

Brokers: Europeans can't prop up lagging domestic sales

BY MARILYN BOWDEN

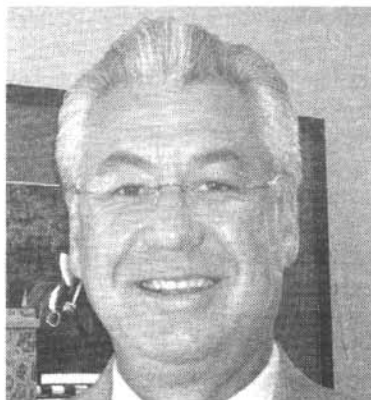
Europeans are taking advantage of a weak dollar to invest in South Florida real estate, local brokers say – but not enough to offset falling domestic sales.

“I would say about 90% of luxury buyers are foreigners,” said Bradley Arnowitz, principal and CEO of Arnowitz & Associates. “The rest of them are typically Baby Boomers.”

He said buyers from England and France are particularly prevalent.

“We’re seeing a tremendous amount of Londoners,” Mr. Arnowitz said. “The pound sterling is very strong against the dollar, so they’re coming in droves. The French are also purchasing here because the dollar is so weak against their currency. There’s a small exodus from France of the Jewish community due to an underlying current of anti-Semitism there.

“The French typically buy in



Xavier Hawley: Italians moving into South Florida housing market.

Sunny Isles or the Miami Beach area, at the higher end of the spectrum. They’re Canyon Ranch-type purchasers.”

Fortune International Realty is aggressively pursuing the European market with sales shows in England, France and Italy, President Edgardo Defortuna said.

“Buyers at high-end products such as the Ritz-Carlton Miami Beach and Jade Ocean in Sunny Isles are basically all Europeans and some Russians,” he said.

“The strong euro and strong pound are very, very important.”

In addition to an influx of British buyers, “the Italian market has become a lot stronger lately,” said Xavier Hawley, CEO of Vistas International Realty. “They have not been very aggressive before, but now we are seeing a lot of Italians.”

Oscar Piccolo, president of Stone Group Developers and co-developer with Laureti Holdings of Emerald Village in Silver Bluff, said European interest has included Germans and Spaniards.

“If you go to Galicia,” he said, “the prices are even higher than what we have here for waterfront properties. What Europeans are seeing is that the area is changing, becoming more of a world-class city than it was even five years ago. And prices are still good here compared with other prime cities in the world.”

Marco Laureti, president of Laureti Holdings, said luxury town home development Emer-

ald Village has concentrated its marketing efforts on local end users. “The foreign buyers we have come to the project without our making a major effort to go after them.”

Meanwhile, the factors that have always drawn Latin American investors to Miami are still in force.

“We are still seeing investment from Venezuela, where because of the political situation there is concern about the future,” Mr. Hawley said. “Argentina has always been a good investment because of the ups and downs in their economy. Colombians have not been as aggressive lately, but

they are still coming.”

“I think we’re going to see another heavy influx from Venezuela, Argentina and Brazil,” Mr. Laureti said. “Four of our buyers are Mexicans – and these are four unrelated purchases.”

But while the Latin investor is still important, “we’re not seeing the number we used to see,” Mr. Defortuna said. “Their numbers are substantially lower because the perception is that the Miami market has slowed down. The European sales help a lot in the \$1.5 million-and-up category, but they don’t bring the numbers up to what we’re used to seeing.”

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