

MIAMI AGENT MAGAZINE

Viewpoints: Chris Leavitt, Broker, Douglas Elliman, Miami

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Every week, we ask a Miami real estate professional for their thoughts on the top three stories from the week before. This week, we spoke star of Bravo's Million Dollar Listing Miami Chris Leavitt, who works as broker with Douglas Elliman and was recently named co-director of sales for The Bath Club Estates.

Miami Agent (MA): Miami's luxury market is booming. However, it can be difficult for new agents to get involved in the notoriously closed market. What advice would you give to young agents hoping to break into the luxury market?

Chris Leavitt (CL): It's never easy to break into any competitive business. I always advise young brokers to meet as many people and spend most of their time with others in the real estate business. Hard work, determination, networking, education, branding and maintaining a positive image is critical.

Miami is part of a global network of cities favored by high-net-worth individuals. International buyers in the luxury space are coming here in droves. Those buyers also consider London, New York, Singapore, Hong Kong, Geneva, Shanghai, Beijing, Dubai, Paris and Mumbai. New agents must think globally and educate themselves on the international luxury markets so they can convey why Miami is the best choice. For example, The Beach Club Estates by Don Peebles in Miami is one of the most spectacular beachfront properties in the world, and the units cost far less per sq ft than non-beach front properties in other global cities such as London and New York.

MA: Construction continues to increase in Miami, which could be good news considering the persistent high demand. However, home prices are similarly rising, which, some say, is causing properties to be overvalued in the area. Do you agree, and if so, what do you think the long-term implications of continued building and increasing home prices? Could Miami be heading towards a second bubble?

CL: There are many differences between the market conditions today and the market conditions during the 2003-2008 construction boom and resulting bubble. Back then, construction was fueled by easy bank loans opposed to demand. Now, the vacant condos have been filled and demand is outstripping supply.



Chris Leavitt is a broker with Douglas Elliman and new co-director of sales for The Bath Club Estates working in Miami.

In addition, International demand has created a new cash-financing model that typically requires buyers to put down at least 50 percent before closing. Now, developers are relying more on buyers' deposits, and less on debt, to fund construction, which creates more financial stability. Additionally, banks have become stricter about the projects and the buyers they finance, so less experienced developers and unqualified buyers are weeded out. The current climate of buyers in the luxury space are end users that are purchasing second, third and fourth homes that they intend on holding on to. In consideration of the above, I do not foresee another bubble. At the end of the day, Miami is the least expensive city in the global luxury real estate space for luxury water front property.

MA: One of our recent features discusses the qualities necessary in a well-rounded agent. What do you think makes a well-rounded agent, and why?

CL: I think a well-rounded agent in the luxury space is educated about market conditions on a global scale.

Wealthy people who live in global cities are more oriented— intellectually, educationally and culturally— to other global cities than they are to cities in their home countries. On vacations, they travel not to their own country sides or smaller cities, but to other global cities. They may seek a home in a city with prestigious universities.

In general, buyers of second homes are less concerned about tax environments and establishing new business links. The wealthy often think of cities the way tourists do; not in the nuanced ways that local property buyers do. It is obviously important to know your local market, but it is critical now for an agent to educate themselves globally. In addition, dedicated and efficient client service, as well as giving back to your community, would define a well rounded agent in my book.