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## euro down, but 'they're still going to bring their money here'

By CATHERINE LACKNER

Miami's economy is resilient even in the face of falling currencies in countries from which tourists, shoppers and investors hail, observers say.

"We are known as a safe haven," said Hal Lewis, partner at the Pathman Lewis law firm and head of its banking, real estate, corporate and transactional departments. "People in South and Central America, and some in Europe, want a safe place for themselves and their money. That's what's driving capital flight from those countries, rather than getting a good exchange rate."

During the mortgage crisis of 2008, the euro was strong against the dollar and Europeans flocked to scoop up real estate bargains, Mr. Lewis said. "Now the euro is down, but they're still going to bring their money here, I don't get the sense that Europeans are backing off."

There might or might not be an effect on retail, he said. "A modest decline is probably unavoidable. But even then, the driver is different. They quality of goods is something they can't get back home, and they love to come to South Florida."



**Hal Lewis: Europe won't back off.**

Russia might prove another story, he said. "The situation there is dire." Political instability in Venezuela and Brazil also might complicate life for people who want to invest money here, he said, but also drives the desire to establish a US beachhead.

"Things are not getting better in these countries," Mr. Lewis said. "You don't know what's going to happen in the next cycle, but I think we're in a good position for a couple of years at least."

"We are still perceived as a safe place for investment," agreed Peggy Fucci, CEO of OneWorld Properties. "Prices continue to increase, and we're experiencing interest from markets we've never seen before," she said, including from buyers



**Peggy Fucci: prices keep rising.**

in China. At Paramount Miami Worldcenter, a property her company represents, buyers come from 25 countries, she added.

To deal with fluctuating currencies, agents have tried to work with buyers, she added. Some buyers have asked to increase their deposits or pay other expenses now in anticipation that currencies will fare even worse against the dollar in the future. "We have become more flexible. If we need to work with them on the deposits or give other concessions, we will do that."

"As we sell out, people want to take advantage of the opportunity to buy, because they know it is not going to get less expensive as time goes on," Ms. Fucci said.



**Gregory Santin: a euro, dollar par?**

"The strength of the dollar today versus foreign currencies has two meaningful effects on the Miami-Dade economy," said Gregory M. Santin, vice president and relationship manager, commercial real estate, at BankUnited and chief development officer of the Miami Finance Forum, in an email.

"The first is that foreigners traveling to Miami and/or purchasing goods and services find our local market more expensive than it was six, 12, and even 24 months ago versus present-day."

The euro is still stronger than the US dollar but only slightly, he added. "As an economist by education, I firmly believe the euro will be on par with the US dollar once the Federal Reserve commences raising interest

rates, which is expected this September."

The second effect is foreign goods and services become less expensive for those with US dollars, he said. For example, a Miami business that imports European goods has the ability to purchase more with less and to offer the savings to its customers, creating revenue growth and maintaining profits.

"Europe has been in a recession for several years," Mr. Santin said. "Latin American economies like Brazil have slowed significantly, and local government controls and US dollar exchange restrictions in Argentina and Venezuela have begun to affect the demand for Miami's residential real estate and retail goods."

Yet, despite the strength of the dollar, retail and residential continue to thrive, he observed.

"Investment in commercial real estate remains strong, and as one demand driver weakens, another steps up," in this case, buyers from the US Northeast and Canada, he added.

"Miami-Dade County continues to be the economic engine of the South Florida economy and the rest of State of Florida," Mr. Santin said.