

Jose Juncadella on Last Week's Poll



THE EFFECT OF HIGHER GAS PRICES

Last week's national GlobeSt.com Quick Poll asked readers if rising gas prices are effecting the way business is done in the commercial real estate sector. 83% of respondents said fuel costs are changing the way we do business. Jose I. Juncadella, principal of Coral Gables-based commercial brokerage firm Fairchild Partners Inc., spoke with GlobeSt.com about the way rising costs are impacting the South Florida industrial market;

"Operating costs are becoming much higher because of fuel prices. Those dealing with international trade, which is our economic engine here in South Florida, are impacted. Logistics and freight forwarding companies are especially effected. I talk with a lot of users and what we're finding is that many of them have a 'wait and see' attitude. That's why there's low velocity of leasing in South Florida even though rental rates remain stable. People want to see if fuel prices stabilize.

"Air transportation is heavily impacted. One example given to me was from a logistics company taking cargo to the Caribbean. They said the surcharge for fuel is more expensive than the actual cost of the transportation.

"Operational costs are becoming very expensive. It's one of the main reasons why there aren't many companies expanding right now. Of course the general state of the economy is also of concern. Trade with Latin America is doing very well and the international market in general has a positive outlook, but the cost of fuel is the biggest concern right now.

"The future moves of these companies are going to be based on location, including access to expressways and airports. Centers that have those sites definitely have a benefit in this climate."