

## Curri Commercial now a separate arm of firm; sees opportunity

By Ken Datzman

SATELLITE BEACH — From a real-estate point of view, the big story in 2020 was the housing sector's ability to pace the nation's economic recovery.

Despite the pandemic, the residential market experienced strong growth in both new home construction and existing home sales.

Now as 2021 begins to unfold, it might be the commercial real-estate market's time to shine, especially in Brevard County where residential rooftop growth is creating demand for services as a new wave of job-seekers and retirees discover the livability of the Space Coast.

"We have high hopes for the long-term prospects for the commercial real-estate market in Brevard County, and we are positioning ourselves in that regard," said businessman John Curri II, who established Curri Properties in 2013, mainly focusing on the residential market.

As more workforces begin to slowly filter back into office buildings and facilities throughout this year and into 2022, space is likely to tighten and vacancy rates shrink.

In addition, investors are looking for income-producing properties to generate profits over time.

And there seems to be big opportunity in the "adaptive reuse" or "repurposing" of older commercial buildings and complexes in the region that have sat idle.

Also, the rapid expansion of e-commerce has fueled increased demand for industrial real estate, including large regional distribution centers and fulfillment centers located in strategic markets.

The commercial real-estate segment from North to South Brevard has grown considerably in the last five years, and more opportunities are likely ahead for investors.

To meet future demand, Curri has ramped up operations with Curri Commercial, making it a dedicated arm of his company.

"Curri Commercial is a full-service, hometown firm. We are general Realtors so we sell all types of real estate, including commercial. But real estate is such a broad sector, if you do not specialize in certain aspects of the market, it's difficult to scale the business and get to where you need to be. So we are segmenting the business. Commercial now has its own arm of the company," he said.

The Curri Commercial team includes industry veterans Gene Artusa and Karen D'Alberto.

"Brevard County continues to attract a range of businesses," said D'Alberto, who earned an MBA degree from Florida Institute of Technology.

"These businesses are creating jobs, and jobs bring new residents. Residents put money back into the economy, which directly affects commercial real estate, sparking new demand for services. It all trickles down when companies, especially sizable ones, come here and make an investment."

She continued, "It impacts the residential market, which affects the local economy, and then carries over to the commercial market. It's exciting to see all of the activity going on in Brevard. The commercial market is growing and we're looking to provide services for all types of clients."

And women are making their mark in commercial real



BBN photo — Adrienne B. Roth

John Curri II, center, founded Curri Properties in 2003, serving both residential and commercial markets. Now he has made Curri Commercial a separate arm of the growing firm. The commercial team includes industry veterans Gene Artusa and Karen D'Alberto. They are at their office in Satellite Beach. The team members work with investors across the commercial spectrum, including people seeking income-producing properties, and property owners looking to lease space in their buildings and facilities. The firm also provides property management services, among other areas of expertise. Curri Commercial sees solid growth in Brevard in the years ahead.

estate, an industry historically dominated by men.

In 2020, roughly 37 percent of all professionals in commercial real estate were women. That's according to the 2020 benchmark study by the Commercial Real Estate Women network, or CREW.

The CREW network was founded in 1989 to bring together women in commercial real estate to exchange information, develop business contacts, and help each

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## Curri Commercial

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other succeed professionally. It has 12,000 members.

“Commercial real estate is an exciting field with plenty of career opportunity,” said D’Alberto.

“We work with developers, investors, architects, and other parties. We do market demographic studies, financial analysis, and environmental research, along with involvement in other areas. Things are always changing. You have to be able to adapt to change in the market. And you really have to know the dynamics of the market in which you work.”

D’Alberto works with investors seeking income-producing properties and caters to a variety of other customers, as does Artusa, who is the commercial manager at the firm. Over more than two decades in the industry, he has honed a lot of business relationships with commercial real-estate owners in the region. And he has closely watched Brevard grow.

“The county has taken precautions to prevent overbuilding,” said Artusa. “The growth in Brevard is measured, and that is important. There is a comfort level to the growth we’re seeing in this county.”

“We have a county government that is supporting growth, and that’s one of the reasons why I love it here,” added Curri. “I feel like the county is a little bit ahead of the growth curve. I like to see that.”

Curri said Brevard’s economy is diversified. It’s not like one sector is driving all the growth.

“We have aviation and aerospace, defense, government contracting, energy, real estate, education, staffing companies, health care, and engineering, among other economic sectors. And we have a fantastic private college (Florida Tech) that is producing those engineers. It’s almost surreal, because all of these sectors are blending together right before us. I have lived here a long time and to see this is very encouraging for the county,” he said.

“The robust real-estate activity is pretty much happening countywide,” said Artusa, a Certified Property Manager and Accredited Commercial Manager.

“Both the residential and commercial markets in Titusville, for example, have been expanding at a rapid pace. The space industry is driving a lot that growth. People are moving to Titusville. Condominiums are being built. Apartments are being constructed. I see a lot of promise for Titusville years into the future. It’s exciting.”

Curri Commercial is involved in leasing, working with real-estate investors locating and evaluating properties, and much more.

“We are building a full-fledged commercial real-estate company,” said Curri. “We are going to live and breathe commercial real estate. We particularly see opportunity in the middle market. This includes the marketing of 5,000- to 15,000-square-foot buildings that are not within real-estate investment trusts. The middle market really appeals to us, and there is a gap in service there.”

Artusa, who has worked in the field for 25 years, said Curri Commercial “is focused on customer service. We have a lot of long-term clients. We handle their property management. We handle their leasing. We handle their sales. We offer customized services to our clients. We can fill any of their particular needs in the commercial real-estate sector, from investing to sales and management and leasing. Personal customer service has helped us over the years expand our business. Some companies are too big to handle the day-to-day details. Karen (D’Alberto), John (Curri) and I cut our teeth in this industry doing that. No detail is too small to us.”

Commercial real estate is all around us, perhaps in ways that many people may not notice.

The category of “commercial property” includes offices, apartment buildings, retail space, industrial facilities,

medical centers, hotels, malls, and warehouses.

“Locally, I believe we are going through a metamorphosis in commercial real estate,” said Curri, who found success as an entrepreneur at a young age in the telecommunications field before selling his venture to a South Florida businessman and investing in real estate.

“There is a lot of real estate around the county that needs to be repurposed and upgraded. There are opportunities for small- to mid-level investors to acquire real estate and adapt it for new use.”

Industry experts say adapting and repurposing commercial real-estate assets to suit new and different needs will be the core focus for investors, owners and operators in the years to come. The shift will require visionary thinking and strategic, opportunistic capital investment.

“There are repurposing opportunities especially in the middle of the county,” said Curri.

An example can be found in the craft-brewing business, which has exploded in recent years. Many times, these businesses find their new home by outfitting an existing building.

Research shows that adaptive reuse can be up to 16 percent cheaper than new construction and take 18 percent less time to complete a project.

“Reuse of vacant structures could also give a new lease on life to the neighborhood while supporting the local economy, and enabling people to stay close to their workplaces — all the while helping preserve the social and cultural heritage of a region. Also, if repurposing is done with smart and sustainable features in mind, it can help improve building performance and valuation, according to a report by Deloitte.

The closed Sears store on South Babcock Street in Melbourne presents a unique repurposing opportunity. The sizable property is near Keiser University, which itself is housed in a repurposed grocery store.

However, if an older property is going to be reworked, cooperation from local governments is critical to continued growth and repurposing.

Adaption of obsolete commercial properties for reuse projects is predicted to make up a greater percentage of investment activity than self-storage and other select non-core property types by 2023, according to a report by the Certified Commercial Investment Member Institute.

“There are a number of older properties in Cape Canaveral and Cocoa Beach that would make great repurposing projects,” said D’Alberto. “And Merritt Island, especially along North Courtenay Parkway, presents investment opportunity for repurposing. I think we are going to see a lot of repurposing in the Titusville market as well, projects that you probably won’t see in other areas.”

Another foreseen driver of future residential and commercial growth in the county is the new segment of the St. Johns Heritage Parkway, including the Babcock Street intersection. The new stretch of the Parkway and southern Interstate 95 at Exit 166 opened last summer.

The new 1.6-mile segment of the Parkway runs east-west between Babcock Street and the “diverging diamond” interchange. The southern I-95 interchange provides Palm Bay residents with much-needed access to the I-95 corridor, reducing travel times and traffic surrounding the existing interchange at Malabar Road.

The northern and southern segments of the St. John’s Heritage Parkway serve as the first and second phases of a future beltway around Palm Bay, connecting Brevard’s most populous city with U.S. Highway 192 in West Melbourne and I-95 in southeast Palm Bay.

“The St. John’s Heritage Parkway is going to create many fantastic commercial real-estate opportunities,” said

Curri. “There will be multifamily projects, grocery stores, convenience stores, and other development that will create jobs and help lift the economy. I’ve been waiting for this road to be completed. It’s exciting. I believe the south part of the county will now explode with retail, all the things that support residents.”

Cypress Bay Commercial alone consists of 100 acres of prime land on the corner of Babcock Street and the St. John’s Heritage Parkway, only .6 miles from the new I-95 interchange.

Palm Bay has more than 119,000 residents across 88 square miles — much of that area is not yet built out. Near the St. John’s Heritage Parkway interchange, developers have planned several large-scale residential developments, including Cypress Bay, Emerald Lakes, and Waterstone.

Realtor.com is predicting that the Palm Bay–Melbourne–Titusville Metropolitan Statistical Area will pace the state in home sales this year.

The Space Coast will see 11.6 percent sales growth, and 4.7 percent price growth, the report says. The Orlando–Kissimmee–Stanford MSA is second, with 10.1 percent and 5.8 percent, respectively.

With the county growing, investing in real estate on the Space Coast could produce long-term gains.

Billionaire Andrew Carnegie famously said that 90 percent of millionaires got their wealth by investing in real estate.

A smart commercial real-estate investment can be a great way to grow your investment dollars along with the local economy.

When people first consider investing in commercial real estate, many often stray toward properties located in highly competitive markets.

However, between capitalization rates and rental trends, the secondary and tertiary cities — middle markets — may present the best opportunities for investment growth.

Curri said 4-plexes, 6-plexes and 8-plexes are in demand from an investor standpoint. “That’s where a lot of investors are putting their money. They know what they’re investing in, and the deals are easy to understand.”

Here are some reasons to invest in Florida real estate, especially in Brevard: growing economy, low unemployment rates, population growth, declining vacancy rates, quality of life, infrastructure and connectivity, and it is still a bargain.

Historically, commercial real estate has provided millions of investors with attractive risk-adjusted returns. As an alternative asset class, it also has a track record of providing portfolio diversification.

There are some key differences between commercial real-estate investments and traditional investment vehicles, such as stock and bonds.

Unlike stocks and bonds, which have high liquidity and can typically be bought and sold generally quickly and easily, commercial real estate is relatively illiquid and one of the select few investments considered a “hard asset” — a scarce resource that holds intrinsic value.

Curri sees opportunity investing in Brevard County real estate, years out.

“I feel really good about Brevard’s future, and I have been saying that for a number of years,” he said. “But the next five to 20 years are going to be something special, I believe, in this county.”

Curri added, “Because of business growth and all the energy that is swirling around Brevard, I don’t see how we as a county can fail. Momentum is behind us. And our company plans to be part to that success, helping clients navigate the commercial real-estate market here.”