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Overlooked Multifamily Investment Markets in South Florida

Markets like Burlington and Dawsonville offer ripe opportunities for investors.

By **David Wilkening** | February 07, 2019 at 08:56 AM



Downtown Miami

Florida's fast-growth cities like Miami and Georgia's Atlanta come to mind as go-to choices for multifamily investments in the

Southeastern U.S, raising the question of areas that might have been missed.

Have you thought about some smaller towns in North Carolina and Georgia, possibly in areas you never heard much about?

Here are a few suggestions given to GlobeSt.com:

“Burlington, N.C., where RKW manages The Retreat at the Park luxury apartment community, is a great example of a secondary market that is being heavily targeted due to favorable demographics and renter demand,” says Marcie Williams, President of RKW Residential.

(Burlington is the main city in the Burlington metro district, which encompasses all of Alamance County. A recent population report set it at more than 52,000 people, with the metro area at more than 150,000, making it the 17th largest city in North Carolina. The area has a low unemployment rate and a median income of \$42,000).

“Multifamily developers and investors are branching out into secondary and tertiary markets throughout the Carolinas. This is happening in lockstep with job and population growth expanding well beyond the dense core markets in the region,” adds Williams whose company manages properties throughout the Southeast.

In Florida, even in the dense developments like Fort Lauderdale in South Florida, there are emerging pockets, says Jaime Sturgis, founder and CEO of Native Realty.

Don't forget urban areas of South Florida

One is the S.O.L.O. district that is getting significant attention from multifamily developers. S.O.L.O. stands for South of Las Olas and is bound by Federal Highway to the east, Fourth Avenue to the west, Las Olas Boulevard to the north and State Road 84 to the south.

"This district was overlooked for many years, but we are now seeing significant multifamily development start to occur," he says.

"Elsewhere in the Fort Lauderdale area, the 13th Street corridor and Middle River Terrace are budding neighborhoods that are experiencing infill development and adaptive re-use projects in which existing structures are being repurposed instead of much more costly ground-up construction," he adds.

One reason is improvements made to 13th Street in particular such as landscaping, bike lanes and public art installations.

As for the entire Southeastern market, Brett Forman, President and CEO of Trez Forman Capital Group, says there is an ongoing shift from urban to suburban markets.

Overlooked South Florida suburbs

"These suburban areas have avoided overbuilding in some instances because the municipalities have more stringent zoning and permitting processes. Some renters still want the 'slower' life of the suburbs, especially those with young children," he says.

"As an active private lender that is very active in multifamily development and construction lending, we are also targeting

opportunities in these suburban markets. Examples from our recent transactions include Burlington, N.C., where we just funded a \$20.5 million construction loan for a 183-unit apartment project, and Dawsonville, Ga., where we closed on a \$21.88 million loan for a townhome-style multifamily development," he adds.

(Dawsonville is a suburb of Atlanta, just north of the city. It's known to visitors as home to the Southern Terminus of the Appalachian Trail and the Dawsonville Moonshine Distillery. And while it is small, with one population report setting it at 2,497 residents, it is certainly fast-growing: It had a 300 percent increase in population in four years).