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BOARDROOM REPORT

News from recent REIS board meetings

Monthly Programs:

Lee County Economic Development Director John Talmage will deliver an update and outlook at the **June 8th luncheon**, sponsored by [Chris-Tel Construction](#).

Tourism trends and strategies will be explained by Tamara Pigott, director of Lee County Visitor and Convention Bureau at the **July 13th luncheon**, sponsored by [Stevens Construction](#).

Lee County Property Appraiser Matt Caldwell will offer insight on trends in property values at the **August 10th luncheon**, sponsored by [RWA](#).

We welcome your ideas for programs and speakers, which may be submitted to [Kent Poli](#), 239.337.3993. If you would like to lead the pledge of allegiance and prayer at a luncheon, please contact [Don Miller](#), 239.571.4968.

Real Estate Symposium:

Annual educational program, presented with Lutgert College of Business, takes place in **September** at Florida Gulf Coast University and will focus on the relationships between water quality and resiliency with economic growth and development in Southwest Florida.

Sponsorships:

Prime sponsorships are now available for the upcoming Real Estate Symposium and annual party. Contact [Molly Scott](#), 239.226.0500, for information and availability of opportunities to sponsor REIS events.

Horizon Council:

Mary Gentile, REIS representative to the Council, reports that the May meeting will focus on transportation and economic development.

Reception for Lee County Commissioners:

Exclusive event for REIS members has been rescheduled for October 14th. Sponsored by Edison National Bank and Henderson Franklin, Attorneys at Law.

Scholarship Program:

Donations are needed for scholarships to be awarded in 2021. Information and an online donation form are on the [REIS webpage](#) or contact [Bev Larson](#) for details.

WATER ISSUES AND REAL ESTATE

The relationship between water quality and growth in Southwest Florida will be the focus of the **2021 REIS Real Estate Symposium**, presented by the Real Estate Investment Society and Lutgert College of Business at Florida Gulf Coast University (FGCU) at FGCU in September. The half-day, interactive workshop will include panel discussions to address water quality challenges, impacts on growth, design and development considerations, and solutions and community initiatives.

The title sponsor of the popular annual event is Roetzel & Andress. Gold sponsors include Morris-Depew Associates, Busey Bank, and Environmental Risk Management. Silver sponsors are Edison National Bank and Dagostino Geospatial. A limited number of sponsorships are available. Contact [Molly Scott](#), 239.226.0500, for details.

SLR LEGISLATION ENACTED

Governor DeSantis has signed bills (SB 1954, SB 2534) to create a Resilient Florida grant program to provide funding for community action to address Sea Level Rise and flood mitigation. Legislators directed \$111.7 million of affordable housing funds to sea-level projects and \$111.7 million to sewage treatment projects. They also allocated \$500 million of federal stimulus funds to the Resilient Florida Trust Fund. The legislation calls for a statewide flood risk assessment; requires a three-year statewide flooding and sea-level rise resilience plan; encourages the formation of regional resilience coalitions; and establishes the Florida Flood Hub for Applied Research and Innovation.

SWF WATER RESILIENCY COMPACT

Lee, Collier and Charlotte Counties and all municipalities within the counties have joined to form the Southwest Florida Resiliency Compact. The Compact will spearhead resiliency efforts and serve as a conduit for funds and programs. The participating governments will share scientific data and planning tools and develop a unified action plan to deal with climate change impacts. A leadership committee, composed of representatives from each member jurisdiction, will govern the Compact. Plans to mitigate the effects of climate change are expected to affect the design and location of future development.

BEV LARSON, CCIM

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MARKET INTELLIGENCE

Commercial Mid-Year Update of Southwest Florida's retail, office, and industrial real estate markets presented by Florida CCIM Chapter Southwest District on June 8th in Fort Myers.

Market Trends of Southwest Florida reports on real estate and development September 9th in Fort Myers.

<https://www.markettrendsswfl.com/>

FLOOD RISK STANDARD REINSTATED

On June 2nd, President Biden signed the "Executive Order on Climate-Related Financial Risk," which reinstates the 2015 Federal Flood Risk Management Standard (FFRMS). The order also directs federal departments to integrate climate-related financial risk into underwriting standards, loan terms and conditions. The National Economic Council is directed to assess the risk of climate change on government programs, which could have ramifications for the National Flood Insurance Program. The National Association of Home Builders opposed the 2015 Standard, contending it would expand regulated floodplain areas without new floodplain maps, technical data or regulatory impact and cost-benefit analyses.

MATERIAL SHORTAGE CRISIS

A [May 2021 survey](#) by National Association of Home Builders reveals that builders across the country are experiencing shortages in a wide variety of products. Appliances were reported in short supply by 95% of builders, closely followed by framing lumber at 94%. Over 90% reported OSB and plywood to be scarce, with doors and windows at 87%. Gypsum, steel, wiring, plumbing, vinyl, and cement products were all high on the list.

PROPOSED TARIFF ON LUMBER

The U.S. Department of Commerce has proposed to increase in the tariff on softwood imports from Canada from 8.99% to 18.32%. The proposal favors domestic producers but concerns the nation's building industry, which has seen lumber prices double in the past year.

RSW DEVELOPMENT REPORT

Southwest Florida International Airport (RSW) is currently requesting bids for the terminal building expansion, a \$292 million project. The design and bidding phase is expected to be completed in October. The new \$80 million air traffic control tower is nearing completion. Construction is now underway at Skyplex on a 97,000 sf office building for Alta Resources Corporation.

REAL ESTATE EXCHANGES

President Biden's tax proposal includes putting a cap of \$500,000 on the amount of capital gains tax that could be deferred in a Section 1031 real estate exchange. The tax provision was created in 1921 to stimulate the real estate industry and national economy. The National Association of Realtors (NAR) and other members of the Real Estate Like Kind Coalition are busy informing congress of the importance of the tax provision to the nation's real estate industry and individual investors. NAR feels that the proposal faces a long, difficult path to passage. Still, the prospect of changes is fueling an increase in 1031 real estate transactions this year.

1031 INVESTORS FUEL DST GROWTH

Fractional investments to complete 1031 real estate exchanges are generating a surge in real estate acquisition capital. Over \$4 billion in equity is forecast to be raised this year for fractional ownership of real estate. DSTs (Delaware Statutory Trusts) are used by accredited investors as replacement property in tax-deferred exchanges. The syndicated 1031 market originated in the 1990s with Tenant In Common programs and evolved to DSTs, which accept a larger number of investors and offer a streamlined management process.

REIS WELCOMES NEW MEMBERS

Kevin Brown, vice president of development with Seagate Development Group, oversees projects and land acquisitions.

Robert Wagner, owner of Evans & Wagner Commercial Group, specializes in commercial real estate brokerage and management.

Membership information is on the [REIS website](#)

REIS MEMBERS IN THE NEWS

Lee Building Industry Association (BIA) installed the 2021 Board of Directors, including former REIS presidents **Neale Montgomery** and **Randy Mercer**, and REIS Secretary **Justin Thibaut**.

The Naples Fort Myers Chapter of CREW elected 2021 officers, including President-Elect **Lori Moore**, Treasurer **Janet Davis**, and Sponsorship Chair **Kim Donnelly**, former REIS president.

REIS member **Tammy Hall** has been named to chair the National Roofing Contractors Association (NRCA) Government Relations Committee.



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