



## **New York's "6th borough," South Florida, is going through a modern-day renaissance - by Michael Zysman**

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It is very difficult today to discuss New York real estate without discussing South Florida. Historically, South Florida has been an area where many New Yorkers have owned second homes or moved to for retirement, upon the advent of commercial air travel and low-cost air conditioning units. Due to the interconnectivity of the two regions, the transportation infrastructure has developed to a point where there is a flight from the New York area to South Florida approximately every 15 minutes. Since the COVID-19 pandemic, many New York firms have either moved their headquarters, opened large satellite offices and/or many of their owners and senior executives have moved to South Florida. Also, some of New York's top restaurateurs have opened locations in South Florida and the Michelin Guide is now rating Florida restaurants with Michelin Stars. In addition, many of New York's largest real estate developers and investors have substantial holdings and development projects in South Florida. South Florida has truly become New York's "6<sup>th</sup> borough" and is currently going through a renaissance.

Due to the COVID-19 pandemic, many information workers began working from home offices and/or vacation homes instead of commuting to an office. As the pandemic is entering its third year, companies have further digitized and have become comfortable with key employees working in the location of their choice and decentralizing their corporate offices. South Florida has disproportionately benefited from this trend due to many New Yorkers having vast associations to the South Florida community, no state income tax, tropical beaches, great weather, great healthcare and education options, a strong workforce, diversity, less regulation, an excellent higher education system, and two of the most active airports in the country. If someone in South Florida needs to get to New York on short notice, they can generally book a flight same day and be in Midtown Manhattan within four hours.

In November 2021, the Michelin Guide announced it will be grading restaurants in the state of Florida with Michelin Stars. Previously, the only states eligible to have their restaurants graded with a Michelin Star were New York, California, and Illinois. Many of the country's best new restaurants and satellites of Michelin Star restaurants have opened over the past few years. Much of the demand for these high-end restaurants are coming from New Yorkers that have moved to South Florida permanently, or regularly, spend long weekends here. South Florida also hosts Art Basel on an annual basis which is the largest and one of the most important art shows in the world. Having arguably one of the best restaurant and art scenes in the country further blends New York and South Florida.

For the past few decades, South Florida has been considered one of the largest financial service hubs in the United States. It has been home to many of the largest commercial real estate finance firms, South American financial firms, and some of the largest family offices in the world. It has a strong financial service employment base and infrastructure, which makes it relatively easy for the industry to expand. In addition, many financial service professionals are viewing South Florida as an alternative to living in the suburbs of New York City due to the region's abundant luxury housing stock, cultural attractions, good weather, family friendly environment, and ease of travel to New York. We should expect to see the financial service economy in South Florida continue to grow well into the future.

The population growth in South Florida has been extraordinary since COVID-19. There are approximately 1,000 people per day moving to the state of Florida and many of them are from the New York region. This unanticipated growth does run the risk of over taxing South Florida's infrastructure which could slow the rate of people and businesses moving to the region.

South Florida is going through a modern-day renaissance. It has truly blossomed from a second home and retirement area to New York's "6<sup>th</sup> borough". As companies further digitize and rely on remote working environments, many of their most talented professionals will choose South Florida as home. Over time, Florida and New York will continue to grow, prosper, and complement each other as they have for decades.

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