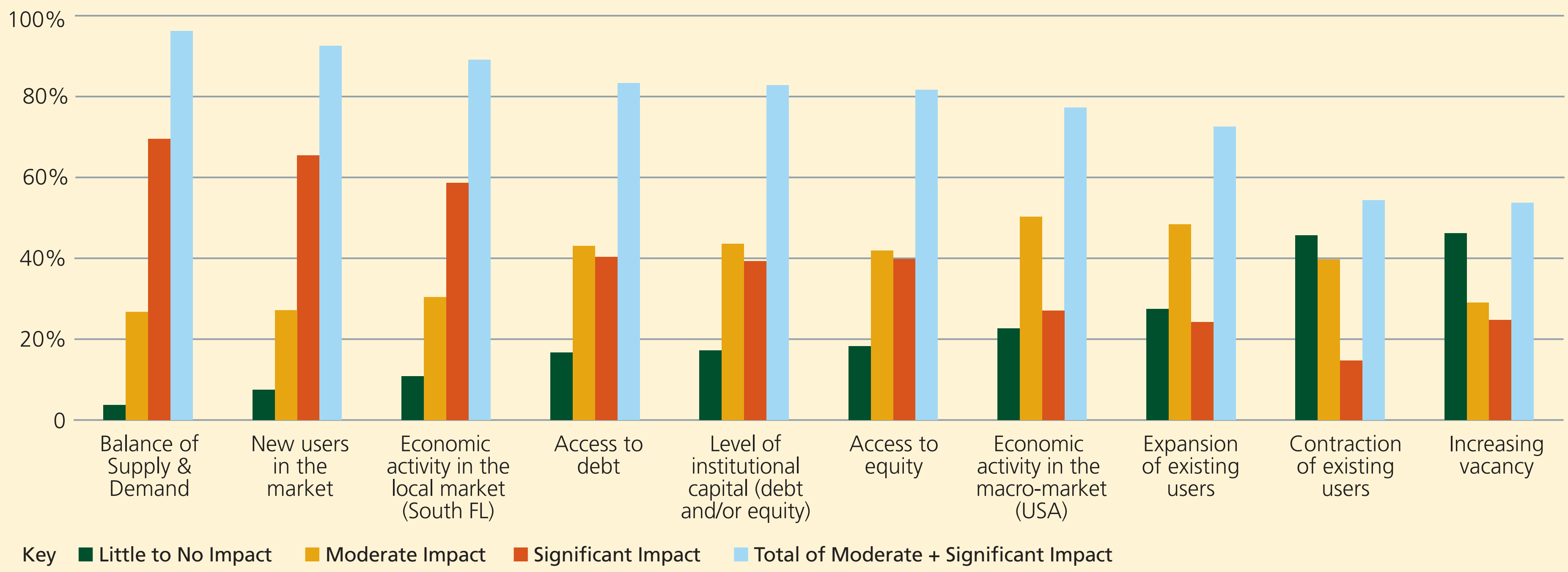
Source: Real Capital Analytics (RCA)

Drivers of Commercial Market Strength:

Supply and Demand Balance, New Users to Market, and Economic Activity remained in the top three spots for the third year in a row. Notably, Access to Debt moved to the number 4 spot in the rankings in 2022, up from number 7 (2021), indicating the relative importance of plentiful and cheap financing. User Expansion/Contraction and vacancy ranked in the bottom three for the third straight year. Macro Economic Activity moved from the #5 spot to #7, indicating South Florida's reduced reliance on macro forces and/or the relative importance of debt/equity in driving the regional market forward in spite of broader macro conditions.

TABLE 4

Rate the following factors for their impact on economic market values in commercial real estate:

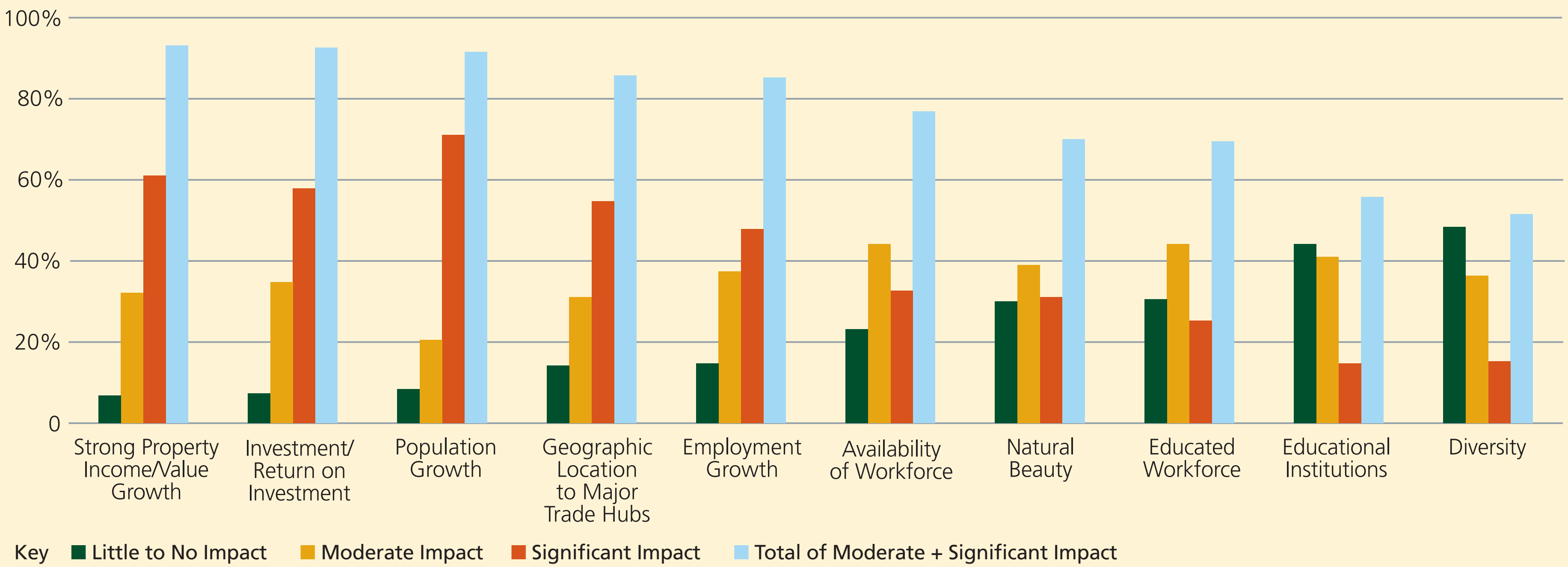


Drivers for Attracting Investment:

Strong Property Income/Value growth topped this years survey of investment drivers at #1, up from the #5 spot in 2021. Investment Returns dropped #2 spot (although correlated with income/value growth). Population growth dropped to #1 (down from #1 and #2 respectively) and Employment Growth to #5 (down from #3). Survey respondents still rank the educational institutions and educated workforce lower than the area's natural beauty as investment drivers, indicating the region has opportunities and challenges ahead in preparing the educational infrastructure to meet employment demand.

TABLE 5

Please indicate how the following factors attract investors to commercial real estate in South Florida.



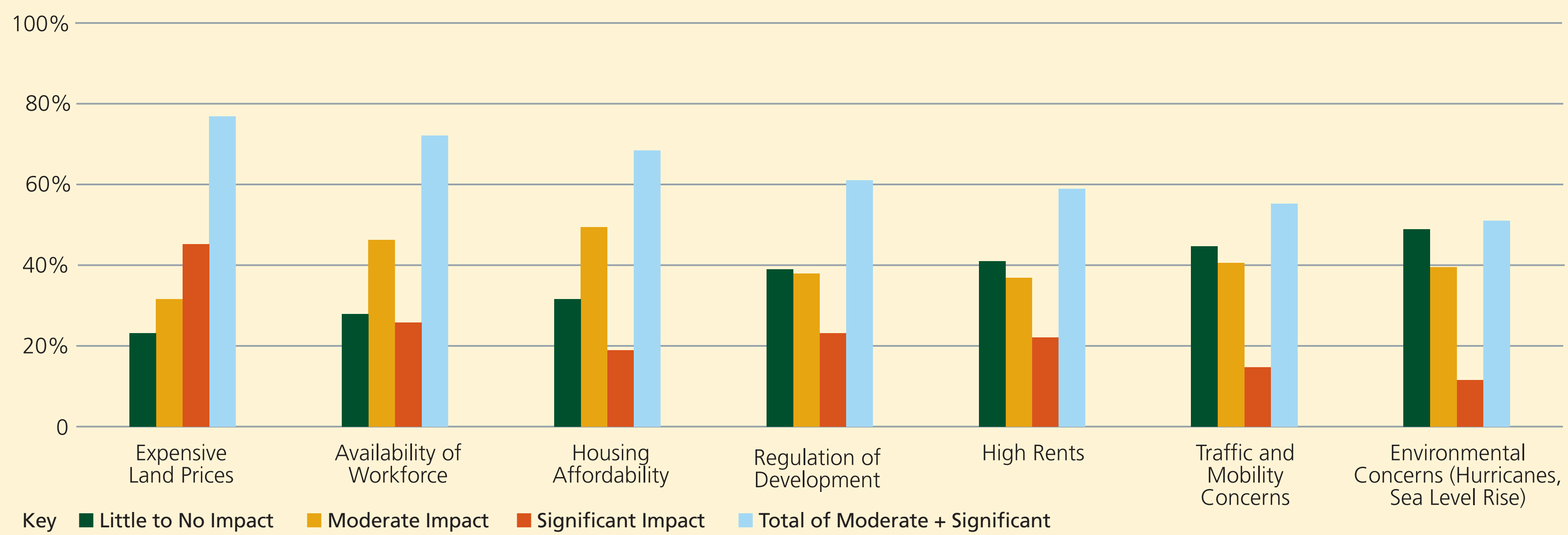
Drivers for Deterring Investment:

The high cost of land in South Florida continues to be the leading cause of concern for investors. All of the deterrents ranked in the same order as in prior three years of surveying. Interestingly, the cumulative Moderate and Significant Impact indicators are down roughly 10%-15%, with many more respondents in 2022 saying these factors had little or no impact. This could be market driven since high levels of investment mean there is less concern over deterrents. But the correlation between workforce availability, and the prior low scores of educated workforce /institutions might inform public policy strategies around education matching workforce needs.

Environmental concerns such as hurricanes and sea level rise have yet to dissuade investors. Despite the existential threat that sea-level rise and climate change pose in South Florida, these factors continue to be ranked lowest by survey respondents. This remains true despite little action taken to date to prepare against these threats in region. These findings are on par with both the 2020 and 2021 survey results.

TABLE 6

Please indicate how the following factors deter investors away from commercial real estate in South Florida.

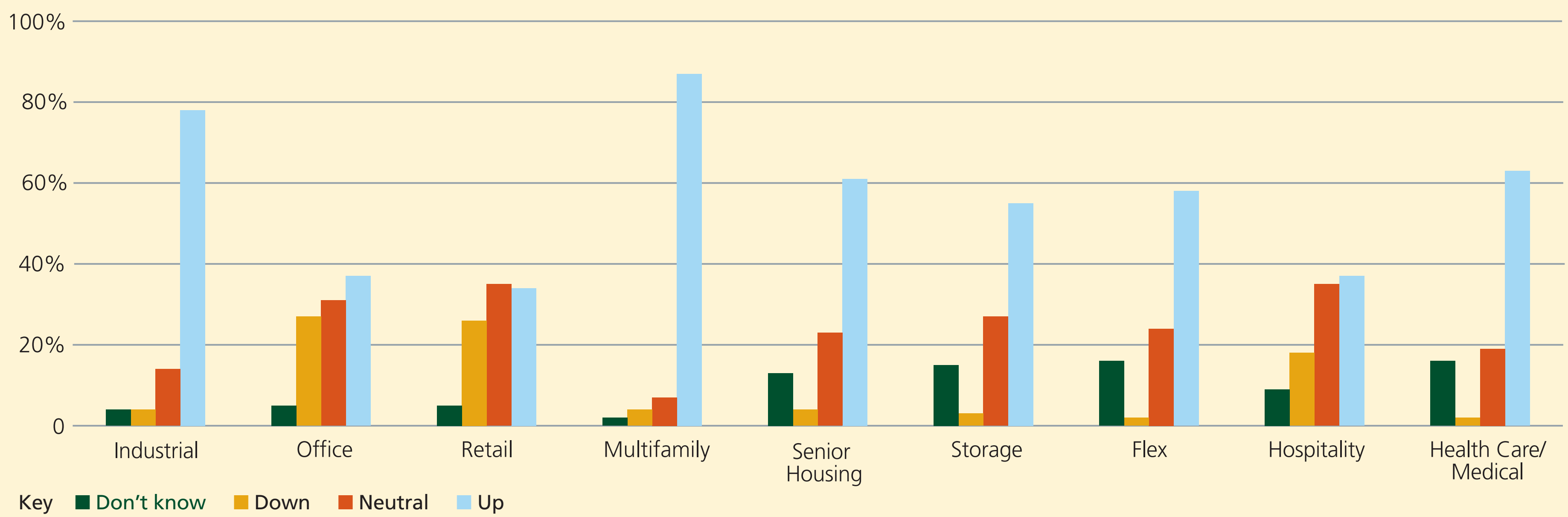


Direction of the South Florida Commercial Real Estate Market:

The overall sentiment for the 2022 real estate market is that most asset class values will continue their upward trajectory, with multi-family, industrial, and health care/medical sectors leading the way. Hospitality sentiment improved drastically since the early 2021 survey with nearly double the respondents indicating hospitality pricing will go up in 2022. While office and retail sentiment is more equally split on the direction of pricing, far fewer respondents predicted values would decline for office/retail in 2022 versus 2021. This year's survey indicates an improvement in overall sentiment on the direction of price/value in 2022 versus 2021.

TABLE 7

Of the following development types in commercial real estate, in which direction are values or prices moving?



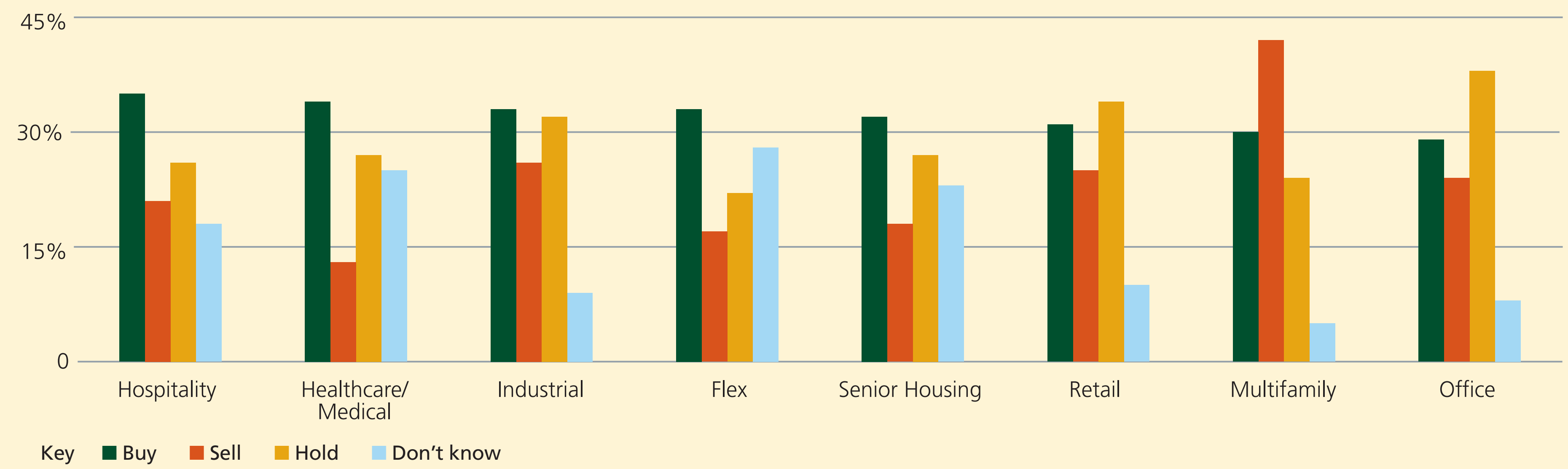
Buy, Hold, or Sell Various Asset Classes:

The professional sentiment consensus that multi-family values will continue to rise corresponds to an outsize number of respondents recommending a multi-family sell-off, presumably relating to respondent concerns that multi-family may be at an inflection point with more downside than upside. This inflection point will occur when there are substantially more sellers than buyers, but for the moment, both occupancy and rent growth remain strong.

Industrial and healthcare were also rated in Table 7 as continuing to increase in value, but a significant portion of respondents indicated buy/hold recommendations, indicating these asset classes have more room for future growth. Notably, industrial received higher sell-ratings than in 2021. Office/Retail were rated dominantly as "hold" with strong buy-ratings on retail. Hospitality ranked #1 in the buy-rating, indicating value-opportunities in this segment.

TABLE 8

Is now the time to buy, hold, or sell the following development types in commercial real estate?



Post Pandemic Effects on Real Estate:

The special research focus for this 4th edition of the Real Estate Sentiment Survey was identified as "Post Pandemic Effects on Real Estate" noting that while we were not quite "post" on the pandemic during the survey period, the market was starting to behave as if things were returning to normal, and some clarity as to the future might be gained as we emerged into a mid-game battle against COVID and its impact on daily living.

However, the survey release coincided within weeks of a massive nationwide surge in the Omicron variant, reminding the market that there might not be a post-COVID state of existence, or at the very least we might not be through the middle quite yet.

The study's question series focused on post-pandemic investor behavior, sentiment on expected future returns in real estate, user location preferences (urban versus suburban), priorities for public spending, post-pandemic influences on office use, and ESG/Proptech in a post-pandemic environment.

The survey was conducted during the early 2022 timeframe, coinciding with macro-economic and policy changes influencing investor behavior and sentiment as a backdrop to COVID priorities. Emerging inflation, record-high federal spending and debt, and a congressional showdown over a $3 Trillion expanded infrastructure spending bill were all top of mind in early 2022. These, and other present considerations, make isolating post-COVID sentiment more nuanced.

Nonetheless, we see an emerging pattern of market sentiment around a changing landscape of potential post-COVID outcomes. It will be interesting to observe over time whether today's market sentiment reflects actual outcomes in the coming 3-5 years.

Drivers in Investor-Buyer Behavior:

Survey participants overwhelmingly believe that investor-buyer behavior in the current environment is driven primarily by Commercial Real Estate (CRE) being under priced. Asked to rank what is driving current behavior, supply/demand imbalance ranked #2 followed by a flight to CRE yields.

TABLE 9

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

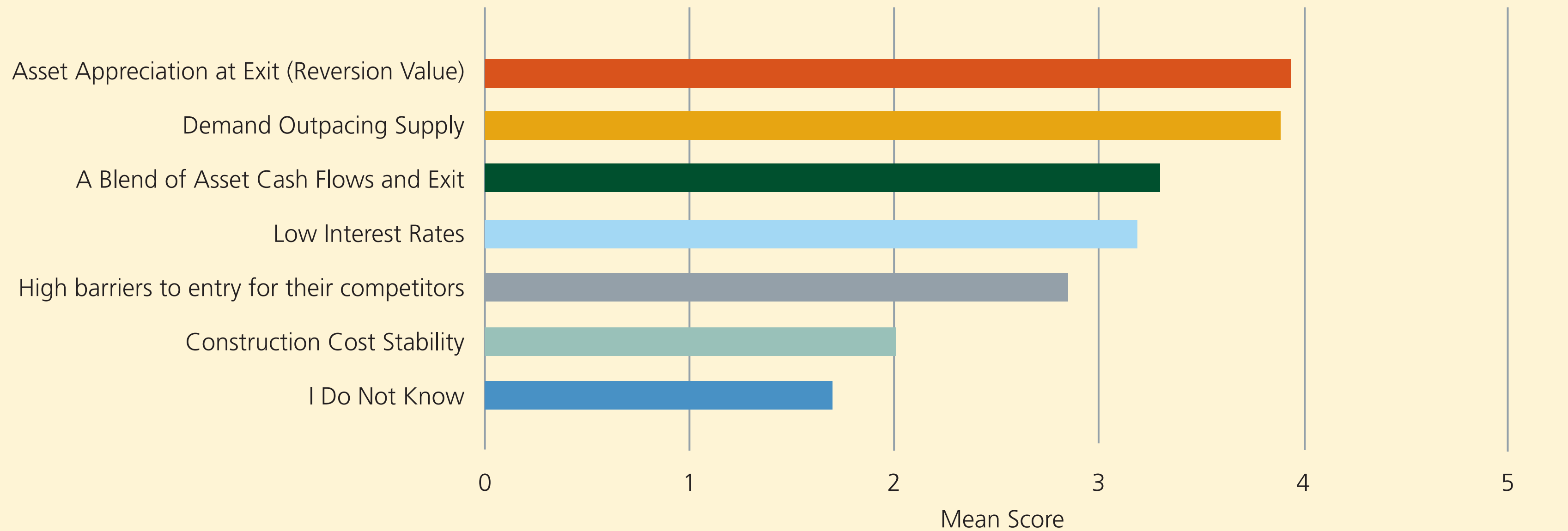
Category	Rank
CRE is currently under priced	1
Current CRE demand outpaces current CRE physical supply and rents will rise	2
CRE yields will be more attractive than alternative investments	3
Capital will drive asset appreciation	4
Interest rates and cap rates will remain favorable	5

Expecting Returns on Investment:

The majority of respondents believe real estate investors are expecting to derive their returns from asset appreciation at exit and demand outpacing supply. There is a significant correlation on why respondents believe real estate is under-priced from Table 9 since respondents ranked exit appreciation higher than a blend of cash flow and exit. Investors are expecting overall yields to be largely driven by appreciation in the asset, not near-term cash flow. This disconnect from fundamental investing practices of buying cash flow shows a preference for speculating on the future more than on current known economic performance.

TABLE 10

Where do you believe RE investors today are expecting their returns to come from?

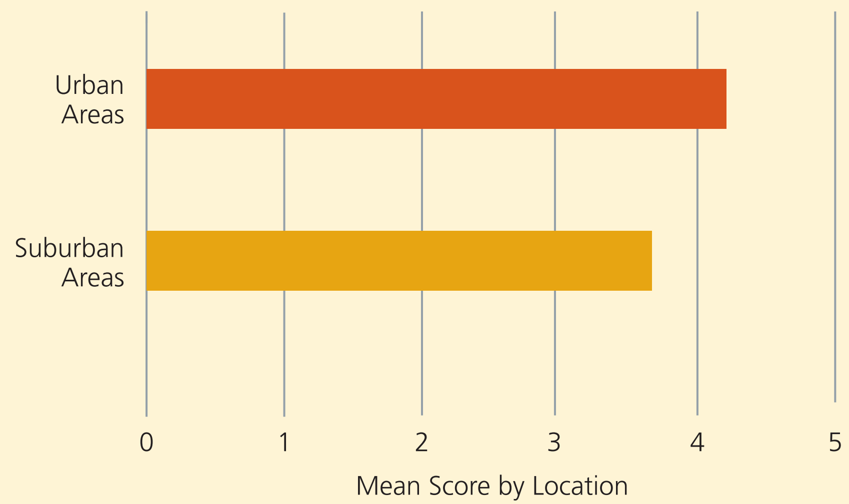


Urban-Suburban Preferences Post Pandemic:

Respondents believe highest overall product demand in the next five years in the South Florida market will be in Urban areas. This sentiment may convey a survey bias given the predominance of urban living in South Florida, or it may signal a reaction to "return to normal." Florida also had the dual benefit of statewide government resistance to COVID shutdowns, aided by our natural assets that allowed outdoor recreation and gatherings during winter months. It could be said that our survey respondents did not feel the same fear of urban decline as many of our national colleagues. Despite fears that COVID could bring about demand declines in urban areas nationally, current sentiment in South Florida is that urban areas will see greater demand than their suburban counterparts in the coming five years.

TABLE 11

Please indicate which areas will have the highest overall product demand in the next 5 years in South Florida.

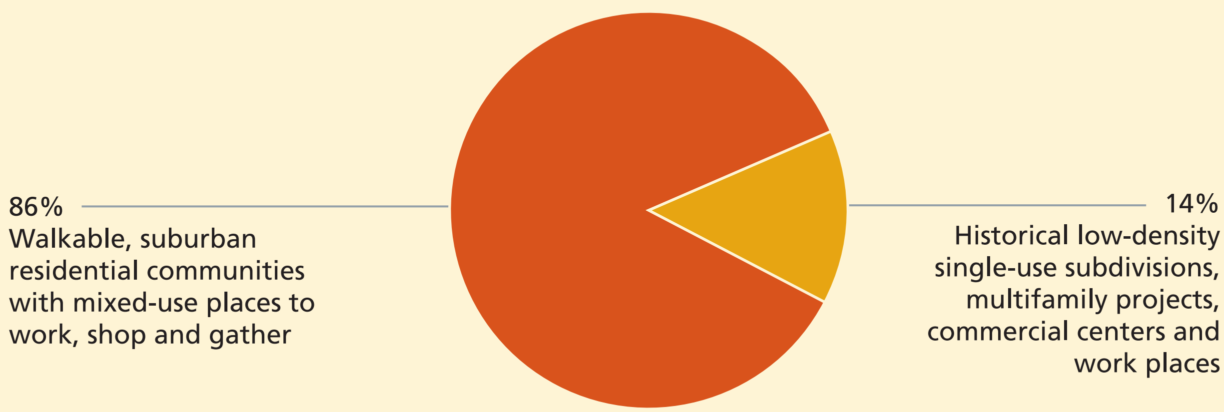


The Future of Suburbs:

Respondents believe walkable, suburban residential communities with mixed-use places to work, shop, and gather are the most preferred suburban investments. A super-majority of respondents indicated that within suburban locations, demand for mixed-use projects would overwhelmingly continue. These two slides appear to confirm that in South Florida at least, the decline in demand for urban living due to COVID may have been greatly exaggerated.

TABLE 12

What type of suburban living do you think will be the most competitive/preferred in the coming 3-5 years?



Public Spending Projects:

Asked to rank public spending priorities, respondents ranked New Public Transit as the top priority, reflecting a recognition that successful urbanization requires enhanced mobility. Surprisingly, public transit mobility ranks as a higher priority than resiliency of infrastructure and affordable housing. This directly contradicts Table 6 results where housing affordability ranked 3rd as a deterrent to future investment with traffic/mobility and environmental concerns ranked 6 and 7th respectively. Either our respondents don't believe that government investment can help solve housing affordability, or they don't believe it is the government's role to prioritize public money for those investments. This push-pull dynamic over public spending priorities following the unprecedented public spending on COVID is sure to have lasting impacts.

TABLE 13

The pandemic was a driver for governments to reconsider public spending priorities. If you were in charge, how would you rank the future priorities for public sector spending in South Florida?

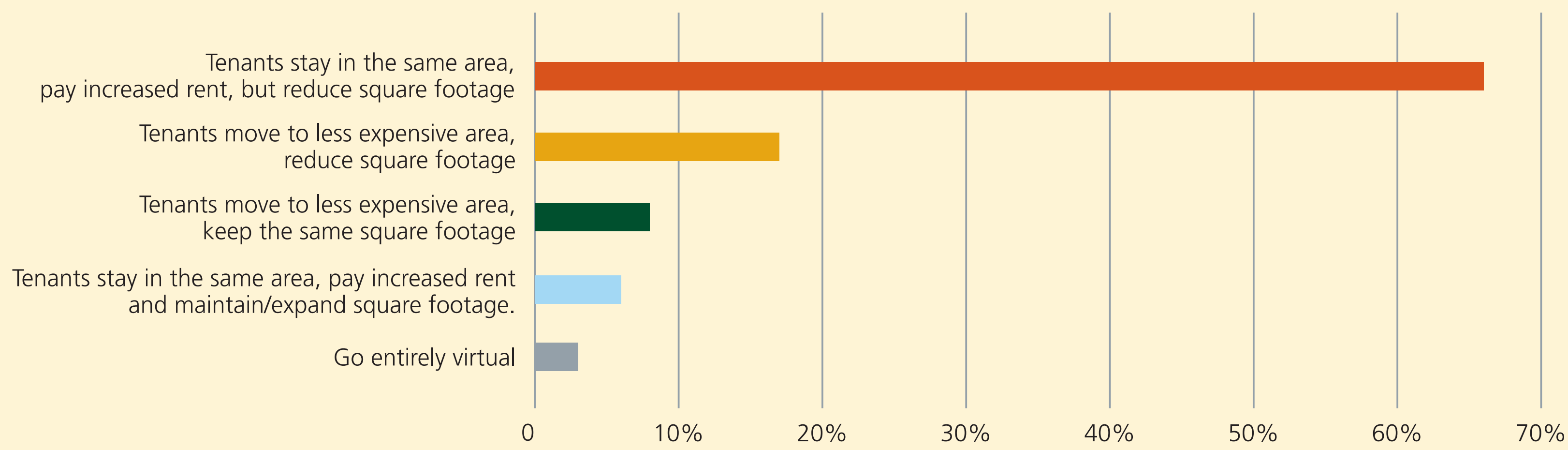
Public Sector Spending Prioritization	Rank
New Public Transit Projects	1
Upgrading Existing General Infrastructure (roads, sewers, drainage, etc.)	2
New Resilient Infrastructure Projects to Mitigate Sea-Level Rise	3
Funding and Incentives to Support Housing Affordability	4
Upgrading Technology Infrastructure in Communities (broadband, etc)	5
More Economic Incentives for Businesses to Relocate to South Florida	6
Expansion of Community Healthcare Services	7

Impact of Pandemic on Office Tenants:

Much has been written in the media about the COVID impacts on the use of office space. The users of space will drive this outcome, and the sentiment responses may be biased by individual preferences or the experiences of respondents. The dominant overall sentiment is that users will reduce square footage at lease expiry. Combined with responses for going completely virtual, plus move and downsize responses, the overall sentiment is that existing tenant demand for office will be reduced, but not eliminated. Whether rent increases help drive this down-sizing is yet undiscovered, but for employees, a more persistent hybrid model is likely in the coming 3-5 years.

TABLE 14

What do you anticipate existing office tenants will do with their spaces when their current lease expires?

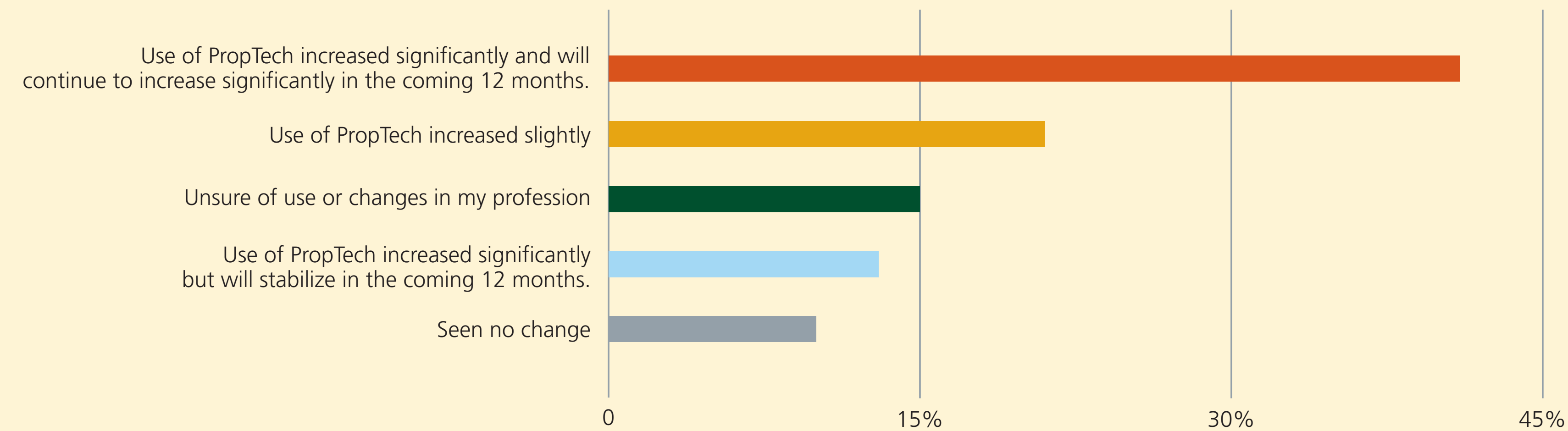


Covid Influence On PropTech:

The next series of questions concern real estate technology, also known as PropTech, which is the application of information technology to real estate markets, activities, and processes. Respondents believed PropTech usage increased significantly during Covid and will either stabilize or continue to rapidly grow. Combining significantly increased (42%) and slightly increased (18%), nearly 60% of respondents believe PropTech deployments were accelerated due to COVID.

TABLE 15

How have the conditions surrounding the pandemic influenced your PropTech initiatives within your profession?



Greatest Potential For PropTech:

Multi-family, office, and single-family asset classes are seen as having the greatest potential for the use of PropTech. Multi-family and single-family residences can benefit from energy cost savings. Offices can benefit through reduced operating costs and the installation of smarter building systems, such as updated climate controls and monitoring, advanced filtration systems, and improved security. Energy usage and monitoring with auto-adjusting features that scale to building utilization are set to become the new standard. Where feasibly deployed (energy usage highest), these PropTech investments have the highest ROI and may be set to become standard in new building construction.

TABLE 16

Which asset class has the greatest potential for PropTech innovation/adoption in the coming 18 months?

Asset Class	Rank
Multifamily Residential	1
Office	2
Single Family Residential	3
Industrial	4
Health Care/Medical	5
Senior Housing	6
Retail	7
Hospitality	8
Self Storage	9
Do not know	10

Reasons To Use PropTech:

The business case for PropTech (improved property performance) ranked #1 with collection/measurement to provide ESG metrics as #2. Transparency and regulatory compliance ranked last, confirming that PropTech adoption will likely be driven primarily by cost-benefit considerations.

TABLE 17

PropTech has facilitated interest and investment in properties adhering to ESG (Environmental, Social, Governance) principles during the pandemic. Please rank the following statements:

Category	Rank
PropTech assists in property or portfolio-level cost-saving measures to improve property performance in accordance with ESG Goals.	1
PropTech is vital in allowing for the collection and measurement of ESG metrics.	2
PropTech has helped identify areas of improvement to provide ESG transparency.	3
PropTech data helps ensure that legal compliance with regulations are rigorously enforced.	4

Importance of ESG Factors in Decision-Making:

Most respondents say ESG (Environmental, Social, Governance) plays an increased role in their real estate practices, with its use ranked highest to secure approval of new developments. ESG factors also influenced business strategy, helps to secure new clients, and keep current clients happy. ESG's importance in raising capital is of lesser importance, despite early indications that future capital allocations and investment decisions will be influenced by ESG factors. This ranking of factors impacting decision-making around ESG is likely to figure more prominently in the future, but given the high barriers for securing new development approvals, a focus on social and governance considerations in addition to economics appears likely to drive higher ESG performance measurement in development-approval process.

TABLE 18

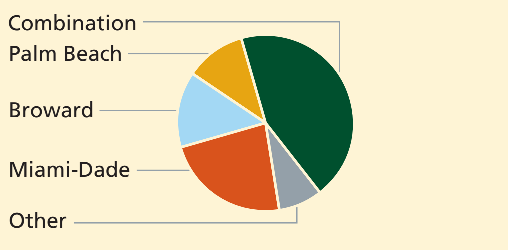
What level of importance do you attribute to Environmental, Social, Governance (ESG) factors in your business (higher score is more significant)?

Category	Rank
Securing Approvals for New Development	1
Overall Business Strategy	2
Securing New Client Relationships	3
Maintaining Client Relationships	4
Ability to Raise Capital	5
Impact on Operating/Management Costs	6

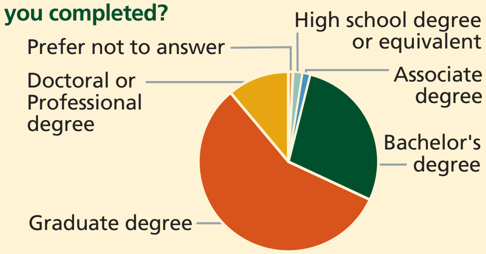
Appendix: Methodology

The survey was distributed to over 1,000 professionals in the commercial real estate sector. 190 surveys were submitted, with 140 responses being fully completed and which formed the validated statistical basis for the survey results.

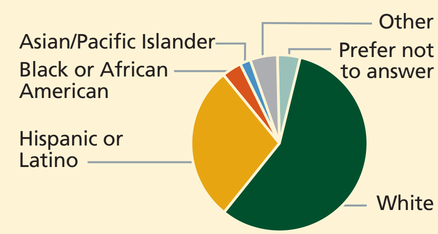
Please select the geographic location of your market:



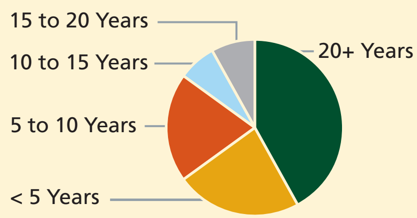
What is the highest degree or level of school you completed?



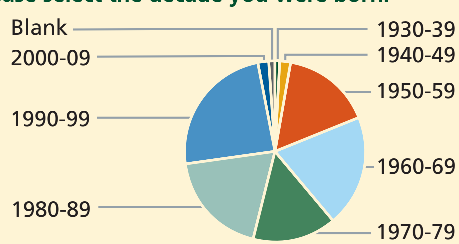
Please select your ethnicity:



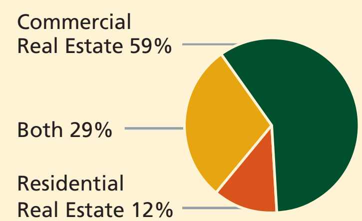
How long have you worked in South Florida?



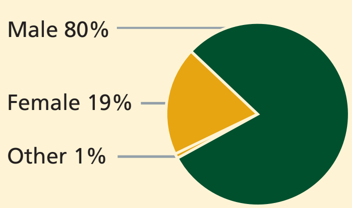
Please select the decade you were born:



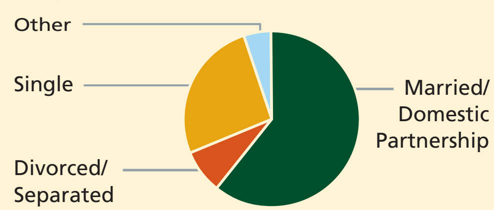
Market Segment – Affiliation



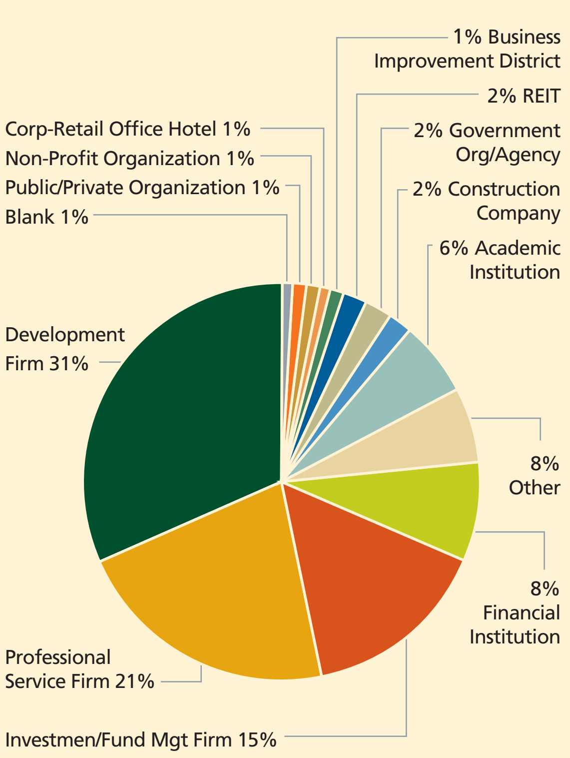
What is your gender?



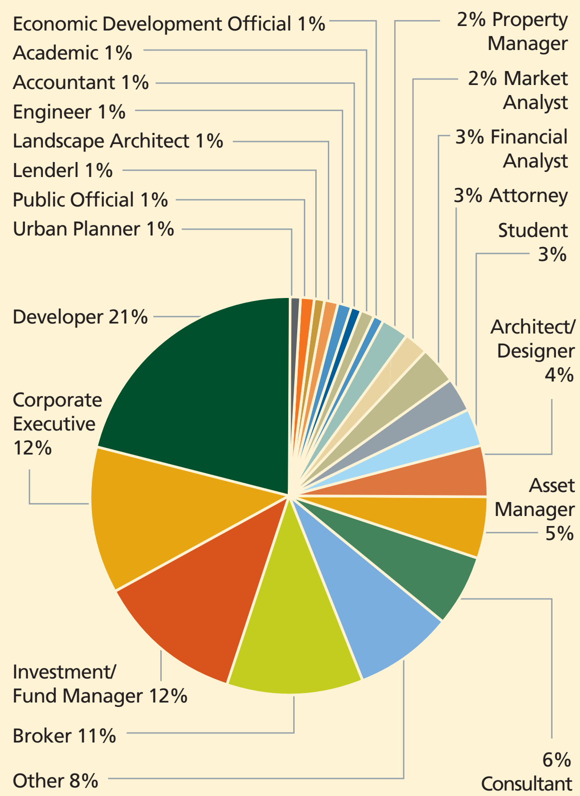
What is your marital status?



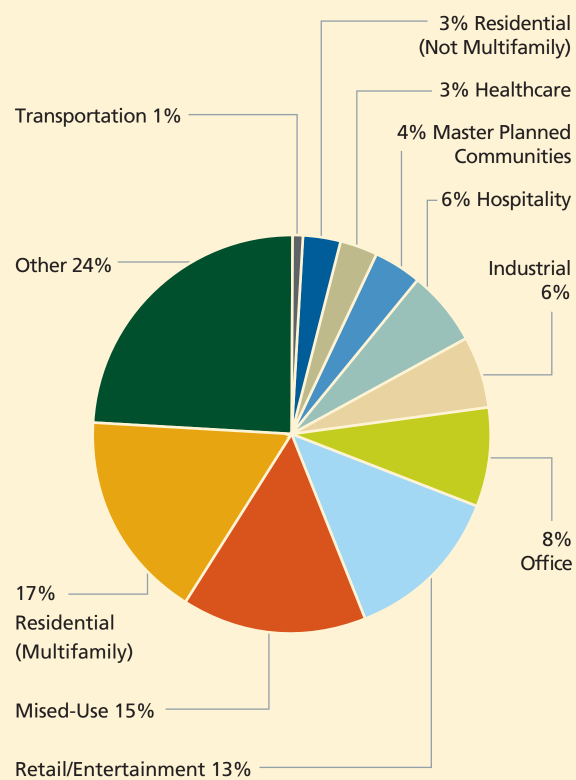
Specialization within Real Estate: Land Use Sector



Specialization within Real Estate: Professional Role



Specialization within Real Estate: Land Use Sector



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Appendix: Respondent Insights

The survey closed by asking participants to provide their thoughts or ideas that are noteworthy about the Pandemic and its impact on the real estate industry. Many comments focused on the impact that the Pandemic has had on their business and activities. Following is a sampling of responses grouped by topic and focus:

Impact on the Office

- The Pandemic has proven that our company has happier employees when we allow for flex or remote schedules. We will continue to require younger/newer employees to the office more than more tenured production staff to allow for mentoring and the continuation of Training, Leadership, Motivation and Inspiration in their careers.
- The naysayers during the pandemic about how office will not survive remote working trends were wrong. Our office leasing velocity right [now is] extremely strong. Work trends will evolve, but companies have found that the lack of physical presence and collaboration negatively impacted their business.
- The pandemic created a pause on how everyday business was conducted and may have slightly changed the traditional office structures and work environments for the near future.
- Remote working has driven changes in housing demand and design and hurt office and retail leasing.
- There is an ongoing disconnect between media narrative and actual market conditions especially at the local (South Florida) level.
- The Pandemic advanced remote work and compassion in the workforce.
- We need to get people back in the office asap to keep our company successful.

Appendix: Respondent Insights – continued

Increased Investment in Florida

- Despite the pandemic, despite sea-level rise, despite any economic downturn, I believe that capital will continue to flow to Miami pushing real estate prices up. This is something everybody knows in Miami, but the rest of the country is starting to catch on. More and more people from out-of-state are seeing investment opportunities in the South Florida market.
- The Pandemic caused a great migration to Florida (especially South Florida) from the Northeast and West Coast parts of the country. Increased population and an investment friendly environment have pushed multifamily rental rates and asset pricing through the roof.
- South Florida and many of the SMILE states (across the south and west) have benefited greatly and will continue to do so in the next 3-5 years.
- The pandemic shifted real estate investment into states which were more welcoming to the needs of businesses.

Accelerating New Business Trends

- The pandemic has accelerated changes already underway in real estate, most notably: furthering the transformation of office properties and their use due to tech and the increase in WFH (work-from-home); continuing the radical shift from traditional retail space use to greater logistics, industrial, and warehouse uses; supercharging the demand for both single & multi-family residences in the face of ongoing supply constraints and delivery of new units; and, bifurcating hospitality sector dynamics to favor economy, midscale, and luxury segments at the expense of upper upscale, upscale, and upper midscale segments.
- My company is an experienced healthcare/medical office developer and investor with a 40-year successful track record in South Florida. As a result of the pandemic which has resulted in the need for new healthcare delivery models and new/retrofitted facilities, we are experiencing a tremendous increase in our business activity and opportunities.
- The pandemic continued the radical shift from traditional retail space use to greater logistics, industrial, and warehouse uses.

Appendix: Respondent Insights – continued

South Florida Growth and Migration

- The pandemic has reduced the importance of geographic borders. People and organizations are relocating to where they want to be, not to where they previously perceived they needed to be.
- The Pandemic caused a great migration to Florida (especially South Florida) from the Northeast and West Coast parts of the Country.
- Latin Americans are gradually starting to lose faith in investment opportunities in their home countries, and also starting to lose hope that the political environment will change. The U.S government doesn't seem to be interested in stopping communist forces in Latin America. Why would they, if all the capital created in Latin America will flow into the real estate markets of Miami when communism continues to strike again? The solution for Latin Americans is capital flight to Miami, the closest option to a Spanish speaking city that feels like home.
- The pandemic has accelerated many trends we already had coming for the last 5-7 years in South Florida. I think that the thorough, long-term planning and thinking that South Florida and its leaders have been doing the last 5-7 years has set us up to be prepared for the massive inflow of people and business we are seeing today. I also think that's why we have been able to handle all this growth in the successful way we have been and will continue to.

Preference For Outdoor Spaces

- Southern States with the ability to take business, play and living outdoors will be rising more in value, demand and rents as evidenced than in the other States.
- The Pandemic has accelerated a renewed interest in outdoor spaces. This has had a positive impact on our business. We are focusing on experiences that feature access to the outdoors.
- We are focusing on experiences that feature access to the outdoors. We have talked about Climate Change on the edges but now we need to speed up and push the envelope as it relates to Climate Positive developments that support the planet as an asset we must steward for future generations.

Appendix: Respondent Insights – continued

South Florida Affordability

- One clear example every local from Miami has recently experienced is the single-family rise in prices. Miami millennials who are beginning to settle down and start looking into buy their first homes, are seeing wealthy New Yorkers, Texans, and Californians offer more than asking prices for single-family homes in the best neighborhoods.
- Many hopeful buyers (including myself), were waiting for an economic downturn such as the pandemic for housing prices to collapse and buying opportunities to come up.
- Increased population and an investment friendly environment have pushed multifamily rental rates and asset pricing through the roof. Miami is officially the second most expensive city to live. While the demand for affordable housing is strong, the challenge is finding financially feasible development sites. Land prices have surged.
- The pandemic caused a spike in pricing of all types of residential housing driven by accelerated migration and unprecedented demand. This condition has subsided and within 18 to 24 months the markets will experience a significant correction. The correction will be driven by an excess of supply attributable to over investment across the board.

General

- With the pandemic drastically impacting the supply chain of construction materials and costs. The mitigation and management of projects to meet certain deadlines and budgets have increased. Teams have to anticipate delays in all areas from lumber to appliances, which significantly impact the beginning of the construction schedule as well as the end.
- There is an inverse relationship between the Investment in infrastructure (has been delayed significantly and unnecessarily for about 3 years in the cities with the highest values of land development causing pollution , breakdown and environmental concerns) and the significant rise in high-rise development. This is mitigated with the announcement of future plans for transportation and infrastructure as of this week as large blocks of development land acquisition has been completed.
- The pandemic has exposed the greediest and most self-serving aspects of my clients, colleagues, and elected officials.

The University of Miami: An Interdisciplinary Powerhouse in Real Estate

As one of the world's top markets for real estate development, South Florida represents an extraordinary setting for the study of real estate development. The University of Miami is unique in that it offers undergraduate and graduate programs in every field connected to the real estate industry and provides rich, interdisciplinary experiences for students that mirror the real world relationships between disciplines and professions.

MIAMI SCHOOL of ARCHITECTURE

The Master of Real Estate Development + Urbanism (MRED+U) program is an immersive one-year interdisciplinary graduate program that combines coursework in real estate development, finance, market analysis, construction, law, architecture, urban design and entrepreneurship. The prestigious MRED+U Advisory Board connects students with 60 industry leaders who are directly engaged in the program as lecturers, mentors and advisors, providing access to dozens of cutting-edge projects from every real estate sector, paid internships and employment. The program features a developer-in-residence program, sponsored case studies, a Capstone workshop, studio collaborations, extensive networking events and study abroad programs. MRED+U students collaborate with graduate students in Architecture, Urban Design, Construction Management, and Urban Sustainability & Resilience, and students enrolled in the Business and Law School's real estate programs.

MIAMI BUSINESS SCHOOL

The Miami Herbert Business School offers one of the top Real Estate MBA programs in the country. Designed for those who have already earned an undergraduate degree in business, this accelerated program begins each May and includes two paid internships. It brings together the school's strengths in management education with the University of Miami School of Architecture's strengths in architecture, construction management, real estate development and urbanism. Students get real-world, hands-on commercial real estate experience at two different commercial real estate companies. Past internships have been at industry leaders such as The Kislak Company, Lennar Commercial Real Estate and The Related Group. Students also receive mentoring and consult on a project with a real estate industry non-profit organization. MBS also sponsors and hosts the Annual Impact Investing in Commercial Real Estate Case Competition.

MIAMILAW
UNIVERSITY OF MIAMI SCHOOL OF LAW

The School of Law offers an LLM degree in Real Property/Property Development. The Law School offers the oldest LLM degree in the nation dedicated to the study of Real Property Development (RPD), and is widely regarded as the nation's best. The RPD degree is available on campus and in an online format that offers both innovation and academic excellence. For thorough preparation and to reflect the issues most relevant to practitioners, the Real Property Development LLM program is organized into four components: regular (foundational and elective) courses, concentrated courses, internships, and site visits. These course offerings enable students to develop an understanding of land acquisition, finance, regulation, tax law, construction law, residential and commercial development, landlord-tenant issues, closings, negotiation, and planning strategies.

Acknowledgments

TThis research project was undertaken by the University of Miami's Masters in Real Estate Development + Urbanism (MRED+U) Program, its graduate students, faculty, and industry advisor Integra Realty Resources (IRR). The research team (outlined below) wants to thank the MRED+U Advisory Board members for their insight and support and for reaffirming the special focus on housing affordability for this year's survey, with special thanks also to Andrew Frey, Matthew Rieger, and David Martin for providing feedback for the research team as they fleshed out the topics and questions. The team also wants to thank all of the participants including members of the UM Real Estate Advisory Boards in the Miami Herbert Business School and Law School, and the attendees and supporters of the University's annual Real Estate Impact Conference.

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