

REAL ESTATE INVESTMENTS IN FLORIDA

15 reasons why we like the state
as a destination for our investments.

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GDP GROWTH



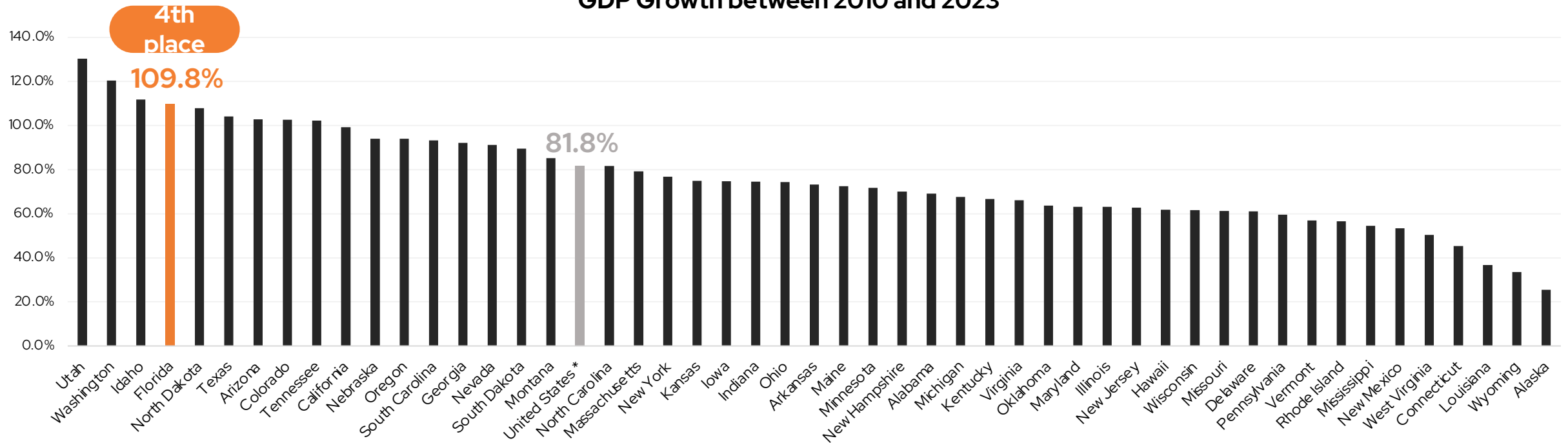
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In economic terms, Florida had the fourth-largest GDP growth and led among the major state economies between 2010 and 2023.

Between 2010 and 2023, Florida was the fastest-growing state economically among the major economies, accumulating nominal GDP growth of nearly 110%. This is growth far above the national average of 82%.

In 2023, Florida's GDP reached 1.6 trillion dollars, the fourth largest among US states. Only California, Texas and New York surpass Florida. For comparison, Brazil's GDP was approximately 2.2 trillion dollars in the same period.

GDP Growth between 2010 and 2023



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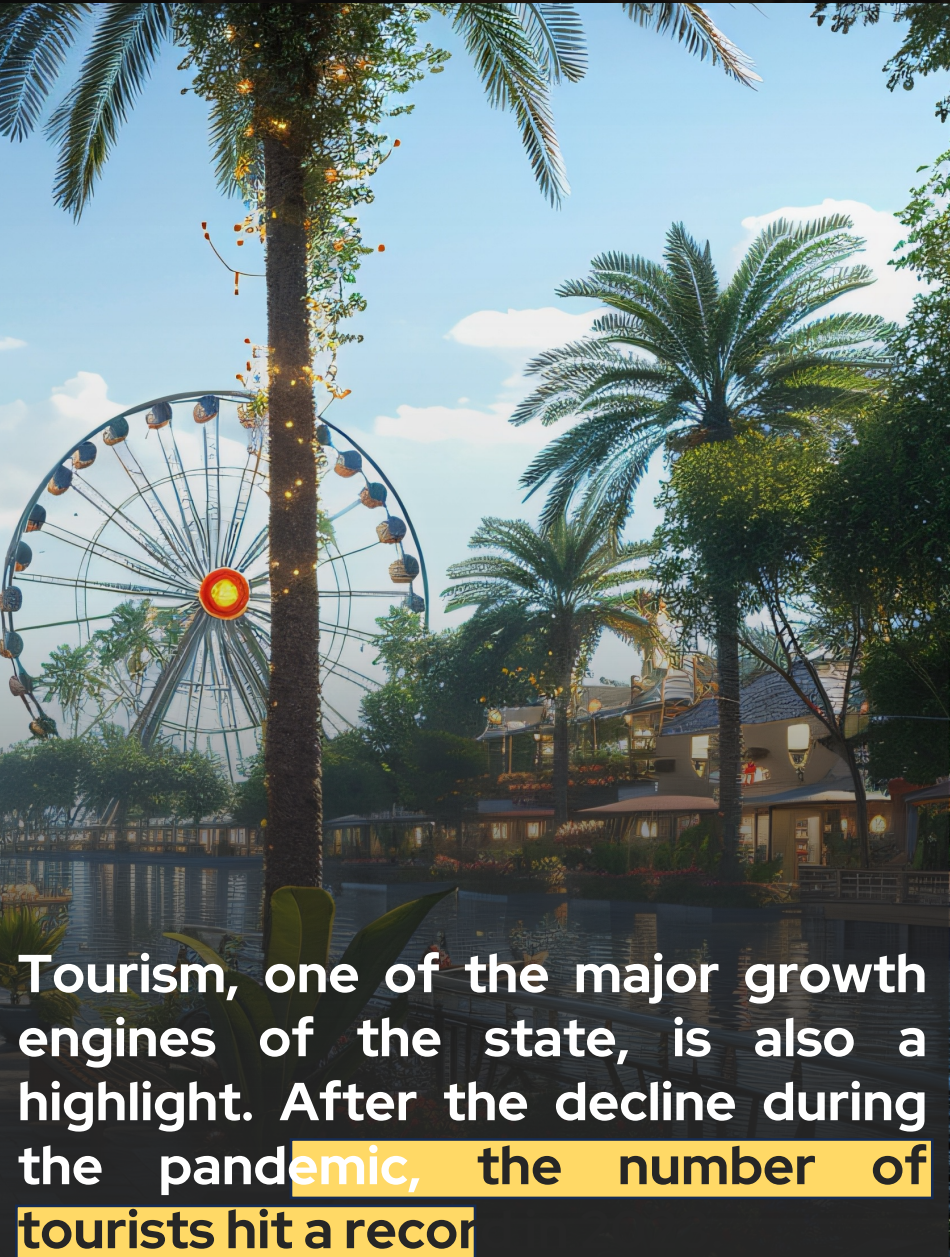
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RECORD TOURISM



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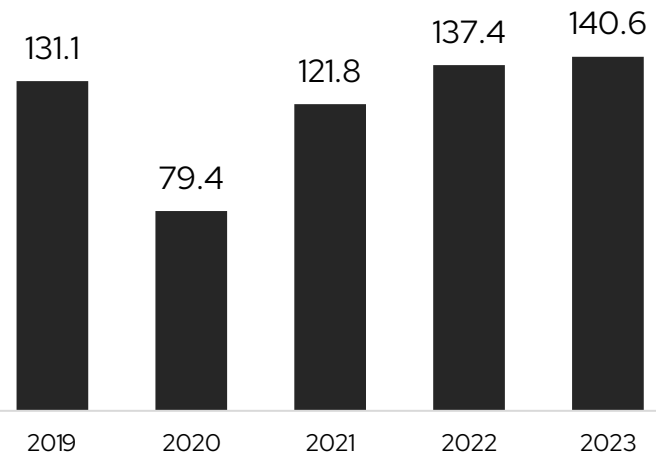


Tourism in Florida has grown over time and the state has established itself as a major domestic and international destination. Beyond the well-known theme parks, the state's natural beauty, especially its beautiful crystal-clear beaches, attracts tourists year-round, particularly in winter, when residents of more northern states visit Florida in search of milder weather.

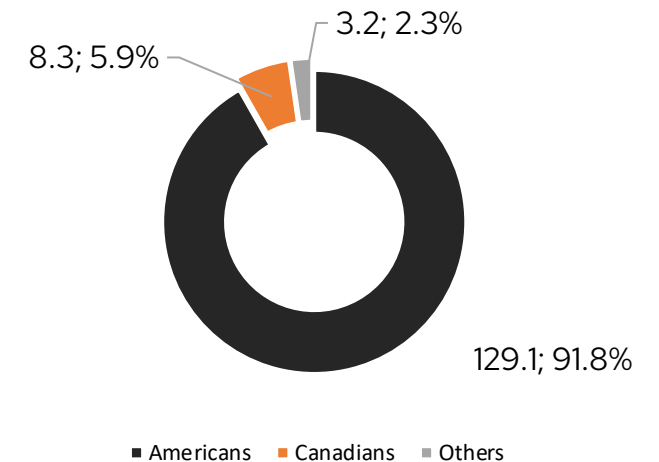
With the pandemic, in 2020, the number of tourists fell drastically, by about 40% compared to the previous year. However, by 2023, the state welcomed more than 140 million tourists, a 7.3% increase over 2019. The state holds the national record for total number of visitors, and ranks second when considering only foreign visitors, behind only the state of New York.

In this context, Americans make up the majority of visitors, representing nearly 92% of tourists. Canadians also stand out, representing nearly 6% of tourists. All other countries account for only about 2% of visitors, which shows how the segment is far less dependent on foreign tourist flows than is commonly assumed.

Visitors to Florida (millions)



Visitors to Florida in 2023 (millions; percentage)



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POPULATION GROWTH



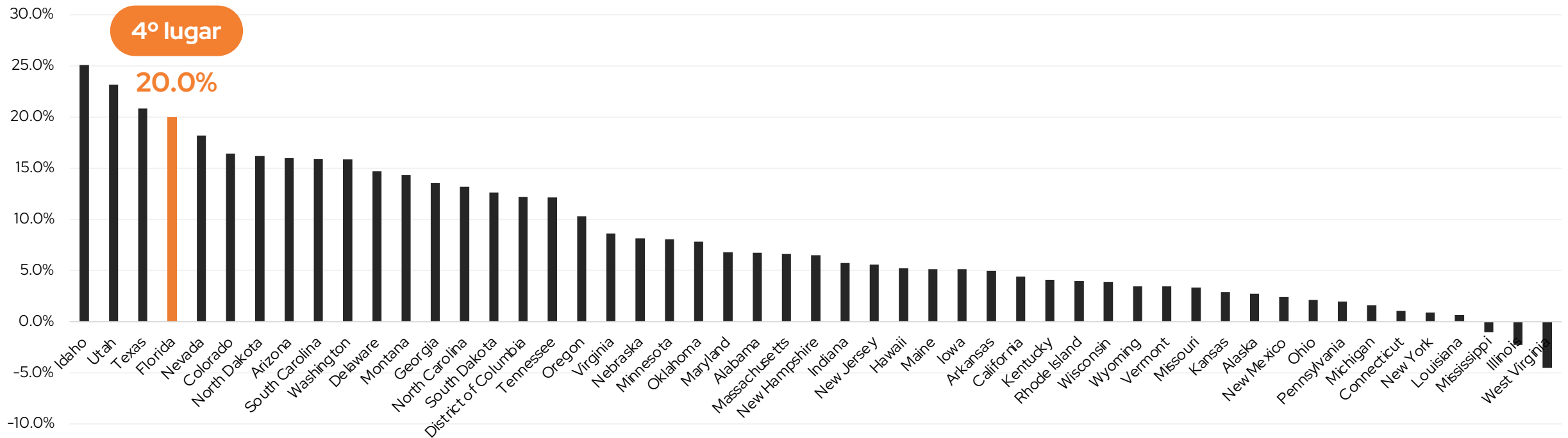
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Among states with more than 10 million inhabitants, only Texas had higher population growth than Florida.

Between 2010 and 2023, Florida's population grew by about 20%, the fourth-largest population increase among the fifty US states. Among the ten states with populations over 10 million, Florida's growth was surpassed only by Texas, whose population grew 20.8% over the period.

In 2023, Florida's population totaled 22.6 million inhabitants, the third largest in the country, behind only California and Texas, with 39 million and 30.5 million, respectively.

Population Growth between 2010 and 2023



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4 JOB GROWTH

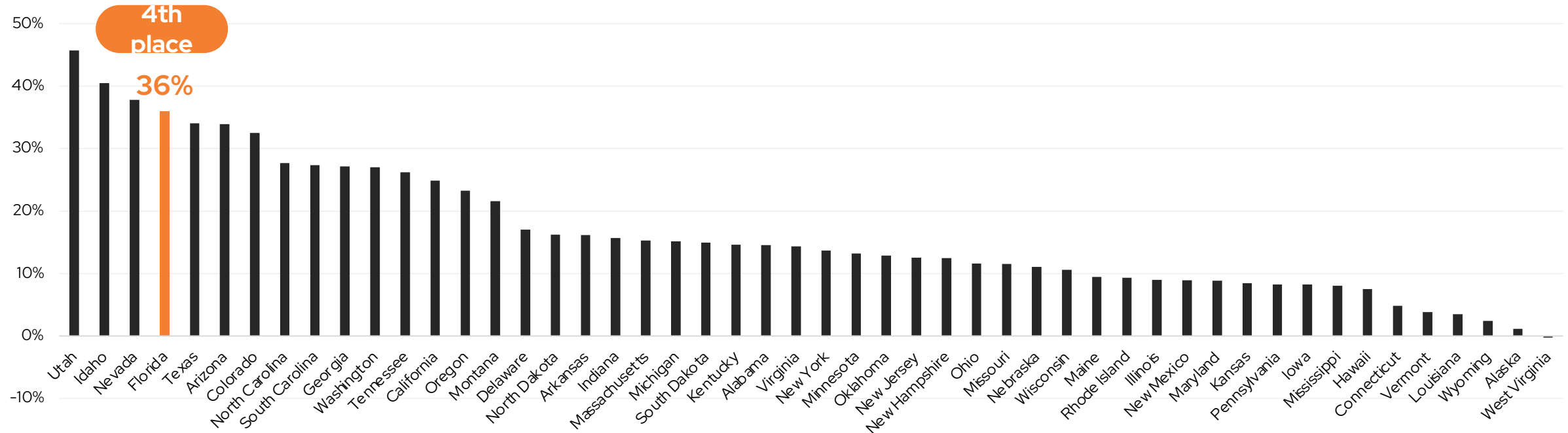


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The state also performed excellently in labor market growth, with a 36% increase in the volume of jobs.

In addition to economic and population growth, Florida was the record-holding state for job creation among the largest state economies. The state has managed to attract companies, which generate good jobs and draw in more population, in a self-reinforcing virtuous cycle.

Job Growth between 2010 and 2023



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PRO-BUSINESS ENVIRONMENT



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The large consumer market and the pro-business environment have attracted companies of all sizes to Florida and boosted the skilled labor market in the state.

Florida consistently ranks among the best states for doing business, thanks to low taxes, pro-business state policies, a streamlined regulatory environment, and a competitive cost of operating in the state.

Government and economic development leaders work together to ensure the state's business climate remains favorable for companies of all sizes.

The state's regulatory agencies and local governments provide faster, less costly, and more predictable permitting processes for projects that significantly impact economic development.

In addition, Florida has a more affordable cost for land acquisition and for hiring skilled labor compared to other large state economies.

A symbol of this pro-business side of the state is the Orange County Convention Center, in Orlando, which is already the second-largest convention center in the country.



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FAVORABLE TAXATION FOR BUSINESSES AND INDIVIDUALS

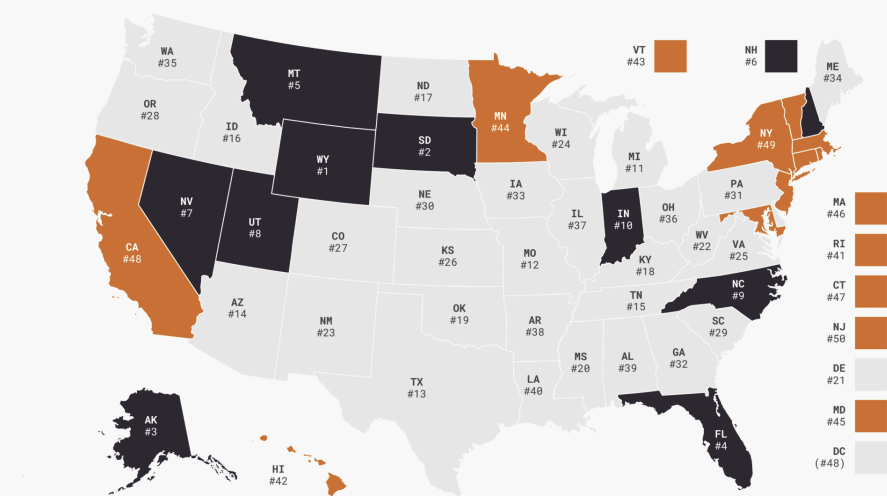


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Beyond the business environment in general, Florida is considered a state with favorable taxation for individuals and businesses.

In terms of taxation, Florida was ranked the fourth-best state based on an overall view considering five types of taxes: corporate tax, personal income tax, sales tax, property tax, and unemployment insurance tax. Among the large state economies, this is the best result and partly explains the growing attraction of companies and people to Florida, especially those coming from high-tax states such as California (#48 of 50) and New York (#49 of 50), historically home to major companies.

2024 State Business Tax Climate Index



■ 10 Best Business Tax Climates

■ 10 Worst Business Tax Climates

Note: A rank of 1 is best, 50 is worst. D.C.'s score and rank do not affect other states. The report shows tax systems as of July 1, 2023 (the beginning of Fiscal Year 2024).
Source: Tax Foundation.

TAX FOUNDATION

@TaxFoundation

State	Overall Ranking	Corporate Tax	Individual Income Tax	Sales Tax	Property Tax	Unemployment Insurance Tax
Wyoming	1	1	1	7	34	23
South Dakota	2	1	1	27	38	35
Alaska	3	26	1	5	27	48
Florida	4	11	1	19	13	4
Montana	5	23	28	3	19	22
New Hampshire	6	44	10	1	43	48
Nevada	7	25	5	45	4	45
Utah	8	14	11	21	8	17
North Carolina	9	5	15	28	12	6
Indiana	10	12	16	18	3	25

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**GOOD
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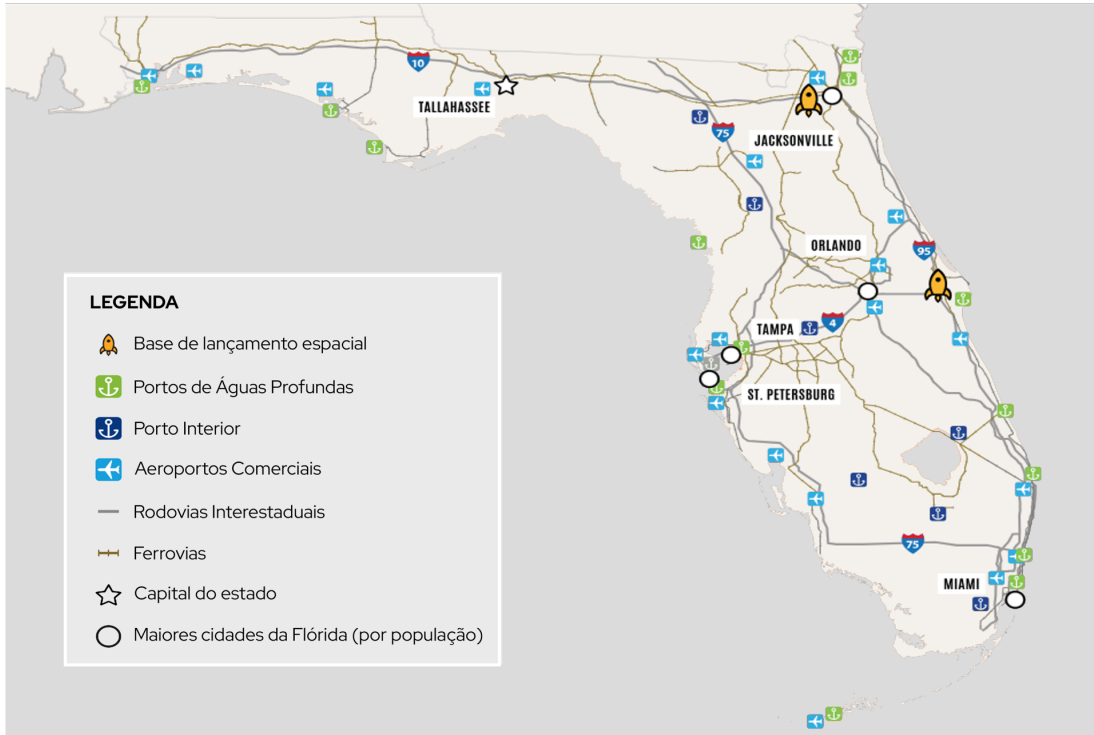
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The state has also attracted many companies due to its good transportation infrastructure and low energy costs.

Florida's transportation infrastructure consists of various multimodal systems, made up of international airports, deep-water ports, high-quality highways, and freight and passenger railways, enabling good internal connectivity and connection with the rest of the world, essential for fostering trade and both leisure and business tourism.

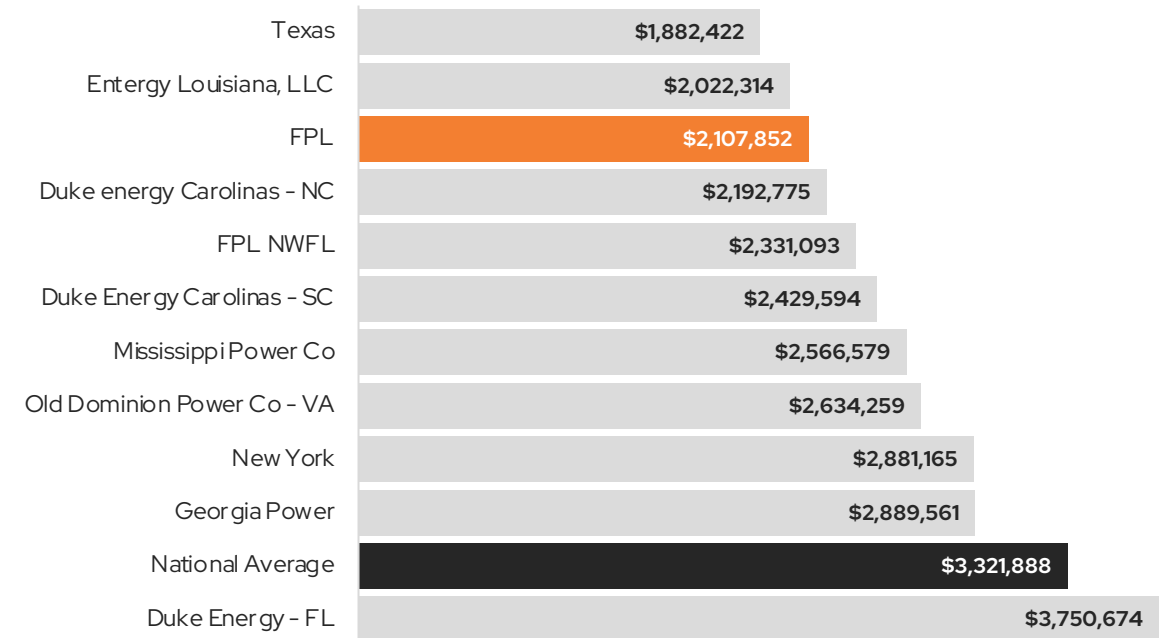
In addition to its good infrastructure, Florida offers low energy costs compared to other states, which is an important factor in attracting energy-intensive industries.

Transportation Infrastructure



Monthly Cost Comparison for Large Industrial Facilities

(50,000 kW, 89% load factor, standard rate) – FPL – Florida Power and Light



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MAJOR
INVESTMENTS



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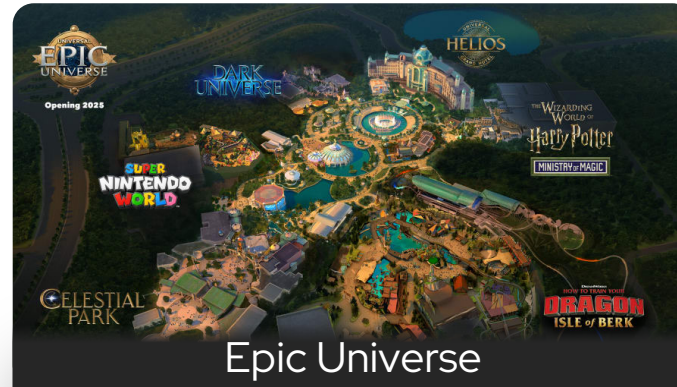
The state has also stood out in megaprojects, with the expectation of consolidating itself as a tourism and business destination in the country.

Several structural projects have been developed in the state, positioning Florida as a tourism and business destination. The Brightline, which connects Miami to Orlando via high-speed trains, is an example of these projects unique in the country. As a major new tourist attraction, there is the construction of the Epic Universe mega theme park, the largest theme park opening since 1999. Another example is the expansion of airports, such as Orlando International Airport, preparing the city for an even greater flow of passengers.



Brightline

- ▶ High-speed passenger train by Brightline.
- ▶ Currently operating between Miami, Fort Lauderdale, West Palm Beach, and Orlando, with an extension to Tampa under construction.



Epic Universe

- ▶ Largest theme park opening since 1999.
- ▶ Seven times the size of Magic Kingdom.
- ▶ Estimated economic impact of 11 billion annually.
- ▶ Estimated creation of 14 thousand jobs.



Orlando Intl. Airport (MCO)

- ▶ 8th busiest airport in the US.
- ▶ Terminal C expansion in 2022.
- ▶ Connection to the high-speed train by Brightline.
- ▶ 50.2 million travelers in 2022, 24% more than in 2021.

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FAVORABLE INTERNAL MIGRATION



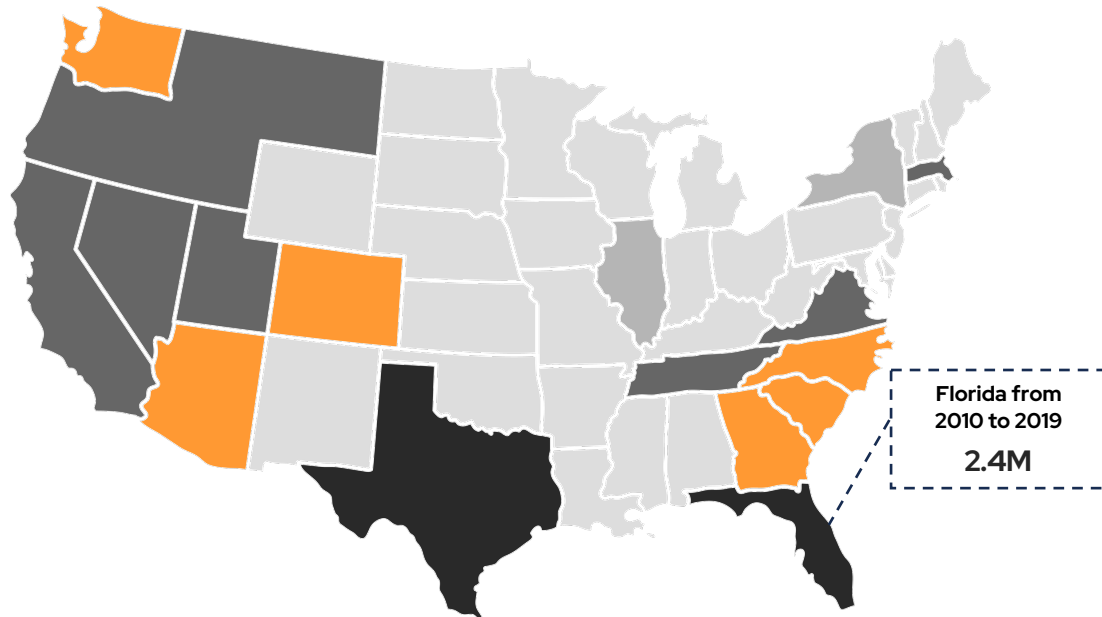
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Florida was the record-holder among all states as a migration destination. Recently, five of the ten cities most sought for migration are in the state.

From 2010 to 2019, Florida received 2.4 million net migrants. Texas, in second place, received 1.9 million migrants. In a recent survey by RedFin, of the ten metro areas most sought by Americans to move to, five are in Florida: Tampa, Orlando, Sarasota, Cape Coral, and Miami. Most are looking to leave high cost-of-living places such as Los Angeles, San Francisco, New York, Chicago, and Seattle.

Net Migration 2010 - 2019

● -677Mil a -614 Mil
 ● -190Mil a 89 Mil
 ● 110Mil a 334 Mil
 ● 412Mil a 613 Mil
 ● 1,9Milhões a 2,4 Milhões



10 Metro Areas Buyers Are Moving To

Rank	Destinations	Net Inflows Q2 / 2023	Net Inflows Q2 / 2022	Top Origins
1	Las Vegas, NV	5,700	6,700	Los Angeles, CA
2	Phoenix, AZ	5,300	7,400	Seattle, WA
3	Tampa, FL	5,000	8,300	New York, NY
4	Orlando, FL	4,900	1,200	New York, NY
5	Sacramento, CA	4,800	8,900	San Francisco, CA
6	North Port-Sarasota, FL	4,700	5,900	New York, NY
7	Cape Coral, FL	4,100	6,200	Chicago, IL
8	Dallas, TX	4,100	6,200	Los Angeles, CA
9	Miami, FL	3,700	10,500	New York, NY
10	Houston, TX	3,600	4,500	New York, NY

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RELATIVELY
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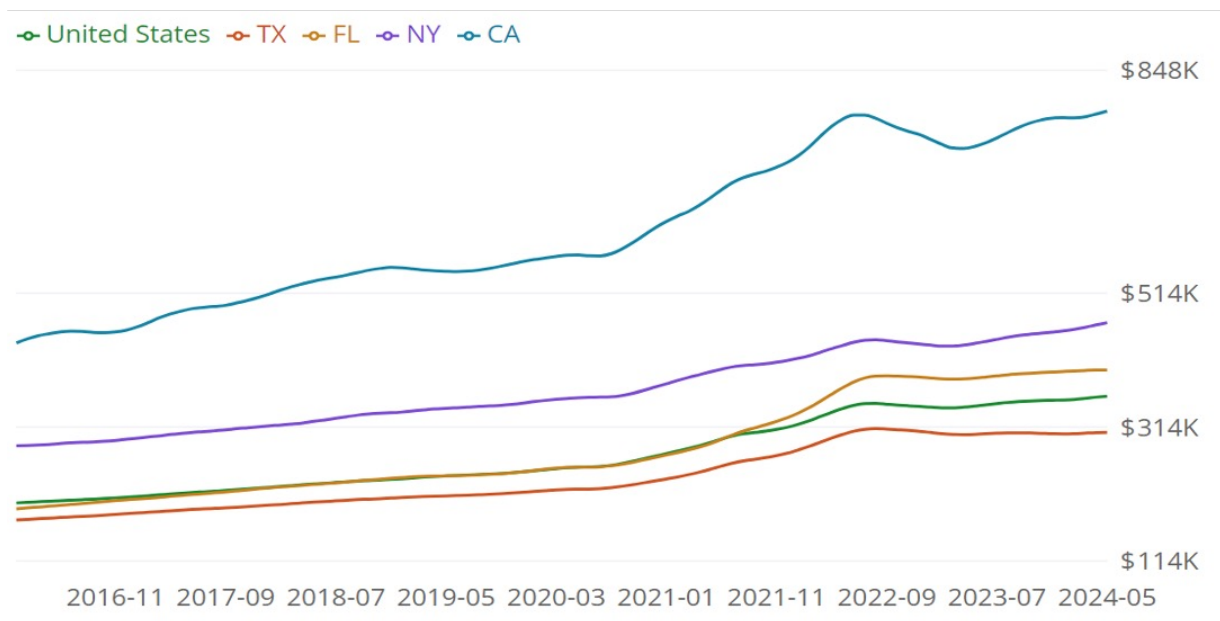


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In the real estate market, this migration has contributed to rising property prices in Florida. Even so, comparatively, the state still has a much more affordable housing cost.

Even with strong appreciation, real estate in Florida still remains relatively affordable, especially compared with states such as California and New York. It's no coincidence that these are some of the states generating the most migration to Florida, with people seeking a lower cost of living.

In the real estate market, this represents a major opportunity, since this is a more structural source of demand that should persist for many years regardless of the future economic scenario.



2016-02
 United States: \$201,162
 TX: \$175,690
FL: \$192,369
 NY: \$286,748
 CA: \$440,353

2024-05
 United States: \$360,681
 TX: \$306,756
FL: \$399,944
 NY: \$470,663
 CA: \$786,938

▲ US: +79%

▲ TX: +75%

▲ **FL: +108%**

▲ NY: +64%

▲ CA: +79%

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ATTRACTING
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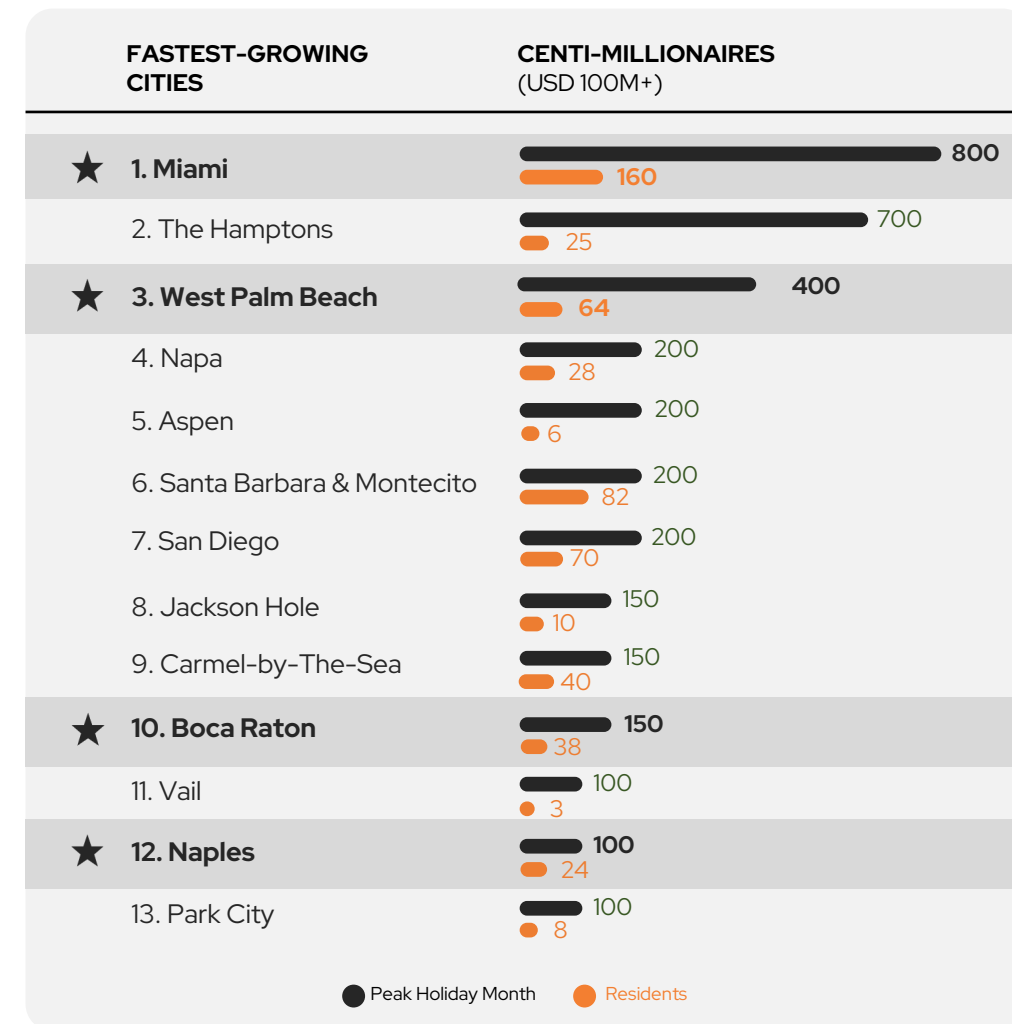
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With a good business environment, mild climate, and tax advantages, Florida has been attracting not only the American middle class but also millionaires and centi-millionaires from across the country.

Two of the five cities with the largest increase in the number of millionaires are in Florida: West Palm Beach and Miami. This group has grown in the state on the back of companies and conglomerates relocating there, and also because of other benefits such as the warm climate, good quality of life, and tax benefits like the exemption from state income tax.

In addition to permanent residents, the state also stands out in attracting centi-millionaires on vacation. Of the thirteen vacation destinations most sought by this group, four are in the state: **Miami, West Palm Beach, Boca Raton and Naples.**

FASTEST-GROWING CITIES	MILLIONAIRES (USD 1M+)	CENTI MILLIONAIRES (USD 100M+)	BILLIONAIRES (USD 1BN+)	MILLIONAIRE GROWTH RATE (2012 TO 2022)
1. Austin	30.500	86	9	102%
★ 2. West Palm Beach	9.400	64	6	90%
3. Scottsdale	13.900	60	5	88%
★ 4. Miami	38.000	160	12	75%
5. Greenwich & Darien	11.900	112	8	72%



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BOOM IN THE LUXURY RESIDENTIAL MARKET

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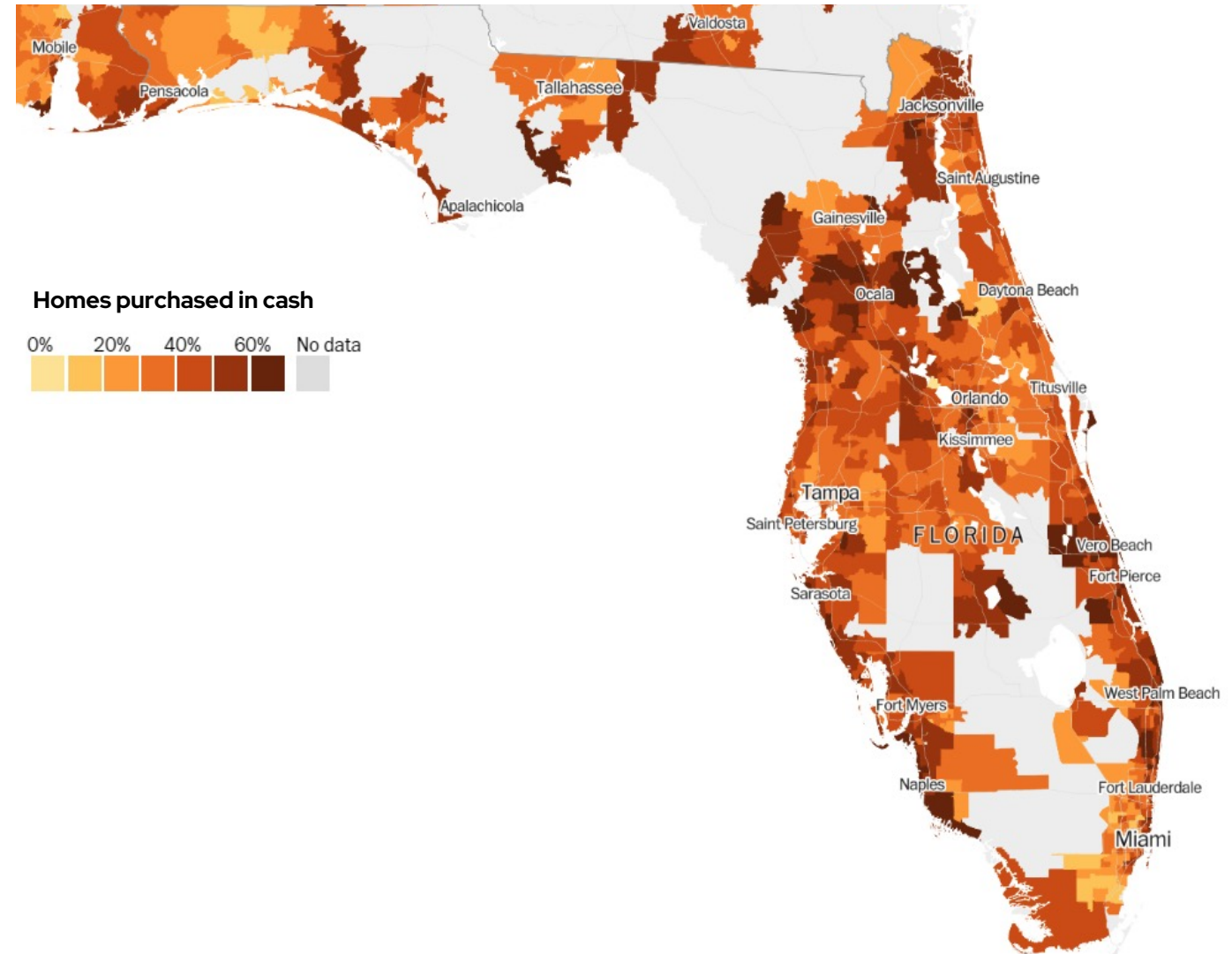
With the attraction of businesses and millionaires, some of the strongholds of this economic elite have experienced a real estate boom.

Standouts include West Palm Beach, Naples, Boca Raton, and Miami.

Florida has stood out in attracting a high-net-worth audience, coming especially from cities with higher taxes and less ease of doing business.

This is an audience less susceptible to fluctuations in the economic cycle and that tends to purchase properties in cash, in so-called "all-cash", thus not depending on mortgage financing interest rates to acquire properties. Thus, while 2023 was a record year for so-called "

Assim, enquanto 2023 foi um ano recorde das chamadas "all" in the country (about 35%), in the millionaire strongholds this percentage ranges between 60% and 90%. transactions" no país (cerca de 35%), nos redutos dos milionários esse percentual varia entre 60% e 90%.



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STRENGTH OF THE RENTAL MARKET

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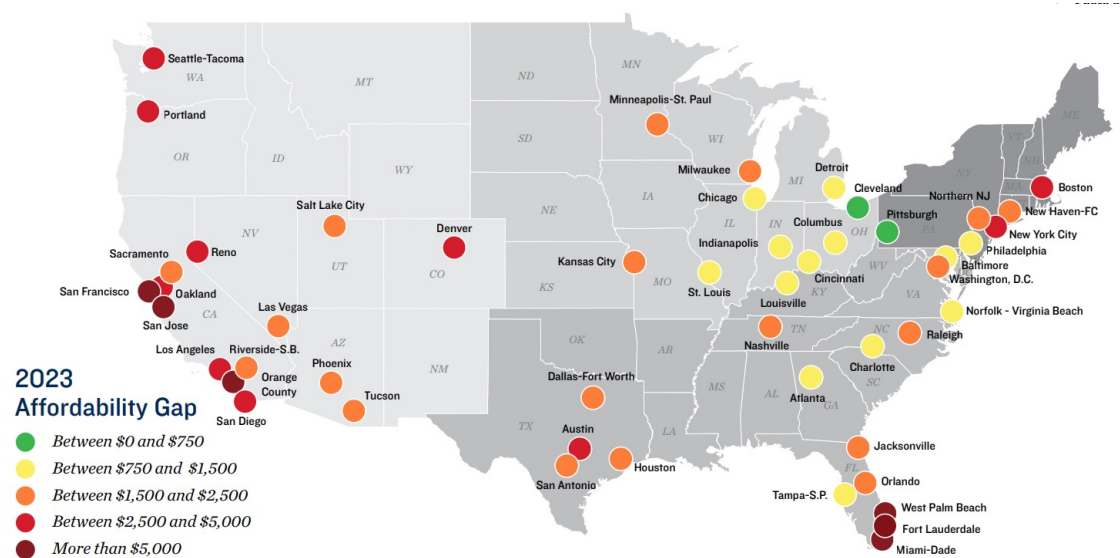


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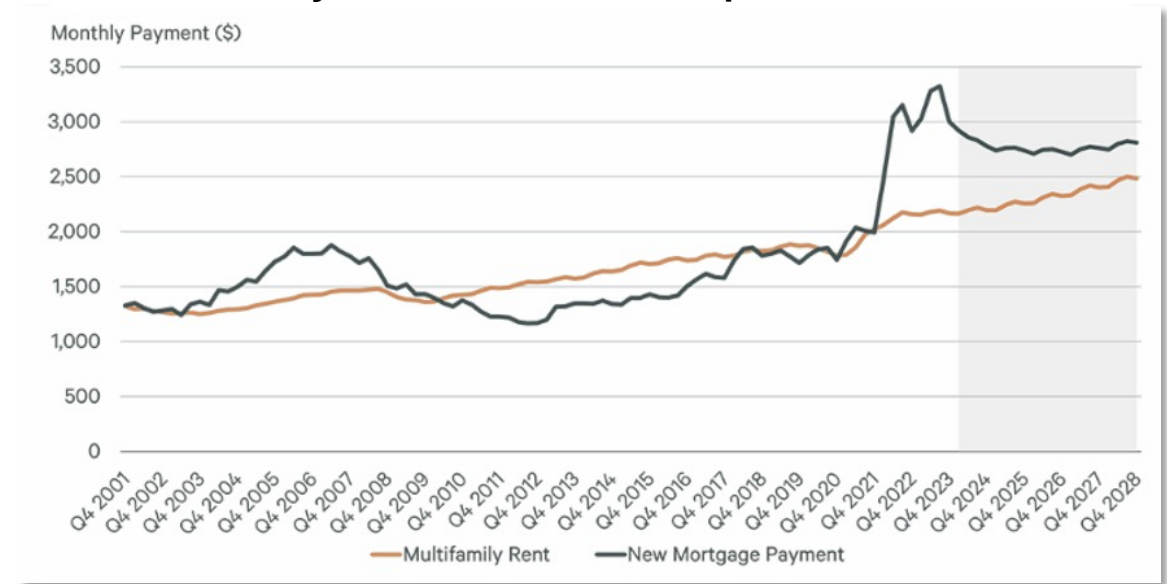
With the sharp rise in home prices and mortgage rates, the gap between the financing installment and the rent amount has never been larger. This gap should continue to favor the expansion of the rental market in the country and the state.

The gap between the financing installment and the cost of renting has never been larger (Affordability Gap) in the United States. In Florida, the situation is no different, and markets such as Miami, Fort Lauderdale, and West Palm Beach have a fairly high gap. Other markets in the state, such as Orlando and Jacksonville, also have a high gap between buying and renting.

“Affordability Gap” in the United States



Average Rent for Multifamily vs. Average Mortgage Payment for Owner-Occupied Home



- Average mortgage payment 38% higher than rent.
- The difference should persist given expectations for home prices, interest rates, and rent growth

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REDUCTION IN FUTURE HOUSING SUPPLY

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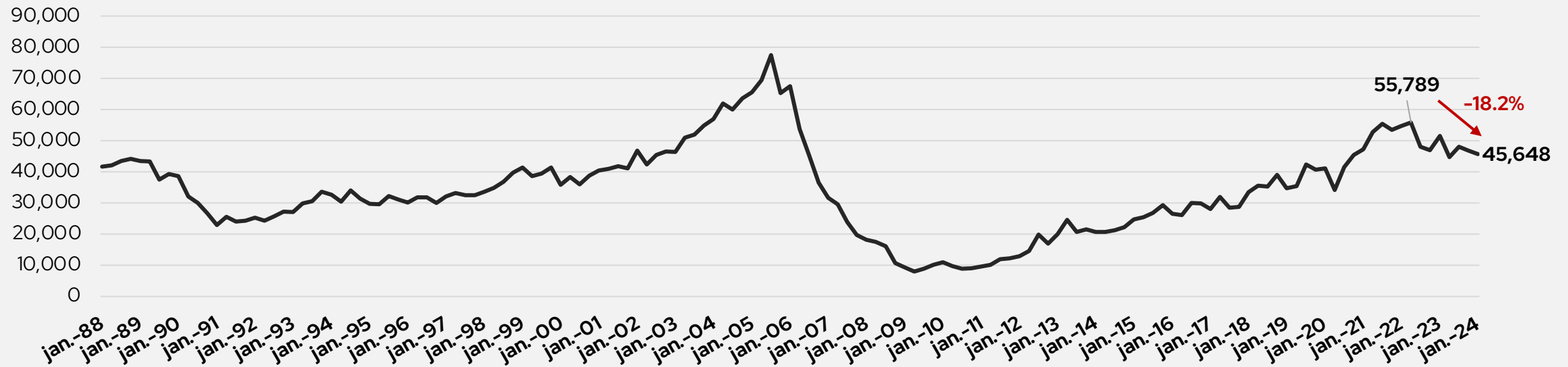


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The rise in interest rates since 2022 is already impacting the future supply of new homes in Florida, with an 18% drop in the issuance of permits for the construction of new homes in the state.

A reduction in permits to build homes in the state is an indication that future supply tends to fall. With lower supply, the real estate market is likely to remain under pressure, since demand tends to keep rising, whether through organic population growth or through the migration of people to the state.

Permits for Construction of New Residential Units in Florida (per quarter)



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**THE BEST RANKED
AMONG THE LARGE
STATES**

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For all its attributes, Florida is frequently well positioned in comprehensive state rankings, having ranked 9th in 2024, the best position among the ten most populous states in the country.

As a federation of states, in the United States competition between states to attract people and businesses is common. As such, it is common to produce comparative rankings that take into account various comprehensive structural aspects.

Among the ten most populous states, Florida is the best ranked, occupying 9th position in 2024, rising one position compared to the 2023 ranking.

Highlights include first place in the Economy ranking and the Education ranking.



Florida Rankings

OVERALL RANKING	CATEGORIES	RANK
<p>#10 of 50 in 2023</p>	Crime	#13
	Economy	#1
	Education	#1
	Fiscal Stability	#20
	Health Care	#26
	Infrastructure	#20
	Natural Environment	#13
	Opportunity	#45
	<p>#9</p> <p>Overall Ranking</p>	

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