

Miami real estate players welcome Trump presidency

Industry insiders predict effects on foreign investment, regulatory environment and more

Ina Cordle, Katherine Kallergis and Sean Stewart-Muniz November 9, 2016



Dan Kodsi, Shahab Karmely, Don Peebles and Jules Trump with Donald Trump in the background

As South Florida dealt with the stunning results of the presidential election, Miami's real estate industry looked toward the future, mostly with optimism. For developers and brokers, a Donald Trump presidency is good for business, they told *The Real Deal*.

Developer Jules Trump sees a the [president-elect](#) as a boon to South Florida's real estate market, at a time of volatility of the stock market and the decline in foreign currencies. "It sort of reinforces the belief that most of our buyers of real estate have, that long-term your safest investment is in high quality real estate," he said,

The developer of Acqualina, Mansions at Acqualina and the upcoming [Estates at Acqualina](#) in Sunny Isles Beach, expects to see a business-friendly administration.

"You have a president who comes out of the real estate business, and whatever anyone may say about him, he is clearly an accomplished businessman and will do things that are good for the real estate business, given a low interest rate environment and minimal

alternatives to investment,” said Trump, who is a native of South Africa and of no relation to the president-elect. “We could be in for a very good time in real estate going forward.”

[Ezra Katz](#), founder and CEO of Aztec Group, a Miami-based real estate investment banking firm, is particularly optimistic, citing Trump’s roots in the industry.

“Our future president is a very knowledgeable real estate and construction person, and he understands the world of real estate better than any politician, ever,” Katz told *TRD*.

“He will create jobs that are positive for us and positive for the industry and create an enhanced opportunity for foreign investors to consider South Florida as a viable investment.”

Though Katz said he did not support either candidate — “I was equally dissatisfied with our choices,” — he said he has faith in Trump to buckle down as president.

“All the campaign rhetoric on both sides is gone and now we will deal with reality,” he said. “You have to run a country and be a leader in the world and that will be his focus, on the business side and on his statement that he is there to create jobs that are viable,” he said.

Developer [Don Peebles](#), chairman and CEO of the Peebles Corporation, views Trump’s stance on both reducing the regulatory burden and restructuring and reforming the tax system as beneficial for South Florida’s real estate industry. He also lauds Trump’s promises of boosting entrepreneurship as promising for inner city areas of Miami.

“And as a real estate developer who has relied on foreign investment in his projects, I would expect him to make sure the regulatory environment will be conducive... and make it easier for foreign investment,” Peebles told *TRD*.

Yet, in a market as reliant on international business as South Florida, it’s yet to be seen how Trump’s strict stance on immigration — one he relied on heavily during the campaign trail — will play out in the local real estate industry.

Developer [Gil Dezer](#), president of Dezer Development, a long-time business partner and supporter of Trump’s, pointed out that most South American investors don’t move their families or businesses to Miami when they buy properties here, meaning they wouldn’t be affected by any changes in immigration policy.

He said Trump’s election is also bound to raise consumer confidence, which in turn buoys all aspects of the economy, including real estate.

Outside of actual policy changes, Trump’s at times uncouth remarks have left bad tastes in the mouths of many foreign nationals watching the country’s election from afar.

But that likely won’t stop the wealthy among them from continuing to invest in real estate stateside, according to EWM International Realty CEO Ron Shuffield.

Above all other demographics, ultra-high-net-worth homebuyers are tapped into the financial world and base their investments on its ebbs and flows, he said. Of the stock

markets' steady rise as the news of Trump's victory broke early Wednesday morning are any indication, the financial world is reacting favorably to a Trump presidency. And that, Shuffield said, will probably translate into more luxury buyers pulling the trigger on a home purchase.

"All of these economies are built on confidence," he said. "Really it's just a psychology game."

On top of that, Shuffield said, Trump began tempering his trademark vitriol and rhetoric in the months leading up to the election, which could be an indication that his behavior will change once he's actually in office.

Ironically, some of the city's biggest real estate players were south of the border the day after the election for a development showcase, "Expo Negocios Inmobiliarios." Among them: Jorge Perez and Carlos Rosso of the Related Group, who were unavailable for comment.

However, New York developer Shahab Karmely reached out to *TRD* from Mexico to say there are a host of other factors that weigh on Miami's real estate market other than the election. He said currency exchanges, political turmoil in Latin America and [housing oversupply](#) are the most important metrics to keep an eye on.

He was also ready to put Trump's questionable behavior on the campaign trail in the past.

"Time will tell what the ramifications of this election are," he said. "I can tell it won't be as negative as people think, or as positive as some are hoping for."

Alex Zylberglait, an investment broker with Marcus and Millichap, said that any unease among foreign and domestic investors is short-lived. The volatility of the equity markets will lead more investors to commercial real estate, he said.

"We may see more of a leveling off in commercial real estate because prices were high," Zylberglait told *TRD*, but not because of a President Trump.

Latin American investors, too, will keep coming to South Florida.

"Throughout Latin America, they're still struggling generally speaking and they still see us as a safe haven to park their money," Zylberglait said.

He and others dismissed Trump's stance on immigration and foreign investment as just "rhetoric."

Dan Kodsi, who's developing Paramount Miami Worldcenter and Paramount Fort Lauderdale, also doesn't expect to see a decline in foreign investors – although he did say a drop in Middle Eastern investors could be a concern.

Trump proposed banning Muslims from entering the United States late last year and has expanded his proposed immigration ban to include entire countries.

Kodsi, a registered Republican who “isn’t a fan” of Trump but said the country needed a change, thinks Trump’s comments regarding the Hispanic community are “more personal.”

“People in the business community are not as sensitive to their rhetoric,” he said. “... If anything, the market needed to shift. We were actually heading down the wrong road.

Did we need four more years of what we’ve been through or did we need change?”

“It’s about the team. Not necessarily about the CEO,” he said.

Developer Moishe Mana appears to be in the minority of those concerned about Trump’s presidency. Mana railed against Trump for his anti-immigration policies, accusations of sexual assault and business practices over the course of the campaign.

“I could not be more disappointed,” Mana said in a statement. “There’s not much we can do now except band together as a nation and make it clear we will not stand for further xenophobia and racism. We must hold him accountable and ensure he does not bankrupt our country and values; the same way he’s bankrupt his businesses.”