

## Luxury resi deals on hold until after the election, brokers say

Kevin Tomlinson: "The markets have not liked Trump and the markets do not like instability"

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South Beach skyline. Clockwise from left: Donald Trump, Hillary Clinton, Nelson Gonzalez, Mika Mattingly, Jay Parker and Kevin Tomlinson

For many of Miami real estate's agents, the 2016 presidential election can't be over fast enough.

Global uncertainty caused by the election has led potential buyers to hold off on offers, delayed closings and, depending on the outcome, buyers pulling out altogether, residential brokers told *The Real Deal*.

Luxury agent Kevin Tomlinson has two buyers who are waiting until after Tuesday to close on multimillion-dollar homes in Miami Beach. Tomlinson, who's now licensed with Calibre International Realty, said one of his clients, a developer planning to buy a house in the \$20 million range on North Bay Road, has a wait-and-see attitude.

Another client of his, a French buyer planning to close on a Sunset Islands home in the \$4 million to \$5 million range, believes that if Republican nominee Donald Trump wins, it will be “a Brexit-like disaster,” Tomlinson told *TRD*. “The markets have not liked Trump and the markets do not like instability.”

Miami-Dade’s luxury market saw its weakest month since 2011 in October, according to EWM Realty International data. While the election has likely impacted luxury sales, they’ve been on steady decline for months, EWM President Ron Shuffield told *TRD*. October saw 102 luxury properties (defined as \$1 million and up) sell in Miami-Dade, the lowest October since 2011 when 65 luxury homes and condos sold. The slowdown, especially in the luxury market, “probably will continue to happen regardless of the election,” Shuffield said.

Foreign investors, who have already been on the decline due to weakened foreign currencies, could also be deterred by Trump’s anti-trade, anti-immigration policies, a group of panelists said during a [legal summit on Monday](#).

“A victory by Trump would mean more restrictions and more scrutiny of money coming in,” Akerman partner Luis A. Perez said. “If he prevails, Latin Americans would see it as the U.S. rejecting investments and immigration originating from Latin America. That would have a profound impact in Miami.”

EWM’s Nelson Gonzalez has some clients waiting to make offers until the election is over. Gonzalez said that for the last several months, potential buyers have been in a holding pattern, echoing the impact of political uncertainty.

Two to three of his clients are waiting to submit offers for Miami Beach homes in the \$5 million to \$10 million range, Gonzalez told *TRD*.

While market instability isn’t new for an election year, many top agents said it has contributed to a slowdown in deals, more so on the residential side.

Jay Parker, CEO of Douglas Elliman Florida, said the market is “definitely anxiously anticipating the selection of our next president” and a return to normalcy, but thinks that the [Zika](#) virus has had a much bigger impact on the residential sales slowdown in South Florida.

“The misconception of the impact of Zika has been far more damaging to us,” Parker, who expects told *TRD*. “People are not coming here. People are not closing on their [properties].”

Zika even made an appearance during Douglas Elliman’s [third quarter earning call](#) last week. “In New York, a smaller slowdown; in Florida, bigger,” chairman Howard Lorber said. “Florida had such a huge run up in a short period of time, but I think it’s also a combination of that and Zika.”

Regardless, come Wednesday Parker said “people will start to focus on the real world again.”

Commercial deals also have not been immune to the political uncertainty.

Colliers International South Florida broker Mika Mattingly has seen longer due diligence periods for commercial deals, but not a slowdown because of it. "Investors are jittery," she told *TRD*, adding that the commercial market is due for a correction regardless. "People like to have timeframes as a reference."

**Alex Zylberglait, an investment broker at Marcus & Millichap, said the election has had no effect on commercial deals. Zylberglait focuses on office and industrial properties priced between \$1 million and \$20 million to domestic and South American investors. He said either candidate would have a hard time passing an extreme agenda and opposition could be strong.**

**"Whoever wins, they're going to have a very difficult time governing."**