

# As wealthy Brazilians Snap up Miami Real Estate, Few Benefit

Amid real estate boom, locals struggle with low wages, high unemployment and fewer affordable rentals

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Associated Press

MIAMI — Facing a teetering economy at home, wealthy Brazilians have been pouring money into what they increasingly see as the safest place to invest: South Florida real estate.

So are Argentinians, Colombians, Mexicans, Venezuelans, French and Turks — almost anyone with money to shelter, a direct flight to Miami and a shaky economy to flee.

Their cash has helped drive the latest twist in Miami's ever-evolving

undergone a more drastic face-lift from foreign cash in the past decade: Luxury condo towers and swanky retailers crowd a downtown once marred by empty lots.

And almost no developer expects the demand to stop.

Yet Miamians as a whole have scarcely benefited from the glitz. Wages have actually dropped for Miami workers in the past year. Area unemployment tops the national average. Miami contains the largest share of renters in the country who devote over 30 percent of their pay to

Murray, associate director of Florida International University's Metropolitan Center. "That impacts local businesses, and we're losing opportunities to create year-round housing for our workers. They're moving out."

But with its glamorous locale and easy access, Miami real estate offers an asset that's appreciating at a time when other investments have shrunk or turned frighteningly volatile. That's despite being on a stretch of land prone to natural disasters.

"All of the insecurity



In this Oct. 30, 2015, file photo, a pedestrian walks past a Fendi store in the Miami Design District in Miami. A proliferation of luxury stores in Miami is serving wealthy Latin Americans fleeing financial and political turmoil in their countries.

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transformation — from a 19th century rail stop to a tourist-and-retiree hub to a haven for Cuban refugees to now a harbor for global investors. No American skyline has

housing — the level the government deems burdensome.

"We're not seeing the benefits of that income being disposed of in the local economy," said Ned

around the rest of the world only reminds people how important it is to have assets in the United States," said Alicia Cervera Lamadrid, a developer who is leading sales

efforts for the planned 57-story Elysee, with condo units starting at \$1.65 million and personal wine storage available for residents.

No fewer than 126 residential towers are planned for construction in South Florida. One sign of the scale of wealth from abroad is that the majority of foreign purchases are being funded with cash, not debt.

Last year, foreigners spent \$6.1 billion on Mi-

ami-area real estate — 36 percent of all such investment, according to the Miami Association of Realtors. Nationally, foreigners account for just 8 percent of sales.

The influx has been sudden enough that the federal government has announced plans to monitor home purchases exceeding \$3 million in Miami and New York City. Starting in March, the government will temporarily require title com-

panies to identify buyers of property. Authorities have grown concerned that money launderers may be using anonymous holding companies to stash money in high-end real estate.

The average luxury condo price in Miami Beach has surged 35 percent from a year ago to \$3.7 million, according to the real estate brokerage Douglas Elliman.

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