

WALTER DUKE
+ PARTNERS

COMMERCIAL
REAL ESTATE VALUATION

COVID-19 Real Estate Forecast May 1, 2020



Presentation to Miami Association of Realtors– April 22 – May 1,
2020



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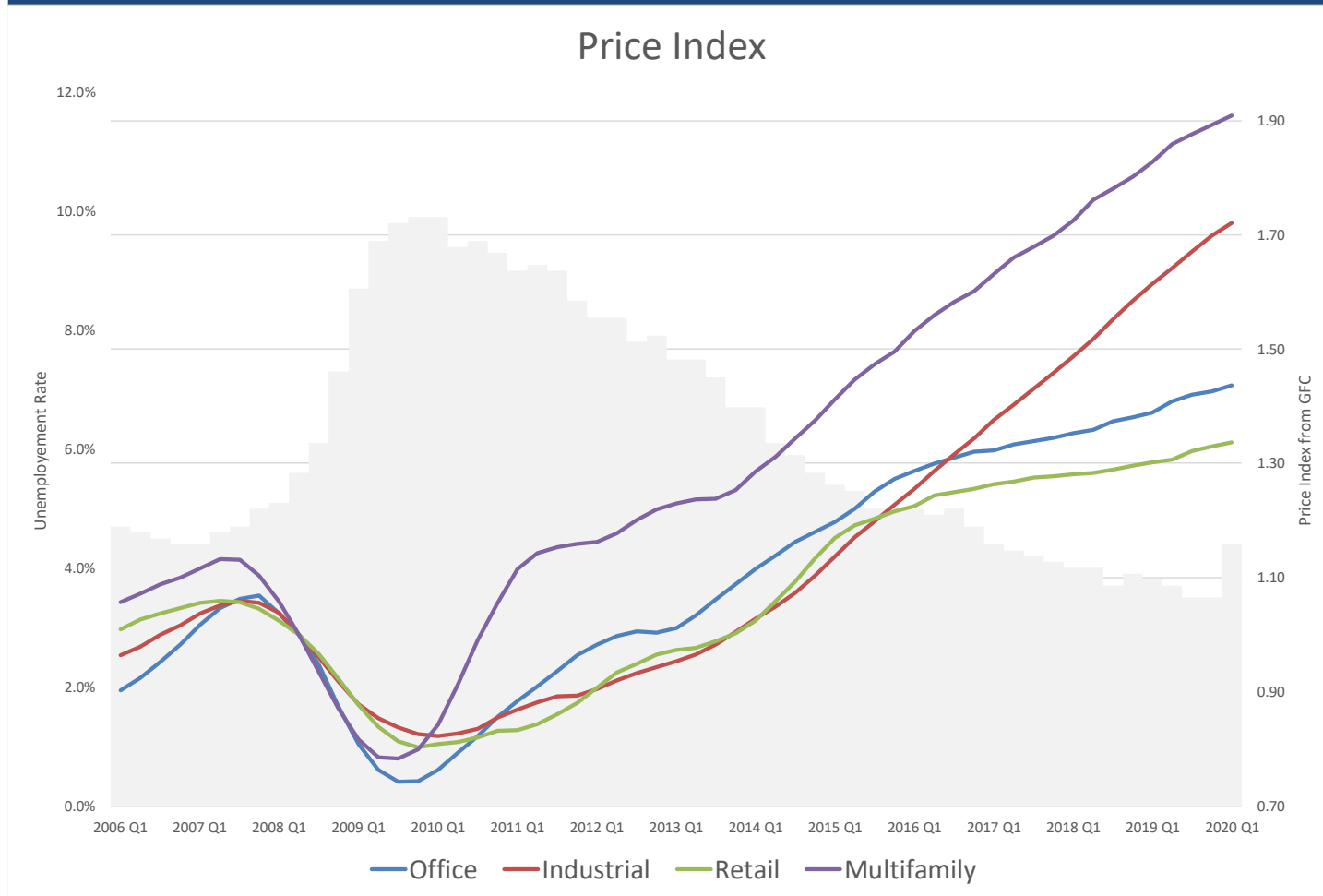
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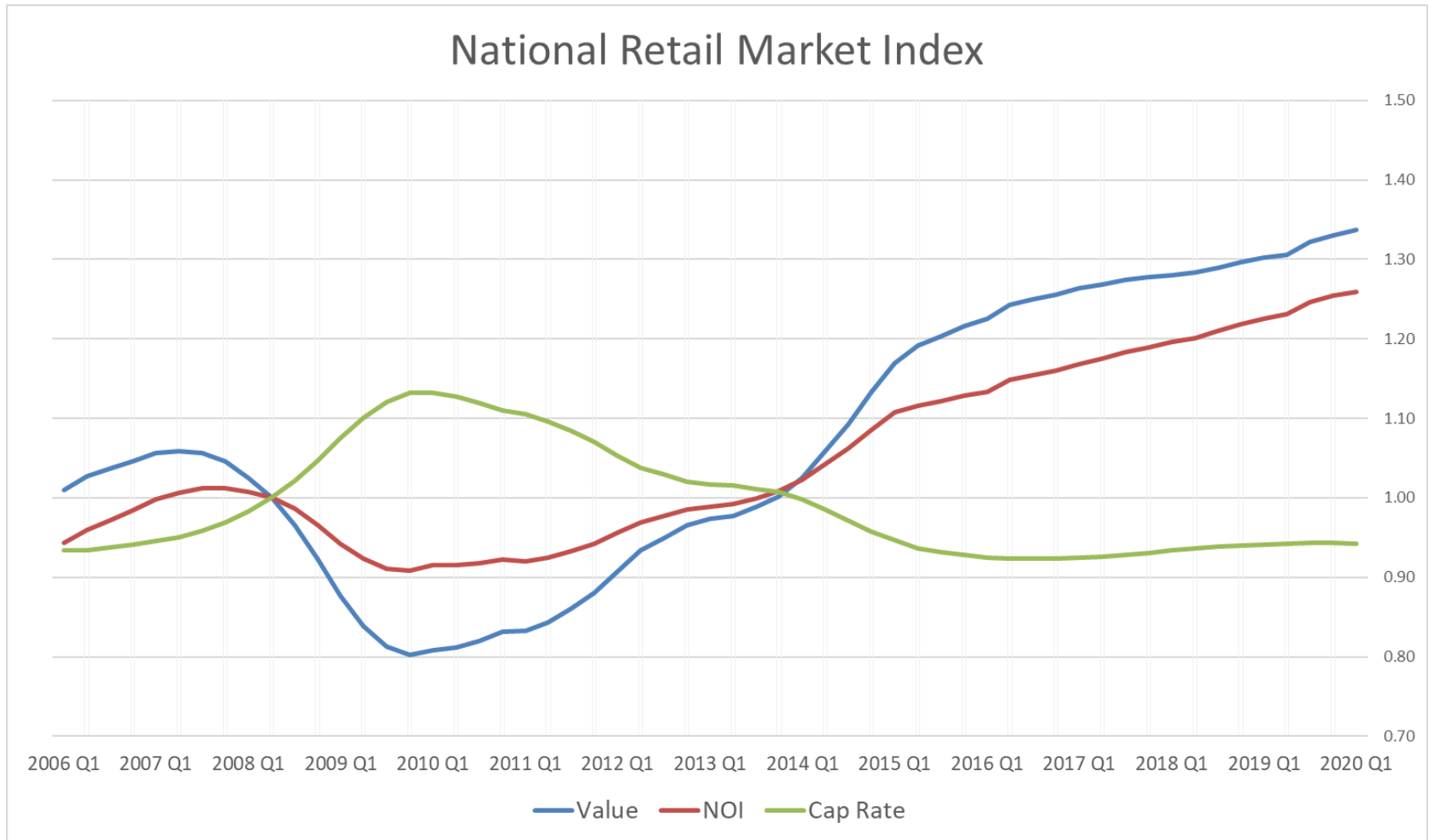
Pat Birch, CRE
Vice President
City National Bank

What happens now?

Macro Value



Cap and NOI Movements on Commercial



Sector Specific – Geography Specific

Banker Results

(Based on 29 responses)

Which sectors do you expect to be hardest hit by the COVID-19 pandemic?

(Rankings from 3/31/20 through 4/2/20)

Item	Overall Rank	Rank Distribution	Score	No. of Rankings
Hospitality	1		23	4
Retail	2		21	4
Multifamily	3		13	4
Office	4		13	4
Single-family	5		8	4
Industrial	6		6	4

Lowest Rank Highest Rank

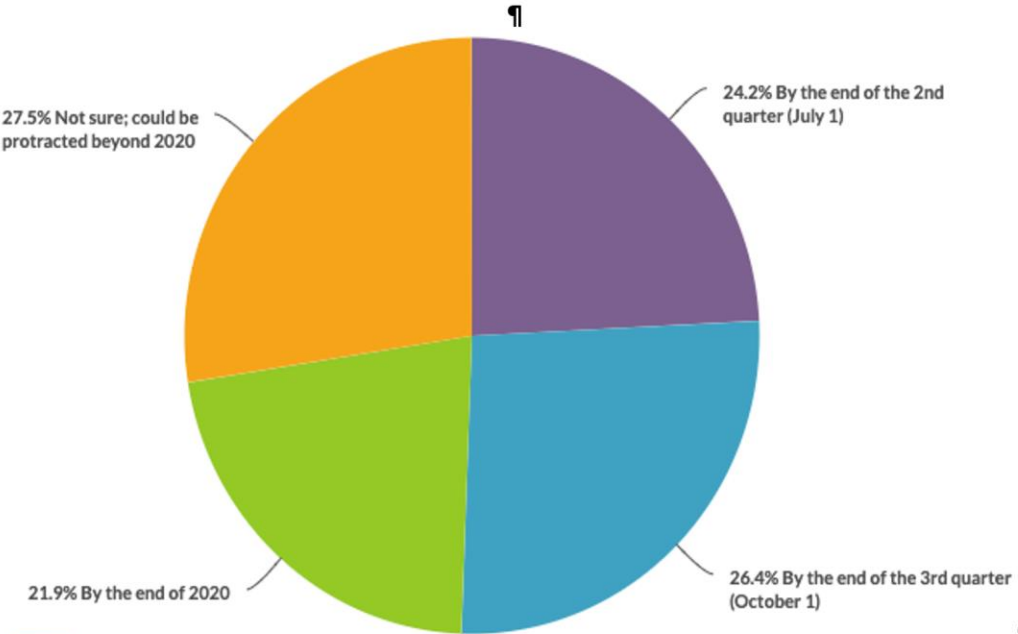


Source: Integra Realty Resources

Market Sentiment MATTERS

Investment Broker Results (Continued) ¶

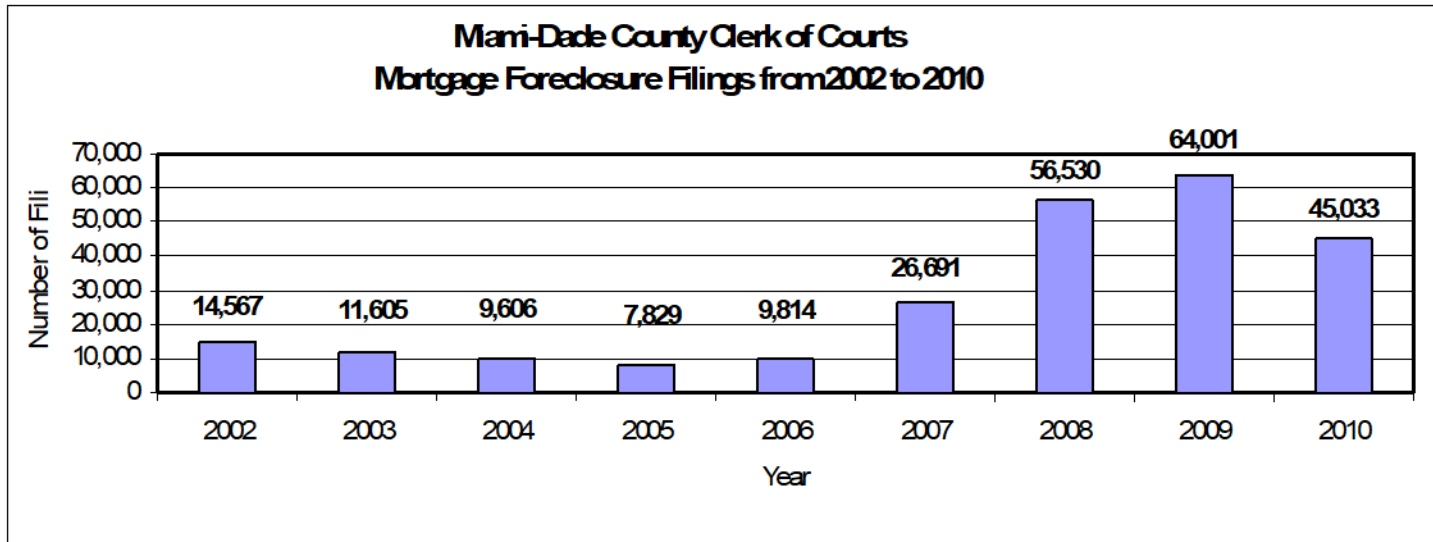
When do you anticipate a resumption to normal business operations? ¶



Source: Integra Realty Resources

Residential Trends – 2007-2012 (Thank you Maddog Cannon!)

Miami-Dade County Clerk of Courts		
<u>YEAR</u>	<u>No. of Filings</u>	<u>% Change</u>
2002	14,567	
2003	11,605	-20.3%
2004	9,606	-17.2%
2005	7,829	-18.5%
2006	9,814	25.4%
2007	26,691	172.0%
2008	56,530	111.8%
2009	64,001	13.2%
2010	45,033	-29.6%



What happens now?



MIAMI-DADE COUNTY USED SINGLE FAMILY & TOWNHOMES SALES
Total Sales & Average Price

2010: 22,024 Sales
\$194,695 Avg. Price

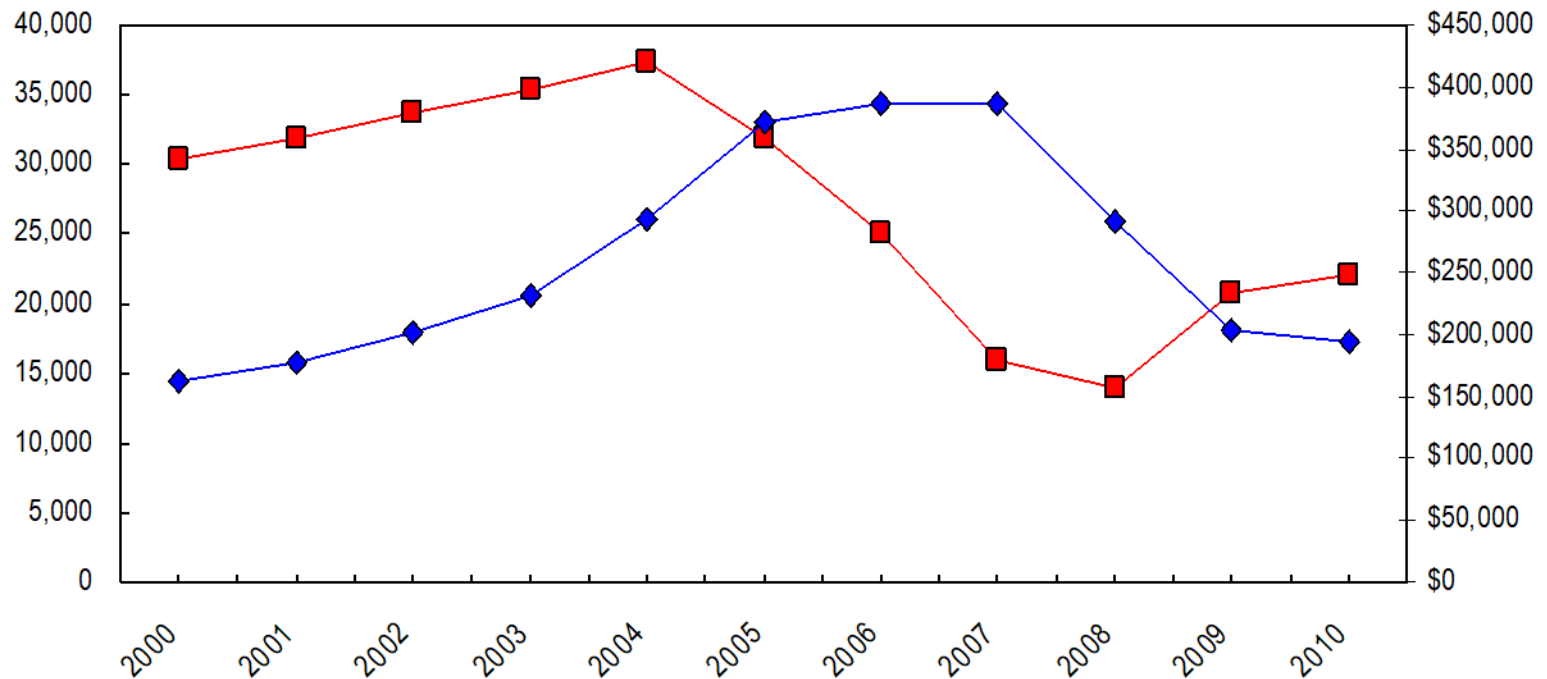
2000: 30,338 Sales
\$163,196 Avg. Price

2004: 37,373 Sales
\$293,010 Avg. Price

2006: 24,987 Sales
\$385,772 Avg. Price

2008: 13,934 Sales
\$291,661 Avg. Price

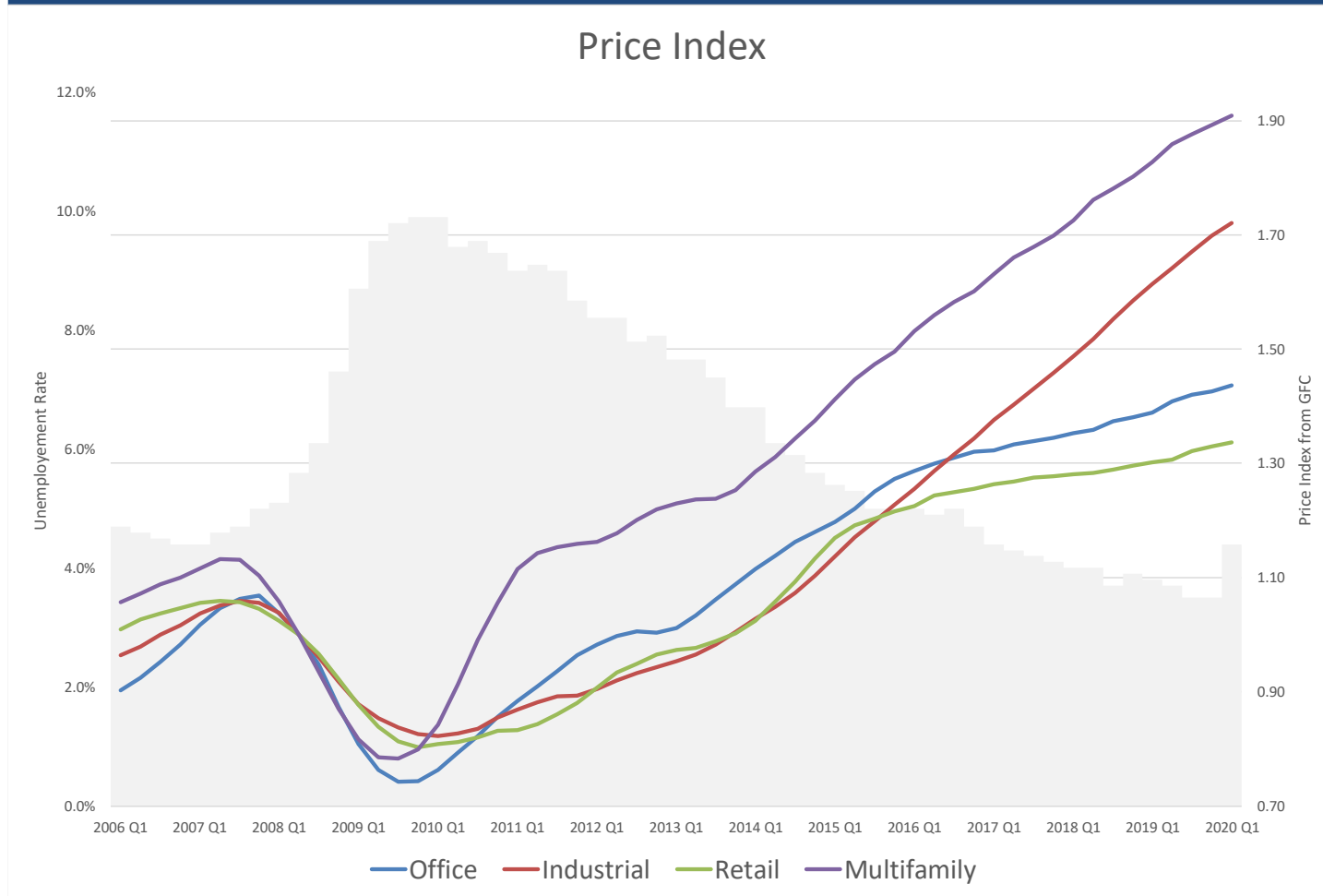
2009: 20,799 Sales
\$ 202,930 Avg. Price



■ Square = No. of Sales ◆ Triangle = Average Price

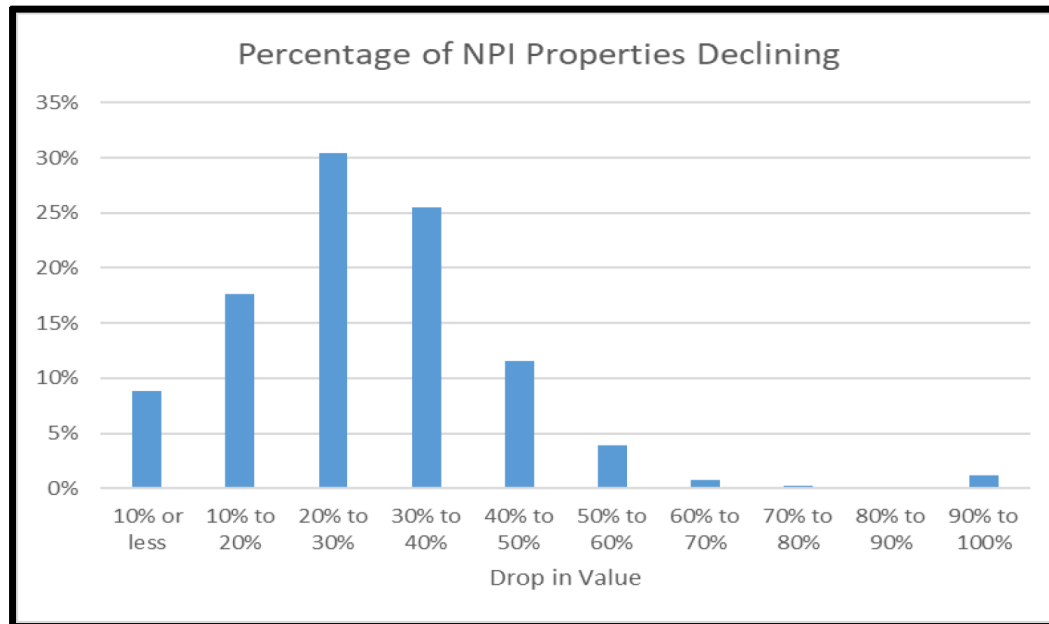
What happens now?

Macro Value



Value Declines from Peak 2007-2012

Exhibit VII: Decline in Value of Individual Properties during Financial Crisis



Source: Fischer, Jeffrey D., Ph.D. – “Impact of Recessions on CRE Values” – March 5, 2020