

Commercial brokerages still hot commodities in South Florida

CRE professionals spoke at super conference held at Biltmore Hotel

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By Francisco Alvarado

Nationwide, mergers and acquisitions in the commercial brokerage sector have slowed down. But the big firms will continue to aggressively target boutique firms in South Florida due to the strong commercial real estate market here, according to top executives for Colliers International, Avison Young, and Real Estate Sales Force.

“We have a growth strategy of acquiring boutique companies,” said Pike Rowley, principal and managing director of Avison Young Florida. “These small owners want to chase institutional work but don’t have the size to do it. Now, the window is open and the time is right.”

Rowley spoke during the keynote panel of the Realtors Commercial Alliance Miami Super Conference Friday afternoon at the Biltmore Hotel in Coral Gables. In the last three years, Avison Young has expanded its Florida presence by acquiring West Palm Beach’s WG Compass Realty Cos., Tampa’s Lane Witherspoon & Carswell Commercial Real Estate Advisors. Orlando’s Morrison Commercial Real Estate, and Miami’s Abood Wood-Fay Real Estate Group.

Another panelist, Jorge Guerra, founder of Coral Gables-based Real Estate Sales Force, or RESF, echoed Rowley’s comments. “When the market is hot and the real estate services industry is doing good, the big companies are going to step up [efforts to acquire] smaller companies.”

Ken Krasnow, executive managing director of Collier’s South Florida region who was also on the panel, noted the company acquired local brokerages in Orlando and Jacksonville this past January and May, respectively. “This market is primarily driven by local relationships and local knowledge,” Krasnow said. “Right now we are very bullish on the state of the industry.”

Other panels included discussions about Internet-based commercial real estate applications and issues that could negatively impact development in South Florida. Panelist and Miami real estate attorney Wayne Pathman told the audience of real estate professionals that developers and municipal governments have to begin working together to address sea level rise in local building codes.

“If code changes put all the burden on developers, they are not going to build,” Pathman said. “Many of the old guard are very receptive and knowledgeable, but don’t want to talk about [sea level rise]. The younger generation like Terra Group’s David Martin are very interested and want to develop solutions.”

As chairman of the City of Miami sea level rise committee, Pathman said his goal is to bring the two sides together to figure out incentives for developers.

During another panel, three tech entrepreneurs discussed how their start-ups are bringing innovation to commercial real estate. For instance, Kevin Spellacy, regional vice-president for Ten-X, said the company offers a full-service web-based marketplace for commercial real estate

sellers and buyers. "We can do the entire transaction online," Spellacy said. "When we first started, all the deals were in cash. Financing is something new on our platform."

Andrew Stearns, founder and CEO of Statfunding, said he started his company as a way to tear down the barriers of traditional finance. Individual and institutional investors build their own diversified asset-backed investment portfolios without bureaucratic layers, he said.

"We see borrowers who are foreign nationals or for whatever reason banks don't want to lend them money," Stearns said. "We can also offer hard money and bridge loans."