

Commercial Real Estate

Technology executives, venture capitalists boost South Florida real estate, but will they bring jobs?



By Brian Bandell – Senior Reporter, South Florida Business Journal
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The luxury housing market in Miami Beach and Miami has received a major boost from a growing crowd of veteran technology executives and venture capitalists moving to town.

Shutterstock founder and Executive Chairman [Jonathan Oringer](#); [Keith Rabois](#), general partner of Founders Fund; Blumberg Capital founder [David Blumberg](#) and former Uber chief business officer [Emil Michael](#) are just a few of the technology leaders who've landed in South Florida over the past year. Some have established offices locally as well.

“For the first time in many years, we are getting more buyers from California, especially in the technology industry,” said Douglas Elliman broker [Bill Hernandez](#), who listed the Miami Beach home purchased by Rabois. “If they don’t have to live in a high-tax state

and employees are already working from home, why not put their corporate headquarters in a low-income tax state?”

Homes in Miami and Miami Beach may be expensive compared to the rest of the country, but not for residents of New York or San Francisco. Local homes are priced 30% to 40% less per square foot less than homes in San Francisco, where it's really expensive to buy a waterfront home in the Bay Area, Hernandez said. San Francisco also has strict regulations that make it difficult to alter the outside of historic homes, so it doesn't have as many new modern homes as Miami Beach, he added.

California and New York buyers have increased demand for luxury homes and condos with more space, Hernandez said. That has custom homebuilders and luxury condo developers expanding their floor plans.

Eventually, these executives will bring tech employees with them, but that hasn't happened in big numbers yet, Hernandez said.

Moishe Mana, one of the largest property owners on Flagler Street in downtown Miami and in Wynwood, has been working to lure tech companies to Miami for 10 years. He has seen more activity over the past year in that regard.

“People are very confused when they think it’s because of the pandemic,” Mana said. “The pandemic was just the last push. Miami can be a great option for them in terms of quality of life and taxation. And Miami is in a strategic location between the two Americas.”

Mana is working to create a concentration of tech companies within several buildings around Flagler Street after completing major renovations. However, there are challenges he’s faced in attracting tech companies there.



Moishe Mana
MANA WYNWOOD

The city of Miami has a lengthy permitting process, Mana said, so there tends to be a long and expensive process to renovate space for businesses.

“Miami is one of the toughest places to come and build a business because you have to go through so much to get permits and building approvals,” Mana said.

Miami also needs to boost its infrastructure downtown to support technology companies, Mana added. That's what will be needed to bring a large number of tech workers, not just executives.

Jim Angleton, president of financial technology firm AegisFS, said most of the 80 people he hired in Miami Lakes are from outside the area because it was hard to attract tech talent here, even with six-figure salaries. He says the region needs to do a better job partnering with technology schools to train people.

"They are moving here to use this as a tax haven to not pay New York [state] taxes," Angleton said. "They may open a headquarters office here, but that doesn't mean they will have their complete operation centers here and move their servers."

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2	Accelirate	288.67%
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