

Commercial Leasing Roundup: CEI seeks office space in Fort Lauderdale



By Erik Bojnansky – Reporter, South Florida Business Journal
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Cypress Equity Investments, a Los Angeles-based real estate company, is looking for office space near Las Olas Boulevard in downtown Fort Lauderdale.

The new office will help the company move forward in its strategy to acquire real estate and build new multifamily projects in South Florida, the Tampa Bay area, greater Orlando and the Space Coast, said Errol Blumer, CEI's senior VP of acquisitions.

CEI has already opened an office in St. Petersburg.

A downtown Fort Lauderdale office is desirable because it's centrally located within the tri-county area, Blumer said.

"As we ramp up toward our goal of acquiring a pipeline of more than 2,000 units a year, this office will be home to [me] and one or two construction managers, with the possibility for immediate growth for additional acquisitions associates, construction managers and support staff," he said.

Blumer was recruited for the Fort Lauderdale office of CEI from Northmarq, where he previously worked as senior VP of investment sales.

Blumer said he and CEI partner and Senior VP Wesley Geys will lead CEI's efforts to obtain "multifamily opportunities across the state." Geys was recruited to head CEI's St. Petersburg expansion effort from the Orlando office of Jefferson Apartment Group.

Founded in 2001, CEI has purchased, developed and invested in more than 160 projects nationwide that are now valued at more than \$15 billion, according to the company's website.



Errol Blumer Cypress Equity Investments

South Florida will continue to see outsized growth in retail rents through 2024, according to a CBRE analyst.

Brandon Isner, the firm's head of retail research for the Americas, said a lack of inventory, coupled with South Florida's popularity, will push rents upward faster here compared to other parts of the U.S, despite rising interest rates.

As of this year's second quarter, net asking rents for retail properties in Miami-Dade averaged \$41.67 a square foot, a 17% increase from 2019. During that same time frame, asking rents went up 23% to \$28.72 in Broward County and 26% to \$29.16 in Palm Beach County.

By the end of 2022, retail rents are projected to rise 4.8% in Miami-Dade, 6% in Broward, and 7% in Palm Beach County compared to last year, according to CBRE Econometric Advisors. In contrast, retail rents nationwide are expected to rise 3.7%

by year-end.

By 2024, year-over-year retail rents are expected to rise 4% in Miami-Dade, 4.1% in Broward and 3.9% in Palm Beach. The nationwide year-over-year increase is expected to be 2.9%.

Isner said the influx of people and companies to South Florida since the start of the pandemic is fueling the increase in retail rents.

"There's a lot of office-based activity of companies moving down here," he said. "That's kind of unique, as well. Some office markets are struggling, but here, the office market is booming."



Brandon Isner

South Florida's retail real estate will benefit from a growth in tourism, too. Between 2022 and 2024, hotel room occupancy is projected to rise from 73.5% to 76.5% in Miami-Dade, 71.1% to 77.1% in Broward and 64.9% and 72.3% in Palm Beach.

In contrast, CBRE expects hotel occupancy in the Top 10 U.S. metro markets to rise from 73.3% to 76.5% within the next two years. Those markets are Atlanta; Boston; Chicago; Dallas; Houston; Los Angeles; New York; Philadelphia; Phoenix; and Washington, D.C.

HE SAID IT



John Boyd Jr. The Boyd Co.

“Executives view Florida as a place where they are getting a better return for their dollar.”

John Boyd Jr., principal of the Boca Raton-based Boyd Co., on companies opening offices in Florida