

TRD zeroes in on South Florida market at 3rd annual Broward Showcase & Forum

Shahab Karmely to brokers: "look at the product, look at the financial stack of a developer and if it had a lot of debt I'd probably run away from it"

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The Real Deal's 3rd annual Broward Showcase & Forum

South Florida's real estate industry flocked to *The Real Deal's* third annual Broward Showcase & Forum on Thursday, as developers, brokers and other professionals hobnobbed among the exhibits and gleaned insight from panels.

About 2,000 attendees descended on the Design Center of the Americas in Dania Beach, where 25 exhibitors set up shop and three panels of experts explored the latest trends in development, the Broward residential market and new technology.

A Tesla on display inside DCOTA's entrance served as selfie central, as attendees lined up to take photos of themselves beside the luxury sedan. Exhibitors ran the gamut from developers, brokerage firms and lenders to a kitchen manufacturer and government agency. Among the group: Douglas Elliman, Adagio Fort Lauderdale, K. Hovanian Homes, Meridian Capital Group, OneWorld Properties and the U.S. Immigration Fund.

"We're doing something different in a different market, so it captured people's interest," said Dave D'Ambrosio, managing director of Grove Resort & Spa in Orlando, one of several new projects on exhibit in the showcase.

Down the hall, in an open-air atrium topped by a colorful art installation, panelists examined the South Florida market. Shahab Karmely, founder and CEO of New York-based KAR Properties, said he chose to enter South Florida in part because he saw “incredible value in land relative to New York.” He was also drawn by such factors as “water — river or ocean, ... an area where it is not so established that we are overpaying and competing with people who have a land bank already... and something at the cusp of change.”



Louise Sunshine, Jerry Hollo, Jimmy Tate, Shahab Karmely and Hiten Samtani

Karmely, who is developing One River Point along the Miami River, also offered advice to brokers: “I would tell brokers that because it’s a market with headwinds, look at the product, look at the financial stack of a developer, and if it had a lot of debt I’d probably run away from it.”

Amid the current market slowdown, [finding funding for new developments](#) can be challenging, panelists acknowledged, yet “there is financing out there,” said Jimmy Tate, CEO of Tate Capital, which is redeveloping Bahia Mar in Fort Lauderdale. “It’s all about the product and the underwriting and the developers.”

Tate and other panelists said they don’t expect the market to crash like it did in 2007 and 2008, but ebb and flow. Distressed opportunities are fewer than in the last cycle, and his advice was to focus on commercial when residential slows down, and vice versa. “You will see there’s always opportunities.”

Later in the afternoon, [brokers analyzed the future](#) of the residential market in Broward, and said residents of the Northeast are composing a larger segment of the market. Peggy Fucci, CEO of OneWorld Properties, which is handling condo sales for the [Paramount Fort Lauderdale Beach](#) development, said 30 percent of the buyers are residents of foreign countries, “mostly Latin Americans.”

Mike Pappas, president of [Keyes Company](#) and Illustrated Properties, said the state of the residential market in Broward varies by type of property. The county has a 30-month supply of condos priced over \$1 million, but in the single-family home market, “under \$500,000 it’s tighter than a drum,” Pappas said. While prices of single-family homes in the under-\$500,000 market are firm, “the high end has to be reduced,” he said.

“We’re very bullish [on Broward] because we’ve run out of land in Broward,” he added.

Tim Elmes, who heads the Elmes Group at [Coldwell Banker](#) in Fort Lauderdale, said the residential real estate market in Broward is “much more stable” than in the Miami area, which has lost property buyers to the more affordable Broward area in recent years.

“We’ve seen more traffic from Miami in the last two years than in the previous 10 years,” Elmes said. “We’re seeing major money coming from the Northeast,” he said. “I think the Northeast is



From left, Paula Silberberg, Tim Elmes, Mike Pappas, Peggy Fucci

just finding us,” and over the next 10 years, the residential market in Broward will undergo “a renaissance ... particularly on the high end.”

Yet sea level rise remains a long-term concern for the residential market. “Our government is going to fix it, our municipalities are going to fix it, because they have to,” said Paula Silberberg, managing broker of Douglas Elliman’s Fort Lauderdale offices.



Beth Butler, Diego Saavedra, Richard Sarkis and Hiten Samtani

Meanwhile, South Florida developers, brokers and investors are embracing virtual reality tours, immersive online presentations and data collection applications as tools to help them find and close deals, according to [a third panel of experts](#) who explored the how technology is transforming the South Florida real estate industry.

“The best brokers and developers are using data applications as a complement to their Rolodex and local knowledge they have curated over their professional career,” said Richard Sarkis, CEO of [Reonomy](#), a company that has developed a wide-ranging search application for commercial

real estate markets. “I don’t see it as a replacement for that human connection, but the goal is to provide a tool that makes data collection easy to digest.”

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