

THE REAL DEAL

NEW YORK CITY REAL ESTATE NEWS

What's in store for the commercial market in 2013?

Real estate pros offer up their predictions for the coming year

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By [Alexander Britell](#)



From left: Ezra Katz, Noel Steinfeld, Richard Dailey, Bill Hunter, Todd Levine, Lloyd Berger

Miami's commercial market continued its climb out of the downturn in 2012, with improvements across the retail, office and industrial sectors. But what's on the horizon for a market vulnerable to a still-stagnant national and local economy? To find out, *The Real Deal* spoke with some of the leading experts in South Florida. Check out what they had to say.

Ezra Katz, CEO and Founder of Aztec Group

"We expect the financing market to continue to expand with availability of capital for existing properties being the preferred financing alternative. Banks will be looking to expand real estate loans, which should ensure availability of capital for viable projects. However, lenders will continue to focus on the quality of the borrower as much as the quality of the collateral."

Richard Dailey, President and CEO of Apollo Bank

"We are cautiously optimistic headed into 2013, in terms of commercial lending and the broader economy. South Florida is still vulnerable to macroeconomic factors, so turmoil abroad will continue to keep some borrowers on the sidelines. At the same time, we are seeing many credible investors descend upon South Florida with the goal of acquiring real estate assets. Well-capitalized banks with clean balance sheets, such as Apollo Bank, are best positioned to fund loans to these borrowers and we expect to see our loan portfolio grow by as much as 20% in the coming year."

Matthew L. Adler, President and CEO of Adler Kawa Real Estate Advisors

"We are now seeking real estate investment opportunities that generate immediate cash flow for our investors. The current economic environment makes achieving a positive yield challenging in other asset classes. Recently, we have been successful utilizing our operating expertise to buy management intensive, multi-tenant office and industrial properties at strong cap rates. The wide spread between the cap rates and interest rates provides for significant cash flow while we continue to add value to the property. 2013 should present similar opportunities, though we expect more capital to come off the sidelines as economic conditions improve."

Todd Levine, Founding Member of Kluger Kaplan Silverman Katzen and Levine

"As property values rise, real estate claims stemming from the crash are once again becoming viable. We should see more lawsuits filed as more funds become available, with developers, lenders and buyers on failed real estate projects looking to recover their losses."

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Lloyd Berger, President of Berger Commercial Realty

“Regardless of whether we briefly go over the fiscal cliff or Congress and the President come to an agreement, it will take people a while to digest the implications, so the first quarter of 2013 will get off to a slow start. Because of the current fiscal uncertainty, many deals were pushed to close by year’s end, and transactions that normally would have closed in January had shorter due diligence periods and transaction times. However, people will soon realize that the world did not end, no matter what the compromise stipulates, and the upward momentum of 2012 will continue. The sluggish start of the New Year will be just a blip, not a major disruption.”

Noël Steinfeld, Senior Vice President of Jones Lang LaSalle

“The excitement of Brickell continues to be very compelling to existing and new-to-market office tenants. However, the amount of prime space on Brickell is diminishing faster than many anticipate. As occupancy climbs, tenants are finding themselves with parking concerns, which is already driving the city to generate creative new approaches to parking and transit.”

Alan Esquenazi, Partner at Continental Real Estate Companies (CREC)

“National retailers will pay more to be in top-tier markets and locations, where they are convinced that their sales will support the higher occupancy costs at the expense of second tier markets. Demand for high-quality properties will remain strong as investors will continue to seek stable and less volatile returns in the current uncertain macroeconomic environment.”

Terri Echarte, Managing Director at AJP Companies

“The supply of traditional multifamily housing was effectively ‘removed’ from the real estate market in the three years leading up to the financial crisis, as apartments-for-rent were converted to condos-for-sale. Even as new development is now increasing, with demand having exceeded supply in recent years, the multifamily recovery will remain strong in South Florida.”

Bill Hunter, Leasing Manager for the University of Miami Life Science & Technology Park

“We expect to continue seeing tremendous activity in Miami’s thriving technology community, strengthened by companies like Medina Capital Partners making a lasting commitment to Miami. Collectively, I see the intersection of life sciences and technology coming together right here in our backyard and we are all poised to benefit from this momentum.”

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