



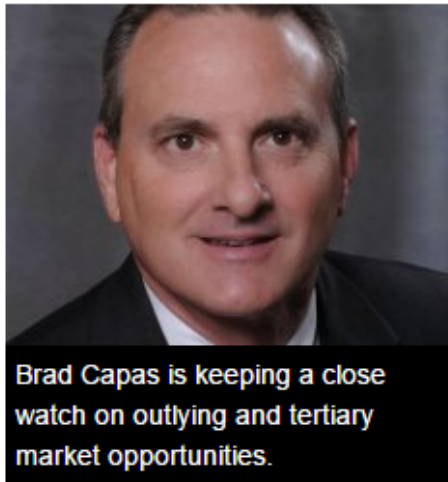
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EXCLUSIVE

What to Expect in 2016

By Jennifer LeClaire | Miami

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MIAMI—What are you expecting in 2016? **Brad Capas**, president of **CapasGroup Realty Advisors**, is bullish.

“We are expecting more robust **real estate** investment and development activity through 2016,” Capas tells GlobeSt.com. “Those players with the ability and willingness to adapt by taking on projects and locations outside of their traditional comfort zones will find opportunities to participate in the highly competitive South Florida market.”

Capas points to four areas he’s watching as he takes on this bullish attitude. Those areas are broadening investment criteria, value-added investors assuming

greater risks, second-tier markets, and outlying markets.

“An emerging trend we expect will gain traction in 2016 is the broadening of investor acquisition criteria to include redevelopment and adaptive reuse properties as well as opportunities in outlying, tertiary markets,” Capas says. “Intense competition for the most popular products in primary markets, combined with diminishing supply and rising prices is forcing investors and developers to adjust.”

Capas is also betting an [increasing number of “value-add” investors](#) will take on more extensive renovations than they have in the past. He also points to adaptive re-use projects wherein investors create value by converting older or obsolete buildings into new, more profitable uses beginning to garner interest. While more risky and complex than traditional “value-add” investments, he says, adaptive reuse properties can offer unique opportunities to penetrate desirable, infill markets.

“Investors with an urban or primary market focus may become more active in second-tier infill markets such as Dania Beach, Downtown Lake Worth, Riviera Beach and east Hollywood,” Capas says. “All of these communities offer excellent, untapped potential but have yet to experience sufficient investment and development activity to achieve the critical mass necessary to establish them as widely-targeted investment markets.”

Finally, Capas is keeping a close watch on outlying and tertiary market opportunities. He says these markets could benefit from hungry investors.

“If 2016 follows the trend of prior growth cycles investment and development activity in largely disregarded markets such as Martin and St. Lucie Counties should increase,” Capas says. “These outlying communities tend to benefit when investors and developers get priced out of South Florida’s three primary markets.”