

Exchange rate, discounts drive Europeans to S. Fla. real estate

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Real estate agent Jack Elkins suggests that the euro exchange rate gives Europeans as much as 40 percent off local real estate prices.

Now more than ever, South Florida real estate is on Europeans' investment radar. This is especially true in Palm Beach, where buyer interest, according to some real estate agents, has doubled in the last two years.

Jack Elkins, an agent with residential brokerage Engel & Völkers in Palm Beach, said that about two-thirds of his clients are from Europe. Two years ago, Europeans comprised about one-third of the same group.

Alexandra Ruttan, a real estate agent with One Sotheby's International Real Estate in Coral Gables, said: "There has always been European community in the Gables. But, lately, it is not only the French, the Germans and the Russians that have been coming, but also the Swiss and the Austrians that are looking to buy. It's been a surprise because people that normally have a reputation for being extremely cautious, especially people from Switzerland, are coming."

She said people from former Communist strongholds like Prague are standouts because of their willingness to close deals.

Peter Zalewski, managing partner of Condo Vultures Realty, said that a driver behind European interest is the value Europeans get from exchanging euros for dollars.

Elkins agreed that the euro is playing a strong role in driving business, suggesting that the exchange rate gives Europeans as much as 40 percent off local real estate prices.

"It's every European's dream to live on the water. A house on a lake in Europe is \$4 million," Ruttan said, echoing her peers. "Here, you can buy luxury on the ocean for under \$1 million. So they are eager to jump into the market here."

Ruttan also said a couple of cultural shifts are helping drive the growth of European business: Europeans are more inclined to stay here during the summer and winter, and young European buyers are more common today than they were some time ago.

Jeff Morr, CEO of Majestic Properties, said the strength of the euro and real estate discounting are driving sales volume higher. Italy, France, Belgium, Germany, as well as Israel and Turkey, are primary feeders.

Zalewski said South America and Canada continue to drive the market. People from countries such as Brazil and Canada are buying out of confidence created by the strength of their respective economies. Those from countries like Mexico and Venezuela are also buying, but their driver is primarily fear, fostered by political and economic unrest in their homelands.

Cara Mantovani, of Boca Raton-based Mantovani Real Estate, agrees that discounting is a strong market driver, with Canadians, who also have a strong exchange rate, making up a big buying group.

Mantovani is the listing broker for a lot of inventory tied to bank foreclosures.

“It’s the same premise as with the Europeans and the exchange rate,” she said. “Right now, the [Canadian dollar] is very strong.”