

**North American prime property****Florida's feelgood factor lures out-of-state buyers**

Home sales rise in affluent counties as movers look for year-round sun, low taxes and low-density living

**Hugo Cox** MARCH 24 2021

---

Marlene Mieske, 73, and her husband had been talking about moving to Florida for years but could never let go of the buzz of Manhattan life. Then Covid hit. Decamping from their Park Avenue duplex for their second home in upstate New York, they found they could survive beyond the city for longer than the odd weekend and summer break.

“We saw that if we can do it here, we can do it anywhere,” she says. “We decided we did not have to be in New York any more.” The Florida move was on.

The Mieskes recently had an offer accepted on a new house near the beach in Naples, a popular city in Collier County, south Florida, for \$5m. They have put their Manhattan home on the market and, when their Florida house is finished, it will become their primary home (and residence for tax purposes). “[But for Covid] it wouldn’t have happened for at least another two years,” she says.

---

The Mieskes are not alone. Florida’s year-round sun and low taxes have long provided a lure for buyers from higher tax north-eastern states such as New York. Since the pandemic, the state’s low-density city living has added to the pull.



Prices and home sales are increasing: 836 homes sold for more than \$1m across Palm Beach County and Miami-Dade County, more than three times the sales in the same period in 2020 © AFP via Getty Images; Alamy



Earlier this month, Florida's state Demographic Estimating Conference pointed to "an apparent shift in lifestyle preferences away from the more dense urban areas found elsewhere" to explain the state's continued in-migration over the past year. It projects that population growth in the year to April — which, with deaths exceeding births, relies on migration — will be 1.53 per cent.



As affluent movers like the Mieskes put down roots in Florida, prices and home sales in the popular counties are increasing. In January and February, 836 homes sold for more than \$1m across Palm Beach County and Miami-Dade County, more than three times the 261 sold in the same period in 2020, according to Miller Samuel.

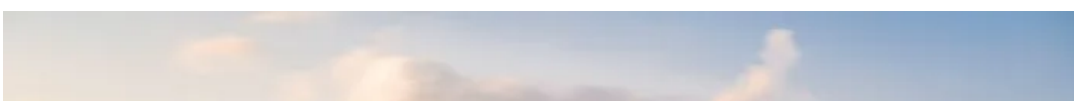
With prices increasing and inventory low, finding a suitable home in Naples was hard, says Mieske. “In town, near the beach, where you could walk to places, in that price range, only about four [homes] were available,” she says.

The couple chose Naples over Palm Beach, where many of their friends live, for its more relaxed air. “[In Palm Beach] there’s a lot of see and be seen. [Naples] is a little mellower: you don’t have to always put on make-up or high heels.”

In Miami Beach, the scarcity of suitable homes prompted real estate company co-founder Zachary Vichinsky — who was looking to buy a detached house or some land to build one on — to settle for a rented condo. The 37-year-old, who moved with his wife and three young children in November from Bridgehampton, Long Island, is paying 30 per cent more in rent for his apartment than he had anticipated. He is still searching for the right house to buy.



Naples is a popular choice for buyers. As one says: ‘It is a little mellower than Palm Beach: you don’t have to always put on make-up or high heels’





© Alamy

But he is thrilled with the benefits of city life with the proximity of the beach. “The quality of the restaurants, the ease of getting around . . . there is great culture here and fantastic food,” he says.

---

The move has relieved the pressures imposed by the New York state lockdown. In Bridgehampton, his six-year-old daughter’s schooling was disrupted by Covid restrictions — regular periods of working at home via Zoom were difficult — and the children were stuck in the house with limited activities.

“Now they are out swimming and riding their bikes.” Florida reopened schools in August, making it among the first states to do so.

Florida’s zero state income tax is welcome, too. “There is the prospect of further increases of federal taxes coming on income or capital gains; [tax is] a consideration,” says Vichinsky.





Affluent buyers are attracted to the vibrancy and outdoor life of Miami Beach and to Florida's zero state income tax © Universal Images Group via Getty



© AFP via Getty Images

While agents point to rising transaction numbers for expensive homes in many counties as evidence of a surge of movers from north-eastern cities, the migration picture across the state is still unclear.

Data from moving companies and the US postal service paint a conflicting picture, with some showing net outmigration from Florida since the pandemic struck. Stefan Rayer, a demographer at the University of Florida, who helps compile the official state population numbers, disputes this, partly because of the studies' small sample sizes.

"I haven't seen indications of people moving out of the state more than in the past," he says. "I am still having a hard time figuring out where all that [migration] is coming from, but from the available evidence it appears that people are still moving to Florida."

In Boca Raton, a city of just under 100,000 in Palm Beach County, the city's economic development manager Jessica Del Vecchio says the pandemic has caused many businesses to arrive from out of state. She lists 11 new office relocations or large investments in the city since March 2020, including Colony Capital, the \$52bn real estate investment company that moved its headquarters from Los Angeles in January.

"Historically, firms that are relocating will seek financial incentives such as asking the state, county and city to provide incentive dollars to them for creating and retaining high paying jobs. In the last year, incentives haven't even been a part of the discussion. They just ring me asking for [office] space."



The clock tower at Palm Beach: the wider area has seen an increase in businesses arriving from out of state in the past year © Alamy

Since the pandemic struck, Del Vecchio has also been getting leads from estate agents who have sold homes to out-of-staters working remotely and seeking office space. Daniel A Broxterman, assistant professor of real estate at Florida State University, doubts the trend will last. Companies will soon start paying lower wages to those living far away in a state with better weather and lower taxes, he says. "The pandemic arbitrage of paying reasonable Florida living expenses on a hefty New York salary is going to be shortlived."

Pete Moloney, 56, plans to run his Long Island funeral home business between his existing home there and the new condo apartment he has just bought for him and his wife in Singer Island, Palm Beach County.

## House & Home Unlocked

FT subscribers can sign up for our weekly email newsletter containing guides to the global property market, distinctive architecture, interior design and gardens.

[Sign up here with one click](#)

"I like the proximity to West Palm with its retail facilities and nice restaurants. It's quiet, easy living and easy to get back and forth from New York," he says. His new \$1.4m home is on the Amrit Ocean Resort and he points to the trappings of classic Florida resort living, for which he pays roughly \$1,700 in monthly fees.

It has three pools, four restaurants, a spa, valet parking, a business centre with conference rooms, and is pet friendly (he uses a grief therapy dog for work). "And if my

daughter or son want to get married here we have facilities to host the wedding."

Moloney and Mieske like Florida's politics, too. Both Mieske and her husband voted for Donald Trump in the past two presidential elections and felt a growing intolerance from fellow New Yorkers. "Over the past few years there is no room for an alternative point of view any more. [In Naples] we can talk freely without people looking askance on us. You're not going to feel uncomfortable because you voted for Trump."





Singer Island, Palm Beach County



Jupiter lighthouse, West Palm Beach County © Alamy

Despite the more hospitable politics and the year-round sun, not everything about Florida will be welcoming. The state's low elevation and harsh hurricane season creates an increased flooding risk which is likely to worsen in the coming years.



Within 30 years — the typical life of a US mortgage — nearly one in 50 homes in Miami-Dade County will face the risk of annual flooding (assuming carbon emissions fall in line with the 2015 Paris agreement), according to research by Climate Central and Zillow. Across Florida 57,856 homes, with a combined value of \$32.3bn, are at risk in this way.

Despite this, the state is building fast in flood risk zones. Over the past decade, one in seven homes built in a US coastal community at risk of flooding was built in Florida; building in flood risk zones grew by 4.3 per cent in that time, compared with 5.8 per cent outside them.

Vichinsky doesn't think storm risk will adversely affect the value of the Miami home he hopes to buy. Moloney and Mieske say their new homes are built to exacting local hurricane standards and will hold up fine. Mieske plans to spend the summer and autumn in New York at any rate.

## Buying guide

---

- For wealthy buyers from north-eastern states, Florida has much lower taxes. In Manhattan, an annual income of \$200,000 would attract \$20,703 in state and local taxes; throughout Florida these would be zero, according to Serhant, a real estate company.
- On a \$3m home, state and local property taxes in Manhattan come to \$28,848; in Miami-Dade County \$27,664; in Palm Beach County \$19,246; in Collier County \$17,781, according to Serhant.

### What you can buy for ...

- **Family home, Naples, \$2.75m**

A four-bedroom house in a gated community called Naples Club Estates. The home, which has 4,855 sq ft of interior living space, has an outdoor pool and sits on a 0.75-acre plot. Available through Compass.



- **Condo apartment, Miami Beach, \$7.4m**

A three-bedroom condo in Miami Beach with sea views and 3,002 sq ft of living space. The residence, located above the Miami Beach Edition hotel, comes with access to the hotel's amenities and a private beach club. Available through Bespoke Real Estate.



© Lifestyle Production Group

- **Beachfront estate, Palm Beach, \$38.5m**

A six-bedroom home on South Ocean Boulevard, about a mile and a half from former president Trump's Mar-a-Lago resort. The property, built in 1995, has 11,815 sq ft of interior living space and an outdoor pool. Available through Christie's International Real Estate.



*Follow [@FTProperty](#) on Twitter or [@ft\\_houseandhome](#) on Instagram to find out about our latest stories first*

---

[Copyright](#) The Financial Times Limited 2021. All rights reserved.



