

Press Release

Akerman Senterfitt Survey: Optimism Among Real Estate Executives Hits Record-High Since Financial Downturn

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National Real Estate Leaders Convene at Fourth Annual U.S. Real Estate Summit in Miami to Discuss State of the Industry and Emerging Trends

Optimism among the nation's leading real estate executives rose to a record-high since the collapse of the financial markets almost five years ago, according to a survey conducted at Akerman Senterfitt's U.S. Real Estate Summit. Eighty-six percent of survey respondents shared a more optimistic outlook just after the first quarter of the year, a 4 percent increase over 2012. Despite improved confidence in the economy and the availability of equity capital investment, clouds of uncertainty do remain over lawmaker decisions in Washington, D.C.

The survey results, measuring the attitudes and perspectives of national leaders in commercial real estate development, investment, and financing, showed a broad consensus that the multifamily sector would see the most deals in 2013. Roughly 60 percent of respondents currently see multifamily development as the most active market sector and 55 percent believe that the sector will return to pre-recession levels by the end of the year. Only one-fourth predict that the retail, hospitality, and industrial sectors will begin to peak by 2014.

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Respondents cited government policies (37 percent) and global economic uncertainties (21 percent) as primary reasons for their lack of confidence, which is a large shift of concerns from the last two years. Since 2011, Akerman's survey has found that the availability of credit has been the most pressing issue among executives (53 percent in 2011; 43 percent in 2012). However, executives are divided on how to respond to investment endeavors. Forty-eight percent believe that now is the time to aggressively buy commercial properties while the other half believe it is better to either sell aggressively or stand pat and watch the market.

"We introduced Akerman's U.S. Real Estate Summit after the real estate downturn and each year the Summit has served as an exclusive forum for the nation's industry leaders to exchange insights on the latest challenges impacting investment opportunities," said Richard Bezold, chair of the Akerman Real Estate Practice Group. "Volatile financial markets and government policies have tested optimism over the last few years, but industry executives are finding creative avenues for growth. Their inventiveness in core markets has led to the recovery of not only the real estate industry but also major cities across the U.S."

Other notable survey findings include:

- 31 percent of real estate executives believe foreign investors will fund a significant portion of commercial real estate debt and equity in 2013.
- 62 percent believe that the U.S. will see the most Latin American real estate investment from Brazil, and Venezuela will contribute second (28 percent).
- 22 percent of executives see the office market as the most active sector in commercial development, up from 7 percent in 2012, while 20 percent of executives feel hospitality is the most active, and only 14 percent believe retail is seeing the most activity.

- 37 percent of respondents believe that private equity is one of five top sources to fund portions of commercial real estate debt or equity in 2013, a 7 percent drop from last year. Other sources include banks (38 percent), foreign investors (31 percent), REITs (29 percent), and the CMBS market (24 percent).

Nearly 300 industry leaders convened at the annual day-long Akerman Summit on Friday, April 12 at the J.W. Marriott Marquis in downtown Miami. The summit began with a candid and thoughtful exchange among top industry executives led by veteran journalist and Real Estate Bureau Chief of the Wall Street Journal, Constance Mitchell Ford. Len O'Donnell, President & COO of USAA Real Estate; Vincent Signorello, President & CEO of Florida East Coast Industries; and Thomas Sittema, CEO of CNL Financial Group, offered their perspectives about the current economic climate, emerging opportunities and industry lessons learned. Dr. Peter Linneman, Founding Chairman of the Real Estate Department at the Wharton School of the University of Pennsylvania, sat with Dale Anne Reiss, Managing Director of Artemis Advisors, sharing their insights on anticipated industry trends. The day also included engaging discussions spotlighting urban redevelopment and the hospitality industry, underscoring common themes of foreign investment in gateway cities like New York and Miami and transformational projects across the U.S. that serve as models for future development. The Akerman Summit concluded with discussions on creative financing options and capital sources fueling today's deals. Experts included Patricia Goldstein, Vice Chairman & Head of Commercial Real Estate for Emigrant Bank; Wayne Comer, Managing Director, J.P. Morgan Asset Management; Darryl Parmenter, Chairman & CEO of Parmenter Realty Partners; and Ed Kobel, President & COO of DeBartolo Development, among others.

The Akerman survey was conducted in two parts: an online questionnaire accessible before the Akerman

Summit and through an interactive discussion led by Linneman during the event. More than 150 senior executives representing all aspects of industry leadership including asset managers, builders and developers, REITs, regional and national lenders, and private investors jointly participated in the survey. Executive confidence level is the highest since Akerman began tracking the data in 2010.

Select videos of the Akerman Summit discussions are viewable on akerman.com/RESummit. Highlights are also posted on Twitter via [@akerman_law](https://twitter.com/akerman_law) with the hashtag #AkermanREsummit2013 and [LinkedIn](#).

The Akerman Real Estate Practice Group offers comprehensive and fully-integrated project counsel services to clients across the United States and in Latin America. With substantial industry experience and prominent local presence, we represent clients in complex real estate transactions and financings, development and redevelopment projects, public private initiatives, and litigation. Ranked nationally by *The Legal 500*, the group advises investors, developers, builders, lenders, retailers, owners, and corporate end users, often in high profile matters.

About Akerman Senterfitt

Akerman is a leading transactions and trial law firm known for its core strengths in middle market M&A, within the financial services and real estate industries, and for a diverse Latin America practice. With more than 550 lawyers and government affairs professionals and a network of 19 offices, it is ranked among the top 100 law firms in the United States by *The National Law Journal* NLJ 250 (2012). Akerman also is ranked among the top 100 law firms for diversity by *MultiCultural Law* magazine (2012) and recognized as the Law Firm of the Year for Diversity – South by *Benchmark Litigation* (2012). More information can be found at akerman.com or twitter.com/akerman_law.