Smart Capital, Small Buildings:
A Practical Fix for Florida's Housing Strain

South Florida's growth story is undeniable—population and jobs keep climbing, yet housing costs have raced far ahead of wages. That gap threatens the very workforce that powers the US economy. At Furrow, we see both the challenge and the opening: by acquiring and upgrading overlooked 5- to 30-unit buildings, we can deliver attainable rents for everyday residents while generating durable, cash-flow-driven returns for investors.

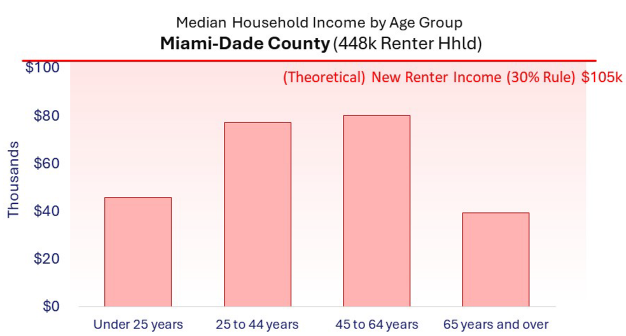
South Florida – Solid Real Estate Fundamentals

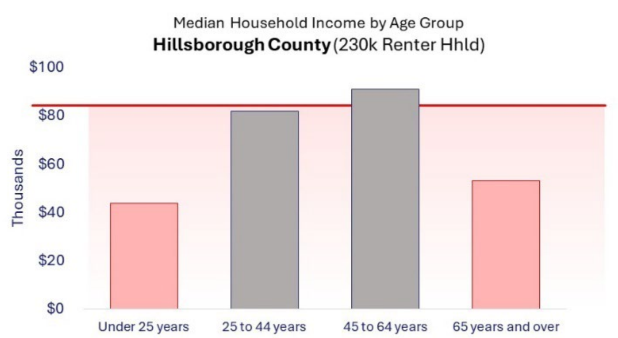
Despite the National outlook for the upcoming years, we found solid ground for Real Estate growth. Still US and Foreign population are attracted by South Florida. Below is the outlook for the upcoming years:

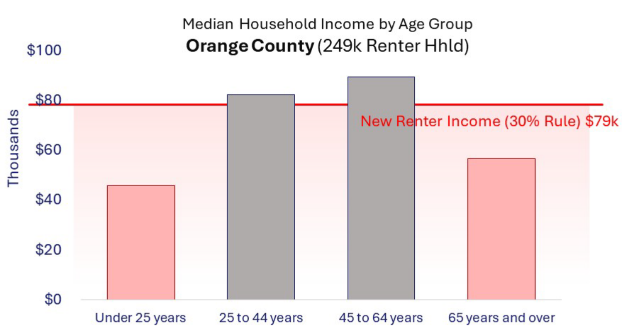
- +9% Population (+5.5% in US) by 2030,
- +6% Employment (+3% in US) by 2032,
- Unemployment in Florida ~4% (Miami Dade County only 3.2%),
- Crime Rate Reduction by -23% (vs -2% in US) since 2019.

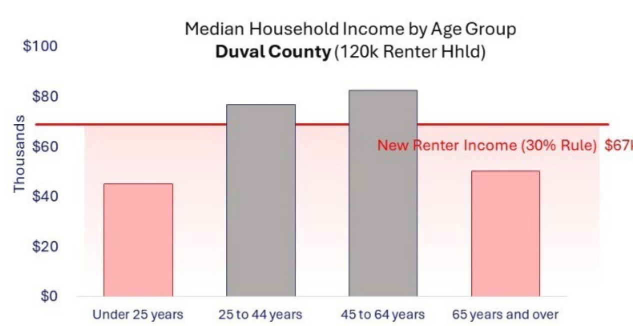
Everyday workers in South Florida's biggest cities are feeling the squeeze

Since 2019, prices across the region have jumped roughly +30%; home prices increased by +56%; rents by +35%, and insurance bills have nearly doubled. Paychecks haven't kept pace, rising only around +20%. Teachers, nurses, hospitality staff, retail managers and young professionals (in general) are being priced out, vacancies in critical roles are mounting, and many locals are forced to leave their cities looking for lower-cost regions for relief. Depending on the County, a renter now needs between **$67k and $105k a year to keep housing costs at the classic 30% rule**, which most households simply don't reach.









Bars show today's *median household income* for each age group in the county. **Red horizontal line** marks the *minimum income a new renter needs* to keep rent at or below 30% of monthly pay on a typical lease.

Why 5- to 30-Unit Buildings Deserve a Second Look in 2025

Demographics and debt are setting the stage for attractive multifamily deals. Nearly **75 million Baby Boomers** are reaching retirement age, and many are beginning to sell their apartment assets, creating a growing pool of **motivated sellers**. At the same time, about **150 million Millennials and Gen Z renters will keep demand strong**, as high home prices, mortgage rates and student loans burden put ownership out of their reach.

Overlay those trends with roughly **$250 billion in multifamily loans**—covering about 6,800 properties—coming **due in 2025-26**. Owners who financed at 3 percent rates (or refinanced at 8-9 percent after the pandemic) are **now struggling to meet higher debt costs, pushing more properties into distress**. For well-capitalized private investors, this combination of steady demand and forced selling translates into a rare window to acquire quality assets at favorable prices—where "cash is king."

This is how we recommend playing this game:

1. **Cash flow first:** focus must be on current NOI, but in future appreciation. In fact, appreciation comes always after NOI.
2. **Target distressed / under-performing assets**.
3. **Off-market deals**. This is where juice deals are hidden.
4. **Be patient.** We are in the "buying cycle"; five-year holds bought today should outperform.

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