



## IN THE NEWS

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**ARA Florida Reports High Demand, Strong Multifamily Investment Sales**  
*Multihousing Transactions Total More Than \$1 Billion YTD in 2014*

**Boca Raton, FL** (December 15, 2014) — The Florida office of Atlanta-headquartered ARA, the largest privately-held, full-service investment advisory brokerage firm in the nation focusing exclusively on the multihousing industry, recently announced that the office has closed \$1.037 billion in multihousing investment sales, land sales, equity capital placement and financing in 2014 with 42 closed transactions. This pace is expected to continue, as the firm has an additional 19 deals under agreement and a pipeline of 20 active marketing assignments.

ARA Florida is comprised of a team of eight brokerage professionals and support staff to cover multihousing transactions throughout Florida. The team has transacted more than \$14.4 billion since its inception in 1995. The ARA Florida office is led by industry veterans Dick Donnellan and Marc deBaptiste. The Central and North Florida Team is comprised of Kevin Judd, Patrick Dufour and Scott Ramey. Avery Klann, Hampton Beebe and Troy Ballard comprise ARA's South Florida Team.

“Multifamily investment sales remain a hot investment product due to high occupancies and strong rent growth,” noted ARA Founding Principal Richard Donnellan. “We are seeing a compression in cap rates for properties across virtually all markets in Florida as demand continues to outpace supply,” said ARA Founding Principal Marc deBaptiste. “Currently there is a lack of product for sale compared to 2013.”

“With limited supply available, particularly in South Florida, core product continues to be highly sought after by both institutional buyers and large private groups,” said Richard Donnellan.

“Investment sales are strong, and ARA Florida has transacted more than \$1 billion in class “A” product since 2013,” said ARA Principal Hampton Beebe. “We continue to see a very attractive interest rate environment throughout this year and should continue through the first half of 2015. We have secured several acquisition, equity commitments and construction loans for our clients that are developing new product.”

According to the Census Bureau, the U.S. homeownership rate peaked at 69.2% in June 2004, fell to 64.8% by Q1 2014 and is forecast to drop to 55% within a few years. “Each 1% drop in the homeownership rate adds one million renters to the market,” added Donnellan. “In addition, the state of Florida estimates that 1,000 people are moving to Florida every day as the state continues to add jobs and retirees migrate to the sunshine.”

“Multifamily development is exploding in Florida,” noted Principal Avery Klann. “Developers are scrambling to meet this pent-up demand. However, construction costs have been rising, making it difficult to achieve the economics needed to get projects off the boards. This will impede the pipeline going forward in 2015.”

According to data compiled by ARA Florida, approximately 25,000 units are recently built or under construction with another 13,000 units planned in the South Florida metro area of Palm Beach, Broward and Miami-Dade Counties. The combined Tampa Bay, Orlando and Jacksonville markets are seeing 25,000 units recently completed or under construction with an additional 5,200 planned.

“Rents are above pre-recession levels and don’t show signs of abating,” according to ARA Principal Avery Klann. “Occupancy throughout Florida remains above 95%. In addition, the condo market is strengthening and converters are back in the market, looking for multifamily product to reposition as

for-sale, which will further constrain supply. This shortage is due partly to changing demographics, the fact that 60,000 rental units were converted to condominiums in the last cycle and that the recession halted development for a number of years.”

“Even with significant new development in 2014, we expect to see a net shortfall of 25,149 units in South Florida, 9,338 units in Orlando and 942 units in Tampa compared to 2004 inventory levels,” noted Principal Patrick Dufour.

“Value-add is another important investment play that we’re seeing,” noted Principal Kevin Judd.

“Investors needing a stronger return on investment are bidding on the older deals, and adding value by updating and upgrading properties with new kitchens, baths and flooring. We have seen investors add between \$5,000 and \$10,000 per unit in upgrades.”

“There are now 80 million millennials (18-33 years old) of which 60-70% are more likely to rent. They are delaying marriage and want flexibility in where they live and work. There are also 76 million baby boomers (50-68 years old) that are living longer and having just gone through a nightmare during the last recession, are choosing to rent. These two powerful demographic forces represent 50% of the U.S. population and they are favoring renting today. This will bode well for multihousing investments for years to come,” said Dick Donnellan.

To schedule an interview with an ARA executive regarding this transaction or for more information about ARA, nationally please contact Lisa Robinson at [lrobinson@ARAUSA.com](mailto:lrobinson@ARAUSA.com), 404.990.4900 or Amy Morris at [amorris@ARAUSA.com](mailto:amorris@ARAUSA.com), 404.990.4902; locally, Marti Zenor, at [mzenor@ARAUSA.com](mailto:mzenor@ARAUSA.com) or 561.988.8800.

## **About ARA**

Atlanta-headquartered ARA is the largest privately held, full-service investment advisory firm in the nation that focuses exclusively on the brokerage, financing and capital sourcing of multihousing properties including conventional, affordable, distressed assets, notes sales, seniors, student & manufactured housing and multihousing land. ARA is comprised of the country’s top investment professionals who leverage a unique and fully integrated cooperative business platform of shared information, relationships and technology driven solutions. ARA’s unified enterprise approach ensures that clients are delivered the broadest asset exposure, effective matching of buyers and sellers, and the shortest transaction timeframes in the industry. The combination of resources, unparalleled market expertise and nationwide presence in the multihousing marketplace has resulted in an annual production volume of more than \$10.2 billion in real estate transactions in 2013. For detailed information on ARA’s extensive multihousing investment services, visit [www.arausa.com](http://www.arausa.com).