

PERSPECTIVE

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Greetings!

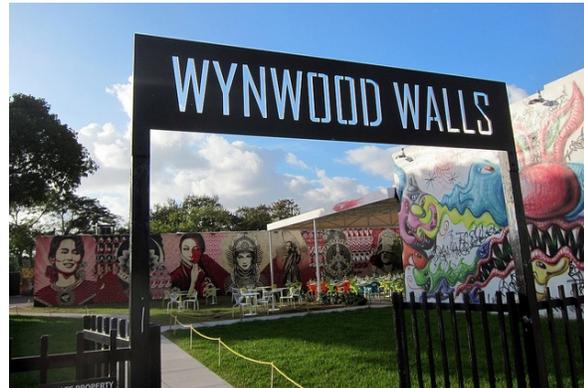
And bang! The new year is out of the chute and around the first bend. With it comes big shifts in Florida law as well as in South Florida's real estate climate. In this issue we explore 2015, and we discuss some of the most notable changes happening now and perhaps in the year ahead. Whatever 2015 has in store, it's off to a swift and exciting start!

News & Notes

- On January 5th, a Miami-Dade County judge ruled that same-sex couples may legally wed in the State of Florida, making Florida the 36th state to allow same-sex couples to marry. As hundreds of same-sex couples legally join their lives in matrimony, courts, legislators and title insurers are quickly adapting to this sea change. Manners of holding title to real property and estate planning techniques evolve to reflect this change.
- The 2015 legislative session is currently underway. In the next newsletter we'll update you as to any changes in real property law.

Free Advice...

When purchasing property in a short sale or out of a foreclosure, consider buying title insurance for the actual value of the property, or its value after improvements are made, and not merely for the price paid in the sale. Experience shows that short sales and foreclosure sales can result in title and foreclosure claims that challenge a buyer's good title and may



Miami Real Estate 2015: Crystal Ball, Please.

Clients and colleagues frequently ask about Miami's real estate market: Where is it heading? What are the trends? Are we in the middle of another bubble? After the roar of 2012-14, what does 2015 hold in store? Who's buying, and who's not? Here are some of our thoughts.

Market Past

Foreign nationals have invested in Miami's real estate market for various reasons, including currency protection, visa purposes and the pursuit of happiness. For the past two decades, international second-home buyers - namely, from Western Europe and South America - have comprised a sizable percentage of Miami's real estate investors. The question on our minds is with the weakening of many world currencies relative to the dollar, will more foreign investors retreat from the Miami market (see bar chart below)? If so, how will their actions affect Miami's real estate market as well as the travel and hospitality industries?

Market Present

Right now we're witnessing an increase in domestic investors from New York and Los Angeles. Drawn by Florida's favorable tax laws and comparatively inexpensive real estate, hedge fund companies and businesses continue to migrate to Miami. Preconstruction oceanfront condominiums have drawn strongly from this high-end domestic market, and commercial property in downtown and midtown Miami has likewise attracted significant investment.

We're also seeing a shift in foreign investor behavior. With continued political unrest in Brazil, South Florida is seen more and more as a safe

result in the complete loss of title. In that unfortunate event, it would be best to have enough insurance to cover losses for the actual value of the property.

Of Interest in Miami

Oceanfront investment and construction continues to amaze and astound. As of this writing, many new developments of differing forms and sizes are taking shape:

- Following a retail practice more familiar in Europe than in America, the Jetset Franklin Hotel's Hub Shops is redefining retail by offering short-term leases to retailers - anything from a wall to a display case to a pop-up kiosk is on offer. The trend is big in high-traffic areas like malls and airports.
- Whole Foods is expanding its empire: a new Whole Foods opened in Downtown Miami last month and plans are in the works for a new store at 1901 Alton Road in Miami Beach. Miami Beach's Planning Department initially balked at the store's proposed size, and they aired concerns about its design and traffic impact. A vote was deferred to later this month.
- The Canyon Ranch name is no longer synonymous with luxury in Miami Beach. As of the sale of the condo-hotel in January to Z Capital Partners, the property at 6800 Collins has been renamed the Carillon Hotel & Spa.

haven for Brazilian capital. It's significantly more expensive for Western Europeans to visit and to invest in Miami today than it was last year. We're waiting to see how this will affect their buying activity in South Florida. As new sanctions dictate that Russians may no longer withdraw money from American banks, many Russian nationals are opting out of the market for now. (Of note, Russian-American investors are still very active in South Florida.) Lastly, as Miami becomes a globally-important city for the mega-wealthy, Chinese investors are finally - if albeit, slowly - making their way to our shores. The promise of cleaner air and water as well as lower price points only add to Miami's allure.

Market Future

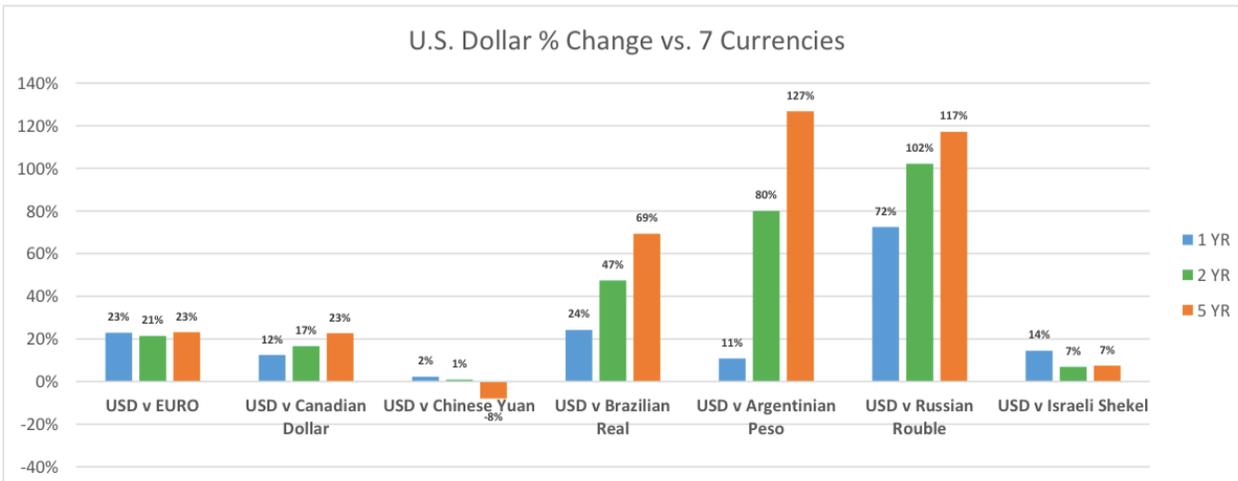
The last quarter of 2014 brought modest single-digit gains in the median sale price of single-family homes and condominiums in South Florida. We seem to be returning to normal market conditions - but will this continue? That may depend on who's buying.

Our Magic City has always attracted many different people from many places and for as many reasons. With the market at a crossroads, many are cashing out on wise down-market purchases, yet so many are still acting bullish. Where do we go from here? In Miami, one never knows...

Spotlight: Wynwood

In 2009, developer Tony Goldman envisioned Wynwood as a canvas for street art. Today, its famed graffiti walls as well as its art galleries, restaurants and shops make it a local sweet spot as well as a must-see on every traveler's bucket list. Now many investors know what locals do: Wynwood is Miami's next big thing. Often compared to NYC's Soho or Meat Packing District in the early days, Wynwood (once a manufacturing district) is ripe for investors. In fact, several Wynwood properties have been bought by NY-based developers in the past year.

How will Wynwood evolve in the next six years? If it's any sign of things to come, the reorganized Wynwood Business Improvement District (BID), will see to it that the neighborhood becomes home to many businesses. In other words, Wynwood's metamorphosis shows no signs of stopping - and for those getting into the game now, it's only just begun.



Source: Yahoo.com
(as of 3/3/2015)